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PROCEEDINGS AND DEBATES OF THE 101st CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*October 19, 1990*

The House met at 11 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We celebrate Your creation, O God, with all its diversity and tradition, a creation of nations and peoples of every background and experience. Yet, we celebrate too, O God, the unity of that creation and the unique bond that exists between every person. Remind us, gracious God, that our actions should reflect that unity and our experiences toward each other should reveal our respect for our Nation and for each other. In Your holy name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentlewoman from Maryland [Mrs. MORELLA] please come forward and lead the House in the Pledge of Allegiance.

Mrs. MORELLA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MAKING IN ORDER CALL OF THE PRIVATE CALENDAR ON TODAY

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar be considered today, and that the eligible bills be considered in the following order: S. 3016, S. 3043, and H.R. 1230.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. Pursuant to the unanimous consent just agreed to, this is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

FIONA LAMONT DuVAL, RODNEY E. HOOVER, AND JOHN BARREN

Mr. BOUCHER. Mr. Speaker, I ask unanimous consent that numbers 23, 31, and 32 on the first page of the Private Calendar, H.R. 3920, H.R. 2937, and H.R. 4356 be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

JANICE AND LESLIE SEDORE AND RUTH HILLMAN

The Clerk called the Senate bill (S. 3016) for the relief of Janice and Leslie Sedore and Ruth Hillman.

There being no objection, the Clerk read the Senate bill, as follows:

S. 3016

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Janice Sedore ([redacted] xxx-xx-xxxx [redacted]) and Leslie Sedore (social security number [redacted] xxx-xx-xxxx [redacted]) of Grand Ledge, Michigan, the sum of $12,143.00 and to Ruth Hillman ([redacted] xxx-xx-xxxx [redacted]) of Lansing, Michigan, the sum of $8,512.70, in full satisfaction of all claims such individuals may have against the United States for calendar years 1980 through 1984.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEBRASKA ALUMINUM CASTINGS, INC.

The Clerk read the Senate bill (S. 3043) for the relief of Nebraska Aluminum Castings, Inc.

There being no objection, the Clerk read the Senate bill, as follows:

S. 3043

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SATISFACTION OF CLAIM AGAINST THE UNITED STATES.

(a) IN GENERAL.—The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, the sum of $95,000 to Nebraska Aluminum Castings, Inc., of Hastings, Nebraska, for costs arising out of the rejection by the United States Army of a proposal by Nebraska Aluminum Castings, Inc., in response to Solicitation No. DAAK01-85-B-B060 issued on August 27, 1985, by the United States Army Troop Support Command, for hand-held aluminum compasses.

(b) CONDITION OF PAYMENT.—The payment of the sum referred to in subsection (a) shall be in full satisfaction of any claim of Nebraska Aluminum Castings, Inc., against the United States arising out of the proposal rejection described in such subsection.

SEC. 2. LIMITATION ON ATTORNEY AND AGENT FEES.

(a) IN GENERAL.—Not more than 10 percent of the amount appropriated pursuant to section 1 shall be paid to or received by any agent or attorney for services rendered in connection with the claim described in such section.

(b) ENFORCEMENT.—Any person who violates the provisions of this section shall be fined not more than $1,000.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOCELYNE CARAYANNIS AND MARIE CARAYANNIS

The Clerk called the bill (H.R. 1230) for the relief of Jocelyne Carayannis and Marie Carayannis.

There being no objection, the Clerk read the bill as follows:

H.R. 1230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subject to subsection (b), for the purposes of the Immigration and Nationality Act, Jocelyne Carayannis and Marie Carayannis shall be considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee.

(b) Subsection (a) shall only apply to a beneficiary under that subsection if the beneficiary applies to the Attorney General for permanent residence status under that subsection within two years after the date of the enactment of this Act.

(c) Upon the granting of permanent residence to a beneficiary under subsection (a), the Secretary of State shall instruct the proper officer to deduct one number from the total number of immigrant visas which are made available to natives of the country of the beneficiary's birth under section 203(a) of the Immigration and Nationality Act or, if section 202(e) of that Act is applicable to the country, from the total number of immigrant visas which are made available to natives of such country under that section.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that it will receive 1-minute request for eight Members on each side and will postpone further 1-minute requests.

HOUSE DEMOCRATS STOOD TALL FOR TAXPAYERS

(Mr. FROST asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FROST. Mr. Speaker, we are now heading into the final days of the budget roundup. The House passed a tax plan that is fundamentally fair and requires the wealthy to pay their fair share toward resolving the deficit problem.

The Senate last night passed a plan that is not as fair as the House plan, but at least represents some progress toward resolving the problem.

Conferees will begin meeting soon and hopefully the matter will be settled by next week. As we enter into the final stage of negotiation, we should all keep one thing in mind. It was Democrats in the House of Representatives who stood tall for the American taxpayer, and who staked out a position that ultimately will make sure the wealthy are part of the solution, and it was Republicans in the House, as well as the Republican President, who have resisted it virtually every step in bringing the wealthy to the table. Members never get everything they want from a conference report, but it was this House and this party that blazed the trail. No matter how much Republicans tried to wiggle out of this one, the American public knows now who is on their side and who is not.

DEMOCRATS WOULD RAISE TAXES, CONTINUE SPENDING

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, millions of American workers are being laid off and working short hours. Your Democrat package raises their taxes at the worst possible time. But Americans are willing to sacrifice if necessary, even to pay the largest tax increase in history for the proper purpose.

What is the purpose of this requested sacrifice? To reduce the size of Government? No. To take care of our economy? No. To support our troops in Saudi Arabia? No. Then why? To allow the continued growth of our bloated Government.

When the Government closed the other weekend, several hundred thousand nonessential workers were laid off. They picketed for losing a day of work. We need to freeze hiring and reduce the number of nonessential workers.

I realize most Democrats want to raise taxes because they do not know how to cut spending. I hope the voters also recognize this.

DEFENSE FOCUS IS WRONG

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, 3 days ago Mr. Gorbachev won the Nobel Peace Prize for working diligently with our President and the diplomatic corps to make major progress in cranking down the cold war.

Then, yesterday in the headlines of the Washington Post, it says "Pentagon Keeps All Major Weapons Systems, Conferees Trim Defense, But Continue Funding for Cold War Weapons."

Mr. Speaker, this is embarrassing to us in the House. Why should we be sending different signals to the Soviets than what our President and Mr. Gorbachev are trying to send to the world. Can we not get out of this catch-22?

What kind of a signal are we sending to the hawks in the Kremlin and in the Soviet general staff? We are telling them, no matter what the diplomats do, we are going to keep all of these outdated, outmoded weapons systems. We are going to go ahead with the B-2 bomber, whose only purpose is to silently invade the air space of the Soviet Union.

Mr. Speaker, we spent $20 billion in the last decade on SDI, and plan to spend another $3 billions this year. For what?

We'll spend another $4 billion this year for the B-2 Stealth bomber, designed to invade Soviet airspace. Why do we want to invade the airspace of another democracy?

Mr. Speaker, the minuscule cuts in land-based nuclear missiles mean nothing in a post cold war world. What kind of nonsense is this?

If being able to provide stability in regional conflicts is our goal, and it should be, then this massive weapon's buildup belongs in recent history, and not among today's priorities.

FARM BILL IS DISMAL FAILURE

(Mr. MARLENEE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARLENEE. Mr. Speaker, I must ask of the Secretary of Agriculture, if he has an agricultural policy or a foreign policy in the current agricultural legislation? If it is an agricultural policy, it is a dismal failure. The farm bill that they created and helped create will cause, in my estimation, the collapse of 30 percent of the Nation's producers.

If consumers do not need this bill, and if producers do not want it, why are we passing it? For foreign agricultural giveaway? Is that what this farm bill is all about?

□ 1110

I contend that it is and that we ought to defeat the conference report on the agricultural legislation.

NO MORE TAXES ON MOM AND DAD

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, because of the cold war, the B-2 bomber has been saved.

Now, who would ever have expected that? But tell me, who needs a B-2 when things are so bad in Russia that Germany cannot even pay Soviet soldiers to go back home. One Soviet soldier said, "There are no lights. There is no gas. There is no food, and there is no money."

Another one said that there is no housing. He said they offered he and his wife an apartment in Chernobyl, and we all know how Soviet soldiers are just dying to live in Chernobyl.

Mr. Speaker, I say we do not need a B-2 bomber. We do not need a B-2 bomber to attack an abandoned fort

that is being surrounded by Jane Fonda at this very moment.

I also say that any Congress that will increase foreign aid, raise taxes on mom and dad, and fund a B-2 bomber that cannot fly, needs his head examined.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MONTGOMERY). Our guests in the gallery will not participate.

WE TAX TOO MUCH AND SPEND TOO MUCH

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, Abraham Lincoln left this Nation with a legacy of famous sayings. I will not read them all, but I will quote one. It says, "You cannot help the poor by destroying the rich."

Well, my Democrat friends would rock Mr. Lincoln in his grave in their effort to redefine rich in America. In their tax package which they passed, a family of four with taxable income of $44,800 will have an increase in taxes of $639. That family happens to comprise about 44 percent of the taxpayers in this country who will collectively realize an increase in their income taxes of 5.6 percent.

The Democrats also include within the definition of rich, people who drink beer or smoke cigarettes, because their taxes go up as well.

The answer for the American people is to retrain spending in Congress. We Republicans offered a plan. Unfortunately, the Democrats would not even let it come to a vote, they were so afraid of the votes we might get in this House. I happen to believe we would get a majority.

We are not under taxed in this country, we are spending too much.

DEMOCRATIC PARTY RAISES TAXES AND ACCELERATES SPENDING

(Mr. CRAIG asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, a great way to start a day. The first speaker this morning, a Democratic colleague of mine here in the House, stood up and said, "My party just passed a budget. The Republicans didn't."

Well, he is right. This House just passed a budget under the direction and under the leadership of the Democratic Party, a massive load of new taxes and a massive load of new spending, and now they are trying to suggest that somewhere in America there is somebody who is not paying their fair share of taxes.

The bottom line is very simple. We are just a few days away from adjournment, and when we adjourn there will be one clear fact for the American public to consider in November. That is the Democratic Party raised taxes and the Democratic Party accelerated spending in this Congress. I hope it does not create another recession.

TAX COMPARISON

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DORGAN of North Dakota. Mr. Speaker, there is a thick political fog being cast in this Chamber and in this town about budget plans, so let me use some charts to try to clear it up just a bit. I want to compare these charts from 1977 to today, real income to tax burden.

From 1977 to today, real income increased by $91 billion for the top 1 percent of Americans. But during the same period these folks received a giant tax cut.

The middle 20 percent of Americans received a little extra income, and paid higher taxes.

The rich, $91 billion more and lower taxes.

Now, 1977 tax law to today. If the rich had been paying taxes under the 1977 tax law they would be paying $39 billion more a year. Stated another way, every other income group in America is paying more taxes, except the top 1 percent. The top 1 percent are paying $39 billion less a year.

The President says, "Well, you are trying to soak the rich."

No, we are trying to ask the rich to pay their fair share. The President is trying to soak the rest.

Let us ask the folks in the top 1 percent of the income bracket to pay their share of the American tax bill for a change. That is not radical. That is right.

APPOINT CONFEREES ON CRIME BILL

(Mr. McCOLLUM asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. McCOLLUM. Mr. Speaker, 2 weeks ago today this body passed a very tough crime bill. That crime bill, after being amended on the floor, contained provisions that included the revision of the death penalty procedures in this country for Federal crimes, that would allow for the death penalty to be given for the first time for most of those crimes in nearly 20 years. It included a new death penalty for drug kingpins who traffic in very large quantities of narcotics. It included changes in the law that will finally limit the ability of death row inmates to appeal endlessly their sentences before they are carried out, and it included a provision that would expand the powers of police to search and seize and get evidence into court from what they had gotten from illicit trafficking in the drug wars that are going on out there, and to get convictions and to send people away.

But we have not seen in that 2-week period any movement to appoint conferees to go along with the Senate bill. We have seen no indication that we are really going to see a crime bill, and we are within just a few days of adjournment.

Maybe somebody is going to produce one out here on the floor. Maybe one will be passed over in the Senate and sent over here that will not have these tough provisions in it, and we will not have a chance to keep those provisions. We will have gone home again without doing the things America wants to toughen the laws against criminals in this country. If so, that will be a shame.

Mr. Speaker, I urge my colleagues in the majority to appoint conferees now and get on with the crime bill.

Mr. MAZZOLI. Mr. Speaker, as H.R. 5269, the Crime Control Act, continues to be debated in the House and Senate conference, the war against drugs and drug dealers, and drug-related crime continues in my home town of Louisville, KY, and across the Nation.

As a member of the Crime Subcommittee, I have worked hard in seeing that local governments receive their fair share of Federal funding to fight the drug war with at least equal the resources as are available, I am reluctant to admit, to the drug kingpins.

To this end, Mr. Speaker, I successfully offered two amendments to H.R. 5269 when it came before our Judiciary Committee.

One was the direct pass through amendment which provides local governments greater flexibility in applying for and using Federal grant money. The other was making permanent the 75–25 percent Federal/local cost share formula for law enforcement grants. It is scheduled to revert to 50–50 percent unless extended.

On the House floor, the direct pass through amendment was struck out of H.R. 5269, but the 75–25 percent cost-share requirement for law enforcement grants remained in the final House version of the crime bill. Since similar language was also included in the Senate version of the crime bill, language extending the 75–25 percent cost share should be in the final crime package ultimately agreed to by House-Senate conferees.

Mr. Speaker, in the event the crime bill conference is not completed by the time the 101st Congress adjourns for the year, a temporary 1-year extension of the 75–25 percent match requirement has been included in the 1991 appropriations bill for the Justice Department.

In any event, Mr. Speaker, the 101st Congress agrees: America's cities and counties cannot fight a war without resources—75–25 percent gives them those resources.

APPOINTMENT OF CONFEREES ON H.R. 996, CONGRESSIONAL SCHOLARSHIPS FOR SCIENCE, MATHEMATICS, AND ENGINEERING ACT

Mr. VALENTINE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 996) to establish the Congressional Scholarships for Science, Mathematics, and Engineering, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina? The Chair hears none, and appoints the following conferees, and without objection, the Chair reserves the right to appoint additional conferees:

From the Committee on Science, Space, and Technology, for consideration of the House bill, and the Senate amendment—except sections 201, 221, and 601—and modifications committed to conference: Messrs. ROE, BROWN of California, WALGREN, VALENTINE, PRICE, WALKER, BOEHLERT, and SLAUGHTER of Virginia.

From the Committee on Education and Labor, for consideration of the House bill, and the Senate amendment—except 231, 251, 301, 321 through 323, 401 through 404, and 602—and modifications committed to conference: Messrs. HAWKINS, FORD of Michigan, WILLIAMS, OWENS of New York, SAWYER, GOODLING, COLEMAN of Missouri, and BARTLETT.

There was no objection.

WILL REPUBLICANS PARTICIPATE IN BUDGET CONFERENCE?

(Mr. SMITH of Florida asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. SMITH of Florida. Mr. Speaker, in the coming next few days the challenge for this Congress, for the House and the Senate, is going to be to try to craft a final budget package that everyone can agree on and the President will accept. That is fine. That is our job, and we are continuing to do that.

The real issue is whether or not the Republicans are going to be able to participate in that process, because so far they have left themselves out.

□ 1120

The President has taken positions on every side of the aisle, mostly to try to protect the wealthy.

The Republican leadership came to this floor trying to get their Republican rank-and-file to say "yes" to a package that had taxes in it. Then a few days later when it was rejected and the President had put his name on it, now they come with another package and say, "Don't do this, because it has taxes in it."

The trick is whether or not they are going to wake up once and for all and endorse a package that the Democrats have crafted that puts the tax burden back where it belongs—on the people in this country most able to pay—and tries to reduce the tax burden ultimately from the vast middle-class working men and women in this country.

The challenge is there. The Democrats have responded. We have a job to do. We invite, we invite the Republicans to take part in this process.

RELEASE THE CRIME BILL

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, Members of the House, we invite the Democratic leadership to let loose of the crime bill. They have in charge a crime bill which the American people demand be passed. Why? How many in the public are against having the death penalty for a bank robber who kills? Not by the statistics.

Eighty percent of the American people favor the death penalty as a deterrent and as a just penalty for some of these tragic and brutal crimes that we read about.

The drive-by killer who shoots out into a crowd and kills innocent people. Should a jury have the right to impose the death penalty? The American people feel so. But the Democratic leadership will not release the crime bill that will accord us the right to pass this legislation.

Do the American people believe that someone who sends a mail bomb through the mail and kills someone, whether intentionally or not, should that person be subjected to the death penalty? The American people believe so. The Democratic leadership holds up the bill that could provide a deterrent like the death penalty.

Release that bill.

PRESIDENT BUSH SHOULD CONSULT WITH CONGRESS AND THE NATION ON MAJOR ACTION IN THE PERSIAN GULF

(Mr. MAZZOLI asked and was given permission to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, based on everything I have seen, in trips back home, phone calls, and letters, I think there is broad support for the President's action thus far in the gulf region. He moved quickly to stop the adventuring and marauding of Saddam Hussein, and he has internationalized the conflict.

But, Mr. Speaker, I do not think that support from the American people extends to offensive actions which might be taken to free Kuwait or offensive actions somehow against Iraqi forces, unless those are provoked by some attack on United States personnel or some killing of a hostage or some other provocative or threatening action to United States security.

If the nature of the action in the Middle East and in the gulf is to change, Mr. Speaker, I hope the President realizes he needs to retain the broad support he legitimately enjoys today.

That means consultations with the Congress, consultations with the American people, because only in that collegial way can we maintain the sort of collective strength that the United States has shown to date in the gulf region.

WHERE IS THE CRIME BILL?

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, where is the crime bill? Anybody know where the crime bill is?

Two weeks ago we passed a strong anticrime package; we spent 2 days on the floor of the House debating it, and it has disappeared.

Has crime in America disappeared? No.

Last night thousands of people were robbed, raped, and beaten, and there were murders committed, but there is no crime bill going to be voted on in the U.S. House and the U.S. Senate because the Democrat leadership has bottled it up. They are in a great rush to raise taxes. They are not in a great rush to raise penalties on criminals.

They do not want to see the death penalty expanded to people who blow up airplanes; they do not mind expanding taxes on airplanes. There is a real inconsistency between what they say and what they do.

Personal security at home for women and older folks is at risk because we have not passed a crime bill and we have only 1 week to go.

Rather than raise taxes, let us raise penalties on drug dealers.

BREAST CANCER AWARENESS MONTH: BEWARE OF FAULTY MAMMOGRAMS

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, October is Breast Cancer Awareness Month. And I think it is important we point out that every year thousands of women pay for bad mammograms in this country with their lives. That is a very expensive payment.

Congresswoman MARILYN LLOYD and I have a bill to bring Federal standards to mammogram clinics such as we have done with pap smears and other such laboratories to stop this scandal.

Only about 20 percent of the medical facilities in America today have been following the American College of Radiology's voluntary standards.

I want to say I hope many of you will cosponsor Congresswoman LLOYD's and my bill to bring these standards and to end the faulty mammograms where people think they are OK only to find out they have cancer later on.

But in the interim, let me say to women out there, when you go to get your mammograms, there are two questions you should ask. No. 1, are they following the American College of Radiology standards? No. 2, is the machine designed solely for the purpose of mammograms? The answer to both should be "yes." Otherwise find another clinic.

THE BUDGET CRISIS

(Mr. GOSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOSS. Mr. Speaker, the people in my district and all across the country have been looking at the fine print in the budget proposals that were rammed through this House this week—and the secret is out.

They now know they are in for more taxes for lower- and middle-income families—$150 billion more taxes. The old bait and switch trick. Tax the rich is really tax the middle class. And for what will middle America be paying higher taxes? Little more than some questionable promises of deficit reduction. There are no guarantees that spending will be cut. My constituents are telling me to vote no on the Democratic budget.

Mr. Speaker, this time the Democrats have underestimated the American people—the folks who work hard to support their families and build their futures are not sitting still. They are fighting mad and they are fighting back.

My phones have been ringing off the hook, my mail flow is mountainous and the letters to the editor in our hometown papers are vehement—the people have had enough of tax and spend.

And frankly so have I. Let us listen to the people—we do work for them—and get back to work this weekend on budget proposals that choose spending cuts and deficit reduction rather than higher taxes.

IT IS TIME TO FIX THE BANK INSURANCE FUND

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, on September 11, the GAO gave Congress a very clear warning: the bank insurance fund—which has now lost 50 percent of its strength since 1985—is shrinking at an alarming rate, and may require a taxpayer bailout.

Mr. Speaker, the current structure of the bank insurance fund is unsatisfactory because the sole safety net for the fund is now the American taxpayer.

I for one am convinced that the burden of potential bank failures must be placed where it belongs—on the banks themselves which reap the benefits of deposit insurance. I believe it would be immoral to call upon innocent American taxpayers once again to bail out a failed insurance fund.

That is why I introduced the Bank Account Safety and Soundness Act.

My legislation creates a supplementary safety net to protect the taxpayers from yet another bailout. It requires insured banks to place into the fund 1 percent of their deposits, which would be replenished if spent to cover losses.

It would also roughly triple the size of the bank insurance fund and make if fail-proof.

Mr. Speaker, the banking industry itself—not the taxpayer—must be the first and only line of defense to catastrophic insurance fund losses. Thus I intend to pursue this objective and use this legislation as the basis for any deposit insurance reform package considered by Congress.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
Washington, DC, October 19, 1990.

Hon. THOMAS S. FOLEY,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 3:20 a.m. on Friday, October 19, 1990 the following message from the Secretary of the Senate: That the Senate passed with an amendment H.R. 5835 and requested a conference thereon.

In accordance with action taken by the House on Thursday, October 18, 1990, the Clerk has notified the Senate that the House disagreed to amendment of the Senate to H.R. 5835, and agreed to a conference thereon.

With great respect, I am
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

□ 1130

AUTHORIZING THE SPEAKER TO DECLARE RECESSES THROUGH THE LEGISLATIVE DAY OF OCTOBER 21, 1990

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 513 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 513

Resolved, That upon the adoption of this resolution the Speaker is authorized to declare recesses at any time through the legislative day of October 21, 1990, subject to the call of the Chair.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 513 authorizes the Speaker to declare recesses subject to the call of the Chair at any time through the legislative day of Sunday, October 21.

Mr. Speaker, we are going to be here this weekend and there is much we have to accomplish before we can go home. No one is happy about that fact but it is a fact. Let us make what we hope to be the last week of the 101st Congress as productive as possible.

Mr. Speaker, we have been through this drill before. We know, at some point this weekend, our only responsibility will be to wait for the other body to complete action and to be sure the Senate does not amend the product of the House. At such times, it is best to recess subject to the call of the Chair.

Mr. Speaker, the rule before us simply provides the Speaker the necessary authority and flexibility while we are here this weekend.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MOAKLEY], the chairman of the Committee on Rules, for yielding this time to me.

Mr. Speaker, this is a necessary resolution. Given the crisis that we are in the Speaker should have the authority to call recesses at any time.

Mr. Speaker, I urge the adoption of this resolution.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

H. RES. 512

Resolved, That the requirement of clause 4(b), rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is hereby waived with respect to any resolution reported from that committee on or before the legislative day of October 21, 1990, to provide for the consideration or disposition of a bill to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for the fiscal year 1991, an amendment thereto, or a conference report thereon, or a joint resolution making continuing appropriations for the fiscal year 1991, an amendment thereto, or a conference report thereon, or a bill to extend the temporary increase in the public debt limit, an amendment thereto, or conference report thereon.

SEC. 2. Notwithstanding the provisions of clause 2 of rule XXVIII, it shall be in order at any time through the legislative day of October 21, 1990, to consider conference reports and amendments reported from conference in disagreement on any general appropriation bill on the same day reported or any day thereafter if copies of the conference report and accompanying statement, together with the text of any amendment reported from conference in disagreement, have been available to Members for at least two hours before the beginning of such consideration. Any said conference report, amendments in disagreement, and motions to dispose of amendments in disagreement printed in the joint statement of the managers shall be considered as having been read when called up for consideration.

WAIVING SPECIFIC REQUIREMENTS OF HOUSE RULES AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS, CONFERENCE REPORTS, AMENDMENTS, AND MOTIONS THROUGH OCTOBER 21, 1990

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 512 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 512 provides the House the flexibility it needs to do what must be done. This rule allows the House to consider a rule on the same day it is reported through the legislative day of Sunday, October 21, notwithstanding the requirement of clause 4(b) of rule XI.

By waiving clause 4(b) of rule XI the House by majority vote may consider or dispose of any reconciliation bill, continuing resolution, or temporary increase in the debt limit. The requirement of a two-thirds vote is also waived against amendments to such measures and conference reports on such measures.

Mr. Speaker, the rule makes it in order, through the legislative day of October 21, to consider conference reports and amendments reported from conference in disagreement on any general appropriation bill, if copies of the report or the text of any amendment reported in disagreement, are available for 2 hours before they are considered. The requirement that conference reports be printed in the RECORD and lay over 3 days is waived against appropriation conference reports.

Finally, the rule provides that the conference reports, amendments in disagreement and motions to dispose of amendments in disagreement printed in a joint statement of managers will be considered as having been read.

Mr. Speaker, yesterday we took one step back away from the edge of the cliff. In the House, we passed a continuing resolution and a temporary debt limit increase that may get us through Wednesday. The President will sign these temporary measures if we can show serious progress on the reconciliation front.

House Resolution 512 demonstrates our intention to focus on the essential business and to expedite consideration.

Mr. Speaker, it is time to act. House Resolution 512 is necessary to permit the House to get its business done by majority vote. I urge adoption of the rule.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the distinguished chairman of the Rules Committee, the gentleman from Massachusetts, [Mr. MOAKLEY] has fully described the provisions of this resolution. I will not repeat them.

However, I would like to urge the Democratic leadership to consult with the Republican leadership as far in advance as possible before moving legislation under the provisions of this resolution. Since this resolution dispenses with some of the usual layover requirements, it is important that there be as much notice as possible to both sides of the aisle. We all understand the need to move expeditiously at this stage in the legislative process, but nobody wants to be the victim of an ambush.

Because this resolution applies only to specified legislation which needs to move promptly and applies only through October 21, I will not object to its adoption.

Mr. Speaker, as I understand it, it applies to the budget resolution, budget reconciliation, the debt limit and continuing resolutions. Only three times.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman from Tennessee [Mr. QUILLEN] for yielding this time to me.

Mr. Speaker, this is a rule that ought not be passed. This is a rule that should be defeated. Members of the House who are concerned about the nature of the legislation that we pass should not give up our rights to see the legislation that we are about to act on, and that is what this piece of legislation here refers to.

If my colleagues, in fact, allow this particular rule to be passed, what they will do is say that they can bring up any bill they want to with regard to reconciliation, continuing appropriation or the debt limit on any day, not giving the Members any opportunity whatsoever to look at the bill, and go ahead and pass it. My guess is that most of us will want to see what is in a reconciliation package that comes back from the conference committee. We are not going to want to rely upon a one-page sheet telling us what is there.

□ 1140

My guess is that if we get to a massive CR to run the Government for the entire year, that many of us might want to have a look at that before we pass it. My guess is that we might want to consider what is in a debt limit extension before passing it, and we ought not waive the two-thirds rule. We are having trouble right now getting the reconciliation package that passed in the House last Tuesday. It took us almost 3 days to get a copy of that piece of legislation to the floor, in large part because it was brought here under expedited procedures.

Under this rule, those expedited procedures will be used once again, and Members can be assured that they will have no idea what is in these packages when they are voted on.

I think this is a bad thing to do. At the end of the session often we do much mischief with things that are buried in legislation, where everybody claims, well, we had no idea what was in it. I think we ought to give ourselves some chance of knowing what is in the legislation. We ought to turn down this rule.

Mr. QUILLEN. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Speaker, I thank the gentleman for yielding. I concur with the gentleman from Pennsylvania [Mr. WALKER]. I know all Members want to get out of

here. I know this has been a very long debate on the budget and the budget process and taxes and everything else. But I know for that very reason, we need to have more information on what is in the legislation.

If we waive the two-thirds rule, then that puts the minority in a very, very weak position. We cannot win on anything if we have a big disagreement on what is coming to this floor. I think it is extremely important in a very real way that this rule be defeated. It seems to me that all Members ought to have some time to review the legislation, as the gentleman from Pennsylvania [Mr. WALKER] said.

Mr. Speaker, I can remember a couple of years ago when at 11 o'clock at night on the last day of the session we had a bill that weighed about 25 pounds come down that was wrapped in string and had red lines through it, and no one knew what was in it. We passed it.

I think since we are talking about higher taxes on the American people and budgetary changes, that it is extremely important that we know what is in it. I think this rule should be defeated.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, but I do support the resolution. The Republican leadership was consulted before the Committee on Rules' action, and I think this would expedite our adjournment. The rule applies to only limited categories of legislation. I urge the adoption of the resolution.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the ranking minority member on the Committee on Rules for his cooperation and agreement in passing this rule.

Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. (Mr. MONTGOMERY). The question is on the resolution.

The question was taken; and the speaker pro tempore announced that the ayes appeared to have it.

Mr. BURTON of Indiana. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 246, nays 163, not voting 24 as follows:

[Roll No. 488]

YEAS—246

Ackerman	Andrews	Applegate
Alexander	Annunzio	Aspin
Anderson	Anthony	Atkins
AuCoin	Hayes (IL)	Parker
Barnard	Hayes (LA)	Parris
Bateman	Hefner	Patterson
Bates	Hertel	Payne (NJ)
Beilenson	Hoagland	Payne (VA)
Bennett	Hochbrueckner	Pease
Berman	Horton	Pelosi
Bevill	Hoyer	Penny
Bilbray	Hubbard	Perkins
Boggs	Huckaby	Pickett
Borski	Hughes	Pickle
Bosco	Hutto	Poshard
Boucher	Jacobs	Price
Boxer	Jenkins	Quillen
Browder	Johnson (CT)	Rahall
Brown (CA)	Johnson (SD)	Rangel
Bruce	Johnston	Ray
Bryant	Jones (GA)	Richardson
Bustamante	Jones (NC)	Roe
Byron	Jontz	Rose
Campbell (CO)	Kanjorski	Rostenkowski
Cardin	Kaptur	Rowland (GA)
Carper	Kastenmeier	Roybal
Carr	Kennedy	Russo
Chapman	Kennelly	Sabo
Clarke	Kildee	Sangmeister
Clay	Kleczka	Sarpalius
Clement	Kolter	Savage
Coleman (TX)	Kostmayer	Sawyer
Collins	LaFalce	Scheuer
Condit	Lancaster	Schroeder
Conyers	Lantos	Serrano
Cooper	Laughlin	Sharp
Costello	Leath (TX)	Sikorski
Coyne	Lehman (CA)	Sisisky
Crockett	Lehman (FL)	Skaggs
DeFazio	Levin (MI)	Skelton
Derrick	Levine (CA)	Slattery
Dicks	Lewis (GA)	Slaughter (NY)
Dingell	Lipinski	Smith (FL)
Dixon	Lloyd	Smith (IA)
Donnelly	Long	Solarz
Dorgan (ND)	Lowey (NY)	Spratt
Downey	Luken, Thomas	Staggers
Durbin	Manton	Stallings
Dwyer	Markey	Stark
Dyson	Martinez	Stenholm
Early	Matsui	Studds
Eckart	Mavroules	Swift
Edwards (CA)	Mazzoli	Synar
Engel	McCloskey	Tallon
English	McCurdy	Tanner
Erdreich	McDermott	Tauzin
Espy	McHugh	Taylor
Evans	McMillen (MD)	Thomas (GA)
Fascell	McNulty	Torres
Fazio	Mfume	Torricelli
Feighan	Mineta	Towns
Flake	Mink	Traficant
Flippo	Moakley	Traxler
Foglietta	Mollohan	Udall
Ford (MI)	Montgomery	Unsoeld
Frank	Moody	Valentine
Frost	Mrazek	Vento
Gaydos	Murphy	Visclosky
Gejdenson	Murtha	Volkmer
Gephardt	Nagle	Walgren
Geren	Natcher	Watkins
Gibbons	Neal (MA)	Waxman
Glickman	Neal (NC)	Weiss
Gonzalez	Nowak	Wheat
Gordon	Oberstar	Whitten
Gray	Obey	Williams
Guarini	Olin	Wilson
Hall (TX)	Ortiz	Wise
Hamilton	Owens (NY)	Wolpe
Harris	Owens (UT)	Wyden
Hatcher	Pallone	Yates
Hawkins	Panetta	Yatron

NAYS—163

Archer	Burton	Dannemeyer
Armey	Callahan	Davis
Baker	Campbell (CA)	DeLay
Ballenger	Chandler	DeWine
Bartlett	Clinger	Dickinson
Barton	Coble	Dornan (CA)
Bereuter	Coleman (MO)	Douglas
Bilirakis	Combest	Dreier
Bliley	Conte	Duncan
Boehlert	Coughlin	Edwards (OK)
Broomfield	Courter	Emerson
Brown (CO)	Cox	Fawell
Buechner	Craig	Fields
Bunning	Crane	Fish
Frenzel	Madigan	Schiff
Gallegly	Marlenee	Schneider
Gallo	Martin (NY)	Schulze
Gekas	McCandless	Sensenbrenner
Gillmor	McCollum	Shaw
Gilman	McCrery	Shays
Gingrich	McDade	Shumway
Goodling	McEwen	Shuster
Goss	McMillan (NC)	Skeen
Gradison	Meyers	Slaughter (VA)
Grandy	Michel	Smith (NE)
Grant	Miller (OH)	Smith (NJ)
Green	Miller (WA)	Smith (TX)
Gunderson	Molinari	Smith, Denny (OR)
Hammerschmidt	Moorhead	Smith, Robert (NH)
Hancock	Morella	Smith, Robert (OR)
Hansen	Morrison (WA)	Snowe
Hastert	Myers	Solomon
Hefley	Nielson	Spence
Henry	Oxley	Stangeland
Herger	Pashayan	Stearns
Hiler	Paxon	Stump
Holloway	Petri	Sundquist
Hopkins	Porter	Tauke
Houghton	Pursell	Thomas (CA)
Hunter	Ravenel	Thomas (WY)
Hyde	Regula	Upton
Inhofe	Rhodes	Vander Jagt
Ireland	Ridge	Vucanovich
James	Rinaldo	Walker
Kasich	Ritter	Walsh
Kolbe	Roberts	Weber
Kyl	Robinson	Weldon
Lagomarsino	Rogers	Whittaker
Leach (IA)	Rohrabacher	Wolf
Lent	Ros-Lehtinen	Wylie
Lewis (FL)	Roth	Young (FL)
Lightfoot	Roukema	
Livingston	Rowland (CT)	
Lowery (CA)	Saiki	
Lukens, Donald	Saxton	
Machtley	Schaefer	

NOT VOTING—24

Bentley	Ford (TN)	Oakar
Bonior	Hall (OH)	Packard
Brennan	Lewis (CA)	Schuette
Brooks	Martin (IL)	Schumer
Darden	McGrath	Smith (VT)
de la Garza	Miller (CA)	Stokes
Dellums	Morrison (CT)	Washington
Dymally	Nelson	Young (AK)

□ 1206

The Clerk announced the following pairs:

On this vote:

Mr. Dymally for, with Mr. Lewis of California, against.

Mr. Ford of Tennessee for, with Mr. Packard against.

Messrs. HOUGHTON, HOPKINS, and FISH changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent for rollcall No. 488, House Resolution 512—waiving certain requirements of House rules against consideration of certain resolutions, conference reports, amendments, and motions through October 21; rollcall No. 489, H.R. 5019—conference report on energy and Water appropriations; rollcall No. 490, the Bevill amendment to H.R. 5019; rollcall No. 491, the second Bevill amendment to H.R. 5019; and rollcall No. 492, H.R. 5229—the conference report on Transportation appropriations.

Had I been here, I would have cast the following votes: "aye," "aye," "nay," "aye," and "aye."

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 5268, RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 5268) making appropriations for Rural Development, Agriculture, and related agencies programs for the fiscal year ending September 30, 1991, and for other purposes.

The SPEAKER pro tempore (Mr. MONTGOMERY). Is there objection to the request of the gentleman from Alabama?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 5241, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1991

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 5241) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1991, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5794. An act to amend the Age Discrimination Claims Assistance Act of 1988 to extend the statute of limitations applicable to certain additional claims under the Age Discrimination in Employment Act of 1967.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill and concurrent resolution of the House of the following titles:

H.R. 4559. An act to establish the Red Rock Canyon National Conservation Area; and

H. Con. Res. 381. Concurrent resolution to correct the enrollment of the bill (H.R. 4151).

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2834) entitled "An act to authorize appropriations for fiscal year 1991 for the intelligence activities of the United States Government, the Intelligence Community Staff, and the Central Intelligence Agency Retirement and Disability System, and for other purposes," agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BOREN, Mr. NUNN, Mr. HOLLINGS, Mr. BRADLEY, Mr. CRANSTON, Mr. DECONCINI, Mr. METZENBAUM, Mr. GLENN, Mr. COHEN, Mr. HATCH, Mr. MURKOWSKI, Mr. SPECTER, Mr. WARNER, Mr. D'AMATO, and Mr. DANFORTH; from the Committee on Armed Services, Mr. EXON and Mr. THURMOND; to be the conferees on the part of the Senate.

The message also announced that the Senate agree to the Report of the Committee of Conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4151 "An act to authorize appropriations for fiscal years 1991 through 1994 to carry out the Head Start Act, the Followthrough Act, and the Community Services Block Grant Act, and for other purposes".

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2516. An act to augment and improve the quality of international data compiled by the Bureau of Economic Analysis under the International Investment and Trade Services Survey Act by allowing that agency to share statistical establishment list information compiled by the Bureau of the Census and for other purposes; and

S. 3187. An act to address immediate problems affecting environmental cleanup activities.

GENERAL LEAVE

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on the conference report on the bill, H.R. 5019, as well as the Senate amendments reported in disagreement, and that I may include extraneous material and tables.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CONFERENCE REPORT ON H.R. 5019, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1991

Mr. BEVILL. Mr. Speaker, I call up the conference report on the bill (H.R. 5019) making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement see proceedings of the House of October 16, 1990 at Page H-10379)

The SPEAKER pro tempore. The gentleman from Alabama [Mr. BEVILL] will be recognized for 30 minutes, and the gentleman from Indiana [Mr. MYERS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to present the conference report on the fiscal year 1991 energy and water development appropriations bill for your favorable consideration. Our colleagues will recall that debate on this bill occurred in the House on June 19. The bill was passed by a vote of 355 to 59 in the House and by voice vote in the Senate.

Mr. Speaker, our conference committee meeting was held on Friday, October 12. I wish to compliment our friends from the other body, particularly the Senator from Louisiana [Mr. JOHNSTON], the chairman of the Senate subcommittee, and the Senator from Idaho [Mr. MCCLURE] who was standing in for the Senator from Oregon [Mr. HATFIELD], the ranking minority member, for the fine spirit of compromise displayed in the conference meeting. I also wish to thank my colleagues, the House conferees, for their support and their valuable contributions during the conference deliberations.

Now I would like to comment on various aspects of the conference agreement.

Mr. Speaker, this bill is below the subcommittee's section 302(b) allocation for budget authority. It is right at the domestic allocation for budget authority, and below the defense allocation.

Mr. Speaker, for the various agencies and programs under the jurisdiction of the Energy and Water Development Subcommittee, the committee of conference recommends $20,275,014,000 in new budget authority. This amount is $83,158,000 below the budget request, $624,986,000 below the House bill and $617,773,000 below the Senate bill.

Mr. Speaker, this conference agreement is significantly below the amounts contained in the bills passed by the House and Senate. The section 303(b) allocation for budget authority which this subcommittee received after passage of the conference report on the budget resolution required a drastic reduction in the funds previously provided for domestic energy and water programs. It was very difficult to reduce the nondefense portion

of the bill by $700,000,000 which was required by the budget resolution. The conferees were faced with many difficult choices. Necessary reductions were not made without much discussion and painstaking review of the available options. But the conference agreement on this appropriations bill indicates that the Congress is serious about deficit reduction and is prepared to make tough choices.

The conference agreement we present to you today is the culmination of many months of effort on the part of the House committee and the same review by the Senate committee. During this period we have heard testimony from hundreds of witnesses—contained in eight hearing volumes of thousands of pages.

The House considered the energy and water development appropriations bill on the floor in 1 day. The Senate had a total of 71 numbered amendments to the bill. But, within those 71 amendments, there were nearly 400 individual items in disagreement. The conference agreement represents the best efforts of the House and Senate conferees to achieve consensus on those 400 items. Many items had to be reduced or changed to accomplish agreement with the Senate.

Your House conferees did their best to maintain the House position. However, to bring back a conference report that is within the budget allocation for the energy and water development programs, a great many items had to be compromised.

We would like more money for energy and the water projects. But, if we stay within the 302(b) allocation, we cannot provide all of the funds for all of the programs and projects to the extent we would like.

Mr. Speaker, the conference agreement contains $3,302,496,000 in title I for the Army Corps of Engineers. This is $259,795,000 less than the bill as passed by the House and $133,866,000 less than the Senate-passed bill. These funds will finance 520 water resources projects in the planning or construction phase, and provide for urgently needed operation and maintenance activities at completed projects.

For title II the Bureau of Reclamation, the conferees recommend a total of $940,604,000 which is $16,505,000 less than the House-passed bill and $7,430,000 less than the Senate-passed bill. This will fund 88 water resources projects in the planning or construction phase and provide funds for operation and maintenance of 35 projects.

In my view, the conference agreement provides for a financially prudent and environmentally sound water resources development program.

The conference agreement contains $15,292,262,000 for the Department of Energy programs in title III. This includes $2,527,082,000 for energy supply, research and development activities; $326,387,000 for power marketing administrations; $242,833,000 for the nuclear waste disposal fund; and $1,148,732,000 for general science and research activities. The energy accounts include $200,926,000 for solar, geothermal, hydropower, and electric energy systems and storage; $306,490,000 for nuclear energy; $275,300,000 for magnetic fusion; and $716,275,000 for basic energy sciences. The conference agreement provides a total of $10,914,014,000 for atomic energy defense activities. Within this bill, $3,144,301,000 is provided for environmental restoration and cleanup activities—an increase of $353,865,000 over the President's budget request.

Mr. Speaker, the conference agreement includes $629,270,000 for nine independent agencies and commissions in title IV, including the Appalachian Regional Commission, the Nuclear Regulatory Commission, and the Tennessee Valley Authority.

I will insert a table in the RECORD at this point which summarizes the financial aspects of the conference agreement.

Energy and Water Development Appropriations Bill, FY 1991 (H.R. 5019)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - DEPARTMENT OF DEFENSE - CIVIL						
DEPARTMENT OF THE ARMY						
Corps of Engineers - Civil						
General investigations	129,251,000	135,400,000	167,847,000	153,335,000	146,435,000	+17,184,000
Construction, general	1,083,811,000	1,226,000,000	1,362,025,000	1,308,043,000	1,143,086,000	+59,275,000
Flood control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	331,296,000	334,500,000	342,731,000	338,993,000	344,606,000	+13,310,000
Operation and maintenance, general	1,398,219,000	1,389,500,000	1,457,488,000	1,408,791,000	1,450,669,000	+52,450,000
Regulatory program	68,455,000	75,100,000	71,100,000	71,100,000	71,100,000	+2,645,000
Flood control and coastal emergencies	20,000,000	25,000,000	25,000,000	20,000,000	20,000,000	.....
Revolving Fund	9,860,000	.....	.....	.....	.....	-9,860,000
General expenses	141,997,000	136,100,000	136,100,000	136,100,000	126,600,000	-15,397,000
Total, title I, Department of Defense - Civil, new budget (obligational) authority	3,182,889,000	3,321,600,000	3,562,291,000	3,436,362,000	3,302,496,000	+119,607,000
TITLE II - DEPARTMENT OF THE INTERIOR						
Bureau of Reclamation						
General investigations	11,369,000	11,456,000	12,926,000	12,521,000	13,221,000	+1,852,000
Construction program	652,850,000	609,430,000	649,697,000	641,027,000	642,897,000	-9,953,000
Operation and maintenance	209,315,000	231,516,000	231,516,000	231,516,000	221,516,000	+12,201,000
Loan program	33,644,000	5,708,000	5,708,000	5,708,000	5,708,000	-27,936,000
(Limitation on direct loans)	(31,475,000)	(4,946,000)	(4,946,000)	(4,946,000)	(4,946,000)	(-26,529,000)
General administrative expenses	47,311,000	51,431,000	51,431,000	51,431,000	51,431,000	+4,120,000
Emergency fund	986,000	1,000,000	1,000,000	1,000,000	1,000,000	+14,000
Working Capital fund	8,381,000	4,831,000	4,831,000	4,831,000	4,831,000	-3,550,000
Colorado River Dam fund (by transfer, permanent authority)	(-3,564,000)	(-4,702,000)	(-4,702,000)	(-4,702,000)	(-4,702,000)	(-1,138,000)
Total, Bureau of Reclamation	963,856,000	915,372,000	957,109,000	948,034,000	940,604,000	-23,252,000
Total, title II, Department of the Interior:						
New budget (obligational) authority	963,856,000	915,372,000	957,109,000	948,034,000	940,604,000	-23,252,000
(Limitation on direct loans)	(31,475,000)	(4,946,000)	(4,946,000)	(4,946,000)	(4,946,000)	(-26,529,000)
(By transfer)	(-3,564,000)	(-4,702,000)	(-4,702,000)	(-4,702,000)	(-4,702,000)	(-1,138,000)
TITLE III - DEPARTMENT OF ENERGY						
Energy Supply, Research and Development Activities:						
Operating Expenses	1,916,768,000	1,808,706,000	2,362,722,000	2,412,065,000	2,199,532,000	+282,764,000
Plant and Capital Equipment	267,681,000	296,631,000	340,550,000	333,550,000	327,550,000	+59,869,000
Total	2,184,449,000	2,105,337,000	2,703,272,000	2,745,615,000	2,527,082,000	+342,633,000
Uranium Supply and Enrichment Activities:						
Operating Expenses	1,347,096,000	1,262,473,000	1,310,973,000	1,262,473,000	1,262,473,000	-84,623,000
Plant and Capital Equipment	65,341,000	77,545,000	95,045,000	77,545,000	77,545,000	+12,204,000
Subtotal	1,412,437,000	1,340,018,000	1,406,018,000	1,340,018,000	1,340,018,000	-72,419,000
Gross revenues	-1,500,900,000	-1,450,400,000	-1,530,500,000	-1,450,400,000	-1,450,400,000	+50,500,000
Net appropriation	-88,463,000	-110,382,000	-124,482,000	-110,382,000	-110,382,000	-21,919,000
General Science and Research Activities:						
Operating Expenses	737,566,000	829,634,000	829,634,000	829,634,000	779,634,000	+42,068,000
Plant and Capital Equipment	361,263,000	444,098,000	444,098,000	444,098,000	369,098,000	+7,835,000
Total	1,098,829,000	1,273,732,000	1,273,732,000	1,273,732,000	1,148,732,000	+49,903,000
Nuclear Waste Disposal Fund	295,156,000	292,833,000	292,833,000	292,833,000	242,833,000	-52,323,000
Isotope production and distribution fund	16,016,000	.....	.....	.....	.....	-16,016,000
Environmental restoration and waste management	.....	2,818,436,000	.....	.....	.....	.....
Environmental restoration and waste management:						
Defense function	.....	(2,361,751,000)	(2,714,807,000)	(2,680,616,000)	(2,704,722,000)	(+2,704,722,000)
Non-defense function	.....	(429,685,000)	(563,685,000)	(513,685,000)	(439,579,000)	(+439,579,000)
Total, Environmental restoration and waste mgmt	.....	(2,791,436,000)	(3,278,492,000)	(3,194,301,000)	(3,144,301,000)	(+3,144,301,000)
Atomic Energy Defense Activities:						
Operating Expenses	7,936,225,000	6,937,415,000	8,902,530,000	8,945,240,000	8,984,346,000	+1,048,121,000
Plant and Capital Equipment	1,709,968,000	1,607,485,000	2,012,618,000	2,035,018,000	1,929,668,000	+219,700,000
Total	9,646,193,000	8,544,900,000	10,915,148,000	10,980,258,000	10,914,014,000	+1,267,821,000

Energy and Water Development Appropriations Bill, FY 1991 (H.R. 5019), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Departmental Administration:						
Operating Expenses	346,854,000	402,898,000	370,153,000	370,153,000	360,153,000	+13,299,000
Plant and Capital Equipment	3,231,000	4,942,000	4,942,000	4,942,000	4,942,000	+1,711,000
Subtotal	350,085,000	407,840,000	375,095,000	375,095,000	365,095,000	+15,010,000
Miscellaneous revenues	-147,900,000	-183,413,000	-150,000,000	-150,000,000	-150,000,000	-2,100,000
Net appropriation	202,185,000	224,427,000	225,095,000	225,095,000	215,095,000	+12,910,000
Office of Inspector General	22,638,000	28,421,000	28,421,000	28,421,000	28,421,000	+5,783,000
Power Marketing Administrations						
Operation and maintenance, Alaska Power Administration	3,134,000	3,233,000	3,233,000	3,233,000	3,233,000	+99,000
Operation and maintenance, Southeastern Power Administration	18,456,000	9,285,000	9,285,000	9,285,000	9,285,000	-9,171,000
Operation and maintenance, Southwestern Power Administration	25,057,000	20,107,000	20,107,000	20,107,000	20,107,000	-4,950,000
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	290,654,000	293,762,000	293,762,000	293,762,000	293,762,000	+3,108,000
(By transfer, permanent authority)	(3,564,000)	(4,702,000)	(4,702,000)	(4,702,000)	(4,702,000)	(+1,138,000)
Total, Power Marketing Administrations	337,301,000	326,387,000	326,387,000	326,387,000	326,387,000	-10,914,000
Federal Energy Regulatory Commission						
Salaries and expenses	114,918,000	122,750,000	122,750,000	122,750,000	122,750,000	+7,832,000
Revenues Applied	-114,918,000	-122,750,000	-122,750,000	-122,750,000	-122,750,000	-7,832,000
Geothermal Resources Development Fund						
Geothermal loan guarantee and interest assistance program	74,000	80,000	80,000	80,000	80,000	+6,000
Total, title III, Department of Energy:						
New budget (obligational) authority	13,714,378,000	15,504,171,000	15,640,486,000	15,762,039,000	15,292,262,000	+1,577,884,000
(By transfer)	(3,564,000)	(4,702,000)	(4,702,000)	(4,702,000)	(4,702,000)	(+1,138,000)
TITLE IV - INDEPENDENT AGENCIES						
Appalachian Regional Commission	147,900,000	50,000,000	150,000,000	180,000,000	170,000,000	+22,100,000
Defense Nuclear Facilities Safety Board	6,865,000	12,500,000	11,000,000	11,000,000	11,000,000	+4,135,000
Delaware River Basin Commission:						
Salaries and expenses	211,000	224,000	224,000	224,000	224,000	+13,000
Contribution to Delaware River Basin Commission	340,000	457,000	457,000	457,000	457,000	+117,000
Total, Delaware River Basin Commission	551,000	681,000	681,000	681,000	681,000	+130,000
Interstate Commission on the Potomac River Basin: Contribution to Interstate Commission on the Potomac River Basin	296,000	.....	200,000	538,000	538,000	+242,000
Nuclear Regulatory Commission:						
Salaries and expenses	435,911,000	471,320,000	471,320,000	471,320,000	461,320,000	+25,409,000
Revenues	-146,850,000	-156,750,000	-156,750,000	-156,750,000	-153,450,000	-6,600,000
Subtotal	289,061,000	314,570,000	314,570,000	314,570,000	307,870,000	+18,809,000
Office of Inspector General	2,859,000	3,680,000	3,680,000	3,680,000	3,680,000	+821,000
Total, Nuclear Regulatory Commission	291,920,000	318,250,000	318,250,000	318,250,000	311,550,000	+19,630,000
Susquehanna River Basin Commission:						
Salaries and expenses	197,000	211,000	211,000	211,000	211,000	+14,000
Contribution to Susquehanna River Basin Commission	272,000	290,000	290,000	290,000	290,000	+18,000
Total, Susquehanna River Basin Commission	469,000	501,000	501,000	501,000	501,000	+32,000
Tennessee Valley Authority: Tennessee Valley Authority Fund	119,306,000	91,302,000	135,000,000	125,000,000	135,000,000	+15,694,000
Office of the Nuclear Waste Negotiator	1,972,000	.....	.....	.....	.....	-1,972,000
Nuclear Waste Technical Review Board	1,972,000	.....	.....	.....	.....	-1,972,000
Total, title IV, Independent agencies, new budget (obligational) authority	571,251,000	473,234,000	615,632,000	635,970,000	629,270,000	+58,019,000
Grand total:						
New budget (obligational) authority	18,432,374,000	20,214,377,000	20,775,518,000	20,782,405,000	20,164,632,000	+1,732,258,000
(Limitation on direct loans)	(31,475,000)	(4,946,000)	(4,946,000)	(4,946,000)	(4,946,000)	(-26,529,000)
(By transfer)	.....	.....	.....	.....	.....	.....

I would like to call Members' attention to several typographical errors in the conference report (H. Report 101-889) made by the Government Printing Office. I will not include punctuation errors or misspellings.

First, on page 7, fifth full paragraph, seventh line: "greater" should be "quarter".

Second, on page 8, sixth full paragraph, fifth line: after "1986" insert "as".

Third, on page 9, third full paragraph, second line: after "Erosion" insert "Control".

Fourth, on page 11, fifth full paragraph, first line: "or" should be "for".

Fifth, on page 12, after the italicized paragraph insert: "The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.".

Sixth, on page 13, under Flood Control and Coastal Emergencies: Delete "$26,000,000" and insert "$25,000,000".

Seventh, on pages 38 and 40: Delete "Construction, General" at the top of the page and insert "Flood Control, Mississippi River and Tributaries".

Eighth, on page 85 in the next to the last paragraph, second sentence: after "biosciences" insert "program"

Ninth, delete pages 143 through 191.

□ 1210

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Chairman BEVILL has done his usual outstanding job in presenting this conference report in detail, so I shall not do this, but to make a few observations.

As Chairman BEVILL has told us, this is the first conference report on any appropriation bill to come to the floor this year. The rest of them will be coming very shortly.

We may be getting the cart before the horse just a little bit, since we have not had budget reconciliation yet pass and become law, but at least these are the targets that have been presented to us, and we have come down to them, which is not an easy task. As the chairman has said, we have taken out $624 million from the House-passed bill, which incidentally passed this House just 4 months ago today.

Since that time, there have been a couple of meetings with the other body, with the Senate. We have been working these out. They had to reduce their bill by $615 million.

We are under the President's request, all of which came out of the domestic programs, something here that many people do not realize, that more than half our bill is in defense-related activities. Since the nuclear side of the defense budget does come through this subcommittee, more than half of it is defense-related. We did not cut these defense-related items in our conference.

But it is a good conference report. It is one that I know there is going to be some differences here. Some of the projects we have put in have not been projects that others would like to see. I know the authorizing committee, at least one member from the authorizing committee will have some objection about what we have put in; but this is a product that after many, many hours of hearings earlier, and working with the other body and with other members of our committee and the staff of our committee, whom we all appreciate and thank very much for their hard work.

A lot of long, hard hours go into these conferences. Most Members who have not served on a conference do not realize this, but this year particularly when we had to cut so much and we had to cut some very good programs, some outstanding programs. As an example, the superconducting super collider, which offers, we hope, a great opportunity for this Nation to lead out in front in research for the year 2000 and beyond, very exciting what the probabilities and possibilities are for the SSC; but nevertheless, we had to cut $75 million from that exciting program.

We had to cut a lot of other very exciting research programs that offer great opportunity for this country to move ahead in developing new energy, new products, and new research. We had to cut these, too. The committee did not like to have to cut some of these great programs that offer to keep America in front, but we had little choice this year, as we are all facing very austere times.

So Mr. Speaker, this is a good conference report. Again, it is not the one that any of us would like to have seen, but it is very austere. It is lean, but it is a good one, so I am proud that we can come to the floor with this, and I hope every Member can see fit to support it.

Mr. BEVILL. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi [Mr. WHITTEN], the chairman of the full Appropriations Committee and a member of this subcommittee.

Mr. WHITTEN. Mr. Speaker, I wanted to be recognized at this time to pay tribute to the gentleman from Alabama [Mr. BEVILL] and my colleagues on this subcommittee. They have done a marvelous job.

I want to leave the point with you that as we struggle in the deficit reduction discussions to balance our paper money and all the problems that we have with our finances, our real wealth is our country itself.

This subcommittee and those who have worked with it have shown good sound judgment in investment in our own country, on which all the rest depends. Since 1934, when we began meeting widespread local conditions with national programs, our national wealth has grown 41 times. National programs of special interest to my area and State provide:

Funding for the Yazoo basin to continue construction on the Big Sunflower project, the demonstration erosion control projects, the tributaries project, the Upper Yazoo projects, backwater mitigation land acquisition; the reformulation study of the Yazoo basin projects, and for operation and maintenance for all completed Yazoo basin projects;

Funding for the foothills Joint Demonstration Erosion Control Program for work on Batupan Bogue, Otoucalofa Creek, Hotophia Creek, Hickahala and Senatobia Creeks, Long Creek, Black Creek, Burney Branch, Town Creek-Charleston, Sherman Creek, Abiaca Creek, Toby Tubby Creek, Pelucia Creek, Cane-Mussacuna Creeks, Hurricane-Wolf Creeks, and the Coldwater River;

Funding for other ongoing construction for the Nonconnah Creek project, Sardis Dam dam safety assurance, the Tombigbee River and tributaries project, and for purchase of mitigation lands on the Tennessee-Tombigbee Waterway;

Funding for beginning the Horn Lakes Creek and tributaries project, the Gulfport Harbor project, the Jackson metro area study, and for operation and maintenance of the East Fork, Tombigbee River;

Direction to the Corps of Engineers to prepare a report providing an assessment of infrastructure and port development needs at Newport, MS, in DeSoto County;

Funding for the Tennessee Valley Authority's rural development activities at the current level which would help eliminate the economic hardships in the valley's rural areas;

Funding for the Appalachian Regional Commission's Highway Program and area development activities at current levels which would support the continued construction of corridor V;

Guidance to the Commission to facilitate the transfer of a northwest Mississippi junior college building to the Benton County school system and to strengthen the clinic at Hickory Flat which is also in Benton County;

Funding for a cooperative agreement between Jackson State University, Lawrence Berkeley Laboratory, and Ana G. Mendez Educational Foundation, which is an ongoing program.

□ 1220

Mr. MYERS of Indiana. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska [Mrs. SMITH] who will be leaving us shortly.

Mr. Speaker, let me say that the gentlewoman is a very, very valuable member of this subcommittee; she has been one of its most diligent members and one of the hardest working members that we have on our committee.

The committee will certainly miss Mrs. SMITH. The Nation and certainly the State of Nebraska are going to miss her.

So, Mr. Speaker, it is with reluctance that, for the last time, I yield such time as she may consume to the gentlewoman.

We are going to miss you.

Mrs. SMITH of Nebraska. Mr. Speaker, I thank the gentleman for yielding, and I rise to say, first, what a privilege it has been for me to serve under two of the greatest chairmen in the entire House of Representatives, the gentleman from Alabama [Mr. BEVILL] and the gentleman from Mississippi [Mr. WHITTEN]. It has been 14 years of a great experience on the Subcommittee on Energy and Water.

JOHN MYERS is one of my best friends. It has been such a privilege to sit by him and work with him in all of these 14 years.

Of course, the work of this committee is of keenest interest in my district, where water development is a very major issue.

I just want to compliment the folks that I have worked with and tell them how much I have appreciated these years.

Mr. Speaker, I rise as a member of the Appropriations Subcommittee on Energy and Water Development in support of this conference report on H.R. 5019, making appropriations for energy and water development for fiscal year 1991. I ask unanimous consent to revise and extend my remarks.

I support this bill even though it does not provide full funding for every undertaking wanted and needed for my State. But it does address the major energy and water concerns of Nebraska.

As a member of the committee of conference of this bill, I want to thank my colleagues in the House for sticking up for Nebraska when it counted.

My amendments approved by the conferees added about $9.6 million to the President's budget requests for Nebraska projects for fiscal year 1991, bringing the Nebraska total to more than $43 million, up from about $35.5 million in the previous fiscal year.

I commend our distinguished subcommittee chairman, the gentleman from Alabama [Mr. BEVILL]; the subcommittee's ranking minority member, the gentleman from Indiana [Mr. MYERS]; the distinguished chairman of our counterpart subcommittee in the other body, the Senator from Louisiana, Mr. JOHNSTON; the Senator from Oregon, Mr. HATFIELD; and all the conferees for bringing this excellent bill to the House for consideration and final approval in such timely fashion.

Once again our subcommittee is the first to bring up an appropriation conference report to send to the President.

The House has nearly always done its work on its version of this bill and other appropriation measures with far greater dispatch than the other body.

But this year is different: We are working diligently to try to put our financial house in order in the face of rising Federal costs and lagging revenues.

Under enormous time constraints, we and the staff working together without stint, put these two complicated bills together. As all members are aware, it takes sophisticated computer systems to compare the differences in the two versions involving thousands of line items and pages and pages of report and bill language.

Then, to conform with deficit-cutting constraints, we had to go back into funding items that both Houses had agreed to in order to find necessary reductions of about $775 million.

We slashed some energy and water projects, we stretched some of them out, and we just postponed funding others. It has not been much fun.

Yet, because of extraordinary staff in both bodies, many of whom had to work into the wee hours, the conferees were able to reconcile hundreds of individual items in disagreement contained within 71 Senate amendments to the bill. We had to keep in mind that the bill has to be acceptable to the White House.

I wish to state my thanks on behalf of the people of Nebraska my appreciation for the cooperation and understanding of the Office of Management and Budget with respect to its renewed support of the completion of the North Loup Division, Nebraska, Pick-Sloan Missouri Basin Program, including the Davis Creek Dam and all related facilities.

This bill contains about $21.6 million for this project, full funding for fiscal year 1991. Completion is scheduled by fiscal year 1994. Without the committee's unwavering, faithful support, however, on both sides of the aisle, this money would not be in this bill.

I thank the House and Senate for its repeated demonstration of support for the North Loup Division and the dozens of other projects funded in the bill for Nebraska and for the Nation.

Particularly helpful to my State is the provision of $5.7 million for the science and technology centers of the University of Nebraska.

And the new construction start of the streambank erosion control program in Lincoln County from Hershey 46 miles eastward to the county line is greatly appreciated.

As Chairman BEVILL has presented here in detail, this is a carefully crafted conference report. It meets every budget test.

I want to restate Chairman BEVILL's observation that this conference report is the culmination of an intense period of effort by the House and Senate Committees.

During this period we have heard or received written testimony from thousands of witnesses, including more than half of the Members of the House—contained in eight hearing volumes covering more than 14,308 pages from the House hearings alone.

Accomplishing all this within the timeframe we set for ourselves demonstrates we are serious about doing our part about deficit reduction. We can only hope that we will again avoid the continuing resolution chaos of both 1987 and 1988.

We are claiming success. But it was achieved with great pain. The funds in this bill rarely reflect our preferences. We would like more for energy, for the weapons program, and for water resource development.

As hard as we have tried to address every concern expressed to the subcommittee, not every one of our colleagues is pleased with what we have done. Indeed, to stay within the budget constraints, we had to spread significant pain around. A great many items had to be compromised.

But dissent will be heard. We will hear some colloquys to clarify the intent of some bill and report language. We may hear from colleagues who oppose one or more of the amendments in technical disagreement.

This bill approved by the House-Senate conference includes my amendments as follows:

The sum of $5,700,000, University of Nebraska's Center for Science and Technology, Lincoln.

The sum of $1,500,000, Platte River demonstration project. To initiate construction of a $4,000,000 streambank erosion control structures on 46 miles of the Platte River from Hershey east to the Lincoln County border. The total Federal share of the cost is about $3,000,000 and the local share of the total cost is about $1,000,000.

Unspecified share of up to $300,000 from Army Corps section 22 planning funds for the State of Nebraska, mostly for several environmental protection projects. House-Senate conferees reduced total State planning funds for all the States to $3.5 million from $4.5 million in earlier versions of the bill and in effect ordered the corps to parcel out the money with special attention to the needs of 11 States, including Nebraska, who requested the maximum $300,000 allocation.

The sum of $1,260,000, Missouri National Recreation River and bank stabilization project, of which $200,000 is for operation and maintenance of existing bank stabilization structures

and $1,060,000 for construction of new ones. The project stretches 59 miles along the Missouri River from Gavins Point Dan, SD, to Ponca State Park, NE.

The sum of $270,000, Middle Loup Irrigation District, near Loup City. To initiate construction of facilities to remedy drainage problems caused by the Sherman Dam and Reservoir in the Middle Loup Irrigation District. Total cost of the project is about $1,250,000 and is expected to be completed in fiscal year 1994.

The sum of $200,000, Sargent Unit, between Millburn and Comstock, NE. For loan funds to initiate construction of drains and laterals. Total cost of the project is about $2,000,000 and would be completed in about 7 years.

The sum of $200,000, Prairie Bend Unit, near Grand Island. For redesigning and scaling back the proposed project. To date, more than $4,000,000 in Federal, State, and local funds have been used for feasibility studies of this innovative ground water recharge project.

The sum of $150,000, Nebraska Bostwich Irrigation District, near Orleans. For advanced planning for a $2.5 million construction program of relining and rehabilitating key portions of the upper Courtland Canal.

A Senate amendment, supported by Mrs. Smith, adds $75,000 for continued study of the Loup River basin.

The bill also provides an additional $33,926,700 for the following Nebraska water projects, as proposed in President Bush's budget for next fiscal year:

The sum of $21,646,000, North Loup Division, between Burwell, Ord, and Fullerton. For continuing project construction, including Davis Creek Dam and related facilities, down from $23,030,000 last year. The entire $355 million project is scheduled to be completed by fiscal year 1994, with only about $60 million remaining to be appropriated for remaining work.

The sum of $600,000, O'Neill Unit, between Ainsworth and O'Neill. For continued advanced studies of the proposed reformulated ground water recharge project, down from $700,000 last year.

The sum of $5,144,000, Gavins Point Dam and Lewis and Clark Lake, on the Missouri River between northeast Nebraska and South Dakota. For operation and maintenance, up from $4,225,000 last year.

The sum of $1,296,000, Harlan County Dam, near Alma. For operation and maintenance, up from $1,178,000 last year.

The sum of $3,545,000, Papillion Creek and tributaries lakes, near Omaha. Of the total, $2,905,000 is for continued construction, up from $2,500,000 this year, and $640,000 for operation and maintenance, up from $512,000 last year.

The sum of $660,000, Salt Creek and tributaries lakes, near Lincoln. For operation and maintenance, down from $737,000 last year.

The sum of $460,000, Farwell Unit, near Farwell. For continuing construction of structures to remedy severe drainage problems, remedies for which are expected to cost at least $15 million. A total of more than $7 million has been spent or committed through last year for subsurface drains, lining canals, and burying laterals. Authority remains for investing an additional $753,173 in future years to try to address the situation.

The sum of $178,000, Wood River, near Grant Island, flood control project planning, up from $62,000 last year.

The sum of $21,000, Antelope Creek, near Lincoln. For completing flood control plans.

The sum of $306,000, Wood River groundwater recharge demonstration project, near Grand Island. Local cost sharing would increase this by $76,500 to a total of $382,500 in fiscal year 1991, leaving most of this project's total funding of $1,168,500—of which $233,700 is non-Federal cost sharing—still to be committed in future years. The project was initiated last fiscal year.

The sum of $70,700, York groundwater recharge demonstration project, near York. Local cost sharing would increase this by $17,700 to a total of $88,400 in fiscal year 1991, leaving only small amounts needed in future to complete the project's total funding of $1,911,700, of which $382,300 is non-Federal cost sharing. Most of the money was scheduled for use last fiscal year.

Additional unspecified amounts for small-scale flood-control construction, studies, planning, and operation and maintenance, some spread over several States. For example, the appropriations bill includes $429,000 for the preliminary engineering design of the $55,000,000 Missouri River Mitigation Program for Nebraska, Iowa, Kansas, and Missouri.

Mr. BEVILL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Arkansas [Mr. ALEXANDER].

Mr. ALEXANDER. I thank the gentleman for yielding.

Mr. Speaker, I want to thank the gentleman from Alabama [Mr. BEVILL], and the gentleman from Indiana [Mr. MYERS] for the excellent manner in which they run this subcommittee. The business of the subcommittee is efficient, its requests are always under budget. The subcommittee is always the first to complete its business and first to report to the House and the first to appropriate funds that are needed to fund the projects within its jurisdiction.

So I compliment every member of the subcommittee on your work. I appreciate very much the efficiency with which they run the business of the subcommittee.

Mr. Speaker, I would like to engage the chairman in a colloquy.

Mr. Speaker, there is general confusion regarding the definition of "wetlands" and conflict in the administration of the law. Accordingly, I have introduced a bill, H.R. 4133, which would redefine and clarify the definition of "wetlands". The chairman of the subcommittee, Mr. NOWAK, has assured me that action on my bill could take place early next year. My bill would include all farmland that was in cultivation prior to 1990.

In addition, the Corps of Engineers has issued a regulatory guidance letter attempting to clarify the definitions of "wetlands" and the "normal circumstances" that prevail to produce the conditions generally described as "wetlands".

In addition, I understand there are provisions in the 1990 farm bill which have to do with wetlands and the penalties imposed against farmers for farming wetlands.

My question, Mr. Chairman, is: Inasmuch as there are a number of efforts ongoing to redefine wetlands, is it the chairman's position that the U.S. Army Corps of Engineers should defer enforcement of any sanctions directing restoration of wetlands which involve croplands covered by the Food Security Act (Public Law 99-198) and other laws until such time as Congress can specifically express its intent on how wetland rules and regulations should be administered?

Mr. BEVILL. Mr. Speaker, will the gentleman yield?

Mr. ALEXANDER. I yield to the subcommittee chairman, the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. I thank the gentleman for yielding.

Mr. Speaker, I do agree with the gentleman from Arkansas that the corps should defer any action until this matter is settled.

Mr. ALEXANDER. I am convinced by commitments from various chairmen having jurisdiction in legislative committees that action will take place early next year, not later than the middle of next year.

The material referred to follows:

H.R. 4133

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Agriculture Wetlands Exemption Act".

SEC. 2. AMENDMENT OF FEDERAL WATER POLLUTION CONTROL ACT.

Section 404 of the Federal Water Pollution Control Act (33 U.S.C. 1344) is amended by adding at the end the following subsection:

"(u) EXEMPTION OF AGRICULTURAL LANDS.—

"(1) GENERAL RULE.—This section shall not apply to the discharge of dredged or fill material into any wetland—

"(A) which was used for agricultural production on any calendar date in the 24-month period ending on the date of the enactment of this subsection; and

"(B) which was used for agricultural production for at least 1 year in the period between January 1, 1972, and such date of enactment,

so long as such land is used for agricultural production.

"(2) AGRICULTURAL PRODUCTION DEFINED.—For purposes of this subsection, the term 'agricultural production' shall include, but not be limited to, production of row crops, horticulture, vintniculture, silviculture, aquaculture, mariculture, grazing, haying, apiculture, hydroponics, production of tree fruits or nuts, raising of cattle, horses, poultry, swine, sheep or goats, storage of surface water for agricultural production, distribution of water for agricultural production, conserving uses required as a condition of enrollment in an acreage reduction program administered by the Secretary of Agriculture under the Agricultural Act of 1949 or any amendments thereto; all other activities identified in subsection (f)(1) of this section as of July 31, 1989, and the construction, expansion, improvement, maintenance, and operation of farm residences, and facilities.".

Subject: Clarification of the Phrase "Normal Circumstances" as it pertains to Cropped Wetlands.

1. The purpose of this regulatory guidance letter (RGL) is to clarify the concept of "normal circumstances" as currently used in the Army Corps of Engineers of definition of wetlands (33 CFR 328.3(b)), with respect to cropped wetlands.

2. Since 1977, the Corps and the Environmental Protection Agency (EPA) have defined wetlands as: "areas that are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances do support, a prevalence of vegetation typically adapted for life in saturated soil conditions . . ." (33 CFR 328.3(b)) (emphasis added).

While "normal circumstances" has not been defined by regulation, the Corps previously provided guidance on this subject in two expired "normal circumstances" (RGLs 82-2 and 86-9). These RGLs did not specifically deal with the issue of wetland conversion for purposes of crop production.

3. When the Corps adopted the Federal Manual for Identifying and Delineating Jurisdictional Wetlands (Manual) on 10 January 1989, the Corps chose to define "normal circumstances" in a manner consistent with the definition used by the Soil Conservation Service (SCS) in its administration of the Swampbuster provisions of the Food Security Act of 1985 (FSA). Both the SAS and the Manual interpret "normal circumstances" as the soil and hydrologic conditions that are normally present, without regard to whether the vegetation has been removed [7 CFR 12.31(b)(2)i)] [Manual page 71].

4. The primary consideration in determining whether a disturbed area qualifies as a section 404 wetland under "normal circumstances" involves an evaluation of the extent and relative permanence of the physical alteration of wetlands hydrology and hydrophytic vegetation. In addition, consideration is given to the purpose and cause of the physical alterations to hydrology and vegetation. For example, we have always maintained that areas where individuals have destroyed hydrophytic vegetation in an attempt to eliminate the regulatory requirements of section 404 remain part of the overall aquatic system, and are subject to regulation under section 404. In such a case, where the Corps can determine or reasonably infer that the purpose of the physical disturbance to hydrophytic vegetation was to avoid regulation, the Corps will continue to assert section 404 jurisdiction.

5. The following guidance is provided regarding how the concept of "normal circumstances" applies to areas that are in agricultural crop production:

(a) "Prior converted cropland" is defined by the SCS (Section 512.15 of the National Food Security Act Manual, August 1988) as wetlands which were both manipulated (drained or otherwise physically altered to remove excess water from the land) and cropped before 23 December 1985, to the extent that they no longer exhibit important wetland values. Specifically, prior converted cropland is inundated for no more than 14 consecutive days during the growing season. Prior converted cropland generally does not include pothole or playa wetlands. In addition, wetlands that are seasonally flooded or ponded for 15 or more consecutive days during the growing season are not considered prior converted cropland.

(b) "Farmed wetlands" are wetlands which were both manipulated and cropped before 23 December 1985, but which continue to exhibit important wetland values. Specifically, farmed wetlands include cropped potholes, playas, and areas with 15 or more consecutive days (or 10 percent of the growing season, whichever is less) of inundation during the growing season.

(c) The definition of "normal circumstances" found at page 71 of the Manual is based upon the premise that for certain altered wetlands, even though the vegetation has been removed by cropping, the basic soil and hydrological characteristics remain to the extent that hydrophytic vegetation would return if the cropping ceased. This assumption is valid for "farmed wetlands" and as such these areas are subject to regulation under section 404.

(d) In contrast to "farmed wetlands", "prior converted croplands" generally have been subject to such extensive and relatively permanent physical hydrological modifications and alteration of hydrophytic vegetation that the resultant cropland constitutes the "normal circumstances" for purposes of section 404 jurisdiction. Consequently, the "normal circumstances" of prior converted croplands generally do not support a "prevalence of hydrophytic vegetation" and as such are not subject to regulation under section 404. In addition, our experience and professional judgment lead us to conclude that because of the magnitude of hydrological alterations that have most often occurred on prior converted cropland, such cropland meets, minimally if at all, the Manual's hydrology criteria.

(e) If prior converted cropland is abandoned (512.17 National Food Security Act Manual as amended, June 1990) and wetland conditions return, then the area will be subject to regulation under section 404. An area will be considered abandoned if for five consecutive years there has been no cropping, management or maintenance activities related to agricultural production. In this case, positive indicators of all mandatory wetlands criteria, including hydrophytic vegetation, must be observed.

(f) For the purposes of section 404, the final determination of whether an area is a wetland under normal circumstances will be made pursuant to the 19 January 1989 Army/EPA Memorandum of Agreement on geographic jurisdiction. For those cropped areas that have previously been designated as "prior converted cropland" or "farmed wetland" by the SCS, the Corps will rely upon such a designation to the extent possible. For those cropped areas that have not been designated "prior converted cropland" or "farmed wetland" by the SCS, the Corps will consult with SCS staff and make appropriate use of SCS data in making a determination of "normal circumstances" for section 404 purposes. Although every effort should be made at the field level to resolve Corps/SCS differences in opinion on the proper designation of cropped wetlands, the Corps will make the final determination of section 404 jurisdiction. However, in order to monitor implementation of this RGL, cases where the Corps and SCS fail to agree on designation of prior converted cropland or farmed wetlands should be documented and a copy of the documentation forwarded to CECWOR.

6. This policy is applicable to section 404 of the Clean Water Act only.

7. This guidance expires 31 December 1993 unless sooner revised or rescinded.

For the Commander:

PATRICK J. KELLY,
Major General, USA,
Director of Civil Works.

Mr. MYERS of Indiana. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of this conference report, and I suppose I do it primarily for parochial reasons.

Mr. Speaker, I want to compliment the chairman and minority member for being very understanding of the problems in my congressional district, not only in this bill but on many bills over many years.

Their actions have allowed us to do such important things as conserve water with a very innovative conservation project, to keep our harbors open and to provide for a number of other very important public works.

I commend and thank the chairman of the committee and its ranking member, the gentleman from Indiana [Mr. MYERS].

Mr. BEVILL. Mr. Speaker, I yield 1 minute to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I rise in strong support of this conference report.

Mr. Speaker, 200 years ago a canal was cut through Delaware, literally splitting my State in half, connecting shipping traffic from the Delaware to the Chesapeake Bay. Two hundred years ago a promise was made that the people would not have to pay for the cost of bridges going over that canal to move vehicles and people from north to south throughout our State and throughout our region.

Today that promise, first made over 200 years ago, is being kept by the U.S. Government.

Today a $7 million downpayment is being made for the construction of a new bridge to connect a north-south relief route through our State. I just want to take a moment to say to the gentleman from Alabama [Mr. BEVILL], the gentleman from Indiana [Mr. MYERS], and to those who serve on this committee and to Mr. HENRY NOWAK and Mr. ARLAN STANGELAND, who serve on the authorizing committee, to express the deep gratitude of the people of Delaware to each of them for keeping the promise that was made 200 years ago, a promise that is kept today.

Mr. MYERS of Indiana. Mr. Speaker, I yield 5 minutes to the gentleman from Florida [Mr. IRELAND].

Mr. IRELAND. Mr. Speaker, I want to thank the gentleman from Alabama, Chairman BEVILL, and the gentleman from Indiana [Mr. MYERS], for bringing this bill before us today. I certainly approve of what they have done. But at this time I must rise to state my objection to some Senate report language that may be inadvertently agreed to by the House. In the Senate report it says:

The Secretary of the Army is directed to compute the annual monetary percentage goals included in the demonstration program for the small business concerns using the total annual funds awarded for the performance of the work actually performed, with the type of plant available, to the small business dredging firms. The total annual funds awarded for the performance of work by seagoing hopper dredges is not to be included in the computation, because the small business industry does not own or operate this type of equipment.

Mr. Speaker this Senate directive would effectively nullify section 722 of Public Law 100-656 and would do irreparable harm to those small dredging firms now in existence and would probably prevent any new dredgers from entering the marketplace. Over the last several years many House Members have attempted to open up the Federal dredging market to smaller dredgers and thus break the stranglehold that two lone companies have had on the market—52 percent of all the work over the last 3 years. In the Senate report a flawed study is cited which manipulates data by mixing apples and oranges. In fact, data from the Corp of Engineers actually reveals that small dredgers are relatively more efficient than their larger counterparts. Excluding hopper dredging from the computation in the annual percentage goals will result in reducing the small business goals by one-third. In percentage terms, this means that the goals for fiscal year 1991 and 1992 would be reduced from 30 percent to 20 percent. That is virtually no improvement from the position that small dredgers were in before the passage of Public Law 100-656. In fiscal year 1989 the small business percentage of all Federal dredging contracts—both set-asides and unrestricted—was less than 16 percent. Thus one can see that the directive in Senate Report 101-378 would in effect violate the spirit of the law and further increase economic concentration in the dredging industry.

I wish to announce to the House that I intend to ask the leadership of both House and Senate Small Business Committees to write to the Secretary of the Army and inform him that this report language by no stretch of the imagination expresses the unanimous opinion of the Congress.

□ 1230

We visited this issue last Congress in full and open debate, not in the dead of night, in hiding, in obscure report language during a period of great national crisis. I am appalled at the blatant lobbying effort by a couple of large concerns who want more and more of the taxpayers' dollars and want to have it without competition.

Mr. Speaker, I think we should take action later in the next Congress to rectify this.

Mr. BEVILL. Mr. Speaker, I yield 1 minute to the gentleman from Kentucky [Mr. MAZZOLI].

Mr. MAZZOLI. Mr. Speaker, let me thank the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS] whose outstanding leadership has brought us to where we are today. As they know, my hometown of Louisville has as its heritage our waterfront along the Ohio River. As a result of the $3½ million in this bill, the city of Louisville, under the able leadership of Mayor Abramson, Judge/Executive Armstrong and Senator Karem heading up our Waterfront Development Corp., will be able to put together one of the really important centerpiece of this new waterfront, which is our Belvedere connector. This series of stairways and plazas will lead people from the Belvedere down to the waterfront where again the city, and the county and the State have made a sizable investment in the new wharf area and the new parks.

Mr. Speaker, I just want to thank my friends on the Energy and Water Power Subcommittee for the excellent work they have done. I have enjoyed working with them, and I invite them to come to Louisville in the next couple of years and see the products of their handiwork.

Mr. MYERS of Indiana. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. GALLO], a member of the Committee on Appropriations.

Mr. GALLO. Mr. Speaker, I thank the gentleman for yielding time to me and I rise in strong support of the conference report and ask unanimous consent to revise and extend my remarks. I want to thank Chairman BEVILL and our ranking member JOHN MYERS for their excellent work on this conference report. It is a difficult job reconciling the many competing demands for resources among our Nation's water projects and energy needs.

I particularly want to thank the committee for their strong support for the funding of the Passaic River flood tunnel project which will protect residents in my district from devastating floods. They have waited years for relief and we are now on the verge of implementing a well thought out plan to prevent future floods.

This bill also addresses the critical issue of our future energy security. We have only to read the headlines to recognize that the United States faces a long-term energy problem. Indeed, it is clear that the whole world is facing a serious energy problem, and while we are all hopeful that the crisis in the Middle East will be peacefully resolved and oil prices will fall, the problem of finite energy resources will not go away. In the long run, the world must depend on some combination of solar and renewable energy resources, nuclear fission and fusion. Our options are limited. The list is short. And we cannot afford to let one of our options slip away.

One of our options needs attention, and that is fusion. Fusion energy holds great promise, and recent results are very encouraging. Other countries—notably the European Community and Japan—recognize the promise of fusion energy and are making much greater commitments to fusion energy than we are. Numerous distinguished analysts have determined that it is time for the United States to move to the next step, building the burning plasma tokamak. The Secretry of Energy's Fusion Policy Advisory Committee [FPAC] just last month praised recent fusion milestones and recommended that the Department of Energy proceed promptly with the burning plasma experiment. If we do not take the necessary steps called for in the report we cannot expect to have fusion energy ready when we need it most.

I know that the members of the energy and water conference committee had difficult and competing choices to make, and I applaud their efforts to make those cuts balanced. We all know that tough decisions have been made, and it is time to stand by those decisions. Within the given resources, I believe it is time to make a decision on the future of fusion and I urge Secretary Watkins to move forward on the recommendations of the FPAC report.

Mr. MYERS of Indiana. Mr. Speaker, I yield 1 minute to the gentleman from Washington [Mr. MORRISON], a

member of the authorizing committee that we work so very closely with.

Mr. MORRISON of Washington. Mr. Speaker, I thank the gentleman from Indiana [Mr. MYERS] for yielding this time to me, and I add my voice in congratulations to both the ranking member and the chairman, the gentleman from Alabama [Mr. BEVILL] on what I think is an outstanding product. Very proudly this energy and water appropriations bill comes to the floor as the first, and now I think this conference report coming back to us meeting the challenge of deficit reduction also deserves our compliments, so my congratulations for a most difficult task very effectively achieved, accomplished. They found a balance, and I want to not only thank the Members, but also thank the staff, for their courtesy and consideration of all of us who have projects that are of vital importance, we think, to the Nation, but most certainly to our specific areas.

So, I think this conference report, Mr. Speaker, is very much worthy of the full enthusiastic support of the House.

Mr. MYERS of Indiana. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER], the ranking Republican member of the Committee on Science, Space, and Technology.

Mr. WALKER. Mr. Speaker, I thank the gentleman from Indiana [Mr. MYERS] for yielding, and I am sorry that I cannot be quite as enthusiastic as the other people who have spoken about the nature of this bill because I see once again where the Committee on Appropriations regards those of us who work on the authorizing committees as just expendable people who have no say in the process whatsoever.

If my colleagues take a look at this bill, they will find in the energy sections a section where we do, in fact, have an authorization in place. It is known as Public Law 101-218. Under renewable energy sources, we allowed $113 million to be spent on those items. This bill spends $143.5 million; in other words, 27 percent more than allowed in the authorization. The authorizing committee was totally ignored.

Mr. Speaker, my colleagues do not care. They do not care what the authorization is. They are just going to go ahead and spend the money.

Mr. Speaker, they ought not be doing more than what the authorizing committees permit them to do. That is the rule, and no wonder we waive the rules of the House in order to bring matters to the floor. No wonder we have to bring appropriations bills under extraordinary rules because they are not obeying the process, and in this case they are 27 percent above what they were authorized to be in particular programs. They were authorized for certain levels, and they did not obey.

For example, under the photovoltaic energy systems, they were allowed $39 million by the authorization. Instead they are spending $46.9 million under that section. Under the program for geothermal, they were permitted $19. They are spending $27.6, so they did not care. They do not care what the authorizers do.

Why should we meet? Why should we do anything in authorizing committees in the House of Representatives if they simply are going to ignore everything that is done?

In addition, it is very interesting when I get myself down to amendment in disagreement No. 53. That is a real fascinating one. There they left the House with $45 million in earmarked programs. Every one of them unauthorized. Then we get to dealing with the Senate, and they add another $45 million in unauthorized earmarked programs.

I can read down the list of them; they are kind of interesting.

Indiana State University, the University of New Orleans, the University of Alabama at Birmingham, Case Western Reserve University, Boston College, West Virginia University—surprise, surprise; West Virginia University. Boy oh boy, that one was a shocker when I saw that one. Medical University of South Carolina, Louisiana State University, Oregon University, and Fort Hays State University in Kansas.

Mr. Speaker, that is an interesting list of projects there, most of which are for leadership or Committee on Appropriations members.

But then something else interesting happened at that point in the bill. The one authorized program that they had, the one program where it was authorized to do something about it on hydrogen energy systems, they drop it. There is a $4 million program that is authorized, and they drop it, and $90 million in unauthorized programs.

Spend the money. Go ahead. It does not matter. The authorizing committees do not have a say. But the one thing the authorizing committees regard as important and we thought ought to be established as a new-line program, $4 million for hydrogen energy to give us some alternative other than petroleum, what do they do? They drop it. It is gone.

Mr. Speaker, I got to tell my colleagues that I am over outrage. I am into nausea. Somewhere along the line I think that those of us who serve and work on authorizing committees ought to have some ability to influence the process. I do not think the appropriators have the right to make all the determinations of everything that goes on in terms of spending the taxpayers' money. It is just absolutely appalling that in instance after instance in this bill they have totally ignored what the authorizing committee said and they have done their own thing. I find it totally unacceptable.

Mr. Speaker, I will oppose the amendment No. 53. I am sure there are a number of other things in here that are in the same vein, but I cannot find them. We only were able to get hold of this thing earlier this morning because the CONGRESSIONAL RECORD was not printed, so the first time we had a chance to look through it was this morning, and these are the ones that happen to be in my committee's jurisdictional area, and what I find there is that they have made some, I think, errors that are unforgivable.

Mr. Speaker, I hope the House will turn down this report, and I certainly hope the House will strike the unauthorized pork-barrel projects in amendment No. 53.

□ 1240

Mr. MYERS of Indiana. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Speaker, I want to rise in support of the conference report that is before us. I want to pay special thanks to the distinguished chairman and ranking member for their work, for their leadership, and for the progress that is being made on the environmental management program for the Upper Mississippi River.

In spite of the difficulty they face with deficit reduction in meeting the lower budget targets, they were able to provide a $2.4 million increase for the environmental management program, raising the funding for that program up to $17 million for fiscal year 1991.

This is great progress, because in 1988, the first year of that program, we were at only 5 million. We have moved considerably up to where we are almost at the authorized level.

Mr. Speaker, this is an international precedent setting program that affects the States of Minnesota, Wisconsin, Iowa, Illinois, and Missouri. People from all over the world are coming to see how the Army Corps of Engineers can work with fish and wildlife, how they can balance the uses of navigation and the commitment to the environment and recreation.

Mr. Speaker, this is a very good program, it is a precedent setting program, and the leadership and commitment of the chairman and ranking member needs to be commended.

Mr. BEVILL. Mr. Speaker, I yield 1 minute to the distinguished gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Speaker, I thank the gentleman for yielding. I intend to support this conference report and want to pay special tribute and thanks to the chairman and ranking member of the subcom-

mittee. I think they have done an outstanding job.

My State of North Dakota was promised a major water development project 40 years ago. It was authorized 20 years ago. We in this report make another incremental step in fulfilling the promise of water development in North Dakota against the odds. With some opposition, I think the subcommittee members have done a wonderful job in helping keep that promise to our State.

Mr. Speaker, I want to reiterate that I will support the conference, and I thank the chairman for the work he and his staff have done.

I must say, having heard some of the other presentations as I walked into the Chamber, that I wish I would hear that same righteous indignation on the floor of the House about Government waste when we spend billions on star wars that we do not need, or billions building bombers that should not be built. I wish some of that same indignation would be present when we talk about the appropriations for those kinds of weapons we do not need.

Mr. FAZIO. Mr. Speaker, I rise in strong support of the conference report on the energy and water development appropriations bill for fiscal 1991. This is a good and balanced conference report, and I urge my colleagues to support it.

Mr. Speaker, I would also like to take this opportunity to commend the good work of the chairman of the Energy and Water Subcommittee, Mr. BEVILL; Mr. MYERS, the ranking minority member; and, the subcommittee's dedicated staff. They have done an outstanding job over the years in defending the interests of the House during our conferences with the other body, and this year was no different.

Mr. Speaker, I would especially like to thank Mr. BEVILL and Mr. MYERS for their assistance in many varied needs of California. The conference report is very generous to a number of key energy and water projects throughout the State of Calfornia, including a number of important projects in my district.

The conference report continues to support the efforts of the Corps of Engineers to address the flood threat to Sacramento and parts of Yolo County. The conference report includes funds to continue progress on deepening the Port of Sacramento deepwater ship channel and to continue work on a project providing essential flood protection to two communities in my district, Fairfield and Suisun City.

The conference report also continues key research by the Department of Energy into solar and renewable energy, geothermal energy and the human genome. I would particularly like to highlight the strong support for the solar program reflected in the bill. The conference report provides $131.1 million for solar energy research, $38 million more than is provided for in the current fiscal year. In addition, the conference report assures that the Department of Energy will continue in a leadership role in furthering our understanding of the problems of climate change and developing proposals to mitigate the warming of the planet by continuing DOE support for the National Institute for Global Environmental Change.

The conference report also includes a provision that directs the Bureau of Reclamation to enter into three water supply contracts, totaling up to 50,000 acre-feet a year, aimed at meeting the immediate municipal and industrial water supply needs of Sacramento and El Dorado counties.

This language was added because of the concern that the Bureau has not completed the necessary studies relating to the water needs of the two counties. The bill directs the Secretary of the Interior to enter into water supply contracts providing up to 22,000 acre-feet of water for the Sacramento County Water Agency, approximately 7,000 of which is expected to go to the city of Folsom, 13,000 acre-feet for the San Juan Suburban Water District and 15,000 acre-feet of water for El Dorado County. This is an extremely important provision for my district, and I greatly appreciate the support of my House colleagues on the conference.

Again, Mr. Speaker, I thank Mr. BEVILL and Mr. MYERS for their cooperation and support, and their sensitivity to the many water development and energy-related problems facing the Nation and the State of California, in particular. I urge my colleagues to support the conference report.

Mr. RICHARDSON. Mr. Speaker, I want to express my strong support for the conference report on H.R. 5019, the energy and water appropriations bill for fiscal year 1991.

I am pleased that the conferees agreed to allow funds for independent research and development programs to continue. Current policy authorizes the Department of Energy to tax certain programs to provide discretionary funding for laboratory-directed research and development projects. The discretionary fund allows our national laboratories' the flexibility to fund new discoveries and timely ideas. The discretionary fund is critical to our laboratories' ability to address pressing scientific issues in the Nation's interest.

At Los Alamos National Laboratory, the Institutional Supporting Research and Development [ISRD] Program is the Director's discretionary, basic research and exploratory research and development program. In fiscal year 1990 this program accounted for approximately 7 percent of the laboratory's total funding amounting to $68 million.

The ISRD Program at Los Alamos is a proven success. Examples of programmatic research areas that have emerged, at least in part, from ISRD funding include inertial and magnetic fusion, human genome studies, high temperature superconductivity, and compact high current proton accelerators. I am pleased that the energy and water conference report allows our laboratories to continue such research programs.

Mr. RAHALL. Mr. Speaker, I am pleased to rise in support of the conference agreement on H.R. 5019, the energy and water development appropriations bill for fiscal year 1991.

As always, there are programs of major significance to my district and to the State of West Virginia. Chief among them is the Appalachian Regional Commission projects, for which this agreement provides $20 million more than was contained in the House bill. These funds are used, and have always been used effectively, as a key component to economic development strategies, which includes the construction of and maintenance of our infrastructure.

One of ARC's major functions has been the completion of the 3,000 mile Appalachian Corridor highway system, which is still only two-thirds complete.

The funding level for ARC is $20 million more than the original House bill at $170 million. I can wish, of course, that it was closer to the $185 million I authorized in my bill, H.R. 1167, introduced early in this Congress. However, I am more than pleased that the conferees came within $15 million of reaching the goal I had earlier set for ARC funding in fiscal year 1991. The $170 million funding level for ARC is $120 million more than the President requested.

Also of importance to the economic prosperity of West Virginia is the funding of water development projects. I am more than pleased that the conferees saw fit to retain, in the final version of the energy and water development appropriations bill, two projects that serve my Fourth Congressional District. The first one, provides $1.125 million for the expansion of the David W. Harris Riverfront Park in Huntington, WV, and $75,000 for completing a cost-effectiveness study for floodproofing along Krouts Creek, also in Huntington, WV.

The Riverfront Park project has been an integral part of southern West Virginia's tourism industry. In 1987 alone, the park received 309,000 visitors. The improvements needed include relieving traffic congestion, provide for docking facilities for excursion boats such as the *Mississippi* and *Delta Queens,* and to further increase the park's capacity.

The Krouts Creek project is of major importance to the Huntington area. There are approximately 200 residences located in this 100-year flood plain, which has suffered from severely damaging floods several times over the past 25 to 30 years. Most recently, in 1987, the flood devastated 30 residences and three businesses with total damage estimated to be over $100,000. The $75,000 ensures that the Army Corps of Engineers will complete a detailed project report for Krouts Creek.

Mr. Speaker, the bill also contains funding for flood control projects on the Levisa and Tug Forks and upper Cumberland River. These projects such as the flood walls at Williamson and the floodproofing of homes in those areas, are crucial to the future of the Tug Valley. I am pleased to note that the Corps of Engineers are directed to utilize $6 million of the funds appropriated to initiate construction of the lower Mingo County, WV, element of the Levisa and Tug Forks of the Big Sandy River and upper Cumberland River project.

Further, the measure provides that the Matewan, WV, flood protection project shall include all incorporated units within the town of Matewan.

I am pleased to note, also, that there is $400,000 allocated for a flood control project

involving the Island Creek Basin in and around Logan, WV.

Other flood control projects funded, located throughout West Virginia include: Beech Fork Lake, $689,000; Bluestone Lake, $982,000; Burnsville Lake, $1 million; East Lynn Lake, $1.09 million; Elkins, WV, $5,000; R.D. Bailey Lake, $1.33 million; Stonewall Jackson Lake, $872,000; Summersville Lake, $1.15 million; and Sutton Lake, $1.32 million. Navigation projects include the Elk River Harbor, $300,000; Kanawha River Locks and Dams, $6.59 million; and Tygart Lake, WV, $915,000.

Mr. Speaker, overall, the energy and water development appropriation bill contains $20.2 billion in fiscal year 1991 for all programs, including the Energy Department's programs, and water projects carried out by the Corps of Engineers and Interior Department's Bureau of Reclamation. The amount represents an increase of $1.7 billion over last year's funding level. This increase is less than both the House and Senate committees recommended, but reflects the need to comply with spending limitations of the revised budget resolution, in keeping with our on-going efforts to reduce the deficit.

Mr. Speaker, I compliment and thank the distinguished subcommittee chairman, and my good friend, TOM BEVILL, for his usual outstanding job in protecting and ushering through conference these water development projects of such crucial importance to all of us.

Mr. Speaker, I recommend adoption of this conference agreement, and hope that it does pass.

Mr. SHUMWAY. Mr. Speaker, during my 12 years in Congress, there has been no issue more important to my congressional district than completion of the long-authorized multipurpose Auburn Dam project.

In 1986 the American River basin experienced a near catastrophic flood. Since then, this area of California has experienced 4 years of drought conditions. On top of that the fisheries and recreational benefits of the lower American River and Folsom Lake have diminished significantly. With a multipurpose dam the area would be protected from flood; the existing drought conditions would not exist; and the wild and scenic lower American River and Folsom Lake would be providing peak fisheries and recreation benefits.

I am pleased to say that with passage of this conference report today, both the Congress and the administration will have recognized the continued need for this project and are committed to completing and updating the necessary studies so that an ultimate decision on completion of this project can be made in 1992.

The administration has specifically endorsed a study which parallels the Corps of Engineers dry dam alternative study. This Bureau of Reclamation study will not compete with or delay the Corps of Engineers flood control studies; it is to comply with the relevant principles and guidelines and NEPA requirements; and it is to be completed by the 1992 timeframe for ultimate congressional action. Mr. Speaker, I ask unanimous consent that the letters reflecting this administration support from the Commissioner of the Bureau of Reclamation and the Associate Director of the Office of Management and Budget for Natural Resources appear in the RECORD after my full statement.

It has, to say the least, been difficult to revive this long-stalled project to this point. The change in Federal water policy enacted during the 1980's to require Federal cost sharing—along with the prevailing general skepticism toward large, western water projects—has cast a shadow over the fate of the Auburn Dam. But these factors have only served to focus attention on the true need for this project. And make no mistake about it, it is precisely because of the overwhelming need and the widespread local support that this project is still alive to a viable option today.

We have come along way, and supporters of this project back home should be proud and encouraged. We are at a point in the process where the groundswell of local support has brought us further than the opponents ever said possible—we now have local users who are willing to cost share for the entire water and power portions of the project—some $700 million—upfront. But now is the time to redouble our efforts and demonstrate to the Congress by 1992 exactly how sorely this project is needed and how vast the local support is, and how environmentally beneficial it truly is. If the case is not conclusively made by then, the overwhelming threat of flooding could well force the Congress into acting on the Corps of Engineers dry dam option.

It needs to be made clear between now and 1992 that the multipurpose project Auburn Dam now envisioned is not some environmental or fiscal dinosaur from the past; rather its completion can be done in a manner which revolutionizes Federal involvement in western water projects. A number of steps can be taken to ensure that a multipurpose project is both environmentally and fiscally responsible to the majority of the Congress. Specifically:

First, construction of the project depends on non-Federal cost sharing requirements consistent with H.R. 6 from the 99th Congress—25 percent for flood control, 100 percent for municipal and industrial water supply; 100 percent for hydropower; and 50 percent for recreation and fish and wildlife enhancement.

These financing contracts and water purchasing contracts would have to be signed, sealed and delivered to the Congress prior to 1992 House consideration.

It is also important to note that with these cost sharing requirements, the cost to the Federal Government to complete the multipurpose project is actually less than to fund 75 percent of the dry dam, Corps of Engineers alternative.

Second, separate the project, financially, from the rest of the Central Valley project [CVP] so that only its direct beneficiaries pay for it. This eliminates subsidies from other California water users who do not directly benefit from the project.

Third, dedicate the entire water yield to environmental enhancement and M&I use—not agriculture use. This will ensure no subsidies to farmers. The M&I portion would be paid for 100 percent upfront—again, no subsidies.

The environmental enhancement would be for Delta water quality maintenance; protection for the wild and scenic lower American River through mandated flow levels; fisheries enhancement along the river; and dramatic recreational enhancement for Folsom Lake which is the State department of parks' largest recreational facility but which has experienced significant recreational losses in recent drought years.

On the other hand, it should be pointed out that there are a number of extremely important environmental problems associated with the Corps of Engineers dry dam option. It would leave a terrible bathtub ring in the canyon after periodic flooding. Without a new water supply for the area, ground water supplies will continue to deplete, as will the Lower American River flow levels, the river's fisheries and recreation at Folsom Lake.

The above conditions can all be guaranteed through legislative amendments to the 1965 authorization when Congress considers this matter in 1992. With these provisions the old Auburn Dam could become the new prototype Federal/non-Federal project which is streamlined for both environmental and fiscal purposes.

I am disappointed that I am retiring from the Congress before this project is completed. But I am pleased and proud that not only is it still being considered as an option, but that its prospect for congressional approval is better now than at any time since construction stopped in the early 1970's.

I would like to thank all those supporters who have fought hard and tirelessly back home for this project. And I would like to thank the chairman of the subcommittee, Mr. BEVILL, for including this funding in this bill for the Bureau of Reclamation.

DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, DC, October 4, 1990.

Hon. NORMAN D. SHUMWAY,
House of Representatives,
Washington, DC.

DEAR MR. SHUMWAY: This is in further response to your letter of April 30, 1990, to Secretary Lujan regarding the Auburn Dam project in California. We in the Department of the Interior appreciate knowing of the interest of you and your constituents in a multipurpose facility at the Auburn Dam site.

The language in House Report 101-536 (Energy and Water Appropriations Bill, 1991) for funding the Auburn-Folsom South Unit, Central Valley Project, states that the Bureau of Reclamation "* * * is directed to study the expansion of the flood control only dam to address water supply and power * * *" and further that "* * * funds are not provided for a study of a multipurpose dam as an alternative to the flood control only dam with advanced measures at Auburn * * *."

However, you indicated that it was your intent that inclusion of special funding of $250,000 in the bill "* * * was to allow the Bureau of Reclamation to complete work on its feasibility studies and environmental studies for the long-authorized multipurpose project * * * separate from, and in addition to, the work which the Corps of Engineers is doing on the so-called expandable dry dam flood control alternative. * * *" The Bureau of Reclamation believes that consideration of such an alternative would provide a full range of options to be acted

upon by the Congress. There have been expressions of concern about Reclamation's ability to complete the feasibility study and environmental documentation in time for Congressional authorization in 1992, and Reclamation's work competing with or delaying the Corps of Engineers flood control option.

Auburn remains an authorized multipurpose project and does not require a full feasibility study to provide the local constituency, the Congress, and the Administration sufficient data to make an informed decision on this issue. What appears necessary at this time is a current economic analysis conducted under the Federal principles and guidelines for water resource studies and updated National Environmental Policy Act compliance. The Bureau of Reclamation is prepared to conduct these activities separate and apart from the Corps of Engineers flood control study and in a timeframe that should allow for ultimate congressional action on this subject in 1992. This effort would not interfere with nor delay the Corps' study effort. Recognizing the importance of this issue to the citizens who live along and rely upon the American River, this effort would be given a high priority.

Again, we greatly appreciate your interest in this matter and will cooperate fully with all concerned to attain the most suitable project at the Aburn Dam site.

Sincerely,

DENNIS B. UNDERWOOD,
Commissioner.

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, October 4, 1990.

Hon. NORMAN D. SHUMWAY,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN SHUMWAY: Thank you very much for your letters of June 27th and August 2nd concerning the Auburn Dam project in California. I appreciate knowing of your interest in this project.

I also appreciate you enclosing a copy of the colloquy you had with Congressmen Fazio and Matsui during House floor debate on the Energy and Water Appropriations bill for fiscal year 1991. I believe that the Administration can accommodate the concerns that each of you expressed during that colloquy.

Specifically, the Administration is prepared to support a study by the Bureau of Reclamation of a multipurpose project. As your letter suggested, we would expect that such a study would be cost-shared by local entities who have an interest in determining the feasibility of this project.

I note that during your colloquy with Congressmen Fazio and Matsui, they expressed the concern that a study by the Bureau not interfere with or delay ongoing work by the Corps of Engineers to study the flood control option. I believe that this objective can be met. It would be the Administration's intention to work with the Bureau of Reclamation to develop this study separate and apart from the Corps of Engineers flood control study so that it will not delay that effort.

Knowing of the concern that Members have expressed with respect to the timeliness of this study, the Administration will work to expedite the Bureau's study so as to ensure its completion in time for Congressional action in 1992. We believe it makes sense for the Congress to have all relevant information before it when it takes up the question of the Auburn Dam in the next session.

I hope this helps to clarify the views of the Administration concerning this project. Thank you again for writing.

Yours sincerely,

ROBERT E. GRADY,
Associate Director, Natural Resources, Energy, and Science.

Mr. CONTE. Mr. Speaker, today I rise in strong support of H.R. 5019, an act making fiscal year 1991 appropriations for energy and water development. Funding provided in this bill for the Department of Energy, the Corps of Engineers, the Bureau of Reclamation and various independent agencies helps keep this country strong and proud. It has far-reaching implications for national defense, commerce, transportation, recreation, science and technology. This legislation affects every American, and the entire country will widely benefit from the long, hard hours which the Energy and Water Development Subcommittee has devoted to this bill.

Mr. Speaker, I would like to recognize the dedicated labors of the House subcommittee chairman, the honorable gentleman from Alabama, TOM BEVILL. My good friend is one of the true gentlemen of the House. He is a man of distinction and wisdom, and he has performed outstanding work under difficult circumstances.

Also, the ranking minority member, the gentleman from Indiana, the Honorable JOHN MYERS, has devoted an extraordinary amount of time and energy to ensure that this bill is fair and reflects the priorities of a richly diverse nation.

Mr. Speaker, I would like to pay special tribute to three members of the subcommittee who are taking their final energy and water conference report to the floor this year: The distinguished and honorable gentleman from Oklahoma [Mr. WATKINS]; my dear friend, the gentlelady from Nebraska [Mrs. SMITH]; and the esteemed and eminent gentlelady from Louisiana, the Honorable Mrs. BOGGS. These Members have performed exceptional and difficult work on this bill, and their retirement will be deeply felt by the subcommittee, by the Congress and by the Nation. I congratulate and thank them for their services, and I wish them the very best.

Mr. Speaker, the conference report before us today is within its 302(b) budget allocation and is below the budget request. The conferees had to make difficult and painful choices, but any pain which has been inflicted has been spread evenly and fairly. I am especially proud that the report includes $3.24 billion for the environmental restoration and waste management activities of the Department of Energy. This amount, $353 million more than requested by the administration, will get us well underway in executing the difficult and painful task of cleaning up our nuclear production facilities across the country.

I am also pleased that we were able to squeeze $2.5 billion into this bill for energy supply, research and development activities at DOE. As our Nation is once again becoming hostage to higher oil prices, the importance of alternative energy sources is becoming clearer to the entire Nation. This appropriation, $442 million more than last year's level, will help get this country one step ahead of the energy game. Alternative energy is the key to America's future productivity and strength, and I congratulate the conferees on their vision in promoting the development of such alternatives.

Mr. Speaker, I am especially proud to have sponsored particular energy and water programs that have been incorporated into this conference report, and I would ask unanimous consent to include descriptions of those programs at this point in the RECORD.

Mr. Speaker, I am pleased that the conferees on energy and water development have included in the conference report two vitally important alternative energy programs to be conducted at the University of Massachusetts at Amherst. These projects are at the cutting edge of new energy technology development, and I have confidence that they will help this country break free from the chains of dependency on foreign oil.

The report includes $1.5 million to continue and increase funding of the Renewable Energy Research Laboratory at the university. The laboratory has been especially successful in developing new wind energy technologies. The cost of wind energy is approximately one-third of what it was in 1981, and the work of the Renewable Energy Research Laboratory can only improve the prospects for wind's role in our energy future.

The report also includes $400,000 for design and engineering of the first central solar heating plant with seasonal storage in the United States. This new energy system will employ 6 acres of solar collectors. The collector energy will be stored underground and tapped in the winter to heat a new arena at the campus. The University of Massachusetts at Amherst is ideally situated to develop this one-of-a-kind efficient energy system, and Congress can be proud to be a part of this exciting new project.

Mr. Speaker, I am also pleased that the bill includes $150,000 to complete a Corps of Engineers study of stream bank erosion along the Connecticut River from Turners Falls to the Massachusetts-New Hampshire State line. This study will establish the principal causes of the erosion, make recommendations for correction of the problem, and provide a road map for future actions to stabilize the river banks.

The report also contains funds for the regular operation and maintenance of Corps of Engineers water projects in my district. These projects are critical to the well-being of western Massachusetts and I applaud the conference action.

Mr. Speaker, I am disappointed in the conference committee's adoption of Senate amendment No. 51 to H.R. 5019. This amendment provides a $1 million subsidy to the developer of a hydropower facility on the Henry's Fork of the Snake River in Idaho. This windfall is to replace a tax credit which expired before the project was put into service. Providing special exceptions to the Tax Reform Act is a bad precedent and a bad idea. If this project does get off the ground, I will be watching it every step of the way to make sure that the rich trout fisheries of the Henry's Fork are provided every possible protection.

Mr. Speaker, I urge my colleagues to vote "aye" on the conference report.

Mr. MYERS of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 362, nays 51, not voting 20, as follows:

[Roll No. 489]

YEAS—362

Ackerman	Cooper	Gephardt
Alexander	Costello	Geren
Anderson	Coughlin	Gibbons
Andrews	Courter	Gillmor
Annunzio	Cox	Gilman
Anthony	Coyne	Gingrich
Applegate	Craig	Gonzalez
Aspin	Crockett	Goodling
Atkins	Dannemeyer	Gordon
Baker	Darden	Goss
Barnard	Davis	Grant
Bartlett	DeFazio	Gray
Barton	DeLay	Green
Bateman	Dellums	Guarini
Beilenson	Derrick	Gunderson
Bennett	DeWine	Hall (TX)
Bereuter	Dickinson	Hamilton
Berman	Dicks	Hammerschmidt
Bevill	Dingell	Hansen
Bilbray	Dixon	Harris
Bilirakis	Donnelly	Hastert
Boehlert	Dorgan (ND)	Hatcher
Boggs	Dornan (CA)	Hayes (IL)
Bonior	Downey	Hayes (LA)
Borski	Durbin	Hefley
Bosco	Dwyer	Hefner
Boucher	Dyson	Herger
Boxer	Early	Hiler
Browder	Eckart	Hoagland
Brown (CA)	Edwards (CA)	Hochbrueckner
Brown (CO)	Emerson	Hopkins
Bruce	Engel	Horton
Bryant	English	Houghton
Buechner	Erdreich	Hoyer
Bustamante	Espy	Hubbard
Byron	Evans	Huckaby
Callahan	Fascell	Hughes
Campbell (CO)	Fawell	Hunter
Cardin	Fazio	Hutto
Carper	Feighan	Hyde
Carr	Fields	Inhofe
Chandler	Fish	Ireland
Chapman	Flake	James
Clarke	Flippo	Jenkins
Clay	Foglietta	Johnson (SD)
Clement	Ford (MI)	Jones (GA)
Clinger	Ford (TN)	Jones (NC)
Coleman (MO)	Frank	Kanjorski
Coleman (TX)	Frost	Kaptur
Collins	Gallegly	Kastenmeier
Condit	Gallo	Kennedy
Conte	Gaydos	Kennelly
Conyers	Gejdenson	Kildee
Kleczka	Nielson	Skeen
Kolbe	Nowak	Skelton
Kolter	Oakar	Slaughter (NY)
Kostmayer	Oberstar	Smith (FL)
Kyl	Obey	Smith (IA)
LaFalce	Olin	Smith (NE)
Lagomarsino	Ortiz	Smith (NJ)
Lancaster	Owens (NY)	Smith (TX)
Lantos	Owens (UT)	Smith, Denny (OR)
Laughlin	Pallone	Smith, Robert (OR)
Leach (IA)	Panetta	Solarz
Leath (TX)	Parker	Spence
Lehman (CA)	Pashayan	Spratt
Lehman (FL)	Patterson	Staggers
Lent	Paxon	Stallings
Levin (MI)	Payne (NJ)	Stangeland
Levine (CA)	Payne (VA)	Stark
Lewis (FL)	Pease	Stearns
Lewis (GA)	Pelosi	Stenholm
Lightfoot	Penny	Stokes
Lipinski	Perkins	Studds
Livingston	Pickett	Sundquist
Lloyd	Pickle	Swift
Long	Porter	Synar
Lowery (CA)	Poshard	Tallon
Lowey (NY)	Price	Tanner
Luken, Thomas	Pursell	Tauzin
Machtley	Quillen	Taylor
Madigan	Rahall	Thomas (CA)
Manton	Rangel	Thomas (GA)
Markey	Ravenel	Thomas (WY)
Marlenee	Ray	Torres
Martin (NY)	Regula	Torricelli
Matsui	Rhodes	Towns
Mavroules	Richardson	Traficant
Mazzoli	Ridge	Traxler
McCandless	Rinaldo	Udall
McCloskey	Ritter	Unsoeld
McCollum	Robinson	Valentine
McCrery	Roe	Vander Jagt
McCurdy	Rogers	Vento
McDade	Rohrabacher	Visclosky
McDermott	Ros-Lehtinen	Volkmer
McGrath	Rose	Vucanovich
McHugh	Rostenkowski	Walgren
McMillan (NC)	Roth	Walsh
McMillen (MD)	Roukema	Washington
McNulty	Rowland (CT)	Watkins
Meyers	Rowland (GA)	Waxman
Mfume	Roybal	Weber
Miller (CA)	Sabo	Weldon
Miller (OH)	Saiki	Wheat
Miller (WA)	Sangmeister	Whittaker
Mineta	Sarpalius	Whitten
Mink	Sawyer	Williams
Moakley	Saxton	Wilson
Molinari	Schaefer	Wise
Mollohan	Scheuer	Wolf
Montgomery	Schiff	Wolpe
Moorhead	Schneider	Wyden
Morella	Schroeder	Wylie
Morrison (WA)	Schulze	Yates
Mrazek	Schumer	Yatron
Murphy	Serrano	Young (AK)
Murtha	Shaw	Young (FL)
Myers	Shumway	
Nagle	Shuster	
Natcher	Sisisky	
Neal (MA)	Skaggs	

NAYS—51

Archer	Gradison	Russo
Armey	Grandy	Sensenbrenner
Ballenger	Hancock	Sharp
Bates	Henry	Shays
Billey	Hertel	Sikorski
Broomfield	Jacobs	Slattery
Bunning	Johnson (CT)	Slaughter (VA)
Burton	Johnston	Smith, Robert (NH)
Campbell (CA)	Jontz	Snowe
Coble	Kasich	Solomon
Combest	Lukens, Donald	Stump
Crane	McEwen	Tauke
Douglas	Michel	Upton
Dreier	Moody	Walker
Duncan	Neal (NC)	Weiss
Frenzel	Oxley	
Gekas	Petri	
Glickman	Roberts	

NOT VOTING—20

AuCoin	Hall (OH)	Nelson
Bentley	Hawkins	Packard
Brennan	Holloway	Parris
Brooks	Lewis (CA)	Savage
de la Garza	Martin (IL)	Schuette
Dymally	Martinez	Smith (VT)
Edwards (OK)	Morrison (CT)	

□ 1303

Messrs. GLICKMAN, SLATTERY, and SHARP, Mrs. JOHNSON of Connecticut, and Mr. TAUKE changed their vote from "yea" to "nay."

Mrs. VUCANOVICH changed her vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore (Mr. MONTGOMERY). Pursuant to House resolution 512, the amendments in disagreement and the motions to dispose of the amendments are considered as having been read.

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 1: Page 2, line 17, strike out $167,847,000 and insert "$153,335,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 1 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following "$146,435,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

Mr. BEVILL. Mr. Speaker, I know of no controversy on Senate amendments in disagreement numbered 8, 19, 20, 21, 27, 28, 29, 30, 32, 37, 39, 40, 44, 45, 62, 65, and 66, and I ask unanimous consent that they be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The SPEAKER pro tempore. The Clerk will designate the amendments in disagreement.

The texts, of Senate amendments, Nos. 8, 19, 20, 21, 27, 28, 29, 30, 32, 37, 39, 40, 44, 45, 62, 65, and 66 are as follows:

Senate amendment No. 8: Page 3, line 23, after "agencies," insert "including the Department of Energy,".

Senate amendment No. 19: Page 6, line 13, after "contracts" insert: ": *Provided further*, That $6,000,000 of the funds herein appropriated to remain available until expended, the Secretary of the Army, acting through

the Chief of Engineers, is directed to initiate construction of the lower Mingo County, West Virginia element of the Levisa and Tug Forks of the Big Sandy and Upper Cumberland River project authorized by section 202 of Public Law 96-367, in accordance with the cost sharing principles of Public Law 99-662 using continuing contracts".

Senate amendment No. 20: Page 6, line 16, after "Kentucky." insert "and lower Mingo County, West Virginia,"

Senate amendment No. 21: Page 6, line 17, after "project" insert ": *Provided further,* That the project for flood protection for the town of Matewan, West Virginia, shall include all incorporated units within the town of Matewan".

Senate amendment No. 27: Page 9, line 1, after "purposes" insert ": *Provided further,* That using $550,000 of funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is hereby directed to study, design and construct streambank protection measures along the east shoreline of McGregor Park in the city of Clarksville, Tennessee, on Lake Barkley, under the authority of section 14 of Public Law 79-526".

Senate amendment No. 28: Page 9, line 1, after "purposes" insert ": *Provided further,* That using $970,000 of funds appropriated herein, the Secretary of the Army is directed to relocate the Southeast Light on Block Island, Rhode Island to a more suitable location, subject to enactment into law of authorizing legislation".

Senate amendment No. 29: Page 9, line 10, after "design;" down to and including "project" in line 13, and insert " and, in addition, $92,636,000, to remain available until expended, is hereby appropriated for construction of the Red River Waterway, Mississippi River to Shreveport, Louisiana, project, and the Secretary is directed to continue the first phase of construction of Locks and Dams 4 and 5 that were initiated in 1990 and continue at an accelerated rate the design of the second phase contracts for Locks and Dams 4 and 5 in order to be prepared to initiate them in the second quarter of fiscal year 1992, to repair damages caused by the 1990 flood to project features that are complete or currently under construction, and to award continuing contracts in fiscal year 1991 for construction of the following features of the Red River Waterway which are not to be considered fully funded: Grappe Capout, Fausse Capout, Socot Capout, Grappe Realignment, McDade Revetment, Moss Revetment, Elm Grove Revetment, Cecile Revetment".

Senate amendment No. 30: Page 9, line 13, after "project" insert ": *Provided further,* That, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to make available $150,000 for engineering, design, acquisition and construction of a support structure to serve as the foundation for the Seafarers Memorial in the Columbia River, in cooperation with the city of Hammond, Oregon".

Senate amendment No. 32: Page 11, line 5, after "provision", insert ": *Provided further,* That with $2,000,000 herein appropriated or with funds hereafter appropriated, the Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to award continuing contracts until construction is complete for the West Memphis and vicinity, Arkansas, project authorized by section 401(a) of the Water Resources Development Act of 1986 as modified by the General Design Memorandum 101, dated May 1990: *Provided further,* That using $400,000 of the funds appropriated herein the Secretary of the Army, acting through the Chief of Engineers, is directed to proceed with the authorized Ouachita River Levees project in Louisiana and that rehabilitation or replacement of all deteriorated drainage structures which threaten the security of this critical urban protection is to be accomplished at Federal expenses; and, in addition, the Bayou Rapides Drainage Structure and Pumping Plant is to be included as a feature of the Flood Control, Mississippi River and Tributaries, Arkansas, Illinois, Kentucky, Louisiana, Missisippi, Missouri, and Tennessee project, Lower Red River, South Bank Levee".

Senate amendment No. 37: Page 14, line 4, after "programs" insert ": *Provided further,* That of the funds appropriated herein, $7,000,000 is for a new bridge over the Chesapeake and Delaware Canal at Saint Georges, Delaware, as proposed by the State of Delaware, and as authorized by laws".

Senate amendment No. 39: Page 14, line 23, after "expended" insert ": *Provided,* That the Secretary of the Army, acting through the Chief of Engineers, is directed to complete the conceptual study of potential field organization structures in accordance with Senate Report 101-83 and Conference Report 101-235 accompanying Public Law 101-101".

Senate amendment No. 40: Page 15, strike out lines 18 to 22, and insert:

SEC. 101. Section 4(t)(3)(F) of the Water Resources Development Act of 1988, Public Law 100-676, is amended by striking "September 30, 1989, provided that the total amount forgiven shall not exceed $600,000." and inserting in lieu thereof "June 30, 1990.".

Senate amendment No. 44: Page 17, after line 10, insert:

SEC. 105. Section 228 of the Flood Control Act of 1970 (Public Law 91-611, 84 Stat. 1818, 1832), is modified to direct the Secretary of the Army to conclude a Local Cooperative Agreement for the facilities across the Missouri River in the vicinity of Fort Yates, North Dakota, at an estimated total cost of $22,800,000. For Fiscal Year 1991 there is authorized and appropriated for planning, engineering, and design on this project, $250,000. The non-Federal share of the cost of work directed by this section shall be 10 percent. Upon completion, non-Federal interests shall own, operate, and maintain such bridge and approach facilities.

Senate amendment No. 45: Page 17, after line 10, insert:

SEC. 106. SAN LUIS REY RIVER, CALIFORNIA.—The project for flood control, San Luis Rey River, California, approved by resolutions of the Committee on Public Works, United States Senate, and the Committee on Public Works and Transportation, House of Representatives, on December 17, 1970, and December 15, 1970, respectively, in accordance with the provisions of section 201 of Flood Control Act of 1965 (Public Law 84-298) is modified substantially in accordance with the Supplemental Phase II General Design Memorandum dated December 1987, at an estimated total cost of $60,400,000, with a Federal first cost of $45,000,000, and a non-Federal first cost of $15,300,000.

Senate amendment No. 62: Page 40, line 8, after "$0" insert ": *Provided further,* That the Commission shall, upon the expiration of the one-year contract entered into as result of solicitation No. DE-FB89-RC-00001, exercise it right under such contract not to renew the contract. The Commission shall solicit new bids, allowing for the submission of bids offering to pay the Government of perform stenographic services; that is bonus bids, and shall accept, in accordance with Federal acquisition laws and regulations, the bid of a qualified contractor that is finanically most advantageous to the Government."

Senate amendment No. 65: Page 44, after line 4, insert:

SEC. 306. Funds appropriated to the Department of Energy may be available to carry out programs, including the granting of equipment, to improve mathematics, science, and engineering education and skill levels in the United States in order to ensure that a continuing supply of technical and scientific workers is available to accomplish national and energy security missions.

Senate amendment No. 66: Page 44, after line 4, insert:

SEC. 307. The Secretary is directed, in cooperation with the University of Alaska Fairbanks, to determine the capability and type of supercomputing facility for research activity conducted by the Center for Global Change and Arctic Systems Research and the Geophysical Institute, with specific reference ot the needs for auroral energy research. The Secretary is also directed, in cooperation with the National Center for Atmospheric Research, to determine the capability and type of supercomputing upgrade needed for atmospheric research conducted by the Center. The Secretary shall report the results of such determinations to the Appropriations Committees of the House and Senate by March 1, 1991.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendments of the Senate numbered 8, 19, 20, 21, 27, 28, 29, 30, 32, 37, 39, 40, 44, 45, 62, 65, 66, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 9: (9) Page 3, line 25, after "system" insert ": *Provided further,* That notwithstanding any other provision of law, the funds appropriated to the Corps of Engineers in Public Law 101-101 for Magnetic Levitation Research and Development activities are hereby authorized for expenditure only in accordance with the directions contained in Senate Report 101-83 and House Report 101-235".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of

the Senate numbered 9 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following " *Provided further,* That notwithstanding any other provision of law, the funds appropriated to the Corps of Engineers in Public Law 101-101 for Magnetic Levitation Research and Development activities are hereby authorized for expenditure only in accordance with the directions contained in Senate Report 101-83 and House Report 101-235: *Provided further,* That with $200,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to resume preconstruction engineering and design of the St. Louis Harbor, Missouri and Illinois, project".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 11: Page 4, line 15, after "Project" insert ": *Provided further,* That with $800,000 of the funds provided herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to accelerate preconstruction engineering and design for the Folly Beach, South Carolina, project and complete the General Design Memorandum by May 1992 so that project construction could begin in the fourth quarter of fiscal year 1992: *Provided further,* That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $300,000 of the funds appropriated herein to initiate and expedite a reconnaissance study to develop a recommended plan for flood damage prevention and other water resources problems along the Ohio River and its tributaries in Belmont and Jefferson Counties, Ohio: *Provided further,* That using $270,000 of funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake engineering and design of the Bethel, Alaska bank stabilization project".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 11 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following ": *Provided further,* That with $800,000 of the funds provided herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to accelerate preconstruction engineering and design for the Folly Beach, South Carolina, project and complete the General Design Memorandum by May 1991 so that project construction could begin in the fourth quarter of fiscal year 1992: *Provided further,* That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $300,000 of the funds appropriated herein to initiate and expedite a reconnaissance study to develop a recommended plan for flood damage prevention and other water resources problems along the Ohio River and its tributaries in Belmont and Jefferson Counties, Ohio: *Provided further,* That using $270,000 of funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to undertake engineering and design of the Bethel, Alaska, bank stabilization project".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 14: Page 4, line 25, strike out "$1,300,389,000" and insert "$215,407,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: "$1,050,450,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 15: Page 5, line 10, strike out "$4,100,000" and insert "$2,000,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 15 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: "$4,100,000, which is to be utilized to construct emergency bank stabilization measures including repairs to revetments, and realignments upstream of Shreveport, Louisiana, to Index, Arkansas, that were significantly damaged in the May 1990 flood in the Red River Basin.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 31: Page 9, line 20, strike out "$342,731,000" and insert "$338,993,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: "$344,606,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 35: Page 12, line 2, strike out all after "region" down to and including "project" in line 20, and insert: ": *Provided further,* That with $350,000 of the funds herein appropriated to remain available until expended, the Secretary of the Army, acting through the Chief of Engineers, is directed to use continuing contracts to design and construct a riverfront park at Charleston, West Virginia, in accordance with the cost sharing principles of Public Law 99-662 and as generally described in the September 1989 Reconnaissance Report of the Huntingdon District entitled, Charleston Riverfront Park, Winfield Navigation Pool, Kanawha River: *Provided further,* That no fully allocated funding policy shall apply to construction of Charleston Riverfront Park, West Virginia".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: ": *Provided further,* That $2,500,000 of the funds appropriated herein shall be used by the Secretary of the Army, acting through the Chief of Engineers, to continue the development of recreation facilities at Sepulveda Dam, California: *Provided further,* That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $3,500,000 of the funds appropriated herein for the Federal share of construction of access facilities in the McAlpine Lock and Dam navigation pool. The non-Federal interests shall be credited for previous work related to access, including $3,000,000 for 1,060 feet of the new downtown wharf. Non-Federal interests shall provide necessary easements to the Federal Government for construction of improvements at no cost to the Federal Government. Title for lands shall remain with non-Federal interests: *Provided further,* That $100,000 of the funds appropriated herein shall be used by the

Secretary of the Army, acting through the Chief of Engineers, to continue the Sauk Lake, Minnesota, project: *Provided further,* That with $350,000 of the funds herein appropriated to remain available until expended, the Secretary of the Army, acting through the Chief of Engineers, is directed to use continuing contracts to design and construct a riverfront park at Charleston, West Virginia, in accordance with the cost sharing principles of Public Law 99-662 and as generally described in the September 1989 Reconnaissance Report of the Huntington District entitled, Charleston Riverfront Park, Winfield Navigation Pool, Kanawha River: *Provided further,* That no fully allocated funding policy shall apply to construction of Charleston Riverfront Park, West Virginia".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 46: Page 17, line 25, strike out "$12,926,000" and insert "$12,521,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 46 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: "$13,221,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 49: Page 28, strike out all after line 12, over to and including line 2 on page 29.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 49 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 205. (a) AUTHORIZATION.—The Secretary is authorized and directed to enter into a contract with the McGee Creek Authority, Oklahoma City, Oklahoma, accepting a payment in an amount to be determined by the Secretary after appropriate investigation.

(b) CONTRACT TERMINATION.—Upon receipt of the payment specified in subsection (a), the McGee Creek Water Authority's obligation under contract between the Authority and the Secretary numbered 0-07-50-X0822, dated October 11, 1979, shall be terminated.

(c) TITLE TO PROJECT FACILITIES.—Notwithstanding any payments made by the McGee Creek Water Authority pursuant to section 205 (a) and (b) of this language or pursuant to any contract with the Secretary, title to project facilities of the McGee Creek Project, Oklahoma, shall remain with the United States.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 50: Page 29, strike out all after line 2 over to and including line 2 on page 31.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 206. (a) Except as provided in subsection (b) of this section, none of the funds appropriated in this or any other Act shall be used to execute new long-term contracts for water supply from the Central Valley Project, California.

(b)(1) The Secretary of the Interior is authorized and directed to enter into the following contracts: (A) a municipal and industrial water supply contract with the Sacramento County Water Agency, not to exceed 22,000 acre-feet annually, to meet the immediate needs of Sacramento County and a municipal and industrial water supply contract with the San Juan Suburban Water District, not to exceed 13,000 acre-feet annually, for diversion from Folsom Lake, with annual quantities delivered under these contracts to be determined by the Secretary based upon the quantity of water actually needed within the Sacramento County Water Agency service area and San Juan Suburban Water District after considering reasonable efforts to: (i) promote full utilization of existing water entitlements within Sacramento County, (ii) implement water conservation and metering programs within the areas served by the contract, and (iii) implement programs to maximize to the extent feasible conjunctive use of surface water and ground water; and (B) a municipal and industrial water supply contract with the El Dorado County Water Agency, not to exceed 15,000 acre-feet annually, for diversion from Folsom Lake or for exchange upstream on the American River or its tributaries, considering reasonable efforts to implement water conservation programs within areas to be served by the contracts. The contracts required by this subsection are intended as the first phase of a contracting program to meet the long-term water supply needs of Sacramento and El Dorado Counties. The Secretary shall promptly initiate the necesary analysis for the long-term water supply contracts. The Secretary shall include in these contracts terms and conditions to ensure that the contracts may be amended in any respect required to meet the Secretary's obligations under applicable state law and the Federal environmental laws.

(2) Prior to entering into the contracts specified in subsection (b)(1) of this section, the Secretary is directed to comply with the provision of the National Environmental Policy Act by preparing joint Environmental Impact Statements and California Environmental Quality Act Environmental Impact Reports. The Sacramento County Water Agency shall be the joint lead agency with the Bureau of Reclamation in the preparation of the environmental documents required under (b)(1)(A) of this section and the El Dorado County Water Agency shall be the joint lead agency with the Bureau of Reclamation in the preparation of the environmental documents required under (b)(1)(B), with the Bureau of Reclamation cooperating in all aspects of the environmental review process, but not controlling that process.

(3) Diversions from the American River under the contract for the Sacramento County Water Agency shall, to the maximum extent reasonable and feasible, take place at or near the mouth of the American River.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

□ 1310

The SPEAKER pro tempore. (Mr. MONTGOMERY). The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 51: Page 31, after line 2, insert:

SEC. 205. The Secretary of the Interior is authorized and directed to pay, without reimbursement, $1,000,000 to the Fall River Rural Electric Cooperative in reimbursement for environmental protection requirements in connection with the development of hydroelectric power at the Island Park Dam and Reservior, Idaho. Such payment shall be made on the date the hydroelectric electric power facilities are placed in service and shall not affect cost allocations or repayment provisions for the Minidoka Project.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 51 and concur therein with an amendment, as follows: In lieu of the section number named in said amendment, insert "207".

The SPEAKER pro tempore. Does any Member seek time on this motion?

Ms. SCHNEIDER. Mr. Speaker, I rise in opposition and urge my colleagues to vote in opposition to this

particular inclusion on both an environmental and fiscal basis.

The SPEAKER pro tempore. Is the gentleman from Indiana [Mr. MYERS] opposed to this motion?

Mr. MYERS of Indiana. Mr. Speaker, I am not.

The SPEAKER pro tempore. The gentlewoman from Rhode Island [Ms. SCHNEIDER] will be recognized for 20 minutes, the gentleman from Indiana [Mr. MYERS] will be recognized for 20 minutes, and the gentleman from Alabama [Mr. BEVILL] will be recognized for 20 minutes.

Mr. BEVILL. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho [Mr. STALLINGS].

Mr. STALLINGS. Mr. Speaker, I rise in support of section 51 of the conference report. This amendment is the result of a number of years of hard work by himself, and by my colleagues from Montana, and by my colleagues from Wyoming. It is the result of a negotiated settlement of a problem that has plagued a very, very special stream in Idaho called the Henrys Fork of the Snake River.

In 1985 when I was first elected to Congress, a group of environmentalists approached me about a problem they had with that river. There were 13 applications for low head hydro projects on that river. Essentially, they wanted me to help stop them, to help protect that river from being dug up, run through low head turbines for a very, very small amount of power. As a result of their request, I introduced legislation calling for a study in Wild and Scentic River status on that river, and had the support of my environmental friends in eastern Idaho.

The Senate took a different approach. My colleagues from Idaho on the Senate side passed legislation that essentially stripped any hydro projects on the Henrys Fork, except for one, except for the one that was already in existence. The dam at Island Park was already in existence, and the compromise that we worked out with all parties was that yes, there will be no new low head hydro projects on that river, but we will accept the one at Island Park.

Now, we went even further than that in the legislation that was passed by this body and the other body. It was agreed that we would put all types of environmental concerns. We would put together committees to oversee the construction of that hydro project on the dam that was already in place. We placed all types of dates of construction so it would not interfere with the high water times, and it would not interfere with key fishing times. So we accommodated the environmental concerns on every issue.

However, in the process, my interference with those 14 hydro projects created a problem because I insisted on these environmental steps and these environmental hoops that they had to run through. This Congress passed the Tax Reform Act of 1986 which essentially stripped out the energy tax credits. In the ensuing 2 years, I have worked to try and find a way around this problem. It has been in the last year or so that opposition to this project has developed, and I think it is most unfortunate, because when we protected the river back in 1985 there was tremendous support for it.

When we now are on the verge of seeing this accomplished by this amendment, all of a sudden some of that support has disappeared. It is as if people had forgotten the other 12 projects that might have been put in place by now.

The money involved here is essentially designed to pay for those environmental projections. Some are suggesting that this is a great deal of money, $1 million, and it is. It probably equates to the decal on a B–2 bomber. It is probably equal to some of the other very, very minor projects we do around here, and yet I am concerned about, and so we have made sure that that money is well spent. In fact, the Treasury will benefit from that, so over the long-term the Treasury will receive about $11 million for the $1 million spent therein.

Mr. Speaker, I would hope that Members would support Members as we try to complete this project, that we do in fact what was agreed to by all parties, and that is that we allow a hydro project on a dam that is already in existence.

I find it incredible at this point we are having trouble in energy, and we have seen the price of gas and heating fuel and everything else sky-rocket. Here we have a chance for very little cost to increase some hydro power. It is clean. It is cheap. It is renewable. It does all the things we in this body are trying to do, that is clean up the environment. This is a project that everyone wins.

The environmental concerns have been taken care of. I am convinced that eastern Idaho and this Nation would be better off with it. I guess what I am asking Members to do is to help me keep my word. I have brokered that agreement between the two parties. I put my reputation on the line. I said, "Yes, we will stop the other 12, but we have to have the one." The sides agreed. I gave my word to that, and now I am asking Members to help me keep that word. Please support this.

Mr. Speaker, I yield back the balance of my time.

Ms. SCHNEIDER. Mr. Speaker, as I stated earlier, I rise in opposition to the Island Park Dam for a whole series of different reasons.

The proposal that we are talking about here today would require the Secretary of Interior to make an unprecedented million dollar payment for the cost of a private hydropower project in Idaho. Now, this is something in and of itself, but let me also mention that failure to comply with some of the FERC requirements that the Federal Energy Regulation Commission issued a license for this project 2 years ago. However, the developer has never complied with any FERC requirements for even the most routine submissions of information.

The FERC staff stated that because the developer missed the deadline date for requesting a 2-year extension of the license, it is likely that the license will be revoked. Without a license, it will be impossible for the developer to proceed with the project making the grant of $1 million a complete waste of taxpayers' money. I might mention that various organizations object to this project because they are outraged at the notion of bailing out a private hydropower developer with a million dollar direct Federal grant for expenses that every other hydrodeveloper in the country accepts as a cost of doing business.

I might also ask, why should the taxpayer give a $1 million handout to a private developer of hydropower? Just because a developer lost a tax break, this would set a terrible precedent. Needless to say, there are more than fiscal arguments in opposition to this. There are some environmental arguments. The Henrys Fork of the Snake River, downstream of the Island Park Dam, is one of the most famous and productive wild trout sport fisheries in the world. The construction of a hydroelectric project at the Island Park Dam could disrupt the delicate ecosystem here by causing changes in water flow, also in temperature and oxygen content. The unique fishery and the surroundings support a major tourist industry that is vital to the local community. Clearly, it appears by all environmental assessments to this point that this is no place to experiment with unproven technologies that may or may not work to protect the fish.

So, the development costs of this private hydro power project will be located in at the Bureau of Reclamation's Island Park Dam, are ones that I feel that this Congress should adamantly stand in opposition to.

□ 1320

Its potential for significant adverse impact to one of the finest trout fishery reaches in the world, plus its irresponsible request that the taxpayer support a $1 million project, is to my way of thinking inappropriate.

I might also mention that this particular proposal has not been authorized by the House of Representatives,

and therefore I feel that it is inappropriate that we support it at this time.

Mr. Speaker, I would like to also mention, in addition to the fact that we here in the House have not authorized this $1 million expenditure, the Bush administration also objects to this subsidy because it is not a Federal responsibility and because it represents a departure from long standing policy.

I might also include that the developer involved has a very poor record of complying with environmental provisions of other hydroelectric licenses, and he is currently violating at least a dozen requirements of the Island Park project license.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentlewoman for yielding this time to me.

Mr. Speaker, I share the gentlewoman's concern over the fact that this program is not authorized. This is one more instance where the Appropriations Committee has gone ahead and done something without the benefit of an appropriate authorization.

The authorization process in this House works so that we can look at some of the very issues that the gentlewoman raised before we make policy.

I am wondering, and maybe the gentlewoman knows or maybe somebody from the committee can answer, were there hearings held on this project?

Ms. SCHNEIDER. Mr. Speaker, if the gentleman will yield, there were no hearings.

Mr. STALLINGS. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Idaho.

Mr. STALLINGS. Mr. Speaker, yes, in fact there were hearings held. We had one over on the Senate side earlier this year. The gentleman from Montana [Mr. WILLIAMS] and I testified before the Committee on Ways and Means on this same project earlier in the year.

As a matter of fact, there is a rather extensive hearing record.

Mr. WALKER. But were there any hearings held by the committee that is now coming forward with the proposal?

Mr. STALLINGS. No.

Mr. WALKER. So that what we have, we had hearings held in the authorization process. The authorization process does not approve the project, but we come through with an appropriation where they held no hearings and decided to do it despite the fact that the authorizers decided not to approve it, evidently.

Now, I find that to be a total misstatement of the way this House ought to work. The authorizing process is meant to make determinations about policy, and then having made those determinations about policy, we are to set upward limits. Those upward limits are to be obeyed by the appropriators.

In this case, we do not have any upward limit because we had no authorization. The appropriators had no business putting this money in. It is a million dollars.

The gentleman from Idaho described that as a pittance here a few minutes ago, the decal on a B-2 bomber. A million dollars is a lot of money in my district. It is a lot of money to most people in this country.

The fact is that it is a million dollars which is not going to some Government program. It is going, as I understand it, to a private developer.

Ms. SCHNEIDER. Mr. Speaker, if the gentleman will yield, that is absolutely correct.

Mr. WALKER. And a private developer who has a record of some shakiness with regard to environmental standards; so all of a sudden because the Ways and Means Committee at one point took away a tax break from a private developer, we are now going to come in and reimburse that private developer with a million dollars worth of Government subsidies.

That does not make sense as a policy, and it certainly does not make sense as a policy that the policy was never stated by this Congress.

I object once again very strenuously to the idea that the appropriators feel as though they can run rough shod over this House, that the authorizing process does not matter and that they can go ahead and spend money regardless of where the authorizing committees stand or where the issue stands with regard to Members of the House.

Of course, we will have a vote. Then everybody will run around and we will have the word on the floor that, "You better be with us on this, or we are going to take a look at your projects, too."

I am fearful that the gentlewoman will not prevail. I hope she does, because she has brought a just cause before the House. We ought not to have these matters being brought to us in appropriation bills when they have not been appropriately authorized.

Ms. SCHNEIDER. Mr. Speaker, I yield myself such time as I may consume.

I would like to suggest to my colleague that I certainly do intend to succeed in calling for a vote and defeating this particular amendment No. 51 for many different reasons, not only the ones delineated by my colleague, the fact that we have not held hearings, the fact that we are running rough shod over the process. The process is one element of the argument.

In addition to that, the taxpayers are fed up with what we are doing here in Washington, and it is high time that we stop bailing out the private sector.

A million dollars, as was stated, goes a long way.

Finally, to the environmental concerns, to the trout fishermen and to the local economy, are ones that cannot be overlooked.

The National Wildlife Federation, the American Fisheries Society, the National Audubon Society, the Sport Fishing Institute, the American Rivers and Trout Unlimited, not to mention George Bush himself, stand in opposition to this particular amendment.

Mr. MYERS of Indiana. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho [Mr. CRAIG], who is quite familiar with this project.

Mr. CRAIG. Mr. Speaker, I thank my colleague for yielding me this time.

Mr. Speaker, when you have friends on both sides of an issue, sometimes it is difficult to speak out as strongly as you would like. This seems to be the case in this instance.

Although this project is not in my district, I have watched it with great interest over the last several years, because as my colleague, the gentlewoman from Rhode Island, says, this particular project is on one of the Nation's truly quality fisheries and outstanding trout streams, known throughout the world for the quality of the fishing and the type of fish that are caught there.

It was clearly with this sensitivity that my colleague from the second district, that the two Senators from Idaho who are involved, began to approach this project.

Back in 1968, when my colleague from the second district was considering the Henrys Fork as a wild and scenic river for that designation, that effort was to block hydro projects on the river. Some 12 hydro projects that all of us knew very clearly could in fact, and in fact would damage the quality of the river and its fisheries.

But this was one of the projects that when looked at, even all the coalitions involved at that time agreed that if properly handled, it would not damage the environment. It was at that time that very stringent rules and very stringent procedures for licensure, and it was under that process that the language that is now so very, very tight today on the developer in licensure process is that which is being used for the purposes of construction.

Let me read you some of that language. By the way, this was language that was negotiated by the environmental groups that are now once again in opposition to it. The language says:

The licensee shall cease or alter operations until conditions would provide water within prescribed limits.

That is one of the toughest pieces of language in any hydro license anywhere in the United States today.

In fact, it was the agreement of the coalitions involved that at any time along the way that they—and I am talking about coalitions which include the Henrys Fork Foundation, the Greater Yellowstone Coalition, and the Idaho Sportsmen's Coalition—that any time along the way that they judged there was an environmental problem happening, they could participate in it, and that has all been agreed upon.

Now, my colleague, the gentleman from Pennsylvania, argues properly the authorization question. I am not going to argue that with him. That is a concern that we all have.

Hearings were held on this. They were held in the Senate. It has moved properly through the Senate. It is now an amendment that comes from the Senate for our consideration, so proper and thorough discussion here will be in large part the only hearing that this will receive on the House side.

□ 1330

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. CRAIG. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding.

Were those hearings held in the Senate Appropriations Committee?

Mr. CRAIG. I do not believe they were in the Appropriations. They were in the Energy and Natural Resources Committee of the Senate.

Mr. WALKER. Has the Senate passed an authorization bill for this?

Mr. CRAIG. I cannot answer that.

Ms. SCHNEIDER. It is my understanding, and I would welcome correction if it be necessary, but it is my understanding that neither the Senate Committee on Energy and Natural Resources nor the Senate Finance Committee has reported legislation to achieve the result that is sought by this particular amendment.

Mr. WALKER. I thank the gentlewoman.

Mr. CRAIG. My colleague from Rhode Island is accurate. Hearings were held. From those hearings, the language that you have before you, in the form of an amendment, was crafted. I believe that to be a fact. There is certainly no desire to misrepresent this issue.

What is at hand is a desire that the truth come out, not the idea that this is some issue that will damage the environment, because it is not. It is an existing dam, it is an existing power facility. We are talking about redoing it for purposes of increased production.

There will be no dam construction; there will be no major earth movement.

Clearly, the language assures that the quality of the water and the oxygen content of the water to assure maximum fisheries will be retained. All of that is built on an agreement, built on a coalition, built on negotiations, even in the licensure process, to agree that environmental groups would sit in on the committee that would help craft the language. That is how concerned my colleague from the 2nd district and our senior Senator was that this be done in such an environmentally sound way that we could, in fact, establish a precedent, a precedent to insure water quality, and to insure fisheries, while at the same time recognizing in this country, that we can develop hydro, that it will be environmentally sensitive, and that we can have that quality, and that kind of energy, as part of our overall energy blend.

I think it is important. I think it is important, not just from the standpoint of Idaho, but from the standpoint of the Nation, that we will no longer just arbitrarily say "no hydro project," no hydro projects for some reason. And that reason might be that it is environmentally unsound.

I believe we are looking at an example that can establish an environmental precedent in this country, that we have dotted all the i's and crossed all the t's, and for the first time, we not only have invited in, but we have welcomed in, and asked the environmental community to participate in the crafting of the license and the guidelines that govern and direct this issue.

Let me close by saying that Island Park was authorized by the House on November 17, 1989, in H.R. 3695. It did not pass the Senate, although it did pass the House.

Mr. BEVILL. Mr. Speaker, I yield such time as the gentleman may consume to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. I thank the chairman.

Mr. Speaker, I rise in support of the amendment No. 51, and in opposition to the gentlewoman's attempts to strike the money for this little project out in Idaho. It is not in my State of Montana; it is in southern Idaho, a few miles from the border of Montana, a few miles just west of Yellowstone National Park, to locate it for those of you who are interested in this.

I am a little bit surprised, not only at the fact that this is being jeopardized, but at the debate this afternoon.

First, with regard to the committee running roughshod over authorization or trying to pull off some sort of slamdunk here, that is not what is happening at all. The committee is simply honoring a congressional compromise that was made in 1986. All hydro projects on this little stream, called Henry's Fork, in Idaho, were stopped in 1986. They were all stopped, except this one. The reason this was not stopped, is that the Congress believed it was needed and it could be made environmentally benign if certain adjustments were made in the construction.

And so the Congress imposed certain environmental requirements, causing a midlicensing delay on the reconstruction of this dam called Island Park.

So this little dam was disadvantaged, the only one in the Nation to be disadvantaged in this manner by the Congress of the United States.

Why did we disadvantage them? Well, because it is a trout fishery, because it is one of the Nation's great trout fisheries. That is why we stopped all hydro projects except this one. We said to the contractors and supporters of this project, "If you do it in a certain way, we go ahead and license you, if not—no license."

Now the Appropriations Committee is saying they have done it, they have met the criteria, protected the fishery, and the project should go forward.

If this dam was going to hurt this fishery, and I am a fisherman from the West, I would be opposed to it.

If this dam was bad environmentally, check my environmental record in this House, I would be opposed to it.

But that is not what this dam is going to do. This is not a new dam. There is no diversion of the water going to take place here. There is not going to be 1 inch of new road construction here. The prevailing flows will be maintained. The stream flow will not be altered. The prevailing temperature of the water is going to stay exactly as it is. The dissolved oxygen is going to be just as it is, the nitrogen is going to be changed, all water quality parameters are going to be left unchanged. Either that, or this project is not going to go ahead because that is the law. The Congress, back in 1986, placed that requirement on this little project.

So, environmentally it is very sound. As a matter of legislative integrity, this Committee is simply keeping the word of this Congress, in allowing this dam to go ahead. Now what about the money? Are we going to lose a million dollars here? The first time I ran for Congress, I started listening to those folks out West who said to me, "Pat, you know, we ought to run Government like a business." Well, I was in business. I was in the restaurant business.

The way we made money was to invest money. We have forgotten that on Capitol Hill for too long. We have forgotten that if you invest money up front in the right way, you get money back in the treasury. This $1 million will be returned almost instantly to the Federal Treasury in payroll and

income taxes to the Federal Government. We have already worked that out. It comes back right away.

Then we are going to get $10 million more in the long run through Bureau of Reclamation fees, income taxes, and other revenues to the Federal Treasury. And by the way, not my State, but the State of Idaho is going to make another $3 million on it. So it is an investment.

Ms. SCHNEIDER. Mr. Speaker, will the gentleman yield?

Mr. WILLIAMS. I am pleased to yield to the gentlewoman.

Ms. SCHNEIDER. I thank the gentleman for yielding.

Mr. Speaker, I am very curious to learn how you can calculate that we the taxpayers will be the beneficiary of the return on that million-dollar investment, when in fact, the Federal Energy Regulatory Commission has issued a license for this project with which the firm has never complied with any of the FERC requirements for even the most routine submission of information. And at this point their 2-year extension is at the point of being revoked, making it very clear, that without a license, it will be impossible for the developer to proceed with the project. And there, where will that million dollars go?

Mr. WILLIAMS. Obviously, if they cannot proceed with construction because a license is denied, the million dollars would stay in the Federal Treasury.

I mean, we are not going to write a check to some contractor out in Idaho and say, "Here, it is your money, whether you get a license to build or not." That is not what is going on here.

My colleagues, I urge you to support the Bevill amendment No. 51.

Ms. SCHNEIDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there are a few points I would like to make. Rather than interrupt my colleagues, I wanted to make it very clear to my one colleague, the gentleman from Idaho [Mr. CRAIG] that this particular objection is not an objection to all hydroelectric plants, it is an objection to this one particular plant, because of the failure to comply with license requirements, because at a time like this, we do not need, and the Idaho statesman also points out that the Idaho project does not merit, taxpayer help.

□ 1340

In addition to that, there are environmental questions that have been raised, so much so, that there are 29 different environmental organizations in that vicinity, including the Montana Wildlife Federation, the Montana Trout Unlimited, to which my other colleague is a member, have objections to this. So, there are procedural, there are also taxpayers' concerns; there are environmental concerns.

And last, but not least, let me point out that the chairman of the Subcommittee on Water, Power and Offshore Energy Resources has written a letter to the gentleman from Alabama [Mr. BEVILL] suggesting that it would not be prudent to authorize or appropriate a million dollars to the Fall River Rural Electric Cooperative at this time, because it is necessary to fully review this matter and allow interested parties an opportunity to comment and suggest alternatives.

That opportunity has not been provided, Mr. Speaker, and I feel, that for this body to suggest that we go ahead and assist an individual in the private sector who has violated Federal laws already, the Federal Energy Regulatory Commission, and violated licensing procedures, that it is absolutely irresponsible for this Congress to support this amendment.

Mr. Speaker, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Speaker, I yield 5 minutes to the gentleman from Idaho [Mr. STALLINGS].

Mr. STALLINGS. Mr. Speaker, I will not use all 5 minutes. I do want to just rebut a couple of points that were made.

This project has been under consideration, under very close scrutiny, for the last 4 years. It is a project that has been slowed down; as the gentlewoman from Rhode Island [Ms. SCHNEIDER] says, the project has not moved very rapidly in the last few years, and for a very good reason. This body has slowed it down. They have been waiting to see exactly what Congress would do, and, until Congress acts, those folks involved in the process should not carry on.

Another point that I think needs to be made is the gentlewoman from Rhode Island [Ms. SCHNEIDER] suggested that perhaps the money was going to some company. As a matter of fact, it is not going to a company, but it is going to the Fall River REA to pay for environmental responsibilities, to pay for the environmental concerns, that we in this Congress established.

Now, my colleagues, as the gentleman from Montana [Mr. WILLIAMS], my colleague, says this project is environmentally benign. We have wide support from government officials in the State of Idaho. Governor Cecil Andrus, who has strong environmental credentials, is very supportive of this. The State of Idaho Water Resource Board looked at it closely and has agreed that it is good. The Idaho Department of Fish and Game, certainly not a group that is interested in seeing the fisheries damaged, have issued support. The Idaho Sportsman Coalition have expressed support.

Ms. SCHNEIDER. Mr. Speaker, will the gentleman yield?

Mr. STALLINGS. I yield to the gentlewoman from Rhode Island.

Ms. SCHNEIDER. Mr. Speaker, given the fact that we have, as I mentioned, 29 regional organizations that stand in opposition to it, mentioning also the fact that the administration is opposed to it, and many of us who feel that the process is irresponsible to minority views, let me ask the gentleman how is it that he can feel justified in suggesting the support for that legislation when in fact the chairman of the committee has even suggested that there is no great rush to move this through today, that what we should allow is the opportunity for hearings to be held and a further discussion of the fine points of this, fiscally and environmentally.

Mr. STALLINGS. Reclaiming my time, Mr. Speaker, I cannot speak for the chairman that the gentlewoman from Rhode Island [Ms. SCHNEIDER] is referring to. I have no idea of what he has in mind. All I know is this project is part of this bill. It has been heard on both sides, in both bodies. It has support in the State of Idaho.

The gentlewoman from Rhode Island [Ms. SCHNEIDER] mentioned a list of groups, national groups for the most part, that are expressing concern.

Ms. SCHNEIDER. No, they are all local groups.

Mr. STALLINGS. Reclaiming my time, Mr. Speaker, one of the names which the gentlewoman has on that list, the conservation list, to my understanding has not participated. They are puzzled how their name got on that list. They have stayed out of this, as most of the Idaho groups have. Many of the groups that the gentlewoman is referring to on her list have been rather recent in their creation.

Mr. Speaker, I agree there is some opposition in this State; I would not oppose that, but I would need to point out finally for my colleagues that we in this body do a number of things, most of them well intended. Unfortunately, at times we trample on the people we are trying to help. We placed environmental concerns on a small REA in eastern Idaho and said, "If you'll go through these hoops, you then can develop this energy project."

By putting those obstacles in front of these folks, we made it virtually impossible for them to complete the project that we were trying to help.

My colleagues, we have gone through those hoops. We have an environmentally conscientious project. It is in the interests of fishermen, in the interests of people in eastern Idaho. We think it sets a great example of how future environmental projects, future hydro projects, can be brought together with the environmental community to make sure that we do not

have the damage to the fisheries, the damage to the wildlife.

Mr. Speaker, this project is a model, and I certainly urge my colleagues' support.

Mr. Speaker, I yield back the balance of my time.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

Mr. BEVILL. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Speaker, I just want to rise in support of this motion and urge the Members to vote aye.

Mr. MYERS of Indiana. Mr. Speaker, I thank the gentleman from Alabama [Mr. BEVILL] for his comments.

Mr. Speaker, the Committee on Appropriations has found itself in a middle situation here not by their own making. This was a Senate amendment, and we did consider this amendment quite extensively in the conference. It was discussed quite thoroughly, and this committee, our House Members, were convinced that there was an injustice here in this particular instance.

This project was on schedule until an amendment was offered several years ago in an appropriation bill that required zero, zero, tolerance here in the environmental issues in this project. Because of that, it was stopped temporarily, and the project lost time in order to comply with this fine trout fishing stream, making sure it was not violated, that we protect that stream. So, that was the reason that it was stopped, because of action by the Congress. Otherwise they would have met the time requirement for this tax credit.

Now, it was said this is precedent setting. Well, this one particular instance, maybe it is, but it really is not setting any precedents that we have not done in the past. This project was delayed, not because of any action of the project operators or the promoters. It was because Congress forced the delay to meet, again, the environmental standards. So, it really is not precedent setting. If it is, we are paying the price for what we did, and it is not costing the taxpayers any money, as far as a cash-out. It just qualifies for a tax credit they otherwise would have been able to meet if they had not been delayed by actions of this Congress.

So, after hearing all this evidence from the Senate, the members of the conference decided that it was appropriate in this instance, but the conferees and the appropriate committee is going to be very careful about anything precedent setting that is costing money. We felt it was just an altogether fitting, and I strongly support that we should support the amendment No. 51.

Ms. SCHNEIDER. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentlewoman from Rhode Island.

Ms. SCHNEIDER. Mr. Speaker, I am curious to know.

Mr. MYERS of Indiana. You have been curious before.

Ms. SCHNEIDER. If we find that this particular project is unable to procure the license because of the failure to comply with FERC, and they do not receive a license, is the gentleman then willing to say that we will withhold that million dollars because this is an exceeding controversial proposal that is in a precarious position now due to the developer's mishandling of the entire project, not because of any controversy on environment or anything else, but because he has a record and a reputation of failing to comply with licenses? And I think that when we talk about that precedent, if we are going to in fact provide $1 million to someone who does not have a clear-cut reputation in following the law, is the gentleman willing to suggest that, if he does not receive a license, that that million dollar benefit will come back to the taxpayers?

□ 1350

Mr. WILLIAMS. Will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Montana.

Mr. WILLIAMS. Mr. Speaker, let me read from page 37, line 8. "Such payment," referring to the $1 million, of course, "shall be made on the date the hydroelectric power facilities are placed in service." Obviously, they cannot go ahead.

Mr. MYERS of Indiana. Mr. Speaker, reclaiming my time, I would say it is in lieu of a tax credit. This is in lieu of a tax credit that they were entitled to if they had not been delayed because of actions by this Congress.

Ms. SCHNEIDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think this committee will need to take note, because I am quite certain that we will see other developers come forward who are in similar fiscal difficulties asking for a congressional bailout once again. If we are so ready to hand it out in a circumstance that is so very controversial as this one, I am quite sure this will be precedent setting.

Mr. STALLINGS. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Idaho.

Mr. STALLINGS. Mr. Speaker, I need to make the point one more time, this does not go to the developer; it goes to the Fall River Rural Electric Association to pay for the requirements we have imposed upon them. It does not go to the developer.

Mr. CONTE. Mr. Speaker, I rise in opposition to Senate Amendment No. 51. This $1 million subsidy for a private developer of hydropower is a bad precedent and a bad idea.

This provision of law does not belong on an appropriations bill without an authorization. It is extremely controversial and should be subject to full hearings. There is no urgency or compelling public policy reason for us to perform an end run around the committees of jurisdiction. Mr. Speaker, a host of fishermen and environmentalists fiercely oppose giving a Federal handout for a project that threatens one of the finest trout fisheries in the United States. Most of these opponents live in Idaho and enjoy the unspoiled nature of Henry's Fork.

It is a bad policy to provide relief to a private developer because a tax break he was counting on expired. The tax credit expired for everybody. The Tax Code changes apply to everybody. If we give an exception for this developer, then we open the door for everyone similarly situated to seek like relief.

I have heard the argument that the developers deserve this relief because Congress, by imposing special environmental restrictions on the project, was responsible for project delays. Well, the project sponsors should have been thinking about river protection all along. This is a unique area and requires unique protections. Environmental protection is a fundamental responsibility of us all and is a cost of doing business. It is not the fault of the Congress.

I urge my colleagues to reject the Senate amendment.

Mr. MYERS of Indiana. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. SCHNEIDER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 246, nays 172, not voting 15, as follows:

[Roll No. 490]

YEAS—246

Ackerman	Bonior	Chandler
Alexander	Borski	Chapman
Anderson	Bosco	Clay
Annunzio	Boucher	Clement
Applegate	Brooks	Coleman (MO)
AuCoin	Browder	Coleman (TX)
Baker	Brown (CA)	Collins
Barnard	Bruce	Condit
Barton	Bryant	Conyers
Bateman	Bustamante	Cooper
Bennett	Callahan	Costello
Bereuter	Campbell (CO)	Coyne
Bevill	Cardin	Craig
Bilbray	Carper	Crockett
Boggs	Carr	Darden

Davis	LaFalce	Rahall
DeFazio	Lagomarsino	Ray
Derrick	Lancaster	Regula
Dickinson	Lantos	Rhodes
Dicks	Laughlin	Roberts
Dingell	Lehman (CA)	Robinson
Dixon	Lehman (FL)	Roe
Donnelly	Lent	Rogers
Dorgan (ND)	Levin (MI)	Rose
Durbin	Levine (CA)	Rostenkowski
Dwyer	Lewis (FL)	Roukema
Dyson	Lewis (GA)	Rowland (GA)
Edwards (CA)	Lightfoot	Roybal
Edwards (OK)	Lipinski	Sabo
Emerson	Livingston	Sangmeister
Engel	Lloyd	Sarpalius
English	Long	Savage
Erdreich	Lowery (CA)	Sawyer
Fazio	Luken, Thomas	Schulze
Feighan	Madigan	Serrano
Ford (MI)	Manton	Shumway
Frost	Marlenee	Shuster
Gallegly	Martinez	Sisisky
Gallo	Mavroules	Skaggs
Gaydos	Mazzoli	Skeen
Gekas	McCandless	Skelton
Gephardt	McCloskey	Slattery
Geren	McCrery	Smith (IA)
Gibbons	McDade	Smith (NE)
Glickman	McEwen	Smith, Denny (OR)
Gonzalez	McHugh	Smith, Robert (OR)
Gordon	McMillen (MD)	Solarz
Grandy	McNulty	Spratt
Grant	Mfume	Staggers
Gray	Michel	Stallings
Guarini	Mineta	Stangeland
Hall (TX)	Moakley	Stenholm
Hammerschmidt	Mollohan	Stokes
Hansen	Montgomery	Stump
Harris	Moorhead	Swift
Hastert	Morrison (WA)	Synar
Hatcher	Mrazek	Tallon
Hayes (IL)	Murphy	Tanner
Hayes (LA)	Murtha	Tauzin
Hefner	Myers	Thomas (CA)
Hoagland	Nagle	Thomas (GA)
Hochbrueckner	Natcher	Thomas (WY)
Holloway	Nielson	Torres
Horton	Nowak	Torricelli
Houghton	Oakar	Traficant
Hoyer	Oberstar	Traxler
Hubbard	Olin	Unsoeld
Huckaby	Ortiz	Visclosky
Hughes	Owens (NY)	Volkmer
Hunter	Oxley	Vucanovich
Hutto	Pallone	Washington
Hyde	Panetta	Watkins
Inhofe	Pashayan	Whittaker
Ireland	Payne (NJ)	Whitten
Johnston	Payne (VA)	Williams
Jones (NC)	Pease	Wilson
Kanjorski	Penny	Wise
Kaptur	Perkins	Yatron
Kildee	Pickett	Young (AK)
Kleczka	Pickle	Young (FL)
Kolbe	Poshard	
Kolter	Price	
Kyl	Quillen	

NAYS—172

Andrews	Coble	Flippo
Anthony	Combest	Foglietta
Archer	Conte	Ford (TN)
Armey	Coughlin	Frank
Aspin	Courter	Frenzel
Atkins	Cox	Gejdenson
Ballenger	Crane	Gillmor
Bartlett	Dannemeyer	Gilman
Bates	DeLay	Gingrich
Bellenson	Dellums	Goss
Bentley	DeWine	Gradison
Berman	Dornan (CA)	Green
Bilirakis	Douglas	Gunderson
Bliley	Downey	Hall (OH)
Boehlert	Dreier	Hamilton
Boxer	Duncan	Hancock
Broomfield	Early	Hawkins
Brown (CO)	Eckart	Hefley
Buechner	Espy	Henry
Bunning	Evans	Herger
Burton	Fascell	Hertel
Byron	Fawell	Hiler
Campbell (CA)	Fields	Hopkins
Clarke	Fish	Jacobs
Clinger	Flake	James
Jenkins	Parris	Smith (FL)
Johnson (CT)	Patterson	Smith (NJ)
Johnson (SD)	Paxon	Smith (TX)
Jones (GA)	Pelosi	Smith, Robert (NH)
Jontz	Petri	Snowe
Kasich	Porter	Solomon
Kastenmeier	Pursell	Spence
Kennedy	Rangel	Stark
Kostmayer	Ravenel	Stearns
Leach (IA)	Richardson	Studds
Lowey (NY)	Ridge	Sundquist
Lukens, Donald	Rinaldo	Tauke
Machtley	Ritter	Taylor
Markey	Rohrabacher	Towns
Martin (NY)	Ros-Lehtinen	Upton
Matsui	Roth	Valentine
McCollum	Rowland (CT)	Vander Jagt
McCurdy	Russo	Vento
McDermott	Saiki	Walgren
McGrath	Saxton	Walker
McMillan (NC)	Schaefer	Walsh
Meyers	Scheuer	Waxman
Miller (CA)	Schiff	Weber
Miller (OH)	Schneider	Weiss
Miller (WA)	Schroeder	Weldon
Mink	Schumer	Wheat
Molinari	Sensenbrenner	Wolf
Moody	Sharp	Wolpe
Morella	Shaw	Wyden
Neal (MA)	Shays	Wylie
Obey	Sikorski	Yates
Owens (UT)	Slaughter (NY)	
Parker	Slaughter (VA)	

NOT VOTING—15

Brennan	Leath (TX)	Nelson
de la Garza	Lewis (CA)	Packard
Dymally	Martin (IL)	Schuette
Goodling	Morrison (CT)	Smith (VT)
Kennelly	Neal (NC)	Udall

□ 1410

Messrs. FASCELL, FOGLIETTA, RICHARDSON, DELLUMS, YATES, MATSUI, and GILLMOR, Mrs. BOXER, and Messrs. JACOBS, KASTENMEIER, WHEAT, and OWENS of Utah changed their vote from "yea" to "nay."

Mr. EMERSON and Mr. KYL changed their vote from "nay" to "yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 52: Page 31, line 17, strike out "$2,703,272,000" and insert "$2,745,615,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 52 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: "$2,527,082,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 53: Page 31, strike out all after line 17, over to and including line 3 on page 32, and insert "$45,000,000 shall be available only for the following facilities: Center for Nuclear Medicine Research in Alzheimer's Disease and Related Disorders, Health Sciences Center, West Virginia University; Gazes Cardiac Research Institute, Medical University of South Carolina; Biomedical Research Institute, Louisiana State University Medical Center, Shreveport, Louisiana; the Neurosensory Research Center, Oregon Health Sciences University; and the Physical Sciences Center, Fort Hays State University, Fort Hays, Kansas.".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 53 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted, insert the following: "$89,842,500 shall be available only for the following facilities: Advanced Technology Center, Indiana State University; Center for Energy Resources Management, University of New Orleans; Biomedical Research Facility, University of Alabama at Birmingham; Biomedical Research Facility, Cape Western Reserve University; Energy Science Research Facility at Boston College; Center for Nuclear Medicine Research in Alzheimer's Disease and Related Disorders, Health Sciences Center, West Virginia University; Gazes Cardiac Research Institute, Medical University of South Carolina; Biomedical Research Institute, Louisiana State University Medical Center, Shreveport, Louisiana; the Neurosensory Research Center, Oregon Health Sciences University; and the Physical Sciences Center, Fort Hays State University, Fort Hays, Kansas".

The SPEAKER pro tempore. Does any Member request time on this motion?

Mr. WALKER. Mr. Speaker, I request time on this motion, and I ask the time be allotted.

The SPEAKER pro tempore. The Chair would ask the gentleman from Indiana [Mr. MYERS] if he is opposed to the motion.

Mr. MYERS of Indiana. Mr. Speaker, I am not opposed to the motion.

The SPEAKER pro tempore. The gentleman from Indiana [Mr. MYERS] will be recognized for 20 minutes, the gentleman from Pennsylvania [Mr. WALKER] will be recognized for 20 minutes, and the gentleman from Alabama [Mr. BEVILL] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, when the legislation that we are considering left the House of Representatives, in

the energy research, supply and development activities accounts, the bill had $43 million in unauthorized and earmarked projects.

As the bill returns to us from the conference committee, it now has $90 million in unauthorized and earmarked projects. It is an interesting list that I will go into in a moment.

But I want to make one other point. When the bill left the House, it had one authorized project, a $4 million appropriation for a Hydrogen Energy Systems Program, in other words a program aimed at giving us the alternative fuel of hydrogen. We had given money to the Hydrogen Energy Systems Program so that we might develop hydrogen as an alternative energy source for our future.

As the bill returns from conference, that program has been stricken.

We now have got $45 million more in earmarked projects that are unauthorized, and $4 million taken out of the only authorized program that was sent to conference.

I find that a rather strange way of dealing with the authorizing processes of the House, but I also find it of some concern when we look at where we are spending the $90 million.

Let me read off the list of the universities that have gotten $90 million under this program. The universities getting the programs under this $90 million appropriation are: Indiana State University, University of New Orleans, University of Alabama at Birmingham, Case Western Reserve University, Boston College, West Virginia University, Medical University of South Carolina, Louisiana State University, Oregon University, and Fort Hays State University in Kansas.

I do not know, I have to assume that it is just a coincidence, but when I went to the report and figured out who was on the committee that made this determination, I find that 8 of those 10 projects happened to be in the States and in some cases in the very districts of the people who served on the conference committee.

I am sure that must be a coincidence. Can someone assure me it is simply coincidental, that 8 out of 10 projects happened to go to people who are on the conference committee? Well, can someone tell me that that is precisely the reason why they are in here is because they were from members of the conference committee? I do not seem to be getting much of a reply, and I guess I suspected I would not get much of a reply, but the fact is that when we are allocating money, it is not based upon merit other than the people whe are sitting in the room divvying up the money.

The question I have is: Are any of these unauthorized programs programs that have been peer-reviewed? Can somebody from the committee at least answer a couple of questions here?

Mr. MYERS of Indiana. Mr. Speaker, we are here if the gentleman will yield.

Mr. WALKER. I yield to the gentleman from Indiana.

Mr. Speaker, the Department of Energy has standards that suggest that when you are allocating money for science there ought to be a peer-review process to select the very best science.

Have any of these projects been peer-reviewed through the Department of Energy's science programs?

Mr. MYERS of Indiana. If the gentleman will continue to yield, there have been some that were and some that were not. I do not know which are which, but the gentleman should know. He has been in this Congress a good number of years.

Mr. WALKER. In other words, the determination was made without knowing which are peer reviewed?

Mr. MYERS of Indiana. No; not without knowing. There are lots of projects, if the gentleman will yield further; if we only put authorized programs at this point in this bill, I do not know how many, about 3 or 4 billion, I guess, and very little of the Department of Energy is authorized at this point. Very little of the defense is authorized at this point.

Mr. WALKER. I thank the gentleman, but that is not the point here.

Mr. MYERS of Indiana. That is the issue the gentleman started about being unauthorized.

Mr. WALKER. Yes. In this particular case, we are determining that science programs, some of the most essential programs in the country, are going to go to particular places. We have no idea whether they are the best places for the money to go. We are simply spending $90 million. It certainly has the appearance that we are spending $90 million of money on projects that were directly related to people who sat on the conference committee.

I am saying to the gentleman that that is not a criteria that ought to be utilized for determining how the best science in this country gets done, and that we ought to have an appropriate process for assuring that science is properly evaluated and not just to satisfy the wishes of some Member that happens to be sitting in the room.

□ 1420

I am very disturbed by the situation where we are ignoring the authorizing process and where the one authorized program that was in the bill got dropped. Now, I find that very puzzling.

The gentleman said that we cannot do anything because there is no authorization in place. When the authorization is in place, we drop that program.

Now, the gentleman talked here a few minutes ago on the other bill about the fact that we have to have a sense of justice here, and we have to deal in ways in which the Committee on Appropriations makes up for the mistakes of others. How are we making up for the mistakes of others when we are talking a specific program that the authorizing committees wanted, and dropping it, in favor of going with $90 million in spending that the authorizing committees have not come up with?

Mr. MYERS of Indiana. Mr. Speaker, if the gentleman will yield, the gentleman will remember that this amendment was offered on the floor here. We did not have, in the hearings we held, we had hearings, too. The sun does not rise and fall with the authorizing committees.

Mr. WALKER. And neither does it on the appropriating committee, except the appropriating committees seem to act as though it does, and they ignore virtually everything that the authorizing committees do. How is it that we are outspending far in excess of anything that the authorizing committees have authorized at this point, where we do have laws in place, and yet we have exceeded it over and over again, in this particular bill, not in bills in days past. In this particular bill they have gone way over authorizations in the case of authorization committee priorities, they ignored, and in the case of the Committee on Appropriations, particularly Members sitting in the room, they decided to emphasize those.

I am saying that that is pretty much of a case where the appropriators do believe the sun rises and sets on them, and that they totally ignored that which goes on in the other committees of this Congress, who I think have a legitimate role to play.

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Pennsylvania.

Mr. RITTER. I think the gentleman is making an excellent point. Frankly, this country is sustaining a self-inflicted wound to the ability of science and technology, to promote our national well-being by politicizing this in its extent.

No, this process of allocating money to the university programs through appropriations bills has gone too far. It started 5 or 6 years ago where we began to ignore peer review, and each year it gets bigger and bigger and bigger.

Frankly, what we are doing is ignoring the science, the judgments of the scientists, and we are depending upon the judgments of the politicians. Do Members know what that makes? Po-

litical science. Political science. That is what we are getting in this Congress these days.

We can point to a dozen projects which have been involved because of politics. Now, that does not fit well with the national economy. That depends on a science and technology base. I tell Members what we are, and I will repeat it, sustaining grave damage to the ability of science and technology to perform for the American people.

Mr. WALKER. Mr. Speaker, I thank the gentleman. As a distinguished scientist himself, he understands the problems I am tryng to get to.

I am simply concerned that we have projects here that were not requested by DOD, have never been peer reviewed by the Department of Energy. They have absolutely nothing going for them except that they are politically motivated, and they have not in any way authorizing process ever been out forward as appropriate projects for the country to do.

So I think that this is an amendment that should be turned down. The Senate may well want to spend $90 million of the taxpayers' money for unjustified programs. This gentleman does not.

Mr. Speaker, I reserve the balance of my time.

Mr. BEVILL. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from Louisiana [Mrs. BOGGS], who is retiring this term. We are going to miss Mrs. BOGGS a great deal, not only those from the State of Louisiana, but the entire Nation. She is a great woman, and we are proud of her. We are sorry to see her leave.

Mrs. BOGGS. Mr. Speaker, I would like to say that the projects that were in the House version of the bill all have very, very careful consideration. Unfortunately, this Member could not be at the conference committee. Had I been there, in all probability I would have spoken up for the hydrogen project which the gentleman from Pennsylvania is concerned with.

However, I would like to speak to the value not only to energy research but to technology transfer into the balance of payments and trade for the United States and the project of Energy Resources Center at the University of New Orleans. It was carefully considered by the subcommittee that has this before Members, and was completely regarded in the report of the bill that came out of that committee and went over to the Senate with the full concurrence of this House in the bill that was passed in this House.

So it is a splendid investment for this country and it is an investment that is shared in by the city of New Orleans, the State of Louisiana, the University of New Orleans, and a land transfer that had to be developed from the Levy Board of the city of New Orleans in a swap with the university.

It is all a very beautiful plan. We have the interests of Eastern Europe and French companies in the whole central park that will be developed at the university, and this Energy Resources Center that will be the heart of the technology transfer and heart of the great and splendid research that has gone on in Louisiana, and energy will be performed there.

I must speak to the merits of this particular project.

Mr. LIVINGSTON. Mr. Speaker, will the gentlewoman yield?

Mrs. BOGGS.I yield to the gentleman from Louisiana.

Mr. LIVINGSTON. Mr. Speaker, I also rise in support of the two projects, the Central Research Center at the University of New Orleans, and the Biomedical Research at LSU, and I want to applaud the gentlewoman's support of these programs, as well as her performance and reputation of her constitutents over these last 20 years that she has served in the House of Representatives. She has been an outstanding Member, and a pleasure to work with, and a great friend. I wish her well in her retirement from Congress.

Mr. MYERS of Indiana. Mr. Speaker, I yield 2 additional minutes to the gentlewoman from Louisiana [Mrs. BOGGS].

Mrs. BOGGS. Mr. Speaker, I yield such time as he may consume to the gentleman from Louisiana [Mr. LIVINGSTON].

Mr. LIVINGSTON. Mr. Speaker, I might also say that since I serve on the Defense Appropriations Committee, I see how some 70 to 80 percent of the research projects often find themselves consolidated in two or three States in the entire Nation, indicating that only the universities of those two or three States have the capacity to do research for the Federal Government in critical areas.

Since Louisiana is not one of those States, I would suggest that Louisiana and the other 46 States are equally capable and have wonderfully dynamic universities and educational facilities that could likewise render great service to the Nation in terms of not only defense research but biomedical and industrial research, and research of all kinds.

I think that the gentlewoman's projects are not only well-intentioned, they are properly investigated. I know a good bit about them. I think that they are absolutely worthy of consideration of the House at this time. I urge that the gentleman's reservation be denied.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself such time as I may consume.

A lot has been said about unauthorized projects in this bill, and there are a considerable number as I mentioned earlier. If this Committee on Appropriations had to wait for all the authorizations to come through, we would be here until Christmas next year waiting on this year.

The committee does not like to have to do this. I just went through some mail here the committee has received from a number of authorizing chairmen, asking this committee to do the things we have done. Times changed after the authorization came through. The economy changed. The need has changed after authorization between that time and now.

□ 1430

So this committee has not gone around willy-nilly saying we will throw a dart and build this or that.

The gentleman from Pennsylvania [Mr. WALKER] has made an issue here about the location of these. It is true, of course, this committee had hearings, and in our best judgment, these are facilities that are badly needed.

Now let us take a look at what the House version had. Two biomedical research facilities, again, something most Members do not realize here. We have a whole new area in our country of nuclear medicine and diagnostic type of work, various types of diagnostic work is necessary.

Now we have new research, and they have been able to diagnose illnesses, problems and diseases, long before you could do normally, until the disease really takes over; so a lot of diagnostic work is being done now in research in universities.

Now, previously it was done by some drug companies and industry, but under our new tax structure, the Government no longer wants to share in the risk of research, so it has driven more of it over to universities.

So two of these facilities were biomedical research, doing very important work in heart, AIDS, cancer, to name a few, doing diagnostic work as well as treatment work.

Yes, we put the money in because we do not like the statistics we see today. Maybe these were not authorized, but we did have hearings, and the Committee on Appropriations had hearings also, I say to the gentleman from Pennsylvania [Mr. WALKER], we had lots of witnesses come in.

The other is a research facility that the gentlewoman from Louisiana [Mrs. BOGGS] has already spoken of. It does great work, so it was very badly needed.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. Certainly, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, can the gentleman tell me whether or not

these specific projects had people come in and testify about them?

Mr. MYERS of Indiana. Some did.

Mr. WALKER. Some did, some did not.

Mr. MYERS of Indiana. Let me ask the gentleman what was in HUD. I was not going to bring this up. There is a provision in HUD that was introduced by the gentleman from Pennsylvania:

Notwithstanding any other provision of law or requirement, the Borough of East Stroudsburg in the Commonwealth of Pennsylvania is authorized to retain any land disposition proceeds from the closed Courtland Plaza urban renewal.

Whose district is that in?

Mr. WALKER. That is not my district.

Mr. MYERS of Indiana. Who put that in?

Mr. WALKER. I have no idea, but East Stroudsburg is not in my district.

Mr. MYERS of Indiana. That was put in without any hearings.

Mr. WALKER. I do not know, but if the gentleman is referring to me, East Stroudsburg is not in my district. I certainly did not introduce that, because East Stroudsburg is not in my district.

But let us get back to the point at hand, instead of engaging in personalities. Let us get back to the point at hand.

Which of these particular projects has been subjected to hearings in the House?

Mr. MYERS of Indiana. We have had hearings, I say to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Which of these projects has gone through hearings in the House where we had a chance to specifically review them?

Mr. MYERS of Indiana. Specifically in particular projects, I do not know that we had hearings only on that, but we had 2 or 3 days on medical research.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, this particular title is the energy supply, research and development activities. It has nothing to do with biomedical research. That is in another area. We fund a lot of programs in biomedicine.

This is energy supply research. We are supposed to be developing new sources of energy. The gentleman specifically cut out developing hydrogen in order to do biomedicine?

Mr. MYERS of Indiana. Let me continue. The gentleman has the cart a little bit ahead of the horse here.

On the University of Boston College, the research being done there.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, the gentleman mentioned biomedicine here.

Mr. MYERS of Indiana. That is right.

Mr. WALKER. This is not the section under which we do biomedicine. That is another section of research. I agree it is very important, but this is where we are supposed to be finding out how we produce new energy for our future.

The one program that was aimed at doing that, the authorizing committee had put forward, the gentleman cut out.

Mr. MYERS of Indiana. The gentleman has been critical of Boston College, the catalyst-based research being done at Boston College.

Let me read this: "Improved efficiency of energy production."

Energy is something vitally needed in this country, improved efficiency of how we are using energy, development of entirely new materials.

Some of the temperatures that we are using are very high, so this is the kind of research we are doing there.

Reduction of environmental pollution caused by industrial and automobile emissions, becoming increasingly big problems; enhance and expedite clean-up of environmental disasters, such as the *Exxon Valdez.*

Mr. WALKER. The gentleman is probably right. I am not saying there is not some worthwhile research here, but I think that it needs to be weighed against other research that might also have been done.

What are we doing in neurosensory research that develops new energy sources for the country?

Mr. MYERS of Indiana. I did not hear the gentleman's question.

Mr. WALKER. The Neurosensory research center, what are we doing there that develops new energy sources for the country?

Mr. MYERS of Indiana. Well, Mr. Speaker, I say to the gentleman from Pennsylvania [Mr. WALKER], these are vital research, as I have been trying to read here, and the gentleman interrupted me.

This is research that has to be done. We did have hearings, several days of hearings.

Now, the gentleman asked which ones specifically. We had hearings on all of them, all that we received mail and letters on. Maybe they are located in some of the districts of Members, but we know more about them there.

We did have hearings, several days of hearing on this very thing.

Mr. WALKER. Mr. Speaker, if the gentleman will yield, getting letters from somebody who wants a project in their district is not holding a hearing.

Mr. MYERS of Indiana. We had testimony, too. We looked at hundreds of letters.

Mr. WALKER. But did the gentleman have any hearings where they weighed these projects against all the other projects that are also out there seeking money to do this kind of thing?

Mr. MYERS of Indiana. We certainly did, yes, yes. There were a lot of requests for money. We could not satisfy everyone's request. There is not that much money left.

Mr. WALKER. I would say to the gentleman, I am not talking about whether Members requested the money or not. It seems to me that there is a lot of research being done in the country that maybe Members do not know about. Somehow along the line, we ought to figure out a system that allows us to get the very best science, whether or not it is in some Member's district who is willing to come to the floor and vote for the bill.

Mr. MYERS of Indiana. Because it is in someone's district, the gentleman thinks it should be disqualified, is that what the gentleman is suggesting? If it happens to be in the district of someone who serves on the Appropriations Committee? We have a lot of projects that work in those districts.

Mr. WALKER. Mr. Speaker, if the gentleman will yield further, if it happens to come together, that the very best project in the country also existed in a Member's district and he wants to fight for it, fine. I do not have a problem with that, but what I do have a problem with is, if it is a mediocre project, and we have no idea because we did not hold any hearings about it——

Mr. MYERS of Indiana. We did have hearings. I do not accept that.

Mr. WALKER. But the gentleman has not told me, for example, which of these projects was specifically under hearings, and whether they were weighed against other major science projects in the country.

Mr. MYERS of Indiana. That is the job of this committee, to weigh, and we did weigh. If the gentleman is not pleased with it, there is nothing we can do about that. The gentleman could object in the regular hearings. The gentleman has every right to do that.

When we had our bills on the floor back in June, the gentleman objected to this, did he not? These same projects, did he not?

Mr. WALKER. I objected to them because they were not authorized projects at the time, but what the gentleman did, he went to the conference, and he took all five of the ones we had in the House, and added five more from the Senate. The gentleman took everything everybody wanted. There was no attempt here to discern among them. We left here with $45 million. We came back with $90 million and took everything that the Senate wanted, and everything that the House wanted.

Now, that does not sound to me as though it is something where we did much weighing.

Mr. MYERS of Indiana. Where is Lebanon, PA?

Mr. WALKER. Lebanon, PA is in my district.

Mr. MYERS of Indiana. I rest my case. I will not bring it up. We are not bashing each other here.

Every Member knows his own district or her own district best.

In closing, I want to say that this committee is going to lose three Members next year. We have already talked about the gentlewoman from Nebraska [Mrs. SMITH]. The gentlewoman from Louisiana [Mrs. BOGGS] will be leaving, an able Member for a number of years, made a great contribution. Certainly her city of New Orleans, LA, and the Nation, and certainly our committee will miss the service of the gentlewoman from Louisiana [Mrs. BOGGS].

The gentleman from Oklahoma [Mr. WATKINS] is not on the floor right now, but he will also not be returning. It is a heavy loss to lose three Members of a small subcommittee like this. We will miss these Members very much. We thank them for their service.

Mr. WALKER. Mr. Speaker, I yield myself 1 minute.

I think it is interesting that the gentleman mentions Lebanon, PA. Every time I have come out here to the floor to fight spending projects, the Appropriations Committee seems to raise that.

I will tell the gentleman, I will accept any kind of language in a bill that meets the same standards that Lebanon, PA, did, because there is not one dime of appropriated money in it.

Mr. MYERS of Indiana. Mr. Speaker, if the gentleman will yield, where were the hearings held on Lebanon, PA?

Mr. WALKER. They have been held in the Banking Committee because it is a part of the authorization in the House. It has been peer reviewed and has been suggested by the Department of Housing and Urban Development.

Mr. MYERS of Indiana. A peer review on a project like this?

Mr. WALKER. Yes, absolutely. It is something that the district office of HUD has recommended.

But I want to tell the gentleman, there is not one dime of appropriated money, so if the gentleman wants to come to the floor with things that do not have any appropriated funds in them, that do not cost the taxpayer a dime, then I would say to you I do not think we have a problem there; but in this particular case we are talking about $90 million of taxpayers' money that is going to be spent. I would suggest to the gentleman that that is a different standard.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself 1 minute.

These four or five projects put in on the House side, every one of them have local money going into them too, roughly 1 to 3, so it is not a matter that we are giving money out to somebody. It is matching money. Every one of these local governments or local entities has put some money up, too.

It is like the other projects in HUD or anything else.

Mr. WALKER. Mr. Speaker, if the gentleman will yield, I do not see any of that matching money in here.

Mr. MYERS of Indiana. The gentleman did not attend the hearings, I say to the gentleman from Pennsylvania [Mr. WALKER].

□ 1440

Mr. BEVILL. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. STOKES], a member of the Committee on Appropriations.

Mr. STOKES. Mr. Speaker, I thank the distinguished chairman of the subcommittee for yielding to me.

First I would like to reply to a couple of things said by the gentleman from Pennsylvania [Mr. WALKER]. First he made reference to the fact that these projects were put in by a bunch of conferees sitting in a room divvying up money.

Even though I am proud to be a member of the Committee on Appropriations, I do not sit on this particular subcommittee. At no time was I in the room as a conferee while these projects were being considered.

Second, he says they are not based upon merit.

I think it is important to say that the president of Case Western Reserve University came here to Congress, testified before the subcommittee along with myself and other persons regarding this project.

Further, on its merits, Mr. Speaker, Case Western Reserve is one of the Nation's leading private research universities. This new research facility will be located at Case Western School of Medicine and will house 150 scientists conducting clinical research in areas of critical need.

The facility will allow the university to strengthen its research activities in a variety of areas, including environmental health, cancer, diabetes, geriatrics, viral diseases such as AIDS, and genetic diseases such as sickle-cell anemia and cystic fibrosis.

The new building will be designed for interdisciplinary teams, an approach that is critically important in developing new insights into treating diseases.

This new building will also contribute to the growth of the local economy. Of the 150 scientists who will work at the facility, 80 will be new faculty. The new building will create about 250 new jobs for support staff.

Construction of the building is expected to create more than 1,500 jobs. The project is expected to generate an additional $25 million in annual research funding, with an estimated impact of more than $37 million annually on the regional economy. The transfer of new technology developed at the facility will also contribute to the economic growth of the region.

Mr. Speaker, "The Decaying American Campus, a Ticking Time Bomb," a joint publication of the Association of Physical Plant Administrators of Universities and Colleges and the National Association of Colleges and University Business Officers, in cooperation with Coopers Lybrand, reports that American college and university facilities are decaying.

The time bomb, as many have called it, continues to tick. At risk is the ability of colleges and universities to fulfill their missions of teaching and research in an increasingly knowledge-based society. Aging and deteriorating facilities pose a threat to first-class learning and advanced research in the coming decades.

This publication also tells us that higher education has suffered from chronic under-investment in capital renewal and replacement. Some experts tell us the bomb may have already detonated. In the case of this particular project, the State, and privately in the city of Cleveland, they have raised more than $100 million for this project. We are just asking for the $10 million from the Federal Government. We think this is an important investment in the future of our Nation.

Mr. MYERS of Indiana. Mr. Speaker, I yield such time as he may consume to the ranking member of the Committee on Appropriations, the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I want to pay special tribute to the gentlewoman from Louisiana, the gracious and charming LINDY BOGGS.

LINDY BOGGS is retiring from this body. Her loss will be deeply felt by our committee, by Congressman BEVILL and Congressman MYERS, and this Congress and also felt by this Nation.

All of us would agree that the gentlewoman is the absolute portrait of charm and grace. She has extended her warmth and her hospitality to all Members of this body and we all owe her a deep debt of gratitude.

LINDY, on behalf of the committee and all the Members on this side of the aisle, thank you; I congratulate you.

LINDY, we wish you the very, very best in life.

Mr. Speaker, talk about peer review, I know no better peer review than LINDY BOGGS, and I urge an "aye" vote.

Mr. WALKER. Mr. Speaker, I yield myself 1 minute.

I certainly want to join the gentleman from Massachusetts in his praise of LINDY BOGGS. She has contributed a great deal to this body over the years she has been here, and I think that it is entirely appropriate for us to take

that time in order to congratulate her for all the service she had provided to the House of Representatives.

Mr. Speaker, I hope that we will not regard amendment No. 53 as the LINDY BOGGS amendment. That probably would give me difficulty in winning my position.

But I hope that we would look at the issue.

The gentleman from Ohio a few minutes ago told us about what this research was going to do at Case Western University. In no case did he mention anything that I could hear that has anything to do with energy supply research and development activities. It sounded like it is going to be a medical center.

I am perfectly aware we need medical research in this country. But this is the energy supply research and development title of the bill, and there is some question as to why we ought to be funding this project under this title.

Mr. MYERS of Indiana. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. PURSELL], a valued member of this subcommittee.

Mr. PURSELL. Mr. Speaker, I will be very brief. I think these last 2 weeks have brought to our attention a change in public policy in which we are coming into a collision course between priorities. And when you look at reconciliation and you see the Committee on Ways and Means looking at more revenue, more taxes to fund our programs, and those of us on the Committee on Appropriations looking at priority programs, most of which are authorized, some are not authorized, you come to the conclusion that we cannot do both.

We cannot raise taxes and raise spending; defense, entitlements, and discretionary funding.

So that is why we are here, because of this huge national debt, $185 billion of interest in fiscal year 1991 that our children and grandchildren will be paying.

On the Energy and Water Subcommittee, I went back and reassessed my priorities. I said, well, I have a project in there called Rouge River project for $3 million. I asked the conference committee to take it out. I do not know if that was an appropriate request from a Member who had put it in 6 months ago. But I have to admit publicly that that Rouge River was a little muddy. But I also saw a river alongside of it that was full of red ink called the deficit.

So when you decide which is better for the country and the generations to come, I decided we could clean up the Rouge River with volunteers and address the cause of the problem not by pouring in more and more money, multimillions of dollars in the long term, to solve that problem.

So I just say to each of you, I ask you both Republicans and Democrats, that we have got to reassess our priorities in life. That is why we are here.

So I am asking each of you to look at your programs and your requests. Those of us on the Appropriations Committee get hundreds of requests for grants and projects with respect to the 13 appropriations bills.

I also ask you to consider, if you are on the authorization committee, to look at all the grants you announce back home. Maybe there is a grant you do not really need, maybe there is a project that you really do not need, that is not a high priority, that does not have a lot of merit.

If each one of us would do that, the cumulative effect and the aggregate effect would dramatically show the people of this Nation that, yes, we can address the spending side. The people who want no taxes say, "I am not going to vote for taxes." But you look at some of them, let us say maybe in the State of Texas, that has the supercollider, the Houston space program, and defense installations; well, you cannot have it both ways. I am just suggesting hopefully that each one of us on both sides of the aisle begin to reassess our priorities in this Nation and on the spending side try to show some example, whatever it is that you can look at in the oncoming months and in the next year, in order to address a deficit that is going to bankrupt this Nation, and my children and your children.

Mr. WALKER. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I appreciate the remarks of the gentleman from Michigan a moment ago. If we take a look at the tax bill we passed on the House floor the other night, which raises taxes to middle-class families by $400 a year, it will take 225,000 of those families paying an additional $400 just to pay for the $90 million of earmarked unauthorized programs that are in this particular bill; 225,000 middle-class families are paying the bill for these projects that have not been authorized and have not had peer review, that we have no idea about whether they have merit or whether they do not.

□ 1450

Some may, some may not. We do not know, but yet taxpayers are going to be asked to ante up for it.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, we may not know whether it is proper or not, what the Appropriations Subcommittee does.

Mr. Speaker, I yield back the balance of my time.

Mr. WALKER. Mr. Speaker, I yield back the balance of my time.

Mr. BEVILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we have talked a lot about these projects, and about the authorization committee. In my judgment, there is no subcommittee in the Congress that works closer with the authorization committee than this subcommittee. On every one of these projects testimony was presented. The subcommittee went through these projects and asked all the questions that they wanted. The subcommittee could ask questions of the officials of the various hospitals and schools as they presented their testimony. Then the whole House Committee on Appropriations approved them. Then the whole House and Senate of the United States approved them. Then the conferees approved every one of these buildings unanimously. There is nothing unusual about this.

Mr. Speaker, we do have to have buildings on these campuses. We do have to have laboratories. We need more laboratories. We need more scientists. We need more emphasis on these programs because our great Nation is now falling behind in the field of science. I hope that you will vote "aye" on this motion.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The question was taken; and the speaker pro tempore announced that the ayes appeared to have it.

Mr. WALKER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 308, nays 108, not voting 17, as follows:

[Roll No. 491]

YEAS—308

Ackerman	Browder	Davis
Alexander	Brown (CA)	de la Garza
Anderson	Bruce	DeFazio
Andrews	Bryant	Dellums
Annunzio	Bustamante	Derrick
Anthony	Byron	DeWine
Applegate	Callahan	Dickinson
Aspin	Campbell (CO)	Dicks
Atkins	Cardin	Dingell
AuCoin	Carper	Dixon
Baker	Carr	Donnelly
Barnard	Chandler	Dorgan (ND)
Barton	Chapman	Downey
Bateman	Clarke	Durbin
Bennett	Clay	Dwyer
Bereuter	Clement	Dyson
Berman	Clinger	Early
Bevill	Coleman (MO)	Eckart
Bilbray	Coleman (TX)	Edwards (CA)
Boehlert	Collins	Edwards (OK)
Boggs	Conte	Engel
Bonior	Conyers	English
Borski	Costello	Erdreich
Bosco	Coughlin	Espy
Boucher	Coyne	Evans
Boxer	Craig	Fascell
Brooks	Darden	Fazio

Feighan
Fish
Flake
Foglietta
Ford (MI)
Ford (TN)
Frost
Gallegly
Gallo
Gaydos
Gejdenson
Gephardt
Geren
Gibbons
Gillmor
Gilman
Glickman
Gonzalez
Goodling
Gordon
Goss
Grant
Gray
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hiler
Hoagland
Hochbrueckner
Holloway
Hopkins
Horton
Houghton
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jacobs
Jenkins
Johnson (SD)
Jones (GA)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Laughlin
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Livingston
Lloyd
Long
Lowery (CA)
Lowey (NY)
Luken, Thomas
Lukens, Donald
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCrery
McCurdy
McDade
McDermott
McHugh
McMillen (MD)
McNulty
Meyers
Mfume
Michel
Miller (CA)
Mineta
Mink
Moakley
Molinari
Mollohan
Montgomery
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal (MA)
Neal (NC)
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Pallone
Panetta
Parker
Parris
Pashayan
Patterson
Payne (NJ)
Pelosi
Penny
Perkins
Pickett
Pickle
Poshard
Price
Rahall
Rangel
Ray
Richardson
Rinaldo
Roberts
Robinson
Roe
Rogers
Ros-Lehtinen
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Sabo
Sangmeister
Sarpalius
Sawyer
Saxton
Scheuer
Schumer
Serrano
Sharp
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Smith, Robert (OR)
Solarz
Spence
Spratt
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon
Tanner
Tauzin
Taylor
Thomas (GA)
Thomas (WY)
Torres
Torricelli
Towns
Traficant
Traxler
Unsoeld
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walsh
Washington
Watkins
Waxman
Weber
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—108

Archer
Armey
Ballenger
Bartlett
Bates
Bellenson
Bentley
Bilirakis
Billey
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Campbell (CA)
Coble
Combest
Condit
Cooper
Courter
Cox
Crane
Dannemeyer
DeLay
Dornan (CA)
Douglas
Dreier
Duncan
Emerson
Fawell
Fields
Frank
Frenzel
Gekas
Gingrich
Gradison
Gunderson
Hammerschmidt
Hancock
Hefley
Henry
Herger
Hunter
Hyde
Inhofe
James
Johnson (CT)
Johnston
Kasich
Kastenmeier
Kyl
Leach (IA)
Lent
Lewis (FL)
Lightfoot
Machtley
Marlenee
McCollum
McEwen
McGrath
McMillan (NC)
Miller (OH)
Miller (WA)
Moody
Morella
Nielson
Oxley
Paxon
Payne (VA)
Pease
Petri
Porter
Pursell
Ravenel
Regula
Rhodes
Ridge
Ritter
Rohrabacher
Roth
Russo
Saiki
Schaefer
Schiff
Schneider
Schroeder
Schulze
Sensenbrenner
Shaw
Shays
Shumway
Shuster
Sikorski
Slaughter (VA)
Smith (TX)
Smith, Robert (NH)
Snowe
Solomon
Stearns
Stump
Sundquist
Tauke
Thomas (CA)
Upton
Walker
Weiss
Weldon
Wolpe

NOT VOTING—17

Brennan
Crockett
Dymally
Flippo
Grandy
Leath (TX)
Lewis (CA)
Martin (IL)
Moorhead
Morrison (CT)
Nelson
Packard
Quillen
Savage
Schuette
Smith (VT)
Udall

□ 1513

The Clerk announced the following pairs:

On this vote:

Mr. Dymally for, with Mr. Packard against.

Mr. Udall for, with Mr. Quillen against.

Mr. FAWELL and Mr. WOLPE changed their vote from "yea" to "nay."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 54: Page 32, line 3, after "College" insert ": *Provided further*, That of the amount appropriated herein, $6,000,000 shall be available only for the Boron Neutron Capture Therapy research program at the Idaho National Engineering Laboratory and $7,500,000 shall be available only for the modification and operation of the Power Burst Facility at the Idaho National Engineering Laboratory, and the Secretary of Energy is directed to obligate and expend funds for these activities prior to the end of fiscal year 1991."

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 54 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: ": *Provided further*, That of the amount appropriated herein, $5,500,000 shall be available only for the Boron Neutron Capture Therapy research program at the Idaho National Engineering Laboratory and $7,500,000 shall be available only for the modification and operation of the Power Burst Facility at the Idaho National Engineering Laboratory, and the Secretary of Energy is directed to obligate and expend funds for these activities prior to the end of fiscal year 1991".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 57: Page 33, strike out all after line 15 over to and including line 10 on page 34, and insert:

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $292,833,000, to remain available until expended, to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in the account, the Secretary shall exercise his authority pursuant to section 302(e)(5) of said Act to issue obligations to the Secretary of the Treasury: *Provided*, That of the amount herein appropriated, within available funds, not to exceed $5,000,000, may be provided to the State of Nevada, for the conduct of its oversight responsibilities pursuant to the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended, $750,000 is to be available for the University of Nevada, Reno for infrastructure studies related to nuclear waste, and $250,000 is to be available to the University of Nevada, Las Vegas, to carry out transportation studies related to nuclear waste: *Provided further*, That not more than $5,900,000, may be provided to affected local governments, as defined in the Act, to conduct appropriate activities pursuant to the Act: *Provided further*, That none of the funds herein appropriated may be used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in 18 U.S.C. 1913: *Provided further*, That none of the funds herein appropriated may be used for litigation expenses: *Provided further*, That of the amount appropriated herein, up to $5,000,000 shall be available for infrastructure studies and other research and development work to be carried out by the University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno.

In paying the amounts determined to be appropriate as a result of the decision in Consolidated Edison Company of New York v. Department of Energy, 870 F.2d 694 (D.C. Cir. 1989), the Department of Energy shall pay interest at a rate to be determined by the Secretary of the Treasury and calculated from the date the amounts were deposited into the Nuclear Waste Fund. Such payments may be made by credits to future utility payments into the fund.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 57 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $242,833,000, to remain available until expended to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in the account, the Secretary shall exercise his authority pursuant to section 302(e)(5) of said Act to issue obligations to the Secretary of the Treasury: *Provided*, That of the amount herein appropriated, within available funds, not to exceed $4,146,000, may be provided to the State of Nevada, for the conduct of its oversight responsibilities pursuant to the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended, $622,000 is to be available for the University of Nevada, Reno for infrastructure studies related to nuclear waste, and $207,000 is to be available to the University of Nevada, Las Vegas, to carry out transportation studies related to nuclear waste: *Provided further*, That not more than $4,892,000, may be provided to affected local governments, as defined in the Act, to conduct appropriate activities pursuant to the Act: *Provided further*, That none of the funds herein appropriated may be used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in 18 U.S.C. 1913: *Provided further*, That none of the funds herein appropriated may be used for litigation expenses: *Provided further*, That of the amount appropriated herein, up to $4,146,000 shall be available for infrastructure studies and other research and development work to be carried out by the University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno.

In paying the amounts determined to be appropriate as a result of the decision in Consolidated Edison Company of New York v. Department of Energy, 870 F.2d 694 (D.C. Cir. 1989), the Department of Energy shall pay interest at a rate to be determined by the Secretary of the Treasury and calculated from the date the amounts were deposited into the Nuclear Waste Fund. Such payments may be made by credits to future utility payments into the fund.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 58: Page 34, line 22 strike out "$10,915,148,000" and insert "$10,980,258,000".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 58 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following "$10,914,014,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 59: Page 35, line 12, after "report" insert ", except for $15,000,000 for nonsite specific design activities and activities in support of ongoing preparation of the Environmental Impact Statement, subject to authorization: *Provided further*, That no funds in this Act shall be available for Project 89-D-125, Plutonium Recovery Modification Project (PRMP), until authorizing legislation therefore is enacted into law".

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 59 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following ", except for $15,000,000 in operating expenses for nonsite specific design activities and activities in support of ongoing preparation of the Environmental Impact Statement, subject to authorization: Provided further, That no funds in this Act shall be available for Project 89-D-125, Plutonium Recovery Modification Project (PRMP), until authorizing legislation therefore is enacted into law".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 64: Page 44, after line 4, insert:

SEC. 305. Not to exceed 6 per centum of funding received by Department of Energy laboratories may be used for laboratory directed research and development in accordance with procedures established by the Secretary of Energy.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 64 and concur therein with an amendment, as follows:

Delete the matter proposed by the said amendment and on page 3, line 13, of the House engrossed bill, H.R. 5019, strike "30,700,000" and insert in lieu thereof "27,200,000"; and on page 14, line 22, of the House engrossed bill, H.R. 5019, strike "136,100,000" and insert in lieu thereof "136,100,000, of which $9,500,000 shall be derived from funds appropriated to "General expenses" by Public Law 101-302"; and on page 21, line 8, of the House engrossed bill, H.R. 5019, strike "231,516,000" and insert in lieu thereof "221,516,000"; and on page 33, line 13, of the House engrossed bill, H.R. 5019, strike "1,273,732,000" and insert in lieu thereof "1,148,732,000"; and on page 35, line 20, of the House engrossed bill, H.R. 5019, strike "375,095,000" and insert in lieu thereof "365,095,000"; and on page 36, line 12, of the House engrossed bill, H.R. 5019, strike "225,095,000" and insert in lieu thereof "215,095,000"; and on page 46, line 13, of the House engrossed bill, H.R. 5019, strike "471,320,000" and insert in lieu thereof "461,320,000"; and on page 47, line 6, of the House engrossed bill, H.R. 5019, strike "156,750,000" and insert in lieu thereof "153,450,000"; and on page 47, line 20, of the House engrossed bill, H.R. 5019, strike "314,570,000" and insert in lieu thereof "307,870,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 70: Page 52, after line 8, insert:

SEC. 510. Without fiscal year limitation and notwithstanding any other provision of law, no funds appropriated or made available under this or any other Act shall be used by the executive branch to change the employment levels determined by the Administrator of the Bonneville Power Administration to be necessary to carry out his responsibilities under the Bonneville Project Act, the Federal Columbia River Transmission Act, and the Pacific Northwest Power Planning and Conservation Act and other related legislation.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 70 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 510. Without fiscal year limitation and notwithstanding any other provision of law, no funds appropriated or made available under this or any other Act now or hereafter shall be used by the executive branch to change the employment levels determined by the Administrators of the Federal Power Marketing Administrations to be necessary to carry out their responsibilities under the Department of Energy Organization Act and related laws, or to change the employment levels of other Department of Energy programs to compensate for employment levels of the Federal Power Marketing Administrations.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 71: Page 52, after line 8, insert:

SEC. 511. (a)(1) None of the funds appropriated by this Act may be obligated or expended to enter into any contract for the construction, alteration, or repair of any public building or public work in the United States or any territory or possession of the United States with any contractor or subcontractor of a foreign country, or any supplier of products of a foreign country, during any period in which such foreign country is listed in the United States Trade Representative under subsection (c) of this section.

(2) The President or the head of a Federal agency administering the funds for the construction, alteration, or repair may waive the restrictions of paragraph (1) of this subsection with respect to an individual contract if the President or the head of such agency determines that such action is necessary for the public interest. The authority of the President or the head of a Federal agency under this paragraph may not be delegated. The President or the head of a Federal agency waiving such restrictions shall, within 10 days, publish a notice thereof in the Federal Register describing in detail the contract involved and the reason for granting the waiver.

(b)(1) Not later than 30 days after the date of enactment of this Act, the United States Trade Representative shall make a determination with respect to each foreign country of whether such foreign country—

(A) denies fair and equitable market opportunities for products and services of the United States in procurement, or

(B) denies fair and equitable market opportunities for products and services of the United States in bidding,

for construction projects that cost more than $500,000 and are funded (in whole or in part) by the government of such foreign country or by an entity controlled directly or indirectly by such foreign country.

(2) In making determinations under paragraph (1), the United States Trade Representative shall take into account information obtained in preparing the report submitted under section 181(b) of the Trade Act of 1974 and such other information or evidence concerning discrimination in construction projects against United States products and services that are available.

(c)(1) The United States Trade Representative shall maintain a list of each foreign country which—

(A) denies fair and equitable market opportunities for products and services of the United States in procurement, or

(B) denies fair and equitable market opportunities for products and services of the United States in bidding,

for construction projects that cost more than $500,000 and are funded (in whole or in part) by the government of such foreign country or by an entity controlled directly or indirectly by such foreign country.

(2) Any foreign country that is initially listed or that is added to the list maintained under paragraph (1) shall remain on the list until—

(A) such country removes the barriers in construction projects to United States products and services;

(B) such country submits to the United States Trade Representative evidence demonstrating that such barriers have been removed; and

(C) the United States Trade Representative conducts an investigation to verify independently that such barriers have been removed and submits, at least 30 days before granting any such waiver, a report to each House of the Congress identifying the barriers and describing the actions taken to remove them.

(3) The United States Trade Representative shall publish in the Federal Register the entire list required under paragraph (1) and shall publish in the Federal Register any modifications to such list that are made after publication of the original list.

(d) For purposes of this section—

(1) The term "foreign country" includes any foreign instrumentality. Each territory or possession of a foreign country that is administered separately for customs' purposes shall be treated as a separate foreign country.

(2) Any contractor or subcontractor that is a citizen or national of a foreign country, or is controlled directly or indirectly by citizens or nationals of a foreign country, shall be considered to be a contractor or subcontractor of such foreign country.

(3) Subject to paragraph (4), any product that is produced or manufactured (in whole or in substantial part) in a foreign country shall be considered to be a product of such foreign country.

(4) The restrictions of subsection (a)(1) shall not prohibit the use, in the construction, alteration, or repair of a public building or public work, of vehicles or construction equipment of a foreign country.

(5) The terms "contractor" and "subcontractor" includes any person performing any architectual, engineering, or other services directly related to the preparation for or performance of the construction, alteration, or repair.

(e) Paragraph (a)(1) of this section shall not apply to contracts entered into prior to the date of enactment of this Act.

(f) The provisions of this section are in addition to, and do not limit or supersede, any other restrictions contained in any other Federal law.

MOTION OFFERED BY MR. BEVILL

Mr. BEVILL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. BEVILL moves that the House recede from its disagreement to the amendment of the Senate numbered 71 and concur therein with an amendment, as follows:

In lieu of "30 days after the date of enactment of this Act" cited in subsection (b)(1) insert "May 1, 1991".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama [Mr. BEVILL].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions and on the conference report was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate has passed without amendment a joint resolution of the House of the following titles:

H.J. Res. 677. Joint resolution making further continuing appropriations for the fiscal year 1991, and for other purposes.

GENERAL LEAVE

Mr. LEHMAN of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and amendments in disagreement to the bill, H.R. 5229, Department of Transportation and Related Agencies Appropriations Act, 1991.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Florida?

There was no objection.

CONFERENCE REPORT ON H.R. 5229, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. LEHMAN of Florida. Mr. Speaker, I call up the conference report on the bill (H.R. 5229) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1991, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement see proceedings of the House of October 16, 1990.)

The SPEAKER pro tempore. The gentleman from Florida [Mr. LEHMAN] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. COUGHLIN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. LEHMAN].

Mr. LEHMAN of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we bring before the House today the conference report on the fiscal year 1991 transportation appropriations bill. This year, we had 143 amendments in conference, and I am pleased to report that with the efforts of our own conferees, especially the gentleman from Pennsylvania [Mr. COUGHLIN], with the cooperation of the conferees from the other body, especially their chairman and ranking minority member, and with the hard work of the staffs on both sides we have resolved all amendments. The result is a package that I believe preserves a balanced transportation

system for the Nation, and provides increases for our transportation infrastructure while meeting our overall budgetary constraints.

OVERALL FUNDING SUMMARY

Mr. Speaker, the conference agreement is a fiscally sound compromise. The total funding levels of $13 billion in new budget authority and $29.7 billion in outlays are within the revised 302(b) allocations, and in accord with the budget resolution recently passed by the House and the Senate. I would like to point out that the new budget authority provided in this conference agreement is lower than last year's funding level and lower than funding levels in either the House- or Senate-passed transportation bills. Outlays are also lower than the House-passed bill.

TRANSPORTATION PROGRAM HIGHLIGHTS

Mr. Speaker, the details of the conference agreement are described in the statement of the managers. I would encourage the Members to review that statement. However, I would like to highlight some of the more important items.

First, the agreement provides a total program level of $8.1 billion for the FAA, which is a 14-percent increase over fiscal year 1990. This includes a 6-percent increase in funding for operations, a 22-percent increase in funding for facilities and equipment, and a limitation on obligations of $1.8 billion for airport grants in aid, a 26-percent increase over fiscal year 1990. For those who believe that we should be drawing down the balance in the airport and airway trust fund, I would point out that the conference agreement provides that about $2 billion, or 50 percent, of FAA's operational expenses are to come from the trust fund. This compares to $817 million, or 20 percent, in last year's appropriation. In addition, facilities and equipment funding, which comes entirely from the trust fund, is up 22 percent from last year.

Second, the agreement provides $3 billion for the Coast Guard, including important and needed increases above the budget request for oil spill response capability. The agreement specifies that not less than $197 million of the Coast Guard's operating expenses is for marine environmental protection activities, compared to $168 million last year. It is assumed that $300 million will be provided for Coast Guard activities in the DOD appropriations bill.

Third, the agreement provides for $475.1 million for operations and capital improvements of Amtrak, and an additional $179 million to procure equipment and begin infrastructure improvements in the Northeast Corridor which are needed to reduce travel time between New York and Boston to 3 hours.

Fourth, a total of $15.1 billion in new budget authority and limitations on obligations is provided for the Federal Highway Administration, an increase of 11 percent over fiscal year 1990. The obligation limitation for the Federal aid-highways program is set at $14.5 billion, which is a $2.3 billion increase over last year. This funding increase, when combined with other amounts for highways in the agreement, will put us well on the way to addressing the highway infrastructure needs of this Nation. The conference agreement is virtually identical to the total amount reported in the House bill.

Fifth, the conference agreement deletes the Senate provision which would have directed the Secretary of Transportation to promulgate a rule to ban the use of radar detectors in commercial motor vehicles unless the Secretary determined that such a provision would not improve highway safety. The House bill included no such provision, and it has been dropped in conference.

Sixth, the Essential Air Service Program has been funded at the higher level of $26.5 million as proposed by the Senate. Eligibility criteria have been revised to require that those EAS points receiving the highest per-passenger subsidies meet an isolation standard of 70 miles from the nearest hub airport. Under the House bill, service to those communities would have been discontinued. Further discussion of EAS is included in the statement of the managers.

SUMMARY

Mr. Speaker, this agreement is a balanced compromise which protects the major provisions and interests of the House-passed bill. It has been developed in a bipartisan fashion with full participation by our conferees from the other side of the aisle. There have been some major compromises and tough decisions to get us to this point. Given today's fiscal realities, it is the best bill that can be produced. It deserves the Members' support. I strongly urge its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. WHITTEN. Mr. Speaker, I rise in support of the conference agreement on the transportation appropriations bill. I commend my colleagues on the subcommittee for a fine job on programs that are investments in America.

Mr. Speaker, national programs of special interest to my area and State includes establishment of an instrument landing system (ILS) at Gulfport, replacement of an ILS at Jackson, and a feasibility study of installing an ILS system or ILS localizer at the Olive Branch Airport. The agreement urges that priority be given for construction or development of the Belmont-Tishomingo County Airport, the Greenwood-Leflore Airport, the Macon Municipal Airport, and the Water Valley Municipal Airport.

Funds are also included for continuation of work on SR-6 from Oxford to Pontotoc, on SR-302, from I-55 to U.S. 72, from U.S. 78 to SR-309, from SR-309 to U.S. 72 at Mt. Pleasant and U.S. 72 from close to the Tennessee State line at Mt. Pleasant to Corinth. This is in addition to the regular State apportionments which are allocated by the State Highway Commission. In addition funds are available for a demonstration project in Hinds County and a feasibility study at Jackson.

Mr. Speaker, this is a good agreement, and I urge it be adopted.

□ 1520

Mr. Speaker, I reserve the balance of my time.

Mr. COUGHLIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference report to accompany H.R. 5229, the fiscal year 1990 transportation appropriations bill.

Our distinguished chairman the gentleman from Florida [Mr. LEHMAN] has done a remarkable job both first, in getting this bill to and through conference, which is no easy task and second in explaining the agreements which have been reached. Congratulations to staff. Minority and majority sides spend long hours putting pieces together.

The bill provides $12,847,552,000 in new budget—obligational—authority. This is: First, below the House level, second, below the Senate level, and third, within our section 302(b) allocation!

The House Budget Committee agrees that this bill is not a budget buster. The Department of Transportation strongly supports this bill. And the Office of Management and Budget strongly supports this bill contingent on passing a satisfactory budget reconciliation bill. We on the Appropriations Committee are doing our job in holding down spending. It is incumbent on all of us to help those dealing with reconciliation reach a conference agreement which the President can sign, and vote for its approval.

OFFICE OF THE SECRETARY

Conferees recommend $198.9 million for the activities of the Office of the Secretary and related offices. This includes $3.4 million for operations and research activities of the Office of Commercial Space Transportation and $1.2 million for the Office of Intelligence and Security. This latter office was established in July 1990 in response to the recommendations of the President's Commission on Aviation Security and Terrorism. It will oversee security and intelligence policy and strategic planning for all security ini-

tiatives in the Department and will be headed by retired Coast Guard Adm. Clyde Robbins.

Also included is $26.6 million for essential air service [EAS]. Subsidy under this program is paid to airlines, primarily commuters, to support air service to points that would not be served but for the subsidy.

COAST GUARD

Conferees recommend $3 billion for the Coast Guard. Included in this total is $2 billion for operating expenses, of which $41.5 million is to come from the oil spill liability trust fund, and $406.3 million for acquisition, construction, and improvements. The transportation appropriations bill earmarks a minimum of $602.6 million for drug interdiction activities. This is $35.6 million over last year's level.

On the subject of the HH-65 engine, the conferees direct the Director of Operational Test and Evaluation of the Department of Defense to review the Allison C30's and Arriel IC2 engines, to investigate the capabilities of the T800 engine, and to submit findings within 90 days. Should the Director recommend conducting a proof of concept on a commercial engine, $2 million is available for this purpose.

FEDERAL AVIATION ADMINISTRATION

Conferees recommend $7.9 billion for the Federal Aviation Administration. This includes a total of $4 billion for operations, $2.1 billion for modernization and improvement of the air traffic control and airway facilities [F&E], $205 million for research, and a grants-in-aid for airports obligation ceiling of $1.8 billion.

FEDERAL HIGHWAY ADMINISTRATION

Conferees recommend $15.1 billion for the Federal Highway Administration. This includes $517 million in highway demonstration projects and $14.6 billion in limitations on obligations. Most FHWA funding is by contract authority, with program levels established by authorizing legislation.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Conferees recommend $248.4 million for NHTSA. This includes $118.7 million in new budget authority and $129.7 million in limitations on obligations. There are $15 million for alcohol safety incentive grants and $114.7 million for State and community highway safety grants.

FEDERAL RAILROAD ADMINISTRATION

Conferees recommend $893.8 million for the Federal Railroad Administration. This includes $179 million for the Northeast corridor improvement program's signaling, track, and electrification program. Also included are $343 million for Amtrak operations and $132 million for Amtrak capital.

URBAN MASS TRANSPORTATION ADMINISTRATION

Conferees recommend $3.3 billion for UMTA. This includes $1.6 billion in section 9 formula grants, $64.1 million for Washington Metro, and $160 million for interstate transfer grants for transit; $1.4 billion is provided for section 3 discretionary grants—$220 million for bus, $455 million for rail mod, $440 million for new starts, and $200 million for section 9B formula grants.

RELATED AGENCIES

Conferees recommend $31.5 million and an increase of 8 positions for the National Transportation Safety Board, $44.3 million for the Interstate Commerce Commission, $10.5 million for St. Lawrence Seaway, and $51.7 billion for interest payments on Washington Metro bonds.

GENERAL PROVISIONS

Conferees kept first, the Gray provision requiring a dedicated source of funding for mass transit; second, the provision withholding highway funds from States that do not revoke drug offender's driver's licenses; and third, the provision restricting any funds from going to countries, such as Japan, which do not give U.S. contractors equal opportunity.

Conferees dropped, first, the prohibition on radar detectors, and second, the UMTA drug testing rule.

Given our current financial situation, this is the best bill we can bring to the House. I strongly urge approval of the fiscal year 1991 Transportation appropriations conference report.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Arkansas [Mr. HAMMERSCHMIDT].

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of the conference report on H.R. 5229, the Department of Transportation Appropriations Act for fiscal year 1991. I am very pleased that the conference report is within the Transportation Subcommittee's 302(b) budget allocation based on the budget summit agreement.

Let me start by congratulating the chairman of the Transportation Subcommittee, the distinguished gentleman from Florida [Mr. LEHMAN], and the ranking member, the distinguished gentleman from Pennsylvania [Mr. COUGHLIN], for the superb work they have done on this conference report. Of course, congratulations are also in order for the distinguished chairman of the full committee, Mr. WHITTEN, as well as the distinguished ranking member of the committee, Mr. CONTE.

This is a truly important moment for the Federal-Aid Highway Program. After being strangled by years of unnecessarily low obligation ceilings, highway spending will finally be increased to a level much closer to the level the highway trust fund can really support. The conference report before us today establishes an obligation ceiling of $14.5 billion for fiscal year 1991, a significant increase over the $12.2 billion level in fiscal year 1990.

This is close to the $15 billion that I, as the ranking member on the Committee on Public Works and Transportation, have long advocated for highway spending. Unnecessarily high balances have been maintained in the trust fund for far too long. It's time to start drawing down these balances. Therefore, I am very pleased with the action of the Appropriations Committee to increase the obligation ceiling to $14.5 billion. This is a big step in the right direction.

This means an increase of about $21.5 million in fiscal year 1991 alone for my State of Arkansas. This additional obligational authority can be used by the State to advance much needed highway projects. Since the decision on which particular projects will be advanced is the responsibility of the State highway commission, I would hope that Highway 71 and Highway 412 in northwestern Arkansas would be given serious consideration for increased funding.

I would also like to take this opportunity to indicate my strong support for the $8.5 million in general funds contained in the conference report for Highway 71. This project is extremely important, and it is most gratifying to see funds included for that purpose.

It is also very gratifying that the conference report provides $1.8 billion for fiscal year 1991 for the Airport Improvement Program.

A special thanks goes to Tom Kingfield on the staff of the Transportation Appropriations Subcommittee. He has been most helpful to members and staff and has played a critical role in developing this important legislation. Jim Kulikowski and Kenny Kraft have also been extremely helpful and deserve our sincere appreciation for their significant contributions to this legislation.

In closing, Mr. Speaker, it is a pleasure to be able to come here today to congratulate the Appropriations Committee on the fine work they have done and to urge my colleagues to support the conference report on H.R. 5229.

□ 1330

Mr. COUGHLIN. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise in support of the conference report of H.R. 5229, the transportation appropriations bill for fiscal year 1991.

Mr. Speaker, at $30.9 billion, this is a large bill, but it not an easy bill to put together.

You have to balance the demands of the country's highway system against the needs for airport capacity and modernization, versus the value of mass transit, and compared to the requirements and increasing responsibil-

ities of the Coast Guard. It is not easy, but the gentleman from Florida, BILL LEHMAN, and the gentleman from Pennsylvania, LARRY COUGHLIN, have done an outstanding job of balancing the competing priorities and guiding an excellent bill through conference.

The conference report maintains the top priority we set in the House to increase Federal support for basic infrastructure. Throughout the year, we heard from Governors, transportation officials, highway users, airlines and airports, our constituents, and many others all repeating the same refrain: Please give more support to improving our roads and increasing our airport capacity. We have done both. The conference report sets the Federal highway obligation ceiling at $14.5 billion, a $2.3 billion increase over the 1990 level.

We also increased the airport improvement program by $375 million over 1990 for building airport capacity and reducing congestion.

We have given high priority to the Coast Guard in this conference report, providing it a $143 million increase.

An important component of the increase is the $47 million we included for the new Coast Guard responsibilities under the oil spill response bill enacted in August. We have also created a new environmental compliance account, at $21.5 million, which the Coast Guard will use to clean up hazardous wastes and contaminants at Coast Guard bases.

Also included in the conference report is the requirement that the Coast Guard expend $197 million in support of marine environmental protection activities to go along with the $602.6 million provided for drug interdiction activities.

I am particularly happy with the support the conference report gives to high speed rail under the Northeast Corridor Improvement Program.

The conference provided $139 million for track and signal work, electrification design, and high-speed dual powered locomotives. That will put high speed rail on the right track.

At this time I would like to engage the gentleman from Florida, the distinguished chairman, Mr. LEHMAN, in a brief colloquy regarding the provision of funds for the Northeast Corridor Improvement Program.

The conferees have recommended $14 million for dual-propulsion locomotives under this program, and my inquiry to the gentleman is whether it is his understanding that the intent of the conferees was that these funds would be available for the development and procurement of prototype dual-propulsion locomotives capable of operating at speeds of up to 125 miles per hour between New York and Boston?

Mr. LEHMAN of Florida. If the gentleman will yield, Mr. Speaker, that is my understanding.

Mr. CONTE. Is it also the gentleman's understanding that the funds provided could be used to procure the prototype power cars necessary to operate two train sets for high-speed Northeast Corridor service?

Mr. LEHMAN of Florida. That is my understanding as well.

Mr. CONTE. I appreciate the remarks of the gentleman from Florida, and want to express to him and to the gentleman from Pennsylvania [Mr. COUGHLIN], my appreciation for their support of this important initiative to provide high quality, high-speed rail service on the Northeast Corridor between New York and Boston.

One last point that I would like to note is that the conference report has provided the first increase in 6 years for mass transit. With the cost of fuel skyrocketing, there could be no better time that right now to reaffirm the Federal commitment to mass transit. This bill does so, and the elderly and less mobile populations of our cities and rural communities will directly benefit from the renewed commitment.

Mr. Speaker, this is an excellent conference report, and I urge Members to support it.

Mr. COUGHLIN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. DELAY].

Mr. DELAY. Mr. Speaker, I just wanted to rise in support of this conference report, and try to point out a couple of things to my colleagues.

First, let me say that I am very proud to serve on this subcommittee, and very proud to serve under our chairman, the gentleman from Florida [Mr. LEHMAN], and the ranking member, the gentleman from Pennsylvania [Mr. COUGHLIN]. I think if other committees of this House would operate as this committee operates, we would not have the budget problems that we have today.

I want to just point out to my colleagues, especially my colleagues on this side of the aisle, what we did in this bill that makes me so proud of it. First off, if we look, the budget authority is basically a freeze. New budget authority is basically a freeze, and I want to emphasize that point. My spending is basically coming from an arrangement made with Committee on Public Works and Transportation, that we raise the level of spending out of the trust fund, the trust funds that we collect user fees for, most of the increase in outlays, or at least the limitations on obligations, go to the Highway Department, which is about a $2.3 billion increase, UMTA is a $300 million increase, and FAA is a $400 million increase, that is coming from those kinds of user fees that we collect. That is why we have outlays of $1.4 billion over fiscal year 1990 levels. That is why I am proud of this conference report, because we are spending down the trust fund moneys, we are spending the moneys that are coming into the trust funds, or at least equivalent of the moneys coming into the trust fund, and this bill is a well-constructed conference report. It is a well-constructed compromise in many ways. I think it is a fiscally responsible conference. I urge my colleagues to support it.

Mr. Speaker, I rise in strong support of the conference report on the Transportation appropriations bill for fiscal year 1991. This is a well-crafted, excellent compromise that more than adequately funds the various components of our transportation sector. Of course, we always wish that we had more funds to work with—but in these times of fiscal restraint, the subcommittee did the best that it could. I wish to congratulate my chairman, BILL LEHMAN, and the ranking Republican, LARRY COUGHLIN, as well as the other members of the subcommittee for a job well done.

Mr. Speaker, I have several areas of primary interest in this bill. The first concerns funding for Houston Metro. The conference report provides $32 million in fiscal year 1991 for the Houston Metro system. Major infrastructure investments often generate local concern and debate. Houston is no exception. As the city continues to negotiate with its citizens, and iron out the rough spots, I believe that the subcommittee has demonstrated its commitment to the project by continuing funding. However, it is appropriate that the funding level is decreased from previous years, pending the outcome of the local negotiations. I want to commend the subcommittee for its foresight in continuing adequate funding for Houston Metro. The language contained in the House version of H.R. 5229, outlining necessary conditions for Houston Metro, provides additional guidance for future appropriations.

I am pleased to see that the conferees agreed to drop the provision included by the other body that would have had the automatic effect of banning radar detectors in commercial vehicles. I objected to this provision for several reasons: the appropriations bill was not an appropriate vehicle; this type of control should be handled by the States and not the Federal Government; and, the truckers of this Nation were being specifically pinpointed as a safety menace, when there is no concrete evidence directly tying radar detectors to accidents involving trucks. I received over 50 phone calls and letters from my constituents protesting this provision, and I know that they are relieved that it was removed.

My final area of primary concern, involves the Arriel engine for the Coast Guard's HH–65 helicopters. I know that most of my subcommittee colleagues have expressed concern over the unreliability and poor track record of the current engine, the Lycoming LTS–101. It is absolutely essential that the Coast Guard's search and rescue mission go forth uninhibited; a reliable engine is obviously a vital necessity to completing the mission. The Coast Guard has previously submitted a $2 million reprogramming to the subcommittee for a

proof of concept on the Arriel engine, which it identified as the most feasible, commercially available, alternative engine to the LTS-101. The House subcommittee, concerned about the threat to the search and rescue mission, approved the reprogramming request. Unfortunately, the other body did not agree, and the Coast Guard was thus unable to move ahead with immediately providing an alternative engine for this important mission. This greatly concerned me.

The conferees did agree to a 90-day study by the DOD's director of operational test and evaluations. I am confident that this study will confirm the Coast Guard conclusion that the Arriel is the only immediately available commercial engine, and then the proof of concept can move forward. I can only hope that, in the meanwhile, the Coast Guard's search and rescue mission is not damaged. I am sure that all of my colleagues share this hope.

Mr. Speaker, I urge my colleagues to approve the Transportation conference report.

Mr. LEHMAN of Florida. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I rise in strong support of the conference report on H.R. 5229, and I want to commend the chairman, the gentleman from Florida [Mr. LEHMAN] for his leadership in taking care of the Nation's transportation system needs.

Mr. Speaker, I rise in strong support of the conference report to H.R. 5229, the Transportation appropriations for fiscal year 1991.

I want to commend the chairman of the subcommittee, Mr. LEHMAN, for his commitment in bringing this important bill to the House floor today. Chairman LEHMAN has once again demonstrated his leadership in improving our country's transportation system.

I have always believed that in order to build real national security and economic growth in the United States, our Government must invest in the infrastructure of our Nation. We in Michigan, a State that relies heavily on roads and waterways for our tourism industry, are especially pleased with this conference agreement.

Our Nation's roads, highways, railroads and airports, are all in desperate need of repair. This legislation is vitally important if we are to improve and enhance our country's transportation system.

I would also like to thank the chairman for his assistance in obtaining funding for an important project in my hometown of Flint, MI.

For several years now, I have been working with local elected officials to move a road that will allow for the expansion of the Flint Bishop Airport. This legislation provides funding to cover all preconstruction costs of the relocation of Bristol Road. This project will serve as a vital economic development tool in our community, and I want to thank the chairman of the subcommittee, for this assistance in this matter.

Mr. LEHMAN of Florida. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon [Mr. AUCOIN].

Mr. AUCOIN. Mr. Speaker, I rise in strong support of the conference report. I want to compliment the committee on both sides of the aisle for producing an excellent appropriations bill, particularly for the projects in West Portland, OR.

Mr. LEHMAN of Florida. Mr. Speaker, I yield myself such time as I may consume for the purpose of a colloquy.

Mr. MRAZEK. Mr. Speaker, If the gentleman will yield, the Coast Guard's Brooklyn station has five HH-65 Dolphin helicopters, which serve my district in Long Island, as well as northern New Jersey. Over the past several years, the Coast Guard has had serious reliability problems with the engine in this aircraft. Last year, the Congress approved a proof of concept program to install the Army T-800 engine in the HH-65. Since then, the Army's T-800 program has been delayed. This year, the Department of Transportation requested a reprogramming to initiate a proof-of-concept on the commercial Arriel engine, as a near-term insurance policy should a re-engining program become necessary. Mr. Chairman, I am supportive of the Arriel proof of concept, and I would like to clarify several points in the conference report on this subject.

As I understand the conference report, if the Director of Operational Test and Evaluation in the Department of Defense recommends the Arriel 1C2 engine, the Commandant of the Coast Guard shall use $2 million previously appropriated for HH-65 engine improvements to conduct that proof-of-concept. Is that correct?

Mr. LEHMAN. The gentleman is correct. The conference report directs that office to compare the Allison C30 and Arriel engines for the HH-65's mission requirements, and it requires the Commandant to use $2 million to conduct a proof of concept on a commercial engine should the DOT&E make such a recommendation.

Mr. MRAZEK. Is it your understanding that the Director is to review existing data about these two engines, but is not expected to conduct his own new investigation?

Mr. LEHMAN of Florida. The gentleman is correct. The conference report asks for a review of up-to-date documentation.

Mr. DELAY. Mr. Speaker, if the gentleman will yield, I share the concerns of the gentleman from New York. The Arriel engine has flown in the Dolphin helicopter since the early 1970's, logging over 1 million miles in flight. In my mind, if the existing LTS-101 engine continues to have problems, the Arriel would be the quickest and most cost-effective re-engining solution. Mr. Chairman, if the Director does not recommend in his quick review that an additional proof of concept is necessary for a commercial engine, can the Commandant proceed with such a program anyway?

Mr. LEHMAN of Florida. If the Director concludes there is a need for a commercial alternative, the Coast Guard must conduct a proof of concept on that commercial alternative. If there is no direction, the funds still remain available, and the Commandant is free to make his own proposal. However, given the congressional interest in this program, he would be expected to advise the Congress of his plans before proceeding.

Mr. DELAY. What if the Director recommends a proof of concept on a comercial engine but makes no specific recommendation on which engine to utilize?

Mr. LEHMAN of Florida. There is nothing in the conference report barring the Commandant from choosing between the engines, as long as his decision is based upon the Director's report.

Mr. DELAY. The report language states that the Director shall submit his findings within 90 days. In approximately 75 days—on December 31 of this year—the existing contract with the company that would conduct the proof of concept on the Arriel engine would expire. A new contract would take several months to negotiate, delaying the program seriously. Such language therefore appears to prejudice the Arriel proof of concept. Is it your understanding that the conference report allows 90 days as an outer limit to the time period, but does not require the full 90 days to be used?

Mr. LEHMAN of Florida. The gentleman is correct. The conference report states that the report is to be submitted within 90 days. There is no reason why it cannot be submitted earlier if the assessment can be conducted in less time. I would encourage the Coast Guard to cooperate fully with the Director to provide for an expeditious assessment, which does not prejudice either of the engine candidates mentioned in the conference report.

□ 1540

Mr. CARR. Mr. Speaker, will the gentleman yield?

Mr. LEHMAN of Florida. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Speaker, I thank the gentleman for yielding to me.

I would merely like to say that the particular topic of reengining has been a controversy before our subcommittee and it was controversy in the conference. The evidence before our subcommittee, the testimony from Coast Guard officials, has been that they view it a mistake to engage in procurement which is not also being used by the Department of Defense. In this particular case, we are talking about a replacement engine for a helicopter, which is not anywhere in the DOD inventory.

The previous Coast Guard Commandant said that he would never make the mistake of going outside the DOD-type procurement again.

I just would point out that the replacement engine, in fact, goes outside that policy which the Coast Guard has enunciated and which our subcommittee has supported.

While it may end up being that we do it one more time, I think it is fair to say that most members of the subcommittee feel that it should be noted as an exception, rather than the rule, and that we want to continue to encourage the Coast Guard to procure equipment in track with or in tandem with the U.S. Department of Defense.

In addition, Mr. Speaker, I would also like to indicate that there was another contentious issue in the conference relating to intelligent vehicle highway systems, otherwise known as IVHS. Those are the new technologies for highways of the future, automobiles of the future, where we will try to maximize our highway capacities through the use of computer technology and video technology, increasing the safety of the motorist and the capacity of the highways.

I think the subcommittees of both the House and the Senate support these programs and will continue to do so in the future.

In the conference, I signed this statement of the managers, but I did except myself from amendments 39 and 40. In looking through the printed conference report, I do not find that exception anywhere, so I feel constrained to make an announcement on the House floor that while I heartily endorse the work of the subcommittee and the work of the conference, I did take vigorous exception to earmarking the IVHS account.

The reason I do so simply that it is a very small program at present. We came out with an appropriation of $13 million for the entire country. It is a new program, a very small amount. You spread that across the country and you do not have a lot of dollars going a lot of places.

In the conference, the conference bumped that up to $20 million, which on an absolute dollar value was an improvement for that particular program, but I believe that we are going to be in a situation in the future a year from now, 2 years from now, 10 years from now, when intelligent vehicle highway systems are going to be receiving a lot more money. The public is going to demand that the technologies available will be applied to highway transportation, vehicle safety, and highway capacity improvements.

I believe it is an error for our committee and the Congress to earmark while the program is in such an infancy. It is a mistake for two reasons. First, we do not have a lot of money today and we should not be earmarking large earmarks of small amounts of money nationwide.

No. 2, the fact is that the technology is a bit in its infancy. While we know where we can go with this technology, it is quite clear that there is a race on between a variety of technology companies to establish themselves as the leader both in this country and around the world.

While their zeal is commendable and we wish them well, I believe it is too soon for the Congress to be earmarking not just a State or a company, but essentially a technology. We ought to keep that competition open for a while before the Congress decides, and I believe our earmarks in that regard were premature.

So with that, I would just like to say that I support the work of the conference and ask all Members to support the work of the conference with an affirmative vote.

Mr. LEHMAN of Florida. Reclaiming my time, Mr. Speaker, I just want to say to my good friend, the gentleman from Michigan, that although we had certain disagreements, we did the best we could in producing the best possible bill we could. There is real merit in what the gentleman is saying. He has made a valuable contribution to this. I do want to reassure the gentleman that his exception was printed in the RECORD, even though there was a printing error in the first production of this conference report.

Mr. COUGHLIN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time. I will be brief.

Mr. Speaker, I would simply like to express my appreciation to the conferees on this bill for retaining my amendment reducing Federal highway funds by 10 percent to States that fail to suspend the driver's licenses of persons convicted of any drug offense.

Conditioning the privilege of driving to the responsibility of staying drug free sends a meaningful message to the youth of this country at a time in their lives when they are yearning for that great rite of passage into adulthood, their driver's license.

As I have said many times, money and rhetoric are not going to win the war against drugs, and casual drug users are going to continue to finance the drug trade as long as they go unpunished.

There is only one real way to win the war against drugs. We must reduce the demand for drugs. This House has approved my amendments denying higher education benefits to drug users. It has accepted my amendment denying job assistance and Federal housing to drug users. And in a few days, the President will sign this bill into law requiring States to suspend driver's licenses to anyone convicted of using drugs.

Mr. Speaker, I thank the Rules Committee for making that amendment in order on an appropriation bill several months ago, and I certainly thank the Appropriations Committee, the subcommittee chairman and the ranking member, for keeping it in the conference report.

Thank you very much on behalf of the young people of this country.

Mr. WOLF. Mr. Speaker, I rise in strong support of the conference report providing appropriations in fiscal year 1991 for the Department of Transportation.

I want to commend the gentleman from Florida [Mr. LEHMAN], the outstanding chairman of the Transportation Appropriations Subcommittee, and the gentleman from Pennsylvania [Mr. COUGHLIN], the vice chairman of the subcommittee, for their hard work and tireless efforts in crafting this legislation.

It is a pleasure to serve with Mr. LEHMAN and Mr. COUGHLIN and the other members of this subcommittee who work to provide funding for the transportation needs of this Nation.

I would also be remiss in not acknowledging the work of the subcommittee staff who provide exceptional assistance to the members.

Mr. Speaker, a balanced and efficient transportation network is the lifeblood of this Nation and this conference report meets the critical transportation needs of America.

This legislation provides funds to improve our Nation's transportation infrastructure and in particular the Nation's highway system. The increase this year in the obligation authority for the highway trust fund will help every State in the Nation meet its highway construction and maintenance needs.

The conference report also provides funds for important mass transportation programs across the country and for Amtrak, the Nation's passenger railway system.

In addition, this legislation includes funds for the Nation's aviation system to help ensure safe skies for the traveling public.

Mr. Speaker, the conference report before us provides the opportunity for the Congress to fulfill its commitment to provide the essential Federal role in financing vital transportation improvements to keep America moving. It is an excellent bill crafted in a time of tight Federal budgets and again I congratulate Mr. LEHMAN and Mr. COUGHLIN and all the staff for their outstanding work and urge all my colleagues to support this legislation.

Mr. RAHALL. Mr. Speaker, I am pleased to rise in support of the Transportation appropriations bill for fiscal year 1991.

This bill appropriates $13 billion in fiscal year 1991 for Transportation Department and related agencies, which include the Coast Guard, Federal Aviation Administration, Federal Highway Administration, Federal Railroad Administration, and the Urban Mass Transit Administration.

This appropriation reflects a $100 million reduction from the House-passed bill, and $69 million less than that made available in fiscal year 1990. These reductions reflect our ongoing efforts to bring appropriations bills into

conformance with the budget resolution, in keeping with targeted deficit reduction goals.

First I would like to just say that I am very pleased that essential air service payments were increased by the conferees, reflecting a $3 million increase over the House-passed bill. These payments go to subsidize airline services to smaller communities. It was originally created as part of the deregulation of the airline industry, to ensure that small communities would not lose access to vital air transportation. Five communities in West Virginia will benefit under EAS, two of which—Beckley and Bluefield—are in my Fourth Congressional District. These are of vital importance, as West Virginia continues its struggle toward economic stability by broadening its industrial base and strengthening its tourism industry. A loss of these funds would be a great deterrent to these efforts. While the funding level for EAS, at $26.6 million reflects an increase over earlier proposals, it still is lower than last year's level. However, the increase also allays my fears that continued annual reductions for EAS would lead to its eventual elimination from Federal Aviation Administration programs. This would indeed be a serious setback for West Virginia and other States which rely on EAS for assuring access to small communities via air transport.

FAA operations overall in this bill are funded at $4 billion, equal to the House recommendation, and $213 million more than last year. Within this amount, $1.9 billion is for the operation of the air traffic control system, and $470 million for aviation safety activities, representing $49 million more than last year.

There are $2.1 billion in the bill appropriated from the airport trust fund, for airport facilities and equipment.

For grants to airports, the bill releases up to $1.8 billion from the airport and airways trust fund in fiscal year 1991 as grants-in-aid for airport planning, construction, and development. This amount is $375 million more than requested by the President.

This measure, Mr. Chairman, authorizes the release of $14.5 billion from the highway trust fund for Federal highway grants to assist in the construction and repair of the Interstate Highway System, secondary roads, and bridges. This is $2.3 billion more than the fiscal year 1990 funding level, and $2.5 billion more than the President's request.

For urban mass transit, the agreement appropriates $1.9 billion for various mass transit programs under UMTA in fiscal year 1991. It authorizes the release of $1.4 billion from the mass transit account for discretionary mass transportation grants, providing $222 million more for UMTA than in fiscal year 1990, and $970 million more than the administration requested.

UMTA programs provide mass transportation capital and operating assistance to both urban and nonurban areas. Again, West Virginia relies upon this program for its rural and urban systems of travel. It is the foundation upon which the State has built the tri-State authority in Huntington, WV, in my Fourth Congressional District.

These funding levels reflect the bipartisan commitment among Members of both bodies to continue to fund highway demonstration projects as well, in spite of the administration's request to zero fund the projects.

The Federal Railroad Administration is funded at $894 million in fiscal year 1991, representing an increase of $157 million more than last year. Most of this funding will go to support Amtrak, which is funded at $625 million, $20 million over last year's level.

To be parochial, Mr. Speaker, I would like to express my deep appreciation to the conferees for including vitally needed funding in the final bill that was not included in the House-passed version.

I am talking about the funding in the bill that will go toward completion of the Appalachian highway system, a program authorized 25 years ago, but which still is only two-thirds complete. Conferees have included $51.5 million for corridor H improvements. This project stretches from Weston, WV, to the Virginia line near Winchester, VA, and still lacks 116 miles before its completion. Even with this welcome $51.5 million next year, the total outstanding completion costs are estimated to be close to $1 billion. Corridor G, stretching from Williamson, WV, to Charleston, which would be funded under this bill at $33.3 million next year, still lacks 18 miles of freeway construction before it is completed, estimated to cost $332 million in additional funding. And finally Mr. Speaker, corridor D of the Appalachian highway project, serving Wood County between Clarksburg and Parkersburg, is funded here at $10 million next year, and still lacks 10 miles to completion. It is estimated that it will cost an additional $182 million to complete construction of corridor D.

I wish to express my deep appreciation to the able chairman of the Transportation Appropriations Subcommittee, Mr. LEHMAN of Florida. His energy and commitment toward protecting transportation projects that are so vital to our congressional districts, to our States as a whole are well documented. Again to my good friend Mr. LEHMAN, I convey my thanks and appreciation for his hard work in this conference, and that of his colleagues on the subcommittee.

I urge my colleagues to support this measure, which is of massive importance to my own constituency, as well as to the entire Nation.

Mr. COUGHLIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEHMAN of Florida. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. RUSSO. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 394, nays 17, not voting 22, as follows:

[Roll No. 492]

YEAS—394

Ackerman	Dwyer	Kildee
Alexander	Dyson	Kleczka
Anderson	Early	Kolter
Andrews	Eckart	Kostmayer
Annunzio	Edwards (CA)	LaFalce
Anthony	Edwards (OK)	Lagomarsino
Applegate	Emerson	Lancaster
Archer	Engel	Lantos
Aspin	English	Laughlin
Atkins	Erdreich	Leach (IA)
AuCoin	Espy	Leath (TX)
Baker	Evans	Lehman (CA)
Ballenger	Fascell	Lehman (FL)
Barnard	Fawell	Lent
Bartlett	Fazio	Levin (MI)
Bateman	Feighan	Lewis (FL)
Beilenson	Fields	Lewis (GA)
Bennett	Fish	Lightfoot
Bentley	Flake	Lipinski
Bereuter	Foglietta	Livingston
Berman	Ford (MI)	Lloyd
Bevill	Ford (TN)	Long
Bilbray	Frank	Lowery (CA)
Bilirakis	Frost	Lowey (NY)
Billey	Gallegly	Luken, Thomas
Boehlert	Gallo	Lukens, Donald
Boggs	Gaydos	Machtley
Bonior	Gejdenson	Madigan
Borski	Gekas	Manton
Bosco	Geren	Markey
Boucher	Gibbons	Marlenee
Boxer	Gillmor	Martin (NY)
Brooks	Gilman	Martinez
Broomfield	Gingrich	Matsui
Browder	Glickman	Mavroules
Brown (CA)	Goodling	Mazzoli
Brown (CO)	Gordon	McCandless
Bruce	Goss	McCloskey
Bryant	Gradison	McCollum
Buechner	Grant	McCrery
Bunning	Gray	McCurdy
Bustamante	Green	McDade
Byron	Guarini	McDermott
Callahan	Gunderson	McEwen
Campbell (CA)	Hall (OH)	McGrath
Campbell (CO)	Hall (TX)	McHugh
Cardin	Hamilton	McMillan (NC)
Carper	Hammerschmidt	McMillen (MD)
Carr	Hansen	McNulty
Chandler	Harris	Meyers
Chapman	Hatcher	Mfume
Clarke	Hayes (IL)	Michel
Clay	Hayes (LA)	Miller (CA)
Clement	Hefley	Miller (OH)
Clinger	Hefner	Miller (WA)
Coble	Henry	Mineta
Coleman (MO)	Herger	Mink
Coleman (TX)	Hiler	Moakley
Collins	Hoagland	Molinari
Combest	Hochbrueckner	Mollohan
Condit	Holloway	Montgomery
Conte	Hopkins	Moody
Conyers	Horton	Moorhead
Cooper	Houghton	Morella
Costello	Hoyer	Morrison (WA)
Coughlin	Hubbard	Mrazek
Courter	Huckaby	Murphy
Cox	Hughes	Murtha
Coyne	Hunter	Myers
Craig	Hutto	Nagle
Darden	Hyde	Natcher
Davis	Inhofe	Neal (MA)
de la Garza	Ireland	Neal (NC)
DeFazio	Jacobs	Nielson
DeLay	James	Nowak
Dellums	Jenkins	Oakar
Derrick	Johnson (CT)	Oberstar
DeWine	Johnson (SD)	Obey
Dickinson	Johnston	Olin
Dicks	Jones (GA)	Ortiz
Dingell	Jones (NC)	Owens (NY)
Dixon	Jontz	Owens (UT)
Donnelly	Kanjorski	Oxley
Dorgan (ND)	Kaptur	Pallone
Dornan (CA)	Kasich	Panetta
Downey	Kastenmeier	Parker
Dreier	Kennedy	Parris
Durbin	Kennelly	Pashayan

Patterson	Schaefer	Synar
Paxon	Scheuer	Tallon
Payne (NJ)	Schiff	Tanner
Payne (VA)	Schneider	Tauke
Pease	Schroeder	Tauzin
Pelosi	Schulze	Taylor
Penny	Schumer	Thomas (CA)
Perkins	Serrano	Thomas (GA)
Petri	Sharp	Thomas (WY)
Pickett	Shaw	Torres
Pickle	Shays	Torricelli
Porter	Shuster	Towns
Poshard	Sikorski	Traficant
Price	Sisisky	Traxler
Pursell	Skaggs	Udall
Rahall	Skeen	Unsoeld
Rangel	Skelton	Upton
Ravenel	Slattery	Valentine
Ray	Slaughter (NY)	Vander Jagt
Regula	Slaughter (VA)	Vento
Rhodes	Smith (FL)	Visclosky
Richardson	Smith (IA)	Volkmer
Ridge	Smith (NE)	Vucanovich
Rinaldo	Smith (NJ)	Walgren
Ritter	Smith (TX)	Walsh
Roberts	Smith, Denny (OR)	Watkins
Roe		Waxman
Rogers	Smith, Robert (OR)	Weber
Rohrabacher		Weiss
Ros-Lehtinen	Snowe	Weldon
Rose	Solarz	Wheat
Rostenkowski	Solomon	Whittaker
Roth	Spence	Whitten
Roukema	Spratt	Williams
Rowland (GA)	Staggers	Wilson
Roybal	Stallings	Wise
Russo	Stangeland	Wolf
Sabo	Stark	Wolpe
Saiki	Stearns	Wyden
Sangmeister	Stenholm	Wylie
Sarpalius	Stokes	Yates
Savage	Studds	Yatron
Sawyer	Sundquist	Young (AK)
Saxton	Swift	Young (FL)

NAYS—17

Armey	Duncan	Sensenbrenner
Barton	Frenzel	Shumway
Bates	Hancock	Smith, Robert (NH)
Crane	Hertel	
Dannemeyer	Kolbe	Stump
Douglas	Kyl	Walker

NOT VOTING—22

Brennan	Hastert	Quillen
Burton	Hawkins	Robinson
Crockett	Levine (CA)	Rowland (CT)
Dymally	Lewis (CA)	Schuette
Flippo	Martin (IL)	Smith (VT)
Gephardt	Morrison (CT)	Washington
Gonzalez	Nelson	
Grandy	Packard	

□ 1607

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present, I would have voted "aye" on rollcall Nos. 488, 489, 490, 491, and 492.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1602. An act to amend the Public Health Service act to improve emergency medical services and trauma care, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 1602) "An act to amend the Public Health Service Act to improve emergency medical services and trauma care, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KENNEDY, Mr. PELL, and Mr. HATCH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1918. An act to provide for Federal recognition of the Jena Band of Choctaws of Louisiana, and for other purposes;

S. 2789. An act to authorize appropriations for the Earthquake Hazards Reduction Act of 1977, and for other purposes;

S. 2857. An act to amend the Public Health Service Act to reauthorize certain Institutes of the National Institutes of Health, and for other purposes, and

S. Con. Res. 153. Concurrent resolution to acknowledge the 100th anniversary of the tragedy at Wounded Knee Creek, State of South Dakota, December 29, 1890, wherein soldiers of the U.S. Army 7th Cavalry killed and wounded approximately 350-375 Indian men, women, and children of Chief Big Foot's band of the Minneconjou Sioux, and to recognize the Year of Reconciliation declared by the State of South Dakota between the citizens of the State and the member bands of the Great Sioux Nation.

CONFERENCE REPORT ON H.R. 5229, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to House Resolution 512, the amendments in disagreement and motions to dispose of the amendments are considered as having been read, and the Clerk will report the first amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 4: Page 3, line 8, strike out "$21,745,000" and insert "$22,750,000".

MOTION OFFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "$26,745,000, of which $5,000,000 shall remain available until expended."

The SPEAKER pro tempore. The gentleman from Florida [Mr. LEHMAN] is recognized for 3 minutes.

Mr. LEHMAN of Florida. Mr. Speaker, I yield to my friend, the gentleman from Wisconsin [Mr. OBEY].

Mr OBEY. Mr. Speaker, I thank the gentleman from Florida [Mr. LEHMAN] for yielding.

Mr. Speaker, I simply want to take this time to thank the gentleman from Florida and the gentleman from Pennsylvania for their assistance in meeting the needs of the Central Wisconsin Airport. We appreciate the cooperation both of the committee and of the authorizing committee. I think, as everybody understands, reliable air service is absolutely crucial to economic development, and we very much appreciate the support of the committee.

Mr. LEHMAN of Florida. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 7: Page 4, after line 14, insert:

OFFICE OF INTELLIGENCE AND SECURITY

For necessary expenses of the Office of Intelligence and Security, $1,360,000.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 7 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert the following "$1,200,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 10: Page 4, after line 24, insert:

OFFICE OF COMMERCIAL SPACE TRANSPORTATION OPERATIONS AND RESEARCH

For necessary expenses for operations and research activities related to commercial space transportation, to remain available until expended $4,217,000: *Provided*, That the unexpended balances of the appropriation. "Transportation Planning, Research, and Development" associated with commercial space activities shall be transferred to and merged with this appropriation: *Provid-*

ed further, That notwithstanding any other provision of law, there may be credited up to $200,000 to this account funds received from users fees established for regulatory services.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Flordia moves that the House recede from its disagreement to the amendment of the Senate numbered 10 and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

OFFICE OF COMMERCIAL SPACE TRANSPORTATION OPERATIONS AND RESEARCH

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for operations and research activities related to commercial space transportation, $3,386,000, of which $1,600,000. shall remain available until expended: *Provided,* That the unexpended balances of the appropriation "Transportation Planning, Research, and Development" associated with commercial space activities shall be transferred to and merged with this appropriation: *Provided further,* That notwithstanding any other provision of law, there may be credited up to $300,000 to this account funds received from users fees established for regulatory services.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 13: Page 6, line 12, strike out "$2,352,000,000" and insert "$2,351,103,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 13 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following: "$2,339,839,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 14: Page 6, line 15, strike out "$2,192,000,000" and insert "$2,051,103,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following:

"$2,039,839,000, of which $41,489,000 shall be derived from the Oil Spill Liability Trust Fund".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

Mr. LEHMAN of Florida. I ask unanimous consent that Senate amendments in disagreement numbered 15, 45, 69, 71, 93, 96, 97, 117, 135, 136, and 138 be considered en bloc.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. The Clerk will designate the amendments in disagreement.

The texts of Senate amendments Nos. 15, 45, 69, 71, 93, 96, 97, 117, 135, 136, and 138 are as follows:

Senate amendment No. 15: Page 6, line 21, after "activities" insert "and not less than $197,000,000 shall be for marine environmental protection activities".

Senate amendment No. 45: Page 18, after "1991" insert ": *Provided,* That, within the funds provided for interstate construction, and in accordance with authorized cost-sharing requirements, there shall be available the amounts necessary to provide the Federal share of construction costs of a bridge, designed as required for compliance with the coastal zone plan of the State of New Jersey, on Interstate 295 in the vicinity of Crosswicks Creek near Trenton, New Jersey".

Senate amendment No. 69: Page 26, after line 16, insert:

CORRIDOR H IMPROVEMENT PROJECT

For the purpose of carrying out a demonstration of methods of eliminating traffic congestion, and to promote economic benefits for the area affected by the construction of the Corridor H segment of the Appalachian Highway System, there is hereby appropriated $51,500,000, to remain available until expended: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

Senate amendment No. 71: Page 26, after line 16, insert:

CORRIDOR D IMPROVEMENT PROJECT

For the purpose of carrying out a demonstration of methods of eliminating traffic congestion, and to promote economic benefits for the area affected by the construction of the Corridor D segment of the Appalachian Highway System, there is hereby appropriated $10,000,000 to remain available until expended: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

Senate amendment No. 93: Page 30, line 8, after "authorities" insert "other than State rail safety inspectors participating in training pursuant to section 206 of the Federal Railroad Safety Act of 1970".

Senate amendment No. 96: Page 30, line 13, after "Road" insert "to expand and extend an intermodal project including acquisition of intermodal equipment and related equipment, improvement of terminal facilities, and".

Senate amendment No. 97: Page 30, line 24, after "persons" insert ": *Provided further,* That of this amount $500,000 is available until expended for a grant to the State of Washington for a study on preliminary corridor design and feasibility studies on magnetically levitated rail or other high speed rail options: *Provided further,* That any such grant shall be matched on a dollar for dollar basis by the State of Washington".

Senate amendment No. 117: Page 40, line 1, after "$10,500,000," insert "of which $174,000 shall remain available until expended".

Senate amendment No. 135: Page 57, strike out all after line 23, over to and including "State" in line 7 on page 58, and insert: per centum of the amount required to be apportioned to any State under each of paragraphs (1), (2), (5), and (6) of section 104(b) on the first day of each fiscal year which begins after the second full calendar year following the date of enactment of this section if the State does not meet the requirements of paragraph (3) on such date.

Subsections (a)(2), (a)(3), (b), and (c) of section 104 of title 23, United States Code, are amended as follows:

"(2) The Secretary shall withhold 20 per centum (including any amounts withheld under paragraph (1)) of the amount required to be apportioned to any State under each of paragraphs (1), (2), (5), and (6) of section 104(b) on the first day of each fiscal year which begins after the fourth full calendar year following the date of enactment of this section if the State does not meet the requirements of paragraph (3) on the first day of such fiscal year.

"(3) A State meets the requirements of this paragraph if—

"(A) the State has enacted and is enforcing a law that requires in all circumstances, or requires in the absence of compelling circumstances warranting an exception—

"(i) the revocation, or suspension for at least 6 months, of the driver's license of any individual who is convicted, after the enactment of such law, of—

"(I) any violation of the Controlled Substance Act, or

"(II) any drug offense, and

"(ii) a delay in the issuance or reinstatement of a driver's license to such an individual for at least 6 months after the individual applies for the issuance or reinstatement of a driver's license if the individual does not have a driver's license, or the driver's license of the individual is suspended, at the time the individual is so convicted, or

"(B) The Governor of the State—

"(i) submits to the Secretary no earlier than the adjournment sine die of the first regularly scheduled session of the State's legislature which begins after the date of enactment of this section a written certifica-

tion stating that he is opposed to the enactment or enforcement in his State of a law described in subparagraph (A) relating to the revocation, suspension, issuance, or reinstatement of driver's licenses to convicted drug offenders; and

"(ii) submits to the Secretary a written certification that the legislature (including both Houses where applicable) has adopted a resolution expressing its opposition to a law described in clause (i).

"(b)(1)(A) Any funds withheld under subsection (a) from apportionment to any State on or before September 30, 1995, shall remain available for apportionment to such State as follows:

"(i) If such funds would have been apportioned under section 104(b)(5)(A) but for this section, such funds shall remain available until the end of the fiscal year for which such funds are authorized to be appropriated.

"(ii) If such funds would have been apportioned under section 104(b)(5)(B) but for this section, such funds shall remain available until the end of the second fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(iii) If such funds would have been apportioned under paragraph (1), (2), or (6) of section 104(b) but for this section, such funds shall remain available until the end of the third fiscal year following the fiscal year for which such funds are authorized to be appropriated.

"(B) No funds withheld under this section from apportionment to any State after September 30, 1995, shall be available for apportionment to such State.

"(2) If, before the last day of the period for which funds withheld under subsection (a) from apportionment are to remain available for apportionment to a State under paragraph (1), the State meets the requirements of subsection (a)(3), the Secretary shall, on the first day on which the State meets the requirements of subsection (a)(3), apportion to the State the funds withheld under subsection (a) that remain available for apportionment to the State.

"(3) Any funds apportioned pursuant to paragraph (2) shall remain available for expenditure as follows:

"(A) Funds originally apportioned under section 104(b)(5)(A) shall remain available until the end of the fiscal year succeeding the fiscal year in which such funds are apportioned under paragraph (2).

"(B) Funds originally apportioned under paragraph (1), (2), (5)(B), or (6) of section 104(b) shall remain available until the end of the third fiscal year succeeding the fiscal year in which such funds are so apportioned.

Sums not obligated at the end of such period shall lapse or, in the case of funds apportioned under section 104(b)(5), shall lapse and be made available by the Secretary for projects in accordance with section 118(b).

"(4) If, at the end of the period for which funds withheld under subsection (a) from apportionment are available for apportionment to a State under paragraph (1), the State does not meet the requirements of subsection (a)(3), such funds shall lapse or, in the case of funds withheld from apportionment under section 104(b)(5), such funds shall lapse and he made available by the Secretary for projects in accordance with section 118(b).

"(c) For purposes of this section—

"(1) The term 'driver's license' means a license issued by a State to any individual that authorizes the individual to operate a motor vehicle on highways.

"(2) The term 'drug offense' means any criminal offense which proscribes—

"(A) the possession, distribution, manufacture, cultivation, sale, transfer, or the attempt or conspiracy to possess, distribute, manufacture, cultivate, sell, or transfer any substance the possession of which is prohibited under the Controlled Substances Act, or

"(B) the operation of a motor vehicle under the influence of such a substance.

"(3) The term 'convicted' includes adjudicated under juvenile proceedings.".

(b) The table of contents for chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following new item:

"159. Revocation or suspension of the driver's license of individuals convicted of drug offenses.".

Senate amendment No. 136: Page 58, after line 7, insert:

SEC. 334. Unobligated funds authorized to be appropriated by section 131(d)(2) of the Highway Improvement Act of 1982, Public Law 97-424, shall be available for obligation for the project described in section 149(a)(88) of the Federal-Aid Highway Act of 1987, Public Law 100-17, in the same manner and to the same extent provided in section 131(d)(3) of the Highway Improvement Act of 1982.

Senate amendment No. 138: Page 58, after line 7, insert:

SEC. 336. 23 U.S.C. 410(e)(1)(C) is hereby amended by striking the words "within the time period specified in subparagraph (F)"; 23 U.S.C. 410(e)(2) is hereby amended by adding the words "a significant portion of" after the word "which", the first time it appears, and by striking the words "convicted of" and inserting in lieu thereof the words "apprehended and fined for".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendments of the Senate numbered 15, 45, 69, 71, 93, 96, 97, 117, 135, 136, 138 and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 18: Page 7, line 14, strike out "$101,700,000" and insert "$93,500,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$90,010,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 19: Page 7, line 15, strike out "$20,500,000" and insert "$15,500,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 19 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$15,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 22: Page 8, line 12, strike out all after "damage" down to and including "years" in line 16.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 22 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment, amend to read as follows: "*Provided further,* That if necessary the Department of Transportation may transfer funds into the personnel, survey and design, and related costs subaccount from other subaccounts of the Acquisition, Construction and Improvements appropriation to cover personnel compensation and benefits for not to exceed five hundred eighty-six full time equivalent staff years during fiscal year 1991, provided that such transfer shall be subject to the established guidelines for prior approval reprogrammings as stated in House Report 101-315".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 29: Page 11, line 14, strike out "$1,994,346,000" and insert "$1,994,640,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 29 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$2,002,749,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 32: Page 12, line 24, strike out "$2,138,615,000" and insert "$2,240,018,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$2,095,407,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 33: page 13, line 3, strike out all after "facilities:" down to and including "project" in line 8, and insert ": *Provided further,* That appropriations made for the Airway Science Program, as authorized below in this section, the Federal Aviation Administration may hereafter enter into competitive grant agreements with institutions of higher education having airway science curricula, for the Federal share of the allowable direct costs of the following categories of items, to the extent that such items are in support of airway science curricula: (a) the construction, purchase, or lease with option to purchase, of buildings and associated facilities, (b) instructional materials and equipment, and (c) salaries and employment benefits for instructional faculty. Such grant agreements shall constitute obligations of funds appropriated for that purpose in this and subsequent appropriation acts. Such funds are hereby authorized to be appropriated and may remain available until expended, as provided in such acts. The Federal Aviation Administration shall establish guidelines for determining the direct costs allowable under grants to be made pursuant to this section. The maximum Federal share of the allowable cost of any project assisted by such grants shall be 60 percent, except that the maximum Federal share of the allowable annual cost of salaries and employment benefits for instructional faculty at a grantee institution shall be 50 per centum. Allowable costs for such salaries and employment benefits shall reflect the proportional allocation of responsibility of such faculty to airway science curriculum activities. The total amount of grants awarded in any fiscal year for the payment of the Federal share of such salaries and employment benefits at all grantee institutions shall not exceed 25 per centum of the total amount newly appropriated for the purposes of this section for that fiscal year

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 33 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following ": *Provided further,* That with appropriations made for the Airway Science Program, as authorized below in this section, the Federal Aviation Administration may hereafter enter into competitive grant agreements with institutions of higher education having airway science curricula, for the Federal share of the allowable direct costs of the following categories of items, to the extent that such items are in support of airway science curricula: (a) the construction, purchase, or lease with option to purchase, of buildings and associated facilities, and (b) instructional materials and equipment. Such funds are hereby authorized to be appropriated and may remain available until expended, as provided in such Acts. The Federal Aviation Administration shall establish guidelines for determining the direct costs allowable under grants to be made pursuant to this section. The maximum Federal share of the allowable cost of any project assisted by such grants shall be fifty percent.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 67: Page 26, line 7, strike out "$23,800,000" and insert "$58,070,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 67 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "$71,365,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 68: Page 26, line 15, strike out "$46,050,000" and insert "$14,000,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 68 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "$48,293,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 70: Page 26, after line 16, insert:

CORRIDOR G IMPROVEMENT PROGRAM

For the purpose of carrying out a demonstration of methods of eliminating traffic congestion, and to promote economic benefits for the area affected by the construction of the Corridor G segment of the Appalachian Highway System, there is hereby appropriated $50,000,000 to remain available until expended: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs: *Provided further,* That of the funds made available under this head, $50,000,000 shall not become available for obligation until September 30, 1991 and pursuant to section 202 of Public Law 100-119, this action is a necessary (but secondary) result of a significant policy change.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 70 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

CORRIDOR G IMPROVEMENT PROGRAM

For the purpose of carrying out a demonstration of methods of eliminating traffic congestion, and to promote economic benefits for the area affected by the construction of the Corridor G segment of the Appalachian Highway System, there is hereby appropriated $33,275,000 to remain available until expended: Provided, That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 72: Page 26, after line 16, insert:

BYPASS CONSTRUCTION PROJECT

For the purpose of carrying out a demonstration of methods of eliminating traffic congestion, improving highway safety and to promote economic benefits for the area affected by the construction of road improvements including a bypass near Weirton, West Virginia, there is hereby appropriated $50,000,000, to remain available until expended: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 72 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$42,500,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 73: Page 26, after line 16, insert:

CORNING BYPASS SAFETY DEMONSTRATION PROJECT

For the purpose of continuing a demonstration of traffic safety and flow improvement, there is hereby appropriated $20,000,000, to remaina available until expended: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 73 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$17,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 74: Page 26, after line 16, insert:

TURQUOISE TRAIL PROJECT

For necessary expenses to carry out a demonstration project known as the Turquoise Trail Project, that demonstrates methods of enhancing safety and promoting economic development through converting a dirt roadway into an all weather, two lane highway, there is hereby appropriated $5,510,000, to remain available until expended: *Provided,* That such sums appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 74 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$4,684,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 75: Page 26, after line 16, insert:

TRADE ENHANCEMENT DEMONSTRATION PROJECT

For the purpose of implementing a demonstration of United States-Mexico trade enhancement benefits on approximately 2.6 miles of Federal-aid primary highway on State Route 189 connecting Interstate 19 to the United States-Mexico border; there is hereby appropriated $12,500,000 for engineering, design, construction and other costs incurred in the reconstruction of Mariposa Road, State Route 189 in Nogales, Arizona.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$10,625,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 76: Page 26, after line 16, insert:

OTTUMWA ROAD EXTENSION PROJECT

For the purpose of carrying out a demonstration of economic growth and development benefits of a four lane highway in areas with industry producing heavy truck traffic there in hereby appropriated $10,000,000 to remain available until expended, for the acquisition of rights-of-way, and other costs incurred in the upgrading and construction of a portion of a four lane facility between Oskaloosa and Ottumwa along existing State highways and new highway alignments: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 76 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$8,500,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 77: Page 26, after line 16, insert:

IOWA CONNECTOR PROJECT

For the purpose of carrying out a demonstration of improved access through a con-

nector road, there is hereby appropriated $1,750,000 to remain available until expended, for the acquisition of rights-of-way, and other costs incurred in the construction of a highway facility connecting North 16th Street and North 25th Street in Council Bluffs, Iowa: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 77 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$1,488,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 78: Page 26, after line 16, insert:

HIGHWAY 20 REALIGNMENT PROJECT

For the purpose of carrying out a demonstration of the effect of improved highway and highway realignment, there is hereby appropriated $3,000,000 to remain available until expended, for the acquisition of right-of-way, and other costs incurred in the construction of an improved Highway 20 between Early, Iowa and Fort Dodge, Iowa: *Provided,* That all funds appropriated under this head shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 78 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$2,550,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 80: Page 26, after line 16, insert;

RAMP RELOCATION AND RECONSTRUCTION DEMONSTRATION PROJECT

For the purposes of carrying out a coordinated program of rehabilitation, relocation and reconstruction of those portions of I-94 and connecting roads impacted by the construction of a new stadium in Milwaukee, Wisconsin, $10,000,000, to demonstrate methods of reducing traffic congestion in urban areas and particularly around sports facilities, to remain available until expended: *Provided,* That notwithstanding any other provision of law, funds appropriated for this project shall not be included in any calculations made under section 157 of title 23, United States Code, for fiscal year 1991 and each fiscal year thereafter.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 80, and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$10,200,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 81: Page 26, after line 16, insert:

U.S. 54 INTERCHANGE PROJECT

For the purpose of carrying out a demonstration of an improved interchange near a major municipal airport, there is hereby appropriated $10,900,000, to remain available until expended, for the acquisition of right-of-way, and other costs incurred in the construction of an improved interchange at Kellogg (U.S. 54) and Dugan Streets in Wichita, Kansas: *Provided,* That all funds appropriated under this heading shall be exempted from any limitation on obligations for Federal-aid highways and highway safety construction programs: *Provided further,* That $10,900,000 of unobligated contract authority available for airport development and planning pursuant to section 505(a) of the Airport and Airway Improvement Act of 1982, as amended, is rescinded.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 81 and concur therein with an amendment, as follows:

In lieu of the first sum named in said amendment, insert "$9,265,000"; and in lieu of the second sum named in said amendment, insert "$200,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 84: Page 27, line 6, strike out "$38,960,500" and insert "$40,397,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 84 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$42,365,900".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 98: Page 31, line 14, strike out "$16,000,000" and insert "$165,000,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 98 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$179,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 104: Page 33, strike out lines 18 and 19, and insert

MANDATORY PASSENGER RAIL SERVICE PAYMENTS

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 104

and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

MANDATORY PASSENGER RAIL SERVICE PAYMENTS

Notwithstanding any other provision of law, funds provided under this head are available to enable the Secretary of Transportation to pay obligations of the National Railroad Passenger Corporation for repayment taxes due under section 3321 of the Internal Revenue Code of 1986.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 110: Page 38, line 7, after "amended" insert *Provided further,* That notwithstanding any other provision of law, before apportionment of these funds, $15,000,000 shall be made available for the purposes of section 18 of the Urban Mass Transportation Act of 1965, as amended".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moved that the House recede from its disagreement to the amendment of the Senate numbered 110 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$13,000,000".

The SPEAKER pro tempore. the question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 118. Page 40, line 9, strike out "$16,300,000" and insert "$15,916,000".

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moved that the House recede from its disagreement to the amendment of the Senate numbered 118 and concur therein with an amendment, as follows:

In lieu of the sum named in said amendment, insert "$15,833,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 129: Page 54, strike out lines 3 to 6, and insert:

SEC. 325. Notwithstanding any other provisions of law, of the discretionary funds available to New York State under the Interstate Transfer Grants—Transit Account of this Act, $11,000,000 shall be transferred to the Federal Railroad Administration, which shall make such funds available to Amtrak for the Westside Connector Rail Line Project in New York City.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 129 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

SEC. 325. (a) INTERMODAL URBAN DEMONSTRATION PROJECT.—Funds appropriated in this Act for "Intermodal Urban Demonstration Project" shall remain available until expended.

(b) WESTSIDE CONNECTOR RAIL LINE PROJECT.—Notwithstanding any other provision of law, of the discretionary funds available to New York State under the Interstate Transfer Grants-Transit account of this Act, $11,000,000 shall be transferred to the Federal Railroad Administration, which shall make such funds available to Amtrak for the Westside Connector Rail Line Project in New York City.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 130: Page 54, strike out lines 12 to 16, and insert:

SEC. 327. (a) Notwithstanding any other provision of law, and subject to the provisions of section 2 below, title to a certain 102 acres of property located at West Sayville, town of Islip, Suffolk County, New York, as described in a deed dated November 4, 1918, from the Atlantic Communication Company, recorded in the office of the County Clerk of Suffolk County, New York on February 2, 1921, in Deed Liber 1016, page 43; a quit claim deed dated January 20, 1920, from Mary E. Shell; Executrix of the Estate of Edward Shell, recorded in the office of the County Clerk of Suffolk County, New York in Deed Liber 1016, page 443; and a deed dated September 2, 1920, from Atlantic Communication Company, recorded in the office of the County Clerk of Suffolk County, New York in Deed Liber 1016, page 438, and known as the Federal Aviation Administration's International Flight Service Transmitting Facility, shall be conveyed to the Fish and Wildlife Service of the United States Department of the Interior in order to ensure the continued protection of the sandplain gerardia (Agalinis acuta) a federally listed endangered plant species.

(b) The conveyance of the property identified in section 1 shall become effective upon certification by the Administrator of the Federal Aviation Administration that the International Flight Service Transmitting Facility currently located on such property has been completely relocated to an alternate site in Barnegat, New Jersey, and that the relocated International Flight Service Transmitting Facility is fully functional.

(c) Pursuant to the provisions of 40 U.S.C. 484(e)(3)(H), a certain 19.2 acres of property located on the west side of Cherry Avenue in West Sayville, town of Islip, County of Suffolk, New York, as described in a Declaration of Taking, Civil Number 60-CD-853, filed in United States District Court for the Eastern District of New York, dated September 9, 1960, shall be transferred, as a public benefit transfer and without cost, to said town of Islip for recreational purposes.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 130 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

SEC. 327. (a) MAXI-CUBE VEHICLES.—Section 411(d) of the Surface Transportation Assistance Act of 1982 (49 U.S.C. App. 2311(d)), relating to length limitations on federally assisted highways, is amended by inserting after "boat transporters" the following: "and maxi-cube vehicles".

(b) INTERNATIONAL FLIGHT SERVICE TRANSMITTING FACILITY.—(1) Notwithstanding any other provision of law, and subject to the provisions of subsection (b)(2) below, title to a certain 102 acres of property located at West Sayville, town of Islip, Suffolk County, New York, as described in a deed dated November 4, 1918, from the Atlantic Communication Company, New York on February 2, 1921, in Deed Liber 1016, page 433; a quit claim deed dated January 20, 1920, from Mary E. Shell; Executrix of the Estate of Edward Shell, recorded in the office of the County Clerk of Suffolk County, New York in Deed Liber 1016, page 438; and a deed dated September 2, 1920, from Atlantic Communication Company, recorded in the office of the County Clerk of Suffolk County, New York in Deed Liber 1016, page 443, and known as the Federal Aviation Administration's International Flight Service Transmitting Facility, shall be conveyed to the Fish and Wildlife Service of the United States Department of the Interior in order to ensure the continued protection of the sandplain gerardia (Agalinis acuta) a federally listed endangered plant species.

(2) The conveyance of the property identified in subsection (b)(1) shall become effective upon certification by the Administrator of the Federal Aviation Administration that the International Flight Service Transmitting Facility currently located on such property has been completely relocated to an alternate site in Barnegat, New Jersey, and that the relocated International Flight

Service Transmitting Facilities is fully functional.

(3) Pursuant to the provisions of 40 U.S.C. 484(k)(2), a certain 19.2 acres of property located on the west side of Cherry Avenue in West Sayville, town of Islip, County of Suffolk, New York, as described in a Declaration of Taking, Civil Number 60-CD-853, filed in United States District Court for the Eastern District of New York, dated September 9, 1960, shall be transferred, as a public benefit transfer and without cost, to said town of Islip for recreational purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 132: Page 56, after line 14, insert:

SEC. 329. AUXILIARY FLIGHT SERVICE STATION PROGRAM.—(a) GENERAL RULE.—The Administrator of the Federal Aviation Administration shall develop and implement a system of manned auxiliary flight service stations. The auxiliary flight service stations shall supplement the services of the planned consolidation to 61 automated flight service stations under the flight service station modernization program. Auxiliary flight service stations shall be located in areas of unique weather or operational conditions which are critical to the safety of flight.

(b) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall report to Congress with the plan and schedule for implementation of this section.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 132 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 330. (a) AUXILIARY FLIGHT SERVICE STATION PROGRAM.—The Administrator of the Federal Aviation Administration shall develop and implement a system of manned auxiliary flight service stations. The auxiliary flight service stations shall supplement the services of the planned consolidation to 61 automated flight service stations under the flight service station modernization program. Auxiliary flight service stations shall be located in areas of unique weather or operational conditions which are critical to the safety of flight. Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall report to Congress with the plan and schedule for implementation of this section.

Mr. LEHMAN of Florida. Mr. Speaker, I request time on this amendment.

The SPEAKER pro tempore. The gentleman from Florida [Mr. LEHMAN] is recognized for 30 minutes.

Mr. LEHMAN of Florida. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Speaker, the aviation reauthorization bill (H.R. 5170) contained a provision directing the Federal Aviation Administration to establish a system of manned auxiliary flight service stations to supplement the 61 automated flight service stations [AFSS].

Prior to House passage of H.R. 5170, the Public Works and Transportation Committee fully considered the auxiliary flight service station issue. The results of the committee's deliberations are fully reflected in the committee's report (101-581).

Now I see that the same auxiliary flight service station provision is in this conference report. But of course, in this context, it does not carry with it the legislative history developed by the Public Works Committee.

Therefore, I would like to ask the Chairman of the Transportation Appropriations Subcommittee whether, in adopting the auxiliary flight service station provision, the conferees accept the legislative history that came with it and whether it would be proper for the FAA, in implementing this provision, to be bound by the Public Works Committee's report on this provision.

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Mr. LEHMAN of Florida. For the gentleman's information, I would certainly expect the FAA to follow whatever legislative intent exists, whether it would be provided by the authorizing committee or by the Appropriations Committee.

Mr. OBERSTAR. I thank the gentleman for those comments.

May I further express my deep appreciation and that of my colleagues on the committee for the splendid job the chairman has done in negotiating these provisions, which were very difficult ones, concerning aviation, and bringing aviation to a new level of excellence for the decade ahead in all of the aspects, both the airport improvement program, auxiliary facilities and equipment account and the operations and maintenance account. The gentleman had done yeoman service, and we are very grateful.

Mr. LEHMAN of Florida. Mr. Speaker, I thank my friend from Minnesota [Mr. OBERSTAR] for his support and cooperation in helping us work out the difficult provisions in our own legislation today.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 137: Page 58, after line 7, insert:

SEC. 335. Notwithstanding section 127 of title 23, United States Code, the State of Wyoming may permit the use of the National System of Interstate and Defense Highways located in Wyoming by vehicles in excess of 80,000 poounds gross weight, but meeting axle and bridge formula specifications in section 127 of title 23, United States Code.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 137 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 335. Notwithstanding section 127 of title 23, United States Code, the State of Wyoming may permit the use of the National System of Interstate and Defense Highways located in Wyoming by vehicles in excess of 80,000 pounds gross weight, but meeting axle and bridge formula specifications in section 127 of title 23, United States Code: *Provided*, That this section shall remain in effect until December 31, 1991.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 139: Page 58, after line 7, insert:

SEC. 337. Notwithstanding any other provision of law, the air traffic control facilities known as the John F. Kennedy International, LaGuardia, and Newark International Airport air traffic control towers, shall be included in the pay demonstration project as approved and published by the Office of Personnel Management in the Federal Register on March 10, 1989. Further, that these facilities shall be administratively determined by the Administrator of the Federal Aviation Administration to be level V terminals and the grades of the air traffic control specialists in the GS-2152 classification series, assigned to such facilities, shall be adjusted accordingly.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 139 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 337. Within 180 days of the effective date of this Act, the Federal Aviation Administration shall undertake and complete a study on the classification of air traffic controllers at level IV limited radar approach facilities which includes airspace complexity as a factor in determining grade classification. The results of this study, along with an implementation plan, shall be provided to the House and Senate Committees on Appropriations.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 140: Page 58, after line 7, insert:

SEC. 338. None of the funds in this Act shall be used to withhold funds for any section 3 and section 9 operating and capital assistance grants for the City of Phoenix, Arizona, based, on the inclusion of a "preference in hiring" provision in the employee protective arrangements developed pursuant to 49 U.S.C. 1609(c), and such grant funds shall be awarded to the City of Phoenix within 30 days of the enactment of this Act.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 140 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 338. Notwithstanding any provision of the Urban Mass Transportation Act of 1964, as amended, the Urban Mass Transportation Administration shall not withhold fiscal year 1989, 1990 or 1991 funds for any section 3 and section 9 operating and capital assistance grants for the City of Phoenix, Arizona, based on the inclusion of a "preference in hiring" provision in the employee protective arrangements developed pursuant to 49 U.S.C. 1609(c).

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 141: Page 58, after line 7, insert:

SEC. 339. Notwithstanding subsection (d) of section 402 of the Surface Transportation Assistance Act of 1982 (Public Law 97-424, 96 Stat. 2155, 2156) for States which have received only development grants under such section 402 and which have participated in the Commercial Motor Carrier Safety Inspection and Weighing Demonstration Program, the Secretary shall only approve a plan under such section 402 for fiscal year 1991 which provides that the aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for commercial motor vehicle safety programs will be maintained at a level which does not fall below the average level of such expenditure for the last two full fiscal years preceding the date the plan is approved.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disageement to the amendment of the Senate numbered 141 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 339. Notwithstanding subsection (d) of section 402 of the Surface Transportation Assistance Act of 1982 (Public Law 97-424, 96 Stat. 2155, 2156) for States which have received only a development grant for fiscal year 1989 under such section 402 and which have participated in the Commercial Motor Carrier Safety Inspection and Weighing Demonstration Program, the Secretary shall only approve a plan under such section 402 for fiscal year 1991 which provides that the aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for commercial motor vehicle safety programs will be maintained at a level which does not fall below the average level of such expenditure for the last two full fiscal years preceding fiscal year 1990.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the final amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 143: Page 58, after line 7, insert:

SEC. 341. (a)(1) None of the funds appropriated by this Act may be obligated or expended to enter into any contract for the construction, alteration, or repair of any public building or public work in the United States or any territory or possession of the United States with any contractor or subcontractor of a foreign country, or any supplier of products of a foreign country, during any period in which such foreign country is listed by the United States Trade Representative under subsection (c) of this section.

(2) The President or the head of a Federal agency administering the funds for the construction, alteration, or repair may waive the restrictions of paragraph (1) of this subsection with respect to an individual contract if the President or the head of such agency determines that such action is necessary for the public interest. The authority of the President or the head of a Federal agency under this paragraph may not be delegated. The President or the head of a Federal agency waiving such restrictions shall, within 10 days, publish a notice thereof in the Federal Register describing in detail the contract involved and the reason for granting the waiver.

(b)(1) Not later than 30 days after the date of enactment of this Act, the United States Trade Representative shall make a determination with respect to each foreign country of whether such foreign country—

(A) denies fair and equitable market opportunities for products and services of the United States in procurement, or

(B) denies fair and equitable market opportunities for products and services of the United States in bidding,

for construction projects that cost more than $500,000 and are funded (in whole or in part) by the government of such foreign country or by an entity controlled directly or indirectly by such foreign country.

(2) In making determinations under paragraph (1), the United States Trade Representative shall take into account information obtained in preparing the report submitted under section 181(b) of the Trade Act of 1974 and such other information or evidence concerning discrimination in construction projects against United States products and services that are available.

(c)(1) The United States Trade Representative shall maintain a list of each foreign country which—

(A) denies fair and equitable market opportunities for products and services of the United States in procurement, or

(B) denies fair and equitable market opportunities for products and services of the United States in bidding,

for construction projects that cost more than $500,000 and are funded (in whole or in part) by the government of such foreign country or by an entity controlled directly or indirectly by such foreign country.

(2) Any foreign country that is initially listed or that is added to the list maintained under paragraph (1) shall remain on the list until—

(A) such country removes the barriers in construction projects to United States products and services;

(B) such country submits to the United States Trade Representative evidence demonstrating that such barriers have been removed; and

(C) the United States Trade Representative conducts an investigation to verify independently that such barriers have been removed and submits, at least 30 days before granting any such waiver, a report to each House of the Congress identifying the barriers and describing the actions taken to remove them.

(3) The United States Trade Representative shall publish in the Federal Register the entire list required under paragraph (1) and shall publish in the Federal Register any modifications to such list that are made after publication of the original list.

(d) For purposes of this section—

(1) The term "foreign country" includes any foreign instrumentality. Each territory or possession of a foreign country that is administered separately for customs purposes shall be treated as a separate foreign country.

(2) Any contractor or subcontractor that is a citizen or national of a foreign country, or is controlled directly or indirectly by citizens or nationals of a foreign country, shall be considered to be a contractor or subcontractor of such foreign country.

(3) Subject to paragraph (4), any product that is produced or manufactured (in whole or in substantial part) in a foreign country

shall be considered to be a product of such foreign country.

(4) The restrictions of subsection (a)(1) shall not prohibit the use, in the construction, alteration, or repair of a public building or public work, of vehicles or construction equipment of a foreign country.

(5) The terms "contractor" and "subcontractor" includes any person performing any architectural, engineering, or other services directly related to the preparation for or performance of the construction, alteration, or repair.

(e) Paragraph (a)(1) of this section shall not apply to contracts entered into prior to the date of enactment of this Act.

(f) The provisions of this section are in addition to, and do not limit or supersede, any other restrictions contained in any other Federal law.

MOTION OFFERED BY MR. LEHMAN OF FLORIDA

Mr. LEHMAN of Florida. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. LEHMAN of Florida moves that the House recede from its disagreement to the amendment of the Senate numbered 143 and concur therein with an amendment, as follows:

In lieu of the section number "341", insert "340".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. LEHMAN].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

CONFERENCE REPORT ON H.R. 5313, MILITARY CONSTRUCTION APPROPRIATIONS ACT, 1991

Mr. HEFNER. Mr. Speaker, I call up the conference report on the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 16, 1990, at page H10444.)

The SPEAKER pro tempore. The gentleman from North Carolina [Mr. HEFNER] will be recognized for 30 minutes, and the gentleman from California [Mr. LOWERY] will be recognized for 30 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. HEFNER].

GENERAL LEAVE

Mr. HEFNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and the amendments in disagreement on the bill, H.R. 5313, and that I may include extraneous tabular material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. HEFNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report we present to the House today for military construction and family housing contains agreements on about 300 line items.

Before I continue, I would like to take this time to thank the ranking minority member of the military construction subcommittee, Mr. LOWERY, for his cooperation and diligence all year long so we can be here today to present this conference report to the House. I also want to thank all the other members of the subcommittee for their bipartisan support, and to especially thank our committee chairman, JAMIE WHITTEN, for his leadership.

Mr. Speaker, the conference agreement on H.R. 5313 that we are presenting to the House provides for $8.36 billion of which almost $1 billion is to capitalize the base closure account. The bill is within our section 302 allocations for both budget authority and outlays. It is below the budget request by $764 million and $132 million below last year's level. When the base closure amount is excluded from the comparison the bill is almost $630 million below last year's level.

Mr. Speaker, the bill before us cuts the budget request for overseas spending by about $600 million. The bill reduces spending for NATO Infrastructure by 55 percent from the President's request and all other overseas programs by 80 percent. In addition, the bill will cancel previously funded projects overseas which will save the taxpayer over $286 million. Mr. Speaker, these are responsible cuts in light of the changes occurring throughout the world, especially in view of the reduced threat that has occurred in Europe.

We need to put a hold on such funding overseas until the Department develops a responsible force and base structure plan that recognizes budget realities, the reduced threat, and the need for more burdensharing.

Mr. Speaker, on the domestic side, the conference report restores the Guard and Reserve programs to last year's level rather than support the administration's proposal to reduce the Guard and Reserve by 60 percent from last year's level. Let me just say that the funding for the Guard and Reserve program comes from the cuts we made in overseas programs.

On the issue of whether to build a new base in Italy when we are closing bases in the United States, the conference agreement retains the House position which prohibits the use of any new or prior year unobligated NATO infrastructure funds from being used for construction of a base to support the relocation of the 401st Tactical Fighter Wing to Crotone, Italy. The effect of the conference agreement is that it holds up U.S. funding for a year.

Military Construction Appropriations Bill, FY 1991 (H.R. 5313)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Military construction, Army	819,129,000	774,900,000	747,067,000	697,967,000	746,137,000	-72,992,000
Rescission	.....	.....	-116,745,000	-116,745,000	-116,745,000	-116,745,000
Total, Military construction, Army (net)	819,129,000	774,900,000	630,322,000	581,222,000	629,392,000	-189,737,000
Military construction, Navy	1,139,250,000	1,113,300,000	1,137,278,000	1,083,826,000	1,132,606,000	-6,644,000
Rescission	.....	.....	-6,200,000	-6,200,000	-6,200,000	-6,200,000
Total, Military construction, Navy (net)	1,139,250,000	1,113,300,000	1,131,078,000	1,077,626,000	1,126,406,000	-12,844,000
Military construction, Air Force	1,227,296,000	1,376,200,000	949,446,000	891,784,000	949,094,000	-278,202,000
Rescission	-18,500,000	.....	-25,390,000	-25,390,000	-51,390,000	-32,890,000
Total, Military construction, Air Force (net)	1,208,796,000	1,376,200,000	924,056,000	866,394,000	897,704,000	-311,092,000
Military construction, Defense agencies	537,440,000	787,500,000	625,326,000	600,113,000	601,288,000	+63,848,000
Rescission	-21,800,000	.....	-68,119,000	-68,119,000	-68,119,000	-46,319,000
Total, Military construction, Defense agencies (net)	515,640,000	787,500,000	557,207,000	531,994,000	533,169,000	+17,529,000
North Atlantic Treaty Organization Infrastructure	424,714,000	420,400,000	250,000,000	210,400,000	192,700,000	-232,014,000
Military construction, Army National Guard	230,490,000	66,678,000	201,558,000	235,549,000	313,224,000	+82,734,000
Military construction, Air National Guard	235,867,000	66,500,000	135,240,000	146,369,000	180,560,000	-55,307,000
Military construction, Army Reserve	99,124,000	59,300,000	68,297,000	75,226,000	77,426,000	-21,698,000
Military construction, Naval Reserve	56,600,000	50,200,000	63,300,000	75,207,000	80,307,000	+23,707,000
Military construction, Air Force Reserve	46,200,000	37,700,000	37,700,000	41,100,000	38,800,000	-7,600,000
Total, Reserve components	668,281,000	280,378,000	506,095,000	573,451,000	690,117,000	+21,836,000
Total, Military construction:						
New budget (obligational) authority (net)	4,775,810,000	4,752,678,000	3,993,758,000	3,841,087,000	4,069,488,000	-706,322,000
Appropriations	(4,816,110,000)	(4,752,678,000)	(4,215,212,000)	(4,057,541,000)	(4,311,942,000)	(-504,168,000)
Rescissions	(-40,300,000)	.....	(-216,454,000)	(-216,454,000)	(-242,454,000)	(-202,154,000)
Family housing, Army:						
Appropriation	1,453,982,000	1,554,450,000	1,525,767,000	1,525,667,000	1,538,267,000	+84,285,000
Portion applied to debt reduction	-300,000	-250,000	-250,000	-250,000	-250,000	+50,000
Rescission	.....	.....	-12,664,000	-12,664,000	-12,664,000	-12,664,000
Total, Family housing, Army (net)	1,453,682,000	1,554,200,000	1,512,853,000	1,512,753,000	1,525,353,000	+71,671,000
Family housing, Navy and Marine Corps	796,321,000	904,500,000	876,101,000	829,706,000	866,018,000	+67,697,000
Rescission	.....	.....	-11,037,000	-11,037,000	-11,037,000	-11,037,000
Total, Family housing, Navy (net)	796,321,000	904,500,000	865,064,000	818,671,000	854,981,000	+58,660,000
Family housing, Air Force	939,726,000	971,900,000	956,542,000	910,430,000	934,399,000	-5,327,000
Rescission	.....	.....	-45,964,000	-45,964,000	-45,964,000	-45,964,000
Total, Family housing, Air Force (net)	939,726,000	971,900,000	910,578,000	864,466,000	888,435,000	-51,291,000
Family housing, Defense agencies	21,124,000	21,100,000	21,014,000	21,014,000	21,014,000	-110,000
Rescission	.....	.....	-300,000	-300,000	-300,000	-300,000
Total, Family housing, Defense agencies (net)	21,124,000	21,100,000	20,714,000	20,714,000	20,714,000	-410,000
Homeowners Assistance Fund, Defense	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	.....
Total, Family housing:						
New budget (obligational) authority (net)	3,217,953,000	3,456,800,000	3,314,309,000	3,221,704,000	3,294,583,000	+76,630,000
Appropriations	(3,218,253,000)	(3,457,050,000)	(3,384,524,000)	(3,291,919,000)	(3,364,798,000)	(+146,545,000)
Rescissions	.....	.....	(-69,965,000)	(-69,965,000)	(-69,965,000)	(-69,965,000)
Applied to debt reduction	(-300,000)	(-250,000)	(-250,000)	(-250,000)	(-250,000)	(+50,000)
Base realignment and closure account	500,000,000	916,500,000	998,100,000	916,500,000	998,100,000	+498,100,000
Grand total:						
New budget (obligational) authority (net) 1/	8,493,763,000	9,125,978,000	8,311,167,000	7,979,291,000	8,362,171,000	-131,592,000
Appropriations	(8,534,363,000)	(9,126,228,000)	(8,597,836,000)	(8,265,960,000)	(8,674,840,000)	(+140,477,000)
Applied to debt reduction	(-300,000)	(-250,000)	(-250,000)	(-250,000)	(-250,000)	(+50,000)
Rescissions	(-40,300,000)	.....	(-286,419,000)	(-286,419,000)	(-312,419,000)	(-272,119,000)

1/ FY 1990 as enacted on November 10, 1989. Excludes subsequent rescissions. Includes sequestration.

I am opposed to building a new base at Crotone, Italy, especially when we are closing many bases in the United States and, at the same time, only making minor realignments in Europe thus far. I understand the Department's position in that we cannot have a massive pullout from Europe overnight and perhaps it is prudent to phaseout reductions overseas in a systematic way. However, I do not see where this justifies a hurry-up attitude in building a new base in Italy which may or may not be justified. After all, the planes will need to be based at interim locations until the base is completed.

All we have done in this bill is put a halt to the use of new and unobligated funds for a year. Members need to know that when the decision was made that the 401st Tactical Fighter Wing had to vacate Torrejon, Spain, and the decision was made to move to Crotone, Italy, we were in the cold-war era. Now, we have seen amazing changes occur in Europe over the past year. For this reason, there is a need for NATO to reexamine the need for the Italian base as well as whether there are other more cost-effective alternatives.

Mr. Speaker, I have seen too many times where we rush into situations like this and use the argument that it is in the interests of national security. Well, I am not going to say it isn't. What I am saying is that, let's stop and reanalyze our whole defense posture in Europe because the threat scenario has changed. We have at least seven major airbases in Germany and four in the United Kingdom. Do we need all these bases and at the same time, do we need to build a new airbase in Italy?

Earlier this year, during our hearings, I warned the Department that the building of this base was going to be a hard sell to the Congress. Have we seen the Department come back with alternatives? No. Have they considered building a bare-bones base? They have not. Now at the last minute, they recognize that we are serious about questioning the need for this base.

We have an opportunity to save $300 million of taxpayers money if we stop or delay this project. We have seen the classic example in Comiso, Sicily, where we had to hurry up and build numerous support facilities only to close that base before many of the facilities could be used. That cost the United States about $250 million. Now that base is for sale with no takers thus far.

Let me make one other point. The Crotone base is not a wartime base—it is a peacetime base. In the event of war, the F-16's would be deployed at other forward locations. So, there is nothing to prevent the wing from being based at existing bases or dual based at bases in the United States.

Mr. Speaker, those are the more significant items in the bill. The conference report is a bipartisan effort and I encourage Members to support the conference report.

At this point, I reserve the balance of my time.

Mr. WHITTEN. Mr. Speaker, I rise in support of the conference agreement on the military construction bill. I commend my colleagues on the subcommittee for their hard work in reaching this agreement.

Mr. Speaker, we all realize the world situation has changed greatly since it became apparent that the Soviet Union's economic situation has proven so bad that its military threat against the West has greatly diminished. Thus, there is bound to be a reduction in personnel as we pull back troops from overseas and reduce troop levels overall.

However, we must continue to give attention to the possible expansion and maintenance of a strong Guard and Reserve where members contribute to the economy during the week and train on the weekend.

Mr. Speaker, the agreement provides funds for the following national programs in my area and State:

Navy:	
Gulfport Naval Construction Training Center:	
Applied instruction	$1,170,000
Barracks	7,540,000
Air Force:	
Columbus Air Force Base:	
Flight simulator	400,000
Bachelor officer quarters	2,700,000
Army National Guard:	
Camp McCain:	
Tank training equipment and facilities	600,000
Troop subsistence storage facility	780,000
Ammunition supply station	500,000
Camp Shelby:	
Bachelor officer quarters (phase III)	450,000
Ammunition supply point	280,000
Fulton Armory	535,000
Starkville Armory	975,000
Air National Guard:	
Allen C. Thompson Field, Jackson:	
Base civil engineering facility	1,600,000
Medical training and security police facility	1,500,000
Gulfport:	
Vehicle maintenance facility	1,150,000
Base engineer maintenance facility	490,000
Base supply warehouse	250,000
Communications electronics training facility	2,300,000
Army Reserve:	
Vicksburg:	
Army reserve center and maintenance facility	6,978,000
Air Force Reserve:	
Keesler Air Force Base:	
Medical training facility	600,000
Total, Mississippi	30,798,000

And retained the language:

> The conferees direct the Army National Guard to continue to maintain a balanced distribution of projects throughout the State of Mississippi and to report by February 1, 1991, on how equitable distribution is being assured.

Mr. Speaker, I urge adoption of the report.

Mr. LOWERY of California. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, first, I would like to thank the chairman of the Military Construction Subcommittee, the gentleman from North Carolina, for his leadership and diligence in bringing this bill to conference. As Chairman HEFNER said, we resolved over 300 differences. We are presenting to the House a conference report which is a balanced and fair compromise.

The conference agreement on H.R. 5313 contains $7.4 billion for military construction and family housing. This represents a $600 million decrease from last year's appropriation. Also included is $998 million for continued funding of the base closure and realigment account. When combined, the total appropriation provided is $8.4 billion. This is $138 million under our revised 302(b) allocation; $132 million below last year's bill; and, $764 million below the President's request.

We have worked hard to bring this conference report to the House floor. It has not been an easy task. In this year of Defense Department building moratoria, cuts in defense spending and the needs of Desert Shield, this bill represents a good balance between the needs of our service men and women and the changing defense posture. We can and have cut military construction, but it cannot be axed. As we consolidate, close bases, and reduce manpower, the remaining bases and equipment must be maintained in top working order and personnel must be highly trained and adequately housed.

Mr. Speaker, there is one provision of this conference report to which I strongly object. It has the effect of prohibiting the U.S. contribution to the NATO Infrastructure Account for the construction of a base to relocate the 401st Tactical Fighter Wing to Crotone, Italy, for 1 year. The 401st are 72 F-16's currently based in Spain and are the only Land Based Fighter assets in the southern flank of NATO.

This decision is precipitous and should be made in the context of a complete analysis of the effect of base closures, relocations, realignments, and personnel reductions on the national military strategy for a changed world. This action by the conference committee will send the wrong signal to our allies and may seriously foreclose cost-effective options such as a bare bones base. By unilaterally reduc-

ing our capability in NATO's flanks, without regard for internal negotiations with our NATO allies or alliance negotiations for arms control with the U.S.S.R.—without regard for our future security requirements, the balance we seek to achieve through negotiations is undermined, our flexibility reduced, and the credibility of our commitment to the NATO Alliance is brought into question.

I understand this may invite a veto of the bill. Mr. Speaker, this committee does not operate in a vacuum. If something is this important to the Department, they need to do a better job of communicating with the conferees.

Mr. Speaker, this conference report does not include everything I would have liked, however, overall it is a good agreement and one which I support.

□ 1630

Mr. Speaker, I reserve the balance of my time.

Mr. HEFNER. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I rise in favor of this bill.

I want to take this opportunity to compliment the chairman of the Military Construction Subcommittee of the Committee on Appropriations, the gentleman from North Carolina [Mr. HEFNER], and his committee for the work that he and they have done.

This is not an easy task in these days of tight budgetary constraints, particularly in light of the mood that we find in Eastern Europe and the challenges that we have here in the continental United States.

Being a member of the Committee on Armed Services and being the only member from the State of Missouri, I wish to add a special word of appreciation for the great effort that has gone into working with me on the Whiteman Air Force Base proposal. A new chapter is coming to pass for the Army National Guard headquarters in Jefferson City, our State capital, and for that I wish to express my appreciation of those in my State and myself.

To the gentleman and to the chairman, the gentleman from North Carolina [Mr. HEFNER], I say a job well done.

Mr. LOWERY of California. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Mr. Speaker, I take this time to ask if the chairman of the committee, the gentleman from North Carolina [Mr. HEFNER] would engage in a colloquy with me.

Mr. Speaker, my inquiry is regarding the $10 million provided in the bill for acquisition of easements or other interests on property located south of Vandenberg Air Force Base for the purpose of insuring the safety of the public during launch operations. I would assume that it is the intention of the committee that in any such transaction, all property owners would be treated equitably and fairly?

Mr. HEFNER. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I am happy to yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Speaker, all I can say to the gentleman is that there is nothing in the bill that earmarks $10 million, and I would expect that there would be fair treatment in the use of these funds in terms of considering the needs and the desires of all the affected landowners.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for that.

Mr. LOWERY of California. Mr. Speaker, will the gentleman yield?

Mr. LAGOMARSINO. I am happy to yield to the gentleman from California.

Mr. LOWERY of California. Mr. Speaker, I would concur with the gentleman in his assessment that we do not want to discriminate against anyone.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman.

Mr. LOWERY of California. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HEFNER. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore. Pursuant to House Resolution 512, the amendments in disagreement and the motions to dispose of the amendments are considered as having been read.

The Clerk will designate the first amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 5: Page 4, line 2, strike out "$949,446,000" and insert "$891,784,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 5, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert "$949,094,000 and rescission of $26,000,000 of the funds appropriated for "Military Construction, Air Force" under Public Law 101-148 in addition to the rescissions listed subsequently in this paragraph".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 10: Page 6, line 4, strike out "$250,000,000" and insert "$210,400,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The Speaker pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert "$192,700,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 14: Page 6, line 16, strike out "$201,558,000" and insert "$235,549,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The Speaker pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert "$313,224,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 15: Page 6, line 23, strike out "$135,240,000" and insert "$146,369,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 15, and concur therein with an amendment, as follows: In lieu of

the sum stricken and inserted by said amendment, insert "$180,560,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 16: Page 7, line 6, strike out "$68,297,000" and insert "$75,226,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 16, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert "$77,426,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 17: Page 7, line 13, strike out "$63,300,000" and insert "$75,207,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 17, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert "$80,307,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman for North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 19: Page 8, line 4, strike out "$61,800,000" and insert "$61,700,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede for its disagreement to the amendment of the Senate numbered 19, and concur therein with as amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert "$74,300,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendent is as follows:

Senate amendment No. 20: Page 8, line 6, strike out "$1,525,767,000" and insert "$1,525,667,000".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion. The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 20, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert "$1,538,267,000".

The SPEAKER pro tempore. The quesiton is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 26: Page 11, line 3, strike out "$81,600,000 of the".

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is an follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 26, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert "100,000,000 of the".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

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The SPEAKER pro tempore (Mr. MONTGOMERY). The Clerk will designate the next admendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 28: Page 20, after line 5, insert:

SEC. 130. (a) CONVEYANCE.—(1) Except as provided in paragraphs (2), (3), and (4), and subject to subsections (c) and (g), the Secretary of the Army shall convey to the University of Utah all right, title, and interest of the United States in and to the land comprising Fort Douglas, Utah, together with improvements theron.

(2) The Secretary shall except from the land conveyed under paragraph (1) such land, not in excess of 64 acres, and improvements thereon as may be necessary for the Army to continue conducting Army Reserce activities at the Fort Douglas location.

(3) The Secretary shall also except from the land conveyed under paragraph (1) the land at Fort Douglas constituting the Fort Douglas Post Cemetery, consisting of approximately four acres.

(4) In connection with the land retained for Army Reserve activities and land constituting the Army Post Cemetery, the Secretary shall reserve to the United States in the land conveyed such rights-of-way and other easements as may be necessary for ingress to and egress from the land retained.

(b) CONSIDERATION.—(1) The conveyance under subsection (a) shall be made only on the condition that the State of Utah and the University of Utah waive any entitlements that have not been exercised on behalf of the University of Utah before the date of the enactment of this section and that may be due to the State of Utah or the University of Utah on behalf of the University of Utah under—

(A) section 3 of the Act entitled "An Act to establish the office of Surveyor-General of Utah, and to grant Land for School and University Purposes", approved February 21, 1855 (10 Stat. 611); and

(B) sections 8 and 12 of the Act entitled "An Act to enable the people of Utah to form a constitution and State government, and to be admitted into the Union on equal footing with the original States", approved July 16, 1894 (28 Stat. 110).

(2) The waiver referred to in paragraph (1) shall be executed in such manner as the Secretary of the Army, after consultation with the Attorney General of the United States, determines necessary to effectively waive any unexercised entitlements under those laws.

(c) CONDITION.—(1) The conveyance provided for in subsection (a) may be made only on condition that—

(A) the State of Utah agree to maintain and operate, as provided in paragraph (2), the Army museum located on the land conveyed to the University of Utah pursuant to this section; and

(B) the University of Utah agree—

(i) to maintain and operate, as provided in paragraph (2), the Army chapel and other historical buildings located on the land referred to in subparagraph (A); and

(ii) to preserve and maintain, as provided in paragraph (2), the parade grounds that are a part of the land referred to in subparagraph (A).

(2) The Army museum, Army chapel, and other historical buildings referred to in paragraph (1) shall be maintained and operated, and the parade grounds referred to in that paragraph shall be preserved and maintained, in a manner consistent with Federal laws and regulations pertaining to the preservation of historical sites, buildings, and monuments, as specified by the Secretary of the Interior.

(d) REVERSIONARY RIGHT.—If the University of Utah uses the land conveyed pursuant to subsection (a) for other than educational or research purposes; all right, title, and interest in and such land shall automatically revert to the United States and the United States shall have the right of immediate entry thereon.

(e) DEADLINE FOR CONVEYANCE.—The conveyance under subsection (a) shall be made not later than one year after the date of the enactment of this section.

(f) JOINT USE OF UTILITY SYSTEMS.—The Secretary may enter into an agreement with the University of Utah under which the Army and the University would—

(1) jointly use the existing utility systems located at Fort Douglas at the time of the conveyance provided for under subsection (a);

(2) equitably share the cost of maintaining, operating, and replacing (as necessary) the systems; and

(3) pay on a pro rata basis for the utilities consumed by each of the parties.

(g) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance provided for under subsection (a) as the Secretary considers necessary to protect the interests of the United States.

(h) ADDITIONAL EXCESS LAND.—In the event that any lands constituting Fort Douglas, Utah, that are not conveyed pursuant to subsection (a) are declared excess to the needs of the Army after the date of the conveyance provided for in that subsection, the Secretary shall convey such lands to the University of Utah. Any lands conveyed pursuant to this subsection shall be conveyed subject to a reversionary clause in favor of the United States as provided in subsection (d).

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House recede from its disagreement to the amendment of the Senate numbered 28, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 30: Page 20, after line 5, insert:

PAYMENT OF CLAIMS BY UNITED STATES NATIONALS AGAINST IRAQ

SEC. 132. (a) Notwithstanding any other provisions of law, the President is authorized—

(1) to vest title in a portion of the property in which transactions have been blocked pursuant to Executive Order 12722 of August 3, 1990, which portion shall be equal to the total amount of obligations owed to United States Government (including the Department of Agriculture and the Commodity Credit Corporation) and United States nationals for which Iraq has suspended repayment; and

(2) to liquidate such property and pay United States creditors the amount of the obligations referred to under paragraph (1).

(b) In the event that property liquidated under subsection (a)(2) is less than the total amount of obligations described in subsection (a)(1), then obligations the repayment of which is guaranteed by the Commodity Credit Corporation shall be given priority in payment of creditors.

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House insist on its disagreement to the amendment of the Senate numbered 30.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 31: Page 20, after line 5, insert:

ANTITERRORISM ACT OF 1990

SEC. 133. (a) SHORT TITLE.—This section may be cited as the "Antiterrorism Act of 1990".

(b) TERRORISM.—Chapter 113A of title 18, United States Code, is amended—

(1) in section 2331 by striking subsection (d) and redesignating subsection (e) as subsection (d);

(2) by redesignating section 2331 as 2323 and striking the caption for section 2331 and inserting the following:

"§ 2332. Criminal penalties";

(3) by inserting before section 2332 as redesignated the following:

"§ 2331. Definitions

"As used in this chapter—

"(1) the term 'international terrorism' means activities that—

"(A) involve violent acts or acts dangerous to human life that are a violation of the criminal laws of the United States or of any State, or that would be a criminal violation if committed within the jurisdiction of the United States or of any State;

"(B) appear to be intended—

"(i) to intimidate or coerce a civilian population;

"(ii) to influence the policy of a government by intimidation or coercion; or

"(iii) to affect the conduct of a government by assassination or kidnapping; and

"(C) occur primarily outside the territorial jurisdiction of the United States, or transcend national boundaries in terms of the means by which they are accomplished, the persons they appear intended to intimidate or coerce, or the locale in which their perpetrators operate or seek asylum;

"(2) the term 'national of the United States' has the meaning given such term in section 101(a)(22) of the Immigration and Nationality Act;

"(3) the term 'person' means any individual or entity capable of holding a legal or beneficial interest in property; and

"(4) the term 'act of war' means any act occurring in the course of—

"(A) declared war;

"(B) armed conflict, whether or not war has been declared, between two or more nations; or

"(C) armed conflict between military forces of any origin.".

"(4) by adding immediately after section 2332 as redesignated the following new sections:

"§ 2332. Civil remedies

"(a) ACTION AND JURISDICTION.—Any national of the United States injured in his person, property, or business by reason of an act of international terrorism, or his estate, survivors, or heirs, may sue therefor in any appropriate district court of the United States and shall recover threefold the damages he sustains and the cost of the suit, including attorney's fees.

"(b) ESTOPPED UNDER UNITED STATES LAW.—A final judgment or decree rendered in favor of the United States in any criminal proceeding under section 1116, 1201, 1203, or 2332 of this title or section 1472 (i), (k), (l), (n), or (r) of title 49 App. shall estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding under this section.

"(c) ESTOPPED UNDER FOREIGN LAW.—A final judgment or decree rendered in favor of any foreign state in any criminal proceeding shall, to the extent that such judgment or decree may be accorded full faith and credit under the law of the United States, estop the defendant from denying the essential allegations of the criminal offense in any subsequent civil proceeding under this section.

"§ 2334. Jurisdiction and venue

"(a) GENERAL VENUE.—Any civil action under section 2333 of this title against any person may be instituted in the district court of the United States for any district where any plaintiff resides or where any defendant resides or is served, or has an agent. Process in such a civil action may be served in any district where the defendant resides, is found, or has an agent.

"(b) Special Maritime or Territorial Jurisdiction.—If the actions giving rise to the claim occurred within the special maritime and territorial jurisdiction of the United States, as defined in section 7 of this title, then any civil action under section 2333 of this title against any person may be instituted in the district court of the United States for any district in which any plaintiff resides or the defendant resides, is served, or has an agent.

"(c) SERVICE ON WITNESSES.—A witness in a civil action brought under section 2333 of this title may be served in any district where the witness resides, is found, or has an agent.

"(d) CONVENIENCE OF THE FORUM.—The district court shall not dismiss any action brought under section 2333 of this title on the grounds of the inconvenience or inappropriateness of the forum chosen, unless—

"(1) the action may be maintained in a foreign court that has jurisdiction over the subject matter and over all the defendants;

"(2) that foreign court is significantly more convenient and appropriate; and

"(3) that foreign court offers a remedy which is substantially the same as the one available in the courts of the United States.

"§ 2335. Limitation of actions

"(a) IN GENERAL.—Subject to subsection (b), a suit for recovery of damages under section 2333 of this title shall not be maintained unless commenced within 3 years from the date the cause of action accrued.

"(b) CALCULATION OF PERIOD.—The time of the absence of the defendant from the United States or from any jurisdiction in which the same or a similar action arising from the same facts may be maintained by the plaintiff, or any concealment of his whereabouts, shall not be reckoned within this period of limitation.

§ 2336. Other limitations

"No action shall be maintained under section 2333 of this title for injury or loss by reason of an act of war.

"§ 2337. Suits against government officials

"No action shall be maintained under section 2333 of this title against—

"(1) the United States, an agency of the United States, or an officer or employee of the United States or any agency thereof acting within his official capacity or under color of legal authority; or

"(2) a foreign state, an agency of a foreign state, or an officer or employee of a foreign state or an agency thereof acting within his official capacity or under color of legal authority.

§ 2338. Exclusive Federal jurisdiction

"The district courts of the United States shall have exclusive jurisdiction over an action brought under this chapter."; and

(5) by amending the table of sections to read as follows:

"CHAPTER 113A—TERRORISM

"Sec.
"2331. Definitions.
"2332. Criminal penalties.
"2333. Civil remedies.
"2334. Jurisdiction and venue.
"2335. Limitation of actions.
"2336. Other limitations.
"2337. Suits against government officials.
"2338. Exclusive Federal jurisdiction.

(c) TABLE OF CONTENTS.—The table of contents of part 1, title 18, United States Code, is amended by striking:

"113A. Extraterritorial jurisdiction over terrorist acts abroad against United States nationals..... 2331"

and inserting in lieu thereof:

"113A. Terrorism..... 2331".

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall apply to any pending case and any cause of action arising on or after 3 years before the date of enactment of this section.

MOTION OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. HEFNER moves that the House insist on its disagreement to the amendment of the Senate numbered 31.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. HEFNER].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid upon the table.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. MONTGOMERY). The gentleman will state it.

Mr. WALKER. Mr. Speaker, where are we with regard to the legislative day at this point?

The SPEAKER pro tempore. The Chair would advise the gentleman that we have finished with the various conference reports, and we are awaiting the gentleman from Minnesota [Mr. FRENZEL] or his designee, the gentleman from Illinois [Mr. MICHEL], or his designee.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would make a statement. The Chair may have to resume legislative business for the purpose of establishing the adjournment time for tomorrow and possibly other purposes, but for the moment we will continue.

A CALL FOR RESERVISTS DURING EMERGENCY

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute.)

Mr. MONTGOMERY. Mr. Speaker, each Member of the House will receive either today or tomorrow a report from the chairman of the Committee on Armed Services, the gentleman from Wisconsin [Mr. ASPIN], the gentlewoman from Maryland [Mrs. BYRON], and myself, and it pertains to the National Guard and Reserves, and gives the history of the Guard and Reserve. The point of the paper is that we are concerned that the Defense Department has not seen fit to call up the combat units of the National Guard and the combat units of the different Reserve units that we have in this country.

They call up support units under the total force. It seems to me that we train together as Reservists, and as we train with the active forces when we have an emergency, Guards and Reserves should be called up at the same time as active forces.

I hope Members would take a look at this paper presented to Members, and they will find out that there are very good points about the use of Reserves during this emergency.

HOUR OF MEETING ON TOMORROW SATURDAY, OCTOBER 20, 1990

Mr. YATES. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at noon tomorrow.

The SPEAKER pro tempore (Mr. FAZIO). Is there objection to the request of the gentleman from Illinois?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. YATES. Mr. Speaker, I ask unanimous consent the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinios?

There was no objection.

HOUR OF MEETING ON SUNDAY, OCTOBER 21, 1990

Mr. YATES. Mr. Speaker, I ask unanimous consent that when the House adjourns on Saturday, October 20, it adjourn to meet at 2 p.m. Sunday, October 21, 1990.

Mr. WALKER. Mr. Speaker, reserving the right to object, and I shall not object, it is my understanding the House tomorrow will take up the D.C. appropriations bill, the HUD appropriations bill, and those will be the only things on the schedule for tomorrow, is that correct?

Mr. YATES. Mr. Speaker, if the gentleman will yield, the gentleman is correct. It is my understanding our consideration will be the conference reports on those bills.

Mr. WALKER. And it is my understanding further that the House on Sunday will take up the Legislative Appropriations bill, and that is the only thing for Sunday, is that correct?

Mr. YATES. That is the understanding that I have, too, I will say to the gentleman.

Mr. WALKER. Mr. Speaker, further reserving the right to object, I would inquire of the Chair, with these unanimous consents out of the way, that will be the end of the legislative business for today? The Chair had previously announced there might be additional legislative business. Will this be the end of legislative business today, so Members can feel free to leave?

The SPEAKER pro tempore. The Chair is so advised, except for the appointment of conferees on the Budget Reconciliation.

Mr. WALKER. And that would be the only other business left for today, is that correct?

Mr. YATES. My understanding is that the gentleman is correct. If the gentleman will continue to yield further with respect to the reply I gave the gentleman a few moments ago, there is a possibility that there may be changes in the schedule that may come up. If that occurs, both Cloakrooms will be notified immediately.

Mr. WALKER. Well, there is some concern on our side, I might say, and further reserving the right to object, an assault weapons bill was thought to be on the calendar at one point for the weekend, and now we hear that it is not going to be. Some of our Members would have to revise their schedules based upon whether or not that was going to be on the calendar this weekend.

What I am particularly interested in is whether or not that bill might get scheduled at some point during the week.

Mr. YATES. There is a possibility that that may occur, but it is remote, and a notice will be made available to the gentleman, we believe, by 6 o'clock tomorrow evening.

Mr. WALKER. I assume sometime on the weekend, should the Reconciliation Conference Committee complete its work, we will get the conference report on the floor?

Mr. YATES. That is correct.

Mr. WALKER. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was not objection.

MODIFICATION OF APPOINTMENT OF CONFEREES ON H.R. 5835, OMNIBUS BUDGET RECONCILIATION ACT OF 1990

The SPEAKER pro tempore. Pursuant to the previous order of the House of October 18, 1990, and at the request and direction of the Speaker, without objection, the appointment of conferees on H.R. 5835 is modified to read as follows:

From the Committee on the Budget, for consideration of the House bill, and the Senate amendment, and modifications committed to conference, and as exclusive conferees with respect to any proposal to report in total disagreement: Messrs. PANETTA, GEPHARDT, and FRENZEL.

As additional conferees from the Committee on the Budget, for consideration of the title XIV of the House bill, and all other provisions of the House bill and the Senate amendment on which conferees from more than one of the other standing committees of the House are appointed, and modifications committed to conference: Messrs. RUSSO, JENKINS, and GRADISON.

From the Committee on Agriculture, for consideration of title I and subtitle B of title V of the House bill, and title I and subtitle A of title IV of the Senate amendment, and modifications committed to conference: Messrs. DE LA GARZA, HUCKABY, and COLEMAN of Missouri.

From the Committee on Banking, Finance and Urban Affairs, for consideration of title II of the House bill, and title II of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Ms. OAKAR, and Mr. WYLIE.

From the Committee on Education and Labor, for consideration of title III and sections 12403 and 13323 of the House bill, and subtitle F of title VI, part 4 of subtitle D of title VII, title X, and section 6401 of the Senate amendment, and modifications committed to conference: Messrs. HAWKINS, FORD of Michigan, and GOODLING.

From the Committee on Energy and Commerce (health), for consideration of subtitles A and B of title IV of the House bill, and part 2 of subtitle B and subtitle C of title VI of the Senate amendment, and modifications committed to conference: Messrs. DINGELL, WAXMAN, and LENT.

From the Committee on Energy and Commerce (transportation), for consideration of sections 4511, 4521, and 4522 of the House bill, and sections 3002 and 3003 of the Senate amendment, and modifications committed to conference: Messrs. DINGELL, THOMAS A. LUKEN, and LENT.

From the Committee on Energy and Commerce (energy), for consideration of sections 4501, 4502, 5101, and 10002 of the House bill, and subtitle B of title IV and section 502 of the Senate amendment, and modifications committed to conference: Messrs. DINGELL, SHARP, and LENT.

From the Committee on Government Operations, for consideration of part 1 of subtitle A and subtitles B through E (except section 14302) of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Messrs. CONYERS, WAXMAN, SYNAR, FRANK, HORTON, and NIELSON of Utah.

From the Committee on Interior and Insular Affairs, for consideration of title V and sections 4502 and 10002 of the House bill, and subtitles A and B of title IV and section 502 of the Senate amendment, and modifications committed to conference: Messrs. UDALL, MILLER of California, and YOUNG of Alaska

From the Committee on the Judiciary, for consideration of title VI of the House bill, and title IX of the Senate amendment, and modifications committed to conference: Messrs. BROOKS, KASTENMEIER, and MOORHEAD.

From the Committee on Merchant Marine and Fisheries (tonnage duties, coast guard fees, and cargo preference), for consideration of sections 7101 and 7102 of the House bill, and section 3001 of the Senate amendment, and modifications committed to conference: Messrs. JONES of North Carolina, TAUZIN, and DAVIS.

From the Committee on Merchant Marine and Fisheries (EPA fees), for consideration of section 7103 of the House bill, and modifications committed to conference: Messrs. JONES of North Carolina, STUDDS, and DAVIS.

From the Committee on Merchant Marine and Fisheries (coastal zone management), for consideration of subtitle B of title VII of the House bill, and modifications committed to conference: Messrs. JONES of North Carolina, HERTEL, and DAVIS.

From the Committee on Post Office and Civil Service, for consideration of title VIII of the House bill, and title VIII of the Senate amendment, and modifications committed to conference: Messrs. FORD of Michigan, CLAY, and GILMAN.

From the Committee on Public Works and Transportation (aviation), for consideration of subtitles B and C of title IX of the House bill, and subtitle B of title III, of the Senate amendment, and modifications committed to conference: Messrs. ANDERSON, OBERSTAR, and HAMMERSCHMIDT.

From the Committee on Public Works and Transportation (transportation trust funds) for consideration of subtitles A of title IX of the House bill, and modifications committed to conference: Messrs. ANDERSON, MINETA, and HAMMERSCHMIDT.

From the Committee on Public Works and Transportation (EPA fees), for consideration of subtitle D of title IX of the House bill, and modifications committed to conference: Messrs. ANDERSON, NOWAK, and HAMMERSCHMIDT.

From the Committee on Rules, for consideration of part 2 of subtitle A of title XIV and section 14302 of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Messrs. MOAKLEY, DERRICK, BEILENSON, FROST, QUILLEN, and PASHAYAN.

From the Committee on Science, Space, Technology, for consideration of title X of the House bill, and subtitle B of title IV and sections 3004 and 3024 of the Senate amendment, and modifications committed to conference: Mr. ROE, Mrs. LLOYD, and Mr. WALKER.

From the Committee on Veterans' Affairs, for consideration of title XI (except section 11051) of the House bill, and title XI of the Senate amendment, and modifications committed to conference: Messrs. MONTGOMERY, APPLEGATE, and STUMP.

From the Committee on Ways and Means (revenues and debt ceiling), for consideration of title XIII, subtitles E and F of title XII, and sections 3102, 3121, 7101, and 11051(a) of the House bill, and title VII (except subtitle C), and subtitles D and E of title VI of the Senate amendment, and modifications committed to conference: Messrs. ROSTENKOWSKI, GIBBONS, and ARCHER.

From the Committee on Ways and Means (medicare), for consideration of subtitles A through D of title XII and subtitle A of title IV of the House bill, and subtitle B of title VI of the Senate amendment, and modifications committed to conference: Messrs. ROSTENKOWSKI, STARK, and ARCHER.

From the Committee on Ways and Means (Social Security), for consideration of part 5 of subtitle A of title VI, of the Senate amendment, and modifications committed to conference: Messrs. ROSTENKOWSKI, JACOBS, and ARCHER.

From the Committee on Ways and Means (child care and human resources), for consideration of parts 1 through 4 of subtitle A and subtitle F of title VI, and subtitle C of title VII of the Senate amendment, and modifications committed to conference:

Messrs. ROSTENKOWSKI, DOWNEY, and ARCHER.

As an additional conferee for consideration of subtitle B of title V of the House bill, and subtitle A of title IV of the Senate amendment, and modifications committed to conference: Mr. MRAZEK.

As additional conferees for consideration of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Messrs. WHITTEN, PICKLE, and PURSELL.

There was no objection.

□ 1650

DECEPTIVE MAILINGS PREVENTION ACT OF 1989

Mr. McCLOSKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2331) to amend title 39, United States Code, to designate as nonmailable matter solicitations of donations which could reasonably be misconstrued as a bill, invoice, or statement of account due, and solicitations which are offered in terms implying any Federal Government connection or endorsement, unless such matter contains an appropriate conspicuous disclaimer, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

TheClerk read the Senate amendments, as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Deceptive Mailings Prevention Act of 1990".

SEC. 2. AMENDMENTS TO TITLE 39.

(a) PROHIBITION OF DECEPTIVE MAILINGS.—Section 3001 of title 39, United States Code is amended by redesignating subsections (f) and (g) as subsections (i) and (j) respectively, and by inserting after subsection (e) the following:

"(f) Matter otherwise legally acceptable in the mails which constitutes a solicitation by a nongovernmental entity for the purchase of or payment for a product or service; and contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement is nonmailable matter and shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs, unless—

"(1) such nongovernmental entity has such expressed connection, approval or endorsement;

"(2)(A) such matter bears on its face, in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS PRODUCT OR SERVICE HAS NOT BEEN APPROVED OR ENDORSED BY THE FEDERAL GOVERNMENT, AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE FEDERAL GOVERNMENT.', or a notice to the same effect in words which the Postal Service may prescribe; and

"(B) the envelope or outside cover or wrapper in which such matter is mailed bears on its face in capital letters and in conspicuous and legible type, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS IS NOT A GOVERNMENT DOCUMENT.', or a notice to the same effect in words which the Postal Service may prescribe; or

"(3) such matter is contained in a publication for which the addressee has paid or promised to pay a consideration or which he has otherwise indicated he desires to receive, except that this paragraph shall not apply if the solicitation is on behalf of the publisher of the publication.

"(g) Matter otherwise legally acceptable in the mails which constitutes a solicitation by a nongovernmental entity for information or the contribution of funds or membership fees and contains a seal, insignia, trade or brand name, or any other term or symbol that reasonably could be interpreted or construed as implying any Federal Government connection, approval or endorsement is nonmailable matter and shall not be carried or delivered by mail, and shall be disposed of as the Postal Service directs, unless—

"(1) such nongovernmental entity has such expressed connection, approval or endorsement;

"(2)(A) such matter bears on its face, in conspicuous and legible type in contrast by typography, layout, or color with other printing on its face, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS ORGANIZATION HAS NOT BEEN APPROVED OR ENDORSED BY THE FEDERAL GOVERNMENT, AND THIS OFFER IS NOT BEING MADE BY AN AGENCY OF THE FEDERAL GOVERNMENT.', or a notice to the same effect in words which the Postal Service may prescribe; and

"(B) the envelope or outside cover or wrapper in which such matter is mailed bears on its face in capital letters and in conspicuous and legible type, in accordance with regulations which the Postal Service shall prescribe, the following notice: 'THIS IS NOT A GOVERNMENT DOCUMENT.', or a notice to the same effect in words which the Postal Service may prescribe; or

"(3) such matter is contained in a publication for which the addressee has paid or promised to pay a consideration or which he has otherwise indicated he desires to receive, except that this paragraph shall not apply if the solicitation is on behalf of the publisher of the publication.

(b) DECEPTIVE MAILINGS AS FALSE REPRESENTATIONS.—Section 3005(a) of title 39, United States Code, is amended by striking out "section 3001(d)" each place that it appears and inserting in lieu thereof "section 3001 (d), (f), or (g)".

SEC. 3. REVIEW AND REPORT BY THE UNITED STATES POSTAL SERVICE.

No later than 90 days after the date of enactment of this Act, the United States Postal Service shall—

(1)(A) conduct a comprehensive review to determine if the provisions of section 123.33 of the Domestic Mail Manual (as in effect on such date of enactment) are being appropriately observed; and

(B) take appropriate measures to ensure that any misapplication or misunderstanding of such provisions is corrected among any postal personnel who are responsible for carrying them out;

(2) conduct a comprehensive review to determine the feasibility of establishing a procedure whereby a sender of mail matter which is denied entry into the mails on the basis of incorrect mail preparation, postage due, or addressing may, through expedited proceedings, obtain a final agency decision as to the mailability of such matter; and

(3) submit a written report to the Senate and the House of Representatives describing its findings and actions under this section.

SEC. 4. COORDINATION OF FUNCTIONS WITH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.

The United States Postal Service shall consult and coordinate the functions and administration of the provisions of this Act and the amendments made by this Act with the Secretary of the Department of Health and Human Services and the functions of the Secretary in the administration of section 428 of the Medicare Catastrophic Coverage Act of 1988 (42 U.S.C. 1320b-10).

SEC. 5. STATE DEPARTMENT POST OFFICES ABROAD.

(a) POSTAL SERVICES AT DIPLOMATIC POSTS.—Chapter 4 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 413. Postal services at diplomatic posts

"(a) The Postal Service and the Department of State may enter into 1 or more agreements for field testing to ascertain the feasibility of providing postal services through personnel provided by the Department of State at branch post offices established by the Postal Service in United States diplomatic missions at locations abroad for which branch post offices are not established under section 406.

"(b) To the extent that the Postal Service and the Department of State conclude it to be feasible and in the public interest, the Postal Service may establish branch post offices at United States diplomatic missions in locations abroad for which branch post offices are not established under section 406, and the Department of State may enter into an agreement with the Postal Service to perform postal services at such branch post offices through personnel designated by the Department of State.

"(c) The Department of State shall reimburse the Postal Service for any amounts, determined by the Postal Service, equal to the additional costs incurred by the Postal Service, including transportation costs, incurred by the Postal Service in the performance of its obligations under any agreement entered into under this section.

"(d) Each agreement entered into under this section shall include—

"(1) provisions under which the Department of State shall make any reimbursements required under subsection (c);

"(2) provisions authorizing the Postal Service to terminate the agreement, and the services provided thereunder, in the event that the Department of State does not comply with the provisions under paragraph (1); and

"(3) any other provisions which may be necessary, including provisions relating to the closing of a post office under this section if necessary because a post office under section 406 is established in the same location.".

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 39, United States Code, is amended by adding at the end thereof the following:

"413. Postal services at diplomatic posts.".

SEC. 6. EFFECTIVE DATE.

The provisions of this Act shall take effect on the date of the enactment of this Act, except the amendments made be section 2 shall apply to matter deposited for mailing and delivery on or after 180 days after the date of the enactment of this Act.

Mr. McCLOSKEY (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Indiana?

Mr. WALKER. Reserving the right to object, Mr. Speaker, I would ask the Chair, are we having legislative business or are we not having legislative business? A few moments ago we just had a dialog on the floor in which this gentleman was assured by the Chair that we were finished with legislative business for the evening.

We are trying to tell Members what to expect. If we are now going to get a whole host of new legislative business on the floor, then I think we need to understand what is going on.

I understood when I read the special orders here a little while ago, we were done with legislative business for the night.

Now, what is the status of the House at this point?

Mr. McCLOSKEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Indiana.

Mr. McCLOSKEY. I will just note, Mr. Speaker, that this has been throughly and substantially cleared with the Republican leadership, including the gentleman from Indiana [Mr. MYERS].

Mr. WALKER. I understand. There are some other bills hanging around here that have been cleared by everybody, too; but we are either going to proceed with legislative business or we are not going to have legislative business, one or the other.

I am just trying to determine where we are. We would like to be able to tell the Members we are finished with legislative business, if in fact we are.

Mr. GINGRICH. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I am glad to yield to the gentleman from Georgia.

Mr. GINGRICH. Mr. Speaker, I just want to make the point, because I do not want my friend to think that we are concerned at a leadership level about whether or not we have cleared something.

It seems to me there are 435 Members of the House whose rights have to be protected. None of us know for sure whether or not all 435 Members would agree about a particular bill and that their right to know a bill is coming up and to know the House is in legislative session is a very, very important part of the rights of individual Members. That is all we want to clarify.

But I want to make this clear, this is not a Republican concern. This is a concern for the individual rights of all 435 Members.

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I am still awaiting an answer. Are we proceeding with legislative business this evening, or are we not proceeding with legislative business?

The SPEAKER pro tempore (Mr. FAZIO). No matters will come before the House that would be called legislative business at the conclusion of this motion. If the gentleman wishes this motion to be withdrawn, he may make that request of the gentleman from Indiana.

□ 1700

Mr. WALKER. Further reserving the right to object, Mr. Speaker, I did not even hear what the motion was. What are we doing?

The SPEAKER pro tempore (Mr. FAZIO). The Clerk will re-report the title——

Mr. WALKER. Mr. Speaker, this has been cleared by both sides?

This is the Deceptive Mailings Prevention Act of 1990, and it has been cleared by both sides? I have no problem with that.

But I would hope that this would be the last business we would do for the evening and that the other business that we have before us we can take that up first thing tomorrow?

The SPEAKER pro tempore. The Chair agrees, and the gentleman's point is well taken.

The Chair can assure the gentleman this is the last item of legislative business.

Mr. SAWYER. Mr. Speaker, I rise in support of H.R. 2331, the Deceptive Mailings Prevention Act, as amended. In particular, I want to express my support for the Pryor amendment, which covers solicitations that could be construed as implying a connection with the Decennial Census.

During 1990 census operations, I became aware of the numerous solicitations which implied that they were official Censes Bureau forms. Because many of these solicitations were received during the mail out/mail back phase of the census, they caused considerable confusion for the recipient.

For example, the evelope for a questionnaire mailed by an environmental group was billed as the "1990 Environmental Census," and came compete with a "census household number." A mailing from a women's organization, in a plain brown envelope with a Washington, DC, return address, bore the following prominent legend: "National Census Documents Enclosed." That mailing contained an instruction to the Postal Service: "Important national census forms enclosed. Please deliver to addressee only." And a direct mailing for a company selling blue jeans was labeled simply as a census form.

The Decennial Census is the largest peacetime activity conducted by the Federal Government. It is becoming increasingly difficult to obtain a full count of our Nation's population. Mailings that purport to be census-related only hamper the Census Bureau's ability to catch the public's attention. The mail response rate in 1990 decreased dramatically from the 1980 census, with only 63 percent of the Nation's households returning their forms by mail. Many people indicated that they simply overlooked the census form because they received so much direct mail.

A growing number of for-profit and nonprofit organizations are promoting their services through the use misleading symbols or phrases, leading the recipients to believe that the mail is official information from a Government agency. The decennial census occurs only once every 10 years and reaches every household in the United States. Obviously, there are organizations and companies which believe they can take advantage of the national focus on this constitutionally required event to promote their cause or products.

The Direct Marketing Association took the unprecedented step in 1990 of encouraging its members not to engage in any direct mailings around the time of the census. I commend the Association for its sensitivity and constructive position on this important issue. Nevertheless, some mailers chose to ignore the Association's sound advice and couch their messages in terms of the census.

That is why the Pryor amendment to H.R. 2331 is so important. I urge my colleagues to support passage of H.R. 2331, as amended.

Ms. SNOWE. Mr. Speaker, it is with great pleasure that I rise in support of the adoption of the Senate amendments to H.R. 2331, the Deceptive Mailings Prevention Act. This marks the culmination of almost 4 years of effort in two Congresses. When signed into law, it will provide important consumer protection to individuals by requiring that conspicuous and legible disclaimers be placed on mailings which use signs, terms or insignias to imply a federal connection or endorsement.

Two deceptive mailings bills, based on proposed legislation which I introduced, have passed the House of Representatives. H.R. 4478 passed the House under suspension on August 8, 1988, in the 100th Congress, but no similar bill was passed in the Senate. In the 101st Congress, H.R. 2331 passed the House on July 31, 1989, and the Senate gave final approval to its amendments to H.R. 2331 on October 4, 1990.

I also want to commend the Post Office and Civil Service Committee of the House of Representatives and the Senate Committee on Governmental Affairs for their excellent work on this important legislation. In particular, I would like to thank Mr. McCLOSKEY and Mr. MYERS of the House Committee on Post Office and Civil Service, and Senator PRYOR and Senator HEINZ of the Senate Committee on Governmental Affairs for their strong and effective leadership on this issue.

I first introduced the deceptive mailings bill in February of 1987 because of my growing concern about individuals being misled or de-

ceived by organizations which use names, terms or seals to falsely imply that they are from the Federal Government. These scams were first brought to my attention in 1986, when a constituent complained about the Federal Record Service which offered to obtain his young child's Social Security card for a $10 fee. The tone of the mailing and the name of the organization implied that the mailing was from the Federal Government, urging compliance with a requirement of the Social Security Administration.

Similar practices have been widespread and are growing rapidly. The official sounding names are similar—Federal Social Security Center, Internal Review Service, National Records Advisory, Medicare Information Department, Social Security Protection Bureau, Document Service of the National Processing Center, Social Security Management Association, National Health and Medical Services, and Senior Citizens Advisory Council Tax Division. Typically, these organizations send out mailings which look like official U.S. Government correspondence and try to sell services that are available free from Federal agencies, such as Social Security cards or estimates of Social Security benefits. And, typically, these mailings most often prey upon the elderly with a wide array of confusing and sometimes intimidating tactics, most often related to Social Security and Medicare.

Over the past few years, the Post Office and the Social Security Administration have received hundreds of complaints. And constituents have protested to Congress, urging that these practices be investigated and stopped. The bill which I introduced on January 3, 1989, H.R. 373, has over 100 cosponsors which certainly indicates strong congressional recognition of the issue and support for efforts to solve the problem.

Mr. Speaker, I am also pleased by some of the contributions made by the Senate to the deceptive mailings legislation, such as requiring a disclaimer for mailings which solicit information under the guise of the Federal Government. The Senate amendments also contain a provision allowing the State Department to subcontract its unclassified pouch system to the U.S. Postal Service. This provision was originally requested by the State Department to increase the efficiency and decrease costs of the unclassified mail system it maintains between Washington and overseas diplomatic posts. This also falls within my jurisdiction as the ranking minority member of the Foreign Affairs Subcommittee on International Operations.

This bill is an important first step in strengthening the rights of consumers from unscrupulous mailing practices. But I strongly believe we need to go much further. The original legislation which I introduced also required disclaimers for solicitations which might be construed as a bill, invoice or account due; and solicitations for the purchase of products or services which are provided either free of charge or at a lower price by the Federal Government. I believe that these protections are important and that we need to keep working to protect consumers from these dishonest practices as well.

Again, Mr. Speaker, I wish to thank my colleagues for their consideration of this important legislation to help assure that individuals are not needlessly confused and alarmed by misleading mailing practices.

Is there objection to the initial request of the gentleman from Indiana [Mr. MCCLOSKEY]?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON AGRICULTURE TO HAVE UNTIL NOON TOMORROW, OCTOBER 20, 1990, TO FILE A REPORT ON S. 2830, TO EXTEND AGRICULTURE PRICE SUPPORTS AND RELATED PROGRAMS

Mr. ROSE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until noon tomorrow to file its report on S. 2830, the farm bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. WALKER. Mr. Speaker, reserving the right to object, has this been cleared by the minority?

Mr. ROSE. It has, absolutely.

Mr. WALKER. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

THE CIVIL RIGHTS ACT OF 1990

(Mr. HAWKINS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks, and include extraneous matter.)

Mr. HAWKINS. Mr. Speaker, the other day we passed a Civil Rights Act. I would like to file today a statement of the National Association of Attorneys-General in support of the act which we passed and to indicate that, contrary to the media, there is no compromise or negotiations now going on by the principals of civil rights with anyone.

It is now up to the President to sign the bill that we sent to him to help eliminate discrimination, and in the words of the attorneys-general of the several States, to sign the bill. Otherwise, it would threaten the peace, order, health, safety and general welfare of the several States. That is the statement made by the attorneys general. Now it is up to the President to act responsibly, as the Congress has acted.

RESOLUTION ADOPTED BY THE NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

CIVIL RIGHTS ACT OF 1990

Whereas, discrimination on the basis of race, color, religion, national origin and sex threatens the rights and proper privileges of people of the United States and threatens the peace, order, health, safety and general welfare of the several states; and

Whereas, the Civil Rights Law of 1866 and the Civil Rights Act of 1964 were intended to eliminate discrimination based on race, color, religion, national origin and sex in the workplace and elsewhere; and

Whereas, decisions of the United States Supreme Court during its 1988 term interpreting these laws significantly alter and burden victims of discrimination in their efforts to obtain redress for their injuries; and

Whereas, Congress has under consideration the Civil Rights Act of 1990, S. 2104 and H.R. 4000, which would reaffirm the national commitment to eliminating discrimination from our society; and

Whereas, as Attorneys General, we oppose discrimination based on race, color, religion, national origin and sex and favor civil rights laws to protect against discrimination:

Now, therefore, be it resolved that the National Association of Attorneys General:

(1) supports the passage of the Civil Rights Act of 1990;

(2) directs its executive Director and General Counsel to transmit this resolution of support to President Bush, the Congress, and other interested organizations.

TRIBUTE TO GERALD J. PRETE, PRESIDENT, SENIOR CITIZENS HOUSING DEVELOPMENT CORP. OF CHICAGO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, I rise to call to the attention of my colleagues a groundbreaking ceremony that will take place in my 11th Congressional District of Illinois on the morning of October 26, at North Park Village on North Pulaski Road in Chicago.

The National Council of Senior Citizens and the Senior Citizens Housing Development Corp., which are sponsoring this groundbreaking ceremony, have indicated that the Prete Apartments will be comprised of a four-story building, adjacent to the Senate apartments, with 18 efficiency and 57 one-bedroom apartments for senior citizens of the city of Chicago. Completion is set for November 1991.

This is indeed a fitting tribute to Gerald J. Prete, president of the Senior Citizens Housing Development Corp. of Chicago, who has worked tirelessly during the past 4 years to bring to reality the dream of additional affordable housing for the city's senior citizens.

The following is a brief biography of Jerry Prete with an overview of his many significant contributions to the senior citizens of the Chicago land area:

Gerald J. Prete was honored recently at the 1988 Illinois State Council of Senior Citizens Convention in Peoria, IL, for outstanding services to senior citizens of Illinois. Jerry was also selected to receive the Silver Jubilee Award through Catholic Charities USA on behalf of the Commission on

Aging for his outstanding efforts to improve the quality of life for the elderly.

Jerry is president of the Illinois State Council of Senior Citizens and the Greater Chicago Council of Senior Citizens. He is executive director of the Chicago Senior Senate and a board member of the National Council of Senior Citizens. He is the former department director of Senior Services and currently is an associate division manager for Catholic Charities. He is responsible for nearly 1,000 units of housing in Chicago with more on the way. He is president of NCSC Housing Management Corp. and a consultant for Catholic Charities Housing Development Corp.

Twenty-one years ago, Jerry took a 1 year leave from his successful career as sales manager for Ekco Products. Inspired by his work with the Christian Family Movement, he agreed to organize and develop a new program for seniors at Catholic Charities. Twenty one years and over 500 senior citizens clubs later, Jerry is still fulfilling his mission and taking leadership in many other community, charitable, and senior citizen organizations.

Jerry's commitment and dedication to others are strongly rooted in family and faith. He and his wife, Anne of 47 years, exude a love of life and each other that is contagious. Together they have 6 children and 15 grandchildren.

As the Congressman for the 11th District of Illinois, where Jerry Prete has labored long and lovingly in behalf of his fellow senior, it gives me great pride and pleasure to extend to him my sincerest congratulations for a lifetime of selfless service to his fellow citizens. Because of Jerry, the senior citizens in the Chicago area are enjoying a better quality of life.

The Prete Apartments will be a fine reminder of Jerry Prete's hard work, generosity, and dedication to the best interests of senior citizens in our city, State, and Nation. May he continue to enjoy good health and may he continue to win many more victories for senior citizens.

THE BUDGET PACKAGE AND CLASS WARFARE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. DELAY] is recognized for 60 minutes.

Mr. DELAY. Mr. Speaker, I probably will not take the whole 60 minutes, but I felt it incumbent to come down to the well of the House and talk a little bit about what has gone on this week because of the limitations of time and what is going on in debate time.

Mr. Speaker, because of the lack of and limitation on time of debate, especially on the budget reconciliation package, I wanted to take time so that I could discuss my feelings not only about budget reconciliation package but this whole issue of the rich and class warfare that has been brought to this House and to this Congress, pitting middle-income, poor-income Americans against high-income America. But I will get to that later.

Mr. Speaker, I yield to the gentleman from California.

Mr. DREIER of California. Mr. Speaker, I congratulate the gentleman from Houston for taking the time to discuss what clearly is a very important issue. The discussion of class warfare is something that has been going on for the last several months in this House. During the debate on the budget package a couple of days ago I made the statement that it seems that our friends on the other side of the aisle are winning this battle because there is a sense out there—many of the staff members and our colleagues are wearing these green pins—I do not know if my friend has seen them—and it says "Tax the Rich."

I rarely—I do not think I have ever praised Columbia Broadcasting System [CBS], even though my father's uncle was one of the vice presidents up there many, many years ago. But last night on the CBS Evening News there was an interesting account of what actually would happen if we were to bring about this dramatic tax increase on the rich.

CBS pointed out very clearly that of those in this country who earn $200,000, they may comprise 1 percent of the taxpayers, and today they pay 15 percent of the taxes in this country. And they said that if we do impose this surtax on the rich, as it has been discussed, that we might generate $10 billion, a total of $10 billion.

Now, that is not a big chunk of that $500 billion that we are talking about. Today it is very interesting that in the Soviet Union, the Politburo is taking these dynamic steps to move toward a free-market process. They seem to be recognizing the fact that this constant attack on wealth and success is not the way to go. We in this Congress, it seems to me, are putting together a package that would do the opposite of what they are trying to do as we sit here today, in the Soviet Union. The realization that must come about, of course, is that what we have got to do is we have to bring about a reduction in spending.

On that same CBS report last night, Arthur Laffer, the economist from the University of Southern California, in my part of the world, made it very clear that spending cuts are absolutely essential. We have said this over and over again. I wish that we had bit the bullet during the 1980's. Lord knows we tried. But unfortunately this place continues right down the road toward more and more spending.

Artilce I, section 7 of the Constitution, as my friend from Houston knows very well, places the responsibility for all taxing and spending not over in the other body, in the U.S. Senate, or at 1600 Pennsylvania Avenue, but right here in the U.S. House of Representatives, the body of the people. This is the only place in this entire Government where one has to be elected to serve. As we all know, one could be appointed President if he served as Vice President, as Vice President Ford did. Easily one could be appointed in the U.S. Senate, but no Member of this body has ever served without having been elected. We have that responsibility. My friend, as a member of the Appropriations Committee, knows full well how difficult it has been to bring about those cuts.

The year I was born was the last time a Republican Congress was elected here.

I would like to see us in just a couple of weeks make a change because it seems to me that is exactly what the American people are reaching out for.

This class warfare, soak-the-rich, us-versus-them campaign that seems to be going on is the biggest bunch of baloney around.

Mr. DELAY. The gentleman is so right. His insight into what is going on is so deep because he absolutely understands what is going on. It is interesting that the gentleman commends CBS for an objective program.

Let me condemn ABC because last night on Primetime News I saw the most biased piece of journalism I have ever—in fact, I hesitate to call it journalism—it was Sam Donaldson in his piece, he did nothing but read the book of "The Politics of Rich and Poor" by Kevin Phillips, which has been repudiated as being false—maybe not false, but at least suspect in its figures and the way it reaches its conclusion. Kevin Phillips has been used time and time again and the book has been used and the figures in the book have been used as recently as on the floor of this House in 1-minutes, showing the situation where the rich are getting richer and the poor are getting poorer and the middle class are getting poorer, which is not the case at all. If you look at the last few years, everyone's income has increased.

Now, the value of that dollar has decreased somewhat because of Government spending, Government borrowing, and Government-caused inflation. It is interesting, the gentleman talks about the rich and since he brought up the subject of the rich I will get to the second half of what I wanted to bring to this House, first, and let us just talk about that issue of the rich.

In my own hometown newspaper, the Houston Post, a very well-known and respected journalist by the name of Len Ashby points out in an article

just today about the issue of the rich, and he states, and I quote:

In Washington, when money is needed, which is most of the time, the favorite target is the rich. In 1987, the latest figures available, 43 percent of all Federal income taxes were paid by the highest 5 percent of taxpayers.

□ 1710

Mr. Speaker, that is a significant jump from the 37.6 percent in 1979. More than half the taxes were paid by the top 10 percent, and almost 77 percent of all Federal income taxes came from the highest 25 percent based on adjusted gross income. In contrast, the lowest 50 percent of income paid less than 6 percent of the taxes.

Looking at it another way in 1987, there were 36,299 people who made more than $1 million. If we confiscate all of that group's taxable income, about $50 billion, it would have run the Government for 17 days in 1988. Having spent that, we would have to take all the taxable income of those who made $200,000 or more, some 545,000 among us. It would have given us $121.8 billion, enough to run the Federal Government for 1 month and 11 days. Then we come after you.

Mr. Speaker, it is not the case, as has been said on this floor over and over again, that the rich are not paying their fair share, and I beg the House's indulgence because I think it is very important to read into the RECORD two articles done by a very respected syndicated columnist by the name of Warren Brookes who succinctly points out who pays what in this country, and I start on an article published in the Washington Times on October 12, 1990, by Warren Brookes.

It is nothing new for partisan politics to engage in lying. What is troublesome is the way in which the Bush administration is lying down and taking it. President Bush's willingness to accept the notion of raising the top income, bursting the bubble, is an explicit acceptance of the liberal Democrats' persistent argument that the Reagan tax cuts benefited only the rich while the poor and the middle class wound up paying more. Even though this argument is patently and factually false, it is being buttressed by citing the so-called tax bubble.

By the way, we call that the Bradley-Gephardt tax bubble because it was those two gentlemen that put the tax bubble on as part of the 1986 Tax Reform Act whereby those with family incomes between $70,000 and $170,000 pay a temporary 5-percent surcharge on the 28-percent top marginal rate.

That creates an implicit temporary 33-percent marginal rate, which then drops back down to 28 percent on the highest incomes. This looks ludicrously unfair. Yet the whole reason for the bubble was to raise more taxes from the rich by taking away all personal exemptions and the lower threshold rate of 15 percent on the first $30,000 from those in the highest income brackets.

That phaseout adds about $6,000 to the average tax bill of those earning more than $200,000. To avoid an abrupt income cutoff for that addition, and to raise more money, Congress divides the 5-percent surcharge over a bubble of about $120,000 in income from $82,000 to $202,000 for families of four.

The effect of this bubble transition is to cause a gradual rise in average tax rates from about 25 percent for those at the start of the bubble to 28 percent for those at the top and beyond. Thus, the effect of the bubble is to increase the progressivity of the system.

The real reason for this concoction was that in 1986 tax reformers needed billions in additional revenues at the last minute and decided to soak the rich to get them. That is why there was bipartisan support for this arrangement, especially from Senator BILL BRADLEY, a New Jersey Democrat, a sensible liberal. Now the Democrats want to use this apparently——

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. DELAY. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, was the gentleman from Texas [Mr. DELAY] guilty of an oxymoron? He said "a sensible liberal."

I am just kidding. There are a few, and the gentleman is correct. He created the bubble, but I do not see him on television shows, our good colleague in the other Chamber, defending the bubble he created to raise taxes, not to lower it for people who are hard-working and have a little bit higher income.

Mr. Speaker, I want to join with the gentleman from Texas [Mr. DELAY] when he gets to a good point with that column he told me about yesterday.

Mr. DELAY. Mr. Speaker, I welcome the gentleman's remarks, and let me get this into the RECORD, and then I will yield to the gentleman from California [Mr. DORNAN].

Mr. Speaker, the Democrats want to use this unfair device called the bubble that they helped invent as an excuse to impose an entirely new 33- to 36-percent rate on the rich with no personal exemptions or income threshold who will see their average tax rate rising a shocking 18 to 29 percent, wiping out all of the Reagan tax cuts, less than 20 percent, and I might parenthetically here insert that all over my district, all over the State of Texas, I urge in my speeches that we go to one tax rate, 10 percent; the lower does not want any more than 10 percent, it spreads the burden over everyone at the same rate. It is the only way to go, and in the 1986 Tax Reform Act we got back down to two tax rates basically, 15 percent and 28 percent, yet in this House we passed a bill that created a third rate, once again starting to raise income tax rates back the way it used to be in the 1970s, and I get back to the article.

The alleged justification for this is that the rich supposedly got all the benefits of the 1981 cuts, and the rest got nothing, or worse. That is a baldfaced lie, and those who repeatedly tell it know it, as do readers of this column.

Not only was the 1981–83 percentage rate cut the same for all income brackets, but the lower top rates induced a massive reduction in the exploitation of tax shelters, and that increased the taxes paid by the rich.

Let's go through the numbers one more time, this time in constant 1982 dollars. From 1981 to 1987 (the latest year for which we have data by income percentile) the income taxes actually paid by the top 1 percent of the taxpayers (those with incomes of more than about $130,000) rose by 49 percent in real terms. The income taxes paid by the top 5 percent rose nearly 43 percent real and those paid by the top 10 percent rose 20 percent in the same period.

By contrast, the income taxes paid by the nation as a whole rose only 4 percent real, and those of the middle class (the 50th through the 90th percentile) fell in constant dollars by 9 percent, while the bottom 50 percent paid 15 percent less.

That is to say, the real income taxes paid by 90 percent of Americans fell by 10 percent from 1981 to 1987 while the real income taxes paid by the richest 5 percent rose by nearly 43 percent.

Aha, say the liberals, but the rich got so much richer in this period while everyone else lost income ground. That's also not true. From 1981 to 1987, it's true the top 5 percent saw their median income rise in constant dollars 24.5 percent, but the middle income median also rose by 9 percent. That's less than half as much, but it rose. Yet in that same period the income taxes paid by the top 5 percent rose nearly twice as fast as their median income, while the income taxes on the middle actually fell by nearly 10 percent.

I might say there was a 1-minute on this floor earlier this morning that showed figures where middle income fell and upper income rose. What people probably did not see is that they selectively chose a time period from 1977 to 1989, so on the one hand they blame our problems on Reaganomics, yet on the other hand they take the failures of the Carter years, 1977 through 1980 and lump them into the Reagan years to dilute the success of the Reagan years. It is very selective statistics. That is why the share of income taxes paid by the top 5 percent rose dramatically, from 34.4 percent in 1981 to 43.3 percent in 1987. That is a 22-percent raise in tax share in a period when their share of total income rose by 10 percent.

□ 1720

Finally, as middle incomers listen to the Democrats trash the Reagan tax cuts, they should remember that with-

out those 25 percent rate cuts, the average middle class family would now be paying $2,400 more than they now do. Indeed, the main reason for the Democrats' vicious assaults on those cuts is precisely because they so massively reduced the actual tax collections from ordinary Americans. Americans also would do well to remember that under the Democrats' soak-the-rich policies of the 1970's, the average marginal tax rate on middle-income families soared from 23 to nearly 28 percent in 1981. Today that average marginal tax rate is less than 18 pecent.

The real irony is that the wealthy, by and large, would love to trade a higher marginal tax rate for a major capital gains exemption of 40 to 50 percent. Their net taxes would be reduced in the right combination.

The danger is the moment we start trading higher rates for more loopholes, the whole rate structure that now so benefits the middle class would be under siege all over again, and the likely losers would be the middle class. So beware the green-eyed bubble blowers.

While I am waiting for the gentleman from California to come back, I want to read something that I sent out as a "Dear Colleague" that came from the Wall Street Journal yesterday that I thought was very appropriate in this poor versus rich class warfare initiated by the Democrats. It is the editorial in the Wall Street Journal, yesterday, October 18, entitled "Soak the Poor."

Who speaks for the poor in the current budget drama? The Democrats? George Mitchell? Dan Rostenkowski? Bob Dole? Dick Darman? We suspect the short answer is that no one much thinks about the poor in Washington these days. The battle is over the middle class, because that's where the votes are and that's where the tax money is. The poor and the working poor are along for the ride. Some ride.

The Democrats in Congress abetted by at least three or four members of the Bush administration, purport to stave off a recession by raising taxes $149 billion across five years. Yes, we know, they have attached a theory to this: Short-term interest rates will drop maybe 100 basis points and the American economy will climb to the stars. A few folks, however, hold to the view that this game plan is more likely to drive any recession deeper and that the people hit hardest aren't the soaked rich or even the middle class. It's the poor. Both the U.S. Commission on Civil Rights and Jack Kemp are now trying to raise this argument in Washington.

On Tuesday, the Civil Rights Commission voted 6–0 in support of a resolution warning that the current thrust of the budget could cause economic difficulties for minorities, women and the disabled (Commissioner Mary Frances Berry abstained from the vote). "We request on behalf of America's disadvantaged" the commission said, "no general spending increase and no general tax increase." Instead, the commission would freeze spending at the fiscal 1990 level.

It called on the President and Congress to be aware of "the importance of continued economic growth to the advancement of civil rights in this country. In bad economic times, black and Hispanic unemployment rates rise the fastest."

Of course, none of the current budget incarnations has specifically growth-oriented provisions in the budget. So the Civil Rights Commission proposed one of its own: a capital gains rate of zero for those who "live, work and invest" in the depressed inner cities. This proposal, of course, has zero chance at the moment; the Democrats' soak-the-rich philosophy is colorblind.

No one has attacked the hopelessness of the status quo more than HUD Secretary Jack Kemp, and he did so again in a speech earlier this week, calling on Congress to get growth back into its deliberations. Secretary Kemp would raise the top marginal rate on incomes to 31%, while cutting gains to 15%. He also usefully pointed out that the grand plan to cut $500 billion over five years "began when the economy was stronger and there was no foreign policy challenge as we face in the Middle East today. In my view, its not logical to adopt sharp tax increases in the face of such an uncertain future." He too favors a one-year spending freeze.

As to economic opportunities for the poor, Mr. Kemp pointed out that the number of black-owned businesses grew almost 50% from 1977 to 1982, a period that began with the Steiger Amendment cutting the capital gains rate to 28% from 49%.

We can already hear the solons of Washington pooh-poohing the Kemp and Civil Rights Commission interventions. It looks to us, though, as if the Beltway is giving the poor little more than more of the same. With a recession looming, Mr. Kemp and the commission are at least trying to do better than that.

Mr. DORNAN of California. I was going to read an article that the gentleman from Texas [Mr. DELAY] told me to look for. Let me do this quickly. This was one of President Reagan's Assistant Secretaries of the Treasury, and it was Thursday, October 18, the Washington Times. It is about everything you have been discussing, this whole chimera of getting the rich, getting the rich. And while they are doing it, the networks, the easy allies of the demagogs in Congress, that keep pushing this politics of envy and greed theme, here is his concluding paragraph, Craig Paul Roberts.

He says, "Turn to America's 66 superrich people, proportionately fewer than Germany or Japan," the two major axes powers that we beat less than 50 years ago, "it is amazing how few began with inherited wealth."

I just had an argument this afternoon with one of our liberal colleagues, and Sam Donaldson of ABC said last night, what right do people have to build up a massive wealth? Kinsley said it on "Crossfire" last night, we have to get at this inherited wealth.

We were doing that to such an unfair degree in California, we finally had to completely revise our inheritance tax a few years ago.

He starts naming off the richest people in America.

Sam Walton of Wal-Mart worked for J.C. Penney for $85 a month. Ross Perot started his company with $1,000 of his wife's savings. Alfred Taubman started his firm with a $5,000 loan. Sumner Redstone is the son of a drive-in theater owner. Leslie Wexner borrowed $5,000 to open his own store. Walter Annenberg inherited a debt-ridden firm. Harry Helmsley started in the mail room. "King of malls" E.J. DeBartolo gave up truck driving to attend Notre Dame. Daniel Ludwig began with $5,000 borrowed to convert an old steamer. David Packard founded Hewlett-Packard with $538 in a Palo Alto garage. David Murdock, a high school dropout, began with a $1,800 loan. Richard DeVos and Jay Van Andel started Amway in a basement. Harold Simmons started with $5,000 equity in a Dallas drugstore. Kirk Kerkorian began as a manual laborer at 40 cents an hour. Paul Allen dropped out of college to start Microsoft. Jack Kent Cooke sold encyclopedias door to door.

I did that one for a while. I rather enjoyed it.

Curtis Leroy Carlson started Gold Bond Trading Stamp Co. with a $50 loan. Carl Icahn grew up middle class in Queens. Philip Knight developed Nike while moonlighting as an importer of Japanese track shoes.

Cut to the bottom line: Mr. Roberts says,

Their reward for creating millions of jobs and billions of taxable income is to be demagoged by two-bit politicians who have never created anything but disaster.

Hit the nail on the head. I have got a couple other things I would like to talk about.

Mr. GEKAS. Would the gentleman yield?

Mr. DELAY. I would be glad to yield to my good friend from Pennsylvania.

Mr. GEKAS. I have been listening to the discourse you initiated here. It is very important. I was going to send a congratulatory letter to the Democrats for winning the argument across the air waves in demagoguery. They were very clever, and they have substantially convinced a lot of people. It is our job to refute it. They have convinced people that the Democratic tax package is foisted against the rich, and then it goes one step further, and only against the rich, as they put it.

□ 1730

In fact, it is not true, and this is the thing that we cannot get out. The way they have structured their tax package, the middle class are in for a tax soaking of their own, and the substantial, biggest portion of the billions of dollars that they are raising as taxes will be coming from the middle class, is that not so?

Mr. DELAY. It is absolutely so, to the tune of about a 6-percent tax increase on the middle-income American.

Mr. GEKAS. Then what do we have to do? How can we struggle to get Sam Donaldson and the news commentators to acknowledge that that is so?

But they keep reverting back to the Democrats are willing to soak the rich. While they are doing that they are getting the middle class wet at the same time.

So what I am saying is it is one thing that they could be the heroes of the American public who go by the politics of envy. "I got that guy because he makes a lot of money." If they would say we have soaked the rich and have let you off or given a tax cut, but no, they in soaking the rich, they dip the middle class in the same bath water.

Mr. DELAY. What they do by their tax package is that they define who the rich are. It is everyone that works for a living, because if they indeed are taxing the rich, and by their tax package tax everyone that has an income, then everyone that works for a living is the rich. And there they come, they are coming after their income.

Mr. GEKAS. I thank the gentleman for yielding.

Mr. DELAY. I think the gentleman from Pennsylvania for his comments.

Mr. GEKAS. I for one, if we have lost the public relations battle to the Democrats, because every time they say soak the rich the media covers it fully, I am willing to suffer the penalty of the PR as long as somehow, through things like the gentleman is trying to do here, we get across the people that a tax package is a tax package is a tax package, and it looks a duck, and it acts like a duck, and it is a tax package, and it taxes everybody in the country.

Mr. DORNAN of California. I did not tell my friend, the gentleman from Texas [Mr. DELAY] this yet, but I went down the stairs to ambush the President. He was coming over here to meet with all of the old summit budgeteers down in EF-100, East Front 100, right here.

Mr. DeLary. A reunion.

Mr. DORNAN of California. Under the steps where Presidents are sworn in, except for Ronald Reagan and George Bush who liked to look out across the country and were sworn in on the West Front, but the President was very gracious. I gave him one of these new Desert Shield bracelets which says, "Desert Shield, a call to freedom," patterned after the POW bracelets.

Well, my good friend and pal, former Governor of New Hampshire, John Sununu, comes around the car and he says, "Well, Bob, are you here to apologize?" the heat is on, again. And I just looked at the President and I said, "Do I get a second chance? Here we go again." Mr. Sununu says, "You bet you will." And I guess they are working at the second chance where we have to take the heat again.

Do you know what the President said, and this is why I love the man, and I think he is a great Chief Executive, he turns to Sununu and he says, "Now, look, Bob signed a pledge, an antitax pledge, and you know a lot of Members have a problem with that."

Thank you, Mr. President. I do not want to break my pledge, my word. That is a Congressman or Congresswoman's bond with the people, plus I did not like the first package.

Now I have here the chart that we were looking at in the Wall Street Journal of the two tax plans. I just want to go down this with you and make sure we share this with any visitors who happen to blow through this Chamber, or are waiting through national technical means, the great video monster.

Notice when it comes down to luxury goods, now this is amazing, it says a 10-percent tax on any amount of a car which exceeds $30,000. So if they think they are getting a German-made car, who has the reputation for quality cars under $30,000? The Japanese. So this is going to hurt Detroit.

You know how cars will brag that everything comes with this car, you do not pay for any accessories because they are all there, just watch that reverse, right? They will start saying to buy basic car and we will get it at $29,995. That is where all the Lincoln Continentals are selling anyhow, and the Town Cars, and everything, and the car will be suddenly $29,999. Then they will say while we are preparing your car, the preparation fee is separate, and tell us what accessories you want on it, and they will be on it by Friday. Or they'll say we will go to the factory to get it, and we are going back to the factory and wait 3 months, 3 weeks, and then you will be charged separately, and just like you buy a car and you get a radio changed, change the radio, you know.

But get this, $100,000 for boats. The Senators agree with our distinguished, beloved colleague on the Ways and Means Committee, Mr. ROSTENKOWSKI, $100,000 for boats. Do you know what that is for? The hull. Then you buy separately, you know, the boat will be $99,999, and then you will buy the diesel engines, or the high powered merc cruisers, and the radar, and all of the instrumentation, and the new waterproof seats and all of that.

Then for airplanes, do you feel the fine hand of our distinguished Republican leader in the Senate? It says on our side $100,000 for planes, but on the Senate side it goes up to $250,000 for planes with a rebate for planes used by businesses.

Now, who is this going to end up punishing? Only those adventuresome people who save up all of their lives to buy a World War I War Bird, because they are all up there at $250,000. If you buy a plane for acrobatics, or just to enjoy, like a Citabria, that is under $250,000, but the big airplanes, or antiques, they cover antiques here, like the World War II planes, or collectibles, and even the little small stuff, and I collect small stuff, like stamps, you know, and there are people who collect automobiles and things as investments, and anybody who operates through the Franklin Mint, or anything, suddenly they are taking a hit here from the U.S. Congress. And there are a lot of people out there who collect everything from guns, to dolls, to coins, and they are going to be very angry that collectibles, a great investment, is suddenly being hit by the Congress.

So they give you a rebate for airplanes used for business, and the House even said any boat, car or plane used to carry fare-paying passengers. Well, when you are taking your friends out to take them water skiing, charge them all 10 bucks for the day, and then you do not have to pay that fee on your boat.

In other words, this newspaper ad says it all from today's Wall Street Journal. It has Cadillac, a beautiful car, Cadillac, and I had not seen the 1991 models, but look at what it says down at the bottom. "Your tax consultant can show you how leasing a Cadillac for business can be a brilliant deduction."

What Sam Donaldson well knows, and I just told him so out in the parking lot 2 days ago, any person worth their salt who has created jobs, and the gentleman in the well has created jobs, my friend, as a private entrepreneurial businessman in Houston, and you have tax accountants, and when you get up to these lofty incomes, the first thing that the tax accountant must do is to find his own salary, or what is the sense of hiring him, and the same goes for your tax lawyers. And the bigger your team is, if you are a corporation with about 20 of these people on the payroll, they all had better get rid of their own salaries. And the bottom line then is they then hire the lobbyists to come back here and to start finding loopholes.

I think the rich fall into several categories. The inherited wealth that you see occasionally on "Lifestyles of the Rich and Famous," and some of them waste their lives, and I do not know why they waste their lives. But there are so few of them, and we are not going to get a blip of money out of them on any economic charts.

Then there are the entrepreneurial rich that I just read off the top 66, and they spend their whole lives creating jobs. Andrew Carnegie, one of the richest Americans ever, this little dour Scot came to the United States, became a multimillionare, by today's terms a billionaire many times over, founded United States Steel, and then gave it all away. He said it was as much fun, more fun to give it away as to make it, and what a kind person

like that, who spends his whole life productively creating jobs.

And then there is the third category of rich people, and those are the ones that lie and cheat and steal. And are they going to live up to the Tax Code anyway? They are only a small percent, and we all realize that we are not going to get to them. They will continue lying, stealing and cheating on their 1040 forms, and we are trying to get at this tiny little segment of Americans in a middle class country, which is what we are, the envy of the world, the largest middle class country ever.

That is why if we look at this chart and come down to item No. 8, other income tax increases, it starts out with your name, so you read it.

□ 1740

No. 8, it says "Delays."

Mr. DELAY. It says "Delays inflation."

Mr. DORNAN of California. It does not mean TOM DELAY.

Mr. DELAY. "Adjustment to tax brackets and personal exemptions for 1 year."

Mr. DORNAN of California. The Senate dumps that on the chart next to it. Who does that hit?

Mr. DELAY. That is everybody, everybody that makes an income of any size. It forces them up, because it delays for 1 year indexing that protects the taxpayer against inflation, driving him up into higher tax brackets, but the most important thing that signals is that this is the beginning of the end of indexing that has allowed the American people to stave off Government policies creating inflation driving them into higher tax brackets, the old process that we used to call bracket creep.

Mr. DORNAN of California. Exactly, and I saw that our colleague, the gentleman from Illinois [Mr. CRANE], one of our senior Republicans on the Committee on Ways and Means, just showed me in the cloakroom on Mr. ROSTENKOWSKI's chart that with that one alone they get $29½ billion of new taxes out of the working lower middle class and middle class in this country. This is hardly a soak-the-rich plan.

One final thought about Sam Donaldson, because I said to him, and it was actually because the days are flying back here because we are cooped up here, and it was about 3 days ago, I said, "Sam," and I walked up to him, and he goes like this, "you coming to get me?" I said, "Sam, you are not going to join this soak-the-rich demagoguery, are you?" "How else are we going to raise taxes?" So I say, "Sam, you are making several million dollars a year. Do you not have tax accountants trying to figure out how to build your portfolio?" "No, I have always done my tax myself."

Well, strangely enough, I have never hit $100,000 a year in my life until last year, 57 years of age. I have done my own 1040 with never a consultant, and probably lost some money being smug, but I wanted to feel the pain, as Ronald Reagan said, doing my own taxes, since I was 14, so that is 43 years of filling out my own 1040's. I only got audited 2 years in a row. Once they got $1,300, and once I got $400 back. I was glad they came out. I made them come to my living room to go over my boxes of paperwork.

But I could not believe Sam Donaldson told me that. I said, "Sam, do not kick in to this demagoguery." Last night, Diane Sawyer opened up Primetime with one of the greatest pieces on a Soviet defector I have ever seen, put to rest, this top defector from the KGB, that back when it was called the NKVD, he said, oh, the Rosenbergs were guilty. Alger Hiss was a spy and was guilty, that this actual Russian in a fake beard and hairdo to disguise himself, because they would still love to kill him, he prepared the briefing papers for Gorbachev to meet with Mrs. Thatcher, this guy was terrific, a terrific segment on PrimeTime.

Then they come to Sammy Donaldson on soak-the-rich, the most demagogic piece to stir envy up in his fellow American citizens I have ever seen, and CBS News did it the night before. CBS News says, in a big graphic card, purple background, the rich, 45 percent up in their income. We have had a bully economy since November of 1982; people who invest, people who create jobs, people who started companies, people who, and guys, in their late twenties and early thirties getting into the electronics business, entrepreneurial people, men and women, yes, yes, up.

Mr. DELAY. Twenty-three million new jobs created.

Mr. DORNAN of California. All these new jobs created, and he says income up 45 percent for the rich. Now, we are not saying super-rich, like the 66 in Roberts' article, and then it says tax rate down, and I am waiting for the third line, share of what they are paying; the top 5 or 10 percent carrying most of the load, the top 50 percent carrying 95 percent of the load, taxes for the very poor, those who even pay, down; the lower middle class down. He does not say a word about their contributory percentage.

You know what Kinsley said on "Crossfire" the other night, that that is the biggest lie being perpetrated around this city, that the rich are paying more money. It is so deceptive.

Mr. DELAY. Those figures, by the way, those figures we cited here tonight and the figures the gentleman just cited come directly from the IRS, because the IRS knows who has what income and what taxes they pay. Those are figures taken directly from the IRS's file.

Mr. DORNAN of California. Well, I hope, because I have five kids and eight grandkids, I hope the voters do not do what they did after Watergate, punish a bunch of people that had nothing to do with this. If the anger out there is to replace one of our superb colleagues, STAN PARRIS, who is one of the best people I have ever seen, at this, with a moron mayor of Alexandria, because STAN is part of a process here where he is perceived to be part of a tax raid on the public when he has fought it all of his career, and he was punished, along with 51 other Members in our party in 1974, and not one of them had a scintilla of involvement with Watergate, but the people turned around and threw them out and then got a tax raise in Watergate that brought us under President Jimmy Carter to 21½-percent interest and 14-percent-plus inflation.

I had one of our capable young pages go down and get the definition for usury, because the gentleman was talking about what is an immoral rate of taxes. I had a little nun in the seventh grade, a sister of the Sacred Heart named Marian Brida, long gone to that reward in heaven where there are no taxes at all, and she taught me the word "usury," pronounced with that little "z" sound, u-s-u-r-y; it is an unconscionable or exorbitant rate on an amount of interest, and this grew out of the Middle Ages when people were gouging people, when interest first started on borrowed money, and before that I guess it was wampum, you know, the figure was 10 percent; this little nun taught me anything over 10 percent was unethical, immoral, and under Carter it was up to 21½ percent.

What taxes? Here we have a little more flexibility. The great religions of the world having spoken out with precision, and we are taught as conservatives in all of our seminars, and by our heroes Milton Friedman, or those that have gone to that heaven, Ludwig von Mises, Hayek, all the heroes we have had, that about 18 percent is the max that a government should take out of its people.

I was mentioning 39 on the floor the other day, and I noticed all of our New Yorkers were voting for one of these tax plans. It is because if the State deductions do not stay in the income tax as a deduction, New York taxes its citizens so highly, that for most Americans, the 50-State average is 39.7 or something, starting with a sales tax every time we buy something in all States except New Hampshire, I guess, and a few others, and if you go up and take New York into account, their citizens are paying taxes of all levels at about 45 percent or more, and if Sister Marian Brida were here, she would say just as a percent on borrowed money is a sin, immoral, unethical over 10 per-

cent, taxes pushed, taken out of somebody's working wages, what the Communists used to call the sweat of our brow, and all you have to lose are your chains, that is immoral, and this demagogic argument about soaking the rich has gone way beyond political fairball or political hardball. It is a conceived operational plan to crush some of our fellow Members in a tight election because most of our guys are on the challenger side. We are about a third of this place. It is an unethical, immoral engendering of one of the seven deadly sins in our fellow taxpayers, envy, and I hope to heavens it backfires in their face.

I say to the gentleman from Texas [Mr. DELAY], I have got a 5-minute special order here in a little while on the one form of bigotry in our country, and I know, as a fellow Christian, you will not mind me being a little hurt that it is open season on Christians in general, but Catholics in particular, and that it backfires on all Christians, but I want to read a Buchanan article and talk a little bit about the one bigotry that liberals accept in our country, actually praise it, and that is a vicious bigotry against the Roman Catholic Church and Christians in general.

So I thank the gentleman for letting me share his special order, and let me put, if he does not mind, in his special order, what we were talking about the other day, the Government in general, where are the cuts, starting with pork in the 1990 bill, $19 million to study methane from cattle as it relates to global warming, and we all know which end the methane comes out of, all the way down to an old one from yesteryear, thousands of dollars to study, $84,000, to study why people fall in love, and I have got some 1989 pork, 1988, 1990 pork. It is incredible.

We did not cut anything; $3 million to study leafy spurge and knapweed control, and we did not take out any of this. How did Ted Turner get $5 million for his disaster in Seattle called the Good Will Games? Why are we underwriting that when the man is another one of these billionaires?

I will put this in the RECORD in the gentleman's special order.

Mr. DELAY. I appreciate the gentleman's submitting that in the RECORD. Let me just say that the gentleman from California is one of the most eloquent Members of the House, and what he has said is so well said and so to the point of what we are talking about here, that the soak-the-rich argument, as he so well put it, is nothing but demagoguery, and it has been demagoguery for so long that people are starting to believe that demagoguery.

What are we talking about, all of these taxes? Where are they going for it? At approximately this time last year, that was when it started.

□ 1750

The media and liberals on the other side of the aisle start setting up the American people to the notion that they cannot run this Government unless they raise taxes. There is just no way that they can run this Government without raising taxes.

Well, the Republicans this week had a proposal to bring to the floor of this House that froze spending, cut defense spending, adjusted entitlement spending, with no new taxes. Now, we were criticized it did not meet the target. Our package, as we presented it, and we had to put it together very quickly, only saved $410 billion in deficit reduction. It did not meet the Democrats' rule of $500 billion. We had plenty more, plenty more savings that we were going to offer if we could ever get our package to the floor, but the Democrats would not allow the Republicans to bring a package to the floor that froze spending and did not raise taxes and met deficit reduction targets.

What are we talking about here about taxes?

Prior to the passage of the Democrats tax package this week, for every $1 Congress raised in taxes, they spend $1.58. Now, according to the Heritage Foundation, under the Democrats' plan that was passed here on the floor on Tuesday, for every $1 of taxes raised Congress will spend $1.90.

They did not cut spending. They raised taxes and raised spending.

Mr. Speaker, this proves all along what the Republicans have been saying: The Democrats are the ones who want to raise taxes. It is clear that they are the ones responsible for the deficit. This week in Congress the Democrats had a prime opportunity to change this trend of taxing and spending and they chose not to. They had a chance to cut spending, but instead they chose to cut Medicare and raise taxes on the middle class.

Here are the facts: Under the Democrats' tax package overall spending on average will increase by 6 percent and taxes will be raised $170 billion and Medicare recipients will pay yearly an additional $211.20 in premiums. The blame for the out-of-control taxes, out-of-control spending, and out-of-control deficit lies clearly on the Democrats.

It is interesting to find that when the Democrats had a choice of whether to cut spending or raise taxes, they chose to raise taxes. And it is certainly worth noting that they were so set against any spending cut alternatives that the Democratic leadership in the House refused to allow a Republican no new tax package to be offered on the floor for a vote.

The Democrats' tax and spend package is an insult to all hard-working American taxpayers. Democrats talk about how their package taxes the rich. This is their usual hate rhetoric, designed to hide what their package really does. The smoke and mirrors of this misleading rhetoric, Mr. Speaker, is designed to cover up the fact that their tax-and-spend budget package is really designed to soak the hardworking middle class.

It is a single person making $21,000 a year rich? I think not. Under the Democrat package, his taxes will go up another 5 percent. Is a married couple making $31,000 a year rich? Of course not. Yet under the Democrat tax-and-spend, spend, spend package, their taxes will increase by an additional 6 percent a year. This may be small potatoes to the Democrats, Mr. Speaker, but it is not small potatoes to the middle class people who are going to have to pay these additional taxes.

The cat is out of the bag. Democrats are no longer coy about what their interest is, and it is certainly not cutting spending. Taxes are what it is all about, Mr. Speaker, and taxes are what it has always been about.

When the Democrats had a choice between cutting their profligate spending, or raising taxes, what course did they take? That is right—raising taxes. No amount of rhetoric can disguise the fact that their most recent budget package represents the largest tax increase in American history. Let me repeat that: The tax package of the Democrat majority increases taxes by $170 billion.

It boggles the mind, Mr. Speaker. Earlier this year, a citizens group staffed by businessmen of all types identified $170 billion in Government waste, fraud, and mismanagement. That group, the Citizens Against Government Waste, pointed out specific changes that could be made that would save this amount of money. The Democrat majority which controls this House has consistently ignored this approach and instead chooses to do it the easy way: tax, tax, and tax so that they can spend, spend, spend. When the Republicans sought to offer their own plan, which contained not a single tax increase, the Democrat majority refused.

Let me tell Members, and I will finish with this, the differences between the tax-and-spend Democrats and the Republicans are being starkly contrasted this week. These differences cut to the very soul of our respective parties. When faced with a massing budget deficit that the Democrats created, they fall back on their old instinct—raise America's taxes. The thought of cutting spending is never seriously entertained in the Democrat's Cloakroom, although the idea does provoke laughter as outside the beltway nonsense.

This budget has tested the Democrats mettle and they have been found

wanting. The Democrats had an opportunity to either reduce spending or cut Medicare benefits. They, of course, cut benefits to the elderly. The Democrats had a choice to either decrease spending or increase taxes. True to their nature, they chose to raise your taxes. As a campaign ploy, they like to bash Bush for favoring the wealthy, yet they have the audacity to force the working men and women of America to finance the largest tax increase in our history. They tax your beer, your cigarettes, and airplane tickets then whine that the Republicans aren't sensitive to the needs of the middle class.

For all the things this budget is lacking, audacity is certainly not numbered amongst them. The Democrats refused to allow a minority leadership-backed budget alternative to the floor that would balance the budget without raising taxes. Perhaps they are the sole holders of truth. Yet, one wonders that if the Republican no new taxes budget is as outrageous on its face as the Democrats claim, then why was it not debated before the American people giving them the opportunity to decide its merits. I think we know and I think they know, when it comes right down to it the Democrats can't resist the call of taxes.

BUDGET THOUGHTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 60 minutes.

Mr. WISE. Mr. Speaker, I do not intend to give too much of a partisan speech, but the gentleman who have just preceded me have gotten my juices flowing, and it is my intention to talk about the budget. I just want to say before I try to become more objective, it was probably the best partisan explanation for why we ought not to tax the rich, who are not paying their fair share, that I have ever heard.

I would, having heard this, I will say that I am going to try to divide my presentation into an objective presentation as possible, and then the partisan presentation.

I would like to start with the objective part because this is a quiete time. It is Friday afternoon, and at midnight tonight the funding for the Federal Government expires. Hopefully, the President will see fit to sign a continuing resolution so that we do not get into the debacle we saw last week of the Washington Monument closing down, and vital services and Federal employees not knowing what is happening. I think it is important to look back for a minute and to see what has been going on, and to discuss that, because that is, of course, the question I get from my constituents in West Virginia so much as what in the world is going on. No. 2, why can Congress not do their job?

□ 1800

So I think it is important to reflect on that in this talk about exactly what is happening.

First of all, I think it has got to be realized that we are not talking about a budget in this battle that is going on. That is part of it, but it is a far greater picture than just that, a far greater battle. This is not just a 1-year budget to handle fiscal year 1991. This is a basic battle over fundamental priorities that should have been resolved years ago and have not been, and the result is that it is finally coming to a head in this year for several reasons.

The first reason is because probably we have banged at each other so much that there is such a crunch that it is just natural that things spill out.

The second reason is that there is no more money to let this go unresolved. It used to be you could continue to fund defense to some extent. You could continue to fund the domestic programs. You could put it on the Federal Visa card and you could just kind of roll on. You cannot do that any more. Indeed, the bills are coming due.

Finally, there is just simply a fundamental attitudinal battle that is taking place over what people want from Government, and it is coming to a head this year.

Some say, "Listen, this is just a 1-year budget. Why can't you guys simply work this thing out and go about business as usual?"

Because it is not business as usual and it is not just a 1-year budget. This budget starts a process of locking us in, and locking us, meaning the country, into 5 years of budget priorities. It is not an attempt to just do a 1-year budget. It is a 5-year budget with certain basic budget procedural reforms as well as certain taxing decisions and certain Federal revenue cuts.

So that is the 5-year battle that you are talking about, 5 years of priorities. That is 1995 that we are talking about.

Do we want to be in 1995 where some of the items that have been put forward in the last few weeks say we should be? I do not think so.

This is a country that wants to grow. This is a country that knows there are some new items and priorities on the agenda. This is a country that is feeling restless again and knows the problems that must be addressed. So it is not just a 1-year battle. It is a battle for at least the next decade.

So that is why it is important to fight these battles out now, as unpleasant, as uncomfortable and as untidy as they are.

This is a budget process of trying to hash out who stands for what. In the 8 years that I have had the privilege of serving in this body, I have never seen come to loggerheads in such a sharp, clear conflict as much the priorities of the different parties. Indeed, you are seeing on both sides of the aisle even some strain and stress within each party as we try to sort out where we are and who we are. What is it that we are talking about and to whom are we talking? What is it we want to achieve?

So I think for the first time you are not seeing a fuzzed up debate in which after a while it is tweedledum and tweedledee, and through all the partisan rhetoric, and there is enough posturing that goes on with both sides and through all the rhetorical excess, and there has been a lot of that in the past few weeks and months, but through all that you are hearing this clear clash of views.

It is a battle, quite frankly, that the country has to have. I am sorry that it is on the Federal employee's time. I am sorry that it is in some ways causing as much inconvenience as it is, but it is a battle that must be fought and it is a battle that will not end on Wednesday or Thursday of next week or whenever this Congress adjourns for the year. It is going to be a battle that continues, but the opening salvoes are being fired right now. So that is what it is all about.

It is also a battle if you are going to raise taxes, where do they come from?

Mr. Speaker, I would just like to note, nobody wants to raise taxes. The gentleman who preceded me made an excellent case for why they do not want to raise taxes. I hope that no one thinks it is a lot of fun for a member of the Democratic Party to raise taxes, either.

Do you know how exciting it is to go home to a town meeting and the first question you get is, "Why did you raise my taxes?" It is not something designed to give you political pleasure or any kind of joy. It is an unpleasant task which people do not appreciate, but yet at times needs to be done. Even the President of the United States came around to that point of view several months ago, recognizing what is happening.

Speaking of recognizing what is happening, I think it is important to put some things in context about what has brought us to this point. Yes, the deficit today, I believe it was last estimated for this fiscal year to be $293 billion. When the Budget Committee, of which I am a member, convened in January of this year, that budget deficit was estimated to be $100 billion, so in the space of 10 months you have seen that deficit soar in projected terms, at least, from $150 billion to almost $300 billion.

What caused that? Several things have caused it. One, of course, is the continuing and ongoing S&L debacle for a whole host of reasons, which

could be the subject of another special order; but you see the cost of the S&L restructuring rise quickly. In fact, I believe that they are going to be coming back in and looking for another $57 billion just to keep the RTC going for this year. That has risen much faster than projected.

The economic projections that the Budget Committee was given in January, that is growth, economic growth, GNP, unemployment, revenues coming in, inflation, all of those or most of those at least have proven to be totally inadequate. So when you made your revenue projections and you made your economic projections based on one set of figures, and what interest rates would be, for instance, they are now revealed to be badly off the mark and therefore another contributing factor.

Then, of course, throw in what has happened in the Persian Gulf in the last couple of months, which I think you are going to see as an even greater factor in the next fiscal year, throw in what has happened there, and where you were paying $1.10 per gallon just 3 months ago, today you are paying $1.42 to $1.60 or $1.70 a gallon, you can see the impact it is having on inflation, as well as this Government's own revenues, on taxes, and on our own economic growth.

A lot of reasons have meant then that this deficit is suddenly soaring. It is not something that just happened yesterday.

So that, too, brings us to this point. What are we learning out of all this process? Well, I think probably the first thing we have learned is that summits do not work. The summit is an attempt and has been, there have been three budget summits in the last 4 years, the summit is an attempt to bring the Republican and Democratic leadership together with the White House, two of the three branches of Government, and to work out among the leadership of those branches a budget agreement and then to bring it back.

The problem is that the 435 separate Members in this chamber and 100 in the other body, and everyone has their own concerns, everyone has their own points of view, everyone has their own approach to budgeting, and there needs to be a careful working of people along in a process, getting their input, getting their participation.

Also, we all have different axes to grind, and that is true in political system.

Also, I might add, some people say, "Why can't you guys, this Congress, just agree on something and get it done?

I would point out to the American people, as I do at home a good deal, I wish that 435 people could easily sit down and work out how to spend $1.3 trillion a year, but tell me any church, tell me any high school, tell me any small town that can sit down, tell me any Chamber of Commerce or Rotary Club or labor union that does not have great disputes waging within it. Give me any organization of seven people and I will show you eight points of view much of the time.

So that is the process that occurs here. This is raw, raucous democracy, probably more raw raucous recently than it has been for quite a while.

As I say, it can be painful to watch, but it is occurring. I am not saying that it is always in the best public interest, but it is something you expect in a democracy and it is setting the stage, I think, for continuing debate.

So I think it is important to put it in that context. It is not an apology. It is just a statement of fact.

Also I think it has to be recognized that this is not the final deficit reduction package. I know everybody is hoping, well, thank goodness, lock this thing in for 5 years. It is roughly a $500 billion deficit reduction package over 5 years, $40 billion hopefully the first year, thank goodness, this will get us on our way.

I am here to tell you, you heard it here first, this is not the end. In fact, this reminds me of the S&L restructuring in which people have come in and said that we had a $15 billion S&L problem a couple of years ago. Whoops, it just jumped to $30 billion. Come back a few months later and now it is up to $70 billion. Come back a little bit later and it is $125 billion. The last projection I heard is $500 billion over a 30-year period.

Mr. Speaker, this is not the final deficit reduction package, and I fear that it probably is not the last summit we are going to have, either. This is a first step down the road. So I am going to make a prediction that this Congress will be here next year doing the same thing, and the year thereafter.

The deficit is soaring so fast and so quickly that this package by itself will not be able to do the job.

That then leads us into something else. What about all the concern about special interests having an impact on this Congress during the deficit reduction battles? I guess I am one who takes some exception on that, because it seems to me that in the period particularly from the time that the summit broke up, I guess I did not hear from a lot of special interests. What I did hear from were senior citizens at home. I heard from people who drive to work in the construction trades at home. I heard from a lot of people at home. Many of those people are represented in Washington by various groups, whether senior citizen groups, labor unions, business groups and so on.

□ 1810

But basically the message that came through loud and clear was from home. Those are the special interests that you hear so much about. I have been pilloried for voting "no" on the first budget resolution. I voted "yes" on the second one. I have voted "no" on the summit package and was pilloried for caving in to special interests. Who are those special interests? Those special interests are my constituents. What's more, my constituents reflected, I felt, what was the national interest.

I think that needs clearly to be stated. But that goes hand in hand with this deficit reduction package, the fact that it is not final, because it is not. The second point is that in dealing with the budget, this year, these final weeks of the session, this budget package can only be the first step because it does not deal with all the forces at work. Until this Congress and this President take on some of the real forces at work outside the budget and that drive the budget deficit, we are never going to get a real handle on it. I will give you a couple of examples. Rising health care costs. Medicare is one of the fastest-growing entitlements in the budget. It was up around $114 billion this year, somewhere a little under $100 billion last year, and $80 billion the year before that.

Even the cuts that are going into place, presumably, in this reconciliation package still will make Medicare one of the fastest-growing areas.

So until somehow health care costs are gotten under control, there will be no real solution of the budget deficit.

Until defense costs are gotten under control, there will be no resolution. Until, for instance, energy, until this country has a true energy policy that works not only to make us more energy-independent but also works to make us less dependent on certain foreign sources, encourages domestic production, encourages us to develop new energy sources domestically, whether it be the fossil fuel area or renewable energy resources or automotive fuels or whatever it is, until we are able to do that, we are always going to be hostage to what is presently occurring in the Persian Gulf.

So this budget is driven by that. There is no way that you can see energy prices shoot up to 50 percent in a few months' period and not expect there to be great budget ramifications.

The S&L situation drives this budget. So, even though much of the cost is technically off budget, yet it certainly has an impact in the marketplace which, in turn, has an impact on the budget.

So the Congress must address the budget directly, but it has to be willing and cannot shrink from tackling those

other issues, particularly in the upcoming session of Congress.

There is another message that I have heard loud and clear that I think is important, and that is shared sacrifice.

I have had a number of senior citizens come to me in the past and say, "You know, Bob, I am willing to take a freeze for a period of time on the Social Security cost-of-living adjustment, the COLA, if I could be assured that everyone else would do the same. But if one group takes the hit and others don't, don't put me in there, because I think I have given enough."

Mr. Speaker, I have heard that message across a wide spectrum. That is another area that I think has to be dealt with, the shared sacrifice.

The first point I was making about the deficit reduction package not being final, I would suggest if you did not get hit this time, do not worry, it is coming around. There must be shared sacrifice. Indeed, I suspect whether it is spending cuts, tax increases, or whatever, even if it does not fall in your particular interest this time, most likely somebody is going to be looking at you in the future. Because once again it must be shared sacrifice if it is to be accepted.

There is another important point here that needs to be looked at in the future budget decisions, and possibly not only would it reduce the deficit but it is also, I think, necessary to help our country grow.

So far we have talked about two ways to reduce the budget deficit; one is tax increases, and the second is spending cuts. But we also have to be very straightforward with one another. We can have Gramm-Rudman-Hollings III, Gramm-Rudman-Hollings IV, Gramm-Rudman-Hollings V, or whatever, but the fact of the matter is you are not going to be able to cut your way out of this budget deficit, you are not going to be able to tax your way out of it. The national debt now is over $3 trillion; the budget deficit this year is running close to $300 billion, is going to take tax increases, spending cuts, and growth. That means we have to, within our budget, be encouraging growth.

Now, my friends on the other side of the aisle may have some disagreements on what growth means. Let me put forward a few that I think are very important.

First of all, this country requires a capital budget. We do not have one. Most businesses do, many States do. What that says is that you do not look at a road that you are building and account for it the same way that you do an entitlement check that is only good for that 1 month. A mile of road that you lay out today has a useful life of 10 to 15 years. You ought to be able to expense that road in the same manner so that if you expend $1 million for a mile of road today there are going to be tax revenues derived from that road, there are going to be a lot of benefits derived, and also there is a useful life to that road. So why not permit that to be accounted for over a 10- to 15-year period, spread the cost over the useful life of the asset.

So capital budgeting, I think, would do a lot toward, first, increasing our public investment in building our infrastructure which is so vital, and second, would legitimately reduce the deficit. Even if the Congress chooses not to go to capital budgeting, and I understand there are a lot of concerns about it, even if it is not going to go to capital budgeting, there is still the price of something being spread over the useful life of the asset.

I believe we need honest public investment. What concerns me is that we do not do that adequately in our economy. I have made previous speeches on the floor about the fact that public investment has already proven demonstrably that it can lead to greater productivity, and greater productivity leads to greater economic growth, more tax revenues and more people working. Yet, we do not have the kind of public investment that we need. Specifically, for instance, we have seen our public investment drop from roughly a little over 3.6 percent of GNP down to something like less than 2 percent of gross national product. At a time when a nation like Japan has increased its public and private investment, I might add, in absolute dollars and is spending more than the United States of America is, not in relation to their population but in absolute dollars they are investing more.

Of course, you can only cut so much out of vital investment projects, whether roads, bridges, education, whether it is sewer plants, airports, harbors, and all that which goes to make us more competitive. You can only do that so long without recognizing that you are robbing Peter to pay Paul and that you are eating your seed corn.

Seed corn is that which you plant and you tend very carefully, drive the birds off, nurture it, so that it grows and eventually you have a crop that is much greater than the seed corn that you put in initially.

We have been eating our seed corn in this country, unfortunately, for too many years in terms of public investment.

I want to return for just a moment to something where there is absolutely no way you can tax your way out of this deficit. The amount of taxes would be too great. There is no way you can cut your way out of this deficit.

So that means that we have to focus on those too, because you have to have both, but at the same time you also have to have growth, and you need to put together a budget that reflects that.

There is a definite need for leadership at all levels, within the Democratic Party, within the Republican Party, from the White House.

I am afraid over the last few years my observation has been it has been too easy for everyone to duck this one. I feel certain decisions were made in the early years of the Reagan administration that permitted that. We learned to feel good with the way things were coasting along. We ignored the fact that while "I am okay, Joe" seemed to be our motto more and more, what we were doing was building up a trade deficit to where we went to having a $1.3 trillion national debt that we are paying for today and we went, in 10 years, from being the largest creditor nation in the world to the largest debtor nation.

I wish it had not happened, but it did.

And now it is going to take leadership to get us out of this situation.

So the leadership is going to have to come from all levels. There is something here that I believe is important for those of us who have the privilege of elective office and those of us who have the privilege of electing, because it is going to call for tough measures all the way around. There is no easy vote on this summit package that came up a few weeks ago or on the deficit reduction package and reconciliation package coming along shortly.

Make no mistake about it, I heard someone say nobody did any cutting. There may be 170 billion dollars' worth of tax increases in this $500 billion package, and the rest of it is cuts or, hopefully, loss in interest that will not have to be paid.

There are some very painful cuts in there, Medicare cuts, for example, post office and civil service cuts, agriculture cuts, cuts in other programs. This is not an easy package. So when somebody suggests to you it is just, somehow, just taxes, that is totally erroneous.

□ 1820

Mr. Speaker, I say to my colleagues, "Look at the package, and you'll see there are some painful cuts coming, and there are going to be more cuts coming, I predict. By the same token, there are going to be tax increases coming."

While I was greatly distressed about 3 years ago when President Bush was running saying something that I thought he knew better on, which is, "Read my lips; no new taxes," and he held that out, I do respect the fact that he finally ponied up to the bar and said, "Listen. We've got to face a situation that's such that I'm going to have to backtrack on some of the things I said, and I'm going to ask

others to backtrack on some of the things they said," and the fact is no one wants to raise taxes because popularity cannot be gained out of it. No one wants to do spending cuts. That is not a popular thing to do either.

However, Mr. Speaker, there is going to be a need for leadership, and so there is going to be a need for the American people to also respect that. I hear a lot of the need for that, and so elected officials and electors are going to have to look eyeball to eyeball and say to one another, "We know that there are tough choices coming, and we expect you to make the decisions that have to be made, and while painful they may be, as long as you assure us of shared sacrifice, and that everybody is in this ball game together, then we'll support you on it."

Mr. Speaker, I am going to have to be telling my constituents some things I would just as soon not be saying over the next few months and, hopefully, over the next session of Congress. But we know that we have to do this, and we know that they can come out stronger because of it.

There is also one other message, I think, that comes from this budget, the whole budget process, and it has been playing out over the American airwaves, and that is: "What happens when you don't pay? What happens when we haven't been generating the revenues that are necessary for the programs that people want? What happens when you cut certain programs that you probably shouldn't have cut?"

Let me give my colleagues one example: Energy for instance. It is so crucial to West Virginia. We are one of the major energy suppliers for the Nation. Whether it is coal or natural gas, oil, West Virginia is there. In the terms of energy, this Government made a conscious decision in 1981-82 to cut back greatly on fossil fuels research and other types of energy research, spending almost a billion dollars cut back to somewhere around $200 million in that year. We have never recovered, and so many of the projects that could have gotten this country moving, and where we would be far less dependent upon foreign oil; we are 50 percent dependent today, I might add, than we are today, those decisions, that research, was shelved.

Mr. Speaker, I remember going to a research center in my State in 1983 and asking the director, "What's your job right now?"

He told me, "Congressman, basically my job is to take all the research that's been done, and we've been doing at the center, particularly using coal, and to put it on the shelf, to inventory it, file it, put it on the shelves so people know where it is and so one day, if they ever need it, they can go back and get it and hopefully start at that point."

However, Mr. Speaker, we know it is not that easy, and then, I say to my colleagues, look at other decisions. Look at the fact where we had 4,000 rigs actively drilling 20 years ago. We have less than a thousand today. Look at the increase in foreign dependency. Look at the number of mines, and oil and gas rigs and other energy ventures, whether it is in renewable energy resource, geothermal, alternative fuels, or whatever that got put on the shelf, and my colleagues will see what the price is.

Some people say, "Well, we enjoyed it for a while, but what are we paying today?"

What are we paying for Operation Desert Shield? Over $1 billion per month. It is a vital operation, but look at the cost to defend that one area.

What are we paying, for instance, to have others participate with us? Talk of forgiving the debt that Egypt owes, and Israel, that is roughly $12 billion right there. What is it going to cost in the future to prop up that supply line?

Mr. Speaker, I am estimating right now that we are somewhere around $20 billion. That represents, incidentally, for 1 year that represents, about a 20-cent gas tax that American taxpayers are going to be paying. What do we pay to maintain a standing force, to protect those vital supply lines? And what have we lost in job opportunities here in this country?

So, I submit to my colleagues that there was a basic cost that was paid by not continuing and not honing, by not developing more fully, an energy policy. Hopefully that can be corrected.

Mr. Speaker, I would like to talk for a second though now. I am going to turn partisan. I just want everybody to be alerted to that. I have been as objective as I probably can, and now I want to comment on some of the things that I have heard over the last few days.

First of all, there has been a lot of focus on taxes. I did not vote, incidentally, for the summit budget proposal because I thought the tax package was basically regressive. Essentially all excise taxes that fell upon the middle income and low income persons the hardest. I thought that the Medicare cut was totally out of bounds because it was $60 billion over 5 years divided between providers and beneficiaries, neither of which could handle it very well, and I thought that there were other decisions in there that simply did not reflect sound budget policy, and I was not going to lock us into that for 5 years.

That is not the package before us today. The package that was voted on the other night in the House is a far different package.

First of all, there was a suggestion that somehow Democrats wanted to tax or wanted to slash Medicare. Well, it is interesting because the Medicare part of that package, the $60 billion in the House package, is reduced now to $42 billion of cuts over 5 years. The fact that the senior citizens was going to be asked to go from paying $75 deductible, when they went to a doctor under the part B program; now it is going to be increased to $150 billion over a 5-year period. That has been cut back to a hundred dollars. The sharp increase in the part B monthly premium, presently around $28 to $29 a month; that was cut back in so that the total cost to the senior citizen, the senior citizen will be asked to maintain 25 percent of that program cost, as he or she is presently doing, not go up to 30 percent, as was suggested out of the summit.

Also what I thought was most onerous was the fact that people who are unemployed would have a 2-week period in which they would not be eligible to receive benefits instead of a 1-week period. Those are all gone. And so there were basic changes made.

For those who once again say that this package does not cut, I would point out, while the tax increase have gotten most of the attention, look at the fact that more than half of this package, easily more than half, are spending cuts, and they are painful cuts. I do not like cutting Medicare as much as it has been, but yet that is going to be the price, I think, that is paid for deficit reduction, and the beneficiary, at least, has been shielded largely from bearing the brunt of those costs.

But now I think it is time to talk about taxes because, as I said, I voted against the summit package because of its strict, very, very great reliance upon what I consider to be regressive taxes that fell heavily on the low income. And the Members of the other party came to the floor, and they were upset because the Committee on Rules did not permit them to offer their package which had no tax cuts; I am sorry, had no tax increases, but had only spending cuts, and they had the same Medicare figure, as I understand it, so where were those spending cuts going to come from?

It is a little unspecified, but the gist of it, as I picked it up, was it is going to come out of those very important public investment programs that I have already discussed, the programs that can help us grow and partially grow out of that mess instead of setting us back. That is where those cuts were going to come from. They were going to come from, incidentally, education, and they were going to come from infrastructure, and they were going to come from important programs, I assume, like WIC, Women, Infants and Children, those programs that have a very important bedrock constituency. That is where those cuts

were going to come from. Nobody talked about those, but we were not going to get 410 billion dollars' worth of cuts over a 5-year period without cutting those programs greatly.

There were no taxes, this proposal was represented to us, and, therefore, that is what supposedly made it preferable. The Members of the other party were not permitted by the Committee on Rules to put that out on the floor. Perhaps they should have been because I would have liked to have had a chance to perhaps see the bankruptcy of it. The reason was though because the summit had agreed on a $500 billion figure for 5 years that was signed off on by the Republican leadership, the Democratic leadership, and the President of the United States. Any package that comes forth must have $500 billion of true deficit reduction signed off, as I said before, by the President, the Republican leadership, and the Democratic leadership. The package that was wanted to be brought to the floor fell far short of that, $410 billion. It did not even hit the mark that everyone had agreed upon. The Democratic package, on the other hand, and the measure brought down to the floor did hit that mark.

Second is: "Can you do this thing without taxes?"

I say to my colleagues, "Boy, I sure wish you could. It would make my life a lot easier," I will tell you, and "I wish you could do this package without taxes."

However, Mr. Speaker, the President of the United States recognized several months ago that you could not be intellectually honest, could not talk to the American people about shared sacrifice, could not really be trying to make a dent in this deficit and now talk about taxes, and so he put taxes on the table, and he signed off on a tax package.

□ 1830

I did not agree completely with that package, but I recognized the fact that the President thought taxes had to be in it, and others in that summit felt taxes had to be in it. So taxes have to be on the table.

Seventy-one Members of the other party, the Republican Party, felt that too, because they voted for that summit proposal. They were back again about a week later denying that there was ever a need for taxes, but so be it.

Now, who does pay, because I think that is important. If you accept the fact that much of the House package and the summit package and the Senate package, if you accept the fact that about 90 percent of that has probably been agreed on, the Medicare cut is basically agreed upon, what the level will be, the cuts in other areas such as agriculture and Federal employees and Post Office and Civil Service, have basically been agreed upon.

If you accept the fact that the contentious issues have basically been agreed upon, about 90 percent, what is left to fight on? So the clear item is taxes.

The President has acknowledged that taxes have to be on the table. Democrats acknowledge that taxes have to be on the table. Republicans in the summit and by their votes on the summit package, 71 of them at least, acknowledge that taxes must be on the table. So taxes are on the table, and that is not an issue.

Then what is at issue? The issue is who pays. Who forks over the money.

I voted against the summit package because it put undue reliance once again upon the same folks paying all along, middle class and low income. Nine-cent gas tax, ten-cent gas tax. We know who that hits. It hurts the construction worker, driving to work every day. It hurts the person in the rural area. It hurts all of us.

The beer tax, the alcohol tax, the wine tax, the tobacco tax, excise taxes that fall most heavily upon the middle income.

Indeed, you look at the charts, the distributional charts, and you see that.

But the plan that came out of the House is far different. I have been interested to hear the reasons that people should not vote for that plan advanced by Members on the Republican side.

First of all, it is because it is wrong to soak the rich. Well, I do not know that it soaks the rich. I think it gives them a little more immersion, but it is certainly no Baptist total immersion revival, I will tell you that. They do get a little wetter, maybe up to the ankles.

So that is argument one.

Argument two is, and I like this argument the most, argument two is if you do ask the wealthy, those over $200,000, to pay a greater portion of their income than they are presently paying, and indeed a lower percentage than what middle income people are paying, if you do ask them to do that, you ought not to do it, because you know what will happen. Then the Congress will go after the middle class, who is already bearing an inequitable burden, an unfair burden.

What that defense is, it says put the middle class in the trenches to defend the existing inequity, because if you go ahead and clear it up for the upper income person, that person over $200,000 a year, then eventually it may come back around to the middle class.

I suppose we are all supposed to be happy with our burdens. Just go ahead and continue the existing disparity, the existing unfairness, rather than clear it up, because maybe at some point then they will come back around and get me.

It is a unique point of view, and I do not think it is one shared by most of those who say wait a minute, I thought we were talking about shared sacrifice. If we are talking about shared sacrifice, how about if that person shares some.

I have heard a lot of concern about the bubble. I understand there are a lot of arguments that can be made about defending, I suppose, the fact that middle income people pay a portion of their income at 33 percent, and then it drops down after $200,000 and they are paying at 28 percent. Some would argue there are sound reasons for that.

I understand the reasons that were given in 1986. They did not make a lot of sense then. They almost upset the whole tax bill. I do not think they are valid today.

That is one reason I would urge breaking that bubble.

If you want to give a limited capital gains, do it the way the Democratic package did, to persons under $100,000, concentrating on longer held assets, for assets such as homes and vintage automobiles and things like that, rather than making sure that all we do is lower the tax burden on the upper income person.

I do not want to discourage entrepreneurship, but let us also recognize in this country that from 1977 on, in 1977 the upper income person was paying 70 percent of their income in income taxes. A 70 percent income tax rate. It went down to 50 percent. Today it is down for the very upper income at 28 percent. So you have seen an incredible ability to keep income in this country for the upper income.

So I just think that before be begin weeping and wailing and worrying about the decline of entrepreneurship and punishing those that generate jobs, fine, just ask them to pay the same share as those people whom they are generating jobs for are paying. So I think that is important.

I heard a lot during the floor debate about how this was really soaking the middle income, and that is why the Democratic package was bad to do.

I think it is important to look at the distributional effects that have come out since then, particularly from Congress' Joint Committee on Taxation, in which it is recognized, for instance, that in terms of percentage change in taxes, that those making less than $10,000 will actually have a 1.3 percent tax cut as a result of the House-passed package; $10,000 to 20,000 will have a 1.6 tax cut; roughly for those from $20,000 all the way up to $200,000, they will see their income taxes increase something like 1 percent to 1.5 percent.

Now, where it does jump, though, is those making over $200,000. They will see a 7.4 percent hike.

How does that work out in a distribution chart? What it says is that this House-passed package will ask those making over $200,000 a year to pay 63 percent of tax increase. Thirty-seven percent then falls to the rest of the population. I do not think that is unfair, given the fact that those people over $200,000 are the ones that have seen their income soar in the past 14 and 15 years at a far greater rate than those in the middle class.

It is true they are paying more income taxes than they did, but their income taxes went up something like this amount, while their income over here went up this amount. So I think it is important that that be put into context.

This is not a soak-the-rich bill, but it certainly is not a bash-the-middle class bill. I hope what it is is a tax fairness bill. I think the American people see it that way.

The gas taxes, the excise taxes, tend to be the most regressive. Those are not the taxes we should be involved in.

I have heard a lot of figures tossed around about what this is going to cost the average person. I think the charts once again from the Joint Tax Committee show well.

It is estimated, for instance, that the summit package that was defeated here on the floor, that that package probably for the person making $20,000 to $30,000 would have resulted in a $165 increase over a year. The House-passed package, the Democratic plan, would have meant a $50 increase. The summit package would have been a $212 increase annually for the $30,000 to $40,000 wage or income earner. The Democratic package is $68.

It goes on in roughly that area until you get to the $75,000 to $100,000 wage earner, in which the summit package, that was defeated once again, basically relying upon regressive tax structure, excise taxes, and so on, the summit package would have provided $462 of additional taxes for the $75,000 to $100,000 wage earner. The House-passed package would have been roughly $330. I think it is important to take that into context.

This is a battle over tax fairness. Some call it demagoguery or whatever, but it is asking people who have enjoyed the benefits of this country, who have done quite well at a time when others have not done quite well, to pay their share. Not more, not an inordinate share. Certainly not as much as they were paying 15 years ago, but to pay their share, and to pay that portion that reflects what others are paying.

It is hard for me to go home and look that middle-income person in the eyes who says, "Why is it that I pay a higher percentage of my income in taxes than does the person who makes over $200,000?" That is a lot of what this is about.

□ 1840

I suspect there is going to be a hybrid come out of there, Mr. Speaker, in the conference, and that you will see a gasoline tax in some form. My hope is you will see some elements of tax fairness that went into the House package, and that we will get a budget deficit reduction package that makes that down payment, but it will make only that.

As I get ready to close I would like to say that I applauded the President when he went on television and addressed the Nation. He addressed the Nation for the first time, as I recall, to talk about the need to adopt the summit package. And I think it took some courage for him to do that, because once again he had to talk about spending cuts and he had to talk about tax increases.

But what I took great exception to, and what struck me as an amazing statement is when he looked at the camera and he looked us in the eye and he said that he was proud of the fact that this did not raise income tax rates on any American, and he took pride in that. What that said to me was that there was pride in the fact that those who are paying lower percentage of their income in income tax would continue to be that way, that there would be no relief for the middle income person who was paying already a higher portion. So, therefore, that was the excuse to let the folks that were not paying the same portion of their income in income taxes, that was the excuse to get them off the hook.

But that was an amazing statement to me. That is what this debate is about.

I think that is a clear difference between the Democratic side of the aisle in this area and the Republican side of the aisle. I suspect that the final conclusion of this is going to be that there will be some hybrid measure. But I think it is a debate that is going to continue, and it is a debate indeed that ought to continue as we fight for tax fairness.

I guess I wonder sometimes. I know the arguments about why capital gains increases are necessary to put more cash or more savings into the economy so that that person, particularly the person at the $200,000-plus level has more money to invest, hopefully in true investments and not in two Mercedes-Benzes. I understand that argument, but I never have understood why it is that we should not be given some kind of capital gains, which the Democratic package incidentally tries to do a little bit of, for some kind of recognition of the fact that the middle-income person is the one who makes it possible for there to be upper income persons, because if there are not a whole bunch of us out there buying television sets, buying refrigerators, buying automobiles at a lot less than $30,000, buying homes and getting those mortgages, putting the kids in school, if there were not a whole bunch of us out there, then who is it that makes it possible for the upper income persons to continue enjoying their wealth? Yes, they create jobs, and we applaud entrepreneurship, but at the same time there is recognition of paying the fair share. But if we tax the middle-income person and at the same time fail to recognize that the middle-income person is the one who has lost ground in the past 10 years, not gained ground, and if we continue to come back to that well, we make it impossible eventually for even the upper income person to enjoy the fruits of their labor.

So those are my objective remarks in the early part and my partisan remarks at the end. Those are some of the observations I would make about this budget process.

Finally, I would say once again, in conclusion and in summing up, that this is not the end; it is the beginning. There are more tough choices to be made, and I hope that what comes out of it, and it has been a painful ordeal for all of us, for constituents and for elected office holders alike because we have had to confront ourselves and our own inadequacies in some cases, it has been a painful ordeal for all of us, but if we can grab a silver lining it is that this debate is finally under way, that it is crystallizing, and that we are recognizing the need not only to define who we are, but also what we want, and that hopefully is what positive thing will come out of this debate.

Hopefully this Congress is going to be adjourned and we are all going to be able to find out how well crystallized it is as we head home.

Mr. RITTER. Mr. Speaker, will the gentleman yield?

Mr. WISE. I am happy to yield to the gentleman from Pennsylvania.

Mr. RITTER. I thank the gentleman for yielding, and I want to thank him for his perceptive statements and perceptive analysis. I would just like to add a few remarks and talk about tax rates and tax fairness.

There has been so much said about tax fairness that we have kind of gotten off what actually happened when tax rates were reduced in the early 1980's. I mean, when you look at the data, the 1 percent of top income earners, the top 5 percent, the top 10 percent, when the rates were reduced each of those categories of taxpayers ended up paying more in income taxes, substantially more in income taxes, and they ended up paying a substan-

tially greater share of the overall tax burden.

The top 20 percent paid more in income taxes and more of a share of the overall tax burden. That is what happened when we reduced the tax rates.

What happened was people, instead of squirreling money away in art, or keeping income from being declared because of punitive tax rates, they actually took their money, invested it, got into the real economy and ended up paying taxes, more so than they did when the tax rates were higher.

So it seems to me that we have got to be really, if we are concerned about tax fairness, we have got to really be careful about what we do with tax rates, I think what the gentleman from West Virginia and this gentleman would like to see is the rich paying more taxes, and that the upper income brackets pay more of the overall tax base, of the revenues collected by the Government. We want to see that.

What we do not want to do is reduce that tax take. What we do not want to do is reduce that share of the burden, and so we have to be careful when we deal with tax rate increases that we do not have what sounds good, but what actually does not work happen to us. We do not want the rich and the upper income and the upper middle income, and let us face it, there are not many of them, the middle class is the ones that get hit with all of this, we do not want them paying less, and we do not want them reducing their share of the overall burden, because if the legacy of the 1980's tells us nothing else, it tells us that when you reduce the rates, as we did in the Economic Recovery and Tax Act in the early 1980's, when you reduce those rates you actually get more out of those taxpayers, and they paid a greater share, which is what I am for. The 50th to the 90th percentile, which is your middle class, that entire segment of the population actually paid less of a total share of the tax rate reductions.

In other words, the share paid by the middle class after the tax rate reductions actually went down. We are talking about income taxes here. The bottom 50 percent of the earners in America went from 7 percent of the total burden to 6 percent. They actually went down.

So let us just be careful. I think the gentleman and I share the goal that those who can afford to pay pay, but let us not do something that maybe sounds good but has the unintended consequences of turning over the economic activity in those levels of income such that they end up paying less taxes, and less share of the overall tax burden.

Perhaps for tax fairness, therefore, you have to look at the actual collections and the actual share of the burden as opposed to talking about the rates that people pay at.

I thank the gentleman from West Virginia for yielding to me, and again thank him for his perceptive contribution to this debate.

Mr. WISE. I appreciate the gentleman's observations, and I would agree with some of what he said.

I was kind of struck by your opening remarks. I do not know how it was back in the late 1970's or early 1980's in your district, but we were not saving up and investing in art a whole lot. We just did not have a lot of it. I looked for a Rembrandt or two, but I really could not find one to sink the family farm into.

Mr. RITTER. I am just talking about the facts, you know. I am not trying to demagog this.

Mr. WISE. But I would not, and here I think we may differ, that one of the results though, one of the hoped benefits from the early tax cuts that happened in 1981 and 1982 was to increase savings and increase investment, investment tax credits as well as personal income tax credits.

□ 1850

As to investment tax credit as well as the personal income tax credits, actually what you saw was a decline. You had a decline in that, and so I happen to think that those rates had to come down as the gentleman had suggested, but I am also concerned about what I would call nontargeted tax cuts where we are hoping an activity happens, but we do not have control over it.

The other thing is the gentleman mentioned the middle class paying less, which is true; there are those who would argue, and I am one of them, it is because the middle class began to lose ground, and the gentleman is correct, the upper income did pay more, but they paid more because their income shot up at a much faster rate than the middle-income persons shot up.

Mr. RITTER. If the gentleman will yield further, again, I think the gentleman is well informed.

The middle class, however, if we look a what happened to their income and their brackets, what we witnessed in the middle class was a fairly substantial movement of middle class into what we would call upper income tax brackets, and to the extent the size of the middle class declined somewhat it was because that upper end of the middle class went into the upper income bracket, and that is sort of what happened.

I want to say to the gentleman, though, that one of the intended effects was to increase personal savings of these early tax cuts, and in terms of sheer personal savings, that did not happen, but in terms of overall national savings which included investment in our future, building the factories in the gentleman's district and my district, reconstructing some of our older and more basic industries, that did happen and, frankly, the investment tax credit, the accelerated depreciation, the lesser rate of capital gains tax stimulated an investment and a growth boom in the United States that led to the longest period of peacetime recovery in the history of the country.

At the margins, however, there were flaws in both, or in all three, of these plans, whether it is in investment tax credit, accelerated depreciation, or lower capital gains differential, in that on the investment tax credit and accelerated depreciation, people bought some things that had nothing to do with economic growth. They almost could not afford not buy several Mercedes in a small business, because they could depreciate it and then sell it for more than what you paid for it. That has to be taken away.

But what happened in 1986, we threw the babies out with the bathwater. We threw out ITC, we threw out accelerated depreciation, we threw out the differential in capital gains, and what we ended up with was, I think, the recession that we are starting on today.

We then had a low, relatively low, tax rate, but we had no incentives for the kind of savings investment that the gentleman mentioned earlier, and I think, and I know that the gentleman's district and my district in some ways have a bunch of things in common, a lot of blue-collar workers, a lot of middle class, a lot of working class people. I do not have art collectors in my district either.

But what we needed to do in 1986 was to tailor those investment incentives for growth, for productive equipment, for facilities, for factories. We needed to make that capital gains differential maybe a little targeted toward long-term investment in America, in our work force, in our factories and facilities. We did not do that. We just threw them all out.

I think the recession that we are right on the brink of today and in some places, particularly my district, which I think we are in, is a direct result of a kind of real shock that the productive side of the economy took in the 1986 tax reform.

So when the gentleman talks about nontargeted tax cuts, I have some sympathies with what he is talking about, and I think we could have done a better job in 1986 in maybe taking away some of the abuses without throwing the whole kit and caboodle out, and I think that would have been much better for the gentleman's district and my district and the country, for that matter.

I thank the gentleman for yielding to me.

Mr. WISE. Mr. Speaker, I appreciate the gentleman's involvement.

I would just say that I think the 1986 tax act is going to be something this Congress is going to be revisiting, and that basic philosophical conflict that the gentleman discussed, which is that between do you try to get lower rates and eliminate all deductions, or do you use the Tax Code for tax policy, for economic policy.

The move in 1986, I think was the thought was let us try and make it as economically neutral as possible and just have the marketplace determine, now, particularly with the extenders being up, that is, the nonprograms that did provide some kind of economic policy and incentives to invest in certain areas, with those likely to be on the block and going this time, I have a feeling that the whole debate is going to be renewed, particularly if this country is headed into recession.

I think the gentleman and I are going to have a chance to talk about that a lot more. I appreciate the gentleman's comments.

Mr. RITTER. I appreciate the gentleman yielding to me.

VACATION OF SPECIAL ORDER

Mr. DORNAN of California. Mr. Speaker, I had a previous special order for 60 minutes that was swallowed because my staff had put me in for 5 minutes. I ask unanimous consent that my 5-minute special order previously requested for this evening be vacated.

The SPEAKER pro tempore (Mr. PRICE). Is there objection to the request of gentleman from California?

There was no objection.

REQUEST FOR SPECIAL ORDER

Mr. DORNAN of California. Mr. Speaker, I ask unanimous consent that I be allowed a 60-minute special order on today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BIGOTRY AND CHRISTIANITY

Mr. DORNAN of California. Mr. Speaker, I was going to yield to my friend, but I have a problem. The Intelligence Committee is convening.

Could I ask the gentleman to be patient because of that for 15 minutes and watch?

Mr. RITTER. If the gentleman could give me just 6 minutes.

Mr. DORNAN of California. Can the gentleman do it in 4?

Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. RITTER].

TRIBUTE TO ROBERT RODALE

Mr. RITTER. Mr. Speaker, I thank the gentleman from California for yielding to me.

Mr. Speaker, I rise today sadly to pay tribute to a gentleman, to my good friend, and American pioneer, Robert Rodale, chairman and chief executive officer of Rodale Press, Inc., Emmaus, PA., who passed away September 21, 1990, at age 60.

Tragically, it was in the U.S.S.R. where a freak automobile accident took place, killing Bob Rodale and his Russian colleagues instantly, when an oncoming bus veered into the path of their van as they were headed to the Moscow Airport. Bob was en route home, to the U.S.A.

If there ever was a friend to the world, it as Bob Rodale. Through his publishing empire—Prevention, Organic Gardening, Runner's World, Men's Health, Backpacker, Bicycling and American Woodworker magazines along with books and newsletters—he touched countless people with his groundbreaking ideas in organic farming, conservation, regeneration, preventive health care, and education.

Bob was an environmentalist in the best sense of the word. His was an environmentalism that people could see, feel, touch, understand. His was an environmentalism that promoted the doable, the practical, the sensible. The Lehigh Valley of Pennsylvania, the Nation and the world have benefited from Bob Rodale's brand of environmentalism.

In 1949, he began working for the company, founded by his father, J.I. Rodale, but his passion in recent years was the nonprofit Rodale Institute, whose base in a 305-acre experimental farm in Maxatawny, Berks County, PA. "That set of plots has literally changed American agriculture," He said in an interview this summer:

> It has proven that farmers can get the same yield with much less use of fertilizers and pesticides. And sometimes in a dry year we even had better yields.

And today, it is changing agriculture worldwide.

Typical of the Rodale approach is a new project in Guatemala "to basically recreate the lost agriculture of the Mayan culture". Ignoring techniques used in developed nations and being pushed in the African bush, Rodale showed the farmers in Tanzania how to better their lots without using the expensive chemicals and agricultural equipment being peddled by others—items the country could not afford. One day Tanzania's President mentioned to Bob his own communications problems. Later Bob gave the leader a computer system needed for the task. In China, he tried to convince officals to take advantage of some of the positive aspects of their ancient organic farming methods. His latest project, the Russian-language edition of the New Farmer will begin this fall.

Indeed his joint venture in the Soviet Union was reflective of Bob's endlessly creative mind. Crucial paper and ink were to be purchased in Finland with foreign currency earned from producing and selling Russian salami!

Bob Rodale is also credited with founding the Prevention Index, a bellweather of just how well the American people are doing with those life and health enhancing measures of prevention such as smoking, drinking, fastening seatbelts, hours of sleep, and exercise, air quality and others. Bob was at the forefront of the effort to create the Secretary's Council on Health Promotion and Disease Prevention where I had the pleasure to work with him as a link to the legislative process in Congress, and the Reagan White House and Department of Health and Human Services.

Back in January 1983, Bob took the lead against the hazards of tobacco smoking by implementing a smoking ban for the company's 800 workers and executives. It started a trend. Companies across the Lehigh Valley and America followed suit. Bob played a tremendous role in encouraging preventive health investments by corporate America such as the programs at nearby Air Products and Chemicals. He was also an adjunct professor of science, technology, and society at Pennsylvania State University since 1984. He was the epitome of the 21st century man comfortable with the humane uses of technology to enhance the spirit and the environment.

Bob received many prestigious awards for his work, including the Presidential World Without Hunger Award in 1984. He was among seven people selected by President Reagan to receive the honor. He was a member of the Lehigh County Agricultural Land Preservation Board; Pennsylvania Environmental Council, Farmland Preservation Task Force and board of associates of Muhlenberg College. He was also chairman of the board of Friends of the Parks, a project of the Wildlands Conservancy, a task force member of CAST, a member of the community health delivery systems task force and a founding member of the Allentown Prevention Council.

Bob Rodale understood that for real progress to occur, real people, working together, would have to accomplish real tasks. He was the enemy of large impersonal bureaucracy, government or corporate. He was a friend of those who believed that the success of America is based on people taking responsibility at the grass roots for themselves, their companies, and their communities.

Bob was a highly regarded sportsman. He was on the U.S. Skeet Shooting Team that won the world championship in 1962 in Cairo and on the U.S. team that won the Pan American Games championship in 1967. He was the only civilian on the U.S. team in

the 1968 Olympic Games in Mexico City. Bob was selected as an All-American skeet shooter almost every year from 1965 to 1970. Only 2 weeks before his death, he was inducted into the Pennsylvania Skeet Shooters Hall of Fame, and had already been listed in the national hall of fame.

Bob and the Rodale enterprise were at the forefront of bringing bicycling into the mainstream of American life for fitness, for recreation and for sport. He and his family donated land for the Lehigh County Velodrome in Trexlertown, PA, and they and Rodale Press continue to take a leadership role in Velodrome activities bringing top cyclists and teams from all over the world.

Bob loved life, he loved people, he loved his family. He had tremendous faith in the ability of the people to do good. He was a man for all seasons. Mr. Speaker, please join me in extending heartfelt sympathy to his lovely and creative wife, Ardath, their very special children, Heather, Stoneback, Heidi Rodale, Maria Rodale; a son Anthony Rodale; his mother, the indomitable Anna; seven grandchildren; two sisters, Nina Houghton of Wye, MD, Ruth Spira of Coopersburg.

Bob will be sorely missed but his legacy lives on with all who knew him, who learned from him, and who loved him. It is now our task to carry on that legacy.

□ 1900

Mr. DORNAN. Mr. Speaker, I was glad to yield to my good friend from Pennsylvania [Mr. RITTER] an excellent Member of Congress. I am sorry to hear about the tragic death of such an outstanding American.

Mr. Speaker, let me go over some of the rules of the House by way of reminding those who enjoy the fact that this Chamber is televised, sometimes carried on radio, as a living sight, sound, and motion extension of the CONGRESSIONAL RECORD that has been in the libraries and schools of our country for almost 2 centuries now.

The rules of the House, to keep decorum and tradition intact, is that everything is to be addressed through the Speaker. Even when we engage in dialog between ourselves, we usually address one and another through the Chair, except when permission is granted for a colloquy or direct exchange. We are not supposed to refer to our guests in the gallery. We are not supposed to refer to a television audience, which we are told is now over a million people, but I would like to discuss something that I hope to change in the coming Congress.

The 102d Congress, which believe it or not will convene, God willing, the first Monday of the first week in January. There is a ruling that the cameras, only during special orders at night, are to pan an empty Chamber, indicating that no one is listening to the prior speaker's beautiful eulogy, to a friend of his, or that no one is going to be listening to my words about bigotry in this country against Christianity. Of course it is not true. People say, "I felt so sorry you are speaking to an empty House, and only I was listening." When I tell them a million people were listening with them they were shocked.

Now, two Speakers ago, a good beloved Speaker of the House, in a fit of pique, a moment of weakness which all human, frail human beings have, he was watching my colleague, also from Pennsylvania [Mr. WALKER], speak on a special order, and the camera shots are tight, as they are all day long, even during the empty House presentation of commemoratives, and this Speaker, two Speakers ago, said, "I don't like these special orders of Mr. WALKER and Mr. NEWT GINGRICH of Georgia, so let's pan the House, make them look foolish, show an empty Chamber." I will circulate a letter, explain it to the incoming freshman of our great parties in the 102d Congress and get about 2 or 300 signatures. If I get half of the House, 218, I am sure our current Speaker, a good and fair man, the gentleman from the great State of Washington [Mr. FOLEY] will end this deliberately embarrassing showing of an empty Chamber which indicates something that is wholly untrue. A million people follow, thank God, the activities of this House.

So, having said this, Mr. Speaker, let me talk about, as a Catholic, a sinful, stumbling Catholic, who is not holier than thou. I well know the Biblical story of the publican and the Pharisee. The Pharisee saying, "Look how wonderful I am praying, and look at that publican." I know that Jesus died on the cross for sinners, not for Pharisees, and those who find themselves personally so holy, I felt very badly for a lousy Catholic, who stood up before the world as a Vice Presidential candidate and said that she was devout. Believe me, when any person of any faith tells another they are devout, grab your wallet and start looking for what they want out of everyone, because devout people invariably do not ever express that, and they do not feel devout because they always know through the spirituality of how much they could give for their Creator and their Savior. Mother Teresa, who I believe is a living saint, is a living example. Never would we see that beautiful, tiny little Albanian-born lady say that she herself is devout. But I am loyal. I try to go to church every week. I try to keep my own frail spiritual condition such that I can, in the vernacular of Catholics when I was young, hit the rail, receive the sacrament of the Holy Eucharist, which loyal Catholics believe because of transubstantiation, is truly a reenactment of the Last Supper, and as the wine and bread became the body and blood of Christ at the Last Supper, I truly believe on Sundays that I receive in its fullness the body and blood of Jesus.

Now, as a stumbling, sinning, but loyal Catholic, I have had it up to here, Mr. Speaker, with the bigotry in this country, approved by the dominant media culture against Christianity in general, but with a special focus on the largest of all Christian denominations, and the oldest, the Catholic Church, the Roman Catholic faith.

Now, Mr. Speaker, from "The Last Temptation of Christ," and my staff wrote down here the title of this picture that has yet to come out of my mouth because the first word is a street word for urine, and then it is followed by the name of our Saviour, so I will take the title up and describe what this pseudo so-called artist did. Put a crucifix of Christ with a corpus Christ body on it, in a jar, and urinated on it, filled with his own urine, photographed it. His name is Serrano, a fallen-away Catholic, bigoted against the church of his fathers, and this, together with things like another fallen-away Catholic, the director of the "Last Temptation of Christ," Martin Scorsese, this type of outrage followed last December 10th, only 10 months ago, by this attack on the Catholic church were I was baptized, where my parents were married, the beautiful cathedral of New York, built with the dimes and pennies of Italian-Americans, Irish-Americans immigrants that attack by crazed homosexuals and pro-abortionist activists, on St. Patrick's Cathedral shows there is an open season on my faith and on Christianity. Believe it or not, Mr. Speaker, there is no group in America that suffers more open or blatant discrimination than Roman Catholicism.

□ 1910

Not black Americans, not African-Americans, not Jewish Americans, not Hispanic Americans, no one, not any group or person suffers the bigotry that my church does today. Say something nasty about African-Americans, about Jewish Americans or even homosexuals, and you are a bigot, a slimy bigot, no questions asked. Say something rotten about Catholics and you get a pat on the back, and everyone here in this Chamber or watching in their offices or following the course of our House, Mr. Speaker, by video, knows that is true.

The reason this discrimination does not receive more attention is the Dominant Media Culture, and I hope our reporters will record that with capital letters, Dominant Media Culture. It has been true for decades or more with the networks, and now CNN is piling on, and I had always hoped for

better out of our fourth network, which accomplished the impossible, joining the big three.

The popular culture actively participates in and indeed discourages discrimination against my beloved religion, because they do not like what it stands for, period.

Like many of my colleagues, they do not see a crucifix submerged in urine as bigoted. Let me revise that. My staff wrote down, as many of my colleagues do, let me revise that downward, like several of my colleagues, I hope to heavens a precious few. Instead the Dominant Media Culture and the popular culture, excuse these blasphemies, and not only that, some here fund it as important art. They do not see videos showing priests seducing women as bigoted. They will pay money to see it. They do not see "performance artist" Karen Findley equating my friend, John Joseph Cardinal O'Connor, with Hitler as a form of bigotry. They fight to get public funding for Findley's act.

They do not think the effort to pull the tax exempt status from the Catholic Church as bigoted, and by extension every Christian religion in this country, and the Jewish faith would of course suffer the same fate. They take the case to the courts.

Two days ago in our debate on the so-called civil rights bill, we heard about every type of discrimination under the Sun, except one. My friend, the gentleman from Texas [Mr. WASHINGTON] even provided a handy little list of modern-day bigotry. It included racial strife in New York, true; the ugly skinhead movement, true; defacing synagogues, ugliness personified; the David Duke campaign—the guy is the living pits; the Japanese racial slurs against Blacks, bigotry of course, all of it outrageous, no doubt about that, but not a word about discrimination against Catholics. It was not even mentioned.

I wish I had been on the floor. I have looked through the RECORD, not one reference to this debasing of the Catholic Church or this ridicule of my beloved clergy. There is nothing in my Texas colleague's list that even comes close to the blatant bigotry directed toward Catholics, as reported in Wednesday's column by Pat Buchanan in the Washington Times.

Let me quote just one paragraph which Buchanan quotes from another newspaper about what goes on, for example, at the Roxy Night Club in New York city.

Excuse me, Mr. Speaker, how much time do I have left?

The SPEAKER pro tempore (Mr. PRICE). The gentleman has 40 minutes remaining.

Mr. DORNAN of California. All right, I was going to feel bad about not making the gentleman from Pennsylvania [Mr. RITTER] wait.

I am going to read the whole paragraph. Patrick Buchanan's column is so good, I want to read most of it.

HORDES PAID TO SEE THIS CHAOS

This was in the Washington Times Wednesday, 2 days ago, October 17. I will give it to anybody, Mr. Speaker, who wants to write to my office to get it.

There is a new, valuable right in the land, the right to openly hate and insult all that Christians hold sacred.

Pat Buchanan writes:

I had just finished reading that line from Otto Scott's fine new newsletter, Compass.

I will subscribe to that.

When a copy of the New York City Tribune arrived and I read that John O. Edwards' page one story tells us this. At a gay night club in Chelsea—that is part of New York—the Catholic Church is enemy number one.

Reading this, Mr. Buchanan says, calls for a strong stomach.

It is the hottest place in gay nightclubbing, a taxi driver told Mr. Edwards of the Roxy Theater, probably the hottest place in town. Thursday nights are called Disco Interruptus. Interruptus refers to the interruptions by movies, solo singers, transvestite acts, that break into the almost continuous music and disco dancing. This night's theme, Holy Chaos, promises the revelers a night of side-splitting, biting ridicule directed at christianity in general and the Roman Catholic Church in particular.

The Tribune continues,

Giant mocking mug murals face murals of a Catholic cleric wearing glasses, seemingly resembling Cardinal John O'Connor, glare at patrons like medieval gargoyles. Along both the walls of the rink, naked women are pictured on crucifixes, some wearing only a nun's habit. For the 200 people packed into the VIP room, singer Amy performs the Dung Dance—

Dung as in manure,

That entails eating what resembles human excrement and throwing it at three continguous posters of Senator Jesse Helms. Each throw brings loud cheers.

Is this sick, Mr. Speaker and my colleagues?

The next interruptus is a showing of the video Our Father. While the video shows no graphic sex, it opens with a priest engaging in sexual intercourse with another man's wife. This continues for five minutes, and the priest ends by saying, "Love, honor, and obey." The priest eventually chokes the woman to death as excrement flows from her mouth. He then descends into the basement, where a young Jesus is bound to steam pipes. The priest then engages the Jesus figure with simulated anal sodomy, after which in a jealous rage the priest chases a child molester. When the molester bothers a child who the priest regularly molests. Many in the crowd smile and laugh as they watch the video.

The high point of the evening is the live crucifixion of a pregnant nun. On the stage a group of female performers dressed as nuns, along with a man dressed as a priest, escort the nun to a wooden crucifix. She is dressed only in head garb with gauze covering her genitalia. The woman portraying a nun is actually pregnant.

The crowd of young patrons seems affable, witty, intelligent, well-groomed

You know, the ultra-mundanes

clean-cut, all-American types; young lawyers, Wall Streeters, premed students, our future doctors. Some wore costumes. Many dressed as priests. Juxtaposed to this were the transvestites and other, in leather jackets complete with dangling handcuffs—the sadism and masochism crowd.

The crowd's antipathy toward the church seemed universal. One young man had fake blood on his face emanating from his eye sockets. His T-shirt read, "Fight AIDS, use a condom. Choke a priest." Another yells with a clenched fist, "Kill O'Connor."

Other acts include a transvestite Virgin Mary in a Snow White outfit, a transvestite Mary Magdalene who selects a "young Jesus" from the audience and simulates having sex with him; and "a San Francisco-imported act" titled "Sex in the Anus."

Holy Chaos was a smash; thousands paid to see it.

"A sacrilegious nightmare which only proves the homosexual groups are attempting to mainstream Satanism," is how a member of a profamily Catholic organization described it.

Buchanan writes,

He is correct.

With 80,000 dead of AIDS

May I correct you, Mr. Buchanan, Mr. Speaker, it hit 100,000 this week.

Dead in Korea in combat, 33,629. Dead in Vietnam, the names on the wall, 58,157, with one POW name on the wall, Charley Shelton, whose lovely wife, Marian, took her own life on November 4. What a tragedy; 58,157, plus one POW. Add those together, you get over 91,000.

Mr. Speaker, AIDS has taken over 100,000 Americans, 10,000 more than Vietnam and Korea added together. It is chasing now World War II and will eventually eclipse the Civil War before we are through with this death toll, a disease incubated by sodomy and spread by sodomy and now killing innocent people in every category in this country.

Now, back to "Holy Chaos."

With 80,000—

Correct that to 100,000 dead of AIDS—

3,000 more buried each month—

That figure is correct, a little more than 3,000—

Our promiscuous homosexuals appear literally hell-bent on suicide.

Read the new reports out of San Francisco. Younger homosexuals are no longer practicing safe sex. It is back to "live fast, live dangerously, die young, have a good-looking corpse."

No, more often it is a corpse all shriveled up with what Africans call the Thin Disease, the body covered with dark Karposi sarcoma sores, but they are living in the fast lane all right.

But the Roxy Theater raises other questions. What does freedom mean? What is it for? Does the first amendment, which protects the free exercise

of the Christian faith, also protect scatological—that means glorifying excrement and other categories—and blasphemous assaults on Christian faith?

□ 1920

If "holy chaos" is not a hate crime against Christianity and Catholicism, then what is a hate crime? America has gone so far as the French or Soviet revolution that sought the total eradication of Christianity—has not gone so far yet, excuse me.

But we have installed, Mr. Scott writes, the pagan system of polytheism, all gods are equally honored, all religions are equally accepted. We have placed satanism, taoism, Buddhism, Islam, witchcraft, Christianity, Judaism and a variety of cults and sects on the same level.

What does it matter that a famous photographer—he is talking about Mapplethorpe now, who is dead from AIDS—takes a picture of himself with a bullwhip in his anus. Art is sacralized, perversion is normal.

Back to Buchanan: Our Founding Father, George Washington over here, Thomas Jefferson up there, John Adams, who did not make it into this Chamber, believed religion and morality to be inseparable and indispensable to a free society. What interest have we in defending such degraded assaults on what Washington calls the twin pillars of human happiness.

Let me go back and tell you what those twin pillars are from the Father of our Country, first in war, first in peace, first in the hearts of his countrymen.

What George Washington meant by "twin pillars of happiness" were religion and morality.

If America is a sick society and we sure have a cultural war on our hands, Mr. Speaker, it is because we drink daily at the polluted waters of a popular culture into which Hollywood—that is, left-wing Hollywood, these days—and an artistic avant garde continue to dump their filth. Cleanup time. Yes, Hollywood's left is out there hyping for the Big Green, a proposition in California to clean up the physical environment but meanwhile they have polluted the spiritual and moral climate of our country.

Back to Buchanan: Conservatives fail to capture the culture, Mr. Scott writes. Now we are on the edge of the third millenium. It is not our culture alone that is in peril but our entire civilization. We cannot afford any more short views. We must engage on more significant levels. We are, after all, heirs of a triumphant Christian civilization that once reigned throughout the world. We cannot recover from our fall from that high estate without first analyzing the defects of the modern world. That is the end of Mr. Scott. Back to Patrick Buchanan, who closes, The enemy of what we believe the threat what we have is it would seem somewhat closer at hand than Saddam Hussein. In the news today we are told that Saddam Hussein is trying to develop not 2 new nuclear devices but 100 more at the same time and has spent hundreds of millions of dollars all over the world. That is a threat. But meanwhile, while we wait for our blockade to work under Operation Desert Shield, while 32 young Americans have died in the training exercise, the operational exercises there, thousands die of AIDS. Thousands are contracting syphilis, chlamydia, venereal warts, gonorrhea, and are dying of drug abuse. And in this town they are shooting one another, young males, at a rate that is even passing the 437 deaths in our beautiful Federal city. We are going to break that record easily. We are way beyond the 370 or 380 deaths at this point in October last year.

Back to my prepared remarks. I interrupted where I was just going to read a part of Pat Buchanan's column, so I read the whole thing.

Well, Mr. Speaker, this type of bigotry mentioned in this column by Mr. Scott being quoted by Mr. Buchanan, is eerily reminescent of the way in which Nazis were depicting German Jews. Now I have been a student, as an Irish-American, of the worst crimes in my life, the crimes against the Jewish people.

Only 14 million existed in the whole world in the 1930's. The ship with Jewish citizens that came to this country on the ship, the *St. Louis*, begging for asylum, was turned away at U.S. ports, Caribbean ports, at Havana, Cuba, sat in the harbor and were sent back to Bremerhaven and 99 percent of those people died. Hitler managed to slaughter 6 million of the world's 14 million Jews.

I am sure that my older colleagues—and I was only 7 years old when World War II started—but I remember these propaganda films that we saw after the war when I was in high school. The films warning German citizens of the evil of the German Jews. I remember one particular film that begins with rats scurrying through some slime in an alley and the narrator's voice in German, which is translated down at the bottom, says, "The German Jews are like rats, just like rats." This was a film to be shown to grade-school children. And then the high school kids, 5 years later, were the guards at the prison camps that became the Ivan Terrible's of Treblinka. I remember one particular film that has like a Jekyll-and-Hyde film which had won Frederick March an Academy Award and in 1940 it won a nomination for Spencer Tracy, where a normal-looking man is transformed—an elderly, middle-aged man is transformed into the worst Nazi characterization, a twisted vision through Nazi eyes of a Jekyll-and-Hyde, a Mr. Hyde creature that was just evil incarnate. In other words, the Devil.

This is what Goebbels' propaganda ministry, the horrible Jew-hater Julius Stryker, who edited the paper "Thunderbolt," what they tried to tell their own people that their brother Jews were evil and just animals that could be slaughtered. Those propaganda films are what set up the Holocaust and the deaths of 6 million of their countrymen. I repeat this film was shown in grade schools and high schools.

Now, the message they said came right out and said that these people, these rats, they will molest children, they will steal your children, rape your wives, steal your money.

Now, I ask you, Mr. Speaker, what is different between that propaganda ministry, that Nazi film, and this film being shown at the Roxy Theater in New York, getting ready to show tonight as I speak? Imagine a video telling people that African-Americans, Black Americans are wife-stealers, child-molesting murderers. Would we ever tolerate a video in this country of Jewish Americans, wife-stealing, child-molesting murderers? The Anti-Defamation League would come down on them like a ton of bricks, and rightfully they should. I ask my fellow Catholics, where are your guts? Maybe we have 20 Catholics voting in this Chamber for abortion and they feel like such hypocrites betraying their faith that they cannot stand up on their hind legs like our Jewish brothers' and sisters' country and demand this type of bigotry be branded for what it is, hate bigotry.

I will tell you, Mr. Speaker, why we end up so quiet, why we tolerate this desecration of our nuns and our priests. Why are we the targets? That is a good question. Why are Christians, especially fundamentalists, Evangelicals, charismatic Christians, why are they targeted, but particularly my faith targeted? Here is the reason: Because real Catholics, moral Catholics believe abortion is a grave sin. As the Holy Father has said, the worst of sins, the slaughter of innocent life, shedding innocent blood, because Catholics who have not lost the faith of their fathers believe homosexual activity is a sin, sodomy, bisexuality, happenstance pairings in men's rooms around this town with abject strangers spreading and picking up diseases, that is a sin, a grievous sin, a sin against nature and a sin against God. Because the true Catholic, in other words, has a consistent belief in Judao-Christian—Christian values. No matter how they individually stumble, these traditional Christians oppose actions which the traditional community has always deemed immoral. These are

the people who have not given up the faith of their mothers and the faith of their fathers, that term that means centuries. If it feels good to do it, is not the church's credo.

Madonna is going to star on MTV in red see-through panties and bra wrapped in an American flag with two rock dancers telling the young people of her generation to vote.

To vote for what? The kind of popular culture degradation she is engaging in on a regular basis, doing it always with a cross around her neck and her song, "Like a Virgin," or the one crawling across the room at a crucifix, stripping herself, making the image of Christ on the cross cry? It is because we do not have this "if it feels good" credo, we loyal Christians, that is why it is okay to mock Christians and Catholics. Believe me, it is okay in today's society to hate Catholics and it is okay to mock and ridicule and hate Christian clergy.

□ 1930

You say that this rock group, so-called music group, 2 Live Crew, should be prosecuted for obscenity, and you are a racist because they happen to be black. You put down the Dice Man, Andrew Dice Clay, then you do not have a sense of humor. You are a censor. If you think that the deceased, Mr. Mapplethorpe; he died of AIDs, obviously, if his exhibit, you believe it is child pornography or contains the type of sick S&M garbage that killed him, then you are a homophobe.

Footnote: Yes, an infamous Dornan footnote. I just went over to that dictionary, Mr. Speaker. Now, granted, it is about 15 years old, but that dictionary, it is unabridged, that is the big Funk and Wagnalls, or Webster; I think it is Webster's Third Revised Dictionary, unabridged. That means everything is up there. There is no homophobe word in there, just like there is no word bisexualphobe, or heterophobe. It is a made-up word. There is no such psychological term of disorder in any modern medical science. It was a homosexual propagandist and activist who coined this word, homophobe, and it is used in this Chamber, mostly at those leadership desks, by people who do not know what in hell's name they are talking about.

What is heterophobia? There is no such thing. There is a phobia of all people where you stay locked up in the house, but homophobia is a trick word, and they slid it right in between racism and bigotry, and they are getting away with it, just like gay is an adjective.

You know, "Don your gay apparel," at Christmastime; have a gala ball, Bing Crosby singing, "I could be happy, I could be gay, I surrender, dear."

No, gay used to mean cheerful and happy, and they turn an adjective into a noun to try and tell young people that somehow or another active homosexuals of any age are happier than everybody else. What a P.R. trick! And they got the liberal, dominant media culture to buy it, and they turned a noun, homosexual, into an adjective, gay, and turned that into a noun.

Gay? This is not the Gay '90s. The Gay '90s was the 1890's. The gay 1990's is sad and tragic with a hundred thousand people dead and 3,000 people being buried monthly. It is going up to 4,000 this month.

Is that cheerful? Happy? A wonderful life style, coupling with strangers in back alleys, in men's rooms, like animals? Nothing happy or cheerful about that.

Here is another one. If you show a video depicting a priest sodomizing Jesus Christ, you are either a champion of the first amendment or an advocate of church reform. Where is our society's outrage?

We have 300 sitting bishops and about 50 or 60 retired. Where are you people? Why are only one or two courageous bishops joining the muzzled priests and nuns across this country who are sick of having their faces walked on?

When I grew up, the popular culture praised every religion. The Chaplain of the Senate, Peter Marshall, was portrayed beautiful by British actor Richard Todd. Gregory Peck portrayed an heroic missionary priest in Keys of the Kingdom. Bing Crosby, two or three times with Barry Fitzgerald, lovable priests, as Father Malloy, and Ingrid Bergman, Song of Bernadette. All these beautiful images of clergy, and now you rip clergy, and you are a hero of free speech.

Listen to this. Oh, you know, columnist Joe Sobran got it right recently when he wrote that the liberal left's credo, New York Times, is that the only good Catholic is a bad Catholic. If you are a disloyal Catholic, then they love to put you on television and radio, write you up in the press, if you attack the faith of your fathers. No doubt about it, some of my liberal colleagues in this Chamber share that view.

Here is a quote from Cybil Shepard, who, as you know, is very, very active in the proabortion movement. She was on Larry King's show. What is the one that does not work much anymore, the sex goddess of the sixties, married a guy name Pat Curtis—I got a mental block on her name, but she was on Larry King's the other night—oh, yes, now I remember, Racquel Welch—she turned into the camera and said, "Young women, I'm telling you out there it's OK to have an abortion. Have it."

Mr. Speaker, Cybil Shepard on that same show, Larry King, was discussing the proabortion movement, and, when King suggested to her that abortion would be legal if men got pregnant; that is always a cutey, Ms. Shepard replied, "If priests could get pregnant, it would be a sacrament in the Catholic Church."

Is that not clever? Is that not witty? Is that not ugly? And is that not bigoted? And the answer is: Yes.

Jimmy the Greek Snyder, Jimmy Snyder, makes a controversial remark about blacks. He had had a few drinks. It was a stupid remark, but I do not think for a minute that Jimmy the Greek is bigoted. But he sure got fired. His career is over. I do not know if the punishment fit the crime, to end his career forever. He called up Jesse Jackson, an African American leader, and said, "Gosh, please, help me. My whole life I've never been bigoted that I know of. I grew up in a neighborhood where my ancestry was prejudiced against."

Warns you about drinking and talking on camera, but he certainly was not a bigot.

How about the Andy Rooney affair? Andy Rooney has been a civil rights crusader all his life. He has one little line at the New Year's Day wrap-up last year where he says, "Too much random sex among homosexuals was bad." This was at the end of too much drinking, too much this, too much that. Too much random sex with homosexuals. I wish he had thrown in bisexuals because that is the organized group I am still yet to find. And what happens? Instantly suspended by CBS. An outcry of outrage. I am sure some real bigots joined in. But real bigots did not know about Andy Rooney's lifetime support for civil rights causes, real crusader, and CBS had to cave in because of its gutless management. They suspended him and put him right back on the air. And he is a liberal, one of my favorite liberals, Andy Rooney.

Thanks for hanging in there, Andy, and not going off like a coward with your tail between your legs.

What about Cybil Shepard? She continues raking in the big dollars, attracting even more attention for her bigoted views. But it does not stop there, Mr. Speaker.

Philly Donohue, Notre Dame graduate and America's No. 1 anti-Catholic bigot; I have said it in this well, he took a tape of my saying it in this well, ran it on his show and says, "Now, you don't believe that; do you?"

He thought he could back me down on his show, and I said, "Yes, I do, Phil, but I pray for you, and someday you're going to come home for the faith of your Irish forebears. Now I'm here, Phil, to discuss Nicaragua," and I held up a Communist helicopter that was killing people in Nicaragua and changed the subject. And he was a

little shocked, and I stuck by my guns because he is—why is he the Nation's biggest anti-Catholic—Catholic anti-Catholic? Because his platform, his podium, his bully pulpit, is so big.

Geraldo Rivera, raised as a Catholic, like Donohue, baptized a Catholic, has not practiced his faith in many years, admits to having been a champion world-class womanizer, but now he tsk-tsks when he has on all the sexual deviates and perverts and he is trying to copy Phil Donohue's male stripper regular retinue of guests coming on the show.

Well, these two guys, Geraldo and Philly, seem to have made a career out of bashing the church. Geraldo seems to be getting a little better, while Phil is getting a little worse, if that is possible. They bash people who claim loyalty to 20 centuries of teaching. Their heroes though, who they book on their shows, are homosexual priests, lesbian nuns. They have not had any bisexual priests or nuns on yet. Maybe their producers will start looking for them. They have proabortion priests, quisling priests, and, yes, if Judas Iscariot were alive today, one of Jesus' original 12 priests; 11 became bishops, but, if Judas Iscariot were alive today, he would be a highly touted guest on all of these dominant media culture talk shows and interview shows, television and radio, and he would probably get a front-page interview in the Washington Post and the New York Times; I hope not the Los Angeles Times, my hometown paper.

In short, anyone who goes against Christian teaching or is an anti-Catholic, you are a big-time guest on the dominant media culture. Apparently these—I do not want to call them liberals anymore because we have got too many liberals in here who are responsible, these radical leftist liberals, they equate the church with a political party that can change its platform every 4 years, or eat their words or change what is on their lips. But the word of God is not amendable to loyal orthodox Jews, orthodox Protestants or orthodox Catholics.

So, I am going to state right now for the RECORD that from now on I am going to make it a poin, God willing I get reelected, of exposing anti-Catholic bigotry whenever it occurs. To my other Christian brothers, who I speak for all across this country, who lovingly invite me to talk to every one of their groups, at least the orthodox and believing groups: You know I love you, and I have no problems between my Catholic faith or any of your faiths as far as the problems that we are facing together in America. You take care of your own. I will help you occasionally when you are under assault, but you know right now the reason they hate the Catholic Church is because we are pushing a billion members in this world out of 5¼ billion citizens, and because of our size in the United States, about 55 million, I am afraid about 10 or 15 Members are cafeteria Catholics who pick and choose what they want and do not even go to church anymore. But we love them. They will all be back someday, God willing, if they live long enough and get a little wisdom with age.

□ 1940

But because of the size of the Catholic Church, almost a quarter of this country, we take the heat for most of you other Christians. So you help me too.

But if I see anti-Catholic bigotry in movies, television, or in this Chamber, I have drawn the line. This Catholic, as long as I have a breath of life in me, I am going to fight back. Oh, why don't I feel like a spiritual or a holier than thou Catholic? Because my job is so important here, I ought to get my tired fanny out of bed every morning and go over to church and receive communion, every day. Once a week doesn't cut if for someone in an important job like this.

So I am not standing on my pedestal or my high horse. I am a weak, barely hanging in there Catholic, but I know what the standards are, and I know why I love these priests that say Mass every day, and why I love the Sisters that taught me so well and the Jesuit priest that taught me in school.

They told me, "Bob Dornan, you have got an Irish loquacious nature. You had better get into politics or into the priesthood."

Well, I chose the lesser of those two great professions, but I am tired of watching Judas Iscariot, quizzling priests like Father McBrian of Notre Dame, the head of the theology department.

I am one of those people that consider myself a Notre Dame subway alumnus. I went to Loyola University in Los Angeles. I wish I had had the grades or money to go to Notre Dame, or worked hard enough to get a scholarship.

But I will tell you, football is not everything. I would not give a darn if Notre Dame lost every game for the rest of the years out to lay Father McBrian out of the theology department.

This clod sitting on Ted Koppel's Nightline show, I think there was a guest host that night, Forest Sawyer, saying that a Catholic can come into an abortion clinic with a submachine gun, kill the poor frightened mother that has been conned by the popular culture into killing her child in her womb, shoot the abortionist and all the people helping, and they will all be excommunicated, but not the guy with the machinegun.

What kind of an asinine statement is that for a Catholic priest, head of the theology department at Our Lady's College, within sight of the golden dome and the Statue of Notre Dame, to say, that a person who machine guns seven people to death is not instantly excommunicating himself and endangering his soul to burn forever in eternity?

Then he says to follow it up, I could not believe my ears. My wife looked at me and said, "This man teaches students at Notre Dame?"

Then he says, "What are we going to do, excommunicate the cab driver who takes a woman to her abortion?"

Just think about that for a second. What is a frightened young woman going to do on the way to an abortion? Say to the cab driver, "Where are you from? I hear an accent. Are you from Puerto Rico? Are you from Nigeria? are you from Somalia? You don't happen to be a Christian, do you, or an orthodox Jew, because I am going to an abortion clinic to kill a baby in my womb. Does that give you a problem?"

Then the guy has a moment of conscience and pulls over and says, "Madam, I am sorry, you will have to get out of the car. I cannot be a part of this."

The type of syllogisms that this man set up were a disgrace. A beautiful bishop from Alabama, not used to the slippery methods of those more attuned to the camera and the popular media culture, is sitting there, and this went right by him, and he did not even straighten out that piece of twisted teaching. Not just Christian, Jewish, Islamic, any teaching.

Nobody tells you that you are not in grave mortal sin if you machine gun to death seven people. Yesterday I did a 5-minute in the well. I held up a stuffed animal, a cute little white seal from the ice flows off Canada, and said that we protect those little white seals in this Chamber. I am on that legislation. We do not nearly protect them, at that time in 1978, a more endangered species. The ugly little alligators down in Florida, they are making a booming comeback, because they have been on the endangered species list.

But people who like to make little white handmuffs or white furry hats or white fur coats out of these little seals that they kill in front of their mothers, all that is very sad, but I left out my punchline yesterday.

The seal does not have a soul. It is not immortal. The seal's essence of its life does not live for all of eternity. That is what every practicing loyal Jew believes. That is what every practicing loyal Christian believes, every Muslim, and in their own different states of animism and spirit worship, Buddhism, Confucianism, Shintoism. I am not an expert on those faiths, but I know there is a respect for life in those faiths.

But that little seal that we protect does not have a soul.

Then I held up this little anthropomorphic tiny little fetus, this little doll, that to my little 2-year-old, Haley Dornan, she was 2 years and 3 months old, she grabbed it and said, "My baby."

Her mother was pregnant then 6 months with Robert K. Owen Dornan, III, my eighth newest, Robert, III. She pats her monther's tummy and says, "Your baby," and she puts this actual little anthropomorphic medical model for teaching women what is inside their womb at the twelfth week, she puts it inside her little diaper, it was last summer, it was very warm, or the late spring, and she says, "My baby," and pats Teresa's tummy, my daughter-in-law, "Mommy's baby; my baby."

A 2-year-old knew that this was a baby. That is what it looks like. Twelve weeks.

But I forgot my punchline last night. One of my staffers, before she went off to have her first child with her husband named Junior, Michael Walsh, Jr., she said, "Why don't you call him Michael, after the guardian angel," both the Jewish and the Catholics think, the defender of God, the crusher of Satan.

I said, "That is a good name for little Michael here." You cannot tell his gender, because his legs are crossed, exactly as they are in the womb.

This is a very expensive little model. All the little ribs show. This little guy Michael, unless it is Michele, the heart began to beat between day 18 and day 21. There were brain waves at day 40. This is 3 months old.

This is what we kill 4,000 times a day, a million and a half a year. But we also kill these little Michaels and Micheles when they are twice the size. And there are about 6,000 that are killed in the seventh month when they are over 7 pounds, 7 to 9½ to 10 pounds, that could live easily outside the womb.

We have not had a conviction of an abortionist doctor who has strangled to death a child, like a case right at the edge of my district in Fountain Valley, CA, where the nurses testified, crying in court, that the doctor said, as he strangles this little 8-month-pregnant delivery of a live child, "I cannot get this son of a b.," the full word, trying to respect the decorum here, "I can't get this son of a b. to die."

Then they broke down crying, all the nurses that testified against him. Put it in a utility closet, until it cried itself to death.

You know what the jury verdict was? A 11 to 1, a hung jury. Our great district attorney then in 1974 or 1975, whenever it was, came back, after Roe versus Wade, and retried him. This time it was 9 to 3, so the State gave up.

At least he went through the embarrassing trial twice and kind of left the State. I understand he is performing abortions in Massachusetts, and he is a multi-multi-millionaire.

No, my punchline, folks, this little creature has a soul, a human mortal soul.

One of my Catholic colleagues, and I will be merciful and will not mention his name, a freshman, before I spoke the other day, I showed him the little seal and I showed him this little 12-week-old fetus. I am sorry to say, he cuddled the little seal, loved it, mentioned it to me today how cute it was. But he averted his gaze from this human being with an immortal soul, this model of a human being, and could not bring himself to look at it. He did not ask to see it.

You know what I found around here as I have carried this the last 3 months? Those who are proabortion, particularly the Catholics who claim I myself, am personally opposed, the hypocrite politician line. I know it is a human being with an immortal soul, brought into existence by God, with the parents as procreators, but I personally am not going to interfere with other people's choice, and if you want to kill it, I will help you with Federal money that I will take away from believing Jews and Christians, I will take the money away from them to kill these little guys.

I have found out that when I show this to people who are proabortion, they kind of cringe from it, unless it is those in this Chamber who believe none of us have souls.

They are the atheists. They never campaign as atheists. They cannot get elected in this country, yet, by proclaiming proudly you are an atheist. You can get elected by proclaiming you are a sodomite and engage in anal sex all the time. You will get elected. But not if you come right out boldly and say you don't believe in God. Even if you say I don't know whether it is true or not, I am an agnostic, you have a rough chance of getting elected. Those people will take and look at it. Yeah, that is interesting. That is a human being in early development. I admit we are killing life, but since none of us have souls, so what?

Those who say they are personally opposed, particularly my Catholic colleagues who have lost their faith, or defied the church on this particular teaching, they say, "I don't want to touch it. I don't want to see it." They just kind of recoil from it.

I want to point out something about people who are trying to bait the Catholic Church like this moron mayor of Alexandria, named James Moran. A good Irish name. Another Irish quizzling, Moran, Moran with these ugly proabortion commercials that he has now on television trying to fight with his church, and he hopes that he will be excommunicated, or that he will be denied communion before election day, to defy the church, and it is at least 3 weeks to election, and that is another matter.

□ 1950

I defy my church all of the time on politics. I am not some rubber stamp for the Catholic Church as a Congressman, but when my church tells me that slavery is evil, and intrinsically and inherently evil, I do not defy my church. When they tell me that killing a newborn infant, putting a knitting needle through its heart because it has Down's syndrome, or its heart is outside of its body, or it has spina bifida, when they tell me infanticide is wrong, I do not defy them.

When they get involved in the Panama Canal debate, then I will debate my church on the politics. The church position on the Panama Canal did not have much to do with saving our immortal souls, or teaching transcendent religious values. I went against my church's pastoral letter on Central America, because they did not know what they were talking about. I was talking to their Catholic hero priest, the humble Archbishop Obando y Bravo. I followed my conscience, and my bishops were wrong on Central America.

And when my bishop put out a pastoral letter endorsing Jimmy Carter, and Walter Mondale, and Michael Dukakis, the taxist type economics, I laughed at that pastoral letter, and I was ashamed for them, because there is not a hard-hitting pastoral letter on human life, or on slavery, or on infanticide. Where is the big hard-hitting pastoral on drug abuse, even puffing on your first marijuana cigarette, and how you destroy the temple of the Holy Spirit, and how you wreck yourself, and throw you existence back in God's face, and how you fry those brain cells in this beautiful God-given compartment called a brain. Where are those pastoral letters?

But when my bishops and priests try to tell me about women priests, the ultra-mundane argument of altar girls, and teaching that masturbation may be all right at Catholic University. I want to bring with me an envelope that I had here in my pockets from the Catholic Church, wanting me to give money to Catholic University of America, and I feel bad, but I just could not give any money to the Catholic University ever since they declared that Tom Harkin was Catholic of the Year a few years ago, and he is trying to ride back in the Senate on a proabortion platform, and he claims that he is a good and loyal Catholic. How can I help that Catholic University when it took them 21 years to fire Charles Curran, a so-called theologian, who is telling freshmen students exactly what they wanted to hear, that it is okay to masturbate, it is okay to

shack up with somebody as long as you have a little feeling, but that is all your own conscience, that is situational ethics, and do what you feel like, and if it feels good do it. Now he is at another theological school, hired by them, another Irish quizzling who has taken the soup offered by the British conquerors, and another betrayer, another informer of his Irish Catholic heritage, you know the one, that God, thank you God, small minority, Tim Healy, priest over here of Georgetown, who is now running the New York Public Library. What has that got to do with saving souls, Tim Healy, but that you would tell one of our most courageous colleagues that he was a loud-mouthed Congressmen. Do you know who he said that about? HENRY HYDE, HENRY HYDE who says that anybody who stands tall of any faith on these life issues today, will be welcomed to heaven by a chorus of little cherubs who have had the life snuffed out from inside of their mommies' wombs, and that they will sing. Some people will stand up tall, and give up their careers as did four courageous State Senators in Maryland, not all of them Catholics, but certainly all of them Christians trying to defend their belief. They all lost their seats, some of them to loud-mouthed, phony, fallen-away, cafeteria Catholics who follow the teachings of Curran and McBrian, and Healy when he called HYDE a loud-mouthed Catholic.

Now, I go against my church more often than not here because my church is spiritually off the reservation, sticking their nose into politics all of the time, squandering their spiritual currency of what they think, who are sworn to following Jesus's steps and to saving souls, and because they involve themselves in transitory, passing issues of politics and issues in this chamber, where none of us are going to know whether we are right or wrong on these material issues until we are dead. By squandering their currency, their voice is now being crushed out, as was said in the New York Wall Street Journal just 2 days ago, that the bishops have lost, that McBrian—I will never call him Father again until he is saved and redeems himself, McBrian, the so-called theology teacher at Our Lady's school, Notre Dame, says these bishops were medieval, and all the fight over life embarassed them, and thus, they are out of it, and I am glad, and let us press on. To what? Women priests telling college kids that masturbation is okay, telling college kids that they can shack up, it is OK, but use safe sex so that you do not pass around diseases. I will not listen to my church when it sticks its nose into politics, because more often than not they are being ultra-sophisticates, and they are trying to go along with the drift of the dominant media culture, because that is what they get interviews on, and they are being disloyal, sticking their nose in politics, when it is issues of faith, morals, and saving souls, that is where my church has gone suddenly silent. And then when it comes to bigotry like this, my clergy gets its face walked on.

Virgil Bloom, one of my heroes, formed a group 30 years ago, and I was proud to send money and join, called the Catholic League for Human and Civil Rights. Now they have changed the title, I think, just to the Catholic League for Human Rights because most civil rights battles have been won, and we are talking about quotas. So we have got bigotry, pockets of bigotry everywhere, and God knows there are enough voices, including idiots like David, and the Catholic League was supposed to be the antidefammation league of my faith. Where is it? Where is that group that is going on the pattern of the Knights of Columbus? What is the matter with you, Knights of Columbus? We are 2 years away from the 200th anniversary of Columbus bringing the word of Jesus to the New World. He also brought many thieves, and syphilis, and murderers along with him, but he also brought the word of Jesus, and where are you Knights of Columbus with defending your faith, letting members be propornography and proabortion instead of telling these members, quietly, that you are taking them off the rolls if they want to be propornography or proabortion, they can go ahead, but you will take them off the rolls. And what happens with Florio, the taxing champion of all American history as Governor? He tells the Knights of Columbus, "I am resigning from you, get lost." And that is what the church clergy deserves when they did not have the guts to kick him out. What are they good for, selling beer, throwing darts and selling insurance? Is that what the Knights of Columbus is all about?

I am about to resign publicly from the Knights, in this well, unless you, after this election, ask those Catholic politicians in both Houses who put the Knights of Columbus in their resumé as members of the fraternal order, and that they are Catholics so that the voters will know they are Catholics, unless you ask them, suggest privately at first that they get out of the Knights of Columbus, you are going to lose this Irish, 57-year-old grandfather of eight because the Knights of Columbus ought to stand for something.

So Mr. Speaker, I repeat, I am ready to do battle to defend my faith, because like St. Paul, no matter how many sins I have committed in my life, I want to be able to say, like Paul, I have run the race, I have fought the good fight, I have kept the faith, and I will try, in my stumbling way, to do my utmost, to stop this blasphemy in this country against my faith, and I am putting you on notice, CBS, NBC, ABC, and even I say with a broken heart, CNN, my favorite network.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. GRANDY (at the request of Mr. MICHEL), for after 2:30 today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WALKER) to revise and extend their remarks and include extraneous material:)

Mr. DORNAN of California, for 5 minutes, each day on October 20 and 22, in lieu of the 60 minutes each day on these days.

Mr. RITTER, for 60 minutes, today.

(The following Members (at the request of Mr. SISISKY) to revise and extend their remarks and include extraneous material:)

Mr. COYNE, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. OWENS of Utah, for 60 minutes, on October 23.

Mr. OWENS of New York, for 60 minutes, each day on October 20, 21, 22, 23, 24, 25, 26, and 27.

Mr. WISE, for 60 minutes, today.

(The following Member (at the request of Mr. WISE) to revise and extend his remarks and include extraneous material:)

Mr. OWENS of Utah, for 60 minutes, on October 23.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. WALKER) and to include extraneous matter:)

Mr. OXLEY.

Mr. MILLER of Ohio in three instances.

Mr. DORNAN of California.

Mr. FIELDS.

Mr. SOLOMON.

Mr. BEREUTER in two instances.

Mr. HILER.

Mr. COURTER.

Mrs. MORELLA.

Mr. BURTON of Indiana.

(The following Members (at the request of Mr. SISISKY) and to include extraneous matter:)

Mr. TORRES.

Mr. MORRISON of Connecticut.

Mr. YATRON.

Mr. ROE in two instances.

Mr. UDALL.

Mr. MATSUI.

Mr. SIKORSKI.
Mr. RUSSO.
Mr. KILDEE.
Mr. NOWAK.
Mr. ECKART.
Mr. RICHARDSON.
Mr. HOCHBRUECKNER.
Mr. LEVINE of California.
Mr. MFUME.
Mr. SKELTON in three instances.
Mr. TRAFICANT in two instances.
Mr. SOLARZ.
Mr. LEHMAN of Florida.

SENATE BILL AND CONCURRENT RESOLUTION REFERRED

A bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1918. An act to provide for Federal recognition of the Jena Band of Choctaws of Louisiana, and for other purposes; to the Committee on Interior and Insular Affairs.

S. Con. Res. 153. Concurrent resolution to acknowledge the 100th anniversary of the tragedy at Wounded Knee Creek, State of South Dakota, December 29, 1890, wherein soldiers of the United States Army 7th Cavalry killed and wounded approximately 350-375 Indian men, women, and children of Chief Big Foot's band of the Minneconjou Sioux, and to recognize the Year of Reconciliation declared by the State of South Dakota between the citizens of the State and the member bands of the Great Sioux Nation; to the Committee on Interior and Insular Affairs.

ENROLLED JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H.J. Res. 677. Joint resolution making further continuing appropriations for the fiscal year 1991, and for other purposes.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 2104. An act to amend the Civil Rights Act of 1964 to restore and strengthen civil rights laws that ban discrimination in employment, and for other purposes;

S. 2753. An act to revise and extend the Development Disabilities Assistance and Bill of Rights Act;

S. 3091. An act to amend the act incorporating the American Legion so as to redefine eligibility for membership therein;

S.J. Res. 323. Joint resolution designating November 11 through 17, 1990, as "Geography Awareness Week";

S.J. Res. 346. Joint resolution to designate October 20 through 28, 1990, as "National Red Ribbon Week for a Drug-Free America."

S.J. Res. 351. Joint resolution to designate the month of May 1991 as "National Trauma Awareness Month";

S.J. Res. 270. Joint resolution to designate the period commencing February 17, 1991, and ending February 23, 1991, as "National Visiting Nurse Associations Week";

S.J. Res. 347. Joint resolution designating April 7 through 13, 1991, as "National County Government Week";

S.J. Res. 353. Joint resolution to designate September of 1991 as "National Rice Month";

S.J. Res. 362. Joint resolution to designate the period commencing on November 18, 1990, and ending on November 24, 1990, as "National Adoption Week"; and

S.J. Res. 366. Joint resolution to designate March 30, as "National Doctors Day."

ADJOURNMENT

Mr. DORNAN of California. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 58 minutes p.m.), under its previous order, the House adjourned until tomorrow, Saturday, October 20, 1990, at 12 noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROE: Committee on Science, Space, and Technology. H.R. 1268. A bill to establish a national policy for the conservation of biological diversity; to support environmental research and training necessary for conservation and sustainable use of biotic natural resources; to establish mechanisms for carrying out the national policy and for coordinating related activities; and to facilitate the collection, synthesis, and dissemination of information necessary for these purposes; with an amendment (Rept. 101-901, Pt. 1). Order to be printed.

Mr. JONES of North Carolina: Committee on Merchant Marine and Fisheries. H.R. 2548. A bill to provide for the establishment of the Laguna de Santa Rosa National Wildlife Refuge in Sonoma County, California; with an amendment (Rept. 101-902). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5204. A bill to establish a tribal cattle herd pilot project, and for other purposes; with an amendment (Rept. 101-903). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 321. An act to revise provisions of law that provide a preference to Indians; with an amendment (Rept. 101-904). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on the Judiciary. House Joint Resolution 657. Joint resolution granting the consent of the Congress to amendments to the Delaware-New Jersey Compact, and for other purposes; with amendments (Rept. 101-905). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

H.R. 2647. The Committee on Ways and Means discharged; H.R. 2647 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WHITTEN:

H.R. 5870. A bill providing for the continued operation of the Government in the absence of appropriations, and for other purposes; to the Committee on Appropriations.

By Mr. HOPKINS:

H.R. 5871. A bill to amend the farm poundage quota provisions of section 319 (g), (h), and (i) of the Agricultural Adjustment Act of 1938, and for other purposes; to the Committee on Agriculture.

By Mr. CLAY:

H.R. 5872. A bill to amend title I of the Employee Retirement Income Security Act of 1974 to require qualifying employer securities to include interests in publicly traded partnerships; to the Committee on Education and Labor.

By Mr. BARTON of Texas:

H.R. 5873. A bill to provide limited extension for land treatment facilities for which there is pending a petition seeking to demonstrate that there will be no migration of hazardous constituents from the disposal unit; to the Committee on Energy and Commerce.

By Mr. COYNE:

H.R. 5874. A bill to amend the Internal Revenue Code of 1986 to increase the marginal tax rate for high-income taxpayers; to the Committee on Ways and Means.

By Mr. CRANE (for himself, Mr. ANNUNZIO, and Mr. HYDE):

H.R. 5875. A bill to transfer a portion of Fort Sheridan, IL, to the Department of Veterans Affairs for use as a national cemetary; jointly to the Committees on Armed Services and Veterans' Affairs.

By Mr. EDWARDS of California (for himself and Mr. FISH):

H.R. 5876. A bill to provide a Federal leadership role in the development of approaches to reduce community based tension at the local level; to the Committee on the Judiciary.

By Mr. HALL of Ohio:

H.R. 5877. A bill to provide for an automatic continuing appropriation for the U.S. Government; to the Committee on Appropriations.

By Mr. HEFLEY (for himself, Mr. UDALL, Mr. BROWN of California, Mr. STUMP, Mr. HANSEN, Mr. PICKETT, Mr. SCHAEFER, Mr. SISISKY, Mr. CAMPBELL of Colorado, Mr. KOLBE, Mr. RHODES, and Mr. BATEMAN):

H.R. 5878. A bill to amend the Federal Water Pollution Control Act to provide for the use of biomonitoring and whole effluent toxicity testing in connection with publicly owned treatment works, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. HOCHBRUECKNER:
H.R. 5879. A bill to amend title 38, United States Code, to revise the formula for payments to States for care furnished to veterans in State homes; to the Committee on Veterans' Affairs.

By Mr. MORRISON of Washington (for himself, Mrs. LLOYD, Mr. SCHIFF, Mr. CHANDLER, Mr. SKEEN, Mr. STALLINGS, and Mrs. VUCANOVICH):
H.R. 5880. A bill to authorize private sector participation in designing, constructing, owning, and operating facilities which support Department of Energy waste cleanup and modernization missions; to the Committee on Energy and Commerce.

By Ms. OAKAR:
H.R. 5881. A bill to create an incentive to attract private sector capital to the thrift industry, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SIKORSKI (for himself, Mr. MILLER of California, Mrs. BOXER, Mr. BATES, Mr. LEVINE of California, Mr. SCHEUER, Mr. FOGLIETTA, Mr. LIPINSKI, Mr. HOCHBRUECKNER, Mr. HAYES of Illinois, Mr. PERKINS, Mr. TOWNS, Mr. GEJDENSON, and Mr. VENTO):
H.R. 5882. A bill to entitle employees to family leave for attending school activities; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. FIELDS:
H.R. 5883. A bill to establish an Outer Continental Shelf revenue sharing fund from which coastal States shall receive block grants; jointly, to the Committees on Merchant Marine and Fisheries and Interior and Insular Affairs.

By Mr. BROOMFIELD (for himself, Mr. GILMAN, and Mr. BONIOR):
H. Con. Res. 385. Concurrent resolution expressing the sense of the Congress regarding human rights violations against the ethnic Albanian minority in southern Yugoslavia; to the Committee on Foreign Affairs.

By Mr. JOHNSON of South Dakota:
H. Con. Res. 386. Concurrent resolution to acknowledge the 100th anniversary of the tragedy of Wounded Knee Creek, State of South Dakota, December 29, 1890, wherein soldiers of the U.S. Army 7th Cavalry killed and wounded approximately 350 to 375 Indian men, women, children of Chief Big Foot's band of the Minneconjou Sioux, and to recognize the Year of Reconciliation declared by the State of South Dakota between the citizens of the State and the member bands of the Great Sioux Nation; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1221: Mrs. SMITH of Nebraska.
H.R. 1500: Mr. KASTENMEIER, Mr. PRICE, Mr. NOWAK, Mr. FEIGHAN, and Mr. DIXON.
H.R. 2025: Mr. MAVROULES.
H.R. 2460: Mr. FASCELL and Mr. ENGEL.
H.R. 2786: Mr. SOLARZ and Mr. PORTER.
H.R. 3099: Ms. PELOSI.
H.R. 3283: Mr. WILSON.
H.R. 3603: Mr. MINETA, Mr. COSTELLO, Mr. HASTERT, Mr. EMERSON, and Mr. MCCANDLESS.
H.R. 3936: Mr. SANGMEISTER and Mr. HAWKINS.
H.R. 4289: Mrs. SAIKI.
H.R. 4369: Mr. LIPINSKI.
H.R. 4690: Mr. MCGRATH and Mr. WOLPE.
H.R. 5306: Mr. ROSE, Mr. SMITH of Vermont, Mrs. UNSOELD, and Mr. WILLIAMS.
H.R. 5363: Mr. SKEEN, Mr. ORTIZ, Mr. BATES, Mr. TOWNS, Mr. UDALL, Mr. CHAPMAN, and Mr. MATSUI.
H.R. 5416: Mr. GRANDY and Mr. NIELSON of Utah.
H.R. 5551: Mr. RAHALL and Mr. MAZZOLI.
H.R. 5666: Mr. FAZIO.
H.R. 5672: Mr. SCHIFF and Mr. RICHARDSON.
H.R. 5724: Mr. LIPINSKI.
H.R. 5804: Mr. SCHIFF and Mr. LANCASTER.
H.R. 5827: Mr. CALLAHAN, Mr. LAFALCE, and Mr. RICHARDSON.
H.R. 5830: Mr. GUNDERSON.
H.R. 5861: Mr. GEPHARDT.
H.J. Res. 201: Mr. MILLER of Washington.
H.J. Res. 202: Mr. MILLER of Washington.
H.J. Res. 636: Mr. MILLER of California, Mr. MINETA, Mr. COLEMAN of Texas, Mr. WATKINS, Mr. WALSH, Mr. TAYLOR, Mr. BUNNING, Mr. MCMILLEN of Maryland, Mr. LAFALCE, Mr. SMITH of Texas, Mr. FORD of Tennessee, Mr. LENT, Mr. NOWAK, Mr. MARTIN of New York, Mr. CONTE, Mrs. BOGGS, Mr. GOSS, Mr. WISE, Mr. DELLUMS, Mr. PICKLE, Mr. SIKORSKI, Mr. WILSON, Mr. HANSEN, Mr. ROGERS, Mr. MATSUI, Mr. DONALD E. LUKENS, Mr. BROWN of Colorado, Mrs. VUCANOVICH, Mr. WOLF, Mr. DENNY SMITH, Mr. RHODES, Mr. BATEMAN, Mr. COX, Mr. VOLKMER, and Mr. SKELTON.
H.J. Res. 642: Mr. JONES of North Carolina.
H. Con. Res. 151: Mrs. BYRON.
H. Con. Res. 162: Mr. DENNY SMITH.
H. Con. Res. 378: Mr. WEISS.
H. Con. Res. 380: Mr. DONALD E. LUKENS and Mr. LIPINSKI.

SENATE—*Friday, October 19, 1990*

(Legislative day of Tuesday, October 2, 1990)

The Senate met at 10:45 a.m., on the expiration of the recess, and was called to order by the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Behold, how good and how pleasant it is for brethren to dwell together in unity!—Psalm 133:1.

Eternal God of love and peace, from whom all authority derives, it is awesome to think of the power of the United States Senate when 100 Members are united. It is profoundly disheartening when diversity degenerates to divisiveness. Thank Thee, Lord, that the Senate is a symbol of the unity and diversity of the Nation. In their role of advocacy, representing the needs of region, State, county, city, constituents, organizations, and institutions, the Senators are as diverse as the desires, needs, demands of a pluralistic society. In their role as leaders, they are advocates of the common good, the welfare of a whole people, the Nation and world peace.

Gracious Father, full of grace and truth, by Your power protect the Senate from fragmentation when advocacy transcends leadership. Enable the Senators to maintain the fine line between advocacy and leadership that the greatest good for the greatest number shall be realized.

In the name of our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, October 19, 1990.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOSEPH I. LIEBERMAN, a Senator from the State of Connecticut, to perform the duties of the Chair.

ROBERT C. BYRD.
President pro tempore.

Mr. LIEBERMAN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader is recognized.

THE JOURNAL

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. MITCHELL. Mr. President, at 11 o'clock this morning the Senate will, under the previous order, resume consideration of the Foreign Operations appropriations bill, legislation on which action was begun last week, but other matters were taken up while that was held in abeyance. I hope we can proceed to complete action on that measure today.

There remains for action by the Senate the Interior appropriations bill and the legislative appropriations bill. With respect to the latter, we are awaiting final House action. The Interior appropriations bill is ready for Senate action, and we hope that we will be able to proceed to both the Foreign Operations and the Interior bill today.

As all Senators know, the conference with respect to the reconciliation bill will begin shortly this morning.

We hope that we will be able to make good progress on that measure. It is my hope that the Senate will promptly proceed to complete action on the continuing resolution, which will extend the funding for the operations of Government through next week. Yesterday, a Presidential spokesman indicated that the President is prepared to sign such a measure, which has previously been enacted by the House of Representatives, providing there were, and I am paraphrasing now, a good-faith effort to proceed with respect to the budget.

Mr. President, I can think of no more good-faith effort than what has transpired on the floor of the Senate in the last 2 days. We have made a good-faith effort, and we are continuing to do so. As we know, the matters involved in the reconciliation bill are complex, and while we hope to proceed as promptly as possible to conference, obviously it is going to take some time, particularly given the differences in the measures passed by the respective Houses of Congress.

Accordingly, I strongly believe that there is no reason to delay on the continuing resolution, no reason to wait until the last minute and create anxiety and fear among many Americans as to whether or not the Government will continue operation through Wednesday. So I ask that we be able to proceed to the continuing resolution as soon as possible today so that we can get that matter behind us and concentrate all of our energy and effort on proceeding to complete action on the reconciliation conference and the remaining appropriations bills, and any other measures which will be appropriately before the Senate.

I thank my colleagues for their courtesy and patience, and I must say, stamina, in completing action on the budget reconciliation bill early this morning, after very lengthy debate and discussion. I look forward to prompt disposition of the measures to which I have earlier referred.

RESERVATION OF LEADER TIME

Mr. MITCHELL. I reserve the remainder of my leader time, and I reserve all of the leader time of the distinguished Republican leader.

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 677

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may at any time proceed to the consideration of House Joint Resolution 677, a joint resolution to continue appropriations and extend the debt limit through Wednesday, October 24.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. Mr. President, it is my hope we could do this shortly in the afternoon and the President will sign it. I think there is no request for a vote that I know of on either side. So it should not take but a few seconds.

I agree with the majority leader, we should get it done so we will not have to go through the nightly news "Will

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

the Government shut down or will it not?" We tried that.

It seems to me we are making progress. We have a tough conference starting at 11 o'clock or a little after. I just hope that all of us in working together now, as we have been doing in the past several months and for the next few days, can get some resolution of the budget problem and hopefully have enough votes to pass it on a bipartisan basis.

Mr. MITCHELL. Mr. President, let me say that I share those hopes, and we will be doing everything we can to achieve that objective.

I might say to the distinguished Republican leader at every step of the way we encounter a huge obstacle and with great difficulty overcome it only to find there is even a larger obstacle confronting us thereafter. I think that is clearly the case now. But we can take comfort in the knowledge that this may finally be the last huge obstacle, I hope very much we can overcome it.

I thank my colleague for the courtesy.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of morning business not to extend beyond 11 a.m.

Under the previous order, the Senator from Delaware is to be recognized for 10 minutes. I do not see him at this time.

Mr. GORE addressed the Chair.

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Tennessee [Mr. GORE].

CABLE TELEVISION

Mr. GORE. Mr. President, I rise today in great disappointment with the unsuccessful conclusion of our efforts to bring cable television legislation to the Senate floor this year. It is painfully clear that the White House, with its anticonsumer ideology, has successfully killed cable legislation for this Congress by forcing a number of our Republican colleagues to stand in the way of the legislation.

The White House action is not only a blatant and arrogant affront to the public. There is no question that this legislation would pass overwhelming, that only a handful of Senators would be willing to oppose the most important consumer legislation in this Congress.

Once again, the public has been Sununu-ed. Once again, consumers have been Bush-whacked. They have sabotaged the congressional efforts to obtain a fair deal for cable consumers.

It is obvious that they have never talked to a farm family in Tennessee or Kansas, or South Carolina, or Kentucky—a family that has been shut out by cable operators who are only interested in stifling any competition.

It is clear that the supposedly procompetition White House staff has never faced the CEO of a major cable operation who demands from program suppliers that no other technologies be allowed to sell in his monopoly franchise area.

Mr. President, it is clear that this White House has no sympathy for cable consumers who have seen their rates more than double in many communities, seen service decline, and their options nonexistent.

The fact is, this White House, like its predecessor, has yet to find a monopoly it does not love.

How did we get to this point today, with the cable legislation on its deathbed?

Four months ago the Senate Commerce Committee passed S. 1880 by a vote of 18 to 1. Three weeks ago the leader called this bill to the floor for action. However, advocates of the cable industry objected, and blocked floor consideration.

At that time I joined my colleague Senator DANFORTH and others in criticizing the industry for its hardball obstructionist tactics in denying the Senate an opportunity to pass the single most important consumer legislation in this Congress.

I have been deeply at odds with many executives of the major cable companies about several issues in this debate—skyrocketing rates and the anticompetitive behavior toward new technologies, to mention two. These concerns were not based on isolated anecdotes in Tennessee or any other limited location or sector of the industry. In fact, the problems were—and are—pervasive.

This is why the committee acted decisively in passing S. 1880 earlier this year—because, after 2 years and a dozen lengthy hearings it was obvious that the 1984 Cable Act was deeply flawed and needed a correction in course.

In a spirit of compromise, to advance legislation before this Congress adjourns, I worked with my colleague Senator WIRTH to craft an adjustment to S. 1880 to resolve the so-called exclusivity issue. A week ago we came to the floor to announce an agreement, in the hope that the bill could then move.

Mr. President, let me take a moment to point out to our colleagues why this issue of exclusivity is so important.

Contracts granting cable operators the exclusive right to distribute satellite-delivered video programing are inherently exclusionary and anticompetitive. They provide cable operators with the most effective means of excluding actual or potential rivals and thus maintaining their control over the retail price consumers pay for such programing.

Most cable operators face neither competition or rate regulation. As a result, they can determine virtually at will the price consumers must pay to access satellite programing. Development of alternative technologies for distributing satellite programing can substantially benefit consumers by exerting competitive pressure on cable operators and keeping retail prices in check. Such alternative technologies cannot be viable, however, unless they have access to programing comparable to that now provided over cable.

Exclusive video distribution contracts deny a vital input—indeed, the vital input—to actual or potential rivals of cable operators. Foreclosing the supply of this input is likely to discourage entry of potential rivals and could well force the few existing competitors to exit from the market.

A regulatory prohibition on most if not all exclusive satellite video distribution contracts is essential because the market cannot effectively curb anticompetitive effects. First, many programmers are already sister companies of major cable operators. Second, cable operators have the power to extract exclusive contracts from programmers even where such contracts are contrary to the programmers' own interests.

Under most circumstances, the cable system is an essential facility. Without access to it, the programmer may have no practical means of reaching consumers, given the limitations of presently available competing technologies. The cable operator determines: First, which programing services to offer on its system; second, which channel position any given programing service will occupy; third, what portion of its marketing budget, if any, will be devoted to advertising and promoting a programing service; and fourth, on which tier a programing service will be placed. All of these factors contribute to the size of the audience a programing service can reach, and audience size is the key to whether a programing service can survive. Through its manipulation of these conditions, the cable operator can severely punish any programmer who tries to hold out against the demand for exclusivity.

The risk of harm to consumers is particularly great at a time, such as now, when potential rivals to cable operators are struggling to gain a foothold. Few programmers, if any, would risk their existing cable revenue stream by denying exclusivity in exchange for distributing their programing to an untested competitor with little or no initial subscriber base. Given the high cost of entry and limited programing supply, it is unlikely that many new programing services

will emerge to feed these new distribution technologies. The result is a vicious circle: as exclusive contracts foreclose the potential sources of supply for fledgling competitors, it becomes harder and harder for new entrants to attract the substantial capital needed to develop new, often high-risk technologies. And as the prospects for success of these new entrants diminish, it becomes harder and harder for programming services to hold out against the cable operators' demands for exclusive contracts.

The consumer, in the end, will lose as services like CNN, TNT, HBO, Cinemax, Showtime, and MTV will only be available via cable.

To avoid further entrenching the cable operators' dominant position, video programming must be available to all distribution technologies, to present a reliably competitive alternative to cable, including high-powered DBS and telephone company through fiber optic networks.

The interests of consumers are best served when programmers are not forced to deal with any particular distributor. Consumers will then have multiple options from which to choose, and the availability of real alternatives to cable will ensure that cable operators set prices and provide services at competitive levels.

Mr. President, I want to also point out that not everyone in the cable industry worked through the back door of the White House to kill this bill. There were those who properly viewed this measure as a reasonable correction in course. These cable officials got behind the effort to forge a compromise and, in the process, took a great deal of heat from other major MSO executives for their willingness to even discuss a legislative proposal.

The willingness of these cable executives to seek a compromise represented leadership and, I believe, will be viewed favorably as the next Congress takes up a new cable bill.

Unfortunately, the White House has no interest in compromise. The White House, through several of our Republican colleagues, simply decided to kill the bill.

So today, we have no choice but to pronounce this legislation dead. The White House opponents to this consumer bill can enjoy only a very short-term victory, because tough, new legislation will be on this floor early next year. The administration may claim victory in this battle, but they will lose the war. The cable industry is not gaining supporters. It is cable consumers who are making new friends throughout the country and throughout this Congress, thanks in no small way to this administration's stonewalling on this issue. Next year, the cable industry will face stronger legislation with stronger, even more committed advocates. I predict yet another round of rate increases.

Again, I want to thank all of our colleagues who supported my bill and that of Senator DANFORTH. And, again, thank the chairmen of the Commerce Committee and the Communications Subcommittee for their cooperation in getting this bill to the floor. And, of course, Senator DANFORTH, who has been such a tireless ally for reason in this debate, for his personal leadership on cable legislation in this Congress.

I look foward to working with Senator DANFORTH and others to begin crafting new legislation for early introduction next year.

DISADVANTAGED MINORITY HEALTH IMPROVEMENT ACT OF 1990

Mr. KENNEDY. Mr. President, I am proud to speak on behalf of H.R. 5702, the Disadvantaged Minority Health Improvement Act of 1990, which the Senate passed by unanimous consent on October 16, 1990. This legislation addresses a growing crisis in the health status of disadvantaged minorities.

H.R. 5702 is the successor to S. 1606, the Disadvantaged Minority Health Improvement Act of 1989, which passed the Senate last November. The House companion bill to S. 1606, H.R. 3240, was introduced by Congressman STOKES, a leader on minority health issues. The new bill has been crafted through bipartisan discussions among members of the relevant House and Senate committees and the administration.

Concern about the health status of minorities has been escalating since publication of the 1986 Report of the Secretary's Task Force on Black and Minority Health. That report estimated that 60,000 minority deaths are excess deaths, that is, they would not have occured if death rates were the same for minorities as for nonminorities. In other words, 40% of all minority deaths might have been averted through prevention and earlier intervention.

Minority communities experience disproportionately high rates of disease and injury. For example, black Americans have consistently higher rates of heart disease, stroke, and cancer. They are almost twice as likely to die of diabetes than are white Americans. Only 62 percent of black women and 61 percent of Native American women received prenatal care during the first trimester of pregnancy. The infant mortality rate among black Americans is double that of whites.

Studies demonstrate that minority individuals who are educated as health professionals are more likely to practice in predominently minority and underserved communities than non-minorities. Yet minorities are underrepresented in the health professions. Black Americans comprise 12 percent of the population of the United States, but only 3 percent of physicians, and 6 percent of medical students. Hispanics comprise almost 8 percent of the population, but 4 percent of physicians and 5 percent of medical students. In nursing, dentistry and other health professions, disadvantaged minorities are similarly underrepresented.

A recent report by the Council on Graduate Medical Education concluded that minorities are underrepresented in medicine, yet noted that the minority applicant pool to medical school is decreasing. The council recommended that health professions schools develop early education intervention programs linked with public schools and community organizations, in order to increase the pool of qualified minority applicants. It was also recommended that funding priority be given to schools with demonstrated success in recruiting, enrolling and retaining underrepresented minority students. The report concluded that the Federal Government should encourage the training of minority health professionals by developing innovative loan, scholarship and loan forgiveness programs.

This legislation implements many of the recommendations of the Council on Graduate Medical Education. The bill recognizes the financial needs of disadvantaged individuals, including racial and ethnic minorities, in health professional education programs. It also fulfills a need for culturally and linguistically appropriate health information, enhances health services for residents of public housing, reauthorizes the community and migrant health center programs, and authorizes funding for scholarship programs to increase the supply of primary health care professionals in underserved communities.

Like S. 1606, H.R. 5702 establishes new authority and programs under the Public Health Service Act. Section 2 of this act authorizes the Office of Minority Health in the Office of the Assistant Secretary in the Department of Health and Human Services [DHHS]. The office is instructed to establish long and short term goals for improving the health status of disadvantaged individuals, including racial and ethnic minorities. It will coordinate health related activities in DHHS for disadvantaged minorities. The office will establish a minority health resource center, and will support research and demonstration models, including development of educational materials on health promotion, to increase health education and knowledge of health risk. It will coordinate efforts in the private sector to improve disadvantaged minority health status.

The Office of Minority Health will assist providers of primary care services to develop bilingual services, and will help to ensure that all services provided under its mandate are carried out in the appropriate language and cultural context. It is responsible for ensuring that information and services are equitably allocated among all groups served under this section. The Office of Minority Health is authorized to make grants and contracts in order to carry out its directives $25 million is authorized.

Section 3 expands the PHS Act to include a program to provide health services to residents of public housing. Through the Health Resources and Services Administration, grants will be made to provide primary health services, referrals and health education to such individuals. This Federal funding will be matched dollar for dollar at the State level. The residents of the public housing units will be involved in the planning process for these health centers, and an ongoing quality assurance program will ensure that services provided at these new locations provide a full range of prevention and referral services. $35 million is authorized for this new program.

Section 4 of the legislation expands the program for Centers of Excellence in Health Professions Education. The existing program provides funds to the historically black colleges and universities [HBCU's] in recognition of their commendable work in educating disadvantaged minority health professionals. The expanded program will provide support to other educational institutions that can demonstrate a similar commitment to educating disadvantaged minorities. Grant moneys will expand programs to improve academic performance, to recruit and retain minority students and faculty, and to improve the curricula and research agendas of schools with respect to minorities.

Grant funds will be distributed to schools which have a significant number of minorities enrolled, have assisted students in completing their educational programs, have successfully recruited minorities via such mechanisms as scholarships and loans or through linkages with secondary schools, and have made efforts to increase the number of minority faculty. A school which meets these criteria for either Black or Hispanic individuals may be designated a Center of Excellence in Minority Health Professions Education. With respect to Native American individuals, schools must also develop relationships with other institutions of higher education in order to facilitate pre-professional education. The health professions schools supported under this program are schools of medicine, dentistry and pharmacy.

In acknowledgment of the important role HBCU's have had in educating minority health professionals and in recognition of their relatively weak financial status, this legislation assures that the first $12 million appropriated under this section will be used to continue support for these schools.

Under section 5 of the bill, Federal capital contributions to the student loan fund program will be increased. Schools that receive these funds may make loans to disadvantaged minority students. To be eligible, schools must be carrying out programs for recruiting and retaining faculty and students from disadvantaged backgrounds, including ethnic and racial minorities. Schools must also agree to incorporate minority health issues into the academic curricula, to establish educational relationships with clinics that serve disadvantaged groups and with educational institutions which prepare disadvantaged students to enter the health professions, and to establish a mentor program for assisting disadvantaged students. These programs must be in place 1 year after receipt of funds, and must continue throughout the period of the student loan. Schools that have enrollment of underrepresented minorities above the national average for such health professions schools will be given special consideration for capital contributions. $15 million has been authorized for this loan fund.

An assistance program for students from disadvantaged backgrounds is created in section 6 of this act. Schools that have a program for recruiting and retaining students from disadvantaged backgrounds and minority faculty will receive scholarship grants. Scholarship preference will be given to students from disadvantaged backgrounds or for whom the cost of attending school is a severe financial hardship. Schools may also expend up to 25 percent of scholarship funds to facilitate undergraduate preprofessional education. Schools which receive scholarship funds must demonstrate their commitment to education of disadvantaged minorities through the academic programs and community relationships I mentioned earlier.

We have authorized $17 million for scholarships under this title. Eligible entities include schools of medicine, nursing, osteopathic medicine, dentistry, pharmacy, public health, and others. Schools that have enrollments of underrepresented minorities above the national average for such health professions schools will be given special consideration. Thirty percent of these funds will be set aside for nursing scholarships.

A new loan repayment program is established for graduates of health professions schools. This program will increase the number of full-time faculty at health professions schools who are from disadvantaged backgrounds. The Secretary will be able to contract with health professionals who agree to serve as faculty members in exchange for repayment of their educational loans up to $20,000 per year for a maximum of 4 years. Schools would be required to match the Federal contribution, unless granted a waiver.

In section 7, data requirements for the National Center for Health Statistics are revised. The center is directed to collect data on the health and disability status of specific ethnic and racial populations, in order to improve the quality of information available on the health needs of such groups.

Section 8 of this legislation is derived from an initiative advanced by Senator MITCHELL and Representative MADIGAN that would create community health professions scholarship demonstration programs. Funds will be provided to States, which will distribute them fairly between rural and urban health manpower shortage areas. In turn, these communities will provide health professions academic scholarships in exchange for a commitment to return to the community after graduation to provide primary health care services.

Section 9 reauthorizes the Community and Migrant Health Centers Program. It requires that centers which serve a substantial number of individuals who are of limited English-speaking ability provide services by personnel fluent in the language of those individuals.

Finally, the health needs of Pacific Islanders are addressed in section 10. This grant program targets residents of the Territory of Samoa, the Commonwealth of Northern Mariana Islands, the Territory of Guam, the Republic of the Marshall Islands, the Republic of Palau, and the Federated States of Micronesia. An advisory council consisting of representatives of organizations experienced in providing health services to residents of the Pacific Islands is established to make recommendations to the Secretary for priorities in Public Health Service funding.

I want to express my appreciation to all those who have made significant contributions to this legislation. First, I would like to thank Secretary of Health and Human Services Louis Sullivan, whose commitment to improving the health status of disadvantaged minorities has been unflagging. The administration's support has been critical to the success of this legislative initiative. Representatives WAXMAN, STOKES, and MADIGAN have been diligent in pursuing legislation to improve the health of disadvantaged minorities, and should also be commended. I especially want to thank Members of the Senate, particularly those who cosponsored S. 1606 and participated in

developing some of the programs in H.R. 5702, including Senators INOUYE, HATCH, METZENBAUM, DODD, SIMON, and SPECTER.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the time for morning business is closed.

ORDER OF PROCEDURE

Mr. WIRTH. Mr. President, I ask unanimous consent to speak as if in morning business for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WIRTH. Mr. President, last week Senator GORE and I announced an agreement we had reached on the program access/exclusivity provisions that were one of my major concerns with S. 1880, the Cable Television Consumer Protection Act of 1990. I appreciate the assistance and patience of the Senate Commerce Committee, particularly Senators HOLLINGS, INOUYE, and DANFORTH, in helping us resolve this issue. Senator GORE and I hope to offer our agreement as an amendment to S. 1880.

The amendment is designed to promote competition in the distribution of video programming. The agreement strikes a fair balance that requires the FCC to promulgate regulations to prohibit any vendor of nationally distributed video programming, in which a multichannel video system operator shares ownership affiliation, from unreasonably refusing to deal with any other multichannel video system operator. At the same time, the provisions of the amendment assure that multichannel video system operators will have the opportunity to compete with one another through exclusive distribution arrangements.

Under the amendment, vertically integrated video programming vendors are required to make their nationally distributed programming available to all cable systems, operators, and buying groups on similar prices, terms, and conditions. Differences in prices, terms, and conditions that reflect normal business practices are permitted. In addition, bona fide volume discounts may continue to be offered.

Finally, the amendment includes provisions to address C-band satellite programming. C-band satellites have brought television programming to areas that cable and broadcasters cannot now serve and are unlikely to be able to serve in the future. The amendment establishes a limited exception for C-band programming to the general Federal policy permitting exclusivity in television distribution. This exception is designed to ensure that rural Americans share fully in the growth and diversity of television programming.

To my knowledge, there are no objections to consideration of S. 1880 remaining on this side of the aisle. Apparently, however, there are still objections to the legislation on the minority side. Senator GORE and I have discussed and debated the issues of program access and exclusive contracts for several years. Important concessions were made on both sides. We were able to resolve some serious disagreements in order to see the important consumer provisions of S. 1880 pass. I encourage others with concerns about the legislation to make that same effort.

It is my hope that any serious problems remaining on the other side can be resolved in the very near future. Time is running short and if we are to enact cable legislation this year, we must act now.

Mr. President, I wanted to supplement the remarks of my distinguished colleague from Tennessee, Senator GORE, with whom I have enjoyed working over the last few weeks. After 10 years or nearly 10 years of skirmishing and sometimes open battles and occasional war over this issue, it is nice to know that accommodations can be reached. I thank him for his efforts on this legislation.

The Senator from Tennessee has pronounced the legislation dead and I am not sure that I understand why, and I want to go into that for a few minutes if I might.

I remember the drafting and passage of the 1984 Cable Act in which the final accommodation was reached between the distinguished senior Senator from Utah and myself and the Vice President's office right here off the Senate floor after everybody had declared the 1984 bill to be dead, how we went back to the House floor and it passed over there and came whipping through and became law, and that had been a great success.

The bill of 1984 has brought us extraordinary access to cable services around the country. Around 90 percent of the households in the United States now have access to cable and well over 50 percent, 55 or 56 percent are now subscribers. We have seen an explosion not only of access and subscription to cable but lots of those services. Those watching today are watching over C-SPAN II, a cable service.

We are all familiar with the CNN, which the President himself has said is a major provider of news and information and public affairs. We all watched Tianamen Square, watched what was going on in Central and Eastern Europe over CNN now run by a very distinguished journalist, Tom Johnson, who is the new CEO of that extraordinarily important service. Disney, HBO, Showtime become household products in the United States as has ESPN, another cable service, Disney Channel, the learning channel, bringing children programming not brought by any commercial network but children programming being brought to millions of American children as Nickelodeon.

I raise these numbers to say since 1984 we have seen an industry that truly has matured. We have seen an industry that is now spending tens of millions of dollars on programming to fill out the enormous promise of cable, and I believe we have just begun. Are there problems along the way? Of course, there are, and I think some of those problems are legitimately addressed in this legislation.

There have been various places, Mr. President, and you are familiar with that, and all my colleagues are familiar with that in which the local cable company has from time to time abused the structure. We have seen rates go up unusually rapidly. We have seen people take advantage of the franchise that is wrong and is addressed in this bill and should be. We have seen times where cable services have been neglected and the distinguished Senator from Vermont [Mr. LEAHY] spoke about that the other day, getting the cable company on the telephone you cannot get the answers after 2 or 3 hours, nothing happens and no change. And the cable industry, I believe, has recognized that and has now embarked upon a major effort to right the problems that existed with customer service; there are growing pains, yes, death knells, no. I think it very important that we address those issues and those are legitimate sides of the cable legislation.

There was a part of the cable legislation, however, that I did not believe was legitimate at all. And that was a fundamental attack upon programming program access, the ability to offer volume discounts for cable services, a variety of issues in the cable industry in the structure of the cable industry that had nothing at all to do with the rate and customer service problems. Those program access issues were aimed right at the head of the cable televison industry and in my opinion were not appropriate.

The cable television industry was the basic flat car of the rate and service issue. It was being used, I believe, by the other industries to go after this one that has been, since 1984, very successful. And it was upon that issue that, for the first time, as the majority leader tried to move the legislation, it foundered and it was upon that issue that the distinguished Senator from Tennessee and I were able to reach the compromise which has been much discussed and understood.

In doing so, I want to thank not only Senator GORE but Senator HOLLINGS

and Senator INOUYE for their extraordinary patience in all of this. I think they have been patient.

I think we have reached a very reasonable way of approaching this structure program access marketing set of issues that had troubled the Senator from Tennessee and others. We now have a piece of legislation in front of us which addresses the rate issues and the service issue as they should be addressed and addresses the access issue, what I would say is the structure of the industry issue, in a reasonable fashion. That is the Wirth-Gore compromise.

So why do we not go ahead? We have cleared this legislation on our side, Mr. President. We did what is called a hotline in which we call around to everybody's office and say is there objection to bringing up the legislation, and the answer was there was no objection. We called all of the offices on the Democratic side and cleared that. It is cleared entirely on the Democratic side to move ahead. So it is very clear that we would like to move ahead with a piece of legislation.

I now hope that we would get to a point where we could find out if there is objection on the other side or, if people on the other side are objecting on behalf of the White House, if that is the case, who is doing that objecting and why.

It is very difficult to deal with a piece of legislation, as Senator FOWLER said during the negotiations on the budget, it is very difficult to negotiate if you do not know who you are negotiating with. On the budget situation, are we negotiating with Congressman GINGRICH in the House? Are we negotiating with the Republican leader in the House or are we negotiating with the minority in the Senate? Are we negotiating with John Sununu or Dick Darman in the White House? Who speaks for the Republican Party? That has been enormously frustrating in budget negotiations.

It appears that we finally got it worked out by doing it the way it should be done right here in the U.S. Senate and the other body. We deal with our colleagues and work it out on the floor of the legislative body. Why do we not do the same sort of thing with this piece of legislation here? We have cleared it on the Democratic side. I think it would be useful to know where the objections are on the Republican side, if they are substantive objections or if they are objections being lodged through Members of the Senate from the White House.

It is not at all clear what the situation is. What is clear is that it is set to go over here and I would hope that in these last few days—and there are always more days to the end of the session than we would imagine—that we might be able to do so.

Finally, Mr. President, there have been some suggestions in the last few days that the industry itself does not want to have a piece of legislation. I would like to put in the RECORD, if I might, a letter dated October 15 from the President of the National Cable Television Association, Jim Mooney, who wrote to me saying:

Dear Tim:

I just wanted to drop you a note and offer my congratulations on your agreement with Senator Gore.

The new language is a reasonable compromise, and while we, of course, remain concerned over what other amendments may yet be offered, we hope the bill will go forward and a reasonable result can be achieved.

With best regards.

The industry wants to move ahead, Mr. President. We have a number of amendments. Though most of those have been agreed to, I understand, by the managers of the bill, there are a few amendments outstanding.

I know Senator METZENBAUM has an amendment to the Wirth-Gore agreement which he is prepared to offer.

Senator BRYAN told me he had a study amendment that he wants to offer.

It is my understanding the other amendments, at least those on the Democratic side, have all been submitted and it is my understanding all of the remaining ones have been either directly cleared or it was suggested that they would be acceptable.

So we are again ready to go. I would be very sorry if we did not use the opportunity of these last few days of the session. The last few days which are always ripe with opportunity for making progress and for getting a lot of things done—legislative sessions often wait until the last minute. People are looking off the abyss, deciding whether "Do I want to go over the abyss or do I want to act now?"

I think we should act now.

I thank the distinguished Presiding Officer for his interest and concern as well in this issue.

Mr. President, I ask unanimous consent that the letter I read earlier be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL CABLE TELEVISION ASSOCIATION,
Washington, DC, October 15, 1990.

Hon. TIMOTHY E. WIRTH,
U.S. Senate, Senate Russell Office Building, Washington, DC.

DEAR TIM: I just wanted to drop you a note and offer my congratulations on your agreement with Senator Gore.

The new language is a reasonable compromise, and while we, of course, remain concerned over what other amendments may yet be offered, we hope the bill will go forward and a reasonable result can be achieved.

With best regards.

Sincerely,

JAMES P. MOONEY.

Mr. GORE. Mr. President, I ask unanimous consent, with the indulgence of my colleagues, to speak in morning business for 1 minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. GORE. Mr. President, I would welcome a Lazarus-like revival of this bill, but unfortunately it is just not going to happen. I am told there are seven holds on the Republican side. The Republican leader will not even run a hotline because there are so many of them.

I recall when the late Generalissimo Franco lingered on his death bed for seemingly months upon months—and it is not my purpose to make light of that event—but I remember the masses of remaining supporters who hoped that he might yet be resuscitated and lead Spain once more. It did not happen, Mr. President. And this bill is not going to get up off its death bed this year. But next year it will—a new bill, a fresh start—because the people want it.

This industry has no competition and no regulation, and no industry in America ought to be in a position like that. So we will be back next year. It is unfortunately, dead this year. I wish it was not.

I welcome the chance to be proven wrong on this. It is not going to happen. The White House is against this. They have come through the back door to get Republican Senators to stop them. It is too bad. But we will be back in January.

The ACTING PRESIDENT pro tempore. Under the previous order, the time for morning business was to have expired.

The Chair recognizes the Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent that I be permitted to proceed as if in morning business for 10 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VIOLENCE AGAINST WOMEN ACT OF 1990

Mr. BIDEN. Mr. President, today the Judiciary Committee filed the report on the Violence Against Women Act of 1990, a bill I introduced last June and which the committee unanimously approved 2 weeks ago. This committee report, Mr. President, is a product of two hearings and countless hours of work by my fellow Senators on the Judiciary Committee and experts and interested persons in this area.

The report, Mr. President, documents a problem that desperately needs our attention—a growing crime epidemic that singles out one particu-

lar group of American citizens for devastation, and that is women in America.

The data found in this report that we are submitting today is staggering.

I would like the Chair to just consider a few facts and, as a former prosecutor, he is probably well aware of it.

The first is one out of every five American women, one out of five, will be raped during their lifetime. More women will be beaten by their husbands this year than will get married this year. Flight from domestic violence is the No. 1 reason why women are homeless in America.

Mr. President, no American woman is immune. Many fear abuse and attack every day, every hour. And, unfortunately, this report shows that the fears of these many women may very well be justified.

In this country, Mr. President, a woman is raped every 6 minutes; a woman is beaten every 15 seconds. This report not only documents the minute-by-minute and day-by-day violence against women, but it reveals a new and startling fact: A spiraling gender gap of violence. In every age group, in every single age group, the assault rate against women is rising twice as fast as the assault rate against men. And, in some age groups, Mr. President, the assault rates against women are rising five times as fast as the assault rate against men.

Young women are particularly at risk. While young women are being attacked today at a rate 50 percent greater than they were in 1974, young men are being attacked less often, by 12 percent, than occurred in 1974.

Quite frankly, Mr. President, it is appalling. The average age of a rape victim in America is 18½ years of age; A half-million girls now in high school will be raped before they graduate.

This is a national outrage, Mr. President, one that we have waited much too long to address, I might add, in large part because I suspect many of us did not know the extent of the devastation. Indeed, our committee's report shows the price that America has paid for waiting this long to attack the epidemic of crime against women today.

Today, a rapist is more likely to escape conviction for his crime than a car thief. The conviction rate for rapists has fallen 30 percent since the mid-sixties. We have built three times more animal shelters in America than we have built shelters for battered women. And there are still counties in this country where 200 rape complaints a year have gone unprosecuted.

In this city today, in 85 percent of the cases where a wife is physically injured and bleeding, police refuse to arrest the attackers who have beaten their wives. Not because the police are bad, I might add, Mr. President, but because they know that since the woman is intimidated, she is ultimately not going to press the charge. So out of frustration, in 85 percent of those cases, they do not bring a charge.

We need our very best legislative efforts to combat this serious problem, Mr. President. As the committee report explains, the Violence Against Women Act is "more comprehensive and more ambitious than any legislative response undertaken before to address violence against women."

Mr. President, among other things, the bill I have written, which was reported out unanimously—the bill we are preparing for the Senate floor today—first, creates a new offense and new penalties for rapists, and new legal protections for battered women.

It further provides desperately needed help for crime survivors. It takes aim at the kind of attitudes that nurture violence and it makes violent crime against women a major law enforcement priority, adding police, lighting, and prosecutors in the areas most dangerous to women.

Mr. President, if I can just cite one study, a Rhode Island study in the recent past shows this. They asked junior high school students: Does a man have a right to force sex on a women if he has spent $10 on her on a date? And 25 percent of the junior high school males said yes. And even more startling, 20 percent of the high school girls said yes.

Mr. President, we have an attitude problem about the role of women in America and the right of men. No right at all.

Most important, the Violence Against Woman Act takes a strong moral stand against the antiwoman hate crime that is underway in this country. This legislation takes a dramatic step, for which I acknowledge I have been criticized, a dramatic step forward by declaring that these crimes, violent crimes against women, only because they are women, are entitled to the most important kind of condemnation, beyond the criminal justice system we have, and that we as a society can possibly use. And that is a declaration that gender-based crimes against women violate their civil rights.

As one witness before our committee stated crimes motivated by gender not only assault individuals, "they assault a publicly shared ideal of equality."

As the committee report concludes, this act says for the first time that crimes motivated by gender are important enough to deserve Federal civil rights protection. All Americans, men and women, children and adults, young and old, are entitled to live free from the fear of crime. They have a basic right to live their lives without wondering if they can safely walk down the streets, safely ride a bus, safely stroll across a campus, safely go home at night, or safely live at home.

For half of Americans, this basic human right of living free of fear is now denied, and the legislation we report today takes a first step toward righting this wrong.

I hope my colleagues in the Senate will join my colleagues in the Judiciary Committee in supporting this legislation.

I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the time for morning business has expired.

Mr. KERREY. Mr. President, I ask unanimous consent to be able to proceed as in morning business for a period of 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE SAVINGS AND LOAN ISSUE

Mr. KERREY. Mr. President, I ask unanimous consent to have printed in the RECORD an article that appeared in this morning's New York Times by Stephen Labaton regarding the savings and loan issue.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SAVINGS BAILOUT MAY BE HINDERED BY POLITICAL IMPASSE OVER MONEY

(By Stephen Labaton)

WASHINGTON.—The Government bailout of the savings and loan industry may be forced to slow down substantially for lack of money because neither the Bush Adminsitration nor Congress wants to be seen as endorsing new spending for the effort right before the November elections.

The political stalemate centers on Congressional authorization for $40 billion in new money that the Administration has requested for the bailout program over the next 12 months.

Yet the maneuvering over the issue is less about the financing itself than about the timing and the public perception of the move shortly before Congressional elections. This is not a time that Republicans or Democrats want to be associated with the savings and loan issue. And they especially do not want to champion additional spending on a bailout that has been criticized as being slow, expensive and inefficient.

The agency handling the rescue, the Resolution Trust Corporation, is virtually out of cash. The delay in providing additional money threatens to bog down the process of seizing ailing savings and loans, paying depositors, and selling or closing the institutions. And delays could add to the price of the bailout, which including interest payments on the program's debt is estimated to cost as much as $500 billion over the next 30 years.

The political impasse over new financing for the rescue effort widened today, as the chairman of the House Banking Committee

abruptly canceled the second hearing in two days on the Administration request.

The chairman, Henry B. Gonzalez, told colleagues that he had canceled both proceedings because the Treasury Department had decided not to send any senior ranking officials to explain how the Administration plans to use the new funds and how the rescue effort has been faring so far.

No further hearings have been scheduled, and the Administration has remained adamantly opposed to sending a representative to Congress, saying that it has already provided in detail how much it is seeking for the current fiscal year, which began almost three weeks ago.

The wrangle over financing for the bailout is technically separate from the current debate over the Federal budget, since the costs of the rescue of the savings industry are not included in calculations of the Federal budget deficit. Still, both debates have been shaped by the election next month.

"With about 20 days to go before elections, there is certainly a lot of trepidation about the fallout of the savings and loan rescue," said Bruce F. Vento, a Minnesota Democrat who is a member of the Housing Banking Committee and the chairman of a panel overseeing Resolution Trust. "All sides know that anything that happens will cause a public backlash."

L. William Seidman, the chairman of Resolution Trust, said an impasse on the agency's budget would make it nearly impossible to sell or close 204 institution under Government control, resulting in an additional initial quarterly cost of the least $250 million to $300 million.

He said Resolution Trust was studying the costs of closer Government supervision, but not the seizure, of those institutions that failed to meet the Government's capital standards but were nonetheless not losing large amounts of money and were being properly managed.

DELAY COULD BACKFIRE

Congressional aides and industry lobbyists argued today that failure to provide new financing for the bailout effort could backfire. They drew parallels between the latest inability to raise new funds and the situation two years ago, when a failure to appropriate money for a bailout led to a series of savings and loan deals with private investors that are now expected to cost the Government more than $69 billion.

When those deals were executed, regulators had virtually no capital and, by some accounts, had to make the sales as attractive as possible to the buyers of the institutions.

Since the passage of a new financing measure is not in sight, saving and loan regulators have begun drawing up contingency plans to operate Resolution Trust without a fresh infusion of cash. The plans rely primarily on sales of the more than $165 billion in savings and loan assets held by Government, including securities, "junk bonds" and real estate.

But the sales will take time, and because less money will be available to Resolution Trust, it will be unable to sell or close any institutions, although it will still be able to seize and run those in the worst shape, Mr. Seidman said.

$57 BILLION AUTHORIZED

Last week, the Senate Banking Committee authorized $57 billion for the fiscal year for Resolution Trust: $40 billion to cover losses and $17 billion for reserves. But committee aides said that it was questionable whether legislation would reach the Senate floor before the recess.

Mr. Gonzalez, a Democrat of Texas, has demanded that Treasury Secretary Nicholas F. Brady explain to the committee why the Bush Administration is seeking $40 billion in additional money for the current fiscal year.

In a interview, Mr. Gonzalez said the failure of Mr. Brady or any other Treasury official to appear was "politically motivated."

"They want to slip this through without any real oversight," he said. "In my 29 years in Congress, I have never seen a request for authorization of funds—even requests much smaller than R.T.C.'s $40 'billion—without the accompaying willingness of an ageny or department head to defend the request in an open session."

IT'S THEIR RESPONSIBILITY

A spokeswoman for the Treasury Department, Desiree Tucker-Sorini, said that while the Administration had no intention of sending an official to a hearing, senior officials would be available for questions by any members of the House Banking Committee.

"There is no reason that the committee should not act," she said. "It's their responsibility to keep the process moving."

Acknowledging that a committee vote on financing the bailout could be close, Mr. Gonzalez said in a letter to committee members that legislation would "more likely be successful" if the committee had an opportunity to question Mr. Brady.

Mr. KERREY. Mr. President, this is a very disturbing article. It essentially says this Congress will end without providing the resources necessary to resolve many of the savings and loan problems that we have in this country.

William Seidman said without this money, we will probably have another $250 to $300 million in costs. They have too many institutions, we will not be able to resolve. The amount estimated that we need by the Department of the Treasury was about $40 billion for losses next year; $17 billion for operating capital; and a magic phrase called "such sums as necessary" to provide money for the 1988 deals.

This is a significant item for a number of reasons. Not only are we going to add additional taxpayer costs by not appropriating, but it exposes again the unwillingness of the administration to deal with this matter in a straightforward fashion. The administration has insisted upon controlling all the information in this process and revealing only such information as they think appropriate to Members of Congress.

I call the attention of my colleagues to what we have just done last night. We have ended a bitter fight to make real reductions in spending, a bitter fight to generate additional revenue to do something about this deficit. What the administration has on the table is a requirement for another $57 billion minimum for next year, and that does not include "such sums as necessary" for the 1988 deals.

I point out to my colleagues the article says the administration would not send a senior member of Treasury, and preferably Treasury Secretary Brady up to the Banking Committee of the House of Representatives to explain how the money is going to be spent. The Senate Banking Committee has been requesting the administration to provide that information. They finally got a letter on the 10th of October.

Mr. President, I ask unanimous consent the letter from the Secretary of the Treasury also be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, October 10, 1990.

Hon. DONALD W. RIEGLE, Jr.
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Resolution Trust Corporation (RTC) has submitted a proposed operating plan projecting that RTC case resolutions will virtually cease within the next two months unless additional funds are provided and RTC borrowing authority is clarified. Accordingly, we repeat our request that Congress address both of these constraints before it adjourns in order to avoid an interruption of RTC operations. This request is fully consistent with the Budget Resolution, which assumes sufficient funding for RTC resolutions and which recognizes that RTC spending is a mandatory federal obligation. The request is also consistent with earlier requests made since last May in testimony before Committees of both Houses. As the end of the session draws near, the public interest requires that we proceed in a bipartisan manner to assure that the RTC can continue with its important work.

ADDITIONAL FUNDING

The RTC projects that it will use nearly all—about $49 billion—of the $50 billion in loss funds provided by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) by the end of this calendar year (this assumes resolution of the borrowing cap issue, discussed below). As we have indicated in recent testimony and correspondence, there are several acceptable approaches to providing additional funds.

While one appropriate method would be a permanent, indefinite appropriation—which recognizes the mandatory character of RTC spending—we understand that Congress may be more inclined to provide interim funding for some or all of fiscal year 1991. As we have stated previously, we would support such an interim approach. Forty billion dollars in appropriations beyond current authorized spending should be sufficient to fund the losses in RTC case resolutions through the end of fiscal year 1981, and is consistent with RTC Chairman Seidman's recent testimony.

THE BORROWING CAP

The RTC's second constraint is the limitation on RTC borrowing for working capital (the "borrowing cap"). The current RTC interpretation of the cap requires the RTC to set aside a reserve equal to 15 percent of outstanding borrowings, even though the borrowings must be fully backed with RTC assets marked to fair market value. This reserve cannot be spent to resolve losses in failed thrifts. Consequently, the RTC would

be forced to cease operations in the next two months, in the absence of Congressional action, even though it will still have over $10 billion of the $50 billion in loss funds provided in FIRREA.

This problem must be addressed, or the borrowing cap will continue to prematurely halt RTC operations before additional loss funds authorized by Congress are spent. There are two potential solutions.

First, Congress could provide additional funds to be used as the 15 percent reserve. These extra funds could not be spent, and would therefore constitute a kind of "sterile reserve." As a result, for the full fiscal year 1991, this option would require an additional $17 billion appropriation for the sterile reserve above and beyond the $40 billion appropriation necessary to pay for RTC losses.

Second, Congress could eliminate the 15 percent reserve, while still including strict safeguards to ensure that all RTC borrowing is backed by RTC assets. We believe this is the better way to proceed, because the effect on RTC spending would be exactly the same as the first option, but would not require a substantial additional appropriation that will not be spent.

Finally, as you know, the General Accounting Office has issued a report concluding that the literal language of the borrowing cap allows the RTC to spend the reserve to resolve losses in failed thrifts, notwithstanding the current RTC interpretation. This literal interpretation would also require no additional appropriations beyond those required to pay for actual losses.

CONCLUSION

In sum, to prevent a termination of RTC case resolutions, Congress must provide additional RTC funds and address the borrowing cap issue before it adjourns.

Sincerely,

NICK BRADY.

Mr. KERREY. The letter, Mr. President, is essentially a letter that covers them. That will be used as cover. Again I urge my colleagues to consider what is going to happen. What is going to happen is this. The administration is going to hold this letter up and say: We asked Congress for money. We asked Congress for money, but they did not give us the money. And because they did not give us the money, this thing costs more.

It is not true, Mr. President. They have not come to Congress and asked for the money. A letter is not enough for a $57 billion minimum spending program. You have to come to Congress to sell that program, and they have not done it.

The American people, I think, are growing weary of this savings and loan rescue program, and in particular, Mr. President, they are growing weary of getting additional information released to them about the size of this thing and how it is growing.

They are angry about having to pay the cost. My suspicions are they are willing to pay the costs, but they have to be sold and they have to believe it is fair. Right now, that has not occurred.

The administration's letter of October 10 requesting money is not enough. It is not enough, Mr. President. The administration has not fulfilled their responsibilities, and it will not work in a year or 2 years from now, to hold up a letter and say: See, we asked for the money.

They refused to send a senior member from the Treasury Department to the House Banking Committee to testify and explain how that money was going to be spent; $57 billion, and they will not send somebody to Congress to explain how it is going to be spent. They send an Under Secretary, Mr. Glauber, to the Senate Banking Committee because Secretary Brady's schedule was busy for a $57 billion spending program. His schedule is too busy to come to Congress to explain the details of how that money is going to be spent.

Mr. President, the executive branch has not fulfilled their responsibility. The letter they have sent to Congress saying that they have asked for the money simply falls way short—way short, Mr. President—of the mark. The taxpayers of the United States of America will spend more money on the savings and loan problem because of the administration's failure to come to the American people and to come to the peoples' representatives in Congress to explain what it is they want, and why it is they want this money.

Mr. President, I earlier made remarks concerning the S&L problem. I simply ask unanimous consent that a letter from Treasury Secretary Brady to the chairman of the Banking Committee, and indirectly to all Members of the Congress as well, be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, October 12, 1990.

Hon. DONALD RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I understand that the Banking Committee is scheduled to consider legislation to provide necessary additional funding for the Resolution Trust Corporation. You and Senator Garn are to be commended for moving ahead in this fashion.

Let there be no confusion among the members of your Committee or your colleagues in Congress about my position on providing additional resources to the RTC: Congress must act this year. As you know, since May I have advised your Committee and the House Committee of this imperative. The Banking Committee markup is the first step in this process.

Thank you for your leadership and cooperation in this important effort.

Sincerely,

NICK BRADY.

Mr. KERREY. Mr. President, I yield the floor and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

Mr. LEAHY. Mr. President, I ask unanimous consent that there be a period for morning business, with Senators permitted to speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SANITARY FOOD TRANSPORTATION ACT

Mr. LEAHY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3386.

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3386) entitled "An Act to prohibit the use of refrigerated motor vehicles for the transportation of solid waste, to prohibit the use of cargo tanks in providing motor vehicle transportation of food and nonfood products, and for other purposes," with the following amendments:

In lieu of the matter inserted by said amendment, insert:

That, upon the adoption of this resolution, the bill (H.R. 3386) to prohibit the use of refrigerated motor vehicles for the transportation of solid waste, to prohibit the use of cargo tanks in providing motor vehicle transportation of food and nonfood products, and for other purposes, be, and the same is hereby, taken from the Speaker's table to the end that the Senate amendment to the text of the bill be, and the same is hereby, agreed to with the following amendments:

In lieu of the matter proposed to be inserted by the Senate, insert as an amendment in the nature of a substitute the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sanitary Food Transportation Act of 1990".

SEC. 2. FINDINGS.

Congress finds that—

(1) Americans are entitled to receive food and other consumer products that are not made unsafe as a result of certain transportation practices;

(2) the American public is threatened by the transportation of products potentially harmful to consumers in motor vehicles and rail vehicles which are used to transport food and other consumer products; and

(3) the risk posed to consumers by such transportation practices are unnecessary, and such practices must be terminated.

SEC. 3. DEFINITIONS.

As used in this Act—

(1) FOOD, FOOD ADDITIVES, DRUGS, DEVICES, OR COSMETICS.—The terms "food", "food additives", "drugs", "devices", and "cosmetics" have the meanings given to them by section

201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(2) NONFOOD PRODUCT.—The term "nonfood product" means any material, substance, or product (including refuse, and solid waste, as such term is defined in section 1004 of the Solid Waste Disposal Act (42 U.S.C. 6903)) which (except as provided under section 4(a)(2)) is not a food, food additive, drug, device, or cosmetic. Such term includes any class of such materials, substances, or products.

(3) REFUSE.—The term "refuse" means any discarded material to be transported to or disposed of in a landfill or incinerator, or required by law to be transported to or disposed of in a landfill or incinerator, or required by law to be transported to or disposed of in a landfill or incinerator.

(4) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

(5) STATE.—The term "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, American Samoa, Guam, and any other territory or possession of the United States.

(6) TRANSPORTS OR TRANSPORTATION.—The term "transports" or "transportation" means any movement of property in commerce (including intrastate commerce) by motor vehicle or rail vehicle.

(7) UNITED STATES.—The term "United States" means all of the States.

SEC. 4. REGULATIONS.

(a) IN GENERAL.—

(1) RESPONSIBILITY OF SECRETARY.—In accordance with this Act, the Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, shall issue regulations, pursuant to a rulemaking proceeding, with respect to the transportation of food, food additives, drugs, devices, and cosmetics in motor vehicles and rail vehicles which are used to transport either refuse or other nonfood products which, when so transported, would make such food, food additives, drugs, devices, or cosmetics unsafe to the health of humans or animals.

(2) TREATMENT AS NONFOOD PRODUCTS.—If a drug, device, or cosmetic is transported in a motor or rail vehicle at the same time or before a food or food additive is transported in such vehicle, the Secretary shall treat such drug, device, or cosmetic as a nonfood product if such transportation would make such food or food additive unsafe to the health of humans or animals.

(b) SPECIAL REQUIREMENTS.—In issuing regulations under subsection (a)(1), the Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, shall establish standards, requirements, and other provisions relating to—

(1) appropriate recordkeeping, identification, marking, certification, or other means of verification required to promote compliance with the requirements of sections 5, 6, and 7;

(2) appropriate decontamination, removal, disposal, and isolation standards with respect to regulations implementing sections 5 and 6; and

(3) appropriate materials for construction of tank trucks, rail tank cars, cargo tanks, and accessory equipment to comply with regulations implementing section 5.

(c) CONSIDERATIONS.—In issuing regulations under subsection (a)(1), the Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, shall consider each of the following and may establish standards, requirements, or other provisions relating to any or all of the following:

(1) The extent to which packaging or similar means of protecting and isolating commodities are adequate to ameliorate or eliminate the potential risks of transporting food, food additives, drugs, devices, or cosmetics in motor vehicles or rail vehicles used to transport nonfood products. In packaging standards are found to be adequate by the Secretary, regulations issued under subsection (a)(1) shall not apply to food, food additives, drugs, devices, or cosmetics or nonfood products which are packaged in packages which meet such standards.

(2) Appropriate compliance and enforcement measures for carrying out this Act.

(3) Appropriate minimum insurance or other liability requirements for any person covered by this Act.

(d) DEADLINES.—The rulemaking proceeding referred to in subsection (a)(1) shall be initiated within 30 days after the date of enactment of this Act. The regulations referred to in subsection (a)(1) shall be issued within 270 days after such date of enactment.

SEC. 5. TANK TRUCKS, RAIL TANK CARS, AND CARGO TANKS.

(a) PROHIBITION.—At a minimum, the regulations issued under section 4(a)(1) shall prohibit any person from using, offering for use, or arranging for the use of a tank truck, rail tank car, or cargo tank used in motor vehicle transportation or rail transportation of food, food additives, drugs, devices, or cosmetics, if such tank truck, rail tank car, or cargo tank is used to transport a nonfood product (other than any nonfood product which is included on a list published under subsection (b)).

(b) LIST OF ACCEPTABLE NONFOOD PRODUCTS.—The Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, shall publish in the Federal Register a list of nonfood products which the Secretary has determined do not make food, food additives, drugs, devices, or cosmetics unsafe to the health of humans or animals as a result of transportation in a tank truck, rail tank car, or cargo tank which is used to transport food, food additives, drugs, devices, or cosmetics. The Secretary may periodically amend such list by publication in the Federal Register.

(c) IDENTIFICATION.—The regulations issued under section 4(a)(1) shall, at a minimum, provide that—

(1) no person shall use, offer for use, or arrange for the use of a tank truck or a cargo tank to provide motor vehicle transportation of only food, food additives, drugs, devices, or cosmetics or nonfood products which are included on the list published under subsection (b) unless such tank truck or cargo tank is identified, by a permanent marking on such tank truck or cargo tank, as transporting such food, food additives, drugs, devices, or cosmetics or nonfood products;

(2) no person shall use, offer for use, or arrange for the use of a tank truck or a cargo tank to provide motor vehicle transportation of a nonfood product which is not included on the list published under subsection (b) if such tank truck or cargo tank is identified pursuant to paragraph (1) as a tank truck or cargo tank transporting only food, food additives, drugs, devices, or cosmetics and nonfood products included on such a list; and

(3) no person shall receive, except for lawful disposal purposes, any food, food additive, drug, device, or cosmetic or nonfood product which has been transported in a tank truck or cargo tank in violation of paragraph (1) or (2).

(d) DISCLOSURE.—Any person who arranges for the use of a tank truck or a cargo tank used in motor vehicle transportation for the transportation of a food, food additive, drug, device, or cosmetic or nonfood product shall in making such arrangement disclose to the motor carrier or other appropriate person if the food, food additive, drug, device, or cosmetic or nonfood product being transported is to be used—

(1) as, or in the preparation of, a food or food additive, or

(2) as a nonfood product which is included in the list published under subsection (b).

SEC. 6. MOTOR AND RAIL TRANSPORTATION OF NONFOOD PRODUCTS.

(a) PROHIBITION.—At a minimum, the regulations issued under section 4(a)(1) shall prohibit any person from using, offering for use, or arranging for the use of a motor vehicle or a rail vehicle, other than a tank truck, rail tank car, or cargo tank described in section 5, to provide transportation of food, food additives, drugs, devices, or cosmetics, if such vehicle is used to transport nonfood products included on a list published under subsection (b).

(b) LIST OF UNACCEPTABLE NONFOOD PRODUCTS.—

(b) PUBLICATION.—The Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, shall publish in the Federal Register a list of nonfood products which the Secretary has determined would make food, food additives, drugs, devices, or cosmetics unsafe to the health of humans or animals as a result of transportation in a motor vehicle or rail vehicle which is used to transport food, food additives, drugs, devices, or cosmetics. The Secretary may periodically amend the list by publication in the Federal Register.

(2) CARDBOARD, PALLETS, BEVERAGE CONTAINERS, AND OTHER FOOD PACKAGING.—The list published under paragraph (1) shall not include cardboard, pallets, beverage containers, and other food packaging except to the extent the Secretary determines that the transportation of cardboard, pallets, beverage containers, or other food packaging in a motor vehicle or rail vehicle which is used to transport food, food additives, drugs, devices, or cosmetics would make the food, food additives, drugs, devices, or cosmetics unsafe to the health of humans or animals.

SEC. 7. DEDICATED VEHICLES.

At a minimum, the regulations issued under section 4(a)(1) shall prohibit any person from using, offering for use, or arranging for the use of a motor vehicle or rail vehicle to provide transportation of asbestos, in forms or quantities determined by the Secretary to be necessary, or of products which present an extreme danger to human or animal health, despite any decontamination, removal, disposal, packaging, or other isolation procedures, unless such motor vehicle or rail vehicle is used only to provide transportation of one or more of the following: asbestos, such extremely danger-

ous products, refuse. The Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, shall publish in the Federal Register a list of the products covered by this section. The Secretary may periodically amend such list by publication in the Federal Register.

SEC. 8. WAIVER AUTHORITY.

The Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, and the Administrator of the Environmental Protection Agency, may waive, in whole or in part, application of any provision of this Act or any regulations issued under this Act with respect to any class of persons, class of motor vehicles, class of rail vehicles, class of food, food additives, drugs, devices, or cosmetics, class of refuse, or class or nonfood products, if the Secretary determines that such waiver would not result in transportation of food, food additives, drugs, devices, or cosmetics that would be unsafe to human or animal health and otherwise is not contrary to the public interest and this Act. Any waiver under this section shall be published in the Federal Register, together with the reasons for such waiver.

SEC. 9. FOOD TRANSPORTATION INSPECTIONS.

(a) INSPECTION AUTHORITY.—With respect to commercial motor vehicles, the Secretary may carry out the requirements of this Act and assist in carrying out compatible State laws and regulations through means that include inspections conducted by State employees which are funded with money authorized under sections 402 through 404 of the Surface Transportation Assistance Act of 1982 (49 U.S.C. App. 2302-2304) to carry out the motor carrier safety assistance program, if the recipient States agree to assist in the enforcement of this Act or are enforcing compatible State laws and regulations.

(b) ASSISTANCE OF OTHER AGENCIES.—Upon request by the Secretary, the Secretary of Health and Human Services, the Administrator of the Environmental Protection Agency, and the heads of other appropriate Federal agencies shall provide assistance, to the extent such assistance is available, to the Secretary for the purpose of carrying out this Act, including assistance in the training of personnel under a program established under subsection (c).

(c) TRAINING PROGRAM.—The Secretary, in consultation with the Secretary of Agriculture, the Secretary of Health and Human Services, the Administrator of the Environmental Protection agency, and the heads of appropriate State transportation and food safety agencies, shall develop and carry out a training program for inspectors to conduct vigorous enforcement of this Act and regulations issued under this Act or compatible State laws and regulations. As part of such training program, the inspectors, including State inspectors or personnel paid with funds under the motor carrier safety assistance program, shall be trained in the recognition of adulteration problems associated with the transportation of food, food additives, drugs, devices, and cosmetics and in the procedures for securing the assistance of the appropriate Federal and State agencies to support such enforcement.

SEC. 10. POWERS AND DUTIES OF THE SECRETARY.

The Secretary shall have the same powers, duties, and authorities under this Act with respect to transportation regulated under this Act as the Secretary has under section 109 (other than subsections (c)(1), (d), and (e) of such section) of the Hazardous Materials Transportation Act (49 U.S.C. App. 1801 et seq.) with respect to transportation regulated under such Act.

SEC. 11. VIOLATIONS, PENALTIES, AND SPECIFIC RELIEF.

(a) VIOLATIONS, PENALTIES.—Civil and criminal violations of regulations or orders issued under this Act shall be determined, and civil and criminal penalties for such violations shall be imposed, in the same manner and to the same extent that violations are determined and penalties are imposed under section 110 of the Hazardous Materials Transportation Act (49 U.S.C. App. 1809).

(b) EQUITABLE RELIEF.—The Secretary shall request equitable relief and take action to eliminate or ameliorate an imminent hazard with respect to any violation of regulations issued under this Act, or of an order issued under this Act, in the same manner and to the same extent that the Secretary is authorized to take under section 111 of the Hazardous Materials Transportation Act (49 U.S.C. App. 1810).

SEC. 12. RELATIONSHIP TO OTHER LAWS.

The provisions of the Hazardous Materials Transportation Act (49 U.S.C. App. 1801 et seq.) relating to the relationship of that Act to a law, regulation, order, ruling, provision, or other requirement of a State or political subdivision thereof or of an Indian tribe shall apply with respect to the relationship of this Act to a law, regulation, order, ruling, provision, or other requirement of a State or political subdivision thereof or of an Indian tribe which concerns a subject covered under this Act.

SEC. 13. COORDINATION PROCEDURES.

Not later than 1 year after the date of enactment of this Act, the Secretary, after consultation with appropriate State officials, shall establish procedures to promote more effective coordination between the agencies of the United States and agencies of the States with regulatory authority over motor carrier safety and railroad safety with respect to implementation and enforcement of this Act.

SEC. 14. APPLICABILITY.

This Act shall take effect on the date of enactment of this Act, except that sections 11 and 12 shall only apply to transportation occurring on or after the date that regulations issued under section 4(a)(1) take effect.

SEC. 15. MOTOR CARRIER SAFETY.

(a) SHORT TITLE.—This section may be cited as the "Motor Carrier Safety Act of 1990".

(b) MOTOR CARRIER SAFETY RATINGS.—

(1) AMENDMENT.—The Hazardous Materials Transportation Act (49 U.S.C. App. 1801 et seq.) is amended by adding at the end the following new section:

"SEC. 117. UNSATISFACTORY SAFETY RATINGS.

"(a) PROHIBITION ON TRANSPORTATION.—Effective January 1, 1991, if a motor carrier receives a safety rating from the Secretary which is unsatisfactory, such motor carrier shall have 45 days to take such action as may be necessary to improve such safety rating to conditional or satisfactory. After the last day of such 45-day period, if such motor carrier has not received a safety rating from the Secretary which is conditional or satisfactory, such motor carrier shall not operate a commercial motor vehicle (as defined in section 204(1) of the Motor Carrier Safety Act of 1984)—

"(1) to provide transportation of hazardous materials for which placarding of motor vehicles is required in accordance with the regulations issued under this title, or

"(2) to transport more than 15 passengers, including the driver,

until such motor carrier has received such a safety rating from the Secretary.

"(b) REVIEW OF RATING.—If a motor carrier who has received an unsatisfactory safety rating from the Secretary requests the Secretary to review the conditions and other factors which resulted in such motor carrier receiving the unsatisfactory safety rating, the Secretary shall conduct such review within 30 days after the date of such request.

"(c) PROHIBITION ON FEDERAL AGENCY USE.—No Federal agency may use a motor carrier who has an unsatisfactory safety rating from the Secretary—

"(1) to provide transportation of hazardous materials for which placarding of motor vehicles is required in accordance with the regulations issued under this title, or

"(2) to transport more than 15 passengers, including the driver.".

(2) PUBLIC AVAILABILITY OF SAFETY RATINGS.—Not later than 1 year after the date of enactment of this Act, the Secretary, in consultation with the Interstate Commerce Commission, shall issue a final rule amending the Federal motor carrier safety regulations contained in subchapter B of chapter III of title 49, Code of Federal Regulations, to establish a system to make readily available to the public, and to periodically update, the safety ratings of motor carriers which have been assigned unsatisfactory safety ratings by the Secretary.

(c) IMMINENT HAZARDS TO SAFETY.—Not later than January 1 of 1992 and 1993, the Secretary shall submit to Congress a report describing the actions taken under section 521(b)(5) of title 49, United States Code, with respect to any violation, or combination of violations, that poses an imminent hazard to safety.

(d) PROCEDURES TO ENSURE TIMELY CORRECTION OF SAFETY VIOLATIONS.—

(1) ISSUANCE OF FINAL RULE.—The Secretary shall, within 9 months after the date of enactment of this Act, issue a final rule establishing procedures to ensure the proper and timely correction of commercial motor vehicle safety violations noted during inspections funded with moneys authorized under section 404 of the Surface Transportation Assistance Act of 1982 (49 U.S.C. App. 2304) to carry out the motor carrier safety assistance program.

(2) VERIFICATION PROGRAM.—Such final rule shall establish a verification program for Federal inspectors and States which are participating in the motor carrier safety assistance program to ensure that commercial motor vehicles and operators thereof found in violation of safety requirements have subsequently been brought into compliance with such safety requirements. The final rule shall, among other things, institute—

(A) a nationwide system for random reinspection of the commercial motor vehicles and operators thereof that have been declared out-of-service as a result of such safety violations, the main purpose of which system shall be to verify that the violations have been corrected on a timely basis;

(B) a program of accountability for correcting all safety violations, which shall provide that—

(i) the operator of a commercial motor vehicle for which a safety violation has been noted shall be issued a form prescribed by the Secretary;

(ii) the making of the repairs necessary to correct such violation and the date, location, and time of such repairs shall be certified on such form by the person making such repairs;

(iii) the motor carrier responsible for such commercial motor vehicle or operator shall certify on such form that, based on the knowledge of the carrier, the repairs necessary to correct such violation have been made; and

(iv) appropriate State penalties shall be assessed for false statements on such forms or for failure to return such forms to the appropriate State entity; and

(C) a system for ensuring that appropriate State penalties are assessed for failure to correct any such safety violation.

(e) SERIOUS SAFETY VIOLATIONS.—

(1) FINDINGS.—Congress finds that—

(A) the present system for ensuring compliance with Federal motor carrier safety laws and regulations needs improvement;

(B) relying primarily upon voluntary compliance methods has not resulted in an acceptable level of commercial motor vehicle safety; and

(C) improvements in the existing enforcement authorities are required to bring about greater safety.

(2) OPERATIONAL PROCEDURES.—In light of the findings in paragraph (1), section 521(b)(1) of title 49, United States Code, is amended—

(A) by redesignating the existing text as subparagraph (A); and

(B) by adding at the end of the following new subparagraph:

"(B) The Secretary shall, not later than 60 days after the date of enactment of this subparagraph, establish operationsl procedures to require a highway safety specialist or other appropriate representative of the Secretary to initiate, at the time of a safety review, compliance review, or other inspection or audit activity, or within a reasonable time thereafter, an enforcement action whenever any of the offenses referred to in paragraph (2) (A) and (B) can be documented, except recordkeeping violations not specified by the Secretary as serious. The procedures shall—

"(i) specify those serious recordkeeping violations for which an enforcement action shall be initiated, including instances in which the falsification of records of duty status or drivers' medical certificates is required or permitted, and such other recordkeeping violations as the Secretary determines to be serious; and

"(ii) authorize, but not require, initiation of an enforcement action for recordkeeping violations not specified by the Secretary as serious.".

(f) TRUCK VISIBILITY.—

(1) INITIATION OF RULEMAKING PROCEEDING.—Not later than 90 days after the date of enactment of this Act, the Secretary shall initiate a rulemaking proceeding on the need to adopt methods for making trucks or any category of trucks more visible to motorists so as to reduce accidents, particularly at night, taking into consideration such factors as truck illumination and truck color.

(2) COMPLETION OF PROCEEDING.—The proceeding under this subsection shall be completed not later than 2 years after the date of enactment of this Act or, if the Secretary determines that it is not feasible to complete the proceeding within such 2-year period, such proceeding may be extended by the Secretary for up to 1 additional year.

(g) DEFINITIONS.—As used in this section—

(1) COMMERCIAL MOTOR VEHICLE.—The term "commercial motor vehicle" has the meaning given such term in section 204(1) of the Motor Carrier Safety Act of 1984 (49 U.S.C. App. 2503(1)).

(2) TRUCK.—The term "truck" means a commercial motor vehicle that eets the description set forth in section 204(1) (A) or (C) of the Motor Carrier Safety Act of 1984 (49 U.S.C. App. 2503(1) (A) or (C)).s

Amend the title so as to read: "An Act to prohibit certain food transportation practices and to provide for regulation by the Secretary of Transportation that will safeguard food and certain other products from contamination during motor or rail transportation, and for other purposes.".

Mr. GORE. Mr. President, the measure I bring before you today for final consideration, the Sanitary Food Transportation Act, is the product of extraordinary effort on the part of all parties who will be most affected by provisions preventing backhauling. Since the introduction of my bill S. 1904, the Clean Food Transportation Act, in November of last year, I have participated in an exhaustive collaborative effort involving industry, consummer interests, governmental agencies, and staff from the House and Senate to craft a measure that protects public safety without imposing unnecessary restrictions.

We all share a commitment to passing legislation that will prevent the practice of backhauling—transporting dangerous substances in one direction and then without proper cleaning, using the same vehicle to transport food. When we put food on the table, we should not have to think twice about its purity or safety. We should not have to wonder if residue from a hazardous chemical travels across the country with loads of oranges or chocolate or vegetable oil. Yet, right now, there is no Federal law prohibiting this practice.

Benefiting from the good work of the House of Representatives, which first held hearings on this issue, I was pleased to join Senators EXON and GORTON to craft an improved Senate bill. This bill was the result of extended debate and consultation with all interested parties.

The Senate Commerce Subcommittee on Surface Transportation, of which we all are members, held hearings on backhauling; the Senate quickly passed an Exon-Gore-Gorton bill; and now, after solving minor differences with the House of Representatives, we are ready to pass this final measure and send it to the President for his immediate approval.

Throughout all our consultations, I am pleased to have won support of a key provision which I introduced encouraging Motor Carrier Safety Assistance Program inspectors to enforce decontamination requirements. Hopefully, these inspectors will help stop drivers who falsify shipping documents, drivers such as those who testified before House committees last summer.

And let me take this opportunity to say that we cannot forget about the courageous individuals who contributed to this legislation through their testimony to Congress. At these hearings, truckers told horror stories about backhauling. In many cases, these truckers risked their jobs by coming forward and bringing this issue to our attention. Their actions made this legislation possible—and with its final passage. I am confident that backhauling will soon be a thing of the past. I ask my colleagues to support the Sanitary Food Transportation Act.

Mr. HOLLINGS. Mr. President, I am pleased to be here today in support of final passage of H.R. 3386, the Sanitary Food Transportation Act. This measure was originally passed by the Senate on September 20, 1990. The legislation under consideration today helps to ensure the integrity of the food we eat and promotes safety on our highways. Both of these goals are noteworthy, and I am delighted that the Senate and House have resolved their differences and that the Senate is prepared to pass the compromise text.

The bill before the Senate addresses the issue of hauling garbage and hazardous substances in the same vehicles that haul food products. Commonly known as "backhauling," this practice poses a number of serious problems that call for the enactment of legislation if we are to meet our responsibilities of ensuring a safe food supply to the citizens of our Nation.

Included within H.R. 3386 are many of the provisions of S. 819, the Motor Carrier Safety Act of 1989. Inclusion of most of the provisions of S. 819 within the Sanitary Food Transportation Act is intended to build on the progress that has been made in recent Congresses in the area of motor carrier safety.

In closing, I strongly urge my colleagues to support the final passage of this compromise legislation now before the Senate. A safe food supply and general highway safety are eminently worthwhile objectives, and this sound legislation will address both of these important issues.

Mr. EXON. Mr. President, on September 20, 1990, the Senate passed the text of S. 2393, the Safe Food Transportation Act of 1990, as an amendment to H.R. 3386, legislation previously approved by the House in this area. I am pleased to report that the Senate Commerce Committee has worked with the House Energy and Commerce and Public Works and Transportation Committees to resolve the differences between the House and Senate versions of the bill. The amendment being offered today represents the text of the agreement reached with the House on this issue.

The bill before the Seante is designed to address an abhorrent practice—the unregulated backhauling of food and consumable liquids in the very same vehicles that are used to transport municipal waste, hazardous chemicals, and other materials that endanger human health. This sort of backhauling poses a serious threat to the integrity of the food that we put onto our tables. The conclusion reached earlier this year at a Surface Transportation Subcommittee hearing I chaired on the problems of backhauling was that, in the absence of proper protections, this practice not only is dangerous but also can be deadly.

The Sanitary Food Transportation Act, as the bill is now called, requires the Secretary of Transportation to issue backhaul regulations in conjunction with the Department of Agriculture, the Department of Health and Human Services and the Environmental Protection Agency. These regulations would set standards of decontamination for rail and motor vehicles that haul nonfood products in the same vehicles that also haul food and related consumer products. Appropriate and properly targeted certification or other means of verification would be required to ensure compliance with these regulations. The regulations would require the Department of Transportation [DOT], after conducting a rulemaking to determine other nonfood products, including municipal waste or refuse, that could make food unsafe, to regulate any associated backhauling practices. The legislation is not meant to diminish, in any way, the roles of FDA, USDA, or EPA in regulating foods or food materials under their respective statutes but is intended to enhance their ability, in concert with DOT, to take action against any violative practice relating to an offer to transport or the transportation of foods or food materials which may cause such articles to become unsafe to the health of humans or animals. The bill establishes strict standards regulating tank trucks, cargo tanks, and rail tank cars that would allow only food and food compatible substances to be hauled in tanks marked as food grade. For such vehicles, shippers would be required to disclose that a product is suitable for use as a food product and such products would then be required to be transported as a food product. The legislation requires dedicated vehicles, which may never be used to haul food, for certain forms and quantities of asbestos designated by the Secretary and other products which present an extreme danger to human or animal health. The bill further sets stiff penalties for violations of this bill as in the Federal Hazardous Materials Transportation Act and provides authority for State motor carrier inspectors trained under the Motor Carrier Safety Assistance Program to identify violations, assist the Federal government in enforcing the requirements of this act, and enforce compatible State laws and regulations.

Motor carrier safety in particular and highway safety in general have been issues of continuing concern for the Commerce Committee and the Senate. Included within S. 2393 are several of the substantive provisions originally contained in S. 819, the Motor Carrier Safety Act of 1989. This bill passed the Senate over a year ago. Although the House did not act on S. 819 as a separate measure during this time, the House and Senate were able to agree to include several of the provisions of S. 819 in the Sanitary Food Transportation Act. These provisions make a number of prudent improvements to current motor carrier safety programs. The committee believes that the continuing human and financial toll on the highways must be addressed.

One provision, on which we had agreed upon compromise language with the House Public Works and Energy and Commerce Committees, but which is not included in the compromise bill, would have doubled the penalty levels for distributing drugs at truck stops and rest areas. This provision was passed by the Senate twice, once in S. 819 and again in S. 2933, and once in the House-passed crime bill. This provision was included in the Senate bills in response to reports and studies which have shown that rest areas and truck stops are the primary locations where drugs are supplied to truck drivers. Unfortunately, the House Judiciary Committee refused to accept this language, and even opposed our including the exact same language on drug-free truck stops already included in the House-passed crime bill. Despite the regrettable actions by the House Judiciary Committee, it is clear that this provision has wide-ranging support, and I am hopeful that it can be passed in the context of another measure.

In the Senate-passed version of S. 2393, I included an amendment which allowed the States to waive application of the Commercial Motor Vehicle Safety of 1986 for farm supply dealers and custom harvesters. However, the House Public Works Committee, which has jurisdiction over this matter, has adamantly refused to date to accept any provision mandating a waiver for these two groups from the commercial drivers' license [CDL] requirements. I have worked closely with Senator BURNS on this waiver provision, but we both recognize the critical importance of passage of the food and truck safety provisions in this bill. It is absolutely essential, therefore, that the Senate act on a final measure as soon as possible. For this reason, Senator BURNS and I have reluctantly agreed to drop from this bill the CDL provision that has raised such strong objections from the House. However, States should have the option to waive the CDL requirements for farm supply dealers and custom harvesters and treat these groups in the same manners as farmers are treated. Senator BURNS and I, and other Members of the Senate, are in agreement on this, and we will continue to make our views known.

I believe that this bill is a good measure which warrants the President's signature. It is a strong prosafety bill with the public interest in mind. We have further worked with the administration in an attempt to resolve concerns that have been expressed regarding the bill.

The Sanitary Food Transportation Act of 1990 goes a long way toward protecting the integrity of our food supply as it travels across the country. It strengthens the enforcement of our motor carrier safety laws. I urge my colleagues to join me in supporting the amendment and final passage of the compromise that has been reached with the House on this measure.

Mr. McCAIN. Mr. President, I strongly support this important bill which will prohibit the hauling of food in a tank that has been used to transport toxic chemicals or other hazardous materials. I was amazed to discover that this kind of legislation is even necessary. I think most Americans would be equally surprised to find that this shocking practice of alternating loads of chemicals and liquid food products is perfectly legal. Newsweek has reported that some 28,000 tons of garbage travel our Nations' highways each day. What few people know is that the trucks which bring food to the family table are sometimes the same vehicles that carry all that waste to the landfills.

As the media and Congress began to investigate the practice of hauling food in trucks that have been used to transport hazardous or toxic materials or solid waste, one horrifying case after another was revealed. One Washington State driving team found a "white snotty substance" still clinging to the inside of their truck 2 months after they had hauled a load of plastic resin. In the meantime, they had been hauling whiskey, orange juice, and cooking oil in that selfsame truck. Their experience does not appear to be uncommon. Refrigerator trucks meant for perishable foods are filled with medical wastes, and cargo tankers alternate liquid chemicals with fruit juices.

Why do trucking companies ignore what seems so obvious a threat to human health and welfare? Simple economics. The freight fees for hauling chemicals are roughly double those for food commodities. The growing

scarcity of landfill space in the East has created an enormous market for the transportation of solid waste to landfill space in the Midwest. Thus, there is a powerful incentive to haul trash back from the east, after delivering commodities from the Midwest. They can make double their money on the return trip, rather than return home empty. Similarly, few truckers choose to wait until more suitable return loads are available. Furthermore, insurance rates on loads of waste are very low. As one trucker put it, "you can't destroy garbage." The potential for disaster is clearly overshadowed by the potential for profit.

Trucking firms can be charged under the Food, Drug, and Cosmetic Act, but only if adulteration of food has already occurred. In other words, the current presumption under law is that backhauling chemicals is safe, unless the food is later proved to be contaminated. At present, food companies check only for bacterial contamination, if they check at all, before allowing the trucks to be loaded with their products. Similarly, tankers may or may not be washed out between loads. Unfortunately, even if they are cleaned, many chemicals either cannot be completely washed away or need special solvents. Detection of contamination after the fact offers the consumer little protection.

This status quo is not acceptable. The legislation before us would make it clear that it is not safe to assume that chemicals and food products can be placed in the same tank without adverse effect. It is a preventable hazard and a completely unnecessary risk. Only after it has been demonstrated that a particular chemical will not jeopardize food would it be allowed in the same vehicle.

We must put an end to the grossly inappropriate hauling of hazardous materials and solid waste in trucks used to transport edible commodities. The Safe Transportation of Food Act would establish clear rules in this area and ensure that Americans are properly protected from the perils inherent in this repulsive practice. This country's consumers must have confidence that the food they eat and the liquids they drink are safe, from the farm to the table.

Mr. DANFORTH. Mr. President, I am pleased that the Senate is once again considering this legislation, which contains many of the provisions of the Motor Carrier Safety Act of 1989. In September, the Senate passed an amended version of the House safe food legislation, which included these motor carrier safety provisions. In August 1989, the Motor Carrier Safety Act passed the Senate as a free-standing measure, but today's action will expedite consideration of these vital safety provisions.

The Senate is reconfirming its commitment to safer highways through its efforts to improve the safety of large trucks and buses. In 1989, more than 5,800 persons were killed in accidents involving these trucks and buses; 80 percent of those fatalities were passenger car occupants or pedestrians. Each year, motor carrier accidents also account for about 160,000 injuries. Many of these accidents not only involve injuries and loss of life, but also the loss of countless millions of dollars in the form of traffic delays and cleanup expenses. In September of this year, for example, a collision between two trucks on I-70 in St. Charles, MO, set off an explosion that killed one driver and closed this vital highway for six hours.

During the past 2 years, the National Transportation Safety Board [NTSB], the Congressional Research Service, and the Office of Technology Assessment [OTA] all have completed major studies of the motor carrier industry. The recommendations in these studies formed the basis for the Motor Carrier Safety Act of 1989.

The motor carrier industry is a major economic force in this country. An estimated 180,000 interstate motor carrier companies, employing 3 to 5 million drivers, operate daily on our Nation's roads. Most of these companies are serious about highway safety. This bill is targeted to those unsafe operators who refuse to meet their safety responsibilities.

The Department of Transportation [DOT] currently evaluates the safety systems of individual motor carriers. These reviews determine whether the carrier is in compliance with the Federal Motor Carrier Safety Regulations [FMCSR]. After the review is completed, the motor carrier receives a safety fitness rating of "satisfactory," "conditional," or "unsatisfactory." In order to receive an "unsatisfactory" rating, a carrier must lack basic safety control systems required by law. Only an estimated eight percent of the carriers rated are so unsafe as to earn an "unsatisfactory" rating. Because these "unsatisfactory" carriers have the greatest chance of being involved in a serious accident, the Motor Carrier Safety Act will restrict their operation. Specifically, a carrier with an "unsatisfactory" safety rating must improve its operations to the point of earning a "satisfactory" or "conditional" ratings within 45 days or it will not be allowed to operate a passenger bus or transport hazardous materials. The carrier can resume these operations if it subsequently improves its rating. The legislation also requires DOT to publicize an updated list of all carriers with an "unsatisfactory" safety fitness rating.

In addition, this legislation requires DOT to: First, initiate a program for reinspecting trucks and buses placed out-of-service for safety violations; second, strengthen its response to carriers found guilty of serious safety violations; third, develop guidelines for suspending carrier operations that pose an imminent hazard to safety; and fourth, examine possible improvements in truck visibility.

CONCLUSION

The Commerce Committee has worked closely with industry, safety organizations, and the relevant House Committees to draft a bill that improves safety without placing an undue burden on the motor carrier industry. I urge my colleagues to support this important safety legislation as part of H.R. 3386.

Mr. GORTON. Mr. President, it is with the greatest pleasure that I lend my wholehearted support to the Sanitary Transportation of Food Act. This vital legislation, which passed the House yesterday, is based upon my bill, S. 1751, introduced last year. My legislation was created in response to news reports of disgusting practices detailing unsanitary food transportation.

I would like to thank my constituents Jim and Rikki Pomerenke of Yakima and Sharon Sonner and Dave Helzer, formerly of Yakima, and now residing in Hermiston, Oregon for their courage in coming forward and sharing their experiences in the trucking industry with the public. I also would like to thank James Wallace of the Seattle Post-Intelligencer for his superb reporting of these practices. Together, they told a tale which was hard to believe. Dangerous liquid chemicals were being routinely hauled in the same tank truck which later carried edible liquids such as fruit juices. Often, the tank truck was not even cleaned between loads. Even more difficult to believe was that this practice was legal. My first reaction after reading this article was the same as every other person's I later talked with—there should be a law against such a dangerous, disgusting and unhealthy practice. Fortunately, Mr. President, there now soon will be.

I also want to thank my good friend in the House, Congressman CLINGER who first introduced the House companion bill on this subject. Congressman CLINGER deserves our gratitude for moving this bill so quickly through the House and for focusing our attention on a closely related transportation practice addressed in this legislation. The bill not only pertains to the transportation of liquid foods in tank trucks but also to all foods that could potentially be at risk from food trucks which also haul garbage.

My thanks also are extended to Senator GORE who introduced a related bill in the Senate and to Senator EXON, the chairman of the Surface Transportation Subcommittee. With-

out the support and bipartisan cooperation from both of these gentlemen, this legislation would not be ready for the President's approval. Mr. President, today marks an important chapter in our efforts to ensure that America's food supply is the safest in the world. I am delighted to have played a role in this regard.

Mr. LEAHY. Mr. President, I move that the Senate concur in the House amendments.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion.

The motion was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL INSTITUTES OF HEALTH REAUTHORIZATION ACT

Mr. LEAHY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 818, S. 2857, the NIH authorization bill.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A bill (S. 2857) to amend the Public Health Service Act to reauthorize certain Institutes of the National Institutes of Health, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause, and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Institutes of Health Reauthorization Act of 1990".

TITLE I—REAUTHORIZATION OF CERTAIN NATIONAL INSTITUTES

SEC. 101. NATIONAL CANCER INSTITUTE AND NATIONAL HEART, LUNG, AND BLOOD INSTITUTE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 408(a) of the Public Health Service Act (42 U.S.C. 284c(a)) is amended—

(1) in paragraph (1)—

(A) by striking out "$1,500,000,000" and all that follows through the period in subparagraph (A), and inserting in lieu thereof "$2,093,400,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994."; and

(B) by striking out "$100,000,000" and all that follows through the period in subparagraph (B) and inserting in lieu thereof "such sums as may be necessary in fiscal year 1990, $156,600,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994."; and

(2) in paragraph (2)—

(A) by striking out "$1,100,000,000" and all that follows through the first period in subparagraph (A), and inserting in lieu thereof "$1,498,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994."; and

(B) by striking out "$100,000,000" and all that follows through the period in subparagraph (B) and inserting in lieu thereof "such sums as may be necessary in fiscal year 1990, $151,500,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994.".

(b) RESOURCE PROGRAM.—Section 421(b) of such Act (42 U.S.C. 285b-3(b)) is amended by inserting immediately after paragraph (4) the following new paragraph:

"(5) Shall, in consultation with the advisory council for the Institute, support appropriate programs of training and education, including continuing education and laboratory and clinical research training.".

SEC. 102. NATIONAL LIBRARY OF MEDICINE.

Section 469 of the Public Health Service Act (42 U.S.C. 286b) is amended by striking out "$14,000,000" and all that follows through the first period and inserting in lieu thereof "$40,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.".

SEC. 103. NATIONAL RESEARCH SERVICE AWARDS.

Section 487(d) of the Public Health Service Act (42 U.S.C. 288(d)) is amended by striking out "$300,000,000" and all that follows through the first period and inserting in lieu thereof "$415,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.".

SEC. 104. PAPERWORK REDUCTION.

Section 465(d)(2) of the Public Health Service Act (42 U.S.C. 286(d)(2)) is amended—

(1) by striking out "Rules" and inserting in lieu thereof "Notwithstanding any other provision of law, rules";

(2) in subparagraph (B), by striking out "or" at the end thereof;

(3) in subparagraph (C), by striking out the period and inserting in lieu thereof "; or"; and

(4) by adding at the end thereof the following new subparagraph:

"(D) under licensing arrangements that provide for quality control and full recovery of access costs.".

SEC. 105. NATIONAL COMMISSION ON SLEEP DISORDERS RESEARCH.

Section 162 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) is amended—

(1) in subsection (h), by inserting "and the Alcohol, Drug Abuse and Mental Health Administration" after "National Institutes of Health"; and

(2) in subsection (i), by striking out "18 months" and inserting in lieu thereof "24 months".

SEC. 106. TRANSFER OF PROVISIONS.

(a) IN GENERAL.—Section 12 of the Health Research Extension Act of 1985 (42 U.S.C. 285e-2 note) is—

(1) transferred to subpart 5 of part C of title IV of the Public Health Service Act (42 U.S.C. 285e et seq.);

(2) redesignated as section 445G; and

(3) inserted after section 445F (42 U.S.C. 285e-8).

(b) AVAILABILITY OF APPROPRIATIONS.—With respect to amounts made available in appropriations Acts for the purpose of carrying out the program transferred by subsection (a) to the Public Health Service Act, such subsection shall not be construed to affect the availability of such funds for such purpose.

(c) REAUTHORIZATION AND TECHNICAL AMENDMENT.—

(1) REAUTHORIZATIONS.—Subsection (c) of section 445G of the Public Health Service Act (as so redesignated) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under subsection (a), $8,000,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994.".

(2) TECHNICAL AMENDMENT.—Section 445G(a) of such Act (as so redesignated) is amended by striking out "and its incidence in the United States".

SEC. 107. NATIONAL CENTER FOR BIOTECHNOLOGY INFORMATION.

Section 478(c) of the Public Health Service Act (42 U.S.C. 286c(c)) is amended—

(1) by striking out "$8,000,000" and inserting in lieu thereof "$10,000,000";

(2) by striking out "1989" and inserting in lieu thereof "1991"; and

(3) by striking out "fiscal year 1990" and inserting in lieu thereof "each of the fiscal years 1992 through 1994".

SEC. 108. BIENNIAL REPORT ON CARCINOGENS.

Section 301(b)(4) of the Public Health Service Act (42 U.S.C. 241(b)(4)) is amended by striking out "an annual" and inserting in lieu thereof "a biennial".

SEC. 109. REAUTHORIZATION OF BIOMEDICAL ETHICS BOARD.

Section 381(e) of the Public Health Service Act (42 U.S.C. 275(e)) is amended—

(1) by striking out "$2,000,000" and all that follows through "1989, and"; and

(2) by inserting after "1990" the following: ", $2,500,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994".

SEC. 110. FETAL RESEARCH.

Section 498(c) of the Public Health Service Act (42 U.S.C. 289g(c)) is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) in paragraph (1) (as so redesignated)—

(A) by striking out "24-month" and inserting in lieu thereof "48-month"; and

(B) by striking out "National Institute" and all that follows through "1988" and inserting in lieu thereof "National Institutes of Health Reauthorization Act of 1990"; and

(4) in paragraph (2) (as so redesignated), by striking out "1990, paragraph (2)" and inserting in lieu thereof "1994, paragraph (1)".

SEC. 111. ESTABLISHMENT OF FOUNDATION.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end thereof the following new part:

"PART H—NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH

"SEC. 499A. NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary shall establish a nonprofit corporation, to be known as the National Foundation for Biomedical Research (hereafter referred to in this section as the 'Foundation'), that shall not, except for the purposes of the Ethics in Government Act and the Technology Transfer Act, be an agency of the United States Government.

"(2) INCORPORATION.—The Secretary, in cooperation with the members of the Board of

Directors under subsection (b)(4), shall incorporate the Foundation.

"(3) NONPROFIT STATUS.—The Foundation shall be considered to be a corporation under section 501(c) of the Internal Revenue Code of 1986, and shall be subject to the provisions of this section.

"(b) BOARD OF DIRECTORS.—

"(1) COMPOSITION.—The Board of Directors of the Foundation (hereafter referred to in this section as the 'Board') shall be composed of—

"(A) not to exceed nine voting members to be appointed by the ex officio members of the Board in accordance with this subsection;

"(B) the Director of the National Institutes of Health, the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, and the Surgeon General who shall be ex officio members; and

"(C) five initial members to be appointed by the ex officio members of the Board described in subparagraph (B), and the Chairperson appointed under paragraph (2), of which—

"(i) two such members shall represent the general biomedical field and one shall represent the general biobehavioral field; and

"(ii) two such members shall represent the general public.

"(2) CHAIRPERSON.—The ex officio members of the Board as described in subparagraph (B) of paragraph (1) shall appoint an individual to serve as chairperson of the Board.

"(3) TERMS AND VACANCIES.—

"(A) IN GENERAL.—The term of office of each member of the Board appointed under subparagraph (C) of paragraph (1) shall be 5 years, except that—

"(i) any individual appointed to fill a vacancy that has occurred prior to the expiration of the term for which such individual's predecessor was appointed, shall be appointed for the remainder of such predecessor's term; and

"(ii) the terms of office for the initial members of the Board shall expire as determined by the chairperson and the ex officio members of the Board at the time of the appointment.

"(B) SUBSEQUENT APPOINTMENTS.—Individuals appointed to the Board at the expiration of the term of a member shall be selected by a majority vote of all Board members at the last meeting prior to the expiration of the term of the member to be replaced.

"(C) EFFECT OF VACANCY.—A vacancy on the Board shall not affect its powers, and shall be filled in the same manner in which the original designation or appointment was made.

"(4) INCORPORATORS.—The initial members of the Board shall serve as incorporators and take whatever actions necessary to incorporate the Foundation.

"(5) COMPENSATION.—Members of the Board appointed under subparagraph (C) of paragraph (1) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board, as set forth in the bylaws issued by the Board.

"(c) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Foundation shall have an Executive Director who shall be appointed by the Board and shall serve at the pleasure of the Board. The Executive Director shall be responsible for the day-to-day operations of the Foundation and shall have such specific duties and responsibilities as the Board shall prescribe.

"(2) COMPENSATION.—The rate of compensation of the Executive Director shall be fixed by the Board.

"(d) DUTIES.—The Foundation shall—

"(1) provide funding for the support of the endowed scientists within the organizational structure of the intramural research programs of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration;

"(2) recruit senior biomedical scientists to hold scientific positions as described in paragraph (1);

"(3) support the staffing, equipment, and space requirements for the research undertaken by the scientists described in paragraph (2);

"(4) support the stipends and research expenses of those individuals appointed under the National Institutes of Health Scholars program, who shall be appointed for 6-year terms;

"(5) negotiate a memorandum of understanding with the Director of the National Institutes of Health and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration that specifies that Foundation scientists and personnel shall observe the ethical and procedural standards regulating research and research findings, including publications and patents, that are followed by scientists and personnel at the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration, including the Ethics in Government Act and the Technology Transfer Act; and

"(6) conduct biennial audits of the financial condition of the Foundation.

"(e) POWERS.—In order to carry out its duties under subsection (d), the Foundation is authorized to—

"(1) operate under the direction of its Board;

"(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

"(3) provide for one or more officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

"(4) hire, promote, compensate, and discharge officers and employees of the Foundation;

"(5) prescribe by its Board its bylaws, that shall be consistent with law, and that shall provide for the manner in which—

"(A) its officers, employees, and agents are selected;

"(B) its property is acquired, held, and transferred;

"(C) its general operations are to be conducted; and

"(D) the privileges granted by law are exercised and enjoyed;

"(6) with the consent of any executive department or independent agency, use the information, services, staff, and facilities of such in carrying out this section;

"(7) sue and be sued in its corporate name, and complain and defend in courts of competent jurisdiction;

"(8) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this subtitle;

"(9) establish a mechanism for the selection of candidates, subject to the approval of the Director of the National Institutes of Health or the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, for the endowed scientific positions within the organizational structure of the intramural research programs of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration and candidates for participation in the National Institutes of Health Scholars program;

"(10) enter into contracts with public and private organizations for the writing, editing, printing, and publishing of books and other material;

"(11) take such action as may be necessary to obtain patents and licenses for devices and procedures developed by the Foundation and its employees;

"(12) accept, hold, administer, invest, and spend any gift, devise, or bequest of real or personal property made to the Foundation;

"(13) enter into such other contracts, leases, cooperative agreements, and other transactions as the Executive Director considers appropriate to conduct the activities of the Foundation;

"(14) appoint other groups of advisors as may be determined necessary from time to time to carry out the functions of the Foundation; and

"(15) exercise other powers as set forth in this section, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this subtitle.

"(f) ADMINISTRATIVE CONTROL.—No participant in the program established under this part shall exercise any administrative control over any Federal employee.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such funds as the Secretary determines may be necessary to carry out this part, except that not more than $200,000 shall be appropriated to commence the initial operations of the Foundation, including the appointment of the Board under subsection (b). In the event that adequate amounts are not appropriated under this section, the Secretary shall make available not to exceed $200,000 from funds within the Department of Health and Human Services that are otherwise unobligated.

"(h) REPEALER.—The provisions of this part shall be repealed on the date that occurs 5 years after the date of enactment of this part, except that this subsection shall not take effect if the Foundation has not yet been incorporated under subsection (a)(2) by such date.".

SEC. 112. NATIONAL CENTER FOR HUMAN GENOME RESEARCH.

Part E of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new subpart:

"Subpart 4-National Center for Human Genome Research

"SEC. 486A. PURPOSE OF THE CENTER.

"The purpose of the National Center for Human Genome Research (hereinafter referred to in this subpart referred as the 'Center') is to—

"(1) provide advice to the Director of NIH concerning all aspects of genomic research;

"(2) coordinate the integration, review, and planning of genomic analysis research;

"(3) formulate research goals, criteria and long-range plans with the guidance of the advisory committee established under section 486C;

"(4) serve as a focal point on genomic analysis within the National Institutes of Health; and

"(5) foster, conduct, support, and administer research and research training programs directed at promoting the growth and qual-

ity of research related to mapping and sequencing of complex genomes.

"SEC. 486B. SPECIFIC AUTHORITIES.

"To carry out section 486A, the Director of the Center may—

"(1) provide research grants, or enter into research contracts and cooperative agreements, with institutions and individuals;

"(2) provide research training awards to institutions and individuals;

"(3) promote closer interaction with other bases of genomic analysis and research;

"(4) collect and disseminate research findings concerning genomic research;

"(5) develop plans for the centralized, systematic, targeted effort to create detailed maps of genomes of organisms;

"(6) sponsor scientific meetings and symposia to promote progress concerning genomic research through information sharing; and

"(7) foster national and international information exchange with industry and academia concerning research on complex genomes.

"SEC. 486C. ADVISORY COUNCIL ON COMPLEX GENOMES.

"(a) APPOINTMENT.—

"(1) IN GENERAL.—The Secretary shall appoint an advisory council for the Center which shall advise, assist, consult with, and make recommendations to the Secretary and the Director of the Center on matters related to the activities carried out by and through the Center and the policies respecting such activities.

"(2) GIFTS.—The advisory council for the Center may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigations, and research and for the acquisition of grounds or construction, equipping, or maintenance of facilities for the Center.

"(3) DUTIES.—The advisory council for the Center—

"(A)(i) may make recommendations to the Director of the Center respecting research conducted at the Center;

"(ii) may review applications for grants and cooperative agreements for research or training and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge; and

"(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Center;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the diseases, disorders, or other aspects of human health with respect to which the Center is concerned and with the approval of the Director of the Center make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b) MEMBERS.—The advisory council shall consist of such members as the Secretary shall appoint.

"(c) TERMS.—The term of office of an appointed member of the advisory council is 4 years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of 4 years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) CHAIRPERSON.—The chairperson of the advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the Center to be the chairperson of the advisory council. The term of office of the chairperson shall be 2 years.

"(e) MEETINGS.—The advisory council shall meet at the call of the chairperson or upon the request of the Director of the Center, but at least three times each fiscal year. The location of the meetings of the advisory council is subject to the approval of the Director of the Center.

"(f) STAFF.—The Director of the Center shall designate a member of the staff of the Center to serve as the executive secretary of the advisory council. The Director of the Center shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of the Center shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

"(g) COMMENTS.—The advisory council may prepare, for inclusion in the biennial report made under section 486D—

"(1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared;

"(2) comments on the progress of the Center in meeting its objectives; and

"(3) recommendations respecting the future directions and program and policy emphasis of the Center.

The advisory council may prepare such additional reports as it may determine appropriate.

"SEC. 486D. BIENNIAL REPORT.

"The Director of the Center after consultation with the advisory council for the Center, shall prepare for inclusion in the biennial report made under section 403 a biennial report that shall consist of a description of the activities of the Center and program policies of the Director of the Center in the fiscal years respecting which the report is prepared. The Director of the Center may prepare such additional reports as the Director determines appropriate. The Director of the Center shall provide the advisory council of the Center an opportunity for the submission of the written comments referred to in section 486C.".

SEC. 113. NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES.

Section 446 of the Public Health Service Act (42 U.S.C. 285f) is amended by inserting before the period the following: ", including tropical diseases".

SEC. 114. CONTRACEPTION AND INFERTILITY.

(a) RESEARCH CENTERS WITH RESPECT TO CONTRACEPTION AND RESEARCH CENTERS WITH RESPECT TO INFERTILITY.—Subpart 7 of part C of title IV of the Public Health Service Act (42 U.S.C. 285g et seq.) is amended by adding at the end the following new section:

"SEC. 452. RESEARCH CENTERS WITH RESPECT TO CONTRACEPTION AND INFERTILITY.

"(a) IN GENERAL.—The Director of the Institute, after consultation with the advisory council for the Institute, shall make grants to, or enter into contracts with, public or nonprofit private entities for the development and operation of centers to conduct activities for the purpose of improving methods of contraception and centers to conduct activities for the purpose of diagnosing and treating infertility.

"(b) NUMBER OF CENTERS.—In carrying out subsection (a), the Director of the Institute shall, subject to the extent of amounts made available in appropriations Acts, provide for the establishment of three centers with respect to contraception and for two centers with respect to infertility.

"(c) DUTIES.—

"(1) IN GENERAL.—Each center assisted under this section shall, in carrying out the purpose of the center involved—

"(A) conduct clinical and other applied research, including—

"(i) for centers with respect to contraception, clinical trials of new or improved drugs and devices for use by males and by females (including barrier methods); and

"(ii) for centers with respect to infertility, clinical trials of new or improved drugs and devices for the diagnosis and treatment of infertility in both males and females;

"(B) develop protocols for training physicians, scientists, nurses, and other health and allied health professionals

"(C) conduct training programs for such individuals;

"(D) develop model continuing education programs for such professionals; and

"(E) disseminate information to such professionals.

"(2) STIPENDS AND FEES.—A center may use funds provided under subsection (a) to provide stipends for health and allied health professionals enrolled in programs described in subparagraph (C) of paragraph (1), and to provide fees to individuals serving as subjects in clinical trials conducted under such paragraph.

"(d) COORDINATION OF INFORMATION.—The Director of the Institute shall, as appropriate, provide for the coordination of information among the centers assisted under this section.

"(e) CONSORTIUM.—Each center assisted under this section shall use the facilities of a single institution, or be formed from a consortium of cooperating institutions, meeting such requirements as may be prescribed by the Secretary, after consultation with the Director of the Institute.

"(f) TERM OF SUPPORT AND PEER REVIEW.—Support of a center under subsection (a) may be for a period of not to exceed 5 years. Such period may be extended for one or more additional periods of not to exceed 5 years if the operations of such center have been reviewed by an appropriate technical and scientific peer review group established by the Director and if such group has recommended to the Director that such period should be extended.

"(g) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $20,000,000 for fiscal year 1991, $20,000,000 for fiscal year 1992, $12,000,000 for fiscal year 1993, $12,250,000 for fiscal year 1994, and $13,000,000 for fiscal year 1995.".

(b) LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY.—Part F of title IV of the Public Health Service Act (42 U.S.C. 288 et seq.) is

amended by inserting after section 487A the following new section:

"SEC. 487B. LOAN REPAYMENT PROGRAM FOR RESEARCH WITH RESPECT TO CONTRACEPTION AND INFERTILITY.

"(a) ESTABLISHMENT.—The Secretary, after consultation with the Director of the National Institute of Child Health and Human Development, shall establish a program to enter into agreements with appropriately qualified health professionals (including graduate students) under which such health professionals shall agree to conduct research with respect to contraception, or with respect to infertility, in consideration of the Secretary agreeing to repay, for each year of such service, not to exceed $20,000 of the principal and interest of the educational loans incurred by such health professionals.

"(b) ADMINISTRATIVE PROVISIONS.—With respect to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, the provisions of such subpart shall, except as inconsistent with subsection (a), apply to the program established in such subsection to the same extent and in the same manner as such provisions apply to the National Health Service Loan Repayment Program.

"(c) AUTHORIZATION OF APPROPRIATIONS.—

"(1) IN GENERAL.—To carry out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 1993.

"(2) AVAILABILITY OF FUNDS.—Amounts appropriated under paragraph (1) for a fiscal year shall remain available until the expiration of the second fiscal year beginning after the fiscal year for which the amounts were appropriated.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1990, or on the date of the enactment of this Act, whichever occurs later.

SEC. 115. GENERAL PROVISIONS.

Section 405(b)(1) of the Public Health Service Act (42 U.S.C. 284(b)(1)) is amended—

(1) in subparagraph (K), by striking out "and" at the end thereof;

(2) in subparagraph (L), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding immediately after subparagraph (L) the following new subparagraph:

"(M) may, notwithstanding any other provision of law, in disseminating information pursuant to this section and other laws, enter into licensing agreements that provide for quality control and the full recovery of access costs.".

TITLE II—WOMEN'S HEALTH RESEARCH

SEC. 201. INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH CONDUCTED OR SUPPORTED BY NATIONAL INSTITUTES OF HEALTH.

(a) NATIONAL INSTITUTES OF HEALTH.—Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

"SEC. 492A. INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH.

"(a) GENERAL REQUIREMENT.—In conducting or supporting clinical research for purposes of this title, the Secretary shall ensure that women and members of minority groups are included as subjects in each project of such research, subject to subsection (b).

"(b) NONAPPLICABILITY.—

"(1) IN GENERAL.—The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(A) is inappropriate with respect to the health of the subjects;

"(B) is inappropriate with respect to the purpose of the research; or

"(C) is inappropriate under such other circumstances as the Secretary may designate.

"(2) CRITERIA.—For purposes of paragraph (1), the Secretary shall by regulation establish criteria regarding the circumstances under which the inclusion of women and minorities in clinical research is inappropriate.

"(c) ANALYSIS OF AFFECT ON WOMEN AND MINORITY GROUPS.—In the case of any project of clinical research in which women or members of minority groups are required under subsection (a) to be included as subjects in the research, the Secretary shall ensure that the project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as the case may be, differently than other subjects in the research.

"(d) NOTIFICATION.—Not later than January 1, 1991, the Secretary shall notify appropriate research entities and research grant recipients concerning the requirements of subsections (a), (b), and (c).

"(e) CLINICAL RESEARCH EQUITY SUBCOMMITTEES.—

"(1) ESTABLISHMENT.—The Secretary shall establish within the advisory council of each of the national research institutes a subcommittee to be known as the Clinical Research Equity Subcommittee (hereafter in this subsection individually referred to as a 'Subcommittee').

"(2) DUTIES.—Each Subcommittee shall review all clinical research conducted by the agency for which the advisory council involved is established. The purpose of the review shall be determining the extent to which the research is being conducted in accordance with subsections (a) through (c). Such a review shall be conducted not less than annually. Not later than 60 days after each such review, each Subcommittee shall submit to the Secretary and the Director of NIH a report describing the findings made as a result of the review.

"(3) COMPOSITION.—Each Subcommittee shall be composed of not less than 6 members of the advisory council involved. The Secretary shall designate the membership of each Subcommittee from among members of the advisory council involved who have expertise regarding clinical research on diseases, disorders, or other health conditions—

"(A) that are unique to women, more prevalent in women, or more serious for women; or

"(B) for which the risk factors or interventions are different for women.

"(4) APPOINTMENT OF ADDITIONAL MEMBERS.—If the Secretary determines that an advisory council for a national research institute does not contain a sufficient number of individuals with the expertise required for purposes of paragraph (3), the Secretary shall appoint to the advisory council, from among individuals who are not officers or employees of the United States, a number of individuals necessary with respect to complying with such paragraph.

"(5) SUSPENSION OR REVOCATION OF RESEARCH AUTHORITY.—If the Secretary determines that any project of clinical research conducted by any agency of the National Institutes of Health is not being conducted in accordance with subsections (a) through (c), the Secretary shall suspend or revoke the authority for the project under such conditions as the Secretary determines appropriate.

"(f) DEFINITION.—For purposes of this section, the term 'minority groups' means racial and ethnic minority groups.".

SEC. 202. REQUIREMENT REGARDING WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH CONDUCTED OR SUPPORTED BY ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION.

Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by inserting after section 507 the following new section:

"SEC. 507A. INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH.

"(a) GENERAL REQUIREMENTS.—In conducting or supporting clinical research for purposes of this title, the Secretary shall ensure that women and members of minority groups are included as subjects in each project of such research, subject to subsection (b).

"(b) NONAPPLICABILITY.—

"(1) IN GENERAL.—The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(A) is inappropriate with respect to the health of the subjects;

"(B) is inappropriate with respect to the purpose of the research; or

"(C) is inappropriate under such other circumstances as the Secretary may designate.

"(2) CRITERIA.—For purposes of paragraph (1), The Secretary shall by regulation establish criteria regarding the circumstances under which the inclusion of women and minorities in clinical research is inappropriate.

"(c) ANALYSIS OF AFFECT ON WOMEN AND MINORITY GROUPS.—In the case of any project of clinical research in which women or members of minority groups are required under subsection (a) to be included as subjects in the research, the Secretary shall ensure that the project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as they may be, differently than other subjects in the research.

"(d) NOTIFICATION.—Not later than January 1, 1991, the Secretary shall notify appropriate research entities and research grant recipients of the requirements concerning subsections (a), (b), and (c).

"(e) CLINICAL RESEARCH EQUITY SUBCOMMITTEES.—

"(1) ESTABLISHMENT.—The Secretary shall establish within the advisory council of each of the agencies of the Alcohol, Drug Abuse, and Mental Health Administration a subcommittee to be known as the Clinical Research Equity Subcommittee (hereafter in this subsection individually referred to as a 'Subcommittee').

"(2) DUTIES.—Each Subcommittee shall review all clinical research conducted by the agency for which the advisory council involved is established. The purpose of the review shall be determining the extent to which the research is being conducted in accordance with subsections (a) through (c). Such a review shall be conducted not less than annually. Not later than 60 days after each such review, each Subcommittee shall

submit to the Secretary and the Administrator a report describing the finding made as a result of the review.

"(3) COMPOSITION.—Each Subcommittee shall be composed of not less than 6 members of the advisory council involved. The Secretary shall designate the membership of each Subcommittee from among members of the advisory council involved who have expertise regarding clinical research on diseases, disorders, or other health conditions—

"(A) that are unique to women, more prevalent in women, or more serious for women; or

"(B) for which the risk factors or interventions are different for women.

"(4) APPOINTMENT OF ADDITIONAL MEMBERS.—If the Secretary determines that an advisory council for an agency of the Alcohol, Drug Abuse, and Mental Health Administration does not contain a sufficient number of individuals with the expertise required for purposes of paragraph (3), the Secretary shall appoint to the advisory council, from among individuals who are not officers or employees of the United States, a number of individuals necessary with respect to complying with such paragraph.

"(5) SUSPENSION OR REVOCATION OF RESEARCH AUTHORITY.—If the Secretary determines that any project of clinical research conducted by any agency of the Alcohol, Drug Abuse, and Mental Health Administration is not being conducted in accordance with subsections (a) through (c), the Secretary shall suspend or revoke the authority for the project under such conditions as the Secretary determines appropriate.

"(f) DEFINITION.—For purposes of this section, the term 'minority groups' means racial and ethnic minority groups.".

SEC. 203. PEER REVIEW REGARDING INCLUSION OF WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH.

(a) NATIONAL INSTITUTES OF HEALTH.—Section 492 of the Public Health Service Act (42 U.S.C. 289a) is amended by adding at the end the following new subsection:

"(c)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding the inclusion of women and members of minority groups as subjects in the research.

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 492A, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

(b) ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION.—Section 507 of the Public Health Service Act (42 U.S.C. 290aa-5) is amended by adding at the end the following new subsection:

"(f)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding the inclusion of women and members of minority groups as subjects in the research.

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 507A, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

SEC. 204. OFFICE OF WOMEN'S HEALTH RESEARCH AND PROGRAMS.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) by redesignating parts F and G as parts G and H, respectively; and

(2) by inserting after part E the following new part:

"PART F—WOMEN'S HEALTH RESEARCH

"SEC. 486G. OFFICE OF WOMEN'S HEALTH RESEARCH.

"(a) ESTABLISHMENT.—The Secretary, acting through the Director of the National Institutes of Health, shall establish an Office of Women's Health Research (hereinafter referred to in this part as the 'Office') and provide administrative support and support services to the Director of such Office.

"(b) DIRECTOR.—The Office of Women's Health Research shall be headed by a Director who shall be appointed by the Director of the National Institutes of Health.

"(c) PURPOSE.—It shall be the purpose of the Office to ensure that research pertaining to women's health is identified and addressed throughout the research activities conducted and supported by the National Institutes of Health. The Secretary, acting through the Director of the Office, shall—

"(1) establish an intramural research program in gynecology at the National Institute of Child Health and Human Development;

"(2) establish a clinical service in gynecology; and

"(3) develop plans for and establish, not later than January 1, 1993, a Center for Women's Health Research to support research pertaining to women's health conditions.

"SEC. 486H. FUNCTIONS OF THE DIRECTOR.

"(a) IN GENERAL.—The Director of the Office of Women's Health Research shall—

"(1)(A) identify women's health research needs, including prevention research;

"(B) identify needs for coordinated research activities, especially multidisciplinary research relating to women's health, to be conducted intra and extramurally;

"(C) encourage researchers whose research is funded or supported by the National Institutes of Health to pursue research pertaining to women's health; and

"(D) support the development and expansion of clinical trials of treatments, therapies and modes of prevention that include women of all ages, races and ethnicities.

"(2) establish a coordinating council that shall be composed of the Directors, of the Institutes, Centers, Offices, and Divisions of the National Institutes of Health and of the Alcohol, Drug Abuse, and Mental Health Administration, to assist in the duties described in paragraph (1); and

"(3) establish within such Office an advisory committee to be known as the Women's Health Clinical Research Advisory Committee (hereinafter referred to in this section as the 'Committee.').

"(b) ADVISORY COMMITTEE.—

"(1) COMPOSITION.—The Committee shall be composed of not less than 12 appropriately qualified representatives of the public who are not officers or employees of the Federal Government. Such members shall include physicians, practitioners, scientists, and other women's health professionals whose clinical practice, research specialization, and professional expertise includes a significant focus on women's health and gender differences that effect women's health.

"(2) DUTIES.—The Committee shall—

"(A) advise the Director of the Office concerning—

"(i) appropriate research activities to be supported by the Center with respect to—

"(I) research conditions and diseases unique to, more prevalent in, or neglected concerning areas of health relating to women of all ages, ethnicities, and racial groups;

"(II) research concerning gender differences involved in clinical drug trials, with emphasis provided to pharmacological response and side effects resulting from such;

"(III) research concerning gender differences involving disease etiology, course and treatment;

"(IV) research concerning obstectrical and gynecological health, conditions, diseases, and treatment;

"(V) research concerning health conditions relating to women that require a multidisciplinary approach;

"(VI) research concerning the prevention of health conditions that effect women; and

"(VII) the merits of establishing a Center for Women's Health as an independent center within the Office of the Director rather than as a center that is part of an existing Institute;

"(B) report to the Director of the Office on research concerning women's health that is publicly and privately supported;

"(C) provide recommendations to the Director of the Office regarding the operations of the Center;

"(D) monitor the compliance of all research projects supported or conducted by the National Institutes of Health with laws and regulations relating to the inclusion of women in clinical study populations;

"(E) provide advice to the Director of the National Institutes of Health concerning the manner in which to advance and encourage research on women's health;

"(F) provide advice to the Director of the National Institutes of Health concerning the merits of establishing the Center for Women's Health as an independent Center within the Office of the Director of the National Institutes rather than as a Center that is part of an existing Institute;

"(G) request that a study be conducted by the Institute of Medicine of the National Academy of Sciences that could assist in determining the manner in which to remove obstacles to and advance and encourage research concerning women's health; and

"(H) make recommendations to the appropriate committees of Congress and to the Director of NIH for further legislative and administrative initiatives, as appropriate for achieving the purposes described in section 486G(d).

"SEC. 486I. REPORT TO THE SECRETARY.

"(a) IN GENERAL.—Not later than January 1, 1992, and biennally thereafter, the Director of the National Institutes of Health shall prepare and submit to the Secretary, a report that shall—

"(1) describe and evaluate the progress made, during the period for which such report is prepared, in research, treatment and prevention with respect women's health conducted or supported by the National Institutes of Health;

"(2) summarize and analyze expenditures, made during the period for which such report is made, for activities with respect to women's health research conducted or supported by the National Institutes of Health;

"(3) contain such recommendations as the Director of the Office for Women's Health Research considers appropriate; and

"(4) for the initial report, recommend whether the Center for Women's Health Research should be a freestanding intramural center or whether it should be an intramural center attached to an existing institute.

"(b) SUBMISSION TO CONGRESS.—The Secretary shall provide a copy of the reports submitted under subsection (a) to the appropriate Committees of Congress.

"(c) STUDY.—With respect to the study conducted under a request made under section 486H(b)(2)(G), such study shall include an examination of the infrastructure of the Institutes, the grant approval process, the peer review process with regard to the impact of such on women's health research, the manner in which to increase the number of women in senior level research positions, and a proposed research agenda for biomedical and biobehavioral research on women's health.

"SEC. 486J. DATA BANK ON WOMEN'S HEALTH AND GENDER DIFFERENCES RESEARCH.

"(a) ESTABLISHMENT OF PROGRAM.—The Director of the National Institutes of Health, after consultation with the Director of the Office of Women's Health Research and the Board of Regent's of the National Library of Medicine, shall establish, maintain, and operate a program to provide information concerning research, treatment, and prevention activities relating to women's health and gender differences.

"(b) DATA BANK.—

"(1) ESTABLISHMENT.—The Secretary shall establish a data bank to compile information concerning the results of research with respect to women's health and gender differences that effect women's health. Such data bank shall be headed by an executive director to be appointed by the Director of the Office of Women's Health Research.

"(2) CLINICAL TRIALS AND TREATMENTS.—The data bank established under paragraph (1) shall compile information concerning clinical trials and treatments with respect to women's health and gender differences.

"(3) INFORMATION.—The executive director of the data bank shall make information compiled by the data bank available through existing informational systems that provide access to health care professionals and providers, researchers, and members of the public.

"(4) REGISTRY.—

"(A) IN GENERAL.—The executive director of the data bank shall maintain a registry of ongoing clinical trials of experimental treatments for conditions and diseases unique to, or more prevalent in, health areas concerning women and gender differences, or other health areas that have been neglected with respect to research concerning women or gender differences.

"(B) INFORMATION.—Information to be maintained in the registry under this paragraph shall include—

"(i) eligibility criteria (including sex, age, ethnicity or race) for participating in clinical trials;

"(ii) the location of the clinical trial sites; and

"(iii) any other information determined appropriate by the executive director.

"(C) REQUIREMENT TO PROVIDE INFORMATION.—Not later than 21 days after the date on which the Food and Drug Administration approves the application of the sponsor of a clinical trial for an experimental treatment, such sponsor shall provide information concerning the research to be conducted under such clinical trial to the data bank. The data bank shall include information pertaining to the results of such clinical trials of such treatments, including information concerning potential toxicities or adverse effects associated with the use or administration of such experimental treatment.

"SEC. 486K. DEFINITION.

"A used in this part, the term 'women's health research' includes research concerning etiology, diagnosis, prevention, health promotion, treatment, and gender differences of conditions and diseases unique to, more prevalent in, or neglected in health areas of women in all age, ethnic, and racial groups.".

SEC. 205. EFFECTIVE DATE AND APPLICABILITY OF REQUIREMENTS.

(a) EFFECTIVE DATE.—The amendments made by section 201, 202, and 203 shall apply to research proposals considered after January 1, 1991.

(b) APPLICABILITY.—The amendments made by sections 201, 202, and 203 shall apply with respect to any project of clinical research whose initial approval by the Secretary occurs after the expiration of the 90-day period beginning on the effective date of this Act.

Mr. ADAMS. Mr. President, I rise to express, in the strongest terms possible, my support for the NIH reauthorization bill currently before us. While the bill reauthorizes many important functions of the National Institutes of Health, I am particularly pleased with the provisions in the bill addressing women's health. Some may put forth barriers to thwart consideration and passage of this measure. I urge my colleagues to oppose such efforts. To block passage of this bill is to block desperately needed advancement in women's health. In essence, the women's health provisions included in this bill represent an issue of equity for women. I want to mention that these provisions of the reauthorization bill would not have been possible without the cooperation and hard work of committee members and their staff.

Representatives SCHROEDER and SNOWE, their staff, the Congressional Caucus for Women's Issues, and the Women's Health Research Coalition deserve our praise as well.

I would like to take a few moments to briefly go over the significant women's health provisions contained in this measure.

First, this bill will codify existing NIH/ADAMHA policy regarding the inclusion of women and minorities in clinical research. I want to say that this provision is identical to a bill that I have introduced called the Clinical Trials Fairness Act and I want to thank the committee for supporting my efforts in this regard. Second, this bill will create an Office of Women's Health Research at NIH. Among the responsibilities of the Office will be the development of a plan to create a Center for Women's Health Research by January 1993 and the establishment of both an intramural program in gynecology and a clinical service in gynecology.

We need this proposal enacted into law because women's health is not taken as seriously as men's. Study after study is conducted, the result of which are very important, but only to men. The results of studies which don't include women in the clinical trials are of absolutely no use to women. A 1988 study of 22,000 physicians funded by the National Heart, Lung, and Blood Institute found that aspirin could prevent heart attacks in men. Doctors subsequently recommended that older men at increased risk of heart disease take an aspirin every other day but, specifically stated they could not offer the women the same advice. Heart disease is the leading cause of death in both sexes, 372,000 American women die from this killer every year. Needless to say, sexism in medical practices can have fatal consequences

Another disturbing example involves the largest study of aging supported by the National Institute on Aging which excluded women from the study during its first 20 years. The last major report from the Baltimore Longitudinal Study of Aging published in 1984 by the Department of Health and Human Services contains no data on women. The report is titled "Normal Human Aging." I do not believe it is merely a coincidence that the steering committee which oversaw that study is comprised of 10 men and 0 women.

Along these lines, I am pleased that I have gained consent to include in the bill before us an amendment, which I addressed earlier that directs the National Institute on Aging to conduct research into menopauses and other special considerations of aging for women.

The proposal before us is critical if we are to address the inadequate funding and the discrimination that is taking place in our very best research institutions. The lack of programs designed to target and educate women in the prevention of diseases, the ambivalence, and yes, the neglect that is pervasive. I urge my colleagues to take a good look at this proposal and join in supporting this important effort.

Mr. HARKIN. Mr. President, today the Senate considers the reauthorization of the National Institutes of Health. And it is with extreme disappointment that I note the absence of the additional authority for the establishment of contraceptive and infertility research centers that was included in the committee-reported bill. That authority was included as a result of an amendment I offered during committee consideration of the bill, and which was approved by the committee by a vote of 11 to 5. The amendment was the text of S. 2215, a bipartisan bill I introduced last March with 14 cosponsors.

As I noted during the committee markup, it is difficult for me to comprehend why legislation designed to improve and expand methods of contraception, and improve our ability to treat the heartbreak of infertility, should be controversial. To the extent we can bring down the number of unintended pregnancies through more effective contraceptives, we can also reduce the incidence of abortion. That is a goal that I would have hoped everyone could support—regardless of our differing views on the issue of abortion.

However, it is clear that there are some Members who prefer to confuse these issues and make support for contraceptive research equivalent to support for abortion. I find that highly disturbing because it moves us further and further away from being able to reduce the number of abortions being performed.

It is, therefore, very difficult for me to allow S. 2857 go forward without this critical component. However, as a member of the authorizing committee with jurisdiction over the National Institutes of Health, as a cosponsor of the Women's Health Equity Act, many components of which are included in this bill, and as the chairman of the Appropriations Subcommittee which funds NIH, I must support its passage, even absent the contraceptive and infertility research centers provisions. I would also note with respect to the women's health initiatives included in this bill, that there is no more critical component of a women's health strategy than enhanced support for contraceptive research.

Furthermore, I am pleased to note that, despite the absence of explicit statutory authority for contraceptive and infertility research centers, I have included funding for this initiative in the fiscal year 1991 appropriations bill for the National Institutes of Health. Specifically, in the appropriation for the National Institute of Child Health and Human Development, funding has been provided to initiate all five centers called for in the amendment agreed to by the Labor and Human Resources Committee. With these funds, we can get the centers started in the coming year.

Finally, I note that the House NIH authorization bill includes comparable language to my amendment, from the text of the bill introduced by Congresswomen SCHROEDER and SNOWE, who are the principal sponsors of the contraceptive research legislation on the House side, and have been tireless leaders on this issue. Therefore, it is my hope that we may yet be able to get this legislation through this year.

I want to assure my colleagues, however, that if we are not successful this year, we will be back on this issue next year. The improvement of contraceptive methods and treatment of infertility are simply too important to the lives of millions of Americans to allow antiabortion politics to derail our efforts.

Despite my strong misgivings with the omissions in the bill, I do not want to specifically express my support for the components of this bill which have been maintained. First, I strongly support the reauthorization of the tremendously important work of the National Cancer Institute, the National Heart, Lung, and Blood Institute, the National Research Service Awards, the National Library of Medicine, the National Center for Biotechnology Information, and the Biomedical Ethics Board. All of these elements of the National Institutes of Health are important to ur national biomedical research effort.

Second, as alluded to earlier, I am very pleased that S. 2857 takes historic steps to assure that the National Institutes of Health appropriately address issues of women's health. The portions of the women's health initiative included in this bill should put an end to a number of areas of gender bias at the NIH, including the number of women included in the NIH sponsored clinical trials, the number of research projects and clinical programs focussed on women's health issues, and the number of women in higher level positions at NIH. I want to commend my colleagues on the Labor Committee, including Senator MIKULSKI, Chairman KENNEDY, and Senator ADAMS for their hard work and leadership in this area. I am proud to have joined them in insisting that these important changes be made.

Mr. President, these provisions demand for the women of America not special treatment, but fairness—plain and simple fairness. They are not getting, it now. A recent study showed that only 13.5 percent of NIH's budget was spent on women's health research. In addition, the General Accounting Office recently found that NIH has not assured that women are included in research studies of diseases and conditions which affect them. Perhaps the most glaring example of this problem is the recent study which concluded that taking an aspirin a day reduced the risk of heart attack. Although women, especially older women, suffer many heart attacks, the study was conducted only on men. So now more than half of all Americans don't know whether this prevention technique would help them, harm them, or have no impact.

This gender bias cannot be tolerated. It must change and will change if these provisions become law. I hope that we will act quickly to make these changes the law of the land.

I urge the passage of this legislation.

Mr. HARKIN. Mr. President, I would like to ask the chairman of the Labor and Human Resources Committee a few questions on behalf of myself and the other sponsors of the contraceptive and infertility research centers legislation, the text of which was included in the committee-reported version of the NIH bill.

It is my understanding that objections from the Republican side regarding the authorization for Centers for Contraceptive and Infertility Research will keep the NIH bill from being passed by unanimous consent, effectively killing the NIH bill for this session. Is that correct?

Mr. KENNEDY. The Senator is correct. We understand that there are numerous objections from the Republican side of the aisle to those provisions. Because of inadequate time to debate this legislation on the floor, the only way to get an NIH authorization passed this year is by unanimous consent, which we could not get with the inclusion of the contraceptive and infertility research provisions.

Mr. HARKIN. Therefore, is it correct that these provisions are not in the bill before us today, in order to get unanimous consent to move the bill?

Mr. KENNEDY. That is correct.

Mr. HARKIN. I must say, on behalf of myself, Senator PACKWOOD, Senator ADAMS, Senator HATFIELD, and Senator MIKULSKI, that we are deeply disappointed that these provisions need to be dropped, because of their critical importance. However, it is my understanding that the House Energy and Commerce Committee has included virtually identical provisions in the NIH reauthorization reported by the committee. Therefore, when the NIH reauthorization bill reaches conference, we urge the conferees to recede to the House position on contraceptive and infertility research. I would like to ask one last question. If we do not get an NIH reauthorization this year, or if the conference agreement fails to include these important provisions, would the Senator give me his assurances that this will be a high priority for early action by the Labor and Human Resources Committee next year?

Mr. KENNEDY. The Senator has my commitment.

Mr. HARKIN. I thank the Senator from Massachusetts.

AMENDMENT NO. 3051

(Purpose: To provide for a substitute amendment)

Mr. LEAHY, Mr. President, I send a substitute amendment to the desk on behalf of Senator KENNEDY and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. KENNEDY, proposes an amendment numbered 3051.

Mr. LEAHY. I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

AMENDMENT NO. 3052

(Purpose: To provide for the establishment of a children's vaccine initiative)

Mr. LEAHY. Mr. President, I send a perfecting amendment to the desk on behalf of Senator BRADLEY and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BRADLEY, proposes an amendment numbered 3052.

Mr. LEAHY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following new section:

SEC. . CHILDREN'S VACCINE INITIATIVE.

(a) FINDINGS.—Congress finds that—

(1) immunization has been the most effective tool for child survival;

(2) public health programs in the United States and in developing countries have encountered serious obstacles to their efforts to achieve the optimal prevention of infectious diseases by immunization;

(3) many children receive inadequate protection because immunization programs require too many visits to the doctor or health center and because vaccines do not protect against all infectious diseases or protect the child early enough in life;

(4) the great scientific advances in biology and biotechnology in the last 15 years have created the capacity to solve technical problems related to vaccines and immunization;

(5) there can and should be new and improved vaccines and delivery systems;

(6) if sufficient resources were available for vaccine research, it would be possible over time to develop the "children's vaccine", which would be a vaccine administered only once in infancy that would produce life-long immunity against a wide range of key infectious diseases;

(7) there is a great capacity in the world to develop and produce new and improved vaccines with private industry and the Federal Government having distinguished records in the development and manufacture vaccines, and with the United Nations Development Program having a longstanding commitment to vaccine research, development and delivery; and

(8) while operational research is needed to determine how to better deliver vaccines to children, State and local health departments and private practitioners have the basic capacity to deliver a wide variety of new and improved vaccines to America's children, and the World Health Organization and UNICEF are already prepared to organize basic vaccine delivery to the children of the developing world.

(b) CHILDREN'S VACCINE INITIATIVE.—Title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by adding at the end thereof the following new sutitle:

"Subtitle 3—Miscellaneous Provisions

"SEC. 2141. CHILDREN'S VACCINE INITIATIVE.

"(a) AUTHORITY.—The Secretary shall undertake a Children's Vaccine Initiative in accordance with this section. The Secretary shall organize the Initiative in consultation with the World Health Organization and the United Nations Children's Fund so that the benefits of such Initiative will accrue to all of the children of the world.

"(b) PLANNING AND COORDINATION.—The Director of the National Vaccine Program shall plan and coordinate the Children's Vaccine Initiative under this section.

"(c) ACTIVITIES.—The Director of the National Vaccine Program shall ensure that the Public Health Service shall conduct those vaccine research, operational research, development, production and delivery activities under the Initiative in collaboration with non-government institutions and with other Federal agencies to ensure the full use of the scientific and industrial capacity of the United States to prevent infectious disease.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 1991, $75,000,000 for fiscal year 1992, $100,000,000 for fiscal year 1993, and $125,000,000 for fiscal year 1994.".

Mr. BRADLEY. Mr. President, I rise today to offer an amendment to authorize Federal support for the development of a children's vaccine to help immunize children in America and overseas against a wide range of diseases. The amendment authorizes $50 million next year, rising to $125 million in 1994.

Mr. President, there was once a time in America when it was left almost to chance whether a child would grow to reach adulthood. Many large families took it for granted that at least one of their children would be lost to polio, diphtheria, measles, or another contagious disease before adolescence. For most parents who sent their children back to school this fall with their innoculation records and booster shots, those days are history, thanks to the greatest life-saving invention in all of medicine—vaccines.

But the diseases that our children complain about getting shots for because they have never heard of them are still a matter of daily life—and death—for millions of children around the world. Each year, 3 million kids die from the major diseases that can be prevented by vaccines. Only about 70 percent of the infants in the developing world will be immunized in 1990. That's a tremendous improvement over the 5 percent that were immunized in 1974, and most of the improvement can be attributed to the United Nations' immunization program, supported in part by the Child Survival Fund. But it's still not enough to eradicate killer diseases in the way that we have eliminated polio in the United States and smallpox worldwide.

In most countries in the past decade, UNICEF, the World Health Organization, the U.S. Agency for International Development and other groups have built an adequate system for delivering vaccines to children. In very poor areas, including America's inner cities, this system fails, and many children never see a doctor at all, or they receive only partial immunization. About 70 percent of the children in Jersey City, NJ, are not properly immunized. And in New Jersey—in 1990—two children died from measles. We must continue to work to make primary health care, including immunizations, a basic right of all children. But universal immunization will also reqiure a bigger goal—better vaccines. A few forward-looking scientists and public health officials have a vision of a children's vaccine. Administered once in infancy, it could prevent about a dozen diseases for a lifetime.

Mr. President, immunizing every child in the world today is made more difficult by the characteristics of the vaccines we have available:

Children need to many different vaccines keyed to different diseases. American schoolchildren must get three separate vaccine mixtures, including two that prevent three diseases each, and regular booster shots. In countries where illnesses like yellow fever are prevalent, even more distinct vaccines are required. The children's vaccine would immunize a child against numerous diseases at once, including regional plagues like Japanese encephalitis and many for which good vaccines are not yet available.

To remain effective, current vaccines require too many regular booster shots. Recent severe outbreaks of measles in high schools and on college campuses in New Jersey recently have been attributed to neglect of booster shots. The children's vaccine would need to be administered only once in a lifetime, in infancy.

Most vaccines need constant refrigeration in order to remain potent. This makes it more difficult to bring the vaccines to isolated areas or store them in small, rural medical facilities. The children's vaccine would be stored and transported at room temperature.

Most vaccines are administered by injection, which not only requires more equipment but makes children reluctant to return for boosters. The children's vaccine would be administered orally, like the Sabin polio vaccine.

The children's vaccine is an ideal, like JFK's vision of putting a man on the moon. It may take anywhere from 10 to 30 years of research before that single, once-in-a-lifetime vaccine reaches the market. Each step along the way, though, will lead to more and better vaccines and help children live longer, healthier lives.

But the revolution in biotechnology makes the children's vaccine more than just a dream. Scientific research into vaccines peaked in the 1930's and declined with the introduction of antibiotics. New insights into the structure of the immune system and our ability to tinker with the very DNA of a virus make it likely that the 1990's will bring renewed progress in the development of human vaccines.

The only obstacle to this progress is an economic one. Vaccines are a public good; they are not particularly profitable for pharmaceutical companies, especially if they need be administered only once in a lifetime. If we are to realize the major advances that recent science makes possible, governments will have to play a role. Currently the United States provides $140 million for worldwide vaccine research. Developing the children's vaccine is an Apollo project for the world's children, and this legislation will provide resources adequate to this lifesaving task.

The development of the children's vaccine has been endorsed by the World Health Organization's Scientific Group of Experts for the Programme on Vaccine Development. In addition, the National Vaccine Program convened a special meeting of experts at the National Institutes of Health in August 1990 about the technical feasibility of such an initiative. The results of that meeting also were overwhelmingly positive.

Mr. President, this is a very important initiative. Indeed, the Senate Appropriations Committee approved $6 million for HHS and AID in startup funding. I urge adoption of the amendment.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 3052) was agreed to.

AMENDMENT NO. 3053

(Purpose: To provide for the inclusion of women in aging research)

Mr. LEAHY. Mr. President, I send a perfecting amendment to the desk on behalf of Senator ADAMS and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator form Vermont [Mr. LEAHY] for Mr. ADAMS, proposes an amendment numbered 3053.

Mr. LEAHY. I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 48, between lines 14 and 15, insert the following new section:

SEC. 204. INCLUSION OF WOMEN IN AGING RESEARCH.

Section 444 of the Public Health Service Act (42 U.S.C. 285e-1) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively; and

(2) by inserting after subsection (a), the following new subsection:

"(b) The Director of the Institute shall conduct research into the aging processes of women, with particular emphasis given to the effects of menopause and the physiological and behavioral changes occurring during the transition from pre to post menopause, and into the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.".

On page 48, line 15, strike out "204" and insert in lieu thereof "205".

On page 50, line 13, strike out "and".

On page 50, between lines 13 and 14, insert the following new subparagraph:

"(D) encourage researchers whose research is funded or supported by the National Institutes of Health to pursue research into the aging processes of women, and with particular emphasis given to menopause; and".

On page 50, line 14, strike out "(D)" and insert in lieu thereof "(E)".

On page 58, line 14, strike out "205" and insert in lieu thereof "206".

Mr. ADAMS. Mr. President, first, I would like to compliment the chairman and the other members of the Labor and Human Resources Committee for the bill before us and I am pleased to offer my amendment to this important legislation. While my amendment is modest in scope, I believe it will serve a purpose of utmost importance by ensuring that research is finally carried out menopause, which is such a normal part of a woman's life.

Specifically, my amendment would amend this legislation to direct the National Institute on Aging to conduct research into menopause and other special considerations of aging women including conditions and disorders of particular concern to women.

As chairman of the Aging Committee, I have become increasingly concerned that the National Institute on Aging has shown little interest in menopause or its potential implication for women's health. Incredibly, menopause, a fundamental fact of aging for women, is not even listed by the National Institute of Aging as an area of study in its research programs that are relevant to the health of older women. Menopause is a critically important aging issue with significant implications for the quality of life for women. A woman today can expect to spend the last third of her life span in the postmenopausal years.

Menopause is surrounded by popular and gynecologic and psychiatric misconceptions. While contemporary epidemiologic and clinical studies have recently rebutted some of these myths, serious medical questions concerning menopause remain, particularly about the implications of hormone replacement therapy and the onset and treatment of diseases like breast cancer and heart disease.

Mr. President, the NIH reauthorization bill before us provides a timely and badly needed opportunity to begin to redress this serious shortcoming in our Nation's research agenda concerning aging America and the special needs of women. I hope that this body will see fit to add this crucial women's issue to this legislation.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 3053) was agreed to.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Massachusetts, as amended.

The amendment (No. 3051) as amended was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment, in the nature of a substitute, as amended.

The committee amendment, in the nature of a substitute, as amended, was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2857

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Institutes of Health Reauthorization Act of 1990".

TITLE I—REAUTHORIZATION OF CERTAIN NATIONAL INSTITUTES

SEC. 101. NATIONAL CANCER INSTITUTE AND NATIONAL HEART, LUNG, AND BLOOD INSTITUTE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 408(a) of the Public Health Service Act (42 U.S.C. 284c(a)) is amended—

(1) in paragraph (1)—

(A) by striking out "$1,500,000,000" and all that follows through the period in subparagraph (A), and inserting in lieu thereof "$2,093,400,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994."; and

(B) by striking out "$100,000,000" and all that follows through the period in subparagraph (B) and inserting in lieu thereof "such" sums as may be necessary in fiscal year 1990, $156,600,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994."; and

(2) in paragraph (2)—

(A) by striking out "$1,000,000,000" and all that follows through the first period in subparagraph (A), and inserting in lieu thereof "$1,498,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994."; and

(B) by striking out "$100,000,000" and all that follows through the period in subparagraph (B) and inserting in lieu thereof "such sums as may be necessary in fiscal year 1990, $151,500,000 for fiscal year 1991,

and such sums as may be necessary in each of the fiscal years 1992 through 1994.".

(b) RESOURCE PROGRAM.—Section 421(b) of such Act (42 U.S.C. 285b-3(b)) is amended by inserting immediately after paragraph (4) the following new paragraph:

"(5) Shall, in consultation with the advisory council for the Institute, support appropriate programs of training and education, including continuing education and laboratory and clinical research training.".

SEC. 102. NATIONAL LIBRARY OF MEDICINE.

(a) AUTHORIZATION OF APPRORIATIONS.—Section 469 of the Public Health Service Act (42 U.S.C. 286b) is amended by striking out "$14,000,000" and all that follows through the first period and inserting in lieu thereof "$40,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.".

(b) GRANTS FOR THE DEVELOPMENT OF NEW EDUCATIONAL TECHNOLOGIES.—Section 473 of such Act (7 U.S.C. 286b-4) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall make grants to appropriate public or private nonprofit institutions for the purpose of carrying out projects in the research, development, and demonstration of new educational technologies. Such projects shall assist in the training of health professions students, and enhance and improve the research and teaching capabilities of health professionals. Funding may support projects including those concerning computer-assisted teaching at health professions and research institutions, the effective transfer of new information from research laboratories to appropriate clinical applications, the expansion of the laboratory and clinical uses of computer-stored research databases, and the testing of new technologies for training health care professionals in non-traditional settings.".

(c) REMOVAL OF CAP ON CERTAIN GRANTS.—Section 474(b)(2) of such Act (42 U.S.C. 286b-5(b)(2)) is amended by striking out ", except that" and all that follows through "$750,000".

SEC. 103. NATIONAL RESEARCH SERVICE AWARDS.

Section 487 of the Public Health Service Act (42 U.S.C. 288) is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(2) by inserting after subsection (b), the following new subsection:

"(c) The National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration shall undertake or support comprehensive recruitment and research training programs to increase the participation of minorities who are underrepresented in biomedical and behavioral research and women in research."; and

(3) in subsection (e) (as so redesignated), by striking out "$300,000,000" and all that follows through the first period and inserting in lieu thereof "$415,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.".

SEC. 104. NATIONAL COMMISSION ON SLEEP DISORDERS RESEARCH.

Section 162 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) is amended—

(1) in subsection (h), by inserting "and the Alcohol, Drug Abuse and Mental Health Administration" after "National Institutes of Health"; and

(2) in subsection (i), by striking out "18 months" and inserting in lieu thereof "24 months".

SEC. 105. TRANSFER OF PROVISIONS.

(a) IN GENERAL.—Section 12 of the Health Research Extension Act of 1985 (42 U.S.C. 285e-^ .iote) is—

(1) transferred to subpart 5 of part C of title IV of the Public Health Service Act (42 U.S.C. 285e et seq.);

(2) redesignated as section 445G; and

(3) inserted after section 445F (42 U.S.C. 285e-8).

(b) AVAILABILITY OF APPROPRIATIONS.—With respect to amounts made available in appropriations Acts for the purpose of carrying out the program transferred by subsection (a) to the Public Health Service Act, such subsection shall not be construed to affect the availability of such funds for such purpose.

(c) REAUTHORIZATION AND TECHNICAL AMENDMENT.—

(1) REAUTHORIZATIONS.—Subsection (c) of section 445G of the Public Health Service Act (as so redesignated) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under subsection (a), $8,000,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994.".

(2) TECHNICAL AMENDMENT.—Section 445G(a) of such Act (as so redesigned) is amended by striking out "and its incidence in the United States".

SEC. 106. NATIONAL CENTER FOR BIOTECHNOLOGY INFORMATION.

Section 478(c) of the Public Health Service Act (42 U.S.C. 286c(c)) is amended—

(1) by striking out "$8,000,000" and inserting in lieu thereof "$10,000,000";

(2) by striking out "1989" and inserting in lieu thereof "1991"; and

(3) by striking out "fiscal year 1990" and inserting in lieu thereof "each of the fiscal years 1992 through 1994".

SEC. 107. BIENNIAL REPORT ON CARCINOGENS.

Section 301(b)(4) of the Public Health Service Act (42 U.S.C. 2412(b)(4)) is amended by striking out "an annual" and inserting in lieu thereof "a biennial".

SEC. 108. FETAL RESEARCH.

Section 498(c) of the Public Health Service Act (42 U.S.C. 289g(c)) is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) in paragraph (1) (as so redesignated)—

(A) by striking out "24-month" and inserting in lieu thereof "48-month"; and

(B) by striking out "National Institute" and all that follows through "1988" and inserting in lieu thereof "National Institutes of Health Reauthorization Act of 1990"; and

(4) in paragraph (2) (as so redesignated), by striking out "1990, paragraph (2)" and inserting in lieu thereof "1994, paragraph (1)".

SEC. 109. ESTABLISHMENT OF FOUNDATION.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end thereof the following new part:

"PART H—BIOMEDICAL RESEARCH

"SUBPART I—NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH

"SEC. 499A. NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary shall establish a nonprofit corporation, to be known as the National Foundation for Biomedical Research (hereafter referred to in this section as the 'Foundation'), that shall not, except for the purposes of the Ethics in Government Act and the Technology Transfer Act, be an agency of the United States Government.

"(2) INCORPORATION.—The Secretary, in cooperation with the members of the Board of Directors under subsection (b)(4), shall incorporate the Foundation.

"(3) NONPROFIT STATUS.—The Foundation shall be considered to be a corporation under section 501(c) of the Internal Revenue Code of 1986, and shall be subject to the provisions of this section.

"(b) BOARD OF DIRECTORS.—

"(1) COMPOSITION.—The Board of Directors of the Foundation (hereafter referred to in this section as the Board') shall be composed of—

"(A) not to exceed nine voting members to be appointed by the ex officio members of the Board in accordance with this subsection;

"(B) the Director of the National Institutes of Health, the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, and the Surgeon General who shall be ex officio members; and

"(C) five initial members to be appointed by the ex officio members of the Board described in subparagraph (B), and the Chairperson appointed under paragraph (2), of which—

"(i) two such members shall represent the general biomedical field and one shall represent the general biobehavioral field; and

"(ii) two such members shall represent the general public.

"(2) CHAIRPERSON.—The ex officio members of the Board as described in subparagraph (B) of paragraph (1) shall appoint an individual to serve as chairperson of the Board.

"(3) TERMS AND VACANCIES.—

"(A) IN GENERAL.—The term of office of each member of the Board appointed under subparagraph (C) of paragraph (1) shall be 5 years, except that—

"(i) any individual appointed to fill a vacancy that has occurred prior to the expiration of the term for which such individual's predecessor was appointed, shall be appointed for the remainder of such predecessor's term; and

"(ii) the terms of office for the initial members of the Board shall expire as determined by the chairperson and the ex officio members of the Board at the time of the appointment.

"(B) SUBSEQUENT APPOINTMENTS.—Individuals appointed to the Board at the expiration of the term of a member shall be selected by a majority vote of all Board members at the last meeting prior to the expiration of the term of the member to be replaced.

"(C) EFFECT OF VACANCY.—A vacancy on the Board shall not affect its powers, and shall be filled in the same manner in which the original designation or appointment was made.

"(4) INCORPORATORS.—The initial members of the Board shall serve as incorporators and take whatever actions necessary to incorporate the Foundation.

"(5) COMPENSATION.—Members of the Board appointed under subparagraph (C) of paragraph (1) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board, as set forth in the bylaws issued by the Board.

"(c) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Foundation shall have an Executive Director who shall be appointed by the Board and shall serve at the

pleasure of the Board. The Executive Director shall be responsible for the day-to-day operations of the Foundation and shall have such specific duties and responsibilities as the Board shall prescribe.

"(2) COMPENSATION.—The rate of compensation of the Executive Director shall be fixed by the Board.

"(d) DUTIES.—The Foundation shall—

"(1) provide funding for the support of the endowed scientists within the organizational structure of the intramural research programs of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration;

"(2) recruit senior biomedical scientists to hold scientific positions as described in paragraph (1);

"(3) support the staffing, equipment, and space requirements for the research undertaken by the scientists described in paragraph (2);

"(4) support the stipends and research expenses of those individuals appointed under the National Institutes of Health Scholars program, who shall be appointed for 6-year terms;

"(5) negotiate a memorandum of understanding with the Director of the National Institutes of Health and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration that specifies that Foundation scientists and personnel shall observe the ethical and procedural standards regulating research and research findings, including publications and patents, that are followed by scientists and personnel at the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration, including the Ethics in Government Act and the Technology Transfer Act; and

"(6) conduct biennial audits of the financial condition of the Foundation.

"(e) POWERS.—In order to carry out its duties under subsection (d), the Foundation is authorized to—

"(1) operate under the direction of its Board;

"(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

"(3) provide for one or more officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

"(4) hire, promote, compensate, and discharge officers and employees of the Foundation;

"(prescribe by its Board its bylaws, that shall be consistent with law, and that shall provide for the manner in which—

"(A) its offecers, employees, and agents are selected;

"(B) its property is acquired, held, and transferred;

"(C) its general operations are to be conducted; and

"(D) the privileges granted by law are exercised and enjoyed;

"(6) with the consent of any executive department of independent agency, use the information, services, staff, and facilities of such in carrying out this section;

"(7) sue and be sued in its corporate name, and complain and defend in courts of competent jurisidiction;

"(8) modify or consent to the modification of any contract or agreement to whichit is a party or in which it has an itnerest under this subtitle;

"(9) establish a mechanism for the selection of candidates, subject to the approval of the Director of the National Institutes of Health or the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, for the endowed scientific positions within the organizational structure of the intramural research programs of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration and candidates for participation in the National Institutes of Health Scholars program;

"(10) enter into contracts with public and privte organizations for the writing, editing, printing, and publishing of books and other material;

"(11) take such action as may be necessary to obtain patents and licenses for divices and procedures developed by the Foundation and its employees;

"(12) accept, hold, administer, invest, and spend any gift, devise, or bequest of real or personal property made to the Foundation;

"(13) enter into such other contracts, leases, cooperative agreements, and other transactions as the Executive Director considers appropriate to conduct the activities of the Foundation;

"(14) appoint other groups of advisors as may be determined necessary from time to time to carry out the functions of the Foundation; and

"(15) exercise other powers as set forth in this section, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this subtitle.

"(f) ADMINISTRATIVE CONTROL.—No participant in the program established under this part shall exercise any administrative control over any Federal employee.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such funds as the Secretary determines may be necessary to carry out this part, except that not more than $200,000 shall be appropriated to commence the initial operations of the Foundation, including the appointment of the Board under subsection (b). In the event that adequate amounts are not appropriated under this section, the Secretary shall make available not to exceed $200,000 from funds within the Department of Health and Human Services that are otherwise unobligated.

"(h) REPEALER.—The provisions of this part shall be repealed on the date that occurs 5 years after the date of enactment of this part, except that this subsection shall not take effect if the Foundation has not yet been incorporated under subsection (a)(2) by such date.

"SUBPART II—BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES

"SEC. 499B. DEFINITIONS.

"As used in this part:

"(1) CONSTRUCTION AND COST OF CONSTRUCTION.—The terms 'construction' and 'cost of construction' include the construction of new buildings and the expansion, renovation, remodeling, and alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land or offsite improvements.

"(2) PUBLIC OR NONPROFIT PRIVATE INSTITUTION.—The term 'public or nonprofit private institution' means an institution that conducts biomedical or behavioral research, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"SEC. 499C. GRANTS FOR CONSTRUCTION.

"The Director of the National Institutes of Health, through the Director of Research Resources (hereinafter in this part referred to as the 'Director'), is authorized to award grants on behalf of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration to public and nonprofit private institutions to expand, remodel, renovate, or alter existing research facilities or construct new research facilities pursuant to this part. Applications for grants shall be evaluated on the basis of merit as provided in section 499J.

"SEC. 499D. TECHNICAL REVIEW BOARD ON BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established in the Division of Research Resources of the National Institutes of Health a Technical Review Board on Biomedical and Behavioral Research Facilities (hereinafter referred to in part as the 'Board') to advise the Director and the Advisory Council established pursuant to section 480 (hereinafter in this part referred to as the 'Advisory Council') on matters concerning the construction of facilities, and to conduct the peer review of applications received under this part.

"(2) MEMBERSHIP.—The Board shall be appointed by the Director, in consultation with the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, and consist of not fewer than—

"(A) 12 members to be appointed without regard to the civil service laws; and

"(B) an official of the National Science Foundation designated by the National Science Board.

"(3) FACTORS FOR APPOINTMENTS.—In selecting individuals for appointment to the Board under paragraph (2), the Director shall consider factors such as—

"(A) the experience of the individual in the planning, construction, financing, and administration of institutions engaged in the conduct of research in the biomedical or behavioral sciences;

"(B) the familiarity of the individual with the need for biomedical or behavioral research facilities;

"(C) the familiarity of the individual with the need for dentistry, nursing, pharmacy, and allied health professions research facilities; and

"(D) the experience of the individual with emerging centers of excellence as defined in section 499E(d)(2).

"(b) DUTIES.—The Board shall—

"(1) advise and assist the Director and the Advisory Council in the preparation of general regulations and with respect to policy matters arising in the administration of this part;

"(2) make recommendations to the Director and the Advisory Council concerning—

"(A) merit review of applications for grants; and

"(B) the amount that should be granted to each applicant whose application, in its opinion, should be approved; and

"(3) prepare an annual report for the Advisory Council, that shall be available to the public, that—

"(A) describes the activities of the Board in the fiscal year for which the report is made;

"(B) describes and evaluates the progress made in such fiscal year in meeting the facilities' needs for the biomedical research community;

"(C) summarizes and analyzes expenditures made by the Federal Government for such activities;

"(D) reviews the approved but unfunded applications for grants; and

"(E) contains the recommendations of the Board for any changes in the implementation of this part.

"(c) TERMS.—

"(1) IN GENERAL.—Each appointed member of the Board shall hold office for a term of 4 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term.

"(2) STAGGERED TERMS.—Of the initial members appointed to the Board—

"(A) 3 shall hold office for a term of 3 years;

"(B) 3 shall hold office for a term of 2 years; and

"(C) 3 shall hold office for a term of 1 year;

as designated by the Director at the time of the appointment.

"(3) REAPPOINTMENT.—No member shall be eligible for reappointment until at least 1 year has elapsed since the end of such member's preceding term.

"(d) COMPENSATION.—Members of the Board who are not officers or employees of the United States shall receive for each day the members are engaged in the performance of the functions of the Board compensation at the same rate received by members of other national advisory councils established under this title.

"(e) USE OF MEMBERS.—The Director is authorized to use the services of any member or members of the Board, and where appropriate, any member or members of any other national advisory council established pursuant to this title, in connection with matters related to the administration of this part, for such periods, in addition to conference periods, as the Director may determine appropriate. The Director shall make appropriate provision for consultation between and coordination of the work of the Board and the Advisory Council, with respect to matters bearing on the purposes and administration of this part.

"(f) ADMINISTRATION.—The administration of the Board's functions shall be the responsibility of the Director and shall be carried out in the same manner as the administration of the functions of the Advisory Council.

"(g) BOARD ACTIVITIES.—

"(1) IN GENERAL.—In carrying out its functions under this part, the Board may establish subcommittees, convene workshops and conferences, and collect data as the Board considers appropriate.

"(2) SUBCOMMITTEES.—Subcommittees established under paragraph (1) may be composed of Board members and nonmember consultants with expertise in the particular area to be addressed by the subcommittees. The subcommittee may hold meetings as determined necessary to enable the subcommittee to carry out its activities.

"SEC. 499E. APPLICATION AND SELECTION FOR GRANTS.

"(a) SUBMISSION.—Applications for grants under this part shall be submitted at least once each year to the Director by interested public and nonprofit private institutions.

"(b) AWARDING OF GRANTS.—A grant under this part may be awarded by the Director if—

"(1) the applicant institution is determined by the Director to be competent to engage in the type of research for which the proposed facility is to be constructed;

"(2) the applicant institution meets the eligibility conditions established by the Director;

"(3) the application contains or is supported by the reasonable assurances that—

"(A) for not less than 20 years after completion of the construction, the facility will be used for the purposes of research for which it is to be constructed;

"(B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility; and

"(C) sufficient funds will be available when construction is completed, for the effective use of the facility for the research for which it is being constructed; and

"(4) the proposed construction will expand the applicant's capacity for research, or is necessary to improve or maintain the quality of the applicant's research.

A grant under this part may be made only if the application therefor is recommended for approval by the Advisory Council.

"(c) ELIGIBILITY CONDITIONS.—Within the aggregate monetary limit as the Director may prescribe, applications that, solely by reason of the inability of the applicants to give the assurance required by subsection (b)(2), fail to meet the requirements for applications described in this section, may be approved on condition that the applicants give the assurance required by such paragraph within a reasonable time and on such other reasonable terms and conditions as the Director may determine appropriate.

"(d) AWARDING GRANTS.—

"(1) IN GENERAL.—In acting on applications for grants under this part, the Director shall take into consideration—

"(A) the relative scientific and technical merit of the applications, and the relative effectiveness of the proposed facilities, in expanding the capacity for biomedical or behavioral research and in improving the quality of such research;

"(B) the quality of the research or training, or both, to be carried out in the facilities involved;

"(C) the need of the institution for such facilities in order to maintain or expand the institution's research and training mission;

"(D) the congruence of the research activities to be carried out within the facility with the research and investigator manpower needs of the United States; and

"(E) the age and condition of existing research facilities and equipment.

"(2) INSTITUTIONS OF EMERGING EXCELLENCE.-

"(A) IN GENERAL.—In addition to the considerations required under paragraph (1), the Director shall also consider other criteria for the awarding of grants to eligible institutions that demonstrate emerging excellence in biomedical or behavioral research for the construction of research facilities.

"(B) ELIGIBILITY.—To be eligible to receive a grant under this paragraph, an institution shall—

"(i) have a plan for research or training advancement and possess the ability to carry out such plan; and

"(ii)(I) carry out research and research training programs that have a special relevance to the problem, concern, or unmet need of the United States;

"(II) have already demonstrated a commitment to enhancing and expanding the research productivity of the institution;

"(III) have been productive in research or research development and training in settings where significant barriers to institutional developent have been created by—

"(aa) the underrepresenation of minorities in health science careers;

"(bb) the health deficit in health care technology, services, or research resources that can already affect health status in the future.

"(cc) a regional deficit in health care technology, services, or research resources that can adversely affect health status in the future.

"SEC. 499F. AMOUNT OF GRANT; PAYMENTS.

"(a) AMOUNT.—The amount of any grant awarded under this part shal be determined by the Director, except that such amount shall not exceed—

"(1) 50 percent of the necessary cost of the construction of a proposed facility as determined by the Director; or

"(2) in the case of a multipurpose facility, 50 percent of that part of the necessary cost of construction that the Director determines to be proportionate to the contemplated use of the facility.

"(b) RESERVATION OF AMOUNTS.—On approval of any application for a grant under this part, the Director shall reserve, from any appropriation available therefor, the amount of such grant, and shall pay such amount, in advance or by way of reimbursement, and in such installments consistent with the construction progress, as the Director may determine appropriate. The reservation of the Director of any amount by the Director under this subsection may be amended by the Director, either on the approval of an amendment of the application or on the revision of the estimated cost of construction of the facility.

"(c) EXCLUSION OF CERTAIN COSTS.—In determining the amount of any grant under this part, there shall be excluded from the cost of construction an amount equal to the sum of—

"(1) the amount of any other Federal grant that the applicant has obtained, or is assured of obtaining, with respect to construction that is to be financed in part by a grant authorized under this part; and

"(2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"(d) WAIVER OF LIMITATIONS.—The limitations imposed by subsection (a) may be waived at the discretion of the Director for institutions described in section 499E(d)(2).

"SEC. 499G. RECAPTURE OF PAYMENTS.

"If, not later than 20 years after the completion of construction for which a grant has been awarded under this part—

"(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private institution; or

"(2) the facility shall cease to be used for the research purposes for which it was constructed (unless the Director determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the current value (as determined by an agreement between the parties or by action brought in the United States District Court for the district in which such facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction of such facility.

"SEC. 499H. NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS.

"Except as otherwise specifically provided in this part, nothing contained in this part shall be construed as authorizing any de-

partment, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to the administration of any institution funded under this part.

"SEC. 499I. REGULATIONS.

"Not later than 6 months after the date of enactment of this part, the Director, after consultations with the Advisory Council and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, shall prescribe regulations concerning the eligibility of institutions for grants awarded under this part, and the terms and conditions applicable to the approval of applications for such grants. The Director may prescribe such other regulations as the Director determines necessary to carry out this part.

"SEC. 499J. PEER REVIEW OF APPLICATIONS.

"(a) IN GENERAL.—The Director shall require appropriate peer review of applications for grants under this part in accordance with section 492.

"(b) MANNER OF REVIEW.—Review of grant applications under this part shall be conducted in a manner consistent with the system of scientific peer review conducted by scholars with regard to applications for grants under this Act for biomedical and behavioral research.

"(c) MEMBERSHIP.—Members of a peer review group established under this section shall be individuals who, by the virtue of their training or experience, are eminently qualified to perform peer review functions, except that not more than one-fourth of the members of any peer review group shall be officers or employees of the United States.

"SEC. 499K. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to award grants and otherwise carry out this part, $150,000,000 for fiscal year 1990, and such sums as are necessary for each of the fiscal years 1991 and 1992. Sums appropriated pursuant to this section shall remain available until expended.".

SEC. 110. NATIONAL CENTER FOR HUMAN GENOME RESEARCH.

Part E of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new subpart:

"SUBPART 4-NATIONAL CENTER FOR HUMAN GENOME RESEARCH

"SEC. 486A. PURPOSE OF THE CENTER.

"The purpose of the National Center for Human Genome Research (hereinafter referred to in this subpart as the 'Center') is to—

"(1) provide advice to the Director of NIH concerning all aspects of genomic research;

"(2) coordinate the integration, review, and planning of genomic analysis research;

"(3) formulate research goals, criteria and long-range plans with the guidance of the advisory council established under section 486C;

"(4) servce as a focal point on genomic analysis within the National Institutes of Health; and

"(5) foster, conduct, support, and administer research and research training programs directed at promoting the growth and quality of research related to mapping and sequencing of complex genomes;

"SEC. 486B. SPECIFIC AUTHORITIES.

"To carry out section 486A, the Director of the Center may—

"(1) provide research grants or enter into research contracts and cooperative agreements, with institutions and individuals;

"(2) provide research training awards to institutions and individuals;

"(3) promote closer interaction with other bases of genomic analysis and research;

"(4) collect and disseminate research findings concerning genomic research;

"(5) develop plans for the centralized, systematic, targeted effort to create detailed maps of genomes of organisms;

"(6) sponsor scientific meetings and symposia to promote progress concerning genomic research through information sharing; and

"(7) foster national and international information exchange with industry and academia concerning research on complex genomes.

"SEC. 486C. ADVISORY COUNCIL ON COMPLEX GENOMES.

"(a) APPOINTMENT.—

"(1) IN GENERAL.—The Secretary shall appoint an advisory council for the Center which shall advise, assist, consult with, and make recommendations to the Secretary and the Director of the Center on matters related to the activities carried out by and through the Center and the policies respecting such activities.

"(2) GIFTS.—The advisory council for the Center may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigations, and research and for the acquisition of grounds or construction, equipping, or maintenance of facilities for the Center.

"(3) DUTIES.—The advisory council for the Center—

"(A)(i) may make recommendations to the Director of the Center respecting research conducted at the Center;

"(ii) may review applications for grants and cooperative agreements for research or training and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge; and

"(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Center;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the diseases, disorders, or other aspects of human health with respect to which the Center is concerned and with the approval of the Director of the Center make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b) MEMBERS.—The advisory council shall consist of such members as the Secretary shall appoint.

"(c) TERMS.—The term of office of an appointed member of the advisory council is 4 years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of 4 years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) CHAIRPERSON.—The chairperson of the advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the Center to be the chairperson of the advisory council. The term of office of the chairperson shall be 2 years.

"(e) MEETINGS.—The advisory council shall meet at the call of the chairperson or upon the request of the Director of the Center, but at least three times each fiscal year. The location of the meetings of the advisory council is subject to the approval of the Director of the Center.

"(f) STAFF.—The Director of the Center shall designate a member of the staff of the Center to serve as the executive secretary of the advisory council. The Director of the Center shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of the Center shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective participation in the functions of the advisory council.

"(g) COMMENTS.—The advisory council may prepare, for inclusion in the biennial report made under section 486D—

"(1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared;

"(2) comments on the progress of the Center in meeting its objectives; and

"(3) recommendations respecting the future directions and program and policy emphasis of the Center.

The advisory council may prepare such additional reports as it may determine appropriate.

"SEC. 486D. BIENNIAL REPORT.

"The Director of the Center after consultation with the advisory council for the Center, shall prepare for inclusion in the biennial report made under section 403 a biennial report that shall consist of a description of the activities of the Center and program policies of the Director of the Center in the fiscal years respecting which the report is prepared. The Director of the Center may prepare such additional reports as the Director determines appropriate. The Director of the Center shall provide the advisory council of the Center an opportunity for the submission of the written comments referred to in section 486C.".

SEC. 111. NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES.

Section 446 of the Public Health Service Act (42 U.S.C. 285f) is amended by inserting before the period the following: ", including tropical diseases".

SEC. 112. GENERAL PROVISIONS.

Section 405 of the Public Health Service Act (42 U.S.C. 284) is amended—

(1) in subsection (b)(1)—

(A) in the matter preceding subparagraph (A) of paragraph (1)—

(i) by striking out "the human diseases" and inserting in lieu thereof "human diseases";

(ii) by striking out "for which the national research institutes were established"; and

(iii) by inserting "and agency of the National Institutes of Health" after "each national research institute";

(B) in subparagraph (K), by striking out "and" at the end thereof;

(C) in subparagraph (L), by striking out the period and inserting in lieu thereof "; and";

(D) by adding immediately after subparagraph (L) the following new subparagraph:

"(M) may, notwithstanding any other provision of law, in disseminating information pursuant to this section and other laws, enter into licensing agreements that provide for quality control and the full recovery of access costs."; and

(E) by adding at the end thereof the following new sentence: "For purposes of Federal income, estate, and gift taxes, any gift accepted under subparagraph (H) shall be considered to be a gift or transfer to the United States.";

(2) in the matter preceding subparagraph (A) of subsection (b)(2), by inserting "and agency of the National of Institutes of Health" after "research institute"; and

(3) in subsection (c)—

(A) by inserting "and agency of the National Institues of Health" after "national research institute" in the matter preceding paragraph (1);

(B) by inserting "or agency" after "institute" in paragraph (1); and

(C) in paragraph (2)—

(i) by inserting "and agencies" after "institutes"; and

(ii) by inserting "or agency" after "institute".

TITLE II—WOMEN'S HEALTH RESEARCH

SEC. 201. INCLUSION OF WOMEN AND MINORITIES IN CLINCIAL RESEARCH CONDUCTED OR SUPPORTED BY NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

"SEC. 492A. INCLUSION OF WOMEN AND MINORITIES IN CLINCIAL RESEARCH.

"(a) GENERAL REQUIREMENT.—In conducting or supporting clincial research for purposes of this title, the Secretary shall ensure that women and members of minority groups are included as subjects in each project of such research, subject to subsection (b).

"(b) NONAPPLICABILITY.—

"(1) IN GENERAL.—The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(A) is inappropriate with respect to the health of the subjects;

"(B) is inappropriate with respect to the purpose of the research; or

"(C) is inappropriate under such other circumstances as the Secretary may designate.

"(2) CRITERIA.—For purposes of paragraph (1), the Secretary shall be regulation establish criteria regarding the circumstances under which the inclusion of women and minorities in clincial research is inappropriate.

"(c) ANALYSIS OF EFFECT ON WOMEN ANED MINORITY GROUPS.—In the case of any project of clinical research in which women or members of minority groups are required under subsection (a) to be included as subjects in the research, and there exits scientific reasons to expect that there may be differences because of such gender or minority status, the Secretary shall ensure that the project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as the case may be, differently than other subjects in the research.

"(d) NOTIFCATION.—Not later than January 1, 1991, the Secretary shall notify appropriate research entities and research grant recipients of concerning the requirements of subsections (a), (b), and (c).

"(e) CLINICAL RESEARCH EQUITY SUBCOMMITTEES.—

"(1) ESTABLISHMENT.—The Secretary shall establish within the advisory council of each of the national research institutes a subcommittee to be known as the Clinical Research Equity Subcommittee (hereafter in this subsection individually referred to as a 'Subcommittee').

"(2) DUTIES.—Each Subcommittee shall review all clinical research conducted by the agency for which the advisory council involved is established. The purpose of the review shall be determining the extent to which the research is being conducted in accordance with subsections (a) through (c). Such a review shall be conducted not less than annually. Not later than 60 days after each such review, each Subcommittee shall submit to the Secretary and the Director of NIH a report describing the finding made as a result of the review.

"(3) COMPOSITION.—Each Subcommittee shall be composed of not less than 6 members of the advisory council involved. The Director of NIH shall from among members of the advisory council involved who have expertise regarding clinical research on diseases, disorders, or other health conditions—

"(A) that are unique to women, more prevalent in women, or more serious for women; or

"(B) for which the risk factors or interventions are different for women.

"(4) APPOINTMENT OF ADDITIONAL MEMBERS.—If the Secretary determines that an advisory council for a national research institute with the expertise required for purposes of paragraph (3), the Director of NIH shall appoint to the advisory council, from among individuals who are not officers or employees of the United States, a number of individuals necessary with respect to complying with such paragraph.

"(5) SUSPENSION OR REVOCATION OF RESEARCH AUTHORITY.—If the Secretary determines that any project of clinical research conducted by any agency of the National Institutes of Health is not being conducted in accordance with subsections (a) through (c), the Secretary shall suspend or revoke the authority for the project under such conditions as the Secretary determines appropriate.

"(f) DEFINITION.—For purposes of this section, the term 'minority groups' means racial and ethnic minority groups.".

SEC. 202. REQUIREMENT REGARDING WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH CONDUCTED OR SUPPORTED BY ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION.

Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by inserting after section 507 the following new section:

"SEC. 507A. INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH.

"(a) GENERAL REQUIREMENTS.—In conducting or supporting clinical research for purposes of this title, the Secretary shall ensure that women and members of minority groups are included as subjects in each project of such research, subject to subsection (b).

"(b) NONAPPLICABILITY.—

"(1) IN GENERAL.—The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(A) is inappropriate with respect to the health of the subjects;

"(B) is inappropriate with respect to the purpose of the research; or

"(C) is inappropriate under such other circumstances as the Secretary may designate.

"(2) CRITERIA.—For purposes of paragraph (1), The Secretary shall by regulation establish criteria regarding the circumstances under which the inclusion of women and minorities in clinical research is inappropriate.

"(c) ANALYSIS OF EFFECT ON WOMEN AND MINORITY GROUPS.—In the case of any project of clinical research in which women or members of minority groups are required under subsection (a) to be included as subjects in the research, and there are scientific reasons to expect that there may be differences because of gender or minority status, the Secretary shall ensure that project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as they may be, differently than other subjects in the research.

"(d) NOTIFICATION.—Not later than January 1, 1991, the Secretary shall notify appropriate research entities and research grant recipients of the requirements concerning subsections (a), (b), and (c).

"(e) CLINICAL RESEARCH EQUITY SUBCOMMITTEES.—

"(1) ESTABLISHMENT.—The Secretary shall establish within the advisory council of each of the agencies of the Alcohol, Drug Abuse, and Mental Health Administration a subcommittee to be known as the Clinical Research Equity Subcommittee (hereafter in this subsection individually referred to as a 'Subcommittee').

"(2) DUTIES.—Each Subcommittee shall review all clinical research conducted by the agency for which the advisory council involved is established. The purpose of the review shall be determining the extent to which the research is being conducted in accordance with subsections (a) through (c). Such a review shall be conducted not less than annually. Not later than 60 days after each such review, each Subcommitte shall submit to the Secretary and the Administrator a report describing the finding made as a result of the review.

"(3) COMPOSITION.—Each Subcommittee shall be composed of not less than 6 members of the advisory council involved. The Director of NIH shall designate the membership of each Subcommittee from among members of the advisory council involved who have expertise regarding clinical research on diseases, disorders, or other health conditions—

"(A) that are unique to women, more prevalent in women, or more serious for women; or

"(B) for which the risk factors or interventions are different for women.

"(4) APPOINTMENT OF ADDITIONAL MEMBERS.—If the Secretary determines that an advisory council for an agency of the Alcohol, Drug Abuse, and Mental Health Administration does not contain a sufficient number of individuals with the expertise required for purposes of paragraph (3), the

Director of NIH shall appoint to the advisory council, from among individuals who are not officers or employees of the United States, a number of individuals necessary with respect to complying with such paragraph.)

"(5) SUSPENSION OR REVOCATION OF RESEARCH AUTHORITY.—If the Secretary determines that any project of clinical research conducted by any agency of the Alcohol, Drug Abuse, and Mental Health Administration is not being conducted in accordance with subsections (a) through (c), the Secretary shall suspend or revoke the authority for the project under such conditions as the Secretary determines appropriate.

"(f) DEFINITION.—For purposes of this section, the term 'minority groups' means racial and ethnic minority groups.".

SEC. 203. PEER REVIEW REGARDING INCLUSION OF WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH.

(a) NATIONAL INSTITUTES OF HEALTH.—Section 492 of the Public Health Service Act (42 U.S.C. 289a) is amended by adding at the end the following new subsection:

"(c)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding the inclusion of women and members of minority groups as subjects in the research.

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 492A, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

(b) ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION.—Section 507 of the Public Health Service Act (42 U.S.C. 290aa-5) is amended by adding at the end the following new subsection:

"(f)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding the inclusion of women and members of minority groups as subjects in the research.

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 507A, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

SEC. 204. INCLUSION OF WOMEN IN AGING RESEARCH.

Section 444 of the Public Health Service Act (42 U.S.C. 285e-1) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively; and

(2) by inserting after subsection (a), the following new subsection:

"(b) The Director of the Institute shall conduct research into the aging processes of women, with particular emphasis given to the effects of menopause and the physiological and behavioral changes occurring during the transition from pre to post menopause, and into the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.".

SEC. 205. OFFICE OF WOMEN'S HEALTH RESEARCH AND PROGRAMS.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) by redesignating parts F and G as parts G and H, respectively; and

(2) by inserting after part E the following new part:

"PART F—WOMEN'S HEALTH RESEARCH

"SEC. 486O. OFFICE OF WOMEN'S HEALTH RESEARCH.

"(a) ESTABLISHMENT.—The Secretary, acting through the Director of the National Institutes of Health, shall establish an Office of Women's Health Research (hereinafter referred to in this part as the 'Office') and provide administrative support and support services to the Director of such Office.

"(b) DIRECTOR.—The Office of Women's Health Research shall be headed by a Director who shall be appointed by the Director of the National Institutes of Health.

"(c) PURPOSE.—It shall be the purpose of the Office to ensure that research pertaining to women's health is identified and addressed throughout the research activities conducted and supported by the National Institutes of Health. The Secretary, acting through the Director of the Office, shall—

"(1) establish an intramural research program in gynecology at the National Institute of Child Health and Human Development;

"(2) establish a clinical service in gynecology; and

"(3) develop plans for and establish, not later than January 1, 1993, a Center for Women's Health Research to support research pertaining to women's health conditions.

"SEC. 486P. FUNCTIONS OF THE DIRECTOR.

"(a) IN GENERAL.—The Director of Office Women's Health Reserch shall—

"(1)(A) indentify women's health research needs, including prevention research;

"(B) identify needs for coordinated research activities, especially multidisciplinary research relating to women's health, to be conducted intra and extramurally;

"(C) encourage researchers whose research is funded or supported by the National Institutes of Health to pursue research pertaining to women's health;

"(D) encourage researchers whose reseach is funded or supported by the National Institutes of Health to pursue research into the aging processes of women, with particular emphasis given to menopause; and

"(E) suppport the development and expansion of clinical trials of treatments, therapies and modes of prevention that include women of all ages, races and ethnicities.

"(2) establish a coordinating council that shall be composed of the Directors, of the Institutes, Centers, Officers, and Divisions of the National Institutes of Health and of the Alcohol, Drug Abuse, and Mental Health Administration, to assist in the duties described in paragraph (1); and

"(3) establish within such Office an advisory committee to be known as the Women's Health Clinical Research Advisory Committee (hereinafter referred to in this section as the 'Committee.').

"(b) ADVISORY COMMITTEE.—

"(1) COMPOSITION.—The Committee shall be composed of not less than 12 appropriately qualified representatives of the public who are not officers or employees of the Federal Government. Such members shall include physicians, practitioners, scientists, and other women's health professionals whose clinical practice, research specialization focus on women's health and gender differences that affect women's health.

"(2) DUTIES.—The Committee shall—

"(A) advise the Director of the Office concerning—

"(i) appropriate research activities to be supported by the Office with respect to—

"(I) research on conditions and diseases unique to, more prevalent in, or neglected concerning areas of health relating to women of all ages, ethnicities, and racial groups;

"(II) research concerning gender differences involved in clinical drug trials, with emphasis provided to pharmacological response and side effects resulting from such;

"(III) research concerning gender differences involving disease etiology, course and treatment;

"(IV) research concerning obstetrical and gynecological health, conditions, diseases, and treatment;

"(V) research concerning health conditions relating to women that require a multidisciplinary approach;

"(IV) research concerning the prevention of health conditions that affect women; and

"(VII) the merits of establishing a Center for Woman's Health Research as an independent center within the Office of the Director rather than as a center that is part of an existing Institute;

"(B) report to the Director of the Office on research concerning women's health that is publicly and privately supported;

"(C) provide recommendations to the Director of the Office regarding the operations of the Office;

"(D) monitor the compliance of all research projects supported or conducted by the National Institutes of Health with laws and regulations relating to the inclusion of women in clinical study populations;

"(E) provide advice to the Director of the National Institutes of Health concerning the manner in which to advance and encourage research on women's health;

"(F) provide advice to the Director of the National Institutes of Health concerning the merits of establishing the Center for Women's Health Research as an independent Center within the Office of the Director of the National Institutes of Health rather than as a Center that is part of an existing Institute;

"(G) request that a study be conducted by the Institute of Medicine of the National Academy of Sciences that could assist in determining the manner in which to remove obstacles to and advance and encourage research concerning women's health; and

"(H) make recommendations to the appropriate committees of Congress and to the Director of NIH for further legislative and administrative initiatives, as appropriate for achieving the purposes described in section 486O(c).

"SEC. 486Q. REPORT TO THE SECRETARY.

"(a) IN GENERAL.—Not later than January 1, 1992, and biennially thereafter, the Director of the National Institutes of Health shall prepare and submit to the Secretary, a report that shall—

"(1) describe and evaluate the progress made, during the period for which such report is prepared, in researh, treatment and prevention with respect to women's health conducted or supported by the National Institutes of Health;

"(2) summarize and analyze expenditures, made during the period for which such

report is made, for activities with respect to women's health research conducted or supported by the National Institutes of Health;

"(3) contain such recommendations as the Director of the Office of Women's Health Research considers appropriate; and

"(4) for the initial report, recommend whether the Center for Women's Health Research should be a freestanding intramural center or whether it should be an intramural center attached to an existing Institute.

"(b) SUBMISSION TO CONGRESS.—The Secretary shall provide a copy of the reports submitted under subsection (a) to the appropriate Committees of Congress.

"(c) STUDY.—With respect to the study conducted under a request made under section 486P(b)(2)(G), such study shall include an examination of the infrastructure of the Institutes, the grant approval process, the peer review process with regard to the impact of such on women's health research, the manner in which to increase the number of women in senior level research positions, and a proposed research agenda for biomedical and biobehavioral research on women's health.

"SEC. 486R. DATA BANK ON WOMEN'S HEALTH AND GENDER DIFFERENCES RESEARCH.

"(a) ESTABLISHMENT OF PROGRAM.—The Director of the National Institutes of Health, after consultation with the Director of the Office of Women's Health Research and the Board of Regents of the National Library of Medicine, shall establish, maintain, and operate a program to provide information concerning research, treatment, and prevention activities relating to women's health and gender differences.

"(b) DATA BANK.—

"(1) ESTABLISHMENT.—The Secretary shall establish a data bank to compile information concerning the results of research with respect to women's health and gender differences that affect women's health. Such data bank shall be headed by an executive director to be appointed by the Director of the Office of Women's Health Research.

"(2) CLINICAL TRIALS AND TREATMENTS.—The data bank established under paragraph (1) shall compile information concerning clinical trials and treatments with respect to women's health and gender differences.

"(3) INFORMATION.—The executive director of the data bank shall make information compiled by the data bank available through existing informational systems that provide access to health care professionals and providers, researchers, and members of the public.

"(4) REGISTRY.—

"(A) IN GENERAL.—The executive director of the data bank shall maintain a registry of ongoing clinical trials of experimental treatments for conditions and diseases unique to, or more prevalent in, health areas concerning women and gender differences, or other health areas that have been neglected with respect to research concerning women or gender differences.

"(B) INFORMATION.—Information to be maintained in the registry under this paragraph shall include—

"(i) eligibility criteria (including sex, age, ethnicity or race) for participating in clinical trials;

"(ii) the location of the clinical trial sites; and

"(iii) any other information determined appropriate by the executive director.

"(C) REQUIREMENT TO PROVIDE INFORMATION.—Not later than 21 days after the dae on which the Food and Drug Administration approves the application of the sponsor of a clinical trial for an experimental treatment, such sponsor shall provide information concerning the research to be conducted under such clinical trial to the data bank. The data bank shall include information pertaining to the results of such clinical trials of such treatments, including information concerning protential toxicities or adverse effects associated with the use or administration of such experimental treatment.

"SEC. 486S. DEFINITION.

"As used in this part, the term 'women's health research' includes research concerning etiology, diagnosis, prevention, health promotion, treatment, and gender differences of conditions and diseases unique to, more prevalent in, or neglected in all age, ethnic, and racial groups.".

SEC. 206. EFFECTIVE DATE AND APPLICABILITY OF REQUIREMENTS.

(a) EFFECTIVE DATE.—The amendments made by sections 201, 202, and 203 shall apply to research proposals considered after January 1, 1991.

(b) APPLICABILITY.—The amendments made by sections 201, 202, and 203 shall apply with respect to any project of clinical research whose initial approval by the Secretary of Health and Human Services occurs after the expiration of the 90-day period beginning on the effective date of this Act.

TITLE III—NATIONAL CENTER FOR MEDICAL REHABILITATION RESEARCH

SEC. 301. NATIONAL CENTER FOR MEDICAL REHABILITATION RESEARCH.

Part E of title IV of the Public Health Service Act (42 U.S.C. 287 et seq.) (as amended by section 112) is further amended by adding at the end thereof the following new subpart:

"SUBPART 5—NATIONAL CENTER FOR MEDICAL REHABILITATION RESEARCH

"SEC. 486G. PURPOSE OF THE CENTER.

"The purpose of the National Center for Medical Rehabilitation Research (hereinafter referred to in this subpart as the 'Center') is the conduct and support of biomedical and related research and research training, including research on the development of orthotic and prosthetic devices, the dissemination of health information, and other programs with respect to the rehabilitation of individuals with physical disabilities resulting from diseases or disorders of the neurological, musculoskeletal, cardiovascular, or other physiologic systems (hereinafter referred to in this subpart as "medical rehabilitation').

"SEC. 486H. APPOINTMENT OF THE DIRECTOR.

"The Director of the Center shall be appointed by the Director of the National Institutes of Health.

"SEC. 486I. SPECIFIC AUTHORITIES.

"In carrying out the purpose described in section 485G, the Director of the Center may—

"(1) make grants and enter into cooperative agreements and contracts;

"(2) provide for clincial trials with respect to medical rehabilitation;

"(3) provide for research with respect to model systems of medical rehabilitation;

"(4) coordinate the activities of the Center with similar activities of other agencies of the Federal government, including the other agencies of the National Institutes of Health, and with similar activities of other public entities and of private entities;

"(5) support multidisciplinary medical rehabilitation research conducted or supported by more than one such agency;

"(6) with the approval of the Director of the National Institutes of Health and the advisory council established under section 486L, appoint technical and scientific peer review groups in addition to any such groups appointed under section 402(b)(6); and

"(7) support medical rehabilitation research and training centers.

"SEC. 486J. RESEARCH PLAN.

"(a) DEVELOPMENT.—After consultation with the Director of the Center, the advisory council established under section 486L, and the coordinating committee established under section 486K, the Director of the National Institutes of Health shall develop a comprehensive plan for the conduct and support of medical rehabilitation research.

"(b) CONTENTS.—The plan shall identify priorities with respect to medical rehabilitation research and shall provide for the coordination of such research conducted or supported by the agencies of the National Institutes of Health.

"(c) REVISION.—The Director of the National Institutes of Health shall (after consultation with the Director of the Center and with the advisory council established under section 486L and the coordinating committee established under section 486K) revise the plan as appropriate.

"SEC. 486K. COORDINATING COMMITTEE.

"(a) ESTABLISHMENT.—The Director of the National Institutes of Health shall establish a committee to be known as the Medical Rehabilitation Coordinating Committee (hereinafter referred to in this subpart as the 'Coordinating Committee').

"(b) COMPOSITION.—The Coordinating Committee shall be composed of the Directors of the National Institutes of Health, and of such other national research institutes as the Director of the National Institutes of Health determines to be appropriate.

"(c) DUTIES.—The Coordinating Committee shall make recommendations to the Director of National Institutes of Health and the Director of the Center with respect to the contents of the plan required under section 486J and with respect to the activities of the Center that are carried out in conjunction with other agencies of the National Institutes of Health.

"SEC. 486L. ADVISORY COUNCIL.

"(a) ESTABLISHMENT.—The Director of the National Institutes of Health shall establish a council to be known as the Medical Rehabilitation Advisory Council (hereinafter referred to in this section as the 'Advisory Council').

"(b) DUTIES.—The Advisory Council shall advise, assist, consult with, and make recommendations to the Director of the National Institutes of Health and the Director of the Center on matters relating to the activities carried out by and through the Center and the policies respecting such activities, including recommendations with respect to the plan required in section 486J.

"(c) MEMBERSHIP.—

"(1) IN GENERAL.—The Director of the National Institute of Health shall appoint to the Advisory Council 18 appropriately qualified representatives of the general public who shall not be officers or employees of the United States. Of such members, 12 shall be representatives of health and scientific disciplines with respect to medical rehabilitation and 6 shall be individuals repre-

senting the interests of individuals undergoing, or in need of, medical rehabilitation.

"(2) EX OFFICIO MEMBERS.—The following officials shall serve as ex officio members of the Advisory Council:

"(A) The Director of the National Institute of Health.

"(B) the Director of the Center.

"(C) The Director of the National Institute on Aging.

"(D) The Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases.

"(E) The Director of the National Institute of Child and Human Development.

"(F) The Director of the National Institute of Neurological Disorders and Stroke.

"(G) The Assistant Secretary for Special Education and Rehabilitative Services.

"(H) The Assistant Secretary of Defense (Health Affairs).

"(I) The Chief Medical Director of the Veterans' Administration.

"(J) Other Institute Directors as appointed by the Director of the National Institutes of Health.

"(d) CHAIRPERSON.—The Director of the National Institutes of Health shall designate a chairperson from among the members of the Advisory Council.

"(e) CONSTRUCTION.—Except as inconsistent with, or inapplicable to, this section, the provisions of section 406 shall apply to the advisory council established under this section in the same manner as such provisions apply to any advisory council established under section 406.".

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. ADDITIONAL ASSISTANT SURGEONS GENERAL.

Section 205(c)(2) of the Public Health Service Act (42 U.S.C. 206(c)(2)) is amended by striking out "1 per centum" each place that such occurs and inserting in lieu thereof "1.6 percent".

SEC. 402. COMMISSIONED OFFICER SERVING AS ASSISTANT SECRETARY FOR HEALTH.

(a) PUBLIC HEALTH SERVICE ACT.—Section 206(a) of the Public Health Service Act (42 U.S.C. 207(a)) is amended by inserting after the first sentence the following new sentence: "During the period of appointment to the position of Assistant Secretary for Health, a commissioned officer of the Public Health Service shall have the grade corresponding to the grade of General of the Army.".

(b) TITLE 37.—Section 201(A) of title 37, United States Code, is amended by inserting "Assistant Secretary for Health." in the fourth column of the table corresponding with pay grade 0-10.

(c) EFFECTIVE DATE—The amendments made by this section shall become effective on the first day of the month immediately following the month in which this Act was enacted.

SEC. 403. NIH DIRECTOR'S DISCRETIONARY FUND.

Section 402(b) of the Public Health Service Act (42 U.S.C. 282(b)) is amended—

(1) in paragraph (10), by striking out "and" at the end thereof;

(2) in paragraph (11), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (11) the following new paragraph:

"(12) may, at the discretion of the Director, retain one half of 1 percent of the total amount appropriated for extramural grants, not to exceed $25,000,000 in each fiscal year, in an account to be used to support the purchase or rental of equipment and space for research that cannot otherwise be supported adequately because of funding cycle constraints, or because such research does not fit clearly into the research assignment of any existing Institute. Funds remaining at the end of each fiscal year shall revert to the individual Institutes where such funds must be encumbered within 6 months or returned to the general fund.".

SEC. 404. PHYSICIAN'S COMPARABILITY ALLOWANCE.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

SEC. 492A. PHYSICIAN'S COMPARABILITY ALLOWANCE.

"The positions of the Assistant Secretary of Health, the Deputy Assistant Secretary of Health, the heads of the Public Health Service agencies, and other positions that are compensated udner subchapter II of chapter 53 of title 5, United States Code, relating to the Executive Schedule, when employed as physicians shall be defined as 'government physicians' for purposes of eligibility for physicians comparability allowance as defined in section 5948 of title 5, United States Code.".

SEC. 405. CHILDREN'S VACCINE INITIATIVE.

(a) FINDINGS.—Congress finds that—

(1) immunization has been the most effective tool for child survival;

(2) public health programs in the United States and in developing countries have encountered serious obstacles to their efforts to achieve the optimal prevention of infectious diseases by immunization;

(3) many children receive inadequate protection because immunization programs require too many visits to the doctor or health center and because vaccines do not protect against all infectious diseases or protect the child early enough in life;

(4) the great scientific advances in biology and biotechnology in the last 15 years have created the capacity to solve technical problems related to vaccines and immunization;

(5) there can and should be new and improved vaccines and delivery systems;

(6) if sufficient resources were available for vaccine research, it would be possible over time to develop the "children's vaccine", which would be a vaccine administered only once in infancy that would produce life-long immunity against a wide range of key infectious diseases;

(7) there is a great capacity in the world to develop and produce new and improved vaccines with private industry and the Federal Government having distinguished records in the development and manufacture vaccines, and with the United Nations Development Program having a longstanding commitment to vaccine research, development and delivery; and

(8) while operational research is needed to determine how to better deliver vaccines to children, State and local health departments and private practitioners have the basic capacity to deliver a wide variety of new and improved vaccines to America's children, and the World Health Organization and UNICEF are already prepared to organize basic vaccine delivery to the children of the developing world.

(b) CHILDREN'S VACCINE INITIATIVE.—Title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by adding at the end thereof the following new subtitle:

"Subtitle 3—Miscellaneous Provisions

"SEC. 2141. CHILDREN'S VACCINE INITIATIVE.

"(a) AUTHORITY.— The Secretary shall undertake a Children's Vaccine Initiative in accordance with this section.The Secretary shall organize the Initiative in consultation with the World Health Organization and the United Nations Children's Fund so that the benefits of such Initiative will accrue to all of the children of the world.

"(b) PLANNING AND COORDINATION.—The Director of the National Vaccine Program shall plan and coordinate the Children's Vaccine Initiative under this section.

"(c) ACTIVITIES.—The Director of the National Vaccine Program shall ensure that the Public Health Service shall conduct those vaccine research, operational research, development, production and delivery activities under the Initiative in collaboration with non-government institutions and with other Federal agencies to ensure the full use of the scientific and industrial capacity of the United States to prevent infectious disease.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 1991, $75,000,000 for fiscal year 1992, $100,000,000 for fiscal year 1993, and $125,000,000 for fiscal year 1994.".

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill as amended was passed.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EARTHQUAKE HAZARDS REDUCTION ACT AUTHORIZATION

Mr. LEAHY. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 800, S. 2789, regarding earthquake hazards reduction.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2789) to authorize appropriations for the Earthquake Hazards Reduction Act of 1977, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic.)

S. 2789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Earthquake Hazards Reduction Program Reauthorization Act".

FINDINGS

SEC. 2. Section 2 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701) is amended—

(1) by striking paragraphs (5) and (6) and inserting in lieu thereof the following new paragraphs:

"(5) The geological study of active faults and features can reveal how recently and how frequently major earthquakes have occurred on those faults and how much risk they pose. Such long-term seismic risk assessments are needed in virtually every aspect of earthquake hazards management, whether emergency planning, public regulation, detailed building design, insurance rating, or investment decision.

"(6) The vulnerability of buildings, lifelines, public works, and industrial and emergency facilities can be reduced through proper earthquake resistant design and construction practices. The economy and efficacy of such procedures can be substantially increased through research and development.";

(2) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(3) by inserting immediately after paragraph (6) the following new paragraph:

"(7) Programs and practices of departments and agencies of the United States are important to the communities they serve; some functions, such as emergency communications and national defense, and lifelines, such as dams, bridges, and public works, must remain in service during and after an earthquake. Federally owned, operated, and influenced structures and lifelines should serve as models for how to reduce and minimize hazards to the community.".

PURPOSE

SEC. 3. Section 3 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7702) is amended by adding at the end the following: "The objectives of such program shall include—

"(1) the education of the public, including State and local officials, as to earthquake phenomena, the identification of locations and structures which are especially susceptible to earthquake damage, ways to reduce the adverse consequences of an earthquake, and related matters;

"(2) the development of technologically and economically feasible design and construction methods and procedures to make new and existing structures, in areas of seismic risk, earthquake resistant, giving priority to the development of such methods and procedures for power generating plants, dams, hospitals, schools, public utilities and other lifelines, public safety structures, high occupancy buildings, and other structures which are especially needed in time of disaster;

"(3) the identification, evaluation, and accurate characterization of seismic hazards in all areas of high or moderate seismic risk;

"(4) the development, publication, and promotion, in conjunction with State and local officials and professional organizations, of model building codes and other means to ensure that information about seismic risk is considered in land-use policy decisions and construction activity;

"(5) the development, in areas of seismic risk, of improved understanding of, and capability with respect to, earthquake-related issues, including methods of mitigating the risks from earthquakes, planning to prevent such risks, disseminating warnings of earthquakes, organizing emergency services, and planning for reconstruction and redevelopment after an earthquake;

"(6) the development of ways to increase the use of existing scientific and engineering knowledge to mitigate earthquake hazards; and

"(7) the development of ways to assure the availability of affordable earthquake insurance.".

DEFINITIONS

SEC. 4. Section 4 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7703) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) The term 'Program' means the National Earthquake Hazards Reduction Program established under section 5.";

(2) by adding at the end the following new paragraphs:

"(6) The term 'lifelines' means public works and utilities, including transportation facilities and infrastructure, oil and gas pipelines, electrical power and communication facilities, and water supply and sewage treatment facilities.

"(7) The term [*'program'*] *'Program* agencies' means the Federal Emergency Management Agency, the United States Geological Survey, the National Science Foundation, and the National Institute of Standards and Technology.".

NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

SEC. 5. Section 5 of the National Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) is amended to read as follows:

"SEC. 5. NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM.

"(a) ESTABLISHMENT.—There is established a National Earthquake Hazards Reduction Program.

"(b) RESPONSIBILITIES OF PROGRAM AGENCIES.—

"(1) LEAD AGENCY.—The Federal Emergency Management Agency (hereafter in this Act referred to as the 'Agency') shall have the primary responsibility for planning and coordinating the Program. In carrying out this paragraph, the Director of the Agency shall—

"(A) prepare, in conjunction with the other Program agencies, an annual budget for the Program to be submitted to the Office of Management and Budget;

"(B) ensure that the Program includes the necessary steps to promote the implementation of earthquake hazard reduction measures by Federal, State, and local governments, national standards and model building code organizations, architects and engineers, and others with a role in planning and constructing buildings and lifelines;

"(C) prepare, in conjunction with the other program agencies, a written plan for the Program, which shall include specific tasks and milestones for each Program agency, and which shall be submitted to the Congress and updated at such times as may be required by significant Program events, but in no event less frequently than every three years;

"(D) prepare, in conjunction with the other Program agencies, a biennial report, to be submitted to the Congress within [*ninety*] *90* days after the end of each even-numbered fiscal year, which shall describe the activities and achievements of the Program during the preceding two fiscal years;

"(E) request the assistance of Federal agencies other than the Program agencies, as necessary to assist in carrying out this Act; and

"(F) bring to the attention of the President those proposed Federal programs, regulations, and practices with implications for earthquake hazards reduction and recommend to the President changes that offer improved safety with an assessment of the implications of these changes on safety and economy.

The principal official carrying out the responsibilities described in this paragraph shall be at a level no lower than that of Associate Director.

"(2) FEDERAL EMERGENCY MANAGEMENT AGENCY.—

"(A) PROGRAM RESPONSIBILITIES.—In addition to the lead agency responsibilities described in paragraph (1), the Director of the Agency shall—

"(i) operate a program of grants and technical assistance which would enable States to develop preparedness and response plans, prepare inventories and conduct seismic safety inspections of critical structures and lifelines, update building and zoning codes and ordinances to enhance seismic safety, increase earthquake awareness and education, and encourage the development of multi-State groups for such purposes;

"(ii) prepare and execute, in conjunction with the Program agencies, the Department of Education, other Federal agencies, and private sector groups, a comprehensive earthquake education and public awareness program, to include development of materials and their wide dissemination to schools and the general public;

"(iii) prepare and disseminate widely, with the assistance of the National Institute of Standards and Technology, other Federal agencies, and private sector groups, information on building codes and practices for structures and lifelines;

"(iv) develop, and coordinate the execution of, Federal interagency plans to respond to an earthquake, with specific plans for each high-risk area which ensure the availability of adequate emergency medical resources, search and rescue personnel and equipment, and emergency broadcast capability;

"(v) develop approaches to combine measures for earthquake hazards reduction with measures for reduction of other natural and technological hazards; and

"(vi) provide response recommendations to communities after an earthquake prediction has been made under paragraph (3)(D).

In addition, the Director of the Agency may enter into cooperative agreements or contracts with States and local jurisdictions to establish demonstration projects on earthquake hazard mitigation, to link earthquake research and mitigation efforts with emergency management programs, or to prepare educational materials for national distribution. In the awarding of grants to States and local jurisdictions for an emergency operation center, the Director shall give preference to applicants who propose to incorporate hazard mitigation or research programs into the emergency management activities at the center.

"(B) STATE ASSISTANCE PROGRAM CRITERIA.—In order to qualify for assistance under subparagraph (A)(i), a State must—

"(i) demonstrate that the assistance will result in enhanced seismic safety in the State;

"(ii) provide a share of the costs of the activities for which assistance is being given, in accordance with subparagraph (C); and

"(iii) meet such other requirements as the Director of the Agency shall prescribe.

"(C) NON-FEDERAL COST SHARING.—

"(i) In the case of any State which has received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date shall not include a requirement for cost sharing in an amount greater than 50 [per centum] *percent* of the cost of the project for which the grant is made.

"(ii) In the case of any State which has not received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date—

"(I) shall not include a requirement for cost sharing in an amount greater than 25 [per centum] *percent* of the cost of the project for which the grant is made for the first fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions;

"(II) shall not include a requirement for cost sharing in an amount greater than 50 [per centum] *percent* of the cost of the project for which the grant is made for the second fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions; and

"(III) shall not include a requirement for cost sharing in an amount greater than 50 [per centum] *percent* of the cost of the project for which the grant is made for the third and subsequent fiscal years of such grant.

"(3) UNITED STATES GEOLOGICAL SURVEY.—The United States Geological Survey shall conduct research necessary to characterize and identify earthquake hazards, assess earthquake risks, monitor seismic activity, and improve earthquake predictions. In carrying out this paragraph, the Director of the United States Geological Survey shall—

"(A) conduct a systematic assessment of the seismic risks in each region of the Nation prone to earthquakes, including, where appropriate, the establishment and operation of intensive monitoring projects on hazards faults, seismic microzonation studies in urban and other developed areas where earthquake risk is determined to be significant, and engineering seismology studies;

"(B) work with officials of State and local governments to ensure that they are [acknowledgeable] *knowledgeable* about the specific seismic risks in their areas;

"(C) develop standard procedures, in consultation with the Agency, for issuing earthquake predictions, including aftershock advisories;

"(D) issue when necessary, and notify the Director of the Agency of, an earthquake prediction or other earthquake advisory, which may be evaluated by the National Earthquake Prediction Evaluation Council, which shall be exempt from the requirements of section 10(a)(2) of the Federal Advisory Committee Act when meeting for such purposes;

"(E) establish, using existing facilities, a Center for the International Exchange of Earthquake Information which shall—

"(i) promote the exchange of information on earthquake research and earthquake preparedness between the United States and other nations;

"(ii) maintain a library containing selected reports, research papers, and data produced through the Program;

"(iii) answer requests from other nations for information on United States earthquake research and earthquake preparedness programs; and

"(iv) direct foreign requests to the agency involved in the Program which is best able to respond to the request; and

"(F) operate a National Seismic Network, which shall complement and support regional seismic networks.

"(4) NATIONAL SCIENCE FOUNDATION.—The National Science Foundation shall be responsible for funding research on earth sciences to improve the understanding of the causes and behavior of earthquakes, on earthquake engineering, and on human response to earthquakes. In carrying out this paragraph, the Director of the National Science Foundation shall—

"(A) emphasize, in earthquake engineering research, development of economically feasible methods to retrofit existing buildings and to protect lifelines to mitigate earthquake damage;

"(B) encourage prompt dissemination of significant findings, sharing of data, samples, physical collections, and other supporting materials, and development of intellectual property so research results can be used by appropriate organizations to mitigate earthquake damage; and

"(C) support research that studies the political, economic, and social factors that influence the implementation of hazard reduction measures.

"(5) NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—The National Institute of Standards and Technology shall be responsible for carrying out research and development to improve building codes and standards and practices for structures and lifelines. In carrying out this paragraph, the Director of the National Institute of Standards and Technology shall—

"(A) work closely with national standards and model building code organizations, in conjunction with the Agency, to promote the implementation of research results;

"(B) promote better building practices among architects and engineers; and

"(C) work closely with national standards organizations to develop seismic safety standards and practices for new and existing lifelines.".

OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT

SEC. 6. Section 6 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7705) is amended to read as follows:

"SEC. 6. OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT.

"The Director of the Office of Science and Technology Policy shall, within three months after the date of the enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Science, Space, and Technology and the Committee on Interior and Insular Affairs of the House of Representatives with respect to how the Office of Science and Technology policy can play a role in interagency coordination, planning, and operation of the Program.".

ADVISORY COMMITTEE

SEC. 7. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.) is amended—

(1) by redesignating section 7 as section 12; and

(2) by inserting immediately after section 6 the following new section:

"SEC. 7. ADVISORY COMMITTEE.

"There is established a National Earthquake Hazards Reduction Program Advisory Committee (hereafter in this Act referred to as the 'Advisory Committee'), which shall advise the Program agencies on planning and implementing the Program. The Director of the Agency shall, in consultation with the directors of the Program agencies, determine the number of members on the Advisory Committee and the duration of their terms, and appoint the Chairman and Members of the Advisory Committee. The Advisory Committee shall have balanced representation of State and local governments, the design professions, the research community, business and industry, and the general public. The Advisory Committee shall meet at the call of the Chairman, but in no event less often than every six months. The Advisory Committee shall submit a written report directly to the Congress, without review by the Office of Management and Budget or any other agency, by January 31 of each calendar year beginning after the date of enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, which shall describe any recommendations the Advisory Committee has made to the Program agencies during the preceding year. Members of the Advisory Committee shall serve without compensation but may receive reimbursement for expenses. All expenses of the Advisory Committee shall be borne by the Agency. The Advisory Committee shall expire September 30, 1993.".

SEISMIC STANDARDS

SEC. 8. (a) The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by section 7 of this Act, is further amended by inserting immediately after section 7 the following new section:

"SEC. 8. SEISMIC STANDARDS.

"(a) BUILDINGS.—

"(1) ADOPTION OF STANDARDS.—The President shall adopt, not later than June 1, 1994, standards for assessing and enhancing the seismic safety of existing buildings constructed for or leased by the Federal Government which were designed and constructed without adequate seismic design and construction standards. Such standards shall be developed by the Interagency Committee on Seismic Safety in Construction, whose chairman is the Director of the National Institute of Standards and Technology or his designee, and which shall work in consultation with appropriate private sector organizations.

"(2) REPORT TO CONGRESS.—The President shall report to the Congress, not later than June 1, 1994, on how the standards adopted under paragraph (1) could be applied with respect to buildings—

"(A) for which Federal financial assistance has been obtained through grants, loans, financing guarantees, or loan or mortgage insurance programs; or

"(B) the structural safety of which is regulated by a Federal agency.

"(3) REGULATIONS.—The President shall ensure the issuance, before Feburary 1, 1993, by all Federal agencies of final regulations required by section 4(b) of Executive Order numbered 12699, issued January 5, 1990.

"(b) LIFELINES.—The Director of the National Institute of Standards and Technolo-

gy shall submit to the Congress, not later than June 30, 1992, a plan, including precise timetables and budget estimates, for developing and adopting, in consultation with appropriate private sector organizations, design and construction standards for lifelines. The plan shall include recommendations of ways Federal regulatory authority could be used to expedite the implementation of such standards.".

(b) The Comptroller General shall, not later than 18 months after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interior and Insular Affairs and the Committee on Science, Space, and Technology of the House of Representatives on the vulnerability of buildings owned and leased by the Federal Government and on the efforts of Federal agencies to improve the seismic resistance of the buildings they own or lease. For each such agency, the Comptroller General shall enumerate the number of buildings owned or leased by the agency, the seriousness of the seismic risk to such buildings, and the value of the buildings at risk. The Comptroller General shall tabulate the expenditures each such agency has devoted to reducing earthquake damage and estimate the total expenditure necessary to address the problem adequately.

ACCEPTANCE OF GIFTS

SEC. 9. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 and 8 of this Act, is further amended by inserting immediately after section 8 the following new section:

"SEC.9. ACCEPTANCE OF GIFTS.

"(a) AUTHORITY.—In furtherance of the purposes of this Act, the Director of the Agency may accept and use bequests, gifts, or donations of services, money, or property, notwithstanding section 3679 of the Revised [statutes] *Statutes* (31 U.S.C. 1342).

"(b) CRITERIA.—The Director of the Agency shall establish by regulation criteria for determining whether to accept bequests, gifts, or donations of services, money, or property. Such criteria shall take into consideration whether the acceptance of the bequest, gift, or donation would reflect unfavorably on the Director's ability to carry out his responsibilities in a fair and objective manner, or would compromise the integrity of, or the appearance of the integrity of, the Program or any official involved in administering the Program.".

NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS

SEC. 10. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7, 8, and 9 of this Act, is further amended by inserting immediately after section 9 the following new section:

"SEC. 10. NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS.

"A grant under this Act to a State from the Agency that is made with funds appropriated under the Joint Resolution entitled 'Joint Resolution making further continuing appropriations for the fiscal year 1990, and for other purposes', approved October 26, 1989 (Public Law 101-130; 103 Stat. 775), shall not include a requirement for cost sharing in an amount greater than 25 [per centum] *percent* of the cost of the project for which the grant is made, and any cost sharing requirement may be satisfied through in-kind contributions.".

EARTHQUAKE INVESTIGATIONS

SEC. 11. (a) [the] *The* Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 through 10 of this Act, is further amended by inserting after section 10 the following new section:

"SEC. 11. EARTHQUAKE INVESTIGATIONS.

"(a) ESTABLISHMENT OF INVESTIGATIONS PROGRAM.—In addition to the other activities of the National Earthquake Hazards Reduction Program, there is established within the United States Geological Survey an earthquake investigations program, the purpose of which is to investigate major earthquakes, including their geologic characteristics and the behavior of buildings and other structures, so as to learn lessons which can be applied to reduce the loss of lives and property in future earthquakes. Such program shall be undertaken by the Director of the Survey in conjunction with the Director of the Agency, and any reports of such investigations shall be in compliance with the reporting requirements of the Program. The Director of the Survey is authorized to utilize earthquake expertise from the Agency, the National Science Foundation, the National Institute of Standards and Technology, other Federal agencies, and private contractors, on a reimbursable basis, in the conduct of such earthquake investigations.

"(b) FOCUS OF INVESTIGATIONS.—Each such earthquake investigation shall analyze—

"(1) the causes of the earthquake and the nature of the resulting ground motion;

"(2) the behavior of structures and facilities of all kinds (including utility lines and equipment), both those that were damaged and those that were undamaged; and

"(3) the effectiveness of pre-earthquake engineering and earthquake hazards mitigation programs and actions.

"(c) OTHER AREAS OF EMPHASIS.—Each such earthquake investigation shall draw any appropriate lessons which will help—

"(1) improve methods for determining the seismic risks existing at specific sites;

"(2) determine the degree and nature of the hazards posed by different kinds of structures and facilities;

"(3) develop engineering and construction approaches to improve the earthquake resistance of both new and existing structures and facilities; and

"(4) improve earthquake hazards mitigation generally throughout the United States.".

(b) The Director of the Federal Emergency Management Agency in consultation with the other agencies of the National Earthquake Hazards Reduction Program shall, not later than one year after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and to the Committee on Interior and Insular Affairs, the Committee on Science, Space, and Technology, and the Committee on Appropriations of the House of Representatives on possible options for funding a program for post-earthquake investigations. Such report, at a minimum, shall consider funding such a program either by setting aside a percentage of disaster relief funds provided by the Federal Emergency Management Agency after a major earthquake or by a revolving fund. The report shall include a recommendation on how the funding for such investigations should be allocated among the other Program agencies.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. Section 12 of the Earthquake Hazards Reduction Act of 1977, as so redesignated by section 7(1) of this Act, is amended—

(1) in subsection (a)(7)—

(A) by striking "the provisions of sections 5 and 6 of";

(B) by striking "and $5,798,000" and inserting in lieu thereof "$8,798,000"; and

(C) by inserting ", $14,750,000 for the fiscal year ending September 30, 1991, and $17,000,000 for the fiscal year ending September 30, 1992" immediately before the period at the end;

(2) in subsection (b)—

(A) by striking "and $43,283,000" and inserting in lieu thereof "$55,283,000"; and

(B) by inserting ", of which $8,000,000 shall be for earthquake investigations under section 11; $50,000,000 for the fiscal year ending September 30, 1991, and $55,000,000 for the fiscal year ending September 30, 1992" immediately before the period at the end;

(3) in subsection (c)—

(A) by striking "and $35,454,000" and inserting in lieu thereof "$38,454,000"; and

(B) by inserting "; $37,000,000 for the fiscal year ending September 30, 1991; and $44,250,000 for the fiscal year ending September 30, 1992" immediately before the period at the end.

(4) in subsection (d)—

(A) by striking "NATIONAL BUREAU OF STANDARDS" and inserting in lieu thereof "NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY";

(B) by striking "Bureau" and inserting in lieu thereof "National Institute of Standards and Technology";

(C) by striking "and $525,000" and inserting in lieu thereof "$2,525,000"; and

(D) in inserting "; $1,000,000 for the fiscal year ending September 30, 1991; and $4,000,000 for the fiscal year ending September 30, 1992" immediately before the period at the end; and

(5) by adding at the end the following new subsection:

"(f) AVAILABILITY OF FUNDS.—Funds appropriated for fiscal years 1991 and 1992 pursuant to this section shall remain available until expended.".

The ACTING PRESIDENT pro tempore. Are there amendments to the committee amendments?

Mr. LEAHY. I ask unanimous consent that the committee amendments be adopted en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the committee amendments are considered and agree to en bloc.

AMENDMENT NO. 3054

Mr. LEAHY. Mr. President, I send to the desk a substitute amendment on behalf of Mr. GORE, and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] for Mr. GORE (for himself, Mr. DANFORTH, and Mr. HOLLINGS), proposes an amendment numbered 3054.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. GORE. Mr. President, today, the Senate is considering an amendment in the form of a substitute to S. 2789, the National Earthquake Hazards Reduction Program Reauthorization Act. This is an important bill which will improve the safety of Americans throughout the country and help them face the threat posed by major earthquakes.

As most of you know, I have been working to improve this country's earthquake preparedness for many years. This puzzles some people because I represent Tennessee, not California, and Tennessee has not experienced a major earthquake since 1895.

What many people do not realize is that in the 1800's western Tennessee was repeatedly rocked by damaging earthquakes, so by most estimates we are about due for another one. And it could be a big one. Back in 1811 and 1812, western Tennessee was shaken by four of the largest earthquakes in United States history. They occurred along the New Madrid Fault Zone in Missouri, just a few miles across the Mississippi from Tennessee. Each one exceeded 8 on the Richter scale, but because almost no one lived in the area at the time, there were no reported fatalities. If similar earthquakes occurred today, thousands of people would die, hundreds of thousands of people would be homeless and jobless, and there would be more than $50 billion in damage. The devastation would be unprecedented in United States history, and it would take years to repair the damage.

In recent months, concerns about earthquakes in the New Madrid region have been heightened by a prediction that a major earthquake will strike on December 3. According to Dr. Iben Browning, a 72-year-old biologist who claims to have correctly predicted the date of four earthquakes and two volcanoes since 1971, there is a 50–50 chance of a major earthquake in the New Madrid area on or around December 3. Although there is no scientific foundation for Browning's prediction, it has caused renewed concern about earthquakes in Tennessee, Missouri, Illinois, and Arkansas. Dr. Arch Johnson and other earthquake experts at the Center for Earthquake Research and Information, have been getting dozens of calls every day from concerned citizens.

Dr. Johnson and other earthquake experts I have talked to assure me that the odds of a major New Madrid earthquake on December 3 are not greater than they are today, tomorrow, or any other day, so I am afraid that this prediction is causing a lot of needless anxiety. On the other hand, it has made more people in Tennessee and elsewhere aware of the earthquake threat they face and forced them to think about how to address it. I just hope that this heightened awareness will not fade after December 3. Earthquake preparedness is a long-term problem that requires long-term attention.

The bill we are considering today will help the people of Tennessee and all 50 States better prepare for earthquakes. Since it was created in 1977, the National Earthquake Hazards Reduction Program [NEHRP] has given us a much better understanding of the causes and effects of earthquakes. It has led to development of techniques for building more earthquake-resistant buildings. NEHRP, through the Federal Emergency Management Agency [FEMA], has funded State earthquake preparedness programs in more than 15 States throughout the country. Thanks to NEHRP, we are much more prepared for major earthquakes today than we were when the program began in 1977.

Some of the benefits of this program were evident in San Francisco last October. The Loma Prieta earthquake, which struck almost exactly 1 year ago, measured 7.1 on the Richter scale, yet it killed only 63 people. In contrast, in December 1988, the Armenian earthquake, which was only about half as powerful, killed more than 25,000 people. Earlier this year, a similar-sized earthquake in Iran leveled several towns and killed thousands.

The death toll and the devastation in the Bay Area would have been just as dramatic if Californians had not invested hundreds of millions of dollars in preparing for earthquakes. The State of California has strengthened many of its bridges and highways, enforced seismic building codes, restricted construction near faults or on unstable soils, and put in place effective earthquake response plans. Last October 17, it was clear that these investments pay off.

Unfortunately, the rest of the country is not as prepared as California. That is why we need a truly National Earthquake Hazards Reduction Program to benefit all 39 States threatened by damaging earthquakes.

The legislation before us today would strengthen the NEHRP, enabling it to address the threat of earthquakes nationwide. In the past, the program has suffered due to a lack of coordination between the agencies in the program—the U.S. Geological Survey [USGS], the National Science Foundation [NSF], FEMA, and the National Institute of Standards and Technology [NIST]. This bill will improve coordination and better define the agencies' roles.

In the past, the results of valuable research on earthquakes and earthquake engineering, research that could save lives and property, has been left in the laboratory or the library, neglected and underutilized. This bill will improve the transfer of information and technology to those who can use it best.

Perhaps most importantly, this bill will provide for increased authorizations for the NEHRP. In the last 10 years, funding for the program has declined more than 35 percent in real dollars. In that same time, it has become clear that the threat of earthquakes is more widespread and more serious than we previously thought. The 3-year authorization in this bill would almost restore those cuts, allowing earthquake researchers to better assess the earthquake threat and develop better methods for building earthquake-resistant buildings, improving education programs to teach the public about earthquake hazards and earthquake preparedness, and helping emergency managers prepare for the next major earthquake, wherever it may strike.

There are a number of other very important provisions in this bill, but I would particularly like to highlight language that emphasizes the need for FEMA to coordinate its earthquake program activities with its other disaster preparedness and civil defense programs both within the agency and at the State and local levels. The coordination of the earthquake program with other mitigation and preparedness efforts will result in more rapid improvements in public safety. This is the theme of the United Nations-sponsored International Decade of Natural Disaster Reduction, which calls for a comprehensive, international program to decrease the toll of natural disasters.

There is also language requiring FEMA to more closely link its emergency management programs with earthquake hazards mitigation and earthquake research programs, both within FEMA and elsewhere. Last December, I chaired a Science Subcommittee hearing in Memphis which focused on the earthquake threat posed by the New Madrid Fault Zone. The subcommittee heard testimony from a number of Tennesseans, including the mayor of Memphis, the mayor of Shelby County, and, from Memphis State University, Dr. Arch Johnston. They described a proposal to build a new center for both emergency management and natural disaster mitigation and research. Too often, the people who work on mitigating natural hazards like earthquakes are isolated from the people who have to deal with the disaster after it happens. This proposed center would house both researchers and emergency managers and allow for a real synergy between them. These are the kind of projects

that FEMA and other agencies should be emphasizing.

I think this bill will significantly improve our Nation's earthquake preparedness. In my State, the NEHRP has had an important impact. NEHRP funding from NSF and the USGS has helped support the Center for Earthquake Research and Information at Memphis State University. FEMA's NEHRP State grants have helped Lacy Suiter at the Tennessee Emergency Management Agency help Tennesseans prepare for the next earthquake on the New Madrid Fault Zone. FEMA has also helped support the Central U.S. Earthquake Consortium [CUSEC] in its vitally important to improve earthquake readiness throughout the seven States belonging to CUSEC. In addition, USGS researchers and NSF-funded university researchers have provided a great deal of valuable information about the New Madrid Fault Zone and the threat if poses. Unfortunately, there is still far too much left to be done. At present levels of funding, we will not have the answers we need, and we will not be prepared, when the next major earthquake occurs. It is my hope that this bill will prevent this from being the case.

This is a bill which has broad bipartisans support from Senators throughout the country. I developed this bill with Senator DANFORTH, the ranking Republican member of the Commerce Committee, who has worked hard to see this bill enacted. It is cosponsored by Senators DANFORTH, HOLLINGS, FORD, INOUYE, BRYAN, GORTON, CRANSTON, AKAKA, BUMPERS, REID, SIMON and PACKWOOD. I thank the cosponsors and my other colleagues for their support of this critically important bill.

Mr. HOLLINGS. Mr. President, today, the Senate is considering a substitute amendment to S. 2789, the National Earthquake Hazards Reduction Program Reauthorization Act.

When the National Earthquake Hazards Reduction Program [NEHRP] was created back in 1977, earthquakes were seen primarily as a California problem. Since the program was established, and in part due to research funded by the program, we have learned that earthquakes pose a deadly threat to almost every State in the United States.

My own State of South Carolina is certainly at risk. In 1886, an earthquake almost as powerful as the 1988 Armenian earthquake hit Charleston, killing close to 60 people and damaging hundreds of buildings. If such an earthquake occurred today, the death toll would be in the hundreds—if not thousands—and there would be billions of dollars of damage. Fortunately, researchers, many of them funded by NEHRP, have found geological evidence indicating that earthquakes like the 1886 earthquake may be very rare in Charleston, occurring only once every thousand years or so. However, a similar earthquake could strike elsewhere in South Carolina or almost anywhere along the Atlantic coast, from South Carolina up to Maine. And unfortunately, such an earthquake almost certainly would strike without warning.

Nor would the effects of a major earthquake be limited to the area near the epicenter. Earlier this year, the Senate Commerce Committee heard testimony on the possibility of a major earthquake on the New Madrid Fault Zone. Witnesses described the national impact of such an earthquake.

Since many of the country's major pipelines cross the New Madrid region, a major earthquake could cut off gas and oil supplies to much of the east coast. If this happened in winter, the disruption in gas supplies could result in millions of gas customers up and down the east coast being without heat. A major earthquake on the New Madrid Fault would cause even more of a disruption to our energy supply than the loss of Iraqi and Kuwaiti oil following Saddam Hussein's invasion of Kuwait, which has more than doubled the price of oil.

The impact of rail and air transportation also would be severe. Just last month, a small, magnitude 4.6 earthquake at the north end of the New Madrid Fault Zone caused trains throughout the region to stop for a few hours while railbeds were inspected for damage. A much larger earthquake could knock out bridges and runways, closing down railroads and airports for months.

On October 12, the Journal of Commerce published two articles on the possible impacts of a major New Madrid earthquake. I will ask unanimous consent to submit both articles for the RECORD. They make it very clear that the impact of a major earthquake would have national repercussions, especially if it strikes in an area like the eastern or central United States, which is not as well-prepared as Western States like California. It should be clear to all Americans that earthquakes are everyone's problem.

The amendment before us is very similar to S. 2789, as ordered reported by the Commerce Committee in June. This amendment combines S. 2789 and the House version, H.R. 3533, and has been agreed to by the Senate Commerce Committee, the House Science Committee, and the House Interior Committee.

This amendment makes the following changes to the reported version of S. 2789.

First, the authorization for fiscal year 1991 and 1992 have been modified slightly and authorizations for fiscal year 1993, totaling $141.25 million, have been asked. The new authorization levels are:

[In millions of dollars]

	Fiscal year—		
	1991	1992	1993
FEMA	14.75	19.00	22.00
NSF	37.00	43.75	52.00
USGS	50.00	54.50	62.50
NIST	1.00	3.00	4.75
Total	102.75	120.25	141.25

Second, the authorizations for the National Science Foundation [NSF] would be allocated between the Engineering Directorate and the Geoscience Directorate of NSF. In addition, NSF is required to work with the U.S. Geological Survey [USGS] to provide funding for focused studies of seismically active areas. There is also language added recognizing that as part of its contribution to NEHRP, NSF will provide funding for both individual researchers and earthquake engineering research centers or consortia.

Third, under this bill, there would be a modification in the requirements for cost sharing for the Federal Emergency Management Agency [FEMA] grants made to States that have recently joined FEMA's State grant program for earthquake preparedness. For the first 3 years after a State joins the program, it can match FEMA's grant with goods or services. By the fourth year, the match must be in cash. The following table summarizes the requirements:

Portion of total funding for a project funded by a FEMA State grant which would be provided by the State

	Percent
Year 1	0
Year 2	25
Year 3	35
Year 4	50

Fourth, the section establishing a postearthquake investigations program at the USGS has been slightly modified.

Fifth, a new provision encouraging FEMA to buy American products and to report on purchases from foreign entities has been added.

Sixth, a new section has been added requiring FEMA to provide for studies on: the ripple effects that a catastrophic earthquake would have on the national economy; and the adequacy of earthquake preparedness capabilities to reduce and recover from losses caused by a catastrophic earthquake.

I will now elaborate more on these provisions as they were not in the reported version of S. 2789.

By splitting the authorization for NSF's part of NEHRP, the legislation is intended to make clear that NSF must provide sufficient funds for earthquake engineering and geosciences activities related to NEHRP. During 1985-90, funding for NSF's Engineering Directorate increased by 41 percent, and funding for NSF's Geosci-

ences Directorate increased by 20 percent. However, funding for NSF activities related to NEHRP activities increased by only 3 percent. Furthermore, this increase can be attributed entirely to the $2 million supplemental appropriations following the San Francisco Bay Area earthquake last October. The threat of a destructive earthquake increases daily in all 39 States vulnerable to the threat of earthquakes, including the eastern and central United States and the Pacific Northwest. Therefore, more funding and a stronger commitment from NSF are imperative in order to understand better and reduce the risks associated with earthquakes. However, this additional funding for the earthquake engineering program should not come at the expense of the funding for geosciences research which, since the discovery of plate tectonics in the 1960's, has radically improved our understanding of earthquakes and the threat they pose.

This amendment contains new language that instructs NSF to work with the USGS to identify geographic regions of national concern that should be the focus of targeted solicitations for earthquake research proposals. The bulk of the NSF solicitations may continue to be open-ended and not directed to such targeted solicitations, but NSF and the USGS must work more closely together to study specific areas.

The House-Senate compromise requires the USGS to establish a postearthquake investigation program and authorizes the USGS to utilize the earthquake expertise from FEMA, NSF, the National Institute of Standards and Technology [NIST] and other Federal agencies, and private contractors on a reimbursable basis. The legislation intends no change from current procedures with this language. We are merely making clear in law that the USGS must pass through a portion of its investigations money to pay for the post-earthquake work of the other NEHRP agencies.

The amendment also requires FEMA to prepare a report on possible options for funding the USGS's postearthquake investigations program and how the funding for such investigations should be allocated among the NEHRP agencies. It is our intention that the USGS remain in charge of the program. The report will focus only on funding mechanisms and the funding needs of each agency in carrying out its postearthquake investigations.

Finally, the buy-America provision included in this amendment is to apply only to FEMA and only to those contracts entered into by FEMA itself. It is not meant to impact States and other recipients of FEMA earthquake preparedness grants.

This substitute amendment refocuses and redirects NEHRP. Over the last 2 years, the Senate Commerce Committee's Science Subcommittee has held three hearings on the earthquake program, and the bill before us addresses many of the problems brought out in those hearings. I believe that S. 2789, as amended, will result in a much improved national earthquake program, and I urge my colleagues to support this important legislation.

Mr. President, I ask unanimous consent that the above-mentioned articles be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

MIDWEST COMMERCE BRACES FOR QUAKE

(By John Boyd)

KANSAS CITY, MO—The Midwest is mobilizing against the threat of a major earthquake that some say could destroy vital cross-country freight and energy pipeline links in the heavily used St. Louis-to-Memphis corridor.

Several states are rushing to prepare, even while insisting the threat of a monster quake is overblown. They're contacting rail, energy and communications companies for help.

"We're taking advantage of the heightened interest in earthquake preparedness," said Paul Schleer, deputy director of Missouri's State Emergency Management Agency.

"We've got to strike while the iron is hot."

Spurring the effort is growing public alarm over a sharply disputed prediction by Iben Browning, a New Mexico scientist, that around Dec. 3 the famous New Madrid fault in several states along the Mississippi River will have a high risk of a major quake.

The states are drafting response plans for a devastating shaker of 7.6 on the Richter scale that some say could wreck the national economy, although quake specialists insist the actual risk of one so big is quite low.

Still, the experts agree that a moderately damaging 6.0 to 6.5 quake could hit at any time.

Missouri officials met Oct. 9 in Jefferson City with 15 railroads, trying to shape a mutual-aid plan in case disaster comes.

Burlington Northern, with the largest rail operations in Missouri, is setting up contingency plans, said Richard Mooney, Missouri's rail safety manager.

A BN spokesman said the company also is developing plans around Memphis, which is nearer the fault line than any other big city.

Interstate pipeline companies that pump natural gas, oil and other products across the region to as far away as New York and Boston are beefing up their systems or drafting plans.

Phillips Petroleum Co., Bartlesville, Okla., is studying very tentative options that include reducing throughput through the pipeline in the area that might be threatened during those days, said Jere Sutton, its media relations director.

Missouri and Arkansas will hold large-scale emergency drills with military units during the first week of December. The drills assume interstate highways could be wiped out by tremors so violent they liquefy the region's soft ground.

Truck freight would be hit hard in that scenario. Barge traffic on the Mississippi might suffer if docks are hit or debris plugs the river.

Sales of earthquake insurance are soaring, even here in Kansas City, hundreds of miles from the fault.

The concern extends well beyond this area.

Mr. Schleer said Connecticut officials contacted Missouri months ago about pipeline vulnerability to earthquakes.

The Center for Strategic and International Studies in Washington will simulate a worst-case, 8-scale quake on Dec. 8.

"The worst case, we feel, is plausible," and could batter national freight and energy supplies, collapse insurance companies and hurt the stock market, said a CSIS researcher who noted the project arose from insurance industry concerns.

The New Madrid fault is named for a southeast Missouri town leveled by the strongest quakes in recorded North American history in 1811 and 1812, monsters that diverted the Mississippi, created a lake nearby and were felt in Boston and Washington, D.C.

Just Sept. 26, it shook six states with a minor temblor. No real damage.

Mr. Browning is credited with predicting the 1989 San Francisco quake and other disasters, but he invokes heavy criticism for his methods and highly conditional predictions.

In the heartland, though, it is deadly serious.

Residents report widespread fear. Some homeowners in the fault zone are selling out, and a few schools will close that week.

HOW WOULD QUAKE DISRUPT TRANSPORT IN THE MIDWEST?—EXPERTS PREPARE FOR THE WORST

(By John Boyd)

When a hard tremor rumbled through southeastern Missouri Sept. 26, the Union Pacific Railroad stopped its trains.

The Southern Pacific, and perhaps other railroads, did the same—following normal procedure that halts traffic until the line and bridges can be physically inspected.

After one to two hours, trains were moving again in that major freight corridor. But just a minor, virtually damage-free earthquake had suspended interstate freight shipments.

Experts say a far worse shaker is coming to the region, with the potential seriously to disrupt national freight and energy movements and international trade.

Memphis State University's earthquake center projects a New Madrid fault quake measuring 6.0 to 6.5 on the Richter scale—deemed "major damage level"—is a 40% to 63% likelihood at any time in the next 15 years.

Area quake drills in December assume a 7.6-level quake, a powerful killer that is far less likely but still has nearly a 9% probability.

What is likely to happen to freight and energy link when a quake hits?

"We don't have the answers," confessed Jill Stevens, resource center manager at Memphis State.

The most likely shaker would have limited national impact, experts indicate, although the bigger it is the more risk of cutting vital commerce.

From researchers and emergency preparedness officials the following picture emerges:

Rail: A 6.5 quake could tear up rail lines, tunnels and bridges near the epicenter. Because the region's ground can literally liquefy from violent shaking railbeds and bridge supports much farther away also could be damaged. Interstate rail freight would be interrupted a while, but over a limited area that could be bypassed.

A 7.6 quake could mean big trouble, stopping trains across a large region whose traffic supplies the Northeast and export markets. Planners fear serious damage from Memphis to St. Louis.

Truck: Planners are mapping secondary roads that might survive when interstates are knocked out, but priority traffic would be emergency supplies for the quake zone itself. A 6.5 shaker could cause serious road problems nearby, and a 7.6 might cripple the region's normal road network.

Barge: Perhaps not too much damage. Ms. Stevens said a 6.5 should not affect barges but could cause isolated slides along riverbanks. Planners are fuzzy about a 7.6 quake, assuming the river would help resupply land efforts but conceding that extensive dock damage and floating debris could block barges, and perhaps distort the channel.

Pipelines: These worry most planners. Conceivably, all the pipelines could survive the likely 6.5 quake without damage, depending on where it strikes.

But the region is full of pipelines taking fuel from the Southwest and Gulf Coast to the industrial Northeast.

Preparedness officials say a bigger quake is likely to break some of them.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment (No. 3054) was agreed to.

Mr. SIMON. Mr. President, I am pleased to join my colleagues in amending and strengthening the National Earthquake Hazards Reduction Program. I commend Senator GORE for activities in this area and I am grateful for his leadership.

Although attention has focused traditionally on the west coast as being the only active earthquake zone in the United States, I unfortunately can report that California is not alone. The New Madrid fault—the active part—starts west of Memphis near Marked Tree, AR, and extends through Missouri and Cairo, IL. While up until recently we have experienced relatively little earthquake activity, the history of the New Madrid fault belies comfort.

In 1811 and 1812, the New Madrid fault experienced earthquakes so severe they were felt as far away as Boston. Although severe earthquakes occurred once again in 1895, the fault has been relatively quiet since that time. Experts predict that moderately strong earthquakes occur in this region every 75 to 100 years; obviously, the New Madrid fault is overdue.

A recent article in State Government News estimated that on a scale of 0 to 100 for preparedness, San Francisco ranks 90, Armenia ranks 0, and the central United States ranks between 10 and 20. This is clearly unacceptable.

Until this September, when the fault experienced an earthquake that registered relatively low on the Richter scale, the New Madrid fault has been inactive. As a result, my constituents have become accustomed to looking to the skies and the rivers for natural disasters, but not necessarily to the ground under their feet. The September earthquake prompted a new awareness that the fault could be triggered at any time.

Beginning early this year, the State of Illinois conducted statewide meetings to determine the State's preparedness for an earthquake and what steps can be taken now to minimize potential damage. At the conclusion of the statewide meetings, the task force issued a report with a plan of action. Illinois is to be commended for taking these steps. Our State, however, needs the assistance of the Federal Government and its expertise in these matters in order to adequately prepare itself.

The steps we are taking today will strengthen and improve the Earthquake Hazards Reduction Program so that it will provide the assistance necessary to help Illinois plan effectively. I urge my colleagues to support this measure.

Mr. DANFORTH. Mr. President, today I am pleased to support Senate passage of S. 2789, a bill to amend the Earthquake Hazards Reduction Act of 1977 to authorize appropriations for the National Earthquake Hazards Reduction Program for fiscal years 1991, 1992, and 1993, and to improve the Federal effort to reduce earthquake harzards. I was an original cosponsor of this bill, which will strengthen the country's preparedness for the earthquakes that inevitably will strike.

Mr. President, I have a special interest in seeing that the Nation is prepared for a destructive earthquake. In 1811 and 1812, possibly the most powerful earthquakes known to the continental United States occurred in New Madrid, MO. Scientists predict that there is almost a 100-percent chance that a major earthquake will strike somewhere east of the Rocky Mountains before the year 2010. There is a 40 to 60 percent chance that such an earthquake will occur on the New Madrid fault, which runs through Missouri, Mississippi, Tennessee, Kentucky, Illinois, Indiana, and Arkansas. Other areas facing similar dangers include the Pacific Northwest, where the possibility of a serious earthquake has recently been estimated to be very high, and New England, South Carolina, Alaska, Hawaii, and Utah. At least 34 States besides California face the threat of a serious earthquake. None of those States are as well prepared as California for the disastrous consequences of such an earthquake.

If a major earthquake were to occur today anywhere in the United States, thousands would suffer, and the immediate financial loss to the Nation would be between $20 and $80 billion. Will we be prepared for this disaster? If a major earthquake hit Cape Girardeau, MO, tonight, would people know what to do? Would they know who to call? Where to go for rescue workers and equipment? How to transport medical personnel to the scene? Where to transport victims who need hospital treatment?

I don't think they would. Nor would the people of Paducah, KY, Memphis, TN, or Little Rock, AR. The St. Louis area is not prepared for a recurrence of the 1811–12 events, or even a less severe earthquake. When an earthquake strikes, buildings will collapse and people will be trapped, communications lines will break, transportation will be interrupted, bridges will fall, and natural gas pipelines will leak. Medical services in the city and county will be unable to provide adequate care for the injured persons. Damage to highway systems and rail networks will hamper rescue and relief efforts, and disrupt national commerce. Damage to utility systems will mean a loss of electricity, water, and gas. Many persons will be left homeless, without food, clothing, or shelter. When a quake strikes the New Madrid fault, it will directly affect as many as seven States. Its indirect effects will be felt nationally.

But this does not have to happen. Through preparation, the Nation can avoid the costly and tragic consequences of a serious earthquake. The Federal Government has been studying ways to improve building construction, to reinforce bridges and pipelines, to implement urban search and rescue techniques, and to reduce potential earthquake hazards. We have the technology to build structures that can withstand earthquakes, as last October's earthquake in San Francisco demonstrated. We must make that technology and knowledge available to State and local governments and the private sector, where steps can be taken to improve preparedness. This legislation provides some of the resources needed to accomplish these goals.

Specifically, the bill updates the Earthquake Act of 1977 by assigning responsibilities to the Federal earthquake program agencies and clarifying the roles of the agencies. It provides increased authorizations for fiscal years 1991, 1992, and 1993 for the earthquake agencies to carry out these responsibilities. The bill also:

Requires the White House Office of Science and Technology Policy [OSTP], which is responsible for coordinating interagency research programs, to report to Congress on the role OSTP can play in coordination of the NEHRP;

Requires the Director of FEMA to establish a NEHRP Advisory Committee to advise the NEHRP agencies on planning and implementing Program activities;

Requires the President to adopt, not later than December 1, 1994, standards for assessing and enhancing the seismic safety of existing buildings constructed for or leased by the Federal Government which were designed and constructed without adequate seismic design and construction standards;

Directs FEMA to submit to Congress by June 30, 1992, a plan for developing and adopting design and construction standards for lifelines;

Requests the Comptroller General to report to Congress on the vulnerability of federally owned and leased buildings;

Clarifies and limits the amount of cost-sharing that FEMA can require from States receiving earthquake preparedness grants;

Establishes a postearthquake investigations program;

Requires FEMA to appoint a panel of experts to study and report on the impact and repercussions of a catastrophic earthquake on local, regional, and national economies; and another panel to study and report of the adequacy of preparation and response capabilities for reducing and recovering from losses caused by a catastrophic earthquake; and

Establishes a Center for the International Exchange of Earthquake Information within the U.S. Geological Survey.

The bill increases NEHRP authorizations from $86.5 million in fiscal year 1990 to $102.75 million in fiscal year 1991, $120.25 million in fiscal year 1992, and $141.25 million in fiscal year 1993 to provide the resources to conduct much-needed research and to develop programs to transfer the results of that research to local builders, educators, legislators, and emergency response personnel.

A devastating earthquake will hit the United States in our lifetime. We cannot predict when or where it will happen, and we cannot prevent it. The least we can do is be prepared, by planning ahead and investing in safer buildings. The Federal Government can develop the information necessary to take these precautions, and can set an example for State and local governments and the private sector with a comprehensive, effective earthquake program to reduce earthquake hazards. The bill we are considering today provides the additional funding and direction for the Federal earthquake program to accomplish these crucial goals.

Mr. WILSON. Mr. President, at 5:04 p.m. PDT on October 17, 1989, the Loma Prieta earthquake rocked California's bay area to its very foundations, literally.

Few residents—and those who were watching game 3 of the World Series between the A's and the Giants—will likely forget the destructiveness of the quake, nor will the images of the collapsed Nimitz Freeway and other damaged areas be forgotten.

In the year that has passed, scientists, geologists, members of the engineering profession, emergency response officials, and others have provided valuable insight into this earthquake.

And there is one recurring theme that frightens me, Mr. President, and that is the undisputable fact this earthquake was not the so-called big one.

It's true that no law, regulation, or legislative strategy can fully contemplate the destructive capabilities of a major earthquake. The Loma Prieta earthquake reinforced this point. While this is true, it is also true that we can prepare ourselves, our communities and infrastructure, and our disaster response networks for the eventuality of another and perhaps more destructive earthquake.

For this reason, I want to commend my colleagues from the Commerce Committee for bringing S. 2789, the National Earthquake Hazards Reduction Program Reauthorization Act of 1990, before the Senate today. You will recall, Mr. President, that legislation was introduced in both Chambers last year to improve upon the Earthquake Hazards Reduction Act of 1977. I am pleased to have cosponsored the Senate bill.

The 1977 Act created the National Earthquake Hazards Reduction Program [NEHRP]. This program marked a step in the right direction. However, it leaves considerable room for improvement and updating. That is why I support S. 2789. This new bill expands upon the legislation introduced earlier in this session, and provides for the most effective comprehensive national earthquake preparedness possible at this time.

As a Californian, I know all too well the damage and suffering a major earthquake can cause. But I would submit that this legislation may prove to be less for California's sake and more for the sake of the other potential disaster sites that are much less prepared—in terms of structural efficiency and organizational preparedness—than the fault-laden areas of California.

I'm talking about places such as the New Madrid fault zone of Missouri, where scientists claim another killer quake like the ones in 1811 and 1812 could hit at any time. And, especially, large cities like Boston and New York, sites of earthquakes in recent centuries that might be devastated if these events are repeated.

S. 2789 aims to reduce the death and destruction of the next major quake by making intelligent amendments to the original earthquake act. This improved legislation will better direct the four principal agencies in NEHRP by defining their responsibilities, something not done in 1977. The White House Office of Science and Technology Policy would be given a coordinating role in NEHRP.

In addition,the bill would establish a NEHRP Advisory Committee and would direct the President to adopt seismic standards for federally owned or operated buildings that escaped State and local building codes. A program also would be created, and coordinated by the U.S. Geological Survey, for post earthquake studies of major earthquakes, an induplicable learning tool of which we should certainly take advantage.

Moreover, S. 2789 provides for earthquake preparedness grants to States and significantly increases the budget for the Federal Emergency Management Agency [FEMA]. With the added funds, FEMA could develop national search and rescue capabilities, something sadly lacking today.

I equate the establishment of NEHRP in 1977 to taking out an earthquake insurance policy for the Nation. It buffers Americans against the potential effects of major seismic activity. In this sense it acts as a sort of preventative medicine taken to decrease the damage from an earthquake before it strikes, and a cure to stop the bleeding after it has struck.

The Loma Prieta quake of a year ago should stand as a warning to Congress that it must improve earthquake safety and preparedness, as can the disasters in Armenia, Mexico City, and, more recently, Iran. I strongly recommend we take out a more comprehensive insurance policy against major earthquakes by passing S. 2789, the NEHRP Reauthorization Act of 1990.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Earthquake Hazards Reduction Program Reauthorization Act".

FINDINGS

SEC. 2. Section 2 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701) is amended—

(1) by striking paragraphs (5) and (6) and inserting in lieu thereof the following new paragraphs:

"(5) The geological study of active faults and features can reveal how recently and how frequently major earthquakes have occurred on those faults and how much risk they pose. Such long-term seismic risk assessments are needed in virtually every aspect of earthquake hazards management, whether emergency planning, public regulation, detailed building design, insurance rating, or investment decision.

"(6) The vulnerability of buildings, lifelines, public works, and industrial and emergency facilities can be reduced through proper earthquake resistant design and construction practices. The economy and efficacy of such procedures can be substantially increased through research and development.";

(2) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(3) by inserting immediately after paragraph (6) the following new paragraph:

"(7) Programs and practices of departments and agencies of the United States are important to the communities they serve; some functions, such as emergency communications and national defense, and lifelines, such as dams, bridges, and public works, must remain in service during and after an earthquake. Federally owned, operated, and influenced structures and lifelines should serve as models for how to reduce and minimize hazards to the community.".

PURPOSE

SEC. 3. Section 3 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7702) is amended by adding at the end the following: "The objectives of such program shall include—

"(1) the education of the public, including State and local officials, as to earthquake phenomena, the identification of locations and structures which are especially susceptible to earthquake damage, ways to reduce the adverse consequences of an earthquake, and related matters;

"(2) the development of technologically and economically feasible design and construction methods and procedures to make new and existing structures, in areas of seismic risk, earthquake resistant, giving priority to the development of such methods and procedures for power generating plants, dams, hospitals, schools, public utilities and other lifelines, public safety structures, high occupancy buildings, and other structures which are especially needed in time of disaster;

"(3) the implementation, to the greatest extent practicable, in all areas of high or moderate seismic risk, of a system (including personnel, technology, and procedures) for predicting damaging earthquakes and for identifying, evaluating, and accurately characterizing seismic hazards;

"(4) the development, publication, and promotion, in conjunction with State and local officials and professional organizations, of model building codes and other means to encourage consideration of information about seismic risk in making decisions about land-use policy and construction activity;

"(5) the development, in areas of seismic risk, of improved understanding of, and capability with respect to, earthquake-related issues, including methods of mitigating the risks from earthquakes, planning to prevent such risks, disseminating warnings of earthquakes, organizing emergency services, and planning for reconstruction and redevelopment after an earthquake;

"(6) the development of ways to increase the use of existing scientific and engineering knowledge to mitigate earthquake hazards; and

"(7) the development of ways to assure the availability of affordable earthquake insurance.

DEFINITIONS

SEC. 4. Section 4 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7703) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) The term 'Program' means the National Earthquake Hazards Reduction Program established under section 5.";

(2) by adding at the end the following new paragraphs:

"(6) The term 'lifelines' means public works and utilities, including transportation facilities and infrastructure, oil and gas pipelines, electrical power and communication facilities, and water supply and sewage treatment facilities.

"(7) The term 'Program agencies' means the Federal Emergency Management Agency, the United States Geological Survey, the National Science Foundation, and the National Institute of Standards and Technology.".

NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

SEC. 5. Section 5 of the National Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) is amended to read as follows:

"SEC. 5. NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM.

"(a) ESTABLISHMENT.—There is established a National Earthquake Hazards Reduction Program.

"(b) RESPONSIBILITIES OF PROGRAM AGENCIES.—

"(1) LEAD AGENCY.—The Federal Emergency Management Agency (hereafter in this Act referred to as the 'Agency') shall have the primary responsibility for planning and coordinating the Program. In carrying out this paragraph, the Director of the Agency shall—

"(A) prepare, in conjunction with the other Program agencies, an annual budget for the Program to be submitted to the Office of Management and Budget;

"(B) ensure that the Program includes the necessary steps to promote the implementation of earthquake hazard reduction measures by Federal, State, and local governments, national standards and model building code organizations, architects and engineers, and others with a role in planning and constructing buildings and lifelines;

"(C) prepare, in conjunction with the other Program agencies, a written plan for the Program, which shall include specific tasks and milestones for each Program agency, and which shall be submitted to the Congress and updated at such times as may be required by significant Program events, but in no event less frequently than every 3 years;

"(D) prepare, in conjunction with the other Program agencies, a biennial report, to be submitted to the Congress within 90 days after the end of each even-numbered fiscal year, which shall describe the activities and achievements of the Program during the preceding two fiscal years; and

"(E) request the assistance of Federal agencies other than the Program agencies, as necessary to assist in carrying out this Act.

The principal official carrying out the responsibilities described in this paragraph shall be at a level no lower than that of Associate Director.

"(2) FEDERAL EMERGENCY MANAGEMENT AGENCY.—

"(A) PROGRAM RESPONSIBILITIES.—In addition to the lead agency responsibilities described in paragraph (1), the Director of the Agency shall—

"(i) operate a program of grants and technical assistance which would enable States to develop preparedness and response plans, prepare inventories and conduct seismic safety inspections of critical structures and lifelines, update building and zoning codes and ordinances to enhance seismic safety, increase earthquake awareness and education, and encourage the development of multi-State groups for such purposes;

"(ii) prepare and execute, in conjunction with the Program agencies, the Department of Education, other Federal agencies, and private sector groups, a comprehensive earthquake education and public awareness program, to include development of materials and their wide dissemination to schools and the general public;

"(iii) prepare and disseminate widely, with the assistance of the National Institute of Standards and Technology, other Federal agencies, and private sector groups, information on building codes and practices for structures and lifelines;

"(iv) develop, and coordinate the execution of, Federal interagency plans to respond to an earthquake, with specific plans for each high-risk area which ensure the availability of adequate emergency medical resources, search and rescue personnel and equipment, and emergency broadcast capability;

"(v) develop approaches to combine measures for earthquake hazards reduction with measures for reduction of other natural and technological hazards; and

"(vi) provide response recommendations to communities after an earthquake prediction has been made under paragraph (3)(D).

In addition, the Director of the Agency may enter into cooperative agreements or contracts with States and local jurisdictions to establish demonstration projects on earthquake hazard mitigation, to link earthquake research and mitigation efforts with emergency management programs, or to prepare educational materials for national distribution.

"(B) STATE ASSISTANCE PROGRAM CRITERIA.—In order to qualify for assistance under subparagraph (A)(i), a State must—

"(i) demonstrate that the assistance will result in enhanced seismic safety in the State;

"(ii) provide a share of the costs of the activities for which assistance is being given, in accordance with subparagraph (C); and

"(iii) meet such other requirements as the Director of the Agency shall prescribe.

"(C) NON-FEDERAL COST SHARING.—

"(i) In the case of any State which has received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date shall not include a requirement for cost sharing in an amount greater than 50 percent of the cost of the project for which the grant is made.

"(ii) In the case of any State which has not received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost

sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date—

"(I) shall not include a requirement for cost sharing for the first fiscal year of such a grant;

"(II) shall not include a requirement for cost sharing in an amount greater than 25 percent of the cost of the project for which the grant is made for the second fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions;

"(III) shall not include a requirement for cost sharing in an amount greater than 35 percent of the cost of the project for which the grant is made for the third fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions; and

"(IV) shall not include a requirement for cost sharing in an amount greater than 50 percent of the cost of the project for which the grant is made for the fourth and subsequent fiscal years of such grant.

"(3) UNITED STATES GEOLOGICAL SURVEY.—The United States Geological Survey shall conduct research necessary to characterize and identify earthquake hazards, assess earthquake risks, monitor seismic activity, and improve earthquake predictions. In carrying out this paragraph, the Director of the United States Geological Survey shall—

"(A) conduct a systematic assessment of the seismic risks in each region of the Nation prone to earthquakes, including, where appropriate, the establishment and operation of intensive monitoring projects on hazardous faults, seismic microzonation studies in urban and other developed areas where earthquake risk is determined to be significant, and engineering seismology studies;

"(B) work with officials of State and local governments to ensure that they are knowledgeable about the specific seismic risks in their areas;

"(C) develop standard procedures, in consultation with the Agency, for issuing earthquake predictions, including aftershock advisories;

"(D) issue when necessary, and notify the Director of the Agency of, an earthquake prediction or other earthquake advisory, which may be evaluated by the National Earthquake Prediction Evaluation Council, which shall be exempt from the requirements of section 10(a)(2) of the Federal Advisory Committee Act when meeting for such purposes;

"(E) establish, using existing facilities, a Center for the International Exchange of Earthquake Information which shall—

"(i) promote the exchange of information on earthquake research and earthquake preparedness between the United States and other nations;

"(ii) maintain a library containing selected reports, research papers, and data produced through the Program;

"(iii) answer requests from other nations for information on United States earthquake research and earthquake preparedness programs; and

"(iv) direct foreign requests to the agency involved in the Program which is best able to respond to the request; and

"(F) operate a National Seismic Network;

"(G) support regional seismic networks, which shall complement the National Seismic Network.

"(4) NATIONAL SCIENCE FOUNDATION.—The National Science Foundation shall be responsible for funding research on earth sciences to improve the understanding of the causes and behavior of earthquakes, on earthquake engineering, and on human response to earthquakes. In carrying out this paragraph, the Director of the National Science Foundation shall—

"(A) encourage prompt dissemination of significant findings, sharing of data, samples, physical collections, and other supporting materials, and development of intellectual property so research results can be used by appropriate organizations to mitigate earthquake damage;

"(B) in addition to supporting individual investigators, support university research consortia and centers for research in geosciences and in earthquake engineering;

"(C) work closely with the United States Geological Survey to identify geographic regions of national concern that should be the focus of targeted solicitations for earthquake-related research proposals;

"(D) emphasize, in earthquake engineering research, development of economically feasible methods to retrofit existing buildings and to protect lifelines to mitigate earthquake damage; and

"(E) support research that studies the political, economic, and social factors that influence the implementation of hazard reduction measures.

"(5) NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—The National Institute of Standards and Technology shall be responsible for carrying out research and development to improve building codes and standards and practices for structures and lifelines. In carrying out this paragraph, the Director of the National Institute of Standards and Technology shall—

"(A) work closely with national standards and model building code organizations, in conjunction with the Agency, to promote the implementation of research results;

"(B) promote better building practices among architects and engineers; and

"(C) work closely with national standards organizations to develop seismic safety standards and practices for new and existing lifelines.".

OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT

SEC. 6. Section 6 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7705) is amended to read as follows:

"SEC. 6. OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT.

"The Director of the Office of Science and Technology Policy shall, within 3 months after the date of the enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Science, Space, and Technology and the Committee on Interior and Insular Affairs of the House of Representatives with respect to how the Office of Science and Technology Policy can play a role in interagency coordination, planning, and operation of the Program.".

ADVISORY COMMITTEE

SEC. 7. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.) is amended—

(1) by redesignating section 7 as section 12; and

(2) by inserting immediately after section 6 the following new section:

"SEC. 7. ADVISORY COMMITTEE.

"There is established a National Earthquake Hazards Reduction Program Advisory Committee (hereafter in this Act referred to as the 'Advisory Committee'), which shall advise the Program agencies on planning and implementing the Program. The Director of the Agency shall, in consultation with the directors of the Program agencies, determine the number of members on the Advisory Committee and the duration of their terms, and appoint the Chairman and Members of the Advisory Committee. The Advisory Committee shall have balanced representation of State and local governments, the design professions, the research community, business and industry, and the general public. The Advisory Committee shall meet at the call of the Chairman, but in no event less often than every 6 months. The Advisory Committee shall submit a written report directly to the Congress, without review by the Office of Management and Budget or any other agency, by January 31 of each calendar year beginning after the date of enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, which shall describe any recommendations the Advisory Committee has made to the Program agencies during the preceding year. Members of the Advisory Committee shall serve without compensation but may receive reimbursement for expenses. All expenses of the Advisory Committee shall be borne by the Agency. The Advisory Committee shall expire September 30, 1993.".

SEISMIC STANDARDS

SEC. 8. (a) AMENDMENT.—The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by section 7 of this Act, is further amended by inserting immediately after section 7 the following new section:

"SEC. 8. SEISMIC STANDARDS.

"(a) BUILDINGS.—

"(1) ADOPTION OF STANDARDS.—The President shall adopt, not later than December 1, 1994, standards for assessing and enhancing the seismic safety of existing buildings constructed for or leased by the Federal Government which were designed and constructed without adequate seismic design and construction standards. Such standards shall be developed by the Interagency Committee on Seismic Safety in Construction, whose chairman is the Director of the National Institute of Standards and Technology or his designee, and which shall work in consultation with appropriate private sector organizations.

"(2) REPORT TO CONGRESS.—The President shall report to the Congress, not later than December 1, 1994, on how the standards adopted under paragraph (1) could be applied with respect to buildings—

"(A) for which Federal financial assistance has been obtained through grants, loans, financing guarantees, or loan or mortgage insurance programs; or

"(B) the structural safety of which is regulated by a Federal agency.

"(3) REGULATIONS.—The President shall ensure the issuance, before February 1, 1993, by all Federal agencies of final regulations required by section 4(b) of Executive Order numbered 12699, issued January 5, 1990.

"(b) LIFELINES.—The Director of the Agency, in consultation with the Director of the National Institute of Standards and Technology, shall submit to the Congress, not later than June 30, 1992, a plan, including precise timetables and budget estimates, for developing and adopting, in consultation with appropriate private sector organizations, design and construction standards for lifelines. The plan shall include recommen-

dations of ways Federal regulatory authority could be used to expedite the implementation of such standards.".

"(b) REPORT TO CONGRESS.—The Comptroller General shall, not later than 18 months after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interior and Insular Affairs and the Committee on Science, Space, and Technology of the House of Representatives on the vulnerability of buildings owned and leased by the Federal Government and on the efforts of Federal agencies to improve the seismic resistance of the buildings they own or lease. For each such agency, the Comptroller General shall enumerate the number of buildings owned or leased by the agency, the seriousness of the seismic risk to such buildings, and the value of the buildings at risk. The Comptroller General shall tabulate the expenditures each such agency has devoted to reducing earthquake damage and estimate the total expenditure necessary to address the problem adequately.

ACCEPTANCE OF GIFTS

SEC. 9. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 and 8 of this Act, is further amended by inserting immediately after section 8 the following new section:

"SEC. 9. ACCEPTANCE OF GIFTS.

"(a) AUTHORITY.—In furtherance of the purposes of this Act, the Director of the Agency may accept and use bequests, gifts, or donations of services, money, or property, notwithstanding section 3679 of the Revised Statutes (31 U.S.C. 1342).

"(b) CRITERIA.—The Director of the Agency shall establish by regulation criteria for determining whether to accept bequests, gifts, or donations of services, money, or property. Such criteria shall take into consideration whether the acceptance of the bequest, gift, or donation would reflect unfavorably on the Director's ability to carry out his responsibilities in a fair and objective manner, or would compromise the integrity of, or the appearance of the integrity of, the Program or any official involved in administering the Program.".

NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS

SEC. 10. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7, 8, and 9 of this Act, is further amended by inserting immediately after section 9 the following new section:

"SEC. 10. NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS.

"A grant under this Act to a State from the Agency that is made with funds appropriated under the Fiscal Year 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disasters of National Significance (Public Law 101-130; 103 Stat. 775) shall not include a requirement for cost sharing in an amount greater than 25 percent of the cost of the project for which the grant is made, and any cost sharing requirement may be satisfied through in-kind contributions.".

INVESTIGATIONS

SEC. 11. (a) AMENDMENT.—The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 through 10 of this Act, is further amended by inserting after section 10 the following new section:

"SEC. 11. POST-EARTHQUAKE INVESTIGATIONS PROGRAM.

"There is established within the United States Geological Survey a post-earthquake investigations program, the purpose of which is to investigate major earthquakes, so as to learn lessons which can be applied to reduce the loss of lives and property in future earthquakes. The United States Geological Survey, in consultation with each Program agency, shall organize investigations to study the implications of the earthquake in the areas of responsibility of each Program agency. The investigations shall begin as rapidly as possible and may be conducted by grantees and contractors. The Program agencies shall ensure that the results of investigations are disseminated widely. The Director of the Survey is authorized to utilize earthquake expertise from the Agency, the National Science Foundation, the National Institute of Standards and Technology, other Federal agencies, and private contractors, on a reimbursable basis, in the conduct of such earthquake investigations. At a minimum, investigations under this section shall include—

"(1) analysis by the National Science Foundation and the United States Geological Survey of the causes of the earthquake and the nature of the resulting ground motion;

"(2) analysis by the National Science Foundation and the National Institute of Standards and Technology of the behavior of structures and lifelines, both those that were damaged and those that were undamaged; and

"(3) analysis by each of the Program agencies of the effectiveness of the earthquake hazards mitigation programs and actions relating to its area of responsibility under the Program, and how those programs and actions could be strengthened.".

(b) REPORT TO CONGRESS.—The Director of the Federal Emergency Management Agency in consultation with the other agencies of the National Earthquake Hazards Reduction Program shall, not later than one year after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and to the Committee on Interior and Insular Affairs, the Committee on Science, Space, and Technology, and the Committee on Appropriations of the House of Representatives on possible options for funding a program for post-earthquake investigations. Such report, at a minimum, shall consider funding such a program either by setting aside a percentage of disaster relief funds provided by the Federal Emergency Management Agency after a major earthquake or by a revolving fund. The report shall include a recommendation on how the funding for such investigations should be allocated among the other program agencies.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. Section 12 of the Earthquake Hazards Reduction Act of 1977, as so redesignated by section 7(1) of this Act, is amended—

(1) in subsection (a)(7)—

(A) by striking "the provisions of sections 5 and 6 of";

(B) by striking "and $5,798,000" and inserting in lieu thereof "$8,798,000"; and

(C) by inserting ", $14,750,000 for the fiscal year ending September 30, 1991, $19,000,000 for the fiscal year ending September 30, 1992, and $22,000,000 for the fiscal year ending September 30, 1993" immediately before the period at the end;

(2) in subsection (b)—

(A) by striking "and $43,283,000" and inserting in lieu thereof "$55,283,000"; and

(B) by inserting ", of which $8,000,000 shall be for earthquake investigations under section 11; $50,000,000 for the fiscal year ending September 30, 1991; $54,500,000 for the fiscal year ending September 30, 1992; and $62,500,000 for the fiscal year ending September 30, 1993" immediately before the period at the end;

(3) in subsection (c)—

(A) by striking "and $35,454,000" and inserting in lieu thereof "$38,454,000"; and

(B) by adding at the end the following: "Of the amounts authorized for Engineering under section 101(d)(1)(B) of the National Science Foundation Authorization Act of 1988, $24,000,000 is authorized for carrying out this Act for the fiscal year ending September 30, 1991, and of the amounts authorized for Geosciences under section 101(d)(1)(D) of the National Science Foundation Authorization Act of 1988, $13,000,000 is authorized for carrying out this Act for the fiscal year ending September 30, 1991. Of the amounts authorized for Research and Related Activities under section 101(e)(1) of the National Science Foundation Authorization Act of 1988, $29,000,000 is authorized for engineering research under this Act, and $14,750,000 is authorized for geosciences research under this Act, for the fiscal year ending September 30, 1992. Of the amounts authorized for Research and Related Activities under section 101(f)(1) of the National Science Foundation Authorization Act of 1988, $34,500,000 is authorized for engineering research under this Act, and $17,500,000 is authorized for geosciences research under this Act, for the fiscal year ending September 30, 1993.";

(4) in subsection (d)—

(A) by striking "NATIONAL BUREAU OF STANDARDS" and inserting in lieu thereof "NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY";

(B) by striking "Bureau" and inserting in lieu thereof "National Institute of Standards and Technology";

(C) by striking "and $525,000" and inserting in lieu thereof "$2,525,000"; and

(D) by inserting "; $1,000,000 for the fiscal year ending September 30, 1991; $3,000,000 for the fiscal year ending September 30, 1992; and $4,750,000 for the fiscal year ending September 30, 1993" immediately before the period at the end; and

(5) by adding at the end the following new subsection:

"(f) AVAILABILITY OF FUNDS.—Funds appropriated for fiscal years 1991, 1992, and 1993 pursuant to this section shall remain available until expended.".

BUY AMERICAN REQUIREMENT

SEC. 13. (a) DETERMINATION BY DIRECTOR.—If the Director of the Federal Emergency Management Agency, with the concurrence of the Secretary of Commerce and the United States Trade Representative, determines that the public interest so requires, the Agency is authorized to award to a domestic firm a contract made pursuant to the issuance of any grant made under this Act that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 51 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent.

In determining under this subsection whether the public interest so requires, the Agency shall take into account United States international obligations and trade relations.

(b) LIMITED APPLICATION.—This section shall not apply to the extent to which—

(1) such applicability would be in the public interest;

(2) compelling national security considerations require otherwise; or

(3) the United States Trade Representative determines that such an award would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(c) LIMITATION.—This section shall apply only to contracts made related to the issuance of any grant made under this Act for which—

(1) amounts are authorized by this Act (including the amendments made by this Act) to be made available; and

(2) solicitations for bids are issued after the date of the enactment of this Act.

(d) REPORT TO CONGRESS.—The Agency shall report to the Congress on contracts covered under this section and entered into with foreign entities in fiscal years 1990 and 1991 and shall report to the Congress on the number of contracts that meet the requirements of subsection (a) but which are determined by the United States Trade Representative to be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party. The Agency shall also report to the Congress on the number of contracts covered under this Act (including the amendments made by this Act) and awarded based upon the parameters of this section.

(e) DEFINITIONS.—For puposes of this section—

(1) the term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States; and

(2) the term "foreign firm" means a business entity not described in paragraph (2).

CATASTROPHIC EARTHQUAKE IMPACT STUDIES

SEC. 14. (a) STUDY OF INDIRECT ECONOMIC LOSSES.—Within 12 months after the date of enactment of this Act, the Director of the Federal Emergency Management Agency shall submit, to the Committee on Science, Space, and Technology, the Committee on Interior and Insular Affairs, and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives, and to the Committee on Commerce, Science and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report on the results of a study on the impact and repercussions of a catastrophic earthquake on local, regional, and national economies. The Director of the Federal Emergency Management Agency shall appoint, in consultation with the Department of the Treasury, a panel of experts in relevant fields and activities to undertake such study. In particular, the study shall evaluate the repercussions and indrect economic impact of such earthquake on—

(1) financial markets;

(2) the national banking system;

(3) the insurance industry; and

(4) the national energy distribution network;

and shall include an estimate of the ability of current disaster assistance efforts and insurance coverage to allow recovery from the economic losses caused by a catastrophic earthquake.

(b) STUDY ON IMPROVING EARTHQUAKE MITIGATION.—Within 12 months after the date of enactment of this Act, the Director of the Federal Emergency Management Agency shall submit, to the Committee on Science, Space, and Technology, the Committee on Interior and Insular Affairs, and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives, and to the Committee on Commerce, Science and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report on the results of a study on the adequacy of preparation and response capabilities for reducing and recovering from losses caused by a catastrophic earthquake. The Director of the Federal Emergency Management Agency shall appoint, in consultation with the United States Geological Survey, the National Institute of Standards and Technology, and the National Science Foundation, a panel of experts in relevant fields and activities to undertake such study. The study required under subsection shall—

(1) identify impediments to the effective implementation of Federal, State, and local programs of earthquake hazard mitigation, including an analysis of the appropriate roles for Federal, State, and local governments and the private sector in preparing for and responding to the economic and social consequences of earthquakes; and

(2) consider the effectiveness and efficiencies of alternative ways for Federal, State, and local governments to reduce the economic impact of earthquakes, including earthquake hazard mitigation, disaster assistance, earthquake insurance for homeowners and small businesses, and earthquake reinsurance for general commercial liabilities.

Mr. LEAHY. I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

WEEK OF THE NATIONAL OBSERVANCE OF THE 50TH ANNIVERSARY OF WORLD WAR II

Mr. LEAHY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on Senate Joint Resolution 324.

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the House of Representatives:

Resolved, That the resolution from the Senate (S.J. Res. 324) entitled "Joint resolution to designate June 3 through 9, 1990, as 'Week of the National Observance of the 50th Anniversary of World War II'," do pass with the following amendments:

Page 2, line 3, strike out "June 3 through June 9, 1990," and insert "June 2 through June 8, 1991.".

Page 2, lines 3 and 4, strike out " "National World War II Observance Week" ", and insert "a "Week for the National Observance of the 50th Anniversary of World War II" ".

Amend the title so as to read: "Joint resolution designating June 2 through 8, 1991, as a 'Week for the National Observance of the 50th Anniversary of World War II'.".

Mr. LEAHY. Mr. President, I move that the Senate concur in the House amendments.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion.

The motion was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CIVIC ACHIEVEMENT AWARD PROGRAM

Mr. LEAHY. Mr. President, again acting on behalf of Senator MITCHELL, as I have in each of these motions, I ask unanimous consent that the Senate proceed to the immediate consideration of House Joint Resolution 587 regarding the Civic Achievement Award Program just received from the House.

The ACTING PRESIDENT pro tempore. The joint resolution will be stated by title.

The legislative clerk read as follows:

A joint resolution (H.J. Res. 587) committing to the private sector the responsibility for support of the Civic Achievement Award Program in honor of the Office of Speaker of the House of Representatives, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. FORD. Mr. President, in 1987 Congress established a new civic education program for middle school students—fifth through eighth graders. The Committee on Rules and Administration authorized funds for the Civic Achievement Award Program in honor of the Office of the Speaker of the House of Representatives. The CloseUp Foundation was given the responsibility for running the program.

The Civic Achievement Award Program through the years has been very successful, probably because it is straightforward and deals with the basics. It provides students with knowledge about American history, government, geography, economics, culture, and current events; it teaches students library research and critical thinking skills; and it encourages students to develop opinions about civic issues and to get involved in community service. Through participation in the program, students acquire knowledge that is invaluable for full participation in our democracy.

At the reauthorization hearing in 1989, the Rules Committee encouraged CloseUp to seek private sources for funding the award program in light of the tight fiscal constraints the country

currently faces. In May 1990 the foundation informed the committee that it had been very successful in securing private funding for this worthwhile program, and that a private source, the Burger King Corp., would sponsor the program and that a reauthorization would not be requested.

CloseUp has a history of establishing effective public-private partnerships for its high school projects. As the need for programs like the Civic Achievement Award increases, it is appropriate that private institutions become involved. Burger King's commitment to fund and expand this program to include 1 million students in the upcoming school year is welcome news. Thus, it is with a sense of gratification that I support House Joint Resolution 587, which commits to the private sector the responsibility for support of the Civic Achievement Award Program.

Mr. President, the CloseUp Foundation is to be congratulated for its excellent work with the Civic Achievement Award Program. I wish the organization continued success in its future endeavors.

The ACTING PRESIDENT pro tempore. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the joint resolution.

The joint resolution (H.J. Res. 587) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. LEAHY. I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

JENA BAND OF CHOCTAWS RECOGNITION ACT

Mr. LEAHY. Mr. President, in behalf of the distinguished majority leader, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 786, S. 1918, a bill to provide for Federal recognition of the Jena Band of Choctaws of Louisiana.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

A bill (S. 1918) to provide for Federal recognition of the Jena Band of Choctaws of Louisiana, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Select Committee on Indian Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Jena Band of Choctaw Recognition Act".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "Tribe" means the Jena Band of Choctaw of Louisiana.

(2) The term "Secretary" means the Secretary of the Interior or the designated representative of the Secretary of the Interior.

(3) The term "Interim Council" means the Board of Directors of the Jena Band of Choctaw, Inc.

(4) The term "member" means an individual who is enrolled on the membership roll of the Tribe.

(5) The term "State" means the State of Louisiana.

FEDERAL RECOGNITION

SEC. 3. Federal recognition is hereby extended to the Jena Band of Choctaw of Louisiana. All Federal laws of general application to Indians and Indian tribes (including the Act of June 18, 1934 (48 Stat. 984; 25 U.S.C. 461, et seq.), popularly known as the Indian Reorganization Act, shall apply with respect to the Tribe and to the members.

RESTORATION OF RIGHTS

SEC. 4. (a) All rights and privileges of the Tribe, and members thereof, which may have been abrogated or diminished before the date of enactment of this Act are herby restored.

(b) Nothing in this Act may be construed to diminish any rights or privileges of the Tribe, or of the members, that existed prior to the date of the enactment of this Act.

(c) The Secretary shall accept any real property that is transferred to the Secretary for the benefit of the Tribe. Such real property shall be accepted by the Secretary (subject to any rights, liens, or taxes that exist prior to the date of such transfer) in the name of the United States in trust for the benefit of the Tribe and shall be exempt from all taxes imposed by the Federal Government or any State or local government after such transfer.

(d) Except as otherwise specifically provided in any other provision of this Act, nothing in this Act may be construed as altering or affecting—

(1) any rights or obligations with respect to property,

(2) any rights or obligations under any contract,

(3) any hunting, fishing, trapping, gathering, or water rights of the Tribe or the members, or

(4) any obligation to pay a tax levied before the date of enactment of this Act.

SERVICES

SEC. 5. The Tribe, and the members, shall be eligible for all services and benefits that are provided by the Federal Government to Indians because of their status as Federally recognized Indians and, notwithstanding any other provision of law, such services and benefits shall be provided after the date of enactment of this Act to the Tribe, and to the members, without regard to the existence of a reservation for the Tribe or the location of the residence of any member on or near any Indian reservation.

INTERIM GOVERNMENT

SEC. 6. Until such time as a constitution for the Tribe is adopted in accordance with section 8(a) and tribal officials are elected under section 8(b), the Tribe shall be governed by the Interim Council.

MEMBERSHIP ROLL

SEC. 7. (a) The membership list submitted to the Secretary by the Tribe on May 2, 1985, shall constitute the base roll of the Tribe, subject to the approval of the Secretary.

(b)(1) Until a constitution is adopted in accordance with section 8, an individual shall be eligible for membership in the Tribe, and the name of the individual shall be placed on the membership roll of the Tribe, if—

(A) the individual is living and is not an enrolled member of another Indian tribe that is recognized by the Federal Government, and

(B) the individual—

(i) was included on the membership list submitted to the Secretary on May 2, 1985,

(ii) was entitled to be included on such list but was not included, or

(iii) is a lineal descendant of an individual, living or deceased, who is included on such list.

(2) Any individual who is excluded from the membership roll of the Tribe by the Interim Council may appeal to the Secretary for a determination of the eligibility of the individual for membership in the Tribe. The Interim Council shall include on the membership roll any such individual that the Secretary determines in such an appeal to be eligible for membership in the Tribe.

TRIBAL CONSTITUTION

SEC. 8. (a) Upon the written request of the Interim Council, the Secretary shall conduct, by secret ballot, an election to adopt a constitution for the Tribe. Such constitution shall be submitted by the Interim Council to the Secretary no later than one year following the date of enactment of this Act. The election shall be held according to section 16 of the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), as amended.

(b) Not later than one hundred and twenty days after the Tribe adopts a tribal constitution, the Secretary shall conduct an election by secret ballot for the purpose of electing tribal officials as provided in the constitution. Such election shall be conducted according to the procedures stated in subsection (a) except to the extent that such procedures conflict with the tribal constitution.

(c) Notwithstanding any other provision of law, the governing body of the Tribe established under the constitution of the Tribe that is adopted under subsection (a) shall be treated as an Indian tribal government for purposes of the Internal Revenue Code of 1986, and all other Federal laws of general application to Indians and Indian tribes (including the Act of June 18, 1934, 25 U.S.C. 461 et seq.).

REGULATIONS

SEC. 9. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this Act.

REAL PROPERTY

SEC. 10. (a) Real property acquired by or for the Tribe shall be taken by the Secretary in the name of the United States in trust for the benefit of the Tribe.

(b) Any real property taken in trust by the Secretary shall be subject to—

(1) all legal rights and interests in such land held by any person at the time of acquisition of such land by the Secretary, including any lien, mortgage, or previously levied and outstanding State or local tax; and

(2) foreclosure or sale in accordance with the laws of the State of Louisiana pursuant to the terms of any valid obligation in existence at the time of the acquisition of such land by the Secretary; and

(3) any real property transferred pursuant to this Act shall be exampt from Federal, State, and local taxation of any kind.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The ACTING PRESIDENT pro tempore. The question is on the engrossment and the third reading of the bill.

The bill (S. 1918) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ESTABLISHMENT OF A UNIT OF THE NATIONAL PARK SYSTEM TO INTERPRET AND COMMEMORATE JAZZ

Mr. LEAHY. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2846.

The ACTING PRESIDENT pro tempore laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2846) entitled "An Act to authorize and direct the Secretary of the Interior to conduct a study of the feasibility of establishing a unit of the National Park System to interpret and commemorate the origins, development, and progression of jazz in the United States, and for other purposes," do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SUITABILITY AND FEASIBILITY STUDY.

(a) IN GENERAL.—In order to determine an appropriate means of preserving and interpreting the origins, development and progression of the music known as jazz, a music that has gained worldwide influence and respect and represents this Nation's unique contribution to the musical arts, the Secretary of the Interior (hereinafter referred to as the "Secretary"), in consultation with the Secretary of the Smithsonian Institution, shall conduct a study of the suitability and feasibility of preserving and interpreting the origins of jazz in New Orleans, including establishing, or adding to, a unit of the National Park System, or providing technical and financial assistance. Such study shall recognize the origins of jazz in New Orleans, the city in which the cultural strains that became jazz were fused to form this unique American music, and the birthplace of such major jazz artists as Jelly Roll Morton, Sidney Bechet, and Louis Armstrong.

(b) SITES OR STRUCTURES.—(1) The study shall include a determination as to which sites or structures in New Orleans associated with the origin and early history of jazz exhibit the necessary historical and physical integrity to make them suitable and feasible for administration, protection, and preservation by the National Park System for the use and benefit of the public. Prior to making any such determination, the Secretary shall consult with and carefully consider the views of affected local citizens and neighborhood groups.

(2) With respect to any such site or structure determined to be suitable and feasible, the study shall include an analysis of potential management alternatives that involve the participation of public and private entities in the preservation of jazz as an American art form, including interpretive performances pursuant to cooperative agreements with the Secretary.

(3) In the event appropriate sites or structures cannot be identified, the study shall also consider and make recommendations concerning sites which would serve as an appropriate location to commemorate the origins and early history of jazz in New Orleans.

(c) ADDITIONAL RECOMMENDATIONS.—The study shall also include recommendations for—

(1) public outreach programs;

(2) the establishment of a jazz education center;

(3) the appropriate Federal role, including through cooperative agreements, in supporting second line bands and in preserving the unique contributions to the development of jazz made by neighborhood social and pleasure clubs, including recommendations for interpretive performances by such clubs and other programs to assure that the contributions of such clubs are preserved; and

(4) the need for the preservation and dissemination of information about existing public and private archival collections (with potential alternatives for an appropriate Federal role) and possible management alternatives including cooperative agreements with existing public and private facilities and institutions.

SEC. 2. JEAN LAFITTE NATIONAL HISTORICAL PARK.

The study shall also assess and include a recommendation concerning and desirability and feasibility of including any site or structure identified pursuant to section 1(b) to be managed as a unit of the Jean Lafitte National Historical Park.

SEC. 3. SUBMISSION OF STUDY.

The Secretary shall submit the study referred to in section 1 to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives no later than one year after the date funds are made available for such study, together with any recommendations for further legislation.

SEC. 4. PRESERVATION OF JAZZ ADVISORY COMMISSION.

(a) ESTABLISHMENT OF THE COMMISSION.—There is hereby established the Preservation of Jazz Advisory Commission (hereinafter referred to as the "Commission"). The Commission shall consist of fifteen members who shall be appointed within ninety days after enactment of this Act as follows:

(1) one member to be appointed jointly by the Speaker of the United States House of Representatives and the President Pro Tempore of the United States Senate;

(2) the Mayor of the city of New Orleans or the Mayor's designee;

(3) one member who shall have experience in music education programs emphasizing jazz, to be appointed by the Secretary from among recommendations submitted by the Mayor of New Orleans;

(4) one member who is knowledgeable about tourism, to be appointed by the Secretary from among recommendations submitted by local business and economic development groups;

(5) one member to be appointed by the Secretary from among recommendations submitted by the producers of the New Orleans Jazz and Heritage Festival who shall have experience in the production of such Festival;

(6) one member to be appointed by the Secretary from among recommendations submitted by representatives of local historic preservation groups;

(7) one member who is a recognized musician with knowledge and experience in the development of jazz in New Orleans, to be appointed by the Chairman of the National Endowment of the Arts;

(8) one member who is a recognized local expert on the history and development of jazz in New Orleans and is familiar with existing local archival materials, to be appointed jointly by the Chairman of the National Endowment on the Humanities and the Librarian of Congress;

(9) three members with recognized expertise in jazz, cultural or folklife preservation and interpretation, to be appointed by the Secretary of the Smithsonian Institution;

(10) one member to be appointed by the Secretary who shall be a resident of the Treme neighborhood of New Orleans;

(11) one member who shall be selected from recommendations submitted by local social and pleasure clubs, to be appointed by the Chairman of the National Endowment of the Arts;

(12) one member to be appointed by the Governor of Louisiana who shall be a member of the Louisiana State Music Commission; and

(13) the Chairman of the Delta Region Preservation Commission who shall serve as an ex officio member of the Commission.

(b) DUTIES OF THE COMMISSION.—The Commission shall advise the Secretary in the preparation of the suitability and feasibility study required by section 1, and the views of the Commission members shall be included in the study transmitted to the Congress as provided in section 3.

(c) MEMBERSHIP.—No person who is an employee of the Department of the Interior shall be appointed to serve as a member of the Commission.

(d) COMPENSATION.—Members of the Commission shall serve without compensation. Members of the Commission shall be entitled to travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in government service under section 5703 of title 5, United States Code.

(e) CHAIRPERSON.—The Commission shall elect a chairperson from among its members.

(f) QUORUM.—A simple majority of the members of the Commission shall constitute a quorum.

(g) MEETINGS.—The Commission shall meet at least quarterly or upon the call of the Chairperson or a majority of its members.

(h) PUBLIC HEARINGS.—The Commission shall hold no less than three public hearings in New Orleans to consider the views of the public concerning the most appropriate means to commemorate jazz in the United States. At least one such hearing shall be held in the Treme neighborhood of New Orleans.

(i) STAFF.—The National Park Service shall provide staff support and technical assistance as may be necessary to carry out the functions of the Commission.

(j) TERMINATION OF COMMISSION.—The Commission shall terminate 60 days after the transmittal of the report to Congress.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

Mr. JOHNSTON. Mr. President, I am pleased to see that the House has acted so expeditiously in passing S. 2846, a bill to authorize a study of the feasibility of establishing a unit of the National Park System dedicated to interpreting and commemorating the origins of jazz in the United States. One need only look at the October 22, 1990, edition of Time magazine to realize that jazz is truly a uniquely American musical art form and I am very proud that it has its origins in New Orleans. So many of the original jazz greats were born and developed their music in New Orleans—musicians such as Jelly Roll Morton, Sindey Bechet, and Louis Armstrong. It is our obligation to see that their contributions are preserved for future generations.

Our colleagues in the House have made some constructive improvements to S. 2846, including a provision which requires the Secretary of the Interior to conduct the study in consultation with the Secrtary of the Smithsonian. This will insure that the Smithsonian's general expertise in cultural interpretation and its particular expertise in jazz will be fully utilized throughout the study process.

The House has also agreed to prohibit employees of the Department of the Interior from serving on the local citizen's advisory commission, thus ensuring that the Secretary shall receive valuable input from local residents who have a particular interest in the development and preservation of jazz and have participated in its evolution in New Orleans throughout the years.

The House has also agreed to a Senate provision which directs the Secretary to assess the desirability and feasibility of including the proposed facility under the management of Jean Lafitte National Historical Park and Preserve. One of Jean Lafitte's primary objectives is to interpret the culture of the Delta region and it may be desirable to include the jazz unit under its auspices. Conversely, the study may determine that it is more desirable to structure the proposed National Jazz Park as a freestanding unit which would eventually be expanded to include other regions of the United States that have also made significant contributions to the development of jazz in this country. In order to assure that the Secretary receives an objective and unbiased recommendation on this matter, this study should be overseen by the National Park Service's planning personnel in Washington, DC and not by Park Service staff at Jean Lafitte or in the Southwest region.

Mr. President, I commend both the House and Senate for considering S. 2846 in such a timely manner and I hope this measure will soon be signed into law. I look forward to reviewing the study and recommendations that will be forthcoming from this legislation.

Mr. LEAHY. I move that the Senate concur in the House amendment.

The ACTING PRESIDENT pro tempore. The question is on the motion.

The motion was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ACKNOWLEDGING THE 100TH ANNIVERSARY OF THE TRAGEDY AT WOUNDED KNEE CREEK

Mr. LEAHY. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Concurrent Resolution 153 regarding Wounded Knee, and that the Senate proceed to its immediate consideration.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will report.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 153) to acknowledge the 100th anniversary of the tragedy at Wounded Knee Creek, State of South Dakota, December 29, 1890, wherein soldiers of the United States Army 7th Cavalry killed and wounded approximately 350–375 Indian men, women, and children of Chief Big Foot's band of the Minneconjou Sioux, and to recognize the Year of Reconciliation declared by the State of South Dakota between the citizens of the State and the member bands of the Great Sioux Nation.

The ACTING PRESIDENT pro tempore. Is there objection to the immediate consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

The ACTING PRESIDENT pro tempore. Without objection, the concurrent resolution (S. Con. Res. 153) is agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, is as follows:

S. CON. RES. 153

Whereas, in order to promote racial harmony and cultural understanding, the Governor of the State of South Dakota has declared that 1990 is a Year of Reconciliation between the citizens of the State of South Dakota and the member bands of the Great Sioux Nation;

Whereas the Sioux people who are descendants of the victims and survivors of the Wounded Knee Massacre have been striving to reconcile and, in a culturally appropriate manner, to bring to an end their 100 years of grieving for the tragedy of December 29, 1890;

Whereas historians regard the 1890 Wounded Knee Massacre as the last armed conflict between Indian warriors and the United States Cavalry which brought to a close an era in the history of this country commonly referred to as the Indian wars period characterized by an official government policy of forcibly removing the Indian tribes and bands from the path of westward expansion and settlement through placement on reservations;

Whereas this era of government policy has been replaced by a more enlightened policy of Indian self-determination and respect for human rights characterized by a recognition of the valuable contribution of Indian cultures, traditions, and values to the history and fabric of American society;

Whereas, on September 25, 1990, hearings were conducted in the United States Senate by the Select Committee on Indian Affairs regarding the historical circumstances surrounding the Wounded Knee Massacre and to receive testimony regarding a proposed Wounded Knee Memorial and the need to designate the area an historic site or national monument in order to properly preserve and maintain the terrain; and

Whereas it is proper and timely for the Congress of the United States of America to acknowledge, on the occasion of the impending one hundredth anniversary of the event, the historic significance of the Massacre at Wounded Knee Creek, to express its deep regret to the Sioux people and in particular to the descendants of the victims and survivors for this terrible tragedy, and to support the reconciliation efforts of the State of South Dakota and the Wounded Knee Survivors Association: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) the Congress, on the occasion of the one hundredth anniversary of the Wounded Knee Massacre of December 29, 1890, hereby acknowledges the historical significance of this event as the last armed conflict of the Indian wars period resulting in the tragic death and injury of approximately 350–375 Indian men, women, and children of Chief Big Foot's band of Minneconjou Sioux and hereby expresses its deep regret on behalf of the United States to the descendants of the victims and survivors and their respective tribal communities;

(2) the Congress also hereby recognizes and commends the efforts of reconciliation initiated by the State of South Dakota and the Wounded Knee Survivors Association and expresses its support for the establishment of a suitable and appropriate Memorial to those who were so tragically slain at Wounded Knee which could inform the American public of the historic significance of the events at Wounded Knee and accurately portray the heroic and courageous campaign waged by the Sioux people to preserve and protect their lands and their way of life during this period; and

(3) the Congress hereby expresses its commitment to acknowledge and learn from our history, including the Wounded Knee Massacre, in order to provide a proper foundation for building an ever more humane, enlightened, and just society for the future.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MEASURE PLACED ON THE CALENDAR

Mr. LEAHY. Mr. President, I ask unanimous consent that S. 3209 be placed back on the calendar.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. LEAHY. Mr. President, I ask unanimous consent that morning business be closed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS, FISCAL YEAR 1991

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 5114, the foreign operations appropriations bill.

The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5114) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1991, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Kerrey amendment No. 2967 (to Committee amendment beginning on page 2, line 12), to prohibit funding the administration or enforcement of the economic embargo against Cambodia.

Mr. LEAHY. Mr. President, let me review the situation for the Members.

Last Friday evening, which seems in some ways months ago, but we received at that time unanimous consent to adopt the committee amendments en bloc with the exception of eight committee amendments which I listed at that time.

That evening we disposed of the second excepted committee amendment which related to the U.N. Population Fund. When we ceased working on the bill, we were debating an amendment to the first committee amendment offered by the Senator from Nebraska [Mr. KERREY] which is now the pending business.

Senator KERREY is present. I would like to dispose of this amendment. I think everybody understands it. It will be fairly straightforward. If it takes a vote, I would suggest a short time agreement, 30 minutes equally divided. I am not making this as a unanimous-consent request yet, but this is just so that we understand, so that people know what I am going to request.

Mr. President, the Senator from Nebraska is on the floor, and I ask unanimous consent that we have a time agreement of 30 minutes, equally divided, on the Kerrey amendment, after which we should have an up-or-down vote.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. KASTEN. Reserving the right to object, I am hopeful that within the next 2 or 3 minutes, I will not object, but there is at least one individual on this side of the aisle, and I believe there may be more, who I need to consult with before we agree to a time limit. It does not mean we cannot move forward with the debate and discussion on other amendments. At this point I cannot agree to a time limit. I will try to clear a time limit, because we share the same goal of moving forward with this legislation and with this amendment.

Mr. LEAHY. I withdraw the unanimous-consent request. I know the distinguished Senator from Wisconsin has met with me and with the Senator from Nebraska trying to work out a time agreement, and so I am certainly relying on his comment that that is still underway. I withhold any unanimous-consent agreement, and I am going to yield momentarily to the Senator from Nebraska. But just so people will understand, we will try to then move on to a number of items once this issue is disposed of.

We have the question of El Salvador, which people are familiar with. We want to go to that. We want to go to the issue of Egyptian debt, and other matters. I would hope that in a relatively short time, depending upon the cooperation of the Senators, we would be able to complete the foreign aid bill.

Most of the proponents of the amendments that I am aware of—El Salvador, which is my amendment, and Senator DODD's, Egyptian debt, which is mine; and Senator KASTEN and others, on behalf of the administration—on each one of these, there is certainly a willingness on the part of the proponents of the amendments to enter into very short time agreements.

I mention this because, on most foreign aid bills, we tend to take up a week or so at a time. I know it is the leadership's intent to move forward with the interior appropriations bill today and legislative appropriations bill today, and knowing that tomorrow there will be other business, and Sunday there will be other business, we are trying to do, among other things, the conference committee, which will be meeting straight through the weekend, and the farm bill will be back here, which will have been completed in conference.

I mention this at the outset, urging Senators who have amendments to bring them forth.

Mr. LIEBERMAN. Mr. President, I wish to raise an issue of concern to me with the distinguished chairman of the subcommittee. Earlier this year, I was part of a delegation that observed the elections in Romania. While I was there, I visited an institution where the so-called irrecoverable or unsalvageable children are located. Not all of these children are orphans as we understand that term. The irrecoverable institutions house the malnourished, the ill, the mentally deficient, and the disabled.

Under former dictator Nicolae Ceausescu, Romanian women were required to have at least four children. For a variety of reasons, many of these children were unwanted and placed in institutions under concentration-camp-like conditions. Some live in cages, unclothed, uncared for, and forgotten. Because of the shortage of staff, babies are often changed only once a day. As a result some of these children die from infections that could be easily treated with a common antibiotic. They die of dysentery, malnutrition, and neglect.

Approximately 1,000 have AIDS because of contaminated blood transfusions, but the number of cases is probably higher because not all of them have been tested. AIDS children are especially vulnerable with their weakened immune systems trying to survive in filthy, fly infested environments.

These children desperately need our help. It is estimated that between 40,000 and 60,000 "irrecoverables" live in institutions like the one I have described across Romania. Does the Senator from Vermont think that there will be money available from the Agency for International Development [AID] for these children?

Mr. LEAHY. I want to thank my colleague for raising this issue. This is clearly a tragedy. We should do all that we can to aid these children. As the Senator knows, there is money in this bill for Romanian children.

Mr. LIEBERMAN. I understand that this money is for orphans. I want to make certain that some money goes to the irrecoverable children, since they are often not considered orphans because their parents have not relinquished their rights to them. The Romanian Government treats them as something other than orphans, which means that money that we set aside for orphans in this bill might not reach these irrecoverables.

Mr. LEAHY. If that is the case, then I would support funding for the irrecoverables.

Mr. LIEBERMAN. It is also my hope that additional money could be found for these children. While I realize that funding for such programs is always tight, I, nonetheless, believe that we should do whatever we can to help these children.

I want to point out that AID has done a commendable job in trying to assist these children. Nonetheless, I strongly encourage the Administrator of AID to review all possible sources of funding, in addition to those available in this bill, for these children and that he do so in an expeditious manner. This is very important to me, and I hope that the distinguished chairman of the subcommittee supports my efforts.

Mr. LEAHY. I too feel that something must be done to aid these children and think that the gentleman has raised some important points. I also call on the Administrator for AID to do whatever he can to help these children with available funds. I thank the Senator for bringing this issue to our attention.

AMENDMENT NO. 2967, AS MODIFIED

Mr. KERREY. I send to the desk a modification of my amendment, and I have shown it to the Senator from Vermont and the Senator from Wisconsin. I ask unanimous consent that this modification be part of my amendment.

The ACTING PRESIDIENT pro tempore. The Senator has that right. The amendment is considered modified.

The amendment (No. 2967) as modified, is as follows:

At the end of the amendment, add the following:

PROHIBITION ON FUNDS TO ADMINISTER OR ENFORCE CERTAIN TRADING WITH THE ENEMY ACT AUTHORITIES

SEC. . Notwithstanding any other provision of law, no funds appropriated by any provision of law may be made available to administer or enforce the authorities of the Trading With the Enemy Act with respect to Cambodia which were in effect before the date of enactment of this Act.

Within 30 days after the conclusion of the upcoming Paris conference on Cambodia, notwithstanding any other provision of law, no funds appropriated by any provision of law may be made available to administer or enforce the authorities of the Trading with the Enemies Act with respect to Cambodia which were in effect before the date of enactment of this Act, unless the representatives of the State of Cambodia at the Paris Conference are unwilling to agree to the proposed U.N. settlement of the Cambodian conflict.

In the event that the Paris Conference does not conclude within 90 days after the enactment of this Act, no funds appropriated by any provision of law may be made available to administer or enforce the authorities of the Trading with the Enemies Act with respect to Cambodia unless the State of Cambodia is unwilling to agree to a ceasefire and unwilling to agree to hold internationally administered elections.

Mr. KERREY. Mr. President, I ask for the yeas and nays on my amendment.

The ACTING PRESIDENT pro tempore. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KERREY. Mr. President, I believe that the opportunity for a great diplomatic victory in Cambodia is very close. I believe the administration has shown tremedous boldness in pushing to try to get an agreement between the various parties. There is still sanction disagreement. There are a lot of arguments still in this body on what we should not do in this region, but we are very close.

There is going to be a meeting in December. Hopefully, at that time, all the parties will sign an agreement that will set into place a Supreme National Council, with representatives from all the factions, and that will enable a transition to a moment when we will have a free and open election, whereby a government will be selected by the people of Cambodia. We are very close to that. In December sometime, there will be a meeting, and we hope to get an agreement.

What this amendment is attempting to do is to send a message to all the parties that the United States concern is for political freedom and economic freedom in Cambodia. That will not be easy to accomplish, Mr. President. The Supreme National Council itself is composed of people who have never been in a situation where someone has said, "all those in favor say aye." This is not a group that is used to a democratic rule. This is not a group that is experienced with democratic organizations, or organizing institutions of democracy to provide protection for political freedom. It is an alien, foreign concept.

We, in the United States of America, have been, as Vaclav Havel says, "approaching the ideal of democracy for over 200 years." We have been approaching that horizon as an ideal. We have much that we can teach and ways that we can help the people of Cambodia, as they try to form these democratic institutions. For emphasis, I say it will be extremely difficult. Democracy will not occur simply because we get an agreement in Paris. It will not be achieved as a consequence of a single election in Cambodia.

These people have suffered a great deal. The people of Cambodia not only have lost close to 2 million people as a consequence of the genocidal government of Pol Pot from 1975 to late 1978, but the have had their middle class decimated. There is no professional rank in Cambodia that has the capacity, in my judgment, for self-government. It will be extremely difficult to put democracy into place.

What my amendment does is it says we are going to cut off the funds provided for the enforcement of the Trading With the Enemy Act restrictions that will allow American businessmen to go to Phom Penh to begin to trade with Phom Penh; but, most importantly, Mr. President, it will allow the people of the United States to see what is going on in the country of Cambodia and will allow us to influence and assist the people of Cambodia as they develop democratic institutions.

I have attempted with my modification to make this action much more consistent with what the administration is attempting to do. It says specifically that the Trading With the Enemy Act restriction will be lifted within 30 days after the signing of the Paris agreement or within 90 days if the Paris agreement does not occur.

For emphasis, we simply need a presence in Cambodia. It is a long ways away physically. It is a long ways away culturally. If democratic institutions are to hold, if the people of Cambodia are to get political protection for political dissent, which they do not have under the current government, if they are truly to reach freedom and independence they are going to need our continuing help to accomplish that objective.

I believe this amendment sends a strong signal to all factions that we are serious about building and assisting the people of Cambodia in building a free and independent country in Cambodia.

Mr. President, I yield the floor at this time.

The ACTING PRESIDENT pro tempore. Who seeks recognition? The Chair recognizes the Senator from Vermont [Mr. LEAHY].

Mr. LEAHY. Mr. President, again I should note if there are Senators seeking recognition on, or seeking a time agreement on the issue of the distinguished Senator from Nebraska, they should come to the floor.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. LEAHY. Mr. President, I ask unanimous consent that the amendment by Mr. KERREY be temporarily laid aside with the right as manager of the bill for me to bring it back up at any time, and I make this requst to enable the distinguished Senator from Wisconsin and me take care of some of the housekeeping chores in this bill.

The PRESIDING OFFICER (Mr. BINGAMAN). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I thank the Chair and I thank the distinguished Senator from Nebraska.

Mr. President, the distinguished Senator from Wisconsin and I did

have a number of items in this bill and this allows us to go forward.

The PRESIDING OFFICER. The Presiding Officer will ask: Did the Senator intend to lay all the committee amendments aside?

Mr. LEAHY. I ask unanimous consent to lay all excepted committee amendments aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I have several technical amendments which have been reviewed by the distinguished Senator from Wisconsin. I believe they are all acceptable.

AMENDMENT NO. 3055

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Vermont, [Mr. LEAHY] proposes an amendment numbered 3055.

On page 51, line 19, insert "only" before "shall be".

Mr. LEAHY. Mr. President, this is a technical amendment and corrects the printing error in which a word was omitted. On page 51, line 19, insert "only" before "shall be."

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. DURENBERGER. Mr. President, I rise to support this minor amendment offered by Senator LEAHY and DODD. It makes two small changes in the committee bill, both of which are reasonable. I look forward to the debate later on today on the major amendment by Senators GRAHAM and MCCAIN, in reference to the so-called Dodd-Leahy provisions.

Thank you, Mr. President; I yield the floor.

Mr. KASTEN. Mr. President, we support the amendment and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 3055) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3056

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 3056.

On page 56, line 19, strike ", except that" and all that follows through "amendment")" on page 56, line 23.

Mr. LEAHY. Mr. President, this is a technical amendment correcting a drafting error in provision for Eximbank's ability to operate in Eastern Europe, the language requiring most favored nation agreement before Eximbank can operate there. The committee did not intend to include such a requirement.

The PRESIDING OFFICER. Is there further debate on the amendment?

The Senator from Wisconsin.

Mr. KASTEN. Mr. President, we have had an opportunity to review the amendment and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 3056) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3057

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposed an amendment numbered 3057.

Mr. LEAHY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 29, line 24, strike "two hundred and forty" and insert in lieu thereof "two hundred and fifty one";

On page 30, line 4, insert ": *Provided further*, That, after consultation with the Secretary of State, the Inspector General of the Agency for International Development shall, by March 31, 1991, establish a regional office located in Europe in order to carry out audit and other responsibilities with regard to assistance programs for Eastern Europe" after "Eastern Europe".

Mr. LEAHY. Mr. President, this is a technical amendment striking the figure "240" on page 29, line 24, and inserting "251."

It is a personnel ceiling and in our report makes clear that the latter ceiling is the committee intent.

I ask approval.

Mr. KASTEN. Mr. President, we have had opportunity to review the amendment and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 3057) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3058

Mr. LEAHY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 3058.

Mr. LEAHY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 126, line 8, strike "unearmarked" and all that follows through "1961" on page 126, line 11, and insert in lieu thereof "funds appropriated under the heading 'Operating Expenses of the Agency for International Development' ".

Mr. LEAHY. Mr. President, this is a technical amendment which simply changes the source of funding for the management commission to review AID management issues and program funds for AID operating expense accounts.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. KASTEN. Mr. President, we had opportunity to review the amendment and urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 3058) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXCEPTED COMMITTEE AMENDMENT NO. 5
SECTION 590

Mr. LEAHY. Mr. President, I ask unanimous consent that it be in order for me to move to strike excepted committee amendment No. 5, section 590, relating to administrative charges for military assistance personnel.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, with that, I so move to strike. I move to strike committee amendment No. 5.

The PRESIDING OFFICER. Is this a motion to strike from the committee amendments or to strike the committee amendment?

Mr. LEAHY. I advise the Chair: to strike the committee amendment from the bill.

The PRESIDING OFFICER. The question is on the motion to strike the committee amendment from the bill.

The motion was agreed to.

UNANIMOUS-CONSENT AGREEMENT

Mr. LEAHY. Mr. President, I ask unanimous consent to move the lan-

guage regarding Cambodia that was offered by Senator MITCHELL and accepted by the Senate last Friday, again concerning the bill, to page 133, line 7, so as to conform with the drafting of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DASCHLE. Mr. President, I ask unanimous consent to speak as if in morning business for a period of no more than 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. PROPOSAL FOR GATT

Mr. DASCHLE. Mr. President, if the latest U.S. proposal for agriculture in the General Agreement on Tariffs and Trade is accepted by the other participating countries, rural America will suffer a serious economic blow.

I hope we can talk about that from time to time between now and the time the GATT agreement is reached. I hope that Members of this body will have an opportunity to be briefed and certainly to participate in the very delicate negotiations, as they continue.

The latest U.S. proposal tabled Monday would cut 90 percent of farm export subsidies and 75 percent of farm income supports over 10 years. The proposal backs away from the original U.S. plan calling for the total elimination of supports. These proposals seek to rewrite U.S. domestic agriculture laws through an international agreement.

First, under the farm bill and the budget agreement, farm income already will be cut substantially, and unfairly, over the next 5 years. Many people in rural America are living on the edge.

We heard some speeches and participated in some debate about that and the ramifications in the agreement we passed last night. And that is not an exaggeration.

These cuts are going to throw many farmers off their land, let there be no doubt about that. The Congressional Budget Office predicted earlier this year that if Congress maintained spending for commodity programs at current levels, more than 500,000 farmers would be forced out from farming over the next 5 years.

Instead of maintaining programs at 1990 levels, support for agriculture will be cut dramatically, by at least one-fourth, or more than $13.5 billion over 5 years.

Family farms will be the hardest hit. The farm bill does not distribute these cuts fairly. It continues a system that pays the biggest farms in America the lion's share of farm program benefits.

The budget cuts come at a bad time for our trade negotiators. The cuts are made unilaterally, without any concessions from our competitors. We are giving away our strength just as the bargaining gets serious.

Mr. President, I am concerned that the U.S. proposal in GATT will compound the effect of these budget cuts. USDA economists have estimated that the original U.S. proposal for total elimination of farm supports would mean a 13-percent reduction in producer income, a cut of more than $16 billion.

But this reduction will not be spread evenly over all farms. Mid-sized family farms—the basic building block of the rural economy—will bear a disproportionate share of the income loss from the GATT agreement, as originally proposed. Based on USDA figures, farmers with gross sales between $40,000 and $100,000 could expect to lose 103 percent of their income; those with sales between $100,000 and $250,000 could lose 56 percent of their income.

The losses may not be as great under the latest U.S. proposal. We do not know, because no studies on the effects of the proposal have been released. Nevertheless, the repercussions for rural communities will be harsh.

I might add, Mr. President, that certainly when we go from 100 percent to 90 percent, as this most recent proposal would indicate, the degree is marginal. The consequences of these cuts will be virtually as dramatic, even if we do not have the specifics.

The loss also is not evenly shared by commodities. For American corn and wheat farmers, the losses are greater than the average—44 percent for wheat and 33 percent for corn. Losses for rice and sugar farmers are even greater—59 percent for rice and 69 percent for sugar. While gains are expected for livestock producers, they are small, and not enough to offset the losses in other commodities.

If the agreement is based on percentage reductions—as the United States and European Community now proposes—American farmers will be placed at a significant disadvantage. Percentage reductions do not mean equal results. The effect will be to lock in the advantages the EC already enjoys. Cutting 30 percent, or even 75 percent, from European subsidies would still leave EC support for agriculture at levels substantially higher than in the United States. Under such a deal, American farmers lose.

Second, not only is the administration moving blindly, without any hard analysis of what its proposal will mean to average farm families, the administration is not being truthful with Congress and the American people. What is most disingenuous about the administration position is the idea that governments could continue to provide income supports, so long as these supports were no longer linked to production. This point is frequently used by administration spokespeople, including Ambassador Hills and Secretary Yeutter, to counter criticism that the U.S. proposal will hurt American farmers. The administration says that if we want to support the incomes of American farmers, we are free to do so at whatever level we want, so long as the supports are not connected to production.

This argument is nothing but misdirection, a slight of hand. It is neither serious, nor honest. While the U.S. proposal would permit income supports separate from production, this does not mean the administration will support such payments for U.S. producers. The truth is the administration will oppose income supports, regardless of whether or not they are linked to production.

Moreover, in light of the budget problems and the reductions agriculture will be forced to bear, it is highly unlikely that "delinked" or "decoupled" income supports will be approved without administration help. Even if approved, income supports separate from production could be easily cut at the whim of the administration and Congress with no structural safety net.

Furthermore, the argument is inconsistent with the U.S. position in the GATT negotiations. The country offering income supports will still have the trade advantage. Income supports offset costs that producers without such supports must bear; therefore, income supports will enable some farmers to keep producing, while farmers without such supports will be forced out.

Given the tendencies in the United States and European Community, as represented by current policies, the EC is more likely to support its farmers at higher levels than is the United States. EC leaders recognize the social value of strong family farms and healthy rural communities, a commitment that rural citizens in America no longer enjoy from their political leaders in the White House and the Department of Agriculture.

Third, the administration is trying through GATT to circumvent U.S. laws on food safety. Little noticed in the broader debate on agriculture policy is the negotiations on an agreement to supplant U.S. laws and state regulations for food safety with standards set by an international body composed solely of representatives of agribusiness. Consumers, environmental

interests, and family farmers are not represented.

In many cases, the tolerances for pesticides in food set by this international body are far higher than those allowed in the United States. Stricter standards imposed by the United States would be subject to challenge by countries seeking to import into the United States.

The argument is advanced that stricter laws could be sustained if they are based on sound science. This argument begs the question, "Whose science?" Science may be a more objective standard than we have now, but science is not always objective. Unfortunately, science can be influenced and manipulated for certain objectives. That is why the membership of the international body to be charged with setting these standards is an important issue and must be resolved.

The U.S. proposal for food safety standards threatens it impinge on State and Federal authority to protect consumers and the environment. Therefore, we have a responsibility to review this part of the proposal very carefully.

The administration has provided a disturbing example of how it might undermine U.S. food safety laws under an international agreement. USDA is proposing to end border inspections by U.S. inspectors of meat and poultry products offered for import to the United States from Canada. United States inspectors who have first-hand experience with Canadian products oppose this relaxation of United States law. Even the USDA legal counsel has warned of serious legal consequences if USDA proceeds with this proposal.

Instead of an up-front approach, USDA has chosen to circumvent U.S. law by the back door, because it knows its proposal cannot withstand the scrutiny of the media or the public. Mr. President, I am afraid USDA will behave the same way under a GATT agreement, except the consequences would be far greater.

The U.S. proposal is biased against certain forms of subsidy, while ignoring others, again favoring large operations over smaller family farms. Direct payments, which smaller family farmers depend on, would be prohibited, but tax subsidies, or tax expenditures, that benefit larger farmers are not covered. The result is to favor subsidies that benefit capital and the wealthy, over programs that benefit people.

The administration has already agreed to give away one of our most effective trade tools, section 22. This long-standing provision of U.S. law is important to several commodities: sugar, cotton, peanuts, dairy, and others. The administration has agreed to phase out the GATT waiver for section 22, if the administration considers the Uruguay Round successful.

To the farmers who depend on section 22, this concession gives away one of our strongest weapons just as the fight is getting started. We need to know more about how tariffication will affect the commodities covered by section 22. We need to know what USTR is willing to accept in return for giving up the section 22 waiver.

Finally, Mr. President, the GATT negotiations are being conducted beyond the view of the very people the agreement will affect. Despite requests based on U.S. law, USTR will not hold field hearings that would allow ordinary farmers to state their objections to the U.S. proposal for GATT.

American farmers are asking how their government can deny them the right to speak on proposals that so dramatically affect their lives. The GATT agreement will determine whether or not many American farm families can stay in their chosen occupation, or keep a farm that has been in their family for generations. It seems to me these Americans ought to have a chance to be heard.

USTR may say that these citizens may speak through their elected representatives. USTR and USDA have met with congressional committees and kept them informed of the progress of the talks. However, the administration's proposals were developed before these consultations began. Moreover, the committee sessions have been one-sided. We state our concerns but it does not seem that we are heard. The administration proceeds without addressing the issues we raise.

One of the criticisms of the budget summit was its elite nature. Some critics said the problem was the summit was conducted behind closed doors by a few people whose lives are remote from the people who will be affected by the budget decisions. If one can characterize the budget talks that way, what does that make the GATT negotiations? If Andrews Air Force base is far removed from middle America, how must farther must be Geneva, Switzerland?

Furthermore, the U.S. proposal was developed with advisory groups composed of a narrow group whose connection to agriculture is not in the day-to-day working of the soil but in the isolation of international agribusiness conglomerates. The process has not been opened to ordinary families who will be affected by the results.

Mr. President, the United States has been on the wrong path in the GATT negotiations in agriculture. The latest proposal is a continuation of that misguided approach. GATT has the potential to produce many positive results for the world economy and other sectors of our economy. But the administration has chosen a course that threatens to bring down the entire agreement by selling America's farmers out for these other interests.

I urge the administration at this very crucial time in our negotiations to reconsider its approach to agriculture and the GATT, to consult with the Congress, to work to see that, as we resolve these many very complex issues, we derive from those negotiations an agreement which is fair, which recognizes the importance of agriculture, and which is done in the context of very significant issues unrelated to those with which they must deal on these targeted and very intricate discussions today.

I yield the floor. I suggest the absence of a quorum.

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. Will the Senator withhold?

Mr. DASCHLE. I withhold.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS, FISCAL YEAR 1991

The Senate continued with the consideration of the bill.

Mr. CRANSTON. Mr. President, I strongly support Senator KERREY of Nebraska's lifting of the trade embargo on Cambodia.

Nothing is served by continuing to isolate the Cambodian people from the forces of world trade and political pluralism which are sweeping the globe.

If anyone benefits from the United States effort to isolate Cambodia from the world, it is the Khmer Rouge. From the reports the Subcommittee on East Asian and Pacific Affairs which I chair have received, the Khmer Rouge continue to be the strongest military and best organized political force in the country.

In a desperately poor country, the Khmer Rouge are able to pay for the rice they take from the people with gold provided by the Chinese. Because there are few other economic alternatives, despite their genocidal reputation, the Khmer Rouge are daily gaining more support.

If we are to prevent the return of the Khmer Rouge to power, we must begin to break the Khmer Rouge's hold now on the countryside.

Ending a trade embargo, which is supported only by the United States, is one step toward that end. Everyone now trades with Cambodia, including our allies, the Thais and the Singaporeans. Nothing now is achieved by continuing this policy.

I urge my colleagues to support Senator KERREY's proposal.

Mr. KASTEN. I ask unanimous consent that the Kerrey amendment, along with other amendments, be temporarily set aside once more so the Senator from New York [Mr.

D'AMATO] can propose an amendment that will be agreed to; and upon the disposition of the D'Amato amendment, which is not likely to take a long time, that we then go back to the regular order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from New York is recognized.

Mr. LEAHY. Will the Senator yield for a unanimous-consent request?

Mr. D'AMATO. Certainly.

PRIVILEGE OF THE FLOOR—H.R. 5114

Mr. LEAHY. Mr. President, I ask unanimous consent that during the consideration of H.R. 5114, the foreign operations bill, this afternoon, Eric Schneinkopf, a member of Senator INOUYE's staff, be accorded the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3059

(Purpose: To provide $10 million in medical aid and humanitarian assistance to Lithuania, Latvia, and Estonia as a result of the Soviet blockade)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO] for himself, Mr. ARMSTRONG, Mr. BYRD, Mr. MOYNIHAN, Mr. HELMS, Mr. HUMPHREY, Mr. DECONCINI, and Mr. KASTEN, proposes an amendment numbered 3059.

Mr. D'AMATO. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At an appropriate place in the bill.

HUMANITARIAN ASSISTANCE TO THE REPUBLICS OF LITHUANIA, LATVIA, ESTONIA

SEC. . Of the funds appropriated by this Act under the heading "Economic Support Fund" and the funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, $10 million shall be available to the President only for medical and humanitarian assistance for the people of Lithuania, Latvia, and Estonia.

Mr. D'AMATO. Mr. President, I am offering this amendment today on behalf of Senator ARMSTRONG, Senator MOYNIHAN, Senator BYRD, Senator KASTEN, Senator HELMS, Senator HUMPHREY, and Senator DECONCINI. It is in recognition of the fact that the situation in the Baltic States, particularly Lithuania, is still a very desperate one. Moscow has made much of its lifting of the economic blockade of Lithuania, yet the flow of goods and materials in and out of Lithuania continues to be held to a trickle.

Worse still, the blockade has wrought havoc with Lithuania's agriculture and industrial sectors. The losses in production, in stock were severe. The result was a serious loss of Government revenue. This, in turn, significantly impacted the Government's spending on health and education. Expenditures on health care had to be slashed by 30 percent, and though the Lithuanian blockade has been lifted, Lithuania remains desperately short of medical supplies of all types.

Our amendment, Mr. President, which would earmark $10 million in economic support funds for emergency medical and humanitarian supplies for the Baltic States, will be the first important step in restoring basic medical care in Lithuania, and the Baltic States, but the problem is most acute in Lithuania.

I thank and compliment Senator BYRD, who has been in the forefront as it relates to recognizing the needs of these states, particularly as it relates to the emergency medical services that are in dire, dire straits. Many of our allies are beginning to recognize this and set up emergency procedures.

I thank the managers of the bill, Chairman LEAHY and Senator KASTEN, for their acceptance of this amendment. Both men have distinguished records, being in the forefront of promoting humanitarian assistance wherever it is needed, and their support is very much appreciated.

I urge adoption of the amendment.

The PRESIDING OFFICER (Mr. EXON). The Senator from Wisconsin.

Mr. KASTEN. I commend the Senator from New York for his leadership in talking about freedom and independence and self-determination of the Baltic States. I have had the opportunity to be in Riga, Latvia, to speak in terms of self-determination of not only Latvia but the Baltic States. We have a strong number of people in Wisconsin who are of Latvian or Estonian background. We have tremendous support for the efforts of the Senator from New York and the things he has been working on. We have also had visits from leaders of each of the three Baltic States here in the United States, in the Capitol, visiting with Senators over the past several months.

We are making real progress. I think this amendment demonstrates the strong support we, as U.S. Senators, have for the people who are risking their lives working for freedom, for self-determination, and for independence. We associate ourselves with them by passing this amendment.

I strongly support this amendment, and I am pleased to be a cosponsor of this amendment. I believe there is no objection. As a matter of fact, I know the Senator from Vermont, the chairman of the subcommittee, supports this amendment. I believe we should move forward and that the amendment should be agreed to.

Mr. ARMSTRONG. Mr. President, Lithuania declared its independence on March 11. And on April 19, in an attempt to choke the Lithuanians into submission, the Soviets imposed a suffocating economic blockade. For almost 3 months the Lithuanians were without the most basic of necessities, including fuel, many food items, any imported medical supplies—including insulin—and many other humanitarian needs. Add both the harrassment of an expanding Soviet occupation army and the ever-present threat of military suppression to the economic blockade, and you begin to get a picture of Lithuania this past Spring.

Against this ominous backdrop, the Lithuanians began to weaken. By late June, many of these brave Balts thought a temporary suspension of their March 11 declaration of independence was the only way to prevent impending catastrophe. Lithuania's Parliament voted to suspend the declaration for 100 days during negotiations with the Soviets, in return for a promised suspension of the Soviet blockade.

As a result, in early July the Soviets officially lifted their economic siege of Lithuania, but Lithuania's leaders report that actually they only receive supplies on a sporadic basis. Lithuania's Foreign Minister, in a recent letter to the Speaker of the U.S. House of Representatives, writes:

While formally the economic blockade has been lifted, the supplies have still not been restored. Therefore there is a danger that shortages will be renewed again in winter.

* * *

According to Lithuanian sources, other than the normal lack of food, fuel, and other items expected with any type of blockade, this one has chronically exacerbated many underlying problems. The shortfall of water purification supplies is particularly egregious since Lithuania dumps most of its sewage untreated into its many rivers, then uses the same water downstream for drinking. Two of Lithuania's largest cities, Kaunas and Klaipeda, must use chlorine to prevent fatal levels of bacteria in the water. Furthermore, surgical, radiological, and laboratory testing procedures are performed only in the most critical situations, many times without painkillers or disinfectants.

The amendment offered by the Senator from New York earmarks $10 million for medical supplies and humanitarian assistance for Lithuania. The amendment gives the Administrator of the U.S. Agency for International Development [USAID] the discretion to take the funds from Economic Support Funds [ESF] or from Development Assistance, or both—as he chooses.

It is a companion to authorization language in S. 2757, the Lithuanian Medical Emergency Assistance Act of

1990. S. 2757 was passed on August 4 by the Senate, and was also included as an amendment to the Defense authorization bill. Both this amendment and the authorizing language are extremely important, especially because of the administration's continuing reluctance to assist Lithuania.

Passing both an authorization and an appropriation for Lithuania ensures that medical and humanitarian assistance will be available to this embattled people, and the Senator from West Virginia's request that we widen the assistance to all the Baltic Republics is a smart idea. Who knows, it may well be Latvia or Estonia that next feels the harsh effects of Soviet attempts to prevent the Baltic States from gaining the freedom and independence they so rightly deserve.

I am pleased to learn the amendment has been agreed to on both sides showing that today, the Senate has taken another important step forward in support of the courageous people of Lithuania, and in all the Baltic Republics.

I thank my colleague from New York, Senator D'AMATO, for offering this amendment, and my esteemed colleague from West Virginia, Senator BYRD, for his strong and able support for Baltic freedom. Senator BOB KASTEN, my respected colleague from Wisconsin, deserves special note for his able handling of this bill and his ready assistance to all of us to make certain this amendment was included in the bill. And it wouldn't be complete to end without thanking Jim Bond of the Appropriations Committee staff who did much of the leg work to support this important amendment.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. The Senator from Wisconsin is absolutely correct. We do support it.

The PRESIDING OFFICER. Is there further debate on the amendment? There being no further debate, the question is on agreeing to the amendment.

The amendment (No. 3059) was agreed to.

Mr. D'AMATO. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. I yield to the Senator from Wisconsin.

Mr. KASTEN. Mr. President, on behalf of Senator McConnell, I send an amendment to the desk and ask for its immediate consideration. I ask unanimous consent to lay aside the committee amendments.

The PRESIDING OFFICER. The pending question is the amendment, No. 2967, offered by the Senator from Nebraska. That is the pending amendment. The Senator would have to ask unanimous consent that it be laid temporarily aside.

Mr. KASTEN. I ask unanimous consent those amendments be laid aside temporarily.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Wisconsin is recognized.

AMEMDMENT NO. 3060

(Purpose: To provide for international protection of the rights of children)

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senator MCCONNELL, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for Mr. MCCONNELL, proposes an amendment numbered 3060.

Amend section 116 of the Foreign Assistance Act of 1961 to add a new subsection:

"(b) No assistance may be provided to any government failing to take appropriate and adequate measures, within their means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services."

Mr. MCCONNELL. Mr. President, 2 weeks ago, the leaders of the world gathered at the UN for an international summit on our future: our children. Every issue from prenatal care and malnutrition to labor laws and education was on the table for discussion and review.

And, what better time to assess the state of our youngest, most vulnerable citizens than as we come to the close of a century. What better time to define the agenda ahead so that we can assure the safety, prosperity and general well being of our children?

But, as 71 of the world's leaders met to discuss children's issues, there continue to be harrowing accounts of the conditions so many children suffer.

Romania offers one of the bleakest examples. The consequences of the family planning policies of the former Romanian government are as tragic as they are inhumane. That government is guilty of no less than warehousing the most innocent, vulnerable and helpless sectors of society. With little food, virtually no medical attention, and certainly none of the warmth and affection so crucial to the healthy survival of any baby, thousands of children have wasted away and died.

But, Romania is not alone. Iraq's security forces stand accused of a chronic and shocking pattern of physically torturing children for information about their parents. The list goes on.

As the world's leaders respond to the UN call for action, we must ask ourselves if we are doing our part to protect the world's children and their precious future. I think the objective answer to this question is no. How can we help?

The answer is twofold. First, I think the recently passed UN Convention on the Child should be forwarded promptly to the Senate for consideration and passage.

Second, we can actually take the initiative in this body and work toward establishing international respect and standards for the treatment of children. We can and should use the leverage of our foreign assistance to improve conditions for children.

Although the Foreign Assistance Act includes a general standard, conditioning aid on a government's human rights practices, it was conceived primarily for the protection of adults and in particular political prisoners.

The amendment I have offered singles out children as a crucial issue and makes our foreign assistance to any nation dependent on how a government treats them. I believe the amendment is necessary because children have no voice and no means to protect themselves. Too often they are the innocent victims of situations far beyond their understanding or control.

How a government treats its children, the law, practices and policies it promotes to protect its young are a measure of its conscience and a means to evaluate if they share our commitment to democratic principles joined with the premium we place on human dignity, tolerance, equality and freedom.

Children—our future—deserve both this recognition and protection.

I thank the Chair.

Mr. KASTEN. Mr. President, this is a children's rights amendment. I strongly support the amendment. I believe that we can move toward adoption of the amendment.

Mr. LEAHY. Mr. President, this amendment has been cleared all the way around.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3060) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KASTEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. REID). Without objection, it is so ordered.

MAKING FURTHER CONTINUING APPROPRIATIONS, FISCAL YEAR 1991

Mr. MITCHELL. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Joint Resolution 677, a resolution to continue appropriations and extend the debt limit through Wednesday, October 24; that the joint resolution be read for the third time, passed, and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the joint resolution (H.J. Res. 677) was passed.

Mr. MITCHELL. Mr. President, I thank my colleague, the distinguished Republican leader for his cooperation. I yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I think this is an indication we would like to resolve this matter early afternoon. I am certain the President will sign the CR. There will not be anybody threatened, concerned, or worried about the Government shutting down tonight at midnight. I think this is an appropriate resolution. I congratulate everybody who has made it possible and all my colleagues on both sides who can proceed without encumbrance.

Mr. MITCHELL. Mr. President, I thank especially my friend and colleague, the distinguished Republican leader. As I indicated earlier this morning, I believe this to be important and we not go to the last minute, as has occurred in the past.

A very serious, good faith effort is underway to resolve this matter. This gives us the opportunity and time to do that. The conference has begun with respect to the reconciliation bill. Both the Republican leader and I have just come from the conference between the Senate Finance Committee and the House Ways and Means Committee. We will return at 2:15 this afternoon and expect to continue and hopefully make good progress in that regard.

So this, when signed by the President, which we hope will be shortly, will extend the operations of the Government through midnight next Wednesday. We all hope by then we will have a fair and responsible resolution of the problem.

UNANIMOUS-CONSENT AGREEMENT

Mr. MITCHELL. Mr. President, I ask unanimous consent that the majority leader after consultation with the Republican leader may proceed at any time to the consideration of H.R. 5769, the interior appropriations bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MITCHELL. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KASTEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS, FISCAL YEAR 1991

The Senate continued with the consideration of the bill.

Mr. KASTEN. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is amendment No. 2967 offered by the Senator from Nebraska to the excepted committee amendment on page 2, line 12.

Mr. KASTEN. I thank the Chair. I ask therefore for the regular order. I see the Senator from Nebraska is on the floor.

AMENDMENT NO. 2967, AS MODIFIED

Mr. KERREY. Mr. President, in the last couple of hours I have been pleased to have had discussions with the distinguished Senator from Arizona and the distinguished Senator from Virginia about this particular amendment and have made some modifications in the amendment that I would ask unanimous consent to be made a part of my amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? Without objection, it is so ordered.

The amendment, as modified, is as follows:

At the end of the amendment, add the following:

PROHIBITION ON FUNDS TO ADMINISTER OR ENFORCE CERTAIN TRADING WITH THE ENEMY ACT AUTHORITIES

SEC. . Notwithstanding any other provision of law, no funds appropriated by any provision of law may be made available to administer or enforce the authorities of the Trading With the Enemy Act with respect to Cambodia which were in effect before the date of enactment of this Act.

Within 30 days after the conclusion of the upcoming Paris Conference on Cambodia, notwithstanding any other provision of law, no funds appropriated by any provision of law may be made available to administer or enforce the authorities of the Trading With the Enemy Act with respect to Cambodia which were in effect before the date of enactment of this Act, unless the representatives of the State of Cambodia at the Paris Conference are unwilling to agree to the proposed UN settlement of the Cambodian conflict.

In the event that the Paris Conference does not conclude within 90 days after the enactment of this Act, no funds appropriated by any provision of law may be made available to administer or enforce the authorities of the Trading With the Enemy Act with respect to Cambodia unless the State of Cambodia is unwilling to agree to a ceasefire and unwilling to agree to hold internationally administered elections.

Mr. KERREY. I also ask unanimous consent that the yeas and nays be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President, I also ask unanimous consent that the distinguished Senator from Virginia be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY. Mr. President, the amendment essentially says that we believe it is important to at some point establish and have economic contact not with the Government of Cambodia but with the people of Cambodia. As I have said on earlier occasions, I believe these economic ties, properly done, will advance what I think is going to be a very difficult effort, and that is the effort to build democratic insitutions which provide the individual citizens of Cambodia political freedom, the right of dissent, which they currently do not have, Mr. President.

Mr. President, the people of Cambodia have been denied that freedom for a long time. I believe there is a great opportunity here. I have hopes that the Paris agreement will be signed. I hope that will occur in December, and I hope that the administration will meet the terms in accordance with this amendment with the Congress to begin a discussion as to how we can achieve this objective of economic contact with the people of Cambodia.

I yield the floor.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Thank you, Mr. President.

I want to use this opportunity, if I may, to commend my colleague from Nebraska for his interest and leadership in this area.

Both the Senator from Arizona and I were headed over to the floor originally to express concerns and to oppose the amendment. We felt that we had common objectives to be obtained, and that some of the technical language could be resolved in a way that we could all support the amendment and the objectives of it.

I appreciate very much the full cooperation of the Senator from Nebraska as well as the Senator from Arizona, all three of us having served in that theater a couple of decades ago maintaining an abiding interest. We have all been back much more recently to deal with and meet with the leaders, and others who are responsible and will have a direct role in whatever ultimate resolution comes about in that part of the world.

I appreciate the spirit of cooperation that exists on all sides but particularly from my friends and colleagues from Arizona and Nebraska on this particular issue.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. McCAIN. Mr. President, I would like to thank my colleague from Nebraska and also my friend from Virginia for cooperating in shaping language which I believe achieves the goal which clearly is a rapid and peaceful settlement of the tragedy of Cambodia, and the necessity for the United States to play a role as soon as possible in assisting the economic recovery in the war-ravaged nation.

I thank my friend from Nebraska for modifying his language so that we can all achieve that goal. I also agree with my friend from Nebraska that the administration should play a greater role, particularly a significant role, at the time of the conclusion of the Paris peace talks which we all hope will reach a successful conclusion at a very early time.

It is a very difficult situation, a very complex one. Other major nations unfortunately have a tendency to interfere in that very small nation. I believe that this resolution makes it clear that we will fulfill our responsibilities to that nation when the peace process is concluded.

I again want to thank my friend from Virginia and my friend from Nebraska.

I yield the floor.

Mr. KASTEN. Mr. President, I simply want to thank the Senator from Nebraska, the Senator from Virginia, and the Senator from Arizona for working out this agreement. I would like to be named a cosponsor of this amendment.

I think it is important and it is also important that we have been able to work together.

It is my understanding that the yeas and nays presently have been ordered on the amendment. Is that correct?

The PRESIDING OFFICER. The yeas and nays have been ordered, but by unanimous consent the yeas and nays have been vitiated by this point.

Without objection, the Senator's name will be added as a cosponsor.

Mr. KASTEN. I thank the Chair.

The PRESIDING OFFICER. Is there further debate on the amendment?

If not, the question is on agreeing to the amendment of the Senator from Nebraska.

The amendmend (No. 2967), as modified was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, what is the regular order?

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. KASTEN. Mr. President, I understand the Senator from North Carolina is en route. At this point, I would like to suggest the absence——

Mr. LEAHY. If the Senator will withhold on that a moment, Mr. President.

Mr. KASTEN. yes.

Mr. LEAHY. Mr. President, I note that the first committee amendment is a noncontroversial technical matter and should be determined. I am perfectly—no, I am not perfectly willing to stay and wait for Senators. Obviously, anybody can bring it to a screeching halt here and do it.

I am not suggesting that is the intent of the Senator from Wisconsin, who has probably worked as hard as any person in this body to try to move this bill along rapidly, but we are also supposed to do Interior today.

There are several major matters in here, including one on the Egyptian debt. I know, or I am advised, of at least two or three supporters of the administration's position who may have to be gone if we take much longer on that. I would like to get this thing moving.

I wonder, and I ask the Senator from Wisconsin if we might do this: set aside committee amendment No. 1 and go on to the next committee amendment.

Mr. KASTEN. Mr. President, if the Senator will yield, that would be perfectly fine with me unless the Senator from North Carolina in fact is on his way here to offer an amendment at this time to the first committee amendment. If he is, in fact, that would mean that he is. So let me determine exactly whether he is, and we can go forward toward one or the other plans within the next couple of minutes.

So I suggest the absence of a quorum, Mr. President.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ROBB). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that committee amendment No. 1 be temporarily laid aside.

The PRESIDING OFFICER. Is there objection?

Without objection, committee amendment No. 1 is temporarily laid aside.

Mr. LEAHY. Mr. President, what is next?

The PRESIDING OFFICER. The pending question is the second excepted committee amendment.

Mr. LEAHY. I understand that has been disposed of. That was UNFPA. The second one, excepted now, is El Salvador; is that correct?

The PRESIDING OFFICER. The Chair is informed that it is on page 14, line 4.

AMENDMENT NO. 3061 TO COMMITTEE AMENDMENT ON PAGE 89

Mr. LEAHY. Mr. President, I send an amendment to the committee amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The Senator from Vermont [Mr. LEAHY] proposes an amendment numbered 3061.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 90, strike line 7 and all that follows through the end of line 9 on page 97, and insert in lieu thereof the following:

(C) the Government of El Salvador has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva Communique and the May 21, 1990 Caracas Accord between the Government of El Salvador and the FMLN;

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 15 days from its announcement, by the FMLN and is being complied with by the FMLN;

(D) the Government of El Salvador has failed to conduct a thorough and professional investigation into, and prosecution of those responsible for the eight murders at the University of Central America on November 16, 1989; or

(E) the military and security forces of El Salvador are assassinating or abducting civilian noncombatants, are engaging in other acts of violence directed at civilian targets, or are failing to control such activities by elements subject to the control of those forces.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(d) WITHHOLDING OF MILITARY ASSISTANCE.—(1) IN GENERAL.—Fifty percent of the total United States military assistance allocated for El Salvador for fiscal year 1990 and prior fiscal years which has not been obligated, expended, or otherwise made available to the Government of El Salvador as of the date of enactment of this Act, and fifty percent of all military assistance allocated for El Salvador for fiscal year 1991, shall be withheld from obligation or expenditure (as the case may be) except as provided in paragraphs (2) and (3).

(2) RELEASE OF ASSISTANCE.—The United States military assistance withheld pursuant to paragraph (1) may be obligated and

expended only if the President determines and reports in writing to the Congress that—

(A) after he has consulted with the Secretary General of the United Nations, the representatives of the FMLN—

(i) have declined to participate in good faith in negotiations for a permanent settlement and cease-fire to the armed conflict in El Salvador, or

(ii) have rejected or otherwise failed to support an active role for the Secretary General of the United Nations in mediating that settlement;

(B) the FMLN has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva Communique and the May 32, 1990 Caracas Accord between the Government of El Salvador and the FMLN.

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 15 days from its announcement, by the Government of El Salvador and is being complied with by the Government of El Salvador;

(C) the survival of the constitutional Government of El Salvador is being jeopardized by substantial and sustained offensive military actions or operations by the FMLN;

(D) proof exists that the FMLN is continuing to acquire or receive significant shipments of lethal military assistance from outside El Salvador, and this proof has been shared with the Congress; or

(E) the FMLN is assassinating or abducting civilian noncombatants, is engaging in other acts of violence directed at civilian targets, or is failing to control such activities by elements subject to FMLN control.

(3) EXCEPTION.—Notwithstanding any other provision of law, funds withheld pursuant to paragraph (1) of this subsection may be disbursed to pay the cost of any contract penalties which may be incurred as a result of such withholding of funds under this subsection.

(e) CONDITION FOR TERMINATION OF ALL UNITED STATES ASSISTANCE.—(1) PROHIBITION.—Subject to paragraph (2), no United States assistance may be furnished to El Salvador if the duly-elected head of Government of El Salvador is deposed by military coup or decree.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(f) ESTABLISHMENT OF A FUND FOR CEASE-FIRE MONITORING, DEMOBILIZATION, AND TRANSITION TO PEACE.—(1) ESTABLISHMENT OF FUND.—There is hereby established in the Treasury of the United States a fund to assist with the costs of monitoring a permanent settlement of the conflict, including a cease-fire, and the demobilization of combatants in the conflict in El Salvador, and their transition to peaceful pursuits, which shall be known as the "Demobilization and Transition Fund" (hereafter in this section referred to as the "Fund"). Amounts in this Fund shall be available for obligation and expenditure only upon notification by the President of the Congress that the Government of El Salvador and representatives of the FMLN have reached a permanent settlement of the conflict, including a final agreement on a cease-fire.

(2) TRANSFER OF CERTAIN MILITARY ASSISTANCE FUNDS.—Upon notification of the Congress of a permanent settlement of the conflict, including an agreement on a cease-fire, or on September 30, 1991, if no such notification has occurred prior to that date, the President shall transfer to the fund any United States military assistance funds withheld pursuant to subsection (d) of this section.

(3) USE OF THE FUND.—Notwithstanding any other provision of law, amounts in the Fund shall be available for El Salvador solely to support costs of demobilization, retraining, relocation, and reemployment in civilian pursuits of former combatants in the conflict in El Salvador, and of the monitoring of the permanent settlement and cease-fire.

(4) DURATION AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law, amounts transferred to the Fund shall remain available until expended.

(g) STRENGTHENING CIVILIAN CONTROL OVER THE MILITARY.—In order to strengthen the control of the democratically elected civilian government of El Salvador over the armed forces of that country, United States military assistance for any fiscal year may be delivered to the armed forces of El Salvador only with the prior approval of the duly elected President of El Salvador.

(h) SUPPORT FOR DEMOCRACY.—(1) ESTABLISHING A PROGRAM.—The Secretary of State, through agreement with the National Endowment for Democracy or other qualified organizations, shall establish and carry out a program of education, training, and dialogue for the purpose of strengthening democratic political and legal institutions in El Salvador.

(2) ELECTION MONITORING.—Of the amounts made availble to carry out this subsection, up to $2,000,000 may be used for support for monitoring the 1991 municipal and National Assembly elections in El Salvador, and for monitoring the registration and campaign processes leading up to those elections, by appropriate organizations such as the United Nations, the Organization of American States, the Carter Center, the National Democratic Institute for International Affairs, the National Republican Institute for International Affairs, and the Center for Electoral Assistance and Promotion (CAPEL) of San Jose, Costa Rica.

(3) ASSISTANCE.—Up to $10,000,000 of funds appropriated under the heading "Economic Support Fund" for fiscal year 1991 may be used to carry out this subsection.

(i) REPORTING REQUIREMENTS.—Sixty days after the date of enactment of this Act and every 180 days thereafter, the President shall submit to the Congress a report describing—

(1) The willingness or unwillingness of the Government of El Salvador and the FMLN to negotiate seriously and in good faith for the purpose of achieving a permanant settlement to the conflict in El Salvador, including a cease-fire, and providing appropriate information regarding criteria described in subsectons (c) and (d)(2); and

(2) the status of investigations into the politically motivated murders listed in section 538 of this Act.

(j) DEFINITIONS.—For purposes of this section—

(1) the term "United States assistance" has the same meaning as is given to such term by section 481(i)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(4)) and includes United States military assistance as defined in paragraph (2); and

(2) the term "United States military assistance" means—

(A) assistance to carry out chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of Foreign Assistance Act of 1961; and

(B) sales, credits, and guaranties under the Arms Export Control Act.

Mr. LEAHY. Mr. President, this amendment is identical to the language in the bill on El Salvador, with one modification. The committee provision requires both sides to accept and comply with a plan for settlement and cease-fire developed by the U.N. Secretary General in accordance with the agenda agreed to by both sides on May 21 in Caracas, Venezuela.

My amendment requires the sides to accept and comply with the plan for settlement and cease-fire put forward by the Secretary General in accordance with the April 4 Geneva Communique and Caracas Accord. It is important to reference the accords. These two documents, signed by the Government of El Salvador, the FMLN, and the U.N. Secretary General's representatives, contained the terms and procedures for the negotiation.

This makes it abundantly clear that we want to reinforce the Secretary General's role as mediator as envisioned in the agreement established by the negotiating framework. We want to strengthen both sides to comply with efforts by the Secretary General to find an end to this war.

We are convinced that the U.N. process offers the only real hope, and we should support it. The amendment requires both sides to accept the U.N. proposal for cease-fire within 15 days after announcement, rather than the 60 days provided in the bill. We want to send an unmistakable message to both sides that we want to see good-faith negotiations and an end to this war as soon as possible.

Mr. President, let us talk about why we are here and why this issue is in the foreign aid bill.

Mr. President, it has been almost a year since the Senate last considered the issue of military aid to El Salvador. In fact, I clearly recall the debate a year ago in the Senate when we considered military aid to El Salvador. That was just 4 days after the six Jesuit priests and their housekeepers were brutally murdered by Salvadoran soldiers. A few days after that massacre, a massacre that was greeted with revulsion throughout the world, the U.S. Senate voted 99 to nothing for a resolution demanding that those responsible for the murders be brought to justice and punished.

We stood up and spoke with unanimity we rarely ever see on a foreign policy issue in this body. Mr. President, some of us, however, have gone back and looked at what happened after we spoke so strongly. Let me tell you what happened.

Let me quote what the distinguished Member of the other body, Congressman MOAKLEY who chairs the House

task force in El Salvador, said recently. Congressman MOAKLEY said:

The High Command of the Salvadoran armed forces is engaged in a conspiracy to obstruct justice in the Jesuits' case. Salvadoran military officers have withheld evidence, destroyed evidence, falsified evidence and repeatedly perjured themselves in testimony before the judge.

Mr. President, I remind every Senator, those 99 who voted last year, that if they really felt that that amendment meant something, if they felt they were doing something more than a symbolic gesture, if they meant that vote honestly, they should vote overwhelmingly for the amendment that is before us which is basically the Dodd-Leahy amendment.

Except for the changes I mentioned, it is identical to the language that the Appropriations Committee of the U.S. Senate voted out. It is known as the Dodd-Leahy provision. Senator DODD and I put it together after being on opposite sides of this issue last year. Senator DODD had very strong feelings on the one side of the issue. But both of us were looking, I believe, for the same thing, that is, an end to the killings in El Salvador, and a bill to bring those who have been involved in the killings to justice. Although we had different points of view regarding a solution, we both knew what we wanted to find. As a result we put together this amendment, the Dodd-Leahy amendment and we are joined by 26 cosponsors here in the U.S. Senate.

Also, the provision is very similar to the one passed in the House earlier this year, the so-called Moakley-Murtha provision.

If anything is going to change in El Salvador, the United States has to apply pressure on both sides to negotiate in good faith at the United Nations. That kind of pressure from the United States is what is applied in the Dodd-Leahy provision. It caps military aid at last year's level, $85 million. But it withholds 50 percent of that aid unless the President, and I emphasize the President of the United States, determines that the FMLN is not abiding by any one of several conditions. The FMLN must:

Negotiate in good faith in the United Nations. In fact, if the President of the United States determines, after consulting with the Secretary General of the United Nations, that the FMLN is stalling or it is not acting in good faith, then he has the unfettered discretion to simply release the aid.

The FMLN has to accept a plan put forward by the Secretary General for a cease-fire, if such a plan has been accepted by the Government of El Salvador.

The FMLN must not start an offensive which threatens the survival of the government.

And, they must not receive significant shipments of weapons. Again, we give the discretion to the President of the United States to determine this.

They must not attack civilian targets.

If the President reports that the FMLN violates any of these conditions, then the military aid that has been withheld is released to the Government.

We have gone the extra hundred miles in this amendment.

The amendment also imposes some conditions on the Government. The Government has to support the U.N. peace process, it must accept a U.N. proposal for a cease-fire, and it must prosecute those responsible for murdering the Jesuits. Also, the Salvadoran army must refrain from attacking civilians.

It is amazing, Mr. President, that the United States which is asked to give virtually a blank check to a country, even has to include an amendment asking the military of that country not to attack civilians. I mean, that is a basic tenet of international law. We routinely send through this body senses of the Senate condemning those countries where the military attacks civilians. But yet here is one where we bankroll, we bankroll the whole shebang and unless we pass this amendment, we are willing to say to them, you cannot go out with our U.S. arms and our U.S. bankroll and kill civilians. That is not what a military is supposed to do.

If the President determines that the Government is not satisfying these conditions, then the military aid stops.

Mr. President, for more than 10 years civil war has raged in El Salvador. I have been there many times, and I have seen the results of it. We know about the corruption. We know about the death squads. We know about the tremendous cost in human life and American aid. We also know we are going to send them another $328 million this year. That is almost more than what we spend in all of Eastern Europe, where democracy is breaking out, where the United States has enormous interests, where the potential is so great to bring about the democracy that we preach, where the economic and commercial opportunities are enormous. And yet, look at the priorities. We put our greatest priority on little tiny El Salvador where we have thrown away billions of dollars with no result whatsoever. We put as much priority there as we do all of Eastern Europe.

Mr. President, this goes beyond symbolism over substance. This is foreign policy gone haywire. This is wacko. This makes no sense whatsoever.

Earlier this year, the two sides in El Salvador finally agreed to negotiations under the auspices of the United Nations. Everyone—the administration, President Cristiani, the top commanders in the Salvadoran military, the FMLN—has said the U.N. neogtiations are the only real chance for real peace in El Salvador.

On April 4 in Geneva the two sides agreed on the terms and procedures for the negotiations on April 4 in Geneva. An agenda for the negotiations, listing the issues to be resolved, was agreed to on May 21 in Caracas. These two documents were signed by both sides, and the Secretary General's representative.

There have been four meetings since then. It is interesting, Mr. President, the Salvadorans have had fewer hours at the bargaining table trying to settle a 10-year war that has killed tens of thousands of their people than we spent so far this year debating the Federal budget.

The agenda for the negotiations is very clear.

It lists the key political elements of a peace settlement. Those issues include reform of the Armed Forces and the judicial system, protecting human rights, and verification by the United Nations.

Once there are agreements on those issues, the agenda calls for a cease-fire.

President Cristiani, in a letter dated September 14, 1990, reaffirmed this agenda, which includes a cease-fire within the framework of a political settlement. President Cristiani said:

The basic framework of the talks calls for a two-stage process: political agreements to be reached on issues agreed upon in Caracas, Venezuela, followed by a cease-fire and reintegration of the FMLN into the civilian and political life of the country.

Let me read that again:

a two stage process: political agreements to be reached on issues agreed upon in Caracas, followed by a cease-fire * * *

Mr. President, this amendment, and the language reported to the Senate by the Senate Appropriations Committee, is carefully written to strengthen the U.N. peace process. It does contain for the first time real incentives for both sides to negotiate in good faith. It highlights the importance of adhering to the terms and procedures for the negotiations they agreed to in Geneva and Caracas.

It requires both sides to accept a plan for a cease-fire put forward by the Secretary General.

Mr. President, we are convinced that the only real hope for a peace that lasts in El Salvador is through the U.N. peace process. The goal of this amendment is to breathe new life into that process.

Mr. President, after a vote on the Dodd-Leahy provision I understand there will be another amendment offered. The proponents of that amendment will argue that it will bring a cease-fire. I disagree.

What their amendment would do is require both sides to cease-fire before agreement on any of the key political issues to a settlement of the conflict. In fact, I do not think it would lead to a cease-fire. I think it would give the FMLN an excuse to drop out of all negotiations.

It is a clever amendment. Like so many clever amendments around here, it seems so reasonable. Nobody wants to vote against a cease-fire. I do not. I am sure the distinguished Presiding Officer does not. I am sure nobody does.

We are going to hear over and over again what we need is a cease-fire. I will concede that point. I suspect all 100 Senators want a cease-fire. But anyone who has spent time in El Salvador, knows El Salvador, studies the situation in El Salvador understands also that the amendment that will be offered is not going to bring a cease-fire but will have just the opposite effect. I will have more to say at that time.

Let me tell you this: A year ago the Senate chose not to withhold military aid to El Salvador. We said, as we have said over and over and over again when the issue comes up, we will give them one more chance, one more chance. I have heard this almost since I came to the Senate. A majority of Senators wanted to give the Government a chance to prove they could reign in the military and punish those responsible for murdering the Jesuit priests.

By standard that case has been a disaster. It has been proven beyond any doubt that President Cristiani, who, I believe, is a well-meaning person, is unable to get the military to stop lying about who ordered that massacre. And if we cannot, with all the pressure and international attention, get them to stop lying about that case, how in Heaven's name are we going to get them to stop lying about the thousands of other cases and thousands of other brutal murders in El Salvador?

Year after year, the administration has said it would cut military aid if human rights abuses do not improve and year after year the Congress has said it will cut military aid if the situation does not improve. And year after year, it does not improve; it gets worse. But out comes the checkbook.

At the same time that we are cutting virtually every program in the United States of America, we shuffle the money by the carload down to El Salvador and get absolute nothing back in return. That, Mr. President, is not a foreign policy. That is not a domestic policy. That is crazy, Mr. President, and I cannot believe any taxpayer in this country, if it were put to a referendum, would agree with that.

So today, $4 billion later, it is time to say, "Enough already. Cut it off." The Dodd-Leahy amendment is a modest attempt to put some sense into a policy that, by any objective analysis, has failed. For me, for many others, it does not go far enough, but we have offered it in a sense of compromise hoping that finally the Congress can speak in one voice. We want to end the bloodshed. This amendment is a first step.

Mr. President, I recall so well my first trip to El Salvador years ago, seeing beside the road the second dead body I had seen in a space of a mile or so.

When I was a prosecutor, I went to many murder scenes or death scenes. I am well aware of what dead bodies look like and usually can tell pretty quickly if it is somebody recently killed. This particular one stuck in my mind because not only was the man recently killed, in a matter of hours at best, but the attitude of everybody around showed that it was such a commonplace matter. People on their way to work or to stores, just walk by, barely glance. Two other people had shovels out and were starting to dig a grave right here beside the road, it was that commonplace a matter. Mr. President, I thought of that on subsequent trips.

Also, when I went down to talk with the investigators of the Jesuits' murder—I must say again, I want to emphasize over and over again, I mention the Jesuit murders because they were so abhorrent, because they got so much attention in this country and everywhere else that it is hard to believe that there is anybody not familiar with them. But they are no less abhorrent than the murders of thousands of other innocent civilians in El Salvador over the years. They bear in relationship to the thousands of other murders two things: One, the sheer animal brutality of these murders; and, second, the fact that nobody, nobody, has ever been convicted of any of these thousands of murders.

I talked with the investigators of that murder. I asked them who they talked with, what leads they had found, looked at the evidence they had gathered.

Mr. President, when I was a prosecutor, if any of the lowest assistants in my office had bungled a case as badly as they bungled that, he or she would have been fired.

Mr. President, that was the attitude I had as I left, but then I began thinking to myself: No, if I had assistant prosecutors in my office who bungled a case that badly, I would not fire them. I would probably try to indict them because it is obvious they were on the take; it was obvious they were trying to literally get away with murder.

Mr. President, as I said last year, it is going to be a cold day in Hell before we see anybody brought to trial and convicted of these murders. That was a year ago. Not only are we closer to a conviction we are further away. Some people say, well, maybe we should send a team of specialists or investigators down there.

To what? To a crime scene that a year ago was wiped clean, to look at evidence that no longer exists? Do you think they are going to be allowed to talk to the same people that the military has protected ever since then and has kept off limits to the investigators? Of course not.

At 2 a.m. this morning the U.S. Senate voted a budget package which, when returned from conference, will guarantee that virtually every single program of importance to the people of the United States will be cut. We voted at 4 o'clock in the morning on a committee conference on the farm bill which guarantees that every single farmer in this country will find his or her income lower because of cuts. We will guarantee in the final budget that will be signed by the President, that there will not be one single program in this country of importance to the senior citizens, to children in school lunch programs, to those in health care, in education, in rebuilding the infrastructure of the country that will not be affected—I guarantee every one of them will see cuts. But not El Salvador. Just pour another $328 million down there—here it comes, boys; no strings attached; have a good day.

I would like to hear how anybody who might vote against the Dodd-Leahy amendment can go home and explain that the next time they are at a senior citizens feeding program; or the next time they are in a school; or anywhere else they might be. Let them explain, sorry you did not get the money you want but stand proud because El Salvador got it.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Chair recognizes the Senator from Wisconsin [Mr. KASTEN].

Mr. KASTEN. Mr. President, if I could have the attention of the Senator from Vermont, the distinguished chairman of the committee, this is an amendment which is, in effect, already in the bill. I wonder if we can, with some limited debate, agree to this amendment because it is already in the bill, except for a minor change that the Senator pointed out. Can we agree to the amendment either by a vote or, ideally by a voice vote, and then proceed in some kind of order to an amendment that will be offered by the Senator from Florida [Mr. GRAHAM] and the Senator from Arizona [Mr. MCCAIN], and others?

Can we right now determine, first of all to limit the debate on this particular amendment—I see the Senator from Connecticut is here—and then adopt this amendment either by—

ideally, by voice vote, or by record vote? And upon the disposition of this present Leahy amendment, develop a procedure whereby we can deal with the amendment from the Senators from Florida and Arizona?

Mr. LEAHY. Mr. President, while my good friend from Wisconsin and I have taken different positions on this, I wish to commend him. He has always dealt openly, aboveboard and straightforward on this and done everything to move the matter to a point we can get it disposed of one way or the other, and has worked in the absolute best traditions of the U.S. Senate to get this very important bill, the overall bill, here.

I advise my colleagues there are several Senators who have asked me for a rollcall. I feel committed to do that. I am shortly going to ask for the yeas and nays on it. I am perfectly willing to enter into a short time agreement.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEAHY. Mr. President, the distinguished cosponsor of the bill is here, Senator DODD. I note, in all fairness, I have spoken at some length on this. I will now yield the floor. I only note I appreciate the suggestion of the Senator from Wisconsin for a time agreement. I certainly would be willing to work out whatever is fair and reasonable and certainly would be perfectly willing to accept consideration on his side of the issue for the time I have already taken.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Connecticut [Mr. DODD].

Mr. DODD. I will be very brief on this matter because, as I understand it, after the conclusion of this vote we will have another amendment coming along, about which I will want to address the merits or demerits at the time of that particular proposal.

But I did not want to miss the opportunity here to briefly describe for the benefit of our colleagues what the Dodd-Leahy proposal does, because this will be in a sense a vote on that proposal by the full membership here. Then I gather we will deal with an amendment that will try to restrict or, at the very least, restrict what we are suggesting.

First let me commend my colleague from Vermont who has shown a deep and continuing interest in this matter over many years and has expressed himself on countless occasions here and elsewhere about the horrors of the war in El Salvador; for the past 10 years where some 70,000 people have lost their lives, the bulk of whom have lost them to the death squads and, regrettably, securities forces, and certainly the FMLN and others. It is not a situation where you have either side coming into a negotiation with clean hands. I think that point needs to be made at the outset.

What this amendment—this bill, the Dodd-Leahy approach, the one adopted by the Senate—in essence tries to do, Mr. President, is to switch the focus and place the attention and the focus on what may be the last, best effort to try to resolve this decade-old dispute.

The amendment addresses the issue of the negotiating process. It says regarding this negotiating process, which has been undertaken under the auspices of the United Nation, a Herculean task, I might add, and with some significant success despite the fact that both sides from time to time have not, in the opinion of many, been negotiating in good faith—most recently the FMLN—but nonetheless to make an effort to see if we cannot resolve this dispute in such a way to bring an end to the carnage that has ripped apart this small country over the past 10 years.

Rather than get back into the historic debate of cutting aid or not cutting aid to the military and putting conditions and shackles and all sorts of other conditions on the administration or on the government that would in some cases go on for pages of legislation—and I will admit, Mr. President, in the early part of this decade I tried this approach. It was adopted back in the early part of the 1980's. We have gone that route before and it does not seem to produce any results. At last we find ourselves basically with the same tragedy, with the exception that today this is the negotiating process that, in my view and the view of many, deserves to be supported.

We need to do everything we can, it seems to me, because we have been so involved in this issue. Approximately $2 billion in assistance from the American taxpayer has gone into El Salvador over the past 10 years, the bulk of which has gone into economic assistance, but the significant amount in military assistance as well, a substantial amount.

What we need to try here is to make this negotiating process work; to give it a chance to succeed. Then, at the same time, to give the President of our country the opportunity and the ability to respond to fact situations down there that may throw this negotiating process off track.

Many would suggest, in fact, that what Senator LEAHY and I have proposed here makes it possible for the President of the United States to virtually undo this legislation too easily. Because, Mr. President, what we say in this legislation is that if either side, here, does not live up to the kind of efforts that need to be made during this negotiating process, then either the President can cut off all aid to El Salvador, or he can restore the aid that has been set aside in this amendment.

Some would suggest that is far too much flexibility; that we are allowing the President of the United States to virtually decide without input from Congress, through certification processes or votes, should he release the funds that are fenced in this bill. Some suggest we are giving away too much.

I suggest, Mr. President, at this point no good purpose would be served by trying to engage that kind of process or formulation. What we tried to do here is to say to both sides: Stay at that table; resolve these disputes. We identify and associate ourselves with the efforts undertaken by the United Nations, and the carrot, if you will, or the stick, if you will, is the military assistance program that the administration seeks to provide to El Salvador.

So that is really the essence of this proposal. It says to both sides: meet these conditions. There are a number of conditions: safeguard and reporting requirements, which taken together reinforce the commitment and dedication to a negotiated settlement. For example, in order to guard against either party using the negotiations as a stalling tactic, the bill authorizes the President, following consultation with the Secretary General of the United Nations to release the funds being withheld if the President of the United States determines that the guerrilla forces are guilty of such tactics or to hold the remaining funds if he determines that the Salvadoran Government is stalling.

Let me also point out, Mr. President, that this provision addresses the cease-fire as well, which I believe will be the subject of the amendment that follows on.

We say the cease-fire is very important and that the ultimate success of these negotiations must have a cease-fire element to it. We cannot go through all of this and disregard the importance of the cease-fire. That is why we specifically reference the Caracas agreement reached in May of this year.

That Caracas agreement specifically spells out the importance of a cease-fire arrangement. But it also says as almost every single negotiation involving conflicts like El Salvador that you must, first, reach an agreement on the outstanding political questions.

For instance, in Angola. There are those in this body and elsewhere who will argue that Jonas Savimbi ought to engage or enter a cease-fire agreement with the Government of Angola today, that he ought to do that. Jonas Savimbi says, no, there are outstanding issues that need to be resolved. The only reason the Government of Angola is willing to talk to me is be-

cause I have significant support and because I pose a threat to the Government of Angola. I want some of those outstanding issues to be resolved before I am willing to enter into a cease-fire agreement.

I agree with that. I may not agree with everything Jonas Savimbi does, but I understand that.

In Cambodia, we had an effort to dissolve that political conflict and that agreement reached between the various parties, the formal cease-fire that was envisioned in that accord says that it should enter into full force at a time that the comprehensive political settlement agreement takes effect.

So, Mr. President, in almost every fact situation we find around this globe where these kind of circumstances are present, they have a settlement on at least some of the outstanding political questions and then they enter the cease-fire arrangement. If we try and short circuit that process, if we say you must enter a cease-fire arrangement and then we will talk about the political questions, we end up with a self-fulfilling prophecy. The parties we want to bring to the table, particularly those who are challenging the government militarily, will walk away from that negotiating process.

That is as clear as anything I know. Certainly I understand why a Jonas Savimbi would not enter into such an arrangement. I understand in Cambodia why they would not enter into such an arrangement.

Whether we like, dislike, agree, or disagree with the various parties in El Salvador, we cannot expect realistically the FMLN, no matter how much one dislikes them, to sit down and negotiate if they give up the one point of leverage that has brought them to the table in the first place. To suggest they actually go into an arrangement having given up that very point will end in the FMLN walking away from the table, and we are back where we started.

I hope when my colleagues look at the language, as attractive as it may be, and examine other fact situations around the globe, they will understand why it is important we follow the specific intent and language laid out in the Caracas agreement.

I will print this in the RECORD, Mr. President, and have it available for our colleagues to read because it is so important that people understand it. This was May 21, 1990. It says:

The following was issued in Caracas by the Personal Representative of the Secretary-General for Central America, Alvaro de Soto, regarding the general agenda and schedule of the complete process of negotiation between the Government of El Salvador and the Frente Farabundo Marti para la Liberacion Nacional (FMLN).

A. General Agenda. The initial objective shall be to achieve political agreements for a halt to the armed confrontation and any acts that infringe the rights of the civilian population, which will have to be verified by the United Nations, subject to the approval of the Security Council.

That is under A.I. Then small (a), and it lists political agreements that are not all-inclusive but the kinds that should be addressed—Armed Forces, judicial system, electoral system, so forth.

Point B, small (b);

Second: Agreement on a halt to the armed confrontation and any act that infringe the rights of the civilian population.

Cease-fire. Point (b) is cease-fire, as it should be. But you cannot get to point (b) unless you get to point (a). If you try and eliminate point (a), then you are never going to eliminate point (a), and you are never going to get to point (b). That has been the experience all over the world. So when we talk about in reference to this particular agreement, that is what we mean. So any amendment that would suggest somehow that we disregard point (a) is self-defeating. That is the reason we oppose that particular approach. This is the reason that we have followed in our amendment and tracked what the United Nations has achieved so far in the process there.

So, Mr. President, we will come back to a debate and discussion about the amendment that will be proposed to the Dodd-Leahy language, but I would take a minute to outline what the essence of our legislation is and why, no matter how attractive the amendment that may be offered may appear to be—frankly, Mr. President, I would understand far better if somebody offers an amendment to strike all of our language. That I understand. If someone says I think your whole approach of putting pressure on both sides is not going to work, no matter how well intentioned, it will not work, that I understand. I can disagree on that basis.

But to try and inject within this amendment language that short circuits the Caracas agreement, that I do not understand, because if you are offering an amendment to our language, you are saying in effect we agree with the essence of what you and Senator LEAHY are doing, we buy into it, we accept it, and then you come along with an amendment that virtually undoes what you say you agree what we ought to do.

From my perspective, a far more inderstanding approach would be just to strike everything in the Dodd-Leahy language. I would disagree with it, but I would understand it. What I do not understand is trying to cripple language that people say they fundamentally agree with.

Mr. President, we will come back to this, I hope, in a short time, to debate the merits of the amendment that will be offered. Again, I thought it was worthwhile.

I ask unanimous consent, Mr. President, to print in the RECORD the United Nations press release outline, the agreement entered into May 21, 1990. Furthermore, Mr. President, I ask unanimous consent to print in the RECORD the framework for a comprehensive political settlement of the Cambodian conflict, referencing specifically paragraph 17 of that document.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL AGENDA AND SCHEDULE FOR COMPREHENSIVE NEGOTIATION PROCESS BETWEEN GOVERNMENT OF EL SALVADOR AND FMLN

The following was issued in Caracas by the Personal Representative of the Secretary-General for Central America, Alvaro de Soto, regarding the general agenda and schedule of the complete process of negotiation between the Government of El Salvador and the Frente Farabundo Marti para la Liberacion Nacional (FMLN):

A. GENERAL AGENDA

I. The initial objective shall be to achieve political agreements for a halt to the armed confrontation and any acts that infringe the rights of the civilian population, which will have to be verified by the United Nations, subject to the approval of the Security Council.

(a) First: Political agreements.

1. Armed forces.
2. Human rights.
3. Judicial system.
4. Electoral system.
5. Constitutional reform.
6. Economic and social issues.
7. Verification by the United Nations.

(b) Second: Agreement on a halt to the armed confrontation and any acts that infringe the rights of the civilian population.

II. Establishment of the necessary guarantees and conditions for reintegrating the members of FMLN, within a framework of full legality, into the civilian, institutional and political life of the country.

1. Armed forces.
2. Human rights.
3. Judicial system.
4. Electoral system.
5. Constitutional reform.
6. Economic and social issues.
7. Reintegration of FMLN members.
8. Verification by the United Nations.

III. Final agreements for the consolidation of the objectives of the Geneva Agreement, and verification by the United Nations, as appropriate.

Note: The sequence of the items listed for the respective phases is not a strict order of consideration, and may be changed by common agreement.

The agreements should be precisely tailored to the nature of the phase involved. Political items have been referred to their respective phases; but since some of them are quite complex, certain aspects might be addressed in other phases. It all depends on the dynamics of the negotiations.

B. SCHEDULE

In the light of the general agenda for the comprehensive negotiation process in the preceding section, the Government of El Salvador and FMLN agree that the initial objective set forth in paragraph 1 of the Geneva Agreement of 4 April 1990 should be achieved by the middle of September 1990,

provided that the parties reach synchronized agreements which have schedules for implementation and are subject to verification as appropriate, so as to ensure that all the components of the initial objective are duly co-ordinated.

The additional advantage of that deadline is that it would help to ensure that an electoral process is conducted at the legislative and municipal levels in an atmosphere of tranquility, broad participation and freedom from intimidation.

It is difficult to set a strict time-limit for the conclusion of the comprehensive process. That would depend on factors that cannot yet be considered, such as the range and scope of the political agreements referred to in section I, which are to be negotiated, and the relationship between the negotiations and the electoral process. On the other hand, there is also a possibility that the initial objective might be achieved before the deadline. For these reasons, formulations regarding the conclusion of the process should not be in terms of dates, but in terms of a certain number of months from the achievement of the initial objective; tentatively, two to six months.

On the basis of the above understandings, the Government and FMLN shall concentrate on, as the primary substantive priority, the negotiation of the political agreements envisaged under the initial objective.—Caracas, 21 May 1990.

Representing the Government of El Salvador: Colonel Juan A. Martinez Varela, Dr. Oscar Alfredo Santamaria, Colonel Mauhicío Ernesto Vorgas, Dr. Abelardo Torres, Dr. David Escobar Galindo, Dr. Rafael Hernán Contreras.

Representing the Frente Farabundo Martí para la Liberación Nacional: Comandante Schafik Handal, Comandante Eduardo Sancho, Guadriupe Martinez, Salvador Samayoa, Dagoberto Gutíerrez, Marta Valladares, Roberto Cañas.

Alvaro de Soto, Representative of the Secretary-General of the United Nations.

FRAMEWORK FOR A COMPREHENSIVE POLITICAL SETTLEMENT OF THE CAMBODIA CONFLICT

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5. Should Prince Norodom SIHANOUK be elected by the SNC as its President, the Five would welcome this decision.

6. All countries should respect an agreement on this matter reached among the Cambodian parties.

7. The SNC should be the embodiment to the independence, sovereignty and unity of Cambodia. It should represent Cambodia externally and occupy the seat of Cambodia at the United Nations, in the UN specialised agencies, and in other international institutions and international conferences.

8. Being the unique legitimate body and source of authority in Cambodia during the transitional period, the SNC, at the time the comprehensive political settlement is signed, will delegate to the United Nations Transitional Authority in Cambodia (UNTAC) all powers necessary to ensure the implementation of the comprehensive agreement, including those relating to the conduct of free and fair elections and the relevant aspects of the administration of Cambodia.

9. The SNC should offer advice to the UNTAC which will comply with this advice provided there is a consensus among the members of the SNC, and provided this advice is consistent with the objectives of the comprehensive political settlement. The Special Representative of the UN Secretary-General will determine whether such advice is consistent with the comprehensive political settlement. He should attend the meetings of the SNC and give its members all necessary information on the decisions taken by UNTAC.

10. In order to ensure a neutral political environment conductive to free and fair general elections, administrative agencies, bodies and offices which could directly influence the outcome of elections should be placed under direct UN supervision or control. In that context special attention will be given to foreign affairs, national defence, finance, public security and information. To reflect the importance of these subjects, UNTAC needs to exercise such control as is necessary to ensure the strict neutrality of the bodies responsible for them. The UN in consultation with the SNC would identify which agencies, bodies and offices could continue to operate in order to ensure normal day-to-day life in the country.

11. Adequate provision must be made within the terms of the comprehensive political settlement for the exercise of routine law enforcement functions under UNTAC supervision.

12. The Special Representative of the Secretary-General should investigate complaints and allegations regarding actions by the existing administrative structures in Cambodia that are inconsistent with or work against the objectives of a comprehensive political settlement.

SECITON 2

Military arrangements during the transitional period

13. The enhanced United Nations role requires the establishment of a United Nations Transitional Authority in Cambodia (UNTAC) with a military as well as a civilian component.

14. The function of the military component should be to carry out the peacekeeping aspects of the comprehensive political settlement.

15. Once a ceasefire takes effect, UNTAC will supervise, monitor and verify the ceasefire and related measures, including:

(a) Verification of the withdrawal from Cambodia of all categories of foreign forces, advisers and military personnel and their weapons, ammunition and equipment, and their non-return to the country.

(b) Liaison with neighbouring governments over any development in or near their territory which could endanger the implementation of the comprehensive political settlement.

(c) Monitoring the cessation of outside military assistance to all Cambodian parties.

(d) Locating and confiscating caches of weapons and military supplies throughout the country.

(e) Undertaking training programmes in mine clearance and a mine awareness programme among the Cambodian people.

16. The military component should be composed of a certain number of contingents provided by member States at the request of the UN Secretary General. These contingents will be chosen in consultation with parties concerned and with the approval of the Security Council.

17. The five consider that a ceasefire is an indispensible element of a comprehensive agreement. As a first step, they call on all parties to the conflict to exercise maximum self restraint. To facilitate the UN deployment necessary for the agreement to come into effect, a peaceful situation should prevail in Cambodia. At the time of the signing of the agreement, all forces should immediately disengage and refrain from any deployment, movement or action which would extend the territory they control or which might lead to the resumption of fighting. The formal ceasefire envisaged should enter into force at the time the comprehensive political settlement agreement takes effect.

18. In accordance with an operational timetable to be agreed upon, all forces will begin regrouping and relocating to specifically designated cantonment areas under the supervision of UNTAC. While the forces are in the cantonments, their arms will be stored on site under UNTAC supervision.

19. UNTAC will then initiate a phased process of arms control and reduction in such a way as to stabilize the security situation and build confidence among the parties to the conflict. The ultimate disposition of the factional forces and their weapons will be dealt with so as to reinforce the objectives of a comprehensive political settlement and minimize the risks of a return in warfare.

SECTION 3

Elections under United Nations auspices

20. The United Nations should be responsible for the organization and conduct of free and fair elections on the basis of genuine and verified voter registration lists of Cambodian citizens. Eligibility to vote, including provisions regarding the conditions of residence in Cambodia, will be established in the electoral regulations. Principles covering voting and candidate eligibility criteria will also be set out within the comprehensive political settlement. Special electoral arrangements should be agreed to guarantee the right to vote of Cambodian refugees and displaced persons.

21. The electoral process should be guided by the following principles:

(a) The system and procedures adopted should be, and be seen to be, absolutely impartial while the arrangements should be as administratively simple and efficient as possible;

(b) All Cambodian participants in the elections should have the same rights, freedoms and opportunities to take part in the election process;

(c) All parties should commit themselves to honouring the results.

22. The provisions for the holding of free and fair elections under United Nations auspices, as part of a comprehensive political settlement, must include inter alia:

(a) The establishment of a system of laws, procedures and administrative measures necessary for free and fair elections required by the electoral process;

(b) The design and impiementation of a voter education programme (ballot secrecy, voting procedures, etc) to support the election process and a voter registration process to guard against fraud and to ensure that eligible voters have the opportunity to register;

(c) Measures to monitor and facilitate the participation of Cambodians in the elections, the political campaign, and the balloting procedures;

(d) Coordinated arrangements by the United Nations in consultation with the Supreme National Council to facilitate the presence of foreign observers wishing to observe the campaign and voting;

(e) Identification and investigation of complaints of electoral irregularities and appropriate corrective action;

(f) Fair access to the media, including press, TV and radio, for all candidates;

(g) Overall direction of polling and the vote count;

(h) Certification by the United Nations whether or not the elections were free and fair and the list of persons duly elected;

(i) Adoption of a Code of Conduct regulating participation in the elections in a manner consistent with respect for human rights, including the prohibition of coercion or financial inducement in order to influence voter preference.

23. A comprehensive political settlement must include a specified period within which elections will take place. The duration of the electoral process should be consistent with the above and as short as possible. It should lead to a single election of a constitutent assembly which would draft and approve a Constitution and transform itself into a legislative assembly, which will create the new Government. The principles on which the new Cambodian Constitution should be based will be an integral part of a comprehensive political settlement.

SECTION 4

Human rights protection

24. Cambodia's tragic recent history requires special measures to assure protection of human rights. Therefore, the comprehensive political settlement should commit Cambodia to comply with the obligations of the relevant international human rights instruments as well as with relevant resolutions of the UN General Assembly. Necessary measures should be taken in order to observe human rights and ensure the non-return to the policies and practices of the past.

25. Articles 55 and 56 of the UN Charter pledge all member States to take joint and separate action to promote universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language or religion.

26. All Cambodian people and others in Cambodia and all Cambodian refugees and displaced persons should enjoy the rights enshrined in the Universal Declaration of Human Rights and other relevant international human rights instruments. Fundamental rights and freedoms should form part of the constitutional principles within the comprehensive political settlement.

27. In recognition of the need to promote respect for human rights in Cambodia and for all Cambodians, the comprehensive political settlement should include provisions under UN auspices to guarantee the following during the transitional period:

(a) Development and implementation of a programme of human rights education to promote respect for and understanding of human rights,

(b) General human rights oversight of all aspects of the transitional administration, and

(c) Investigation of human rights complaints, and, where appropriate, corrective action.

28. Following the elections, the UN Human Rights Commission should continue to monitor closely the human rights situation in Cambodia, including if necessary by the appointment of a Special Rapporteur who would report his findings annually to the Commission and to the General Assembly.

29. As part of the comprehensive political settlement the other participating States should undertake to promote and encourage respect for and observance of human rights and fundamental freedoms in Cambodia as embodied in relevant international instruments so as to prevent the recurrence of human rights abuses.

30. In the event of future serious violations of human rights in Cambodia, other States should, consistent with the provisions of the section on international guarantees, call upon the competent organs of the UN to take appropriate action in accordance with relevant international instruments.

SECTION 5

International guarantees

31. The aim of the provisions of this section should be to: safeguard the independent and neutral status of Cambodia; prevent foreign aggression against Cambodia or interference in the affairs of that country; safeguard human rights in Cambodia and prevent a return to the policies and practices of the past; facilitate a comprehensive and durable political settlement based on self-determination of the Cambodian people, and ensure that the settlement agreed upon is implemented in its entirety.

32. Cambodia will solemnly undertake to maintain, preserve and defend its independence, sovereignty, territorial integrity and inviolability, and national unity, with perpetual neutrality proclaimed and enshrined in the Cambodian Constitution to be adopted after free and fair elections.

33. As part of a comprehensive political settlement, the states participating in the Paris Conference will conclude a multilateral agreement to recognize and respect the independence, sovereignty, territorial integrity and inviolability, neutrality, national unity of Cambodia. This agreement will be open to adherence by all member States of the United Nations.

34. The details of the respective obligations of Cambodia and the other participating States will be based upon the consensus achieved in the Second Committee of the Paris Conference on Cambodia, including in particular undertakings with respect to:

(a) Refraining from entering into military alliances or other military agreements between Cambodia and other States that would be inconsistent with Cambodia's neutrality without prejudice to its right to receive or acquire the necessary military equipment, arms, munitions and assistance to enable it to exercise its legitimate right of self-defense and to maintain law and order;

(b) Refraining from interference in any form in the internal affairs of Cambodia;

(c) Terminating the treaties and agreements which are incompatible with Cambodia's independence, sovereignty, territorial integrity and inviolability, neutrality and national unity;

(d) Settling all disputes between Cambodia and other States through peaceful means;

(e) Consistent with the United Nations Charter, refraining from the use or threat of use of force, or the use of their territories or the territories of other States to impair the independence, sovereignty, territorial integrity and inviolability, neutrality and national unity of Cambodia;

(f) Refraining from the use of Cambodian territory to impair the independence, sovereignty and territorial integrity of other States;

(g) Refraining from the introduction or stationing of foreign forces or the establishment of foreign military bases or facilities in Cambodia, except pursuant to United Nations authorization for the implementation of the comprehensive political settlement;

(h) Respect for human rights in Cambodia, including observance of relevant international instruments.

35. The participating States will call upon all other States to recognize and respect in every way the independence, sovereignty, territorial integrity and inviolability, neutrality and national unity of Cambodia and to refrain from any action inconsistent with these principles.

36. In the event of a violation or threat of violation of the independence, sovereignty, territorial integrity, neutrality and national unity of Cambodia, or of any of the other commitments herein, including those relating to human rights, the participating States will immediately undertake appropriate consultations with a view to adopting all appropriate measures to ensure respect for these commitments. Such measures may include, inter alia, reference to the Security Council of the United Nations or recourse to the means for the peaceful settlement of disputes referred to in Article 33 of the Charter of the United Nations. The participating States may also seek the good offices of the co-chairman of the Paris conference on Cambodia.

Mr. DODD. Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition? The Senator from Massachusetts [Mr. KERRY].

Mr. KERRY. Mr. President, I want to congratulate the distinguished Senator from Connecticut on both his analysis, which I believe is 100 percent correct, as well as his initiative, together with the Senator from Vermont, Senator LEAHY, in bringing this legislation before us.

We are now a few short weeks away from the first anniversary of the brutal slaying of six Jesuit priests and their housekeeper and her daugher by members of the Armed Forces of El Salvador. I think for most people in this country, and even for a great many Senators, the slaying of the Jesuits brought into focus perhaps more so than before, though frankly it should not have taken that long, the reality of El Salvador.

The reality is that after pouring in $4.5 billion of our taxpayers' money over the past decade, we still have a military dictatorship that confronts a so-called democratic government, and which dictatorship believes it can continue to kill those who try to build the real bridges to peace. It can continue to kill peasants, trade unionists, priests and even opposition politicians, and that it can do so with impunity.

Not only have the perpetrators of this crime never been brought to justice, Mr. President, but as the distinguished Congressman from the State of Massachusetts, Congressman JOSEPH MOAKLEY, has shown, there is a growing body of evidence that the high command of the Salvadoran military, whom we are supporting and propping up, has engaged in a massive coverup of this heinous crime. There is not anyone with any sense of Salvadoran history who believes at this

point in time that those who are responsible for this crime, I mean truly responsible—not just the lower-level military person who pulled the trigger, but those who created the process and the orders and the climate for it—that they will ever be brought to justice.

That, Mr. President, has been the history in Salvador. That was the case in 1977 assassination of Father Rutilio Grande. That was the case in the cowardly murder of Archbishop Oscar Romero while he was engaged in saying mass. That was the case in the four Catholic layworkers and nuns who were raped and murdered by Salvadoran security forces. That was the case of two U.S. AIFELD advisers and the head of the Salvadoran Agrarian Refo Institute, and that has been the case in countless trade unionists and peasant leaders.

Just this past August, I met with a Father Jon Cortina in Washington. He traveled here with fellow priests. He and a colleague of his had just barely survived an assassination attempt carried out by the Salvadoran military against them only days before they came to Washington.

It is evident that the international condemnation that has stemmed from Father Cortina's six Jesuit colleagues being murdered in cold blood has done nothing to restrain the Salvadoran military or to try to bring people to justice. Priests and church workers are still the targets of death and assassination attempts and the Salvadoran military continues to wage war against the church.

Mr. President, I wish to put that in very quick historical continuity. In 1977, the prosecution of the church really began almost officially by the military. A major campaign was launched against the Jesuits at that time, and all 33 Jesuits in the country were warned to leave the country or be killed. Pamphlets were circulated on the streets of San Salvador during that period and it bore the following chilling message: "Be a Patriot. Kill a Priest." Those very same pamphlets reappeared during the period immediately preceding the killing of the Jesuits priests in El Salvador last year.

In essence, Father Grande's assassination was the first shot fired in this war against the church. The assassination of Archbishop Romero, the rape and murder of Catholic layworkers and nuns, the brutal murder of six Jesuits, and the attempt on Father Cortina's life is evidence that this continues.

Just yesterday the Auxiliary Bishop of San Salvador, Monsignor Gregorio Rosa Chavez, stated that profound reforms are needed prior to a cease-fire if the peace process is really to be truly solid. Otherwise, Bishop Chavez warned, and I quote him, "there is the danger that the roots of the war may not be taken away * * * and above all that so much suffering would be in vain."

Along with Archbishop Arturo Rivera y Damas, Bishop Rosa Chavez has been a leading voice in El Salvador in support of a negotiated solution to that country's civil war.

That is why I join my colleague from Connecticut in expressing such concern about the amendment that is proposed by some of our colleagues which on its face may be attractive but which in reality could end up being destructive to the process that we have all endorsed—a United Nations mediated end to the war in El Salvador.

The Government of El Salvador, with the support from the administration, is asking us in this amendment to violate the spirit of both the Geneva and the Caracas agreements between the Government and the FMLN.

As Bishop Chavez correctly pointed out, both the Government of El Salvador and the FMLN agreed in Caracas on May 21 of this year to achieve political agreements in seven areas before a cease-fire is negotiated.

Those political agreements were to be as follows: reform of the armed forces; human rights; judicial reform; electoral system reform; constitutional reform; economic and social consensus; and verification of these agreements by the United Nations.

Mr. President, there has not been any agreement on reform of the armed forces with the exception of some commitment, though not yet a measured accomplishment, of the high command to clean up its act. There certainly has not been any judicial reform. There certainly has not been a negotiated agreement on economic and social issues which remain part of the root causes of this conflict.

Ironically—and I do mean ironically—these are the very same areas. What the Caracas agreements, which we have supported, seeks to accomplish addresses the exact same areas which the Congress has consistently laid out as the fundamental conditions of our aid to El Salvador for more than 10 years. For more than 10 years now we have had language that consistently says XYZ has to happen in order to have the aid. But XYZ does not happen and we continue to give the aid.

So after more than $4 billion of aid, Mr. President, over the past 10 years, we have really seen obviously only the most marginal reforms. The army still runs the country and we are deluding ourselves if anybody suggests it is truly otherwise.

We have been through contorted periods of foreign policy debates in the history of this country over the last 20 years. The distinguished Presiding Officer at this moment understands the divisions that occurred during the Vietnam period. It seems to me we are in the process of deluding ourselves yet again and of breaking up a consensus in this country over policy unless we begin to hold the Salvadoran military accountable to standards people in this country have a right to expect.

If, year to year, we put language in our laws that suggests euphemistically that reform must take place, and then no reform takes place, but notwithstanding that we give them money, we have sent them a message that reform does not matter; that there is an eternal spigot from the United States; that no one would hold them accountable. Indeed, they can continue to make fools of the United States Congress and fools of the people of America who give them money with fancy language that expects some kind of conduct, behavioral change, but never gets it, never gets it.

What Senator LEAHY and Senator DODD are proposing does not go as far as this Senator might like to go, but it is the only mechanism by which we can turn to people in our respective States and say to them, we are serious; we are trying to truly guarantee that your taxpayer dollars are not going to buy guns and bullets that kill priests and nuns, and that we are not going to continue a policy that so obviously turns its back on the real human rights for which this country stands.

Mr. President, we have just had a divisive debate in this Chamber over priorities of this Nation. I cannot think of a more important priority than to restrain the expenditure of taxpayers' dollars from going to a country that over these 10 years has seen its military so unwilling to heed the language of the Congress, so unwilling to change its behavior, so unwilling to grant the rights to their own people to be free from oppression and free from the abuses that they suffer.

Not one word of what I am saying is meant to diminish the offenses committed by the FMLN. They have been atrocious, too. They were egregious in their violation of international law during that offensive in using civilians as human shields during last November's offensive. No Senator or anybody in their right mind can condone violence on either side. But we have put in place a process we ourselves endorsed with the United Nations in order to try to encourage both sides to deal with the root causes of this conflict. If we now adopt a measure which undercuts the ability to deal with those root causes, we will once again have made a mockery of the process and we will have rendered yet another insult to our citizens who are tired of seeing their tax dollars go down any black hole, whether it is a black hole in this country or a black hole in some other country.

I hope we will adopt the language of the Senators from Vermont and Con-

necticut in an effort to prevent that from happening.

Mr. McCAIN. Mr. President, I will be brief, but I believe a great deal of our discussion and debate will revolve around an amendment that my friend from Florida, Senator GRAHAM, I, and others will be proposing shortly.

I wanted to say that I probably could have voted for this so-called Dodd-Leahy substitute if the parliamentary procedures had been that the amendment by Senator Graham could have been considered, which I believe would have improved the substitute to the degree where hopefully we could get an overwhelming majority. Unfortunately, the parliamentary procedures that were employed here did not allow that amendment to be proposed before a vote was called for, which is certainly the privilege of the managers of the bill.

We have serious disagreements about the meaning of the Caracas agreement, as well as others. We will be going into that.

I want to make it clear that I most certainly would have voted for the substitute if the Graham amendment had been accepted. I hope to be able to support it afterwards in its present form. Unfortunately, I not only will vote against it, but I am going to urge my colleagues to do so.

In the future I hope that the managers of the bill could have somebody sit down and we could avoid some of the needless acrimony which unfortunately I think may characterize part of the debate today.

I yield the floor, Mr. President.

The PRESIDING OFFICER. Is there further debate? If not, the question——

Mr. LEAHY. Mr. President, I noted that we are ready to go to a vote, but I know that there are Senators—the distinguished Senator from Wisconsin is checking to see if they wish to speak. On this side we are checking.

I assume some are listening to the squawkboxes and watching. For those who wish to speak on this amendment, I will shortly put in a quorum call which I will call off very quickly if there is nobody else who wishes to speak so we can have a rollcall vote on this.

I know that many are going to want to be meeting with the President in the next few minutes here on the Hill. I want to have the vote first.

If there are any Senators who wish to speak on this, we are about to go in a quorum call and in a very few minutes the quorum call will be called off. Then, Mr. President, parliamentary inquiry; regular order, if nobody is seeking recognition to speak, would be to go to a rollcall vote. Am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that at the hour of 3:30, we vote on the pending amendment, and any other business be at that time laid aside to allow the vote.

The PRESIDING OFFICER. Is there objection?

Mr. SYMMS. Mr. President, reserving the right to object, I wanted to address this amendment for 5 minutes; is that possible? I can do it at 3:30.

Mr. LEAHY. Mr. President, I advise the Senator that we are going to have an hour in between, and we would be delighted to have people come out and address themselves to it.

The PRESIDING OFFICER. Is there objection to the vote on the pending amendment at 3:30?

Without objection, it is so ordered.

Mr. MITCHELL addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, I haved long believed that a negotiated political settlement is the only viable way to end the 10-year civil war in El Salvador. I have favored economic assistance for the people of El Salvador. But as this stalemated war has continued to inflict suffering and death on the same people, the people of El Salvador, I am increasingly concerned about the continuation of military assistance which prolongs the killing.

Over the past year, there has been an increase in the number of death squad killings in El Salvador, which have been related to the armed forces. It was almost 1 year ago that the world was shocked to learn of the brutal murder of the Jesuit priests and their housekeepers, an unspeakable crime that was found to be the work of a unit from an elite United States-trained Salvadoran military battalion.

Despite repeated assurances from President Cristiani and the Minister of Defense that this case would be thoroughly investigated and the perpetrators brought to trial, nothing has yet been resolved, and only a few lower ranking soldiers have been charged in the case.

Furthermore, there is growing evidence of a massive coverup by the military to protect higher ranking officers.

There have, however, been encouraging signs in regard to the possibility of a negotiated peaceful settlement being arrived at in El Salvador. The Government of El Salvador and the FMLN have met five times under the supervision of the U.N. Secretary General and have arrived at a framework in which a political settlement may be worked out.

The key to this settlement is the possibility that the armed guerrillas may reenter the political life of the country. But before this can be done, there must be assurances that the armed forces will not be allowed to continue to torture and kill.

I commend my colleagues, Senator DODD and Senator LEAHY, for their efforts to provide an incentive for both the armed forces of the government, and those of the FMLN, to move toward an agreement which will bring a negotiated end to this tragic conflict.

I urge my colleagues to support the Dodd-Leahy amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. MITCHELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Vermont.

Mr. JEFFORDS. Mr. President, I rise in support of the amendment of the Senator, my senior Senator from Vermont. For the past decade, civil war has raged in El Salvador. The United States has provided the Salvadoran Government with over $1 billion in military aid and the FMLN rebels have received military equipment and support from the Sandinistas, the Cubans and other sources. The war has shifted back and forth from the rugged countryside to the streets of San Salvador, taking a heavy toll on the lives of the Salvadoran people at every turn. It has deepened the many political and ideological fissures within Salvadoran society, and eroded the middle ground. Death and tragedy have embittered both sides, while strengthening the conviction of the majority of the people that ending the armed conflict must be the paramount objective of all sectors of society.

Both the Government and the FMLN have indicated at various points that they are willing to make compromises to bring about a political solution to the war. Yet, when it comes time to make real concessions, the process breaks down and the conflict resumes, at tragic cost in lives and resources.

Mr. President, there is a slim chance that this cycle of violence and despair can be broken. But it will not happen without strong pressure from the United States. The personal representative of the U.N. Secretary General is currently serving as mediator for nego-

tiations between the Government and the rebels. At times, both sides have been forthcoming with compromise proposals, but both have also been equally unreasonable in their refusals and their counterproposals. When frustrated at the bargaining table last fall, the FMLN launched a major military offensive, and in the confusion that ensued, right wing elements of the military orchestrated the murder of six prominent priests.

It is clear to me that the only way to end the violence in El Salvador and create a climate that will allow a national reconciliation is to pursue a negotiated settlement. Both sides are sufficiently strong that they can prevent the other from winning militarily and can insist on significant concessions from the other as the price for demilitarization. The changing international climate continues to isolate the FMLN and reduce its support abroad. And we are struggling to curtail a massive Federal deficit that threatens the very health of our economy and forces us to justify the utility of every dollar spent. Congress and the administration are asking the American people to dig deeper into their pockets and accept reductions in services in order to get us back on the right track. In these circumstances, I cannot justify $85 million in 1991 military aid to prolong the Salvadoran conflict. The time is right to put U.S. policy squarely behind a negotiated solution to the war.

The Dodd-Leahy language in this bill, as amended, will further the cause of a political settlement. It cuts military aid by 50 percent and provides an intricate system of checks and balances to pressure both sides to make serious progress at the talks. If either side refuses to negotiate in good faith, allows major human rights abuses, or launches a major military offensive, the aid formula will change. As my colleague, the senior Senator from Vermont, has already explained, all military aid will be cut off if the Government does not comply with strict conditions in the bill. And all aid will be resumed if the FMLN threatens to overthrow the Government or violates basic human rights. And of critical importance are the provisions in this legislation that strengthen the role of the United Nations by pressuring both sides to respond to U.N.-proposed initiatives.

As my colleagues know, thanks to the tireless efforts of the U.S. Secretary General's office, solutions have been found to equally intractable situations in Namibia, Afghanistan, the Persian Gulf, and Nicaragua. If all parties to the conflict, including the United States, dedicate themselves to this task, I believe it can be accomplished. And for the sake of the Salvadoran people, it must be accomplished.

I urge my colleagues to support the Dodd-Leahy language.

Mr. President, I yield the floor.

SUPPORT FOR THE DODD-LEAHY PROVISIONS OF THE FOREIGN OPERATIONS APPROPRIATIONS BILL

Mr. EXON. Mr. President, I rise today in support of the Dodd-Leahy provisions to the foreign operations appropriations bill, H.R. 5114. The Dodd-Leahy provisions would require that 50 percent of the appropriated funds for military aid to El Salvador be withheld contingent upon the good faith negotiations for both the Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] guerrillas, and the investigation and prosecution of those responsible for the murders of Jesuit priests last November in El Salvador. This provision also caps U.S. military assistance at $85 million for fiscal year 1991. This legislation will send a message to the Government of El Salvador and the [FMLN] guerrillas that negotiation is the only way to bring about change and that human rights abuses will no longer be tolerated by the United States.

Over the past decade, the Government of El Salvador has engaged in a seemingly ceaseless civil war with the Marxist guerrillas of the FMLN. The war has taken its toll on this small Central American country with total deaths estimated to be over 70,000. The election last March of Alfredo Cristiani to be President of El Salvador was a true step toward democracy for this country. The inauguration of Cristiani in June 1989 marked the first peaceful transfer of power of civilian elected officials in El Salvadoran history. While I believe that President Cristiani is working in good faith to bring about peace and justice in his country, and I encourage him to continue those efforts, I also believe that more needs to be done.

Many gains that were made at the negotiating table over the past few years were set back in November of last year when the FMLN rebels launched a large-scale military offensive and the Salvadoran military retaliated with the murders of six Jesuit priests. These horrendous events brought the war in El Salvador back to the front pages of many United States newspapers and into the homes of thousands of Americans. The American people have become increasingly aware of the senseless human suffering in El Salvador.

It is time for human rights abuses to stop. Recent political developments in Nicaragua, Eastern Europe, and the Soviet Union represent convincing evidence that when people are offered democracy, they will denounce communism. The Salvadoran military can no longer use the cause of fighting communism to further its own power and terrorize its own populace. It is time for true democratic reform in El Salvador.

During the course of the civil war in El Salvador, the United States has provided more than $4.6 billion in foreign assistance—of which over $1 billion has been for military aid. Of the billions of dollars that we have sent to El Salvador over the past decade, not one of those dollars has brought peace or stability to this troubled country.

Mr. President, the United States is on the brink of an economic recession. I would suggest that American taxpayers would prefer to see their hard-earned dollars go elsewhere—instead of contributing to a bloody civil war that even our own military leaders acknowledge cannot be won by the Salvadoran Army. Our dollars can be better spent at home for domestic programs such as education.

While I realize that a severe cut in United States military assistance to El Salvador could hinder the ability of the military to continue the war at its present pace, I think the provisions set out in H.R. 5144 are fair and articulate our desire that the United Nations-monitored negotiations continue. Should the FMLN guerrillas not cooperate in further negotiations with the government, full funding to the military would be restored.

We must constantly remind ourselves of the lessons learned in Panama and Nicaragua, El Salvador's neighbors: If given the opportunity, the people of Central America will demand democratic freedoms. A continuous supply of military might will not yield genuine and lasting democratic reforms. By passing the Dodd-Leahy provisions contained in H.R. 5114, we will be sending a message to El Salvador—a message that democratic reform and an end to human rights abuses can only be achieved by a resolution of the civil war and a weakened military.

Mr. President, the situation in El Salvador is indeed a complicated one, offering no early answers. Yet, United States foreign policy must hold paramount the ideal of human rights if we are to continue to be a leader to people throughout the world. Approval of the Dodd-Leahy language is an important step toward reinforcing this standing. I urge its passage.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Senator from Rhode Island [Mr. PELL].

THE CLEAREST MESSAGE TO THE SALVADORAN MILITARY: NO MILITARY AID

Mr. PELL. Mr. President, after 10 years of providing millions of dollars in military assistance to El Salvador, we finally have reached the moment in the United States Senate when we can send a very clear message to the military of El Salvador and at the

same time strike a very strong blow for peace in that war ravaged country.

I have no quarrel with President Cristiani. I believe that he is dedicated to strengthening democratic institutions and to ending the civil war that has wrought so much death and destruction on innocent men, women, and children.

At the same time, however, the fact of the matter is that President Cristiani is faced with a powerful and hardline element within the military that pays lip-service to the principle of civilian authority over the military but fights vigorously against substantial military reform, and wants to maintain its traditional immunity from prosecution for human rights abuses. The reality is that the military is refusing to give up its role as the real arbiter of power in El Salvador.

In a statement I released a few weeks ago, I expressed my frustration over the fact that so little real progress was being made to bring to justice all of those involved in the murders of the six Jesuit priests and their housekeeper and her daughter at the University of Central America. In this context, it is important to cite the words of Congressman JOE MOAKLEY, chairman of the Special Task Force on El Salvador appointed by the Speaker of the House, who stated in mid-August that "* * * the high command of the Salvadoran Armed Forces is engaged in a conspiracy to obstruct justice in the Jesuits' case. Salvadoran military officers have withheld evidence, destroyed evidence, falsified evidence, and repeatedly perjured themselves in testimony before the judge."

I point out to my colleagues that an official of the State Department was quoted in the Washington Post, commenting on the staff report of the task force, that "progress on the case has not been satisfactory."

Only this morning we learn from an article in the Washington Post that, according to an affidavit of the United States military adviser in El Salvador, senior Salvadoran officers may have known 10 days before the murders that Colonel Benavides had threatened the Jesuits. It seems obvious that these senior officials could have prevented the murders of the priests.

Recent incidents indicate that the military continues to show disdain and contempt for the church and human rights. I refer specifically to the example I cited in my recent statement—the attack on a Jesuit priest, a former associate of the six slain priests, by an army sniper in Chalatenango province. It was reported that earlier, soldiers in the area told villagers that they were going to drink the blood of priests.

The peace talks that have been going on between the FMLN and the Salvadoran Government so far have yielded few tangible results. Until the issue of meaningful military reform is resolved there will not be a cease-fire. The two parties agreed in the Caracas meeting at the beginning of the process that the negotiations would work toward the adoption of meaningful reforms which would then lay the basis for a cease-fire.

Regrettably, proposals now circulating that would link a reduction in military aid to a cease-fire only serve to muddy the waters. We must continue to support the peace talks by strongly indicating our desire that both parties should stay at the table and seriously negotiate with the help of the United Nations.

As I stated earlier, the military must permit the Government negotiators to move on reforms and the FMLN must not resort to a military offensive such as the one that resulted in so much death and destruction last November.

The people of the United States have reached their limit of tolerance for what our aid to the Salvadoran military has brought. Every day, we receive the pleas of the American people through the religious, labor, and human rights communities to halt the influx of massive military assistance to El Salvador. The citizens of Rhode Island have been most adamant in this regard. They can no longer tolerate military assistance and I cannot justify sending vast sums to the military.

At a meeting in the majority leader's office a few weeks ago, I told President Cristiani that I advocated no military assistance to El Salvador because there was not much substantive progress being made in the Jesuit case. I was hopeful that this position would prevail in the Senate. However, at this moment, it seems that the Dodd-Leahy proposal, which would withhold 50 percent of the military assistance, has a very good chance of passage. I therefore am supporting the Dodd-Leahy effort and urge my colleagues to vote against the Graham-Kasten amendment when it is before us. Dodd-Leahy sends the message to the Salvadoran military that the American taxpayer is demanding basic reforms in El Salvador, finally paving the way for peace. This for sure is the clearest message that we can send to the Salvadoran Armed Forces. It is a message that they will understand.

I yield the floor.

The PRESIDING OFFICER. The chair recognizes the Senator from Colorado [Mr. WIRTH].

MEXICO CITY POLICY

Mr. WIRTH. Mr. President, later, in consideration of the foreign operations bill, I will be offering an amendment that will put an end to the so-called Mexico City policy in the United States. I wanted to speak very briefly on this to alert my colleagues to what this is and what will be coming up later in the consideration of this legislation.

The Mexico City policy is a policy adopted by the United States in a meeting around then Chief-of-Staff Baker's table in the White House, a policy which prohibits the United States from assisting hundreds if not thousands of family planning organizations around the world if those organizations in any way, with their own funds, provide counseling, information, or health care related to abortion.

This wrongminded U.S. policy has had just the opposite effect of what its authors wanted it to do. They were concerned that we might in some way be encouraging abortion around the world, with U.S. aid money. The result has been just the opposite.

The fact that we have cut off assistance to thousands of family planning organizations and millions and millions of women around the world has left hundreds of thousands of women with no alternative except to have abortions if they are pregnant with an unwanted child.

The consequence has been an escalating and dangerous abortion rate around the world. That would be the purpose of the amendment and the thrust of what will, I am sure, be a very heated but terribly important discussion.

Let me set this up, Mr. President, by quoting from two situations 20 years apart.

The first occurred on the 24th of February, 1969, on the floor of the U.S. House of Representatives. Recognition was given to the Congressman from Texas, George Bush, who said:

> We need to make population and family planning household words. We need to take the sensationalism out of this topic so that can no longer be used by militants who have no real knowledge of the voluntary nature of the program, but rather are using it as a political stepping-stone. If family planning is anything, it is a public health matter.

That is a quote from George Bush, then-Congressman from Texas, and, of course, now the President of the United States.

Let me jump to 20 years later, July 13, 1989. This is from an article written by Ethan Bronner in the Boston Globe, entitled "On Abortions, Turkey Bows to U.S."

> IZMIR, TURKEY.—In the packed slums that ring this Aegean port, where the population will double again in 12 years, the American abortion debate reverberates with a tinny, nearly incomprehensible timbre.
>
> With hard living conditions, scarce work and four to five children per family, disputes over whether a fertilized ovum is the same as a person would normally seem to many here—where early abortion is now both legal and free—merely a quaint American preoccupation.
>
> But American abortion politics are affecting the lives of thousands in Turkey and millions around the world. The result is

anger, confusion and, occasionally, physical harm.

The United States became world leader in promoting population control in poor countries in the mid-1960s, thanks partly to the dogged work of a young Houston congressman named George Bush.

In the political climate of the past decade, however, population control has become a perilous issue. In 1984, the Reagan administration announced at a Mexico City conference that Third World poverty could be better fought through market economics than increased family planning.

Since then, U.S. aid for family planning abroad has declined steadily from $300 million to $230 million a year.

In addition, the United States said, abortion had no place in family planning, even as a last resort.

Congress had agreed to an amendment sponsored by Sen. Jesse Helms [R.-N.C.] in 1973 that American aid would not be used to perform abortions. But the new policy went further. Now, the aid could no longer be used in family planning clinics or programs that counseled for or acknowledged the option of abortion, even if the counseling was paid for by non-American money.

Known as the Mexico City policy, the announcement drew proud cheers from the antiabortion lobby. But in April, here in these squatter suburbs, it had a hand in almost killing Gulsen Unaian.

CASE STUDY IN IZMIR

Unaian is a shy, roundfaced 27-year-old who moved here from a village in east-central Turkey six years ago. Her husband, a seasonal construction worker, built their home, a three-room hut with outdoor toilet, down a narrow unpaved alley.

Gulsen had two children and felt she could neither house nor feed any more.

So when a local woman, Zisan Akayran, came by with a kit to explain various forms of birth control, Gulsen listened. She was cautious, however; unsure whether the new methods would cause her harm or anger her husband.

Akayran visited every month or two. Along with a dozen others, she had been trained and was paid with American government money. The project is jointly run by the Pathfinder Fund, a private, watertown-based population control agency, and a Turkish foundation.

Because the project is funded by the Agency for International Development, the US government's foreign aid arm, Pathfinder and the Turkish foundation had to sign a contract that stipulated they would abide by the Mexico City policy.

Birth-control trainers such as Akayran are forbidden to mention abortion to any client—except in cases of rape, incest or mortal danger—or the program risks losing its funding.

Abortion on demand in the first 10 weeks of pregnancy has been legal and free in Turkey since 1983, when this Moslem country saw its ballooning rates of fertility and maternal death reach critical points. A key religious leader endorsed the legislation, saying the Koran allows abortion up to 10 weeks gestation, although this is not a universally held view.

A new study shows that since abortion was legalized infant mortality has decreased dramatically. Demographers here estimate that about a third of infant deaths formerly were from neglect and abuse of unwanted babies.

But the word of legalization is not fully out. Many of the country's 55 million are illiterate and it costs money to spread the news of the changed law.

Moreover, the aim is not to use abortion routinely but to get Turks onto reliable birth control methods and use abortion for those who have no other choice. Because the government is too strapped for much birth control counseling—state maternity hospitals are jam-packed every morning.

After Gulsen Unalan gave birth to her third child last August, she accepted condoms with the plan of eventually having an intrauterine device inserted.

And when a condom broke this spring, she was unconcerned, having been told it was unlikely she would get pregnant while lactating. But she did.

She went to Akayran, her distributor, and asked what to do. Akayran said she could not help, that Unalan should go to the state hospital. She could say no more; that was the policy.

Unalan had never been to a hospital. For many rural people, hospitals are places to die. Feeling betrayed and afraid, she drank henna, a red-brown dye she had heard would induce menstruation. She only felt worse.

She inserted a long, sharp chicken feather into her uterus.

She bled profusely and fainted. A neighbor found her and got her to a hospital where an abortion was peformed.

Perched on a chair in her home recently, Unalan tells her story softly and plainly, her hair shrouded in Moslem modesty, her baby daughter sitting on her lap.

Akayran, the contraception counselor, listens, pained by the predicument in which she and Unalan found themselves.

Tulay Bayindirli, who coordinates the project, can barely control her rage over the American policy and its impact on the women she is trying to help.

"Our distributors spend a long time convincing these women to use birth control." she says. "They share their most intimate concerns, become their confidantes. But as soon as they develop this terribly important problem, we turn our backs and say, 'There is nothing we can do.' Its incomprehensible."

Gulsen Unalan is not the only local victim of the Mexico City policy. A few blocks away. Fatima Yetkin, 35, a mother of four, tells how she got pregnant while taking contraceptive pills irregularly. She asked her distributor what to do and was faced with the same fearful silence.

Desperate, she tried inducing abortion with a meat skewer. She hemorrhaged and nearly died. She still has pelvic pain several months later.

To Dr. Pinar Senici, who has just launched an Agency for International Development-funded contraceptive project in northwest Turkey, the American policy is dangerous.

"It makes our level of care worse," she says speaking in the Ankara offices of a tradesmen's confederation that is the local cosponsor of the project. "I want to talk openly with women. I want to say to a woman that if she gets pregnant with an IUD in her it can be dangerous and she must get an abortion. But I can't.

"Abortion is a good time to start teaching about contraception. There is a Turkish saying; One piece of trouble is worth a thousand pieces of advice."

Turkey, the most pro-Western of the Moslem nations and with the second-largest standing army in NATO, is insulted by the American policy. But, in need of the help, it finds it has no choice but to abide by it.

Tandogan Tokgoz, former director general at the Health Ministry, says: "Abortion is accepted in Turkey as a woman's right. Yet in order to qualify for American money, we must ignore our own law."

Officials at the Watertown-based Pathfinder, which runs several programs here as well as some 180 projects in 21 other countries, is equally incensed.

"The position this policy puts us in is a thoroughly disrespectful one," complained Pathfinder executive director Daniel Pellegrom.

Pathfinder has joined Planned Parenthood Federation of America, in legal challenges to the policy. The cases are pending in federal courts in Washington and New York.

Mr. President, this arrogant policy by the United States, this inhuman policy by a country that should be leading the world on the concerns of population, must change. It is my intent to offer the amendment to put an end to the so-called Mexico City policy. I speak at this point to begin to set up that amendment so that our colleagues will know what the amendment is and what the stakes are.

Mr. BOSCHWITZ. Mr. President, I rise to speak about the amendment that is on the floor that deals with Central America. I want to make an observation about Central America in 1980 and then Central America in 1990.

I know that there is much controversy over American policy, and I have been the subject of some of that controversy in my State. But nevertheless, let me talk of the success of American policy there in Central America.

There are seven little countries there. Going from south to north, the first is Panama, which is about a third of the size of my State of Minnesota, and has fewer people, has 2½ million people, roughly.

Then there is Costa Rica; Costa Rica being the only democracy of long standing in Central America, a country that has a century of history, a prideful history of democracy, and a good solid democracy that all should be proud of.

It, too, is a small country. Then comes Nicaragua. Nicaragua is about two-thirds the size of my State with about 3 million people. So it, too, is a small country. Then there is El Salvador, Honduras—El Salvador being a very small country physically, only one-sixteenth or one-fifteenth the size of my State but with more people, 5 million people; Honduras, Guatemala, and Belize, Belize really being a small country with very few people.

These are small countries. On January 1, 1980, one, Costa Rica was a democracy; one had a government that was elected; one had a government that really was representative of the people. Now if we look at the end of the 1980's—1990—they all have elected governments.

Are they perfect democracies, each and every one of them? No. Are they better than they were? Quite clearly they are far better than they were. Things in Central America have changed immensely over the decade of the 1980's. All of them are democracies.

I know we are focusing on El Salvador. There, people at great risk came out and voted. People at great risk came out and voted in numbers that we have not seen in this country for many years, at least in percentages of eligible voters. Alfredo Cristiani won in what is certainly widely regarded as a fair election.

Does that mean that all is well in El Salvador? No. I do not think any reasonable person could maintain that all is well in El Salvador. But I remember the months when the Archbishop of San Salvador, the capital, used to keep records of people who were killed mysteriously, during the course of those months. Sometimes it went up over 800 people; 800 people killed by murder squads of the right and of the left. I will leave it to others to argue who were better at murdering people. Certainly both were involved.

Now that figure is way down. I have not seen figures in recent months. I and most Americans have not read about these murder squads operating in recent months. Yes, some people have been killed. Some people of God have been killed, And those who performed those deeds have not been adequately pursued.

I know President Cristiani is trying to rectify that situation, and we should do all we can to push him, and to be aggressive in pushing him to rectify that situation. I have no argument with that.

But I make the observation that on January 1, 1980, killings were rampant throughout all of Central America, and that is no longer the case. On January 1, 1980, only one of those countries had Democratic institutions. Today all of them are democracies. Progress has indeed come to Central America.

Much progress is still to come, both in the political and in the economic sphere. But I will continue to support administration policies because I think we contributed to the success I have mentioned. And I will continue to support administration policies. So hopefully the successes will continue and the economies will grow and the democracies will become more vibrant. I yield.

The PRESIDING OFFICER. The Chair recognizes the Senator from Idaho [Mr. SYMMS].

Mr. SYMMS. Mr. President, it appears to me it is the old saying, "Here we go again." I suppose some of my colleagues will say, here goes Symms again, saying this is the wrong time to put on the limitations. But we should review what has happened in El Salvador in the last 10 years. Ten years ago that country was ruled by a military junta. They did have an economic system that was somewhat controlled by a few people, which is not a good long-range plan, but they did have an industrial base growing, technology coming in, new industries coming into the country, and there were signs there that the middle class was growing. There were going to be more and more opportunities for middle income Salvadorans to have a better life.

At that time the U.S. Government decided it was time for us to start imposing some reforms on El Salvador and we stepped in and started forcing reforms to try to help those people have a better opportunity so they could move even faster. I do not say this happened without people who had high, noble ideas, who wanted what they thought would be in the best interests of the Salvadoran people.

However the way it worked out, as is often the case, the United States of America, this bastion of liberty, the example for all other peoples in the world of the place where markets work, started shoving socialism down the throats of the people of El Salvador to replace what was more of a oligopoly at that time. A few families owned most of the land and the property. Instead of allowing them to make a step-by-step process in a reform where they could gain economic wealth and gradually have reform, we wanted them to go all the way and started pushing socialism, land reform, taking land away from people as strings attached for U.S. aid and so forth.

It finally reached the point when the junta had appointed the late President Duarte to the presidency, a Socialist, of the Christian Democrat Party, that the United States actually, from my information, supported the Duarte government in the race then between the ARENA Party—which is the free enterprise—and Napoleon Duarte. He was elected in 1983 with U.S. State Department and U.S. Government support.

Then, Mr. President, we went through another period of years and turmoil. All this time there was a war going on. So there were two wars going on. One was the Government of El Salvador, which was elected in an economic war against the engines of production in the country where they were imposing land reforms, taking land away from people, giving them worthless paper, government bonds, and so forth in replacement of it, and asking those people, then, at the same time also to be fighting a war against the Communist-inspired, supported, guerrillas, a military war in the country where they were blowing up the infrastructure and raising general havoc with the civilian population. So there were two wars going on.

They made it through the years of 1983 to 1989 with a great deal of struggle. Even though I disagreed with the economic policies that the late President Duarte was pushing, I have great admiration for him as a person and respect for his memory. I had been to El Salvador on several visits during that period. He held another set of elections, and in 1989 the free enterprise candidate, Alfredo Cristiani, head of the ARENA Party, was elected as President of El Salvador, which is where we are today. The same President is in power.

He is a very fine person. And I have to say the former President, President Duarte, allowed for the process to work. Had he been less of a democrat, with a small "d," he would not have allowed that process to go forward in that election and allowed the opposition party to take power.

So they had a peaceful transition of power within the government. But here we are again, the United States, starting to impose regulation; impose restrictions, impose everything on the government tied to our assistance to the Government of El Salvador. We are doing this when less than 1 year after the Communist guerrillas staged a violent military offensive and at the very time the guerrillas are talking about launching another offensive, along comes a proposal—well intended, I would have to say; well intended by my colleagues—but it is a proposal that will start prohibiting military assistance to El Salvador if the President of the United States determines that the Government of El Salvador has failed in any of five tests outlined in the amendment.

Further, it reduces military assistance by 50 percent unless the President certifies that the FMLN has failed to negotiate in good faith as determined by another set of tests.

In short, Mr. President, when I said at the outset, "Here we go again," Alfredo Cristiani, who is our friend—he was overwhelmingly elected in a free election, and he is truly an ally of the United States—is put in a position where he is on equal footing with the Communist guerrillas who have been rejected at the polls and rejected by the people of El Salvador. All they have to do, Mr. President, is merely keep quiet, under this amendment. If they just keep quiet for a while and remain at the negotiating table, no matter how absurd their proposals may be, they can automatically deny half of the military assistance to the Salvadoran Government. That is not a bad deal.

That is not a bad deal. They can send a couple of people up to negotiate with the current government who was elected by the people, who is an ally of

the United States, and then deny them half of their military support, when you are getting all the military support continuing to go come into your country, that is a pretty good deal.

On the other hand, if the Government of El Salvador refuses to enter into some kind of a sham settlement developed by the Secretary General of the United Nations, all assistance could be cut off.

Mr. President, this sends a terrible message to our friends in El Salvador, particularly given the record that the United Nations has in many of these other instances around the world.

I think what we are doing here is we are tying the hands of our ally once again. We shackled them and forced and helped contribute to pushing a failed, dead, dying economic system down their throat during the entire decade of the eighties so that they did not get the economic growth they needed. Now we are trying to tie their hands so they cannot get rid and cleanse themselves and purge themselves of these terrorists and the military operations that are taking place against the people today.

This government and the people of El Salvador were fighting less than a year ago for their survival. They attacked both the private and official residences of President Cristiani. They fired shots at the U.S. Embassy, some American servicemen were held hostage for several hours, and the people found no support. They received no support at the polls. The Salvadoran people squarely are behind President Cristiani now. I think it is well that they should be. He is a very fine man. I think he is a man of high integrity and he wants the best for his country, and in the true sense of the word, he, too, is a democrat, but he also has, I think, a better understanding of where economic growth comes from, that it comes from an incentive reward system on behalf of the people and not from socialism.

Mr. President, while a friendly democracy in our own hemisphere is fighting to secure the freedoms we enjoy, we in the Congress today are seeking to pull the rug right out from under them. In my view, we are placing unconscionable restrictions on El Salvador when we should be sending a message of support for what they are doing. We are pressing for a policy of defeat, to snatch defeat, if you will, from the jaws of victory.

Mr. President, the threat to the Cristiani government, in my view, is real. The progress of the Cristiani government in holding the line against communism, preserving democracy, promoting economic growth and, yes, pushing for a peace settlement is real as well.

President Cristiani pledged to the people of El Salvador on the day of his inauguration that he would pursue vigorous negotiations with the Communist guerrillas. He has done that. His track record is solid, in contrast with the track record of the guerrillas that this amendment will give credibility to.

Their record is abysmal, yet it is predictable. President Cristiani has pursued the agenda of peace and negotiations; the guerrillas, Mr. President, have pursued an agenda of disruption, of deceit, of murder and violent revolution. Walking away from the Government of El Salvador at this particular juncture will merely strengthen the hands of the guerrillas and reward the tactics.

Mr. President, after many observers believed and we thought and we hoped with the ascension of Violeta Chamorro to the presidency of Nicaragua, the guerrilla supply lines to El Salvador would dry up, weapons would be seized and after that defeat at the polls of the Communist Sandinistas in Nicaragua, that would stop the flow of support to the guerrillas. Unfortunately, Mr. President, that has not been the case. Not only did Mrs. Chamorro fail to seize control of the Sandinista military machine, but she kept General Humberto Ortega on the job as the commander-in-chief of the Nicaraguan army.

We all recall who Ortega is. He is the brother of Daniel Ortega, the Communist dictator of Nicaragua finally voted out of office, the first in a long time, to my mind, of a Communist voted out of office. He is an avowed Marxist and one of the architects of a sophisticated clandestine program to assist the Salvadoran guerrillas.

Mr. President, in the months since the Sandinistas were defeated at the polls in Nicaragua, countless weapons have been seized en route to El Salvador. On three occasions, the Honduran Army has seized shipments of AK-47's, TNT explosives, and all other kinds of logistics. The following month, the Honduran police captured a large arsenal of weapons in Honduras. They have permitted the press to inspect them. Two months ago, the Honduran officials captured a French national carrying logistical supplies to the FMLN and they even uncovered FMLN identity cards and equipment used to falsify documents.

Mr. President, apart from last November's massive offensive, the guerrillas have continued to target Government officials for specific acts of terrorism. Since February 1989, they have done the following, and this is not a total list but it is just some of the things they have done: They killed the attorney general; they killed the chief of staff to President Cristiani; they killed the chief of the volunteer firemen; they killed the president of the International Relations Institute; the wife and son of a prominent newspaper editor; a prominent intellectual with a dual United States-Salvadoran citizenship; the son-in-law to the air force chief of staff; and former president of the Salvador Bar Association. They have made attempts on the lives of the president, vice president, the president of the legislative assembly, deputy interior minister, the president of the Salvadoran telephone company, the former head of the national police, and the minister of labor, and not only that, after they have done all those things, the United States Senate is getting ready to force the president—who is our friend, the President of El Salvador—we are going to tie these restrictions to him unless he deals with these people exactly the way the Members of the United States Senate think it should be.

Mr. President, it is not a perfect world. I would have to say, and I said it many times, it is very hard to find Jeffersonian Democrats in Third World countries, but I believe personally that we found one in President Alfredo Cristiani. Here we have one of the best people we have ever been fortunate enough to be able to say we are supporting, and now we are going to start imposing limitations on him and not give any confidence that these people have to do what they have to do to fight and win this war and cleanse themselves of these terrorists in their country.

Mr. President, in face of these acts of terrorism, the Government has sought negotiation rather than confrontation. That is the record. President Cristiani now has followed up on his election day pledge with specific proposals calling for immediate unconditional, uninterrupted negotiations for peace with the guerrillas. Since April 1990, the Government has been engaged in a process of monthly peace negotiations with the guerrillas. Some have claimed that the Government of El Salvador is not serious about the peace process, using it only to gain a tactical advantage and propaganda advantage over the FMLN. Nothing, Mr. President, could be further from the truth. In fact, the evidence points to the opposite conclusion that the guerrillas are using the negotiations to enhance their international image, buy time, train troops, and stockpile weapons. It is the same old game. I do not know how many times we in the United States have to be suckered into a deal to have a peace negotiation while the enemy regroups, gets stronger, gets ready, gets trained, and they only use the peace negotiations to their own advantage.

The Government of El Salvador has sent a high-level delegation to each of the negotiating sessions and has lately included a member of the armed forces high command in their delega-

tion. In fact, the Government is so serious about the prospects for peace through negotiations that it has even sent a delegation to Caracas, Venezuela, in the middle of the failed FMLN offensive in November 1989. They have been trying and trying and trying. What more can we ask? While they were actually trying to negotiate with the guerrillas, the Communist guerrillas were swarming the back alleys and neighborhoods of San Salvador trying to seize the capital, the Government. In spite of what was going on, they still tried to negotiate. Needless to say, the guerrillas failed to send any representatives to that session.

At sessions the guerrillas have chosen to attend they have repeatedly backtracked and reformulated unrealistic proposals that amount to nothing less than a surrender of democracy. That is right, Mr. President; they are asking for the surrender of democracy in El Salvador. We witnessed three good elections in that country and the people have chosen who they want to be their leader, and then we are trying to make them negotiate with the people who want them to surrender that Government or else. It is mind-boggling to this Senator.

Finally, Mr. President, I have heard a great deal of the discussion about the case of the six Jesuits who were killed last November, and I would have to say that I, along with the other 99 Senators here and 435 Members of the House, was dismayed about the murders. Within hours, however, of that incident, President Cristiani ordered a full investigation and requested additional technical assistance from the United States Government, FBI, from Scotland Yard, from the Canadian and Spanish police. He denounced crime and vowed that the murderers would be brought to justice, no matter who they were.

The indictment 2 months later of the highest ranking military officer ever charged took place, along with eight other officers and soldiers. This demonstrates their commitment to do the best within their power to have the rule of law adhered to and respected in El Salvador.

Mr. President, I ask unanimous consent that a detailed chronology of the Salvadoran Government's handling of the case be entered in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SYMMS. Mr. President, this is not the time to walk away from our friends in El Salvador by tying their hands behind their backs while the people with whom we will force them to negotiate will be able to put on a sham negotiation, rebuild, restructure, and move forward. I think it is both hypocritical and irresponsible to tie the hands of the Cristiani Government while they are making progress on a number of important fronts.

I urge the Senate to eliminate these unnecessary restrictions.

Mr. President, if we fail to do so and we unrealistically tie the hands, as though we live in some utopian world, of the Government of El Salvador, I think they are coming close to the point in time in history they must consider repudiating all aid from the United States because it may just be you cannot afford to have the United States on your side, if the United States, the great bastion of freedom and capitalism, is going to shove socialism down your throat, break the back of your economy. When you are under fire from combative military terrorists, the actual fact that people are being killed, the attorney general, the chief of staff of the President and many others that I have already mentioned being shot and murdered, and the United States is going to require all these unrealistic restraints, it just may well be that President Cristiani would be better to look elsewhere for some help.

It is true they desperately need help. They desperately need help. I believe we should help them because if we will not help them, it will be very difficult for them to get it.

I urge my colleagues to not deny them the opportunity for victory over communism. We are winning the battle over communism in the intellectual world. It is a bankrupt economic and governmental system. The world is recognizing it rapidly in the late 1980's and the 1990's.

Why then should we impose restraints on the Salvadoran Government which will, in fact, slow down the opportunities for quicker economic recovery, for quicker democracy for the people of El Salvador, just because we want to have it the way we think it should be in the Chamber of the Senate of the United States?

Mr. President, I appeal to my colleagues, let us not go down the same road we have been traveling for so long with a weak position. We have no reason to hang our heads in shame. President Cristiani has no reason to hang his head in shame. We should give them the support that is necessary so that they can achieve peace and freedom in El Salvador and not tie their hands in a fashion which will only prolong the killing, prolong the agony, slow down the rapidity from which they will be able to recover from the tangle in which they have found themselves engaged.

Mr. President, I yield the floor.

Mr. BINGAMAN addressed the Chair.

The PRESIDING OFFICER (Mr. FOWLER). The Senator from New Mexico.

Mr. KASTEN. Will the Senator yield for just a moment?

Mr. BINGAMAN. I certainly will.

Mr. KASTEN. I thank the Senator for yielding. There are now 15 minutes before the vote that is scheduled. I do not know how long the Senator has intended to speak, but it would be my hope that we could divide these 15 minutes so that the Senator would be able to speak for not to exceed 7½ minutes, and that then I could be in control of the remaining 7½ minutes.

I know the Senator from North Carolina, and there may be a couple of other people on our side, would like to speak. I want to be sure we have an opportunity during these remaining minutes to do so.

I ask unanimous consent that I be in control of the last 7½ minutes of this debate beginning at 3:22.

Mr. BINGAMAN. I ask the manager of the bill and sponsor of the legislation, did he want to have any additional time?

Mr. LEAHY. Mr. President, this is perfectly agreeable to me, providing we still vote at 3:30.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Wisconsin? If not, it is so ordered. The Senator from New Mexico [Mr. BINGAMAN] is recognized for 7½ minutes.

Mr. BINGAMAN. I thank the Chair.

I rise to urge my colleagues to support the Leahy-Dodd amendment to limit and condition United States military aid to El Salvador.

In my view, it is long past time that we should have begun to pursue and promote a negotiated settlement in El Salvador rather than continuing the policy we have had which really has had the effect of exacerbating the situation. I urge my colleagues not to change the language that Senators DODD and LEAHY have worked so hard to include in this bill.

This very day there is a group of military men in El Salvador who are charged with the crimes that shocked the world last November 16, nearly a year ago. At that time, in the middle of the night, six Jesuit priests, their cook and her daughter, were dragged from their rooms at the University of Central America in San Salvador and murdered in cold blood. A preliminary investigation implicated these men and they have subsequently been confined to various barracks.

In my opinion, they might as well be roaming the streets of San Salvador, for it appears clearly they have been freed from any real worry of a successful prosecution under Salvadoran law. In fact, key pieces of evidence have been destroyed and others have just vanished.

Before we vote on the amendment that is before the Senate, I wish to emphasize one very important thing to

my colleagues, and that is that a vote in support of the current language, the language in the Dodd-Leahy amendment, is not a vote for the FMLN.

The unique thing about this language is that it includes penalties and prohibitions for both sides. The prohibitions on the Government have been well publicized in the press, but the prohibitions on the FMLN have not. I need to make clear that they are equally as strict as those that apply to the Government.

If the FMLN refuses to negotiate a peace settlement, refuses active mediation by the United Nations, receives a significant amount of lethal equipment from abroad or launches a potentially debilitating offensive, it risks the resumption of full military aid to the Government of El Salvador and clearly this is as much a warning call to the FMLN as it is to the Salvadoran Government.

In the most basic terms, Mr. President, this bill offers hope. The problem in El Salvador is that the continuing violence, the bombings, the assassinations, the mysterious disappearances, tend to push people one way or the other to the very far left or to the very far right. In effect, this weakens the center and it reduces the chances for a truly successful negotiated settlement.

In my opinion, this bill is the best way we have to support such a settlement. It speaks out for the Salvadoran citizens who want little to do with the ongoing war, and who only wish to live and to work in peace.

Mr. President, since last November the communications that I have received on this subject from my constituents in New Mexico have been surprising to me both in the tone and in the sheer volume of those comunications. Almost every day in our office here in Washington and in our offices in the State, we receive letters, phone calls, petitions, telegrams, and bulletins from individuals and from church groups all telling me that military aid to El Salvador should be cut, or even better, that it should be eliminated altogether.

I think it is very rare that I have received a letter or a phone call in support of continuing the current levels of aid, military assistance, and certainly I have received very little communication urging an increase.

I believe that the people in my State share a special connection with the country of El Salvador and the people of El Salvador, just as we share that connection with others in Latin America, because of the Hispanic heritage that our State enjoys.

But the events in El Salvador, particularly in the last year, have struck an exceptional chord in my State. Many of the letters and phone calls and telegrams have come from Central American activists. These people know the issue well, just as they know the intricacies and nuances of United States policy in Honduras, Guatemala, Nicaragua, and elsewhere in Latin America.

But an amazing proportion of these communications came from constituents who do not know the issues well, who have never left the United States, and do not speak Spanish. They do, however, know what they read in the papers, and frankly the information which they read shocks and outrages them.

Mr. President, the people who communicated with me from my home State of New Mexico are outraged by the continuing violation of decency and basic human rights in El Salvador. They are outraged that the United States Government is a party to this.

I urge my colleagues to read some of the letters and see some of the petitions they have received from their own constituents. The question before us of whether to continue or reduce or eliminate United States military aid to El Salvador goes to the very heart of our most basic sense of decency, compassion, and humanity.

I hope my colleagues will support the Dodd-Leahy amendment on El Salvador and reject the attempts to change that language.

Thank you, Mr. President. I yield the floor.

Mr. KASTEN. Mr. President, I yield to the distinguished Senator from North Carolina for 10 minutes.

The PRESIDING OFFICER. The Senator from North Carolina is recognized for 10 minutes.

Mr. HELMS. I thank the Chair.

Mr. President, every Senator in this body, I believe, has respect for Cristiani, the new President of El Salvador. I have not heard one Senator say anything other than praise for President Cristiani. President Cristiani has done more for cleaning up the situation in El Salvador than anybody in my memory. He has a tough job.

But what happens now to this man, who comes here and visits with all of us, when we get a proposition like the one pending before us and on which we are supposed to vote at 3:30?

What is afoot here, Mr. President, is an effort, a proposal, to cut the legs out from under the freely elected Government of El Slavador. The amendment proposed by the distinguished Senator from Vermont is in fact a nearly identical substitute for the amendment he proposed in committee. It is proposed only as a parliamentary device to shut out a clean up or down note on striking his committee proposal—an amendment which I had intended to make.

The language of this amendment is somewhat curious. First, it cuts over half the military aid to El Salvador immediately. There is no justification given for the size of this cut. The aid has been given in the past to help overcome the attacks of the Communist guerrillas against the people of El Salvador.

The authors of the amendment have made no showing that the threat posed by these Communists has grown any less or that there is no military need for the assistance.

Let me make one thing clear, I am not a fan of foreign aid. I do not vote for it. But if we are going to give foreign aid in any form especially military aid, certainly we ought to give it to those governments and those leaders which are trying to eliminate communism and Communist violence in their country.

Indeed, even during the past few days while we have been debating this bill, the guerrillas have moved to blow up electrical installations and have attacked the main military airport in El Salvador.

The guerrillas demonstrated during last year's offensive that they had no popular support in El Salvador, but they are still able to engage in isolated terrorist attacks against the infrastructure of their country. This is no time to cut back on the power of El Salvador's security forces to respond to this Communist violence.

Nobody denies that these terrorists are Communists. Nobody claims that the terrorism they are doing does not exist. But the proposal in this bill weakens the forces of freedom and democracy in El Salvador. I just do not understand it. I do not understand the pleas that always come forth in this Chamber when we find a government whose leaders are opposed to communism.

I suppose the proponents believe that the civilian government should be weakened in the face of this Communist terrorism because they feel that the justice system of El Salvador has not yet convicted certain people suspected of human rights abuses during last year's military offensive. I do not propose to read their minds, or try to.

But I will say to them that of course the U.S. justice system is by no means perfect, either. If you are going to apply that yardstick, you get yourself in a sticky wicket.

Nevertheless, the authors of this amendment seem to have a political dispute with the centrist government of El Salvador. So they propose to limit the funds available for the national security of the people of El Salvador.

There is simply no proportion between the problem with the justice system, which is an important one if what is charged is true, and the national security problem, which is overriding.

Let us look at the conditions of this proposal, the legislative proposal now

pending. As I said, first there is an automatic cutoff of 50 percent of military aid. But then all military aid will be cut off if the President of the United States determines that the Government of El Salvador has failed to meet even one of five conditions.

This is like saying that if the patient is sick you should tie him up and shoot him. Moreover, it is not clear to this Senator why the President would want to make a finding to cut off all aid on the basis of these legislative conditions. After all, as the Chief Executive under our Constitution could suspend aid at any time on his own initiative. All he has to do is grab a pen and sign the papers. The purpose of the conditions is apparently to establish legislative pressure points, for instance, for left-wing agitators around the world who want to bring down any pro-U.S. Government.

But then there is a second series of conditions. If the President finds that the FMLN is failing to meet one of the five conditions, then the 50-percent cut could be restored. You see the irony of that? Unfortunately, these conditions are subjective, in fact, or open to subjective interpretation, and would again reopen the debate about whether the United States aid should be restored to El Salvador.

Unfortunately, implicit in both sets of conditions is the requirement for a cease-fire. Even if you believe that the conditions cannot be proved one way or another, then the main purpose of this proposal seems to me to be to force a cease-fire upon the people of El Salvador.

We do not know what kind of cease-fire that will be. The proponents do not know what kind of a cease-fire that will be. But any cease-fire that forces the democratically elected Government of El Salvador to be restructured to meet the demands of the Communist guerrillas amounts to nothing more than forced surrender. It rewards the killing, the murder, the terrorism, and the destruction of property which the Communist FMLN has heaped upon El Salvador.

Mr. President, why do we always force moderate, reasonable, free-market-oriented governments to surrender to the kind of leftists we would never tolerate in our own country? Once again, it proves how dangerous it is to be a friend of the United States. It is not in the interests of the United States or of this Hemisphere to have a government in El Salvador dominated by the tiny minority of leftists that control the Communist guerrilla movement.

The President of El Salvador has been seeking negotiations with the guerrillas, and he is wise to do so. But if we have the best interests of the people of El Salvador in mind, we should be strengthening him so he can negotiate from a position of overwhelming strength. The guerrillas can never win the war against the people of El Salvador—unless they have the assistance of the Senate of the United States.

That is what the question is: Do we strengthen the Communist guerrillas or do we strengthen the democratic government? This legislation establishes a moral equivalence between the two groups. It places the weight of U.S. assistance equally on both sides. But that is morally wrong. I say that we should place the weight of our assistance on the side of freedom.

Mr. President, there is not the shadow of a doubt that a sizable number of Senators in this body strongly disagree with the democratic decisions of the people of El Salvador. They are upset because the Christian Democratic government of the late Napoleon Duarte, a government which the United States Government forced upon the people of El Salvador in a most undemocratic way, was such a failure both in terms of social and economic development and old-fashioned integrity. They now pretend that the Government that the people of El Salvador freely elected last year is also a failure, and that the people of El Salvador should be forced to accept a coalition with the Communist guerrillas—who have never represented more than a tiny fraction of the population.

That is what negotiations are all about. Senators can talk all they want about "ending the bloodshed," and achieving reconciliation. But the fact is that President Cristiani has been ready to end the guerrilla war from the very first moment he was inaugurated. He has invited the Communists to join in the democratic process. The bloodshed has been continued only because the Communist guerrillas are desperate about their future.

The guerrillas see that the Communist economies in Eastern Europe and the Soviet Union have collapsed. They see that Cuba is in desperate economic trouble. They see that arms are still pouring in from the Sandinista army in El Salvador. The Communists have huge stockpiles in El Salvador, but they wonder how much longer the arms shipments can continue. Yet the guerrillas know that they cannot win either the war or the hearts of the Salvadoran people.

So the Communists demand that the Cristiani government be kneecapped. They have called upon their supporters in this body to take out a contract against the democratic Government of El Salvador. They want to take away the ability of the Cristiani government to defend the Salvadoran people from the constant terrorism, sabotage of public facilities, and murder of freely elected officials targeted by the Communist plans.

This legislation sets up so many obstacles, so many hoops to jump through, that no reasonable person could conclude that reform or negotiation is the ultimate object. As I pointed out, in the first set of conditions, the President must make a determination on whether the Government of El Salvador is accepting five standards of reform. We know from past experience how that kind of political decision becomes the focus of sharp pressure and debate in a Congress not controlled by the President's party, frequently assisted by mid-echelon employees of the Department of State. The President should not be exposed to this kind of pressure.

There is no doubt in my mind that the final purpose of this language is to force the capitulation of the Salvadoran people to a Communist movement they have rejected time and time again.

The second set of conditions cuts off 50 percent of the aid right up front. Then it proposes to restore the lost funds if the FMLN declines a peace plan and keeps on fighting. This is described as putting pressure on the guerrillas.

I do not understand this concept. Supposedly we are supporting a democratically elected government. Then we penalize the democratic government by taking away half the help. Finally, you threaten the guerrillas by restoring the assistance to the government we purposely weakened. What I do not understand is, why do we weaken the government when the enemy is on the run?

Now of course, the proponents of this legislation are doing this under the cover of splendid outrage over the senseless murder of the Jesuits last year at the University of Central America. Of course, we are all outraged. But the Cristiani government is also outraged, and the Cristiani government has moved with dispatch from the very first day to see that justice is done in this case. But no matter what the Cristiani government does, it is clear that it will never satisfy the supporters of the proposition that the defense of the Salvadoran people against the Communist guerrillas must be crippled.

The credibility of these restrictions is highly suspect, especially when they are seen in the context of the whole situation. From our distance, it is easy to be objective. It is easy to see that the murder of non-combatant civilians is an outrage. Yet I heard no outrage when another Jesuit, the Rev. Francisco Peccorini, S.J., was killed on March 15, 1989, by the Communist guerrillas. Fr. Peccorini had been a powerful critic of the guerrillas and his fellow Jesuits.

However, I doubt that objectivity prevailed at the height of the Communist offensive against San Salvador. It was well-known that the University of

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Central America was the intellectual center of the guerrilla movement, and the author of the revolution that was oppressing peasants, small farmers, workers, and city-dwellers alike.

Shocking as it may seem to those of us gathered in this Chamber today, there is no doubt that a wide spectrum of Salvadoran society regarded the Jesuit victims as the intellectual authors directly responsible for the loss of life, the loss of jobs, the failure of Christian principles, the collapse of the economy, and the terrorism that was tearing apart their families at that very moment of the guerrilla offensive.

The fact that these proponents of "liberation theology" professed sympathy for the poor, and adopted the language of religion did little to mitigate their reputation among the thousands of victims of their revolution. They were regarded as aliens who did not represent the Salvadoran people; all but one of the Jesuits murdered on that night were of Spanish origin and only recently nationalized.

We cannot concur that their fate was in any way justified. But the emotions of war are not easily controllable, nor is it easy to bind up the wounds of a society that has been wracked by tumultuous events. The Cristiani government is to be congratulated for its forthright stand for Christian principles and decency under conditions generated by an irresponsible and ruthless revolutionary movement.

Therefore, we should be supporting President Cristiani and his government in their struggle to maintain the equilibrium of El Salvador in the midst of a torrent of war. We should be lending a helping hand, not adding to his problems. The murder of the Jesuits was a significant blow to the social order of the state; but in proportion to the overall danger threatened by the Communist revolution it assumes a subordinate role.

The so-called remedy proposed in this bill simply is not proportionate to the greater evils which threaten the people of El Salvador. It is important, but not as important as the need for the government to have a strong hand in negotiations with the failed revolution. If we undercut the negotiations by imposing unrealistic conditions whose main intention is to weaken President Cristiani, we will bear the responsibility for the death of democracy in El Salvador.

Therefore, Mr. President, I believe that all conditions should be scrapped. The amendment of the distinguished Senator from Vermont should be opposed, as well as the nearly identical committee amendment which underlies it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin has 30 seconds.

Mr. KASTEN. Mr. President, I hope that we reject the language included in the Dodd-Leahy proposal. The whole point here is that we need to be treating each side in the same manner.

If you look at the language, it is similar to the language contained in the bill already. But the point of this language is the pressure is only going on one side.

The pressure is only going on the democraticly elected Government of El Salvador, The Christiani government. We are going to have an opportunity in the next hour or so to try to craft a way to put equal pressure on one side, as well as the other, through a ceasefire arrangement as well as a cutoff. I hope we reject the Dodd-Leahy language and defeat the amendment.

Mr. LEAHY. Mr. President, I hope we uphold the committee and accept the amendment.

Mr. CRANSTON. Mr. President, I rise today to urge once again that my colleagues support the bill offered by my friends and distinguished colleagues, Senator DODD, and Senator LEAHY.

Mr. President, it is with a sense of anguish that I join the debate today. In a more perfect world, one in which good sense and humanity had a larger audience, we would not be here debating continued aid for El Salvador's murderous military.

No way! Not after the rivers of blood and nights of fear that have been the direct result of a military whose name has become a symbol throughout the world of state-sponsored terrorism. They have been raiding our treasury for too long!

But I do not rise again to speak of the Salvadoran military's abuse of human rights. I would, however, like to bring attention to another, sometimes overlooked aspect of our financial support to them.

Mr. President, let us really stretch our imagination for a moment and pretend that the Salvadoran military did not have a human rights problem. Let us forget for a moment about the murders of the Jesuits, the Fenastras bombing, the seemingly endless numbers of massacres of peasants, and the tens of thousands of other "dirty war"-style slayings committed by them.

Let us talk about money.

Today, the Salvadoran Armed Forces enjoy some pretty fine benefits. Their Social Security system, called the Social Provision Institute of the Armed Forces [IPSFA], has over $100 million in reserves. Not only are the armed forces the largest source of liquid capital in El Salvador, the IPSFA is also into home mortgage finance, small business administration, and real estate development.

If building shopping malls, or even the $5 million 13-story Bank of the Armed Forces, in this small cash-strapped developing nation is not outrageous enough, consider this: A New York Times magazine article in December reported that millions of dollars are being skimmed from the Salvadoran national budget by using such practices such as adding "ghost soldiers" to brigade rosters. These moneys then end up in brigade slush funds.

No wonder a 1988 study by four U.S. lieutenant colonels at Harvard called this criminal pattern of uniformed greed "a West Point protection association gone berserk."

Mr. President, this kind of skimming, in our country, is called "racketeering."

Mr. President, in this country we have what is called the Federal Racketeer Influenced and Corrupt Organizations Act [RICO]. Among the provisions of RICO:

One who has received income from racketeering activity may not invest it in any enterprise engaged in interstate or foreign commerce.

One may not acquire or maintain any interest in or control of an enterprise engaged in interstate or foreign commerce through a pattern of racketeering activity, and

An individual employed by or associated with an enterprise engaged in interstate commerce may not conduct or participate in the affairs of that enterprise through a pattern of racketeering activity.

Mr. President, if the Salvadoran military who come to us today for aid had to pass the RICO test, they would be changing their officers' stripes for prison bars!

After 10 years, the Salvadoran military has gone from the gang that would not shoot straight, to murder incorporated, and, now, the Salvadoran Armed Forces, Inc.

Have we not had enough? Is it not time we gave peace a chance? Is it not time we stop making excuses and start making examples?

Mr. WALLOP. Mr. President, I rise today to speak out strongly against the amendment proposed by my colleagues, Senators DODD and LEAHY. This amendment is dangerous in two regards. First, it promotes further the unfair association between the Cristiani government and right-wing extremists. Second, it puts the democratically elected government of El Salvador on the same footing with the FMLN guerrillas. But they are not, and should in no way be considered, on the same footing.

The FMLN came to the negotiating table last April. But it was only after launching their bloody November offensive in a desperate but unsuccessful attempt to foment a popular insurrec-

tion and overthrow the democratically elected government of Alfredo Cristiani. That effort failed. Combined with that failure, the loss of their traditional support from Nicaragua and Eastern Europe, the FMLN was pressured to return to the negotiating table.

Mr. President, it was not out of the goodness of their hearts. This has been evident in the FMLN's unwillingness to negotiate in good faith. While President Cristiani has made it abundantly clear that military reform is a high priority for his government, it would be absurd for the government to dismantle effectively their defense unilaterally before a cease-fire agreement is in place, as FMLN negotiators have proposed. Any leverage they may have over the FMLN is lost and the prospect of peace and stability in El Salvador becomes that much more remote. A colleague from the other body, Congressman JOE MOAKLEY, a longtime FMLN apologist, even called the FMLN's proposal on the key issue of military reform "particularly extreme and unrealistic * * *."

The truth is this: The Government has called for no-stop negotiations, the FMLN has refused. The Government has called on the United Nations to offer compromise proposals, the FMLN has said "no." The Government to date has offered to transfer security forces to civilian control, abolish civil defense units at the start of a cease-fire and immediate reaction battalions at the close, reduce the size of the army by 60 percent and invited the United Nations to monitor and protect human rights. The FMLN has responded by raising its demands with each new session and stonewalling on a cease-fire.

Additionally, Mr. President, two very recent events cause me further concern. The first: the Associated Press reported that very early this [Thursday] morning, FMLN rebels attacked the air force headquarters, located in San Salvador's eastern sector near Ilopango Air Base, with automatic weapons and homemade mortars.

The gravity of the attack is compounded by a second event: Tuesday's release of excerpts from a previously secret meeting between members of the Salvadoran rebel delegation to U.N.-sponsored peace talks and their United States supporters on the status of the stalemated negotiations. A member of the FMLN's diplomatic commission characterized the situation as follows: "We did, during the negotiations, what we had to do. We devised a scheme of failure and deadlock and we were able to avoid the deadline that we had for a cease-fire in the middle of September. * * * Now this process is going to continue in a slower pace in harmony with the revolutionary strategy of the FMLN." Mr. President, this is an unambiguous statement. I think the FMLN's strategy is clear. Just over 1 month ago, Honduran authorities discovered yet another shipment of weapons from Nicaragua destined to the FMLN. They hope to stall the negotiations, perhaps launch a new offensive, all the while playing on political divisions in the United States.

The FMLN attack, the weapons shipment, and the conversation detailing the FMLN's unwillingness to negotiate in good faith are alarming. But they are even more so in the context of a recent Post article entitled, "Reagan Era Zeal for Central America Fades: Region Once Called 'Most Important Place' In world for U.S. Is No Longer Foreign Policy Priority." Mr. President, I truly regret the lack of wisdom that this article conveys. The progress that has been made in Central America, like the election of Mrs. Chamorro, is a vindication of the Reagan administration policy of the 1980's—wherever possible, democratic resistance movements fighting totalitarian, Soviet-supported regimes deserve America's support. The Reagan administration's policy was often called clumsy. Clumsy or not, it worked. Today Central America is more democratic than ever in its history. By the end of 1990, all being well, which may be too optimistic an assessment, five of the region's Presidents will have won reasonably fair elections within the previous 12 months.

But the region's economy is still a mess. Honduras and Guatemala can barely pay for their fuel imports. Costa Rica has a large debt. Nicaragua's new democrats took over a treasury emptied by the Sandinistas. Panama, in the wake of America's intervention, has yet to see a dollar of the cash it was promised; it's tangled in the procedures of the United States Congress. We like to talk big ideas, but as Panama's Vice President Guillermo Ford pointed out, "You can't eat democracy."

Mr. President, the bottom line is this. Central America received more than $9 billion in United States military and economic aid during the 1980's. Let us secure the victory. Let us ensure that all those dollars make a difference in the lives of Central Americans, that they too can enjoy the prosperity and freedom afforded by free trade and the abolition of an oppressive state sector, by a government responsible to its electorate, and a marketplace responsive to supply and demand. Mr. President, history has taught again and again, there is no substitute for persistence. Ten years of chipping away at Nicaragua's leftist junta created the climate in which the power of democratic ideas could triumph. But even Nicaragua's new President learned a bitter lesson during the union strikes in July about the limits of her power, and about the continuing strength, in opposition, of the Sandinista Party she beat at the polls in April. They have shown they can paralyze Managua. They still hope to block the government's central objective: The creation of a sound currency, and therefore a free economy.

Mr. President, I know I will be accused of cold-war jargon. And with that in mind, let me offer this. If this truly is a "new world order," let us not obscure the pernicious vestiges of the old. Threats to freedom and democracy remain—in Angola, in Afghanistan, in Cuba and in Central America, yes, in Central America. And in mentioning Cuba, let me make one final point. Many would argue that the new distance between Havana and Moscow portends a complete diminution of the Castro threat in the Caribbean. But surprisingly to some, Castro, facing his darkest hour since 1959, is lashing out in an unprecedented demonstration of oppression and totalitarianism. With his frontline allies, Noriega and Ortega, gone, Fidel Castro has claimed the need to put his country on new "war footing." His apparent isolation seems to have reinvigorated Castro's resolve and commitment to the triumph of communism. And Castro's Cuba, lest we forget, is the principal provider of military assistance and financial support to the FMLN almost certainly prolongs it. An observation I would like to point out is this: My colleagues on the other side of the aisle are constantly demanding free elections in countries ruled by authoritarian regimes. Well, El Salvador had a free election. But they don't like the outcome, they don't like that Salvadorans did not choose a leftist government. So they won't support the Cristiani government. I see this as the worst kind of hypocrisy.

Promoters of the cut argue that it will severely restrict El Salvador's national defense forces and push their government to accept quick concessions. But Mr. President, such a reduction is exactly what the FMLN is looking for! They want a signal that the United States might abandon their earlier resolve and that a military solution may indeed be successful—that their objectives may be pursued by force and not by negotiation.

Until the FMLN is willing to agree to a cease-fire, I urge my colleagues to recognize the imperative of continuing our aid to El Salvador. As President Cristiani stated in his recent Los Angeles Times op-ed piece, when the FMLN agrees to cease-fire, he is "prepared to decline half of all available U.S. military aid." He went on to reaffirm his goal of freeing the El Salvadoran people from the constant fear of attack and to incorporating the FMLN into the democratic process "so that decisions are made with ballots, not bullets."

Mr. President, let us support the peace process that is already underway in El Salvador. And let us not encourage the belief that Washington is giving the FMLN the excuse to walk away from the peace talks or to launch a new offensive. What the Salvadoran people need, more than anything, is a cease-fire. Everyone seems to recognize that; everyone, that is, except the FMLN and some Members of Congress.

Mr. KENNEDY. Mr. President, I commend Senator DODD and Senator LEAHY, the chairman of the Foreign Operations Subcommittee, for their proposal to support the peace process in El Salvador.

The key provisions of the Dodd-Leahy proposal reduce military aid to the Government of El Salvador by 50 percent and link future military aid to improvements in human rights and progress toward a negotiated peace settlement. I have long called for a total cutoff of United States aid to El Salvador. For too many years our tax dollars have fueled death, torture, and destruction rather than peace, reconciliation, and reconstruction. We have no business doing business with ruthless regimes who live above the law and have no respect for human rights.

The proposed 50-percent reduction is a critical step toward putting the United States on the side of human rights and democracy in El Salvador. It reflects the essential cutback to encourage the peace process and register Congress deep concern about continuing human rights abuses by the Salvadoran military. The legislation will send an important signal to both sides of the conflict: this war must end.

In 1980, with the cold war guiding our foreign policy, Congress began providing the Government of El Salvador with military assistance in order to oppose a perceived Communist threat, protect human rights, encourage economic development, and build a stable democracy in that country. Although aid began at only $5 million, by the end of the decade El Salvador had become one of the world's largest recipients of military aid.

Today, American taxpayers have poured more than $4 billion into El Salvador, but the effect of that assistance is highly questionable. Despite supporting an increase in the Salvadoran armed forces from 12,000 to 56,000, the war continues unabated. If anything has become clear over the past decade, it is that there is no military solution to this crisis.

El Salvador remains a nation in crisis. The economy is in shambles. It barely survives with the help of U.S. aid. Half the Salvadoran population is illiterate. The leading causes of childhood death are parasites in water and acute respiratory infections. Living standards over the past decade have dropped over 30 percent. Access to safe water and adequate housing has fallen, despite massive assistance from the United States.

The war has taken an enormous toll on the country and has contributed to the decline in living standards. Over 70,000 people have died. Untold numbers of innocent civilians have been tortured and killed by soldiers and death squad members—including women, children, nuns, and priests.

Yet, not one military officer has ever been convicted of a human rights violation. El Salvador is no closer to peace and the Salvadoran people are worse off today than they were in 1980. Despite threats of reduced aid from Congress, warnings from the administration, and the efforts of religious organizations and human rights groups, the military has continued to commit unconscionable atrocities.

Now the cold war is over. The world has dramatically changed. Yet we steadfastly refuse to change course in El Salvador.

The years of United States blank checks to the Salvadoran military must end. We must no longer serve as an accomplice in the brutal and systematic violation of the most basic human rights of the people of El Salvador.

It is time for all sides to realize that the conflict will never be resolved on the battlefield. There is clearly no military solution. If there is ever to be peace in this troubled country, we must redouble our efforts to achieve a negotiated settlement.

Such a settlement will need to address human rights violations by the rebels as well as by Government forces. The rebels have committed atrocities too, including the murder of mayors, judges, and members of the Cristiani government. In addition, they bear a heavy responsibility for the lives of the numerous civilians who were killed during the November offensive. And I condemn their recent attack on San Salvador's main air force base and military positions on the outskirts of San Salvador.

The current U.N.-mediated negotiating process is the most promising chance for peace in a decade. By enacting the legislation before us, we can ensure that we do not miss this opportunity.

Since April, representatives from both sides have met for negotiations on five occasions under the auspices of the United Nations. In May, the parties agreed to seek partial agreements on seven issues—including the armed forces, human rights, and the judicial system—before the implementation of a cease-fire on September 15.

The negotiations were to continue with the goal of reaching indepth agreements on these issues and the participation of the rebels in the March elections. Total disarmament was to take place following the elections.

Yet the negotiations have stalled over the Government's refusal to permit meaningful military or judicial reform. No negotiations are credible unless these key issues are on the table.

The legislation before us sends that message loud and clear.

The Salvadoran military expects us to believe it is capable of reforming itself. Yet it refuses to admit that a problem exists, and it obviously lacks the will to address the problem.

Despite intensive pressure, both from within El Salvador and internationally, the Salvadoran military has failed to assist in the investigation of the murder of the Jesuit priests last November, and actively blocked that investigation. Congressman MOAKLEY, Chairman of the House Democratic Task Force on El Salvador, reported last August: "The High Command of the Salvadoran armed forces is engaged in a conspiracy to obstruct justice in the Jesuits' case."

Evidence has disappeared or been destroyed. Key military witnesses have been sent out of the country. Testimony has been distorted and falsified, and military officers have repeatedly perjured themselves in testimony before the judge.

The murder of the Jesuit priests and the coverup ought to convince, even the most skeptical of observers, that the Salvadoran military has neither the will nor the way to reform itself.

The six Jesuit priests are only the most recent victims of a long and tragic list of Salvadoran death squad targets—Archbishop Romero, the San Sabastian peasants, the labor workers at the Sheraton, and an estimated 40,000 other death squad killings. Moreover, this past August—less than a year after the priests were executed—two other Jesuit priests were fired upon while visiting peasants in the countryside.

Harassment, threats, and intimidation continue against grassroots organizations throughout the country, including church groups, labor unions, and foreign humanitarian groups. As Assistant Secretary of State Bernard Aronson has said—"The Salvadoran judicial system is not worthy of the name."

The United States cannot continue to fund a military that is above the law, above its own President, and beyond control. It is time we admitted that the bloodshed will continue as long as our dollars continue to flow to the Salvadoran military. The American people understand this, and it is time that Congress did, too. The key provisions of the Dodd-Leahy proposal provide a carrot and a stick to encourage both the government and the rebels to pursue the peace process.

The proposal would initially withhold 50 percent of military aid, including half of the $54 million currently in the pipeline.

Although this represents a substantial cut, $70 million in aid would still flow to the Government of El Salvador next year. Nonetheless, the cut would serve notice that the military's days of lawlessness are numbered.

All aid to the government could be released if the President makes a finding that the rebels are not negotiating in good faith, have rejected the U.N. cease-fire plan, have launched an offensive that threatens the survival of the government, are receiving military assistance from outside the country, or are assassinating citizens. Thus, the rebels are given an incentive to end their military attacks and human rights violations and participate in the talks in earnest.

All military aid would be cut to the Salvadoran Government if the President makes a finding that the government is not negotiating in good faith, has rejected the U.N. cease-fire plan, has failed to prosecute the Jesuit case, or is assassinating its citizens. All assistance would also be terminated in the event of a military coup. Thus, the government is given an incentive to end its human rights violations, encourage civilian control, and participate in the talks in earnest.

All funds withheld would be transferred to a transition to peace fund, to be provided to El Salvador, once a permanent settlement had been reached.

Passage of the Dodd-Leahy proposal will send a message to the Salvadoran Government and Armed Forces that their decade of lavish blank check support from American taxpayers is over, and that Congress is committed to supporting a negotiated settlement of El Salvador's civil war.

I urge the Senate to support the Dodd-Leahy proposal to bring peace to this troubled country. The people of El Salvador have suffered for too long.

Mr. KOHL. Mr. President, there are a lot of ways to explain the disregard for human rights and disrespect for human life in El Salvador. But there is no way to justify it.

After more than a decade of death, the United States must finally make some basic choices. There are those who would simply ask us to withdraw: to end all aid to the Government and leave it to its own devices—and leave the people of El Salvador to their own fate. There are others who would urge us to redouble our efforts to sustain the government with more aid and more military equipment. And then there are those who support, as I do, the amendment before us now, which calls for a middle ground: increased pressure on all sides to end this war, and begin the process of restoring some stability and sanity to the troubled nation.

The first option, withdrawal, is tempting. The immorality of the war, the complicity of our country in the death of innocent civilians, the fear that nothing will change—all of that provides a compelling motive to just throw up our hands, put our money in our pockets, and turn our attention to other problems we might be able to resolve. But Mr. President, after a decade of involvement, we simply cannot do that. We have an obligation to try to make whole, what we have helped rip asunder. Abandoning the Government of El Salvador might be justified if the government which replaced it would offer anyone real hope that conditions would improve. But there is no evidence to support that hope, Mr. President. The rebel forces of the FMLN do not represent an acceptable alternative. We have no reason to believe they would have more respect for the rights of people or care more about the well-being of their nation than the government now in place. Yet it is the FMLN which will triumph if we withdraw.

If the FMLN is unacceptable—and it is—then increased support for the existing government is also untenable. They may be trying, but they are not succeeding. The death squads persist. The torture continues. The inhumanity prevails. Corruption and coverups in the officer corps make the Salvadoran military a dangerous recipient for U.S. aid and a dangerous element in Salvadoran society. For us to help this government continue its policies is abhorrent. It is simply not an option.

Which leaves us with the option contained in the bill before us and the Leahy-Dodd legislation which I am proud to have cosponsored. This approach, Mr. President, is our last hope. It may not be our best hope, but it is our last hope. It is an effort to put pressure on the government and the FMLN. It is an effort to deny both sides the opportunity to win. If both the government and the FMLN feel the pressure of possible defeat, then there is some hope the alternatives which exist to those extremes may become viable.

Mr. President, in the last year or so we have finally come to see that El Salvador is not some symbolic battleground in which the agents of freedom and democracy do battle with the forces of international communism. It is a real battleground—a killing field in which the innocent and the evil alike are slaughtered. This conflict has nothing to do with democracy or communism; it has a great deal to do with people who are willing to kill their country in a doomed effort to gain personal power. If we look at the conflict realistically, if we look at our options rationally, we have no choice but to reduce the aid we give to the government, encourage negotiations, and be ready to cut all assistance off if the government we support is not willing to do what has to be done to bring peace to a people whose only crime is a desire to live their lives without fear—and with hope.

The PRESIDING OFFICER. All time has expired. The question is on the amendment of the Senator from Vermont. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 74, nays 25, as follows:

[Rollcall Vote No. 293 Leg.]

YEAS—74

Adams	Durenberger	Metzenbaum
Akaka	Exon	Mikulski
Baucus	Ford	Mitchell
Bentsen	Fowler	Moynihan
Biden	Glenn	Murkowski
Bingaman	Gore	Nunn
Boren	Graham	Packwood
Boschwitz	Grassley	Pell
Bradley	Harkin	Pressler
Breaux	Hatfield	Pryor
Bryan	Heflin	Reid
Bumpers	Heinz	Riegle
Burdick	Hollings	Robb
Byrd	Inouye	Rockefeller
Chafee	Jeffords	Roth
Cohen	Johnston	Sanford
Conrad	Kassebaum	Sarbanes
Cranston	Kennedy	Sasser
D'Amato	Kerrey	Shelby
Danforth	Kerry	Simon
Daschle	Kohl	Specter
DeConcini	Lautenberg	Stevens
Dixon	Leahy	Warner
Dodd	Levin	Wirth
Domenici	Lieberman	

NAYS—25

Armstrong	Helms	Nickles
Bond	Humphrey	Rudman
Burns	Kasten	Simpson
Coats	Lott	Symms
Cochran	Lugar	Thurmond
Dole	Mack	Wallop
Garn	McCain	Wilson
Gorton	McClure	
Hatch	McConnell	

NOT VOTING—1

Gramm

So the amendment (No. 3061) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF PROCEDURE

Mr. MITCHELL. Mr. President, I have discussed with the managers of the bill the progress of the pending legislation. There are a number of amendments contained on a list which Senators intend to offer. We must complete action on the three remaining appropriations bills—this one, the Interior appropriations bill, and the legislative appropriations bill. The latter is not ready to be before us be-

cause we are awaiting action by the House, but foreign operations and Interior are.

If we want to end this session as soon as possible, it is obviously imperative that we complete action on these bills, then go to conference, and then come back with the conference reports.

I encourage the managers to attempt to obtain time agreements on the amendments that are intended to be offered, hopefully as tight or limited in time as is consistent with a fair and thorough discussion of the issues so that we can make some progress. I have much hope that we will not have to be in session in another past-midnight session, as we have had so often in recent days. I know everyone is tired.

I have discussed this with the distinguished Republican leader. If there is any way of making good progress on this by getting reasonable time agreements, I strongly encourage the managers to do so.

I am pleased, Mr. President, to yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, I did not hear the first part of the statement. Did the majority leader indicate his intention for tomorrow and for Sunday?

Mr. MITCHELL. My hope, Mr. President—and I have consistently been overly optimistic in these hopes—is that we could complete action on the foreign operations and Interior appropriations bill today, in which event we would not have to be in session tomorrow or Sunday. We will stay in until we complete action on those. I hope it does not mean a Saturday or Sunday session, but that, of course, is entirely up to the Members of the Senate. If that were the case, then we would be out until Monday. I hope this offers some inducement.

Mr. DOLE. The CR that was passed today indicated that it was extended until Wednesday midnight, which I believe, and I hope, and I trust was an indication when we may leave, when this 101st Congress may adjourn sine die.

I am also sensitive to the fact that my colleague from Oregon, Senator HATFIELD, would like very much to dispose of the Interior appropriations bill because of a conflict he has in scheduling, and would very much like at the earliest time to move to the Interior appropriations bill. It is a concern that I am aware of. He has not asked me directly, but I would like to accommodate the Senator from Oregon.

I know there are still a number of amendments to be offered to the foreign operations appropriations bill, I do not know how much time the Interior appropriations bill might consume. So I hope that we could accommodate the desires of as many Senators as we can in disposing of that. They would leave the legislative appropriations bill, which I understand will be taken up in the House today or tomorrow.

Mr. MITCHELL. Mr. President, I want to assure the distinguished Republican leader and the Senator from Oregon that I will do everything I can to accommodate that interest.

Of course, the distinguished Republican leader is aware that last night I sought to gain consent to bring up the Interior appropriations bill the first thing this morning, but was prevented to do so by a Republican objection to my doing so. That was understandable. The report had not been received and they had not had a chance to read it. It was because of that objection on your side that I then had to substitute going to the foreign operations bill this morning.

It was not until during the day today that we received consent from the Republican side to proceed to the Interior appropriations bill. In the meantime, of course, now we are moving forward on the foreign operations bill.

So I will do my very best to accommodate the distinguished Senator from Oregon, and in fact been doing so since yesterday.

Mr. HATFIELD. Will the leader yield?

Mr. MITCHELL. Yes.

Mr. HATFIELD. May I express my deep appreciation to my leader for bringing this matter up. I know of the response of the majority leader today. It was the same as yesterday. I appreciate that very much.

Let me also say that if schedules cannot be accommodated, I am here at my post of duty because this is the priority that I have. I will be here. But, nevertheless, I do appreciate the efforts of the majority and minority leaders.

Mr. MITCHELL. We will make every effort to accommodate the distinguished Senator.

Mr. LEAHY. Will the leader yield to me for a comment?

I thank the distinguished leader, both leaders, for their comments on the schedule. I should note the distinguished Senator from Wisconsin [Mr. KASTEN] and I have attempted to get time agreements on matters. I would only echo what the majority leader has said. I am willing to agree to virtually any shortening of time on virtually any amendment coming forward, mine or anybody else's; amendments I normally would not agree to if we were in normal times.

I understand the problems of the leadership. I want to help every way, from a personal view, as much as anything else so we can get through this.

I know the Senator from Wisconsin joins me in urging Senators to agree to as short time agreements as possible. I will agree to virtually any limitation of time on virtually any amendment left in this bill.

Mr. MITCHELL. If I can make just one further comment in response to the Republican leader's comment. I am fully in agreement with the Republican leader in hoping that the Wednesday midnight deadline now contained in the just-enacted continuing resolution does represent the time in which we will be able to adjourn this Congress.

As the Republican leader knows, he and I have been among those who have been urging the earliest possible time. We hoped for some period of time to be able to do it by midnight tonight. That has proven not to be possible. But I think it imperative that we conclude as soon as possible, and I will want to assure the Republican leader I will do everything I can to insist upon and to encourage that as the time when we complete action. That is one reason why, of course, we have to complete these appropriations bills, because they still have to come to conference and then come back in a conference report.

So I thank my colleagues, I thank the managers for their diligence in pursuing this matter and hope we will be able to move and make good progress on this bill now.

The PRESIDING OFFICER (Mr. KOHL). The Chair recognizes the Senator from West Virginia.

Mr. BYRD. Mr. President, while the two leaders are on the floor, let me express the hope we can finish this bill today and finish the Interior appropriations bill. It would mean we would have to be, perhaps, in until a reasonably late hour. The reason being on tomorrow I cannot be here until 3. I will be the manager of the Interior appropriations bill. I cannot be here until 3. My wife is in Atlanta. She is going to be commissioning a nuclear submarine. I feel I ought to be there with her.

Then Senator MCCLURE, the ranking member, cannot be here in the afternoon tomorrow because his wife is participating in a similar ceremony and he cannot be here. He can be here in the morning but I cannot be here in the morning. I can be here in the afternoon and he cannot be here in the afternoon. So I think it imperative we try to finish both bills today.

Insofar as Sunday is concerned, I am willing to come in and work and vote if I have to, but I do not want to be managing a bill on Sunday. I have some scruples about the Sabbath myself. If it means we have to wait until Monday to do the Interior bill, let us wait until Monday. I also have to accommodate the Senator who cannot be here after Sunday. So let us try to complete these bills this evening.

I am not giving up the floor at this point.

Several Senators addressed the Chair.

Mr. BYRD. Mr. President, I have the floor. Would the distinguished Senator like me to yield to him for a question?

Mr. HELMS. I thought my friend yielded the floor. I am trying to accede to this business of proceeding with amendments if I can be recognized for that purpose after my colleague has finished.

Mr. BYRD. Mr. President, I have an amendment which Senator DOLE and I are cosponsoring. Because of Senator DOLE's situation, he has to be in the conference on the budget and so on, this is the moment, as I understand it, when we can accommodate him by going forward with his amendment. I am willing to enter into a time agreement on it if the distinguished Republican leader is willing to do so.

Mr. KASTEN. Will the Senator yield?

Mr. BYRD. Yes.

Mr. KASTEN. I do not know the time constraints for the Senator from West Virginia and the Senator from Kansas. But we anticipated we could put the entire El Salvador question to rest. We have one more El Salvador-related issue having to do with a ceasefire amendment of the Senator from Florida, Senator GRAHAM, and the Senator from Arizona, Mr. MCCAIN. We are in the process I believe of being able to propound a unanimous-consent request for 1 hour evenly divided between the two. That would mean we would have voted on the El Salvador question.

At the same time we are trying to read and learn about the amendment with regard to settlements that the Senator from West Virginia [Mr. BYRD] and the Senator from Kansas are proposing. I have to say there is a great deal of concern about that amendment. I am not sure exactly how I would seek to dispose of it.

But if this is the only time to do it, then let us go ahead. If it is not, we could work on a time agreement and get one El Salvador amendment done and have the El Salvador question behind us. Then the question would be whether we go to Egypt or whether we go to Israel for the next question.

Mr. LEAHY. Will the Senator yield further?

Mr. BYRD. I will be happy to yield.

Mr. LEAHY. Mr. President, I have to be here until this thing is over. It is not going to make that much difference to me. But in answer to the question of the distinguished Senator from West Virginia, I am agreeable to whatever others might do. If there is going to be a time agreement, now might be the time to seek it when there are so many on the floor. But I am agreeable to whatever the proponents and opponents of the amendment may agree to.

Mr. LAUTENBERG. Will the Senator yield for a question?

Mr. BYRD. Mr. President, I will be happy to yield.

Mr. LAUTENBERG. I heard the distinguished chairman of the Appropriations Committee, the President pro tempore, make reference to a settlements amendment that he and the distinguished Republican leader intend to offer. That might cause a fair amount of discussion and I will not say in advance I will object to it.

But I would like very much to know what the distinguished President pro tempore thinks would be an appropriate time if a time agreement is going to be sought there? I would hope there is enough time, pursuant to the interests of the chairman of the Foreign Operation Subcommittee and distinguished ranking member, to get the El Salvador question behind us.

It would then give me a chance, and others interested in the issue the Senator for West Virginia is going to bring up, to do some preparation as well.

Mr. BYRD. Mr. President, is the distinguished Senator suggesting it might be best not to enter into a time agreement at this point?

Mr. LAUTENBERG. I think there might be a problem, although in deference to my good friend and distinguished colleague—if we could hear a little bit more about it I would feel better commenting in public about it.

Mr. BYRD. Very well.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia has the floor.

Mr. BYRD. I have the floor. Does the Senator wish me to yield to him?

Mr. DIXON. If my colleague, the distinguished Senator from West Virginia, will yield, I am simply trying to determine whether there is an order in respect to these amendments. I am not in a hurry, but I talked to the managers quite a while ago about offering the Egyptian debt forgiveness amendment question to the Senate subsequent to El Salvador.

I have no need to proceed in that order, but at some point in time, as early as possible, we are prepared to go. I understand the managers will first offer an amendment which we are not satisfied with, which will require some extended debate—not extended debate, but some debate. We are willing to have an hour evenly divided.

But I just wondered whether there could be some accommodation of Members about what order we are going in. I have no problem at all following after my friend from West Virginia as long as there is some idea as to when we will be in order to go.

Mr. HELMS. Will the Senator yield to me?

Mr. BYRD. Mr. President, I am in no position to respond to the distinguished Senator from Illinois. I yield.

Mr. HELMS. Mr. President, I want to say to the manager of the bill, and the distinguished Senator from West Virginia, that I think we would be wise to schedule amendments by unanimous consent so we will not have to sit here. I have an amendment which I am prepared to offer, following the Senator from Illinois, or anybody else.

The PRESIDING OFFICER. The Senator from West Virginia.

AMENDMENT NO 3062

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, and Mr. DOLE proposes an amendment numbered 3062.

In the pending amendment, strike the word "Act." and insert the following:
"Act.

SEC. —

1. It has been the long-standing policy of the United States:

(a) to support United Nations Resolution 242, 338 and 339, relating to the peaceful resolution of differences in the Middle East, and to oppose actions by any party which are contrary to the intent or spirit of those resolutions; and

(b) to view official Israeli Governmental subsidies or other incentives for new settlements in any of the Occupied Territories as contrary to the intent or spirit of those resolutions, and as not advancing the prospects for peace in the region.

2. The Congress regrets the October 14, 1990, decision of a subcommittee of the Israeli Cabinet to encourage an increase in the settlement of Soviet Jewish refugees in East Jerusalem, as being contrary to the October 2, 1990, assurance provided by Israel in conjunction with the U.S. guarantee of $400 million in loans for the construction of housing for Soviet refugees not to direct or settle Soviet Jews beyond the "Green Line."

3. Within 60 days after enactment, the President shall report to the Foreign Relations, Intelligence and Appropriations Committees of the Congress on settlement activity in all Occupied Terrritories. The report shall be in classified form, to the extent necessary and desirable, and shall include a detailed assessment of Israeli law, government policies, financial subsidies or other incentives for new settlements in any of the Occupied Territories, and on the number of Israeli citizens residing there. The report shall specifically address United States-Israeli negotiations over the loan guarantee program for housing enacted in Public Law 101-302. The report shall also assess whether United States sources of goods and services, including advisory services, are able to compete equitably for contracts let by the Israeli Government for housing or other activities underwritten by funds obtained under the aforementioned loan guarantee program. The report shall be updated every 180 days.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, may we have order in the Senate?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. BYRD. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I have offered this amendment on behalf of the distinguished Republican leader and myself.

Mr. President, I am deeply distressed by recent events in Israel and in East Jerusalem. The killing of 19 Palestinian demonstrators and the wounding of 140 others by Israeli police at Temple Mount in East Jerusalem on October 8, is a tragic climax to a year of increasingly violent confrontation between Israelis and Palestinians in the occupied territories.

The effect of the now almost 3-year old Intifada—the Palestinian uprising in the occupied territories—has been to strain relations between the United States and Israel. I am saddened by this development, for this relationship is long-standing and important to both the United States and Israeli Governments and to the American and Israeli people.

There have been tensions in the relationship for some time. While we literally do not speak the same language, for many years I believe we figuratively spoke the same language. Only now, and only with great effort and mutual tolerance, are we able to understand the same language.

But we do not speak the same language when we talk about the occupied territories. During the 1967 war, Israel occupied Arab-controlled areas outside Israel's borders: the Golan Heights, the West Bank, the Gaza Strip, and East Jerusalem. While there is tacit agreement that the West Bank and Gaza are occupied territories, Israel emphatically denies that East Jerusalem is an occupied territory on the ground that it annexed East Jerusalem in the wake of the 1967 war. No United States President, however, has recognized Israel's annexation of East Jerusalem. Nor has any other country recognized Israel's annexation of East Jerusalem.

Since the 1973 war, U.S. Government policy has been to support U.N. Resolutions 242, 338, and 339. These resolutions affirm that the establishment of a lasting peace should involve the withdrawal of Israel from the occupied territories and the recognition of the sovereign right of Israel to exist.

With the exception of the Camp David accords, there has been little progress toward a peaceful resolution of the Middle East problem. This distresses me. As world tensions have eased with the release of Eastern Europe from Soviet domination, the Middle East has remained in a constant state of turmoil. Now several hundreds of thousands of American men and women are poised in Saudi Arabia to defend that country against the aggression of Saddam Hussein.

Therefore, it distresses me that Israel has reacted to the efforts of the United States to soften the harsh tone of early drafts of the United Nations resolution on the Temple Mount incident by refusing to cooperate with any United Nation mission to investigate the incident. I am saddened that Israel has rejected, instead of welcomed, the opportunity to present the facts as it sees them.

There is no question that the massive influx of Soviet Jewish refugees over the past year has placed enormous strains on Israel. Over 100,000 Soviet refugees have moved to Israel this year. The demand for housing and jobs for these refugees is enormous. Last spring, the Congress authorized $400 million in loan guarantees so that Israel could borrow $400 million from commercial banks, with the U.S. Government guaranteeing the loans.

These loan guarantees were not made available until recently, however, because the administration sought assurances that the money would not be used for new settlement housing in the occupied territories. On October 2, Secretary of State Baker reported that Foreign Minister Levy had confirmed that Israel would not settle immigrants beyond the green line, which demarks Israel's pre-June 5, 1967 boundaries. Secretary Baker also announced that Israel had agreed to give the United States periodic information about the expansion and financing of Jewish settlements in the occupied territories.

I was disappointed—as it appears, so, too, was the administration—when Prime Minister Shamir announced on October 7 that a new Jewish neighborhood will be built in East Jerusalem and that the Israeli Government's assurances about settlements did not cover East Jerusalem. Mr. Levy then also denied that Israel had promised to make regular reports to Washington on the settlements. Mr. Levy said that he had agreed only to answer U.S. requests for information. In part, the dispute centers on Israel's claim that since it annexed East Jerusalem, it does not fall outside the green line—and thus is open for Jewish settlement activity. The administration does not accept this determination as it has never recognized Israel's annexation of East Jerusalem.

While the disagreement about the interpretation and applicability of the Israeli assurances is distressing, of far greater import is the October 14 decision by a subcommittee of the Israeli Cabinet to encourage an increase in the settlement of Soviet Jewish refugees in East Jerusalem.

Mr. President, I understand the extreme sensitivity in Israel about East Jerusalem. I understand that the Israeli Government and the Israeli people fervently believe that East Jerusalem is not occupied territory, but an integral part of Israel.

But Mr. President, that is not the policy of the United States. No United States President has recognized Israel's annexation of East Jerusalem. And no United States President has ever sanctioned the expansion of Jewish settlements in the occupied territories. The policy of successive Israeli Governments has been to expand Jewish settlements in the Arab occupied territories—the Golan Heights, the West Bank, the Gaza Strip, and East Jerusalem—in order, demographically, to enhance Israel's claim to these areas.

Mr. President, I believe it is unfortunate, but necessary, to offer this amendment today. I voted to make available to Israel the $400 million loan guarantees. But I did not cast my vote so that Israel could disregard longstanding United States policy on the settlements and use those funds to construct housing in the occupied territories.

The October 2 letter from Israeli Foreign Minister Levy to Secretary Baker, which I will ask be printed in the RECORD, says, and I quote:

> I am prepared to agree that we will provide you periodically with the Government's building plans for housing for immigrants including special financial incentives. I will also use my best efforts to provide annually as complete information as possible on the Government of Israel's financial support for settlement activity, and periodically, as well, to inform you of any Government settlement activity.

Mr. President, this amendment does three things. First, it reiterates longstanding U.S. policy regarding the relevant U.N. resolutions. It then places the Congress on record that Israeli Government subsidies or other financial incentives for new settlements in occupied territories are contrary to the intent or spirit of these U.N. resolutions.

Second, this amendment expresses congressional regret about the October 14 decision to encourage an increase in the settlement of Soviet Jewish refugees in East Jerusalem. It also states that this decision is directly contrary to the assurances provided by the Israeli Government not to settle Soviet Jewish refugees in East Jerusalem.

Third, this amendment requires the President to provide to Congress, within 60 days of enactment, and every 180 days thereafter, a detailed assessment of Israeli law, Government policies, financial subsidies or other incentives for new settlements in any of the occupied territories and on the

number of Israeli citizens residing there. This report shall specifically address the commitments made to the United States Government by Israel in regard to settlements policies in conjunction with the $400 million loan guarantees.

Mr. President, successive United States administrations have opposed the expansion of Jewish settlements in the occupied territories. The assurances Secretary Baker obtained from Israel regarding the $400 million loan guarantees have now highlighted an important aspect of Israel's settlement practices: even when the Israeli Government has not encouraged Soviet Jewish refugees to settle in the occupied territories, the higher subsidies provided for settling in the occupied territories make it more financially attractive to do so.

Mr. President, I regret the necessity for this amendment. But I believe it is a reasonable and necessary step for Congress to take to ensure the integrity of the decision it took last spring to make the loan guarantees available and the conditions under which the loan guarantees were then made available. There is reason to be concerned about the Jewish settlements. Not only does the October 14 decision call into question the assurances provided by the Israeli Government, but last April's covert Government funding of a new Jewish settlement in East Jerusalem by funneling $2 million through a Panamanian front company raises serious questions about Israel's settlement practices. What was particularly disturbing about this incident is that this action came at the same time that the Israeli Government had not constructed one single new housing unit for the massive influx of Soviet refugees.

Mr. President, let me return again to the matter of the international consensus on the need for peaceful resolution of the Middle East's problems. It saddens me that recent Israeli Governments have moved away from the formula embedded in U.N. resolutions 242, 338, and 339. That formula, and the statesmanship of Menachim Begin and Anwar Sadat, brought peace to Egypt and Israel. We have a clear example that this formula can work. It must work. The continuing loss of life and the deepening bitterness of Israelis, Palestinians, and other Arabs in the region make evident that there is little time left.

Therefore, I am deeply distressed by the Temple Mount incident. I am deeply distressed that Palestinians threw stones at worshiping Jews. I am deeply distressed that Israeli police ended the lives of 19 Palestinians and wounded 140 more. And I am even more distressed that Israel's reaction to the efforts made by our Government at the United Nations to soften the harsh criticism of Israel's actions has not been thanks, but defiance.

This is a distressing time in United States-Israeli relations. The time has come for the Congress to express its deep concern about recent events in Israel and to focus attention, through this amendment's reporting requirement, on a long-neglected, but a festering sore in United States-Israeli relations.

Mr. President, I urge the adoption of this amendment.

AMENDMENT 3062, AS MODIFIED

Mr. BYRD. Mr. President, before Mr. DOLE seeks recognition, I send a modification of the amendment to the desk. This is a technical modification, so as to make sure Mr. LEAHY's amendment is not touched, otherwise it is purely technical in nature. I send the modification to the desk.

The PRESIDING OFFICER. The Senate has the right to modify the amendment. The amendment is so modified.

The amendment (No. 3062) as modified is a follows:

On page 89, strike from line 15 through page 97, line 9, and insert in lieu thereof the following:

for fiscal year 1991, not more than $85,000,000 shall be made available for El Salvador.

(c) PROHIBITION OF MILITARY ASSISTANCE.—(1) PROHIBITION.—Subject to paragraph (2), no United States military assistance may be furnished to the Government of El Salvador if the President determines and reports in writing to the Congress that—

(A) after he has consulted with the Secretary General of the United Nations, the Government of El Salvador has declined to participate in good faith in negotiations for a permanent settlement and cease-fire to the armed conflict of El Salvador;

(B) the Government of El Salvador has rejected or otherwise failed to support an active role for the Secretary General of the United Nations in mediating that settlement;

(C) the Government of El Salvador has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva Communique and the May 21, 1990 Caracas Accord between the Government of El Salvador and the FMLN;

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 15 days from its announcement, by the FMLN and is being complied with by the FMLN;

(D) the Government of El Salvador has failed to conduct a thorough and professional investigation into, and prosecution of those responsible for the eight murders at the University of Central America on November 16, 1989; or

(E) the military and security forces of El Salvador are assassinating or abducting civilian noncombatants, are engaging in other acts of violence directed at civilian targets, or are failing to control such activities by elements subject to the control of those forces.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(d) WITHHOLDING OF MILITARY ASSISTANCE.—(1) IN GENERAL.—Fifty percent of the total United States military assistance allocated for El Salvador for fiscal year 1990 and prior fiscal years which has not been obligated, expended, or otherwise made available to the Government of El Salvador as of the date of enactment of this Act, and fifty percent of all military assistance allocated for El Salvador for fiscal year 1991, shall be withheld from obligation or expenditure (as the case may be) except as provided in paragraphs (2) and (3).

(2) RELEASE OF ASSISTANCE.—The United States military assistance withheld pursuant to paragraph (1) may be obligated and expended only if the President determines and reports in writing to the Congress that—

(A) after he has consulted with the Secretary General of the United Nations, the representatives of the FMLN—

(i) have declined to participate in good faith in negotiations for a permanent settlement and cease-fire to the armed conflict in El Salvador, or

(ii) have rejected or otherwise failed to support an active role for the Secretary General of the United Nations in mediating that settlement;

(B) the FMLN has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva Communique and the May 21, 1990 Caracas Accord between the Government of El Salvador and the FMLN.

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 5 days from its announcement, by the Government of El Salvador and is being complied with by the Government of El Salvador;

(C) the survival of the constitutional Government of El Salvador is being jeopardized by substantial and sustained offenseive military actions or operations by the FMLN;

(D) proof exists that the FMLN is continuing to acquire or receive significant shipments of lethal military assistance from outside El Salvador, and this proof has been shared with the Congress; or

(E) the FMLN is assassinating or abducting civilian noncombatants, is engaging in other acts of violence directed at civilian targets, or is failing to control such activities by elements subject to FMLN control.

(3) EXCEPTION.—Notwithstanding any other provision of law, funds withheld pursuant to paragraph (1) of this subsection may be disbursed to pay the cost of any contract penalties which may be incurred as a result of such withholding of funds under this subsection.

(e) CONDITION FOR TERMINATION OF ALL UNITED STATES ASSISTANCE.—Subject to paragraph (2), no United States assistance may be furnished to El Salvador if the duly-elected head of Government of El Salvador is deposed by military coup or decree.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(f) ESTABLISHMENT OF A FUND FOR CEASE-FIRE MONITORING, DEMOBILIZATION, AND TRANSITION TO PEACE.—(1) ESTABLISHMENT

OF FUND.—There is hereby established in the Treasury of the United States a fund to assist with the costs of monitoring a permanent settlement of the conflict, including a cease-fire, and the demobilization of combatants in the conflict in El Salvador, and their transition to peaceful pursuits, which shall be known as the "Demobilization and Transition Fund" (hereafter in this section referred to as the "Fund"). Amounts in this fund shall be available for obligation and expenditure only upon notification by the President of the Cognress that the Government of El Salvador and representatives of the FMLN have reached a permanent settlement of the conflict, including a final agreement on a cease-fire.

(2) TRANSFER OF CERTAIN MILITARY ASSISTANCE FUNDS.—Upon notification of the Congress of a permanent settlement of the conflict, including an agreement on a cease-fire or on September 30, 1991, if no such notification has occurred prior to that date, the President shall transfer to the Fund any United States military assistance funds withheld pursuant to subsection (d) of this section.

(3) USE OF THE FUND.—Notwithstanding any other provision of law, amounts in the Fund shall be available for El Salvador soley to support costs of demobilization, retraining, relocation, and reemployment in civilan pursuits of former combatants in the conflict in El Salvador, and of the monitoring of the permanent settlement and ceasefire.

(4) DURATION OF AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law, amounts transferred to the Fund shall remain available until expended.

(g) STRENGTHENING CIVILIAN CONTROL OVER THE MILITARY.—In order to strengthen the control of the democratically elected civilian government of El Salvador over the armed forces of that country, United States military assistance for any fiscal year may be delivered to the armed forces of El Salvador only with the prior approval of the duly elected President of El Salvador.

(h) SUPPORT FOR DEMOCRACY.—(1) ESTABLISHING A PROGRAM.—The Secretary of State, through agreement with the National Endowment for Democracy or other qualified organizations, shall establish and carry out a program of education, training, and dialogue for the purpose of strengthening democratic political and legal institutions in El Salvador.

(2) ELECTION MONITORING.—Of the amounts made available to carry out this subsection, up to $2,000,000 may be used for support for monitoring the 1991 municipal and National Assembly elections in El Salvador, and for monitoring the registration and campaign processes leading up to those elections, by appropriate organizations such as the United Nations, the Organization of American States, the Carter Center, the National Democratic Institute for International Affairs, the National Republican Institute for International Affairs, and the Center for Electoral Assistance and Promotion (CAPEL) of San Jose, Costa Rica.

(3) ASSISTANCE.—Up to $10,000,000 of funds appropriated under the heading "Economic Support Fund" for fiscal year 1991 may be used to carry out this subsection.

(i) REPORTING REQUIREMENTS.—Sixty days after the date of enactment of this Act and every 180 days thereafter, the President shall submit to the Congress a report describing—

(1) the willingness or unwillingness of the Government of El Salvador and the FMLN to negotiate seriously and in good faith for the purpose of achieving a permanent settlement to the conflict in El Salvador, including a cease-fire, and providing appropriate information regarding criteria described in subsections (c) and (d)(2); and

(2) the status of investigations into the politically motivated murders listed in section 538 of this Act.

(j) DEFINITIONS.—For purposes of this section—

(1) the term "United States assistance" has the same meaning as is given to such term by section 481(i)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(4)) and includes United States military assistance as defined in paragraph (2); and

(2) the term "United States military assistance" means—

(A) assistance to carry out chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of Foreign Assistance Act of 1961; and

(B) sales, credits, and guaranties under the Arms Export Control Act.

SEC.—

1. It has been the longstanding policy of the United States:

(a) to support United Nations Resolution 242, 338 and 339, relating to the peaceful resolution of differences in the Middle East, and to oppose actions by any party which are contrary to the intent or spirit of those resolutions; and

(b) to view official Israeli Governmental subsidies or other incentives for new settlements in any of the Occupied Territories as contrary to the intent or spirit of those resolutions, and as not advancing the prospects for peace in the region.

2. The Congress regrets the October 14, 1990, decision of a subcommittee of the Israeli Cabinet to encourage an increase in the settlement of Soviet Jewish refugees in East Jerusalem, as being contrary to the October 2, 1990 assurance provided by Israel in conjunction with the U.S. guarantee of $400 million in loans for the construction of housing for Soviet refugees not to direct or settle Soviet Jews beyond the "Green Line."

3. Within 60 days after enactment, the President shall report to the Foreign Relations, Intelligence and Appropriations Committees of the Congress on settlement activity in all Occupied Territories. The report shall be in classified form, to the extent necessary and desireable, and shall include a detailed assessment of Israeli law, government policies, financial subsidies or other incentives for new settlements in any of the Occupied Territories, and on the number of Israeli citizens residing there. The report shall specifically address U.S.-Israeli negotiations over the loan guarantee program for housing enacted in Public Law 101-302. The report shall also assess whether U.S. sources of goods and services, including advisory services, are able to compete equitably for contracts let by the Israeli Government for housing or other activities underwritten by funds obtained under the aforementioned loan guarantee program. The report shall be updated every 180 days.

Mr. LEAHY. Mr. President, will the Senator from West Virginia yield to me for a moment?

Mr. BYRD. Yes. Mr. President, I shortly will be happy to yield.

Mr. President, I ask unanimous consent that the letter written by David Levy to Jim Baker, the Secretary of State, dated October 2, 1990, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

PERMANENT MISSION OF ISRAEL
TO THE UNITED NATIONS,
New York, NY, October 2, 1990.

Mr. JAMES A. BAKER III,
U.S. Secretary of State

DEAR MR. SECRETARY: I appreciated the opportunity to discuss with you in detail the range of Israeli concerns regarding the situation in the Gulf. It was reassuring to hear you reaffirm the commitment of the United States to Israel and to the maintenance of its qualitative edge.

I was particularly gratified to hear your very strong reaffirmation of America's commitment to Israel's security, and that in this time of danger, Israel can count on the United States to stand by its commitment and respond as appropriate.

Jim, I was impressed with your understanding of Israel's needs and your efforts to address them in an orderly, timely, and coordinated fashion.

It is a very heavy responsibility that we both share, and I look forward to working with you closely on this.

In this respect, our discussion on the issue of housing investment guarantees produced results. As I said in our meetings, I can confirm that the official policy of the Government of Israel with respect to the absorption of immigrants from the Soviet Union is in accordance with the statement by Prime Minister Shamir in his June 27, 1990 letter to President Bush, and the statement by Minister of Housing Sharon on June 25, 1990, namely, that the Government of Israel's policy is not to direct or settle Soviet Jews beyond the green line.

Consistent with the traditional assurances which the Government of Israel provides in our assistance agreements, as well as those in the "Implementation Agreement, September 1980, between the Government of Israel on behalf of the State of Israel, and the United States of America acting through the Agency for International Development", uses of the housing loan guarantees will be restricted to the geographic areas which were subject to the Government of Israel's administration prior to June 5, 1967. I also want to reconfirm what I told you in response to your question that no special incentives exist to encourage Soviet Jewish immigrants to settle beyond the green line, nor are we planning to provide such incentives in the future.

As I know you will be reporting to Congress on this loan program, let me say further, I am prepared to agree that we will provide you periodically with the Government's building plans for housing for immigrants including special financial incentives. I will also use my best efforts to provide annually as complete information as possible on the Government of Israel's financial support for settlement activity, and periodically as well to inform you of any government settlement activity.

I believe that these points, these understandings, will help us further the great challenge of absorption of Soviet Jews in Israel.

On behalf of the Government of Israel, I would like to thank President Bush and you personally for the extension of this housing loan guarantees program.

Sincerely,

DAVID LEVY.

Mr. LEAHY. Mr. President, if the Senator will yield for a parliamentary inquiry, am I correct in understanding—this is my parliamentary inquiry—that the modification the distinguished Senator from West Virginia just made assures that his amendment, however it is ultimately treated by the Senate, will not affect the so-called Dodd-Leahy amendment that was voted on just prior to his amendment coming up?

The PRESIDING OFFICER. It would not affect that amendment.

Mr. LEAHY. A further parliamentary inquiry. I know this is the intent of the distinguished Senator from West Virginia, who has made it very clear he does not want in any way to interfere with anybody else's amendment on this. That would include whether it was subject to tabling motions, up or down votes, or anything else. The effect of any such votes would not affect the result of the previous roll-call vote on Dodd-Leahy?

The PRESIDING OFFICER. That is correct.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from West Virginia, noting that, as I have on this floor before, nobody is more protective of other Senators' rights. Just because some question has arisen, I wanted to clarify an issue that I knew he had already done to make sure that nobody else would be affected by his amendment. I thank the Senator.

Mr. BYRD. Mr. President, I thank the distinguished Senator. I yield the floor.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. DOLE. Mr. President, I am pleased to join the distinguished chairman of the Appropriations Committee, Senator BYRD, an original cosponsor of this important amendment. I ask unanimous consent that my colleague, Senator KASSEBAUM, be made a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Let me also indicate, Mr. President, that I know this is a very sensitive matter to many. I am not certain how long the debate will last. I will be happy to come back for additional debate, but I have just been notified that they are back in conference in the Finance and Ways and Means Committees. So I will make my statement and I will be available, if needed, later.

Mr. President, in my view this should not be a controversial amendment. In fact, I think it should have been noncontroversial. For some reason, there are some who appear to be strongly opposed to the amendment.

As I understand the amendment, it does only two things, neither of them very extraordinary for legislation in this body.

First, it restates the longstanding and very sound U.S. policy on the settlements issue, one that has been held by President after President after President. There may be some who oppose our current policy over the years and may wish to indicate that difference today. But that policy has not been subject to extensive debate here in the Senate. I see no reason why it should be today.

We support U.N. Resolutions 242, 338, and 339. We believe that Israel's active sponsorship of new settlements in the occupied territories is not consistent with the spirit of those resolutions, and does not contribute to the search for peace in the Middle East. These things have been said by our Government over and over many, many times over the years in Republican and Democratic administrations.

This amendment just repeats those propositions and, again, as far as this Senator is concerned, does not stir up any new controversy, but only provides the rationale for the other part of the amendment.

So there are two parts of the amendment, the one I just stated, and, if you oppose U.S. Government policy on this amendment, then it makes great sense to oppose the amendment. In other words, it is hard to see why anyone would. If you do not like U.S. policy, you think it ought to be different in reference to occupied territories, if you want to have settlements in occupied territories, then you ought to oppose the amendment. That is the one thing the amendment states. It does not require anything.

The only other thing the amendment does is ask for some information, information that the Senate, the Congress, ought to have and has the right to have.

We have a very special relationship with Israel. I am not going to get into the Palestinian-Israeli issue because I know of the provocations on each side. I have learned over the years it is very hard to assign blame. But we do disagree on some matters, and we publicly disagree on the issue of settlements.

It is not any different than the differences we have with other nations from time to time on other issues where we have very close relations. We have close relations with Japan, but we disagree with them on any number of things. We have had all kinds of votes on the Senate floor to express our disagreements. The same is true for West Germany and Great Britain, Turkey, and Egypt, and country after country around the world. We do often express our disagreement with those countries.

In this particular case, we also provide several billions of dollars in aid to Israel each year. Some of that money directly or indirectly supports the Israeli Government's settlements program.

With the fungibility of dollars, you can make the case that almost all U.S. aid has some indirect relevance to that issue. And that is why it is an issue.

In the past year we have added additional benefits: Aid programs to the State of Israel, loan guarantees for housing of newly arrived Soviet Jews. Certainly the housing is needed. I think it is widely supported in this body. And then in the Defense appropriations bill, which we have just passed, we added several new or expanded programs. At some point we will be dealing with the Inouye-Kasten so-called drawdown authority, which will provide up to $700 million in additional military equipment.

So our aid program is large and growing, and it continues to grow month after month, year after year.

It seems to me with all of the talk about the budget deficit and all the speeches on the Senate floor and in the House, the one thing I do not recall, nobody offered any amendments to cut foreign aid. We cut American farmers; we went after Medicare; we had to impose a gas tax; but I do not recall anyone suggesting, including the administration, that we might cut foreign aid. Maybe there is no way to cut foreign aid.

It seems to me that with all the difficulties we are having, with new requests for additional money—and it is probably justified—that we ought to keep an eye on the issue, and it gives us more right to state our opinions or to ask questions.

Again, I make it very clear that this amendment does not challenge our special relationship; it does not challenge any aid program, and it does not even challenge anything at all. It just asks for some information that seems to be very relevant to our consideration of existing or proposed new programs, especially those that may impact on settlement issues.

Here is what it asks for, and again, it is not very complicated or exciting, but relevant: It asks for the latest information the executive branch has on Israeli settlement policies and programs. In other words, just what are the Israelis doing?

As the New York Times reported last week in a story, it was sort of a stick in the eye of the United States when the Housing Minister, Mr. Sharon, announced what they might do and what subsidies might be available.

It asks for an authoritative report on the negotiations over the housing loan guarantee program, which has been referred to before. It requires a report on the degree to which American suppliers of goods and services will be able to compete for business funded

through the loan guarantees that we are providing.

And there have been conflicting reports. I am now advised by my good friend, the Senator from Minnesota, and others, other Jewish-American leaders I met with earlier this week, that Americans are permitted to bid, that we are permitted to have a role in some of the housing. Others have said that we are going to be shut out of the prefab housing opportunities. Israel's Finance Minister said this would not be the case, that United States suppliers would be able to bid on a level playing field. I hope this is the case.

Again, this amendment makes no requirement. We do not make any requirement that we have to be able to bid. We just ask for information. No requirement, no mandate. It does not change any program or reduce any program. It only seeks authoritative information on the current state of affairs.

None of this is very unusual. It is the kind of information routinely sought from the administration on our aid programs in other countries. If we ask for this kind of information about our aid program for Egypt or El Salvador—we just had a big debate on the aid program for El Salvador, what we ought to do in El Salvador—it would probably be accepted. If the U.S. Government was clearly on record on a certain policy and had been for a long time, if the Congress is faced with a resolution which did nothing more than repeat what official U.S. policy was, normally, that would just be accepted, with probably no debate, no rollcall vote. That is what I hope may happen here. This is just a restatement of policy.

So it seems to me that with the special relationship we have with the State of Israel, with the special relationship we have with Israeli leaders, and knowing full well of the dangers facing the State of Israel now, and knowing they are greater now than they were yesterday, and they will be greater tomorrow than they are today, because of the gulf crisis, and because of the feeling on the part of many that sooner or later Saddam Hussein is going to somehow draw Israel into the conflict, I say at the same time that this is a very modest, very moderate, very responsible and a very simple amendment. I hope that it will be accepted, or negotiated and then accepted. I think we were and are prepared to do that. I regret the Sharon committee decision. I hope the message is sent that some of us want some more information about this issue, that that information will be forthcoming regardless of what happens on the vote, if there is a vote on this amendment, or if the amendment is accepted.

It seems to me that we have a right, if we are spending millions and millions of dollars, to have just a little information. We require it of beneficiaries to programs and of farmers. It is taxpayers' money, not ours.

Above all, I hope that a message is sent that the best way to ensure this special relationship, that it continues and grows stronger, as it should, is for us to resist the temptation to sort of bury our heads in the sand over policy differences or to avoid expressing any disagreement, or not to ask any legitimate questions. I must say there are some who would not even want us to ask a question.

From my standpoint, and that of my cosponsors on this amendment, it is offered in that spirit. I hope that whatever the outcome may be on the part of this amendment, that we can continue to achieve that kind of relationship in both the interests of the United States and of the State of Israel. To do any less, in my view, would be a slap at Israel.

I just conclude by suggesting that neither the Senator from West Virginia nor the Senator from Kansas said that at all. We know there are special problems, and we know of the provocation. We know of our special relationship, and we know of the special dangers. I think the record will reflect both the Senator from West Virginia and the Senator from Kansas have been in the forefront in support of measures before this body. But again, when we are asking our colleagues to reduce the deficit by $500 billion, and if we area asking more and more from the American people, and we are asking them to make sacrifices, whether it is when they buy automobiles, drive a car, or whatever, then we ought to make certain that the money these same taxpayers are spending—it is their money, not ours—we ought to make certain we have the information we need to make a complete judgment on whether or not the money, A, is being spent wisely and, B, if we give American dollars, we ought to make certain that American interests are protected and that American business men and women and business interests have a right to compete for the same money we ask the taxpayers to give in aid programs or other programs.

So let me conclude. If you disagree with the policy that has been in effect for many, many years, then you ought to oppose this amendment. But I doubt many Senators oppose our policy. It is not Republican. It is not Democrat. It has been around for a long, long time. So I would hope we could adopt this amendment. I hope it would be adopted. I think it would send the appropriate signal. We are all friends in this body, but we have our disagreements and we are friends the next minute, the next hour, the next day.

I hope that it would be understood that I am standing here as a friend of the State of Israel, but, in addition, a representative of the taxpayers of my State and others who are concerned about our policies all over the world, including the Middle East, and I hope there would be some way to resolve any differences, if there are any differences in the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I want to speak as a comanager of this bill and say that I am hopeful that we will be able to dispose of this amendment relatively quickly. We have had two Senators speaking so far. There may be others who would like to speak, but it would be my intention to table this amendment relatively quickly so that we can get on with the other important business that we have before us. I simply want to put the Senate on notice, and I will wait a few moments to see if there are Senators who would like to speak. Then we can move on to other legislation.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I realize there are many matters pending before the Senate at the moment. But I believe that the import of the resolution pending requires some response.

Mr. President, I suggest that this resolution is unnecessary because commitments have already been made by the Israeli Government to make a full accounting of what is used by the $400 million housing loan guarantee. Moreover, beyond the commitments which have already been made by the Israeli Government, the executive branch is in full control of the situation to extract whatever commitments or further information the United States Government may need. Secretary of State Baker engaged in extensive discussions with Foreign Minister David Levy of Israel before this loan money was released, before the arrangements were made for the guarantees. So this is not something that the Secretary of State has ignored and this resolution at most, at best is surplusage.

You do not need to do it. But I suggest that in the context of the problems in the Middle East this resolution is inappropriate and, to use a more realistic word, highly inflammatory.

This resolution does not exist in the abstract. This resolution exists in a context of considerable danger to the State of Israel which is opposed by the Government of Iraq which frequently utters drastic threats to annihilate Israel. And Israel is beset by terrorism, by the PLO, which is in league with Iraq.

We have recently had a United Nations resolution on this issue where the chief negotiating party to press a U.N. resolution against Israel was the PLO. This is a very anomalous situa-

tion when the PLO is not even a member of the United Nations, but the news reports that came out featured the PLO consistently as the antagonist to Israel. The PLO is an accessory after the fact with Iraq, and the PLO engages in a constant stream of terrorism in Israel. This resolution can be read no other way than to join in a critical comment about the State of Israel by the United States Senate.

The executive branch worked long and hard to try to move away the focus for the problems in Jerusalem, away from the United Nations so that world attention could be properly focused on Iraq. Under the leadership of our excellent Ambassador Thomas Pickering, we finally got the PLO and the U.N. resolution against Israel off the front pages so that world attention could be properly focused on Iraq. And now with this resolution there is an effort in the U.S. Senate to undo and contradict that U.S. policy. I suggest that it is very harmful.

Mr. President, when you talk about Resolution 242 and the status of Israel, there is strong authority that Jerusalem was not included within Resolution 242. There is strong authority under international law to support the conclusion that Jerusalem is the capital city of Israel and that Israel has total sovereignty over Jerusalem.

I would have preferred an opportunity to amass the authorities on international law which I could do in fairly short order had I had some notice about this resolution, but I heard about it for the first time when the principal proponent rose to speak just a few minutes ago. It is not uncommon in this deliberative body to give other Senators who have an obvious interest in such a matter some advanced notice so that we can be prepared and have appropriate comments to make.

But there is a strong body of law that Jerusalem is appropriately under international law the capital of Israel and subject exclusively to Israeli sovereignty. I recollect a statement made by U.N. Ambassador Arthur Goldberg at about the time Resolution 242 was adopted that Jerusalem was not included within the ambit of 242. When you talk about the deficit in this issue I will not waste any time refuting that except to say that it is a loan guarantee. It has no impact on the deficit.

I am not unaware of a strategy to table promptly, but I do not think we can let these comments and this resolution stand unanswered in this Chamber.

I thank the Chair and yield the floor.

Mr. GRASSLEY. Mr. President, I rise in opposition to the resolution.

This amendment is premature. In communications between Foreign Minister David Levi and Secretary of State Baker, Minister Levi stated that Israel would report to the United States on the issue of settlements. There is no need for the Senate to doubt this commitment.

Further, this amendment will only serve to divert world attention from the crisis raging in the Persian Gulf. A turn of events I am quite sure Saddam Hussein would appreciate.

Congress has spoken on the issue of Jerusalem. In fact, Congress spoke overwhelming on the status of Jerusalem on March 22, 1990. On that date, the Senate declared:

Jerusalem is and should remain the capital of the state of Israel.

Jerusalem must remain an undivided city in which the rights of every ethnic and religious group are protected; and

All parties involved in the search for peace should maintain strong efforts to bring about negotiations between Israel and Palestinian Representatives.

I was an original cosponsor of that resolution. Remember history prior to 1967, there was no religious freedom in Jordanian-controlled East Jerusalem. Holy sites and Jewish cemeteries were desecrated. Christians were barred from practicing their religion. Israeli Christians were prohibited from access to their holy places. Jews were completely banned from visiting their holy sites.

In 1967, Arab armies from all sides launched a war to destroy Israel. Israel appealed to the Jordanians to stay out of the war. Despite those appeals, Jordan joined the war—2 days later, in defense, Israel captured east Jerusalem.

Since the day Israel united Jerusalem the city has stood as a place for all peoples of all religions to worship in and visit. Twenty-three years later, as the capitol of Israel, Jeruslaem remains a free and open city.

This amendment will do nothing to futher peace. Who knows it might help Saddam in his effort to shift the world's attention from his self-inflicted crisis.

And I would like to add that it simply amazes me that on the day that the New York Times reports that at least 750 people were killed in a Syrian-led offensive in Lebanon, we are here discussing where Jews—Jews who fled from persecution—are residing.

In conclusion, the Government of Israel has already assured us that reports would be submitted on this issue. There is no need to "Pile it on" with this amendment.

The focus in the Middle East should be and is on Iraq, not Israel. If we were interested in protecting the taxpayer, perhaps we should have been demanding reports from Saddam, a long time ago, asking him how he was spending the aid and using the arms he was getting from us.

Let's keep world attention where it should be: on Saddam Hussein.

Mr. CRANSTON. Mr. President, I rise today as a cosponsor of this amendment which authorizes a defense stock drawdown of $700 million for the provision of military equipment to our ally, the State of Israel.

The Iraqi invasion of Kuwait has added an element of instability to the world at large and to the middle east in particular. The Israelis are on the frontlines—not only their military forces, but every man, woman, and child has been directly threatened by the villainous Saddam Hussein.

This amendment grants the President authority to take excess defense stocks—and I expect many of these arms will be taken directly from Europe—and transfer them to the Israelis, our key ally in the region. This transfer will supplement our efforts to deter Saddam Hussein and put our vast defense resources to use in addressing one of the most potent threats to security in our time.

Bolstering the Israeli military is not only consistent with our commitment to maintain Israels qualitative edge in what is by far one of the toughest neighborhoods in the world, but it raises the stakes for Saddam Hussein should he follow through on his chilling threats.

Saddam realizes that bringing the Israelis into this war poses a threat to the anti-Iraq coalition we have stitched together. I am pleased to see us moving forward to ensure that Israel has the resources to deter and respond to this crisis.

I have been told that the administration has no objections to this amendment and will make use of this drawdown authority in an expeditious fashion.

Mr. President, I urge my colleagues to support this amendment.

Mr. KOHL. Mr. President, I am delighted that the Senator from West Virginia and the Senator from Kansas have raised this issue. I certainly disagree with the conclusions that they have drawn and I intend to vote against their amendment. But by offering the amendment they have done us all a valuable service. By raising this issue, they have allowed us to clarify the problems we face and clarify the relationship that we want to see between the United States and Israel.

Over the years, Senators BYRD and DOLE have, in fact, been friends of Israel. No one ought question their motives in offering this amendment. If I may hazard a guess about their motives, I would suggest that they are attempting to express their concern about the events at the Temple Mount, about the settlement policy being followed by Israel, and about the general status of the Israel's participation in the peace process. I too

have concerns about Israel's activities in each of these areas. And I continue to hope that there will be changes in those policies.

But Mr. President, this amendment suffers from the same flaw that characterizes other attempts to address conditions in the Middle East: it is simply not balanced. The language of the amendment, the thrust of the amendment, is to criticize Israel exclusively. It makes no comment about the terrorist threat facing that nation, it contains no reference to the fact that every Arab state but one remains technically at war with Israel and officially committed to its destruction; it says nothing about the steps that Israel has taken to advance the peace process. Beyond that, it says nothing about the fact that Israel is a strategic ally, a reliable democratic friend, a stable source of information about events in the Middle East. Israel is a friend, and more than that, the American-Israeli relationship serves the strategic interests of the American people and all people who seek peace and freedom in the Middle East.

Finally, and most unfortunately, Mr. President, the amendment makes a judgement—a definitive judgement—about perhaps the most sensitive issue in the caldron of Mideast politics: the status of Jerusalem. Earlier this week, Mr. President, the Secretary of State was asked about this issue when he testified before the Foreign Relations Committee. And the Secretary made a plea at that hearing; he said, in essence, "come on, things are very delicate over there and this issue is one of those it just isn't helpful to talk about—everyone knows it is the last issue we are going to resolve, so it ought not be the first issue we discuss."

Mr. President, for these reasons I certainly am going to vote to table this amendment. I hope that the vast majority of my colleagues will join me. And to the degree they do, that is another reason why this amendment—as sincere as it is—should not have been offered. An overwhelming vote to table might be read by some here and abroad as an expression of satisfaction with and support for every policy of the Israeli Government. That would not be a correct interpretation of this Senator's vote or, in my view, a correct interpretation of the vote of the Senate. I oppose this amendment for the reasons I have identified and not as a way of expressing uncritical support for the policies of the current Israeli Government.

Mr. MACK. Mr. President, I agree with all those who spoke against this amendment. I agree it is unnecessary, inflammatory, and counterproductive. But I would go beyond these sentiments. This amendment, with all due respect to its sponsors, makes me angry.

I am angry at the gross double standard that is being applied to Israel. I am angry at the failure of this country to adequately condemn the instigation of violence by Palestinian Arabs in Jerusalem.

While some facts are in dispute regarding the recent violence in Jerusalem, two are not: That a Palestinian mob charged a vastly outnumbered contingent of Israeli police, and that this mob stoned Israelis worshipping at Israel's holiest site on the Jewish holiday. I do not know if that mob could have been repelled with less force. I wish it had been. But it is morally twisted to condemn Israel for failing to peacefully contain an Arab mob, without condemning that mob for instigating the violence in the first place.

I believe that the resolution of the U.N. Security Council condemning Israel will encourage further Palestinian-Arab efforts to instigate violence, as they learn that there will be no international condemnation of them, but of Israel.

I am concerned that this amendment would undermine Israel's legitimate claim to sovereignty over her capital, Jerusalem.

Mr. President, I have other concerns with this amendment, sponsored by our colleagues, Senators BYRD and DOLE, but I will not go into them at this point.

The PRESIDING OFFICER. The Chair recognizes the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I will be very, very brief. I think consideration of this amendment at this time is a grave mistake. In my comments, I do not intend to address the detailed substance of this resolution, but here we are on what might be the last or the next-to-the-last day of this Congress, and what we are presented with is a complex resolution dealing with a variety of issues involving delicate foreign policy questions, all of them having to do with parties in the most stormtossed area of the world, the Middle East. We are asked to make a thoughtful and considered judgment about this question involving all of these and more issues at this very last moment in time.

I think that is a mistake, and I shall certainly support any effort to defeat this resolution at this time. There may be elements of this resolution that have merit, but we do not have the notice, we do not have the opportunity, we do not have the occasion to probe and deal as we should as befits this body into a resolution that touches at so many points, so many very serious and very delicate questions of State policy.

Mr. President, I yield the floor.

Mr. KASTEN. Mr. President, this resolution is unnecessary, inflammatory and could be counterproductive, especially in light of events in the Persian Gulf and the shared United States-Israel goal of focusing the world's attention on Iraqi terrorism and Iraq's aggression.

Israel gives a full, detailed written report on the use of all assistance from the United States on an annual basis. Moreover, Finance Minister David Levi, in this October 2 correspondence with Secretary Baker, said the Government of Israel would provide the United States Government with information concerning settlement activities. David Levi wrote:

> I will also use my best efforts to provide annually as complete information as possible on the Government of Israel's financial support for settlement activity.

Nothing in Levi's subsequent correspondence with Baker disputes this promise.

Only a few months ago, this body went on record in support of a resolution declaring Jerusalem the capital of Israel. There is no need to revisit this issue now.

I urge my colleagues to oppose this amendment and turn our attention to the pressing conflict in the Persian Gulf.

Mr. President, I move to table the Byrd-Dole resolution and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. METZENBAUM. Mr. President, I ask unanimous consent to be added as cosponsor of the motion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 3062, as modified.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. RIEGLE] is necessarily absent.

Mr. SIMPSON. I annnounce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. (Mr. BREAUX). Are there any other Senators in the Chamber who desire to vote.

The result was announced—yeas 90, nays 8, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—90

Adams	Breaux	D'Amato
Akaka	Bryan	Danforth
Armstrong	Bumpers	Daschle
Baucus	Burdick	DeConcini
Bentsen	Burns	Dixon
Biden	Chafee	Dodd
Bingaman	Coats	Domenici
Bond	Cochran	Durenberger
Boren	Cohen	Exon
Boschwitz	Conrad	Ford
Bradley	Cranston	Fowler

Glenn	Kohl	Pressler
Gore	Lautenberg	Reid
Gorton	Leahy	Robb
Graham	Levin	Rockefeller
Grassley	Lieberman	Roth
Harkin	Lott	Rudman
Hatch	Lugar	Sanford
Hatfield	Mack	Sarbanes
Heflin	McCain	Sasser
Heinz	McConnell	Shelby
Helms	Metzenbaum	Simon
Hollings	Mikulski	Simpson
Humphrey	Mitchell	Specter
Inouye	Moynihan	Stevens
Johnston	Murkowski	Symms
Kasten	Nickles	Thurmond
Kennedy	Nunn	Warner
Kerrey	Packwood	Wilson
Kerry	Pell	Wirth

NAYS—8

Byrd	Jeffords	Pryor
Dole	Kassebaum	Wallop
Garn	McClure	

NOT VOTING—2

Gramm	Riegle

So the motion to lay on the table amendment (No. 3062), as modified, was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBB. Mr. President, I had originally intended to rise today to oppose the Kerrey amendment. After consultation with Senator KERREY and Senator MCCAIN, it was apparent that we were so close in our basic purpose, that we were to construct a modified amendment, which I am pleased to cosponsor.

The amendment says that after the conclusion of the upcoming Paris Conference on Cambodia, the President and the Congress shall consult within 30 days with the goal of lifting the Trading With the Enemy Act with regard to Cambodia. The intention of this amendment is to further support the peace process taking place among the permanent five members of the U.N. Security Council, and the Cambodian factions. This process holds out the greatest possibility that peace will come to Cambodia.

On the basis of discussions earlier this year with virtually all the key Cambodian, Thai, and Vietnamese officials who would be instrumental in bringing about a peaceful settlement, including in Phnom Penh and at the base camps along the Thai-Cambodian border, I was and am convinced that a lasting settlement to that conflict requires that the Cambodians must determine their own future. I further concluded that any solution to the Cambodian dilemma would have to address the great power and regional dimension of the conflict, and the deep-seated animosities among the Cambodians themselves. For this reason, I supported the United States initiative to press for a comprehensive agreement in Paris among the permanent five members of the U.N. Security Council as a first step.

That U.N. process is underway right now. This amendment is offered in the spirit of supporting the delicate negotiations arising out of the United Nations permanent five peace talks, and among the Cambodians themselves. These talks are now in their endgame, and a comprehensive settlement is in sight. On the verge of possible success, we in this body want to do everything we can to facilitate the prospects of the very agreement that holds out the best chance for bringing peace to Cambodia, and defeating the Khmer Rouge.

The perm five have come up with a comprehensive framework for settling Cambodia's plight. The Cambodian factions themselves have adopted the framework in toto. On the 20th of September, the full U.N. Security Council endorsed the framework in resolution 668. There is thus a broad international consensus behind the perm five process.

As a result of that process, the great power and regional hostilities that have fueled the Cambodian conflict from the outside are being addressed. The prospect that China and Vietnam, long ancient enemies, will continue their hostilities by fighting to the last Cambodian is addressed as an obstacle under the perm five framework. Indeed, as a result of the perm five framework, China and Vietnam are now talking directly, with one goal being to resolve their differences over Cambodia.

Now the task becomes to bring along the Cambodians themselves, who have enormous divisions to overcome.

To be sure, it won't be a perfect or trouble-free process. There are pitfalls. But just about everyone agrees this is the last best hope for Cambodia.

As one of our distinguished colleagues said on this floor just last Friday, despite reservations he had about the process—some of which I share—"I believe the United States must do everything in its power to make this diplomatic process work."

I have heard our colleagues say: "anything but a Khmer Rouge return to power." Well, the perm five process is the best way to prevent a Khmer Rouge return to power. Stripped of their ability to wage a nationalistic people's war in a free election, deprived of aid from their Chinese sponsors, and no longer enjoying Thai sanctuary, such a political settlement holds the best promise of containing and defeating the Khmer Rouge.

We can have few illusions about the U.S. response should the perm five process break down. Who here will seriously entertain the notion that we would send the marines in to salvage a country that falls into a state of chaos? Rather than risk blood and treasure in a country in which we have little, if any, strategic interest, we would almost surely walk away. It is likely that Cambodia would then once again be relinquished to the hostilities of its neighbors and its own internal divisions. At best, Cambodia would then be carved up between China, Vietnam, and Thailand, and would become a Southeast Asian Lebanon. At its worst, Cambodia would be plunged into a civil war that would enable the genocidal Khmer Rouge to return to power.

Now is the time to maintain pressure on all the Cambodian factions to keep the process moving. Last week, we made a start in this body. The Senate passed an amendment that provided for humanitarian and economic assistance to the non-Communist resistance to enable them to make the transition from a guerilla organization to a purely political organization, and to encourage them to stop fighting and to enable them to take part in the political process. Prohibitions were tightened on funds going to the non-Communists that could be used to benefit the Khmer Rouge. And the administration has flexibility to give aid to the Phnom Penh Government or other Cambodians as well, if it feels this can advance the perm five peace process.

There can be no doubt about the desire of the Senate to transform the current military conflict to a political contest in which the Cambodian people can determine their own destiny. Nor can there be any doubt about our desire to assist the people of Cambodia, who have suffered for far too long.

Passage of this amendment will signal to Phnom Penh that the United States wants successful conclusion of the perm five framework agreement that everyone has signed on to.

Upon conclusion of a comprehensive agreement at Paris, we believe the Congress and the President should consult with the goal of ending the embargo. This will on the one hand provide an incentive for all the Cambodian parties to sign the Paris accords, and on the other demonstrate our desire to assist Cambodia to the maximum extent possible.

We hope to have the Paris Conference successfully concluded in some months' time. At that point, I will join my colleague in efforts to build Cambodian democracy, to promote greater understanding of human rights at the village level, and to encourage greater free market activity. It is also in this spirit that we have offered this amendment.

For now, we cannot lose sight of our fundamental goal: a Paris peace settlement that ends the fighting, and builds in the safeguards, envisioned in the perm five plan, against a Khmer

Rouge return to power, which is the only way to make the dream of a peaceful and free Cambodia a reality.

Peace may never come to Cambodia, but we have never been closer than now. Last Friday, the Senate passed an amendment which facilitates a political settlement and advances the perm five process. The Senator from Nebraska's modified amendment before us today will reinforce those efforts of just last week. The Cambodians have suffered far too much and far too long; but there is now a light at the end of the tunnel. I urge adoption of this amendment in its current form, and commend my colleagues from Nebraska and Arizona for their leadership in this effort.

Mr. LEAHY. Mr. President, I tell my friends that I am going to speak only for a moment or two, and then if my colleagues could give some leeway to the Senator from Wisconsin and myself as we try to figure out where we might go from here.

Mr. President, I think it should be noted that the Senator from West Virginia raised a very valid point in his amendment, and the lopsided vote may not reflect the feelings of all Senators. Every Senator can speak for himself or herself, of course. I had some concern only in the way it was worded.

But I would like to note, Mr. President, my concern along with the distinguished Senator from Wisconsin is that we helped get HIG, the so-called housing guarantees through last year. We made it very clear during the debate on the floor, in report language and everything else, that those housing guarantees were to be used in a very particular fashion.

I am concerned by what appears to be an apparent contradiction between assurances given to Secretary Baker and President Bush by one level of the Israeli Government and contradicted by another level, as to the use of the guarantees

I mention this, Mr. President, because it will be the subject of debate in future foreign aid bills. It will certainly be a subject of concern that will last from the conference to next year's bill. I hope that there are not any who feel the Government of Israel within or without that this vote is an indication that American foreign aid or American help can be accepted under one set of conditions, and then as soon as delivered, turn to a different set of conditions.

I hope that that will not be what Congress will allow. I hope it will not be what the administration will allow.

Mr. President, we have a number of issues pending before the body on this bill, and I ask, as they come up, because the distinguished majority leader has said that the wishes to go to the interior bill afterward, with the idea of possibly avoiding a Saturday and Sunday session, that we might have short-time agreements.

Again, Senator KASTEN and I are willing to enter into very short-time agreements. I yield the floor.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota, [Mr. BOSCHWITZ].

Mr. BOSCHWITZ. Mr. President, I wish to say a word about the amendment on which we just voted.

I agree with the Senator from Vermont in his statement that that vote should not be misconstrued; that this vote should be construed as the United States Senate saying this is not the right time to exacerbate or cause greater tensions in the Middle East than already exist, than are really called for; that the issue we wish to deal with the the Middle East is Iraq; and that attention should not be focused away form the tragedy, where a small country was just wiped off the map by a neighbor.

This vote should not be construed by anyone here or abroad as a change in the American position. This should not be construed by those who have given assurance to our Government that those assurances no longer need to be lived up to. Quite the opposite. This vote says that in that caldron known as the Middle East—where every word is interpreted and reinterpreted, bisected and dissected—this is not the moment to become involved in this issue, particularly when the matter seems to be moving along very well.

In the resolution, it says that the Congress regrets the decision of the subcommittee of the Israeli cabinet. I suppose that many among us ofter regret the actions of committees and even of sucommittees. But certainly a subcommittee action, at least as we know it, should not be seen as a change in governmental policy. I find it somewhat unusual that we need to react or respond to the actions of a subcommittee of the Israeli Cabinet. But when an amendment, which is offered by two of the most eminent leaders of this body, is overturned by such a large majority, indeed, it could be misread by some of our friends abroad. It should not be misread.

In March of this year, President Bush wrote me and said, in the final paragraph of his letter of March 20, "No peace that I can envision would deny Jews the right to live anywhere in this special city of Jerusalem."

I note that the subcommittee decision and the amendment just tabled dealt principally with East Jerusalem, and that special considerations might exist in the minds of the Israelis and perhaps even in the minds of our own Government with respect thereto, and I leave that to the diplomats to explore further.

I will not go into the various leaflets that were thrown and the bloodshed that was called for by some of the Palestinian leadership, who told their followers that they should "view every Jew and every Jewish settler as a target to be killed, whose blood and money are for the taking," This is from a leaflet that was issued on October 11.

This is the wrong moment, Mr. President, to consider this amendment. This amendment, having now been rejected, should not be misinterpreted any place or misconstrued by those who have entered into agreements with our Government.

I yield the floor.

Mr. METZENBAUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to join some of those who have spoken, since the motion to table was agreed to, to indicate my own reflection as to what has transpired.

There are some differences that exist between Israel and the United States. As the Senator from Minnesota points out, a subcommittee acted. On the basis of that, we get a resolution on the floor of the Senate. I think we have to recognize that good friends oftentimes do have differences of opinion. That does not necessarily mean that we pass Senate resolutions indicating our differences. Good friends sit down and talk and they discuss and they disagree, but they can disagree and be agreeable in doing so.

Adoption of the amendment would have been a very negative reflection on the State of Israel. There is no secret about it, the State of Israel at this very moment and yesterday and the day before and tomorrow and the next day lives under a state of concern for the very lives of its people. There is no question about it, that while we here in America talk about the possibility of war in the Middle East, the Israelis know that should something develop in the Middle East, they would be the first target of Saddam Hussein. So they do live in fear. They do have a concern. But they are still a nation, in spite of that, that opens its doors wide to Soviet Jews who are concerned about their safety and security and who are moving as rapidly as they can to leave the Soviet Union, where there have been new outbreaks of anti-Semitism which seem to be escalating in recent weeks and months. They are going to Israel, and Israel is saying, "In spite of all our problems, we open our doors to you."

The question comes up about whether there should or should not be new housing in East Jerusalem. There are issues that people can discuss and have differences about, but a resolution, which is practically a resolution

of disapproval, no way. We do not do that with many of our other friends. We should not do it with the State of Israel.

I think the State of Israel should understand that, yes, there are many of us who have matters we want to discuss with them, but passing a resolution in the Senate to send them a message is not the appropriate way to do it. I am pleased to see that the resolution was overwhelmingly defeated, and I am hopeful that relationships between the State of Israel and this country will continue at a good level, mutually amicable, and we will feel free to criticize their actions, and they certainly have a right to criticize ours. They are an independent nation, as are we.

I yield the floor.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, I rise to express my satisfaction with the outcome of the vote that was just taken because I think it indicates, in a very significant way, how the relationship between Israel and the United States is regarded in this body. It is a very important one. It is a very necessary relationship. It is a relationship that will, of course, have an occasional up or down.

I think the critical issue, Mr. President, is not whether in this given moment we are discussing excessive force, with which some might agree. There are those in Israel who disagree with the Government's view on whether or not they should have been better prepared for the onslaught that took place that day.

I saw an interview on a television program last night—it was on the program "Night Line"—in which one of the experts held up the kinds of stones that were being flung at the worshipers that day. I would have to judge that stone was roughly the size of a conventional building brick. Mr. President, that is not as lethal a weapon as a bullet, but it is one that certainly could create a fatal injury or an injury at least of very serious proportion.

I really do not want to discuss whether or not the force that was used in restraint was equal to the force that was used in the offense. I would like to discuss for just a brief minute, Mr. President, something about the relationships.

Mr. President, I think it is important to stop along the way just to examine our relationship with Israel and some of the background. In 1947, when the State of Israel was created by an agreement in the United Nations, it was then said that Jerusalem, since it is holy to three major religions, should be preserved as an international city and protected by a U.N. force to guarantee that security.

Mr. President, it did not take long for the U.N. force to evaporate. It did not take long for the Jordanians then in charge of a hostile confrontation in 1948, to say to the Jews who wanted to go worship at their holiest of sites, no, not only can you not come here, we are going to destroy those symbols, those monuments, those sites that have been important to your religion for thousands of years.

While we look at what is happening now in terms of whether or not East Jerusalem fits the same profile as does the territory known as the West Bank, I think it is easy to see that there is a significant difference. Never in the more than 20 years that Israel has been in full control of the holy City of Jerusalem have people been denied their right to worship, whether Moslem, Christian, or Jew.

Mr. President, everyone is allowed to visit and worship, whether it is at the via dolorosa, the Church of the Holy Sepulchre, the Dome of the Mosque, or the El Asaq Mosque. When the fire took place at the El Asaq Mosque, the Israelis were the first to want to restore it, and they did go with their own funds and with great care and attention.

So, Mr. President, what I want to do is to have the record reflect that while we do not approve of every action taken by our friends in Israel, we have to look beyond a single day's action, beyond even the tragedy that took place in that confrontation a little over a week ago, and see the value of a relationship, and understand how Israel functions in terms of its concerns for its citizens. Every citizen of that country, every resident, including the Palestinians living in the occupied territories, are being given gas masks, Mr. President. The Palestinians living in the occupied territories, and the West Bank, if you will, are being issued gas masks so that they can be protected against Saddam Hussein and his madness.

Mr. President, I have to tell you that it is this Senator's observation that if it were not for Israel, if it were not for their daring deed in 1981 when they destroyed the Iraqi nuclear reactor, we would have been facing a different Saddam Hussein today, and we would not have been quite as bold perhaps as we have been, as forthright—and I commend the President on all of his decisions to date—knowing that this madman had the capacity to deliver not only a missile, but a nuclear weapon attached thereto.

So, Mr. President, in the interest of my colleagues who have a very important bill to get through this body, the Foreign Operations Subcommittee on Appropriations, and others, I will defer from any further comment except to say that I appreciate their help, and always the help from the distinguished chairman of the Appropriations Committee, who has long been a personal friend, an adviser, a counselor, a fountain of knowledge for all of us in this body. All we have to do is go back to last night and see the history of the Senate drawn out of the most sophisticated, efficient computer yet discovered by man—and that is the brain, the memory, and the skill of our distinguished chairman of the Appropriations Committee, ROBERT BYRD. On this one, the Senator from West Virginia and I differ. On many, many others we agree.

I thank my colleagues for their patience and their forbearance.

Mr. BYRD. Mr. President, if the distinguished Senator will yield, I thank the distinguished Senator for his kind compliments. In the words of Alexander Pope, may I say to the distinguished Senator from New Jersey, "Thous wert my guide, philosopher, and friend."

Mr. DECONCINI. Mr. President, I also rise to speak briefly. I know the amendment is here. I understand the interest of the distinguished President pro tempore and the minority leader. Certainly the President pro tempore has been a leader in this body and internationally on the rule of law. I listened to his remarks and realize the importance of his intentions.

I think it is very important for us to put in perspective the situation that Israel finds itself in today, a situation of extreme hostility, surrounded by nations that are at war with her today. I think it is very important that we do not attempt to dictate how Israel handles its internal affairs. We have had those discussions here before with other resolutions, and sometimes I have been on the other side. I cannot recall all of them but I am sure that is the case.

But it is vital that we treat Israel as the sovereign nation that it is, and as our best ally in that part of the world. Look at the times the Israeli Ambassador to the United Nations has cast a vote in support of the United States position and you will find there is no other nation that comes even close—not even Great Britain, Italy, or any of our NATO allies comes close—to the strength and the support that this nation gives.

We have experienced some differences of opinion. I have differences of opinion with the Israeli policy on settlements in the occupied territories. But I hope that we can put behind us this type of effort. What concerns me about it is that it is tempting to argue for human rights in Saudi Arabia, or Turkey, or some other nation that is close to the United States at this moment, or perhaps has been close to us historically. We could offer amendments and make tremendous argu-

ments about violations of human rights which have been reported by organizations such as Amnesty International about Saudi Arabia or Kuwait.

Nobody, I think would vote for that, even if there was overwhelming evidence of violations of human rights, because of the situation we find ourselves in today. That same situation applies to the State of Israel. We should give support to that nation even at a time when there is internal violence.

I have been there, as have most of us. I am satisfied that Israel provides that freedom of expression, that freedom of conscience that we all take for granted. The Helsinki process, though Israel is not part of that agreement, guarantees to the 35 signatory nations that they shall have the right to worship as one pleases. The Israeli Government has also provided that. We should take that into consideration and not attempt, I believe, to pass resolutions that would send a bad signal to that sensitive region at this sensitive time.

I thank the Chair. I thank the managers.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I rise for the purposes of offering an amendment, if the managers would be agreeable to that at this time.

Mr. LEAHY. I understand that is the gutted Dodd-Leahy amendment.

Mr. GRAHAM. This is the supplement to add even greater strength to the amendment which already has great potential for bringing peace and tranquillity and eventually the fruits of democracy and a free market system.

Mr. LEAHY. Mr. President, this is the DODD-LEAHY version that would give all the money back to the Salvadoran Government. I have no objection to that coming up at this point. I wonder if we might do it under a time agreement. We should spend some time if we are going to suddenly shovel all of this money back to El Salvador—the taxpayers' money. We ought to talk about it a little bit, but not too long.

Mr. GRAHAM. We would suggest a 90-minute time limit. There are several people who wish to speak on behalf of this amendment.

Mr. LEAHY. Mr. President, I ask unanimous consent that there be a 90-minute time agreement, evenly divided between the distinguished Senator from Wisconsin, who supports the amendment, and myself in opposition, under the usual form, with the hope that this goes on and people realize the lateness of the hour and the fact that we will be in until 3 or 4 o'clock in the morning on this bill as it is, and that we may be in a position to yield some of this time back.

Mr. KASTEN. If the Senator would yield, I would like to have the Senator from Florida be in charge of the time on his side, and Senator LEAHY could be in opposition.

Mr. LEAHY. Mr. President, I say to the distinguished Senator from Wisconsin that he or his designee will control the time.

Mr. SPECTER. Reserving the right to object, and I will not at this time, I have discussed my interest in having some time, and I discussed it with the Senator from Arizona [Mr. MCCAIN]. I would like to have 15 minutes reserved for my use, which should pose no problem in the time allotment.

Mr. LEAHY. Mr. President, will the Senator be in opposition?

Mr. SPECTER. I expect to be in opposition.

Mr. LEAHY. I can assure the Senator that I will make that time available.

Mr. SPECTER. I thank the distinguished Senator from Vermont.

The PRESIDING OFFICER. If there is no objection, the unanimous-consent request is agreed to.

The Senator from Florida is recognized.

AMENDMENT NO. 3063 TO COMMITTEE AMENDMENT ON PAGE 89, LINE 4

(Purpose: To set forth additional criteria to determine the withholding or release of United States military assistance to the Government of El Salvador)

Mr. GRAHAM. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM,] for himself, Mr. KASTEN, Mr. MCCAIN, Mr. ROBB, Mr. LUGAR, and Mr. MACK, proposes an amendment numbered 3063.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the Committee amendment, add the following new subsection:

(k) ADDITIONAL CRITERIA for WITHHOLDING or RELEASING UNITED STATES MILITARY ASSISTANCE for the GOVERNMENT of EL SALVADOR.—(1) Beginning 60 days after the date of enactment of this Act, no United States military assistance, as defined by this Act, may be furnished to the Government of El Salvador if the President determines and reports in writing to Congress that the Government of El Salvador—

(A) has failed to request that the United Nations actively mediate negotiations between the Government of El Salvador and the FMLN for agreements to resolve the political issues listed in the general agenda of the Caracas Accord of May 21, 1990, including issues relating to armed forces, the judicial system, constitutional reform, economic and social matters, and verification by the United Nations;

(b) has rejected a good faith proposal for an internationally monitored cease-fire and separation of forces; or

(C) is not complying with the applicable terms of an internationally monitored cease-fire, with which the Farabundo Marti National Liberation Front (FMLN) is complying.

(2) On or after 60 days after the date of enactment of this Act, United States military assistance, as defined by this Act, withheld from the Government of El Salvador pursuant to this Act may be obligated and expended, notwithstanding subsection (d)(2), if the President determines and reports in writing to the Congress that the FMLN—

(A) has failed to request that the United Nations actively mediate negotiations between the Government of El Salvador and the FMLN for agreements to resolve political issues listed in the general agenda of the Caracas Accord of May 21, 1990, including issues relating to armed forces, the judicial system, constitutional reform, economic and social matters, and verification by the United Nations;

(B) has rejected a good faith proposal for an internationally monitored cease-fire and separation of forces; or

(C) is not complying with the applicable terms of an internationally monitored cease-fire, with which the Government of El Salvador is complying.

Mr. GRAHAM. Mr. President, it will be my intention to give a summary introduction to this amendment and then call upon my colleagues who wish to speak in its support.

Mr. President, I am proposing an amendment today which has two simple objectives: To stop the killing in El Salvador and to bring about a negotiated solution to this long, tortured conflict. Senators KASTEN, MCCAIN, ROBB, LUGAR, and MACK join me as cosponsors of this amendment.

Mr. President, this is not a debate about whether to investigate the Jesuit murder case and convict and punish the killers, nor is it a debate about whether there should be a negotiated solution to the conflict, and even to human rights violation, and fundamental military reform of the Salvadoran Armed Forces. I mean fundamental reform. We stand united behind these objectives.

The motion offered earlier this afternoon by the Senator from Vermont and the Senator from Connecticut, which received 74 votes in the Senate, I supported. Every provision that is in that amendment is contained in the modified version which I offer. We are offering solely language which would be additive to that which has already been incorporated in this legislation.

Let there be no doubt about that in the minds of the extremists on both sides of the conflict. We who support this amendment are united behind the objectives of peace and an ending to conflict. What we are really debating today, is how to get dangerously stalled negotiations off dead center. One of the initial objectives of the talks, which started in May under the Caracas accords, was to be a cease-fire

achieved by mid-September of this year. That date, of course, has come and gone. The two sides are no closer to a negotiated solution today than they were in May.

In the meantime, Mr. President, the violence initiated by the FMLN on Wednesday night offers just a taste of what is in store over the next few months, if we fail to bring what pressure we can to bear on this situation.

This was a harrassment attack, not the beginning of an offensive, by any means; but it indicates a general deterioration in the negotiating environment. Indeed, both we and the Soviets issued a joint statement yesterday, calling on the government and the FMLN to intensify their negotiations to reach a cease-fire and political compromise. Our proposal would pressure the government and the FMLN, to negotiate seriously and agree to a cease-fire—not next year, not the year after, but now.

This amendment adds additional teeth to the Dodd-Leahy language. The government and the FMLN, as a result of this amendment, would have 60 days to reach an agreement on two fundamental issues: a more active mediating role for the United Nations' mediator, Alvaro de Soto, and an internationally monitored cease-fire. By voting for this amendment, we tell both sides to stop fighting, stop stalling, to get serious, settle your differences and move to a cease-fire, so elections scheduled for next spring can be held in peace.

By voting for this amendment, we are supporting the Caracas accord, by putting pressure on both sides to negotiate seriously, and move to a cease-fire. After more than 70,000 deaths in the past 10 years, the bloodletting must come to an end. Salvadoran people are sick of it; they are fed up with extremists on both sides, and so is virtually everyone else who has been touched by this war.

Every central American President, including Nicaraguan President Daniel Ortega, has called on the FMLN—which to date has refused—to agree to an immediate and effective cease-fire as part of the Esquipulas process.

The Presidents did so when they signed the agreement in Honduras in 1989, and again when they met 4 months later in Costa Rica, and they did so yet again earlier this month when issuing a joint declaration calling on the FMLN to accept a cease-fire.

Mr. President, I ask unanimous consent that the declarations be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CENTRAL AMERICAN PRESIDENTS' DECLARATION ON A SALVADORAN CEASE-FIRE

The presidents of Costa Rica, Guatemala, Honduras, and Nicaragua, concerned about the presistent armed conflict in El Salvador, which threatens the peace and security of Central America, declare that we welcome and support the proposal put forward by the President of El Salvador, Alfredo F. Cristiani, regarding the willingness of his government to declare unilaterally a cease-fire effective as soon as the FMLN does the same, consequent to the positions taken in the presidential meetings at Tela, Honduras, San Isidro de Coronado, Costa Rica, Montelimar, Nicaragua, and Antigua Guatemala, we reiterate our demand to the FMLN that it accept a case-fire as soon as possible in order to create an environment favorable to a peaceful and democratic solution in El Salvador.

Central America, October 4, 1990.

Rafael Agel Calderon, President, Republic of Costa Rica; Rafael Leonardo Callejas, Presient, Republic of Honduras; Marco Uinicio Cerezo, President, Republic of Guatemala; Uioletta Barrios de Chamorro, President, Republic of Nicaragua.

Mr. GRAHAM. Mr. President, the Dodd-Leahy language we are attempting to amend today takes an important step in the right direction. It cuts military aid to the Government of El Salvador by 50 percent right now. It conditions future military aid in a way that is cut on both sides. Although I would change a word here or there, given the opportunity, I commend the authors and their staffs for the hard work that this legislation so obviously reflects. Through our amendment today, we simply would like to add one additional condition to those already listed in the bill, one that we believe will strengthen Dodd-Leahy and add some necessary balance.

One additional condition would pressure both the government and the FMLN to agree to ask the U.N. negotiator, Senor de Soto, to play a more active role in suggesting resolutions to the political agenda outlined in Caracas. It would also pressure both sides to enter into a cease-fire.

Let me make clear to my colleagues that this amendment in no way weakens the other conditions placed on the government by the current Dodd-Leahy language. If the government fails to thoroughly investigate and prosecute those responsible for the Jesuit murders, if the government refuses to negotiate with the FMLN, if the government assassinates or abducts noncombatants or any other acts of violence against civilian targets, or if the government fails to control such activities by elements subject to the control of the military and security forces, if the government does any one of those things, it loses all of its military aid, all of it, Mr. President.

Even if the government agrees to our added condition and fails to meet just one, any one of the conditions already contained in the Dodd-Leahy proposal, it loses all of its military aid.

Mr. President, I turn to an argument which was raised in the earlier discussion of the Dodd-Leahy amendment, relative to, and in anticipation of our amendment. Proponents argue that the Caracas agreement, signed by both sides last May, when they agreed to enter U.N. mediated negotiations, call for a two-step process. They say that a series of political agreements has to be reached before moving on to a cease-fire. They suggest that interjection of a requirement for cease-fire, prior to agreement on all political agreements listed in the Caracas accord, is to upset a delicate negotiation process agreed to by both sides.

I have read the Caracas agreement. Like all such documents, it has its share of ambiguities. Nevertheless, my reading tells me there is no requirement that agreement be reached in all these areas before moving to a cease-fire. Indeed, the Caracas agreement, as a practical matter, recognizes the complexity of some issues, and allows that they might all be solved before moving to a cease-fire.

If I could, Mr. President, quote a provision of the agreement.

Political items have referred to in their respective phases but since some of them are quite complex certain aspects might be addressed in other phases.

This provision indicates, Mr. President, recognition that some of the political agreements could occur subsequent to a cease-fire.

Mr. GRAHAM. Mr. President, we have had a recent example of a successful application of a cease-fire to resolve a conflict that is almost as long and bloody as that in El Salvador, and that is in Nicaragua.

In Nicaragua on March 23, 1988, a 60-day cease-fire was agreed upon by the Sandinistas and the Contras. Subsequent negotiations for a permanent cease-fire broke down, but the Sandinistas and the Contras maintained unilateral cease-fire until November 1, 1989, when Daniel Ortega announced suspension citing Contras reinfiltration from Honduras. There was a period of renewed conflict, then another restoration of a cease-fire, and it was after that cease-fire, Mr. President, that the basic agreements which led to the successful, in fact one of the most successful democratic elections, in terms of process in the history of Latin America, to take place in Nicaragua.

Mr. President, I submit the example to Nicaragua, El Salvador's neighbor, as evidence that the process of first stopping the killing, ending the violence, bringing into the country observers, international observers, who can secure the peace, and whose very presence can create an environment that will facilitate, and encourage the movement toward the necessary political, judicial, economic, and other forms, that are necessary, in order to commence and nurture the healing process, which is so desperately needed in El Salvador.

Mr. President, we are at a time when the opportunity for serious movement toward an end to the killing and a commencement of a process with peace at its destination can happen in El Salvador. The Soviets are increasingly estranged from their FMLN former allies.

This past August, I had the opportunity to travel to the Soviet Union with the distinguished senior Senator from Vermont, [Mr. LEAHY]. While we were in Moscow, I met with members of the Soviet Foreign Minister of Industry, who made it very clear that they, too, were urging the FMLN to accept the cease-fire and begin serious negotiations.

Soviets have gone on public record in a joint United States-Soviet communique signed in 1989 at Jackson Hole, WY, in support of the various accords signed by the Central American presidents. As we mentioned, these accords clearly call for the FMLN to accept an immediate cease-fire.

Mr. President, within the past few days, again the Soviets and the United States have called upon the parties in El Salvador to move toward a cease-fire, and serious negotiations toward a peaceful settlement.

Mr. President, it is time to bring the bloodshed to an end. This amendment helps us do that.

I urge my colleagues to support this effort to stop the killing in El Salvador.

Mr. President, I am proposing an amendment today that has two simple objectives—to stop the killing in El Salvador and to bring about a negotiated solution to the conflict.

Senators KASTEN, MCCAIN, ROBB, LUGAR, and MACK join me as cosponsors.

Mr. President, this is not a debate about whether to investigate the Jesuit murder case and to convict and punish the killers.

Nor is it a debate about whether there should be a negotiated solution to the conflict, an end to human rights violations and fundamental military reform of the Salvadoran armed forces. And I mean fundamental.

We stand united behind these objectives. Let there be no doubt about that in the minds of the extremists on both sides of the conflict.

What we really are debating today is how to get dangerously stalled negotiations off dead center. One of the initial objectives of the talks, which started in May under the Caracas accord, was to achieve a cease-fire by mid-September.

That date, of course, has come and gone. The two sides are no closer to a negotiated solution today than they were in May.

In the meantime, the violence initiated by the FMLN on Wednesday night offers just a taste of what is in store over the next few months if we fail to bring what pressure we can to bear on this situation. This was an harassment attack—not the beginning of any offensive, by any means. But it indicates a general deterioration in the negotiating environment.

Indeed, both we and the Soviets issued a joint statement yesterday calling on the Government and the FMLN to intensify their negotiations to reach a cease-fire and political compromise.

Our proposal would pressure the Government and the FMLN to negotiate seriously and to agree to a cease-fire. Not next year, not the year after, but now.

This amendment adds additional teeth in the pending Dodd-Leahy language. The Government and the FMLN, as a result of this amendment, would have 60 days to reach agreement on two fundamental issues:

A more active mediating role for U.N. mediator Alvaro DeSoto.

And an internationally monitored cease-fire.

By voting for this amendment, we tell both sides to stop fighting, stop stalling, get serious, settle your differences and move to a cease-fire so elections scheduled for next spring can be held in peace.

By voting for this amendment, we are supporting the Caracas accord by putting pressure on both sides to negotiate seriously and move to a cease-fire.

After more than 70,000 deaths in the last 10 years, the bloodletting has to end. The Salvadoran people are sick of it. They are fed up with the extremists on both sides. So is virtually everyone else who has been touched by this war.

Every Central American President, including Nicaraguan President Daniel Ortega, has called on the FMLN—which to date has refused—to agree to an immediate and effective cease-fire as part of the Esquipulas process.

The Presidents did so when they signed the Tela agreement in Honduras in 1989. They did so again when they met 4 months later in Costa Rica. And they did so yet again earlier this month when they issued a joint declaration calling on the FMLN to accept a cease-fire.

Mr. President, I ask unanimous consent that the declaration be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

WHY HAVE THE GOVERNMENT OF EL SALVADOR AND THE FMLN FAILED TO ACHIEVE A CEASE-FIRE PER THE STATED OBJECTIVES OF THE GENEVA AGREEMENT OF APRIL 4 AND THE CARACAS AGREEMENT OF MAY 21, 1990?

Below are statements of Salvador Samayoa,[1] member of the FMLN negotiating committee and director of their political branch, explaining the failure to achieve a negotiated cease-fire.

"Our tactics are as follows: everything they offer to us we tell them 'not enough, we want more'." (laughter) What we have done is to try to "produce an impasse in the negotiations" and it is "particularly important that people see it as an impasse in the negotiations because we don't want to allow the government to get credit for peace in the short term and strengthening their electoral position for March 1991 elections by politically isolating the FMLN."

The government had been putting "Pressure on the FMLN for the September cease-fire." In order to avoid the cease-fire, "we did what we had to do, we tried to paint a picture of failure and stagnation in the negotiations which allowed us to get out from under the mid-September cease-fire deadline." Now that we are out from under that and people think that the talks are simply stalled, we can now stall them even further ("slow down the process") "which is in line with the revolutionary strategy of the FMLN."

Mr. GRAHAM. Mr. President, the Dodd-Leahy language which we are attempting to amend today takes an important step in the right direction. It cuts military aid to the Government of El Salvador by 50 percent, right away.

It conditions future military aid in a way that is tough on both sides. Although I would change wording here and there, given the opportunity, I commend the authors and their staffs for the hard work that this legislation so obviously reflects.

Through our amendment today, we simply would like to add one additional condition to ones already listed in the bill, one that we believe will strengthen Dodd-Leahy, and adds some necessary balance.

Our additional condition would pressure both the Government and the FMLN to agree to ask U.N. mediator Alvaro DeSoto to play a more active role in suggesting resolutions to the political agenda outlined in Caracas. It also would pressure both sides to enter into a cease-fire.

The amendment, which fits into the framework of Dodd-Leahy, would work like this: If the FMLN—but not the Government—agrees to our condition, we would cut all military aid to the Government, 100 percent. If, on the other hand, the Government—but not the FMLN—agrees to the condition, we would restore the 50 percent military aid that Dodd-Leahy cuts off the top.

Finally, if both sides agreed to this condition, we would provide the Government only 50 percent of its military funding, the argument being very simple: Why give the Government full military aid if it is no longer under fire?

Let me make clear to my colleagues that this amendment in no way weakens the other conditions placed on the Government by the current Dodd-Leahy language.

[1] Direct translation is marked in quotes. The other phrases are a composite of their position as described during the meeting.

If the Government fails to thoroughly investigate and prosecute those responsible for the Jesuit murders; if the Government refuses to negotiate with the FMLN; if the Government assassinates or abducts civilian noncombantants or engages in any other acts of violence against civilian targets or fails to control such activities by elements subject to the control of the military and security forces; if the Government does any one of these things, it loses all its military aid. All of it.

Even if the Government agrees to our added condition but fails to meet just one—any one—of the conditions already contained in Dodd-Leahy, it loses all of its military aid.

On the other hand, this amendment in no way undermines the conditions that Dodd-Leahy puts on the FMLN: If the FMLN refuses to negotiate with the Government; if the FMLN threatens the survival of the Government by mounting a military offensive; if the FMLN assassinates or abducts civilian noncombantants or engages in other acts of violence against civilian targets or it fails to control such activities by elements subject to FMLN control; if the FMLN commits any one of these acts, Dodd-Leahy's 50-percent military aid cut off the top is restored to the Government.

Under the legislation, the President would report to Congress within 60 days after enactment on whether the various conditions are being complied with by each side, including our proposed condition.

Our experience with Nicaragua over the past decade taught us how effective a bipartisan foreign policy can be, once we reach one. Bipartisanship helped us bring about the democratic outcome in Nicaragua that we all desired.

We need to reach a similar meeting of minds in respect to El Salvador. We are close to doing so.

In regard to the bill before us, I know that Members and staff tried hard to reach a compromise on the cease-fire concerns we are raising today.

I am sorry we were unable to.

Senators LEAHY and DODD attempted to meet us halfway by inserting some additional language on cease-fire, but we respectfully suggest it does not accomplish what I believe we all want. And that it is a negotiated settlement and an end to the killing.

Their language calls on each side to accept a plan for settlement developed by the U.N., one that includes a proposal for a cease-fire.

We absolutely support the intent. Unfortunately, the U.N. mediator has made it very clear that it will not propose a cease-fire plan or any settlement plan at all for that matter, unless both sides request him to do so.

Indeed, in an October 11 letter to me, Secretary Baker wrote that the "(UN) Secretary General has taken the position from the beginning of the negotiations, and reaffirmed it last week to our Mission at the U.N., that his representative cannot even offer a plan without the prior agreement of both the Government and the FMLN."

Mr. President, I ask unanimous consent that Secretary Baker's letter be included in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF STATE,
Washington, October 11, 1990.

Hon. BOB GRAHAM,
U.S. Senate.

DEAR BOB: The legislation Congress is about to consider on FY-91 assistance to El Salvador can determine whether there will be peace or renewed violence, human rights or further abuses. It is critical that the Senate weigh carefully the provisions of the Dodd/Leahy bill.

You asked me to review in particular Section 531(c)(C) of the bill, which discusses the possibility of achieving a cease-fire within 60 days of the bill's enactment.

As you know, the Government of El Salvador and the FMLN committed themselves in Geneva and Caracas to negotiating political agreements leading to a UN supervised cease-fire. The parties declared their intention to achieve a cease-fire "at the earliest possible time," but set September 15 as a deadline. Thus as Congressional Committees and Subcommittees have deliberated, the parties have failed to reach their self-imposed goal.

The two sides emphasized the importance of achieving a cease-fire before the upcoming National Assembly elections. An expanded electoral process in the conflictive zones of El Salvador under international supervision is crucial to peace and national reconciliation, just as it was in Nicaragua. The Inter-Party Commission in El Salvador, which includes all political parties in the country, has also called for a cease-fire during the elections.

Unfortunately, the Dodd/Leahy bill offers no incentive for the parties to negotiate a cease-fire. On the contrary, as currently drafted, the bill is virtually meaningless. It says that money withheld will be restored if the FMLN rejects "a plan for the settlement of the conflict . . . which has been developed by the Secretary General . . . and which includes a proposal for an internationally monitored cease-fire."

This language has no meaning because the Secretary General has taken the position from the beginning of the negotiations, and reaffirmed it last week to our Mission at the UN, that his representative cannot even offer a plan without the prior agreement of both the government and the FMLN. While the government of El Salvador has called on the Secretary General to submit such a plan, the FMLN has consistently refused. In other words, the FMLN has veto power over whether the Secretary General can offer the plan described in this legislation. Should the FMLN continue to exercise its veto, there will be no plan formally to refuse, as required by the Dodd/Leahy bill.

It is crucial that Congress make a clear and unequivocal statement that the killing and violence must stop and a cease-fire be enacted. Some claim that such a provision would violate the agreements between the parties in Caracas, which call for political agreements leading to a cease-fire. This is totally untrue. The parties have had five months to negotiate political agreements. Your amendment gives them another 60 days.

What your amendment to the Operations Appropriations bill does, and the Dodd/Leahy language fails to do, is put real pressure on and offer real incentives to both sides to negotiate seriously. The time has come to end the decade of killing and violence in El Salvador. Your amendment promoting a cease-fire will help to do just that.

Sincerely yours,

JAMES A. BAKER III.

Mr. GRAHAM. So where are we in the negotiations?

The Government has requested that the U.N. actively negotiate each side to a middle ground on the various political issues outlined in the Caracas accord. The FMLN has refused.

The Government has requested that the U.N. develop and propose a cease-fire. The FMLN has refused.

The result is deadlock.

The FMLN can stall the negotiations as long as they want.

And I am afraid that is what they are doing.

Even our colleague, Congressman JOE MOAKLEY, no friend of the Government's, has called the FMLN's latest proposals "particularly extreme and unrealistic," and denounced the FMLN for threatening another military offensive.

Auxiliary Bishop of San Salvador Rosa Chavez labeled the FMLN's new demands "excessive," and said they "fuel pessimism and defeatism about the chances for peace."

Unfortunately, the FMLN is not paying attention. In a meeting in New York City on September 22, Salvador Samayoa, a member of the FMLN negotiating committee and director of their political branch, made categorically clear the FMLN's strategy. It can be summed up in one word—stall.

At that meeting, he said, "Our tactics are as follows: everything they offer to us we tell them 'not enough, we want more'."

Why? Because Samayoa and the FMLN believes it is "particularly important that people see it as an impasse in the negotiations because we don't want to allow the Government to get credit for peace in the short-term and strengthening their electoral position for March 1991 elections by politically isolating the FMLN."

Samayoa said the Government had been putting "pressure on the FMLN for the September cease-fire," and that in order to avoid the cease-fire "we did what we had to do, we tried to paint a picture of failure and stagnation in the negotiations which allowed us to get out from under the mid-September cease-fire deadline."

Mr. President, I remind my colleagues that that is a goal both sides committed to working toward when they signed the Caracas accord on May 21.

What these comments indicate is that FMLN is not interested in a cease-fire. They are not as interested in political reforms as they are in making sure the Government "doesn't get credit for peace."

The people of El Salvador are tired of such cynical tactics. They want peace.

Our amendment, Mr. President, is consistent with the carrots and sticks approach of Dodd-Leahy. It pressures both sides to move to a cease-fire.

Opponents to our amendment have raised several concerns. Let me address them.

First, they suggest that the FMLN will never accept a cease-fire until they have gained meaningful concessions from the Government on fundamental military reform. And so far, they argue, they have not.

To establish this as a condition, they suggest, is simply a clever attempt to in effect continue full military funding to the military.

They argue that for the FMLN to agree to a cease-fire is give up their only leverage-armed resistance against the government—before securing their political demands.

But as the Washington Post editorialized on September 30, "a cease-fire could calm passions and produce an atmosphere infinitely better suited than war in which to pursue military reform, human rights and elections."

Mr. President, I ask unanimous consent that the Post editorial be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 30, 1990]

END THE AID AND THE WAR

Perhaps the guerrilla FMLN on its own will resolve the American debate over the terms on which to aid the government of El Salvador. By moving into a new offensive or by taking negotiating positions so extreme as to be repudiated by that government's harshest American critics, as is already happening, the FMLN may leave Congress no choice but to renew aid on old terms.

This would be a misfortune. An untrammeled flow of military aid would undercut both lagging Salvadoran efforts to bring the murderers of the Jesuits to justice and determined American efforts to punish the Salvadoran armed forces for human rights crimes. It would keep the war going in a spurious quest for unilateral advantage. More immediately, it would choke off prospects to use aid as a lever to end the war.

It is already accepted in Congress and the administration—less so, as you would expect, in El Salvador—that some aid is going to be cut to penalize the army for its Jesuit cover-up. The House has already acted. At this late point, there is no other way left to convey American disapproval of such horrors.

That leaves open the question of how to handle the rest of the aid. Critics are no more eager than makers and supporters of policy simply to hand El Salvador over to Marxist guerrillas who are as bloody-handed and undemocratic as the worst government-side thugs. But their approaches are different. Critics focus first on aid conditions meant to influence the behavior of Salvadoran armed forces. The Bush administration and Salvador's civilian government are composing a focus on the FMLN. They propose to cut military aid in return for FMLN acceptance of a cease-fire supervised by the United Nations and the Organization of American States.

As the Senate composes its views on this issue, the cease-fire idea deserves favor. Simply ending or reducing aid, after all, leaves El Salvador on fire and invites the guerrillas to stonewall in negotiations. But giving aid in conditions of a proper cease-fire *ends* the war. The FMLN complains that a cease-fire reached before the critical issue of military reform is addressed invites the government to stonewall. But a cease-fire could calm passions and produce an atmosphere infinitely better suited than war in which to pursue military reform, human rights and elections. The guerrillas' legal political arm ran as a party and got barely 3 percent of the vote in the last elections. But the FMLN's reluctance to enter peaceful, internationally supervised political competition surely cannot be accepted as a reason to continue the killing.

Mr. GRAHAM. I suggest that with a framework for negotiations now established, the FMLN does have an alternative. I also remind my colleagues that we are attempting through this legislation to pressure both sides.

We are not drafting legislation to suit either the Government or the FMLN but to try to force each side to take actions they might not otherwise take. If we begin to tailor conditions to suit the sensibilities of one side or another, we defeat our purpose.

If the FMLN is so dead-set against a cease-fire, perhaps this bill, and the possibility of achieving a 50-percent reduction in military aid to the Government will cause them to rethink their position. We are not calling for disarmament. We are calling for a cease-fire.

Opponents also argue that the Caracas agreement, signed by both sides last May when they agreed to enter U.N. mediated negotiations, calls for a two-step process. They say that a series of political agreements have to be reached before moving on to a cease-fire.

They suggest that to interject a requirement for a cease-fire prior to agreement on all the various political agreements listed in the Caracas accord, is to upset a delicate negotiating process agreed to by both sides.

I have read the Caracas agreement—several times. Like all such documents, it has its share of ambiguities. Nevertheless my reading tells me that there is no requirement that agreements be reached in all of these areas before moving to a cease-fire.

Indeed, the Caracas agreement, as a practical matter, recognizes the complexity of some of these issues and allows that they might not all be solved before moving to a cease-fire.

The agreement reads, "Political items have been referred to in their respective phases; but since some of them are quite complex, certain aspects might be addressed in other phases."

Mr. President, I ask that a copy of the Caracas accord be printed in the RECORD.

There being no objection, the accord was ordered to be printed in the RECORD, as follows:

[U.N. Press Release, May 21, 1990]

GENERAL AGENDA AND SCHEDULE FOR COMPREHENSIVE NEGOTIATION PROCESS BETWEEN GOVERNMENT OF EL SALVADOR AND FMLN

The following was issued in Caracas by the Personal Representative of the Secretary-General for Central America, Alvaro de Soto, regarding the general agenda and schedule of the complete process of negotiation between the Government of El Salvador and the Frente Farabundo Marti para la Liberacion Nacional (FMLN):

A. GENERAL AGENDA

I. The initial objective shall be to achieve political agreements for a halt to the armed confrontation and any acts that infringe the rights of the civilian population, which will have to be verified by the United Nations, subject to the approval of the Security Council.

(a) First: Political agreements:

Armed forces; human rights; judicial system; electoral system; constitutional reform; economic and social issues; and verification by the United Nations.

(b) Second: Agreement on a halt to the armed confrontation and any acts that infringe the rights of the civilian population.

II. Establishment of the necessary guarantees and conditions for reintegrating the members of FMLN, within a framework of full legality, into the civilian, institutional and political life of the country.

Armed forces; human rights; judicial system; electoral system; constitutional reform; economic and social issues; reintegration of FMLN members; and verification by the United Nations.

III. Final agreements for the consolidation of the objectives of the Geneva Agreement, and verification by the United Nations, as appropriate.

Note: The sequence of the items listed for the respective phases is not a strict order of consideration, and may be changed by common agrement.

The agreements should be precisely tailored to the nature of the phase involved. Political items have been referred to their respective phases; but since some of them are quite complex, certain aspects might be addressed in other phases. It all depends on the dynamics of the negotiations.

B. SCHEDULE

In the light of the general agenda for the comprehensive negotiation process in the preceding section, the Government of El Salvador and FMLN agree that the initial objective set forth in paragraph 1 of the Geneva Agreement of 4 April 1990 should be achieved by the middle of September 1990, provided that the parties reach synchronized agreements which have schedules for

implementation and are subject to verification as appropriate, so as to ensure that all the components of the initial objective are duly coordinated.

The additional advantage of that deadline is that it would help to ensure that an electoral process is conducted at the legislative and municipal levels in an atmosphere of tranquillity, broad participation and freedom from intimidation.

It is difficult to get a strict time-limit for the conclusion of the comprehensive process. That would depend on factors that cannot yet be considered, such as the range and scope of the political agreements referred to in section I, which are to be negotiated, and the relationship between the negotiations and the electoral process. On the other hand, there is also a possibility that the initial objective might be achieved before the deadline. For these reasons, formulations regarding the conclusion of the process should not be in terms of dates, but in terms of a certain number of months from the achievement of the initial objective: tentatively, two to six months.

One the basis of the above understandings, the Government and FMLN shall concentrate on, as the primary substantive priority, the negotiation of the political agreements envisaged under the initial objective.

Mr. GRAHAM. Opponents to this amendment, argue that a cease-fire condition would so frustrate and box in the FMLN that they might launch another offensive, similar to the one they waged last fall that cost so many lives.

I hope that there would not be a recurrence of last year's bloodshed.

At the same time, the FMLN's negotiating position seems to be getting more inflexible. In the August negotiating session, the FMLN called for complete and immediate dissolution of the Armed Forces, before a cease-fire.

That is unfortunate, because in earlier meetings during the summer, the sides had resolved some issues concerning electoral reform, and had even signed their first written agreement, which was on human rights.

The FMLN also had submitted a number of demands for military reform, and the Salvadoran Government indicated its willingness to accommodate some of them.

In response, the Government agreed to dissolve certain armed forces elements, after a cease-fire and to move out unacceptable officers through rotation. They agreed to hold exemplary prosecutions in the FMLN's cases, plus four abuses committed by the guerrillas.

Since this offer, the government has moved several officers from positions of authority, and stated that changes in brigade commands could be discussed at the talks.

The Armed forces separately announced that the ranks of the civil defense force would be purged.

Moreover, the government, starting in the July round and offered at each subsequent round, suggested that U.N. mediator De Soto define a middle ground on armed forces reform, and other issues, and negotiate the two sides to it through a process of mediation. The FMLN continues to refuse to accept active U.N. mediation.

In recounting the negotiating record, I am not suggesting that the Government has gone far enough. The Government needs to go much farther. We all know what kind of military we are dealing with.

But President Cristiana is taking some chances for peace. And he has suffered a backlash from the core of his party that threatens his administration, according to a September 16 New York Times article.

Mr. President, even the Soviets are getting fed up with FMLN intransigence. This past August I had the good fortune to travel to the Soviet Union with the distinguished senior Senator from Vermont [Mr. LEAHY].

While in Moscow, I met with members of the Foreign Ministry who made it very clear that they, too, were urging the FMLN to accept a cease-fire and begin negotiating seriously.

The Soviets have gone on public record in a joint United States-Soviet communique, signed in 1989 at Jackson Hole, WY, in support of the various accords signed by the Central American Presidents. As we have discussed, these accords clearly call for the FMLN to accept an immediate cease-fire.

Mr. President, it is time to bring the bloodshed to an end. This amendment helps us do that. I urge my colleagues to support this effort to stop the killing.

The PRESIDING OFFICER. The Senator controls 32½ minutes.

Who yields time?

The Senator from Florida.

Who yields time?

Mr. LEAHY. Mr. President, who is seeking recognition?

Mr. GRAHAM. The Senator from Virginia is seeking recognition and I am prepared to yield 15 minutes.

Mr. LEAHY. Mr. President, the Senator from Florida controls the time in support of the amendment so he would be yielding the time.

Mr. GRAHAM. Mr. President, I yield to the Senator from Virginia 15 minutes.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. ROBB. Mr. President, I join my colleagues today in rising to support the Graham amendment. After 10 years of bloodshed and civil war, peace may finally be within reach in El Salvador.

As we seek to fashion legislation, I would submit, that our challenge in this body is to structure a bill that will best facilitate the chance of a negotiated peace.

I should say at the outset that I think the Dodd-Leahy bill goes a long way toward doing this. I was pleased to support it, and I commend my colleagues for their diligent and thoughtful effort.

I believe the pending amendment, however, is crucial to fine-tuning the bill and providing us with the opportunity to lock in a ceasefire.

I know and share the concerns of many of my colleagues.

I am very much disturbed by elements of the Salvadoran military that seem resistant to genuine reform and which refuse to accept civilian control, and respect fundamental human rights.

They are rightly appalled by the heinous killing of the Jesuits and their housekeepers during the FMLN offensive last November.

They want to know that El Salvador will become a place where no one—including, and especially, the military—is immune to the law.

Appropriately, this bill puts tough conditions on the Salvadoran Government to make reforms along these lines. In line with these concerns, I recently traveled again to El Salvador with the Senator from Arizona [Mr. MCCAIN].

We met first with President Cristiani with whom we discussed a broad range of issues.

Afterwards, we talked with the new minister of defense, Colonel Ponce, and the Salvadoran high command.

We also met separately with Judge Ricardo Zamora who is in charge of the investigation of the Jesuit case.

We reminded President Cristiani of what we said to him in San Salvador last year.

On that trip, I told him that he would be held to a much higher standard than his predecessor, which might, at times, seem unfair. He understood and acknowledged this reality.

This time, however, the message was even tougher.

In the strongest possible terms we emphasized the values that we in the Congress—and the American people—expect our foreign aid dollars to promote.

Specifically I stressed to the President and to the military that:

The Government and the military must demonstrate an unmistakable commitment to resolving the Jesuit case and an equally firm commitment to human rights and to civilian control of the military.

Senator MCCAIN and I further made it quite clear that the United States will not tolerate an ongoing relationship with a military that permits the complete disregard for human life, which was evident in the assassinations of the Jesuits.

We urged an intensification of the Jesuit murder investigation, and a renewed effort to ensure that the Salvadoran justice system operates unimpeded by external influence or intimidation.

We underscored how important it was to have all allegations of involvement—beyond the soldiers currently detained—followed through, wherever it might lead.

This is why I fully agree with the provision of Senator DODD's bill that conditions U.S. aid on a complete and thorough investigation of the Jesuit case, and more broadly seeks to foster greater civilian control over the armed forces.

President Cristiani knows the mood here in Congress quite well. And he wants to be responsive to our concerns. But he urged upon us one central point. He expressed hope, that as the U.S. Congress constructs legislation, particular attention would be paid to its effects on the peace process. All other considerations can flow from there. I believe his point is sound.

The fact is El Salvador is at a crossroads and United States actions will have a great deal to do with which direction it takes.

If El Salvador achieves peace, it will have the opportunity to focus on social and economic problems, and look to the day when it can gain a greater foothold in the world economy. Alternatively, if the war continues, it will be plagued by a culture of violence on both extremes of the right and the left and by the FMLN guerrillas who reject the political process. Perversely—and tragically—the Communist insurgents and the right wing extremists feed upon each other, and weaken the democratic center.

We should not forget that in spite of its failures El Salvador has made progress toward a far more civilized society.

Since 1982, it has had five democratic elections, including the peaceful democratic transfer of power from one party to the other in the 1989 Presidential elections.

It is also a country weary of war; too many families have been touched by this conflict.

The hope for El Salvador lies in the strengthening of the "democratic center" and the expansion of political space. But this will not happen if the FMLN continues to harbor the notion that it can reject the democratic process and engage in selective terrorism, assassination, or outright assault.

We should have no illusions about the violence and methods of the left, just as the atrocities of the right can in no way be justified. Nor will the democratic center be expanded if the United States disengages, leaving greater reign to those elements of the military who want nothing more than to take matters into their own hands. Absent American influence they could then employ the tactics of a "dirty little war," like those that were used in Guatemala.

So this is our choice. We can effectively walk away, torn by our own divisions here at home, and leave the Salvadoran center squeezed between extremes. Or, we can use our aid to advance the peace process and in doing so strengthen the democratic center against the forces that would endanger it.

Building a prosperous democracy in the developing world is not an easy task; in the middle of a civil war it is almost impossible.

Change will not occur as long as the war continues and a cease-fire is where we should begin.

The FMLN complains that a cease-fire in advance of military reform invites the Government to stonewall on these issues. But as The Washington Post recently put it, "a cease-fire could calm passions and produce an atmosphere better suited than war in which to pursue military reform, human rights and elections."

We need only listen to our neighbors to the south.

The Central American Presidents called for a cease-fire in El Salvador in their meeting at San Isidro; this call was repeated again at the U.N. General Assembly in September; and they did so again most recently on October 4, 1990.

In that joint declaration, the four Presidents said:

> We welcome and support the proposal put forward by the President of El Salvador Alfredo Cristiani regarding the willingness to declare unilaterally a cease-fire * * *.

They added:

> We reiterate our demand to the FMLN that it accept a cease-fire as soon as is possible in order to create an environment favorable to a peaceful and democratic solution in El Salvador.

Yet the FMLN has abandoned its earlier negotiating positions at Caracas. They had earlier agreed on mid-September as a target date for a cease-fire. The cease-fire was not predicated on resolution of all political issues; rather, the FMLN acknowledged at Caracas that political issues could be dealt with in stages.

Since then, however, they have escalated their demands, including calling for complete restructuring of the armed forces in advance of a cease-fire. This, and other regressive demands they made, even prompted Congressman MOAKLEY, among others, to question whether the guerrillas were negotiating seriously.

The FMLN is clearly stalling. There is evidence that they may be planning another offensive. During the August negotiations, they attacked the Salvadoran Presidential palace, wounding innocent bystanders.

Indeed yesterday—on the eve of a congressional vote—they launched a mortar and bomb attack against Ilepango Airport.

At least one life was lost.

Serious reform is unlikely to take place in an atmosphere of perpetual violence. The future actions of the FMLN and the fate of El Salvador will, in good measure, be determined by our actions in this bill.

While the language in the committee bill calls for a cease-fire, it lacks real teeth, as my colleagues have already discussed.

The Graham amendment, however, leaves no room for doubt. It unambiguously sends the signal that both sides—the Salvadoran Government and the FMLN—have to negotiate in good faith and achieve concrete results—in short, agree, to a cease-fire.

By putting in a 60-day deadline, this amendment jump starts the peace process. It discourages any delaying tactics.

It holds both sides accountable for their actions.

It offers us a rare opportunity not just to cut military aid but to do so in such a manner as to end the killing and move the peace process forward.

This is a critical time for El Salvador.

The two parties have already agreed, on a landmark human rights accord, to be implemented by the U.N. once a cease-fire is in effect.

The legislative elections scheduled for March present an opportunity for inclusion of all groups in the political process and full national reconciliation.

With this amendment today we can foster the conditions that will make the kind of reforms we—and the majority of Salvadoran society—would like to see.

But to accomplish this, we must make it unmistakably clear that the United States will hold both sides responsible for their actions; that we want a cease-fire; and that we remain committed to the democratic center—which, in the final analysis, represents the best hope for a just, decent, and prosperous El Salvador.

I urge my colleagues to vote for the Graham amendment.

I yield back any time remaining to the Senator from Florida.

The PRESIDING OFFICER (Mr. BRYAN). Who yields time?

Mr. SPECTER. Mr. President, the floor manager, the distinguished Senator from Vermont, is not on the floor, but I have a unanimous-consent agreement to obtain 15 minutes.

Mr. KASTEN. Mr. President, on behalf of the Senator from Vermont, the chairman of the subcommittee, I yield the Senator from Pennsylvania, as previously agreed to, 15 minutes from the time of the Senator from Vermont.

Mr. SPECTER. I thank my good friend from Wisconsin, After hearing him yielding time on behalf of Senator LEAHY, I wonder why I could have yielded the time on behalf of Senator LEAHY.

Mr. LEAHY. You have to understand the precious relationship and trust between the Senator from Wisconsin and the Senator from Vermont.

Mr. SPECTER. Is there a representation that Senator KASTEN is Senator LEAHY's agent? I just want to understand what is going on.

Mr. LEAHY. I think on this issue we will see the way the rollcall will go. You will see the way Senator KASTEN will vote and the way Senator LEAHY will vote and there will be no question that they are independent agents.

Mr. SPECTER. I take that to be a "yes" answer.

Mr. LEAHY. But I do yield 15 minutes. And I thank the Senator from Wisconsin. I do yield 15 minutes to the Senator from Pennsylvania.

Mr. SPECTER. It is too late. It has already been yielded, but I thank my good friend from Vermont.

Mr. LEAHY. But the Senator does not get a second 15 minutes.

Mr. SPECTER. Mr. President, I may change my position if the Senator from Vermont continues in this vein.

Now on to the subject, Mr. President: El Salvador has been highly controversial in the 10 years that this Senator has been here. In the 1983-84 term, this Senator made two trips to El Salvador because of the problems there and the special concern I have with their judicial system. In the 1983-84 timeframe, I offered an amendment fencing some 30 percent of the funding to El Salvador, or $19 million, conditioned on the trial of the notorious case involving the murder of four American nuns.

Mr. President, earlier this year, in April, I made a trip to El Salvador, again being concerned with the overall situation, but especially concerned about the judicial system and the progress which had been made if any, in the case involving the six priests.

Last year there was an effort to condition American assistance to El Salvador based on a trial of that case, which I opposed because it seemed to me entirely premature, just on the occasion of the murders, to set a deadline as to when the trials should be held before an investigation had been completed or indictments had been returned. That was just unreasonable, unlike the case involving the nuns, where you had defendants and could monitor the case and could insist on its completion.

In any event, this matter has attracted a good deal of my attention. I have authored a part of the pending bill, which would require improvements in the judicial system to try to deal with human rights in a more comprehensive way.

My activity here in this field along with my position on the Senate Appropriations Committee, have been the factors which have led to very intense lobbying of me on the issue. You might even say this lobbying has been excessive, or perhaps even counterproductive.

People have urged me to take an early position with respect to what I would do on a particular vote, sometimes months in advance. In addition to meeting with constituents all over Pennsylvania on this subject, and in my office here in Washington, many of which were very heavily attended, I have studied the matter constantly in depth. Therefore, I believe it would be unwise and imprudent to make a decision at an early stage because this matter has fluctuated so very much.

It is not realistic to make a judgment before the process has gelled, because it is changing all the time. Also, if a Senator takes a position fixed in concrete—it might be an ideological position—that Senator then loses his ability to influence the various sides and parties to the process.

President Cristiani had called, urging my support for the position advocated by Senator GRAHAM. I met with the Ambassador and gained a lot of additional information. I met with parties on all sides. I was able, I think, to influence the conduct in the interim, because when President Cristiani does not know where the vote is going to go, or where a specific Senator stands, then he is more inclined to try to make concessions, to moderate his position to the benefit of human rights.

But if he had it all locked up, if 51 Senators and 51 percent of the House had told President Cristiani where they stood, or told the FMLN where they stood, we would lose our ability to influence their conduct as the process has moved forward.

That is the great advantage to what the United States does and what a U.S. Senator can do by maintaining an open mind. Because what we are doing is exerting the maximum pressure possible to achieve the objectives of peace and democracy in El Salvador.

We are saying to the Cristiani government of El Salvador: Unless you act in a responsible and reasonable way, we will cut off a part of the aid. We are saying at the same time to his opponents, the FMLN: Unless you act in a responsible way, we will give the full aid to the Government of El Salvador.

So the essential element becomes one of applying the greatest pressure at the most important time.

I wrote to the Honorable Bernard Aronson, Assistant Secretary of State for Inter-American Affairs, on October 15. I ask unanimous consent this letter be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. This letter had followed earlier conversations between Mr. Aronson and myself. I had, Mr. President, prepared an amendment on this subject.

I ask unanimous consent that the proposed amendment, which I have not submitted and will not submit, be printed in the RECORD at the conclusion of my remarks, to illustrate my reasoning and my approach to the issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. SPECTER. Mr. President, the essential difference between my amendment and the pending Graham-McCain amendment is the provision where they have called for a good-faith proposal for an internationally monitored cease-fire. I had proposed a U.N. proposal for an internationally monitored cease-fire in accordance with the Caracas accord of May 21, 1990. I believe they also use the language "consistent with."

When staff had discussed it, staff both of Leahy-Dodd on one hand and of Graham-McCain on the other hand, I believe Leahy-Dodd then incorporated this provision. That is why I voted earlier, along with 75 Senators, in favor of Leahy-Dodd.

I believe the distinction is a significant distinction, Mr. President. But one of the very salutary parts of our process here is that the opposing views have come very, very close together. There is not a great deal of difference. Both positions would condition 50 percent of the aid to the Government of El Salvador on respecting human rights and taking action on the case involving the six priests, and doing a whole series of activities to promote decency and democracy and peace in El Salvador.

Where there is a divergence, this is a very narrow divergence. The key difference comes in terms of how prominent a role will be played by the Caracas accord and what the role of the United Nations will be.

So when we take a look at Graham-McCain, it calls for:

> Rejected a good-faith proposal in the United Nations or other internationally monitored cease-fire and separation of forces consistent with the Caracas Accord of May 21, 1990.

This is contrasted with the Leahy-Dodd amendment, which calls for:

> Rejected a plan for the settlement of the conflict which has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures of the April 4, 1990 Geneva Communique and the May 21, 1990 Caracas Accord between the Government of El Salvador and the FMLN.

There is a difference, in that the pending amendment advanced by Senator GRAHAM and Senator MCCAIN has less of a precise role for the implementation of the Caracas accord, and less of a precise role for the United Nations because Graham-McCain says it

can be a good faith proposal. Whereas with Dodd-Leahy the proposal must be made or endorsed by the Secretary General of the U.N. Furthermore, Graham-McCain permits it to be under the auspices of the United Nations or some other international entity. That is a big difference as to how it may work out, because Leahy-Dodd requires that it be a U.N. proposal.

So I believe, Mr. President, that we are on the right track here. I commend my colleagues on all sides. I would have liked to have supported the proposals by the Assistant Secretary of State, Mr. Aronson, on this matter, because there was very intense activity on the part of the U.S. Government to credit an acceptable amendment, which I respect.

But in the final analysis, the tilt is in favor of the Leahy-Dodd amendment. That is why I have voted for it. I believe it incorporates the key difference which I have described in a similar amendment this Senator was prepared to offer.

I think it is very important, in another word or two—that means more than a word or two—to follow up on what happens with whatever legislation is adopted with respect to fencing money to El Salvador in this bill. I have a question as to why only 50 percent is fenced as opposed to all of it.

I also have a question about the tremendous aid which we are giving to El Salvador without really having much more substantial improvement. We might have a much stronger position if we were a lot tougher on any aid we gave them, including economic aid.

Perhaps the parties might be better off if the United States was not there at all and they had to make peace between themselves without any infusion of arms. The picture has changed enormously as the Soviet Union has resisted international adventurism, or so it seems, and we have moved toward settlements in Afghanistan, Angola, and Cambodia—although we are not completely there yet—we are also moving in that direction in Central America and have some substantial evidence that the Soviet Union is not offering arms to the guerrillas in El Salvador. There is still a problem with Cuba. But there is much to be said for letting these conflicts resolve themselves.

That is not the prevailing view. So we come down here to the fencing of just part of the $85 million in a constructive way——

Mr. McCAIN. Will the Senator yield so I can answer one of his questions?

Mr. SPECTER. I will yield and ask unanimous consent to not lose my right to the floor since Senator McCAIN is not going to ask a question but make a response.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Pennsylvania retains the floor after the colloquy.

Mr. McCAIN. Mr. President, I want to respond to the question if the United States were not there at all. There is a model for that. It is Guatemala. The United States got out of Guatemala. We severed all ties. We had no further dealings with them, and they had a so-called dirty war. They had army generals take over, and they killed just about everybody in sight, and, yes, they put down the insurrection.

Believe me, I say to my friend from Pennsylvania, there are elements within the Salvadoran military today who would like nothing better than for the United States not to be there at all because then they could take charge and they could kill in a very wanton manner. In all candor, I think the worst thing that could happen is for the United States not to be there at all. It would be a total abrogation of our responsibilities to do everything we can to see that adherence to basic human rights is observed, especially in our own hemisphere.

I appreciate my friend allowing me to respond to that question.

Mr. SPECTER. I thank my friend, the distinguished Senator from Arizona, for his comments. I am not advocating getting out of there entirely. Sometimes I wonder about our policy in Nicaragua.

The PRESIDING OFFICER. The Chair informs the Senator that he has consumed the 15 minutes.

Mr. SPECTER. The distinguished manager of the bill has signaled 4 additional minutes, even without a request, for which I thank the distinguished Senator from Vermont.

The PRESIDING OFFICER. The Senator from Pennsylvania is allocated another 4 minutes.

Mr. SPECTER. As I was saying, Mr. President, I recognize what Senator McCAIN has said about our presence there. We are an ameliorating force, and we are going to be staying there. I just wish that we could exert more influence for the tremendous amount of money and on economic aid we are putting on the table in El Salvador. Tremendous arms were infused into Nicaragua during the course of the last decade, and it led to a lot of bloodshed. The matter was resolved, finally, although the question was always on my mind whether it would not have been resolved earlier if we could have persuaded the Soviet not to put arms in and we would not have put arms in.

At any rate, the U.S. Senate has put a lot of heavy analysis into this issue. We have spent a lot of time in the subcommittee on which I serve, and the full committee, and the full Senate, and we have narrowed the issue materially. But the real test is going to come on what happens after the proposal is adopted one way or another as to what El Salvador does.

I hope that the State Department will monitor it very carefully. The issue of human rights, beyond the case involving the six priests, is very important. There are many cases which are pending. El Salvador really has to put its house in order, creating a judicial system which works and an investigative system which works. The pressure, let us hope, will be sufficient to bring the conflicting parties to the table. Further, I believe the U.N. will have a salutary effect and the objectives of peace and democracy will be achieved in El Salvador, and that we will not be debating this issue a year from now.

Mr. President, H.R. 5114 applies essentially the same approach to conditioning the release of military assistance to El Salvador which I introduced in 1984 to encourage the Government of El Salvador to expedite the trial of those accused of murdering the four American nuns in 1980. The bill also includes language which I proposed in committee and was accepted by voice vote which provides that a portion of the military assistance withheld be used to assist in judicial reform in El Salvador.

The unacceptable human rights record in El Salvador, most recently highlighted by the murder of the six Jesuit priests, their housekeeper and her daughter on November 16, 1990, raise sharp questions about our current policy regarding the provision of military assistance to El Salvador. Last year, I opposed changes on military aid because I thought it would have been premature to withhold aid without more compelling evidence indicating that this heinous crime was carried out by members of the armed forces. In the intervening months, the special investigative unit in charge of carrying out the investigation has made some progress, but clearly not enough.

During April of this year, I traveled to Latin America and had an opportunity to meet with Judge Zamora, the trial judge in the Jesuit case, and also the President Judge of the Supreme Court, Justice Gutierrez. While they assured me that substantial progress was being made on the Jesuit case and other pending human rights cases, I was concerned to learn that coconspirator testimony was not admissible in Salvadoran courts. Justice Gutierrez explained that Salvadoran law is different from United States law where, as a matter of plea bargain, sometimes a lesser defendant will testify. Given the evidence in the report by the Speaker's Task Force on El Salvador, the so-called Moakley Report, that responsibility for the Jesuit murders may reach substantially higher than Colonel Benavides, it would be extremely regrettable if this law regard-

ing coconspirator testimony would interfere with attempts to prosecute Colonel Benavides and any of his superiors who were accomplices to the Jesuit murders.

Given that little progress has been made since my visit to El Salvador and since the Moalkey report was issued on April 30, 1990, and other evidence has emerged to suggest that the military is being less than cooperative with the special investigative unit—even going so far as to send key witnesses to assignments overseas—I believe it is now time to severely restrict the release of military aid to El Salvador.

Accordingly, I support withholding 50 percent of the military aid to El Salvador while the FMLN continues to assassinate or abduct civilian noncombatants and threatens the survival of the constitutional Government of El Salvador with a sustained military offensive. The Dodd-Leahy language also includes the important condition for the release of the remaining amount of military aid that the Government of El Salvador must conduct a thorough and professional investigation into the Jesuit murders and that the military must cease all human rights abuses.

Mr. President, I understand that Senators McCAIN and GRAHAM will be offering an amendment that will effectively allow for restoration of full military aid to the Government of El Salvador if the FMLN does not agree to a cease-fire as proposed by the Government of El Salvador. While on the surface, it may appear reasonable to encourage both sides to accept a cease-fire, it is my understanding that such a cease-fire will be meaningless unless it is preceded by poltical agreements on military reform, judicial reform, and social reform. In short, the agreement must be in strict compliance with the agenda set forth in the Caracas accord of May 21, 1990 to which both parties agreed. I am encouraged that the McCain-Graham amendment has been revised to include some of the language which will clarify the necessary preconditions for a cease-fire, but it is unfortunate that we must now be forced to vote on this issue since supporters of McCain-Graham are asking both sides to accept an unconditional cease-fire which has never been on the negotiating table.

Without appropriate language in the bill, I cannot support an amendment which will very likely result in the cessation of these negotiations.

EXHIBIT 1

U.S. SENATE,
Washington, DC, October 15, 1990.

Hon. BERNARD ARONSON,
Assistant Secretary of State for Inter-American Affairs, Department of State, Washington, DC.

DEAR MR. ARONSON. I am advised that an amendment may be offered to the fiscal year 1991 Foreign Operations Appropriations bill by Senator Kasten and others that will make release of military assistance to El Salvador conditional upon acceptance of a cease-fire.

While I am fully supportive of all atempts to facilitate a cease-fire in El Salvador, I believe the way this amendment is constructed—if either side agrees to a cease-fire without preconditions the other side would have sixty days to accept the cease-fire—will most likely only have the result of scuttling recent attempts to achieve a cease-fire because the FMLN will have little incentive to accept a cease-fire unless it includes as a precondition the agenda which both sides agreed to on May 21, 1990, in the Caracas Accords. Furthermore, I believe that without such a precondition, a cease-fire will be hollow and short-lived because neither side will have committed itself to resolving the issues which are now in dispute.

Accordingly, I recommend a change to your language which I believe satisfies the concerns you have raised with respect to the cease-fire provisions currently in the bill. I am confident that such a change will be acceptable to the bill managers. This amendment requires the FMLN to agree to a more assertive role for the United Nations in the cease-fire negotiations. As you recall, in your October 12, 1990, op-ed piece in the Washington Post and in Secretary Baker's letter delivered to Senators on October 12, 1990, references were made to the fact that both the FMLN and the Government of El Salvador must agree to having the U.N. propose a compromise cease-fire proposal if the U.N. is to be a more active participant in the negotiations. The changes I am proposing would make the withholding of military aid to El Salvador conditional upon the FMLN's acceptance of such a role for the U.N. with the same condition applying to the Government if military assistance is to be restored.

One further change would be to add a third condition to your cease-fire language which will ensure that the cease-fire includes as a precondition the agenda setforth in the Caracas Accords. By requiring both sides to accept this agenda as a condition for a cease-fire, there will be considerable pressure on both parties to accept such a cease-fire since it will follow the sequence of events agreed to in Caracas.

With these changes, I believe the concerns raised by your assistant, Mr. David Dvorkan—that it is unacceptable to legislate a role for the Secretary General which he cannot accept—have also been addressed.

Therefore, I strongly urge you to support these modifications to the Kasten amendment and ask that you convey your support to Senator Kasten and the cosponsors of the amendment.

Thank you for your attention to this matter

Sincerely,

ARLEN SPECTER.

EXHIBIT 2 AMENDMENT

On page 90, line 22, strike out "or".

On page 91, line 2, strike out the period and insert in lieu thereof "; or".

On page 92, between lines 2 and 3, insert the following new subparagraph:

(F) the Government of El Salvador—

(i) has failed to request that the United Nations actively mediate negotiations between the Government of El Salvador and the FMLN for agreements to resolve the political issues listed in the general agenda of the Caracas Accord of May 21, 1990, including issues relating to armed forces, the judicial system, constitutional reform, economic and social matters, and verification by the United Nations;

(ii) has rejected a U.N. proposal for an internationally monitored cease-fire which is in accordance with the Caracas Accord of May 21, 1990; or

(iii) is not complying with the applicable terms of an internationally monitored cease-fire, with which the Farabundo Marti National Liberation Front (FMLN) is complying.

On page 93, line 2, strike out "or".

On page 93, line 6, strike out the period and insert in lieu thereof "; or".

On page 93, between lines 6 and 7, insert the following new subparagraph:

(F) the FMLN—

(i) has failed to request that the United Nations actively mediate negotiations between the Government of El Salvador and the FMLN for agreements to resolve the political issues listed in the general agenda of the Caracas Accord of May 21, 1990, including issues relating to armed forces, the judicial system, constitutional reform, economic and social matters, and verification by the United Nations;

(ii) has rejected a U.N. proposal for an internationally monitored cease-fire which is in accordance with the Caracas Accord of May 21, 1990; or

(iii) is not complying with the applicable terms of an internationally monitored cease-fire, with which the Government of El Salvador is complying.

The PRESIDING OFFICER. Who yields time? The Senator from Vermont.

Mr. LEAHY. How much time is available to the Senator from Vermont?

The PRESIDING OFFICER. Twenty-seven minutes, 21 seconds.

Mr. LEAHY. Mr. President, I yield myself such time as I may need.

Mr. President, I wish to compliment the distinguished Senator from Pennsylvania for a very good, a very cogent, and, I feel, very compelling statement. I know the Senator from Pennsylvania has wrestled with this issue over the years. He, like myself and most of the people in this body on both sides of the aisle and both sides of the issue on this particular issue, tried to find out some way to bring the fighting to a halt. I compliment him for his statement.

Mr. President, just so everybody will know, I have heard the efforts of myself and Senator DODD praised here today. I must admit I always recollect back to Shakespeare's play of Julius Caesar. I recall the line, "I come here not to praise Caesar but to bury him." I have a feeling some who may praise the Dodd-Leahy amendment tend both to praise and bury it.

I hope that will not happen because the amendment before the Senate right now is a killer amendment. This amendment undercuts and does away—it does not supplant—but it does away with Dodd-Leahy and the Dodd-Leahy amendment which was voted for, I think, 74 to 25. If the Senate were now to adopt the pending

amendment, we would, within about 2 hours, completely reverse the position we took earlier this afternoon with the 75–24 vote on Dodd-Leahy.

This amendment calls for a cease-fire, and if, indeed, it would bring about a cease-fire, I would support it, but it would not. It would prolong the bloodshed. For those of us who have been struggling with the budget issues, it would guarantee the release of $85 million in military aid. I will tell my colleagues why.

Under this amendment, the Government of El Salvador could propose a cease-fire the day after the President signed the bill and do it without the negotiation process. Virtually anybody could propose that. That is fundamentally different.

We put the onus on the United Nations and try to have the United Nations set up the parameters and have the sides join it. I believe people would accept to step outside and be neutral about it, and the United Nations would have the expertise to set it up.

The amendment before the Senate would require the FMLM to accept a cease-fire under Government terms without agreement on any of the fundamental issues that are key. It violates the very United Nations agreements both sides agreed to for carrying out negotiations. It is, however, the position of the Salvadoran military. It means that they just win completely. Not only do we give them the whole $85 million, but they win everything they want if we accept this.

I cannot really believe that we would agree to an amendment which really puts—how is the best way to say this? It gives an incentive to the military to propose an unacceptable cease-fire knowing it will not be accepted and knowing, if it is not, they get the other 50 percent of the $85 million. Any colonel sitting down there just has to look at this and say, "Wait a minute. You mean if I propose something I know will be unacceptable to the other side, I only have to wait a few days and I get 42 million tax dollars?" The answer is yes. Anybody who even has a modicum of understanding of El Salvador's history will tell you how they are going to react. They are going to have that out there in a second, and they are going to say, "OK. Send the money."

They could make the proposal on day one and with all sense of assurance saying "the check's in the mail" because they know it is going to come down.

So if you want to stop the waste of $1 million in U.S. tax dollars every day, then vote against this amendment.

Mr. President, I ask unanimous consent that the full text of Congressman MOAKLEY's statement, and an addendum, be printed in the RECORD. I further ask unanimous consent that the May 21 Caracas Accord and a letter signed by President Cristiani be printed in the RECORD, as well as various other letters from religious and other leaders who support the Dodd-Leahy provision.

Finally, I ask unanimous consent to have printed in the RECORD the summary of a recent congressional report entitled "A Profile of El Salvador's Military Leaders." This report reveals that 14 of the 15 officers in El Salvador's primary commands have risen to their positions despite having had documented abuses of human rights carried out by troops under their command. Eleven of these senior officers received U.S. training, some for many years. In none of the over 50 human rights cases listed have even junior officers been brought to trial.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT BY CONGRESSMAN JOE MOAKLEY ON THE JESUITS' CASE AND THE SALVADORAN NEGOTIATIONS

WASHINGTON, DC.—U.S. Congressman Joe Moakley (D-Mass.), chairman of the House Rules Committee and chairman of the Speaker's Special Task Force on El Salvador, issued the following statement today based on the findings of a recent task force staff trip to El Salvador and other information gleaned from the task force's continuing investigation into the Jesuit murders:

"I believe that the High Command of the Salvadoran armed forces is engaged in a conspiracy to obstruct justice in the Jesuits' case. Salvadoran military officers have withheld evidence, destroyed evidence, falsified evidence and repeatedly perjured themselves in testimony before the judge. I do not believe this could be done without at least the tacit consent of the High Command.

"Even more important, I believe that the High Command's goal, from the beginning, has been to control the investigation and to limit the number and rank of the officers who will be held responsible for the crimes. As a result, some individuals who may have direct knowledge of the murders have been shielded from serious investigation.

"Because of this, progress in the case remains slow. This is true despite the courage and initiative of the man in charge of the investigation, Judge Ricardo Zamora, and despite the urgings of Salvadoran President, Alfredo Cristiani, and U.S. Ambassador to El Salvador, William Walker.

"I am encouraged, however, that many members of the armed forces who were not involved in the crimes are angered at the possibility that U.S. military aid will be reduced because of the actions of the High Command. As a result, the armed forces are increasingly divided, and pressure is growing for an end to the conspiracy of silence and lies that—from day one—has characterized the military's attitude towards this case.

"The issues raised by the Jesuits' case are extremely important, but they should not detract from the need to make continuing progress in the Salvadoran peace negotiations scheduled to resume next week in San Jose, Costa Rica. Last month, the government presented its proposal on the key issue, which is military reform. In San Jose, the burden will be on the opposition FMLN to respond constructively to that proposal and to work with United Nations mediator Alvaro de Soto to narrow the differences between the two sides. Both the government and the FMLN have an obligation to negotiate seriously and, in my judgement, to refrain from additional acts or threats of increased violence as long as those negotiations continue."

ADDENDUM—THE ARMED FORCES AND THE JESUITS' CASE

COOPERATION

The Minister of Defense and Members of the High Command of the Armed Forces have made numerous statements expressing support for a full investigation of the Jesuits' case.

The Minister of Defense has responded, often promptly, to direct requests by the Judge and other investigators for information, documents and other evidence in the case.

Nine members of the armed forces, including a Colonel, have been charged with the crime.

Judge Zamora credits Minister of Defense Humberto Larios with a high degree of cooperation in the case.

PROBLEMS

Not a single member of the armed forces has come forward openly and voluntarily with information in the case. This is true despite the fact that literally hundreds of military personnel were deployed in the area around the University of Central America on the night of the crime.

Logbooks showing, among other things, the comings and goings of vehicles from the Military school on the night of the murders were burned, apparently on the orders of a senior military officer.

The officer who allegedly destroyed the logbooks, Lt. Col. Camilo Hernandez, was not among those originally detained for questioning in the case. This was true despite his position as second in command at the Military School, from which the murder operation was allegedly launched.

Many members of the armed forces, including Lt. Col. Hernandez, have adopted a Watergate-style approach to testifying in the case, saying essentially that they do not recall seeing, hearing or knowing anything that happened on the night of the crimes.

When the judge requested the presence of four cadets on duty at the Military School on the night of the crimes, the wrong four cadets were produced. When the right cadets were produced, they claim not to have seen anything.

Last January, extra-judicial confessions were made by seven soldiers whose ranks were lieutenant or below. According to the Salvadoran High Command, these statements resulted from an exhortation by senior officers that they tell the truth. It is curious, therefore, that no confession or detailed statement of any kind was made at the time by Colonel Benavides. Since the arrests, all of those detained have proclaimed their innocence, but the lack of an extra-judicial confession from Col. Benavides makes the case against him far weaker than that against the junior officers.

The Military Honor Board, which recommended the individuals to be arrested, initially—and falsely—denied it had written even the skimpy report it did prepare on the case, and has provided no other information about how confessions were obtained. This lack of an official record makes it impossible to discern whether discrepancies in the statements of various soldiers were ade-

quately explored, whether potential leads were dismissed, and whether all the persons implicated in the crimes were charged.

Two days before the murders, a search of the University was made by the military unit that allegedly carried out the murders. Several months into the investigation, it was learned that an officer from the Salvadoran military intelligence service accompanied the soldiers on that search. Initially, the officer said that he simply stumbled upon the soldiers and decided, on his own, to join them. Later, he said he had been ordered to participate in the search by Captain Herrera Carranza. This past week, Captain Herrera testified that the order had originated with none other than the then-director of military intelligence, Col. Guzman Aguilar—who has since been transferred to the post of military attache in Costa Rica.

It appears that President Cristiani's permission to conduct the search of the University on November 13th was sought and obtained after, not before, the search took place.

On the morning after the murders, Captain Herrera Carranza informed a meeting of fellow intelligence officers that the Jesuits had been killed. When asked by investigators how he knew of the murders, he replied that he had heard a report of the killings on commercial radio. This is not true, because Captain Herrera's announcement occurred before any commercial radio station had begun broadcasting the news.

Col. Carlos Aviles, who reportedly told an American official last December that Col. Benavides had admitted his guilt in the case, recently testified that he barely knows the American. In fact, he worked side by side with that American for months and specifically requested his assignment to El Salvador.

A duty logbook from the Military School that was recently turned over by the armed forces to the judge is a suspected forgery.

[U.N. Press Release, May 21, 1990]

GENERAL AGENDA AND SCHEDULE FOR COMPREHENSIVE NEGOTIATION PROCESS BETWEEN GOVERNMENT OF EL SALVADOR AND FMLN

The following was issued in Caracas by the Personal Representative of the Secretary-General for Central America, Alvaro de Soto, regarding the general agenda and schedule of the complete process of negotiation between the Government of El Salvador and the Frenta Farabundo Marti para la Liberacion Nacional (FMLN):

A. GENERAL AGENDA

I. The initial objective shall be to achieve political agreements for a halt to the armed confrontation and any acts that infringe the rights of the civilian population, which will have to be verified by the United Nations, subject to the approval of the Security Council.

(a) First: POLITICAL AGREEMENTS:

1. Armed forces;
2. Human rights;
3. Judicial system;
4. Electoral system;
5. Constitutional reform;
6. Economic and social issues; and
7. Verification by the United Nations.

(b) Second: Agreement on a halt to the armed confrontation and any acts that infringe the rights of the civilian population.

II. Establishment of the necessary guarantees and conditions for reintegrating the members of FMLN, within a framework of full legality, into the civilian, institutional and political life of the country.

1. Armed forces;
2. Human rights;
3. Judicial system;
4. Electoral system;
5. Constitutional reform;
6. Economic and social issues;
7. Reintegration of FMLN members, and
8. Verification by the United Nations.

III. Final agreements for the consolidation of the objectives of the Geneva Agreement, and verification by the United Nations, as appropriate.

Note: The sequence of the items listed for the respective phases is not a strict order of consideration, and may be changed by common agreement.

The agreements should be precisely tailored to the nature of the phase involved. Political items have been referred to their respective phases; but since some of them are quite complex, certain aspects might be addressed in other phases. It all depends on the dynamics of the negotiations.

B. SCHEDULE

In the light of the general agenda for the comprehensive negotiation process in the preceding section, the Government of El Salvador and FMLN agree that the initial objective set forth in paragraph 1 of the Geneva Agreement of 4 April 1990 should be achieved by the middle of September 1990, provided that the parties reach synchronized agreements which have schedules for implementation and are subject to verification as appropriate, so as to ensure that all the components of the initial objective are duly co-ordinated.

The additional advantage of that deadline is that it would help to ensure that an electoral process is conducted at the legislative and municipal levels in an atmosphere of tranquility, broad participation and freedom from intimidation.

It is difficult to set a strict time-limit for the conclusion of the comprehensive process. That would depend on factors that cannot yet be considered, such as the range and scope of the political agreements refered to in section I, which are to be negotiated, and the relationship between the negotiations and the electoral process. On the other hand, there is also a possibility that the initial objective might be achieved before the deadline. For these reasons, formulations regarding the conclusion of the process should not be in terms of dates, but in terms of a certain number of months from the achievement of the initial objective: tentatively, two to six months.

On the basis of the above understandings, the Government and FMLN shall concentrate on, as the primary substantive priority, the negotiation of the political agreements envisaged under the initial objective.

CARACAS, *21 May 1990.*

Representing the Government of El Salvador: Colonel Juan A. Martinez Varela, Dr. Oscar Alfredo Santamaria, Colonel Mauricio Ernesto Vargas, Dr. Abelardo Torres, Dr. David Escobar Galindo, Dr. Rafael Hernan Contreras.

Representing the Frente Farabundo Marti para la Liberacion Nacional: Comandante Schafik Handal, Comandante Eduardo Sancho, Ana Guadelupe Martinez, Salvador Samayoa, Dagoberto Gutierrez, Marta Valladares, Roberto Caeas.

Alvaro de Soto, Representative of the Secretary-General of the United Nations.

LIC. ALFREDO CRISTIANI,
PRESIDENTE DE LA REPUBLICA,
San Salvador, September 14, 1990.

Hon. CHRISTOPHER J. DODD,
U.S. Senate, Washington, DC.

DEAR SENATOR DODD: I am most reluctant to intrude on your valuable time. But pending decisions by the United States Senate can have such an immediate and enduring effect on our country and its prospects for peace, that I believe it incumbent upon me as its President to convey my thoughts to you.

As the Senate resumes its final weeks of legislative work in the 101st Congress, it will consider the FY 1991 foreign aid appropriations bill, which includes economic and military assistance for El Salvador. The House has already adopted a measure which would withhold 50 percent of our military assistance for next year, and Senators Dodd and Leahy are proposing a similar measure to the Senate.

I want to take this opportunity to bring you up to date on developments in El Salvador since the House vote in May, and to share my feelings with you regarding the upcoming debate in the Senate.

As you may know, the FMLN guerrillas returned to the peace talks last April, after launching their bloody November offensive in a desperate but unsuccessful attempt to foment a popular insurrection and overthrow our democratically elected government. The failure of their offensive, the subsequent loss of their traditional support from Nicaragua and Eastern Europe, and the continued support of our government by all of the Central American Presidents and the U.S. Government, were significant factors in pressuring the FMLN to return to the negotiating table. Indeed, our country is strongly united behind the principles I announced when I took office:

The only solution to the conflict is political, not military; only a negotiated settlement can bring permanent peace.

The negotiations must be unconditional, uninterrupted, confidential, and outside the country to enhance the dialogue.

The basic goals of the process should be a ceasefire, followed by a peace agreement calling for the disarmament, demobilization, and integration of all members of the FMLN into our democratic way of life.

Last December, at the Central American Presidential Summit in San Isidro de Coronado, Costa Rica, the region's leaders expressed their support for our government and called on the FMLN to immediately cease its hostilities, renounce its violence against civilians, and return to the negotiating table to carry out the Esquipulas and Tela declarations for national reconciliation.

As part of this mandate, I met with U.N. Secretary General Javier Pérez de Cuéllar in January, requesting his intermediation resuming the dialogue. This led to the April 4 Geneva Accord between our government and the FMLN, which restarted the peace process under U.N. auspices. Four lengthy sessions have been conducted on a monthly basis since May, and the fifth round is taking place in San José, Costa Rica, at this present time. The basic framework of the talks calls for a two-stage process: political agreements to be reached on issues agreed upon in Caracas, Venezuela, followed by a ceasefire and reintegration of the FMLN into the civilian, institutional, and political life of the country. The objectives of the process are: the consolidation of our demo-

cratic process, the respect for human rights and national reconciliation.

As the talks resumed, a positive note was struck: a Human Rights Accord. This important agreement, signed in July, calls for the immediate observance of basic principles of human rights by both sides, with U.N. verification to take place after a ceasefire. This Accord constitutes the first signed agreement in the entire history of the conflict, and is surely a hopeful sign of progress.

The last three sessions have been devoted almost exclusively to the subject of the Armed Forces, the most ambitious and difficult substantive topic on the agenda. Our Government has presented bold and detailed initiatives on this issue. I regret to have to say the FMLN has not shown good faith on the military issues. At the last session, and to quote Congressman Joe Moakley, the FMLN's proposal on the key issue of military reform "was particularly extreme and unrealistic, and provided no opportunity for the United Nations mediator to bring the two sides closer together." Moreover, as Congressman Moakley also noted, the FMLN has been preparing and publicly threatening with another military offensive in El Salvador. Just a few days ago, the Honduran authorities discovered yet another shipment of weapons coming in from Nicaragua and destined to the FMLN.

With these latest developments in mind, you can readily understand why any withholding or reduction in U.S. military aid to El Salvador, at this critical moment, would be a serious mistake:

It would send the wrong signal to the FMLN, and in fact the bills already proposed for discussion have done just that, by encouraging them to delay or hamper the peace dialogue; and even endangering it if the FMLN pursues a more violent approach.

It would deprive our democratically elected government of much needed resources to defend ourselves from further armed attacks, sabotage, and other acts of violence.

The present conditions in proposed bills are placing an irregular armed group at the same level of the legitimate government of our country.

Our Government strongly believes it would be a much more positive step to condition any withholding of military aid to a ceasefire agreement verified by the United Nations. Until then, it is imperative for the survival of our democracy and the achievement of a true and permanent peace in our country, that the FMLN be told in very clear and unmistakable terms that the U.S. continues to stand behind us and the other Central American Presidents in supporting our efforts for peace in our region.

I recognize and share Congress' deep concern over the tragic and senseless murder of the six Jesuits and their two employees last November. They join the ranks of many other thousands of victims of extremist violence in this sad and bloody conflict. I am personally committed to prosecuting all those responsible for this terrible deed, and I am pleased to report that progress has been made toward that end, as was publicly expressed by the Provincial of the Jesuit community.

Meanwhile, El Salvador's military defense needs remain as before, to protect our infant democracy from unrelenting aggression and achieve peace.

Before you vote on this matter, I hope you will consider these reflections. The Salvadorean people will be very grateful for it.

Very truly yours,

ALFREDO CRISTIANI.

BARRIERS TO REFORM: EL SALVADOR'S MILITARY LEADERS

INTRODUCTION AND SUMMARY OF FINDINGS

As Congress addresses the role of senior Salvadoran military officers in the November, 1989, murders of six leading Jesuits and prepares to address the level of military aid to El Salvador, the leadership of the Salvadoran military has become the focus of much attention.

This report reviews the career records of the 15 officers who now hold the primary commands in the Salvadoran military, and tracks documented human rights abuses by troops under their command in the last decade.

By matching for the first time information on officers' previous assignments (provided by the Government of El Salvador and the U.S. Department of Defense) with reports of abuses of human rights by units they commanded (provided by reputable and experienced human rights groups operating in El Salvador), the report concludes that nearly all of El Salvador's commanding officers have presided over brutal human rights abuses committed by troops under their command. Serious questions are therefore raised as to whether the officer corps has either been above the law in allowing repeated abuses of human rights to occur on their watch, or, at a minimum, has shown serious problems of competence in failing to halt them.

Specifically, the report finds:

Fourteen of the 15 officers in El Salvador's primary commands have risen to their positions despite having had documented abuses of human rights carried out by troops under their command, including Chief of Staff René Emilio Ponce, the Minister and two Vice Ministers of Defense, the heads of the three security forces and five of the six major brigades;

In none of the over 50 cases listed have even junior officers been brought to trial, even though nearly every case would seem to point to officers either ordering the abuse, concealing it, or failing to investigate it; and

The cases listed describe brutal incidents that violate fundamental military ethics: under 13 officers, killings of non-combatants were documented—often of persons in custody; under 12, prisoners were reportedly tortured or abused; under four, wounded victims were denied medical treatment for extended periods; and under three, "disappearances" were documented. Finally, ten of the 15 commanders either themselves appear to have engaged in falsification of the facts by incorrectly absolving the military of abuses, or they commanded troops who did so.

JESUIT CONFERENCE, THE SOCIETY OF JESUS IN THE UNITED STATES,
Washington, DC, September 21, 1990.

Hon. PATRICK J. LEAHY,
U.S. Senate, Washington, DC.

DEAR SENATOR LEAHY: On behalf of the 4700 members of the Society of Jesus in the United States, I urge you to vote for and energetically support the "El Salvador Military Aid Reduction and Restrictions Act of 1990" (S.2954).

Last November the House voted almost unanimously for a resolution affirming the "pivotal" role for U.S. policy toward that country of a thorough investigation of the murders of the Jesuits and the two women in San Salvador and a vigorous prosecution of those guilty of the crimes. We were and remain grateful for this show of outrage and support. We believe that the time has now come for the Senate to take action in keeping with the sentiments expressed last November.

The Speaker's Task Force on El Salvador confirms with abundant detail that the investigation and prosecution of the Jesuits' murderers has made very little progress since the charging of the nine military men in January.

In the past, Congress has conditioned aid to El Salvador on improvements in its human rights record and on progress in the investigation of notorious instances of such abuses. However, the Salvadoran military has learned to see these threats as bluff. Now Congress must cut military aid to make clear that it will not continue supporting a government which refuses to punish military officers guilty of human rights abuses.

In November, 1989 the Board of the Jesuit Conference urged a total cut off in military aid in the context of intense U.S. pressure for an end to human rights abuses and for serious negotiations toward peace. While we remain convinced that no further aid should be given to an unreformed Salvadoran military, the policy proposed in S.2954 makes major steps in the right direction and is far preferable to current policy.

We Jesuits will very much appreciate your support of S.2954. We believe it will be an important step toward peace and the improvement of human rights in El Salvador.

Sincerely,

PATRICK J. BURNS, S.J.,
President, U.S. Jesuit Conference.

NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U.S.A.,
New York, NY, October 3, 1990.

Hon. PATRICK J. LEAHY,
Russell Office Building, Washington, DC.

DEAR SENATOR LEAHY: Among the critical issues still facing Congress this year is the question of U.S. policy toward El Salvador. I am writing to urge you to support the provisions on El Salvador approved by the Foreign Operations Subcommittee in the FY 91 foreign aid appropriations bill and to oppose an amendment that I understand will be offered by Senator Kasten.

The amendment would add a condition under which military aid to El Salvador would be fully restored or terminated. In this case, aid would be restored or terminated if, within 60 days after enactment of the legislation, the President determined that either party was unwilling to enter into a cease-fire monitored by the United Nations or the Organization of American States, or was not complying with such a cease-fire.

We believe that the proposed amendment would be detrimental to the current U.N.-mediated peace talks. Within the framework of those talks, both sides to the conflict repeatedly have pledged their willingness to enter into a "halt to the armed confrontation" that would be followed by U.N. verification. The U.N. Secretary General described the initial agreement between the two parties last April, which establishes the framework for the negotiations as follows:

"The initial objective shall be to achieve political agreements for arranging a halt to the armed confrontation and any acts that infringe the rights of the civilian population, which will have to be verified by the United Nations subject to the approval of the Security Council. Once that has been achieved, the process shall lead to the establishment of the necessary guarantees and conditions for reintegrating the members of the FMLN, within a framework of full legal-

ity, into the civil, institutional and political life of the country."

Senator Kasten's proposal is not consistent with the process described above. In particular, it fails to acknowledge the need for political agreements and therefore cannot be considered even-handed. In situations of internal armed conflict, governments seek to make the minimum concessions necessary to achieve demobilization of the armed opposition. The opposition, on the other hand, seeks maximum concessions before agreeing to forego its military activities. A cease-fire that disregards the question of political agreements, therefore, implicitly favors the government.

Mr. LEAHY. Mr. President, enough is enough. We have poured billions of dollars into El Salvador and we have nothing to show for it. United States security is not endangered here. The U.S. security, however, is endangered by a constant hemorrhaging of our money in foreign aid that does no good. It is money that could be better spent here at home improving our education, our health systems, our nutrition systems.

The security of the United States is enhanced by improving our competitive disadvantage we now have to Europe and to Japan and looking at the markets of Europe and Japan. But the security of the United States is not endangered by this poor bloodied little country, smaller even graphically than my own State of Vermont, a country where we have poured in billions of dollars of taxpayers' money and got nothing back except grief and sadness and scandal and horror.

Mr. President, I reserve the remainder of my time.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. How much time does the Senator wish?

Mr. DODD. I understand we are trying to move this along. Five minutes.

Mr. LEAHY. I yield 5 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, we have debated some of this already on an earlier amendment, so I will not take a great deal of time. I know others want to get to some of the other amendments on this bill. Let me make the case once again to our colleagues.

I think it is vitally important we send a very clear, unequivocal signal at this point that we want these negotiations to result in the culmination of this tragic war in El Salvador. That is the point of all this, to try to figure out a way to bring this to a head and to an end; to send a signal to both the Government and the FMLN that, frankly, the American people are tired of this and there is not unlimited dollars they are going to pour indefinitely into El Salvador—in the neighborhood of $400 million a year. It just is not going to happen.

In fact, it is rather remarkable when you consider that this year we are talking about not a cut really, we are talking about a set-aside of 50 percent of military aid. We are not touching any of the economic assistance. We are just setting this aside.

If people honestly believe there is somehow in perpetuity a gurarantee that El Salvador is going to get $400 million a year indefinitely, they are dreaming. That is just not going to happen. What we need to do is to bring this to an end.

We have a remarkable team of negotiators from the United Nations which is working very effectively. It has brought both sides together. There have been some difficulties with the FMLN, some with the Government. Those negotiations are ongoing since May.

I point out to my colleagues we have had 9 months of the budget negotiations around here which have not exactly resulted in stellar results. We have had 4 or 5 months of negotiations between two competing armies and we have not quite reached desired results yet, but that should not be surprising. Nonetheless, it is working.

As a practical political matter, if you set as the tripwire just the cease-fire arrangement, then one of the parties to these negotiations is going to walk away. That is certainly the case as we have seen in other such crises where we have tried to work out a compromise such as this.

So, by doing what has been done in almost every other instance in the world, you realize that a cease-fire must be a part of a broader political settlement. To suggest to the guerrillas in this particular case they enter into a cease-fire without achieving any of the political results of the broader issues is to virtually invite them to leave. That will be the result. If you want them to leave and give full funding to the military in El Salvador, then this amendment is exactly what you want to do.

Of course, it contradicts the amendment that was offered a while ago, which endorses basically the framework which is included in Senator LEAHY's bill.

So I say to my colleagues, if you are truly interested in seeing work this formulation that has been reflected in the earlier vote, then, with all due respect to the authors of this amendment, it must be rejected because it negates, it undermines, it subverts the very purpose of the structure as crafted in the committee proposal.

So, Mr. President, I urge my colleagues—and again I say this with all due respect to the authors of the amendment—it is going to cause us significant problems and I think send us back to day one of this particular conflict. I suspect you will find more bloodshed, a far more difficult time of bringing the parties together.

For those who want to see us continue to supply military assistance or economic assistance to El Salvador, I suggest that this cannot go on forever. It just cannot. It has been 10 years, over $2 billion, and it has to stop at some point. This is our best opportunity. Let us see if it cannot work.

Last, let me point out, even if you are concerned about the cease-fire and this thing being hooked into it, remember, if you read this amendment, the President of the United States has remarkable flexibility to respond. There are no requirements that he come back to the Congress, there be votes of certification. It says that if the President finds he is not satisfied, he has the right to release 50 percent that is on the set-aside. That is tremendous flexibility, and that ought to satisfy those who are concerned that we may be crippling or hobbling the President from being able to conduct foreign policy. He has total flexibility with the language in this legislation.

Last, let me insert in RECORD, Mr. President—I ask unanimous consent to do so—a letter from President Cristiani, dated September 14, 1990 to me. I will quote a sentence to you. He says:

Four lengthy sessions have been conducted on a monthly basis since May and the fifth round is taking place in San Jose, Costa Rica, at this present time. The basic framework of the talks calls for a two-stage process: Political agreements to be reached on issues agreed upon in Caracas, Venezuela, followed by a cease-fire and reintegration of the FMLN into the civilian, institutional, and political life of the Country.

Two stages. What the proposed amendment does is it eliminates the first stage which virtually means you will never get to the second stage. So that is why this amendment is so troublesome and must be defeated if, in fact, we are going to make these negotiations meaningful.

Mr. President, I ask unanimous consent that the full text of the letter be printed in the RECORD.

There being on objection, the letter was ordered to be printed in the RECORD, as follows:

LIC. ALFREDO CRISTIANI,
PRESIDENTE DE LA REPUBLICA,
San Salvador, September 14, 1990.

Hon. CHRISTOPHER J. DODD,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR DODD: I am most reluctant to intrude on your valuable time. But pending decisions by the United States Senate can have such an immediate and enduring effect on our country and its prospects for peace, that I believe it incumbent upon me as its President to convey my thoughts to you.

As the Senate resumes its final weeks of legislative work in the 101st Congress, it will consider the FY 1991 foreign aid appropriations bill, which includes economic and military assistance for El Salvador. The House has already adopted a measure which would withhold 50 percent of our military assistance for next year, and Senators Dodd and

Leahy are proposing a similar measure to the Senate.

I want to take this opportunity to bring you up to date on developments in El Salvador since the House vote in May, and to share my feelings with you regarding the upcoming debate in the Senate.

As you may know, the FMLN guerrillas returned to the peace talks last April, after launching their bloody November offensive in a desperate but unsuccessful attempt to foment a popular insurrection and overthrow our democratically elected government. The failure of their offensive, the subsequent loss of their traditional support from Nicaragua and Eastern Europe, and the continued support of our government by all of the Central American Presidents and the U.S. Government, were significant factors in pressuring the FMLN to return to the negotiating table. Indeed, our country is strongly united behind the principles I announced when I took office:

The only solution to the conflict is political, not military; only a negotiated settlement can bring permanent peace.

The negotiations must be unconditional, uninterrupted, confidential, and outside the country to enhance the dialogue.

The basic goals of the process should be ceasefire, followed by a peace agreement calling for the disarmament, demobilization, and integration of all members of the FMLN into our democratic way of life.

Last November, at the Central American Presidential Summit in San Isidro de Coronado, Costa Rica, the region's leaders expressed their support for our government and called on the FMLN to immediately cease its hostilities, renounce its violence against civilians, and return to the negotiating table to carry out the Esquipulas and Tela declarations for national reconciliation.

As part of this mandate, I met with U.N. Secretary General Javier Pérez de Cuéllar in January, requesting his intermediation resuming the dialogue. This led to the April 4 Geneva Accord between our government and the FMLN, which restarted the peace process under U.N. auspices. Four lengthy sessions have been conducted on a monthly basis since May, and the fifth round is taking place in San José, Costa Rica, at this present time. The basic framework of the talks calls for a two-stage process: political agreements to be reached on issues agreed upon in Caracas, Venezuela, followed by a ceasefire and reintegration of the FMLN into the civilian, institutional, and political life of the country. The objectives of the process are: the consolidation of our democratic process, the respect for human rights and national reconciliation.

As the talks resumed, a positive note was struck: a *Human Rights Accord.* This important agreement, signed in July, calls for the immediate observance of basic principles of human rights by both sides, with U.N. verification to take place after a ceasefire. This Accord constitutes the first signed agreement in the entire history of the conflict, and is surely a hopeful sign of progress.

The last three sessions have been devoted almost exclusively to the subject of the Armed Forces, the most ambitious and difficult substantive topic on the agenda. Our Government has presented bold and detailed initiatives on this issue. I regret to have to say the FMLN has not shown good faith on the military issues. At the last session, and to quote Congressman Joe Moakley, the FMLN's proposal on the key issue of military reform "was particularly extreme and unrealistic, and provided no opportunity for the United Nations Mediator to bring the two sides closer together". Moreover, as Congressman Moakley also noted, the FMLN has been preparing and publicly threatening with another military offensive in El Salvador. Just a few days ago, the Honduran authorities discovered yet another shipment of weapons coming in from Nicaragua and destined to the FMLN.

With these latest developments in mind, you can readily understand why any withholding or reduction in U.S. military aid to El Salvador, at this critical moment, would be a serious mistake:

It would send the wrong signal to the FMLN, and in fact the bills already proposed for discussion have done just that, by encouraging them to delay or hamper the peace dialogue; and even endangering it if the FMLN pursues a more violent approach.

It would deprive our democratically elected government of much needed resources to defend ourselves from further armed attacks, sabotage, and other acts of violence.

The present conditions in proposed bills are placing an irregular armed group at the same level of the legitimate government in our country.

Our Government strongly believes it would be a much more positive step to condition any withholding of military aid to a ceasefire agreement verified by the United Nations. Until then, it is imperative for the survival of our democracy and the achievement of a true and permanent peace in our country that the FMLN be told in very clear and unmistakable terms that the U.S. continues to stand behind us and the other Central American Presidents in supporting our efforts for peace in our region.

I recognize and share Congress' deep concern over the tragic and senseless murder of the six Jesuits and their two employees last November. They join the ranks of many other thousands of victims of extremist violence in this sad and bloody conflict. I am personally committed to prosecuting all those responsible for this terrible deed, and I am pleased to report that progress has been made toward that end, as was publicly expressed by the Provincial of the Jesuit community.

Meanwhile, El Salvador's military defense needs remains as before, to protect our infant democracy from unrelenting aggression and achieve peace.

Before you vote to this matter, I hope you will consider these reflections. The Salvadorean people will be very grateful for it.

Very truly yours,

ALFREDO CRISTIANI.

Mr. DODD. Mr. President, again I urge my colleagues to reject this amendment. I compliment my colleague from Vermont for his tremendous efforts in this regard.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I yield 7 minutes to the Senator from Washington.

I compliment the distinguished Senator form Connecticut for his fine statement.

Mr. ADAMS. I thank the Senator.

Mr. President, I rise today to speak in opposition to the Graham-McCain amendment and, incidentally, in support of an amendment that I will introduce if the McCain-Graham amendment is adopted. It is one that will provide a clear choice between swords and plowshares.

I had originally planned to propose an amendment to transfer the entire $85 million that we are talking about in military assistance intended for El Salvador to the fund providing support for Eastern Europe's emerging democracies. But I found out that might be subject to a Budget Act point of order, and in the last few days I have heard enough Budget Act points of order that I did not want to be bothered any longer or bother my colleagues with the idea there might be a budget problem.

So rather than hear another round of speeches about the Budget Act, I would have my amendment, if I have to introduce it, go right to the heart of the matter and just straight out eliminate all military assistance—in other words, the $85 million targeted for El Salvador.

I appreciate the fact that one of the reasons I have not introduced it before today is that the Dodd-Leahy amendment was accepted. It reduces military assistance to El Salvador, and provides a system whereby we hope this matter will move forward with a full cutoff of military aid and a duly elected government in El Salvador that is not a military government or imposed by military decree.

Last year I expressed the opinion we should stop subsidizing the El Salvadoran military, and that no further United States money should go toward prolonging the agony in that country.

I hope that some of my colleagues had an opportunity to review the pamphlet entitled "Condoning The Killing: Ten Years of Massacres In El Salvador" that I sent to each office last week. The booklet in which I wrote a foreword was published by the Ecumenical Program on Central America and the Caribbean, here in Washington.

Reading that booklet one can gain insights into the tragedy and the human dimension of the suffering that plagues El Salvador. It is this government, and the money appropriated by this body that purchases the weapons and trains the soldiers to go out in the countryside and commit massacres. That fact alone should cause us to say if we cannot end the violence, we should at least stop subsidizing it.

The administration has requested $180 million in economic assistance for this poor little country of 5 million people. But you know, after more than 10 years of fighting and 70,000 deaths, primarily civilian, and over $4 billion in U.S. assistance to the war effort, the time has come to go in a new direction.

If you do not want to read the booklet, read the committee report which states on page 278:

Last year in its report the committee expressed grave misgivings about the administration's policy toward El Salvador, and about the Cristiani government's apparent inability to bring to justice military personnel responsible for violations of human rights. The committee also expressed concern about the reports of pervasive corruption within the Salvadoran Government and military.

It really bothers me, Mr. President, that the Salvadoran military has been implicated, its elite United States-trained battalion of infantry was implicated in the brutal massacre of six Jesuit priests and their housekeepers. It seems to me the only unanswered question is which year's appropriation did they use? Fiscal year 1989, fiscal year 1990? And what acts of indignity will the purchasing with fiscal year 1991 funding do?

I have some familiarity with this matter, not as much as my colleague, Senator DODD, or Senator LEAHY, perhaps. But we return to this every year. We have found that subsidizing these governments throughout the world has not helped. I do not hold out much hope that President Cristiani's government will bring to justice the murderers of the Jesuit priests and their cook and her daughter. I will tell you why.

Because there lives in my State a person who is the sister and family also of Mark Pearlman. Mark Pearlman was with Jose Viera and Mark Hammer 10 years ago on January 3, 1981. Those three men were murdered in cold blood while dining at the Sheraton hotel in San Salvador.

Mark Pearlman and Mark Hammer were in El Salvador as land reform consultants under the sponsorship of the United States AFL-CIO. Mr. Viera was a director for the Salvadoran Land Reform Institute.

Two of the men who pulled the triggers taking the lives of these people were convicted of murder and sentenced to 30 years in prison on February 25, 1986. On December 19, 1987, both convicted murderers were set free in a political amnesty program. Twenty-two months in prison for cold-blooded murder is insulting enough. But the higher officials in the Salvadoran military who ordered the murders were never captured; never spent a day in prison.

So on page 109 of this bill we find once again a $5 million inducement to the civilian government in El Salvador. The language suggests that $5 million of this military aid may not be expended until the President reports that the Cristiani government has substantially concluded all investigative action with respect to those responsible for the January 1981 deaths of two U.S. land reform consultants, Michael Hammer and Mark Pearlman, and Land Reform Institute director, Jose Viera.

That is why a lot of us do not have much confidence in this amendment, do not have any confidence that there is going to be any benefit, any benefit from sending more money each year down to El Salvador.

Additionally, the $5 million is conditioned on progress in that case, as well as a case involving the massacre of 10 peasants that occurred in September 1988, and the murder of the six Jesuits and their associates that took place in November 1989. It seems as though each year, as our military aid to El Salvador continues, our list of unresolved murders continues to grow. So we hold back $5 million in the vain hope that President Cristiani will bring the murderers, many of whom are well known to the Cristiani government, to justice. But because of the rate of spending on military assistance to which I referred earlier, the Government of El Salvador never feels the pinch of that $5 million holdback. They might as well thumb their noses at us when reading this bill language, because it has no effect whatsoever on the pursuit of criminals in uniform in El Salvador.

Mr. President, after waiting for over 10 years for a sign that democracy would bloom in El Salvador, with the help of United States military aid, I believe the time has come to stop sending anything other than humanitarian assistance to that wartorn little country. After waiting 10 years for justice in the case of Mark Pearlman and his associates, the time has come to stop subsidizing a military that shields murderers from their day in court. Let us end this yearly exercise in futility tonight, lest we find ourselves, 10 years after the murder of the Jesuit fathers, still wasting tax dollars in a vigil that has no end.

If we have an additional $85 million to spend in advancing the principles of democracy, let us spend it where it can make a positive difference, in a place where democracy is struggling forward. During this past year, we have witnessed remarkable, historical changes in the Eastern European countries. To demonstrate our support for those developments, we passed the Support for East European Democracy Act of 1989. Our colleagues in the other body proposed an appropriation of just over $418 million for that fund, providing technical assistance in housing, labor activities, medical assistance, environmental and energy conservation programs, and for activities that foster democratic pluralism and market-oriented economic activities. The committee amendment would reduce that funding to $320 million. Regardless of how much we appropriate for the democratic movements in Eastern Europe, it will not be enough to meet the needs. But an additional $85 million would make a positive difference, and would certainly be a more worthwhile investment than pouring another $85 million into the military establishment in El Salvador.

We hear talk of how the Cristiani government sometimes receives the wrong message following action in this body. If this effort by Senator MCCAIN succeeds, I intend to support any other effort to reduce our military assistance as much as possible, or to condition it in any way possible to suggest that we want to see real, meaningful progress toward a just society. The message I intend to convey to the military in El Salvador, and to the Cristiani administration, is that this Senator believes we should stop sending military aid to El Salvador today. I urge as many of my colleagues who share my belief that this Nation has a higher duty than to put United States weapons in the hands of those who murder land reform workers, Jesuit priests, and the men, women, and children of El Salvador to send that message as well. Vote "no" on the McCain amendment.

The PRESIDING OFFICER. The Chair informs the Senator from Washington the time allocated to him has expired.

Mr. ADAMS. I yield the floor.

Mr. President, I urge a "no" vote on the McCain amendment. I hope, I just hope that we stop subsidizing these wars throughout the world.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, how much time is remaining on each side?

The PRESIDING OFFICER. The Senator from Florida controls 6 minutes, 19 minutes 46 seconds.

Mr. GRAHAM. Mr. President, I yield 15 minutes to my colleague, the Senator from Arizona.

The PRESIDING OFFICER. The Senator from Arizona [Mr. MCCAIN] is recognized.

Mr. MCCAIN. Thank you, Mr. President.

I inform my friend from Washington it is the Graham-McCain amendment. I know my friend from Florida would like his due for the same craftsmanship and authorship.

Mr. President, I would like to make a few comments first about some of the previous debate. First of all, I would like to express my continued respect for the Senator from Connecticut, whom I have traveled with and debated, and agreed with from time to time. I am very proud to have been with him on the bipartisan agreement on Nicaragua that I believe was the prime contributor to peace in that beleaguered nation.

I regret enormously that the many, many hours that we spent negotiating this particular issue led to failure, and we find ourselves here in a confrontation which frankly I think, one, we could have avoided and, two, is not

that far apart if you look at what the Graham-McCain amendment really means.

I quote from the letter to me from Secretary James Baker. He says:

I would like to clear up one point of apparent confusion. Nothing in the Graham-McCain amendment would supersede the legislation's conditionality on the Jesuit case in human rights. If the Government of El Salvador refused to thoroughly investigate and prosecute the Jesuits' killers the bill requires 100 percent termination in military aid regardless of whether or not the Graham-McCain amendment is adopted.

It is a very important point here. The cease-fire does not supersede the other conditions of the Dodd-Leahy bill, the majority of which I, my friend from Florida, and my friend from Virginia strongly support.

Mr. President, let me add a point here. If this amendment is not adopted, this bill will be vetoed by the President of the United States.

Let me quote from a statement by Secretary Baker:

Current language on El Salvador intended as a substitute for the House-passed Moakley-Murtha language is unacceptable. Should the final bill, when presented to the President, contain either provision on El Salvador or provisions similar to them, the President's senior advisers would recommend a veto.

Can we not come together on this amendment and avoid a veto of a very important bill that is important, not only in Central America, but throughout this globe?

But what we are seeking here is a cease-fire. My friend from Washington just said he wants to stop subsidizing wars throughout the world. I want us to stop that, but I also want people to stop killing each other in El Salvador. How do you do that? By arranging a cease-fire, Mr. President, a cease-fire followed by good faith negotiations between the parties.

This worked in Nicaragua and Namibia. I hope it will work in Cambodia. It has worked other places in the world, because with the end of the cold war, we are now seeing an era, where under multinational organizations, specifically the United Nation, aegis, we can bring about cease-fires without confrontation between major superpowers, and we can arrange that, Mr. President, in this case as well.

Mr. President, I must say, in all candor to my good friend from Connecticut, and my friend from Vermont, the evidence is very clear that the FMLN has been waiting for the Dodd-Leahy bill.

Mr. President, both the supporters and the enemies of democracy in El Salvador will watch what we do here today, very closely. What I hope they see, Mr. President, is nothing less than a ringing reaffirmation of America's democratic values, and the reassertion of our leadership in the global struggle for freedom and justice.

In the Senate's consideration of our relationship with El Salvador, we are trying to accomplish a difficult task. We are trying to promote, in wartime, a greater respect for human rights. We are trying to use our influence to remove the many impediments to justice in El Salvador. And we are trying to help conclude an awful conflict that has cost 70,000 lives, and touched nearly every family in El Salvador.

It is a difficult task, Mr. President, but it is a most honorable undertaking.

I recognize the dilemma for United States policy in El Salvador. On the one hand, we are confronted with a Communist insurgency that resists political reform and history's dismissive judgment of their cause. On the other hand, we are confronted with right-wing extremists who use the existence of the insurgency to perpetrate their own violent repression of the country. Perversely, the two groups feed on each other, weakening Salvadoran democracy.

We must be extremely careful to send a message to both extremes of the Salvadoran political spectrum, that the United States is unwavering in its opposition to their cruel ambitions.

The restrictions on United States assistance to El Salvador contained in this Dodd-Leahy amendment, send one-half of that message. They accomplish one-half of our task.

The supporters of this amendment hope to accomplish the very necessary task of informing the Government and military of El Salvador that the United States intends to support justice in that country. They have sent a message that the United States demands an end to the egregious human rights abuses committed by right wing extremists, and elements of the military, that have appropriately seized the attention of the American public. They have sent a message that the United States expects justice to be done in the investigation of the murders of the six Jesuits, and the prosecution of those responsible for that despicable and cowardly act.

Mr. President, I support those worthy goals. There are other provisions of this legislation that I would gladly support. The provision, enhancing Salvadoran civilian authority over our assistance, is a provision I enthusiastically support. I want to join with my colleagues in sending these messages to El Salvador. However, I fear that given the incomplete nature of this legislation, we will not only fail to accomplish all the aims that our policy should serve, but that we will undermine the very purposes of this legislation.

For until we stop all the violence in El Salvador—until we achieve a peaceful resolution of this conflict—justice, democracy, and human rights will remain imperiled in El Salvador. Human rights abuses are not only perpetrated by right wing extremists. The countless deaths of civilians, whose only crimes were their family connections to military or Government officials, attest to the limitless disregard for human life that the FMLN shares with the right wing death squads.

This legislation must encourage the Government and the armed forces to abide by the principles of a just society. But it must also dissuade the FMLN from further pursuing, through violence, the kind of grim totalitarian control of society, that the rest of the world is busy discarding. Mr. President, the United States cannot be a party in any endeavor that helps the FMLN secure, through force of arms, what they cannot secure through force of reason.

That is why, Mr. President, we must include in this legislation, a condition that requires both the Government and the FMLN to accept a good faith proposal for an internationally monitored cease-fire. As we have seen in Nicaragua and elsewhere, once a cease-fire is in place, it is difficult to reverse, and progress toward a political settlement will follow. If the Senate rightly expects that the Salvadoran Government and military can comply with conditions that demand the respect for human life, justice, and civilian authority, then the minimum we should expect from the FMLN is participation in a cease-fire.

I understand the objections to this amendment. Let me comment briefly on them. There is a misinformed apprehension that this cease-fire condition supersedes all the other conditions in the bill. This is absolutely false. If the Government is in compliance with the applicable terms of a cease-fire, while the FMLN is not in compliance with them, the Government still will not receive a dime of U.S. military assistance, if it is not negotiating in good faith a political settlement with the FMLN, mediated by the Secretary General's representative; it still will not receive a dime of military assistance if it is not conducting a professional investigation and prosecution of the Jesuit murders; it still will not receive a dime of military assistance, if the military and security forces abduct or assassinate civilians.

Mr. President, I assure you, should the Government and military fail to comply with these just demands, then I will be the first Senator on the floor to demand that we discontinue any further military assistance to the Government of El Salvador. I have personally made that position clear to the President and military high command of El Salvador.

Another argument made against a cease-fire provision, is that it would upset the negotiating agreement

signed by the Government and the FMLN in Caracas last May. This charge is also false. The Caracas agreement does envision progress on achieving several political accords in advance of a cease-fire. Yet, it also clearly envisioned progress in negotiations for FMLN demobilization, and for a cease-fire by last September.

And while considerable progress had been made in the political negotiations up until this August, no progress has been made in demobilization or in establishing a cease-fire.

Mr. President, the head of the Christian Democrats in El Salvador believes that a cease-fire before the January 10, 1991 start of the Salvadoran election campaign is consistent with the Caracas accord. "Concerning the start * * * of the electoral campaign," he said, "we demand that this electoral event take place in an atmosphere of peace, or at least, a cease-fire, which in accordance with the provisions of the Caracas agenda, would lead to peace." Do the opponents of our amendment know something that Mr. Chavez Mena does not?

Nevertheless, we have added a further provision in our amendment that would accommodate concerns, that once a cease-fire is in place, the Government may stall negotiations to conclude the political agreements called for in the Caracas accord. We have stipulated that both the Government and the FMLN, must request that the U.N. actively mediate disputes between the two parties on the remaining areas of negotiation.

Presently, the U.N. cannot broker agreements between the two sides unless they are asked to do so by both the Government and the FMLN. When the Government made a good faith proposal to reduce the size of the military, the FMLN rejected it. When the Government asked the United Nations to put forth a compromise position, the FMLN vetoed that request. The United Nations could do nothing. Our amendment would require both sides to request a more active role in arranging compromises, which should calm concerns that the negotiations would not go forward, after a date was set for a cease-fire.

In short, Mr. President, this bill does absolutely nothing to encourage the establishment of a cease-fire, and the conclusion of the war. And while we withhold our support for an immediate cease-fire, the killing continues. Last Wednesday evening, the FMLN launched an attack in San Salvador, using mortars and car bombs. Will anyone seriously argue that the United States ought to refrain from compelling the FMLN to accept a cease-fire? Even the Soviets have agreed that both sides should refrain from military actions. And they have joined the United States in calling for a cease-fire as quickly as possible.

In July, the Government and the FMLN signed a landmark human rights agreement. One of the provisions of that agreement, is the establishment of a United Nations human rights observer mission in El Salvador. The United Nations has stipulated, however, that they will not establish this mission until a cease-fire is in place. Additionally, all the political parties of El Salvador reached agreement on far-reaching electoral reforms.

We all know what the FMLN has done in negotiations; from going to what apparently was a very good faith and substantive and encouraging position, we have seen them gradually back off further and further, there demands become more and more outrageous—clearly they want two things: one. the passage of the Dodd-Leahy bill, which they believe will emasculate the El Salvadoran military and, two, no credit to the ruling party between now and elections, which would take place in a relatively short period of time.

So, Mr. President, I am not sure that the amendment of my colleague from Florida can cure that problem. But I do believe that what this amendment does is it balances the responsibilities, balances the obligations between the two parties.

I want to say that I know of no two individuals who are more committed to the observance of human rights than the Senator from Florida, my colleague, Senator GRAHAM, and Senator ROBB of Virginia. Both of them, and I include myself with them, understand clearly the terrible things that have happened in El Salvador, that unconscionable crimes have been committed. There is substantive evidence, enough to convince this individual—although I would not convict anyone without due course of justice—that the army or portions of the army have been clearly responsible, or individuals in the army have been responsible for these terrible atrocities that have taken place.

Mr. President, at the same time the FMLN conducts a relentless campaign of terror, assassination and kidnapping.

I know that perhaps both my friend from Virginia and my friend from Florida have important comments to make. Let me just close by relating an experience I had some 7 years ago. That was on the occasion of going to El Salvador and observing the first free election held there in many years.

I had the wonderful opportunity to meet the victor, Napoleon Jose Duarte, one of the great leaders and most dedicated men I have ever had the privilege of knowing in my life. For years, President Duarte worked to restore democracy and freedom in his nation. Yes, his party was defeated in the last election, but I promise you, the spirit and the respect for human rights and the love of his country lives on in El Salvador. The people of El Salvador want a cease-fire. They want to stop the killing. They do not want to squander the legacy of Napoleon Jose Duarte. Mr. President, I do not think we should either, and I strongly urge the adoption of the amendment of my friend from Florida, Senator GRAHAM.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. Mr. President, I yield 2½ minutes to the Senator from Maryland.

The PRESIDING OFFICER. The Senator from Maryland, Mr. SARBANES.

Mr. SARBANES. Mr. President, I rise today in strong opposition to the pending amendment which, in my view, would seriously undermine ongoing United Nations-mediated negotiations between the Salvadoran Government and the FMLN.

The proposal before us would undermine the provisions of the Caracas agreement which is already in place, and has set forth guidelines for the acceptance of a cease-fire by both sides. The amendment would seriously undercut efforts at the negotiating table by imposing a strict timetable for establishing a ceasefire, thereby removing pressures for military, judicial, electoral, and constitutional reform, and U.N.-verified guarantees for the rights of the civilian population. According to the Caracas agreement, these issues must all be resolved prior to a cease-fire.

Mr. President, it is essential that a final settlement of the conflict encompass a lasting ceasefire and sweeping reform of the armed forces, both of which are fundamental issues currently being reviewed by both sides. Last spring, the Government and FMLN agreed to an agenda for a U.N.-mediated negotiating process. A fifth round of discussions recently ended, falling short of a substantive agreement. Unfortunately, egregious human rights abuses continue with impunity and have hampered chances for significant change in El Salvador.

As evidenced by the lack of progress in the investigation of the brutal slaying in November 1989 of six Jesuit priests, their housekeeper and her daughter, the Salvadoran judicial system has not shown itself capable of addressing outstanding human rights violations. Despite overwhelming proof implicating the armed forces in numerous cases, the Salvadoran Government has yet to try and convict a single senior military official.

Earlier this year, President Cristiani demonstrated a willingness to be forthcoming with respect to the Jesuit murders by naming those Salvadorans thought to be responsible. Regretta-

bly, the Cristiani government has failed to follow through beyond this initial step. Ranking members of the Salvadoran military have reportedly covered up and stalled attempts to move the inquiry forward. Even Bernard Aronson, Assistant Secretary of State for Latin American Affairs has recognized that:

"That atrocity has rightly become a turning point for U.S. policy. Either justice will be done or military aid will be cut. The armed forces cannot cover up this crime and expect the American people, Congress and the administration to look the other way."

As a cosponsor of the El Salvador Democracy Act, introduced by the distinguished junior Senator from Massachusetts, it is my firm conviction that we must take a stand against the repeated and systematic violations of universally recognized standards of human rights. The bill I support is an even more far-reaching proposal than the committee bill, and would end all military and economic assistance, with the exception of basic humanitarian aid. However, I do believe that the Dodd-Leahy language of the committee bill, similar to the House-passed Foreign Operations provisions, would also place effective pressure on the Salvadoran Government and the FMLN to negotiate in good faith. The conditions and incentives set forth in the committee provision thus constitute a critical step toward a peaceful and comprehensive resolution to the violence and civil strife which has lasted for over a decade in El Salvador.

Mr. President, the Senate has an opportunity today to join with the House of Representatives in sending a strong message to the Government and the people of El Salvador. The committee bill represents an important and constructive shift in our policy. Regional peace efforts such as the Contadora plan and the 1987 Esquipulas II accord, and the successful congressional bipartisan agreement on Nicaragua, all provide a clear example of which path to follow in this case.

I urge my colleagues to reject this amendment, which would weaken the committee's provisions to promote the process of negotiation, peace, and reconciliation in El Salvador.

Mr. President, I rise today in strong opposition to the pending amendment which, in my view, would seriously undermine the ongoing U.N.-mediated negotiations between the Salvadoran Government and the FMLN. We already have the Caracas agreement in place, which sets forth guidelines for the acceptance of a cease-fire by both sides. Those are very important guidelines and, of course, they encompass within them an effort to obtain military, judicial, electoral and constitutional reform and U.N.-verified guarantees for the rights of the civilian population.

Those are all issues which are to be addressed in the process of moving to a cease-fire. I think it is important that the final settlement of the conflict encompass a lasting cease-fire, and the important reforms in the areas that I have just mentioned.

The Government and FMLN agreed to an agenda for a United Nations mediated negotiating process. A fifth round of discussions recently ended falling short of a substantive agreement. Unfortunately, we continue to have egregious human rights abuses which, of course, constitute a major obstacle for significant change in El Salvador.

I need not recount the slaying of the Jesuit priests which occurred in November 1989. That has already been mentioned here on the floor, and the failure as yet to try or convict anyone for that dastardly crime.

I believe that the approach taken by Senator LEAHY and Senator DODD in the Dodd-Leahy proposal offers an opportunity to apply an effective pressure to both sides in these negotiations, both the Government and the FMLN, and encouragement to them to negotiate in good faith. The provisions set forth in the Dodd-Leahy amendment, and the conditions and incentives, would constitute a very important step to getting a resolution. I think we have a very significant opportunity here to send a very positive and constructive message. I do not think adoption of this amendment would do that. It would undercut the approach set forth in the Dodd-Leahy proposal and the U.N.-mediated negotiations. I very much hope that the Senate will reject this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GRAHAM. Mr. President, I yield 1 minute to the Senator from Wisconsin.

Mr. KASTEN. Mr. President, let me simply point out that those of us who are proponents of the present amendment before us are willing to accept the conditions of the Dodd-Leahy legislation in their entirety. Those conditions include the termination of aid if there is a military coup; if the Salvadoran Government does not proceed in good faith with the negotiations; if the government does not accept a U.N. role; if legitimate progress has not been made on the Jesuit case, and other conditions as well.

The point is, this amendment adds balance. The amendment by Senator MCCAIN and others says there must be a cease-fire. Under this condition we have been told by the President of El Salvador his country can live with a reduction in military assistance.

I want to remind all of my colleagues that all of the presidents of the countries in Central America on October 4—all of them—announced their support for this cease-fire proposal. They believe, the people in the region, that a continuation of the war threatens the peace and the security of all of Central America. They believe that we should effect a cease-fire now.

Mr. DOLE. Mr. President, I strongly support the McCain-Graham amendment.

El Salvador is at a crossroads. In the coming months, the Government and people of that nation will make critical decisions, which can determine whether their future is one of peace and reconciliation, or continued war.

Eleven months ago, the FMLN launched a treacherous and bloody offensive.

Contrary to the hopes of the guerrillas, the Government of El Salvador responded quickly and effectively.

Contrary to the hopes of the guerrillas, the people of El Salvador repudiated their aggression, and refused to abandon their support of the elected Government.

Contrary to the hopes of the guerrillas, their bloody assaults did not lead the United States—the President, or the Congress—to abandon our support for the Government of El Salvador.

To the consternation of the guerrillas, and their misguided supporters in this country, what really happened was that the world community was treated to a clear lesson as to who in El Salvador wants, and sees profit in, war—and who really wants peace and reconciliation.

The guerrilla offensive was a total failure; a failure that was tragically costly in terms of human life and human suffering—but one that did have at least one positive result: the failure of the offensive, combined with the fall of the Communist Sandinista government in Nicaragua—The FMLN's main regional supporter—led the FMLN finally to agree to negotiations with the Government, under U.N. auspices and aimed at finding a formula for a cease-fire and political settlement in that war-torn country.

In April, those talks began, and at first seemed to be making some progress. Through several sets of talks, extending into late July, the two sides agreed to a structure for the negotiations, agreed to an outline agenda, agreed on an order of priority for the issues to be raised at the talks, and began to talk about those issues.

But suddenly, in round 5 of the talks in August, the FMLN began to stonewall. Throwing into the trash can much of the progress already made, the FMLN put on the table a whole set of new demands, contradicting positions they had already taken, and contrary to the guidelines set out in the original understanding with the United Nations.

The purpose of this abrupt about-face now seems clear: The FMLN hopes that actions by the Congress—

cutting our aid to El Salvador—will severely undermine the Cristiani government, and give the FMLN a huge advantage in the talks.

It would be a tragic mistake if the Congress plays into the beckoning hands of the FMLN.

President Cristiani has been in Washington several times this year. He has met with me and dozens of other Senators. I have never heard a Senator from either side of the aisle express anything but respect and admiration for President Cristiani. I have not heard anyone in this debate challenge his good faith or integrity.

Nor have I heard any credible challenges to the good faith of his government in pursuing the peace talks.

The heads of the four other governments in Central America have expressed support for President Cristiani's government, and for its performance in the peace process.

I remember when the issue was Nicaragua—we used to hear lengthy and impassioned speeches from the other side of the aisle, about how we had to follow the lead of the Central American governments.

I would like us to follow that advice now.

No one is claiming that conditions are ideal in El Salvador. There is a war going on in that country. Over the years, there have been severe human rights abuses—on both sides. During the tenure of the Cristiani government, there have also been allegations of human rights abuses. That is all part of the record. And it must all be taken into account.

But it is our responsibility to look at the whole record—and not just the parts that support our particular point of view.

The facts are that El Salvador's military has pledged unconditional support for the Cristiani government and its policy of negotiating for peace.

The Cristiani government has undertaken important reforms, to eliminate human rights abuses on its side.

President Cristiani has personally pledged to me—and to other Senators—that those efforts at reform will continue, and will be accelerated.

Certainly, there is still serious concern about the murder of the Jesuits, and the handling of that case. I and many others have expressed our deep concern on that issue, directly to Cristiani.

Mr. President, I will quote one sentence from an English translation of a letter sent to the Presidential Palace by the head of the Jesuits in Central America, Father Tojeira:

> I am grateful to President * * * Cristiani for the initiatives he has pursued in favor of clearing up the murder of our Jesuit brothers * * * and that, in my view, the judge in charge of the case is acting with responsibility and even courage, not only because of his personal integrity, but also because of the support he feels he has from the President.

This letter does not mean our concerns on this case disappear. But the letter is one more important piece of evidence that—shrill and unfounded allegations to the contrary notwithstanding—President Cristiani does want to get to the bottom of this case, and understands how important it is that the investigation move forward, rapidly and aggressively.

Mr. President, El Salvador is at a pivotal moment, at a crossroads. President Cristiani has convinced me—and I believe has convinced most of us—what path he wants his country to take: The path to peace, reconciliation, and justice for all Salvadorans.

Without doubt, there are obstacles on that path. And, without doubt, some of them do come from those on the 'government side.'

But clearly one huge obstacle on that road is the intransigence of the FMLN; one huge obstacle is the simple fact that, unlike President Cristiani, the FMLN has not yet decided that it really wants peace.

We have a choice now. We can send a message that will be widely seen—and in some quarters hailed—as a repudiation of President Cristiani.

That message will be welcomedd by the FMLN, and will probably also be welcome by extremists on the other side, who would like nothing better than to see Cristiani's responsible policies discredited.

That message will be delivered, if we defeat this amendment.

Or, we can deliver a message that the United States supports President Cristiani's approach: The sincere quest for peace, the courageous pursuit of justice.

We know where President Cristiani is. We know where right wing extremists in El Salvador are. We know where the FMLN is.

In a few moments, we will know where the Senate is.

This is a critical vote—a pivotal vote—for us, and more important, for El Salvador.

I hope we will put ourselves on the right side. I hope we will pass this amendment—and give President Cristiani, give peace, and give justice a fair chance in El Salvador.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I do not believe anyone else is seeking recognition on our side in support of the amendment. I wish to reserve the remainder of my time, and I would defer to the Senator from Vermont.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that it not run against either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I ask unanimous consent that it be in order for me to make a unanimous-consent request without it counting against the time of either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. LEAHY. Mr. President, I ask unanimous consent that after the vote on the pending amendment we then proceed to the accepted committee amendment on Egyptian debt; that I be recognized to offer an amendment on behalf of Senator KASTEN and myself relating to the Egyptian debt, with a time agreement of 20 minutes, equally divided; to be immediately followed by an amendment by Senators HARKIN, DIXON, and others, with a 50-minute time agreement, equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. KASTEN. Mr. President, reserving the right to object, and I believe I will not object, but I just told the Senator as he began his presentation that there is a Member the Republicans would have to check with.

So I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I renew the unanimous-consent request that I made earlier.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LEAHY. Mr. President, how much time remains to the proponents and opponents of the pending amendment.

The PRESIDING OFFICER. The proponents have 8 minutes and 20 seconds; the opponents have 3 minutes and 3 seconds.

Mr. LEAHY. Mr. President, I yield myself 2 minutes.

Mr. President, look, we have gone around this thing over and over. We have gone up the hill and we have gone down the hill.

We have before us an amendment that seeks to undo everything that 75

Senators voted for earlier this afternoon. Let us have no mistake about it: A vote for the pending amendment is a vote in opposition to the amendment that passed with 75 votes of the U.S. Senate this afternoon.

There are those who are concerned about this issue throughout our Nation.

I do not want anyone to have any question in his mind. Someone voting now for the pending amendment will in effect, by that vote, be voting against the Dodd-Leahy amendment. It is as simple as that.

There is no question the countries in Central America said they wanted a cease-fire. That is precisely why Senator DODD and I have put in the amendment that we have. It asks for a United Nations cease-fire put together by the United Nations. Both parties are then going to have to agree to it. If they do not, the money goes to El Salvador.

Mr. President, for once let the U.S. Senate stand up and say enough is enough. We have another use for the taxpayers' dollars of this country than killing innocent civilians.

I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, I yield myself such time as is required.

Mr. President, I beg to differ with the characterization of my good friend and colleague from Vermont, but this amendment is not put forward, nor is it by word or intention designed, to eviscerate the amendment of the Senator from Vermont and the Senator from Connecticut.

To briefly summarize, it is not the purpose of this amendment to eviscerate the proposal of the Senator from Vermont and the Senator from Connecticut. In fact, one, there is no difference in the total number of dollars at issue here as between the Dodd-Leahy proposal and the Dodd-Leahy proposal as we would propose to amend it.

No. 2 every provision of the Dodd-Leahy proposal is retained. There are no deletions or changes from Dodd-Leahy as a function of this amendment.

No. 3, this proposal recognizes some basic facts not here in Washington but on the ground in El Salvador. There has been a long history of brutalization by all parties in that poor wracked country.

Second, the FMLN, after 10 years of effort to not only secure the countryside but to secure the hearts and minds and commitment of the Salvadoran people, have failed. At the last election, less than 3 percent of the citizens of El Salvador—an election in which an overwhelming number of those eligible to vote, in fact, did so—less than 3 percent voted for the candidate who represented the political arm of the FMLN guerrillas.

The effect of removing our support from the Government of El Salvador precipitously will be to turn the country over to the rule of the gun; that is, the party which could not win at the polls will be given an overwhelming capacity to win through pure violence and force.

Let me describe, Mr. President, what the amendment that we offer will do. It imposes parallel obligations on the Government of El Salvador and on the guerrillas, the FMLN. Those are essentially three:

One, if either side fails to request that the United Nations actively mediate negotiations between itself and its counterpart—in the case of the Government, if it fails, it loses all military assistance; in the case of FMLN, if it refuses, the Government gets the military assistance which we are about to appropriate.

Second, if either side has rejected a good-faith proposal for an internationally monitored cease-fire and separation of forces. Again, if the Government fails, it suffers the loss of all U.S. military aid. If the FMLN is the offending party, the funds would be released.

Third, if there has been an internationally monitored cease-fire negotiated, and either side fails to comply with the applicable terms of that internationally monitored cease-fire—if the Government fails to comply with the terms, it loses all of its U.S. military support. If the FMLN fails, then the full funding is released.

Mr. President, I think those are three reasonable conditions. And in all cases, it is the President of the United States who will make a certification to the Congress as to whether those conditions that would lead to either full funding or no funding have been met. I believe that is a reasonable proposal.

Mr. President, there have been some criticisms of this. Let me just refer to two of them.

One, that the United Nations should be the sole international force; that an internationally monitored cease-fire by someone other than the United Nations should not be accepted.

The fact is that in Nicaragua it was the Central American Presidents who first negotiated the cease-fire. Once the cease-fire was negotiated, they brought in the United Nations to be the on-the-ground monitor of that cease-fire. If that process, which worked so well in Nicaragua, could work in El Salvador, why should we not allow that particular option?

There are some constraints to the United Nations. The U.N. negotiator, Mr. DeSoto, has said, pursuant to U.N. policy, he will not put on the table a negotiating position unless the two sides ask him to do so; that is, he is not a free agent to say, "Here is a proposal for judicial reform," unless both sides have said, "We would like to consider judicial reform." And the fact is undisputable: The FMLN for weeks and months has been refusing to allow anything to be put on the table.

Second, the United Nations will not send peacekeeping troops into an area unless they are not in harm's way; that is, if bullets are flying, the United Nations will not send in observers. So in order to get to a substantial international representative group of peacekeepers, we have to have the cease-fire as a precondition.

The second argument, Mr. President, is that the cease-fire is just a dog in the manger; that since everybody knows the FMLN will not agree to a cease-fire, by making that one of the conditions, we have guaranteed that this whole process will end up being a facade, a fraud.

Mr. President, the FMLN negotiated in May of this year in Caracas for a process that had a cease-fire in mid-September as a key element. I believe that we have to put maximum pressure to get on with ending the killing. And once we have done that, by setting standards that say: If you do not agree to a U.N.-mediated negotiation; if you do not agree to a internationally monitored cease-fire; if you do not agree to comply with those terms, then negative consequences are going to happen—either you are going to lose your military capacity or your opposition will gain military capability—I think those are prudent constructive additions to the Dodd-Leahy amendment.

Further, we have had examples in Central America similar to El Salvador: years and years of bloodletting, thousands of people killed, a brutalized society, a society that denies fundamental human and political rights to its people. We have seen some progress in Central America. The shining example is Costa Rica; more recently, what we have seen that has happened in Nicaragua, which fills us with hope about what can happen there.

I believe we ought to have similar hope about what can happen in El Salvador. And following a path very similar to that which was so successful in Nicaragua, I believe, is one which this Senate, with the amendment that is before us, should seize and invest our hope that we may be making a contribution toward peace and toward the restoration of a society which needs the healing, the nurturing of its people, and of those who believe in the principles of democracy and human rights.

Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. The Senator has used all of the time allocated to him.

The Senator from Vermont.

Mr. HARKIN. Mr. President, I rise in support of the language included in the fiscal 1991 foreign operations bill regarding El Salvador and in opposition to the amendment offered by Senators MCCAIN and GRAHAM.

The Graham-McCain amendment would introduce an additional trigger to provide for reinstatement of the full 100 percent of El Salvador's military aid if the President determines and reports to Congress that the FMLN is unwilling to enter into a cease-fire.

While the Graham-McCain amendment might appear attractive on the surface, it actually will have the effect of undermining the United Nations-sponsored peace effort now underway between the Salvadoran Government and FMLN. This amendment is, in fact, a Trojan horse for current Bush administration policy. This policy is grounded on the principle—and practice—that no matter how horrendous their behavior and how outrageous their abuses, the Salvadoran military deserve the continued support of the United States Government.

The fact is, Mr. President, the Graham-McCain amendment would restore military aid if any of the parties refused to agree within 60 days to a cease-fire—even if it is a plan proposed by the Salvadoran Army itself. This proposal would have the effect of undermining the United Nations peacemaking effort now underway.

On May 21, at Caracas, Venezuela, the Salvadoran Government and FMLN agreed to a negotiations process directed at a set of political agreements as well as a cease-fire. Caracas established a two-step process, whereby the parties would first agree to political reform and then reach an agreement on a cease-fire. Included among the list of political agreements is reform of the Salvadoran military.

Indeed, the Graham-McCain amendment is a killer amendment in two respects. First, it would undermine the intended impact of the underlying language in the foreign operations bill, which is based on using the threat of real cuts in military aid to compel real reform of the Salvadoran Armed Forces. Second, it would seriously harm the United Nations-mediated talks on resolution of the Salvadoran civil war by aligning the United States, through its foreign aid, firmly on the side of the Salvadoran Government in those talks.

Don't take my word. Listen to the Jesuits at the Central American University, the scene of the November 1989 brutal assasination of six Jesuit priests. According to the September 26 edition of Proceso, the weekly publication of the UCA:

> Cristiani has attempted to take advantage of Congressional good faith, pitting Congress against the UN mediator and attacking the spirit of the Geneva accords by demanding an FMLN cease-fire in exchange for the aid cut, a goal the government delegation has fought for obstinately at the negotiating table, and which to a great extent explains why the talks are at such a standstill.

Ironically, just as the Bush administration has been so successful at using the United Nations to mount the anti-Hussein campaign in the gulf, the administration and its supporters in Congress is trying to undermine U.N. mediation efforts in El Salvador.

For the past decade, successive administrations—first the Reagan and now the Bush—received a blank check to conduct their policy toward El Salvador. With the exception of 2 years of human rights certifications from 1981 to 1983, successive Salvadoran Governments received their U.S. aid—nearly $4.5 billion—without conditions on either military reforms or human rights performance.

There is no better measure of the effectiveness of U.S. policy and its aid program than the November 16, 1989, murder of six Jesuit priests and what has occurred after that tragic date.

Last November, members of the Salvadoran Armed Forces entered the compound of the Central American University in San Salvador and shot to death—at point blank range—six Jesuits, their housekeeper, and her daughter. In the past year, the investigation into these murders has been marred by coverups, stolen and lost records, and stonewalling by the Salvadoran military.

Even President Cristiani has publicly admitted that the most celebrated defendant in the case, Col. Guillermo Benevides, who has been accused of ordering the killings, will likely not be convicted. Although under house arrest, Benevides has been seen sunning himself on the beaches outside of San Salvador.

Ten years ago, on March 24, 1980, another celebrated religious leader, Archbishop Oscar Romero, was assassinated. A decade and $4.5 billion in U.S. aid later, Archbishop Romero's assassins remain at large. In fact, Roberto D'Aubuisson, whom El Salvador's former president Napoleon Duarte accused of being the intellectual author of the crime, rivals Cristiani for control of the rulling ARENA Party and is one of the most powerful men in El Salvador.

The time has come to say "enough."

I am reminded of the brilliant speech of Czechoslovakia's Vaclev Havel before a joint session of Congress this February. Referring to the wave of freedom that has swept across Eastern Europe, Havel described the past year as a "historic time * * * which leaves us no time to be astonished."

As far as El Salvador is concerned, what's astonishing is that despite the historic changes in Eastern Europe and the Soviet Union, United States policy is still blinded by cold war assumptions. And United States policymakers refuse to see the truth of the Salvadoran military; namely that it operates as a business which uses its political and military power to enrich itself and which is willing to murder in order to preserve that power.

Furthermore, the Salvadoran military has grown by feeding at the trough of the United States Treasury. This point is reinforced by a December 1989 New York Times Magazine piece by Joel Mellman. According to Mellman, "instead of fostering reform, the American money has been absorbed into a network of curruption and patronage that has grown up over half a century, and has made the Salvadoran military an empire unto itself."

It's a military that has grown so wealthy that it owns its own bank, with $100 million in reserves. It owns an oceanside resort, and even has investments in the funeral business.

It's a military that is responsible for killing nearly 70,000 of its countrymen, yet not a single one of its officers has ever been prosecuted for a human rights offense.

In case after case, successive and well intentioned United States Ambassadors have protested murders and abuses by the Salvadoran military. Yet none were willing to back their threats with real action. None took the step of cutting off any of the aid that arms the soldiers who commit these abuses and pays the officers who order them.

The language included in H.R. 5114, the so-called Dodd-Leahy bill, sends a clear signal to the Salvadoran military that it will no longer be business as usual. That the Congress, if not the Bush administration, has had enough of the corruption, the murders, and the arrogance of the Salvadoran military. That the time has come for the United States to put real pressure to bring peace, respect for human rights, and the rule of law to El Salvador.

Mr. President, for the past 6 months, there has been a United Nations-mediated process underway between the Salvadoran Government and the FLMN. The Dodd-Leahy provision supports that process.

Both the Reagan and Bush administrations, and their respective ambassadors in San Salvador, have publicly stated the need for respect for the rule of law. This language demands that both parties to the conflict adhere to it.

For the past two decades, the United States has in its books laws calling for recipients of our foreign aid to respect human rights. This amendment requires that those laws are obeyed in El Salvador.

By withholding 50-percent of the military aid that would otherwise be available to the Government of El Salvador, this provision sends the message that we are serious.

By allowing the release of aid withheld if the FMLN conducts a major military offensive, this language is fair and balanced.

And by deciding to withhold aid, the Congress would be using its constitutional authority to force the administration to carry out a policy it claims to have supported all along.

Mr. President, this may be our last chance to bring peace to El Salvador so this war ravaged country can start on the path toward reconstructing its economy, and restoring economic and social justice for its people.

Ten years of rhetorical support for democracy, backed by little or no action to enforce those goals, haven't worked.

The time has come to embark on a new policy—one based on the realities of the post-cold war world, and one that is truly committed to bringing peace and democracy to El Salvador.

Mr. President, I urge my colleagues support for the Dodd-Leahy provision, and call upon you to reject the Graham-McCain amendment.

Mr. LEAHY. Mr. President, let me just sum this up. This afternoon, Senators stood up for the first time and sent a very clear message from the U.S. Senate that the killings had gone on too long in El Salvador; that the horror had gone unabated too long; it is time to bring the fighting on both sides, both the right and the left, to a halt; that the United States, which has poured billions of dollars into this wartorn country, is running out of both patience and money.

This afternoon, 75 Senators voted to finally, finally, finally, put conditions on American foreign aid to El Salvador. Mr. President, a vote for the pending amendment unravels that strong, unequivocal moral statement that the U.S. Senate sent this afternoon.

My God, Mr. President, after all these years of pain and suffering in El Salvador, and after all of these years of the United States turning a blind eye to what has become a client country of ours, let the United States Senate say it ends; it ends now. Vote down this amendment.

Mr. CHAFFEE. Mr. President, I wish to discuss one of the most controversial questions of this session—American military aid to El Salvador. Like many Senators, I have struggled with this issue—trying to do what is in the best interest of the people of El Salvador as well as the interest of the United States and its taxpayers. I shared the revulsion of all Americans upon learning of the murders of six Jesuit priests last fall. I also am dismayed about the countless, less publicized human rights abuses perpetrated by both sides in this conflict.

This bill would immediately withhold 50 percent of American military aid to the Government of El Salvador, and outlines certain conditions which will govern its restoration. These conditions are: First, the FMLN refuses to participate in negotiations or refuses to accept an active role by the United Nations, second, the survival of the Salvadoran Government is threatened by an FMLN offensive; third, proof is shown to Congress that the FMLN is receiving significant shipments of weapons from outside; fourth, the FMLN is assassinating or abducting civilians or fails to control such activities by forces under its control; or fifth, after consultations with the United Nations it is determined that the FMLN is not negotiating with the Government of El Salvador in good faith.

On the other hand, the bill outlines the conditions under which all aid would be discontinued. Aid will be terminated if the President determines that: First, the Government of El Salvador declines to participate in cease-fire negotiations; second, the Government of El Salvador fails to support an active role for the United Nations in negotiations; third, the Government of El Salvador fails to conduct a thorough investigation into and prosecution of those responsible for the Jesuit murders; fourth, the Salvadoran military is found to be abducting or assassinating civilians or fails to control such activities by forces under its control; and fifth, after consultations with the United Nations it is determined that the Government of El Salvador is not negotiating with the FMLN in good faith; or if the President of El Salvador were overthrown by a military coup.

In a move to strengthen the democratically elected government of President Cristiani, military aid would be turned over to the military of El Salvador only with the approval of the Salvadoran Government.

Initially, I was troubled by the conditional 50 percent cut in aid because this appears to reward a group that is by no means worthy of the reward—the FMLN guerrillas. At the same time I recognized that 10 years and over $4 billion in American aid has not brought about peace in El Salvador.

I have seen numerous reports that assassinations, bombings and abductions by right wing death squads continue, albeit at rates lower than in the early 1980's. The United States policy of putting pressure on the Government while conducting extensive training of the Salvadoran military seems to have increased the military's sensitivity to human rights concerns to a degree, but abuses continue. It appears that the military does not believe the United States will ever cut off aid, and thus has not taken serious steps to stop these abuses or to prosecute those members of the military who are responsible. In 10 years of civil war, no officer has ever been punished for a human rights violation. There is just reason to believe that the military has obstructed the Jesuit investigation. A 50-percent cut may well be the only way to truly impress upon the military that we are serious.

The U.N. agreement, signed by both the FMLN and the Government, calls for a two step process whereby first, agreement would be reached on political agreements. After these agreements, the parties would agree to a cease-fire. The subjects of the political agreements include reforms of the armed forces, human rights, the judicial system, the electoral system, constitutional reform, economic and social issues, and verification by the United Nations.

I am persuaded that a 50-percent cut in aid is warranted at this time. In addition, I believe the conditions set out in this bill do indeed provide the proper incentives to encourage both sides to negotiate in good faith and curtail violence. If the Government fails to act appropriately, it will lose all of its aid; if the FMLN fails to act appropriately all the aid will be restored.

My support for the conditional language of this bill should not be taken to mean that I do not appreciate the advances made toward peace in El Salvador by the Government. Nevertheless, I believe a more dramatic statement of American frustration with both parties in El Salvador is warranted.

I would now like to turn to the issue of the Graham amendment before us tonight. This amendment would add two conditions to the original bill language. First, it would call for a complete termination of 100 percent of the military aid if the Government did not agree to a U.N.-sponsored cease-fire within 60 days of the enactment of this bill. Conversely, 100 percent of the aid would be restored if the FMLN did not agree to the cease-fire. In addition, both sides would have to agree to ask the United Nations to assume a more active mediation role in the current negotiations.

While this amendment has a certain degree of appeal, I am forced to conclude that it would not be constructive to the peace process.

Earlier this year, at the outset of the United Nations sponsored talks between the government and the FMLN; both parties agreed that a cease-fire would be appropriate only after agreement was reached on structural reforms in El Salvador including reform of the armed forces, judiciary, electoral system, and constitution. Some of these reforms are the cause of the cur-

rent stalemate in the negotiations. I am deeply concerned that asking both sides to accept a cease-fire before agreement is reached on at least some of these reforms lessens commitments to reach a political resolution of the conflict. For this reason, I believe it is unlikely that the FMLN would ever agree to a cease-fire without political concessions first. The effect would be the restoration of all aid after 60 days and we would be right back to the status quo.

It is my desire to support the U.N. negotiation process that guides me to vote against this well intentioned amendment.

The PRESIDING OFFICER (Mr. SIMON). All time has expired. The question is on agreeing to the amendment of the Senator from Florida.

Mr. LEAHY. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota [Mr. DASCHLE] and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota [Mr. DASCHLE] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 39, nays 58, as follows:

[Rollcall Vote No. 295 Leg.]

YEAS—39

Armstrong	Grassley	Murkowski
Bentsen	Hatch	Nickles
Bond	Heflin	Nunn
Boschwitz	Helms	Robb
Breaux	Hollings	Roth
Bryan	Humphrey	Rudman
Burns	Kasten	Shelby
Coats	Lott	Simpson
Cochran	Lugar	Stevens
Dole	Mack	Symms
Garn	McCain	Thurmond
Gorton	McClure	Wallop
Graham	McConnell	Wilson

NAYS—58

Adams	Cranston	Harkin
Akaka	D'Amato	Hatfield
Baucus	Danforth	Heinz
Biden	DeConcini	Inouye
Bingaman	Dixon	Jeffords
Boren	Dodd	Johnston
Bradley	Domenici	Kassebaum
Bumpers	Durenberger	Kennedy
Burdick	Exon	Kerrey
Byrd	Ford	Kerry
Chafee	Fowler	Kohl
Cohen	Glenn	Lautenberg
Conrad	Gore	Leahy
Levin	Pell	Sasser
Lieberman	Pressler	Simon
Metzenbaum	Pryor	Specter
Mikulski	Reid	Warner
Mitchell	Rockefeller	Wirth
Moynihan	Sanford	
Packwood	Sarbanes	

NOT VOTING—3

Daschle	Gramm	Riegle

So the amendment (No. 3063) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. MITCHELL. Mr. President, may we have order in the Senate.

The PRESIDING OFFICER. Will Members please take their seats.

Mr. MITCHELL. Mr. President, I am advised by the managers that there is in place an agreement with respect to the next subject, which is Egyptian debt, and there will be 20 minutes of debate and a vote, followed by 50 minutes of debate and a second vote on Egyptian debt.

The Senate has worked very long and hard in the past few weeks, and especially the past few days. Following discussions with the distinguished Republican leader, I want to suggest a course of action that I hope will accommodate Senators' concerns and also permit us to complete action by the new deadline of next Wednesday at midnight.

I will propose to the managers of this bill and the Interior appropriations bill that if we can get an agreement identifying the amendments with time agreements that would enable us with certainty to know that we could complete action on these two bills on Monday, I would propose that the Senate not be in session late this evening, or tomorrow, or Sunday.

Now, I expect that the applause came from a Senator who does not have an amendment.

But that will require restraint and discipline on the part of the Members of the Senate. We cannot do this without such an agreement because simple logic tells us that in order to finish this Congress by next Wednesday midnight we have to complete action on these appropriations bills not later than Monday so they can go to conference and then come back by Wednesday. Even that would be a very tight time schedule.

So in an effort to accommodate Senators, all of whom have worked very long and hard over these past few days, and particularly the last 2 days, I am going to suggest that during the discussion, debate, and voting which will now occur on the Egyptian debate question, the staffs and the managers of the two bills see if it is possible to develop such an agreement. If we obtained an agreement, then we would go into recess until Monday.

But what would require such an agreement. If we cannot get such an agreement, then we simply have no choice but to stay here, however long it takes, because we have to finish these bills in order to finish this session.

So I hope that such an agreement will be possible, and I encourage all Senators who have an amendment, or think they want to offer an amendment, first to consider not offering it. That would be, of course, the most desirable course of action. But if a Senator feels that an amendment must be offered, then I hope it is possible to do it in a manner that can be worked into a time agreement that will provide certainty.

It cannot be done if there is not certainty with respect to Monday because we also have to do the third remaining appropriations bill, the legislative appropriations bill, on Monday. That will be a very full day on Monday and Senators have to be prepared for that. So I hope very much we will be able to do that because the alternative will be very difficult for all concerned.

Mr. LEAHY. Mr. President, will the Senator yield.

Mr. MITCHELL. Might I yield to the distinguished Republican leader first.

Mr. LEAHY. Of course.

Mr. MITCHELL. I will be pleased, Mr. President, to yield to the distinguished Republican leader.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, I do not have any real disagreement with that except I am trying to accommodate one of my colleagues who would have to come back from the west coast then on Monday if we took up Interior on Monday. I have just been advised the Senator from North Carolina has two amendments on the Interior bill and one on foreign operations. He would be willing to enter into a time agreement on each of the three amendments.

I guess it is the desire then of the Senate to proceed with the foreign operations bill and probably that would be—if we could stack the two votes, the votes would come about what, 9 o'clock?

Mr. MITCHELL. A total of 70 minutes of debate, so it would be shortly after that.

Mr. LEAHY. Mr. President, will the Senator yield on that point of clarification? Under the current unanimous-consent agreement, there is 20 minutes on an amendment to be offered by myself on behalf of myself and Senator KASTEN and others on Egyptian debt, basically an administration-backed amendment, 20 minutes, a roll-

call to occur, and then 50 minutes on a subsequent one thereafter on the same subject.

Mr. DIXON addressed the Chair.

Mr. LEAHY. That presently is the order.

Mr. DIXON. Mr. President, would the managers yield for a moment?

Mr. LEAHY. I do not have the floor, Mr. President. I was just responding to the leaders.

Mr. DIXON. I want to clarify this.

The PRESIDING OFFICER. The Senator from Kansas has the floor.

Mr. DIXON. I wonder if I could clarify the time question, if the leaders will yield for a moment.

Mr. DOLE. I want to make certain I understand the Senator from Vermont. We would need to have the first vote. We could not stack the two votes. Is that correct?

Mr. LEAHY. Mr. President, if I could respond to the distinguished Senator from Kansas—I cannot speak for the administration—I rather suspect they would like to see that first vote held and know exactly how it is going to turn out.

Mr. DOLE. Right. I think the Senator is correct.

Mr. DIXON. Mr. President, if I might clarify.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. MITCHELL. I will be pleased to yield to the Senator.

Mr. DIXON. I thank the majority leader.

Mr. President, the distinguished Senator from Iowa and some others including this Senator have the amendment that would strike the Egyptian debt forgiveness from the foreign ops bill. My friend, the manager, has another amendment that he will offer before ours, which would essentially cause some discussions to take place. We will debate that later. But we have no problem with accepting his amendment.

We are not going to contest the amendment by the managers. We are going to then offer our amendment to further clarify that amendment and to strike section B which forgives the debt, so the time that they devote to their amendment we will not dispute. If they want to save that 20 minutes, they can lay down their amendment. We will support it. The argument is whether you forgive the debt or not, and that has nothing to do with their amendment.

Mr. KASTEN. Will the Senator yield?

Mr. MITCHELL. Yes. Certainly.

Mr. KASTEN. I think that we have figured out how to do this. It seems to me that the Senator's original program is correct.

Let us begin with 20 minutes and vote. There are a number of people on both sides who want to be on record voting on the first amendment. Then during that period of time it will give us 35 or 40 minutes during which we can decide if it is possible to get a list of the other amendments, and then we will go on to the next amendment. But we have people who want a record vote on the first amendment, as well as a record vote on the second amendment.

Mr. DIXON. We will all vote for the first one. If you want to vote for the figleaf, we will all vote for it.

Mr. KASTEN. A number of people want to vote.

Mr. DIXON. That is fine.

Mr. KASTEN. That is fine. Then that is what we are going to do.

Mr. LEAHY. Will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. LEAHY. So I do not give a wrong impression and to clarify it further, the administration-backed position is that it is in the bill now, the excepted amendment. My amendment is in addition to that. I did not want to leave the impression it was otherwise.

Mr. MITCHELL. I thank my colleague.

Mr. McCLURE. Will the Senator yield?

Mr. MITCHELL. Yes, certainly.

Mr. McCLURE. I thank the Senator for yielding. With respect to the Interior appropriations bill which will be managed by the distinguished Senator from West Virginia, I think we probably have six or seven amendments that we can identify at this time. If we could get on it very soon, we could probably get relatively shorter time agreements. I suspect, if we wait until Monday on it, then we will take a little bit more time. But I am not pushing for either course of action, although we do have a colleague who would be much accommodated if we could take care of it tonight.

Mr. MITCHELL. I would be very pleased to try to do that. As the Senator knows, as I stated earlier, I tried to get the Interior appropriations bill up this morning.

I simply say that if we take up the Interior bill tonight, which I am perfectly prepared to do—I have been here until 2 o'clock in the morning anyway. It does not make any difference to me. It means the other Senators have to stay for a long time.

What I have been told by both sides of the aisle is they would like one evening where we do not have to stay in here for a very long time. It is not always possible to adopt a course of action that coincides precisely with every Senator's schedule and interest.

I was trying to suggest a way to accommodate the largest number. I have no objection to proceeding. I am trying to get a sense of what the Senate would prefer.

Mr. LOTT. If the distinguished leader will yield, I would like to thank the leader and our leader for what they are trying to do. I will propound an inquiry. I suspect there are some great speeches to be made in the Senate but it is 8 o'clock on Friday night. I wonder if it is possible to have a 20-minute agreement, vote, or a 50-minute agreement, vote, and maybe we could yield back some of that time. We do not have to use all of it. The Senators do not have to take the full cup if they can do it in a little less time. Is that right?

Mr. MITCHELL. I cannot recall the name of the person who said that the words expand to fill the time allotted for them. I am afraid that in the Senate words expand to fill the time allotted for them. But I encourage all Senators who are involved in this debate to heed the sound advice of the Senator from Mississippi. They do not have to use all the time.

Mr. DOLE. There may be one other possibility. It probably will not happen, but it might be worth pursuing. I have just discussed this with the Senator from Wisconsin, Senator KASTEN. Maybe during the debate and the vote on the next two amendments they will try to see if they can list the rest of the amendments on the foreign ops and get an agreement. They do not think they can get a time agreement.

During that same time, we will work on the Interior bill, and it might be that in the spirit of exhaustion everybody might agree to take up the Interior bill and finish it by midnight. That would be very helpful. Then everybody could go home, and have the rest of the evening off. [Laughter.]

Mr. MITCHELL. I am not able to tell the reaction there, but on this side approximately half the heads were shaking "no" and half "yes." So I suspect there is an even division on this side.

I think the best thing we can do now is to proceed with the debate on the Egyptian debt. We know we have about 70 minutes or hopefully less in debate, and two votes. During that time any Senators interested in offering an amendment to either bill should work with the staffs of the majority and minority, and let us see where we stand at that time. I will discuss it further with the distinguished Republican leader. I am certain I will hear in the interim from several Senators, and will attempt to make the best judgment at that time.

Mr. JOHNSTON. Will the leader yield momentarily?

Mr. MITCHELL. Yes.

Mr. JOHNSTON. Would it be possible to stack those two votes? No.

Mr. MITCHELL. If no other Senator wishes to comment on this subject, Mr. president, I yield the floor and we will proceed to the debate on the Egyptian debt matter.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr President, parliamentary inquiry. Under the unanimous consent——

The PRESIDING OFFICER. The Senate will be in order.

Can we move the caucuses off the floor here? If we can move the caucuses off the floor, the Senate will be in order. We will suspend until we get some order here.

If we could get the majority leader and the minority leader and their friends to move here, we will try to get some——

Mr. LEAHY. Mr. President, I ask unanimous consent that the Salvador committee amendment as now amended be adopted.

Mr. KASTEN. May we have order?

The PRESIDING OFFICER. The point of the Senator from Wisconsin is well taken.

The Senate will be in order.

The Senator from Vermont may proceed.

Mr. LEAHY. I ask unanimous consent that we adopt the Salvador committee amendment, as amended.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendment on page 89, line 4, as amended, was agreed to.

AMENDMENT NO. 3065.

Mr. LEAHY. Mr. President, under the earlier unanimous-consent agreement I sent an amendment to the desk in behalf of myself, Senators INOUYE, KASTEN, METZENBAUM, MOYNIHAN, LUGAR, and BOSCHWITZ and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Mr. INOUYE, Mr. KASTEN, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. LUGAR, and Mr. BOSCHWITZ, proposes an amendment numbered 3065.

Mr. KASTEN. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. Before we proceed, the Senate will please come to order.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. KASTEN. Mr. President, I object.

Mr. LEAHY. The request has been made to read it.

I withdraw my request to not read it and would ask it be read.

Mr. KASTEN. Mr. President, the Senate is not in order.

Mr. DIXON. Parliamentary inquiry. Who manages the time on our side, because I think I am authorized to, if there is no objection? Is it 20 minutes evenly divided?

Mr. President, I am authorized for our side to manage our 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Illinois——

Mr. KASTEN. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will be in order and then the clerk will read the amendment. The point is well taken. If we could have, just in the back of you, three Senators moving their little caucuses elsewhere?

The clerk will report.

The assistant legislative clerk read as follows:

At the end of the pending amendment, add the following:

(c) In conformity with the requirements of subsection (d), the President shall convene an international conference on Egypt's debt crisis and the need for multilateral relief of Egypt's debt to all donor nations, for the purpose of securing multilateral agreement by all donors for a comprehensive solution to Egypt's international debt problem. Such a conference shall be convened at the earliest possible time after enactment of this Act, and shall focus not only Egypt's military assistance debts, but, for those countries which have not made military assistance loans to Egypt, shall also focus on economic assistance debt owed by Egypt. The President shall submit a report to Congress, not later than January 1, 1991, containing such information as the President deems appropriate regarding the results of such efforts, and recommending any additional steps needed to work effectively to resolve successfully the issue of Egyptian debt on a multilateral basis.

(d) The authorities provided in subsection (b) shall not become effective until December 31, 1990. As soon as possible after enactment of this Act the President shall issue invitations to Egypt's principal creditors and allies for an international conference. Such conference should be convened and concluded prior to December 31, 1990.

The PRESIDING OFFICER. Who yields time?

Mr. KASTEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, I rise in strong support of the compromise that we offer with respect to Egyptian debt.

This amendment is the result of extensive negotiations between many Members on both sides of the aisle. We believe that this compromise meets the concerns of a number of those, not of everyone, but a number of those who recognize the need for immediate action on Egypt's debt and those who are also concerned that others of Egypt's creditors contribute overall to this effort.

This amendment arose from a Senate Appropriations Committee debate on the Egyptian debt relief proposal.

In the committee markup vote, Senators REID and HARKIN expressed their concern for the President's proposal for unilateral debt relief; their concern that that proposal ignores the role of other countries in relieving Egypt's debt. They rightly pointed out that just as the President has called for multilateral cooperation in military deployments in the Persian Gulf, we must also call for that same kind of cooperation in assisting Egypt's economy.

The economy of Egypt has been devastated by the crisis, Mr. President, and it will not wait for multinational or multilateral responses. In addition the President can do nothing without congressional approval. After the end of this, or next week, the Congress will be out of session.

So we found that people agreed to the emergency nature of Egypt's debt and agreeing to the necessity and the importance of solving the problem not simply by a unilateral action by the United States of America, but rather through a multinational action on behalf of all of Egypt's creditors.

Following the committee markup, Senator LEAHY and I and others worked to reach a compromise on these two concerns. Our amendment, which is sponsored by Senators INOUYE, MOYNIHAN, METZENBAUM, LUGAR, and BOSCHWITZ, is the result of that effort.

The compromise adds two subsections to the bill's provisions on Egypt. First, it mandates that the President convene an international conference on Egypt's debt of all donor and allied nations, such as Japan, France, Saudia Arabia, Kuwait, and the rest, to determine how they will contribute to Egypt's debt relief needs.

For countries which did not make military aid loans to Egypt—Japan, for example—the conference will focus on economic aid debt.

Finally, the subsection requires a report from the President on this conference by February 1, 1991, so that Congress can evaluate its success and evaluate it quickly.

The second subsection suspends the President's authority to provide MFN debt relief to Egypt by December 31, 1990, by which time the multilateral conference is to have been completed. This way the President will be able to shape the U.S. forgiveness program in accordance with the results of the conference. He will be able to move on the day that the Congress amendment waiver expires.

Mr. President, I would like to remind my colleagues of some of the history behind this proposal.

Egypt was the first country in the region to stand with us in the gulf crisis, and has been the most steadfast in its support for Operation Desert Shield. United States planes have flown through Egypt on their way to the gulf, United States naval vessels have passed through the Suez Canal on their way to the region, and the United States military has been accorded full support by Egypt. In diplo-

matic circles, Egypt has fully backed every move we have made.

Egypt has suffered badly in the crisis. Its economy has been shattered, it faces a huge influx of workers driven home by the crisis with no jobs, and it has lost significant trade in complying with the sanctions.

Let us not forget that Egypt has 1.5 million hostages in Iraq and Kuwait. Recently, I met with Field Marshal Mohamed Abou Ghazala, Egypt's former Minister of Defense and President Mubarak's envoy to Washington on this issue. The field marshal told me that every other day, 20 to 25 body bags with dead Egyptians in them arrive from Iraq. Although the death certificates list car accidents as the cause of death, autopsies are showing that they have either been shot or their skulls crushed.

President Bush has taken all of these facts into account in making his proposal to forgive Egypt's FMS debt. He targeted the debt because it is one of the most serious drains on Egypt's economy at this time, and also because the United States already receives the full payback on this debt through Egypt's actions in the gulf.

If we think for a moment about the nature of Egypt's FMS debt, we may all agree that it is fundamentally different from the economic aid debt Egypt owes.

Our FMS aid paid for tanks, planes, armored personnel carriers and the like. Our economic aid paid for cement plants, powerplants and other items that generate economic return. When Egypt is paid for the cement, or the electricity, it can repay the United States.

There is no such customer for the FMS purchases. They go into Egypt's military forces, and they provide security, both for the United States and for Egypt. And in a sense, we have already received our repayment for those loans: with United States-made Egyptian tanks side-by-side with troops in Saudi Arabia, the repayment on our loans has come through Egypt meeting its defense obligations on the side of freedom.

It was this repayment that led President Bush to decide to forgive Egypt's debt. I, for one, am proud to be able to support the President in this important effort.

The PRESIDING OFFICER. Who yields time?

Mr. DIXON. Mr. President, I yield myself 5 minutes of our time.

The PRESIDING OFFICER. The Senator is recognized for 5 minutes.

Mr. DIXON. Mr. President, I call the attention of my colleagues, who may be interested in what this amendment really does, to the fact that the amendment which has been read to my colleagues indicates that it consists of paragraphs C and D. Paragraph C essentially sets up a conference with all countries who are creditors of Egypt and says that the President shall submit a report to Congress not later than January 1. Paragraph D says the authorities provided in subsection B, which is contained in the bill, not the amendment, shall not become effective until December 31, and that the conference should be convened and concluded prior to December 31.

I want to tell my colleagues what B does. B is not mentioned in this amendment; this amendment is C and D. Mr. President, B is the forgiveness of the debt. B is the forgiveness of the debt.

This is a figleaf. I do not say that I am a pure Senator who has never voted for a figleaf, but this is the most remarkable figleaf I have ever seen. The bill forgives the debt in paragraph B.

The amendment, in C, says let us study it, let us conclude our study by December 31, and the President has to report by January 1. That is nice. The President is reporting 1 day after the folks that have had the meeting under section B can forgive the debt.

Every Senator can vote how he wants to on the forgiveness of the Egyptian debt. I was here until 1:30 this morning. We taxed everything that moved. We cut Medicare benefits. We did a lot of pretty gross things to achieve some budget deficit reduction at 1:30 this morning. And at 8:15 tonight the administration asks us to forgive a $7 billion debt Egypt owes the United States of America.

Nobody brought me any legislation last night to forgive the debts of farmers, or to forgive the debts of anybody else in America.

This is a figleaf. I am going to vote for this figleaf. I think 100 of us will vote for this figleaf.

But then the Senator from Iowa and this Senator and others, will offer the amendment that matters. That amendment says, section B which forgives the debt, is stricken, and the President shall convene an international conference of nations to whom Egypt is indebted. Then you have the conference come back and report to us, and the Congress of the United States will decide after that conference—not before we meet as is mandated in this figleaf—whether the debt should be forgiven.

I would hope my colleagues do not believe when they vote for this figleaf that they have it covered. This is not covered. This debt is forgiven if you vote for this figleaf.

The next amendment offered by the Senator from Iowa and the Senator from Illinois is where you decide whether you want to stand up for America and tell these other countries to pay us what they owe us.

I yield the remainder of my time.

Mr. KASTEN. Mr. President, parliamentary inquiry. How much time remains on our side? The Senator yielded the remainder of his time.

Mr. DIXON. Only my time.

Mr. KASTEN. Mr President, parliamentary inquiry. Is it not the case that the Senator from Illinois had 10 minutes under his control, and I had 10 minutes under my control?

The PRESIDING OFFICER. The Senator from Vermont actually controls the time, as I understand it, because he offered the amendment. There are 6 minutes and 30 seconds left on that time.

Mr. DIXON. Parliamentary inquiry. I thought I controlled our 10 minutes, Mr. President.

The PRESIDING OFFICER. That is correct.

Mr. DIXON. I thought I used less than 5. How much did I use?

The PRESIDING OFFICER. One second less than 5 minutes.

Mr. DIXON. I yield the other 5 to my colleague from Iowa at the appropriate time.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, this amendment adds an additional section to the committee provision relating Egypt's $6.7 billion in military debt to the United States. It responds to concerns many have voiced about the United States canceling Egypt's military debt when Egypt has several other major foreign creditors. France, Germany, Japan, Spain, and other countries also hold large stocks of Egyptian debt, and other nations have smaller shares. All in all, Egypt owes a staggering $50 billion in all forms of debt. The total debt owed to the United States is about $12 billion.

Our amendment would suspend the President's authority to cancel Egypt's military debt to the United States until December 31, 1990. As soon as possible after this bill becomes law, the President would be required to issue invitations to Egypt's principal creditors and allies to an international conference on a comprehensive solution to Egypt's debt problems. This conference is to focus on Egypt's entire debt burden, not just military debt, and it would involve all Egypt's creditors, allies and friends. The conference is to be convened and concluded before December 31, 1990.

The amendment requires the President to report on the results of this international conference no later than January 1, 1991. The report must contain the President's recommendations for further steps to resolve Egypt's debt problem.

I think this amendment responds directly to the concerns raised by the distinguished Senator from Iowa and others, concerns that I share. I compliment Senator HARKIN for his efforts

to call attention to the need for strong international action and the importance of not limiting Egypt debt relief solely to the United States. That would not be fair, nor, in the long run, would it really deal with Egypt's staggering debt problem.

This amendment will postpone cancellation of Egypt's military debt to the United States until comprehensive international action can be agreed, including by Egypt's friends and allies such as Saudi Arabia and the Gulf Oil States, as well as its creditors, on specific measures to be taken to address Egypt's immense international debt problem.

Now, Mr. President, before I yield the floor, let me make some broader remarks about the vital importance to the United States of carrying through with the President's public commitment on Egyptian military debt.

The committee's provision on Egyptian military debt cancellation is the language President Bush submitted to Congress. Technically, it has the effect of accumulating $6.7 billion of Egyptian military debt in the Department of Defense. If the committee amendment is enacted, and if the amendment I just offered is agreed to, the President would cancel that debt when the interagency bookkeeping transactions are completed, but not before December 31, 1990.

Those are the technicalities. By far the more important question is why, in the face of our own budget problems, we should cancel Egypt's military debt, whether unilaterally or as part of a larger international effort.

Let me review a little of the history of Egypt's military debt.

We began lending Egypt substantial sums for military equipment in the late 1970's at interest rates prevailing then, as high as 14 percent for some loans. Loans accelerated after conclusion of the Camp David accords and the Egypt-Israel Peace Treaty. As the debt grew, it became increasingly apparent that Egypt was amassing a debt it was not going to be able to repay. There is some evidence that President Mubarak was even informed at the highest levels in 1980 that Egypt would not be required to pay this debt in full. At least, that is what Egyptian leaders insist in conversations with me.

By the mid-1980's, Congress recognized the inconsistency of continuing to pile up a massive military debt burden on Egypt, and converted all further military aid to Egypt to grants.

By the late 1980's, Egypt began falling further and further into arrears. Every repayment became an agony for the financially strapped Egyptian Government. In 1987, it had to undergo a Paris club rescheduling of its official debt. Of course, debt rescheduling does not relieve debt; it merely gives a breathing spell in payments, while interest continues to accumulate. So, even during the moratorium on repayment, the debt continued to mount enormously.

We have loaned Egypt about $4.5 billion for military equipment. Egypt has already paid over $2.5 billion. But, after $2.5 billion in payments, the military debt now totals $6.77 billion. In fiscal 1991, Egypt has to pay over $1.5 billion to the United States. As currently scheduled, over the next 25 years Egypt would pay over $13 billion back to the United States for $4.5 billion in loans—if it could pay, which it cannot.

Even before the Desert Shield crisis, Senator KASTEN, I and others were already discussing with the administration ways to help Egypt deal with this crushing debt burden. It was evident to all of us that Egypt would almost certainly default this fall. This year, they owed $756 million in payments on that debt. Next year, and for several years after that, their payments would exceed $1 billion, about one-third of the entire foreign exchange pool of the Government.

So, even before Saddam Hussein's attack on Kuwait, Egypt was not going to be able to make these payments. President Mubarak told me this personally. With the massive financial losses to Egypt of Saddam Hussein's aggression, payment by Egypt is totally out of the question. Over 1 million Egyptian workers in Kuwait and Iraq are being expelled or put out of work. More than $1 billion in remittances are lost to the Egyptian Treasury.

Default by Egypt brings the Brooke-Alexander amendment into play. The Brooke-Alexander amendment requires a complete cutoff of U.S. aid to any country which falls more than 365 days in arrears in debt payments. Even had Iraq not invaded Kuwait and Egypt joined the United States in sending strong forces to protect Saudi Arabia, Brooke-Alexander would have resulted in a deep crisis in relations with our staunchest and most important friend in the Arab world. A number of us were already working hard to avoid that crisis.

Now, Desert Shield has totally changed the equation. Egypt's role in forming an Arab front against Saddam Hussein is absolutely vital to the United States political and military position in the gulf crisis. The administration's handling of the proposal to cancel Egypt's debt was the opposite of a model for how to build a consensus in Congress to support President Bush's decision. But that inept performance is water under the bridge now. The President's decision is now public, and has become a part of the political reality President Mubarak faces in Egypt.

However upset we may be about how this was all handled—and no one is angrier than I about that—we simply cannot risk jeopardizing President Mubarak's own position in Egypt, or Egypt's commitment to stand with us in the gulf, by forcing President Bush to renege on his commitment. To do so now literally could destroy Egypt's leadership of the Arab front against Saddam Hussein, and possibly even threaten President Mubarak's domestic position.

If any Senator doubts the seriousness of the situation in Egypt, let me remind everyone of the recent assassination of the speaker of the Egyptian Parliament. The stakes could not be higher for the Government of Egypt, a government which maintains the peace with Israel, which has worked with the United States to move the peace process forward, and which immediately took the lead in forming an Arab front against Saddam Hussein. The entire policy of the United States in the Middle East is at risk.

Mr. President, whether the politics are good or bad, whether we are Democrat or Republican, we simply have to do this. Our own vital national interest in preserving an indispensable friend in the Middle East, and an ally in Desert Shield, demands it. I strongly urge all Senators to support the President and vote for the committee provision, as amended by the amendment I offered for Senators MOYNIHAN, INOUYE, METZENBAUM, KASTEN, LUGAR, BOSCHWITZ, and myself.

I ask unanimous consent that President Bush's letter to me asking for support for his decision on Egyptian debt be included in the RECORD at the end of my remarks.

I yield the floor.

If anybody doubts the seriousness of the situation in Egypt, let me remind everyone of the recent assassination of the speaker of the Egyptian Parliament. The stakes could not be higher for the Government of Egypt, the government maintaining peace with Israel, that worked with the United States to move the peace process forward and took the lead in forming an Arab front against Saddam Hussein.

The distinguished Senator from Wisconsin and I have the duty of caring for this foreign operations bill. Had we been asked first before the agreement was made or the offer was made by the administration to Egypt, would we have designed a better way to do this one, perhaps more acceptable politically? I suspect the Senator from Wisconsin and I would have done just that. However, we are dealing with the hand dealt us.

I think we are taking the responsible step, unfortunately, the only step available to the United States, and probably the only one that maintains Egypt as a viable country at this critical time in the Middle East.

So with that, Mr. President, I support the administration on this. As I said, I would have written it differently. I suspect Senator KASSEBAUM would have written it differently. There is the situation ahead of us and what we have today. I say I support—and I say I support unequivocally—the administration on this point.

Mr. President, I retain the remainder of my time.

The PRESIDING OFFICER. Who yields time?

The Senator from Alaska. Who yields the Senator time?

Mr. MURKOWSKI. Mr. President, if I may speak at this time in favor of the Egyptian debt forgiveness.

The PRESIDING OFFICER. Who yields time?

Mr. LEAHY. How much time do I have?

The PRESIDING OFFICER. Three minutes and 30 seconds.

Mr. LEAHY. I yield 1 minute to the Senator from Alaska.

Mr. MURKOWSKI. Mr. President, the question before us now is whether we should forgive Egypt nearly $7 billion in military debt, as a recognition of Egypt's support of United States goals in the Persian Gulf, and their contribution to the international military force in the gulf.

Mr. President, I believe we should forgive that debt.

On the morning of October 12, the speaker of the Egyptian Parliament was gunned down in cold blood in the middle of Cairo. It is not clear exactly who fired the shot, but is likely that he was murdered because of the position which President Mubarak's Government has taken on the Persian Gulf crisis.

That Egypt has come forth so quickly, clearly and strongly against Iraq in the current situation has been an undeniable asset to United States goals in the region.

However, it also tragically clear in light of this morning's event, that Mubarak's support to the international community on condemning Iraq comes at great risk to his domestic situation.

Mr. President, now is the time for the United States Senate to express in no uncertain terms just how much we value Egypt's resolve to ending the crisis in the gulf.

We must assure President Mubarak, his Government, and the people of Egypt that they are on the right side in the current crisis, and that Saddam Hussein stands alone against the world.

EGYPT HAS BEEN THE ARAB LEADER IN PERSIAN GULF CRISIS

On August 2, 1990, when Iraq invaded Kuwait, Egypt played the most significant role of all Arab nations in taking a leadership role and uniting the Arab nations against Saddam Hussein.

Egypt responded immediately. Egypt led other Arabs in denouncing a fellow Arab nation. This action is unprecedented in the Arab League.

EGYPTIAN TROOPS ARE DEPLOYED ALONGSIDE UNITED STATES TROOPS IN SAUDI ARABIA

Currently about 20,000 Egyptian troops in Saudi Arabia, can increase to 38,000 troops. Egypt has facilitated transport of United States troops and equipment into the gulf.

EGYPT SUFFERS SEVERE ECONOMIC LOSSES AS RESULT OF INTERNATIONAL EFFORTS AGAINST IRAQ

Displaced workers from Iraq and Kuwait lost remittances from more than 1 million Egyptians: $2 billion in hard currency earnings this year.

These 1 million workers are now in Egypt and unemployed, and welfare costs must increase accordingly.

Imagine the United States trying to create 1 million new jobs all at one time, in addition to regular unemployment.

Other Economic losses also result: Lost exports—may total $500 million in 1 year; lost revenue from Suez Canal traffic—$400 million in 1 year; and lost tourism revenue—may total $500 million.

EGYPT'S DEBT SITUATION

Total official debt owed United States: $12 billion; and military debt: $7 billion.

Since Camp David accords in 1978 Egypt has borrowed $4.5 billion from the United States for military purchases.

They have paid the United States $2.6 billion in service on that $4.5 billion. However, they still owe $7 billion in interest and principal.

Even if Egypt is forgiven its military debt in full, it will still be the world's largest debtor to the United States.

THE MILITARY DEBT WHICH EGYPT NOW HOLDS FELL THROUGH A LOOP HOLE IN UNITED STATES LENDING REFORM

In early 1980's I led the Foreign Relations Committee in reforming our military loan program.

Loans were long-term or concessionary rates; compiled debt for those nations least able to pay; and in 1986, foreign military loans became foreign military grants.

The nearly $7 billion military debt which Egypt owes on is all from 1978 to 1986.

If we recognize our policy was faulty, and have known that since 1986, why cling to it now?

CONCLUSIONS

Egypt's commitment and contribution to the United States goals in the current Persian Gulf crisis cannot be overstated, or overvalued.

Without the leadership and support of President Mubarak and the Egyptian people, cooperation among Arab nations against Iraq could easily fall apart.

The United States must consider this commitment and support essential to achieving its goals, and it must consider the forgiveness of this military debt a cost of Operation Desert Shield.

We must all stand together against Saddam Hussein in this crisis, and reaffirm to him that it is the world against Iraq, and the world will not back down.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 5 minutes.

Mr. HARKIN. Mr. President, I join with my neighbor and colleague and good friend Senator DIXON in raising very serious questions about this figleaf amendment. I say at the outset that I will not be voting for this amendment because, as Senator DIXON said, it is a nice thing, it says a lot of nice things, it sets up a conference. That is all fine and good.

We call, in our amendment, for setting up a conference, also. So it has a lot of nice, laudatory language in there, nice little words and things. But it really does not get to the heart of the matter, which is are we going to forgive the $7 billion debt that Egypt has to us, or are we not?

Only the amendment that I will be offering after that will actually do that. I believe it does it in a very fair and equitable manner. We call in our amendment to make sure that other countries step up, and that we have a multilateral approach to this.

Mr. President, I point out that Egypt has over $50 billion right now in foreign debts. They owe money to Japan, West Germany, France; they owe money to us. So we forgive their debt. Will they turn around and take that money and pay it to Japan or West Germany? What are they going to do with that money if those other countries are not forgiving their debt, also?

Second, you know, I find it rather odd that we are forgiving Egypt's debt to the United States because they have their troops in Saudi Arabia. That is true; they do. But it seems to me that the Egyptian troops are in Saudi Arabia to protect Saudi Arabia. If that is the case, then why does not Saudi Arabia help out?

You might say they are helping out. They have agreed to pay us some $7 billion for our troops being in Saudi Arabia. My recent calculations show that just from the increase in oil prices for the nex. year, Saudi Arabia stands to make about $50 billion in excess profits, new profits. It did not cost them an extra cent to take it out of the ground.

They get $50 billion and they pay us $7 billion. What kind of a sweet deal that is. Well, if Egypt needs debt forgiveness and they are protecting Saudi

Arabia, I might just suggest that Saudi Arabia might want to help forgive Egypt's debt. They could pay it off. They could pay off all their debts. After all, it is our money anyway. It is money that we are sending over to Saudi Arabia.

Third, Mr. President, just today in the subcommittee which I chair, Labor, Health, and Human Services/Education, we had our conference exit meeting today with the House, and it was pretty painful.

You know why it was painful? Because we have a lot of people around this country dying of AIDS. We did not have enough money to fully fund the Ryan White people. We have people dying of cancer. We did not have enough money to fund all the grant applications for cancer research. We have young kids out there we want to get Head Start programs to. We did not have enough money to fully fund Head Start.

The budget summit: Well, the budget summit cuts billions out of Medicare; cuts billions out of veterans programs. Not to mention the agricultural programs, which mean a lot to this Senator; $13 billion we are cutting out.

And yet we are being asked at this time tonight—just after we got through approving this budget last night that is going to cut into so many programs that help poor people, working people in this country—to forgive $7 billion of Egypt's debt.

Mr. President, during the time that I have on my amendment, I am going to read a letter that an Iowan wrote me that cuts to the heart of it.

I say about this amendment that while I do not disagree with the amendment at all—as I said, the language in it, the setting up of the conference, and the reporting, that is all fine and well and good. But it stops short of taking that next step, of saying that we are not going to just forgive Egypt's debt; but we are going to work with other countries and take a multilateral approach to solving Egypt's debt problem.

Really, Mr. President, that is the only way it should be done, not sock it to our taxpayers again, and leave Japan off the hook and West Germany off the hook, and all the other countries that are owed money by Egypt.

I would say let us all vote for this amendment. We can give it 100 votes. That is nice. But then the amendment that I will be offering basically does the same as this amendment, but it takes the additional necessary step of not forgiving the debt that Egypt owes to the United States.

Mr. President, if I have any time left, I yield back the remainder of my time.

EGYPTIAN DEBT RELIEF

Mr. ROBB. Mr. President, I rise today in support of Senator LEAHY's and the administration's proposal to forgive Egypt's foreign military sales indebtedness to the United States. This is not a simple decision on its face. It will have enormous repercussions, and its effects will be felt at home and around the world.

Politically, the easier vote is no. But the stakes are high, and in my view, the success of our policy against Iraq demands a yes vote.

We are today leading a coalition of the world arrayed against Saddam Hussein. The price of failure in this operation is high. What is at stake is not simply the price of oil. What is at stake is whether aggression will be allowed to succeed in the post-cold-war world order. If Saddam Hussein succeeds, he will do far more than be able to dictate the price of some 40 percent of the world's oil. Having stood successfully against the United States, the Western World and the majority of his Arab neighbors, and possessing a mighty war machine that includes chemical and biological weapons and a nuclear program, he will be able to blackmail and intimidate those in his region into undertaking policies that strike at the heart of our interests, our values, and the security of our allies everywhere.

If Saddam stays in Kuwait, the message will be that aggression succeeds. I recognize the parallel may not be exact, but the lessons of the 1930's apply to the 1990's. If Saddam succeeds, far from being an era in which the new world order is one of cooperation and peaceful resolution of conflicts, it will devolve into a period where dictators routinely settle differences through force. The international system will be characterized by greater anarchy rather than stability, hostility rather than cooperation. Kant's vision of "a zone of peace among nations," and Hugo Grotius' ideal of a world characterized by international law, will be dashed.

This is the standard of conduct we are really voting on today; whether we set a precedent that aggression will be met by a collective, sustained, and forceful response.

Mr. President, history has taught us far too many times—and far too painfully—the price of appeasement. If we succeed, the 21st century could well be the time when crushing defense burdens and the scourge of war begin to lift from the brow of mankind.

No one in this body doubts the critical role that Egypt has played in the Desert Shield operation. Egypt has been out in front, leading and coalescing the Arab alliance against Iraq. Today, their troops stand shoulder to shoulder with Americans. Many in this country and this body have asked, "Where are the foreign troops? Where are our allies?" Well, Egypt is there.

By their actions, they have sent a signal to the other nations of the world—now numbering 54—to stand with us against Saddam Hussein.

Yet this is not without cost to the Cairo Government. Egypt has a crushing debt, and would have had difficulty paying this loan back in any event, a fact that successive administrations have recognized since the Camp David accords. And as a result of this crisis, it has lost an important export market to Iraq. Hundreds of thousands of workers returning from the gulf will create an enormous social and economic burden upon Egyptian society, and the remittances they had sent to help support their Government are gone.

If Egypt is not provided critical economic relief, and sent a powerful signal that the United States stands by its ally in this crisis, its ability to continue its leadership role in the Arab world will be threatened. Equally as ominous, its domestic stability will drift toward unrest. My colleagues are well aware that just last week the Speaker of the Egyptian Parliament was assassinated. Saddam Hussein wants nothing more than to tap into the fundamentalist cells and restive groups that could weaken Egypt's resolve in this crisis.

I wish we had the luxury to discuss different options—but this only plays into Saddam's hands. We cannot send him a signal that we are divided; nor can we let him feel time is on his side.

I agree with my colleagues who say that there should be a multilateral effort to assist Egypt with debt relief. But this action is not inconsistent with us acting unilaterally today. Indeed, our vote today could strengthen the hands of the administration as it calls for other countries—the Europeans, the Japanese, and the Saudis—to undertake major action on their own to assist Egypt with its crushing economic burdens. A positive vote today will enhance the prospects of a larger multilateral effort to assist Egypt, and solidify the collective alliance even further.

I am troubled that the administration did not consult the Congress before its decision. But the decision has been announced, and the Egyptian people expect us to stand by their side, just as they are standing by ours in the sands of Saudi Arabia and the diplomatic capitals around the globe today.

I would add that I trust that at the end of this crisis, Egypt will join us in calling on other Arab States to end the ethnic strife that has dominated the Middle East, and to make lasting peace with each other, as well as to make peace with Israel.

I know some of my colleagues have asked why it is always the U.S. that

shoulders the lion's share of the burden. The answer is simple: in tough times, America always has. As the world's only true democratic superpower, only America can.

Similar doubts were raised before, when Harry Truman announced we would come to the rescue of a war-torn Europe against Soviet totalitarianism, and called for the Marshall Plan and the NATO alliance. Yes, it costs money. Yes, it can cost men. But we have seen the results of 40 years of collective resolve and U.S. leadership. Totalitarianism has been defeated. And around the world, we are now celebrating the dawn of the democratic century, and the victory of the democratic idea.

In a year when the Berlin Wall is a testimony to successful U.S. policies in previous difficult times, let us vote to exercise leadership once again. It is a vote to side with Egypt and a vote against aggression. It is an unmistakable signal to Saddam Hussein that this body is united against him.

I urge my colleagues to join Senator LEAHY and vote with the committee to relieve Egypt's debt, and, by so doing, preserve the alliance the United States has worked so hard and so successfully to forge.

Mr. MOYNIHAN. Mr. President, this evening the Senate votes on the question of Egyptian debt. I have reached the conclusion that we should support President Bush's promise to forgive this debt, but I do so with great reluctance and only because of the quite extraordinary circumstances surrounding Egypt's role in assisting the international community in confronting Iraq's aggression.

Let me first express my concerns on this issue. Other nations should pay their debts to the United States. We expect students, farmers and businessmen who receive loans from the United States to repay them. Many of them face financial difficulties. Indeed. Average weekly earnings in this country are just now returning to the level they obtained under the administration of Dwight D. Eisenhower. We have seen foreclosure after foreclosure on America's family farms. What is more, the United States is broke. We bankrupted ourselves in the process of competing with the Soviet Union. So it is with the greatest reluctance that I reach the conclusion that America's scarce resources should be used to waive the debt of another nation.

Moreover, I am concerned—no, frankly, I am angry—that President Bush publicly committed the United States to forgive this debt without obtaining the prior consent of the Congress. I cannot state with certainty that the President even consulted with Congress before making this promise and I am the chairman of the Subcommittee on Near Eastern and South Asian Affairs of the Committee of Foreign Regulations. When President Bush did that he wrote a check he did not have the funds to back up. He simply hoped that the Congress would bail him out and deposit funds in the checking account before the check bounced. He committed the honor and prestige of the United States of America—without having the capacity to make good on his promise. It not a wise decision. It is not a good policy.

Yet here we are. The promise has been made, the check written. Egyptian troops are in the Saudi desert confronting Saddam Hussein along with the United States. Can the Senate let the check President Bush wrote bounce?

I agree wholeheartedly with those who say that other nations should help Egypt deal with its rather desperate financial situation. That is why I am an original cosponsor of an amendment to convene an international conference on Egyptian debt. Saudi Arabia—which is benefitting both from Egypt's help and from higher oil prices—must do much, much more to assist its Arab brothers in Egypt. Japan, Germany, and other nations which are not sending troops to the gulf should also do their share to help. Americans must not bear this burden alone.

Another factor which weighs heavily on my mind is the instability that would come to the region if President Mubarak of Egypt were killed or overthrown. As chairman of the Near East subcommittee I have met with President Mubarak three times during the last year. I have been to Cairo. Its population, crushed along the narrow strip of land closely bordering the Nile, grows by 1 million persons every 15 months. The debt owed to the United States is, in fact, a relatively small fraction of its total debt. Violence is not far beneath the surface. Already the Speaker of the Egyptian Parliament has been murdered in the streets of Cairo by Saddam Hussein's supporters.

The peace treaty signed at Camp David between Egypt and Israel was a dramatic step forward for peace. Should Egypt descend into anarchy and fundamentalism and return to its old confrontation with Israel the consequences would be disastrous. I, for one, do not wish to see another cycle of war between Israel and its Arab neighbors. I do not suggest that this would be inevitable. I know that its likelihood would be greatly increased should President Mubarak of Egypt fall.

In short, the honor of the United States has been engaged. Our main Arab ally in the fight against Saddam Hussein is in dire economic circumstances. Instability in Egypt will threaten United States interests in the Middle East, making it much more difficult to defeat Saddam Hussein's aggression and turning the clock back in the search for peace between Israel and its Arab neighbors.

The PRESIDING OFFICER. The Senator from Wisconsin has 2½ minutes.

Mr. KASTEN. Mr. President, first of all, I am pleased and happy that the Senators from Illinois and Iowa agree with this amendment. I understand in certain cases they think it does not go far enough, and whether or not they want to call it a figleaf, they agree with this amendment.

So I want to thank not only the Senator from Iowa [Mr. HARKIN] but also Senator REID and others for their roles in highlighting a number of issues that are dealt with in this amendment, and I am pleased to learn that they will support our recommendation.

I also thank the Chairman of the subcommittee, Senator LEAHY, for his tireless efforts on this issue, and of course the cosponsors to this important compromise.

The important part of this amendment is that we now bring in the world community and now make a multilateral, multinational effort to deal with the problems of Egypt's debt. We will discuss whether or not that should be absolutely conditional upon a final agreement here when we discuss the next amendment, the Harkin-Dixon amendment.

But right now, I believe all of us can support the concept of bringing the world together to deal with the economic problems that we see in Egypt, as they work to preserve stability in Egypt, as the Egyptians work to preserve stability in Egypt under the Government of President Mubarak, and as they work to lead the moderate Arab world toward a position of peace and a position of strength.

This is the first step in our efforts to support a country which has been tremendously helpful to us, and to free people across the world.

Mr. President, I urge the adoption of this amendment. I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. FORD). All time having been yielded back, the question is on agreeing to the amendment, No. 3065, offered by the Senator from Vermont to the excepted committee amendment on page 171, line 16, of the bill. The yeas and nays have not been ordered.

Mr. KASTEN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Vermont.

The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from New Mexico [Mr. BINGAMAN], the Senator from South Dakota [Mr. DASCHLE], and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

I further announce that if present and voting, the Senator from South Dakota [Mr. DASCHLE], would vote "yea."

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 94, nays 2, as follows:

[Rollcall Vote No. 296 Leg.]

YEAS—94

Adams	Garn	Metzenbaum
Akaka	Glenn	Mikulski
Armstrong	Gore	Mitchell
Baucus	Gorton	Moynihan
Bentsen	Graham	Murkowski
Biden	Grassley	Nickles
Bond	Harkin	Nunn
Boren	Hatch	Packwood
Boschwitz	Hatfield	Pell
Bradley	Heflin	Pressler
Bryan	Heinz	Pryor
Bumpers	Hollings	Reid
Burdick	Humphrey	Robb
Burns	Inouye	Rockefeller
Byrd	Jeffords	Roth
Chafee	Johnston	Rudman
Coats	Kassebaum	Sanford
Cochran	Kasten	Sarbanes
Cohen	Kennedy	Sasser
Conrad	Kerrey	Shelby
Cranston	Kerry	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Specter
DeConcini	Leahy	Stevens
Dixon	Levin	Symms
Dodd	Lieberman	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	Wilson
Exon	McCain	Wirth
Ford	McClure	
Fowler	McConnell	

NAYS—2

Breaux	Helms

NOT VOTING—4

Bingaman	Gramm
Daschle	Riegle

So, the amendment (No. 3065) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senator from Iowa is recognized.

Mr. LEAHY. Mr. President, I ask unanimous consent that I——

The PRESIDING OFFICER. The Senator from Iowa has the floor.

Mr. LEAHY. Will the Senator yield to me for a unanimous-consent request?

Mr. HARKIN. Mr. President, I yield whatever time the Senator needs.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that I be allowed to continue for no more than 4 minutes just to talk about the schedule but not involving this issue at all.

Mr. HARKIN. And not involving my time.

Mr. LEAHY. Not to be charged against the time of either side.

The PRESIDING OFFICER. The unanimous-consent agreement is that the Senator from Iowa will not lose his place on the floor while the Senator has 4 minutes, and the Senator will not intervene——

Mr. LEAHY. And the time will not be charged.

The PRESIDING OFFICER. Is there an objection? Without objection, it is so ordered.

Mr. LEAHY. Mr. President, we have and are putting together a list of possible amendments. It appears to be a long list until you look at the particular amendments and realize a number of them will be accepted. Some I understand from the proponents of the amendments would be proposed, discussed, and withdrawn. Only two or three may require rollcall votes.

I am going to ask. Mr. President, that we have this specific list typed up so that the distinguished Republican manager can have a copy, and then if the majority leader is agreeable prior to the time of this vote on this particular matter, he may be in a position to propound a unanimous-consent agreement on votes. I mention that because if anybody has not seen Senator KASTEN or myself to go on this list, I hope they might do so during this debate because I think it is important we can find a time to close on this and we be allowed to do so.

I know the distinguished Senator from West Virginia has a major piece of legislation, the Interior appropriations. It also clears up time on that so we can get going and we know what the leader said about Saturday versus Monday schedule if we can do that. I urge Senators to contact us.

I thank the Senator from Iowa for his courtesy in allowing me to make this announcement. I yield back whatever time I have remaining on the unanimous-consent request.

The PRESIDING OFFICER. The Senator from Iowa is recognized. The Senator from Iowa has 25 minutes, and the Senator from Vermont will have 25 minutes.

AMENDMENT NO. 3066

Mr. HARKIN. Mr. President, I have an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself, Mr. DIXON, Mr. DASCHLE, Mr. REID, Mr. CONRAD, Mr. EXON, Mr. SANFORD, Mr. KERRY, Ms. MIKULSKI, and Mr. ROCKEFELLER, proposes an amendment numbered 3066.

Mr. HARKIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the committee amendment on page 172, strike out line 7 and all that follows through line 4 on page 174 and insert in lieu thereof the following:

SEC. (a) FINDINGS.—The Congress finds that—

(1) the terrorist attack killing the Egyptian Parliament Leader Rifaat el-Mahgoub and three of his security guards in Cairo is a deplorable act against the Egyptian Government and her people and should be condemned by all nations and people of the world;

(2) the economic crisis in Egypt demands multilateral action and shared responsibility of Egypt's allies and its creditors;

(3) United States deployments in the Persian Gulf are dependent upon the support of United States friends and allies in the region;

(4) deployments of Egyptian armed forces in Saudi Arabia, and Egyptian logistical support for United States air operations in the region, are an essential element to the success of Operation Desert Shield;

(5) Egypt's deployments serve both United States and Saudi Arabia's national security interests;

(6) Egypt's total foreign debt totals $50 billion, including $6.7 billion in military loans owed to the United States, $5 billion owed France, $2.5 billion owed Japan, and $2.5 billion owed Germany;

(7) Saudi Arabia, which because of the dramatic rise in the price of oil and increased oil production, is expected to earn an additional $40 billion over the next year in oil profits alone;

(8) the United States growing national debt of $3,000,000,000,000 levies an unacceptable burden on future generations of Americans; and

(9) the forgiveness of military assistance debts owed to the United States by foreign nations would exacerbate our difficulties in reducing the Federal deficit and the public debt.

The President shall—

(1) develop, in cooperation with Congress, a proposal to restructure Egypt's military debt to the United States; and

(2) convene a conference and develop, in cooperation with Egypt's creditors and allies, including Saudi Arabia, France, Japan, West Germany, as well as the United States, a comprehensive and multilateral solution to Egypt's international debt.

Mr. HARKIN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Mr. President, I yield 3 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 3 minutes.

Mr. EXON. I thank the Chair and my friend and colleague from Iowa. I thank him for offering the amendment.

Mr. President, I rise in support of the amendment offered by Senator HARKIN to strike the provision of H.R. 5114 which grants the President the authority to forgive $6.7 billion in debt owed by Egypt to the United States.

I, like most of my colleagues, recognize Egypt's crucial role in support of Operation Desert Shield and the multilateral efforts to stop aggression in the Persian Gulf. Egypt's direct military contribution to the American deployment in the region has been invaluable. The leadership in Cairo has been courageous in quickly supporting United States and U.N. efforts to quarantine Saddam Hussein and Iraq. To be sure, these actions endanger Egypt's economy and its standing in the Arab community.

Forgiving Egypt's $6.7 billion military debt, though, is not the way the United States should express its appreciation. The Harkin amendment more appropriately urges the President to develop, in cooperation with Congress, a proposal to restructure Egypt's debt to the United States.

More importantly, the amendment urges the President to work with Egypt's other creditors and allies, including Saudi Arabia, France, Japan and Germany, to develop a comprehensive and multilateral approach to Egypt's international debt, which now stands at $50 billion.

Outright forgiveness of Egypt's $6.7 billion debt is unwise for a number of reasons.

The forgiveness of military assistance debts would only compound our own difficulties in reducing the Federal deficit and public debt, which now stands at well over $3 trillion. According to the White House, $756 million in principal and interest would be added to our fiscal year 1991 deficit if the debt is forgiven. Additionally, such debt absolution will set a dangerous precedent for other debtor nations wanting similar forgiveness.

The embargo against Iraq has economically harmed many of these countries. Will consistency and equity require the United States to forgive these debts as well?

Mr. President, recent reports predict that Egypt will lose $2.5 billion due to the embargo. Turkey will lose $3 billion; India, $2.5 billion; Jordan, $2 billion. The list goes on.

Operation Desert Shield may cost the United States itself nearly $18 billion through next fiscal year assuming hostilities do not occur. Secretaries Baker and Brady recently completed an economic burdensharing initiative to ease the effect the embargo would have on countries such as Egypt. Over $10 billion has been pledged by Saudi Arabia, Kuwait, Japan, Germany, and other nations to relieve this burden.

This multilateral approach is more equitable and effective at easing Egypt's burden than the President's proposal.

The Harkin amendment is a fiscally responsible approach to a delicate issue. It is irresponsible at this time to unnecessarily increase the Federal deficit when there are other ways of relieving the economic burden of our allies. I urge the adoption of the amendment.

In short and in sum, Mr. President, while we are facing the worst budget deficit and financial crisis in the United States of America that few can remember when we even approached it previously, when we are cutting up certain sectors of these United States, particularly the rural sections where the Senator from Iowa and I live, when Nebraska and Iowa, North Dakota, and South Dakota and the surrounding States in the bread basket are taking a hit right between the eyes, the very thought of forgiving debt at this time is absolutely out of order and should be rejected.

Mr. EXON. I reserve the remainder of my time and yield it back to the Senator from Iowa.

Mr. HARKIN. Mr. President, on behalf of Senators DIXON, DASCHLE, CONRAD, EXON, KERRY, SANFORD, MIKULSKI, REID, and ROCKEFELLER we are offering this amendment regarding the provisions of H.R. 5114, forgiving the $6.7 billion debt Egypt owes the United States.

Mr. President, before I get into the aspects of debt forgiveness itself, I want to take a moment to, first of all, express my sorrow and horror at the assassination of the speaker of the Egyptian Peoples Assembly just about a week ago. I know I speak for all my colleagues when I offer my sympathy to the President of Egypt, President Mubarak.

Secondly, I also want to say that President Mubarak has shown great courage in standing up to Saddam Hussein and leading the anti-Iraq coalition in the Arab world. Indeed, since 1978, Egypt has played a central role in the search for peace and stability in the Middle East.

Accordingly, Egypt deserves our praise and our support and our friendship, and it is precisely for this reason, among the others, that I am opposed to the unilateral debt forgiveness included in this bill. The amendment we are offering, I believe, offers a better solution than just the American taxpayers footing the bill.

I want to say what our amendment does. It calls for a conference of other nations much like the previous amendment offered by the distinguished Senator from Vermont, but instead of forgiving the loan as that amendment does our amendment says that the President shall develop in cooperation with Congress a proposal to restructure Egypt's military debt to the United States, not forgiveness but restructuring of the debt. If they need help, then let us stretch it out, let us restructure it a little bit just as has been done to people in this country when they were hurting, and I specifically talk about our farmers. When they were losing their farms in the mid 1980's, their debts were not forgiven but they were restructured. That is what we are talking about in this amendment.

We propose, instead of unilateral debt forgiveness by the American taxpayers, that Egypt's other debtors should also share some of the burden of solving Egypt's problem. Countries like West Germany, Japan, the Saudis and others who are owed debts by Egypt need to come to the table also. The President's proposal, which is in this bill, does not solve Egypt's overall debt problem and the American taxpayers cannot afford what we have here.

Quite simply, foreign aid might have been held harmless by the budget agreement passed 2 days ago but the deficit is not.

Mr. President, President Bush's debt proposal will add $10.6 billion over the next 5 years to America's budget deficit. Here we have been struggling for months, weeks, days and hours, into the wee hours last night, trying to hammer out these budget agreements and yet here is a proposal that will add $10.6 billion to our deficit in just the next 5 years. And that is by CBO estimates.

Let me raise a couple of points. First, the $6.7 billion that is proposed to be forgiven is only a small part of Egypt's debt. Altogether Egypt owes over 50 billion to other countries: $5 billion to France, $2½ billion to Japan, 2½ billion to West Germany.

Will the money that is freed up by our debt forgiveness be used to pay Japan? That is a good question. Money is fungible. If they are forgiven the debt, they can use it to pay off other loans.

Secondly, this provision establishes a precedent the United States cannot afford. Foreign countries owe the United States a total of $15 billion in military loans, which brings in $3.5 billion a year into the U.S. Treasury. Altogether, foreign governments owe us $64 billion, which adds about $12 billion a year coming into the U.S. Treasury. Think about the precedent of this. If we are going to forgive Egypt, how about all other countries that owe us money. Here we are struggling to find an extra $20 billion for Medicare, we are trying to find some money to help farmers. We have $13 billion we

are taking right out of middle of farm income and yet we are being asked to forego $12 billion perhaps if we start down this road.

Third, Mr. President, why is it the U.S. taxpayers always have to foot the bill? Why is it U.S. taxpayers always have to belly up to the bar and pay the bill? In the next year alone, because of the increased price of oil, Saudi Arabia stands to gain about $50 billion in increased profits. That is clear profit. It did not cost them one more cent to take that oil out of the ground so they get $50 billion from us.

Well, they have said they are going to give us $7 billion because we have all our troops over there. Let us stop and think about that. They get $50 billion from our consumers. They are going to pay us $7 billion for our troops. Boy, talk about a sweet deal. Why not have Saudi Arabia pay off Egypt's debts? After all, Egypt's troops are in Saudi Arabia to protect Saudi Arabia. After all, it is our money anyway. Why not have Saudi Arabia also come forward and pay the debt?

That is what we have to do. If we want to help Egypt—and we should help Egypt—let us get all the other countries together and sit them down and then work on a debt restructuring for Egypt if other countries will help up.

But, no, in the bill that we have before us there is going to be a conference; we are going to talk about it. But on December 31 of this year, Egypt's debt is forgiven. Do you think Japan is going to say, "Oh, isn't that nice. We will join you?" Do you think the West Germans are going to say, "Wonderful, we will join you." Not until we make them sit down to the table to forgive or restructure any debt.

The bottom line is, Mr. President, with $3 trillion of our own debt, we cannot start forgiving the debt of other countries. This borders on ridiculous. I chaired the Subcommittee in Conference on Labor, Health and Human Services and Education. We could not get enough money to fully fund the Ryan White bill to help the people dying of AIDS in this country. We could not get enough money to provide the necessary grants for cancer research. We did not have enough money to fund Head Start programs. We did not have enough money for maternal and child health care.

But we have enough money to forgive Egypt's $7 billion? To this Senator, it does not make sense. I do not think it makes sense to the American people that we would be doing this.

Mr. President, might I inquire how much time I have used?

The PRESIDING OFFICER (Mr. CONRAD). The Senator has 14 minutes and 20 seconds remaining.

Mr. HARKIN. Mr President, I am going to finish by reading an excerpt from a letter written to me by a woman from Iowa.

> Recent news reports have informed us that President Bush is considering forgiving Egypt's massive national debt to us as a reward for their manpower commitment to Operation Desert Shield.

Listen to this letter from this mother:

> That's an interesting rationale. In fact, I rather like the concept, especially if it might be applied inwardly as to the general American citizen as well as to our foreign national acquaintances.
>
> I have five sons and a son-in-law in the military. Since my commitment to Operatrion Desert Shield is potentially so significant (currently, one son is in Saudi Arabia—the others in various conditions of readiness) perhaps the President may feel inclined to forgive the remainder of a debt I owe the United States to the Small Business Administration and some growing debts for higher education.

Think about that.

Here is a mother with five sons in the military, one in Saudia Arabia. She owes a debt to the Government of the United States. We are not forgiving her debt.

She goes on and says:

> Why not give Government backed home loans to every household with a family member involved in Saudia Arabia? How about forgiving my neighbors their farm loans because they are feeding the thousands of military men and women assigned to the massive war preparation in the deserts of Saudi Arabia?

The letter goes on and concludes:

> If we're going to forgive debts, let's start at home.

That one letter from that one mother in Iowa convinced me that the course of action of Senator DIXON, Senator CONRAD, and I, and all of our cosponsors, here is the right course of action for Egypt, and it is the right course of action for the taxpayers of this country.

Mr. President, I yield 5 minutes to the distinguished Senator from Illinois.

The PRESIDING OFFICER (Mr. FORD). The Senator from Illinois.

Mr. DIXON. Let me make this point to my colleagues in the most lawyerlike way that I can, Mr. President. This is page 173 of the bill. This is section B entitled "Debt" and it says, I quote from section B:

> The Secretary of Defense shall issue to the Secretary of the Treasury sufficient notes or other obligations to purchase all notes made by Egypt evidencing amounts owed by Egypt to the United States.

And then further down it says the President shall thereupon cancel all amounts owed by Egypt to the Secretary of Defense. That is section B.

My fellow Senators, the fig leaf amendment you adopted does not repeal section B. You have not done anything to effect and are not doing anything about the forgiveness of the Egyptian debt. The amount you adopted puts a section C and D in there which simply says all the nations study, and they conclude by December 31 and the President reports back to us on January 1 when we are not here.

I want to tell every one of you if you want to vote for the fig leaf and say you did your good deed, go ahead, but you have not. The fig leaf forgives the debt. The fig leaf you voted for forgives the debt.

Our amendment says have a conference of the nations that are creditors and report back to the next Congress and then we will decide.

I want to tell you something. Since I have been in the Senate we forgave debts once before. Several years ago the Reagan administration forgave $3.5 billion worth of debts to 21 foreign countries, most of whom you did not know, and the rest you did not like.

The Senator from New Mexico [Mr. BINGAMAN] and this Senator fought it, and we were beaten. I go back home and talk about it in town home meetings. People say, "I can't believe that. How did you do that?"

I say because the Senate voted for it.

You voted for it. I am going to give you another chance. You never voted to forgive a debt of a farmer. You never voted to forgive the debt of a student. I go home, they say why cut back student loans. They say people do not pay the student loans. We are cutting them back. We do not forgive student loans to educate our kids. We do not forgive farmers' loans out in North Dakota or in Iowa. We do not forgive loans to small businessmen. But boy, if you buy some weapons from the good old U.S. of A. and you are some foreign country, we will forgive it; thanks, good-bye; thanks, goodbye; thanks, good-bye!

Twenty-one nations. You go look at the record. You forgave them $3.5 billion. Now you are going to forgive another $7 billion. You will be back here in a couple of years forgiving somebody else.

In fact, when you set this precedent, I can think of all kinds of nations which are going to stand in line and say, "Wait a minute; am not I as good a friend as Egypt? What about me? I bought some of your bombs, I bought some of your airplanes, I bought some of your tanks, I bought some of your spears. What about me?"

Bad precedent, Mr. President. Bad precedent. We will live to regret it.

The PRESIDING OFFICER. The balcony will restrain themselves.

Mr. DIXON. I yield the remainder of my time.

Mr. HARKIN. Mr. President, if I might inquire, how much time remains?

The PRESIDING OFFICER. Eight minutes.

Mr. HARKIN. I yield.

Mr. LEAHY addressed the Chair.

Mr. HARKIN. I did not mean to just keep taking the floor if the distinguished Senator wants to interject.

Mr. LEAHY. I told the distinguished Senator from Tennessee that I would yield 10 minutes to him. Perhaps we might do that now.

Mr. HARKIN. Why do not we do that?

Mr. GORE. I think if the Senator from Iowa prefers to, I will be happy to wait.

The PRESIDING OFFICER. The Senator from Tennessee is recognized for 10 minutes.

Mr. GORE. I thank my distinguished colleague for yielding. I would like to put the debate over this amendment in a larger context.

The issue at hand, whether to relieve Egyptian debt, is of very great importance but in the midst of our consideration of this issue I think it is time that we turned our attention to our overall policy in the Middle East and especially to the increasing disrepair of United States-Israeli relations. I came to that conclusion sometime ago in anticipation of this particular debate.

The Byrd-Dole amendment on supplements policy offered earlier today only underscores my point that it is time for us to look at the state of this relationship. Things were not going particularly well in United States-Israeli relations even before Saddam Hussein invaded Kuwait. But since that event the terms have become markedly worse.

For tactical reasons the Bush administration has been willing to emphasize its differences with the Shamir government and the Shamir government itself has not been particularly adept at some key moments. I am concerned that if this pattern continues long enough our relations will sour to such an extent that such support for Israel in our own country will be severely damaged. That could have not only tactical but strategic consequences, including a weakening of Israel's ability to deter attack by her enemies and an increased possibility of war in the region at great hazard to our own national interests.

Prior to the invasion the administration was already on a collision course with Israel. There was great dissatisfaction with the Shamir government's resistance to Secretary Baker's proposals for getting peace talks underway. Whether by accident or design, the President seemed to be going out of his way to aggravate Israeli sensibilities by openly grouping Jerusalem with the occupied territories, contrary to Israel's bedrock view that Jerusalem belongs to it and contrary to the approach taken by every prior President.

There has been after all a longstanding convention followed by Republican and Democratic administrations alike not to aggravate the problem by grouping any differences we have with Israel over Jerusalem with issues relating to the West Bank.

The administration also seemed to be making unnecessary problems for Israel in its efforts to secure financial help to cope with the unprecedented flood of arrivals from the Soviet Union.

These problems clearly remain as negatives in our relations with Israel but now they are giving way to even more serious ones. In our need to contain Saddam Hussein's military threat we have formed an alliance of convenience with Syria, which is an unreconciled enemy of Israel, and of course is controlled by a regime led by the same Baath party which inspired Saddam Hussein's bloodthirsty ideology.

To buttress the confidence and the military power of Saudi Arabians we are proposing the sale of a quantity of advanced weapons to that nation so as to reinforce Egypt's staying power against Iraq.

The administration now proposes forgiving over $6 billion of Egyptian debt to the United States.

To outflank Saddam Hussein politically President Bush has unmistakably hinted at a linkage between an end of Iraq's occupation of Kuwait and an end of Israeli occupation of the West Bank and Gaza.

For the sake of retaining our credibility as the leader of a coalition including some Arab governments against Iraq, we have willingly joined in censoring Israel for the regrettable deaths and the tragedies of Palestinian demonstrators on the land referred to by Israel as the Temple Mount though we remained totally silent at the United Nations about Iraq's gassing of thousands of Kurds, while Saddam Hussein was still our good buddy and business pal.

Two years ago I spoke here in this Chamber and urged the President to call for a special U.N. session to condemn the use of poison gas by Iraq, and I said this:

"If the world does not respond to these developments," Gore said "we may again be forced to look on as yet another act of mass atrocity is committed."

The administration seems content to assume that Congress will take care of Israel and balance out her concerns. But Congress depends upon public support for and understanding of Israel as the source of its moral authority to allocate resources for the sake of the strategic relationship with Israel which undergirds Israel's survival. There is a deep reservoir of public support for this purpose, but it needs to be replenished on occasion by the President himself. And the President appears to be consistently out of patience with Israel. This can be extremely dangerous, if providing for Israel is going to require strong United States support in these harsh times. And of course, that is exactly the case.

It may be a very wise thing for the United States to cancel Egyptian debt, but it is also extremely unpopular with the people of our country. They have financial cares of their own that the Federal Government is ever less able to deal with. But meanwhile, Israel is in deep trouble. Israel's necessity for military readiness have jumped. Saddam Hussein has publicly threatened to "incinerate half of Israel". Israel is even now passing out gas masks to every one of her citizens. Israel is absorbing scores of thousands of new immigrants. Yet Israel is making payments on its debt to us. Is it right to relieve Egypt of her debts while allowing Israel to remain beneath the full burden of hers? President Bush called me on the telephone today about Egypt's debt, as I know be has called many others. But when will the President help persuade the American public of the justice and need for a strong United States commitment to Israel?

It may be wise and certainly is profitable for us to sell weapons including perhaps even some advanced weapons to the Saudis. But there is reason for concern that the sale as initially described was more than needed and not prudent. The fact that the administration now intends to break the sale into several installments does not mean that it has changed its overall intentions as regards the size of the total package. Israel is seeing its quantitative and qualitative advantages substantially eroded by these sales. Now we know that Saudi Arabia under its present ruler and in its present predicament, is not likely to be thinking about turning these weapons against Israel. But these are calculations upon which Israel's existence depends. And if we were in Israel's shoes, we would be plenty worried, too.

In the past, the administration has justified proposals for ambitious weapons sales to Saudi Arabia by arguing that these were proofs of American commitment. Well, now there are other proofs in the form of the flesh and blood of thousands of our soldiers who are in that country. To the extent that anything we sell and can actually deliver anytime soon to the Saudis is essential for the safety of our own forces: we have to do it. But the suspicion lingers that we might be selling a great deal that might never arrive very soon at all, and the question arises whether the administration will exercise some restraint where it has some discretion.

When Israel expresses its concerns to us on this score, there is an increasing tendency to slough it off based on our assumptions about the Israeli Defense Force's prowess. "They can handle it," is our attitude. But let's

think about the situation here. Our country now has forces in and around Saudi Arabia that rival those of the IDF. We have allies, some of whom are there with us; others—they tell us—who are just behind us, in case anything goes wrong. And are we confident about taking on Iraq at costs that are acceptable to us? It is a matter of debate right now. But Iraq is only one of several enemies across Israel's border who have attacked her singly and in groups in the past. So are we prepared to say that Israel has a just need for military assistance? And when will the President make it clear that he thinks so too? Or will he just leave it to Congress to find the money?

But I worry even more about the administration's silence concerning the legitimacy of Israel's position, than I do right now about these material issues. False parallels are constantly being drawn between Israel's occupation of the West Bank and Iraq's occupation of Kuwait. Kuwait was at peace with Iraq. Iraq is present in Kuwait as the consequence of naked aggression. In 1967, Israel was attacked by a coalition of Arab states including Jordan, Egypt, and Syria. That coalition lost. In pursuit of their defeated armies, Israel took the Sinai, took the West Bank, and took the Golan Heights. When Egypt was prepared to make peace, Israel vacated the Sinai. Israel's presence in the remaining occupied territories is the outgrowth of her victory against aggressors. If Iraq were to withdraw from Kuwait tomorrow, I would say that there should not be one particle of cause for anyone to say that Israel must as a result relinquish the occupied territories. Israel should not annex these territories. But Israel should not leave them until her peace is secure.

Now we have a great debate in this country between those who think peace will be secured if Israel first gives up its occupation, and those who think otherwise. Somewhere along the line, it was up to the Palestinians themselves to pledge their support for peace in return for land. Some of them have, and in a number of cases paid dearly for it. Should Israel interpret the Intifada as evidence that the Palestinians are ready for peaceful coexistence in a state of their own? Should they interpret the Palestinian support in Jordan for Saddam Hussein as evidence that, in the equation "land for peace" Israel should first give up the land?

Why is the administration not exerting itself to resist this false linkage? Why on the contrary did it seem—at the highest level—to support it?

Then, finally, there is Jerusalem. On the Temple Mount, it is true that provocation was given by the Palestinians, but it is also true that it is very hard to understand why deadly force was the only response available to Israeli forces on the scene. What took place needs to be explored and made public. Israel complains that world opinion holds her to a double moral standard: higher for Israel and much lower for her Arab neighbors, where enormous massacres have occurred with hardly a ripple of international concern. Exactly so. And that higher standard is a strategic asset of immense value to Israel. Its value has been diminished in the streets of Jerusalem. It can only be restored by greater wisdom in the corridors of the Israeli Government.

But Jerusalem belongs to Israel. And the advice our Government seeks to offer Israel now would perhaps be a great deal more influential had not the Bush administration earlier gone out of its way to challenge the legitimacy of Israel's possession of the city which is the center of its being. What concerns me, Mr. President, is that we are purchasing credibility in the Arab world at Israel's expense. The balance of our policy has been disturbed. Congress will surely act to keep things in line, but it would be better if we had constructive engagement from the administration, rather than what is, at best, benign neglect.

Mr. LEAHY. Mr. President, I yield 3 minutes to the distinguished Senator from Hawaii.

The PRESIDING OFFICER (Mr. SARBANES). The Chair recognizes the distinguished Senator from Hawaii.

Mr. INOUYE. Mr. President, as we ponder the question this evening, we should recall the following: The President of the United States made a promise, an open and public promise to the Government and people of Egypt. This promise was greeted with jubilation and dancing in the streets of Cairo.

Oh, yes, Mr. President, we can spend all evening discussing whether it was the right decision to make or the wrong decision to make, whether the President had the authority to do it, and whether he should have consulted with the Congress. But in the eyes of the Egyptians, it was a solemn promise made by the Commanding Chief of the United States and the articulator of our foreign policy.

It was a solemn promise. It was received by President Mubarak as a promise. It was received by the people of Egypt as a promise.

We should also recall that the involvement of Egyptian forces in Operation Desert Shield gives it the legitimacy it requires to make this an international effort.

I think it would be safe to assume that if this Congress of the United States should reject the solemn promise, it would have a most significant and severe impact upon our relationships with the Government of Egypt, and undoubtedly it will have an effect upon the effectiveness of the President of Egypt. It may well cause the Egyptian troops to vacate this cause and leave us. Without the presence of Egyptian forces, we would lose our legitimacy as part of an international effort.

Mr. President, we can argue all night to decide whether the President made the right decision or the wrong decision. The fact remains he made a promise, and, as far as the Egyptians were concerned, it was a solemn promise. To break this promise at this stage would have a devastating effect upon the operation we are involved in now in Saudi Arabia, and I think it would have a very negative effect upon the well-being of the men and women we have sent there.

I will vote against the amendment.

The PRESIDING OFFICER. The Senator's time has expired. The Chair recognizes the manager of the bill.

Mr. LEAHY. Mr. President, I yield 2 minutes to the distinguished Senator from Kentucky [Mr. MCCONNELL].

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I thank my friend from Vermont.

We may have all seen the marvelous Quaker Oats commercial after the "Brinkley Report" on television. It says you ought to eat Quaker Oats because it is the right thing to do.

I suggest you ought to oppose this amendment because it is the right thing to do. I would also be so bold as to suggest if this amendment had not been offered 2 weeks before the election, it would have been defeated overwhelmingly. We all know we have no better ally anywhere in the world than Egypt. We know we have no better ally in the Middle East than Egypt. We know Saddam Hussein is out to assassinate Egyptian leaders. He has already done that once. We ought to oppose this amendment because it is the right thing to do. Egypt has earned our support.

I know there are a lot of people who are concerned about the election 2 weeks from today. I certainly am. I am one of those who has a difficult race. I have been back in the cloakroom. I suspect it is the case on both sides that people are a little bit worried about a negative commerical featuring this vote sometime between now and a week from Tuesday. I would like to suggest that we ought to take that risk, that we ought to do the right thing and oppose this amendment.

This does not mean that we are adopting a policy in a blanket fashion of forgiving debts. What it does say is that this is an important country, a unique situation. The leadership of Egypt could very well be on the line, and the decision we are making tonight here in the U.S. Senate is going

to resound through the streets of Cairo. It will be noticed all across that country and all across the Middle East.

So I strongly suggest we ought to all bank together and vote against the Harkin amendment.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. HARKIN. How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 7 minutes and 47 seconds remaining, and by strange coincidence the Senator from Vermont also has 7 minutes and 47 seconds remaining.

Mr. HARKIN. I yield 4 minutes to the distinguished Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 4 minutes.

Mr. CONRAD. Mr. President, I thank the Chair, and I thank the Senator from Iowa as well, for this time.

When the President announced that he had intended to forgive $7 billion to the Egyptians, there was an explosion in my State. It was an explosion of resentment, an explosion of anger, an explosion of bewilderment. What is going on in Wahington? What are they thinking of? We are in the middle of an attempt to reduce our own deficit by $500 billion over the next 5 years, and we are talking about forgiving $7 billion to Egypt?

No one doubts that Egypt needs help. No one doubts that Egypt is a friend. No one doubts that we ought to be part of an effort to see that Egypt gets that assistance. But the people in my State ask simply, why only us?

Where are the Europeans? We have 200,000 troops in the sands of Saudi Arabia and now our taxpayers are being asked to ante up one more time. Where is France? France is owed $5 billion. There are no French troops in the sands of Saudi Arabia. Where is Germany? They are owed $2.5 billion. There are no German troops in the sands of Saudi Arabia. And, yes, where are the Japanese? There are no Japanese troops in the sands of Saudi Arabia, and yet they are owed $5 billion.

And, yes, where is Saudi Arabia? We are, after all, there in the desert protecting them, and they are reaping enormous windfall profits from the spike in oil prices, $50 billion. Maybe our friends in Saudi Arabia ought to pick up this tab.

And what about Kuwait? They have $200 billion in assets and we are there protecting them. Why not Kuwait? That is what the taxpayers of this country are asking. Why should the taxpayers of the United States be asked not only to support the Desert Shield initiatives but also asked to support this debt forgiveness on top of the $100 billion a year we spend to protect Europe, on top of the $50 billion a year we spend to protect Japan, when we have to borrow the money from them to do it.

Mr. President, it does not make sense and the people of my State feel it acutely. They have just had to pay back tens of millions of dollars of advanced deficiency payments they did not have on bushels that were never produced because of a drought, and when we came and asked for a simple extension, the answer of this administration was, no, no, no; veto. But when our Egyptian friends come for $7 billion, all of a sudden it is done in a wink of an eye.

Mr. President, the people of my State are asking why, how can it be that people a world away somehow are more important than the people right here at home? Yes, Mubarak deserves support. Yes, Egypt deserves help, and it ought to come from the others.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. LEAHY. I yield 3 minutes to the Senator from Rhode Island.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized for 3 minutes.

Mr. CHAFEE. Mr. President, this is an easy issue to oppose. Imagine that. Excusing Egypt's debt. What outrage. Never mind Egypt is unable to pay the debt anyway. At home we do not forgive the debt of farmer, student, or small businessman in Iowa or Illinois or Rhode Island. They all have to pay. How can the United States do this?

Mr. President, one of the virtues of living through history is you learn something from it occasionally. I would just like to roll back the clock, if I might, to 1940 when we had a farsighted President of the United States, when the United States was not in a war, and what did he do? He gave away 50 destroyers, gave them away, not one, not 10, but 50, 50 destroyers he gave away to Britain. What did he get for it? Hardly a nickel. You talk of outrage. Forgiving a debt of Egypt. This is the biggest outrage that ever took place. And he was attacked for it. Who attacked him? One of the great American heroes, Charles Lindbergh, head of America First'ers. Giving away 50 destroyers. What are you doing? But what he did was right, Mr. President. He realized it was in the best interest of the United States of America.

Now, Mr. President, what should be our primary interest here tonight? We are safe on this floor, comfortable. We have all had nice dinners, looking forward for a weekend when we will all be back together. My primary interest, and I think the primary interest of everybody on this floor, is 200,000 Americans, service men and service women, who are in the Persian Gulf. What is the best vote tonight for them? Is the best vote to say, no, Mr. Mubarak? Oh, we are sorry your speaker was assassinated. That is one of the breaks of the game. We are very sorry, and we want to help you as long as it does not mean doing anything. You have done more, Mr. Mubarak, to help us than any other nation, and you have kept this war, this engagement, this contest, not a war yet, this conflict, potential conflict, from being a Westerners versus Arabs. You have kept it in the course we want, which is Arab versus Arab, because you have sent troops there and in doing this you have risked your life, Mr. Mubarak.

And so, Mr. President, the best vote tonight is to back up our friends there like a wise President of the United States did 50 years ago. The United States was not in that war, but he backed up a friend of ours. And it seems to me, Mr. President, we should do exactly the same thing tonight.

So I hope we will defeat this amendment, this proposal, overwhelmingly, and show our support for those 200,000 American servicemen and servicewomen who are out there.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. LEAHY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Vermont has 4 minutes and 33 seconds.

Mr. LEAHY. Mr. President, I yield all but 1 minute and 30 seconds of that to Senator KASTEN.

Mr. KASTEN. Mr. President I yield 1½ minutes of my time to the Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wisconsin has 3 minutes and has yielded 1½ of his 3 minutes to the Senator from Wyoming.

Mr. WALLOP. I thank the Senator from Wisconsin and I shall try not to use that. But I would say to my colleagues tonight that the time has really come to put politics down and to put country up.

It has been pointed out that America's soldiers and sailors and airmen and women are exposed. I would point out as well that America's role in the world is exposed. I would also point out the world's challenge to confront Saddam Hussein is exposed all on an altar of politics.

Who are not exposed are American taxpayers. Much as it sounds like you can flip around figures of $7 billion and one thing and another, everybody who advocated this amendment knows full well that the ability to repay that is not there. And certainly the ability to pay that in this crisis is not there. So the fig leaf is presented by the proponents of this amendment. America should not base its policy on to who else another obligation will fall. America should base its policy not on where

Europeans or where Japanese are. We can only answer to where Americans are. The only choice available to us tonight is where America is. We have heard a lot about leadership and the tough choices it makes. The obligation of each of us is to explain to our constituents the nature of America's peril, the world's peril in the Middle East and not buy off on the simplicity of politics.

I yield back the remainder of my time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Wisconsin.

Mr. KASTEN. Mr. President, first of all, this is not really a foreign aid issue that we are dealing with right now. We are dealing with an issue of U.S. national security. I hope that every one of my colleagues recognize the importance of a vote against this proposal.

The brutal assassination of the Speaker of the Egyptian parliament is yet another example of the ruthless behavior which characterizes the regime of Saddam Hussein. Yet despite these risks, Egypt and Egyptians have chosen to defy Iraq's aggression. Mahgoub, like Anwar Sadat, was killed because his government chose to support U.S. policy in the Middle East.

But Mahgoub is not the first or only Egyptian to die at the hands of Saddam. Every week, the bodies of dozens of Egyptian workers are shipped home from Iraq, ostensibly the victims of accidents. In fact, the evidence is clear that they are victims of cold-blooded murder by Saddam's agents. While we in the West worry daily over the several thousand western hostages in Iraq, over a million Egyptian civilians are being held hostage in Iraq, unable to leave and certainly living in constant fear. Yet they continue to stand shoulder to shoulder with the United States in Saudi Arabia.

By voting to forgive Egypt's military debt we have the opportunity to express our appreciation for the risk that Egypt is taking by supporting United States policy.

The PRESIDING OFFICER. The Senator's time has expired.

Who yields time?

Mr. HARKIN. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Iowa has 3 minutes, 14 seconds remaining.

Mr. HARKIN. Mr. President, to close our end of the debate, let me first of all give my public acclamation and respect to Senator LEAHY and to Senator KASTEN. In no wise do I mean in any way to impugn what they have done in this bill or anything else.

There is no one, I can honestly say, for whom I have greater respect and admiration and true friendship than the Senator from Vermont. He is the distinguished chairman of my Agriculture Committee and he is chairman of this subcommittee, on which I also serve.

I also want to say that Senator KASTEN is also a distinguished Senator who also has worked tirelessly on behalf of this country.

But I just have to say that, on this amendment, I feel that the proper way to go is not just to forgive the debt, but to get all other countries involved, have a multilateral approach to restructure the debt, perhaps stretch it out over a longer period of time, because essentially what we are talking about is a question of fairness. It is a question of unilateral or multilateral assistance to Egypt.

Yes, I know that everyone who is backing us on this amendment believes that Egypt deserves our help and support. But the way that this bill is doing it does not really help them. They have over $50 billion in foreign debts. This is $7 billion. If we really want to help Egypt, the President should have gotten these countries together first and said, OK, let all of us be involved in restructuring Egypt's debt.

If I might just respond to the distinguished Senator from Rhode Island, who pointed out that the President had given 50 destroyers away in 1940 before we were ever in World War II. Well, we have given over 200,000 of our finest young men and women who are tonight, as we stand on the floor of the Senate tonight, sitting in the forlorn sands of Saudi Arabia. And yet we are saying that we are going to forgive Egypt's debt.

Let me again, Mr. President, refer to a letter I received from a woman in Iowa. I will not mention her name. I have a letter. If anyone doubts it, they can come read it. She said, "I have 5 sons and a son-in-law in the military. My commitment to operation Desert Shield is potentially so significant perhaps the President may feel inclined to forgive the remainder of a debt I owe the United States to the Small Business Administration, and some growing debt for higher education. Why not forgive Government-backed home loans to every household with a family member involved in Saudi Arabia?"

I believe she is asking some very good questions, because really what she is questioning is the fairness of this. The approach in this bill is not fair to the taxpayers of this country. I do not believe that by supporting the amendment that we have pending, somehow this is going to cause Egypt to go down.

No. What it will cause is the President of the United States to do what he should have done in the first place, get other allies and other nations involved, especially Saudi Arabia, and have a multilateral approach to solving Egypt's debt problem, not just a unilateral one picked up by the taxpayers of this country.

The PRESIDING OFFICER. The Senator's time has expired.

The time of the Senator has expired. All time allotted to the Senator from Iowa has expired.

The Senator from Vermont has 1 minute and 28 seconds remaining.

Mr. LEAHY. Mr. President, the Senator from Iowa has raised the issue and done it very, very well in his customary fashion. I applaud him for that.

Nobody questions that this is going to be a tough vote. There is no question Senators have to wonder how their determination may or may not be used against them. But the President of the United States has made a major policy decision in this area and he needs our support. Having looked at what he has done, the reasons for doing it, the consequences of this forgiveness of debt, I believe that the President of the United States deserves our support.

I am a Democrat; the opposite party. I will apply the Vandenberg rule in this place: I will support the President.

I worked to put this Egyptian debt forgiveness in the bill, along with the distinguished Senator from Wisconsin, Senator KASTEN. We put it in the bill. I supported it in the bill. I support it now before the Senate. And I oppose the amendment before the Senate in that regard.

The stakes are too high for the United States to go back on the commitment we have made to Egypt. The price that we would pay, and Egypt would pay, is far greater than the price of this amendment and this bill. We should support the President. We should support the bill. We should oppose this amendment.

Mr. HELMS. Mr. President, I support the amendment of the Senator from Iowa [Mr. HARKIN]. While I strongly support the actions of the President in the gulf crisis, I am deeply concerned about the proposed forgiveness of Egypt's $7 billion debt.

I have the uneasy feeling that the administration gave less than sufficient thought to this proposal, and to the important precedent that it would set. Since this proposal was announced, many other countries have requested, or indicated, that they too will request that their debt to the U.S. Government be cancelled.

The rationale behind this plan is that Egypt is our main ally in the fight against Saddam Hussein, and that we need the Egyptian presence in Saudi Arabia in order to maintain our coalition; therefore, we should reward Egypt for their courage and assistance.

However, Egypt has as much interest in standing up to Iraq's aggression

as does the United States, so to suggest that somehow we need to buy off Egypt is an absurd hypothesis.

Moreover, the U.S. Senate just this morning passed a reconciliation bill which will raise the taxes of nearly every American. In this time of tight fiscal constraints, we cannot afford to forgive Egypt's debt, or the debt of anyone else, for that matter.

My decision to oppose this plan gives me special discomfort, because I happen to like and admire President Mubarak of Egypt, and I consider him a special friend. Nevertheless, I oppose this plan, because the budgetary interests of the United States must come first.

The PRESIDING OFFICER. All time has expired. The question is on agreeng to the amendment of the Senator from Iowa. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from South Dakota [Mr. DASCHLE] and the Senator from Michigan [Mr. RIEGLE] are necessarily absent.

I further announce that, if present and voting, the Senator from South Dakota [Mr. DASCHLE] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER (Mr. GRAHAM). Are there any other Senators in the Chamber who desire to vote?

The result was announced, yeas 42, nays 55, as follows:

[Rollcall Vote No. 297 Leg.]

YEAS—42

Akaka	Exon	Kohl
Baucus	Ford	Levin
Biden	Graham	Lott
Boschwitz	Grassley	Mikulski
Breaux	Harkin	Nunn
Bryan	Hatfield	Pell
Bumpers	Heflin	Pressler
Burdick	Helms	Pryor
Byrd	Hollings	Reid
Coats	Humphrey	Rockefeller
Cohen	Johnston	Sanford
Conrad	Kassebaum	Sasser
Dixon	Kerrey	Shelby
Dodd	Kerry	Simon

NAYS—55

Adams	Glenn	Moynihan
Armstrong	Gore	Murkowski
Bentsen	Gorton	Nickles
Bingaman	Hatch	Packwood
Bond	Heinz	Robb
Boren	Inouye	Roth
Bradley	Jeffords	Rudman
Burns	Kasten	Sarbanes
Chafee	Kennedy	Simpson
Cochran	Lautenberg	Specter
Cranston	Leahy	Stevens
D'Amato	Lieberman	Symms
Danforth	Lugar	Thurmond
DeConcini	Mack	Wallop
Dole	McCain	Warner
Domenici	McClure	Wilson
Durenberger	McConnell	Wirth
Fowler	Metzenbaum	
Garn	Mitchell	

NOT VOTING—3

Daschle	Gramm	Riegle

So, the amendment (No. 3066) was rejected.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, the Senate has just cast a very difficult vote, but I want to say to those who joined Senator KASTEN and myself, I believe very strongly they cast the right vote. In joining us, they actually joined in support of the President on a very difficult issue in maintaining not only the word of the President of the United States but a commitment of the United States.

This is election season. With everything else going on, it is sometimes very easy to lose sight of some of the issues involved. I think this is a critical issue. I know Senators felt very strongly on both sides, and I know the argument can be made on both sides. I do not question any Senator on how they may have voted but I, for one, as one Senator, as one American, am glad the vote came out the way it did. I think it is important to our interests, and I believe in this instance it was important to set aside the partisan differences and support the President.

Mr. SARBANES. Will the Senator yield?

Mr. LEAHY. Mr. President, just before the break, I had told the distinguished Senator from Maine, the majority leader, that I would try during the time between the last vote and this vote to get an agreement on amendments. We have, Mr. President, I would tell the distinguished majority leader, at least a list where I think we have identified virtually all of the amendments that may come up, a number of which could be disposed of fairly quickly. But I regret to tell the distinguished majority leader I do not have I believe at this time agreement that I might be able to offer to him so that he could propound a unanimous-consent request.

Senators have been very cooperative on both sides of the aisle in identifying to Senator KASTEN and myself which amendments they might offer. I think Senator KASTEN and I are in a position to accept some of them. Some are going to be raised and then withdrawn. I appreciate Senators who have been candid enough to tell us which ones those are. But I regret to tell my good friend from Maine I cannot say that we are in a position to get the unanimous-consent agreement that he quite rightly would like to have.

Mr. MITCHELL. Mr. President, I thank the distinguished manager. I am advised by the staff that we have been unable at this time to get agreement on either bill. Therefore, I regretfully conclude that we have no choice but to proceed on this bill for now and in the meantime continue our efforts in that direction.

I have not had a chance to discuss this privately with the distinguished Republican leader but I as always welcome his thoughts on the subject.

Mr. DOLE. I understand there are 29 amendments so far to the Interior appropriations bill on this side, just on this side. Most of those would take 2 or 3 minutes, I understand, but there are three to four, I guess, or five, that would take considerably more time than that. I do not know how much time is involved in the amendments that remain.

There are 25 amendments, only 3 or 4 of which I am advised by the Senator from Wisconsin will take more than 30 minutes; 10 or 15, 5 minutes or less.

Mr. LEAHY. Some we will accept.

Mr. DOLE. So I do not know what to tell the majority leader except I do hope to leave here on Wednesday evening. Apparently some people want to stay longer. Maybe the majority leader and I can leave and they can run the place.

Mr. GORE. Will the majority leader yield?

The PRESIDING OFFICER. The majority leader has the floor. Does the majority leader yield?

Mr. MITCHELL. Certainly.

Mr. GORE. I appreciate the majority leader yielding. I think there is a way to resolve the impasse that may not be accessible to this body, but I would like to outline what I think it is. There is one amendment proposed for the Interior appropriations bill which is anathema to many in this body. That is the proposed amendment to do away with the Endangered Species Act for purpose of cutting the remaining 10 percent of the old growth forest in the Northwest in spite of the consequences for the spotted owl and, of course, even more importantly, that entire rare habitat.

I say that is anathema and there is reluctance on the part of some of us—and I see my distinguished colleague and friend from Oregon in the Chamber. I deeply respect and understand his motivations in seeking to propose that amendment, but as I started to say, some of us have difficulty in agreeing to a list of amendments that has that amendment on it.

Simultaneously, the Republican side has difficulty agreeing to any list of amendments to the foreign operations bill which contains the amendment of my friend and colleague from Colorado concerning international family planning.

Now, I happen to believe that one of the most serious environmental ques-

tions facing the world is the population explosion.

My colleague from Colorado shares this conviction. We are seeing the addition of the equivalent of an additional China every 10 years now, 250,000 additions to the world's population today and tommorow and the next day.

I will not belabor the point on this occasion, except to say that it is an important and vital issue. The United States should be participating not in abortions, but in a sensible, global effort to get the information to people around the world, which is one of the essential elements in stablizing world population growth.

If we are going to stick our heads in the sand for another 10 years and pretend there is no problem with the explosion in world population, then we are not doing a service to our constituents.

Now, if we could have an up or down vote with a reasonable time limit on the amendment proposed by the Senator from Colorado, I am certain we could get a time agreement and an up or down vote on the amendment related to it.

Let us let the Senate debate and vote on both issues. It seems to me to be an imminently fair proposition. The stakes are very high. I believe that is one way to resolve this impasse.

Mr. WIRTH. Will the majority leader yield?

The PRESIDING OFFICER. The Senator from Maine has the floor.

Mr. MITCHELL. I yield to the Senator from Colorado.

Mr. WIRTH. I thank the distinguished majority leader for yielding. I have said on any number of occasions—that I will be offering an amendment on the so-called Mexico City program, regarding our policy on international family planning and that I would like to have a time agreement and a straight up or down vote.

I just want for the record to point out that it is perfectly acceptable to the Senator from Colorado to have a time agreement of 35 minutes, 40 minutes, 1 hour, 2 hours, whatever is the desire of everybody here in the body. So I am perfectly in ageement to an up or down vote and a time agreement.

I agree completely with the suggestion made by the Senator from Tennessee. We may be in a situation where we can agree to a vote on both the amendment offered by the Senator from Oregon, straight up or down; and the amendment which I will offer, straight up or down. I think that would break the logjam and get us out of here tonight; we could finish both bills on Monday, and the solution is right there.

I thank the majority leader for yielding.

Mr. PACKWOOD. Mr. President, I think the suggestion of the Senator from Tennessee is a capital idea. I like the fact that he used the term "logjam." It fits in just right on the amendment that I propose to bring up.

If they are willing to, I am happy to have 40 minutes on this side and do both amendments right away, Mr. Leader. I think it is a wonderful idea.

Mr. MITCHELL. Is there any other Senator who wishes to comment on the suggestion?

Mr. President, I am pleased to yield to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, the notion that Senators are considering now is certainly an intriguing one and may in fact even be a good one. But we understand, of course, that even if there were to be a vote on the amendment by my colleague from Colorado, that were it to pass, there undoubtedly would be other amendments that would be brought up.

So the suggestion which my friend from Tennessee has made really does not resolve the issue. The reality is if my colleague from Colorado wishes to introduce at this point that amendment, which is of course his right, we all understand that, but if he does so, other Senators are going to exercise their rights. We are going to veer off into a whole new controversial area that had not been previously a part of this bill.

I do not think as we consider this notion, which is not an illogical one—it really does not resolve the problem because what would happen if the amendment by my friend from Colorado were to be adopted is it undoubtedly would be the lightning rod which would attract many other amendments.

Mr. MITCHELL. Mr. President, I hope that the suggestion would be attractive to the Senator from Colorado, because he has devoted a great deal of time during which he suggested repeatedly that the Senate should be able to vote up or down on the issue that was then pending.

Of course, this appears to be consistent with the view he expressed with some force of persuasion last evening on another matter.

Mr. ARMSTRONG. Mr. President, I do not think the majority leader or anybody else heard me suggest that it was a bad idea to do that. As a matter of fact, I am one of those who thinks this right-to-life issue ought to be debated every day in the Senate.

Some people have an aversion to bringing up this issue. I do not. I am one of those who think this is such a fundamental, basic issue of concern to practically every American, it is an issue which benefits from discussion. It naturally follows, from the spirited, lively, even extended debate on this subject, that I am not one of those that thinks it is bad to bring up such issues and vote on them.

But I did not want to leave the question raised by my friend from Tennessee unanswered; that would necessarily expedite the proceedings. I am willing to go either way: I am willing to expedite the proceedings by leaving this issue to be discussed on another occasion; or I am ready to discuss not only the amendment of the Senator from Colorado, but the other issues which inevitably are associated with it.

Mr. MITCHELL. Mr. President, before I go through the exercise of propounding the agreement, reading off 29 amendments, may I inquire of every Senator here who intends to object to the suggestion that the Senator from Tennessee has made? I do not mind doing it. I engage in so many futile gestures here, that will not make such difference.

But I thought I would save us all a few minutes of time. Does the Senator from New Hampshire intend to object?

Mr. HUMPHREY. I would be constrained to object on a matter of principle.

I, like my colleagues, want to see my children. But the Senate's time comes before even that.

I would have to object.

Mr. GORE. Will the majority leader yield?

Mr. MITCHELL. Yes.

Mr. GORE. I happen to be one who just cast, along with many of my colleagues, a very unpopular vote at the request of the President, to forgive the Egyptian debt.

We have 200,000 soldiers in the desert in Saudi Arabia right now. Some of them are from my hometown of Carthage, TN, population 2,000. They are backed up by Egyptian troops.

Egypt has made a very unpopular decision. The head of their parliament has just been assassinated. The President of our country has publicly announced this debt relief and called upon us to back up his words and commitments and our troops in the desert.

This controversy now stands to prevent the President from making good on his pledge while our troops are there in the desert.

I would suggest to the majority leader that if we cannot get the agreement which I proposed, after further discussion, we run the risk that the bill itself, with the President's request, will be strung out indefinitely. I do not think that will happen. It might.

But there are procedures known better to the majority leader than to me for invoking cloture and for halting such a debate. But I just will conclude by saying this, Mr. Leader. I believe that the importance of the issue raised by the Senator from Colorado is such that the majority of this body ought to have the right to work its will and to vote on it.

Mr. MITCHELL addressed the Chair.

Mr. WIRTH. Will the majority leader yield?

Mr. WIRTH. I thank the majority leader for yielding. Just very briefly, if I understand the situation, it is as follows: We can proceed right now to the so-called Mexico City amendment. I will agree to a time agreement, a half-hour, an hour, say a half-hour, and we will have disposed of that by 11:30 this evening. That will be gone. We can then move on and pass the bill.

If the President gets the Egyptian loan forgiveness that he wants—on the other side, it has been suggested that they are going to filibuster this, so an hour from now, apparently we are not going to be there. It seems to me that the burden for not getting the request of the President lies squarely with those who are filibustering. If, in fact, we go ahead and have a vote on that issue and then other amendments are offered, the burden for delaying this or putting a stop to the President's request for Egyptian forgiveness lies with those offering amendments.

I would again point out to the distinguished majority leader and to my colleagues that I would be absolutely delighted to have a time agreement tonight. I will do so. We can be finished with this issue in an hour or even less. I thank the majority leader for yielding.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. MITCHELL. I yield to the Senator from New Hampshire.

Mr. HUMPHREY. I thank the majority leader.

Our colleague from Tennessee has correctly pointed out that the Egyptian provision is of great importance to the President. I would also point out that the Mexico City policy is of great importance to the President, of such great importance that he has said that if the Wirth amendment is attached to this bill, he will veto the bill.

So the adoption of the Wirth amendment will, in fact, prevent the President from going forward on the Egyptian proposal at this time.

Mr. ARMSTRONG. Mr. President, will the Senator yield for a question?

Mr. MITCHELL. Excuse me. The Senator from Colorado has asked me to yield. I would like to make this comment just prior to yielding.

There are occasions on which the will of the Senate is unclear. I think this is not one of them. I think it is clear we are not going to get an agreement. I think we are now getting into debating the subjects which are the substance of the issue. So, unless some of the Senators who have been involved have some additional new material to add, I suggest that we simply proceed with the bill and hope that in the course of the evening we will be able to either work out an agreement or proceed to complete action on this bill.

This seems like an unsolvable impasse, but as we all know, we have seen many of these before, and sooner or later it works out. So I think the best thing to do now, since we are really getting into debating the subjects, is to let the managers go on with the bill. We will proceed and do the best we can on this list of 29 amendments and see how it works out in the next few hours.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 3067

Mr. WIRTH. I send to the desk an amendment to the amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. WIRTH], for himself, Mr. CHAFEE, Mr. ADAMS, Mr. BINGAMAN, Mr. BRADLEY, Mr. BURDICK, Mr. CRANSTON, Mr. HARKIN, and Ms. MIKULSKI, proposes an amendment numbered 3067.

At the end of the amendment, insert the following: *"Provided further,* That in determining eligibility for assistance from funds appropriated to carry out the provisions of section 104(b), the Agency for International Development shall not subject nongovernmental and multilateral organizations to requirements more restrictive than requirements applicable to foreign governments for such assistance.".

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. HELMS. No, he does not.

Mr. HUMPHREY. Is it not the rule to recognize the first Senator who rises and seeks recognition?

The PRESIDING OFFICER. The Chair recognized the Senator from Colorado.

Mr. HELMS. He was not first.

Mr. HUMPHREY. The Chair suggests the Senator from Colorado was the first to seek recognition?

The PRESIDING OFFICER. The Chair recognized the Senator from Colorado.

Mr. HUMPHREY. The Senator might wish to review the video tape. The Senator from North Carolina was seeking recognition.

Mr. HELMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. I ask the Chair if the proposer of the amendment does not lose the floor?

The PRESIDING OFFICER. The Senator from Colorado was recognized after propounding the amendment.

Mr. HELMS. But the Chair does suggest that the Senator from Colorado was seeking the floor first? Is that what the Chair said?

The PRESIDING OFFICER. The Chair recognized the Senator from Colorado.

Mr. HELMS. With all due respect, the Chair is flatout wrong.

The PRESIDING OFFICER. The Chair recognized the Senator from Colorado.

Mr. SARBANES. Mr. President, will the Senator from Colorado yield?

Mr. WIRTH. I am happy to yield.

Mr. SARBANES. Mr. President, I do not think it should be left on the record to appear that the Chair made an unfair ruling. I was sitting here and watching it. I think it is fair to say that recognition was being sought by a number of Members on the floor simultaneously, and the Chair has the authority to recognize, and in that instance the Chair recognized the Senator from Colorado. I do not think it was abuse of the Chair's position. I simply want to put that on the record because I do not think it is fair to the Chair for the allegation to have been made that we have just heard.

Mr. HUMPHREY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield?

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. Mr. President, I will not yield at this point. I will be happy to yield as we go into the debate on this important issue.

Mr. President, the amendment which I am offering this evening will put an end to the so-called Mexico City policy, a policy of the U.S. Government which prohibits the United States from assisting hundreds of family planning organizations around the world if those organizations in any way with their own funds provide counseling, information, or health care related to abortion.

In 1973, we established under an amendment offered by the Senator from North Carolina [Mr. HELMS], a very clear policy that the United States would not in any way, shape, or form support abortions. That has been the law of the land since 1973. There is no evidence anywhere that that law has been violated. Nobody has suggested that the United States in any way has, in fact, used taxpayer money to support abortion.

That policy continued very well until 1984, at which point the administration designed the so-called Mexico City policy.

Mr. President, the Mexico city policy was designed, in the words of now Secretary of State Baker, around his desk when he was then Chief of Staff in the White House.

The Mexico City policy had two thrusts to it. One of those was to state that it was the U.S. Government's official policy coming out of the White House—this is a Presidential directive—the U.S. Government's official policy that the United States would no longer consider that population growth was an element that might be injurious to economic development.

That flies in the face of evidence for decades and decades that, if we are in a situation in which population growth around the world or in this country were to accelerate on the basis that it is now, that feeding those mouths, educating those individuals, building the infrastructure, making all of those investments would strain the resources of developed and developing countries to the point that they would not be able to meet their obligations and maintain the standard of living of the individuals at the current time. That policy was thrown overboard in the Mexico City policy. But that is not the thrust of this amendment today. That is only half of the so-called Mexico City policy.

The second part of the Mexico City policy, which is the part that is stated in the amendment which I have offered, relates to the U.S. policy and nongovernmental organizations around the world. Some of the most effective, if not the most effective, organizations in delivering family planning services are so-called nongovernmental organizations, or NGO's. Those nongovernmental organizations are delivering family planning services in big cities and rural areas in Africa, South America, Asia, around the globe, family planning services, and in many of these countries they are not only delivering family services, but in a country like India where abortion is legal, they are also counseling individuals, in some cases offering medical services related to abortion.

In the State of Madras, for example, in India, international family planning programs there would be providing family planning information and, if a woman in Madras were to find that she, for various reasons, had to have an abortion, they would also counsel her on where to go to receive an abortion. Many of these organizations are not themselves offering abortions, are not performing abortions, but are doing the counseling and the advising for individuals, perfectly legal, for example, within the country of India where abortion is legal.

So we have this nongovernmental organization, private organization, in India doing a very effective job of delivering family planning services.

And some of the money that organization receives comes, prior to 1984, from USAID. That USAID money would go to that family planning service in India. None of it would be used for abortion. That is against the law. None of that funding would be used for abortion. So that organization would take in the USAID money and use its own money for the counseling for abortion. They would effectively split the two responsibilities and say no U.S. money is being used for abortion in any way, shape, or form. Their own money would be used to counsel women, provide services and so on.

In 1984, the U.S. Government said, not only—and this was done by Presidential fiat—said not only will we not provide any money for abortions, which had long been our own law, and that is perfectly acceptable, but we are going to say to that organization if you receive any U.S. Government money at all, if that planning organization in India receives any U.S. Government money at all, you cannot, even with your own money, counsel women, tell them that there is an abortion clinic across the street; you cannot do anything that mentions in any way, shape, or form the issue of abortion.

If you do it with your own money, it does not make any difference; if it is just a counseling operation, it does not make any difference; if you do it for the health of the mother, it does not make any difference; you cannot receive any funds from the U.S. Government. That is the so-called Mexico City policy.

That policy was put into effect by a number of individuals who believe—I think in a very wrongheaded fashion, but I am sure they believe this strongly—believed that what was happening was that indirectly the United States was supporting abortions around the world, and therefore ought to be stopped.

So around the table of now Secretary of State Baker went into effect the so-called Mexico City policy. The purpose stated at the time was to assure that the United States, even though we had a law precluding any Federal money from going to the support of abortion, the stated purpose was, well, maybe some of that money may be in some indirect way going to assist abortion. We are going to stop that because we are against abortion.

What is the effect of the Mexico City policy? Here we get to the crux of the issue, Mr. President, because the effect of the Mexico City policy has, in a very perverse fashion, been precisely the opposite of what the authors alleged to have intended when they put into effect this policy in 1984.

For example, there is some evidence around the world, according to some independent organizations, that there has been around the world an increase in the number of abortions since the Mexico City policy was put into effect by the U.S. Government. A perverse effect.

How did that happen? The reason that it happened was that many of these nongovernmental organizations, who had prior to this been receiving USAID money, are now so concerned that they are going to get into legal problems, they are spending so much money doing a lot of the accounting to make sure that nothing is happening.

The chilling effect of this pressure from the U.S. Government—and I read a long piece this morning about family planning programs in Turkey and the damage that United States policy is doing in Turkey—the perverse effect is that a lot of these organizations are leaving the delivery of family planning services. Consequently, Mr. President, one of the effects is that hundreds of thousands of women around the world are not able to receive information, are not able to receive medical care, are not able to receive counseling on what they might do if they have an unwanted pregnancy. They have no ability to receive that any more because these organizations are moving out.

And what happens when that sort of thing transpires? What happens when we have this proliferation of unwanted pregnancies and desperate women? They are then moving to the only alternative left available to them, and that is abortion. Consequently, we appear to have seen a sharp increase around the world in the number of abortions, and even more tragically, probably a sharp increase in the number of abortions that are being conducted in absolutely unsafe, so-called back-alley situations for women.

This policy is having precisely the opposite effect of what it was intended to do and it is having an enormous, almost evil, affect on tens of thousands of women around the world.

That is one of the impacts of the Mexico City policy, precisely the opposite of what the authors intended.

A second effect of the Mexico City policy, Mr. President, has been a sharp decline in U.S. support for population assistance. Since 1984, U.S. support for family planning programs has dropped from around $300 million a year to now a little more than $200 million a year. Precisely the wrong policy that we ought to be pursuing at a time when population trends in the world are going up very dramatically.

The Senator from Tennessee pointed out very accurately that each decade we add a new China; each day, each week we add tens of thousands of individuals on the face of the globe. The world population today is about 5.3 billion people. In about 30 years it is going to almost double to 10 billion people. The population of the world is

growing in a geometric fashion. It is going up and up and up.

If we are, as we should be, Mr. President, concerned about this growth of population; if we are concerned about the impact that it is having on the quality of life, the people on Earth; if we are concerned about the impact that it has on soils, on water, on the atmosphere, on the rain forest, on all of our scarce natural resources, what we ought to be doing is making an effort to slow down this rapid geometric population growth.

But what are we doing as a result of Mexico City? We are doing, in the United States, precisely the opposite. Rather than having a funding effort and a concerted national effort that approaches this problem, our effort is going down as the world's population is going up. And we fancy, Mr. President, that we are leaders of the world. We are doing just the opposite of what ought to be done.

A third effect of the Mexico City policy is to discourage many, many other nations and many, many other family planning programs around the world from continuing to offer services.

I mentioned that the number of unwanted pregnancies has gone up, the fact that the United States commitment has gone down, that the world populations has gone up, and a third effect is that the number of agencies now delivering family planning services to women all over the world is also leveling off and declining. Precisely the opposite impact. And they are looking at us and they are saying this is the chilling effect of U.S. policy coming out of Mexico City.

Fourth, Mr. President, is the whole issue of women having the ability to receive information. The policy that we are pursuing effectively is a gag rule, a gag rule—and I use that world deliberately. It is effectively a gag rule for hundreds of organizations around the world that are delivering family planning services.

This morning I read into the RECORD the story about a woman in Turkey. That woman in Turkey had an unwanted pregnancy. She met with the family planning delivery system in her poor neighborhood in Ankara, and that individual giving those services could not tell her where she could go to get a safe abortion, because that person's organization was receiving money from USAID.

So, this desperate woman in a poor, unpaved back alley in Ankara, went out and got a typical back alley abortion.

That moving story I read into the RECORD this morning was a direct result of the cruel policies being exercised by the United States of America and exactly the opposite of what we ought to be doing.

I would like to read at this point, if I might, Mr. President, a statement made by one of our distinguished colleagues in the House of Representatives, Congressman BILL GREEN from New York. Mr. GREEN said:

> I would emphasize also that it seems to me that women in developing countries, and particularly developing countries where abortion is legal, should have the same rights as American women to make an informed choice when they are being counseled on birth control methods. And obviously an informed choice as to what form of birth control to use cannot be made unless the woman is aware, in those countries where abortion is legal, that in the case of the failure of the method chosen abortion is available as a legal choice if she wishes to exercise that choice because that is part of the informed consent and the kind of information that she needs in order to choose among contraceptive methods which have different failure rates, different side effects, and different consequences.
>
> In countries where abortion is legal I do not see anything wrong with American family planning aid recognizing that women have the right to know that in fact abortion is legal and available in those countries.

I thought that was a very eloquent statement, Mr. President, and just right. We should get rid of the gag rule that we are imposing on institutions around the world.

As a sidebar, Mr. President, I should note that we voted to get rid of that gag rule. The U.S. Senate voted by a vote of 62 to 38 to eliminate the proposal that had been recommended by the President of the United States to gag various family planning entities in the United States, family planning entities who themselves wanted to let people know about the various options available to them.

The administration instituted regulations for title X programs a so-called gag rule which was going to make it impossible for clinics to inform women of their reproductive health options. Planned Parenthood in the United States took that to court. The regulations got thrown out on first amendment grounds. The gag rule was not only thrown out by the court, but when it came up on an amendment offered by the distinguished junior Senator from Rhode Island [Mr. CHAFEE] the gag rule was rescinded. It was voted down by the U.S. Senate by a vote of 62 to 38.

Mr. GORE. Will my colleague yield for a question?

Mr. WIRTH. I would be happy to yield for a question from the Senator from Tennessee.

Mr. GORE. We heard earlier the President of the United States, President Bush, might veto the foreign operations bill which includes the debt relief for Egypt. If this policy change proposed in the Senator's amendment was attached to this bill, is the Senator from Colorado aware of any recent evidence that President Bush is capable of changing his mind?

Mr. WIRTH. Well, I can think of a number of occasions, historically, and modern ones. Historically, I might just read from the RECORD of the House of Representatives of February 24, 1969. That is 20 years ago; in the continuum of history a short period of time but relatively recent, just before the distinguished Senator from Tennessee and I came to the House. President Bush was then Congressman Bush and a Member of the House of Representatives.

In describing his reasons for becoming active in the family planning area, George Bush said:

> We need to make population and family planning household words. We need to take the sensationalism out of this topic so that it can no longer be used by militants who have no real knowledge of the voluntary nature of the program but, rather, are using it as a political stepping stone. If family planning is anything, it is a public health matter.

That was George Bush in 1969, as a very strong advocate of family planning programs. Apparently there has been a very significant shift since.

Mr. GORE. Are there other areas? Does the Senator know, has he changed his mind since?

Mr. STEVENS. Will the Senator yield?

The PRESIDING OFFICER. The Senator from Colorado has yielded to the Senator from Tennessee for purposes of a question.

Mr. STEVENS. I make a point of order, I have not heard any question, Mr. President.

Mr. GORE. If I might respond to the point of order, the question was whether or not there was any recent evidence that the President was capable of changing his mind? I was so impressed with the answer, Mr. President, that I am now compelled to ask a second question, if the Senator from Colorado will yield for that purpose.

Mr. WIRTH. I will be happy to yield to the Senator from Tennessee for that purpose.

The PRESIDING OFFICER. The Senator yields for purposes of a question.

Mr. GORE. Is the Senator from Colorado saying that President Bush himself espoused the very policy embodied in the Wirth amendment when he was a Member of the U.S. Congress? If that is the case, I find it puzzling. I am just wondering if the Senator could clarify that point.

If it is true then that might be further evidence that the President, when confronted with the policy he himself advocated as a Member of the Congress, as a part of this bill, he might reconsider and not veto this bill. Just as he has reconsidered on the question of fiscal policy.

Mr. STEVENS. Point of order.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

He has yielded to the Senator from Tennessee for purposes of a question.

Mr. STEVENS. Parliamentary inquiry, how long is a question on the floor of the Senate at 11 o'clock on Friday night?

The PRESIDING OFFICER. The Senator from Colorado may respond to the question.

Mr. WIRTH. Mr. President, I have read the statement made by the now-President of the United States when he was a Member of the House of Representatives supporting population programs. He has, since then, I believe, changed his mind in some ways and now has supported the population policy which is found in the Mexico City policy. I think we want to give the President, again, the opportunity to go back to his what I think is the right-minded and solid approach, recognizing as he did at the time, the world population issues are very significant indeed.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I seek recognition.

The PRESIDING OFFICER. The Senator from Colorado has the floor.

Mr. STEVENS. Mr. President, point of order, our leader has sought the floor.

The PRESIDING OFFICER. The Senator from Colorado has sought the floor.

Mr. WIRTH. I believe the Senator from Colorado has the floor; is that correct?

Mr. SIMPSON. Mr. President, point of order. I have been here all evening. I have watched people on our side of the aisle seek recognition, standing to receive it, and see the occupant of the chair ignore them. If that conduct continues, it will not be good for this body. It does not matter what hour of the day or night. But that must not continue.

If we are just going to have a ping-pong match and ignore the rules of the Senate, which is to address the Chair instead of a little colloquy in the corner, then this Senator is not going to allow that to proceed.

Mr. GORE. Parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator from Colorado has the floor. Does the Senator from Colorado yield for purposes of parliamentary inquiry?

Mr. WIRTH. I yield for purposes of parliamentary inquiry, Mr. President, without yielding my rights to the floor.

The PRESIDING OFFICER. Is there objection to the Senator yielding for that purpose?

Mr. STEVENS. Objection.

The PRESIDING OFFICER. Objection is heard. The Senator from Colorado has the floor.

Mr. WIRTH. This morning I read with some emotion this extraordinary story about Turkey, and this country, which has enormous population problems, bowing to United States pressure.

The coordinator of the project in this poor area of Ankara can barely—

To read from the end of the story—

can barely control her rage over the American policy and its impact on the women that she is trying to help.

"Our distributors spend a lot of time convincing these women to use birth control," she says. "They share their most intimate concerns, become their confidants. But as soon as they develop this terribly important problem, we turn our backs and say there is nothing we can do. It is incomprehensible."

I believe this policy, Mr. President, is incomprehensible. I think it is exactly the wrong policy for us to be pursuing in a day and age in which the world population is escalating dramatically. I think it is having just the opposite impact of those who framed the policy around Jim Baker's desk in the White House in 1984. The purpose at that point was to limit abortions. The result has been just the opposite, to increase abortions. We should turn this policy around, Mr. President, and we can do so by accepting the Wirth amendment.

As a final note, let me once again reiterate what the understanding of the Senator from Colorado is. The Senator from Colorado has said—and I will repeat the offer—that I will be very pleased to have an up-or-down vote on this issue, Mr. President, with a time agreement of whatever is acceptable to the managers of the bill, the Democratic manager and the Republican manager.

Everybody knows what this issue is. We can have a straight up-or-down vote. I do not intend to delay this bill. At the President's request, I voted for Egyptian debt relief that was brought up earlier. I voted against the amendment offered by the Senator from Iowa to strike Egyptian debt relief.

I think the President is doing the right thing. I think we ought to be giving him the Egyptian debt relief policy he wants and which is so important to our policy in the Middle East. I believe that, Mr. President, and I believe that we can move ahead and adopt this amendment. We can do it right now on a straight up-or-down vote. We can adopt this amendment immediately, move right along, and give the President what he wants.

The Senator from Colorado, I again point out, is not in any way, shape, or form delaying this bill. I would have a time agreement of 2 minutes, 5 minutes, 10 minutes, whatever. We can vote on this and move on. It is those, Mr. President, who suggest that they want to filibuster this who are delaying the President's policy and the President's request for Egyptian aid. It is those who suggest if this amendment is adopted, what they will do, Mr. President, is offer a whole series of other amendments. It is they, Mr. President, who are delaying the President's request for debt relief on Egypt.

I hope that my colleagues will share with the deep concern about U.S. policy around the world, deep concern about the leadership that we have abdicted in this important family planning population issue around the world; that they share with me indignation at the fact that we do not allow women simply to receive information; that we are gagging women on the continent of Africa, on the continent of South America, on the continent of Asia; we are gagging those very institutions that women depend upon for information and services. We should support this amendment, Mr. President.

I am pleased to be able to bring this amendment and bring this issue in front of my colleagues. I hope that we can dispense with it rapidly and we can achieve a time agreement quickly, Mr. President. I will be here with a variety of other information.

I ask unanimous consent that a variety of documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 2, 1990]

EGYPTIAN POPULATION GROWTH STRAINS RESOURCES AND SOCIETY

(By Alan Cowell)

CAIRO, July 2.—Aam Kamel bought his first television set the other day, but by then it was much too late.

The television introduced him to a prime-time advertising campaign urging Egyptians to have fewer children. But Aam Kamel, 61 years old and the janitor of an apartment house in a smart part of town, already has nine children ranging in age from 2 to 30 years and says he is happy with his lot. He says he would not, in any event, have planned things otherwise.

His four girls, 6 to 12 years old, help him do his job, running errands for the tenants of the 40 apartments in his block in return for 10-cent tips to augment his salary of around $80 a month, he said. When they reach their early teens, they will go back to the family's ancestral village on the Nile near Aswan, marry and have children of their own. "It is the tradition," he said.

But it is a tradition that creates Egypt's biggest single problem: a population growing so fast that it outstrips the land, the jobs, the food. The issue has raised tensions between secular authorities favoring birth control and some religious leaders opposing it as contrary to the Islamic faith, and has caused differences within Islam itself.

"We increase by about one million and a half every year," President Hosni Mubarak said recently. "It threatens to choke all our efforts in all fields and quashes all hope of growth, production and development."

Growing populations that outstrip resources are a problem throughout the third world, bringing the same problems of deprivation.

In Egypt, the growth rate, officially put at 2.7 percent, is not the highest in the world. But the population is growing in an unusually tight geographic straitjacket: only 4 percent of the country's land surface, along the ribbon of the Nile and the green fan of its delta, can be cultivated.

While the birth rate remains high, the death rate is falling and the booming population, now estimated at 53 million, crams onto the land, building new homes where once there were crops.

The country has become the world's largest importer of wheat flour to feed a population whose staple is bread. Half of the country's food is imported, at a cost of $5 billion a year, contributing to Egypt's foreign debt of $44 billion.

"If people did not have 8, 9 or 12 children, there would not be a food problem," President Mubarak said on another occasion.

AID FROM THE UNITED STATES

The United States alone provides hundreds of million of dollars in credits and food aid each year, complementing that assistance with a 10-year aid program worth more than $100 million to support the Government's family planning campaign. The campaign, to which other Western countries also contribute, is intended to reduce the number of children per family to 3.5 from 4.5 by providing wider services for the distribution of contraceptives and raising public awareness.

The nation remains on the brink of disaster, and trying to pull back from it, the Egyptian leader has said, is like trying to "budge an iron door weighing 100 tons."

Yet some see glimmers of hope. In the late 1970's, said Nabil Osman, a former diplomat who heads the information campaign to persuade Egyptians to have fewer children, about one-fifth of Egyptian women used contraception. The newest official statistic, which emerged last year, is 38 percent. Over the last 20 years, the average family size has dropped to around 4.5 children from 7. But since the overall population is bigger, the number of Egyptians born each year is nonetheless increasing.

NO MAGIC WAND

"Progress is slow because of the nature of the problem," Mr. Osman said. "There is no magic wand. You are dealing with human chemistry, with the innermost soul, habits and customs. You are changing behavior."

The customs die hard. Many, like Aam Kamel—his nickname is comparable to Uncle Kamel, his real name is Rekaby Hassan Ali—see children as part of their potential labor force. This is particularly true in the villages of Upper Egypt, the southern region, where contraceptive use is least favored, and children start working in the fields and villages at 6 or 7.

Some children "skip education," Mr. Osman said. "So what I propagate falls on deaf ears. With the educated we have no problem. We have a problem with the literate and semi-literate."

Moreover, such is the traditional urge to marry off daughters as soon as they reach puberty that many families arrange early weddings, as Aam Kamel does for his daughters. By law, a woman may not marry until she is 16. But in practice, many families acquire documents for their daughters showing false ages, enabling them to wed and procreate earlier. Almost two-fifths of Egypt's brides are believed to be under the legal age for marriage.

BIRTH CONTROL ISSUES

Probably the strongest challenge to advocates of family planning comes from the faith of Islam and the reluctance of many of its priests to urge birth control from the pulpit.

Last year the Grand Mufti, Mohammed Sayed Tantawi, Egypt's senior Muslim cleric, issued a fatwa, or religious edict, stating that "Islam in certain conditions does not forbid progeny planning by using a contraceptive or applying any other means to prevent pregnancy."

The 21-page ruling cited precedent and Koranic text to assert that "family planning does not contradict the words of Allah."

But sociologists say that message is not spread in many of Egypt's 75,000 mosques, two thirds of which are privately owned and thus free of Government influence. Many local priests contend that Islam prohibits contraception of all kinds. And in a land where Muslim fundamentalism is deep-rooted and viewed by the authorities with apprehension and suspicion, President Mubarak's secular regime has shied from confrontation with all but the most extreme Muslims.

But such is the suspicion of family planning expressed by some religious figures that, a couple of years ago, an Islamic newspaper published a story saying that United States aid for Egypt's birth control efforts was part of a plot by American Jews to counter the weight of Arab numbers in the conflict with Israel.

And other problems abound. A woman, who did not wish to be identified said she had sought advice on the use of contraceptives but had been unable to find advice on how to get them from the many Government clinics that distribute pills, intrauterine devices and condoms at nominal prices.

In Upper Egypt, moreover, men do not allow their wives to be examined by male gynecologists, Mr. Osman said. But few women who work as gynecologists want to go to Egypt's far-flung corners to work.

[From the New York Times, Feb. 27, 1989]

ABORTION-AID CUTOFF STILL BEING JUDGED

(By Tamar Lewin)

Family-planning groups predicted a dramatic rise in unwanted births and unsafe abortions abroad when the United States announced in 1984 that the American agency that administers foreign aid abroad would not finance projects abroad that promoted abortions. But five years later, even the most fervent opponents of the policy say its impact is difficult to gauge.

Only one group, the International Planned Parenthood Federation, has actually lost its money from the Agency for International Development, and the $12 million the federation received in 1984 was quickly made up by donations from other sources.

For 10 years before the policy change, Congress prohibited the use of the agency's money to pay for abortions, but groups that received separate financing for abortions could continue to receive A.I.D. money for other activities.

Under the policy change, groups that receive funds from the A.I.D. agency must agree that neither they nor the projects they support will perform abortions, refer or counsel for abortion, or lobby for less restrictive abortion laws.

SOME CHANGES ARE SUBTLE

Abortion is illegal in most third world countries, so activities promoting abortion were never a large part of the A.I.D. agency's work. But those who work with family planning groups overseas say the five-year-old policy has contributed to more subtle problems: a silence about unsafe abortions; a lack of information about the number of women maimed or killed as a result of clandestine abortions; a reluctance to train technicians who work in family planning clinics, helping handle unwanted pregnancies and botched abortions, and a near halt in the liberalization of abortion laws in third world countries.

The World Health Organization, a specialized United Nations agency, has estimated that 125,000 to 200,000 women worldwide die every year because of complications from abortions, and many health experts say that the numbers are rising as women in the third world become aware of the advantages of smaller families.

Family planning experts say abortion complications account for about 20 percent of maternal deaths in third world countries, about the same proportion as in the United States before abortion was legalized, at which point abortion-related deaths dropped to less than 2 percent of maternal mortalities.

IT IS A TERRIBLE SITUATION

Dan Weintraub, the vice president for international programs of the Planned Parenthood Federation of America, said: "There is a disagreement about the actual number of deaths in third world countries each year from incomplete abortions and no way of finding exact data. But whether it's 100 women dying every day or 1,000 women dying every day, it is a terrible situation."

Mr. Weintraub's group and other family planning organizations have filed lawsuits challenging the American policy as an unconstitutional infringement on free speech. The suits are pending in Federal courts in New York and Washington. Planned Parenthood is also waging an advertising campaign to persuade President Bush to change the policy.

Deploring the lack of information being gathered about abortions, Joan Dunlop, president of the international Women's Health Coalition, said, "There has been self-censorship in many countries that has led to a loss of communication between the established family planning organizations and the abortion providers they used to provide referrals to." And she said there has also been "a widespread reluctance to gather data on abortion or to study abortion for fear that it will lead to ostracism."

Deborah Maine, a maternal mortality expert at the Columbia University School of Public Health, said the policy's effect on unsafe abortions was unclear. "But you can say," she said, "that one out of every 60 adult women in Addis Ababa is going to die as a result of an induced abortion, and because of the policy, we are not doing anything to help remedy that. We don't have the data on sins of commission, but we know the bodies are piling up, and the sins of omissions are serious."

Some experts say the concern over losing A.I.D. financing led some family planning clinics to stop treating women who arrived with severe bleeding or infection after a self-induced abortion.

In Bangladesh, where early abortion is legal under the guise of "menstrual regulation," Dr. Sharon Camp, vice president of the Population Crisis Committee, reported finding an organization that not only stopped performing early abortions in 1985, but now turns away women suffering the

after-effects of self-induced abortion, even when they might die without medical treatment.

THE TOPIC IS OFF-LIMITS

In many countries people now receiving training as technicans in family-planning clinics are often given no information at all on how to handle complications from abortions.

Elizabeth Coit, a senior program officer at the International Women's Health Coalition, said, "The topic is off-limits, even though it's so much a part of the reality of women's lives that people in Ivory Coast even have a phrase that would translate to 'two practitioner procedure,' which means that someone starts the abortion and gets you to the point where you're in bad enough shape so you have to go somewhere else to get medical help."

A paper published last summer by the Population Council, a New York-based group concerned with population growth, said that Kenyatta National Hospital in Nairobi, Kenya, and Mama Yemo Hospital in Kinshasa, Zaire, which each reported 2,000 to 3,000 admissions a year for complications from abortions in the late 1970's and early 1980's, now report a five-fold increase. And a 1986 study of maternal mortality in Addis Ababa disclosed that 54 percent of all maternal deaths were related to abortions.

The Pan American Health Organization said that abortion is now the leading cause of pregnancy-related deaths in Latin America. Health experts estimate that although abortion is illegal in Latin America, with the exception of Cuba, about 20 to 25 percent of all pregnancies are deliberately aborted.

Mr. BINGAMAN. Mr. President, I rise today in support of the amendment offered by my distinguished colleague, Senator WIRTH. This amendment, which I am pleased to cosponsor, would strengthen the U.S. international population assistance program by reversing an inequitable and illogical policy. Since 1984, when President Reagan first announced the policy at the International Conference on Population in Mexico City, all U.S. family planning aid to foreign nongovernmental organizations has been conditioned on the organizations' agreement to withhold any services or information about abortion that they otherwise might offer, even with their own funds. The time has come to replace this symbolic and political policy with a realistic, humane policy that restores credibility to the U.S. international population assistance program.

If the original intent of the Mexico City policy was to reduce abortions, then it has failed miserably. Mr. President, according to the World Watch Institute, every year 50 million abortions occur worldwide, half of them illegal and under risky and unsanitary conditions. By mandating that private organizations overseas withhold important information on legal health care options, we are forcing millions of women to make uninformed decisions about their futures, and, often, to put their own lives at risk. The women of the world deserve better than this, Mr. President. Last month, a majority of the Senate agreed that the women of the United States—regardless of their economic status—had the right to full and complete information about all their health care options when we voted to overturn a similar "gag rule" that had been imposed on domestic family planning programs and organizations. I believe all the world's women deserve this right.

Mr. President, in closing, I wish to commend my distinguished colleague and good friend from Colorado for his leadership on this issue. I urge my colleagues to acknowledge the logic of this amendment and vote in favor of this vital legislation.

Mr. LEAHY. Mr. President, I strongly support this amendment and commend the Senator from Colorado for offering it.

The amendment would reverse a policy that for 5 years has put the United States in the position of denying support to private family planning organizations which use their own funds to provide information about abortion.

Let me begin by pointing out that this bill explicitly prohibits any U.S. funds from being used for abortions. This amendment will not change that at all.

But as one who has strongly supported international family planning, the Mexico City policy makes no sense. It prevents our government from supporting a vitally important organization like the International Planned Parenthood Federation, unless it agrees not to use its own funds to provide information about abortions overseas.

That would be unconstitutional in our own country. It puts the United States on the wrong side of one of the most serious problems facing the world today—how to control a population explosion that threatens the very survival of this planet.

Under the Mexico City policy, even in a country like India where abortion is legal, a family planning organization cannot give women information about abortions if it wants to receive United States funds to carry out other voluntary family services, like distribute contraceptives.

This amendment would allow the United States to support private organizations overseas as long as they do not use the U.S. funds for abortions. These private organizations need support. Many of them work in countries where the United States provides no or almost no family planning assistance, like India, Mexico, and Brazil.

A vote for this amendment is not a vote for abortion. In fact, by not supporting the other voluntary family planning activities these organizations engage in we only make it more likely women will resort to abortions.

Mr. President, every year the world's population grows by 95 million people—equal to the entire population of Mexico. Ninety-five percent of those births will occur in the poorest countries. Most countries in Africa are doubling in size in less than 25 years.

Hundreds of millions of women in those countries want contraceptives but cannot get them. That is the effect of this misguided policy. By denying those women access to family planning they are left with no alternative but abortion.

I commend the Senator for his amendment.

Several Senators addressed the Chair.

The PRESIDING OFFICER (Mr. CONRAD). Senators will suspend for one mement.

The Chair wants to indicate because of the lateness of the hour and the intensity of the feeling, that while debate is generally liberally dealt with on the floor of the Senate, the Chair would advise Senators of rule XIX and the Senators would yield to other Senators for questions only and that all comments be directed to the Chair so that we maintain the civility of the Chamber.

The majority leader.

Mr. MITCHELL. Mr. President, it is past 11 on a Friday evening. I think everyone here is tired. That is probably the one thing we can all agree upon.

Given the status of the pending matter and the unlikelihood of being able to resolve this matter at this time, it is my suggestion—and I had a chance to discuss it just momentarily with the distinguished Republican leader—that we recess for the evening and come back tomorrow and see if there might not be some way to proceed with respect to this measure at that time.

I yield to the distinguished Republican leader.

Mr. DOLE. Mr. President, as I understand it, we will come back on the foreign operations appropriations bill.

Mr. MITCHELL. That is correct.

Mr. DOLE. Would it be the intention of the majority leader to stay on the bill throughout tomorrow or until completion?

Mr. MITCHELL. I had hoped we would stay on it until completion today. That has proven to be impossible. As the distinguished Republican leader knows, I made an effort to bring up the interior bill first thing this morning. It would have been my intention to go to the interior bill this evening anticipating, in retrospect wrongly, that we would be able to get an agreement on that and the foreign operations bill.

I also sought in vain to get an agreement to do both on Monday under time agreements. None of those have proven feasible. So I suggest that we come back tomorrow, resume consideration of the measure at that time, and

attempt to bring it to a conclusion. But I am not able to say exactly how we are going to do that given the situation we are in. Perhaps after a good night's sleep, we will all have a clearer idea of that.

Mr. DOLE. One way to test the amendment before us, I would be willing at this point to move to table the amendment and see if we might dispose of it in that way. That might speed it up. If it is not tabled, then obviously it will still be subject to debate.

Mr. WIRTH. If the distinguished Republican leader will yield, the Senator from Colorado said on a number of occasions that I would be happy to move in whatever way the managers of the bill think is appropriate on the amendment. As long as we get an up-or-down vote—and, obviously, the Republican leader can offer at any time to take the amendment; I have no control over that motion—that is something that is perfectly, as I understand it, perfectly within his rights to do so.

Mr. DOLE. I would only do it to see if we can speed up the process. I do not want to frustrate debate. It is 10 after 11. We hope to adjourn sine die next Wednesday. It is 10 after 11 on Friday night. We still have major appropriations bills to do, the budget agreement, and a number of other matters. There are 30 interior amendments on this side and 13 remaining on the Republican side on foreign ops. If there might be some way to accommodate the schedules of everyone, at least make some determination, I will be pleased to make the motion at this time.

Mr. MITCHELL. I yield to the Senator from Colorado.

Again, does the Senator have any objection proceeding that way?

Mr. WIRTH. Mr. President, we can have an up-or-down vote. Everybody understands the motion to table is a vote as to whether we are going to table further consideration of the amendment which I have offered to delete the Mexico City policy or not. So effectively what we are doing is having a vote, although it is couched in a different way, on the Mexico City policy. People can explain their vote, obviously, up or down on this anyway they want to. That is effectively what we are doing. That is find with me. I appreciate the courtesy of the distinguished majority leader in asking my opinion on it.

Mr. DOLE. Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MITCHELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, this will be the last vote of the evening and, irrespective of the outcome, the Senate will go into recess until Monday morning. It is my conclusion that, whatever happens, we are not going to make progress in the morning in any event.

I do ask that any Senator who has an interest in the bill and possible amendment should stay because we are going to try to get an agreement limiting amendments and specifying time limitations for debate on those amendments following this vote. So every Senator should be on notice that we will be attempting to get a unanimous-consent agreement with respect to the disposition of this bill on Monday, and the same with respect to the interior bill.

I will be pleased to yield to the distinguished manager.

Mr. LEAHY, Mr. President, I thank the leader. I might say to those who have amendments that they wish accepted, please do stay by and try to work out something very quickly tonight. I think the managers will look with greater affection as we approach the witching hour this evening than we might in the cold light of Monday morning.

Mr. DOLE. Mr. President, will the majority leader yield? It is my understanding that after the vote there will be an effort to sort of put a net around this particular bill, and we will get some agreement that the following amendments be in order to a time agreement, I guess, depending on what happens.

I just observe that if this motion to table prevails it might speed up final disposition of this bill.

Mr. WIRTH. Regular order.

Mr. DOLE. Those who do not have strong feelings on the issue but have strong feelings about adjournment, and seeing your families.

Mr. MITCHELL. Mr. President, as I indicated, we will be recessing until Monday, irrespective of the outcome of this vote.

I hope that we are going to be able to complete action on the remainder of these appropriations bills on Monday, lest we not meet the Wednesday midnight deadline.

Mr. President, upon my yielding the floor, will the vote occur?

The PRESIDING OFFICER. The majority leader is correct.

Mr. MITCHELL. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas to lay on the table the amendment of the Senator from Colorado.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Michigan [Mr. RIEGLE] is necessarily absent.

Mr. SIMPSON. I announce that the Senator form Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER (Mr. EXON). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 41, nays 57, as follows:

[Rollcall Vote No. 298 Leg.]

YEAS—41

Armstrong	Exon	McCain
Bond	Ford	McClure
Boren	Garn	McConnell
Boschwitz	Gorton	Murkowski
Breaux	Grassley	Nickles
Burns	Hatch	Pressler
Coats	Heflin	Reid
Cochran	Helms	Rudman
D'Amato	Humphrey	Stevens
Danforth	Johnston	Symms
DeConcini	Kasten	Thurmond
Dole	Lott	Wallop
Domenici	Lugar	Warner
Durenberger	Mack	

NAYS—57

Adams	Glenn	Mikulski
Akaka	Gore	Mitchell
Baucus	Graham	Moynihan
Bentsen	Harkin	Nunn
Biden	Hatfield	Packwood
Bingaman	Heinz	Pell
Bradley	Hollings	Pryor
Bryan	Inouye	Robb
Bumpers	Jeffords	Rockefeller
Burdick	Kassebaum	Roth
Byrd	Kennedy	Sanford
Chafee	Kerrey	Sarbanes
Cohen	Kerry	Sasser
Conrad	Kohl	Shelby
Cranston	Lautenberg	Simon
Daschle	Leahy	Simpson
Dixon	Levin	Specter
Dodd	Lieberman	Wilson
Fowler	Metzenbaum	Wirth

NOT VOTING—2

Gramm	Riegle

So, the motion to lay on the table was rejected.

Mr. WIRTH. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent to temporarily lay aside the amendment of the Senator from Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, we obviously are not going to have a unanimous-consent agreement on either the list or duration of amendments tonight, now this morning. I thought what we might do is this: The distin-

guished Senator from Wisconsin and I have been looking at the amendments. There are a number of items cleared. There are Senators standing by who have items that they will clear. I will be perfectly willing to bring those up at this time.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

AMENDMENT NO. 3068

(Purpose: To call for the creation of an International Criminal Court with jurisdiction over those crimes defined in various international conventions)

Mr. SPECTER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SPECTER] proposes an amendment numbered 3068.

Mr. SPECTER. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . (a) The Congress finds that—

(1) the international community has defined as criminal conduct in various international conventions, certain acts such as war crimes, crimes against humanity, torture, piracy and crimes on board commercial vessels, aircraft hijacking and sabotage of aircraft, crimes against diplomats and other internationally protected persons, hostage-taking, and illicit drug cultivation and trafficking;

(2) in spite of these international conventions, the effective prosecution of those who commit criminal acts has been seriously obstructed in certain cases because of problems of extradition and differences between the legal and judicial systems of individual nations;

(3) the jurisdiction of the International Court of Justice extends only to cases involving governments, and not to individual criminal cases;

(4) the concept of an international criminal court has been under consideration in the United Nations and other international fora for many years, including proposals and reviews undertaken in 1990 by the United Nations General Assembly, the International Law Commission, and the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders;

(5) the international military tribunals established in Nuremburg, Germany, and Tokyo, Japan, following World War II also establish a precedent for international criminal tribunals; and

(6) there is growing movement among nations of the world to formulate their economic, political and legal systems on a multilateral basis.

(b) It is the sense of Congress that—

(1) the United States should explore the need for the establishment of an International Criminal Court on a universal or regional basis to assist the international community in dealing more effectively with criminal acts defined in international conventions; and

(2) the establishment of such a court or courts for the more effective prosecution of international criminals should not derogate from established standards of due process, the rights of the accused to a fair trial and the sovereignty of individual nations.

(c) The President shall report to the Congress by October 1, 1991, the results of his efforts in regard to the establishment of an International Criminal Court to deal with criminal acts defined in international conventions.

(d) The Judicial Conference of the United States shall report to the Congress by October 1, 1991, on the feasibility of, and the relationship to, the Federal judiciary of an International Criminal Court.

Mr. ARMSTRONG. Before the Senator proceeds, will he yield to me for a moment?

Mr. SPECTER. I do

Mr. ARMSTRONG. Can I have the attention of the manager to ask a question?

I thought I heard the manager say he did not intend to seek or expect a unanimous-consent agreement on the bill tonight. If that is the case, some of us will go on home. But I did not want to do that if I misunderstood his intention.

Mr. LEAHY. Mr. President, I tell the distinguished Senator from Colorado that I hoped that we could have, but I understand that there are some objections on his side of the aisle to that. Of course, every Senator has a right to object. So for the sake of bringing it up and having it objected to, I have no intention of doing so, nor will I seek a unanimous-consent agreement tonight. But I will get rid of a number of amendments that are acceptable or cleared for action.

Mr. ARMSTRONG. I thank the manager.

One other question. Has the leader announced what our schedule is for Monday?

Mr. MITCHELL. Mr. President, I did not hear the question.

The PRESIDING OFFICER. The Senator from Pennsylvania has the floor. Does the Senator yield further?

Mr. SPECTER. I will be glad to yield to the majority leader. I need not go through the formality of a unanimous-consent request to reserve my right to the floor.

Mr. MITCHELL. I did not hear the question.

Mr. ARMSTRONG. Mr. President, if the Senator will yield, I was asking if the leader announced what our schedule was for Monday. I understand from the managers we are not going to seek any UC tonight on this bill. I am wondering if the Senator has announced a time for convening on Monday?

Mr. MITCHELL. The Senate will convene at 10 a.m. and be back on the bill at 10:30

Mr. ARMSTRONG. I thank the Senator.

Mr. SPECTER. Mr. President, the amendment which I have sent to the desk calls for an exploration by the United States for the establishment of an international criminal court on a universal or regional basis to assist the international community in dealing more effectively with criminal acts defined in international conventions.

Mr. President, this amendment is part of an effort which this Senator has made for a time on the internationalization of law enforcement occasioned by our need for multinational action against terrorism, drugs, and we see the need for multinational action in Iraq.

We have had a sense-of-the-Senate resolution agreed to by this body as early as 1986 on the instance of this Senator and have moved ahead with the multinational strike force and now in Iraq we see a multinational army.

I know the hour is late, but I want to take a moment or two to explain this amendment because I think it is an important amendment.

Mr. LEAHY. If the Senator will just yield for a comment. The amendment sounds very appealing to the manager of the bill. I certainly would urge that the Senator not continue such at length that the appeal will diminish only to a distant memory.

Mr. SPECTER. The distinguished manager has suggested brevity. It is something I am not overlooking entirely. But I think another 45 seconds would probably be permissible, Mr. President.

There has been the precedent of an international court in Nuremberg. We have seen in our relationship with the Soviets an interest in drug dealing and in terrorism. There are enormous problems in extradition illustrated by our efforts in Colombia where we have extradited some but not others. We have had enormous problems with terrorists like Abu Abbas who was forced down in Italy. The Italians would not turn him over to us. We did arrest a man named Fawaz Yunis and brought him back from the Mediterranean to the United States for trial. This is an area of enormous importance.

After considerable discussion with the legal counsel and others in the administration, I am now advised that the administration is in favor of proceeding with this kind of an exploration. The essential part calls for the President to report by October 1, 1991, and the Judicial Conference of the United States to similarly make a report by October 1, 1991, on the feasibility of and the relationship of the Federal judiciary to such an international criminal court.

Companion action is being taken in the House, and on signal from the distinguished manager, director, who is orchestrating the conclusion, I think that states it in essence.

39-059 O-91-8 (Pt. 22)

I now yield to my colleague from Vermont.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I have no objection to this amendment and urge its adoption. I am also authorized to state the same for the distinguished Senator from Wisconsin [Mr. KASTEN].

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3068) was agreed to.

Mr. SPECTER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. I commend the Senator from Pennsylvania because this is an area where he has shown great persistence and leadership and I commend and applaud him for his effort.

Mr. SPECTER. I thank my friend from Vermont.

AMENDMENT NO. 3069

(Purpose: To further condition military assistance to the Government of El Salvador)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of the Senator from Arizona [Mr. DECONCINI] and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. DECONCINI, proposes an amendment numbered 3069.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 531(c)(1), add the following new subparagraph:

"( ) The Government of El Salvardor has failed to actively seek and encourage a law enforcement service from outside El Salvador, such as Scotland Yard or INTERPOL, to accompany and monitor investigators of the Government of El Salvador in their investigation into the eight murders at the University of Central America on November 16, 1989."

Mr. DECONCINI. Mr. President, the amendment I am offering today adds another condition on the military assistance which the United States may provide to the Government of El Salvador. It urges the Government to actively seek and encourage a law enforcement service from outside El Salvador—such as Scotland Yard or Interpol—to monitor the El Salvadoran Government investigation of the murder of the Jesuits.

This is something upon which I have focused my attention since my meeting in San Salvador with President Cristiani on December 18, 1989.

As we all know too well, in the early morning hours of November 16, 1989, six Jesuit priests, their housekeeper and her daughter were murdered at the University of Central America in San Salvador. The murders occurred during the military offensive which had been launched by the FMLN and which had caused great turmoil and chaos in the country.

I was in El Salvador a few weeks after the offensive and spoke at length with President Cristiani about the investigation. I asked him if he had requested investigative assistance from experts other than united States and Salvadoran authorities.

The reason I inquired is because I wanted to ensure that the conclusions reached in the investigation would be seen as having credibility both within El Salvador and in the international community. Any involvement by our Government in this investigation would have a hard time being viewed as credible or impartial by many observers.

Instead, I encouraged President Cristiani to invite outside teams to assist, or at least observe, the Salvadoran investigative team. I suggested that possible groups could include experts from Scotland Yard or interpol. Interpol is a 142 member organization which coordinates international criminal investigations and is located in France.

President Cristiani indicated, during my December visit, that investigators from Spain and Scotland Yard had been invited to participate. I said that this was a positive step and I suggested that these groups be allowed to work side-by-side with the Salvadorans. The President was noncommittal on this point.

Subsequently, in hearings before the Foreign Operations Subcommittee and in conversations with the administration, I asked if outside legal experts were indeed allowed on the scene. I received vague answers, if I received any answers at all. The Embassy of El Salvador assured me that "the Spanish are involved" and that "Scotland Yard will be issuing a report soon."

In August, I received information from our Ambassador, Mr. Walker, that the Spanish detectives were only in El Salvador for a short time and that any other investigators left shortly after the military personnel were charged in the case in January.

The case of the Jesuits is very important. It has become such a focal point of the debate on this issue that it rivals the debate and outrage over the murders of the American churchwomen and Archibishop Romero. Bringing those responsible for these horrible acts to justice should be one of our major goals in our relations with El Salvador.

Other goals should be ensuring that significant reforms are instituted within the Salvadoran military and that it is placed under firm civilian control.

To insure that justice is accomplished, and that the murders have been properly investigated, I urge that my amendment be adopted. We need to send the strongest message possible to the Government of El Salvador that resolution of this case is extremely important to the people of this country.

Mr. LEAHY. Mr. President, I understand this amendment has been cleared all around. I urge its adoption.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 3069) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3070

(Purpose: To terminate United States contact with the Palestine Liberation Organization)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. DECONCINI, Mr. GRAHAM, Mr. D'AMATO, Mr. HUMPHREY, Mr. MACK, Mr. KERRY, Ms. MIKULSKI, and Mr. LAUTENBERG and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] for Mr. DECONCINI, for himself, Mr. GRAHAM, Mr. D'AMATO, Mr. HUMPHREY, Mr. MACK, Mr. KERRY, Ms. MIKULSKI, and Mr. LAUTENBERG, proposes an amendment numbered 3070.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 74, strike out line 20 and all that follows through line 6 on page 75 and insert in lieu thereof the following:

PROHIBITION ON CONTACTS WITH THE PALESTINE LIBERATION ORGANIZATION

SEC. 528. Notwithstanding any other provision of law, no funds appropriated or otherwise made available to the President by this Act for fiscal year 1991 or thereafter shall be used to support enhance, develop, or otherwise sustain contacts with the Palestine Liberation Organization or any of its constituent parts, persons, or entities under its control or influence by any department, agency, official or entity under the jurisdiction of the Government of the United States.

Mr. DECONCINI. Mr. President, today I rise to offer a very simple amendment that is designed to send a strong message to Yasser Arafat. My amendment prohibits any funds in this appropriations bill from being

used to maintain any official or unofficial contact with the Palestine Liberation Organization [PLO] by any official of the United States Government. I am pleased to be joined in this effort by my friend from Florida, Senator GRAHAM, as well as Senator HUMPHREY and Senator D'AMATO.

There are nearly 200,000 brave men and women in the desert in Saudi Arabia defending America's vital interests. They are suffering from the heat, they are bored, they are separated from their families and loved ones. Meanwhile in Iraq, PLO Chairman Yasser Arafat has joined forces with the butcher of Baghdad, Saddam Hussein.

Not only did Arafat and the PLO refuse to join with a majority of their Arab brothers and financial supporters to condemn Iraq's illegal invasion and annexation of Kuwait, they also moved at least part of the PLO's headquarters to Baghdad to be closer to their friend and ally, Saddam. There are some who have been uncertain about whether or not it is good U.S. foreign policy to engage in even a limited dialogue with the PLO. I encourage them to talk with the people of Kuwait.

Kuwait had, for many years, provided the PLO with substantial funds to maintain its operations and its international agenda. Yet without batting an eye, Arafat turned his back on Kuwait and the other Arab States upon which he had earlier relied. If he can do this to his supposed allies, how can we trust him?

My colleagues will recall that less than 2 years ago Arafat uttered the magic words, "renounced violence," and met the conditions which had been long established for initiating an official dialogue with the United States. I had very strong doubts about that decision by former Secretary of State George Shultz, but I grudgingly supported that decision.

It was only too soon, however, before we learned the true value of those words. Acts of violence occurred in and around Israel, yet Arafat remained silent.

We witnessed a deranged man board a bus on the outskirts of Jerusalem in July 1989 and force it off the road, killing more than a dozen people, yet Arafat remained silent.

We witnessed Israeli tourists fired upon and killed in Egypt in February of this year, yet Arafat remained silent.

Finally, on May 30 of this year, we witnessed Israeli troops intercept PLO Commandos—organized by Abul Abbas—who were trying to land on an Israeli Beach and kill innocent civilians. Again, Yasser Arafat remained silent.

I would remind my colleagues that this is the same Abul Abbas who in 1985 hijacked the *Achille Lauro* and murdered the wheelchair-bound Leon Klinghoffer.

This was the final straw which cause the "United States-PLO dialogue" to be terminated.

It should have been terminated earlier, but at last it was terminated. Also, this body went on record 97-1 on July 20 of last year against any dialogue with any PLO member if the President certified that the representative directly participated in the planning of execution of terrorist acts against U.S. citizens.

My amendment seeks to ensure that the administration does not attempt to initiate a dialogue with the PLO, even an unofficial one, at this time.

The New York Times, on August 18, reported that intelligence sources have learned that Palestinian terrorist organizations are actively planning attacks against American targets in Saudi Arabia and the Persian Gulf on behalf of Iraq. Last month, on September 11, the Washington Post reported that other intelligence organizations had found indications that terrorist groups have begun surveillance of potential American targets.

Palestine Liberation Front leader, Abul Abbas, was quoted in the Washington Post on August 14 as saying when foreign troops were deployed in Saudi Arabia, "We will strike at American and Imperialist interests as soon as any foreign soldier sets foot on Arab territory." Even our ally in the international effort in the Persian Gulf, Egyptian President Hosni Mubarak, commented on the CBS Evening News on August 26 that Arafat's stature "is diminishing," and that "he lost lots of his credibility * * * in the world," by his actions.

With these kinds of statements coming from Arafat and others within the PLO, I would hope that this administration would not attempt to talk with this band of thugs. I am confident that President Bush or Secretary Baker do not have any such plans. But, I believe that the Senate should send a strong message to Yasser Arafat and the PLO that his irresponsible actions to date in the Iraq crisis have only strengthened the resolve of the American people against international terrorism. I urge my colleagues to adopt the amendment.

Mr. LEAHY. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 3070) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3071

Mr. LEAHY. Mr. President, I send an amendment to the desk of behalf of Mr. PRYOR, Mr. GORTON, and Mr. REID, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. PRYOR, for himself, Mr. GORTON, and Mr. REID, proposes an amendment numbered 3071.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 183, between lines 17 and 18, insert the following:

SEC. 599(F). PROGRESS AND LEADERSHIP OF THE CITIZENS DEMOCRACY CORPS.—

The President shall report to Congress the name of a qualified individual from the private sector who will serve as the Chairman of the Citizens Democracy Corps (CDC) Commission who will select other private citizens from business, educational, agricultural, voluntary, or philanthropic activities to serve on the Commission; and

By December 15, 1990, the President shall submit a report to Congress regarding the CDC's strategic implementation plan, to include: (1) private sector funding; (2) cumulative and planned government funding; (3) a strategy and timetable for making the CDC self-financing through private donations; (4) details on CDC volunteer assignments and assignment priorities in Eastern Europe; and (5) a plan for acquiring State and Federal charters for the CDC.

Mr. PRYOR. Mr. President, the amendment I am offering to this legislation deals with an important voluntary aid program for Eastern Europe.

Last spring, I introduced along with Senators KASSEBAUM, GORTON, and 15 other Senators, the Volunteer America Act which was a bill to establish a nonprofit, privately funded organization dedicated to sending volunteers from across America to Eastern Europe to help in that needy region's economic development. We had all heard from citizens eager to volunteer their time, knowledge, and skills to help with businesses, farms, mining, or whatever else the East Europeans needed.

When Senators KASSEBAUM, GORTON, and I first started work on the original concept for sending volunteers to Eastern Europe, we met with many groups and heard from hundreds of citizens. Those groups included: U.S. Chamber of Commerce, National Association of Manufacturers, American Farm Bureau, Business Roundtable, American Bankers Associations, American Agriculture Movement, National Telephone Cooperative Association, Volunteers in Technical Assistance, International Executive Service Corps, World Council of Credit Unions, American Express, Armco Steel, and Young Presidents Organizations.

Most importantly, we did not want this program to cost the taxpayer a penny and we did want the program to be controlled by private sector leaders, not Government bureacrats.

Last May, shortly after we introduced our bill, President Bush said he was going to move forward with our idea and with great fanfare announced the creation of the Citizens Democracy Corps.

In his announcement speech at the University of South Carolina, President Bush said: "We know the real strength of our democracy is its citizens, the collective strength of individual Americans. We are going to focus that energy where it can do the most good."

Unfortunately, today the Citizens Democracy Corps, or CDC as it is called, is the victim of the State department's bureacracy.

Five months ago, President Bush promised that this volunteer program for Eastern Europe would be privately funded. To date the Government has spent over $410,000 on CDC, and there are plans to spend another $293,000 by January. Only $110,000 have been raised from the private sector, 90 percent of which has come from one corporation.

Five months ago, the President promised a commission to oversee and help develop the CDC. Today, apparently in response to this amendment, the President has finally announced this commission.

The President has promised to find a chairman for the CDC from the private sector. Again, it is only today that a chairman has been announced.

Worst of all, the President promised to get this program going quickly—to get American volunteers over to Eastern Europe as fast as possible. Today, unfortunately, thousands of Americans have volunteered but none, to my knowledge, none have been called to serve.

I know that President Bush is a busy man, and he is a good man. I know that his heart is behind our idea of sending volunteers to Eastern Europe. I am equally convinced that he has no idea and would be disturbed to hear that the CDC is caught up in a bureaucracy and that a chairman has not even been appointed. I suspect that the people below him do not want him to know.

The amendment I am offering should send a clear message to the President about what is going on regarding the Citizens Democracy Corps. It should also serve to get the program out of the bureaucracy and into the private sector where it should be.

My amendment simply requires that the President take several actions in the next few months. First, the President must report to Congress the name of a qualified individual from the private sector who will serve as the chairman of the Citizens Democracy Corps [CDC] Commission. This chairman will in turn select other private citizens from business, educational, agricultural, voluntary, or philanthropic activities to serve on the Commission.

Second, by December 15, the President must submit a report to Congress which includes: First, the amount of funds that have been raised from the private sector and spent by the government to operate the CDC; second, a strategy and timetable for making the CDC self-financing through private donations; third, details on CDC volunteer assignments in East European; and fourth, a plan for acquiring State and Federal charters for the CDC.

Mr. President, this amendment picks up all of the most important features of the Volunteer America legislation we introduced last spring and it tracks the President's goals in creating the Citizens Democracy Corps.

The reporting requirement will provide an incentive for quick action when a chairman is selected and enough information for the public to know whether the CDC is headed in the right direction.

Mr. President, this country is in the middle of a budget crisis. How can we turn our back on an opportunity to start an effective foreign assistance program that will relie on the American volunteer spirit rather than the American taxpayer's wallet?

In finishing, Mr. President, I would like to quote from a 1953 interview of President Dwight D. Eisenhower by Walter Cronkite. President Eisenhower said:

> I like to believe that people, in the long run, are going to do more to promote peace than our governments. Indeed, I think that people want peace so much that one of these days government had better get out of their way and let them have it.

Now, let us promote the unleashing of the resources and creative energies of American free enterprise to send the best and the brightest of America to help begin the rebuilding of Eastern Europe.

I ask for my colleagues support and urge them to vote for this amendment.

Mr. GORTON. Mr. President, we continue to witness many exciting changes in the Central and Eastern Europe regions of the world. It was only a few months ago the Berlin Wall remained the preeminent symbol of the inviolable separation of Western freedom and Soviet dominated oppression. Today, the tearing down of the wall ironically symoblizes the emerging freedoms of the people of Eastern Europe.

Earlier this year Senator PRYOR, Senator KASSEBAUM, and I spoke about the idea of an Executive Volunteer Corps that would assist the developing economies of Central and Eastern Europe. The objective of this concept is to transfer the volunteered skills and expertise of U.S. businessmen, scientists, managers, and technicians, together with donated commodities and capital, to assist the people of Central and Eastern Europe to develop democratic institutions and market-oriented economies.

Last May President Bush brought this program to fruition by establishing the Citizens Democracy Corps [CDC]. To date, a CDC Clearinghouse has been created and chartered to collect information about the needs of Central and Eastern European countries. Furthermore, they intend to match this need against the resources and existing programs of U.S. private institutions, and information from volunteers who wish to take part in this historic challenge. This is a admirable start to our initial concept.

Mr. President, there has been an overwhelming number of responses from volunteers and private organizations to this initiative. I am not surprised. As I travel within my home State of Washington, I am frequently asked, "how can I help to support the changes in Eastern Europe?" It was clear to me than, as it is now, that a coordinated volunteer corps is the answer to this need.

I am, however, disappointed in the results to date. Very few, if any, volunteers have been selected and assigned, no strategic game plan exists, and funding is still primarily from the U.S. Government. In addition, a number of new proposals are beginning to surface. Many of these proposals call for large amounts of Government funding to implement and operate their plan. Mr. President, I don't believe we need to throw money at this issue. But if we do earmark funding for this effort—let us manage it wisely. In this regard, we need leadership and we need a game plan.

Mr. President, the amendment proposed by Senator PRYOR will do this. It calls for the President to appoint a Citizens Democracy Corps chairman and a commission to spearhead this effort and it calls for a report which will define a strategic plan for implementation. This project is well underway, it just needs increased focus. It is for these reasons that I am a consponsor of this amendment and I urge my colleagues to support it.

Mr. LEAHY. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 3071) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3072

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. BRADLEY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] for Mr. BRADLEY (for himself and Mr. KASTEN) proposes an amendment numbered 3072.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill add the following:

The freely-elected Government of Poland has reshaped the country's economic policies with great courage and consistency in a manner that will foster the establishment of a functioning market economy in the near future;

The Government of Poland and people alike have proven their willingness to endure economic hardships, such as a marked drop in the standard of living, in employment levels, and in the nation's industrial output, in order to create the necessary conditions for a comprehensive economic reform;

The economic program is based on the recognition of the Polish authorities that a stable and easily convertible currency is paramount to the economic transformation of Poland;

Inflation in Poland has actually declined and the budget deficit been reduced as a consequence of the determination of Poland's policy makers;

Private ownership of the means of production has been achieved on a broad basis;

The continued success of economic reform hinges upon tangible improvements in the economic conditions for each and every citizen;

Private sector companies from the United States and elsewhere have responded very favorably to the Government of Poland's determination to bring about meaningful reform;

The greatest challenge for the new government is to service the staggering debt run up by the previous Communist regime; and

The servicing of this debt out of current revenues endangers a successful completion of the reform process because it consumes a large part of the resources needed for economic expansion: Now, therefore, be it the sense of the Senate that—

(1) Poland's debt service should be reduced in the appropriate manner to safeguard the promising reform concept;

(2) any solution of this problem should entail a broad range of approaches, such as outright debt reduction, debt service reduction, and lengthening of maturities, as well as an infusion of new capital;

(3) the Western governments, which are Poland's major creditors, should take speedy action in this area and private banks should also be prepared to contribute their share to this effort of reducing Poland's debt in order to allow the newly democratized country to bring its market reform program to a successful conclusion; and

(4) the President should undertake the appropriate measures on the part of the United States to bring the deliberations in the Paris Club to a favorable decision on the issue of reducing Poland's debt.

Mr. LEAHY. Mr. President, this amendment has been cleared.

Mr. KASTEN. Mr. President, this is the Bradley sense-of-the-Senate resolution, I believe I should be listed as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. We support the amendment and urge its adoption.

The PRESIDING OFFICER. Is there further debate on amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 3072) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3073

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of myself and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], proposes an amendment number 3073.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 109, line 16, strike "and";

On page 109, line 19, insert before the period at the end therof ", and (5) pursued all legal avenues to being to trial those responsible for the deaths of the ten unionists who were killed during the November 11, 1989, bombing of the FENASTRAS headquarters, and to obtain a verdict".

Mr. LEAHY. Mr. President, this amendment has been cleared.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 3073) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3074

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Senator BIDEN, Senator BRADLEY, and Senator MOYNIHAN and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BIDEN, (for himself, Mr. BRADLEY, and Mr. MOYNIHAN proposes an amendment numbered 3074.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, line 7, strike the period after "expended" and insert in lieu thereof the following:

": *Provided*, That none of the funds appropriated under this heading may be obligated or expended until the enactment of a statute which—

"(1) authorizes the President to accept membership for the United States in the European Bank for Reconstruction and Development (EBRD);

"(2) authorizes the appropriation of the full amount of the paid-in and callable capital required during the first five years of United States membership;

"(3) authorizes the Secretary of the Treasury to subscribe to shares of the capital stock of such Bank; and

"(4) stipulates the role of Federal Reserve Banks, the applicability of United States laws relevant to such membership, and the legal status of the EBRD with regard to the jurisdiction of United States Courts."

Mr. BIDEN. The purpose of this amendment is simple. We in the Foreign Relations Committee have been working assiduously to pass a critically important bill—the SEED II bill. I have worked closely with the administration in trying to fashion legislation that provides the President with the authority he needs to participate in the newly formed European Bank for Reconstruction and Development, for which the foreign operations bill now before the Senate provides funds.

In addition to the European Bank, the SEED II bill contains many other provisions that we have included at the behest of many of my colleagues—and which will help shape the American response to the emerging democracies in Eastern Europe.

I believe we are very close to achieving a compromise with the administration on this legislation. There have been some problems on the Republican side for many weeks now. But I believe we have overcome all the real objections. Now we have an inertia problem.

I want to thank the chairman of the Foreign Operations Subcommittee, Senator LEAHY, for withstanding what I suspect has been strong administration pressure to include in the appropriations bill language authorizing U.S. participation in the Bank.

The amendment I offer simply makes clear that until an authorization for the European Bank is passed by Congress the United States cannot participate.

I am confident that the administration will move quickly to permit the SEED II bill—which contains the authorizing language for the European Bank that the administration seeks—to pass this body once it knows that it cannot use the backdoor and get that authorization in an appropriations bill.

That is all my amendment does. It is consistent with the approach taken by the distinguished chairman of the Foreign Operations Subcommittee.

As we all know, very often a little amendment like this will enable us to break through what seems to be an impasse. I am confident that if passed, this amendment will ensure passage of the SEED II legislation that the chairman of the Foreign Relations Committee, Senator PELL, and I have been working on for many months now.

I urge my colleagues to support this amendment and uphold the integrity of the congressional authorization process and the prerogatives of the Foreign Relations Committee.

I am confident that, having accepted this amendment, the managers will not let this bill return from conference with such an authorization of the European Bank.

Mr. LEAHY. Mr. President, I understand this amendment has been cleared.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 3074) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, this bill does not contain any earmark of Economic Support Funds for Nicaragua. Unfortunately, the administration's request for total ESF has been reduced by almost $400 million, and the committee exercised restraint in earmarking.

I am concerned that Nicaragua might not get full funding. That would be unfortunate. Since Violetta Chamorro became President, democracy is once again taking root in that country. There are no more political prisoners. There is no torture, no secret jails, and no war between the Sandinistas and the Contras. The once gigantic Sandinista army that was a threat to its neighbors has been reduced in size by almost two-thirds. And the Contras have disarmed.

But the situation is not by any means normal. Nicaragua's economy has been destroyed. First, there was an 8-year civil war and second, there were 10 years of economic mismanagement by a bloated Sandinistas bureaucracy.

But the times are changing. The enormous budget deficit in Nicaragua has been cut in part by reducing the size of the enormous civil service. The Government has a plan for further reductions and privatization of the many, inefficient parastatals.

The Sandinistas have tried to stop this process through strikes. In the first instance they succeeded. But with more and more revelations about their past abuses and corruption, they are losing support. Their last strike effort failed.

Now the Government, business and the trade unions, including those dominated by the Sandinistas, are engaged in dialog to come up with a joint plan to revitalize the economy. More privatization and more budget reductions are a certainty. What they are discussing is how much, how quickly and how to minimize the costs that will be felt by the poorest sectors during the changeover.

Democracy will not fail in Nicaragua for political reasons. We should not let it fail for economic reasons.

And if we want democracy and stability for the whole of Central America, we cannot afford to fail in Nicaragua. We invested 9 years of divisive debate in this country trying to devise a bipartisan policy that would serve our interests and those of the Nicaraguan people.

We have achieved that at long last. Now, let us not fail to provide the economic resources to make the new democratic experiment in Nicaragua a success.

I would like to ask the managers of this bill if they believe Nicaragua will receive full funding.

Mr. LEAHY. Mr. President, will the Senator yield?

Mr. GRAHAM. I am happy to yield.

Mr. LEAHY. I agree with the distinguished Senator from Florida that Nicaragua needs our aid. The revitalization of the Nicaraguan economy and the rooting of democracy in that troubled country are worthy and important goals. We already provided $300 million in the last fiscal year. I support funding this fiscal year for Nicaragua as close as possible to the President's request, provided that there can be accountability of such funds.

Mr. KASTEN. Will the Senator yield?

Mr. GRAHAM. I am happy to yield.

Mr. KASTEN. I thank the Senator for his intervention. I agree with him that the cause of democracy is vital in Nicaragua and that after 10 years of Sandinista mismanagement of the economy, economic assistance to help the Nicaragua people rebuild their economy is urgent.

I have spoken with administration officials and they assure me that aid to Nicaragua has a high priority. And I assure the Senator that I will do my best to ensure that Nicaragua gets a level of funding as close as possible to the full amount requested.

POPULATION FUNDING

Mr. BUMPERS. Mr. President, I would like to engage the distinguished chairman of the Foreign Operations Subcommittee in a short colloquy concerning the funding of population programs in this bill.

First of all, I want to congratulate him for the excellent job that he has done in bringing needed attention to this critical problem of rapid worldwide population growth. I note that under his leadership, funding for population programs has increased by 25 percent over the last 2 years, from $200 to $250 million, which is remarkable, given the harsh fiscal environment we have been operating in. I recognize that population experts say that the need is much greater than this, but at least we are moving in the right direction. We should remember, however, that there is still much more to be done.

It has long been my belief that while overpopulation has almost never been the predominant factor in areas of tension around the world, it is an important background factor in most of them. I was struck a few years ago when I learned that the population of El Salvador has increased from about 2 million in 1960 to over 5 million today. The conflict and bloodshed in that troubled land is not overpopulation, but I have to believe that the conflict would not be as bad, or the tensions as serious, if the population were more like what it was three decades ago. Would my colleague agree with that statement?

Mr. LEAHY. Mr. President, my esteemed friend from Arkansas is correct. Worldwide population pressures help aggravate many of the political problems we see in the world today.

I know that my good friend has a deserved reputation in the Senate for his longstanding fight for better childhood immunization against disease. He has often argued, and rightly so, that the dollar spent today on childhood immunization saves many dollars down the road that would have to be spent on caring for the sick, and dealing with the aftereffects of the sickness. Mr. President, I believe the same is true for the dollars we spend on population programs.

We know all too well the many problems and conflicts that are part of the world today, with a population of about 5 billion. To appreciate the potential payoff of the dollars we spend on population programs, all we have to do is imagine what those problems and conflicts would be like if instead of 5 billion, there were 12 billion people on this planet. Mr. President, I think our

problems would increase exponentially. Seen from this perspective, the funds we spend on population programs are an excellent investment in a peaceful and more prosperous world.

Mr. BUMPERS. I appreciate the Senator's kind remarks about my interest in childhood immunization, and he makes an excellent point. In all our concerns about the budget deficit, we must be careful in making spending cuts that we do not cut programs that will save us money down the road.

Another reason why I support funding for population programs is the major role that population growth plays in the growing pressures we see on the environment. Population growth in Brazil is the major factor driving the unwise push into the Amazon jungle, and the loss of huge tracts of forest in the Amazon basin is a key factor in global warming. Overpopulation also contributes to the deterioration of agricultural land, resource depletion, and large-scale extinction of species.

Of course, the large increases in global population result in a lowering of health care for children and people of all ages. Hunger, in some cases starvation, and increased vulnerability to and incidence of disease, all are the symptoms that will accompany the disease of overpopulation. Even the simplest family planning measures, like child spacing, would aid child health. It is estimated that one out of every five infant deaths in developing countries—about 2 million annually—would be prevented if all births were separated by an interval of at least 2 years.

The longer we wait, the worse the world population problem becomes. Actions we take in this decade will determine whether world population eventually stabilizes at 10 billion people or 14 billion. The alternative to action may be fearsome resource wars in the next several decades, into which the United States may well become involved. As Egypt's Minister of Foreign Affairs has put it, "The next war in our regions will be over the water of the Nile, not politics."

The time to act is now. I am glad that this bill tackles this problem so forthrightly, and I congratulate the distinguished senior Senator from Vermont for his leadership on this issue.

Mr. LEAHY. I thank my friend from Arkansas.

ESF/MILITARY ASSISTANCE TO ANDEAN COUNTRIES

Mr. PELL. Mr. President, I am increasingly concerned about U.S. policies in the coca producing Andean region that place undue emphasis on military strategies to curb the flow of illicit narcotics. Last year, Congress acquiesced to the administration's request for $125 million in military assistance for the Andean countries, as the first step in the national drug control strategy set forward by the Director of the Office of National Drug Control Policy. At that time, we were told that military assistance was necessary at the initial phase of the policy, and that economic assistance to the Andean nations would follow.

In August of this year, the Andean strategy paper submitted by the Office of National Drug Control Policy stated that, "[T]he long term success of the counternarcotics strategy is dependent on strengthening democratic processes and economic growth to compliment [sic] law enforcement actions." I could not agree more.

But, Mr. President, the stated policy of ONDCP does not match the budget requests submitted by the administration. Under the current strategy, ONDCP projects that military aid to the Andean countries in fiscal years 1990 to 1994 will total $675.7 million, more than twice the amount projected for law enforcement assistance.

I raise this issue at this time, Mr. President, because there is a provision in the bill before us which, in my view, could lead us further down the path of expanding the role of the Andean military in antinarcotics activities. The bill authorizes the use of up to $125 million of Economic Support Fund assistance only for military assistance and military training for the Andean countries. While Economic Support Fund assistance is included within the category of security assistance, the underlying authority for the purpose expressly prohibits its use for military purposes. To authorize Economic Support funds to be used only to further militarize the antinarcotics strategy may further undermine the fragile civilian governments of the region.

May I ask the managers of the bill to explain the intent of the provision in the bill?

Mr. LEAHY. I appreciate the concern expressed by the chairman of the Foreign Relations Committee, Senator PELL, and can assure him that it was never my intent to authorize the use of Economic Support Fund assistance for the Andean countries only for military purposes. I can assure my colleague that this matter will be addressed in conference and that if the Senate position prevails, the authority to use ESF funds in the Andean countries will encompass all of the aspects of the Andean strategy—economic development, law enforcement assistance, as well as military assistance.

Mr. PELL. I thank the distinguished floor manager for those assurances. I would also ask that if a provision does come out of conference authorizing ESF assistance to the Andean nations for purposes other than those authorized under the Economic Support Fund, it include a notification requirement to the authorizing committees and appropriations committees.

Mr. LEAHY. I certainly would support inclusion of such a notification procedure to both relevant committees, and would expect that result in conference.

AMENDMENT NO. 3075

(Purposes: To impose sanctions against Iraq)

Mr. LEAHY. Mr. President, I send an amendment to the desk on behalf of Mr. PELL, Mr. HELMS, Mr. MOYNIHAN, and Mrs. KASSEBAUM and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY] for Mr. PELL (for himself, Mr. HELMS, Mr. MOYNIHAN, and Mrs. KASSEBAUM) proposes an amendment numbered 3075.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . SHORT TITLE.

This title may be cited as the "Iraq International Law Compliance Act of 1990".

Subtitle A—Response to Iraq's Invasion of Kuwait

SEC. . DECLARATIONS REGARDING IRAQ'S INVASION OF KUWAIT.

The Congress—

(1) condemns Iraq's invasion of Kuwait on August 2, 1990;

(2) supports the actions that have been taken by the President in response to that invasion;

(3) calls for the immediate and unconditional withdrawal of Iraqi forces from Kuwait;

(4) supports the efforts of the United Nations Security Council to end this violation of international law and threat to international peace;

(5) supports the imposition of enforcement of multilateral sanctions against Iraq;

(6) calls on United States allies and other countries to support fully the efforts of the United Nations Security Council, and to take other appropriate actions, to bring about an end to Iraq's occupation of Kuwait; and

(7) condemns the brutal occupation of Kuwait by Iraq and its gross violations of internationally recognized human rights in Kuwait, including widespread arrests, torture, summary executions, and mass extrajudicial killings.

SEC. . CONSULTATIONS WITH CONGRESS.

The President shall keep the Congress fully informed, and shall consult with the Congress, with respect to current and anticipated events regarding the international crisis caused by Iraq's invasion of Kuwait, including with respect to United States actions.

SEC. . TRADE EMBARGO AGAINST IRAQ.

(a) CONTINUATION OF EMBARGO.—Except as otherwise provided in this section, the President shall continue to impose the trade embargo and other economic sanctions with respect to Iraq and Kuwait that the United States is imposing, in response to Iraq's invasion of Kuwait, pursuant to Executive Orders Number 12724 and 12725 (August 9,

1990) and, to the extent they are still in effect, Executive Orders Number 12722 and 12723 (August 2, 1990).

(b) HUMANITARIAN ASSISTANCE.—To the extent that transactions involving foodstuffs or payments for foodstuffs are exempted "in humanitarian circumstances" from the prohibitions established by the United States pursuant to United Nations Security Council Resolution 661 (1990), those exemptions shall be limited to foodstuffs that are to be provided consistent with United Nations Security Council Resolution 666 (1990) and other relevant Security Council resolutions.

(c) NOTICE TO CONGRESS OF EXEMPTIONS TO AND TERMINATION OF SANCTIONS.—

(1) NOTICE OF REGULATIONS.—Any regulations issued after the date of enactment of this Act with respect to the economic sanctions imposed with respect to Iraq and Kuwait by the United States under Executive Orders Number 12722 and 12723 (August 2, 1990) and Executive Orders Number 12724 and 12725 (August 9, 1990) shall be submitted to the Congress before those regulations take effect.

(2) NOTICE OF TERMINATION OF SANCTIONS.—The President shall notify the Congress before the termination, in whole or in part, of any sanction imposed with respect to Iraq or Kuwait pursuant to those Executive Orders.

(d) RELATION TO OTHER LAWS.—

(1) SANCTIONS LEGISLATION.—The sanctions that are described in subsection (a) are in addition to, and not in lieu of the sanctions provided for in subtitle B of this title, title IV of this Act, or any other provision of law.

(2) NATIONAL EMERGENCIES AND UNITED NATIONS LEGISLATION.—Nothing in this section supersedes any provision of the National Emergencies Act or any authority of the President under the International Emergency Economic Powers Act or section 5(a) of the United Nations Participation Act of 1945.

SEC. . ADDITIONAL IMPORT SANCTIONS.

If the President considers that the taking of such action would promote the effectiveness of the economic sanctions of the United Nations and the United States imposed with respect to Iraq, and is consistent with the national interest, the President may prohibit, for such a period of time as he considers appropriate, the importation into the United States of any or all products of any foreign country that has not prohibited—

(1) The importation of products of Iraq into its customs territory, and

(2) the export of its products to Iraq.

SEC. . PENALTIES FOR VIOLATIONS OF EMBARGO.

Notwithstanding section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) and section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b))—

(1) a civil penalty of not to exceed $250,000 may be imposed on any person who, after the date of the enactment of this Act, violates or evades or attempts to violate or evade Executive Order Number 12722, 12723, 12724, or 12725 or any license, order, or regulation issued under any such Executive Order; and

(2) whoever, after the date of enactment of this Act, willfully violates or evades or attempts to violate or evade Executive Order Number 12722, 12723, 12724, or 12725 or any license, order, or regulation issued under any such Executive Order—

(A) shall, upon conviction, be fined not more than $1,000,000, if a person other than a natural person; or

(B) if a natural person, shall, upon conviction, be fined not more than $1,000,000, be imprisoned for not more than 12 years, or both.

Any officer, director, or agent of any corporation who knowingly participates in a violation, evasion, or attempt described in paragraph (2) may be punished by imposition of the fine or imprisonment (or both) specified in subparagraph (B) of that paragraph.

Subtitle B—Response to Iraq's Long-Standing Violations of International Law

SEC. . DECLARATIONS REGARDING IRAQ'S LONG-STANDING VIOLATIONS OF INTERNATIONAL LAW.

(a) IRAQ'S VIOLATIONS OF INTERNATIONAL LAW.—The Congress determines that—

(1) the Government of Iraq has demonstrated repeated and blatant disregard for its obligations under international law by violating the Charter of the United Nations, the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (done at Geneva, June 17, 1925), as well as other international treaties;

(2) the Government of Iraq is a party to the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights and is obligated under the Convenants, as well as the Universal Declaration of Human Rights, to respect internationally recognized human rights;

(3) the State Department's Country Reports on Human Rights Practices for 1989 again characterizes Iraq's human rights record as "abysmal";

(4) Amnesty International, Middle East Watch, and other independent human rights organizations have documented extensive, systematic, and continuing human rights abuses by the Government of Iraq, including summary executions, mass political killings, disappearances, widespread use of torture, arbitrary arrests and prolonged detention without trial of thousands of political opponents, forced relocation and deportation, denial of nearly all civil and political rights such as freedom of association, assembly, speech, and the press, and imprisonment, torture, and execution of children;

(5) since 1987, the Government of Iraq has intensified its severe repression of the Kurdish minority of Iraq, deliberately destroyed more than 3,000 villages and towns in the Kurdish regions, and forcibly expelled more than 500,000 people, thus effectively depopulating the rural areas of Iraqi Kurdistan;

(6) Iraq has blatantly violated international law by initiating use of chemical weapons in the Iran-Iraq war;

(7) Iraq has also violated international law by using chemical weapons against its own Kurdish citizens, resulting in tens of thousands of deaths and more than 65,000 refugees;

(8) Iraq continues to expand its chemical weapons capability, and President Saddam Hussein has threatened to use chemical weapons against other nations;

(9) persuasive evidence exists that Iraq is developing biological weapons in violation of international law;

(10) there are strong indications that Iraq has taken steps to produce nuclear weapons and has attempted to smuggle from the United States, in violation of United States law, components for triggering devices used in nuclear warheads whose manufacture would contravene the Treaty on the Non-Proliferation of Nuclear Weapons, to which Iraq is a party; and

(11) Iraqi President Saddam Hussein has threatened to use terrorism against other nations in violation of international law and has increased Iraq's support for the Palestine Liberation Organization and other Palestinian groups that have conducted terrorist acts.

(b) HUMAN RIGHTS VIOLATIONS.—The Congress determines that the Government of Iraq is engaged in a consistent pattern of gross violations of internationally recognized human rights. All provisions of law that impose sanctions against a country whose government is engaged in a consistent pattern of gross violations of internationally recognized human rights shall be fully enforced against Iraq.

(c) MULTILATERAL COOPERATION.—The Congress calls on the President to seek multilateral cooperation—

(1) to deny dangerous technologies to Iraq;

(2) to induce Iraq to respect internationally recognized human rights; and

(3) to induce Iraq to allow appropriate international humanitarian and human rights organizations to have access to Iraq and Kuwait, including the areas in northern Iraq traditionally inhabited by Kurds.

SEC. . SANCTIONS AGAINST IRAQ.

(a) IMPOSITION.—Except as provided in section 543, the following sanctions shall apply with respect to Iraq:

(1) FMS SALES.—The United States Government may not enter into any sale with Iraq under the Arms Export Control Act.

(2) COMMERCIAL ARMS SALES.—Licenses may not be issued for the export to Iraq of any item on the United States Munitions List.

(3) EXPORTS OF CERTAIN GOODS AND TECHNOLOGY.—The authorities of section 6 of the Export Administration Act of 1979 (50 U.S.C. App. 2405) shall be used to prohibit the export to Iraq of any goods or technology on the control list established pursuant to subsection (1) of that section or on the control list established pursuant to section 5(c)(1) of that Act (50 U.S.C. App. 2404(c)(1)).

(4) NUCLEAR EQUIPMENT, MATERIALS, AND TECHNOLOGY.—

(A) NRC LICENSES.—The Nuclear Regulatory Commission may not issue any license or other authorization under the Atomic Energy Act of 1954 (42 U.S.C. 2011 and following) for the export to Iraq of any source or special nuclear material, any production or utilization facility, any sensitive nuclear technology, any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109b. of the Atomic Energy Act of 1954 (42 U.S.C. 2139(b)), or any other material or technology requiring such a license or authorization.

(B) DISTRIBUTION OF NUCLEAR MATERIALS.—The authority of the Atomic Energy Act of 1954 may not be used to distribute any special nuclear material, source material, or byproduct material to Iraq.

(C) DOE AUTHORIZATIONS.—The Secretary of Energy may not provide a specific authorization under section 57b. (2) of the Atomic Energy Act of 1954 (42 U.S.C. 2077(b)(2)) for any activity that would constitute directly or indirectly engaging in Iraq in activities that require a specific authorization under that section.

(5) ASSISTANCE FROM INTERNATIONAL FINANCIAL INSTITUTIONS.—The United States shall oppose any loan or financial or technical assistance to Iraq by international financial institutions in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d).

(6) ASSISTANCE THROUGH THE EXPORT-IMPORT BANK.—Credits and credit guarantees through the Export-Import Bank of the United States shall be denied to Iraq.

(7) ASSISTANCE THROUGH THE COMMODITY CREDIT CORPORATION.—Credit, credit guarantees, and other assistance through the Commodity Credit Corporation shall be denied to Iraq.

(8) FOREIGN ASSISTANCE.—All forms of assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following) other than emergency assistance for medical supplies and other forms of emergency humanitarian assistance, and under the Arms Export Control Act (22 U.S.C. 2751 and following) shall be denied to Iraq.

(b) CONTRACT SANCTITY.—For purposes of the export controls imposed pursuant to subsection (a)(3), the date described in section 6(m)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(m)(1)) shall be deemed to be August 1, 1990.

SEC. . WAIVER AUTHORITY.

(a) IN GENERAL.—The President may waive the requirements of any paragraph of section 542(a) if the President makes a certification under subsection (b) or subsection (c).

(b) CERTIFICATION OF FUNDAMENTAL CHANGES IN IRAQI POLICIES AND ACTIONS.—The authority of subsection (a) may be exercised 60 days after the President certifies to the Congress that—

(1) the Government of Iraq—

(A) has demonstrated, through a pattern of conduct, substantial improvement in its respect for internationally recognized human rights;

(B) is not acquiring, developing, or manufacturing chemical, biological, or nuclear weapons, components for such weapons, or delivery systems for such weapons, and has forsworn the first use of such weapons; and

(C) does not provide support for international terrorism;

(2) the Government of Iraq is in substantial compliance with its obligations under international law, including—

(A) the Charter of the United Nations;

(B) the International Covenant on Civil and Political Rights (done at New York, December 16, 1966) and the International Covenant on Economic, Social, and Cultural Rights (done at New York, December 16, 1966);

(C) the Convention on the Prevention and Punishment of the Crime of Genocide (done at Paris, December 9, 1948);

(D) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (done at Geneva, June 17, 1925);

(E) the Treaty on the Non-Proliferation of Nuclear Weapons (done at Washington, London, and Moscow, July 1, 1968); and

(F) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (done at Washington, London, and Moscow, April 10, 1972); and

(3) the President has determined that it is essential to the national interests of the United States to exercise the authority of subsection (a).

(c) CERTIFICATION OF FUNDAMENTAL CHANGES IN IRAQI LEADERSHIP AND POLICIES.—The authority of subsection (a) may be exercised 30 days after the President certifies to the Congress that—

(1) there has been a fundamental change in the leadership of the Government of Iraq; and

(2) the new Government of Iraq has provided reliable and credible assurance that—

(A) it respects internationally recognized human rights and it will demonstrate such respect through its conduct;

(B) it is not acquiring, developing, or manufacturing and it will not acquire, develop, or manufacture chemical, biological, or nuclear weapons, components for such weapons, or delivery systems for such weapons, and has forsworn the first use of such weapons;

(C) it is not and will not provide support for international terrorism; and

(D) it is and will continue to be in substantial compliance with its obligations under international law, including all the treaties specified in subparagraphs (A) through (F) of subsection (b)(2).

(d) INFORMATION TO BE INCLUDED IN CERTIFICATIONS.—Any certification under subsection (b) or (c) shall include the justification for each determination required by that subsection. The certification shall also specify which paragraphs of section 542(a) the President will waive pursuant to that certification.

Mr. PELL. Mr. President, in the week preceding the invasion of Kuwait, the Senate approved the Iraq International Law Compliance Act imposing sanctions against Iraq for its numerous violations of international law. Later, the Senate adopted further sanctions in connection with consideration of the Export Administration Act.

Following the invasion of Kuwait, the House of Representatives approved sanctions against Iraq. The committees of jurisdiction, that is, the Senate Foreign Relations Committee, the Senate Banking Committee, and the House Foreign Affairs Committee, have reached agreement on a comprehensive Iraq sanctions package. This will be part of the conference report on the Export Administration Act. I know the Congress will want to enact effective sanctions against Iraq as soon as possible.

The addition of the conference agreement on Iraq to the provisions in this bill will expedite the enactment of sanctions. I would note that the sanctions in tne conference agreement include all sanctions imposed by the House and all sanctions in the two Senate bills. To lift the sanctions, Iraq would have to meet all the conditions set out by the Senate and all the conditions set out by the House.

The conference agreement is tough and comprehensive. It is comparable to the Prevention of Genocide Act of 1988 which I authored 2 years ago and which the Senate unanimously adopted in response to Iraq's use of poison gas on its Kurdish minority. It is a long overdue response to Iraqi assaults on international law and human decency. I urge the adoption of this amendment.

Mr. LEAHY. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 3075) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I have nothing further, but I understand my friend from Wisconsin does.

The PRESIDING OFFICER. The Senator from Wisconsin.

AMENDMENT NO. 3076

(Purpose: To provide for international negotiations to achieve agreement on regulation of certain precursor and essential chemicals critical to the manufacture and trafficking of illicit narcotics)

Mr. KASTEN. Mr. President, I sent an amendment to the desk on behalf of Mr. MCCONNELL and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] for Mr. MCCONNELL, for himself, Mr. KERRY, Mr. BRYAN, Mr. BURNS, Mr. SANFORD, Mr. REID, Mr. LUGAR, Mr. HATCH, and Mr. BOSCHWITZ proposes an amendment numbered 3076.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. .

(a) NEGOTIATIONS.—(1) The Attorney General shall enter into negotiations with the appropriate law enforcement and judicial agencies and any other officials of any foreign country with jurisdiction over companies who manufacture, market, sell or purchase certain precursor and/or essential chemicals used in the production of illicit narcotics. The priority of negotiations should be determined based on an assessment by the Attorney General which countries have jurisdiction over companies that may be knowingly or unknowingly supplying chemicals for the illicit manufacture of controlled substances.

(2) The purposes of the negotiations shall be to (a) establish a list of precursor and essential chemicals contributing to the illicit manufacture of controlled substances, as defined in Section 102 of the Controlled Substances Act [21 USC 802]; (b) reach one or more international agreements on a method for maintaining records of transactions of these listed chemicals; (c) establish a procedure by which such records may be made available to (and kept confidential as necessary by) U.S. law enforcement authorities for the exclusive purpose of conducting an

investigation relative to percursor chemicals, essential chemicals and/or controlled substances contributing to the manufacture of illicit narcotics; and (d) encourage chemical source countries to enact national chemical control legislation which would (i) impose specific record keeping and reporting requirements for domestic transactions involving listed chemicals; (ii) establish a system of permits or declarations for imports of listed chemicals; and (iii) authorize government officials to seize or suspend shipments of listed chemicals based on evidence that they may be destined for the illicit manufacture of controlled substances.

(b) REPORTS.—Not later than one year after the date of enactment of this Act, the Attorney General shall submit an interim report to the Judiciary Committee and the Foreign Relations Committee of the Senate on progresss in the negotiations. Not later than eighteen months from date of enactment, the Attorney General shall submit a final report to the aforementioned Senate Committees on the result of negotiations identifying countries with which agreements have not been reached and which have jurisidiction over companies believed to be engaged in the manufacture, marketing, sale or purchase of precursor and/or essential chemicals used in illicit manufacture of controlled substances.

(c) PENALTIES.—After consulting with the Attorney General and the Director of the Office of National Drug Control Policy, the President shall impose penalties or sanctions including temporarily or permanently prohibiting any corporation, partnership, individual or business association (i) refusing to maintain records for the purpose of monitoring and regulating transactions of listed precursor chemicals, or (ii) refusing to make such records available to U.S. law enforcement authorities for investigative purposes from engaging in any or all transactions within the commerce of the United States.

(d) DEFINITIONS.—A record under subsection (a) shall be retrievable and include the date of the transaction, the identity of each party to the transaction, including the ultimate consignee, an accounting of the quantity and form of listed chemical(s) and a description of the method of transfer.

(e) This section shall not apply to the manufacture, distribution, sale import or export of any drug which may, under the Federal Food, Drug and Cosmetic Act be lawfully sold over-the-counter without prescription.

Mr. McCONNELL. Mr. President, several years ago our drug agents identified an alarming fact of the drug trade: legal chemicals produced here in the United States were shipped to Latin American countries and diverted into the drug trade. Congress and American industry acted swiftly and in 1988, the Chemical Diversion and Trafficking Act was signed into law. This legislation set up a procedure for keeping detailed records of chemical exports that could be used in the manufacture of illicit drugs, primarily cocaine. This common-sense approach to a very difficult problem was extremely successful in cutting off the Colombian cartels' access to United States chemicals for use in manufacturing cocaine.

The success of the CDTA stands in stark contrast to the plentiful supply of cocaine flooding our city streets. Although there have been encouraging reports of a plateau in cocaine consumption, the cartels are still producing an estimated 600 tons of cocaine per year. Current records indicate that Andean countries are importing chemicals that are used in the manufacture of cocaine far beyond their legitimate industrial needs. Where are these chemicals coming from? According to the DEA, between 1988, when the CDTA took effect, and 1989, Latin American imports of chemicals from European countries skyrocketed.

For example, German exports to Colombia of acetone, methyl-ethyl keytone [MEK], toluene, ethyl ether, and potassium permanganate—all chemicals critical to the manufacture of cocaine—increased from 2,660 metric tons in 1988 to 14,314 metric tons in 1989. This represents a whopping 438 percent increase. The unmistakable conclusion from these figures is that as the United States chemical pipeline is turned off, the European companies have expanded their sales operations. The only way to shut off the cartels' access to these chemicals is to adopt an international approach.

Mr. President, I am joined by Senators KERRY, BRYAN, BURNS, SANFORD, REID, LUGAR, HATCH, and BOSCHWITZ in introducing an amendment today that will serve as a catalyst for increased international cooperation on this issue. Simply put, my bill states that foreign chemical companies must keep export records similar to that of U.S. chemical companies or face losing access to U.S. markets for their products.

This legislation uses the CDTA as the foundation for a series of bilateral negotiations with governments having jurisdiction over companies manufacturing chemicals key to illegal narcotics production. The Attorney General is authorized to negotiate agreements to establish procedures for monitoring, tracking, and controlling a specified list of chemicals needed to produce illegal drugs. Companies are required to keep these records and share them with U.S. law enforcement agencies for use in drug-related investigations.

This bill is based on extensive discussions with DEA diversion-control specialists who believe, as I do, that if we internationalize our precursor chemical control program we can significantly decrease the availability of cocaine on our city streets.

The penalties contained in this legislation are tough because the problem is deadly serious. We cannot afford to have foreign companies undermining the drug war here in the United States. If companies refuse to keep these records, than they will be denied access to our markets; it's that simple.

The drug war can be won, but we must make a commitment to fight this war as aggressively in the corporate boardrooms of foreign firms as we do on our city streets. This legislation recognizes and reaffirms that commitment while giving our law-enforcement authorities the tools they need to curtail access to the chemicals the cartels need to produce the cocaine that is ravaging our society.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 3076) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3077

(Purpose: To express the sense of the Senate that the $100 per day limit on personal expenses of US citizens traveling in Vietnam be raised to an appropriate level)

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senator MURKOWSKI and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for Mr. MURKOWSKI, proposes an amendment number 3077.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

I. The Senate hereby finds:

(1) the government of the United States has maintained economic sanctions against the government of the Socialist Republic of Vietnam since April 30, 1975, under the auspices of the Trading with the Enemy Act, and as regulated by the Office of Foreign Assets Control of the United States Department of Treasury,

(2) individual citizens of the United States are authorized to travel in Vietnam but are limited in monetary expenditures to $100.00 per day, to be used only for personal travel related expenses, and are prohibited from conducting business dealings with Vietnam or citizens of Vietnam,

(3) the international community, exclusive of the United States, has significantly increased its commercial contacts within Vietnam, and that foreign investment in Vietnam doubled from January 1989 to January 1990,

(4) the government of the Socialist Republic of Vietnam has been cooperative in working with the United States and other nations toward a settlement of the Cambodian political situation,

(5) by the end of 1989, the government of Vietnam had completed a withdrawal of its combat troops from the territory of Cambodia,

(6) pending a final Cambodian settlement, the remaining questions regarding U.S. POW's and MIA's are the most important factor in determining the future course of United States-Vietnamese relations.

II. It is the sense of the Senate, that in recognition of the fact that the government of Vietnam has been cooperative in working toward a resolution of longstanding issues of conflict with the United States, that

(1) the $100.00 per day limit on personal expenses of United States citizens traveling in Vietnam should be raised to an appropriate level.

KEEPING UP WITH THE "PACE AND SCOPE" IN VIETNAM RELATIONS

Mr. MURKOWSKI. Mr. President, I rise today to offer a sense-of-the-Senate amendment regarding United States travel to Vietnam. My amendment is simple: it merely urges that the current regulation which prohibits United States citizens traveling in Vietnam from spending more than $100 per day on personal expenses be raised to an appropriate level.

Let me be clear as to the reason for this amendment. I believe we are moving toward the point when United States-Vietnam relations may be normalized and commerce between the two countries resumed. In the meantime, businesses from other countries are increasingly active in Vietnam. For example, a number of Vietnamese oil tracts—presumed to have huge potential—have already been awarded to Dutch, Japanese, and other foreign oil companies. A recent news report stated that foreign investment in Vietnam doubled, to $1.2 billion in the last year alone.

Mr. President, our business people are being left out, and left out pointlessly. They should be given an opportunity to explore commercial opportunities in Vietnam so they will be in a position to compete for contracts when the embargo is lifted. Despite our embargo, Americans are allowed to travel in Vietnam, but they cannot spend more than $100 each day.

The American Chamber of Commerce in Hong Kong, an organization eager to explore and assess trade opportunities in Vietnam, has assured me that $100 will just barely cover hotel rates, let alone meals. This is why I propose this amendment.

I understand and appreciate that there are delicate negotiations ongoing between the United States and Vietnam regarding Cambodia and the POW/MIA issue. I do not wish to interfere in those talks in any way, and my amendment does not. This sense of the Senate amendment will merely allow Americans who seek to explore potential business opportunities, in preparation for such time our Government agrees to reestablish economic relations, to be able to do so.

Mr. President, the administration has stated that the "pace and scope" of cooperation.

This very small move is in accordance with that pace and scope. The Vietnamese have cooperated in withdrawing their troops from Vietnam, and in encouraging the Cambodians to accept the U.N. framework for a peaceful political settlement. Foreign Minister Thach visited Washington, DC, this week and met with General Vessey concerning the POW/MIA issue. They announced agreement on points discussed.

Clearly, United States-Vietnamese relations are rapidly moving toward a more normal basis. I urge my colleagues to support this amendment allowing U.S. business people a better chance to compete in a market when we are prepared to enter it.

The PRESIDING OFFICER. Is there further debate on the amendment?

If there be no further debate, the question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 3077) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3078

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senator HUMPHREY and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for Mr. HUMPHREY, proposes an amendment numbered 3078.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 108, line 6, strike "up to $70,000,000 may" and insert therein "$70,000,000 shall".

Mr. KASTEN. Mr. President, this amendment earmarks money for Afghanistan, and it is agreed to by both sides.

The PRESIDING OFFICER. Is there further debate on the amendment? If there be no further debate, the question is on agreeing to the amendment of the Senator from New Hampshire.

The amendment (No. 3078) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3079

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senator KASSEBAUM, Senator CHAFEE, Senator BOSCHWITZ, and Senator DOLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for Mrs. KASSEBAUM (for herself, Mr. CHAFEE, Mr. BOSCHWITZ, and Mr. DOLE) proposes an amendment numbered 3079.

At the appropriate place add the following new section:

SEC. . The United States Congress commends Israel's decision to open the schools on the West Bank announced on June 22, 1989, including the opening of all colleges, the Al-Quds University on June 16, 1990, and Bethlehem University on August 30, 1990. The Congress understands that all schools will be opened at an early date, and expresses the hope that they will remain open, and will be respected and regarded by all parties as places of learning.

Mr. KASTEN. Mr. President, this amendment is with regard to schools on the West Bank, and has been reviewed by both sides.

The PRESIDING OFFICER. Is there further debate on the amendment? If there be no further debate, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 3079) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3080

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senator MACK and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for Mr. MACK, proposes an amendment numbered 3080.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 671. INDEX OF ECONOMIC FREEDOM.—(a) DEVELOPMENT OF INDEX.—Not later than six months after the date of enactment of this section, the Administrator of the Agency for International Development, in consultation with the Secretary of the Treasury and private indigenous institutions in less developed countries, shall develop a system for evaluating, on a country-by-country basis, the economic freedom and opportunities of individuals in countries eligible for assistance under part I of the Foreign Assistance Act of 1961. Such system shall be referred to as the 'Index of Economic Free-

dom' (hereafter in this section referred to as the 'Index').

"(b) EXTENSION OF TIME.—The President may extend the date by which the Index is required to be developed by an additional ninety days if he determines that the period specified under subsection (a) for the development of the Index is inadequate.

"(c) FACTORS EVALUATED BY THE INDEX.—The Index shall assign a numerical rating for each of the following factors based on the degree to which each such factor reflects the degree of economic freedom and opportunity in a country and other relevant economic factors:

"(1) PROPERTY RIGHTS.—The extent to which poor or landless individuals are illegally or otherwise artificially constrained from acquiring land or other forms of property or are unable to gain secure legal title to land, the degree to which laws and an independent judiciary protect private property and enforce contracts for individuals against the government, the extent of nationalization of property and the state's power to nationalize private property, and the degree of access of private parties to the judicial system.

"(2) REGULATIONS.—The difficulty and costliness of securing a business license, regulations which inherently favor established business at the expense of newcomers, and limitations on the freedom and ability of citizens to establish businesses or add prohibitive costs or additional risks to maintaining such businesses.

"(3) INFORMAL SECTOR.—The extent to which government policies force economic activity into nominally illegal informal sectors where otherwise legal activities are conducted outside of government regulations and requirements, and the extent to which those policies discourage the development of locally controlled non-governmental insitutions.

"(4) WAGE AND PRICE CONTROLS.—The identity of industries or goods which are subject to government mandated wages or prices, the value of goods sold wholesale and retail subject to price controls, the degree to which private farmers are forced to sell produce at government established prices, and the degree to which farmers are not allowed to profit from the real market price of their products.

"(5) TAXATION.—The highest rate of taxation, the income level at which this rate takes effect, the relationship between percapita income and the level at which the highest rate of taxation takes effect, rate of the value added tax (VAT), the level of taxation on assets, and the rate of monetary inflation.

"(6) TRADE POLICY.—Customs duty rates, quantitives restrictions on imports, import quotas, import prohibitions, foreign exchange availability for those engaged in international trade, export taxes, restrictive export practices, market-distorting export incentives such as subsidies, import licenses, and country-of-origin restrictions.

"(7) RESTRICTIONS ON INVESTMENT AND CAPITAL FLOWS.—Limitations on foreign investment and foreign ownership, limits on repatriation of principal and profits for foreign investors, and restrictions on removal of foreign or domestic capital from the home country.

"(8) SIZE OF STATE SECTOR.—Value of industries owned by the government, percentage of GNP produced by state-owned industries, prohibitions on private economic activities in certain sectors and the value of the state sector assets.

"(9) BANKING.—Degree of government ownership of banking sector, private citizens rights to own and operate banks and citizens' access to private sources of credit.

"(d) REPORT.—Beginning two years after the date of enactment of this section, and every twelve months thereafter, the Administrator shall apply the Index to each country which is eligible for assistance under part I of the Foreign Assistance Act of 1961 on that date and, based upon such evaluation, shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of that evaluation. In making that evaluation, the Administrator shall rely, to the maximum extent practicable, on data supplied by private indigenous institutions in less developed countries.

"(2) the annual congressional presentation materials for foreign assistance shall include, for each country for which assistance is proposed, the corresponding data from the latest report submitted under paragraph (1).

"(e) DETERMINATION OF COUNTRIES ELIGIBLE FOR UNITED STATES SUPPORT.—Beginning two years after the date of enactment of this section, no assistance, financing, guaranty, insurance, or reinsurance may be extended under part I of this Act (other than chapters 8 and 9 relating to international narcotics control and disaster assistance), with respect to a foreign country unless the advisability of furnishing support for that country has been considered, in light of the data on that country contained in the latest report submitted under subsection (d).

"(f) USE OF INDEX TO EVALUATE COUNTRIES RECEIVING UNITED STATES ASSISTANCE.—In furnishing development assistance under chapter 1 of part I of this Act, the Administrator shall use the Index to promote improvements in the underlying economic conditions evaluated by the Index while retaining flexibility in designing and implementing development programs and projects. The Administrator shall use the Index as a basis for evaluating the direction of policy changes in less developed countries and as a basis for evaluating specific projects and programs assisted by the Agency for International Development.".

Mr. MACK. Mr. President, this provision has been incorporated by the Foreign Relations Committee in two bills, the foreign assistance authorization bill, and the Peace Corps authorization.

Since neither bill is likely to come to the floor, I am offering this provision, the Index of Economic Freedom to this bill.

This is a noncontroversial measure that had no opposition in our committee. It is essentially a reporting requirement and authorizes no new spending within the bill.

Its purpose is to require the Agency for International Development to develop a system for evaluating the economic freedom and opportunities of individuals in countries receiving U.S. assistance.

All across the world today, nations are recognizing that free markets and property rights are the key to economic growth and the alleviation of poverty.

All the foreign aid in the world will not help a nation that is stifling the economic freedom of its people. The purpose of this amendment is simply to find out how nations we assist are progressing on the road to economic freedom so that we can better help these countries help themselves.

I understand that in just the past month AID has contracted a pilot study of economic policies in 12 countries along the lines of this amendment. This amendment would, in effect, encourage AID to expand and develop this worthy effort.

I urge adoption of the amendment.

Mr. KASTEN. Mr. President, this amendment has to do with a foreign policy economics statement.

The PRESIDING OFFICER. Is there further debate on the amendment? If there be no further amendment, the question is on agreeing to the amendment of the Senator from Florida.

The amendment (No. 3080) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3081

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senators MITCHELL and DOLE and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] (for Mr. MITCHELL) (for himself and Mr. DOLE), proposes an amendment numbered 3081.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 37, line 26, insert ", based on recommendations of the bipartisan joint leadership of Congress," before "for the newly";

On page 154, line 24, insert "(a)" after the section designation;

On page 155, after line 9, insert the following new subsection:

(b) Of the funds made available in subsection (a)(4) under the heading "Assistance for Eastern Europe", $750,000 shall be available only to assist development of the Polish Senat and Sejm Parliamentary Library and Research Center.

Mr. KASTEN. Mr. President, this amendment has to do with interparliamentary exchanges in Eastern Europe, and has been agreed to by both sides.

The PRESIDING OFFICER. Is there further debate on the amendment? If there be no further debate, the question is on agreeing to the

amendment of the Senator from Maine.

The amendment (No. 3081) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3082

Purpose: To oppose first class travel by employees of the World Bank and other multilateral lending institutions to which the U.S. taxpayer contributes funds

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senator HELMS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for Mr. HELMS, proposes an amendment numbered 3082.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following new section:

SEC. . FIRST CLASS AIR TRAVEL RESTRICTIONS.—The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks and of the International Monetary Fund—

(1) to seek the adoption, within 12 months after the date of the enactment of this section, of administrative procedures prohibiting personnel of their respective banks and the affiliates of such banks, and of the Fund, from using first class air travel for business of such banks or of the Fund.

(2) if such procedures are not so adopted, report to the Secretary and Congress on the estimated additional costs (if any) incurred by their respective banks on the Fund by reason of the use of first class air travel by personnel of such banks or of the Fund in lieu of coach or business class air travel, who shall make such report available to the Congress on request.

Mr. HELMS. Mr. President, Senators may have had difficulty getting around town a few weeks ago when the World Bank group held its annual meeting here in Washington. In some parts of town limousines blocked traffic as they chauffeured the international bureaucrats from one meeting to another to discuss proposals for spending other people's money. As the Washington Post noted sarcastically in an article on September 25, 1990, such issues were discussed at "caviar-fueled receptions costing nearly as much as the gross national products of some equatorial countries."

Not only does the World Bank waste money on projects all over the world, but its internal management practices are abysmal. Recently a prominent "defector" from the World Bank exposed a number of the Bank's most wasteful practices. On September 20, 1990, Mr. Michael Irwin, who previously served as director of the Health Services Department—and later as a vice president—of the World Bank issued a report entitled: "Banking on Poverty, An Insider's Look at the World Bank."

This report reveals that World Bank salaries are exhorbitant. The U.S. taxpayers who help fund the Bank—to the tune of $1.2 billion—might be interested to know the size of the salaries of many of the senior Bank officials. The President earns $154,000 per year, the 15 vice presidents earn approximately $123,000 each, and the 58 directors earn about $105,000. So, as Mr. Irwin points out, the Bank's top 74 officials earn on average about $120,000 per year. At the level just below the most senior officials are hundreds of "technical advisers" who enjoy "tax free" salaries ranging between $80,000 and $105,000.

Furthermore, World Bank salaries have risen annually at levels much higher than the average inflation rate in the United States. Last year alone salaries at the World Bank rose an average of 11.1 percent over the previous year. No wonder the World Bank needs a recapitalization! It should come as no surprise that the percentage salary increase for the membership at the top of the Bank was much higher than for those at the lower end of the salary scale.

Mr. President, I ask unanimous consent that a chart detailing the World Bank salary structure be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Another area of egregious waste in the World Bank budget is official travel. Since the Bank is based here in Washington, a major amount of money is spent flying the bureaucrats around the world. A recent article in the Washington Times notes that the World Bank travel budget alone is larger than the "total gross national product of the island nation of Tonga." A recent report issued by the CATO institute estimates that $12.5 million could be saved each year, if only the Bank restricted first class travel on airlines. In fact one former Bank official was reprimanded by a senior vice president of the Bank for flying business class rather than first class.

Frankly, Mr. President, enough is enough. Somewhere along the line, it seems the World Bank bureaucrats have forgotten their responsibility to the people who pay their bills. This is the same Bank that touts the "reduction of poverty" as a "central goal" in its most recent annual report. But the problem with the World Bank and the other multilateral banks is that the people paying the bills have no accountability for how their money is spent.

What is the incentive for the high paid multilateral bureaucrats to reform? The banks know that no matter how egregious their lending practices, the gravy train keeps flowing. This bill is a prime example. I read with interest the section on page 47 of the committee report that states: "The Bank does not help its case for continued support from the committee when some of its profits are being spent on first class travel and luxurious accommodations for its employees." But at the same time the committee mildly reprimands the World Bank with "report language" this bill rewards them generously with full funding.

Mr. President, I refer my colleagues to an article from the Washington Post on September 25, 1990, entitled: "Breaking Open the World Bank, Former Official's Public Attack on the Privileges of Fighting Poverty."

Mr. President, this amendment requires the Secretary of the Treasury to instruct the U.S. Executive Directors of the multilateral development banks and the International Monetary Fund to seek changes in the respective administrative procedures of the Banks over the next 12 months preventing first class travel by Bank employees. It also requires a report to Congress on the progress of the Executive Directors in achieving such reform. Finally, the amendment requires an official report on the amount of money spent by each of the Banks each year for first-class travel as opposed to business-class travel.

This amendment is nearly identical to a provision that was reported from the House Banking Committee on July 11, 1990. I cannot imagine that any Senator could possibly have an objection. I urge its adoption.

EXHIBIT 1

WORLD BANK GROUP NET SALARY STRUCTURE, EFFECTIVE MAY 1, 1990

Grade	Minimum	Midpoint	Maximum
29	118,120	129,940	141,760
28	103,130	116,020	128,910
27	92,910	104,520	116,130
26	77,570	95,030	112,490
25	67,870	84,840	101,810
24	58,270	75,750	93,230
23	52,030	67,640	83,250
22	48,310	60,390	72,470
21	43,140	53,920	64,700
20	38,510	48,140	57,770
19	34,380	42,980	51,580
18	30,700	38,380	46,060
17	26,360	34,270	42,180
16	23,530	30,590	37,650
15	21,010	27,320	33,630
14	18,760	24,390	30,020
13	16,740	21,770	26,300
12	13,550	19,440	23,330
11	13,890	17,360	20,830

Mr. KASTEN. Mr. President, this is an amendment that has been agreed

to by both sides with regard to the air travel restrictions.

The PRESIDING OFFICER. Is there further debate on the amendment? If there be no further debate, the question is on agreeing to the amendment of the Senator from North Carolina.

The amendment (No. 3082) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TECHNICAL CORRECTION TO REPORT

Mr. KASTEN. Mr. President, I would like to call attention to a typographical error which should be corrected on page 130 of the report accompanying the fiscal year 1991 foreign operations appropriations bill.

The report language on page 130 refers to "The Republic of Taiwan." As we all know, it should be changed to read "the Republic of China (Taiwan)."

Thank you, Mr. President.

The PRESIDING OFFICER. Without objection, the correction is agreed to.

Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HARVEST OF PEACE

Mr. HATFIELD. Mr. President, over a year ago, our country and the world witnessed the awesome power of the desire for freedom and democracy. The revolutions in Eastern Europe altered the fate of millions of people and also changed forever the relationships of the superpowers. It is with these changes in mind that I join with the advocacy group Bread for the World in offering the Harvest of Peace resolution. My good friend DALE BUMPERS of Arkansas, who has shown great leadership in the area of arms control, has joined me in gathering Senate support for this resolution.

The bill we are considering today appropriates the expenditure of $15 billion. That is an enormous amount of money, and half of it is for security assistance, a term which politely refers to military aid. Mr. President, that is simply too much money. Our world has changed, and it is time that this bill reflected that fact.

To be sure, there are still problems to face around the globe. A tense stalemate exists in the Middle East. And civil wars still rage all around us. But these circumstances should not paralyze us in our effort to reevaluate our security program. For until we address the root causes of conflict, there will always be war.

The Harvest of Peace resolution is very simple. It is a guide for Congress, offering up the proposition that we should be leading the global arms reduction effort, calling for a 50 percent reduction in international defense spending by the year 2000. Further, the resolution calls for an end to the dangerous and destabilizing arms transfers to the developing world. We have seen what these frightful transfers can do in the Persian Gulf region. And the resolution calls for reconciliation of nations and their peoples through negotiations and programs which feed the hungry and clothe the poor.

Mr. President, we have before us an opportunity to make a difference. Last month's international forum on children highlighted the declining conditions faced by our future generations. Yet it does not have to be this way. As the U.N. Children's Fund has pointed out, military spending in developing nations totals $145 billion a year, an annual expenditure which could end absolute poverty on this planet in 10 years.

I am grateful to the managers of this bill, Senator LEAHY and Senator KASTEN, for the forward-thinking report language they have prepared to accompaniment to this legislation. While I was deeply disappointed in our inability to take a fresh look at our security assistance proposals, I believe that the committee has laid some important groundwork for the consideration of next year's bill.

Although our efforts do little to reflect the need for a revamped security program, I am convinced that the American public will continue to call for change. I have heard from individuals around the country, all of whom believe that our national security should not be defined by military terms alone. They are right, and I encourage my colleagues on the Appropriations Committee and the full Senate to join me in seeking to implement the provisions of the Harvest of Peace resolution.

Mr. President, as a final note, I again compliment the work of Bread for the World and the dozens of individuals and organizations who endorsed the Harvest of Peace resolution. Their efforts will not be forgotten.

ROLE OF THE INTERNATIONAL MONETARY FUND

Mr. KERRY. Mr. President, last year I introduced legislation regarding the role the IMF should play on environmental issues. That legislation passed the Foreign Relations Committee and was later added to the fiscal year 1990 foreign operations appropriations bill and signed into law.

Congress should be proud; we enacted such precedent-setting legislation designed to make the International Monetary Fund more environmentally sensitive. Our congressional directives were designed to get the IMF to look at the environmental and social impacts of its structural adjustment lending, both prospectively and retrospectively. The directives in the legislation encouraged the IMF to increase their staff in the environmental and natural resource arena so as to be able to assess the very significant environmental impacts of its lending.

This issue has been one I have been concerned with for some time. Since the passage of the bill last year, I am pleased to note that the IMF has and is currently considering the establishment of both an environmental unit and an audit unit. Due to their commitment to fulfill the goals set forth in my legislation I want to stress how critically important it is for the IMF to put both units in place as soon as possible and in fact hopefully this year.

Mr. President, I also want to commend the chairman and ranking member of the Foreign Operations Appropriations Subcommittee for their diligence on this issue and for their continued support in reaffirming the intention of our bill that we passed last year.

Mr. FORD. Mr. President, I will be doing the wrapup in a few moments, but the distinguished Senator from the State of Washington has a statement he would like to make for about 3 or 4 minutes.

In order to expedite the procedures and not hold him here too long, I thought we would go ahead and let him speak before the wrapup.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mr. GORTON. I thank the distinguished Senator from Kentucky.

I ask unanimous consent to proceed for 4 minutes as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

MIKHAIL GORBACHEV'S NOBEL PEACE PRIZE

Mr. GORTON. On Monday the Nobel Peace Prize Committee selected Mikhail Gorbachev to receive its peace prize for 1989. The committee selected

President Gorbachev for "his role in the rapprochement between East and West and the slowing of the arms race, as well as his efforts to allow greater openness in the Soviet Union."

The description was accurate; it was not complete, however, and proceeds from a flawed interpretation of the great events that took place in 1989 and why.

The year 1989 was truly a year of wonders: an annus mirabilis. In 1989 an astonished world watched the liberation of Poland, of Czechoslovakia, and of East Germany; profound changes in the direction of free institutions in Bulgaria; and a violent, bloody, and successful revolution in Romania. The people of the world saw, in short, the end of a 44-year-long cold war, the triumph of American and Western policies of containment and dedication to political liberties and free economies.

President Gorbachev's recognition of the inevitable tide of history, and his willingness to bring its benefits to the people of the Soviet Union deserve great credit. Nevertheless, Mikhail Gorbachev was reacting to the total moral and physical collapse of Soviet confidence and of both its power to retain its empire and its ability to persuade its own people that it was anything other than played out and corrupt.

Mr. Gorbachev filed the declaration of bankruptcy for an empire that he had served almost his entire life, but which he had the wisdom to realize had reached the end of its rope.

As a consequence, President Gorbachev certainly deserves a share of the Nobel Peace Prize for 1989. But there were others who were more central to the triumph of liberty.

Representing those who triumphed over the most difficult of all challenges is Vaclav Havel, now President of Czechoslovakia. He, more than any other single individual, but representing millions of nameless individuals who yearned for freedom, had the moral courage never to give up his vision of liberty and independence, never to succumb to persecution, imprisonment, or deprivation. Because he and others kept the dream alive under the most difficult of all circumstances, the newly liberated nations of Eastern Europe now have bright, though difficult, prospects for both liberty and prosperity.

Vaclav Havel certainly deserved a share of the Nobel Peace Prize for 1989.

Another individual richly deserves to join what should have been a triumvirate. Ronald Reagan, clear of purpose, unconditional in his belief in the superiority of free institutions, willing constantly to ignore the liberal critics who could see no real differences between East and West, articulating constantly through 8 years his belief in America's own special place in history, thus restoring our Nation's confidence in itself, caused the conditions to which Mikhail Gorbachev reacted.

Without our strength of purpose, without our firmness, without our unwavering belief in freedom, in which President Reagan led us through the decade of the 1980's, 1989 would not have been the year of wonders.

Without President Reagan and Mr. Havel, the Soviet Union would almost certainly still have collapsed under the burden of its own inconsistencies, but clearly far later and after having created far more misery in the lives of tens of millions of people around the world.

The 1989 Nobel Peace Prize should have been granted to three men: Vaclav Havel, a voice in the wilderness and the moral leader of half a world in chains; Ronald Reagan, the true leader of the free world, who recalled it to its own sense of purpose; and Mikhail Gorbachev, the man who graciously surrendered to the inevitable.

The PRESIDING OFFICER. The Senator from Kentucky.

MORNING BUSINESS

Mr. FORD. Mr. President, I ask unanimous consent that there be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

A TRIBUTE TO PRESIDENT THOMAS J. CLIFFORD

Mr. CONRAD. Mr. President, this weekend North Dakota's oldest and largest institution of higher learning, the University of North Dakota, will be honoring its president, Dr. Thomas J. Clifford. I ask my colleagues to join me in recognizing the many achievements of this outstanding North Dakotan, who is beginning his 10th year of service as president of the university.

It has been my great privilege to work closely with Tom Clifford for the betterment of our great State. Under his leadership and vision, the University of North Dakota has become the largest and most comprehensive institution of higher education in the Dakotas, Montana, Wyoming, Idaho, and western Minnesota. UND has achieved national eminence in many fields, and particularly in the areas of energy and environmental research, rural medicine, and aerospace science.

Dr. Clifford has been associated with the university for nearly half a century—first as an undergraduate in the late 1930's, as a dean of the School of Business in the 1950's, and as a vice president in the 1960's. His ability to understand the business side of the university, while also enhancing and preserving academic excellence, has resulted in an institution with the unique capacity to meet both traditional academic needs while also offering innovative courses relevant to today's work environment.

As our State's most articulate and influential advocate for higher education, Dr. Clifford has recently taken on additional responsibilities as interim chancellor of the newly organized North Dakota University System. Many challenges remain to be accomplished for this great North Dakotan before his announced retirement of June 30, 1992. I ask my colleagues to join me in congratulating Tom Clifford on the occasion of his 20th year as president of the University of North Dakota and to wish him well in the future.

CHILDREN IN THE 1990'S

Mr. DASCHLE. Mr. President, I rise today to address an issue important to all Senators and all Americans: Our Nation's future, our children.

Though we struggle with our budget deficit, we know that the investments we make now will determine our country's future. Those investments will determine whether the United States will be competitive in the world economy or lag behind.

We know that the United States faces an increasingly global economy and intense international competition. We know that projections for the year 2000 show an American work force that will grow more slowly and become more disadvantaged. In the new century, service industries will create virtually all of the new jobs in the American economy. These jobs will require higher skill levels than the jobs of today. The economy will grow more complex and more dependent on human capital.

The single most important thing we can do to ensure a bright future for America is to invest in the health and education of our children.

The workers we expect to enter this new world economy and keep the United States competitive entered first grade this year. Of these 6-year-olds, almost 1 in 4 lives in poverty. In the 1980's, American children, especially young children, became the group most likely to be poor. In my own State of South Dakota, 1 in 5 children live below the poverty level.

Infant mortality in the United States has reached staggering proportions, and the vast majority of those deaths strike low-income families. Many children that live suffer the effects of inadequate prenatal care and low birthweight.

Poor children come to school with more untreated health problems and learning disabilities than middle-class children. Poor children come to school less well-prepared.

These children begin their lives disadvantaged, but they can still succeed if we give them a chance. They need comprehensive programs that address their cognitive and social development, health and nutrition, and strengths and needs of their parents and families. Head Start and State-funded early childhood education programs have proven over time that they can make an amazing, positive difference in these children's lives.

One dollar invested in high-quality preschool programs like Head Start saves $6 in lower costs for special education, grade retention, public assistance and crime later on. Similarly, $750 for 1 year of compensatory education for a student can save $3,700, the cost of repeating a grade. Early educational intervention has saved school districts $1,560 per disabled pupil.

However, only a fraction of eligible children are served, because funding for these programs is woefully inadequate. For example, in South Dakota, only 19 percent of eligible children were allowed to participate in Head Start programs.

If we are to be competitive in the new international marketplace, and if we are to be a nation that cares about its people, we have to wake up to the opportunity we have to make a wise investment in our children.

Mr. President, in South Dakota, Head Start directors like Enid Rogers in Aberdeen receive little pay and resources, yet they make such a difference in children's lives and such a difference for South Dakota.

For our relatively tiny investment in Ms. Rogers and her Head Start children, we get students who are less likely to:

Be placed in special education classes;

Be retained in a grade; and

Become high school dropouts, teen parents, dependent on welfare, or arrested for criminal or delinquent activity.

Head Start children are more likely to be literate, employed, and enrolled in secondary education.

Head Start has served more than 11 million children since 1964. In fiscal year 1989, 1,284 Head Start programs, served over 450,000 children nationwide. In 1990, more than 548,000 children will participate. This year, in South Dakota, we will invest in the 11 Head Start programs serving 1,099 of the State's neediest children.

I know Head Start and other early childhood education programs have made a difference in the lives of those children and their parents, and in the productivity of the State. We need to increase the investment—in South Dakota and all across the country. We must make that difference in more children's lives. Their future, as well as ours, depends on it.

DR. FREEMAN CARY

Mr. NUNN. Mr. President, I rise today to acknowledge the disposition of the case against the former attending physician to the U.S. Capitol, Dr. Freeman Cary. His long ordeal is over. The cloud over his reputation when he retired from this body has now been lifted. As the court said, "This was a truly tragic case."

The Senate is always lessened when we lose a colleague, and especially so at the death of John East. All of us who failed to see and respond to John's pain and desperation grieve that we found no way to help when he was among us. We were shocked and saddened by his death, and our hearts continue to go out to Priscilla East and her family in their loss.

Dr. Freeman Cary was only the fourth attending physician in the history of the Congress, and he loved, and was loved by, this body.

I have known Dr. Cary since I came to Washington in 1972. He was an extremely dedicated and capable public servant. His professional advice and personal friendship meant a great deal to me over the years. His 15 years of service to the Nation in the Office of Attending Physician to the U.S. Capitol, 13 as the attending physician, earned him the deep respect of a great many Senators and Representatives.

Admiral Cary came to the Capitol in the midst of a distinguished career in cardiology and medical education. A native of LaGrange, GA, he had served as an associate in medicine at Emory University and director of the stroke rehabilitation clinic at Grady Hospital in Atlanta. He was director of Medical Education at Orange Memorial Hospital, in Orlando, FL, and a clinical professor at the University of South Florida Medical School and clinical professor of allied health sciences at Florida Technical University. A fellow in the American College of Physicians, the American Heart Association's Council of Clinical Cardiology, the American College of Chest Physicians, the American College of Cardiology and certified by the American Board of Internal Medicine and its subspecialty Board in Cardiovascular Disease. He received a Bronze Medallion from the Georgia Heart Association, a Silver Medallion from the Florida Heart Association and served on the board of directors of the American Heart Association.

Admiral Cary brought professionalism and expertise to his post, and with his efficient and capable staff, he tirelessly sought to encourage us to adopt healthy habits. He would sometimes scold and cajol, but always as a caring friend.

Dr. Cary stood by us through the long night sessions. He spent long hours with his patients, not only when they sought him out, but on the floor so that when they needed him, he would be a familiar and trusted friend. Freeman Cary came to us a respected expert in his field and a wonderful teacher. More important, he came with healing hands and caring heart, and he served us long and well. We have missed him, and our good wishes go out to him and his family.

I ask unanimous consent to enter into the RECORD the Washington Post account of the trial.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LAWSUIT OVER SUICIDE OF SENATOR EAST DISMISSED

(By Paul W. Valentine)

BALTIMORE, September 5.—A federal judge today threw out as groundless the $3.5 million claim of the widow of Sen. John P. East (R-N.C.) that U.S. Navy doctors were negligent in treating the senator before his suicide in 1986.

U.S. District Judge Walter E. Black Jr. held that the delayed diagnosis of East's hard-to-detect thyroid ailment did not violate "applicable standards of care" and that the doctors cannot be held responsible for East's death.

"The court finds that Sen. East's presentation [of symptoms] between April 1983 and April 1985 would not have led a reasonable internist under the circumstances . . . to test for" the thyroid condition," Black wrote in a 56-page opinion.

The ruling was applauded by government lawyers who defended the Navy doctors, including former U.S. Capitol attending physician Freeman H. Cary.

"I am delighted," said Maryland U.S. Attorney Breckinridge L. Willcox, adding that Black "came to the correct decision and proper analysis" in a tough case.

He described as "tragic" the decision by East's widow, Priscilla, to bring "this ill-advised and meritless lawsuit."

Despite today's vindication of Cary, Willcox said, the suit "had the predictable effect of ruining the reputation of a very eminent and distinguished physician" who retired early because of the suit.

Cary could not be reached for comment.

Priscilla East's attorney, Terri A. Steinhaus, said Black's decision was "unsupported by the evidence."

She said Black seemed to suggest that "physicians need not look beneath the surface of a patient's complaints or to investigate known laboratory abnormalities."

Steinhaus said Priscilla East had no comment at this time, adding that no decision has been made on whether to appeal.

The case has been watched closely by doctors and medical administrators, especially in the Navy, which is responsible for health care at Bethesda Naval Hospital and the Office of the Attending Physician at the Capitol.

John East, a political science professor and conservative elected to the Senate in 1980, committed suicide on June 29, 1986, by filling the garage at his home in Greenville, N.C., with carbon monoxide. He left a note blaming Navy doctors "who ruined my health." He was 55.

Priscilla East sued the government in 1987, saying that doctors had ignored early symptoms of hypothyroidism, a condition in which the thyroid fails to produce hormones to maintain the body's proper metabolism.

She contended that the symptoms—fatigue, depression and abnormal levels of cholesterol and liver enzymes—were apparent in 1983 and 1984 but that doctors did nothing until April 1985. At that time East was rushed to Bethesda Naval Hospital in an advanced psychotic state of hypothyroidism.

He became delusional and attempted suicide, family lawyers claimed, before doctors discovered the thyroid condition and stabilized it with synthetic hormones.

Even though the condition was corrected, family lawyers argued, East's thyroid-induced depression became "autonomous," triggering an irresistible impulse" to commit suicide.

Assistant U.S. Attorneys Susan M. Ringler and Ira L. Oring countered that many of East's early symptoms were not indicative of hypothyroidism and that doctors could not be expected to diagnose it. Also, they said, East's depression was caused by external influences, including finding his Senate duties unchallenging.

Judge Black, citing testimony of government doctors and rejecting testimony of East's doctors during a non-jury trial earlier this year, said today: "The court finds that Sen. East did not present with the classic signs and symptoms of hypothyroidism and that the few signs and symptoms that did exist were too non-specific to require a thyroid function test."

He added, "While in hindsight it is clear that Sen. East was hypothyroid for a period of time prior to April 1985 . . . and while it is truly unfortunate that Sen. East's hypothyroidism progressed to such an extreme stage," government doctors nevertheless acted properly.

SALUTE TO UND PRESIDENT THOMAS J. CLIFFORD

Mr. BURDICK. Mr. President, I rise today to salute a great North Dakotan who is being honored Saturday night at homecoming at the University of North Dakota in Grand Forks: Thomas J. Clifford, president of the University of North Dakota.

American higher education these days, Mr. President, has only a few giants of the caliber of President Clifford, men who have served as university presidents for as long and with such distinction. I think of my colleague, Terry Sanford at Duke, of Father Theodore Hesburgh, recently retired at Notre Dame, of Derek Bok and his leadership at Harvard, and, further back, of Kingman Brewster at Yale.

Tom Clifford, an amiable Irish-American intellectual in a State heavily populated by Germans and Scandinavians, stands in the ranks of those few university presidents who have served their institutions for more than 20 years.

In fact, President Clifford has been at the University of North Dakota since he entered as a freshman in 1938, leaving only for service in the Marine Corps during World War II and to earn his M.B.A. degree at Stanford University. He was the first native North Dakotan to be chosen for the UND presidency back in 1971, after serving as dean of the College of Business and Public Administration since 1950 and as vice president for finance since 1959. He also holds a law degree from UND.

President Clifford recently received a new title, "Chancellor Clifford." Two months ago, the State Board of Higher Education turned to Tom Clifford to ask him to serve as interim Chancellor of the newly unified North Dakota University System. With characteristic unselfishness, he agreed to do so and now deftly handles both positions, overseeing a system of higher learning that educates in excess of 30,000 students in nine institutions of higher learning.

President Clifford's keen business acumen and intellectual capacity are a rare, but valued combination for a university president. Under his leadership the university has grown and prospered in both its physical plant, the quality of its faculty, and its most valued commodity—its students.

I invite my colleagues to join me today in recognizing one of North Dakota's finest citizens—President Thomas J. Clifford.

MASSACHUSETTS "GRAND SLAM" ON NOBEL PRIZES

Mr. KENNEDY. Mr. President, in recent days, some of the ablest and most distinguished individuals of our time have been honored with the Nobel Prize. Among this year's 11 honorees, 2 extraordinary features stand out—8 of them are Americans, and 4 of them are from Massachusetts.

The eight American recipients of Nobel Prizes for 1990 are Henry W. Kendall and Jerome I. Friedman of MIT in physics; Elias James Corey of Harvard in chemistry; Joseph E. Murray of Brigham and Women's Hospital in Boston and E. Donall Thomas of the Fred Hutchinson Cancer Center in Seattle in medicine; and Harry M. Markowitz of City University of New York, Merton Miller of the University of Chicago, and William Sharpe of Stanford in economics.

These eight Americans are symbols of excellence who make all of us proud of our country, and I commend them for the international recognition they have received for their outstanding achievements. Massachusetts takes special pride that four of its most eminent scientists and physicians have earned this distinction in the same year. This is a Nobel Prize "Grand Slam" for Massachusetts, and a fitting tribute to the high quality of scientific research in our State.

I extend my congratulations to each of these brilliant individuals, and I ask unanimous consent that a series of articles relating to their Nobel Prize awards be printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Oct. 9, 1990]

BOSTON DOCTOR SHARES NOBEL FOR MEDICINE—TRANSPLANT WORK CITED

(By David L. Chandler)

A doctor at Brigham and Women's Hospital was one of two American physicians awarded the Nobel Prize in Medicine yesterday for pioneering work that paved the way for now-commonplace organ and tissue transplants that have saved thousands of lives.

Joseph E. Murray, 71, of Wellesley, professor emeritus of plastic surgery at Brigham and Women's Hospital and E. Donnall Thomas, 70, of Bellevue, Wash. received the honor for their work during the 1950s and 1960s on how to reduce the risk of organ rejection by the body's immune system. The two will share a prize worth about $700,000.

Murray performed the world's first successful organ transplant—a kidney from one identical twin to another—at the Peter Bent Brigham Hospital on Dec. 23, 1954.

Two years later, Thomas was the first to perform a successful transplant of bone marrow, which he achieved by administering a drug that prevented rejection.

While the two carried out their prize-winning work independently, they both are graduates of Harvard Medical School and did their medical residencies at the same time at the Brigham Hospital.

"We're close friends," Murray said yesterday in a telephone interview from California, where he is visiting family. "It's marvelous. Sharing it with him has doubled the pleasure."

The two doctors made discoveries that "have enabled the development of organ and cell transplantation into a method for the treatment of human disease," said the Nobel Assembly in its citation for the prize. "Murray's and Thomas' discoveries are crucial for those tens of thousands of severely ill patients who either can be cured or given a decent life when other methods of treatment are without success."

By using an identical twin as the donor in the first successful kidney transplant, Murray eliminated the problem of having the body reject the organ as "foreign" tissue. He later found that organs from unrelated donors could be successfully transplanted by exposing the recipient to radiation, which helps prevent the body's immune system from attacking the new tissue.

Later, he began using drugs instead of radiation to suppress the immune system.

Thomas' work dealt with a different but closely related problem, the tendency of implanted tissue to attack the body into which it is transferred.

"They tackled the problem from opposite directions," said Gosta Gahrton of the Nobel awards committee.

Thomas, who is director of clinical research at the Fred Hutchinson Cancer Research Center in Seattle, found that a drug could prevent the reaction and that bone marrow cells injected into the bloodstream could reconstitute the patient's bone marrow and produce new blood cells. The method has become a standard treatment for leukemia, severe anemia and other blood disorders.

When the two doctors began their work, there was widespread skepticism in the medical community about the possibility of transplanting organs or bone marrow.

"I am impressed by the way they had the courage to continue when other scientists

said it was impossible," said Gahrton, according to wire service reports.

Murray and his wife arrived in California late Sunday night to visit a daughter and found out about the award early yesterday morning.

At 4:30 a.m., Murray said, "my daughter came in and said, 'Daddy, I hate to wake you up, but I got the good news that you won the Nobel Prize,' and I thought she was spoofing me, because she had that wonderful look on her face."

Murray, who was born in Milford, said the word arrived through a circuitous grapevine: An inlaw in South Carolina heard the news on the radio and called Murray's son in Marion; the son called one of Murray's daughters in Wellesley, and she called the daughter in California.

"I still can't believe it," Murray said, adding that he had been nominated several times before.

Two years ago, George Hitchings and Gertrude Elion received the award for their work in developing chemical immune suppression methods to allow transplants.

Murray, who had worked on the project with Hitchings and Elion at Brigham and at Harvard Medical School, said he "was thrilled" when they received the prize, but that he did not expect any more prizes for transplantation.

"So I was totally flabbergasted," Murray said, "I just never dreamed that I'd be put up again."

One of Murray's daughters, Virginia Boyle of Wellesley, described him as a "very religious person." He reads widely, is an "eternal optimist" and "appreciates the simple things of life," she said.

Thomas said he was told the news when he was awakened by a reporter's telephone call early yesterday morning.

"I really thought this work was too clinical to ever win the prize," Thomas told the Associated Press. "There are many scientist-researchers out there who are eligible for this prize."

He added, "I think it's a recognition of a lot of work by a lot of people who have worked on the problems over the years. . . . It's been very gratifying to see the procedure become accepted as the primary form of treatment for leukemia."

[From the Boston Globe, Oct. 9, 1990]

TRANSPLANTS: THE UNTHINKABLE BECOMES THE COMMONPLACE

(By Judy Foreman)

It was two days before Christmas 1954.

Richard Herrick, 23, lay at Boston's Peter Bent Brigham Hospital—now called Brigham and Women's—facing death from kidney failure. His twin brother, Ronald, had just agreed to the unthinkable: removal of one of his kidneys to donate to Richard.

Kidney dialysis, so commonplace today, was still so new and clumsy that it was not considered a long-term option. The process had been invented in the Netherlands just after World War II.

Immunosuppressive drugs, the backbone of most of the more than 13,000 organ transplants done today in the United States, were barely a gleam in researchers' eyes.

And the idea that by 1990 Americans in every state would by law be able, more or less casually, to carry organ donor cards or donor stickers on drivers' licenses was too wild even for Dr. Joseph E. Murray, then 35 years old, to imagine.

To be sure, Murray—who yesterday at 71 won the 1990 Nobel Prize in Medicine along with Dr. E. Donald Thomas, 70, of Bellevue, Wash.—had for several years been practicing kidney transplantation in dogs.

And a handful of Murray's colleagues at the Brigham had even tried transplanting kidneys from one human being into another. They would transplant the organ into the recipient's thigh, so that if anything went wrong, and plenty did, the "foreign" kidney could be removed without major abdominal surgery. It didn't work: The kidney came from unrelated cadavers, and the recipients' immune systems quickly rejected the foreign tissue.

But the plain fact was that as Christmas 1954—and death—bore down on Richard Herrick, the idea of transplanting a kidney from one person to another was utterly radical.

For one thing, no one knew how long a kidney could survive outside the body. Certainly, no one evisioned kidneys being whisked from donor to recipient in picnic coolers, as they sometimes are today.

Nobody knew all the intimate surgical details of hooking up a donated kidney with the recipient's blood vessels and urinary system, recalled Arthur Caplan, director of the University of Minnesota Center for Biomedical Ethics, in a telephone interview yesterday. Or whether a transplanted kidney would even work for long in a new body.

And few, if any, anticipated the ethical dilemmas to which Murray's derring-do with kidney transplantation—and, more important, immune suppression—would lead.

Yet within 14 years of that fateful Christmas, transplanting kidneys from cadavers would be sufficiently established that doctors needed a new definition of death to allow them to take kidneys from donors who were "brain-dead" but whose hearts still pumped kidneys full of blood, said George Annas, director of the law, medicine and ethics program at the Boston University School of Medicine.

An few would have guessed that kidney transplants, followed later by transplants of hearts, liver, pancreases, lungs and bone marrow, would lead to Americans' first brush with medical "rationing," Annas said yesterday. Today, thousands of Americans die every year waiting for organs, forcing doctors to establish criteria for which patients receive them.

The 1950s were heady days at the Brigham, an era of risk-takers such as Drs. David Hume, John P. Merrill, J. Hartwell Harrison, Gustave Dimmin and Benjamin Miller, who, like Murray, a plastic surgeon by training, were eager to try transplantation.

On Dec. 23, in a 5½-hour operation, Harrison removed a kidney from Ronald. Murray stitched it into Richard's abdomen, and those who knew of the daring surgery held their breaths.

Though she was only 10 at the time, Murray's daughter, Virginia Boyle of Wellesley, recalls the evening vividly. Her mother had gathered the children to pray for the success of the "thrilling" event taking place downtown.

"We knew it was a historic thing, that it would save a lot of lives. It's thrilling to think it all started here in Boston," Boyle said yesterday.

Over at Harvard Dr. George Thorn, then chief of medicine, predicted: "It will be easier to put a man into space than to do what we did here."

After the surgery, Richard Herrick lived for seven years before dying of congestive heart failure brought on by the same kidney disease that had necessitated the transplant.

At first, from 1954 to the early 1960s, Murray's team proceeded gingerly, doing about a dozen transplants during that time. To minimize rejection of donated kidneys whenever possible, they transplanted organs between identical twins. They also worked with fraternal twins, successfully using low-dose radiation to suppress the recipient's immune system: In the late 1960s, they got a special boost: Edith Helm, who had received a kidney from her twin sister, Wanda Foster, went on to bear a child.

But there were "disasters" as well, recalled Dr. Charles Carpenter, a Brigham immunogeneticist and kidney specialist, especially when Murray tackled the real challenge: transplanting kidneys between mismatched cadavers and recipients. Using higher doses of radiation would destroy the bone marrow, and cortisone, the only drug available for immunosuppression, left the recipient without enough immune strength to fight off infections.

The "real landmark"—and the work the Nobel Prize recognizes—came in 1962 when Murray and other Brigham researchers developed Immuran (azathioprine), an improved immunosuppressive drug still in use that truly allowed Murray to "breach the transplant barrier," said Carpenter.

That research team also included George Hitchings, the winner of the 1988 Nobel Prize.

Since then, other immunosuppressive drugs have come along—cyclosporine in 1979, although it can cause kidney damage, and, recently, FK-506, a promising but experimental drug.

Virginia Boyle described her father, Murray, as a "wonderful, down-to-earth" man who swims four or five times a week, plays tennis and, at 50, climbed the Matterhorn to celebrate. Recently, he trekked in the Himalayas.

Winning the Nobel Prize, she said, is "thrilling and overwhelming" for him.

For the thousands of patients who followed the Herricks' example, it is no less so, said others who know Murray's work. Today, 85 percent of kidney and heart transplant recipients who receive cadaver organs are alive a year after surgery, as are about 80 percent of liver recipients.

At 10 years after surgery, about 40 percent of recipients of cadaver kidneys are still alive, and better matched transplants reach the 60 to 70 percent range, said Carpenter.

And for transplants between identical twins like the Herricks, the statistics bear out the risks that Murray took 3½ decades ago. Thirty years after transplant, more than half the kidney recipients are alive and well

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U.S. organ transplants

Transplants performed in 1989:	
Kidney	8,937
Heart	1,687
Liver	2,188
Pancreas	418
Heart/lung	67
Lung	91
Total	13,388
Transplant waiting list as of October 1, 1990:	
Kidney	17,689
Heart	1,761
Liver	1,082
Heart/lung	254
Pancreas	432

Lung	246
Total	21,464

Source: The National Organ Procurement Transplantation Network.

[From the Boston Globe, Oct. 18, 1990]

NOBELS FOR THREE AREA SCIENTISTS

(By David L. Chandler)

Three Boston-area scientists, two from the Massachusetts Institute of Technology and one from Harvard University, were among the four winners of this year's Nobel Prizes in physics and chemistry announced yesterday by the Swedish Academy of Sciences.

Henry W. Kendall and Jerome I. Friedman of MIT, along with Richard E. Taylor of Stanford University, will share the prize in physics, worth about $700,000, for work in the late 1960s that proved the existence of quarks, the smallest known component of matter.

Elias James Corey of Harvard won the prize in chemistry for basic research that revolutionized the ability of chemists to create synthetic versions of organic chemicals in the laboratory. His work made it possible to make many important pharmaceuticals more easily and cheaply and improved the theoretical understanding of how these chemicals work.

Corey learned about his $700,000 prize from a graduate student as he arrived at his laboratory yesterday morning. "It was a surprise," said Corey, who has been rumored to be a Nobel candidate for years. Winning the Nobel Prize, he said, "is a statistically improbable event for any scientist. So many good scientists don't get it. I've always maintained a solid skepticism, for which I'm still not sorry."

Corey added that he believes the prize was given not to him personally but to the whole field of synthetic chemistry, which he developed and which he called yesterday "an incredibly beautiful intellectual field."

He won the award for a lifetime of work, most importantly for developing a now-widespread method for analyzing the component parts of a natural molecule to see how the molecule can be put together synthetically.

Kendall, 64, a professor of physics, is widely known for his work as chairman of the Union of Concerned Scientists, a nonprofit organization that has been highly critical of the nuclear power industry and the "star wars" defense program.

Kendall said he was "overwhelmed" when the phone call announcing the award came at 5 a.m. yesterday. Because he had done the research 20 years ago, he said, "this came as quite a surprise."

Friedman, 60, who was attending a meeting in Texas, said that when his wife phoned to give him the news, "it was so unbelievable I literally thought I was still sleeping and that this was part of my dream."

With the latest awards, a total of 23 MIT professors and alumni have won Nobel prizes.

The three winners in physics were honored for work that revealed an internal structure inside what were thought to be "fundamental" particles of matter—the protons and neutrons that make up the nucleus of an atom.

The small nuggets of matter they detected turned out to match theoretical predictions about the existence of basic building blocks called quarks, from which the basic subatomic particles are built.

But even the theorists who concocted the idea never expected such particles to be discovered. When Murray Gell-Mann of the California Institute of Technology constructed the theory and coined the name quark, Kendall said, "these were only considered a kind of mathematical crutch having no genuine existence, although very helpful in the theory he developed. They were not believed to be real things."

Thus, when Kendall, Friedman and Taylor conducted their experiments at the Stanford Linear Accelerator Center, a huge "atom smasher," the results were "quite surprising," Kendall said. "Surprising to us, surprising to the theoretical physics community." It showed that quarks "in fact existed inside the atomic nucleus and in fact formed the basic building blocks of the neutrons and protons."

Steven Weinberg, a physicist as the University of Texas and a previous Nobel laureate in physics, said the Kendall-Friedman-Taylor experiment "was really a very fundamental experiment in the history of elementary particle physics." Despite its importance, he said, "it wasn't realized at the time how fundamental it was." It was only over time that physicists began to accept that this experiment was the discovery of the quark, the most basic particle of matter now known.

Even the scientists doing the experiment did not immediately realize its significance, Kendall told a news conference at MIT. "It was not a sudden event like Archimedes discovering the law of buoyancy and jumping out of his tub shouting 'Eureka!'" The evidence for quarks "slowly came out of the pattern of data we were accumulating" over a period of years.

Robert J. Birgenau, head of MIT's physics department, said: "Obviously we're ecstatic about this prize here at MIT. But we're ecstatic not just because it honors a great intellectual accomplishment, but because both Jerry and Henry are outstanding as human beings, and they provide great examples that you can be both a great scientist and a great humanist as well.

"They're outstanding teachers, they have a commitment to increasing the number of minorities in physics. Henry has a leading role in a variety of social causes. It is possible to be a real human being and a great scientist," Birgenau said.

Kendall helped found the Union of Concerned Scientists in 1969 and has been its chairman since 1973. The group played a prominent role in challenging claims made by the nuclear power industry and the Atomic Energy Commission about the safety of nuclear power. Its members' testimony at the long and grueling hearings on the Pilgrim power plant in Plymouth in the early 1970s formed the basis for a British documentary called "Power Struggle." Kendall also served as a consultant to the anti-nuclear movie "The China Syndrome."

The independent organization also played a prominent role in challenging the technical feasibility of President Reagan's "star wars" plan for an orbiting system of satellites to defend American cities against nuclear attack. More recently, the group has focused its attention on the consequences of the "greenhouse effect," which many scientists believe is raising temperatures worldwide.

Kendall may be one of the wealthiest people ever to win a Nobel Prize. He and a brother were the major shareholders of a family business, Kendall Co., makers of bandages and hospital equipment, which was sold to Colgate-Palmolive Co. in 1972 for $512 million. They founded a charitable organization, the Henry P. Kendall Foundation, that is one of the largest philanthropic groups in New England.

Kendall, a pilot, mountain climber and scuba diver, was described by Kurt Gottfried, a close friend and physicist, in an interview last year as the kind of resourceful person you would want to have along "if you find yourself lost in Alaska with just a knife."

[From the Boston Globe, Oct. 18, 1990]

A QUIRK, A QUARK AND A KEY DISCOVERY

(By David L. Chandler)

"Three quarks for Muster Mark," says a character in James Joyce's enigmatic novel "Finnegan's Wake." The obscure passage would be remembered only by the most devoted Joyce scholars were it not for the Puckish wit of physicist Murray Gell-Mann, who in the 1960s formulated a theory about the basic nature of matter and borrowed the Joycean name for his invention.

When he came up with the idea of a building block of matter smaller than the particles that make up atoms, he said later in an interview in Omni magazine, "I thought it would be refreshing to use names based mostly on jokes, because I wasn't sure any name I could give them would be applicable permanently. If I had given them a pompous Greek name based on some property we believe in today, they might in the future look antiquated."

"The real joke, of course, is that the name never meant anything in the first place and so would never be obsolete," he said.

And so the most basic particle of matter known today, believed in by most physicists and confirmed by a host of high-energy particle-beam experiments, is known as the quark.

Although scientists did not recognize it for years, it is now clear that the decisive moment when theory became fact—when Gell-Mann's brainchild was found to be a real, observable thing—was in the series of experiments in the late 1960s and early '70s for which three scientists, two of them from MIT, were honored with Nobel Prizes yesterday.

Steven Weinberg of the University of Texas, a 1979 Nobel laureate in physics, yesterday called the work of Henry Kendall, Jerome Friedman and Richard Taylor a "landmark experiment" comparable to Lord Rutherford's work in 1911 proving the existence of the nucleus of the atom.

"This experiment served as a signpost toward the modern theory" of the interactions among the basic building blocks of nature, Weinberg said.

In Rutherford's experiment, electrons were accelerated toward a thin film of gold, and their motions after the collision were measured. The experiment showed that matter was concentrated in tiny "targets" surrounded by vast empty space. These targets were the first clear evidence of the atomic nucleus.

The work of Kendall, Friedman and Taylor extended this probing of the nature of matter two levels deeper. Scientists in the intervening years had determined that the nucleus was made up of smaller particles, called protons and neutrons.

Some physicists unsuccessfully sought evidence of quarks, the components of subatomic particles that Gell-Mann had postulated. Kendall, Frieman and Taylor were not

looking for quarks, but it was they who made the discovery.

Their work, like Rutherford's, involved smashing beams of subatomic particles together and observing the resulting debris.

They found, much to their surprise, that the particles behaved as if there were hard nuggets of matter within the space supposedly occupied by the protons and neutrons. They concluded that these nuggets were the three quarks that Gell-Mann had theorized would make up each of the subatomic particles.

The problem with the earlier experiments, it turned out, was that the researchers had been looking for free-floating, separate quarks—something that is now believed to be impossible. Quarks, according to current theory, are permanently bound in groups of three that form basic particles.

[From the Boston Globe, Oct. 18, 1990]

HARVARD CHEMISTRY LAUREATE WAS A WHIZ KID FROM METHUEN

(By Judy Foreman)

Elias James Corey was a whiz kid from Methuen who wrote his doctoral thesis in four weeks, earned a PhD at age 22 and was made a full professor at 27. Yesterday, at 62, he won an award that friends and colleagues said was years, even decades, overdue: the Nobel Prize in Chemistry.

At Harvard University, Corey, a veritable institution known as "E.J." to graduate students and faculty members alike, has been professor of chemistry since 1959. He is the 33d Harvard faculty member to win a Nobel Prize, and the sixth Harvard professor to win a Nobel in chemistry.

Described by current and former students as a man of enormous drive, dedication and concentration, Corey is also a stern but fair taskmaster who, they say, does not suffer fools gladly.

His hobbies? David A. Evans, a fellow chemistry professor at Harvard, put it bluntly, "Chemistry. He works seven days a week."

His father died when Corey was 18 months old, and his mother and aunt pooled their households to survive the Depression years. "It never occurred to me that I'd be a professor," Corey recalled yesterday. "One's expectations were not high in those days. It was enough to get an education and do the best I could."

His best, even then, was impressive. Corey blitzed through the Massachusetts Institute of Technology, getting a bachelor of science degree in 1948 and his doctorate two years later.

Over the next 40 years, he won so many awards that last year, an article in the journal Chemistry in Britain called him a "20th century folk hero," an "inspiringly modest man" who has built "an understanding of fundamental chemistry that will lead to tomorrow's medicines."

As word of his Nobel spread yesterday through the labs and corridors of Harvard's Conant Laboratories, Corey's students gathered outside his office, gulping beer at 10 a.m. and bubbling with admiration for the mentor many described as "the father of synthetic organic chemistry."

By noon, through no accident of chemistry, the bubbly of choice had become champagne, as fellow faculty members, including previous Nobel laureates such as chemist Dudley Herschbach, came to share the glow with a jubilant Corey. Herschbach spoke for many when he said, "E.J. changed the whole way that modern chemistry is done."

At a news conference, students covered the blackboard with chemical diagrams and cheered as a beaming Corey strode in.

Reporters pressed for practical applications of Corey's work, which has made possible the creation of complex molecules used in everything from medicines to paints to pesticides. But Corey, to the cheers of his students, stressed the importance of basic science, holding up a copy of his book, "The Logic of Chemical Synthesis."

Asked how the book had been selling, Corey grinned, paused for effect and said, "Well, sales should improve."

To the lay public, the scientific language for describing Corey's achievements may sound esoteric: He developed the theory and methodology of organic synthesis. But to the hundreds of scientists Corey has trained over the years, his work is the bedrock upon which all else rests.

The Nobel Prize committee cited him in particular for work he did in the 1960s, the development of a technique called "retrosynthetic analysis." This is a method for analyzing a compound found in nature, figuring out how its components are bonded together and then using this knowledge to make a synthetic version of the compound.

"In this way," said the Royal Swedish Academy of Sciences, "less complicated building blocks were obtained which could later be assembled in the process of synthesis."

Corey went on to show how this method could be enhanced by computer programming, developing a process of computer synthetic planning that "is developing rapidly," the academy said.

The Swedish academy said Corey's work has "contributed to the high standard of living and health and the longevity enjoyed at least in the Western world," and Corey himself acknowledged that there "is not a pharmaceutical lab in the world that has not used discoveries made in our lab."

Altogether, Corey has created about 100 synthetic versions of key natural compounds.

Early in his career, he created synthetic versions of natural body chemicals called prostaglandins, which play a crucial role in inflammation, blood clotting, blood flow, gastrointestinal functions and other biological processes.

Two years ago, Corey synthesized a substance called ginkgolide B, a substance Chinese herbal doctors have used for 5,000 years in its natural form, a tree extract, to treat a variety of heart and lung diseases. Using Corey's work, British researchers have begun using gingkolide B to treat patients with asthma and certain inflammations.

Today, Corey said, his students and postdoctoral fellows are working on 20 to 25 projects, including "molecular robots," enzyme-like chemicals that pick up one chemical ingredient and attach it to another to create a synthetic compound.

Corey, who has trained an unusually large number of young scientists over the years, said he believes teaching "is as important as research."

One former student, Professor David Cane of Brown University's chemistry department, agreed.

Calling Corey "one of the giants of 20th-century chemistry," he said Corey probably has trained "500 graduate students and post-docs, an exceptionally large number. And many of these people have been very successful in chemistry, here and abroad, in universities and the pharmaceutical industry."

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,043d day that Terry Anderson has been held captive in Beirut.

JUDGE WALTER P. CYNAR RETIRES FROM BENCH

Mr. LEVIN. Mr. President, I rise today to pay tribute to Michigan Court of Appeals Judge Walter P. Cynar, who retires from the bench after more than 40 years in service to his community through the law.

Judge Cynar has spent his lifetime serving the State of Michigan. After graduating from Detroit Law School in 1949, he practiced as a trial lawyer for 17 years. The people of Macomb County, realizing his enormous capabilities, elected him to the Macomb County Circuit Court bench, where he served for more than 11 years before being appointed to the Michigan Court of Appeals by Gov. William Milliken. He was elected to full term in 1978 and was reelected in 1984.

Judge Cynar has served the State of Michigan, not only in a professional capacity, but also through public service. He volunteers for groups from all walks of life. He has always been an active member of the Boy Scouts of America and in honor of his contributions, he was awarded the highest award in Scouting, the Silver Beaver. He has also played a vital role in many Polish organizations, including the Polish American Congress, Polish National Alliance, and the Polish Century Club. He played an especially active role at St. Mary's College in Orchard Lake where he served as chairman of the school's board of trustees.

Obviously, Judge Cynar is not the retiring type. At the end of this year, he hopes to spend some time in Poland. He would like to help them as they move toward a democratic judicial system. With his expansive legal background, the Polish judidiary could clearly gain from his counsel.

The people of Michigan have been very fortunate. It is rare and wonderful when men and women of obvious talent and dedication to the demands of a profession share these gifts in voluntary service as well. Judge Cynar is one such rare and wonderful man. He moves to a new era in his life with the gratitude and great expectations of his community.

AMENDMENTS TO THE FISCAL YEAR 1991 BUDGET RECONCILIATION LEGISLATION

Mr. DODD. Mr. President, over the last 2 days, all Senators were forced to make some of the toughest votes in our careers as we sought to balance the practical need to set our budget

deficit firmly on a downward course with the political reality that passage of such a necessary bill will require unpopular choices.

No one enjoyed making these tough choices but, frankly, our failure to make such choices over the past decade is what has brought us to the present budget crisis. If we fail to support the best possible, politically doable legislation now, we will be dooming our children and their children to a far lower standard of living than otherwise would be the case.

In simplest terms, if any of us had outspent the amount of money we had earned to the extent our Government has for 10 years, we would long since have been bankrupt. The most obvious product of this fiscal profligacy is an annual expenditure of $180 billion to pay for interest on the national debt. That is $180 billion that we cannot spend for better housing, education, and jobs. It is a legacy—and one that will only get larger each year—that we are leaving our children.

The only way to reduce this enormous burden is to set ourselves firmly on a course that will eliminate deficit spending. The problem we have had for the last few months in reaching an agreement lies in two key facts—first, Democrats and Republicans have strongly held and often diametrically opposed views as to how to reach this objective; and second, until the President went on television 2 weeks ago, the country had not heard its leader say that tough measures would have to be taken to address such a serious and threatening problem.

I believe that the debate over the last couple of weeks has focused the Nation's attention on both the significance of the problem and on the alternatives for putting an end to it. As a result, I believe that the reconciliation bill passed by the Senate last night—as well as the one passed by the House earlier in the week—are significantly better than the budget summit agreement of 2 long weeks ago. They are better in that the burden of closing the deficit is distributed more equitably. Unlike the original budget summit agreement, under which the poor would have been asked to pay more than the rich, both the Senate and House budget reconciliation plans would result in the wealthiest individuals in society contributing a greater portion of their income to solve this problem.

But that said and done, the Senate had to vote on several proposals that would have placed even more of the burden on the rich. Three amendments in particular would have produced this result. The Conrad amendment would have imposed a 33-percent marginal tax rate on the wealthiest, increased the alternative minimum tax, and imposed a 10-percent surcharge on people with income over $1,000,000, and used the additional revenue to reduce the costs on Medicare and agriculture, and reduced the gasoline tax increase from 9½ cents to 5 cents.

The Gore amendment would have increased the income tax rate to 33 percent on taxable income over $109,000 for individuals and $185,000 for married couples, increased the alternative minimum tax from 21 percent to 25 percent, and imposed a 10-percent surtax on taxable income above $1 million in return for eliminating most of the increases in Medicare costs and reducing the gasoline tax.

The Harkin amendment would have imposed an 18-percent surtax on taxable income above $1 million in return for decreasing the $150 part B Medicare deductible to the current $75 level.

It is obvious that the thrust of all these amendments was to make the rich pay more of the cost of deficit cleanup. I agreed with all three of them—and I voted against all three of them. While I did so with great reluctance, I did so with the firm conviction that the passage of any one of the amendments would have resulted in a bill that would have been rejected by this body. Such a rejection would have been a stunning setback to deficit reduction. Instead of supporting these attractive but crippling amendments, I chose to cast votes that I thought had the best chance of moving the budget agreement forward. The agreement is not a perfect one, but it is one that is reasonably fair and one that the President would sign.

Mr. President, while I opposed all of these amendments in order to get the bill through the Senate, nevertheless, I hope that the conferees and the President will agree to make the final product even more progressive. To register my strong preference for this outcome, I supported the Levin sense of the Senate amendment that the Senate conferees should eliminate the increase in the gasoline tax and the Medicare premium payments and deductible by increasing the tax rate to 35 percent for those with incomes above $200,000 and that they should work against any delay in tax indexing. While the amendment failed, I would still urge the conferees to go as far in this direction as is politically possible.

I would also like to discuss briefly a few other amendments. The first was a Mitchell-Dole substitute to a Symms amendment. The Symms amendment would have eliminated the gasoline tax increase, thereby reducing the amount of deficit reduction by approximately $42.7 billion. The Mitchell-Dole substitute changed the allocation formula so that 60 percent of the revenues raised by the gasoline tax increase would go into the highway trust fund and 40 percent would go toward deficit reduction. I think the Mitchell-Dole substitute represents an improvement over the original bill, which would have split the revenues 50-50. Much as I would have liked to eliminate the gasoline tax, the loss of revenue from adoption of the Symms amendment would have made a mockery of our deficit reduction efforts.

On a positive note, I was delighted once again to join most of my Senate colleagues in voting to exclude the Social Security trust funds from the budget deficit calculation. This is an essential step in truth in budgeting.

Finally, I was pleased to support an effort by Senator METZENBAUM to reinstate a windfall profit tax on the price of oil sold over $25 a barrel and to use the revenues to reduce the gasoline and diesel taxes commensurately. It was the right position and I was pleased to support it. I am disappointed that it failed to pass.

In sum, Mr. President, I know that many Senators had to cast some extremely difficult votes on this bill. In the best of all possible worlds, I would have liked to have voted for more progressivity in the budget package. But this is not the best of all possible worlds. If we fail to adopt a strong, credible, and fair budget deficit reduction package, I believe it will bring into serious question our ability to remain a leading economic nation in the 21st century. We owe our constituents more than demagoguery. We owe them a good budget deficit reduction package.

In the final analysis, I believe the bill the Senate adopted last night is generally fair and certainly a fairer product than the original budget summit agreement. I hope it will get even better in conference.

TRIBUTE TO SENATOR ARMSTRONG

Mr. BOREN. Mr. President, the conclusion of this 101st Congress brings with it the end of an exceptional Senate career with the retirement of Senator BILL ARMSTRONG. In the 12 years I have served with Senator ARMSTRONG I have come to know and respect him as a friend and as a dedicated public servant. He has represented his State and country well, and his exit from the Senate is a loss for both his State and our country. He will be greatly missed.

Senator ARMSTRONG is a man of honesty and integrity and is unshakably committed to furthering what he believes is right. The people of Colorado recognized these unique qualities and elected him to the State House in 1962. Since that time he was elected to the U.S. House and then to this Chamber in 1978. The people of Colorado applauded his work as a citizen legisla-

tor by reelecting him by the largest margin of any GOP Senate candidate in Colorado history. The Republican Party acknowledged his strong character and leadership ability when they appointed him chairman of the Republican Policy Committee.

I was elected to the Senate the same year as Senator ARMSTRONG and, although we have not always agreed on every issue, I have always respected his efforts and integrity in the Chamber. He has often taken the tough stance, many times making his vote the crucial link between success or failure for a bill.

It has been my privilege to serve with Senator ARMSTRONG on the Finance Committee for the past 12 years. We have worked closely on the committee, and I have gained a deep respect for his conviction to his beliefs and his desire for economic bipartisanship. His fiscally conservative orientation and work on the Finance and Budget Committees have helped lead the way toward a solution to our budget deficit.

Although BILL ARMSTRONG is retiring from his position as a U.S. Senator, I am sure many more great successes lie ahead for him. Individuals of his ability, character, and integrity always continue to contribute to society. I will miss his presence in the Senate but look forward to following his future progress and accomplishments. I wish him the best of continued success.

LITHUANIA DESERVES MORE THAN WORDS

Mr. MOYNIHAN. Mr. President, for 40 years the United States supported the people of Lithuania with words only. Now we have a chance to do something more. Earlier this year the Senate adopted legislation which I introduced with the strong support of Senator ARMSTRONG to authorize $10 million of humanitarian assistance for Lithuania. I am pleased to join with my colleague from New York, Senator D'AMATO, in offering an amendment today which will actually appropriate that $10 million.

Some have questioned the need for this assistance because the Soviet Union has allegedly lifted its economic blockade of Lithuania. Others suggest that the negotiations between Lithuania and the Soviet Union would be upset by providing this help. I strongly disagree. Reports that the Soviet blockade of Lithuania has been lifted are not the whole truth. I have received reports that the blockade has only been partially lifted and that supplies of important items are still in very short supply in Lithuania.

But there is a much more important point to be made. The Soviet Union can reimpose the blockade at any moment. The Lithuanians have no reserves. They would be plunged into instant crisis. Once again, diabetics without insulin would be on the verge of death, critical surgery would be postponed, and more. Can we expect Lithuania to negotiate with this kind of a knife at its throat? This aid will not upset the current negotiations. It will only begin to level the playing field so that genuine negotiations can take place.

I am also pleased to note that the foreign operations legislation contains assistance for Estonia and Latvia.

Today the Senate is acting—after 40 years—to give Lithuania, Latvia, and Estonia some tangible support in their struggle to correct the last remaining crimes of the Hitler-Stalin era.

FUNDING FOR POPULATION ASSISTANCE

Mr. WIRTH. Mr. President, I would like to add my voice to those of my colleagues who have noted that this bill contains the first increase in real dollars for international family planning programs in 6 years. Many of us, concerned about the rapid pace of population growth, consider this a critical step in the effort to protect the global environment. If we are to get a handle on massive global environmental threats like global warming, deforestation, and desertification, we must attack one of the root causes of these problems: population growth.

It took 2 million years for the human population to increase to the 1930 level of 2 billion. In our lifetimes, population has increased more than twofold to today's level of 5.3 billion. In the next half century, the population will double again to 10 billion human beings. And at current rates, the population of the globe will not stabilize until it reaches 14 or 15 billion at the end of the 21st century. But we have a choice. If we act aggressively to provide family planning services on a voluntary basis to every couple on the planet, we could limit the ultimate size of the human population at 10 billion or less. And we've got to set that at as our minimal goal.

Last year, the United Nations hosted a major forum on population in Amsterdam, where it was agreed that an all-out effort was needed to provide family planning services to everyone on the planet by the year 2000. If we reach that goal we could meet the lower projections of population growth. To get there, the United States needs should be providing $500 million this year.

I want to commend my colleagues on the Appropriations Committee for reporting a bill that includes $330 million for population programs—$250 million in the population account and $80 million from the Development Fund for Africa. This is a giant step in the right direction, but we've got a long way to go.

The Amsterdam Declaration sets as a goal for all nations, a commitment of 4 percent of development aid for population activities. It is imperative that we dedicate ourselves to that goal and establish the United States as the world's leader in the effort to stabilize the population at 10 billion or less.

Addressing global population growth is essential to a concerted effort to tackle our global environmental concerns; to help reduce poverty and human suffering around the globe; and to build a safer, more secure community of nations. I hope my colleagues will join me in taking this issue on and realizing these ambitious goals.

MESSAGES FROM THE HOUSE

At 11 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendments of the Senate numbered 1, 3, 5, and 6 to the amendment of the House to the bill (S. 1756) to provide for the preservation and interpretation of sites associated with Acadian culture in the State of Maine; and that the House disagrees to the amendments of the Senate numbered 2 and 4 to the amendment of the House to the bill.

The message also announced that the House has passed the bill (S. 2930) to eliminate "substantial documentary evidence" requirement for minimum wage determination for American Samoa; with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 5835) to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for fiscal year 1991; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on the Budget, for consideration of the House bill, and the Senate amendment, and modifications committed to conference, and as exclusive conferees with respect to any proposal to report in total disagreement: Mr. PANETTA, Mr. GEPHARDT, and Mr. FRENZEL.

From the Committee on Agriculture, for consideration of title I of the House bill, and title I of the Senate amendment, and modifications committed to conference: (vacancy), (vacancy), and (vacancy).

From the Committee on Banking, Finance and Urban Affairs, for consideration of title II of the House bill, and title II of the Senate amendment, and modifications committed to con-

ference: Mr. GONZALEZ, Ms. OAKAR, and Mr. WYLIE.

From the Committee on Education and Labor, for consideration of title III of the House bill, and title X of the Senate amendment, and modifications committed to conference: Mr. HAWKINS, Mr. FORD of Michigan, and Mr. GOODLING.

From the Committee on Energy and Commerce (health), for consideration of title IV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. WAXMAN, and Mr. LENT.

From the Committee on Energy and Commerce (transportation), for consideration of title IV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. THOMAS A. LUKEN, and Mr. LENT.

From the Committee on Energy and Commerce (energy), for consideration of title IV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SHARP, and Mr. LENT.

From the Committee on Government Operations, for consideration of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. CONYERS, (vacancy), and Mr. HORTON.

From the Committee on Interior and Insular Affairs, for consideration of title V of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: (vacancy), (vacancy), and (vacancy).

From the Committee on the Judiciary, for consideration of title VI of the House bill, and title IX of the Senate amendment, and modifications committed to conference: Mr. BROOKS, Mr. KASTENMEIER, and Mr. MOORHEAD.

From the Committee on Merchant Marine and Fisheries, for consideration of title VII of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: (vacancy), (vacancy), and (vacancy).

From the Committee on Post Office and Civil Service, for consideration of title VIII of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. CLAY, and Mr. GILMAN.

From the Committee on Public Works and Transportation (aviation), for consideration of title IX of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. ANDERSON, Mr. OBERSTAR, and Mr. HAMMERSCHMIDT.

From the Committee on Public Works and Transportation (surface transportation), for consideration of title IX of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. ANDERSON, Mr. MINETA, and Mr. HAMMERSCHMIDT.

From the Committee on Public Works and Transportation (EPA fees), for consideration of title IX of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. ANDERSON, Mr. NOWAK, and Mr. HAMMERSCHMIDT.

From the Committee on Rules, for consideration of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. MOAKLEY, Mr. DERRICK, and Mr. QUILLEN.

From the Committee on Science, Space, and Technology, for consideration of title X of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. ROE, Mrs. LLOYD, and Mr. WALKER.

From the Committee on Veterans' Affairs, for consideration of title XI of the House bill, and title XI of the Senate amendment, and modifications committed to conference: Mr. MONTGOMERY, Mr. APPLEGATE, and Mr. STUMP.

From the Committee on Ways and Means (revenues and debt ceiling), for consideration of title XIII of the House bill, and title VII of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, and Mr. ARCHER.

From the Committee on Ways and Means (Medicare), for consideration of title XII of the House bill, and title VI of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. STARK, and Mr. ARCHER.

From the Committee on Ways and Means (Social Security), for consideration of title XII of the House bill, and title VI of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. JACOBS, and Mr. ARCHER.

From the Committee on Ways and Means (child care and human resources), for consideration of title VI of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. DOWNEY, and Mr. ARCHER.

The message also announced that the House has passed the following bill and joint resolution, in which it requests the concurrence of the Senate:

H.R. 4939. An act regarding the extension of most-favored-nation treatment to the products of the People's Republic of China, and for other purposes; and

H.J. Res. 667. Joint resolution to designate November 16, 1990, as "National Federation of the Blind Day."

ENROLLED JOINT RESOLUTION SIGNED

At 1:48 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 677. Joint resolution making further continuing appropriations for the fiscal year 1991, and for other purposes.

The enrolled joint resolution was subsequently signed by the President pro tempore [Mr. BYRD].

At 4:57 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 3016, An act for the relief of Janice and Leslie Sedore and Ruth Hillman; and

S. 3043. An act for the relief of Nebraska Aluminum Castings, Inc.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 996) to establish the Congressional Scholarships for Science, Mathematics, and Engineering, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Science, Space, and Technology, for consideration of the House bill, and the Senate amendment (except sections 201, 221, and 601), and modifications committed to conference: Mr. ROE, Mr. BROWN of California, Mr. WALGREN, Mr. VALENTINE, Mr. PRICE, Mr. WALKER, Mr. BOEHLERT, and Mr. SLAUGHTER of Virginia.

From the Committee on Education and Labor, for consideration of the House bill, and the Senate amendment (except sections 231, 251, 301, 321 through 323, 401 through 404, and 602), and modifications committed to conference: Mr. HAWKINS, Mr. FORD of Michigan, Mr. WILLIAMS, Mr. OWENS of New York, Mr. SAWYER, Mr. GOODLING, Mr. COLEMAN of Missouri, and Mr. BARTLETT.

The message further announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 1230. An act for the relief of Jocelyne Carayannis and Marie Carayannis; and

H.R. 3069. An act to amend the Job Training Partnership Act to establish an employment training program for displaced homemakers, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

At 5:26 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills and joint resolutions:

S. 2104. An act to amend the Civil Rights Act of 1964 to restore and strengthen civil

rights laws that ban discrimination in employment, and for other purposes;

S. 2753. An Act to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act;

S. 3091. An Act to amend the Act incorporating the American Legion so as to redefine eligibility for membership therein;

S.J. 270. Joint resolution to designate the period commencing February 17, 1991, and ending February 23, 1991, as "National Visting Associations Weeks";

S.J. Res. 347. Joint resolution designating April 7 through 13, 1991, as "National County Government Week";

S.J. Res. 323. Joint resolution designating November 11 through 17, 1990, as "Geography Awareness Week";

S.J. Res. 346. Joint resolution to designate October 20 through 28, 1990, as "National Red Ribbon Week for a Drug Free America";

S.J. Res. 351. Joint resolution to designate the month of May 1991 as "National Trauma Awareness Week";

S.J. Res. 353. Joint resolution to designate September 1991 as "National Rice Month";

S.J. Res. 362. Joint resolution to designate the period commencing on November 18, 1990, and ending on November 24, 1990, as "National Adoption Week"; and

S.J. Res. 366. Joint resolution to designate March 30, 1991, as "National Doctors Day."

The enrolled bills and joint resolutions were subsequently signed by the President pro tempore [Mr. BYRD].

At 7:18 p.m., a message from the House of Representatives announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5019) making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 8, 19, 20, 21, 27, 28, 29, 30, 32, 37, 39, 40, 44, 45, 62, 65, and 66 to the bill, and agrees thereto, and it recedes from its disagreement to the amendments of the Senate numbered 1, 9, 11, 14, 15, 31, 35, 46, 49, 50, 51, 52, 53, 54, 57, 58, 59, 64, 70, and 71 to the bill and agrees thereto, each with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5229) making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1991, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 15, 45, 69, 71, 93, 96, 97, 117, 135, 136, and 138 to the bill, and agrees thereto; and it recedes from its disagreement to the amendments of the Senate numbered 4, 7, 10, 13, 14, 18, 19, 22, 29, 32, 33, 67, 68, 70, 72, 73, 74, 75, 76, 77, 78, 80, 81, 84, 98, 104, 110, 118, 129, 130, 132, 137, 139, 140, 141, and 143 to the bill; each with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee on conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5313) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1991, and for other purposes; it recedes from its disagreement to the amendment of the Senate numbered 28 to the bill and agrees thereto; it recedes from its disagreement to the amendments of the Senate numbered 5, 10, 14, 15, 16, 17, 19, 20, and 26 to the bill, and agrees thereto, each with an amendment, in which it requests the concurrence of the Senate; and it insists upon its disagreement to the amendments of the Senate numbered 30 and 31 to the bill.

The message further announced that the Speaker modifies the appointment of conferees in the conference on the disagreeing votes of the two Houses on H.R. 5835, to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for the fiscal year 1991, to read as follows:

From the Committee on the Budget, for consideration of the House bill, and the Senate amendment, and modifications committed to conference, and as exclusive conferees with respect to any proposal to report in total disagreement: Mr. PANETTA, Mr. GEPHARDT, and Mr. FRENZEL.

As additional conferees from the Committee on the Budget, for consideration of title XIV of the House bill, and all other provisions of the House bill and the Senate amendment on which conferees from more than one of the other standing committees of the House are appointed, and modifications committed to conference: Mr. RUSSO, Mr. JENKINS, and Mr. GRADISON.

From the Committee on Agriculture, for consideration of title I and subtitle B of title V of the House bill, and title I and subtitle A of title IV of the Senate amendment, and modifications committed to conference: Mr. DE LA GARZA, Mr. HUCKABY, and Mr. COLEMAN of Missouri.

From the Committee on Banking, Finance and Urban Affairs, for consideration of title II of the House bill, and title II of the Senate amendment, and modifications committed to conference: Mr. GONZALEZ, Ms. OAKAR, and Mr. WYLIE.

From the Committee on Education and Labor, for consideration of title III and sections 12403 and 13323 of the House bill, and subtitle F of title VI, part 4 of subtitle D of title VII, title X, and section 6401 of the Senate amendment, and modifications committed to conference: Mr. HAWKINS, Mr. FORD of Michigan, and Mr. GOODLING.

From the Committee on Energy and Commerce (health), for consideration of subtitles A and B of title IV of the House bill, and part 2 of subtitle B and subtitle C of title VI of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. WAXMAN, and Mr. LENT.

From the Committee on Energy and Commerce (transportation), for consideration of sections 4511, 4521, and 4522 of the House bill, and sections 3002 and 3003 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. THOMAS A. LUKEN, and Mr. LENT.

From the Committee on Energy and Commerce (energy), for consideration of sections 4501, 4502, 5101, and 10002 of the House bill, and subtitle B of title IV and section 502 of the Senate amendment, and modifications committed to conference: Mr. DINGELL, Mr. SHARP, and Mr. LENT.

From the Committee on Government Operations, for consideration of part 1 of subtitle A and subtitles B through E (except section 14302) of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. CONYERS, Mr. WAXMAN, Mr. SYNAR, Mr. FRANK, Mr. HORTON, and Mr. NIELSON of Utah.

From the Committee on Interior and Insular Affairs, for consideration of title V and sections 4502 and 10002 of the House bill, and subtitles A and B of title IV and section 502 of the Senate amendment, and modifications committed to conference: Mr. UDALL, Mr. MILLER of California, and Mr. YOUNG of Alaska.

From the Committee on the Judiciary, for consideration of title VI of the House bill, and title IX of the Senate amendment; and modifications committed to conference: Mr. BROOKS, Mr. KASTENMEIER, and Mr. MOORHEAD.

From the Committee on Merchant Marine and Fisheries (tonnnage duties, coast guard fees, and cargo preference), for consideration of sections 7101 and 7102 of the House bill, and section 3001 of the Senate amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. TAUZIN, and Mr. DAVIS.

From the Committee on Merchant Marine and Fisheries (EPA fees), for consideration of section 7103 of the House bill, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, and Mr. DAVIS.

From the Committee on Merchant Marine and Fisheries (coastal zone management), for consideration of subtitle B of title VII of the House bill, and modifications committed to conference: Mr. JONES of North Carolina, Mr. HERTEL, and Mr. DAVIS.

From the Committee on Post Office and Civil Service, for consideration of title VIII of the House bill, and title VIII of the Senate amendment, and modifications committed to conference: Mr. FORD of Michigan, Mr. CLAY, and Mr. GILMAN.

From the Committee on Public Works and Transportation (aviation), for consideration of subtitles B and C of title IX of the House bill, and subtitle B of title III of the Senate amendment, and modifications committed to conference: Mr. ANDERSON, Mr. OBERSTAR, and Mr. HAMMERSCHMIDT.

From the Committee on Public Works and Transportation (transportation trust funds), for consideration of subtitle A of title IX of the House bill, and modifications committed to conference: Mr. ANDERSON, Mr. MINETA, and Mr. HAMMERSCHMIDT.

From the Committee on Public Works and Transportation (EPA fees), for consideration of subtitle D of title IX of the House bill, and modifications committed to conference: Mr. ANDERSON, Mr. NOWAK, and Mr. HAMMERSCHMIDT.

From the Committee on Rules, for consideration of part 2 of subtitle A of title XIV and section 14302 of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. MOAKLEY, Mr. DERRICK, Mr. BEILENSON, Mr. FROST, Mr. QUILLEN, and Mr. PASHAYAN.

From the Committee on Science, Space, and Technology, for consideration of title X of the House bill, and subtitle B of title IV and sections 3004 and 3024 of the Senate amendment and modifications committed to conference: Mr. ROE, Mrs. LLOYD, and Mr. WALKER.

From the Committee on Veterans' Affairs, for consideration of title XI (except section 11051) of the House bill, and title XI of the Senate amendment, and modifications committed to conference: Mr. MONTGOMERY, Mr. APPLEGATE, and Mr. STUMP.

From the Committee on Ways and Means (revenues and debt ceiling), for consideration of title XIII, subtitles E and F of title XII, and sections 3102, 3121, 7101, and 11051(a) of the House bill, and title VII (except subtitle C), and subtitles D and E of title VI of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. GIBBONS, and Mr. ARCHER.

From the Committee on Ways and means (Medicare), for consideration of subtitles A through D of title XII and subtitle A of title IV of the House bill, and subtitle B of title VI of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. STARK, and Mr. ARCHER.

From the Committee on Ways and Means (Social Security), for consideration of part 5 of subtitle A of title VI of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. JACOBS, and Mr. ARCHER.

From the Committee on Ways and Means (child care and human resources), for consideration of parts 1 through 4 of subtitle A and subtitle F of title VI and subtitle C of title VII of the Senate amendment, and modifications committed to conference: Mr. ROSTENKOWSKI, Mr. DOWNEY, and Mr. ARCHER.

As an additional conferee for consideration of subtitle B of title V of the House bill, and subtitle A of title IV of the Senate amendment, and modifications committed to conference: Mr. MRAZEK.

As additional conferees for consideration of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. WHITTEN, Mr. PICKLE, and Mr. PURSELL.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 1230. An act for the relief of Jocelyne Carayannis and Marie Carayannis; to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BURDICK, from the Committee on Environment and Public Works, without amendment:

S. 3069. A bill to provide a method of locating private and Government research on environmental issues by geographic location (Rept. No. 101-541).

By Mr. GLENN, from the Committee on Governmental Affairs, without amendment:

S. 485. A bill to authorize a White House Conference on Homelessness (Rept. No. 101-542).

By Mr. GLENN, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute:

S. 971. A bill to authorize and encourage Federal agencies to use mediation conciliation, arbitration, and other techniques for the prompt and informal resolution of disputes and for other purposes (Rept. No. 101-543).

By Mr. BIDEN, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 2476. A bill to amend title 18 of the United States Code to clarify and expand legal prohibitions against computer abuse (Rept. No. 101-544).

S. 2754. A bill to combat violence and crimes against women on the streets and in homes (Rept. No. 101-545).

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment:

S. 381. A bill to provide Federal recognition of the Mowa Band of Choctaw Indians of Alabama (Rept. No. 101-546).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 2343. A bill to amend the Wild and Scenic Rivers Act by designating a segment of the Clarks Fork River in the State of Wyoming as a component of the National Wild and Scenic Rivers System (Rept. No. 101-547).

By Mr. JOHNSTON, from the Committee on Energy and Natural Resources, without amendment:

H.R. 5731. A bill to increase the amount of petroleum products that may be withdrawn from the Strategic Petroleum Reserve under a certain provision of the Energy Policy and Conservation Act (Rept. No. 101-548).

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 3222. An original bill to amend the Federal Home Loan Bank Act to enable the Resolution Trust Corporation to meet its obligations to depositors and others by the least expensive means (Rept. No. 101-549).

THE RESOLUTION TRUST CORPORATION FUNDING ACT OF 1990

Mr. RIEGLE. Mr. President, I rise as chairman of the Banking Committee to report the Resolution Trust Corporation Funding Act of 1990, which the Banking Committee marked up on October 12, in response to an administration request. In an October 10 letter to Members of the House and Senate Banking Committees, Secretary Brady stated that "to prevent a termination of RTC case resolutions, Congress must provide additional RTC funds * * * before it adjourns."

Fourteen months ago, Congress enacted and the President signed into law the Financial Institutions Reform, Recovery, and Enforcement Act of 1989. That act provided approximately $50 billion in funds to cover the losses of federally insured thrift institutions and additional amounts in temporary working capital to facilitate the resolution of failed thrift institutions.

It was not enough. Today, the funds Congress provided are almost exhausted. But a massive job remains to be done. Roughly 450 failed thrift institutions, with approximately $300 billion in assets, are still open for business and losing money day after day. And they will have to stay open for business, and keep losing money, until Congress and the administration give the RTC enough funds to finish the job.

About 200 of those thrifts, with about $150 billion in assets are already in RTC conservatorship awaiting resolution. And the Office of Thrift Supervision reports that it expects to turn approximately 250 more thrifts, with assets of approximately $160 billion, over to the RTC.

I take no pleasure in bringing this legislation to the floor. But the alternative—failure to provide the Resolution Trust Corporation with the funding it needs—is unacceptable. The RTC's resources will not stretch until Congress comes back into session. If we do not provide additional funds for

the RTC before we recess, editorials across America will soon recite that failed savings and loans are losing millions of taxpayer dollars each day because Congress and the administration did not give the RTC the resources it needs to close those institutions. Healthy savings and loans, like those in my own State of Michigan, will once again begin to suffer the effects of unfair competition from failing savings and loans that should have been put out of business by the RTC. And, once again, investors and depositors may begin to question the Federal Government's commitment to stand behind the insured deposits of America's banks and thrifts. Already, the New York Times and the American Banker, in October 19 articles by Stephen Labaton and Barbara Rehm, respectively, have reported that an impasse on the RTC's budget could result in additional quarterly costs of at least $250 to $300 million. I ask unanimous consent to place both articles in the RECORD.

This is a straightforward piece of legislation that has three principal provisions.

First, it provides the RTC with such sums as may be necessary to refinance the so-called 1988 deals. Hearings in both the Senate and the House have disclosed how many of the deals negotiated by the old Federal Savings and Loan Insurance Corporation in the waning days of 1988 have proved to be unfavorable to the taxpayers. By giving the RTC additional money to refinance these deals, we can ultimately save the taxpayers billions of dollars by doing things like prepaying notes and yield maintenance agreements negotiated by the old FSLIC.

Second, the bill provides an additional $57 billion to cover the costs of resolving failed thrift institutions. Virtually all of this money will cover deposit insurance losses; a small amount will go for administrative expenses. Given the bill's treatment of the RTC note cap issue, this amount is consistent with Secretary Brady's request.

Third, the bill authorizes the RTC to borrow temporary working capital to use in resolving failed thrift institutions. When the RTC resolves a failed thrift, it has to make an initial cash outlay roughly equal to the deposit obligations of the failed institution. Some of that outlay—the amount by which those obligations exceed the assets of the institution—represents a loss that will be covered out of the $57 billion I just mentioned. The remainder, though, is not a loss, because it will be repaid eventually when the RTC sells the institution's assets. Nevertheless, it is a cash outlay that the RTC has to make in order to resolve failed thrifts, so this authorization for working capital borrowings is indispensable to the successful operation of the RTC. I might note that this provision of the bill essentially reenacts current law.

Although the administration has expressed a preference for removing the current 85 percent of assets limitation on RTC note issuance authority, this bill retains the current note cap limit. I believe that cap encourages the RTC to sell assets more quickly than would the 100-percent cap that the administration prefers, and I read Secretary Brady's letter as finding the current limit acceptable in the final analysis.

All of the funds provided by this bill will represent on-budget financing. That is consistent with the desires of the administration, which has repeatedly testified that future borrowings to finance the RTC's operations should all be on budget.

Let there be no confusion. This legislation is not needed because the size of the thrift crisis has mushroomed. It is needed because the administration was slow to recognize the true magnitude of the crisis. Even before FIRREA's enactment, I doubted whether that legislation provided enough money. I know a lot of my colleagues shared those doubts. In the summer of 1989, while Congress was completing legislative work on FIRREA, I asked both Treasury Secretary Brady and FDIC Chairman Seidman to reconsider whether the money provided by FIRREA would be sufficient and suggested that the data FDIC had provided indicated that perhaps Congress should provide an additional $25–$50 billion. They both maintained that the $50 billion provided by FIRREA would suffice, and so stated in an exchange of letters that is part of the public record.

Not until May 23, 1990, did the administration revise its estimates and admit that the funds provided by FIRREA would fall far short of actual requirements. Even thereafter, despite repeated efforts by myself, Budget Committee Chairman SASSER, Appropriations Committee Chairman BYRD, and House Banking Committee Chairman GONZALEZ, the administration steadfastly declined actually to request additional funds. Not until October 10 did Secretary Brady finally make a formal request for additional funds on behalf of the administration.

I ask unanimous consent to place all of this correspondence, going back to the summer of 1989, and continuing right up through last week, in the RECORD.

This bill is in every respect within the range of options that Secretary Brady has indicated the administration would support, but it is not the blank check approach the administration initially requested as its preferred alternative. The administration supports this legislation. I ask unanimous consent to place in the RECORD an October 12, 1990, letter from Secretary Brady expressing that support. The leadership on both sides of the aisle supports this legislation. I believe it should be promptly enacted.

Mr. President, I also ask unanimous consent to place in the RECORD a copy of the Resolution Trust Corporation Funding Act of 1990, together with the exerpt of the report on that act and the additional views of Senator KERRY.

There being no objection, the materal was ordered to be printed in the RECORD, as follows:

RESOLUTION TRUST CORPORATION FUNDING ACT OF 1990

INTRODUCTION

On October 12, 1990, the Committee on Banking, Housing, and Urban Affairs marked up and ordered to be reported an original bill, the Resolution Trust Corporation Funding Act of 1990, to amend the Federal Home Loan Bank Act to enable the Resolution Trust Corporation (RTC) to meet its obligations to depositors and others by the least expensive means.

SUMMARY OF PROVISIONS

The Resolution Trust Corporation Funding Act of 1990 has two major purposes. First, the Act provides $57 billion to the RTC so that it can continue its statutory task of protecting the insured depositors of failed savings and loan institutions. The Committee is advised that this amount will suffice through fiscal year 1991.

Second, the Act provides necessary funding to permit the RTC to exercise options and otherwise modify, renegotiate, or restructure assistance agreements entered into during 1988 and early 1989 by the Federal Savings and Loan Insurance Corporation (FSLIC) with acquirers of failed thrifts. The Act permits the RTC to expend these funds only upon a determination by the Oversight Board of the RTC that such expenditures will yield net economic savings over time.

RTC FUNDING FOR CURRENT CASE RESOLUTIONS

The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) established the RTC to protect insured depositors of thrifts failing during the 3-year period beginning August 9, 1989. To accomplish this purpose, FIRREA gave the RTC long-term financing of $50 billion—an amount requested by the Administration. Of that sum, Treasury appropriations comprised $18.8 billion, Federal Home Loan Bank contributions $1.2 billion, and borrowings through a new, off-budget agency—the Resolution Funding Corporation (REFCORP)—$30 billion. FIRREA also permitted the RTC to borrow money for temporary acquisition of assets from thrifts under its control, but limited such borrowings to the sum of the unused portion of the $50 billion of long-term financing, cash on hand, and 85 percent of other acquired assets.

The inadequacy of the RTC's funding became apparent within a few months after FIRREA's enactment. In the Spring of 1990, both the General Accounting Office and the Congressional Budget Office prepared analyses tending to show that the RTC lacked sufficient funds to accomplish its statutory responsibilities. On May 23, 1990, Secretary Brady told the Banking Committee that "[i]t is now clear that the amounts projected and authorized for the RTC in FIRREA

will fall short of what is required." [1] Secretary Brady indicated that the RTC would need some $39-82 billion in addition to amounts provided by FIRREA—an upward revision of 124-230 percent. Secretary Brady explained that the Administration's original projections had underestimated the extent of losses in the individual failed savings and loans. In addition, he indicated that the Administration had revised its projection of the RTC's caseload from 500 institutions to a range of 722-1037 institutions.

In his testimony, Secretary Brady cited five factors that contributed to the sharp change in expectations:

The first is a general decline in regional real estate markets, particularly commercial real estate. This has been true not only in the southwest, but in the northeast, southeast, and other parts of the country. Unfortunately, thrift assets are heavily concentrated in real estate whether through direct investments, foreclosed property, or real estate loans. FIRREA sharply curtailed the amount of commercial real estate activities that thrifts can engage in going forward, but obviously, it could not address the losses already embedded in troubled thrifts.

A related concern involves the institutions that we expected would be the primary purchasers of thrift deposits and thrift assets—other depository institutions. It's no secret that healthy banks and thrifts have become much more leery about taking real estate assets onto their balance sheets in view of current market conditions. Unfortunately, that is exactly what the RTC is trying to sell to them. The result has been few "whole thrift" transactions, where both good and bad assets pass to an acquirer, and a few transactions where the acquirer takes any bad assets. This means more bad assets piling up at the RTC with lower expectations of the ultimate revenues they will produce.

A third factor is interest rates, which are now higher than we had projected. That translates directly into increased operating losses for thrifts in conservatorships and indirectly into softer real estate markets, since interest rates always play a key role in that sector of the economy.

A fourth factor is unexpected losses in below-investment grade bonds, sometimes referred to as "high yield" or "junk" bonds. As you know, FIRREA required thrifts both to divest these bonds and to carry them on their books at market value. The market for these bonds has dropped off substantially in recent months, and virtually all of the major thrift holders of these bonds have been taken over by the RTC. The result is that the RTC is now one of the largest owners of junk bonds, with some $4 billion in its portfolio, and it could end up with substantially more. At the same time, we just don't know exactly how much these bonds will be worth when they are finally sold.

A fifth factor is that, at least for some purchasers, thrifts just are not as attractive a franchise relative to banks as they once were. This is true in part because it is no longer possible either to run a thrift with low capital or to invest insured deposits in risky activities like direct real estate investment. That is as it should be, since it was activities like these that help cause the problem.

But other restrictions imposed by FIRREA that are unrelated to safety and soundness, like the tighter qualified thrift lender test, may have also reduced the value of the thrift charter. However, it is too soon to say by how much.[2]

On July 31, 1990, Secretary Brady advised Chairman Riegle that "it will be necessary for the Congress to take some action before adjourning for the year," and suggested three funding alternatives that would be acceptable to the Administration. Under Secretary of the Treasury Robert Glauber reiterated this concern in testimony before the Banking Committee on September 26. On October 10, 1990, in a letter to members of both the Senate and House Banking Committees, Secretary Brady warned that "RTC case resolution will virtually cease within the next two months unless additional funds are provided." [3] On behalf of the Administration, he requested legislation to provide funding through the end of the current fiscal year. Secretary Brady asked that Congress provide the RTC with additional, long-term financing of $40 billion and remove limitations placed by FIRREA on the RTC's borrowing. He further indicated that, if Congress elected not to remove those limitations, the RTC would need an additional $17 billion—or a total of $57 billion.

The Committee believes the basis for the Administration's request for additional funds is clear and sound. On October 15, 1990, the RTC had resolved 290 thrifts and spent $83.6 billion as follows: [4]

	Billion
Losses on insurance obligations to depositors	$33.4
Acquisition of thrift assets for resale	40.9
Temporary advances to conservatorships	8.4
Administrative expenses	0.1
Interest on borrowings from the Federal Financing Bank	0.9
Total	83.6

Of the total, $49.2 billion comprises expenditures of working capital to fund acquisition of savings and loan assets for resale ($40.9 billion) and advances to conservatorships ($8.4 billion). The remaining $34.4 billion represents permanent losses, of which $33.4 consists of losses on insurance obligations to depositors.

The RTC's $83.6 billion in expenditures through October 15 derived from two sources, both of which it has nearly depleted. Of the $83.6 billion, $42.1 billion came out of the $50 billion FIRREA provided for permanent loss financing. The remaining $41.5 billion consisted of working capital borrowings from the Federal Financing Bank, an agency of the Treasury. The RTC retained $8 billion in permanent borrowing authority—an amount it will soon exhaust at its present rate of activity. Indeed, the RTC could spend much of its remaining permanent loss funds simply by proceeding to close savings and loans originally scheduled for resolution in the third quarter of FY 1990.

The precise value of the RTC's assets is uncertain, especially in view of the poor condition of many of the assets in its portfolio and the current slump in real estate markets throughout the United States. For that reason, FIRREA limited the RTC's working capital borrowings to the sum of 85 percent of its assets and unused permanent funds. The RTC is rapidly approaching that limit as it spends its remaining permanent funds.

The task remaining before the RTC is formidable. As of October 1, 207 thrifts, with assets of $155 billion, were in RTC conservatorship and the Office of Thrift Supervision had designated an additional 244 thrifts with $162 billion of assets as likely to be placed in RTC Conservatorship. The Office of Thrift Supervision recognized still 350 more thrifts, with assets of $165 billion, as "troubled" and in some danger of failure. Although the average loss per institution will likely decline as the RTC continues its work of closing failed institutions, the RTC's future costs will exceed its costs to date.

This Act would increase the RTC's permanent funding by $57 billion, bringing the total Congress has provided in such funding to $107 billion. Of that amount, the Administration anticipates the RTC will need $90 billion to pay for deposit insurance losses and the remainder to finance a portion of what the Administration projects will be an asset portfolio of $110 billion. The table below details the RTC's spending of permanent funding and temporary working capital through September 30, 1990, and projected spending in FY 1991.

	Permanent losses	Temporary working capital	Total
Total spending expected by Sept. 30, 1991	90	110–115	200–205
Less total spent as of Sept. 30, 1990	29.5	45.6	75.1
Expected spending in fiscal year 1991	60.5	64.4–69.4	124.4–129.9

As the table indicates, the Administration expects to spend $60 billion on permanent deposit insurance losses and roughly $65 billion in working capital to fund temporary asset aquisition in FY 1991. The projections of FY 1991 spending on the table somewhat exceed those used in the Budget Summit and in the 1991 Budget Resolution because the Administration expects to make up shortfalls in RTC spending for the final quarter of FY 1990 in FY 1991.

These projections of FY 1991 spending assume the RTC will step up the pace of closing failed savings and loans. Over the past 6 months, spending on permanent losses has occurred at an annual rate of $48 billion, while working capital has been used at a $57 billion annual rate.

If the Administration has correctly estimated the RTC's ultimate losses at $89–132 billion in present value terms, the RTC's funding needs will decrease after FY 1991. Under the Administration's projections, the projected expenditure of $90 billion on permanent losses by the end of FY 1991 would leave, in present value terms, at most $42 billion in permanent losses to be financed in FY 1992 and years thereafter.

WORKING CAPITAL BORROWING AUTHORITY

The Act perpetuates authority conferred upon the RTC by FIRREA to borrow funds for temporary working capital, along with existing limitations on that borrowing authority. The difference between working capital and funds provided for permanent deposit insurance losses is important: the RTC must repay working capital borrowings

[1] Statement of Secretary Nicholas F. Brady on behalf of the Oversight Board of the Resolution Trust Corporation before the Senate Committee on Banking, Housing, and Urban Affairs, May 23, 1990 (typescript), p. 13.

[2] Ibid.

[3] These letters are contained in the appendix to this report.

[4] Figures are preliminary RTC data and may not add to totals due to rounding.

by selling the assets of the failed savings and loans it closes. Through October 1, the RTC has borrowed $48.5 billion in temporary working capital, all of it through the Federal Financing Bank (FFB). Because the FFB obtains its funds from the Treasury, borrowing through the FFB enables the RTC to obtain the working capital it needs at the lowest possible interest cost.

FUNDING TO REDUCE THE COST OF 1988 DEALS

FIRREA required the RTC to review and analyze the terms on which the FSLIC resolved savings and loan failures between January 1, 1988, and FIRREA's enactment in August, 1989. FIRREA further requires the RTC to exercise any options it may have to modify, renegotiate, or restructure contractual obligations of the FSLIC arising from those resolutions wherever doing so can yield net savings to the Federal government. The Act authorizes the RTC to expend such sums as may be necessary to achieve net savings in this manner.

Pursuant to FIRREA's requirements, the RTC issued a report on these contracts on September 18, 1990. Testifying before the Committee on that report, RTC Chairman William Seidman indicated that an upfront expenditure of $18-20 billion would enable the Federal Government to save $3-4 billion over the term of these contracts. Roughly half of the up-front expenditure would be used to refinance notes issued by the FSLIC, enabling the Federal government to save interest expenses. Because the FSLIC's notes were scored as outlays when issued, this refinancing involves no additional outlays.

The balance of these funds would be used primarily to repurchase assets now covered by yield maintenance and capital loss agreements. Under such agreements, the FSLIC guaranteed the acquirers of covered assets that the assets would yield earnings at least equal to what the acquirers earn on other assets. The FSLIC further guaranteed acquirers that it would make them whole for any amounts by which proceeds from sales of covered assets fell short of the book values of such assets. These contractual terms have obligated the Federal government to make high annual payments to those who acquired failed thrift institutions from the FSLIC in 1988 and 1989. By enabling the RTC to repurchase such assets, the Act would significantly reduce those annual payments in the future.

ADDITIONAL VIEW PRESENTED BY SENATOR KERRY

I cannot support the administration's request for this extraordinarily large amount of money until Secretary Brady provides a detailed explanation of why a doubling of funding for the S&L bailout is both necessary and sufficient.

Secretary Brady appeared before the Banking Committee on May 23rd of this year and indicated that the RTC would need between $39 and 82 billion in addition to amounts provided by FIRREA. Six months later, on October 10, he wrote a two-page letter to the committee, indicating that the RTC will need $57 billion. I do not feel satisfied that the Secretary has fully explained this request in light of his testimony last May.

Part of the problem is that since the August recess Secretary Brady has refused to testify before the Senate or the House Banking Committees. Under Secretary Glauber did testify before the Senate Banking Committee on September 26 on an unrelated banking issue. At that time Mr. Glauber was asked about the administration's request and provided only vague answers to questions related to the RTC's funding request.

No new funds should be voted for the Savings and Loan bailout until we know exactly why the funds are needed, how they will be spent, how the costs have been calculated, and why the estimates have varied so wildly from month to month.

To do otherwise I believe is to invite the skepticism of the American public that the Congress is not concerned with public debate and open consideration of how their tax dollars will be spent.

The RTC is already the exception to the rule in terms of its funding because that funding is on budget, but exempt from Graham-Rudman's deficit targets. If Congress approves this funding request, the RTC will have broken another rule: In this period of limited resources, every agency of the Government must justify the need for funding.

S. 3222

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Resolution Trust Corporation Funding Act of 1990".

SEC. 2. RTC AUTHORIZATION RELATING TO 1988 CASES.

Section 21A(b)(11) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)(11)) is amended by adding at the end the following: "The Secretary of the Treasury shall make available to the Corporation until January 31, 1993, from monies not otherwise appropriated, such sums as may be necessary to exercise options, or otherwise modify, renegotiate, or restructure agreements described in this subparagraph whenever the Oversight Board determines that such expenditures would result in net economic savings over time.

SEC. 3. RTC AUTHORIZATION RELATING TO PERMANENT LOSSES.

Section 21A(b) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(b)) is amended by adding at the end the following:

"(15) ADDITIONAL FUNDING TO COVER LOSSES IN RESOLVING THRIFT INSTITUTIONS AND FOR ADMINISTRATIVE EXPENSES.—In addition to the sums authorized by paragraph (14), the Secretary of the Treasury shall make available to the Corporation $57,000,000,000 from monies not otherwise appropriated.".

SEC. 4. RESOLUTION TRUST CORPORATION BORROWING FOR WORKING CAPITAL.

Section 21A(j)(1) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(j)(1)) is amended to read as follows:

"(1) IN GENERAL.—Notwithstanding any other provision of this section, but subject to paragraph (2), the amount of the Corporation's obligations outstanding at any time shall not exceed the sum of—

"(A) the total amount of unused funds authorized for use by the Corporation pursuant to subsection (b)(15) and section 21B;

"(B) the total amount of cash held by the Corporation; and

"(C) 85 percent of the Corporation's estimate of the fair market value of its noncash assets.".

SECRETARY OF THE TREASURY,
Washington, October 12, 1990.

Hon. DONALD RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I understand that the Banking Committee is scheduled to consider legislation to provide necessary additional funding for the Resolution Trust Corporation. You and Senator Garn are to be commended for moving ahead in this fashion.

Let there be no confusion among the members of your Committee or your colleagues in Congress about my position on providing additional resources to the RTC: Congress must act this year. As you know, since May I have advised your Committee and the House Committee of this imperative. The Banking Committee markup is the first step in this process.

Thank you for your leadership and cooperation in this important effort.

Sincerely,

NICK BRADY.

SECRETARY OF THE TREASURY,
Washington, October 10, 1990.

Hon. DONALD RIEGLE, Jr.,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Resolution Trust Corporation (RTC) has submitted a proposed operating plan projecting that RTC case resolutions will virtually cease within the next two months unless additional funds are provided and RTC borrowing authority is clarified. Accordingly, we repeat our request that Congress address both of these constraints before it adjourns in order to avoid an interruption of RTC operations. This request is fully consistent with the Budget Resolution, which assumes sufficient funding for RTC resolutions and which recognizes that RTC spending is a mandatory federal obligation. The request is also consistent with earlier requests made since last May in testimony before Committees of both Houses. As the end of the session draws near, the public interest requires that we proceed in a bipartisan manner to assure that the RTC can continue with its important work.

ADDITIONAL FUNDING

The RTC projects that it will use nearly all—about $49 billion—of the $50 billion in loss funds provided by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) by the end of this calendar year (this assumes resolution of the borrowing cap issue, discussed below). As we have indicated in recent testimony and correspondence, there are several acceptable approaches to providing additional funds.

While one appropriate method would be a permanent, indefinite appropriation—which recognizes the mandatory character of RTC spending—we understand that Congress may be more inclined to provide interim funding for some of all of fiscal year 1991. As we have stated previously, we would support such an interim approach. Forty billion dollars in appropriations beyond currently authorized spending should be sufficient to fund the losses in RTC case resolutions through the end of fiscal year 1991, and is consistent with RTC Chairman Seidman's recent testimony.

THE BORROWING CAP

The RTC's second constraint is the limitation on RTC borrowing for working capital (the "borrowing cap"). The current RTC interpretation of the cap requires the FTC to set aside a reserve equal to 15 percent of outstanding borrowings, even though the borrowings must be fully backed with RTC assets marked to fair market value. This reserve cannot be spent to resolve losses in failed thrifts. Consequently, the RTC would be forced to cease operations in the next two months, in the absence of Congressional action, even though it will still have over $10 billion of the $50 billion in loss funds provided in FIRREA.

This problem must be addressed, or the borrowing cap will continue to prematurely halt RTC operations before additional loss funds authorized by Congress are spent. There are two potential solutions.

First, Congress could provide additional funds to be used as the 15 percent reserve. These extra funds could not be spent, and would therefore constitute a kind of "sterile reserve." As a result, for the full fiscal year 1991, this option would require an additional $17 billion appropriation for the sterile reserve above and beyond the $40 billion appropriation necessary to pay for RTC losses.

Second, Congress could eliminate the 15 percent reserve, while still including strict safeguards to ensure that all RTC borrowing is backed by RTC assets. We believe this is the better way to proceed, because the effect on RTC spending would be exactly the same as the first option, but would not require a substantial additional appropriation that will not be spent.

Finally, as you know, the general Accounting Office has issued a report concluding that the literal language of the borrowing cap allows the RTC to spend the reserve to resolve losses in failed thrifts, notwithstanding the current RTC interpretation. This literal interpretation would also require no additional appropriations beyond those required to pay for actual losses.

CONCLUSION

In sum, to prevent a termination of RTC case resolutions, Congres must provide additional RTC funds and address the borrowing cap issue before it adjourns.

Sincerely,

NICK BRADY.

HOUSE OF REPRESENTATIVES,
Washington, DC, October 9, 1990.

Hon. NICHOLAS F. BRADY,
Secretary of the Treasury, Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, DC.

DEAR MR. SECRETARY: Administration officials have testified before both Banking Committees that the Resolution Trust Corporation would need additional borrowing authority and funding to cover losses before the end of this calendar year. As the respective Chairmen of the Banking Committees, we have both asked if and when the Administration was going to request specific changes in the RTC's borrowing authority and additional funding to cover losses beyond the $50 Billion requested by the Administration and approved by the Congress in the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) last year.

We still have not received a specific request from the Administration. We are now just ten days away from the end of this session. The Banking Committees and the Congress need a specific plan from the Administration as to the amount of funds needed for each category of activity, and the time period over which these funds are needed.

We know you agree with us that time is of the essence if the RTC will need additional funds authorized and appropriated before this Congress adjourns. As we have said before, we are ready and willing to work with you and the Administration when we have received your request.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs.

HENRY B. GONZALEZ,
Chairman, Committee on Banking, Finance, and Urban Affairs.

COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS,
Washington, DC, September 13, 1990.

Hon. NICHOLAS BRADY,
Secretary of the Treasury, Department of the Treasury, Washington, DC.

DEAR NICK: I very much appreciate your support for prompt enactment of legislation to authorize the Federal Deposit Insurance Corporation to increase deposit insurance premiums as necessary to protect the Bank Insurance Fund.

I look forward to working with the Administration on this issue. The purpose of this letter is to invite you to testify before the Committee on September 18, 1990, or at your earliest convenience, in room 538 of the Dirksen Senate Office Building at 10:00 a.m. on the bill I have just introduced in this area.

At that same hearing, I would also appreciate your testimony on exactly which alternative the Administration prefers and what legislation it believes Congress should enact to secure adequate funding for the Resolution Trust Corporation.

The Congress must act on both of these issues before we recess. Your testimony is vital to ensuring prompt enactment and I look forward to working with you.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.

SECRETARY OF THE TREASURY,
Washington, DC, July 31, 1990.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate,
Washington, DC.

DEAR DON: This letter is to respond to the inquiry which you have sent, along with Senators Sasser and Byrd, about funding for the Resolution Trust Corporation (RTC). Specifically, you have asked for an assessment of RTC's near term funding needs.

In the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), Congress provided the RTC with $50 billion to fulfill the government's pledge to insured depositors in failed thrifts. It allows the RTC to enter into obligations in excess of that amount, but limits the amount of loss which the RTC may incur to $50 billion.

In testimony before the Banking Committee on May 23, we stated that the RTC could, with an aggressive schedule of case resolutions, run out of loss funds by the end of this calendar year or early next. That projection has not changed. It appears unlikely that the RTC will have any substantial amount of loss funds to carry it beyond December 1990.

As of July 2, 1990, the RTC had resolved 207 failed thrift institutions with estimated losses of $24.6 billion. The RTC plans to resolve another 77 cases during the fourth quarter of fiscal year 1990, for which losses are estimated at $11.6 billion. Adding in administrative expenses not reimbursed by receiverships and the initial use of the accelerated resolution program brings total estimated losses incurred by the RTC to $37.3 billion by the end of the fiscal year.

We have not received from the RTC an operating plan for the first quarter of fiscal 1991. It is reasonable to assume, however, that most of all of the remaining $12.7 billion in loss funds could be expended during that period. Near the end of December 1990, case resolutions would cease unless Congress provided additional authority.

There is a second funding issue which directly affects the RTC's ability to operate. As you know, the RTC borrows from the Federal Financing Bank (FFB) for working capital and enters into other obligations in the course of resolving failed institutions. FIRREA contains a limit on the maximum amount of obligations which the RTC can have outstanding.

When the Oversight Board appeared before the Banking Committee in May, we stated that the RTC is likely to run up against FIRREA's obligation limitation as soon as or sooner than it uses up the $50 billion. It now appears that the cap will begin to bind by the start of the first quarter of fiscal year 1991. This will restrict the RTC's ability to borrow for working capital, which in turn would place severe limitations on its ability to proceed with resolutions.

A literal reading of the note cap would allow the RTC to borrow for working capital at least well into fiscal year 1991. Such a reading would include only REFCORP contributions (not Treasury contributions) in the calculation, which would give the RTC an additional $18.8 billion to collateralize working capital borrowings.

In the absence of action by Congress, we would be faced with a choice between using the $18.8 billion to raise working capital and shutting down the resolution activity of the RTC. We would not, however, approve any RTC funding plan which relies on this additional authority without first advising Congress.

Finally, you have asked about RTC funding requirements for fiscal year 1991. As we have testified, a representative range of the resources the RTC may need in fiscal year 1991 to cover losses should be from slightly over $30 billion to slightly over $50 billion. We estimate that working capital needs should be from $20 to $40 billion, although if asset sales are significantly lower than projected, working capital needs could be higher.

It is clear that Congress must act to provide additional resources to the RTC before the end of the year to keep the cleanup process going. While, as we said in our May 23 testimony, funds will have to come from the Treasury, there are a number of alternatives from which to choose.

One alternative would be to consider appropriating an amount sufficient to keep resolutions going into the beginning of calendar year 1991. At that point, funding legislation could be considered against the backdrop of the study of federal deposit insurance mandated by FIRREA and which the Treasury has indicated it expects to submit at the end of the year.

We estimate that an appropriation of $5 billion, combined with a literal reading of the obligation limitation, should allow the RTC to continue resolution activity through January 1991. An appropriation of about $10 billion (and the same reading of the

note cap) should fund resolutions through February.

A second alternative would be to provide the RTC with permanent, indefinite authority to complete the job of resolving failed thrifts. The government has already incurred the obligation to insure deposits and has no choice but to provide funding. Such authority would permit the process to continue uninterrupted by potential funding delays.

A third alternative would be to provide funding in an amount likely to cover estimated needs for fiscal year 1991 or another intermediate period.

Whatever alternative is chosen, it will be necessary for the Congress to take some action before adjourning for the year. Moreover, it will be necessary to address the limitations imposed by the note cap. The RTC cannot be allowed to run out of money, causing the process to grind to a halt.

The Treasury and the Oversight Board stand ready to work with the Congress to develop legislation based on any of the proposals outlined above or to explore additional options.

Thank you for the opportunity to respond to these questions about the RTC's funding needs.

Sincerely,

NICHOLAS F. BRADY.

U.S. SENATE,
Washington, DC, July 16, 1990.

Hon. NICHOLAS F. BRADY,
Chairman of the Oversight Board, Resolution Trust Corporation, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to seek clarification on your view of the near term funding needs of the Resolution Trust Corporation (RTC). In your testimony last May before the Senate Committee on Banking, Housing and Urban Affairs, you indicated that substantial additional funds will be necessary for the RTC to fulfill its tasks. Indeed, you have also indicated that it is very possible that the RTC could run out of funds this year.

It now appears, at least in terms of numbers of institutions resolved, that the RTC has exceeded its spending and resolution goals for the third quarter of fiscal year 1990. Moreover, last week the RTC announced plans to sell 14 large institutions with approximately $40 billion in assets in the near future. This heightened activity will undoubtedly severely strain RTC's already limited resources.

Because RTC's funding needs could have significant ramifications for the pending budget negotiations, as well as potential legislation and the Congressional calendar this year, we ask that you tell us as specifically as possible when RTC's resources will be exhausted and when you anticipate it will be necessary for Congress to provide additional funding.

If you do not believe that the RTC will have sufficient funding to complete this fiscal year, please tell us how much more money will be required. In any event, please tell us what RTC's funding requirements will be for fiscal year 1991.

Thank you for your consideration of these matters. We look forward to your prompt response and to working with you on this important matter.

Sincerely,

JIM SASSER.
ROBERT C. BYRD.
DONALD W. RIEGLE, JR.

FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, DC, June 26, 1989.

Hon. DONALD W. RIEGLE, Jr.,
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am pleased to respond to your June 8th letter in which you expressed concern regarding the RTC's funding needs and the level of interest rate risk in the institutions under conservatorship.

The FDIC has estimated that RTC have to deal with S&Ls holding $300 to $500 billion in assets. This assumes that RTC would be responsible for old FSLIC and the transactions previously arranged by FSLIC that require ongoing support. (FDIC has advocated the placement of old FSLIC into RTC, but that is not the structure in either bill.) Such transactions involve about $130 billion in thrift assets, half of which are protected under yield maintenance arrangements. The $50 billion funding however, is not earmarked for prior transactions but for new case resolutions.

No one can predict with certainty whether $50 billion is enough to cover the losses at the S&Ls likely to need resolution over the next three years, since costs depend on predicting the future; e.g., economic conditions, interest rates, and property values. At this time, we believe $50 billion is a reasonable estimate upon which to base legislation.

Another factor in determining how much money will be needed is the number and size of S&Ls going to RTC for resolution. RTC handles failures only during the first three years; failures after that would be handled by SAIF. The earlier FDIC table you referred to provided estimates of the cost of failure of all S&Ls with no tangible capital—including profitable ones—as well as unprofitable S&Ls with less than three percent tangible capital. It is not likely that all of these S&Ls will fail in three years, and some may recover and survive. Thus, it is difficult to project exactly how many S&Ls the RTC will have to handle.

For your information, we have encloded the latest results of our model which used fourth quarter data to estimate losses for 428 S&Ls that appear most likely to go to RTC. These include all RAP-insolvent, GAPP-insolvent, and unprofitable tangible-insolvent S&Ls. The model suggests these S&Ls with assets of $180 billion could be handled for $44 billion. Note the loss rate for the RAP insolvent and unprofitable S&Ls averaged 37 percent of assets. This appears reasonably in line with the $30 billion or 40 percent loss rate indicated by our on-site reviews of the RAP insolvent and unprofitable S&Ls under conservatorship.

Based on our on-site reviews completed thus far, it appears that $40 billion will be enough, though there does not appear to be much of a comfort margin.

The rate at which funding will be necessary is also difficult to predict. It depends on how quickly institution problems can be resolved. We believe your bill makes a reasonable estimate of resolution needs.

While $50 billion appears to be a reasonable estimate of ultimate cost, we want to point out that RTC likely will need considerably more than $50 billion to provide working capital to effect resolutions. To explain, the S&Ls on the enclosed list are funded by about $180 billion in deposits and borrowings, but about half of their assets are either troubled or non-traditional thrift assets. In an ideal world, RTC would find buyers willing to assume all liabilities in return for $50 billion plus all the failed thrifts' assets. That simply is not going to happen. Interested S&L buyers we have talked with thus far have been reluctant to accept anything but traditional assets and cash.

Moreover, depositors may claim their insured deposits at any time, and RTC must have the cash to meet those demands. For some S&Ls, the only viable option will be to pay off all depositors and liquidate the assets. Thus, the RTC will need access to enough funds to satisfy S&L depositors and other liabilities while assets are being liquidated.

RTC must have the ability to raise cash or provide cash-equivalent obligations. To meet these demands, we believe the RTC should be able to issue obligations with the backing of the full faith and credit of the U.S. government. The amount of such federal guarantees should be limited by placing restrictions upon the RTC similar to those the proposed legislation would place on the FDIC. Thus, this limitation would restrict RTC's authority to issue obligations by providing that RTC must have resources available to repay those obligations without further appropriations.

Finally, we share your concern about the interest-rate exposure of S&Ls under FDIC supervision. Substantial exposure does exist. For S&Ls in conservatorship as of April 15, year-end 1988 data indicate that liabilities repricing within one year were about $64 billion, compared with repricing assets of $25 billion. Liabilities repricing within three years were $75 billion, compared with assets of $30 billion. Our policy is to reduce exposed positions as soon as possible; but under current conditions, funding remains short-term, while most assets remain long-term.

Some of the S&Ls have engaged in hedging strategies, and we have encouraged this effort where appropriate. Our present belief is that the expense of hedging may not be justified in many situations. We will continue to monitor rate risk, with a view to reducing interest rate exposure.

Do not hesitate to call if you should want to discuss these issues further.

Sincerely,

L. WILLIAM SEIDMAN,
Chairman.

Enclosure.

YEAR-END 1988 COST ESTIMATES FOR INSOLVENT S&L'S 10 PERCENT LOSS ASSUMPTION ON RESIDENTIAL MORTGAGES AND MBS'S

[In billions of dollars]

	S&L group	Number	Gross assets [1]	Annual increase	Cost estimate	Cost of assets
(1) RAP insolvent and unprofitable	232	75.1	79.6	−7.0	27.7	0.37
(2) RAP involvent and profitable	5	4.3	4.2		0.7	.16
(3) Total RAP insolvent (1+2)	237	79.4	83.8	−7.0	23.4	.36
(4) Other GAAP insolvent and unprofitable	91	32.4	30.9	−0.5	5.3	.16
(5) Other GAAP insolvent and unprofitable	36	10.0	9.5		1.6	.16
(6) Total other GAAP insolvent (4+5)	127	42.4	40.4	−0.5	6.9	.16
(7) Total GAAP insolvent (3+6)	364	121.8	124.2	−7.5	35.3	.29
(8) RAP + GAAP 0 tangibles insolvent and unprofitable [2]	64	58.1	54.0	−0.6	8.7	.15
(9) Total RAP + GAAP insolvent + tangible insolvent and unprofitable (7 + 8)	428	179.9	178.2	−8.1	44.0	.24

[1] Gross assets include general and specific valuation allowances, loans in process, deferred loan fees and valuation allowances for mortgages held for sale.
[2] Tangible net worth is defined as GAAP capital minus all intangible assets other than mortgage servicing rights.

COMMITTEE ON BANKING, HOUSING,
AND URBAN AFFAIRS,
Washington, DC, June 8, 1989.

Hon. L. WILLIAM SEIDMAN,
Chairman, Federal Deposit Insurance Corporation, Washington, DC.

DEAR MR. SEIDMAN: As we move into the final stages of the S&L legislative process, there are a couple of issues on which I would like your comments. One issue concerns the size of the RTC's funding needs. With the recent release of the new FDIC loss estimate for thrifts now in conservatorship, you said the "report indicates that the Administration's program is based on realistic loss estimates." However, when the new data are considered along with figures you presented in March 8 testimony to the House Financial Institutions Subcommittee, a different conclusion suggests itself.

In the attached table, you showed two sets of cost estimates, which differ in their assumptions about losses from book values on home mortgages and mortgage securities. Excluding the cost of the 1988 deals (top line) from both columns leaves estimates of $53 and $69 billion, respectively, as the cost of resolutions to be handled by RTC.

Your recent loss estimates imply that these numbers are probably too low. The March estimates for the 217 RAP insolvent and unprofitable thrifts were $23 and $25 billion. The Mid-May estimate for 212 RAP insolvent institutions in conservatorship, made after more careful examination, was $30 billion. It seems reasonable to assume that errors on the March estimates for other categories were proportional. Thus if the $25 billion estimate of RAP insolvent losses should have been 20 percent higher, we should raise the $69 billion "Est. Cost ±2" by 20 percent to $82 billion. The comparable ±1 estimate would be $70 billion.

Even these higher numbers may overstate the adequacy of the $50 billion available to the RTC in the legislation. These cost estimates are present values, but the $50 billion will not be available immediately; it will flow in over a 3-year period. On average, the money will be spent at least a year from now, maybe longer. In the meantime losses will continue to build up. Adding 10 percent to allow for the accumulation of losses produces a alternative estimates for the needs of the RTC (ignoring liquidity problems) of $76 billion.

Viewed in this light, aren't your new loss estimates more consistent with a funding plan for RTC that provides $75 or $100 billion than with the $50 billion plan in the current legislation? Perhaps you have reevaluated prospective losses at RAP-solvent thrifts since March. If not, how do you resolve the apparent inconsistency? If $50 billion likely is not going to be enough, perhaps we should do something about it now. I look forward to receiving your comments on this.

Another concern of mine is the interest rate risk at conservatorships. As I understand it, large maturity mismatches are common at thrifts under the FDIC's control. While market yields may continue to decline and, therefore, to reduce the cost of resolutions, the alternative is also quite possible. To help us assess the dangers, I would greatly appreciate some statistical information on interest rate risk at FDIC conservatorships. Using March 31 data, what are the aggregate amounts of assets and liabilities whose yields reprice within 1 year and within 3 years? Please quantify, with at least an estimate, the effect of FDIC actions since then? I would also appreciate knowing whether you share my concern. If you do, couldn't the risk be reduced with interest rate swaps or other market hedges?

These issues are both very complicated and deserve thorough examination. Unfortunately time is very short. I would appreciate your response within 2 weeks.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.

3D QUARTER SUMMARY SHEET DATA ON FINANCIALLY TROUBLED S&L'S

[In billions of dollars]

S&L Group	Number	Total assets	Total liabilities	Annual income	Estimate cost [1]	Cost to assets	Estimate cost [2]	Cost to assets
Handled by FSLIC in 1988	208	103.2	120.1	−10.2	38.9	.38	42.9	42
Other:								
RAP—Insolvent and unprofitable	217	56.9	65.6	−5.3	22.8	.40	25.0	.44
RAP—Insolvent and profitable	5	2.5	2.5	0.0	0.4	.16	0.6	.24
Subtotal	430	162.6	188.2	−15.5	62.1	.38	67.9	.42
RAP Solvent but GAAP—insolvent and unprofitable	72	24.2	23.7	−0.3	3.6	.15	4.8	.20
RAP—Solvent but GAAP—insolvent and profitable	45	12.1	11.7	0.3	1.6	.13	2.2	.18
Subtotal	547	198.9	223.6	−15.5	67.3	.34	74.9	.38
RAP and GAAP—solvent but tangible—insolvent and unprofitable	69	55.1	53.2	−0.5	8.3	.15	10.9	.20
RAP and GAAP—solvent but tangible—insolvent and profitable	52	66.4	63.5	0.2	6.8	.10	10.9	.16
Subtotal	668	320.4	340.3	−15.8	82.4	.26	96.7	.30
Marginally solvent but unprofitable	154	101.1	97.6	−0.7	9.6	.09	14.9	.15
Total	822	421.5	437.9	−16.5	92.0	.22	111.6	.26

[1] Estimated Cost #1: Failed-bank cost formula with zero loss assigned to residential mortgages and pass through securities.
[2] Estimated Cost #2: Failed-bank cost formula with 10 percent loss assigned to residential mortgages and mortgage pass-through securities.

THE SECRETARY OF THE TREASURY,
Washington, June 23, 1989.

Hon. DONALD W. RIEGLE, Jr.,
U.S. Senate,
Washington, DC.

DEAR DON: Thank you for your letter, dated May 25, 1989, concerning the thrift legislation. We appreciate your active leadership on the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

Your letter states the concern that the legislation may not provide sufficient funds to deal with the problem. The Administration's plan calls for $50 billion for case resolutions by the Resolution Trust Corporation [RTC] for thrifts that have been or will be placed in conservatorships or receiverships from January 1, 1989 until 3 years after the date of enactment. During this period, a $5 billion emergency line of credit from the

Treasury will also be available. From October 1991 through 1999, the plan provides an additional $24 billion for case resolutions as well as $8 billion to capitalize the Savings Association Insurance Fund [SAIF]. We believe—as does the Federal Deposit Insurance Corporation [FDIC], General Accounting Office and the Federal Reserve—that these resources are adequate to do the job.

When the Senate Banking Committee thoroughly examined this issue, both in hearings and at the staff level, the numbers underlying our conclusions and the assumptions that were used were explained in detail. This appeared to satisfy the Committee's concerns at the time, since no amendments were offered to increase the amount of funds for case resolutions and the bill passed by unanimous vote.

We, too, are familiar with the information contained in a recent FDIC report which you suggest might indicate that the resolution costs for RTC cases over the next 3 years may exceed $50 billion by a substantial amount. The FDIC's report contains an estimate, based on its on-site examination, of $29.8 billion in losses at 212 thrifts that are currently in receiverships or conservatorships. But, when he released that report, FDIC Chairman Seidman said that "this level of loss is consistent with the Bush administration's estimate of losses in all insolvent institutions to be handled by the Resolution Trust Corporation."

It is also my understanding that the General Accounting Office, in recent discussions with Banking Committee staff and others, declined to conclude that the amounts provided for under the Administration plan are inadequate.

Finally, our most recent reexamination of thrift data supports our earlier conclusion that $50 billion for RTC cases over the next 3 years is sufficient.

Based on this broad consensus, I continue to believe that the resources provided by the administration's plan are adequate. Let me emphasize, however, that this level of resources, no matter how thoroughly researched or widely agreed upon, is still based only on estimates. Uncertainties include the level of interest rates, the strength of the economy, as well as many other factors that could have a significant impact on the size of the problem. As a result, the actual cost of case resolutions could be higher or lower, depending on the actual circumstances. In summary, we feel the resources provided for in the administration's plan and in both the Senate and the House bills are reasonable given these uncertainties.

Your letter also asks what contingency approach would be used if the size of the problem exceeds $50 billion. As I mentioned above, the RTC has a $5 billion line of credit from the Treasury—and as a practical matter it is doubtful that the RTC could efficiently spend more than $55 billion on resolution costs on RTC cases over the next 3 years. Furthermore, under both the administration plan and the Senate bill, $24 billion will be available for thrifts that fail 3 years from the date of enactment, and this would not affect the buildup of $8 billion to capitalize SAIF by 1999. Finally, the legislation specifically provides the FDIC authority to raise premiums to handle additional cases in the event of extraordinary circumstances.

While we believe these resources are sufficient for all reasonable contingencies, your letter also asks what would happen if the resources were exhausted. In that event, it would be necessary for Congress to revisit the issue. I believe this is appropriate: if circumstances were to change so dramatically, Congress should indeed take a second look. In fact, the Senate Banking Committee took the same view when it voted at the end of the markup of S. 774 to cap the ability of SAIF to spend more than $24 billion from 1991 to 1999 without receiving permission from Congress. If your view has changed, however, and you want to ensure that additional contingency resources are available without returning to Congress, the conferees could of course decide to increase RTC's contingency line of credit.

Let me mention one related point, which concerns the House bill's cap on the authority of the RTC to issue notes and guarantees for working capital purposes. I understand the Congressional concern to impose such a cap, particularly in view of last year's experience with FSLIC, where notes and guarantees were issued on the questionable strength of future premium income. I have no objection to a cap that would prevent the RTC from taking similar actions. However, the cap imposed by the House bill is far more restrictive and could create the following anomalous result: the RTC would be forced to seek more funds simply for working capital purposes from Congress as early as next year, even though it would own substantial amounts of real estate and other tangible assets.

A cap that prevents borrowing on the strength of tangible assets owned—even though the taxpayer would not be at risk—is likely to force Congress to revisit this whole issue prematurely. I urge you to consider this matter very carefully as we approach the conference between the Senate and the House of Representatives. We would be happy to work with you to design a cap that would avoid unintended consequences.

In summary, I continue to believe that, in the absence of strong evidence to the contrary, an appropriate level of resources is included in the administration's plan, as embodied in the Senate bill.

I look forward to working with you in the conference to produce a strong, bipartisan bill that maintains the essential provisions of the administration plan.

Sincerely,

NICK BRADY.

COMMITTEE ON BANKING,
HOUSING, AND URBAN AFFAIRS,
Washington, DC, May 25, 1989.

Hon. NICHOLAS BRADY,
Secretary, Department of the Treasury, Washington, DC.

DEAR MR. SECRETARY: The thrift industry legislation that has passed in the Senate and is now working its way through the House will go far toward resolving the current crisis and preventing a similar future debacle. Your leadership on this issue has been of critical importance, and I deeply appreciate the close and cooperative working relationship we have established.

As the Administration's point man on this issue, I want to raise with you a growing concern I have as we move toward final enactment of the legislation.

That issue concerns the overall estimated cost of the rescue package and whether the $50 billion being sought by the Administration will really be adequate to deal with the problem.

I have a growing concern, shared by many colleagues here, that new evidence is indicating that the resolution cost may well exceed the $50 billion estimate by a substantial amount.

A report last week by the FDIC estimates the losses at 212 insolvent thrifts with $73 billion in assets to be $30 billion. There are roughly another 500 institutions with $250 billion of assets that, in 1988, were insolvent or unprofitable or both. While losses at these thrifts will likely be smaller in proportion to assets than those the FDIC has examined, high interest rates, customer withdrawals and other factors are pushing more and more S&Ls toward insolvency.

This concern was sharpened last week when Assistant Secretary Mullins said of the $50 billion available to RTC: "We will not need it [all]." Yet the release of the FDIC estimates a day later have cast doubt on these optimistic predictions, and Chairman Seidman was blunt in saying: "If things get worse and a lot more [associations] go insolvent, it certainly won't be enough." Some doubt whether there is enough money even for those thrifts that are already insolvent.

It is fair to say, I think, that if the American people find that substantially more money is needed from them to resolve the S&L problem within the next one to three years, they will be disillusioned and angry—and with justification. A failure of judgment in this area would reflect poorly on everyone involved in this effort.

Let me therefore suggest the following two steps.

First, I would ask the Treasury Department to take a fresh, updated look at the potential financial exposure here and see if any recent information requires an upward adjustment of the estimated resolution cost. If you were to decide that we should make an upward adjustment in the amount needed, I would undertake to achieve that higher amount in the current legislation.

Second, if the Administration still believes the $50 billion figure to be fully adequate, then I would ask for an indication of what contingency approach would be used, if the estimates prove wrong, and the amount needed were to rise to: (a) $75 billion, (b) $100 billion, or (c) $125 billion.

As you and I have discussed many times, it is essential that this legislative package work effectively—once enacted and implemented—and this letter is written in that spirit.

Thank you for considering this request and I look forward to your formal reply within the next two weeks.

Sincerely,

DONALD W. RIEGLE, Jr.,
Chairman.

[From the New York Times, Oct. 19, 1990]

SAVINGS BAILOUT MAY BE HINDERED BY POLITICAL IMPASSE OVER MONEY

(By Stephen Labaton)

WASHINGTON, October 18.—The Government bailout of the savings and loan industry may be forced to slow down substantially for lack of money because neither the Bush Administration nor Congress wants to be seen as endorsing new spending for the effort right before the November elections.

The political stalemate centers on Congressional authorization for $40 billion in new money that the Administration has requested for the bailout program over the next 12 months.

Yet the maneuvering over the issue is less about the financing itself than about the timing and the public perception of the move shortly before Congressional elec-

tions. This is not a time that Republicans or Democrats want to be associated with the savings and loan issue. And they especially do not want to champion additional spending on a bailout that has been criticized as being slow, expensive and inefficient.

The agency handling the rescue, the Resolution Trust Corporation, is virtually out of cash. The delay in providing additional money threatens to bog down the process of seizing ailing savings and loans, paying depositors, and selling or closing the institutions. And delays could add to the price of the bailout, which including interest payments on the program's debt is estimated to cost as much as $500 billion over the next 30 years.

The political impasse over new financing for the rescue effort widened today, as the chairman of the House Banking Committee abruptly canceled the second hearing in two days on the Administration request.

The chairman, Henry B. Gonzalez, told colleagues that he had canceled both proceedings because the Treasury Department had decided not to send any senior ranking officials to explain how the Administration plans to use the new funds and how the rescue effort has been faring so far.

No further hearings have been scheduled, and the Administration has remained adamantly oppose to sending a representative to Congress, saying that it has already provided in detail how much it is seeking for the current fiscal year, which began almost three weeks ago.

The wrangle over financing for the bailout is technically separate from the current debate over the Federal budget, since the costs of the rescue of the savings industry are not included in calculations of the Federal budget deficit. Still, both debates have been shaped by the election next month.

"With about 20 days to go before elections, there is certainly a lot of trepidation about the fallout of the savings and loan rescue," said Bruce F. Vento, a Minnesota Democrat who is a member of the House Banking Committee and the chairman of a panel overseeing Resolution Trust. "All sides know that anything that happens will cause a public backlash."

L. William Seidman, the chairman of Resolution Trust, said an impasse on the agency's budget would make it nearly impossible to sell or close 204 institutions under Government control, resulting in an additional initial quarterly cost of at least $250 million to $300 million.

He said Resolution Trust was studying the costs of closer Government supervision, but not the seizure, of those institutions that failed to meet the Government's capital standards but were nonetheless not losing large amounts of money and were being properly managed.

DELAY COULD BACKFIRE

Congressional aides and industry lobbyists argued today that the failure to provide new financing for the bailout effort could backfire. They drew parallels between the latest inability to raise new funds and the situation two years ago, when a failure to appropriate money for a bailout led to a series of savings and loans deals with private investors that are now expected to cost the Government more than $69 billion.

When those deals were executed, regulators had virtually no capital and, by some accounts, had to make the sales as attractive as possible to the buyers of the institutions.

Since the passage of a new financing measure is not in sight, saving and loan regulators have begun drawing up contingency plans to operate Resolution Trust without a fresh infusion of cash. The plans rely primarily on sales of the more than $165 billion in savings and loan assets held by the Government, including securities, "junk bonds" and real estate.

But the sales will take time, and because less money will be available to Resolution Trust, it will be unable to sell or close any institutions, although it will still be able to seize and run those in the worst shape, Mr. Seidman said.

$57 BILLION AUTHORIZED

Last week, the Senate Banking Committee authorized $57 billion for the new fiscal year for Resolution Trust: $40 billion to cover losses and $17 billion for reserves. But committee aides said that it was questionable whether legislation would reach the Senate floor before the recess.

Mr. Gonzalez, a Democrat of Texas, has demanded that Treasury Secretary Nicholas F. Brady explain to the committee why the Bush Administration is seeking $40 billion in additional money for the current fiscal year.

In an interview, Mr. Gonzalez said the failure of Mr. Brady or any other Treasury official to appear was "politically motivated."

"They want to slip this through without any real oversight," he said. "In my 29 years in Congress, I have never seen a request for authorizaiton of funds—even requests much smaller than R.T.C.'s $40 billion—without the accompanying wilingness of an agency or department head to defend the request in an open session."

"IT'S THEIR RESPONSIBILITY"

A spokeswoman for the Treasury Department, Desiree Tucker-Sorini, said that while the administration had no intention of sending an official to a hearing, senior officials would be available for questions by any members of the House Banking Committee.

"There is no reason that the committee should not act," she said. "It's their responsibility to keep the process moving."

Acknowledging that a committee vote on financing the bailout could be close, Mr. Gonzalez said in a letter to committee members that legislation would "more likely be successful" if the committee had an opportunity to question Mr. Brady.

[From the American Banker, Oct. 19, 1990]

SEIDMAN SAYS RTC FUNDING MAY BE DELAYED

(By Barbara A. Rehm)

WASHINGTON.—A political standoff between Capitol Hill and the administration in the few remaining days of the congressional session may bring the thrift bailout to a standstill and add even more to the final cost of the cleanup, Resolution Trust Corp. Chairman L. William Seidman said Thursday.

"There is a real possibility that [the RTC] won't get the money" it needs to fund its operations, Mr. Seidman said in an interview. "It will slow us up and increase the cost."

TAKEOVERS WOULD CEASE

If Congress does not appropriate more money before its expected adjournment next week, Mr. Seidman said, the RTC would stop taking over insolvent thrifts. The delay, in turn, would drive up the government's eventual cost of resolving the S&L crisis.

The issue turns on a conflict between House Banking Committee Chairman Henry B. Gonzalez, D-Tex., and Treasury Secretary Nicholas F. Brady.

With Congress a week away from finishing its business for the year, Rep. Gonzalez announced in a memo to committee members on Thursday that "a markup on the RTC funding is not planned at this time."

TESTIMONY WITHHELD

Rep. Gonzalez is fuming that he was forced to cancel a hearing Wednesday on the RTC funding bill because Mr. Brady refused to testify. Mr. Brady claimed Treasury had already given Congress all the information it needed to pass a money bill for RTC.

A Treasury spokesman said Mr. Brady and Rep. Gonzalez spoke at length by phone the night before the hearing and that the "chairman understood the Secretary's position."

But in his memo, Rep. Gonzalez said the invitation to Mr. Brady to testify on RTC funding remains open.

Rep. Gonzalez said that "a markup would more likely be successful if there is an opportunity to ask questions about RTC's operations and funding needs."

Mr. Seidman, meanwhile, said the RTC is trying to come up with an estimate of the increased cost a delay in funding would cause.

"We are working on a more precise estimate of the cost for Treasury right at this moment," he said.

Mr. Seidman has already testified that the RTC needs $100 billion next year—$60 billion to finance the assets the bailout agency picks up when it takes over thrifts, and $40 billion to cover seized thrifts' losses.

The Senate has already agreed to give the RTC at least that much.

The RTC only has $5.7 billion available to spend right now, Mr. Seidman said, and unless Congress acts it will be unable to get more money before February.

Mr. Seidman, who is keeping a relatively low profile in the battle over RTC funding, would not place the blame directly on the House. But he said Treasury and the RTC have given the House Banking Committee all the data it needs to make a funding decision.

"We have provided them with all the information they need," he said. "We are doing everything we can do to get it."

Mr. Seidman, who is also chairman of the Federal Deposit Insurance Corp., added that Mr. Gonzalez is wrong when he says the RTC will protect $8 billion in uninsured deposits at thrifts being taken over by the government. That figure is closer to $180 million, Mr. Seidman said, noting that the RTC will not cover all those deposits anyway.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GLENN, from the Committee on Governmental Affairs:

Mary Sterling, of Virginia, to be inspector general, Department of Transportation;

Thomas F. Kranz, of California, to be an Associate Director of the Federal Emergency Management Agency;

Antonio C. Amador, of California, to be a member of the Merit Systems Protection Board for the term of 7 years expiring March 1, 1997; and

Todd W. Dillard, of Maryland, to be U.S. Marshall for the Superior Court of the District of Columbia for the term of 4 years.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced read the first and second time by unanimous consent, and referred as indicated.

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 3221. A bill to amend the Internal Revenue Code of 1986 to provide greater flexibility for rollovers from qualified employer pension plans; to the Committee on Finance.

By Mr. RIEGLE, from the Committee on Banking, Housing, and Urban Affairs:

S. 3222. An original bill to amend the Federal Home Loan Bank Act to enable the Resolution Trust Corporation to meet its obligations to depositors and others by the least expensive means; placed on the calendar.

By Mr. BUMPERS:

S. 3223. A bill to provide for the payment of certain mass transit costs of employees under contracts with the Federal Government, and for other purposes; to the Committee on Finance.

By Mr. ADAMS (for himself and Ms. MIKULSKI):

S. 3224. A bill to amend the Public Health Service Act to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. PELL. (for himself, Mr. HELMS, Mr. BOREN, and Mr. COHEN):

S. 3225. A bill to amend the State Department Basic Authorities Act of 1956 to provide for publication of a thorough, accurate, and reliable documentary record of major United States foreign policy activities through the "Foreign Relations of the United States" historical series of the Department of State; considered and passed.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. MIKULSKI (for herself and Mr. SARBANES):

S. 3221. A bill to amend the Internal Revenue Code of 1986 to provide greater flexibility for rollovers from qualified employer pension plans; to the Committee on Finance.

FLEXIBILITY FOR QUALIFIED EMPLOYER PLANS

● Ms. MIKULSKI. Mr. President, I rise today to introduce a bill for myself and Senator SARBANES to correct a serious problem for taxpayers, especially Maryland State employees who converted their retirement funds into new pension plans after 1986.

Thousands of teachers and public servants in Maryland were misinformed and are now paying dearly for the bad advice they were given. They were encouraged by the State of Maryland to transfer their life savings from one Maryland retirement fund to individual retirement accounts or to other qualified pension plans. They were also told, apparently by the State of Maryland, that this was permitted by the IRS.

But now these hard-working Marylanders have learned from the IRS that they can't transfer these funds to IRA's or to other pension plans. Instead, the Maryland public servants are told that they owe the IRS money. They owe unexpected taxes, interest, and penalties which are devastating to the families and individuals that have been planning carefully to use this money for their retirement.

Mr. President, this bill solves that problem. It simplifies the tax laws to define which funds may be rolled over under which circumstances. The bill makes it legal to roll over savings into IRA's tax-free. It makes the law clear and fair. It also makes the law retroactive until 1986, when the tax laws were changed and when Maryland employees began, in good faith, to rollover their life-savings. We don't know how many Americans will benefit from this bill, but we know that public servants in Maryland will not be punished for someone else's mistakes.

I am proud to join with Senator SARBANES in introducing this important legislation, and I ask unanimous consent that the full text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3221

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ROLLOVERS FROM QUALIFIED EMPLOYER PENSION PLANS.

(a) GENERAL RULE.—Subsection (a) of section 402 of the Internal Revenue Code of 1986 (relating to taxability of beneficiary of employees' trust) is amended by striking paragraphs (5), (6), and (7) and inserting the following new paragraphs:

"(5) RULES APPLICABLE TO ROLLOVERS FROM EXEMPT TRUSTS.—

"(A) EXCLUSION FROM INCOME.—If—

"(i) any portion of the balance to the credit of an employee in a qualified trust is paid to either the employee or the employee's spouse,

"(ii) the distributee transfers any portion of the property received in such distribution to an eligible retirement plan, and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed,

then such distribution (to the extent so transferred) shall not be includible in gross income for the taxable year in which paid.

"(B) MAXIMUM AMOUNT WHICH MAY BE ROLLED OVER.—Subparagraph (A) shall not apply to any amount transferred to the extent such amount exceeds the fair market value of all the proeprty the distributee receives in the distribution, reduced by the portion of the distribution which is allocable to employee contributions (other than accumulated deductible employee contributions within the meaning of section 72(o(5)).

"(C) TRANSFER MUST BE MADE WITHIN 60 DAYS OF RECEIPT.—Subparagraph (A) shall not apply to any transfer of a distribution made after the 60th day following the day on which the distributee received the property distributed.

"(D) TRANSFER TREATED AS ROLLOVER CONTRIBUTION UNDER SECTION 408.—For purposes of this title, a transfer resulting in any portion of a distribution being excluded from gross income under subparagraph (A) to an eligible retirement plan described in subclause (I) or (II) of paragraph (7)(A)(iii) shall be treated as a rollover contribution described in section 408(d)(3).

"(E) REQUIRED DISTRIBUTIONS NOT ELIGIBLE FOR ROLLOVER TREATMENT.—Subparagraph (A) shall not apply to any distribution to the extent such distribution is required under section 401(a)(9).

"(6) SALES OF DISTRIBUTED PROPERTY.—For purposes of this subsection—

"(A) TRANSFER OF PROCEEDS FROM SALE OF DISTRIBUTED PROPERTY TREATED AS TRANSFER OF DISTRIBUTED PROPERTY.—The transfer of an amount equal to any portion of the proceeds from the sale of property received in the distribution shall be treated as the transfer of property received in the distribution.

"(B) PROCEEDS ATTRIBUTABLE TO INCREASE IN VALUE.—The excess of fair market value of property on sale over its fair market value on distribution shall be treated as property received in the distribution.

"(C) DESIGNATION WHERE AMOUNT OF DISTRIBUTION EXCEEDS ROLLOVER CONTRIBUTION.—In any case where part or all of the distribution consists of property other than money, the taxpayer may designate—

"(i) the portion of the money or other property which is to be treated as attributable to employee contributions, and

"(ii) the portion of the money or other property which is to be treated as included in the rollover contribution.

Any designation under this subparagraph for a taxable year shall be made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof). Any such designation, once made, shall be irrevocable.

"(D) TREATMENT WHERE NO DESIGNATION.—In any case where part of all of the distribution consists of property other than money and the taxpayer fails to make a designation under subparagraph (C) within the time provided therein, then—

"(i) the portion of the money or other property which is to be treated as attributable to employee contributions, and

"(ii) the portion of the money or other property which is to be treated as included in the rollover contribution,

shall be determined on a ratable basis.

"(E) NONRECOGNITION OF GAIN OR LOSS.—In the case of any sale described in subparagraph (A), to the extend that an amount equal to the proceeds is transferred pursuant to paragraph (5), neither gain nor loss on such sale shall be recognized.

"(7) DEFINITIONS AND OTHER SPECIAL RULES.—

"(A) DEFINITIONS.—For purposes of this subsection—

"(i) EMPLOYEE CONTRIBUTIONS.—The term 'employee contributions' means—

"(I) the excess of the amounts considered contributed by the employee (determined by applying section 72(f)), over

"(II) any amounts previously distributed to the employee which were not includible in gross income (determined without regard to this paragraph).

"(ii) QUALIFIED TRUST.—The term 'qualified trust' means an employees' trust described in section 401(a) which is exempt from tax under section 501(a).

"(iii) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' means—

"(I) an individual retirement account described in section 408(a),

"(II) an individual retirement annuity described in section 408(b) (other than an endowment contract),

"(III) a qualified trust, and

"(IV) an annuity plan described in section 403(a).

"(B) SPECIAL RULE FOR FROZEN DEPOSITS.—

"(i) IN GENERAL.—The 60-day period described in paragraph (5)(C) shall not—

"(I) include any period during which the amount transferred to the employee is a frozen deposit,or

"(II) end earlier than 10 days after such amount ceases to be a frozen deposit.

"(ii) FROZEN DEPOSITS.—For purposes of this subparagraph, the term 'frozen deposit' means any deposit which may not be withdrawn because of—

"(I) the bankruptcy or insolvency of any financial institution, or

"(II) any requirement imposed by the State in which such institution is located by reason of the bankruptcy or insolvency (or threat thereof) of 1 or more financial institutions in such State.

A deposit shall not be treated as a frozen deposit unless on at least 1 day during the 60-day period described in paragraph (5)(C) (without regard to this subparagraph) such deposit is described in the preceding sentence.

"(C) ROLLOVERS OF AMOUNTS RECEIVED BY REASON OF A QUALIFIED DOMESTIC RELATIONS ORDER.—IF—

"(i) any amount is paid or distributed to an alternte payee by reason of any qualified domestic relations order (within the meaning of section 414(p)),

"(ii) the recipient transfers any portion of the property the recipient receives in such distributions to an eligible retirement plan described in subclause (I) or (II) of paragraph (7)(A)(iii), and

"(iii) in the case of a distribution of property other than money, the amount so transferred consists of the property distributed.

then the portion of the distribution so transferred shall be treated as a distribution to which paragraph (5) applies."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (4) of section 72(o) of such Code (relating to special rule for treatment of rollover amount) is amended by striking "402(a)(7),".

(2) Paragraph (2) of section 219(d) of such Code (relating to recontributed amount) is amended by striking "402(a)(7),".

(3) Paragraph (20) of section 401(a) of such Code is amended by striking "qualified total distribution described in section 402(a)(5)(E)(i)(I)" and inserting "distribution to a distributee on account of a termination of the plan of which the trust is a part".

(4) Clause (v) of section 401(a)(28)(B) of such Code (relating to coordination with distribution rules) is amended by striking "whether" and all that follow and inserting "whether a subsequent distribution is a lump-sum distribution under section 402(e)(4)(A)."

(5) Subparagraph (B) of section 403(a)(4) of such Code is amended to read as follows:

"(B) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraph (5) (other than subparagraph (A) thereof), paragraph (6), and paragraph (7) of section 402(a) shall apply for purposes of subparagraph (A)."

(6) Subparagraph (B) of section 403(b)(8) of such Code (relating to special rules for partial distributions) is hereby repealed.

(7) Subparagraph (C) of section 403(b)(8) of such Code is amended to read as follows:

"(C) CERTAIN RULES MADE APPLICABLE.—Rules similar to the rules of paragraph (5) (other than subparagraph (A) thereof), paragraph (6), and paragraph (7) of section 402(a) shall apply for purposes of subparagraph (A)."

(8) Paragraph (1) of section 408(a) of such Code is amended by striking "402(a)(7),".

(9) Clause (ii) of section 408(d)(3)(A) of such Code is amended by striking "of a qualified total distribution (as defined in section 402(a)(5)(E)(i))" and inserting "(as defined in section 402(a)(5)(A))".

(10) Subparagraph (B) of section 408(d)(3) of such Code (relating to limitations) is amended by striking the second sentence thereof.

(11) Subparagraph (F) of section 408(d)(3) of such Code (relating to frozen deposits) is amended by striking "section 402(a)(6)(H)" and inserting "section 402(a)(7)".

(12) Subparagraph (A) of section 4973(b)(1) of such Code is amended by striking "402(a)(7),".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distribution after December 31, 1986.●

By Mr. BUMPERS:

S. 3223. A bill to provide for the payment of certain mass transit costs of employees under contracts with the Federal Government, and for other purposes; to the Committee on Finance.

MASS TRANSIT EQUITY ACT

● Mr. BUMPERS. Mr. President, today I am introducing the Mass Transit Equity Act. This bill seeks to put the cost of mass transit on a more equal footing with the cost of private transit in terms of Federal procurement and tax policy. If enacted, this bill would give commuters a greater incentive to use mass transit in getting to and from work. It should involve little, if any, cost to the Federal Treasury. And it would be a significant step in helping to reduce air pollution and conserve energy.

Briefly, my bill would erase a glaring inequity in both Federal procurement policy and in the regulations of the Internal Revenue Service. In both cases, under the current Federal philosophy, the free parking that employers may provide to their employees is treated as a fringe benefit. On the other hand, if an employer pays for an employee's mass transit costs, in almost every case that is counted as taxable income to the employee, and is not allowable as a fringe benefit on a Federal contract.

Mr. President, this discriminatory and unwise policy mindset of the Federal Government runs counter to the whole thrust of our current energy and environmental policy. It encourages people to drive to work rather than take mass transit. If anything, Federal tax and contracting policy should be tilting toward mass transit and away from driving, not the other way around.

My bill does not tilt in favor of mass transit, and it does nothing to discourage driving per se. The option of driving to work is in no way penalized by this bill. Rather, it simply removes the bias against mass transit that is embedded in Federal tax and contracting policy.

Specifically, my bill would modify current Federal contracting policy so that employers would have the option of offering their employees a choice in the form of their parking fringe benefit where it is offered. If an employer offers free parking to its employees, my bill would give the employer the flexibility to offer each employee, as an alternative to free parking, bus tokens, subway farecards, and other forms of in-kind mass transit privileges.

For now, my bill would limit the mass transit costs payable by an employer for an employee to no more than the parking costs which the employer would otherwise offer the employee. At some point later on, we may even want to revisit this restriction if further incentives to use mass transit are necessary, but for now this limit seems appropriate. It should also ensure that there is no net cost to the Federal Government. We also may want to consider making it mandatory for the employer to offer this choice.

My bill also directs that mass transit costs be treated in the same way for purposes of the Internal Revenue Code. At present, the code allows employers to provide up to $14.99 per month per employee for mass transit costs and still be treated as a fringe benefit for tax purposes. If $15 or more is provided, the entire amount is treated as taxable income to the employee. Sad to say, even this small amount of fairness in the Tax Code does not come from any desire to provide equity for mass transit in the Tax Code. It simply represents a de minimis fringe, a level of benefit that the IRS considers too small to check up on.

I sought to attach the Federal contracting part of this bill to the fiscal year 1991 Defense authorization bill, since the Pentagon is the largest contracting agency in the Federal Government. While Pentagon opposition prevented the full adoption of this provision, a reduced-scope version was accepted. It would have given the Secretary of Defense the choice of adopting this approach on defense contracts if he believed it is in accord with generally accepted cost principles.

Sadly, the Pentagon misinformed the two authorization committees, telling them that employee parking was not an allowable expense on defense contracts, when in fact it is. While the amendment was therefore dropped in conference, I am glad that language was included in the conference report directing the Defense Department to begin planning for such contracting alternatives. This is not enough, and that is one more reason why I am introducing this bill. I would hope that Secretary Cheney at a minimum will consider implementing the change that my amendment would have directed him to take.

I know there is little chance that this bill will be brought up before this session of Congress is adjourned. My hope in introducing this bill at this particular time is to stimulate interest in and discussion of this and other concrete approaches to conserve energy, fight pollution, and give people more freedom of choice. I encourage my colleagues, and others, to review this legislation and to feel free to make any suggestions. I plan to resubmit this legislation early in the 102d Congress and would welcome additional ideas from my colleagues.

In particular, I hope that the Finance and Government Operations Committees will give this measure serious consideration. I hope they will hold a hearing and solicit ideas for further steps that would provide greater equity between public transit and driving. There may well be even greater incentives that we should be offering to coax people out of their cars and into mass transit.

In closing, Mr. President, I would like to point out that when I offered my amendment on this subject to the Defense authorization bill in early August, it was just a few days before Saddam Hussein invaded Kuwait. The approach I am outlining here made sense then, pre-Kuwait, and it makes even more sense today in a world of $40-per-barrel oil and dangerous dependence upon foreign sources. If we are serious about conserving energy and fighting air pollution, we should adopt the approach embodied in this bill. I ask my fellow Senators for their support of this effort.●

By Mr. ADAMS (for himself and Ms. MIKULSKI):

S. 3224. A bill to amend the Public Health Service Act to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes; to the Committee on Labor and Human Resources.

BREAST CANCER SCREENING SAFETY ACT

● Mr. ADAMS. Mr. President, I am pleased to announce the introduction of the Breast Cancer Safety Act of 1990. I am also pleased to have my long-time friend and colleague Congresswoman SCHROEDER join with me in introducing this important, and I think, historic legislation. We are at a crossroads in women's health care. Late this summer, we successfully passed legislation in the Labor Committee that requires women to be included in clinical research trials and that establishes an Office of Women's Health at the National Institutes of Health. This office will have the explicit direction to develop an agenda for research on health issues of particular concern to women.

Breast Cancer is at the forefront of these issues. It strikes more women today than it did just 5 years ago. Over the last decade, 430,000 women died of breast cancer, nearly 8 times the number of Americans killed in the Vietnam war. Yet, we don't know why the incidence of breast cancer in women is rising, or why the mortality rate is not declining. We do not know what causes breast cancer. But we do know something about the prevention and treatment of breast cancer. In fact, we have come a long way in being able to detect breast cancers very early on.

Unfortunately, as it is currently practiced, mammography has some serious problems. Poor quality mammograms pose health risks for women. If the mammogram image quality is poor or the interpretation is faulty, the radiologist may miss cancerous lesions. This could delay treatment and result in a mastectomy or an avoidable death.

A bad mammogram is dangerous because it gives a women the false confidence that she is healthy when in fact she may have cancer. It may also deter women from having regular mammograms. Yet, regular mammograms are critical to successful detection of early cancer.

The legislation I am introducing today will change that. It will not only instill confidence, it will save lives.

We know that early detection through regular breast cancer screenings and reliable mammograms reduce mortality. Education and prevention programs like those at the American Cancer Society or the National Cancer Institute have produced very positive results: More women are getting mammograms for the first time than ever before. In the last 2 years alone the percentage of women getting mammograms jumped from 37 percent in 1987 to 64 percent in 1989.

We know breast cancer screenings can save lives. Mammography is 85 to 95 percent successful in early cancer detection under optimal conditions. The problem is that we cannot tell the majority of women with any confidence that the mammogram they receive is of high quality or not. There is absolutely no guarantee that the mammogram a women gets is safe and accurate because there is no Federal standard to assure the quality of screening mammography. Moreover, State standards are virtually nonexistent. Only five States have enacted legislation in the area of quality assurance.

Of course, some facilities are better than others. We know this largely because some of these facilities have voluntarily met quality standards for accreditation established by the American College of Radiology in 1987. But by any measure, many mammography facilities are inadequate.

Only one third of the facilities in the United States have even applied for accreditation, and about one third of those, have failed. Overall, less than 20 percent of the estimated total number of mammography units, or about 1 in 5, have been accredited.

In Michigan, where they recently enacted a similar bill, the state Department of Public Health found that over one-half of the facilities inspected during the first 10 months of 1988, had substandard equipment; and

In Colorado, after putting into place a new inspection system last year, the Health Department there found the same failure rate: over 50 percent of the machines did not meet minimum quality requirements for safety or accuracy.

Unreliable equipment is dangerous equipment. The unparalleled growth in the number of facilities offering mammography services makes the situation even worse. There are a record 10,000 facilities in operation today and nobody knows for sure how many of them are reliable. Nobody knows how many of them have been inspected. And nobody knows about the quality of the machines, how they are maintained, or if they are used properly. This situation is surely deplorable.

The bill we are introducing today will correct the problems surrounding x-ray equipment used for mammography. It will require that facilities use only equipment that is specifically designed for mammography; that all facilities establish a quality control program that assures that the machines are used properly; that they are regularly maintained; and that all machines be inspected to ensure proper upkeep and use.

As we all know in this high tech age, even state-of-the-art mammography equipment is as good as the individuals who operate them and the physicians who interpret the mammograms. Training and educational requirements are vital to the provision of high quality mammography services.

Unfortunately, in 24 States, individuals who operate the equipment are not licensed. An accurate mammogram requires highly skilled technologists because so much depends on proper positioning and image of the breast. The bill we are introducing today re-

quires that only qualified individuals who meet State licensing requirements or who have been appropriately trained and certified perform mammograms.

It also requires that the physicians who read the mammogram meet professional qualifications. They must be certified by the appropriate medical board or by an accreditation body to interpret the results of the mammogram. Findings show that primary care physicians and multispecialty clinics have the lowest levels of compliance with quality assurance standards. A mammogram is among the most difficult radiographic images to read.

The requirements of the bill apply wherever women get mammograms, whether it is in the hospital, at a radiology center, a breast clinic, a physician's office or a mobile unit. The primary goal is to produce a mammogram with good image quality, while limiting the patient's radiation dose, and to provide an accurate interpretation of the image.

One more important aspect of the bill is the establishment of a mammography registry to maintain permanent records of mammograms in the United States. The value of regular mammography is undisputed, but without a record of a woman's mammograms extending over 10 or 15 years, physicians do not have the tools they need to make the best diagnosis possible.

The mammogram registry will serve another important purpose as well. The registry will allow researchers to link breast cancer cases with mammograms through the existing tumor registry. At present researchers have no way of accessing this vital information. The data will help us better understand mortality and morbidity rates for breast cancer. At present, we are seeing a disturbing trend of rising incidence of breast cancer among women and we need to know why. The mammogram registry will help researchers to find the answers to these critical problems.

Breast cancer is a tragedy that can be prevented and treated successfully through early detection with screening mammography. But it is a travesty when a woman has had a mammogram and it is wrong. We cannot stand by and allow women to pay for a bad mammogram with their life.

We need legislation that can ensure women that the mammograms they get are safe and accurate. That is why I am introducing this bill and why I am so pleased that Congresswoman SCHROEDER and Congresswoman MARTIN will be introducing the bill in the House.

ADDITIONAL COSPONSORS

S. 730

At the request of Mr. COATS, the names of the Senator from Washington [Mr. GORTON], the Senator from Mississippi [Mr. LOTT], the Senator from Florida [Mr. MACK], and the Senator from Viriginia [Mr. ROBB] were added as cosponsors of S. 730, a bill to request the President to award gold medals on behalf of Congress to Frank Capra, James M. Stewart, and Fred Zinnemann, and to provide for the production of bronze duplicates of such medals for sale to the public.

S. 731

At the request of Mr. COATS, the names of the Senator from Washington [Mr. GORTON], the Senator from Mississippi [Mr. LOTT], and the Senator from Florida [Mr. MACK] were added as cosponsors of S. 731, a bill to request the President to award a gold medal on behalf of Congress to Robert Wise and to provide for the production of bronze duplicates of such medal for sale to the public.

S. 758

At the request of Mr. LAUTENBERG, the name of the Senator from Massachusetts [Mr. KERRY] was add as a cosponsor of S. 758, a bill to require the Secretary of the Treasury to monitor the adherence by certain U.S. corporations to principles of nondiscrimination and freedom of opportunity in employment practices in Northern Ireland.

S. 1766

At the request of Mr. DANFORTH, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 1766, a bill to amend titles XVIII and XIX of the Social Security Act to require providers of services under such titles to enter into agreements assuring that individuals receiving services from such providers will be provided an opportunity to participate in and direct health care decisions affecting such individuals.

S. 1980

At the request of Mr. INOUYE, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1980, a bill to provide for the repatriation of native American group or cultural patrimony.

S. 2754

At the request of Mr. BIDEN, the name of the Senator from Nevada [Mr. BRYAN] was added as a cosponsor of S. 2754, a bill to combat violence and crimes against women on the streets and in homes.

S. 2756

At the request of Mr. BIDEN, the name of the Senator from Massachusetts [Mr. KENNEDY] was added as a cosponsor of S. 2756, a bill to encourage national law enforcement cooperation.

S. 2793

At the request of AKAKA the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of S. 2793, a bill to amend the U.S. Institute of Peace Act to honor the memory of the late Spark M. Matsunaga, U.S. Senator from the State of Hawaii, and for other purposes.

S. 2993

At the request of Mr. DASCHLE, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of S. 2993, a bill to amend the Internal Revenue Code of 1986 to extend the solar, geothermal, ocean thermal energy tax credits through 1995.

S. 3002

At the request of Mr. MOYNIHAN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 3002, a bill to amend title XIX of the Social Security Act to permit coverage of residential drug treatment for pregnant women and certain family members under the Medicaid Program, and for other purposes.

S. 3069

At the request of Mr. JEFFORDS, the names of the Senator from Kentucky [Mr. FORD], the Senator from Tennessee [Mr. GORE], and the Senator from Rhode Island [Mr. CHAFEE] were added as cosponsors of S. 3069, a bill to provide a method of locating private and Government research on environmental issues by geographic location,

S. 3095

At the request of Mr. BINGAMAN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 3095, a bill to authorize the creation of a National Education Report Card to be published annually to measure educational achievement of both students and schools and to establish a National Council on Educational Goals.

S. 3190

At the request of Mr. MCCAIN, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 3190, a bill to control the transfer of arms to countries that threaten world peace, including countries that are the subject of a United Nations or United States blockade or embargo.

SENATE JOINT RESOLUTION 375

At the request of Mr. BOSCHWITZ the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of Senate Joint Resolution 375, a joint resolution to designate October 30, 1990, as "Refugee Day."

SENATE JOINT RESOLUTION 379

At the request of Ms. MIKULSKI, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of Senate Joint Resolution 379, a joint resolution providing for furloughed employees compensation.

AMENDMENTS SUBMITTED

NATIONAL INSTITUTES OF HEALTH REAUTHORIZATION ACT

KENNEDY AMENDMENT NO. 3051

Mr. LEAHY (for Mr. KENNEDY) proposed an amendment to the bill (S. 2857) to amend the Public Health Service Act to reauthorize certain Institutes of the National Institutes of Health, and for other purposes; as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Institutes of Health Reauthorization Act of 1990".

TITLE I—REAUTHORIZATION OF CERTAIN NATIONAL INSTITUTES

SEC. 101. NATIONAL CANCER INSTITUTE AND NATIONAL HEART, LUNG, AND BLOOD INSTITUTE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 408(a) of the Public Health Service Act (42 U.S.C. 284c(a)) is amended—

(1) in paragraph (1)—

(A) by striking out "$1,500,000,000" and all that follows through the period in subparagraph (A), and inserting in lieu thereof "$2,093,400,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994."; and

(B) by striking out "$100,000,000" and all that follows through the period in subparagraph (B) and inserting in lieu thereof "such sums as may be necessary in fiscal year 1990, $156,600,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994."; and

(2) in paragraph (2)—

(A) by striking out "$1,100,000,000" and all that follows through the first period in subparagraph (A), and inserting in lieu thereof "$1,498,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994."; and

(B) by striking out "$100,000,000" and all that follows through the period in subparagraph (B) and inserting in lieu thereof "such sums as may be necessary in fiscal year 1990, $151,500,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994.".

(b) RESOURCE PROGRAM.—Section 421(b) of such Act (42 U.S.C. 285b-3(b)) is amended by inserting immediately after paragraph (4) the following new paragraph:

"(5) Shall, in consultation with the advisory council for the Institute, support appropriate programs of training and education, including continuing education and laboratory and clinical research training.".

SEC. 102. NATIONAL LIBRARY OF MEDICINE.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 469 of the Public Health Service Act (42 U.S.C. 286b) is amended by striking out "$14,000,000" and all that follows through the first period and inserting in lieu thereof "$40,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.".

(b) GRANTS FOR THE DEVELOPMENT OF NEW EDUCATIONAL TECHNOLOGIES.—Section 473 of such Act (7 U.S.C. 286b-4) is amended by adding at the end thereof the following new subsection:

"(c) The Secretary shall make grants to appropriate public or private nonprofit institutions for the purpose of carrying out projects in the research, development, and demonstration of new educational technologies. Such projects shall assist in the training of health professions students, and enhance and improve the research and teaching capabilities of health professionals. Funding may support projects including those concerning computer-assisted teaching at health professions and research institutions, the effective transfer of new information from research laboratories to appropriate clinical applications, the expansion of the laboratory and clinical uses of computer-stored research databases, and the testing of new technologies for training health care professionals in non-traditional settings.".

(c) REMOVAL OF CAP ON CERTAIN GRANTS.—Section 474(b)(2) of such Act (42 U.S.C. 286b-5(b)(2)) is amended by striking out ", except that" and all that follows through "$750,000".

SEC. 103. NATIONAL RESEARCH SERVICE AWARDS.

Section 487 of the Public Health Service Act (42 U.S.C. 288) is amended—

(1) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively;

(2) by inserting after subsection (b), the following new subsection:

"(c) The National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration shall undertake or support comprehensive recruitment and research training programs to increase the participation of minorities who are underrepresented in biomedical and behavioral research and women in research."; and

(3) in subsection (e) (as so redesignated), by striking out "$300,000,000" and all that follows through the first period and inserting in lieu thereof "$415,000,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 through 1994.".

SEC. 104. NATIONAL COMMISSION ON SLEEP DISORDERS RESEARCH.

Section 162 of the Health Omnibus Programs Extension of 1988 (Public Law 100-607) is amended—

(1) in subsection (h), by inserting "and the Alcohol, Drug Abuse and Mental Health Administration" after "National Institutes of Health"; and

(2) in subsection (i), by striking out "18 months" and inserting in lieu thereof "24 months".

SEC. 105. TRANSFER OF PROVISIONS.

(a) IN GENERAL.—Section 12 of the Health Research Extension Act of 1985 (42 U.S.C. 285e-2 note) is—

(1) transferred to subpart 5 of part C of title IV of the Public Health Service Act (42 U.S.C. 285e et seq.);

(2) redesignated as section 445G; and

(3) inserted after section 445F (42 U.S.C. 285e-8).

(b) AVAILABILITY OF APPROPRIATIONS.—With respect to amounts made available in appropriations Acts for the purpose of carrying out the program transferred by subsection (a) to the Public Health Service Act, such subsection shall not be construed to affect the availability of such funds for such purpose.

(c) REAUTHORIZATION AND TECHNICAL AMENDMENT.—

(1) REAUTHORIZATIONS.—Subsection (c) of section 445G of the Public Health Service Act (as so redesignated) is amended to read as follows:

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under subsection (a), $8,000,000 for fiscal year 1991, and such sums as may be necessary in each of the fiscal years 1992 through 1994.".

(2) TECHNICAL AMENDMENT.—Section 445G(a) of such Act (as so redesignated) is amended by striking out "and its incidence in the United States".

SEC. 106. NATIONAL CENTER FOR BIOTECHNOLOGY INFORMATION.

Section 478(c) of the Public Health Service Act (42 U.S.C. 286c(c)) is amended—

(1) by striking out "$8,000,000" and inserting in lieu thereof "$10,000,000";

(2) by striking out "1989" and inserting in lieu thereof "1991"; and

(3) by striking out "fiscal year 1990" and inserting in lieu thereof "each of the fiscal years 1992 through 1994".

SEC. 107. BIENNIAL REPORT ON CARCINOGENS.

Section 301(b)(4) of the Public Health Service Act (42 U.S.C. 241(b)(4)) is amended by striking out "an annual" and inserting in lieu thereof "a biennial".

SEC. 108. FETAL RESEARCH.

Section 498(c) of the Public Health Service Act (42 U.S.C. 289g(c)) is amended—

(1) by striking out paragraph (1);

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively;

(3) in paragraph (1) (as so redesignated)—

(A) by striking out "24-month" and inserting in lieu thereof "48-month"; and

(B) by striking out "National Institute" and all that follows through "1988" and inserting in lieu thereof "National Institutes of Health Reauthorization Act of 1990"; and

(4) in paragraph (2) (as so redesignated), by striking out "1990, paragraph (2)" and inserting in lieu thereof "1994, paragraph (1)".

SEC. 109. ESTABLISHMENT OF FOUNDATION.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended by adding at the end thereof the following new part:

"PART H—BIOMEDICAL RESEARCH

"Subpart I—National Foundation for Biomedical Research

"SEC. 499A. NATIONAL FOUNDATION FOR BIOMEDICAL RESEARCH.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary shall establish a nonprofit corporation, to be known as the National Foundation for Biomedical Research (hereafter referred to in this section as the 'Foundation'), that shall not, except for the purposes of the Ethics in Government Act and the Technology Transfer Act, be an agency of the United States Government.

"(2) INCORPORATION.—The Secretary, in cooperation with the members of the Board of Directors under subsection (b)(4), shall incorporate the Foundation.

"(3) NONPROFIT STATUS.—The Foundation shall be considered to be a corporation under section 501(c) of the Internal Revenue Code of 1986, and shall be subject to the provisions of this section.

"(b) BOARD OF DIRECTORS.—

"(1) COMPOSITION.—The Board of Directors of the Foundation (hereafter referred to in this section as the 'Board') shall be composed of—

"(A) not to exceed nine voting members to be appointed by the ex officio members of the Board in accordance with this subsection;

"(B) the Director of the National Institutes of Health, the Administrator of the

Alcohol, Drug Abuse, and Mental Health Administration, and the Surgeon General who shall be ex officio members; and

"(C) five initial members to be appointed by the ex officio members of the Board described in subparagraph (B), and the Chairperson appointed under paragraph (2), of which—

"(i) two such members shall represent the general biomedical field and one shall represent the general biobehavioral field; and

"(ii) two such members shall represent the general public.

"(2) CHAIRPERSON.—The ex officio members of the Board as described in subparagraph (B) of paragraph (1) shall appoint an individual to serve as chairperson of the Board.

"(3) TERMS AND VACANCIES.—

"(A) IN GENERAL.—The term of office of each member of the Board appointed under subparagraph (C) of paragraph (1) shall be 5 years, except that—

"(i) any individual appointed to fill a vacancy that has occurred prior to the expiration of the term for which such individual's predecessor was appointed, shall be appointed for the remainder of such predecessor's term; and

"(ii) the terms of office for the initial members of the Board shall expire as determined by the chairperson and the ex officio members of the Board at the time of the appointment.

"(B) SUBSEQUENT APPOINTMENTS.—Individuals appointed to the Board at the expiration of the term of a member shall be selected by a majority vote of all Board members at the last meeting prior to the expiration of the term of the member to be replaced.

"(C) EFFECT OF VACANCY.—A vacancy on the Board shall not affect its powers, and shall be filled in the same manner in which the original designation or appointment was made.

"(4) INCORPORATORS.—The initial members of the Board shall serve as incorporators and take whatever actions necessary to incorporate the Foundation.

"(5) COMPENSATION.—Members of the Board appointed under subparagraph (C) of paragraph (1) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Board, as set forth in the bylaws issued by the Board.

"(c) EXECUTIVE DIRECTOR.—

"(1) IN GENERAL.—The Foundation shall have an Executive Director who shall be appointed by the Board and shall serve at the pleasure of the Board. The Executive Director shall be responsible for the day-to-day operations of the Foundation and shall have such specific duties and responsibilities as the Board shall prescribe.

"(2) COMPENSATION.—The rate of compensation of the Executive Director shall be fixed by the Board.

"(d) DUTIES.—The Foundation shall—

"(1) provide funding for the support of the endowed scientists within the organizational structure of the intramural research programs of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration;

"(2) recruit senior biomedical scientists to hold scientific positions as described in paragraph (1);

"(3) support the staffing, equipment, and space requirements for the research undertaken by the scientists described in paragraph (2);

"(4) support the stipends and research expenses of those individuals appointed under the National Institutes of Health Scholars program, who shall be appointed for 6-year terms;

"(5) negotiate a memorandum of understanding with the Director of the National Institutes of Health and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration that specifies that Foundation scientists and personnel shall observe the ethical and procedural standards regulating research and research findings, including publications and patents, that are followed by scientists and personnel at the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration, including the Ethics in Government Act and the Technology Transfer Act; and

"(6) conduct biennial audits of the financial condition of the Foundation.

"(e) POWERS.—In order to carry out its duties under subsection (d), the Foundation is authorized to—

"(1) operate under the direction of its Board;

"(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

"(3) provide for one or more officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

"(4) hire, promote, compensate, and discharge officers and employees of the Foundation;

"(5) prescribe by its Board its bylaws, that shall be consistent with law, and that shall provide for the manner in which—

"(A) its officers, employees, and agents are selected;

"(B) its property is acquired, held, and transferred;

"(C) its general operations are to be conducted; and

"(D) the privileges granted by law are exercised and enjoyed;

"(6) with the consent of any executive department or independent agency, use the information, services, staff, and facilities of such in carrying out this section;

"(7) sue and be sued in its corporate name, and complain and defend in courts of competent jurisdiction;

"(8) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this subtitle;

"(9) establish a mechanism for the selection of candidates, subject to the approval of the Director of the National Institutes of Health or the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, for the endowed scientific positions within the organizational structure of the intramural research programs of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration and candidates for participation in the National Institutes of Health Scholars program;

"(10) enter into contracts with public and private organizations for the writing, editing, printing, and publishing of books and other material;

"(11) take such action as may be necessary to obtain patents and licenses for devices and procedures developed by the Foundation and its employees;

"(12) accept, hold, administer, invest, and spend any gift, devise, or bequest of real or personal property made to the Foundation;

"(13) enter into such other contracts, leases, cooperative agreements, and other transactions as the Executive Director considers appropriate to conduct the activities of the Foundation;

"(14) appoint other groups of advisors as may be determined necessary from time to time to carry out the functions of the Foundation; and

"(15) exercise other powers as set forth in this section, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this subtitle.

"(f) ADMINISTRATIVE CONTROL.—No participant in the program established under this part shall exercise any administrative control over any Federal employee.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such funds as the Secretary determines may be necessary to carry out this part, except that not more than $200,000 shall be appropriated to commence the initial operations of the Foundation, including the appointment of the Board under subsection (b). In the event that adequate amounts are not appropriated under this section, the Secretary shall make available not to exceed $200,000 from funds within the Department of Health and Human Services that are otherwise unobligated.

"(h) REPEALER.—The provisions of this part shall be repealed on the date that occurs 5 years after the date of enactment of this part, except that this subsection shall not take effect if the Foundation has not yet been incorporated under subsection (a)(2) by such date.

"Subpart II—Biomedical and Behavioral Research Facilities

"SEC. 499B. DEFINITIONS.

"As used in this part:

"(1) CONSTRUCTION AND COST OF CONSTRUCTION.—The terms 'construction' and 'cost of construction' include the construction of new buildings and the expansion, renovation, remodeling, and alteration of existing buildings, including architects' fees, but not including the cost of acquisition of land or offsite improvements.

"(2) PUBLIC OR NONPROFIT PRIVATE INSTITUTION.—The term 'public or nonprofit private institution' means an institution that conducts biomedical or behavioral research, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"SEC. 499C. GRANTS FOR CONSTRUCTION.

"The Director of the National Institutes of Health, through the Director of Research Resources (hereinafter in this part referred to as the 'Director'), is authorized to award grants on behalf of the National Institutes of Health and the Alcohol, Drug Abuse, and Mental Health Administration to public and nonprofit private institutions to expand, remodel, renovate, or alter existing research facilities or construct new research facilities pursuant to this part. Applications for grants shall be evaluated on the basis of merit as provided in section 499J.

"SEC. 499D. TECHNICAL REVIEW BOARD ON BIOMEDICAL AND BEHAVIORAL RESEARCH FACILITIES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—There is established in the Division of Research Resources of the National Institutes of Health a Technical Review Board on Biomedical and Behavioral Research Facilities (hereinafter referred to in this part as the 'Board') to advise the Director and the Advisory Council established pursuant to section 480 (hereinafter in this part referred to as the 'Advisory Council') on matters concerning the construction of

facilities, and to conduct the peer review of applications received under this part.

"(2) MEMBERSHIP.—The Board shall be appointed by the Director, in consultation with the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, and consist of not fewer than—

"(A) 12 members to be appointed without regard to the civil service laws; and

"(B) an official of the National Science Foundation designated by the National Science Board.

"(3) FACTORS FOR APPOINTMENTS.—In selecting individuals for appointment to the Board under paragraph (2), the Director shall consider factors such as—

"(A) the experience of the individual in the planning, construction, financing, and administration of institutions engaged in the conduct of research in the biomedical or behavioral sciences;

"(B) the familiarity of the individual with the need for biomedical or behavioral research facilities;

"(C) the familiarity of the individual with the need for dentistry, nursing, pharmacy, and allied health professions research facilities; and

"(D) the experience of the individual with emerging centers of excellence as defined in section 499E(d)(2).

"(b) DUTIES.—The Board shall—

"(1) advise and assist the Director and the Advisory Council in the preparation of general regulations and with respect to policy matters arising in the administration of this part;

"(2) make recommendations to the Director and the Advisory Council concerning—

"(A) merit review of applications for grants; and

"(B) the amount that should be granted to each applicant whose application, in its opinion, should be approved; and

"(3) prepare an annual report for the Advisory Council, that shall be available to the public, that—

"(A) describes the activities of the Board in the fiscal year for which the report is made;

"(B) describes and evaluates the progress made in such fiscal year in meeting the facilities' needs for the biomedical research community;

"(C) summarizes and analyzes expenditures made by the Federal Government for such activities;

"(D) reviews the approved but unfunded applications for grants; and

"(E) contains the recommendations of the Board for any changes in the implementation of this part.

"(c) TERMS.—

"(1) IN GENERAL.—Each appointed member of the Board shall hold office for a term of 4 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which such member's predecessor was appointed shall be appointed for the remainder of such term.

"(2) STAGGERED TERMS.—Of the initial members appointed to the Board—

"(A) 3 shall hold office for a term of 3 years;

"(B) 3 shall hold office for a term of 2 years; and

"(C) 3 shall hold office for a term of 1 year;

as designated by the Director at the time of the appointment.

"(3) REAPPOINTMENT.—No member shall be eligible for reappointment until at least 1 year has elapsed since the end of such member's preceding term.

"(d) COMPENSATION.—Members of the Board who are not officers or employees of the United States shall receive for each day the members are engaged in the performance of the functions of the Board compensation at the same rate received by members of other national advisory councils established under this title.

"(e) USE OF MEMBERS.—The Director is authorized to use the services of any member or members of the Board, and where appropriate, any member or members of any other national advisory council established pursuant to this title, in connection with matters related to the administration of this part, for such periods, in addition to conference periods, as the Director may determine appropriate. The Director shall make appropriate provision for consultation between and coordination of the work of the Board and the Advisory Council, with respect to matters bearing on the purposes and administration of this part.

"(f) ADMINISTRATION.—The administration of the Board's functions shall be the responsibility of the Director and shall be carried out in the same manner as the administration of the functions of the Advisory Council.

"(g) BOARD ACTIVITIES.—

"(1) IN GENERAL.—In carrying out its functions under this part, the Board may establish subcommittees, convene workshops and conferences, and collect data as the Board considers appropriate.

"(2) SUBCOMMITTEES.—Subcommittees established under paragraph (1) may be composed of Board members and nonmember consultants with expertise in the particular area to be addressed by the subcommittees. The subcommittee may hold meetings as determined necessary to enable the subcommittee to carry out its activities.

"SEC. 499E. APPLICATION AND SELECTION FOR GRANTS.

"(a) SUBMISSION.—Applications for grants under this part shall be submitted at least once each year to the Director by interested public and nonprofit private institutions.

"(b) AWARDING OF GRANTS.—A grant under this part may be awarded by the Director if—

"(1) the applicant institution is determined by the Director to be competent to engage in the type of research for which the proposed facility is to be constructed;

"(2) the applicant institution meets the eligibility conditions established by the Director;

"(3) the application contains or is supported by the reasonable assurances that—

"(A) for not less than 20 years after completion of the construction, the facility will be used for the purposes of research for which it is to be constructed;

"(B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility; and

"(C) sufficient funds will be available, when construction is completed, for the effective use of the facility for the research for which it is being constructed; and

"(4) the proposed construction will expand the applicant's capacity for research, or is necessary to improve or maintain the quality of the applicant's research.

A grant under this part may be made only if the application therefor is recommended for approval by the Advisory Council.

"(c) ELIGIBILITY CONDITIONS.—Within the aggregate monetary limit as the Director may prescribe, applications that, solely by reason of the inability of the applicants to give the assurance required by subsection (b)(2), fail to meet the requirements for applications described in this section, may be approved on condition that the applicants give the assurance required by such paragraph within a reasonable time and on such other reasonable terms and conditions as the Director may determine appropriate.

"(d) AWARDING GRANTS.—

"(1) IN GENERAL.—In acting on applications for grants under this part, the Director shall take into consideration—

"(A) the relative scientific and technical merit of the applications, and the relative effectiveness of the proposed facilities, in expanding the capacity for biomedical or behavioral research and in improving the quality of such research;

"(B) the quality of the research or training, or both, to be carried out in the facilities involved;

"(C) the need of the institution for such facilities in order to maintain or expand the institution's research and training mission;

"(D) the congruence of the research activities to be carried out within the facility with the research and investigator manpower needs of the United States; and

"(E) the age and condition of existing research facilities and equipment.

"(2) INSTITUTIONS OF EMERGING EXCELLENCE.—

"(A) IN GENERAL.—In addition to the considerations required under paragraph (1), the Director shall also consider other criteria for the awarding of grants to eligible institutions that demonstrate emerging excellence in biomedical or behavioral research for the construction of research facilities.

"(B) ELIGIBILITY.—To be eligible to receive a grant under this paragraph, an institution shall—

"(i) have a plan for research or training advancement and possess the ability to carry out such plan; and

"(ii)(I) carry out research and research training programs that have a special relevance to a problem, concern, or unmet need of the United States;

"(II) have already demonstrated a commitment to enhancing and expanding the research productivity of the institution; or

"(III) have been productive in research or research development and training in settings where significant barriers to institutional development have been created by—

"(aa) the underrepresentation of minorities in health science careers;

"(bb) the health status deficit of a large segment of the population; or

"(cc) a regional deficit in health care technology, services, or research resources that can adversely affect health status in the future.

"SEC. 499F. AMOUNT OF GRANT; PAYMENTS.

"(a) AMOUNT.—The amount of any grant awarded under this part shall be determined by the Director, except that such amount shall not exceed—

"(1) 50 percent of the necessary cost of the construction of a proposed facility as determined by the Director; or

"(2) in the case of a multipurpose facility, 50 percent of that part of the necessary cost of construction that the Director determines to be proportionate to the contemplated use of the facility.

"(b) RESERVATION OF AMOUNTS.—On approval of any application for a grant under this part, the Director shall reserve, from any appropriation available therefor, the amount of such grant, and shall pay such amount, in advance or by way of reimbursement, and in such installments consistent

with the construction progress, as the Director may determine appropriate. The reservation of the Director of any amount by the Director under this subsection may be amended by the Director, either on the approval of an amendment of the application or on the revision of the estimated cost of construction of the facility.

"(c) EXCLUSION OF CERTAIN COSTS.—In determining the amount of any grant under this part, there shall be excluded from the cost of construction an amount equal to the sum of—

"(1) the amount of any other Federal grant that the applicant has obtained, or is assured of obtaining, with respect to construction that is to be financed in part by a grant authorized under this part; and

"(2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

"(d) WAIVER OF LIMITATIONS.—The limitations imposed by subsection (a) may be waived at the discretion of the Director for institutions described in section 499E(d)(2).

"SEC. 499G. RECAPTURE OF PAYMENTS.

"If, not later than 20 years after the completion of construction for which a grant has been awarded under this part—

"(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private institution; or

"(2) the facility shall cease to be used for the research purposes for which it was constructed (unless the Director determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from obligation to do so);

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the current value (as determined by an agreement between the parties or by action brought in the United States District Court for the district in which such facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction of such facility.

"SEC. 499H. NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS.

"Except as otherwise specifically provided in this part, nothing contained in this part shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to the administration of any institution funded under this part.

"SEC. 499I. REGULATIONS.

"Not later than 6 months after the date of enactment of this part, the Director, after consultations with the Advisory Council and the Administrator of the Alcohol, Drug Abuse, and Mental Health Administration, shall prescribe regulations concerning the eligibility of institutions for grants awarded under this part, and the terms and conditions applicable to the approval of applications for such grants. The Director may prescribe such other regulations as the Director determines necessary to carry out this part.

"SEC. 499J. PEER REVIEW OF APPLICATIONS.

"(a) IN GENERAL.—The Director shall require appropriate peer review of applications for grants under this part in accordance with section 492.

"(b) MANNER OF REVIEW.—Review of grant applications under this part shall be conducted in a manner consistent with the system of scientific peer review conducted by scholars with regard to applications for grants under this Act for biomedical and behavioral research.

"(c) MEMBERSHIP.—Members of a peer review group established under this section shall be individuals who, by the virtue of their training or experience, are eminently qualified to perform peer review functions, except that not more than one-fourth of the members of any peer review group shall be officers or employees of the United States.

"SEC. 499K. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to award grants and otherwise carry out this part, $150,000,000 for fiscal year 1990, and such sums as are necessary for each of the fiscal years 1991 and 1992. Sums appropriated pursuant to this section shall remain available until expended.".

SEC. 110. NATIONAL CENTER FOR HUMAN GENOME RESEARCH.

Part E of title IV of the Public Health Service Act (42 U.S.C. 285 et seq.) is amended by adding at the end thereof the following new subpart:

"Subpart 4-National Center for Human Genome Research

"SEC. 486A. PURPOSE OF THE CENTER.

"The purpose of the National Center for Human Genome Research (hereinafter referred to in this subpart referred as the 'Center') is to—

"(1) provide advice to the Director of NIH concerning all aspects of genomic research;

"(2) coordinate the integration, review, and planning of genomic analysis research;

"(3) formulate research goals, criteria and long-range plans with the guidance of the advisory council established under section 486C;

"(4) serve as a focal point on genomic analysis within the National Institutes of Health; and

"(5) foster, conduct, support, and administer research and research training programs directed at promoting the growth and quality of research related to mapping and sequencing of complex genomes.

"SEC. 486B. SPECIFIC AUTHORITIES.

"To carry out section 486A, the Director of the Center may—

"(1) provide research grants, or enter into research contracts and cooperative agreements, with institutions and individuals;

"(2) provide research training awards to institutions and individuals;

"(3) promote closer interaction with other bases of genomic analysis and research;

"(4) collect and disseminate research findings concerning genomic research;

"(5) develop plans for the centralized, systematic, targeted effort to create detailed maps of genomes of organisms;

"(6) sponsor scientific meetings and symposia to promote progress concerning genomic research through information sharing; and

"(7) foster national and international information exchange with industry and academia concerning research on complex genomes.

"SEC. 486C. ADVISORY COUNCIL ON COMPLEX GENOMES.

"(a) APPOINTMENT.—

"(1) IN GENERAL.—The Secretary shall appoint an advisory council for the Center which shall advise, assist, consult with, and make recommendations to the Secretary and the Director of the Center on matters related to the activities carried out by and through the Center and the policies respecting such activities.

"(2) GIFTS.—The advisory council for the Center may recommend to the Secretary acceptance, in accordance with section 2101, of conditional gifts for study, investigations, and research and for the acquisition of grounds or construction, equipping, or maintenance of facilities for the Center.

"(3) DUTIES.—The advisory council for the Center—

"(A)(i) may make recommendations to the Director of the Center respecting research conducted at the Center;

"(ii) may review applications for grants and cooperative agreements for research or training and recommend for approval applications for projects which show promise of making valuable contributions to human knowledge; and

"(iii) may review any grant, contract, or cooperative agreement proposed to be made or entered into by the Center;

"(B) may collect, by correspondence or by personal investigation, information as to studies which are being carried on in the United States or any other country as to the diseases, disorders, or other aspects of human health with respect to which the Center is concerned and with the approval of the Director of the Center make available such information through appropriate publications for the benefit of public and private health entities and health professions personnel and scientists and for the information of the general public; and

"(C) may appoint subcommittees and convene workshops and conferences.

"(b) MEMBERS.—The advisory council shall consist of such members as the Secretary shall appoint.

"(c) TERMS.—The term of office of an appointed member of the advisory council is 4 years, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term and the Secretary shall make appointments to an advisory council in such a manner as to ensure that the terms of the members do not all expire in the same year. A member may serve after the expiration of the member's term until a successor has taken office. A member who has been appointed for a term of 4 years may not be reappointed to an advisory council before two years from the date of expiration of such term of office. If a vacancy occurs in the advisory council among the appointed members, the Secretary shall make an appointment to fill the vacancy within 90 days from the date the vacancy occurs.

"(d) CHAIRPERSON.—The chairperson of the advisory council shall be selected by the Secretary from among the appointed members, except that the Secretary may select the Director of the Center to be the chairperson of the advisory council. The term of office of the chairperson shall be 2 years.

"(e) MEETINGS.—The advisory council shall meet at the call of the chairperson or upon the request of the Director of the Center, but at least three times each fiscal year. The location of the meetings of the advisory council is subject to the approval of the Director of the Center.

"(f) STAFF.—The Director of the Center shall designate a member of the staff of the Center to serve as the executive secretary of the advisory council. The Director of the Center shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions. The Director of the Center shall provide orientation and training for new members of the advisory council to provide them with such information and training as may be appropriate for their effective par-

ticipation in the functions of the advisory council.

"(g) COMMENTS.—The advisory council may prepare, for inclusion in the biennial report made under section 486D—

"(1) comments respecting the activities of the advisory council in the fiscal years respecting which the report is prepared;

"(2) comments on the progress of the Center in meeting its objectives; and

"(3) recommendations respecting the future directions and program and policy emphasis of the Center.

The advisory council may prepare such additional reports as it may determine appropriate.

"SEC. 486D. BIENNIAL REPORT.

"The Director of the Center after consultation with the advisory council for the Center, shall prepare for inclusion in the biennial report made under section 403 a biennial report that shall consist of a description of the activities of the Center and program policies of the Director of the Center in the fiscal years respecting which the report is prepared. The Director of the Center may prepare such additional reports as the Director determines appropriate. The Director of the Center shall provide the advisory council of the Center an opportunity for the submission of the written comments referred to in section 486C.".

SEC. 111. NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES.

Section 446 of the Public Health Service Act (42 U.S.C. 285f) is amended by inserting before the period the following: ", including tropical diseases".

SEC. 112. GENERAL PROVISIONS.

Section 405 of the Public Health Service Act (42 U.S.C. 284) is amended—

(1) in subsection (b)(1)—

(A) in the matter preceding subparagraph (A) of paragraph (1)—

(i) by striking out "the human diseases" and inserting in lieu thereof "human diseases";

(ii) by striking out "for which the national research institutes were established"; and

(iii) by inserting "and agency of the National Institutes of Health" after "each national research institute";

(B) in subparagraph (K), by striking out "and" at the end thereof;

(C) in subparagraph (L), by striking out the period and inserting in lieu thereof "; and";

(D) by adding immediately after subparagraph (L) the following new subparagraph:

"(M) may, notwithstanding any other provision of law, in disseminating information pursuant to this section and other laws, enter into licensing agreements that provide for quality control and the full recovery of access costs."; and

(E) by adding at the end thereof the following new sentence: "For purposes of Federal income, estate, and gift taxes, any gift accepted under subparagraph (H) shall be considered to be a gift or transfer to the United States.";

(2) in the matter preceding subparagraph (A) of subsection (b)(2), by inserting "and agency of the National Institutes of Health" after "research institute"; and

(3) in subsection (c)—

(A) by inserting "and agency of the National Institutes of Health" after "national research institute" in the matter preceding paragraph (1);

(B) by inserting "or agency" after "institute" in paragraph (1); and

(C) in paragraph (2)—

(i) by inserting "and agencies" after "institutes"; and

(ii) by inserting "or agency" after "institute".

TITLE II—WOMEN'S HEALTH RESEARCH

SEC. 201. INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH CONDUCTED OR SUPPORTED BY NATIONAL INSTITUTES OF HEALTH.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

"SEC. 492A. INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH.

"(a) GENERAL REQUIREMENT.—In conducting or supporting clinical research for purposes of this title, the Secretary shall ensure that women and members of minority groups are included as subjects in each project of such research, subject to subsection (b).

"(b) NONAPPLICABILITY.—

"(1) IN GENERAL.—The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(A) is inappropriate with respect to the health of the subjects;

"(B) is inappropriate with respect to the purpose of the research; or

"(C) is inappropriate under such other circumstances as the Secretary may designate.

"(2) CRITERIA.—For purposes of paragraph (1), the Secretary shall by regulation establish criteria regarding the circumstances under which the inclusion of women and minorities in clinical research is inappropriate.

"(c) ANALYSIS OF EFFECT ON WOMEN AND MINORITY GROUPS.—In the case of any project of clinical research in which women or members of minority groups are required under subsection (a) to be included as subjects in the research, and there exists scientific reasons to expect that there may be differences because of such gender or minority status, the Secretary shall ensure that the project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as the case may be, differently than other subjects in the research.

"(d) NOTIFICATION.—Not later than January 1, 1991, the Secretary shall notify appropriate research entities and research grant recipients concerning the requirements of subsections (a), (b), and (c).

"(e) CLINICAL RESEARCH EQUITY SUBCOMMITTEES.—

"(1) ESTABLISHMENT.—The Secretary shall establish within the advisory council of each of the national research institutes a subcommittee to be known as the Clinical Research Equity Subcommittee (hereafter in this subsection individually referred to as a 'Subcommittee').

"(2) DUTIES.—Each Subcommittee shall review all clinical research conducted by the agency for which the advisory council involved is established. The purpose of the review shall be determining the extent to which the research is being conducted in accordance with subsections (a) through (c). Such a review shall be conducted not less than annually. Not later than 60 days after each such review, each Subcommittee shall submit to the Secretary and the Director of NIH a report describing the finding made as a result of the review.

"(3) COMPOSITION.—Each Subcommittee shall be composed of not less than 6 members of the advisory council involved. The Director of NIH shall designate the membership of each Subcommittee from among members of the advisory council involved who have expertise regarding clinical research on diseases, disorders, or other health conditions—

"(A) that are unique to women, more prevalent in women, or more serious for women; or

"(B) for which the risk factors or interventions are different for women.

"(4) APPOINTMENT OF ADDITIONAL MEMBERS.—If the Secretary determines that an advisory council for a national research institute does not contain a sufficient number of individuals with the expertise required for purposes of paragraph (3), the Director of NIH shall appoint to the advisory council, from among individuals who are not officers or employees of the United States, a number of individuals necessary with respect to complying with such paragraph.

"(5) SUSPENSION OR REVOCATION OF RESEARCH AUTHORITY.—If the Secretary determines that any project of clinical research conducted by any agency of the National Institutes of Health is not being conducted in accordance with subsections (a) through (c), the Secretary shall suspend or revoke the authority for the project under such conditions as the Secretary determines appropriate.

"(f) DEFINITION.—For purposes of this section, the term 'minority groups' means racial and ethnic minority groups.".

SEC. 202. REQUIREMENT REGARDING WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH CONDUCTED OR SUPPORTED BY ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION.

Part A of title V of the Public Health Service Act (42 U.S.C. 290aa et seq.) is amended by inserting after section 507 the following new section:

"SEC. 507A. INCLUSION OF WOMEN AND MINORITIES IN CLINICAL RESEARCH.

"(a) GENERAL REQUIREMENTS.—In conducting or supporting clinical research for purposes of this title, the Secretary shall ensure that women and members of minority groups are included as subjects in each project of such research, subject to subsection (b).

"(b) NONAPPLICABILITY.—

"(1) IN GENERAL.—The requirement established in subsection (a) regarding women and members of minority groups shall not apply to a project of clinical research if the inclusion, as subjects in the project, of women and members of minority groups, respectively—

"(A) is inappropriate with respect to the health of the subjects;

"(B) is inappropriate with respect to the purpose of the research; or

"(C) is inappropriate under such other circumstances as the Secretary may designate.

"(2) CRITERIA.—For purposes of paragraph (1), The Secretary shall by regulation establish criteria regarding the circumstances under which the inclusion of women and minorities in clinical research is inappropriate.

"(c) ANALYSIS OF EFFECT ON WOMEN AND MINORITY GROUPS.—In the case of any project of clinical research in which women or members of minority groups are required under subsection (a) to be included as subjects in the research, and there are scientific reasons to expect that there may be differences because of gender or minority

status, the Secretary shall ensure that the project is designed and carried out in a manner sufficient to provide for a valid analysis of whether the variables being tested in the research affect women or members of minority groups, as the case may be, differently than other subjects in the research.

"(d) NOTIFICATION.—Not later than January 1, 1991, the Secretary shall notify appropriate research entities and research grant recipients of the requirements concerning subsections (a), (b), and (c).

"(e) CLINICAL RESEARCH EQUITY SUBCOMMITTEES.—

"(1) ESTABLISHMENT.—The Secretary shall establish within the advisory council of each of the agencies of the Alcohol, Drug Abuse, and Mental Health Administration a subcommittee to be known as the Clinical Research Equity Subcommittee (hereafter in this subsection individually referred to as a 'Subcommittee').

"(2) DUTIES.—Each Subcommittee shall review all clinical research conducted by the agency for which the advisory council involved is established. The purpose of the review shall be determining the extent to which the research is being conducted in accordance with subsections (a) through (c). Such a review shall be conducted not less than annually. Not later than 60 days after each such review, each Subcommittee shall submit to the Secretary and the Administrator a report describing the finding made as a result of the review.

"(3) COMPOSITION.—Each Subcommittee shall be composed of not less than 6 members of the advisory council involved. The Director of NIH shall designate the membership of each Subcommittee from among members of the advisory council involved who have expertise regarding clinical research on diseases, disorders, or other health conditions—

"(A) that are unique to women, more prevalent in women, or more serious for women; or

"(B) for which the risk factors or interventions are different for women.

"(4) APPOINTMENT OF ADDITIONAL MEMBERS.—If the Secretary determines that an advisory council for an agency of the Alcohol, Drug Abuse, and Mental Health Administration does not contain a sufficient number of individuals with the expertise required for purposes of paragraph (3), the Director of NIH shall appoint to the advisory council, from among individuals who are not officers or employees of the United States, a number of individuals necessary with respect to complying with such paragraph.)

"(5) SUSPENSION OR REVOCATION OF RESEARCH AUTHORITY.—If the Secretary determines that any project of clinical research conducted by any agency of the Alcohol, Drug Abuse, and Mental Health Administration is not being conducted in accordance with subsections (a) through (c), the Secretary shall suspend or revoke the authority for the project under such conditions as the Secretary determines appropriate.

"(f) DEFINITION.—For purposes of this section, the term 'minority groups' means racial and ethnic minority groups.".

SEC. 203. PEER REVIEW REGARDING INCLUSION OF WOMEN AND MINORITIES AS SUBJECTS IN CLINICAL RESEARCH.

(a) NATIONAL INSTITUTES OF HEALTH.—Section 492 of the Public Health Service Act (42 U.S.C. 289a) is amended by adding at the end the following new subsection:

"(c)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding the inclusion of women and members of minority groups as subjects in the research.

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 492A, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

(b) ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION.—Section 507 of the Public Health Service Act (42 U.S.C. 290aa-5) is amended by adding at the end the following new subsection:

"(f)(1) In technical and scientific peer review under this section of proposals for clinical research, the consideration of any such proposal (including the initial consideration) shall, except as provided in paragraph (2), include an evaluation of the technical and scientific merit of the proposal regarding the inclusion of women and members of minority groups as subjects in the research.

"(2) Paragraph (1) shall not apply to any proposal for clinical research that, pursuant to subsection (b) of section 507A, is not subject to the requirement of subsection (a) of such section regarding the inclusion of women and members of minority groups as subjects in clinical research.".

SEC. 204. OFFICE OF WOMEN'S HEALTH RESEARCH AND PROGRAMS.

Title IV of the Public Health Service Act (42 U.S.C. 281 et seq.) is amended—

(1) by redesignating parts F and G as parts G and H, respectively; and

(2) by inserting after part E the following new part:

"PART F—WOMEN'S HEALTH RESEARCH

"SEC. 486O. OFFICE OF WOMEN'S HEALTH RESEARCH.

"(a) ESTABLISHMENT.—The Secretary, acting through the Director of the National Institutes of Health, shall establish an Office of Women's Health Research (hereinafter referred to in this part as the 'Office') and provide administrative support and support services to the Director of such Office.

"(b) DIRECTOR.—The Office of Women's Health Research shall be headed by a Director who shall be appointed by the Director of the National Institutes of Health.

"(c) PURPOSE.—It shall be the purpose of the Office to ensure that research pertaining to women's health is identified and addressed throughout the research activities conducted and supported by the National Institutes of Health. The Secretary, acting through the Director of the Office, shall—

"(1) establish an intramural research program in gynecology at the National Institute of Child Health and Human Development;

"(2) establish a clinical service in gynecology; and

"(3) develop plans for and establish, not later than January 1, 1993, a Center for Women's Health Research to support research pertaining to women's health conditions.

"SEC. 486P. FUNCTIONS OF THE DIRECTOR.

"(a) IN GENERAL.—The Director of the Office of Women's Health Research shall—

"(1)(A) identify women's health research needs, including prevention research;

"(B) identify needs for coordinated research activities, especially multidisciplinary research relating to women's health, to be conducted intra and extramurally;

"(C) encourage researchers whose research is funded or supported by the National Institutes of Health to pursue research pertaining to women's health; and

"(D) support the development and expansion of clinical trials of treatments, therapies and modes of prevention that include women of all ages, races and ethnicities.

"(2) establish a coordinating council that shall be composed of the Directors, of the Institutes, Centers, Offices, and Divisions of the National Institutes of Health and of the Alcohol, Drug Abuse, and Mental Health Administration, to assist in the duties described in paragraph (1); and

"(3) establish within such Office an advisory committee to be known as the Women's Health Clinical Research Advisory Committee (hereinafter referred to in this section as the 'Committee.').

"(b) ADVISORY COMMITTEE.—

"(1) COMPOSITION.—The Committee shall be composed of not less than 12 appropriately qualified representatives of the public who are not officers or employees of the Federal Government. Such members shall include physicians, practitioners, scientists, and other women's health professionals whose clinical practice, research specialization, and professional expertise includes a significant focus on women's health and gender differences that affect women's health.

"(2) DUTIES.—The Committee shall—

"(A) advise the Director of the Office concerning—

"(i) appropriate research activities to be supported by the Office with respect to—

"(I) research on conditions and diseases unique to, more prevalent in, or neglected concerning areas of health relating to women of all ages, ethnicities, and racial groups;

"(II) research concerning gender differences involved in clinical drug trials, with emphasis provided to pharmacological response and side effects resulting from such;

"(III) research concerning gender differences involving disease etiology, course and treatment;

"(IV) research concerning obstetrical and gynecological health, conditions, diseases, and treatment;

"(V) research concerning health conditions relating to women that require a multidisciplinary approach;

"(VI) research concerning the prevention of health conditions that affect women; and

"(VII) the merits of establishing a Center for Women's Health Research as an independent center within the Office of the Director rather than as a center that is part of an existing Institute;

"(B) report to the Director of the Office on research concerning women's health that is publicly and privately supported;

"(C) provide recommendations to the Director of the Office regarding the operations of the Office;

"(D) monitor the compliance of all research projects supported or conducted by the National Institutes of Health with laws and regulations relating to the inclusion of women in clinical study populations;

"(E) provide advice to the Director of the National Institutes of Health concerning the manner in which to advance and encourage research on women's health;

"(F) provide advice to the Director of the National Institutes of Health concerning

the merits of establishing the Center for Women's Health Research as an independent Center within the Office of the Director of the National Institutes of Health rather than as a Center that is part of an existing Institute;

"(G) request that a study be conducted by the Institute of Medicine of the National Academy of Sciences that could assist in determining the manner in which to remove obstacles to and advance and encourage research concerning women's health; and

"(H) make recommendations to the appropriate committees of Congress and to the Director of NIH for further legislative and administrative initiatives, as appropriate for achieving the purposes described in section 486O(c).

"SEC. 486Q. REPORT TO THE SECRETARY.

"(a) IN GENERAL.—Not later than January 1, 1992, and biennially thereafter, the Director of the National Institutes of Health shall prepare and submit to the Secretary, a report that shall—

"(1) describe and evaluate the progress made, during the period for which such report is prepared, in research, treatment, and prevention with respect to women's health conducted or supported by the National Institutes of Health;

"(2) summarize and analyze expenditures, made during the period for which such report is made, for activities with respect to women's health research conducted or supported by the National Institutes of Health;

"(3) contain such recommendations as the Director of the Office for Women's Health Research considers appropriate; and

"(4) for the initial report, recommend whether the Center for Women's Health Research should be a freestanding intramural center or whether it should be an intramural center attached to an existing Institute.

"(b) SUBMISSION TO CONGRESS.—The Secretary shall provide a copy of the reports submitted under subsection (a) to the appropriate Committees of Congress.

"(c) STUDY.—With respect to the study conducted under a request made under section 486P(b)(2)(G), such study shall include an examination of the infrastructure of the Institutes, the grant approval process, the peer review process with regard to the impact of such on women's health research, the manner in which to increase the number of women in senior level research positions, and a proposed research agenda for biomedical and biobehavioral research on women's health.

"SEC. 486R. DATA BANK ON WOMEN'S HEALTH AND GENDER DIFFERENCES RESEARCH.

"(a) ESTABLISHMENT OF PROGRAM.—The Director of the National Institutes of Health, after consultation with the Director of the Office of Women's Health Research and the Board of Regents of the National Library of Medicine, shall establish, maintain, and operate a program to provide information concerning research, treatment, and prevention activities relating to women's health and gender differences.

"(b) DATA BANK.—

"(1) ESTABLISHMENT.—The Secretary shall establish a data bank to compile information concerning the results of research with respect to women's health and gender differences that affect women's health. Such data bank shall be headed by an executive director to be appointed by the Director of the Office of Women's Health Research.

"(2) CLINICAL TRIALS AND TREATMENTS.—The data bank established under paragraph (1) shall compile information concerning clinical trials and treatments with respect to women's health and gender differences.

"(3) INFORMATION.—The executive director of the data bank shall make information compiled by the data bank available through existing informational systems that provide access to health care professionals and providers, researchers, and members of the public.

"(4) REGISTRY.—

"(A) IN GENERAL.—The executive director of the data bank shall maintain a registry of ongoing clinical trials of experimental treatments for conditions and diseases unique to, or more prevalent in, health areas concerning women and gender differences, or other health areas that have been neglected with respect to research concerning women or gender differences.

"(B) INFORMATION.—Information to be maintained in the registry under this paragraph shall include—

"(i) eligibility criteria (including sex, age, ethnicity or race) for participating in clinical trials;

"(ii) the location of the clinical trial sites; and

"(iii) any other information determined appropriate by the executive director.

"(C) REQUIREMENT TO PROVIDE INFORMATION.—Not later than 21 days after the date on which the Food and Drug Administration approves the application of the sponsor of a clinical trial for an experimental treatment, such sponsor shall provide information concerning the research to be conducted under such clinical trial to the data bank. The data bank shall include information pertaining to the results of such clinical trials of such treatments, including information concerning potential toxicities or adverse effects associated with the use or administration of such experimental treatment.

"SEC. 486S. DEFINITION.

"As used in this part, the term 'women's health research' includes research concerning etiology, diagnosis, prevention, health promotion, treatment, and gender differences of conditions and diseases unique to, more prevalent in, or neglected in all age, ethnic, and racial groups.".

SEC. 205. EFFECTIVE DATE AND APPLICABILITY OF REQUIREMENTS.

(a) EFFECTIVE DATE.—The amendments made by sections 201, 202, and 203 shall apply to research proposals considered after January 1, 1991.

(b) APPLICABILITY.—The amendments made by sections 201, 202, and 203 shall apply with respect to any project of clinical research whose initial approval by the Secretary of Health and Human Services occurs after the expiration of the 90-day period beginning on the effective date of this Act.

TITLE III—NATIONAL CENTER FOR MEDICAL REHABILITATION RESEARCH

SEC. 301. NATIONAL CENTER FOR MEDICAL REHABILITATION RESEARCH.

Part E of title IV of the Public Health Service Act (42 U.S.C. 287 et seq.) (as amended by section 112) is further amended by adding at the end thereof the following new subpart:

"Subpart 5—National Center for Medical Rehabilitation Research

"SEC. 486G. PURPOSE OF THE CENTER.

"The purpose of the National Center for Medical Rehabilitation Research (hereinafter referred to in this subpart as the 'Center') is the conduct and support of biomedical and related research and research training, including research on the development of orthotic and prosthetic devices, the dissemination of health information, and other programs with respect to the rehabilitation of individuals with physical disabilities resulting from diseases or disorders of the neurological, musculoskeletal, cardiovascular, or other physiologic systems (hereinafter referred to in this subpart as 'medical rehabilitation').

"SEC. 486H. APPOINTMENT OF THE DIRECTOR.

"The Director of the Center shall be appointed by the Director of the National Institutes of Health.

"SEC. 486I. SPECIFIC AUTHORITIES.

"In carrying out the purpose described in section 486G, the Director of the Center may—

"(1) make grants and enter into cooperative agreements and contracts;

"(2) provide for clinical trials with respect to medical rehabilitation;

"(3) provide for research with respect to model systems of medical rehabilitation;

"(4) coordinate the activities of the Center with similar activities of other agencies of the Federal government, including the other agencies of the National Institutes of Health, and with similar activities of other public entities and of private entities;

"(5) support multidisciplinary medical rehabilitation research conducted or supported by more than one such agency;

"(6) with the approval of the Director of the National Institutes of Health and the advisory council established under section 486L, appoint technical and scientific peer review groups in addition to any such groups appointed under section 402(b)(6); and

"(7) support medical rehabilitation research and training centers.

"SEC. 486J. RESEARCH PLAN.

"(a) DEVELOPMENT.—After consultation with the Director of the Center, the advisory council established under section 486L, and the coordinating committee established under section 486K, the Director of the National Institutes of Health shall develop a comprehensive plan for the conduct and support of medical rehabilitation research.

"(b) CONTENTS.—The plan shall identify priorities with respect to medical rehabilitation research and shall provide for the coordination of such research conducted or supported by the agencies of the National Institutes of Health.

"(c) REVISION.—The Director of the National Institutes of Health shall (after consultation with the Director of the Center and with the advisory council established under section 486L and the coordinating committee established under section 486K) revise the plan as appropriate.

"SEC. 486K. COORDINATING COMMITTEE.

"(a) ESTABLISHMENT.—The Director of the National Institutes of Health shall establish a committee to be known as the Medical Rehabilitation Coordinating Committee (hereinafter referred to in this subpart as the 'Coordinating Committee').

"(b) COMPOSITION.—The Coordinating Committee shall be composed of the Directors of the National Institutes of Health, and of such other national research institutes as the Director of the National Institutes of Health determines to be appropriate.

"(c) DUTIES.—The Coordinating Committee shall make recommendations to the Director of National Institutes of Health and the Director of the Center with respect to the contents of the plan required under section 486J and with respect to the activities

of the Center that are carried out in conjunction with other agencies of the National Institutes of Health.

"SEC. 486L. ADVISORY COUNCIL.

"(a) ESTABLISHMENT.—The Director of the National Institutes of Health shall establish a council to be known as the Medical Rehabilitation Advisory Council (hereinafter referred to in this section as the 'Advisory Council').

"(b) DUTIES.—The Advisory Council shall advise, assist, consult with, and make recommendations to the Director of the National Institutes of Health and the Director of the Center on matters relating to the activities carried out by and through the Center and the policies respecting such activities, including recommendations with respect to the plan required in section 486J.

"(c) MEMBERSHIP.—

"(1) IN GENERAL.—The Director of the National Institutes of Health shall appoint to the Advisory Council 18 appropriately qualified representatives of the general public who shall not be officers or employees of the United States. Of such members, 12 shall be representatives of health and scientific disciplines with respect to medical rehabilitation and 6 shall be individuals representing the interests of individuals undergoing, or in need of, medical rehabilitation.

"(2) EX OFFICIO MEMBERS.—The following officials shall serve as ex officio members of the Advisory Council:

"(A) The Director of the National Institutes of Health.

"(B) the Director of the Center.

"(C) The Director of the National Institute on Aging.

"(D) The Director of the National Institute of Arthritis and Musculoskeletal and Skin Diseases.

"(E) The Director of the National Institute of Child Health and Human Development.

"(F) The Director of the National Institute of Neurological Disorders and Stroke.

"(G) The Assistant Secretary for Special Education and Rehabilitative Services.

"(H) The Assistant Secretary of Defense (Health Affairs).

"(I) The Chief Medical Director of the Veterans' Administration.

"(J) Other Institute Directors as appointed by the Director of the National Institutes of Health.

"(d) CHAIRPERSON.—The Director of the National Institutes of Health shall designate a chairperson from among the members of the Advisory Council.

"(e) CONSTRUCTION.—Except as inconsistent with, or inapplicable to, this section, the provisions of section 406 shall apply to the advisory council established under this section in the same manner as such provisions apply to any advisory council established under section 406.".

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. ADDITIONAL ASSISTANT SURGEONS GENERAL.

Section 205(c)(2) of the Public Health Service Act (42 U.S.C. 206(c)(2)) is amended by striking out "1 per centum" each place that such occurs and inserting in lieu thereof "1.6 percent".

SEC. 402. COMMISSIONED OFFICER SERVING AS ASSISTANT SECRETARY FOR HEALTH.

(a) PUBLIC HEALTH SERVICE ACT.—Section 206(a) of the Public Health Service Act (42 U.S.C. 207(a)) is amended by inserting after the first sentence the following new sentence: "During the period of appointment to the position of Assistant Secretary for Health, a commissioned officer of the Public Health Service shall have the grade corresponding to the grade of General of the Army.".

(b) TITLE 37.—Section 201(a) of title 37, United States Code, is amended by inserting "Assistant Secretary for Health." in the fourth column of the table corresponding with pay grade 0-10.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the first day of the month immediately following the month in which this Act was enacted.

SEC. 403. NIH DIRECTOR'S DISCRETIONARY FUND.

Section 402(b) of the Public Health Service Act (42 U.S.C. 282(b)) is amended—

(1) in paragraph (10), by striking out "and" at the end thereof;

(2) in paragraph (11), by striking out the period and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (11) the following new paragraph:

"(12) may, at the discretion of the Director, retain one half of 1 percent of the total amount appropriated for extramural grants, not to exceed $25,000,000 in each fiscal year, in an account to be used to support the purchase or rental of equipment and space for research that cannot otherwise be supported adequately because of funding cycle constraints, or because such research does not fit clearly into the research assignment of any existing Institute. Funds remaining at the end of each fiscal year shall revert to the individual Institutes where such funds must be encumbered within 6 months or returned to the general fund.".

SEC. 404. PHYSICIAN'S COMPARABILITY ALLOWANCE.

Part G of title IV of the Public Health Service Act (42 U.S.C. 289 et seq.) is amended by inserting after section 492 the following new section:

"SEC. 492A. PHYSICIAN'S COMPARABILITY ALLOWANCE.

"The positions of the Assistant Secretary for Health, the Deputy Assistant Secretary for Health, the heads of the Public Health Services agencies, and other positions that are compensated under subchapter II of chapter 53 of title 5, United States Code, relating to the Executive Schedule, when employed as physicians shall be defined as 'government physicians' for purposes of eligibility for physicians comparability allowance as defined in section 5948 of title 5, United States Code.".

BRADLEY AMENDMENT NO. 3052

Mr. LEAHY (for Mr. BRADLEY) proposed an amendment to the bill S. 2857, supra, as follows:

At the appropriate place, insert the following new section:

SEC. . CHILDREN'S VACCINE INITIATIVE.

(a) FINDINGS.— Congress finds that—

(1) immunization has been the most effective tool for child survival;

(2) public health programs in the United States and in developing countries have encountered serious obstacles to their efforts to achieve the optimal prevention of infectious diseases by immunization;

(3) many children receive inadequate protection because immunization programs require too many visits to the doctor or health center and because vaccines do not protect against all infectious diseases or protect the child early enough in life;

(4) the great scientific advances in biology and biotechnology in the last 15 years have created the capacity to solve technical problems related to vaccines and immunization;

(5) there can and should be new and improved vaccines and delivery systems;

(6) if sufficient resources were available for vaccine research, it would be possible over time to develop the "children's vaccine", which would be a vaccine administered only once in infancy that would produce life-long immunity against a wide range of key infectious diseases;

(7) there is a great capacity in the world to develop and produce new and improved vaccines with private industry and the Federal Government having distinguished records in the development and manufacture vaccines, and with the United Nations Development Program having a longstanding commitment to vaccine research, development and delivery; and

(8) while operational research is needed to determine how to better deliver vaccines to children, State and local health departments and private practitioners have the basic capacity to deliver a wide variety of new and improved vaccines to America's children, and the World Health Organization and UNICEF are already prepared to organize basic vaccine delivery to the children of the developing world.

(b) CHILDREN'S VACCINE INITIATIVE.—Title XXI of the Public Health Service Act (42 U.S.C. 300aa-1 et seq.) is amended by adding at the end thereof the following new subtitle:

"Subtitle 3—Miscellaneous Provisions

"SEC. 2141. CHILDREN'S VACCINE INITIATIVE.

(a) AUTHORITY.—The Secretary shall undertake a Children's Vaccine Initiative in accordance with this section. The Secretary shall organize the Initiative in consultation with the World Health Organization and the United Nations Children's Fund so that the benefits of such Initiative will accrue to all of the children of the world.

(b) PLANNING AND COORDINATION.—The Director of the National Vaccine Program shall plan and coordinate the Children's Vaccine Initiative under this section.

(c) ACTIVITIES.—The Director of the National Vaccine Program shall ensure that the Public Health Service shall conduct those vaccine research, operational research, development, production and delivery activities under the Initiative in collaboration with non-government institutions and with other Federal agencies to ensure the full use of the scientific and industrial capacity of the United States to prevent infectious disease.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $50,000,000 for fiscal year 1991, $75,000,000 for fiscal year 1992, $100,000,000 for fiscal year 1993, and $125,000,000 for fiscal year 1994.".

ADAMS AMENDMENT NO. 3053

Mr. LEAHY (for Mr. ADAMS) proposed an amendment to the bill S. 2857, supra, as follows:

On page 48, between lines 14 and 15, insert the following new section:

SEC. 204. INCLUSION OF WOMEN IN AGING RESEARCH.

Section 444 of the Public Health Service Act (42 U.S.C. 285e-1) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively; and

(2) by inserting after subsection (a), the following new subsection:

"(b) The Director of the Institute shall conduct research into the aging processes of women, with particular emphasis given to the effects of menopause and the physiological and behavioral changes occurring during the transition from pre to post menopause, and into the diagnosis, disorders, and complications related to aging and loss of ovarian hormones in women.".

On page 48, line 15, strike out "204" and insert in lieu thereof "205".

On page 50, line 13, strike out "and".

On page 50, between lines 13 and 14, insert the following new subparagraph:

"(D) encourage researchers whose research is funded or supported by the National Institutes of Health to pursue research into the aging processes of women, with particular emphasis given to menopause; and".

On page 50, line 14, strike out "(D)" and insert in lieu thereof "(E)".

On page 58, line 14, strike out "205" and insert in lieu thereof "206".

EARTHQUAKE HAZARDS REDUCTION ACT AUTHORIZATION

GORE AMENDMENT NO. 3054

Mr. LEAHY (for Mr. GORE, for himself, Mr. DANFORTH, and Mr. HOLLINGS) proposed an amendment to the bill (S. 2789) to authorize appropriations for the Earthquake Hazards Reduction Act of 1977, and for other purposes, as follows:

Strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION. 1. This Act may be cited as the "National Earthquake Hazards Reduction Program Reauthorization Act".

FINDINGS

SEC. 2. Section 2 of the Earthquake Hazards Reduction Act of 1977 (42. U.S.C. 7701) is amended—

(1) by striking paragraphs (5) and (6) and inserting in lieu thereof the following new paragraphs:

"(5) The geological study of active faults and features can reveal how recently and how frequently major earthquakes have occurred on those faults and how much they pose. Such long-term seismic risk assessments are needed in virtually every aspect of earthquake hazards management, whether emergency planning, public regulation, detailed building design, insurance rating, or investment decision.

"(6) The vulnerability of buildings, lifelines, public works, and industrial and emergency facilities can be reduced through proper earthquake resistant design and construction practices. The economy and efficacy of such procedures can be substantially increased through research and development.";

(2) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(3) by inserting immediately after paragraph (6) the following new paragraph:

"(7) Programs and practices of departments and agencies of the United States are important to the communities they serve; some functions, such as emergency communications and national defense, and lifelines, such as dams, bridges, and public works, must remain in service during and after an earthquake. Federally owned, operated, and influenced structures and lifelines should serve as models for how to reduce and minimize hazards to the community.".

PURPOSE

SEC. 3. Section 3 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7702) is amended by adding at the end the following: "The objectives of such program shall include—

"(1) the education of the public, including State and local officials, as to earthquake phenomena, the identification of locations and structures which are especially susceptible to earthquake damage, ways to reduce the adverse consequences of an earthquake, and related matters;

"(2) the development of technologically and economically feasible design and construction methods and procedures to make new and existing structures, in areas of seismic risk, earthquake resistant, giving priority to the development of such methods and procedures for power generating plants, dams, hospitals, schools, public utilities and other lifelines, public safety structures, high occupancy buildings, and other structures which are especially needed in time of disaster;

"(3) the implementation, to the greatest extent practicable, in all areas of high or moderate seismic risk, of a system (including personnel, technology, and procedures) for predicting damaging earthquakes and for identifying, evaluating, and accurately characterizing seismic hazards;

"(4) the development, publication, and promotion, in conjunction with State and local officials and professional organizations, of model building codes and other means to encourage consideration of information about seismic risk in making decisions about land-use policy and construction activity;

"(5) the development, in areas of seismic risk, of improved understanding of, and capability with respect to, earthquake-related issues, including methods of mitigating the risks from earthquakes, planning to prevent such risks, disseminating warnings of earthquakes, organizing emergency services, and planning for reconstruction and redevelopment after an earthquake;

"(6) the development of ways to increase the use of existing scientific and engineering knowledge to mitigate earthquake hazards; and

"(7) the development of ways to assure the availability of affordable earthquake insurance.".

DEFINITIONS

SEC. 4. Section 4 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7703) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) The term 'Program' means the National Earthquake Hazards Reduction Program established under section 5.";

(2) by adding at the end the following new paragraphs:

"(6) The term 'lifelines' means public works and utilities, including transportation facilities and infrastructure, oil and gas pipelines, electrical power and communication facilities, and water supply and sewage treatment facilities.

"(7) The term 'Program agencies' means the Federal Emergency Management Agency, the United States Geological Survey, the National Science Foundation, and the National Institute of Standards and Technology.".

NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

SEC. 5. Section 5 of the National Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) is amended to read as follows:

"SEC. 5. NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM.

"(a) ESTABLISHMENT.—There is established a National Earthquake Hazards Reduction Program.

"(b) RESPONSIBILITIES OF PROGRAM AGENCIES.—

"(1) LEAD AGENCY.—The Federal Emergency Management Agency (hereafter in this Act referred to as the 'Agency') shall have the primary responsibility for planning and coordinating the Program. In carrying out this paragraph, the Director of the Agency shall—

"(A) prepare, in conjunction with the other Program agencies, an annual budget for the Program to be submitted to the Office of Management and Budget;

"(B) ensure that the Program includes the necessary steps to promote the implementation of earthquake hazard reduction measures by Federal, State, and local governments, national standards and model building code organizations, architects and engineers, and others with a role in planning and constructing buildings and lifelines;

"(C) prepare, in conjunction with the other Program agencies, a written plan for the Program, which shall include specific tasks and milestones for each Program agency, and which shall be submitted to the Congress and updated at such times as may be required by significant Program events, but in no event less frequently than every 3 years;

"(D) prepare, in conjunction with the other Program agencies, a biennial report, to be submitted to the Congress within 90 days after the end of each even-numbered fiscal year, which shall describe the activities and achievements of the Program during the preceding two fiscal years; and

"(E) request the assistance of Federal agencies other than the Program agencies, as necessary to assist in carrying out this Act.

The principal official carrying out the responsibilities described in this paragraph shall be at a level no lower than that of Associate Director.

"(2) FEDERAL EMERGENCY MANAGEMENT AGENCY.—

"(A) PROGRAM RESPONSIBILITIES.—In addition to the lead agency responsibilities described in paragraph (1), the Director of the Agency shall—

"(i) operate a program of grants and technical assistance which would enable States to develop preparedness and response plans, prepare inventories and conduct seismic safety inspections of critical structures and lifelines, update building and zoning codes and ordinances to enhance seismic safety, increase earthquake awareness and education, and encourage the development of multi-State groups for such purposes;

"(ii) prepare and execute, in conjunction with the Program agencies, the Department of Education, other Federal agencies, and private sector groups, a comprehensive earthquake education and public awareness program, to include development of materials and their wide dissemination to schools and the general public;

"(iii) prepare and disseminate widely, with the assistance of the National Institute of Standards and Technology, other Federal agencies, and private sector groups, infor-

mation on building codes and practices for structures and lifelines;

"(iv) develop, and coordinate the execution of, Federal interagency plans to respond to an earthquake, with specific plans for each high-risk area which ensure the availability of adequate emergency medical resources, search and rescue personnel and equipment, and emergency broadcast capability;

"(v) develop approaches to combine measures for earthquake hazards reduction with measures for reduction of other natural and technological hazards; and

"(vi) provide response recommendations to communities after an earthquake prediction has been made under paragraph (3)(D).

In addition, the Director of the Agency may enter into cooperative agreements or contracts with States and local jurisdictions to establish demonstration projects on earthquake hazard mitigation, to link earthquake research and mitigation efforts with emergency management programs, or to prepare educational materials for national distribution.

"(B) STATE ASSISTANCE PROGRAM CRITERIA.—In order to qualify for assistance under subparagraph (A)(i), a State must—

"(i) demonstrate that the assistance will result in enhanced seismic safety in the State;

"(ii) provide a share of the costs of the activities for which assistance is being given, in accordance with subparagraph (C); and

"(iii) meet such other requirements as the Director of the Agency shall prescribe.

"(C) NON-FEDERAL COST SHARING.—

"(i) In the case of any State which has received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date shall not include a requirement for cost sharing in an amount greater than 50 percent of the cost of the project for which the grant is made.

"(ii) In the case of any State which has not received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date—

"(I) shall not include a requirement for cost sharing for the first fiscal year of such a grant;

"(II) shall not include a requirement for cost sharing in an amount greater than 25 percent of the cost of the project for which the grant is made for the second fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions;

"(III) shall not include a requirement for cost sharing in an amount greater than 35 percent of the cost of the project for which the grant is made for the third fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions; and

"(IV) shall not include a requirement for cost sharing in an amount greater than 50 percent of the cost of the project for which the grant is made for the fourth and subsequent fiscal years of such grant.

"(3) UNITED STATES GEOLOGICAL SURVEY.—The United States Geological Survey shall conduct research necessary to characterize and identify earthquake hazards, assess earthquake risks, monitor seismic activity, and improve earthquake predictions. In carrying out this paragraph, the Director of the United States Geological Survey shall—

"(A) conduct a systematic assessment of the seismic risks in each region of the Nation prone to earthquakes, including, where appropriate, the establishment and operation of intensive monitoring projects on hazardous faults, seismic microzonation studies in urban and other developed areas where earthquake risk is determined to be significant, and engineering seismology studies;

"(B) work with officials of State and local governments to ensure that they are knowledgeable about the specific seismic risks in their areas;

"(C) develop standard procedures, in consultation with the Agency, for issuing earthquake predictions, including aftershock advisories;

"(D) issue when necessary, and notify the Director of the Agency of, an earthquake prediction or other earthquake advisory, which may be evaluated by the National Earthquake Prediction Evaluation Council, which shall be exempt from the requirements of section 10(a)(2) of the Federal Advisory Committee Act when meeting for such purposes;

"(E) establish, using existing facilities, a Center for the International Exchange of Earthquake Information which shall—

"(i) promote the exchange of information on earthquake research and earthquake preparedness between the United States and other nations;

"(ii) maintain a library containing selected reports, research papers, and data produced through the Program;

"(iii) answer requests from other nations for information on United States earthquake research and earthquake preparedness programs; and

"(iv) direct foreign requests to the agency involved in the Program which is best able to respond to the request; and

"(F) operate a National Seismic Network;

"(G) support regional seismic networks, which shall complement the National Seismic Network.

"(4) NATIONAL SCIENCE FOUNDATION.—The National Science Foundation shall be responsible for funding research on earth sciences to improve the understanding of the causes and behavior of earthquakes, on earthquake engineering, and on human response to earthquakes. In carrying out this paragraph, the Director of the National Science Foundation shall—

"(A) encourage prompt dissemination of significant findings, sharing of data, samples, physical collections, and other supporting materials, and development of intellectual property so research results can be used by appropriate organizations to mitigate earthquake damage;

"(B) in addition to supporting individual investigators, support university research consortia and centers for research in geosciences and in earthquake engineering;

"(C) work closely with the United States Geological Survey to identify geographic regions of national concern that should be the focus of targeted solicitations for earthquake-related research proposals;

"(D) emphasize, in earthquake engineering research, development of economically feasible methods to retrofit existing buildings and to protect lifelines to mitigate earthquake damage; and

"(E) support research that studies the political, economic, and social factors that influence the implementation of hazard reduction measures.

"(5) NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—The National Institute of Standards and Technology shall be responsible for carrying out research and development to improve building codes and standards and practices for structures and lifelines. In carrying out this paragraph, the Director of the National Institute of Standards and Technology shall—

"(A) work closely with national standards and model building code organizations, in conjunction with the Agency, to promote the implementation of research results;

"(B) promote better building practices among architects and engineers; and

"(C) work closely with national standards organizations to develop seismic safety standards and practices for new and existing lifelines.".

OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT

SEC. 6. Section 6 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7705) is amended to read as follows:

"SEC. 6. OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT.

"The Director of the Office of Science and Technology Policy shall, within 3 months after the date of the enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Science, Space, and Technology and the Committee on Interior and Insular Affairs of the House of Representatives with respect to how the Office of Science and Technology Policy can play a role in interagency coordination, planning, and operation of the Program.".

ADVISORY COMMITTEE

SEC. 7. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.) is amended—

(1) by redesignating section 7 as section 12; and

(2) by inserting immediately after section 6 the following new section:

"SEC. 7. ADVISORY COMMITTEE.

"There is established a National Earthquake Hazards Reduction Program Advisory Committee (hereafter in this Act referred to as the 'Advisory Committee'), which shall advise the Program agencies on planning and implementing the Program. The Director of the Agency shall, in consultation with the directors of the Program agencies, determine the number of members on the Advisory Committee and the duration of their terms, and appoint the Chairman and Members of the Advisory Committee. The Advisory Committee shall have balanced representation of State and local governments, the design professions, the research community, business and industry, and the general public. The Advisory Committee shall meet at the call of the Chairman, but in no event less often than every 6 months. The Advisory Committee shall submit a written report directly to the Congress, without review by the Office of Management and Budget or any other agency, by January 31 of each calendar year beginning after the date of enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, which shall describe any recommendations the Advisory Committee has made to the Program agencies during the preceding year. Members of the Advisory Committee shall serve without compensation but may receive reimbursement for expenses. All expenses of the Advisory Committee shall be

borne by the Agency. The Advisory Committee shall expire September 30, 1993.".

SEISMIC STANDARDS

SEC. 8.(a) AMENDMENT.—The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by section 7 of this Act, is further amended by inserting immediately after section 7 of the following new section:

"SEC. 8. SEISMIC STANDARDS.

"(A) BUILDINGS.—

"(1) ADOPTION OF STANDARDS.—The President shall adopt, not later than December 1, 1994, standards for assessing and enhancing the seismic safety of existing buildings constructed for or leased by the Federal Government which were designed and constructed without adequate seismic design and construction standards. Such standards shall be developed by the Interagency Committee on Seismic Safety in Construction, whose chairman is the director of the Natonal Institute of Standards and Technology or his designee, and which shall work in consultation with appropriate private sector organizations.

"(2) REPORT TO CONGRESS.—The President shall report to the Congress, not later than December 1, 1994, on how the standards adopted under pargraph (1) could be applied with respect to buildings—

"(A) for which Federal financial assistance has been obtained through grants, loans, financing guarantees, or loan or mortgage insurance programs; or

"(B) the structural safety of which is regulated by a Federal agency.

"(3) REGULATIONS.—The President shall ensure the issuance, before February 1, 1993, by all Federal agencies of final regulations required by section 4(b) of Executive Order numbered 12699, issued January 5, 1990.

"(b) LIFELINES.—The Director of the Agency, in consultation with the Director of the National Institute of Standards and Technology, shall submit to the Congress, not later than June 30, 1992, a plan, including precise timetables and budget estimates, for developing and adopting, in consultation with appropriate private sector organizations, design and construction standards for lifelines. The plan shall include recommendations of ways Federal regulatory authority could be used to expedite the implementation of such standards.".

(b) REPORT TO CONGRESS.—The Comptroller General shall, not later than 18 months after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interior and Insular Affairs and the Committee on Science, Space, and Technology of the House of Representatives on the vulnerability of buildings owned and leased by the Federal Government and on the efforts of Federal agencies to improve the seismic resistance of the buildings they own or lease. For each such agency, the Comptroller General shall enumerate the number of buildings owned or leased by the agency, the seriousness of the seismic risk to such buildings, and the value of the buildings at risk. The Comptroller General shall tabulate the expenditures each such agency has devoted to reducing earthquake damage and estimate the total expenditure necessary to address the problem adequately.

ACCEPTANCE OF GIFTS

SEC. 9. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 and 8 of this Act, is further amended by inserting immediately after section 8 the following new section:

"SEC. 9. ACCEPTANCE OF GIFTS.

"(a) AUTHORITY.—In furtherance of the purposes of this Act, the Director of the Agency may accept and use bequests, gifts, or donations of services, money, or property, notwithstanding section 3679 of the Revised Statutes (31 U.S.C. 1342).

"(b) CRITERIA.—The Director of the Agency shall establish by regulation criteria for determining whether to accept bequests, gifts, or donations of services, money, or property. Such criteria shall take into consideration whether the acceptance of the bequest, gift, or donation would reflect unfavorably on the Director's ability to carry out his responsibilities in a fair and objective manner, or would compromise the integrity of, or the appearance of the integrity of, the Program or any official involved in administering the Program.".

NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS

SEC. 10. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7, 8, and 9 of this Act, is further amended by inserting immediately after section 9 of the following new section:

"SEC. 10. NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS.

"A grant under this Act to a State from the Agency that is made with funds appropriated under the Fiscal Year 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disasters of National Significance (Public Law 101-130; 103 Stat. 775) shall not include a requirement for cost sharing in an amount greater than 25 percent of the cost of the project for which the grant is made, and any cost sharing requirement may be satisfied through in-kind contributions.".

INVESTIGATIONS

SEC. 11. (a) AMENDMENT.—The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 through 10 of this Act, is further amended by inserting after section 10 the following new section:

"SEC. 11. POST-EARTHQUAKE INVESTIGATIONS PROGRAM.

"There is established within the United States Geological Survey a post-earthquake investigations program, the purpose of which is to investigate major earthquakes, so as to learn lessons which can be applied to reduce the loss of lives and property in future earthquakes. The United States Geological Survey, in consultation with each Program agency, shall organize investigations to study the implications of the earthquake in the areas of responsibility of each Program agency. The investigations shall begin as rapidly as possible and may be conducted by grantees and contractors. The Program agencies shall ensure that the results of the investigations are disseminated widely. The Director of the Survey, is authorized to utilize earthquake expertise from the Agency, the National Science Foundation, the National Institute of Standards and Technology, other Federal agencies, and private contractors, on a reimbursable basis, in the conduct of such earthquake investigations. At a minimum, investigations under this section shall include—

"(1) analysis by the National Science Foundation and the United States Geological Survey of the causes of the earthquake and the nature of the resulting ground motion;

"(2) analysis by the National Science Foundation and the National Institute of Standards and Technology of the behavior of structures and lifelines, both those that were damaged and those that were undamaged; and

"(3) analysis by each of the Program agencies of the effectiveness of the earthquake hazards mitigation programs and actions relating to its area of responsibility under the Program, and how those programs and actions could be strengthened.".

(b) REPORT TO CONGRESS.—The Director of the Federal Emergency Management Agency in consultation with the other agencies of the National Earthquake Hazards Reduction Program shall, not later than one year after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and to the Committee on Interior and Insular Affairs, the Committee on Science, Space, and Technology, and the Committee on Appropriations of the House of Representatives on possible options for funding a program for post-earthquake investigations. Such report, at a minimum, shall consider funding such a program either by setting aside a percentage of disaster relief funds provided by the Federal Emergency Management Agency after a major earthquake or by a revolving fund. The report shall include a recommendation on how the funding for such investigations should be allocated among the other Program agencies.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. Section 12 of the Earthquake Hazards Reduction Act of 1977, as so redesignated by section 7(1) of this Act, is amended—

(1) in subsection (a)(7)—

(A) by striking "the provisions of sections 5 and 6 of";

(B) by striking "and $5,798,000" and inserting in lieu thereof "$8,798,000"; and

(C) by inserting ", $14,750,000 for the fiscal year ending September 30, 1991, $19,000,000 for the fiscal year ending September 30, 1992, and $22,000,000 for the fiscal year ending September 30, 1993" immediately before the period at the end;

(2) in subsection (b)—

(A) by striking "and $43,283,000" and inserting in lieu thereof "$55,283,000"; and

(B) by inserting ", of which $8,000,000 shall be for earthquake investigations under section 11; $50,000,000 for the fiscal year ending September 30, 1991; $54,500,000 for the fiscal year ending September 30, 1992; and $62,500,000 for the fiscal year ending September 30, 1993" immediately before the period at the end;

(3) in subsection (c)—

(A) by striking "and $35,454,000" and inserting in lieu thereof "$38,454,000"; and

(B) by adding at the end the following: "Of the amounts authorized for Engineering under section 101(d)(1)(B) of the National Science Foundation Authorization Act of 1988, $24,000,000 is authorized for carrying out this Act for the fiscal year ending September 30, 1991, and of the amounts authorized for Geosciences under section 101(d)(1)(D) of the National Science Foundation Authorization Act of 1988, $13,000,000 is authorized for carrying out this Act for the fiscal year ending September 30, 1991. Of the amounts authorized for Research and Related Activities under section 101(e)(1) of the National Science Foundation Authorization Act of 1988, $29,000,000 is authorized for engineering research under this Act, and $14,750,000 is au-

thorized for geosciences research under this Act, for the fiscal year ending September 30, 1992. Of the amounts authorized for Research and Related Activities under section 101(f)(1) of the National Science Foundation Authorization Act of 1988, $34,500,000 is authorized for engineering research under this Act, and $17,500,000 is authorized for geosciences research under this Act, for the fiscal year ending September 30, 1993.";

(4) in subsection (d)—

(A) by striking "NATIONAL BUREAU OF STANDARDS" and inserting in lieu thereof "NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY";

(B) by striking "Bureau" and inserting in lieu thereof "National Institute of Standards and Technology";

(C) by striking "and $525,000" and inserting in lieu thereof "$2,525,000"; and

(D) by inserting "; $1,000,000 for the fiscal year ending September 30, 1991; $3,000,000 for the fiscal year ending September 30, 1992; and $4,750,000 for the fiscal year ending September 30, 1983" immediately before the period at the end; and (5) by adding at the end the following new subsection:

"(f) AVAILABILITY OF FUNDS.—Funds appropriated for fiscal years 1991, 1992, and 1993 pursuant to this section shall remain available until expended.".

BUY AMERICAN REQUIREMENT

SEC. 13. (a) DETERMINATION BY DIRECTOR.—If the Director of the Federal Emergency Management Agency, with the concurrence of the Secretary of Commerce and the United States Trade Representative, determines that the public interest so requires, the Agency is authorized to award to a domestic firm a contract made pursuant to the issuance of any grant made under this Act that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 51 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent.

In determining under this subsection whether the public interest so requires, the Agency shall take into account United States international obligations and trade relations.

(b) LIMITED APPLICATION.—This section shall not apply to the extent to which—

(1) such applicability would not be in the public interest;

(2) compelling national security considerations require otherwise; or

(3) the United States Trade Representatives determined that such an award would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(c) LIMITATION.—This section shall apply only to contracts made related to the issuance of any grant made under this Act for which—

(1) amounts are authorized by this Act (including the amendments made by this Act) to be made available; and

(2) solicitations for bids are issued after the date of the enactment of this Act.

(d) REPORT TO CONGRESS.—The Agency shall report to the Congress on contracts covered under this section and entered into with foreign entities in fiscal years 1990 and 1991 and shall report to the Congress on the number of contracts that meet the requirements of subsection (a) but which are determined by the United States Trade Representative to be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party. The Agency shall also report to the Congress on the number of contracts covered under this Act (including the amendments made by this Act) and awarded based upon the parameters of this section.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States; and

(2) the term "foreign firm" means a business entity not described in paragraph (2).

CATASTROPHIC EARTHQUAKE IMPACT STUDIES

SEC. 14.(a) STUDY OF INDIRECT ECONOMIC LOSSES.—Within 12 months after the date of enactment of this Act, the Director of the Federal Emergency Management Agency shall submit, to the Committee on Science, Space, and Technology, the Committee on Interior and Insular Affairs, and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives, and to the Committee on Commerce, Science and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report on the results of a study on the impact and repercussions of a catastrophic earthquake on local, regional, and national economies. The Director of the Federal Emergency Management Agency shall appoint, in consultation with the Department of the Treasury, a panel of experts in relevant fields and activities to undertake such study. In particular, the study shall evaluate the repercussions and indirect economic impact of such an earthquake on—

(1) financial markets;

(2) the national banking system;

(3) the insurance industry; and

(4) the national energy distribution network;

and shall include an estimate of the ability of current disaster assistance efforts and insurance coverage to allow recovery from the economic losses caused by a catastrophic earthquake.

(b) STUDY ON IMPROVING EARTHQUAKE MITIGATION.—Within 12 months after the date of enactment of this Act, the Director of the Federal Emergency Management Agency shall submit, to the Committee on Science, Space, and Technology, the Committee on Interior and Insular Affairs, and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives, and to the Committee on Commerce, Science and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report on the results of a study on the adequacy of preparation and response capabilities for reducing and recovering from losses caused by a catastrophic earthquake. The Director of the Federal Emergency Management Agency shall appoint, in consultation with the United States Geological Survey, the National Institute of Standards and Technology, and the National Science Foundation, a panel of experts in relevant fields and activities to undertake such study. The study required under subsection shall—

(1) identify impediments to the effective implementation of Federal, State, and local programs of earthquake hazard mitigation, including an analysis of the appropriate roles for Federal, State, and local governments and the private sector in preparing for and responding to the economic and social consequences of earthquake; and

(2) consider the effectiveness and efficiencies of alternative ways for Federal, State, and local governments to reduce the economic impact of earthquakes, including earthquake hazard mitigation, disaster assistance, earthquake insurance for homeowners and small businesses, and earthquake reinsurance for general commercial liabilities.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, FISCAL YEAR 1991

LEAHY AMENDMENT NOS. 3055 THROUGH 3058

Mr. LEAHY proposed four amendments to the bill (H.R. 5114) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1991, and for other purposes, as follows:

AMENDMENT NO. 3055

On page 51, line 19, insert "only" before "shall be".

AMENDMENT NO. 3056

On page 56, line 19, strike ", except that" and all that follows through "amendment")" on page 56, line 23.

AMENDMENT NO. 3057

On page 29, line 24, strike "two hundred and forty" and insert in lieu thereof "two hundred and fifty one";

On page 30, line 4, insert ": *Provided further,* That, after consultation with the Secretary of State, the Inspector General of the Agency for International Development shall, by March 31, 1991, establish a regional office located in Europe in order to carry out audit and other responsibilities with regard to assistance programs for Eastern Europe" after "Eastern Europe".

AMENDMENT NO. 3058

On page 126, line 8, strike "unearmarked" and all that follows through "1961" on page 126, line 11, and insert in lieu thereof "funds appropriated under the heading 'Operating Expenses of the Agency for International Development'".

D'AMATO (AND OTHERS) AMENDMENT NO. 3059

Mr. D'AMATO (for himself, Mr. ARMSTRONG, Mr. BYRD, Mr. MOYNIHAN, Mr. HELMS, Mr. HUMPHREY, Mr. DECONCINI, Mr. RIEGLE, and Mr. KASTEN) proposed an amendment to the bill H.R. 5114, supra, as follows:

At an appropriate place in the bill.

HUMANITARIAN ASSISTANCE TO THE REPUBLICS OF LITHUANIA, LATVIA, AND ESTONIA

SEC. . Of the funds appropriated by this Act under the heading "Economic Support Fund" and the funds appropriated by this Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961, $10 million shall be available to the President only for medical and humanitarian assistance for the people of Lithuania, Latvia, and Estonia.

McCONNELL AMENDMENT NO. 3060

Mr. KASTEN (for Mr. MCCONNELL) proposed an amendment to the bill H.R. 5114, supra, as follows:

Amend section 116 of the Foreign Assistance Act of 1961 to add a new subsection:

(b) No assistance may be provided to any government failing to take appropriate and adequate measures, within their means, to protect children from exploitation, abuse or forced conscription into military or paramilitary services.

LEAHY AMENDMENT NO. 3061

Mr. LEAHY proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 90, strike line 7 and all that follows through the end of line 9 on page 97, and insert in lieu thereof the following:

(C) the Government of El Salvador has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva Communique and the May 21, 1990 Caracas Accord between the Government of El Salvador and the FMLN;

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 15 days from its announcement, by the FMLN and is being complied with by the FMLN;

(D) the Government of El Salvador has failed to conduct a thorough and professional investigation into, and prosecution of those responsible for the eight murders at the University of Central America on November 16, 1989; or

(E) the military and security forces of El Salvador are assassinating or abducting civilian noncombatants, are engaging in other acts of violence directed at civilian targets, or are failing to control such activities by elements subject to the control of those forces.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(d) WITHHOLDING OF MILITARY ASSISTANCE.—(1) IN GENERAL.—Fifty percent of the total United States military assistance allocated for El Salvador for fiscal year 1990 and prior fiscal years which has not been obligated, expended, or otherwise made available to the Government of El Salvador as of the date of enactment of this Act, and fifty percent of all military assistance allocated for El Salvador for fiscal year 1991, shall be withheld from obligation or expenditure (as the case may be) except as provided in paragraphs (2) and (3).

(2) RELEASE OF ASSISTANCE.—The United States military assistance withheld pursuant to paragraph (1) may be obligated and expended only if the President determines and reports in writing to the Congress that—

(A) after he has consulted with the Secretary General of the United Nations, the representatives of the FMLN—

(i) have declined to participate in good faith in negotiations for a permanent settlement and cease-fire to the armed conflict in El Salvador, or

(ii) have rejected or otherwise failed to support an active role for the Secretary General of the United Nations in mediating that settlement;

(B) the FMLN has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva Communique and the May 32, 1990 Caracas Accord between the Government of El Salvador and the FMLN;

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 15 days from its announcement, by the Government of El Salvador and is being complied with by the Government of El Salvador;

(C) the survival of the constitutional Government of El Salvador is being jeopardized by substantial and sustained offensive military actions or operations by the FMLN;

(D) proof exists that the FMLN is continuing to acquire or receive significant shipments of lethal military assistance from outside El Salvador, and this proof has been shared with the Congress; or

(E) the FMLN is assassinating or abducting civilian noncombatants, is engaging in other acts of violence directed at civilian targets, or is failing to control such activities by elements subject to FMLN control.

(3) EXCEPTION.—Notwithstanding any other provision of law, funds withheld pursuant to paragraph (1) of this subsection may be disbursed to pay the cost of any contract penalties which may be incurred as a result of such withholding of funds under this subsection.

(e) CONDITION FOR TERMINATION OF ALL UNITED STATES ASSISTANCE.—(1) PROHIBITION.—Subject to paragraph (2), no United States assistance may be furnished to El Salvador if the duly-elected head of Government of El Salvador is deposed by military coup or decree.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(f) ESTABLISHMENT OF A FUND FOR CEASE-FIRE MONITORING, DEMOBILIZATION, AND TRANSITION TO PEACE.—(1) ESTABLISHMENT OF FUND.—There is hereby established in the Treasury of the United States a fund to assist with the costs of monitoring a permanent settlement of the conflict, including a cease-fire, and the demobilization of combatants in the conflict in El Salvador, and their transition to peaceful pursuits, which shall be known as the "Demobilization and Transition Fund" (hereafter in this section referred to as the "Fund"). Amounts in this Fund shall be available for obligation and expenditure only upon notification by the President of the Congress that the Government of El Salvador and representatives of the FMLN have reached a permanent settlement of the conflict, including a final agreement on a cease-fire.

(2) TRANSFER OF CERTAIN MILITARY ASSISTANCE FUNDS.—Upon notification of the Congress of a permanent settlement of the conflict, including an agreement on a cease-fire, or on September 30, 1991, if no such notification has occurred prior to that date, the President shall transfer to the fund any United States military assistance funds withheld pursuant to subsection (d) of this section.

(3) USE OF THE FUND.—Notwithstanding any other provision of law, amounts in the Fund shall be available for El Salvador solely to support costs of demobilization, retraining, relocation, and reemployment in civilian pursuits of former combatants in the conflict in El Salvador, and of the monitoring of the permanent settlement and cease-fire.

(4) DURATION AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law, amounts transferred to the Fund shall remain available until expended.

(g) STRENGTHENING CIVILIAN CONTROL OVER THE MILITARY.—In order to strengthen the control of the democratically elected civilian government of El Salvador over the armed forces of that country, United States military assistance for any fiscal year may be delivered to the armed forces of El Salvador only with the prior approval of the duly elected President of El Salvador.

(h) SUPPORT FOR DEMOCRACY.—(1) ESTABLISHING A PROGRAM.—The Secretary of State, through agreement with the National Endowment for Democracy or other qualified organizations, shall establish and carry out a program of education, training, and dialogue for the purpose of strengthening democratic political and legal institutions in El Salvador.

(2) ELECTION MONITORING.—Of the amounts made available to carry out this subsection, up to $2,000,000 may be used for support for monitoring the 1991 municipal and National Assembly elections in El Salvador, and for monitoring the registration and campaign processes leading up to those elections, by appropriate organizations such as the United Nations, the Organization of American States, the Carter Center, the National Democratic Institute for International Affairs, the National Republican Institute for International Affairs, and the Center for Electoral Assistance and Promotion (CAPEL) of San Jose, Costa Rica.

(3) ASSISTANCE.—Up to $10,000,000 of funds appropriated under the heading "Economic Support Fund" for fiscal year 1991 may be used to carry out this subsection.

(i) REPORTING REQUIREMENTS.—Sixty days after the date of enactment of this Act and every 180 days thereafter, the President shall submit to the Congress a report describing—

(1) The willingness or unwillingness of the Government of El Salvador and the FMLN to negotiate seriously and in good faith for the purpose of achieving a permanant settlement to the conflict in El Salvador, including a cease-fire, and providing appropriate information regarding criteria described in subsectons (c) and (d)(2); and

(2) the status of investigations into the politically motivated murders listed in section 538 of this Act.

(j) DEFINITIONS.—For purposes of this section—

(1) the term "United States assistance" has the same meaning as is given to such term by section 481(i)(4) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(4)) and includes United States military assistance as defined in paragraph (2); and

(2) the term "United States military assistance" means—

(A) assistance to carry out chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of Foreign Assistance Act of 1961; and

(B) sales, credits, and guaranties under the Arms Export Control Act.

BYRD (AND OTHERS AMENDMENT NO. 3062

Mr. BYRD (for himself, Mr. DOLE, and Mrs. KASSEBAUM) proposed an amendment which was subsequently modified to the bill H.R. 5114, supra, as follows:

On page 89, strike from line 15 through page 97, line 9, and insert in lieu thereof the following:

for fiscal year 1991, not more than $85,000,000 shall be made available for El Salvador.

(c) PROHIBITION OF MILITARY ASSISTANCE.—(1) PROHIBITION.—Subject to paragraph (2), no United States military assistance may be furnished to the Government of El Salvador if the President determines and reports in writing to the Congress that—

(A) after he has consulted with the Secretary General of the United Nations, the Government of El Salvador has declined to participate in good faith in negotiations for a permanent settlement and cease-fire to the armed conflict of El Salvador;

(B) the Government of El Salvador has rejected or otherwise failed to support an active role for the Secretary General of the United Nations in mediating that settlement;

(C) the Government of El Salvador has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva Communique and the May 21, 1990 Caracas Accord between the Government of El Salvador and the FMLN;

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 15 days from its announcement, by the FMLN and is being complied with by the FMLN;

(D) the Government of El Salvador has failed to conduct a thorough and professional investigation into, and prosecution of those responsible for the eight murders at the University of Central America on November 16, 1989; or

(E) the military and security forces of El Salvador are assassinating or abducting civilian noncombatants, are engaging in other acts of violence directed at civilian targets, or are failing to control such activities by elements subject to the control of those forces.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(d) WITHHOLDING OF MILITARY ASSISTANCE.—(1) IN GENERAL.—Fifty percent of the total United States military assistance allocated for El Salvador for fiscal year 1990 and prior fiscal years which has not been obligated, expended, or otherwise made available to the Government of El Salvador as of the date of enactment of this Act, and fifty percent of all military assistance allocated for El Salvador for fiscal year 1991, shall be withheld from obligation or expenditure (as the case may be) except as provided in paragraphs (2) and (3).

(2) RELEASE OF ASSISTANCE.—The United States military assistance withheld pursuant to paragraph (1) may be obligated and expended only if the President determines and reports in writing to the Congress that—

(A) after he has consulted with the Secretary General of the United Nations, the representatives of the FMLN—

(i) have declined to participate in good faith in negotiations for a permanent settlement and cease-fire to the armed conflict in El Salvador, or

(ii) have rejected or otherwise failed to support an active role for the Secretary General of the United Nations in mediating that settlement;

(B) the FMLN has rejected a plan for the settlement of the conflict which—

(i) has been put forward by the Secretary General of the United Nations in accordance with the terms and procedures in the April 4, 1990 Geneva communique and the May 21, 1990 Caracas Accord between the Government of El Salvador and the FMLN;

(ii) includes a proposal for an internationally monitored cease-fire, and

(iii) has been accepted, within 5 days from its announcement, by the Government of El Salvador and is being complied with by the Government of El Salvador;

(C) the survival of the constitutional Government of El Salvador is being jeopardized by substantial and sustained offensive military actions or operations by the FMLN;

(D) proof exists that the FMLN is continuing to acquire or receive significant shipments of lethal military assistance from outside El Salvador, and this proof has been shared with the Congress; or

(E) the FMLN is assassinating or abducting civilian noncombatants, is engaging in other acts of violence directed at civilian targets, or is failing to control such activities by elements subject to FMLN control.

(3) EXCEPTION.—Notwithstanding any other provision of law, funds withheld pursuant to paragraph (1) of this subsection may be disbursed to pay the cost of any contract penalties which may be incurred as a result of such withholding of funds under this subsection.

(e) CONDITION FOR TERMINATION OF ALL UNITED STATES ASSISTANCE.—Subject to paragraph (2), no United States assistance may be furnished to El Salvador if the duly-elected head of Government of El Salvador is deposed by military coup or decree.

(2) REQUIREMENT FOR RESUMPTION OF ASSISTANCE.—Assistance prohibited under paragraph (1) may only be resumed pursuant to a law subsequently enacted by the Congress.

(f) ESTABLISHMENT OF A FUND FOR CEASE-FIRE MONITORING, DEMOBILIZATION, AND TRANSITION TO PEACE.—(1) ESTABLISHMENT OF FUND.—There is hereby established in the Treasury of the United States a fund to assist with the costs of monitoring a permanent settlement of the conflict, including a cease-fire, and the demobilization of combatants in the conflict in El Salvador, and their transition to peaceful pursuits, which shall be known as the "Demobilization and Transition Fund" (hereafter in this section referred to as the "Fund"). Amounts in this fund shall be available for obligation and expenditure only upon notification by the President of the Congress that the Government of El Salvador and representatives of the FMLN have reached a permanent settlement of the conflict, including a final agreement on a cease-fire.

(2) TRANSFER OF CERTAIN MILITARY ASSISTANCE FUNDS.—Upon notification of the Congress of a permanent settlement of the conflict, including an agreement on a cease-fire on September 30, 1991, if no such notification has occurred prior to that date, the President shall transfer to the Fund any United States military assistance funds withheld pursuant to subsection (d) of this section.

(3) USE OF THE FUND.—Notwithstanding any other provision of law, amounts in the Fund shall be available for El Salvador solely to support costs of demobilization, retraining, relocation, and reemployment in civilian pursuits of former combatants in the conflict in El Salvador, and of the monitoring of the permanent settlement and cease-fire.

(4) DURATION OF AVAILABILITY OF FUNDS.—Notwithstanding any other provision of law, amounts transferred to the Fund shall remain available until expended.

(g) STRENGTHENING CIVILIAN CONTROL OVER THE MILITARY.—In order to strengthen the control of the democratically elected civilian government of El Salvador over the armed forces of that country, United States military assistance for any fiscal year may be delivered to the armed forces of El Salvador only with the prior approval of the duly elected President of El Salvador.

(h) SUPPORT FOR DEMOCRACY.—(1) ESTABLISHING A PROGRAM.—The Secretary of State, through agreement with the National Endowment for Democracy or other qualified organizations, shall establish and carry out a program of education, training, and dialogue for the purpose of strengthening democratic political and legal institutions in El Salvador.

(2) ELECTION MONITORING.—Of the amounts made available to carry out this subsection, up to $2,000,000 may be used for support for monitoring the 1991 municipal and National Assembly elections in El Salvador, and for monitoring the registration and campaign processes leading up to those elections, by appropriate organizations such as the United Nations, the Organization of American States, the Carter Center, the National Democratic Institute for International Affairs, the National Republican Institute for International Affairs, and the Center for Electoral Assistance and Promotion (CAPEL) of San Jose, Costa Rica.

(3) ASSISTANCE.—Up to $10,000,000 of funds appropriated under the heading "Economic Support Fund" for fiscal year 1991 may be used to carry out this subsection.

(i) REPORTING REQUIREMENTS.—Sixty days after the date of enactment of this Act and every 180 days thereafter, the President shall submit to the Congress a report describing—

(1) the willingness or unwillingness of the Government of El Salvador and the FMLN to negotiate seriously and in good faith for the purpose of achieving a permanent settlement to the conflict in El Salvador, including a cease-fire, and providing appropriate information regarding criteria described in subsections (c) and (d)(2); and

(2) the status of investigations into the politically motivated murders listed in section 538 of this Act.

(j) DEFINITIONS.—For purposes of this section—

(1) the term "United States assistance" has the same meaning as is given to such term by section 481(i)(4) of the Foreign As-

sistance Act of 1961 (22 U.S.C. 2291(i)(4)) and includes United States military assistance as defined in paragraph (2); and

(2) the term "United States military assistance" means—

(A) assistance to carry out chapter 2 (relating to grant military assistance) or chapter 5 (relating to international military education and training) of part II of Foreign Assistance Act of 1961; and

(B) sales, credits, and guaranties under the Arms Export Control Act.

SEC. —

1. It has been the longstanding policy of the United States:

(a) to support United Nations Resolution 242, 338 and 339, relating to the peaceful resolution of differences in the Middle East, and to oppose actions by any party which are contrary to the intent or spirit of those resolutions; and

(b) to view official Israeli Governmental subsidies or other incentives for new settlements in any of the Occupied Territories as contrary to the intent or spirit of those resolutions, and as not advancing the prospects for peace in the region.

2. The Congress regrets the October 14, 1990, decision of a subcommittee of the Israeli Cabinet to encourage an increase in the settlement of Soviet Jewish refugees in East Jerusalem, as being contrary to the October 2, 1990 assurance provided by Israel in conjunction with the U.S. guarantee of $400 million in loans for the construction of housing for Soviet refugees not to direct or settle Soviet Jews beyond the "Green Line."

3. Within 60 days after enactment, the President shall report to the Foreign Relations, Intelligence and Appropriations Committees of the Congress on settlement activity in all Occupied Territories. The report shall be in classified form, to the extent necessary and desirable, and shall include a detailed assessment of Israeli law, government policies, financial subsidies or other incentives for new settlements in any of the Occupied Territories, and on the number of Israeli citizens residing there. The report shall specifically address U.S.-Israeli negotiations over the loan guarantee program for housing enacted in Public Law 101-302. The report shall also assess whether U.S. sources of goods and services, including advisory services, are able to compete equitably for contracts let by the Israeli Government for housing or other activities underwritten by funds obtained under the aforementioned loan guarantee program. The report shall be updated every 180 days.

GRAHAM (AND OTHERS) AMENDMENT NO. 3063

Mr. GRAHAM (for himself, Mr. KASTEN, Mr. MCCAIN, Mr. ROBB, Mr. LUGAR, and Mr. MACK) proposed an amendment to the bill H.R. 5114, supra, as follows:

At the end of the Committee amendment, add the following new subsection:

(k) ADDITIONAL CRITERIA FOR WITHHOLDING OR RELEASING UNITED STATES MILITARY ASSISTANCE FOR THE GOVERNMENT OF EL SALVADOR.—(1) Beginning 60 days after the date of enactment of this Act, no United States military assistance, as defined by this Act, may be funished to the Government of El Salvador if the President determines and reports in writing to the Congress that the Government of El Salvador—

(A) has failed to request that the United Nations actively mediate negotiations between the Government of El Salvador and the FMLN for agreements to resolve the political issues listed in the general agenda of the Caracas Accord of May 21, 1990, including issues relating to armed forces, the judicial system, constitutional reform, economic and social matters, and verification by the United Nations;

(B) has rejected a good faith proposal for an internationally monitored cease-fire and separation of forces; or

(C) is not complying with the applicable terms of an internationally monitored ceasefire, with which the Farabundo Marti National Liberation Front (FMLN) is complying.

(2) On or after 60 days after the date of enactment of this Act, United States military assistance, as defined by this Act, withheld from the Government of El Salvador pursuant to this Act may be obligated and expended, notwithstanding subsection (d)(2), if the President determines and reports in writing to the Congress that the FMLN—

(A) has failed to request that the United Nations actively mediate negotiations between the Government of El Salvador and the FMLN for agreements to resolve political issues listed in the general agenda of the Caracas Accord of May 21, 1990, including issues relating to armed forces, the judicial system, constitutional reform, economic and social matters, and verification by the United Nations;

(B) has rejected a good faith proposal for an internationally monitored cease-fire and separation of forces; or

(C) is not complying with the applicable terms of an internationally monitored ceasefire, with which the Government of El Salvador is complying.

FUTURES TRADING PRACTICES ACT

GORTON AMENDMENT NO. 3064

(Ordered to lie on the table.)

Mr. GORTON submitted an amendment intended to be proposed by him to the bill (S. 1729) to amend the Commodity Exchange Act to reauthorize such Act, and for other purposes, as follows:

At the appropriate place in S. 1729, the "Futures Trading Practices Act of 1989," insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Capital Markets Competition, Stability, and Fairness Act of 1990".

SEC. 2. FINDING AND PURPOSES.

The Nation's markets for stocks and stock derivative instruments are economically linked. These markets are driven by the same fundamental economic forces, trade economically equivalent products, and have common participants who employ trading strategies that link these markets. Since the markets for stocks and stock derivative instruments function as one market, the purposes of this Act are—

(1) to promote the efficiency, coordination, and stability of the stock and stock derivative markets;

(2) to facilitate the development of innovative and economically useful financial products;

(3) to enhance the competitiveness of United States financial markets; and

(4) to foster the trading of innovative financial products.

SEC. 3. REGULATION OF STOCK INDEX PRODUCTS.

(a) AMENDMENT TO THE SECURITIES EXCHANGE ACT OF 1934.—The Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) is amended by inserting after section 4B the following:

"REGULATION OF STOCK INDEX PRODUCTS

"SEC. 4C. (a) REGULATION OF STOCK INDEX PRODUCTS.—Notwithstanding any other provision of law, the Securities and Exchange Commission shall exercise the powers and responsibilities granted by the Commodity Exchange Act to the Commodity Futures Trading Commission with respect to—

"(1) any and all stock index products;

"(2) any person purchasing, selling or advising with respect to stock index products;

"(3) any exchange or association of persons engaged in the business of buying or selling stock index products; and

"(4) any futures association whose members include any of the foregoing.

"(b) AUTHORITY OF THE SECURITIES AND EXCHANGE COMMISSION.—For the purposes of the exercise of the powers and responsibilities transferred by subsection (a) of this section, the provisions of the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), as amended by and in effect on the effective date of the Capital Markets Competition, Stability, and Fairness Act of 1990, shall be deemed to be incorporated into this section and shall be part of the federal securities laws as defined in section 3(a)(47) of this Act, and the rules adopted thereunder by the Securities and Exchange Commission shall be deemed to be rules under this title and shall be codified in title 17 of the Code of Federal Regulations. Any amendment to the provisions incorporated into this section may be effected only by amendment of this Act.

"(c) PREVENTION OF FRAUDULENT, DECEPTIVE, OR MANIPULATIVE ACTS AND PRACTICES.—It shall be unlawful for any person to effect any transaction in a stock index product in contravention of such rules as the Commission may prescribe as necessary or appropriate as means reasonably designed to prevent fraudulent, deceptive, or manipulative acts and practices.

"(d) EXEMPTIONS.—For purposes of subsection (a) of this section, the Securities and Exchange Commission may, by rule or order, as it deems consistent with the public interest, conditionally or unconditionally exempt any person or class of persons from any provisions made applicable by this section.

"(e) RULEMAKING REQUIREMENTS.—In promulgating rules in the exercise of the powers and responsibilities granted in this section, the Securities and Exchange Commission shall consider the sufficiency and appropriateness of the existing rules, as well as the views of the Commodity Futures Trading Commission.".

(b) AMENDMENT TO COMMODITY EXCHANGE ACT.—The Commodity Exchange Act (7 U.S.C. 1 *et seq.*) is amended in section 2(a) by adding at the end thereof the following:

"(12) The Securities and Exchange Commission shall exercise the powers and responsibilities granted in this title to the Commodity Futures Trading Commission with respect to—

"(A) any and all contracts of sale (or options on such contracts) for future delivery of a group or index of equity securities (or any interest therein or based on the value thereof);

"(B) any person, futures commission merchant, introducing broker, or floor broker purchasing or selling such contracts;

"(C) any commodity pool operator or commodity trading advisor advising with respect to or trading such contracts;

"(D) any exchange or board of trade for such contracts (or options on such contracts); and

"(E) any futures association whose members include any of the foregoing.

For such purposes, the term "Commission" as used in this title (other than in section 2(a), except for the last two sentences of section 2(a)(1)(A) and clauses (ii) and (iii) of section 2(a)(1)(B)) shall refer to the Securities and Exchange Commission.".

(c) APPLICABILITY OF SECURITIES EXCHANGE ACT ANTI-FRAUD AND ENFORCEMENT PROVISIONS.—Section 3(a)(10) of the Securities Exchange Act of 1934 is amended—

(1) by inserting "(A)" after "(10)"; and

(2) by adding at the end thereof the following:

"(B) For purposes of sections 10(b) and 21 of this title, any transaction in a stock index product shall be deemed to be a purchase or sale of a security.".

(d) DEFINITION OF STOCK INDEX PRODUCT.—Section 3(a) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following:

"(51) The term 'stock index product' means any contract of sale (or option on such contract) for future delivery of a group or index of equity securities (or any interest therein or based on the value thereof).".

(e) COOPERATIVE AGREEMENT AUTHORIZED.—Section 14 of the Commodity Exchange Act is amended by adding at the end thereof the following:

"(h) In order to facilitate the economical administration of this section, the Securities and Exchange Commission may enter into a cooperative agreement with the Commodity Futures Trading Commission to administer proceedings under this section involving complaints by any person concerning transactions in futures on groups or indexes of equity securities (or options thereon). Any such person shall have a right to an administrative appeal solely to the Securities and Exchange Commission.".

SEC. 4. REGULATION OF CERTAIN FINANCIAL PRODUCTS.

(a) MODIFICATION OF REGULATION OF CERTAIN FINANCIAL PRODUCTS.—Section 2(a)(1)(B) of the Commodity Exchange Act is further amended by adding at the end thereof the following:

"(vi) This Act shall not apply to and the Commodity Futures Trading Commission shall have no jurisdiction with respect to transactions in or involving the following, unless such transactions both are conducted on a designated contract market and involve contracts of sale of a commodity for future delivery:

"(I) securities as defined in section 2(1) of the Securities Act of 1933 or section 3(a)(10) of the Securities Exchange Act of 1934 (or any interest therein or based on the value thereof);

"(II) foreign currency;

"(III) resales of installation loan contracts;

"(IV) repurchase options;

"(V) mortgage and mortgage purchase commitments; or

"(VI) swap agreements that are undertaken in conjunction with the business (including financial intermediation) or risk hedging activities of the parties. The term 'swap agreement' means (A) an agreement (including terms and conditions incorporated by reference therein) which is a rate swap agreement, basis swap, forward rate agreement, commodity swap, interest rate option, forward foreign exchange agreement, rate cap agreement, rate floor agreement, rate collar agreement, current swap agreement, cross-currency rate swap agreement, currency option, and any other similar agreement (including any option to enter into any of the foregoing); (B) any combination of the foregoing; or (C) a master agreement for any of the foregoing together with all supplements.

Any instrument described in this subparagraph trading on a designated contract market shall be regulated solely pursuant to this Act and a similar instrument traded otherwise than on such a contract market shall not be regulated pursuant to this Act.".

(b) SAVINGS PROVISION.—Section 2(a)(1)(B) of the Commodity Exchange Act is further amended by adding after clause (vi), as added by subsection (a) of this section, the following:

"(vii) Nothing in this Act shall supersede or limit the jurisdiction at any time conferred on the Securities and Exchange Commission, restrict the Securities and Exchange Commission from carrying out its duties and responsibilities, or affect the availability of any right or remedy available to the Securities and Exchange Commission.".

(c) EXEMPTIVE AUTHORITY OF COMMODITY FUTURES TRADING COMMISSION OVER OTHER HYBRID PRODUCTS.—Section 4 of the Commodity Exchange Act is amended—

(1) in subsection (a) by striking "It shall be unlawful" and inserting "Unless exempted by the Commission pursuant to subsection (c), it shall be unlawful"; and

(2) by adding at the end thereof the following:

"(c) The Commission may, by rule or order, conditionally or unconditionally, exempt from the provisions of this section any agreement or transaction, or any class of agreements or transaction, otherwise subject to the provisions of subsection (a) for which, by the terms of the agreement or transaction, settlement involves only the transfer of cash or currency. Any contract so exempted will not be considered to be a contract for the purchase or sale of a commodity for future delivery for the purposes of any provision of this Act, other than section 4b.".

SEC. 5. MARGIN AUTHORITY WITH RESPECT TO STOCK INDEX PRODUCTS.

(a) EXCEPTION FROM LIMITATION ON AUTHORITY TO REVIEW MARGIN RULES.—Section 5a(12) of the Commodity Exchange Act is amended by inserting "other than levels of margin relating to futures on groups or indexes of equity securities (and options on such futures)" after "except those rules relating to the setting of levels of margin" each place it appears.

(b) AUTHORITY TO AMEND CONTRACT MARKET RULES.—Section 8a(7) of the Commodity Exchange Act is amended—

(1) by inserting "(i) for other than futures on groups or indexes of equity securities (and options thereon)," after "by order, if";

(2) by inserting "(ii) after "and practices, and";

(3) by inserting "or other participants in a contract market or in the equity securities markets," after "for the protection of traders";

(4) by inserting "or otherwise in furtherance of the publics interest" after "future delivery on such contract market"; and

(5) by amendment subparagraph (C) to read as follows:

"(C) other trading requirements, excepting the setting of levels of margin (other than levels of margin relating to futures on groups or indexes of equity securities (and options on such futures)).".

SEC. 6. RECOGNITION OF LINKED MARKETS.

(a) FINDINGS.—Section 3 of the Commodity Exchange Act is amended by adding at the end thereof the following: "There is a direct interrelationship between trading in futures on groups or indexes of equity securities (and options on such futures) and trading in the underlying securities markets. Thus, appropriate regulation of trading in futures on groups or indexes of equity securities (and options on such futures) requires coordination with the regulation of the securities markets.".

(b) APPROVAL OF EQUITY INDEX PRODUCTS.—Section 2(a)(1)(B)(ii) of the Commodity Exchange Act is further amended by adding at the end thereof the following:

"(VI) With respect to a contract of sale (or option on such contract) for future delivery of a group or index of equity securities, trading in such contract is consistent with the fair and efficient operation of the markets for contracts of sale of a group or index of equity securities for future delivery and the maintenance of fair and orderly markets in any securities composing the index underlying such contract.".

SEC. 7. CONTINUATION OF STATUS OF REGISTERED AND DESIGNATED PERSONS.

(a) REGISTERED PERSONS.—All persons registered pursuant to the Commodity Exchange Act on the effective date of this Act shall be deemed, for the purpose of their activity with respect to stock index products, to be registered with the Securities and Exchange Commission on that date.

(b) CONTRACT MARKETS FOR STOCK INDEX PRODUCTS.—Any contract market designated on the effective date of this Act pursuant to the Commodity Exchange Act as a contract market for the trading of stock index products shall be deemed to have been designated as such by the Securities and Exchange Commission on that date.

(c) FUTURES ASSOCIATIONS.—Any futures association registered pursuant to the Commodity Exchange Act on the effective date of this Act shall be deemed to be registered with the Securities and Exchange Commission on that date.

(d) CONTINUITY OF LEGAL RULES.—Any orders, rules, and regulations under the Commodity Exchange Act, rules of designated contract markets, and rules of designated contract markets, and rules of futures associations, relating to any and all stock index products, any person purchasing, selling or advising with respect stock index products, any exchange or board of trade designated or applying to be designated as a contract market for stock index products, and any futures association whose members include any of the foregoing, shall continue in effect until modified, terminated, set aside, or superseded in accordance with applicable law by the Securities and Exchange Commission, by any court of competent jurisdiction, or by operation of law.

(e) CONTINUITY OF OBLIGATIONS.—This Act shall not affect the validity of any right, duty, or obligation of the United States, the Commodity Futures Trading Commission, or any other person which arises under or

pursuant to any section of the Commodity Exchange Act and existed on the day before the effective date of this Act.

(f) CONTINUITY OF PROCEEDINGS.—No action or other proceeding commenced by or against the Commodity Futures Trading Commission shall abate by reason of the enactment of this Act.

SEC. 8. REPORT CONCERNING NEED FOR FURTHER LEGISLATION.

The Securities and Exchange Commission shall, not later than 18 months from the effective date of this Act, report to the Congress concerning the need for further legislative action to achieve the purposes of this Act, with respect to the appropriate regulation of contracts of sale (and options on such contracts) for future delivery of groups or indexes of equity securities (or any interest therein or based on the value thereof).

SEC. 9. TECHNICAL AMENDMENTS.

(a) AMENDMENT TO SECTION 2(a)(1)(A) OF THE COMMODITY EXCHANGE ACT.—Section 2(a)(1)(A) of the Commodity Exchange Act is amended—

(1) by inserting ", except to the extent provided in section 2(a)(12) of this subsection" after "established under paragraph (2) of this subsection";

(2) in clause (i) of the second proviso, by striking "the Securities and Exchange Commission or other regulatory authorities" and inserting "regulatory authorities (other than the Securities and Exchange Commission)";

(3) in clause (ii) of such second proviso, by striking "the Securities and Exchange Commission and such other regulatory authorities" and inserting "such regulatory authorities"; and

(4) by striking "Nothing in this Act shall be deemed to govern or in any way be applicable to transactions in foreign currency, security warrants, security rights, resale of installment loan contracts, repurchase options, government securities, or mortgages and mortgage purchase commitments, unless such transactions involve the sale thereof for future delivery conducted on a board of trade.".

(b) AMENDMENTS TO SECTION 2(a)(1)(B).—Section 2(a)(1)(B) of the Commodity Exchange Act is amended—

(1) in clauses (i), (ii)(I), and (v), by striking "on the date of enactment of the Futures Trading Act of 1982" wherever it appears;

(2) in clauses (ii)(I) and (v), by striking "as in effect"; and

(3) in clause (iv)(II), by inserting "(other than a group or index of equity securities (or interest therein or based on the value thereof))" after "group or index of securities".

SEC. 10. EFFECTIVE DATE.

This Act shall become effective 90 days after the date of its enactment.

LEAHY (AND OTHERS) AMENDMENT NO. 3065

Mr. LEAHY (for himself, Mr. INOUYE, Mr. METZENBAUM, Mr. MOYNIHAN, Mr. KASTEN, Mr. LUGAR, and Mr. BOSCHWITZ) proposed an amendment to the bill H.R. 5114, supra, as follows:

At the end of the pending amendment, add the following:

(c) In conformity with the requirements of subsection (d), the President shall convene an international conference on Egypt's debt crisis and the need for multilateral relief of Egypt's debt to all donor nations, for the purpose of securing multilateral agreement by all donors for a comprehensive solution to Egypt's international debt problem. Such a conference shall be convened at the earliest possible time after enactment of this Act, and shall focus not only Egypt's military assistance debts, but, for those countries which have not made military assistance loans to Egypt, shall also focus on economic assistance debt owed by Egypt. The President shall submit a report to Congress, not later than January 1, 1991, containing such information as the President deems appropriate regarding the results of such efforts, and recommending any additional steps needed to work effectively to resolve successfully the issue of Egyptian debt on a multilateral basis.

(d) The authorities provided in subsection (b) shall not become effective until December 31, 1990. As soon as possible after enactment of this Act the President shall issue invitations to Egypt's principal creditors and allies for an international conference. Such conference should be convened and concluded prior to December 31, 1990.

HARKIN (AND OTHERS) AMENDMENT NO. 3066

Mr. HARKIN (for himself, Mr. DIXON, Mr. DASCHLE, Mr. REID, Mr. CONRAD, Mr. EXON, Mr. SANFORD, Mr. KERRY, Ms. MIKULSKI, and Mr. ROCKEFELLER) proposed an amendment to the bill H.R. 5114, supra, as follows:

In lieu of the matter proposed to be inserted by the Committee Amendment

On page 172, strike out line 7 and all that follows through line 4 on page 174 and insert in lieu thereof the following:

SEC. —— (a) FINDINGS.—The Congress finds that—

(1) the terrorist attack killing the Egyptian Parliament Leader Rifaat el-Mahgoub and three of his security guards in Cairo is a deplorable act against the Egyptian Government and her people and should be condemned by all nations and people of the world;

(2) the economic crisis in Egypt demands multilateral action and shared responsibility of Egypt's allies and its creditors;

(3) United States deployments in the Persian Gulf are dependent upon the support of United States friends and allies in the region;

(4) deployments of Egyptian armed forces in Saudi Arabia, and Egyptian logistical support for United States air operations in the region, are an essential element to the success of Operation Desert Shield;

(5) Egypt's deployments serve both United States and Saudi Arabia's national security interests;

(6) Egypt's total foreign debt totals $50 billion, including $6.7 billion in military loans owed to the U.S., $5 billion owed France, $2.5 billion owed Japan, and $2.5 billion owed Germany;

(7) Saudi Arabia, which because of the dramatic rise in the price of oil and increased oil production, is expected to earn an additional $40 billion over the next year in oil profits alone;

(8) the United States's growing national debt of $3,000,000,000,000 levies an unacceptable burden on future generations of Americans; and

(9) the forgiveness of military assistance debts owed to the United States by foreign nations would exacerbate our difficulties in reducing the Federal deficit and the public debt.

(b) The President shall—

(1) develop, in cooperation with Congress, a proposal to restructure Egypt's military debt to the United States; and

(2) convene a conference and develop, in cooperation with Egypt's creditors and allies, including Saudi Arabia, France, Japan, West Germany, as well as the U.S., a comprehensive and multilateral solution to Egypt's international debt.

WIRTH AMENDMENT NO. 3067

Mr. WIRTH (for himself, Mr. CHAFEE, Mr. ADAMS, Mr. BINGAMAN, Mr. BRADLEY, Mr. BURDICK, Mr. CRANSTON, Mr. HARKIN, and Ms. MIKULSKI) proposed an amendment to the bill H.R. 5114, supra, as follows:

At the end of the amendment, insert the following: *"Provided further,* That in determining eligibility for assistance from funds appropriated to carry out the provisions of section 104(b), the Agency for International Development shall not subject nongovernmental and multilateral organizations to requirements more restrictive than requirements applicable to foreign governments for such assistance.".

SPECTER AMENDMENT NO. 3068

Mr. SPECTER proposed an amendment to the bill H.R. 5114, supra, as follows:

At the appropriate place in the bill, insert the following:

SEC. .(a) The Congress finds that—

(1) the international community has defined as criminal conduct in various international conventions, certain acts such as war crimes, crimes against humanity, torture, piracy and crimes on board commercial vessels, aircraft hijacking and sabotage of aircraft, crimes against diplomats and other internationally protected persons, hostagetaking, and illicit drug cultivation and trafficking;

(2) in spite of these international conventions, the effective prosecution of those who commit criminal acts has been seriously obstructed in certain cases because of problems of extradition and differences between the legal and judicial systems of individual nations;

(3) the jurisdiction of the International Court of Justice extends only to cases involving governments, and not to individual criminal cases;

(4) the concept of an international criminal court has been under consideration in the United Nations and other international fora for many years, including proposals and reviews undertaken in 1990 by the United Nations General Assembly, the International Law Commission, and the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders;

(5) the international military tribunals established in Nuremburg, Germany, and Tokyo, Japan, following World War II also establish a precedent for international criminal tribunals; and

(6) there is growing movement among nations of the world to formulate their economic, political and legal systems on a multilateral basis.

(b) It is the sense of Congress that—

(1) the United States should explore the need for the establishment of an International Criminal Court on a universal or re-

gional basis to assist the international community in dealing more effectively with criminal acts defined in international conventions; and

(2) the establishment of such a court or courts for the more effective prosecution of international criminals should not derogate from established standards of due process, the rights of the accused to a fair trial and the sovereignty of individual nations.

(c) The President shall report to the Congress by October 1, 1991, the results of his efforts in regard to the establishment of an International Criminal Court to deal with criminal acts defined in international conventions.

(d) The Judicial Conference of the United States shall report to the Congress by October 1, 1991, on the feasibility of, and the relationship to, the Federal Judiciary of an International Criminal Court.

DECONCINI AMENDMENT NO. 3069

Mr. LEAHY (for Mr. DECONCINI) proposed an amendment to the bill H.R. 5114, supra, as follows:

At the end of section 531(c)(1), add the following new subparagraph:

"( ) the Government of El Salvador has failed to actively seek and encourage a law enforcement service from outside El Salvador, such as Scotland Yard or INTERPOL, to accomany and monitor investigators of the Government of El Salvador in their investigation into the eight murders at the University of Central America on November 16, 1989.".

DECONCINI (AND OTHERS) AMENDMENT NO. 3070

Mr. LEAHY (for Mr. DECONCINI, for himself, Mr. GRAMAN, Mr. D'AMATO, Mr. HUMPHREY, Mr. MACK, Mr. KERRY, Ms. MIKULSKI, and Mr. LAUTENBERG) proposed an amendment to the bill H.R. 5114, supra, as follows:

Beginning on page 74, strike out line 20 and all that follows through line 6 on page 75 and insert in lieu thereof the following:

PROHIBITION ON CONTACTS WITH THE PALESTINE LIBERATION ORGANIZATION

SEC. 528. Notwithstanding any other provision of law, no funds appropriated or otherwise made available to the President by this Act for fiscal year 1991 or thereafter shall be used to support, enhance, develop, or otherwise sustain contacts with the Palestine Liberation Organization or any of its constituent parts, persons, or entities under its control (or influence) by any department, agency, official or entity under the jurisdiction of the Government of the United States.

PRYOR (AND OTHERS) AMENDMENT NO. 3071

Mr. LEAHY (for Mr. PRYOR, for himself, Mr. GORTON, and Mr. REID) proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 183, between lines 17 and 18, insert the following:

SEC. 599(F). PROGRESS AND LEADERSHIP OF THE CITIZENS DEMOCRACY CORPS.

The President shall report to Congress the name of a qualified individual from the private sector who will serve as the chairman of the Citizens Democracy Corps (CDC) Commission who will select other private citizens from business, educational, agricultural, voluntary, or philanthropic activities to serve on the Commission; and

By December 15, 1990, the President shall submit a report to Congress regarding the CDC's strategic implementation plan, to include: (1) private sector funding; (2) cumulative and planned government funding; (3) a strategy and timetable for making the CDC self-financing through private donations; (4) details on CDC volunteer assignments and assignment priorities in Eastern Europe; and (5) a plan for acquiring State and Federal charters for the CDC.

BRADLEY (AND KASTEN) AMENDMENT NO. 3072

Mr. LEAHY (for Mr. BRADLEY, for himself and Mr. KASTEN) proposed an amendment to the bill H.R. 5114, supra, as follows:

At the appropriate place in the bill add the following:

The freely-elected Government of Poland has reshaped the country's economic policies with great courage and consistency in a manner that will foster the establishment of a functioning market economy in the near future;

The Government of Poland and people alike have proven their willingness to endure economic hardships, such as a marked drop in the standard of living, in employment levels, and in the nation's industrial output, in order to create the necessary conditions for a comprehensive economic reform;

The economic program is based on the recognition of the Polish authorities that a stable and easily convertible currency is paramount to the economic transformation of Poland;

Inflation in Poland has actually declined and the budget deficit been reduced as a consequence of the determination of Poland's policy makers;

Private ownership of the means of production has been achieved on a broad basis;

The continued success of economic reform hinges upon tangible improvements in the economic conditions for each and every citizen;

Private sector companies from the United States and elsewhere have responded very favorably to the Government of Poland's determination to bring about meaningful reform;

The greatest challenge for the new government is to service the staggering debt run up by the previous Communist regime; and

The servicing of this debt out of current revenues endangers a successful completion of the reform process because it consumes a large part of the resources needed for economic expansion: Now, therefore, be it the sense of the Senate that—

(1) Poland's debt service should be reduced in the appropriate manner to safeguard the promising reform concept;

(2) any solution of this problem should entail a broad range of approaches, such as outright debt reduction, debt service reduction, and lengthening of maturities, as well as an infusion of new capital;

(3) the Western governments, which are Poland's major creditors, should take speedy action in this area and private banks should also be prepared to contribute their share to this effort of reducing Poland's debt in order to allow the newly democratized country to bring its market reform program to a successful conclusion; and

(4) the President should undertake the appropriate measures on the part of the United States to bring the deliberations in the Paris Club to a favorable decision on the issue of reducing Poland's debt.

LEAHY AMENDMENT NO. 3073

Mr. LEAHY proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 109, line 16, strike "and";

On page 109, line 19, insert before the period at the end thereof ", and (5) pursued all legal avenues to bring to trial those responsible for the deaths of the ten unionists who were killed during the November 11, 1989 bombing of the FENASTRAS headquarters, and to obtain a verdict".

BIDEN (AND OTHERS) AMENDMENT NO. 3074

Mr. LEAHY (for Mr. BIDEN, for himself, Mr. BRADLEY, and Mr. MOYNIHAN) proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 6, line 7, strike the period after "expended" and insert in lieu thereof the following:

": *Provided*, That none of the funds appropriated under this heading may be obligated or expended until the enactment of a statute which—

"(1) authorizes the President to accept membership for the United States in the European Bank for Reconstruction and Development (EBRD);

"(2) authorizes the appropriation of the full amount of the paid-in and callable capital required during the first five years of United States membership;

"(3) authorizes the Secretary of the Treasury to subscribe to shares of the capital stock of such Bank; and

"(4) stipulates the role of Federal Reserve Banks, the applicability of United States laws relevant to such membership, and the legal status of the EBRD with regard to the jurisdiction of United States Courts."

PELL (AND OTHERS) AMENDMENT NO. 3075

Mr. LEAHY (for Mr. PELL, for himself, Mr. HELMS, Mr. MOYNIHAN, and Mrs. KASSEBAUM) proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 168, between lines 13 and 14, add the following new section.

SANCTIONS AGAINST IRAQ

SEC. . SHORT TITLE

This title may be cited as the "Iraq International Law Compliance Act of 1990".

Subtitle A—Response to Iraq's Invasion of Kuwait

SEC. . DECLARATIONS REGARDING IRAQ' INVASION OF KUWAIT.

The Congress—

(1) condemns Iraq's invasion of Kuwait on August 2, 1990;

(2) supports the actions that have been taken by the President in response to that invasion;

(3) calls for the immediate and unconditional withdrawal of Iraqi forces from Kuwait;

(4) supports the efforts of the United Nations Security Council to end this violation of international law and threat to international peace;

(5) supports the imposition of enforcement of multilateral sanctions against Iraq;

(6) calls on United States allies and other countries to support fully the efforts of the United Nations Security Council, and to take other appropriate actions, to bring about an end to Iraq's occupation of Kuwait; and

(7) condemns the brutal occupation of Kuwait by Iraq and its gross violations of internationally recognized human rights in Kuwait, including widespread arrests, torture, summary executions, and mass extrajudicial killings.

SEC. . CONSULTATIONS WITH CONGRESS.

The President shall keep the Congress fully informed, and shall consult with the Congress, with respect to current and anticipated events regarding the international crisis caused by Iraq's invasion of Kuwait, including with respect to United States actions.

SEC. . TRADE EMBARGO AGAINST IRAQ.

(a) CONTINUATION OF EMBARGO.—Except as otherwise provided in this section, the President shall continue to impose the trade embargo and other economic sanctions with respect to Iraq and Kuwait that the United States is imposing, in response to Iraq's invasion of Kuwait, pursuant to Executive Orders Number 12724 and 12725 (August 9, 1990) and, to the extent they are still in effect, Executive Orders Number 12722 and 12723 (August 2, 1990).

(b) HUMANITARIAN ASSISTANCE.—To the extent that transactions involving foodstuffs or payments for foodstuffs are exempted "in humanitarian circumstances" from the prohibitions established by the United States pursuant to United Nations Security Council Resolution 661 (1990), those exemptions shall be limited to foodstuffs that are to be provided consistent with United Nations Security Council Resolution 666 (1990) and other relevant Security Council resolutions.

(c) NOTICE TO CONGRESS OF EXEMPTIONS TO AND TERMINATION OF SANCTIONS.—

(1) NOTICE OF REGULATIONS.—Any regulations issued after the date of enactment of this Act with respect to the economic sanctions imposed with respect to Iraq and Kuwait by the United States under Executive Orders Number 12722 and 12723 (August 2, 1990) and Executive Orders Number 12724 and 12725 (August 9, 1990) shall be submitted to the Congress before those regulations take effect.

(2) NOTICE OF TERMINATION OF SANCTIONS.—The President shall notify the Congress before the termination, in whole or in part, of any sanction imposed with respect to Iraq or Kuwait pursuant to those Executive Orders.

(d) RELATION TO OTHER LAWS.—

(1) SANCTIONS LEGISLATION.—The sanctions that are described in subsection (a) are in addition to, and not in lieu of the sanctions provided for in subtitle B of this title, title IV of this Act, or any other provision of law.

(2) NATIONAL EMERGENCIES AND UNITED NATIONS LEGISLATION.—Nothing in this section supersedes any provision of the National Emergencies Act or any authority of the President under the International Emergency Economic Powers Act or section 5(a) of the United Nations Participation Act of 1945.

SEC. . ADDITIONAL IMPORT SANCTIONS.

If the President considers that the taking of such action would promote the effectiveness of the economic sanctions of the United Nations and the United States imposed with respect to Iraq, and is consistent with the national interest, the President may prohibit, for such a period of time as he considers appropriate, the importation into the United States of any or all products of any foreign country that has not prohibited—

(1) The importation of products of Iraq into its customs territory, and

(2) the export of its products to Iraq.

SEC. . PENALTIES FOR VIOLATIONS OF EMBARGO.

Notwithstanding section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) and section 5(b) of the United Nations Participation Act of 1945 (22 U.S.C. 287c(b))—

(1) a civil penalty of not to exceed $250,000 may be imposed on any person who, after the date of the enactment of this Act, violates or evades or attempts to violate or evade Executive Order Number 12722, 12723, 12724, or 12725 or any license, order, or regulation issued under any such Executive Order; and

(2) whoever, after the date of enactment of this Act, willfully violates or evades or attempts to violate or evade Executive Order Number 12722, 12723, 12724, or 12725 or any license, order, or regulation issued under any such Executive Order—

(A) shall, upon conviction, be fined not more than $1,000,000, if a person other than a natural person; or

(B) if a natural person, shall, upon conviction, be fined not more than $1,000,000, be imprisoned for not more than 12 years, or both.

Any officer, director, or agent of any corporation who knowingly participates in a violation, evasion, or attempt described in paragraph (2) may be punished by imposition of the fine or imprisonment (or both) specified in subparagraph (B) of that paragraph.

Subtitle B—Response to Iraq's Long-Standing Violations of International Law

SEC. . DECLARATIONS REGARDING IRAQ'S LONG-STANDING VIOLATIONS OF INTERNATIONAL LAW.

(a) IRAQ'S VIOLATIONS OF INTERNATIONAL LAW.—The Congress determines that—

(1) the Government of Iraq has demonstrated repeated and blatant disregard for its obligations under international law by violating the Charter of the United Nations, the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (done at Geneva, June 17, 1925), as well as other international treaties;

(2) the Government of Iraq is a party to the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social, and Cultural Rights and is obligated under the Convenants, as well as the Universal Declaration of Human Rights, to respect internationally recognized human rights;

(3) the State Department's Country Reports on Human Rights Practices for 1989 again characterizes Iraq's human rights record as "abysmal";

(4) Amnesty International, Middle East Watch, and other independent human rights organizations have documented extensive, systematic, and continuing human rights abuses by the Government of Iraq, including summary executions, mass political killings, disappearances, widespread use of torture, arbitrary arrests and prolonged detention without trial of thousands of political opponents, forced relocation and deportation, denial of nearly all civil and political rights such as freedom of association, assembly, speech, and the press, and imprisonment, torture, and execution of children;

(5) since 1987, the Government of Iraq has intensified its severe repression of the Kurdish minority of Iraq, deliberately destroyed more than 3,000 villages and towns in the Kurdish regions, and forcibly expelled more than 500,000 people, thus effectively depopulating the rural areas of Iraqi Kurdistan;

(6) Iraq has blatantly violated international law by initiating use of chemical weapons in the Iran-Iraq war;

(7) Iraq has also violated international law by using chemical weapons against its own Kurdish citizens, resulting in tens of thousands of deaths and more than 65,000 refugees;

(8) Iraq continues to expand its chemical weapons capability, and President Saddam Hussein has threatened to use chemical weapons against other nations;

(9) persuasive evidence exists that Iraq is developing biological weapons in violation of international law;

(10) there are strong indications that Iraq has taken steps to produce nuclear weapons and has attempted to smuggle from the United States, in violation of United States law, components for triggering devices used in nuclear warheads whose manufacture would contravene the Treaty on the Non-Proliferation of Nuclear Weapons, to which Iraq is a party; and

(11) Iraqi President Saddam Hussein has threatened to use terrorism against other nations in violation of international law and has increased Iraq's support for the Palestine Liberation Organization and other Palestinian groups that have conducted terrorist acts.

(b) HUMAN RIGHTS VIOLATIONS.—The Congress determines that the Government of Iraq is engaged in a consistent pattern of gross violations of internationally recognized human rights. All provisions of law that impose sanctions against a country whose government is engaged in a consistent pattern of gross violations of internationally recognized human rights shall be fully enforced against Iraq.

(c) MULTILATERAL COOPERATION.—The Congress calls on the President to seek multilateral cooperation—

(1) to deny dangerous technologies to Iraq;

(2) to induce Iraq to respect internationally recognized human rights; and

(3) to induce Iraq to allow appropriate international humanitarian and human rights organizations to have access to Iraq and Kuwait, including the areas in northern Iraq traditionally inhabited by Kurds.

SEC. . SANCTIONS AGAINST IRAQ.

(a) IMPOSITION.—Except as provided in section 543, the following sanctions shall apply with respect to Iraq:

(1) FMS SALES.—The United States Government may not enter into any sale with Iraq under the Arms Export Control Act.

(2) COMMERCIAL ARMS SALES.—Licenses may not be issued for the export to Iraq of any item on the United States Munitions List.

(3) EXPORTS OF CERTAIN GOODS AND TECHNOLOGY.—The authorities of section 6 of the Export Administration Act of 1979 (50 U.S.C. App. 2405) shall be used to prohibit

the export to Iraq of any goods or technology on the control list established pursuant to subsection (1) of that section or on the control list established pursuant to section 5(c)(1) of that Act (50 U.S.C. App. 2404(c)(1)).

(4) NUCLEAR EQUIPMENT, MATERIALS, AND TECHNOLOGY.—

(A) NRC LICENSES.—The Nuclear Regulatory Commission may not issue any license or other authorization under the Atomic Energy Act of 1954 (42 U.S.C. 2011 and following) for the export to Iraq of any source or special nuclear material, any production or utilization facility, any sensitive nuclear technology, any component, item, or substance determined to have significance for nuclear explosive purposes pursuant to section 109b. of the Atomic Energy Act of 1954 (42 U.S.C. 2139(b)), or any other material or technology requiring such a license or authorization.

(B) DISTRIBUTION OF NUCLEAR MATERIALS.—The authority of the Atomic Energy Act of 1954 may not be used to distribute any special nuclear material, source material, or byproduct material to Iraq.

(C) DOE AUTHORIZATIONS.—The Secretary of Energy may not provide a specific authorization under section 57b. (2) of the Atomic Energy Act of 1954 (42 U.S.C. 2077(b)(2)) for any activity that would constitute directly or indirectly engaging in Iraq in activities that require a specific authorization under that section.

(5) ASSISTANCE FROM INTERNATIONAL FINANCIAL INSTITUTIONS.—The United States shall oppose any loan or financial or technical assistance to Iraq by international financial institutions in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d).

(6) ASSISTANCE THROUGH THE EXPORT-IMPORT BANK.—Credits and credit guarantees through the Export-Import Bank of the United States shall be denied to Iraq.

(7) ASSISTANCE THROUGH THE COMMODITY CREDIT CORPORATION.—Credit, credit guarantees, and other assistance through the Commodity Credit Corporation shall be denied to Iraq.

(8) FOREIGN ASSISTANCE.—All forms of assistance under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following) other than emergency assistance for medical supplies and other forms of emergency humanitarian assistance, and under the Arms Export Control Act (22 U.S.C. 2751 and following) shall be denied to Iraq.

(b) CONTRACT SANCTITY.—For purposes of the export controls imposed pursuant to subsection (a)(3), the date described in section 6(m)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2405(m)(1)) shall be deemed to be August 1, 1990.

SEC. . WAIVER AUTHORITY.

(a) IN GENERAL.—The President may waive the requirements of any paragraph of section 542(a) if the President makes a certification under subsection (b) or subsection (c).

(b) CERTIFICATION OF FUNDAMENTAL CHANGES IN IRAQI POLICIES AND ACTIONS.—The authority of subsection (a) may be exercised 60 days after the President certifies to the Congress that—

(1) the Government of Iraq—

(A) has demonstrated, through a pattern of conduct, substantial improvement in its respect for internationally recognized human rights;

(B) is not acquiring, developing, or manufacturing chemical, biological, or nuclear weapons, components for such weapons, or delivery systems for such weapons, and has forsworn the first use of such weapons; and

(C) does not provide support for international terrorism;

(2) the Government of Iraq is in substantial compliance with its obligations under international law, including—

(A) the Charter of the United Nations;

(B) the International Covenant on Civil and Political Rights (done at New York, December 16, 1966) and the International Covenant on Economic, Social, and Cultural Rights (done at New York, December 16, 1966);

(C) the Convention on the Prevention and Punishment of the Crime of Genocide (done at Paris, December 9, 1948);

(D) the Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare (done at Geneva, June 17, 1925);

(E) the Treaty on the Non-Proliferation of Nuclear Weapons (done at Washington, London, and Moscow, July 1, 1968); and

(F) the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (done at Washington, London, and Moscow, April 10, 1972); and

(3) the President has determined that it is essential to the national interests of the United States to exercise the authority of subsection (a).

(c) CERTIFICATION OF FUNDAMENTAL CHANGES IN IRAQI LEADERSHIP AND POLICIES.—The authority of subsection (a) may be exercised 30 days after the President certifies to the Congress that—

(1) there has been a fundamental change in the leadership of the Government of Iraq; and

(2) the new Government of Iraq has provided reliable and credible assurance that—

(A) it respects internationally recognized human rights and it will demonstrate such respect through its conduct;

(B) it is not acquiring, developing, or manufacturing and it will not acquire, develop, or manufacture chemical, biological, or nuclear weapons, components for such weapons, or delivery systems for such weapons, and has forsworn the first use of such weapons;

(C) it is not and will not provide support for international terrorism; and

(D) it is and will continue to be in substantial compliance with its obligations under international law, including all the treaties specified in subparagraphs (A) through (F) of subsection (b)(2).

(d) INFORMATION TO BE INCLUDED IN CERTIFICATIONS.—Any certification under subsection (b) or (c) shall include the justification for each determination required by that subsection. The certification shall also specify which paragraphs of section 542(a) the President will waive pursuant to that certification.

McCONNELL (AND OTHERS) AMENDMENT NO. 3076

Mr. KASTEN (for Mr. MCCONNELL, for himself, Mr. KERRY, Mr. BRYAN, Mr. BURNS, Mr. SANFORD, Mr. REID, Mr. LUGAR, Mr. HATCH, and Mr. BOSCHWITZ) proposed an amendment to the bill H.R. 5114, supra, as follows:

At the appropriate place, insert the following:

Sec. .

(a) NEGOTIATIONS.—(1) The Attorney General shall enter into negotiations with the appropriate law enforcement and judicial agencies and any other officials of any foreign country with jurisdiction over companies who manufacture, market, sell or purchase certain precursor and/or essential chemicals used in the production of illicit narcotics. The priority of negotiations should be determined based on an assessment by the Attorney General which countries have jurisdiction over companies that may be knowingly or unknowingly supplying chemicals for the illicit manufacture of controlled substances.

(2) The purposes of the negotiations shall be to (a) establish a list of precursor and essential chemicals contributing to the illicit manufacture of controlled substances, as defined in Section 102 of the Controlled Substances Act [21 USC 802]; (b) reach one or more international agreements on a method for maintaining records of transactions of these listed chemicals; (c) establish a procedure by which such records may be made available to (and kept confidential as necessary by) U.S. law enforcement authorities for the exclusive purpose of conducting an investigation relative to percursor chemicals, essential chemicals and/or controlled substances contributing to the manufacture of illicit narcotics; and (d) encourage chemical source countries to enact national chemical control legislation which would (i) impose specific record keeping and reporting requirements for domestic transactions involving listed chemicals; (ii) establish a system of permits or declarations for imports of listed chemicals; and (iii) authorize government officials to seize or suspend shipments of listed chemicals based on evidence that they may be destined for the illicit manufacture of controlled substances.

(b) REPORTS.—Not later than one year after the date of enactment of this Act, the Attorney General shall submit an interim report to the Judiciary Committee and the Foreign Relations Committee of the Senate on progresss in the negotiations. Not later than eighteen months from date of enactment, the Attorney General shall submit a final report to the aforementioned Senate Committees on the result of negotiations identifying countries with which agreements have not been reached and which have jurisidiction over companies believed to be engaged in the manufacture, marketing, sale or purchase of precursor and/or essential chemicals used in illicit manufacture of controlled substances.

(c) PENALTIES.—After consulting with the Attorney General and the Director of the Office of National Drug Control Policy, the President shall impose penalties or sanctions including temporarily or permanently prohibiting any corporation, partnership, individual or business association (i) refusing to maintain records for the purpose of monitoring and regulating transactions of listed precursor chemicals, or (ii) refusing to make such records available to U.S. law enforcement authorities for investigative purposes from engaging in any or all transactions within the commerce of the United States.

(d) DEFINITIONS.—A record under subsection (a) shall be retrievable and include the date of the transaction, the identity of each party to the transaction, including the ultimate consignee, an accounting of the quantity and form of listed chemical(s) and a description of the method of transfer.

(e) This section shall not apply to the manufacture, distribution, sale import or export of any drug which may, under the Federal Food, Drug and Cosmetic Act be lawfully sold over-the-counter without prescription.

MURKOWSKI AMENDMENT NO. 3077

Mr. KASTEN (for Mr. MURKOWSKI) proposed an amendment to the bill H.R. 5114, supra, as follows:

I. The Senate hereby finds:

(1) the government of the United States has maintained economic sanctions against the government of the Socialist Republic of Vietnam since April 30, 1975, under the auspices of the Trading with the Enemy Act, and as regulated by the Office of Foreign Assets Control of the United States Department of Treasury,

(2) individual citizens of the United States are authorized to travel in Vietnam but are limited in monetary expenditures to $100.00 per day, to be used only for personal travel related expenses, and are prohibited from conducting business dealings with Vietnam or citizens of Vietnam,

(3) the international community, exclusive of the United States, has significantly increased its commercial contacts within Vietnam, and that foreign investment in Vietnam doubled from January 1989 to January 1990,

(4) the government of the Socialist Republic of Vietnam has been cooperative in working with the United States and other nations toward a settlement of the Cambodian political situation,

(5) by the end of 1989, the government of Vietnam had completed a withdrawal of its combat troops from the territory of Cambodia,

(6) pending a final Cambodian settlement, the remaining questions regarding U.S. POW's and MIA's are the most important factor in determining the future course of United States-Vietnamese relations.

II. It is the Sense of the Senate, that in recognition of the fact that the government of Vietnam has been cooperative in working toward a resolution of longstanding issues of conflict with the United States, that

(1) the $100.00 per day limit on personal expenses of United States citizens travelling in Vietnam should be raised to an appropriate level.

HUMPHREY AMENDMENT NO. 3078

Mr. KASTEN (for Mr. HUMPHREY) proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 108, line 6, strike "up to $70,000,000 may" and insert therein "$70,000,000 shall".

KASSEBAUM (AND OTHERS) AMENDMENT NO. 3079

Mr. KASTEN (for Mrs. KASSEBAUM, for herself, Mr. CHAFEE, Mr. BOSCHWITZ, and Mr. DOLE) proposed an amendment to the bill H.R. 5114, supra, as follows:

At appropriate place add following new section:

SEC. . The United States Congress commends Israel's decision to open the schools on the West Bank announced on June 22, 1989, including the opening of all colleges, the Al-Quds University on June 16, 1990, and Bethlehem University on August 30, 1990. The Congress understands that all schools will be open at an early date, and expresses the hope that they will remain open, and will be respected and regarded by all parties as places of learning.

MACK AMENDMENT NO. 3080

Mr. KASTEN (for Mr. MACK) proposed an amendment to the bill H.R. 5114, supra, as follows:

The Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 671. INDEX OF ECONOMIC FREEDOM.—(a) DEVELOPMENT OF INDEX.—Not later than six months after the date of enactment of this section, the Administrator of the Agency for International Development, in consultation with the Secretary of the Treasury and private indigenous institutions in less developed countries, shall develop a system for evaluating, on a country-by-country basis, the economic freedom and opportunities of individuals in countries eligible for assistance under part I of the Foreign Assistance Act of 1961. Such system shall be referred to as the 'Index of Economic Freedom' (hereafter in this section referred to as the 'Index').

"(b) EXTENSION OF TIME.—The President may extend the date by which the Index is required to be developed by an additional ninety days if he determines that the period specified under subsection (a) for the development of the Index is inadequate.

"(c) FACTORS EVALUATED BY THE INDEX.—The Index shall assign a numerical rating for each of the following factors based on the degree to which each such factor reflects the degree of economic freedom and opportunity in a country and other relevant economic factors:

"(1) PROPERTY RIGHTS.—The extent to which poor or landless individuals are illegally or otherwise artificially constrained from acquiring land or other forms of property or are unable to gain secure legal title to land, the degree to which laws and an independent judiciary protect private property and enforce contracts for individuals against the government, the extent of nationalization of property and the state's power to nationalize private property, and the degree of access of private parties to the judicial system.

"(2) REGULATIONS.—The difficulty and costliness of securing a business license, regulations which inherently favor established business at the expense of newcomers, and limitations on the freedom and ability of citizens to establish businesses or add prohibitive costs or additional risks to maintaining such businesses.

"(3) INFORMAL SECTOR.—The extent to which government policies force economic activity into nominally illegal informal sectors where otherwise legal activities are conducted outside of government regulations and requirements, and the extent to which those policies discourage the development of locally controlled non-governmental institutions.

"(4) WAGE AND PRICE CONTROLS.—The identity of industries or goods which are subject to government mandated wages or prices, the value of goods sold wholesale and retail subject to price controls, the degree to which private farmers are forced to sell produce at government established prices, and the degree to which farmers are not allowed to profit from the real market price of their products.

"(5) TAXATION.—The highest rate of taxation, the income level at which this rate takes effect, the relationship between per-capita income and the level at which the highest rate of taxation takes effect, rate of the value added tax (VAT), the level of taxation on assets, and the rate of monetary inflation.

"(6) TRADE POLICY.—Customs duty rates, quantitives restrictions on imports, import quotas, import prohibitions, foreign exchange availability for those engaged in international trade, export taxes, restrictive export practices, market-distorting export incentives such as subsidies, import licenses, and country-of-origin restrictions.

"(7) RESTRICTIONS ON INVESTMENT AND CAPITAL FLOWS.—Limitations on foreign investment and foreign ownership, limits on repatriation of principal and profits for foreign investors, and restrictions on removal of foreign or domestic capital from the home country.

"(8) SIZE OF STATE SECTOR.—Value of industries owned by the government, percentage of GNP produced by state-owned industries, prohibitions on private economic activities in certain sectors and the value of the state sector assets.

"(9) BANKING.—Degree of government ownership of banking sector, private citizens rights to own and operate banks and citizens' access to private sources of credit.

"(d) REPORT.—Beginning two years after the date of enactment of this section, and every twelve months thereafter, the Administrator shall apply the Index to each country which is eligible for assistance under part I of the Foreign Assistance Act of 1961 on that date and, based upon such evaluation, shall submit to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate a report setting forth the findings of that evaluation. In making that evaluation, the Administrator shall rely, to the maximum extent practicable, on data supplied by private indigenous institutions in less developed countries.

"(2) the annual congressional presentation materials for foreign assistance shall include, for each country for which assistance is proposed, the corresponding data from the latest report submitted under paragraph (1).

"(e) DETERMINATION OF COUNTRIES ELIGIBLE FOR UNITED STATES SUPPORT.—Beginning two years after the date of enactment of this section, no assistance, financing, guaranty, insurance, or reinsurance may be extended under part I of this Act (other than chapters 8 and 9 relating to international narcotics control and disaster assistance), with respect to a foreign country unless the advisability of furnishing support for that country has been considered, in light of the data on that country contained in the latest report submitted under subsection (d).

"(f) USE OF INDEX TO EVALUATE COUNTRIES RECEIVING UNITED STATES ASSISTANCE.—In furnishing development assistance under chapter 1 of part I of this Act, the Administrator shall use the Index to promote improvements in the underlying economic conditions evaluated by the Index while retaining flexibility in designing and implementing development programs and projects. The Administrator shall use the Index as a basis for evaluating the direction of policy changes in less developed countries and as a basis for evaluating specific projects and

programs assisted by the Agency for International Development.".

MITCHELL (AND DOLE) AMENDMENT NO. 3081

Mr. KASTEN (for Mr. MITCHELL, for himself and Mr. DOLE) proposed an amendment to the bill H.R. 5114, supra; as follows:

On page 37, line 26, insert ", based on recommendations of the bipartisan joint leadership of Congress," before "for the newly".

On page 154, line 24, insert "(a)" after the section designation.

On page 155, after line 9, insert the following new subsection:

(b) Of the funds made available in subsection (a)(4) under the heading "Assistance for eastern Europe", $750,000 shall be available only to assist development of the Polish Senate and Sejm Parliamentary Library and Research Center.

HELMS AMENDMENT NO. 3082

Mr. KASTEN (for Mr. HELMS) proposed an amendment to the bill H.R. 5114, supra, as follows:

At the end of the bill, add the following new section:

SEC. . FIRST-CLASS AIR TRAVEL RESTRICTIONS.

The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks and of the International Monetary Fund—

(1) to seek the adoption, within 12 months after the date of the enactment of this section, of administrative procedures prohibiting personnel of their respective banks and the affiliates of such banks, and of the Fund, from using first-class air travel for business of such banks or of the Fund.

(2) if such procedures are not so adopted, report to the Secretary and Congress on the estimated additional costs (if any) incurred by their respective banks or the Fund by reason of the use of first class air travel by personnel of such banks or of the Fund in lieu of coach or business class air travel, who shall make such report available to the Congress on request.

NONDEVELOPMENTAL ITEMS ACQUISITION ACT

LEVIN (AND OTHERS) AMENDMENT NO. 3083

Mr. FORD (for Mr. LEVIN, for himself, Mr. COHEN, Mr. GLENN, and Mr. ROTH) proposed an amendment to the bill (S. 1957) to provide for the efficient and cost effective acquisition of nondevelopment items for Federal agencies, and for other purposes, as follows:

On page 15, beginning with line 14, strike out all through line 10 on page 16.

On page 16, line 11, strike out "(e)" and insert in lieu thereof "(d)".

On page 17, line 1, strike out "(f)" and insert in lieu thereof "(e)".

On page 17, strike out lines 8 through 19.

On page 18, line 15, insert "promoting full and open competition," after "responsible for".

On page 18, line 16, strike out "and for" and insert in lieu thereof ", and",

On page 19, line 6, beginning with the comma strike out all through line 7.

On page 19, line 16, strike out "recommendations on the creation of" and insert in lieu thereof "a review of the feasibility of creating".

On page 19, strike out lines 20 through 23 and insert in lieu thereof:

(3) such recommendations for changes in law or regulation as the Comptroller General may consider appropriate.

CONGRESSIONAL AWARD AMENDMENTS OF 1990

GLENN AMENDMENT NO. 3084

Mr. FORD (for Mr. GLENN) proposed an amendment to the act (H.R. 5275), an act to amend the Congressional Award Act to temporarily extend the Congressional Award Board, and to otherwise revise such Act, as follows:

On page 1, strike out line 8 through line 14 on page 2 and insert in lieu thereof:

(a) TERMINATION OF THE BOARD.—Section 9 of the Congressional Award Act (2 U.S.C. 808) is amended to read as follows:

"TERMINATION

"SEC. 9. The Board shall terminate October 1, 1992.".

(b) SAVINGS PROVISION.—During the period October 1, 1990, through the date of the enactment of this section, all actions and functions of the Congressional Award Board under the Congressional Award Act (2 U.S.C. 801 et seq.) shall have the same effect as though no lapse or termination of the Board ever occured.

NATIONAL WEEK TO COMMEMORATE THE VICTIMS OF THE FAMINE IN UKRAINE, 1932-1933

KASTEN AMENDMENT NO. 3085

Mr. KASTEN proposed an amendment to the bill (S.J. Res. 329) to designate the week of June 12, 1990 through June 23, 1990, as "National Week to Commemorate the Victims of the Famine in Ukraine, 1932-33", and to commemorate the Ukrainian famine of 1932-33 and the policies of Russification to suppress Ukrainian identity; as follows:

On page 3, line 4, strike after the week of June 17, 1990, through June 23, 1990, and insert on page 3, line 4 the week of November 3, 1990, through November 10, 1990.

COMPUTER SOFTWARE RENTAL AMENDMENTS ACT OF 1990

HATCH (AND OTHERS) AMENDMENTS NO. 3086

Mr. FORD (for Mr. HATCH, for himself, and Mr. DECONCINI) proposed an amendment to the House Amendment to the bill (S. 198), an act to amend title 17, United States Code, the Copyright Act to protect certain computer programs, as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

Strike out all after the enacting clause and insert in lieu thereof the following:

TITLE I—COMPUTER SOFTWARE

SEC. 101. SHORT TITLE.

This title may be cited as the "Computer Software Rental Amendments Act of 1990".

SEC. 102. RENTAL OF COMPUTER PROGRAMS.

Section 109(b) of title 17, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by striking paragraph (1) and inserting the following:

"(b)(1)(A) Notwithstanding the provisions of subsection (a), unless authorized by the owners of copyright in the sound recording or the owner of copyright in a computer program (including any tape, disk, or other medium embodying such program), and in the case of a sound recording in the musical works embodied therein, neither the owner of a particular phonorecord nor any person in possession of a particular copy of a computer program (including any tape, disk, or other medium embodying such program), may, for the purposes of direct or indirect commerical advantage, dispose of, or authorize the disposal of, the possession of that phonorecord or computer program (including any tape, disk, or other medium embodying such program by rental, lease, or lending, or by any other act or practice in the nature of rental, lease, or lending. Nothing in the preceding sentence shall apply to the rental, lease, or lending of a phonorecord for nonprofit purposes by a nonprofit library or nonprofit educational institution. The transfer of possession of a lawfully made copy of a computer program by a nonprofit educational institution to another nonprofit educational institution or to faculty, staff, and students does not constitute rental, lease, or lending for direct or indirect commercial purposes under this subsection.

"(B) This subsection does not apply to—

"(i) a computer program which is embodied in a machine or product and which cannot be copied during the ordinary operation or use of the machine or product; or

"(ii) a computer program embodied in or used in conjunction with a limited purpose computer that is designed for playing video games and may be designed for other purposes.

"(C) Nothing in this subsection affects any provision of chapter 9 of this title.

"(21)(A) Nothing in this subsection shall apply to the lending of a computer program for nonprofit purposes by a nonprofit library, if each copy of a computer program which is lent by such library has affixed to the packaging containing the program a warning of copyright in accordance with requirements that the Register of Copyrights shall prescribe by regulation.

"(B) Not later than three years after the date of the enactment of the Computer Software Rental Amendments Act of 1990, and at such times thereafter as the Register of Copyright considers appropriate, the Register of Copyrights, after consultation with representatives of copyright owners and librarians, shall submit to the Congress a report stating whether this paragraph has achieved its intended purpose of maintaining the integrity of the copyright system while providing nonprofit libraries the capability to fulfill their function. Such report shall advise the Congress as to any information or recommendations that the Register

of Copyrights considers necessary to carry out the purposes of this subsection."; and

(3) by striking paragraph (4), as redesignated by paragraph (1) of this section, and inserting the following:

"(4) Any person who distributes a phonorecord or a copy of a computer program (including any tape, disk, or other medium embodying such program) in violation of paragraph (1) is an infringer of copyright under section 501 of this title and is subject to the remedies set forth in sections 502, 503, 504, 505, and 509. Such violation shall not be a criminal offense under section 506 or cause such person to be subject to the criminal penalties set forth in section 2319 of title 18.".

SEC. 103. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) PROSPECTIVE APPLICATION.—Section 109(b) of title 17, United States Code, as amended by section 102 of this Act, shall not affect the right of a person in possession of a particular copy of a computer program, who acquired such copy before the date of the enactment of this Act, to dispose of the possession of that copy on or after such date of enactment in any manner permitted by section 109 of title 17, United States Code, as in effect on the day before such date of enactment.

(c) TERMINATION.—The amendments made by section 102 shall not apply to rentals, leasings, or lendings (or acts or practices in the nature of rentals, leasings, or lendings) occurring on or after October 1, 1997.

SEC. 104. RECORDATION OF SHAREWARE.

(a) IN GENERAL.—The Register of Copyrights is authorized, upon receipt of any document designated as pertaining to computer shareware and the fee prescribed by section 708 of title 17, United States Code, to record the document and return it with a certificate of recordation.

(b) MAINTENANCE OF RECORDS; PUBLICATION OF INFORMATION.—The Register of Copyrights is authorized to maintain current, separate records relating to the recordation of documents under subsection (a), and to compile and publish at periodic intervals information relating to such recordations. Such publications shall be offered for sale to the public at prices based on the cost of reproduction and distribution.

(c) DEPOSIT OF COPIES IN LIBRARY OF CONGRESS.—In the case of public domain computer shareware, at the election of the person recording a document under subsection (a), 2 complete copies of the best edition (as defined in section 101 of title 17, United States Code) of the computer shareware as embodied in machine-readable form may be deposited for the benefit of the Machine-readable Collections Reading Room of the Library of Congress.

(d) REGULATIONS.—The Register of Copyrights is authorized to establish regulations not inconsistent with law for the administration of the functions of the Register under this section. All regulations established by the Register are subject to the approval of the Librarian of Congress.

TITLE II—ARCHITECTURAL WORKS

SEC. 201. SHORT TITLE.

This title may be cited as the "Architectural Works Copyright Protection Act".

SEC. 202. DEFINITIONS.

(a) ARCHITECTURAL WORKS.—Section 101 of title 17, United States Code, is amended by inserting after the definition of "anonymous work" the following:

"An 'architectural work' is the design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.".

(b) BERNE CONVENTION WORK.—Section 101 of title 17, United States Code, is amended in the definition of "Berne Convention work"—

(1) in paragraph (3)(B) by striking "or" after the semicolon:

(2) in paragraph (4) by striking the period and inserting "; or"; and

(3) by inserting after paragraph (4) the following:

"(5) in the case of an architectural work embodied in a building, such building is erected in a country adhering to the Berne Convention.".

SEC. 203. SUBJECT MATTER OF COPYRIGHT.

Section 102(a) of title 17, United States Code, is amended—

(1) in paragraph (6) by striking "and" after the semicolon;

(2) in paragraph (7) by striking the period and inserting "; and"; and

(3) by adding after paragraph (7) the following: "(8) architectural works.".

SEC. 204. SCOPE OF EXCLUSIVE RIGHTS IN ARCHITECTURAL WORKS.

(a) IN GENERAL.—Chapter 1 of title 17, United States Code, is amended by adding at the end the following:

"§ 120. Scope of exclusive rights in architectural works

"(a) PICTORIAL REPRESENTATIONS PERMITTED.—The copyright in an architectural work that has been constructed does not include the right to prevent the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place.

"(b) ALTERATIONS TO AND DESTRUCTION OF BUILDINGS.—Notwithstanding the provisions of section 106(2), the owners of a building embodying an architectural work may, without the consent of the author or copyright owner of the architectural work, make or authorize the making of alterations to such building, and destroy or authorize the destruction of such building.".

(b) CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by adding at the end the following:

"120. Scope of exclusive rights in architectural works."

(2) Section 106 of title 17, United States Code, is amended by striking "119" and inserting "120".

SEC. 205. PREEMPTION.

Section 301(b) of title 17, United States Code, is amended—

(1) in paragraph (2) by striking "or" after the semicolon;

(2) in paragraph (3) by striking the period and inserting "; or"; and

(3) by adding after paragraph (3) the following:

"(4) State and local landmarks, historic preservation, zoning, or building codes, relating to architectural works protected under section 102(a)(8).".

SEC. 206. EFFECTIVE DATE.

The amendments made by this title apply to—

(1) any architectural work created on or after the date of the enactment of this Act; and

(2) any architectural work that, on the date of the enactment of this Act, is unconstructed and embodied in unpublished plans or drawings, except that protection for such architectural work under title 17, United States Code, by virtue of the amendments made by this title, shall terminate on December 31, 2002, unless the work is constructed by that date.

TITLE III—VISUAL ARTISTS RIGHTS

SECTION 301. SHORT TITLE.

This title may be cited as the "Visual Artists Rights Act of 1990".

SEC. 302. WORK OF VISUAL ART DEFINED.

Section 101 of title 17, United States Code, is amended by inserting after the paragraph defining "widow" the following:

"A 'work of visual art' is—

"(1) a painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of two hundred or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or

"(2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.

A work of visual art does not include—

"(A)(i) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication;

"(ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container;

"(iii) any portion or part of any item described in clause (i) or (ii);

"(B) any work made for hire; or

"(C) any work not subject to copyright protection under this title.".

SEC. 303. RIGHTS OF ATTRIBUTION AND INTEGRITY.

(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Chapter 1 of title 17, United States Code, is amended by inserting after section 106 the following new section:

"§ 106A. Rights of certain authors to attribution and integrity

"(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art—

"(1) shall have the right—

"(A) to claim authorship of that work, and

"(B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

"(2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation and

"(3) subject to the limitations set forth in section 113(d), shall have the right—

"(A) to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and

"(B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

"(b) SCOPE AND EXERCISE OF RIGHTS.—Only the author of a work of visual art has the rights conferred by subsection (a) in that work, whether or not the author is the copyright owner. The authors of a joint work of visual art are coowners of the rights conferred by subsection (a) in that work.

"(c) EXCEPTION.—(1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a distortion, mutilation, or other modification described in subsection (a)(3)(A).

"(2) The modification of a work of visual art which is the result of conservation, or of the public presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.

"(3) The rights described in paragraphs (1) and (2) of subsection (a) shall not apply to any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in subparagraph (A) or (B) of the definition of 'work of visual art' in section 101, and any such reproduction, depiction, portrayal, or other use of a work is not a destruction, distortion, mutilation, or other modification described in paragraph (3) of subsection (a).

"(d) DURATION OF RIGHTS.—(1) With respect to works of visual art created on or after the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, the rights conferred by subsection (a) shall endure for a term consisting of the life of the author.

"(2) With respect to works of visual art created before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, but title to which has not, as of such effective date, been transferred from the author, the rights conferred by subsection (a) shall be coextensive with and shall expire at the same time as, the rights conferred by section 106.

"(3) In the case of a joint work prepared by two or more authors, the rights conferred by subsection (a) shall endure for a term consisting of the life of the last surviving author.

"(4) All terms of the rights conferred by subsection (a) run to the end of the calendar year in which they would otherwise expire.

"(e) TRANSFER AND WAIVER.—(1) The rights conferred by subsection (a) may not be transferred, but those rights may be waived if the author expressly agrees to such waiver in a written instrument signed by the author. Such instrument shall specifically identify the work, and uses of that work, to which the waiver applies, and the waiver shall apply only to the work and uses so identified. In the case of a joint work prepared by two or more authors, a waiver of rights under this paragraph made by one such author waives such rights for all such authors.

"(2) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any copy of that work, or of a copyright or any exclusive right under a copyright in that work. Transfer of ownership of any copy of a work of visual art, or of a copyright or any exclusive right under a copyright, shall not constitute a waiver of the rights conferred by subsection (a). Except as may otherwise be agreed by the author in a written instrument signed by the author, a waiver of the rights conferred by subsection (a) with respect to a work of visual art shall not constitute a transfer of ownership of any copy of that work, or of ownership of a copyright or of any exclusive right under a copyright in that work.".

(f) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by inserting after the item relating to section 106 the following new items:

"106A. Rights of certain authors to attribution and integrity.".

SEC. 304. REMOVAL OF WORKS OF VISUAL ART FROM BUILDINGS.

Section 113 of title 17, United States Code, is amended by adding at the end thereof the following:

"(d)(1) In a case in which—

"(A) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

"(B) the author consented to the installation of the work in the building either before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, or in a written instrument executed on or after such effective date that is signed by the owner of the building and the author and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply.

"(2) If the owner of a building wishes to remove a work of visual art which is a part of such building and which can be removed from the building without the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), the author's rights under paragraphs (2) and (3) of section 106A(a) shall apply unless—

"(A) the owner has made a diligent, good faith attempt without success to notify the author of the owner's intended action affecting the work of visual art, or

"(B) the owner did provide such notice in writing and the person so notified failed, within 90 days after receiving such notice, either to remove the work or to pay for its removal.

For purposes of subparagraph (A), an owner shall be presumed to have made a diligent, good faith attempt to send notice if the owner sent such notice by registered mail to the author at the most recent address of the author that was recorded with the Register of Copyrights pursuant to paragraph (3). If the work is removed at the expense of the author, title to that copy of the work shall be deemed to be in the author.

"(3) The Register of Copyrights shall establish a system of records whereby any author of a work of visual art that has been incorporated in or made part of a building may record his identity and address with the Copyright Office. The Register shall also establish procedures under which any such author may update the information so recorded, and procedures under which owners of buildings may record with the Copyright Office evidence of their efforts to comply with this subsection.".

SEC. 305. PREEMPTION.

Section 301 of title 17, United States Code, is amended by adding at the end the following:

"(f)(1) On or after the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, all legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by section 106A and section 113(d) and the provisions of this title relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

"(2) Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any State with respect to—

"(A) any cause of action from undertakings commenced before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990;

"(B) activities violating legal or equitable rights that are not equivalent to any of the rights conferred by section 106A with respect to works of visual are; or

"(C) activities violating legal or equitable rights which extend beyond the life of the author.".

SEC. 306. INFRINGEMENT ACTIONS.

(a) IN GENERAL.—Section 501(a) of title 17, United States Code, is amended—

(1) by inserting after "118" the following: "or of the author as provided in section 106A(a)"; and

(2) by striking out "copyright." and inserting in lieu thereof "copyright or right of the author, as the case may be. For purposes of this chapter (other than section 506), any reference to copyright shall be deemed to include the rights conferred by section 106A(a).".

(b) EXCLUSION OF CRIMINAL PENALTIES.—Section 506 of title 17, United States Code, is amended by adding at the end thereof the following:

"(f) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Nothing in this section applies to infringement of the rights conferred by section 106A(a)."

(c) REGISTRATION NOT A PREREQUISITE TO SUIT AND CERTAIN REMEDIES.—(1) Section 411(a) of title 17, United States Code, is amended in the first sentence by inserting after "United States" the following: "and an action brought for a violation of the rights of the author under section 106A(a)".

(2) Section 412 of title 17, United States Code, is amended by inserting "an action brought for a violation of the rights of the author under section 106A(a) or" after "other than".

SEC. 307 FAIR USE.

Section 107 of title 17, United States Code, is amended by striking out "section 106" and inserting in lieu thereof "section 106 and 106A".

SEC. 308 STUDIES BY COPYRIGHT OFFICE.

(a) STUDY ON WAIVER OF RIGHTS PROVISION.—

(1) STUDY.—The Register of Copyrights shall conduct a study on the extent to which rights conferred by subsection (a) of section 106A of title 17, United States Code, have been waived under subsection (e)(1) of such section.

(2) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of this Act, the Register of Copyrights shall

submit to the Congress a report on the progress of the study conducted under paragraph (1). Not later than 5 years after such date of enactment, the Register of Copyrights shall submit to the Congress a final report on the results of the study conducted under paragraph (1), and any recommendations that the Register may have as a result of the study.

(b) STUDY ON RESALE ROYALTIES.—

(1) NATURE OF STUDY.—The Register of Copyrights, in consultation with the Chair of the National Endowment for the Arts, shall conduct a study on the feasibility of implementing—

(A) a requirement that, after the first sale of a work of art, a royalty on any resale of the work, consisting of a percentage of the price, be paid to the author of the work; and

(B) other possible requirements that would achieve the objective of allowing an author of a work of art to share monetarily in the enhanced value of that work.

(2) GROUPS TO BE CONSULTED.—The study under paragraph (1) shall be conducted in consultation with other appropriate departments and agencies of the United States, foreign governments, and groups involved in the creation exhibition dissemination, and preservation of works of art, including artists, art dealers, collectors of fine art, and curators of art museums.

(3) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report containing the results of the study conducted under this subsection.

SEC. 309. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b) and except as provided in subsection (c), this title and the amendments made by this title take effect 6 months after the date of the enactment of this Act.

(b) APPLICABILITY.—The rights created by section 106A of title 17, United States Code, shall apply to—

(1) works created before the effective date set forth in subsection (a) but title to which has not, as of such effective date, been transferred from the author, and

(2) works created on or after such effective date, but shall not apply to any destruction, distortion, mutilation, or other modification (as described in section 106A(a)(3) of such title) of any work which occurred before such effective date.

(c) SECTION 308.—Section 308 takes effect on the date of the enactment of this Act.

(d) This title does not authorize any governmental entity to take any action or enforce restrictions prohibited by the First Amendment to the United States Constitution.

TITLE IV—INTELLECTUAL PROPERTY RIGHTS

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS IN ANTITRUST CASES

SEC. 401. (a) SHORT TITLE.—This title may be cited as the "Intellectual Property Antitrust Protection Act of 1990".

(b) NO PRESUMPTION.—In an action in which the conduct of an owner, licensor, licensee, or other holder of an intellectual property right is alleged to be in violation of the antitrust laws in connection with the marketing, licensing, or distribution of a product, process, or service protected by such a right, the right shall not be presumed to define a market or establish market power.

(c) PROOF OF MARKET DEFINITION AND POWER.—In an action described in subsection (b), the trier of fact may find that an intellectual property right defines a market or establishes market power upon a showing by a preponderance of the evidence that a product, process, or service substantially equivalent to or substitutable for the product, process, or service protected by that right is not available to purchasers or licensees.

(d) DEFINITIONS.—For the purposes of this title—

(1) the term "antitrust laws" has the meaning stated in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)); and

(2) the term "intellectual property right" means a right, title, or interest—

(A) in subject matter patented under title 35 of the United States Code; or

(B) in a work, including a mask work, protected under title 17 of the United States Code.

TITLE V—PATENT REMEDY CLARIFICATION ACT

SEC. 501. SHORT TITLE.

This title may be cited as the "Patent Remedy Clarification Act".

SEC. 502. LIABILITY OF STATES, INSTRUMENTALITIES OF STATES, AND STATE OFFICIALS FOR INFRINGEMENT OF PATENTS.

(a) LIABILITY AND REMEDIES.—(1) Section 271 of title 35, United States Code, is amended by adding at the end the following:

"(h) As used in this section, the term 'whoever' includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.".

(2) Chapter 29 of title 35, United States Code, is amended by adding at the end the following new section:

"§ 296. Liability of States, instrumentalities of States, and State officials for infringement of patents

"(a) IN GENERAL.—Any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity, shall not be immune, under the eleventh amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court by any person, including any governmental or nongovernmental entity, for infringement of a patent under section 271, or for any other violation under this title.

"(b) REMEDIES.—In a suit described in subsection (a) for a violation described in that subsection, remedies (including remedies both at law and in equity) are available for the violation to the same extent as such remedies are available for such a violation in a suit against any private entity. Such remedies include damages, interest, costs, and treble damages under section 284, attorney fees under section 285, and the additional remedy for infringement of design patents under section 289.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 29 of title 35, United States Code, is amended by adding at the end the following new item:

"Sec. 295. Liability of States, instrumentalities of States, and State officials for infringement of patents.".

SEC. 503. EFFECTIVE DATE.

The amendments made by this title shall take effect with respect to violations that occur on or after the date of the enactment of this Act.

TITLE IV—SPORTS LOTTERY

SEC. 601(a). SHORT TITLE.—This title may be cited as the "Sports Lottery Act of 1990."

SEC. 601(b). LOTTERIES.

Section 1307 of title 18, United States Code, is amended—

(1) in subsection (a)(1) by inserting ", except a sports-related lottery," after "lottery";

(2) in subsection (a)(2) by inserting ", except a sports-related lottery," after "lottery";

(3) in subsection (b)(1) by inserting ", except a sports-related lottery," after "lottery";

(4) in subsection (b)(2) by inserting ", except a sports-related lottery," after "lottery";

(5) in subsection (d) by striking "'Lottery' does not include the placing or accepting of bets or wagers on sporting events or contests."; and

(6) by adding at the end the following:

"(e) For purposes of this section—

"(1) the term 'sports-related lottery' means an undertaking—

"(A) that involves the sale of tickets of chances and the awarding of cash or prizes based, directly or indirectly, on the games of a professional or amateur sporting event or contest, other than a horse race, and

"(B) which is—

"(i) conducted by a State acting under authority of State law; or

"(ii) conducted by a not-for-profit organization or a governmental organization; or

"(iii) conducted as a promotional activity by a commercial organization and is clearly occasional and ancillary to the primary business of that organization; and

"(2) the term a 'not-for-profit organization' means any organization that would qualify as tax exempt under section 501 of the Internal Revenue Code of 1986.".

(3) The term, "sports-related lottery" does not refer to such lotteries that were or are actually in operation in any state prior to October 19, 1990, provided that such lotteries are operated by the same state (or state-related organization that operated such lotteries during the aforementioned period.

Amend the Title 20 as to read "The Intellectual Property Act of 1990."

COMPUTER SOFTWARE RENTAL AMENDMENTS ACT OF 1990

HUMPHREY AMENDMENT NO. 3087

Mr. KASTEN (for Mr. HUMPHREY) proposed an amendment to the House amendment to the bill (S. 198), supra, as follows:

At the appropriate place in the bill, insert the following:

"TITLE —FREE SPEECH PROTECTION

"Section 1961(1) of title 18, United States' Code, is amended by adding at the end "but such term does not include participation in, or the organization or support of, any nonviolent demonstration, assembly, protest, rally, or similar form of public speech;"."

JOB TRAINING PARTNERSHIP ACT AMENDMENTS

SIMON AMENDMENT NO. 3088

Mr. FORD (for Mr. SIMON) proposed an amendment to the act (H.R. 3069), an act to amend the Job Training Partnership Act to establish an employment training program for displaced homemakers, and for other purposes, as follows:

On page 15, lines 23 and 24, strike "each displaced homemaker" and insert "displaced homemakers".

On page 16, line 23 strike "$50,000,000" and insert "$35,000,000".

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. LEAHY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Friday, October 19, 1990, at 11 a.m. to hold a closed conference meeting with the House Intelligence Committee on the fiscal year 1991 intelligence authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. LEAHY. Mr President, I ask unanimous consent that the full Committee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate 2:30 p.m., Friday, October 19, 1990, for a hearing to receive testimony on the nomination of Michael Joseph Bayer to be Federal Inspector of the Alaska Natural Gas Transportation System.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. LEAHY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on October 19, 1990, at 2 p.m., on the nomination of James L. Webb, to be U.S. Marshal for the Eastern District of Oklahoma.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. LEAHY. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be authorized to meet on Friday, October 19, 1990, for a markup on pending nominations before the Committee.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SUBPOENA AUTHORITY FOR S&L COMMISSION

● Mr. BIDEN. Mr. President, the S&L debacle is the single biggest financial scandal in U.S. history. Although many of the causes of the S&L crisis are well understood—including fraud and gross mismanagement by thrift insiders—the full story has not been told.

That's why I joined as an original cosponsor of S. 2903, the Dodd-Bond bill to establish a national commission to investigate the causes of the S&L crisis. This bipartisan commission would examine the full range of issues that contributed to the S&L debacle, including fraud, industry mismanagement, deregulation and other issues.

The original Dodd-Bond bill was carefully written to ensure that the commission was truly bipartisan and that it had the powers it needed to conduct a thorough and in-depth investigation. Particularly important were the provisions giving the commission the authority to subpoena witnesses and documents.

Last week, the Senate Judiciary Committee approved a compromise S&L fraud enforcement bill that would toughen criminal penalties for S&L fraud, expand criminal and civil forfeiture to recover every possible dollar of embezzled funds and prevent wrong-doers from hiding behind the bankruptcy code to avoid repaying their debts.

The bill also included a modified Dodd-Bond proposal to create a national S&L commission. The Justice Department strongly objected to the commission's subpoena authority, arguing that it could obstruct ongoing criminal investigations. The authors of the original S&L commission bill agreed to drop the subpoena authority, and the modified commission language was included in the bill approved by the committee last week. I supported this compromise to ensure that the bill moved quickly through committee for action by the full Senate.

However, I continue to support giving the commission full subpoena authority as proposed in the original bill. The S&L crisis involved extraordinary wrong-doing, and the commission must be able to compel testimony to ensure a credible and thorough investigation.

When the S&L fraud bill comes to the Senate floor, I intend to work with my colleagues to restore the commission's subpoena authority.

First and foremost, we need to pass a tough S&L fraud bill that severely punishes the white-collar criminals who embezzled billions of dollars from innocent depositors and taxpayers.

But we also need an independent commission with full authority to investigate the causes of the S&L crisis and to provide a frank, comprehensive report to the American public.●

TRIBUTE TO MARY MacCORNACK FORSYTHE

● Mr. DURENBERGER. Mr. President, when the Minnesota State Legislature gavels into session in 1991, it will be missing one of its most valued assets. Mary Forsythe, the Independent-Republican representative of House District 42B covering most of the city of Edina, is retired after nearly two decades in the Minnesota House of Representatives.

Mary MacCornack Forsythe, a doctor's daughter originally from Whitehall, WI, is a long time resident of Edina. She holds a bachelor of music degree from St. Olaf College and has received the college's Distinguished Alumnus Award.

After graduation, Mary taught public school music in Virgua, WI, and in her hometown of Whitehall. In 1942, she married fellow St. Olaf graduate, Robert A. Forsythe, currently a Hennepin County district judge. Following World War II, the Forsythes moved to the Twin Cities while Bob attended the University of Minnesota Law School. The Forsythes lived in Washington, DC, while Bob served as Assistant Secretary for the Department of Health, Education and Welfare in the Eisenhower administration and Mary served as a member of the Sub-Cabinet Wives' Club. The Forsythes returned to the Twin Cities and moved to Edina in 1962.

Mary Forsythe has been a strong leader for the Independent-Republican Party in Minnesota for nearly 30 years. When Mary was first elected in 1972, she was the first woman to represent her district in suburban Minneapolis. At that time, there was one woman in the Minnesota House of Representatives. Four other women were elected along with Mary Forsythe to the House of Representatives. Mary has been soundly reelected with more than 80 percent of the vote in each of her eight subsequent election campaigns.

During her career in the Minnesota State Legislature, Mary has earned the respect of members from both political parties. While serving in the majority during the 1985–86 session, she chaired the powerful House Appropriations Committee. She was the first woman in the history of the Minnesota House to chair a major committee. Mary authored and was responsible for Minnesota's mandatory seatbelt law. She sponsored legislation for the handicapped in Minnesota, providing funding for people who adopt hard-to-adopt children. She was instrumental

in the construction of the maximum security facility at Oak Park Heights and the new women's prison at Shakopee. The education wing of the new Shakopee Prison building is dedicated to Mary Forsythe.

Mary has been active in the community in many ways. She has served as a member of the board of directors of the Fairview Hospital corporate board. She has been a member of the board of directors of Fairview Riverside Hospital. She has been a member of the board of directors of the Guthrie Theatre and a leader of both the girl scouts and the cub scouts.

She and her family have been longtime members of the Bethlehem Lutheran Church at 41st and Lyndale in Minneapolis. Mary has been a columnist for the Lutheran newsletter.

Mary and Robert Forsythe have five children: Robert Jr., Polly, Jean, Ann, and Joan; and 10 grandchildren: Jon Forsythe, Kerstin Forsythe, Ann Lindholm, Carl Peterson, Matthew Peterson, Keri Johnson, Kristin Johnson, Erin Smith, Andrea Smith, and Laura Smith.●

PEACE CORPS WORLDWIDE SCHOOLS

● Mr. BOREN. Mr. President, I cannot help but share my enthusiasm with you about what is happening today in the State of Oklahoma regarding the Peace Corps' World Wide Schools Program. Five hundred schools across the State of Oklahoma are committed to developing a better understanding of people throughout the world by linking together Peace Corps Volunteers and Oklahoma classrooms.

At this moment, 1,218 volunteers are working with more than 20,000 students in classrooms in all 50 States. Peace Corps' partnership with education will result in an awareness of people, their culture, and a lasting relationship between students, teachers, and volunteers.

There have been World Wide classrooms, schools, and even World Wide cities. The city of Tulsa received such an honor last month. But Oklahoma has become one of the first World Wide States, and we look forward to the opportunities for learning that this program will bring to the children and young people of our State.

The founders of Peace Corps realized the importance of returned volunteers bringing back to the United States and sharing an understanding of other people and their cultures. This was noted in the Act as Peace Corps' "third goal." Senator CRANSTON offered an amendment in 1985, which directed Peace Corps to initiate programs that would show progress toward this very important third goal objective. Earlier this year, the GAO, reporting on third goal progress in the 1980's, emphasized the need for immediate action on the development of such programs.

Peace Corps Director Paul Coverdell responded to this direction by Congress and the GAO by establishment of the World Wide Schools Program, the Peace Corps Fellows/USA, and continued support of the activities of the Council of Returned Peace Corps Volunteers. The response to these efforts have been truly exciting.

Peace Corps Fellows/USA brings together returned volunteers with unique talents, language, and cross-cultural skills with some of the most outstanding higher education institutions in America. The Columbia University program combines their graduate education program with a teaching assignment in an inner-city school. Tough schools get terrific teachers, and terrific teacher earned subsidized master's degrees thanks to private contributions. In addition, a fine teachers college has a unique international/urban living laboratory. Similar programs are in place at the University of Southern California, Florida International University, George Washington University, and Georgia College, and Georgia State University.

Mr. President, a Peace Corps volunteer's work is only two-thirds done when they complete their valuable service in one of the 72 developing countries throughout the world. They have responded to the countries' need for skilled trained Americans, and they have helped promote a better understanding of the American people on the part of the people served. Their work, however, is completed when they share this knowledge, cultural awareness, and experiences with their fellow citizens at home.

I commend the Peace Corps, Director Coverdell, and the thousands of Peace Corps volunteers who have worked hard to achieve these three goals and to encourage better understanding between people in the United States and throughout the world.●

NATIONAL HISPANIC HERITAGE MONTH

● Mr. RIEGLE. Mr. President, I rise in celebration of National Hispanic Heritage Month. From September 15 to October 15, 1990, Americans proudly rejoiced in the achievements and accomplishments of the Hispanic-American community. Among my constituents in Michigan, there are many outstanding individuals of Hispanic descent who are leaders in the true sense of the word. I would like to take a moment to recognize some of these people today.

Oswardo Rivera, director of La Casa Family Services in Detroit, has been instrumental in the Hispanic community's fight against substance abuse for many years. In 1974, Mr. Rivera, sensing a real need for a community-oriented substance abuse prevention program sensitive to the needs of the Hispanic community, created La Casa Family Services. This agency has been an outstanding example of a community-based social service organization. Furthermore, since its inception, La Casa has tripled in size and has received national attention for its AIDS prevention program. Today, this organization, under the insightful leadership of Mr. Rivera, continues to grow and serve the community in response to the considerable demand for its vital services.

The arts have also benefited greatly by another of my constituents, Maria del Carmen. In 1981, Ms. del Carmen founded Maria del Carmen's Grupo España, a dance company dedicated to bringing Spanish culture, music, and dance to the United States. Ms. del Carmen, an accomplished dancer in her own right, has appeared throughout Michigan and has worked closely with the Michigan Opera Theatre, the Warren Symphony Orchestra, and the Southfield Symphony. Recently, she received the title of Dame and a medal of commendation from the King of Spain for her efforts to bring Hispanic culture to the United States. This is the highest honor which Spain can bestow upon a foreign national. Ms. del Carmen brings great recognition to the successes of Hispanics in our community and is richly deserving of praise.

In government as well as the political arena, Jane Garcia has contributed many hours of her time working to strengthen the Hispanic community and its ties to Michigan. Currently, she works at the Census Bureau and makes special efforts to ensure that all Hispanics are counted. Undoubtedly, the ramifications of the final census figures are critical for the Hispanic-American community because they are the basis for the allocation and distribution of the benefits of our representative democracy. Ms. Garcia has been politically active for years and is currently vice president of LA SED—Latin Americans for Social and Economic Development, vice president of United Way in Detroit, and serves on the boards of United Way, New Detroit, Inc., and SER (Service, Employment, and Redevelopment). Her activism has been instrumental in the growing political sophistication within Michigan's Hispanic community. I admire Ms. Garcia's determination and vision throughout the years.

These fine individuals are only a few of the outstanding Hispanic-Americans in Michigan whose contributions have enlightened and enriched our community and Nation as a whole.

By the year 2000, the Hispanic population will exceed 30 million—15 percent of our Nation's total population.

That is a significant development with considerable implications for the social fabric of the Nation. With leaders such as Oswardo Rivera, Maria del Carmen, and Jane Garcia, the Hispanic-American community can be sure that it will be well represented in all social, cultural, and political aspects of our society as we proceed into the 21st century.●

A TRIBUTE TO DR. BOB KELLY

● Mr. DURENBERGER. Mr. President, I would like to take a moment to recognize a man who has distinguished himself as a family physician at the Itasca Clinic in Minnesota. Dr. Bob Kelly's 39 years of service to the people in the Grand Rapids are an inspiration to any medical student considering a career in medicine. I have had the good fortune of knowing Bob as both a friend and a man dedicated to the needs of his patients. As a leader in the Grand Rapids community Dr. Kelly has made a significant contribution to his profession and to rural health care. The numerous awards and offices he holds are a testament to his continuing commitment to health care.

An article from the Northern Lakes Consortium newsletter details the dedication and many accomplishments of Dr. Bob Kelly.

The article follows:

NORTHERN LAKES CONSORTIUM

Bob Kelly of the Itasca Clinic is a family physician. For the past 39 years he has been an important part of generations of families in the Grand Rapids, Minnesota area. He has delivered their babies, mended their bones, treated their illnesses, attended their weddings and baptisms, and when called on, served as their pall bearer. He has directly touched the lives of thousands of his patients.

"These personal relationships," Dr. Kelly maintains, "are the real rewards of family practice." He describes them as "food for the soul."

"If you want to get rich quick," Kelly advises medical students, "don't go into family practice. You can make more money in other specialties. But if you want to make a good living, be able to send your kids to college, be blessed with a lot of friends, and make a meaningful contribution to the lives of others, then family medicine is a greater career choice. You simply have to decide what you want to do with your life."

A life of contribution appears to have been the choice of Dr. Kelly. His innumerable contributions to his patients are well documented, and have made him one of the best-liked, most respected individuals in Itasca County. "Bob Kelly is an institution to the Grand Rapids area," commented Itasca Medical Center C.E.O., Dave Triebes. "His leadership and his ability to work with everybody in the medical community has resulted in an unusually high level of physician cooperation in Itasca County. To some degree he's like the godfather of our health care system."

Kelly has also made significant contributions to his profession and to rural health care at both the state and national levels. His resume of offices held and awards won is voluminous. In recognition of his distinguished career, for example, he has been given the Merit Award by the American Academy of Family Physicians, the Shotwell Award as an Outstanding Physician of Minnesota, the Distinguished Service Award by the Minnesota Medical Association, the JCAH Commendation Award, the WCCO Good Neighbor Award, and the Commendation Award by the American Medical Association.

His medical leadership positions, which are too extensive to list in their entirety include:

President of the Minnesota Medical Association;

President of the Range Medical Association;

Delegate to AMA (Since 1968);

Member of the AMA Board of Trustees;

Member of the JCAH Board of Commissioners; and

Member of the National PSRO Advisory Council.

When Congress passed legislation establishing an Office of Rural Health Policy several years ago Bob Kelly was appointed to the organization's original Rural Health Advisory Committee. Since that time he has worked tirelessly to obtain rural health payment equity and to ensure an adequate supply of health professionals for rural areas. According to Jeff Human, Executive Director of the Federal Office of Rural Health Policy, "Bob is one of the most knowledgeable, most outspoken members of our Committee. I appreciate his candor and his willingness to take on difficult issues. He is never intimidated by Washington officials, whether it's (HHS Secretary) Dr. Louis Sullivan or anyone else. I can always count on Bob to represent the rural physician point of view and to ask the tough questions."

With all of his professional accomplishments and community service, Dr. Kelly puts his own family first. His wife Donna, daughters Ruth, Colleen and Betty, and son Tom are proudly listed at the top of his curriculum vitae. He credits them with making his other contributions possible.

Next February, Dr. Bob Kelly will retire from family practice. Although he plans to remain active with other projects, he will be missed by the families he has served for the past four decades. Unlike others who have left the profession in anger or frustration due to recent changes, Kelly is optimistic about the future of medicine. "We have an outstanding medical system in this country," he maintains, "it's been a privilege being part of it."●

ORTHOPAEDIC NURSES DAY

● Mr. LEVIN. Mr. President, I rise today to pay tribute to an important skill in our medical community in honor of "Orthopaedic Nurses Day," October 30, 1990.

Musculoskeletal disease is a major health problem that affects all ages. Conditions such as congenital diseases of infants, trauma resulting from vehicular accidents and degenerative diseases of the aged, strike 23 million Americans.

Orthopaedic nurses play a vital role in providing professional, competent care to patients with musculoskeletal disease. They offer the specialty of orthopaedic nursing in a variety of settings, including; hospitals, clinics, nursing homes, private homes, and physician offices.

The National Association of Orthopaedic Nurses has responded to the ever-increasing complexity of technology in their field. Additionally, their efforts to maintain and upgrade professional standards of practice in orthopaedic nursing has tirelessly continued. Clearly, orthopaedic nurses in Michigan, as well as all other States in our nation, deserve the Nation's recognition on October 30, 1990, "Orthopaedic Nurse Day."●

LEBANON'S AGENCY CONTINUES

● Mr. KERRY. Mr. President, on August 7, 1987, I addressed this body expressing my hope for Lebanon and that tragic country's long-suffering people.

At that time I was encouraged by the optimism of then-President Amin Gemayel. I was pleased, although somewhat surprised, that despite all of the trauma Lebanon has faced over the years, the President and others were so optimistic about a Lebanese future of democracy and peace.

My hope for Lebanon's future has not ceased. We in the Congress have recognized the need to assist this country with development assistance and humanitarian aid. And while we have continued to provide such assistance, we need to explore ways to do more, particularly in light of recent events.

But, Mr. President, I am troubled by reports emanating from Lebanon, specifically from East Beirut, about the final battle between Syrian Forces supporting Lebanese President Elias Hrawi's government and those loyal to Gen. Michel Aoun.

Today, the New York Times reported, in a page one story, that possibly 750 people were killed and over 1,200 wounded in the assault on Michel Aoun's stronghold. There were reports of a Catholic nun witnessing 30 corpses of dead Lebanese who were believed to have been killed with their hands tied behind their backs.

While charges and counter charges are flying from all sides, one thing is crystal clear. Before Lebanon can achieve the peace it so right deserves, an understanding must be reached by all parties involved about this most recent atrocity. That's why an independent investigation is required.

The French Government has requested that U.N. Secretary General, Javier Perez de Cuellar, investigate allegations that Syrian Forces may have executed members of General Aoun's forces that had surrendered or were captured. Amnesty International has called for the Lebanese Government to launch its own investigation. I urge

President Bush, in the strongest possible terms, to support the French Government's request to the U.N. Secretary General for an independent investigation.

Mr. President, organizations like Catholic Relief Services, UNICEF, and the Lebanese YMCA have been instrumental in providing assistance to the Lebanese civilian population. World Vision has played an important role in providing food distribution services throughout Beirut as well. We in the Congress need to recognize these efforts and must be willing to support additional assistance wherever we can.

However, it should be noted that the Syrian assault not only contributed to needless death and casualties, but also stopped the distribution of food to innocent civilians.

Unless an independent investigation is undertaken, there will continue to be a lingering sense of hate and mistrust towards the current Lebanese Government of President Elias Hrawi, which enjoys the support of Syria. I would like to stress the importance of undertaking an independent investigation not only into the allegations of atrocities committed by both sides, but also into the reported disruption of humanitarian relief efforts by World Vision and other agencies.●

CHOICE

● Mr. DODD. Mr. President, I rise today to salute an outstanding youth program run in the Baltimore area called Choice, which is helping troubled adolescents to lead positive and productive lives. Choice is a community-based supervision program that offers young people guidance during a period in their lives when they are confronted with many difficult decisions. The present director and founder of Choice, Mark Shriver, has extended great efforts to make this unique program successful in providing positive direction to scores of abused, neglected, and delinquent adolescents. Mark Shriver's tireless effort to provide funding for and direct the activities at Choice is laudable. Mr. President, the success of Choice was reported on recently in the Washington Post and I would ask that the full text of the article be printed in the RECORD.

The article follows:

MAKING A CHOICE TO SAVE THE CHILDREN

By Colman McCarthy

BALTIMORE—With a workweek that averages 70 hours, leaving the job at midnight and being back at 8 a.m. is routine for James Stokes. It was that way when I spent a recent Saturday morning with the 22-year-old caseworker for Choice, a community-based supervision program for delinquent, abused or neglected adolescents run by the University of Maryland Baltimore County.

The night before, Stokes, who graduated from Morgan State last May where he was a 240-pound fullback, was in the Cherry Hill section of South Baltimore. It is a public-housing barrio with families vying heroically against drug dealing, gunfights and high unemployment, where life is almost feral. Stokes went there near midnight to visit the home of an emotionally troubled 16-year-old girl who has a junkie for a boyfriend and a mother at wit's end. In the morning, Stokes would be back at the girl's home again, and with another visit in the afternoon.

The intensity of the supervision is one reason that both Maryland officials and the families of about 70 youths served in Choice see the program as a rarity that goes as far as possible with kids on the way to being as far lost as imaginable. Some are street hustlers, most have school problems, others have chaotic home lives and all have sent up flags of distress that were ignored until James Stokes and his fellow rescuers came along.

A traditional way of dealing with problem children is to process them into some kind of treatment system, and then, if a social worker is available, offer an hour of counseling a week, if that. It takes place in an office, often across town and if the session is skipped neither party much cares. The 10 caseworkers at Choice see their charges between three to five times a day, with a daily written record of progress or problems.

If trouble arises on a Friday night—at 3 a.m. or 3 p.m.—a James Stokes is there. He and his nine colleagues look after eight children each. "It would be nice," Stokes said, "if kids got into trouble between 9 and 5. They don't. When we show up to be with them at any hour and at any place, even on Saturdays, Sundays and holidays, that makes a difference. They know we care."

In time, they also know that Stokes and the others are not coddlers. If a child misses school, the caseworker goes to the home and brings him into class. If she's hanging out on street corners, a visit is made there to talk. If a counseling or tutoring session is missed, the absentee is tracked down. "Often we have to be the heavies," Stokes says, "and be someone in their lives who gives both support and discipline. We'll be their best friend but not their best pushover. A lot of them need firmness. After a while they respond to it. They appreciate it."

Now in its third year, Choice has had results that show the extra exertions are worth it. An independent report on 25 youths states that "when comparing the six months prior to Choice involvement with six months after, there is a 64 percent reduction in the number of arrests." A 20 percent decline in re-arrests is considered a strong success. The costs have been shown to be much lower than what the state spends on institutional care for adolescents with similar problems.

The founder and on-site director of Choice is Mark Shriver, a 1986 Holy Cross graduate who combines the idealism of his father, Sargent Shriver, with the organizational talents of his mother, Eunice Kennedy Shriver. "Sure, I worry about people saying that this is just another bleeding-heart liberal program," Shriver said at the Cherry Hill office. "That's the usual put-down. But no hearts are bleeding here. Instead, they are beating with plenty of demands on the kids that they be accountable for their actions."

In three years, Shriver, with hands calloused from shaking the money tree, has raised $1 million in state and private funds. He has sought to bring the Cherry Hill families into helping with decisions about the program. Each of the 10 caseworkers was recruited by Shriver on visits to college campuses where he persuaded graduating seniors to skip the IBM and other big job interviews and come be radicalized by the raw toil of being with the uncared-for young.

That has a ring of inconsequentiality to it, compared with the heraldic declarations of wars against drugs and crime. But what have the latter achieved, except more arrests and re-arrests, more prisons and more hopelessness about solutions? Choice works with youths at a time in their troubled lives when they can be turned around, not later when they are aduits beyond help and can only be turned away.

Maryland's Choice needs to become the national choice.●

THE KIDNAPPING OF JACOB WETTERLING OF ST. JOSEPH, MN

● Mr. DURENBERGER. Mr. President, it will be 1 year this coming Sunday since kidnapping of 11-, now 12-year-old Jacob Wetterling. This crime has shaken the soul of Minnesota and the Nation.

On Sunday, October 22, 1989, at about 9:15 in the evening Jacob Wetterling, his brother and a friend were bicycling home from a local convenience store within 2 miles of their home. It was a trip they had taken many times, but because it was dark and chilly, they wore extra bright clothing and brought a flashlight to protect them from cars. The path to and from the store took them down a deserted rural road and it was on this road that the boys were stopped by a masked man waving a gun who abducted Jacob and ordered the others to run home or he'd shoot them.

That was the last anyone heard from 11-year-old Jacob Wetterling. And to this day—1 year later—despite a massive investigation by Federal, State, and local law enforcement officials, national media attention, thousands of dead-end leads, and daily prayers, there is no clue as to Jacob's whereabouts or the identity of the perpetrator of this heinous crime.

As you can imagine, Mr. President, this crime has shaken the foundation of those of us from Minnesota. One of the crime's most disturbing aspects is where this crime took place: in St. Joseph, MN. St. Joseph is a small town of 3,000 located in the heart of Minnesota where I spent many childhood days. It is a town guided by family values, where people work together, go to church together, and care for each other. It is a town that symbolizes the best virtues of America's small towns. Crime, as we know it here in Washington, DC, is nonexistent. In fact as one neighbor said, "We don't even lock our doors in St. Joes!" Thus, a crime of this magnitude shocks our senses.

Since that awful day, Jacob has become a national symbol of an in-

creasingly disturbing problem of child abduction. His picture has been on the posters all over the country, even in a gas station in the Florida Keys. His family and friends have established a foundation to publicize this crime and the crime of child abduction as well as help find other missing children. And, even a year later and after countless disappointments, the Wetterling family is joined by hundreds of volunteers and law enforcement officers every day in their effort to find Jacob. Theirs is a labor of love and undiminished hope.

Words, Mr. President, cannot express the pain of such a tragedy. We can only pray for Jacob and his safe return and reach out to his family to ease their anguish. And, finally, we cannot never forget Jacob. Only our vigilance and continued search will bring him home.

We cannot forget Jacob.●

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, FISCAL YEAR 1991—CONFERENCE REPORT

Mr. FORD. Mr. President, I submit a report of the committee of conference on H.R. 5019 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5019) making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 16, 1990.)

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5019) entitled "An Act making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes.".

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 8, 19, 20, 21, 27, 28, 29, 30, 32, 37, 39, 40, 44, 45, 62, 65, and 66 to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum stricken and inserted by said amendment, insert "$146,435,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 9 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided further,* That notwithstanding any other provision of law, the funds appropriated to the Corps of Engineers in Public Law 101-101 for Magnetic Levitation Research and Development activities are hereby authorized for expenditure only in accordance with the directions contained in Senate Report 101-83 and House Report 101-235: *Provided further,* That with $200,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to resume preconstruction engineering and design of the St. Louis Harbor, Missouri and Illinois, project".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 11 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided further,* That with $800,000 of the funds provided herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to accelerate preconstruction engineering and design for the Folly Beach, South Carolina, project and complete the General Design Memorandum by May 1991 so that project construction could begin in the fourth quarter of fiscal year 1992: *Provided further,* That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $300,000 of the funds appropriated herein to initiate and expedite a reconnaissance study to develop a recommended plan for flood damage prevention and other water resources problems along the Ohio River and its tributaries in Belmont and Jefferson Counties, Ohio: *Provided further,* That using $270,000 of funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to initiate and complete engineering and design of the Bethel, Alaska, bank stabilization project".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum stricken and inserted by said amendment, insert "$1,050,450,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 15 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum stricken and inserted by said amendment, insert: $4,100,000, which is to be utilized to construct emergency bank stabilization measures including repairs to revetments and realignments upstream of Shreveport, Louisiana, to Index, Arkansas, that were significantly damaged in the May 1990 flood in the Red River Basin".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 31 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum stricken and inserted by said amendment, insert "$344,606,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 35 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert ": *Provided further,* That $2,500,000 of the funds appropriated herein shall be used by the Secretary of the Army, acting through the Chief of Engineers, to continue the development of recreation facilities at Sepulveda Dam, California: *Provided further,* That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $3,500,000 of the funds appropriated herein for the Federal share of construction of access facilities in the McAlpine Lock and Dam navigation pool. The non-Federal interests shall be credited for previous work related to access, including $3,000,000 for 1,060 feet of the new downtown wharf. Non-Federal interests shall provide necessary easements to the Federal Government for construction of improvements at no cost to the Federal Government. Title for lands shall remain with non-Federal interests: *Provided further,* That $100,000 of the funds appropriated herein shall be used by the Secretary of the Army, acting through the Chief of Engineers, to continue the Sauk Lake, Minnesota, project: *Provided further,* That with $350,000 of the funds herein appropriated to remain available until expended, the Secretary of the Army, acting through the Chief of Engineers, is directed to use continuing contracts to design and construct a riverfront park at Charleston, West Virginia, in accordance with the cost sharing principles of Public Law 99-662 and as generally described in the September 1989 Reconnaissance Report of the Huntington District entitled, Charleston Riverfront Park, Winfield Navigation Pool, Kanawha River: *Provided further,* That no fully allocated funding policy shall apply to construction of Charleston Riverfront Park, West Virginia".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 46 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum stricken and inserted by said amendment, insert "$13,221,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 49 to the aforesaid bill, and concur therein with an amendment as follows: Restore the matter stricken by said amendment, amended to read as follows:

SEC. 205. (a) AUTHORIZATION.—The Secretary is authorized and directed to enter into a contract with the McGee Creek Authority, Oklahoma City, Oklahoma, accepting a payment in an amount to be determined by the Secretary after appropriate investigation.

(b) CONTRACT TERMINATION.—Upon receipt of the payment specified in subsection (a), the McGee Creek Water Authority's obligation under contract between the Authority and the Secretary numbered 0-07-50-X0822, dated October 11, 1979, shall be terminated.

(c) TITLE TO PROJECT FACILITIES.—Notwithstanding any payments made by the McGee Creek Water Authority pursuant to section 205 (a) and (b) of this language or pursuant to any contract with the Secretary, title to project facilities of the McGee Creek Project, Oklahoma, shall remain with the United States.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50 to the aforesaid bill, and concur therein with an amendment as follows: Restore the matter stricken by said amendment, amended to read as follows:

SEC. 206. (a) Except as provided in subsection (b) of this section, none of the funds appropriated in this or any other Act shall be used to execute new long-term contracts for water supply from the Central Valley Project, California.

(b)(1) The Secretary of the Interior is authorized and directed to enter into the following contracts: (A) a municipal and industrial water supply contract with the Sacramento County Water Agency, not to exceed 22,000 acre-feet annually, to meet the immediate needs of Sacramento County and a municipal and industrial water supply contract with the San Juan Suburban Water District, not to exceet 13,000 acre-feet annually, for diversion from Folsom Lake, with annual quantities delivered under these contracts to be determined by the Secretary based upon the quantity of water actually needed within the Sacramento County Water Agency service area and San Juan Suburban Water District after considering reasonable efforts to: (i) promote full utilization of existing water entitlements within Sacramento County, (ii) implement water conservation and metering programs within the areas served by the contract, and (iii) implement programs to maximize to the extent feasible conjunctive use of surface water and groundwater; and (B) a municipal and industrial water supply contract with the El Dorado County Water Agency, not to exceed 15,000 acre-feet annually, for diversion from Folsom Lake or for exchange upstream on the American River or its tributaries, considering reasonable efforts to implement water conservation programs within areas to be served by the contracts. The contracts required by this subsection are intended as the first phase of a contracting program to meet the long-term water supply needs of Sacramento and El Dorado Counties. The Secretary shall promptly initiate the necessary analysis for the long-term water supply contracts. The Secretary shall include in these contracts terms and conditions to ensure that the contracts may be amended in any respect required to meet the Secretary's obligations under applicable state law and the Federal environmental laws.

(2) Prior to entering into the contracts specified in subsection (b)(1) of this section, the Secretary is directed to comply with the provision of the National Environmental Policy Act by preparing joint Environmental Impact Statements and California Environmental Quality Act Environmental Impact Reports. The Sacramento County Water Agency shall be the joint lead agency with the Bureau of Reclamation in the preparation of the environmental documents required under (b)(1)(A) of this section and the El Dorado County Water Agency shall be the joint lead agency with the Bureau of Reclamation in the preparation of the environmental documents required under (b)(1)(B), with the Bureau of Reclamation cooperating in all aspects of the environmental review process, but not controlling that process.

(3) Diversions from the American River under the contract for the Sacramento County Water Agency shall, to the maximum extent reasonable and feasible, take place at or near the mouth of the American River.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the section number named in said amendment, insert "207".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 52 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum stricken and inserted by said amendment, insert "$2,527,082,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 53 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert "$89,842,500 shall be available only for the following facilities: Advanced Technology Center, Indiana State University; Center for Energy Resources Management, University of New Orleans; Biomedical Research Facility, University of Alabama at Birmingham; Biomedical Research Facility, Case Western Reserve University; Energy Science Research Facility at Boston College; Center for Nuclear Medicine Research in Alzheimer's Disease and Related Disorders, Health Sciences Center, West Virginia University; Gazes Cardiac Research Institute, Medical University of South Carolina; Biomedical Research Institute, Louisiana State University Medical Center Shreveport, Louisiana; the Neurosensory Research Center, Oregon Health Sciences University; and the Physical Sciences Center, Fort Hays State University, Fort Hays, Kansas"

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 54 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ": *Provided further,* That of the amount appropriated herein, $5,500,000 shall be available only for the Boron Neutron Capture Therapy research program at the Idaho National Engineering Laboratory and $7,500,000 shall be available only for the modification and operation of the Power Burst Facility at the Idaho National Engineering Laboratory, and the Secretary of Energy is directed to obligate and expend funds for these activities prior to the end of fiscal year 1991".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 57 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter stricken and inserted by said amendment, insert:

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $242,833,000, to remain available until expended, to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in the account, the Secretary shall exercise his authority pursuant to section 302(e)(5) of the said Act to issue obligations to the Secretary of the Treasury: *Provided,* That of the amount herein appropriated, within available funds, not to exceed $4,146,000, may be provided to the State of Nevada, for the conduct of its oversight responsibilities pursuant to the Nuclear Waste Policy Act of 1982, Public Law 97-425, as amended, $622,000 is to be available for the University of Nevada, Reno for infrastructure studies related to nuclear waste, and $207,000 is to be available to the University of Nevada, Las Vegas, to carry out transportation studies related to nuclear waste: *Provided further,* That not more than $4,892,000, may be provided to affected local governments, as defined in the Act, to conduct appropriate activities pursuant to the Act: *Provided further,* That none of the funds herein appropriated may be used directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in 18 U.S.C. 1913: *Provided further,* That none of the funds herein appropriated may be used for litigation expenses: *Provided further,* That of the amount appropriated herein, up to $4,146,000 shall be available for infrastructure studies and other research and development work to be carried out by the University of Nevada, Las Vegas (UNLV) and the University of Nevada, Reno.

In paying the amounts determined to be appropriate as a result of the decision in Consolidated Edison Company of New York v. Department of Energy, 870 F.2d 694 (D.C. Cir. 1989), the Department of Energy shall pay interest at a rate to be determined by the Secretary of the Treasury and calculated from the date the amounts were deposited into the Nuclear Waste Fund. Such payments may be made by credits to future utility payments into the fund.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 58 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the sum stricken and inserted by said amendment, insert "$10,914,014,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 59 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert ", except for $15,000,000 in operating expenses for nonsite specific design activities and activities in support of ongoing preparation of the Environmental Impact Statement, subject to authorization: *Provided further,* That no funds in this Act shall be available for Project 89-D-125, Plutonium Recovery Modification Project (PRMP), until authorizing legislation therefore is enacted into law."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 64 to the aforesaid bill, and concur therein with an amendment as follows:

Delete the matter proposed by the said amendment and on page 3, line 13, of the House engrossed bill, H.R. 5019, strike "30,700,000" and insert in lieu thereof "27,200,000"; and on page 14, line 22, of the House engrossed bill, H.R. 5019, strike "136,100,000" and insert in lieu thereof "136,100,000, of which $9,500,000 shall be derived from funds appropriated to "General expenses" by Public Law 101-302"; and on page 21, line 8, of the House engrossed bill, H.R. 5019, strike "231,516,000" and insert in lieu thereof "221,516,000"; and on page 33, line 13, of the House engrossed bill, H.R. 5019, strike "1,273,732,000" and insert in lieu thereof "1,148,732,000"; and on page 35, line 20, of the House engrossed bill, H.R. 5019, strike "375,095,000" and insert in lieu thereof "365,095,000"; and on page 36, line 12, of the House engrossed bill, H.R. 5019, strike "225,095,000" and insert in lieu thereof "215,095,000"; and on page 46, line 13, of the House engrossed bill, H.R. 5019, strike "471,320,000" and insert in lieu thereof "461,320,000"; and on page 47, line 6, of the House engrossed bill, H.R. 5019, strike "156,750,000" and insert in lieu thereof "153,450,000"; and on page 47, line 20, of the House engrossed bill, H.R. 5019, strike "314,570,000" and insert in lieu thereof "307,870,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 70 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert:

Sec. 510. With fiscal year limitation and notwithstanding any other provision of law, no funds appropriated or made available under this or any other Act now or hereafter shall be used by the executive branch to change the employment levels determined by the Administrators of the Federal Power Marketing Administrations to be necessary to carry out their responsibilities under the Department of Energy Organization Act and related laws, or to change the employment levels of other Department of Energy programs to compensate for employment levels of the Federal Power Marketing Administrations.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 71 to the aforesaid bill, and concur therein with an amendment as follows: In lieu of "30 days after the date of enactment of this Act" cited in subsection (b)(1) insert "May 1, 1991".

Mr. JOHNSTON. Mr. President, I am pleased to submit the conference report on the disagreeing votes of the House and Senate on the bill H.R. 5019, making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes.

This is the first conference report of the 13 annual appropriation bills to be presented to the Senate for its consideration. The conference report has been printed and appeared in the CONGRESSIONAL RECORD of Tuesday, October 16, 1990. The conference report and the accompanying statement of the managers is self-explanatory and I will not undertake a detailed statement on the conference report.

At the outset, let me express my warm appreciation to the Senator from Oregon, [Mr. HATFIELD], the ranking minority member of our committee, for his unfailing cooperation and assistance. I also want to thank the distinguished chairman of the Senate Appropriations Committee, Senator BYRD, who is also a member of our subcommittee, whose leadership has been very important in all appropriation measures this year; and all of the Senate conferees for their work on this measure.

A special word of commendation to our House colleagues lead by the distinguished chairman of the House committee, Mr. BEVILL, and the distinguished gentleman from Indiana, Mr. MYERS, the ranking minority member. Our House friends are always fair and considerate. They represent the House position, of course, but we are always glad to meet with them and to work out the differences between the two bodies of this appropriation measure each year.

Mr. President, the conference totals of this bill are within the 302(b) allocation for both budget authority and outlays. The total amount of new budget obligation authority is $20.2 billion. This is under the Senate-passed bill by almost $618 million. Most of this reduction under the Senate bill is required as a result of the summit budget agreement which required reductions in domestic discretionary appropriations. In fact, Mr. President, the revised 302(b) allocation for this bill's domestic discretionary programs is over $750 million less than the amounts contained in the bill when it passed the Senate. This necessitated severe reductions in 1991 appropriations.

The conference agreement provides $3.3 billion for the Army Corps of Engineers, of which $1.143 million is for construction, general, an amount of over $150 million under the Senate bill. Approximately $250 million reduction in new budget authority was required for the entire Corps of Engineers' budget from the levels of the original passed bill, but these reductions are mitigated to some extent by the use of prior-year balances and increased savings and slippage which are likely to occur, especially for new projects. The amount for operations and maintenance, general is $1,450,000,000.

For title II, Bureau of Reclamation, the conference agreement provides $940.6 million, which is about $23 million less than the amount provided to the Bureau for the fiscal year just ended. The construction program appropriation is $643 million, which is about $10 million less than last year's amount.

For the Department of Energy title III of the bill, the conference agreement provides $15,292,000,000, which is about $470 million less than the Senate-passed bill. Again, this large reduction was required as a result of the revised allocation reducing domestic discretionary appropriations and because of the fence for the defense programs, function 050 allocation.

The conference agreement includes $131 million for solar energy programs, $306 million for nuclear energy R&D, $104.4 million for the Office of Environment, Safety and Health, $396.4 million for biological and environmental research activities, $275.3 million for the magnetic fusion program, which is a $50 million reduction below the President's request submitted in January, $716.3 million for basic energy sciences activities, and $439.6 million for environmental restoration and waste management activities for nondefense programs. The total appropriation for energy supply R&D is $2,527 million. The general science and research appropriation totals $1.149 million including $621 million for high energy physics, $330.7 million for nuclear physics, $242.8 million for the superconducting super collider, with a $50 million general reduction applied against the high energy and nuclear physics program. The reduction from the request for the SSC is $75 million, but offset by freeing up prior year funds in the amount of $25 million.

The appropriations for uranium enrichment activities is $1.340 million, offset by estimated revenues of $1.450 million, and the appropriation for the civilian nuclear waste disposal fund is $242.8 million. The conference agreement also provides an appropriation of $215 million for departmental administration and $326.4 million for the power marketing administration.

Mr. President, for atomic energy defense activities, total appropriation is $10.914 million, of which $1.077 million is for research and development for the nuclear weapons program, $175 million is for inertial confinement fusion program and $482 million for the nuclear weapons testing program.

The appropriation for production and surveillance activities totals $2.509 million. These appropriations provide a total of $4,353,000,000 for nuclear weapons activities, $2,342,000,000 is for materials production, and $2,705,000,000 is provided for environmental restoration and waste management activities for defense programs.

For title IV, independent agencies, the conference agreement provides $629,270,000 in new budget obligational authority including $170 million for the Appalachian Regional Development Program and $135 million for the Tennessee Valley Authority. The Nuclear Regulatory Commission appropriation is $461.3 million offset by revenues of $153.4 million and $11 million is appropriated for the Defense Nuclear Facilities Safety Board.

Mr. President, this is a fine conference report. I am proud of the work of our committee under such budget constraints. I do not plan to go into any further detail on the bill amounts and unless a member has a question or comment, I plan to move the adoption of the conference report.

ENERGY AND WATER CONFERENCE REPORT

Mr. HATFIELD. Mr. President, I thank the distinguished chairman of the Energy and Water Development Appropriations Subcommittee for his summary of the bill and I reiterate that this bill conforms with the new 302(b) allocations passed by the full committee that were necessary to proceed forward with a budget agreement for fiscal year 1991.

Instead of further highlighting the monetary details of this bill, I want to spend a moment looking back on certain events of the past year which have greatly influenced this particular bill.

Few people realize that when an earthquake shocked the San Francisco Bay area just a year ago, the U.S. Army Corps transferred hundreds of engineers to help assess the physical damage of the quake.

Earlier the corps helped respond to the Valdez oil spill by converting corps owned dredges into massive oil skimmers that proved to work even more

effectively than some existing clean up technologies.

Finally, I do not need to remind anyone of the disastrous hurricanes and flooding that have devastated the Eastern Shore and much of the South and Southwestern States over the past year or more.

These natural disasters substantially increase the costs of maintaining and operating existing facilities, not to mention raising questions about our shortsightedness in delaying construction of new flood control projects in many of these States. I do not want to belabor the point, but many people falsely perceive flood control and navigation projects as a lower priority than many other appropriations accounts like those that go for education, agricultural research, or defense.

But in reality, we are talking about saving lives and saving homes and businesses, with many of the programs and projects that are in this bill.

The same could be said for other portions of this bill that deal with important clean up activities at our nuclear weapons plants, and research at Department of Energy labs that already have led to breakthroughs in industrial applications.

Again, I thank my colleague for his leadership with this bill especially in light of the very difficult time we have had this year.

BONNEVILLE POWER ADMINISTRATION

Mr. President, this year's energy and water appropriations bill provides an additional $326.9 million increment in borrowing authority for the Bonneville Power Administration to meet necessary capital and operating activities.

These funds do not score against this congressional appropriations bill, and the borrowing authority provided here today is repaid to the Treasury in full, plus interest. Mr./Madam President, there is one point I would like to clarify.

Regarding the reduction in additional borrowing authority to $326.9 million, from $375.3 million as provided by the Senate, the conferees have identified those reductions to come from two general areas we called other capital investments and maintenance/replacement activities.

It was our purpose to lower the overall borrowing authority of BPA to $326.9 million and not specifically to deny BPA funds to proceed with activities under these two headings. Therefore, if sufficient funds are available to BPA within the limits placed by the conferees, BPA should not be precluded from proceeding with projects and activities in these two areas.

Mr. FORD. Mr. President, I urge adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. FORD. Mr. President, I ask unanimous consent that the Senate concur en bloc with the amendments in disagreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COPYRIGHT REMEDY CLARIFICATION ACT—CONFERENCE REPORT

Mr. FORD. Mr. President, I submit a report of the committee of conference on H.R. 3045 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3045) to amend chapters 5 and 9 of title 17, United States Code, to clarify that States, instrumentalities of States, and officers and employees of States acting in their official capacity, are subject to suit in Federal court by any person for infringement of copyright and infrigement of exclusive rights in mask works, and that all the remedies can be obtained in such suit that can be obtained in a suit against a private person or against other public entities, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 16, 1990.)

Mr. FORD. I urge adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NONDEVELOPMENTAL ITEMS ACQUISITION ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 809, S. 1957, the Nondevelopmental Items Acquisition Act.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1957) to provide for the efficient and cost-effective acquisition of nondevelopmental items for Federal agencies, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause, and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nondevelopmental Items Acquisition Act of 1990".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the acquisition of nondevelopmental items can lower Federal agency procurement costs by—

(A) reducing or eliminating the need for research and development;

(B) reducing acquisition lead time by making use of existing production lines and facilities;

(C) opening competition for Federal agency contracts to thousands of manufacturers who sell products in the commercial market; and

(D) increasing Federal agency access to the market-driven innovations and efficiencies available in the commercial market;

(2) the efficient acquisition of nondevelopmental items is impeded when Federal agencies impose complicated specifications and unnecessarily burdensome contract requirements on simple commercial and off-the-shelf products; and

(3) legislation is needed to reduce impediments to the acquisition of nondevelopmental items and encourage increased acquisition of such items.

(b) PURPOSE.—The purpose of this Act is to—

(1) establish a preference for the use of performance specifications and the acquisition of nondevelopmental items by Federal agencies;

(2) require training of appropriate personnel in the acquisition of nondevelopmental items;

(3) require Federal agencies to designate personnel responsible for promoting the acquisition of nondevelopmental items and challenging barriers to the acquisition of nondevelopmental items; and

(4) reduce impediments to the acquisition of nondevelopmental items by Federal agencies.

SEC. 3. COMMERCIAL AND NONDEVELOPMENTAL ITEMS.

(a) AMENDMENT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303G the following new section:

"PROCUREMENT OF COMMERCIAL AND NONDEVELOPMENTAL ITEMS

"SEC. 303H. (a)(1) The Federal Acquisition Regulation issued under section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall ensure that, to the maximum extent practicable—

"(A) requirements of executive agencies with respect to a procurement of supplies are stated in terms of—

"(i) functions to be performed;

"(ii) performance required; or

"(iii) essential physical characteristics;

"(B) such requirements are defined so that nondevelopmental items may be procured to fulfill such requirements;

"(C) such requirements are fulfilled through the procurement of nondevelopmental items; and

"(D) prior to developing new specifications, executive agencies conduct market research to determine whether nondevelopmental items are available or could be modified to meet agency needs.

"(2) As used in this section, the term 'nondevelopmental item' means—

"(A) any item of supply that is available in the commercial marketplace;

"(B) any previously developed item of supply that is in use by a department or agency of the United States, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement;

"(C) any item of supply described in subparagraph (A) or (B) that requires only minor modification in order to meet the requirements of the procuring agency; or

"(D) any item of supply that is being produced that does not meet the requirements of subparagraph (A), (B), or (C) solely because the item—

"(i) is not yet in use; or

"(ii) is not yet available in the commercial marketplace.

"(b)(1)(A) The Federal Acquisition Regulation issued under section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall include a simplified uniform contract for the acquisition of commercial items by Federal agencies and shall require that such simplified uniform contract be used for the acquisition of commercial items to the maximum extent practicable. The uniform contract shall include only—

"(i) those contract clauses that are required to implement provisions of law applicable to such an acquisition;

"(ii) those contract clauses that are essential for the protection of the Federal Government's interest in such an acquisition; and

"(iii) those contract clauses that are determined to be consistent with standard commercial practice and appropriate for inclusion in such contracts.

"(B) In addition to the clauses described under subparagraph (A) (i) and (ii), a contract for the acquisition of commercial items may include only such clauses as are essential for the protection of the Federal Government's interest in the particular contract, as determined in writing by the contracting officer for such contract, or in a class of contracts, as determined by the agency head with the approval of the Administrator of the Office of Federal Procurement Policy.

"(2)(A) The Federal Acquisition Regulation shall require that a prime contractor under a Federal agency contract for the acquisition of commercial items be required to include in subcontracts under such contract only—

"(i) those contract clauses that are required to implement provisions of law applicable to such subcontracts; and

"(ii) those contract clauses that are essential for the protection of the Federal Government's interest in such subcontracts.

"(B) In addition to the clauses described under subparagraph (A) (i) and (ii), a contractor under a Federal agency contract for the acquisition of commercial items may be required to include in a subcontract under such contract only such clauses as are essential for the protection of the Federal Government's interest in the particular subcontract, as determined in writing by the contracting officer for such contract, or in a class of subcontracts, as determined by the agency head with the approval of the Administrator of the Federal Procurement Policy.

"(3) Notwithstanding paragraphs (1) and (2) of this subsection, the Department of Defense may use uniform contract and subcontract clauses developed under section 824 of the National Defense Authorization Act for fiscal years 1990 and 1991 in lieu of the uniform contract and subcontract clauses developed under this subsection.

"(c) The Federal Acquisition Regulation shall ensure, to the maximum extent practicable, that—

"(1) the inspection clause included in each agency contract for the acquisition of commercial items takes into account the contractor's past performance and any warranties the contractor may offer to the Government; and

"(2) Federal agencies take advantage of warranties offered by commercial contractors and use such warranties for the repair and replacement of commercial items.

"(d)(1) The Federal Acquisition Regulation shall ensure that, to the maximum extent practicable, commercial contractors and subcontractors are required to submit certified cost or pricing data regarding agency contracts and subcontracts only when such data are necessary for the evaluation of the reasonableness of the price of the contract or subcontract, as the case may be.

"(2) The revised regulations shall particularly address—

"(A) the application of the adequate price competition exemption in the case of a contract or subcontract for the acquisition of a commercial item;

"(B) the standards for applying the catalog or market price exemption to contracts and subcontracts for items which are modified commercial items, components of commercial items, spare parts for commercial products, new commercial items, or commercial items which are no longer sold to the public; and

"(C) the exemption of any acquisition of a product for which the Administrator of General Services has accepted a certificate of established catalog price that is current.

"(e) The Federal Acquisition Regulation shall direct agencies to require, where appropriate and in accordance with criteria prescribed in the regulations, offerors to demonstrate in their offers that products being offered have—

"(1)(A) achieved a level of commercial market acceptance necessary to indicate that the products are suitable for the agency's use or that the processes used to manufacture the products meet established commercial or other specified standards; or

"(B) been satisfactorily supplied under current or recent contracts for the same requirements; and

"(2) otherwise meet the product description, specifications, or other criteria prescribed by the public notice and solicitation.

"(f) The Federal Acquisition Regulation shall provide guidance to agencies on the use of past performance of products and sources as a factor in award decisions.".

(b) TECHNICAL AMENDMENT.—The table of contents for the Federal Property and Administrative Services Act of 1949 is amended by inserting after the item relating to section 303G the following:

"Sec. 303H. Procurement of commercial and nondevelopmental items.".

(c) CONFORMING AMENDMENT.—Section 2325(a) of title 10, United States Code, is amended—

(1) in paragraph (2) by striking out "and";

(2) in paragraph (3) by striking out the period and inserting in lieu thereof a semicolon and "and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) prior to developing new specifications, the Department conducts market research to determine whether nondevelopmental items are available or could be modified to meet agency needs.".

SEC. 4. IMPLEMENTATION.

(a) TRAINING.—The Administrator of the Office of Federal Procurement Policy shall issue guidelines for the training by executive agencies of contracting officers, program managers, and other appropriate acquisition personnel in the acquisition of nondevelopmental items. The guidelines shall provide, at a minimum, for training in the requirements of this section and the implementing regulations. In addition, the program shall provide for training of—

(1) contracting officers in the fundamental principles of price analysis and other means of determining price reasonableness which do not require access to commercial cost data; and

(2) appropriate personnel in market research techniques and the drafting of functional and performance specifications.

(b) NONDEVELOPMENTAL ITEMS ADVOCATES.—Section 20(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 418(c)) is amended to read as follows:

"(c) The advocate for competition for each procuring activity shall be responsible for promoting the acquisition of nondevelopmental items and for challenging barriers to such acquisition, including unnecessarily detailed specifications, unnecessarily restrictive statements of need, and unnecessarily burdensome contract clauses.".

(c) REGULATIONS REQUIRED.—Within 270 days after the date of the enactment of this Act, Government-wide regulations to carry out the requirements in this section and rescind any regulations that are inconsistent with such requirements shall be published for public comment. Within one year after the date of enactment of this Act, final regulations shall be promulgated in the Federal Acquisition Regulation, and as necessary in the Federal Information Resources Management Regulation.

(d) IMPROVED MARKET RESEARCH.—Within 1 year after the date of the enactment of this Act, the Comptroller General of the United States, after consultation with the Administrator of the Office of Federal Procurement Policy, shall submit to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives a report and recommendations on the use of market research in support of procurement of nondevelopmental items. Such report shall include—

(1) a review of existing Government market research efforts to gather data concerning nondevelopmental items;

(2) recommendations on the creation of a Government-wide database for storing, retrieving, and analyzing market data, including use of existing Government resources; and

(3) identification of changes in law required to carry out the recommendations and any additional costs and burdens on

the Government and the private sector in implementing the recommendations.

AMENDMENT NO. 3083

(Purpose: To make technical corrections)

Mr. FORD. Mr. President, I send an amendment to the desk on behalf of Senator LEVIN.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. LEVIN (for himself, Mr. COHEN, Mr. GLENN, and Mr. ROTH) proposes an amendment numbered 3083.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, beginning with line 14, strike out all through line 10 on page 16.

On page 16, line 11, strike out "(e)" and insert in lieu thereof "(d)".

On page 17, line 1, strike out "(f)" and insert in lieu thereof "(e)".

On page 17, strike out lines 8 through 19.

On page 18, line 15, insert "promoting full and open competition," after "responsible for".

On page 18, line 16, strike out "and for" and insert in lieu thereof ", and".

On page 19, line 6, beginning with the comma strike out all through line 7.

On page 19, line 16, strike out "recommendations on the creation of" and insert in lieu thereof "a review of the feasibility of creating".

On page 19, strike out lines 20 through 23 and insert in lieu thereof:

(3) such recommendations for changes in law or regulation as the Comptroller General may consider appropriate.

Mr. LEVIN. Mr. President, for too many years now, we have seen the Department of Defense and other Federal agencies purchasing expensive, specially designed products when ordinary commercial and off-the-shelf products would do. We have all seen examples of competent business men and women who have tried to sell their products to the Federal Government, but have given up in the face of the overwhelming maze of Government procurement laws and regulations.

I have been working for several years now to address these problems. Five years ago, we passed a provision to encourage the Department of Defense to save money on research and development by purchasing commercial and off-the-shelf products—known as nondevelopmental items or NDI's—instead of unique products that are specially designed for the military. Last year, we passed another provision, which requires the simplification of DOD regulations and makes it easier for companies to sell NDI's to the Pentagon.

Last November, I introduced a bill with my colleagues, Senators COHEN, GLENN, and ROTH, to extend these statutory requirements to civilian agencies. Earlier this year, this bill, S. 1957—the Nondevelopmental Items Acquisition Act of 1990—was approved on a unanimous 9-0 vote by the Subcommittee on Oversight of Government Management and reported by the full Senate Governmental Affairs Committee on a voice vote, without dissent.

On August 2, the full Senate approved an amendment adding the provisions of S. 1957 to section 812 of the Defense authorization bill. Unfortunately, the House conferees felt that it was inappropriate to consider a Government-wide procurement provision in the context of a conference on the Defense authorization bill. For this reason, section 812 was dropped in conference.

Mr. President, S. 1957 contains important provisions that will enable us to streamline the acquisition process and make some real strides toward buying products that are already in use, instead of new, expensive, Government-unique items. S. 1957 would require civilian agencies to take the same steps to encourage the acquisition of NDI's that are already required of DOD under the 1987 and 1990 Authorization Acts, and adds several new provisions in the spirit of those requirements.

The bill would promote the acquisition of NDI's on a Governmentwide basis, by requiring agencies to:

First, purchase NDI's to the maximum extent possible;

Second, simplify their product requirements by telling companies what they want, rather than how to build it;

Third, conduct market research to determine whether existing products can meet their needs;

Fourth, eliminate unnecessary and burdensome contract clauses that serve as an impediment to NDI contracts;

Fifth, tailor appropriate inspection requirements for NDI's;

Sixth, reduce paperwork requirements for contractors in NDI contracts;

Seventh, enhance training for acquisition personnel in the procurement of NDI's; and

Eighth, designate officials responsible for promoting the acquisition of NDI's.

Mr. President, these are important provisions, which have already been approved by the Senate as a part of the Defense authorization bill. I hope that my colleagues will join me in approving them again, as a free-standing bill.

The PRESIDING OFFICER. Without objection, the amendment is agreed to and, without objection, the substitute, as amended, is agreed to.

Without objection, the bill is deemed read the third time and is passed.

So the bill (S. 1957), as amended, was passed, as follows:

S. 1957

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nondevelopmental Items Acquisition Act of 1990".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the acquisition of nondevelopmental items can lower Federal agency procurement costs by—

(A) reducing or eliminating the need for research and development;

(B) reducing acquisition lead time by making use of existing production lines and facilities;

(C) opening competition for Federal agency contracts to thousands of manufacturers who sell products in the commercial market; and

(D) increasing Federal agency access to the market-driven innovations and efficiencies available in the commercial market;

(2) the efficient acquisition of nondevelopmental items is impeded when Federal agencies impose complicated specifications and unnecessarily burdensome contract requirements on simple commercial and off-the-shelf products; and

(3) legislation is needed to reduce impediments to the acquisition of nondevelopmental items and encourage increased acquisition of such items.

(b) PURPOSE.—The purpose of this Act is to—

(1) establish a preference for the use of performance specifications and the acquisition of nondevelopmental items by Federal agencies;

(2) require training of appropriate personnel in the acquisition of nondevelopmental items;

(3) require Federal agencies to designate personnel responsible for promoting the acquisition of nondevelopmental items and challenging barriers to the acquisition of nondevelopmental items; and

(4) reduce impediments to the acquisition of nondevelopmental items by Federal agencies.

SEC. 3. COMMERCIAL AND NONDEVELOPMENTAL ITEMS.

(a) AMENDMENT TO THE FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949.—Title III of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 251 et seq.) is amended by inserting after section 303G the following new section:

"PROCUREMENT OF COMMERCIAL AND NONDEVELOPMENTAL ITEMS

"SEC. 303H. (a)(1) The Federal Acquisition Regulation issued under section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall ensure that, to the maximum extent practicable—

"(A) requirements of executive agencies with respect to a procurement of supplies are stated in terms of—

"(i) functions to be performed;

"(ii) performance required; or

"(iii) essential physical characteristics;

"(B) such requirements are defined so that nondevelopmental items may be procured to fulfill such requirements;

"(C) such requirements are fulfilled through the procurement of nondevelopmental items; and

"(D) prior to developing new specifications, executive agencies conduct market re-

search to determine whether nondevelopmental items are available or could be modified to meet agency needs.

"(2) As used in this section, the term 'nondevelopmental item' means—

"(A) any item of supply that is available in the commercial marketplace;

"(B) any previously developed item of supply that is in use by a department or agency of the United States, a State or local government, or a foreign government with which the United States has a mutual defense cooperation agreement;

"(C) any item of supply described in subparagraph (A) or (B) that requires only minor modification in order to meet the requirements of the procuring agency; or

"(D) any item of supply that is being produced that does not meet the requirements of subparagraph (A), (B) or (C) solely because the item—

"(i) is not yet in use; or

"(ii) is not yet available in the commercial marketplace.

"(b)(1)(A) The Federal Acquisition Regulation issued under section 25(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 421(c)) shall include a simplified uniform contract for the acquisition of commercial items by Federal agencies and shall require that such simplified uniform contract be used for the acquisition of commercial items to the maximum extent practicable. The uniform contract shall include only—

"(i) those contract clauses that are required to implement provisions of law applicable to such an acquisition;

"(ii) those contract clauses that are essential for the protection of the Federal Government's interest in such an acquisition; and

"(iii) those contract clauses that are determined to be consistent with standard commercial practice and appropriate for inclusion in such contracts.

"(B) In addition to the clauses described under subparagraph (A) (i) and (ii), a contract for the acquisition of commercial items may include only such clauses as are essential for the protection of the Federal Government's interest in the particular contract, as determined in writing by the contracting officer for such contract, or in a class of contracts, as determined by the agency head with the approval of the Administrator of the Office of Federal Procurement Policy.

"(2)(A) The Federal Acquisition Regulation shall require that a prime contractor under a Federal agency contract for the acquisition of commercial items be required to include in subcontracts under such contract only—

"(i) those contract clauses that are required to implement provisions of law applicable to such subcontracts; and

"(ii) those contract clauses that are essential for the protection of the Federal Government's interest in such subcontracts.

"(B) In addition to the clauses described under subparagraph (A) (i) and (ii), a contractor under a Federal agency contract for the acquisition of commercial items may be required to include in a subcontract under such contract only such clauses as are essential for the protection of the Federal Government's interest in the particular subcontract, as determined in writing by the contracting officer for such contract, or in a class of subcontracts, as determined by the agency head with the approval of the Administrator of the Federal Procurement Policy.

"(3) Notwithstanding paragraphs (1) and (2) of this subsection, the Department of Defense may use uniform contract and subcontract clauses developed under section 824 of the National Defense Authorization Act for fiscal years 1990 and 1991 in lieu of the uniform contract and subcontract clauses developed under this subsection.

"(c) The Federal Acquisition Regulation shall ensure, to the maximum extent practicable, that—

"(1) the inspection clause included in each agency contract for the acquisition of commercial items takes into account the contractor's past performance and any warranties the contract may offer to the Government; and

"(2) Federal agencies take advantage of warranties offered by commercial contractors and use such warranties for the repair and replacement of commercial items.

"(d) The Federal Acquisition Regulation shall direct agencies to require, where appropriate and in accordance with criteria prescribed in the regulations, offerors to demonstrate their offers that products being offered have—

"(1)(A) achieved a level of commercial market acceptance necessary to indicate that the products are suitable for the agency's use or that the processes used to manufacture the products meet established commercial or other specified standards; or

"(B) been satisfactorily supplied under current or recent contracts for the same requirements; and

"(2) otherwise meet the product description, specifications, or other criteria prescribed by the public notice and solicitation.

"(e) The Federal Acquisition Regulation shall provide guidance to agencies on the use of past performance of products and sources as a factor in award decisions.".

"(b) TECHNICAL AMENDMENT.—The table of contents for the Federal Property and Administrative Services Act of 1949 is amended by inserting after the item relating to section 303G the following:

"Sec. 303H. Procurement of commercial and nondevelopmental items.".

SEC. 4. IMPLEMENTATION.

"(a) TRAINING.—The Administrator of the Office of Federal Procurement Policy shall issue guidelines for the training by executive agencies of contracting officers, program managers, and other appropriate acquisition personnel in the acquisition of nondevelopmental items. The guidelines shall provide, at a minimum, for training in the requirements of this section and the implementing regulations. In addition, the program shall provide for training of—

"(1) contracting officers in the fundamental principles of price analysis and other means of determining price reasonableness which do not require access to commercial cost data; and

"(2) appropriate personnel in market research techniques and the drafting of functional and performance specifications.

"(b) NONDEVELOPMENTAL ITEMS ADVOCATES.—Section 20(c) of the Office of Federal Procurement Policy Act (41 U.S.C. 418(c)) is amended to read as follows:

"(c) The advocate for competition for each procuring activity shall be responsible for promoting full and open competition, promoting the acquisition of nondevelopmental items, and challenging barriers to such acquisition, including unnecessarily detailed specifications, unnecessarily restrictive statements of need, and unnecessarily burdensome contract clauses.".

"(c) REGULATIONS REQUIRED.—Within 270 days after the date of the enactment of this Act, Government-wide regulations to carry out the requirements in this section and rescind any regulations that are inconsistent with such requirements shall be published for public comment. Within one year after the date of enactment of this Act, final regulations shall be promulgated in the Federal Acquisition Regulation, and as necessary in the Federal Information Resources Management Regulation.

"(d) IMPROVED MARKET RESEARCH.—Within 1 year after the date of the enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives a report and recommendations on the use of market research in support of procurement of nondevelopmental items. Such report shall include—

"(1) a review of existing Government market research efforts to gather data concerning nondevelopmental items;

"(2) A review of the feasibility of creating a Government-wide database for storing, retrieving, and analyzing market data, including the use of existing Government resources; and

"(3) such recommendations for changes in law or regulation as the Comptroller General may consider appropriate.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CONGRESSIONAL AWARD AMENDMENTS ACT OF 1990

Mr. FORD. Mr. President, I ask unanimous consent that the Governmental Affairs Committee be discharged from further consideration of H.R. 5275 regarding the Congressional Award Act and that the Senate then proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

An act to amend the Congressional Award Act to temporarily extend the Congressional Award Board, and to otherwise revise such Act.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3084

Purpose: To provide for the termination date of the Congressional Award Board, and for other purposes.

Mr. FORD. Mr. President, on behalf of Mr. GLENN, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. GLENN, proposes an amendment numbered 3084.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 1, strike out line 8 through line 14 on page 2 and insert in lieu therof:

(a) TERMINATION OF THE BOARD.—Section 9 of the Congressional Award Act (2 U.S.C. 808) is amended to read as follows:

"TERMINATION

"SEC. 9. The Board shall terminate October 1, 1992.".

(b) SAVINGS PROVISION.—During the period of October 1, 1990, through the date of the enactment of this section, all actions and functions of the Congressional Award Board under the Congressional Award Act (2 U.S.C. 801 et seq.) shall have the same effect as though no lapse or termination of the board ever occurred.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3084) was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GLENN. Mr. President, I would like to say a few words on H.R. 5275, the Congressional Award Amendments of 1990. This bill extends the authorization of the Congressional Award Board through September 30, 1992.

Congress created the Congressional Award Program in 1979 to encourage and recognize the achievements of young people in the areas of public service, personal development and physical activities. The Congressional Award Board is the national body charged with administering the program, overseeing the local councils, and raising funds sufficient to support its own activities. The Board has established the nonprofit Congressional Award Foundation to carry out the program's daily operations.

The Congressional Award offers young people an outstanding opportunity to set challenging goals for themselves, and strive to achieve them. Through the Award Program, the participants learn more about themselves and further develop their abilities. Their growth and accomplishments ultimately benefit the society as a whole.

Unfortunately, the full promise of the Award Program has never been fulfilled, due to years of poor management and recurring debt.

When Congress last considered reauthorization in 1988, it was, for me, a very close call. Though this program, from inception, was supposed to be privately financed, Congress had already been forced to use taxpayers, funds in 1987 just to keep the program afloat. Furthermore, it was clear that the Board was not living up to its responsibility to promote the program and make it widely available to the youth of this country.

Yet, in the end, we decided to reauthorize the program. For, in spite of the problems which the Board had encountered, there were some incipient signs of positive change in national operations. Furthermore, I recognized the fine work being done for the Award Program by the volunteers at the State and local level.

Now, 2 years later, I am pleased to say that there has been continued, if gradual improvement in the Board's operations and financial management. Several new members who seem to be quite committed to this program have been recently appointed. I hope they will bring vitality and enthusiasm to the Board. The Foundation's new executive director appears to have instilled a greater dynamism in the program while sharply reducing operating expenses. And, as of June 1990, all of the program's debts from prior years have been cleared. According to the General Accounting Office, recent actions by program officials "have been instrumental in improving the financial condition of the Foundation and its image as a fiscally responsible entity."

So, considering where the Board has come from, there have been some meaningful improvements, and for these the Board members and the national director are to be commended.

Despite these encouraging developments, we cannot, however, ignore the program's checkered past. As Congress had endowed the Congressional Award Board with the seal and the prestige of this institution, we must, similarly, provide the Board with the legislative mandate needed to grow out of its recent troubles so that it may realize the commendable purpose for which it was established.

The bill before us has been crafted to further encourage the positive developments of the last 2 years, with an aim to improve the management of the program and to expand its outreach. H.R. 5275 sets a limit of two 4-year terms for Board members and establishes a mechanism for the removal of inactive members. This bill also allows for the creation of Statewide Councils, to better coordinate activities between the local councils and the Board while expanding participation. Through these and other changes, H.R. 5275 will encourage the growth and the improved outreach which is vital to the mission of the Congressional Award Board.

However, the House bill also authorizes Federal funding for the Award Program. This, I cannot support.

When the Congressional Award Program was established, it was intended to be funded entirely through private sources, and now is not a time to deviate from that concept. I am concerned that, given the Board's history, this is a significant and imprudent precedent, contrary to the program's underlying philosophy. Rather than talk about how this program cannot grow without taxpayer's dollars, I prefer to look ahead to when sound fundraising operations will allow the program to flourish, rendering this perennial question moot. Consequently, I am offering an amendment which strikes the funding provided in the House bill.

In sum, we can certainly feel heartened that the Board appears to be moving in the right direction, and I am most hopeful that the news will continue to be good. However, I will be continuing to monitor the Board's activities closely, as will the General Accounting Office, to ensure that the problems of the Board's first decade will not be repeated in its second. I do believe that this is an important program, and one which can provide an excellent opportunity for our Nation's youth. Young people today face tremendous pressures and challenges, and we must do all we can to encourage their aspirations and recognize their achievements. I look forward to the day when the Congressional Award becomes the recognized symbol of youth commitment and accomplishment.

Mr. HATFIELD. Mr. President, I rise today in support of H.R. 5275, the Congressional Award Amendments Act of 1990.

The Congressional Award Program challenges our youth to develop qualities in themselves, maturity, and responsibility to our community. The Congressional Award is not a youth club, but a program of culture, social, and community activities. This gives our youth the opportunity to develop, display and be recognized for their outstanding achievements. In turn earning a bronze, silver, or gold Congressional Award.

In 1986, Congressman LES AUCOIN and I introduced this unique program to the young people of our State. As it is in so many other areas, Oregon was a leader in establishing one of the first statewide Congressional Award programs in the Nation. With the participation and support of the entire Oregon congressional delegation, this program has become a great success. Members of the delegation participate in the annual award ceremonies, and appoint members to serve on the council as their representatives. Council members come from all sectors of society and volunteer their time because they care about our young people. Since 1986, nearly 100 bronze, silver, and gold medals have been awarded to

young Oregonians through the Congressional Awards Program and I have personally seen what a motivator this is to our youth.

In Oregon we take great pride in encouraging our young people to get involved in our communities. The Congressional Award Program in Oregon has provided recognition to the young people who are doing good things with their own lives and reaching out to make a difference in the lives of others. Knowing that the U.S. Congress is willing to recognize their outstanding accomplishments and contributions helps them understand how very important their commitment and efforts are to this Nation. Because these young people will be the future leaders of our State and our Nation, that recognition is critically important.

The unique intent of this program was to create a partnership between the public and private sector. In Oregon, we have been able to enlist the support of private individuals, corporations, and foundations to provide financial support and in kind, donations to maintain the operation of the council's activities. This partnership is important for a number of reasons but primarily because it allows local community leaders to see the results of their contributions through the activities of the young people involved.

We must not forget the original intent of the Congress in establishing the Congressional Award Program: to encourage a public-private sector partnership. I believe this is a vital element in the program's success.

This is fundamentally a grassroots program, but the work of the local council is most effective when it is backed up by a strong national commitment. Thus, I urge my colleagues to support the passage of the Congressional Award Amendments Act of 1990.

The PRESIDING OFFICER. Without objection, the bill as amended will be deemed as having been read for the third time and passed.

So the bill (H.R. 5275), as amended, was passed.

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT TO THE STATE DEPARTMENT BASIC AUTHORITIES ACT OF 1956

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 3225, a bill to provide for publication of a reliable documentary report of major U.S. foreign policy activities through the "Foreign Relations of the United States" historical series of the Department of State introduced today by Senators PELL, HELMS, BOREN, and COHEN; that the bill be deemed read the third time; that statements by Senators PELL, BOREN, and COHEN appear at this point in the RECORD; that the bill be passed and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, earlier this year we learned to our dismay that the respected historical series on the Foreign Relations of the United States that has been published by the Department of State for nearly 130 years was no longer providing a complete and accurate record of American foreign policy.

The publication is described in its own preface as "the official record of the foreign policy of the United States" that includes "subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States together with appropriate materials concerning the facts which contributed to the formulation of policy."

The preface goes on to state that "documents in the files of the Department of State are supplemented by papers of other Government agencies involved in the formulation of foreign policy."

The editing of these materials is to be "guided by the principles of historical objectivity," pursuant to the official guidance promulgated by Secretary of State Frank B. Kellogg on March 26, 1925, the key portion of which states:

> There may be no alteration of the text, no deletions without indicating where in the text the deletion is made, and no omission of facts which were of major importance in reaching a decision. Nothing may be omitted for the purpose of concealing or glossing over what might be regarded by some as a defect of policy.

Mr. President, it is of the essence of the proper formulation of our foreign policy that we should know the history of that policy. The phrase "institutional memory" has become a cliche that obscures the reality that the institutions of our foreign policy often have no accessible memory other than the written records on which we must rely.

This is especially so when the period we are concerned about is 30 or more years in the past: the period covered by the Foreign Relations series and proposed for overall declassification. I am completing my own 30th year in the Senate, and I can assure my colleagues that for events that occurred before my arrival here, the written record is essential.

No aspect of that record is of greater importance than the Foreign Relations volumes which set forth the basic information on which historians and scholars will rely for a reliable and complete account of our foreign policy. If that record is defective, we run the same risk as a builder faces when he constructs his foundations on sand.

The bedrock for foreign policy formulation, and for the conduct of foreign policy itself, is an accurate record of what has gone before.

It was distressing, therefore, to learn that serious questions have been raised about the integrity and completeness of some volumes of the Foreign Relations series. Last spring I received communications from the Organization of American Historians, the American Historical Association, and other organizations calling attention to "significant omissions" in recently published volumes of the series. These organizations noted in particular that there had been deletions from the documentary record for reasons other than to protect national security.

The issue had been brought to a head in February of this year by the resignation of the chairman of the State Department's own Advisory Committee on Historical and Diplomatic Documentation in protest at the incompleteness of two recent volumes, one on Iran, 1952–54, the other covering the Guatemala coup of 1954.

The failure of these volumes to provide a complete and accurate record of events in those countries was all the more glaring because memoirs and other publications in the United States and abroad had provided authoritative information on the events of that long-ago period.

It is especially paradoxical that questions have been raised about the integrity of our own historical record at the very time that in Eastern Europe, the Soviet Union, and elsewhere we are witnessing a flood of disclosures and new documentation from governments long used to concealing and falsifying the record. In recent years we have seen the vigor that democracy draws from the clean breeze of honest information about a country's own past. This is no time for the United States to depart from the tradition of providing an accurate and complete historical record of the actions taken by our government in the field of foreign relations.

I am introducing legislation with the cosponsorship of Senator HELMS, Senator BOREN, and Senator COHEN, that will provide a legislative mandate for the Foreign Relations series, and will assure its integrity and completeness. Although the first volumes in the series were issued in the early 1860's, covering events in the Civil War then underway, it has continued to be published for nearly 130 years without the kind of congressional authorization

and guidelines that we are proposing today.

I am glad to note that the sponsors of this bill are the chairman and ranking member of the Foreign Relations Committee, and the chairman and ranking member of the Select Committee on Intelligence, the two committees most directly concerned with the subject matter of the series.

The Foreign Relations Committee has already approved the substance of this legislation, when it was adopted as part of the Supplemental Foreign Relations Authorization Act of 1990, which was sent to the floor as S. 2749, Calendar No. 637 (Rept. No. 101-334) on June 18, 1990. Section 114 of that legislation approved by the Foreign Relations Committee is substantially similar to the bill we are introducing today.

While I continue to hope that the supplemental authorization will be approved by the Congress, it now appears unlikely that this will happen in the final days of this session. So we are taking the action of introducing this legislation as a free-standing bill. We have incorporated some revisions to strengthen and improve the language in the committee draft, and it is my hope that this bill will win early favorable action in the Congress and become law.

Although it sometimes seems that the historical record we are discussing is entirely a matter of the past and that we can take our time in dealing with this issue, the fact is that there is urgency in moving forward on this legislation.

Additional volumes of the Foreign Relations series are currently in process of preparation, and we need to assure that the recent pattern of omissions and resulting distortion of the record is not continued. These volumes will cover important periods of our history.

For example, many Americans have a personal interest in the circumstances of our involvement in Vietnam. When the Foreign Relations Committee recently issued volumes of transcripts of our executive sessions from the 1960's this was itself the occasion for press and public discussion. It goes without saying that the American public will expect that our Government's historical record of this period will be complete and accurate, with any omissions clearly indicated and made only for continuingly valid reasons of national security.

Mr. President, I ask unanimous consent to have printed in the RECORD the texts of articles, resolutions, and statements pertaining to this subject, including in particular articles by Prof. Warren I. Cohen of Michigan State University whose resignation as the chairman of the State Department's historical advisory committee did much to bring this subject to public attention.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 16, 1990]

HISTORIANS SAY SECRECY DISTORTS FOREIGN POLICY CHRONICLE

(By Al Kamen)

An organization of American historians has asked Secretary of State James A. Baker III to lift what it says is an excessive secrecy—even over events that occurred nearly 40 years ago—that is undermining the credibility of the official history of U.S. foreign policy.

In a sharply worded resolution adopted last month, the Organization of American Historians and an umbrella group that includes the American Historical Association says the integrity of the venerable series "Foreign Relations of the United States" has been undermined by "an appalling increase in the amount of incomplete and deleted documents."

The series, which began in 1861, claims in the preface to each volume to include, "subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States."

But recent volumes, according to the resolution, have "significant increases in deletions and omissions [that] create an incompleteness that in itself is a distortion."

In addition, the chairman of a State Department advisory committee of outside scholars, which is supposed to verify the integrity of the official history by reviewing excised materials, resigned in protest on Feb. 5. The chairman, Warren I. Cohen, a history professor at Michigan State University, wrote Baker that the committee's inability to review all deleted documents meant he could not "protect the integrity of the series."

"The entire process by which the committee attempts to serve the department by ensuring the integrity of the historical record has been brought into question," Cohen said, because the department was no longer allowing all committee members—all of whom have security clearances—to review the omitted documents.

In a telephone interview, Cohen said he felt obliged to resign because he "refused to give my stamp of approval to a pig in a poke." The issue is not that all documents must be made public, historians said, but rather that the committee ensure, under the guidelines set by Secretary of State Frank B. Kellogg in 1925, that what is deleted does not materially alter the accuracy of the historical account.

V. Kim Hoggard, deputy assistant secretary of state for public affairs, said the dispute was a "long-term, perennial problem. We tried to have a meeting of the minds between the classification unit and the chairman," she said, but the "classifiers objected" to Cohen's demand that seven or eight committee members—not just him—be allowed to review the deleted materials. The classification unit thought there should not be "too many people having access" to the secret information.

"We're obviously concerned that the chairman felt he had to resign," she said, "but we will try to make sure that the full advisory committee feels they are making an important contribution to the series. . . . We believe them [the volumes] to be credible but we want to have the further endorsement of outside experts."

The broader problem in part reflects a natural tension between covert operators and diplomats favoring secrecy and historians who want to complete a record. Traditionally it has been relegated to the rarified scholarly world of professional historians and archivists.

But the issue is an important one, historians, say, involving who controls the writing of U.S. history and the question of how and when documents should be declassified.

"We as the American public need access to an objective and accurate account of our past," argued Page Miller, director of the National Coordinating Committee for the Promotion of History. "When many documents are totally withheld, then the classification issues become such that what is being withheld distorts the history," she said, "and then we are really concerned that we are deceiving ourselves about our past."

Several historians said in interviews that it was odd that the dispute was worsening here at a time when governments in Eastern Europe and the Soviet Union are looking at their historical records to clarify and apologize for such things as Nazi atrocities and the Katyn Forest massacre of Polish army officers the the Soviet secret police.

The resolution after years of increasing complaints from historians, followed scathing reviews of recent "Foreign Relations" volumes, including one on the 1953 coup that installed the late shah of Iran in power that makes no mention of the leading role played by the CIA in instigating that action.

"The misleading impression of U.S. noninvolvement," said Duke historian Bruce R. Kuniholm, "constitutes a gross misrepresentation of the historical record, sufficient to deserve the label of fraud."

Kuniholm said he saw some of the omitted documents while working at the State Department in 1979. He said one of them, for example, recounts discussions months before the overthrow of Prime Minister Mohammed Mossadegh between British and U.S. officials over whether the United States would support a coup attempt.

Kuniholm and others point out that former CIA and British intelligence officials have written their versions of the U.S. role, presumably with the approval of the intelligence agencies, but historians cannot give their independent accounts.

Another historian Roger Dingman of the University of Southern California, reviewing another "Foreign Relations" volume on Southeast Asia for the same period, in the Pacific Historical Review, said that book provides unmistakable evidence of dramatic and devastating changes in the editorial policies and processes which govern the publication of documents on American foreign policy. The more recent volume has less than 60 percent of the amount of material that appeared in the volume covering the 1949-51 period, he said.

"Secondly, in the earlier three-year period, almost without exception, documents were printed in their entirety," Dingman said. In contrast, he said "60 percent of the documents concerning Thailand in 1952 have excisions . . . [and] more than 30 percent of those on relations with the Philippines for 1953 have cuts."

Dingman and others argue that part of the reason for the growing percentage of documents withheld is that control of the process has slipped from the State Department historian's office to other offices in

the department and in the intelligence agencies.

For most of its history, historians could assume a full account of foreign relations could be gleaned from State Department or presidential documents. But after World War II, with the rise of the CIA and other agencies involved in foreign policy, the State Department has, in effect, become a broker for agencies.

In addition, historians say, executive orders under Presidents Richard M. Nixon and Jimmy Carter assured that most documents more than 30 years old would be subject to a declassification process. President Ronald Reagan's 1982 executive order has no timetable for declassification, they say, and overly restrictive rules governing declassification should be changed, either by the administration or by Congress.

[From the Washington Post, June 11, 1990]

SENATE PANEL'S QUEST: FILLING GAPS IN HISTORY OF FOREIGN RELATIONS

(By Helen Dewar)

Responding to complaints from frustrated historians, the Senate Foreign Relations Committee has approved legislation directing the government to lift the veil of secrecy that has resulted in significant gaps in the official history of U.S. foreign policy.

The committee last Thursday spelled out new procedures for preparation of the official series entitled "Foreign Relations of the United States" as part of a catchall supplemental authorization bill that also seeks to block the administration's plan to demolish and rebuild the U.S. Embassy chancery in Moscow.

Rejecting the Bush administration's request for $270 million to reconstruct the partially completed chancery, which is riddled with Soviet electronic surveillance devices, the committee voted unanimously to authorize $50 million to finish the structure and add new secure areas in the building or on its grounds.

Omissions in the country's foreign policy history, some involving secrecy reaching back nearly 40 years, came to light recently when the chairman of the advisory panel for the series resigned in protest and American historians complained that the integrity of the 129-year-old project was being compromised.

Among the complaints were claims that an account of the 1953 coup in Iran that installed the late shah made no mention of U.S. involvement in the affair.

As approved by the committee, the bill declares that the official history shall be a "thorough, accurate and reliable documentary record" of U.S. foreign affairs, including "all documents needed to provide a comprehensive record of major foreign policy decisions and actions." This would include materials "providing supporting and alternative views to the policy position ultimately adopted."

While material could be withheld if it jeopardizes military security or threatens lives, nothing "shall be omitted for the purpose of concealing a defeat of policy," according to the legislation. The project's advisory committee could also withhold information if it would impede diplomatic negotiations, break confidences or give "needless offense to other nationalities or individuals."

The official history of an event would have to be published within 30 years and any documents released within 40 years, unless withheld by the advisory committee.

The omnibus bill also authorizes an additional $475 million to make up arrearages in U.S. payments to the United Nations, including its peacekeeping forces. But actual funds for U.N. payments and for the Moscow embassy project are subject to appropriations bill that will not be considered until later.

[From the New York Times, May 16, 1990]

HISTORY BLEACHED AT STATE

It's hardly a secret that the Central Intelligence Agency helped arrange the 1953 coup in Iran that restored the Shah to his Peacock Throne. When the deed was done, His Imperial Majesty offered this toast to Kermit Roosevelt, then head of the C.I.A.'s Middle East operations: "I owe my throne to God, my people, my army—and to you!" The tale is told in Mr. Roosevelt's memoir, "Countercoup," published in 1979 and widely available.

Yet incredibly, the agency's role has been fastidiously expunged from a State Department history, "Iran, 1952-1954," a new volume in the ostensibly authoritative series "Foreign Relations of the United States." This is "Hamlet" without the Prince of Denmark or the ghost.

The department's spokeswoman, Margaret Tutwiler, tried vaguely to excuse the excisions by pleading the need to comply with a 1981 executive order on declassifying documents. But that order allows considerable latitude on disclosure. The blame lies with State's reluctance to go to the mat with the C.I.A.'s fussy custodians of intelligence secrets.

So argues Warren Cohen, a University of Michigan historian who resigned in protest as chairman of the department's adivsory committee on diplomatic documentation. As Dr. Cohen noted in a recent article on The Times's Op-Ed page, at the very moment that Moscow is coming clean on Stalin's massacre of Polish officers, Washington is putting out history in the old Soviet mode.

An approach more fitting to a free society is urged by Claiborne Pell, chairman of the Senate Foreign Relations Committee, and David Boren, chairman of the House Select Committee on Intelligence. They agree it may occasionally serve national security not to disclose old documents. But, they say, any deletions "should occur only rarely, and after a thorough and informed review by qualified historians to assure that the omissions are genuinely necessary."

By adopting such sound advice, Secretary of State James Baker would enhance the good name of his department and restore the integrity of its much valued series on American diplomacy.

AMERICAN HISTORICAL ASSOCIATION,
May 31, 1990, Washington, DC.

Hon. CLAIBORNE PELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR PELL: I am writing to express the support of the American Historical Association for a proposed amendment to pending legislation affecting the Department of State which is designed to ensure the integrity of the series Foreign Relations of the United States of America. From our own Foreign Service experience, I know that your remember the lack of clout that sometimes afflicts the Department of State in dealing with the intelligence community. The problem being addressed by the proposed amendment is the completeness of FRUS as an accurate reflection of our country's foreign policy which is in conflict with the often excessive concerns of the intelligence community desirous of eliminating from the published record any information which might once have been sensitive.

The recently published volume on Iran in the series covering the year 1953 is an example of the fault to be remedied by the amendment. The volume is totally silent on the role of U.S. covert actions in the overthrow of Mossadeq, even though Archie Roosevelt, station chief in Iran at the time, has given a full account of U.S. actions in his published memoirs. Reenforcing the authority of the advisory committee to the State Department's Historical Office would help prevent such distortions of the thirty-seven year old historical record.

The legitimate claims of security in the conduct of foreign affairs is respected by all patriotic historical scholars. We must and do depend on the elected representatives of the people to ensure that those concerns are not used to provide an unnecessary cloak for matters already in the public domain.

Sincerely,

SAMUEL R. GAMMON,
Executive Director.

[From American Historical Association Newsletter, May/June 1990]

FOREIGN RELATIONS, PUBLIC RELATIONS, ACCOUNTABILITY, AND UNDERSTANDING

(By Bruce R. Kuniholm)

When Warren Cohen submitted his resignation as Chair of the U.S. Department of State Advisory Committee on Historical Diplomatic Documentation, he did so because he felt that he was unable to meet his obligation to insure the integrity of the historical record as published in the Foreign Relations of the United States. Contributing to his decision was a review fo the 1952-1954 volume on Iran (vol. X in the 1952-1954 series) that I made on November 17, 1989, before a closed session of the Advisory Committee on Historical Diplomatic Documentation at the Department of State. As a result, Page Putman Miller, Director of the National Coordinating Committee for the Promotion of History, asked me to summarize my review (which was made orally, from notes) and to provide some insight into why the Advisory Committee might have judged the deletion of certain materials in the Iran volume, which the Advisory Committee was not allowed to review, to have violated the credibility of the FRUS series and the integrity of the historical record.

I should say at the outset that, as usual with the series, the volume provided good, broad coverage of most of the issues cited in the introduction. The index to the volume was also helpful, as was the list of persons in the front of the volume, although Frank Wisner, head of CIA Cover Operations and Kermit Roosevelt, CIA Operations Deputy for the Middle East who was responsible for Operation AJAX (the overthrow of the Mossadeq government), were not mentioned.

These omissions are symptomatic of even larger ones when it comes to the documents themselves, where textual omssions range from numerous small ellipses and a fair number of larger paragraphs to cases where whole documents have been deleted.

While some omissions may be necessary from the standpoint of national security, others which are not necessary distort the record and compromise the integrity of the Foreign Relations series. If the purpose of the series is to provide a record of what was thought, what was done, and why it was done, in order to explain what happened

and to instruct those who would learn from the past, such a purpose is not served by this volume, which purports to constitute "the official record of the foreign policy of the United States." The volume asserts that it includes, "subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States. . . . Such documents include not only those of the Department of State, but those of the National Security Council, the CIA, and other agencies.

In light of that fact, the circumstances surrounding events in Iran in 1953, the importance of the overthrow of Iranian Prime Minister Mosadeq in U.S-Iranian relations, the CIA's selective and public distortion of its role, the lack of a convincing rationale for withholding from the record much of the information that is now thirty-five-years old, and the lack of any disclaimer at the begining of the volume, the omissions combine to make the Iran volume in the period of 1952-54 a fraud. In making this statement, I am not attacking those who worked on the volume but the political decisions that left so much out.

The following is a brief account of what is suggested by the documents that are in the volume.

Mosadeq came to power and had a series of confrontations with the British. He nationalized the oil industry and the British left the country. Over time he became unpopular and formed a temporary alliance with the Tudeh (Communist) Party. He was overthrown by the Iranian people who, tired of the stresses of this rule, responded spontaneously to forces who were loyal to the monarchy and who supported the Shah's leadership.

The real story is quite different. One can construct it with the help of books written by the three principals involved: the CIA agent who planned the coup and headed up another related covert operation called BEDAMN, Donald N. Wilber's Adventures in the Middle East: Excursions and Incursions, 1986; the CIA Operations Deputy for the Middle East, Kermit Roosevelt's, Countercoup: The Struggle for the Control in Iran, 1979; and the Chief of MI6 Officer in Iran, Christopher M. Woodhouse's, Something Ventured, 1982. (One assumes that these books passed security review before being published. Such clearance, needless to say, suggests a double standard of sorts when it comes to historical documentation.) Another especially helpful and carefully written account is Mark Gasiorowski's, "The 1953 Coup D'Etat in Iran," International Journal of Middle East Studies, August 1987. Gasiorowski interviewed all but one of the CIA officers directly involved in the coup who were alive in the mid-1980s, five CIA officers who worked on Iran in Washington, D.C., as well as other U.S. and British participants. Relevant documents available from British and American archives (which supplement the volume but all of which I have not examined) as well as useful secondary sources are also cited therein. If one looks between the lines and fills in ellipses and omissions with information that these publications have brought within the public purview, it becomes clear that:

After Mosadeq came to power, the British tried to subvert him. They sought to undermine his base of support through economic sanctions and military intimidation, and finally sought to remove him. After diplomatic ties between England and Iran were broken, the British turned to the United States. Woodhouse, Chief MI6 Officer in Iran, travelled to Washington, D.C. to seek U.S. support. A meeting was set up in early December of 1952.

At this point there is a serious omission in the Foreign Relations volume. A memorandum of conversation between United States and British officials, from December 3, 1952, (originally in the volume's galleys) was deleted. The memorandum's subject was whether or not the United States was interested in collaborating with the British to overthrow Mosadeq.

The reason I know of this deletion was that I worked on the Policy Planning Staff of the State Department, 1979-1980. Despite limited access to the CIA's in-house assessment of Operation AJAX and enormous time constraints, a couple of us worked to reconstruct a record of U.S.-Iranian relations from 1941 to the (then) present. We were trying to piece together a historical record so that in the event the American hostages in Iran were tried, President Carter would have as clear an understanding as possible of the history that informed U.S.-Iranian relations and the administration would be able to argue its case more effectively.

I had just published a book on the Truman administration's relations in Iran during the early Cold War; Kermit Roosevelt's account of the overthrow of Mosadeq had just been published; and I remember being struck (as I read the galleys for the period 1951-52) by the memo in question. I have since been reminded of it by Woodhouse's book, which includes details I had forgotten, but none of which, in my judgement, would warrant its deletion from the volume.

The United States had begun a covert action program in Iran in the late 1940s, but its purpose was to weaken the position of the Soviet Union—not Mosadeq. Covert action against the Soviet Union was authorized under NSC 10/2. An operation codenamed BEDAMN, whose activities fell within the guidelines of NSC 10/2, was aimed at Soviet and Tudeh influence. Among some of its activities, chronicled in Gasiorowski's article, were the infiltration of agents provocateurs into Tudeh demonstrations, attacks on mosques in the name of the Tudeh, and efforts to undermine the base of Mosadeq's National Front. The latter efforts were not within the guidelines of NSC 10/2 and were not official U.S. policy but were apparently decided upon within the CIA.

The United States was reluctant to support Mosadeq's overthrow during the Truman administration and did not share the British opinion of him. Eventually, however, during the Eisenhower administration, the United States collaborated with the British to undermine Mosadeq's popularity and the decision was made to overthrow him. The plan was approved by Prime Minister Churchill and President Eisenhower and was given the go ahead on June 25, 1953. It was confirmed by code phrases in a speech by Eisenhower and in a Persian language broadcast by the BBC in early August 1953.

The background to this decision was revealing. In February 1953, top U.S. and British officials reviewed the situation and developed a plan to overthrow Mosadeq. The plan was originally christened "Boot" but was later renamed "AJAX." The complicated evolution of the coup does not require elaboration here, except to say that the CIA spent $50,000 to hire a "fake" Tudeh crowd, which tore down statues of the shah and his father and provoked fears of the Tudeh. This paved the way for paid pro-Shah and anti-Tudeh crowds joined by the army and police units. Upwards of three hundred lives were lost before the shah was installed.

The volume shows a gap in the record from July 28 to August 11, 1953 for which there are no documents whatsoever of the crucial period prior to the overthrow of Mosadeq. Part of the explanation for this may be that Operation AJAX was being run by the CIA, most State Department personnel in Iran were uninformed about the operation, and Ambassador Loy Henderson had been "exiled" to Switzerland. Whether such documents were removed prior to examination, whether they were accessible but deleted (and therefore counted in the 2 percent of documents cited in a memo by the Office of the Historian as having been removed), or whether they were excluded because of the fact they involved CIA covert activities, I do not know (the galleys for the period 1953-1954 were not available to me in 1980).

What is interesting about the coup is that there is little if any evidence of Mosadeq's communist sympathies, the Tudeh's capacity to seize power, or the necessity of a coup. Fears of these possibilities, Gasiorowski observes, were held primarily by people at the highest levels of the State Department and the CIA (i.e. John Foster and Allen Dulles), not by lower-level specialists. The CIA station chief in Iran, for example who opposed the coup, had to be replaced. Since the United States had penetrated the Tudeh party and was intercepting its orders, it was in a position to make reasonable judgements about the Tudeh. Such judgements were made, however, only at the "working" level. What comes through in all this is that the Eisenhower administration, in collaboration with the British, undermined a popular regime, created fears by provoking threats to Iran's stability, and overstated the threats posed to national security interests in an effort to carry out the policies of the Dulles brothers.

In light of these matters, the misleading impression of U.S. non-involvement conveyed in the pages of the volume constitutes a gross misrepresentation of the historical record sufficient to deserve the label of fraud.

In an effort to initiate a discussion about the pros and cons of making more information public, I would like to examine briefly some of the arguments that could be made for omission:

If the U.S. government can't keep its secrets, no one will ever trust us when it comes to cooperation on sensitive covert activity that is judged to be in the national interest.

This may be true, and it would be naive to insist that all sensitive information should be divulged. However, in the case of the overthrow of Mosadeq, everyone already knows most of the details; the key intelligence officers have written memoirs about it!

Sources may be compromised.

There is no one left alive who was involved at the time who could be compromised—and by now what networks we had have been eliminated.

Relations with Iran could be damaged.

We have no relations with Iran; they already know the worst.

Revelations would substantiate distrust in the United States, at a time when we are working to build trust.

Distrust has already been substantiated: Trust could in fact be improved by an honest acknowledgement of what was done. The Soviets seem to have recognized this in Afghanistan.

Revelations might hurt relations between England and Iran.

Again, the Iranians already know the worst.

Revelations would set a precedent for the revelation of all such covert activity.

No one is arguing that this case should set a precedent for all cases. What I am arguing is that in this case, given what has happened, it makes no sense to delete the material that was deleted.

At the very least, historians have a right to expect that the Advisory Committee can be trusted to play its role. This is the only way that U.S. foreign policy and the CIA can be subject to public accountability. Under the circumstances, there is no convincing argument why the documents should be withheld. Arguments that are made appear self serving. To the extent that the CIA chooses to bless the release of self-serving accounts, which are subject to the same criticisms that apply to the publication of the deleted documents in question, they have undermined their own arguments not to publish those documents.

Meanwhile, a lack of understanding of what occurred inhibits appreciation in this country of a historical event that is central to current and future relations with Iran. This is particularly true in light of the fact that diplomats frequently rely on the Foreign Relations series for their own understanding of the history of U.S. foreign policy.

At the very least, the Office of the Historian should provide some caveat or disclaimer that admits more forthrightly to the limitations under which it is operating (i.e. with CIA veto power over the publication of certain documents). It could provide a narrative of problems relating to declassification or some discussion of secondary sources that have a bearing on controversial issues that the State Department is either not in a position to comment on or not in a position to divulge because of legal constraints or reasons of national security.

NATIONAL COORDINATING COMMITTEE FOR THE PROMOTION OF HISTORY,
Washington, DC, April 17, 1990.

Senator CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, Dirksen Senate Office Building, U.S. Senate, Washington, DC.

DEAR SENATOR PELL: I am writing on behalf of the fifth historical and archival organizations that compose the National Coordinating Committee for the Promotion of History to express concern regarding the declining credibility of the Foreign Relations of the United States series. Since 1861, this highly respected documentary series, which is recent years has published volumes about thirty years after the events covered, has been a cornerstone of scholarly research and writing in American foreign relations.

In recent volumes, however, there has been an alarming increase in the proportion of documents withheld from publication owing to security concerns. In February Warren Cohen, a history professor at Michigan State University and the Chair of the U.S. Department of State Advisory Committee on Historical Diplomatic Documentation resigned because he felt that he was unable to meet his obligation to insure the integrity of the historical record as published in the Foreign Relations of the United States. Cohen's specific concern was that the State Department no longer allowed the advisory committee members, all of whom have security clearances, to review omitted documents to assure that the deletions did not alter the accuracy of the historical account.

The Organization of American Historians, the Society for Historians of American Foreign Relations, the Research Division of the American Historical Association, as well as the National Coordinating Committee, have passed the enclosed resolution which expresses concern about the loss of integrity of the Foreign Relations of the United States documentary history volumes. I am also enclosing for your information Professor Warren Cohen's letter of resignation to Secretary of State Baker and several recent articles on this issue.

We would appreciate your assistance in reestablishing the integrity of this important documentary series. Please feel free to call me if I can provide any additional information.

Sincerely,

PAGE PUTNAM MILLER.

RESOLUTION ON INTEGRITY OF THE FOREIGN RELATIONS OF UNITED STATES DOCUMENTARY HISTORY VOLUMES

Whereas, the Foreign Relations of the United States, has been published by the Department of State since 1861 and serves as a record of American foreign relations, as faithful as possible, given legitimate security concerns; and

Whereas, this highly respected and prestigious documentary series, now numbering over 300 volumes, has been a cornerstone of scholarly research and writing in American foreign relations; and

Whereas, until recently the scholarly community has expressed strong confidence in the editorial integrity of the series which provided both detailed coverage of major issues and guidance for locating unpublished State Department documents; and

Whereas, the integrity of the Foreign Relations of the United States series is now threatened by changes during the last decade in the editorial review process for handling sensitive material; and

Whereas, recent volumes of the Foreign Relations of the United States, published more than thirty years following the historical events described, contain an appalling increase in the amount of incomplete and deleted documents, which the State Department's Historical Documents Review Division and other government agencies have excised from the volumes; and

Whereas, recent Foreign Relations volumes with significant increases in deletions and omissions create an incompleteness that in itself is a distortion; and

Whereas, the Department of State itself in carrying out the foreign policy of the United States needs a full and accurate record of its past programs and decisions on which its own offices can rely; and

Whereas, our democratic government rests on informed public debate and deliberations by policy-makers based on access to the fullest possible records of the past and on an accurate presentation of our history; and

Whereas, various agencies of the United States government are urging foreign governments to open their archival records, it is essential that the United States follow a standard worthy of emulation, and

Whereas, the role of the State Department's Advisory Committee on Historical Diplomatic Documentation, made up of representatives of the American Historical Association, the Organization of American Historians, the American Political Science Association, the American Society of International Law, and the Society for Historians of American Foreign Relations, is now threatened as they are no longer informed participants in the review process and are no longer in a position to attest to the integrity of the series;

Resolved, the National Coordinating Committee for the Promotion of History urges Secretary of State James Baker to take necessary steps to restore the integrity of the Foreign Relations of the United States by establishing a procedure by which the Advisory Committee members, who have "secret" clearances, may review the necessary material in order to make informed judgments on the integrity of the series; and

Resolved, the National Coordinating Committee for the Promotion of History send copies of this resolution to the President of the Senate, Speaker of the House of Representatives, and the Chairperson and ranking minority member of the appropriate Congressional committees.

Adopted by the Policy Board of the National Coordinating Committee for the Promotion of History on March 23, 1990.

AMERICAN POLITICAL SCIENCE ASSOCIATION,
Washington, DC, June 12, 1990.

Hon. CLAIRBORNE PELL,
Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR SENATOR PELL: The American Political Science Association is the major professional organization whose members are engaged in the study of politics and government. Founded in 1903, the Association is committed to advancing research opportunities among its members. Association membership is composed primarily of political scientists doing research and teaching in U.S. colleges and universities.

The Association's members are committed to preserving the integrity of the "Foreign Relations of the United States" historical series and laud the efforts of the Committee on Foreign Relations to do so.

The Association also supports Senator Helms' proposal to reduce the publication dates for documents from no more than 30 years to not more than 15 years, and reduce the period of time after which documents will automatically be available from 40 years to 20 years. The expeditious release of primary source material not only enables scholars to better understand and explain the past, but also helps policy makers use knowledge of the past to guide their understanding of the present and future.

The Association fully endorses Senator Helms' effort to expand the size of the advisory committee to include "nine distinguished professional historians, political scientists, archivists, and international lawyers." Such an expansion is the only way to incorporate the many lenses through which different disciplines view and evaluate historical documents. It is a principle captured in the structure of the original Foreign Policy Series advisory board, but inexplicably changed in the current draft of the bill.

The proposed method of selecting the nine member advisory committee charges the scholarly associations with continuing responsibility for helping to preserve the in-

tegrity of the document series. This is a role the American Political Science Association, and the other associations mentioned, are prepared to do.

The Association wishes to thank you and your colleagues for the careful attention you have paid to maintaining the integrity of the document series. You are serving scholars and the public well.

Sincerely,

CATHERINE E. RUDDER,
Executive Director.

SOCIETY FOR HISTORIANS
OF AMERICAN FOREIGN RELATIONS,
Chapel Hill, NC, May 31, 1990.

Senator CLAIBORNE PELL,
U.S. Senate,
Washington, DC.

DEAR SENATOR PELL: I write on behalf of the Society for Historians of American Foreign Relations to draw your attention to dangers that now threaten the integrity of one of the U.S. government's oldest, most prestigious, and important documentary series, the Foreign Relations of the United States prepared by the Department of State.

This Society has for some time now been concerned by the erosion of the quality of the series, and most recently expressed that concern in a resolution (enclosed) passed this past March. The resolution suggests a wide variety of good reasons for taking remedial action. More recently, as you may have noticed, the difficulties surrounding the series have been the subject of articles, commentary, and editorials in the national press, including the Washington Post and the New York Times.

I understand that a measure intended to address the problem will be appearing within the next week or so before the Senate Foreign Relations Committee. I hope that you as a member of that committee will be able to support legislation that will restore the integrity of this historical series and set the process by which government documents are declassified on some basis that respects the citizen's right to know and that is cost-effective.

My thanks for your attention.

Sincerely,

MICHAEL H. HUNT,
Professor and President, Society for Historians of American Foreign Relations.

RESOLUTION ON INTEGRITY OF THE FOREIGN RELATIONS OF THE UNITED STATES DOCUMENTARY HISTORY VOLUMES

Whereas, the Foreign Relations of the United States, has been published by the Department of State since 1861 and serves as a record of American foreign relations, as faithful as possible, given legitimate security concerns; and

Whereas, this highly respected and prestigious documentary series, now numbering over 300 volumes, has been a cornerstone of scholarly research and writing in American foreign relations; and

Whereas, until recently the scholarly community has expressed strong confidence in the editorial integrity of the series which provided both detailed coverage of major issues and guidance for locating unpublished State Department documents; and

Whereas, the integrity of the Foreign Relations of the United States series is now threatened by changes during the last decade in the editorial review process for handling sensitive material; and

Whereas, recent volumes of the Foreign Relations of the United States, published more than thirty years following the historical events described, contain an appelling increase in the amount of incomplete and deleted documents, which the State Department's Office on Declassification/Classification and other government agencies have excised from the volumes; and

Whereas, recent Foreign Relations volumes with significant increases in deletions and omissions create an incompleteness that in itself is a distortion; and

Whereas, the Department of State itself in carrying out the foreign policy of the United States needs a full and accurate record of its past programs and decisions on which its own officers can rely; and

Whereas, our democratic government rests on informed public debate and deliberations by policy-makers based on access to the fullest possible records of the past and on an accurate presentation of our history; and

Whereas, various agencies of the United States government are urging foreign governments to open their archival records, it is essential that the United States follow a standard worthy of emulation, and

Whereas, the role of State Department's Advisory Committee on Historical Diplomatic Documentation, made up of representatives of the American Historical Association, the Organization of American Historians, the American Political Science Association, the American Society of International Law, and the Society for Historians of American Foreign Relations, is now threatened as they are no longer informed participants in the review process and are no longer in a position to attest to the integrity of the series;

Resolved, the Society for Historians of American Foreign Relations urges Secretary of State James Baker to take necessary steps to restore the integrity of the Foreign Relations of the United States by establishing a procedure by which the Advisory Committee members, who have "secret" clearance, may review the necessary material in order to make informed judgments on the integrity of the series; and

Resolved, the Society for Historians of American Foreign Relations send copies of this resolution to the President of the Senate, Speaker of the House of Representatives, and the Chairperson and ranking minority member of the appropriate Congressional committee.

Approved unanimously at the SHAFR Council meeting, 22 March 1990.

ORGANIZATION OF
AMERICAN HISTORIANS
Bloomington, IN, May 30, 1990.

Senator CLAIBORNE PELL,
U.S. Senate, Washington, DC.

DEAR SENATOR PELL: I am writing to express the concern of members of the Organization of American Historians regarding the declining credibility of the Foreign Relations of the United States series. Since 1861, scholars and members of the public have depended on the integrity of this highly respected series for a full and accurate documentation of U.S. foreign policy. As a result of changes in editorial policies over the last decade, however, there has been an alarming increase in the proportion of documents withheld from publication owing to security concerns. This problem is now exacerbated by the recent failure of efforts to negotiate a process by which the U.S. Department of State Advisory Committee on Historical Diplomatic Documentation could maintain its traditional role in reviewing material excised in the course of the Department's declassification process. Warren I. Cohen, the Chair of the Committee, has felt compelled to resign as a result of this failure.

The Organization of American Historians is a professional association representing approximately 12,000 individual and institutional members whose goal is to promote historical study and research in the field of American history. We and a number of other historical organizations which comprise the National Coordinating Committee for the Promotion of History wish to bring to your attention the serious plight of the Foreign Relations of the United States series. At the Annual Meeting of the Organization last March, the Executive Board passed the attached resolution. It was subsequently adopted by the general membership at the Business Meeting. We urge the Senate to take action which will correct this problem.

Sincerely,

ARNITA A. JONES,
Acting Executive Secretary, OAH.

Enclosures: Resolution on the Integrity of the Foreign Relations of the United States Documentary History Volumes; letter from Warren I. Cohen.

RESOLUTION ON INTEGRITY OF THE FOREIGN RELATIONS OF THE UNITED STATES DOCUMENTARY HISTORY VOLUMES

Whereas, the Foreign Relations of the United States, has been published by the Department of State since 1861 and serves as a record of American foreign relations, as faithful as possible, given legitimate security concerns; and

Whereas, this highly respected and prestigious documentary series, now numbering over 300 volumes, has been a cornerstone of scholarly research and writing in American foreign relations; and

Whereas, until recently the scholarly community has expressed strong confidence in the editorial integrity of the series which provided both detailed coverage of major issues and guidance for locating unpublished State Department document; and

Whereas, the integrity of the Foreign Relations of the United States series is now threatened by changes during the last decade in the editorial review process for handling sensitive material; and

Whereas, recent volumes of the Foreign Relations of the United States, published more than thirty years following the historical events described, contain an appalling increase in the amount of incomplete and deleted documents, which the State Department's Historical Documents Review Division and other government agencies have excised from the volumes; and

Whereas, recent Foreign Relations volumes with significant increases in deletions and omissions create an incompleteness that in itself is a distortion; and

Whereas, the Department of State itself in carrying out the foreign policy of the United States needs a full and accurate record of its past programs and decisions on which its own offices can rely; and

Whereas, our democratic government rests on informed public debate and deliberations by policymakers based on access to the fullest possible records of the past and on an accurate presentation of our history; and

Whereas, various agencies of the United States government are urging foreign governments to open their archival records, it is

essential that the United States follow a standard worthy of emulation; and

Whereas, the role of the State Department's Advisory Committee on Historical Diplomatic Documentation, made up of representatives of the American Historical Association, the Organization of American Historians, the American Political Science Association, the American Society of International Law, and the Society for Historians of American Foreign Relations, is now threatened as they are no longer informed participants in the review process and are no longer in a position to attest to the integrity of the series;

Resolved, the Organization of American Historians urges Secretary of State James Baker to take necessary steps to restore the integrity of the Foreign Relations of the United States by establishing a procedure by which the Advisory Committee members, who have "secret" clearances, may review the necessary material in order to make informed judgments on the integrity of the series; and

Resolved, the Organization of American Historians send copies of this resolution to the President of the Senate, Speaker of the House of Representatives, and the Chairperson and ranking minority member of the appropriate Congressional committees.

THE SOCIETY FOR HISTORY IN THE FEDERAL GOVERNMENT

Washington, DC, May 15, 1990.

Hon. JAMES A. BAKER III,

Secretary, Department of State, 2201 C Street NW., Washington, DC.

DEAR MR. SECRETARY: I am writing to express the concern of the Society for History in the Federal Government with regard to the decline of editing standards applied to the prestigious series Foreign Relations of the United States. This series has been considered a dependable source of documentation concerning the foreign relations of the United States for approximately 130 years. It is certainly the most venerable government publication containing edited public documents. The recent resignation of Dr. Warren Cohen as Chair of the State Department's Advisory Committee on Historical Diplomatic Documentation over the issue of the integrity of the series is a matter of utmost importance to the Society. Dr. Cohen's actions have highlighted serious flaws and omissions in the volumes as a result of the editorial review process through which recent volumes of the series must pass before they are published. Professor Bruce R. Kuniholm's article in the American Historical Association's newsletter Perspectives refers in detail to the omissions contained in Volume X on Iran of the 1952-1954 series. It is apparent from Kuniholm's article that there has been political censorship of State Department documentation of events that occurred nearly forty years ago. This distortion of the historical record undermines the integrity of the State Department as well as its publication series.

It is the particular concern of this Society, largely composed of federal employees who work in government historical offices and agencies, that one of the most valuable historical publications of the U.S. government has fallen under a cloud of suspicion and criticism from all quarters of our profession. In this case, we feel that it is not the historians of the State Department who are at fault, but others who for political and other motives have undermined the historical record to which they have access. Diplomats, historians, political scientists, foreign affairs analysts, journalists, and others must use this documentation to ascertain the past of and chart the future for the conduct of American diplomatic relations. If they cannot depend on the State Department to edit and publish its documentation in accordance with the highest professional standards, it is a sad commentary on the manipulation of history for the sake of contemporary political concerns. Those of us who have chosen to pursue the history of the federal government as our life's work urge that you take to rectify the situation.

The Executive Council of this Society has resolved to join with its colleagues in urging you to take all necessary steps to restore the integrity of the Foreign Relations of the United States. We subscribe to the resolution adopted in March, 1990, by the Executive Board of the Organization of American Historians, the Council of the Society for the History of American Foreign Relations, the Research Division of the American Historical Association, and the Policy Board of the National Coordinating Council for the Promotion of History. Select advisory committee members should be given the necessary access to classified documents to be able to ascertain whether the review process of State Department and other government agencies has suppressed or excised documents which should remain part of the published historical record. The reputation of the State Department itself is very much at issue. Your actions in this regard will be followed closely. We hope that they will live up to our expectations.

Sincerely,

WILLIAM S. DUDLEY.

Pacific Historical Review, February 1989
Vol. LVIII, No. 1]

Foreign Relations of the United States, 1952-1954, Vol. XII: *East Asia and the Pacific,* Part 2, Edited by John P. Glennon. (Washington, D.C., U.S. Government Printing Office, 1987.xv + 763 pp. $23)

In the past the publication of a volume in this series of diplomatic documents occasioned great joy among historians of American foreign relations. They could be certain of finding a treasure-trove of "new" materials, meticulously edited, providing both detailed coverage of major issues and guidance for locating unpublished State Department documents. Confidence in the editorial integrity of the series was so strong that reviewers of individual volumes sang hymns of praise to the Historian of the Department of State and his dedicated subordinates.

This volume, like its predecessors, certainly merits praise. It contains nearly 450 documents on American relations with Burma, Indonesia, the Philippines, and Thailand. Experts will find fresh data on Washington's efforts to get Chinese Nationalist forces out of Burma. They will see how the United States tried to steer clear of the diplomatic dilemmas created by leaving western New Guinea under Dutch control at the end of the Indonesian revolution. The documents also provide glimpses of the beginnings of American military involvement in Thailand and clues as to Washington's even deeper engagement in Philippine politics. The usual lists of unpublished sources and acronyms, biographical information provided in footnotes, and index attest to the continued techinical excellence of the editing.

But historians' cries of anger and anguish are likely to drown out whatever praise might be accorded to this volume. Its appearance provides unmistakable evidence of dramatic and devastating changes in the editorial policies and processes which govern the publication of documents on American foreign policy. If one compares the contents of this three-year compilation with what was published about bilateral relations with the same four countries for the preceding three years, stark contrasts emerge. First, the volume of material printed for 1952-1954 amounts to less than sixty percent of what appeared in 1949-1951. Secondly, in the earlier three-year period, almost without exception, documents were printed in their entirety. Editorial excisions or "sanitization" in the interests of current national security or foreign policy were extremely rare. For this triennium, however, nearly one in ten of the documents appears in incomplete form. That figure conceals even greater depredations on the integrity of the documentary record that become apparent when one looks at specific years and/or countries. One in four of the documents on relations with Thailand have excisions; nearly one in five concerning the Philippines are not complete. The figures on a combined country and year basis limn an even more alarming picture: sixty percent of the documents concerning Thailand in 1952 have excisions, while thirty-five pecent for 1953 are incomplete. More than thirty percent of those on relations with the Philippines for 1953 have cuts, and nearly one in four on the same subject for 1952 are not whole. Only in the case of Burma does the percentage of censored or editorially altered documents for a given year fail to reach double-digit figures.

What accounts for these very substantial changes in the character of what appears in this volume? It is difficult to believe that American covert operations or other intelligence activities whose disclosures three and a half decades later would seriously harm the national interest, relations with these nations, or individuals involved increased during this three-year period in proportion to the deletions in the published record. It is equally unlikely that the determination of the Historian of the Department of State and his staff to print as nearly a full record as possible has softened. What seems much more likely is that de facto editorial control has shifted from the Historian's Office to the State Department's Committee on Declassification/Classification and/or other government agencies.

Those bodies are not sensitive to the needs and concerns of historians, who are the principal users of volumes in the *Foreign Relations* series. Reportedly, the agencies involved cannot even agree on a publishable explanation for the two sizes of dots used to indicate excisions that would clearly distinguish between editorial deletions and "sanitization" of documents. Much more seriously, the Department of State has turned a deaf ear to requests from the Advisory Committee on Historical Diplomatic Documentation for information sufficient to assure its constituent organizations (the American Historical Association, the Organization of American Historians, the American Political Science Association, the American Society of International Law, and the Society for Historians of American Foreign Relations) that what is published in the *Foreign Relations* series represents as faithful a record as possible, given legitimate security concerns.

This sorry state of affairs must change if historians are to have any confidence in the integrity of what appears in this once-excellent documentary series. What is at stake is nothing less than the future of American

international history. Without access to the fullest possible record of the past, we cannot write history that is accurate, thorough, and useful for policy-makers and citizens alike. We historians must protest the changes in the *Foreign Relations* series, as evidenced in this volume, to the Secretary of State, our representatives in Congress, and whoever else will listen. Perhaps we might begin by calling attention to Ben Franklin's words of wisdom: "Half the truth is often a great lie." We need the whole truth.

ROBER DINGMAN.

[Chronicle of Higher Education, Apr. 4, 1990]

HISTORIANS CRITICIZE STATE DEPARTMENT FOR "DISTORTIONS" AND "DELETIONS" IN ITS RECORD OF U.S. FOREIGN POLICY

RESOLUTION CALLS ON SECRETARY BAKER TO RESTORE THE "INTEGRITY" OF HIS AGENCY'S DOCUMENTARY SERIES

(By Karen J. Winkler)

WASHINGTON.—The official record of American foreign policy, published by the Department of State, contains serious "distortions" and "deletions," historians have charged.

At the annual meeting here of the Organization of American Historians, scholars passed a strongly worded resolution charging that changes in the process for reviewing sensitive material for inclusion in a documentary series known as *Foreign Relations of the United States* threaten to undermine its credibility. The resolution calls on Secretary of State James A. Baker to "take necessary steps to restore the integrity" of the series.

The multi-volume series is a collection of the records of the State Department and of other agencies concerned with foreign affairs.

The statement was also adopted by the Society for Historians of American Foreign Relations and by the National Coordinating Committee for the Promotion of History, two of the history association's affiliates.

REAL SENSE OF DESPERATION

The action came in the wake of the resignation in February of the chairman of the committee of scholars that advises the State Department about the documentary series.

Warren I. Cohen, professor of history at Michigan State University, wrote Secretary Baker that he was stepping down because "the entire process by which the committee attempts to serve the Department by insuring the integrity of the historical record has been brought into question."

"Historians are feeling a real sense of desperation," says Roger Dingman, professor of history at the University of Southern California. "We are afraid that we are simply not going to have the materials to write the history of American foreign policy."

At issue in the current controversy is not just the State Department series, many scholars say, but the federal government's overall policy on the classification of its records.

"The difficulties with the series highlight the larger problems historians have faced gaining access to government materials," says Page Putnam Miller, director of the National Coordinating Committee for the Promotion of History. "In recent years, fewer documents have been made available, and fewer requests honored under the Freedom of Information Act."

"The real problem is that we have no systematic policy for declassifying documents," she says.

FALLING BEHIND SCHEDULE

Historians say problems with the State Department series have been mounting for over a decade. Now numbering more than 300 volumes, the series has been published since 1861, but recently has fallen farther and farther behind schedule. Through World War II, volumes appeared about 15 years after the events they covered. Today, the lag has slipped to almost 40 years. Some of the material for 1952-54 has still not been published.

The growing tendency of officials to withhold documents from publication has touched off the most recent wave of scholarly concern. The latest volumes, covering some of the events in 1952-54, contain less than 60 percent of what was made available in comparable volumes for 1949-51, says Mr. Dingman.

Some scholars charge that the department's Office of Freedom of Information, Privacy, and Classification Review—a bureau set up by executive order in 1978 to review the classification and declassification of State Department documents—classifies too many materials as secret, and does not cooperate with the department's advisory committee of scholars.

The problem was dramatically underscored for many scholars with the publication last fall of the volume in the foreign-relations series covering U.S. policy in Iran from 1952 to 1954. Bruce Kuniholm, director of the Institute of Policy Sciences and Public Affairs at Duke University, says that, when he worked in the State Department a decade ago, he saw galleys of the volume that had already been prepared. But when it was published, many of the selections were gone. Where is now no reference, he says, to the fact that the U.S. government considered a coup to overthrow the Iranian leader Muhammad Musaddiq.

CREDIBILITY QUESTIONED

"The removal of documents, particularly of any mention of C.I.A. covert actions, makes it appear as if Musaddiq were overthrown by popular will, with no U.S. involvement," says Mr. Kuniholm. "But interviews with former officials have made it abundantly clear that the U.S. did play a role. Those kinds of deletions call the credibility of the entire series into question."

The committee that advises the State Department about the foreign-relations series had been negotiating until recently to gain more say in the review process. Before 1978, the committee was permitted to inspect deleted documents, but has subsequently been denied access to them.

This winter the department "reneged" on a tentative agreement, Mr. Cohen says. Instead of allowing the entire committee to see documents that had been deleted from volumes, the department proposed letting only Mr. Cohen, as chairman, see a portion of them. "That appears to co-opt the chairman, and raises the possibility of the department's finding a tame historian to keep in its pocket," he says. That incident prompted Mr. Cohen's resignation.

The problem does not rest wholly with the State Department's declassification committee, however, Mr. Cohen and other scholars acknowledge. Some of the declassifiers have worked hard to make documents available, they say.

Part of the problem is that the declassification committee and the department's official historian, who oversees publication of the series, report to different offices within the agency. "That makes it easy for many things to fall between the bureaucratic cracks," says Michael Hunt, professor of history at the University of North Carolina at Chapel Hill.

A SHRINKING BUDGET

William Z. Slany, the State Department historian, says another difficulty is money. "As we get to the modern years," he says, "we have more and more documents to review, but a shrinking budget to do so."

Beyond this is a problem of communication, he says. "The declassification process has become speedier and more responsive to scholarly concerns in the last five years," Mr. Slany says. "But many of the declassifiers have not yet learned how to communicate what they are doing to the outside world. When scholars have questioned them, the answers have not always been forthcoming—or have been churlish."

Other issues, however, go beyond the State Department. When the foreign-relations series was begun in the 19th century, the department set U.S. foreign policy. Today, it is no longer the only player. In putting the series together, Mr. Slany acknowledges, "we have trouble getting other agencies to cooperate."

"And we in the State Department may not have been aggressive enough in pursuing them."

The root of the problem, says Southern California's Mr. Dingman, is that "there is no systematic federal information policy—for example, that would direct all agencies to declassify documents after 30 years."

In its resolution, the Organization of American Historians called on Secretary of State Baker to address the problems of the foreign-relations series. "Part of the difficulty has been that the higher echelons have ignored the issue," says Mr. Cohen.

If historians' problems with the series are not resolved, Mr. Cohen adds, scholars have a few choices: pulling out of the department's advisory committee, asking that the series be published by some other agency, or requesting a disclaimer in every volume, indicating that the record is only partial. More broadly, scholars are pressing Congress to revamp federal policy to provide for the automatic declassification of all records after a given period, with certain exceptions to protect privacy or national security.

"We're hoping that now, if the cold war is considered over, the government will be less concerned with secrecy," says North Carolina's Mr. Hunt.

[From the New York Times, May 8, 1990]

AT THE STATE DEPARTMENT HISTORYGATE

(By Warren I. Cohen)

EAST LANSING, MI.—The State Department is playing games with history. The result is that thousands of scholars, journalists and diplomats who depend on the renowned series of documents on foreign policy known as "Foreign Relations of the United States" can no longer trust its reliability.

At least one volume published last year, "Iran, 1952-1954," was a fraud, a gross distortion of American activity there. It says nothing about the C.I.A.'s role in overthrowing Prime Minister Mohammed Mossadegh and restoring the Shah. Do we think we're hiding this from the Iranians?

I resigned, on Feb. 15, as chairman of the State Department's advisory committee on

historical diplomatic documentation. I wrote to Secretary of State James Baker that I could not protect the integrity of the 130-year-old series. Besides, his staff reneged on an agreement to provide the committee with the information it needed to prevent further damage to the credibility of the record.

Delays have been caused by an overly elaborate, costly declassification process that encourages distortion and coverup. Besides the secretiveness of the C.I.A. and National Security Council, a few State Department Neanderthals try to hide every minor indiscretion.

At a time when Moscow is disclosing terrible secrets, including Stalin's massacre of 15,000 Polish prisoners in the Katyn Forest, and when we are flooded with documents from Eastern European archives, our Government has undermined the reputation of its own documentation. It is hiding 30- to 40-year-old "secrets" and publishing a misleading record.

Before this scholarship is treated with the contempt that has long greeted most of its foreign equivalents, steps must be taken to restore the integrity of these volumes.

The State Department should immediately implement an agreement negotiated last year that restores the advisory committee's access to material withheld from publication in order to enable it to determine whether such omissions distort the record.

To prevent future obstruction, Congress should speed up the declassification process, which has slowed from getting 20-year-old documents in the 60's to, at best, 30-year-old documents in the 80's.

Congress should require the State Department to form a committee to review all documents that are withheld on national security grounds. The members ought to include organizations represented on the advisory committee—among them, the American Historical Association, Organization of American Historians and Society for Historians of American Foreign Relations.

The committee should contain, for the first time, representatives of the Foreign Service Association, the media and staffs of Congressional committees concerned with foreign affairs. All members would be required to obtain security clearances. The department would retain responsibility for determining what is to be published.

It is not in our national interest that foreign governments and U.S. citizens suspect that the State Department is in the historical-fiction business.

[From the Foreign Service Journal, August 1990]

GAPS IN THE RECORD—HOW STATE HAS ALLOWED HISTORY TO BE INCOMPLETE

(By Warren I. Cohen)

On February 15, 1990 I resigned as chairman of the Secretary's Advisory Committee on Historical Diplomatic Documentation, the committee that reviews the Foreign Relations of the United States series, the official record of U.S. foreign policy. In my letter of resignation, I informed Secretary Baker that I could not protect the integrity of the Foreign Relations series or testify that this model series continued to provide an honest historical record. Subsequently, the Organization of American Historians and the Society for Historians of American Foreign Relations called upon the secretary to take immediate steps to restore the integrity of the series, which has been published since 1862, each new volume now appearing about 30 years after the events it documents. A series of articles in the Washington Post, the New York Times, and the Chronicle of Higher Education, accompanied by NPR and BBC broadcasts, underscored the seriousness of the problem. What happened, and does it matter to the career Foreign Service officer?

When I was appointed to the advisory committee in 1986, I found the members of the committee angry and frustrated because of the change in the way they were asked to function. Previously, they had been permitted to see the documents, generally about 25 years old, assembled by the Department of State Office of the Historian's staff for publication, including material that was to be deleted for security reasons. With the full picture in mind, the committee could determine whether the documents to be published were reasonably representative of American activity in a given country. Committee members might question deletions and, on rare occasions, persuade the department to include a document someone wanted deleted, but the ultimate right to determine what would be published rested with the department, as it must.

But in the 1980s the committee was denied access to the deleted material. Lacking adequate knowledge of what had been deleted, the committee was denied the information it needed for its work.

Evidence of the disastrous results of the new procedure surfaced last year with the publication of the volume Iran, 1952-1954, which clearly did not constitute an honest record of American activity in Iran. The publication contained no document reflecting the U.S. government's desire to see Iran's ruler, Mohammed Mossadegh, deposed. Nor was any document included relating to the CIA-aided coup against Mossadegh, which Kermit Roosevelt described vividly in a memoir that had been cleared by the CIA in 1979, in the midst of the Iranian hostage crisis. It was immediately apparent that the collection was not an honest record of American activity in Iran. The volume was subjected to ridicule by reviewers all over the world. Bruce Kuniholm, once a member of the Policy Planning Staff, called it a fraud. Had the advisory committee been allowed to review that volume and the deletions prior to publication, the fiasco almost certainly would have been avoided.

This is not a battle between scholars and diplomats. In the quest for an accurate record of American foreign relations, historians do not see FSOs as the enemy. I know of no one in the department who wants to turn the Foreign Relations volumes into propaganda tracts, inviting the kind of contempt Soviet "documents" have long evoked. Indeed, the advisory committee found active and retired FSOs who were serving in the Bureau of Public Affairs (PA) and the Classification/Declassification Center (CDC) our most powerful allies in prying ancient secrets out of other agencies and away form skeptical desk officers.

The Department of State had erred in publishing the Iran volume, but the CIA seemed to be the obvious villain of the story. Department employees were acutely aware of the need to revise procedures to protect the reputation of the Foreign Relations series—and ultimately of the department itself. Even before the problem of the Iran volume was appreciated, Charles Redman, then assistant secretary, and George High, then senior deputy assistant secretary of PA, began a dialogue with the advisory committee led then by Bradford Perkins of the University of Michigan. Perkins and I met with Redman and High several times in 1987 and 1988, trying to fashion a new procedure that would reconcile security concerns elsewhere within the department with the committee's need for information. (In June 1988, I came back from my honeymoon just to meet with Redman and High.) On several occasions we came close to agreement, but each time, a key figure in CDC balked.

In 1988 several members of the department suggested that differences would disappear if I were willing to serve as chairman of the committee. In due course, my colleagues elected me, and I carried on discussions with officers from PA and CDC. In September 1989 we reached a working agreement, as follows:

Each year the committee would request a briefing from CDC on what generally had been omitted from three of the half dozen or so volumes that were ready to go to press. The department reserved the right to brief the committee on a volume of its own choosing rather than one selected by the committee.

The committee would be permitted to review the material that CDC had determined should remain classified.

The committee agreed, temporarily, not to insist on reviewing the guidelines CDC prepared for declassifiers at the National Archives.

I informed the other committee members and the professional organizations they represented. There were varying degrees of dissatisfaction with the agreement, but also a unanimous sense of progress and willingness to try the new procedures.

When the Advisory Committee met in November 1989, I opened the meeting with an expression of thanks to those in the department who had labored over the compromise. CDC duly briefed us on the three volumes requested. And then, to my astonishment, Dick Morefield of CDC refused to show the committee the documents to be withheld from publication. The department had reneged on the agreement.

I was angry and embarrassed, and I asked to see the new assistant secretary of state for PA, Margaret Tutwiler. She was not available. I met with her deputy, V. Kim Hoggard, who assured me that the Department of State would honor its agreement. She did not deliver. At one point I was offered the opportunity to review one volume, chosen by the department, but no other members of the committee—all of whom had the necessary security clearances—would be allowed to see these secrets from 1961 of the war in Vietnam. It might be noted that the advisory committee members included the eminent scholars Michel Oksenberg, from President Carter's NSC staff, and Paul Kattenburg, the distinguished former Foreign Service officer. After three months of playing games with me—until after the Historian's Office had finished its bureaucratic battle over its budget in February—I was informed that at an assistant secretary-level meeting in December the department had decided not to honor the agreement. I resigned the next day.

I trust that every Foreign Service officer can appreciate the absurdity of denying advisers the information they need to carry out their assignments and perform a public service, as well as the absurdity of hiding 30-year-old secrets from men and women with clearances and the "need to know." The department's gambit has damaged its credibility with scholars, journalists, Congress, foreign govenments and Foreign Service offi-

cers who need quick access to reliable information about America's past.

Although other agencies, especially the CIA, are principally at fault, a misguided few within the State Department have contributed to the damage. These are people whose self-image apparently depends on mystifying the process, who see danger in revealing long-past activities of the department to the American people, and who persist in treating scholars brought in to help the department as adversaries. It takes just a few of such keepers of the secrets, strengthened by inattentiveness or indifference at the top, to subvert the efforts of the overwhelming majority to provide the world with an honest record of America's foreign relations.

The American record must not be viewed with the contempt historically reserved for the records of totalitarian countries. The men and women of the Historian's Office have won a worldwide reputation for their integrity and that of their history. They and every Foreign Service officer—and all Americans—have been betrayed by the Iran volume. Credibility is a precious asset for the Foreign Service, which must not be tainted by people of narrower vision. The department must honor its agreement with its advisory committee. The department must take steps to assure the American people that there cannot be another travesty like the Iran volume.

LEGISLATION PROPOSES TO OPEN MORE DOCUMENTS TO REVIEW

Consequent to my resignation, congressional leaders and the media have urged the president and Secretary Baker to take steps to restore the integrity of the Foreign Relations series. In June the Senate Foreign Relations Committee approved legislation that would create an advisory committee composed of at least five historians, two of whom would be U.S. government employees. The legislation, scheduled for floor debate in July, would make available to the advisory committee all documents that the government proposes to withhold from the Foreign Relations series. The committee then, by majority vote, could approve the decision to withhold documents. Any deletions made in documentary texts, however, would be indicated with notes in the published text.

I am delighted with the results thus far, but it is essential to create a mechanism that will end the adversarial relationship between Foreign Service officers and historians. I advocate inclusion on the advisory committee of a representative of the American Foreign Service Association whose professional experience and credibility with Foreign Service offices will be an enormous asset.

[From the World Monitor, October 1990]

STOP FALSIFYING U.S. HISTORY

(By Warren I. Cohen)

Although President Bush and other American leaders have conceded that the Cold War is over, the US government continues to deny the American people an honest account of its role in events that occurred more than 30 years ago. At a time when the Soviet Union and its former satellites are revealing their most terrible secrets—including their support of terrorist operations, Stalin's massacre of 15,000 Polish officer POWs, and his atrocities against his own people—the US government is publishing blatantly fraudulent accounts of its activities in Guatemala, Iran, and Southeast Asia in the 1950s. Indeed, much of the historical record published recently by the Department of State in its renowned "Foreign Relations of the United States" series may distort and misrepresent American activities abroad.

The current scandal gained national attention earlier this year when I resigned as chairman of the State Department's Advisory Committee on Historical Diplomatic Documentation. For several years that committee, composed of prominent scholars and former diplomats, all possessed of security clearances, had been denied its traditional opportunity to review material the department was excluding from its publications. Without access to the excluded material, we had no way to determine whether the remainder faithfully reflected the activities of our government. We insisted that we be shown the excluded material before we gave our cachet.

In September 1989, after two years of negotiation, the responsible officer of the State Department and I reached agreement on procedures that would have ensured the integrity of the documentary record. In December—at a meeting in which all present agreed that the volume on "Iran, 1952-1954," published earlier in the year, grossly misrepresented the US role in the overthrow of Prime Minister Mohammed Mossadegh and restoration of the Shah—the department reneged on its agreement with my committee. At a moment when the need for informed oversight could not have been more obvious, the Department of State chose to retreat, to obscure, to preserve the American nomenklatura's privileged access to secrets. None of the documents involved was less than 30 years old!

The "Foreign Relations of the United States" series began to be published in 1861, and since the 1920s it has achieved and maintained an extraordinary reputation for its thoroughness and integrity. Scholars from countries all over the world have relied on it for correctives to the lies their own governments published or simply for information that their governments might never make available. No respectable Chinese or Soviet scholar would write about Cold War events without at least consulting the series.

The "Foreign Relations" series was a superb example of how a democratic government keeps its people informed about their past and provides them with the information they need to understand their country's role in world affairs. It provided evidence that the United States had done little of which it was ashamed and that it was unafraid to reveal its mistakes. It has been enormously valuable to scholars, journalists, diplomats, and ordinary people who needed to know—or just wanted to know—what really happened.

The Department of State historians who assemble the record today are as good as any the department has ever had and as committed to providing a reliable record as any of their predecessors. Their current shame is not their responsibility, but that of other elements in the department and other agencies of the US government, most notably the CIA.

Within the State Department, the problem is caused by a small group of self-appointed keepers of the secrets, men and women whose self-esteem appears to depend on their ability to mystify the process by which policy is made. The academic world, Congress, the media, the American people generally, are perceived as adversaries from whom the truth must be withheld. The secret-keepers hide behind a cloak of national security, implying that the Advisory Committee on Historical Diplomatic Documentation and members of the department who cooperate with it are willing to compromise the nation's security. The secret-keepers alone are fit to judge what the American people will be told.

Fortunately, most Foreign Service officers, including most of those with responsibility for declassification of ancient secrets, are more sensible. But it took only a few, skilled in bureaucratic games, to create the current mess.

The problem posed by the Central Intelligence Agency is a much more serious one. Prior to the 1950s the Department of State was usually the principal instrument of American foreign policy. The account it produced of its activities reflected the nation's role in world affairs. Even during the 1940s, however, the president and his personal advisers—Roosevelt and Hopkins, for example—acted without keeping the department fully informed. But the department's historians did an excellent job of obtaining necessary White House documents to fill out the record.

In the 1950s, however, the CIA became a major player, at times *the* major player, as in Iran or Guatemala—and perhaps many other places about which we are so far completely uninformed. But the CIA has generally refused to provide the compilers of the "Foreign Relations" series with the documents necessary to understand its role. If the CIA was the principal instrument of American policy toward a particular country at a particular time, and none of its activities appear in a volume purporting to be the official record of American relations with that country at that time, the volume is clearly useless—a farce, a fraud. In short, to be meaningful, the record must contain CIA documentation.

The CIA leadership has consistently refused to provide a record of its covert operations on the ostensibly reasonable grounds that admission of such operations would compromise national security and endanger its agents. Were we talking about yesterday's operations, or last year's—or those of 5, 10, or 15 years ago—the argument would be difficult to refute. But the "Foreign Relations" series is publishing the record of activities of more than 30 years ago. (Remember that CIA sources and agents are never named in these documents anyway.)

In many instances, former CIA directors and operatives have published favorable stories of their own feats. The foreigners who were the targets of these operations are generally well-informed. Iranians all know who put the Shah back on his throne. The secret bombing of Laos was not a secret to the Laotians. Only the American people were kept in the dark—and are still denied the whole truth. Moreover, in the 1990s, with the Cold War over, one might well ask how the national security will be jeopardized by informing the American people of what the CIA was doing in the 1950s. At some time, there must be an opportunity for a democratic people to review the activities of one of its agencies—and 30 years later is hardly too soon.

A partial solution to the scandalous adulteration of the "Foreign Relations" series may be imminent. A bill to provide for automatic declassification of Department of State documents has been approved by the Senate Foreign Relations Committee. Automatic declassification, preferably after no more than 25 years, is essential to prevent

the process from becoming dependent on the speed with which declassifiers can work, the funds available to hire them, the idiosyncrasies of individual declassifiers, or the bureaucratic penchant for playing safe by revealing as little as possible. If the bill becomes law, it will make it more difficult for vested interests within the State Department to deny parts of the record to the people. Changes in the authority of the Advisory Committee on Historical Diplomatic Documentation will improve its ability to ensure that the published documents accurately reflect American governmental actions.

We need more: We need a Foreign Service committed to providing the American people with a full and honest record of its activities. I am not calling for "open diplomacy." Diplomacy must often be conducted secretly, but only an infinitesimal part of what occurs might conceivably require concealment for 25 or 30 years. The Department of State must internalize its commitment to the truth and punish those who destroy or hide documents—because there will always be bureaucrats ready and eager to obscure the truth, especially when a premium is placed on keeping secrets.

And we must work at getting the documents out faster. In the 1960s documents were available after 20 years. President Reagan ordered that the documents be published within 30 years, but frequently we must wait 35 years—or longer. British foreign office documents, for which the interested public once had to wait 50 years, are now available after 30. Today the first insight into past American actions abroad can be obtained at the British Public Record Office rather than in Washington. The United States should be able to do better.

Perhaps most important: The CIA must not be allowed to exempt itself from the process of automatic declassification. If it is to be a major player in America's world affairs, its activities must be reflected in the record. The same holds true for the president's National Security Council. In a democratic society, the actions of every agency must be subject to review. When current operations must be kept secret, strengthened congressional oversight committees are essential. (Under previous leadership the CIA fought against the creation of the current oversight committees on the grounds that they would make it impossible for the agency to work with adequate secrecy, that the nation would be endangered. In fact, there is no evidence that the nation's ability to collect intelligence and mount covert operations has been impaired.)

For operations 25 or 30 years ago, let the people judge. We must not be restricted in what we learn of CIA operations in Iran, Guatemala, Southeast Asia, and the rest of the world to what former CIA agents choose to tell us.

The American people are entitled to a full and honest record of their government's role in world affairs. The legislation now pending (likely to be brought before the whole Senate later this year) is an important step in the right direction: Its passage is imperative. The more the State Department, the CIA, the National Security Council, or any other government agency fears revelation of the truth, obstructs access to the truth, the more urgent is our need to get at it. At no time in the last 50 years has there been less justification for hiding the history of America's foreign relations. Certainly the national interest is not served by publishing lies or half-truths, by discrediting the word of the government of the United States.

Mr. BOREN. Mr. President, for the past 128 years the State Department has published a documentary series called "the Foreign Relations of the United States." This series of original source materials holds itself out to the world as a comprehensive picture of U.S. foreign policy, and for the most part it accomplishes its stated task quite well. Earlier this year, however, it became clear to several of us who have followed the progress of this documentary series, that there are some significant problems that need to be corrected.

Unlike 1862, for example, when the first volume of documents on U.S. foreign policy was published, agencies and departments other than the Department of State have today assumed a significant role in the formulation and execution of U.S. foreign policy. We have only to look at the record of the last few years to see that the Central Intelligence Agency and the National Security Council and its staff, for example, have become major players on the foreign policy scene. It is both appropriate and necessary that their records be included in any comprehensive collection of foreign policy documents.

Yet the State Department has not been able to include such documents in the series, in large part because of the reluctance of other agencies to share these documents with the State Department's historians and its historical advisory committee or to declassify documents for State Department use. This has led to such absurdities as the failure of the volume on Iran during the early 1950's to include any mention of the CIA's role in the overthrow of the Mossadeq government, despite the fact that a substantial account of the CIA role had been published previously in a personal memoir by one of the CIA officers involved there. Likewise, the volume on Guatemala for the same period does not include the CIA's role in overthrowing the government of Jacobo Arbenz. Ironically, the CIA document in this volume suggests the contrary: that the CIA played no role in the coup.

We have crafted what we believe is a reasonable and responsible solution to this problem. Under this legislation, agencies and departments outside the State Department that play a role in the formulation or execution of U.S. foreign policy would allow access by properly cleared individuals from the State Department Historian's office and the State Department's advisory committee to documents that are likely candidates for inclusion in the Foreign Relations series. Given the time lag between the event and the publication of the documentary series, this means access to documents that are approaching 30 years old.

Documents selected for the series would then be submitted for declassification to the originating agency, using the declassification standards of that particular agency. If for some reason the document cannot be declassified, then the originator will attempt to prepare an unclassified summary of the document. Failure either to declassify a document or to prepare a satisfactory unclassified summary would trigger a report to the Senate Foreign Relations Committeee and the House Foreign Affairs Committee. The key to this process is that the originating agency will never be forced to lose control of the document and its declassification to an outside agency or department.

As chairman of the Select Committee on Intelligence, I am satisfied that this legislation protects the U.S. Intelligence community and allows the Director of Central Intelligence to continue to protect intelligence sources and methods. At the same time, the role of the CIA and the NSC and other agencies and departments that are involved in the formulation and execution of U.S. foreign policy will be openly and explicitly acknowledged, albeit 30 years after the fact.

Additionally, this legislation provides that with the exception of certain records that would compromise weapons technology or cryptology, would disclose the names of living informants, or would demonstrably impede current diplomatic negotiations, all 30-year-old State Department records are to be automatically declassified and made available to the public at the National Archives.

As Chairman PELL and I wrote in a op-ed earlier this year, "To some people the accuracy of the historical record may appear to be a peripheral issue. We disagree. In a democracy, where the people make policy, it is essential for all of us to know accurately our own past." I do not believe I can improve on those sentiments today, and I urge your support of this legislation.

Mr. COHEN. Mr. President, "History," Tolstoy told us, "would be an excellent thing if only it were true." I was reminded of Tolstoy's statement recently when I read the article my distinguished colleagues, DAVID BOREN and CLAIBORNE PELL, wrote for the May 27, 1990, Boston Globe. That article, "Why U.S. Foreign-Policy Records are 'a Fraud': Government Agencies Distort History by Covering Their Tracks," drew attention to a growing problem for historians, the omission of important Government documents from the State Department's "Foreign Relations of the United States" series.

It is thus a pleasure today to join Senators BOREN, PELL, and HELMS in introducing legislation that will prevent the continued distortion of Amer-

ican diplomatic history within the pages of that series, a problem so serious that the chairman of the State Department's own advisory committee on historical documentation, Prof. Warren Cohen of Michigan State University, felt compelled to resign earlier this year in protest over the way the declassification process for documents is now handled.

State's foreign relations series is a compilation of original source material which has been published every year since 1862. According to the preface in each volume, it "constitutes the official record of the foreign policy of the United States. The volumes in the series include, subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States * * *."

The problem is that the volumes as compiled and published do not always live up to the preface. When the first volume was published in 1862, covering diplomatic activities for the year 1861, the Department of State was the sole executive branch architect and executor of U.S. foreign policy. This was probably true up through the beginnings of the cold war. With CIA involvement in covert actions, however, and an increasing National Security Council role in formulation of foreign policy, this truism had changed. It is no longer enough for diplomatic historians and others to look to the State Department's archives for a "comprehensive record" of how our foreign policy was developed and carried out. Indeed, without records from agencies such as CIA and entities such as the NSC, an incomplete and misleading picture of U.S. foreign policy will surely result.

Despite the best efforts of the historians at the State Department, this has been the case in recent years. The volume on Iran during the 1950's and the volume on Guatemala during this same period failed to mention the CIA's role in coups that overthrew governments there, despite the many sources that have detailed the agency's involvement therein.

Under the provisions of this legislation, the State Department's historians and advisory committee will work with the professional historians in other agencies to select documents for the foreign relations series. Declassification will then be accomplished by the originating agency, and the documents will be made available for the series and to the public as a whole.

As vice chairman of the Select Committee on Intelligence, I have been most concerned that this process be accomplished without compromising intelligence sources and methods or endangering ongoing operations. I am satisfied that the safeguards built into this legislation afford such protections and leave the Director of Central Intelligence free to exercise his statutory responsibility in this area. At the same time, this legislation will go a long way toward preventing further distortions—through the omission of material documents—in the record of how our foreign policy has been formulated and conducted. It is time that this be done, and I hope this bill will receive the broad bipartisan support of my colleagues.

I ask unanimous consent that the article by Senators BOREN and PELL be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, May 27, 1990]

WHY U.S. FOREIGN-POLICY RECORDS ARE "A FRAUD"

(By Claiborne Pell and David L. Boren)

The first volume of Foreign Relations of the United States, the publication that constitutes the official record of US foreign policy, covered US diplomacy for the year 1861. Our foreign policy for much of that year centered on the secession of the Southern states and US attempts to discourage foreign recognition of the Confederacy. That volume was published in 1862, only one year after the events, a far cry from present volumes, which are running close to 40 years behind current events.

To be sure, it was easier in those less complicated times for the State Department to search through its files and produce all the needed documents, because that single department was the locus of virtually all US diplomatic efforts. At the same time, one can imagine the objections of cautious declassifiers in the 1860s, bridling at the release of crucial documents so soon after the events. Despite its many years of publication, the same issue faces the Foreign Relations series today.

The Foreign Relations volume covering the Guatemalan coup of 1954, for example, in which a force under Col. Castillo Armas overthrew the government of President Jacobo Arbenz, contains no mention of the CIA's role in the operation. In fact, the only CIA document in this section suggests the contrary: that there was no CIA involvement in the coup. The Guatemala documents were published in 1983, almost 30 years after the event and long after knowledge of the CIA's role in this operation had become well known.

Likewise, the volume on Iran for the period 1952-1954 does not indicate the CIA's role in overthrowing the Mossadeq government there, although a substantial account has been published on the coup by a CIA officer who was involved in the operation, and it is substantially covered in materials released by the British government—which has traditionally been at least as cautious as the United States in its declassification schedules.

The chairman of the State Department's own advisory committee on historical documentation, professor Warren I. Cohen of Michigan State University, resigned earlier this year in objection to the way in which declassification is now being handled. He has written that the Iran, 1952-1954 volume is "a fraud, a gross distortion of American activity there." Noting that the volume says nothing about the CIA's role, he asks, "Do we think we're hiding this from the Iranians?"

Historians and political scientists throughout the world depend on the Foreign Relations series, the official diplomatic record, which is edited and prepared by the State Department's Office of the Historian, Bureau of Public Affairs, as a basic source for the raw materials that are essential to their work. State Department files are supplemented by papers from other government agencies involved in the formulation of foreign policy.

The series was institutionalized by Secretary of State Frank B. Kellogg, who in 1926 issued the instructions that still govern these volumes. There should be no alteration of the text, said Kellogg, and no deletions without indicating where deletions have been made. Further, nothing may be omitted "for the purpose of concealing or glossing over what might be regarded by some as a defect of policy."

Omissions of documents are permissible under Kellogg's guidelines only where they would be redundant, where publication would "tend to impede current diplomatic negotiations or other business," as necessary "to preserve the confidence reposed in the Department (of State) by individuals and foreign governments," and for other limited reasons. The Preface to each volume states that it contains, "subject to necessary security considerations, all documents needed to give a comprehensive record of the major foreign policy decisions of the United States."

In these days of high-speed code machines, nearly all of what constitutes the record of US foreign policy is initially classified. In addition, important information pertinent to the diplomatic record involves actions by agencies other than the State Department, such as the National Security Council and the Central Intelligence Agency. The State Department has its own declassifiers, but they have no control over—and little influence on—the other agencies and organizations whose records are needed for a complete picture of US foreign policy to emerge.

As chairman, respectively, of the Senate Foreign Relations and Senate Intelligence committees, we are acutely aware of the need to control access to classified documents in cases when release would be damaging to the United States or our allies. We support the director of Central Intelligence as he exercises his responsibility to safeguard US intelligence sources and methods, and to hold in confidence information collected by the CIA and other elements of the intelligence community. We support equally the efforts of the secretary of state to safeguard our diplomatic communications and protect our foreign policy interests. We do not want to release documents that ought to remain classified.

Having said this, however, we find it amazing that so many documetns are omtted from the Foreign Relations series many years after the events took place, and long after the need for classification has vanished.

To some people, the accuracy of the historical record may appear to be a peripheral issue. We disagree. In a democracy, where the people make policy, it is essential for all of us to know accurately our own past.

So the bill (S. 3225) was passed, as follows:

S. 3225

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. AMENDMENT TO THE STATE DEPARTMENT BASIC AUTHORITIES ACT OF 1956

The State Department Basic Authorities Act of 1956 is amended—

(1) by redesignating section 47 as section 48; and

(2) by inserting after section 46 the following:

"SEC. 47. THE 'FOREIGN RELATIONS OF THE UNITED STATES' HISTORICAL SERIES.

"(a) CONTENTS OF THE PUBLICATION.—(1) The 'Foreign Relations of the United States' historical series shall continue a thorough, accurate, and reliable documentary record of major United States foreign policy decisions and significant United States diplomatic activity. Volumes of this publication shall include all documents needed to provide a comprehensive record of the major foreign policy decisions and actions of the United States Government, together with appropriate materials concerning the facts which contributed to the formulation of policies, as well as memoranda and other documents providing supporting and alternative views to the policy position ultimately adopted.

"(2) Basic responsibility for the preparation of the 'Foreign Relations of the United States' historical series shall reside with the Office of the Historian of the Department of State. Other departments, agencies, and other entities of the United States Government shall cooperate with the Office of the Historian and the Advisory Committee established by subsection (c) by providing full and complete access to the documents and other materials pertinent to the record of United States foreign policy decisions and actions and copies of selected documents and materials.

"(3) A department, agency, or other entity of the United States shall be deemed to have met the requirement under paragraph (2) to provide access to, and copies of, documents and other materials if the department, agency, or entity followed the procedures described in paragraphs (1) through (3) of subsection (b). Notwithstanding any other provision of this section, the requirement for the National Archives and Records Administration to provide access to, and copies of, documents and other materials to the Department of State for the 'Foreign Relations of the United States' historical series shall be governed by chapter 21 of title 44, United States Code, by any agreement concluded between the Department of State and the National Archives and Records Administration, and, in the case of Presidential records, by section 2204 of such title.

"(4) The editing of the record for preparation of the 'Foreign Relations of the United States' historical series is to be guided by the principles of historical objectivity and accuracy. Documentary texts shall not be altered and deletions shall not be made without indicating in the published text that a deletion has been made. The published record shall omit no facts which were of importance in reaching a decision, and nothing shall be omitted for the purpose of concealing a defect of policy.

"(b) PROCEDURES FOR IDENTIFYING DOCUMENTS FOR 'FOREIGN RELATIONS OF THE UNITED STATES' HISTORICAL SERIES; DECLASSIFICATION, REVISIONS, AND SUMMARIES.—(1) Not later than March 1, 1991, each department, agency, or other entity of the United States Government engaged in foreign policy formulation, execution, or support shall develop procedures for its historical office (or a designated individual in the event that there is no historical office) to coordinate with the State Department's Office of the Historian in selecting documents and other materials for possible inclusion in the 'Foreign Relations of the United States' historical series. In effecting this coordination and selection of documents and other materials, such procedures shall permit full access to the original, unrevised records by such properly cleared individuals from the State Department's Office of the Historian as have been designated by the Secretary of State as liaison to that department, agency, or entity, for purposes of this Act, and by members of the Advisory Committee of the Department of State, established by subsection (c).

"(2) The Advisory Committee of the Department of State shall review and make recommendations concerning the selection of documents to be included in the "Foreign Relations of the United States" historical series.

"(3)(A) Subject to subparagraph (D), documents selected for inclusion in the 'Foreign Relations of the United States' historical series shall be submitted for declassification review in accordance with originating agency procedures for such, and such declassification review shall be completed by the originating agency within 60 days after such documents are submitted for review, except that if the originating agency determines that any such document is not declassifiable because of a continuing need to protect sources and methods or other sensitive national security information, the originating agency shall attempt to make such deletions in the text as will make the document declassifiable.

"(B) If the Advisory Committee determines that the meaning of a document is so altered or changed by deletions made under subparagraph (A) that the 'Foreign Relations' historical series in that condition would be misleading or lead to an inaccurate or incomplete historical record, then the originating agency shall prepare an unclassified summary of the document.

"(C) In all instances where deletions have been made in the original text of a document or where an unclassified summary has been prepared, the Advisory Committee shall have full and complete access to the original text of such documents.

"(D) If the originating agency refuses to prepare a declassified, revised document or to prepare an unclassified summary, or if the Advisory Committee does not agree with the deletions made in the document or with the accuracy of the summary, then the Advisory Committee shall submit to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives a report setting forth the refusal of the agency or the disagreement by the Advisory Committee, as the case may be. The Advisory Committee shall furnish to the originating agency, a copy of the report submitted to the congressional committees. Within 7 days after receiving a copy of the Advisory Committee's report, the originating agency furnish to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives an explanation of its reasons for refusing to declassify the document, to declassify it with deletions that are acceptable to the Advisory Committee, or for failing to provide an unclassified summary that is acceptable to the Advisory Committee.

"(c) ADVISORY COMMITTEE.—(1) There is established on a permanent basis the Advisory Committee on the Foreign Relations of the United States Historical Series for the Department of State (hereafter in this section referred to as the 'Advisory Committee'). The activities of the Advisory Committee shall be coordinated by the State Department's Historical Office, with the Department's Historian serving as the Executive Secretary of the Advisory Committee. The Advisory Committee shall consist of not less than 9 distinguished historians, political scientists, archivists, and international lawyers, of whom no more than 2 shall be employees of the United States, appointed by the Secretary of State, acting on the advice of the Assistant Secretary for Public Affairs, with at least one individual selected from the list of names submitted to him by each of the following organizations: The American Historical Association, the Organization of American Historians, the American Political Science Association, the Society of American Archivists, the American Society of International Law, and the Society for Historians of American Foreign Relations. If an organization does not submit a list of names, or submits only one name, then the Secretary of State may select one additional name from the list of one of the other specified organizations.

"(2) Each member of the Advisory Committee shall be appointed to serve a term of 3 years, except that of the members first appointed—

"(A) 3 shall be appointed to serve for terms of 1 year; and

"(B) 3 shall be appointed to serve for terms of 2 years.

Any vacancy in the Advisory Committee shall be filled in the same manner as the original appointment and an individual appointed to fill a vacancy shall be appointed to serve for the remainder of the term. A member may be reappointed upon expiration of his or her term.

"(3) The Advisory Committee shall select a chairperson for a term of 1 year. A chairperson may be reelected upon expiration of his or her term as chairperson.

"(4) A majority of the Advisory Committee shall constitute a quorum. The Advisory Committee shall meet at least quarterly or as frequently as may be necessary to carry out its duties.

"(5) All members of the Advisory Committee shall have qualified for and received necessary security clearances based upon standard procedures for granting such clearances.

"(6)(A) Members of the Advisory Committee who are appointed from outside the Federal Government—

"(i) shall each receive compensation at a rate of not to exceed the daily equivalent of the annual rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code, for each day such member is engaged in the actual performance of the duties of the Advisory Committee; and

"(ii) shall be allowed travel expenses, including per diem in lieu of subsistence at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Advisory Committee.

"(B) Any member of the Advisory Committee who is an officer or employee of the executive branch of the Federal Government shall not be paid compensation for services performed as a member of the Advi-

sory Committee, except that such member shall be allowed expenses in accordance with subparagraph (A)(ii).

"(C) The Secretary of State is authorized to provide for necessary secretarial and staff assistance for the Advisory Committee.

"(7) The Advisory Committee may, by affirmative vote of a majority of its members present, approve, at a meeting called for such purpose, the withholding of a document or a portion of a document from publication in the 'Foreign Relations of the United States' historical series if such withholding is necessary—

"(A) to avoid publication of matters which would demonstrably impede current diplomatic negotiations or other ongoing official activities of the United States Government; or

"(B) to condense the record and avoid repetition of needless details.

"(8) The Federal Advisory Committee Act shall not apply to the Advisory Committee to the extent that the provisions of this section are inconsistent therewith.

"(d) PUBLICATION DATES FOR DOCUMENTS.—The Secretary of State shall ensure that the 'Foreign Relations of the United States' historical series shall be published not more than 30 years after the events documented.

"(e) AUTOMATIC DECLASSIFICATION.—All documents of the Department of State shall be automatically declassified 30 years after the events documented and shall be made available to the public at the National Archives unless such documents—

"(1) would compromise weapons technology important to the national defense of the United States or provide access by other nations to sensitive weapon's design information relating to the United States or foreign military equipment or relating to United States cryptologic systems or codes;

"(2) would disclose the names of living persons who provided confidential information to the United States and where disclosure of such names would result in harm to such persons; or

"(3) would demonstrably impede current diplomatic negotiations or other ongoing official activities of the United States Government.

The Advisory Committee shall review the State Department's declassification procedures, the guidelines used in declassification, and, by random sampling, documents representative of all Department of State documents in the custody of the Department of State that remain classified after 30 years. The Advisory Committee shall report their findings annually to the Information Security Oversight Office, the Committee on Foreign Relations of the Senate, and the Committee on Foreign Affairs of the House of Representatives.

"(f) DEFINITION.—For purposes of this section, the term 'originating agency' means, with respect to a document, the department, agency, or entity of the United States (or any officer or employee thereof acting in his official capacity) that publishes, issues, or otherwise prepares that document.".

NATIONAL WEEK TO COMMEMORATE THE VICTIMS OF THE FAMINE IN UKRAINE, 1932-1933

Mr. FORD. Mr. President, I ask unanimous consent that the Foreign Relations Committee be discharged from further consideration of Senate Joint Resolution 329 commemorating the Victims of the Ukraine Famine, and I ask for its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 329) to designate the week of June 17, 1990 through June 23, 1990 as "National Week to Commemorate the Victims of the Famine in Ukraine, 1932-1933", and to commemorate the Ukrainian famine of 1932-1933 and the policies of Russification to suppress Ukrainian identity.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

AMENDMENT NO. 3085

(Purpose: To designate the week of November 3, 1990 through November 10, 1990 as National Week to Commemorate the Victims of the Famine in the Ukraine)

Mr. KASTEN. Mr. President, I send an amendment to the desk changing the date of the joint resolution.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] proposes an amendment numbered 3085.

On page 3, line 4, strike the week of June 17, 1990, through June 23, 1990, and insert on page 3, line 4, the week of November 3, 1990, through November 10, 1990.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3085) was agreed to.

Mr. LAUTENBERG. Mr. President, I rise today in support of Senate Joint Resolution 329 of which I am a cosponsor. This joint resolution establishes a national week to commemorate and to mourn the tragic victims of the 1922-23 famine in the Ukraine. It asks that the American people, through ceremonies, activities and programs, remember and acknowledge this tragedy.

The congressionally created Commission on the Ukraine Famine has established that the Soviet Government ignored the appeals of the international community and refused to prevent the famine or alleviate the suffering of the Ukrainians. It also established that the Ukrainian famine was the result of a deliberate policy on the part of the Soviet Union, not a naturally produced famine, as official Soviet propaganda had claimed. And the Central Committee of the Communist Party of the Ukraine has itself acknowledged that it was the policies of Stalin that engineered this horrible famine.

In this country, with our democratic traditions, we look back in horror and disbelief that the Soviet Government, even under a despot like Stalin, could engineer the starvation of over 7 million Ukrainians. That a tyrannical government and dictator could implement a policy of the deliberate destruction of the political, cultural, and basic human rights of the Ukranian people.

It reminds us all of the kinds of atrocities despotic governments can perpetrate on peoples within their own borders. Unfortunately, these kinds of atrocities that have not yet disappeared from the face of the Earth. They require continued vigilance from the civilized nations of the world to protect the human rights and the sanctity of life for all peoples.

Recent events demonstrate that the people of the Ukraine, despite centuries of conquest and oppression, have not lost their yearning for freedoms. Over the last 2 weeks, more than 100,000 protesters took part in street demonstrations, university sitins, and other protests, including a dramatic hunger strike by 200 students. These protesters were repudiating elections last spring that most Ukrainians believe were rigged to continue Communist Party control of the parliament. They were making a statement that the people of the Ukraine have the right to have a say in their political future through the election of democratically elected representatives.

In the face of this unprecedented public pressure, the Ukrainian Government seems to have recognized that the Ukrainian people must be heard. Prime Minister Vitaly Masol, a hard line Communist, has agreed to resign as demanded. The Parliament agreed to hold a referendum next year that could lead to the dissolution of parliament and new multiparty elections. A new law on political parties will be adopted before the referendum allowing several unregistered opposition parties to compete for power. The coming months will tell whether the Ukrainian Government has truly recognized and accepted the right of the Ukrainian people to be heard.

Our Nation's commemoration of the horrors perpetrated on the Ukrainian people almost 60 years ago is particularly appropriate at this time. In the difficult but hopeful times to come, it will remind all that the goal of these changes is the establishment of societies in which such atrocities cannot happen.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and third reading of the joint resolution.

The amendment was ordered to be engrossed and the joint resolution was read the third time and passed. The preamble was agreed to.

The joint resolution (S.J. Res. 329), with its preamble, is as follows:

S.J. RES. 329

Whereas more than 7 million Ukrainians in the Ukrainian Soviet Socialist Republic, one of the member republics of the Union of Soviet Socialist Republics, died of starvation during the years 1932-1933;

Whereas the famine of 1932-1933 was the consequence of deliberate policies of the Government of the Union of Soviet Socialist Republics aiming to destroy the political, cultural, and human rights of the Ukrainian people;

Whereas the economic, social, and political consequences of the famine of 1932-33 are still manifest among the Ukrainian population;

Whereas the Government of the Union of Soviet Socialist Republics, although aware of the famine in Ukraine and having com-

plete control of the entire food supplies within the borders of the Union of Soviet Socialist Republics, nevertheless failed to take relief measures to check the famine of 1932-33 or to alleviate the catastrophic conditions resulting from it;

Whereas the Government of the Union of Soviet Socialist Republics ignored the appeals of international organizations and other nations;

Whereas the United States Commission on the Ukraine Famine, legislated to study and expand world knowledge of the famine, has substantiated, through hearings, eyewitness testimony, and documentation, that the Ukrainian famine of 1932-1933 was the result of a deliberate policy by the Government of the Union of Soviet Socialist Republics, and has published those findings;

Whereas on February 7, 1990, the Central Committee of the Communist Party of Ukraine acknowledged that the Ukrainian famine of 1932-1933 was artifically created by the policies of Stalin and his closest associates;

Whereas the Government of the Union of Soviet Socialist Republics has a long history of suppression of Ukrainian aspirations for the exercise of legitimate human rights and the expression of the cultural and social heritage of Ukrainians; and

Whereas the United States has made intercessions at various times during the course of its history on behalf of citizens of other countries who are oppressed or persecuted by their governments, reflecting the traditional policy of the United States to take cognizance of such abuses of human rights and liberties: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That—

(1) the week of November 3, 1990, through November 10, 1990, is designated as "National Week to Commemorate the Victims of the Famine in Ukraine, 1932-1933"; and

(2) the President is requested to issue a proclamation calling on the people of the United States, State and local government agencies, and interested organizations to observe the week with appropriate ceremonies, activities, and programs.

SEC. 2. Congress condemns the systematic disregard for human life, human rights, and liberties that characterized the policies of the Government of the Union of Soviet Socialist Republics during the Ukrainian famine of 1932-1933 and expresses sympathy for the millions of victims of the famine.

SEC. 3. The President is requested to use public and diplomatic channels to call the attention of the world to the policies of the Government of the Union of Soviet Socialist Republics that—

(1) caused the slow death by famine of 7 million Ukrainians during 1932 and 1933; and

(2) for much of the modern history of Ukraine, have suppressed Ukrainian aspirations for the exercise of human rights and the expression of the cultural and social heritage of Ukrainians.

SEC. 4. Congress recognizes the reforms underway in Ukraine and strongly urges the Government of the Union of Soviet Socialist Republics to—

(1) continue to move forward toward democratization and restructuring; and

(2) provide a framework for the realization of the legitimate rights and aspirations of the people of Ukraine.

The title was amended so as to read:

To designate the week of November 3, 1990, to November 10, 1990, as "National Week to Commemorate the Victims of the Famine in the Ukraine, 1932-1933," and to commemorate the Ukrainian famine of 1932-1933 and the policies of Russification to suppress Ukrainian identity.

Mr. FORD. Mr. President, I move to reconsider the vote by which the joint resolution, as amended, was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FLAG WAVERS DAY

Mr. FORD. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Joint Resolution 380, to designate February 14, 1991, as "Flag Wavers Day," and that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. Without objection, it is so ordered. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (S.J. Res. 380) to designate February 14, 1991 as "Flag Wavers Day."

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution.

The joint resolution was read a third time and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 380), with its preamble, reads as follows:

S.J. RES. 380

Whereas the Nation's flag embodies the values for which millions of Americans have fought and died;

Whereas the values of the United States, which our flag represents, will bring victory in eastern Europe;

Whereas the flag is under physical attack in the United States, where people casually desecrate it by making fatuous statements about free speech; and

Whereas the vast majority of the people of the United States earnestly believe in the values which the flag represents, and wish to honor and preserve it: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That February 14, 1991, is designated as "Flag Wavers Day" and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the year with appropriate ceremonies and activities.

Mr. FORD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COPYRIGHT AMENDMENTS ACT

Mr. FORD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 198.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 198) entitled "An Act to amend title 17, United States Code, the Copyright Act to protect certain computer programs", do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Copyright Amendments Act of 1990".

TITLE I—COMPUTER SOFTWARE

SEC. 101. SHORT TITLE.

This title may be cited as the "Computer Software Rental Amendments Act of 1990".

SEC. 102. RENTAL OF COMPUTER PROGRAMS.

Section 109(b) of title 17, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by striking paragraph (1) and inserting the following:

"(b)(1)(A) Notwithstanding the provisions of subsection (a), unless authorized by the owners of copyright in the sound recording or the owner of copyright in a computer program (including any tape, disk, or other medium embodying such program), and in the case of a sound recording in the musical works embodied therein, neither the owner of a particular phonorecord nor any person in possession of a particular copy of a computer program (including any tape, disk, or other medium embodying such program), may, for the purposes of direct or indirect commercial advantage, dispose of, or authorize the disposal of, the possession of that phonorecord or computer program (including any tape, disk, or other medium embodying such program) by rental, lease, or lending, or by any other act or practice in the nature of rental, lease, or lending. Nothing in the preceding sentence shall apply to the rental, lease, or lending of a phonorecord for nonprofit purposes by a nonprofit library or nonprofit educational institution. The transfer of possession of a lawfully made copy of a computer program by a nonprofit educational institution to another nonprofit educational institution or to faculty, staff, and students does not constitute rental, lease, or lending for direct or indirect commercial purposes under this subsection.

"(B) This subsection does not apply to—

"(i) a computer program which is embodied in a machine or product and which cannot be copied during the ordinary operation or use of the machine or product; or

"(ii) a computer program embodied in or used in conjunction with a limited purpose computer that is designed for playing video games and may be designed for other purposes.

"(C) Nothing in this subsection affects any provision of chapter 9 of this title.

"(2)(A) Nothing in this subsection shall apply to the lending of a computer program for nonprofit purposes by a nonprofit library, if each copy of a computer program which is lent by such library has affixed to the packaging containing the program a warning of copyright in accordance with re-

quirements that the Register of Copyrights shall prescribe by regulation.

"(B) Not later than three years after the date of the enactment of the Computer Software Rental Amendments Act of 1990, and at such times thereafter as the Register of Copyright considers appropriate, the Register of Copyrights, after consultation with representatives of copyright owners and librarians, shall submit to the Congress a report stating whether this paragraph has achieved its intended purpose of maintaining the integrity of the copyright system while providing nonprofit libraries the capability to fulfill their function. Such report shall advise the Congress as to any information or recommendations that the Register of Copyrights considers necessary to carry out the purposes of this subsection."; and

(3) by striking paragraph (4), as redesignated by paragraph (1) of this section, and inserting the following:

"(4) Any person who distributes a phonorecord or a copy of a computer program (including any tape, disk, or other medium embodying such program) in violation of paragraph (1) is an infringer of copyright under section 501 of this title and is subject to the remedies set forth in sections 502, 503, 504, 505, and 509. Such violation shall not be a criminal offense under section 506 or cause such person to be subject to the criminal penalties set forth in section 2319 of title 18.".

SEC. 103. PUBLIC DISPLAY OF ELECTRONIC VIDEO GAMES.

Section 109 of title 17, United States Code, is amended by adding at the end the following:

"(e) Notwithstanding the provisions of sections 106(4) and 106(5), in the case of an electronic audiovisual game intended for use in coin-operated equipment, the owner of a particular copy of such a game lawfully made under this title, is entitled, without the authority of the copyright owner of the game, to publicly perform or display that game in coin-operated equipment, except that this subsection shall not apply to any work of authorship embodied in the audiovisual game if the copyright owner of the electronic audiovisual game is not also the copyright owner of the work of authorship.".

SEC. 104. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), the amendments made by this title shall take effect on the date of the enactment of this Act.

(b) PROSPECTIVE APPLICATION.—Section 109(b) of title 17, United States Code, as amended by section 102 of this Act, shall not affect the right of a person in possession of a particular copy of a computer program, who acquired such copy before the date of the enactment of this Act, to dispose of the possession of that copy on or after such date of enactment in any manner permitted by section 109 of title 17, United States Code, as in effect on the day before such date of enactment.

(c) TERMINATION.—The amendments made by section 102 shall not apply to rentals, leasings, or lendings (or acts or practices in the nature of rentals, leasings, or lendings) occurring on or after October 1, 1997.

SEC. 105. RECORDATION OF SHAREWARE.

(a) IN GENERAL.—The Register of Copyrights is authorized, upon receipt of any document designated as pertaining to computer shareware and the fee prescribed by section 708 of title 17, United States Code, to record the document and return it with a certificate of recordation.

(b) MAINTENANCE OF RECORDS; PUBLICATION OF INFORMATION.—The Register of Copyrights is authorized to maintain current, separate records relating to the recordation of documents under subsection (a), and to compile and publish at periodic intervals information relating to such recordations. Such publications shall be offered for sale to the public at prices based on the cost of reproduction and distribution.

(c) DEPOSIT OF COPIES IN LIBRARY OF CONGRESS.—In the case of public domain computer shareware, at the election of the person recording a document under subsection (a), 2 complete copies of the best edition (as defined in section 101 of title 17, United States Code) of the computer shareware as embodied in machine-readable form may be deposited for the benefit of the Machine-Readable Collections Reading Room of the Library of Congress.

(d) REGULATIONS.—The Register of Copyrights is authorized to establish regulations not inconsistent with law for the administration of the functions of the Register under this section. All regulations established by the Register are subject to the approval of the Librarian of Congress.

TITLE II—ARCHITECTURAL WORKS

SEC. 201. SHORT TITLE.

This title may be cited as the "Architectural Works Copyright Protection Act".

SEC. 202. DEFINITIONS.

(a) ARCHITECTURAL WORKS.—Section 101 of title 17, United States Code, is amended by inserting after the definition of "anonymous work" the following:

"An 'architectural work' is the design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.".

(b) BERNE CONVENTION WORK.—Section 101 of title 17, United States Code, is amended in the definition of "Berne Convention work"—

(1) in paragraph (3)(B) by striking "or" after the semicolon;

(2) in paragraph (4) by striking the period and inserting "; or"; and

(3) by inserting after paragraph (4) the following:

"(5) in the case of an architectural work embodied in a building, such building is erected in a country adhering to the Berne Convention.".

SEC. 203. SUBJECT MATTER OF COPYRIGHT.

Section 102(a) of title 17, United States Code, is amended—

(1) in paragraph (6) by striking "and" after the semicolon;

(2) in paragraph (7) by striking the period and inserting "; and"; and

(3) by adding after paragraph (7) the following:

"(8) architectural works.".

SEC. 204. SCOPE OF EXCLUSIVE RIGHTS IN ARCHITECTURAL WORKS.

(a) IN GENERAL.—Chapter 1 of title 17, United States Code, is amended by adding at the end the following:

"§ 120. Scope of exclusive rights in architectural works

"(a) PICTORIAL REPRESENTATIONS PERMITTED.—The copyright in an architectural work that has been constructed does not include the right to prevent the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place.

"(b) ALTERATIONS TO AND DESTRUCTION OF BUILDINGS.—Notwithstanding the provisions of section 106(2), the owners of a building embodying an architectural work may, without the consent of the author or copyright owner of the architectural work, make or authorize the making of alterations to such building, and destroy or authorize the destruction of such building.".

(b) CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by adding at the end the following:

"120. Scope of exclusive rights in architectural works.".

(2) Section 106 of title 17, United States Code, is amended by striking "119" and inserting "120".

SEC. 205. PREEMPTION.

Section 301(b) of title 17, United States Code, is amended—

(1) in paragraph (2) by striking "or" after the semicolon;

(2) in paragraph (3) by striking the period and inserting "; or"; and

(3) by adding after paragraph (3) the following:

"(4) State and local landmarks, historic preservation, zoning, or building codes, relating to architectural works protected under section 102(a)(8).".

SEC. 206. EFFECTIVE DATE.

The amendments made by this title apply to—

(1) any architectural work created on or after the date of the enactment of this Act; and

(2) any architectural work that, on the date of the enactment of this Act, is unconstructed and embodied in unpublished plans or drawings, except that protection for such architectural work under title 17, United States Code, by virtue of the amendments made by this title, shall terminate on December 31, 2002, unless the work is constructed by that date.

TITLE III—VISUAL ARTIST'S RIGHTS

SECTION 301. SHORT TITLE.

This Act may be cited as the "Visual Artist's Rights Act of 1990".

SEC. 302. WORK OF VISUAL ART DEFINED.

Section 101 of title 17, United States Code, is amended by inserting after the paragraph defining "widow" the following:

"A 'work of visual art' is—

"(1) a painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of two hundred or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or

"(2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.

A work of visual art does not include—

"(A)(i) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication;

"(ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container;

"(iii) any portion or part of any item described in clause (i) or (ii);

"(B) any work made for hire; or

"(C) any work not subject to copyright protection under this title.".

SEC. 303. RIGHTS OF ATTRIBUTION AND INTEGRITY.

(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.— Chapter 1 of title 17, United States Code, is amended by inserting after section 106 the following new section:

"§ 106A. Rights of certain authors to attribution and integrity

"(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art—

"(1) shall have the right—

"(A) to claim authorship of that work, and

"(B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

"(2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work as described in paragraph (3); and

"(3) subject to the limitations set forth in section 113(d), shall have the right to prevent any destruction, distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and which is the result of an intentional or negligent act or omission with respect to that work, and any such destruction, distortion, mutilation, or modification of that work is a violation of that right.

"(b) SCOPE AND EXERCISE OF RIGHTS.—Only the author of a work of visual art has the rights conferred by subsection (a) in that work, whether or not the author is the copyright owner. The authors of a joint work of visual art are co-owners of the rights conferred by subsection (a) in that work.

"(c) EXCEPTIONS.—(1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification was the result of gross negligence in maintaining or protecting the work.

"(2) The modification of a work of visual art which is the result of conservation, or of the presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modification described in subsection (a)(3) unless the modification is caused by gross negligence.

"(3) The rights described in paragraphs (1) and (2) of subsection (a) shall not apply to any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in subparagraph (A) or (B) of the definition of 'work of visual art' in section 101, and any such reproduction, depiction, portrayal, or other use of a work is not a destruction, distortion, mutilation, or other modification described in paragraph (3) of subsection (a).

"(d) DURATION OF RIGHTS.—(1) With respect to works of visual art created on or after the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, the rights conferred by subsection (a) shall endure for a term consisting of the life of the author and fifty years after the author's death.

"(2) With respect to works of visual art created before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, but copyright in which has not, as of such effective date, been transferred from the author or, if the author is deceased, from the person or persons to whom copyright in such work passes by bequest of the author or by the applicable laws of intestate succession, the rights conferred by subsection (a) shall be coextensive with, and shall expire at the same time as, the rights conferred by section 106.

"(3) In the case of a joint work prepared by two or more authors, the rights conferred by subsection (a) shall endure for a term consisting of the life of the last surviving author and fifty years after such last surviving author's death.

"(4) All terms of the rights conferred by subsection (a) run to the end of the calendar year in which they would otherwise expire.

"(e) TRANSFER AND WAIVER.—(1) Except as provided in paragraph (2), the rights conferred by subsection (a) may not be transferred, but those rights may be waived if the author expressly agrees to such waiver in a written instrument signed by the author. Such instrument shall specifically identify the work, and uses of that work, to which the waiver applies, and the waiver shall apply only to the work and uses so identified. In the case of a joint work prepared by two or more authors, a waiver of rights under this paragraph made by one such author waives such rights for all such authors.

"(2) After the death of an author, the rights conferred by subsection (a) on the author, and the authority of the author to waive those rights under paragraph (1) of this subsection, shall vest in the person to whom such rights pass by bequest of the author or by the applicable laws of intestate succession.

"(3) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any copy of that work, or of a copyright or any exclusive right under a copyright in that work. Transfer of ownership of any copy of a work of visual art, or of a copyright or any exclusive right under a copyright, shall not constitute a waiver of the rights conferred by subsection (a). Except as may otherwise be agreed by the author in a written instrument signed by the author, a waiver of the rights conferred by subsection (a) with respect to a work of visual art shall not constitute a transfer of ownership of any copy of that work, or of ownership of a copyright or of any exclusive right under a copyright in that work.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by inserting after the item relating to section 106 the following new item:

"106A. Rights of certain authors to attribution and integrity.".

SEC. 304. REMOVAL OF WORKS OF VISUAL ART FROM BUILDINGS.

Section 113 of title 17, United States Code, is amended by adding at the end thereof the following:

"(d)(1) In a case in which—

"(A) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

"(B) the author or, if the author is deceased, the person described in section 106A(e)(2), consented to the installation of the work in the building either before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, or in a written instrument executed on or after such effective date that is signed by the owner of the building and the author or such person and that specifies that installation of the work may subject the work to destruction, distortion, mutilation, or other modification, by reason of its removal,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply.

"(2) If the owner of a building wishes to remove a work of visual art which is a part of such building and which can be removed from the building without the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), the author's rights under paragraphs (2) and (3) of section 106A(a) shall apply unless—

"(A) the owner has made a diligent, good faith attempt without success to notify the author or, if the author is deceased, the person described in section 106A(e)(2), of the owner's intended action affecting the work of visual art, or

"(B) the owner did provide such notice in writing and the person so notified failed, within 90 days after receiving such notice, either to remove the work or to pay for its removal.

For purposes of subparagraph (A), an owner shall be presumed to have made a diligent, good faith attempt to send notice if the owner sent such notice by registered mail to the author or, if the author is deceased, to the person described in section 106A(e)(2), at the most recent address, of the author or such person, that was recorded with the Register of Copyrights pursuant to paragraph (3). If the work is removed at the expense of the author or the person described in section 106A(e)(2), title to that copy of the work shall be deemed to be in the author or such person, as the case may be.

"(3) The Register of Copyrights shall establish a system of records whereby any author of a work of visual art that has been incorporated in or made part of a building, or the person described in section 106A(e)(2) with respect to that work, may record their identities and addresses with the Copyright Office. The Register shall also establish procedures under which any such author or person may update the information so recorded, and procedures under which owners of buildings may record with the Copyright Office evidence of their efforts to comply with this subsection.".

SEC. 305. PREEMPTION.

Section 301 of title 17, United States Code, is amended by adding at the end the following:

"(f)(1) On or after the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, all legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by section 106A and section 113(d) and the provisions of this title relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

"(2) Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any State with respect to—

"(A) any cause of action from undertakings commenced before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990; or

"(B) activities violating legal or equitable rights that are not equivalent to any of the rights conferred by section 106A with respect to works of visual art.".

SEC. 306. INFRINGEMENT ACTIONS.

(a) IN GENERAL.—Section 501(a) of title 17, United States Code, is amended—

(1) by inserting after "118" the following: "or of the author as provided in section 106A(a)"; and

(2) by striking out "copyright." and inserting in lieu thereof "copyright or right of the author, as the case may be. For purposes of this chapter (other than section 506), any reference to copyright shall be deemed to include the rights conferred by section 106A(a).".

(b) EXCLUSION OF CRIMINAL PENALTIES.—Section 506 of title 17, United States Code, is amended by adding at the end thereof the following:

"(f) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Nothing in this section applies to infringement of the rights conferred by section 106A(a).".

(c) REGISTRATION NOT A PREREQUISITE TO SUIT AND CERTAIN REMEDIES.—(1) Section 411(a) of title 17, United States Code, is amended in the first sentence by inserting after "United States" the following: "and an action brought for a violation of the rights of the author under section 106A(a)".

(2) Section 412 of title 17, United States Code, is amended by inserting "an action brought for a violation of the rights of the author under section 106A(a) or" after "other than".

SEC. 307. FAIR USE.

Section 107 of title 17, United States Code, is amended by striking out "section 106" and inserting in lieu thereof "sections 106 and 106A".

SEC. 308. STUDIES BY COPYRIGHT OFFICE.

(a) STUDY ON WAIVER OF RIGHTS PROVISION.—

(1) STUDY.—The Register of Copyrights shall conduct a study on the extent to which rights conferred by subsection (a) of section 106A of title 17, United States Code, have been waived under subsection (e)(1) of such section.

(2) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report on the progress of the study conducted under paragraph (1). Not later than 5 years after such date of enactment, the Register of Copyrights shall submit to the Congress a final report on the results of the study conducted under paragraph (1), and any recommendations that the Register may have as a result of the study.

(b) STUDY ON RESALE ROYALTIES.—

(1) NATURE OF STUDY.—The Register of Copyrights, in consultation with the Chair of the National Endowment for the Arts, shall conduct a study on the feasibility of implementing—

(A) a requirement that, after the first sale of a work of art, a royalty on any resale of the work, consisting of a percentage of the price, be paid to the author of the work; and

(B) other possible requirements that would achieve the objective of allowing an author of a work of art to share monetarily in the enhanced value of that work.

(2) GROUPS TO BE CONSULTED.—The study under paragraph (1) shall be conducted in consultation with other appropriate departments and agencies of the United States, foreign governments, and groups involved in the creation, exhibition, dissemination, and preservation of works of art, including artists, art dealers, collectors of fine art, and curators of art museums.

(3) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report containing the results of the study conducted under this subsection.

SEC. 309. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b) and except as provided in subsection (c), this Act and the amendments made by this Act take effect 6 months after the date of the enactment of this Act.

(b) APPLICABILITY.—The rights created by section 106A of title 17, United States Code, shall apply to—

(1) works created before the effective date set forth in subsection (a) but copyright in which has not, as of such effective date, been transferred from the author or, if the author is deceased, from the person or persons to whom copyright in such work passes by bequest of the author or by the applicable laws of intestate succession, and

(2) works created on or after such effective date,

but shall not apply to any destruction, distortion, mutilation, or other modification (as described in section 106A(a)(3) of such title) of any work which occurred before such effective date.

(c) SECTION 8.—Section 8 takes effect on the date of the enactment of this Act.

Amend the title so as to read: "An Act to amend title 17, United States Code, relating to computer software, fair use, and architectural works.".

AMENDMENT NO. 3086

Mr. FORD. Mr. President, on behalf of Senators DECONCINI and HATCH, I move that the Senate concur in the amendment of the House with a substitute amendment that I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. HATCH (for himself and Mr. DECONCINI), proposes an amendment numbered 3086.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

Strike out all after the enacting clause and insert in lieu thereof the following:

TITLE I—COMPUTER SOFTWARE

SEC. 101. SHORT TITLE.

This title may be cited as the "Computer Software Rental Amendments Act of 1990".

SEC. 102. RENTAL OF COMPUTER PROGRAMS.

Section 109(b) of title 17, United States Code, is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively;

(2) by striking paragraph (1) and inserting the following:

"(b)(1)(A) Notwithstanding the provisions of subsection (a), unless authorized by the owners of copyright in the sound recording or the owner of copyright in a computer program (including any tape, disk, or other medium embodying such program), and in the case of a sound recording in the musical works embodied therein, neither the owner of a particular phonorecord nor any person in possession of a particular copy of a computer program (including any tape, disk, or other medium embodying such program), may, for the purposes of direct or indirect commercial advantage, dispose of, or authorize the disposal of, the possession of that phonorecord or computer program (including any tape, disk, or other medium embodying such program by rental, lease, or lending, or by any other act or practice in the nature of rental, lease, or lending. Nothing in the preceding sentence shall apply to the rental, lease, or lending of a phonorecord for nonprofit purposes by a nonprofit library or nonprofit educational institution. The transfer of possession of a lawfully made copy of a computer program by a nonprofit educational institution to another nonprofit educational institution or to faculty, staff, and students does not constitute rental, lease, or lending for direct or indirect commercial purposes under this subsection.

"(B) This subsection does not apply to—

"(i) a computer program which is embodied in a machine or product and which cannot be copied during the ordinary operation or use of the machine or product; or

"(ii) a computer program embodied in or used in conjunction with a limited purpose computer that is designed for playing video games and may be designed for other purposes.

"(C) Nothing in this subsection affects any provision of chapter 9 of this title.

"(21)(A) Nothing in this subsection shall apply to the lending of a computer program for nonprofit purposes by a nonprofit library, if each copy of a computer program which is lent by such library has affixed to the packaging containing the program a warning of copyright in accordance with requirements that the Register of Copyrights shall prescribe by regulation.

"(B) Not later than three years after the date of the enactment of the Computer Software Rental Amendments Act of 1990, and at such times thereafter as the Register of Copyright considers appropriate, the Register of Copyrights, after consultation with representatives of copyright owners and librarians, shall submit to the Congress a report stating whether this paragraph has achieved its intended purpose of maintaining the integrity of the copyright system while providing nonprofit libraries the capability to fulfill their function. Such report shall advise the Congress as to any information or recommendations that the Register of Copyrights considers necessary to carry out the purposes of this subsection."; and

(3) by striking paragraph (4), as redesignated by paragraph (1) of this section, and inserting the following:

"(4) Any person who distributes a phonorecord or a copy of a computer program (including any tape, disk, or other medium embodying such program) in violation of paragraph (1) is an infringer of opyright under section 501 of this title and is subject to the remedies set forth in sections 502, 503, 504, 505, and 509. Such violation shall not be a criminal offense under section 506 or cause such person to be subject to the criminal penalties set forth in section 2319 of title 18.".

SEC. 103. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), the amendments made by this title shall

take effect on the date of the enactment of this Act.

(b) PROSPECTIVE APPLICATION.—Section 109(b) of title 17, United States Code, as amended by section 102 of this Act, shall not affect the right of a person in possession of a particular copy of a computer program, who acquired such copy before the date of the enactment of this Act, to dispose of the possession of that copy on or after such date of enactment in any manner permitted by section 109 of title 17, United States Code, as in effect on the day before such date of enactment.

(c) TERMINATION.—The amendments made by section 102 shall not apply to rentals, leasings, or lendings (or acts or practices in the nature of rentals, leasings, or lendings) occurring on or after October 1, 1997.

SEC. 104. RECORDATION OF SHAREWARE.

(a) IN GENERAL.—The Register of Copyrights is authorized, upon receipt of any document designated as pertaining to computer shareware and the fee prescribed by section 708 of title 17, United States Code, to record the document and return it with a certificate of recordation.

(b) MAINTENANCE OF RECORDS; PUBLICATION OF INFORMATION.—The Register of Copyrights is authorized to maintain current, separate records relating to the recordation of documents under subsection (a), and to compile and publish at periodic intervals information relating to such recordations. Such publications shall be offered for sale to the public at prices based on the cost of reproduction and distribution.

(c) DEPOSIT OF COPIES IN LIBRARY OF CONGRESS.—In the case of public domain computer shareware, at the election of the person recording a document under subsection (a), 2 complete copies of the best edition (as defined in section 101 of title 17, United States Code) of the computer shareware as embodied in machine-readable form may be deposited for the benefit of the Machine-readable Collections Reading Room of the Library of Congress.

(d) REGULATIONS.—The Register of Copyrights is authorized to establish regulations not inconsistent with law for the administration of the functions of the Register under this section. All regulations established by the Register are subject to the approval of the Librarian of Congress.

TITLE II—ARCHITECTURAL WORKS

SEC. 201. SHORT TITLE.

This title may be cited as the "Architectural Works Copyright Protection Act".

SEC. 202. DEFINITIONS.

(a) ARCHITECTURAL WORKS.—Section 101 of title 17, United States Code, is amended by inserting after the definition of "anonymous work" the following:

"An 'architectural work' is the design of a building as embodied in any tangible medium of expression, including a building, architectural plans, or drawings. The work includes the overall form as well as the arrangement and composition of spaces and elements in the design, but does not include individual standard features.".

(b) BERNE CONVENTION WORK.—Section 101 of title 17, United States Code, is amended in the definition of "Berne Convention work"—

(1) in paragraph (3)(B) by striking "or" after the semicolon:

(2) in paragraph (4) by striking the period and inserting "; or"; and

(3) by inserting after paragraph (4) the following:

"(5) in the case of an architectural work embodied in a building, such building is erected in a country adhering to the Berne Convention.".

SEC. 203. SUBJECT MATTER OF COPYRIGHT.

Section 102(a) of title 17, United States Code, is amended—

(1) in paragraph (6) by striking "and" after the semicolon;

(2) in paragraph (7) by striking the period and inserting "; and"; and

(3) by adding after paragraph (7) the following: "(8) architectural works.".

SEC. 204. SCOPE OF EXCLUSIVE RIGHTS IN ARCHITECTURAL WORKS.

(a) IN GENERAL.—Chapter 1 of title 17, United States Code, is amended by adding at the end the following:

"§ 120. Scope of exclusive rights in architectural works

"(a) PICTORIAL REPRESENTATIONS PERMITTED.—The copyright in an architectural work that has been constructed does not include the right to prevent the making, distributing, or public display of pictures, paintings, photographs, or other pictorial representations of the work, if the building in which the work is embodied is located in or ordinarily visible from a public place.

"(b) ALTERATIONS TO AND DESTRUCTION OF BUILDINGS.—Notwithstanding the provisions of section 106(2), the owners of a building embodying an architectural work may, without the consent of the author or copyright owner of the architectural work, make or authorize the making of alterations to such building, and destroy or authorize the destruction of such building.".

(b) CONFORMING AMENDMENTS.—(1) The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by adding at the end the following:

"120. Scope of exclusive rights in architectural works."

(2) Section 106 of title 17, United States Code, is amended by striking "119" and inserting "120".

SEC. 205. PREEMPTION.

Section 301(b) of title 17, United States Code, is amended—

(1) in paragraph (2) by striking "or" after the semicolon;

(2) in paragraph (3) by striking the period and inserting "; or"; and

(3) by adding after paragraph (3) the following:

"(4) State and local landmarks, historic preservation, zoning, or building codes, relating to architectural works protected under section 102(a)(8).".

SEC. 206. EFFECTIVE DATE.

The amendments made by this title apply to—

(1) any architectural work created on or after the date of the enactment of this Act; and

(2) any architectural work that, on the date of the enactment of this Act, is unconstructed and embodied in unpublished plans or drawings, except that protection for such architectural work under title 17, United States Code, by virtue of the amendments made by this title, shall terminate on December 31, 2002, unless the work is constructed by that date.

TITLE III—VISUAL ARTISTS RIGHTS

SECTION 301. SHORT TITLE.

This title may be cited as the "Visual Artists Rights Act of 1990".

SEC. 302. WORK OF VISUAL ART DEFINED.

Section 101 of title 17, United States Code, is amended by inserting after the paragraph defining "widow" the following:

"A 'work of visual art' is—

"(1) a painting, drawing, print, or sculpture, existing in a single copy, in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author, or, in the case of a sculpture, in multiple cast, carved, or fabricated sculptures of two hundred or fewer that are consecutively numbered by the author and bear the signature or other identifying mark of the author; or

"(2) a still photographic image produced for exhibition purposes only, existing in a single copy that is signed by the author, or in a limited edition of 200 copies or fewer that are signed and consecutively numbered by the author.

A work of visual art does not include—

"(A)(i) any poster, map, globe, chart, technical drawing, diagram, model, applied art, motion picture or other audiovisual work, book, magazine, newspaper, periodical, data base, electronic information service, electronic publication, or similar publication;

"(ii) any merchandising item or advertising, promotional, descriptive, covering, or packaging material or container;

"(iii) any portion or part of any item described in clause (i) or (ii);

"(B) any work made for hire; or

"(C) any work not subject to copyright protection under this title.".

SEC. 303. RIGHTS OF ATTRIBUTION AND INTEGRITY.

(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Chapter 1 of title 17, United States Code, is amended by inserting after section 106 the following new section:

"§ 106A. Rights of certain authors to attribution and integrity

"(a) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Subject to section 107 and independent of the exclusive rights provided in section 106, the author of a work of visual art—

"(1) shall have the right—

"(A) to claim authorship of that work, and

"(B) to prevent the use of his or her name as the author of any work of visual art which he or she did not create;

"(2) shall have the right to prevent the use of his or her name as the author of the work of visual art in the event of a distortion, mutilation, or other modification of the work which would be prejudicial to his or her honor or reputation; and

"(3) subject to the limitations set forth in section 113(d), shall have the right—

"(A) to prevent any intentional distortion, mutilation, or other modification of that work which would be prejudicial to his or her honor or reputation, and any intentional distortion, mutilation, or modification of that work is a violation of that right, and

"(B) to prevent any destruction of a work of recognized stature, and any intentional or grossly negligent destruction of that work is a violation of that right.

"(b) SCOPE AND EXERCISE OF RIGHTS.—Only the author of a work of visual art has the rights conferred by subsection (a) in that work, whether or not the author is the copyright owner. The authors of a joint work of visual art are coowners of the rights conferred by subsection (a) in that work.

"(c) EXCEPTIONS.—(1) The modification of a work of visual art which is a result of the passage of time or the inherent nature of the materials is not a distortion, mutilation, or other modification described in subsection (a)(3)(A).

"(2) The modification of a work of visual art which is the result of conservation, or of the public presentation, including lighting and placement, of the work is not a destruction, distortion, mutilation, or other modifi-

cation described in subsection (a)(3) unless the modification is caused by gross negligence.

"(3) The rights described in paragraphs (1) and (2) of subsection (a) shall not apply to any reproduction, depiction, portrayal, or other use of a work in, upon, or in any connection with any item described in subparagraph (A) or (B) of the definition of 'work of visual art' in section 101, and any such reproduction, depiction, portrayal, or other use of a work is not a destruction, distortion, mutilation, or other modification described in paragraph (3) of subsection (a).

"(d) DURATION OF RIGHTS.—(1) With respect to works of visual art created on or after the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, the rights conferred by subsection (a) shall endure for a term consisting of the life of the author.

"(2) With respect to works of visual art created before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, but title to which has not, as of such effective date, been transferred from the author, the rights conferred by subsection (a) shall be coextensive with and shall expire at the same time as, the rights conferred by section 106.

"(3) In the case of a joint work prepared by two or more authors, the rights conferred by subsection (a) shall endure for a term consisting of the life of the last surviving author.

"(4) All terms of the rights conferred by subsection (a) run to the end of the calendar year in which they would otherwise expire.

"(e) TRANSFER AND WAIVER.—(1) The rights conferred by subsection (a) may not be transferred, but those rights may be waived if the author expressly agrees to such waiver in a written instrument signed by the author. Such instrument shall specifically identify the work, and uses of that work, to which the waiver applies, and the waiver shall apply only to the work and uses so identified. In the case of a joint work prepared by two or more authors, a waiver of rights under this paragraph made by one such author waives such rights for all such authors.

"(2) Ownership of the rights conferred by subsection (a) with respect to a work of visual art is distinct from ownership of any copy of that work, or of a copyright or any exclusive right under a copyright in that work. Transfer of ownership of any copy of a work of visual art, or of a copyright or any exclusive right under a copyright, shall not constitute a waiver of the rights conferred by subsection (a). Except as may otherwise be agreed by the author in a written instrument signed by the author, a waiver of the rights conferred by subsection (a) with respect to a work of visual art shall not constitute a transfer of ownership of any copy of that work, or of ownership of a copyright or of any exclusive right under a copyright in that work.".

(f) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 1 of title 17, United States Code, is amended by inserting after the item relating to section 106 the following new items:

"106A. Rights of certain authors to attribution and integrity.".

SEC. 304. REMOVAL OF WORKS OF VISUAL ART FROM BUILDINGS.

Section 113 of title 17, United States Code, is amended by adding at the end thereof the following:

"(d)(1) In a case in which—

"(A) a work of visual art has been incorporated in or made part of a building in such a way that removing the work from the building will cause the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), and

"(B) the author consented to the installation of the work in the building either before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, or in a written instrument executed on or after such effective date that is signed by the owner of the building and the author and that specifies that installation of the work may subject the work to destruction distortion, mutilation, or other modification, by reason of its removal,

then the rights conferred by paragraphs (2) and (3) of section 106A(a) shall not apply.

"(2) If the owner of a building wishes to remove a work of visual art which is a part of such building and which can be removed from the building without the destruction, distortion, mutilation, or other modification of the work as described in section 106A(a)(3), the author's rights under paragraphs (2) and (3) of section 106A(a) shall apply unless—

"(A) the owner has made a diligent, good faith attempt without success to notify the author of the owner's intended action affecting the work of visual art, or

"(B) the owner did provide such notice in writing and the person so notified failed, within 90 days after receiving such notice, either to remove the work or to pay for its removal.

For purposes of subparagraph (A), an owner shall be presumed to have made a diligent, good faith attempt to send notice if the owner sent such notice by registered mail to the author at the most recent address of the author that was recorded with the Register of Copyrights pursuant to paragraph (3). If the work is removed at the expense of the author, title to that copy of the work shall be deemed to be in the author.

"(3) The Register of Copyrights shall establish a system of records whereby any author of a work of visual art that has been incorporated in or made part of a building may record his identity and address with the Copyright Office. The Register shall also establish procedures under which any such author may update the information so recorded, and procedures under which owners of buildings may record with the Copyright Office evidence of their efforts to comply with this subsection.".

SEC. 305. PREEMPTION.

Section 301 of title 17, United States Code, is amended by adding at the end the following:

"(f)(1) On or after the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990, all legal or equitable rights that are equivalent to any of the rights conferred by section 106A with respect to works of visual art to which the rights conferred by section 106A apply are governed exclusively by section 106A and section 113(d) and the provisions of this title relating to such sections. Thereafter, no person is entitled to any such right or equivalent right in any work of visual art under the common law or statutes of any State.

"(2) Nothing in paragraph (1) annuls or limits any rights or remedies under the common law or statutes of any State with respect to—

"(A) any cause of action from undertakings commenced before the effective date set forth in section 9(a) of the Visual Artists Rights Act of 1990;

"(B) activities violating legal or equitable rights that are not equivalent to any of the rights conferred by section 106A with respect to works of visual art; or

"(C) activities violating legal or equitable rights which extend beyond the life of the author.".

SEC. 306. INFRINGEMENT ACTIONS.

(a) IN GENERAL.—Section 501(a) of title 17, United States Code, is amended—

(1) by inserting after "118" the following: "or of the author as provided in section 106A(a)"; and

(2) by striking out "copyright." and inserting in lieu thereof "copyright or right of the author, as the case may be. For purposes of this chapter (other than section 506), any reference to copyright shall be deemed to include the rights conferred by section 106A(a).".

(b) EXCLUSION OF CRIMINAL PENALTIES.—Section 506 of title 17, United States Code, is amended by adding at the end thereof the following:

"(f) RIGHTS OF ATTRIBUTION AND INTEGRITY.—Nothing in this section applies to infringement of the rights conferred by section 106A(a)."

(c) REGISTRATION NOT A PREREQUISITE TO SUIT AND CERTAIN REMEDIES.—(1) Section 411(a) of title 17, United States Code, is amended in the first sentence by inserting after "United States" the following: "and an action brought for a violation of the rights of the author under section 106A(a)'.

(2) Section 412 of title 17, United States Code, is amended by inserting "an action brought for a violation of the rights of the author under section 106A(a) or" after "other than".

SEC. 307 FAIR USE.

Section 107 of title 17, United States Code, is amended by striking out "section 106" and inserting in lieu thereof "section 106 and 106A".

SEC. 308 STUDIES BY COPYRIGHT OFFICE.

(a) STUDY ON WAIVER OF RIGHTS PROVISION.—

(1) STUDY.—The Register of Copyrights shall conduct a study on the extent to which rights conferred by subsection (a) of section 106A of title 17, United States Code, have been waived under subsection (e)(1) of such section.

(2) REPORT TO CONGRESS.—Not later than 2 years after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report on the progress of the study conducted under paragraph (1). Not later than 5 years after such date of enactment, the Register of Copyrights shall submit to the Congress a final report on the results of the study conducted under paragraph (1), and any recommendations that the Register may have as a result of the study.

(b) STUDY ON RESALE ROYALTIES.—

(1) NATURE OF STUDY.—The Register of Copyrights, in consultation with the Chair of the National Endowment for the Arts, shall conduct a study on the feasibility of implementing—

(A) a requirement that, after the first sale of a work of art, a royalty on any resale of the work, consisting of a percentage of the price, be paid to the author of the work; and

(B) other possible requirements that would achieve the objective of allowing an author of a work of art to share monetarily in the enhanced value of that work.

(2) GROUPS TO BE CONSULTED.—The study under paragraph (1) shall be conducted in consultation with other appropriate departments and agencies of the United States, foreign governments, and groups involved in the creation, exhibition, dissemination, and preservation of works of art, including artists, art dealers, collectors of fine art, and curators of art museums.

(3) REPORT TO CONGRESS.—Not later than 18 months after the date of the enactment of this Act, the Register of Copyrights shall submit to the Congress a report containing the results of the study conducted under this subsection.

SEC. 309 EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b) and except as provided in subsection (c), this title and the amendments made by this title take effect 6 months after the date of the enactment of this Act.

(b) APPLICABILITY.—The rights created by section 106A of title 17, United States Code, shall apply to—

(1) works created before the effective date set forth in subsection (a) but title to which has not, as of such effective date, been transferred from the author, and

(2) works created on or after such effective date, but shall not apply to any destruction, distortion, multilation, or other modification (as described in section 106A(a)(3) of such title) of any work which occurred before such effective date.

(c) SECTION 308.—Section 308 takes effect on the date of the enactment of this Act.

(d) This title does not authorize any governmental entity to take any action or enforce restrictions prohibited by the First Amendment to the United States Constitution.

TITLE IV—INTELLECTUAL PROPERTY RIGHTS

PROTECTION OF INTELLECTUAL PROPERTY RIGHTS IN ANTITRUST CASES

SEC. 401. (a) SHORT TITLE.—This title may be cited as the "Intellectual Property Antitrust Protection Act of 1990".

(b) NO PRESUMPTION.—In an action in which the conduct of an owner, licensor, licensee, or other holder of an intellectual property right is alleged to be in violation of the antitrust laws in connection with the marketing, licensing, or distribution of a product, process, or service protected by such a right, the right shall not be presumed to define a market or establish market power.

(c) PROOF OF MARKET DEFINITION AND POWER.—In an action described in subsection (b), the trier of fact may find that an intellectual property right defines a market or establishes market power upon a showing by a preponderance of the evidence that a product, process, or service substantially equivalent to or substitutable for the product, process, or service protected by that right is not available to purchasers or licensees.

(d) DEFINITIONS.—For the purposes of this title—

(1) the term "antitrust laws" has the meaning stated in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)); and

(2) the term "intellectual property right" means a right, title, or interest—

(A) in subject matter patented under title 35 of the United States Code; or

(B) in a work, including a mask work, protected under title 17 of the United States Code.

TITLE V—PATENT REMEDY CLARIFICATION

SEC. 501. SHORT TITLE.

This title may be cited as the "Patent Remedy Clarification Act".

SEC. 502. LIABILITY OF STATES, INSTRUMENTALITIES OF STATES, AND STATE OFFICIALS FOR INFRINGEMENT OF PATENTS.

(a) LIABILITY AND REMEDIES.—(1) Section 271 of title 35, United States Code, is amended by adding at the end the following:

"(h) As used in this section, the term 'whoever' includes any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity. Any State, and any such instrumentality, officer, or employee, shall be subject to the provisions of this title in the same manner and to the same extent as any nongovernmental entity.".

(2) Chapter 29 of title 35, United States Code, is amended by adding at the end the following new section:

"§ 296. Liability of States, instrumentalities of States, and State officials for infringement of patents

"(a) IN GENERAL.—Any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity, shall not be immune, under the eleventh amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal court by any person, including any governmental or nongovernmental entity, for infringement of a patent under section 271, or for any other violation under this title.

"(b) REMEDIES.—In a suit described in subsection (a) for a violation described in that subsection, remedies (including remedies both at law and in equity) are available for the violation to the same extent as such remedies are available for such a violation in a suit against any private entity. Such remedies include damages, interest, costs, and treble damages under section 284, attorney fees under section 285, and the additional remedy for infringement of design patents under section 289.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of chapter 29 of title 35, United States Code, is amended by adding at the end the following new item:

"Sec. 295. Liability of States, instrumentalities of States, and State officials for infringement of patents.".

SEC. 503. EFFECTIVE DATE.

The amendments made by this title shall take effect with respect to violations that occur on or after the date of the enactment of this Act.

TITLE VI—SPORTS LOTTERY

SEC. 601(a). SHORT TITLE.—This title may be cited as the "Sports Lottery Act of 1990."

SEC. 601(b). LOTTERIES.

Section 1307 of title 18, United States Code, is amended—

(1) in subsection (a)(1) by inserting ", except a sports-related lottery," after "lottery";

(2) in subsection (a)(2) by inserting ", except a sports-related lottery," after "lottery";

(3) in subsection (b)(1) by inserting ", except a sports-related lottery," after "lottery";

(4) in subsection (b)(2) by inserting ", except a sports-related lottery," after "lottery";

(5) in subsection (d) by striking "' Lottery' does not include the placing or accepting of bets or wagers on sporting events or contests."; and

(6) by adding at the end the following:

"(e) For purposes of this section—

"(1) the term 'sports-related lottery' means an undertaking—

"(A) that involves the sale of tickets of chances and the awarding of cash or prizes based, directly or indirectly, on the games of a professional or amateur sporting event or contest, other than a horse race, and

"(B) which is—

"(i) conducted by a State acting under authority of State law; or

"(ii) conducted by a not-for-profit organization or a governmental organization; or

"(iii) conducted as a promotional activity by a commercial organization and is clearly occasional and ancillary to the primary business of that organization; and

"(2) the term a 'not-for-profit organization' means any organization that would qualify as tax exempt under section 501 of the Internal Revenue Code of 1986.".

(3) The term, "sports-related lottery" does not refer to such lotteries that were or are actually in operation in any state prior to October 19, 1990, provided that such lotteries are operated by the same state (or state-related organization) that operated such lotteries during the aforementioned period.

Amend the title 20 as to read "The Intellectual Property Act of 1990."

Mr. DECONCINI. Mr. President, today the Senate will consider a bill which contains three important revisions to our copyright laws. First, it protects our Nation's software industry against unfair profiteering by exempting rental of software from the first sale doctrine. Second, it extends the protection of the copyright laws to works of architecture. This is a step that the United States is required to take under the terms of the Berne Convention. Third, it provides certain artists protection against the destruction or modification of a small class of visual or graphic works. This addition to the copyright law will ensure that the creators of these irreplaceable and unique works will have a say in what happens to them after they are sold or given away.

The bill also contains provisions to protect intellectual property owners from unwarranted antitrust liability, to ensure that patent owners will be protected against infringement by the States, and to make clear that the Federal lottery laws prevent States from running lottery games based on point spreads in athletic contests.

Mr. President, the software industry in this country has been deprived of the returns that should come with the innovations created by talented programmers who purchase copies of the program and then rent it to others at a fraction of the purchase cost. Under a rule known as the first sale doctrine, which deprives a copyright owner of controlling distribution of a copy of his work once he has sold that copy, this practice is currently legal. This bill would change this, just as a bill we

passed in 1984 made a similar exception for record album producers. The software amendments, however, would not limit the ability of a nonprofit library or of a school to lend software for student's use. It also does not apply to video games.

The architecture provisions are meant to bring the United States into compliance with the provisions of the Berne Convention which require protection of completed architectural works. Our copyright law already protects designs, plans, and drawings; this bill adds completed buildings to the list of protectable items. The Berne Convention requires this step, and the constitutional goal of copyright laws, "to promote the progress of science," will be furthered. Moreover, we all will benefit from protecting architectural designs. As Frank Lloyd Wright once said, "[b]uildings will always remain the most valuable aspect in a people's environment, the one most capable of cultural reaction."

The architectural works title does include limits on the protections it offers. It does not allow an architect to prevent reproduction of a completed design by painters, photographers, or other artists. It also does not affect the right of a building owner to alter or destroy his building without the consent of the architect or owner of a copyright on any architectural plan embodied in the structure.

The Visual Artists Rights title is a limited measure designed to protect only those works which are unique and irreplaceable and exist in a small number. The act does not apply to motion pictures, magazines, newspapers, or books; it also limits coverage to single edition works of those which are reproduced in a quantity of less than 200 if those multiple copies are numbered and signed by the author.

Mr. President, the Visual Artists Rights title is very sensitive to the concerns of the copyright community that the bill not inadvertently impact on important business activities. Three provisions of the bill guarantee this limited impact: First, the bill's definition of "works of visual art" is very narrow; protected works will be readily distinguishable from unprotected items because the definition is specifically limited to single editions and those works produced in a small quantity of signed multiple editions. Second, the bill specifically excludes from the definition of works of visual art those works which ought to be available to the public to use and enjoy: posters, maps, charts, technical drawings, motion pictures, books, magazines, newspapers, electronic data bases, advertisements, packaging, and any work made for hire or not otherwise subject to copyright are specifically excluded. Finally, the bill does not affect the reproduction, depiction, portrayal, or other use of a work of visual art in, upon, or in connection with those types of works not protected by the act. This provision will ensure that no one can be held liable for infringement for portraying a work of visual art in, for example, newspapers, magazines, books, or motion pictures.

I want to take this opportunity to thank Mr. Ralph Oman, the Register of Copyrights, for all of the hard work he has put into helping me prepare this important copyright legislation.

Mr. President, the Intellectual Property Antitrust Act of 1990, which is title IV of this bill, is designed to strengthen American companies' ability to compete in international high technology markets. It would do this by clarifying the treatment of intellectual property rights under the antitrust laws. Some courts have recently ruled that the market power which is a prerequisite for antitrust liability can be presumed when a company has a patent, copyright, or computer chip mask work.

By ensuring that the courts do not make this presumption, the Intellectual Property Antitrust Act will allow small inventors and entrepreneurs, who are vital to the quest for new technological innovations, to produce, distribute, and market their ideas and recover their investment in research and development. And, Mr. President, the bill ensures that those companies that engage in truly harmful behavior will still be subject to antitrust enforcement. While courts could not presume market power from the mere existence of an intellectual property right, they could find actual market power if it is provided by a preponderance of the evidence that no substitute for the protected product is available.

Mr. President, removing the presumption that the existence of an intellectual property right equals market power will ensure that inventors and entrepreneurs will not forego a chance to develop new technology. By modifying this presumption applied by some courts, this title will reduce the likelihood that antitrust suits will be brought against intellectual property owners who should not be subjected to liability for anti-competitive behavior. An antitrust plantiff would be subjected to the same burden of proof that they must bear in many other antitrust cases; courts evaluating antitrust claims involving the existence of intellectual property would apply the same principles that are used to decide cases involving other forms of property.

As we approach the 21st century, this bill will help provide American companies with the environment they need to stay competitive.

Title V of this bill amends title 35 of the United States Code to clarify that States, instrumentalities of States and officers and employees of States acting in their official capacity are subject to patent infringement suits in Federal court and that all the remedies available in an infringement suit against a private entity would also be available in a suit against a State.

Until recently, the general understanding in this country was that States and their instrumentalities were subject to suit for patent infringement to the same extent as a private entity. However, the U.S. Court of Appeals for the Federal Circuit recently affirmed a decision upholding a State's use of the 11th amendment as a defense in a patent infringement suit. The court rules that the patent laws lack a specific indication of Congress intent to abrogate the 11th amendment immunity of States. This bill will provide that specific indication of our intent.

This bill does nothing more than make clear what Congress intended to do when it first passed the patent law. Congress never intended for the rights of patent owners to be dependent upon the identity of the infringer. The patent laws must effectively protect the constitutionally mandated incentive to invent. With this bill Congress is merely fulfilling the Supreme Court's new requirement for abrogating 11th amendment immunity.

Mr. President, if Congress does not make clear that this type of infringement will not be tolerated, we increase the difficulties faced by our trade negotiators in their attempts to improve international protection of intellectual property rights. It is contrary to our best interests to limit protection against patent infringement. The tremendous concern which we all share about our global competitive position behooves us to restore the protection of patents against infringement by the States.

Mr. President, title VI of this bill contains the Sports Lottery Act of 1990. This measure will end the practice of States running lotteries based on the point spreads in professional and collegiate sporting events. It is not meant to prevent States from using sports themes in other lottery games, and it is not intended to bar advertising of lotteries at sporting events. Nor is this title intended to prohibit the use of a sports image to promote a lottery. What it will do, Mr. President, is make clear that we do not want to see corruption in our country's sports leagues and college athletic programs, that we do not support a change in the old adage to "it's not whether you win or lose that counts, it's the point spread that's important." This ban on sports lotteries is supported by all of the major professional sports leagues and by the International Association of Chiefs of Police.

What this title does is amend the Federal lottery laws to clarify that a

sports-related lottery is any undertaking that involves the sale of tickets or chances. It would make clear that the awarding of any prizes on the outcome of any professional or amateur sporting event, other than a horse race, will not be permitted. This ban would not apply, Mr. President, to those lotteries which have a sports theme but which do not base prizes on the results of actual games between real teams.

Sports are a big part of American life. When our children play in Little League, and our teenagers play high school ball, and when professionals play in the big leagues, the lesson that is taught is that team spirit, cooperation, and abiding by the rules is what counts. Lotteries that send a message that the score is what counts should not be tolerated, and this bill will make sure that they are not. That kind of gambling is sure to undermine the pleasure of our games and damage American sports leagues and American kids. I urge my colleagues to vote for integrity in sports by passing this bill.

I hope all of my colleagues will support this important bill.

Mr. LEAHY. Mr. President, the purpose of the Intellectual Property Antitrust Protection Act is to promote competition in the international market of ideas—a market which becomes increasingly important as technology takes us into the 21st century. This legislation does so by harmonizing our intellectual property and antitrust laws. Strong antitrust enforcement is necessary to promote competition. To maintain strong antitrust enforcement, we must recognize when our antitrust laws begin to operate against competition and modify them to produce good economic and social results. This legislation accomplishes that goal.

I have worked hard on this legislation with my colleagues on the Judiciary Committee for the past 4 years. This amendment is a revised version of S. 270 and title I of S. 438 from the 100th Congress. It has been broadly supported by a bipartisan effort in the Senate and is widely endorsed by technology companies and experts in intellectual property and antitrust law.

I very much appreciate the hard work of Senators HATCH, BIDEN, THURMOND, DECONCINI, HUMPHREY, SIMON, KENNEDY, and KOHL, who all cosponsored S. 270. I am also very grateful to the efforts of the distinguished chairman of the Antitrust, Monopolies and Business Rights Subcommittee. Senator METZENBAUM had some reservations about this legislation in the last Congress, and we worked out the compromise on which this proposal is based.

Mr. President, there are several other important pieces of antitrust legislation that will not pass this year, because they have been blocked by Senators on the other side of the aisle. The principal piece is S. 865, Senator METZENBAUM's resale price maintenance bill. It is a great bill that would have ensured consumers access to competitively priced products at the retail level, and it is a shame that it will not become law this year.

The Senate has passed the earlier version of the Intellectual Property Antitrust Protection Act four times—once in this Congress and three times in the last Congress. (See 135 CONG. REC. 4951, March 17, 1989, 134 CONG. REC. 28010, October 4, 1988, 30688 and 31076, October 14, 1988.)

U.S. companies face increasing competition from overseas companies. This legislation would strengthen the ability of U.S. companies to compete in international high technology markets by providing greater flexibility in the dissemination of intellectual property and innovative products. Importantly, it will allow small inventors and entrepreneurs who are vital to continued innovation in high technology to produce, distribute, and market their ideas in a way which allows them to recover their tremendous investment in research and development.

At the same time, this legislation preserves antitrust remedies for those agreements which actually harm competition, where there is no substitute available for the product protected by the patent, copyright, or mask work.

Under current law, courts sometime presume the requisite market power for antitrust liability from the mere existence of a patent or copyright. See *Digidyne Corp.* v. *Data General Corp.*, 734 F.2d 1336 (9th Cir. 1984), cert. denied, 473 U.S. 908 (1985). This presumption evolved because courts mistakenly characterized intellectual property rights as economic monopolies and thus treated patents and copyrights unnecessary harshly in antitrust cases.

Because of this mistaken doctrine, American businesses may be forced to avoid agreements that would permit them, for example, to cut costs by developing efficient distribution schemes for functionally related products. In some cases, the threat of antitrust liability even deters American companies and particularly small businesses and individual inventors from developing new technology.

America's economic future rests on the shoulders of individual inventors and innovators working in small firms and large corporations. The presumption of market power found by some courts can diminish not only the quality and quantity of innovative new products brought to market but also the undertaking of useful research and development. For example, if an inventor's ability to license his product, or the intellectual property rights to that product, is seriously threatened by the fear of treble damages being imposed in an antitrust suit, he likely will decide at the outset not to invest the time and money to research and develop that idea. This is especially true in our high technology industries whose products have short shelf lives.

Witnesses before our joint hearing in the Antitrust and Technology and the Law Subcommittees in the last Congress, as well as legal and economic scholars writing on the subject, have denounced the market power presumption. They have demonstrated that the uniqueness of a product protected by an intellectual property right has no bearing on whether the product wields market power—it may face lively competition from equally unique products.

Mr. President, the original form of this legislation as passed by the Senate eliminated the presumption of market power for products protected by an intellectual property right. The House Judiciary Subcommittee on Economic and Commercial Law considered this legislation earlier this fall. Several Members expressed concern that the bill as passed by the Senate went too far in limiting a plaintiff's ability to demonstrate that a particular product protected by a copyright, patent or computer chip mask work actually wields market power.

This legislation contains three modifications of the legislation that passed the Senate earlier this Congress. These changes respond to comments made over the past year and a half regarding ways in which S. 270 might be clarified.

First, this amendment specifically includes the word licensing and refers to licensees. Application of the legislation to intellectual property licensing arrangements has always been intended and understood. It was clearly spelled out in the earlier Senate report on S. 270. In fact, the original legislation in earlier years was focused specifically on licensing. Thus this change in the bill is straightfoward.

Second, the word process is used to make clear the application of the legislation to process patents. Significant legislation to protect process patents was enacted in the last Congress, and that protection should not be diluted through application of the presumption of market power to process patent licensing arrangements. The addition of the word effects this result.

Finally, a proviso is included in the second section clarifying that the effect of this legislation is to level the playing field between intellectual property rights and other property implicated in antitrust litigation. Concern was voiced in House deliberations that this legislation might elevate intellectual property rights to too high a level of protection, rendering the owner or licensor of intellectual property rights effectively exempt or

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immune from antitrust challenge. This emphatically is not the case. An antitrust plaintiff who can show that there are no substantially equivalent or substitutable products or processes for the one in issue can meet a requirement of showing evidence of market power by a preponderance of evidence. This legislation does not knock antitrust plaintiffs out of the box; it merely requires them to come foward with evidence to sustain their market power claim—evidence that goes beyond the mere existence of a patent or copyright.

Mr. President, I urge my colleagues to support this legislation, so sorely needed by our innovative hi-tech companies. It is a sound revision of the earlier legislation that passed the Senate four times and it meets the concerns raised by our colleagues in the House.

Mr. BIDEN. I would like to ask my distinguished Judiciary Committee colleague, the Senator from Arizona, a question about the sports lottery legislation before the Senate. My understanding is that this legislation contains a grandfather clause that exempts certain States from the bill's coverage. Is that accurate?

Mr. DECONCINI. The distinguished Senator from Delaware is correct. The grandfather clause, added as section 1307(e)(3) of title 18, United States Code, would allow those States that are currently operating sports-related lotteries to continue to operate sports lotteries. States that have operated sports lotteries in the past also would be exempted from the bill.

Mr. BIDEN. As my colleague from Arizona may know, the State of Delaware operated a sports-related lottery for a period of time during the 1970's. Although that lottery game no longer is in existence, the enabling legislation for the lottery remains in effect. Given these facts, would Delaware's sports lottery be grandfathered under the exemption in the Senator's legislation?

Mr. DECONCINI. Yes. Under the exemption, Delaware would be able to operate a sports-related lottery.

Mr. HATCH. Mr. President, I am pleased to join with my colleagues in the passage of S. 198, the Computer Software Rental Amendments Act. We have spent over 3 years attempting to move this important legislation.

The computer software industry, is a dynamic and blossoming source of growth for our Nation's economy. Yet today it is threatened by an emerging software rental industry which would make it possible for software users to make illegal copies; creating the potential for lost sales and the subsequent collapse of the software industry. This practice, if it is allowed to continue, will be devastating, and one of the brightest stars of the modern United States economy will be extinguished in its infancy.

The overwhelming rationale for renting a computer program is to make an unauthorized copy. Computer software cannot be enjoyed for an evening's entertainment and then returned. To have meaning to a user, the software packages require mastery of complex users manuals, often running hundreds of pages in length. Even after a user has mastered the use of a program it has little value until he or she adds his or her own data base to the program. The functions of learning how to use a program and utilizing it in connection with one's own data base cannot be accomplished in the few hours or days available under a rental arrangement without copying the program and displacing a legitimate sale of the program.

The Hatch-DeConcini substitute which we are voting on today provides software protection by prohibiting the rental of computer software unless authorized by the copyright owner. This portion of this legislative package has been the subject of extensive hearings and lengthy negotiations. I believe that it is a worthwhile change in the law.

The bill that we are voting on also includes other legislative items. Title II encompasses the Architectural Works Copyright Protection Act, as added by members of the House. This act would provide copyright protection to architectural works, including plans, drawings, and buildings.

Title III incorporates the Visual Artists Rights bill. Several significant changes have been agreed to by Senator KENNEDY during intense negotiations on this measure with Senators DECONCINI, HUMPHREY, and myself.

Title VI includes the Intellectual Property Antitrust Protection Act. Title V includes the Patent Remedy Clarification Act. And title VI is the House passed sports lottery bill.

And finally, my colleague from New Hampshire has an amendment to add to the bill the House language on free speech from the civil RICO bill. This amendment is included as a result of an agreement reached between Senators HUMPHREY, KENNEDY, and myself. It deals only with the narrow area of free speech and does not involve any of the core issues from the civil RICO bill. The Humphrey amendment addresses a very important civil liberties issue: the insulation of protestors and demonstrators from civil RICO liability. Political protestors and demonstrators should be free of the threat of RICO lawsuits. I commend Senator HUMPHREY, who has led the way on this issue in the Senate Judiciary Committee. The precise language contained in the Humphrey amendment was adopted by the Judiciary Committee in the House of Representatives.

This total package represents a good faith effort to deal with several issues, and I encourage all of my colleagues to support this legislation.

Mr. THURMOND. Mr. President, I am pleased that part of this bill includes the Intellectual Property Antitrust Protection Act of 1989, which was overwhelmingly supported and passed by the Senate in the first session of this Congress. Although changes have been made to S. 270 to accommodate concerns expressed by certain members of the House, the basic thrust of the bill remains the same.

The Intellectual Property Antitrust Protection Act clarifies the treatment of intellectual property rights under the antitrust laws. It provides that an intellectual property right, such as a patent, copyright or trademark, will not be presumed to define a market, or to establish market power, whenever the conduct of an owner, licensor, licensee, or other holder is alleged to have violated the antitrust laws in connection with the marketing or distribution of a product or service protected by such a right. In other words, Mr. President, a court will not be allowed to presume market power in a antitrust case merely from the existence of a patent, copyright, or other intellectual property right.

As I have noted before, this clarification is long overdue. The denial of certiorari by the Supreme Court in *Digidyne Corp.* v. *Data General Corp.*, 473 U.S. 908 (1985), and the Court's earlier decision in *Jefferson Parish Hospital Dist. No. 2* v. *Hyde*, 466 U.S. 2 (1984), compel us to address the treatment of intellectual property rights under the antitrust laws. As was noted by Justice White in his dissent in Data General, by denying certiorari, the Court refused to address, and thus left unclear, what effect should be given to a copyright or other legal monopoly in determining market power.

This bill, in clarifying the treatment of intellectual property in antitrust cases, strikes a healthy balance between the policies of antitrust enforcement and the policies underlying intellectual property rights. It does not prevent a finding of market power where appropriate, but merely prohibits courts from presuming market power without proof that it exists.

Mr. President, I believe that enactment of this bill, especially the intellectual property provisions, will greatly encourage the marketing of new and innovative products, and will ultimately enhance the worldwide competitiveness of the United States. I encourage all my colleagues to support this legislation.

AMENDMENT NO. 3087

(Purpose: To amend section 1961 of title 18, United States Code, to protect the exercise of first amendment rights)

Mr. KASTEN. Mr. President, I send an amendment to the desk on behalf of Senator HUMPHREY and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for Mr. HUMPHREY, proposes an amendment numbered 3087.

Mr. KASTEN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

TITLE —FREE SPEECH PROTECTION

"Section 1961(1) of title 18, United States' Code, is amended by adding at the end "but such does not include participation in, or the organization or support of, any nonviolent demonstration, assembly, protest, rally, or similar form of public speech;".

Mr. HUMPHREY. Mr. President, the amendment I offer is important, timely, and has already gained the support of strong majorities of both the Senate and House Judiciary Committees.

In brief, this amendment prevents the abuse of the Racketeer Influenced and Corrupt Organizations Act, popularly known as RICO, as a tool to surpress the exercise of first amendment rights. It simply provides that nonviolent public speech, protected by the first amendment, may not be treated as "racketeering activity" for purposes of crippling RICO lawsuits.

Mr. President, there has been considerable support in Congress for legislation correcting various abuses of the RICO civil action. The Senate Judiciary Committee approved RICO reform legislation this year in the form of S. 438, and the House Judiciary Committee also approved a RICO reform bill in the form of H.R. 5111.

Due to the limited time left before adjournment, and the differing approaches taken in the House and Senate bills, it seems apparent that neither of the board RICO reform bills will be enacted this year. However, we can and should enact a limited revision of RICO in the critical area of first amendment freedoms. I think all Members will agree that the RICO statute should not be used as a tool to suppress free speech. For that reason, I strongly urge my colleagues to approve the limited RICO amendment I now offer.

The RICO free speech amendment has already been approved by both the Senate and House Judiciary Committees as part of the RICO reform bills. The Senate and House free speech provisions were essentially identical, except that the Senate provision limited the measure to demonstrations and similar forms of public speech undertaken for reason other than economic or commercial gain or advantage. The amendment I now offer conforms to the House version in order to provide stronger first amendment safeguards and to avoid overly narrow construction of the provision. But the central provision of the amendment remains the same: RICO actions may not be based upon "any nonviolent demonstration, assembly, protest, rally, or similar form of public speech."

So this RICO free speech amendment has already gained wide approval in Congress. Moreover, it enjoys the support of outside groups ranging from the American Civil Liberties Union to various pro-life organizations. It has also been endorsed by civil libertarians and first amendment advocates, such as Harvard Law Professor Alan Dershowitz.

Let me briefly outline the background and purpose of this amendment. A further explanation of the purpose and effect of the amendment is set forth in the Judiciary Committee report on S. 438 and in my additional views set forth in that report (S. Rept. 101-269, pages 7-8, 17, and 28-29).

RICO's original purpose was straightforward and sound. It was designed as a powerful tool for prosecutors to use in their efforts to battle the infiltration and corruption of legitimate businesses by organized crime and racketeers. And in fact, RICO has served us well when it has been employed for this sound original purpose.

Almost as an afterthought, Congress included provisions for private parties to bring civil actions under RICO, in the hope that private enforcement could serve as a supplement to Government prosecutions. And since the intended targets of these civil actions were organized crime and racketeers, Congress provided that private plaintiffs could obtain the same sweeping remedies made available in RICO suits brought by the Government, including treble damages and recovery of attorney's fees.

To put it mildly, the RICO statute brought us much more than we bargained for. RICO's original purpose as a tool for prosecuting racketeers has been all but eclipsed by its development as an all-purpose tool for aggressive lawyers in ordinary civil litigation. The flood of civil RICO suits has reached the point where Chief Justice Rehnquist has called on Congress to limit RICO actions to their original purpose of prosecuting genuine racketeers.

But there is one particular abuse of civil RICO that should arouse the concern of every Member of this body: RICO actions are now being used as a conscious and effective tool to suppress freedom of speech in this country.

Civil RICO suits are underway across the country in a conscious, concerted effort to suppress the first amendment rights of demonstrators. And in order to have the broadest possible chilling effect on potential demonstrations, these RICO complaints include even persons who merely assist in the organization and dissemination of information concerning demonstrations.

I have learned that there are reputable organizations which are afraid to even send correspondence supporting demonstrations because they have been made aware that such actions may cause them to be named as a defendant in a RICO suit.

I wish to stress that RICO's threat to free speech knows no ideological or political boundaries. Indeed, some of the Nation's leading liberal champions of civil liberties have been among the leading voices in identifying and condemning this abuse of RICO. Washington Post Columnist Nat Hentoff, Harvard Law Professor Alan Dershowitz, and the American Civil Liberties Union have all spoken out forcefully against the abuse of RICO as a tool to suppress protests and demonstrations. Even the Washington Post published an editorial stressing the need for Congress to reform RICO to prevent its misapplication to demonstrations and protests.

Professor Dershowitz provided a convincing statement of the need for this amendment in a letter to the Senate Judiciary Committee, which I will briefly quote:

> The implications of applying RICO to political protesters are frightening and dangerous to the great tradition of non-violent protest in this country. Especially at a time when we are seeing an increase in political protest throughout the world . . . It is tragic to see our laws being used to frighten protesters by threatening their pocketbooks as well as their liberty.

While prolife demonstrators have been the most prominent targets of antifree speech RICO suits, the same legal theory can be used to justify RICO suits against protesters of any political or ideological persuasion. Anyone who is offended or irritated by a vigorous public demonstration now has a convenient and effective tool to silence the demonstrators: Hire a pushy lawyer and have him file the broadest possible RICO complaint, naming anyone even remotely connected with the demonstation as a coconspirator in a racketeering scheme.

Mr. President, it is clear that RICO has no proper application to these demonstration and protest cases. RICO's unlimited breadth and draconian remedies present an intolerable threat to free speech. My amendment will make it clear that the term rack-

eteering activity as used in RICO does not extend to nonviolent protests and demonstrations and that no RICO civil action can be based on such conduct. It is also the intent of this amendment to make it clear that individuals who participate peacefully in a demonstration may not be subjected to RICO claims merely because other participants may have engaged in actionable conduct.

I urge all my colleagues to support this effort to eliminate a serious threat to civil liberties by supporting the RICO free speech amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the motion.

The motion was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HEALTH OBJECTIVES 2000 ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 769, S. 2056, the Health Objectives 2000 Act.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2056) to amend Title XIX of the Public Health Service Act to provide grants to States and implement State health objectives plans, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Labor and Human Resources, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Objectives 2000 Act".

SEC. 2. REFERENCES.

Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.), unless otherwise provided.

SEC. 3. PURPOSE.

It is the purpose of this Act to implement the Year 2000 National Health Objectives through the provision of assistance to Designated Official State Public Health Agencies to—

(1) provide sufficient capacity and resources to States and localities to assist such States and localities in achieving the Year 2000 National Health Objectives, addressing improvements in health status, risk reduction, public and professional awareness, health services and protective measures, and surveillance and evaluations expressed in terms of measurable targets to be achieved by the year 2000;

(2) create and develop a partnership of Federal, State, and local health and mental health agencies, voluntary health organizations, and other health groups, including minority community-based organizations, to develop initiatives for preventing disease and illness, including promoting systems of services that are comprehensive, community-based, coordinated, and as appropriate, family centered;

(3) enable States and localities to address national health policy issues; and

(4) assess the health status of the population of the United States.

SEC. 4. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.

Title XIX of the Public Health Service Act (42 U.S.C. 300w et seq.) is amended by adding at the end thereof the following new part:

"PART E—NATIONAL HEALTH OBJECTIVES GRANTS TO STATES

"SEC. 1941. DEFINITIONS AND ADMINISTRATION.

"(a) DEFINITIONS.—As used in this part:

"(1) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the National Health Objectives Advisory Committee established under section 1948(a).

"(2) CORE PRIORITIES.—The term 'Core Priorities' means the National Health Priorities that are designated by the Secretary as 'Core National Health Priorities' and that must be included in the State health objectives provided in the State health objectives plan of each State.

"(3) NATIONAL HEALTH PRIORITIES.—The term 'National Health Priorities' means the priorities established under section 1948(b).

"(4) STATE AGENCY.—The term 'State agency' means the department, agency, commission, or other entity designated and vested with authority under State law over matters concerning public health.

"(5) STATE PLAN.—The term 'State plan' means the health objectives plan of a State submitted under section 1946.

"(6) STATE REPORT.—The term 'State report' means the annual report of a State required under section 1947.

"(b) ADMINISTRATION.—The Secretary shall carry out this part through the Centers for Disease Control.

"SEC. 1942. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making allotments to States to carry out this part, there are authorized to be appropriated—

"(1) $300,000,000 for fiscal year 1991;

"(2) $325,000,000 for fiscal year 1992;

"(3) $350,000,000 for fiscal year 1993;

"(4) $375,000,000 for fiscal year 1994; and

"(5) $400,000,000 for fiscal year 1995.

"SEC. 1943. ALLOTMENTS.

"(a) AMOUNT.—

"(1) IN GENERAL.—The Secretary shall use not to exceed 90 percent of the amounts appropriated under section 1942 for each fiscal year to make allotments in accordance with paragraphs (2) through (5).

"(2) FORMULA.—The amount of an allotment to a State under paragraph (1) shall equal the amount of the allotment for such State under section 1902 for the fiscal year preceding the year in which the allotment under this paragraph is being made.

"(3) REMAINDER.—From the remainder of amounts made available under paragraph (1), the Secretary shall allot in each fiscal year to each State an amount that equals—

"(A) $12,500, if the population of the State does not exceed 50,000;

"(B) $37,500, if the population of the State exceeds 50,000 but does not exceed 450,000;

"(C) $500,000, if the population of the State exceeds 450,000 but does not exceed 1,000,000;

"(D) $750,000, if the population of the State exceeds 1,000,000 but does not exceed 3,000,000;

"(E) $1,000,000, if the population of the State exceeds 3,000,000 but does not exceed 6,000,000;

"(F) $1,250,000, if the population of the State exceeds 6,000,000 but does not exceed 10,000,000;

"(G) $1,500,000, if the population of the State exceeds 10,000,000 but does not exceed 15,000,000; and

"(H) $2,000,000, if the population of the State exceeds 15,000,000.

"(4) RELATIVE POPULATION.—To the extent that all amounts available for allotment under paragraph (1) for each fiscal year are not otherwise allotted to States under paragraphs (2) and (3), such excess shall be allotted to each State in an amount that bears the same ratio to such excess amount for such fiscal year as the total population of the States bears to the population of all States.

"(5) VICTIMS OF SEX OFFENSES.—Of amounts appropriated under section 1942, not less than $3,500,000 shall be used to provide services of the type described in section 1904(a)(1)(G).

"(6) ADJUSTMENT.—If for any fiscal year the amount appropriated under section 1942 is less than the total of all amounts listed under paragraph (3), the amount allotted to each State shall be an amount that bears the same ratio to the total of all amounts available for allotment under such section as the amount of the allotment that the State is entitled to under paragraph (3) bears to the total of all such amounts under such paragraph.

"(7) INDIANS.—

"(A) IN GENERAL.—If the Secretary—

"(i) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this part be provided directly to the Secretary to such tribe or organization; and

"(ii) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this part;

the Secretary shall reserve from amounts which would otherwise be allotted to such State under paragraph (1) for the fiscal year the amount determined under subparagraph (B).

"(B) RESERVATION.—The Secretary shall reserve for the purpose of subparagraph (A) from amounts that would otherwise be allotted to such State under paragraph (1), an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved as the total amount provided or allotted for fiscal year 1981 by the Secretary to such tribe or tribal organization under the provisions of law referred to in section 1902(a) (as such section existed prior to the date of enactment of this part) bore to the total amount provided or allotted for such fiscal year by the Secretary to the State and entities (including Indian tribes and tribal organizations) in the State under such provisions of law.

"(C) GRANTS.—The amount reserved by the Secretary on the basis of a determination under this paragraph shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(D) ELIGIBILITY.—For an Indian tribe or tribal organization to be eligible for a grant

for a fiscal year under this paragraph, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"(E) DEFINITIONS.—As used in this paragraph, the terms 'Indian tribe' and 'tribal organization' shall have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

"(b) UNALLOTTED AMOUNTS.—To the extent that all the amounts appropriated under section 1942 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because one or more State has notified the Secretary that such State does not intend to use the full amount of their allotment, such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year under subsection (a)(4).

"(c) RESEARCH, TRAINING AND ADMINISTRATION.—The Secretary shall use not to exceed 10 percent of the amounts appropriated under section 1942 for each fiscal year as provided for in section 1948(f).

"SEC. 1944. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—

"(1) PLAN REQUIREMENT.—For each fiscal year, the Secretary shall make payments from amounts appropriated for that fiscal year, as provided for in section 6503(a) of title 31, United States Code, to each State, if such State has submitted an approved State plan, from its allotment under section 1943.

"(2) CARRYOVER FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"(b) REDUCTION IN AMOUNT.—

"(1) IN GENERAL.—The Secretary, at the request of a State, may reduce the amount of payments that a State is entitled to under subsection (a) in an amount equal to—

"(A) the fair market value of any supplies or equipment furnished the State; and

"(B) the total amount of any pay, allowances, and travel expenses of any officer or employee of the Federal government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee;

when the furnishing of such supplies or equipment or the detail of such officers or employees is for the convenience and at the request of the State and for the purpose of conducting activities described in section 1945.

"(2) USE OF REDUCTION.—The amount by which any payment is reduced under paragraph (1) shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be considered to be part of the payment and to have been paid to the State.

"SEC. 1945. USE OF ALLOTMENTS.

"(a) STATE PLAN.—Except as provided in subsections (b) and (c), a State shall utilize amounts paid to it under section 1944, from the allotment of such State under section 1943(a), to develop and implement a State plan, in accordance with section 1946, for—

"(1) each of the fiscal years 1991 and 1992, that—

"(A) develops and collects data to assess the public health needs and status of the individuals, including minorities, that reside in the State;

"(B) requires and provides assistance for planning necessary to assist projects and programs described in the State plan; and

"(C) provides for the availability of assistance to projects and programs described in the State plan; and

"(2) each of the fiscal years 1992 and 1993, and for each fiscal year thereafter during which the State receives payments under section 1944, that in addition to the activities described in paragraph (1), provides for the funding of projects and programs authorized under to sections 1904.

"(b) LIMITATIONS.—A State shall not use amounts paid to it under section 1944, to—

"(1) provide inpatient services;

"(2) make cash payments to intended recipients of health services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(c) ADMINISTRATION.—Not more than 10 percent of the total amount paid to a State under section 1944 from the State allotment under section 1943(a) for any fiscal year shall be used for administering the funds made available under section 1944. The State shall pay from non-Federal sources any additional costs of administering such funds. For purposes of this subsection, the term 'administration' shall not be construed to include collection or assessment of data.

"SEC. 1946. STATE HEALTH OBJECTIVES PLAN AND DESCRIPTION OF ACTIVITIES.

"(a) IN GENERAL.—To receive a payment under section 1944 from the State allotment for a fiscal year under section 1943(a), a State shall prepare and submit, to the Secretary, a State health objectives plan at such time, in such manner, and containing such information as the Secretary shall require. Such State plan shall—

"(1) be developed by the State Health Objectives Advisory Committee established under subsection (b);

"(2) meet the requirements of subsection (c); and

"(3) contain assurances satisfactory to the Secretary that the State will meet the requirements of subsection (d).

"(b) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—Each State shall establish a State Health Objectives Advisory Committee, that shall be chaired by the State Health Officer, and shall consist of members of the public and health directors that represent local health departments.

"(2) REPRESENTATIVES.—States are encouraged to include entities receiving grants under this part, representatives of community-based health and mental health organizations including minority community-based organizations, and a representative of an academic institution that trains public health professionals, as part of the State committee established under paragraph (1).

"(3) MEETINGS.—The State Health Objectives Advisory Committee shall meet not less than twice each year.

"(4) RESPONSIBILITIES.—The Advisory Committee established under paragraph (1) shall review and make recommendations to the State health agency concerning—

"(A) health assessment and policy development and assurance functions associated with the program established under this part; and

"(B) State plans, data collection efforts, the establishment of State health objectives, coordination of efforts funded under this part, coordination with other similar programs, public hearings, and the allocation of funds within the State annual report.

"(c) REQUIREMENTS.—A State plan submitted under subsection (a) shall—

"(1) be developed with the participation of local public health agencies that shall be consulted concerning proposed funding decisions within their jurisdictions under the plan;

"(2) contain a specific set of not less than five State health objectives that shall be chosen from the National Health Priorities described by the Secretary under section 1948, and that shall include all Core Priorities identified under such section;

"(3) contain an annual budget that describes the manner in which the payments made under section 1944 are to be used by the State, and such budget shall—

"(A) specify the portion of such funds that are to be used at each level of the State or local government, and the portion of such funds that are to be allocated for grants to local agencies of public health, community-based health and mental health organizations, including minority community-based organizations, voluntary nonprofit health organizations, and other entities selected by the State help meet State objectives under paragraph (7); and

"(B) commit the State to use not less than 80 percent of such payments to meet State objectives that, as determined by the State agency after an analysis of the National Health Priorities, and based on the available State data described in paragraph (4), are critical to improving the health status of the individuals who reside within the State;

"(4) in terms of each State objective—

"(A) provide assurances satisfactory to the Secretary that there is a minimum set of data available to satisfactorily measure the health status of individuals including racial and ethnic minorities, who reside within the State;

"(B) utilize the data described in subparagraph (A) to identify the improvement that the State expects to make in the health status of individuals who reside within the State during the term of the State plan;

"(C) specify the particular strategies, projects and programs intended to be used by the State to improve the health status of individuals who reside within the State;

"(D) specify the methods intended to be used by the State to evaluate the progress made by the State in improving the health status of individuals who reside within the State; and

"(E) provide services targeted at improving the health status of individuals who reside within the State at the level of State or local government that the State determines is most likely to be effective in achieving the State objectives especially with respect to addressing innercity and rural disparities in health status indicators;

"(5) provide for the establishment of procedures through which the State shall monitor the progress of local health agencies, community-based organizations, including minority community-based organizations, mental health, and health organizations in implementing the State objectives;

"(6) identify public health personnel requirements that the State determines are reasonably necessary and appropriate to permit the State to achieve the State objectives;

"(7) identify the mechanism by which the State shall select, and allocate assistance provided under this part to local units of

government, local agencies of public health, community-based health and mental health organizations, including minority community-based organizations, voluntary nonprofit health organizations, and other entities within the State to help meet the State objectives;

"(8) contain a description (that may be revised throughout the year as may be necessary to reflect substantial changes in the projects and programs assisted by the State) of the intended use of the payments the State will receive under section 1944 for the fiscal year for which the State plan is submitted, including information concerning the projects and programs to be supported and services to be provided, which shall be made available to the public within the State in a manner that will facilitate comment from any individual during the period of the development of the description and after the transmittal of such; and

"(9) contain a plan for conducting health education and disease prevention programs for identifiable racial and ethnic communities, including consultation with minority community-based organizations.

"(d) ASSURANCES.—As part of the State plan required under subsection (a), a State shall provide assurances satisfactory to the Secretary that such State—

"(1) shall use the amounts allotted to it under section 1943 in accordance with the requirements of the State plan and of this part;

"(2) shall establish reasonable criteria for the evaluation of the effective performance of entities that receive assistance from the allotment to the State under this part;

"(3) shall identify those populations including racial and ethnic minorities, areas, and localities in the State that demonstrate a need for the services for which funds may be provided by the State under this part; and

"(4) shall use amounts made available under section 1944 for any period to supplement and increase the level of State, local, and other Federal assistance that would, in the absence of amounts available under section 1944, be made available for the programs and activities for which funds are provided for under this part, and shall not use funds made available under this part to supplant such State, local, and other Federal funds.

"SEC. 1947. STATE HEALTH OBJECTIVES REPORT.

"(a) IN GENERAL.—Not later than 120 days after the end of each fiscal year for which assistance is provided under this part, each State, in cooperation with participating local units of government, shall prepare and submit, to the Secretary, an annual State health objectives report concerning the activities of the State under this part, that meets the requirements of this section.

"(b) REQUIREMENTS.—A State report submitted under subsection (a) shall be in such form and contain such information as the Secretary determines, after consultation with the heads of the State agencies and the Comptroller General, to be necessary—

"(1) to determine whether funds were expended by the State in accordance with this part and consistent with the needs within the State as proscribed in the State plan;

"(2) to secure a description of the projects and programs within the State operated or assisted with amounts provided under allotments made under this part; and

"(3) to secure a record of—

"(A) the purposes for which amounts provided under this part were expended;

"(B) the recipients of such funds; and

"(C) the progress made toward achieving the purposes for which such funds were provided.

"(c) UNIFORM DATA ITEM.—A State report submitted under subsection (a) shall include information concerning at least one uniform data item on each National Health Priority described in section 1948(b) to be determined in consultation with the Secretary.

"(d) UNIFORM DATA SETS.—Each State shall report uniform data sets, as prescribed by the Secretary under section 1948(g), for each National Health Priority addressed in the State plan that shall commence not later than 4 years after the date of enactment of this part.

"(e) ADDITIONAL CONTENTS.—The Secretary may require States to include additional information in the State report submitted under this section if such requirements are not unduly burdensome.

"(f) AVAILABILITY.—The State shall ensure that the State report is available for public inspection within the State, and the Secretary shall provide copies, on request, to any interested individual.

"SEC. 1948. RESPONSIBILITIES OF THE SECRETARY.

"(a) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—The Secretary shall establish an advisory committee, to be known as the 'National Health Objectives Advisory Committee', to advise the Secretary concerning National Health Priorities.

"(2) COMPOSITION.—The Advisory Committee shall be composed of 10 members, of which—

"(A) one member shall be the Assistant Secretary for Health, who shall serve as chairperson;

"(B) two members shall be appointed by the Secretary from the general public;

"(C) one member shall be appointed by the Administrator of the Environmental Protection Agency;

"(D) two members shall be appointed by the Association of State and Territorial Health Officials;

"(E) one member shall be appointed by the National Association of County Health Officials;

"(F) one member shall be appointed by the United States Conference of Local Health Officials;

"(G) one member shall be appointed by the Association of Schools of Public Health; and

"(H) one member shall be appointed by the American Public Health Association.

"(3) MEETINGS AND DUTY.—The Advisory Committee shall meet not less than once each year for the purpose of providing advice to the Secretary concerning the selection, revision, implementation, and evaluation of the National Health Priorities, and the development and adoption of the uniform data set.

"(b) NATIONAL HEALTH PRIORITIES.—The Secretary, in consultation with the heads of other Federal agencies and the Advisory Committee, and taking into account the 'Year 2000 Health Objectives' developed by the United States Public Health Service, shall establish—

"(1) National Health Priorities that shall form the basis for all activities that receive assistance under this part;

"(2) from the priorities established under paragraph (1), a set of Core Priorities that shall be included in each State plan; and

"(3) in cooperation with other appropriate national organizations, an estimate of the personnel and training that will be needed throughout the United States to accomplish the priorities established under paragraph (1).

"(c) REVIEW OF STATE PLANS.—The Secretary shall review each proposed State plan, and each proposed amendment thereto, submitted by a State under section 1946, and approve each such plan or amendment, or each portion of such plan or amendment, that the Secretary determines complies with the requirements of this part.

"(d) STATE REPORT.—The Secretary shall receive and review each State report submitted by a State under section 1947, and shall compile, evaluate, and prepare and submit, to the appropriate Committees of Congress, and the President, an annual National Health Objectives Report concerning the data and information contained in such State.

"(e) OTHER ASSISTANCE.—The Secretary shall provide consultation, guidance, and technical assistance to State and local units of government, and to other entities participating in the programs created under this part, to—

"(1) assist in the development of data sets as required under section 1946, and uniform data items required under section 1947; and

"(2) assist States with State plans, or amendments to such plans, that the Secretary determines does not comply with the requirements of this part, in revising such plans or amendments to comply with the requirements of this part.

"(f) RESEARCH AND TRAINING.—From amounts made available under section 1943(c), the Secretary shall—

"(1) utilize not more than 5 percent, or $5,000,000 whichever is less, to administer the assistance made available to States under such section;

"(2) utilize 50 percent of all such remaining amounts to provide assistance for the professional training of public health personnel, including—

"(A) the identification of new knowledge bases and skills for State and local public health personnel that are reasonably necessary and appropriate to permit the States to achieve the National Health Priorities; and

"(B) encouraging the training and education of appropriate numbers of such personnel, including racial and ethnic minority personnel, in such knowledge bases and skills, including cross cultural skills, by establishing cooperative agreements with schools of public health and other institutions that train and educate such personnel; and

"(3) utilize all such remaining amounts to provide assistance for research, pilot and demonstration projects and programs that the Secretary determines to show the potential impact of regional or national significance with respect to the National Health Priorities.

"(g) UNIFORM DATA SETS.—The Secretary shall direct the Centers for Disease Control, in cooperation with local and State health officials, to establish uniform data sets for each of the National Health Priorities described in subsection (b). Such data sets shall be adopted not later than 2 years after the date of enactment of this part.

"SEC. 5. REPEAL.

"Effective October 1, 1992, sections 1901, 1902, 1903, 1905, 1906, 1907, 1908, and 1909 of the Public Health Service Act (42 U.S.C. 300w, 300w-1, 300w-2, 300w-4, 300w-5, 300w-6, 300w-7, 300w-8) are repealed.".

Mr. HARKIN. Mr. President, it is with great pleasure that I rise today to commend the Senate for its unanimous approval of S. 2056, the Health

Objectives 2000 Act. Passage of this legislation mark's a milestone on our journey toward a healthier America. It sends a clear signal that we are committed to improving the health of our people and the health of our health care system.

Americans are far healthier now than 100 years ago thanks to a virtual revolution in public health and medicine during this century. We have seen life expectancy increase by some 29 years. We have made monumental gains in understanding the leading causes of death and disability and the means by which they might be prevented.

As a nation, we no longer measure our health solely by mortality rates and average longevity, but also by the quality of our life and the impact of illness on our economic productivity. Our next opportunity to make substantial gains in public health lies in health promotion, and the prevention of premature disability and death. Many are calling this the second revolution of public health in America.

However, there is a growing concern that as a nation we have lost sight of our public health goals—that our national commitment to public health is neither clearly defined, adequately supported, nor fully understood. We are failing to embark upon the second revolution and, at the same time, are at risk for losing the gains of the first.

Two years ago the Institute of Medicine [IOM] published the most comprehensive assessment of public health in the Nation today. The IOM report conveys a sense of urgency to the Congress and to the American people. Public health is a vital function that is in trouble. The Institute of Medicine reports that the gains of our public health programs have been taken for granted and public health responsibilities have become so fragmented that deliberate action is often difficult if not impossible.

It is time for action. Many major health problems remain unresolved. We are not the helpless victims of death and disease. We have it in our power to reduce significantly deaths and disabilities due to feared killers such as heart disease, stroke, emphysema, cancer, accidential injury and other similar assaults on our health.

Less than 2 weeks ago, Dr. Louis Sullivan, Secretary of the Department of Health and Human Services, took an important step toward action in this area, by announcing health promotion and disease prevention objectives for the nation to reach by the year 2000. In its report, "Healthy People 2000: National Health Promotion and Disease Prevention Objectives," the Public Health Service outlines a national strategy for improving the health of Americans over the coming decade. Healthy People 2000 sets forth specific national goals for improvements on many fronts—from the reduction in rates of heart disease and accidental injury to increased healthy lifespans for older Americans and increased immunization rates for children. Dr. Sullivan and all of the dedicated people at the Public Health Service and the thousands of State and local health officials, health professionals and others around the nation who were responsible for developing this comprehensive plan are to be commended for their good work.

S. 2056, the Health Objectives 2000 Act, which we are approving unanimously today, takes this critical effort an important step further by providing the States and localities the support they need to develop and improve programs aimed at reaching the goals which have been set. It provides the resources necessary for an all out effort to implement the Nation's Health Objectives for the Year 2000.

S. 2056, will also help to reduce our nation's skyrocketing health care costs by adding some good old-fashioned common sense back into our health care system. Since the 1970's, the cost of health care has mushroomed. The government now spends 25 times as much on health care as we spent 25 years ago. Total health care spending in the United States has reached over $600 billion a year, with all but 3 percent going to treat rather than prevent disease and disability.

Our strained national pocketbook can no longer continue to support illness at the expense of wellness. Americans spend nearly three times the amount that citizens of the United Kingdom spend on health care. Health care in America, as percent of gross domestic product, is greater than Sweden, France, Canada, the Netherlands, Germany, Norway, Japan and the United Kingdom. Yet Americans aren't necessarily any healthier. Death due to heart disease is 40 percent higher in the United States than it is in France and Switzerland —and cost Americans more than $70 billion a year.

The societal costs imposed by preventable disease are more than $680 billion annually. If more efforts to promote health and prevent disease and disability can result in even a 1-percent reduction, that means we can save more than $6.8 billion each year. The Health Objectives 2000 Act represents at least that level of national commitment.

America has a proud history in public health which forms the basis for our renewed effort today. Our national public health system has, for many years, worked to prevent disease, and promote healthful environments, behavior and lifestyles. During our lifetime we have seen a substantial reduction in the death rate from infectious disease thanks to water purification, mass immunizations, and other public health measures. As a result, people live longer, and are more likely to succomb to chronic disease or become disabled. And much of that disease and disability is preventable.

Nationally, more than 1 million people die each year—nearly 52 percent of all deaths—as a result of stroke, coronary heart disease, diabetes, chronic obstructive pulmonary disease, lung cancer, breast cancer, cervical cancer, colorectal cancer or cirrhosis.

We know what to do to prevent these killers. Smoking is responsible for about 30 percent of the nearly 500,000 deaths from cancer each year. Diet has been linked to cancer, heart disease, and stroke. We can prevent deaths due to cirrhosis by reducing the consumption of alcohol.

Far too many of our citizens, especially young people, die or experience disabilities as a result of vehicular accidents and work related injuries. Accidents are the leading cause of death during the first four decades of life. Injuries are the most common cause of death for children ages 1 to 14. We have it within our power to prevent this tragic loss of life.

Americans are living longer. We need to help them live healthier. My own State of Iowa has the highest percentage of the population over the age of 85. Insofar as health care is concerned for our elderly citizens, there is a small number of people who require a great deal of expensive care and a much larger number of people who use few, if any health care services. By preventing disease among the elderly, postponing dependence, and promoting vitality, we can improve the quality of life of our senior citizens, many of whom reside in rural America, while reducing the cost of health care.

My own State of Iowa exceeds the national average of deaths due to work-related injuries and deaths due to smoking. In fact, injuries, followed by cancer and heart disease, are the leading cause of years of potential life lost in my State. Because we are a rural State, with a strong agricultural economy, farm-related injuries are a special concern of mine—and contribute substantially to the high rate of work-related injury in Iowa. We can improve the health of our rural citizens through better health promotion and injury prevention programs.

Our Iowa State health department is hard at work on many of these important issues. They are doing a great job with programs such as hypertension screening, through which they have identified 2,113 new cases, many among the elderly. S. 2056 will help them do an even better job. Mary Ellis, at the time the Director of our Department of Public Health, commenting on the Health Objectives 2000 Act, wrote to me, "It is very im-

portant for Iowa citizens and for health care in the United States."

Mr. President, American health care—its quality, its availability, and its cost—are top concerns for us all. Too often, though, we react to bad news rather than plan for a healthier future. We tinker with parts of the system in trouble, and do not do enough toward accomplishing our own national health goals.

The Health Objectives 2000 Act offers an opportunity for us to improve the quality of our information and develop better methodology for attacking the problems that assail our health. We know a lot about the outcomes that result in death, but not as much about the outcomes that result in disability. We need to know more about how environmental noise affects hearing loss, for example. We know how many children die from drowning, but we don't know how many children there are who are substantially disabled as a result of near drowning.

The bill provides funding to designated official State public health agencies, based upon State plan target objectives which are consistent with the Year 2000 Objectives and yet tailored to State needs. These funds will help States carry out their objectives, and help them monitor and evaluate the impact of their efforts. In addition, funds are designated for the professional training of public health personnel and to provide assistance for research, and for pilot and demonstration projects and programs approved by the Secretary of the Department of Health and Human Services for the purposes of demonstrating the potential impact of regional or national efforts to improve the health status of American citizens as set out by the National Health Objectives.

States are encouraged to form partnerships with Federal, State and local health agencies, voluntary health organizations, and other health groups in order to develop initiatives that are set out in the State plan, enabling them to address national health policy issues and assess the health status of the population in their State and nationally.

An advisory committee will be established by the Secretary of DHHS, known as the "National Health Objectives Advisory Committee," to advise regarding national health priorities.

The act authorizes $300,000,000 for fiscal year 1991, increasing $25 million each year with a $400,000,000 authorization in fiscal year 1995; 90 percent of appropriated amounts are to be used for allotments to the designated official State Public Health Agencies. Allotments are to be used to develop and implement a State plan, develop and collect data to assess public health needs and status of individuals residing in the State; provide assistance and planning necessary to projects and programs described in the State plan; and provide for carrying out projects and programs described in the State plan; 10 percent of appropriated amounts are to be used for training, research and the development of pilot and demonstration programs.

The Preventive Block Grant Program is repealed and its functions incoporated into this act at the time it is due to be reauthorized, on October 1, 1991.

Mr. President, I am proud to say that over one-third of the Senate joined as cosponsors of S. 2056. Each of them have been critical to the bill's success thus far. I want to extend special thanks to Senator KENNEDY, the distinguished chairman of the Labor and Human Resources Committee for his work in making today's passage of S. 2056. Without his leadership and support, we would not be here today. Chairman KENNEDY is second to none in this body in his commitment to high quality health care that is affordable to all Americans.

It means a great deal to me, also, to have been joined by Senator HATCH, the ranking member of the Committee on Labor and Human Resources, with whom I have worked closely on a number of important issues. Senator HATCH has done much to promote better health, including efforts to improve prenatal care, home care, and promote better nutrition.

Senator PELL, who has been a steadfast supporter of legislation promoting the health of Americans, joins with us also in introducing the Health Objectives 2000 Act. His work was critical to the development and successful movement of this important legislation.

I also express my appreciation to the Association of State and Territorial Health Officials, the American Public Health Association, and other leading national organizations who took a leadership role in developing this bill and the support necessary to win its passage. I ask unanimous consent that the list of the over 50 national organizations supporting this legislation be printed in the RECORD at this time, and I again thank my colleagues for their support of this important health legislation.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ORGANIZATIONS SUPPORTING S. 2056 HEALTH OBJECTIVES 2000 ACT

Alliance for Aging Research.
Ambulatory Pediatric Association.
American Academy of Child and Adolescent Psychiatry.
American Academy of Otolaryngology—Head and Neck Surgery.
American Association of Respiratory Care.
American College of Preventive Medicine.
American Dental Association.
American Heart Association.
American Lung Association.
American Medical Students Association.
American Occupational Therapy Association.
American Psychological Association.
American Public Health Association.
American Society for Microbiology.
American Speech-Language-Hearing Association.
Association of Schools of Public Health.
Association of State and Territorial Dental Directors.
Association of State and Territorial Health Officials.
Association of State and Territorial Public Health Laboratory Directors.
Association of State and Territorial Public Health Nutrition Directors.
Asthma and Allergy Foundation of America.
College of American Pathologists.
Committee for Children.
Conference of State and Territorial Epidemiologists.
Consumers Union of U.S., Inc.
Emergency Nurses Association.
Health Care Consumers Network.
National Association of County Health Officials.
National Association of Pediatric Nurse Associations and Practitioners.
National Association of State Alcohol and Drug Abuse Directors.
National Association of State Emergency Medical Services Directors.
National Association of State Alcohol and Drug Abuse Directors.
National Association of State Units on Aging.
National Association for Public Health Policy.
National Citizens Coalition for Nursing Home Reform.
National Coalition for Cancer Survivorship.
National Council on the Aging.
National Mental Health Association.
National Recreation and Park Association.
National Safety Council.
National School Health Education Association.
Public Voice.
Southern Regional Project on Infant Mortality.
Union of American Hebrew Congregations.
United Methodist Church General Board of Church and Society-Department of Human Welfare.
U.S. Conference of Local Health Officers.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the the committee amendment in the nature of a substitute.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

So the bill (S. 2056) as amended, was passed as follows:

S. 2056

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Health Objectives 2000 Act".

SEC. 2. REFERENCES.

Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act (42 U.S.C. 201 et seq.), unless otherwise provided.

SEC. 3. PURPOSE.

It is the purpose of this Act to implement the Year 2000 National Health Objectives through the provision of assistance to Designated Official State Public Health Agencies to—

(1) provide sufficient capacity and resources to States and localities to assist such States and localities in achieving the Year 2000 National Health Objectives, addressing improvements in health status, risk reduction, public and professional awareness, health services and protective measures, and surveillance and evaluations expressed in terms of measurable targets to be achieved by the year 2000;

(2) create and develop a partnership of Federal, State, and local health and mental health agencies, voluntary health organizations, and other health groups, including minority community-based organizations, to develop initiatives for preventing disease and illness, including promoting systems of services that are comprehensive, community-based, coordinated, and as appropriate, family centered;

(3) enable States and localities to address national health policy issues; and

(4) assess the health status of the population of the United States.

SEC. 4. AMENDMENT TO PUBLIC HEALTH SERVICE ACT.

Title XIX of the Public Health Service Act (42 U.S.C. 300w et seq.) is amended by adding at the end thereof the following new part:

"PART E—NATIONAL HEALTH OBJECTIVES GRANTS TO STATES

"SEC. 1941. DEFINITIONS AND ADMINISTRATION.

"(a) DEFINITIONS.—As used in this part:

"(1) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the National Health Objectives Advisory Committee established under section 1948(a).

"(2) CORE PRIORITIES.—The term 'Core Priorities' means the National Health Priorities that are designated by the Secretary as 'Core National Health Priorities' and that must be included in the State health objectives provided in the State health objectives plan of each State.

"(3) NATIONAL HEALTH PRIORITIES.—The term 'National Health Priorities' means the priorities established under section 1948(b).

"(4) STATE AGENCY.—The term 'State agency' means the department, agency, commission, or other entity designated and vested with authority under State law over matters concerning public health.

"(5) STATE PLAN.—The term 'State plan' means the health objectives plan of a State submitted under sectin 1946.

"(6) STATE REPORT.—The term 'State report' means the annual report of a State required under section 1947.

"(b) ADMINISTRATION.—The Secretary shall carry out this part through the Centers for Disease Control.

"SEC. 1942. AUTHORIZATION OF APPROPRIATIONS.

"For the purpose of making allotments to States to carry out this part, there are authorized to be appropriated—

"(1) $300,000,000 for fiscal year 1991;

"(2) $325,000,000 for fiscal year 1992;

"(3) $350,000,000 for fiscal year 1993;

"(4) $375,000,000 for fiscal year 1994; and

"(5) $400,000,000 for fiscal year 1995.

"SEC. 1943. ALLOTMENTS.

"(a) AMOUNT.—

"(1) IN GENERAL.—The Secretary shall use not to exceed 90 percent of the amounts appropriated under section 1942 for each fiscal year to make allotments in accordance with paragraphs (2) through (5).

"(2) FORMULA.—The amount of an allotment to a State under paragraph (1) shall equal the amount of the allotment for such State under section 1902 for the fiscal year preceding the year in which the allotment under this paragraph is being made.

"(3) REMAINDER.—From the remainder of amounts made available under paragraph (1), the Secretary shall allot in each fiscal year to each State an amount that equals—

"(A) $12,500, if the population of the State does not exceed 50,000;

"(B) $37,500, if the population of the State exceeds 50,000 but does not exceed 450,000;

"(C) $500,500, if the population of the State exceeds 450,000 but does not exceed 1,000,000;

"(D) $750,500, if the population of the State exceeds 1,000,000 but does not exceed 3,000,000;

"(E) $1,000,000, if the population of the State exceeds 3,000,000 but does not exceed 6,000,000;

"(F) $1,250,000, if the population of the State exceeds 6,000,000 but does not exceed 10,000,000;

"(G) $1,500,000, if the population of the State exceeds 10,000,000 but does not exceed 15,000,000; and

"(H) $2,000,000, if the population of the State exceeds 15,000,000.

"(4) RELATIVE POPULATION.—To the extent that all amounts available for allotment under paragraph (1) for each fiscal year are not otherwise allotted to States under paragraphs (2) and (3), such excess shall be allotted to each State in an amount that bears the same ratio to such excess amount for such fiscal year as the total population of the States bears to the population of all States.

"(5) VICTIMS OF SEX OFFENSES.—Of amounts appropriated under section 1942, not less than $3,500,000 shall be used to provide services of the type described in section 1904(a)(1)(G).

"(6) ADJUSTMENT.—If for any fiscal year the amount appropriated under section 1942 is less than the total of all amounts listed under paragraph (3), the amount allotted to each State shall be an amount that bears the same ratio to the total of all amounts available for allotment under such section as the amount of the allotment that the State is entitled to under paragraph (3) bears to the total of all such amounts under such paragraph.

"(7) INDIANS.—

"(A) IN GENERAL.—If the Secretary—

"(i) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this part be provided directly to the Secretary to such tribe or organization; and

"(ii) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this part;

the Secretary shall reserve from amounts which would otherwise be allotted to such State under paragraph (1) for the fiscal year the amount determined under subparagraph (B).

"(B) RESERVATION.—The Secretary shall reserve for the purpose of subparagraph (A) from amounts that would otherwise be allotted to such State under paragraph (1), an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved as the total amount provided or allotted for fiscal year 1981 by the Secretary to such tribe or tribal organization under the provisions of law referred to in section 1902(a) (as such section existed prior to the date of enactment of this part) bore to the total amount provided or allotted for such fiscal year by the Secretary to the State and entities (including Indian tribes and tribal organizations) in the State under such provisions of law.

"(C) GRANTS.—The amount reserved by the Secretary on the basis of a determination under this paragraph shall be granted to the Indian tribe or tribal organization serving the individuals for whom such a determination has been made.

"(D) ELIGIBILITY.—For an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this paragraph, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"(E) DEFINITIONS.—As used in this paragraph, the terms 'Indian tribe' and 'tribal organization' shall have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

"(b) UNALLOTTED AMOUNTS.—To the extent that all the amounts appropriated under section 1942 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because one or more State has notified the Secretary that such State does not intend to use the full amount of their allotment, such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year under subsection (a)(4).

"(c) RESEARCH, TRAINING AND ADMINISTRATION.—The Secretary shall use not to exceed 10 percent of the amounts appropriated under section 1942 for each fiscal year as provided for in section 1948(f).

"SEC. 1944. PAYMENTS UNDER ALLOTMENTS TO STATES.

"(a) IN GENERAL.—

"(1) PLAN REQUIREMENT.—For each fiscal year, the Secretary shall make payments from amounts appropriated for that fiscal year, as provided for in section 6503(a) of title 31, United States Code, to each State, if such State has submitted an approved State plan, from its allotment under section 1943.

"(2) CARRYOVER FUNDS.—Any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State for the purposes for which it was made.

"(b) REDUCTION IN AMOUNT.—

"(1) IN GENERAL.—The Secretary, at the request of a State, may reduce the amount of payments that a State is entitled to under subsection (a) in an amount equal to—

"(A) the fair market value of any supplies or equipment furnished the State; and

"(B) the total amount of any pay, allowances, and travel expenses of any officer or employee of the Federal government when detailed to the State and the amount of any other costs incurred in connection with the detail of such officer or employee;

when the furnishing of such supplies or equipment or the detail of such officers or

employees is for the convenience and at the request of the State and for the purpose of conducting activities described in section 1945.

"(2) USE OF REDUCTION.—The amount by which any payment is reduced under paragraph (1) shall be available for payment by the Secretary of the costs incurred in furnishing the supplies or equipment or in detailing the personnel, on which the reduction of the payment is based, and the amount shall be considered to be part of the payment and to have been paid to the State.

"SEC. 1945. USE OF ALLOTMENTS.

"(a) STATE PLAN.—Except as provided in subsections (b) and (c), a State shall utilize amounts paid to it under section 1944, from the allotment of such State under section 1943(a), to develop and implement a State plan, in accordance with section 1946, for—

"(1) each of the fiscal years 1991 and 1992, that—

"(A) develops and collects data to assess the public health needs and status of the individuals, including minorities, that reside in the State;

"(B) requires and provides assistance for planning necessary to assist projects and programs described in the State plan; and

"(C) provides for the availability of assistance to projects and programs described in the State plan; and

"(2) each of the fiscal years 1992 and 1993, and for each fiscal year thereafter during which the State receives payments under section 1944, that in addition to the activities described in paragraph (1), provides for the funding of projects and programs authorized under to sections 1904.

"(b) LIMITATIONS.—A State shall not use amounts paid to it under section 1944, to—

"(1) provide inpatient services;

"(2) make cash payments to intended recipients of health services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment; or

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

"(c) ADMINISTRATION.—Not more than 10 percent of the total amount paid to a State under section 1944 from the State allotment under section 1943(a) for any fiscal year shall be used for administering the funds made available under section 1944. The State shall pay from non-Federal sources any additional costs of administering such funds. For purposes of this subsection, the term 'administration' shall not be construed to include collection or assessment of data.

"SEC. 1946. STATE HEALTH OBJECTIVES PLAN AND DESCRIPTION OF ACTIVITIES. .

"(a) IN GENERAL.—To receive a payment under section 1944 from the State allotment for a fiscal year under section 1943(a), a State shall prepare and submit, to the Secretary, a State health objectives plan at such time, in such manner, and containing such information as the Secretary shall require. Such State plan shall—

"(1) be developed by the State Health Objectives Advisory Committee established under subsection (b);

"(2) meet the requirements of subsection (c); and

"(3) contain assurances satisfactory to the Secretary that the State will meet the requirements of subsection (d).

"(b) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—Each State shall establish a State Health Objectives Advisory Committee, that shall be chaired by the State Health Officer, and shall consist of members of the public and health directors that represent local health departments.

"(2) REPRESENTATIVES.—States are encouraged to include entitles receiving grants under this part, representatives of community-based health and mental health organizations including minority community-based organizations, and a representative of an academic institution that trains public health professionals as part of the State committee established under paragraph (1).

"(3) MEETINGS.—The State Health Objectives Advisory Committee shall meet not less than twice each year.

"(4) RESPONSIBILITIES.—The Advisory Committee established under paragraph (1) shall review and make recommendations to the State health agency concerning—

"(A) health assessment and policy development and assurance functions associated with the program established under this part; and

"(B) State plans, data collection efforts, the establishment of State health objectives, coordination of efforts funded under this part, coordination with other similar programs, public hearings, and the allocation of funds within the State annual report.

"(c) REQUIREMENTS.—A State plan submitted under subsection (a) shall—

"(1) be developed with the participation of local public health agencies that shall be consulted concerning proposed funding decisions within their jurisdictions under the plan;

"(2) contain a specific set of not less than five State health objectives that shall be chosen from the National Health Priorities described by the Secretary under section 1948, and that shall include all Core Priorities identified under such section;

"(3) contain an annual budget that describes the manner in which the payments made under section 1944 are to be used by the State, and such budget shall—

"(A) specify the portion of such funds that are to be used at each level of the State or local government, and the portion of such funds that are to be allocated for grants to local agencies of public health, community-based health and mental health organizations, including minority community-based organizations, voluntary nonprofit health organizations, and other entities selected by the State help meet State objectives under paragraph (7); and

"(B) commit the State to use not less than 80 percent of such payments to meet State objectives that, as determined by the State agency after an analysis of the National Health Priorities, and based on the available State data described in paragraph (4), are critical to improving the health status of the individuals who reside within the State;

"(4) in terms of each State objective—

"(A) provide assurances satisfactory to the Secretary that there is a minimum set of data available to satisfactorily measure the health status of individuals including racial and ethnic minorities, who reside within the State;

"(B) utilize the data described in subparagraph (A) to identify the improvement that the State expects to make in the health status of individuals who reside within the State during the term of the State plan;

"(C) specify the particular strategies, projects and programs intended to be used by the State to improve the health status of individuals who reside within the State;

"(D) specify the methods intended to be used by the State to evaluate the progress made by the State in improving the health status of individuals who reside within the State; and

"(E) provide services targeted at improving the health status of individuals who reside within the State at the level of State or local government that the State determines is most likely to be effective in achieving the State objectives especially with respect to addressing innercity and rural disparities in health status indicators;

"(5) provide for the establishment of procedures through which the State shall monitor the progress of local health agencies, community-based organizations, including minority community-based organizations, mental health, and health organizations in implementing the State objectives;

"(6) identify public health personnel requirements that the State determines are reasonably necessary and appropriate to permit the State to achieve the State objectives;

"(7) identify the mechanism by which the State shall select, and allocate assistance provided under this part to local units of government, local agencies of public health, community-based health and mental health organizations, including minority community-based organizations, voluntary nonprofit health organizations, and other entities within the State to help meet the State objectives;

"(8) contain a description (that may be revised throughout the year as may be necessary to reflect substantial changes in the projects and programs assisted by the State) of the intended use of the payments the State will receive under section 1944 for the fiscal year of which the State plan is submitted, including information concerning the projects and programs to be supported and services to be provided, which shall be made available to the public within the State in a manner that will facilitate comment from any individual during the period of the development of the description and after the transmittal of such; and

"(9) contain a plan for conducting health education and disease prevention programs for identifiable racial and ethnic communities, including consultation with minority community-based organizations.

"(d) ASSURANCES.—As part of the State plan required under subsection (a), a State shall provide assurances satisfactory to the Secretary that such State—

"(1) shall use the amounts allotted to it under section 1943 in accordance with the requirements of the State plan and of this part;

"(2) shall establish reasonable criteria for the evaluation of the effective performance of entities that receive assistance from the allotment to the State under this part;

"(3) shall identify those populations including racial and ethnic minorities, areas, and localities in the State that demonstrate a need for the services for which funds may be provided by the State under this part; and

"(4) shall use amounts made available under section 1944 for any period to supplement and increase the level of State, local, and other Federal assistance that would, in the absence of amounts available under section 1944, be made available for the programs and activities for which funds are provided for under this part, and shall not use funds made available under this part to supplant such State, local, and other Federal funds.

"SEC. 1947. STATE HEALTH OBJECTIVES REPORT.

"(a) IN GENERAL.—Not later than 120 days after the end of each fiscal year for which assistance is provided under this part, each State, in cooperation with participating local units of government, shall prepare and submit, to the Secretary, an annual State health objectives report concerning the activities of the State under this part, that meets the requirements of this section.

"(b) REQUIREMENTS.—A State report submitted under subsection (a) shall be in such form and contain such information as the Secretary determines, after consultation with the heads of the State agencies and the Comptroller General, to be necessary—

"(1) to determine whether funds were expended by the State in accordance with this part and consistent with the needs within the State as proscribed in the State plan;

"(2) to secure a description of the projects and programs within the State operated or assisted with amounts provided under allotments made under this part; and

"(3) to secure a record of—

"(A) the purposes for which amounts provided under this part were expended;

"(B) the recipients of such funds; and

"(C) the progress made toward achieving the purposes for which such funds were provided.

"(c) UNIFORM DATA ITEM.—A State report submitted under subsection (a) shall include information concerning at least one uniform data item on each National Health Priority described in section 1948(b) to be determined in consultation with the Secretary.

"(d) UNIFORM DATA SETS.—Each State shall report uniform data sets, as prescribed by the Secretary under section 1948(g), for each National Health Priority addressed in the State plan that shall commence not later than 4 years after the date of enactment of this part.

"(e) ADDITIONAL CONTENTS.—The Secretary may require States to include additional information in the State report submitted under this section if such requirements are not unduly burdensome.

"(f) AVAILABILITY.—The State shall ensure that the State report is available for public inspection within the State, and the Secretary shall provide copies, on request, to any interested individual.

"SEC. 1948. RESPONSIBILITIES OF THE SECRETARY.

"(a) ADVISORY COMMITTEE.—

"(1) ESTABLISHMENT.—The Secretary shall establish an advisory committee, to be known as the 'National Health Objectives Advisory Committee,' to advise the Secretary concerning National Health Priorities.

"(2) COMPOSITION.—The Advisory Committee shall be composed of 10 members, of which—

"(A) one member shall be the Assistant Secretary for Health, who shall serve as chairperson;

"(B) two members shall be appointed by the Secretary from the general public;

"(C) one member shall be appointed by the Adminsitrator of the Environmental Protection Agency;

"(D) two members shall be appointed by the Association of State and Territorial Health Officials;

"(E) one member shall be appointed by the National Association of County Health Officials;

"(F) one member shall be appointed by the United States Conference of Local Health Officials;

"(G) one member shall be appointed by the Association of Schools of Public Health; and

"(H) one member shall be appointed by the American Public Health Association.

"(3) MEETINGS AND DUTY.—The Advisory Committee shall meet not less than once each year for the purpose of providing advice to the Secretary concerning the selection, revision, implementation, and evaluation of the National Health Priorities, and the development and adoption of the uniform data set.

"(b) NATIONAL HEALTH PRIORITIES.—The Secretary, in consultation with the heads of other Federal agencies and the Advisory Committee, and taking into account the 'Year 2000 Health Objectives' developed by the United States Public Health Service, shall establish—

"(1) National Health Priorities that shall form the basis for all activities that receive assistance under this part;

"(2) from the priorities established under paragraph (1), a set of Core Priorities that shall be included in each State plan; and

"(3) in cooperation with other appropriate national organizations, an estimate of the personnel and training that will be needed throughout the United States to accomplish the priorities established under paragraph (1).

"(c) REVIEW OF STATE PLANS.—The Secretary shall review each proposed State plan, and each proposed amendment thereto, submitted by a State under section 1946, and approve each such plan or amendment, or each portion of such plan or amendment, that the Secretary determines complies with the requirements of this part.

"(d) STATE REPORT.—The Secretary shall receive and review each State report submitted by a State under section 1947, and shall compile, evaluate, and prepare and submit, to the appropriate Committees of Congress, and the President, an annual National Health Objectives Report concerning the data and information contained in such State.

"(e) OTHER ASSISTANCE.—The Secretary shall provide consultation, guidance, and technical assistance to State and local units of government, and to other entities participating in the programs created under this part, to—

"(1) assist in the development of data sets as required under section 1946, and uniform data items required under section 1947; and

"(2) assist States with State plans, or amendments to such plans, that the Secretary determines does not comply with the requirements of this part, in revising such plans or amendments to comply with the requirements of this part.

"(f) RESEARCH AND TRAINING.—From amounts made available under section 1943(c), the Secretary shall—

"(1) utilize not more than 5 percent, or $5,000,000 whichever is less, to administer the assistance made available to States under such section;

"(2) utilize 50 percent of all such remaining amounts to provide assistance for the professional training of public health personnel, including—

"(A) the identification of new knowledge bases and skills for State and local public health personnel that are reasonably necessary and appropriate to permit the States to achieve the National Health Priorities; and

"(B) encouraging the training and education of appropriate numbers of such personnel, including racial and ethnic minority personnel, in such knowledge bases and skills, including cross cultural skills, by establishing cooperative agreements with schools of public health and other institutions that train and educate such personnel; and

"(3) utilize all such remaining amounts to provide assistance for research, pilot and demonstration projects and programs that the Secretary determines to show the potential impact of regional or national significance with respect to the National Health Priorities.

"(g) UNIFORM DATA SETS.—The Secretary shall direct the Centers for Disease Control, in cooperation with local and State health officials, to establish uniform data sets for each of the National Health Priorities described in subsection (b). Such data sets shall be adopted not later than 2 years after the date of enactment of this part.

"SEC. 5. REPEAL.

"Effective October 1, 1992, sections 1901, 1902, 1903, 1905, 1906, 1907, 1908, and 1909 of the Public Health Service Act (42 U.S.C. 300w, 300w-1, 300w-2, 300w-4, 300w-5, 300w-6, 300w-7, 300w-8) are repealed.".

APPOINTMENT OF ADDITIONAL CONFEREES—H.R. 5835

Mr. FORD. Mr. President, I ask unanimous consent that Senator BYRD and Senator HATFIELD be named as conferees on the budget reconciliation bill, H.R. 5835, for purposes of budget process reform and appropriations matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISPLACED HOMEMAKERS EMPLOYMENT TRAINING AND SELF-SUFFICIENCY ACT

Mr. FORD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3069, the Displaced Homemakers Employment Training and Self-Sufficiency Act.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3069) to amend the Job Training Partnership Act to establish an employment training program for displaced homemakers, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3088

(Purpose: To make technical corrections; to amend the authorization of appropriations)

Mr. FORD. Mr. President, I send an amendment to the desk on behalf of Senator SIMON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mr. SIMON proposes an amendment numbered 3088.

Mr. FORD. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 15, lines 23 and 24, strike "each displaced homemaker" and insert "displaced homemakers".

On page 16, line 23, strike "$50,000,000" and insert "$35,000,000".

Mr. SIMON. Mr. President, I rise today to urge support of my colleagues for H.R. 3069, the Displaced Homemakers Self-Sufficiency Assistance Act. This legislation will provide for a new employment and training program for displaced homemakers, an important and growing population of predominantly older women seeking to become productive members of the paid labor force. This legislation builds on S. 1107, the Displaced Homemakers Training and Economic Self-Sufficiency Assistance Act, that I introduced on June 1, 1989.

According to a recent analysis of Census Bureau data, there are 15.6 million displaced homemakers in the United States who have been forced unexpectedly from the role of homemaker into the role of family breadwinner due to a husband's death, disability, divorce, or loss of public assistance. Of these 15.6 million women, more than 718,000 displaced homemakers reside in Illinois. These women usually have very little postsecondary education and obsolete or rusty job skills. Most have very little, if any, recent work experience. They are primarily low-income women who, if only given the opportunity to receive education and training services, can go on to become economically self-sufficient.

H.R. 3069 represents a bipartisan compromise to build upon existing education and training services provided to displaced homemakers through the Carl Perkins Vocational and Applied Technology Education Act, the Job Training Partnership Act, and State funded programs. However, no new bureaucracies will be created. In addition, the bill requires that all services for displaced homemakers be coordinated to ensure a cost-effective and efficient program.

We are all familiar with the worker shortages projected for this decade. Business and industry have already found that the traditional labor pool from which they have recruited workers is not sufficient—in numbers or in skills. Displaced homemakers are among the populations that employers will increasingly depend on to fill new and vacant and training services in order to fulfill their new role in the paid labor force.

We cannot leave to chance the access of women to appropriate education and training for jobs that will have higher skill requirements—jobs associated with better compensation and benefits. Clearly, it is in the national interest to ensure that displaced homemakers are a productive part of the work force.

H.R. 3069 is an essential component of our efforts to build America's competitiveness in the world marketplace by increasing the skills of all potential workers—regardless of their age, sex, race, or previous work experience. I ask my fellow Senators to support this important legislation. I ask unanimous consent that a summary of H.R. 3069 be printed in the CONGRESSIONAL RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY OF H.R. 3069, THE DISPLACED HOMEMAKERS SELF-SUFFICIENCY ASSISTANCE ACT

Need: There are approximately 15.6 million displaced homemakers in the United States who represent a significant number of workers who are currently not in the labor force, and who are not prepared for today's highly competitive labor market. The majority of displaced homemakers are women who live in poverty and who are forced to seek employment with inadequate or outdated skills. These potential workers require vocational and educational training, and other services to obtain financial independence and economic security. Current Federal, State, and local programs addressing the special needs of displaced homemakers have been largely fragmented and sadly insufficient to effectively serve their needs.

Purpose: The bill will assist States in providing greater opportunities for displaced homemakers by expanding and coordinating existing training programs and support services, and to build upon current initiatives and efforts at State and local grassroots levels.

Cost: Appropriations for the first fiscal year will be $35 million, and such sums as necessary for each following year.

Programs: The programs authorized under this Act shall be either a competitive grant program, or a Statewide grant program, dependent on the level of appropriations. For any fiscal year, in which appropriations do not exceed $25 million, grants will be awarded by the Secretary of Labor on the basis of a grant competition whereby interested parties submit grants proposals in accordance with the requirements that the Secretary prescribes. For any fiscal year in which appropriations are greater than $25 million, and for each fiscal year after, grants will be awarded to States for the purpose of running statewide displaced homemaker programs.

Competitive Grant Program: Under the Competitive Grant Program, interested parties will submit grant proposals to the Secretary at such a time and including such information as the Secretary may require. The State Job Training Coordinating Council and the Governor shall have an opportunity to review and comment on the proposals and have their comments included in such proposals. The Secretary will not award more than one competitive grant per State.

Statewide Grant Program: Under the Statewide Grant Program, the Governor of each State will submit an annual State plan to the Secretary for review and approval. Such funds will be distributed to States based on the ratio of the adult population of the State to the total adult population of the United States. No State will receive less than 0.5 percent of the total appropriations in any fiscal year under this program. Funds will then be awarded on a competitive basis to eligible providers to provide services statewide to displace homemakers.

Use of Funds: Funds distributed either under the Competitive Grant Program or the Statewide Grant Program will be used for the following: referral services, support service assistance, career counseling, assessment, testing and evaluation, pre-employment services, skills training, basic skills, literacy and bilingual training, recruitment and outreach, job development and placement, follow-up services, and life skills development. Funds may also be used for statewide model and demonstration projects that provide special services for rural displaced homemakers, minority displaced homemakers, women age 40 special services for rural displaced homemakers, minority displaced homemakers, women age 40 and older and for innovative training or self-employment training under the competitive grant program. Administrative costs of grantees are limited to 20 percent of funds.

State administration: Under the Statewide Grant Program, the Governor of each state will designate either the existing State displaced homemaker unit, or the unit administering displacing homemaker/single parent programs under Vocational Education, as the administrative entity for programs under this Act.

Reservations: The Secretary may reserve no more than 5 percent of the total appropriations under this Act for training and technical assistance, and for administration and the evaluation of programs. The Governor of each State may reserve no more than 5 percent of the State's allotment under the Statewide Grant Program for the costs associated with the designated State administrative entity.

Data collection and report: From the Secretary's reservation funds the Secretary shall implement a uniform collection system to collect information from the states, and establish administrative procedures for the selection, administration, monitoring, and evaluation of displaced homemaker programs funded under this Act. The Secretary shall biennially report to the Congress regarding the funds and services provided under this Act and the results of any evaluations of programs.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3088) was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

So the bill (H.R. 3069), as amended, was passed.

Mr. FORD. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REFERRAL OF A BILL AND BILL RETURNED TO THE CALENDAR—S. 971

Mr. FORD. Mr. President, I ask unanimous consent that Calendar No. 1005, S. 971, just reported by the Governmental Affairs Committee, be referred to the Judiciary Committee for 24 hours and that the bill then be automatically discharged and returned to the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, OCTOBER 22, 1990

Mr. FORD. Mr. President, on behalf of the majority leader, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 a.m., Monday, October 22; that following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for their use later in the day; and that there be a period for morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M., MONDAY, OCTOBER 22, 1990

Mr. FORD. Mr. President, if there be no further business to come before the Senate, I now ask unanimous consent that the Senate stand in recess, under the previous order, until 10 a.m., Monday, October 22, 1990.

There being no objection, the Senate, at 12:44 a.m., recessed until Monday, October 22, 1990, at 10 a.m.

EXTENSIONS OF REMARKS

A PROGRESSIVE-CONSERVATIVE PRESCRIPTION FOR A NEW WAR ON POVERTY

HON. JOHN HILER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. HILER. Mr. Speaker, recently our former colleague, and current Secretary of Housing and Urban Development, Jack Kemp, spoke before the Federal City Council annual meeting in Washington, DC. The topic of his speech was "A Progressive-Conservation Prescription for a New War on Proverty." Secretary Kemp gave an outstanding analysis of the direction we need to head, and the policies we need to get us there. I invite my colleagues to study this speech I've submitted for the RECORD:

A PROGRESSIVE-CONSERVATIVE PRESCRIPTION FOR A NEW WAR ON POVERTY

(Remark of Secretary Jack Kemp)

In the 1980's, the American economy experienced an unprecedented expansion, generated over 21 million new jobs—more jobs than Europe, Canada and Japan combined—and created more than 4 million new business enterprises. While the Nation's gross national product grew by 26.3 percent between 1983 and 1989, Federal tax revenues expanded by 35.7 percent, twice as fast as they did in the 1970's. Federal income taxes paid by the top 1 percent of taxpayers surged by over 80 percent—from $51 billion in 1981 to $92 billion in 1987.

The Reagan-Bush Administration rediscovered the classical prescription for non-inflationary economic growth; i.e. sound money, income tax rate reductions across the board, and reductions in the growth of governemt spending and regulation. As a result, the entire world has lifted to a higher vision of what democratic capitalism could achieve in creating wealth and opportunity for people. Indeed, by decade's end, the leader of the socialist world—the Soviet Empire—had become an economic basketcase. The intellectual and political case for socialism collapsed.

As we enter a much tougher economic climate and experience slower growth, the answer is not to choke off expansion with higher taxes, but to stimulate the economy with President Bush's cut in the capital gains tax rate. Cutting the capital gains rate will free up investment capital for entrepreneurship, small businesses, and new job creation, generate billions of dollars of revenues to State and Federal treasuries, and add value to the financial assets of our Nation.

The creation of new businesses, the unleashing of innovative ideas invigorates economies and markets. Economic growth in the 1980's confirmed that real wealth comes not from physical resources, but human beings; not from mere things, but from the ideas, talents, and efforts of our people. That's why the President and some courageous Republican legislators like Senator Bob Kasten of Wisconsin, Senator Connie Mack of Florida, House GOP Whip Newt Gingrich, and Congressman Vin Weber of Minnesota want to add capital and labor based incentives to the tax code, such as the capital gains tax cut, Enterprise zones, expanded IRAs, and a higher earned income tax credit for the working poor.

While the 1980's was a period of unprecedented economic expansion, parts of our Nation and some of our people have been left behind, or worse left out. Success has not been the whole story of the 1980's grinding proverty and homelessness, violent crime and drug abuse, the growing number of broken familes and mothers on welfare. These are the deeply disturbing, even alarming problems, that signal ongoing deterioration in many communities, especially minority communities.

In 1984, New York's Governor Mario Cuomo was cheered at the Democratic Convention with his tale of America as two cities, one rich and one poor, permanently divided into the classes with redistribution and envy the only answer. Our Nation is divided into two economies, one democratic capitalist, based on private property; the other is near socialist, government-directed, and based on public ownership of property.

Our macro and mainstream economy is market-oriented, entrepreneurial, incentivized for working families; it rewards work, investment, saving and human output.

The second economy, all too often in our inner cities, is similar in many ways to Eastern European, or Third World "Socialist" economies. It is predicated on rules, regulations, and disincentives almost totally opposite to the way people are treated in our mainstream economy. It has built barriers and disincentives to productive human and social activity, almost eliminated economic incentives and rewards, and has linked effort and reward in perverse and counterproductive ways.

This second economy almost guarantees poverty and dependency:

It rewards welfare and unemployment at a higher level than working and productivity;

It taxes and regulates the entrepreneur who wants to succeed in the above ground capitalistic system, while rewarding the underground or gray economy of illicit capitalism;

It rewards people who stay in public housing more than those who want to move up and out into private homeownership;

It rewards the family that breaks up rather than the family that stays together;

It encourages debt, borrowing, and spending more than saving, investing, and risktaking.

But worst of all, it weakens and in some cases destroys the link between effort and reward.

The irony is that the first war on poverty and much of our welfare system was created in order to help the poor, to alleviate suffering, and provide a basic social safety net. But despite the noble intent, it has lead to dependency, welfare bureaucracy, and near pathological social conditions for some. Our country is now reaping this whirlwind in terms of abandoned children, homeless women and children, unemployed fathers, and crack addicted babies * * * despair not hope, poverty not opportunity.

Examples abound of how disincentives have created poverty in inner cities. I recently read a Wall Street Journal article about a woman on welfare in Milwaukee, Wisconsin who tried to put away a few pennies, nickels, and dimes and dollars so that one day she could do what every other mother wants to do, send her daughter to college. She managed to build a savings account of just over $3,000, but there was a catch. The social welfare agency said she was violating welfare rules. She was taken into court, prosecuted for fraud, and fined $15,000. But since she didn't have $15,000, they just took her $3,000, gave her a year's sentence in jail, suspended it * * * and traumatized her life.

Guess what? According to the same Wall Street Journal article, she now spends every cent she gets, and she must rely on government subsidies to pay for just about everything. Incidently, the story may have a good ending for this woman. After I talked about her in a speech, a man came forward from the audience and offered to finance a trust fund for the cost of a college education for the young girl.

The startling fact in America today is that the highest marginal tax rates are not paid by the affluent, but by welfare mothers or unemployed fathers who want to take a job. In most cities, a welfare mother must earn $15,000–$18,000 in wages to equal the average welfare payment. According to a study by Christopher Jencks and Kathryn Edin in the American Prospect magazine, a working mother with two children, employed at about $5 an hour, would net minus 45 cents per hour. She would lose about $4 a day after taking into account lost government benefits, taxes, and work-related expenses such as transportation and child care.

Eugene Lange, a wealthy businessman from New York City, also believes in the power of incentives to produce positive behavior. According to the New York Times, he went into PS 121 elementary school in East Harlem and told children that if they stayed in school, got good grades, stayed drug free, and qualified, that he would personally pay for a college education. Talk about behavior modification! Whereas, 60 percent of those children were dropping out, today 90 percent are in their first 2 years of college.

Public housing is another example of government policies perpetuating a poverty trap with disincentives to work and strong families. Because public housing authorities charge rents based entirely on a tenant's income, those rents actually could jump by 600 percent or more if the tenant gets married or takes a job. In some cases, rents exceed those charged in the private sector for similar dwellings.

We're instituting a new policy at HUD that sets "ceiling" rents at no higher than the market level. If a tenant takes a job or gets married, the rent increase will be put into an escrow or savings account, which will be released to the family when they leave public housing to pay, for example, for

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

a downpayment on their first home. We want public housing—indeed all public assistance—to become a platform for self-sufficiency, not a trap of dependency. HUD used to give awards for public housing residents who stayed in public housing the longest. We stopped that. Now, we're offering incentives to public housing tenants who move up and out into the private sector.

The heavily-regulated U.S. housing market is another example of government-created scarcity. Rent controls, exclusive zoning, and building codes have crippled low income rental housing markets in many cities. Ironically, rent controls mostly help the wealthy and hurt the poor. The New York Times recently editorialized that "Perversely, many poor families are the harshest losers from rent controls * * * rent control has benefited the lucky, not the needy."

The real effect of rent control is to subsidize many upper- and middle-income families who pay rents much lower than they would without regulation. Because the incentive is for these families to stay in rent controlled apartments, these homes are not available for those with lower incomes. According to the Times, "some families in the highest income groups became even richer by buying apartments they rented, reselling them later at 10 and 15 times what they paid." Affordable housing is a real challenge, and we in the Administration are taking steps to solve it. State and local governments must not make our task more difficult by imposing counterproductive, market-destroying regulations.

Another glaring example of counterproductive government policies is how HUD subsidizes vacant public housing. It has been costing the taxpayer over $1,300 per unit to subsidize vacant public housing often used as crack houses for gangs and drug pushers. We've started a policy called Operation Occupancy to subsidize only those units actually occupied by low income people. But this important victory isn't won yet. Some on the joint House-Senate Conference on the Housing bill are trying to overturn our policy.

The good news is: government policies can change; more importantly, people do respond to rewards. Productive human effort can be prompted; behavior can be modified or altered; work effort can be unleased. Entrepreneurial talent is alive in the inner city. President Bush said making this happen means "giving people—working people, poor people, all our citizens—control over their own lives. It means a commitment to civil rights and economic opportunity for every American."

The Bush Administration is pursuing and expanding a national agenda to help low income people combat poverty and despair. In his recent speech to the joint session of Congress, President Bush mentioned part of this agenda—and these were the only domestic goals he spoke of not directly affected by the Persian Gulf Crisis.

First, President Bush wants to cut the capital gains tax not to help the rich but to help the poor get rich or richer in terms of opportunity. As Abraham Lincoln said, "When one starts poor, as most do in the race of life, free society is such that he knows he can better his condition in life. I am not ashamed to confess that twenty-five years ago I was a hired laborer, mauling rails, at work on a flatboat—just what might happen to any man's son! I want every man to have the chance—and I believe a black man is entitled to it—in which he can better his condition—when he may look forward and hope to be a hired laborer this year and next, work for himself afterward, and finally hire men to work for him. That is the true system."

In the spirit of Lincoln's vision, President Bush has asked Congress to cut the capital gains tax rate to 15 percent for the Nation, and establish Enterprise Zones, as a national policy to generate jobs, opportunities, and minority enterprise in our Nation's most distressed communities.

I believe we should set a goal of doubling or tripling the number of minority business enterprises over the next decade. Earl Graves of Black Enterprise magazine has pointed out that black-owned firms are still just 3 percent of all U.S. companies, with only 1 percent of gross receipts. This is not just a tragedy for the Afro-American community, but for all minorities. Worst of all, it hurts all of us to have so many of our people lacking access to capital, property, and resources.

Cutting the capital gains tax rate has worked before and it can work again to powerfully stimulate minority businesses and job creation. In 1978, the Steiger amendment slashed the capital gains tax from more than 50 percent to 28 percent; in 1982, the Reagan/Bush tax cuts began to take effect, including our cut in capital gains to 20 percent. What happened?

Between 1977 and 1982, the number of black-owned businesses increased by 33 percent, and new Census Bureau figures show that, between 1982 and 1987, the number of black-owned companies jumped 38 percent—growing two-and-a-half times faster than all new business formations in the same period.

While the 1986 tax reform lowered income tax rates across the board, Democratic leaders in Congress extracted a high price by demanding a 65 percent increase in the maximum tax rate on capital gains—one of the largest increases in U.S. history!

Considering inflation, the real capital gains tax rate, according to a study by economist David Goldman, easily may be 75 percent or more. This punitive tax is staggering the entrepreneurial sector. Columnist Warren Brookes estimates that investment, which was growing at more than 7 percent annually before the tax hike, has slowed by 50 percent, and new business formation is actually declining for the first time in 10 years.

No one is hurt more by this than the poor and minorities who must have access to the seed capital that a capital gains tax cut would unleash. In the Journal report, Harry Brooks, CEO of a large black-owned business in California, took note of a shortage of capital, saying: "as you start growing, you use cash at an accelerated pace. If you don't have some semblance of deep pockets, you can be profitable and still go out of business."

The resistance of capital gains tax reduction by Congressional leaders is counterproductive to our national goals of winning a war against poverty. The capital gains tax is not a tax on the rich, it's a tax on the creation of wealth. If the tax code taxes wealth at such a high rate that the wealth disappears, jobs and small business creation will be destroyed. As jobs disappear, the poor will suffer the most. To make it worthwhile for people to innovate, to risk, and to create wealth, we've got to set a lower tax rate or risk income than ordinary income.

Second on the President's agenda is resident management and urban homesteading in public housing to empower tenants to achieve control of their housing communities and their dreams of homeownership.

Under President Bush, we've recently set a goal of creating more than 1 million new homeowners by 1992 through FHA and our HOPE initiative, Homeownership and Opportunity for People Everywhere, which has passed the House and Senate and goes to conference this week and next.

Post columnist William Raspberry wrote recently "* * * when assets are present, people begin to think in terms of the asset. If a young mother owns her own home, she begins to pay attention to real estate values, property taxes, the cost of maintenance and so forth * * * it is the assets themselves that create this effect, as opposed to just educational programs or exhortations toward better values."

Raspberry is right. Not only is homeownership and tenant empowerment a practical thing to do, it's a moral imperative, in our view.

Third, in order to create greater choice and independence, housing rental vouchers should be significantly increased and expanded. Low income families should have greater opportunity to live where they want and better access to affordable housing.

Fourth, tax reform is needed now to help remove more low income families from the tax rolls and dramatically increase the net income of welfare mothers and unemployed fathers who get jobs. In 1948, a median-income family of four paid almost no income taxes, and only $30 a year in direct Social Security taxes. This year, the same family's tax burden is over $6,000. To be as sensitive to families now, the tax code would have to set the personal exemption for the costs of nurturing children at well over $6,000 today.

Fifth, it is essential to expand the earned income tax credit, create up to $6,000 exemption for children under 16, and pass the President's Child Care tax credit to roll back the huge tax burden on low income families and unemployed parents. These can be paid for, in part, by the additional revenues gained by cutting the capital gains tax rate to 15 percent, as Bob Kasten, Connie Mack, Newt Gingrich, and Vin Weber have all said. The capital gains tax cut would expand tax revenues at all levels of government by spurring new economic growth.

Sixth, for homeless people, the Administration's new Shelter Plus Care plan will expand community-based mental health facilities, drug abuse treatment, job training, and day care. Shelter and support services are the key to helping homeless Americans re-enter the mainstream economy. If Congress passes HUD's budget request for 1991, including the Shelter Plus Care initiative, it will represent a 62 percent increase in homeless assistance over 1990 and nearly 170 percent increase from 1989.

Seventh, to enhance education and opportunity, we must expand true choice and competition through magnet schools, education vouchers, tuition tax credits, and other choice-enhancing policies. Merit—plus champions like State Representative Polly Williams in Wisconsin and Council Member Keith Butler in Detroit—has rescued this idea from the partisan attacks of the past. Empowering parents with choice over the education of their children deserves strong consideration.

Eighth, Congress should pass President Bush's HOPE legislation, including IRAs for first time homebuyers, the low income housing tax credit, and Operation Bootstrap linking housing vouchers to strategies for gaining self-sufficiency.

Today's debate over how to help low income people is a debate between those who believe that people are a drain on resources and those who see that people are our greatest resource. It is a debate pitting hope and opportunity against the politics of envy. I believe that our greatest assets are not in the wealth we see around us but the potential that is unseen—minds yet to be educated, businesses not yet opened, the technologies not yet discovered, the jobs waiting to be created. Wealth is not what we've done, but what we have yet to do * * * and we've got a lot to do.

I've traveled to hundreds of distressed communities and I know entrepreneurial capitalism amd empowerment can work to create the wealth and opportunities of the future. As we approach the 21st century, let us resolve to make our legacy a successful war against poverty. Let's unleash the greatest wealth our Nation has, the pent up talents and potential of our people.

TAX EQUITY AND FAIRNESS

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. COYNE. Mr. Speaker, today I am introducing legislation which will more fully restore equity and fairness of the individual income tax. The 1986 Tax Reform Act represented a major move toward comprehensive income taxation and fairness. Today we need to alter the tax rate schedule in order to eliminate the regressivity in the current system where tax rates, both statutory and effective, fall for filers with the highest incomes. This bill will also move us toward a reduced deficit.

This bill will leave unchanged the tax liabilities of most families; increase by only 2-percentage points the tax rate of moderately high income families, for example, married couples earning between $78,400 and $185,730; but increase the marginal tax rate to 35 percent for the wealthiest individuals, for example, married couples earning over $185,730. These rate increases still will keep the maximum rates considerably below the 50-percent rate which was in effect as recently as 1986 and dramatically below the 70-percent rate which was in effect until 1980.

The Joint Committee on Taxation estimates that these changes will also generate $79.1 billion worth of deficit reduction over the next 5 years. I do not need to stress the importance of deficit reduction. Reducing the deficit will allow the economy to grow, free future generations of an onerous burden, and restore rationality to the budget process.

Mr. Speaker, I urge my colleagues to join me in restoring equity to the income tax and reducing the deficit by supporting the Tax Equity and Fairness Act of 1990.

VI SCHRIEFER RETIRES FROM SOUTH BAY TEACHERS

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. LEVINE of California. Mr. Speaker, I rise today to ask my colleagues in the U.S. House of Representatives to join me in congratulating my good friend Vi Schriefer upon the occasion of her retirement after 20½ years of service as administrative assistant at the South Bay Teachers.

Vi Schriefer is a committed teacher advocate and an outstanding and dedicated administrative assistant at South Bay United Teachers. As staff coordinator for South Bay United Teachers Political Action Committee, a nonpartisan committee that works with 10 area legislators, and actively supports the election of pro-teacher, pro-education candidates of both political parties, Vi is to be commended for her contribution in promoting teacher activism in the political process.

As a member of an advocate team which worked with the California Teachers Association in Sacramento, she worked for collective bargaining legislation covering public school teachers in California. As a member of an advocate team, Vi worked in Washington, DC with the National Education Association for legislation which created a Cabinet-level Department of Education.

As a political activist for 3½ decades, she has participated in hundreds of political campaigns—precinct walking, phone banks, mailings, voter registration, get-out-the-vote, organizing and fundraising for pro-teacher, pro-education candidates; such activism earned for her the opportunity to be twice a guest in the White House in 1980.

Vi Schriefer always finds time to be active in her community, as a volunteer and leader, she has given exemplary service in Girl Scouts of America, the YWCA, League of Women Voters, teacher organizations, her church, and the Democratic Party.

Throughout all her endeavors, Vi has enjoyed the support and love of her dedicated husband of 41 years, Roger, and their daughters, Kathy and Kim. Vi is especially proud as a dedicated grandmother to her four grandchildren, Brian, Heather, Jeffrey, and Jason.

It is a pleasure to commend Vi Schriefer on her exemplary display of service to and concern for teachers and the public education system of California and for the youth of our State and extend best wishes for continued success in her future activities.

INDEPENDENT MOVEMENTS OF THE SOVIET UNION AND EASTERN EUROPE CONVENTION

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. TRAFICANT. Mr. Speaker, on July 6, 1990, the leaders of the Independent Democratic Movements of the Soviet Union and Eastern Europe convened in Prague for the first time.

Dobroslav Paraga, the Croatian human rights activist and president of the Croatian Party of Rights, at the conclusion of the conference, introduced an important resolution calling for the peaceful disunion of the peoples of the Soviet Union and Yugoslavia and the establishment of independent national countries.

The resolution follows:

RESOLUTION

Expressing the sense of the Independent Democratic Movements of the Soviet Union and Eastern Europe at the conclusion of the international Democracy and Independence conference "The Peaceful Road to Democracy".

Prague, July 6, 1990

Whereas the Soviet and Yugoslav country unions of different nations created by forceful warring occupation, bloodshed and civil war;

Whereas the Soviet Union and the SFR Yugoslavia maintain, since their formation, established dictatorships whereby it is either dictatorship or they cease to exist.

Whereas the Soviet empire and the Yugoslav imprisonment of people deter free national development by undermining national equality and abusing human rights have long ago outlived their reasons for existence;.

Whereas with the fall of the Berlin wall and the reunification of the two Germanys the post war division of Europe into an east and west bloc ceases to matter: Now, therefore, be it

Resolved by the undersigned representatives and leaders of the Independent Democratic Movements of the republics of the Soviet Union and countries of Eastern and Central Europe that:

(1) They will promote the peaceful disunion of the peoples of the Soviet Union and the peoples of Yugoslavia;

(2) They will promote the creation of independent national democratic countries of these peoples in accordance with the Universal Declaration of Human Rights, the Helsinki Accords and other international agreements of citizen and political rights of people to self determination;

(3) The undersigned will support each other and inform each other of their activities and that they will meet to do so every year;

(4) By this resolution they appeal to the European Community, U.S.A. and Canada that without postponement they support this just struggle for the establishment of independent national countries and peace on the basis of truth.

The resolution was unanimously adopted and signed by the participants of the conference. Those participants included Vladimir Bukovsky of Russia, Armnado Valladares of the United Nations, Ambassador Edward Rowney of the United States, as well as representatives and members of the parliaments of Russia, the Ukraine, Lithuania, Latvia, Estonia, Armenia, Georgia, Azerbaijan, Romania, and many others.

IN MEMORY OF HENRY J. TALGE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. SKELTON. Mr. Speaker, today I pay tribute to Henry J. Talge, an outstanding Missouri businessman and philanthropist who recently died at the age of 98.

Henry Talge was the founder and president of Rival Manufacturing Co. and is well remembered as the founder of Harry Truman's Good Neighbor Award. This foundation, established in 1972, presents an award for outstanding service. Our own former Speaker of the House, Thomas P. O'Neil, Jr., was a recipient of the award.

Henry will be missed by the people that he has helped, and those who have had the pleasure to know him. Join me in recognizing the tremendous achievements and contributions of this most outstanding individual.

HON. TIMOTHY J. PENNY

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. PENNY. Mr. Speaker, even as the legislative session comes to an end, the unmet needs of America's children continue to mount. I would like as many of my colleagues as possible to agree on the priority of our children's health as a place to end this session and to begin the 102d Congress. Today, along with my colleagues Mr. MCNULTY, Mr. ACKERMAN, Mr. LAFALCE, and Mr. RANGEL, I am introducing a sense of the Congress resolution that expresses our commitment to meeting, however tardily, the Surgeon General's Maternal and Child Health Objectives established in 1979 and designed to be met by this year. It is disheartening to report that we have failed to meet even these modest objectives.

The text of the concurrent resolution is as follows:

CONCURRENT RESOLUTION

Expressing the sense of the Congress regarding the need to provide adequate health care for American's children.

Whereasthe infant mortality rate in the United States is currently 9.7 per 1,000 live births;

Whereas low birthweight births constitute 6.9 percent of all births;

Whereas one-third of America's more than 31 million uninsured are children;

Whereas one American child in four lives in poverty and only half of all poor children are covered by Medicaid;

Whereas one-quarter of all preschool children are not immunized against common childhood diseases;

Whereas the United States lacks a national child health policy and coherent child health delivery system;

Whereas the Surgeon General's Maternal and Child Health Objectives for 1990 were not met;

Whereas all children are entitled to grow and develop to their maximum potential in a safe, healthful and nurturing environment;

Whereas ensuring a healthy next generation is our best guarantee of future security:

Now, therefore, be it Resolved by the House of Representatives (the Senate concurring),

That it is the sense of the Congress that the United States should,

(1) give highest national priority to developing a national child health policy,

(2) establish a universal national children's health insurance program, benefitting all the Nation's children, and

(3) devote sufficient resources toward achieving by the year 2000, the Surgeon General's Maternal and Health Objectives.

SALUTE TO LT. MANDY SMITH OF THE PEYTON SCHOOL FIRE PATROL, HUNTINGTON, WV

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. RAHALL. Mr. Speaker, in the midst of the last minute, 11th hour, gnashing of teeth and spewing forth of rhetoric from both sides of the argument concerning the budget reconciliation process, and in the midst of our frantic efforts to get this or that piece of legislation pushed through before Congress adjourns, it was a breath of fresh air for me to receive a letter from a young lady named Mandy Smith, of Huntington, WV. Mandy has written a letter that is straightforward and to the point, something we in the House wish to be, and often—very often—find that we have failed miserably.

Mandy Smith is a lieutenant in grade, and she is a leader at the Peyton Elementary School. What does she do? Mandy, as a lieutenant of the Peyton School Fire Patrol, a countywide organization, and none other like it in the entire State of West Virginia or the country, which promotes fire safety and fire prevention throughout the city, the county, and the State.

Mandy tells me that they do many things, such as write letters and make posters promoting fire prevention and safety, but also they join with the March of Dimes and the city spring cleanup each year in their fundraising efforts. At Christmastime, Mandy and her troops collect food for needy families and coins for the city-county hospital love light tree.

At appropriate times of the year, Lt. Mandy Smith and the Peyton School Fire Patrol launch balloons carrying messages of fire safety to the area.

In other words, the student members of the Peyton School Fire Patrol, under the supervision of fireman Maurice Hartz, chief Jack Rickman, and the Huntington Fire Department, teach, preach, promote, and practice fire prevention throughout their schools, communities, and the county of Cabell.

Why don't we let Lt. Mandy Smith tell her own story in her own words:

DEAR SIR: I am Lieutenant Mandy Smith of the Peyton School Fire Patrol. Will you help us gain some publicity for our organization, city and county. We are the only county-wide organization of this kind in the country. We are supervised by Fireman Maurice Hartz, Chief Jack Rickman, and the Huntington Fire Department. We do many things. We write letters and make posters promoting fire prevention and fire safety. We join the March of Dimes and the city's Spring Clean-up. We collect food for needy families at Christmas and coins for the city-County Hospital Love Light Tree.

We launch balloons carrying messages of fire safety to the area.

We teach, preach, promote and practice fire prevention throughout our schools, communities, and county.

Will you offer a resolution in the House of Representatives honoring our work? Or maybe an insert into the CONGRESSIONAL RECORD; or a Letter of Commendation for our efforts?

LIEUTENANT MANDY SMITH,
Peyton School Fire Patrol.

Mr. Speaker, I take great pride in the foregoing letter, and I wish to commend Lt. Mandy Smith for her personal effort to obtain recognition for the work that she and her fellow officers and troops of the Peyton Fire Patrol, do for the good of the community. Mandy Smith's fire patrol is saving lives and protecting property against damage and destruction. As volunteers, they are active in community work directed at helping others less fortunate than themselves. They are learning a lesson in public service that complements the very work that we, in Congress, attempt to do—that of identifying significant needs within their communities, and then doing something about it.

I congratulate you Mandy, as well as your fellow patrol members, your teachers, parents, and the Huntington Fire Department, for an outstanding organization doing courageous work.

SOLID WASTE COMPOSTING ADVANCES

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. HOCHBRUECKNER. Mr. Speaker, I rise today to alert my colleagues to the increasing interest across the Nation in composting as a method of managing municipal solid waste. Fueled by rapidly diminishing landfill capacity, this movement is linking rural with urban communities, and government with industry.

A recent example of the growing involvement by industry is an announcement by the Proctor & Gamble Co. of a major new program to promote composting. Proctor & Gamble has committed $20 million to support efforts by municipalities to develop composting. In addition, the company is working to develop products, such as diapers, which are compatible with municipal composting systems.

Ultimately, composting could handle between 30 and 60 percent of all solid waste. Composting of leaves and grass clippings has already become a vital component of most municipal recycling programs. When one considers the contribution of yard waste, food waste, and compostable consumer product packaging, between 30 and 60 percent of the solid waste stream is potentially compostable. Composting is generally more environmentally suitable, and oftentimes less costly, than disposal methods.

Mr. Speaker, I believe we are beginning to see evidence that the decade of the environment is bearing fruit. Composting is one environmentally sound approach to garbage that deserves the support of Government and industry.

NORTH CHEVY CHASE ELEMENTARY SCHOOL WINS NATIONAL RECOGNITION

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mrs. MORELLA. Mr. Speaker, I rise to congratulate the faculty, parents, and students of North Chevy Chase Elementary School in Montgomery County, MD, on winning the U.S. Department of Education's Exemplary School Award. This is truly an outstanding achievement.

North Chevy Chase Elementary received this prestigious award based on several factors, including "visionary leadership; a sense of shared purpose among faculty, students, parents, and the community; a climate conducive to effective teaching, teacher growth, and recognition; and a "can-do" attitude toward problem solving."

As a former teacher in the Montgomery County Public Schools system, it is a real pleasure for me to see our county's schools receiving the recognition they deserve. Under the leadership of Principal Delores F. Baden and the entire staff of North Chevy Chase Elementary, the school has become one of the finest in the metropolitan area. As the Department of Education has pointed out, North Chevy Chase's faculty and administrators have displayed "visionary leadership" and a tremendous commitment to the children they serve. The parents of the North Chevy Chase Elementary community, for their part, have been extremely involved in school affairs and are consistently supportive of their children.

This combination of committed faculty and supportive parents is unbeatable, Mr. Speaker, as North Chevy Chase Elementary has demonstrated. I congratulate the school on receiving the prestigious Exemplary School Award and wish its students, faculty, and parents continued success and academic excellence.

HOUSE APPROVES MOST-FAVORED-NATION STATUS TO CZECHOSLOVAKIA

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. CRANE. Mr. Speaker, I support the House action earlier this week to approve the President's request to extend most-favored-nation status to Czechoslovakia. I am encouraged by the course of events that have taken place in that country over the past year, and I believe that the newly elected Czech Government has demonstrated that it is indeed worthy of receiving this special trading privilege. Although I support this action, I would like to express a concern that we are moving rather hastily. Promises have been made, and all too often broken, by countries so long under the repressive influence of communism. And while Czechoslovakia has undergone a substantial transformation, the country must continue to be carefully monitored. If conditions deteriorate, the United States should not hesitate to withdraw MFN.

In 1968, Czechoslovakia's optimism for political and social reform was trampled upon by an unexpected and brutal Soviet invasion. Last November, almost two decades later, another shift in leadership occurred. This time the invaders came in peaceful demonstration with a demand for reform and a desire for freedom against the censorship and oppression of the Communist dictatorship.

Under the leadership of Vaclav Havel, Czechoslovakia has begun to establish itself as a free nation. In the past 10 months, Czechoslovakia has released its political prisoners, opened its borders, abolished restrictions on religious freedom, and legalized demonstrations. Since July, when the first free election in 22 years was held, the new Government has striven to establish a representative government and has successfully severed its political ties to the Soviet Union. The extension of MFN is, in effect, a recognition of the Czech Government's effort to protect and promote human rights and personal freedoms and serves as an incentive to complete the task ahead of them.

The United States stands to benefit from this action as well. As barriers to the United States market are lifted, the Czechoslovakian economy will improve; thus, a new and promising market for U.S. investors will emerge. In addition, the level of access to the Czech market will progress as the Government moves toward increased privatization, and continues to encourage industry modernization. Clearly, granting MFN to Czechoslovakia, will be mutually advantageous so long as their country continues to move in a positive direction.

EUROPEAN COMMUNITY INTRANSIGENCE IN THE URUGUAY ROUND

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. BEREUTER. Mr. Speaker, the European Community has further isolated itself in the current round of trade negotiations under the General Agreement on Tariffs and Trade [GATT] by failing to submit a proposal to reduce agricultural subsidies last Monday. The EC has long pursued agriculture and agricultural trade policies that create huge distortions in world commodity markets, seriously disadvantaged farmers in developing as well as developed countries, and forced unjustifiable burdens on taxpayers and consumers.

In recent history, few international negotiations have been more important to the future of agriculture and the world trading system than the current GATT round. The parochial stance of the EC countries agriculture ministers is putting its success in serious doubt.

The comment from the October 18, 1990, Wall Street Journal, which this member submits to the RECORD, illustrates this situation well.

OFF WITH THE CAP

The Uruguay Round of trade talks hold the promise of greasing the machinery of a 21st century world trading system. The farm fortresses of Europe, however, are leading a last crusade against such progress.

It came as no surprise that the European Community ignored Monday's deadline for submitting a proposal on reducing agricultural subsidies. No one has doubted the disproportionate power of Europe's militant farmers. Indeed, it would be hailed as a landmark if the farm ministers should graciously assent to any plan, regardless how modest, that might emerge from tomorrow's meeting of the EC trade ministers or the Community summit in Rome on Oct. 27.

It is more puzzling why the Common Market subordinates its taxpayers, consumers and industry to the interests of two million farmers (out of the EC's 10 million) who soak up 80% of the Common Market's farm budget—which in turn is about 60% of all Community expenditures. Especially considering that the farm sector accounts for only 5% of EC exports. The price for such indulgence exceeds the $125 billion that the Common Agriculture Policy, or CAP, cost European taxpayers each year, even though that cost is half the total of all farm subsidies world-wide.

Warnings have been clear enough that without an acceptable agreement on agriculture, the non-European food-exporting countries will walk out of the Uruguay Round of trade negotiations. The talks have been under way for four years under the aegis of the General Agreement on Tariffs and Trade, and are scheduled to end in seven weeks. Business interests in 14 major sectors besides farming—such as intellectual property, trade-related investment and textiles—will lose global growth opportunities. With a quarter of the annual $4 trillion of international trade at stake and increasingly glum recessionary signals, Europeans would be well-advised to peer beyond their provincial lamb wars.

They stand to lose as much as everyone else if decades of progress towards multilateral cooperation is reversed. The specter of cartelization that might result within the dollar, Deutsche mark and yen blocs would bring only harm.

Another timely concern is that failure to liberalize market opportunities will retard any chances for a recovery in the debt-burdened Third World and in the new democracies of Central Europe. What is the point of prodding Eastern Europe and the developing countries toward more efficiency with loans and advice if those countries will continue to be denied markets?

The Americans, who at least are taking into account the overall stakes, are eager—perhaps too eager—to compromise. They have already backed away from the justifiable goal of eliminating all trade-distorting farm subsidies. The proposal tabled Monday including cutting farm export subsidies 90% and farm income supports 75% by the year 2000.

There is of course something to the Europeans' charge that U.S. negotiators might have difficulty in getting Congress to accept their proposals. Textile import curbs voted recently by Congress (and vetoed by President Bush) support that thinking.

But the charge is irrelevant unless the EC farm ministers are counting on U.S. protectionists to get them off the hook. Their hopes may be in vain if the farm bill that just emerged from the House-Senate conference committee is any indication. The $13.6 billion cuts over five years are generally in line with the U.S. negotiating stance. The EC leaders would do well to look to their own wider interest in the fast-evaporating opportunity to begin dismantling the CAP. They should overrule the farm bloc and take the U.S. at its word.

The U.S., whose direct agricultural subsidies are about $25 billion a year to some two million farms, has admittedly had more success with farm politics. Its five-year 1985 farm bill has reduced market-distorting price supports in favor of simple "deficiency payments." Europeans should pay heed to the changed U.S. climate, which even extends to the farm bloc itself. America after all "invented" the ag-subsidy monster during the New Deal era. It progressively refined it with improvisations such as the 1954 Food for Peace Act, which, despite its lofty title, later became a scheme for dumping surpluses. The EC's CAP was a natural if unwise response.

The recent proposal of EC Agriculture Commissioner Ray MacSharry for a 30% reduction in subsidies in the 10 years ending in 1996 (which the farm lobby claims is an attack on the glue that binds the Community) is at most a 15% cut from today's levels because of its four-year-old base point. The direction nevertheless is sound.

The next seven weeks will be a time of truth for the EC leaders. They can continue to be cowed by their farm lobby or they can strike a blow in the interests of all their constituents, present and future.

AFRICAN AMERICAN COMMUNITY IS WEAKENING DUE TO OUR ECONOMY

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. TOWNS. Mr. Speaker, the economic development of the African-American community is beginning to weaken as a result of our Nation's minority economic community catches pneumonia.

I believe Congress must be supportive of legislation that will aid the development of African-American communities and the entrepreneurial efforts of minorities generally in businesses.

Mr. Speaker, I have recently come across two articles that taut the success of African-Americans in business that might be of some interest to you and the Members of the House. I submit them for your review.

[From Crains New York Business, Oct. 11, 1990]

BLENDING AFRO FASHIONS WITH BROOKLYN ENTERPRISE

By Ylonda Gault

In the heart of Brooklyn's Bedford Stuyvesant and Fort Greene sections, there's no mistaking the early-evening sights and sounds.

While black Americans, Trinidadians, Senegalese and others swell a Fulton Street bedecked in red, gold, black and green, the pervasive syncopations of reggae music weave through thunderous beats of rap and hip-hop.

This amalgam of African and American cultures is part of designer Byll Lester's inspiration. And his company, 2½-year-old Primitive Inc., is its translation.

The tucked-away, second-floor boutique carries the Afrocentric fashions of Mr. Lester and local designers who share his vision—a voguish interpretation of Euro-styles in African fabrications.

"Although I am truly more Western than anything, because I've been brought up in this hemisphere," says Mr. Lester, "my sensitivity and spirituality are from an African consciousness. So I meld the two."

That strong African consciousness doesn't preclude a sharp business acumen, however. The dread-lock-sporting entrepreneur, whose fashion career dates from the early 1970s, plans to open this fall in Manhattan at 17th Street and Sixth Avenue.

Meanwhile, the notoriety of Primitive, which did about $300,000 in sales last year, has given rise to a cadre of Brooklyn-based businesses devoted to Afrocentric merchandise.

Blackberry New Dimensions, Status, Afro-Tees and Spice Originals all design and produce their own clothing lines and accessories, augmenting those wares with imports from Morocco, Nigeria and other parts of Africa. Their growing, youthful market is not only interested in Afrocentric merchandise, but willing to pay $60 for hand-painted T-shirts and $400 for embroidered jackets.

And as fashion goes increasingly global, African design influences, ranging from cowrie-shell jewelry to brilliant *asoeke* and *kente* cloths, have begun appearing in mainstream fashion showrooms during the past year.

The broad acceptance of African style is not new to fashion, having first emerged in the 1960s. Vendors at Mart 125 in Harlem have sold Afrocentric wares for years. But American blacks are now producing these goods in greater numbers, thereby sharing in their commercial success. For every high-profile Afrocentric merchandiser, sources say there are at least five cottage businesses of artists, designers and wholesalers supplying them. Mohamed Diop, a former Citicorp executive, has seen his African textiles import business soar to more than $1 million in sales since its 1987 inception.

Mr. Diop says his Manhattan-based Intercontinental Business Network began with local sales to small independents. Now his client base stretches to the West and South, and includes large companies like New Orleans-based Wemco Inc. and J.G. Hook Inc. in Manhattan.

For some customers, wearing Afrocentric pieces is an expression of cultural heritage and awareness. For others, it's funky, offbeat chic.

"People are responding to African elements like colors, patterns and intricacy," says Jessica Mitchell, women's fashion director at Saks Fifth Avenue. "They want clothes that are rich in texture"

However, some wonder how long the trend African cultural influences can last. One jewelry importer laments, "You see the kids all sporting the colors and symbols, but what do they know about it? Or is it just the thing for the moment?"

Fashion has always been fickle. But more important is how long these young businesses can continue to expand. Starting a retail venture is always risky, but doing so when the city's economy and the retail environment are rocky increases the stakes considerably.

Most of the Brooklyn-based Afrocentric merchandisers are operating on shoestring budgets. Financing constraints, inexperience and rapid growth have all been difficult to manage.

CULTIVATING CAMARADERIE

But what some lack in business expertise, they try to compensate for with camaraderie. "As a people, we don't have a long history in business, but this is a start," says Barry Blackman, co-owner of Blackberry New Dimensions.

The revitalization of these Brooklyn neighborhoods has also helped. More black and white young professionals are settling in hybrid up-and-coming areas like Fort Greene and Bed Stuy now. And merchants are quick to point to Spike's Joint as a status booster. Film director Spike Lee's boutique, which opened on nearby Dekalb Avenue this summer is a destination for Manhattanites as well as out-of-towners.

Fashion insiders predict a sound future for African-influenced design, which Ms. Mitchell of Saks says is accepted worldwide as a design classic.

Ruth Rubinstein, a social science professor at the Fashion Institute of Technology, concurs, adding that American fashion shifts are guided by the political and economic climate. Like the volatile 1960s, she observes, this decade will be characterized by vivid color and patterns.

"Africa has a very spiritual culture," says Ms. Rubinstein. "When people buy and wear these styles, they're being touched on an emotional level. Times like these, we lean toward comfort clothes that give us a sense of security."

AN AESTHETIC REACTION

While spirituality may be a motive for some, merchants say the reaction to Afrocentric items is, for most, an aesthetic one.

And beauty there is. Blackberry specializes in leather crafts—bags, pouches and *Kente*-embellished vests, which retail for about $125. Afro-Tees' shirts range from $30 to $60 and feature hand-painted African figures and patterned appliques.

Primitive carries an extensive collection of men's and women's high fashion, including tailored jackets with bright embroidery and mud-cloth caps.

Mr. Lester says Primitive's volume growth should exceed 10% a year, and once it is established in Manhattan, he hopes to expand to several major American cities.

"The important thing is the commitment to carry on this tradition," says Mr. Lester. "With commitment comes success."

MORE BLACK BUSINESSES, BUT NOT ENOUGH

(By Robert McNatt)

On the face of it, black-owned businesses in New York had never been better off. According to a recently released survey by the U.S. Department of Commerce, by 1987, the year the study covered, there were far more black enterpreneurs here, making more money than they did when the last survey was taken in 1982.

But those numbers bespeak an optimism black business leaders say is not justified. "If one simply pays attention to reality, nothing could be further from the truth," says Lloyd Williams, president of the Uptown Chamber of Commerce, a Harlem-based association of some 1,100 businesses.

"All I hear from my members is that things are getting worse," he adds. "Less money, costs are going up, and there is no sense of hope."

Black business leaders, academics and some government officials agree that in reality there are still too few black businesses here, the ones that do exist are too small, and tough economic times will put their viability to the test.

MORE BUSINESSES IN CITY

The federal study counted 25,256 black-owned businesses in New York City in 1987, 53% more than the 16,462 companies on record five years ago. In the most recent study, those companies also grossed $1.1 billion, 66% more than in 1982. On average, each business had revenues of $42,000.

But that's only 8.2% better than the average company did in 1982, a rate of growth far lower than inflation. Plus, it's only 89% of what black-owned businesses grossed nationwide, and it's a paltry 29% of the average for all U.S. companies.

"What comes through," says Howard Aldrich, a sociology professor at the University of North Carolina who has studied black businesses, "is that black participation in this sector of the economy is still pretty low.

One concern about the survey is that the figures reflect only boom times. The five years from 1982 to 1987 were some of the most economically robust in the city's history. But now the economy is weakening, with large declines in such important local industries as construction, banking, finance and advertising. The ripples from that decline can adversely affect black-owned companies, which are often small and dependent on overall economic health.

"We are probably heading into a recession," says David Gallagher, co-director of Interface, a local think-tank that studies economic and educational issues. "So those new businesses will be put to a test. Folks who had full order books or lots of people walking in the door in 1987 will have a harder time now."

George Glee Jr., executive director of Brooklyn's Vanguard Urban Improvement Association Inc., looks askance at the numbers. "I'm surprised that there's been any growth between 1982 and 1987. I certainly haven't seen that many new businesses here in Bedford-Stuyvesant." Mr. Glee has spent more than 20 years helping black entrepreneurs obtain start-up and working capital.

"Given the lack of capital, I think merchants and businesses out here (in Brooklyn) will have a hard time in the next three to five years," adds Mr. Glee.

It's unlikely that there are fewer black-owned businesses now than there were in 1987. The expansion has been real, say the experts, and with a notable decline in small start-ups.

MANY NEW BUSINESSES

"There is a shift occurring in minority-owned businesses," says Timothy Bates, chairman of the graduate program in urban policy analysis at the New School for Social Research. "More highly educated people are going into business, and there is a transformation from the mom-and-pop stores."

That isn't necessarily good. "Mom-and-pop stores can be the steppingstone into mainstream businesses," says the Uptown Chamber's Mr. Williams. "So the future is not bright for African-American businesses."

He attributes the decline to a fear of crime and a breakdown in family structure. "There's no mom-and-pop store without a mom and pop."

Such stores, observers note, are increasingly being run by immigrants from Korea, India, the Middle East and the Dominican Republic. Some black ventures have seen growth, but even their future is uncertain. For instance, the survey found 680 black-owned construction companies in Brooklyn, of which 138 had paid employees. That is a substantial rise from 1982 when there were 277 companies, of which only 32 had employees.

Many have been successful in the private sector, says Mr. Glee, but when it comes to trying to get larger contracts with public entities, the construction crews can hit a brick wall. Because private construction is moribund now, entree into the public sector is vitally important. "Many of them have track records," he says, "but for larger work they need licenses, bonding. They can starve waiting for that."

Some construction companies evidently have. "Probably half of the minority-owned construction businesses from 1987 just don't exist now." says Arthur Pearlroth, who oversees the hiring of those contractors to work with the Port Authority of New York & New Jersey. "We do a list from year to year and we're surprised at how many just disappear."

While he attributes those changes to natural turnover in the business, Mr. Pearlroth says that his agency is taking steps to assure that minority-owned (and women-owned) contractors stay around long enough to collect their share of the estimated $60 billion in New York City public construction projects on the boards in the next decade.

That means helping the contractors obtain financing, when necessary, or persuading the major construction companies to share their expertise with the smaller minority-owned ones.

"Minority construction companies have it twice as hard," he says. "They're outsiders, and in this industry, any newcomer has a tough time."

SANTA MONICA MAYOR DENNIS ZANE

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. LEVINE of California. Mr. Speaker, I rise today to bring to the attention of my colleagues in the U.S. House of Representatives the many accomplishments of my friend and determined leader, Dennis Zane, as he nears the end of his term as Mayor of the city of Santa Monica.

In the past 9 years on Santa Monica's city council and in the past 2 years as Santa Monica's mayor, Mr. Zane has given tirelessly of himself in service to the city. He has fought to preserve the diversity of economic, social, ethnic and age groups that make Santa Monica a unique and special city. He was a founder of the Santa Monicans for Renters Rights, the group that fought and won passage of Santa Monica's rent control law.

As a city councilmember, Dennis Zane has provided the leadership that transformed a deserted commercial area into a revitalized new Third Street Promenade. He strove to help restore the beloved Santa Monica pier, and provide for the cleanup of the deadly toxic waste from the Pico Kenter storm drain.

As an elected official, Dennis helped to enact programs that provide more than 400 new units of low- and moderate-income housing and have rehabilitated over 200 such units. While on city council, he has backed programs that have reduced crime and helped to establish neighborhood watch groups. He has supported programs to assist the elderly, the poor, the homeless and the disabled.

It is a pleasure to bring Dennis Zane's record of accomplishments to my colleagues. I ask that they join me in congratulating him on a job well done.

SEMITE AND ANTI-SEMITE

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. TRAFICANT. Mr. Speaker, I have been labeled an anti-Semite. I am not an anti-Semite, but I do not agree with everything that the State of Israel does. Their repression of the Palestinian uprising is brutal, and their intransigence in dealing effectively with the legitimate desires of the Palestinian nation worrisome. Moreover, the amount of aid that we ship overseas to Israel should be slashed at a time when America is crumbling. I have also been labeled with this unjust distinction for standing up for the rights of two American citizens: John Demjanjuk and Arthur Rudolph. If one is to be branded an anti-Semite for standing up for the constitutional rights, Palestinian dignity, and demanding that American tax dollars to be spent on America; so be it. If you can't attack the message then you attack the messenger. I have enclosed the following article by Dr. Alfred M. Lilienthal and the attached newspaper article to accompany my remarks into the CONGRESSIONAL RECORD.

SEMITE AND ANTI-SEMITE: ABE ROSENTHAL VS. PATRICK BUCHANAN

(By Alfred M Lilenthal)

While American eyes are focused on the extremely grave Persian Gulf crisis with its near-war status, another war has erupted—the war of words which has pitted columnist and former Managing Editor Abe Rosenthal of The New York Times against Pat Buchanan, syndicated columnist and television pundit. This latter simmering conflict is most relevant to American perceptions of the greater war many would like to avoid.

Appearing as a panelist on the "McLaughlin Group," Buchanan declared "there are only two groups that are beating the drums for war in the Middle East—the Israeli Defense Ministry and its amen corner in the United States." In a particularly vicious column "Forgive Them Not," Rosenthal replied to Buchanan: "We are not dealing with country club anti-Semitism but with the blood label that often grows out of it."

The one-time speech writer for Presidents Nixon and Reagan was also accused of demeaning the Holocaust, of attacking American prosecutors "who dared chase down war criminals" and of spreading tensions between Catholics and Jews.

The Rosenthal piece was replete with reminders of the Holocaust, the anti-anti-Semitism syndrome exploited to the fullest. The Times columnist traced his bottomless devotion to a "refusal to be slient about anti-Semitism" far back to his first visit to Auschwitz early in his career after the war,

as we reported in The Zionist Connection, when he admitted "there was no news to report," but "there is merely the compulsion to write something about it." And this compulsion has guided him ever since.

As managing editor of the most powerful newspaper in the world, one of Rosenthal's principal preoccupations was to make sure that every Times writer, correspondent, stringer, et al. with magnifying glass in hand, was sworn to a Sherlock Holmes-like preoccupation with uncovering the remotest evidence of anti-Semitic prejudice and sending in his "find" to the news editor who stood ever-prepared to build the remotest implication of bias against Jews into booming headlines of fact, to make atypical examples of prejudice appear typical. And since this helped the image of Israel, it was very easy to appear totally convincing.

Buchanan, in the column which so aggravated the New York Times pundit, had attacked the "neo-conservatives who considered America already at war," namely Rosenthal, Richard Perle, Charles Krauthammer and Henry Kissinger. Because they all happened to be Jews, that in Rosenthal's eyes, made Buchanan an anti-Semite.

What really burned the New York Times writer was the criticism of Israel and what Buchanan referred to in his reply: "The contemptible attempt to stifle debate on the issue of America's relations with Israel." This columnist had the guts not only to point out that Israel has been beating the drums and leading the war cry among the media, but also to note that the label of anti-Semitism was "wielded by a tiny clique as a branding iron to burn horribly heretics from their agreed-upon political orthodoxy."

Buchanan further charged that this labeling was used "to frighten, intimidate, censor and silence; to cut off debate; to so smear men's reputations that no one will listen to them again; to scar men so indelibly that no one will ever look at them again without saying, 'Say, isn't he an anti-Semite?' "

Never have the effects of this branding, carried out for so long and so effectively by the Anti-Defamation League—Buchanan tells it like it is by referring directly to "Brother Abe Foxman" (the League director) and the "contract hit"—been so brilliantly, accurately, and precisely described. And this writer above others on the basis of his own experiences from 1950 to date, can verify to the truth of these Buchanan charges advanced by one who, as he himself pointed out, "from 1967 to 1985 was an uncritical apologist for Israel, a Begin man all the way, defending everything from the attack on the Iraqi reactor to the invasion of Lebanon." And he added, "I thought they were terrific friends until the Jonathan Pollard looting of vital secrets, the brutality against Palestinian old men, women, teenagers and children, the Good Friday grab at the Church of the Holy Sepulchre in Jerusalem and the caustic cracks about my church and popes from papers I read and its amen corner in the U.S."

Probably the "unkindest cut of all," directed at Rosenthal, American Zionists and Israel, was the charge set forth by Victor Ostrovsky, former Mossad agent, in the exposé By Way of Deception, the sale of which book Israel tried to ban in the U.S., that Israel knew in advance that terrorists were building that Mercedes truck bomb to massacre American Marines in the Beirut barracks in 1983 "and they deliberately did not even warn us." Pointing up the diminished regard for Israel in the national capital, Buchanan wrote that not one person he had spoken to had said he "felt Mossad incapable of such a heinous act."

The wrath of Organized Jewry and the vast media it controls fell upon Buchanan. The New York Post editorially separated itself from his column which they carried in the same edition and supported the Rosenthal charges "all the way," noting that the columnist portrayed "an all-too familiar hostility to Jews." Naturally, the World Jewish Congress joined in the onslaught.

"He disgraced the memory of the Holocaust"—this because Buchanan dared allege that John Demjanjuk was not Ivan the Terrible and his reference to the "Holocaust Survivors Syndrome" involving "group fantasies of martyrdom and heroics."

The Washington Post is not one of the 180 papers which carry the Buchanan column but has covered the "battle" in the Style section, first in "Media Notes" on September 15 followed by a lengthy page one piece carrying over onto two additional pages. Here Howard Kurtz let his own subjectivity pierce through as he subtly sided with Buchanan's detractors.

Kurtz interviewed at length Mona Charen, a Jewish columnist who worked for Buchanan in the Reagan White House, who said: "He engenders this kind of thing." While she said, on the one hand that she does not believe Buchanan is anti-Semitic, she added: "There's enough evidence to ask why he's so angry about Jews. Why the suspicion of Jews in this country? One of his columns on Auschwitz sent a chill down my spine." In effect she was subtly charging that from impressions and appearances he was anti-Semitic.

The Kurtz article quoted at great length the hardly objective opinions of the director and former director of the Department of Justice's Office of Special Investigation, whose avowed purpose is to hunt down Nazis and rivet attention on the Holocaust, and of ADL Director Abraham Foxman, named as accomplice in the "contract hit" in the Buchanan column which started it all.

The far-reaching moral behind the bitter exchange in Rosenthal vs. Buchanan was set forth by the latter in what he told the Post: "I am giving voice to arguments that others dare not make out loud. There are a lot of Americans who are very intimidated from saying candidly what they think about the relationship with Israel. They're afraid of just what has been done to me. They don't want to bring a firestorm on themselves."

This goes to the very guts of the success of Zionism and Israelism in the Western world. For nothing has counted more that the skillful attack on the soft underbelly of world opinion—"Mr. Decent Man's" total repugnance toward anti-Semitism. The charge of this bias, instantaneously bringing forth the specter of Nazi Germany, so totally pulverizes the average Christian that by contrast calling him a Communist is a pleasant epithet. And the effect on Jewish Americans of the use of this label is even more devastating.

It was the Christian revulsion toward anti-Semitism in the wake of Hitlerian genocide, not the superiority of Zionist over Arab/Palestinian rights, that first helped create and has since firmly entrenched the Israeli stat, even permitting the occupation of conquered territories in the face of the U.N. charter and international morality. So strong has become the general aversion to anti-Semitism that even the full-blooded Semite, the Arab, absurd as it may be, finds it difficult often to defend himself against this charge. The Jerusalem peace talks in January 1978 were disrupted when Prime Minister Begin hurled accusations of "anti-Semitism" at his ally President Sadat and the Egyptian Foreign Minister. There is little doubt that comparing Saddam Hussein to Hitler, as publicists and the White House have done, has only added to the fury of the Iraqi leader.

This emotional reaction engendered by Nazi genocide can be said to have given rise to an Eleventh Commandment, "Thou shalt not be anti-Semitic," and to a corollary Twelfth Commandment, "Thou must be anti-anti-Semitic." No Christian wishes to run afoul of these supplements to the interdictions handed down by Moses from Mt. Sinai. In their zeal to carry out the new commandments, the anti-anti-Semites, like Rosenthal, the New York Times, most of the media and Organized Jewry, have rejected the basic distinction between those who, like Pat Buchanan and many others, are opposed to Zionism-Israelism because they abhor its political precepts and the consequences wrought by its measures, and those who are against Jews because they are racists and simply hate Jews.

By equating anti-Zionism with anti-Semitism through the use of the handy anti-Semite label, Christian anti-Zionists and even Jewish anti-Zionists are alike denounced as anti-Semites—muted doubts, discussion and a free, open debate on Middle East policy are crushed. Without the exercise of these democratic prerogatives of freedom of speech and the right to dissent, the United Sates will never extricate itself from the life and death Persian Gulf struggle with Saddam Hussein, nor be able to move a whit toward a just solution of the underlying Arab-Israel-Palestine conflict.

Congress Stashes Hundreds of Millions for Israel

[From the Washington Times, Wed., Oct. 17, 1990]

Congressional friends of Israel have tucked provisions that could be worth hundreds of millions of dollars into last-minute money bills—with little or no public discussion.

The benefits, apparently intended to counterbalance gestures by the Bush administration to reward Egypt and Saudi Arabia for their cooperation in the Persian Gulf crisis, range from gifts of unneeded Pentagon equipment to a $15 million refurbishing of Israel's port of Haifa.

Many of the new benefits represent creative ways to quietly increase aid to Israel, already the largest recipient of U.S. foreign aid, without obvious budget impact.

"They know our budget better than we do," one aide said of the pro-Israel lobby.

Congressional sources, speaking only on condition of anonymity, said most of the provisions were added by Sen. Daniel Inouye, Hawaii Democrat and chairman of the defense Appropriations subcommittee, and by Wisconsin Sen. Robert Kasten, the senior GOP member of the Appropriations foreign aid subcommittee.

President Bush is seeking to forgive $6.7 billion in past military debts Egypt owes the United States, and has sought congressional permission to sell $7.5 billion in weaponry to the Saudis, with another $14 billion expected to be requested in January.

The gestures have raised worries among Israel's supporters that the United States

might be tilting away from its closest ally in the Middle East.

Spurred by those developments, by requests from Tel Aviv for new defense aid and by bellicose statements against Israel from Iraqi President Saddam Hussein, backers of Israel have tucked new benefits into the defense and foreign aid appropriations bills for the fiscal year that began Oct. 1. Many of the provisions appear aimed at cementing defense ties between the two countries.

One new provision in the defense bill would make Israeli firms eligible for contracts under the Pentagon's $200 million-plus Overseas Workload Program, which provides for local service and maintenance of military facilities and equipment.

The bill directs the Pentagon "to identify and develop new specialized capabilities in depot maintenance and repair in Israel" and says Israel may have the inside track on maintaining U.S. F-15 fighter planes and converting 400 F-4 aircraft to drones.

Another provision would give Israel, along with Turkey, first choice of excess defense equipment no longer needed by the Pentagon, potentially including large items like aircraft.

The defense bill also would establish a new 4.5 million-barrel strategic petroleum reserve in Israel, valued at about $180 million, to which Israel could have access "in the event of a wartime emergency or a state of heightened military readiness."

In a similar move, the foreign aid bill would provide for positioning of some $200 million in new U.S. military stockpiles in Israel.

The bill also provides $42 million to continue the development of Israel's Arrow anti-tactical ballistic missile and recommends the purchase of Israel's Shaldag fast patrol boats for the Navy's SEAL special operations force.

The bill calls, too, for a study of ways the Pentagon could award future defense contracts to Israel in areas like Stealth technology, the Strategic Defense Initiative, anti-terrorism, helicopter development and adapting the Israel HAVE NAP conventional air-launched cruise missile to use on the U.S. B-1 and B-2 bombers.

In the foreign aid bill now pending on the Senate floor, Israel also would get permission to use up to $200 million of its $1.2 billion in economic aid for military purposes as long as the Persian Gulf crisis continues.

In addition, the bill would provide that Israel receive $1.7 billion of its $1.8 billion in military aid within 30 days of the beginning of the fiscal year. That means the United States would have to borrow the money and give it to Israel to reinvest, earning some $60 million extra for Tel Aviv in interest.

The bill also would give Israel access to $100 million in new buying power for defense items under the Special Defense Acquisition Fund, with payback spread out over three years.

And when the Senate resumes work on the foreign aid bill later this week, Mr. Inouye and Mr. Kasten are expected to offer an amendment which would give the president authority to give away to Israel as much as $700 million in new defense items that are in the Pentagon's inventory.

MAJ. GEN. CHARLES M. KIEFNER ENDS TERM AS PRESIDENT OF NATIONAL GUARD ASSOCIATION

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. SKELTON. Mr. Speaker, I take this opportunity to commend a fellow Missourian Maj. Gen. Charles M. Kiefner for the leadership he has provided the National Guard Association as its president.

General Kiefner was elected president of the 54,000-member National Guard Association in September 1989, after he had previously served as vice president for the Army and as secretary.

In 1947, General Kiefner began his military career as a private in the Missouri Army Guards' 140th Infantry Regiment and later was appointed to second lieutenant. Shortly after his induction into Federal service in 1950, Kiefner served in Germany with Missouri's 175th Military Police Battalion.

During General Kiefner's term as president, the new National Guard Association Headquarters in Washington, DC, was dedicated, enabling the association to better serve all of its members.

In 1973, Kiefner was named adjutant general of the State National Guard, a position in which he served until 1976. He received a reappointment to the Missouri adjutant general in 1981.

General Kiefner earned a bachelors degree from Columbia College. Community leadership included membership in the Perryville, MO, Chamber of Commerce; Veterans of Foreign Wars; Society of American Military Engineers; and service as vice president, First National Bank of Perryville. The Army and Air Force Commendation Medals are among many awards and decorations received by General Kiefner.

Mr. Speaker, I am very proud that I have the honor to recognize Maj. Gen. Charles M. Kiefner as he ends his 2-year term as president of the National Guard Association.

SHAPING TRANSPORTATION POLICY

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mrs. MORELLA. Mr. Speaker, I would like to call the attention of my colleagues to an article by one of my constituents, Mr. Lawrence M. Lesser, in the October 8 issue of Roll Call.

In his article, Mr. Lesser cites the critically important role transportation plays both domestically and internationally, and points out the difficulty of shaping a coordinated transportation policy when responsibility for transportation-related legislation is shared by a total of 13 committees in the House and Senate.

As a solution, Mr. Lesser proposes that each body establish a Select Committee on Transportation or one Joint Committee, patterned after the Joint Economic Committee, to help Congress consider the future course for aviation, highway, maritime, and transit programs.

The article by Mr. Lesser, a distinguished adjunct professor of business and management at the University of Maryland, is a thoughtful one, and I am pleased to share it with my colleagues.

WHY 13 IS TOO MANY COMMITTEES TO MAKE TRANSPORTATION POLICY

(By Lawrence M. Lesser)

Our growing military presence in the Persian Gulf has provided a wake-up call with respect to the critically important role transportation has played in that deployment.

Despite a miraculous logistic performance, the speed of the Persian Gulf buildup has been slowed by shortages of operational airlift and sealift capacity, and by ship malfunctions that delayed the arrival of tanks and other equipment so vital to combat readiness.

Here at home, the sharp rise in gas prices has led to a renewed emphasis on energy conservation and prompted consideration by Congress of measures to require improvements in the fuel-efficiency of cars and raising taxes on fuel at the pump.

Indeed, there is a crisis today in American transportation. And it's well documented in the National Transportation Policy that President Bush presented to the nation and Congress last March.

According to the report, billions of dollars will be needed to repair and modernize transportation facilities that serve our cities, suburbs, and rural communities.

As a solution, the Administration urged more local control and responsibility, increased private sector participation in financing and managing operations, and less government regulation.

For the past eight months, Congress has been analyzing the Administration's policy document, holding hearings, shifting priorities, and developing legislation that sets the future course for airport, highway, and transit programs.

Before adjourning for the August recess, the House passed a measure to reauthorize aviation programs, and both bodies approved legislation to appropriate funds for transportation activities of the federal government for the fiscal year that began Oct. 1.

In spite of this praiseworthy action, Congress is ill-equipped for the task. No fewer than 13 committees share responsibility for transportation-related legislation, making a comprehensive assessment of transportation priorities nearly impossible.

In the Senate, legislation dealing with aviation, rail, motor, water, and space transportation is handled by the Commerce, Science, and Transportation Committee. Bills for construction of highways and waterways fall under the jurisdiction of the Environment and Public Works Committee. Transit is handled by the Banking, Housing, and Urban Affairs Committee.

In the House, the situation is even more complex. Airlines, most aviation bills, and surface transportation are handled by the Public Works and Transportation Committee. Railroads are the concern of the Energy and Commerce Committee. Jurisdiction over ocean shipping is exercised by the Merchant Marine and Fisheries Committee. Space transportation, as well as aviation research

and technology, falls under the jurisdiction of the Science, Space, and Technology Committee.

It is only the Appropriations, Budget, and Governmental Affairs (Government Operations in the House) Committees that have broad jurisdiction over all federal transportation programs. But it is rare for them to examine the relationship of transportation policies to each other.

In fact, even though there is an Appropriations subcommittee on transportation, four different Appropriations subcommittees in each body actually share responsibility for funding many federal transportation programs that exist.

To remedy the structural deficiencies of the legislative branch, each body should establish a select committee on transportation to hold comprehensive hearings on the National Transportation Policy and to draft appropriate implementing legislation.

To minimize turf fights and improve the chances for their recommendations to be adopted, the select committees should be composed of senior members of each authorizing committee with jurisdiction over transportation, and also include members of the Appropriations, Budget, and tax-writing committees.

For the long term, Congress should consolidate jurisdiction over transportation in a single committee in each body or create a joint committee on transportation.

The organizational structure that now exists for transportation harms our economic security because it leads to policy decisions that encourage the misallocation of resources, lessen efficiency, and diminish our global competitiveness.

With major transportation programs up for reauthorization this year and next, Congress has an opportunity to make a unique contribution of its own. But if it is to legislate effectively in this field, Congress first must streamline its own cumbersome committee structure.

INTRODUCTION OF LEGISLATION TO ACQUIRE ACREAGE FOR USE AS NATIONAL CEMETERY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. CRANE. Mr. Speaker, today I am introducing legislation to transfer approximately 190 acres of Fort Sheridan in Illinois, to the Department of Veterans Affairs for use as a National Cemetery. Illinois has an estimated 1.2 million military veterans, half of whom are located in the Chicago area, yet the closest veterans cemetery in the State is located in Rock Island, over 150 miles from Chicago.

It has been decided that a veterans cemetery is needed in the Chicago area, and the VA is currently reviewing three possible sites to determine the best location. In addition to Fort Sheridan, the VA is also considering Grant Park, and Cissna Park. While each of the three sites are suitable candidates, Fort Sheridan offers many additional advantages.

One advantage is the fact that the military base is already owned by the Federal Government. Under this bill, the property would simply be shifted from one government agency to another. This would eliminate the lengthy process, which the purchase of a large tract of property would likely entail. Secondly, there is already a small post cemetery situated in Fort Sheridan. The veterans cemetery would simply be an extension of the existing site. Finally, Fort Sheridan is conveniently located near Metropolitan Chicago, yet away from the hustle and bustle of the downtown area. For these reasons, I urge my colleagues, especially those in the Illinois delegation, to support and cosponsor this legislation.

NATIONAL DEBT, NATIONAL SERVICE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. BEREUTER. Mr. Speaker, Americans give as much as $25 billion in volunteer social work annually, yet some of our citizens are not making any voluntary contributions to the society that nurtures them. To encourage such endeavors, we need to have a voluntary national service that provides incentives to those who participate. I commend to my colleagues a recent column by William F. Buckley, Jr.

NATIONAL DEBT, NATIONAL SERVICE

(By William F. Buckley, Jr.)

The points of light of George Bush, those little oases of civic-mindedness and philanthropy he spoke of during his Presidential campaign, have ended in Las Vegas comedy routines ("Mister, can you spare a point of light?"). Yet in 1988, 23 million Americans gave five hours per week or more in volunteer social work. Assuming that the labor of those who engage in such activity is worth only the minimum wage, we are talking about $25 billion worth of time already given to serve concerns other than one's own.

All this suggests that the spirit is there; but it coexists with a strange and unhealthy failure by many American men and women to manifest any sense of obligation to the patrimony, a phenomenon noted 50 years ago by the Spanish philospher Ortega y Gasset, except he was speaking about Modern Man, not Americans. The neglect of the patrimony by Americans is perhaps more unconscionable, because it can be persuasively argued that we owe more than perhaps any other country to those who bequeathed us the land we live in and the institutions that govern us.

My thesis is that we need a national service. There are proposals sitting around in Congress, whose strengths and failures I have evaluated elsewhere. Here the focus is on the spirit that prompts the proposal; the search for an institutional vehicle through which we could give expression to the debt we feel, or should feel, to the patrimony. Here are the distinctive aspects of the program I have elaborated.

1. The program should be voluntary, both because voluntary activity is presumptively to be preferred to obligatory activity, and because although we are thinking in terms of requital (what can we do for our country, in return for what it has done for us?), man, lest he become unrecognizable, should be left free to be ungrateful.

2. That doesn't mean that society should not use incentives, such positive and negative reinforcements as the behaviorist B. F. Skinner wrote about, to press the point that those citizens who appreciate the Bill of Rights and the legacies of the Bible, of Aristotle, Shakespeare and Bach, and who document that appreciation by devoting a year of their lives to civic-minded activity, are to be distinguished from those who do not.

Distributive justice never hesitates to treat unequally unequal people, in respect of rewards, and esteem. There is such a thing as a first-class and a second-class citizen, and although commutative justice is owed to them equally, that's the end of it. The person who devotes 40 hours a week to community service is a better citizen than his ungrateful counterpart, and society shouldn't funk acknowledging the difference. Those who fear a class system should ponder the offsetting effects of shared experience, shoulder to shoulder.

3. The objective of national service should not be considered in the tender of Good Deeds. Tending to the sick, teaching illiterates to read, preserving our libraries are desirable ends. But the guiding purpose here is the spiritual animation of the giver, not the alms he dispenses. The person who has given a year in behalf of someone or something else, is himself better for the experience. National service is not about reducing poverty; it is about inducing gratitude.

There isn't any way in which we can tangibly return to our society what we have got from it: liberty and order, access to the poetry of the West, the devotion of our parents and teachers. The point needs to be made that tokenism is not to be dismissed because, in other contexts, it is scorned. Because the dead of the Civil War cannot be revived doesn't mean, as Lincoln told us, that they can be forgotten. And the search for the practical way in which to hold them in esteem should go beyond national holidays we spend on the beach. The cultivation of the rite of passage, from passive to active citizenship, is the challenge of national service.

We will always be short of Americans who can add to the Bill of Rights, or compose another "Don Giovanni." But there is the unmistakable means of giving witness to the gratitude we feel, or ought to feel, when we compare our lot with that of so many others who know America only in their dreams.

EQUITY IN THE STATE VETERANS HOME PROGRAM

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. HOCHBRUECKNER. Mr. Speaker. I rise today to introduce legislation that will promote regional fairness in the Department of Veterans Affairs State Home Program by increasing the per diem reimbursement rate to State veterans nursing homes and domiciliaries in high cost of living areas. The bill affirms our commitment to the century-long partnership between the States and the Federal Government in providing care for those who have served our Nation in military service.

The DVA provides funds to States for the construction and operation of long-term care facilities through the State Home Program. Under this program, States can compete for grants that provide up to 65 percent of the

cost of construction, provided DVA standards are followed. In addition, the DVA provides a per diem for each veteran under care in a designated State home. The per diem rate for 1990 is $21.83 for nursing home care and $9.33 for domiciliary care. The purpose of the per diem is to equitably distribute the financial burden of veterans' health care between the State and Federal Governments.

The per diem payments to State homes began before the turn of the century. Historically, the payments represented a meaningful share of the cost of care. However, in the recent past, as medical care cost inflation has skyrocketed, per diem rates have increased slowly. The per diem rate is set by Congress and is a fixed amount nationally. While the DVA intended for the State Veterans Home Program to finance 25 percent of the operating costs nationally, the effect of current DVA policy has been the shift of more of the cost of veterans' long-term care to the States. However, not all of the States have been equally effected. In some States, where the salaries of health care professionals, the cost of medical supplies, electricity, construction costs, and other components of the total cost of care have increased most rapidly, the per diem payment covers a smaller share of costs than in low cost States.

New York, which currently has one State home in Oxford, and one that is scheduled to open in the spring of 1991 in Stony Brook, Long Island, has the second largest veterans' population in the country. While the State would like to build two to three more State veterans' homes to have additional nursing home beds available to veterans, the State is hesitant to do so since it picks up a larger share of the Federal obligation compared to other States. For example, according to the DVA's 1990 third quarter statistics, the DVA per diem reimbursement for domicilary care in the Oxford home represented 7.6 percent of the cost of care and 14.5 percent of the cost of nursing home care. This State home is located in upstate New York where medical care and electricity costs are much lower than on Long Island and in New York City. Therefore, the per diems from the DVA will represent an even lower percentage of the cost of caring for these veterans in State homes in these areas. Moreover, these areas have the highest concentration of veterans in the State and consequently the greatest need for such facilities.

My bill would reimburse individual State homes 30 percent of the cost of caring for veterans in these facilities or the current national per diem rate whichever is greater. At the same time, my bill would not adversely affect State home facilities to which the current national per diem rate equals more than 30 percent of the cost of caring for the veterans therein. However, the current requirement that these payments not exceed 50 percent of the total cost of care would remain in effect.

Currently, there are 60 State homes in 37 States. These facilities provide cost-effective quality care and are increasingly relied upon by the DVA to meet the long-term care needs of our aging veterans. The DVA would like to have 30 percent of the long-term care beds provided by the State homes. This increased reliance on State homes cannot be met without an increase in per diem rates. Increasing the per diem rate would encourage more States to build State Homes, thereby reducing the strain on the DVA to provide this care. While the DVA pays more money initially, 65 percent of the construction costs, in the long run it is the State that ends up paying the lion's share of the costs because the operational costs of a long-term care facility are much greater than the cost of its construction. Furthermore, most States pass on the cost of unreimbursed care to the veteran. This means that a veteran in a high cost State would pay more for care in a state facility than in a state with low operational costs. Adding insult to injury, many of these veterans would be entitled to receive medical care at a DVA facility at no cost to them if such care were available.

With the aging of America's veterans population, the DVA will be faced with an even greater need for long-term care facilities in the very near future. As a member of the House Veterans' Affairs Committee, I will urge the committee to look at the issue of long-term care to determine if additional funds should be added to the State Home Program to promote regional fairness and encourage the construction and operation of new State-run facilities. A reasonable per diem payment must come closer to the actual cost of care. If the DVA wishes to encourage the States to build and operate State homes in an era of spiraling health care costs, higher per diems are needed. This is the very least that can be accomplished at the federal level to ensure that veterans receive the most compassionate and appropriate care possible considering that veterans' health care is a federal, not a state, responsibility.

Mr. Speaker, our veterans fought for the United States, not individual States, and they deserve our Nation's fullest attention and respect. I urge my colleagues to join me in support of this legislation.

ICH BIN EIN FRIEDRICHSHAFENER

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. MICHEL. Mr. Speaker, as you know, the recent unification of Germany is a historic and monumental achievement. A lesser achievement, but one of equal good-will and congeniality, was the recent meeting of the Mayor of Peoria, Jim Maloof, with Mayor Dr. Bernd Wiedmann of Peoria's sister city, Friedrichshafen, Germany. Ties between the two cities were renewed, and Dr. Bernd Wiedmann offered valuable insights into the potential challenges a united Germany now faces. It is my sincere wish that the relationship between my hometown Peoria, IL, and Friedrichshafen continues to grow, and that we continue to learn from each other.

At this point in the RECORD, I would like to insert an article which appeared in the Peoria Journal Star, "Sister City's Mayor Makes Stop in Peoria."

[From the Peoria Journal Star]

SISTER CITY'S MAYOR MAKES STOP IN PEORIA

(By Karen Sorensen)

The mayor of Friedrichshafen, Germany, mixed business with pleasure Thursday by wrapping up weeks of international travel with a stop in this town's sister city, Peoria.

Between lunch with Mayor Jim Maloof and dinner with the Friends of Friedrichshafen, Dr. Bernd Wiedmann made time to answer reporters' questions Thursday afternoon about everything from the weather during his trip to the state of affairs in the newly reunited Germany.

He came, Wiedmann said, because he could not travel through the United States without making a side trip to Peoria—his fourth in the six years he has served as mayor. His last was in May 1989

"I came only for the visit to the city, to visit Mr. Maloof, my friend," said Wiedmann, 48, who was elected only one month before Maloof, albeit to an eight-year term. "When I am in North America, I have to visit."

And because he needs the rest and relaxation, joked Maloof, after a worldwide trip that included stops in Singapore, Taiwan, Malaysia and Detroit on behalf of the vehicle transmission parts company owned by the city of Friedrichshafen.

"We feed him good, we treat him good," Maloof said.

Friedrichshafen owns two large companies, the transmission parts company—whose largest American client is Ford Motor Co.—and a Caterpillar Inc. dealership, reportedly the largest in Germany.

Between those two companies, more than 14,000 people are employed. Mercedes-Benz also operates two plants in the city, he said.

Wiedmann said the reunification of East and West Germany, which took place officially last week, was good news—one that will allow the West to gain economically by expanding and investing in the East and, in turn, improve the opportunities and quality of life for the former Easterners.

"It's much better," he said. "First, the peace is more safe not only for us but for the whole world." That's the most important thing for us.

But it could also be expensive, since a modernized West Germany is years ahead of East Germany, whose infrastructure is not much changed from when the country was divided after World War II and East Germany fell under Communist rule, he said.

Wiedmann said he has made two trips to the eastern side since the Berlin Wall came down, amazed to see row upon row of houses but very few stores.

But there remains commitment to the Communist system, which has resulted in protest to the consolidation from some East Germans, Wiedmann said.

More than economics, one of the chief problems facing the country is housing—especially for those coming from the East in search of work. Friedrichshafen residents are anticipating the evacuation of 3,000 French soliders, a presence in the town since the war, in order to free up 450 housing units and to clear barracks land for new development.

Wiedmann, who arrived in Peoria on Wednesday afternoon, will return to Germany this afternoon.

ONE HUNDRED YEARS OF LIBRARY SERVICE IN SANTA MONICA, CA

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. LEVINE of California. Mr. Speaker, I ask that my colleagues in the US House of Representatives join me in saluting the Santa Monica Public Library as it celebrates on 100 years of service to the city of Santa Monica and communities in the Santa Monica Bay area. The culmination of this year long event, which began January 1, 1990, will be on November 16, 1990, with a program featuring the theme "Santa Monica Pubic Library: Yesterday, Today, Tomorrow."

In 1890, the city of Santa Monica accepted a small library consisting of 800 books that has been started by a dedicated group of local citizens several years earlier. The city set aside room in the local bank for the library and hired the first librarian who ran the library for the next 49 years. By 1903, the desire for a separate library building led a local woman to write to Andrew Carnegie who responded with funds. The resulting building was opened to the public in August 1904. This original Carnegie Building was expanded in 1926 and the enlarged library was noted for murals painted by Stanton Macdonald-Wright and Eulalie Wilson. During these years, branch libraries were added to serve the outlying areas of Santa Monica.

As the city grew, citizens lobbied for enlarged library facilities and a new main library was built in 1965. In 1988, the library converted the card catalog to an automated system that handled circulation of library materials as well as the catalog. Currently plans are being made for further expansion of the library. Over the past 100 years, the Santa Monica Public Library has seen many changes. From a collection of 800 books housed over a bank, the collection has grown to approximately 400,000 items housed in four library buildings. In 1890, the collection consisted of books, magazines and newspapers. Today, the collections include not only books and periodicals, but historic photographs and slides, audio cassettes, videocassettes, records and compact discs, and microfilm and microfiche.

It is a pleasure to recognize the Santa Monica Public Library for its invaluable service to the community for now and the future.

A TRIBUTE TO ROBERT B. CAMPBELL

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. SKELTON. Mr. Speaker, I invite my colleagues in the Congress to join me in paying tribute to Robert B. Campbell, a distinguished teacher in Odessa, MO. After 40 years of exemplary dedication to the public school children of which 34 have been with the Odessa R-VII school district, Mr. Campbell will be retiring this coming spring.

Bob Campbell began his teaching career with the Slater Public School District in Missouri in 1951, where he remained for 6 years. In 1957, he moved to Odessa, MO, to assume a principalship in the local high school. After 16 years as a principal, Bob assumed the assistant superintendent of schools position.

In May 1951, Bob received his bachelor of science education degree from the Missouri Valley College in Marshall, MO. He received his master of science education degree, as well as an education specialist degree, from the University of Missouri-Columbia.

I insert herewith into the RECORD the following statement, by Dr. Bert Kimble, the superintendent of the R-VII school district.

The Odessa R-VII School District is extremely proud to have had a man of such high caliber working for the district for this many years. We are proud of his accomplishments over his 34 year stretch with the Odessa R-VII Schools. We are proud, as well, of the example he has set for thousands of students over these years. We welcome his retirement only from the standpoint that he will be able to enjoy his leisure time. We are saddened because we hate to lose such a gifted, talented individual, and close friend.

Mr. Speaker, the public school system of Missouri has been very fortunate to have had a teacher with such integrity and dedication as Robert Campbell. I wish him well in his retirement years.

DEMOCRACY ISN'T TIDY

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. OXLEY. Mr. Speaker, while I do not always share the same outlook or perspective as Haynes Johnson, I nevertheless recommend the following column for everyone to contemplate. Mr. Johnson has, I think expressed better than most the very essense of our democratic system, warts and all.

DEMOCRACY ISN'T TIDY

(By Haynes Johnson)

Welcome to Washington, ladies and gentlemen, capital of the Free World, seat of government of the world's oldest continuously practicing democracy, leader of * * *.

Oh, you know the rest.

At a private dinner this week, a group of leading figures from Wall Street gathered for an annual assessment of the state of the economy and to take the political pulse of Washington. A prominent financier stood, picked up a banana from the table and said, "This is where we are. We're becoming a banana republic."

On the radio, while driving to work, members of the federal anthill heard a talk-show host make two quick quips. In a play on American Express commercials, he said, "Instead of saying, 'Don't leave home without it,' just say, 'Don't leave home.' It may not be there when you come back." Next, the announcer played with the name of a well-known local savings bank. "Have you heard?" he asked. "They've changed their name." Pause. "It's no longer Perpetual. Now it's Temporary."

Also airing here these days is a television commercial that extols the virtues of Volvos by saying, We put air bags in cars, not in Congress."

And, in a typical response to last week's observation here that Will Rogers would be chuckling at the Marx Brothers machinations during the federal budget fiasco, a reader in Columbia, writes, "How ridiculous the world must find us!"

Hardly a person in the capital, and perhaps in the country, hasn't had a similar reaction. Their leader's political missteps are metaphors for the times, and taken at face value, the times are not encouraging. The present spectacle of representative democracy at work is laughable, in a clenched-teeth sort of way, and even a bit frightening. Is it as bad as it seems? Are we slipping down the slope? Whither America? Which way Imperial Rome?

The answers are, yes, it's bad, and, no, these aren't necessarily the signals of a political system in decline or disintegration.

Whistling past the grave, plucking silver threads from among the heavy gray clouds, you say? Perhaps, but there's good reason to make a more positive case about America's health vitality and creativity.

While public attention focuses on the slapstick aspects of Washington, three American economists have won the Nobel Prize for their original work over the last two decades. Those awards, announced Wednesday, came a week after two American doctors were awarded the Nobel Prize for medicine for their work in pioneering use of organ and cell transplants to treat the severely ill.

As science reporter Malcolm Gladwell noted in The Washington Post, "This year marks the second consecutive year that Americans have swept the prizes for medicine. In all, Americans have won or shared 69 of the 142 medicine awards since 1901. Great Britain is second with 17 winners."

On Thursday, an American won the chemistry prize, and two shared physics honors with a Canadian.

These awards, the world's most prestigious, continued a trend of American preeminence in intellectual and creative endeavors. From January 1980 to December 1989, for instance, 40 Americans won Nobels in the fields of physics, chemistry, physiology or medicine, economics and literature and, even, for peace.

Nor, lest we forget, the same political system now the object of such scorn and mockery is the very one that recently—and deservedly—was celebrated as a model for the world. From Tiananmen Square to East Berlin, and even in Managua and Moscow, expressions of democratic ideals vibrate throughout the consciousness of people seeking the kinds of freedoms that Americans take for granted.

Americans have every reason to feel immense pride in the triumph of their form of democratic government in the ideological competition of the Cold War and amid the rush of other societies to emulate the U.S. political-economic system. The recent notion that America no longer was a world leader had to be revised because of the U.S. role in forging a multinational response to Iraqi aggression. This transformation was accomplished, with no little irony, by the same president now broadly condemned for domestic ineptitude.

Even the sometimes appalling scenes televised from Capitol Hill are not without redeeming aspects. Behind the absurd political posturing, a real debate about America's purpose, its values and its past and future social-economic policies finally is taking

place. It isn't tidy or elevating, but neither is democracy in action. Democracy, as has been noted, is a bit like sausage-making: upsetting to watch, but in the end usually worth sampling.

PRIVATE CAPITAL INCENTIVES ACT OF 1990

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Ms. OAKAR. Mr. Speaker, I rise today to introduce the Private Capital Incentives Act of 1990.

No one in this body needs to be reminded of the current crisis we face with respect to the savings and loan industry. Estimates of the cost of the bailout to the taxpayer vary, range from the administration's low-end $169 billion to the Congressional Budget Office figure of $375 billion and these numbers continue to grow, Mr. Speaker. The RTC has projected that it will use nearly all—about $49 billion—of the $50 billion in loss funds provided by FIRREA by the end of this calendar year.

Recently, the Secretary of the Treasury, Nicholas F. Brady, in a letter to the distinguished chairman of the House Banking, Finance and Urban Affairs Committee, HENRY B. GONZALEZ, requested an additional $40 billion in appropriations to fund the losses in RTC case resolutions through the end of the fiscal year 1991. Further, William Seidman, Chairman of the RTC and the FDIC, indicated that for the fiscal year that began October 1, the agency will need $122 billion in funding. When will it end, Mr. Speaker?

Mr. Seidman also indicated that the loss funds will have to come from the American taxpayer and that there are no alternatives. I have the greatest respect for Mr. Seidman, but I must take issue with Mr. Seidman on this one. I believe all avenues to alleviate the burden on taxpayers in the S&L crisis must be fully explored and I am not ready to accept Mr. Seidman's conclusion. I believe there are alternatives to placing the full burden on the American taxpayer, and that is exactly what my bill is designed to do.

Mr. Speaker, the Director of the Office of Thrift Supervision, Timothy Ryan, divides the savings and loan industry into four groups with only group I being described as consistently profitable. Group II, representing $352 billion in assets, was described by Mr. Ryan as showing decreasing earnings. Group III, with assets of $165 billion, was categorized as showing continuing losses. Finally, group IV, representing $162 billion in assets, was categorized as unprofitable and, since April of this year, has had $51 billion in assets transferred to the RTC. These numbers, and the amount of potential taxpayer dollars they represent, boggle the mind.

My bill is intended to stop this downward spiral of thrifts from group II and III and, finally into the taxpayer's pocket in group IV. By interjecting the means to promote mergers and acquisitions by the private sector at the group II and III level, the RTC can avoid having to use public funds to close the institution and make good on its liabilities.

Last year during deliberations on FIRREA, I worked very hard to have language included which would encourage bank holding companies to acquire savings and loans. This effort was successful, thanks to the understanding of the need for such provisions by my colleagues in the House and Senate Banking Committees. I am grateful to my chairman, Mr. GONZALEZ, for his leadership as we worked through this amendment.

The 1989 Oakar amendment language has worked well. To date, dozens of these mergers made possible by my original amendment have been approved by the Federal Reserve and many more are pending.

The language of that original legislation, however, was restricted solely to the bank holding companies. While this has proved to be a beneficial provision as is, there is no reason for this Congress not to go that last mile for the taxpayer and find, within the parameters of safety and soundness and existing bank law, as much private capital as possible to assist in cleaning up this massive crisis which the country finds itself in today.

In some ways, we in Congress have become paralyzed with the enormous liability with which the Government is faced. The all-encompassing safety net placed under the financial services system through deposit insurance has tied our hands and limits our options and, a thorough review of our deposit insurance system is imperative. However, let us not ignore at this point in this crisis the private sector's ability to help. As the original Oakar proposal has demonstrated, the private sector has the skills and the capital to minimize the damage to the financial industry, and, as representatives of the people of this country, we must utilize any legitimate source of funding other than the taxpayer to assist in this cleanup.

My bill would encourage the infusion of private capital into the thrift industry as follows:

First. Bank holding companies: The new provisions remove impediments in the original language which have discouraged bank holding companies from acquiring more thrifts. First, the 7 percent assumed rate of growth which a bank holding company must accept at the time of acquisition of a thrift will now be changed to the actual rate of growth. There is no reason to charge a rate greater than the thrift is actually growing at the time of the merger. This has been a major disincentive to bank holding companies.

At the time of the merger, then, bank holding companies would commit to paying to the SAIF fund premiums based on the actual rate of growth of the deposit of the acquired savings and loan institution.

Additionally, in 1989, a size limit was imposed—no bank holding company could acquire a thrift greater than half its size. My bill would remove this limitation. There appears to be no compelling rationale for such a limitation. The Federal Reserve has been steadfast in deals negotiated to date in requiring that the bank holding company bring the acquired savings and loan's capital up to acceptable capital levels at the time of acquisition, and the bill I am introducing today would make sure that this policy is carried out by the other banking regulators in any Oakar type acquisition.

Second. Independent banks and mutual savings banks: In the original Oaker language last year, no real thought was given to permitting a bank which is not in a holding company structure or a mutual savings bank similarly without a holding company to acquire a savings and loan. There is no safety and soundness or regulatory imperative that would be violated by allowing such an acquisition and subsequent merger, and my bill would now provide for this.

Third. Nonbank banks: When the Congress imposed a host of restrictions on nonbank banks under the Competitive Equality Banking Act of 1987, among other things, we limited their annual rate of asset growth and prevented them from engaging in new activities after 1987. However, we did not wish to preclude these institutions from acquiring a thrift under certain circumstances. Thus, despite the prohibition of the acquisition of control of additional banks and savings associations, both CEBA and FIRREA specifically allow owners of grandfathered nonbank banks to control failing or troubled thrifts. What we know now is that a 7-percent annual asset limitation on nonbank banks is indeed having an undesirable effect—it is preventing nonbank banks from acquiring thrifts altogether.

Let's correct this situation. A nonbank bank under my bill will be allowed to acquire and merge into its existing operations a savings and loan, subject to the same requirements and review as bank holding companies. However—and my bill makes this very clear—nonbank banks may not use this procedure to circumvent the prohibition on engaging in full service banking. Thus, a nonbank bank that acquires the assets and liabilities of a savings association still may not ever accept demand deposits and engage in the business of making commercial loans.

Fourth. Savings associations/savings bank mergers: We have also been remiss in not giving the healthy sector of the savings association industry an opportunity to acquire other thrifts.

What my bill would do is to authorize a savings and loan holding company that controls both a BIF-insured savings bank and a SAIF-insured savings association to combine these subsidiaries with either the savings bank or the savings association being the surviving entity. There is no adverse effect on either insurance fund because, as under the Oakar amendment that we passed last year, the resulting institution is effectively a mixed-fund institution—that is a member of both the SAIF and the BIF. Because my bill, as is the case with current law, provides for the deposits of the resulting institution to be assessed by both funds in proportion to the funds in each respective fund on the date of the combination, there will be no prejudice to either Federal deposit insurance fund in allowing either the savings association or the savings bank to be the surviving entity. Moreover, my bill makes clear that no institution participating in a transaction authorized by my bill will be permitted to exit its respective insurance fund—in other words, there will be no escapes from the SAIF or the SAIF premiums.

By allowing a savings and loan holding company to combine its savings bank and

savings association subsidiaries, my bill eliminates several key disincentives for savings and loan holding companies that control savings associations to acquire savings banks.

By expanding the current Oakar provisions as proposed in my bill, we would be encouraging further acquisition of thrifts by other, healthier thrifts. This process encourages additional investment in the thrift industry from within the thrift industry, increases the possible range of buyers for thrifts, encourages healthy thrifts to consider repeated acquisitions of other thrifts and ultimately reduces the burden on the taxpayer of the present deposit insurance crisis. In addition, through my bill, we would enable savings and loan holding companies to take advantage of the economies of scale and operating efficiencies that can be achieved by operating one depository institution rather than two separately chartered depository institutions. To the extent that these holding companies can achieve greater efficiency and profitability through such a structure, the need to infuse additional capital into the thrift industry is further diminished.

Fifth. Bank/savings association mergers: My bill would also allow a savings association to combine with a commercial bank with the savings association being the surviving entity. There are two primary reasons that my bill allows this type of transaction. First, as I have already noted, the resulting institution in a transaction permitted by my bill—and in fact in a transaction permitted under the current Oakar provisions—is a mixed fund institution, that is, a member of both the BIF and SAIF funds. As such, the resulting institution pays deposit assessment to the SAIF and BIF funds in proportion to the deposits in such funds at the date of combination of the savings association and bank. The assessment to each fund continues to grow based upon that proportion at the annual growth rate for the resulting institution. Thus, there can never be an adverse impact on either the SAIF or the BIF fund of allowing the savings association in a bank-savings association merger to be the surviving entity because the deposit assessment formula is not based upon which type of entity survives the combination.

Second, the savings association industry serves a vital need in this country—namely the financing of residential housing and development. Just as there are healthy savings associations in the thirft industry, there are also troubled banks in the bank industry. We should not arbitrarily encourage the savings association industry to be consolidated out of existence, and thus impair severely this country's ability to finance residential housing and development, by requiring that banks may be the only institutions that can survive in a bank-thrift combination. This is particularly true in light of the fact that allowing the savings association to survive will not impair either insurance fund. Rather, the determination of which company should be allowed to survive in a bank-thrift merger should be based upon market and business considerations and an examination of which entity and charter are most financially viable. These determinations should be left to the institutions involved in the transactions, as tempered by the ultimate approval authority of the federal banking regulators.

Mr. Speaker, I want to emphasize that my bill will be open to any and all who may have suggestions or ideas that will enhance thrift acquisition potential, such as the ones I've included. I want to encourage debate, but most of all I want to deal with the crisis that bank regulatory agencies feel has no alternative but the taxpayer. There are alternatives, and there are ways to reduce these ever-increasing costs without any risk to the safety and soundness of our financial services industry, or major modifications to the strict regulatory climate or our banking industry.

This bill is not a cure-all for the crisis that confronts us. But it is one alternative that could alleviate taxpayer liability, and for that reason, it deserves our attention.

Nothing here is written in stone. I am open for suggestions and it is my fervent hope that all interested parties will review and critique my proposal and that hearings on this bill will be held very early in the next Congress.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title.

This Section provides that this Act may be cited as the "Private Sector Capital Incentive Act of 1990."

Section 2. Mergers and Acquisitions of Depository Institutions during Conversion Moratorium.

This section amends Section 5 (d)(3) of the Federal Deposit Insurance Act (FDIA) to permit certain conversions of savings associations insured by the Savings Association Insurance Fund (SAIF) with banks insured by the Banks Insurance Fund (BIF) and vice versa.

(a) This subsection specifically allows for conversion transactions which include (1) the merger or consolidation of a BIF member with a SAIF member; (2) the assumption of any liability by a BIF member to pay deposits of a SAIF member or vice versa and; (3) the transfer of assets of any BIF member to any SAIF member in consideration of the assumption of liabilities for any portion of the deposits of such BIF member or vice versa. This would permit such transactions notwithstanding the fact that the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) imposed a moratorium on such transactions. This FIRREA imposed moratorium will not expire until August, 1994. In addition, this subsection makes it clear that if any resulting depository institution is a BIF member, that portion of the average assessment base of such member attributable to SAIF insurance shall be subject to assessment at the rate applicable under Section 7 of the Federal Deposit Insurance Act for SAIF members. Similarly, in the case of any resulting depository institution which is a SAIF member, that portion of the average assessment base of such member attributable to BIF insurance will be subject to assessments at the assessment rate applicable under Section 7 of the Federal Deposit Insurance Act for BIF members.

This subsection also requires that, in connection with any conversion transactions that involve a BIF member subsidiary of a bank holding company, prior written approval of the Board of Governors of the Federal Reserve System (Fed), is required. In this connection, the Federal Reserve Board may not approve any conversion transaction which would violate the Douglas Amendment restriction on interstate banking.

This subsection also details the conditions for approval by both the Fed and the responsible federal banking agency. In reviewing any application to engage in a proposed conversion transaction, the Federal banking agencies must consider the financial and managerial resources and future prospects of the existing and proposed depository institutions as well as the convenience and needs of the communities to be served. Also, the Federal banking agencies and the Fed shall disapprove any application for any transaction under this section unless such agencies determine that the acquiring, assuming, or resulting depository institution meets all applicable capital standards upon consummation of the transaction.

In addition, in order not to violate the FIRREA mandated moratorium, the Federal banking agencies and the Fed shall disapprove transactions which are determined to be the transfer of any depository institution's federal deposit insurance from one deposit insurance fund to the other deposit insurance fund.

In situations where the resulting depository institution is in default or in danger of default, any loss incurred by the FDIC shall be allocated between the BIF and SAIF in amounts reflecting the amounts of insured deposits in such resulting depository institution assessed by BIF and SAIF respectively.

After the expiration of the conversion moratorium in August, 1994, the FDIC may approve an application by any resulting depository institution to be treated as a conversion transaction and the resulting institution may pay any exit and entrance fee assessed by the FDIC and thus have its deposits subject to assessment by either the SAIF or BIF at its option.

(b) Effective Dates. The amendment made by subsection (a) regarding the determination of adjusted attributable deposit amount shall apply with respect to semiannual periods beginning after the date of enactment of this Act.

Section 3. Mergers, Consolidations, and Other Acquisitions Authorized.

(a) Federal Savings Associations. This subsection amends section 5 of the Home Owner's Loan Act to make it clear that, subject to Sections 5(d)(3) and 18(c) of the Federal Deposit Insurance Act (FDIA), a Federal savings association may engage in a conversion transaction pursuant to section 5(d)(3) of the Federal Deposit Insurance Act (as amended by section 2(a) of this Act) with any depository institution.

In addition, this subsection provides for expedited approval of conversion transactions by the Director of the Office of Thrift Supervision (OTS). As a result, OTS shall approve or disapprove in writing an application seeking approval to engage in a conversion transaction before the end of the 60 day period beginning on the date such application was received. This 60 day period may be extended for one additional 30 day period only if the OTS determines that the application has failed to furnish all information required to be submitted in connection with an application or, in the OTS's judgment, any material information that has been submitted is substantially inaccurate or incomplete.

(b) National Banks. This subsection amends the National Bank Act to allow national banks to engage in a conversion transaction pursuant to section 5(d)(3) (as amended by section 2(a) of this Act) with any insured depository institution.

Section 4. Acquisition of Thrift Institutions by Certain Companies Which Control

Banks and are not Treated as Bank Holding Companies.

(a) This subsection will permit owners of so-called nonbank banks grandfathered by the Competitive Equality Banking Act of 1987 (CEBA) to participate in a conversion transaction pursuant to Section 5(d)(3) of the Federal Deposit Insurance Act (as amended by Section 2(a) of this Act). In order to engage in such conversion transaction, the resulting institution must be a bank grandfathered under CEBA.

(b) For purposes of permitting such conversion transactions, referred to above, the CEBA grandfathered bank may engage in any activity that the savings association engaged in to the extent that the activity is permissible for bank holding companies under Section 4(c)(8) of the Bank Holding Company Act. However, as a result of engaging in such activity the grandfathered bank may not both accept demand deposits and engage in the business of making commercial loans. In addition, notwithstanding the 7% annual asset growth restriction imposed by CEBA, the grandfathered bank may increase its assets as a result of the conversion transaction and increase its assets for any reason during a one year period beginning on the date of such transaction.

(c) Technical Amendments

IN SUPPORT OF H.R. 5235, RENAMING POSTAL FACILITY IN HONOR OF OLYMPIC HERO, JESSE OWENS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. STOKES. Mr. Speaker, on October 1, 1990, the House of Representatives passed legislation which I authored, H.R. 5235, to pay tribute to Olympic hero, Jesse Owens. Under this legislation, the postal facility located at 5600 Woodland Avenue in Cleveland, OH; would be designated as the "Jesse Owens Building of the United States Postal Service". As the Representative of the 21st Congressional District of Ohio, I am proud that the Congress has taken this important step and adopted H.R. 5235.

Jesse Owens is hailed as one of Cleveland's greatest citizens. Although he was born in Oakville, AL—the son of a sharecropper and grandson of slaves—his family moved to Cleveland when he was 9 years old. Jesse ran his first race when he was 13 years old, set national records in track at East Technical High School in Cleveland and achieved international fame while still a sophomore at Ohio State University. At his very first "Big Ten" championshiup meet, Jesse Owens not only equaled the world record for the 100-yard dash, but broke the world record for the 200-yard hurdles.

Jesse Owens is best remembered for his legendary performance in the 1936 Berlin Olympics. At a time when Adolf Hitler spoke of white supremacy, Jesse Owens, a black American, shattered world records by capturing four gold medals. In spite of the racism with which he was confronted, this 22-year-old athlete set world records in the 100-meter dash, in the long jump, in the 200-meter sprint, and in the 400-meter relay. Ironically, Hitler and his aides hurriedly left the stadium after Jesse Owens' performance, but over 100,000 Germans rose to their feet in the stadium, chanting his name, in praise of his accomplishments. His victory was symbolic not only for blacks, but for all Americans, and the entire free world.

Mr. Speaker, after Jesse Owens returned to his native land, while there was a ticker-tape parade and he was proclaimed a hero, particularly to his generation of black Americans, he did not receive the official thanks of his country for his feats. It was not until 1976, when President Gerald Ford awarded him the Medal of Freedom, that Jesse Owens was officially recognized by this nation for his accomplishments.

Jesse Owens once told a reporter that his four Olympic gold medals had kept him alive over the years. He maintained his commitment to sportsmanship and friendship here in the United States and throughout the world as an ambassador of goodwill, particularly through his work with young people. He served with the Illinois Youth Commission, worked with U.S. Olympic teams, and never missed an opportunity to tell people to help each other reach their goals, regardless of race, creed, or color. Owens advocated the power of sports to bridge differences between races, classes, and cultures. Prior to his death in 1980, Jesse Owens was awarded the Living Legends Award. Earlier this year, I accompanied Ruth Owens, widow of Jesse Owens, to the White House where President Bush awarded Congress' highest honor, the Congressional Gold Medal posthumously to Owens. In his remarks, the President cited Owens' "humanitarian contributions in the race of life."

Mr. Speaker, Jesse Owens left a permanent legacy in Ohio, in America, and in the world. The designation of this post office building in honor of Jesse Owens will memorialize his contributions to our Nation. More importantly, however, it will ensure that his legacy will be passed on to future generations that may be touched by his outstanding triumphs.

Mr. Speaker, I take this opportunity to commend and thank my colleagues for their support of this important effort to recognize an outstanding American and international hero, Jesse Owens.

SYMPOSIUM ON EISENHOWER FAREWELL ADDRESS

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. WALGREN. Mr. Speaker, on October 13, 1990, Gettysburg College conducted an important review of the concerns raised by President Dwight David Eisenhower during his farewell address of January 17, 1961. In this speech, made famous by the phrase "military-industrial complex," President Eisenhower laid out his concerns regarding trends which could lead to unhealthy concentrations of power in the hands of governmental, industrial, and academic elites. Gettysburg College, under the direction of Symposium Chair Janet M. Powers, has done a commendable job of bringing together a mix of senior officials who worked with Eisenhower and current experts to discuss the current status of the trends Eisenhower identified. I, therefore, commend to my colleagues' attention the following symposium summary.

EISENHOWER PUBLIC SYMPOSIUM

(By Janet M. Powers)

Scientists and public policy experts from around the nation continue to analyze the relevance of the four dangers cited by departing President Dwight David Eisenhower in his Farewell Address of January 17, 1961. His prophetic words were the subject of a Public Symposium celebrating Ike's centenary at Gettysburg College on October 13, 1990.

Eisenhower warned first of the influence of a military-industrial complex:

"In the councils of government we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for disastrous rise of misplaced power exists and will persist."

Reflecting on those words, Symposium panelist Retired General George M. Seignious of the Atlantic Council spoke of Eisenhower's political and military leadership, as well as his concern about the ease with which retired military officers move into corporate positions. Barbara Wien of the Institute for Policy Studies urged the nation to face up to its pressing problems of drugs, homelessness, malnutrition, and poor education; she recommended cuts in defense spending to make "real security" possible. Richard Garwin of IBM and Columbia had another solution; that the US strengthen both its military capability and its international credibility by building only weapons that are now relevant, and by not using the Department of Defense as a fiscal stimulant.

A related issue, Eisenhower's fear that pure scientific research might come to be dominated by government and corporate interests was the topic of the second panel:

"In the same fashion, the free university, historically the fountainhead of free ideas and scientific discovery, has experienced a revolution in the conduct of research. Partly because of the huge cost involved, a government contract becomes virtually a substitute for intellectual curiosity."

Paul Brown, Leader of the Defense Arms Control Office at the Livermore National Laboratories, described the checks and balances obtained by the locating a national weapons laboratory, in a university setting. A scientist now teaching in the area of public policy. Dr. George Rathjens of MIT, deplored the fact that we have become so accustomed to living with a permanent military presence that with the end of the Cold War, we face difficulty in making a dramatic change in priorities. He also commented, in regard to SDI, that the Scientific Advisory Committee, which provided independent advice to Eisenhower, no longer operates effectively. Major changes in the scientific climate—the cost of doing science, diversity in government agencies, the importance of peer review, and internationalization of research—were cited by James Turner, counsel for the Congressional Subcommittee on Science, Research and Technology as creating healthy conditions for research.

Eisenhower's warning that we are neglecting future generations by using up the na-

tion's resources was echoed by a third set of panelists:

"As we peer into society's future, we—you and I, and our government—must avoid the impulse to live only for today, plundering for our own ease and convenience the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without risking the loss also of their political and spiritual heritage."

Patrick Noonan of the Conservation Fund praised Eisenhower's contributions to the National Parks, Lakes, and Seashore Systems, as well as his role as creator of the Outdoor Recreation Resources Review Commission (ORRRRC). Recombinant gene technology used by his corporation to create non-toxic pesticides that won't pollute groundwater were described by John Davies, Chairman and CEO of Ecogen. Environmentalist Amory Lovins listed numerous ways in which energy can be conserved using available technologies such as compact fluorescent lights and vehicles with reduced fuel consumption; he pointed out that these money and energy-saving measures will be ignored by the corporate sector unless the latter are forced by legislation to become environmentally responsible.

The final panel focused on disarmament and negotiation as tools of public policy, issues which grew out of Eisenhower's concern for the effects of the Cold War:

"Disarmament, with mutual honor and confidence, is a continuing imperative. Together we must learn how to compose differences, not with arms but with intellect and decent purpose."

William Colby, former CIA Director, described our failures to achieve a comprehensive test ban treaty in 1963 which strongly affected the nuclear arms race and led to "obscene" numbers of nuclear weapons on both sides. We and our Western allies have spent about $800 billion per year for defense systems. Gorbachev was largely responsible for bringing the Cold War to an end by acknowledging that such weapons we cannot use. Our role now is to help the East bloc countries develop their economics and their political system so that there is no need to retain these weapons.

Janne Nolan, Senior Fellow at the Brookings Institution insisted that there are still powerful internal constraints which make disarmament difficult. One is the fact that politicians pay too little attention to the military planning responsibility that is rightfully theirs; they tend to get sidetracked by the technological debate.

Leonard Spector of the Carnegie Endowment for International Peace cited Eisenhower's "Atoms for Peace" effort which initiated arms control as early as the 1950's and redistributed nuclear material for disarmament. He went on to recommend that for effective disarmament, nuclear weapons material must be removed from national stockpiles and be placed under the supervision of the International Nuclear Regulatory Agency.

The panelists criss-crossed the political spectrum as they spoke eloquently of problems facing our nation today. Most agreed that although the world has changed since 1961, the same internal dangers confront us, some more intensely that Eisenhower could foresee. Ike called for an "alert and knowledgeable citizenry" who would monitor our liberties and democratic process. The Public Symposium at Gettysburg College demonstrated that at least a few people are still paying attention.

IT'S A SAD DAY

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to pay honor to a man who has dedicated his life to the positive development of young people, Mr. David Carrasco. As was written in the El Paso Times on October 17, "By the untimely death of David Carrasco, we all are diminished."

Mr. Carrasco, among many other things, has been the one and only director of the El Paso Job Corps Center since being appointed to that position in 1970. His leadership established the El Paso Job Corps Center and subsequently it was designated as the country's best—for the past 13 straight years. In profiling David in 1988, Time magazine credited him with teaching discipline and values to children, most of which were high school dropouts and/or in trouble with the law: "When nothing else works, the intimidating presence of the 220-pound Carrasco, a champion boxer in his college days, can make a difference." Certainly, thousands of young, disadvantaged El Pasoans have been touched by David over the years and his legacy will be maintained through them.

I ask that the following editorial from the El Paso Times entitled "It's a Sad Day" be printed in the RECORD.

[From the El Paso Times, Oct. 17, 1990]

ITS A SAD DAY

David L. Carrasco, 70, director of the El Paso Job Corps Center for the past 20 years, died Tuesday.

Under his leadership, the center was rated by the U.S. Labor Department as No. 1 among the nation's Job Corps Centers for 13 consecutive years. He took over the El Paso center soon after it opened in 1970 and has had a strong hand in turning around the lives of more than 10,000 young people, most of whom came from the El Paso area.

That is his legacy.

Carrasco's success is greatly multiplied by the fact that the very record of the El Paso Job Corps Center was the defense that turned back repeated efforts to kill the whole Job Corps program years ago. How many young people nationwide got a second chance in life because of that, we'll never know.

The El Paso native and UTEP graduate has a long list of achievements and service, including athletic director at American University in Washington, U.S. Basketball Coach of the Year in 1958, three years with the Peace Corps and two years as Olympic attache in Mexico City for the U.S. State Department.

By the untimely death of David Carrasco, we all are diminished.

IN RECOGNITION OF THE UKRAINIAN-AMERICAN SITCH AND ZINOCHA HROMADA OF BUFFALO, NY

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. NOWAK. Mr. Speaker, I would like to take this opportunity to bring to my colleagues' attention the Ukrainian-American Sitch, Inc., located in Buffalo, NY, which has been in existence for more than 75 years.

On September 14, 1914, several Americans of Ukrainian decent met at a local church to form the Ukrainian-American Sitch. It was created to preserve the memory of the gallant defenders of the freedom of the Ukraine, from which they all came. In 1923, local Ukrainian women established the Zinocha Hromada to assist in the care for and perpetuation of the Sitch.

Over the years the members of the Sitch have been very active in the community; for example aiding Red Cross efforts to assist Americans fighting in World War II and warmly welcoming Ukrainian immigrants who made their way here after the war.

A more complete history of the Sitch is enclosed. I would especially like to thank Mr. Michael Flak, chairman of the Ukrainian-American Sitch, for bringing this to my attention.

THE HISTORY OF THE UKRAINIAN-AMERICAN SITCH, INC., AND THE ZINOCHA HROMADA, BUFFALO, NY

Over 75 years ago, a small handful of energetic and farsighted Ukrainian immigrants, realizing the need for organizational life, for a means of enlightenment in a new land with its different languages, customs and ways of life, and for a means of preserving the precious culture of their homeland, met on September 14, 1914 at the St. Nicholas Ukrainian Catholic Church Hall on Central Avenue in Buffalo, New York to form the Ukrainian-American Sitch.

The Sitch in Ukraine was a scout organization which was military in character. The units of the Sitch received military training and were organized into military formations—The Sitchovi Striltsi. During World War I, they fought for the independence of Ukraine as volunteer units of the Ukrainian Army.

Here in America, the Sitch exists as a memorial organization dedicated to the preservation of the memory of the gallant defenders of the freedom of Ukraine.

In autumn of 1917 property was purchased on 29 Clemo Street and the present Home was built by spring of 1918.

Among the officers of the Sitch who faithfully fulfilled their duties through the years were: Elias Bula, Stephen Decyk, Daniel Shurgut, Nicholas Soroka, Elias Kinal, Michael Kohut, John Pasternak, Michael Yawdyk, Paul Wolodka and Joseph Shpirak.

A "Home" is not truly a home unless it has a "Hospodynya"—a Lady of the House. In 1923 the organizational life at the Sitch Home became complete when the ladies organized the Zinocha Hromada. This group of ladies, organized to help the Sitch, was destined to play an important role in the years ahead, foremost of which was its money-raising efforts during many crucial

years to rescue the Sitch Home from being foreclosed.

Some of the original and dedicated members and officers of Zinocha Hromada were Maria Melisz, president for over 40 years, Rose Soroka, secretary, Katherine Pasternak, treasurer and Tekla Kalyna in various offices.

During the depression years, the Sitch found itself in dire financial straits; whereupon, Joseph Shpirak, Financial secretary made an appeal that everyone who could possible do so, donate $25.00 to get the Sitch back on its feet. Through the diligent efforts of the Zinocha Hromada and many loyal members of our organizations, the Sitch Home was saved and in 1934 these efforts culminated in the celebration of the burning of the mortgage.

The Zinocha Hromada made its contributions to the War effort during World War II when it joined with St. Nicholas Ukrainian Catholic Church and other organizations to work for the Red Cross on various projects such as knitting, sewing clothing, donating blood, sending packages to the men in service, welcoming returned veterans with flowers and a welcome home party. A total of 129 ladies formed our local unit of the Red Cross.

In 1946, the Sitch readily welcomed the veterans by making "Their Home" a home for the Post. The Zinocha Hromada made its contribution to the Post by purchasing an American Flag for the organization.

In 1949, the Sitch and Zinocha Hromada welcomed the newly-arrived Post-World War II Ukrainian immigrants (the Displaced Persons of World War II) by holding a Mass Reception for them at the Sitch Home.

Membership is the life-blood of an organization and as the founders departed to their final resting place, the first and second generation accepted the reins to continue their fore-fathers aims.

During the "Building Fund Years" when all organizations housed at 29 Clemo Street co-operatively worked to raise funds and plan expansion of the premises, the Sitch and Zinocha Hromada made very generous contributions in money and effort to help complete the expansion program.

To modernize and provide comfort for patrons participating in various activities at the Sitch Home, the Zinocha Hromada financed the installation of ceiling fans in the club rooms and has continued to support various charitable and humanitarian causes.

As for the future, the Sitch and Zinocha Hromada have performed their task well over the years. They have managed to preserve a little haven of refuge from the fast-moving pace of everyday life. They have passed on to the American-born Ukrainian generation a foundation of which to build an even better organization.

It is significant that the forces of the Sitch and Zinocha Hromada, (HAUVA) Hriczko American Ukrainian Veterans Association (Corporation) and those of the Joseph Hriczko VFW Post 6245 and Joseph Hriczko Ladies Auxiliary, Post No. 23 Wolodymyr Holynskyj Ukrainian American Veterans who co-operatively share the "Home" on 29 Clemo Street have been amalgamated, dedicated to the memory of those who gave their lives for the ideals of democracy against a common enemy.

Today, we have a living memorial, a community center, dedicated to the memory of the Defenders of Democracy, through the joint efforts of the occupants of this center: The Ukrainian American Sitch, The Zinocha Hromada, (HAUVA) The Hriczko American-Ukrainian Veterans Association (The Corporation), The Joseph Kriczko VFW Post 6245, Joseph Hriczko Ladies Auxiliary and the Post No. 23 Wolodymyr Holynskyj Ukrainian-American Veterans.

ELWOOD COMMUNITY HIGH SCHOOL

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday October 19, 1990

Mr. BURTON of Indiana. Mr. Speaker, the majority of the American people want the budget problem solved, and they want it solved now. I believe that the people want this problem solved in such a way that they won't have to pay a great deal of additional taxes. I believe that they want to see a solution that focuses on spending cuts instead of tax increases on an already overburdened populace.

Mr. Speaker, I have here a letter from the students of Elwood Community High School that demonstrates the concern that the people of the Sixth District of Indiana have about this problem. I think the students of Elwood High School express very well not only the sentiments of the people of the 6th district, but the sentiments of all Americans. These students and their teachers should be commended.

I include the text of this letter to be printed at this point in the Record.

ELWOOD COMMUNITY HIGH SCHOOL,
Elwood, IN, October 18, 1990.

DEAR CONGRESSMAN BURTON: We are members of Mr. Bomholt's economic class at Elwood Community High School. With the help and guidance of Junior Achievement we have formed a student company known as Three B Enterprises. Along with learning how to start and operate a business, our class has also been studying the national government debt and deficit problems.

While the President and the Congress continue to procrastinate and play politics, we would like to express our concern about the tough choices that have to be made in this matter. We must get deficit spending and the debt under control!

Three B Enterprises would like to take this opportunity to illustrate just how concerned we are about all of this. This student operated company would like to take a portion of our after tax profits and make a contribution to the United States Treasury toward the reduction of our national debt. Although this donation is a small token, it represents a very large concern. We hope this action will help to encourage the President and Congress to put politics aside and do what is necessary to put a plan into action to reduce the deficit.

Sincrely yours,

THREE B ENTERPRISES,
MICHELE STONE, *President.*

CLEANUP OF DEFENSE NUCLEAR WASTE

HON. SID MORRISON

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. MORRISON of Washington. Mr. Speaker, today I am happy to join my colleagues in introducing legislation to speed up the cleanup of defense nuclear waste at Federal sites. This legislation would allow the private sector to participate in construction and operational activities at these sites when it is cost effective and environmentally safe to do so. I applaud the efforts of the folks at the Department of Energy to begin cleanup activities. I think my approach in this legislation will eventually save money for the Department of Energy and the taxpayer.

The following is a section-by-section summary of the bill:

SECTION-BY-SECTION SUMMARY

(A) FINDINGS

The cleanup of defense nuclear waste should proceed expeditiously. The private sector should be allowed to participate in the cleanup and modernization process in order to provide more cost effective options for construction and operational activities.

(B) AUTHORIZATION

Authorizes the Secretary to enter into agreements with private contractors for the design, construction, ownership and operation of certain types of defense waste and modernization facilities on Federal sites within the Secretary's jurisdiction.

(C) AGREEMENTS

These agreements may last for up to 30 years with options for two 10-year extensions.

Among other things, the agreement will require that the private contractor comply with relevant environmental, health and safety statutes and that the contractor comply with existing labor agreements.

Under the agreements the Secretary would be responsible for the unamortized balance of any special facilities acquired or constructed by the private contractor should the Secretary terminate the project.

(D) JUSTIFICATIONS AND ANALYSIS

Provides for a 21 day Congressional consultation period regarding the justification of need and the cost effectiveness of any private sector agreement proposed for the facility.

(E) APPROPRIATIONS LIMITATIONS

Makes it an obligation of the United States to make payments under the agreement subject to the availability of appropriation except for termination payments under subsection (c).

(F) DURATION OF AUTHORITY

The Secretary's authority to enter into agreements expires September 30, 1994.

(G) REPORT

The Secretary shall report to Congress by February 1, 1994, on the benefits of the agreement and any recommendations on extending the authority.

CONGRESSIONAL SALUTE TO PHIL BODNER, ANTHONY DAVIS, ISADORE FREEMAN, STEVE GAYNOR, SYBIL LYNCH, BUCKY PIZZARELLI, NICKY RODRIGUEZ, BERNIE WAYNE AND JERRY ZAKS, IN RECOGNITION OF THEIR OUTSTANDING CAREERS AS PERFORMING ARTISTS AND THE HONOR AND PRIDE THEY BRING TO THE CITY OF PATERSON

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. ROE. Mr. Speaker, on Saturday, October 27, residents of the Eighth Congressional District, and the State of New Jersey, as well as former residents of Paterson, NJ, who now live throughout this country, will join together at the fourth annual reunion of the Paterson Alumni Association to pay tribute to nine Patersonians, who have had outstanding careers as performing artists, and whose lives bring honor and pride to the city of Paterson.

Mr. Speaker, I know that you and our colleagues will want to join with me in extending our warmest greetings and felicitations to Phil Bodner, Anthony Davis, Isadore Freeman, Steve Gaynor, Sybil Lynch, Bucky Pizzarelli, Nicky Rodriguez, Bernie Wayne, and Jerry Zaks; and on this most joyous occasion join with their friends and families as they honor their achievements and their contributions to the city of Paterson.

Mr. Speaker, it must be known that Paterson is a remarkable city with a very rich history, including hundreds of residents who have had outstanding careers in business, science, literature, politics, and arts and have brought honor and pride to this city. The nine Patersonians named above clearly are part of that wonderful tradition and history.

Mr. Speaker, it should also be noted that the nine honorees are in fact a reflection of the melting pot which Paterson has been since its beginning, and continues to be for immigrants from many lands, for these honorees come from black, Hispanic, Jewish, and Italian families, which emigrated to this city to seek their fortunes. And all of the honorees share warm, close feelings about this hometown which helped to nurture them and develop their careers.

Phil Bodner has had an outstanding career as a jazz musician, arranger, and composer, playing five woodwind instruments—clarinet, oboe, flute, alto, and tenor saxophone, with many of the country's major bands and orchestras.

Anthony Davis is a highly acclaimed avant-garde jazz pianist and composer who has written three successful operas and is currently a visiting professor at the Yale School of Music.

Steve Gaynor has been a singer, dancer, comedian, master of ceremonies, and one-man show, in almost every major bistro in the country and has starred on stage, TV, and radio.

Isadore Freeman has impacted on the cultural life of New Jersey as a piano soloist, teacher, accompanist and chamber member, as producer of hundreds of concerts, and secretary and president of the Paterson Musicians Union.

Sybil Lynch is a rising rhythm and blues pop singer, internationally known as Sybil, who has made three recordings and has performed at night clubs and concerts throughout the world.

Bucky Pizarelli, considered by critics a "musician's musician," plays a seven string electric guitar. He's recorded with many major bands, played with many TV orchestras, authored two guitar books, and is now on the faculty of William Paterson College.

Nicholas Rodriguez received his early training at Paterson's Inner City Ensemble, then graduated from Juilliard, and is now an acclaimed modern dancer and choreographer, and director of Dance Compass, a leading modern dance group.

Bernie Wayne, composer of "There She is Miss America," and many other hit songs, is the winner of 11 gold records, has been a pianist, composer, conductor, and producer of shows, has written sound tracks for many movies and TV shows, and has been a vocal coach to many stars.

Jerry Zaks, an actor and director, is considered one of the country's leading theatrical comedy directors, with two Tons, two Obies, three Drama desk awards, two outer critics awards and two Tony nominations for director of plays on and off Broadway.

Mr. Speaker, I wish to acknowledge that these nine Patersonians have truly been role models for the youth of our city. In one of the most competitive fields in our economy, and despite, for many, the severe constraints of poverty, they have utilized their inherent talents to become outstanding successes. Their life stories will be placed on exhibit in the Paterson Museum where they can act as incentives for other talented Paterson youth.

Mr. Speaker, I want to point out that the foundation which is honoring these nine Patersonians, the Paterson Alumni Association, is very likely a unique organization in the United States. It was founded by a group of childhood friends who shared the feeling that they wanted to give something back to the city which had contributed to their own development and success. And over the past 4 years, they have awarded 62 grants totaling $234,385 to 35 Paterson community organizations for programs which seek to improve the quality of life in this city.

Mr. Speaker, it is a privilege and an honor to seek this national recognition of these nine outstanding Paterson performing artists. I ask my colleagues here in the Congress to join with me in expressing our most sincere appreciation to these people for their remarkable achievements and the pride and honor they bring to Paterson, NJ.

INTRODUCTION OF THE OUTER CONTINENTAL SHELF REVENUE SHARING ACT OF 1990

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. FIELDS. Mr. Speaker, I am pleased to introduce today the Outer Continental Shelf Revenue Sharing Act of 1990.

As the ranking minority member of the Outer Continental Shelf Subcommittee for the past 6 years, I have thoroughly reviewed every aspect of our Federal OCS Program. There is no question that our Federal offshore lands can be explored and developed in an environmentally sound manner.

In fact, the Federal OCS has an outstanding environmental safety record. It is our Nation's safest energy extraction program.

In the past 15 years, nearly 5 billion barrels of oil have been produced from the Outer Continental Shelf. Yet, less than 900 barrels have been spilled. In contrast, natural seepage along the California coast amounts to 18,000 to 277,000 barrels of oil each year, according to the California State Lands Commission.

To date, more than 37,500 wells have been drilled in Federal and State waters. There has never been a blowout or major oilspill from any exploratory oil well drilled in U.S. waters.

Out of the 60 largest oilspills that have occurred in the waters of this Nation, only one was the result of OCS oil and gas activity. The remaining 59 spills were mainly caused by tankers, the majority of which were carrying imported crude oil.

While I am an enthusiastic supporter of Federal offshore energy development, there is one aspect of the program which needs improvement; and that is the focus of this legislation. I believe the Federal Government should compensate those communities which are directly affected by OCS development off their shores. While those impacted by onshore energy development receive substantial funding under the Mineral Leasing Act, unfortunately, for those Federal leases more than 6 miles offshore, our coastal States receive nothing from the Federal Government.

Mr. Speaker, this is a policy that must be changed. Instead of making our local communities bear the impact of offshore development alone, the OCS Program can be improved and future leasing can be encouraged by forming a partership with our States.

I am pleased that President Bush shares my views on the need for an OCS revenue sharing program, and I am grateful that this idea was included within his OCS policy statement of June 26, 1990. In fact, in that announcement the President said his administration would "prepare a legislative initiative that will provide coastal communities directly affected by OCS development with a greater share of the financial benefits of new development and with a larger voice in decisionmaking."

Mr. Speaker, I look forward to working with the administration in this effort and am hopeful that an OCS revenue sharing program can be established early next year.

Under the terms of my legislation, each coastal State would receive funding based on a formula which incorporates five major criteria. These criteria are:

First, the amount of actual leasing carried out under the OCS Lands Act which occurs within 250 miles of a State coastline;

Second, the volume of oil and gas produced from the OCS which is first landed in each coastal State;

Third, any proposed oil and gas lease sales which are scheduled to occur within the OCS planning area adjacent to a coastal State;

Fourth, the coastal-related energy facilities located within each coastal State; and

Fifth, the coastal population of each State.

Mr. Speaker, these funds would be allocated from an account established in the U.S. Treasury which would contain at least $500 million in OCS receipts each year. While the amount of funding a State would receive would vary each year, my legislation defines a coastal State to include those in, or bordering on, the Atlantic Ocean, Pacific Ocean, Arctic Ocean, Gulf of Mexico, Long Island Sound, or one or more of the Great Lakes.

I urge my colleagues to join with me in encouraging the development of an OCS revenue sharing program. It is my firm belief that such a program is long overdue and I offer my legislation as one way to establish a sound, realistic, and fair allocation system.

A TRIBUTE TO ROBERT M. COARD AND CHARLES E. BRAITHWAIT

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. KILDEE. Mr. Speaker, it is with great pleasure that I bring to the attention of my colleagues in the U.S. House of Representatives the accomplishments of Mr. Robert M. Coard and Mr. Charles E. Braithwait in serving the needs of the poor and in addressing the causes of poverty through their involvement in community action.

Mr. Coard has served as president of the Board of the National Community Action Foundation for the past 10 years. The Foundation exists to represent the interests of community action agencies—a nationwide network of agencies established by law to provide a range of services designed to ameliorate poverty, remove obstacles blocking the achievement of self-sufficiency, and promote the social welfare of the low-income populations they serve. Since 1968, Mr. Coard has been the executive director of the Boston Area Community Action Agency, Action for Boston Community Development [ABCD]. ABCD is the one of the most effective organizations for community coordinated planning and development in the Northeastern United States. Under Mr. Coard's skillful direction, ABCD has been extraordinarily effective in uniting Boston's ethnically and racially diverse neighborhoods in the ongoing battle against poverty. He has had uncommon success in forging ties between ABCD and Boston's business community, creating employment and training opportunities with prestigious business organizations. Other achievements attributable to Mr. Coard's determination to win the war on poverty in Boston include: ABCD's Urban College Program; the CLUB—Career and Life United in Boston, a minority male youth development program; expanded day care and Head Start services to reach as many of Boston's low-income children as possible; and a Summer Training and Education Program for low-income teenagers. Prior to becoming its executive director, Mr. Coard served as ABCD's deputy director for planning and developed the agency's decentralized neighborhood area planning action council system.

Mr. Braithwait has served as the treasurer of the Board of the National Community Action Foundation for the past 10 years and since 1966 he has been the executive director of West Central Missouri Rural Development Corp. [West Central], a community action agency in Appleton City, MI. Under the guidance and dedication of Mr. Braithwait, West Central continues to fight the war on poverty initiated with the passage of the Economic Opportunity Act in 1964, and this year celebrates its 25th anniversary of service to the poor. West Central provides essential services in an area that encompasses over 6,000 square miles of rural Missouri. The diversity of this community action agency is apparent in the wide range of programs operated under Mr. Braithwait's experienced hand. Tens of thousands of people have been served through programs such as housing counseling and assistance, job training and placement, Head Start, home services for the elderly, medical screening for the elderly, weatherization, food and fuel assistance, a solar demonstration project, economic development projects, community anticrime efforts, a rural water demonstration program, and an innovative community partnership project. Mr. Braithwait is an entrepreneur in the antipoverty effort. He constantly strives to expand the reach of West Central through bold, innovative, imaginative programs aimed at alleviating the condition of the rural poor.

Mr. Speaker, Charles Braithwait and Robert Coard have distinguished themselves through their commitment and tireless efforts to help the disadvantaged in our great Nation. Their leadership on behalf of the poor was especially impressive during the 1980's when fighting poverty was particularly unfashionable. I trust that they will continue to provide their leadership, guidance and counsel to ensure that we never lose sight of the importance of programs designed to serve our most needy citizens, and I congratulate them on their 10 years of service to the National Community Action Foundation.

HONORING THE LATE SCOTT M. MATHESON, FORMER GOVERNOR OF UTAH

HON. HOWARD C. NIELSON

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. NIELSON of Utah. Mr. Speaker, the State of Utah has lost one of its noble sons and I would like to take this opportunity to pay tribute to him. On Sunday, October 7, 1990, Scott M. Matheson died after a valiant 10-month battle against bone marrow cancer.

The loss to his lovely wife, Norma, and their family, is shared by my wife, Julie, and me, together with our family and my staff members as well. Indeed, the entire State of Utah shares in the burden of having lost this dedicated friend and servant.

Scott Matheson was a man who rose to the highest office in the State from the relative obscurity of a private law practice. The governorship was the first office he had ever sought. And during his eight years in office he proved his value by becoming one of the most popular Governors the State has ever had.

I had the privilege of working with Governor Matheson when I was serving as associate commissioner of higher education in Utah. It was a pleasure to work with him. He was always well prepared to discuss our programs and challenges, and was always careful and considerate in dealing with our budetary requests.

After I was elected to Congress, Scott and I worked closely and well together on Utah Wilderness, the central Utah project, and other matters of great importance to our State. Scott Matheson dealt with all these issues in a forthright manner. Those around him knew him to be a hard-working, dedicated leader who was deeply committed to serving the people of Utah.

To be sure, he was a political man. He was a major factor on the political scene in Utah for nearly a decade. But he also was a man of integrity and never allowed political interests to supersede his deep concern when the interest of Utah was on the line.

Scott's life of service has brought high distinction and credit to himself, his family, his State and his Nation.

COMMENDING THE NAADAC FOR THEIR OUTSTANDING WORK

HON. BILL SARPALIUS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. SARPALIUS. Mr. Speaker, for nearly 20 years, the Congress has passed a high priority on allocating tax dollars to alleviate alcohol and drug problems in our society. During the past two decades, as these problems have multiplied, both in terms of intensity and of the number of people affected, Congress has provided financial and programmatic responses proportionate to the crisis.

Although State and Federal agencies submit annual reports regarding expenditures of Federal funds for alcohol and drug abuse programming, all members may not be aware of significant private sector initiatives that are moving parallel to congressional mandates. One such exemplary program is being inaugurated by the National Association of Alcoholism and Drug Abuse Counselors [NAADAC] whose 12,000 members have been on the front line in alcohol and drug abuse prevention, education, and rehabilitation.

For the first time in the history of the alcoholism and drug abuse counseling field, national professional standards are being operationalized. NAADAC has voluntarily taken on this new and needed task of establishing a national certification program for alcoholism and/or drug abuse counselors.

Beginning November 1, 1990, seasoned practitioners will be able to apply for a designation of distinction—National Certified Addition Counselor. By 1991, we can look for the letters, NCAC, after the names of counselors who hold current State certification, and who have had a minimum of 3 years' experience in providing services in our communities.

NAADAC is to be commended for introducing a national competency based mechanism for assessing alcohol and/or drug counselors. In their wisdom, NAADAC chose to predicate the NCAC credential upon completion of State certification, to work together with certifying bodies within the States.

In addition, NAADAC has assisted Federal efforts to increase the pool and competency of professionals in this field. Just this year, the Office of Substance Abuse Prevention turned to NAADAC for their expertise. Together, OSAP and NAADAC designed and conducted a survey of alcohol and other drug abuse counselor credentialing boards in order to determine current patterns of curriculum design, training, professional standards, and counselor credentialing.

One further aspect of NAADAC's careful planning to assure the highest caliber program was indicated by NAADAC President, Kay Mattingly-Langlois. She pointed out that the NAADAC Certification Commission of 12 members chosen submitted by the States, would "oversee and administer the NCAC following the guidelines of the National Commission for Certifying Agencies" which includes the criterion that certifying bodies be autonomous of professional associations to avoid any conflict of interest.

Mr. Speaker, Members of Congress know well the painstaking and time-consuming process required to build a consensus that respects the individuality of each State. It is along these lines that NAADAC has pressed forward to achieve the goal of establishing national standards for alcohol and drug counselors, and has, thereby, earned our compliments.

ROTARIAN DISTRICT 719 TO HONOR PAUL HARRIS, FOUNDER OF ROTARY INTERNATIONAL

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. SOLOMON. Mr. Speaker, on November 10 the Rotarians of District 719 will gather for their annual Paul Harris Dinner in Saratoga Springs, NY.

Paul Harris is the founder of Rotary International, which, through the Rotary Foundation, has led the way in the promotion of world peace and understanding through its various international charitable and educational programs.

The Foundation has provided approximately 1,000 scholarships for graduate, undergraduate, vocational and journalism scholars, as well as teachers of the handicapped. The Foundation can also point to 320 study group exchange and 150 international humanitarian projects.

Another major program of the Foundation is Polio Plus, which has raised over $230 million all over the world to immunize children against polio.

Mr. Speaker, I am proud to call myself a Rotarian.

I would ask you and other Members to join me as we add our tribute to that of District 719 for Paul Harris, whose pioneering work set in motion the extraordinary work of the Rotary Foundation.

LYNDHURST ELEMENTARY'S RAZIYA MZEE

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. MFUME. Mr. Speaker, I enthusiastically rise today to pay tribute to Lyndhurst Elementary School, located in my congressional district in Baltimore, and one of its very special students, Raziya Mzee.

Mr. Speaker, please know that I truly believe that all of the students, as well as administration and faculty at Lyndhurst Elementary, are special. However, recently, Raziya, who is just 8 years old and in the third grade, caught my attention and won the hearts of all of Baltimore by becoming the reading champ in the Lyndhurst "Book-It" Project. She accomplished this feat by reading no less than 214 books in 1 year. This is more than some adults can boast of doing in a lifetime and deserves the recognition and congratulations of us all.

I commend Mr. Linwood L. Roberts, principal of Lyndhurst Elementary for bringing this challenge to the school and its students. It will, no doubt, have an everlasting impact on their academic progress from this point on.

In 1986, the school adopted the motto "We Build Leaders and Readers." The administration and faculty do not interpret this as just a statement of philosophy, but also as a mission statement. Everything they do is guided by the focus and vision that every student must be able to read and that each student is a leader in his or her own right. With this, they believe will come a sense of collective pride and esprit de corps, as well as, self-worth and confidence to excel to even greater heights.

This Outside Reading Project at Lyndhurst, referred to as the "Book-It" Program began during the 1987-88 school year and has grown to become a major part of the overall school program. Initially students read only if and when they wanted to, with their accomplishments requiring their parents' signature for validation. Now all Lyndhurst students in grades 1-5 are required to read at least two books per month from an approved book list. This reading is documented by way of a written book report and the students are further held accountable for their monthly readings by being graded in this area on the regular quarterly report card.

Raziya Mzee has been reading since kindergarten. I applaud her mother, Mrs. Niafabu Mzee, who continues to energetically support her daughter. Raziya has been an honor student for the past 2 years, excelling in reading, math and language. She has participated in "Book-It" since its inception, becoming a classroom winner in 1988 and then on to primary level reading champ this year.

Originally, the objective of this special project was to motivate students to select reading as one of their leisure time activities. This has clearly caught on like wildfire and continues to rage throughout the school and extends beyond the school year. It has become a contagion among other elementary, middle and high schools in the district, adding credence to the "City That Reads."

I was touched by Raziya's perky, yet shy smile as she posed to have her picture taken for the Baltimore Sun, with "Reading Champ" as the caption, and I was proud for her. I trust she has won also the pride and respect of her family and peers.

Mr. Speaker, in these uncertain times, with a shaky economy and global unrest, it does my heart good to pause and remember the Raziya Mzees of this Nation. I rise before this body to ask my colleagues to join me in extending kudos to Raziya and Lyndhurst Elementary for a job well done.

WORLD RAIN FOREST WEEK 1990

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Ms. PELOSI. Mr. Speaker, this week is World Rain Forest Week 1990. In my community of San Francisco, hundreds will participate in this event. Their participation in World Rain Forest Week sends the important message that San Francisco cares about the future of our planet and that our community will work to insure that future generations are not robbed of their natural inheritance.

Rain forests are the lungs of the Earth. Deforestation—from the redwood forests to the Indonesian islands—is accelerating the world's environmental decline. Every year over 25 million acres of tropical forests and woodlands are destroyed. More than half are cleared for agricultural uses; the majority plundered from tropical rain forests.

The primary commercial forest product is wood, with 80 percent converted to wood products such as lumber and paper. America's forests are being denuded at an alarming rate—87 percent have already vanished. Human nature is destroying nature.

In Congress, several important and controversial issues are being debated: preservation of old growth timber, protection of the spotted owl, below-market timber sales, log exports to Japan, and defense of the Tongass Forest in Alaska.

In the closing days of the 101st Congress, many of these issues will be resolved; some will require further action, such as the spotted

owl controversy. None of these issues have immediate solutions—they all require our continued vigilance.

Vast tracts of forest wilderness cannot be wantonly destroyed and then sold at below-market prices. Indigenous and endangered species must be protected. A national paper recycling policy must be in place.

It is time for a serious response to the connected problems of global warming, tropical deforestation, and resource depletion. Our response must be as imaginative as the problem is complex; it must be as thorough as the problem is all-encompassing.

We must encourage the World Bank and other multilateral development banks to get serious about the environment. To address this problem, I authored legislation, which is now public law, to require disclosure of environmental assessment information on bank projects before the United States could support development loans. In response, the World Bank and the Inter-American Development Bank have developed environmental assessment procedures. The legislation requires that these procedures be in place by 1991 or the United States will not be able to support project loans.

The Sierra Club, in a letter to all Members of Congress, stated: "This bill contains the most important international environmental provision on which you will be called upon to vote this year."

Mr. Speaker, many of us took part in a memorial service for Chico Mendes on the steps of the U.S. Capitol. We must all remember Chico Mendes—an extraordinary individual who fought for a cause in his forest that affected the entire planet. Chico Mendes understood, in the truest sense, that man did not create the web of life, but is a strand in the web of life, and that each strand affects the whole web.

A TRIBUTE TO MR. GEORGE KONDO

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. MATSUI. Mr. Speaker, I rise today to pay tribute to an outstanding leader in northern California who is retiring. Tonight, the Japanese-American Citizens League [JACL] is recognizing George Kondo for his many years of dedication and service to the Japanese-American community. It is indeed an honor to speak to you and my colleagues on his behalf.

As regional director of the Northern California-Western Nevada Pacific District Council of the JACL for the past 15 years, Mr. Kondo has worked to ensure the civil rights of all Americans. The compassion and energy with which he has worked to end injustice not only is reflected in his many accomplishments, but has been an inspiration to myself and others who share his hope for an end to the inequalities that still exist in America today.

Mr. Speaker, Mr. George Kondo has served as an exemplary role model and I commend his many achievements. I ask that my colleagues join me in extending our heartfelt congratulations and best wishes to Mr. Kondo upon his retirement from the JACL.

UNEMPLOYMENT INSURANCE: ANOTHER VICTIM OF THE PRESIDENT'S "ROSY SCENARIO"

HON. PAT WILLIAMS

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. WILLIAMS. Mr. Speaker, I rise today to alert my colleagues of the pending needs for increased administrative funds for the unemployment insurance program for fiscal year 1991. Earlier this year I led a similar fight in the House of Representatives for a fiscal year 1990 supplemental to respond to the increased work load in the unemployment insurance system. Undoubtedly, my colleagues in the fiscal year 1991 Labor-HHS Education appropriations conference committee today will do their best to meet these needs, but any increases will undoubtedly come out of the hide of other programs in this bill.

Economic estimates with a "rosy scenario" tinge countinue to allow this administration to present lower budget requests and have again caused this minute scramble to avoid the shut down of unemployment offices across the country.

In early September, the Office of Management and Budget submitted a budget amendment to add funds to the State operations account to reflect the added workload resulting from revised economic assumptions for fiscal year 1991. With a total unemployment rate (TUR) of 5.6 percent as reflected in the economic assumptions in the midsession review, the State UI operations would require $2.021 billion in funding for fiscal year 1991, an increase of $90.7 million above the President's budget estimate.

In the course of the recent budget negotiations, revised economic assumptions for fiscal year 1991 were developed. These assumptions utilize a TUR for 1991 of 6.1 percent, a full 0.5 percent higher than the earlier estimates. Based on this higher TUR, the increase workload would cause higher administrative costs of $83 million above the pending budget amendment, for a total of $174 million above the appropriations bill pending in conference today.

I can see it now, just as the unemployment rate is increasing this administration will be faced with shutting down unemployment offices across the country because a continued practice of underestimating the projected growth in the unemployment rate in order to permit their lower budget requests.

Unfortunately, as my appropriations committee colleagues struggle to meet the current need for an additional $174 million they will be undoubtedly faced with a need for a fiscal year 1991 supplemental, not only to meet whatever shortfall occurs in meeting the $174 million, but also to meet the demands from the December estimates. What a Christmas present that will be.

HONORING DR. ROBERT GURNEE

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. TORRES. Mr. Speaker, I rise today to recognize a very dynamic individual who has made significant contributions to our educational system, Dr. Robert Gurnee. Dr. Gurnee was honored by the board of education of the Hacienda La Puente Unified School District when the La Puente High School Theater was named after him. This historic event took place on October 12, 1990. The theater is now known as the Robert Gurnee Theater.

Dr. Gurnee served the Hacienda La Puente Unified School District for 24 years before retiring in 1979. Over those years, he directed a minimum of 30 shows at the La Puente High School. Even after his retirement, Dr. Gurnee taught adult education courses at Mount San Antonio College for 9 years.

Some of Dr. Gurnee's plays included: "Oklahoma," "My Fair Lady," "Belles Are Ringing," "Damn Yankees," "Kiss Me, Kate," "How to Succeed in Business Without Really Trying," "Hello, Dolly!" "Amahl and the Night Visitors," and the famous "Camelot." In addition, Dr. Gurnee has dedicated hundreds of hours to theatrical excellence. Many of his students have gone on to become professional actors.

Dr. Gurnee has been honored for his dedication to theater, and more importantly, his students. I stand with the members of the Hacienda La Puente Unified School District and the community fo the Greater La Puente Valley in saluting Dr. Gurnee for his outstanding contributions to his students. Mr. Speaker, I ask my colleagues to join me in this salute to a fine individual.

PASSING THE TORCH: A TRIBUTE TO THE JOHN F. KENNEDY HIGH SCHOOL, WATERBURY, CT. ON ITS 25TH ANNIVERSARY

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. MORRISON of Connecticut. Mr. Speaker, I rise before the House today to ask my colleagues to recall with me an event in our country's history 30 years ago. On that day, there was a speech given in Waterbury, CT that has become a legend and a symbol in American politics. A crowd of tens of thousands of Connecticut Yankees, working and middle-class people, waited for hours in the bitter cold of night for an appearance by a tired young Senator waging a political campaign that changed our history. When John F. Kennedy made it to Waterbury in the darkest hours before the dawn that November morning, not a person in the crowd seemed to mind that it was quarter to 3. The message

which JFK had for America was too exciting, and too important.

The 1960 election was the closest in American history. It was in doubt to the very end. Yet for all of the polls and the analysis, maybe the best sign of where the country wanted to go was to be found in that crowd in Waterbury. There is no doubt why the people of Connecticut believe that it was there in Waterbury, in the early morning of November 6, 1960, that "the torch was passed to a new generation, born in this century, tested in war, tempered by a hard and bitter peace", to quote from Kennedy's inaugural address.

The Kennedy Presidency was cut short, tragically. There was no time to fulfill all the bright promises of 1960 before that fateful trip to Dallas. No one then could have foreseen the troubles that the coming decades would bring: Vietnam, Watergate, the oil embargoes, our crippling national debt.

But consider how those Kennedy promises fared over the years, even after JFK's assassination: men on the moon by 1970; civil rights; economic growth.

And somehow, as the Berlin Wall fell in 1989 and the Iron Curtain came down all across Europe, there was an echo of John Kennedy's toughness at Checkpoint Charlie and the determination in his ringing words of 1961: "If there is anyone who doubts our resolve, let them come to Berlin."

If there is anyone who doubts the triumph made possible by the election of 1960, let them look at Berlin now.

Let them read the words of John Kennedy's speech at Waterbury: "I want to see us build here in this country a strong and vital and progressive society that will serve as an inspiration to all those people who desire to follow the road that we have followed."

The John F. Kennedy High School was named for our fallen President in 1965. There could be no more fitting memorial for President Kennedy than the truly eternal flame of young people, discipline, and scholarship. That is what the New Frontier was all about—the promise of the future—and that vision is how John F. Kennedy inspired a whole generation of us to public service.

In 1960, when JFK was inspiring the crowds in Waterbury and across the Nation, I was at the impressionable age of 16. I was very much like the students of John F. Kennedy High School who I will be meeting this Thursday at the rededication of their school. It is testament to the power of JFK's life and the enduring truth of his message that his memory is as inspiring to them as his leadership was to my generation. His is a memory that will continue to be passed from one generation of Americans to the next.

Each day, students at Kennedy High School learn that the problems of 1960 are not so different from the problems of 1990, and they will learn the same lessons in the year 2000, and beyond. In the end, what Kennedy said before dawn at Waterbury in 1960 will still be true; "[i]f we don't provide an example of what freedom can do * * * then we will have betrayed not only ourselves and our destiny, but all those who desire to be free and are not free."

Kennedy closed his Waterbury speech by quoting Abraham Lincoln. So today, to commemorate the 25th anniversary of the Waterbury high school that bears his name, let us recall something that Lincoln urged: "to take from sacrifice a high resolve and renewed purpose." In that spirit, John F. Kennedy High School can truly rededicate itself to excellence.

TRIBUTE TO GERALD MARKS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. BONIOR. Mr. Speaker, today I wish to join thousands of members of the American Society of Composers, Authors, and Publishers [ASCAP] and music lovers throughout the world in paying tribute to the talent and genius of composer Gerald Marks. He has just celebrated his 90th birthday, and his music peers are honoring him in a gala event on October 22 at the Savoy in New York City.

Gerald Marks was born in Saginaw, MI on October 13, 1900. His love of music inspired him to compose songs and even to teach himself to read and write music at a very early age. At the age of 14 he sent his first manuscript, handwritten on wrapping paper, informing the famous Mr. Berlin that the young composer "was loaded with talent and we could make a lot money together."

Although he only received a form letter in reply, Gerald Marks persisted. He went on to write one of the best loved songs in American music, "All of Me," most recently recorded by Willie Nelson. He also composed "Is It True What They Say About Dixie?", a series of safety songs for children and numerous other popular songs, instrumentals, and scores to delight audiences around the globe.

Aside from being a gifted, hard working songwriter throughout his life, Gerald Marks devotes a major part of his time to helping young composers and others involved with the arts learn about the "backstage of the business."

Sponsored by ASCAP, he brings his message of originality, simplicity, and persistence to encourage young songwriters at college and university campuses all around the country in the pursuit of creative success. He says, "There are over one million songwriters in the United States and songwriting has become a national pastime." Indeed, songwriting has reached an unprecedented popularity in our country, and the dedication of Mr. Marks to promoting new talent has made a major contribution to that success.

I am honored to join with composers and music lovers everywhere in paying a very special tribute to Gerald Marks, a brilliant musical talent and a continuing source of joy and inspiration to all of his friends and admirers.

INTRODUCTION OF THE FAMILY EDUCATION LEAVE ACT

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. SIKORSKI. Mr. Speaker, it's not easy being a kid today. Too many of America's children are victims of neglect or malnutrition or drugs. Kids need parental encouragement, advice, and support. But its getting harder for parents to fulfill that role.

"Happy Days' " Richie Cunningham is probably married with kids by now. And there's both a 50–50 chance that he's divorced and a 50–50 chance if he's not that his wife works outside the home. Richie Cunningham's kids probably don't have mom waiting at home for them after school to push cookies, milk, and home work. Dad may only get the kids on the weekends, and may never participate in an after school activity.

It's not "happy days"—it's the 1990's, where over 81 percent of single mothers work fulltime to support their children, women make up almost half of the labor force, and a majority of them are mothers. Between 1950 and 1988 the number of divorces increased by at least 150 percent. Richie Cunningham's two-parent household with one parent home full time to take care of the children is now the exception. Only 25 percent of American families have one-parent at home full time.

Most American parents work to financially support their kids—and they're working harder just to keep above water. Nonfinancial parental support and involvement do, however, make a big difference in a child's life—at the school play, or watching baseball practice, and most of all when they're working with teachers. Kids try harder when they know their parents care.

Today I am introducing the Family Education Leave Act, which will help just a little to make it easier to be a parent, or a kid, or an American business that understands its future is tied to an educated work force and strong American families. It refocuses the 1990 American family on education by providing parents with 8 hours of paid leave per school year to participate in a school activity of their children. Only employees with a minimum of one year's employment would be eligible for the leave, and they would be required to give employers 2 weeks notice of their intent to take a parent day leave. Employers will receive a 10-percent tax credit to help defer the very small cost.

I understand that businesses don't take mandates lightly. In fact, they don't like to take them at all. However, the ultimate result of this proposal is a better educated work force and stronger families, which benefit employers and America directly. The short-term inconvenience will result in long-term benefits for everyone. The Committee for Economic Development, a group of 225 corporate executive officers and university presidents, has stated the need for investing in children in its report, "Children in Need: Investment strategies for the Economically Disadvantaged":

This nation cannot continue to compete and prosper in the global arena when more than one-fifth of our children live in poverty and a third grow up in ignorance. And if the nation cannot compete, it cannot lead. If we continue to squander the talents of millions of our children America will become a nation of limited human potential. It would be tragic if we allow this to happen. America must become a land of opportunity—for every child.

Failure to adjust to today's realities and prepare for future challenges jeopardizes the development of America's children, the integrity of our families and the productivity of our workforce. The longer America waits to help develop our children's minds and bodies and souls, the greater the risk America takes at failing a generation of young Richie Cunninghams. Enough studies have been completed, more than enough statistics have been compiled—it's time to bring back real happy days for America's kids.

TRIBUTE TO BERKS COUNTY SENIOR CITIZEN'S CENTER

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. YATRON. Mr. Speaker, I rise today to pay tribute to the Berks County Senior Citizen's Council of Reading, PA. This year, the council celebrates its 25th anniversary, and I would just like to take a moment to point out the outstanding service this organization has provided to the senior citizens of Berks County.

The Berks County Senior Citizen's Council represents 80 affiliated senior citizens clubs with over 14,000 members. For the past 25 years the council has been providing the senior citizens of Berks County with educational classes, recreational programs, and social activities. Also, the council serves 100 meals on wheels, and 75 congregate meals each day to seniors. I believe my colleagues will agree that the Berks County Senior Citizen's Council deserves our commendation on the floor of the House as it celebrates 25 years of extraordinary service. I would also like to extend my warmest wishes to each and every individual who has helped the council pursue its goal of dedication and assistance to the senior citizens of Berks County.

CHAPEL HILL GROUP LEADS FIGHT AGAINST ILLITERACY

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. PRICE. Mr. Speaker, I rise today to salute an organization called SCALE, Student Coalition for Action in Literacy Education.

Started in 1988 by two University of North Carolina at Chapel Hill students, Lisa Madry and Clay Thorp, SCALE involves college students from across the country in programs and projects to combat illiteracy. These activities include publishing a newsletter profiling existing literacy efforts, training new volunteers, assisting colleges with program development, and coordinating a nationwide literacy awareness day. These efforts have led to a sharing of information nationwide which encourages more college students to get involved in the fight against illiteracy.

President Bush recently cited SCALE as his 270th "Daily Point of Light." This is well deserved recognition for an innovative and effective organization.

I want to personally salute Mr. Thorp and Ms. Madry for their efforts. They and other participants in this program have chosen to tackle a problem which is of the highest priority for this country. It is efforts like theirs which give me hope that one day we can truly have a society where all our citizens can read and write.

A TRIBUTE TO ST. ANN'S SOCIETY OF STS. CYRIL AND METHODIUS ROMAN CATHOLIC CHURCH ON ITS 50TH ANNIVERSARY

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. SOLARZ. Mr. Speaker, I take pleasure in rising today to pay tribute to St. Ann's Society of Sts. Cyril and Methodius Roman Catholic Church in Greenpoint, Brooklyn, on the magnificent occasion of its 50th anniversary celebration.

St. Ann's Society's devotion to charitable causes and works of mercy has become legendary in Greenpoint. Founded in 1940, the original members, Ann Wisniewski, Jean Gregorek, Genevieve Bogdanowicz, Pearl Kaciczak, and Mae Gdynia, initially tended to the needy of their parish.

When World War II broke out, the rapidly growing membership came to our country's assistance by preparing bandages for the Red Cross. This tradition of assistance to those in need continued over the years at St. Ann's members sent socks to Vietnam, contributed to the renovation of the Statue of Liberty and provided essential support for many other organizations.

Today, St. Ann's Society continues to respond to the needs of the Greenpoint community by raising funds which are used for the parish and its parochial school. St. Ann's Society also sends money to Indian Missions and Maryknoll Missions in Peru, mails christening and infant layettes, and Communion outfits to countries all around the world, and provides support services for the disadvantaged in our community.

I must also recognize the spiritual moderators who have provided their marvelous assistance to St. Ann's Society: Rev. Emil Balutowski, Msgr. Walter J. Galuszka, Rev. Marian A Budny, Rev. Walter Grochowski, Rev. Leon S. Baltrucki, Rev. Francis P. Bien, and the present moderator Rev. Thomas C. Hackalski.

On the occasion of St. Ann's 50th anniversary I would like to note that its membership has truly lived up to their motto of "Nothing is too difficult and the impossible will be done immediately." I would like to wish St. Ann's congratulations and ongoing success as it continues its service of those in distress.

GATT DISCUSSIONS COULD HAVE IMPACT ON U.S. AGRICULTURAL POLICIES

HON. DENNIS E. ECKART

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. ECKART. Mr. Speaker, as we debate the direction of our Nation's agriculture policies, worldwide negotiations continue on the General Agreements on Tariffs and Trade [GATT]. The GATT discussions could have a profound impact on U.S. agricultural policies. The European Community has proposed cutting overall farm supports by 30 percent. Our own President is proposing major cuts to farmers as well. The administration's proposals include a 90-percent cut by all nations in subsidies paid to farmers; reducing all barriers to agricultural imports by 75 percent and slashing agricultural support payments by 75 percent over a 10-year period, which includes dairy, peanuts, cotton, and sugar.

Mr. Speaker, it is fair to say that GATT poses perhaps the single biggest economic threat to dairy farmers. Coordination of U.S. farm policies with a GATT agreement on agriculture would occur in 1991 when legislation may come before the Congress to implement any overall agreement resulting from the Uruguay Round and it could be disastrous.

Agricultural products have been one of the few bright spots in our exports in recent years. As other industries have floundered, often due to unfair practices of our trading partners, our farmers have demonstrated that they are the most efficient agricultural producers in the world. We must avoid, however, placing our dairy farmers at a disadvantage with other countries which consistently undermine fair trade laws.

Mr. Speaker, I will remain vigilant in ensuring that our dairy farmers will be able to compete fairly and aggressively in a fair global economy.

HONORING THE RICHMOND HILL DEVELOPMENT CORPORATION

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. ACKERMAN. Mr. Speaker, I rise today to pay tribute to the Richmond Hill Development Corporation [RHDC] for its outstanding service to the business community in Queens County, NY. On October 19 the RHDC will be holding their 10th annual dinner dance. The special honoree will be David Opont, a 12-year-old young man from Brooklyn who gained national attention last March when he was tortured and burned after refusing to give in to neighborhood drug dealers.

Founded in 1978, the RHDC is a local nonprofit organization funded in part by the State of New York and dedicated to the revitalization and continued growth of the economy of Richmond Hill. The goal of the development corporation is to ascertain and serve the needs of the business community and to attract new investment to the area. These ends are accomplished through hard work in coordination with Federal, State, and local agencies including the New York State Urban Development Corporation, the New York City Office of Business Development, the Queens Overall Economic Development Corporation, Brooklyn Union Gas, Consolidated Edison, and local elected officials.

The RHDC is also a member of the Main Street Network, a Federal program designed to aid in the downtown revitalization of historic areas. The goal is to build a healthy business climate in historic commercial communities such as Richmond Hill.

Mr. Speaker, it is community groups such as the RHDC that keeps our economy vital and growing. I would ask my colleagues in the House of Representatives to join me in paying tribute to the Richmond Hill Development Corporation, its president, Margaret M. Frary, and all of its dedicated workers. We wish them as successful a future as their past has been.

BUDGET

HON. MARCY KAPTUR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Ms. KAPTUR. Mr. Speaker, the budget proposals now pending in the Senate and the House include a tax increase on the commissions made by life insurance companies. The original version of this proposal, known as DAC, alarmed me because of its potential harm to small- and medium-size companies, many of which are located in the midwest and Ohio. I am pleased that both these proposals have been readjusted to soften the blow to small businesses by decreasing the amortization rate from 10 to 5 years for companies with assets less than $500 million.

I am still concerned, however, about individual agents in my area. To the extent that they sell group life which is taxed higher than other types of policies, this tax will hurt them. Whenever an individual agent writes a group policy, the write off of expenses he/she incurs will be decreased. Overall, I feel the individual agent is going to be very vulnerable to this tax because he/she has much less net-worth that can be used to tide him/her over the 5-year period.

I urge the House and Senate conferees to modify the effect of this tax on individual agents.

COMMUNITY EDUCATION IN AMERICA

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. LEHMAN. Mr. Speaker, I would like to take this opportunity to salute community education in America. This year the National Community Education Association is celebrating its 25th anniversary, and we should reflect on the wonderful services provided by community schools. As a former school board chairman I have some firsthand knowledge of these programs and the dedicated staff and volunteers who make community education possible.

It was during the Great Depression that community education as we now know it really got started. With help from wealthy industrialist Charles Stewart Mott, Frank J. Manley, an educator in Flint, MI, started using public schools during nontraditional times. Although the original idea was to give otherwise idle children something to do, the concept was broadened to include recreation and enrichment for adults too. With the assistance of the Charles Stewart Mott Foundation, community education began to spread throughout the country.

As a member of the Education and Labor Committee in the 1970's, I was proud to play a role in the development of Federal legislation which identified community colleges, recreation departments, and nonprofit associations in addition to public school districts as appropriate agencies to develop model community education programs.

A recent report entitled "Community Education Across America," published by the University of Virginia, provides us with concrete evidence of the success of community education. Profiles of exemplary State and local programs are included in this report.

In Florida's Dade County, part of which I am privileged to represent, the school system has a variety of community education programs. The Lorah Park Community School, for example, is the home base for the Brownsville Neighborhood Civic Association. This particular neighborhood suffered greatly during the 1980 riots in Miami, and the association subsequently became a force in the community for rebuilding and stabilization. At Miami Springs Elementary Community School, classes are offered in sign language for the family. Miami Springs also provides science/environmental classes to approximately 400 students and more than 100 community residents. These are just two examples of what community education can do. The beauty of it is that each program is geared to the particular needs and interests of the surrounding community.

Mr. Speaker, I salute community educators throughout the country, and I wish them continued success for many years to come.

MASTER SERGEANT JAN HOFFMAN, AN UNSUNG HERO

HON. SHERWOOD L. BOEHLERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. BOEHLERT. Mr. Speaker, I rise to bring attention to an individual who deserves special recognition, Air Force Master Sergeant Jan Hoffman.

Currently stationed in Ohau, Hawaii, Hoffman's home is originially Walton, NY, a village located in the area I am proud to represent. He has for the last 9 years worked to make life a little better for handicapped individuals.

Hoffman was recently featured in an issue of Airman magazine as one of the many "Unsung Heroes" serving in the U.S. Air Force.

As a president of his base's Pacific Communications Division's Top 3 Club, every weekend on their off-duty time Hoffman and other members of the group have trimmed hedges, mowed lawns, planted flowers, and painted buildings for the Hawaii Association of Retarded Citizens [ARC]. As Sergeant Hoffman says, "Its just my way of giving a little something back to paradise."

The homes the groups work to improve provide mentally handicapped citizens the opportunity to live in a family setting instead of a hospital environment. Like all houses, they require constant upkeep, something the ARC finds difficult to do with its shrinking budgets. Hoffman and his volunteers' efforts are a valuable part of the program to make life a little better for the retarded individuals.

Hoffman's group has successfully raised money at the base for supplies and equipment to keep the center's facilities and group homes in shape.

The selfless and dedicated service provided by the Nation's armed services is a full-time job. Hoffman and his group's service to their community is just one more example of the fine men and women serving in our military. I salute their fine work. Master Sergeant Hoffman and the Communications Top 3 Club are truly people that make a difference in all our lives.

IN SUPPORT OF THE PRINCETON PLASMA PHYSICS LABORATORY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, October 19, 1990

Mr. COURTER. Mr. Speaker, I rise today to speak out in favor of the Princeton Plasma Physics Laboratory and their work in the field of fusion research.

American soldiers have been dispatched to the Persian Gulf to protect our vital interests. The international outcry and mobilization that has occurred since Saddam Hussein marched into Kuwait underscore the urgent need to develop energy alternatives. I would have thought, Mr. Speaker, that this sudden threat

to our supply of fossil fuels makes abundantly clear the folly of cutbacks in energy research. Now is the time to accelerate research on the most promising and farsighted advanced energy programs and yet some of us would choke off crucial funding.

Earlier this month, fusion researchers at the Princeton Plasma Physics Laboratory and in England announced significant advances in their research programs, pulling within reach of the so-called breakeven range. Last month, the Secretary of Energy's Fusion Policy Advisory Committee [FPAC], after months of careful deliberations and study, called for the construction of the next great fusion device, the Burning Plasma Experiment. FPAC also recommends the need to expand fusion research, not contract it. Great scientific endeavors cannot be undertaken half-heartedly or without a long-term investment. Fusion has great promise and we cannot afford to let this energy option slip away.

A strong defense means that we must have energy alternatives. Fusion energy takes a big cut in this appropriations bill, but our national security dictates that we move forward on a fusion research program that we can count on to deliver us from the Saddam Husseins of the world.

HOUSE OF REPRESENTATIVES—October 20, 1990

The House met at 12 noon.

The Chaplain Rev. James David Ford, D.D., offered the following prayer:

As Your morning Sun, O God, floods the new day with its brightness and warmth, so may Your good spirit, that is new every morning, flood our souls with the brightness and warmth of a living faith and a loving heart. Enable us, gracious God, to put aside the frustrations or disappointments of all that is past, and celebrate the opportunities and the gifts of our present time. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Michigan [Mr. KILDEE] please come forward and lead the House in the Pledge of Allegiance.

Mr. KILDEE led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

AMERICANS DESERVE CAMPAIGN REFORM

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, in the morning paper there is a story of a political analyst who says that the people in America are angry and disillusioned. Obviously, there are problems with budget making and deficit reductions which cause the people to be concerned.

But I have another theory, Mr. Speaker. I believe that part of America's disillusionment is due to the fact that it appears that this Congress will not deal with campaign reform before we adjourn next week.

That means Congress will not grapple with the question of reducing campaign expenditures, of getting rid of soft money which the New York Times called sewer money, and of generally making sure that political action committees do not exert undue influence over the political process.

Mr. Speaker, to your lasting credit, you forced this Congress to deal with the issue of campaign expenditures before our recess in August. I would hope that somehow the Speaker and his colleagues on the other side of the Capitol could somehow force this Congress to deal with campaign finance reform, maybe then the people would have less to be angry and disillusioned about.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair announces that he will recognize six Members on each side for 1-minute requests.

CONSTITUENTS WANT BUDGET ACCOUNTABILITY

(Mr. JAMES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAMES. Mr. Speaker, I continue to be mystified as to the direction this Congress is taking regarding the Federal budget. Are we not listening to the American people? They have unequivocally told us again and again that they do not want new or increased taxes—that they do not want massive cuts in Medicare and veterans programs—yet my Democratic colleagues either do not hear the voices of the American people or they refuse to listen. Once again, the budget proposals on the table take money from the pockets of the hardest working Americans who are just barely getting by as it is while at the same time slashing the most critical quality of life programs. The American people want responsible budgeting. They want accountability. They do not want a continuation of the tax and spend practices that this Congress has exhibited for generations. It is time for this Congress to listen to the American people and stop playing pork-barrel partisan politics with their money.

MODIFICATION OF APPOINTMENT OF CONFEREES ON H.R. 5835, OMNIBUS BUDGET RECONCILIATION ACT OF 1990

The SPEAKER. The Chair lays before the following modifications in the appointment of conferees:

Pursuant to the previous order of the House of October 18, 1990, the appointment of conferees on H.R. 5835 is modified as follows:

Replace the last paragraph of the appointment with the following two paragraphs:

As additional conferees for consideration of part 1 of subtitle A and subtitles B through E (except section 14302) of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Messrs. WHITTEN, PICKLE, and CONTE.

As additional conferees for consideration of part 2 of subtitle A of title XIV and section 14302 of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Messrs. WHITTEN, PICKLE, and PURSELL.

The Clerk will notify the Senate of the change in conferees.

CORRECTING ENROLLMENT OF H.R. 4151, AUGUSTUS F. HAWKINS HUMAN SERVICES REAUTHORIZATION ACT OF 1990

Mr. KILDEE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the concurrent resolution (H. Con. Res. 381) to correct the enrollment of the bill, H.R. 4151, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the concurrent resolution.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Page 1 after line 13, insert:

SEC. 2. After section 122 of the bill, add the following new section:

SEC. 123. EXTENDED HEAD START SERVICES.

"(a) DEFINITIONS.—Section 637 of the Head Start Act (42 U.S.C. 9832), is amended by adding at the end the following:

"'(10) the term "full calendar year" means all days of the year other than Saturday, Sunday, and a legal public holiday.

"'(11) the term "full-working-day" means not less than 10 hours per day.'.

"(b) EXTENDED HEAD START SERVICES.—Section 640 of the Head Start Act (42 U.S.C. 9835) is amended by adding at the end the following:

"'(h) Each Head Start program may provide full-working-day Head Start Services to any eligible child throughout the full calendar year.'"

Mr. KILDEE (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Michigan?

Mr. TAUKE. Mr. Speaker, reserving the right to object, I reserve the right to object in order to yield to the gentleman from Michigan [Mr. KILDEE] to allow him to explain what is happening here.

Mr. KILDEE. Mr. Speaker, if the gentleman will yield, House Concurrent Resolution 381 makes a technical correction in the enrollment of H.R. 4151, the Augustus F. Hawkins human services reauthorization of 1990 conference agreement.

The Senate amendment would clarify that full day, full year services are an allowable activity under the Head Start Program.

Mr. TAUKE. Mr. Speaker, I thank the gentleman from Michigan for his explanation. The minority concurs in this inadvertent item that was left out of the Head Start legislation.

Mr. KILDEE. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the initial request of the gentleman from Michigan?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 381, the concurrent resolution, just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONFERENCE REPORT ON H.R. 5241, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1991

Mr. ROYBAL from the Committee on Appropriations submitted the following conference report and statement on the bill (H.R. 5241) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1991, and for other purposes:

CONFERENCE REPORT (H. REPT. 101-906)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5241) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1991, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 8, 15, 17, 21, 30, 32, 47, 55, 58, 61, 62, 63, 64, 65, 66, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 102, 104, 106, 107, 108, 109, 110, 111, 118, 119, 120, 121, 123, 124, 125, 126, and 129.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 9, 13, 22, 23, 24, 25, 31, 34, 37, 43, 44, 50, 67, and 68, and agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$20,775,000*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$301,854,000*; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$21,000,000*; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,073*; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$110,347,000*; and the Senate agree to the same.

Amendment numbered 26:

That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,501,119,000*; and the Senate agree to the same.

Amendment numbered 28:

That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *$942,932,000, of which not less than $247,878,000 shall remain available until expended for tax systems modernization, and of which $60,000,000 shall remain available until expended for other systems development projects*; and the Senate agree to the same.

Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$406,700,000*; and the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$472,592,000*; and the Senate agree to the same.

Amendment numbered 60:

That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,268,651,800*; and the Senate agree to the same.

Amendment numbered 71:

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows:

In lieu of the section designation proposed by said amendment insert: *7*; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the section designation proposed by said amendment insert: *8*; and the Senate agree to the same.

Amendment numbered 73:

That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows:

In lieu of the section designation proposed by said amendment insert: *9*; and the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows:

In lieu of the section designation proposed by said amendment insert: *10*; and the Senate agree to the same.

Amendment numbered 75:

That the House recede from its disagreement to the amendment of the Senate numbered 75, and agree to the same with an amendment, as follows:

In lieu of the section designation proposed by said amendment insert: *11*; and the Senate agree to the same.

Amendment numbered 77:

That the House recede from its disagreement to the amendment of the Senate numbered 77, and agree to the same with an amendment, as follows:

In lieu of the section designation proposed by said amendment insert: *13*; and the Senate agree to the same.

Amendment numbered 78:

That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the section designation of said amendment insert: *14*; and the Senate agree to the same.

Amendment numbered 85:

That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$138,219,000*; and the Senate agree to the same.

Amendment numbered 86:

That the House recede from its disagreement to the amendment of the Senate numbered 86, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert $5,250,000; and the Senate agree to the same.

Amendment numbered 87:

That the House recede from its disagreement to the amendment of the Senate numbered 87, and agree to the same with an amendment, as follows:

In lieu of the sum named insert: $8,000,000; and the Senate agree to the same.

Amendment numbered 112:

That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following:

SEC. 528. (a) Notwithstanding any other law and in any fiscal year—

(1) The Attorney General shall accept, and Federal departments and agencies, including the United States Secret Service, the Internal Revenue Service, the Resolution Trust Corporation, and the appropriate Federal banking agency, may provide, without reimbursement, the services of attorneys, law enforcement personnel, and other employees of any other departments or agencies of the Federal Government to assist the Department of Justice, subject to the supervision of the Attorney General, in the investigation and prosecution of fraud or other criminal or unlawful activity in or against any federally insured financial institution or the Resolution Trust Corporation; and

(2) any attorney of a department or agency whose services are accepted pursuant to paragraph (1) may, subject to the supervision of the Attorney General, conduct any kind of legal proceeding, civil or criminal, including grand jury proceedings and proceedings before committing magistrates, and perform any other investigative or prosecutorial function, which United States attorneys are authorized by law to conduct or perform whether or not the attorney is a resident of the district in which the proceeding is brought; and

(3) law enforcement personnel of the United States Secret Service are authorized, subject to the supervision of the Attorney General, to conduct or perform any kind of investigation, civil or criminal, related to fraud or other criminal or unlawful activity in or against any federally insured financial institution or the Resolution Trust Corporation, which the Department of Justice law enforcement personnel are authorized by law to conduct or perform: Provided, That the Secret Service shall not initiate investigations pursuant to this section independent of the supervision of the Attorney General.

(b) This section—

(1) shall not, except as expressly provided herein, alter the authority of any Federal law enforcement agency; and

(2) shall expire with the authority of the Resolution Trust Corporation or its successor.

(c) This section applies notwithstanding any other provision of law enacted by the 101st Congress after October 15, 1990, that by its terms would grant authority to, or otherwise affect the authority of, the Secret Service or other departments or agencies of the Federal Government to conduct or to assist the Department of Justice in conducting investigations or prosecutions of fraud or other criminal or unlawful activity in or against any federally insured financial institution or the Resolution Trust Corporation, and any other such provision shall not be effective in granting or otherwise affecting any such authority.

SEC. . FEDERAL EMPLOYEES PAY COMPARABILITY ACT OF 1990.

SECTION 1. SHORT TITLE; RULES OF CONSTRUCTION.

(a) SHORT TITLE.—This section, and the sections immediately following this section through section 412, inclusive, may be cited as the "Federal Employees Pay Comparability Act of 1990" (hereinafter in this section referred to as "FEPCA").

(b) RULES OF CONSTRUCTION.—(1) Except as otherwise expressly provided, any reference (actual or implicit) in FEPCA (outside of this section) to "this Act" (or to any title, section, or other designated provision of "this Act") shall be construed to be a reference to FEPCA (or the corresponding provision within FEPCA).

(2) Except as otherwise expressly provided, any reference (actual or implicit) in any provision of this Act outside of FEPCA to "this Act" (or to any title, section, or other designated provision of "this Act"), and any reference made in any provision of law outside of this Act to the "Treasury, Postal Service and General Government Appropriations Act, 1991" (or to any title, section, or other designated provision of such Act), shall be construed disregarding the provisions of FEPCA.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TABLE OF CONTENTS

Sec. 1. Short title; rules of construction.
Sec. 2. Table of contents.

TITLE I—AMENDMENTS RELATING TO BASIC PAY

Sec. 101. Annual adjustments to statutory pay rates; locality-based comparability adjustments; other matters.
Sec. 102. Pay for positions above GS-15 and certain other positions.
Sec. 103. Pay for critical positions.
Sec. 104. Administrative law judges and contract appeals board members.
Sec. 105. Special occupational pay systems.
Sec. 106. Elimination of GS-11 threshold for new appointees to be paid above minimum rates.
Sec. 107. Advances of pay.
Sec. 108. Reemployment of retirees.
Sec. 109. New pay structure for the police forces of the Bureau of Engraving and Printing and the United States Mint.
Sec. 110. Compensation of standing trustees appointed under titles 11 and 28, United States Code.
Sec. 111. Pay-for-performance labor-management committee.
Sec. 112. Position titles in certain departments.
Sec. 113. Director of the Census Bureau.

TITLE II—AMENDMENTS RELATING TO AWARDS, ALLOWANCES, DIFFERENTIALS, AND OTHER RELATED MATTERS

Sec. 201. Time off from duty as an incentive award.
Sec. 202. Uniform allowances.
Sec. 203. Differential for physical hardship or hazard.
Sec. 204. Exception from limitation on premium pay.
Sec. 205. Health care positions.
Sec. 206. Travel and transportation expenses for candidates and new appointees.
Sec. 207. Performance-based cash awards.
Sec. 208. Recruitment, relocation, and retention payments.
Sec. 209. Staffing differentials.
Sec. 210. Premium pay amendments.
Sec. 211. Supervisory differentials.

TITLE III—MISCELLANEOUS PROVISIONS

Sec. 301. Budget Act compliance.
Sec. 302. Interim geographic adjustments.
Sec. 303. Pay rates for current employees.
Sec. 304. Senior Biomedical Research Service.
Sec. 305. Effective date.
Sec. 306. Additional rule of construction.

TITLE IV—FEDERAL LAW ENFORCEMENT PAY REFORM

Sec. 401. Short title.
Sec. 402. Definition.
Sec. 403. Special rates for law enforcement officers.
Sec. 404. Special pay adjustments for law enforcement officers in selected cities.
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Sec. 406. FBI New York Field Division.
Sec. 407. Relocation payments.
Sec. 408. Incentive bonus for foreign language capabilities.
Sec. 409. Age for mandatory retirement.
Sec. 410. Overtime rates.
Sec. 411. Other premium pay.
Sec. 412. Reporting requirement.

TITLE I—AMENDMENTS RELATING TO BASIC PAY

SEC. 101. ANNUAL ADJUSTMENTS TO STATUTORY PAY RATES; LOCALITY-BASED COMPARABILITY PAYMENTS; OTHER MATTERS.

(a) GENERALLY.—(1) Subchapter I of chapter 53 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER I—PAY COMPARABILITY SYSTEM

"§ 5301. Policy

"It is the policy of Congress that Federal pay fixing for employees under the General Schedule be based on the principles that—

"(1) there be equal pay for substantially equal work within each local pay area;

"(2) within each local pay area, pay distinctions be maintained in keeping with work and performance distinctions;

"(3) Federal pay rates be comparable with non-Federal pay rates for the same levels of work within the same local pay area; and

"(4) any existing pay disparities between Federal and non-Federal employees should be completely eliminated.

"§ 5302. Definitions

"For the purpose of this subchapter—

"(1) the term 'statutory pay system' means a pay system under—

"(A) subchapter III, relating to the General Schedule;

"(B) section 403 of the Foreign Service Act of 1980, relating to the Foreign Service of the United States; or

"(C) chapter 73 of title 38, relating to the Veterans Health Services and Research Administration;

"(2) the term 'ECI' means the Employment Cost Index (wages and salaries, private industry workers) published quarterly by the Bureau of Labor Statistics;

"(3) the 'base quarter' for any year is the 3-month period ending on September 30 of such year;

"(4) the term 'pay agent' means the agent designated by the President under section 5304(d)(1);

"(5) the term 'locality' or 'pay locality' means any locality, as established or modified under section 5304;

"(6) the term 'pay disparity', as used with respect to a locality, means the extent to which rates of pay payable under the General Schedule are generally lower than the rates paid for the same levels of work by non-Federal workers in the same locality; except as otherwise required in this subchapter, a pay disparity shall be expressed as a single percentage which, if uniformly applied to employees within the locality who are receiving rates of pay under the General Schedule, would cause the rates payable to such employees to become substantially equal (when considered in the aggregate) to the rates paid to non-Federal workers for the same levels of work in the same locality;

"(7) the term 'comparability payment' means a payment payable under section 5304;

"(8) the term 'rates of pay under the General Schedule', 'rates of pay for the General Schedule', or 'scheduled rates of basic pay' means—

"(A) the rates of basic pay set forth in the General Schedule; and

"(B) in the case of an employee covered by the performance management and recognition system, the rates of basic pay under chapter 54; and

"(9) the term 'General Schedule position' means any position to which subchapter III applies (including any position under the performance management and recognition system).

"§ 5303. Annual adjustments to pay schedules

"(a) Effective as of the first day of the first applicable pay period beginning on or after January 1 of each calendar year, the rates of basic pay for each statutory pay system shall be increased by the percentage (rounded to the nearest one-tenth of 1 percent) equal to one-half of 1 percentage point less than the percentage by which the ECI for the base quarter of the year before the preceding calendar year exceeds the ECI for the base quarter of the second year before the preceding calendar year (if at all).

"(b)(1) If, because of national emergency or serious economic conditions affecting the general welfare, the President should consider the pay adjustment which would otherwise be required by subsection (a) in any year to be inappropriate, the President shall—

"(A) prepare and transmit to Congress before September 1 of the preceding calendar year a plan for such alternative pay adjustments as he considers appropriate, together with the reasons therefor; and

"(B) adjust the rates of pay of each statutory pay system, in accordance with such plan, effective on the same day as the increase under subsection (a) would otherwise take effect.

"(2) In evaluating an economic condition affecting the general welfare under this subsection, the President shall consider pertinent economic measures including, but not limited to, the Indexes of Leading Economic Indicators, the Gross National Product, the unemployment rate, the budget deficit, the Consumer Price Index, the Producer Price Index, the Employment Cost Index, and the Implicit Price Deflator for Personal Consumption Expenditures.

"(3) The President shall include in the report to Congress under paragraph (1)(A) his assessment of the impact that the alternative pay adjustments under this subsection will have on the Government's ability to recruit and retain well-qualified employees.

"(c) The rates of basic pay that take effect under this section—

"(1) shall modify, supersede, or render inapplicable, as the case may be, to the extent inconsistent therewith, any prior rates of basic pay under the statutory pay system involved (as last adjusted under this section or prior provisions of law); and

"(2) shall be printed in the Federal Register and the Code of Federal Regulations.

"(d) An increase in rates of basic pay that takes effect under this section is not an equivalent increase in pay within the meaning of section 5335.

"(e) This section does not impair any authority pursuant to which rates of basic pay may be fixed by administrative action.

"(f) Pay may not be paid, by reason of any provision of this section (disregarding any comparability payment payable), at a rate in excess of the rate of basic pay payable for level V of the Executive Schedule.

"(g) Any rate of pay under this section shall be initially adjusted, effective on the effective date of the rate of pay, under conversion rules prescribed by the President or by such agency or agencies as the President may designate.

"§ 5304. Locality-based comparability payments

"(a) Pay disparities shall be identified and reduced as follows:

"(1) Comparability payments shall be payable within each locality determined to have a pay disparity greater than 5 percent.

"(2)(A) The localities having pay disparities, and the size of those disparities, shall, for purposes of any comparability payment scheduled to take effect in any calendar year, be determined in accordance with the appropriate report, as prepared and submitted to the President under subsection (d)(1) for purposes of such calendar year.

"(B) Any computation necessary to determine the size of the comparability payment to become payable for any locality in a year (as well as any determination as to the size of any pay disparity remaining after that comparability payment is made) shall likewise be made using data contained in the appropriate report (described in subparagraph (A)) so prepared and submitted for purposes of such calendar year.

"(3) Subject to paragraphs (4) and (5), the amount of the comparability payments payable under this subsection in a calendar year within any locality in which a comparability payment is payable shall be computed using such percentage as the President determines for such locality under subsection (d)(2), except that—

"(A) the percentage for the first calendar year in which any amounts are payable under this section may not be less than $\frac{1}{5}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent;

"(B) the percentage for the second calendar year in which any amounts are payable under this section may not be less than $\frac{3}{10}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent;

"(C) the percentage for the third calendar year in which any amounts are payable under this section may not be less than $\frac{2}{5}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent;

"(D) the percentage for the fourth calendar year in which any amounts are payable under this section may not be less than $\frac{1}{2}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent;

"(E) the percentage for the fifth calendar year in which any amounts are payable under this section may not be less than $\frac{3}{5}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent;

"(F) the percentage for the sixth calendar year in which any amounts are payable under this section may not be less than $\frac{7}{10}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent;

"(G) the percentage for the seventh calendar year in which any amounts are payable under this section may not be less than $\frac{4}{5}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent;

"(H) the percentage for the eighth calendar year in which any amounts are payable under this section may not be less than $\frac{9}{10}$ of the amount needed to reduce the pay disparity of the locality involved to 5 percent; and

"(I) the percentage for the ninth calendar year in which any amounts are payable under this section, and any year thereafter, may not be less than the full amount necessary to reduce the pay disparity of the locality involved to 5 percent.

"(4) Nothing in this section shall be considered to preclude the President, in his discretion, from adjusting comparability payments to a level higher than the minimum level otherwise required in a calendar year, including to the level necessary to eliminate a locality's pay disparity completely.

"(b) After the ninth calendar year (referred to in subsection (a)(3)(I)), the level of comparability payments payable within such locality may be reduced for any subsequent calendar year, but only if, or to the extent that, the reduction would not immediately create another pay disparity in excess of 5 percent within the locality (taking into consideration any comparability payments remaining payable).

"(c)(1) The amount of the comparability payment payable within any particular locality during a calendar year—

"(A) shall be stated as a single percentage, which shall be uniformly applicable to General Schedule positions within the locality; and

"(B) shall, for any employee entitled to receive a comparability payment, be computed by applying that percentage to such employee's scheduled rate of basic pay (or, if lower due to a limitation on the rate payable, the rate actually payable), subject to subsection (g).

"(2) A comparability payment—

"(A) shall be considered to be part of basic pay for purposes of retirement under chapter 83 or 84, as applicable, life insurance under chapter 87, and premium pay under subchapter V of chapter 55, and for such other purposes as may be expressly provided for by law or as the Office of Personnel Management may by regulation prescribe; and

"(B) shall be paid in the same manner and at the same time as the basic pay payable to such employee pursuant to any provision of law outside of this section.

"(3) Nothing in this subchapter shall be considered to permit or require that any portion of a comparability payment be taken into account for purposes of any adjustment under section 5303.

"(4)(A) Only employees receiving scheduled rates of basic pay (subject to any pay limitation which may apply) shall be eligible for comparability payments under this section.

"(B) Comparability payments shall not be payable for service performed in any position which may not, under subsection (f)(1)(A), be included within a pay locality.

"(d) In order to carry out this section, the President shall—

"(1) direct such agent as he considers appropriate to prepare and submit to him annually, after considering such views and rec-

ommendations as may be submitted under subsection (e) (but not later than 13 months before the start of the calendar year for purposes of which it is prepared), a report that—

"(A) compares the rates of pay under the General Schedule with the rates of pay generally paid to non-Federal workers for the same levels of work within each pay locality, as determined on the basis of appropriate annual surveys that shall be conducted by the Bureau of Labor Statistics;

"(B) based on data from such surveys, identifies each locality in which a pay disparity exists and specifies the size of each such pay disparity (before and after taking into consideration any comparability payments payable);

"(C) makes recommendations for appropriate comparability payments, in conformance with applicable requirements of this section; and

"(D) includes the views and recommendations submitted under subsection (e);

"(2) after considering the report of his agent (including the views and recommendations referred to in subsection (e)(2)(C)), provide for or adjust comparability payments in conformance with applicable requirements of this section, effective as of the beginning of the first applicable pay period commencing on or after January 1 of the applicable year; and

"(3) transmit to Congress a report of the actions taken under paragraph (2) (together with a copy of the report submitted to him by his agent, including the views and recommendations referred to in subsection (e)(2)(C)) which shall—

"(A) identify each pay locality;

"(B) specify which localities have pay disparities in excess of 5 percent, and the size of the disparity existing in each of those localities, according to the pay agent's most recent report under paragraph (1) (before and after taking into consideration any comparability payments payable); and

"(C) indicate the size of the respective comparability payments (expressed as percentages) which will be in effect under paragraph (2) for the various pay localities specified under subparagraph (B) for the applicable calendar year.

"(e)(1) The President shall establish a Federal Salary Council of 9 members, of whom—

"(A) 3 shall be chosen from among persons generally recognized for their impartiality, knowledge, and experience in the field of labor relations and pay policy; and

"(B) 6 shall be representatives of employee organizations which represent substantial numbers of employees holding General Schedule positions, and who shall be selected giving due consideration to such factors as the relative numbers of employees represented by the various organizations, except that not more than 3 members of the Council at any one time shall be from a single employee organization, council, federation, alliance, association, or affiliation of employee organizations.

Members of the Council shall not receive pay by reason of their service on the Council, nor shall members who are not otherwise employees of the United States be considered employees by reason of any such service. The President shall designate one of the members to serve as Chairman of the Federal Salary Council. One of the 3 members under subparagraph (A) may be the Chairman of the Federal Prevailing Rate Advisory Committee, notwithstanding the restriction under section 5347(a)(1), and such individual may also be designated to serve as Chairman of the Federal Salary Council.

"(2) The pay agent shall—

"(A) provide for meetings with the Council and give thorough consideration to the views and recommendations of the Council and the individual views and recommendations, if any, of the members of the Council regarding—

"(i) the establishment or modification of pay localities;

"(ii) the coverage of the annual survey conducted by the Bureau of Labor Statistics under subsection (d)(1)(A) (including, but not limited to, the occupations, establishment sizes, and industries, to be surveyed, and how pay localities are to be surveyed);

"(iii) the process of comparing the rates of pay payable under the General Schedule with rates of pay for the same levels of work performed by non-Federal workers; and

"(iv) the level of comparability payments that should be paid in order to eliminate or reduce pay disparities in accordance with the requirements of this section;

"(B) give thorough consideration to the views and recommendations of employee organizations not represented on the Council regarding the subjects in subparagraph (A)(i)-(iv); and

"(C) include in its report to the President the views and recommendations submitted as provided in this subsection by the Council, by any member of the Council, and by employee organizations not represented on the Council.

"(f)(1) The pay agent may provide for such pay localities as the pay agent considers appropriate, except that—

"(A) each General Schedule position (excluding any outside the continental United States, as defined in section 5701(6)) shall be included within a pay locality; and

"(B) the boundaries of pay localities shall be determined based on appropriate factors which may include local labor market patterns, commuting patterns, and practices of other employers.

"(2)(A) The establishment or modification of any such boundaries shall be effected by regulations which, notwithstanding subsection (a)(2) of section 553, shall be promulgated in accordance with the notice and comment requirements of such section.

"(B) Judicial review of any regulation under this subsection shall be limited to whether or not it was promulgated in accordance with the requirements referred to in subparagraph (A).

"(g)(1) Except as provided in paragraph (2), comparability payments may not be paid at a rate which, when added to the rate of basic pay otherwise payable to the employee involved, would cause the total to exceed the rate of basic pay payable for level IV of the Executive Schedule.

"(2) For positions under subparagraphs (A)-(E) of subsection (h)(1), the applicable maximum under this subsection shall be level III of the Executive Schedule.

"(h)(1) For the purpose of this subsection, the term 'position' means—

"(A) a position to which section 5376 applies (relating to certain senior-level positions);

"(B) a Senior Executive Service position under section 3132;

"(C) a position in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service under section 3151;

"(D) a position to which section 5372 applies (relating to administrative law judges appointed under section 3105);

"(E) a position to which section 5372a applies (relating to contract appeals board members); and

"(F) a position within an Executive agency not covered under any of the preceding subparagraphs, the rate of basic pay for which is (or, but for this section, would be) less than the rate payable for level V of the Executive Schedule;

but does not include—

"(i) a position to which subchapter IV applies (relating to prevailing rate systems); or

"(ii) a position as to which a rate of pay is authorized under section 5377 (relating to critical positions).

"(2)(A) Notwithstanding subsection (c)(4) or any other provision of this section, but subject to subparagraph (B) and paragraph (3), upon the request of the head of an Executive agency with respect to 1 or more categories of positions, the President may provide that each employee of such agency who holds a position within such category, and within the particular locality involved, shall be entitled to receive comparability payments.

"(B) A request by an agency head or exercise of authority by the President under subparagraph (A) shall cover—

"(i) with respect to the positions under subparagraphs (A) through (E) of paragraph (1), all positions described in the subparagraph or subparagraphs involved (excluding any under clause (i) or (ii) of such paragraph); and

"(ii) with respect to positions under paragraph (1)(F), such positions as may be considered appropriate (excluding any under clause (i) or (ii) of paragraph (1)).

"(3) Comparability payments under this subsection—

"(A) may be paid only in any calendar year in which comparability payments under the preceding provisions of this section are payable with respect to General Schedule positions within the same locality;

"(B) shall be payable, within the locality involved, for the entirety of each calendar year for which authority is granted by the President;

"(C) shall be computed using the same percentage as is applicable, for the calendar year involved, with respect to General Schedule positions within the same locality; and

"(D) shall be subject to the applicable limitation under subsection (g).

"(i) The Office of Personnel Management may prescribe regulations, consistent with the provisions of this section, governing the payment of comparability payments to employees.

"§ 5304a. Authority to fix an alternative level of comparability payments

"(a) If, because of national emergency or serious economic conditions affecting the general welfare, the President should consider the level of comparability payments which would otherwise be payable under section 5304 in any year to be inappropriate, the President shall—

"(1) prepare and transmit to Congress, at least 1 month before those comparability payments (disregarding this section) would otherwise become payable, a report describing the alternative level of payments which the President instead intends to provide, including the reasons why such alternative level is considered necessary; and

"(2) implement the alternative level of payments beginning on the same date as would otherwise apply, for the year involved, under section 5304.

"(b) The requirements set forth in paragraphs (2) and (3), respectively, of section 5303(b) shall apply with respect to any deci-

sion to exercise any authority to fix an alternative level of comparability payments under this section.

"§ 5305. Special pay authority

"(a) Whenever the President finds that the Government's recruitment or retention efforts with respect to 1 or more occupations in 1 or more areas or locations are, or are likely to become, significantly handicapped, due to any of the circumstances described in subsection (b), he may establish for the areas or locations involved, with respect to individuals in positions paid under any of the pay systems referred to in subsection (c), higher minimum rates of basic pay for 1 or more grades or levels, occupational groups, series, classes, or subdivisions thereof, and may make corresponding increases in all step rates of the pay range for each such grade or level. However, a minimum rate so established may not exceed the maximum pay rate prescribed by statute for the grade or level by more than 30 percent, and no rate may be established under this section (disregarding any amount payable under subsection (g)) in excess of the rate of basic pay payable for level V of the Executive Schedule. The President may authorize the exercise of the authority conferred on him by this section by the Office of Personnel Management or, in the case of individuals not subject to the provisions of this title governing appointment in the competitive service, by such other agency as he may designate.

"(b) The circumstances referred to in subsection (a) are—

"(1) rates of pay offered by non-Federal employers being significantly higher than those payable by the Government within the area, location, occupational group, or other class of positions under the pay system involved;

"(2) the remoteness of the area or location involved;

"(3) the undesirability of the working conditions or the nature of the work involved (including exposure to toxic substances or other occupational hazards); or

"(4) any other circumstance which the President (or an agency duly authorized or designated by the President in accordance with the last sentence of subsection (a)) considers appropriate.

"(c) Authority under subsection (a) may be exercised with respect to positions paid under—

"(1) a statutory pay system; or

"(2) any other pay system established by or under Federal statute for civilian positions within the executive branch.

"(d) Within the limitations applicable under the preceding provisions of this section, rates of pay established under this section may be revised from time to time by the President or by such agency as he may designate. The actions and revisions have the force and effect of statute.

"(e) An increase in a rate of basic pay established under this section is not an equivalent increase in pay within the meaning of section 5335.

"(f) The rate of basic pay established under this section and received by an individual immediately before a statutory increase, which becomes effective prior to, on, or after the date of enactment of the statute, in the pay schedule applicable to such individual of any pay system specified in subsection (c) of this section, shall be initially adjusted, effective on the effective date of the statutory increase, under conversion rules prescribed by the President or by such agency as the President may designate.

"(g)(1) The benefit of any comparability payments under section 5304 shall be available to individuals receiving rates of basic pay established under this section to such extent as the President (or his designated agency) considers appropriate, subject to paragraph (2) and subsection (h).

"(2) Payments under this subsection may not be made if, or to the extent that, when added to basic pay otherwise payable, such payments would cause the total to exceed the rate of basic pay payable for level IV of the Executive Schedule.

"(h) The rate of basic pay payable to an individual under this section may not, at any time, be less than the rate which would then be payable to such individual (taking comparability payments under section 5304 into account) if this section had never been enacted.

"§ 5306. Pay fixed by administrative action

"(a) Notwithstanding sections 1341, 1342, and 1349–1351 and subchapter II of chapter 15 of title 31—

"(1) the rates of pay of—

"(A) employees in the legislative, executive, and judicial branches of the Government of the United States (except employees whose pay is disbursed by the Secretary of the Senate or the Clerk of the House of Representatives) and of the government of the District of Columbia, whose rates of pay are fixed by administrative action under law and are not otherwise adjusted under this subchapter;

"(B) employees under the Architect of the Capitol, whose rates of pay are fixed under section 166b-3 of title 40, and the Superintendent of Garages, House office buildings; and

"(C) persons employed by the county committees established under section 590h(b) of title 16; and

"(2) any minimum or maximum rate of pay (other than a maximum rate equal to or greater than the maximum rate then currently being paid under the General Schedule as a result of a pay adjustment under section 5303 (or prior corresponding provision of law), and any monetary limitation on or monetary allowance for pay, applicable to employees described in subparagraphs (A), (B), and (C) of paragraph (1); Q02

may be adjusted, by the appropriate authority concerned, effective at the beginning of the first applicable pay period commencing on or after the day on which a pay adjustment becomes effective under section 5303 (or prior provision of law), by whichever of the following methods the appropriate authority concerned considers appropriate—

"(i) by an amount or amounts not in excess of the pay adjustment provided under section 5303 for corresponding rates of pay in the appropriate schedule or scale of pay;

"(ii) if there are no corresponding rates of pay, by an amount or amounts equal or equivalent, insofar as practicable and with such exceptions and modifications as may be necessary to provide for appropriate pay relationships between positions, to the amount of the pay adjustment provided under section 5303; or

"(iii) in the case of minimum or maximum rates of pay, or monetary limitations of allowances with respect to pay, by an amount rounded to the nearest $100 and computed on the basis of a percentage equal or equivalent, insofar as practicable and with such variations as may be appropriate, to the percentage of the pay adjustment provided under section 5303.

"(b) An adjustment under subsection (a) in rates of pay, minimum or maximum rates of pay, and monetary limitations or allowances with respect to pay, shall be made in such manner as the appropriate authority concerned considers appropriate.

"(c) This section does not authorize any adjustment in the rates of pay of employees whose rates of pay are fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates or practices.

"(d) This section does not impair any authority under which rates of pay may be fixed by administrative action.

"(e) Pay may not be paid, by reason of any exercise of authority under this section, at a rate in excess of the rate of basic pay payable for level V of the Executive Schedule.

"§ 5307. Limitation on certain payments

"(a) Except as otherwise permitted by or under law, no allowance, differential, bonus, award, or other similar cash payment under this title may be paid to an employee in a calendar year if, or to the extent that, when added to the total basic pay paid or payable to such employee for service performed in such calendar year as an employee in the executive branch (or as an employee outside the executive branch to whom chapter 51 applies), such payment would cause the total to exceed the annual rate of basic pay payable for level I of the Executive Schedule, as of the end of such calendar year.

"(b)(1) Any amount which is not paid to an employee in a calendar year because of the limitation under subsection (a) shall be paid to such employee in a lump sum at the beginning of the following calendar year.

"(2) Any amount paid under this subsection in a calendar year shall be taken into account for purposes of applying the limitation under subsection (a) with respect to such calendar year.

"(3) Paragraph (1) shall not apply to an amount if, or to the extent that, it is attributable to a payment the authority for which would derive from section 4505a(d), 5753(e), or 5754(e).

"(c) The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this section, including regulations (consistent with section 5582) concerning how a lump-sum payment under subsection (b) shall be made with respect to any employee who dies before an amount payable to such employee under subsection (b) is made.".

(2) The table of sections for chapter 53 of title 5, United States Code, is amended by striking the matter relating to subchapter I and inserting the following new matter:

"SUBCHAPTER I—PAY COMPARABILITY SYSTEM

"Sec.
"5301. Policy.
"5302. Definitions.
"5303. Annual adjustments to pay schedules.
"5304. Locality-based comparability payments.
"5304a. Authority to fix an alternative level of comparability payments.
"5305. Special pay authority.
"5306. Pay fixed by administrative action.
"5307. Limitation on certain payments.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 403 of the Foreign Service Act of 1980 (22 U.S.C. 3963) is amended by striking "subchapter I of chapter 53" and inserting "section 5303".

(2)(A) Section 256(g)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(g)(2)(A)) is amended by striking "5301(c)" and inserting "5302(1)".

(B) Section 732(b)(6) of title 31, United States Code, is amended by striking "5301(a)" and inserting "5301".

(3)(A) Section 3326(b)(2) of title 5, United States Code, is amended by striking "5303" and inserting "5305".

(B) Section 5363(a)(2) of title 5, United States Code, is amended by striking "5303 of this title;" and inserting"5305 of this title (or corresponding prior provision of this title);".

(C) Section 5405(f) of title 5, United States Code, is amended—

(i) by striking "5303 of this title," and inserting "5305 of this title (or corresponding prior provision of this title),"; and

(ii) by striking "such section 5303." and inserting "such section 5305 (or corresponding prior provision).".

(D) Section 325(b)(2) of title 31, United States Code, is amended by striking "(except section 5303)," and inserting "(except section 5305, or corresponding prior provision of such title),".

(E) Sections 5542(a), 5543, and 5545(c)(1) of title 5, United States Code, are amended by inserting after "GS-10" each place it occurs the following: "(including any applicable locality-based comparability payment under section 5304 or similar provision of law and any applicable special rate of pay under section 5305 or similar provision of law)".

(4)(A) Section 5318 of title 5, United States Code, is amended by striking "5305" and inserting "5303".

(B) Section 5382(c) of title 5, United States Code, is amended—

(i) in the first sentence, by striking "5305" and inserting "5303"; and

(ii) by striking the second sentence.

(C) Section 5403(a) of title 5, United States Code, is amended by striking "5305" and inserting "5303".

(D) Section 601(a)(2) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31(2)) is amended by striking "5305" and inserting "5303".

(E) Section 4 of the Federal Pay Comparability Act of 1970 (2 U.S.C. 60a-1) is amended by striking "5305" each place it appears and inserting "5303".

(F) Section 5 of the Federal Pay Comparability Act of 1970 (2 U.S.C. 60a-2) is amended—

(i) in subsection (a) (in the matter before paragraph (1)), by striking "(a)" through "then" and inserting "(a) Whenever an adjustment under section 5303 becomes effective with respect to rates of pay under the General Schedule,";

(ii) in subsection (a)(1)(A), by striking "pay adjustment by the President);" and inserting "adjustment);"; and

(iii) in subsection (a)(1) (in the matter after subparagraph (B)), by striking "pay adjustment made by the President;" and inserting "adjustment under such section 5303;".

(G) The provisions of House Resolution 1495, Ninety-fourth Congress (as enacted into law by section 115 of the Legislative Branch Appropriations Act, 1978 (2 U.S.C. 84a-1)) is amended by striking "5305" each place it appears and inserting "5303".

(H) Section 256(g)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 906(g)(1)) is amended—

(i) by inserting "(as increased by any amount payable under section 5304 of title 5, United States Code, or section 302 of the Federal Employees Pay Comparability Act of 1990)" after "any such statutory pay system"; and

(ii) by striking "5305" and inserting "5303".

(I) Section 104 of title 3, United States Code, is amended by striking "5305" and inserting "5303".

(J) Section 461(a) of title 28, United States Code, is amended by striking "5305" and inserting "5303".

(K) Section of 338A(g)(3) of the Public Health Service Act (42 U.S.C. 254l(g)(3)) is amended by striking "(as set forth in the report transmitted to the Congress under section 5305 of title 5, United States Code)" and inserting "(under section 5303 of title 5, United States Code)".

(5) The second proviso under the head "Senate Office Buildings" contained in the Legislative Branch Appropriation Act, 1972, as amended by Public Law 94-59 (40 U.S.C. 174j-8) is amended by striking "5307" and inserting "5306".

(6)(A) Section 5382(b) of title 5, United States Code, is amended by striking "5308" and inserting "5306(e)".

(B) Section 8431 of title 5, United States Code, is amended by striking "5308" and inserting "5303(e), 5304(g),".

(C) Section 9314 of title 10, United States Code, is amended by striking "5308" and inserting "5306(e)".

(7) Section 5383(b)(1) of title 5, United States Code, is amended by inserting "5304(j)," after "4507,".

(8)(A) Section 207 of title 18, United States Code, as amended by section 101 of Public Law 101-194 (103 Stat. 1716) and section 2 of Public Law 101-280 (104 Stat. 149) is amended—

(i) in subsection (c)(2) by striking subparagraph (A)(ii) and inserting the following:

"(ii) employed in a position which is not referred to in clause (i) and for which the basic rate of pay, exclusive of any locality-based pay adjustment under section 5302 of title 5 (or any comparable adjustment pursuant to interim authority of the President), is equal to or greater than the rate of basic pay payable for level V of the Executive Schedule;"; and

"(ii) in subsection (e) by striking paragraph (6) and inserting the following:

"(6) LIMITATION ON RESTRICTIONS.—(A) The restrictions contained in paragraphs (2), (3), and (4) apply only to acts by a former employee who, for at least 60 days, in the aggregate, during the 1-year period before that former employee's service as such employee terminated, was paid a rate of basic pay equal to or greater than an amount which is 75 percent of the basic rate of pay payable for a Member of the House of Congress in which such employee was employed.

"(B) The restrictions contained in paragraph (5) apply only to acts by a former employee who, for at least 60 days, in the aggregate, during the 1-year period before that former employee's service as such employee terminated, was employed in a position for which the rate of basic pay, exclusive of any locality-based pay adjustment under section 5302 of title 5 (or any comparable adjustment pursuant to interim authority of the President), is equal to or greater than the basic rate of pay payable for level V of the Executive Schedule.".

(B) The amendments made by subparagraph (A) take effect on January 1, 1991.

(9)(A) Section 3132(a)(2) of title 5, United States Code, is amended by striking "in GS-16, 17, or 18 of the General Schedule" and inserting "classified above GS-15 pursuant to section 5108".

(B) Section 3304a(a) of title 5, United States Code, is amended by striking "in GS-16, 17, or 18)" and inserting "in a position classified above GS-15 pursuant to section 5108)".

(C)(i) Section 3324(a) of title 5, United States Code, is amended by striking "in GS-16, 17, or 18" and inserting "classified above GS-15 pursuant to section 5108".

(ii) The heading for such section 3324 is amended by striking "at GS-16, 17, and 18" and inserting "to positions classified above GS-15".

(iii) The table of sections for chapter 33 of title 5, United States Code, is amended by striking the item relating to section 3324 and inserting the following:

"3324. Appointments to positions classified above GS-15.".

(D) Section 3405(b) of title 5, United States Code, is amended by striking "fixed for GS-16 of the General Schedule." and inserting "payable under section 5376.".

(E) Section 3594(c)(1)(A) of title 5, United States Code, is amended by striking "at GS-15 or above of the General Schedule," and inserting "at GS-15 of the General Schedule or classified above GS-15 pursuant to section 5108,".

(F) Section 5102(c)(25) of title 5, United States Code, is amended by striking "maximum rate for GS-18;" and inserting "rate for level V of the Executive Schedule;".

(G) Section 5109(b) of title 5, United States Code, is amended by striking "is classified at GS-18" through the period and inserting "shall be considered a position classified above GS-15 pursuant to section 5108.".

(H) Section 5373 of title 5, United States Code, is amended by striking "maximum rate for GS-18." and inserting "rate for level IV of the Executive Schedule.".

(I) The first sentence of section 5382(b) of title 5, United States Code, is amended by striking "for GS-16 of the General Schedule" and inserting "under section 5376".

(J) Section 5595(a)(2)(i) of title 5, United States Code, is amended—

(i) by striking "employee, other" and inserting "employee (other";

(ii) by inserting "or an employee whose pay is fixed under section 5376)" before "whose rate"; and

(iii) by striking "GS-18;" and inserting "the Executive Schedule;".

(K) Section 8476(d)(1) of title 5, United States Code, is amended by striking "grade GS-18 of the General Schedule" and inserting "level IV of the Executive Schedule".

(10) Section 3(b) of Public Law 92-298 and section 14(b) of Public Law 92-392 shall be treated as if (as of their respective dates of enactment) the phrase "to read as follows:" contained in each, had instead read "by striking the matter before subparagraph (A) and inserting the following:".

(c) OTHER REFERENCES.—Until otherwise provided by law—

(1) any reference in a provision of law (which is outside title 5, United States Code, and in effect immediately before this section takes effect, excluding any reference in a provision of law amended by this Act)—

(A)(i) to the rate of pay for grade GS-18 of the General Schedule, or to the maximum rate of pay under the General Schedule, shall be considered a reference to the maximum rate payable under section 5376 of such title (as amended by section 102(a));

(ii) to the minimum rate of pay for grade GS-16 of the General Schedule shall be considered a reference to the minimum rate payable under section 5376 of such title (as amended by section 102(a)); and

(iii) to a rate of pay for grade GS-16 or 17 of the General Schedule shall (except as provided in clause (ii)) be considered a reference to a rate of pay for a position classified above GS-15 pursuant to section 5108 of such title (as amended by section 102(b)(2)); and

(B) to a rate of pay under the General Schedule shall not include any comparability payment payable under section 5304 of such title (as amended by this section) or any geographic adjustment payable under section 302; and

(2) any authority granted by a provision of law (which is outside such title, and in effect immediately before this section takes effect) to fix pay in accordance with chapter 51 and subchapter III of chapter 53 of such title—

(A) shall not be considered to include any authority under section 5304 of such title (as amended by this section) or section 302; but

(B) shall be considered to include authority under section 5376 of such title (as amended by section 102(a)), if applicable.

(d) REGULATIONS.—The Office of Personnel Management may prescribe regulations, consistent with subsection (c)(1)(B) and section 303, governing the conversion or adjustment of rates of pay, where necessary because of the abolishment of grades GS-16, 17, and 18 of the General Schedule.

(e) SENSE OF CONGRESS.—It is the sense of the Congress that the total funds dedicated to adjustments under sections 5303 and 5304 for any year be no less than the total funds that would have been dedicated to adjustments under such section 5303 for such year had the full change in the ECI been applied to pay rates for such year.

SEC. 102. PAY FOR POSITIONS ABOVE GS-15 AND CERTAIN OTHER POSITIONS.

(a) IN GENERAL.—(1) Subchapter VII of chapter 53 of title 5, United States Code, is amended by adding after section 5375 the following new section:

"§5376. Pay for certain senior-level positions

"(a) This section applies to—

"(1) positions that are classified above GS-15 pursuant to section 5108; and

"(2) scientific or professional positions established under section 3104;

but does not apply to—

"(A) any Senior Executive Service position under section 3132; or

"(B) any position in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service under section 3151.

"(b)(1) Subject to such regulations as the Office of Personnel Management prescribes, the head of the agency concerned shall fix the rate of basic pay for any position within such agency to which this section applies. A rate fixed under this section shall be—

"(A) not less than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule; and

"(B) not greater than the rate of basic pay payable for level IV of the Executive Schedule.

The payment of a rate of basic pay under this section shall not be subject to the pay limitation of section 5306(e) or 5373.

"(2) Subject to paragraph (1), effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5303 in the rates of pay under the General Schedule, each rate of pay established under this section for positions within an agency shall be adjusted by such amount as the head of such agency considers appropriate.".

(2) The table of sections for chapter 53 of title 5, United States Code, is amended by adding after the item relating to section 5375 the following new item:

"5376. Pay for certain senior-level positions.".

(b) AMENDMENTS TO CHAPTER 51 OF TITLE 5, UNITED STATES CODE.—(1) Section 5104 of title 5, United States Code, is amended—

(A) in the second sentence, by striking "18"; and

(b) by striking paragraphs (16) through (18).

(2) Section 5108 of title 5, United States Code, is amended to read as follows:

"§ 5108. Classification of positions above GS-15

"(a) The Office of Personnel Management may, for any Executive agency—

"(1) establish, and from time to time revise, the maximum number of positions which may at any one time be classified above GS-15; and

"(2) establish standards and procedures (including requiring agencies, where necessary in the judgment of the Office, to obtain the prior approval of the Office) in accordance with which positions may be classified above GS-15.

"(b) The President, rather than the Office, shall exercise the authority under subsection (a) in the case of positions proposed to be placed in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service.".

(c) EXCLUSION FROM SUBCHAPTER III OF CHAPTER 53.—Section 5331(b) of title 5, United States Code, is amended to read as follows:

"(b) This subchapter applies to employees and positions to which chapter 51 applies, other than Senior Executive Service positions, positions in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service, and positions to which section 5376 applies.".

SEC. 103. PAY FOR CRITICAL POSITIONS.

(a) IN GENERAL.—Subchapter VII of chapter 53 of title 5, United States Code, as amended by section 102, is further amended by adding at the end the following new section:

"§ 5377. Pay authority for critical positions

"(a) For the purpose of this section—

"(1) the term 'agency' has the meaning given it by section 5102; and

"(2) the term 'position' means—

"(A) a position to which chapter 51 applies, including a position in the Senior Executive Service or the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service;

"(B) a position under the Executive Schedule under sections 5312-5317;

"(C) a position to which section 5372 applies (or would apply, but for this section); and

"(D) a position to which section 5372a applies (or would apply, but for this section).

"(b) Authority under this section—

"(1) may be granted or exercised only with respect to a position—

"(A) which requires expertise of an extremely high level in a scientific, technical, professional, or administrative field; and

"(B) which is critical to the agency's successful accomplishment of an important mission; and

"(2) may be granted or exercised only to the extent necessary to recruit or retain an individual exceptionally well qualified for the position.

"(c) The Office of Management and Budget, in consultation with the Office of Personnel Management, may, upon the request of the head of an agency, grant authority to fix the rate of basic pay for 1 or more positions in such agency in accordance with this section.

"(d)(1) The rate of basic pay fixed under this section by an agency head may not be less than the rate of basic pay (including any comparability payments) which would then otherwise be payable for the position involved if this section had never been enacted.

"(2) Basic pay may not be fixed under this section at a rate greater than the rate payable for level I of the Executive Schedule, except upon written approval of the President.

"(e) The authority to fix the rate of basic pay under this section for a position shall terminate—

"(1) whenever the Office of Management and Budget determines (in accordance with such procedures and subject to such terms or conditions as such Office by regulation prescribes) that 1 or more of the requirements of subsection (b) are no longer met; or

"(2) as of such date as such Office may otherwise specify, except that termination under this paragraph may not take effect before the authority has been available for such position for at least 1 calendar year.

"(f) The Office of Management and Budget may not authorize the exercise of authority under this section with respect to more than 800 positions at any time, of which not more than 30 may, at any such time, be positions the rate of basic pay for which would otherwise be determined under subchapter II.

"(g) The Office of Management and Budget shall consult with the Office of Personnel Management before prescribing regulations under this section or making any decision to grant or terminate any authority under this section.

"(h) The Office of Management and Budget shall report to the Committee on Post Office and Civil Service of the House of Representatives and the Committee on Governmental Affairs of the Senate each year, in writing, on the operation of this section. Each report under this subsection shall include—

"(1) the number of positions, in the aggregate and by agency, for which higher rates of pay were authorized or paid under this section during any part of the period covered by such report; and

"(2) the name of each employee to whom a higher rate of pay was paid under this section during any portion of the period covered by such report, the rate or rates paid under this section during such period, the dates between which each such higher rate was paid, and the rate or rates that would have been paid but for this section.".

(b) TABLE OF SECTIONS.—The table of sections for chapter 53 of title 5, United States Code, as amended by section 102, is further amended by adding at the end the following new item:

"5377. Pay authority for critical positions.".

SEC. 104. ADMINISTRATIVE LAW JUDGES AND CONTRACT APPEALS BOARD MEMBERS.

(a) PAY PROVISIONS.—(1) Section 5372 of title 5, United States Code, is amended to read as follows:

"§ 5372. Administrative law judges

"(a) For the purpose of this section, the term 'administrative law judge' means an administrative law judge appointed under section 3105.

"(b)(1) There shall be 3 levels of basic pay for administrative law judges (designated as AL-1, 2, and 3, respectively), and each such judge shall be paid at 1 of those levels, in accordance with the provisions of this section. The rates of basic pay for those levels shall be as follows:

"AL-3, rate A	65 percent of the rate of basic pay for level IV of the Executive Schedule.
"AL-3, rate B	70 percent of the rate of basic pay for level IV of the Executive Schedule.
"AL-3, rate C	75 percent of the rate of basic pay for level IV of the Executive Schedule.
"AL-3, rate D	80 percent of the rate of basic pay for level IV of the Executive Schedule.
"AL-3, rate E	85 percent of the rate of basic pay for level IV of the Executive Schedule.
"AL-3, rate F	90 percent of the rate of basic pay for level IV of the Executive Schedule.
"AL-2	95 percent of the rate of basic pay for level IV of the Executive Schedule.
"AL-1	The rate of basic pay for level IV of the Executive Schedule.

"(2) The Office of Personnel Management shall determine, in accordance with procedures which the Office shall by regulation prescribe, the level in which each administrative-law-judge position shall be placed and the qualifications to be required for appointment to each level.

"(3)(A) Upon appointment to a position in AL-3, an administrative law judge shall be paid at rate A of AL-3, and shall be advanced successively to rates B, C, and D of that level upon completion of 52 weeks of service in the next lower rate, and to rates E and F of that level upon completion of 104 weeks of service in the next lower rate.

"(B) The Office of Personnel Management may provide for appointment of an administrative law judge in AL-3 at an advanced rate under such circumstances as the Office may determine appropriate.

"(c) The Office of Personnel Management shall prescribe regulations necessary to administer this section.".

(2) Subchapter VII of chapter 53 of title 5, United States Code, is amended by inserting before section 5373 the following new section:

"§5372a. Contract appeals board members

"(a) For the purpose of this section—

"(1) the term 'contract appeals board member' means a member of an agency board of contract appeals appointed under section 8 of the Contract Disputes Act of 1978; and

"(2) the term 'appeals board' means an agency board of contract appeals established pursuant to section 8 of the Contract Disputes Act of 1978.

"(b) Rates of basic pay for contract appeals board members shall be as follows:

"(1) Chairman of an appeals board—the rate of basic pay payable for level IV of the Executive Schedule.

"(2) Vice chairman of an appeals board—97 percent of the rate under paragraph (1).

"(3) Other members of an appeals board—94 percent of the rate under paragraph (1).

"(c) Rates of pay taking effect under this section shall be printed in the Federal Register and the Code of Federal Regulations.".

(b) TABLE OF SECTIONS.—The table of sections for chapter 53 of title 5, United States Code, is amended by inserting before the item relating to section 5373 the following new item:

"5372a. Contract appeals board members.".

(c) AMENDMENTS TO 5 U.S.C. 5311.—Section 5311 of title 5, United States Code, is amended—

(1) by striking subsection (b); and

(2) in subsection (a), by striking "(a)".

(d) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 5102(c) of title 5, United States Code, is amended—

(A) in paragraph (27), by striking "or";

(B) in paragraph (28), by striking the period and inserting a semicolon; and

(C) by adding at the end the following new items:

"(29) administrative law judges appointed under section 3105; or

"(30) members of agency boards of contract appeals appointed under section 8 of the Contract Disputes Act of 1978.".

(2) Section 5335(a)(B) of title 5, United States Code, is amended by striking ", except an administrative law judge appointed under section 3105 of this title,".

(3) Section 428(b) of the Black Lung Benefits Act (30 U.S.C. 938(b)) is amended by striking the sentence beginning "Each administrative law judge presiding" and inserting "Each administrative law judge presiding under this section and under the provisions of titles I, II and III of this Act shall receive compensation at a rate determined under section 5372 of title 5, United States Code.".

(4) Section 8(b) of the Contract Disputes Act of 1978 is amended—

(A) in paragraph (1), by striking the last 2 sentences thereof and inserting the following: "Compensation for the chairman, the vice chairman, and all other members of an agency board shall be determined under section 5372a of title 5, United States Code."; and

(B) in paragraph (2), by striking the last 2 sentences thereof and inserting the following: "The chairman and all other members of such board shall receive compensation, at the daily equivalent of the rates determined under section 5372a of title 5, United States Code, for each day they are engaged in the actual performance of their duties as members of the board.".

(e) CONVERSION RULE FOR ALJs.—In making initial pay adjustments for administrative law judges after this section and the amendments made by this section take effect, the rate of basic pay for any such judge shall, upon conversion to the new pay system, be at least equal to the rate which was payable to that individual immediately before such conversion.

SEC. 105. SPECIAL OCCUPATIONAL PAY SYSTEMS.

(a) IN GENERAL.—(1) Chapter 53 of title 5, United States Code, is amended by inserting after subchapter VIII the following new subchapter:

"SUBCHAPTER IX—SPECIAL OCCUPATIONAL PAY SYSTEMS

"5391. Definitions.
"5392. Establishment of special occupational pay systems.

"§ 5391. Definitions

"For the purposes of this subchapter, 'agency', 'employee', and 'position' have the meanings given them by section 5102.

"§ 5392. Establishment of special occupational pay systems

"(a) Authority under this section may be exercised with respect to any occupation or group of occupations to which subchapter III applies (or would apply but for this section).

"(b) Subject to subsection (a), the President's pay agent (as referred to in section 5304(d)) may establish one or more special occupational pay systems for any positions within occupations or groups of occupations that the pay agent determines, for reasons of good administration, should not be classified under chapter 51 or subject to subchapter III.

"(c) In establishing special occupational pay systems, the pay agent shall—

"(1) identify occupations or groups of occupations for which chapter 51 and subchapter III do not function adequately;

"(2) consider alternative approaches for determining the pay for employees in positions in such occupations or groups of occupations;

"(3) give thorough consideration to the views of agencies employing such employees and labor organizations representing such employees, as well as other interested parties;

"(4) publish a proposed plan for determining the pay of such employees in the Federal Register;

"(5) conduct one or more public hearings;

"(6) provide each House of Congress with a report at least 90 days in advance of the date the system is to take effect setting forth the details of the proposed plan; and

"(7) not later than 30 days before the date the system is to take effect, publish in the Federal Register the details of the final plan for the special occupational pay system.

"(d) A special occupational pay system may not—

"(1) provide for a waiver of any law, rule, or regulation that could not be waived under section 4703(c); or

"(2) provide a rate of basic pay for any employee in excess of the rate payable for level V of the Executive Schedule.

"(e) Subject to subsection (d)(2), effective at the beginning of the first applicable pay period commencing on or after the first day of the month in which an adjustment takes effect under section 5303 in the rates of pay under the General Schedule, each rate of pay established under this section shall be adjusted by such amount as the Office considers appropriate.".

(2) The table of sections for chapter 53 of title 5, United States Code, is amended by adding at the end the following new matter:

"SUBCHAPTER IX—SPECIAL OCCUPATIONAL PAY SYSTEMS

"Sec.
"5391. Definitions.
"5392. Establishment of special occupational pay systems.".

(b) PAY RETENTION.—(1) Section 5361(5) of title 5, United States Code, is amended by inserting "a special occupational pay system under subchapter IX," before "or".

(2) Section 5363(a) of title 5, United States Code, is amended—

(A) in paragraph (2), by striking "or" after the semicolon;

(B) in paragraph (3), by inserting "or" after the semicolon; and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) who is in a position subject to this subchapter and who is subject to a reduction

or termination of a rate of pay established under subchapter IX of chapter 53;".

SEC. 106. ELIMINATION OF GS-11 THRESHOLD FOR NEW APPOINTEES TO BE PAID ABOVE MINIMUM RATES.

Section 5333(a) of title 5, United States Code, is amended by striking "in GS-11 or above".

SEC. 107. ADVANCES OF PAY.

(a) IN GENERAL.—Subchapter III of chapter 55 of title 5, United States Code, is amended by inserting after section 5524 the following new section:

"§ 5524a. Advance payments for new appointees

"(a) The head of each agency may provide for the advance payment of basic pay, covering not more than 2 pay periods, to any individual who is newly appointed to a position in the agency.

"(b)(1) Subject to adjustment of the account of an employee under paragraph (2) and other applicable statutes, the advance payment of basic pay shall be made, under agency procedures governing advance payments under this section, at the initial rate of basic pay to be payable to the employee upon the commencement of service in the position to which appointed.

"(2) The head of each agency shall provide for—

"(A) the review of the account of each employee of the agency in receipt of any payment under this section; and

"(B) the adjustment of the amount of any such payment on the basis of the rate of basic pay to which the employee would have been entitled under applicable statute other than this section for the respective periods covered by the payments, if the employee had performed active service under the terms of such employee's appointment during each period in the position to which appointed.

"(c) An advance payment under this section is recoverable by the Government of the United States or the government of the District of Columbia, as the case may be, from the employee or such employee's estate by—

"(1) setoff against accrued pay, amount of retirement credit, or other amount due to the employee from the Government of the United States or the government of the District of Columbia; and

"(2) such other method as is provided by law.

The head of the agency concerned may waive in whole or in part a right of recovery of an advance payment under this section if it is shown that the recovery would be against equity and good conscience or against the public interest.".

(b) TABLE OF SECTIONS.—The table of sections for chapter 55 of title 5, United States Code, is amended by inserting after the item relating to section 5524 the following new item:

"5524a. Advance payments for new appointees.".

SEC. 108. REEMPLOYMENT OF RETIREES.

(a) AMENDMENT TO 5 U.S.C. 5532.—Section 5532 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(g)(1) The Director of the Office of Personnel Management may, at the request of the head of an Executive agency—

"(A) waive the application of the preceding provisions of this section on a case-by-case basis for employees in positions for which there is exceptional difficulty in recruiting or retaining a qualified employee; or

"(B) grant authority to the head of such agency to waive the application of the preceding provisions of this section, on a case-by-case basis, for an employee serving on a temporary basis, but only if, and for so long as, the authority is necessary due to an emergency involving a direct threat to life or property or other unusual circumstances.

"(2) The Office shall prescribe regulations for the exercise of any authority under this subsection, including criteria for any exercise of authority and procedures for terminating a delegation of authority under paragraph (1)(B).".

(b) AMENDMENT TO 5 U.S.C. 8344.—Section 8344 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(i)(1) The Director of the Office of Personnel Management may, at the request of the head of an Executive agency—

"(A) waive the application of the preceding provisions of this section on a case-by-case basis for employees in positions for which there is exceptional difficulty in recruiting or retaining a qualified employee; or

"(B) grant authority to the head of such agency to waive the application of the preceding provisions of this section, on a case-by-case basis, for an employee serving on a temporary basis, but only if, and for so long as, the authority is necessary due to an emergency involving a direct threat to life or property or other unusual circumstances.

"(2) The Office shall prescribe regulations for the exercise of any authority under this subsection, including criteria for any exercise of authority and procedures for terminating a delegation of authority under paragraph (1)(B).

"(3) An employee to whom a waiver under subparagraph (A) or (B) of paragraph (1) applies shall not be deemed an employee for the purposes of this chapter or chapter 84 while such waiver is in effect.".

(c) AMENDMENT TO 5 U.S.C. 8468.—Section 8468 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(f)(1) The Director of the Office of Personnel Management may, at the request of the head of an Executive agency—

"(A) waive the application of the preceding provisions of this section on a case-by-case basis for employees in positions for which there is exceptional difficulty in recruiting or retaining a qualified employee; or

"(B) grant authority to the head of such agency to waive the application of the preceding provisions of this section, on a case-by-case basis, for an employee serving on a temporary basis, but only if, and for so long as, the authority is necessary due to an emergency involving a direct threat to life or property or other unusual circumstances.

"(2) The Office shall prescribe regulations for the exercise of any authority under this subsection, including criteria for any exercise of authority and procedures for terminating a delegation of authority under paragraph (1)(B).

"(3) An employee to whom a waiver under subparagraph (A) or (B) of paragraph (1) applies shall not be deemed an employee for the purposes of chapter 83 or this chapter while such waiver is in effect.".

SEC. 109. NEW PAY STRUCTURE FOR THE POLICE FORCES OF THE BUREAU OF ENGRAVING AND PRINTING AND THE UNITED STATES MINT.

(a) AMENDMENTS.—(1)(A) Subchapter VII of chapter 53 of title 5, United States Code, as amended by sections 102 and 103, is further amended by adding at the end the following new section:

"§ 5378. Police forces of the Bureau of Engraving and Printing and the United States Mint

"(a) The Secretary of the Treasury shall fix the rates of basic pay for positions within the police forces of the Bureau of Engraving and Printing and the United States Mint in accordance with the following:

"(1) Entry-level police officer—not more than the maximum rate payable for GS-6.

"(2) Journeyman-level police officer—not more than the maximum rate payable for GS-7.

"(3) Corporal—not more than the maximum rate payable for GS-8.

"(4) Sergeant—not more than the maximum rate payable for GS-9.

"(5) Lieutenant—not more than the maximum rate payable for GS-10.

"(6) Deputy Inspector—not more than the maximum rate payable for GS-11.

"(7) Inspector—not more than the maximum rate payable for GS-12.

"(b) For the purpose of this section, the term 'police forces of the Bureau of Engraving and Printing and the United States Mint' means the employees of the Department of the Treasury who are appointed, under the authority of the Secretary of the Treasury, as police officers for the protection of the Bureau of Engraving and Printing and the United States Mint buildings and property.".

(B) The table of sections for subchapter VII of chapter 53 of title 5, United States Code, as amended by sections 102 and 103, is further amended by adding at the end the following new item:

"5378. Police forces of the Bureau of Engraving and Printing and the United States Mint.".

(2) Section 5102(c)(5) of title 5, United States Code, is amended—

(A) by striking "and members" and inserting "members"; and

(B) by adding "and members of the police forces of the Bureau of Engraving and Printing and the United States Mint whose pay is fixed under section 5378 of this title;" after the last semicolon.

(b) SPECIAL PAY RATES NOT AFFECTED.—Nothing in this section or in any amendment made by this section shall—

(1) affect any special pay rate under section 5305 of title 5, United States Code, established before this section takes effect; or

(2) impair any authority to fix or adjust special pay rates under such section 5305 (or a succeeding provision of law) for positions within the police forces of the Bureau of Engraving and Printing and the United States Mint.

(c) EFFECTIVE DATE; CONVERSION AND SAVINGS PROVISIONS.—(1) This section and the amendments made by this section shall become effective on the first day of the first applicable pay period beginning on or after the 30th day following the date of enactment of this Act.

(2)(A) A special pay rate (as defined in subparagraph (B)) shall apply to an individual holding a position if—

(i) as a result of the initial exercise of authority with respect to such position under the amendment made by subsection (a)(1)(A), such individual would (but for this paragraph) be paid—

(I) at the step of the grade for which such special pay rate is then in effect; or

(II) at a level which is between steps for which special pay rates are then in effect; and

(ii) such position is within the area or location with respect to which that special

pay rate or those special pay rates, as applicable, are then in effect.

The Secretary of the Treasury shall prescribe regulations for determining which special pay rate shall apply in a situation described in clause (i)(II).

(B) For the purpose of this paragraph, the term "special pay rate" means a rate which—

(i) is established under section 5303 of title 5, United States Code (or a succeeding provision of law);

(ii) is applicable to positions within the police forces of the Bureau of Engraving and Printing and the United States Mint; and

(iii) has been in effect (including any adjustments under section 5303(d) of such title) since on or before the effective date of this section.

(3) No rate of basic pay in effect immediately before this section takes effect shall be reduced by reason of the enactment of this section.

SEC. 110. COMPENSATION OF STANDING TRUSTEES APPOINTED UNDER TITLES 11 AND 28, UNITED STATES CODE.

(a) COMPENSATION.—Section 586(e)(1)(A) of title 28, United States Code, is amended to read as follows:

"(A) a maximum annual compensation for such individual consisting of—

"(i) an amount not to exceed the highest annual rate of basic pay in effect for level V of the Executive Schedule; and

"(ii) the cash value of employment benefits comparable to the employment benefits provided by the United States to individuals who are employed by the United States at the same rate of basic pay to perform similar services during the same period of time; and".

(b) APPLICATION TO ALL STANDING TRUSTEES.—The amendment made by subsection (a) shall apply to any trustee to whom the provisions of section 302(d)(3) of the Bankruptcy Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (Public Law 99-54; 100 Stat. 3121) apply.

SEC. 111. PAY-FOR-PERFORMANCE LABOR-MANAGEMENT COMMITTEE.

(a) POLICY.—It is the policy of Congress that—

(1) the Federal Government should institute systems for determining pay for its General Schedule employees under which the linkage between their performance and their pay will be strengthened;

(2) the design of such systems should be developed by the Office of Personnel Management, in conjunction with the Pay-for-Performance Labor-Management Committee;

(3) the systems should provide flexibility to adapt to the different needs of different agencies and organizational components in the Federal Government; and

(4) any legislation needed to implement the systems should be enacted in a timely fashion so as to permit implementation of the system by October 1, 1993.

(b) ESTABLISHMENT.—The Office of Personnel Management shall establish a Pay-for-Performance Labor-Management Committee to advise the Office on the design and establishment of systems for strengthening the linkage between the performance of General Schedule employees and their pay.

(c) MEMBERSHIP.—The members of the Committee shall be—

(1) a Chairman, who shall be appointed by the Director of the Office of Personnel Management on the basis of the appointee's education, training, and experience as an expert in compensation practices, and after consultation with the Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service of the House of Representatives, respectively;

(2) an employee of the Office of Personnel Management, designated by the Director of such Office;

(3) an employee of the Department of Defense, designated by the Secretary of Defense;

(4) 3 individuals, each of whom shall be an employee designated by the head of each of 3 other departments or agencies selected by the Director of the Office of Personnel Management from among departments and agencies having substantial numbers of General Schedule employees; and

(5) 6 individuals appointed by the Director of the Office of Personnel Management to serve as representatives of employee organizations which represent substantial numbers of General Schedule employees, and who shall be selected with due consideration to such factors as the relative numbers of General Schedule employees represented by the various organizations, except that not more than 3 members of the Committee at any one time shall be from a single employee organization, council, federation, alliance, association, or affiliation of employee organizations.

(d) PAY FOR MEMBERS.—The Chairman shall be paid at a rate of basic pay for the Senior Executive Service, to be determined by the Director of the Office of Personnel Management. The members of the Committee who are otherwise employees of the Federal Government shall not receive any additional pay by reason of their service on the Committee. The members of the Committee who are not otherwise employees of the Federal Government shall not be paid for their service on the Committee and shall not be considered employees of the Federal Government for any purpose by reason of their service on the Committee.

(e) ADMINISTRATIVE SUPPORT.—The Office of Personnel Management may provide staff and administrative support for the Committee.

(f) FUNCTIONS.—The Committee shall review available reports and studies on performance evaluation and performance-based pay systems (including a report to be prepared by the National Academy of Sciences) and any other pertinent information.

(g) REPORT TO THE OFFICE OF PERSONNEL MANAGEMENT.—No later than 1 year after the date of enactment of this Act, the Committee shall submit a report to the Director of the Office of Personnel Management, which shall include recommendations as to—

(1) the types of pay raises to be covered;

(2) guidelines for pay-for-performance systems, including the criteria to be used in determining eligibility for and the amount of increases in basic pay above the midpoint of the pay range;

(3) the role organizational performance should play in pay-for-performance systems;

(4) any differences in pay-for-performance systems for different categories of employees;

(5) the role for employee organizations in the implementation and operation of pay-for-performance systems; and

(6) whether demonstration projects on pay-for-performance are desirable.

SEC. 112. POSITION TITLES IN CERTAIN DEPARTMENTS.

(a) CHANGE IN POSITION TITLE.—(1) The position of Under Secretary of Health and Human Services, established by section 2 of Reorganization Plan No. 1 of 1953 (67 Stat. 631), is retitled the Deputy Secretary of Health and Human Services.

(2) The Act of May 9, 1935 (49 Stat. 177, 43 U.S.C. 1452) is amended by striking "Under Secretary" and inserting "Deputy Secretary".

(3) The Department of Education Organization Act (20 U.S.C. 3401 et seq.) is amended—

(A) in section 104(3) (20 U.S.C. 3404(3)), by striking "Under Secretary" both places it appears and inserting "Deputy Secretary"; and

(B) in section 202(a) (20 U.S.C. 3412(a))—

(i) in the first sentence, by striking "an Under Secretary" and inserting "a Deputy Secretary"; and

(ii) in subsequent sentences, by striking "Under Secretary" each place it appears and inserting "Deputy Secretary".

(3) The first sentence of section 4(a) of the Department of Housing and Urban Development Act (42 U.S.C. 3533(a)) is amended by striking "an Under Secretary" and inserting "a Deputy Secretary".

(b) COMPENSATION OF DEPUTY SECRETARIES.—Section 5313 of title 5, United States Code, is amended by adding at the end the following:

"Deputy Secretary of Health and Human Services.

"Deputy Secretary of the Interior.

"Deputy Secretary of Education.

"Deputy Secretary of Housing and Urban Development.".

(c) CONSTRUCTION OF REFERENCES.—Any reference in any statute, reorganization plan, regulation, executive order, or any document issued pursuant thereto in force on the date this section takes effect to the Under Secretary of Health and Human Services, the Under Secretary of the Interior, the Under Secretary of Education, or the Under Secretary of Housing and Urban Development shall be deemed to be a reference to the Deputy Secretary of Health and Human Services, the Deputy Secretary of the Interior, the Deputy Secretary of Education, or the Deputy Secretary of Housing and Urban Development, respectively.

(d) CONFORMING AMENDMENTS.—Section 5314 of title 5, United States Code, is amended by striking the following:

"Under Secretary of Health and Human Services.

"Under Secretary of the Interior.

"Under Secretary of Education.

"Under Secretary of Housing and Urban Development.".

(e) EFFECTIVE DATE; CONTINUED SERVICE BY INCUMBENTS.—(1) This section shall take effect on the first day of the first pay period that begins on or after the date of enactment of this Act.

(2)(A) The incumbent in the position of Under Secretary of Health and Human Services on the day immediately preceding the date this section takes effect may serve as Deputy Secretary of Health and Human Services at the pleasure of the President after such day.

(B) The incumbent in the position of Under Secretary of the Interior on the day immediately preceding the date this section takes effect may serve as Deputy Secretary of the Interior at the pleasure of the President after such day.

(C) The incumbent in the position of Under Secretary of Education on the day immediately preceding the date this section takes effect may serve as Deputy Secretary of Education at the pleasure of the President after such day.

(D) The incumbent in the position of Under Secretary of Housing and Urban Development on the day immediately preceding the date this section takes effect may serve as Deputy Secretary of Housing and Urban Development at the pleasure of the President after such day.

SEC. 113. DIRECTOR OF THE CENSUS BUREAU.

Title 5, United States Code, is amended—

(1) in section 5316, by striking the item relating to the Director, Bureau of the Census, Department of Commerce; and

(2) in section 5315, by adding at the end the following:

"Director, Bureau of the Census, Department of Commerce.".

TITLE II—AMENDMENTS RELATING TO AWARDS, ALLOWANCES, DIFFERENTIALS, AND OTHER RELATED MATTERS

SEC. 201. TIME OFF FROM DUTY AS AN INCENTIVE AWARD.

Section 4502 of title 5, United States Code, is amended by adding at the end the following new subsection:

"(e)(1) Notwithstanding section 4501(2), for the purpose of this subsection, 'employee' includes an employee covered by the performance management and recognition system established under chapter 54.

"(2) The Office of Personnel Management may by regulation permit agencies to grant employees time off from duty, without loss of pay or charge to leave, as an award in recognition of superior accomplishment or other personal effort that contributes to the quality, efficiency, or economy of Government operations.".

SEC. 202. UNIFORM ALLOWANCES.

(a) AMENDMENTS TO SECTION 5901 OF TITLE 5, UNITED STATES CODE.—Section 5901(a) of title 5, United States Code, is amended—

(1) in the first sentence, by striking "an amount" through the period and inserting "such sums as may be necessary to carry out this subchapter."; and

(2) by striking "$125 a year" each place it appears and inserting "$400 a year (or such higher maximum amount as the Office of Personnel Management may establish under section 5902).".

(b) AMENDMENTS TO SECTIONS 5902 AND 5903 OF TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended by striking sections 5902 and 5903 and inserting the following:

"§ 5902. Increase in maximum uniform allowance

"The Office of Personnel Management may, from time to time, by regulation adjust the maximum amount for the cost of uniforms and the maximum allowance for uniforms under section 5901.

"§ 5903. Regulations

"The Office of Personnel Management may prescribe such regulations as it considers necessary for the administration of this subchapter.".

SEC. 203. DIFFERENTIAL FOR PHYSICAL HARDSHIP OR HAZARD.

Section 5545(d) of title 5, United States Code, is amended—

(1) in the first sentence, by striking "irregular or intermittent"; and

(2) in paragraph (1), by striking "thereof;" and inserting "thereof, except in such circumstances as the Office may by regulation prescribe;".

SEC. 204. EXCEPTION FROM LIMITATION ON PREMIUM PAY.

Section 5547 of title 5, United States Code, is amended—

(1) in subsection (a), by inserting after "GS–15" the following: "(including any applicable locality-based comparability payment under section 5304 or similar provision of law and any applicable special rate of pay under section 5305 or similar provision of law)"; and

(2) by amending subsection (b) to read as follows:

"(b)(1) Subject to regulations prescribed by the Office of Personnel Management, the first sentence of subsection (a) shall not apply to an employee who is paid premium pay by reason of work in connection with an emergency which involves a direct threat to life or property, including a forest wildfire emergency.

"(2) Notwithstanding paragraph (1), no employee referred to in such paragraph may be paid premium pay under the provisions of law cited in the first sentence of subsection (a) if, or to the extent that, the aggregate of such employee's basic pay and premium pay under those provisions would, in any calendar year, exceed the maximum rate payable for GS–15 in effect at the end of such calendar year.".

SEC. 205. HEALTH CARE POSITIONS.

(a) IN GENERAL.—Section 5371 of title 5, United States Code, is amended to read as follows:

"§5371. Health care positions

"(a) For the purposes of this section, 'health care' means direct patient-care services or services incident to direct patient-care services.

"(b) The Office of Personnel Management may, with respect to any employee described in subsection (c), provide that 1 or more provisions of chapter 73 of title 38 shall apply—

"(1) in lieu of any provision of chapter 51 or 61, or any other provision of this chapter; or

"(2) notwithstanding any lack of specific authority for a matter with respect to which chapter 51 or 61, or this chapter, relates.

"(c) Authority under subsection (b) may be exercised with respect to any employee holding a position—

"(1) to which chapter 51 applies, excluding any Senior Executive Service position and any position in the Federal Bureau of Investigation and Drug Enforcement Administration Senior Executive Service; and

"(2) which involves health care responsibilities.".

(b) TABLE OF SECTIONS.—The table of sections for chapter 53 of title 5, United States Code, is amended by striking the item relating to section 5371 and inserting the following:

"5371. Health care positions.".

SEC. 206. TRAVEL AND TRANSPORTATION EXPENSES FOR CANDIDATES AND NEW APPOINTEES.

(a) INTERVIEW EXPENSES.—(1) Chapter 57 of title 5, United States Code, is amended by inserting after section 5706a the following new section:

"§ 5706b. Interview expenses

"An individual being considered for employment by an agency may be paid travel or transportation expenses under this subchapter for travel to and from pre-employment interviews determined necessary by the agency.".

(2) The table of sections for chapter 57 of title 5, United States Code, is amended by inserting after the item relating to section 5706a the following new item:

"5706b. Interview expenses.".

(b) OTHER EXPENSES.—Section 5723(a)(1) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking "a position" through "shortage," and inserting "any position,"; and

(2) in subparagraph (C), by striking "the minimum rate of pay prescribed for GS–16; and" and inserting "the minimum rate of pay payable for a position classified above GS–15 pursuant to section 5108; and".

SEC. 207. PERFORMANCE-BASED CASH AWARDS.

(a) IN GENERAL.—Chapter 45 of title 5, United States Code, is amended by inserting after section 4505 the following new section:

"§4505a. Performance-based cash awards

"(a)(1) An employee whose most recent performance rating was at the fully successful level or higher (or the equivalent thereof) may be paid a cash award under this section.

"(2)(A) A cash award under this section shall be equal to an amount determined appropriate by the head of the agency, but may not be more than 10 percent of the employee's annual rate of basic pay. Notwithstanding the preceding sentence, the agency head may authorize a cash award equal to an amount exceeding 10 percent of the employee's annual rate of basic pay if the agency head determines that exceptional performance by the employee justifies such an award, but in no case may an award under this section exceed 20 percent of the employee's annual rate of basic pay.

"(B) For purposes of computing a percentage of a rate of basic pay under subparagraph (A), the rate of basic pay used shall be determined without taking into account any comparability payment under section 5304.

"(b)(1) A cash award under this section shall be paid as a lump sum, and may not be considered to be part of the basic pay of an employee.

"(2) The failure to pay a cash award under this section, or the amount of such an award, may not be appealed. The preceding sentence shall not be construed to extinguish or lessen any right or remedy under subchapter II of chapter 12 or under any of the laws referred to in section 2302(d).

"(c) The Office shall prescribe such regulations as it considers necessary for the administration of subsections (a) and (b).

"(d) At the request of the head of an Executive agency, the President may authorize the application of the preceding provisions of this section with respect to 1 or more categories of employees within such agency who would not otherwise be covered by this section (including authority under subsection (c) to prescribe any necessary regulations).".

(b) TABLE OF SECTIONS.—The table of sections for chapter 45 of title 5, United States Code, is amended by inserting after the item relating to section 4505 the following new item:

"4505a. Performance-based cash awards.".

SEC. 208. RECRUITMENT, RELOCATION, AND RETENTION PAYMENTS.

(a) IN GENERAL.—Subchapter IV of chapter 57 of title 5, United States Code, is amended by adding at the end the following new sections:

"§5753. Recruitment and relocation bonuses

"(a) The Office of Personnel Management may authorize the head of an agency to pay a bonus to an employee who is newly appointed to a position under the General Schedule, or to an employee under the General Schedule or under any other pay authority in the executive, legislative, or judicial branch who must relocate to accept a position under the General Schedule, if the Office determines that the agency would be

likely, in the absence of such a bonus, to encounter difficulty in filling the position.

"(b)(1)(A) The amount of a bonus under this section shall be determined by regulations of the Office, but may not exceed 25 percent of the annual rate of basic pay of the position to which the employee is being appointed or relocated.

"(B) For purposes of computing a percentage of a rate of basic pay under subparagraph (A), the rate of basic pay used shall be determined without taking into account any comparability payment under section 5304.

"(2) Payment of a bonus under this section shall be contingent upon the employee entering into an agreement with the agency to complete a period of employment with the agency, with the required period determined pursuant to regulations of the Office. If the employee voluntarily fails to complete such period of service or is separated from the service before completion of such period of service for cause on charges of misconduct or delinquency, the employee shall repay the bonus on a pro rata basis.

"(3) A bonus under this section shall be paid as a lump sum, and may not be considered to be part of the basic pay of an employee.

"(4) Under regulations of the Office, a recruitment bonus may be paid to a newly-hired employee before the employee enters on duty.

"(c) For the purpose of this section—

"(1) the terms 'agency' and 'employee' have the meanings given them by section 5102; and

"(2) any reference to 'a position under the General Schedule' or 'an employee under the General Schedule' shall be considered to be a reference to any position or employee to which subchapter III of chapter 53 applies.

"(d) The Office shall prescribe such regulations as it considers necessary for the administration of subsections (a) through (c).

"(e) At the request of the head of an Executive agency, the President may authorize the application of the preceding provisions of this section with respect to 1 or more categories of employees within such agency who would not otherwise be covered by this section (including authority under subsection (d) to prescribe any necessary regulations).

"§ 5754. Retention allowances

"(a) The Office of Personnel Management may authorize the head of an agency to pay an allowance to an employee under the General Schedule if—

"(1) the unusually high or unique qualifications of the employee or a special need of the agency for the employee's services makes it essential to retain the employee; and

"(2) the agency determines that the employee would be likely to leave in the absence of a retention allowance.

"(b)(1) A retention allowance, which shall be stated as a percentage of the rate of basic pay (excluding any comparability payments under section 5304) of the employee, may not exceed 25 percent of such rate of basic pay.

"(2) A retention allowance may not be considered to be part of the basic pay of an employee, and the reduction or elimination of a retention allowance may not be appealed. The preceding sentence shall not be construed to extinguish or lessen any right or remedy under subchapter II of chapter 12 or under any of the laws referred to in section 2302(d).

"(3) A retention allowance shall be paid at the same time and in the same manner as the employee's basic pay is paid.

"(c) For the purpose of this section—

"(1) the terms 'agency' and 'employee' have the meanings given them by section 5102; and

"(2) any reference to 'an employee under the General Schedule' shall be considered to be a reference to any employee holding a position to which subchapter III of chapter 53 applies.

"(d) The Office shall prescribe such regulations as it considers necessary for the administration of subsections (a) through (c).

"(e) At the request of the head of an Executive agency, the President may authorize the application of the preceding provisions of this section with respect to 1 or more categories of employees within such agency who would not otherwise be covered by this section (including authority under subsection (d) to prescribe any necessary regulations).".

(b) TABLE OF SECTIONS.—The table of sections for chapter 57 of title 5, United States Code, is amended by adding after the item relating to section 5752 the following new items:

"5753. Recruitment and relocation bonuses.
"5754. Retention allowances.".

SEC. 209. STAFFING DIFFERENTIALS.

(a) IN GENERAL.—Effective on the first day of the first applicable pay period beginning on or after January 1, 1991, the President may establish staffing differentials equal to 5 percent of basic pay, which may be paid to each General Schedule employee whose position is in—

(1) grade GS-5 or 7 of the General Schedule; or

(2) a 2-grade-interval occupational series, as determined by the Office of Personnel Management.

(b) MANNER OF PAYMENT; REDUCTION OR ELIMINATION.—A staffing differential under this section—

(1) shall be paid in the same manner and at the same time as the employee's basic pay is paid, but may not be considered to be part of basic pay for any purpose; and

(2) may be reduced or eliminated by the Office of Personnel Management in its sole discretion as the amendments made by this Act take effect, except that no such reduction or elimination shall have the effect of reducing the total amount of pay (determined by adding basic pay and staffing differential) which any employee is receiving.

SEC. 210. PREMIUM PAY AMENDMENTS.

Subchapter V of chapter 55 of title 5, United States Code, is amended—

(1) in section 5542, by adding at the end the following new subsection:

"(c) Subsection (a) shall not apply to an employee who is subject to the overtime pay provisions of section 7 of the Fair Labor Standards Act of 1938. In the case of an employee who would, were it not for the preceding sentence, be subject to this section, hours of work in excess of 8 hours in a day shall be deemed to be overtime hours for the purposes of such section 7 and hours in a paid non-work status shall be deemed to be hours of work.";

(2) in section 5543(a)(1), by inserting after "payment" the following: "under section 5542 or section 7 of the Fair Labor Standards Act of 1938"; and

(3) in section 5544, by adding at the end of subsection (a) "This section, other than the sixth sentence, shall not be applicable to an employee who is subject to the overtime pay provisions of section 7 of the Fair Labor Standards Act of 1938. In the case of an employee who would, were it not for the preceding sentence, be subject to this section, hours of work in excess of 8 hours in a day shall be deemed to be overtime hours for the purposes of such section 7 and hours in a paid non-work status shall be deemed to be hours of work.".

SEC. 211. SUPERVISORY DIFFERENTIALS.

(a) IN GENERAL.—Subchapter IV of chapter 57 of title 5, United States Code, as amended by section 208, is further amended by adding at the end the following:

"§ 5755. Supervisory differentials

"(a)(1) The Office of Personnel Management may authorize the head of an agency to pay a differential to an employee under the General Schedule who has supervisory responsibility for 1 or more employees not under the General Schedule, if 1 or more of the subordinate employees would, in the absence of such a differential, be paid more than the supervisory employee.

"(2) For the purposes of comparing the pay of a supervisory employee under the General Schedule with the pay of a subordinate employee not under the General Schedule, comparability payments under section 5304, differentials, and allowances that are not a part of basic pay may be taken into consideration, as provided by regulations of the Office.

"(b)(1) A supervisory differential, which shall be stated as a percentage of the supervisory employee's rate of basic pay (excluding any comparability payments under section 5304) or as a dollar amount, may not cause the supervisory employee's pay to exceed the pay of the highest paid subordinate employee by more than 3 percent.

"(2) A supervisory differential may not be considered to be part of the basic pay of an employee, and the reduction or elimination of a supervisory differential may not be appealed. The preceding sentence shall not be construed to extinguish or lessen any right or remedy under subchapter II of chapter 12 or under any of the laws referred to in section 2302(d).

"(3) A supervisory differential shall be paid in the same manner and at the same time as the employee's basic pay is paid.

"(c) For the purpose of this section—

"(1) the terms 'agency' and 'employee' have the meanings given them by section 5102; and

"(2) any reference to 'an employee under the General Schedule' shall be considered to be a reference to any employee holding a position to which subchapter III of chapter 53 applies.

"(d) The Office shall prescribe such regulations as it considers necessary for the administration of this section.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 5333 of title 5, United States Code, is amended—

(A) in the section heading, by striking "; higher rates for supervisors of prevailing rate employees";

(B) in subsection (a), by striking "(a)"; and

(C) by striking subsection (b).

(2) The table of sections for chapter 53 of title 5, United States Code, is amended by striking the item relating to section 5333 and inserting the following:

"5333. Minimum rate for new appointments.".

TITLE III—MISCELLANEOUS PROVISIONS

SEC. 301. BUDGET ACT COMPLIANCE.

For purposes of the Congressional Budget Act of 1974, any authority to make payments under this Act or any amendment made by this Act shall be effective only to the extent provided for in advance in appropriation Acts.

SEC. 302. INTERIM GEOGRAPHIC ADJUSTMENTS.

(a) DEFINITIONS.—For the purpose of this section—

(1) the term "area" means any consolidated metropolitan statistical area, primary metropolitan statistical area, or metropolitan statistical area, with at least 5,000 General Schedule employees; and

(2) the term "pay relative" shall have the meaning given such term under regulations prescribed by the Bureau of Labor Statistics.

(b) AUTHORITY.—(1) The President may establish geographic adjustments of up to 8 percent of basic pay which may be paid to each General Schedule employee (including an employee covered by the performance management and recognition system) whose duty station is within any area where such adjustment is needed (as determined under paragraph (2)).

(2) In determining areas where an interim geographic adjustment is needed, the President shall consider available evidence of significant pay disparities, including BLS information on pay relatives and relevant commercial surveys, and recruitment or retention problems.

(c) ADMINISTRATION.—(1) An adjustment under this section shall be administered, to the extent practicable, in the same manner as locality-based comparability payments under subchapter I of chapter 53 of title 5, United States Code (as amended by this Act), including in terms of—

(A) the basic pay to which a percentage is applied in computing an amount payable under this section;

(B) the purposes for which any amount under this section is to be considered part of basic pay;

(C) the time and manner in which amounts under this section are to be paid (including any maximum rate limitation); and

(D) the authority of the President, upon request of an agency head, to extend this section to employees who would not otherwise be covered.

(2) No amount payable under this section shall be taken into account in any survey or computation under, or for any other purpose in the administration of, section 5304 of title 5, United States Code (as so amended).

(c) COMMENCEMENT AND TERMINATION RULES.—(1) The effective date of an adjustment under this section shall be as determined by the President, but not later than January 1, 1994.

(2)(A) The size of any payments under this section may be reduced or terminated after the amendments made by section 101 of this Act take effect, except that the reduction or termination of a payment under this section may not have the effect of reducing, for the individual involved, the total rate at which additional forms of basic pay (as defined in subparagraph (B)) are payable to such individual.

(B) The total rate to which subparagraph (A) applies is the sum of—

(i) the rate at which comparability payments (under section 5304 of title 5, United States Code, as amended by such Act) are payable; and

(ii) the rate at which payments under this section are payable.

(d) EMPLOYEES RECEIVING SPECIAL PAY RATES.—The President (or his designated agent) shall determine what, if any, geographic adjustment shall be payable under this section in the case of an employee whose rate of pay is fixed under section 5303 of title 5, United States Code, as in effect before the date of enactment of this Act.

(e) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

SEC. 303. PAY RATES FOR CURRENT EMPLOYEES.

Nothing in this Act or in any amendment made by this Act shall have the effect of diminishing the rate of basic pay payable to any individual employed by the United States on the date of the enactment of this Act to a rate below the rate payable to such individual on such date, so long as that individual continues in such position without a break in service.

SEC. 304. SENIOR BIOMEDICAL RESEARCH SERVICE.

(a) IN GENERAL.—Title II of the Public Health Service Act is amended by adding at the end the following:

"SENIOR BIOMEDICAL RESEARCH SERVICE

"SEC. 228. (a) There shall be in the Public Health Service a Senior Biomedical Research Service (hereinafter in this section referred to as the 'Service'), not to exceed 350 members at any time.

"(b) The Service shall be appointed by the Secretary without regard to the provisions of title 5, United States Code, regarding appointment, and shall consist of individuals outstanding in the field of biomedical research or clinical research evaluation. No individual may be appointed to the Service unless such individual (1) has earned a doctoral level degree in biomedicine or a related field, and (2) meets the qualification standards prescribed by the Office of Personnel Management for appointment to a position at GS-15 of the General Schedule. Notwithstanding any previous applicability to an individual who is a member of the Service, the provisions of subchapter I of chapter 35 (relating to retention preference), chapter 43 (relating to performance appraisal and performance actions), chapter 51 (relating to classification), subchapter III of chapter 53 (relating to General Schedule pay rates), and chapter 75 (relating to adverse actions) of title 5, United States Code, shall not apply to any member of the Service.

"(c) The Secretary shall develop a performance appraisal system designed to—

"(1) provide for the systematic appraisal of the performance of members, and

"(2) encourage excellence in performance by members.

"(d)(1) The Secretary shall determine, subject to the provisions of this subsection, the pay of members of the Service.

"(2) The pay of a member of the Service shall not be less than the minimum rate payable for GS-15 of the General Schedule and shall not exceed the rate payable for level I of the Executive Schedule unless approved by the President under section 5377(d)(2) of title 5, United States Code.

"(e) The Secretary may, upon the request of a member who—

"(1) performed service in the employ of an institution of higher education immediately prior to his appointment as a member of the Service, and

"(2) retains the right to continue to make contributions to the retirement system of such institution,

contribute an amount not to exceed 10 percent per annum of the member's basic pay to such institution's retirement system on behalf of such member. A member who requests that such contribution be made shall not be covered by, or earn service credit under, any retirement system established for employees of the United States under title 5, United States Code, but such service shall be creditable for determining years of service under section 6303(a) of such title.

"(f) Subject to the following sentence, the Secretary may, notwithstanding the provisions of title 5, United States Code, regarding appointment, appoint an individual who is separated from the Service involuntarily and without cause to a position in the competitive civil service at GS-15 of the General Schedule, and such appointment shall be a career appointment. In the case of such an individual who immediately prior to his appointment to the Service was not a career appointee in the civil service or the Senior Executive Service, such appointment shall be in the excepted civil service and may not exceed a period of 2 years.

"(g) The Secretary shall promulgate such rules and regulations, not inconsistent with this section, as may be necessary for the efficient administration of the Service.".

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 211(d) of the Public Health Service Act is amended by—

(1) striking out "and" at the end of paragraph (2);

(2) striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) adding at the end thereof a new paragraph as follows:

"(4) service performed as a member of the Senior Biomedical Research Service established by section 228, except that, if there are more than 5 years of such service, only the last 5 years thereof may be included.".

(c) EFFECTIVE DATE.—Except as otherwise provided, the provisions of this section shall be effective on the 90th day following the date of the enactment of this Act.

SEC. 305. EFFECTIVE DATE.

(a) GENERALLY.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on such date as the President shall determine, but not earlier than 90 days, and not later than 180 days, after the date of enactment of this Act.

(b) SPECIAL RULE.—The first calendar year in which comparability payments under section 5304 of title 5, United States Code (as amended by this Act) are paid shall be the calendar year beginning on January 1, 1994.

SEC. 306. ADDITIONAL RULE OF CONSTRUCTION.

Notwithstanding section 1(b), a reference in any of the preceding provisions of this title to "this Act" (other than a reference in section 301) shall not be considered to include any provision of title IV.

TITLE IV—FEDERAL LAW ENFORCEMENT PAY REFORM

SEC. 401. SHORT TITLE.

This title may be cited as the "Federal Law Enforcement Pay Reform Act of 1990".

SEC. 402. DEFINITION.

For the purposes of this title, except as otherwise provided, the term 'law enforcement officer' means any law enforcement officer within the meaning of section 8331(20) or section 8401(17) of title 5, United States Code, with respect to whom the provisions of chapter 51 of such title apply.

SEC. 403. SPECIAL RATES FOR LAW ENFORCEMENT OFFICERS.

(a) Notwithstanding the procedures of section 5305 of title 5, United States Code, as amended by section 101 of this Act, or similar provision of law, higher minimum rates and corresponding increases in all step rates of each designated General Schedule grade shall be established for law enforcement officers in accordance with the provisions of this section.

(b)(1) Effective on the first day of the first applicable pay period beginning on or after January 1, 1992, the higher minimum rates to be established are as follows:

GS–3	Step 4
GS–4	Step 4
GS–5	Step 4
GS–6	Step 3
GS–7	Step 3
GS–8	Step 3
GS–9	Step 2
GS–10	Step 2

(2) Effective on the first day of the first applicable pay period beginning on or after January 1, 1993, the higher minimum rates to be established are as follows:

GS–3	Step 7
GS–4	Step 7
GS–5	Step 8
GS–6	Step 6
GS–7	Step 5
GS–8	Step 3
GS–9	Step 2
GS–10	Step 2

(c) The higher minimum rates and corresponding higher rates for each step rate of each designated grade shall apply to every law enforcement officer in the designated grades (except in the case of any law enforcement officer for whom a higher rate is authorized under section 5305 of title 5, United States Code, as amended by section 101 of this Act, or similar provision of law) in the same manner as rates established under section 5305 of such title, as so amended, and may be increased in accordance with subsection (f) of such section 5305.

(d) Any interim entry-level adjustment under section 303 of this Act which a law enforcement officer is receiving shall be eliminated on the day before the effective date of the higher minimum rates under subsection (b)(1).

SEC. 404. SPECIAL PAY ADJUSTMENTS FOR LAW ENFORCEMENT OFFICERS IN SELECTED CITIES.

(a) A law enforcement officer shall be paid any applicable special pay adjustment in accordance with the provisions of this section, but such special pay adjustment shall be reduced by the amount of any applicable interim geographic adjustment under section 302 of this Act, any applicable locality-based comparability payment under section 5304 of title 5, United States Code, as amended by section 101 of this Act, and any applicable special rate of pay under section 5305 of such title, as so amended, or any similar provision of law.

(b) Except as provided in subsection (a), effective on the first day of the first applicable pay period beginning on or after January 1, 1992, each law enforcement officer whose post of duty is in one of the following areas shall receive an adjustment, which shall be a percentage of the officer's rate of basic pay, as follows:

Area	Differential Percent
Boston-Lawrence-Salem, MA–NH Consolidated Metropolitan Statistical Area	16
Chicago-Gary-Lake County, IL–IN–WI Consolidated Metropolitan Statistical Area	4
Los Angeles-Anaheim-Riverside, CA Consolidated Metropolitan Statistical Area	16
New York-Northern New Jersey-Long Island, NY–NJ–CT Consolidated Metropolitan Statistical Area	16
Philadelphia-Wilmington-Trenton, PA–NJ–DE–MD Consolidated Metropolitan Statistical Area	4
San Francisco-Oakland-San Jose, CA Consolidated Metropolitan Statistical Area	16
San Diego, CA Metropolitan Statistical Area	8
Washington, DC–MD–VA Metropolitan Statistical Area	4

(c)(1) A special pay adjustment under this section shall be administered, to the extent practicable, in the same manner as a locality-based comparability payment under section 5304 of title 5, United States Code, as amended by section 101 of this Act, and shall be considered part of basic pay to the same degree as such a locality-based comparability payment.

(2) The Office of Personnel Management may prescribe such regulations as it considers necessary concerning the payment of special pay adjustments to law enforcement officers under this section.

SEC. 405. SAME BENEFITS FOR OTHER LAW ENFORCEMENT OFFICERS.

(a) The appropriate agency head (as defined in subsection (c)) shall prescribe regulations under which the purposes of sections 403 and 404 shall be carried out with respect to individuals holding positions described in subsection (b).

(b) This subsection applies with respect to any—

(1) member of the United States Secret Service Uniformed Division;

(2) member of the United States Park Police;

(3) special agent within the Diplomatic Security Service;

(4) probation officer (referred to in section 3672 of title 18, United States Code); or

(5) pretrial services officer (referred to in section 3153 of title 18, United States Code).

(c) For the purposes of this section, the term "appropriate agency head" means—

(1) with respect to any individual under subsection (b)(1), the Secretary of the Treasury;

(2) with respect to any individual under subsection (b)(2), the Secretary of the Interior;

(3) with respect to any individual under subsection (b)(3), the Secretary of State;

(4) with respect to any individual under subsection (b)(4) or (b)(5), the Director of the Administrative Office of the United States Courts.

SEC. 406. FBI NEW YORK FIELD DIVISION.

Notwithstanding section 601(a)(2) of Public Law 100–453, as amended, the Office of Personnel Management shall reduce the rate of periodic payments under such section as the provisions of this Act are implemented, provided that no such reduction results in a reduction of the total pay for any employee of the New York Field Division of the Federal Bureau of Investigation. Notwithstanding such section 601(a)(2), the Office of Personnel Management may make such periodic payments inapplicable to employees newly appointed to, or transferred to, the New York Field Division on or after January 1, 1992.

SEC. 407. RELOCATION PAYMENTS.

Notwithstanding section 5753(b)(1)(A) of title 5, United States Code, as added by this Act, a law enforcement officer whose rate of basic pay is less than $60,000 may receive a relocation payment of up to $15,000 under section 5753.

SEC. 408. INCENTIVE BONUS FOR FOREIGN LANGUAGE CAPABILITIES.

(a) Chapter 45 of title 5, United States Code, is amended by adding at the end the following:

"SUBCHAPTER III—AWARD TO LAW ENFORCEMENT OFFICERS FOR FOREIGN LANGUAGE CAPABILITIES

"§ 4521. Definition

"For the purpose of this subchapter, the term 'law enforcement officer' has the same meaning as under section 5949(a).

"§ 4522. General provision

"An award under this subchapter is in addition to the basic pay of the recipient.

"§ 4523. Award authority

"(a) An agency may pay a cash award, up to 5 percent of basic pay, to any law enforcement officer employed in or under such agency who possesses and makes substantial use of 1 or more foreign languages in the performance of official duties.

"(b) Awards under this section shall be paid under regulations prescribed by the head of the agency involved (or designee thereof). Regulations prescribed by an agency head (or designee) under this subsection shall include—

"(1) procedures under which foreign language proficiency shall be ascertained;

"(2) criteria for the selection of individuals for recognition under this section; and

"(3) any other provisions which may be necessary to carry out the purposes of this subchapter.".

(b) The table of sections for chapter 45 of title 5, United States Code, is amended by adding at the end the following:

SUBCHAPTER III—AWARDS TO LAW ENFORCEMENT OFFICERS FOR FOREIGN LANGUAGE CAPABILITIES

"4521. Definition.
"4522. General provision.
"4523. Award authority.".

(c) Section 6401 of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 102 Stat. 4370) is amended—

(1) by inserting "(a) IN GENERAL.—" before the first sentence; and

(2) by adding at the end the following:

"(b) LIMITATION.—The provisions of this section shall apply only to an employee who has received a bonus under this section before January 1, 1992. The provisions of subchapter III of chapter 45 of title 5, United States Code, shall apply to any employee who would otherwise be eligible to receive a bonus under this section, on and after such date.".

(d) The amendments made by this section shall be effective on January 1, 1992.

SEC. 409. AGE FOR MANDATORY RETIREMENT.

(a) Section 8335(b) of title 5, United States Code, is amended—

(1) in the first sentence, by striking "law enforcement officer or a"; and

(2) by inserting after the first sentence the following: "A law enforcement officer who is otherwise eligible for immediate retirement under section 8336(c) shall be separated from the service on the last day of the month in which that officer becomes 57 years of age or completes 20 years of service if then over that age.".

(b) Section 8425(b) of title 5, United States Code, is amended—

(1) in the first sentence, by striking "law enforcement officer or" each place it appears; and

(2) by inserting after the first sentence the following: "A law enforcement officer who is otherwise eligible for immediate retirement under section 8412(d) shall be separated from the service on the last day of the month in which that law enforcement officer becomes 57 years of age or completes 20 years of service if then over that age.".

(c) For the purposes of this section, the effective date shall be the date of enactment of this Act.

SEC. 410. OVERTIME RATES.

(a) Section 5542(a) of title 5, United States Code, is amended by adding at the end the following:

"(4) Notwithstanding paragraph (2) of this subsection, for an employee who is a law enforcement officer (within the meaning of section 8331(20) or 8401(17)), and whose basic pay is at a rate which exceeds the minimum rate of basic pay for GS-10 (including any applicable locality-based comparability payment under section 5304 or similar provision of law and any applicable special rate of pay under section 5305 or similar provision of law), the overtime hourly rate of pay is an amount equal to the greater of—

"(A) one and one-half times the minimum hourly rate of basic pay for GS-10 (including any applicable locality-based comparability payment under section 5304 or similar provision of law and any applicable special rate of pay under section 5305 or similar provision of law); or

"(B) the hourly rate of basic pay of the employee,

and all that amount is premium pay.".

(b) Section 5547 of title 5, United States Code, is amended by adding at the end the following:

"(c)(1) Subsections (a) and (b) shall not apply to a law enforcement officer.

"(2) A law enforcement officer may be paid premium pay under the provisions of law cited in the first sentence of subsection (a) only to the extent that the payment does not cause the officer's aggregate rate of pay for any pay period to exceed the lesser of—

"(A) 150 percent of the minimum rate payable for GS-15 (including any applicable locality-based comparability payment under section 5304 or similar provision of law and any applicable special rate of pay under section 5305 or similar provision of law); or

"(B) the rate payable for level V of the Executive Schedule.

"(3) For the purposes of this subsection, 'law enforcement officer' means any law enforcement officer within the meaning of section 8331(20) or section 8401(17).".

SEC. 411. OTHER PREMIUM PAY.

(a) Section 5541(2)(iv) of title 5, United States Code, is amended to read as follows:

"(iv) a member of—

"(I) the Metropolitan Police or the Fire Department of the District of Columbia; or

"(II) a member of the United States Secret Service Uniformed Division, a member of the United States Park Police, other than for purposes of section 5545(a) and 5546;".

(b) The amendment made by this section shall be effective on January 1, 1992.

SEC. 412. REPORTING REQUIREMENT.

Not later than January 1, 1993, the Office of Personnel Management, in consultation with Federal law enforcement agencies and law enforcement employee groups, shall submit to Congress, in writing, a plan to establish a separate pay and classification system for law enforcement officers and specifications for legislation to implement such plan.; and the Senate agree to the same.

Amendment numbered 133:

That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 632. CONVENTION ON THE RIGHTS OF THE CHILD.—(a) FINDINGS.—The Senate finds that—

(1) the future peace and prosperity of all nations depend upon the good health and well-being of the worlds children;

(2) the Congress has long recognized the vulnerability of children and has enacted numerous laws that afford them special protections in this country;

(3) similar protections for children are either totally lacking or inadequately enforced in much of the world;

(4) in part as a result of this lack of protection, millions of children are threatened daily by poverty, malnutrition, homelessness, exploitation and abuse, depriving both family and society of their productivity and potential;

(5) the Child Survival and Development Revolution, launched in 1982 to attack the root causes of infant mortality and child illhealth through low-cost means such as universal child immunization and oral rehydration therapy, is saving the lives of more than 3,000,000 children each year and has demonstrated that the number of child deaths can be reduced significantly if available resources are used appropriately;

(6) despite these gains and an emerging international consensus about the importance of protecting children, children both here and abroad will continue to face poverty, sickness, and ill-treatment;

(7) on November 20, 1989, the United States and other members of the United Nations unanimously endorsed the Convention on the Rights of the Child and urged national governments to ratify the Convention and make possible its application as international law;

(8) this Convention, if implemented, will help establish universal legal standards for the care and protection of children against neglect, exploitation, and abuse;

(9) the United States Government, scores of private voluntary organizations, and hundreds of American citizens were actively involved in the drafting of this Convention; and

(10) the United States must continue playing a leading role in the implementation of the Convention to ensure that it becomes a force for improving the lot of children, both in this country and abroad.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the issue of children's rights and their well-being is important both to the United States and the world at large and that, in consideration thereof, the President should promptly seek the advice and consent of the Senate to the ratificarion of the Convention on the Rights of the Child, adopted by the United Nations with the support of the United States on November 29, 1989.

DISCRETIONARY AUTHORITY PROVISION

SEC. 633. METHOD FOR MAKING ANNUAL ADJUSTMENTS TO PAY SCHEDULES IN FISCAL YEARS 1992, and 1993, AND 1994.

(a) IN GENERAL.—Notwithstanding any other provision of law (including any provision of the Federal Employees Pay Comparability Act of 1990 and any provision of law amended by such Act), for purposes of any adjustment schedule to take effect under section 5305 of title 5, United States Code (as amended by section 101) during the period beginning on October 1, 1991, and ending on September 30, 1994, the provisions of section 5303 of such title (as so amended) shall be applied in accordance with the following:

(1) For purposes of the adjustment taking effect in each of fiscal years 1992 and 1993, respectively, deem subsection (a) to be amended by striking "one-half of 1 percentage point less than".

(2) Deem subsection (b) to be amended as follows:

(A) In paragraph (1), strike "If" and all that follows thereafter through "welfare," and insert "Subject to paragraph (2), if".

(B) Redesignate paragraphs (2) and (3) as paragraphs (3) and (4), respectively.

(C) Insert after paragraph (1) the following:

"(2) Authority to provide alternative pay adjustments under this subsection in any year may not be exercised except in accordance with the following:

"(A) If the adjustment which (but for this subsection) would otherwise take effect under this section in a fiscal year would be 5 percent or less, no reduction may be made unless necessary because a state of war or severe economic conditions exist.

"(B) If the adjustment which (but for this subsection) would otherwise take effect under this section in a fiscal year would be greater than 5 percent, no reduction may be made—

"(i) to a level of 5 percent or greater, unless necessary because of national emergency or serious economic conditions affecting the general welfare; or

"(ii) to a level of less than 5 percent, unless necesary because of either of the reasons set forth in subparagraph (A).".

(D) Add after paragraph (4) (as so designated by subparagraph (B) the following:

"(5) For the purpose of this subsection, 'severe economic conditions' shall be considered to exist relative to an adjustment scheduled to take effect on a given date if, during the 12-month period ending 2 calendar quarters before such date, there occurred 2 consecutive quarters of negative growth in the GNP.".

(b) REFERENCES.—Notwithstanding any other provision of law (including any provision of the Federal Employees Pay Comparability Act of 1990 and any provision of law amended made by such Act), effective for purposes of any pay adjustment scheduled to take effect during the period described in subsection (a), any reference in a provision of law to section 5303 of title 5, United States Code, as amended by section 101 (or to the effective date of a pay adjustment, the size of an adjustment, a rate payable after an adjustment, or other related matter under such section 5303) shall be considered a reference to such section as applied in accordance with this section (or to the corresponding matter, as determined under such section 5303, as applied in accordance with this section).

SEC. 634. SPECIAL RULE RELATING TO COMPARABILITY PAYMENTS IN 1994.

Notwithstanding any other provision of law (including any provision of law amended by such Act), for purposes of any comparability payments scheduled to take effect under section 5304 of title 5, United States Code (as amended by such Act) during calendar year 1994—

(1) deem section 5304a of such title (as so amended) to be amended as follows:

(A) in subsection (a), strike "If" and all that follows thereafter through "welfare," and insert "Subject to subsection (c), if"; and

(B) add after subsection (b) the following:

"(c)(1) For the purpose of this section—

"(A) the 'threshold amount' is $1,800,000,000; and

"(B) 'severe economic conditions' shall be considered to exist relative to comparability payments scheduled to take effect on a given date if, during the 12-month period ending 2 calendar quarters before such date, there occurred 2 consecutive quarters of negative growth in the GNP.

"(2) Authority under this section to provide an alternative level of compatibility payment in any year may not be exercised except in accordance with the following:

"(A) If the estimated cost of the comparability payments which (but for this section) would otherwise be payable in such year would be equal to the threshold amount or less, no alternative level may be fixed under this section unless necessary because a state of war or severe economic conditions exist.

"(B) If the estimated cost of the comparability payments which (but for this section) would otherwise be payable in such year would be greater than the threshold amount, no alternative level may be fixed—

"(i) at a level which would result in an estimated cost equal to or greater than the threshold amount, unless necessary because of national emergency or serious economic conditions affecting the general welfare; or

"(ii) at a level which would result in an estimated cost less than the threshold amount, unless necessary because of either of the reasons set forth in subparagraph (A).

"(d)(1) The President's agent (as referred to in section 5304(d)) shall develop and include in the appropriate report under section 5304(d)(1) the methodology for estimating any costs under this section, and any estimate under this section shall be in accordance with such methodology.

"(2) In making any estimate under this section, costs attributable to any authority under section 5304(h) may not be taken into account."; and

(2) the President's pay agent (referred to in section 5304(d) of such title, as so amended) may use appropriate estimates in lieu of BLS survey data if such data is not available for use in preparing the agent's report with respect to comparability payments payable during calendar year 1994. ; and the Senate agrees to the same.

The committee of conference report in disagreement amendments numbered 1, 3, 6, 14, 16, 18, 20, 27, 29, 35, 36, 39, 40, 41, 42, 45, 46, 48, 49, 51, 52, 53, 54, 56, 57, 59, 69, 70, 76, 79, 80, 81, 82, 83, 84, 88, 89, 90, 103, 105, 113, 114, 115, 116, 117, 122, 127, 128, 130, 131, 132, and, 134.

EDWARD R. ROYBAL,
STENY H. HOYER,
BILL ALEXANDER,
JOSEPH D. EARLY,
MARTIN O. SABO,
JULIAN C. DIXON,
JAMIE L. WHITTEN,
JOE SKEEN,
BILL LOWERY,
FRANK R. WOLF,
SILVIO O. CONTE,
Managers on the Part of the House.

DENNIS DECONCINI,
BARBARA A. MIKULSKI,
ROBERT C. BYRD,
PETE V. DOMENICI,
ALFONSE M. D'AMATO,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5241) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1991, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate.

This amendment provides an appropriation of $63,883,000 to Departmental Offices as proposed by the Senate, instead of $63,083,000 as proposed by the House. It also mandates minimum funding and staffing levels for the Office of Foreign Assets Control.

INTERNATIONAL AFFAIRS

Amendment No. 2: Appropriates $29,717,000 for International Affairs as proposed by the Senate instead of $27,517,000 as proposed by the House.

FINANCIAL CRIMES ENFORCEMENT NETWORK

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; and not to exceed $3,000 for official reception and representation expenses; $16,488,000.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have established a separate account for the Financial Crimes Enforcement Network (FinCEN) beginning in fiscal year 1991 and have provided $16,488,000, an amount which is $300,000 over the President's budget estimate. This amount does not include costs for administrative services which the conferees expect the U.S. Customs Service to provide to FinCEN on a nonreimbursable basis in fiscal year 1991. For fiscal year 1992, however, the conferees direct the Center to request adequate funding in its budget to reimburse Customs for these services.

FEDERAL LAW ENFORCEMENT TRAINING CENTER

Amendment No. 4: Makes available $7,000 for official reception and representation expenses as proposed by the House instead of $5,000 as proposed by the Senate.

Amendment No. 5: Restores a provision proposed by the House and deleted by the Senate regarding private sector training at the Center. The conferees recognize that the Federal Law Enforcement Training Center (FLETC) utilizes private sector security expertise in several training areas, for example the Financial Fraud Institute, the Cargo Theft Training Program, and the Seaport Security Training Program. Involvement of private security officials provides a valuable resource for curriculum development, instructional assistance, networking, and advice on state-of-the art advances in technology, computer security, and telecommunications. In connection with this assistance, a limited number of private security officials participate in training conducted under the FLETC auspices. While recognizing the many benefits derived by FLETC and its agencies from this arrangement, the conferees caution FLETC to ensure that training provided to private security does not adversely impact Federal training. Training for private sector security officials will be done on a space available, reimbursable basis; however, the Director may exclude FLETC personnel salary and benefit costs with justification and notice to the House and Senate Committees on Appropriations.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amendment to read as follows:

In lieu of the matter stricken and insert by said amendment, insert the following: *$40,265,000: Provided further, That the Federal Law Enforcement Training Center shall hire up to and maintain an avearge of not less than 441 direct full-time equivalent positions for fiscal year 1991*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides for an appropriation of $40,265,000 for the Center and mandates a minimum employment level.

DRUG ENFORCEMENT ADMINISTRATION TRAINING REQUIREMENTS

The conferees understand that the Department of the Treasury and the Department of Justice are currently conducting a joint study to determine the best means of meeting the training facility requirements of the Drug Enforcement Administration. The conferees request that this study be submitted to the House and Senate Committees on Appropriations for review when completed. Should this study conclude that the Drug Enforcement Administration's training requirements cannot be met at the existing training facility, the conferees urge the Administration to submit a request to the House and Senate Committees on Appropriations for prior approval.

Amendment No. 7: Appropriates $20,775,000 for acquisition, construction, improvements, and related expenses, instead of $18,735,000 as proposed by the House and $29,000,000 as proposed by the Senate.

The funding level recommended by the conferees will permit construction of the following projects in fiscal year 1991:

Glynco, Georgia:
Firearms Training Expansion
Renovation Bldg. 66
Physical training expansion
Student Center
Vehicle Fueling and covered area
Classroom building
Information Systems Division computer complex
Relocate Graphics/Media Center
Renovation Bldg. 18

Computer training renovation
Road Improvements/Bus Shelters
Artesia, New Mexico:
Practical exercise area
Recreation Area
Architect/Engineering services
Walkways
Dormitory

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Amendment No. 18: Establishes a limitation of six hundred fifty vehicles for the Bureau as proposed by the House instead of seven hundred fifty vehicles as proposed by the Senate.

Amendment No. 9: Makes available $10,000 for official reception and representation expenses as proposed by the Senate instead of $5,000 as proposed by the House.

Amendment No. 10: Appropriates $301,854,000 for salaries and expenses instead of $296,284,000 as proposed by the House and $305,704,000 as proposed by the Senate.

The conferees have provided total funding of $301,854,000 for the Bureau of Alcohol, Tobacco and Firearms for fiscal year 1991. This amount is $26,570,000 above the budget estimate. Of this additional amount, $10,554,000 is made available for increased pay and administratively uncontrollable overtime costs; $8,008,000 for Project Achilles Task Forces; $1,450,000 for compliance firearms activities; $2,523,000 for Operation Alliance personnel; $1,860,000 for Project Uptown; $500,000 for the National Tracing Center; $619,000 for qualification ammunition activities; and $1,055,000 for electronic interception activities.

The restoration for increased pay and administratively uncontrollable overtime costs will permit the Bureau of Alcohol, Tobacco and Firearms to fund an additional 220 full-time equivalent positions.

Amendment No. 11: Makes available $21,000,000 for enforcement of the Federal Alcohol Administration Act instead of $19,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

Amendment No. 12: Establishes a total minimum employment level of 4,073 positions instead of 3,984 positions as proposed by the House and 4,098 positions as proposed by the Senate.

Amendment No. 13: Establishes a minimum level of 1,037 positions for the Armed Career Criminal Apprehension Program as proposed by the Senate instead of 692 positions as proposed by the House.

U.S. CUSTOMS SERVICE

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *$1,135,961,000, of which $7,000,000 shall be for the Interagency Border Inspection System, and*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides for an appropriation of $1,135,961,000 for Salaries and expenses instead of $1,140,086,000 as proposed by the House and $1,141,725,000 as proposed by the Senate.

EXPRESS LANES AT U.S. BORDER CROSSINGS

The conferees are aware that the Customs Service is exploring a number of alternatives for reducing delays at U.S. land ports of entry. One of these alternatives includes a test project planned for Blaine, Washington for establishing express lanes for regular border travelers. The conferees support a complete examination of this concept and direct the Customs Service to keep the House and Senate Committees on Appropriations fully informed of progress on this issue and the potential for creating express lanes at other ports of entry on the northern and southern land borders. Customs should submit a report on its efforts to the House and Senate Committees on Appropriations by March 1, 1991.

CUSTOMS FORFEITURE FUND

The Customs Forfeiture Fund was created by section 213(a)(11) of the Trade and Tariff Act of 1984. In general, the Forfeiture Fund is available to Customs, subject to appropriation, "for payment, or for reimbursement to the appropriation from which payment was made, for—(A) all proper expenses of the seizure (including investigative costs incurred by the U.S. Customs Service leading to seizures) or the proceedings of forfeiture and sale . . ." (19 U.S.C. 1613b(a)(1)).

As originally enacted, it was not clear whether even investigative costs could be considered proper expenses of a seizure. An amendment to the Forfeiture Fund language (1613b(a)(1)(A)) more precisely describes the applicable expenses of seizure. The phrase "(including investigative costs leading to seizures)" was added by section 3142(a)(1)(B) of the Anti-Drug Abuse Act of 1986.

The legislative history of the Anti-Drug Abuse Act of 1986 indicated, in part, that while it "allows investigative costs leading up to seizures to be covered, the Committee does not intend for the Fund to be used to finance undercover operations." (H.R. Rep. No. 794, 99th Cong., 2nd Sess., 20 (1986)). This provision was intended to prohibit the use of the Forfeiture Fund to initiate undercover operations. The provision was not intended to prevent or prohibit the reimbursement of the Customs Service Salaries and expenses appropriatoin from the Forfeiture Fund for expenses associated with special operations, undercover operations, wire and electronic communications interception, interception of oral communications, or any other type of expenditure that is a result of any law enforced or administered by Customs if those costs are incurred in conjunction with a seizure and payable under the Forfeiture Fund statute.

Amendment No. 15: Restores a provision regarding the Equal Employment Opportunity Program proposed by the House and stricken by the Senate.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes a House proposed provision and inserts a Senate provision which provides for minimum staffing levels for certain activities and the Nogales Customs District.

Amendment No. 17: Restores a provision proposed by the House and stricken by the Senate. The provision mandates an increase in the number of Customs personnel in the Honolulu Customs District.

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

: Provided further, That Customs shall increase by 10 number of full-time inspectors in the Charleston, South Carolina Customs District: Provided further, That Customs shall increase by 75 the number of full-time inspectors in the San Diego, California Customs District: Provided further, That the express designations of Customs positions provided for in this Act and in the accompanying House and Senate Reports shall only apply to positions in excess of those positions funded in Public Law 101-136, and shall not adversely impact staffing increases which are otherwise provided for in fiscal year 1991

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides for an additional 10 positions above existing staffing levels for the Charleston, South Carolina Customs District and an additional 75 positions above the existing staffing level for San Diego, California. It also provides that the position designations shall not adversely impact staffing increases for other Customs Districts otherwise provided for in fiscal year 1991.

PORT OF ENTRY STATUS—HUENEME, CALIFORNIA

The conferees urge the U.S. Customs and the Los Angeles Customs District to continue to work closely with the Port Hueneme on the Port's application for port of entry status. The conferees understand the importance of the port of entry designation to the continuing growth of the Port and the economy of the region. The conferees ask the Commissioner to report to the House and Senate Committees on Appropriations within thirty days of enactment of this Act on the status of the appliction and the steps necessary for the Port to gain the designation.

OPERATION AND MAINTENANCE, AIR INTERDICTION PROGRAM

Amendment No. 19: Appropriates $110,347,000 for the Air Interdiction Program instead of $107,047,000 as proposed by the House and $114,347,000 as proposed by the Senate.

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires that Customs commence advanced planning and procurement of long-lead items for an additional P-3 AEW aircraft.

AIR ASSETS

The conferees are aware of eleven aircraft in the possession of the Customs Service being used as support aircraft. A number of these aircraft have been modified for operational use; however, none have an operational capability at this time. Retrofitting these aircraft with forward looking infrared systems (FLIR) would increase the assets available for the air interdiction effort. Because these are propeller-driven, long-endurance aircraft, the overland application and usage could significantly contribute to the interdiction, identification and apprehension missions of the Customs Service.

Should the Customs Service identify excess funds in the Operation and maintenance account in fiscal year 1991, the Commissioner should give consideration to utilizing these funds for initiating a program to procure and retrofit these aircraft in fiscal year 1991.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

Amendment No. 21: Restores a provision proposed by the House and stricken by the

Senate regarding the reimbursement of Federal Reserve Banks.

PAYMENT OF GOVERNMENT LOSSES IN SHIPMENT

Amendment No. 22: Appropriates $500,000 for Payment of Government Losses in Shipment as proposed by the Senate. The House provided no funding for this account.

INTERNAL REVENUE SERVICE

Amendment No. 23: Appropriates $142,279,000 for Administration and Management as proposed by the Senate instead of $136,072,000 as proposed by the House.

Amendment No. 24: Deletes a provision proposed by the House which would have established a training program for IRS employees. This provision is not required since IRS currently has such a program in operation.

Amendment No. 25: Appropriates $1,521,595,000 for Processing Tax Returns as proposed by the Senate instead of $1,444,517,000 as proposed by the House.

Amendment No. 26: Appropriates $3,501,119,000 for Tax Law Enforcement instead of $3,310,119,000 as proposed by the Senate and $3,560,484,000 as proposed by the House.

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended as follows:

In lieu of the matter stricken by said amendment, insert the following:

: Provided, That additional amounts above fiscal year 1990 levels for international tax enforcement shall be used for the establishment and operation of a task force comprised of senior Internal Revenue Service attorneys, accountants, and economists dedicated to enforcement activities related to United States subsidiaries of foreign-controlled corporations that are in non-compliance with the Internal Revenue Code

The managers on the part of the Senate will move to concur in the amendment of the House of the amendment of the Senate.

This amendment makes available additional funds for the establishment and operation of a task force for international tax enforcement activities involving U.S. subsidiaries of foreign-controlled corporations.

Amendment No. 28: Appropriates $942,932,000 for Information Systems instead of $993,927,000 as proposed by the House and $932,932,000 as proposed by the Senate. The amendment also deletes certain House proposed language regarding the availability of funds.

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

: Provided, That of the $247,878,000 provided for tax systems modernization up to $15,000,000 may be available until expended for the establishment of a federally-funded research and development center and may be utilized to conduct and evaluate market surveys, develop and evaluate requests for proposals, and assist with systems engineering, technical evaluations, and independent technical reviews in conjunction with tax systems modernization

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes the Internal Revenue Service to establish a federally-funded research and development center to assist with the development and evaluation of tax systems modernization.

IRS FACILITY REQUIREMENTS

The conferees are aware that the IRS collects almost $1 trillion in revenues each year. Nevertheless, the IRS estimates that apporximately $95 billion remains uncollected due to the growth in the number of accounts receivable. The IRS, through its 70,000 enforcement personnel, successfully captures approximately $30 billion of the $95 billion that would otherwise remain uncollected each year.

One of the most effective means to curtail this growing problem is to ensure the modernization of the IRS' outmoded automated data processing systems and reduce the high-cost labor intensive activities currently conducted in the regional service centers of the IRS. The conferees understand that the IRS National Computer Center in West Virginia would be an integral component for such an upgrade. The conferees believe that the IRS should build upon the existing capability of the IRS National Computer Centers and, recognizing the increased computerization requirements of the IRS tax systems, conduct a study to determine the feasibility of locating future IRS operations in economically suitable areas, such as West Virginia. The conferees are agreed that such a study should be completed and submitted to the House and Senate Committees on Appropriations no later than March 15, 1991.

ADMINISTRATIVE PROVISIONS

INTERNAL REVENUE SERVICE

Amendment No. 30: Restores a center heading proposed by the House and deleted by the Senate.

Amendment No. 31: Establishes a transfer limitation of 4 percent as proposed by the Senate instead of 5 percent as proposed by the House.

Amendment No. 32: Deletes a provision proposed by the Senate regarding the transfer of funds for document matching.

U.S. SECRET SERVICE

Amendment No. 33: Appropriates $406,700,000 for Salaries and Expenses instead of $397,640,000 as proposed by the House and $412,740,000 as proposed by the Senate.

Amendment No. 34: Makes available $1,600,000 for renovation of the New York Field Office as proposed by the Senate instead of $3,200,000 as proposed by the House.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which increases the reimbursement for state and local law enforcement for Presidential protection assistance activities to $300,000 instead of $160,000 as proposed by the House.

TREASURY DEPARTMENT—GENERAL PROVISIONS

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which limits the transfer of funds provided in the Act.

Amendment No. 37: Deletes a provision proposed by the House regarding reimbursements to the Financial Management Service. This provision is permanent law.

TITLE II—UNITED STATES POSTAL SERVICE

Amendment No. 38: Appropriates $472,592,000 for payment to the Postal Service Fund instead of $484,592,000 as proposed by the House and $470,592,000 as proposed by the Senate.

FIRST CLASS MAIL

The conferees are aware that the Postal Service is implementing a program to realign the areas designated to receive 1-day and 2-day delivery of First-Class Mail. The conferees are concerned that this realignment should not lead to any substantial degradation in the quality or timeliness of service provided to First-Class Mail. Appropriate legislative and oversight committees have held hearings on this matter. The conferees strongly advise the Postal Service to take corrective action should the Postal Service's own service measurements disclose that the realignment of delivery standards is diminishing the quality of First-Class Mail service or having a significant adverse impact on affected communities.

Amendment No. 39: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment insert the following:

UNITED STATES POSTAL SERVICE

GENERAL PROVISIONS

SECTION 1. ELIMINATION OF SUBSIDIES FOR BULK THIRD-CLASS MAIL CONTAINING CERTAIN ADVERTISING MATTER.

"(a) IN GENERAL.—Section 3626 of title 39, United States Code, is amended by adding at the end the following:

"(j) (1) In the administration of this section, the rates for mail under former section 4452(b) or 4452(c) of this title shall not apply to mail which advertises, promotes, offers, or, for a fee or consideration, recommends, describes, or announces the availability of—

"(A) any credit, debit, or charge card, or similar financial instrument or account, provided by or through an arrangement with any person or organization not authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title;

"(B) any insurance policy, unless the organization which promotes the purchase of such policy is authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title, the policy is designed for and primarily promoted to the members, donors, supporters, or beneficiaries of the organization, and the coverage provided by the policy is not generally otherwise commercially available; or

"(C) any travel arrangement, unless the organization which promotes the arrangement is authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title, the travel contributes substantially (aside from the cultivation of members, donors, or supporters, or the acquisition of income or funds) to one or more of the purposes which constitute the basis for the organization's authorization to mail at such rates, and the arrangement is designed for and primarily promoted to the members, donors, supporters, or beneficiaries of the organization.

"(2) Matter shall not be excluded from being mailed at the rates for mail under former section 4452(b) or 4452a(c) of this title, by an organization authorized to mail those rates solely because—

"(A) such matter contains, but is not primarily devoted to, acknowledgements of organizations or individuals who have made

donations to the authorized organization; or

"(B) Such matter contains, but is not primarily devoted to, references to and a response card or other instructions for making inquiries concerning services or benefits available as a result of membership in the authorized organization, provided that advertising, promotional, or application materials specifically concerning such services or benefits are not included.

"(3) Upon request, an organization authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title shall furnish evidence to the Postal Service concerning the eligibility of any of its mail matter or mailings to be sent at those rates.

"(k)(1) No person or organization shall mail, or cause to be mailed by contractual agreement or otherwise, at the rates for mail under former section 4452(b) or 4452(c) of this title, any matter to which those rates do not apply.

"(2) The Postal Service may assess a postage deficiency in the amount of the unpaid postage against any person or organization which violates paragraph (1) of this subsection. This assessment shall be deemed the final decision of the Postal Service, unless the party against whom the deficiency is assessed appeals it in writing within 30 days to the postmaster of the office where the mailing was entered. Such an appeal shall be considered by an official designated by the Postal Service, other than the postmaster of the office where the mailing was entered, who shall issue a decision as soon as practicable. This decision shall be deemed final unless the party against whom the deficiency was assessed appeals it in writing within 30 days to a further reviewing official designated by the Postal Service, who shall issue the final decision on the matter.

"(3) The Postal Service shall maintain procedures for the prompt collection of postage deficiencies arising from the violation of paragraph (1) of this subsection, and may in its discretion, following the issuance of a final decision regarding a deficiency under paragraph (2) of this subsection, deduct the amount of that deficiency incurred during the previous 12 months from any postage accounts or other monies of the violator in its possession.".

(b) CONFORMING AMENDMENT.—Section 2401(c) of title 39, United Staets Code, is amended by striking "3626(a)-(h)" and inserting "3626(a)-(h) and (j)-(k)".

(c) EFFECTIVE DATE.—The amendment enacted by this section shall become effective 90 days after the date of enactment of this Act.

SEC. 2. FOREBEARANCE REGARDING CERTAIN POSTAGE DEFICIENCIES.

(a) IN GENERAL.—The United States Postal Service may forbear from the collection of any postage deficiency assessed against an organization authorized to mail at the rates for mail under former section 4452(b) of title 39, United States Code, if the assessment of that deficiency arises from a violation of the cooperative mailing regulations of the Postal Service set forth at section 625.5 of the Domestic Mail Manual, and the Postal Service has made no determination that the organization knowingly or willfully violated such regulations. If any organization authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of title 39, United States Code, has paid on its own behalf all or part of a postage deficiency which the Postal service would forbear from collecting under this section, the Postal Service may refund to that organization the amount which it has paid.

(b) EFFECTIVE DATE AND APPLICABILITY.—The provisions of this section shall become effective on the date of enactment of this Act, and shall apply to mailings which were sent on or between July 1, 1986, and the effective date of this section.

SEC. 3. Section 3626 of title 39, United States Code, as amended by the General Provisions of Title II, is further amended by adding at the end the following:

"(k) In the administration of this section, the term 'advertising', as used in former section 4358(j)(2) of this title, does not include the publisher's own advertising in a publication published by the official highway or development agency of a State.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment places certain restrictions on the use of subsidies for certain types of bulk third-class mail and authorizes the use of publisher's own advertising for certain second-class mail.

It is the conferees understanding and intent that the Postal Service fully collect all deficiencies against an organization found to have misused existing nonprofit rates unless that organization can show that the U.S. Postal Service itself was the cause for any misinformation or misdirection given an organization.

HORSESHOW BEND, ARKANSAS

The conferees instruct the Postal Service to investigate an initiative to establish a postal facility at Horseshoe Bend, Arkansas. This investigation shall consider the current quality of postal delivery service to the citizens of this community. The Postal Service is to report its findings to the House and Senate Committees on Appropriations by no later than March 31, 1991.

TITLE III—EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF ADMINISTRATION

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriate $25,410,000 for Salaries and Expenses instead of $24,910,000 as proposed by the House. This amendment also makes available until expended $500,000 for the White House Conference on Indian Education.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

Amendment No. 41: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes available until expended $1,202,000 for certain repairs at the Executive Residence.

NATIONAL CRITICAL MATERIALS COUNCIL

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate appropriates $400,000 for the Council instead of $235,000 as proposed by the House. The amendment also mandates a minimum staffing level.

NATIONAL SECURITY COUNCIL

Amendment No. 43: Deletes a provision proposed by the House which would have made available $2,000 for official reception and representation expenses.

OFFICE OF MANAGEMENT AND BUDGET

Amendment No. 44: Appropriates $48,343,000 for Salaries and Expenses as proposed by the Senate instead of $49,305,000 as proposed by the House.

The conferees are aware that fiscal year 1990 funds were used to purchase equipment for activities for which funds were requested in the fiscal year 1991 budget. Because the activity for which the funds were expended is a multiyear effort, the request was not reduced. The conferees expect a report on the overall status of the Budget and Financial Information System project and how the $1,000,000 not reduced will be used to continue the accelertion of the project.

OFFICE OF NATIONAL DRUG CONTROL POLICY

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *$99,000,000 of which $82,000,000 shall be available for drug control activities which are consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas: Provided, That of the $82,000,000 made available, $50,000,000 shall be transferred to Federal agencies and departments for implementing approved stragegies and shall be obligated by the end of fiscal year 1991: Provided further, That of the $82,000,000, not less than $32,000,000 shall be transferred to the Department of Justice and the Department of the Treasury for disbursement of State and local entities for drug control activities which are consistent with the approved strategy for each designated High Intensity Drug Trafficking Area: Provided further, That in the case of the Southwest Border High Intensity Drug Trafficking Area such funds shall be available only for drug control activities which are consistent with the approved strategy and approved by the Drug Advisory Board of the affected State: Provided further,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

HIGH INTENSITY DRUG TRAFFICKING AREAS

The conferees have provided $82,000,000 for anti-drug activities in designated High Intensity Drug Trafficking Areas (HIDTAs). Of this amount, $32,000,000 has been specifically set aside for disbursement to state and local entities for implementing those activities which are consistent with the formal strategy for each HIDTA. These funds shall be transferred to the Department of Justice and the Department of the Treasury coordinators for disbursement to state and local entites. In the case of the Southwest border HIDTA, these funds shall be used only for those activities which are approved by the Drug Advisory Board of each state.

The conferees are concerned about the lack of state and local input into the development of the HIDTA strategies. In the case of the Southwest Border, the conferees have learned that while state and local representatives were invited to attend planning sessions for the formulation of the HIDTA strategy, in fact, none of the comments and/or recommendations made by these officials were included in the actual strategy approved for fiscal year 1990. Since 90 percent of all drug-related arrests along the border are made by state and local officials, each HIDTA strategy must contain the input of state and local officials on the most effective means of reducing illegal drug use and trafficking. The conferees expect the situation to be corrected in the formulation of the fiscal year 1991 strategies. The Director of the Office of National Drug Control

Policy should take steps to improve efforts to seek the involvement of state and local drug control entities. The conferees expect each of the respective coordinators to include in the strategies for future years the recommendations made by the state and local drug control officials.

COUNTER NARCOTICS TECHNOLOGY ASSESSMENT CENTER

The conferees have provided an additional $500,000 for the Office of National Drug Control Policy (ONDCP) for fiscal year 1991. The conferees believe the establishment of a Counter Narcotics Technology Assessment Center within the Office of National Drug Control Policy would greatly improve the coordination of Federal drug control agency research and development efforts, if authorized, the conferees expect the Director of ONDCP to utilize the additional $500,000 provided to establish this office.

SPECIAL FORFEITURE FUND

Amendment No. 46: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For activities authorized by Public Law 100-690, $46,000,000 to be derived from deposits in the Special Forefeiture Fund; of which $4,548,000 shall be transferred to Federal Bureau of Investigation, "Salaries and expenses"; of which $2,637,000 shall be transferred to Immigration and Naturalization Service, "Salaries and expenses"; of which $6,941,000 shall be transferred to Interagency Law Enforcement, "Organized Crime Drug Enforcement"; of which $18,884,000 shall be transferred to United States Customs Service, "Salaries and expenses"; of which $3,856,000 shall be transferred to Bureau of Alcohol, Tobacco and Firearms, "Salaries and expenses"; of which $3,059,000 shall be transferred to Internal Revenue Service, "Tax law enforcement"; of which $91,000 shall be transferred to Secret Service, "Salaries and expenses"; of which $4,984,000 shall remain available until expended for automated data processing enhancements at the El Paso Intelligence Center; and of which $1,000,000 shall remain available until expended to implement section 7604 of Public Law 100-690, the National Commission on Measured Responses to Achieve a Drug-Free America by 1995 Authorization Act: Provided, That amounts transferred under this heading shall be used for salaries and expenses of drug enforcement personnel.

OFFICE OF NATIONAL DRUG CONTROL POLICY

GENERAL PROVISION

SECTION 1. Section 524(c)(9) of title 28, United States Code is amended by deleting the second sentence and inserting the following: "For each of fiscal years 1991, 1992, and 1993, the Attorney General shall transfer not to exceed $150,000,000 in unobligated amounts available in the Fund to the Special Forfeiture Fund: Provided, That such amounts will be transferred on a quarterly basis: Provided further, That, upon each transfer, not to exceed $15,000,000, or, if determined by the Attorney General to be necessary to meet forfeiture program expenses, an amount not to exceed one-tenth of the previous year's obligations shall be retained in the Fund and remain available for payment of authorized expenses: Provided further, That, any unobligated amounts in excess of $150,000,000 shall remain on deposit in the Fund.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment inserts a provision which appropriates $46,000,000 for specified purposes and provides for the quarterly transfers of unobligated balances from the Department of Justice Assets Forfeiture Fund into the Special Forfeiture Fund.

The conferees recognize the need and importance of strategic and tactical intelligence in aggressively and effectively pursuing our national anti-drug efforts. The conferees believe developing effective methods of utilizing existing intelligence and newly-acquired intelligence is a critical component of our ability to wage a successful war on drugs and should be a priority of the Office of National Drug Control Policy. The conferees request the Director of the ONDCP to submit a plan to maximize the coordination, gathering and dissemination of law enforcement, intelligence community and military intelligence information, consistent with legal, policy, and security considerations. To prevent against duplication of effort and resources, the plan should include the utilization of existing resources and intelligence facilities. The conferees expect this report to be submitted to the House and Senate Committees on Appropriations no later than March 1, 1991.

TITLE IV—INDEPENDENT AGENCIES

FEDERAL ELECTION COMMISSION

Amendment No. 47: Restores a provision proposed by the House and deleted by the Senate which makes available $5,000 for official reception and representation expenses.

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND LIMITATION ON AVAILABILITY OF REVENUE

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For additional expenses necessary to carry out the purpose of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), $1,645,733,000 to be deposited into said Fund. The revenues and collections deposited into said Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or serving buildings and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by installment purchase and purchase contract, in the aggregate amount of $5,268,651,800 of which (1) not to exceed $1,460,678,000 shall remain available until expended for construction of additional projects at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:

Arizona:

Flagstaff, a grant to Northern Arizona University, Southwest Forestry Science Complex, $4,500,000

California:

East Los Angeles, a grant to California State University, $350,000

Los Angeles, a grant to the Japanese American National Museum, $39,000

Los Angeles, a grant to Marymount Loyola University, $4,000,000

Menlo Park, U.S. Geological Survey, Laboratory Building A, $22,000,000

Sacramento, John E. Moss Federal Building U.S. Courthouse, Extension, $5,801,000

San Diego, a grant to Children's Hospital, $1,750,000

Colorado:

Denver, a grant to the National Research Center for Environmental Lung Disease, $1,000,000

District of Columbia:

A grant to the American Indian Higher Education Consortium, $1,908,000

A grant to the D.C. Children's National Medical Center, $1,750,000

Federal Bureau of Investigation, Field Office, $37,800,000: Provided, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works

Department of Transportation, Headquarters, site, $50,000,000: Provided, That such funds shall be obligated only upon the advance approval of the House and Senate Committees on Appropriations and the House Committee on Public Works and Transportation and Senate Committee on Environment and Public Works

Southeast Federal Center, $88,000,000: Provided, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and Senate Committee on Environment and Public Works

Florida:

Miami, a grant to Mt. Sinai Medical Center, $1,750,000

Georgia:

Athens, a grant to University of Georgia, Dean Rusk Center for International and Comparative Law, $1,000,000

Augusta, U.S. Courthouse, $353,000

Idaho:

Moscow, a grant to University of Idaho, Environmental Laboratory, $5,800,000

Illinois:

Chicago, John C. Kluczynski Federal Building, Claim, $455,000

Iowa:

Ames, a grant to Iowa State University, Midwest Supercomputer Access Center, $2,200,000

Kansas:

Kansas City, Federal Building U.S. Courthouse, $29,475,000

Pittsburg, a grant to Pittsburg State University, School of Technology Complex, $5,000,000

Louisiana:

Shreveport, Federal Building and U.S. Courthouse, $24,669,000

Maryland:

Baltimore, a grant for planning and design of Christopher Columbus Center on Marine Research and Exploration, $4,000,000

College Park, a grant to the University of Maryland for superconducting materials research, $1,375,000

Prince Georges County, Internal Revenue Service, $206,502,000

Prince Georges County, U.S. Courthouse, $21,883,000

Massachusetts:

Boston, Federal Building U.S. Courthouse, $184,200,000

Waltham, a grant to establish and construct a National Center for Complex Systems at Brandeis University, $4,000,000

Woods Hole, a grant for the continued development of the Marine Biomedical Institute for Advanced Studies, $4,750,000

Michigan:

Houghton, a grant to Michigan Technological University for construction of a center for applied metallurgical, minerals, and materials research, $1,750,000 Minnesota:

Minneapolis, Federal Building and U.S. Courthouse, $68,772,000

Montana:

Great Falls, a grant to the McLaughlin Research Institute for Biomedical Sciences, $5,000,000

Nebraska:

Lincoln, a grant to University of Nebraska, George W. Beadle Center for Genetic and Biomaterials Research, $4,500,000

Omaha, a grant to Creighton University, Criss Research Building, $2,000,000

Nevada:

Carson City, Federal Building-Post Office, parking construction, $50,000

New Jersey:

Camden, Post Office and Courthouse Annex, Escalation, $8,903,000

New Mexico:

Alamogordo, a grant to the Primate Research Institute, Site and Facilities, to be constructed on a site leased from the United States Air Force at Holloman Air Force Base, $4,000,000

Albuquerque, a grant to Sandia National Laboratory for research in environmentally conscious manufacturing, $3,000,000

New York:

New York, a grant to Columbia University, Center for Disease Prevention, $1,000,000

Rochester, a grant to Rochester Institute of Technology for a strategic materials research center, $1,750,00

White Plains, Courthouse, $26,350,000

Oregon:

Portland, Courthouse Annex, $33,320,000

Pennsylvania:

Philadelphia, a grant to the Philadelphia Urban League for the administration of a community-based drug prevention program, $778.000

Wilkes-Barre, Social Security Administration Data Operations Center, Escalation, $11,905,000

Tennessee:

Knoxville, U.S. Courthouse-Post Office, $3,431,000

Texas:

College Station, a grant to Texas A&M University for the establishment of the Institute for National Drug Abatement Research at the Texas Engineering Experiment Station, $1,000,000

El Paso, a grant to the University of Texas, $1,750,000

Virginia:

Alexandria, U.S. Courthouse, $58,202,000

Northern Virginia, Naval Systems Commands, $273,000,000 West Virginia:

Charleston, Federal Building U.S. Courthouse, $80,407,000

Nonprospectus construction projects, $5,000,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides funding for the construction of Federal buildings and the awarding of certain grants.

GUS J. SOLOMON U.S. COURTHOUSE ANNEX

It is the position of the conferees that the parking facilities currently used by an entity located at the southeast corner of block 184 as indicated on the City of Portland map 3029.5 represents a unique situation affecting the planned expansion of the Gus J. Solomon Courthouse in Portland, Oregon. The conferees understand the concerns of the prospective tenants of the new annex. However, the deprivation of the existing parking facilities would significantly impact the adjoining entity. The conferees strongly urge the General Services Administration to work out a solution to this problem which is mutually acceptable to the parties involved.

The conferees are concerned that the progress toward completion of the annex continue apace, and should not be adversely impacted in anyway by the aforementioned discussions. Further, it is the opinon of the conferees that this is a unique situation and, therefore, should in no way be construed as establishing a precedent for future action by the General Services Administration.

SHREVEPORT FEDERAL COURTHOUSE

The conferees urge GSA to begin planning for construction of a new Federal courthouse for the City of Shreveport, Louisiana. It is the understanding of the conferees that Federal agencies unrelated to the operations of the Federal court will not be housed in the new facility, but remain in the existing Federal building being used in downtown Shreveport, Lousiana.

INTERNATIONAL CULTURAL AND TRADE CENTER

The conferees request the Administrator of General Services to consider providing support to the International Cultural and Trade Center project, within existing funds, not to exceed $1,000,000, for fiscal year 1991.

NAVY CONSOLIDATION

The conferees recommend, subject to the usual prospectus approval process, a project to consolidate the Naval Systems Command in 2.0 million square feet of space in northern Virgnia. An appropriation to the Federal Building fund of $273,000,000 for the first phase of 1.0 million square feet is approved for fiscal year 1991. The conferees understand and concur in the GSA/Navy plan to acquire the additional 1.0 million square feet to complete this consolidation through contractual arrangements which will permit the government to enter into a long-term lease with options for ownership

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: *$790,251,800*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment makes available $790,251,800 for repairs and alterations instead of $579,710,000 as proposed by the House and $780,251,800 as proposed by the Senate.

This amendment makes available funds from the Federal Buildings Fund for certain repair and alteration projects.

Amendment No. 50: Deletes funding for the Calexico and the Otay Mesa border facilities, as proposes by the Senate. These projects are funded in Amendment No. 53.

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment inserts funding for the National Building Museum Pension Building proposed by the Senate. No funding was included by the House for this project.

Amendment No. 52: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken by said amendment, insert the following:

Maryland

Avondale, Federal Executive Training Center, $10,000,000

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Deletes funding for the Ysleta Border Station in El Paso as proposed by the Senate and provides funding for the Federal Executive Training Center in Avondale, Maryland.

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment provides $211,659,800 for capital improvements of United States-Mexico Border Facilities.

Amendment No. 54: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *$272,777,000, including $1,600,000 for Building No. 6, World Trade Center, New York, New York.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides $1,600,000 for repair of the Secret Service New York City Field Office. It deletes a provision proposed by the Senate regarding reprogramming of funds.

Amendment No. 55: Deletes a technical change inserted by the Senate.

Amendment No. 56: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: *$1,473,804,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides for limitation on funds available for Rental of Space of $1,473,804,000 instead of $1,506,300,000 as proposed by the House and $1,505,497,000 as proposed by the Senate.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and

concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *$247,665,000 for design and construction services of which $5,500,000 shall be available for payment to a public entity in fiscal year 1991 to house the Bureau of Mines, the United States Geological Survey and National Weather Service in Tucson, Arizona, such location to be designated by the housed agencies and such agencies are to be housed rent free, exclusive of operating expenses, in such location;*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment makes available $5,500,000 for payment to a public entity in Tucson, Arizona to house certain Federal agencies.

Amendment No. 58: Restores a provision proposed by the House and deleted by the Senate which makes available funding for the preliminary design of a facility for the Center for Disease Control.

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which excepts certain Federal projects from prospectus approval.

Amendment No. 60: Establishes a total limitation of $5,268,651,800 for the Federal Buildings Fund instead of $5,279,209,000 as proposed by the House and $5,099,606,800 as proposed by the Senate.

FEDERAL SUPPLY SERVICE

Amendment No. 61: Appropriates $53,957,000 for Salaries and Expenses as proposed by the House instead of $52,243,000 as proposed by the Senate.

FEDERAL PROPERTY RESOURCES SERVICE

Amendment No. 62: Appropriates $13,386,000 for for operating expenses as proposed by the House instead of $12,798,000 as proposed by the Senate.

REAL PROPERTY RELOCATION

Amendment No. 63: Restores a provision proposed by the House and stricken by the Senate which makes available $2,500,000 for the relocation of a United States Fish and Wildlife Service regional office.

This amendment earmarks $2,500,000 from funds appropriated for Real Property Relocation for the expenses associated with the relocation of the U.S. Fish and Wildlife Service regional office. Last year, the Congress authorized and directed the General Services Administration to relocate the Region Five office of the U.S. Fish and Wildlife Service. In addition to the amount provided by section 11(b) of title IV of Public Law 101-136, $2,500,000 is provided for costs associated with this relocation, including telecommunication costs and other expenses related to the relocation. The General Services Administration shall make these funds available to the Fish and Wildlife Service as soon as they are required.

GENERAL MANAGEMENT AND ADMINISTRATION

Amendment No. 64: Restores a provision proposed by the House and stricken by the Senate and deletes language proposed by the Senate. Appropriates $35,100,000 for Salaries and Expenses as proposed by the House instead of $91,455,000 as proposed by the Senate.

INFORMATION RESOURCES MANAGEMENT SERVICE

Amendment No. 65: Appropriates $39,961,000 for Operating Expenses as proposed by the House instead of $39,268,000 as proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

Amendment No. 66: Appropriates $30,997,000 for Salaries and Expenses as proposed by the House instead of $30,139,000 as proposed by the Senate.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

Amendment No. 67: Appropriates $1,964,000 for Allowances and Office Staff as proposed by the Senate instead of $1,808,000 as proposed by the House.

GENERAL SERVICES ADMINISTRATION

GENERAL PROVISIONS

Amendment No. 68: Deletes a provision proposed by the House and stricken by the Senate regarding the payment of rent under certain circumstances. This language has already become permanent law.

Amendment No. 69: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

SEC. 5. Notwithstanding any other provision of law, the Secretary of the Interior shall transfer to the General Services Administration, without consideration, that parcel of land known as the Avondale site comprising approximately 17.8 acres of land located at 4900 LaSalle Road in the Avondale section of Prince Georges County, Maryland, together with any improvements, structures and fixtures located thereon: Provided, That the Administrator of General Services after consultation with the Office of Personnel Management shall provide for such design and alterations to the structures and fixtures located thereon, as may be required, to prepare the site for use as a training and seminar center: Provided further, That upon completion of such alterations the Administrator of General Services shall make the property available to the Director of the Office of Personnel Management for use as a Federal Executive Training Center (Center) and shall delegate to the Director of the Office of Personnel Management any authority necessary to operate the Center: Provided, further, That the Administrator of General Services is authorized and directed to charge the Office of Personnel Management, at the time of the delegation, and for a period of not to exceed five additional years at rates equal to the net revenue generated by operation of the Center in each of such years, and that such rates may be less, but not more than, those rates provided for under Section 210(J) of the Federal Property and Administrative Services Act of 1949, as amended: Provided further, That the General Services Administration and the Office of Personnel Management shall negotiate annual rates in subsequent years that will, in the aggregate, including the rates and operating costs charged in the first five years and the recovery of the costs of the alterations and additions that are in excess of $10,000,000, and that there will be no further charges to the Office of Personnel Management, except for routine operational expenses and costs in anticipation of future repairs subsequent to the recovery of the costs of alteration and additions in excess of $10,000,000: Provided further, That the $6,500,000 previously authorized for Avondale is no longer available for obligation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides for the transfer of certain property.

Amendment No. 70: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

Restore the matter stricken by said amendment, amended to read as follows:

SEC. 6. Notwithstanding any other provision of law, such property as may be necessary, but not to exceed twenty acres, at the Beltsville Agricultural Research Center located in Beltsville, Maryland, may be provided at fair market value to the General Services Administration for the purpose of constructing a Federal Courthouse and that any amount resulting from the acquisition of the property shall be placed in an escrow account to be available hereafter for use in the renovation and restoration of the Beltsville Agricultural Research Center to be released as specified in advance in appropriations Acts.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment deletes a provision proposed by the House and stricken by the Senate which would have mandated certain action with regard to an Internal Revenue Service district office and inserts a provision regarding property located in Beltsville, Maryland.

Amendment No. 71: Inserts a new section number.

Amendment No. 72: Inserts a new section number.

Amendment No. 73: Inserts a new section number.

Amendment No. 74: Inserts a new section number.

Amendment No. 75: Inserts a new section number.

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken by said amendment, insert the following:

SEC. 12. Notwithstanding any other provision of law, the Administrator of General Services is authorized and directed to provide not less than 120,000 square feet of storage space, together with additional space as necessary for office use, to establish a National Long Term Records Center in Pittsfield, Massachusetts for the specialized storage of federal agency records by the National Archives and Records Administration: Provided, That notwithstanding any other provision of law, the Administrator of General Services is authorized and directed to provide not less than 3,000 square feet of public space in Pittsfield, Massachusetts for a satellite facility of the New England Regional Archives: Provided further, That the Archivist of the United States shall assign adequate personnel to operate the satellite facility established by this section: Provided further, That the Administrator of General Services and the Archivist of the United States shall report on a quarterly basis to the House and Senate Committees on Appropriations on the progress made to implement the directives in this section and the resources necessary to complete the Long Term Records Center and the satellite facility.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes and directs the Administrator of General Services to provide not less than 120,000 square feet of

storage space, together with additional office space, to establish a National Center for Long Term Records in Pittsfield, Massachusetts. The Center will be operated by the National Archives and Records Administration. No further authorization from Congress or any Federal agency is required for the General Services Administration to implement this directive, and the conferees expect the General Services Administration to work with the National Archives to provide the space for this facility in the designated area as soon as possible. The amendment also authorizes and directs the Administrator of General Services to provide not less than 3,000 square feet of public space in Pittsfield, Massachusetts to establish a satellite facility of the New England Regional Archives, including a reading room and microfilm facility. Adequate staff shall be assigned to operate this facility. Finally, the amendment requires the General Services Administration and the National Archives to report quarterly to the House and Senate Committees on Appropriations on progress made to implement this directive.

The amendment does not require the relocation of the New England Regional Archives to Pittsfield, as proposed by the House.

Amendment No. 77: Inserts a new section number.

Amendment No. 78: Restores a provision proposed by the House and striken by the Senate which directs the Administrator of General Services to coordinate certain requirements with the Resolution Trust Corporation.

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

SEC. 15. Notwithstanding any other provisions of law, the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), is authorized to receive any revenues, collections, or other income received during fiscal year 1991 in the form of rebates, cash incentives or otherwise, related to energy savings, all of which shall remain in the Fund until expended, and remain available for Federal energy management improvement programs as may be authorized by law or as may be deemed appropriate by the Administrator of General Services. The General Services Administration is authorized to use such funds, in addition to amounts received as New Obligational Authority, in such activity or activities of the Fund as may be necessary: Provided, That the General Services Administration shall provide the House and Senate Committees on Appropriations with a plan to ensure a balanced and equitable approach for the relocation of Federal agencies in the Washington, D.C. metropolitan area by March 31, 1991.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes the General Services Administration to receive rebates and other energy credit incentives. It also inserts a provision which requires General Services Administration to make a study regarding relocation of agencies in the Washington, D.C. Metropolitan Area.

WASHINGTON, DC, METROPOLITAN AREA

The conferees are aware of concerns about disparities in the distribution of Federal office space in the greater Washington, DC, metropolitan area. The conferees have included language in the bill directing the General Services Administration to prepare a plan to ensure a balanced and equitable approach for the relocation of Federal agencies in this area.

As part of this plan, General Services Administration is expected to provide detailed information on the total square footage of office space owned and leased by the Federal Government in the Maryland and Virginia suburbs and Washington, DC. This should include separate statistics for Department of Defense leased and owned facilities. The plan should also include a detailed accounting of the comparative leasing cost and land costs per square foot in the District, northern Virginia and Maryland.

The conferees expect the plan to take into account employee needs including closeness to place of residence, the quality of the work space and access to public transportation, including Metrobus and areas along planned, as well as existing, Metrorail lines. The conferees acknowledge the lead role of the Federal tenant agencies in determining which locations best serve their missions.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number named in said amendment, insert: *16.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes the General Services Administration to sell the existing Charleston, West Virginia Federal Building and deposit the proceeds of the sale into the Federal Building Fund.

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the first section number named in said amendment, insert: *17.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes the General Services Administration to sell the Minneapolis, Minnesota, Federal Building and United States Courthouse, to deposit the proceeds from the sale into the Federal Buildings Fund, and to accept donations from the City of Minneapolis to support the construction of a new Federal Building and United States Courthouse in Minneapolis.

Amendment No. 82: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number named in said amendment, insert: *18.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment regards requests for proposals for the procurement of move management services.

The conferees continue to be extremely concerned about the scope and direction of the household goods movement program administered by the General Services Administration. The Congress directed in fiscal year 1989 that the General Services Administration consider expanding the coverage of brokerage contracts for move management services to include other agencies. Service contracts of this type may provide an opportunity for significant administrative savings for participating agencies. The pilot project managed by the Social Security Administration (SSA) is reported to have saved $989,830 between May 1, 1985 and April 30, 1989.

On September 24, 1990, the General Services Administation issued a solicitation on behalf of the Department of Labor for the type of move management services that will relieve the Department of Labor from the administrative burden of providing these services with its own personnel. The conferees support the expeditious award of this and similar contracts. The conferees direct the General Services Administration to closely monitor brokerage services and their procedures concerning move management. The conferees also direct the General Services Administration to issue a solicitation of move management services within thirty days of the enactment of this Act. This solicitation shall include other government agencies and their employees in a manner that assures the best combination of rates and services in the long term. Brokers should be encouraged to give consideration to minority and small business firms.

The Conferees fully support the continuation of the SSA pilot project for the remaining term of its current relocation contract. In addition, the conferees understand that the General Services Administration will have in place, by October 1990, a performance index ranking system whereby carriers' performance can be measured and compared. The conferees urge the issuance of this data soon as it is available. The General Services Administration is directed to provide to the House and Senate Committees on Appropriations, by March 31, 1991, a status report on the move management services solicitation and other efforts underway or contemplated regarding the movement of household goods.

Amendment No. 83: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number named in said amendment, insert: *19*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes the General Services Administration to utilize up to 200,000 square feet of lease space in the Harlem International Trade Center in New York City, subject to the availability of Federal tenants.

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

Sec. 20. Notwithstanding any other provision of law, the General Services Administration is directed to maintain during the fiscal year ending September 30, 1991, the vehicle rental rates and per mile rates charged to schools and dormitories funded by the Bureau of Indian Affairs that were in effect on June 30, 1990, except for subsequent per mile rate adjustments related to fuel cost increases.

SEC. 21. Notwithstanding any other provision of this Act, the amount available in the Federal Buildings Fund for program direction and centralized services shall not exceed $122,474,000.

The managers on the part of the Senate will move to concur in the amendment of the House amendment of the Senate.

The conferees have included a general provision in the bill that would place a one-year moratorium on implementation of new GSA vehicle lease and mileage rates charged to Bureau of Indian Affairs-funded schools and dormitories. These new rates, scheduled to go into effect October 1, 1990, would otherwise raise bus lease costs by 65-100%, causing severe hardship to these federally-funded schools. The provision permits GSA to pass on fuel cost increases to these schools, GSA has assured the Conferees that such fuel-cost-related per-mile rate increases would not be instituted until 1991. The conferees also request GSA to prepare, in consultation with the Bureau of Indian Affairs, an analysis of the transportation costs of BIA-funded schools and dormitories, and report their findings to the House and Senate Committees on Appropriations with recommendations for meeting those costs.

Section 21 of this amendment establishes a new ceiling on the availability of revenue in the Federal Buildings Fund for program direction, It is the intent of the conferees that this ceiling is $122,474,000 rather than $90,781,000 as appears under the heading of the Federal Buildings Fund.

NATIONAL ARCHIVES AND RECORDS SERVICE

Amendment No. 85: Appropriates $138,219,000 for operating expenses instead of $139,756,000 as proposed by the House and $131,469,000 as proposed by the Senate.

Amendment No. 86: Makes available $5,250,000 for the National Historical Publications and Records Commission instead of $5,000,000 as proposed by the House and $6,500,000 as proposed by the Senate.

Amendment No. 87: Modifies a provision proposed by the House and stricken by the Senate which makes available $8,000,000 for renovations and improvements to the John F. Kennedy Library in Boston, Massachusetts.

PRESIDENTIAL LIBRARIES

The Presidential Libraries rely on a successful partnership of public and private support. This shared public/private responsibility for Presidential Libraries was envisioned by the Congress when it passed the Presidential Libraries Act of 1955 and amendments to that Act in 1986. The Act requires the initial construction of Presidential Libraires to be funded by non-Federal sources and authorizes the Libraries to charge an admission fee and accept private funding. The 1986 amendments to the Act require the establishment of privately funded endowments for future Libraries to support building operation costs and authorize all Libraries to solicit private funds. As a result, the policy of the National Archives regarding library improvements has been that Federal funds be used for building extensions, additions, repairs and alterations and that private funds and proceeds from Library admission fees and sales be used to support museum exhibits, educational programs, and other related activities.

The conferees applaud the fund-raising efforts of Presidential Library Foundations to enrich the offerings of the Libraries. The LBJ Foundation has funded two complete museum renovations since the Library was opened. Other Presidential Library Foundations, including the Herbert Hoover Presidential Library Association, The Eleanor and Franklin Roosevelt Foundation, The John F. Kennedy Foundation, The Carter Center, Inc., The Harry S. Truman Institute, The Gerald R. Ford Foundation, and The Dwight D. Eisenhower Foundation are engaged in or planning fund-raising efforts in support of museum exhibits, educational programs, and other related activities.

The conferees have provided additional federal funds sought by the Kennedy Library. Other Presidential Libraries may have similar funding requirements. The conferees, therefore, request the National Archives and Records Administration to assess the facility and other requirements of the Presidential Libraries and report its findings to the House and Senate Committees on Appropriations by March 1, 1991.

Amendment No. 88: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter inserted by said amendment, insert the following:

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

GENERAL PROVISION

SECTION 1. (a)(1) The position of Director of the Center for Legislative Archives within the National Archives and Records Administration shall be established without regard to chapter 51 title 5. Effective on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act, the basic rate of pay for such position shall be the minimum rate of pay grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

(2) There is established within the Center for Legislative Archives within the National Archives and Records Administration the position of Specialist in Congressional History.

(b) There shall be made available from funds appropriated in each fiscal year to the National Archives and Records Administration, $20,000 for the administrative expenses of the Advisory Committee on the Records of Congress established under section 2701 of title 44, United States Code.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of subsections (a) and (b) of this section.

(d)(1) Title 44, United States Code, is amended by inserting after chapter 25, the following new chapter:

CHAPTER 27—ADVISORY COMMITTEE ON THE RECORDS OF CONGRESS

"Sec.
"2701: Advisory Committee on the Records of Congress.
"2702. Membership; chairman; meetings.
"2703. Functions of the Committee.
"2704. Powers of the Committee.
"2705. Compensation and travel expenses.
"2706. Administrative provisions.

"§ 2701. Advisory Committee on the Records of Congress

"(a) There is established the Advisory Committee on the Records of Congress (hereafter in this chapter referred to as the Committee).

"(b) The Committee shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.), expect that the Committee shall be of permanent duration, notwithstanding any provision of section 14 of the Federal Advisory Committee Act.

"§ 2702. Membership; chairman; meetings

"(a)(1) The Committee shall consist of the eleven members including—

"(A)(i) the Secretary of the Senate;
"(ii) the Clerk of the House of Representatives;
"(iii) the Archivist of the United States;
"(iv) the Historian of the Senate; and
"(v) the Historian of the House of Representatives; and
"(B) six members of whom one shall be appointed by each of the following:
"(i) the Speaker of the House of Representatives;
"(ii) the Minority Leader of the House of Representatives;
"(iii) the Majority Leader of the Senate;
"(iv) the Minority Leader of the Senate;
"(v) the Secretary of the Senate; and
"(iv) the Clerk of the House of Representatives.

"(2) Each member appointed under paragraph (1)(B) shall have knowledge or expertise in United States history, archival management, publishing, library science, or use of legislative records.

"(b) The Secretary of the Senate shall serve as Chairman during the two-year period beginning on January 1, 1991, and the Clerk of the House of Representatives shall serve as Chairman during the two-year period beginning on January 1, 1993. Thereafter, such members shall alternate serving as Chairman for a term of two years.

"(c)(1) Members of the Committee referred to in subsection (a)(1)(A) shall serve only while holding such offices. Members appointed to the Committee under subsection (a)(1)(B) shall serve for a term of two years, and may be reappointed without limitation. The initial appointments for such terms shall begin on January 1, 1991.

"(2) Any vacancy on the Committee shall not affect the powers of the Committee. Any vacancy in an appointed position on the Committee shall be filled in the same manner in which the original appointment was made.

"(d)(1) No later than thirty days after the date on which the first session of the 102d Congress begins, the Committee shall hold its first meeting. Therefore, the Committee shall meet semi-annually or at the call of a majority of its members.

"(2) Seven members of the Committee shall constitute a quorum, but a lesser number may hold hearings.

"§ 2703. Functions of the Committee

The Committee shall—

"(1) review the management and preservation of the records of Congress;

"(2) report to and advise the Congress and the Archivist of the United States on such management and preservation; and

"(3)(A) no later than December 31, 1991, conduct a study and submit a report to the Congress on—

"(i) the effect any transfer of records of the National Archives and Records Administration from facilities located in Washington, D.C., to any location outside of Washington, D.C., shall have on the management and preservation of the records of Congress; and

"(ii) the five year plan for the management and preservation of the records of Congress; and

"(B) no later than December 31, 1995, conduct a study to update the report submitted under subparagraph (A)(ii), and submit a report to the Congress.

"§ 2704. Powers of the Committee

"(a) For purposes of carrying out the duties referred to under section 2703, the Committee or, on the authorization of the Committee, any subcommittee or member thereof, may hold such hearings, sit and act

at such times and places, take such testimony, and receive such evidence as is appropriate.

"(b) The Committee may secure directly from any department or agency of the United States such information as the Committee may require to carry out the duties referred to under section 2703. Upon request of the Chairman of the Committee, the head of such department or agency shall furnish such information to the Committee.

"§ 2705. Compensation and travel expenses

"A member of the Committee may not be paid compensation for service performed as a member of the Committee. However, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Committee.

"§ 2706. Administrative provisions

"(a) Upon request of the Committee, the head of any Federal agency is authorized to detail to the Committee, on a non-reimbursable basis, any of the personnel of such agency to assist the Committee in carrying out the duties referred to under section 2703 and such detail shall be without interruption or loss of civil service status or privilege.

"(b) For purposes of supporting the Committee, the Archivist may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-16 of the General Schedule under section 5332 of such title.".

(2) The table of chapters for title 44, United States Code, is amended by inserting after the item relating to chapter 25 of such title the following:

"27. Advisory Committee on the Records of Congress ..... 2701".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have included this general provision in the bill which creates an Advisory Committee on the Records of Congress to monitor the management and preservation of the records of the Congressional History within the Center for Legislative Archives. The conferees have provided an additional $90,000 in the National Archives budget for these activities and expects the Archivist to raise the general schedule level of the Specialist in Congressional History to a GS-13 on the date of the enactment of this Act. The conferees further urge the Archivist to reclassify this position to a GS-14 thereafter.

OFFICE OF PERSONNEL MANAGEMENT

Amendment No. 89: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *$114,461,000, of which up to $250,000 shall be made available to continue the use of job sharing arrangements in agencies as authorized in section 3402 of title 5, United States Code, and of which not less than $400,000 nor more than $1,000,000 shall be made available for the establishment of Federal health promotion and disease prevention programs for Federal employees*

The managers on the part of the Senate will move to concur in the amendment of the House to the Amendment of the Senate.

This amendment appropriates $114,461,000 for the Office of Personnel Management and inserts language earmarking not less than $400,000 nor more than $1,000,000 for disease prevention and health promotion activities and up to $250,000 for job sharing.

Amendment No. 90: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a general provision authorizing the eligibility of qualified clinical social workers, optometrists, nurse midwives and nurse practitioners for reimbursement of services under the Federal employees health benefits program.

GENERAL PROVISIONS—THIS ACT

Amendment No. 91: Restores a provision proposed by the House and stricken by the Senate which prohibits the closing of the General Services Administration Federal Information Center in Sacramento, California.

Amendment No. 92: Restores a section number proposed by the House.

Amendment No. 93: Restores a section number proposed by the House.

Amendment No. 94: Restores a section number proposed by the House.

Amendment No. 95: Restores a section number proposed by the House.

Amendment No. 96: Restores a section number proposed by the House.

Amendment No. 97: Restores a section number proposed by the House.

Amendment No. 98: Restores a section number proposed by the House.

Amendment No. 99: Restores a section number proposed by the House.

Amendment No. 100: Restores a section number proposed by the House.

Amendment No. 101: Restores a provision proposed by the House and stricken by the Senate which authorizes the General Services Administration to lease certain space in Tacoma, Washington.

Amendment No. 102: Restores a section number proposed by the House.

Amendment No. 103: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate. This amendment changes the fiscal year from 1990 as proposed by the House to 1991 as proposed by the Senate.

Amendment No. 104: Restores a section number proposed by the House.

Amendment No. 105: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the stricken and inserted by said amendment, insert the following: *521*

SEC. 521. None of the funds appropriated or otherwise made available to the Department of the Treasury by this or any other Act shall be obligated or expended to contract out positions in, or downgrade the position classifications of, members of the United States Mint Police Force and the Bureau of Engraving and Printing Police Force, or for studying the feasibility of contracting out such positions.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment strikes a provision proposed by the House prohibiting the use of funds to contract out or to downgrade positions of the Bureau of Engraving and Printing Police Force, and inserts a new section prohibiting the use of funds to contract out, downgrade, or study the feasibility of contracting out position classifications of the Mint and Bureau of Engraving and Printing.

Amendment No. 106: Restores a section number proposed by the House.

Amendment No. 107: Restores a section number proposed by the House.

Amendment No. 108: Restores a section number proposed by the House.

Amendment No. 109: Restores a section number proposed by the House.

Amendment No. 110: Restores a provision proposed by the House and stricken by the Senate prohibiting the withdrawal of the designation of Front Royal, Virginia as a U.S. Customs Service port of entry.

Amendment No. 111: Restores a section number proposed by the House.

Amendment No. 112: Amends a provision proposed by the House and modified by the Senate.

INVESTIGATION AND PROSECUTION OF FRAUD

This amendment is designed to assure effective coordination and maximum use of the collective resources of all federal departments and agencies in the effort to investigate and prosecute illegal activity in the federally insured financial industry and the Resolution Trust Corporation. To that end, this amendment provides extraordinary authority for federal departments and agencies to participate in such investigations and prosecutions under the supervision of the Attorney General and to exercise relevant authorities of the Department of Justice under his supervision. Supervision is intended to mean such investigative, prosecutorial and/or administrative guidance provided by the Attorney General or his delegate acting on behalf of the Attorney General, including such case oversight provided by any appropriate United States Attorney's Office. Employees of participating federal agencies may be assigned to task forces under the direction of the Attorney General or his delegate, or alternatively such employees may work under the supervision discussed above.

Specifically, this amendment [subsection (a)(1)] provides that the Attorney General shall accept the services of attorneys, law enforcement personnel and employees of other departments and agencies that choose to provide these resources to be used under the supervision of the Attorney General to assist the Department of Justice in the investigation and prosecution of fraud and other unlawful activity in any federally insured financial institution and the Resolution Trust Corporation. The amendment effectively waives the reimbursement requirements of the Economy Act and similarly waives any limitation upon the expenditure of appropriated funds by participating federal agencies for such activities by permitting each federal agency and department temporarily to include the detection and prosecution of financial industry fraud as part of its mission. Nor will the expenditure of funds by participating federal agencies for such activities constitute a funding supplement to the benefit of the Department of Justice in violation of budget augmentation prohibitions. However, this extraordinary authority does not repeal the Attorney General's authority to reimburse any participating agency for detailed personnel.

The amendment [subsection (a)(2)] permits attorneys of other departments and

agencies whose services are accepted for the purpose of detecting and prosecuting financial industry fraud to conduct or perform under the supervision of the Attorney General any investigative and prosecutorial function which United States Attorneys are authorized by law to conduct or perform. This provision will thus permit attorneys of other departments and agencies to exercise under the supervision of the Attorney General the authority conferred on United States Attorneys while retaining their identity as attorneys of their own departments or agencies.

The amendment [subsection (a)(3)] authorizes all law enforcment personnel of the United States Secret Service to conduct or perform under the supervision of the Attorney General any kind of investigation, civil or criminal, related to fraud or other criminal or unlawful activity in or against any federally insured financial institution or the RTC, which Department of Justice law enforcement personnel can conduct or perform. Secret Service law enforcement personnel may be assigned to task forces under the direction of the Attorney General or his delegate, or alternatively such personnel may work separately under the supervision of the Attorney General. By implementing this amendment [subsection (a)(3)], all Secret Service law enforcement personnel providing services contemplated by this amendment shall be able to exercise the authority of the FBI and other Department of Justice agents while retaining their identity as Secret Service agents. The Secret Service has informed the Conferees that it intends to commit from limited Secret Service resources experienced criminal investigative special agents who shall be assigned to the efforts contemplated by this amendment. However, the Director of the Secret Service shall retain the authority to determine the extent to which Secret Service manpower and resources shall be committed to such efforts. Moreover, this amendment does not intend to limit or circumscribe in any way the present authority conferred upon the Secret Service in connection with the Federal Deposit Insurance Corporation, or as to financial crimes in general, as provided pursuant to Title 18 of the United States Code at Section 3056(b)(1), or the enumerated sections appearing therein.

Finally, this amendment [subsection (b)(2)] provides that this section shall expire with the authority of the Resolution Trust Corporation or its successor. Thus the authorities provided by this section continue to exist as long as the authority of the RTC exists, and do not terminate, for example, upon the reorganization or renaming of the RTC.

Federal Employees Pay Comparability Act of 1990

The disparities between Federal and non-Federal pay, the subsequent recruitment and retention problems experienced by Federal agencies nationwide, and concern about the quality of new candidates for Fedral service have led the managers to agree to language included as part of the conference report, encompassing the "Federal Employees Pay Comparability Act of 1990." The goal of the Act is to achieve full comparability, namely pay parity, between Federal employees and their nonfederal counterparts on a locality-by-locality basis. Pay disparities identified in an initial survey of geographic areas throughout the country would be closed, under the goals of the Act, within the next decade. In short, the Act adopts as the goal of the Federal pay-setting mechanism the notion that the rates of pay for Federal employees should be set at levels which, on a local basis, would be 100 percent of the rates of pay for their non-Federal counterparts.

Under the terms of the Act, the steady erosion, over the last 15 years, of Federal employee buying power would be immediately arrested. Annual Federal pay adjustments would be based upon actual changes in employment costs throughout the country and thus prevent any further widening of the gap between Federal and nonfederal salaries. Beyond that, a locality-based comparability adjustment system will undo the negligence of the past over the next ten years. The managers assume that the statistical methods used under current law for calculating pay comparability would continue to be used, to the extent appropriate, for determining pay disparities in the local pay areas under this bill.

The managers agree that potential significant costs are associated with this undertaking. But, the managers are also cognizant of the boundless costs which all Americans suffer when the Federal Government is unable to attract and retain those dedicated workers necessary to the delivery of services to all citizens. Consequently, the managers share the belief of the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs that pay adjustments for Federal employees should be viewed as a management responsibility and fully accounted as the cost of performing the business of government.

Principal among the precepts of the Federal Employees Pay Comparability Act of 1990 is the goal of divorcing the annual Federal pay-setting process from the political process. While discretion is granted the President under the permanent provisions of the Act, it is the expectation of the managers that, given the realistic mechanism in the Act, only on very rare occasion will the President be forced to exercise the discretion granted him in the Act. In the transition provisions for fiscal years 1992 through 1994, the discretion granted the President is even further limited to critical conditions defined in law, including a state of war as declared by congress or a period of 2 consecutive quarters of negative growth in the Gross National Product. A summary of the provisions follows:

Summary of Federal Pay Reform

I. ANNUAL PAY ADJUSTMENT

Federal employees would receive an annual adjustment equal to the Employment Cost Index (ECI) minus .5% effective every January 1.

The President would have discretion to alter this adjustment if he determines that there is a national emergency or serious economic conditions affecting the general welfare. This discretion is substantially similar to current law.

II. LOCALITY ADJUSTMENTS

The Bureau of Labor Statistics (BLS) will conduct annual pay surveys in all geographic locations to determine whether a locality-based pay adjustment is necessary. BLS will report its findings to the President's Pay Agent and a newly-established Federal Salary Council. The Council will then make recommendations to the Pay Agent on locality-based pay adjustments. The Pay Agent includes those recommendations and its own recommendations in a report to the President. The goal of locality-based adjustments is to completely close any existing pay gap; however, the President would not be required to provide a locality adjustment in areas that have a pay disparity of 5 percent or less. Pay localities with a pay disparity of greater than 5 percent would receive an initial locality adjustment of at least two-tenths of the local pay disparity in fiscal year 1994. The President would be able to alter the fiscal year 1994 locality adjustments only in the event of war or severe economic conditions, defined as two consecutive quarters of negative GNP growth. However, if the total cost of these adjustments exceeds $1.8 billion, the President would have discretion to alter the adjustment if he determines that there is a national emergency or serious economic conditions affecting the general welfare. In subsequent fiscal years, the President would be required to close the local pay gap an additional one-tenth each year until the pay disparity in each area has been closed by at least 95 percent. The President would have discretion to alter the locality adjustments in fiscal year 1995 and beyond. That discretion would be the same as the discretion available to the President for the annual pay adjustment. These adjustments would also be effective each January 1.

III. PAY FOR PERFORMANCE

The bill establishes a pay for performance labor-management committee to advise the Office of Personnel Management on the design and establishment of systems for strengthening the linkage between the performance of General Schedule employees and their pay. The committee shall be made up of a chairman appointed by the Director of the Office of Personnel Management, after consultation with the Committee on Governmental Affairs of the Senate and the Committee on Post Office and Civil Service in the House; an employee of the Office of Personnel Management; an employee of the Department of Defense; 3 employees of other departments; and six representatives of employee organizations. The Committee is required to report to the Director of the Office of Personnel Management on pay for performance systems within one year from the date of enactment.

IV. PAY FLEXIBILITIES

The bill contains a variety of special authorities to deal with particular recruitment and retention problems. The bill retains the Special Pay Rate authority in current law but increases the maximum amount payable to 30 percent above the maximum rate payable for the grade. The bill provides critical pay authority for up to 800 positions Governmentwide; these positions could be paid up to Executive Level I. The Office of Personnel Management would be given authority to establish Special Occupational Pay Systems for Federal occupations that are incompatible with the General Schedule, such as firefighters or health care occupations. Other special authorities include: recruitment and relocation bonuses of up to 25 percent of base pay; retention allowances of up to 25 percent of base pay; payment of travel and transportation expenses for new job candidates and new hires; advances of pay; increases in uniform allowances; time-off as an incentive award; and cash performance awards. The bill allows agencies to hire above the minimum step of any grade.

The bill also provides OPM with authority to waive the dual compensation restrictions on a case-by-case basis and allows OPM to delegate this authority to agencies under special circumstances for limited periods of time.

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The bill allows the President to establish staffing differentials equal to 5 percent of basic pay for certain entry-level positions.

The bill gives the President authority to pay interim geographic adjustments of up to 8 percent from fiscal year 1990 until fiscal year 1994. The President must consider interim geographic adjustments for any area which has a significant pay disparity, based on BLS pay relative data, and which has a significant recruitment and retention problem.

Annual Adjustments For Fiscal Years 1992 through 1994

The bill creates a special rule for annual pay adjustments for fiscal years 1992 through 1994. For fiscal years 1992 and 1993, Federal employees would receive an adjustment equal to the ECI. For fiscal year 1994, Federal employees would receive an annual adjustment equal to the ECI minus .5 percent. The President would have the discretion to alter these adjustments only in the event of war or severe economic conditions, defined as two consecutive quarters of negative GNP growth. However, if these adjustments exceeded 5 percent in any one year the President would have discretion to alter that portion of the adjustment which exceeds 5 percent if he determines that there is a national emergency or serious economic conditions affecting the general welfare.

FEDERAL LAW ENFORCEMENT PAY REFORM

The Conferees have included a separate Title in pay reform section of the Act which is intended to provide immediate relief to the Federal law enforcement agencies who are facing severe recruitment and retention problems. These problems have been directly attributed to the large discrepancies which exist in the area of pay and benefits between Federal law enforcement officers and their state and local enforcement counterparts.

The National Advisory Commission on Law Enforcement studies these problems and reported its findings and recommendations to the Congress in April, 1990. The legislation included in the conference agreement incorporates the major recommendations of the Commission and will bring about changes that will curb resignations of experienced personnel and increases the pool of available qualified applicants.

The following elements will close the gap which has developed over the past ten years between Federal Agents/Officers and State/Local Law Enforcement Officers:

ENTRY LEVEL PAY

The below listed entry level pay grades for federal law enforcement officers (LEO) covered by the provisions of this legislation are effective January 1, 1992:

LEO GS-3/1 becomes GS-3/4; [1] GS-3/7.
LEO GS-4/1 becomes GS-4/4; [1] GS-4/7.
LEO GS-5/1 becomes GS-5/4; [1] GS-5/8.
LEO GS-6/1 becomes GS-6/3; [1] GS-6/6.
LEO GS-7/1 becomes GS-7/3; [1] GS-7/5.
LEO GS-8/1 becomes GS-8/3.
LEO GS-9/1 becomes GS-9/2.
LEO GS-10/1 becomes GS-10/2.

[1] Effective January 1, 1993.

Using the above listed increases called "special pay rates", a complete new scale will be established for Steps 1 through 10 of grades GS-3 through GS-10. Each step beyond the Law Enforcement GS-3/1 will be raised proportionately up through the Law Enforcement GS-10/10.

For grades GS-3 to GS-7 (inclusive) the increase will be phased in over a two year period, half in FY-92 and half in FY-93. For grades GS-8 to GS-10 (inclusive) the total increase will occur during FY-92.

These steps will be effect for all qualified Federal law enforcement employees entering or at the above listed grades on the effective date. On the effective date, incumbent employees in grades GS-3 through GS-10 (inclusive) at steps above Step 1 will receive proportionate increases according to the new scale.

For those Federal law enforcement agencies using pay schedules other than the General Schedule, the increases will be proportionate to the increases made to the General Schedule.

LOCALITY PAY ADJUSTMENT

Permanent assignment to the following CMSA's (Consolidated Metropolitan Statistical Areas) will allow for increases of base pay at the following percentages:

Los Angeles—16 percent of base pay.
New York—16 percent of base pay.
San Francisco—16 percent of base pay.
Boston—16 percent of base pay.
San Diego—8 percent of base pay.
Washington, DC—4 percent of base pay.
Chicago—4 percent of base pay.
Philadelphia—4 percent of base pay.

The percentage of increase is added to the base, creating a new base for each location before Administratively Uncontrolled Overtime (AUO) is computed.

The locality adjustment is considered part of base pay for the computation of overtime, life insurance and retirement benefits and are subject to bi-weekly pay limitations.

Locality adjustments are made on the basis of office location not on the basis of residence location and are effective beginning January 1, 1992 until OPM establishes a separate Law Enforcement Pay System. Payments will cease upon transfer to another area.

Any locality pay authorized by General Pay Reform will be considered as an off-set and will not be paid in addition to locality pay authorized by this legislation.

RELOCATION BONUS

Agencies will have discretion to pay up to 25% of base pay or up to $15,000, whichever is higher, to qualified Federal law enforcement officers transferring from one area to another area with a greater cost of living.

This provision is effective for transfers beginning on or after January 1, 1992.

FOREIGN LANGUAGE BONUS

Agencies will have the discretion to pay sums up to 5% of base pay to eligible Federal law enforcement employees whom the agency determines have demonstrated a level of proficiency in a foreign language and where a need exists to use that language in the performance of their duties.

The computation of language bonus is made using base pay excluding any geographic adjustment. This provision is effective beginning January 1, 1992, except for those employees of the FBI and DEA receiving language bonuses prior to 1/1/92. Those FBI and DEA employees will continue to receive language bonuses at rates authorized by PL 100-690. FBI and DEA law enforcement employees awarded language bonuses on or after 1/1/92 will receive the bonus based on rates prescribed by this legislation.

Language bonuses are not considered part of base pay for the computation of retirement, life insurance or AUO and are not subject to any bi-weekly pay limitations. It is anticipated that these bonuses will be paid annually in a lump sum.

SCHEDULED OVERTIME

Effective January 1, 1992, scheduled overtime (SOT) paid to qualified Federal law enforcement employees will be paid at the rate of time and one-half of a GS-10/Step 1 or the straight hourly rate of an employee's actual grade, whichever is higher.

BI-WEEKLY PAY LIMITATION

During any single pay period, a qualified Federal law enforcement employee may not receive compensation that exceeds 150% of the bi-weekly gross base pay of a GS-15/Step 1 including a geographic adjustment, but may not exceed the annual salary of an Executive Level V. Accordingly, bi-weekly pay limitations will vary according to geographic regions. Bi-weekly pay limitations in areas receiving geographic adjustments will be higher allowing employees to receive the benefit of geographic adjustments.

This provision is effective with the first pay period beginning on or after January 1, 1992.

ANNUAL PAY LIMITATION

Regardless of payments authorized by this legislation including those bonuses not subject to bi-weekly pay limitations, no annual compensation may exceed the annual salary of an Executive Level I.

MANDATORY RETIREMENT AGE

Effective immediately upon enactment, the mandatory retirement age for federal law enforcement officers is changed from 55 years of age to 57 years of age.

PRESIDENTIAL DISCRETION

Presidential discretion regarding the suspension of benefits under this legislation will be consistent with the discretion that currently exists.

There will be a side agreement specifically regarding the exercise of Presidential discretion in FY-92, FY-93 and FY-94.

U.S. PARK POLICE AND U.S. SECRET SERVICE UNIFORMED DIVISION PAY

Effective with the first pay period beginning on or after January 1, 1992, the United States Park Police and the United States Secret Service Uniformed Division will have the authority to pay Sunday Pay and night Differential to their employees.

SEPARATE LAW ENFORCEMENT PAY SYSTEM

This legislation requires OPM to provide to congress not later than January 1, 1993, a plan to establish a separate pay and classification system for Federal law enforcement.

Amendment No. 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number named in said amendment, insert the following: *530*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment provides that sums necessary for 1991 pay raises be absorbed within the levels appropriated. This provision is necessary to prevent any unfunded amounts needed to cover the costs of the 1991 cost-of-living pay adjustments from being scored against the bill as a possible later requirement and has been included in prior appropriation Acts.

Amendment No. 114: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the first section number named in said amendment, insert the following: *531*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment amends the Presidential Protection Assistance Act to permit the expenditures of up to $300,000 for state and local law enforcement assistance, and to allow the use of fiscal year 1991 funds to cover reinbursements claimed during fiscal year 1990. Costs for Presidential Protection will rise above $160,000 in 1990 and 1991.

Amendment No. 115: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number in said amendment, insert the following: *532*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes the Internal Revenue Service to use procedures other than competitive procurement procedures to hire outside experts to support Internal Revenue Service examination and litigation efforts. The Commissioner of the Internal Revenue Service indicated that this is the most important action the Congress could take to help the Internal Revenue Service with its large case program and to enforce the tax laws against foreign-controlled corporation.

At the beginning of each fiscal year the Internal Revenue Service shall provide to the House Committee on Appropriations and the Senate Committee on Appropriations a complete list of experts retained and expenditures made for the procurement of experts under procedures other than competitive procedures in the prior fiscal year.

Amendment No 116: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 533. Notwithstanding any other provision of this Act, the amount appropriated to the Federal Labor Relations Authority for salaries and expenses is $18,693,000.

SEC. 534. Notwithstanding any other provision of this Act, the appropriation for salaries and expenses for the Advisory Committee on Federal Pay shall be $100,000.

SEC. 535. REPORT ON PRODUCTIVITY OF THE FEDERAL WORKFORCE.

(a) IN GENERAL.—The Office of Personnel Management shall review and report on the productivity of the Federal workforce. The report shall include recommendations with regard to the following:

(1) How productivity within the Federal workforce can be increased, the delivery of Government services improved, and the payroll costs of Government controlled through improved organization, training, advanced technology, and modern management practices.

(2) The size, structure, and composition of the Federal workforce.

(3) Criteria for use by departments and agencies to determine the level of personnel necessary to accomplish their functions and goals.

(4) Changes in Federal law, regulations, and adminstrative practices to promote economy, productivity, effectiveness, and managerial accountabilty within the Federal workforce.

(b) DEADLINE.—This report shall be submitted to Congress no later than 24 months after the date of enactment of this Act.

SEC. 536. (3) Notwithstanding any other provision of law, sick leave provided by section 6307 of title 5, United States Code, may be approved for purposes related to the adoption of a child in order to test the feasibility of this concept during fiscal year 1991.

(b) Subsection (a) shall cease to be effective as of September 30, 1991.

SEC. 537. None of the funds in this Act may be used to reduce the rank or rates of pay of a career appointee in the SES upon reassignment or transfer.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment deletes a provision proposed by the Senate which would have prohibited the use of funds to pay the salaries of Office of Management and Budget personnel who withhold funds made available by law for certain insured loans.

The conferees are agreed that the appropriation to the Federal Labor Realtions Authority for salaries and expenses is $18,693,000 instead of $18,443,000 which appears in Title IV of this Act. The conferees have allowed an additional $250,000 to prevent the furloughing of Authority personnel.

The amendment appropriates $100,000 for salaries and expenses of the Advisory Committee on Federal Pay instead of $207,000 as provided in title IV of this Act.

This amendment requires the Office of Personnel Management to conduct a study of the Productivity of the Federal Workforce and submit it to the Congress within 24 months of the date of enactment of this Act.

This amendment authorizes the use of sick leave by Federal employees under certain conditions.

This amendment prohibits the use of funds to reduce the rate of pay of a career appointee in the SES upon reassignment or transfer.

Amendment No. 117: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

SEC. 617. No funds appropriated in this or any other Act for fiscal year 1991 may be used to implement or enforce the agreements in Standard Form 312 and 4355 of the Government or any other nondisclosure policy, form or agreement if such policy, form or agreement does not contain the following provisions:

"These restrictions are consistent with and do not supersede conflict with or otherwise alter the employee obligaitons, rights or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 USC 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes which protect against disclosure that may compromise the national security, including section 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. section 783(b)). The definitions, requirements, obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This section on nondisclosure policies, forms and agreements replaces a general provision that has been part of the Treasury, Postal Service and General Government Appropriations Act for the past three fiscal years, most recently as section 618 of the Fiscal Year 1990 Act, Pub. L. No. 101-136, 103 Stat. 783, 820 (1989). The prior law has been the subject of litigation since 1987, and the question of its constitutionality has been presented to, although not decided by, the Supreme Court. *American Foreign Service Ass'n* v. *Garfinkel*, 109 S. Ct. 1693 (1989). As of this date, the controversy over the prior law remains the subject of litigation.

The prior law contained a number of prohibitions on the content of nondisclosure policies, forms and agreements. Section 617 replaces those prohibitions with an affirmative statement, which is to be included in nondisclosure policies, forms and agreements. The purpose of the required statement is to assure that the restrictions in nondisclosure policies, forms and agreements do not supersede, conflict with, or otherwise alter the employee obligations, rights or liabilities created by Executive Order 12356, on classifying and safeguarding national security information, and several statutes, notably the Lloyd-LaFollette Act, 5 U.S.C. 7211, on the right of federal employees to petition and to provide information to the Congress, and provisions of the Civil Service Reform Act and the Military Whistleblower Protection Act, 5 U.S.C. 2302(b)(8) and 10 U.S.C. 1034, on disclosures to the Congress. By including specific citations of these laws in any nondisclosure form, agreement or policy, it is intended that it be made clear to employees and others that the right established by these statutes to disclose information to the Congress is not limited in any manner by any such agreeement, form, or policy.

In keeping with the admonition of the Supreme Court that a court "should not pronounce upon the relative constitutional authority of Congress and the Executive Branch unless it finds it imperative to do so," 109 S. Ct. at 1698, it is the objective of the managers in reporting Section 617 to provide an appropriate balance between the interests of the two branches and a basis for terminating the prolonged litigation over the prior law.

Amendment No. 118: Restores a provision proposed by the House and stricken by the Senate which authorizes a 4.1 percent cost-of-living adjustment for general schedule employees in 1991.

Amendment No. 119: Restores a section number proposed by the House.

Amendment No. 120: Restores a section number proposed by the House.

Amendment No. 121: Restores a section number proposed by the House.

Amendment No. 122: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *622*

and on page 80 lines 23 through and including line 2 on page 81 of the House engrossed bill, H.R. 5241, strike

"(1) announce in any solicitation for offers to procure such goods or services (including construction services) the amount of Federal funds that will be used to finance the acquisition for which such offers are being solicited; and"

and insert in lieu thereof

"(1) specify in any announcement of the awarding of the contract for the procurement of the goods and services involved (including construction services) the amount of Federal funds that will be used to finance the acquisition; and".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment would change the timing of the disclosure of federal funds to require any announcement on the amount of federal participation to be made when the contract is awarded rather than when the bids are solicited. This amendment will prevent bidders from using the federal allocation to calculate the total cost of a contract. Under the current procedure bidders have little incentive to bid below the disclosed procurement cost.

Amendment No. 123: Restores a section number proposed by the House.

Amendment No. 124: Restores a section number proposed by the House.

Amendment No. 125: Restores a section number proposed by the House.

Amendment No. 126: Restores a provision proposed by the House and stricken by the Senate which requires the Secretary of Education to release New College of California, Inc., from deed restrictions prohibiting it from mortaging its property to secure financing for property repairs necessitated by the California earthquake.

Amendment No. 127: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 627. (a) Agencies receiving funds appropriated by any Act and which award contracts under the Federal Acquisition Regulations shall provide to the General Accounting Office during October 1991, the following information for contracts awards during fiscal year 1991—

(1) the number and total dollar value of contracts awarded which required bonding of the contractors;

(2) the number and total dollar value of contracts for which individual sureties were used to meet the bonding requirements;

(3) the number of defaults by contractors using individual sureties and percentage they represent of total defaults;

(4) the number of individual sureties who defaulted on their obligation and the total dollar value of such defaults; and

(5) the number of contracts awarded to Minority Business Enterprises which required bonding of contractors and the number of these which used individual sureties to meet the bonding requirements.

(b) The General Accounting Office shall compile the information collected under subsection (a) and provide a report to the Senate and House Appropriations Committees no later than April 1, 1992. Such report shall include—

(1) the percentage of contracts for which individual sureties were used to meet bonding requirements;

(2) the percentage of total defaults by contractors using individual sureties;

(3) the percentage of individual sureties which default on their obligations; and

(4) the percentage of contracts awarded to Minority Business Enterprises for which individual sureties were used to meet bonding requirements.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment requires Federal agencies which award contracts under the Federal Acquisition Regulations to collect and provide certain information on contracts awarded during fiscal year 1991 to the General Accounting Office.

Amendment No. 128: Reported to technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the first section number named in said amendment, insert the following: *628*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment prohibits Federal agencies from hiring Schedule C employees for the sole purpose of detailing those employees to the White House. This provision exempts intelligence community personnel.

In addition to the reporting requirements established in Section 616 of this Act, the conferees believe there should be an accurate accounting of the number of Executive department or agency and Legislative agency or office employees detailed to committees or offices of the House and Senate.

Therefore, the Inspector General of each Executive department or agency and the head of all professional and investigative agencies and offices within the control or purview of the Legislative branch, with the exception of those agencies exempted by section 616 of this Act, should submit an annual report in each fiscal year to the Appropriations Committees of the House and Senate on all employees or members of the armed services detailed to any office or committee of the House of Representatives or State of the United States. The report should list the grade, position, and offices of each person detailed and the agency or office to which such person is detailed.

The Legislative Branch agencies providing these reports should include the General Accounting Office; the Congressional Budget Office; and the Office of Technology/Assessment.

The Office of Management and Budget (OMB) should inform the Inspector General of each deparment and agency that this information should be provided to the House and Senate Committees on Appropriations.

Amendment No. 129: Deletes Senate language which prohibits the Office of Management and Budget from issuing accounting principle standards.

Amendment No. 130: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the first section number named in said amendment, insert the following: *629*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment authorizes Federal agencies to participate in state and local programs which encourage employees to use public transportation.

Amendment No. 131: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number named in said amendment, insert the following: *630*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment adds a Sense of the Senate Resolution which calls upon the President of the United States to take steps to ensure greater cost sharing for "Operation Desert Shield" by those countries who will benefit from the U.S. defensive activities in the Persian Gulf.

Amendment No. 132: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the first section number named in said amendment, insert the following: *631*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment amends current law to authorize free mail for military personnel "temporarily deployed overseas for an operational contingency in arduous circumstances, as determined by the Secretary of Defense." This provision provides free mail for troops participating in "Operation Desert Shield."

Amendment No. 133: Amends a provision proposed by the Senate. Detailed information on sections 633 and 634 of this amendment is provided in Amendment No. 112.

This amendment also adds a Sense of the Senate Resolution which calls upon the President to submit the U.N. Convention on the Rights of the Child to the Senate for ratification.

Amendment No. 134: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate amended to read as follows:

In lieu of the section number named in said amendment, insert the following: *635*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment adds a Sense of the Senate Resolution which states that if there are any hostilities between the United States and Iraq, the United States shall pursue Saddam Hussein and others and bring them to justice as war criminals.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1991 recommended by the Committee of Conference, with comparisons to the fiscal year 1990 amount, the 1991 budget estimates, and the House and Senate bills for 1991 follow:

New budget (obligational) authority, fiscal year 1990	$18,447,147,000
Budget estimates of new (obligational) authority, fiscal year 1991	20,712,458,000
House bill, fiscal year 1991	20,720,094,000
Senate bill, fiscal year 1991	20,709,910,800
Conference agreement, fiscal year 1991	20,906,325,000

Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1990	+2,459,178,000
Budget estimates of new (obligational) authority, fiscal year 1991	+193,867,000
House bill, fiscal year 1991	+186,231,000
Senate bill, fiscal year 1991	+196,414,200

EDWARD R. ROYBAL,
STENY H. HOYER,
BILL ALEXANDER,
JOSEPH D. EARLY,
MARTIN O. SABO,
JULIAN C. DIXON,
JAMIE L. WHITTEN,
JOE SKEEN,
BILL LOWERY,
FRANK R. WOLF,
SILVIO O. CONTE,
Managers on the Part of the House.

DENNIS DECONCINI,
BARBARA A. MIKULSKI,
ROBERT C. BYRD,
PETE V. DOMENICI,
ALFONSE M. D'AMATO,
MARK O. HATFIELD,
Managers on the Part of the Senate.

A TRIBUTE TO JAMES ROY BIGGS

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, today my wife Carol and I were scheduled to attend events in 5 of the 24 western Kentucky counties I represent in the U.S. House of Representatives.

Because the House is in session with scheduled rollcall votes today, we are here.

If we were in western Kentucky today we would be in Paducah at Immanuel Baptist Church for the 2 p.m. funeral of one of Kentucky's most beloved and outstanding citizens—James Roy Biggs.

Jim Biggs died at age 78 Wednesday, October 17. He owned and operated the huge very successful, Biggs Supermarket near downtown Paducah for more than 50 years.

My friend Bill Cubiner, the longtime pastor of Paducah's Immanuel Baptist Church, told me this morning that Jim Biggs' greatest love was his family. Jim Biggs' family includes his lovely wife of 53 years, Audelle Martin Biggs; two daughters—Paducah Mayor Gerry Montgomery and Sarah K. Hughes of Paducah; two sons—Dr. James Roy Biggs, Jr., of Paris, KY; and William M. Biggs of Wilmington, NC; two sisters—Edna Heavrin of Paducah and Molly Reed of Gilbertsville, KY; two brothers—Russell Biggs of Twin Falls, ID, and T.J. Biggs of Wayne, MI; 13 grandchildren and one great-grandchild.

Among the many contributions which Jim Biggs gave during his lifetime were to his church—Immanuel Baptist Church of Paducah—where he was a longtime deacon and church treasurer for 22 years, and to Paducah's Western Baptist Hospital, where he was on the board of directors for 16 years.

On a personal side, Jim Biggs' daughter Gerry Biggs Montgomery and I were classmates for 4 years at Georgetown College, Georgetown, KY. Naturally, one of Jim Biggs' proudest days was when his daughter Gerry was elected mayor of Paducah approximately 3 years ago.

Jim Biggs' son-in-law Dr. Wally Montgomery of Paducah, recently president of the Kentucky Medical Association and for more than 35 years a very sucessful Paducah surgeon and physician, and I were also classmates at Georgetown College. Dr. Montgomery was a groomsman when Carol and I were married years ago.

Lisa Biggs, granddaughter of Jim Biggs and daughter of James Roy Biggs, Jr., is now a sophomore at Georgetown College. My wife Carol was Lisa Biggs' first grade teacher at Hopkins Elementary School in Somerset, KY.

Carol and I extend to the family of James Roy Biggs our sympathy and regrets that we cannot attend today's funeral.

DEMOCRATIC PACKAGE WILL CAUSE RECESSION

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, some of the major factors that cause a recession are: A shortage of available credit, higher interest rates, a deficit in money for investment, and restrictions on business operations.

What does your major tax increase with your accompanying spending increases do to the Democrat reconciliation plan? The Government will suck up investment money and borrow more money. This will raise interest rates, using all available credit and penalize business.

The Democratic package creates a recession. You do not have to take economics to understand this. You only need to have worked for a living.

We might have avoided a recession with financial sense, but your package guarantees the great Democratic crash of 1990-91.

It is too bad the voters will not know it in time.

DEPRESSION LOOMS AHEAD

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the Senate budget is bad. The summit budget was worse. The House budget, in my opinion, is not much better.

Supposedly, $42 billion worth of cuts in the first year, and $500 billion over 5 years. We had a $300 billion deficit last year. We borrowed over $60 billion from Social Security. These budgets are like asking beavers to stop Niagara Falls.

Congress must stop paying for the defense of Japan and Germany, and make big cuts in defense. Congress must cut foreign aid. Congress should raise the 28 percent to 33 percent, and Congress must stop the loopholes that allow American corporations to go overseas and take our money and take our jobs. If Congress does not do that, Congress is going to produce a depression, a depression.

□ 1210

CONFEREES APPOINTED, BUT NO CONFERENCE ON CAMPAIGN FINANCE REFORM

(Mr. GUNDERSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GUNDERSON. Mr. Speaker, there are a lot of weird things going on in Congress right now, but I think probably the weirdest one I have ever experienced is being named a conferee on campaign finance reform, only to find out the conference is never going to meet.

Now, do you want to know why the American people are cynical about this institution? I will tell you why, because according to yesterday's Washington Post, the article announcing the campaign finance reform was dead for the session includes a paragraph that says. "Moreover, once they"—the Member of Congress—"had gone on record for reform in House and Senate votes, lawmakers appeared to be in no hurry to push for enactment of restrictions on the fundraising advantages they enjoy as incumbents."

Now, add to that, tomorrow on Sunday this Congress is going to convene. Why? So we can pass legislative appropriations to make sure that all the perks and advantages of incumbents continue while the conference on campaign finance reform does not even meet.

TRIBUTE TO ALAN BARON

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. RICHARDSON. Mr. Speaker, Alan Baron is back. In the seventies and early eighties, Baron was one of

the great political prognosticators and political pundits in the country. He was accurate and incisive. He was compassionate. He analyzed national and political trends better than anyone. Unfortunately, in the eighties he was overcome by a prolonged illness. His prickly pen and crackling voice were muted.

Recently, I saw Alan Baron at the home of Washington lobbyest Bob McCandless—I am pleased to tell my colleagus that Alan has recovered from his long illness. He is back on the political trail, and is planning a comeback. So Pat Buchanan, Mark Shields, Mike Kinsley, beware. Baron is back, and the country is better for it.

TAXES AND RECESSION

(Mr. GINGRICH asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, I have looked carefully at the two Democratic tax increase bills that are in conference. The Democratic tax-increase bill from the House would raise taxes about $650 on an average family of four with $44,000 taxable income, a middle class family.

The Democratic tax increase bill from the Senate would have a 9-cent-a-gallon tax increase on top of the 30 cents a gallon that Saddam Hussein has already raised the price of gasoline for working Americans.

Given the danger of recession and the reality of a recession in much of America, tax increases will only worsen the recession. People will be laid off work. They will not be paying taxes. They will go on unemployment and welfare. This will increase the deficit.

Given what is in conference, I will vote no on the conference package because it will be a recession-increasing, job-killing, tax-increasing, and deficit-increasing package, which I think is bad for America.

We should instead pass a continuing resolution taking the defense cuts of the Senator NUNN numbers, freezing the appropriation bills at last year's number, and extending the continuing resolution until March to help us avoid a recession, rather than increase the recession.

BRADLEY IS STILL HERE

(Mr. JACOBS asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. JACOBS. Mr. Speaker, I have asked to be recognized for less than 1 minute.

Mr. Speaker, for those with somewhat taxable incomes between $200,000 and $1 million, the bad news is that Reagan is gone. The good news is that Bradley is still here.

WHERE IS THE SENATE TODAY?

(Mr. TAUKE asked and was given permission to address the House for 1 minute.)

Mr. TAUKE. Mr. Speaker, you know, 2 weeks ago we had all kinds of outcry in the city of Washington because the President was threatening to shut down the Government. The President said he was doing so to hold the feet of Congress to the fire.

Lo and behold, 2 weekends ago both Houses of Congress were here working hard.

This weekend the President signed a continuing resolution, did not threaten to shut down Government, because the leaders of Congress said we do not need that kind of threat to do the job.

Lo and behold, look across the Capitol. Where is the Senate? Not in session, not doing business today, not doing business tomorrow.

If the President does not hold their feet to the fire, they go out and are gone, despite the fact that they are way behind the House on appropriation measures and other critical business.

Given the budget mess that we have in Washington, it seems to me that it is only responsible for both the House and the Senate to be here until the job is done.

MFN FOR THE PEOPLE OF THE UNITED STATES

(Mr. HAYES of Illinois asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HAYES of Illinois. Mr. Speaker, I rise today because I believe that we in the Congress are kidding ourselves and the people of this country. Are we really serious about reducing the deficit?

We know that poverty in this country is on the rise. Soon there will be no middle class. Unemployment continues to rise at 5.7 percent and we know that this Nation's unemployment figures are far from accurate and certainly do not reflect the actual numbers of unemployed or underemployed.

I assure you that those that are unemployed would live to pay their fair share in taxes, but that of course means finding a job. I have said time and time again, putting people to work in meaningful jobs will contribute greatly to reducing the deficit. Let us begin to think about increasing revenue through employing this Nation.

Who do you think that we are kidding as we debate proposals to reduce the deficit? The Senate is certainly more concerned with increasing the numbers of B-2 bombers as opposed to protecting social programs so desperately needed by this Nation. We are ready to cut programs and increase taxes when our Government is forgiving $7.1 billion loans to Egypt. Where is the equity in this situation?

I will tell you, with $850 million, which I believe is a conservative figure for the cost of one B-2, I could put a lot of people to work, contributing their fair share to this massive deficit that we face. In addition, with the $7.1 billion that Egypt does not have to pay back, I could call off the blood hounds now hunting down students that have defaulted on their student loans.

What we need today in the Congress is a resolution extending a most-favored-nation treatment to the people of the United States. Let us make the Government work for the people as it is supposed to.

AMERICANS HAVE THIS WEEKEND TO SPEAK UP

(Mr. DELAY asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, the American people had better realize that this weekend the House and the Senate are meeting to raise taxes on all Americans. The discussions are not on whether to raise taxes or not, but which taxes will be raised and on whom.

The discussions are not on how to cut spending, but on how they can continue to increase spending. You cannot raise enough taxes on the rich to pay for the Democrats' spending habits. If you confiscated all the assets of those who make $200,000 or more, you could only run this Government for a couple months.

Everyone is going to have their taxes raised. The Republicans had a no-new-tax plan and the Democrats would not let the American people vote on it.

Taxes will be raised and spending will be increased, and the deficits will increase.

Americans have this weekend to speak up.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). All time has expired on 1-minute speeches. The Chair had earlier today made the announcement that we would take six from each side.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 5268, RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. DIXON. Mr. Speaker, I ask unanimous consent that the managers

may have until midnight tonight to file a conference report on the bill (H.R. 5268) making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 5257, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. DIXON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 5257) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1991, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 5021, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. DIXON. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 5021) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1991, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 5311, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1991

Mr. DIXON. Mr. Speaker, I call up the conference report on the bill (H.R. 5311) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1991, and for other purposes.

□ 1220

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to House Resolution 512, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of Thursday, October 18, 1990, at page H 10521.)

The SPEAKER pro tempore. The gentleman from California [Mr. DIXON] will be recognized for 30 minutes, and the gentleman from New Jersey [Mr. GALLO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. DIXON].

GENERAL LEAVE

Mr. DIXON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill, H.R. 5311, and the amendments in disagreement, and that I be permitted to include tabular material summarizing the conference agreement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I yield myself such time as I may consume and ask unanimous consent to revise and extend my remarks.

Mr. Speaker, I am pleased to present to the House this afternoon the highlights of the conference report on the fiscal year 1991 District of Columbia Appropriations Act.

There were 62 Senate amendments, 27 of which were strictly technical and simply involved the renumbering of sections in the general provisions.

Let me say at the outset that this conference agreement is within our revised 302(b) allocations based on the recent summit in both budget authority and outlays.

This is very important and I want to call it to the attention of Members.

In Federal funds, the conference agreement provides a total of $550 million which is a net increase of $9 million above the House allowance after restoring the 2 percent across-the-board cut and $72,000 above the Senate.

Mr. Speaker, it is significant to point out that this $550 million is $8.7 million below the appropriations for fiscal year 1990. This bill is $8.7 million below last year.

The increase of $9 million in the conference agreement above the House allowance consists of:

First, $1 million to partially restore the budget of the Department of Administrative Services which serves as the nerve center of the entire District government.

Second, $3 million for the public school system including: $1 million for expansion of the early childhood development program; $1 million to help offset the costs of teacher pay raises; and $1 million for the Anacostia project to develop a science and technology high school in southeast Washington.

Third, $1 million for the fire department to partially fund the administrative assistants to the eight battalion fire chiefs on a 24-hour, year-round basis.

Fourth, $350,000 for programs for boarder babies and children of substance abusers.

Fifth, $2 million for aftercare programs for pregnant substance abusers and the general population of recovering addicts.

Sixth, $500,000 for an early detection program for breast and cervical cancer for women who are not currently receiving such services under existing programs.

Seventh, $191,000 for perimeter fencing and security lighting at the Oak Hill and Cedar Knoll juvenile detention facilities.

Eighth, $1 million for the D.C. Institute for Mental Health for low-cost professional mental health care to low income, uninsured, and indigent children, adults, and families in the District of Columbia.

Mr. Speaker, I want to take a moment here to place the Federal payment to the District in perspective.

This conference agreement provides a Federal payment of $430.5 million which has not changed since fiscal year 1988. In fact, it is $14 million below the fiscal year 1987 level of $444.5 million. The reduction of $14 million reflects a 3.1-percent cut in nominal dollars and a loss of 22 percent in real dollars since fiscal year 1987.

During the same period the Federal payment has fallen from a total of 18.3 percent of the District's budget to 13.3 percent in this act.

Federal facilities cover over 41 percent of the District's land area for which the Federal payment is $430,500,000. Taxable property represents 43 percent of the District land area and in 1990 contributed $654 million or 51 percent more to the operating budget with 2 percent more land area than did the Federal Government.

The Federal payment has not kept pace and it is totally unfair to expect the taxpayers of the District of Columbia to shoulder the increasing costs alone.

For those reasons, Mr. Speaker, I fully support the Federal payment provisions in H.R. 5760 recently reported by the Committee on the District of Columbia.

It is the least we, in the Congress, can do.

Having said that, let me turn to the District funds part of the budget. The conference agreement will provide a total of $3.9 billion for the various pro-

grams and activities of the District government. This is $9.7 million above the House allowance and $1,072,000 above the Senate. The increase of $1,072,000 is due to rounding—$72,000—and the restoration of $1 million to renovate athletic fields and recreational facilities at the public schools.

For the Metropolitan Police Department, the conference agreement includes $257 million to continue the buildup of the uniformed police force started 2 years ago to counter the increase in crime and drug related activities. This is $7 million above last year.

The conferees agreed to two other items that impact on the police department.

First, we continued language that allows $17.6 million for the department to remain available until expended. This will allow the police chief flexibility in his efforts to build his force up to the level of 5,055 officers.

The second is language carried in amendment No. 13 that allows the Metropolitan Police Department to make small purchases up to $500,000 without going through the bureaucratic maze and then wondering when the order would be received and after a while becoming really concerned if it would ever be received. We agreed to this new process as a pilot or model that we will review during next year's budget hearings.

Mr. Speaker, 13 amendments involved language items under the general provisions section of the bill.

And these issues were the most difficult. In fact we could only agree to disagree on amendment No. 56 which imposes stricter sentences on persons convicted of crimes in the District of Columbia.

It is the feeling of most, if not all, House conferees that this amendment was adopted without careful consideration of all of its ramifications.

Take costs for example. The cost to care for an inmate for 1 day is $55, or $20,000 a year.

The minimum increase in the annual prison population if amendment No. 56 were to be adopted is projected at 6,400 inmates.

Do you know what that translates into dollarwise?

The sum of $340 million just to build new facilities to house those inmates. Plus $120 million per year every year thereafter in operating costs.

We are talking about half a billion dollars.

Notwithstanding the cost factor, I personally feel it is wrong for this Congress to set sentences for a local jurisdiction.

And at the appropriate time I will offer a motion that the House insist on its disagreement to Senate amendment No. 56.

Amendment Nos. 59 and 62 would have amended the District's Human Rights Act and allowed parents and organizations to deny the participation of adults, based on sexual orientation, in programs or activities involving juveniles under 18 years of age.

The Senate conferees receded on both amendments which are included in the conference report and therefore are not technical amendments.

The Senate receded on amendment No. 25 which included language added on the Senate floor that would have amended the Solid Waste Disposal Act relative to the interstate transport of waste.

This is a major policy decision with national implications and the House conferees felt it would be totally inappropriate to consider this legislation on the District of Columbia Appropriations Act.

Further, the committee of jurisdiction, the Committee on Energy and Commerce, is in the process of a comprehensive reauthorization of the act.

The conferees retained language in amendment No. 52 that prohibits the District of Columbia from using funds in this act for salaries, expenses, or other costs associated with the offices of U.S. Senator or U.S. Representative—so-called shadow senator and representative positions designed to lobby Congress for D.C. statehood.

Let me mention one other provision which was not a conference item but nonetheless is of some considerable importance to Members. And that is language under section 117 of the bill dealing with the funding of abortions.

It was not a conference item.

The language adopted on the House floor on July 26 was not changed by the Senate in its consideration of the bill and provides that no Federal funds shall be used for abortions except to; save the mother's life, rape, and incest.

It also says that payments are not prohibited for contraceptives and medical procedures to terminate ectopic pregnancies.

This language has been carried in the D.C. Appropriations Act every year since fiscal year 1980, with the exception of fiscal years 1989 and 1990 when the language was changed to prohibit the District from using its own locally generated revenues to perform abortions except to save the mother's life.

Mr. Speaker, in the Webster case, the Supreme Court made it clear that State legislatures have considerable discretion to pass legislation concerning abortions.

That is this Nation's law at this moment. A woman's financial status should not be a factor in whether or not she has an abortion.

The policy of this local jurisdiction is to use its own funds to pay for abortions for those who cannot afford to pay. They are in total compliance with the law.

And, Mr. Speaker, our President should also abide by the Supreme Court decision and allow the District to exercise its discretion on how to spend its own funds.

At this point in the record, Mr. Speaker, I will insert a tabulation summarizing the conference action:

The table referred to follows:

District of Columbia Appropriations Bill, FY 1991 (H.R. 5311)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with Enacted	Estimate	House	Senate
FEDERAL FUNDS									
Federal payment to the District of Columbia	430,500,000	430,500,000	430,500,000	430,500,000	430,500,000				
Federal payment for water and sewer services	8,685,000					-8,685,000			
Federal contribution to retirement funds	52,070,000	52,070,000	52,070,000	52,070,000	52,070,000				
Transitional payment for Saint Elizabeths Hospital	15,000,000	10,000,000	10,000,000	10,000,000	10,000,000	-5,000,000			
Criminal justice initiative, advance appropriation, fiscal year 1991	20,300,000					-20,300,000			
Drug emergency	31,772,000	26,708,000	26,708,000	26,708,000	26,708,000	-5,064,000			
Commission on budget and financial priorities			1,000,000	1,000,000	1,000,000	+1,000,000	+1,000,000		
Department of Administrative Services				1,000,000	1,000,000	+1,000,000	+1,000,000	+1,000,000	
Fire Department					1,141,000	+1,141,000	+1,141,000	+1,141,000	+1,141,000
Superior Court			160,000	1,420,000	160,000	+160,000	+160,000		-1,260,000
Board of Education (Public schools)			12,080,000	15,080,000	15,080,000	+15,080,000	+15,080,000	+3,000,000	
D.C. General Hospital			5,000,000	5,000,000	5,000,000	+5,000,000	+5,000,000		
Department of Public Works			100,000					-100,000	
Department of Human Services				2,850,000	3,041,000	+3,041,000	+3,041,000	+3,041,000	+191,000
Total, Federal funds to District of Columbia	558,327,000	519,278,000	537,618,000	545,628,000	545,700,000	-12,627,000	+26,422,000	+8,082,000	+72,000
Appropriations, fiscal year 1991	(538,027,000)	(519,278,000)	(537,618,000)	(545,628,000)	(545,700,000)	(+7,673,000)	(+26,422,000)	(+8,082,000)	(+72,000)
Advance appropriations, fiscal year 1991	(20,300,000)					(-20,300,000)			
D.C. Institute for Mental Health					1,000,000	+1,000,000	+1,000,000	+1,000,000	+1,000,000
Children's National Medical Center			3,000,000	4,000,000	3,000,000	+3,000,000	+3,000,000		-1,000,000
2% Across the board reduction			-10,812,360					+10,812,360	
Total, Federal funds	558,327,000	519,278,000	529,805,640	549,628,000	549,700,000	-8,627,000	+30,422,000	+19,894,360	+72,000
DISTRICT OF COLUMBIA FUNDS									
Operating Expenses									
Governmental direction and support	(113,070,000)	(111,879,000)	(112,879,000)	(113,879,000)	(113,879,000)	(+809,000)	(+2,000,000)	(+1,000,000)	
Rescission	(-3,317,000)					(+3,317,000)			
Economic development and regulation	(137,963,000)	(135,541,000)	(135,541,000)	(135,541,000)	(135,541,000)	(-2,422,000)			
Rescission	(-10,498,000)					(+10,498,000)			
Public safety and justice	(868,941,000)	(919,163,000)	(919,323,000)	(920,583,000)	(920,484,000)	(+51,523,000)	(+1,301,000)	(+1,141,000)	(-119,000)
(By transfer)	(150,000)					(-150,000)			
Rescission	(-2,739,000)					(+2,739,000)			
Public education system	(694,581,000)	(723,160,000)	(733,640,000)	(738,240,000)	(738,240,000)	(+43,659,000)	(+15,080,000)	(+4,600,000)	
Rescission	(-10,044,000)					(+10,044,000)			
Human support services	(832,758,000)	(862,890,000)	(873,390,000)	(876,240,000)	(876,431,000)	(+43,673,000)	(+13,541,000)	(+3,041,000)	(+191,000)
Rescission	(-10,245,000)					(+10,245,000)			
Public works	(223,898,000)	(229,482,000)	(229,482,000)	(229,482,000)	(229,482,000)	(+5,584,000)			
Rescission	(-8,810,000)					(+8,810,000)			
Washington Convention Center Fund	(10,867,000)	(8,383,000)	(8,383,000)	(8,383,000)	(8,383,000)	(-2,484,000)			
Repayment of loans and interest	(251,474,000)	(252,740,000)	(252,740,000)	(252,740,000)	(252,740,000)	(+1,266,000)			
Rescission	(-12,336,000)					(+12,336,000)			
Repayment of general fund deficit	(19,558,000)	(1,713,000)	(1,713,000)	(1,713,000)	(1,713,000)	(-17,845,000)			
Short-term borrowings	(14,346,000)	(13,028,000)	(13,028,000)	(13,028,000)	(13,028,000)	(-1,318,000)			
Optical and dental benefits	(3,112,000)	(3,112,000)	(3,112,000)	(3,112,000)	(3,112,000)				
Energy adjustment									
Equipment adjustment		(-10,000,000)	(-10,000,000)	(-10,000,000)	(-10,000,000)	(-10,000,000)			
Personal services adjustment		(-10,000,000)	(-10,000,000)	(-10,000,000)	(-10,000,000)	(-10,000,000)			
Rescission	(-5,000,000)					(+5,000,000)			
Total, operating expenses, general fund (net)	(3,107,579,000)	(3,241,091,000)	(3,263,231,000)	(3,272,941,000)	(3,273,013,000)	(+165,434,000)	(+31,922,000)	(+9,782,000)	(+72,000)
(By transfer)	(150,000)					(-150,000)			

District of Columbia Appropriations Bill, FY 1991 (H.R. 5311), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimate	Conference compared with House	Conference compared with Senate
Capital Outlay									
General fund	(214,452,000)	(312,322,000)	(324,322,000)	(323,322,000)	(324,322,000)	(+109,870,000)	(+12,000,000)	.....	(+1,000,000)
Rescission	(-27,915,000)	.....	.....	.....	.....	(+27,915,000)	.....	.....	.....
Total, Capital Outlay (net)	(186,537,000)	(312,322,000)	(324,322,000)	(323,322,000)	(324,322,000)	(+137,785,000)	(+12,000,000)	.....	(+1,000,000)
Enterprise Funds									
Water and Sewer Enterprise Fund:									
Operating expenses	(211,408,000)	(226,209,000)	(226,209,000)	(226,209,000)	(226,209,000)	(+14,801,000)	.....	.....	.....
Rescission	(-17,680,000)	.....	.....	.....	.....	(+17,680,000)	.....	.....	.....
Capital outlay	(29,700,000)	(28,730,000)	(28,730,000)	(28,730,000)	(28,730,000)	(-970,000)	.....	.....	.....
Total, Water and Sewer Enterprise Fund (net)	(223,428,000)	(254,939,000)	(254,939,000)	(254,939,000)	(254,939,000)	(+31,511,000)	.....	.....	.....
Lottery and Charitable Games Enterprise Fund	(8,600,000)	(8,600,000)	(8,600,000)	(8,600,000)	(8,600,000)	.....	.....	.....	.....
Cable Television Enterprise Fund	(1,600,000)	(1,700,000)	(1,700,000)	(1,700,000)	(1,700,000)	(+100,000)	.....	.....	.....
Total, Enterprise Funds (net)	(251,308,000)	(265,239,000)	(265,239,000)	(265,239,000)	(265,239,000)	(+13,931,000)	.....	.....	.....
Total, District of Columbia funds (net)	(3,527,744,000)	(3,818,652,000)	(3,852,792,000)	(3,861,502,000)	(3,862,574,000)	(+334,830,000)	(+43,922,000)	(+9,782,000)	(+1,072,000)
(By transfer)	(150,000)	.....	.....	.....	.....	(-150,000)	.....	.....	.....
Grand total:									
Federal funds to the District of Columbia	558,327,000	519,278,000	529,805,640	549,628,000	549,700,000	-8,627,000	+30,422,000	+19,894,360	+72,000
Appropriations, fiscal year 1991	(538,027,000)	(519,278,000)	(526,805,640)	(545,628,000)	(546,700,000)	(+8,673,000)	(+27,422,000)	(+19,894,360)	(+1,072,000)
Advance appropriation, fiscal year 1991	(20,300,000)	.....	.....	.....	.....	(-20,300,000)	.....	.....	.....
Children's National Medical Center	.....	.....	(3,000,000)	(4,000,000)	(3,000,000)	(+3,000,000)	(+3,000,000)	.....	(-1,000,000)
District of Columbia funds (net)	(3,527,744,000)	(3,818,652,000)	(3,852,792,000)	(3,861,502,000)	(3,862,574,000)	(+334,830,000)	(+43,922,000)	(+9,782,000)	(+1,072,000)
(By transfer)	(150,000)	.....	.....	.....	.....	(-150,000)	.....	.....	.....

CONCLUSION

Mr. Speaker, I want to express my appreciation to all of the conferees on both sides of the aisle.

This was a tough conference that required a balanced perspective to protect the Federal interest on the one hand and to maintain the spirit of home rule for the 620,000 residents of the District on the other.

The ranking member, the gentleman from New Jersey [Mr. GALLO], is diligent and thorough, and above all, always fair. It is a pleasure to work with him and I look forward to working with him for many years.

Mr. Speaker, this is a good conference report.

I urge an "aye" vote on its adoption.

Mr. Speaker, I reserve the balance of my time.

Mr. GALLO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as ranking minority member of the Subcommittee of the District of Columbia, I commend the chairman, Mr. DIXON of California, and my fellow conferees for their hard work on this legislation.

I think that the chairman has provided an adequate summary of the conference committee report that we are seeking to adopt today.

We must keep in mind that the budget we are working under is subject to adjustment based on the provisions of a budget agreement and the amount of the Federal money available is therefore subject to change. We must also keep in mind that approximately 86 percent of the District's budget is raised through local taxes.

The elected representatives of the District have the responsibility of deciding how these funds will be raised. I believe that they should also have the responsibility of determining how the funds will be spent.

We should not prohibit the District government from using its own funds, even in the sensitive area of abortion. The District cannot afford to rely on short-term borrowing while we have our annual fight over the abortion issue. For this and many other good reasons I believe that the conference report should be accepted as reported, subject of course to the final Federal budget.

Finally, I urge the President to accept this legislation in order to allow both the Federal and the District of Columbia budgets to move forward.

Mr. Speaker, again I want to thank you and my fellow Members of the subcommittee, and urge that my colleagues here in the House vote "yes" on the conference committee's report.

I reserve the balance of my time.

Mr. DIXON. Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. GALLO. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, I thank the gentleman for yielding, and I take this time to engage in a colloquy with my friend, the gentleman from California [Mr. DIXON].

Mr. Chairman, both the House and the Senate versions of this bill contained language that, in its essence, directed the county of Fairfax, VA, to prepare an environmental impact statement regarding the proposal to expand the Lorton landfill. After we began the legislative process, the county agreed to undertake a full, and comprehensive environmental impact statement of its own. In light of that fact, the conference committee concluded that language which would mandate that study was no longer needed. On its face, that would seem to be a resonable position.

What I want to assure the citizens of Fairfax, and the Lorton communities in particular, is what we intend that this commitment made by the county will be carried out in the fullness that both the House and Senate language would have mandated the action the county has taken. So, it would be my understanding that the conferees only dropped the provision because of the commitment made in fact by the county. If, for some unknown reason, the county were to fail to comply with this understanding and thus not undertake, complete, or accomplish a full, careful, and considered environmental impact statement, it would also be my understanding that the Congress would immediately revisit this matter and impose such a requirement. I would inquire of the chairman of the subcommittee whether that is his understanding that I have just summarized.

Mr. DIXON. Mr. Speaker, will the gentleman yield?

Mr. PARRIS. I yield to the gentleman from California.

Mr. DIXON. I thank the gentleman for yielding.

Mr. Speaker, the gentleman is absolutely correct.

If, as the gentleman indicates, the county were to fail to abide by its commitment, I feel fairly certain we would revisit that issue immediately.

Mr. PARRIS. I thank the chairman, and I would simply suggest, I assume the county undertook that undertaking in good faith, and I trust they will carry forward with it. If the county were to fail to abide by that commitment, then I would hope that the committee and the Congress, as has been indicated, would take some appropriate action as is warranted by the circumstances.

□ 1230

Mr. GALLO. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from New Jersey [Mr. GALLO] for yielding this time to me.

Mr. Speaker, the conference report that is being brought to the House today regrettably reverses current law and provides Government funding of abortion on demand. I think it is a shame that we are required to revisit the abortion issue again. I am very reluctantly in opposition to this bill which contains many fine provisions.

It is most unfortunate that we are going to be put through this drill again because some in leadership are insisting that we reverse current law.

Members will recall that last year the President vetoed this language on two separate occasions. Attempts to override failed when the distinguished gentleman from California [Mr. DIXON] and others tried to promote the idea that, as long as it is local taxpayer funds being used, over which, I'd say parenthetically, we have full jurisdiction, Congress should look the other way and permit use of the funds for abortion.

Mr. Speaker, I respectfully disagree with that argument. For years, the District of Columbia had been paying for abortions on demand. No questions asked, as long as an income criteria is met, that abortion can be procured.

Why is this such an important issue? Because the issue, my colleagues, is a matter of literally life and death for the children, for the infants whose lives are going to be snuffed out, because of this subsidizing of abortion on demand.

Mr. Speaker, I draw to the attention of Member's the fact that in fiscal year 1987, according to Lee Patridge, the Chief, Office of Health Care Financing, for the District of Columbia, that there were 3,541 abortions paid for by the District of Columbia. We permitted this. We could have ended this subsidy. In fiscal year 1988 there were 3,139 abortions. Then the Dornan language kicked in, Mr. Speaker, and in 1989, thanks to both Presidents Reagan and Bush, there was only one abortion paid for, pursuant to the life of the mother exception.

Interestingly enough, in a statistical note prepared by Sarah Glendinning from the D.C. government it is pointed out that in 1989, without the Federal subsidies to pay for abortion on demand in the District of Columbia, the number of abortions on D.C. residents dropped by 8.5 percent, and I think that gives at least some credence to the view that, if we do not subsidize the killing of unborn children, fewer children will die.

Of all the arguments that I hear used to justify public funding of abortion Mr. Speaker one of the most bizarre is the claim that exterminating the child in the womb somehow reduces infant mortality. Abortion, my colleagues, is infant mortality. Infants

lose their lives when suction machine rip and tear the baby's body apart. Infants die when poisons are injected to kill the unborn child.

As the Reverend Jesse Jackson said in 1977 in an open letter to Congress supporting the Hyde amendment, and, yes, we know that the Reverend Jackson has flip-flopped on the issue, but he wrote back in 1977, and those words are as true today as they were then, "As a matter of conscience," he wrote, "I must oppose the use of Federal funds for a policy of killing infants."

Mr. Speaker, Government funds used to subsidize the literal dismemberment of an unborn child is wrong—it abuses innocent children.

In the case of the conference report, the President has said he will veto it, unless the standard Hyde language, is included.

I would also point out to my colleagues, and I am sure the gentleman from California [Mr. DIXON] meant no disrespect when he pointed out in the Washington Post that the President has done so many strange things recently that perhaps he might sign this if it were passed on to him as, perhaps, part of another bill, perhaps the CR. I can say to that the answer is categorically no. In whatever vehicle it arrives, at the White House—it will be vetoed.

The President acts on the highest principle of protecting the week and vulnerable. He will not permit the killing of unborn children, and he will veto the bill. Mr. Speaker, again I remind my colleague he vetoed it twice last year. He will veto the bill as many times as it takes.

It is most unfortunate that this body is going to be put through this drill one more time. It did not have to be this way, and I reluctantly again rise in opposition to this conference report.

Mr. GALLO. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman from New Jersey [Mr. GALLO] for yielding me this time.

Mr. Speaker, it is a tragedy that we have to keep revisiting this issue of abortion, particularly as it applies to taxpayer funding of abortion here in our beautiful Federal City.

I say "beautiful" footnoting that it is the murder capital of the United States, that there were killed in this city 437 people, most of them young males, last year, and it looks like we are way beyond that pace this year. If this pace keeps up, we are liable to kill 470 to 500 people in the District this year. So, it is a troubled, although beautiful, city.

Mr. Speaker, I do not think we are ever going to succeed in this country in telling young women not to smoke marijuana, that that is naughty, but one can kill their child in their womb, and the Government will pay for that.

Mr. Speaker, the gentleman from California [Mr. DIXON], my good friend, is correct when he says Webster has taken this tormented issue and turned it back to the States, and I cannot control Governors and State legislatures across this country, or have much influence upon them except by the sound of my voice from this bully pulpit.

However, Mr. Speaker, the Governor of the District of Columbia is not the disgraced mayor who is going to be sentenced for cocaine possession next week. The Governor of the city of the District of Columbia is this body. This Chamber and the other Chamber function as the Governor general of the city, and, as long as there is commingling of tax funds, whether it is locally raised or augmented by this House, then those of us in this Chamber must work as an aggregate to try and stop the killing, if we may.

Mr. Speaker, I did a 1-minute the other day and held up the cover of this month's Life magazine. September was a beautiful, stunning series of pictures of children in the womb. This month it is a picture of one of England's princesses and her little princess daughter, this cute little baby, who just a few moments, or minutes or months before this picture was taken was inside this red-headed mother's womb. And if my colleagues turn to the centerfold, the center ad, the most expensive in the magazine, here is an ad by Chrysler Corp., for a Dodge car, and if that is not a prolife advertisement, I do not know what is. I hope Molly Yard does not throw her body upon Lee Iacocca and pummel him until he pulls this ad, but look at what it says:

ONE DODGE AIRBAG, TWO LIVES SAVED

It happened on June 11th 1990 at 7:00 a.m.

Susan Reed was on her way to work when a drunk driver crashed into Susan's 1990 Dodge Spirit.

Both cars were totally destroyed. But Mrs. Reed was wearing her lap/shoulder belt, and the Dodge Spirit was equipped with a driver's air bag. It worked. It saved her life. And it saved another life. Her baby's.

Susan was seven-and-a-half months pregnant at the time of the accident. And we're glad she had the Dodge air bag, because on August 5th she gave birth to a 9-pound 6-ounce healthy baby boy named Michael Joseph.

We wish them both well.

Then, Mr. Speaker, there is a picture of the baby that was in her womb at the time of the accident.

I will show my colleagues something I will use in every single abortion debate from now on. This is a medical school anthropomorphic perfect little doll, a 3-month fetus. This is what we are killing in this District more often than we are allowing children to be born. The tint of the skin on this one is pink, not black like the majority of abortions in this District. This little baby has had its heart beating since day 18 to 21. It has had brain waves since day 40. Most abortions take place after that little heart has started to beat, and abortion always, 99.99 percent of the time, kills a heart beat.

The President will veto again. I hope we only go through the drill once, not twice.

□ 1240

Mr. DIXON. Mr. Speaker, I had not intended to speak on this issue and had intended to yield back the balance of my time. But in the last month I have realized the great extent that C-SPAN has been viewed as a learning tool in our society. I feel an obligation not to let these kinds of comments go unchallenged, for if they are, the general public will accept them as gospel.

First of all, I certainly meant no disrespect to the President of the United States at all when I said he had done some strange things recently, meaning politically.

I think the record will show that he has changed on several issues, and my comment to the Washington Post meant nothing more, that hope springs eternal.

I said that, I would tell the gentleman from New Jersey [Mr. SMITH], because I feel very strongly that the President believes in the Webster versus Reproductive Health Services ruling that was handed down by the Supreme Court recently; in fact it was on July 3, 1989.

Mr. Speaker, I do not want to get into a long protracted debate on this issue with the gentleman from New Jersey [Mr. SMITH]. I can assure the gentleman that I will take no more time than he took on this issue.

In the Webster case, the Court gave local jurisdictions, that is States, broad discretion to make decisions about the appropriateness of abortion.

Mr. Speaker, I certainly respect the point of view of my good friend, the gentleman from California [Mr. DORNAN], that we are the governing body of Washington, DC, but that we do have jurisdiction, in my opinion, when there is a Federal interest.

One would get the impression from listening to this debate that Federal moneys are involved in this issue. The bill provides that no Federal funds shall be used, except to save the life of the mother, and in the case of rape or incest. The taxpayer's money that has been referred to is the District's taxpayer's money, and they have elected people who have decided what to do with their taxpayer's money.

It is true that money is fungible, and Federal dollars that flow to the District, dollar for dollar, cannot be distinguished from revenues that are raised locally. But I would point out

that is the case with any Federal dollars flowing to any State.

Some States may allow abortion procedures under some circumstances, and they too receive Federal dollars.

The issue here is until Roe versus Wade is reversed, a certain class of people in our society, poor people in Washington, DC, will not be entitled, if and when this bill is vetoed, to the same rights as people who have a higher economic status. That is because they are dependent on the public health delivery system. Those who are fortunate enough not to depend on the public health system in this District can have an abortion.

This is probably one of the most divisive issues in our society today. There are religious and deep philosophical differences.

Mr. Speaker, I just have to make these comments to put this issue in perspective. The taxpayer's money we are talking about is the District of Columbia taxpayer's money. What we are doing when the President vetoes this bill is discriminating against a poor person in that their local city council and mayor have made a decision that they should use their own money to pay for abortions, something that the Webster decision says is quite appropriate.

Why the President, notwithstanding his view on abortion, would deny poor people of this District a right that any affluent person can have in this District, just boggles my mind.

In any event, the abortion language in the House bill is identical to that in the Senate bill and therefore the abortion issue was not even an item in conference.

Mr. Speaker, I reserve the balance of my time.

Mr. GALLO. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. I thank my friend for yielding again.

Mr. Speaker, let me just say in response to my good friend, the gentleman from California [Mr. DIXON], who suggested that the issue is "until Roe is reversed." As the gentleman knows, many of us are trying actively to reverse the infamous decision that permits abortion on demand—Roe versus Wade. Pro-lifers, however, would argue, as we incrementally reverse Roe that we need to save as many children as possible from the violence and abuse of abortionists. Dismembering and poisoning children is inhumane. A growing number of Americans recognize this and consider abortion on demand to be child abuse. Women, too, are victims. They need our compassion.

To argue as Mr. DIXON attempts to do that current policy discriminates against poor people, misses the point altogether. Abortion discriminates against children. It discriminates against the children of the poor when you subsidize it by way of Medicaid or some other funding mechanism. These children are made more vulnerable, more at risk of being killed.

I would also point out that to argue that the Webster decision sanctions abortion funding is patently absurd.

What an irony—that the gentleman should use Webster to bolster his argument, especially since he is a cosponsor of the so-called Freedom of Choice Act, which would reverse the findings of Webster. As the gentleman knows, the Freedom of Choice Act codifies abortion on demand for the entirety of pregnancy and precludes States the option of enacting even the most minimum of protections, including a parental notification statute, or a parental consent statute. If the bill ever became law, it would preclude such things as allowing those State legislatures to restrict funding for abortion.

I think you cannot have it both ways, Mr. Chairman; you just cannot have it both ways. Our obligation and duty I would respectfully submit, is to protect innocent human life to the maximum extent possible. Hiding behind some fig leaf of States rights does not work when you talk about racism, it doesn't work when you talk about sexual discrimination, it doesn't work when you talk about discrimination against the handicapped. States rights can't be used to protect injustice of any kind.

And so States rights just doesn't work when one talks about the literal killing of the unborn by way of abortion on demand.

Defeat this conference report.

I yield back the balance of my time.

Mr. DIXON. Mr. Speaker, I yield 4 minutes to the distinguished gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. I thank the gentleman for yielding.

Mr. Speaker, I was not going to speak in this debate because we have had it a number of times, but I need to express my absolute shock that the Republican men in this Chamber who have spoken in this debate would get up and compare a woman's legal right to choose with homicide and illegal activities such as child abuse.

Let me make it clear: a women's right to choose is legal in this country. A woman's right to choose is legal in this country. It is a private decision, it is a personal decision, and the people of this country support a women's right to choose.

These so-called pro-life men on the Republican side who have spoken today do not seem to understand that their stand would lead to death, the death of women who will have to resort to back alley, illegal abortions.

I lived through that era. I never want to live through that era again. Today the issue is local control, local control over local funds.

I find it extraordinary that Republican Members of this body who cry out about Big Brother, who do not mind calling us Big Brother, want to get right in the middle of the most private of decisions. They do not understand that the Government deciding the issue of choice for a women is the ultimate Big Brother, the Big Federal Government Brother telling the local government what to do with its own funds, and in addition, telling women what to do about their lives.

Mr. Speaker, they want Big Brother to outlaw abortion, period. They have disdain for the States, and they have disdain for the localities, and they have disdain for all of the women of this great Nation.

Mr. Speaker, I am a mother of two children, and I look forward to having grandchildren. No one can tell me about the joy of childbirth and the joy of motherhood. But I am here to say that the Republicans of this body today are leading the fight against freedom, the freedom of our people to make their own personal, private, and moral decisions. You were not elected to be God; you were elected to defend the people's freedom, and the people will decide what is right in their lives, according to their religion, according to their morality, according to what they think is right. That is why this debate is so important.

□ 1250

I want to thank the chairman of the committee. He goes through this every year. He explains it over and over again, and yet we have the same argument.

But maybe the argument is good. Maybe it is good. Maybe it is important that the people see the differences here in this body.

So I hope at the end of this process we will establish the right of people in this district to make their own private, personal and moral decisions, just as the people in all of the States of the Union can do that.

Mr. GALLO. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois, [Mr. HYDE].

Mr. HYDE. Mr. Speaker, like the gentlewoman from California, I did not expect to get in this debate either, but it is very difficult to sit quietly and passively when things are being said with which you disagree so radically.

The phrase "a woman's right to choose," that has ring to it, a resonance to it because it provides options and choices, and pluralism, and everybody is for that. That is the American way. But you know, it is not who exercises the right to choose, a woman's right to choose. That is not important, the Government making that choice,

that is not the issue either. It is what is chosen. What are you choosing?

Nobody, nobody has a right to brutalize their children. No husband has a right to choose to brutalize his wife. And I suggest no grown person has a right to exterminate, exterminate, not terminate, exterminate an unborn child.

What is that in that womb, a chicken? Is it a tumor, it is an abscessed tooth, or is it a tiny little member of the human family entitled to be treated humanely, not exterminated like a used Kleenex or a crushed can of beer and thrown away.

Big Brother, that is an interesting argument. We Republicans, and this should never be a Republican-Democrat issue, because there are millions of good Democrats, and good Democratic women who support the right to life for an unborn child. You have a right to choose until you are pregnant. You have made that choice. The results, unintended or not, have created, have conceived, have joined with Almighty God, and I am not ashamed to say it, and I will not be intimidated from saying it, in the creation of a new human being, tiny, defenseless, cannot vote, cannot rise up in the streets, cannot escape. Somebody has got to protect that tiny little life.

Abortion stops a beating heart. Can you imagine in a hospital, in a surgical pavilion the surgeons working over an old man and trying to perform a triple bypass, and keep that heart beating, and they work heroically to do it. But in the next one there is a little tiny unborn child whose heart is beating, and they are working to kill that child. That is what boggles my mind.

And it is the unborn of the rich that are at risk, not the unborn of the poor. We can save some of the unborn of the poor, thank god. It is the unborn of the rich that nobody will defend as long as Roe versus Wade is the law, and it is the law. But it is not a question of denying the poor something. It is a question of affording to unborn children what Government must do, and protect the weak, protect the weak. That is what this building is for. That is what courthouses are for, the law books are for. Government should protect the weak from the strong, and there is no one weaker than an unborn child.

And when the mother, who should be the child's natural protector, becomes its adversary, its enemy, its mortal enemy, somebody has to step in and say you cannot do that. And all we are doing here is saying protect the children of the District of Columbia. Do not force the taxpayers to pay to exterminate those children.

And do not talk about the right to choose. The right to choose what? To have a baby? Madam, if you are pregnant, you have a baby. You already have one. You should not have the right to kill that baby.

Give that little child a chance, the same chance you have. There is a compassion fatigue that touches all people who think abortion is a good idea. It only reaches the pregnant woman; it ought to extend to the child.

Mr. DIXON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, for those who listened to my good friend, the gentleman from Illinois who has a strongly held conviction, he said two things. One, that he wants to repeal Roe versus Wade, and I respect his right to want do that.

I would point out that it has not been repealed and Roe versus Wade is the law.

Then he said something very interesting. He cannot save the wealthy, but he wants to save the poor here in the Washington, DC, area. How many times have I heard people say they want to save the poor.

The fact is there is a local government here in Washington, DC, ladies and gentleman, comprised of elected officials who have made a decision as to what they want to do with their local money. Let us not save them from themselves.

If you want to try to change Roe versus Wade, I respect that. But do not try to save the people of Washington, DC, from themselves when they have their own elected officials to make these decisions.

Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Speaker, I thank my friend for yielding me the time.

Mr. Speaker, I commend the gentleman on his statement and commend him on his leadership on this extremely important issue. There are a number of us who had not intended to speak in this debate, but as this debate comes to the House floor it is one which touches on some of the most fundamental values and assumptions and concerns that so many Americans care deeply about, and so many of us on this House floor care deeply about.

Like my friend, the gentlewoman from California, I also lived through the time in this country in which it was illegal for a woman to exercise the right to choose, questions with regard to the most basis aspects to reproductive feedom pertaining to her own body. There are among the most wrenching, vexing personal decisions that anybody can ever be expected to make. These are not pleasant choices. These are not easy choices, and we are simply suggesting that there are choices of the most personal, private nature that must be exercised by the exercise of one's own conscience.

The gentleman from Illinois made a couple of arguments, and I know that this is an issue in which he feels every bit as deeply and passionately and sincerely on his side of the aisle as we do our side of the aisle. But there are a couple of issues that I would like to raise pertaining to the suggestions that he made.

First, is a woman entitled to be treated humanely? The gentleman talks about the importance of treating a fetus humanely, but I would say, with all due respect, he does not consider the right of a woman to be treated humanely. This is a woman in this country, this is a woman in this society who is being faced with the most wrenching, difficult decision of her life, and yet as the issue is framed by my Republican friends, and this has unfortunately become more and more of a partisan issue, although I will stipulate that there are a number of good Republicans who stand with us in support of the right to choose, but for those on the other side of the aisle who will not provide that right to choice, they neglect, and they forget the importance of treating a woman humanely. That element of the debate is forgotten.

And my friend from Illinois talks about protecting the weak from the strong, and that perhaps is the most important element of the debate dealing with the D.C. appropriations bill. He is not talking about protecting rich women in terms of their decision, nor am I. Rich women will be able to obtain an abortion in this country. It is legal. We are talking about protecting the right to choose for a poor economically weak, unfunded, generally minority woman in this country.

□ 1300

That is the essence of the protection of the economically weak from the economically strong, and to exercise and substitute our judgment for the judgment of the people of the District of Columbia who ought to have the opportunity to allow their elected officials to represent them in terms of their governance, but to substitute the U.S. Congress and the wisdom of the gentleman from Illinois or the gentleman from New Jersey or the gentleman from California for what is right or what is wrong for a poor, probably minority woman in the District of Columbia, that is taking the issue of humanity away from women, and it is particularly unfair. I suggest, cruelly taking this individual choice away from a poor woman in the District of Columbia who believes a week from Tuesday when she is electing her city council, her mayor, that she is electing representatives for her and her constituency that will be in a position to make funding decisions about the resources to be allocated in her district. Neither the gentleman from New Jersey nor the gentleman from Illinois were not elected to make decisions of

this most important private personal agonizing nature, for a poor woman in the District of Columbia. That is what is at stake here.

Mr. GALLO. Mr. Speaker, I yield 4 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, I want to advise my colleagues in the House that this Member from California will ask permission of the ranking member to use the motion to recommit with instructions in order to place back into the conference report, language that was inserted on the Senate side relating to the issue that I will shortly describe to my colleagues in the House.

Mr. HYDE. Mr. Speaker, will the gentleman yield to me?

Mr. DANNEMEYER. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, the gentleman from New Jersey [Mr. GALLO] has kindly consented to give the gentleman from California [Mr. DANNEMEYER] an additional minute to make up for the minute that the gentleman is yielding to me.

I want to say to my good friend, the gentleman from California [Mr. LEVINE] who is elsewhere, but in any event, to those who did hear the gentleman, the pro-life movement of which I have a tiny little speck, does not yield in its compassion to a poor woman who has an unwnated pregnancy, and does not know where to turn or what to do.

We have compassion for her. There are endless agencies that we support, we help fund, that will take that woman and will provide her with care, with medical care, with help to feed her and clothe her, will give her vocational training, but anything to keep from killing the unborn child because while they continue to pour chocolate over this grisly thing that we are talking about, abortion, they keep calling it the right to choose, the right to choose.

Why do we not get real? We are talking about killing a human life once it has begun. Why do we play the violin and say the women's right to choose? Choose what? Choose to exterminate her child? We do not lack compassion for the poor woman. We have humanity for her and we have humane solutions for her.

They totally disregard the unborn. It is worth a zero to them, as tough it did not exist.

Mr. DIXON. Mr. Speaker, I yield 1 minute to the gentlewoman from California [Mrs. BOXER].

Mrs. BOXER. Mr. Speaker, I appreciate the patience of the good gentleman in the well, to allow this debate.

I know that the gentleman gets very exercised over the phrase "a woman's right to choose."

Mr. HYDE. It is so fraudulent.

Mrs. BOXER. The gentleman believes that. I believe it is right on target. It is a woman's right to choose whether to have an abortion, whether to have a child, to make that choice based on her own philosophy, her own religion, her own feelings, her own beliefs, if I might say to the gentleman.

Mr. HYDE. After she is pregnant she has a right.

Mrs. BOXER. Let me finish my point, and then I will yield to the gentleman.

The gentleman calls himself pro-life, and there are many Members on our side who feel that that is fraudulent, who feel that the proper term is anti-choice because, in essence, although the gentleman says pro-life, the policies of illegal abortion will lead to death—death of women.

Mr. HYDE. No, I do not want illegal abortions.

Mrs. BOXER. If the gentleman wants no more abortions whatsoever, it will lead to women dying. Let us call it what it is.

Finally, I say to the gentleman as I fight for the WIC programs, Woman, Infants, and Children Program, along with many Members in this Chamber, which will provide nutrition to pregnant women and which will help their babies when they are born, we have the hardest time getting Republican votes for these kinds of programs. Therefore, I hope that the gentleman will take the compassion he feels for the fetus, will take that compassion and will make sure that when babies are born they get the care they need, they get the help they need, they get the nutrition that they need, they get the Head Start they need.

I will be glad to join with the gentleman because I will say that we have not had that kind of help.

Mr. HYDE. Mr. Speaker, I will say to the gentlewoman I have been a cosponsor.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair would advise our guests in the gallery that we are pleased to have the guests here. However, the rules of the House forbid any demonstrations regarding activity on the floor.

Mr. HYDE. Mr. Speaker, I would just say to the gentlewoman, although I have lost my train of thought, I would say that we want to treat the woman humanely.

I am a cosponsor of WIC legislation with the gentleman from California [Mr. WAXMAN]. I have always advocateed and supported it, and will continue to do so. However, I would tell the gentlewoman that the right to choice gets much narrower once a person is pregnant, because then what do we have in a woman? We are saying it is a nothing.

Mrs. BOXER. Not at all. Please do not put words in my mouth, I say to the dear gentleman who I respect his views so much. Do not put words in my mouth.

Mr. HYDE. The consequences of the policies that the gentlewoman advocates treat the child as being worth nothing compared to the woman's demand that she be autonomous.

Mrs. BOXER. I disagree with the gentleman.

Mr. GALLO. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Speaker, let me explain to my colleagues that I will file or recede with a motion to recommit with instructions, if I am permitted to use that vehicle. If I am not permitted to use that vehicle because I would be outranked by someone on the committee who is of a desire to use that, then I will speak to the speaker's previous question so that I can amend the instruction that that person would seek to file so as to add the language that I am now going to describe.

On the Senate side, considering this bill, Senator ADAMS was successful in getting an amendment into the measure that would preserve to organizations in the District of Columbia the ability to have an option to a parent as to whether or not they wanted their child to have a surrogate parent or a big brother by a particular individual. That is the Adams language. The Armstrong language said in effect, that it would preserve to the Big Brothers organization in the District of Columbia the option, if it chooses to adopt such a bylaw in its organization structure, that a homosexual person who applied could not be a Big Brother in the Big Brothers organization. That is what this fight is all about at this particular moment.

The National Center for Missing and Exploited Children is the largest and most respected private child welfare organization in the country. Ernest E. Allen, president and CEO of the center had this to say:

> Your remarks bring attention to a growing problem affecting all elements of American society. They are particularly timely and important as we inform families that the greatest danger to children comes not from strangers, but from people known to the child at least casually, as in the cases you have dramatized, children are seduced by individuals in many cases, seek and gain legitimate access.

Regarding the amendment that I am talking about, Judith Schreder, general counsel for the Senate wrote to me and said as follows:

> It is our understanding that the intent of the conferees is to provide youth service agencies in the District of Columbia, discretion to be able to aggressively screen volunteers with their organizations to ensure that

the people working in their programs are dedicated to sincere individuals, who are appropriate to work with the children of the programs.

The issue we are talking about today is one of the most important cultural wars going on in this country, a cultural war being mounted by homosexual activists who seek to change our society so that they will accept their definition of what a family consists of.

□ 1310

Mr. GALLO. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. Mr. Speaker, in an earlier discussion as I sat over in my office and watched the debate here on the floor, a Member mentioned that only Republicans, it appeared, were pro-life.

I want to stand in this Chamber and let everybody know that I as a Democrat, and many other Democrats, not only on this floor and in this House but all over the United States, are also pro-life.

Mr. Speaker, I think it is true that those who call themselves pro-choice are now using that phrase in order to try to evade the onerous term of pro-abortion, because everyone does not want to espouse abortions; but when you say you are pro-choice and when the Supreme Court in Roe versus Wade said that abortion was legal, it meant pro-abortion. It means pro-death.

Mr. Speaker, you can take a fetus in the womb of a mother that is 7 months old, 7½ months old, 8 months old, and that child, because of an early birth or because of other reasons, could be born and will remain alive, but under the Supreme Court decision, under those who say they are pro-choice, they are pro-choice, that child can be killed legally in this country, never to live again, and be discarded into a junk pile with the bones of other young babies.

They say that if we go back to pre-1963, before Roe vensus Wade, we are going to have some women die. Yes, there were some women who died before 1973. I was a State legislator in that period. I had been a prosecuting attorney before that. I had even participated in the prosecution of a doctor for manslaughter for performing an abortion and killing a baby.

Mr. Speaker, yes, we had a few, but not the millions of babies that have died since Roe versus Wade, not a few hundred, not a few thousand, but millions of babies.

Lastly, Mr. Speaker, I want to stand on this floor and say, and it is the truth, everybody should know why I feel so strong about this issue, because if the Supreme Court decision of Roe versus Wade had been 20 years earlier, my three children would not be alive today, would never have lived. They were adopted. My five grandchildren would not be here today, those I saw this morning would not be here.

Mr. DIXON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, for those Members who may not have been here for this illuminating debate, let me explain what is going on here.

The House and the Senate are in agreement that there will be no Federal funds used for abortion, with certain exceptions, but the District of Columbia can use their own money for abortions. There is no disagreement in the conference report on this issue. The language in the House bill is identical to that in the Senate bill.

The gentleman from California [Mr. DANNEMEYER] on the other hand has a disagreement on an issue dealing with the Big Brothers of America, unrelated to anything about abortion.

At the appropriate time, I move the previous question to adoption of the conference report. We have been through this argument before. As a matter of fact, the language the gentleman is talking about was added by the Senate, and they yielded to the House on the issue. The House went through this exercise on October 11, 1990, when conferees were appointed. The vote was 255 to 156.

The gentleman from California [Mr. DANNEMEYER] does not like the human rights law in the District of Columbia. So that is where we are.

After I move the previous question, the gentleman from California [Mr. DANNEMEYER] will ask for a "no" vote, as he did on October 11 when he was defeated.

There is no controversy in the bill on that issue. The Senate, which put the language in, receded to the House.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Colorado [Mrs. SCHROEDER].

The SPEAKER pro tempore (Mr. MAZZOLI). Before the gentlewoman proceeds, the Chair would remind all Members that comments on the floor cannot be addressed to a viewing audience. They must be addressed to the Chair.

Mrs. SCHROEDER. Mr. Speaker, I think it is terribly important that we look at the very seriousness of this debate.

The distinguished gentleman from California has once again pointed out what this debate is about, and it is about whether or not the people in the District of Columbia have the right to use their tax money that they collected locally by their locally elected representatives for abortion, or the right to choose.

Now, the next piece that no one has talked about yet is how many people on the other side of the aisle define abortion. Then you really begin to realize how radical that position is. Many define life as happening the minute a sperm and an egg unite. Therefore, they would consider anything that would prohibit that sperm and egg that united from attaching to a uterus an abortion.

Therefore, you really are cutting out practically all family planning, except the rhythm system.

Now, let me tell you, we call people in Colorado who use the rhythm system, parents.

That is not what most people consider decent family planning, but unfortunately, many people say that everything else is an abortifacient, IUD's, pills, all sorts of things are abortifacients; and so if you would take their language even further, they would not allow the people in the District of Columbia even to do family planning in the way that most reasonable people define family planning.

Let me go on and say that it is also one of the problems that you would have in trying to do any infertility treatment, because in infertility treatment where you are doing artificial insemination, very often you fertilize more eggs than you need, and they object to that.

When you now have one out of five couples in America suffering from infertility, I think that is a great tragedy, and once again you are interfering with science and people's choices.

Come on, this is America where we are free. Let us allow the Nation's Capital and the people here the same dignity we allow everyone else.

Mr. GALLO. Mr. Speaker, I yield 30 seconds to the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I take these few seconds just to point out that the gentlewoman from Colorado is absolutely incorrect. The policy we seek to preserve is current law, and I defy her or anyone else to prove that family planning has been stopped in the District of Columbia as a result of current law. My friends that is not the case and suggestion to the contrary are pure nonsense. This is a tactic that was used a couple of years ago in floor debate and in one of the handouts disseminated at the door that said that the Dornan amendment "disallowed contraception." It didn't then. It doesn't today.

I also reassure Members that unless you construe abortion to be a method of family planning, which Americans overwhelmingly reject as reason for abortion, contraception is not disallowed by current law, so the arguments advanced by the gentlelady from Colorado are absolutely untrue.

Mr. DIXON. Mr. Speaker, I yield 1 minute to the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, would the gentleman from New Jersey say what is his definition of life, could

the gentleman tell us? Is it when the sperm and the egg unite?

Mr. SMITH of New Jersey. Mr. Speaker, if the gentlewoman will yield, my definition of life is a scientific definition. It starts, if you backtrack, from the moment of birth which is an event that happens to each and every one of us, minute by minute, second by second. The only thing happening to that child is growth and maturity.

I suggest that the moment of fertilization is when life begins, but for the operation of this amendment does not disallow any contraceptives for family planning.

Mrs. SCHROEDER. I understand. The gentleman has just made my point of defining life when the egg and the sperm come together and it has been attached to the uterus.

Mr. SMITH of New Jersey. The gentlewoman is talking about something that is not being considered by the floor today.

Mrs. SCHROEDER. But the gentleman has just exposed it.

The SPEAKER pro tempore (Mr. MAZZOLI). The Chair would remind Members that in order for the official reporters to take the transcript, Members should go through the protocol of yielding and seeking to be recognized. That enables everyone to understand. It is very difficult when both are speaking at the same time.

□ 1320

Mr. DIXON. Mr. Speaker, how much time is remaining?

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from California [Mr. DIXON] has 6 minutes remaining, and the gentleman from New Jersey [Mr. GALLO] has 1½ minutes remaining.

Mr. DIXON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DIXON. At the time the previous question is moved, and assuming the gentleman from California [Mr. DANNEMEYER] has a motion to recommit, is it not true that I would be asking for a "no" vote on the motion to recommit and Mr. DANNEMEYER would be asking for an "aye" vote?

The SPEAKER pro tempore. The gentleman has made a statement that is not a parliamentary inquiry as such.

Mr. DIXON. Mr. Speaker, will that not be the parliamentary status of things?

The SPEAKER pro tempore. The Chair can only suggest to the gentleman from California that the Chair would assume that that is the gentleman's posture and that would be the general reaction.

Mr. DIXON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Washington [Mrs. UNSOELD].

Mrs. UNSOELD. I thank the chairman.

Mr. Speaker, we are a nation of many diverse views, a nation of many deeply held diverse beliefs, and a nation of many religions. This diversity adds to the richness, the character and fabric of this Nation. For more than two centuries people have come to this country to escape religious persecution. No politician has the right not only to choose, but to force that politician's religious beliefs on others.

I trust the women of this Nation, I trust the women of Washington, DC, more than I trust the politicians, or more than I trust religious fanatics, to make this most difficult personal decision.

Mr. GALLO. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. I thank the gentleman.

Mr. Speaker, I want to point out that the House did consider a procedural aspect of this issue previously when I sought to defeat the previous question so that I could amend the notion to instruct conferees which was being offered by our colleague from New Jersey. That was on a procedural question. This motion to recommit with instructions that I will be offering to the House today, hopefully at the conclusion of debate, will be directly on the issue involved. There is no procedural tangent to it.

Mr. GALLO. Mr. Speaker, I yield myself such time as I may consume.

Mr. DIXON. Mr. Speaker, I reserve the balance of my time.

Mr. GALLO. Mr. Speaker, Members of the House, I know we have been talking about a very sensitive issue dealing with abortion, but the District of Columbia budget is an all-encompassing budget which deals with education, crime, things of that nature, which have not been debated and are very important to the continuance of the Washington, DC, community.

What I ask is that we give consideration to the overall bill and what it means to this District. I know that we will be faced with a motion to recommit, but I would urge my colleagues to support the motion for the previous question and vote "yes" on the conference report and against the motion to recommit.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DIXON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to point out to the Members of the body that Mr. DANNEMEYER will be offering a motion to recommit with instructions. Those instructions have nothing to do with abortion. They have to do with an organization in this city called the Big Brothers of America.

Mr. Speaker, I will be asking for a "no" vote on the motion to recommit.

Mr. MATSUI. Mr. Speaker, once again the House of Representatives has the opportunity to preserve the rights of low-income women living in the District of Columbia to choose to terminate a pregnancy. This debate should not be about whether abortion is right or wrong. The right to have an abortion has been protected by the Supreme Court in Roe versus Wade. This debate should center on whether the District of Columbia has the same right as any other State to provide funding for abortions for poor women.

The House of Representatives today should make the correct decision and vote to allow the District of Columbia to choose whether to extend this right to all of its female citizens. This is a State's rights issue.

The choice to have an abortion is a very personal, private one that deserves careful consideration. This decision is one that should be made by a woman in consultation with her physician and her family and friends, not by the U.S. Congress.

The right to have an abortion should be protected for all women, regardless of where they reside or their income. Simply because a woman cannot afford to pay for an abortion, her right to these services should not be abridged. The District of Columbia should have the right to fund abortions for poor women using its own tax dollars.

Last year, the Supreme Court's ruling in Webster versus Reproductive Health Services, which allowed the States to decide whether to limit or expand access to abortions, was hailed by opponents of a woman's right to choice. Now, these same people argue that the District of Columbia should not have the same right as State governments to enforce the Webster ruling.

I urge my colleagues to vote today to uphold the District's right to fund abortions for its low-income residents. This is the right thing and the fair thing to do.

Mrs. LOWEY of New York. Mr. Speaker, I rise today in support of this conference report and to urge my colleagues to understand that the vote we are taking today is also a vote for two fundamental freedoms that should not be in question at all.

First, the Supreme Court's ruling in Roe versus Wade remains the law of the land. The right to choose safe, legal abortion is a constitutionally protected right in these United States. It is a right that this Congres should not be limiting. We were elected to protect, not deny, the rights of the American people.

Let me remind my colleagues that the people we represent are intelligent individuals capable of making the most personal of decisions for themselves. The Government of this Nation was not intended to intervene in decisions of this nature, and it is not equipped to do so. This is an instance where it should be none of the Government's business.

On a second point, the District of Columbia operates under home rule and it would be a blatant violation of the principles of home rule if we were to restrict the use of local tax revenues as some are arguing that we should today.

Last year, the rights of the women of the District of Columbia were held hostage in this

legislation. We should not allow that to happen again.

I urge my colleagues to strongly support this legislation.

Mr. DIXON. Mr. Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

MOTION TO RECOMMIT OFFERED BY MR. DANNEMEYER

Mr. DANNEMEYER. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER pro tempore. Is the gentleman from California [Mr. DANNEMEYER] opposed to the conference report?

Mr. DANNEMEYER. I am opposed to the conference report, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. DANNEMEYER moves to recommit the Conference Report on H.R. 5311 to the Committee of Conference with the following instructions to the Managers on the the part of the House:

That the House insist on Senate amendments numbered 59 and 62.

The SPEAKER pro tempore. Without objection, the previous question on the motion to recommit is ordered.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. DANNEMEYER. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 186, nays 210, not voting 37, as follows:

[Roll No. 493]

YEAS—186

Alexander	Chandler	Fields
Andrews	Clinger	Gallegly
Annunzio	Coble	Gekas
Archer	Coleman (MO)	Gillmor
Armey	Combest	Gingrich
Baker	Costello	Goss
Ballenger	Coughlin	Grandy
Barnard	Courter	Grant
Bartlett	Cox	Hall (OH)
Bateman	Craig	Hall (TX)
Bennett	Crane	Hammerschmidt
Bentley	Dannemeyer	Hancock
Bereuter	Davis	Hansen
Bevill	DeLay	Harris
Bilbray	Derrick	Hastert
Bilirakis	DeWine	Hayes (LA)
Billey	Dickinson	Hefley
Brooks	Dornan (CA)	Hefner
Broomfield	Douglas	Henry
Browder	Dreier	Herger
Brown (CO)	Duncan	Hiler
Bruce	Eckart	Holloway
Buechner	Edwards (OK)	Hopkins
Bunning	Emerson	Hubbard
Burton	English	Huckaby
Byron	Erdreich	Hunter
Callahan	Fawell	Hutto
Hyde	Oxley	Smith, Denny (OR)
Inhofe	Pallone	Smith, Robert (NH)
Ireland	Parker	Smith, Robert (OR)
James	Parris	Snowe
Jenkins	Pashayan	Solomon
Johnson (SD)	Patterson	Spence
Kasich	Paxon	Spratt
Kyl	Penny	Stallings
Lagomarsino	Petri	Stangeland
Lancaster	Porter	Stearns
Laughlin	Poshard	Stenholm
Lent	Ray	Stump
Lewis (FL)	Regula	Sundquist
Lightfoot	Rhodes	Tallon
Lipinski	Rinaldo	Tauke
Livingston	Ritter	Tauzin
Lowery (CA)	Roberts	Taylor
Lukens, Donald	Rogers	Thomas (CA)
Madigan	Rohrabacher	Thomas (WY)
Marlenee	Ros-Lehtinen	Upton
Martin (NY)	Roth	Valentine
McCandless	Rowland (GA)	Volkmer
McCollum	Russo	Vucanovich
McDade	Sarpalius	Walker
McEwen	Saxton	Watkins
McGrath	Schaefer	Weber
McMillan (NC)	Schulze	Weldon
Meyers	Sensenbrenner	Whittaker
Michel	Shaw	Wilson
Miller (OH)	Shumway	Wolf
Montgomery	Shuster	Yatron
Moorhead	Skeen	Young (AK)
Morrison (WA)	Skelton	Young (FL)
Myers	Slaughter (VA)	
Nielson	Smith (NE)	
Ortiz	Smith (NJ)	

NAYS—210

Ackerman	Frenzel	Mazzoli
Anderson	Frost	McCloskey
Anthony	Gallo	McCrery
Aspin	Gejdenson	McCurdy
Atkins	Gephardt	McDermott
AuCoin	Geren	McHugh
Bates	Gibbons	McMillen (MD)
Beilenson	Gilman	McNulty
Berman	Glickman	Mfume
Boehlert	Gonzalez	Miller (CA)
Boggs	Goodling	Miller (WA)
Bonior	Gordon	Mineta
Bosco	Gradison	Mink
Boucher	Gray	Moakley
Boxer	Green	Molinari
Brown (CA)	Guarini	Mollohan
Bryant	Gunderson	Moody
Bustamante	Hamilton	Morella
Campbell (CA)	Hatcher	Mrazek
Campbell (CO)	Hayes (IL)	Murphy
Cardin	Hertel	Murtha
Carper	Hoagland	Nagle
Carr	Hochbrueckner	Natcher
Clarke	Horton	Neal (MA)
Clay	Hoyer	Neal (NC)
Clement	Hughes	Nowak
Coleman (TX)	Jacobs	Oakar
Collins	Johnson (CT)	Oberstar
Conte	Johnston	Obey
Conyers	Jones (GA)	Olin
Cooper	Jones (NC)	Owens (NY)
Darden	Jontz	Owens (UT)
de la Garza	Kanjorski	Payne (NJ)
DeFazio	Kaptur	Payne (VA)
Dellums	Kastenmeier	Pease
Dicks	Kennedy	Pelosi
Dingell	Kennelly	Perkins
Dixon	Kildee	Pickett
Donnelly	Kleczka	Pickle
Dorgan (ND)	Kostmayer	Price
Downey	LaFalce	Pursell
Durbin	Lantos	Rahall
Dymally	Leach (IA)	Rangel
Dyson	Lehman (CA)	Ravenel
Early	Lehman (FL)	Richardson
Edwards (CA)	Levin (MI)	Ridge
Engel	Levine (CA)	Roe
Espy	Lewis (GA)	Rose
Evans	Long	Rostenkowski
Fascell	Lowey (NY)	Roybal
Fazio	Luken, Thomas	Sabo
Feighan	Machtley	Saiki
Fish	Manton	Sangmeister
Flake	Markey	Savage
Foglietta	Martinez	Sawyer
Ford (TN)	Matsui	Scheuer
Frank	Mavroules	Schiff
Schneider	Staggers	Unsoeld
Schroeder	Stark	Vento
Serrano	Stokes	Visclosky
Sharp	Studds	Washington
Shays	Swift	Waxman
Sikorski	Synar	Weiss
Sisisky	Tanner	Wheat
Skaggs	Thomas (GA)	Whitten
Slattery	Torres	Williams
Slaughter (NY)	Torricelli	Wise
Smith (FL)	Towns	Wolpe
Smith (IA)	Traficant	Wyden
Solarz	Traxler	Yates

NOT VOTING—37

Applegate	Houghton	Roukema
Barton	Kolbe	Rowland (CT)
Borski	Kolter	Schuette
Brennan	Leath (TX)	Schumer
Chapman	Lewis (CA)	Smith (TX)
Condit	Lloyd	Smith (VT)
Coyne	Martin (IL)	Udall
Crockett	Morrison (CT)	Vander Jagt
Dwyer	Nelson	Walgren
Flippo	Packard	Walsh
Ford (MI)	Panetta	Wylie
Gaydos	Quillen	
Hawkins	Robinson	

□ 1347

Mr. OWENS of Utah and Mr. GUNDERSON changed their vote from "yea" to "nay."

Messrs. MORRISON of Washington, ANNUNZIO, BROOKS, ROWLAND of Georgia, ORTIZ, HUBBARD, SPRATT, Mrs. PATTERSON, Mr. BILBRAY, Mr. ANDREWS, Ms. ROS-LEHTINEN, and Mrs. BYRON changed their vote from "nay" to "yea."

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. DORGAN of North Dakota. Mr. Speaker, on rollcall No. 493 on the motion to recommit by Representative DANNEMEYER, I was recorded as having voted "no." It was my intention to vote "yes" on this motion and I want that intent to be recorded.

I believe that the District of Columbia law should be amended to permit organizations in the District of Columbia to exclude from their youth programs any adult convicted of a sex offense with a child.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SMITH of New Jersey. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 185, noes 211, not voting 37, as follows:

[Roll No. 494]

AYES—185

Ackerman	Atkins	Berman
Alexander	AuCoin	Bilbray
Anderson	Bates	Boehlert
Anthony	Beilenson	Boucher
Aspin	Bennett	Boxer

Browder	Hefner	Pickle
Brown (CA)	Hochbrueckner	Price
Bryant	Horton	Rahall
Bustamante	Hoyer	Rangel
Cardin	Jacobs	Regula
Carper	Johnson (CT)	Richardson
Carr	Johnston	Ridge
Clarke	Jones (GA)	Roe
Clay	Jones (NC)	Rose
Clement	Jontz	Rostenkowski
Coleman (TX)	Kaptur	Rowland (GA)
Collins	Kastenmeier	Roybal
Conte	Kennedy	Sabo
Conyers	Kennelly	Saiki
Cooper	Kleczka	Savage
Costello	Kostmayer	Sawyer
Coughlin	Lancaster	Scheuer
Darden	Lantos	Schiff
Dellums	Lehman (CA)	Schneider
Derrick	Lehman (FL)	Schroeder
Dicks	Levin (MI)	Serrano
Dingell	Levine (CA)	Sharp
Dixon	Lewis (GA)	Shays
Dorgan (ND)	Long	Sikorski
Downey	Lowey (NY)	Sisisky
Durbin	Luken, Thomas	Skaggs
Dymally	Machtley	Slaughter (NY)
Early	Manton	Smith (FL)
Eckart	Markey	Smith (IA)
Edwards (CA)	Martinez	Snowe
Engel	Matsui	Solarz
Erdreich	McCloskey	Spratt
Espy	McDermott	Stark
Evans	McHugh	Stokes
Fascell	McMillen (MD)	Studds
Fawell	McNulty	Swift
Fazio	Mfume	Synar
Feighan	Miller (CA)	Tanner
Flake	Mineta	Thomas (GA)
Foglietta	Mink	Torres
Ford (TN)	Molinari	Torricelli
Frank	Moody	Towns
Frenzel	Morella	Traficant
Frost	Morrison (WA)	Unsoeld
Gallo	Mrazek	Valentine
Gejdenson	Nagle	Vento
Gephardt	Oakar	Visclosky
Gibbons	Obey	Washington
Gilman	Olin	Waxman
Gonzalez	Ortiz	Weiss
Gordon	Owens (NY)	Wheat
Gradison	Owens (UT)	Williams
Gray	Pallone	Wise
Green	Payne (NJ)	Wolpe
Harris	Payne (VA)	Wyden
Hatcher	Pease	Yates
Hayes (IL)	Pelosi	

NOES—211

Andrews	Crane	Hansen
Annunzio	Dannemeyer	Hastert
Archer	Davis	Hayes (LA)
Baker	de la Garza	Hefley
Ballenger	DeFazio	Henry
Barnard	DeLay	Herger
Bartlett	DeWine	Hertel
Bateman	Dickinson	Hiler
Bentley	Donnelly	Hoagland
Bereuter	Dornan (CA)	Holloway
Bevill	Douglas	Hopkins
Bilirakis	Dreier	Hubbard
Bliley	Duncan	Huckaby
Boggs	Dyson	Hughes
Borski	Edwards (OK)	Hunter
Bosco	Emerson	Hutto
Brooks	English	Hyde
Broomfield	Fields	Inhofe
Brown (CO)	Fish	Ireland
Bruce	Gallegly	James
Buechner	Gekas	Jenkins
Bunning	Geren	Johnson (SD)
Burton	Gillmor	Kanjorski
Byron	Gingrich	Kasich
Callahan	Glickman	Kildee
Campbell (CA)	Goodling	Kyl
Campbell (CO)	Goss	LaFalce
Chandler	Grandy	Lagomarsino
Chapman	Grant	Laughlin
Clinger	Guarini	Leach (IA)
Coble	Gunderson	Lent
Coleman (MO)	Hall (OH)	Lewis (FL)
Combest	Hall (TX)	Lightfoot
Courter	Hamilton	Lipinski
Cox	Hammerschmidt	Livingston
Craig	Hancock	Lowery (CA)
Lukens, Donald	Paxon	Smith, Robert (NH)
Madigan	Penny	Smith, Robert (OR)
Marlenee	Perkins	Solomon
Martin (NY)	Petri	Spence
Mavroules	Pickett	Staggers
Mazzoli	Porter	Stallings
McCandless	Poshard	Stangeland
McCollum	Pursell	Stearns
McCrery	Ravenel	Stenholm
McCurdy	Ray	Stump
McDade	Rhodes	Sundquist
McEwen	Rinaldo	Tallon
McGrath	Ritter	Tauke
McMillan (NC)	Roberts	Tauzin
Meyers	Rogers	Taylor
Michel	Rohrabacher	Thomas (CA)
Miller (OH)	Ros-Lehtinen	Thomas (WY)
Miller (WA)	Roth	Traxler
Moakley	Russo	Upton
Mollohan	Sangmeister	Volkmer
Montgomery	Sarpalius	Vucanovich
Moorhead	Saxton	Walker
Murphy	Schaefer	Watkins
Murtha	Schulze	Weber
Myers	Sensenbrenner	Weldon
Natcher	Shaw	Whittaker
Neal (MA)	Shumway	Whitten
Neal (NC)	Shuster	Wilson
Nielson	Skeen	Wolf
Nowak	Skelton	Yatron
Oberstar	Slattery	Young (AK)
Oxley	Slaughter (VA)	Young (FL)
Parker	Smith (NE)	
Parris	Smith (NJ)	
Pashayan	Smith, Denny (OR)	
Patterson		

NOT VOTING—37

Applegate	Houghton	Roukema
Armey	Kolbe	Rowland (CT)
Barton	Kolter	Schuette
Bonior	Leath (TX)	Schumer
Brennan	Lewis (CA)	Smith (TX)
Condit	Lloyd	Smith (VT)
Coyne	Martin (IL)	Udall
Crockett	Morrison (CT)	Vander Jagt
Dwyer	Nelson	Walgren
Flippo	Packard	Walsh
Ford (MI)	Panetta	Wylie
Gaydos	Quillen	
Hawkins	Robinson	

□ 1359

The Clerk announced the following pair:

On this vote:

Mr. Kolter for, with Mr. Quillen against.

Mr. TRAXLER. Mrs. MEYERS of Kansas, Mr. DE LA GARZA, and Mr. BOSCO changed their vote from "aye" to "no."

Mr. FRENZEL and Mr. FAZIO changed their vote from "no" to "aye."

So the conference report was rejected.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PANETTA. Mr. Speaker, I was unable to be present for the following votes in the last week of the 101st Congress due to my presence in critical budget reconciliation meetings. Had I been present, I would have voted as follows:

D.C. appropriations conference report: Rollcall No. 493, Dannemeyer motion to recommit the conference report to the committee of conference with instructions that the House insist on Senate amendments Nos. 59 and 62, "no." Rollcall No. 494, on agreeing to the conference report, "yes."

□ 1400

APPOINTMENT OF CONFEREES ON H.R. 5311, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1991

Mr. DIXON. Mr. Speaker, I move to insist on the disagreement to all Senate amendments to the bill, H.R. 5311, and request a further conference with the Senate thereon.

The SPEAKER pro tempore (Mr. GRAY). The question is on the motion offered by the gentleman from California [Mr. DIXON].

The motion was agreed to.

The SPEAKER pro tempore (Mr. GRAY). Without objection, the Chair appoints the following conferees: Messrs. DIXON, NATCHER, STOKES, AUCOIN, DWYER of New Jersey, HOYER, WHITTEN, GALLO, GREEN of New York, REGULA, and CONTE.

There was no objection.

MODIFICATION OF APPOINTMENT OF CONFEREES ON H.R. 5835, OMNIBUS BUDGET RECONCILIATION ACT OF 1990

The SPEAKER pro tempore. Pursuant to the authority granted on October 18, 1990, the Chair makes the following modification in the appointment of conferees on H.R. 5835:

The first panel (health) from the Committee on Energy and Commerce is also appointed for consideration of subtitles B, C, and D of title XII of the House bill.

CONFERENCE REPORT ON H.R. 5158, DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1991

Mr. TRAXLER. Mr. Speaker, I call up the conference report on the bill (H.R. 5158) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, commissions, corporations, and offices for the fiscal year ending September 30, 1991, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the provisions of House Resolution 512, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 18, 1990, at page H10593).

The SPEAKER pro tempore. The gentleman from Michigan [Mr. TRAXLER] will be recognized for 30 minutes, and the gentleman from New York [Mr. GREEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan [Mr. TRAXLER].

Mr. TRAXLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we bring back to the House today the conference report on the fiscal year 1991 VA, HUD, and independent agencies appropriations bill.

This bill includes funding for the Department of Veterans Affairs, the Department of Housing and Urban Development, and 22 independent agencies at approximately $80 billion—it is the largest domestic discretionary appropriations bill.

And, Mr. Speaker, it is one of the toughest to resolve. But I believe, in all honesty, I can tell you that given an extremely tight section 302(b) allocation, we have brought back to the House today an appropriations bill that is both balanced and fair.

Obviously, it goes without saying, that not everybody is going to be happy about this product. And that is understandable.

The reason everybody is not going to be happy is because we have a budget crisis. We do not have unlimited domestic discretionary resources to fund all of these programs at levels many would like to see.

That means we have to make some cuts. They are often painful. But I believe this subcommittee has, for the most part, spread the pain relatively evenly.

Let me give you an example.

We appropriated about $25 billion for low-income housing in 1981. Last year we appropriated only $7.5 billion for that activity. That represents the largest single reduction of any major program in the entire Government over the past 10 years.

This year our committee made an effort to bring that number back up a little bit. When this bill left the House we had provided $11.6 billion for assisted housing in 1991.

But this conference report does not have $11.6 billion in it for subsidized housing. It has only $9.5 billion—a reduction of $2.1 billion from the House mark.

Now let's compare that with NASA. This bill left the House with an appropriation for the National Aeronautics and Space Administration of $14.3 billion. And what are we coming back to floor with today?

NASA is getting $13.9 billion—a reduction of $400 million below the House mark.

The point is that everyone shared the pain of having to cut back in this conference.

In fact, NASA got the best treatment, once again, in this bill. NASA enjoys the largest single increase—roughly 13.6 percent—of any agency in the bill.

And of the major agencies, its reduction from the House-passed level is the lowest. Basically, we cut the NASA programs an additional 6 percent while we cut assisted housing an additional 18 percent.

So by any measure of comparison, NASA was given highest priority in this conference agreement.

Now that is not to say we were able to fund everything, because we couldn't. Space station is funded at $1.9 billion. I know some believe that is not adequate. But the fact is that we must come to grips with the reality of the budget problem. We are recommending that NASA go back and rethink the fundamental space station concept.

We want to end up at the same place that NASA does. We want to end up with a permanently manned space station—if we can find the money. But one thing is clear. As we look at that issue today, the money just is not there to support the current design.

The point is if we keep the current approach and the current design, we will never be able to appropriate enough money to get any hardware on-orbit before 1999 or 2000.

So we have to change our way of thinking. And I feel it is fair to say that this subcommittee—as long as 6 years ago—suggested that the incremental approach to station made sense.

Simply put, we want to design and assemble and buy the space station in phases or increments, starting with a first-rate microgravity laboratory that is man-tended and then adding a habitat and a life science function—and then, when we can afford it—going on and make this station a permanent manned facility.

But let us face it, everyone here needs to recognize the fact that the budget agreement we are working on today is not going to allow NASA to grow by more than about 8 or 10 percent a year.

That means that not only space station but other NASA programs are going to have to be rethought. We may have to take another look at the Earth observing system, so we do not fall into the same trap we have with the station.

What we have been doing with space station is spending billions of dollars on designing for the super structure of a battleship but trying to put that super structure on the budget hull of a destroyer. And even though NASA has shrunk the super structure, the budget has also been shrinking, and the two have never been in sync, so we end up just spending money and we do not get a workable, useful facility on orbit.

Now what else have we achieved in this bill?

As I indicated earlier, we have provided $9.5 billion for assisted housing programs. That funds a total of 95,000 new incremental units including 10,000 new public housing units, 31,000 section 8 existing units, 26,000 section 8 vouchers, and 12,000 section 202 housing for the elderly and handicapped units.

For the Community Development Block Grant Program we added $200 million above last year's level, which represents the first increase in that program in more than 5 years and provides a total of $3.2 billion for what arguably has been one of the best Federal programs.

And, Mr. Speaker, we have not forgotten our veterans. Although the President's request for VA medical care was the best we have seen in 10 years, it still falls short of adequately taking care of America's veterans.

We added $84 million for VA medical care in 1991. Those moneys will help assure that the employment level in the 172 VA hospitals, and numerous nursing homes, and domiciliaries will remain at over 194,000 FTE's.

It has been a struggle to try to keep sufficient doctors and nurses and lab technicians and support staff in the VA hospitals.

And, Mr. Speaker, the truth is we have been losing the battle.

Why? Because even though we have fought hard to keep the staffing at about 194,000 over the past 7 years, we have opened new VA facilities including a number of intensive care units and nursing homes and outpatient clinics, which has caused a diminution of our critical VA staff throughout the hospital system.

I wonder if anyone in this House knows that a typical patient in a VA hospital bed is served by only about half the patient-to-staff ratio that you would find if you checked into Georgetown University Hospital. And that is why it costs only about one-half as much to treat a typical VA patient compared to a patient in the private sector.

But all you have to do is spend a little time in a VA hospital and you would soon agree that if we were properly staffing these facilities we would add another 10,000 to 20,000 FTE and another $200 to $300 million a year.

One simple fact says it all. Over the past 5 to 10 years, VA medical care has grown on an average of about 6.9 percent per year while NASA has grown on an average of about 12 to 15 percent a year.

For the Environmental Protection Agency, we were also looking at one of the best budget requests in many, many years. But again, there were some shortfalls. There was no funding for the asbestos in schools program. These was very little funding for the nonpoint source program and so on.

We addressed those issues and others and added about $150 million for the EPA operating programs.

While we are on EPA, I should also point out that we added $500 million to the request for construction grants—which is the program that

builds vital sewage treatment plants throughout the United States.

Finally, Mr. Speaker, the conference agreement funds much of the increase requested for the National Science Foundation. The President asked for a total of $2,383,000,000 for the foundation in 1991—an increase of $300 million and 15 percent about 1990. We had provided all but about $18 million of that increease. But unfortunately, because under the summit agreement, OMB is given final say on scorekeepng and we are going to be forced to reduce the NSF by $40,000,000 and NASA by $7,500,000.

Let me explain. In our bill we created a new account under NSF for the DOD costs of the Antarctic Program. CBO scored that account as an 050 function. But at the last minute just hours ago, OMB indicated it would not permit the military Antarctic account to be scored as 050.

So we are forced to find $75,000,000 in budget authority and $37,500,000 in outlays. And we will do that by taking an additional $40,000,000 from NSF and $7,500,000 from NASA's Research and program management account.

So again, Mr. Speaker, I think we have done a commendable job on this bill. Not everybody is going to be satisfied. We had to cut some NASA programs that we normally would have funded. We almost lost the CRAF portion of the CRAF-Cassini mission but we were able to save it.

But the budget problems we are talking about in this building today are not going to get better in the next 4 or 5 years. Our appetites have got to be curbed and we have got to design our programs, whether they are in NASA or in HUD or in EPA, more carefully so that the money is spent in a way that the taxpayer can see some benefit from his moneys.

Mr. Speaker, I would like to clarify some references in the statement of the managers regarding special purpose grants in HUD. We have just viewed the slip copy of the conference report and the statement of the managers. We have also just received the RECORD with House Report 101-900 in it. A couple of printing errors have so far been noted. The conference agreement was to provide $600,000 for the Mirabeau Apartments and Learning Center in New Orleans, LA. A couple of those words had been misspelled. Also, $30,000 is for a water system study in Ford Heights, IL, not Forest Heights. After review we intend to point out any other printing errors to the Department.

Mr. Speaker, at this point I would include a table comparing the conference agreement to the 1990 level, the 1991 budget request, the House-passed level and the Senate-passed level.

Departments of Veterans Affairs and Housing and Urban Developement, and Independent Agencies, 1991 (H.R. 5158)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimate	Conference compared with House	Conference compared with Senate
TITLE I									
DEPARTMENT OF VETERANS AFFAIRS									
Veterans Benefits Administration									
Compensation and pensions	15,555,495,000	15,612,384,000	15,684,551,000	15,684,551,000	15,684,551,000	+129,056,000	+72,167,000	.....	.....
Readjustment benefits	497,813,000	502,500,000	502,500,000	502,500,000	502,500,000	+4,687,000	.....	.....	.....
Veterans insurance and indemnities	13,940,000	15,410,000	15,410,000	15,410,000	15,410,000	+1,470,000	.....	.....	.....
Loan guaranty revolving fund	558,500,000	670,200,000	670,200,000	670,200,000	670,200,000	+111,700,000	.....	.....	.....
Guaranty and indemnity fund	.....	80,800,000	80,800,000	80,800,000	80,800,000	+80,800,000	.....	.....	.....
Direct loan revolving fund (limitation on direct loans)	(985,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(+15,000)	.....	.....	.....
Total, Veterans Benefits Administration	16,625,748,000	16,881,294,000	16,953,461,000	16,953,461,000	16,953,461,000	+327,713,000	+72,167,000	.....	.....
Veterans Health Service and Research Administration									
Medical care	11,419,706,000	12,227,066,000	12,310,490,000	12,227,066,000	12,310,490,000	+890,784,000	+83,424,000	.....	+83,424,000
Medical and prosthetic research	212,652,000	198,537,000	216,795,000	226,537,000	216,795,000	+4,143,000	+18,258,000	.....	-9,742,000
Health professionals scholarships program	9,601,000	9,606,000	9,606,000	10,606,000	10,113,000	+512,000	+507,000	+507,000	-493,000
Medical administration and miscellaneous operating expenses	37,096,000	38,123,000	42,441,000	37,123,000	41,434,000	+4,338,000	+3,311,000	-1,007,000	+4,311,000
Grants to the Republic of the Philippines	492,000	484,000	484,000	484,000	484,000	-8,000	.....	.....	.....
Total, Veterans Health Service and Research Administration	11,679,547,000	12,473,816,000	12,579,816,000	12,501,816,000	12,579,316,000	+899,769,000	+105,500,000	-500,000	+77,500,000
Departmental Administration									
General operating expenses	811,828,000	902,514,000	902,514,000	865,415,000	902,514,000	+90,886,000	.....	.....	+37,099,000
Office of Inspector General	21,786,000	29,959,000	26,859,000	24,859,000	24,859,000	+3,073,000	-5,100,000	-2,000,000	.....
Construction, major projects	408,542,000	530,000,000	575,456,000	522,459,000	580,000,000	+171,458,000	+50,000,000	+4,544,000	+57,541,000
Construction, minor projects	91,837,000	142,540,000	146,140,000	130,640,000	130,640,000	+39,003,000	-11,900,000	-15,500,000	.....
(Limitation on administrative expenses)	(43,452,000)	(44,420,000)	(44,420,000)	(44,420,000)	(44,420,000)	(+968,000)	.....	.....	.....
Parking garage revolving fund	28,543,000	18,900,000	28,900,000	18,900,000	28,900,000	+357,000	+10,000,000	.....	+10,000,000
Grants for construction of State extended care facilities	41,349,000	42,000,000	65,000,000	70,000,000	70,000,000	+28,651,000	+28,000,000	+5,000,000	.....
Grants for the construction of State veterans cemeteries	4,288,000	3,946,000	3,946,000	3,946,000	3,946,000	-342,000	.....	.....	.....
Total, Departmental Administration	1,407,773,000	1,869,859,000	1,748,815,000	1,636,219,000	1,740,859,000	+333,086,000	+71,000,000	-7,956,000	+104,640,000
Total, title I, Department of Veterans Affairs:									
New budget (obligational) authority	29,713,068,000	31,024,969,000	31,282,092,000	31,091,496,000	31,273,636,000	+1,560,568,000	+248,667,000	-8,456,000	+182,140,000
(Limitation on direct loans)	(985,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(+15,000)	.....	.....	.....
(Limitation on administrative expenses)	(43,452,000)	(44,420,000)	(44,420,000)	(44,420,000)	(44,420,000)	(+968,000)	.....	.....	.....
TITLE II									
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
Housing Programs									
Annual contributions for assisted housing	7,799,355,000	7,352,317,300	11,625,086,000	10,810,000,000	9,525,000,000	+1,725,645,000	+2,172,682,700	-2,100,086,000	-1,285,000,000
Rescission of assisted housing deobligations (budget authority, indefinite)	-311,236,000	-236,375,000	-236,375,000	-236,375,000	-236,375,000	+74,861,000	.....	.....	.....
(By transfer)	.....	(157,000,000)	(70,000,000)	.....	.....	.....	(-157,000,000)	(-70,000,000)	.....
Total, annual contributions for assisted housing (net)	7,488,119,000	7,115,942,300	11,388,711,000	10,573,625,000	9,288,625,000	+1,800,506,000	+2,172,682,700	-2,100,086,000	-1,285,000,000

Departments of Veterans Affairs and Housing and Urban Developement, and Independent Agencies, 1991 (H.R. 5158)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimate	Conference compared with House	Conference compared with Senate
Assistance for the renewal of expiring section 8 subsidy contracts	1,074,492,000	7,734,985,400	7,734,985,400	7,734,985,400	7,734,985,400	+6,660,493,400	.....	.....	.....
Rental rehabilitation grants	127,985,000	70,000,000	135,000,000	70,000,000	70,000,000	-57,985,000	.....	-65,000,000	.....
Rental housing assistance:									
Rescission of budget authority, indefinite	-48,000,000	-46,000,000	-46,000,000	-46,000,000	-46,000,000	+2,000,000	.....	.....	.....
(Limitation on annual contract authority, indefinite)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	.....	.....	.....	.....
Housing for the elderly or handicapped fund:									
(Limitation on direct loans)	(472,664,000)	(282,543,000)	(491,570,000)	.....	.....	(-472,664,000)	(-282,543,000)	(-491,570,000)	.....
Authority to borrow, indefinite	412,969,000	220,480,000	437,044,000	.....	.....	-412,969,000	-220,480,000	-437,044,000	.....
Congregate services	5,829,000	.....	7,000,000	12,000,000	9,500,000	+3,671,000	+9,500,000	+2,500,000	-2,500,000
Payments for operation of low-income housing projects	1,865,031,000	1,825,731,000	2,000,000,000	2,001,300,000	2,100,000,000	+234,969,000	+274,269,000	+100,000,000	+98,700,000
Housing counseling assistance	3,446,000	3,500,000	5,000,000	8,000,000	8,000,000	+4,554,000	+4,500,000	+3,000,000	.....
Federal Housing Administration Fund	350,093,000	.....	317,366,000	317,366,000	317,366,000	-32,727,000	+317,366,000	.....	.....
(Limitation on guaranteed loans)	(73,837,500,000)	.....	(75,000,000,000)	(75,000,000,000)	(75,000,000,000)	(+1,162,500,000)	(+75,000,000,000)	.....	.....
Temporary mortgage assistance payments (limitation on direct loans)	(87,227,000)	.....	(151,125,000)	(151,125,000)	(151,125,000)	(+63,898,000)	(+151,125,000)	.....	.....
FHA - Mututal Mortage and Cooperative Manangement Housing Insurance Funds:									
(Limitation on guaranteed loans)	.....	(62,000,000,000)	.....	.....	.....	.....	(-62,000,000,000)	.....	.....
(Limitation on direct loans, TMAP)	.....	(123,500,000)	.....	.....	.....	.....	(-123,500,000)	.....	.....
FHA - General and special risk insurance funds	.....	317,366,000	.....	.....	.....	.....	-317,366,000	.....	.....
(Limitation on guaranteed loans)	.....	(13,000,000,000)	.....	.....	.....	.....	(-13,000,000,000)	.....	.....
(Limitation on direct loans, TMAP)	.....	(27,625,000)	.....	.....	.....	.....	(-27,625,000)	.....	.....
Total, Federal Housing Administration Fund	350,093,000	317,366,000	317,366,000	317,366,000	317,366,000	-32,727,000	.....	.....	.....
Nonprofit sponsor assistance (limitation on direct loans)	(1,069,000)	(530,000)	(1,100,000)	.....	(1,100,000)	(+31,000)	(+570,000)	.....	(+1,100,000)
Drug elimination grants for low-income housing	.....	150,000,000	100,000,000	150,000,000	150,000,000	+150,000,000	.....	+50,000,000	.....
Government National Mortgage Association									
Guarantees of mortgage-backed securities (limitation on guaranteed loans)	(81,713,500,000)	(80,000,000,000)	(80,000,000,000)	(80,000,000,000)	(80,000,000,000)	(-1,713,500,000)	.....	.....	.....
Total, Housing Programs (net)	11,279,984,000	17,392,004,700	22,079,106,400	20,821,276,400	19,632,476,400	+8,352,512,400	+2,240,471,700	-2,446,630,000	-1,188,800,000
Homeless Assistance									
Emergency shelter grants program	73,164,000	71,285,000	75,000,000	73,164,000	73,164,000	.....	+1,879,000	-1,836,000	.....
Transitional and supportive housing demonstration program	126,825,000	143,592,000	150,000,000	143,592,000	150,000,000	+23,175,000	+6,408,000	.....	+6,408,000
Supplemental assistance for facilities to assist the homeless	10,830,000	161,000,000	15,000,000	11,263,000	11,263,000	+433,000	-149,737,000	-3,737,000	.....
Section 8 moderate rehabilitation: Single room occupancy	73,185,000	49,571,300	100,000,000	105,000,000	105,000,000	+31,815,000	+55,428,700	+5,000,000	.....
Total, Homeless Assistance	284,004,000	425,448,300	340,000,000	333,019,000	339,427,000	+55,423,000	-86,021,300	-573,000	+6,408,000
Community Planning and Development									
Community development grants	2,926,514,000	2,756,000,000	3,000,000,000	3,200,000,000	3,200,000,000	+273,486,000	+444,000,000	+200,000,000	.....
(Limitation on guaranteed loans)	(141,768,000)	.....	(140,000,000)	(250,000,000)	(250,000,000)	(+108,232,000)	(+250,000,000)	(+110,000,000)	.....
Urban development action grants (rescission)	-11,450,000	-10,000,000	.....	.....	.....	+11,450,000	+10,000,000	.....	.....
Urban homesteading	12,995,000	50,000,000	15,000,000	13,000,000	13,000,000	+5,000	-37,000,000	-2,000,000	.....
Total, Community Planning and Development	2,928,059,000	2,796,000,000	3,015,000,000	3,213,000,000	3,213,000,000	+284,941,000	+417,000,000	+198,000,000	.....
Policy Development and Research									
Research and technology	20,426,000	23,000,000	30,000,000	27,000,000	28,500,000	+8,074,000	+5,500,000	-1,500,000	+1,500,000
(By transfer)	.....	(25,000,000)	.....	.....	.....	.....	(-25,000,000)	.....	.....
Fair Housing and Equal Opportunity									
Fair housing activities	12,410,000	12,200,000	12,200,000	12,410,000	12,410,000	.....	+210,000	+210,000	.....

Departments of Veterans Affairs and Housing and Urban Developement, and Independent Agencies, 1991 (H.R. 5158)

	FY 1990	FY 1991				Conference compared with			
	Enacted	Estimate	House	Senate	Conference	Enacted	Estimate	House	Senate
Management and Administration									
Salaries and expenses	345,407,000	426,124,000	426,124,000	432,000,000	429,500,000	+84,093,000	+3,376,000	+3,376,000	-2,500,000
(By transfer, limitation on FHA corporate funds)	(385,859,000)	(380,342,000)	(380,342,000)	(396,000,000)	(396,000,000)	(+10,341,000)	(+15,658,000)	(+5,658,000)	.....
Office of Inspector General	23,795,000	29,283,000	29,283,000	29,283,000	29,283,000	+5,488,000	.....	.....	.....
(By transfer, limitation on FHA corporate funds)	(6,391,000)	(8,557,000)	(8,557,000)	(10,000,000)	(10,000,000)	(+3,609,000)	(+1,443,000)	(+1,443,000)	.....
Total, title II, Department of Housing and Urban Development:									
New budget (obligational) authority (net)	14,894,065,000	21,104,080,000	25,931,713,400	24,887,988,400	23,684,596,400	+8,790,531,400	+2,580,536,400	-2,247,117,000	-1,183,392,000
Appropriations	(14,851,782,000)	(21,175,955,000)	(25,777,044,400)	(25,150,363,400)	(23,986,971,400)	(+9,115,189,400)	(+2,791,016,400)	(-1,810,073,000)	(-1,183,392,000)
Authority to borrow	(412,969,000)	(220,480,000)	(437,044,000)	.....	.....	(-412,969,000)	(-220,480,000)	(-437,044,000)	.....
Rescissions	(-370,886,000)	(-292,375,000)	(-282,375,000)	(-282,375,000)	(-282,375,000)	(+88,311,000)	(+10,000,000)	.....	.....
(By transfer)	.....	(182,000,000)	(70,000,000)	.....	.....	.....	(-182,000,000)	(-70,000,000)	.....
(Limitation on annual contract authority, indefinite)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	.....	.....	.....	.....
(Limitation on direct loans)	(560,960,000)	(434,198,000)	(643,795,000)	(151,125,000)	(152,225,000)	(-408,735,000)	(-281,973,000)	(-491,570,000)	(+1,100,000)
(Limitation on guaranteed loans)	(155,692,768,000)	(155,000,000,000)	(155,140,000,000)	(155,250,000,000)	(155,250,000,000)	(-442,768,000)	(+250,000,000)	(+110,000,000)	.....
(Limitation on corporate funds to be expended)	(392,050,000)	(388,899,000)	(398,899,000)	(406,000,000)	(406,000,000)	(+13,950,000)	(+17,101,000)	(+7,101,000)	.....
TITLE III									
INDEPENDENT AGENCIES									
American Battle Monuments Commission									
Salaries and expenses	16,032,000	15,402,000	15,900,000	15,402,000	15,900,000	-132,000	+498,000	.....	+498,000
Commission on National and Community Service									
Salaries and expenses	.....	.....	.....	2,000,000	2,000,000	+2,000,000	+2,000,000	+2,000,000	.....
Program activities	.....	.....	.....	98,000,000	55,000,000	+55,000,000	+55,000,000	+55,000,000	-43,000,000
Consumer Product Safety Commission									
Salaries and expenses	35,147,000	35,609,000	37,109,000	36,709,000	37,109,000	+1,962,000	+1,500,000	.....	+400,000
Court of Veterans Appeals									
Salaries and expenses	3,893,000	9,560,000	9,560,000	4,127,000	7,481,000	+3,588,000	-2,079,000	-2,079,000	+3,354,000
Department of Defense - Civil									
Cemeterial Expenses, Army									
Salaries and expenses	12,374,000	12,236,000	12,236,000	12,236,000	12,236,000	-138,000	.....	.....	.....
Environmental Protection Agency									
Salaries and expenses	864,409,000	999,700,000	995,000,000	949,700,000	974,700,000	+110,291,000	-25,000,000	-20,300,000	+25,000,000
Office of Inspector General	30,903,000	38,709,000	37,000,000	33,709,000	37,000,000	+6,097,000	-1,709,000	.....	+3,291,000
Research and development	229,820,000	249,000,000	254,900,000	249,000,000	254,900,000	+25,080,000	+5,900,000	.....	+5,900,000
Abatement, control, and compliance	798,434,000	865,300,000	1,006,525,000	965,300,000	1,006,525,000	+208,091,000	+141,225,000	.....	+21,225,000
Buildings and facilities	14,852,000	13,000,000	34,000,000	19,000,000	40,000,000	+25,348,000	+27,000,000	+6,000,000	+21,000,000
Subtotal, operating programs	1,938,218,000	2,165,709,000	2,327,425,000	2,236,709,000	2,313,125,000	+374,907,000	+147,416,000	-14,300,000	+76,416,000
Hazardous substance superfund	1,530,228,000	1,740,000,000	1,610,200,000	1,616,228,000	1,616,228,000	+86,000,000	-123,772,000	+6,028,000	.....
(Limitation on administrative expenses)	(213,825,000)	(230,000,000)	(233,000,000)	(233,000,000)	(233,000,000)	(+19,175,000)	(+3,000,000)	.....	.....
Leaking underground storage tank trust fund	74,097,000	75,000,000	75,000,000	65,000,000	65,000,000	-9,097,000	-10,000,000	-10,000,000	.....
(Limitation on administrative expenses)	(5,834,000)	(6,000,000)	(6,000,000)	(6,000,000)	(6,000,000)	(+166,000)	.....	.....	.....
Construction grants	1,991,720,000	1,800,000,000	2,000,000,000	2,100,000,000	2,100,000,000	+108,280,000	+300,000,000	+100,000,000	.....
Rescission	-47,700,000	.....	.....	.....	.....	+47,700,000	.....	.....	.....
Total, Environmental Protection Agency (net)	5,486,563,000	5,580,709,000	6,012,625,000	6,017,937,000	6,094,353,000	+607,790,000	+513,644,000	+81,728,000	+76,416,000

Departments of Veterans Affairs and Housing and Urban Developement, and Independent Agencies, 1991 (H.R. 5158)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimate	Conference compared with House	Conference compared with Senate
Executive Office of the President									
Council on Environmental Quality and Office of Environmental Quality	1,465,000	2,780,000	2,780,000	1,465,000	1,873,000	+408,000	-907,000	-907,000	+408,000
National Space Council	983,000	1,363,000	1,000,000	1,363,000	1,363,000	+380,000	.....	+363,000	.....
Office of Science and Technology Policy	2,829,000	3,300,000	3,300,000	3,560,000	3,560,000	+731,000	+260,000	+260,000	.....
Points of Light Foundation	.....	.....	.....	5,000,000	5,000,000	+5,000,000	+5,000,000	+5,000,000	.....
Total, Executive Office of the President	5,277,000	7,443,000	7,080,000	11,388,000	11,796,000	+6,519,000	+4,353,000	+4,716,000	+408,000
Federal Emergency Management Agency									
Disaster relief	1,248,450,000	270,000,000	100,000,000	.....	.....	-1,248,450,000	-270,000,000	-100,000,000	.....
Salaries and expenses	138,572,000	143,334,000	143,459,000	143,000,000	143,000,000	+4,428,000	-334,000	-459,000	.....
Office of Inspector General	2,563,000	3,905,000	3,905,000	2,751,000	3,351,000	+788,000	-554,000	-554,000	+600,000
Emergency management planning and assistance	270,643,000	277,042,000	275,423,000	267,042,000	282,624,000	+11,981,000	+5,582,000	+7,201,000	+15,582,000
Emergency food and shelter program	130,092,000	124,991,000	134,000,000	134,000,000	134,000,000	+3,908,000	+9,009,000	.....	.....
Total, Federal Emergency Management Agency	1,790,320,000	819,272,000	656,787,000	546,793,000	562,975,000	-1,227,345,000	-256,297,000	-93,812,000	+16,182,000
General Services Administration									
Consumer Information Center	1,339,000	1,540,000	1,540,000	1,540,000	1,540,000	+201,000	.....	.....	.....
(Limitation on administrative expenses)	(2,052,000)	(2,172,000)	(2,172,000)	(2,172,000)	(2,172,000)	(+120,000)	.....	.....	.....
Department of Health and Human Services									
Office of Consumer Affairs	1,834,000	1,889,000	1,889,000	1,964,000	1,964,000	+130,000	+75,000	+75,000	.....
Interagency Council on the Homeless									
Salaries and expenses	1,083,000	1,214,000	1,214,000	1,083,000	1,083,000	.....	-131,000	-131,000	.....
National Aeronautics and Space Administration									
Research and development	5,227,776,000	7,074,000,000	7,027,994,000	5,600,000,000	6,023,600,000	+795,824,000	-1,050,400,000	-1,004,394,000	+423,600,000
Space flight, control and data communications	4,550,715,000	6,499,132,000	6,530,351,000	6,319,132,000	6,334,132,000	+1,783,417,000	-165,000,000	-196,219,000	+15,000,000
Portion applied to debt reduction	.....	-1,209,732,000	-1,209,732,000	-1,209,732,000	-1,209,732,000	-1,209,732,000	.....	.....	.....
Construction of facilities	443,960,000	497,900,000	485,000,000	497,900,000	497,900,000	+53,940,000	.....	+12,900,000	.....
Research and program management	1,990,464,000	2,252,900,000	1,446,212,000	2,232,900,000	2,211,900,000	+221,436,000	-41,000,000	+765,688,000	-21,000,000
Office of Inspector General	8,659,000	11,000,000	10,500,000	11,000,000	10,500,000	+1,841,000	-500,000	.....	-500,000
Total, National Aeronautics and Space Administration	12,221,574,000	15,125,200,000	14,290,325,000	13,451,200,000	13,868,300,000	+1,646,726,000	-1,256,900,000	-422,025,000	+417,100,000
National Commission on American Indian, Alsaka Native, and Native Hawaiian Housing									
Salaries and expenses	500,000	.....	.....	.....	.....	-500,000	.....	.....	.....
National Commission on Severely Distressed Public Housing									
Salaries and expenses	2,000,000	.....	.....	.....	.....	-2,000,000	.....	.....	.....
National Credit Union Administration									
Central liquidity facility:									
Community development credit union revolving loan fund (transfer to Neighborhood Reinvestment Corporation)	.....	(-6,605,000)	.....	.....	.....	.....	(+6,605,000)	.....	.....
(Limitation on direct loans)	(590,700,000)	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	(+9,300,000)	.....	.....	.....
(Limitation on administrative expenses, corporate funds)	(851,000)	(893,000)	(893,000)	(893,000)	(893,000)	(+42,000)	.....	.....	.....
National Institute of Building Sciences									
Payment to the National Institute of Building Sciences	492,000	.....	250,000	.....	.....	-492,000	.....	-250,000	.....

Departments of Veterans Affairs and Housing and Urban Developement, and Independent Agencies, 1991 (H.R. 5158)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with Enacted	Conference compared with Estimate	Conference compared with House	Conference compared with Senate
m									
National Science Foundation									
Research and related activities	1,702,411,000	1,954,000,000	1,854,000,000	1,744,650,000	1,694,200,000	-8,211,000	-259,800,000	-159,800,000	-50,450,000
Program development and management (limitation on administrative expenses)	(96,383,000)	(102,500,000)	(100,000,000)	.....	.....	(-96,383,000)	(-102,500,000)	(-100,000,000)	.....
Academic research facilities	19,690,000	.....	20,000,000	20,478,000	20,478,000	+788,000	+20,478,000	+478,000	.....
Program development and management	.....	.....	.....	99,000,000	101,000,000	+101,000,000	+101,000,000	+101,000,000	+2,000,000
United States Antarctic Program activities	71,953,000	175,000,000	100,000,000	100,000,000	100,000,000	+28,047,000	-75,000,000	.....	.....
United States Antarctic logistical support activities	79,729,000	.....	75,000,000	75,000,000	75,000,000	-4,729,000	+75,000,000	.....	.....
Education and human resources activities	204,265,000	251,000,000	285,000,000	322,350,000	322,350,000	+118,085,000	+71,350,000	+37,350,000	.....
Office of Inspector General	2,560,000	3,000,000	3,000,000	2,714,000	3,000,000	+440,000	.....	.....	+286,000
Total, National Science Foundation	2,080,608,000	2,383,000,000	2,337,000,000	2,364,192,000	2,316,028,000	+235,420,000	-66,972,000	-20,972,000	-48,164,000
Neighborhood Reinvestment Corporation									
Payment to the Neighborhood Reinvestment Corporation	26,554,000	17,895,000	24,500,000	25,554,000	25,554,000	-1,000,000	+7,659,000	+1,054,000	.....
(By transfer)	.....	(6,605,000)	.....	.....	.....	.....	(-6,605,000)	.....	.....
Selective Service System									
Salaries and expenses	25,905,000	26,635,000	26,635,000	26,635,000	26,635,000	+730,000	.....	.....	.....
Total, title III, Independent Agencies:									
New budget (obligational) authority (net)	21,711,495,000	24,037,604,000	23,434,650,000	22,816,760,000	23,039,954,000	+1,328,459,000	-997,650,000	-394,696,000	+423,194,000
Appropriations	(21,759,195,000)	(25,247,336,000)	(24,644,382,000)	(23,826,492,000)	(24,249,686,000)	(+2,490,491,000)	(-997,650,000)	(-394,696,000)	(+423,194,000)
Rescission	(-47,700,000)	.....	.....	.....	.....	(+47,700,000)	.....	.....	.....
(Limitation on administrative expenses)	(318,094,000)	(340,672,000)	(341,172,000)	(241,172,000)	(241,172,000)	(-76,922,000)	(-99,500,000)	(-100,000,000)	.....
(Limitation on direct loans)	(590,700,000)	(600,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	(+9,300,000)	.....	.....	.....
(Limitation on corporate funds to be expended)	(851,000)	(893,000)	(893,000)	(893,000)	(893,000)	(+42,000)	.....	.....	.....
TITLE IV									
CORPORATIONS									
Federal Deposit Insurance Corporation:									
FSLIC Resolution Fund 1/	4,962,000,000	22,000,000,000	2,915,744,000	4,398,000,000	22,000,000,000	+17,038,000,000	.....	+19,084,256,000	+17,602,000,000
Portion applied to debt reduction	-4,962,000,000	-22,000,000,000	-2,915,744,000	-4,398,000,000	-22,000,000,000	-17,038,000,000	.....	-19,084,256,000	-17,602,000,000
Resolution Trust Corporation: Office of Inspector General	.....	10,785,000	10,785,000	10,785,000	10,785,000	+10,785,000	.....	.....	.....
Total, title IV, Corporations	.....	10,785,000	10,785,000	10,785,000	10,785,000	+10,785,000	.....	.....	.....
Grand total:									
New budget (obligational) authority (net)	66,318,628,000	76,177,418,000	80,659,240,400	78,587,029,400	78,008,971,400	+11,690,343,400	+1,831,553,400	-2,650,269,000	-578,058,000
Appropriations	(66,324,045,000)	(77,459,045,000)	(81,714,303,400)	(80,079,136,400)	(79,501,078,400)	(+13,177,033,400)	(+2,042,033,400)	(-2,213,225,000)	(-578,058,000)
Authority to borrow	(412,969,000)	(220,480,000)	(437,044,000)	.....	.....	(-412,969,000)	(-220,480,000)	(-437,044,000)	.....
Rescissions	(-418,386,000)	(-292,375,000)	(-282,375,000)	(-282,375,000)	(-282,375,000)	(+136,011,000)	(+10,000,000)	.....	.....
(By transfer)	.....	(182,000,000)	(70,000,000)	.....	.....	.....	(-182,000,000)	(-70,000,000)	.....
(Limitation on administrative expenses)	(361,546,000)	(385,092,000)	(385,592,000)	(285,592,000)	(285,592,000)	(-75,954,000)	(-99,500,000)	(-100,000,000)	.....
(Limitation on annual contract authority, indefinite)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	(-2,000,000)	.....	.....	.....	.....
(Limitation on direct loans)	(1,152,645,000)	(1,035,198,000)	(1,244,795,000)	(752,125,000)	(753,225,000)	(-399,420,000)	(-281,973,000)	(-491,570,000)	(+1,100,000)
(Limitation on guaranteed loans)	(155,692,768,000)	(155,000,000,000)	(155,140,000,000)	(155,250,000,000)	(155,250,000,000)	(-442,768,000)	(+250,000,000)	(+110,000,000)	.....
(Limitation on corporate funds to be expended)	(392,901,000)	(389,792,000)	(399,792,000)	(406,893,000)	(406,893,000)	(+13,992,000)	(+17,101,000)	(+7,101,000)	.....

1/ Budget request, current indefinite authority, originally estimated to be $2,915,744,000. House and Senate recommendation at level estimated at time of passage.

Mr. Speaker, I reserve the balance of my time.

Mr. WHITTEN. Madam Speaker, I join the subcommittee chairman, BOB TRAXLER, in commending my colleagues on the VA-HUD Subcommittee for the work done in reaching this conference agreement.

This is a very important bill. It provides funds to meet the needs of our veterans, for housing, for the National Science Foundation, and the National Aeronautics and Space Administration.

Madam Speaker, if we are to retain our leadership role in the world, it is more important than ever to continue making research investments that will provide direct and indirect benefits to the Nation.

Madam Speaker, the bill includes funds for the advanced solid rocket motor program to increase the level of effort associated with the development of new rocket motors needed for use in our space program. Facilities to produce this advanced motor, needed for improved safety and to provide additional thrust, are located at Yellow Creek, MS.

Madam Speaker, this is a good agreement and I urge it be adopted.

Mr. GREEN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I join the distinguished chairman of our appropriations subcommittee in commending this conference report to the House. I should point out that while the bill and budget authority is substantially above last year's, well over 50 percent of that is caused by the need to renew expiring section 8 housing contracts, a need which was recognized by the President in his budget request.

I should also point out that in outlays, and outlays are, of course, the crucial number in determining the fiscal year 1991 deficit, this bill, because of its 302(b) limitation, is almost $1 billion below the Presidential request for the agencies covered in this bill.

I think those who would say that it is the Committee on Appropriations that is responsible for our budget deficits should look at the Presidential request, look at this bill, which is $1 billion less in outlays, and I think they may change their minds.

Not everything in this bill is as I would have had it. The House, for example, had initiated a program for the synthetic aperture radar, which I consider an integral part of Mission to Planet Earth, and very much necessary if we are to get good Earth data for use in determining what is going on in terms of global climate and global warming. Unfortunately, the Senate conferees viewed the SAR as something apart from the rest of the Earth observation program, something with which I disagree. However, having authorized a start on the EOS and having authorized a start on CRAF/Cassini, they were not prepared to start also the SAR. It is my hope that we shall review the matter further next year.

But having expressed that concern, let me assure my colleagues that I think this is an excellent bill. I think it meets our obligations to our veterans. I think, in terms of keeping up our stock of federally assisted housing, it makes a major stride forward. It expands NASA's activities very substantially, although not as much as the President requested, and similarly it expands funding for the National Science Foundation.

I think it is a good bill that we bring to the House, and I urge my colleagues to adopt the conference report.

Madam Speaker, I yield 3 minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Madam Speaker, this conference report contains funding for NASA and for the National Aerospace Plane Program.

The administration asks for $119 million for NASA funding, the portion of the national aerospace plane for fiscal year 1991, and the House appropriated $114 million. The Senate appropriated $75 million, and the conference agreed to an appropriation of $90 million.

Madam Speaker, I am pleased that there is money for the National Aerospace Program in this report. I am not pleased, however, at the level of funding.

There is not one who more carefully watches the use of Federal dollars than myself. I strongly support the national aerospace plane and feel that it is totally consistent with my fiscal conservatism.

□ 1410

The National Aerospace Plane Program is vital to our country if we are to remain the number one aerospace power. It means the health or the demise of our aerospace program industry.

One of the few American industries which still export products, an American industry that directly helps our balance of payments, and is essential to our national economic well-being. If we are to remain a real power, we must assure that our aerospace industry remains healthy and predominant.

Madam Speaker, the National Aerospace Plane Program's purpose is to research and build two experimental aircraft that will be capable of taking off from a runway and flying directly into orbit. This will ensure the United States has the ability to inexpensively put payloads into orbit in the years to come. It will revolutionize our civilian, military, and commerical space activities. Second, NASP will provide the United States with the capability of building and flying hypersonic aircraft. This capability, and the technological spinoffs the NASP program has already generated, will be to our aerospace industry tomorrow what jet engines are to our aerospace industry today.

A newly united Germany is pursuing its own version of the National Aerospace Plane Program, Mr. Speaker, as are the Japanese and the Soviets. Are we to buy from them in the early 21st century? Or shall we make a small, prudent investment now to forstall technological bankruptcy later?

Mr. Speaker, I am very happy there is money for NASP in this bill. I would be much happier if the other body and the conferees had seen fit to fund the program at the level requested. Our leadership in this vital industry is in the balance. Let Members commit ourselves to policies and funding that will not just get us beyond today's budget crunch but ensure America's prosperity and peace tomorrow.

Mr. TRAXLER. Madam Speaker, I yield 1 minute to the distinguished gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Madam Speaker, I just want to take this minute to thank the chairman of the subcommittee, the ranking member of the subcommittee.

About 40 years ago, a veterans' hospital was built in the State of Delaware. It was, and is, the only VA facility or hospital in the State of Delaware. Today that hospital serves veterans from Delaware, Maryland, from Pennsylvania, and southern New Jersey.

When the hospital was built, some 40 years, it was built to provide service to 25,000 veterans per year on an outpatient basis. Twenty-five thousand a year. This year, that same hospital will serve more than 75,000 veterans, an increase of over threefold. Our hospital needs a new clinic, a new clinical addition. It has for many years, a need long acknowledged by both VA officials in Delaware and in Washington, as well as by veterans throughout the Delaware Valley and the Delmarva Peninsula.

A year ago, a million dollars was appropriated to conclude preliminary planning for clinical addition. This conference report will make available another $3.2 million for design and site preparation. I just want to again express my gratitude upon behalf of all veterans of Delaware, southern New Jersey, Pennsylvania, and Maryland, who will have the opportunity to use this facility. I want to say thank you for taking this step today to eventually upgrade and put in place the kind of out-patient service that our veterans deserve.

Mr. GREEN of New York. Madam Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Madam Speaker, I rise in opposition to the conference report of HUD and independent agencies appropriations conference report.

In doing that, in rising in opposition, I want to say up front that the conference report is not all bad. It is not all wrong. I believe that the conferees, and on the House side have done a good job in many areas in terms of emphasizing what is important and deleting what is not so important, or indeed what is harmful.

As the gentleman from New York [Mr. GREEN] said, much of the increase in funding for this is designed to replenish expiring certificates that are otherwise expiring, in order to maintain current services, have to be reauthorized. Much of the money in here is designed to provide for the preservation of units that are otherwise expiring.

Much of the money in here is for tenant choice and for resident management. However, this committee report goes in the wrong direction in several key areas in housing.

First, it provides for the construction of 10,000 new units of public housing at a cost of three-quarters of a billion dollars. That is an increase over what we have been doing the prior years. Frankly, that represents a commitment to the past and not to the future. The construction of public housing, of housing that the Government built and owns and tells people if they want our assistance they have to live there is a step in the wrong direction. It is a step to the last plantation in America's housing policies.

I think the authorizing committees will go in the other direction in 1990. Second, this is $1.8 billion over the President's request, in his budget authority. By going over the President's request in budget authority, that builds in budget outlays in future years. Therefore, it is not a meaningless figure, and it is not money we do not have to spend.

Third and most important, the conference report, particularly in the area of housing in amendment No. 18, is replete with pork barrel politics, with politics as usual, in which, in fact, its politics at worst. This pork barrel of amendment No. 18 which will be debated on separately, its $54 million that is taken away from the poorest of the poor, taken away from money that could otherwise be used for rehabilitation or resident ownership or tenant-based certificates, and allow people to live where they want to with Federal assistance. Amendment No. 18, which we will debate later, takes $54 million and places it in the hands of special interests, pork barrelers. Some projects, no doubt, are good. Some are not so good. However, what they all have in common, they are not in this expenditure because of their merit. They are in this committee report, they are in amendment No. 18 exclusively because somebody knew somebody else, and it could make its way by name, by designation, by special interests, directly into congressional allocation.

I call the attention of the Members, when we get to amendment No. 18, the specifics of the $54 million that has been placed in virtually every section of the country, projects that are not authorized, they are not appropriated by the housing authorizing legislation, they have not been completed. We do not know if they are the best or the worst. They simply spend money.

Mr. TRAXLER. Madam Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Madam Speaker, I thank the gentleman for yielding.

First, I want to commend the gentleman for the conference report and the work that has gone into it. I particularly am grateful and would like to thank on behalf of my constituents in San Francisco for the gentleman's work in including language which will remove obstacles, bureaucratic obstacles to our recovery in San Francisco, as the gentleman's committee oversees FEMA, the Federal Emergency Management Agency. I want to thank the gentleman for that.

I would like to engage the gentleman in colloquy.

As the gentleman knows, many federally assisted mortgage housing units are threatened by the prepayment issue. The preservation issue is addressed in our Housing authorization which this conference was just completed on. In your conference report, the gentleman says the conferees, that is, the Appropriations Committees, have agreed to include language setting up $200 million of loan management funds to be available for the new preservation activities as provided for in the conference agreement on the Housing authorization bill. The conferees urge the Department to give a high priority to implementing the prepayment provisions of the Housing authorization bill when it is enacted into law.

Is it the gentleman from Michigan, Mr. TRAXLER's understanding that nonprofit organizations, including State and local housing agencies, may have access to the loan management units in fiscal year 1991?

Mr. TRAXLER. Madam Speaker, if the gentlewoman will yield, the gentlewoman is correct. That would be the intention of the committee.

Furthermore, should the agency send up a reprogramming request, we would look with favor upon that. I think the gentlewoman for inquiring.

Ms. PELOSI. Madam Speaker, I thank the gentleman for his answer and for his sensitivity on this issue, which many people are threatened by the prepayment issue. I know these people will be comforted by the gentleman's answer and his leadership on his issue.

Mr. GREEN of New York. Madam Speaker, I yield 2 minutes to my colleague, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Madam Speaker, as a former ranking member of the Committee on Veterans' Affairs, I want to take a moment on behalf of the entire membership to thank our leader, the gentleman from Michigan [Mr. TRAXLER], the chairman of the subcommittee, and certainly the gentleman from New York [Mr. GREEN], the ranking Republican, and their subcommittee, as well as the gentleman from Mississippi [Mr. MONTGOMERY], and the gentleman from Arizona [Mr. STUMP] of the authorizing committee for the great job they really do in trying to adequately fund our veterans' benefit programs.

Today, the crisis in the Persian Gulf is a stark reminder of the vital role played by our men and women in uniform. Our commitment to these servicemen must never end.

Veterans have paid the price for the freedoms all Americans enjoy. Our veterans have also earned the benefits that they receive, including the benefit of a final resting place. I was very pleased that, at my request, the committee restored the funding, which had been dropped by the Senate, for a national veterans cemetery in the capital district of New York.

Several years ago I authored legislation requiring the Veterans' Administration to develop a report for Congress of those areas of the country most in need of additional veterans' burial space. This report listed the Albany area as 1 of the 10 regions of the country in greatest need of a national veterans cemetery.

As a result of the report and in my position as ranking member of the Veterans' Affairs Committee, I was able to ensure the initial Federal funding for a capital district cemetery. This included the $250,000 approved by the Congress in 1988 for an environmental impact statement to help locate the best site for the cemetery. Today, we move even closer to making this cemetery a reality with the $1,450,000 in this conference report for the final planning and purchase of property for the cemetery.

On behalf of the veterans in the capital district I would again thank my friends and colleagues on the committee for their support of my request.

Mr. TRAXLER. Madam Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I have got more of the hard-hitting rhetoric that we just heard from the gentleman from New York. I guess we will have to apologize for being a little boring on this, but the subcommittee has done such a very good job that there is no basis for more interesting rhetoric.

I want to say particularly as a member of the Subcommittee on Housing of the Committee on Banking that I am very appreciative to the chairman and the ranking member for the cooperative spirit with which we have been able to work. As the gentleman from Texas has mentioned, there are a number of problems, the expiring section 8 certificates, the preservation of housing that has a right of prepayment in the subsidized area. There are some fairly complicated issues, and I think the working relationship that has evolved under the gentleman from Texas, the gentleman from Ohio, and the gentleman from Michigan and the gentleman from New York has really been a model of how an authorizing committee and an appropriating committee should work together.

We have come forward now with a noncontroversial appropriation. We are going to come to the floor in a day or two with a housing authorization bill which is going to be very widely supported. Those things obviously do not happen by accident. We are, I think, putting the Federal Government back in the business of helping these housing needs in a responsible, cost-efficient way, that fully complies with the budget restrictions that we have got.

Many of us, I know the chairman of the subcommittee and the chairman of the full committee and myself would like to be able to do more. We look forward to being able to do more when we can get America's spending priorities back in order, when we can stop pretending that the Russians are about to invade Western Europe, and pull back some of that money. Until then, I think we have done as good a job as can be done, and I want to express my gratitude to the chairman and to the other members of the subcommitte for the cooperative spirit with which we have been able to work.

Mr. GREEN of New York. Madam Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

Mr. WELDON. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I rise today in strong support of this conference report and to pay special thanks to my good friend and chairman, the gentleman from Michigan [Mr. TRAXLER], and the ranking member, the gentleman from New York [Mr. GREEN] for one part of this conference report dealing with FEMA, the Federal Emergency Management Agency, and specifically how we treat the Nation's 2 million active fire and emergency responders.

For the past 10 years in this country, we in the Congress and the administration have not been as supportive of America's first responders as we should have been.

This committee has been very aggressive in trying to correct those changes and working with the authorizing committee, chaired by the gentleman from Pennsylvania [Mr. WALGREN] and the ranking member, the gentleman from New York [Mr. BOEHLERT]. We have made significant improvements in the last couple years.

This particular bill goes to great lengths to restore funding that had been cut out both by the administration and through the process to bring the National Fire Academy and the U.S. Fire Administration back up to its correct level.

In addition and perhaps more importantly, it corrects the No. 1 problem that we identified on behalf of the 2 million emergency responders in this country in relation to the administrative operation of the U.S. Fire Academy.

Amendment No. 95 in disagreement with the Senate, to which the House is going to recede, will allow us to restore the National Fire Academy to its appropriate place under the full and complete jurisdiction of the U.S. Fire Administration, which was the original intent of this institution.

Madam Speaker, I applaud the chairman of the subcommittee for that action and I applaud the ranking member. They have clearly sent a major signal to the 2 million men and women in this country who have been frustrated by this change over the last 5 years, that we are about to correct it once and for all.

I thank them for that particular action and I thank the House for its attention to the concerns of the Nation's emergency responders.

GENERAL LEAVE

Mr. TRAXLER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on the conference report on H.R. 5158, as well as the Senate amendments reported in disagreement, and that I may include tables, charts, and other extraneous material in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CONTE. Mr. Speaker, I rise in support of the conference report on H.R. 5158, a bill making fiscal year 1991 appropriations for the Departments of Veterans Affairs, Housing and Urban Development, and sundry independent agencies.

Mr. Speaker, the VA–HUD bill dramatizes the difficulty faced by the Appropriations Committee in balancing competing interests during an era of dwindling resources. From recovery of underground storage tanks to distant space exploration, this bill does it all. This bill funds consumer information catalogs, veterans grave markers, Superfund cleanups, product safety guidelines, VA hospitals, homeless shelters, community centers, gigantic space toys, science and math education grants, battle monuments, a draft registration apparatus, and much, much more.

This bill is all about prioritizing and making tough choices. And on balance, I believe that the subcommittee has done an excellent job discharging a most difficult task. I congratulate the gentleman from Michigan, my close and dear friend, the Honorable BOB TRAXLER. The distinguished and courteous gentleman has exercised wisdom and fairness in crafting a package that merits the support of this entire body. I would also like to commmend my esteemed and eminent colleague, the honorable gentleman from New York, Mr. BILL GREEN. The gentleman possesses one of the greatest intellects to ever serve this body, and his dedicated efforts on behalf of this bill have been indispensable.

Mr. Speaker, time and compassion prohibit me from commenting on all of the particulars of this $78 billion package. But I would like to make a few observations on programs and projects of special personal interest. First, the committee on conference has done an outstanding job protecting the health of our veterans. The bill allocates $12.3 billion for VA medical care, nearly $900 million more than last year's level and $83 million more than requested by the administration. The conferees accepted my amendment to the bill providing an additional $6 million for services at long-term psychiatric care hospitals. These institutions often represent the forgotten orphans of the VA hospital system, and I am proud that our committee has taken action to protect these critical hospitals. The VA appropriation will permit one such hospital, the Leeds Northampton VA Medical Center in my district, to expand its compensated work therapy program. This program facilitates the deinstitutionalization of patients and eases their transition to happy and productive lives.

I am also very pleased that the committee on conference adopted the House provision of the bill appropriating $20 million for the continuing effort to clean up Boston Harbor. This appropriation keeps the Federal Government right on track to meet, by 1992, its commitment to the project under the Clean Water Act. This appropriation, along with the $600 million increase over last year's level for the EPA, sends the clear signal that environmental protection and restoration must remain one of our Government's top priorities.

I am concerned, Mr. Speaker, that the conference report does not include the full amount requested for the Council on Environmenal Quality. CEQ is a tiny blip in the scheme of this bill. At $1.87 million, the appropriation for CEQ represents about two one-thousandths of 1 percent of new spending

contained in this bill. It occurs to me that some of the multibillion appropriations in this bill, such as the one finding NASA's space alien search, would not have suffered too greatly by sacrificing the additional $900,000 required to expand the CEQ staff and institute an environmental awards program. The CEQ is the voice of environmental policy at the White House. That voice needs to be louder; it should not be muffled.

Mr. Speaker, it has come to my attention that some Members are disappointed in the appropriation for NASA, $13.88 billion. I would note that this allocation, although less than requested by the administration, represents an increase of more than $1.65 billion over last year's level. In this time of fiscal restraint, most agencies would be happy with a 14-percent increase, and I feel that NASA has been treated generously.

I am very worried, however, about the future threat that space programs pose to the other important programs funded by this bill. If NASA constructs a space station costing over $30 billion; builds a $30 billion Earth observing system; and finances a trip to Mars, then we will have some pretty serious bills coming due when those projects reach the construction phase.

As we expect a very small rate of increase in the subcommittee's allocation over the next few years, we won't be able to pay those bills without making devastating cuts in programs for the homeless, for our Nation's veterans, and for environmental protection. The exploration of space is a noble pursuit, but to scout space at the expense of people on Earth is folly.

Finally, Mr. Speaker, I congratulate the subcommittee on its fine work in providing for the housing needs of the homeless and low-income residents of this Nation. The conference report includes the $7.7 billion needed to renew expiring section 8 subsidy contracts and maintain housing assistance currently provided to our poor. In addition, the report contains $339 million for homeless assistance, $55 million more than provided last year. I congratulate and commend my colleagues for their compassion.

Mr. Speaker, I thank the House for its indulgence and urge my colleagues to vote "aye."

Mr. HOLLOWAY. Mr. Speaker, I rise in support of the conference report to accompany H.R. 5158, Department of Veterans Affairs, HUD, and independent agencies appropriations for 1991.

Although I do not have the privilege of serving on the Appropriations Committee, the very first bill I introduced into the Congress is a part of this huge appropriations bill. This legislation contains a very small $25,000 for an environmental assessment to determine the feasibility of expanding the VA cemetery at Alexandria, LA. This is supported by the entire Louisiana congressional delegation.

The Alexandria VA Cemetery is burying a veteran a day. There are only a few grave spaces remaining. This means that Alexandria will close out in 1991. Where will Louisiana's veteran dead go? The other veterans cemetery in Louisiana at Port Allen has the same problem. Very few spaces are left there with closing looking to be about 1992. The Houston Veterans Cemetery is over 6 hours away. The one in Natchez, MS, is also expected to close in 1991.

We must do something now. I urge my colleagues to vote in favor of H.R. 5158 to help the veterans of Louisiana, many of which are old and infirm.

I want to thank my colleague and good friend, Congresswoman LINDY BOGGS, for all of her help and assistance on this cemetery issue. The passage of this legislation—and approving this study fulfills the promise I made to Louisiana veterans when I was first elected. It helps to guarantee them a final resting place. We owe our veterans this. Please support this bill in behalf of Louisiana veterans.

Mrs. LLOYD. Mr. Speaker, I'd like to express my strong support for the conference agreement on H.R. 5158, the Departments of Veterans Affairs and Housing and Urban Development, and independent agencies appropriations bill for fiscal year 1991. I will not discuss at length the numerous excellent programs that are funded in this legislation, which includes everthing from low-income housing to veterans' health care, and the NASA programs, but I would like to make a few comments about two programs with which I have been closely associated: the section 202 Housing Program for the Elderly and Handicapped and the Congregate Housing Services Program [CHSP].

Before I comment on these two programs, I want to thank and congratulate Chairman TRAXLER for his diligent work on this bill and his commitment to improving the lives of the elderly. Last May, I testified before the Committee on Appropriations' distinguished Subcommittee on VA, HUD, and Independent Agencies and have watched their deliberations and communicated my interests to Chairman TRAXLER since then. I believe that this appropriations subcommittee has a uniquely difficult task in balancing the needs of such different constituencies and programs, and that the legislation that has come out of this conference successfully addresses the needs of low-income and elderly Americans in many important ways.

As chairman of the Subcommittee on Housing and Consumer Interests of the Select Committee on Aging, I have been advocating for the construction of more section 202 housing for the elderly and handicapped, and for increased funding for the very effective Congregate Housing Services Program [CHSP]. I am very pleased to see that the conference committee on H.R. 5158 is also committed to these housing programs which address the acute needs of low-income older and disabled individuals in our society. Suffice it to say, many programs that provide housing and supportive services should be funded at significantly higher levels, but our current budget deficit crisis precludes such action at this time.

Two of the most successful programs that HUD has administered are the 202 Housing Program and the CHSP. The section 202 program is the primary Federal financing vehicle for constructing subsidized rental housing for the elderly and handicapped. It provides loans to nonprofit organizations to build housing to meet the specific needs of older and disabled individuals. Over 200,000 units have been built since the program's inception in 1959, and as we all know, the demand for low-income housing for the elderly will continue to grow as our population ages. Frankly, we should be building a minimum of 200,000 units per year to meet the needs for such housing. Unfortunately, the number of units built each year under this 202 program has been cut by more than 50 percent since 1980, and last year the appropriations level provided for the construction of only about 8,300 units of 202 housing.

I am very pleased to see that the excellent work of Chairman TRAXLER and his colleagues in the House and Senate has led to funding for 12,000 units of 202 housing for fiscal year 1991. This increase reflects the provision in the Cranston-Gonzalez National Affordable Housing Act (S. 566), which change the nature of the 202 program from construction loans and supporting section 8 subsidies to capital advances and project rental assistance. I commend my colleagues for taking this important step toward funding the necessary housing units for low-income Americans.

Finally, Mr. Speaker, I want to thank Chairman TRAXLER for his support of expansion of the CHSP. This bill provides for $9.5 million for the CHSP, an increase of $3.7 million from last year. Funding for the CHSP has been growing very slowly over the years since its creation in 1978, yet we know that it is an extremely effective program in the prevention of unnecessary or premature institutionalization. The supportive services that this program provides to the elderly and disabled enable them to remain in their homes rather than moving into nursing homes. The quality of their lives is increased and the Federal Government and States save millions of dollars in Medicaid and Medicare expenditures.

We are fortunate to have a CHSP Program, the Orange Grove Center, in Chattanooga, TN, but this is one of only 61 sites across the Nation. The increased funding for the CHSP in H.R. 5158 will allow for new sites to be developed. This is an historic gesture and I am hopeful that it is just the beginning of a commitment to provide supportive environments for all needy older and disabled persons in Federally assisted housing. Legislation that I introduced with Representative VENTO to create a new Federal/State/local matching Congregate Housing Services Program has been incorporated into the housing authorization bill, S. 566, and we will be looking forward to working with the appropriations subcommittee next year to fund this exciting program that will save money while it improves the quality of life for many Americans.

Mr. Speaker, H.R. 5158 is a good bill. It will serve many persons with real needs. I am very hopeful that the distinguished chairman and his subcommittee will be provided with more funds in years to come to do their very difficult tasks.

Mr. GREEN of New York. Mr. Speaker, as we consider the Senate amendments to the conference agreement on H.R. 5158, I include a letter from L. William Seidman, the Chairman of the Federal Deposit Insurance Corporation. Chairman Seidman, in this letter, comments on the Senate amendment which we are today proposing that the House accept.

FEDERAL DEPOSIT INSURANCE CORPORATION, OFFICE OF THE CHAIRMAN,
Washington, DC, October 24, 1990.

Hon. HOWARD M. METZENBAUM,
U.S. Senate,
Washington, DC.

DEAR SENATOR METZENBAUM: We have reviewed your proposed legislation to require monthly reports from the Resolution Trust Corporation on the 1988 assistance agreements. We agree it is appropriate to keep the Congress informed of our progress in saving the taxpayers money on these agreements. However, we believe your amendment will not achieve this goal.

The tremendous time and effort that would be expended in producing the proposed reports should instead be directed toward renegotiating the assistance agreements. Further, our negotiations on these agreements will be based on actions we may or may not ultimately take—which options should not be known to the private sector parties. If we are required to show our hand before or during these negotiations, renegotiations of the agreements will be jeopardized.

We would not object to a requirement that we report the results of our renegotiation efforts to the Congress on a quarterly basis.

With best wishes
Sincerely,

L. WILLIAM SEIDMAN,
Chairman.

Mr. GREEN of New York. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. TRAXLER. Madam Speaker, I yield back the balance of my time, and I move the previous question on the conference report.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appear to have it.

Mr. BARTLETT. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 366, nays 32, not voting 35, as follows:

[Roll No. 495]

YEAS—366

Alexander	Boehlert	Carper
Anderson	Boggs	Carr
Andrews	Borski	Chandler
Annunzio	Bosco	Chapman
Anthony	Boucher	Clarke
Atkins	Boxer	Clay
AuCoin	Brooks	Clement
Baker	Broomfield	Clinger
Ballenger	Browder	Coble
Barnard	Brown (CA)	Coleman (MO)
Bateman	Brown (CO)	Coleman (TX)
Beilenson	Bruce	Collins
Bennett	Bryant	Conte
Bentley	Buechner	Conyers
Bereuter	Bunning	Cooper
Berman	Burton	Costello
Bevill	Bustamante	Coughlin
Bilbray	Callahan	Courter
Bilirakis	Campbell (CO)	Craig
Billey	Cardin	Darden
de la Garza	Kanjorski	Petri
DeFazio	Kaptur	Pickett
Dellums	Kasich	Pickle
Derrick	Kastenmeier	Porter
DeWine	Kennedy	Poshard
Dickinson	Kildee	Price
Dicks	Kleczka	Pursell
Dingell	Kostmayer	Rahall
Dixon	LaFalce	Rangel
Donnelly	Lagomarsino	Ravenel
Dorgan (ND)	Lancaster	Ray
Dornan (CA)	Lantos	Regula
Downey	Laughlin	Rhodes
Durbin	Leach (IA)	Richardson
Dymally	Lehman (CA)	Ridge
Early	Lehman (FL)	Rinaldo
Eckart	Lent	Ritter
Edwards (CA)	Levin (MI)	Roberts
Edwards (OK)	Levine (CA)	Roe
Emerson	Lewis (FL)	Rogers
Engel	Lewis (GA)	Rohrabacher
English	Lightfoot	Ros-Lehtinen
Erdreich	Lipinski	Rose
Espy	Livingston	Rostenkowski
Evans	Lloyd	Roth
Fascell	Long	Rowland (GA)
Fazio	Lowery (CA)	Roybal
Feighan	Lowey (NY)	Sabo
Fish	Luken, Thomas	Saiki
Flake	Lukens, Donald	Sangmeister
Foglietta	Machtley	Sarpalius
Ford (TN)	Madigan	Savage
Frank	Manton	Sawyer
Frost	Markey	Saxton
Gallegly	Marlenee	Schaefer
Gallo	Martinez	Scheuer
Gejdenson	Matsui	Schiff
Gekas	Mavroules	Schneider
Gephardt	Mazzoli	Schroeder
Geren	McCandless	Schulze
Gibbons	McCloskey	Serrano
Gillmor	McCollum	Sharp
Gilman	McCrery	Shaw
Gingrich	McCurdy	Shays
Glickman	McDade	Sikorski
Gonzalez	McDermott	Sisisky
Goodling	McGrath	Skaggs
Gordon	McHugh	Skeen
Goss	McMillan (NC)	Skelton
Gradison	McMillen (MD)	Slattery
Grandy	McNulty	Slaughter (NY)
Grant	Meyers	Slaughter (VA)
Gray	Mfume	Smith (FL)
Green	Michel	Smith (IA)
Guarini	Miller (CA)	Smith (NE)
Gunderson	Miller (OH)	Smith (NJ)
Hall (OH)	Miller (WA)	Smith, Robert (OR)
Hall (TX)	Mineta	
Hamilton	Mink	Snowe
Hammerschmidt	Moakley	Solarz
Hansen	Molinari	Solomon
Harris	Mollohan	Spence
Hastert	Montgomery	Spratt
Hatcher	Moody	Staggers
Hawkins	Moorhead	Stallings
Hayes (IL)	Morella	Stangeland
Hayes (LA)	Morrison (WA)	Stark
Hefley	Mrazek	Stearns
Hefner	Murphy	Stenholm
Henry	Murtha	Stokes
Hertel	Myers	Studds
Hiler	Nagle	Stump
Hoagland	Natcher	Sundquist
Hochbrueckner	Neal (MA)	Swift
Holloway	Neal (NC)	Synar
Hopkins	Nielson	Tallon
Horton	Nowak	Tanner
Houghton	Oakar	Tauke
Hoyer	Oberstar	Tauzin
Hubbard	Obey	Taylor
Huckaby	Olin	Thomas (CA)
Hughes	Ortiz	Thomas (GA)
Hunter	Owens (NY)	Thomas (WY)
Hutto	Owens (UT)	Torres
Hyde	Oxley	Torricelli
Inhofe	Pallone	Towns
Ireland	Panetta	Traficant
Jacobs	Parker	Traxler
James	Parris	Udall
Jenkins	Pashayan	Unsoeld
Johnson (CT)	Patterson	Valentine
Johnson (SD)	Paxon	Vander Jagt
Johnston	Payne (NJ)	Vento
Jones (GA)	Payne (VA)	Visclosky
Jones (NC)	Pelosi	Volkmer
Jontz	Perkins	Vucanovich
Washington	Whittaker	Wyden
Watkins	Whitten	Yates
Waxman	Williams	Yatron
Weber	Wilson	Young (AK)
Weiss	Wise	Young (FL)
Weldon	Wolf	
Wheat	Wolpe	

NAYS—32

Archer	Dreier	Russo
Armey	Duncan	Sensenbrenner
Bartlett	Dyson	Shumway
Bates	Fawell	Shuster
Byron	Fields	Smith, Denny (OR)
Campbell (CA)	Frenzel	
Combest	Hancock	Smith, Robert (NH)
Cox	Herger	
Crane	Kyl	Upton
Dannemeyer	McEwen	Walker
DeLay	Pease	
Douglas	Penny	

NOT VOTING—35

Ackerman	Ford (MI)	Quillen
Applegate	Gaydos	Robinson
Aspin	Kennelly	Roukema
Barton	Kolbe	Rowland (CT)
Bonior	Kolter	Schuette
Brennan	Leath (TX)	Schumer
Condit	Lewis (CA)	Smith (TX)
Coyne	Martin (IL)	Smith (VT)
Crockett	Martin (NY)	Walgren
Davis	Morrison (CT)	Walsh
Dwyer	Nelson	Wylie
Flippo	Packard	

□ 1445

Mr. STENHOLM changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CORRECTION OF CONFERENCE REPORT

Mr. SANGMEISTER. Madam Speaker, in the conference report on page 17, under the statement of managers, there is a statement in there that there is $30,000 for a water system in Forest Heights, IL. That should read $30,000 for a water system study in Ford Heights, IL.

Mr. TRAXLER. Madam Speaker, will the gentleman yield?

Mr. SANGMEISTER. I yield to the gentleman from Michigan.

Mr. TRAXLER. Madam Speaker, the gentleman from Illinois [Mr. SANGMEISTER] is correct. That is a printing error, and it should read Ford Heights, IL. That was the committee's intention. That is the way it should read.

Mr. SANGMEISTER. Madam Speaker, I thank the gentleman from Michigan [Mr. TRAXLER].

THE CONFERENCE AGREEMENT ON THE VA-HUD INDEPENDENT AGENCIES APPROPRIATION

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Madam Speaker, I rise in support of the conference agreement on the VA-HUD-independent agencies appropriation, and, again, I want to compliment the

distinguished chairman of the subcommittee [Mr. TRAXLER] and my distinguished friend from New York [Mr. GREEN], the ranking minority member. They have done an excellent job in their negotiations with the other body.

The level of funding for the VA medical care system is $12.3 billion. This is $83.4 million more than was passed by the other body. This will allow a staffing level of 194,638 FTEE. Included in this amount is $15.7 million in increased salary costs for nurses and an additional $40 million for physicians and dentists special pay.

General operating expenses would be $902,514,000, the same amount requested by the President, but substantially above the amount passed by the other body. In addition, the medical research budget would be approximately $216,795,000, $18.2 million more than the amount contained in the President's budget.

Madam Speaker, I believe this conference agreement will be sufficient to sustain VA's health care system in the coming fiscal year and will allow the VA to process compensation, pension, education and loan guaranty claims in a more timely manner.

I am proud of the job the Appropriations Committee has done in negotiating with the other body as it relates to veterans and, again, I thank the gentleman from Michigan and the gentleman from New York for their outstanding work. I also want to thank the very able chairman of the full committee, Mr. WHITTEN, and the full committee ranking minority member, Mr. CONTE, for their support of our Nation's veterans.

PERSONAL EXPLANATION

Mr. ACKERMAN. Mr. Speaker, I noted in the CONGRESSIONAL RECORD that I was listed as not voting on rollcall 495, adopting the conference report on H.R. 5158, Department of Veterans Affairs, HUD, independent agencies appropriations, fiscal year 1991.

In fact, I was present during the rollcall vote, I placed my card in the voting machine, I voted "aye," and the light indicating that my vote was recorded went on.

I ask unanimous consent that this statement be place immediately following rollcall 495 in the permanent record.

CONFERENCE REPORT ON H.R. 5158, DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 1991

The SPEAKER pro tempore. Pursuant to House Resolution 512, the amendments in disagreement and the motions to dispose of the amendments are considered as having been read.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

Mr. TRAXLER. Madam Speaker, I ask unanimous consent that the Senate numbered amendments 1, 5, 19, 23, 30, 37, 41, 47, 52, 54, 56, 58, 60, 63, 73, 78, 80, 83, 86, 95, 113, and 118 be considered en bloc and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The texts of the various Senate amendments referred to in the unanimous-consent request are as follows:

Senate amendment No. 1: Page 2, line 23, after "expended" insert ": *Provided*, That, funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98-77, as amended".

Senate amendment No. 5: Page 5, line 22, after "reimbursements" insert ": *Provided*, That of the sum appropriated, $1,000,000 is available only for a survey and evaluation of the scientific evidence relating to dioxin and other toxic herbicides".

Senate amendment No. 19: Page 16, line 12, after "expended" insert ", of which $3,654,519,750 shall be for existing certificates, $3,102,872,600 shall be for housing vouchers and $977,593,050 shall be for loan management under section 8".

Senate amendment No. 23: Page 17, strike out all after line 18, over to and including line 10 on page 19, and insert:

In fiscal year 1991, direct loan obligations may be made under section 202 of the Housing Act of 1959, as amended (12 U.S.C. 1701q), using any resources transferred to the fund pursuant to the first proviso of the second paragraph and the first proviso of the fourth paragraph under the head "Annual Contributions for Assisted Housing" in title II of this Act: *Provided*, That, notwithstanding section 202(a)(3) of the Housing Act of 1959, any such obligations shall bear an interest rate which does not exceed 9.25 per centum, including the allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program.

Senate amendment No. 30: Page 22, line 15, after "training)" insert ": *Provided further*, That funds made available under this heading, with the exception of the $1,000,000 specified in the previous proviso, shall not be made available until September 1, 1991, and pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, this action is a necessary (but secondary)—result of a significant policy change".

Senate amendment No. 37: Page 24, line 19, after "That" insert "$31,930,000 shall be available for grants to Indian tribes pursuant to section 106(b)(7)(A) of the Housing and Community Development Act of 1974, as amended (42 U.S.C. 5301) and".

Senate amendment No. 41: Page 25, line 8, after "note)" insert ": *Provided further*, That $2,000,000 shall be made available from the foregoing $3,200,000,000 to carry out a neighborhood development demonstration under section 123 of the Housing and Urban-Rural Recovery Act of 1983 (Public Law 98-181)".

Senate amendment No. 47: Page 27, line 20, after "1987" insert "and the demonstration period authorized in section 561(e) of such Act shall be deemed to be September 30, 1991".

Senate amendment No. 52: Page 29, after line 2, insert:

That on the date of enactment of this Act, the note or other obligation represented by loan number 070024914 under such section 312, together with any promise to repay the unpaid principal, unpaid interest that has accrued on the note or obligation, and any other fees and charges payable in connection with it, shall be forgiven, and any other term or condition specified by the note or other obligation shall be canceled.

Senate amendment No. 54: Page 30, after line 11, insert:

Of the funds heretofore provided in Public Law 99-500 and Public Law 99-591 for grants pursuant to section 17(d)(4)(G) of the United States Housing Act of 1937, $1,450,000 shall be available for obligation for Dunes East Housing Development Grant project, number GA008HG501, through September 30, 1991, notwithstanding section 152 of the Housing and Community Development Act of 1987 and section 17(d)(4)(G) of the United States Housing Act of 1937.

Senate amendment No. 56: Page 30, after line 11, insert:

Notwithstanding any other provision of law or other requirement, the city of New Haven, Connecticut, is authorized to retain any land disposition proceeds or urban renewal grant funds that remain after the financial closeout of the Church Street Urban Renewal Project (No. Conn. R-2), and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The city of New Haven shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this subsection, all past and future earnings from such funds, including any interest.

Senate amendment No. 58: Page 30, after line 24, insert:

Notwithstanding any other provision of law or other requirement, the City of Roanoke, in the Commonwealth of Virginia, is authorized to retain any land disposition proceeds from the financially closed-out Downtown East Urban Renewal Project (R-42) not paid to the Department of Housing and Urban Development and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Roanoke shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this paragraph, all past and future earnings from such proceeds, including any interest.

Senate amendment No. 60: Page 32, after line 2, insert:

Section 17(f) of the United States Housing Act of 1937 (42 U.S.C. 1437o(f)) is amended by inserting after "or State of Vermont" the following: "or State of Maryland or City of West Hollywood, California". This amendment to section 17(f) shall also apply retroactively to any structure assisted under a program of the City of West Hollywood.

Senate amendment No. 63: Page 32, after line 22, insert:

Section 102(a)(12) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(12)) is amended by inserting

after the period at the end the following new sentence: "Where the boundaries for a metropolitan city or urban county used for the 1980 census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 census within the boundaries used for the 1980 census to the population based on the 1980 census within the current boundaries.". The amendment made by this paragraph shall apply to the first allocation of assistance under section 106 that is made after the date of the enactment of this Act and to each allocation thereafter.

Senate amendment No. 73: Page 36, line 22, strike out all after "1992" down to and including "equipment" in line 24, and insert ": *Provided*, That not more than $35,600,000 of these funds shall be available for procurement of laboratory equipment, supplies, and other operating expenses in surport of research and development.

Senate amendment No. 78: Page 38, line 2, strike out all after "9611)," down to and including "Superfund," in line 3 and insert "$1,616,228,000, consisting $755,328,000 as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA) and $860,900,000 as a payment from general revenues to the Hazardous Substance Superfund as authorized by section 517(b) of SARA.".

Senate amendment No. 80: Page 38, line 20, after "1991" insert: ": *Provided further*, That the Administrator of the Environmental Protection Agency shall pay not more than $7,000 in interest to the City of New Brighton, Minnesota".

Senate amendment No. 83: Page 40, line 12, strike out "the" and insert "grants, loans, and".

Senate amendment No. 86: Page 41, after line 10, insert:

The Administrator of the Environmental Protection Agency is required, by November 30, 1990, to issue a final decision on the Sanitation Districts of Los Angeles County's pending 301(h) application.

Senate amendment No. 95: Page 45, after line 3, insert:

ADMINISTRATIVE PROVISIONS

The Superintendent of the Fire Academy, in exercising the powers and authority provided by section 7 of the Federal Fire Prevention Control Act of 1974, shall be subject to the exclusive direction of the Administrator, United States Fire Administration: *Provided*, That all funds appropriated by this or any other Act, with respect for any fiscal year, or otherwise made available, for the National Fire Academy in Emmitsburg, Maryland, or any Fire Academy field programs, shall be placed under the exclusive control of the United States Fire Administration.

Senate amendment No. 113: Page 53, strike out all after line 15, over to and including line 2 on page 54, and insert:

EDUCATION AND HUMAN RESOURCES ACTIVITIES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $322,350,000 to remain available until September 30, 1992: *Provided*, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally.

Senate amendment No. 118: Page 62, after line 19, insert:

SEC. 516. After January 1, 1991, and for the duration of fiscal year 1991, within the Department of Housing and Urban Development, the number of noncareer appointees to the Senior Executive Service shall not exceed 13 per centum of the total number of Senior Executive Service positions in such department, unless the Office of Personnel Management approves a waiver to exceed that limitation in accordance with 5 U.S.C. 3134. The Office of Personnel Management, in consultation with the Office of Management and Budget, shall undertake an expedited review of Senior Executive Service positions in the Department of Housing and Urban Development and report its findings, recommendations, and justification for any waiver determination to the Congress by December 15, 1990.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The Clerk read as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendments of the Senate numbered 1, 5, 19, 23, 30, 37, 41, 47, 52, 54, 56, 58, 60, 63, 73, 78, 80, 83, 86, 95, 113, and 118, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

□ 1450

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 6: Page 5, after line 22, insert:

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

For payment of Health Professional Scholarship Program grants, as authorized by law, to students who agree to a service obligation with the Department of Veterans Affairs at one of its medical facilities, and for related administrative expenses, $10,606,000.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 6, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

HEALTH PROFESSIONAL SCHOLARSHIP PROGRAM

For payment of Health Professional Scholarship Program grants, as authorized by law, to students who agree to a service obligation with the Department of Veterans Affairs at one of its medical facilities, $10,113,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 11: Page 6, line 25, after "Administration" insert ": *Provided*, That funds shall be available, and authority granted, to enable the Secretary to enter into enhanced-use agreements under the terms and conditions of S. 2532 (101st Cong., 2d Sess. (1990)), as introduced, with respect to facilities located at the Department of Veterans Affairs Medical Center, Baltimore, Maryland (Loch Raven)".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 11, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following: ": *Provided*, That funds shall be available, and authority granted, to enable the Secretary to enter enhanced-use agreements under the terms and conditions of section 704 of S. 2100 (101st Cong., 2d sess. (1990)), as reported by the Senate Committee on Veterans Affairs, with respect to facilities located at the Department of Veterans Affairs Medical Center, Baltimore, Maryland (Loch Raven)".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 13: Page 7, line 17, strike out "$575,456,000" and insert "$552,459,000".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 13, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$580,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 17: Page 12, after line 2, insert:

Appropriations account available to the Department of Veterans Affairs for fiscal year 1991 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, 1987, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 17, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1991 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100-86, 1987, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 18: Page 12, strike out all after line 8 over to and including line 5 on page 16 and insert:

For assistance under the United States Highway Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, $10,810,000,000, to remain avaiable until expended. *Provided*, That of the new budget authority provided herein, $233,361,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help home ownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb); $733,760,000 shall be for the development or acquisition cost of public housing, including major reconstruction of obsolete public housing projects, other than for Indian families; $2,750,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 1437i), including funds for the comprehensive testing, abatement, and risk assessment of lead, of which $5,000,000 shall be for technical assistance and training under section 20 of the Act (42 U.S.C. 1437r); $1,657,807,200 shall be for the section 8 existing housing certificate program (42 U.S.C. 1437f) including project-based section 8 assistance to help implement plans of action approved under title II of the Housing and Community Development Act of 1987, of which $65,150,000 shall be for eligible tenants affected by the demolition or disposition of public housing units (including units occupied by Indian families) and $48,862,500 shall be for certificates to be used as replacement for units of public housing (including those for Indian families) lost through demolition or disposition; $1,098,516,800 shall be available for the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437(o)), from the foregoing $1,098,516,800 for vouchers, up to $23,208,800 shall be drawn from either or both amounts for demonstration projects for the homeless, as designated by the Department of Veterans Affairs, that shall provide the participants with comprehensive supportive services (from funding sources other than the Department of Housing and Urban Development) to more fully address the special needs of such homeless people and, to the extent that any of the $23,208,000 cannot be utilized for projects designated by the Department of Veterans Affairs, remaining balances may be used for similar demonstration purposes as designated by the Department of Housing and Urban Development; $1,810,442,000 for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended; up to $923,725,000 shall be available for section 8 assistance for property disposition and loan management; and, any amounts of budget authority provided herein that are used for loan management activities under section 8(b)(1) (42 U.S.C. 1437f(b)(i)) shall not be obligated for a contract term that is less than five years: *Provided further*, That of that portion of such budget authority under section 8(o) to be used to achieve a net increase in the number of dwelling units for assisted families, highest priority shall be given to assisting families, who as a result of rental rehabilitation action are involuntarily displaced or who are or would be displaced in consequence of increased rents (wherever the level of such rents exceeds 35 per centum of the adjusted income of such families, as defined in regulations promulgated by the Department of Housing and Urban Development): *Provided further*, That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under section 8(b) and 8(o), respectively, shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further*, That of the $10,810,000,000 provided herein, $35,000,000 shall be for assistance under the Nehemiah housing opportunity program pursuant to section 612 of the Housing and Community Development Act of 1987 (Public Law 100-242), but such amount shall be obligated under title VI of the Housing and Community Development Act of 1987, notwithstanding the sunset provision in section 613 thereof, and, notwithstanding the language preceeding the first proviso of this paragraph, $50,000,000 shall be used for special grants in accordance with the terms and conditions specified for such grants in the Senate Appropriations Committee report on 1991 appropriations for the Departments of Veterans Affairs and Housing and Urban Development (Senate Report 101-474, pp. 46-47) including $1,000,000 for the relocation of the St. Mary's Food Kitchen in Kansas City, Kansas: *Provided further*, That amounts equal to all amounts of budget authority (and contract authority) reserved or obligated for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), and except as hereinafter provided, for programs under section 8 of the Act (42 U.S.C. 1437f), which are recaptured during fiscal year 1991, shall be rescinded: *Provided further*, That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured for projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall not be rescinded, or in the case of cash, shall not be remitted to the Treasury, and such amounts of budget authority or cash shall be used by State housing finance agencies in accordance with such section: *Provided further*, That notwithstanding the 20 per centum limitation under section 5(j)(2) of the Act, any part of the new budget authority for the development or acquisition costs of public housing other than for Indian families may, in the discretion of the Secretary, based on applications submitted by public housing authorities, be used for new construction or major reconstruction of obsolete public housing projects other than for Indian families: *Provided further*, That the paragraph under the Administrative Provisions head in title II of Public Law 101-144 (approved November 9, 1989) (103 Stat. 839, 852-854), setting aside amounts for indemnification with respect to all or parts of claims arising from lead-based paint testing or abatement, is hereby amended by striking out "1992" and inserting "1998".

Of the $10,810,000,000 provided under this head, $586,300,000 shall be used for capital advances for supporting housing for the elderly under section 202 of the Housing Act of 1959, (as amended by section 601 of S. 566 (101st Cong., 2d Sess.), the National Affordable Housing Act (the "bill" in this paragraph)), which provision, and other provisions of the bill cited in this paragraph and the three paragraphs that follow, are deemed as enacted as of the enactment date of this Appropriations Act, of which $60,000,000 shall be for amendments for contracts for projects previously reserved under section 202 (as it existed before the date the bill was deemed enacted), including under section 601(d) of the bill, to remain available until expended: *Provided, That* to the extent such funds include an amount for a project that does not convert under section 601(c)(1) of the bill to assistance under section 202 (as amended by section 601 of the bill), such amount shall be transferred to the section 202 direct loan account for obligation for such project; and such account shall be maintained as authorized under section 202(a)(4) of the Housing Act of 1959, as it existed before the date the bill was deemed enacted: *Provided further*, That to the extent that any funds remain after allocations under section 202(e), (as amended by section 601 of the bill), the Secretary shall make grants for retrofitting housing for the elderly in accordance with section 602 of the bill: *Provided further*, That the Secretary may transfer for use under this paragraph any funds reserved under section 202 (as it existed before the date the bill was deemed enacted) for which no loan has been executed and recorded, to which the Secretary applies section 202 (as amended by section 601 of the bill), as provided by section 601(c) of the bill, and any funds so transferred shall be added to and merged with the amounts otherwise available under this paragraph: *Provided further*, That at the election of a sponsor of a project under section 202 (as it existed before the date the

bill was deemed enacted), the Secretary shall provide funding for amendments either under section 202 (as it existed before or after the date the bill was deemed enacted) or under section 601(c)(1), and any amount for amendments to be provided under section 202 (as it existed before the date the bill was deemed enacted) shall be transferred to the section 202 direct loan account for obligation for such project: *Provided further,* That of the amounts available under this paragraph, up to $5,000,000 shall be available for contracts for technical assistance in accordance with section 202(k)(1) (as amended by section 601 of the bill).

Of the amounts made available under this head, $449,619,000 shall be used for project rental assistance for supportive housing for the elderly under section 202 of the Housing Act of 1959, as amended by section 601 of S. 566 (101st Cong., 2d Sess.), the National Affordable Housing Act (the "bill" in this paragraph), of which $186,000,000 shall be for amendments for contracts for projects for the elderly previously reserved under section 202 (as it existed before the date on which the bill was deemed enacted), to remain available until expended: *Provided,* That to the extent such funds include an amount for a project that does not convert to assistance under section 202 (as amended by section 601 of the bill), such amount shall be for obligation for such project as authorized under section 8 of the United States Housing Act of 1937 (as it existed before the date on which the bill was deemed enacted): *Provided further,* That the Secretary may transfer for use under this paragraph any funds previously reserved under section 8 of the United States Housing Act of 1937 for assistance for projects for the elderly under section 202 (as it existed before the date on which the bill was deemed enacted), for which no loan has been executed and recorded, to which the Secretary applies section 202 (as amended by section 601 of the bill) as provided by 601(c) of the bill, and any funds so transferred shall be added to and merged with the amounts otherwise available under this paragraph: *Provided further,* That following the election under section 601(c)(2) of a sponsor of a project under section 202 (as it existed before the date on which the bill was deemed enacted) as to whether the Secretary shall provide funding either under section 202, as it existed before or after the date on which the bill was deemed enacted, any theretofore reserved section 8 amounts that remain shall be transferred and merged with any other amounts available under this paragraph, and made available for other supportive housing for the elderly under section 202 (as amended by the bill).

Of the $10,810,000,000 provided under this head, $117,580,000 shall be used for capital advances under section 611 of S. 566 (101st Cong., 2d Sess.), the National Affordable Housing Act (the "bill" in this paragraph) for supportive housing for persons with disabilities (including 500 units for persons disabled as a result of infection with the human acquired immunodeficiency virus), of which $15,000,000 shall be for amendments for contracts for projects for the handicapped previously reserved under section 202(h) of the Housing Act of 1959 (as it existed before the date on which the bill was deemed enacted), to remain available until expended: *Provided,* That to the extent such funds include an amount for a project that does not convert under section 611(m)(1) of the bill to assistance under section 611 of the bill, such amount shall be transferred to the section 202 direct loan account for obligation for such project; and such amount shall be maintained as authorized under section 202(a)(4) of the Housing Act of 1959 (as it existed before the date on which the bill was deemed enacted): *Provided further,* That the Secretary may transfer for use under this paragraph any funds reserved under section 202 or 202(h) (as it existed before the date on which the bill was deemed enacted) for which no loan has been executed and recorded, to which the Secretary applies section 611 of the bill, as provided by section 611(m) of the bill, and any funds so transferred shall be added to and merged with the amounts otherwise available under this paragraph: *Provided further,* That at the election of a sponsor of a project for housing for the handicapped under section 202 or 202(h) (as it existed before the date on which the bill was deemed enacted), the Secretary shall provide funding for amendments either under section 202 (as it existed before or after the date on which the bill was deemed enacted) or under section 611, and any amount for amendments to be provided under section 202 (as it existed before the date on which the bill was deemed enacted) shall be transferred to the section 202 direct loan account for obligation for such project: *Provided further,* That of the amounts available under this head, up to $5,000,000 shall be available for contracts for technical assistance in accordance with section 611(j)(1) of the bill.

Of the amounts provided under this head, $156,000,000 shall be used for project rental assistance for supportive housing under section 611 of S. 566 (101st Cong., 2d Sess.), the National Affordable Housing Act (the "bill" in this paragraph) for persons with disabilities (including 500 units for persons disabled as a result of infection with the human acquired immunodeficiency virus), of which $52,000,000 shall be for amendments for contracts for projects previously reserved under section 202(h) of the Housing Act of 1959 (as it existed before the date on which the bill was deemed enacted), to remain available until expended: *Provided,* That to the extent such funds include an amount for a project for housing for the handicapped that does not convert to assistance under section 611 of the bill, such amount shall be for obligation for such project as authorized under section 8 of the United States Housing Act of 1937 and section 202(h) of the Housing Act of 1959 (as such sections existed before the date on which the bill was deemed enacted): *Provided further,* That the Secretary may transfer for use under this paragraph any funds previously reserved under section 8 of the United States Housing Act of 1937 and section 202(h) of the Housing Act of 1959 for which no loan has been executed and recorded, to which the Secretary applies section 611 of the bill, as provided by section 611(m) of the bill, and any funds so transferred shall be added to and merged with the amounts otherwise available under this paragraph: *Provided further,* That following the election under section 611(m)(2) of a sponsor of a project for the handicapped under section 202 (as it existed before the date on which the bill was deemed enacted) as to whether the Secretary shall provide funding either under section 202, as it existed before or after the date on which the bill was deemed enacted, any theretofore reserved amounts under section 8 and section 202(h), (as such sections existed before the date on which the bill was deemed enacted) that remain shall be transferred and merged with any other amounts available for use under this paragraph, and made available for other housing under section 202, as amended by the bill.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437), not otherwise provided for, $9,525,000,000, to remain available until expended: *Provided,* That of the new budget authority provided herein, $233,361,000 shall be for the development or acquisition cost of public housing for Indian families, including amounts for housing under the mutual help homeownership opportunity program under section 202 of the Act (42 U.S.C. 1437bb); $733,760,000 shall be for the development or acquisition cost of public housing, including major reconstruction of obsolete public housing projects, other than for Indian families; $2,500,000,000 shall be for modernization of existing public housing projects pursuant to section 14 of the Act (42 U.S.C. 14371), including funds for the comprehensive testing, abatement, and risk assessment of lead, of which $5,000,000 shall be for technical assistance and training under section 20 of the Act (42 U.S.C. 1437r); $1,073,202,000 shall be for the section 8 existing housing certificate program (42 U.S.C. 1437f), including project-based section 8 assistance to help implement plans of action approved under title II of the Housing and Community Development Act of 1987, of which $65,150,000 shall be for eligible tenants affected by the demolition or disposition of public housing units (including units occupied by Indian families) and $48,863,000 shall be for certificates to be used as replacement for units of public housing (including those for Indian families) lost through demolition or disposition; $811,898,000 shall be available for the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437(o)); $1,810,442,000 for amendments to section 8 contracts other than contracts for projects developed under section 202 of the Housing Act of 1959, as amended; up to $283,125,000 shall be available for section 8 assistance for property disposition; $440,600,000 shall be for loan management, of which $200,000,000 may be used for housing preservation assistance, incentives, and grants upon enactment into law of authorizing legislation; and any amounts of budget authority provided herein that are used for loan management activities under section 8(b)(1) (42 U.S.C. 1437f(b)(1)) shall not be obligated for a contract term that is less than five years: *Provided further,* That of that portion of such budget authority under section 8(o) to be used to achieve a net increase in the number of dwelling units for assisted families, highest priority shall be given to assisting families, who as a result of rental rehabilitation action are involuntarily displaced or who are or would be displaced in consequence of increased rents (wherever the level of such rents exceeds 35 per centum of the adjusted

income of such families, as defined in regulations promulgated by the Department of Housing and Urban Development): *Provided further,* That those portions of the fees for the costs incurred in administering incremental units assisted in the certificate and housing voucher programs under sections 8(b) and 8(o), respectively, shall be established or increased in accordance with the authorization for such fees in section 8(q) of the Act: *Provided further,* That of the $9,525,000,000 provided herein, $35,000,000 shall be for assistance under the Nehemiah housing opportunity program pursuant to section 612 of the Housing and Community Development Act of 1987 (Public Law 100-242), but such amount shall be obligated under title VI of the Housing and Community Development Act of 1987, notwithstanding the sunset provision in section 613 thereof, and, notwithstanding the language preceding the first proviso of this paragraph, $54,250,000 shall be used for special purpose grants in accordance with the terms and conditions specified for such grants in the committee of conference report and statement of managers (H. Rept. 101-900) accompanying this Act: *Provided further,* That, notwithstanding any other provision of law, of the funds available under the "Community development grants" appropriation in Public Law 101-144, as amended, for grants under section 106 of the Housing and Community Development Act of 1974, $14,000,000 may be made available under section 107 of such Act: *Provided further,* That amounts equal to all amounts of budget authority (and contract authority) reserved or obligated for the development or acquisition costs of public housing (including public housing for Indian families), for modernization of existing public housing projects (including such projects for Indian families), and except as hereinafter provided for programs under section 8 of the Act (42 U.S.C. 1437f), which are recaptured during fiscal year 1991, shall be rescinded: *Provided further,* That 50 per centum of the amounts of budget authority, or in lieu thereof 50 per centum of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100-628, 102 Stat. 3224, 3268) shall not be rescinded, or in the case of cash, shall not be remitted to the Treasury, and such amounts of budget authority or cash shall be used by State housing finance agencies in accordance with such section: *Provided further,* That notwithstanding the 20 per centum limitation under section 5(j)(2) of the Act, any part of the new budget authority for the development or acquisition costs of public housing other than for Indian families may, in the discretion of the Secretary, based on applications submitted by public housing authorities, be used for new construction or major reconstruction of obsolete public housing projects other than for Indian families: *Provided further,* That, notwithstanding any other provision of law, not to exceed 750 units of public housing may be sold or transferred during fiscal year 1991: *Provided further,* That the paragraph under the Administrative Provisions head in title II of Public Law 101-144 (approved November 9, 1989) (103 Stat. 839, 852-854), setting aside amounts for indemnification with respect to all or parts of claims arising from lead-based paint testing or abatement, is hereby amended by striking out "1992" and inserting "1998".

Of the $9,525,000,000 provided under this head, $610,115,000 shall be used for capital advances for supportive housing for the elderly under section 202 of the Housing Act of 1959 (as amended by section 801 of S. 566 (101st Cong., 2d Sess.), the National Affordable Housing Act (the "bill" in this paragraph)), which provision, and other provisions of the bill cited in this paragraph and the three paragraphs that follow are deemed as enacted as of the enactment date of this Appropriations Act, of which $60,000,000 shall be for amendments for contracts for projects previously reserved under section 202 (as it existed before the date on which the bill was deemed enacted), including under section 801(d) of the bill, to remain available until expended: *Provided,* That to the extent such funds include an amount for a project that does not convert under section 801(c)(1) of the bill to assistance under section 202 (as amended by section 801 of the bill), such amounts shall be transferred to the section 202 Direct Loan account for obligation for such project; and such account shall be maintained as authorized under section 202(a)(4) of the Housing Act of 1959, as it existed before the date on which the bill was deemed enacted: *Provided further,* That to the extent that any funds remain after allocations under 202(e), (as amended by section 801 of the bill), the Secretary shall make grants for retrofitting housing for the elderly in accordance with section 802 of the bill: *Provided further,* That the Secretary may transfer for use under this paragraph any funds reserved under section 202 (as it existed before the date on which the bill was deemed enacted) for which no loan has been executed and recorded, to which the Secretary applies section 202 (as amended by section 801 of the bill), as provided by section 801(c) of the bill, and any funds so transferred shall be added to and merged with the amounts otherwise available under this paragraph: *Provided further,* That at the election of a sponsor of a project under section 202 (as it existed before the date on which the bill was deemed enacted), the Secretary shall provide funding for amendments either under section 202 (as it existed before or after the date on which the bill was deemed enacted) or under section 801(c)(1) and any amount for amendments to be provided under section 202 (as it existed before the date on which the bill was deemed enacted) shall be transferred to the section 202 Direct Loan Account for obligation for such project: *Provided further,* That of the amounts available under this paragraph, up to $5,000,000 shall be available for contracts for technical assistance in accordance with section 202(k)(1) (as amended by section 801 of the bill).

Of the amounts made available under this head, $449,619,000 shall be used for project rental assistance for supportive housing for the elderly under section 202 of the Housing Act of 1959, as amended by section 801 of S. 566 (101st Cong., 2d Sess.), the National Affordable Housing Act (the "bill" in this paragraph), of which $186,000,000 shall be for amendments for contracts for projects for the elderly previously reserved under section 202 (as it existed before the date on which the bill was deemed enacted), to remain available until expended: *Provided,* That to the extent such funds include an amount for a project that does not convert to assistance under section 202 (as amended by section 801 of the bill), such amount shall be for obligation for such project as authorized under section 8 of the United States Housing Act of 1937 (as it existed before the date on which the bill was deemed enacted): *Provided further,* That the Secretary may transfer for use under this paragraph any funds previously reserved under section 8 of the United States Housing Act of 1937 for assistance for projects for the elderly under section 202 (as it existed before the date on which the bill was deemed enacted), for which no loan has been executed and recorded, to which the Secretary applies section 202 (as amended by section 801 of the bill) as provided by 801(c) of the bill, and any funds so transferred shall be added to and merged with the amounts otherwise available under this paragraph: *Provided further,* That following the election under section 801(c(2) of a sponsor of a project under section 202 (as it existed before the date on which the bill was deemed enacted) as to whether the Secretary shall provide funding either under section 202, as it existed before or after the date on which the bill was deemed enacted, any therefore reserved section 8 amounts that remain available shall be transferred and merged with any other amounts available under this paragraph, and made available for other supportive housing for the elderly under section 202 (as amended by the bill).

Of the $9,525,000,000 provided under this head, $121,709,000 shall be used for capital advances under section 811 of S. 566 (101st Cong., 2nd Sess.), the National Affordable Housing Act (the "bill" in this paragraph) for supportive housing for persons with disabilities (including 500 units for persons disabled as a result of infection with the human acquired immunodeficiency virus), of which $15,000,000 shall be for amendments for contracts for projects for the handicapped previously reserved under section 202(h) of the Housing Act of 1959 (as it existed before the date on which the bill was deemed enacted), to remain available until expended: *Provided,* That to the extend such funds include an amount for a project that does not convert under section 811(m)(1) of the bill to assistance under section 811 of the bill, such amount shall be transferred to the section 202 Direct Loan account for obligation for such project; and such amount shall be maintained as authorized under section 202(a)(4) of the Housing Act of 1959 (as it existed before the date on which the bill was deemed enacted): *Provided further,* That the Secretary may transfer for use under this paragraph any funds reserved under section 202 or 202(h) (as it existed before the date on which the bill was deemed enacted) for which no loan has been executed and recorded, to which the Secretary applies section 811 of the bill, as provided in section 811(m) of the bill, and any funds so transferred shall be added to and merged with the amounts otherwise made available under this paragraph: *Provided further,* That at the election of a sponsor of a project for housing for the handicapped under section 202 or 202(h) (as it existed before the date on which the bill was deemed enacted), the Secretary shall provide funding for amendments either under section 202 (as it existed before or after the date on which the bill was deemed enacted) or under section 811, and any amount for amendments to be provided under section 202 (as it existed before the date on which the bill was deemed enacted) shall be transferred to the section 202 Direct Loan account for obligation for such project: *Provided further,* That of the amounts available under this head, up to $5,000,000 shall be available for contracts for technical assist-

ance in accordance with section 811(j)(1) of the bill.

Of the amounts provided under this head, $156,000,000 shall be used for project rental assistance for supportive housing under section 811 of S. 566 (101st Cong., 2d Sess.), the National Affordable Housing Act (the "bill" in this paragraph) for persons with disabilities (including 500 units of housing for persons disabled as a result of infection with the human acquired immunodeficiency virus), of which $52,000,000 shall be for amendments for contracts for projects previously reserved under section 202(h) of the Housing Act of 1959 (as it existed before the date on which the bill was deemed enacted), to remain available until expended: *Provided,* That to the extent such funds include an amount for a project for housing for the handicapped that does not convert to assistance under section 811 of the bill, such amount shall be for obligation for such project as authorized uder section 8 of the United States Housing Act of 1937 and section 202(h) of the Housing Act of 1959 (as such section existed before the date on which the bill was deemed enacted): *Provided further,* That the Secretary may transfer for use under this paragraph any funds previously reserved under section 8 of the United States Housing Act of 1937 and section 202(h) of the Housing Act of 1959 for which no loan has been executed and recorded, to which the Secretary applies section 811 of the bill, as provided by 811(m) of the bill, and any funds so transferred shall be added to and merged with amounts otherwise available under this paragraph: *Provided further,* That following the election under section 811(m)(2) of a sponsor of a project for the handicapped under section 202 (as it existed before the date on which the bill was deemed enacted) as to whether the Secretary shall provide funding either under section 202, as it existed before or after the date on which the bill was deemed enacted, any theretofore reserved amounts under section 8 and section 202(h), (as such section existed before the date on which the bill was deemed enacted) that remain shall be transferred and merged with any other amounts available for use under this paragraph, and made available for other housing under section 202, as amended by the bill.

Mr. BARTLETT. Madam Speaker, I rise in opposition to the motion.

The SPEAKER pro tempore. Does the gentleman from Michigan [Mr. TRAXLER] desire debate time?

Mr. TRAXLER. Yes, I do, Madam Speaker.

The SPEAKER pro tempore. Is the gentleman from New York [Mr. GREEN] opposed to the motion?

Mr. GREEN of New York. Madam Speaker, the gentleman from New York is not opposed to the motion.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. TRAXLER] will be recognized for 20 minutes, the gentleman from Texas [Mr. BARTLETT] will be recognized for 20 minutes, and the gentleman from New York [Mr. GREEN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I do not expect this debate to take the 1 hour allocated, nor do I expect to be successful in opposing amendment No. 18. I do not expect to be successful, although I wish I would be. I am under no illusion that the 101st session of Congress has not become, unfortunately for America, a pork barrel Congress. We have had similar votes during the course of this session, and at the end of the 2 years it is apparent that at least this particular session has decided to vote again and again for pork barrel, to fund projects that have not been competed, to fund projects that may or may not be better than other competitive projects, and to fund them only because of who one may know on the conference committee or appropriations or leadership. So I am under no illusion as to the outcome of this amendment, but I want the House to understand what we are voting on, and then vote it.

Madam Speaker, amendment No. 18 is the premier pork barrel amendment of this HUD appropriations bill. We started HUD appropriations, for the first time since I have been in Congress, providing for pork barrel amendments in the 101st Congress. It had not been done in the 100th Congress, nor the 99th Congress, nor the 98th Congress. But for whatever set of reasons, the HUD Appropriations Subcommittee decided last year, and again in the urgent supplemental, to bring only to the House floor special projects, whose only benefit, whose only argument, was that they were represented by someone who knew someone in Congress, usually on the Committee on Appropriations or in leadership.

Madam Speaker, the President made a request for $700 million in February of this year for an urgent emergency dire supplemental. That $700 million, by the time the Congress of the United States passed it, had been increased to $4 billion.

We took the aid to Panama and to Nicaragua, the newly emerging democracies, but we waited 3 months, and then added $3.2 billion to the request to satisfy our own political pork barrel needs. Then we passed it and sent it back to the President.

There were 30-odd items in that urgent dire supplemental of similar pork barrel. Those have been passed and funded.

What do we have 6 months later, is the son of pork. If the urgent dire supplemental was the original pork, we now have the son of pork. We have 61 new items, 61 new items that are special projects, that are unauthorized, that are not competed, that have nothing in common except for the fact that they knew someone or are represented by someone that knows someone on the Committee on Appropriations.

Madam Speaker, let me walk the House through the history of what we have in front of us on amendment No. 18. The House bill was sent to conference clean. These special projects, none were in the House bill when we passed it. Indeed, if these projects had been brought back to the House in a conference report, a point of order could have been made against these, because they were not in the House bill.

The Senate, on the other hand, sent to conference $50 million of 29 special order projects, including Kenilworth Parkside, $18 million, a very popular project on this House floor. We went to conference. The House conferees accepted the $50 million from the House, stripped out the $18 million for resident homeownership for Kenilworth Parkside, added $4 million to it, and then divided up the pot to where we now have no money for Kenilworth Parkside, but $54 million for 29 Senate projects and 32 House projects.

What do we know about these House and Senate projects? We know they are bipartisan. We know in fact there are projects in here for Members of both parties. We know they are not authorized. We know that in fact in the committee report, the committee report refers to language of $14 million for community development grant funds available for technical assistance grants for economic development type projects, including to "old urban development action grant recaptures."

Madam Speaker, the House abolished the urban development action grant in 1987. Here the same type of projects reappear unauthorized. We know that the others are unauthorized. Most are even unrelated to housing, even though it is in a housing bill.

We know that it is economic development, community development. We know that some of them will do good jobs, and some will not do such good things. We have no idea what they will do or how they will do it or whether any of these will do the job to help people better than any other request.

We also know one other thing, Madam Speaker, and I want Members to focus on this for just a minute.

Because this bill is a finite amount of money, there is only a specific amount of money to pass around, we know that if we take $54 million and put it into these special projects, we know who it comes from. Madam Speaker, it comes from section 8 certificates that otherwise would go to low-income families to help them pay their rent. We know that there are in excess of 5,000 low-income families that will not have a place to live, that will not have a section 8 certificate, that will not be able to get a job, to support their family, to provide for their retirement, to provide for an education, and in fact many of them will be lost

in the ghettos of America in order to satisfy our own political interests.

Madam Speaker, you and I will never meet one of those families. None of those families will know that we took away their section 8 certificates. None of those families will know that it was us that took away their right to decent housing. But we did it. We are the ones that denied them that education. We are the ones that denied them a place to live, because we decided to spend $54 million to satisfy our own special interest needs.

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I know that there probably will not even be any other speakers on this. I know that what I am saying is something for those who are listening that makes Members feel terribly uncomfortable because we do not want to hear it, but we know there is only so much money. It is appropriated in this bill, and if we take $54 million, as amendment 18 says that we should, and take it away from section 8, as amendment No. 18 says that we will, and give it to special purpose projects, then those some 5,000 families or more will not find that decent place to live, and you will never know them and I will never know them, but they will be there.

Mr. BURTON of Indiana. Madam Speaker, will the gentleman yield?

Mr. BARTLETT. I am happy to yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Madam Speaker, I just have a question. The amendment the gentleman from Texas has talked about, has the gentleman talked to anyone over at HUD about this, Jack Kemp, the Secretary, or anyone?

Mr. BARTLETT. I appreciate the gentleman's question. These projects are not supported by HUD, they have not been competed at HUD, they have not been requested at HUD. They have not been applied for with anyone in fact. Most of them are unauthorized, and the words of the technical amendment in No. 18 says, "not withstanding the provisions of the first paragraph of this bill," we are going to spend them anyway.

Mr. BURTON of Indiana. If the gentleman will yield further, I would like to ask another question. Did the gentleman from Texas ask HUD about the cuts that are going to have to be made to take care of these pork barrel projects?

Mr. BARTLETT. I did not ask HUD about those specific cuts. It is in the bill. If we take away $54 million out of what could go for section 8 certificates, what happens is that is right at 5,000 families, a little more, that will be denied a decent place to live.

Madam Speaker, I reserve the balance of my time.

Mr. TRAXLER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, let me say to my good friend from Texas, Mr. BARTLETT, that I always appreciate the interest that he shows in this bill. Every year he carefully scrutinizes it and offers a similar amendment. I have the highest personal regard for him. I am not sure about the amendment though. In fact, I am sure about the amendment and I urge Members to reject it.

The gentleman has made a very valuable contribution in the housing area, and is an important member of the Committee on Banking, Finance and Urban Affairs. While I generally support his initiatives and have taken on occasion several of the amendments he has offered and included them into our bill, I regret that I cannot join with him in his effort.

Let me say that the committee and the Congress have added money to HUD for low-income housing in this bill and in other years as well. In fact, we have repeatedly rejected suggestions from prior administrations to zero fund assisted housing. So it has been the Congress that has kept this program alive.

The 1991 annual contributions request was for $7.4 billion, as compared with $25 billion appropriated in 1981. So Members can see what has happened in this account. The committee went above the $7.4 billion requested by the administration in 1991 to $9.6 billion in this conference report. So we can all be very proud of that effort, and I commend my colleagues on the committee, as well as the membership of this body for allowing us to support those kinds of numbers. It is something with which Members can all be very, very pleased.

I might say that the housing groups around the country have indicated to us that they support this bill and the numbers that are in it. The Council for Large Public Housing Authorities says:

It strongly endorses the conference report for fiscal year 1991. It provides the greatest advances in meeting the housing needs of low-income people in over a decade.

The National Association of Housing Redevelopment Officials says:

The 1991 VA, HUD, and independent agencies appropriations bill seeks to redress a decade of neglect by the Federal Government of its responsibilities to those in our society without economic opportunities and least able to fend for themselves.

The National Housing Conference says:

Given current budgetary limitations and given the wide range of demands made on the limited resources available to the subcommittee, we applaud the level of commitment made in the conference report to public housing developments.

The Public Housing Authority Directors Association says:

We believe the funding levels contained in the final package will go a long way in addressing the public housing needs of this country.

We have similar letters from the National Low-Income Housing Coalition, for which we are all appreciative.

I would just like to say that we have tried, very conscientiously, to listen to what the Members would want us to do, what they would want us to include within the provisions of this bill. We have sought their counsel and they have provided it. Members have approached me on unique situations that exist within their districts, and each of those are meritorious. The communities involved, the public housing authorities involved are the infrastructure of America, and that is what we are working to build here. It is not some so-called pork effort.

I might add that within this same amendment, No. 18, we have $14 million for technical assistance for economic development-type activities over which the Secretary will have discretion. We think that is a good program and we have high hopes for it. It is a pilot program, as these are pilot development programs and initiatives that can be demonstrated to be of value to the Nation.

I have a sense, and I hope I am wrong, that it will not be very long before we are going to be talking about some kind of public works programs, and we will be looking at these kinds of pilot programs as the basis for that kind of an effort. We did that during President Ford's administration. I regret to say I think the economy is going in that direction and we are probably going to to back to that again.

I want to say to my distinguished colleague that the committee has always been sensitive to the needs of the membership. I can assure Members that we will continue to be so, and I trust that Members will reject the gentleman's arguments and support the committee's position.

Mr. YATES. Madam Speaker, will the gentleman yield?

Mr. TRAXLER. I am pleased to yield to the gentleman from Illinois.

Mr. YATES. Madam Speaker, I want to thank the gentleman for his cooperation and for the cooperation of his staff in helping me work with HUD. I think the gentleman was probably referring to projects like the one that I have been associated with in trying to achieve a refinancing of a building in my district.

It took a year in order to achieve that refinancing, and it took the allocation of section 8, and those section 8's were allocated by HUD. But it took whatever pressure a Member of Congress had with HUD in working out a working relationship between the de-

veloper, the tenants and HUD to achieve this kind of cooperation.

That arrangement was finally approved after a year of effort, and if I am accused of trying to earmark a particular project, I will plead guilty to it, because there were 230 families at risk in that project, at risk of having their rents increased as much as 20, 30 or 40 percent if that refinancing arrangement did not go through.

So I do not accept the criticisms of the gentleman from Texas.

Mr. TRAXLER. I thank the gentleman for his contribution.

Madam Speaker, I reserve the balance of my time.

Mr. GREEN of New York. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I think I ought to set the record straight on the history of this kind of an appropriation. Contrary to what the gentleman from Texas has suggested, this did not originate in the 101st Congress. I have been following HUD appropriation bills since I became HUD Regional Administrator in New York in 1970, and there is certainly nothing unique about the kinds of appropriations we have in amendment No. 18.

Moreover, I think the reason for these is fairly clear; that is, special problems developed that could not fit within the narrow framework in which programs are often drawn, and so there is a need for some special way to deal with the problem, and that calls for some sort of solution in an appropriation bill or in an authorization bill.

Just last year, the gentleman from Texas had a problem. He and his colleagues from his part of Texas wanted to accelerate the development of a veterans' cemetery. So we put a special appropriation in the bill for fiscal year 1990 so that the VA could start on the environmental review of the cemetery, and thus move it along a little faster than the regular bureaucratic approach might otherwise have permitted. That was not pork, and I do not criticize the gentleman from Texas for seeking that. It was simply an effort to move things along a little faster, to deal with the bureaucracy and to get a needed project on its way.

That is what we are doing here in the Congress of the United States, and I do not think any of us has to apologize for that.

□ 1510

I would also like to object to the gentleman's comment that none of this has been desired by HUD. The fact of the matter is the gentleman is correct this left here with no such appropriations in the House, but what triggered these appropriations in the Senate was a request from HUD, and it was for the Kenilworth Parkside Project to which the gentleman referred, and as this bill emerged from the Senate, the No. 1 item on this list in amendment 18 was Kenilworth Parkside requested by Secretary Kemp.

It happened that Secretary Kemp wanted to hold a ceremony before the end of the fiscal year with a tenants' association of Kenilworth Parkside and, as a result, he could not wait for the fiscal year 1991 appropriation bill. So the gentleman and I and our counterparts in the Senate agreed to a reprogramming.

There was no competitive bidding. There was no request for proposals. There was a simply reprogramming to allow the Secretary to go ahead and move forward a little faster than otherwise might be possible, a project that the Secretary wanted as a demonstration of his program for privatization of public housing, and if we look at the No. 1 project on the list in amendment 18, it is another such project, $5,900,000 for the conversion of 200 units of public housing to resident home ownership at the Carr Square Village project in St. Louis, MO, again, furthering the aims of the Secretary of HUD.

So the executive branch, from time to time, recognizes that it needs special projects, not pork as the gentleman would describe them, in order to move ahead the programs that it is concerned with.

We had the same thing following the tragic earthquake in California when, again, the two subcommittee accommodated the Secretary in meeting the urgent needs that developed there.

I would urge my colleagues to recognize that these special needs are not uniquely perceived by the executive branch. We here in the House, our brethren in the Senate also, recognize special needs. We are, after all, somewhat closer to our districts and our States than is the bureaucracy here in Washington.

So just as the Secretary of HUD often comes to us with special projects that are not competed with, there is no invitation for proposals, where there is an urgent need, so Members of Congress come to us also, and I think it is appropriate that we respond to the Secretary as we do, and I think it is appropriate that we respond to Members of Congress as we do. That is the history of these kinds of provisions.

I think it is an honorable history, and I urge my colleagues to approve the motion.

Mr. BARTLETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I would note that HUD and the Secretary of HUD are opposed to these 61 projects and opposed to the funding in this way and is on the record opposing special-purpose grants.

Indeed, those special-purpose grants were deauthorized last year.

Madam Speaker, I yield 2 minutes to the gentleman from California [Mr. CAMPBELL].

Mr. CAMPBELL of California. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I did not wish to leave my colleague from Texas alone when he made the statement that no one else would speak on behalf of his position, so I am proud to add my voice on his point.

It is for this reason, I am concerned about getting as much money as possible for low-income housing and for senior housing. Now, suppose you have that as a goal, you would take a certain amount of money and allow it to go through section 8, which gives money for vouchers for low-income housing.

We are not today debating the total amount of money available for housing. We are debating whether that money should be taken out of section 8 and into particular projects instead.

If we had a total sum of money that was the same, I would put the question to my colleagues: Is it better for low-income people and for seniors to have that money go to particular projects for the construction of new housing or for studies of new housing, or to have that money go directly to the low income and the senior citizen who could then use that fund for available housing? I suggest the answer is quite clear. For the low-income citizen, the voucher is far more important.

What we are doing, instead, though, is taking money essentially from their pockets and putting it into the construction of new housing or new projects, new concepts, new studies.

I mentioned seniors. Let me just dwell on that topic for one other moment. The senior citizen population in need of housing cannot wait the time it takes for new construction. New construction means that you might have 4 to 5 years until a new unit comes on stream.

Is it not fairer to our senior citizens who are most in need of housing to use the funds available in this bill through section 8 so that they can get into housing now? Some of them, tragically, may not be able to wait 4 and 5 years.

Lastly, I make a point about housing zones and ordinances and the difficulty of building new housing in almost every major urban area.

If we wish to delay the construction of new housing, there is no better way to do it than to simply leave the matter to the organized zone rules of each local community. If, however, we wish to take people without homes and give them homes, put this same money into section 8 vouchers.

My colleagues, the choice is clear. Money for people who need it today,

or money to construct particular projects that may come on stream 4 or 5 years from now? My colleagues, let us vote in favor of the needy and in favor of the poor, in favor of the seniors who need housing now.

Mr. TRAXLER. Madam Speaker, I yield myself 2 minutes.

Madam Speaker, first I wanted to commend my colleagues for the high level of debate on this matter.

I would say in conclusion, that we would urge a yes vote in support of the conference report and the committee's position.

Mr. GREEN of New York. Madam Speaker, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. COUGHLIN], the former ranking minority member on the subcommittee.

Mr. COUGHLIN. Madam Speaker, I rise in strong support of the conference report on H.R. 5158, the fiscal year VA, HUD, independent agencies appropriations bill.

I have served on this subcommittee as long, or perhaps linger, than any other Member and I want to particularly congratulate the chairman, Mr. TRAXLER, who has done a laudatory job in this most difficult of budget years. I also want to congratulate the distinguished gentleman from New York [Mr. GREEN] the ranking member and vice chairman, who is perhaps the most knowledgeable person in this House about hands-on housing programs.

The VA, HUD, independent agencies appropriations bill is always difficult to craft given its disparate funding activities—public housing subsidies, homeless assistance, environmental cleanup, veterans' medical care, space exploration and science and technolgy assistance. Nonetheless, the chairman and ranking member have done a commendable job, as has the subcommittee staff, in bringing this measure before us today.

Before going into specifics I want to take a moment to commend the stellar work of one of my subcommittee colleagues.

This year's bill is the last upon which we will have the benefit of the advice of our colleague from Louisiana, Mrs. BOGGS. Congressman BOGGS, and I have worked together since she was first sworn in as a Member in 1974. throughout the ensuing years her constituents, the State of Louisiana, the Nation and I, have been truly privileged to have her counsel. The Congress will suffer from your absence and I wish her well in the years to come.

The funding recommendations we bring to you today embody the activities of key Government programs. The conference report will enable the Department of Veterans' Affairs to provide our veterans with their entitled benefits and to enhance their medical care.

Adequate funding has been included in the legislation to help implement the housing changes contained in pending housing reauthorization legislation. Homeless activities and community development programs also receive much needed funding boosts.

Funding for EPA to establish solar and renewable energy commercialization projects and to continue a cost-sharing arrangement demonstrating coke oven pollution abatement technologies, are incorporated in the legislation.

These funds are in addition to those allocated to EPA for clean air activities, Superfund toxic waste site cleanups, and hazardous waste abatement.

In addition, the bill contains a number of projects that represent priorities of Members of Congress.

My only misgiving with the bill is its restrictions on HUD's drug elimination grants. I would have preferred to allow HUD to disburse the funds as needed however I am informed that the decision to delay disbursements is based on budget considerations alone.

This legislation is the product of hundreds of hours of work and I commend it to my colleagues.

Mr. YATES. Madam Speaker, will the gentleman yield?

Mr. COUGHLIN. I am happy to yield to the gentleman from Illinois.

Mr. YATES. Madam Speaker, I should like to reply in measure to the statement by the previous speaker who supported the gentleman from Texas with respect to the section 8's.

In my district where a number of projects are receiving section 8 by cooperation with HUD, the buildings involved are not new buildings at all. They are old buildings that are being refinanced and rehabilitated. Two of them involve buildings that have been boarded up, and if one reads the speechs that have been made by Secretary Kemp respecting Project Hope, one finds that his aim was to target this kind of help to buildings that need rehabilitation and can be rehabilitated quickly.

Mr. GREEN of New York. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I would simply remind my colleagues that if they wish to support the subcommittee and the conference report, they have to vote yes on the pending motion.

Madam Speaker, I yield back the balance of my time.

Mr. BARTLETT. Madam Speaker, I yield 2½ minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Madam Speaker, I must confess that I have less knowledge of the facts in this case than most, of this issue, but as I listened to the gentleman from Texas, it seemed to me that he came up with a lot of powerful logic.

I looked over the various projects. I think I have the right page, $500,000 for the city of Fairmont, WV to refurbish and renovate a community humanities and cultural center; $995,000 for a performing arts cultural center in North Miami Beach, FL, $205,000 for the Karamu Theater Project in Cleveland, OH. I have no doubt, and I can go on and on, that all of these projects are good projects. I have no doubt, too, that in every congressional district we can pick 5 or 10 that can match any one of these.

□ 1520

The point that I wanted to bring out is, there is no question that we are all distinguished individuals, but somehow collectively this body, in doing things like this, it seems to me projects a perception, nationwide, that is nothing short of terrible.

How can so many individuals who are so bright and erudite and good-natured and nice people collectively end up with such projects like this where we know there has been no real input except awfully nice people who come together with nice projects, that they have apparently the clout and the ability to be able to pass? That is not the way we ought to run this.

Somebody had said the other day that Congress is not liked collectively, but we are all individually nice people. Like having a little baby. We like a baby individually, but get 20 of them in one room, and we have chaos, and we do not like it collectively.

I was walking between my office and here to speak, and maybe somebody has explained why there is no authorization for these bills, why the Department says this is not high priority as far as they are concerned. What is high priority, if we do not know it right now? In fact, the Department does not want these projects; they are not high priority except in the eyes of those Members who have, as the gentleman from Texas has pointed out, the clout to have them included in the list of what the taxpayers will pay for; $54 million of pork, of the taxpayers money. Business as usual even as we know we shall pile up about $800 billion of new debt for our children to pay off in 1991. Let's face it, Congress ain't ready for reform. How obtuse can Congress get?

Heavens, if we do not comprehend what is high priority now, and that is to cut spending, not just cut increases in spending, I do not know when we will ever comprehend it.

Mr. BARTLETT. Madam Speaker, I yield myself the balance of my time. I will take the 5½ minutes because I want the record to be quite clear for those Members who are listening to the debate, and a fair number are.

First, it is true, and I listened to the Speakers very carefully on this issue, and I want to walk down some of the points and share with the Members the examples of some of what they will be voting on.

First, it is true that the gentleman from Michigan and the gentleman from New York are both kind and fair persons, and kind and fair Members of Congress. However, I also noted that the fairness that was referred to on the floor by several speakers was a statement that they are especially fair as they are to other Members of Congress, to each other's politics. I do not find that to be especially fair to the needs of low income residents and families in this country who need housing.

It is true that amendment No. 18 is kind, and it is fair to Members of Congress and to our special needs, but that is not fair to others in the country who are hurting.

Second, the gentleman from California talked about the various kinds of housing in this. I want to note for the record, most of these 61 projects are not housing at all. The money is being taken away from housing. It is taken away from rental assistance, but most of all, with a few notable exceptions as the gentleman from Illinois pointed out, most of it does not go to housing at all.

Next, the point was made about Kenilworth Parkside, the Secretary's request. That is true. That is the one project that was taken out of this entire bill, and, in fact, it was funded.

Mr. GREEN. Madam Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. GREEN. It was taken out because the Secretary could not wait for this bill.

Mr. BARTLETT. It was taken out because the same thing the gentleman from New York is saying, it was funded. It was funded in the ordinary course of business from funds that had previously been appropriated and were then reallocated.

Resident ownership for the people of St. Louis was put in this bill, and, in fact, as it should have been, but that is because the Subcommittee on Appropriations chose to make no funds available for competitive bidding for resident ownership. Perhaps public housing residents in Alabama or California or Chicago or Oregon would also like to compete for resident ownership funding.

The other thing that was mentioned was that there are housing groups who are supporting the bill. That is true. Not a single housing group that was named by the gentleman from Michigan, not a single housing group, a nationwide group in the country is supporting amendment No. 18. Not one, because the money is taken away from low income residents and given to politics.

Last, I want the Members to know what it is they are voting on. They are voting to fund a senior citizen employment social service in Krueger Mansion in Newark, NJ. Perhaps there is a town in Krueger Mansion, Texas, or Michigan, or Ohio that would be more deserving. And funds for the removal of asbestos and site-clearing activities of Rath Packing Plant in Waterloo, IA, or to create a national center for revitalization at the University of New Orleans, no bidding. There may be other universities that would have an equal claim to the money, or we are paying for environmental impact statement in the State of Hawaii that otherwise required by law to pay for themselves, or $500,000 for the town of Fairmont, WA, to refurbish a community humanities and cultural center, for the Karamu Theater Center Project in Cleveland, OH, or the New Freedom Theater in Philadelphia, PA, or public safety equipment in Lawrence, MA. The money is being taken from low-income families, their rental assistance, those 5,000 families will never know that we took it away from them. It is being given to politics. It is a sad day in Congress.

Mr. MICHEL. Madam Speaker, I want to commend the chairman and ranking minority member of the subcommittee for the inclusion of $3 million for the relocation of residents from the Southtown area of Peoria.

To provide a little background, Southtown is a low-income area with primarily a minority population within which an urban renewal redevelopment project was initiated in the late 1970's. A number of houses were razed, Caterpillar initiated the construction of a new training facility, and commitments were made to the remaining residents that their houses would be purchased and they would be relocated.

When the bottom fell out of the Peoria economy in 1982, however, everything came to a halt involving the project. Caterpillar stopped work on its facility, new businesses were unwilling to relocate into the area, and money was no longer available to move the residents into new houses.

Only now are things beginning to pick up steam again in Southtown, but there is still a long way to go. Meanwhile, all the residents remaining are still being left in a state of limbo. Because their homes are slated for demolition, they cannot sell them, nor can they fix them up. So the residents are being forced to live in continually deteriorating homes—homes that were not in very good shape to begin with. The city still does not have the necessary funds to move ahead with the relocation on the overall scale necessary, and as a matter of fact, has had to work out a stretched out payment schedule with HUD on a 1982 loan.

Allocation of the $3 million will enable the city to complete the relocation project in an expeditious fashion, thus ending much of the suffering and uncertainty that currently exists.

Mr. WASHINGTON. Mr. Speaker, I hereby give notice to my constituents, my colleagues, and to all of those interested in public housing in Houston, that at the next appropriations cycle the question of the repeal of that portion of the Frost-Leland amendment to H.R. 2783 of December 21, 1987, relating to Houston, will be revisited.

The Frost-Leland amendment prohibits the use of Federal funds for the demolition of Allen Parkway Village, which is located at 1600 Allen Parkway Drive in Houston, TX, which lies wholly within the 18th Congressional District.

It was the view of my predecessor in this office that Allen Parkway Village should not be demolished. Before I came to the Congress, I was of the opposite view and my feelings in this regard were made known to my predecessor as well as to most others who had studied the issue. While I did not avail myself of the opportunity to repeal the Leland portion of the Frost-Leland amendment in this budget cycle, I wish for all to know that this matter will be revisited and a determination made by the time that the next appropriations bill for the Department of Housing and Urban Development is approved by the Congress.

All those interested should be aware that a study will be conducted by this office and that hearings will be held on that question.

I have the obligation of leading the discussion on future developments as to low-income housing in the city which I serve. There has been little or no action with regard to this project, which comprises 1,000 units of low-income housing for the past 11 years. Lethargy is the only description applicable to the status of ideas, discussions, suggestions, recommendations, or action, or the lack thereof. Meanwhile, the list of low-income families who had been deemed eligible for low-income housing has grown from 3,200 families to over 20,000 families. In my view, it is a shame and a disgrace for the city of Houston to have over 20,000 families on the waiting list for low-income housing while at the same time there is no adequate program to develop additional units of low-income housing to meet this pressing need.

I am also of the view that 1,000 units of low-income housing compactly situated on small tracks of land is, by definition, a ghetto. The warehousing of human beings in such a fashion is antithetical to a humane and decent society.

I am interested in moving the dialog regarding Allen Parkway Village, in particular, and low-income housing in general, to a higher plane. It is my view that the possibility exists that the development of this property, by leveraging the ownership interest which is held by the Houston Housing Authority, would result in the development of scattered-site housing throughout the city. A redevelopment of the 37-acre tract of land which is owned by the Housing Authority in conjunction with other land—in what is commonly know as the Fourth Ward of Houston, TX—which is owned by the Houston Independent School District, the city of Houston, and Harris County Hospital District is a thought worthy of pursuit. These governmental entities have an overriding obligation to work together to make the

highest and best use of the property in the public interest. It seems to me that, working collectively, great minds could develop a scheme by which these jointly held, governmentally owned, properties could be leveraged in such a fashion that one of the most pressing needs in our community could be met: that of providing low-income housing to people who have been and are in desperate need.

It is my hope that these governmental entities, through their collective leadership, working on behalf of the interests of the citizens of Harris County, will come together in such a fashion as to accomplish this goal. To that end, it will be my desire to participate fully in discussions, meetings, conferences, and the like which have as their purpose a feasibility study as to how, and under what circumstances, use can be put to these properties aforementioned in such a fashion that a mixed use development and rehabilitation of the Fourth Ward may occur. All interests in segments of the community will be consulted.

If I am convinced, after the hearings and consultations aforementioned, that it is in the best interest of the community at large, and more specifically of the low-income individuals who are in need of and desirous of housing that Allen Parkway Village should be demolished, I will repeal that portion of the Frost-Leland amendment which prohibits the use of Federal funds for that purpose. It will then be within the jurisdiction of the board of commissioners of the housing authority of the city of Houston, together with the city council of the city of Houston to make the ultimate determination.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The question was taken; the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BARTLETT. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device and there were—yeas 232, nays 167, not voting 34, as follows:

[Roll No. 496]

YEAS—232

Ackerman	Bustamante	Engel
Alexander	Campbell (CO)	Erdreich
Anderson	Carper	Espy
Annunzio	Carr	Evans
Anthony	Chapman	Fascell
Applegate	Clarke	Fazio
Atkins	Clement	Feighan
AuCoin	Coleman (TX)	Flake
Baker	Collins	Foglietta
Bateman	Conte	Ford (TN)
Bereuter	Conyers	Frank
Berman	Costello	Frost
Bevill	Coughlin	Gallo
Bilbray	Davis	Gaydos
Bilirakis	de la Garza	Gejdenson
Boehlert	DeFazio	Gephardt
Boggs	Dellums	Geren
Bonior	Derrick	Gibbons
Borski	Dicks	Gonzalez
Bosco	Dingell	Gordon
Boucher	Dixon	Goss
Boxer	Donnelly	Grandy
Brooks	Downey	Gray
Browder	Durbin	Green
Brown (CA)	Dymally	Hall (OH)
Bruce	Early	Hall (TX)
Bryant	Edwards (CA)	Hansen
Harris	McMillen (MD)	Saiki
Hatcher	McNulty	Sangmeister
Hawkins	Meyers	Savage
Hayes (IL)	Mfume	Sawyer
Hayes (LA)	Michel	Scheuer
Hertel	Miller (CA)	Serrano
Hoagland	Mink	Sharp
Hochbrueckner	Moakley	Sisisky
Horton	Molinari	Skaggs
Houghton	Mollohan	Skeen
Hoyer	Montgomery	Slaughter (NY)
Huckaby	Moody	Smith (FL)
Jones (GA)	Morella	Smith (IA)
Jones (NC)	Morrison (WA)	Smith (NE)
Jontz	Mrazek	Smith (NJ)
Kanjorski	Murphy	Solarz
Kaptur	Murtha	Spence
Kastenmeier	Myers	Spratt
Kennelly	Nagle	Staggers
Kildee	Natcher	Stallings
Kleczka	Neal (MA)	Stark
Kolter	Nowak	Stokes
Kostmayer	Oakar	Studds
LaFalce	Oberstar	Sundquist
Lancaster	Obey	Swift
Leach (IA)	Olin	Tauke
Leath (TX)	Ortiz	Tauzin
Lehman (CA)	Owens (NY)	Thomas (GA)
Lehman (FL)	Owens (UT)	Torres
Levin (MI)	Panetta	Torricelli
Levine (CA)	Pashayan	Towns
Lewis (GA)	Patterson	Traficant
Lightfoot	Payne (NJ)	Traxler
Lipinski	Payne (VA)	Udall
Livingston	Pelosi	Unsoeld
Lloyd	Perkins	Vento
Long	Pickett	Visclosky
Lowery (CA)	Pickle	Volkmer
Lowey (NY)	Poshard	Washington
Luken, Thomas	Price	Watkins
Manton	Pursell	Wheat
Markey	Rahall	Whitten
Martinez	Rangel	Williams
Matsui	Ravenel	Wilson
Mavroules	Richardson	Wise
Mazzoli	Roe	Wyden
McCandless	Ros-Lehtinen	Yates
McCloskey	Rose	Yatron
McDade	Rostenkowski	Young (AK)
McDermott	Roybal	
McHugh	Sabo	

NAYS—167

Andrews	Emerson	Lagomarsino
Archer	English	Lantos
Armey	Fawell	Laughlin
Ballenger	Fields	Lent
Bartlett	Fish	Lewis (FL)
Bates	Frenzel	Lukens, Donald
Beilenson	Gallegly	Machtley
Bennett	Gekas	Madigan
Bentley	Gillmor	Marlenee
Bliley	Gilman	McCollum
Broomfield	Gingrich	McCrery
Brown (CO)	Glickman	McCurdy
Buechner	Goodling	McEwen
Bunning	Gradison	McGrath
Burton	Grant	McMillan (NC)
Byron	Guarini	Miller (OH)
Callahan	Gunderson	Miller (WA)
Campbell (CA)	Hamilton	Mineta
Cardin	Hammerschmidt	Moorhead
Chandler	Hancock	Neal (NC)
Clinger	Hastert	Nielson
Coble	Hefley	Oxley
Coleman (MO)	Henry	Pallone
Combest	Herger	Parker
Cooper	Hiler	Parris
Courter	Holloway	Paxon
Cox	Hopkins	Pease
Craig	Hubbard	Penny
Crane	Hughes	Petri
Dannemeyer	Hunter	Porter
Darden	Hutto	Ray
DeLay	Hyde	Regula
DeWine	Inhofe	Rhodes
Dickinson	Ireland	Ridge
Dorgan (ND)	Jacobs	Rinaldo
Dornan (CA)	James	Ritter
Douglas	Jenkins	Roberts
Dreier	Johnson (CT)	Rogers
Duncan	Johnson (SD)	Rohrabacher
Dyson	Johnston	Roth
Eckart	Kasich	Rowland (GA)
Edwards (OK)	Kyl	Russo
Sarpalius	Smith, Robert (NH)	Thomas (WY)
Saxton	Smith, Robert (OR)	Upton
Schaefer	Snowe	Valentine
Schiff	Solomon	Vander Jagt
Schroeder	Stangeland	Vucanovich
Sensenbrenner	Stearns	Walker
Shaw	Stenholm	Weber
Shays	Stump	Weiss
Shumway	Synar	Weldon
Shuster	Tallon	Whittaker
Sikorski	Tanner	Wolf
Skelton	Taylor	Wolpe
Slattery	Thomas (CA)	Young (FL)
Slaughter (VA)		
Smith, Denny (OR)		

NOT VOTING—34

Aspin	Kennedy	Schneider
Barnard	Kolbe	Schuette
Barton	Lewis (CA)	Schulze
Brennan	Martin (IL)	Schumer
Clay	Martin (NY)	Smith (TX)
Condit	Morrison (CT)	Smith (VT)
Coyne	Nelson	Walgren
Crockett	Packard	Walsh
Dwyer	Quillen	Waxman
Flippo	Robinson	Wylie
Ford (MI)	Roukema	
Hefner	Rowland (CT)	

□ 1547

The Clerk announced the following pairs:

On this vote:

Mr. Lewis of California for, with Mr. Packard against.

Mr. Quillen for, with Ms. Schneider against.

Messrs. ENGLISH, BLILEY, LANTOS, DYSON, WOLPE, SKELTON, ROWLAND of Georgia, HUBBARD, AND MACHTLEY changed their vote from "yea" to "nay."

Messrs. LIGHTFOOT, LEACH of Iowa, WASHINGTON, PAYNE of Virginia, and FLAKE changed their vote from "nay" to yea."

So the motion was agreed to.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mrs. UNSOELD). The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 25: Page 19, line 23, strike out "$2,000,000,000" and insert "$2,001,300,000: *Provided*, That the Secretary of Housing and Urban Development shall report to the Committees on Appropriations by December 1, 1990, as to whether or not funds provided under this heading are sufficient to satisfy 100 percent of the performance funding system for fiscal year 1991, unadjusted by unrealized or estimated savings".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 25, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: "$2,100,000,000: *Provided*, That of the funds made available under this heading, $150,000,000 shall not become available for obligation until September 20, 1991, and

pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, this action is a necessary (but secondary) result of a significant policy change: *Provided further,* That the Secretary of Housing and Urban Development shall report to the Committees on Appropriations by February 1, 1991, as to whether or not funds provided under this heading are sufficient to satisfy 100 percent of the performance funding system for fiscal year 1991, unadjusted by unrealized or estimated savings".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 42: Page 25, line 20, strike out "$140,000,000" and insert "$250,000,000".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 42, and concur therein.

POINT OF ORDER

Mr. FRENZEL. Madam Speaker, I have a point of order.

The SPEAKER pro tempore. The gentleman will state it.

□ 1550

Mr. FRENZEL. Madam Speaker, amendment No. 42 proposes that the House recede from its position of $140 million in section 108, loan guarantees, which was the proper amount under the Budget Act, and recede to the Senate, which has an excessive amount of $250 million. This is a violation of section 302(f), and, therefore, it is on that basis that I make the point of order. I state positively that the House position was strictly within the law. It is only by receding to the Senate that we would be in danger of violating the limit, and I urge that my point of order be sustained.

Mr. TRAXLER. Madam Speaker, I concede the point of order.

Mr. GREEN of New York. Madam Speaker, I, too, concede the point of order.

The SPEAKER pro tempore (Mrs. UNSOELD). The point of order is sustained based on the estimate from the Committee on the Budget furnished to the Chair.

MOTION OFFERED BY MR TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. TRAXLER moves that the House insist on its disagreement to the amendment of the Senate numbered 42.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 48: Page 27, strike out all after line 23 over and including line 7 on page 28, and insert:

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, and otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $828,000,000, of which $396,000,000 shall be provided from the various funds of the Federal Housing Administration: *Provided,* That during fiscal year 1991, notwithstanding any other provisions of law, the Department of Housing and Urban Development shall maintain an average field employment of at least 2,000 staff years for multifamily insured mortgage programs and activities.

MOTION OFFERD BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. Traxler moves that the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For necessary administrative and nonadministrative expenses of the Department of Housing and Urban Development, not otherwise provide for, including not to exceed $7,000 for official reception and representation expenses, $825,500,000, of which $396,000,00 shall be provided from the various funds of the Federal Housing Administration: *Provided,* That during fiscal year 1991, notwithstanding any other provision of law, the Department of Housing and Urban Development shall maintain an average employment of at least 1,411 for public and Indian housing programs and an average field employment of at least 1,950 staff years for multifamily insured mortgage programs and activities.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 51: Page 28, strike out all after line 15, over to and including line 2 on page 29

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 51, and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

Notwithstanding any other provision of law or other requirement, the city of Lebanon, in the Commonwealth of Pennsylvania, is authorized to retain any land disposition proceeds from the financially closed-out Southside Urban Renewal Project (R-635 (C)) not paid to the Department of Housing and Urban Development and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Lebanon shall retain such proceeds in a lump sum and shall be entitled to retain all past and future earnings from such proceeds, including any interest.

Notwithstanding any other provision of law or other requirement, the City of Lawrence, Massachusetts, is authorized to retain any land disposition proceeds or urban renewal grant funds that remain after the financial close out of the Theater Row Urban Renewal Project, and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The City of Lawrence shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this paragraph, all past and future earnings from such funds, including any interest.

The Secretary of Housing and Urban Development shall cancel the indebtedness of the Eastern New Mexico Natural Gas Association, Inc., a non-profit organization, relating to the public facilities loan (project no. NM-29-PFL0025), dated June 1, 1967, under title II of the Housing Amendments of 1955. The Eastern New Mexico Natural Gas Association, Inc., is relieved of all liability to the Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection with such loan.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 61: Page 32, strike out lines 7 to 22, and insert:

During fiscal year 1991, notwithstanding any other provision of law, average employment in the headquarter's offices of the Department of Housing and Urban Development shall not exceed: (1) 28 staff years for the Immediate Office of the Secretary/Under Secretary, (2) 18 staff years for the Deputy Under Secretary for Field Coordination, (3) 14 staff years for the Office of Public Affairs, (4) 28 staff years for the Office of Legislation and Congressional Relations, (5) 1,142 staff years for the Assistant Secretary for Housing—Federal Housing Commissioner, of which 25 staff years shall be for data management reform and preservation activities only, (6) 157 staff years for

the Assistant Secretary for Public and Indian Housing, (7) 271 staff years for the Assistant Secretary for Community Planning and Development, (8) 137 staff years for the Assistant Secretary for Policy Development and Research, (9) 170 staff years for the Assistant Secretary for Fair Housing and Equal Opportunity, and (10) 224 staff years for the Office of General Counsel of which not more than 15 staff years shall be for the Immediate Office of General Counsel: *Provided,* That the Office of Drug Free Neighborhoods shall be transferred from the Office of General Counsel to the Assistant Secretary for Public and Indian Housing and included within the staff years provided herein therefor: *Provided further,* That effective October 1, 1990, the Office of Public Affairs shall be terminated and its functions shall not be reassigned to any other element of the Department: *Provided further,* That no funds may be used from amounts provided in this or any other Act for details of employees from any organization in the Department of Housing and Urban Development to any organization included under the budget activity "Departmental management".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 61, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

During fiscal year 1991, notwithstanding any other provision of law, average employment in the headquarter's offices of the Department of Housing and Urban Development shall not exceed: (1) 28 staff years for the Immediate Office of the Secretary/Under Secretary, (2) 18 staff years for the Deputy Under Secretary for Field Coordination, (3) 20 staff years for the Office of Public Affairs, (4) 28 staff years for the Office of Legislation and Congressional Relation, (5) 1,152 staff years for the Assistant Secretary for Housing—Federal Housing Commissioner, of which 25 staff years shall be for data management reform and preservation activities only, (6) 162 staff years for the Assistant Secretary for Public and Indian Housing, (7) 274 staff years for the Assistant Secretary for Community Planning and Development, (8) 162 staff years for the Assistant Secretary for Policy Development and Research, (9) 172 staff years for the Assistant Secretary for Fair Housing and Equal Opportunity, and (10) 224 staff years for the Office of General Counsel, of which not more than 15 staff years shall be for the Immediate Office of the General Counsel: *Provided,* That the Office of Drug-Free Neighborhoods shall be transferred from the Office of General Counsel to the Assistant Secretary for Public and Indian Housing and included within the staff years provided herein therefore: *Provided further,* That no funds may be used from any amounts provided in this or any other Act for details of employees from any organization in the Department of Housing and Urban Development to any organization included under the budget activity "Departmental Management".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 62: Page 32, after line 22, insert:

Prior to the implementation of any final rule or directive imposing new limitations on the ability of any public housing agency or Indian housing authority to secure general liability and property insurance coverage, or special risk coverage for abatement of hazardous substances such as lead-based paint, from non-profit insurance entities owned by such housing authorities, the Secretary of the Department of Housing and Urban Development shall transmit a report to the appropriate Committees of the Congress detailing (1) the intent and purpose of any such rule or directive; (2) the legislative authority and administrative precedent for such rule or directive; and (3) an assessment of the potential impact that such rule or directive will have on the ability of such housing authority-owned insurance entities to continue to effectively offer an alternative to other commercially available coverage on a long-term basis.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 62, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

Notwithstanding any other provision of law, regulation or other requirement, the Secretary shall not require any public housing agency or Indian housing authority to seek competitive bids for the procurement of any line of insurance when such public housing agency or Indian housing authority purchases such line of insurance from a nonprofit insurance entity, owned and controlled by public housing agencies or Indian housing authorities, and approved by the Secretary. In establishing standards for approval of such nonprofit insurance entities, the Secretary shall be assured that such entities have sufficient surplus capital to meet reasonably expected losses, reliable accounting systems, sound actuarial projections, and employees experienced in the insurance industry. The Secretary shall not place restrictions on the investment of funds of any such entity that is regulated by the insurance department of any State that describes the types of investments insurance companies licensed in such State may make. With regard to such entities that are not so regulated, the Secretary may establish investment guidelines that are comparable to State law regulating the investments of insurance companies.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 65: Page 34, after line 11, insert:

COMMISSION ON NATIONAL AND COMMUNITY SERVICE

SALARIES AND EXPENSES

For use in establishing and paying the salaries and expenses of the Commission on National and Community Service under subtitle G of title I of the National and Community Service Act of 1990, $2,000,000.

PROGRAMS AND ACTIVITIES

For use in carrying out the programs, activities and initiatives under subtitles B through F of title I of the National and Community Service Act of 1990, $98,000,000.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 65, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

COMMISSION ON NATIONAL AND COMMUNITY SERVICE

SALARIES AND EXPENSES

For use in establishing and paying the salaries and expenses of the Commission on National and Community Service under subtitle G of title I of the National and Community Service Act of 1990 (S. 1430, as passed by the Senate on October 16, 1990), $2,000,000.

PROGRAMS AND ACTIVITIES

For use in carrying out the programs, activities and initiatives under subtitles B through F of title I of the National and Community Service Act of 1990 (S. 1430, as passed by the Senate on October 16, 1990), $55,000,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 75: Page 37, line 6, after "programs" insert ": *Provided further,* That notwithstanding any other provision of law, from funds appropriated under this heading, the Administrator is authorized to make grants to "Federally recognized Indian tribes" on such terms and conditions as he deems appropriate for the development of multimedia environmental programs".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. Traxler moves that the House recede from its disagreement to the amendment of the Senate numbered 75, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following: ". *Provided further,* That notwithsatnding any other provision of law, the lease or purchase of a computer, from funds appropriated under this paragraph, to support the regional acid deposition monitoring program, and the planning and site acquisition for a new EPA Center for Ecology Research and Training, shall be established in the Bay City, Michigan, vicinity: *Provided further,* That notwithstanding any other provision of law, from funds appropriated under this heading, the Administrator is authorized to make grants to "Federally recognized Indian tribes" on such terms and conditions as he deems appropriate for the development of multimedia environmental programs".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 76: Page 37, line 22, strike out "$34,000,000 and insert "$19,000,000".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 76, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following: "$40,000,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the motion is as follows:

Senate amendment No. 77: Page 37, line 23, after "expended" insert ": *Provided,* That none of the funds previously appropriated for the design and renovation of a Superfund laboratory at Edison, New Jersey to test and evaluate innovative technologies shall be spent in fiscal year 1991".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 77, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following: ": *Provided,* That none of the funds previously appropriated for the design and renovation of a Superfund laboratory at Edison, New Jersey to test and evaluate innovative technologies, except for those funds necessary for education outreach or permit applications, including design work essential to such applications, shall be spent in fiscal year 1991".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 82: Page 39, strike out all after line 5, over to and including line 6, on page 40, and insert:

For necessary expenses to carry out the purposes of the Federal Water Pollution Control Act, as amended, and the Water Quality Act of 1987, $2,100,000,000, to remain available until expended, of which $2,083,500,000 shall be for title VI of the Federal Water Pollution Control Act, as amended; and $16,500,000 shall be for making grants authorized under section 104(b)(3) of the Federal Water Pollution Control Act, as amended.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 82, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For necessary expenses to carry out the purposes of the Federal Water Pollution Control Act, as amended, and the Water Quality Act of 1987, $2,100,000,000, to remain available until expended, of which $2,047,800,000 shall be for title VI of the Federal Water Pollution Control Act, as amended; and $16,500,000 shall be for making grants authorized under section 104(b)(3) of the Federal Water Pollution Control Act, as amended; and $35,700,000 shall be for title V of the Water Quality Act of 1987, consisting of $15,700,000 for section 510 and $20,000,000 for section 513: *Provided,* That notwithstanding any other provision of law, the $15,700,000 for section 510 and all funds that have been or will be appropriated under section 510 or Public Law 98-386, as amended by Public Law 99-88, shall be used to construct an international sewage treatment plant and related facilities in San Diego to treat Tijuana wastewater, and to carry out all activities, including planning, design, right-of-way acquisition, and building, which are necessary to complete that construction: *Provided further,* That, notwithstanding sections 602(b)(6) or 201(g)(1) of the Federal Water Pollution Control Act, as amended, of the funds appropriated in this paragraph, amounts awarded in a capitalization grant to an agency of any State, including funds transferred pursuant to section 205(m), shall be available for providing assistance in that State for the construction of publicly owned treatment works as defined in section 212 of that Act.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 85: Page 40, strike out all after line 24, over to an including line 10 on page 41, and insert:

During fiscal year 1991, notwithstanding any other provision of law, average employment in the headquarter's offices of the Environmental Protection Agency shall not exceed: (1) 70 work- years for the Immediate Office of the Administrator, including 1 to support the Superfund program; (2) 52 workyears for the Office of Congressional and Legislative Affairs, including 2 to support the Superfund program; (3) 66 workyears for the Office of Communications and Public Affairs, including 3 to support the Superfund program; (4) 169 workyears for the Office of General Counsel, including 12 to support the Superfund program, 11 to support program management, 1 to support the Leaking Underground Storage Tank Trust Fund program, and 1 to support the implementation of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1988; (5) 52 workyears for the Office of International Activities; (6) 35 workyears for the Office of Federal Activities; (7) 245 workyears for the Office of Policy, Planning, and Evaluation, including 13 to support the Superfund program and 1 to support the Leaking Underground Storage Tank Trust Fund program; (8) 1,367 workyears for the Office of Administration and Resources Management, including 263 to support the Superfund program, 9 to support the Leaking Underground Storage Tank Trust Fund program, and 13 to support the implementation of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1988.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 85, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

During fiscal year 1991, notwithstanding any other provision of law, average employment in the headquarters offices of the Environmental Protection Agency shall not exceed: (1) 45 workyears for the Immediate Office of the Administrator, including 1 to support the Superfund program; (2) 52 workyears for the Office of Congressional and Legislative Affairs, including 2 to support the Superfund program; (3) 66 workyears for the Office of Communications and Public Affairs, including 3 to support the Superfund program; (4) 169 workyears for the Office of General Counsel, including 12 to support the Superfund program, 11 to support program management, 1 to support the Leaking Underground Storage Tank Trust Fund program, and 1 to support the implementation of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1988; (5) 52 workyears for the Office of International Activities; (6) 35 workyears for the Office of Federal Activities; (7) 270 workyears for the Office of Policy, Planning, and Evaluation, including

13 to support the Superfund program and 1 to support the Leaking Underground Storage Tank Trust Fund program; (8) 1,367 workyears for the Office of Administration and Resources Management, including 263 to support the Superfund program, 9 to support the Leaking Underground Storage Tank Trust Fund program, and 13 to support the implementation of the Federal Insecticide, Fungicide, and Rodenticide Act Amendments of 1988.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 90: Page 42, after line 14, insert:

POINTS OF LIGHT FOUNDATION

For necessary expenses of the President in carrying out title III of the National and Community Service Act of 1990 relating to the Points of Light Foundation's promotion of local problem solving through voluntary community service, $5,000,000: *Provided*, That not later than 6 months after the date of enactment of this Act, the President shall prepare and submit to the appropriate committees of Congress a report describing the use of funds made available by this appropriation.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 90, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

POINTS OF LIGHT FOUNDATION

For necessary expenses of the President in carrying out title III of the National and Community Service Act of 1990 (S. 1430, as passed by the Senate on October 16, 1990), relating to the Points of Light Foundation's promotion of local problem solving through voluntary community service, $5,000,000: *Provided*, That not later than 6 months after the date of enactment of this Act, the President shall prepare and submit to the appropriate committees of Congress a report describing the use of funds made available by this appropriations.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 94: Page 44, line 2, strike out "$275,432,000" and insert "$267,042,000".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 94, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$282,624,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 100: Page 47, strike out lines 7 to 24, and insert:

For necessary expenses, not otherwise provided for; in support of space flight, spacecraft control and communications activities of the National Aeronautics and Space Administration, including operations, production, services, minor construction, maintenance, repair, rehabilitation, and modification of real and personal property; tracking and data relay satellite services as authorized by law; purchase, hire, maintenance and operation of other than administrative aircraft; $6,319,132,000, to remain available until September 30, 1992, of which $1,209,732,000 shall be used only for the purpose of reducing all outstanding debt to the Federal Financing Bank: *Provided*, That of the amounts provided herein for development and production of the advanced solid rocket motor, $15,000,000 shall be available without fiscal year limitation only for the competitive award of a second domestic development and production source contract for the carbon/carbon integral throat entrance unless the President certifies to the Congress by January 1, 1991, that such application of funds is not in the best interest of the United States space program on the basis of cost, added assurance of reliable supply, expanded technology base, and technical risk reduction.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 100, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For necessary expenses, not otherwise provided for; in support of space flight, spacecraft control and communications activities of the National Aeronautics and Space Administration, including operations, production, services, minor construction, maintenance, repair, rehabilitation, and modification of real and personal property; tracking and data relay satellite services as authorized by law; purchase, hire, maintenance and operation of other than administrative aircraft; $6,334,132,000, to remain available until September 30, 1992, of which $1,209,732,000 shall be used only for the purpose of payment, to the Federal Financing Bank, for the Tracking and Data Relay Satellite System (TDRSS) loan: *Provided*, That such payment shall constitute settlement of all amounts owed on said loan: *Provided further*, That of the amounts provided herein for development and production of the advanced solid rocket motor (ASRM), $15,000,000 shall be available without fiscal year limitation for the competitive award of a contract to develop either (1) a second domestic source for the development and production of the ASRM carbon/carbon integral throat entrance (ITE) or (2) a second domestic source for the production of the ASRM carbon/carbon ITE unless the Administrator of NASA certifies to the Congress by February 1, 1991, that such application of funds is not in the best interest of the United States space program on the basis of cost, added assurance of reliable supply, expanded technology base, and technical risk reduction.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 101: Page 48, line 7, strike out "$485,000,000" and insert "$497,900,000".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 101, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following. "and, notwithstanding the limitations on the availability of funds appropriated under this heading by this appropriations Act, an amount of $10,000,000 appropriated hereunder is to remain available without fiscal year limitation and is appropriated for the operation and maintenance of a new visitor center on the Lyndon B. Johnson Space Center to be constructed solely through the use of nonappropriated funds and for the provision of ancillary features such as roads, parking lots, utility services, and exhibits, and without regard to 31 U.S.C. 3302, such amount or portions thereof may be invested in securities of the United States Government and the interest earned thereon may be retained and used for the aforesaid purposes, except that these appropriated funds and interest earned thereon shall not be used to construct the new visitor center building nor for the payment, directly and indirectly, of principal or interest on any debt obligation incurred with respect to the new visitor center building, $497,900,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 102: Page 49, strike out lines 10 and 11, and insert:

For necessary expenses of research in Government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); awards, lease, hire, maintenance and operation of administrative aircraft; purchase (not to exceed thirty-three for replacement only) and hire of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of $100,000 per project for construction of new facilities and additions to existing facilities, repairs, and rehabilitation and modification of facilities; $2,232,900,000: *Provided*, That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That not to exceed $35,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 102, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following:

For necessary expenses of research in Government laboratories, management of programs and other activities of the National Aeronautics and Space Administration, not otherwise provided for, including uniforms or allowances therefore, as authorized by law (5 U.S.C. 5901-5902); awards, lease, hire, maintenance and operation of administrative aircraft; purchase (not to exceed thirty-three for replacement only) and hire of passenger motor vehicles; and maintenance and repair of real and personal property, and not in excess of $200,000 per project for construction of new facilities and additions to existing facilities, repairs, and rehabilitation and modification of facilities; $2,211,900,000: *Provided*, That contracts may be entered into under this appropriation for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year: *Provided further*, That not to exceed $35,000 of the foregoing amount shall be available for scientific consultations or extraordinary expense, to be expended upon the approval or authority of the Administrator and his determination shall be final and conclusive.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 105: Page 50, after line 2, insert:

During fiscal year 1991, notwithstanding any other provisions of law, average employment in the headquarter's offices of the National Aeronautics and Space Administration shall not exceed: (1) 48 staff years for the Office of the Administrator; (2) 162 staff years for the Headquarters Operations; (3) 41 staff years for the Office of Commercial Programs; (4) 10 staff years for the Office of Explorations; (5) 39 staff years for the Office of General Counsel; (6) 180 staff years for the Agency Management; (7) 70 staff years for the Office of External Relations; (8) 27 staff years for the Office of Legislative Affairs; (9) 222 staff years for the Office of Space Science and Applications; (10) 136 staff years for the Office of Aeronautics and Space Technology; (11) 233 staff years for the Office of Space Flight, including Level I activity for the Space Station; (12) 60 staff years for the Office of Space Operations; (13) 111 staff years for the Office of the Comptroller: *Provided*, That no funds may be used from amounts provided in this or any other Act for details of employees from any organization in the National Aeronautics and Space Administration to any organization included under the budget activity "Research and Program Management".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 105, and concur therein with amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following:

During fiscal year 1991, notwithstanding any other provision of law, average employment in the headquarter's offices of the National Aeronautics and Space Administration shall not exceed: (1) 48 staff years for the Office of the Administrator; (2) 184 staff years for the Headquarters Operations; (3) 44 staff years for the Office of Commercial Programs; (4) 10 staff years for the Office of Explorations; (5) 40 staff years for the Office of General Counsel; (6) 189 staff years for Agency Management; (7) 75 staff years for the Office of External Relations; (8) 29 staff years for the Office of Legislative Affairs; (9) 229 staff years for the Office of Space Science and Applications; (10) 144 staff years for the Office of Aeronautics and Space Technology; (11) 482 staff years for the Office of Space Flight, including Level I and Level II activities for the Space Station; (12) 61 staff years for the Office of Space Operations; (13) 111 staff years for the Office of the Comptroller: *Provided*, That no funds may be used from amounts provided in this or any other Act for details of employees from any organization in the National Aeronautics and Space Administration to any organization included under the budget activity "Research and program management", except those details which involve developmental or critical short-term staffing assignments.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 108: Page 51, line 6, strike out "$1,854,000,000" and insert "$1,744,650,000".

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 108, and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert the following "$1,694,200,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 112: Page 52, after line 8, insert:

PROGRAM DEVELOPMENT AND MANAGEMENT

For necessary program development and management expenses in carrying out the purposes of the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861-1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880-1881); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $6,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902); rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services; $99,000,000, to remain available until September 30, 1992: *Provided*, That contracts may be entered into under program development and management in fiscal year 1991 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 112, and concur therein with an amendment, as follows:

Insert language proposed by said amendment, amended to change the second dollar amount to $101,000,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 116: Page 56, line 10, strike out "such sums as may be necessary" and insert "$4,398,000,000"

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 116, and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following "$22,000,000,000"

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 119: Page 62, after line 19, insert:

SEC. 517. None of the funds appropriated under title II of this Act, or otherwise available to the Department of Housing and Urban Development, shall be used for first-class travel of any Department official or employee, unless required by medical necessity.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 119, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 517. None of the funds appropriated in title II of this Act, or otherwise available to the Department of Housing and Urban Development, shall be used for first-class travel of any Department official or employee unless required by medical necessity or on airplane flights longer than seven hours.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 120: Page 62, after line 19, insert:

SEC. 518. None of the funds appropriated under title I of this Act, or otherwise available to the Department of Veterans Affairs, shall be used to enter leases above $50,000, unless specifically provided for in Appropriations Acts.

Mr. TRAXLER. Madam Speaker, I ask unanimous consent to speak out of order for 1 minute.

The SPEAKER pro tempore. First, does the gentleman from Michigan [Mr. TRAXLER] have a motion?

Mr. TRAXLER. Madam Speaker, I have not offered the motion, and I ask unanimous consent to speak out of order for 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

TRIBUTE TO THE HONORABLE LINDY BOGGS

Mr. TRAXLER. Madam Speaker, I just take this brief moment to extend my sincere best wishes to the distinguished gentlewoman from Louisiana [Mrs. BOGGS], our colleague. She has been an invaluable Member of this body, and our committee and of the subcommittee. Each and every one of us from the staff to those on my side of the aisle, and I know elsewhere, want to extend to her our sincere and very best wishes for her future. We know that she will be back to see us often. We desire her to do that.

Mr. GREEN of New York. Madam Speaker, will the gentleman yield?

Mr. TRAXLER. I yield to the gentleman from New York.

Mr. GREEN of New York. Madam Speaker, I thank the gentleman from Michigan [Mr. TRAXLER], my distinguished chairman, for yielding to me.

Madam Speaker, I simply want to echo those words. It has been a great privilege for me to serve with the gentlewoman from Louisiana [Mrs. BOGGS] on the full Committee on Appropriations and on this subcommittee. She has been a most valued member of both, and I am really delighted to have had these years working with her.

Mr. TRAXLER. Madam Speaker, in conclusion I would like to express my appreciation to the staff on both sides of the aisle. Without their assistance and their expertise this conference report, indeed the bill, would not have been possible, and they have my deep, deep gratitude and sincere appreciation.

I would also like to say, "Thank you very much," to the gentleman from New York [Mr. GREEN] the Republicans on that side, and to my colleagues, the Democrats, on this side. They are just superb.

MOTION OFFERED BY MR. TRAXLER

Mr. TRAXLER. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. TRAXLER moves that the House recede from its disagreement to the amendment of the Senate numbered 120, and concur therein with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 518. None of the funds appropriated under title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than $300,000, unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. TRAXLER].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions and the conference report was laid on the table.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent for rollcall No. 493, a motion to recommit H.R. 5311—the conference report on D.C. appropriations; rollcall No. 494, H.R. 5311; rollcall No. 495, the conference report on H.R. 5158—VA-HUD-independent agencies appropriations; and rollcall No. 496, the Traxler amendment to H.R. 5158.

Had I been here, I would have cast the following votes: "nay," "aye," "aye," and "aye."

PERSONAL EXPLANATION

Mr. NELSON of Florida. Mr. Speaker, had I been present, I would have voted "aye" on rollcall nos. 493, 494, 495, and 496.

□ 1600

SPARK M. MATSUNAGA DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Mr. MONTGOMERY. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3032) to designate the planned Department of Veterans Affairs Medical Center in Honolulu, HI, as the "Spark M. Matsunaga Department of Veterans Affairs Medical Center," and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore (Mrs. UNSOELD). Is there objection to the request of the gentleman from Mississippi?

Mr. STUMP. Madam Speaker, reserving the right to object, I do so to yield to the gentleman from Mississippi [Mr. MONTGOMERY] for the purpose of explaining the bill.

GENERAL LEAVE

Mr. MONTGOMERY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on S. 3032, the Senate bill now being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Madam Speaker, S. 3032 would name the planned Department of Veterans Affairs Medical Center in Honolulu, HI,

for our late friend and colleague Senator Spark M. Matsunaga.

In my 24 years in this great body, I have never encountered a more personable nor more dedicated individual than "Sparky" Matsunaga. It was my pleasure to work with him in our respective roles on the House and Senate Veterans' Affairs Committees, and I can tell you from firsthand experience that he was a staunch veterans' advocate. The veterans of Hawaii had a loyal friend and ally in Sparky, as evidenced by the establishment of this health care facility for which he fought so hard.

When I introduced a peacetime education assistance program for our service personnel and veterans—now known as the Montgomery GI bill—Spark Matsunaga was one of the first to throw his support and influence behind it. His support never wavered on the GI bill or any other issue of importance to veterans.

Spark Matsunaga's interest in the well-being of our veterans ran deep. It was built upon personal experience. His service in the U.S. Army—both active and reserve—spanned three decades. Twice wounded in battle, he was a decorated veteran of both the Pacific and European theaters during World War II. Highest among his awards was the Bronze Star Medal with valor and the Purple Heart with cluster.

He served as a chapter commander of the Disabled American Veterans and was a life member of the Veterans of Foreign Wars, the American Legion, and the Military Order of the Purple Heart.

The Hawaii congressional delegation supports the bill, and it is endorsed by the American Legion, DAV, and VFW in the State. The bill meets the criteria of the Committee on Veterans' Affairs.

Spark Matsunaga's name should be affixed to and associated with this VA health care facility as a tangible reminder of the great deeds of a great man. He deserves this tribute.

Mrs. MINK. Madam Speaker, will the gentleman yield?

Mr. STUMP. Further reserving the right to object, I am happy to yield to the gentlewoman from Hawaii.

Mrs. MINK. Madam Speaker, I am pleased to rise in support of House passage of S. 3022, legislation naming the proposed VA medical center in Hawaii after the late Senator Spark M. Matsunaga, a friend and colleague with whom I was proud to serve for 12 years in this House.

During his tireless work over the years for a Hawaii VA medical center, Senator Matsunaga pointed out many times that approximately one person in Hawaii in 10 is a veteran and that Hawaii has the highest ratio of service-connected disabled veterans in the Nation. The Senator would also be quick to note that Hawaii ranks at or near the bottom in Federal medical spending per veteran. Yet Hawaii is still one of only two States in the Nation without a VA medical center.

The Congress could pay no finer tribute to Senator Matsunaga than to name the proposed Hawaii VA medical center after this man who gave so much to make it possible, a man who personally experienced the horror of combat, a man wounded in the line of duty, a man to whom the term war hero truly applies, and a man who knew that providing adequate health care only begins to repay the debt of gratitude each and every American owes to the veterans of this Nation.

That is why it was such a tragedy for Senator Matsunaga, the State of Hawaii, and the Nation to face the fact that until 2 years ago the only VA facility in Hawaii was a small outpatient clinic in the Prince Kuhio federal building. And there were no facilities at all on the neighbor islands. Medical and psychiatric care for Hawaiian veterans was split among private health-care providers, the Federal building's clinic, and the Tripler Army Medical Center. Back in 1975 Senator Matsunaga proposed using Tripler Army Medical Center's E-wing as a VA medical center. But the military's continual delays killed that idea.

Senator Matsunaga's tireless efforts led to creating a special VA task force to assess Hawaii veterans' needs. This task force confirmed that Hawaii veterans has been seriously neglected. The task force also criticized the State of VA health care in Hawaii. The recommendations included counseling the outpatient clinic, establishing clinics and counseling centers on one site on some or all the neighbor islands, and building a 165-bed full-fledged VA medical center on Oahu. Today, thanks to Senator Matsunaga's work, many of those recommendations are reality. The outpatient clinic tripled in size, clinics, and counseling centers are now on the Big Island, Maui and Kauai. And most important, Madam Speaker, Mr. Edward Derwinski, Secretary of Veterans Affairs, is on record strongly supporting the VA medical center Hawaii needs and deserves. All of this is because of the persistence and hard work of Senator Spark Matsunaga. I am quite certain, Madam Speaker, that Sparky took great comfort during the long illness that preceded his death that the Hawaii veterans hospital for which he worked so hard would become a reality.

Madam Speaker, in paying tribute to Senator Matsunaga I want to note his single-minded effort to accomplish something of immense value to his constituents. No one represented Hawaii's veterans more effectively, or with more compassion and understanding, than he did. It is fitting that Spark Matsunaga's name be forever associated with a veterans medical center, a place where wounds—mental and physical—can be mended and a place where those who suffered the tragedy and horror of war can receive comfort.

In closing, Madam Speaker, I want to thank House Veterans' Affairs Committee Chairman SONNY MONTGOMERY and the committee's ranking minority member BOB STUMP for their support and work in connection with this legislation. Without the chairman's support, in particular, this legislation could not have been brought to the floor before adjournment of the 101st Congress.

As I have indicated, no one deserves recognition as a war hero more than Spark M. Matsunaga. But Sparky preferred to be remembered as a peacemaker. He accepted the fact that war was sometimes necessary, but he never accepted the pain and tragedy it spawns. His long efforts to establish a U.S. Peace Institute are clear evidence. That is why I urge the House to join its Hawaii delegation and vote to name the proposed Hawaii VA medical center after our late friend and colleague. I urge my colleagues to support designating the planned Hawaii veterans hospital as the "Spark M. Matsunaga Department of Veterans Affairs Medical Center."

Mr. STUMP. Madam Speaker, I urge the passage of S. 3032.

Madam Speaker, I withdraw my reservation of objection.

Mrs. SAIKI. Mrs. Speaker, I join my colleagues in wholeheartedly supporting this bill which names a veterans' hospital in Hawaii the Spark M. Matsunaga Department of Veterans Affairs Medical Center.

No one worked harder and more diligently for veterans than our former colleague, Senator Matsunaga. It was his dream to have a health care facility available to veterans throughout our State.

The hospital, which has the enthusiastic support of the administration, will be located on the grounds of the Tripler Army Medical Center and will offer acute care as well as long-term care services for veterans.

This hospital has been long in coming and if it were not for the persistence and dedication of Senator Matsunaga, it would never have become a reality.

There is no more fitting a memorial than this center for Hawaii's dear friend and public servant. I only wish Sparky were here to see the passage of this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the Senate bill as follows:

S. 3032

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THE SPARK M. MATSUNAGA DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER.

The medical center planned to be constructed in Honolulu, Hawaii, by the Department of Veterans Affairs shall be known and designated as the "Spark M. Matsunaga Department of Veterans Affairs Medical Center" in honor of the late United States Senator from the State of Hawaii, Spark M. Matsunaga.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask for this time that I might inquire of the distinguished majority leader the program for the balance of this day, tomorrow, and into next week.

Mr. GEPHARDT. Madam Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Missouri.

Mr. GEPHARDT. I thank the gentlemen for yielding.

Madam Speaker, there will be no further votes today, but there will be unanimous-consent requests.

On tomorrow the House will meet at 2 p.m. and will take up the legislative appropriations bill. That will be the only piece of business on tomorrow. I cannot say exactly how long it will take. It depends on how much debate there is. If the debate is not long, we could be out in the late afternoon. If it gets longer, it will probably be the early evening.

On Monday we will meet at 10 a.m. We will have 1-minute speeches. We will then take up a housing conference report. We will have no votes then until noontime on Monday. We will have three appropriations conferences, Treasury, Postal Service, and General Government; Commerce, Justice, State, and Judiciary; and Labor, Health and Human Services, and Education.

We then have 40 suspensions planned for Monday, which we may or may not be able to finish and get a vote on. The suspensions are as follows:

H.R. 5822, Tax and Trade Technical Correction Act.

H.R. 4407, requiring Law Enforcement Agencies to report all cases of missing persons under age 18 to the National Crime Information Center of the Department of Justice.

H.J. Res. 657, granting the consent of the Congress to amendments to the Delaware-New Jersey compact.

S. 303, the Negotiated Rulemaking Act of 1989, concur with Senate amendment.

S. 1890, civil service retirement for national guard technicians.

H.R. 5322, Senior Executive Service Improvements Act.

H.R. , Latin America and Caribbean Enterprise Act.

H.R. 5762, to promote Caribbean regional development.

H.R. 5855, enterprise for the Americas initiative.

H.R. 5567, International Narcotics Control Act.

H. Con. Res. , regarding Albanian minorities in Yugoslavia.

H. Con. Res. 378, regarding racially offensive remarks by the Justice Minister of Japan.

H.R. 5482, D.C. Revenue Bond Act, concur in Senate amendment.

S. 555, De Soto Trail Commission Act.

H.R. 5237, protectioning native American graves.

S. 1270, Indian mental health care.

H.R. 5539, San Carlos Apache Indian water rights settlement.

H.R. 2582, Civil War Site Study Act of 1990, disagree with Senate amendment.

S. 580, student athletes' right to know.

H.R. 3315, extend authorization for Taft Institute conference report.

S.J. Res. 318, appointment of Smithsonian Regent.

S.J. Res. 302, reappointment of Smithsonian Regent.

H.R. 2152, Inter-American Scientific Cooperation Act, concur in Senate amendment.

S. 639, Hydrogen Research Act.

S. 3062, transferring responsibility for operation and maintenance of Highway 82 Bridge at Greenville, MS.

H.R. 4333, Beaches Environment Assessment, Closure, and Health Act of 1990.

H.R. 2647, coastal defense initiative.

H.R. 2548, Laguna de Santa Rosa National Wildlife Refuge in Sonoma County, CA.

H.R. 2061, Magnuson Fishery Conservation and Management Act.

H.R. 5707, Natural Gas Jurisdiction Act of 1990.

H.R. 4808, Solar, Wind and Geothermal Power Incentives Act of 1990.

H.R. 5520, Octane Display and Disclosure Act of 1990.

S. 2628, Mental Health Amendments of 1990, as amended.

H.R. 4638, Orphan Drug Act of 1990.

H.R. 5693, Family Planning Reauthorization Act.

S. 1893, Asbestos School Hazard Abatement Act of 1984, concur in Senate amendment.

S. 2516, Foreign Investment Policy Improvement Act.

H.R. 5756, Campaign Advertising Act.

H.R. , money laundering.

H.R. 736, truth in savings.

We will not try to go late on Monday.

Obviously on Tuesday and the rest of the week, we have five other appropriation conferences that have to be completed. We have some other conference reports, on clean air, agriculture, housing, and other matters. Finally, we obviously have the reconciliation conference which we are waiting for.

Mr. MICHEL. Mr. Speaker, is there any idea when conferees might be appointed on the crime bill?

Mr. GEPHARDT. I believe conferees have been appointed. I think the Senate has to go first.

Mr. MICHEL. I have also had criticism from Members because today, here we are, we are probably going to be out of here as early as 4:40, and 1-minutes were limited to 6 on a side. Tomorrow we are coming in at 2 on maybe just one appropriations bill.

Would it be the intention of limiting 1-minutes tomorrow, or could we relax that rule tomorrow, if there is only one bill to be considered, and make it worthwhile for some Members to be here?

Mr. GEPHARDT. We would like to get an agreement that there would be no 1-minutes tomorrow so we could get the bill completed as quickly as possible.

Mr. MICHEL. You are not asking for that agreement right at this moment?

Mr. GEPHARDT. No, I am not, but I would be happy to.

Mr. MICHEL. Let me test the waters on that.

Mr. GEPHARDT. I would be happy to ask for that.

Mr. MICHEL. How about 1-minutes at the end of the day?

Mr. GEPHARDT. That would be fine.

Mr. MICHEL. Just so Members are not denied what some are very accustomed to doing, I guess particularly since we are here. I have got to do another videotape and a telephone thing back in my district for tonight. I think other Members are in the same boat. When we cannot go back to our districts like we normally would be accustomed to doing, we have to do something to pacify the folks back home in some form or another.

Mr. GEPHARDT. I understand the frustration. I would just say that we are doing what the people want us to do, and that is to do the business we are here for. We are going to get our appropriations bills done. If we can get the reconciliation bill done, we will have had a successful stay here.

Mr. ANDREWS. Madam Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Texas.

Mr. ANDREWS. Could you tell us about Monday's votes? Do I understand the voting will start about noon, or will those votes be delayed until late in the day on Monday?

Mr. GEPHARDT. Members can expect votes soon after noon.

□ 1610

Mr. MICHEL. That is the balance of our questions.

HOUR OF MEETING ON MONDAY, OCTOBER 22, 1990

Mr. GEPHARDT. Madam Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet at 10 a.m. on Monday, October 22, 1990.

The SPEAKER pro tempore. (Mrs. UNSOELD). Is there objection to the request of the gentleman from Missouri?

There was no objection.

RALPH H. JOHNSON DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER

Mr. MONTGOMERY. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 3216) to designate the Department of Veterans Affairs Medical Center in Charleston, SC, as the "Ralph H. Johnson Department of Veterans Affairs Medical Center" and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. STUMP. Madam Speaker, reserving the right to object, I do so for the purpose of asking the gentleman from Mississippi [Mr. MONTGOMERY] to please explain the bill.

Mr. MONTGOMERY. Madam Speaker, will the gentleman yield?

Mr. STUMP. I am happy to yield to the gentleman from Mississippi.

Mr. RAVENEL. Madam Speaker, will the gentleman yield?

Mr. STUMP. Further reserving the right to object, I am happy to yield to the gentleman from South Carolina.

Mr. RAVENEL. Madam Speaker, I and my colleagues of the South Carolina congressional delegation are requesting this Congress to name the Department of Veteran Affairs Medical Center in Charleston, SC, the Ralph H. Johnson Medical Center in honor of that brave Charlestonian, South Carolinian, American, and recipient of the Congressional Medal of Honor who, in a fox hole in Vietnam, gave his life in the cause of freedom.

Early on the morning of March 5, 1968, Private First Class Johnson, U.S. Marine Corps, Company A, First Reconnaissance Battalion, First Marine Division, was on a 15-man patrol on Hill 146 overlooking the Quan Due Valley deep in territory controlled by the North Vietnamese Army and Vietcong forces. Suddenly they were attacked by the enemy employing automatic weapons, satchel charges, and hand grenades. One of the grenades landed in the fighting hole where Private First Class Johnson and two fellow marines were entrenched; 19-year-old Johnson shouted a warning, then hurled himself upon the explosive device, absorbing the impact and dying instantly.

His one heroic act saved the life of one marine and prevented the enemy from penetrating his sector of the patrol's perimeter. Johnson's courage, inspired valor, and selfless devotion to duty, exemplify the highest traditions of the Marine Corps and the U.S. Naval Service. He was cited for conspicuous gallantry above and beyond the call of duty and awarded the Congressional Medal of Honor.

To name the Veteran's Administration Hospital in Charleston, SC after Pfc. Ralph H. Johnson is a fitting memorial to this American hero.

Mr. STUMP. Madam Speaker, I urge passage of S. 3216.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That the Department of Veterans Affairs Medical Center located in Charleston, South Carolina, after the date of enactment of this Act shall be known and designated as the "Ralph H. Johnson Department of Veterans Affairs Medical Center". Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the Ralph H. Johnson Department of Veterans Affairs Medical Center.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 3216, the Senate bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MONTGOMERY. Madam Speaker, S. 3216 would name the Charleston VA Medical Center for Pfc. Ralph H. Johnson.

An identical bill, H.R. 5754, was introduced on September 28, 1990, by the gentleman from South Carolina [Mr. RAVENEL], and cosponsored by the South Carolina congressional delegation—Mr. DERRICK, Mr. SPRATT, Mr. TALLON, Mr. SPENCE, and Mrs. PATTERSON. The measure meets the criteria of the Committee on Veterans' Affairs for naming VA facilities.

Madam Speaker, Private First Class Johnson, a native of Charleston, SC, received the Congressional Medal of Honor for conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving as a Marine reconnaissance scout during the Vietnam war.

In the early morning hours of March 5, 1968, Private First Class Johnson was a member of a 15-man reconnaissance patrol manning an observation post overlooking the Quan Due Valley deep in enemy-controlled territory. The patrol was attacked by a platoon-size hostile force which employed automatic weapons, satchel charges and hand grenades. Suddenly, a grenade landed in the three-man fighting hole occupied by Private First Class Johnson and two fellow marines.

Realizing the inherent danger of his two comrades, Private First Class Johnson shouted a warning and unhesitatingly hurled himself upon the explosive device. When the grenade exploded, Private First Class Johnson absorbed the tremendous impact of the blast and was killed instantly. His prompt and heroic act saved the life of one marine at the cost of his own and undoubtedly prevented the enemy from penetrating his sector of the patrol's perimeter.

Private First Class Johnson's courage, inspiring valor, and selfless devotion to duty were in keeping with the highest traditions of the Marine Corps and the U.S. Naval Service. He gallantly gave his life for his country.

The following letters were received from major veterans organizations in the State of South Carolina in support of naming the Charleston Department of Veterans Affairs Medical Center for Ralph H. Johnson:

AMERICAN LEGION,
Greenville, SC, July 24, 1990.

Senator STROM THURMOND,
209 Russell Senate Office Building, Washington, DC.

DEAR SENATOR THURMOND: As the newly elected Department Commander from South Carolina it is my pleasure to report that the vote was unanimous in support of your recommendation for a name for the Veterans Hospital in Charleston.

This vote of support for Ralph Johnson was given at our recent state convention held in Charleston.

The best to you in your re-election campaign. If I can be of any help don't hestitate to call on me.

Very truly yours,

J. NORRIS KINION,
Commander,
Department of South Carolina.

DISABLED AMERICAN VETERANS,
West Columbia, SC, June 11, 1990.

Hon. STROM THURMOND,
U.S. Senate, 218 Russell Senate Office Building, Washington, DC.

DEAR SENATOR THURMOND: In regards to your recent correspondence concerning naming the Charleston VA Hospital for PFC Ralph Johnson, I am writing to let you know that this is something that the D.A.V.,

Department of South Carolina endorses and fully supports.

Sincerely,

W. LEVAKE CAUBLE,
Commander,
Department of South Carolina.

VETERANS OF FOREIGN WARS,
Columbia, SC, May 16, 1990.

Hon. J. STROM THURMOND,
U.S. Senate, Senate Office Building, Washington, DC.

DEAR SENATOR THURMOND: The Department of South Carolina, Veterans of Foreign Wars of the United States endorses the resolution naming the Charleston Veterans Administration Medical Center after the late Ralph Johnson, a Medal of Honor recipient from Charleston County.

With kindest regards and best wishes, I am

Sincerely yours,

GEORGE M. PULLIE,
Commander,
Department of South Carolina.

NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM REAUTHORIZATION ACT

Mr. BROWN of California. Madam Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 2789) to authorize appropriations for the Earthquake Hazards Reduction Act of 1977, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. WALKER. Madam Speaker, reserving the right to object, and I shall not object, but I do so for the purposes first of all of stating my desire to see this legislation passed, and then also to yield to others who also want to make statements on the bill.

First of all let me say, Madam Speaker, that I rise in support of the bill. I feel vindicated by the action we are about to take. The legislation we are now clearing for the President's signature removes all of the objections that many of us raised some weeks ago. Although retaining the necessary, aggressive National Science Foundation research levels, the funding floors which we regarded as harmful have been dropped.

A phased-in 50-percent hard cash matching requirement is maintained for all States receiving funds from the program.

And, over $180 million in authorizations have been removed to return the bill exactly to the initial bipartisan committee reported levels.

I think this is a good bill now, and it is a bill I think that we can all take a great deal of pride in. I think it will help us in earthquake research, and I certainly want to congratulate all of those who have had a hand in the passage of this bill.

The gentleman from Missouri [Mr. EMERSON] has been a leader in trying to get this bill through. Others have made substantial contributions. I congratulate the gentleman from California [Mr. BROWN], the gentleman from New Jersey [Mr. ROE], from our committee who have worked so hard on it.

So this is a good bill and I hope it is passed.

Madam Speaker, further reserving the right to object, I am happy to yield to the gentleman from New Jersey [Mr. ROE].

Mr. ROE. Madam Speaker, I thank the gentleman for yielding and I join him in really singing high praise for this legislation. It has been a tough job to get it through both bodies, and I do want to pay my high regard to the manager this afternoon, the gentleman from California [Mr. BROWN]. As Members know, he has done really yeoman work on this particular piece of legislation, and I want to congratulate him, and also the members of our staff who have done such a good job.

Madam Speaker, I rise in full support of S. 2789, the National Earthquake Hazards Reduction Program Reauthorization Act. Two House committees, the Science, Space, and Technology Committee, and the Interior and Insular Affairs Committee, reported out H.R. 3533, which was then passed by the House under suspension of the rules on September 24, 1990. The bill we are presently considering is an excellent compromise between H.R. 3533, and a Senate version reported by the Committee, on Commerce, Science, and Transportation.

Madam Speaker, 1 year ago this week, there was terror in the streets of the San Francisco Bay area. People were helpless in the wake of crumbling buildings and collapsing bridges and highways. The earth tremored for a mere 15 seconds, but 63 people died, $6 billion in property damage occurred, and the public was left with the continuing trauma of when it might happen again. The bill that we are going to pass today will help to prevent the needless death and devastation of last October 17.

The damage that an earthquake can cause is directly inverse to the level of shock resistance incorporated into the buildings and infrastructure of the vicinity. The more shock resistance, the less damage. Our most graphic example of this is the earthquake that occurred in Soviet Armenia in 1988. The magnitude of that earthquake was similar to the Loma Prieta earthquake whose 1 year anniversary we marked 3 days ago. In Soviet Armenia there were 25,000 deaths and $16.4 billion in damage.

There is no doubt that America's National Earthquake Hazards Reduction Program played an important part in saving 24,939 lives and $10 billion just a year ago in the San Francisco Bay area. Over the years, the research and technology resulting from this program have helped Americans modify old structures and build new ones to include earthquake resistant features. The similar magnitude of these two earthquakes and the dissimilar degree of loss resulting from them is perhaps the most tangible and convincing evidence for further strengthening our research and development program to reduce earthquake hazards and for increasing its funding.

However, instead we have evidenced a steady erosion in funding of about 30 percent for the Earthquake Hazards Reduction Program despite several devastating earthquakes, here and abroad, and despite increasing chances of future damaging earthquakes.

Studies in the United States continue to forecast the real possibility of a major destructive earthquake occurring in both northern and southern California in the next decade. Recent research by seismologists suggests that there is a 40- to 60-percent chance of an earthquake of at least magnitude 6.0 in the Eastern United States before 2020.

Madam Speaker, this bill turns around the declining trend in funding for earthquake. research and preparedness activities at a crucial time in planning for these predicted events. The compromise version establishes authorization levels that are identical to those reported by the Science Committee. They are $102 million in fiscal year 1991, $120 million in fiscal year 1992, and $141 million in fiscal year 1993.

S. 2789 places emphasis on research and related activities that will yield relatively rapid improvements in public safety. Agencies are directed to explore improved methods for addressing the problems posed by existing facilities and lifelines. Technology transfer to improve building and design practices is stressed, as well as public education about earthquakes.

Along with my statement, I am submitting for the RECORD clarifying language that the House and Senate agreed upon regarding important issues in the bill.

I believe that S. 2789 demonstrates that the Congress has marked this tragic anniversary with a commitment to assure that the 63 people who died last year on this day did not die in vain. This bill brings the National Earthquake Hazards Reduction Program into the 21st century and I urge my colleagues to support S. 2789, as amended.

CLARIFYING LANGUAGE ON S. 2789, THE NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM REAUTHORIZATION ACT

Although the compromise drops the authorization floors, National Science Foundation (NSF) should not take this as a sign that we have backed away from our strong belief that NSF must provide sufficient funds for earthquake engineering and geosciences activities related to National Earthquake Hazards Reduction Program. During 1985-1990, funding for NSF Engineering directorate increased by 41 percent; and funding for NSF geosciences directorate incresed by 20 percent. However funding for NSF activities related to National Earthquake Hazards Reduction Program activities increased by only three percent. Furthermore, this increase can be attributed entirely to the $2 million congressional add-on following the San Francisco Bay Area earthquake of October 17, 1989. The threat of a destructive earthquake increases daily and more people are vulnerable to the threat of earthquakes, especially in the eastern and central U.S. and in the Pacific Northwest. Therefore, more funding and a stronger commitment from NSF is imperative in order to better

understand and reduce the risks associated with earthquakes.

The compromise has language that instructs NSF to work with the U.S. Geological Survey (USGS) to identify geographic regions of national concern that should be the focus of targeted solicitations for earthquake research proposals. The bulk of the NSF solicitations may continue to be openended and not directed to such targeted solicitations, but NSF and USGS must work more closely together to study specific areas.

The compromise authorize the U.S Geological Survey to utilize the earthquake expertise from Federal Emergency Management Agency (FEMA), NSF, National Insitute of Standards and Technology (NIST) and other Federal agencies, and private contractors on a reimbursable basis. The Committee intends no change from current procedures by this language. We are merely making clear in law that USGS must pass through a portion of its investigations money to pay for the post-earthquake work of the other Program agencies.

The compromise also requires FEMA to prepare a report on possible options for funding the post-earthquake investigations program and how the funding for such investigations should be allocated among the Program agencies. It is our intention that USGS remain in charge of the program. The report will focus only on funding mechanisms and the funding needs of each agency in carrying out its post earthquake investigations.

We encourage the FEMA earthquake program to coordinate its ctivities with other disaster preparedness and civil defense programs within FEMA and at the state and local levels. The coordination of the earthquake program with other mitigation and preparedness effects will result in more rapid improvements in public safety.

Mr. WALKER. Further reserving the right to object, Madam Speaker, I yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. I thank the gentleman for yielding, and I think the gentleman from Pennsylvania has adequately described this bill. It is a reauthorization of the earthquake program.

The urgency of doing this and giving it a health reorganization, of course, is emphasized by the fact that this week is the first anniversary of the Loma Pietra earthquake which reminds us of the continuous need of upgrading our physical infrastructure to protect against earthquakes. I want to say that we could not have worked this bill out and brought it to the floor if it had not been for the great effort that the gentleman from Pennsylvania [Mr. WALKER] made.

I would also like to point out that the gentleman from Missouri [Mr. EMERSON], once he found out that there was a big earthquake in Missouri, has become an enthusiastic supporter of this legislation, and I want to commend him for the leadership that he has taken.

This is truly a national program. And what gratifies me so much is that from the inception 15 years ago when we started to do this people thought it was just a west coast thing or a California thing, and now we see it truly is a national thing and it has national support. I am very grateful for that and appreciative of everything that has been done by my colleagues to assist.

Mr. WALKER. Madam Speaker, further reserving the right to object, I yield to the gentleman from Missouri [Mr. EMERSON].

Mr. EMERSON. Madam Speaker, I thank the gentleman for yielding, and thank him for his leadership and cooperation as this legislation has made its way through the process.

I also want especially to thank the gentleman from California [Mr. BROWN], whose background and knowledge in this type of legislation, and indeed in the science surrounding it is without parallel, and his leadership has been most distinguished and valued.

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Madam Speaker, I might say to the gentleman from California that I suppose the whole world is familiar with the fact that California has earthquakes with some frequency and regularity, but less familiar are they with the fact that the worst earthquake fault on the North American continent lies squarely in my congressional district in the region of New Madrid, MO, and while our fault does not kick off very often, they tell us that when it does it is a real doozy.

Unfortunately, or fortunately, it would be a tragedy if this earthquake should ever occur, but the person who did predict with some accuracy the Loma Prieta earthquake of last year has predicted one for us on December 3 of this year, and I might say that people in my region are very concerned about this already.

There has been exceedingly heightened public awareness of problem associated with earthquakes, and I think that this legislation will go a long way in helping us to further heighten that awareness to raise our level of preparedness and to be better able to respond when earthquakes do occur.

I want to express my very deep appreciation to the gentleman from Pennsylvania, the gentleman from California, and certainly to the gentleman from Pennsylvania [Mr. WALGREN], the gentleman from Idaho [Mr. CRAIG], and the gentleman from West Virginia [Mr. RAHALL], and their very diligent staffs of both the Committee on Science and Technology and the Committee on Interior and Insular Affairs for all of the hard work that has gone into this bill.

I strongly urge my colleagues to give this conference report their strongest possible support.

I thank the gentleman for yielding me this time.

Madam Speaker, I rise to express my very strong support for the Earthquake Hazards Reduction Act. Last year I introduced this bill in the House with the cooperation of 12 of my colleagues. I am most grateful to the Interior Committee and the Science and Technology Committee and their staffs who have worked many long and hard hours to get this bill in its present form.

A few weeks ago, an earthquake shook the Eighth Congressional District of Missouri—where the New Madrid fault is centered—and parts of Arkansas, Kentucky, Illinois, and Tennessee. Although there were no reports of any very major damage, the quake—which measured 4.5 on the Richter scale—has heightened our awarness of the need to prepare ourselves for other future potentially more devastating earthquakes, and to enhance our ability to respond to circumstances occasioned by their happening.

The unfortunate fact of the matter is that we are sorely lacking in our earthquake preparedness programs over a period of years. This bill contains strong and needed provisions to beef-up our earthquake preparedness programs and I am pleased that we have this opportunity to pass this bill before the 101st Congress ends.

In closing I want to thank my colleagues for their support and especially Congressmen BROWN and WALKER, Congressman RAHALL, Congressman BOEHLERT, Congressman WALGREN, and Congressman CRAIG and their diligent staffs for their dedicated, hard work in securing this measure before us today.

Mr. WALKER. Madam Speaker, further reserving the right to object, I yield to the gentleman from North Carolina [Mr. VALENTINE].

Mr. VALENTINE. Madam Speaker, I rise in support of this legislation.

Madam Speaker, I rise in strong support for S. 2789, the National Earthquake Hazards Reduction Program Reauthorization Act. This bill represents a very reasonable compromise between the House and Senate.

The San Francisco Bay area earthquake of October 17, 1989 was not the big one. It was a moderately big one. Future damaging earthquakes in this Nation are inevitable. They represent a real and increasing danger to our population and economy. S. 2789 emphasizes research and other activities that will save lives and property in the future.

The bill will bring strong program direction and an upturn in funding for the National Earthquake Hazards Reduction Program. S. 2789 emphasizes—the transfer of knowledge from research results to practice; research on methods to retrofit existing buildings and protect lifelines; and efforts to promote better building practices among architects and engineers.

In addition, the bill sets up cost-sharing requirements for grants to State for fiscal year 1991 and subsequent years. The cost-sharing provision of the compromise concerns grants the Federal Emergency Management Agency [FEMA] makes to States to enable them to operate disaster preparedness, hazard mitigation, and earthquake education and awareness programs. North Carolina is one of the

new States eligible to participate in the grant program.

The bill also sets up matching requirements for grants to States funded from Public Law 101-130, the fiscal year 1990 special appropriations after the San Francisco Bay area earthquake. The current position of FEMA regarding the special appropriations is that participating States must equally match Federal funding. This FEMA requirement would preclude many States from participating in the program.

However, S. 2789, would restrict FEMA from requiring a State to provide any more than a 25-percent in-kind match for a grant funded from the fiscal year 1990 special appropriations. This cost-sharing provision reflects a more equitable requirement for States wanting to participate in the grant program. At this time, I would like to submit a letter from Joseph F. Myers, Director, North Carolina Department of Crime Control and Public Safety, Division of Emergency Management. Mr. Meyers supports the cost-sharing provisions in S. 2789 and passage of the bill.

This bill provides an opportunity for the Congress to act now to reduce the risks associated with future earthquakes. I urge my colleagues to support S. 2789.

NORTH CAROLINA DEPARTMENT OF
CRIME CONTROL AND PUBLIC SAFETY,
Raleigh, NC, September 19, 1990.

Hon. TIM VALENTINE,
House of Representatives, Committee on Science, Space, and Technology, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN VALENTINE: The Earthquake Hazards Reduction Act of 1977, as amended (P.L. 95-124), is an important Act because it creates the National Earthquake Hazards Reduction Program (NEHRP). The earthquake in California last fall showed the contribution that the NEHRP can make to a State that wants to address its earthquake hazards. As you know, authorization for the Act expires on September 30, 1990 and the bill, H.R. 3533, would provide reauthorization.

Our own State is vulnerable to earthquakes. State and local governments have an essential and primary role in earthquake hazards reduction. Being ultimately responsible for public health and safety, State and local governments are ultimately responsible for adopting the land use practices and building codes that reduce earthquake effects, and are the first responders when the earthquake happens.

I'm writing, therefore, to urge passage of H.R. 3533. This legislation will strengthen and improve the NEHRP. It is a major, and needed, revamping of the nation's effort to address the earthquake threat. In particular, the provisions of section 5(b)(2)(C) will allow a phased-in expansion of the NEHRP for those States wishing to participate in the program and to build their capability with respect to earthquakes. In addition, the provisions of section 10 will relax the administration's 50-50 cost share policy established by the Congress through the passage of the FY 1990 Dire Emergency Supplemental to Meet the Needs of Natural Disaster of National Significance. This policy currently prevents many States from accessing the special Federal funding for earthquake hazards reduction efforts. Imposition of equal cost sharing was not, to my understanding, the original intent of the Dire Emergency Supplemental.

I hope you agree with me on the urgency of this matter and will contact me if you have any questions on it. I'd be pleased to provide you also with any information you may want on the earthquake hazards reduction activities in our own State.

Sincerely,

JOSEPH F. MYERS,
Director.

Mr. WALKER. Madam Speaker, further reserving the right to object, I yield to the gentleman from New York [Mr. BOEHLERT], who is the vicechairman of the subcommittee that handled the legislation, for any remarks he may wish to make.

Mr. BOEHLERT. Madam Speaker, I thank the gentleman for yielding.

Madam Speaker, in doing so, I want to compliment everyone who has been involved in bringing this measure to the successful conclusion that we are celebrating at this very moment.

As the gentleman from California [Mr. BROWN] pointed out and as my colleague, the gentleman from Missouri [Mr. EMERSON], who has really been a strong force in moving this forward, this is not something that is a California phenomenon, the threat of earthquakes. We in New York are vitally concerned.

We, as a matter of fact, did a little research, and we discovered that since the early 1800's, we have had over 400 tremors of varying degrees of intensity in New York State, and obviously it is something we have to be concerned about.

We are also extremely proud of the research facility we have at the University of Buffalo. I think this is a subject of truly national significance, and I want to commend all of those who are here today to celebrate the passage of this very important legislation.

Madam Speaker, I rise in strong support of S. 2789, which is the result of very productive negotiations among our committee, the Interior Committee and the Senate Commerce Committee. We have shown we can work together to prevent tragedies like those resulting from the Loma Prieta quake which struck the bay area just over a year ago.

The bill reauthorizes the National Earthquake Hazards Reduction Program, which has done so much to increase our understanding of earthquakes and how to limit their damage. But it does more than just continue "business as usual."

The bill sets priorities and clarifies agency responsibilities under this program.

We do not want progress held back by petty turf battles. We do not want to see research results languish instead of being applied to prevent earthquake damage. We do not want esoteric or long-range research conducted at the expense of shorter range research that will yield more immediate gains for safety. We do not want states to fritter away Federal earthquake funds in ways that do not result in long-term improvements in hazards mitigation.

S. 2789 rewrites the Earthquake Act to make these intentions clear.

The bill also sets authorization levels that recognize our budgetary problems while also recognizing the overwhelming importance of earthquake research. This is one of those cases where we can pay now or we can pay later. Earthquake damage costs a lot more to repair than to prevent.

The bill also recognizes the important work done by the National Center for Earthquake Engineering Research and directs the National Science Foundation [NSF] to continue funding centers as well as individual investigators to spur progress in Earth science and earthquake engineering.

Although the compromise drops the authorization floors, National Science Foundation [NSF] should not take this as a sign that we have backed away from our strong belief that NSF must provide sufficient funds for earthquake engineering and geosciences activities related to National Earthquake Hazards Reduction Program. During 1985-90, funding for NSF engineering directorate increased by 41 percent; and funding for NSF geosciences directorate increased by 20 percent.

However funding for NSF activities related to National Earthquake Hazards Reduction Program activities increased by only 3 percent. Furthermore, this increase can be attributed entirely to the $2 million congressional add-on following the San Francisco Bay Area earthquake of October 17, 1989.

The threat of a destructive earthquake increases daily and more people are vulnerable to the threat of earthquakes, especially in the Eastern and Central United States and in the Pacific Northwest. Therefore, more funding and a stronger commitment from NSF is imperative in order to better understand and reduce the risks associated with earthquakes.

The compromise has language that instructs NSF to work with the U.S. Geological Survey [USGS] to identify geographic regions of national concern that should be the focus of targeted solicitations for earthquake research proposals. The bulk of the NSF solicitations may continue to be open-ended and not directed to such targeted solicitations, but NSF and USGS must work more closely together to study specific areas.

The compromise authorizes the U.S. Geological Survey to utilize the earthquake expertise from Federal Emergency Management Agency [FEMA], NSF, National Institute of Standards and Technology [NIST] and other Federal agencies, and private contractors on a reimbursable basis. The committee intends no change from current procedures by this language. We are merely making clear in law that USGS must pass through a portion of its investigations money to pay for the postearthquake work of the other program agencies.

The compromise also requires FEMA to prepare a report on possible options for funding the postearthquake investigations program and how the funding for such investigations should be allocated among the program agencies. It is our intention that USGS remain in charge of the program. The report will focus only on funding mechanisms and the funding needs of each agency in carrying out its postearthquake investigations.

We encourage the FEMA Earthquake Program to coordinate its activities with other dis-

aster preparedness and civil defense programs within FEMA and at the State and local levels. The coordination of the earthquake program with other mitigation and preparedness efforts will result in more rapid improvements in public safety.

I urge approval of this important bill.

Mr. WALKER. Madam Speaker, further reserving the right to object, I yield to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Madam Speaker, almost 1 year ago today, 62 people died, 3,757 people were injured, and more than 12,000 people became homeless. It's hard to believe that these tragedies were the result of an earthquake, but they were.

This past Wednesday marked the anniversary of the notorious Loma Prieta earthquake which struck the San Francisco Bay region at 5:04 p.m. on October 17, 1989.

I cannot think of a better way to remember such a tragic event than for Congress to send to the President legislation to improve the protection of life and property in the event of an earthquake. That is exactly what we have before us right now.

S. 2789, the National Earthquake Hazards Reduction Program Reauthorization Act, would authorize increased funding and make dramatic improvements to the Nation's National Earthquake Hazards Reduction Program which is administered by the Federal Emergency Management Agency, the National Science Foundation, the U.S. Geological Survey, and the National Institute of Standards and Technology. This legislation represents a huge step in the effort to save lives from the devastating effects of an earthquake.

S. 2789 is the result of many hours of negotiation between the House Interior and Insular Affairs Committee and the House Science, Space, and Technology Committee and the Senate Commerce, Science, and Transportation Committee.

Although the House previously passed a similar bill, this one represents a well crafted compromise among all interested parties. I would like to take this opportunity to thank my distinguished colleagues on the House and Senate Science Committees and the House Interior Committee for sharing my determination in sending this bill to the President during the 101st Congress.

There is no doubt in this Member's mind that the National Earthquake Hazards Reduction Program will be improved and will be doubly effective in saving lives and property with the passage and enactment of this legislation.

Madam Speaker, I would like to clarify, however, my understanding of section 11 of S. 2789 which authorizes the establishment of a postearthquake investigation program within the U.S. Geological Survey. First, it is this Member's understanding that this section authorizes the U.S. Geological Survey to utilize other agencies in organizing any postearthquake investigation.

I further understand that while the Federal Emergency Management Agency, as coordinating agency for the program, shall report to the Congress on possible options for funding such postearthquake investigations, the U.S. Geological Survey, with the advice of Congress and in consultation with the other principal agencies, shall retain overall responsibility and authority for allocation of any augmentative funds provided for postearthquake investigations.

This shall include authority for payment and reimbursement for preaward costs, that is, costs incurred by, for example, a university or private firm before negotiation of an award or funding agreement, for investigations undertaken immediately after an earthquake.

Finally, I would hope that the report to be prepared by the Federal Management Agency on funding mechanisms for the post-earthquake investigations program will examine the option of direct funding to the program agencies as well as funding to be passed through the U.S. Gelogical Survey.

Madam Speaker, I am very pleased with this legislation and I urge all of my colleagues to support its passage.

Mr. WALKER. Madam Speaker, further reserving the right to object, I yield to the gentleman from Missouri [Mr. BUECHNER].

Mr. BUECHNER. Madam Speaker, I would like to point out that everyone is acutely aware of the tragedy that occurs when an earthquake has wrought its violence on any part of the world, whether it is Armenia or California. We all see the bodies and the tragedies that occur from economics and for the other personal losses people incur.

It is interesting that the gentleman from California pointed out the extreme interest of the gentleman from Missouri [Mr. EMERSON], and one of the things that came out during our hearings was that if the New Madrid fault were to have an earthquake of the magnitude that occurred back in the 1800's that all of the bridges between Memphis, TN, and going up toward Iowa would probably be permanently damaged, and it would take years to replace them. That would be literally a body blow of a magnitude we cannot even imagine to the economy of this Nation, that rail and car transportation would grind to a halt like that, so on top of all of the other things that we know about this, we see the suffering that humans incur in an earthquake, one of the things that this bill has done is to magnify the problems that would come from the economics of another earthquake.

I really do have to especially single out the gentleman from Missouri [Mr. EMERSON] for the work that he put in, not just because if the New Madrid fault were to have the type of rupturing that occurred before that it would severely damage his own community, but I think he believes that work is something that would lay the foundation for the protection of all Americans and for our economy, which is something that we might not think about in the same vein as we think about the human suffering, but it is a national suffering that occurs, and I do have to compliment all the individuals who worked on this bill.

I am proud that our committee brought it out, I say to the gentleman from Pennsylvania [Mr. WALKER] and the gentleman from New Jersey [Mr. ROE].

Mr. WALKER. Madam Speaker, further reserving the right to object, I yield to the gentleman from California [Mr. MINETA].

Mr. MINETA. Madam Speaker, I thank my colleague for yielding.

Madam Speaker, I rise in strong support of this conference report. I wish to commend the full committee chairman, the gentleman from New Jersey [Mr. ROE], and the gentleman from Pennsylvania [Mr. WALKER], the gentleman from California [Mr. BROWN], and others who have been instrumental in bringing this conference report to this point.

Madam Speaker, I rise today in strong support of the House-Senate compromise version of the National Earthquake Hazards Reduction Program Reauthorization Act, and I congratulate my colleagues, Chairman ROE and Mr. BROWN on their hard work on moving this legislation.

I have a special interest in this legislation as it was only a little over 1 year ago that my district was severely shaken by the Loma Prieta earthquake.

This compromise bill will strengthen the efforts of the principal National Earthquake Hazards Reduction Program agencies by clarifying their roles and significantly increasing their funding.

Madam Speaker, even though the Loma Prieta earthquake cause billions of dollars in damage to the bay area, I have little doubt that even higher losses would have occurred if Congress had not created the Earthquake Hazards Reduction Program more than 10 years ago.

While the agencies have made significant progress to mitigate earthquake damage, I am concerned that funding levels for the program are essentially the same as they were 10 years ago, while population densities and stresses on faults both have increased.

Now it is estimated that the bay area is twice as likely to have an earthquake the size of Loma Prieta in the next 30 years. Additionally, recent reports estimate that the area east of the Rockies is nearly as likely to have a

damaging earthquake in the next 30 years as California.

These reports illustrate that earthquakes are not just a California problem—they are a national problem and they will continue to occur.

Madam Speaker, we must do whatever is necessary to reduce the risks of earthquakes to our citizens.

This legislation will reauthorize the earthquake program with funding levels that will allow the scientists, engineers, and emergency response workers to help us prepare for the next earthquake.

Mr. WALKER. Madam Speaker, further reserving the right to object, I yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Madam Speaker, I am reminded that there is one additional Member who has taken a very strong interest in earthquake problems, and that is our colleague, the gentleman from California [Mr. DREIER], who has introduced earthquake insurance legislation, as have I also.

While this legislation will not come before us this year, it will be a high priority in the next session of Congress, and we look forward to taking that next step of alleviating the hardship of earthquakes by providing at reasonable cost a national insurance program.

Madam Speaker, S. 2789, which reauthorizes the National Earthquake Hazards Reduction Program, represents a breakthrough in our Nation's commitment to preparing for catastrophic urban earthquakes. This breakthrough is long overdue. For the past 12 years, support for our Federal earthquake program has declined sharply due to a combination of level funding and inflation. In 1987, a nonpartisan expert review panel concluded that our Federal earthquake program "is now funded at a level well below that required to achieve the primary goal of reducing losses of life and property on a time scale acceptable to society."

During this same 12-year period of declining Federal support, seismic strain has been accumulating on the faults that run beneath many of the cities of our Nation. The Loma Prieta earthquake of 1 year ago was a warning—a $10 billion warning—of the potential consequences of this inexorable accumulation of earthquake strain. Within the next 20 years, the United States will almost certainly be struck by a truly major earthquake. Our ability to prepare for this inevitable event hinges in large part on the willingness of the Federal Government to fund the National Earthquake Hazards Reduction Program at a reasonable level.

Congress has heeded the warning of Loma Prieta, and responded with bipartisan unity. The funding levels authorized in this legislation, though less than optimal, represent a substantive boost for a program that could well save hundreds or thousands of lives, and billions of dollars in damages, in the decades to come. In addition, this legislation includes important language that will help to ensure that the scientific and technological advances supported under the earthquake program are rapidly implemented by society. This bill will bolster efforts to improve building standards and practices; it will support engineering research on retrofitting of existing buildings and lifelines; it will fund geological research to identify the risks faced by vulnerable communities and regions throughout the Nation; and it will strongly promote public education about earthquake hazards.

In these times of budgetary struggle, I congratulate my colleagues for recognizing the underlying economic threat posed by urban earthquakes, and for supporting this modest effort to reduce that threat. This is an investment in our national security which promises very big payoffs down the road. We are acting not only to save dollars, but also to protect the lives and property of the more than 200 million Americans in 39 States who are at risk from earthquakes.

Mr. CRAIG. Mr. Speaker, I support S. 2789 the National Earthquake Hazard Reduction Program Reauthorization Act. This bill is very similar to the version of H.R. 3533 that I supported in the Committee on Interior and Insular Affairs.

My home State of Idaho is not typically thought of as a seismically active State, but in reality Idaho has had devastating earthquakes in the southern part of the State and a recent report shows that northern Idaho is also at risk. This bill will allow Idaho to participate in the Earthquake Hazard Reduction Program and will allow Idaho to be prepared for future earthquakes—that we all hope will not happen but for which we must be prepared.

I support S. 2789 because the bill excludes the controversial portion of H.R. 3533 that set funding floors for the National Science Foundation. I voted against H.R. 3533 because I strongly disagree with the setting of funding floors by Congress.

This bill establishes a clear national earthquake program and agency responsibilities for that program. The intent of this legislation is to establish earthquake preparedness and to lessen the impacts of earthquakes on individuals and communities. To this end, S. 2789 will allow for cost sharing between the Federal Government and States. As States join the program, State shares will be phased in until they reach a 50–50 cost split. Further more to lessen the financial burden on new program States, such as Idaho, the bill allows for in-kind contributions of a State's share of the cost during the program phase in period.

Mr. RITTER. Mr. Speaker, I want to add my voice to the bipartisan chorus supporting S. 2789. It is a good bill, and particularly timely 1 year after the Loma Prieta earthquake. I commend my Science Committee chairman, Mr. ROE, and vice chairman, Mr. WALKER, and their Senate colleagues, for their hard work in reaching a compromise.

Earthquakes are not a California problem: They are a national tragedy. Powerful and destructive earthquakes can strike in many areas of the United States almost at will. Yet for most of the past decade, the National Earthquake Hazardous Reduction Program has been seriously underfunded.

Congress came through in the clutch, putting some funding for the program in the dire emergency supplemental appropriation—after last year's quake and Hurricane Hugo. In real terms, we still allocate less money to this vital program than we did in the late 1970's.

This bill reverses that trend, and that is desirable. We're worried this week about the Federal Government running out of money. But we should not forget that this is one Federal program that effectively pays its way, and proves the old adage that an ounce of prevention is worth a pound of cure. With particular attention paid to research efforts in seismology and earthquake engineering, readiness procedures and building codes and standards, we can be more confident that the loss of life and property in the next quake, wherever it strikes, will be less severe.

I am particularly proud that this bill placed a heavy emphasis on research in earthquake engineering. Studying ways to protect our structures from the damaging effects of earthquakes carries a big payoff in terms of effectiveness.

I support this compromise bill, and I hope that it will send a signal that we are committed to restoring the effectiveness of the National Earthquake Hazards Reduction Program.

Mr. WALKER. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mrs UNSOELD). Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 2789

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Earthquake Hazards Reduction Program Reauthorization Act".

FINDINGS

Sec. 2. Section 2 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701) is amended—

(1) by striking paragraphs (5) and (6) and inserting in lieu thereof the following new paragraphs:

"(5) The geological study of active faults and features can reveal how recently and how frequently major earthquakes have occurred on those faults and how much risk they pose. Such long-term seismic risk assessments are needed in virtually every aspect of earthquake hazards management, whether emergency planning, public regulation, detailed building design, insurance rating, or investment decision.

"(6) The vulnerability of buildings, lifelines, public works, and industrial and emergency facilities can be reduced through proper earthquake resistant design and construction practices. The economy and efficacy of such procedures can be substantially increased through research and development.";

(2) by redesignating paragraphs (7) through (10) as paragraphs (8) through (11), respectively; and

(3) by inserting immediately after paragraph (6) the following new paragraph:

"(7) Programs and practices of departments and agencies of the United States are important to the communities they serve; some functions, such as emergency commu-

nications and national defense, and lifelines, such as dams, bridges, and public works, must remain in service during and after an earthquake. Federally owned, operated, and influenced structures and lifelines should serve as models for how to reduce and minimize hazards to the community.".

PURPOSE

SEC. 3. Section 3 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7702) is amended by adding at the end the following: "The objectives of such program shall include—

"(1) the education of the public, including State and local officials, as to earthquake phenomena, the identification of locations and structures which are especially susceptible to earthquake damage, ways to reduce the adverse consequences of an earthquake, and related matters;

"(2) the development of technologically and economically feasible design and construction methods and procedures to make new and existing structures, in areas of seismic risk, earthquake resistant, giving priorty to the development of such methods and procedures for power generating plants, dams, hospitals, schools, public utilities and other lifelines, public safety structures, high occupancy buildings, and other structures which are especially needed in time of disaster;

"(3) the implementation, to the greatest extent practicable, in all areas of high or moderate seismic risk, of a system (including personnel, technology, and procedures) for predicting damaging earthquakes and for identifying, evaluating, and accurately characterizing seismic hazards;

"(4) the development, publication, and promotion, in conjunction with State and local officials and professional organizations, of model building codes and other means to encourage consideration of information about seismic risk in making decisions about land-use policy and construction activity;

"(5) the development, in areas of seismic risk, of improved understanding of, and capability with respect to, earthquake-related issues, including methods of mitigating the risks from earthquakes, planning to prevent such risks, disseminating warnings of earthquakes, organizing emergency services, and planning for reconstruction and redevelopment after an earthquate;

"(6) the development of ways to increase the use of existing scientific and engineering knowledge to mitigate earthquake hazards; and

"(7) the development of ways to assure the availability of affordable earthquake insurance.".

DEFINITIONS

SEC. 4. Section 4 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7703) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) The term 'Program' means the National Earthquake Hazards Reduction Program established under section 5.";

(2) by adding at the end the following new paragraphs:

"(6) the term 'lifelines' means public works and utilities, including transportation facilities and infrastructure, oil and gas pipelines, electrical power and communication facilities, and water supply and sewage treatment facilities.

"(7) The term 'Program agencies' means the Federal Emergency Management Agency, the United States Geological Survey, the National Science Foundation, and the National Institute of Standards and Technology.".

NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM

SEC. 5. Section 5 of the National Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7704) is amended to read as follows:

"SEC. 5. NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM.

"(a) ESTABLISHMENT.—There is established a National Earthquake Hazards Reduction Program.

"(b) RESPONSIBILITIES OF PROGRAM AGENCIES.—

"(1) LEAD AGENCY.—The Federal Emergency Management Agency (hereafter in this Act referred to as the 'Agency') shall have the primary responsibility for planning and coordinating the Program. In carrying out this paragraph, the Director of the Agency shall—

"(A) prepare, in conjunction with the other Program agencies, an annual budget for the Program to be submitted to the Office of Management and Budget;

"(B) ensure that the Program includes the necessary steps to promote the implementation of earthquake hazard reduction measures by Federal, State, and local governments, national standards and model building code organizations, architects and engineers, and others with a role in planning and constructing buildings and lifelines;

"(C) prepare, in conjunction with the other Program agencies, a written plan for the program, which shall include specific tasks and milestones for each Program agency, and which shall be submitted to the Congress and updated at such times as may be required by significant Program events, but in no event less frequently than every 3 years;

"(D) prepare, in conjunction with the other Program agencies, a biennial report, to be submitted to the Congress within 90 days after the end of each even-numbered fiscal year, which shall describe the activities and achievements of the Program during the preceding two fiscal years; and

"(E) request the assistance of Federal agencies other than the Program agencies, as necessary to assist in carrying out this Act.

The principal official carrying out the responsibilities described in this paragraph shall be at a level no lower than that of Associate Director.

"(2) Federal emergency management agency.—

"(A) PROGRAM RESPONSIBILITIES.—In addition to the lead agency responsibilities described in paragraph (1), the Director of the Agency shall—

"(i) operate a program of grants and technical assistance which would enable States to develop preparedness and response plans, prepare inventories and conduct seismic safety inspections of critical structures and lifelines, update building and zoning codes and ordinances to enhance seismic safety, increase earthquake awareness and education, and encourage the development of multi-State groups for such purposes;

'(ii) prepare and execute, in conjunct, with the Program agencies, the Department of Education, other Federal agencies, and private sector groups, a comprehensive earthquake education and public awareness program, to include development of materials and their wide dissemination to schools and the general public;

"(iii) prepare and disseminate widely, with the assistance of the National Institute of Standards and Technology, other Federal agencies, and private sector groups, information on building codes and practices for structures and lifelines;

"(iv) develop, and coordinate the execution of, Federal interagency plans to respond to an earthquake, with specific plans for each high-risk area which ensure the availability of adequate emergency medical resources, search and rescue personnel and equipment, and emergency broadcast capability;

"(v) develop approaches to combine measures for earthquake hazards reduction with measures for reduction of other natural and technological hazards; and

"(vi) provide response recommendations to communities after an earthquake prediction has been made under paragraph (3)(D).

In addition, the Director of the Agency may enter into cooperative agreements or contracts with States and local jurisdictions to establish demonstration projects on earthquake hazard mitigation, to link earthquake research and mitigation efforts with emergency management programs, or to prepare educational materials for national distribution.

"(B) STATE ASSISTANCE PROGRAM CRITERIA.—In order to qualify for assistance under subparagraph (A)(i), a State must—

"(i) demonstrate that the assistance will result in enhanced seismic safety in the State;

"(ii) provide a share of the costs of the activities for which assistance is being given, in accordance with subparagraph (C); and

"(iii) meet such other requirements as the Director of the Agency shall prescribe.

"(C) NON-FEDERAL COST SHARING.—

"(i) In the case of any State which has received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date shall not include a requirement for cost sharing in an amount greater than 50 percent of the cost of the project for which the grant is made.

"(ii) In the case of any State which has received, before October 1, 1990, a grant from the Agency for activities under this Act which included a requirement for cost sharing by matching such grant, any grant obtained from the Agency for activities under subparagraph (A)(i) after such date—

"(I) shall not include a requirement for cost sharing for the first fiscal year of such a grant;

"(II) shall not include a requirement for cost sharing in an amount greater than 25 percent of the cost of the project for which the grant is made for the second fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions;

"(III) shall not include a requirement for cost sharing in an amount greater than 35 percent of the cost of the project for which the grant is made for the third fiscal year of such grant, and any cost sharing requirement may be satisfied through in-kind contributions;

"(IV) shall not include a requirement for cost sharing in an amount greater than 50 percent of the cost of the project for which the grant is made for the fourth and subsequent fiscal year of such grant.

"(3) *United States Geological Survey.*—The United States Geological Survey shall conduct research necessary to characterize

and identify earthquake hazards, assess earthquake risks, monitor seismic activity, and improve earthquake predictions. In carrying out this paragraph, the Director of the United States Geological Survey shall—

"(A) conduct a systematic assessment of the seismic risks in each region of the Nation prone to earthquakes, including, where appropriate, the establishment and operation of intensive monitoring projects on hazardous faults, seismic microzonation studies in urban and other developed areas where earthquake risk is determined to be significant, and engineering seismology studies;

"(B) work with officials of State and local governments to ensure that they are knowledgeable about the specific seismic risks in their areas;

"(C) develop standard procedures, in consultation with the Agency, for issuing earthquake predictions, including aftershock advisories;

"(D) issue when necessary, and notify the Director of the Agency of, an earthquake prediction or other earthquake advisory, which may be evaluated by the National Earthquake Prediction Evaluation Council, which shall be exempt from the requirements of section 10(a)(2) of the Federal Advisory Committee Act when meeting for such purposes;

"(E) establish, using existing facilities, a Center for the International Exchange of Earthquake Information which shall—

"(i) promote the exchange of information on earthquake research and earthquake preparedness between the United States and other nations;

"(ii) maintain a library containing selected reports, research papers, and data produced through the Program;

"(iii) answer requests from other nations for information on United States earthquake research and earthquake preparedness programs; and

"(iv) direct foreign requests to the agency involved in the Program which is best able to respond to the request; and

"(F) operate a National Seismic Network;

"(G) support regional seismic networks, which shall complement the National Seismic Network.

"(4) NATIONAL SCIENCE FOUNDATION.—The National Science Foundation shall be responsible for funding research on earth science to improve the understanding of the causes and behavior of earthquakes, on earthquake engineering, and on human response to earthquakes. In carrying out this paragraph, the Director of the National Science Foundation shall—

"(A) encourage prompt dissemination of significant findings, sharing of data, samples, physical collections, and other supporting materials, and development of intellectual property so research results can be used by appropriate organizations to mitigate earthquake damage;

"(B) in addition to supporting individual investigators, support university research consortia and centers for research in geosciences and in earthquake engineering;

"(C) work closely with the United States Geological Survey to identify geographic regions of national concern that should be the focus of targeted solicitations for earthquake-related research proposals;

"(D) emphasize, in earthquake engineering research, development of economically feasible methods to retrofit existing buildings and to protect lifelines to mitigate earthquake damage; and

"(E) support research that studies the political, economic, and social factors that influence the implementation of hazard reduction measures.

"(5) NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY.—The National Institute of Standards and Technology shall be responsible for carrying out research and development to improve building codes and standards and practices for structures and lifelines. In carrying out this paragraph, the Director of the National Institute of Standards and Technology shall—

"(A) work closely with national standards and model building code organizations, in conjunction with the Agency, to promote the implementation of research results;

"(B) promote better building practices among architects and engineers; and

"(C) work closely with national standards organizations to develop seismic safety standards and practices for new and existing lifelines.".

OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT

SEC. 6. Section 6 of the Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7705) is amended to read as follows:

"SEC. 6. OFFICE OF SCIENCE AND TECHNOLOGY POLICY REPORT.

"The Director of the Office of Science and Technology Policy shall, within 3 months after the date of the enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Science, Space, and Technology and the Committee on Interior and Insular Affairs of the House of Representatives with respect to how the Office of Science and Technology Policy can play a role in interagency coordination, planning, and operation of the Program.".

ADVISORY COMMITTEE

SEC. 7. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.) is amended—

(1) by redesignating section 7 as section 12; and

(2) by inserting immediately after section 6 the following new section:

"SEC. 7. ADVISORY COMMITTEE.

"There is established a National Earthquake Hazards Reduction Program Advisory Committee (hereafter in this Act referred to as the 'Advisory Committee'), which shall advise the Program agencies on planning and implementing the Program. The Director of the Agency shall, in consultation with the directors of the Program agencies, determine the number of members on the Advisory Committee and the duration of their terms, and appoint the Chairman and Members of the Advisory Committee. The Advisory Committee shall have balanced representation of State and local governments, the design professions, the research community, business and industry, and the general public. The Advisory Committee shall meet at the call of the Chairman, but in no event less often than every 6 months. The Advisory Committee shall submit a written report directly to the Congress, without review by the Office of Management and Budget or any other agency, by January 31 of each calendar year beginning after the date of enactment of the National Earthquake Hazards Reduction Program Reauthorization Act, which shall describe any recommendations the Advisory Committee has made to the Program agencies during the preceding year. Members of the Advisory Committee shall serve without compensation but may receive reimbursement for expenses. All expenses of the Advisory Committee shall be borne by the Agency. The Advisory Committee shall expire September 30, 1993.".

SEISMIC STANDARDS

SEC. 8. (a) AMENDMENT.—National Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by section 7 of this Act, is further amended by inserting immediately after section 7 the following new section:

"SEC. 8. SEISMIC STANDARDS.

"(a) BUILDINGS.—

"(1) ADOPTION OF STANDARDS.—The President shall adopt, not later than December 1, 1994, standards for assessing and enhancing the seismic safety of existing buildings constructed for or leased by the Federal Government which were designed and constructed without adequate seismic design and construction standards. Such standards shall be developed by the Interagency Committee on Seismic Safety in Construction, whose chairman is the Director of the National Institute of Standards and Technology or his designee, and which shall work in consultation with appropriate private sector organizations.

"(2) REPORT TO CONGRESS.—The President shall report to the Congress, not later than December 1, 1994, on how the standards adopted under paragraph (1) could be applied with respect to buildings—

"(A) for which Federal financial assistance has been obtained through grants, loans, financing guarantees, or loan or mortgage insurance programs; or

"(B) the structural safety of which is regulated by a Federal agency.

"(3) REGULATIONS.—The President shall ensure the issuance, before February 1, 1993, by all Federal agencies of final regulations required by section 4(b) of Executive Order numbered 12699, issued January 5, 1990.

"(b) LIFELINES.—The Director of the Agency, in consultation with the Director of the National Institute of Standards and Technology, shall submit to the Congress, not later than June 30, 1992, a plan, including precise timetables and budget estimates, for developing and adopting, in consultation with appropriate private sector organizations, design and construction standards for lifelines. The plan shall include recommendations of ways Federal regulatory authority could be used to expedite the implementation of such standards.".

(b) REPORT TO CONGRESS.—The Comptroller General shall, not later than 18 months after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation of the Senate and to the Committee on Interior and Insular Affairs and the Committee on Science, Space, and Technology of the House of Representatives on the vulnerability of buildings owned and leased by the Federal Government and on the efforts of Federal agencies to improve the seismic resistance of the buildings they own or lease. For each such agency, the Comptroller General shall enumerate the number of buildings owned or leased by the agency, the seriousness of the seismic risk to such buildings, and the value of the buildings at risk. The Comptroller General shall tabulate the expenditures each such agency has devoted to reducing earthquake damage and estimate the total expenditure necessary to address the problem adequately.

ACCEPTANCE OF GIFTS

SEC. 9. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 and 8 of this Act, is further amended by inserting immediately after section 8 the following new section:

"SEC. 9. ACCEPTANCE OF GIFTS.

"(a) AUTHORITY.—In furtherance of the purposes of this Act, the Director of the Agency may accept and use bequests, gifts, or donations of services, money, or property, notwithstanding section 3679 of the Revised Statutes (31 U.S.C. 1342).

"(b) CRITERIA.—The Director of the Agency shall establish by regulation criteria for determining whether to accept bequests, gifts, or donations of services, money, or property. Such criteria shall take into consideration whether the acceptance of the bequest, gift, or donation would reflect unfavorably on the Director's ability to carry out his responsibilities in a fair and objective manner, or would compromise the integrity of, or the appearance of the integrity of, the Program or any official involved in administering the Program.".

NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS

SEC. 10. The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7, 8, and 9 of this Act, is further amended by inserting immediately after section 9 the following new section:

"SEC. 10. NON-FEDERAL COST SHARING FOR SUPPLEMENTAL FUNDS.

"A grant under this Act to a State from the Agency that is made with funds appropriated under the Fiscal Year 1990 Dire Emergency Supplemental To Meet the Needs of Natural Disasters of National Significance (Public Law 101-130; 103 Stat. 775) shall not include a requirement for cost sharing in an amount greater than 25 percent of the cost of the project for which the grant is made, and any cost sharing requirement may be satisfied through in-kind contributions.".

INVESTIGATIONS

SEC. 11. (a) AMENDMENT.—The Earthquake Hazards Reduction Act of 1977 (42 U.S.C. 7701 et seq.), as amended by sections 7 through 10 of this Act, is further amended by inserting after section 10 the following new section:

"SEC. 11. POST-EARTHQUAKE INVESTIGATIONS PROGRAM.

"There is established within the United States Geological Survey a post-earthquake investigations program, the purpose of which is to investigate major earthquakes, so as to learn lessons which can be applied to reduce the loss of lives and property in future earthquakes. The United States Geological Survey, in consultation with each Program agency, shall organize investigations to study the implications of the earthquake in the areas of responsibility of each Program agency. The investigations shall begin as rapidly as possible and may be conducted by grantees and contractors. The Program agencies shall ensure that the results of investigations are disseminated widely. The Director of the Survey is authorized to utilize earthquake expertise from the Agency, the National Science Foundation, the National Institute of Standards and Technology, other Federal agencies, and private contractors, on a reimbursable basis, in the conduct of such earthquake investigations. At a minimum, investigations under this section shall include—

"(1) analysis by the National Science Foundation and the United States Geological Survey on the causes of the earthquake and the nature of the resulting ground motion;

"(2) analysis by the National Science Foundation and the National Institute of Standards and Technology of the behavior of structures and lifelines, both those that were damaged and those that were undamaged; and

"(3) analysis by each of the Program agencies of the effectiveness of the earthquake hazards mitigation programs and actions relating to its area of responsibility under the Program, and how those programs and actions could be strengthened.".

(b) REPORT TO CONGRESS.—The Director of the Federal Emergency Management Agency in consultation with the other agencies of the National Earthquake Hazards Reduction Program shall, not later than one year after the date of enactment of this Act, report to the Committee on Commerce, Science, and Transportation and the Committee on Appropriations of the Senate and to the Committee on Interior and Insular Affairs, the Committee on Science, Space, and Technology, and the Committee on Appropriations of the House of Representatives on possible options for funding a program for post-earthquake investigations. Such report, at a minimum, shall consider funding such a program either by setting aside a percentage of disaster relief funds provided by the Federal Emergency Management Agency after a major earthquake or by a revolving fund. The report shall include a recommendation on how the funding for such investigations should be allocated among the other Program agencies.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. Section 12 of the Earthquake Hazards Reduction Act of 1977, as so redesignated by section 7(1) of this Act, is amended—

(1) in subsection (a)(7)—

(A) by striking "the provisions of sections 5 and 6 of";

(B) by striking "and $5,798,000" and inserting in lieu thereof "$8,798,000"; and

(C) by inserting ", $14,750,000 for the fiscal year ending September 30, 1991, $19,000,000 for the fiscal year ending September 30, 1992, and $22,000,000 for the fiscal year ending September 30, 1993" immediately before the period at end;

(2) in subsection (b)—

(A) by striking "and $43,283,000" and inserting in lieu therefore "$55,283,000"; and

(B) by inserting ", of which $8,000,000 shall be for earthquake investigations under section 11; $50,000,000 for the fiscal year ending September 30, 1991; $54,500,000 for the fiscal year ending September 30, 1992; and $62,500,000 for the fiscal year ending September 30, 1993" immediately before the period at the end;

(3) in subsection (c)—

(A) by striking "and $35,454,000" and inserting in lieu thereof $38,454,000"; and

(B) by adding at the end the following: "Of the amounts authorized for Engineering under section 101(d)(1)(B) of the National Science Foundation Authorization Act of 1988, $24,000,000 is authorized for carrying out this Act of the fiscal year ending September 30, 1991, and of the amounts authorized for Geosciences under section 101(d)(1)(D) of the National Science Foundation Authorization Act of 1988, $13,000,000 is authorized for carrying out this Act for the fiscal year ending September 30, 1991. Of the amounts authorized for Research and Related Activities under section 101(e)(1) of the National Science Foundation Authorization Act of 1988, $29,000,000 is authorized for engineering research under this Act, and $14,750,000 is authorized for geosciences research under this Act, for the fiscal year ending September 30, 1992. Of the amounts authorized for Research and Related Activities under section 101(f)(1) of the National Science Foundation Authorization Act of 1988, $34,500,000 is authorized for engineering research under this Act, and $17,500,000 is authorized for geosciences research under this Act, for the fiscal year ending September 30, 1993.";

(4) in subsection (d)—

(A) by striking "NATIONAL BUREAU OF STANDARDS" and inserting in lieu thereof "NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY";

(B) by striking "Bureau" and inserting in lieu thereof "National Institute of Standards and Technology";

(C) by striking "and $525,000" and inserting in lieu thereof "$2,525,000"; and

(D) by inserting "; $1,000,000 for the fiscal year ending September 30, 1991; $3,000,000 for the fiscal year ending September 30, 1992; and $4,750,000 for the fiscal year ending September 30, 1993" immediately before the period at the end; and

(5) by adding at the end the following new subsection:

"(f) AVAILABILITY OF FUNDS.—Funds appropriated for fiscal years 1991, 1992, and 1993 pursuant to this section shall remain available until expended.".

BUY AMERICAN REQUIREMENT

SEC. 13. (a) DETERMINATION BY DIRECTOR.—If the Director of the Federal Emergency Management Agency, with the concurrence of the Secretary of Commerce and the United States Trade Representative, determines that the public interest so requires, the Agency is authorized to award to a domestic firm a contract made pursuant to the issuance of any grant made under this Act that, under the use of competitive procedures, would be awarded to a foreign firm, if—

(1) the final product of the domestic firm will be completely assembled in the United States;

(2) when completely assembled, not less than 51 percent of the final product of the domestic firm will be domestically produced; and

(3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent.

In determining under this subsection whether the public interest so requires, the Agency shall take into account United States international obligations and trade relations.

(b) LIMITED APPLICATION.—This section shall not apply to the extent to which—

(1) such applicability would not be in the public interest;

(2) compelling national security considerations require otherwise; or

(3) the United States Trade Representatives determines that such an award would be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party.

(c) LIMITATION.—This section shall apply only to contracts made related to the issuance of any grant made under this Act for which—

(1) amounts are authorized by this Act (including the amendments made by this Act) to be made available; and

(2) solicitations for bids are issued after the date of the enactment of this Act.

(d) REPORT TO CONGRESS.—The Agency shall report to Congress on contracts covered under this section and entered into with foreign entities in fiscal years 1990 and 1991 and shall report to the Congress on the number of contracts that meet the requirements of subsection (a) but which are determined by the United States Trade Representative to be in violation of the General Agreement on Tariffs and Trade or an international agreement to which the United States is a party. The Agency shall also report to the Congress on the number of contracts covered under this Act (including the amendments made by this Act) and awarded based upon the parameters of this section.

(e) DEFINITIONS.—For purposes of this section—

(1) the term "domestic firm" means a business entity that is incorporated in the United States and that conducts business operations in the United States; and

(2) the term "foreign firm" means a business entity not described in paragraph (2).

CATASTROPHIC EARTHQUAKE IMPACT STUDIES

SEC. 14. (a) STUDY OF INDIRECT ECONOMIC LOSSES.—Within 12 months after the date of enactment of this Act, the Director of the Federal Emergency Agency shall submit, to the Committee on Science, Space, and Technology, the Committee on Interior and Insular Affairs, and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives, and to the Committee on Commerce, Science and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report on the results of a study on the impact and repercussions of a catastrophic earthquake on local, regional, and national economies. The Director of the Federal Emergency Management Agency shall appoint, in consultation with the Department of the Treasury, a panel of experts in relevant fields and activities to undertake such study. In particular, the study shall evaluate the repercussions and indirect economic impact of such an earthquake on—

(1) financial markets;

(2) the national banking system;

(3) the insurance industry; and

(4) the national energy distribution network;

and shall include an estimate of the ability of current disaster assistance efforts and insurance coverage to allow recovery from the economic losses caused by a catastrophic earthquake.

(b) STUDY ON IMPROVING EARTHQUAKE MITIGATION.—Within 12 months after the date of enactment of this Act, the Director of the Federal Emergency Management Agency shall submit, to the Committee on Science, Space, and Technology, the Committee on Interior and Insular Affairs, and the Committee on Banking, Finance, and Urban Affairs of the House of Representatives, and to the Committee on Commerce, Science and Transportation and the Committee on Banking, Housing, and Urban Affairs of the Senate, a report on the results of a study on the adequacy of preparation and response capabilities for reducing and recovering from losses caused by a catastrophic earthquake. The Director of the Federal Emergency Management Agency shall appoint, in consultation with the United States Geological Survey, the National Institute of Standards and Technology, and the National Science Foundation, a panel of experts in relevant fields and activities to undertake such study. The study required under subsection shall—

(1) identify impediments to the effective implementation of Federal, State, and local programs of earthquake hazard mitigation, including an analysis of the appropriate roles for Federal, State, and local governments and the private sector in preparing for the responding to the economic and social consequences of earthquakes; and

(2) consider the effectiveness and efficiencies of alternative ways for Federal, State, and local governments to reduce the economic impact of earthquakes, including earthquake hazard mitigation, disaster assistance, earthquake insurance for homeowners and small businesses, and earthquake reinsurance for general commercial liabilities.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BROWN of California. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 2789, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

INDIAN PREFERENCE ACT OF 1990

Mr. RICHARDSON. Madam Speaker, I ask unanimous consent that the Committee on Public Works and Transportation be discharged from further consideration of the Senate bill (S. 321) to revise provisions of law that provide a preference to Indians, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. RHODES. Madam Speaker, reserving the right to object, I yield to the gentleman from New Mexico [Mr. RICHARDSON] so that he may explain what is involved with this bill.

Mr. RICHARDSON. Madam Speaker, S. 321 is a bill to update, revise, and consolidate two existing laws which provide for an Indian preference in the letting of Federal contracts and the awarding of Federal grants for the benefit of Indians.

The first law is a section of a 1910 law which is known as the Buy Indian Act. This section is very simple and states:

So far as may be practicable, Indian labor shall be employed and purchases of the products of Indian industry may be made on the open market in the discretion of the Secretary of the Interior.

The second law is section 7(b) of the Indian Self-Determination Act which requires Federal agencies awarding contracts or grants for the benefit of Indians to provide Indian preference, "to the greatest extent feasible."

While these two laws were designed to stimulate economic development on Indian reservations, encourage and assist individual Indians to become involved in business activity, and to development of employment opportunities for Indians on the reservations, the hearing record of our committee and the Senate Select Committee on Indian Affairs has disclosed severe shortcomings in the implementation and application of the Indian preference laws.

The Bureau of Indian Affairs and the Indian Health Service have never provided adequate regulations to govern the application of the Buy Indian Act. As a result, there is considerable confusion, duplication and inconsistency in the administration of the law. The goals of economic, business, and employment development has never been consistently achieved in applying these laws.

In addition, Madam Speaker, the confusion surrounding the implementation of the existing Indian preference provisions has given rise to the use of the laws by front organizations which abuse the Indian preferences through misrepresentation and fraud and deprive legitimate Indian firms of the benefits of the laws.

S. 321, for the first time, clearly set out goals and intent of Congress with respect to these laws. The primary purpose of the bill is to maximize reservation economic development. It also seeks to minimize inconsistency and confusion by consolidating existing law under one umbrella law. Its goal is to ensure that the procurement of goods and services on Indian reservations shall be carried out in a manner that achieves the maximum benefit for Indian employment and business development. A second major goal of the bill is the elimination of front practices.

Madam Speaker, S. 321 incorporates a number of changes which have been the subject of negotiations with administrative officials, tribal representatives, and the Senate Select Committee on Indian Affairs.

Many of the amendments are minor in nature and I will not take the time of the House to explain them. They are explained in full in the committee report.

S. 321, as reported, strikes three major provisions from the bill as passed by the Senate.

First, it strikes a lengthy provision which would have established an Office of Indian Preference in the Department of the Interior. This new office would have duplicated many of the existing functions carried out in the BIA and would have only superimposed an additional layer of bureaucracy on Indian businesses. In addition,

it would have resulted in a substantial new cost for the BIA.

Second, the committee deleted a provision in the bill which would have created a new Indian Enterprise Opportunity Fund. The fund would have been composed of payments made from contract awarded to Indian firms receiving a preference for contracting. The fund, together with earned income, would have been used to support surety bond guarantees issued by the Small Business Administration to Indian firms otherwise unable to obtain bonding for Federal contracts. This fund would have been extremely costly and difficult to administer. The hardship that Indian firms encounter in getting the necessary bonding for Federal contracts can better be handled through other mechanisms.

Madame Speaker, I would like to add that among the definitions included in the bill is the term Indian "reservation" which is given the same meaning as the term "reservation" by section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. § 1452(d)). Section 3(d) states explicitly that the term "reservation" includes "former Indian reservations in Oklahoma" which includes the historic or traditional reservations of the five civilized tribes prior to allotment of their tribal lands by the U.S. Government during the period from 1890 to 1930.

Finally, our amendments delete all of the provisions relating to a new Indian bond guaranty program in the Small Business Administration.

Madam Speaker, I believe that this bill will go a long way toward effective reform of the existing Indian preference laws and programs and urge its adoption. This will be beneficial to all Indian tribes, including the Cherokees who have a special interest in this legislation.

Mr. RHODES. Madam Speaker, I urge the adoption of the bill. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 321

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be referred to as the "Indian Preference Act of 1990".

FINDINGS

SEC. 2. (a) The Congress, after careful review of the economic conditions on Indian reservations, and the historical and special legal relationship of the Federal Government with Indian people, finds that—

(1) economic self-sufficiency is an essential element in achieving self-determination by Indian tribes and Indian people;

(2) increased Indian employment and business opportunity is a critical element in the elimination of the poverty, alcoholism, high suicide rates, substandard housing, and other problems that are the focus of many of the Federal programs serving Indians;

(3) the funds spent by the United States on reservations or otherwise spent for the benefit of Indians need to be utilized, not only to purchase goods and services but, to the maximum extent feasible, to promote Indian employment and business opportunities;

(4) the awarding of a preference in training, employment, contracting, and subcontracting opportunities has proven to be an exceptionally effective means of ensuring that Indians receive the maximum benefit from Federal funds appropriated on their behalf;

(5) the existing Federal laws on Indian preference in contracting need to be updated, revised, and consolidated to include appropriate recognition of tribal laws that establish preference programs for tribal members; and

(6) companies and individuals that seek to take improper advantage of Indian preference opportunities do not contribute to Indian economic development and damage the credibility of Indian preference programs.

(b) The Congress declares that—

(1) a major national goal of the United States is to ensure that the procurement of goods and services on Indian reservations or otherwise for the benefit of Indians shall be carried out in a manner that achieves the maximum benefit for Indian employment and business development; and

(2) a secondary but essential goal is to prevent and prohibit companies from misusing Indian preference programs.

BUY INDIAN ACT AMENDMENTS

SEC. 3. (a) Section 23 of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47) is amended to read as follows:

"SEC. 23. (a)(1) Each Federal agency administering funds appropriated for the benefit of Indians that are awarded or distributed under a contract or grant shall—

"(A) provide a preference to Indian preference enterprises in the award of the grant or contract, including (but not limited to) contracts for construction or printing,

"(B) require that the recipient of the contract or grant—

"(i) provide preferences to Indians for training and employment in connection with such contract or grant and require any recipient of a subcontract or subgrant under such contract or grant to provide such preferences, and

"(ii) provide a preference to Indian preference enterprises in the awarding of subcontracts and subgrants under the contract or grant.

"(2) The Secretary of the Interior may authorize preferences for Indian preference enterprises in the award by any Federal agency of contracts that do not involve funds appropriated for the benefit of Indians upon the request of that agency if the Secretary of the Interior believes the preferences will help to fulfill the special responsibilities of the Secretary of the Interior toward Indians.

"(3) The preferences provided by reason of this subsection shall have priority over all other Federal procurement preferences.

"(4)(A) For purposes of this section, funds awarded or distributed under a contract or grant are appropriated for the benefit of Indians if—

"(i) Indians are the primary beneficiaries of the contract or grant,

"(ii) the majority of the activity to be undertaken under the contract or grant takes place within the exterior boundaries of an Indian reservation, or

"(iii) the contract is entered into under, or the grant is provided under, the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452, et seq.), or under title II of the United States Housing Act of 1937 (42 U.S.C. 1437aa, et seq.).

"(B) The provisions of this section shall not apply to the awarding of contracts under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450, et seq.), but shall apply to the awarding of subcontracts of such contracts, to employment and training opportunities under such contracts and subcontracts, and with respect to the awarding of, and opportunities under, grants and subgrants provided under such Act.

"(C) The provisions of this section shall not apply with respect to—

"(i) contracts for the procurement of expert advice and testimony in litigation conducted by the United States as trustee for Indians or Indian tribes; or

"(ii) contracts awarded under section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

"(D) This section shall apply with respect to the Five Civilized Tribes and the members of the Osage Tribe.

"(5)(A) A Federal agency shall implement the preference provided under paragraph (1)(A) by limiting the competition for the awarding of a contract to Indian preference enterprises if—

"(i) there is a reasonable expectation that offers will be obtained from at least—

"(I) 3 responsible offerors in the case of a contract for architectural-engineering services, or

"(II) 2 responsible offerors in the case of a contract for the procurement of any other services or for the procurement of any product, and

"(ii) the contract can be awarded at a fair and reasonable price.

"(B) If only one offer is received under a competition restricted to Indian preference enterprises for a contract for a product or service other than architectural-engineering services, the procuring agency may negotiate an award of the contract at a fair and reasonable price.

"(6)(A) If it is not feasible for a Federal agency to limit the competition for the award of a contract under the authority of paragraph (5), the agency shall award the contract after full and open competition. In such case, the contract shall be awarded to any responsible Indian preference enterprise submitting the lowest bid that does not exceed the lowest bid submitted by any other responsible bidder by more than the percentage prescribed by the head of the Federal agency in regulations. If a factor other than price is determinative in the award of the contract, the Federal agency shall utilize a comparable method to provide a preference to Indian preference enterprises in the selection process.

"(B) The percentage prescribed under subparagraph (A) that establishes a maximum limitation on the difference between the bids shall not be less than 5 percent nor more than 10 percent.

"(7) The preference requirements of this section may be waived only upon extraordinary circumstances. The determination to make such a waiver may only be made by—

"(A) if the procuring agency is within the Department of the Interior, the Assistant Secretary of the Interior for Indian Affairs,

"(B) if the procuring agency is within the Department of Health and Human Services, the Director of the Indian Health Service, and

"(C) in all other cases—

"(i) the senior procurement executive of the procuring agency, as designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)), or

"(ii) the principal deputy of such executive who is—

"(I) a general officer (as defined in section 101(40) of title 10, United States Code) or a flag officer (as defined in section 101(41) of such title), or

"(II) a civilian employee in a position in grade GS-16 of the General Schedule under section 5331 of title 5, United States Code (or an equivalent position in the Senior Executive Service).

"(8)(A) Each Federal agency subject to the provisions of this subsection shall, at the beginning of each fiscal year, provide to the Office of Indian Preference a list of the contracts of such agency to which this section applies.

"(B) Each Federal agency shall advertise the contracts to which this section applies at a date sufficiently in advance of the date performance must begin under the contract to permit a subsequent open market advertisement of the contract if the contract cannot be awarded under the limited competition provision of this subsection.

"(9)(A) Except as otherwise provided in this paragraph, the preferences required to be provided to enterprises under this section may only be provided to Indian preference enterprises.

"(B)(i) An Indian preference enterprise may benefit from a preference provided under this section only if the enterprise submits to the agency or person that is to provide the preference an affidavit certifying that the enterprise continues to meet the requirements necessary for certification by the Director as an Indian preference enterprise. The affidavit shall be executed and submitted at the time the contract or subcontract bid, or grant or subgrant application, is submitted and again at the time the contract, subcontract, grant, or subgrant is awarded.

"(ii) Any agency or person that receives an affidavit submitted by an enterprise under clause (i) shall submit a copy of the affidavit to any Indian tribe that would be affected by the contract, subcontract, grant, or subgrant for which the enterprise seeks a preference under this section.

"(C)(i) Any Indian preference enterprise that—

"(I) is engaged in construction activities, and

"(II) has successfully completed, independently, at least one contract,

may enter into joint ventures with other enterprises that are not Indian preference enterprises.

"(ii) Any Indian preference enterprise that enters into a joint venture under clause (i) shall remain eligible, and the joint venture shall be eligible, for preferences under this section so long as the Indian preference enterprise—

"(I) owns and controls at least 51 percent of the joint venture and receives at least 51 percent of the profits of the joint venture, and

"(II) has successfully completed, independently, at least one contract for each contract awarded to the joint venture for which a preference is provided under this section.

"(b) For purposes of this section—

"(1) The term 'Indian preference enterprise' means an Indian enterprise that is certified by the Director of the Office of Indian Preference as eligible for the preferences provided under this section.

"(2) The term 'Indian enterprise' means—

"(A) an enterprise which—

"(i) is engaged in construction (within the meaning of the Indian Self-Determination and Education Assistance Act), and

"(ii) is entirely owned by one or more Indians, or Indian tribes, that receive 100 percent of the profits of the enterprise,

"(B) an enterprise—

"(i) which is engaged in any business other than construction, and

"(ii) at least 51 percent of which is owned by one or more Indian tribes that receive not less than 51 percent of the profits of the enterprise, or

"(C) an enterprise—

"(i) which is engaged in any business other than construction,

"(ii) at least 51 percent of which is owned by one or more Indians who receive not less than 51 percent of the profits of the enterprise, and

"(iii) which has an Indian owner who—

"(I) acts as the chief executive officer of the enterprise, and

"(II) has the experience and training to manage, and does in fact manage, the day-to-day activities of the enterprise.

"(3) The terms 'Indian' and 'Indian tribe' have the respective meaning given to each of such terms under section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) The term 'Secretary' means the Secretary of the Interior.

"(5) The term 'Director' means the Director of the Office of Indian Preference of the Department of the Interior.

"(6) The term 'Office' means the Office of Indian Preference of the Department of the Interior.

"(7) Except for purposes of subsection (a)(4)(B)—

"(A) the term 'contract' includes subcontracts, and

"(B) the term 'grant' includes subgrants.

"(8) The term 'Indian reservation' has the same meaning given to the term 'Reservation' by section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)).

"(c)(1) There is hereby established within the Department of the Interior an office to be known as the 'Office of Indian Preference', which shall be under the supervision of the Director of the Office of Indian Preference.

"(2) The Director of the Office of Indian Preference shall be appointed by the Assistant Secretary of the Interior for Indian Affairs.

"(3)(A) The Director shall—

"(i) develop and publish a set of criteria for certifying Indian enterprises as eligible for the preferences provided under this section,

"(ii) investigate the financial backgrounds of enterprises which apply for certification as Indian enterprises eligible for the preferences provided under this section, of enterprises that have acquired such certification, and of the owners and officers of such enterprises,

"(iii) review applications from Indian enterprises for such certification,

"(iv) certify as Indian enterprises eligible for the preferences provided under this section those Indian enterprises that satisfy the criteria established under clause (i),

"(v) prescribe such regulations, and establish such policies, monitoring systems, and enforcement systems, in conjunction with the Office of Federal Procurement Policy, as may be necessary to ensure that the provisions of this section are carried out,

"(vi) investigate complaints alleging one or more violations of this section or the regulations prescribed under this section, including (but not limited to) allegations that—

"(I) an enterprise not certified by the Director as an Indian enterprise eligible for the preferences provided under this section was awarded a contract or grant with the assistance of a preference provided under this section,

"(II) an enterprise was wrongly certified by the Director as an Indian enterprise eligible for the preferences provided under this section,

"(III) an enterprise misrepresented its status to the Office, or

"(IV) an enterprise is no longer an Indian enterprise or in compliance with the criteria established under clause (i),

"(vii) investigate complaints alleging that an Indian tribe is improperly administering preferences required under this section in a manner that exhibits a documented pattern of abuse and seriously jeopardizes the rights of Indians or Indian enterprises, and

"(viii) develop and assist Federal agencies in implementing a program to ensure that Federal funds expended for the benefit of Indians also assist, to the maximum extent feasible, in the promotion of Indian economic development.

"(B) The regulations that are to be prescribed under subparagraph (A)(v) shall include—

"(i) a standard application to be used by an enterprise applying for certification as an Indian enterprise eligible for the preferences provided under this section,

"(ii) the procedures under which completed applications for such certification will be acted upon by the Director within a reasonable period of time after receipt by the Office,

"(iii) procedures which guarantee that all decisions rendered by the Director regarding such certification will be communicated to such enterprise in writing,

"(iv) a description of the appeal procedures available to any enterprise which is denied such certification by the Director, and

"(v) a description of the record-keeping management system of the Office.

"(C) The regulations that are to be prescribed under subparagraph (A)(v), and the policies and systems that are to be established under subparagraph (A)(v), shall be prescribed and established in conjunction with the Office of Federal Procurement Policy in a manner that considers the existing procurement practices of Federal agencies, promotes maximum consistency, uniformity, and coordination among Federal agencies, and promotes the maximum participation of Indian tribes.

"(D) Each Federal agency and Indian tribe shall implement, and comply with, the regulations prescribed under subparagraph (A)(v) and the policies and systems established under subparagraph (A)(v).

"(4)(A) The Director shall employ staff for the Office and may use such experts from within and without the Federal Government as may be necessary to assist the Director in carrying out the duties of the Director.

"(B) Neither the Director nor any individual employed by the Office shall participate in any decision which involves an enterprise in which the Director or employee, or a relative of the Director or employee, has a financial interest.

"(5)(A) For the purpose of conducting any investigation authorized under this subsection, the Director may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, or documents that are relevant to the inquiry. The attendance of such witnesses and the production of such records may be required from any place in the United States.

"(B) In any case of contumacy by, or refusal to obey a subpoena issued to, any person, the Director may invoke the aid of any court of the United States where such person resides or may be found in requiring the attendance and testimony of witnesses and the production of books, papers, and documents. The court may issue an order requiring such person to appear before the Director, to produce records, if so ordered, or to give testimony touching the matter under investigation.

"(C) A failure to obey an order of the court issued under this paragraph shall be punishable by the court as a contempt thereof. All process in any such case may be served in the judicial district where such person resides or may be found.

"(D) Witnesses subpoenaed by the Director shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(6) All statements submitted by an enterprise to the Office shall be made under oath or affirmation by an officer or owner of the enterprise who is authorized to make the statement on behalf of the enterprise.

"(7) If, as the result of an investigation, the Director determines that any of the conditions described in any subclause of paragraph (3)(A)(vi) exists with respect to any enterprise, the Director shall—

"(A) revoke the certification of such enterprise as an Indian enterprise eligible for the preferences provided under this section, if such certification has been made by the Director, and

"(B) shall transmit all information available to the Director regarding such conditions to the Inspector General of, or the head of, the agency that administers the contract or grant to which such conditions relate.

"(8)(A) Any determination by the Director to deny any enterprise certification as an Indian enterprise eligible for the preferences provided under this section, or to revoke such certification, may be appealed to the Office of Hearings and Appeals of the Department of the Interior.

"(B) The decision of the Office of Hearings and Appeals of the Department of the Interior on an appeal brought under subparagraph (A) shall—

"(i) be considered final agency action by the Department on the petition, and

"(ii) be subject to judicial review under chapter 7 of title 5, United States Code.

"(9) There are authorized to be appropriated for each fiscal year $500,000 to carry out the provisions of this subsection.

"(d)(1)(A) The head of each Federal agency shall deduct from each payment made under each contract awarded to an Indian preference enterprise that benefited from a preference provided under this section in the awarding of such contract an amount equal to 1.5 percent of the total amount of the payment otherwise payable to the Indian preference enterprise under such contract.

"(B) The funds deducted under subparagraph (A) shall be deposited into the Indian Enterprise Opportunity Fund.

"(C) No funds shall be deducted under subparagraph (A) during any fiscal year if the total amount of funds in the Indian Enterprise Opportunity Fund at the close of the fiscal year preceding such fiscal year exceeds $100,000,000.

"(2)(A) There is hereby established within the Treasury of the United States a trust fund to be known as the 'Indian Enterprise Opportunity Fund', consisting of such amounts as may be deposited into the Fund under paragraph (1)(B) or credited to the Fund under this paragraph.

"(B) The Secretary of the Interior shall be the trustee of the Indian Enterprise Opportunity Fund, and shall submit an annual report to the Select Committee on Indian Affairs of the Senate and the Committee on Interior and Insular Affairs of the House of Representatives on the financial condition and the results of the operations of the Indian Enterprise Opportunity Fund during the fiscal year preceding the fiscal year in which such report is submitted and on the expected condition and operations of the Fund during the fiscal year in which such report is submitted and the 5 fiscal years succeeding such fiscal year. Such report shall be printed as a House document of the session of the Congress to which the report is made.

"(C)(i) The Secretary of the Treasury shall invest such portion of the Indian Enterprise Opportunity Fund as is not, in the judgment of the Secretary of the Interior, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States. For such purpose, such obligations may be acquired—

"(I) on original issue at the issue price, or

"(II) by purchase of outstanding obligations at the market price.

"(ii) Any obligation acquired by the Indian Enterprise Opportunity Fund may be sold by the Secretary of the Treasury at the market price.

"(iii) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Indian Enterprise Opportunity Fund shall be credited to, and form a part of, the Fund.

"(D) Funds in the Indian Enterprise Opportunity Fund shall only be available for reimbursements made under paragraph (4).

"(3)(A) The Secretary shall guarantee to reimburse the Administrator of the Small Business Administration for any amount paid by the Administrator to a surety on a bond described in section 411(c)(4) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(c)(4)) that the Administrator guarantees under section 411 of such Act if sufficient funds are available in the Indian Enterprise Opportunity Fund at the time of the execution of such bond to cover the potential liability of the Secretary to make such reimbursement with respect to such bond.

"(B)(i) During the fiscal year in which the Indian Preference Act of 1989 is enacted and the first fiscal year succeeding such fiscal year, the Secretary shall make reimbursement guarantees under subparagraph (A) without regard to the availability of funds in the Indian Enterprise Opportunity Fund.

"(ii) The total amount that—

"(I) is guaranteed to be reimbursed by the Secretary under subparagraph (A), and

"(II) would not be eligible to be guaranteed under subparagraph (A) if clause (i) did not apply,

shall not exceed $15,000,000.

"(4) The Secretary is authorized and directed to pay out of the Indian Enterprise Opportunity Fund to the Administrator of the Small Business Administration amounts necessary to make any reimbursements the Secretary has guaranteed to make under paragraph (3).

"(5) The provisions of the Act of August 24, 1935 (49 Stat. 793; 40 U.S.C. 270a, et seq.), shall not apply with respect to a contract awarded to an Indian preference enterprise by a Federal agency if—

"(A) the award price of the contract is anticipated to be $3,000,000 or less;

"(B) the Indian preference enterprise has been determined to be a responsible contractor capable of performing the contract;

"(C) the Federal agency determines that the Indian preference enterprise has been unable to obtain the requisite bonds after making good faith application to at least 2 surety firms determined by the Secretary of the Treasury to issue acceptable bonds pursuant to chapter 93 of title 31, United States Code, even with a guarantee provided pursuant to title IV of the Small Business Investment Act of 1958 (15 U.S.C. 692, et seq.); and

"(D) the Indian preference enterprise has provided for the protection of persons furnishing materials and labor, in lieu of a payment bond, through a program of direct disbursement from the Federal Government of payments due to such persons by such Indian preference enterprise through—

"(i) an escrow account established and maintained by the Indian preference enterprise at any bank the deposits of which are insured by the Federal Deposit Insurance Corporation, or

"(ii) a Federal Government payment center servicing the procuring agency, if approved by the procuring agency.

"(e)(1) If—

"(A) a contract or grant to which the preferences provided under this section apply is to be performed on a reservation of an Indian tribe,

"(B) the governing body of the Indian tribe has—

"(i) established preferences generally comparable to those provided under this section,

"(ii) established a tribal office to enforce those preferences, and

"(iii) submitted to the Director a written request that this paragraph apply, and

"(C) such tribal office submits to the Director a statement certifying that the tribal office will administer the preferences established by the Indian tribe in accordance with this section,

the preference requirements established by the Indian tribe shall be applicable to the contract or grant in lieu of the preferences provided under this section and the tribal office shall have primary responsibility for enforcing the preferences with respect to the contract or grant.

"(2) Paragraph (1) shall not apply if the Director determines that the preferences established by the Indian tribe are not generally comparable to those provided by this section or that the tribal office—

"(A) is incapable of enforcing the preferences, or

"(B) is failing to meet its responsibilities to the extent that the rights of Indians or

Indian preference enterprises provided for in this section are being seriously jeopardized.

"(f) In addition to any other penalties provided under Federal or tribal law, whoever misrepresents the status of an individual as an Indian, or of an enterprise as an Indian enterprise or an Indian preference enterprise, in order to obtain a preference under this section for such person or any other person—

"(1) may be punished in a criminal action brought in a tribal court of an Indian tribe affected by the misrepresentation by a fine of not more than $5,000, or by imprisonment for not more than one year, or both;

"(2) shall be liable to the United States for the amount of any grant, or the amount paid under any contract, that was obtained by reason of the preference;

"(3) shall be subject to suspension and debarment as specified in subpart 9.4 of part 9 of title 48 of the Code of Federal Regulations (or any successor regulation) on the basis that such misrepresentation indicates a lack of business integrity that seriously and directly affects the present responsibility to perform any contract awarded by the Federal Government; and

"(4) shall be ineligible for any preference provided under this section.

"(g)(1) The Secretary of the Interior or the Director may request the Inspector General of the Department of the Interior to conduct an investigation of any contract, grant, subcontract, or subgrant with respect to which preferences are required to be provided under this section.

"(2) By no later than the date that is 30 days after the date on which a request is submitted to the Inspector General of the Department of the Interior under paragraph (1), the Inspector General shall submit to whoever made the request a written response to the request detailing the actions, if any, the Inspector General will take with respect to the request.".

(b) Section 33 of the Act of June 25, 1910 (36 Stat. 863; 25 U.S.C. 353) is amended by striking out "section thirty-two" and inserting in lieu thereof "sections 23 and 32".

(c) The first paragraph under the subheading "Secretary" that is under the superior heading "I. General Provisions" of the Act of April 30, 1908 (35 Stat. 71; 25 U.S.C. 47) is amended by striking out the last proviso.

CRIMINAL PENALTIES

SEC. 4. (a) Chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1169. Indian preferences

"(a) Any person who, for the purpose of obtaining any preference provided under section 23 of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47), for that person or for any other person, makes, passes, uses, utters, or publishes—

"(1) any statement, knowing that the statement is false, or

"(2) any instrument, paper, or document, knowing it to have been altered, forged, or counterfeited,

shall be fined not more than $100,000 or imprisoned not more than 5 years, or both.

"(b) Any person who, in any document, knowingly makes any false statement or representation of fact, or knowingly conceals or fails to disclose any fact, the disclosure of which—

"(1) is required under section 23 of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47), or any regulations prescribed under such Act, or

"(2) is necessary to verify or clarify whether an enterprise or individual is eligible for any preference provided under such section,

shall be fined not more than $100,000, or imprisoned not more than 5 years, or both.".

(b) The table of contents for chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1169. Indian preferences.".

SMALL BUSINESS ADMINISTRATION SURETY BOND GUARANTEE

SEC. 5. (a) Subsection (c) of section 411 of the Small Business Investment Act of 1958 (15 U.S.C. 694b(c)) is amended—

(1) by redesignating paragraph (4) as paragraph (5),

(2) by striking "or" at the end of paragraph (3), and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) not to exceed 95 percent of the loss incurred and paid in the case of a surety requiring the Administration's specific approval for the issuance of a bond, if—

"(A) the bond was issued to an Indian preference enterprise (as defined by section 23(b) of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47)),

"(B) the total amount of the contract for which the bond is issued at the time of the execution of the bond is $5,000,000 or less, and

"(C) the Secretary of the Interior guarantees to reimburse the Administrator for any amount the Administrator pays the surety on such loss; or".

(b)(1) Paragraph (1) of section 411(a) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(a)(1)) is amended to read as follows:

"(1) The Administration may, upon such terms and conditions as the Administration may prescribe, guarantee, and enter into commitments to guarantee any surety against loss resulting from a breach of the terms of a bid bond, payment bond, performance bond, or bonds ancillary thereto, by a principal on any contract up to—

"(A) $5,000,000 if the principal is an Indian preference enterprise, or

"(B) $1,250,000 for any other principal.".

(2) Paragraph (2) of section 411(e) of the Small Business Investment Act of 1958 (15 U.S.C. 694b(e)(2)) is amended to read as follows:

"(2) the total contract amount at the time of execution of the bond exceeds—

"(A) $5,000,000 if the principal is an Indian enterprise, or

"(B) $1,250,000 for any other principal,".

(c) Section 410 of the Small Business Investment Act of 1958 (15 U.S.C. 694a) is amended by adding at the end thereof the following new paragraph:

"(9) The term 'Indian preference enterprise' has the same meaning given to such term by section 23(b) of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47).".

(d)(1) Any guarantee made by the Administrator of the Small Business Administration under section 411 of the Small Business Investment Act of 1958 (15 U.S.C. 694b) of a bond described in section 411(c)(4) of such Act—

(A) shall not be subject to, and shall not be taken into account in applying, any limitation imposed under section 20 of the Small Business Act (15 U.S.C. 631), or under any other provision of law, on the total amount that may be guaranteed under section 411, or title IV, of the Small Business Investment Act of 1958, and

(B) shall not be subject to the availability of funds in—

(i) the Business Loan and Investment Fund established under section 4(c) of the Small Business Act (15 U.S.C. 633(c)), or

(ii) the revolving fund established under section 412(a) of the Small Business Investment Act of 1958 (15 U.S.C. 694c(a)).

(2) The provisions of paragraph (1) shall apply notwithstanding any provision of law enacted before or on the date of enactment of this Act and shall apply notwithstanding any provision of law enacted after the date of enactment of this Act unless such subsequently enacted provision of law specifically states that paragraph (1) shall not apply and specifically cites paragraph (1).

OSAGE TRIBE

SEC. 6. Until the Osage Tribe reorganizes and adopts its own criteria for membership, the membership of the Osage Tribe shall consist of all persons of Osage ancestry listed on the roll compiled pursuant to the Act of June 28, 1906 (34 Stat. 539; chapter 3572), and the descendants of such persons. Nothing in this section shall be interpreted as interfering, affecting, or changing, in any manner, the rights of the Osage Tribe in oil, gas, coal, or other minerals as provided in the Act of June 28, 1906 (34 Stat. 539; chapter 3572), or in any manner be construed to interfere, affect, or change the vested rights of Osage Indians in the ownership of headright shares in the Osage mineral estate.

MANPOWER AND JOB TRAINING

SEC. 7. The Secretary of the Interior is authorized to negotiate and enter into cooperative agreements with Indian tribes to engage in cooperative manpower and job training and development programs including the performance of work on lands owned and controlled by the Department of the Interior. Such cooperative agreements may be entered into with any agency or office within the Department of the Interior. In such cooperative agreements, the Secretary of the Interior is authorized to advance or reimburse funds to tribes from any appropriations available for similar kinds of work or by furnishing or sharing materials, supplies, facilities, or equipment without regard to the provisions of section 3324 of title 31, United States Code. Employees hired under such cooperative agreements shall be deemed to be Federal employees.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Madam Speaker, I offer an amendment in the nature of a substitute.

□ 1630

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. RICHARDSON:

SECTION 1. SHORT TITLE.

This Act may be referred to as the "Indian Preference Act of 1990".

SEC. 2. FINDINGS AND DECLARATIONS.

(a) FINDINGS.—The Congress, after careful review of the economic conditions on Indian reservations, and the historical and special legal relationship of the Federal Government with Indian people, finds that—

(1) economic self-sufficiency is an essential element in achieving self-determination by Indian tribes and Indian people;

(2) increased Indian employment and business opportunity is a critical element in the elimination of the poverty, alcoholism, high suicide rates, substandard housing, and other problems that are the focus of many of the Federal programs serving Indians;

(3) the funds spent by the United States on reservations or otherwise spent for the benefit of Indians need to be utilized not only to purchase goods and services, but, to the maximum extent feasible, to promote Indian employment and business opportunities;

(4) the awarding of a preference in training, employment, contracting, and subcontracting opportunities has proven to be an exceptionally effective means of ensuring that Indians receive the maximum benefit from Federal funds appropriated on their behalf;

(5) the existing Federal laws on Indian preference in contracting need to be updated, revised, and consolidated to include appropriate recognition of tribal laws that establish preference programs for Indian members; and

(6) companies and individuals that seek to take improper advantage of Indian preference opportunities do not contribute to Indian economic development and damage the credibility of Indian preference programs.

(b) DECLARATIONS.—The Congress declares that—

(1) a major national goal of the United States is to ensure that the procurement of goods and services on Indian reservations or otherwise for the benefit of Indians shall be carried out in a manner that achieves the maximum benefit for Indian employment and business development; and

(2) a secondary, but essential goal, is to prevent and prohibit companies from misusing Indian preference programs.

SEC. 3. BUY INDIAN ACT AMENDMENTS.

(a) BUY INDIAN ACT AMENDMENT; PREFERENCE IN CONTRACTS AND GRANTS.—Section 23 of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47), is amended to read as follows:

"SEC. 23. (a)(1) Each Federal agency administering funds appropriated for the benefit of Indians that are awarded or distributed under a contract or grant shall—

"(A) provide a preference to Indian preference enterprises in the award of the grant or contract, including (but not limited to) contracts for construction or printing; and

"(B) require that the recipient of the contract or grant—

"(i) provide preferences to Indians for training and employment in connection with such contract or grant and require any recipient of a subcontract or subgrant under such contract or grant to provide such preferences, and

"(ii) provide a preference to Indian preference enterprises in the awarding of subcontracts and subgrants under the contract or grant.

"(2) The Secretary may authorize preferences for Indian preferences enterprises in the award by any Federal agency of contracts that do not involve funds appropriated for the benefit of Indians upon the request of that agency if the Secretary believes the preferences will help fulfill the special responsibilities of the Secretary toward Indians.

"(3) The preferences provided by reason of this subsection shall have priority over all other Federal procurement preferences.

"(4)(A) For the purposes of this section, funds awarded or distributed under a contract or grant are appropriated for the benefit of Indians if—

"(i) Indians are the primary beneficiaries of the contract or grant;

"(ii) the majority of the activity to be undertaken under the contract or grant takes place within the exterior boundaries of an Indian reservation; or

"(iii) the contract is entered into, or the grant is provided, under the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452 et seq.), or under title II of the United States Housing Act of 1937 (42 U.S.C. 1437aa et seq.).

"(B) The provisions of this section shall not apply to the awarding of contracts under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 350 et seq.), but shall apply to the awarding of subcontracts of such contracts, to employment and training opportunities under such contracts and subcontracts, and with respect to the awarding of, and opportunities under, grants and subgrants provided under such Act.

"(C) The provisions of this section shall not apply with respect—

"(i) contracts for the procurement of expert advice and testimony in litigation conducted by the United States as trustee for Indians or Indian tribes; or

"(ii) contracts awarded under section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

"(D) This section shall apply with respect to the Five Civilized Tribes and the members of the Osage Tribe.

"(5)(A) A Federal agency shall implement the preference provided under paragraph (1)(A) by limiting the competition for the awarding of a contract to Indian preference enterprises if—

"(i) there is a reasonable expectation that offers will be obtained from at least—

"(I) 3 responsible offerors in the case of a contract for architectural-engineering services, or

"(II) 2 responsible offerors in the case of a contract for the procurement of any other services or for the procurement of any product; and

"(ii) the contract can be awarded at a fair and reasonable price.

"(B) If only one offer is received under a competition restricted to Indian preference enterprises for a contract for a product or service other than architectural-engineering services, the procuring agency may negotiate an award of the contract at a fair and reasonable price.

"(6)(A) If it is not feasible for a Federal agency to limit the competition for the award of a contract under the authority of paragraph (5), the agency shall award the contract after full and open competition. In such case, the contract shall be awarded to any responsible Indian preference enterprise submitting the lowest bid that doe not exceed the lowest bid submitted by any other responsible bidder by more than the percentage prescribed by the head of the Federal agency in regulations. If a factor other than price is determinative in the award of the contract, the Federal agency shall utilize a comparable method to provide a preference to Indian preference enterprises in the selection process.

"(B) The percentage prescribed in subparagraph (A) that establishes a maximum limitation on the difference between the bids shall not be more than 10 percent.

"(7) The preference requirements of this section may be waived only if the responsible officer determines that it is necessary to accomplish the mission of the agency. The determination to make such a waiver may only be made by—

"(A) if the procuring agency is within the Department of the Interior, the Assistant Secretary of the Interior for Indian Affairs;

"(B) if the procuring agency is within the Department of Health and Human Services, the Director of the Indian Health Service; and

"(C) in all other cases—

"(i) the senior procurement executive of the procuring agency, as designated under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)), or

"(ii) the principal deputy of such executive who is—

"(I) a general officer (as defined in section 101(40) of title 10, United States Code) or a flag officer (as defined in section 101(41) of such title), or

"(II) a civilian employee in a position in grade GS-16 of the General Schedule under section 5331 of title 5, United States Code (or an equivalent position in the Senior Executive Service).

"(8) Each Federal agency, to the greatest extent feasible, shall advertise the contracts to which this section applies at a date sufficiently in advance of the date performance must begin under the contract to permit a subsequent open market advertisement of the contract if the contract cannot be awarded under the limited competition provision of this subsection.

"(9)(A) Except as otherwise provided in this paragraph, the preferences required to be provided to enterprises under this section may only be provided to Indian enterprises.

"(B)(i) An Indian preference enterprise may benefit from a preference provided under this section only if the enterprise submits to the agency or person that is to provide the preference an affidavit certifying that the enterprise continues to meet the requirements necessary for certification by the Secretary as an Indian preference enterprise. The affidavit shall be executed and submitted at the time the contract or subcontract bid, or grant or subgrant application, is submitted and again at the time the contract, subcontract, grant, or subgrant is awarded.

"(ii) Any agency or person that receives an affidavit submitted by an enterprise under clause (i) shall submit a copy of the affidavit to any Indian tribe that would be affected by the contract, subcontract, grant, or subgrant for which the enterprise seeks a preference under this section.

"(C)(i) any Indian preference enterprise that—

"(I) is engaged in construction activities, and

"(II) has successfully completed, independently, at least one contract,

may enter into joint ventures with other enterprises that are not Indian preference enterprises.

"(ii) Any Indian preference enterprise that enters into a joint venture under clause (i) shall remain eligible, and the joint venture shall be eligible, for preferences under this section so long as the Indian preference enterprise—

"(I) owns and controls at least 51 percent of the joint venture and receives at least 51 percent of the profits of the joint venture, and

"(II) has successfully completed, independently, at least one contract for each contract awarded to the joint venture for which a preference is provided under this section.

"(b) For purposes of this section—

"(1) The term 'Indian preference enterprise' means an Indian enterprise that is certified by the responsible officer identified in paragraph (7) of subsection (A) as eligible for the preferences provided under this section.

"(2) The term 'Indian enterprise' means—

"(A) an enterprise which—

"(i) is engaged in construction (within the meaning of the Indian Self-Determination and Education Assistance Act), and

"(ii) is entirely owned by one or more Indian tribes, which receive 100 percent of the profits of the enterprise, or

"(iii) is entirely owned by one or more Indians, one of whom—

"(I) acts as the chief executive officer of the enterprise, and

"(II) has the experience and training to manage, and does in fact manage, the day-to-day activities of the enterprise.

"(B) an enterprise—

"(i) which is engaged in any business other than construction, and

"(ii) at least 51 percent of which is owned by one or more Indian tribes that receive not less than 51 percent of the profits of the enterprise, or

"(C) an enterprise—

"(i) which is engaged in any business other than construction,

"(ii) at least 51 percent of which is owned by one or more Indians who receive not less than 51 percent of the profits of the enterprise, and

"(iii) which has an Indian owner who—

"(I) acts as the chief executive officer of the enterprise, and

"(II) has the experience and training to manae, and does in fact manage, the day-to-day activities of the enterprise.

"(3) The terms 'Indian' and 'Indian tribe' have the respective meaning given to each of such terms under section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(4) The term 'Secretary' means the Secretary of the Interior.

"(5) Except for purposes of subsection (a)(4)(B)—

"(A) the term 'contract' includes subcontracts, and

"(B) the term 'grant' includes subgrants.

"(6) The term 'Indian reservation' has the same meaning given to the term 'Reservation' by section 3(d) of the Indian Financing Act of 1974 (25 U.S.C. 1452(d)).

"(c)(1) The Secretary shall—

"(A) develop and publish a set of criteria for certifying Indian enterprises as eligible for the preferences provided under this section;

"(B) in the event of any complaint alleging a fraudulent claim for preference eligibility, investigate the financial backgrounds of enterprises which apply for certification as Indian enterprises eligible for the preferences provided under this section, of enterprises that have acquired such certification, and of owners and officers of such enterprises;

"(C) review applications from Indian enterprises for such certification;

"(D) certify as Indian enterprises eligible for the preferences provided under this section those Indian enterprises that satisfy the criteria established under clause (A);

"(E) prescribe such regulations, and establish such policies, monitoring systems, and enforcement systems, in conjunction with the office of Federal Procurement Policy, as may be necessary to ensure that the provisions of this section are carried out;

"(F) investigate complaints alleging one or more violations of this section or the regulations prescribed under this section, including (but not limited to) allegations that—

"(i) an enterprise not certified by the Secretary as an Indian enterprise eligible for the preferences provided under this section was awarded a contract or grant with the assistance of a preference provided under this section,

"(ii) an enterprise was wrongly certified by the Secretary as an Indian enterprise eligible for the preferences provided under this section,

"(iii) an enterprise misrepresented its status to the Secretary, or

"(iv) an enterprise is no longer an Indian enterprise or in compliance with the criteria established under this section;

"(G) investigate complaints alleging that an Indian tribe is improperly administering preferences required under this section in a manner that exhibits a documented pattern of abuse and seriously jeopardizes the rights of Indians or Indian enterprises; and

"(H) develop and assist Federal agencies in implementing a program to ensure that Federal funds expended for the benefit of Indians also assist, to the maximum extent feasible, in the promotion of Indian economic development.

"(2) The regulations that are to be prescribed under subparagraph (1)(E) shall include—

"(A) a standard application to be used by an enterprise applying for certification as an Indian enterprise eligible for the preference provided under this section;

"(B) the procedures under which completed applications for such certification will be acted upon within a reasonable period of time after receipt by the Secretary;

"(C) procedures which guarantee that all decisions rendered by the Secretary regarding such certification will be communicated to such enterprise in writing; and

"(D) a description of the appeal procedures available to any enterprise which is denied such certification by the Secretary.

"(3) The regulations that are to be prescribed, and the policies and systems that are to be established, under subparagraph (1)(E) shall be prescribed and established in conjunction with the Office of Federal Procurement Policy in a manner that considers the existing procurement practices of Federal agencies, promotes maximum consistency, uniformity, and coordination among Federal agencies, and promotes the maximum participation of Indian tribes.

"(4) To the maximum extent feasible, each Federal agency and Indian tribe shall implement, and comply with, the regulations prescribed, and the policies and systems established, under subparagraph (1)(E).

"(5) If, as the result of an investigation, the Secretary determines that any of the conditions described in any subclause of subsection (c)(1)(F) exists with respect to any enterprise, the Secretary shall—

"(A) revoke the certification of such enterprise as an Indian enterprise eligible for the preference provided under this section, if such certification has been made by the Secretary; and

"(B) transmit all information available regarding such conditions to the Inspector General of, or the head of, the agency that administers the contract or grant to which such conditions relate.

"(6)(A) Any determination by the Secretary to deny any enterprise certification as an Indian enterprise eligible for the preferences provided under this section, or to revoke such certification, may be appealed to the Office of Hearings and Appeals of the Department of the Interior.

"(B) The decision of the Office of Hearings and Appeals of the Department of the Interior on an appeal brought under subparagraph (A) shall—

"(i) be considered final agency action by the Department on petition, and

"(ii) be subject to judicial review under chapter 7 of title 5, United States Code.

"(7) The Secretary may, at his discretion, waive the provisions of the Act of August 24, 1935 (49 Stat. 793; 40 U.S.C. 270a et seq.), with respect to a contract awarded to an Indian 270a et seq.), with respect to a contract awarded to an Indian preference enterprise by a Federal agency if—

"(A) the award price of the contract is anticipated to be $10,000,000 or less;

"(B) the Indian preference enterprise has been determined to be a responsible contractor capable of performing the contract;

"(C) the Federal agency determines that the Indian preference enterprise has been unable to obtain the requisite bonds after making good faith application to at least 2 surety firms determined by the Secretary of the Treasury to issue acceptable bonds pursuant to chapter 93 of title 31, United States Code, even with a guarantee provided pursuant to title IV of the Small Business Investment Act of 1958 (15 U.S.C. 692 et seq.); and

"(D) the Indian preference enterprise has provided for the protection of persons furnishing materials and labor, in lieu of a payment bond, through a program of direct disbursement from the Federal Government of payments due to such persons from such Indian preference enterprise through—

"(i) an escrow account established and maintained by the Indian preference enterprise at any bank the deposits of which are insured by the Federal Deposit Insurance Corporation, or

"(ii) a Federal Government payment center servicing the procuring agency, if approved by the procuring agency.

"(d)(1) If—

"(A) a contract or grant to which the preferences provided under this section apply is to be performed on a reservation of an Indian tribe; and

"(B) the governing body of the Indian tribe has—

"(i) established preferences generally comparable to those provided under this section,

"(ii) established a tribal office to enforce those preferences, and

"(iii) submitted to the Secretary a written request by tribal resolution that this paragraph apply,

the Federal agency or grantee awarding the contract on that tribe's reservation shall delegate to the tribe responsibility for monitoring the contractor's compliance with that agency's Indian preference requirements.

"(2) Enforcement authority under this section shall remain with the Federal agency or grantee.

"(3) A Federal agency shall provide an Indian tribe with notification of any contract, the performance of which will occur on such tribe's reservation, no less than 30 days prior to the advertising of the contract and shall otherwise work cooperatively with the tribe on enforcement of Indian preferences provided in this section.

"(4) Nothing in this section shall be interpreted to preempt tribal authority to independently impose or enforce Indian preference requirements which are not inconsist-

ent or in conflict with this section or other applicable law.

"(e) In addition to any other penalties provided under Federal or tribal law, whoever misrepresents the status of an individual as an Indian, or of an enterprise as an Indian enterprise or an Indian preference enterprise, in order to obtain a preference under this section for such person or any other person—

"(1) shall be subject to a civil action brought in a tribal court of an Indian tribe affected by the misrepresentation and a civil penalty of not more than $5,000 may be imposed;

"(2) shall be liable to the United States for the amount of any grant, or the amount paid under any contract, that was obtained by reason of the preference;

"(3) shall be subject to suspension and debarment as specified in subpart 9.4 of part 9 of title 48 of the Code of Federal Regulations (or any successor regulation) on the basis that such misrepresentation indicates a lack of business integrity that seriously and directly affects the present responsibility to perform any contract awarded by the Federal Government; and

"(4) shall be ineligible for any preference provided under this section.

"(f)(1) The Secretary may request the Inspector General of the Department of the Interior to conduct an investigation of any contract, grant, subcontract, or subgrant with respect to which preferences are required to be provided under this section.

"(2) By no later than the date that is 30 days after the date on which a request is submitted to the Inspector General of the Department of the Interior under paragraph (1), the Inspector General shall submit to whoever made the request a written response to the request detailing the actions, if any, the Inspector General will take with respect to the request.".

(b) CONFORMING AMENDMENTS.—(1) Section 33 of the Act of June 25, 1910 (36 Stat. 863; 25 U.S.C. 353) is amended by striking out "section thirty-two" and inserting in lieu thereof "sections 23 and 32".

(2) The first paragraph under the subheading "Secretary" that is under the superior heading "I. General Provisions" of the Act of April 30, 1908 (35 Stat. 71; 25 U.S.C. 47) is amended by striking out the last proviso.

SEC. 4. CRIMINAL PENALTIES.

Chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"§ 1169. Indian preferences

"Any person who, in any document, with the intent to defraud the government knowingly conceals or fails to disclose any fact, the disclosure of which—

"(a) is required under section 23 of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47), or any regulations prescribed under such Act, or

"(b) is necessary to verify or clarify whether an enterprise or individual is eligible for any preference provided under such section,

shall be fined not more than $10,000, or imprisoned not more than 5 years, or both.".

SEC. 5. MANPOWER AND JOB TRAINING.

The Secretary of the Interior is authorized to negotiate and enter into cooperative agreements with Indian tribes to engage in cooperative manpower and job training and development programs including the performance of work on lands owned and controlled by the Department of the Interior. Such cooperative agreements may be entered into with any agency or office within the Department of the Interior. In such cooperative agreements, the Secretary of the Interior is authorized to advance or reimburse funds to tribes from any appropriations available for similar kinds of work or by furnishing or sharing materials, supplies, facilities, or equipment without regard to the provisions of section 3324 of title 31, United States Code.

Mr. RICHARDSON. Madam Speaker, this amendment represents the version of the bill recommended by the Interior Committee with technical changes recommended by the Committee on the Judiciary. I do want to acknowledge the constructive contributions made by our colleague from Texas, Chairman BROOKS, and to express our appreciation to the chairman for his cooperation in expediting consideration of this measure.

Mr. RHODES. Madam Speaker, if the gentleman will yield, I appreciate the explanation of the amendment and of the bill. I believe that the amendment is constructive and salutary. I think the bill should be passed as amended.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from New Mexico [Mr. RICHARDSON].

The amendment, in the nature of a substitute, was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. RICHARDSON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on S. 231, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

FARM POUNDAGE QUOTA REVISIONS ACT OF 1990

Mr. ROSE. Madam Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5871) to amend the farm poundage quota provisions of section 319(g), (h) and (i) of the Agricultural Adjustment Act of 1938, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

Mr. HOPKINS. Madam Speaker, reserving the right to object, I shall not object, but I yield to the gentleman from North Carolina [Mr. ROSE] to explain the legislation.

Mr. ROE. Madam Speaker, this bill contains a few simple technical amendments to the farm poundage section of the Agricultural Adjustment Act of 1938 as it relates to Tennessee and Kentucky. The Tennessee portions requested by the gentleman from Tennessee [Mr. QUILLEN], our colleague, and the other portions requested by the gentleman from Kentucky [Mr. HOPKINS] who introduced the bill.

Mr. HOPKINS. Madam Speaker, if I may thank the gentleman of the Subcommittee on Tobacco and Peanuts for his leadership, not only in this area but as it represents tobacco always here in the Congress. Also, I would like to extend my appreciation to other members of our delegation, specifically, the gentleman from Kentucky [Mr. ROGERS], and the gentleman from Kentucky [Mr. BUNNING], and the gentleman from Kentucky [Mr. PERKINS], and the gentleman from Kentucky [Mr. NATCHER] for their support in this area.

Demand for U.S. grown burley tobacco is strong, but for various reasons the burley industry is unable to answer demand due to underproduction of burley quota. The situation that we bring to Members' attention today, specifically to burley, Flue-Cured does not share a similar problem. Their program seems to be in order, so the corrections that we seek come from the growers, and have broad support throughout the eight-State Burley Belt. This has been cleared by everyone on our side. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Clerk read the bill as follows:

H.R. 5871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Farm Poundage Quota Revisions Act of 1990".

SEC. 2. QUOTA REVISIONS.

(a) SALE OF QUOTA.—Section 319(g) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314(e)) is amended by inserting "(1)" after the subsection designation, and added at the end the following new paragraphs (2) and (3):

"(2) Effective for the 1991 and subsequent crop years, the Secretary may, during any one year, and subject to such rules as the Secretary deems appropriate, permit the sale of a burley tobacco quota from one farm to another farm in the same county if the buyer, who is an active burley tobacco producer, is not buyer's farm, or 20,000 pounds whichever is greater. For purposes of this subsection, the term active burley tobacco producer means any person who shared in the risk of producing a crop of burley tobacco in not less than one of the three years preceding the year involved, or any person who certified to the Secretary, in such form and manner as the Secretary

shall by regulation prescribe, their intent to become an active burley tobacco producer. A person shall be considered to have shared in the risk of producing a crop of burley tobacco if—

"(A) the investment of such person in the production of such crop is not less than 20 percent of the proceeds of the sale of such crop;

"(B) the investment of such person's return on such investment is dependent solely on the sale price of such crop; and

"(C) such person may not receive any of such return before the sale of such crop.

"(3) No sale of burley tobacco quota from a farm shall be permitted, under paragraph (2), if any sale of quota to the same farm has been made within the three immediately preceding crop years. A sale of burley tobacco quota shall not be effective for a crop year unless a record of the sale is filed with the county committee not later than July 1 of the crop year. The marketing quota determined for any farm subsequent to such sale shall not exceed an amount determined by multiplying the farm yield established under subsection (d) of this section by 50 percent of the acreage of cropland in the farm.".

(b) LOSS OF QUOTA FOR NONUSE.—Section 319(h) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314e(h)) is amended by striking "1976" and substituting "1994", and by striking "of the five" and substituting "two of the three".

(c) LIMITATION ON DIVISION OF QUOTAS BY SALE OR LEASE.—

(1) Section 379(a)(5) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379(a)(5)) is amended by deleting "or" after the semicolon.

(2) Section 379(a)(6) is amended by deleting the period and inserting in lieu thereof; "or".

(3) Section 379(a) is amended by adding a new paragraph to read as follows:

"(7) When a farm is divided through reconstitution, the burley tobacco poundage quota which transfers with the divided land shall not be less than 1,000 pounds (except when the reconstitution of the farm is among immediate family members or pursuant to probate proceedings).".

(d) INCREASE OF LEASE LIMITATION.—Section 319(g) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314(g)) is amended by striking "fifteen thousand pounds" and inserting "thirty thousand pounds".

(e) CROSS-COUNTY LEASING.—Section 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314(e)) is amended by adding a new subsection to read as follows:

"(l) Notwithstanding any other provision of this section, the Secretary may permit the lease and transfer of a burley tobacco quota from one farm to any other farm in the State of Tennessee if a majority of active burley tobacco producers within the State approve such lease and transfer by a state-wide referendum to be conducted by the Secretary.".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WHERE IS THE SENATE?

The SPEAKER pro tempore (Mr. BILBRAY). Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, I just want to get something off my chest here about the President signing the continuing resolution so that Congress could work today and tomorrow seriously trying to resolve the budget process. I do not have a serious challenge in the upcoming election which is 17 days away, but I resent losing family time and going back out to my district and joining in this election process in this great vigorous democracy of ours. But when we say the Congress, it means the House of Representatives and the body at the north end of this beautiful building, and that is the Senate. Guess what? Some Members are sitting in there following the debate, occasionally watching football games, and they are seeing Senators from both parties back in their districts, patting people on the back, campaigning, at some of the football games.

Now, why isn't the Senate in today? Who are the leaders over there? Our distinguished colleague from Maine [Mr. MITCHELL], and my distinguished colleague from California [Mr. CRANSTON], where is the Senate?

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. If the gentleman will yield for a moment, the gentleman, under our rules, must desist from criticizing Senate action or inaction.

Mr. DORNAN of California. Mr. Speaker, I beg to differ. Mr. Speaker, I was not criticizing them. I called them both distinguished, and ask a question, why they got to go home to their districts, their States, to campaign, and we are stuck here?

But I will not mention any more the wonderful, distinguished pals of ours who have laughed in the President's face and have gone home and we are here doing business that could easily have been accomplished earlier in the year.

Now, I just want to point out something to a classmate of mine from the great class of 1976, on both sides of the aisle. I have never heard our pal, the gentleman from Missouri [Mr. GEPHARDT] ever give a more forceful or eloquent address to this Chamber, and this time speaking as the majority leader, he stood at that lectern right over there and said summitry was a rotten idea and it should never happen again.

Guess what? We knew this back in May because it was an election year. I stood at the back every day for months. In January, February, March, April, talking to our most senior staffers, some people who have grown up in this beautiful Chamber, from page, to Cloakroom personnel, to junior staffer, to senior parliamentarian staffers here that said, "Brace yourself for the longest legislative session we have ever had in an election year." No person wants a lameduck session, but we are going to be here all next week, and there are people on both sides of the aisle that have a right to go home and reestablish contact with their voters, and the Senate is out today.

I apologize, one, for telling the President not to veto the CR, that he should have let the Government shut down on Saturday and Sunday so the zoos would be closed, and then people could get up here in both wells, in front of both lecterns and make jokes about one zoo is open, the zoo of Congress is open. Let them up here.

I came here to this well last week and seriously said that if the zoos are closed, a weekend ago, it was probably better that people be up here in the Senate Gallery and in the House Gallery because this is the best museum in the country, this is where our laws are made. This is living history in this building. If I only had one place to visit, and Lord knows I love the Air and Space Museum, I would pass it up to walk these Halls. The old Senate Chamber, the old Supreme Court Chamber, the new Senate Chamber, the Statuary Hall where Davy Crockett left to go off and give his life to freedom at the Alamo, where seven Presidents, nine Presidents actually including Abraham Lincoln, a one-term freshman, sat back down there, this beautiful Chamber that opened up in December 1857, 3 years before the Civil War started. Knock-down, grab-out debate similar to the abortion debate, on slavery, on reapportionment, whether black Americans born here, generations for hundreds of years should be counted as three-fifths of a citizen. Tremendous debate in this House. Franklin Roosevelt asking for a declaration of war, standing in his wheelchair, right behind this particular lectern here where States come. Churchill, standing there 3 times. MacArthur saying goodbye. I am glad I am here trying to close up this session, but I resent it that the other Chamber is not.

We had better finish the country's business, and I know what the voters will do, stupidly in the case of Watergate, they will punish the wrong party for all the tax raising and demagogic talk about criticizing the rich.

□ 1640

Then you will get unbelievable gridlock next year, and hopefully the Democrats will renominate your caucus and George Bush will get a second gridlock term.

CONFERENCE REPORT ON H.R. 5268

Mr. WHITTEN submitted the following conference report and state-

ment on the bill (H.R. 5268) making appropriations for the rural development, agriculture, and related agencies programs for the fiscal year ending September 30, 1991, and for other purposes:

CONFERENCE REPORT (H. REPT. 101-907)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5268) "making appropriations for the rural development, agriculture, and related agencies programs for the fiscal year ending September 30, 1991, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 23, 31, 51, 52, 53, 67, 69, 73, 78, 80, 81, and 82.

That the House recede from its disagreement to the amendments of the Senate numbered 9, 10, 21, 30, 33, 36, 40, 41, 59, 60, 63, 64, 65, and 66, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$621,585,000*; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$41,016,000*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$162,293,000*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$17,820,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named, insert: *$5,551,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,168,000*; and the Senate agree to the same.

Amendment numbered 11:

Tht the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert: *$3,152,000*; and the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$6,725,000*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$62,867,000*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$252,608,000*; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows:

In lieu of the sum named, insert: *$3,557,000*; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,970,000*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,230,000*; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$2,550,000*; and the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the first sum named in said amendment insert: *$1,000,000*; and the Senate agree to the same.

Amendment numbered 25:

That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$22,794,000*; and the Senate agree to the same.

Amendment numbered 34:

That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,978,581,000*; and the Senate agree to the same.

Amendment numbered 37:

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$509,000,000*; and the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,500,000,000*; and the Senate agree to the same.

Amendment numbered 39:

That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,750,000*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$32,500,000*; and the Senate agree to the same.

Amendment numbered 43:

That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$30,500,000*; and the Senate agree to the same.

Amendment numbered 44:

That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$20,750,000*; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment insert: *$10,000,000*; and the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$3,529,000*; and the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$185,705,000*; and the Senate agree to the same.

Amendment numbered 56:

That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$26,766,000*; and the Senate agree to the same.

Amendment numbered 57:

That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$190,152,000*; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$13,620,000*; and the Senate agree to the same.

Amendment numbered 61:

That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,143,000*; and the Senate agree to the same.

Amendment numbered 62:

That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$2,750,000*; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$6,879,000*; and the Senate agree to the same.

Amendment numbered 71:

That the House recede from its disagreement to the amendment of the Senate numbered 71, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$1,062,000*; and the Senate agree to the same.

Amendment numbered 72:

That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and the matter inserted by said amendment insert: *$656,519,000*; and the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$43,960,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 6, 13, 14, 16, 26, 27, 28, 29, 32, 35, 45, 46, 47, 50, 54, 68, 75, 76, 77, 79, and 83.

JAMIE L. WHITTEN,
BOB TRAXLER,
MATTHEW F. MCHUGH,
WILLIAM H. NATCHER,
WES WATKINS,
RICHARD J. DURBIN,
(except for amendment 44),
MARCY KAPTUR,
NEAL SMITH,
VIRGINIA SMITH,
JOHN T. MYERS,
JOE SKEEN,
VIN WEBER,
SILVIO O. CONTE
(except for amendment 44),
Managers on the Part of the House.

QUENTIN N. BURDICK,
DALE BUMPERS,
TOM HARKIN,
BROCK ADAMS,
WYCHE FOWLER, Jr.,
J. ROBERT KERREY,
ROBERT C. BYRD,
THAD COCHRAN,
JAMES A. MCCLURE,
ROBERT W. KASTEN, Jr.,
ARLEN SPECTER,
CHUCK GRASSLEY,
MARK O. HATFIELD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5268) making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

CONGRESSIONAL DIRECTIVES

The conferees agree that executive branch wishes cannot substitute for Congress' own statements as to the best evidence of congressional intentions—that is, the official reports of the Congress. The conferees further point out that funds in this Act must be used for the purposes for which appropriated, as required by section 1301 of title 31 of the United States Code, which provides: "Appropriations shall be applied only to the objects for which appropriations were made except as otherwise provided by law."

Report language included by the House which is not changed by the report of the Senate, and Senate report language which is not changed by the conference are approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein.

TITLE I—AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING AND MARKETING

HAZARDOUS WASTE MANAGEMENT

The conference agreement deletes a Senate provision for a pilot project concerning obsolete farm and homeowner chemicals.

AGRICULTURAL RESEARCH SERVICE

Amendment No. 1: Appropriates $621,585,000 for the Agricultural Research Service instead of $631,208,000 as proposed by the House and $612,495,000 as proposed by the Senate. The conference agreement is based on the following changes to the budget request:

	House bill	Senate bill	Conference agreement
1. Alternative fuels characterization lab (University of North Dakota)		$300,000	(1)
2. Animal health consortium, Ames, IA		770,000	$385,000
3. Aquaculture, Oceanic Institute, HI	$463,000	463,000	463,000
4. Aquaculture, WV		900,000	450,000
5. Beltsville modernization (transfer from B&F)	7,250,000		
6. BARC research, MD		500,000	250,000
7. Barley (Montana State University)		200,000	100,000
8. Beckley, WV, conservation lab		300,000	150,000
9. Bee research, ID, UT		100,000	50,000
10. Center for food safety and post-harvest tech, MS		250,000	125,000
11. Meat animal research center, Clay Center, NE	500,000	875,000	687,000
12. Dairy forage, Prairie du Sac, WI		400,000	200,000
13. Eastern filbert blight, OR	50,000	85,000	67,000
14. Unspecified	7,550,000		
15. Fermentation lab, Raleigh, NC	150,000		150,000
16. Food safety (University of Arkansas)		400,000	200,000
17. Fort Keogh livestock and range lab, Miles City, MT		300,000	150,000
18. Fruit fly eradication, HI	900,000	900,000	900,000
19. Gypsy moth, BARC		500,000	250,000
20. Herd management (Tennessee Sate University)		750,000	(2)
21. Human nutrition:	(2,000,000)	(1,000,000)	(1,500,000)
a. Baylor, TX	500,000	500,000	300,000
b. Beltsville, MD	500,000		300,000
c. Grand Forks, ND		500,000	300,000
d. LAIR, CA	500,000		300,000
e. Tufts, MA	500,000		300,000
22. Human nutrition, Pennington Center, LA	(3)	[3] 2,690,000	(4)
23. Kearneysville, WV, fruit lab		500,000	250,000
24. Locoweed Research, NM	200,000	200,000	200,000
25. Meadowfoam		7,000	3,000
26. New England plant, soil and water lab, Orono, ME		300,000	150,000
27. Northern Crops Institute		750,000	325,000
28. Northern plains soil and water lab, Sidney, MT		500,000	250,000
Oats research:			
a. North Dakota State University		100,000	100,000
b. Aberdeen, Idaho		100,000	50,000
30. Peach and pecan, Byron, GA	150,000	250,000	200,000
31. Peanut research (GA, NC, VA)	300,000		300,000
32. Pear thrips, VT		58,000	29,000
33. Plant stress research, Lubbock, TX		150,000	75,000
34. Potato research:			
a. Potato beetles	150,000	150,000	150,000
b. Potato varieties	100,000	100,000	100,000
35. Red River Valley Agriculture Research Center, Fargo, ND		700,000	350,000
36. Rice research, LA		200,000	100,000
37. Russian wheat aphid		400,000	200,000
38. Scrapie/bovine spongiform encephalopathy (BSE)		600,000	300,000
39. Sheep experiment station, Dubois, ID		500,000	250,000
40. Soybean research	350,000	700,000	525,000
41. Soybean-based ink	150,000		75,000
a. Lehigh University		51,000	25,000
42. Space remote sensing, MS		100,000	50,000
43. Special fund	500,000	500,000	500,000
44. Sugarcane research, HI	200,000	12,000	106,000
45. Sweet potato research	250,000		250,000
46. Sweet potato whitefly	100,000	200,000	150,000
47. Systematic entomology lab, Beltsville, MD		200,000	100,000
48. Turkey osteomyelitis complex	200,000	200,000	200,000
49. Urban pests (University of Georgia)		153,000	(5)
50. Urban pests, Gainesville, FL	100,000		100,000
51. Vegetable oils as fuels (University of Idaho)		200,000	100,000
52. Wheat, sorghum, and forage unit, Lincoln, NE		300,000	150,000
53. Wheat quality labs:			
a. Wooster, OH		100,000	50,000
b. Manhattan, KS		100,000	50,000
c. Pullman, WA		100,000	50,000
d. Fargo, ND		100,000	50,000
54. Repair and maintenance		[6] —17,364,000	
Total	631,208,000	612,495,000	621,585,000

[1] $250,000 provided under CSRS, Federal administration.
[2] $375,000 provided under CSRS, Federal administration.
[3] House and Senate bills provided $300,000 under CSRS, special grants.
[4] A total of $800,000 provided under CSRS, special grants.
[5] A total of $76,000 provided under CSRS, special grants
[6] Senate bill provided $17,364,000 under ARS, Buildings and Facilities.

The conference agreement includes $1,106,000 for research on kenaf, the same as the amount provided by both the House

and the Senate and the same as the budget request. Within this total, $394,000 is available for research in the State of Mississippi, the same as the budget reqest. The conferees are extremely pleased with the progress to date of the kenaf research project and are convinced that this product offers great potential as a new product for American farmers.

The conferees agree that the additional resources provided to the Agricultural Research Service's Wheat, Sorghum, and Forage Unit in Lincoln, Nebraska, should be used in part to strengthen the Unit's entomology work, particularly in developing measures to combat chinch bug infestation in grain sorghum.

Amendment No. 2: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which exempts Kimberly, Idaho, from the limitations in the bill regarding the purchase of land. This language is required in order to complete the purchase of land at Kimberly, Idaho, which began in fiscal year 1990.

BUILDINGS AND FACILITIES

Amendment No. 3: Appropriates $41,016,000 for Federally owned facilities of the Agricultural Research Service instead of $26,039,000 as proposed by the House and $65,122,000 as proposed by the Senate. The following table reflects the conference agreement:

	House bill	Senate bill	Conference agreement
1. Arkansas: Rice Research Center, Stuttgart	[1]	[1]	$223,000
2. California:			
a. U.S. Salinity Lab, Riverside	$5,050,000	$5,050,000	5,050,000
b. U.S. Water Management Lab	[2]		[2]
3. Colorado: National Seed Storage Lab, Fort Collins	2,000,000	4,000,000	3,000,000
4. Georgia: Poultry Disease lab, Athens	300,000		
5. Illinois: Northern Regional Rsearch Center	[2]		[2]
6. Iowa: National Animal Disease Center, Ames	300,000	300,000	300,000
7. Idaho: National Small Grains Germ Plasm Repository		200,000	200,000
8. Maryland: Beltsville Agricultural Research Center	[3] 8,750,000	16,000,000	16,000,000
9. Minnesota: Soil and Water Lab, Morris	300,000		300,000
10. Mississippi:			
a. Center for Natural Products	[4]	5,175,000	5,175,000
b. National Center for Warm Water Aquaculture	[5]	2,140,000	1,200,000
11. North Dakota: Plant science greenhouse complex-NDSU		425,000	425,000
12. Oklahoma: South Central Agricultural Research Center, Lane	1,450,000		1,450,000
13. Oregon: Columbia Basin Agricultural Research Center, Pendleton		168,000	168,000
14. Oregon/Washington/Idaho: Northwest Small Fruit Center	150,000	200,000	175,000
15. South Carolina: U.S. Vegetable Lab, Charleston		5,050,000	
16. Texas:			
a. ARS Bee Lab, Weslaco	1,700,000		1,700,000
b. Plant Stress Lab, Texas Tech University	600,000	4,000,000	600,000
17. Washington: U.S. Fruit and Vegetable Lab, Yakima	5,050,000	5,050,000	5,050,000
18. Miscellaneous: Repair and improvement, ARS facilities	389,000	17,364,000	[6]
Total	26,039,000	65,122,000	41,016,000

[1] House bill and Senate bill included $223,000 under CSRS, Buildings and Facilities.
[2] Report on need as specified in the House report.
[3] House bill included $7,250,000 under ARS repair and improvement.
[4] House bill included $3,850,000 under CSRS, Buildings and Facilities account.
[5] House bill requested report on facilities requirements.
[6] Conference agreement includes $17,364,000 under ARS.

The conferees view both the Plant Stress Laboratory at Lubbock, Texas, and the U.S. Fruit and Vegetable Laboratory at Yakima, Washington, as high priority research installations. The conferees have been advised by the Department that additional funds could not be utilized during fiscal year 1991; therefore, the conferees have deferred further funding of these two high priority facilities until fiscal year 1992.

COOPERATIVE STATE RESEARCH SERVICE

Amendment No. 4: Provides $162,293,000 for research under the Hatch Act instead of $163,327,000 as proposed by the House and $161,260,000 as proposed by the Senate.

It has come to the attention of the conferees that some States may plan to decrease their monetary commitment to Hatch Act and Smith-Lever programs in an amount equal to any increased appropriations granted by the Congress. This is clearly not the intent of Congress regarding the use of such funds. When additional monies are appropriated for a program, such increases are not meant to relieve the States of their responsibility. The conferees will monitor this situation closely during the coming year.

Amendment No. 5: Provides $17,820,000 for grants for cooperative forestry research instead of $13,494,000 as proposed by the House and $18,361,000 as proposed by the Senate.

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *"61,976,000"*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $61,976,000 for special research grants instead of $56,909,000 as proposed by the House and $56,811,000 as proposed by the Senate. The following table reflects the conference agreement:

[In thousands of dollars]

	House bill	Senate bill	Conference agreement
Special Research Grants (P.L. 89–106):			
Aflatoxin (IL)	175		131
Agribusiness management (MS)		100	75
Agricultural diversification (HI)	154	154	154
Agricultural management systems (MA)	350		275
Agricultural trade (ND)		600	596
Agriculture utilization research (MN)	500	500	500
Alternative cropping systems (Southeast)	270	285	277
Alternative crops (ND)		500	497
Alternative marine and fresh water species (MS)		350	275
Alternative pest control (AR)		1,400	1,391
Alternative to dinoseb (OR)	225	225	225
Animal health	5,705		
Animal sci. food safety consortium (AR, KS, IA)		2,000	1,845
Animal waste disposal (MI)	75		37
Apple quality research (MI)	95		94
Aquaculture (general)	593	720	656
Aquaculture (Stoneville)	612	588	600
Asparagus yield decline (MI)	95		94
Bean and beet (MI)	190		189
Beef fat content (IA)		400	200
Belgian endive (MA)	75		67
Blueberry shoestring virus (MI)	92	92	92
Broom snakeweed (NM)	150	150	150
Celery fusarium (MI)	40		39
Chesapeake Bay aquaculture	375	500	437
Cool season legume research	250	500	375
Cottonseed extraction and oil refining (TX)	75	75	75
Cranberry/blueberry disease and breeding (NJ)	260	260	260
Dairy and beef photoperiod (MI)	33		33
Dairy goat research (TX)	75	75	75
Delta rural revitalization (MS)	175	175	175
Dogwood anthracnose (GA, NC, TN)		200	100
Dried bean (ND)		100	93
Eastern filbert blight (OR)	50	100	75
Enhanced livestock production (ND)		300	250
Environmental research (NY)	350		297
Ethanol research (AR)	200		100
Expanded wheat pasture (OK)	275	275	275
Export services (OR)		450	348
Floriculture (HI)	296	296	296
Food and Agriculture Policy Institute (IA, MO)	750	750	750
Food irradiation (IA)		200	100
Food marketing policy center (CT)	393	393	393
Food systems research group (WI)	222	300	261
Grasshopper biocontrol (ND)	71	75	73
Human nutrition research (NY)	800		556
Human nutrition research (IA)	300	300	300
Human nutrition (LA) [1]	300	300	800
Integrated forest management (AR)		50	25
Integrated orchard management (VT)		50	49
Integrated pest management	4,000	4,000	4,000
Integrated production systems (OK)	186		186
International livestock program (KS)		95	94
Iowa biotechnology consortium		2,000	1,756
Irrigation/fish production (AR)		335	167
Leafy spurge biocontrol (MT)		250	125
Livestock and dairy policy (NY, TX)	525	525	525
Lowbush blueberry research (ME)	172	233	202
Low-input agriculture (MN)	200		174
Maple research (VT)		100	99
Michigan institute	2,276		2,246
Midwest biotechnology consortium	2,730	2,730	2,730
Milk safety (PA)		285	283
Milkweed research (NE)	80	80	80
Minor crop pest control (HI)	285	285	285
Minor use animal drugs (IR-4)	450	450	450
Mosquito research (AR, CA, LA, MS, TX)	456		453
Multi-cropping strategies for aquaculture (HI)	150	150	150
National biological impact assessment	300	300	300
Nematode resistance genetic engineering (NM)	150	150	150
New uses for agricultural products (OH)	150		140
Non-food agricultural products (NE)	110	110	110
Oil from jojoba (NM)	200	200	200
Oregon-Mass. biotechnology	500	500	500
Pacific agricultural trade (HI)		225	
Peach tree short life (SC)	192	192	192
Peanut breeding (GA)		95	47
Pecan weevil (OK)	50		25
Pesticide clearance (IR-4)	3,000	3,000	3,000
Pesticide impact assessment	2,968	2,968	2,968
Pesticide research (WA)	250	718	484
Phytophthora root rot (NM)	125	125	125
Plastic from cornstarch (NE)	40	40	40
Potato research	1,327	1,415	1,371
Preservation and processing research (OK)	267		265
Prime farm land reclamation (IL, KY)	675		609
Regional barley gene mapping project	175	350	262
Regionalized implications of farm programs (MO, TX)	350		348
Rural development centers (PA, IA, (ND), MS, OR)	500	500	500
Rural economic development (GA)		750	744
Rural environmental research (IL)	150		75
Rural policies institute (AR, NE, MO)		750	375
Russian wheat aphid (WA, OR, ID, CA)	350	350	350
Safflower research (ND, MT)		250	248
Sandhills grazing management practices (NE)	100	40	99
Seafood and aquaculture harvesting, processing, and marketing (MS)	373	400	361
Seedless table grapes (AR)	100		50
Seedstocks enhancement (ND)		200	198
Small fruit research (OR, WA, ID)	250		125
Southwest consortium for plant genetics and water resources	400	400	400
Soybean bioprocessing (IA)		400	200
Soybean cyst nematode (MO)	385		333
STEEP II—water quality in Northwest	980	980	980
Stone fruit decline (MI)	285		283
Stored grain insects (KS)	285	285	285
Subirrigation research (MI)	263		262
Sunflower insects (ND, SD)		200	194
TCK smut (wheat)	250	250	250
Tropical and subtropical	3,341	3,299	3,320
Urban pests (GA) [2]			76
Water management (AL)		400	397
Water quality	8,350	8,350	8,000
Wheat genetic research (KS)		200	149
Wild rice research (MN)	100		50
Wood utilization research (OR, MS, MI)	2,852	2,852	2,852
Wool research (TX)	250	146	198
World food systems (IN, OH)	360		357
Youth Science Camp (WV)		115	94
Total, Special Research Grants	56,909	56,811	61,976

[1] Senate bill included $2,690,000 under ARS.
[2] Senate bill included $153,000 under ARS.

For competitive grants the conference agreement earmarks $493,000 for soybean research, $514,000 for alcohol fuels research and $475,000 for brucellosis research as proposed by the House. The Senate report earmarked the $514,000 for alcohol fuels.

Within the $35,000,000 available for plant systems, the conference agreement earmarks $11,000,000 for plant genome mapping.

Amendment No. 7: Provides $5,551,000 for support of animal health and disease research authorized by section 1433 of Public Law 95-113 instead of $5,695,000 as proposed by the House. The Senate amendment deleted funds for this research.

Amendment No. 8: Provides $1,168,000 for supplemental and alternative crops instead of $918,000 as proposed by the House and $1,418,000 as proposed by the Senate. The conference agreement provides $668,000 for research on guayule as proposed by both the House and the Senate. For research on crambe and rapeseed the conference agreement provides $500,000 instead of $250,000 as proposed by the House and $750,000 as proposed by the Senate. Within the $500,000 provided, the conference agreement earmarks $50,000 for varietal breeding instead of $100,000 as proposed by the Senate.

Amendment No. 9: Provides $800,000 for research under the Critical Agricultural Materials Act as proposed by the Senate instead of $500,000 as proposed by the House. The conference agreement provides $500,000 for the National Center for Physical Acoustics as proposed by the House and the Senate and $300,000 for the Polymer Center at the University of Southern Mississippi as proposed by the Senate.

Amendment No. 10: Provides $7,500,000 for higher education activities as proposed by the Senate instead of $7,000,000 as proposed by the House.

Amendment No. 11: Provides $3,152,000 for operation of international trade development centers instead of $2,227,000 as proposed by the House and $5,000,000 as proposed by the Senate. The following table reflects the conference agreement:

	House bill	Senate bill	Conference agreement
1. CINTRAFOR/IMPACT	$1,000,000	$1,000,000	$1,000,000
2. Iowa State University	1,000,000	1,000,000	1,000,000
3. University of Kentucky	227,000	227,000	227,000
4. West Virginia University		575,000	575,000
5. Oregon Wheat Center		300,000	300,000
6. University of Idaho		50,000	50,000
7. Eastern Europe and Soviet Centers		400,000	
8. New centers or existing centers		1,448,000	
Total	2,227,000	5,000,000	3,152,000

The conferees will expect the existing international trade centers to increase their efforts in regard to working with Eastern Europe and the Soviet Union.

Amendment No. 12: Provides $6,725,000 for low-input agriculture instead of $4,450,000 as proposed by the House and $9,000,000 as proposed by the Senate. The conferees agree that no funds are provided in the bill for the establishment of low-input training centers. The Senate report urged the Department to allocate a portion of these funds for the establishment of two national training centers if authorized.

Amendment No. 13: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$17,933,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $17,933,000 for Federal administration of the Cooperative State Research Service instead of $14,985,000 as proposed by the House and $16,245,000 as proposed by the Senate. The following table reflects the conference agreement:

	House bill	Senate bill	Conference agreement
1. Shrimp aquaculture	$3,365,000	$3,365,000	$3,365,000
2. Mississippi Valley State University	650,000	635,000	642,000
3. Ag in the Classroom	170,000	170,000	170,000
4. Agricultural biotechnology	375,000	375,000	375,000
5. Peer panels	250,000	250,000	250,000
6. Office of Grants	575,000		568,000
7. Center for Agriculture and Rural Development (IA)	750,000		741,000
8. 1890 Capacity Building	8,250,000	8,250,000	8,250,000
9. Vocational aquaculture		1,000,000	500,000
10. Water quality	600,000	1,000,000	1,600,000
a. Iowa State	(.....)	(250,000)	(250,000)
b. North Dakota	(.....)	(750,000)	(750,000)
c. Southern Illinois University	(600,000)	(.....)	(600,000)
11. Geographic Information System		1,000,000	747,000
12. Maize Genetics Center (ND)		200,000	100,000
13. Herd management (TN)		(1)	375,000
14. Alternative fuels characterization (ND)		(2)	250,000
Total	14,985,000	16,245,000	17,933,000

[1] Senate bill proposed $750,000 under ARS.
[2] Senate bill proposed $300,000 under ARS.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$388,489,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $388,489,000 for the Cooperative State Research Service instead of $373,076,000 as proposed by the House and $379,966,000 as proposed by the Senate.

BUILDINGS AND FACILITIES

Amendment No. 15: Appropriates $62,867,000 for Cooperative State Research Service, Buildings and Facilities instead of $45,361,000 as proposed by the House and $67,758,000 as proposed by the Senate.

The following table reflects the conference agreement:

	House bill	Senate bill	Conference agreement
1. Alabama: Tuskegee University	$800,000	$600,000	$700,000
2. Arkansas:			
a. Center for Alternative Pest Control		1,202,000	811,000
b. Poultry and Isolation Facility, University of Arkansas/Fayetteville		428,000	337,000
c. Poultry Center of Excellence		4,700,000	3,750,000
d. Rice Germplasm Center, Stuttgart	223,000	223,000	(1)
3. Arizona: Agriculture research complex-environmental stress lab		(2)	(2)
4. California:			
a. Alternative pest control containment and quarantine, University of California	(2)	(2)	(2)
b. Grape Importation Facility, University of California at Davis	1,233,000	561,000	897,000
5. Florida: Biotechnology Institute, University of Florida-Alachua	500,000	3,850,000	2,690,000
6. Georgia:			
a. Biocontainment Research Center, University of Georgia	500,000	3,000,000	1,992,000
b. Center for Advanced Water Technology, Savannah		(2)	(2)
c. National Laboratory for Environmentally Sound Production Agriculture-Tifton		300,000	300,000
d. Vidalia onion storage research facility		225,000	(2)
7. Hawaii: Center for Tropical/Subtropical Agriculture	5,675,000	5,675,000	5,675,000
8. Idaho: Biotechnology Facility		5,900,000	590,000
9. Illinois:			
a. Biotechnology Center, Northwestern University		(2)	(2)
b. National Soybean Laboratory, University of Illinois	1,750,000	1,484,000	1,617,000
10. Indiana: Molecular and Cellular Biotech Facility	1,500,000		1,500,000
11. Iowa:			
a. Center for Food and Industrial Agriculture Product Development, Iowa State University	3,400,000	2,722,000	3,400,000
b. Human Nutrition Center, Iowa State University	1,750,000	2,439,000	1,755,000
12. Kansas: Throckmorton Plant Science Center, Kansas State University	500,000	4,500,000	3,731,000
13. Maine:			
a. Food Safety Laboratory, University of Maine		93,000	93,000
b. Masardis Research Farm		200,000	157,000
c. Presque Isle Farm Building Consolidation		150,000	150,000
14. Maryland: Institute for Natural Resources and Environmental Science, University of Maryland	(2)	(2)	(2)
15. Massachusetts: Center/hunger, poverty, nutrition and policy		(2)	(2)
16. Michigan: Food Toxicology Center, Michigan State University	5,190,000		5,076,000
17. Mississippi: Center for Natural Products, University of Mississippi	3,850,000	(3)	(1)
18. Missouri: Bennett Living and Learning Center, Lincoln University		(2)	(2)
19. Montana: Bioscience Research Laboratory, Montana State University	500,000	2,000,000	1,250,000
20. Nebraska: Center for Advanced Technology, University of Nebraska	4,500,000	4,500,000	4,500,000
21. New Jersey: Plant Bioscience Facility, Rutgers University	5,000,000		2,544,000
22. North Carolina: Biotechnology Facility	750,000	530,000	750,000
23. North Dakota:			
a. Animal Care Facility, North Dakota State University		(2)	(2)
b. Industrial Agriculture and Communication Center, North Dakota State University	500,000	2,511,000	2,511,000
c. Inst/Ag Health Science and Rural Medicine, University of North Dakota		4,488,000	2,892,000
d. Seed Research and Regulatory Facility, North Dakota State University		(2)	(2)
24. New York: New York Botanical Garden		(2)	(2)
25. Oregon: Seafood Center, Oregon State University	(2)		(2)
26. Pennsylvania: Center for Food Marketing, St. Joseph's University	(2)	1,200,000	600,000
27. Rhode Island: Building Consolidation, University of Rhode Island		1,904,000	1,904,000
28. South Dakota: Northern Plains Biostress Laboratory, South Dakota State University	500,000	2,261,000	1,970,000
29. Tennessee: Nursery Crop Research Station		250,000	248,000
30. Texas: Inst/Biosciences and Technology, Texas A&M [4]	2,300,000	3,294,000	2,797,000
31. Utah: Biotechnology Laboratory, Utah State University		1,388,000	280,000
32. Vermont: Tree Physiology and Maple Research Laboratory, University of Vermont		375,000	372,000
33. Virginia: Agriculture Biotechnology Facility, Virginia Polytechnic Institute	1,125,000		918,000
34. Washington: Animal Disease Biotechnology Facility, Washington State University	1,415,000	1,005,000	1,210,000
35. Wisconsin:			
a. Agriculture Biotechnology/Genetics Facility, University of Wisconsin/Madison	1,700,000	3,500,000	2,600,000
b. Research greenhouse		(2)	(2)
c. Rural health information and technology initiative, Medical College of Wisconsin		(2)	(2)
36. Wyoming: Environmental Simulation Facility, University of Wyoming	(2)	(2)	(2)
37. Miscellaneous: Fund for reports [2]	200,000	300,000	300,000
Total	45,361,000	67,758,000	62,867,000

[1] Funded under ARS, Buildings and Facilities.
[2] Report on need and support for proposed facility.
[3] Senate provides $5,175,000 under ARS, Buildings and Facilities.
[4] House and Senate provided $450,000 and $950,000, respectively, in addition from funds previously appropriated. Conference agreement provides $950,000.

Facilities funded by this appropriation shall be based on a matching formula of not to exceed 50 percent Federal and not less than 50 percent State funding, including

funds received by the State from private sources and from local units of government. Construction of such facilities shall be based on a firm indication of local support, including a commitment for paying all operating costs of the facility. Further, the research program to be carried out at these facilities shall be complementary to the overall programs of the Department of Agriculture.

In preparing reports on facilities, the Department is directed to address the need for the proposed facility, taking into account similar existing facilities along with the determination of local support for the facility. Reports are to be completed in time for consideration during hearings on the fiscal year 1993 budget request.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided, That the $2,853,000 appropriated in fiscal year 1990 for the Center for Research on Human Nutrition and Chronic Disease Prevention at Wake Forest University, Winston-Salem, North Carolina, shall be made available for planning and construction of the facility*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees direct that the post-sequester amount of $2,853,000 appropriated in fiscal year 1990 for the Center for Research on Human Nutrition and Chronic Disease Prevention shall be made available for planning and construction. The conferees agree that the facility meets the matching, local support, operating cost and research program requirements in the fiscal year 1990 conference report. The conference agreement also deletes bill language requiring a feasibility study on the Rural Health Information and Technology Initiative at the Medical College of Wisconsin which has been included by the conference agreement in Amendment No. 15.

EXTENSION SERVICE

Amendment No. 17: Provides $252,608,000 for payments under the Smith-Lever Act instead of $253,858,000 as proposed by the House and $251,358,000 as proposed by the Senate.

It has come to the attention of the conferees that some States may plan to decrease their monetary commitment to Smith-Lever programs in an amount equal to any increased appropriations granted by the Congress. This is clearly not the intent of Congaress regarding the use of such funds. When additional monies are appropriated for a program, such increases are not meant to relieve the States of their responsibility. The conferees will monitor this situation closely during the coming year.

Amendment No. 18: Restores House language and provides $3,557,000 for the urban gardening program instead of $3,640,000 as proposed by the House.

Amendment No. 19: Provides $1,970,000 for farm safety instead of $970,000 as proposed by the House and $2,470,000 as proposed by the Senate. Within the total, $1,000,000 is provided specifically for the assistance of disabled farmers and for those in farm-related occupations to continue their farm and farm-related activities, as recommended by the National Easter Seal Society, instead of $1,500,000 as proposed by the Senate. The House had no similar earmark.

Amendment No. 20: Provides $3,230,000 for the pesticide impact assessment program instead of $3,080,000 as proposed by the House and $3,380,000 as proposed by the Senate.

Amendment No. 21: Deletes House language providing $750,000 for the financial management assistance program as proposed by the Senate.

Amendment No. 22: Provides $2,550,000 for financially stressed farmers and dislocated farmers instead of $1,750,000 as proposed by the House and $3,350,000 as proposed by the Senate.

Amendment No. 23: Restores House language providing $1,500,000 for a food safety program.

Amendment No. 24: Provides $1,000,000 for payments for Indian reservation agents instead of $4,000,000 as proposed by the Senate. The conference agreement also provides $2,765,000 for carrying out provisions of the Renewable Resources Extension Act as proposed by the Senate. The House bill contained no similar provisions.

In the past, funds for extension agents have been used for other purposes. The conference agreement makes available $1,000,000 for Indian reservations that wish to have agents. The conferees expect the Department to report to the appropriate committees of Congress those Indian reservations that agree to keep the extension agents.

Amendment No. 25: Provides $22,794,000 for payments for extension work to the 1890 land-grant colleges and Tuskegee University instead of $22,880,000 as proposed by the House and $22,709,000 as proposed by the Senate.

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$389,273,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $389,273,000 for the Extension Service, excluding Federal administration, instead of $385,727,000 as proposed by the House and $387,331,000 as proposed by the Senate.

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$9,205,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $9,205,000 for Federal administration of the Extension Service instead of $8,150,000 as proposed by the House and $8,146,000 as proposed by the Senate. The following table reflects the conference agreement for Federal administration and recommends the following amounts:

	House bill	Senate bill	Conference agreement
1. Technology transfer (OK, MS)	$333,000	$330,000	$331,000
2. Rural development (NE)	200,000	189,000	194,000
3. Rural development (OK)	433,000	.....	431,000
4. Crambe/rapeseed (NE)	70,000	64,000	67,000
5. Agriculture development—Pacific (HI)	650,000	645,000	647,000
6. New England vertebrate (MA)	113,000	.....	103,000
7. Project Future (MN)	149,000	.....	143,000
8. Rural rehabilitation (GA)	146,000	256,000	256,000
9. Agricultural film (NY)	175,000	.....	175,000
10. Rural education (ND)	.....	846,000	846,000
11. Presque Island (ME)	.....	139,000	139,000
12. Crop simulation (MS)	500,000	496,000	498,000
13. Southern Kentucky agriculture development strategy	50,000	.....	49,000
14. Income enhancement demonstration (OH)	150,000	.....	145,000
15. General administration	5,181,000	5,181,000	5,181,000
Total	8,150,000	8,146,000	9,205,000

The conferees agree that the agricultural film shall be closely coordinated with the Extension Service and the youth-at-risk program.

The Senate recedes on report language that does not concur with the House in providing for new projects, nor increasing funds for existing projects under the "Federal administration and special grants" account.

NATIONAL AGRICULTURAL LIBRARY

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$16,798,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $16,798,000 for the National Agricultural Library instead of $16,373,000 as proposed by the House and $16,423,000 as proposed by the Senate.

Amendment No. 29: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks $425,000 for the National Center for Agricultural Law Research and Information at the Leflar School of Law in Fayetteville, Arkansas, as proposed by the Senate. The conferees are aware of the proposal to coordinate the program at Leflar with the program at Drake University and expect the Department to cooperate with this proposal.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

Amendment No. 30: Appropriates $381,120,000 for Salaries and Expenses of the Animal and Plant Health Inspection Service as proposed by the Senate instead of $380,266,000 as proposed by the House. The following table sets forth the conference agreement by program:

[In thousands of dollars]

	House bill	Senate bill	Conference agreement
PEST AND DISEASE EXCLUSION			
Africanized bee	1,500	.....	500
Agricultural quarantine inspection	71,268	71,268	71,268
Foot-and-mouth disease	3,818	3,818	3,818
Import-export inspection	8,929	8,929	8,929
International programs	4,238	4,238	4,238
Mediterranean fruit fly	12,181	10,831	12,181
Mexican fruit fly	1,745	1,745	1,745
Screwworm	33,391	33,391	33,391
Subtotal, Pest and disease exclusion	137,070	134,220	136,070
PLANT AND ANIMAL HEALTH MONITORING			
Animal disease detection	8,335	8,335	8,335
Pest detection	4,059	4,059	4,059

[In thousands of dollars]

	House bill	Senate bill	Conference agreement
Subtotal, Plant and animal health monitoring	12,394	12,394	12,394
PEST AND DISEASE MANAGEMENT PROGRAMS			
Animal damage control—operations	24,288	24,288	24,588
Animal health compliance and enforcement	12,354	12,354	12,354
Biocontrol	6,446	4,944	4,944
Boll weevil	13,135	13,135	13,135
Brucellosis eradication	64,553	64,553	64,553
Cattle ticks	6,172	6,172	6,172
Citrus canker	1,264	1,264	1,264
Golden nematode	808	808	808
Grasshopper and Mormon cricket	3,850	3,850	3,850
Reserve fund	5,000	5,000	5,000
Gypsy moth	4,877	4,877	4,877
Honey bee pests	502	502	502
Imported fire ant	4,232	4,232	4,232
Miscellaneous plant and animal disease	2,436	2,436	2,436
National poultry improvement plan	229	229	229
Noxious weeds	589	1,189	1,081
Pink bollworm	2,800	2,800	2,800
Poultry diseases	673	673	673
Pseudorabies	5,492	8,596	6,554
Russian wheat aphid	898	2,400	2,400
Scrapie	846	846	846
Swine health protection	3,319	3,319	3,319
Tuberculosis	3,554	3,554	3,554
Witchweed	5,144	5,144	5,144
Subtotal, Pest and disease management programs	173,461	177,165	175,315
ANIMAL CARE			
Animal welfare	9,688	9,688	9,688
Horse protection	359	359	359
Subtotal, Animal welfare	10,047	10,047	10,047
SCIENTIFIC AND TECHNICAL SERVICES			
ADC methods development	8,763	8,763	8,763
Biotechnology	5,697	5,697	5,697
Plant methods development	5,499	5,499	5,499
Veterinary biologics	9,165	9,165	9,165
Veterinary diagnostics	13,670	13,670	13,670
Subtotal, Scientific and technical services	42,794	42,794	42,794
Contingency fund	4,500	4,500	4,500
Total, Salaries and expenses	380,266	381,120	381,120

For the noxious weeds program the conference agreement provides $1,081,000. This level includes $92,000 for hydrilla control in Imperial Valley, California, and $500,000 for a common crupina eradication program.

The conferees agree to delete the Senate earmarks for eastern filbert blight and blastomycosis. The conferees expect APHIS to review the problems related to these diseases and take appropriate action.

For the animal damage control program the conference agreement provides $24,588,000. The conferees expect animal damage control activities to be cost shared with non-Federal participants.

The conferees expect the Animal and Plant Health Inspection Service to incorporate performance based standards into its regulations when such performance based standards would not interfere with the establishment of a minimal level of care or the enforceability of the Act as Congress intended. The conferees expect the intent of Congress to be followed and, thus, that strong enforceable standards governing the handling, care, treatment and transportation of animals be issued by APHIS.

BUILDINGS AND FACILITIES

Amendment No. 31: Appropriates $21,396,000 for the Animal and Plant Health Inspection Service, Buildings and Facilities as proposed by the House instead of $25,396,000 as proposed by the Senate.

FOOD SAFETY AND INSPECTION SERVICE

The conferees expect that expansion of the Streamlined Inspection System for cattle on a permanent basis, beyond the initial five pilot projects, will be implemented only following formal response to recommendations of the National Academy of Sciences and development of an implementation plan submitted to Congress for review, and that all the standards of existing meat inspection laws relating to wholesomeness and sanitation continue to be fully incorporated into the System.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

The conference agreement restores House language which expects the Agricultural Marketing Service to conduct an evaluation of the farmer's market in Toledo, Ohio.

FEDERAL CROP INSURANCE CORPORATION

ADMINISTRATIVE AND OPERATING EXPENSES

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert: *such sums as necessary*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates "such sums as necessary" for Administrative and Operating Expenses of the Federal Crop Insurance Corporation instead of $101,579,000 as proposed by the House and $325,857,000 as proposed by the Senate.

The crop insurance program is authorized to continue if at least 75 percent actuarially sound—and shall be returned to the control of the Agricultural Stabilization and Conservation Service so far as sales and loss adjustments are concerned. Existing contracts will be honored.

This action was taken in view of the fact that operating costs since 1981 were $2,028,000,000, of which $1,194,000,000 has been paid to reinsurance companies. Indemnities paid have exceeded premiums by over $2,300,000,000 and administrative costs have gone up over 450 percent. The program now costs over $1,000,000,000 per year. The President's budget proposed to terminate the program.

FEDERAL CROP INSURANCE CORPORATION FUND

Amendment No. 33: Appropriates $337,365,000 for the Federal Crop Insurance Corporation Fund as proposed by the Senate instead of $162,939,000 as proposed by the House.

COMMODITY CREDIT CORPORATION

The conferees believe that if clean fuels are to play a significant role in the President's clean air initiative, production must increase dramatically in the coming years. The conferees recognize that the Louisiana Department of Agriculture and the State of Nebraska are conducting studies of the economic advantages of utilizing off-grade, nonfood grain for clean fuel. Iowa State University is examining the ability to use aflatoxin contaminated and other out-of-condition grain for the production of ethanol. The Department of Agriculture and the Department of Energy should support these programs. Accordingly, Commodity Credit Corporation funds shall be used to gather and relocate off-grade grains to approved sites designated by the States of Iowa and Nebraska, and the Louisiana Department of Agriculture. The grain would be sold to facilities engaged in the production of clean fuels. The research should focus on the economic feasibility of relocating the grain as well as using the byproducts for livestock feed. The Commodity Credit Corporation has the authority to use off-grade grain for clean fuel production and the conferees expect the Commodity Credit Corporation to make available not less than 15 million bushels of off-grade grain for this research project, to be sold under normal Commodity Credit Corporation regulations.

It is expected that the Commodity Credit Corporation will have surplus stocks of nonfat dry milk in inventory during fiscal year 1991. The conferees direct the Secretary to donate available nonfat dry milk to the Commodity Supplemental Food Program and the Food Distribution Program on Indian reservations.

TITLE II—RURAL DEVELOPMENT PROGRAMS

RURAL DEVELOPMENT ASSISTANCE

FARMERS HOME ADMINISTRATION

RURAL HOUSING INSURANCE FUND

Amendment No. 34: Provides $1,978,581,000 for loans from the Rural Housing Insurance Fund instead of $2,014,340,000 as proposed by the House and $1,942,823,000 as proposed by the Senate. The conference agreement includes the following loan levels:

Low-income housing (502)	$1,226,451,000
Unsubsidized housing loans	50,000,000
Unsubsidized guaranteed	70,000,000
Subsidized guaranteed	30,000,000
Rental housing (515)	573,900,000
Housing repair (504)	11,330,000
Farm labor (514)	16,300,000
Site development (524)	600,000
Total	1,978,581,000

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$1,857,981,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides that $1,857,981,000 of the loans from the Rural Housing Insurance Fund shall be for subsidized interest loans to low-income borrowers instead of $1,963,740,000 as proposed by the House and $1,892,223,000 as proposed by the Senate.

Amendment No. 36: Appropriates $2,667,186,000 for reimbursement for net realized losses and interest subsidies of the Rural Housing Insurance Fund as proposed by the Senate instead of $2,167,186,000 as proposed by the House.

AGRICULTURAL CREDIT INSURANCE FUND

Amendment No. 37: Provides that of the $542,000,000 available for farm ownership loans, $509,000,000 shall be for guaranteed loans instead of $475,500,000 as proposed by the House and $542,000,000 as proposed by the Senate. The conference agreement makes available $33,000,000 for direct farm ownership loans.

The conferees are concerned that in many cases foreclosed property is being sold and then financed under the farm ownership program with no money down. The conferees do not concur in this approach and expect an amount equal to at least one year's rent be required as a down payment on such property.

Amendment No. 38: Provides that $3,500,000,000 shall be available for operat-

ing loans instead of $3,550,000,000 as proposed by the House and $3,450,000,000 as proposed by the Senate. Of the total, $2,600,000,000 shall be guaranteed loans as proposed by both the House and the Senate.

The conferees agree that, notwithstanding any other provision of law, in areas where adequate guaranteed operating loans are not available due to the inability of banks to make guaranteed loans, the Secretary shall make such loans from the Commodity Credit Corporation and such loans shall be exempt from any budgetary ceilings or other ceilings.

The conferees also will expect the Department to carry out an interest rate reduction program for Farmers Home Administration operating loans to farmers with gross sales of not to exceed $300,000 to ease the shift in lending authority from direct to guaranteed.

Amendment No. 39: Provides $3,750,000 for matching grants authorized by section 502(b) of the Agricultural Credit Act of 1987 instead of $3,500,000 as proposed by the House and $4,000,000 as proposed by the Senate.

Amendment No. 40: Appropriates $6,014,356,000 for reimbursement for net realized losses and interest subsidies of the Agricultural Credit Insurance Fund as proposed by the Senate instead of $5,620,159,000 as proposed by the House.

RURAL DEVELOPMENT INSURANCE FUND

Amendment No. 41: Appropriates $1,666,160,000 for reimbursement for net realized losses and interest subsidies of the Rural Development Insurance Fund as proposed by the Senate instead of $1,466,160,000 as proposed by the House.

RURAL DEVELOPMENT LOAN FUND

Amendment No. 42: Provides a total loan level of $32,500,000 for the Rural Development Loan Fund instead of $25,000,000 as proposed by the House and $40,000,000 as proposed by the Senate.

The conferees agree to the House earmark of $3,000,000 for the Three Rivers Planning and Development District in Mississippi.

Amendment No. 43: Appropriates $30,500,000 for the Rural Development Loan Fund instead of $23,000,000 as proposed by the House and $38,000,000 as proposed by the Senate.

RURAL DEVELOPMENT GRANTS

Amendment No. 44: Appropriates $20,750,000 for Rural Development Grants instead of $16,500,000 as proposed by the House and $25,000,000 as proposed by the Senate. The conferees agree to the earmarks contained in the House and Senate reports.

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts the words "and training".

Amendment No. 46: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks $2,000,000 for grants to statewide private, nonprofit public television systems in predominantly rural States.

SOLID WASTE MANAGEMENT GRANTS

Amendment No. 47: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SOLID WASTE MANAGEMENT GRANTS

For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act, $1,500,000: Provided, That such assistance shall include regional technical assistance for improvement of solid waste management.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement amends Senate language to appropriate $1,500,000 instead of $3,000,000 for Solid Waste Management Grants. The agreement deletes the proviso providing for 100-percent grants and adds a proviso allowing grants for regional technical assistance.

The conferees will expect the Farmers Home Administration to provide regional, multi-State technical assistance through such organizations as rural community assistance programs.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS

Amendment No. 48: Appropriates $10,000,000 for Emergency Community Water Assistance Grants instead of $20,000,000 as proposed by the Senate.

SALARIES AND EXPENSES

Amendment No. 49: Earmarks $3,529,000 for a circuit rider program to provide technical assistance for rural water systems instead of $3,359,000 as proposed by the House and $3,700,000 as proposed by the Senate.

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that, hereafter, the area within the present city limits of the city of Burlington, Ward County, State of North Dakota, shall be eligible for loans and payments administered by the Farmers Home Amministration through the Rural Housing Insurance Fund.

The conferees also recognize the continued eligibility of the Saint Francis Rural Water Association for funding from the Farmers Home Administration. The conferees intend that the status of the Association's eligibility not be affected by changes in the population classification of Craighead and Greene Counties pursuant to the 1990 Census.

RURAL ELECTRIFICATION ADMINISTRATION

RURAL ELECTRIFICATION AND TELEPHONE REVOLVING FUND LOAN AUTHORIZATIONS

Amendment No. 51: Provides a floor on insured electric loans of $622,050,000 as proposed by the House instead of $760,050,000 as proposed by the Senate

Amendment No. 52: Deletes Senate language which provided that $138,000,000 (of REA loans) shall not become available for obligation until September 1, 1991.

Amendment No. 53: Provides a ceiling on insured electric loans of $933,075,000 as proposed by the House instead of $1,071,075,000 as proposed by the Senate.

SALARIES AND EXPENSES

Amendment No. 54: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that not less than $500,000 of this appropriations shall be expended to provide community and economic development technical assistance to rural electric and telephone systems by Rural Electrification Administration employees who are located within REA and assisgned to REA's Rural Development Coordinator and who may not be reassigned or relocated to the Rural Information Center or other agency or office.

SOIL CONSERVATION SERVICE

CONSERVATION OPERATIONS

The conference agreement restores House language which earmarks $375,000 for a Michigan subirrigation study.

The conferees expect the Soil Conservation Service to submit a progress report to the appropriate Committees of Congress on the pilot project demonstrating the benefits of a multipurpose land information system in the City of Northport, Alabama, by March 1, 1991.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Amendment No. 55: Appropriates $185,705,000 for Watershed and Flood Prevention Operations of the Soil Conservation Service instead of $191,544,000 as proposed by the House and $179,867,000 as proposed by the Senate.

Amendment No. 56: Earmarks $26,766,000 for the Public Law 534 watershed program instead of $27,789,000 as proposed by the House and $25,744,000 as proposed by the Senate.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

AGRICULTURAL CONSERVATION PROGRAM

Amendment No. 57: Appropriates $190,152,000 for the Agricultural Conservation Program instead of $197,935,000 as proposed by the House and $182,369,000 as proposed by the Senate. The conferees provide that not more than $23,000,000 of the Agricultural Conservation Program funds may be used for water quality special projects, hydrologic units and national demonstration projects.

WATER BANK PROGRAM

Amendment No. 58: Appropriates $13,620,000 for the Water Bank Program instead of $10,498,000 as proposed by the House and $15,000,000 as proposed by the Senate.

TITLE III—DOMESTIC FOOD PROGRAMS

FOOD AND NUTRITION SERVICE

CHILD NUTRITION PROGRAMS

Amendment No. 59: Provides a total of $5,577,199,000 for the Child Nutrition Programs, including transfer of funds from section 32, as proposed by the Senate instead of $5,265,539,000 as proposed by the House.

Amendment No. 60: Appropriates $880,698,000 for the Child Nutrition Programs as proposed by the Senate instead of $569,038,000 as proposed by the House.

Amendment No. 61: Provides that $1,143,000 shall be available to operate the Food Service Management Institute instead of $500,000 as proposed by the House and $1,786,000 as proposed by the Senate. In lieu of langauge contained in the Senate report relating to the coordination of activities with the Food Service Management Institute, the conferees expect the Institute to concentrate its efforts on improving the operation and quality of the Child Nutrition Programs. The Institute should become established in providing assistance to these programs before expanding into other Federally assisted feeding programs.

The conference agreement provides for the child nutrition programs at the following annual rates:

TOTAL OBLIGATIONAL AUTHORITY

	House bill	Senate bill	Conference agreement
Child Nutrition Programs:			
School lunch program	$3,223,888,000	$3,380,676,000	$3,380,676,000
School breakfast program	606,036,000	638,996,000	638,996,000
State administrative expenses	64,389,000	63,103,000	63,746,000
Summer food service program	179,716,000	179,957,000	179,957,000
Child care food program	953,106,000	1,045,346,000	1,045,346,000
Commodity procurement	223,666,000	253,097,000	253,097,000
Nutrition studies and surveys	3,085,000	3,085,000	3,085,000
Nutrition education and training	7,500,000	7,500,000	7,500,000
Federal review system	3,653,000	3,653,000	3,653,000
Food Service Management Institute	500,000	1,786,000	1,143,000
Total	5,265,539,000	5,577,199,000	5,577,199,000

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Amendment No. 62: Provides that up to $2,750,000 may be used to carry out the farmer's market coupon demonstration project instead of $2,000,000 as proposed by the House and $3,500,000 as proposed by the Senate.

Amendment No. 63: Deletes House language which provided that $25,000,000 be placed in a reserve to be released by the Secretary only to meet unanticipated needs. The conference agreement provides $2,350,000,000 for the Special Supplemental Food Program for Women, Infants, and Children (WIC). The conferees are concerned that unanticipated increases in program food costs, such as the price of orange juice, during fiscal year 1990 resulted in strains placed on State agencies administering the program. The conferees believe that through enhanced management practices the impact of these problems could have been lessened. The conferees expect the Department to work closely with WIC directors in providing them with monthly reports containing vital economic information, food price fluctuations, alternatives to the food package items, and management guidance. The conferees also expect the Department to provide a monthly report to the appropriate committees of Congress on the status of each WIC agency with regard to their funding and participation levels and any problems they are having.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

It has come to the attention of the conferees that the Commodity Credit Corporation will have surplus stocks of nonfat dry milk for donation to the Commodity Supplemental Food Program. Since nonfat dry milk will be donated to the program, the conferees direct that additional funds, which would have been used to purchase this commodity, be used to expand program participation.

FOOD STAMP PROGRAM

Amendment No. 64: Appropriates $19,050,901,000 for the Food Stamp Program as proposed by the Senate instead of $19,038,806,000 as proposed by the House.

Amendment No. 65: Provides that $823,513,000 is available upon the submission of an official budget request for a specific dollar amount as proposed by the Senate instead of $2,100,000,000 as proposed by the House.

Amendment No. 66: Earmarks $974,220,000 for the block grant for Nutrition Assistance for Puerto Rico as proposed by the Senate instead of $962,125,000 as proposed by the House.

Amendment No. 67: Restores House bill language which transfers $10,825,000 to the Animal and Plant Health Inspection Service for the Cattle Tick Eradication Project. The conferees expect the project to be carried out through a cooperative agreement with the Commonwealth of Puerto Rico, under which funds would be provided to the Commonwealth from the foregoing appropriation for field personnel necessary to conduct treatment and control activities. The conferees further expect that no Animal and Plant Health Inspection Service overhead costs will be taken out of the amount transferred.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

It has come to the attention of the conferees that the Commodity Credit Corporation will have surplus stocks of nonfat dry milk for donation to the Food Distribution Program on Indian reservations. The conferees direct that the additional funds provided for the purchase of nonfat dry milk be used to expand program participation.

TITLE IV—INTERNATIONAL PROGRAMS

FOREIGN AGRICULTURAL SERVICE

Amendment No. 68: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which allows the Secretary to appoint a total of up to 12 Minister-Counselors, an increase of up to four over the current number.

The conferees will expect the Department to keep the appropriate committees of Congress fully informed as to the appointment of additional Minister-Counselors.

The conferees have also agreed that up to $500,000 be used for a wood export project with emphasis on southern wood products.

The conferees note that the administration proposes to reverse the modifications made in fisal year 1990 to the Foreign Affairs Administrative Support System administered by the Department of State. The conferees concur with this proposal and expect that future payments to the Department of State for administrative support will reflect this change. The conferees recommend that any resulting budgetary savings be directed toward expanding the Department of Agriculture's overseas presence, particularly in Eastern Europe.

AMERI FLORA 1992 EXPOSITION

Amendment No. 69: Restores House language appropriating $500,000 for the Ameri Flora '92 Exposition, the international horticultural and environment exposition to be held in the United States in October 1992.

OFFICE OF INTERNATIONAL COOPERATION AND DEVELOPMENT

Amendment No. 70: Appropriates $6,879,000 for the Office of International Cooperation and Development instead of $5,268,000 as proposed by the House and $7,268,000 as proposed by the Senate.

The conference agreement includes $1,736,000 for middle-income country training instead of $2,000,000 as proposed by the Senate.

The conference agreement includes $225,000 for the Associate Professional Officers Program instead of $375,000 as proposed by the House and $75,000 as proposed by the Senate. Also included in the agreement is $225,000 for the United States/Ireland exchange, a decrease of $25,000 from the amount proposed by the Senate.

SCIENTIFIC ACTIVITIES OVERSEAS (FOREIGN CURRENCY PROGRAM)

Amendment No. 71: Appropriates $1,062,000 for the Scientific Activities Overseas Program instead of $875,000 as proposed by the House and $1,250,000 as proposed by the Senate.

TITLE V—RELATED AGENCIES

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 72: Appropriates $656,519,000 for the Food and Drug Administration, Salaries and Expenses instead of $654,808,000 as proposed by the House and $661,652,000 as proposed by the Senate. The agreement deletes House language that provided $157,175,000 be made available only to the extent an official budget request is submitted to Congress.

For additional seafood inspection the conferees provide $9,537,000 above the amount available for fiscal year 1990 instead of $5,000,000 as proposed by the House and $14,075,000 as proposed by the Senate.

The conferees expect the Food and Drug Administration to reexamine its decision on Philippine Natural Grade Carrageenan as a substitute for highly processed carrageenan in accordance with 21 CFR 172.620.

The conference agreement restores House language that the Food and Drug Administration should continue to provide the necessary financial and other support, as needed, to the National Center for Food Safety and Technology.

BUILDINGS AND FACILITIES

Amendment No. 73: Appropriates $8,350,000 for the Food and Drug Administration, Buildings and Facilities as proposed by the House instead of $10,850,000 as proposed by the Senate.

The conference agreement deletes Senate language which provided $2,500,000 for a cooperative biotechnology center and restores House language providing for a feasibility study on a clinical research facility at Children's Hospital of Pittsburgh.

COMMODITY FUTURES TRADING COMMISSION

Amendment No. 74: Appropriates $43,960,000 for the Commodity Futures Trading Commission instead of $39,691,000 as proposed by the House and $44,960,000 as proposed by the Senate.

FARM CREDIT ADMINISTRATION

LIMITATION ON REVOLVING FUND FOR ADMINISTRATIVE EXPENSES

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *Not to exceed $40,290,000 (from assessments collected from farm credit institutions) and not to exceed $608,000 (from assessments collected from the Federal Agricultural Mortgage Corporation); in all) $40,898,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides a limitation of $40,898,000 for administrative ex-

penses of the Farm Credit Administration instead of $41,548,000 as proposed by the House and $38,834,000 as proposed by the Senate, and amends Senate language so that not to exceed $40,290,000 may be from assessments collected from farm credit institutions and not to exceed $608,000 may be from assessments collected from the Federal Agricultural Mortgage Corporation. The conferees expect the Farm Credit Administration to make assessments to the farm credit institutions and Federal Agricultural Mortgage Corporation in a fair and equitable manner. The conferees note that the Farm Credit Administration should not treat ceilings specified in the bill language as assessment floors.

The Farm Credit Administration is directed to submit a plan to restore the Farm Credit Bank at Jackson, Mississippi, to serve the States of Alabama, Louisiana and Mississippi.

TITLE VI—GENERAL PROVISIONS

TARGETED EXPORT ASSISTANCE PROGRAM

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended as follows: In lieu of the sum named, insert: *$175,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement restores House language on the targeted export assistance program amended to limit the program to $175,000,000.

EXPORT ENHANCEMENT PROGRAM

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

Restore the matter stricken by said amendment, amended as follows: In lieu of the second sum named, insert: *$425,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement restores House language on the export enhancement program amended to limit the program to $425,000,000.

Amendment No. 78: Restores House section number.

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number stricken and inserted by said amendment, insert: *636. The Secretary shall use the authority available under section 32 and the Charter of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices, as authorized by law, to regain and retain the United States' fair share of world markets.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement restores the House section number and states the Secretary's authority under law to sell surplus commodities in world trade at competitive prices.

Amendments No. 80 through 82: Restore House section numbers.

Amendment No. 83: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the section number stricken and inserted by said amendment, insert: *640. None of the funds in this Act may be used to establish any new office, organization or center for which funds have not been provided in advance in Appropriations Acts, except the Department may carry out planning activities.*

SEC. 641

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement restores a House section number and adds a new section number. The agreement adds language requiring that new functions shall be instituted only to the extent provided in advance in Appropriations Acts as is the customary practice, except for planning activities.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1991 recommended by the Committee of Conference, with comparisons to the fiscal year 1990 amount, the 1991 budget estimates, and the House and Senate bills for 1991 follow:

New budget (obligational) authority, fiscal year 1990	$45,175,823,000
Budget estimates of new (obligational) authority, fiscal year 1991	52,248,810,000
House bill, fiscal year 1991	50,351,228,000
Senate bill, fiscal year 1991	52,264,792,000
Conference agreement, fiscal year 1991	52,155,593,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1990	+6,979,770,000
Budget estimates of new (obligational) authority, fiscal year 1991	−93,217,000
House bill, fiscal year 1991	+1,804,365,000
Senate bill, fiscal year 1991	−109,199,000

JAMIE L. WHITTEN,
BOB TRAXLER,
MATTHEW F. MCHUGH,
WILLIAM H. NATCHER,
WES WATKINS,
RICHARD J. DURBIN
(except for amendment 44),
MARCY KAPTUR,
NEAL SMITH,
VIRGINIA SMITH,
JOHN T. MYERS,
JOE SKEEN,
VIN WEBER,
SILVIO O. CONTE
(except for amendment 44),
Managers on the Part of the House.

QUENTIN N. BURDICK,
DALE BUMPERS,
TOM HARKIN,
BROCK ADAMS,
WYCHE FOWLER, Jr.,
J. ROBERT KERREY,
ROBERT C. BYRD,
THAD COCHRAN,
JAMES A. MCCLURE,
ROBERT W. KASTEN, Jr.,
ARLEN SPECTER,
CHUCK GRASSLEY,
MARK O. HATFIELD,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 5257

Mr. NATCHER submitted the following conference report and statement on the bill (H.R. 5257) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1991, and for other purposes:

CONFERENCE REPORT (H. REPT. 101-908)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5257) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending Sept. 30, 1991, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 13, 22, 28, 33, 64, 70, 75, 90, 92, 93, 104, 105, 106, 107-108, 123, 132, 137, 143, 151, 154, 157, 158, 159, 160, 161, 167, 172, 175, 178, and 185.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 11, 23, 30, 66, 67, 72, 74, 85, 86, 94, 109, 115, 126, 127, 128, 129, 134, 140, 141, 145, 148, 149, 153, 165, 166, 174, 180, and 182, and agreed to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendments of the Senate numbered 3, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,098,236,000*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$61,097,000*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$72,024,000*; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$4,250,000*; and the Senate agree to the same.

Amendment numbered 8:

That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$68,920,000*; and the Senate agree to the same.

Amendment numbered 17:

That the House recede from its disagreement to the amendment of the Senate num-

bered 17, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$293,743,000*; and the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$66,220,000*; and the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$179,267,000*; and the Senate agree to the same.

Amendment numbered 29:

That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following: *VII, XVII, XIX, XXVIII*; and the Senate agree to the same.

Amendment numbered 32:

That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$32,740,000*; and the Senate agree to the same.

Amendment numbered 41:

That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$933,235,000*; and the Senate agree to the same.

Amendment numbered 42:

That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$779,250,000*; and the Senate agree to the same.

Amendment numbered 46:

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$332,782,000*; and the Senate agree to the same.

Amendment numbered 47:

That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$198,442,000*; and the Senate agree to the same.

Amendment numbered 48:

That the House recede from its disagreement to the amendment of the Senate numbered 48, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$138,497,000*; and the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$343,796,000*; and the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$89,731,000*; and the Senate agree to the same.

Amendment numbered 52:

That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$18,059,000*; and the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$94,416,000*; and the Senate agree to the same.

Amendment numbered 54:

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$100,575,000*; and the Senate agree to the same.

Amendment numbered 58:

That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$172,853,000*; and the Senate agree to the same.

Amendment numbered 59:

That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$2,966,898,000*; and the Senate agree to the same.

Amendment numbered 73:

That the House recede from its disagreement to the amendment of the Senate numbered 73, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$150,000,000*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$81,350,000*; and the Senate agree to the same.

Amendment numbered 89:

That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$31,100,000*; and the Senate agree to the same.

Amendment numbered 97:

That the House recede from its disagreement to the amendment of the Senate numbered 97, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$5,125,500,000*; and the Senate agree to the same.

Amendment numbered 98:

That the House recede from its disagreement to the amendment of the Senate numbered 98, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$569,500,000*; and the Senate agree to the same.

Amendment numbered 99:

That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$301,871,000*; and the Senate agree to the same.

Amendment numbered 101:

That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$37,000,000*; and the Senate agree to the same.

Amendment numbered 114:

That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,195,128,000*; and the Senate agree to the same.

Amendment numbered 116:

That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$35,407,000*; and the Senate agree to the same.

Amendment numbered 120:

That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$202,904,000*; and the Senate agree to the same.

Amendment numbered 121:

That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$36,957,000*; and the Senate agree to the same.

Amendment numbered 124:

That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$2,528,378,000*; and the Senate agree to the same.

Amendment numbered 125:

That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,900,000,000*; and the Senate agree to the same.

Amendment numbered 130:

That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,896,499,000*; and the Senate agree to the same.

Amendment numbered 131:

That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$18,822,000*; and the Senate agree to the same.

Amendment numbered 135:

That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$6,288,000*; and the Senate agree to the same.

Amendment numbered 136:

That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$38,131,000*; and the Senate agree to the same.

Amendment numbered 146:

That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert the following: *and the Library Services and Construction Act Amendments of 1984, section 612(b) of Public Law 101-162, section 140 of Public Law 100-202, title XIII, part H, subpart 1 of the Education Amendments of 1980*; and the Senate agree to the same.

Amendment numbered 150:

That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment insert the following: *of the Higher Education Act, $5,500,000 for section 612(b) of Public Law 101-162, $3,000,000 for section 140(a) and $1,000,000 for section 140(b) of Public Law 100-212*; and the Senate agree to the same.

Amendment numbered 168:

That the House recede from its disagreement to the amendment of the Senate numbered 168, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$50,400,000*; and the Senate agree to the same.

Amendment numbered 170:

That the House recede from its disagreement to the amendment of the Senate numbered 170, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$196,015,000*; and the Senate agree to the same.

Amendment numbered 171:

That the House recede from its disagreement to the amendment of the Senate numbered 171, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$31,035,000*; and the Senate agree to the same.

Amendment numbered 173:

That the House recede from its disagreement to the amendment of the Senate numbered 173, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$326,505,000*; and the Senate agree to the same.

Amendment numbered 177:

That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$1,475,000*; and the Senate agree to the same.

Amendment numbered 179:

That the House recede from its disagreement to the amendment of the Senate numbered 179, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$3,971,000*; and the Senate agree to the same.

Amendment numbered 183:

That the House recede from its disagreement to the amendment of the Senate numbered 183, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$71,663,000*; and the Senate agree to the same.

Amendment numbered 184:

That the House recede from its disagreement to the amendment of the Senate numbered 184, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$15,665,000*; and the Senate agree to the same.

Amendment numbered 187:

That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$8,600,000*; and the Senate agree to the same.

Amendment numbered 188:

That the House recede from its disagreement to the amendment of the Senate numbered 188, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert *$500,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 9, 10, 12, 14, 15, 16, 19, 21, 24, 25, 26, 27, 31, 34, 35, 36, 37, 38, 39, 40, 43, 44, 45, 50, 55, 56, 57, 60, 61, 62, 63, 65, 68, 69, 71, 76, 77, 78, 79, 80, 81, 82, 83, 84, 87, 91, 95, 96, 100, 102, 103, 110, 111, 112, 113, 117, 118-119, 122, 133, 138, 139, 142, 144, 147, 152, 155, 156, 162, 163-164, 169, 176, 181, 186, 189, 190, and 191.

WILLIAM H. NATCHER,
NEAL SMITH,
DAVID R. OBEY,
EDWARD R. ROYBAL,
LOUIS STOKES,
JOSEPH D. EARLY,
BERNARD J. DWYER,
STENY H. HOYER,
JAMIE L. WHITTEN,
SILVIO O. CONTE
(except amendment 14),
JOHN EDWARD PORTER
(except amendment 14),
C.W. BILL YOUNG
(except amendment 14),
VIN WEBER,
Managers on the Part of the House.

TOM HARKIN,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
QUENTIN N. BURDICK,
DANIEL K. INOUYE,
DALE BUMPERS,
HARRY REID,
BROCK ADAMS,
ARLEN SPECTER,
MARK O. HATFIELD,
WARREN B. RUDMAN,
JAMES A. MCCLURE,
THAD COCHRAN,
PHIL GRAMM,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5257) making appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies, for the fiscal year ending September 30, 1991, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report.

TITLE I—DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

PROGRAM ADMINISTRATION

Amendment No. 1: Appropriates $71,480,000 as proposed by the Senate instead of $70,030,000 as proposed by the House.

The conferees include funding for the School-to-Work demonstration programs begun in fiscal year 1990. The conferees encourage the Secretary to transfer funds made available under Title IV for pilot and demonstration programs to ensure adequate support to continue and expand this vital initiative.

Amendment No. 2: Makes available $54,301,000 from the Unemployment Trust Fund as proposed by the Senate instead of $54,751,000 as proposed by the House.

TRAINING AND EMPLOYMENT SERVICES

Amendment No. 3: Appropriates $4,098,236,000 instead of $4,136,447,000 as proposed by the House and $4,035,188,000 as proposed by the Senate.

The conference agreement includes $4,199,000 for labor market information and $5,390,000 for training and technical assistance. The agreement also includes $3,500,000 to continue the Samoan employment and training initiative, including services to other Pacific Islander and Asian immigrants in the State of Hawaii. Of the total, $2,500,000 is for the State of Hawaii, $750,000 is for California and $250,000 is for Washington, as the vast majority of the target populations reside in these States.

The conferees have provided sufficient funds for the Secretary to expand the Department's farm labor information exchange demonstration. This program utilizes the services of section 402 grantees to reach domestic farmworkers with information regarding the availability of farmwork and related services.

The conferees have provided sufficient funds for a multi-site, at-risk youth demonstration program.

Amendment No. 4: Earmarks $61,097,000 for Native American programs instead of $58,193,000 as proposed by the House and $64,000,000 as proposed by the Senate.

Amendment No. 5: Earmarks $72,024,000 for migrants and seasonal farmworkers instead of $69,047,000 as proposed by the House and $75,000,000 as proposed by the Senate.

Amendment No. 6: Earmarks $1,894,000 for the National Commission for Employment Policy as proposed by the House instead of $1,973,000 as proposed by the Senate.

Amendment No. 7: Earmarks $4,250,000 for activities conducted by and through the National Occupational Information Coordinating Committee instead of $2,500,000 as

proposed by the House and $6,000,000 as proposed by the Senate.

Amendment No. 8: Appropriates $68,920,000 for Job Corps capital costs instead of $63,740,000 as proposed by the House and $74,100,000 as proposed by the Senate.

Because efforts to find a suitable location have not resulted in an agreement, the conference agreement provides no funds for the relocation of the Detroit Job Corps center, pending the efforts of the State of Michigan and the city of Detroit to find a suitable site.

It is anticipated that this matter will be reconsidered in the fiscal year 1992 appropriations cycle.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $11,500,000 for job training for the homeless under the McKinney Act.

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

None of the funds in this Act shall be obligated to renovate or relocate the Job Corps center in Detroit, Michigan.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES

Amendment No. 11: Appropriates $269,500,000 as proposed by the Senate instead of $230,500,000 as proposed by the House. State Unemployment Insurance and Employment Service Operations

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a legal citation.

Amendment No. 13: Appropriates $25,600,000 as proposed by the House instead of $23,100,000 as proposed by the Senate.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,914,246,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $285,120,000 for Unemployment Insurance State integrity activities, $20,000,000 to administer the Targeted Jobs Tax Credit, $12,500,000 for Employment Service automation grants and $2,500,000 for an Employment Service/Unemployment Insurance integration demonstration project.

In addition, the conferees have included an additional $90,700,000 for unemployment insurance administrative costs to help meet the increased claims workload anticipated during fiscal year 1991 as a result of the rising unemployment rate. This is the amount requested by the President in his budget amendment of September 10, 1990. These funds should be used as a base reserve along with funds provided through the contingency fund to meet the anticipated increased costs.

Amendment No. 15: Reported in technical disgreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which makes funds for Unemployment Insurance automation grants available for obligation for the period April 1, 1991 through December 31, 1991.

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert: *and of which $12,500,000 of the amount which may be expended from said trust fund shall be available for obligation for the period October 1, 1991 through June 30, 1992, for automation of the State activities under section 6 of the Act of June 6, 1933, as amended,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 17: Appropriates $293,743,000 instead of $291,243,000 as proposed by the House and $295,893,000 as proposed by the Senate.

The conference agreement includes the House amount for targeted training grants for the logging industry. Also included are an additional 7 FTE's over the House bill for safety and health standards activities.

Amendment No. 18: Earmarks not to exceed $66,220,000 for State programs instead of $65,220,000 as proposed by the House and $67,220,000 as proposed by the Senate.

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which prohibits enforcement of the Occupational Safety and Health Act with respect to any employer of 10 or fewer employees who is included within a category having an occupational injury lost work day case rate less than the national average, with certain specified exceptions. The House bill included no similar language.

MINE SAFETY AND HEALTH ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 20: Appropriates $179,267,000 instead of $177,767,000 as proposed by the House and $179,823,000 as proposed by the Senate.

The conference agreement includes an increase of $1,500,000 and 3 FTE's over the House bill for a fire fighting facility at the National Mine Health and Safety Academy.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSE

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$210,274,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have provided $3,000,000 and the requisite number of FTE's for the Bureau of Labor Statistics for the start-up of activity associated with locality adjustment surveys that must precede full implementation of the federal employee pay reform system in 1994.

Amendment No. 22: Makes available $52,760,000 from the Unemployment Trust Fund as proposed by the House instead of $52,210,000 as proposed by the Senate.

DEPARTMENTAL MANAGEMENT

SALARIES AND EXPENSES

Amendment No. 23: Earmarks $4,200,000 for the President's Committee on Employment of People with Disabilities as proposed by the Senate instead of $3,700,000 as proposed by the House.

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: *$135,359,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

TITLE II—DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

PROGRAM OPERATIONS

Amendment No. 25: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which adds legal citations for programs not considered by the House.

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,139,382,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees intend that a portion of the increase provided for community health centers above the President's request be used to establish new centers. The conferees urge the Department to give priority to areas that have inadequate services for low income populations, primary care physician shortages, poverty rates of at least 25 percent, and concentrations of minority populations.

The conference agreement provides $20,000,000 for health services outreach grants, as described in the Senate report. The conferees expect that at least 85 percent of each grant shall be used to support outreach and care services through health and mental health care consortia. The conferees intend outreach grants to enable services to be provided to rural populations that are not receiving them. The grants should be used by coalitions of existing providers (such as hospitals, health departments, community or migrant health centers, Rural Health Clinics, private practitioners, or other publicly funded health or social service agencies) to enhance service capacity or expand service area, thus increasing the number of individuals and families receiving services.

The conferees intend that HRSA shall manage this program through the Office of the Administrator, and encourage the Administrator to employ the expertise of the Office of Rural Health Policy and HRSA bureaus for optimum direction of this program.

The conferees urge the Administrator to award a portion of the funds provided for services outreach grants to applications that involve the delivery of comprehensive serv-

ices to rural elderly (including hearing, vision and dental services) through a consoritum including private practitioners, the appropriate health professions schools, and a health department, as well as a research and public policy component, in a State with a large percentage of elderly individuals. The conferees also express interest in applications that involve the delivery of maternal health care through consortia of public health, public welfare, and social services agencies and hospital systems.

The conferees believe that the nation must make a greater commitment to improving the health status of minorities in the United States and increasing their representation in the health professions. The conferees express their strong support for the initiatives created by the Disadvantaged Minority Health Improvement Act of 1990 and have provided $20,000,000 as initial start-up funding for these new programs. The conferees intend that the funds provided be allocated as follows:

Hispanic Centers	$1,500,000
Native American Centers	1,000,000
Grants for Scholarships	8,500,000
Federal Capital Contributions to Student Loan Funds	3,000,000
Loan Repayment for Faculty Service	1,000,000
Grants to States/Community-Based Organizations for Scholarships	500,000
Health Services for Residents of Public Housing	3,500,000
Data Collection	1,000,000

The conferees intend that the data collection funds be administered by the National Center for Health Statistics within the Centers for Disease Control and would expect the funds to be transferred to CDC through a cooperative agreement. The conferees also expect the Secretary to consider the needs of Native Hawaiians and Alaskan Natives in implementing the Act.

The conferees expect that no grantee receiving funds from the Health Care for the Homeless program will be phased out or directed to operate at a reduced level for budgetary reasons based on the conferees' decision to implement a fiscal year funding cycle.

The conferees are concerned about the shortages of physicians and other health care professionals in some urban and rural areas and have provided a significant increase in funding for National Health Service Corps scholarships and loan repayments to address these shortages. The conferees are also concerned, however, about the impact of this funding increase on outyear program costs and believe that outyear costs should be taken into consideration when decisions are made about the design of the expanded scholarship and loan program.

The conference agreement includes $4,500,000 for interdisciplinary training. Of this amount, $4,000,000 is provided for interdisciplinary training grants. The additional $500,000 is provided for a grant to extend and expand the existing Bureau of Health Professions study of integrated education and service models for rural health care professionals.

The conference agreement provides $3,500,000 for Native Hawaiian health care. Of this amount, $2,350,000 is for Native Hawaiian health centers, $750,000 is for the scholarship program administered by Kamehameha Schools/Bishop Estate, and $400,000 is for administrative costs of Papa Ola Lokahi.

The conferees intend that the $1,491,000 provided for the nurse loan repayment to shortage area service program be used in roughly equal proportions for the programs authorized under section 836(h) and section 847 of the Public Health Service Act. The conferees request that the Department report to the Committees during the fiscal year 1992 hearing cycle concerning the relative capacity of these two programs to use funding.

Within the total of $3,857,000 provided for organ transplantation, the conferees have provided $600,000 to be made available to the Division of Organ Transplantation to make grants to, and enter contracts with, qualified organ procurement organizations, described in section 371 of the Public Health Service Act, and other nonprofit private entities for the purpose of carrying out special projects to increase the supply of donated organs. Programs may include new education and training demonstration programs to enhance the ability of organ procurement organizations or other entities to focus limited resources, and to develop and implement systematic management and monitoring systems to increase the availability of donated organs. With the limited funding available from the Federal sector, it is important that the Division encourage private matching funds for a public/private partnership to help solve the organ shortage. Grantees should work in concert with the national required referral program mandated by section 1138(a)(1)(A) of the Social Security Act.

The conferees intend that funds used to administer the AIDS programs within the Health Resources and Services Administration be derived only from the Program Management line item rather than from a tap against AIDS program funds.

The conferees understand that a recent surge in vaccine injury compensation applications may increase the administrative costs of the program beyond anticipated levels. The conferees agree that the Department, if it chooses, may use program management funds of the Health Resources and Services Administration to supplement the funds made available from the Vaccine Injury Compensation Trust Fund for administrative costs.

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: , *of which $4,129,000 shall be made available until expended to make grants under section 1610(b) of the Public Health Service Act for renovation or construction of nonacute care intermediate and long-term care facilities for AIDS patients, of which $1,000,000 shall be available until expended under section 1610(b) of the Public Health Service Act to make grants to be awarded competitively for the renovation or construction of tertiary perinatal facilities in those States whose infant mortality rate is significantly above the national average, and of which $226,000,000 shall be available for title XXVI of the Public Health Service Act: Provided, That the Secretary shall retain and distribute from the total provided for title XXVI of the Act such amounts as may be necessary to ensure the continuation of health care services through September 30, 1991 provided by grantees whose project periods extend through that date.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have provided a total of $267,629,000 for AIDS activities within the Health Resources and Services Administration. Of this amount, $41,629,000 is provided to continue ongoing training activities, facility renovation grants, and pediatric AIDS demonstrations. $226,000,000 in fiscal year 1991 funding is provided for the Ryan White Comprehensive AIDS Resources Emergency Act of 1990 as follows:

Title I: $90,000,000.
Title II: 90,000,000.
Title III: 46,000,000.

No advance funding is provided for fiscal year 1992. In addition, $130,000,000 of funding for the AIDS program at the Centers for Disease Control supports the purpose of title III of the Ryan White Act, for a total of $356,000,000 for Ryan White programs.

The conferees recognize that it may require several months to implement the new programs authorized under the Ryan White Act and do not intend that any disruption in services occur as current programs are melded into the new Ryan White activities. As a result, the conferees have included bill language directing the Secretary to retain such funds as he considers necessary from the amounts provided for the Ryan White Act to continue services through grantees who would otherwise have received funding in fiscal year 1991. The conferees encourage the Secretary to support current grantees during this transition period under the terms and conditions described in the House report, especially as they relate to mental health services.

The conferees intend that the majority of funds provided for Title III of the Ryan White Act be used for categorical grants authorized under section 2651 of the Act. If, however, in the judgment of the Secretary, it is appropriate to use a portion of the funds provided for Title III for activities authorized under section 2641 of the Act pertaining to State grants, the conferees intend that these resources be transferred from HRSA to the Centers for Disease Control under a cooperative agreement.

The conferees direct the Secretary to set aside $3,000,000 of the funds provided under Title II of the Ryan White Comprehensive AIDS Resources Emergency Act of 1990 for special projects of national significance to compensate dental schools and postdoctoral dental education programs for the costs they have incurred in providing oral health services to AIDS patients. Eligibility for these funds and administration of this program is to be as authorized in section 788A(f) of the Public Health Service Act. The conferees also urge the Secretary to consider using funds for special projects of national significance to provide grants to HIV/AIDS Projects in those jurisdictions which can demonstrate over 2,000 cases of AIDS diagnosed as of June 30, 1990 and subsequently reported to the Centers for Disease Control by October 31, 1990 and which serve a high percentage of minority, low-income and IV drug user AIDS populations.

The conference agreement includes $1,000,000 for competitive grants for the renovation or construction of tertiary perinatal facilities in States whose mortality rate is significantly above the national average.

Amendment No. 28: Restores language proposed by the House which establishes a limit on obligational authority for Health Education and Assistance Loans.

CENTERS FOR DISEASE CONTROL

DISEASE CONTROL, RESEARCH AND TRAINING

Amendment No. 29: Modifies legal citations proposed by the Senate.

Amendment No. 30: Inserts legal citation as proposed by the Senate.

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,350,747,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $30,000,000 for initial funding of the recently-enacted Breast and Cervical Cancer Mortality Prevention Act of 1990 and $38,466,000 for direct funding of the six local health departments which currently receive such funding from CDC and AIDS activities.

The conferees are agreed that NIOSH will provide at least half a million dollars for research and training grants and intramural programs related to synthetic fibers which are often used as substitutes for asbestos.

The conferees have provided an additional $20,000,000 for the purchase of additional doses of an H-flu vaccine recently approved for use in infants. The new vaccine is given on a four-dose schedule, compared to the current multiple-dose H-flu schedule.

The conferees have provided $750,000 in new appropriations and have agreed to reprogram $3,023,650 from funds appropriated in FY 1987 for the purchase and distribution of drugs, for a total of $3,773,650, to increase CDC's capacity to quickly respond to chemical and biological incidents.

The managers are agreed that the CDC shoud expand its efforts to train health professionals to be able to respond to international disasters and epidemics. Sufficient funds are provided for this activity.

Within the amount provided for HIV/AIDS activities, the conferees have included the increase recommended by the House for the AIDS/hemophilia project.

HIV infection continues to be a major public health problem in the Commonwealth of Puerto Rico. For the past year, Puerto Rico has reported the second highest annual rate of AIDS cases per 100,000 population of all the States and territories. The conferees strongly encourage CDC to reexamine the AIDS prevention and control needs in Puerto Rico and make an effort to match those needs within available resources.

The conferees are agreed that 42,000,000 is included for activities related to Chronic Fatigue Syndrome.

Amendment No. 32; Earmarks $32,740,000 for equipment and construction and renovation of facilities instead of $7,740,000 as proposed by the House and $37,900,000 as proposed by the Senate.

The conference agreement includes $25,000,000 for construction of an occupational safety and health laboratory for the National Institute for Occupational Safety and Health. These funds may be used for no other purpose.

Amendment No. 33: Deletes language proposed by the Senate related to an AIDS prevention formula grant program under title XXV of the Public Health Service Act. The conferees have decided not to fund this formula grant program and direct CDC to distribute these funds as it has in the past. The conferees are concerned that implementation of the formula grant could result in the disruption of services and program in a number of States.

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum named in said amendment, insert: *$19,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides that up to $19,000,000 shall be available from amounts available under section 2711 of the Public Health Service Act to carry out the National Center for Health Statistics surveys.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that certain CDC employees assigned to States and municipalities, as well as certain employees of the National Center for Health Statistics, shall be treated as non-Federal empoloyees for reporting purposes only.

NATIONAL INSTITUTES OF HEALTH

The conference agreement includes $8,511,782,000 for the National Institutes of Health. The conferees are agreed that these funds should be managed by the NIH consistent with the 4 year spending plan identified in the House and Senate reports accompanying the bill. The conferees believe that the amounts agreed to are sufficient to fund grants at the levels approved by the Institutes with no arbitrary downward negotiation of awards. The Secretary is directed to submit within 30 days of the enactment of this bill a precise estimate of the 1992-1995 cost of implementing this plan. While the Committees on Appropriations are willing to discuss modifications to this plan as part of their review of the 1992 Budget, they are agreed that this funding schedule provides the stability, predictability, and minimum levels of planned growth which the NIH needs at this time.

In implementing the across-the-board reductions required by section 514(b), the conferees expect that adjustments will be spread as uniformly as practicable among NIH mechanisms including research project grants.

NATIONAL CANCER INSTITUTE

Amendment No. 36: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$1,766,324,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The amount agreed to by the conferees includes $7,000,000 to continue the program in proton beam therapy begun by the NCI last year, as proposed by the House. The conferees expect these funds to be used to fund those programs which received planning funds in 1990.

The conferees urge that $250,000 of the increase provided above the President's request for the National Cancer Institute be used to establish a program for a major study of the use of tamoxifen as a prevention of breast cancer. Tamoxifen has been used for treatment of some types of breast cancer. The Committee has learned that a test of the use of tamoxifen on research animals as a breast cancer prevention has been encouraging.

NATIONAL HEART, LUNG, AND BLOOD INSTITUTE

Amendment No. 37: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$1,158,650,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are aware of the tremendous growth of the National Marrow Donor Program (NMDP). The conferees have included $8,000,000 for the NMDP for the human leukocyte antigen (HLA) typing of potential volunteers. The conferees would expect that priority be given to HLA typing of minority groups which are severely underrepresented in the national registry.

Because the growth of the NMDP has exceeded even the most optimistic of expectations, the conferees have added $1,100,000 for program administration and the increased demand for donor searches, educational programs, and recruitment.

Finally, the conferees have included $3,000,000 for the establishment of an intramural bone marrow transplant unit at NHLBI. The conferees would expect that NHLBI, in establishing this unit, would work in cooperation with the Navy Medical and Research Development Command, which has received funds in another appropriations bill for the establishment of a high technology marrow typing facility.

NATIONAL INSTITUTE OF DENTAL RESEARCH

Amendment No. 38: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$153,272,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES

Amendment No. 39: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$632,272,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF NEUROLOGICAL DISORDERS AND STROKE

Amendment No. 40: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$556,864,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS DISEASES

Amendment No. 41: Appropriates $933,235,000 instead of $944,965,000 as proposed by the House and $904,010,000 as proposed by the Senate. The conferees are agreed that within this total high priority

should go to new efforts to deal with the problem of asthma in children.

The conferees are further agreed that funding for pediatric AIDS trials should be at the levels provided for in House Report 101-591 less the proportionate reduction in the overall appropriation for the Institute agreed to in conference.

NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES

Amendment No. 42: Appropriates $779,250,000 instead of $693,499,000 as proposed by the House and $779,351,000 as proposed by the Senate.

NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT

Amendment No. 43: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$492,745,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes funding for the implementation of the second year of the 5 year plan for sudden infant death syndrome research. The conferees applaud the important and meritorious SIDS research initiatives outlined in this plan and recommend implementation in an expeditious manner.

NATIONAL EYE INSTITUTE

Amendment No. 44: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$260,159,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$249,092,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes an additional $3,000,000 for the National Toxicology Program and $500,000 for academic awards for excellence in Environmental and Occupational Medicine.

NATIONAL INSTITUTE ON AGING

Amendment No. 46: Appropriates $332,782,000 instead of $278,311,000 as proposed by the House and $377,733,000 as proposed by the Senate.

The conference agreement includes sufficient funds to expand the Health and Retirement Survey to include oversampling in areas with very high proportions and numbers of older Americans as described in the House Report.

The conferees encourage the NIA to support research to determine the prevalence of Alzheimer's disease in special rural populations, such as in Appalachia. Such studies can determine the simplest diagnostic screening protocol for use in minority or underserved populations.

NATIONAL INSTITUTE OF ARTHRITIS AND MUSCULOSKELETAL AND SKIN DISEASES

Amendment No. 47: Appropriates $198,442,000 instead of $191,397,000 as proposed by the House and $198,746,000 as proposed by the Senate.

NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS

Amendment No. 48: Appropriates $138,497,000 instead of $125,623,000 as proposed by the House and $148,247,000 as proposed by the Senate.

The conferees encourage the Institute to support neurobiology research as part of the NIH celebration of the Decade of the Brain, particularly as it relates to the neurophysiology of speech impairments.

NATIONAL CENTER FOR RESEARCH RESOURCES

Amendment No. 49: Appropriates $343,796,000 insetead of $353,469,000 as proposed by the House and $331,629,000 as proposed by the Senate.

NATIONAL CENTER FOR NURSING RESEARCH

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$40,768,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

NATIONAL CENTER FOR HUMAN GENOME RESEARCH

Amendment No. 51: Appropriates $89,731,000 instead of $66,131,000 as proposed by the House and $108,264,000 as proposed by the Senate.

JOHN E. FOGARTY INTERNATIONAL CENTER

Amendment No. 52: Appropriates $18,059,000 instead of $18,682,000 as proposed by the House and $17,436,000 as proposed by the Senate.

NATIONAL LIBRARY OF MEDICINE

Amendment No. 53: Appropriates $94,416,000 instead of $80,725,000 as proposed by the House and $94,916,000 as proposed by the Senate.

The managers remain concerned that certain protential provisions of the Paperwork Reduction Act may preclude the National Library of Medicine from continuing its cost recovery and quality assurance efforts for its data bases. Should changes in the law result in a loss of revenues requiring additional appropriations, strong consideration will be given to legislative action to restore current policies.

OFFICE OF THE DIRECTOR

Amendment No. 54: Appropriates $100,575,000 instead of $106,175,000 as proposed by the House and $77,975,000 as proposed by the Senate. The conferees are agreed that $20,000,000 of this amount shall be available as a Director's reserve for high priority needs of the NIH. This is in addition to funds potentially available under the 1 percent transfer authority approved in amendments numbered 56 and 57.

The conferees urge the Director of NIH, through the National Center for Research Resources, to expand support for Supercomputing in the extramural research program.

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides $15,000,000 for extramural construction grants if awarded competitively. The Senate amendment also provides extended availability for funds allocated to the AID Research Loan Repayment Program. The House bill includes no similar provision.

Amendment No. 56: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which establishes transfer authority for the Director to reallocate up to 1 percent of each NIH appropriation to high priority needs of other Institutes or Centers. The House bill includes no similar provision.

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which limits the transfer authority permitted by amendment numbered 56 to not more than 1 percent from any single appropriation. The House bill includes no similar provision.

Amendment No. 58: Appropriates $172,853,000 for buildings and facilities activities at the National Institutes of Health instead of $239,903,000 as proposed by the House and $68,803,000 as proposed by the Senate. The conferees are agreed that this amount includes $35,000,000 to complete the Child Health/Neuroscience (Building 49) and $60,000,000 for the next phase of the Consolidated Office Building project.

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH ADMINISTRATION

ALCOHOL, DRUG ABUSE AND MENTAL HEALTH

Amendment No. 59: Appropriates $2,966,898,000 instead of $2,825,891,000 as proposed by the House and $3,000,283,000 as proposed by the Senate.

The conferees have provided $15,000,000 for rural and Native American mental health research.

While the conferees encourage the National Institute of Mental Health to fund clinical training activities that include a payback requirement, the conferees do not intend that funding be limited only to activities with payback. The conferees intend, however, that the funds for clinical training be distributed on an equitable basis across the five core mental health professions.

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert: *and of which $5,000,000 shall be available for grants on a competitive basis for the construction, renovation, operation and maintenance of research facilities*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have provided $5,000,000 for extramural facilities to support substance abuse research as proposed by the Senate but modified to require that these grants be awarded competitively.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a legal citation.

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and

concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$69,540,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees provide $10,000,000 for the National Vaccine Program. The conferees believe an important priority of the National Vaccine Program should be the development, testing, and approval of a new acellular pertussis vaccine. The funds provided will allow the National Vaccine Program to continue the comparative clinical trial of a number of candidate pertussis vaccines under the leadership of the National Institute of Allergy and Infectious Diseases. Funds made available to the National Vaccine Program will also support separate clinical trials for acellular pertussis vaccines that are ready for trial and for which clinical trial sites have been chosen.

The conferees understand that additional funds have been provided to NIAID for work on a comprehensive children's vaccine. The conferees intend that all vaccine research, including all pertussis-related research, be coordinated through the National Vaccine Program and NIAID so that Federal vaccine research and development efforts are not duplicated.

The Disadvantaged Minority Health Improvement Act contains a provision that sets aside $3 million for bilingual health care services grants when the appropriation for the Office of Minority Health exceeds $15 million. Although the appropriation will not reach this level in FY 1991, the conferees recognize the importance of bilingual services and encourages OMH to initiate this program to the extent possible with the funds provided by this Act.

The conferees are in agreement that the Department of Health and Human Services must increase resources to minority health and training. Accordingly, the NIH, HRSA and ADAMHA are directed to develop plans that would substantially increase funding and resources in these areas over the next four years. Such plans should ensure that resources are especially targeted to minority undergraduate institutions, and institutions whose key thrust is the training of minorities that are underrepresented in the medical and other health professions. The agencies are directed to report to the appropriations committees within six months from the date of enactment of this legislation and semi-annually thereafter.

AGENCY FOR HEALTH CARE AND POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

Amendment No. 631: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$98,887,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 64: Places a limitation of $13,776,000 on amounts available pursuant to section 926(b) of the Public Health Service Act as proposed by the House instead of $40,776,000 as proposed by the Senate.

HEALTH CARE FINANCING ADMINISTRATION

GRANTS TO STATES FOR MEDICAID

Amendment No. 65: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$36,966,394,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amended of the Senate.

Amendment No. 66: Appropriates $13,500,000,000 for advance funding for the first quarter of fiscal year 1992 as proposed by the Senate instead of $12,400,000,000 as proposed by the House.

PAYMENTS TO HEALTH CARE TRUST FUNDS

Amendment No. 67: Appropriates $35,335,000,000 as proposed by the Senate instead of $37,056,000,000 as proposed by the House.

PROGRAM MANAGEMENT

Amendment No. 68: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$105,466,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 69: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$2,029,138,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 70: Deletes language proposed by the Senate which would have established a system of user fees for Medicare and Medicaid survey and certification activities.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$14,031,394,000*

The managers on the part of the Senate will concur in the amendment of the House of the amendment of the Senate.

The conferees have deleted $1,000,000 for an outreach and education program on Medicare Supplemental policies. The conferees understand that a comprehensive Medigap consumer education project will be authorized in the budget reconciliation legislation and funded out of the Social Security Trust Funds.

LIMITATION ON ADMINISTRATIVE EXPENSES

Amendment No. 72: Provides for a limitation on trust funds of $4,316,974,000 as proposed by the Senate instead of $4,166,974,000 as proposed by the House.

Amendment No. 73: Provides a contingency reserve of $150,000,000 instead of $50,000,000 as proposed by the House and $200,000,000 as proposed by the Senate.

As in previous years, the conference agreement includes a contingency reserve for workloads not anticipated in the budget estimates.

FAMILY SUPPORT ADMINISTRATION

FAMILY SUPPORT PAYMENTS TO STATES

Amendment No. 74: Appropriates $10,172,346,000 as proposed by the Senate instead of $9,657,246,000 as proposed by the House.

PAYMENTS TO STATES FOR AFDC WORK PROGRAMS

Amendment No. 75: Appropriates $1,000,000,000 as proposed by the House instead of $1,006,500,000 as proposed by the Senate and deletes language proposed by the Senate which provided $6,500,000 for job creation demonstration projects authorized under section 505 of the Family Support Act. The conferees have provided $4,500,000 for these demonstrations in the Program Administration account under amendment numbered 81.

LOW INCOME HOME ENERGY ASSISTANCE

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $1,450,000,000 for the program.

The conferees are agreed that the recent volatility of energy prices poses economic hardship for low income families.

ENERGY EMERGENCY CONTINGENCY FUND

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

ENERGY EMERGENCY CONTINGENCY FUND

For the purpose of establishing an "Energy Emergency Contingency Fund," in the United States Treasury to be available for grants to the fifty States, the District of Columbia, and Indian tribes and tribal organizations receiving direct funding in fiscal year 1991 under the Low-Income Energy Assistance Act of 1981, $200,000,000 which shall be available for obligation after January 15, 1991: Provided, That the national average retail price of home heating oil in any of the months December 1990, January 1991, or February 1991, as reported for Petroleum Marketing Monthly by the Energy Information Administration or the best available data from the Department of Energy on the last day of the month following such month, exceeds by 20 per centum or more the average of the national average retail price for home heating oil for the corresponding month as reported by the Department of Energy for 1986, 1987, 1988, and 1989: Provided further, That these funds shall be allotted to the fifty States and the District of Columbia in proportion to the consumption by low-income households in such jurisdiction (determined on the basis of the best data available at the time of allotment) of home heating oil: Provided further, That for allotment purposes only, home heating oil includes liquified petroleum gas and kerosene: Provided further, That Indian tribes and tribal organizations shall receive the same per centum of the allotment of the State or States in which they are located as they receive from that State's (or those States') allotment for fiscal year 1991 under section 2604 of the Low-Income Home Energy Assistance Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

REFUGEE AND ENTRANT ASSISTANCE

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), $420,770,000, of which $240,000,000 shall be available for State cash and medical assistance.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement for targeted assistance includes the same funding level as provided in fiscal year 1990 to continue the current program of support to communities affected as a result of the massive influx of Cuban and Haitian entrants during the Mariel boatlift. The conference agreement also provides that 10 percent of the total amount appropriated for targeted assistance be used for grants to localities most heavily impacted by the influx of refugees such as Laotian Hmong, Cambodians, and Soviet Pentecostals, including secondary migrants who entered the United States after October 1, 1979. The conferees expect these grants to be awarded to communities not presently receiving targeted assistance because of previous concentration requirements and other factors in the grant formulas, as well as those who do currently receive targeted assistance grants. This agreement is consistent with the policy established in Public Law 101-166, the fiscal year 1990 Appropriations Act, and Public Law 101-302, the fiscal year 1990 Supplemental Appropriations Act.

The conferees intend that the State of California, which has 49 percent of the nation's refugees and is the most impacted state in the nation, shall be held harmless in the formula allocation of targeted assistance funds as a result of any reductions to the total amount appropriated for the targeted assistance program. California's total share of funding under the formula allocation in fiscal year 1991 should be no less than the percentage share of California's allotment under fiscal year 1990 appropriations, excluding funds appropriated by Public Law 101-302, the fiscal year 1990 Supplemental Appropriations Act. In determining the hold harmless allocation to California, the total amount appropriated for targeted assistance will be used.

The conferees are agreed that not more than 15 percent of funding appropriated for social services may be used for discretionary grants.

INTERIM ASSISTANCE TO STATES FOR LEGALIZATION

Amendments No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

INTERIM ASSISTANCE TO STATES FOR LEGALIZATION

Section 204(a)(1)(B) of the Immigration Reform and Control Act of 1986 is amended—

(1) by striking the period at the end thereof and inserting in its place the following:", and funds appropriated for fiscal year 1991 under this section are reduced by $566,854,000.".

Section 204(a)(1)(C) of the Immigration Reform and Control Act of 1986 is amended—

(1) by striking "$1,000,000,000" and inserting in its place "$2,000,000,000"; and

(2) by inserting "for each of fiscal years 1990 and 1991" after "paragraph (2)"; and

(3) by striking the period at the end thereof and inserting in its place the following: "and fiscal year 1991.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to shift appropriations from fiscal year 1991 to 1992 in order to more closely reflect projected outlay patterns. The conferees believe that the remaining appropriation for fiscal year 1991, when combined with the unspent appropriations from fiscal years 1988, 1989 and 1990, will be sufficient to meet the needs of State and local governments and legalized aliens in fiscal year 1991. The funds appropriated for fiscal year 1992 are made available under the same terms and conditions as they would have been in 1991. The conferees have deleted language proposed by the Senate which would have amended the authorization.

The conferees direct the Secretary to allow states to use State Legalization Impact Assistance Grant (SLIAG) funds to reimburse state or local costs of medical assistance provided to eligible legalized aliens which are not otherwise reimbursed or paid by the Federal government, the alien, or other private sources, consistent with the intent of the Immigration Refrom and Control Act of 1986. The conferees understand that the Department currently requires states to deduct any amount owed by legalized aliens to public hospitals in determining the amount of medical costs that can be reimbursed by SLIAG funds even if the amount is never paid by the aliens. The conferees direct that only the portion of costs actually paid by the aliens be deducted in computing the amount of costs that can be reimbursed by SLIAG funds. The conferees further direct that the Secretary implement this policy as soon as possible to expedite the reimbursement of state and local costs of medical care provided to legalized aliens. The conferees agree that this directive should only be followed if authorized by law.

COMMUNITY SERVICES BLOCK GRANT

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the first sum proposed in said amendment, insert: *$438,300,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

PROGRAM ADMINISTRATION

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$86,450,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $2,000,000 for child access demonstration projects and $4,500,000 for job creation demonstration projects authorized under section 505 of the Family Support Act of 1988. The job creation demonstration projects are administered by the Office of Community Services. The conferees note that the fiscal year 1990 funding for this demonstration did not provide for any grants to Community Development Corporations. The conferees expect FSA to make a special effort to ensure that these organizations participate in this program in fiscal year 1991.

ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES

HUMAN DEVELOPMENT SERVICES

Amendment No. 82: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts legal citations.

Amendment No. 83: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$3,519,699,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $3,000,000 for the elder abuse prevention program and $2,500,000 for the long-term care ombudsman program. The conferees intend that these funds be used to supplement and not replace existing support for these programs. It is the expectation of the conferees that the States be given discretion in the allocation of the elder abuse funds so as to provide for the most effective elder abuse prevention efforts. It is further the conferees' expectation that portions of the elder abuse funds will be made available to State long-term care ombudsman programs to address complaints of abuse in long-term care facilities, including board and care homes.

The conferees have included $2,500,000 in the Head Start research, demonstration, and evaluation function to initiate a 3-year project to demonstrate the effectiveness of training Head Start teachers through interactive education via satellite technology. The project shall be managed by a public television station with substantial experience in early childhood education teacher training and staff development programming, in partnership with other public television stations and the early childhood educational professional community. To the greatest extent possible, equipment and facilities provided previously by Federal funds shall be utilized.

In the Administration for Native Americans, the conferees have included $1,000,000 to fund the planning proposal for the establishment of a national center for Native American studies and policy development, as authorized by P.L. 101-301, and $1,000,000 to provide assistance to groups that are severely impacted by natural or man-made disasters, such as large oil spills.

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

For carrying out the Child Care and Development Block Grant Act of 1990, $750,000,000 which shall become available for obligation on September 7, 1991: Provided, That these funds shall only become avail-

able upon enactment into law of authorizing legislation.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

Amendment No. 85: Appropriates $2,611,281,000 as proposed by the Senate instead of $2,632,192,000 as proposed by the House.

Amendment No. 86: Earmarks $520,911,000 for payment of prior years' claims as proposed by the Senate instead of $544,000,000 as proposed by the House.

Amendment No. 87: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert: *:Provided, That of the total amount provided, $27,352,000 shall be transferred to the "Human Development Services" account for part B of title IV of the Act*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

OFFICE OF THE SECRETARY

GENEAL DEPARTMENTAL MANAGEMENT

Amendment No. 88: Appropriates $81,350,000 instead of $82,250,000 as proposed by the House and $75,500,000 as proposed by the Senate.

Amendment No. 89: Makes available $31,100,000 from the Social Security trust funds instead of $31,950,000 as proposed by the House and $28,950,000 as proposed by the Senate.

The conference agreement includes both the rural transportation technical assistance program and the transportation technical assistance program related to the Americans with Disabilities Act.

POLICY RESEARCH

Amendment No. 90: Appropriates $9,167,000 as proposed by the House instead of $8,167,000 as proposed by the Senate.

Amendment No. 91: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides that certain research on poverty be conducted by the Institute for Research on Poverty.

Amendment No. 92: Deletes language proposed by the Senate.

Amendment No. 93: Deletes language proposed by the Senate which would have established a fixed five-year term for the Director of the National Institutes of Health. The conferees believe that the issue of a term appointment for the Director would be a beneficial element in recruiting for this key position and in insulating it from political influence. The conferees expect the Secretary to submit to the Congress no later than March 15, 1991 a proposal for addressing these concerns and the authorizing committees are urged to address this problem at the earliest opportunity.

TITLE III—DEPARTMENT OF EDUCATION

COMPENSATORY EDUCATION FOR THE DISADVANTAGED

Amendment No. 94: Deletes prohibition included by the House but stricken by the Senate. The conference agreement allows Compensatory Education funds to be spent for handicapped activities as authorized by P.L. 89-313. The conferees believe that the Chapter 1 State Agency Handicapped program should be transferred to the Education of the Handicapped Act. The conferees also believe that the allocation formula should be modified consistent with the findings of the recent General Accounting Office report on the program.

Amendment No. 95: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$6,378,231,000.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 96: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$6,350,158,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This amendment establishes the portion of this account which is available on a forward funded basis.

Amendment No. 97: Earmarks $5,125,500,000 for basic State grants instead of $5,121,000,000 as proposed by the House and $5,130,000,000 as proposed by the Senate. The agreement also delete the legislative reference to the Elementary and Secondary Education Act inserted by the Senate.

Amendment No. 98: Earmarks $569,500,000 for concentration grants instead of $569,000,000 as proposed by the House and $570,000,000 as proposed by the Senate

Amendment No. 99: Earmarks $301,871,000 for migrant education activities instead of $310,000,000 as proposed by the House and $293,742,000 as proposed by the Senate

Amendment No. 100: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which earmarks $152,537,000 for handicapped education activities. The House bill did not provide funding for handicapped activities under this account. (See Amendment No. 94)

Amendment No. 101: Earmarks $37,000,000 for delinquent and neglected education activities instead of $34,000,000 as proposed by the House and $40,000,000 as proposed by the Senate

Amendment No. 102: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which establishes a minimum State grant for the concentration grant program of $340,000 instead of the $250,000 provided in the basic law. This modification was contained in identical form in the Fiscal Year 1990 Appropriations Act for the Department of Education. The House bill included no similar provision.

Amendment No. 103: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate whcih provides for a minimum state grant of $375,000 for State administrative activities instead of the $325,000 provided under the basic law. This modification was contained in identical form in the Fiscal Year 1990 Appropriations Act for the Department of Education. The House bill included no similar provision.

Amendment No. 104: Restores language proposed by the House but stricken by the Senate which permits up to $100,000,000 of Chapter 1 funds to be used to initiate a new Merit Schools program if authorized prior to December 31, 1990. This actionis not intended as a statement of support for this new program. The authorization decision should be made through the normal legislative process.

Amendment No. 105: Deletes language proposed by the Senate which would have revised the formula for allocating Chapter 1 funds under the concentration grant provisions of the basic law.

The conferees are concerned with the anomalous situation that exists making several counties with large concentrations of Chapter 1 eligible children not being eligible for Chapter 1 concentration grants. The conferees urge that the authorizing committees address this matter in legislation in the next session of Congress.

IMPACT AID

Amendment No. 106: Earmarks $600,000,000 for payments under section 3(a) as proposed by the House instead of $610,000,000 as proposed by the Senate.

Amendment Nos. 107-108: Earmarks $140,000,000 for payments under section 3(b) as proposed by the House instead of $130,000,000 as proposed by the Senate.

Amendment No. 109: Modifies legislative citation as proposed by the Senate.

Amendment No. 110: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided further, That any school district that received a payment under section 5(b)(2) of the Act for fiscal year 1986, but which the Department of Education has determined to be ineligible for section 2 assistance due to a review of the original assessed value of the real property involved at the time of acquisition of the Federal property, shall be deemed eligible for payments under section 2 for fiscal year 1991 only*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate. The Senate amendment overrides the decision of the Department of Education regarding certain section 2 Federal property payments. The conferees are agreed that this provision should be in effect for fiscal year 1991 only. (See amendments numbered 169 and 191 for related amendments.)

SCHOOL IMPROVEMENT PROGRAMS

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which overrides basic law regarding the allocations of drug-free school funds among various subactivities. This action does not modify any allocation among the States. The conference agreement permits $72,000,000 to be available for national programs.

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts the legislative citations for the Follow Through and Star Schools pro-

grams. The House bill did not provide funding for these activities.

Amendment No. 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$1,621,735,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that the amount for the Fund for Innovation in Education includes $3,500,000 for the under achiever initiative as proposed by the House, and $1,000,000 for critical language training activities as proposed by the Senate.

The conference committee also urges consideration of the reading and writing project, a teacher training project, a project to evaluate the academic preparation of college athletes and a project to improve and expand the instruction of foreign language at all levels of education.

The conferees understand that a number of excellent Women's Education Equity applications in the disadvantaged category were very highly rated in 1990 but could not be funded. The conferees urge that priority for funding in 1991 be given to those projects which have already been reviewed and are pending at the Department.

The conferees have included $6,541,000 for the Native Hawaiian education programs. The conferees direct that funds be allocated as follows:

Model Curriculum Implementation Project	$535,000
Family-based Education Centers	2,860,000
Higher Education Program	1,659,000
Gifted and Talented Program	887,000
Special Education Program	600,000

Amendment No. 114: Provides that $1,195,128,000 of the amount appropriated shall be available on a forward funded basis instead of $1,148,164,000 as proposed by the House and instead of $1,242,490,000 as proposed by the Senate.

Amendment No. 115: Deletes language proposed by the House but stricken by the Senate which would have allowed $3,000,000 of the funding for dropout prevention demonstrations to be used for research.

Amendment No. 116: Earmarks $35,407,000 for Chapter 2 national programs instead of $33,900,000 as proposed by the House and $35,914,000 as proposed by the Senate.

Amendment No. 117: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *; $12,000,000 shall be for national program activities under section 2012 and $207,000,000 shall be for State grants under part A of title II of the Elementary and Secondary Education Act of 1965, as amended; $5,415,000 shall be for grants for schools and teachers under subpart 1 and $3,700,000 shall be for family-school partnerships under subpart 2 of part B of title III of Public Law 100-297*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

This agreement modifies the earmarks for State and national activities under the Eisenhower Math and Science programs and also modifies the allocation of FIRST funds. The agreement deletes other legislative provisions added by the Senate which would have modified the statutory setasides for Indian and Native Hawaiian activities under the drug-free schools program and which would have earmarked a specific amount for Follow Through. The conferees are agreed that $7,465,000 is available for Follow Through.

Amendment Nos. 118-119: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $2,000,000 for the National Writing Project as proposed by the Senate if authorized in law. The House bill included no similar provision.

BILINGUAL AND IMMIGRANT EDUCATION

Amendment No. 120: Appropriates $202,904,000 instead of $205,000,000 as proposed by the House and $196,779,000 as proposed by the Senate.

The conference agreement includes $4,000,000 for new immigrant education grants as proposed by the Senate. The House bill did not include funds for this purpose. The conference agreement further provides that the remaining increase for bilingual programs be reserved for programs of developmental bilingual education.

Amendment No. 121: Earmarks $36,957,000 for training activities instead of $42,000,000 as proposed by the House and $31,913,000 as proposed by the Senate.

Amendment No. 122: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert: *including not more than $4,000,000 for the support of not to exceed 400 fellowships under section 7043*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides for a limit of 400 fellowships instead of 300 as proposed by the Senate and 500 as provided for under the authorizing legislation.

EDUCATION FOR THE HANDICAPPED

Amendment No. 123: Deletes language making a technical change proposed by the Senate.

Amendment No. 124: Appropriates $2,528,378,000 instead of $2,747,730,000 as proposed by the House and $2,253,503,000 as proposed by the Senate.

The managers have included $750,000 for the creation of a center or centers pertaining to children with attention deficit disorders within the innovation and development account. These centers, authorized under section 641 of the Act, will help educators, researchers, and parents respond to the educational needs of students with A.D.D. It is expected that part of the amount provided will be used for activities within school districts.

Amendment No. 125: Earmarks $1,900,000,000 for State grants instead of $2,400,000,000 as proposed by the House and $1,625,125,000 as proposed by the Senate.

Amendment No. 126: Earmarks $300,000,000 for preschool grants as proposed by the Senate instead of $257,730,000 as proposed by the House.

Amendment No. 127: Earmarks $120,000,000 for grants for infants and families as proposed by the Senate instead of $90,000,000 as proposed by the House.

Amendment No. 128: Makes a technical change in language clarifying that funding for the amount is to remain available through September 30, 1992 as proposed by the Senate.

REHABILITATION SERVICES AND DISABILITY RESEARCH

Amendment No. 129: Modifies the title of the account as proposed by the Senate.

Amendment No. 130: Appropriates $1,896,499,000 instead of $1,851,911,000 as proposed by the House and $1,903,862,000 as proposed by the Senate.

Amendment No. 131: Earmarks $18,822,000 for special demonstration programs instead of $17,455,000 as proposed by the House and $20,188,000 as proposed by the Senate.

Amendment No. 132: Deletes language proposed by the Senate earmarking $1,000,000 for support of projects to serve low-functioning deaf adults. The conferees direct that, of the $18,822,000 for Special Demonstration Grants, $1,000,000 be used to support projects to serve low-functioning deaf adults.

Amendment No. 133: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate delaying for one year the new competition for centers for independent living. The House bill included no similar provision.

SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES

Amendment No. 134: Changes heading as proposed by the Senate.

AMERICAN PRINTING HOUSE FOR THE BLIND

Amendment No. 135: Appropriates $6,288,000 instead of $6,076,000 as proposed by the House and $6,500,000 as proposed by the Senate.

NATIONAL TECHNICAL INSTITUTE FOR THE DEAF

Amendment No. 136: Appropriates $38,131,000 instead of $37,531,000 as proposed by the House and $38,495,000 as proposed by the Senate.

Amendment No. 137: Earmarks $336,000 for the endowment account as proposed by the House instead of $500,000 as proposed by the Senate.

VOCATIONAL AND ADULT EDUCATION

Amendment No. 138: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, the Stewart B. McKinney Homeless Assistance Act, and the Omnibus Trade and Competitiveness Act of 1988, $1,276,293,000 which shall become available for obligation on July 1, 1991, and shall remain available through September 30, 1992: Provided, That of the amounts made available under the Carl D. Perkins Vocational and Applied Technology Education Act $25,290,000 shall be for national programs under title IV, including $7,000,000 for research, $13,290,000 for demonstrations and $5,000,000 for data collection and $2,500,000 shall be for tribally controlled postsecondary vocational institutions under title III, part H: Provided further, That of the amounts made available under the Adult Education Act, $1,000,000 shall be available only for demonstration programs under section 372(d), $3,000,000 shall be for national programs under section 383, and $5,000,000 shall be for literacy clearinghouse activities under section 384: Provided further, That $2,000,000 of the

total appropriated herein shall be for commercial driver literacy if authorized in law.

The managers on the part of the Senate will move to concur in the amendment of the Senate.

The conferees are agreed that of the amounts agreed to $2,500,000 shall be for awards to tribally controlled postsecondary vocational institutions as authorized under title III, part H.

The conferees are agreed that these funds should be allocated among the institutions in proportion to the allocation system in the Senate report.

The conferees are concerned over the illiteracy problem pervading our Nation's adult and juvenile correctional facilities. Through corrections education programs, States are endeavoring to provide these individuals with the basic skills they need to function in society while at the same time instill positive attitudes about personal responsibility. Therefore, the conference agreement has included $2,000,000 for the development and expansion of corrections education programs that could serve as national models for addressing this critical need. The conferees urge that preference in selecting these models be given to programs that are ongoing and that will be continued after Federal support ends. The agreement also includes $2,000,000 for literacy projects in State correctional institutions, and $988,000 for technology education demonstrations. The conferees have further agreed that the cost of regional meetings and negotiated rulemaking, currently estimated at $90,000 should be funded from funds available under the Program Administration account.

The conferees have not provided funds for the new assessment of vocational education in fiscal year 1991. Because of the high cost and questionable value of the last assessment, the conferees believe that this assessment should not be initiated without a further review by the Congress of its cost and design.

STUDENT FINANCIAL ASSISTANCE

Amendment No. 139: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$6,879,475,000, which shall remain available until September 30, 1992, and*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides an appropriation of $6,879,475,000 for student assistance instead of $6,777,000,000 as proposed by the House and $6,873,950,000 as proposed by the Senate. The agreement also includes language added by the Senate which provides that these funds remain available until September 30, 1992.

The conferees are aware that the Secretary of Education published on October 1, 1990 a proposed rule governing the conversion of credit hours to clock hours in determining student credits for academic work performed in postsecondary institutions. Although the Department views the proposed rule as minor in nature, the potential impact of the changes mandated for public vocational-technical schools and proprietary institutions of higher education could be considerable. The conferees strongly urge the Secretary to extend the thirty-day comment period until November 30, 1990 to permit the higher education community time to review and react to this important change in regulations. A sixty day comment period would be more in keeping with the normal comment time given on changes in proposed rules.

The managers ask that the Department and post-secondary community work together to propose ideas that would reward schools for going beyond the letter and spirit of the law by responding to the educational needs of their students via highly accountable academic and student aid programs.

Amendment No. 140: Establishes a maximum Pell grant of $2,400 as proposed by the Senate instead of $2,300 as proposed by the House.

Amendment No. 141: Modifies legislative citation as proposed by the Senate.

Amendment No. 142: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which eliminates eligibility for Pell grants for students attending on a less than half-time basis. Similar language was in effect for fiscal year 1990. The House bill included no similar provision.

Amendment No. 143: Deletes without prejudice language proposed by the Senate related to pro-rata refunds for certain student aid recipients. The conferees are fully supportive of this policy but understand that it has already been implemented by the Department of Education. The House Bill included no similar provision.

Amendment No. 144: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which requires a high school diploma or its equivalent or a passing grade on an "ability to benefit" exam as a condition of eligibility for Federal student aid programs. The House bill included no similar provision. The agreement specifies that the ability-to-benefit test must be administered by an independent testing authority selected by the Secretary.

GUARANTEED STUDENT LOANS

(LIQUIDATION OF CONTRACT AUTHORITY)

Amendment No. 145: Provides $5,381,422,000 for liquidation of contract authority under the Guaranteed Student Loan program as proposed by the Senate instead of $3,900,000,000 as proposed by the House. The conference agreement funds this entitlement account at the revised level recommended in the President's Mid-Session Review.

HIGHER EDUCATION

Amendment No. 146: Restores the legislative citation for funding for the John McCormack Institute included by the House but stricken by the Senate and includes the legislative citations for grants to the Margaret Chase Smith Center, the Warren Magnuson Institute and the Taft Institute as proposed by the Senate. The agreement does not include fundings for grants under Public Law 101-300 as proposed by the Senate.

Amendment No. 147: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$781,470,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $15,000,000 for the Fund for the Improvement of Postsecondary Education (FIPSE). Within this amount, the conferees have provided $1,000,000 for the purpose of developing a minority teacher training program to increase the number of Hispanics, Blacks and other minorities in the training profession as described in the House Report. The conferees have provided the funds under the Fund for the Improvement of Postsecondary Education, but direct the Department to administer this program out of Higher Education Program Services, Institutional Development Division, Special Needs Branch.

Amendment No. 148: Earmarks $17,893,000 for special endowment grants as proposed by the Senate instead of up to $27,500,000 as proposed by the House.

Amendment No. 149: Inserts legislative citation and earmark of $300,000 as proposed by the Senate for a special grant as authorized by section 777 of the Higher Education Act. The House bill included no similar provision.

Amendment No. 150: Earmarks funds for the Margaret Chase Smith Center ($1,000,000), the Warren Magnuson Institute ($3,000,000), and the Center for Clinical Law ($5,500,000) as proposed by the Senate but does not provide for grants under Public Law 101-300 as proposed by the Senate. The House bill included no similar provisions.

Amendment No. 151: restores earmark of $3,000,000 for the John McCormack Institute included by the House but stricken by the Senate.

Amendment No. 153: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided, That of the amounts provided herein, $700,000 shall be available for subpart 1 of part H of title XIII of the Education Amendments of 1980*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides an appropriation of $700,000 for the Taft Institute instead of $750,000 as proposed by the Senate. The House bill included no similar provision.

Amendment No. 153: Earmarks $9,500,000 for the Robert C. Byrd scholarship program as proposed by the Senate instead of $8,627,000 as proposed by the House.

Amendment No. 154: Deletes legislative citation and earmark of $5,000,000 for grants to carry out title III of H.R. 2666 proposed by the Senate. The House bill included no similar provision. The conferees have deleted these funds without prejudice pending completion of the authorization process.

Amendment No. 155: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert: *: Provided further, That of the amounts provided herein, $1,000,000 shall be available to carry out a national science scholars program, if authorized in law*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement retains legislative citations and earmark $1,000,000 for carrying out a new national scholars program as proposed by the Senate. The House

bill included no similar provision. These funds are only available if an authorization is enacted into law.

Amendment No. 156: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides $4,000,000 for a single academic facility construction award to be awarded competitively under the Higher Education Act. The House bill included no similar provision.

HOWARD UNIVERSITY

Amendment No. 157: Appropriates $200,036,000 as proposed by the House instead of $195,536,000 as proposed by the Senate.

Amendment No. 158: Earmarks $3,000,000 for the endowment grant program as proposed by the House instead of $4,500,000 as proposed by the Senate.

Amendment No. 159: Earmarks $6,000,000 for the construction program as proposed by the House. The Senate bill included no funds for this purpose.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS

Amendment No. 160: Provides authority to make $30,000,000 of new loans as proposed by the House instead of $5,000,000 as proposed by the Senate.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

Amendment No. 161: Deletes legislative citation proposed by the Senate.

Amendment No. 162: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$133,404,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $62,000,000 for education research. The conferees are agreed that the amount for research activities includes $8,900,000 for the rural initiative as proposed in the House and Senate reports, that laboratory funding should be based on minimum grant levels and allocation methodologies as proposed in the Senate report, and that sufficient funds are included to fund all 18 new centers as proposed in the President's budget. It is understood that the Department will allocate all laboratory funds by December 1, 1990. It is further agreed that the increase for research over the House allowance should be equally divided between the laboratories and the centers.

In allocating the funds provided for the summit follow-up activity, the conferees expect the department to expend a significant portion of the funds for research and dissemination activities directed to the States for school improvement and reform consistent with the language under the heading "State-wide reforms" included in the House Report.

The conferees reiterate the intent expressed in the Senate Report that NCES should expand the adult literacy survey to include adults over the age of 64, and expects NCES to absorb this cost, which is estimated to be no more than $150,000 in fiscal year 1991, within the increase provided.

Amendment Nos. 163-164: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert the following: *: Provided, That of the amounts appropriated herein, $1,000,000 shall be available, to remain available until expended, for payment of the expenses incurred by the School Year Extension Study Commission if such a Commission is authorized by law and $2,000,000 shall be available, if authorized in law, if necessary, to remain available until expended, for expenses to be incurred in the operation of an independent National Council on Educational Goals, or any similar panel, council, commission, or other entity whose function shall include monitoring progress towards achieving the national education goals for 2000, or publishing a report that describes such progress, if—*

(A) such entity has a majority of voting members who are neither Federally appointed or elected officials nor State elected officials but who are citizens distinguished by training or experience in analyzing educational data or widely recognized experience in, knowledge of, and commitment to education and educational excellence:

(B) such entity has members appointed by the leadership of the Natioal Governors' Association, the President, and the leadership of both Houses of Congress; and

(C) all action of such entity is taken by a simple majority of the members attending a duly called and constituted meeting.

In addition to these amounts, $5,000,000 shall be available for teaching standards activities, if authorized, which shall be awarded to the National Board for Professional Teaching Standards if such a grant is specifically authorized in law

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement modifies Senate language to provide an additional appropriation of $5,000,000 for the National Board for Professional Teaching Standards. These funds are provided contingent on the enactment of legislation authorizing this appropriation to the Board. These funds are to remain available for this purpose through the entire fiscal year and may not be used for any other purpose unless a transfer of these funds is approved in writing by the House and Senate Appropriations Committees through the normal reprogramming process. The House bill included no similar provision.

The conference agreement also earmarks $1,000,000 of the basic educational reasearch account to fund a new School Year Extension Study Commission if authorized in law and $2,000,000 for a National Council on Educational Goals if authorized in law should a separate authorization be necessary. The House and Senate bills included no similar provisions.

The conferees have provided funds for an independent National Council on Educational Goals, or similar entity, to monitor the nation's progress in achieving the goals established by the Charlottesville educational summit, if such an entity is established. The primary concerns of the conferees are that any such entity be dominated by citizens who have demonstrated expertise or commitment to education excellence and that Congress have a role at least in selecting its members. The language of the bill accomplishes this end by broadening the range of participants while insuring a truly objective appraisal of the nation's progress toward achieving its educational goals.

LIBRARIES

Amendment No. 165: Appropriates $146,428,000 as proposed by the Senate instead of $140,800,000 as proposed by the House.

The conferees have not provided funding for family literacy centers, a newly authorized title VIII program under the Library Services and Construction Act. However, the Committees would entertain a reprogramming request from the Department of Education of up to $3,000,000 to fund this program. This would allow the Department to award grants on a competitive basis to establish literacy centers in local public libraries.

Amendment No. 166: Earmarks $19,693,000 for construction activities as proposed by the Senate instead of $18,900,000 as proposed by the House.

DEPARTMENTAL MANAGEMENT

PROGRAM ADMINISTRATION

Amendment No. 167: Deletes without prejudice legislative earmark of $125,000 proposed by the Senate for a new Office of Corrections Education. The House bill included no similar provision. The conferees direct that of the funds provided for program administration, $125,000 and three full-time equivalent positions be used for start-up costs for the Office of Corrections Education. These funds are to be exclusively for this purpose. The funding provided is sufficient for six months of operations.

OFFICE FOR CIVIL RIGHTS

Amendment No. 168: Appropriates $50,400,000 instead of $49,900,000 as proposed by the House and $50,900,000 as proposed by the Senate.

GENERAL PROVISION

Amendment No. 169: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a general provision proposed by the Senate which changes the Impact Aid statutes to waive matching requirements for certain construction grants. The House bill included no similar provision.

TITLE IV—RELATED AGENCIES

ACTION

OPERATING EXPENSES

Amendment No. 170: Appropriates $196,015,000 instead of $191,659,000 as proposed by the House and $200,136,000 as proposed by the Senate.

Amendment No. 171: Earmarks $31,035,000 for the VISTA program instead of $30,500,000 as proposed by the House and $31,569,000 as proposed by the Senate.

Amendment No. 172: Restores language proposed by the House and stricken by the Senate which earmarks $2,245,000 for the Action Drug Alliance Program.

CORPORATION FOR PUBLIC BROADCASTING

Amendment No. 173: Appropriates $326,505,000 instead of $306,505,000 as proposed by the House and $341,940,000 as proposed by the Senate.

Amendment No. 174: Earmarks $66,940,000 for the Public Broadcasting Satellite Interconnection Fund as proposed by the Senate instead of $46,940,000 as proposed by the House.

JOINT STUDY COMMISSION ON POSTSECONDARY INSTITUTIONAL RECOGNITION

Amendment No. 175: Deletes new appropriation of $1,000,000 proposed by the Senate for the Joint Study Commission on

Postsecondary Institutional Recognition authorized under section 1206 of the Higher Education Act. The House bill included no similar provision.

NATIONAL COMMISSION ON CHILDREN

Amendment No. 176: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $1,100,000. The House did not provide funding for this Commission.

NATIONAL COUNCIL ON DISABILITY

Amendment No. 177: Appropriates $1,475,000 instead of $1,200,000 as proposed by the House and $1,750,000 as proposed by the Senate.

NATIONAL LABOR RELATIONS BOARD

Amendment No. 178: Appropriates $151,103,000 as proposed by the House instead of $140,111,000 as proposed by the Senate.

PROSPECTIVE PAYMENT ASSESSMENT COMMISSION

SALARIES AND EXPENSES

Amendment No. 179: Provides for a limitation on trust funds of $3,971,000 instead of $4,073,000 as proposed by the House and $3,869,000 as proposed by the Senate.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

Amendment No. 180: Appropriates $335,000,000 as proposed by the Senate instead of $328,000,000 as proposed by the House.

Amendment No. 181: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes language proposed by the House and inserts language proposed by the Senate providing that the appropriation shall be immediately credited to this account and that the principal and interest shall be available for payments through September 30, 1991.

FEDERAL PAYMENTS TO THE RAILROAD RETIREMENT ACCOUNTS

Amendment No. 182: Appropriates $400,000 as proposed by the Senate instead of $100,000 as proposed by the House.

LIMITATION ON ADMINISTRATION

Amendment No. 183: Makes available $71,663,000 instead of $73,125,000 as proposed by the House and $70,200,000 as proposed by the Senate. This level of funding will support approximately 1,368 FTSs.

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

Amendment No. 184: Provides that not less than $15,665,000 shall be apportioned for fiscal year 1991 instead of $15,909,000 as proposed by the House and $15,420,000 as proposed by the Senate. This level of funding will support approximately 312 FTEs.

LIMITATION ON THE OFFICE OF INSPECTOR GENERAL

Amendment No. 185: Makes available $6,000,000 as proposed by the House instead of $7,698,000 as proposed by the Senate.

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

CAPITAL OUTLAY

Amendment No. 186: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which appropriates $41,583,000 for operation and maintenance and $11,500,000 for capital needs of the Home. The House deferred consideration of the Home due to pending reauthorization.

UNITED STATES INSTITUTE OF PEACE

OPERATING EXPENSES

Amendment No. 187: Appropriates $8,600,000 instead of $8,000,000 as proposed by the House and $9,200,000 as proposed by the Senate.

WHITE HOUSE CONFERENCE ON LIBRARY AND INFORMATION SERVICES

Amendment No. 188: Appropriates $500,000 instead of $1,000,000 as proposed by the Senate. The House bill contained no similar provision.

TITLE V—GENERAL PROVISIONS

Amendment No. 189: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 514. (a) Notwithstanding any other provision of this Act, funds appropriated for salaries and expenses of the Department of Labor are hereby reduced by $9,000,000; salaries and expenses of the Department of Education are hereby reduced by $5,000,000; and salaries and expenses of the Department of Health and Human Services are hereby reduced by $50,000,000: Provided, That no trust fund limitation shall be reduced with the exception of the Social Security Administration, Limitation on Administrative Expenses, which is hereby reduced by $57,000,000.

(b) Notwithstanding any other provision of this Act, funds appropriated or otherwise made available which are not mandated by law for programs, projects or activities funded by this Act shall be reduced by 2.41 per centum.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 190: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 515. For purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, transfers, if any, in the following accounts are a necessary (but secondary) result of significant policy changes: State Unemployment Insurance and Employment Service Operations; Low Income Home Energy Assistance; Interim Assistance to States for Legalization; and Human Development Services.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

Amendment No. 191: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a new general provision waiving certain requirements under the Impact Aid statutes related to temporary enrollment declines for super "a" students. The House bill included no similar provision.

Definition of Program, Project and Activity

During fiscal year 1991, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended, the following information provides the definition of the term "program, project, and activity" for departments and agencies under the jurisdiction of the Labor, Health and Human Services, and Education, and related Agencies Subcommittee. The term "program, project, and activity" shall include the most specific level of budget items identified in the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 1991, the accompanying House and Senate Committee reports, the conference report and accompanying joint explanatory statement of the managers of the committee of conference.

Conference Agreement

The following table displays the amounts agreed to for each program, project or activity with appropriate comparisons.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
SUMMARY									
Title I - Department of Labor:									
Federal Funds	6,599,016,000	7,218,325,000	7,648,593,000	7,582,271,000	7,646,083,000	7,505,314,000	-143,279,000	-76,957,000	
Current year	(6,597,516,000)	(7,218,325,000)	(7,648,593,000)	(7,582,271,000)	(7,646,083,000)	(7,505,314,000)	(-143,279,000)	(-76,957,000)	
1992 advance	(1,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(11,343,000)	(11,500,000)	DEFER	(11,500,000)	(11,500,000)	(11,223,000)	(+11,223,000)	(-277,000)	
Total	(6,610,359,000)	(7,229,825,000)	(7,648,593,000)	(7,593,771,000)	(7,657,583,000)	(7,516,537,000)	(-132,056,000)	(-77,234,000)	
Trust Funds	(2,941,886,000)	(3,107,139,000)	(3,156,566,000)	(3,171,212,000)	(3,249,962,000)	(3,171,639,000)	(+15,073,000)	(+427,000)	
1991 advance	(12,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	
Title II - Department of Health and Human Services:									
Federal Funds (all years)	122,503,081,000	136,175,978,000	135,916,008,000	139,760,731,000	140,352,392,000	139,925,555,000	+4,009,547,000	+164,824,000	
Current year	(105,156,593,000)	(117,278,222,000)	(116,463,008,000)	(118,628,697,000)	(119,220,358,000)	(118,807,476,000)	(+2,344,468,000)	(+178,779,000)	
1992 advance	(17,346,488,000)	(18,897,756,000)	(19,453,000,000)	(21,132,034,000)	(21,132,034,000)	(21,118,079,000)	(+1,665,079,000)	(-13,955,000)	
Activities not considered by House	(4,717,810,000)	(4,338,915,000)	DEFER	(7,187,266,000)	(6,389,381,000)	(6,235,400,000)	(+6,225,400,000)	(-951,866,000)	
Total	(127,220,891,000)	(140,514,893,000)	(135,926,008,000)	(146,947,997,000)	(146,741,773,000)	(146,160,955,000)	(+10,234,947,000)	(-787,042,000)	
Trust Funds	(5,767,111,000)	(6,088,805,000)	(6,279,322,000)	(6,244,572,000)	(6,373,972,000)	(6,218,987,000)	(-60,335,000)	(-25,585,000)	
Title III - Department of Education:									
Federal Funds	23,600,814,000	24,931,794,000	26,082,051,000	26,459,139,000	26,699,326,000	26,206,977,000	+124,926,000	-252,162,000	
Activities not considered by House	(1,123,406,000)	(1,111,540,000)	DEFER	(1,218,008,000)	(1,249,422,000)	(1,219,315,000)	(+1,2 315,000)	(+1,307,000)	
Total	(24,724,220,000)	(26,043,334,000)	(26,082,051,000)	(27,677,147,000)	(27,948,748,000)	(27,426,292,000)	(+1,3 241,000)	(-250,855,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Title IV - Related Agencies:									
Federal Funds (all years)	1,012,255,000	1,009,721,000	1,017,790,000	1,062,860,000	1,051,921,000	1,026,146,000	+8,356,000	-36,714,000	
Current year	(684,975,000)	(703,216,000)	(711,285,000)	(720,920,000)	(725,416,000)	(707,510,000)	(-3,775,000)	(-13,410,000)	
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(341,940,000)	(326,505,000)	(318,636,000)	(+12,131,000)	(-23,304,000)	
Activities not considered by House	(48,120,000)	(47,999,000)	DEFER	(53,083,000)	(53,083,000)	(51,804,000)	(+51,804,000)	(-1,279,000)	
Total	(1,060,375,000)	(1,057,720,000)	(1,017,790,000)	(1,115,943,000)	(1,105,004,000)	(1,077,950,000)	(+60,160,000)	(-37,993,000)	
Trust Funds	(76,113,000)	(87,842,000)	(87,069,000)	(85,638,000)	(85,505,000)	(83,444,000)	(-3,625,000)	(-2,194,000)	
Total, all titles:									
Federal Funds (all years)	153,715,166,000	169,335,818,000	170,664,442,000	174,865,001,000	175,749,722,000	174,663,992,000	+3,999,550,000	-201,009,000	
Current year	(136,039,898,000)	(150,131,557,000)	(150,904,937,000)	(153,391,027,000)	(154,291,183,000)	(153,227,277,000)	(+2,322,340,000)	(-163,750,000)	
1992 advance	(17,347,988,000)	(18,897,756,000)	(19,453,000,000)	(21,132,034,000)	(21,132,034,000)	(21,118,079,000)	(+1,665,079,000)	(-13,955,000)	
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(341,940,000)	(326,505,000)	(318,636,000)	(+12,131,000)	(-23,304,000)	
Activities not considered by House	(5,900,679,000)	(5,509,954,000)	DEFER	(8,469,857,000)	(7,703,386,000)	(7,517,742,000)	(+7,507,742,000)	(-952,115,000)	
Total	(159,615,845,000)	(174,845,772,000)	(170,674,442,000)	(183,334,858,000)	(183,453,108,000)	(182,181,734,000)	(+11,507,292,000)	(-1,153,124,000)	
Trust Funds	(8,785,110,000)	(9,283,786,000)	(9,522,957,000)	(9,501,422,000)	(9,709,439,000)	(9,474,070,000)	(-48,887,000)	(-27,352,000)	
1991 advance	(12,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
TITLE I -- DEPARTMENT OF LABOR									
EMPLOYMENT AND TRAINING ADMINISTRATION									
PROGRAM ADMINISTRATION									
Job training programs	18,540,000	19,834,000	19,834,000	19,834,000	19,834,000	19,356,000	-478,000	-478,000	D
Trust funds	(2,057,000)	(2,170,000)	(2,170,000)	(2,170,000)	(2,170,000)	(2,118,000)	(-52,000)	(-52,000)	TF
Employment security	442,000	464,000	464,000	464,000	464,000	453,000	-11,000	-11,000	D
Trust funds	(13,032,000)	(13,406,000)	(13,406,000)	(13,406,000)	(13,406,000)	(13,083,000)	(-323,000)	(-323,000)	TF
Financial and administrative management	14,056,000	14,330,000	14,880,000	14,330,000	14,330,000	13,985,000	-895,000	-345,000	D
Trust funds	(10,544,000)	(10,586,000)	(11,036,000)	(10,586,000)	(10,586,000)	(10,331,000)	(-705,000)	(-255,000)	TF
Executive direction and administration	3,806,000	4,283,000	4,283,000	4,283,000	4,283,000	4,180,000	-103,000	-103,000	D
Trust funds	(3,097,000)	(3,360,000)	(3,360,000)	(3,360,000)	(3,360,000)	(3,279,000)	(-81,000)	(-81,000)	TF
Regional operations	12,268,000	12,962,000	15,962,000	15,962,000	15,962,000	15,577,000	385,000	-385,000	D
Trust funds	(24,384,000)	(24,779,000)	(24,779,000)	(24,779,000)	(24,779,000)	(24,182,000)	(-597,000)	(-597,000)	TF
Apprenticeship services	15,517,000	14,607,000	14,607,000	16,607,000	16,607,000	16,207,000	+1,600,000	-400,000	D
Total, Program Administration	117,743,000	120,781,000	124,781,000	125,781,000	125,781,000	122,751,000	-2,030,000	-3,030,000	
Federal funds	64,629,000	66,480,000	70,030,000	71,480,000	71,480,000	69,758,000	-272,000	-1,722,000	
Trust funds	(53,114,000)	(54,301,000)	(54,751,000)	(54,301,000)	(54,301,000)	(52,993,000)	(-1,758,000)	(-1,308,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
TRAINING AND EMPLOYMENT SERVICES 1/									
Grants to States:									
Block grant	1,744,808,000	1,744,808,000	1,900,000,000	1,744,808,000	1,822,404,000	1,778,484,000	-121,516,000	+33,676,000	D
Summer youth employment and training program	699,777,000	699,777,000	699,777,000	699,777,000	699,777,000	682,912,000	-16,865,000	-16,865,000	D
Dislocated worker assistance 2/	463,603,000	400,000,000	513,603,000	550,000,000	540,000,000	526,986,000	+13,383,000	-23,014,000	D
Federally administered programs:									
Native Americans	58,193,000	57,579,000	58,193,000	64,000,000	61,097,000	59,625,000	+1,432,000	-4,375,000	D
Migrants and seasonal farmworkers	69,047,000	55,834,000	69,047,000	75,000,000	72,024,000	70,288,000	+1,241,000	-4,712,000	D
Job Corps:									
Operations	752,868,000	781,281,000	837,000,000	807,500,000	820,000,000	800,238,000	-[illegible],762,000	-7,262,000	D
Construction and renovation 3/	49,746,000	36,103,000	63,740,000	74,100,000	68,920,000	67,259,000	+3,519,000	-6,841,000	D
Subtotal, Job Corps	802,614,000	817,384,000	900,740,000	881,600,000	888,920,000	867,497,000	-33,243,000	-14,103,000	
Veterans' employment	9,345,000	8,863,000	9,345,000	9,345,000	9,345,000	9,120,000	-225,000	-225,000	D
National activities:									
Pilots and demonstrations	30,467,000	27,753,000	28,753,000	45,467,000	37,110,000	36,216,000	+7,463,000	-9,251,000	D
Research, demonstration and evaluation	15,712,000	13,246,000	13,246,000	13,246,000	13,246,000	12,927,000	-319,000	-319,000	D
Other	24,045,000	13,983,000	17,983,000	26,045,000	23,233,000	22,673,000	+4,690,000	-3,372,000	D
Subtotal, National activities	70,224,000	54,982,000	59,982,000	84,758,000	73,589,000	71,816,000	+11,834,000	-12,942,000	
Subtotal, Federal activities	1,009,423,000	994,642,000	1,097,307,000	1,114,703,000	1,104,975,000	1,078,346,000	-18,961,000	-36,357,000	
Total, Job Training Partnership Act	3,917,611,000	3,839,227,000	4,210,687,000	4,109,288,000	4,167,156,000	4,066,728,000	-143,959,000	-42,560,000	

1/ Excludes $317,141,000 in legislative additions proposed for later transmittal.

2/ The Administration proposed funding this activity in a separate account, ''Worker readjustment assistance''.

3/ Reflects budget amendment proposed by the President on 4/24/90 that would reduce the original request by $637,000.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Job training for the homeless	(11,343,000)	(11,500,000)	DEFER	(11,500,000)	(11,500,000)	(11,223,000)	(+11,223,000)	(-277,000)	D
Advance funding for FY 1991	1,500,000	---	---	---	---	---	---	---	D
Total, Training and Employment Services	3,919,111,000	3,839,227,000	4,210,687,000	4,109,288,000	4,167,156,000	4,066,728,000	-143,959,000	-42,560,000	
Current year, FY 1990	(3,917,611,000)	(3,839,227,000)	(4,210,687,000)	(4,109,288,000)	(4,167,156,000)	(4,066,728,000)	(-143,959,000)	(-42,560,000)	
Advance funding for FY 1991	(1,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(11,343,000)	(11,500,000)	DEFER	(11,500,000)	(11,500,000)	(11,223,000)	(+11,223,000)	(-277,000)	
Total	(3,930,454,000)	(3,850,727,000)	(4,210,687,000)	(4,120,788,000)	(4,178,656,000)	(4,077,951,000)	(-132,736,000)	(-42,837,000)	
COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS									
National contracts	286,270,000	267,395,000	312,000,000	312,000,000	312,000,000	304,481,000	-7,519,000	-7,519,000	D
State grants	80,743,000	75,419,000	88,000,000	88,000,000	88,000,000	85,879,000	-2,121,000	-2,121,000	D
Total	367,013,000	342,814,000	400,000,000	400,000,000	400,000,000	390,360,000	-9,640,000	-9,640,000	
FEDERAL UNEMPLOYMENT BENEFITS AND ALLOWANCES 1/									
Trade adjustment	280,024,000	230,000,000	230,000,000	269,000,000	269,000,000	269,000,000	+39,000,000	---	M
Other activities	---	500,000	500,000	500,000	500,000	500,000	---	---	M
Total	280,024,000	230,500,000	230,500,000	269,500,000	269,500,000	269,500,000	+39,000,000	---	

1/ Excludes $230,500,000 in legislative savings proposed for later transmittal.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS									
Unemployment Compensation (Trust Funds):									
State Operations 1/	(1,257,673,000)	(1,357,695,000)	(1,403,751,000)	(1,403,751,000)	(1,494,451,000)	(1,458,435,000)	(+54,684,000)	(+54,684,000)	TF
State integrity activities	(247,517,000)	(285,120,000)	(294,474,000)	(285,120,000)	(285,120,000)	(278,249,000)	(-16,225,000)	(-6,871,000)	TF
National Activities	(5,500,000)	(6,366,000)	(6,366,000)	(6,366,000)	(6,366,000)	(6,213,000)	(-153,000)	(-153,000)	TF
Contingency	(290,385,000)	(371,919,000)	(247,509,000)	(247,509,000)	(247,509,000)	(241,544,000)	(-5,965,000)	(-5,965,000)	TF
Subtotal, Unemployment Compensation(trust funds)	(1,801,075,000)	(2,021,100,000)	(1,952,100,000)	(1,942,746,000)	(2,033,446,000)	(1,984,441,000)	(+32,341,000)	(+41,695,000)	
Employment Service:									
Allotments to States:									
Federal funds	20,800,000	21,700,000	21,700,000	21,700,000	21,700,000	21,177,000	-523,000	-523,000	D
Trust funds	(758,239,000)	(700,900,000)	(803,300,000)	(803,300,000)	(803,300,000)	(783,940,000)	(-19,360,000)	(-19,360,000)	TF
Subtotal	779,039,000	722,600,000	825,000,000	825,000,000	825,000,000	805,117,000	-19,883,000	-19,883,000	
National Activities:									
Federal funds	1,200,000	1,400,000	3,900,000	1,400,000	3,900,000	3,806,000	-94,000	+2,406,000	D
Trust funds 2/	(42,799,000)	(45,000,000)	(45,000,000)	(70,000,000)	(57,500,000)	(56,114,000)	(+11,114,000)	(-13,886,000)	TF
Advance funding for FY 1991	(12,500,000)	---	---	---	---	---	---	---	TF
Targeted jobs tax credit	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	TF

1/ Senate and conference recommendation includes $18,882,0000 for automation activities, available for obligation April 1, 1991.

2/ Senate and conference recommendation for computer operations not available for obligation until Oct. 1, 1991.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCI

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Subtotal, Employment Service	835,538,000	769,000,000	873,900,000	896,400,000	886,400,000	865,037,000	-8,863,000	-31,363,000	
Federal funds	22,000,000	23,100,000	25,600,000	23,100,000	25,600,000	24,983,000	-617,000	+1,883,000	
Trust funds	(801,038,000)	(745,900,000)	(848,300,000)	(873,300,000)	(860,800,000)	(840,054,000)	(-8,246,000)	(-33,246,000)	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	
Advance funding for FY 1991	(12,500,000)	---	---	---	---	---	---	---	
Total, State Unemployment 1/	2,636,613,000	2,790,100,000	2,826,000,000	2,839,146,000	2,919,846,000	2,849,478,000	+23,478,000	+10,332,000	
Federal Funds	22,000,000	23,100,000	25,600,000	23,100,000	25,600,000	24,983,000	-617,000	+1,883,000	
Trust Funds	(2,602,113,000)	(2,767,000,000)	(2,800,400,000)	(2,816,046,000)	(2,894,246,000)	(2,824,495,000)	(+24,095,000)	(+8,449,000)	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	
Advance funding for FY 1991	(12,500,000)	---	---	---	---	---	---	---	
Total, Trust Funds	(2,639,266,000)	(2,767,000,000)	DEFER	(2,836,046,000)	(2,914,246,000)	(2,844,013,000)	(+43,613,000)	(+7,967,000)	
ADVANCES TO UNEMPLOYMENT TRUST FUND AND OTHER FUNDS	33,000,000	351,000,000	328,000,000	328,000,000	328,000,000	328,000,000	---	---	M
Total, Employment & Training Administration	7,353,504,000	7,674,422,000	8,119,968,000	8,071,715,000	8,210,283,000	8,026,817,000	-93,151,000	-44,898,000	
Federal funds	4,685,777,000	4,853,121,000	5,264,817,000	5,201,368,000	5,261,736,000	5,149,329,000	-115,488,000	-52,039,000	
Current year, FY 1990	(4,684,277,000)	(4,853,121,000)	(5,264,817,000)	(5,201,368,000)	(5,261,736,000)	(5,149,329,000)	(-115,488,000)	(-52,039,000)	
Advance funding for FY 1991	(1,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(11,343,000)	(11,500,000)	DEFER	(11,500,000)	(11,500,000)	(11,223,000)	(+11,223,000)	(-277,000)	
Trust funds	(2,655,227,000)	(2,821,301,000)	(2,855,151,000)	(2,870,347,000)	(2,948,547,000)	(2,877,488,000)	(+22,337,000)	(+7,141,000)	
Advance funding for FY 1991	(12,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	

1/ Includes Federal, Trust and advance Trust funds.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
LABOR - MANAGEMENT SERVICES									
SALARIES AND EXPENSES									
Labor-management relations service	5,785,000	5,923,000	5,923,000	5,923,000	5,923,000	5,780,000	-143,000	-143,000	D
Labor-management standards enforcement	25,108,000	26,051,000	26,051,000	26,051,000	26,051,000	25,423,000	-628,000	-628,000	D
Pension and welfare benefit programs	43,056,000	58,077,000	58,077,000	58,077,000	58,077,000	56,677,000	-1,400,000	-1,400,000	D
Total, LMSA	73,949,000	90,051,000	90,051,000	90,051,000	90,051,000	87,880,000	-2,171,000	-2,171,000	
PENSION BENEFIT GUARANTY CORPORATION									
Program Administration subject to limitation (Trust Funds)	(42,301,000)	(42,669,000)	(42,669,000)	(42,669,000)	(42,669,000)	(41,641,000)	(-1,028,000)	(-1,028,000)	TF
Other contractual services not subject to limitation (Trust Funds)	(28,053,000)	(28,459,000)	(28,459,000)	(28,459,000)	(28,459,000)	(27,773,000)	(-686,000)	(-686,000)	TF
Total, PBGC (trust funds)	(70,354,000)	(71,128,000)	(71,128,000)	(71,128,000)	(71,128,000)	(69,414,000)	(-1,714,000)	(-1,714,000)	
EMPLOYMENT STANDARDS ADMINISTRATION									
SALARIES AND EXPENSES									
Enforcement of wage and hour standards	90,736,000	93,017,000	93,017,000	93,017,000	93,017,000	90,775,000	-2,242,000	-2,242,000	D
Federal contractor EEO standards enforcement	52,985,000	53,645,000	53,645,000	53,645,000	53,645,000	52,352,000	-1,293,000	-1,293,000	D
Federal programs for workers' compensation	58,661,000	60,639,000	61,720,000	61,720,000	61,720,000	60,233,000	-1,487,000	-1,487,000	D
Trust funds	(1,011,000)	(1,016,000)	(1,016,000)	(1,016,000)	(1,016,000)	(992,000)	(-24,000)	(-24,000)	TF
Executive direction and support services	13,746,000	14,006,000	14,006,000	14,006,000	14,006,000	13,668,000	-338,000	-338,000	D
Total, salaries and expenses	217,139,000	222,323,000	223,404,000	223,404,000	223,404,000	218,020,000	-5,384,000	-5,384,000	
Federal funds	216,128,000	221,307,000	222,388,000	222,388,000	222,388,000	217,028,000	-5,360,000	-5,360,000	
Trust funds	(1,011,000)	(1,016,000)	(1,016,000)	(1,016,000)	(1,016,000)	(992,000)	(-24,000)	(-24,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
SPECIAL BENEFITS									
Federal employees compensation benefits	251,000,000	318,000,000	318,000,000	318,000,000	318,000,000	318,000,000	---	---	M
Longshore and harbor workers' benefits	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	---	---	M
Subtotal, current appropriation	255,000,000	322,000,000	322,000,000	322,000,000	322,000,000	322,000,000	---	---	
Less appropriation for prior year costs 1/	-85,975,000	-25,000,000	-25,000,000	-25,000,000	-25,000,000	-25,000,000	---	---	M
Plus appropriation available from subsequent year	25,000,000	---	---	---	---	---	---	---	M
Total, Special Benefits, program level	194,025,000	297,000,000	297,000,000	297,000,000	297,000,000	297,000,000	---	---	
BLACK LUNG DISABILITY TRUST FUND									
Benefit payments and interest on advances	590,486,000	866,019,000	866,019,000	866,019,000	866,019,000	866,019,000	---	---	M
Employment Standards Admin., salaries & expenses	28,640,000	29,051,000	29,051,000	29,051,000	29,051,000	29,051,000	---	---	M
Departmental Management, salaries and expenses	22,050,000	19,396,000	23,355,000	23,355,000	23,355,000	23,355,000	---	---	M
Departmental Management, inspector general	506,000	371,000	371,000	371,000	371,000	371,000	---	---	M
Subtotal, Black Lung Disablty. Trust Fund, apprn	641,682,000	914,837,000	918,796,000	918,796,000	918,796,000	918,796,000	---	---	
Treasury administrative costs (indefinite)	745,000	756,000	756,000	756,000	756,000	756,000	---	---	M
Total, Black Lung Disability Trust Fund	642,427,000	915,593,000	919,552,000	919,552,000	919,552,000	919,552,000	---	---	
Total, Employment Standards Administration	1,053,591,000	1,434,916,000	1,439,956,000	1,439,956,000	1,439,956,000	1,434,572,000	-5,384,000	-5,384,000	
Federal funds	1,052,580,000	1,433,900,000	1,438,940,000	1,438,940,000	1,438,940,000	1,433,580,000	-5,360,000	-5,360,000	
Trust funds	(1,011,000)	(1,016,000)	(1,016,000)	(1,016,000)	(1,016,000)	(992,000)	(-24,000)	(-24,000)	

1/ Budget assumes increased ''borrowing'' under indefinite authority from amounts assumed in P.L. 101-166.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION									
SALARIES AND EXPENSES									
Safety and health standards	6,864,000	7,155,000	7,155,000	10,155,000	8,655,000	8,446,000	+1,291,000	-1,709,000	D
Enforcement:									
Federal Enforcement	117,126,000	125,052,000	125,052,000	125,052,000	125,052,000	122,038,000	-3,014,000	-3,014,000	D
State programs	59,827,000	62,220,000	65,220,000	67,220,000	66,220,000	64,624,000	-596,000	-2,596,000	D
Technical Support	17,630,000	18,489,000	18,489,000	18,489,000	18,489,000	18,043,000	-446,000	-446,000	D
Compliance Assistance	36,874,000	38,053,000	38,403,000	38,053,000	38,403,000	37,477,000	-926,000	-576,000	D
Safety and health statistics	22,686,000	30,391,000	30,391,000	30,391,000	30,391,000	29,659,000	-732,000	-732,000	D
Executive direction and administration	6,012,000	6,533,000	6,533,000	6,533,000	6,533,000	6,376,000	-157,000	-157,000	D
Total, OSHA	267,019,000	287,893,000	291,243,000	295,893,000	293,743,000	286,663,000	-4,580,000	-9,230,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
MINE SAFETY AND HEALTH ADMINISTRATION									
SALARIES AND EXPENSES									
Enforcement:									
Coal	84,716,000	88,179,000	89,564,000	89,697,000	89,564,000	87,406,000	-2,158,000	-2,291,000	D
Metal/nonmetal	34,008,000	35,022,000	35,668,000	35,725,000	35,668,000	34,808,000	-860,000	-917,000	D
Standards development	1,306,000	1,565,000	1,629,000	1,646,000	1,629,000	1,590,000	-39,000	-56,000	D
Assessments	2,282,000	2,303,000	2,392,000	2,395,000	2,392,000	2,334,000	-58,000	-61,000	D
Educational policy and development	13,117,000	13,433,000	14,613,000	16,194,000	16,113,000	15,725,000	+1,112,000	-469,000	D
Technical support	20,185,000	20,555,000	21,226,000	21,370,000	21,226,000	20,714,000	-512,000	-656,000	D
Program administration	12,484,000	11,443,000	12,675,000	12,796,000	12,675,000	12,370,000	-305,000	-426,000	D
Total, Mine Safety and Health Administration	168,098,000	172,500,000	177,767,000	179,823,000	179,267,000	174,947,000	-2,820,000	-4,876,000	
BUREAU OF LABOR STATISTICS									
SALARIES AND EXPENSES									
Employment and Unemployment Statistics	66,545,000	67,807,000	69,397,000	69,397,000	69,397,000	67,725,000	-1,672,000	-1,672,000	D
Labor Market Information (Trust Funds)	(48,877,000)	(47,700,000)	(52,760,000)	(52,210,000)	(52,760,000)	(51,488,000)	(-1,272,000)	(-722,000)	TF
Prices and cost of living	72,500,000	76,159,000	76,759,000	76,159,000	76,759,000	74,909,000	-1,850,000	-1,250,000	D
Wages and industrial relations	22,030,000	23,559,000	23,559,000	23,559,000	23,559,000	22,991,000	-568,000	-568,000	D
Productivity and technology	5,505,000	5,887,000	5,887,000	5,887,000	5,887,000	5,745,000	-142,000	-142,000	D
Economic growth and employment projections	3,379,000	3,595,000	3,595,000	3,595,000	3,595,000	3,508,000	-87,000	-87,000	D
Executive direction and staff services	22,498,000	28,077,000	28,077,000	28,077,000	31,077,000	30,328,000	+2,251,000	+2,251,000	D
Total, Bureau of Labor Statistics	241,334,000	252,784,000	260,034,000	258,884,000	263,034,000	256,694,000	-3,340,000	-2,190,000	
Federal Funds	192,457,000	205,084,000	207,274,000	206,674,000	210,274,000	205,206,000	-2,068,000	-1,468,000	
Trust Funds	(48,877,000)	(47,700,000)	(52,760,000)	(52,210,000)	(52,760,000)	(51,488,000)	(-1,272,000)	(-722,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Final vs House Bill	Final vs Senate Bill	Mand Disc
DEPARTMENTAL MANAGEMENT									
SALARIES AND EXPENSES									
Executive direction	19,766,000	23,966,000	21,841,000	22,341,000	22,091,000	21,559,000	-282,000	-782,000	D
Legal services	44,997,000	51,523,000	54,523,000	51,523,000	54,523,000	53,209,000	-1,314,000	+1,686,000	D
Trust funds	(285,000)	(285,000)	(285,000)	(285,000)	(285,000)	(278,000)	(-7,000)	(-7,000)	TF
International labor affairs	6,461,000	6,785,000	6,785,000	6,785,000	6,785,000	6,621,000	-164,000	-164,000	D
Administration and management	19,781,000	20,541,000	20,541,000	20,541,000	20,541,000	20,046,000	-495,000	-495,000	D
Adjudication	12,561,000	13,465,000	13,465,000	15,086,000	15,086,000	14,722,000	+1,257,000	-364,000	D
Promoting employment of the disabled	2,880,000	3,700,000	3,700,000	4,200,000	4,200,000	4,099,000	+399,000	-101,000	D
Women's Bureau	6,978,000	6,848,000	7,448,000	7,848,000	7,648,000	7,464,000	+16,000	-384,000	D
Civil Rights Activities	4,290,000	4,485,000	4,485,000	4,485,000	4,485,000	4,377,000	-108,000	-108,000	D
Total, Salaries and expenses	117,999,000	131,598,000	133,073,000	133,094,000	135,644,000	132,375,000	-698,000	-719,000	
Federal funds	117,714,000	131,313,000	132,788,000	132,809,000	135,359,000	132,097,000	-691,000	-712,000	
Trust funds	(285,000)	(285,000)	(285,000)	(285,000)	(285,000)	(278,000)	(-7,000)	(-7,000)	
Undistributed salary and expense savings, Federal Fund	---	---	---	-9,000,000	-9,000,000	-9,000,000	-9,000,000	---	D
VETERANS EMPLOYMENT AND TRAINING									
State Administration:									
Disabled Veterans Outreach Program	(74,389,000)	(74,473,000)	(79,076,000)	(79,076,000)	(79,076,000)	(77,170,000)	(-1,906,000)	(-1,906,000)	TF
Local Veterans Employment Program	(68,532,000)	(68,608,000)	(72,851,000)	(72,851,000)	(72,851,000)	(71,095,000)	(-1,756,000)	(-1,756,000)	TF
Subtotal, State Administration	(142,921,000)	(143,081,000)	(151,927,000)	(151,927,000)	(151,927,000)	(148,265,000)	(-3,662,000)	(-3,662,000)	
Federal Administration	(15,444,000)	(17,604,000)	(17,604,000)	(17,604,000)	(17,604,000)	(17,180,000)	(-424,000)	(-424,000)	TF
National Veterans Training Institute	(2,573,000)	(829,000)	(2,500,000)	(2,500,000)	(2,500,000)	(2,440,000)	(-60,000)	(-60,000)	TF
Total, Trust Funds	(160,938,000)	(161,514,000)	(172,031,000)	(172,031,000)	(172,031,000)	(167,885,000)	(-4,146,000)	(-4,146,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
OFFICE OF THE INSPECTOR GENERAL									
Audit:									
Federal funds	20,408,000	21,638,000	21,638,000	21,638,000	21,638,000	21,117,000	-521,000	-521,000	D
Trust funds	(4,127,000)	(3,877,000)	(3,877,000)	(3,877,000)	(3,877,000)	(3,784,000)	(-93,000)	(-93,000)	TF
Investigation:									
Federal funds	6,414,000	7,607,000	8,084,000	8,084,000	8,084,000	7,889,000	-195,000	-195,000	D
Trust funds	(1,067,000)	(318,000)	(318,000)	(318,000)	(318,000)	(310,000)	(-8,000)	(-8,000)	TF
Office of Labor Racketeering	9,765,000	10,194,000	10,717,000	10,717,000	10,717,000	10,459,000	-258,000	-258,000	D
Executive Direction and Management	4,835,000	5,024,000	5,274,000	5,274,000	5,274,000	5,147,000	-127,000	-127,000	D
Total, Office of the Inspector General	46,616,000	48,658,000	49,908,000	49,908,000	49,908,000	48,706,000	-1,202,000	-1,202,000	
Federal funds	41,422,000	44,463,000	45,713,000	45,713,000	45,713,000	44,612,000	-1,101,000	-1,101,000	
Trust funds	(5,194,000)	(4,195,000)	(4,195,000)	(4,195,000)	(4,195,000)	(4,094,000)	(-101,000)	(-101,000)	
Total, Departmental Management	325,553,000	341,770,000	355,012,000	346,033,000	348,583,000	339,966,000	-15,046,000	-6,067,000	
Federal funds	159,136,000	175,776,000	178,501,000	169,522,000	172,072,000	167,709,000	-10,792,000	-1,813,000	
Trust funds	(166,417,000)	(165,994,000)	(176,511,000)	(176,511,000)	(176,511,000)	(172,257,000)	(-4,254,000)	(-4,254,000)	
Total, Labor Department 1/	9,553,402,000	10,325,464,000	10,805,159,000	10,753,483,000	10,896,045,000	10,676,953,000	-128,206,000	-76,530,000	
Federal funds	6,599,016,000	7,218,325,000	7,648,593,000	7,582,271,000	7,646,083,000	7,505,314,000	-143,279,000	-76,957,000	
Current year	(6,597,516,000)	(7,218,325,000)	(7,648,593,000)	(7,582,271,000)	(7,646,083,000)	(7,505,314,000)	(-143,279,000)	(-76,957,000)	
Activities not considered by House	(11,343,000)	(11,500,000)	DEFER	(11,500,000)	(11,500,000)	(11,223,000)	(+11,223,000)	(-277,000)	
Advance for FY 1991	(1,500,000)	---	---	---	---	---	---	---	
Total	(6,610,359,000)	(7,229,825,000)	(7,648,593,000)	(7,593,771,000)	(7,657,583,000)	(7,516,537,000)	(-132,056,000)	(-77,234,000)	
Trust funds	(2,941,886,000)	(3,107,139,000)	(3,156,566,000)	(3,171,212,000)	(3,249,962,000)	(3,171,639,000)	(+15,073,000)	(+427,000)	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	
Advance funding for FY 1991	(12,500,000)	---	---	---	---	---	---	---	

1/ Includes authorized Federal and Trust funds.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
TITLE II--DEPARTMENT OF HEALTH AND HUMAN SERVICES									
HEALTH RESOURCES AND SERVICES ADMINISTRATION									
HEALTH RESOURCES AND SERVICES									
Health Care Delivery and Assistance:									
Community health centers	456,914,000	471,785,000	490,000,000	477,000,000	490,000,000	478,191,000	-11,809,000	+1,191,000	D
Health services outreach grants	---	---	---	20,000,000	20,000,000	19,518,000	+19,518,000	-482,000	D
Minority initiatives	---	(35,000,000)	DEFER	---	(20,000,000)	(19,518,000)	(+19,518,000)	(+19,518,000)	D
Total, Community Health Services	456,914,000	506,785,000	490,000,000	497,000,000	530,000,000	517,227,000	+27,227,000	+20,227,000	
Migrant health	49,343,000	50,601,000	52,000,000	54,000,000	53,000,000	51,723,000	-277,000	-2,277,000	D
Black lung clinics	3,651,000	3,651,000	3,800,000	3,800,000	3,800,000	3,708,000	-92,000	-92,000	D
Health care for the homeless	35,967,000	33,667,000	40,000,000	40,000,000	40,000,000	39,036,000	-964,000	-964,000	D
Advance funding for FY 1991	11,885,000	---	---	---	---	---	---	---	D
Family planning 1/	(139,135,000)	(139,135,000)	DEFER	(148,000,000)	(148,000,000)	(144,433,000)	(+144,433,000)	(-3,567,000)	D
National Health Service Corps:									
Field placements	(39,337,000)	(42,361,000)	DEFER	(44,000,000)	(44,000,000)	(42,940,000)	(+42,940,000)	(-1,060,000)	D
Loans and scholarships	(11,382,000)	(63,882,000)	DEFER	(63,882,000)	(50,000,000)	(48,795,000)	(+48,795,000)	(-15,087,000)	D
Subtotal, Natl Health Service Corps	(50,719,000)	(106,243,000)	DEFER	(107,882,000)	(94,000,000)	(91,735,000)	(+91,735,000)	(-16,147,000)	
Hansen's Disease services (Carville)	(18,158,000)	(22,601,000)	(20,601,000)	(20,601,000)	(20,601,000)	(20,105,000)	(-496,000)	(-496,000)	D
Payment to Hawaii, treatment of Hansen's Disease	3,217,000	3,217,000	3,300,000	3,467,000	3,467,000	3,383,000	+83,000	-84,000	D
Home health demonstration grants	(2,961,000)	---	DEFER	(3,211,000)	(3,000,000)	(2,928,000)	(+2,928,000)	(-283,000)	D
Total, Health Care Delivery & Assistance	771,950,000	865,900,000	609,701,000	877,961,000	895,868,000	874,278,000	+264,577,000	-3,683,000	

1/ President's FY 1991 budget requests Family Planning under ''Public Health Service Management'' account.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Health Professions:									
Exceptional need scholarships	6,685,000	10,000,000	10,000,000	10,000,000	10,000,000	9,759,000	-241,000	-241,000	D
Excellence in minority health education grants	9,231,000	12,000,000	12,000,000	12,000,000	12,000,000	11,711,000	-289,000	-289,000	D
Public health/health administration:									
Public Health capitation	2,948,000	---	---	---	---	---	---	---	D
Public Health special projects	834,000	---	3,300,000	4,400,000	3,850,000	3,757,000	+457,000	-643,000	D
Health Administration grants	1,483,000	---	1,483,000	1,700,000	1,592,000	1,554,000	+71,000	-146,000	D
Public Health traineeships	2,987,000	---	3,500,000	3,500,000	3,500,000	3,416,000	-84,000	-84,000	D
Health Administration traineeships	492,000	---	492,000	500,000	496,000	484,000	-8,000	-16,000	D
Preventive medicine residencies	1,695,000	---	1,695,000	1,695,000	1,695,000	1,654,000	-41,000	-41,000	D
Family Medicine	32,761,000	---	37,000,000	32,761,000	37,000,000	36,108,000	-892,000	+3,347,000	D
General dentistry residencies	3,929,000	---	3,929,000	3,929,000	3,929,000	3,834,000	-95,000	-95,000	D
General Internal Medicine and Pediatrics	17,682,000	---	17,682,000	17,682,000	17,682,000	17,256,000	-26,000	-426,000	D
Family medicine departments	6,680,000	---	7,000,000	6,680,000	7,000,000	6,831,000	-169,000	+151,000	D
Physician assistants	4,789,000	---	4,789,000	5,500,000	5,145,000	5,021,000	+232,000	-479,000	D
Area health education centers	18,125,000	---	18,125,000	20,000,000	20,000,000	19,518,000	+1,393,000	-482,000	D
Health education and training centers	3,929,000	---	3,929,000	4,000,000	4,000,000	3,904,000	-25,000	-96,000	D
Health professions data analysis	1,846,000	---	1,846,000	1,846,000	1,846,000	1,802,000	-44,000	-44,000	D
Disadvantaged Assistance	26,965,000	31,578,000	31,578,000	31,578,000	31,578,000	30,817,000	-761,000	-761,000	D
Allied health grants and contracts	737,000	---	1,400,000	2,000,000	1,700,000	1,659,000	+259,000	-341,000	D
Interdisciplinary traineeships	2,210,000	---	---	6,000,000	4,500,000	4,392,000	+4,392,000	-1,608,000	D

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Special Projects: (sections 788, 789 and 301)									
Health professions spec ed initiatives	2,457,000	---	2,457,000	2,457,000	2,457,000	2,398,000	-59,000	-59,000	D
Geriatric training and research	14,047,000	---	14,047,000	14,047,000	14,047,000	13,708,000	-339,000	-339,000	D
Pacific Basin activities (including Medical Officer training)	1,974,000	---	---	2,500,000	2,500,000	2,440,000	+2,440,000	-60,000	D
Native Hawaiian health care	1,283,000	1,283,000	1,283,000	4,000,000	3,500,000	3,416,000	+2,133,000	-584,000	D
Subtotal, special education initiatives	19,761,000	1,283,000	17,787,000	23,004,000	22,504,000	21,962,000	+4,175,000	-1,042,000	
Special grants to hospitals	1,343,000	---	---	---	---	---	---	---	D
Nurse training:									
Advanced nurse education	12,771,000	---	12,771,000	12,771,000	12,771,000	12,463,000	-308,000	-308,000	D
Nurse practitioners / nurse midwives	13,432,000	---	13,432,000	15,432,000	15,000,000	14,639,000	+1,207,000	-793,000	D
Special projects	10,283,000	---	10,283,000	11,300,000	10,792,000	10,532,000	+249,000	-768,000	D
Traineeships	13,501,000	---	13,501,000	14,501,000	14,001,000	13,664,000	+163,000	-837,000	D
Nurse Anesthetists	1,130,000	---	1,130,000	1,800,000	1,465,000	1,430,000	+300,000	-370,000	D
Undergraduate scholarships	2,948,000	---	2,948,000	1,930,000	2,439,000	2,380,000	-568,000	+450,000	D
Loan Repayment for Shortage Area Service	982,000	---	982,000	2,000,000	1,491,000	1,455,000	+473,000	-545,000	D
Nurse disadvantaged assistance	2,571,000	4,000,000	4,000,000	3,000,000	3,500,000	3,416,000	-584,000	+416,000	D
Subtotal, Nurse training	57,618,000	4,000,000	59,047,000	62,734,000	61,459,000	59,979,000	+932,000	-2,755,000	
Less transfers from loan revolving funds	-10,000,000	---	-10,000,000	---	---	---	+10,000,000	---	D
Total, Health professions	214,730,000	58,861,000	226,582,000	251,509,000	251,476,000	245,418,000	+18,836,000	-6,091,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
MCH and Resources Development:									
Maternal & child health block grant	553,627,000	578,627,000	598,627,000	605,000,000	601,814,000	587,310,000	-11,317,000	-17,690,000	D
Pediatric emergency care	3,947,000	---	---	5,000,000	5,000,000	4,880,000	+4,880,000	-120,000	D
Organ transplantation	3,948,000	3,257,000	4,257,000	3,457,000	3,857,000	3,764,000	-493,000	+307,000	D
Health teaching facilities interest subsidies	488,000	488,000	488,000	488,000	488,000	476,000	-12,000	-12,000	D
Perinatal facilities	---	---	---	---	1,000,000	976,000	976,000	+976,000	D
Total, Resources Development	562,010,000	582,372,000	603,372,000	613,945,000	612,159,000	597,406,000	-5,966,000	-16,539,000	
Buildings and facilities	877,000	---	2,000,000	2,000,000	2,000,000	1,952,000	-48,000	-48,000	D
National practitioner data bank	1,974,000	1,974,000	1,974,000	1,974,000	1,974,000	1,926,000	-48,000	-48,000	D
Proposed user fees	---	-1,974,000	---	---	---	---	---	---	D
Rural health research	3,380,000	4,380,000	4,380,000	5,500,000	5,000,000	4,880,000	+500,000	-620,000	D
Disadvantaged minority health improvement, proposed legislation	---	(17,000,000)	DEFER	---	---	---	---	---	D

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Acquired Immune Deficiency Syndrome (AIDS):									
Training of health personnel	14,549,000	21,000,000	17,500,000	17,500,000	17,500,000	17,078,000	-122,000	-422,000	D
Facilities renovation grants	4,342,000	4,129,000	4,129,000	---	4,129,000	4,029,000	-100,000	+4,029,000	D
Pediatric health care demonstrations	14,803,000	14,803,000	20,000,000	---	20,000,000	19,518,000	-482,000	+19,518,000	D
Adult health care demonstrations	17,209,000	19,424,000	27,200,000	---	---	---	-27,200,000	---	D
AIDS related drugs (AZT)	(29,606,000)	---	DEFER	---	---	---	---	---	D
Community health care services	10,777,000	13,323,000	13,323,000	---	---	---	-13,323,000	---	D
Home health services	19,737,000	---	---	---	---	---	---	---	D
Subacute care	1,480,000	---	---	---	---	---	---	---	D
Transfer for consolidated administration	-4,786,000	-4,786,000	-4,786,000	---	---	---	+4,786,000	---	D
Ryan White AIDS Programs:									
Emergency assistance:									
1991	---	---	DEFER	(49,000,000)	(90,000,000)	(87,831,000)	(+87,831,000)	(+38,831,000)	D
1992	---	---	DEFER	(251,000,000)	---	---	---	(-251,000,000)	D
Comprehensive care programs:									
1991	---	---	DEFER	(110,000,000)	(90,000,000)	(87,831,000)	(+87,831,000)	(-22,169,000)	D
1992	---	---	DEFER	(190,000,000)	---	---	---	(-190,000,000)	D
Early intervention program	---	---	DEFER	---	(46,000,000)	(44,891,000)	(+44,891,000)	(+44,891,000)	D
Subtotal, Ryan White AIDS programs	---	---	---	600,000,000	226,000,000	220,553,000	+220,553,000	-379,447,000	
Subtotal, AIDS	107,717,000	67,893,000	77,366,000	617,500,000	267,629,000	261,178,000	+183,812,000	-356,322,000	
Program management including AIDS	98,170,000	99,551,000	102,000,000	104,551,000	103,276,000	100,787,000	-1,213,000	-3,764,000	D
Total, Health resources and services	1,538,387,000	1,398,579,000	1,627,375,000	1,615,847,000	1,648,382,000	1,608,658,000	-18,717,000	-7,189,000	
Activities not considered by House	(222,421,000)	(297,378,000)	DEFER	(859,093,000)	(491,000,000)	(479,167,000)	(+479,167,000)	(-379,926,000)	
Total	(1,760,808,000)	(1,695,957,000)	(1,627,375,000)	(2,474,940,000)	(2,139,382,000)	(2,087,825,000)	(+460,450,000)	(-387,115,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
MEDICAL FACILITIES GUARANTEE AND LOAN FUND:									
Interest subsidy program	21,000,000	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000	---	---	M
HEALTH PROFESSIONS GRADUATE STUDENT LOAN FUND (HEAL): 1/									
General funds	24,870,000	---	---	---	---	---	---	---	M
VACCINE INJURY COMPENSATION:									
Pre - FY89 claims (appropriation)	74,500,000	---	62,920,000	62,920,000	62,920,000	62,920,000	---	---	M
FY89 / FY90 claims (trust fund)	139,700,000	221,500,000	154,080,000	154,080,000	154,080,000	154,080,000	---	---	M
HRSA administration (trust fund)	---	---	1,500,000	1,500,000	1,500,000	1,500,000	---	---	M
Subtotal, Vaccine injury compensation	214,200,000	221,500,000	218,500,000	218,500,000	218,500,000	218,500,000	---	---	
Total, Health Resources and Services Administration	1,798,457,000	1,640,079,000	1,865,875,000	1,854,347,000	1,886,882,000	1,847,158,000	-18,717,000	-7,189,000	
Current year	(1,786,572,000)	(1,640,079,000)	(1,865,875,000)	(1,854,347,000)	(1,886,882,000)	(1,847,158,000)	(-18,717,000)	(-7,189,000)	
Advance funding for FY 1991	(11,885,000)	---	---	---	---	---	---	---	
Activities not considered by House	(222,421,000)	(297,378,000)	DEFER	(859,093,000)	(491,000,000)	(479,167,000)	(+479,167,000)	(-379,926,000)	
Total	(2,020,878,000)	(1,937,457,000)	(1,865,875,000)	(2,713,440,000)	(2,377,882,000)	(2,326,325,000)	(+460,450,000)	(-387,115,000)	

1/ President's budget requests authority to transfer $15 million in other Health Resources and Services unobligated balances to this account.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
CENTERS FOR DISEASE CONTROL									
DISEASE CONTROL									
Preventive Health Services Block Grant	84,113,000	84,119,000	84,119,000	100,000,000	95,000,000	92,711,000	+8,592,000	-7,289,000	D
Prevention centers	3,949,000	3,949,000	3,949,000	5,000,000	4,475,000	4,367,000	+418,000	-633,000	D
Lead poisoning prevention	3,949,000	3,949,000	8,000,000	8,000,000	8,000,000	7,807,000	-193,000	-193,000	D
Sexually transmitted diseases:									
Grants	70,666,000	70,666,000	77,246,000	73,666,000	75,456,000	73,638,000	-3,608,000	-28,000	D
Direct operations	10,640,000	10,754,000	12,754,000	10,850,000	11,802,000	11,518,000	-1,236,000	+668,000	D
Subtotal, Sexually transmitted diseases	81,306,000	81,420,000	90,000,000	84,516,000	87,258,000	85,156,000	-4,844,000	+640,000	
Immunization:									
Grants	(161,980,000)	(130,862,000)	DEFER	(166,499,000)	(186,499,000)	(182,004,000)	(+182,004,000)	(+15,505,000)	D
Direct operations	(19,211,000)	(19,329,000)	DEFER	(31,092,000)	(31,092,000)	(30,343,000)	(+30,343,000)	(-749,000)	D
Vaccine stockpile	(2,961,000)	---	DEFER	(3,000,000)	(3,000,000)	(2,928,000)	(+2,928,000)	(-72,000)	D
Adverse events reporting	(2,531,000)	(2,531,000)	DEFER	(2,531,000)	(2,531,000)	(2,470,000)	(+2,470,000)	(-61,000)	D
Subtotal, Immunization programs	(186,683,000)	(152,722,000)	DEFER	(203,122,000)	(223,122,000)	(217,745,000)	(+217,745,000)	(+14,623,000)	
Infectious disease excluding AIDS/TB	39,752,000	40,621,000	45,016,000	45,400,000	45,400,000	44,306,000	-710,000	-1,094,000	D
Tuberculosis grants	(8,334,000)	(8,334,000)	DEFER	(9,334,000)	(9,334,000)	(9,109,000)	(+9,109,000)	(-225,000)	D
Chronic & environmental disease prevention	45,628,000	47,438,000	53,738,000	53,364,000	53,364,000	52,078,000	-1,660,000	-1,286,000	D
Breast and cervical cancer screening	(4,926,000)	(4,926,000)	DEFER	(10,000,000)	(30,000,000)	(29,277,000)	(+1[illegible],277,000)	(+19,277,000)	D
Injury control	22,660,000	22,660,000	25,000,000	24,660,000	24,660,000	24,066,000	-934,000	-594,000	D
Occupational Safety and Health (NIOSH):									
Research	74,204,000	74,675,000	76,559,000	89,675,000	89,675,000	87,514,000	+10,955,000	-2,161,000	D
Training	10,461,000	10,461,000	10,461,000	11,000,000	10,731,000	10,472,000	+11,000	-528,000	D
Subtotal, NIOSH	84,665,000	85,136,000	87,020,000	100,675,000	100,406,000	97,986,000	+10,966,000	-2,689,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
National Center for Health Statistics:									
Program operations	(43,871,000)	(44,884,000)	DEFER	(53,000,000)	(50,000,000)	(48,795,000)	(+48,795,000)	(-4,205,000)	D
Program support	(3,206,000)	(3,244,000)	DEFER	(3,244,000)	(3,244,000)	(3,166,000)	(+3,166,000)	(-78,000)	D
Subtotal, health statistics	(47,077,000)	(48,128,000)	DEFER	(56,244,000)	(53,244,000)	(51,961,000)	(+51,961,000)	(-4,283,000)	
Epidemic services	55,388,000	68,180,000	70,846,000	72,096,000	71,471,000	69,749,000	-1,097,000	-2,347,000	D
Buildings and facilities 1/	6,910,000	7,740,000	7,740,000	37,900,000	32,740,000	31,951,000	+24,211,000	-5,949,000	D
Program management	3,123,000	3,170,000	3,170,000	3,284,000	3,170,000	3,094,000	-76,000	-190,000	D
Acquired Immune Deficiency Syndrome (AIDS)	442,826,000	509,103,000	509,103,000	509,103,000	509,103,000	496,834,000	-12,269,000	-12,269,000	D
Total, Disease Control	874,269,000	957,485,000	987,701,000	1,043,998,000	1,035,047,000	1,010,105,000	+22,404,000	-33,893,000	
Activities not considered by House	(247,020,000)	(214,110,000)	DEFER	(278,700,000)	(315,700,000)	(308,092,000)	(+298,092,000)	(+29,392,000)	
Total	(1,121,289,000)	(1,171,595,000)	(997,701,000)	(1,322,698,000)	(1,350,747,000)	(1,318,197,000)	(+320,496,000)	(-4,501,000)	

1/ Reflects budget amendment proposed by the President on 4/24/90 which would reduce the original request by $160,000.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
NATIONAL INSTITUTES OF HEALTH (INCLUDES AIDS)									
National Cancer Institute:									
Regular program	1,598,501,000	1,658,266,000	1,749,392,000	1,706,912,000	1,728,152,000	1,686,504,000	-62,888,000	-20,408,000	D
Research training	(35,793,000)	(35,793,000)	DEFER	(40,550,000)	(38,172,000)	(37,252,000)	(+37,252,000)	(-3,298,000)	D
Subtotal	1,634,294,000	1,694,059,000	1,749,392,000	1,747,462,000	1,766,324,000	1,723,756,000	-25,636,000	-23,706,000	
National Heart, Lung, and Blood Institute:									
Regular program	1,027,861,000	1,068,026,000	1,135,589,000	1,086,023,000	1,110,806,000	1,084,036,000	-51,553,000	-1,987,000	D
Research training	(44,474,000)	(44,476,000)	DEFER	(51,212,000)	(47,844,000)	(46,691,000)	(+46,691,000)	(-4,521,000)	D
Subtotal	1,072,335,000	1,112,502,000	1,135,589,000	1,137,235,000	1,158,650,000	1,130,727,000	-4,862,000	-6,508,000	
National Institute of Dental Research:									
Regular program	129,851,000	134,627,000	149,592,000	144,551,000	147,072,000	143,528,000	-6,064,000	-1,023,000	D
Research training	(5,893,000)	(5,893,000)	DEFER	(6,506,000)	(6,200,000)	(6,051,000)	(+6,051,000)	(-455,000)	D
Subtotal	135,744,000	140,520,000	149,592,000	151,057,000	153,272,000	149,579,000	-13,000	-1,478,000	
National Institute of Diabetes, Digestive, and Kidney Diseases:									
Regular program	557,594,000	581,477,000	613,686,000	600,814,000	607,250,000	592,615,000	-21,071,000	-8,199,000	D
Research training	(23,872,000)	(23,872,000)	DEFER	(26,172,000)	(25,022,000)	(24,419,000)	(+24,419,000)	(-1,753,000)	D
Subtotal	581,466,000	605,349,000	613,686,000	626,986,000	632,272,000	617,034,000	+3,348,000	-9,952,000	
National Institute of Neurological Disorders and Stroke:									
Regular program	477,380,000	499,196,000	545,225,000	541,011,000	543,118,000	530,029,000	-15,196,000	-10,982,000	D
Research training	(13,016,000)	(13,016,000)	DEFER	(14,477,000)	(13,746,000)	(13,415,000)	(+13,415,000)	(-1,062,000)	D
Subtotal	490,396,000	512,212,000	545,225,000	555,488,000	556,864,000	543,444,000	-1,781,000	-12,044,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
National Institute of Allergy and Infectious Diseases:									
Regular program	815,412,000	869,382,000	944,965,000	883,424,000	914,195,000	892,163,000	-52,802,000	+8,739,000	D
Research training	(17,548,000)	(17,493,000)	DEFER	(20,586,000)	(19,040,000)	(18,581,000)	(+18,581,000)	(-2,005,000)	D
Subtotal	832,960,000	886,875,000	944,965,000	904,010,000	933,235,000	910,744,000	-34,221,000	+6,734,000	
National Institute of General Medical Sciences:									
Regular program	629,239,000	659,844,000	693,499,000	676,293,000	684,896,000	668,390,000	-25,109,000	-7,903,000	D
Research training	(82,791,000)	(85,650,000)	DEFER	(103,058,000)	(94,354,000)	(92,080,000)	(+92,080,000)	(-10,978,000)	D
Subtotal	712,030,000	745,494,000	693,499,000	779,351,000	779,250,000	760,470,000	+66,971,000	-18,881,000	
National Institute of Child Health and Human Development:									
Regular program	426,350,000	444,911,000	488,282,000	461,895,000	475,089,000	463,639,000	-24,643,000	+1,744,000	D
Research training	(16,556,000)	(16,562,000)	DEFER	(18,750,000)	(17,656,000)	(17,230,000)	(+17,230,000)	(-1,520,000)	D
Subtotal	442,906,000	461,473,000	488,282,000	480,645,000	492,745,000	480,869,000	-7,413,000	+224,000	
National Eye Institute:									
Regular program	229,419,000	240,287,000	254,887,000	250,482,000	252,685,000	246,595,000	-8,292,000	-3,887,000	D
Research training	(7,110,000)	(7,105,000)	DEFER	(7,842,000)	(7,474,000)	(7,294,000)	(+7,294,000)	(-548,000)	D
Subtotal	236,529,000	247,392,000	254,887,000	258,324,000	260,159,000	253,889,000	-998,000	-4,435,000	
National Institute of Environmental Health Sciences:									
Regular program	218,647,000	225,206,000	244,832,000	231,001,000	237,917,000	232,183,000	-12,649,000	+1,182,000	D
Research training	(10,586,000)	(10,586,000)	DEFER	(11,764,000)	(11,175,000)	(10,906,000)	(+10,906,000)	(-858,000)	D
Subtotal	229,233,000	235,792,000	244,832,000	242,765,000	249,092,000	243,089,000	-1,743,000	+324,000	
National Institute on Aging:									
Regular program	229,932,000	239,418,000	278,311,000	367,203,000	322,757,000	314,979,000	+36,668,000	-52,224,000	D
Research training	(9,520,000)	(9,520,000)	DEFER	(10,530,000)	(10,025,000)	(9,783,000)	(+9,783,000)	(-747,000)	D
Subtotal	239,452,000	248,938,000	278,311,000	377,733,000	332,782,000	324,762,000	+46,451,000	-52,971,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
National Institute of Arthritis and Musculoskeletal and Skin Diseases:									
Regular program	162,185,000	169,338,000	191,397,000	191,397,000	191,397,000	186,784,000	-4,613,000	-4,613,000	D
Research training	(6,742,000)	(6,742,000)	DEFER	(7,349,000)	(7,045,000)	(6,875,000)	(+6,875,000)	(-474,000)	D
Subtotal	168,927,000	176,080,000	191,397,000	198,746,000	198,442,000	193,659,000	+2,262,000	-5,087,000	
National Institute on Deafness and Other Communication Disorders:									
Regular program	114,459,000	119,724,000	125,623,000	143,204,000	134,414,000	131,175,000	+5,552,000	-12,029,000	D
Research training	(3,123,000)	(3,123,000)	DEFER	(5,043,000)	(4,083,000)	(3,985,000)	(+3,985,000)	(-1,058,000)	D
Subtotal	117,582,000	122,847,000	125,623,000	148,247,000	138,497,000	135,160,000	+9,537,000	-13,087,000	
National Center for Research Resources:									
Regular program	334,612,000	316,658,000	353,469,000	328,658,000	341,064,000	332,844,000	-20,625,000	+4,186,000	D
Research training	(2,493,000)	(2,493,000)	DEFER	(2,971,000)	(2,732,000)	(2,666,000)	(+2,666,000)	(-305,000)	D
Subtotal	337,105,000	319,151,000	353,469,000	331,629,000	343,796,000	335,510,000	-17,959,000	+3,881,000	
National Center for Nursing Research:									
Regular program	29,293,000	30,894,000	37,289,000	35,501,000	36,395,000	35,518,000	-1,771,000	+17,000	D
Research training	(4,220,000)	(4,233,000)	DEFER	(4,512,000)	(4,373,000)	(4,268,000)	(+4,268,000)	(-244,000)	D
Subtotal	33,513,000	35,127,000	37,289,000	40,013,000	40,768,000	39,786,000	+2,497,000	-227,000	
National Center for Human Genome Research:									
Regular program	56,558,000	102,963,000	66,131,000	102,963,000	84,547,000	82,509,000	+16,378,000	-20,454,000	D
Research training	(2,980,000)	(5,066,000)	DEFER	(5,301,000)	(5,184,000)	(5,059,000)	(+5,059,000)	(-242,000)	D
Subtotal	59,538,000	108,029,000	66,131,000	108,264,000	89,731,000	87,568,000	+21,437,000	-20,696,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
John E. Fogarty International Center	15,656,000	16,355,000	18,682,000	17,436,000	18,059,000	17,624,000	-1,058,000	+188,000	D
National Library of Medicine:									
Regular program	72,876,000	76,725,000	80,725,000	81,725,000	81,225,000	79,267,000	-1,458,000	-2,458,000	D
Medical library assistance	(12,852,000)	(13,191,000)	DEFER	(13,191,000)	(13,191,000)	(12,873,000)	(+12,873,000)	(-318,000)	D
Subtotal	85,728,000	89,916,000	80,725,000	94,916,000	94,416,000	92,140,000	+11,415,000	-2,776,000	
Office of the Director	89,916,000	82,975,000	106,175,000	77,975,000	100,575,000	98,151,000	-8,024,000	+20,176,000	D
Buildings and facilities 1/	61,042,000	86,903,000	239,903,000	68,803,000	172,853,000	168,687,000	-71,216,000	+99,884,000	D
Total, N.I.H. funding including AIDS	7,276,783,000	7,623,175,000	8,317,654,000	7,997,271,000	8,184,466,000	7,987,220,000	-330,434,000	-10,051,000	
Activities not considered by House	(299,569,000)	(304,814,000)	DEFER	(349,814,000)	(327,316,000)	(319,428,000)	(+319,428,000)	(-30,386,000)	
Total	(7,576,352,000)	(7,927,989,000)	(8,317,654,000)	(8,347,085,000)	(8,511,782,000)	(8,306,648,000)	(-11,006,000)	(-40,437,000)	

1/ Reflects budget amendment proposed by the President on 4/24/90 which would reduce the original request by $1,697,000.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH ADMINISTRATION									
ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH									
National Institute of Mental Health:									
Research 1/	389,539,000	413,491,000	430,000,000	491,143,000	470,000,000	458,673,000	+28,673,000	-32,470,000	D
Research training	(24,249,000)	(25,801,000)	DEFER	(27,607,000)	(27,607,000)	(26,942,000)	(+26,942,000)	(-665,000)	D
Clinical training	13,534,000	5,000,000	13,534,000	14,481,000	14,008,000	13,670,000	+136,000	-811,000	D
Community Support Demonstrations	(24,303,000)	(22,862,000)	DEFER	(31,133,000)	(25,500,000)	(24,885,000)	(+24,885,000)	(-6,248,000)	D
Prevention demonstrations	(4,000,000)	(4,000,000)	DEFER	(5,000,000)	(5,000,000)	(4,880,000)	(+4,880,000)	(-120,000)	D
Homeless Services Demonstrations	6,038,000	6,006,000	6,006,000	6,006,000	6,006,000	5,861,000	-145,000	-145,000	D
Protection and advocacy	14,001,000	8,000,000	14,001,000	16,000,000	16,000,000	15,614,000	+1,613,000	-386,000	D
Direct operations 1/	40,118,000	42,626,000	42,626,000	42,000,000	42,626,000	41,599,000	-1,027,000	-401,000	D
Subtotal, mental health	463,230,000	475,123,000	506,167,000	569,630,000	548,640,000	535,417,000	+29,250,000	-34,213,000	
National Institute on Drug Abuse:									
Research 1/	220,594,000	258,852,000	265,852,000	258,852,000	265,852,000	259,445,000	-6,407,000	+593,000	D
Research training	(3,926,000)	(4,950,000)	DEFER	(6,950,000)	(6,950,000)	(6,783,000)	(+6,783,000)	(-167,000)	D
Treatment demonstrations	46,597,000	46,588,000	48,500,000	46,588,000	46,588,000	45,465,000	-3,035,000	-1,123,000	D
AIDS demonstrations	81,555,000	63,346,000	75,000,000	75,000,000	75,000,000	73,193,000	-1,807,000	-1,807,000	D
Direct operations 1/	27,062,000	33,338,000	33,338,000	33,338,000	33,338,000	32,535,000	-803,000	-803,000	D
Subtotal, drug abuse	375,808,000	402,124,000	422,690,000	413,778,000	420,778,000	410,638,000	-12,052,000	-3,140,000	
National Institute on Alcoholism and Alcohol Abuse:									
Research 1/	131,606,000	137,620,000	143,000,000	143,451,000	143,451,000	139,994,000	-3,006,000	-3,457,000	D
Research training	(3,172,000)	(3,387,000)	DEFER	(3,457,000)	(3,457,000)	(3,374,000)	(+3,374,000)	(-83,000)	D
Substance abuse homeless demonstrations	16,378,000	9,043,000	16,378,000	16,378,000	16,378,000	15,983,000	-395,000	-395,000	D
Advance funding for FY 1991	455,000	---	---	---	---	---	---	---	D
Direct operations 1/	11,114,000	12,217,000	12,217,000	12,217,000	12,217,000	11,923,000	-294,000	-294,000	D
Subtotal, alcoholism	159,553,000	158,880,000	171,595,000	172,046,000	172,046,000	167,900,000	-3,695,000	-4,146,000	

1/ Includes AIDS.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Office for Treatment Improvement:									
Alcohol, Drug Abuse and Mental Health block grant.	1,192,851,000	1,292,775,000	1,292,775,000	1,305,000,000	1,300,000,000	1,268,670,000	-24,105,000	-36,330,000	D
Grants to States for the homeless	27,813,000	26,799,000	22,100,000	26,799,000	26,799,000	26,153,000	+4,053,000	-646,000	D
Advance funding for FY 1991	6,904,000	---	---	---	---	---	---	---	D
Waiting period reduction	64,345,000	---	---	---	---	---	---	---	D
Treatment grants to crisis areas	29,698,000	32,085,000	35,000,000	32,085,000	32,085,000	31,312,000	-3,688,000	-773,000	D
Treatment improvement grants	39,597,000	85,569,000	85,569,000	85,569,000	85,569,000	83,507,000	-2,062,000	-2,062,000	D
Direct operations	2,138,000	4,055,000	4,775,000	6,000,000	5,388,000	5,258,000	+483,000	-742,000	D
Subtotal, Treatment improvement	1,363,346,000	1,441,283,000	1,440,219,000	1,455,453,000	1,449,841,000	1,414,900,000	-25,319,000	-40,553,000	
Office for Substance Abuse Prevention:									
Prevention programs	86,314,000	97,943,000	99,000,000	122,430,000	115,000,000	112,229,000	+13,229,000	-10,201,000	D
Community youth activity program	19,798,000	20,660,000	20,660,000	20,660,000	20,660,000	20,162,000	-498,000	-498,000	D
Community prevention grants	49,496,000	101,650,000	101,650,000	101,650,000	101,650,000	99,200,000	2,450,000	-2,450,000	D
Training	26,035,000	26,894,000	26,035,000	26,894,000	26,894,000	26,246,000	+211,000	-648,000	D
Direct operations	11,794,000	14,745,000	14,745,000	14,745,000	14,745,000	14,390,000	-355,000	-355,000	D
Subtotal, Substance Abuse Prevention	193,437,000	261,892,000	262,090,000	286,379,000	278,949,000	272,227,000	+10,137,000	-14,152,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Treatment outcome evaluations	7,803,000	8,335,000	8,335,000	8,335,000	8,335,000	8,134,000	-201,000	-201,000	D
Buildings and facilities	196,000	3,126,000	3,126,000	8,126,000	8,126,000	7,930,000	+4,804,000	-196,000	D
Office of the Administrator	10,274,000	12,389,000	11,669,000	12,389,000	11,669,000	11,388,000	-281,000	-1,001,000	D
Total, Alcohol, Drug Abuse & Mental Health	2,573,647,000	2,763,152,000	2,825,891,000	2,926,136,000	2,898,384,000	2,828,534,000	+2,643,000	-97,602,000	
Current year	(2,566,288,000)	(2,763,152,000)	(2,825,891,000)	(2,926,136,000)	(2,898,384,000)	(2,828,534,000)	(+2,643,000)	(-97,602,000)	
Advance funding for FY 1991	(7,359,000)	---	---	---	---	---	---	---	
Activities not considered by House	(59,650,000)	(61,000,000)	DEFER	(74,147,000)	(68,514,000)	(66,864,000)	(+66,864,000)	(-7,283,000)	
Total	(2,633,297,000)	(2,824,152,000)	(2,825,891,000)	(3,000,283,000)	(2,966,898,000)	(2,895,398,000)	[illegible]7,507,000)	(-104,885,000)	
ST. ELIZABETHS HOSPITAL	18,000,000	12,000,000	12,000,000	12,000,000	12,000,000	11,711,000	-289,000	-289,000	D
Total, Alcohol, Drug Abuse & Mental Health Admin	2,591,647,000	2,775,152,000	2,837,891,000	2,938,136,000	2,910,384,000	2,840,245,000	+2,354,000	-97,891,000	
Activities not considered by House	(59,650,000)	(61,000,000)	DEFER	(74,147,000)	(68,514,000)	(66,864,000)	(+66,864,000)	(-7,283,000)	
Total	(2,651,297,000)	(2,836,152,000)	(2,837,891,000)	(3,012,283,000)	(2,978,898,000)	(2,907,109,000)	[illegible]9,218,000)	(-105,174,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
ASSISTANT SECRETARY FOR HEALTH									
OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH									
Population affairs: 1/									
Adolescent family life	(9,421,000)	(9,431,000)	DEFER	(9,431,000)	(8,000,000)	(7,807,000)	(+7,807,000)	(-1,624,000)	D
Health Initiatives :									
Office of Disease Prevention and Health Promotion	4,440,000	4,461,000	4,461,000	5,000,000	4,731,000	4,617,000	56,000	-383,000	D
Physical fitness and sports	2,468,000	1,499,000	1,499,000	1,499,000	1,499,000	1,463,000	-36,000	-36,000	D
Minority health	3,946,000	14,962,000	14,962,000	14,000,000	14,962,000	14,601,000	-361,000	+601,000	D
National vaccine program	5,895,000	6,914,000	10,000,000	6,914,000	10,000,000	9,759,000	-241,000	+2,845,000	D
Health Service Management	19,376,000	21,075,000	21,825,000	21,825,000	21,825,000	21,299,000	-526,000	-526,000	D
Acquired Immune Deficiency Syndrome (AIDS)	7,676,000	8,523,000	8,523,000	8,523,000	8,523,000	8,318,000	-205,000	-205,000	D
Total, PHS management	43,801,000	57,434,000	61,270,000	57,761,000	61,540,000	60,057,000	-1,213,000	+2,296,000	
Activities not considered by House	(9,421,000)	(9,431,000)	DEFER	(9,431,000)	(8,000,000)	(7,807,000)	(+7,807,000)	(-1,624,000)	
Total	(53,222,000)	(66,865,000)	(61,270,000)	(67,192,000)	(69,540,000)	(67,864,000)	(+6,594,000)	(+672,000)	
RETIREMENT PAY AND MEDICAL BENEFITS FOR COMMISSIONED OFFICERS 2/									
Retirement payments	87,249,000	91,046,000	91,046,000	91,046,000	91,046,000	91,046,000	---	---	M
Survivors benefits	5,279,000	5,683,000	5,683,000	5,683,000	5,683,000	5,683,000	---	---	M
Dependent's medical care	16,986,000	17,988,000	17,988,000	17,988,000	17,988,000	17,988,000	---	---	M
Military Services Credits	3,090,000	3,399,000	3,399,000	3,399,000	3,399,000	3,399,000	---	---	M
Total, Retirement pay and medical benefits	112,604,000	118,116,000	118,116,000	118,116,000	118,116,000	118,116,000	---	---	

1/ The request of $139,135,000 for Family Planning is displayed in the Health Resources and Services account.

2/ Excludes legislative additions of $86,100,000 proposed for later transmittal.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
AGENCY FOR HEALTH CARE POLICY AND RESEARCH									
Health services research: 1/									
Research	12,161,000	12,226,000	12,226,000	15,000,000	26,052,000	25,424,000	+13,198,000	+10,424,000	D
Trust funds	(1,037,000)	(1,037,000)	(1,037,000)	(1,037,000)	(1,037,000)	(1,012,000)	(-25,000)	(-25,000)	TF
AIDS	8,474,000	10,505,000	10,505,000	10,505,000	10,505,000	10,252,000	-253,000	-253,000	D
Program support	2,295,000	2,330,000	2,330,000	2,330,000	2,330,000	2,274,000	-56,000	-56,000	D
Subtotal including trust funds	23,967,000	26,098,000	26,098,000	28,872,000	39,924,000	38,962,000	+12,864,000	+10,090,000	
1% evaluation funding (non-add)	(35,745,000)	(34,323,000)	(13,776,000)	(34,323,000)	(13,776,000)	(13,444,000)	(-332,000)	(-20,879,000)	NA
Medical treatment effectiveness: 2/									
Federal funds	26,838,000	14,065,000	43,518,000	63,500,000	60,000,000	58,554,000	+15,036,000	-4,946,000	D
Trust funds	(5,000,000)	(28,000,000)	(5,000,000)	(5,000,000)	(5,000,000)	(4,880,000)	(-120,000)	(-120,000)	TF
Subtotal, Medical treatment effectiveness	31,838,000	42,065,000	48,518,000	68,500,000	65,000,000	63,434,000	+14,916,000	-5,066,000	
1% evaluation funding (non-add)	(5,698,000)	(6,453,000)	---	(6,453,000)	---	---	---	(-6,453,000)	NA
Total, Health Care Policy and Research:									
Federal Funds	49,768,000	39,126,000	68,579,000	91,335,000	98,887,000	96,504,000	+27,925,000	+5,169,000	
Trust funds	(6,037,000)	(29,037,000)	(6,037,000)	(6,037,000)	(6,037,000)	(5,892,000)	(-145,000)	(-145,000)	
Total, 1% evaluation funding (non-add)	(41,443,000)	(40,776,000)	(13,776,000)	(40,776,000)	(13,776,000)	(13,444,000)	(-332,000)	(-27,332,000)	
Total, Health Care Policy and Research (non-add)	(98,838,000)	(110,239,000)	(89,692,000)	(139,448,000)	(120,000,000)	(117,108,000)	(+27,416,000)	(-22,340,000)	NA
Total, Public Health Service:									
Federal Funds	12,747,329,000	13,210,567,000	14,257,086,000	14,100,964,000	14,295,322,000	13,959,405,000	-297,681,000	-141,559,000	
Current year	(12,728,085,000)	(13,210,567,000)	(14,257,086,000)	(14,100,964,000)	(14,295,322,000)	(13,959,405,000)	(-297,681,000)	(-141,559,000)	
Advance funding for FY 1991	(19,244,000)	---	---	---	---	---	---	---	
Activities not considered by House	(838,081,000)	(886,733,000)	DEFER	(1,571,185,000)	(1,210,530,000)	(1,181,358,000)	(+1,171,358,000)	(-389,827,000)	
Total	(13,585,410,000)	(14,097,300,000)	(14,257,086,000)	(15,672,149,000)	(15,505,852,000)	(15,140,763,000)	(+873,677,000)	(-531,386,000)	
Trust funds	(6,037,000)	(29,037,000)	(6,037,000)	(6,037,000)	(6,037,000)	(5,892,000)	(-145,000)	(-145,000)	

1/ Previously funded under the Office of the Assistant Secretary for Health account.

2/ Previously funded as a separate account.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
HEALTH CARE FINANCING ADMINISTRATION									
GRANTS TO STATES FOR MEDICAID 1/									
Medicaid current law benefits	38,214,759,000	45,219,954,000	42,868,526,000	45,219,954,000	45,219,954,000	45,219,954,000	+2,351,428,000	---	M
State and local administration	2,014,743,000	2,349,686,000	2,146,440,000	2,146,440,000	2,146,440,000	2,146,440,000	---	---	M
Proposed legislation, user fees	---	-113,457,000	---	-85,093,000	---	---	---	+85,093,000	D
Subtotal, Medicaid program level, FY 1991	40,229,502,000	47,456,183,000	45,014,966,000	47,281,301,000	47,366,394,000	47,366,394,000	+2,351,428,000	+85,093,000	
Less funds advanced in prior year	-9,000,000,000	-10,400,000,000	-10,400,000,000	-10,400,000,000	-10,400,000,000	-10,400,000,000	---	---	M
Total, current request, FY 1991	31,229,502,000	37,056,183,000	34,614,966,000	36,881,301,000	36,966,394,000	36,966,394,000	+2,351,428,000	+85,093,000	
New advance, 1st quarter, FY 1992	10,400,000,000	12,400,000,000	12,400,000,000	13,500,000,000	13,500,000,000	13,500,000,000	+1,100,000,000	---	M
PAYMENTS TO HEALTH CARE TRUST FUNDS									
Supplemental medical insurance	35,925,500,000	34,730,000,000	36,451,000,000	34,730,000,000	34,730,000,000	34,730,000,000	-1,721,000,000	---	M
Hospital insurance for uninsured	378,000,000	559,000,000	559,000,000	559,000,000	559,000,000	559,000,000	---	---	M
Federal uninsured payment	35,000,000	46,000,000	46,000,000	46,000,000	46,000,000	46,000,000	---	---	M
Total, Payment to Trust Funds 2/	36,338,500,000	35,335,000,000	37,056,000,000	35,335,000,000	35,335,000,000	35,335,000,000	-1,721,000,000	---	

1/ Excludes $25,000,000 in legislative additions proposed for later transmittal.

2/ Excludes legislative savings of $1,981 million proposed for later transmittal.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
PROGRAM MANAGEMENT									
Research, demonstration, and evaluation:									
Regular program:									
Federal funds	12,857,000	13,000,000	13,000,000	14,000,000	13,500,000	13,175,000	+175,000	-825,000	D
Trust funds	(19,382,000)	(23,000,000)	(23,000,000)	(23,000,000)	(23,000,000)	(22,446,000)	(-554,000)	(-554,000)	TF
Rural hospital transition demonstrations, trust funds	(17,761,000)	---	(23,000,000)	(25,000,000)	(25,000,000)	(24,398,000)	(+1,398,000)	(-602,000)	TF
Essential access community hospitals, trust funds.	---	---	(10,000,000)	(10,000,000)	(10,000,000)	(9,759,000)	(-241,000)	(-241,000)	TF
Subtotal, research, demonstration, & evaluation.	(50,000,000)	(36,000,000)	(69,000,000)	(72,000,000)	(71,500,000)	(69,778,000)	(+778,000)	(-2,222,000)	
Medicare Contractors (Trust Funds):									
Operating funds, current	(1,355,342,000)	(1,410,000,000)	(1,446,500,000)	(1,461,500,000)	(1,454,000,000)	(1,418,959,000)	(-27,541,000)	(-42,541,000)	TF
Contingency reserve fund	(98,672,000)	(173,000,000)	(136,500,000)	(136,500,000)	(136,500,000)	(133,210,000)	(-3,290,000)	(-3,290,000)	TF
Subtotal, Contractors	(1,454,014,000)	(1,583,000,000)	(1,583,000,000)	(1,598,000,000)	(1,590,500,000)	(1,552,169,000)	(-30,831,000)	(-45,831,000)	
State Certification:									
Medicare certification, trust funds	(91,214,000)	(155,100,000)	(155,100,000)	(155,100,000)	(155,100,000)	(151,362,000)	(-3,738,000)	(-3,738,000)	TF
General program support, federal funds	6,469,000	8,336,000	8,336,000	8,336,000	8,336,000	8,135,000	-201,000	-201,000	D
Proposed legislation, user fees, trust funds	---	(-155,100,000)	---	(-116,325,000)	---	---	---	(+116,325,000)	TF
Proposed legislation, user fees, federal funds	---	-8,336,000	---	-7,000,000	---	---	---	+7,000,000	D
Subtotal, State certification	(97,683,000)	---	(163,436,000)	(40,111,000)	(163,436,000)	(159,497,000)	(-3,939,000)	(+119,386,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Federal Administration:									
Federal funds	81,509,000	83,878,000	83,878,000	80,878,000	83,878,000	81,857,000	-2,021,000	+979,000	D
Less current law user fees	-283,000	-248,000	-248,000	-248,000	-248,000	-248,000	---	---	D
Trust funds	(262,491,000)	(232,538,000)	(232,538,000)	(225,538,000)	(225,538,000)	(220,103,000)	(-12,435,000)	(-5,435,000)	TF
Proposed legislation, user fees, trust funds	---	(-24,567,000)	---	(-18,425,000)	---	---	---	(+18,425,000)	TF
Proposed legislation, user fees, federal funds	---	-6,551,000	---	-4,913,000	---	---	---	+4,913,000	D
Subtotal, Federal Administration	(343,717,000)	(285,050,000)	(316,168,000)	(282,830,000)	(309,168,000)	(301,712,000)	(-14,456,000)	(+18,882,000)	
Total, Program management	1,945,414,000	1,904,050,000	2,131,604,000	1,992,941,000	2,134,604,000	2,083,156,000	-48,448,000	+90,215,000	
Federal funds	100,552,000	90,079,000	104,966,000	91,053,000	105,466,000	102,919,000	-2,047,000	+11,866,000	
Trust funds	(1,844,862,000)	(1,813,971,000)	(2,026,638,000)	(1,901,888,000)	(2,029,138,000)	(1,980,237,000)	(-46,401,000)	(+78,349,000)	
HMO LOAN AND LOAN GUARANTEE FUND 1/	4,930,000	---	---	---	---	---	---	---	D
Total, Health Care Financing Administration:									
Federal funds	78,073,484,000	84,881,262,000	84,175,932,000	85,807,354,000	85,906,860,000	85,904,313,000	+1,728,381,000	+96,959,000	
Current year, FY 1991	(67,673,484,000)	(72,481,262,000)	(71,775,932,000)	(72,307,354,000)	(72,406,860,000)	(72,404,313,000)	(+628,381,000)	(+96,959,000)	
New advance, 1st quarter, FY 1992	(10,400,000,000)	(12,400,000,000)	(12,400,000,000)	(13,500,000,000)	(13,500,000,000)	(13,500,000,000)	(+1,100,000,000)	---	
Trust funds	(1,844,862,000)	(1,813,971,000)	(2,026,638,000)	(1,901,888,000)	(2,029,138,000)	(1,980,237,000)	(-46,401,000)	(+78,349,000)	

1/ Sequester amount not reflected correctly in President's budget.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
SOCIAL SECURITY ADMINISTRATION									
PAYMENTS TO SOCIAL SECURITY TRUST FUNDS	191,968,000	46,958,000	46,958,000	46,958,000	46,958,000	46,958,000	---	---	M
SPECIAL BENEFITS FOR DISABLED COAL MINERS									
Benefit payments	863,422,000	834,000,000	834,000,000	834,000,000	834,000,000	834,000,000	---	---	M
Administration	6,831,000	7,081,000	7,081,000	7,081,000	7,081,000	7,081,000	---	---	M
Subtotal, Black Lung, FY 1991 program level	870,253,000	841,081,000	841,081,000	841,081,000	841,081,000	841,081,000	---	---	
Less funds advanced in prior year	-211,000,000	-215,000,000	-215,000,000	-215,000,000	-215,000,000	-215,000,000	---	---	M
Total, Black Lung, current request, FY 1991	659,253,000	626,081,000	626,081,000	626,081,000	626,081,000	626,081,000	---	---	
New advance, 1st quarter, FY 1992	215,000,000	203,000,000	203,000,000	203,000,000	203,000,000	203,000,000	---	---	M
SUPPLEMENTAL SECURITY INCOME 1/									
Federal benefit payments	11,185,613,000	15,935,000,000	13,913,000,000	15,935,000,000	15,935,000,000	15,935,000,000	+2,022,000,000	---	M
Beneficiary services	13,739,000	32,517,000	27,717,000	32,517,000	32,517,000	32,517,000	+4,800,000	---	M
Research demonstration	5,275,000	2,275,000	5,275,000	9,275,000	8,275,000	8,275,000	+3,000,000	-1,000,000	M
Administration	1,090,131,000	1,212,602,000	1,212,602,000	1,134,826,000	1,212,602,000	1,183,378,000	-29,224,000	+48,552,000	D
Subtotal, SSI FY 1991 program level	12,294,758,000	17,182,394,000	15,158,594,000	17,111,618,000	17,188,394,000	17,159,170,000	+2,000,576,000	+47,552,000	
Less funds advanced in prior year	-2,936,000,000	-3,157,000,000	-3,157,000,000	-3,157,000,000	-3,157,000,000	-3,157,000,000	---	---	M
Total, SSI, current request, FY 1991	9,358,758,000	14,025,394,000	12,001,594,000	13,954,618,000	14,031,394,000	14,002,170,000	+2,000,576,000	+47,552,000	
New advance, 1st quarter, FY 1992	3,157,000,000	3,550,000,000	3,550,000,000	3,550,000,000	3,550,000,000	3,550,000,000	---	---	M
LIMITATION ON ADMINISTRATIVE EXPENSES (Trust Funds)	(3,837,389,000)	(4,166,974,000)	(4,166,974,000)	(4,316,974,000)	(4,316,974,000)	(4,212,935,000)	(+45,961,000)	(-104,039,000)	TF
(Contingency reserve, non-add)	(50,000,000)	(50,000,000)	(50,000,000)	(200,000,000)	(150,000,000)	(146,385,000)	(+96,385,000)	(-53,615,000)	NA
Total, Social Security Administration:									
Federal funds	13,581,979,000	18,451,433,000	16,427,633,000	18,380,657,000	18,457,433,000	18,428,209,000	+2,000,576,000	+47,552,000	
Current year FY 1991	(10,209,979,000)	(14,698,433,000)	(12,674,633,000)	(14,627,657,000)	(14,704,433,000)	(14,675,209,000)	(+2,000,576,000)	(+47,552,000)	
New advances, 1st quarter FY 1992	(3,372,000,000)	(3,753,000,000)	(3,753,000,000)	(3,753,000,000)	(3,753,000,000)	(3,753,000,000)	---	---	
Trust funds	(3,837,389,000)	(4,166,974,000)	(4,166,974,000)	(4,316,974,000)	(4,316,974,000)	(4,212,935,000)	(+45,961,000)	(-104,039,000)	

1/ Excludes $55,000,000 in legislative savings proposed for later transmittal.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
FAMILY SUPPORT ADMINISTRATION 1/									
FAMILY SUPPORT PAYMENTS TO STATES 2/									
Aid to Families with Dependent Children (AFDC).....	9,261,706,000	9,999,000,000	9,999,000,000	10,521,000,000	10,521,000,000	10,521,000,000	+522,000,000	---	M
Payments to territories.....	16,346,000	16,346,000	16,346,000	16,346,000	16,346,000	16,346,000	---	---	M
Emergency assistance, incl. welfare hotel demos.....	204,000,000	194,000,000	194,000,000	204,700,000	204,700,000	204,700,000	+10,700,000	---	M
Repatriation.....	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	---	---	M
State and local welfare administration.....	1,504,500,000	1,471,900,000	1,471,900,000	1,496,300,000	1,496,300,000	1,496,300,000	+24,400,000	---	M
Work activities / child care.....	206,000,000	489,000,000	489,000,000	412,000,000	412,000,000	412,000,000	-77,000,000	---	M
Regulatory savings.....	---	-35,000,000	-35,000,000	---	---	---	+35,000,000	---	M
Subtotal, Welfare payments.....	11,193,552,000	12,136,246,000	12,136,246,000	12,651,346,000	12,651,346,000	12,651,346,000	+515,100,000	---	
Child Support Enforcement:									
State and local administration.....	1,059,000,000	1,197,000,000	1,197,000,000	1,197,000,000	1,197,000,000	1,197,000,000	---	---	M
Federal incentive payments.....	276,000,000	332,000,000	332,000,000	332,000,000	332,000,000	332,000,000	---	---	M
Less federal share collections.....	-836,000,000	-1,008,000,000	-1,008,000,000	-1,008,000,000	-1,008,000,000	-1,008,000,000	---	---	M
Subtotal, Child support.....	499,000,000	521,000,000	521,000,000	521,000,000	521,000,000	521,000,000	---	---	
Total, Payments, FY 1991 program level.....	11,692,552,000	12,657,246,000	12,657,246,000	13,172,346,000	13,172,346,000	13,172,346,000	+515,100,000	---	
Less funds advanced in previous years.....	-2,700,000,000	-3,000,000,000	-3,000,000,000	-3,000,000,000	-3,000,000,000	-3,000,000,000	---	---	M
Total, Payments, current request, FY 1991.....	8,992,552,000	9,657,246,000	9,657,246,000	10,172,346,000	10,172,346,000	10,172,346,000	+515,100,000	---	
New advance, 1st quarter, FY 1992.....	3,000,000,000	3,300,000,000	3,300,000,000	3,300,000,000	3,300,000,000	3,300,000,000	---	---	M

1/ Excludes Administration proposal to shift USDA Fiscal Assistance to Puerto Rico Program to FSA.

2/ Excludes legislative savings of $32.4 million proposed for later transmittal.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
PAYMENTS TO STATES FOR AFDC WORK PROGRAMS 1/									
New Jobs Activities program 2/	443,038,000	1,000,000,000	1,000,000,000	1,006,500,000	1,000,000,000	1,000,000,000	---	-6,500,000	M
WIN Phaseout	31,200,000	---	---	---	---	---	---	---	D
Total, AFDC work programs	474,238,000	1,000,000,000	1,000,000,000	1,006,500,000	1,000,000,000	1,000,000,000	---	-6,500,000	
LOW INCOME HOME ENERGY ASSISTANCE									
Energy Assistance Block Grant 3/	(1,393,000,000)	(1,050,000,000)	DEFER	(1,450,000,000)	(1,450,000,000)	(1,415,055,000)	(+1,415,055,000)	(-34,945,000)	D
Emergency grants	(50,000,000)	---	DEFER	---	---	---	---	---	D
Total, Low income home energy assistance	(1,443,000,000)	(1,050,000,000)	DEFER	(1,450,000,000)	(1,450,000,000)	(1,415,055,000)	(+1,415,055,000)	(-34,945,000)	
ENERGY EMERGENCY CONTINGENCY FUND									
Contingency (non-add)	---	---	---	(200,000,000)	---	---	---	(-200,000,000)	MA
Budget authority	---	---	---	---	200,000,000	195,180,000	+195,180,000	+195,180,000	D
REFUGEE AND ENTRANT ASSISTANCE									
Cash and medical assistance 4/	(210,000,000)	(210,000,000)	DEFER	(210,000,000)	(240,000,000)	(234,216,000)	(+234,216,000)	(+24,216,000)	D
Social services	(75,000,000)	(75,000,000)	DEFER	(85,000,000)	(85,000,000)	(82,952,000)	(+82,952,000)	(-2,048,000)	D
Voluntary agency program	(40,000,000)	(40,000,000)	DEFER	(45,000,000)	(40,000,000)	(39,036,000)	(+39,036,000)	(-5,964,000)	D
Preventive health	(5,770,000)	(5,770,000)	DEFER	(8,000,000)	(5,770,000)	(5,631,000)	(+5,631,000)	(-2,369,000)	D
Targeted assistance	(44,052,000)	(38,052,000)	DEFER	(50,000,000)	(50,000,000)	(48,795,000)	(+48,795,000)	(-1,205,000)	D
Total, Refugee Resettlement	(374,822,000)	(368,822,000)	DEFER	(398,000,000)	(420,770,000)	(410,630,000)	(+410,630,000)	(+12,630,000)	

1/ Reflects reprogramming approved 4/11/90.

2/ Senate recommendation includes $6,500,000 for job creation demos authorized under section 505 of the Family Support Act.

3/ Senate and conference recommendation includes $74,610,000 for obligation September 30, 1991.

4/ Includes State administrative costs.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
STATE LEGALIZATION IMPACT ASSISTANCE GRANTS									
Current year	-567,424,000	-561,070,000	---	-566,854,000	-566,854,000	-566,854,000	-566,854,000	---	D
FY 1992 advance	555,244,000	-555,244,000	---	579,034,000	579,034,000	565,079,000	+565,079,000	-13,955,000	D
Total	-12,180,000	-1,116,314,000	---	12,180,000	12,180,000	-1,775,000	-1,775,000	-13,955,000	
COMMUNITY SERVICES BLOCK GRANT									
Grants to States for Community Services	(323,085,000)	---	DEFER	(368,000,000)	(358,000,000)	(349,372,000)	(+349,372,000)	(-18,628,000)	D
Homeless services grants	(21,855,000)	(33,959,000)	DEFER	(34,000,000)	(34,000,000)	(33,181,000)	(+33,181,000)	(-819,000)	D
Advance funding for FY 1991	(8,041,000)	---	DEFER	---	---	---	---	---	D
Discretionary funds:									
Community economic development	(20,158,000)	---	DEFER	(21,000,000)	(21,000,000)	(20,494,000)	(+20,494,000)	(-506,000)	D
Rural housing	(3,994,000)	---	DEFER	(4,200,000)	(4,200,000)	(4,099,000)	(+4,099,000)	(-101,000)	D
Farmworker assistance	(2,934,000)	---	DEFER	(3,100,000)	(3,100,000)	(3,025,000)	(+3,025,000)	(-75,000)	D
National youth sports, regular activities	(10,618,000)	---	DEFER	(11,100,000)	(11,100,000)	(10,832,000)	(+10,832,000)	(-268,000)	D
Technical assistance	(235,000)	---	DEFER	(250,000)	(250,000)	(244,000)	(+244,000)	(-6,000)	D
Subtotal, discretionary funds	(37,939,000)	---	DEFER	(39,650,000)	(39,650,000)	(38,694,000)	(+38,694,000)	(-956,000)	
Community Partnerships	(3,495,000)	---	DEFER	(4,150,000)	(4,150,000)	(4,050,000)	(+4,050,000)	(-100,000)	D
Community Food and Nutrition	(2,406,000)	---	DEFER	(2,500,000)	(2,500,000)	(2,440,000)	(+2,440,000)	(-60,000)	D
Total, Community services	(396,821,000)	(33,959,000)	DEFER	(448,300,000)	(438,300,000)	(427,737,000)	(+ ,737,000)	(-20,563,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
PROGRAM ADMINISTRATION									
Federal Administration	75,628,000	74,950,000	74,950,000	75,450,000	75,450,000	73,632,000	-1,318,000	-1,818,000	D
Proposed user fees	---	-2,000,000	-1,000,000	-1,000,000	-1,000,000	-1,000,000	---	---	D
Research & evaluation	9,825,000	4,250,000	6,250,000	8,750,000	11,000,000	10,735,000	+4,485,000	+1,985,000	D
Total, program administration	85,453,000	77,200,000	80,200,000	83,200,000	85,450,000	83,367,000	+3,167,000	+167,000	
Total, Family Support Administration	12,540,063,000	12,918,132,000	14,037,446,000	14,574,226,000	14,769,976,000	14,749,118,000	+711,672,000	+174,892,000	
Current year	(8,984,819,000)	(10,173,376,000)	(10,737,446,000)	(10,695,192,000)	(10,890,942,000)	(10,884,039,000)	(+146,593,000)	(+188,847,000)	
FY 1992	(3,555,244,000)	(2,744,756,000)	(3,300,000,000)	(3,879,034,000)	(3,879,034,000)	(3,865,079,000)	(+565,079,000)	(-13,955,000)	
Activities not considered by House	(2,214,643,000)	(1,452,781,000)	DEFER	(2,296,300,000)	(2,309,070,000)	(2,253,422,000)	(+2,253,422,000)	(-42,878,000)	
Total	(14,754,706,000)	(14,370,913,000)	(14,037,446,000)	(16,870,526,000)	(17,079,046,000)	(17,002,540,000)	(+2,965,094,000)	(+132,014,000)	

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CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
ASSISTANT SECRETARY FOR HUMAN DEVELOPMENT SERVICES									
SOCIAL SERVICES BLOCK GRANT (TITLE XX).....	2,762,200,000	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000	2,800,000,000	---	---	M
HUMAN DEVELOPMENT SERVICES									
Programs for Children, Youth, and Families:									
Head start.....	(1,552,000,000)	(1,886,315,000)	DEFER	(2,000,000,000)	(2,000,000,000)	(1,951,800,000)	(+1,951,800,000)	(-48,200,000)	D
Child development associate scholarships.....	(1,431,000)	(1,431,000)	DEFER	(1,431,000)	(1,431,000)	(1,397,000)	(+1,397,000)	(-34,000)	D
Family crisis program:									
Child abuse state grants.....	11,567,000	11,523,000	20,000,000	20,000,000	20,000,000	19,518,000	-482,000	-482,000	D
Child abuse challenge grants.....	4,934,000	4,934,000	5,000,000	5,500,000	5,500,000	5,367,000	+367,000	-133,000	D
Runaway and homeless youth.....	28,785,000	28,785,000	36,000,000	36,000,000	36,000,000	35,132,000	-868,000	-868,000	D
Family violence.....	8,273,000	8,273,000	13,273,000	11,000,000	11,000,000	10,735,000	-2,538,000	-265,000	D
Abandoned infants assistance.....	9,867,000	9,867,000	9,867,000	12,867,000	12,867,000	12,557,000	+2,690,000	-310,000	D
Emergency protection grants - substance abuse.	---	---	20,000,000	---	20,000,000	19,518,000	-482,000	+19,518,000	D
Subtotal, family crisis.....	63,426,000	63,382,000	104,140,000	85,367,000	105,367,000	102,827,000	-1,313,000	+17,460,000	
Dependent care planning and development.....	(13,178,000)	(13,178,000)	DEFER	(13,500,000)	(13,500,000)	(13,175,000)	(+13,175,000)	(-325,000)	D
Child welfare services.....	252,648,000	300,000,000	280,000,000	300,000,000	280,000,000	273,252,000	-6,748,000	-26,748,000	D
Less amounts derived by transfer.....	---	-47,352,000	---	-47,352,000	-27,352,000	-27,352,000	-27,352,000	+20,000,000	D
Subtotal, child welfare services.....	252,648,000	252,648,000	280,000,000	252,648,000	252,648,000	245,900,000	-34,100,000	-6,748,000	
Subtotal.....	316,074,000	316,030,000	384,140,000	338,015,000	358,015,000	348,727,000	-35,413,000	+10,712,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Programs for the Aging:									
Grants to States:									
Supportive services and centers	271,987,000	272,961,000	298,000,000	298,000,000	298,000,000	290,818,000	-7,182,000	-7,182,000	D
Ombudsman activities	973,000	---	3,000,000	6,000,000	5,500,000	5,367,000	+2,367,000	-633,000	D
Nutrition:									
Congregate meals	351,925,000	351,925,000	370,000,000	370,000,000	370,000,000	361,083,000	-8,917,000	-8,917,000	D
Home-delivered meals	78,981,000	78,981,000	90,000,000	90,000,000	90,000,000	87,831,000	-2,169,000	-2,169,000	D
Federal Council on Aging 1/	---	---	185,000	---	185,000	181,000	-4,000	+181,000	D
Grants to Indians	12,541,000	12,541,000	14,000,000	16,000,000	15,000,000	14,639,000	+639,000	-1,361,000	D
Frail elderly in-home services	5,756,000	5,756,000	5,756,000	7,000,000	7,000,000	6,831,000	+1,075,000	-169,000	D
Subtotal, Aging programs	722,163,000	722,164,000	780,941,000	787,000,000	785,685,000	766,750,000	-14,191,000	-20,250,000	
Developmental disabilities program:									
State grants	(61,939,000)	(61,939,000)	DEFER	(66,000,000)	(66,000,000)	(64,409,000)	(+64,409,000)	(-1,591,000)	D
Protection and advocacy	(20,484,000)	(20,484,000)	DEFER	(21,500,000)	(21,500,000)	(20,982,000)	(+20,982,000)	(-518,000)	D
Subtotal, Developmental disabilities	(82,423,000)	(82,423,000)	DEFER	(87,500,000)	(87,500,000)	(85,391,000)	(+85,391,000)	(-2,109,000)	
Native American Programs	31,711,000	31,711,000	34,200,000	34,200,000	34,200,000	33,376,000	824,000	-824,000	D

1/ President's budget proposes to fund under Program direction.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Human services research, training & demonstration:									
Comprehensive child development centers	24,668,000	24,668,000	24,668,000	25,000,000	25,000,000	24,398,000	-270,000	-602,000	D
Child abuse discretionary activities	13,478,000	13,523,000	15,000,000	15,000,000	15,000,000	14,639,000	-361,000	-361,000	D
Runaway youth - transitional living	9,867,000	9,867,000	9,867,000	10,500,000	10,184,000	9,939,000	+72,000	-561,000	D
Runaway youth activities - drugs	14,801,000	14,801,000	14,801,000	15,500,000	15,151,000	14,786,000	-15,000	-714,000	D
Youth gang substance abuse	14,801,000	14,801,000	14,801,000	15,500,000	15,151,000	14,786,000	-15,000	-714,000	D
Temporary childcare/crisis nurseries	8,328,000	8,328,000	8,328,000	11,328,000	11,328,000	11,055,000	+2,727,000	-273,000	D
Child welfare training	3,647,000	3,647,000	3,647,000	3,647,000	3,647,000	3,559,000	-88,000	-88,000	D
Child welfare research	7,517,000	13,517,000	13,517,000	8,000,000	8,000,000	7,807,000	-5,710,000	-193,000	D
Adoption opportunities	6,736,000	6,736,000	13,000,000	13,000,000	13,000,000	12,687,000	-313,000	-313,000	D
Aging research, training and special projects	25,332,000	26,332,000	27,332,000	27,832,000	27,582,000	26,917,000	-415,000	-915,000	D
Social services research	3,475,000	3,475,000	3,975,000	3,975,000	3,975,000	3,879,000	-96,000	-96,000	D
Developmental disabilities special projects	(2,862,000)	(2,862,000)	DEFER	(3,100,000)	(3,100,000)	(3,025,000)	(+3,025,000)	(-75,000)	D
Developmental disabilities university affiliated programs	(13,192,000)	(13,192,000)	DEFER	(14,250,000)	(14,250,000)	(13,907,000)	(+13,907,000)	(-343,000)	D
Total, Human Services Res, Trng & demonstration.	132,650,000	139,695,000	148,936,000	149,282,000	148,018,000	144,452,000	-4,484,000	-4,830,000	
Program direction	68,313,000	71,149,000	75,000,000	73,000,000	74,000,000	72,217,000	-2,783,000	-783,000	D
Subtotal, Human Development Services	1,270,911,000	1,280,749,000	1,423,217,000	1,381,497,000	1,399,918,000	1,365,522,000	-57,695,000	-15,975,000	
Child care:									
FY 1991 1/	---	---	DEFER	(1,159,000,000)	(750,000,000)	(731,925,000)	(+731,925,000)	(-427,075,000)	D
FY 1992	---	---	DEFER	(41,000,000)	---	---	---	(-41,000,000)	D
Total, Human Development Services	1,270,911,000	1,280,749,000	1,423,217,000	1,381,497,000	1,399,918,000	1,365,522,000	-57,695,000	-15,975,000	
Activities not considered by House	(1,665,086,000)	(1,999,401,000)	DEFER	(3,319,781,000)	(2,869,781,000)	(2,800,620,000)	(+2,800,620,000)	(-519,161,000)	
Total	(2,935,997,000)	(3,280,150,000)	(1,423,217,000)	(4,701,278,000)	(4,269,699,000)	(4,166,142,000)	(+2,742,925,000)	(-535,136,000)	

1/ Senate makes available for oblig. Sept. 15, 1991.
Conference makes available Sept. 7, 1991.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
PAYMENTS TO STATES FOR FOSTER CARE AND ADOPTION ASSISTANCE									
Foster care	1,200,061,000	1,830,360,000	1,877,712,000	1,793,186,000	1,813,186,000	1,813,186,000	-64,526,000	+20,000,000	M
Proposed legislation	---	-160,909,000	---	---	---	---	---	---	D
Adoption assistance	124,855,000	150,480,000	150,480,000	189,832,000	189,832,000	189,832,000	+39,352,000	---	M
Independent living	50,000,000	60,000,000	60,000,000	60,000,000	60,000,000	60,000,000	---	---	M
Prior year claims	---	544,000,000	544,000,000	520,911,000	520,911,000	520,911,000	-23,089,000	---	M
Transfer to child welfare service	---	47,352,000	---	47,352,000	27,352,000	27,352,000	+27,352,000	-20,000,000	M
Total, Payments to States	1,374,916,000	2,471,283,000	2,632,192,000	2,611,281,000	2,611,281,000	2,611,281,000	-20,911,000	---	
Total, Asst. Sec. for Human Development	5,408,027,000	6,552,032,000	6,855,409,000	6,792,778,000	6,811,199,000	6,776,803,000	-78,606,000	-15,975,000	
Activities not considered by House	(1,665,086,000)	(1,999,401,000)	DEFER	(3,319,781,000)	(2,869,781,000)	(2,800,620,000)	(+2,800,620,000)	(-519,161,000)	
Total	(7,073,113,000)	(8,551,433,000)	(6,855,409,000)	(10,112,559,000)	(9,680,980,000)	(9,577,423,000)	(+2,722,014,000)	(-535,136,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
DEPARTMENTAL MANAGEMENT									
GENERAL DEPARTMENTAL MANAGEMENT:									
Federal funds	79,416,000	81,350,000	82,250,000	75,500,000	81,350,000	79,389,000	-2,861,000	+3,889,000	D
Trust funds	(31,100,000)	(31,100,000)	(31,950,000)	(28,950,000)	(31,100,000)	(30,350,000)	(-1,600,000)	(+1,400,000)	TF
Total, Departmental management	110,516,000	112,450,000	114,200,000	104,450,000	112,450,000	109,739,000	-4,461,000	+5,289,000	
OFFICE OF THE INSPECTOR GENERAL:									
Federal funds	50,488,000	58,600,000	53,500,000	53,500,000	53,500,000	52,211,000	-1,289,000	-1,289,000	D
Trust funds	(43,723,000)	(43,723,000)	(43,723,000)	(43,723,000)	(43,723,000)	(42,669,000)	(-1,054,000)	(-1,054,000)	TF
Total, Inspector General	94,211,000	102,323,000	97,223,000	97,223,000	97,223,000	94,880,000	-2,343,000	-2,343,000	
OFFICE FOR CIVIL RIGHTS:									
Federal funds	17,294,000	17,585,000	17,585,000	17,585,000	17,585,000	17,161,000	-424,000	-424,000	D
Trust funds	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(3,904,000)	(-96,000)	(-96,000)	TF
Total, Civil Rights	21,294,000	21,585,000	21,585,000	21,585,000	21,585,000	21,065,000	-520,000	-520,000	
POLICY RESEARCH	5,001,000	5,017,000	9,167,000	8,167,000	9,167,000	8,946,000	-221,000	+779,000	D
Total, Departmental management:									
Federal funds	152,199,000	162,552,000	162,502,000	154,752,000	161,602,000	157,707,000	-4,795,000	+2,955,000	
Trust funds	(78,823,000)	(78,823,000)	(79,673,000)	(76,673,000)	(78,823,000)	(76,923,000)	(-2,750,000)	(+250,000)	
Total, Departmental management	(231,022,000)	(241,375,000)	(242,175,000)	(231,425,000)	(240,425,000)	(234,630,000)	(-7,545,000)	(+3,205,000)	
UNDISTRIBUTED SALARY & EXPENSE SAVINGS, GENERAL FUNDS	---	---	---	-50,000,000	-50,000,000	-50,000,000	-50,000,000	---	D
UNDISTRIBUTED SALARY & EXPENSE SAVINGS, TRUST FUNDS	---	---	---	(-57,000,000)	(-57,000,000)	(-57,000,000)	(-57,000,000)	---	TF

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Total, Department of Health and Human Services:									
Federal Funds	122,503,081,000	136,175,978,000	135,916,008,000	139,760,731,000	140,352,392,000	139,925,555,000	+4,009,547,000	+164,824,000	
Current year FY 1991	(105,156,593,000)	(117,278,222,000)	(116,463,008,000)	(118,628,697,000)	(119,220,358,000)	(118,807,476,000)	(+2,344,468,000)	(+178,779,000)	
FY 1992	(17,346,488,000)	(18,897,756,000)	(19,453,000,000)	(21,132,034,000)	(21,132,034,000)	(21,118,079,000)	(+1,665,079,000)	(-13,955,000)	
Activities not considered by House	(4,717,810,000)	(4,338,915,000)	DEFER	(7,187,266,000)	(6,389,381,000)	(6,235,400,000)	(+6,225,400,000)	(-951,866,000)	
Total	(127,220,891,000)	(140,514,893,000)	(135,926,008,000)	(146,947,997,000)	(146,741,773,000)	(146,160,955,000)	(+10,234,947,000)	(-787,042,000)	
Trust funds	(5,767,111,000)	(6,088,805,000)	(6,279,322,000)	(6,244,572,000)	(6,373,972,000)	(6,218,987,000)	(-60,335,000)	(-25,585,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
TITLE III--DEPARTMENT OF EDUCATION									
COMPENSATORY EDUCATION FOR THE DISADVANTAGED									
Grants for the Disadvantaged (Chapter 1):									
Grants to local educational agencies:									
Basic grants	4,373,146,000	4,463,100,000	5,121,000,000	5,130,000,000	5,125,500,000	5,001,975,000	-119,025,000	-128,025,000	D
Concentration grants	395,112,000	495,900,000	569,000,000	570,000,000	569,500,000	555,775,000	-13,225,000	-14,225,000	D
Subtotal, grants to LEA's	4,768,258,000	4,959,000,000	5,690,000,000	5,700,000,000	5,695,000,000	5,557,750,000	-132,250,000	-142,250,000	
Capital expenses for private school children	25,682,000	25,682,000	26,000,000	40,000,000	37,000,000	36,108,000	+10,108,000	-3,892,000	D
Even start	24,201,000	48,000,000	60,000,000	48,000,000	51,000,000	49,771,000	-10,229,000	+1,771,000	D
State agency programs:									
Migrant	282,444,000	293,742,000	310,000,000	293,742,000	301,871,000	294,596,000	-15,404,000	+854,000	D
Handicapped 1/	146,389,000	146,389,000	---	152,537,000	152,537,000	148,861,000	+148,861,000	-3,676,000	D
Neglected and delinquent	32,791,000	34,103,000	34,000,000	40,000,000	37,000,000	36,108,000	+2,108,000	-3,892,000	D
State administration	50,176,000	54,000,000	60,600,000	60,600,000	60,600,000	59,140,000	-1,460,000	-1,460,000	D
State program improvement grants	12,544,000	24,000,000	15,150,000	15,150,000	15,150,000	14,785,000	-365,000	-365,000	D
Evaluation and technical assistance 3/	11,853,000	15,000,000	15,000,000	12,000,000	13,500,000	13,175,000	-1,825,000	+1,175,000	D
Rural technical assistance centers 3/	4,445,000	4,445,000	4,500,000	4,645,000	4,573,000	4,463,000	-37,000	-182,000	D
Total, Chapter 1	5,358,783,000	5,604,361,000	6,215,250,000	6,366,674,000	6,368,231,000	6,214,757,000	-493,000	-151,917,000	
Migrant education:									
High school equivalency program 3/	7,858,000	7,858,000	8,000,000	8,000,000	8,000,000	7,807,000	-193,000	-193,000	D
College assistance migrant program 3/	1,720,000	1,720,000	2,000,000	2,000,000	2,000,000	1,952,000	-48,000	-48,000	D
Subtotal, migrant education	9,578,000	9,578,000	10,000,000	10,000,000	10,000,000	9,759,000	-241,000	-241,000	
Presidential merit schools, proposed legislation 2/	---	225,000,000	---	---	---	---	---	---	D
Total, Compensatory Education programs	5,368,361,000	5,838,939,000	6,225,250,000	6,376,674,000	6,378,231,000	6,224,516,000	-734,000	-152,158,000	

1/ House consolidates funds under Education for the Handicapped account.
2/ House provides authority to transfer $100 million if authorized from Grants to LEA's.
3/ Current funded.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
IMPACT AID									
Maintenance and operations:									
Payments for ''a'' children	578,500,000	578,500,000	600,000,000	610,000,000	600,000,000	585,540,000	-14,460,000	-24,460,000	D
Payments for ''b'' children	123,500,000	25,000,000	140,000,000	130,000,000	140,000,000	136,626,000	-3,374,000	+6,626,000	D
Payments for Federal property (Section 2)	15,354,000	15,354,000	17,000,000	17,000,000	17,000,000	16,590,000	-410,000	-410,000	D
Payments related to base closings (Section 3e)	---	---	2,000,000	2,000,000	2,000,000	1,952,000	-48,000	-48,000	D
Subtotal	717,354,000	618,854,000	759,000,000	759,000,000	759,000,000	740,708,000	-18,292,000	-18,292,000	
Disaster assistance (Section 7) 2/	---	15,000,000	14,000,000	14,000,000	14,000,000	13,663,000	-337,000	-337,000	D
Construction	14,998,000	27,000,000	27,000,000	27,000,000	27,000,000	26,349,000	-651,000	-651,000	D
Total, Impact aid	732,352,000	660,854,000	800,000,000	800,000,000	800,000,000	780,720,000	-19,280,000	-19,280,000	
SCHOOL IMPROVEMENT PROGRAMS									
Educational improvement (Chapter 2):									
State and Local Programs:									
State block grants 1/	455,717,000	474,405,000	456,000,000	473,149,000	460,000,000	448,914,000	-7,086,000	-24,235,000	D
Evaluation	1,481,000	1,000,000	1,000,000	1,000,000	1,000,000	976,000	-24,000	-24,000	D
Subtotal	457,198,000	475,405,000	457,000,000	474,149,000	461,000,000	449,890,000	-7,110,000	-24,259,000	
National programs:									
National Diffusion Network	12,837,000	12,632,000	14,000,000	15,000,000	14,500,000	14,151,000	+151,000	-849,000	D
Inexpensive book distribution (RIF)	8,576,000	8,914,000	9,500,000	9,500,000	9,500,000	9,271,000	-229,000	-229,000	D
Arts in education	3,851,000	3,972,000	4,500,000	4,500,000	4,500,000	4,392,000	-108,000	-108,000	D
Law - related education	4,938,000	4,824,000	5,000,000	6,000,000	6,000,000	5,855,000	+855,000	-145,000	D
Blue ribbon schools	494,000	873,000	900,000	914,000	907,000	885,000	-15,000	-29,000	D
Subtotal, National programs	30,696,000	31,215,000	33,900,000	35,914,000	35,407,000	34,554,000	+654,000	-1,360,000	
Total, Chapter 2	487,894,000	506,620,000	490,900,000	510,063,000	496,407,000	484,444,000	-6,456,000	-25,619,000	
Foreign Language Assistance 1/	---	---	---	6,000,000	5,000,000	4,880,000	+4,880,000	-1,120,000	D

1/ Forward funded.

2/ Senate bill modifies amount to $11 million, but does not change total.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Drug-free schools and communities:									
State grants 1/	437,881,000	487,619,000	487,619,000	532,380,000	510,000,000	497,709,000	+10,090,000	-34,671,000	D
School personnel training	14,554,000	14,554,000	14,554,000	14,699,000	14,627,000	14,274,000	-280,000	-425,000	D
National programs:									
Regular programs	61,127,000	66,127,000	66,127,000	74,000,000	72,000,000	70,265,000	+4,138,000	-3,735,000	D
Emergency grants	24,688,000	25,000,000	25,000,000	25,000,000	25,000,000	24,398,000	-602,000	-602,000	D
National Commission on Drug-Free Schools	988,000	---	---	---	---	---	---	---	D
Subtotal, drug-free schools and communities	539,238,000	593,300,000	593,300,000	646,079,000	621,627,000	606,646,000	+13,346,000	-39,433,000	
Strengthening teaching and administration:									
Eisenhower mathematics and science education:									
State grants 1/	126,837,000	220,800,000	192,000,000	222,000,000	207,000,000	202,011,000	+10,011,000	-19,989,000	D
National programs	8,781,000	9,200,000	8,000,000	15,000,000	12,000,000	11,711,000	+3,711,000	-3,289,000	D
Subtotal, Math & science education	135,618,000	230,000,000	200,000,000	237,000,000	219,000,000	213,722,000	+13,722,000	-23,278,000	
Fund for the improvement and reform of schools and teaching:									
Grants for schools and teachers	3,915,000	3,915,000	6,000,000	4,830,000	5,415,000	5,284,000	-716,000	+454,000	D
Family-school partnerships	4,443,000	4,443,000	3,000,000	3,871,000	3,700,000	3,611,000	+611,000	-260,000	D
Subtotal, FIRST	8,358,000	8,358,000	9,000,000	8,701,000	9,115,000	8,895,000	-105,000	+194,000	
Alternative teacher/principal certification, proposed legislation	---	25,000,000	---	---	---	---	---	---	D
Presidential awards for excellence in education, proposed legislation	---	7,600,000	---	---	---	---	---	---	D
Territorial teacher training	1,762,000	1,762,000	1,800,000	1,836,000	1,818,000	1,774,000	-26,000	-62,000	D
Leadership in Educational Administration (LEAD) 1/	3,845,000	4,215,000	3,845,000	4,006,000	3,926,000	3,831,000	-14,000	-175,000	D
Christa McAuliffe fellowships	1,932,000	2,013,000	2,000,000	2,013,000	2,007,000	1,959,000	-41,000	-54,000	D
Mid-career teacher training	987,000	987,000	1,000,000	1,028,000	1,014,000	990,000	-10,000	-38,000	D

1/ Forward funded.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Other school improvement programs:									
Magnet schools, desegregation program	113,189,000	113,189,000	113,000,000	113,000,000	113,000,000	110,277,000	-2,723,000	-2,723,000	D
Magnet schools of excellence, proposed legislation	---	100,000,000	---	---	---	---	---	---	D
Fund for Innovation in Education	18,939,000	18,939,000	25,000,000	28,500,000	28,500,000	27,813,000	+2,813,000	-687,000	D
Javits gifted and talented student education	9,888,000	8,888,000	10,000,000	9,252,000	10,000,000	9,759,000	-241,000	+507,000	D
Education for homeless children & youth:									
State activities 1/	4,935,000	5,000,000	5,000,000	5,000,000	5,000,000	4,880,000	-120,000	-120,000	D
Exemplary programs	2,469,000	2,500,000	2,500,000	2,500,000	2,500,000	2,440,000	-60,000	-60,000	D
Subtotal, homeless activities	7,404,000	7,500,000	7,500,000	7,500,000	7,500,000	7,320,000	-180,000	-180,000	
Women's educational equity	2,098,000	1,000,000	2,000,000	2,098,000	2,049,000	2,000,000	---	-98,000	D
Training and advisory services (Civil Rights IV-A)	21,451,000	21,451,000	21,500,000	22,330,000	21,915,000	21,387,000	-113,000	-943,000	D
Dropout prevention demonstrations 2/	19,945,000	45,000,000	30,000,000	40,000,000	35,000,000	34,157,000	+4,157,000	-5,843,000	D
Secondary school basic skills demonstrations	4,938,000	---	---	---	---	---	---	---	D
Educational partnerships	3,703,000	3,703,000	3,700,000	5,000,000	4,350,000	4,245,000	+545,000	-755,000	D
General assistance to the Virgin Islands	4,391,000	4,391,000	4,400,000	4,571,000	4,486,000	4,378,000	-22,000	-193,000	D
Ellender fellowships/Close up 1/	3,703,000	1,000,000	3,700,000	4,703,000	4,202,000	4,101,000	+401,000	-602,000	D
Follow through	(7,171,000)	---	DEFER	(7,465,000)	(7,465,000)	(7,285,000)	(+7,285,000)	(-180,000)	D
Star schools	14,813,000	---	---	15,420,000	14,813,000	14,456,000	+14,456,000	-964,000	D
Native Hawaiian Education	6,419,000	---	6,400,000	6,682,000	6,541,000	6,383,000	-17,000	-299,000	D
Subtotal, other school improvement programs	230,881,000	325,061,000	227,200,000	259,056,000	252,356,000	246,276,000	+19,076,000	-12,780,000	

1/ Forward funded.

2/ FY 1991 includes $3 million for research.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
National writing project	---	---	---	2,000,000	2,000,000	1,952,000	+1,952,000	-48,000	D
Total, School improvement programs	1,410,515,000	1,704,916,000	1,529,045,000	1,677,782,000	1,614,270,000	1,575,369,000	+46,324,000	-102,413,000	
Activities not considered by House	(7,171,000)	---	DEFER	(7,465,000)	(7,465,000)	(7,285,000)	(+7,285,000)	(-180,000)	
Total	(1,417,686,000)	(1,704,916,000)	(1,529,045,000)	(1,685,247,000)	(1,621,735,000)	(1,582,654,000)	(+53,609,000)	(-102,593,000)	
Subtotal, forward funded	(1,032,918,000)	(1,193,039,000)	(1,148,164,000)	(1,247,238,000)	(1,195,128,000)	(1,166,326,000)	(+18,162,000)	(-80,912,000)	
BILINGUAL AND IMMIGRANT EDUCATION									
Bilingual education:									
Bilingual programs	115,779,000	132,642,000	120,000,000	124,028,000	124,028,000	121,039,000	+1,039,000	-2,989,000	D
Support services	10,838,000	10,838,000	13,000,000	10,838,000	11,919,000	11,632,000	-1,368,000	+794,000	D
Training grants	31,913,000	31,913,000	42,000,000	31,913,000	36,957,000	36,066,000	-5,934,000	+4,153,000	D
Immigrant education	30,144,000	30,144,000	30,000,000	30,000,000	30,000,000	29,277,000	-723,000	-723,000	D
Total	188,674,000	205,537,000	205,000,000	196,779,000	202,904,000	198,014,000	-6,986,000	+1,235,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
EDUCATION FOR THE HANDICAPPED									
State grants:									
Grants to States 1/	1,542,610,000	1,615,125,000	2,400,000,000	1,625,125,000	1,900,000,000	1,854,210,000	-545,790,000	+229,085,000	D
Preschool grants	251,510,000	257,730,000	257,730,000	300,000,000	300,000,000	292,770,000	+35,040,000	-7,230,000	D
Grants for infants and families	79,520,000	82,701,000	90,000,000	120,000,000	120,000,000	117,108,000	+27,108,000	-2,892,000	D
Subtotal, State grants	1,873,640,000	1,955,556,000	2,747,730,000	2,045,125,000	2,320,000,000	2,264,088,000	-483,642,000	+218,963,000	
Special purpose funds:									
Deaf-blind projects	(14,555,000)	---	DEFER	(13,166,000)	(13,166,000)	(12,849,000)	(+12,849,000)	(-317,000)	D
Severely handicapped projects	(5,819,000)	---	DEFER	(8,063,000)	(8,063,000)	(7,869,000)	(+7,869,000)	(-194,000)	D
Severely emotionally disturbed	---	---	DEFER	(2,000,000)	(2,000,000)	(1,952,000)	(+1,952,000)	(-48,000)	D
Early childhood education	(23,766,000)	---	DEFER	(24,800,000)	(24,800,000)	(24,202,000)	(+24,202,000)	(-598,000)	D
Secondary and transitional services	(7,989,000)	---	DEFER	(15,000,000)	(15,000,000)	(14,639,000)	(+14,639,000)	(-361,000)	D
Postsecondary programs	(6,510,000)	---	DEFER	(8,770,000)	(8,770,000)	(8,559,000)	(+8,559,000)	(-211,000)	D
Innovation and development	(19,825,000)	---	DEFER	(20,672,000)	(20,672,000)	(20,174,000)	(+20,174,000)	(-498,000)	D
Media and captioning services	(15,192,000)	---	DEFER	(16,830,000)	(16,830,000)	(16,424,000)	(+16,424,000)	(-406,000)	D
Special education technology	(5,425,000)	---	DEFER	(5,731,000)	(5,731,000)	(5,593,000)	(+5,593,000)	(-138,000)	D
Special studies	(3,545,000)	---	DEFER	(4,000,000)	(4,000,000)	(3,904,000)	(+3,904,000)	(-96,000)	D
Special education personnel development	(63,706,000)	---	DEFER	(71,000,000)	(71,000,000)	(69,289,000)	(+69,289,000)	(-1,711,000)	D
Parent training	(7,294,000)	---	DEFER	(10,000,000)	(10,000,000)	(9,759,000)	(+9,759,000)	(-241,000)	D
Recruitment and information clearinghouses	(1,479,000)	---	DEFER	(1,563,000)	(1,563,000)	(1,525,000)	(+1,525,000)	(-38,000)	D
Regional resource centers	(6,510,000)	---	DEFER	(6,783,000)	(6,783,000)	(6,620,000)	(+6,620,000)	(-163,000)	D
Consolidated request	---	(181,865,000)	DEFER	---	---	---	---	---	D
Subtotal, Special purpose funds	(181,615,000)	(181,865,000)	DEFER	(208,378,000)	(208,378,000)	(203,358,000)	(+203,358,000)	(-5,020,000)	
Total, Education for the handicapped	1,873,640,000	1,955,556,000	2,747,730,000	2,045,125,000	2,320,000,000	2,264,088,000	-483,642,000	+218,963,000	
Activities not considered by House	(181,615,000)	(181,865,000)	DEFER	(208,378,000)	(208,378,000)	(203,358,000)	(+203,358,000)	(-5,020,000)	
Total	(2,055,255,000)	(2,137,421,000)	(2,747,730,000)	(2,253,503,000)	(2,528,378,000)	(2,467,446,000)	(-280,284,000)	(+213,943,000)	

1/ House considered budget request for Chapter I handicapped grants under this activity.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
REHABILITATION SERVICES AND DISABILITY RESEARCH									
Vocational rehabilitation State grants:									
Grants to States	1,528,498,000	1,597,280,000	1,597,280,000	1,633,498,000	1,633,498,000	1,633,498,000	+36,218,000	---	M
Supported employment State grants	27,630,000	28,790,000	28,790,000	30,949,000	29,870,000	29,870,000	+1,080,000	-1,079,000	M
Client assistance	7,901,000	8,233,000	8,233,000	8,796,000	8,515,000	8,515,000	+282,000	-281,000	M
Subtotal, State grants	1,564,029,000	1,634,303,000	1,634,303,000	1,673,243,000	1,671,883,000	1,671,883,000	+37,580,000	-1,360,000	
Special purpose funds:									
Special demonstration programs:									
Regular grants	17,455,000	17,455,000	17,455,000	20,188,000	18,822,000	18,822,000	+1,367,000	-1,366,000	M
Comprehensive head injury grants	14,814,000	---	---	---	---	---	---	---	M
Supported employment projects	9,876,000	9,876,000	10,271,000	10,271,000	10,271,000	10,271,000	---	---	M
Recreational programs	2,588,000	---	2,588,000	2,775,000	2,682,000	2,682,000	+94,000	-93,000	M
Migratory workers	1,086,000	1,086,000	1,086,000	1,086,000	1,086,000	1,086,000	---	---	M
Projects with industry	18,765,000	18,765,000	19,516,000	19,925,000	19,925,000	19,925,000	+409,000	---	M
Helen Keller National Center	4,938,000	5,198,000	5,198,000	5,500,000	5,500,000	5,500,000	+302,000	---	M
Independent living:									
Comprehensive services	12,938,000	13,481,000	13,481,000	14,428,000	13,955,000	13,955,000	+474,000	-473,000	M
Centers	26,666,000	26,666,000	27,733,000	28,786,000	28,260,000	28,260,000	+527,000	-526,000	M
Services for older blind	5,827,000	5,827,000	6,060,000	6,060,000	6,060,000	6,060,000	---	---	M
Protection & advocacy for severely disabled	---	---	---	1,000,000	1,000,000	1,000,000	+1,000,000	---	M
Subtotal, Independent living	45,431,000	45,974,000	47,274,000	50,274,000	49,275,000	49,275,000	+2,001,000	-999,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Training	31,110,000	31,110,000	32,354,000	36,000,000	34,177,000	34,177,000	+1,823,000	-1,823,000	M
National Institute on Disability & Rehabilitation Research	54,318,000	54,318,000	60,378,000	60,600,000	60,378,000	60,378,000	---	-222,000	M
Technology assistance	14,814,000	20,000,000	20,000,000	23,000,000	21,500,000	21,500,000	+1,500,000	-1,500,000	M
Evaluation 1/	988,000	988,000	1,488,000	1,000,000	1,000,000	1,000,000	-488,000	---	M
Subtotal, Special purpose funds	216,183,000	204,770,000	217,608,000	230,619,000	224,616,000	224,616,000	+7,008,000	-6,003,000	
Total, Rehabilitation services	1,780,212,000	1,839,073,000	1,851,911,000	1,903,862,000	1,896,499,000	1,896,499,000	+44,588,000	-7,363,000	

1/ House recommendation includes $500,000 for evaluation studies requested under Special Institutions consolidated account.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
SPECIAL INSTITUTIONS FOR PERSONS WITH DISABILITIES									
AMERICAN PRINTING HOUSE FOR THE BLIND	5,663,000	5,901,000	6,076,000	6,500,000	6,288,000	6,136,000	+60,000	-364,000	D
NATIONAL TECHNICAL INSTITUTE FOR THE DEAF:									
Operations	34,384,000	37,195,000	37,195,000	37,995,000	37,795,000	36,884,000	-311,000	-1,111,000	D
Endowment grant	322,000	336,000	336,000	500,000	336,000	328,000	-8,000	-172,000	D
Construction	476,000	---	---	---	---	---	---	---	D
Consortium	888,000	---	---	---	---	---	---	---	D
Subtotal, NTID	36,070,000	37,531,000	37,531,000	38,495,000	38,131,000	37,212,000	-319,000	-1,283,000	
GALLAUDET UNIVERSITY:									
University programs	45,899,000	48,799,000	48,799,000	48,799,000	48,799,000	47,623,000	-1,176,000	-1,176,000	D
Model secondary school for the deaf	13,368,000	14,005,000	14,005,000	14,005,000	14,005,000	13,667,000	-338,000	-338,000	D
Kendall demonstration elementary school	7,390,000	7,743,000	7,743,000	7,743,000	7,743,000	7,556,000	-187,000	-187,000	D
Endowment grant	986,000	1,000,000	1,000,000	1,000,000	1,000,000	976,000	-24,000	-24,000	D
Construction	---	2,500,000	2,500,000	2,500,000	2,500,000	2,440,000	-60,000	-60,000	D
Subtotal, Gallaudet University	67,643,000	74,047,000	74,047,000	74,047,000	74,047,000	72,262,000	-1,785,000	-1,785,000	
EVALUATION STUDIES	---	500,000	---	---	---	---	---	---	D
Total, Special Institutions	109,376,000	117,979,000	117,654,000	119,042,000	118,466,000	115,610,000	-2,044,000	-3,432,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
VOCATIONAL AND ADULT EDUCATION 1/									
Vocational education:									
Basic grants 2/	(850,734,000)	(884,910,000)	DEFER	(877,654,000)	(877,654,000)	(856,503,000)	(+85[illegible]03,000)	(-21,151,000)	D
Community education employment centers	---	---	DEFER	(7,500,000)	---	---	---	(-7,500,000)	D
Tribally controlled post-secondary vocational institutions	---	---	DEFER	(3,600,000)	(2,500,000)	(2,440,000)	(+2,440,000)	(-1,160,000)	D
Community - based organizations	(10,850,000)	(10,850,000)	DEFER	(14,000,000)	(12,000,000)	(11,711,000)	(+11,711,000)	(-2,289,000)	D
Consumer and homemaking education	(34,176,000)	---	DEFER	(34,176,000)	(34,176,000)	(33,352,000)	(+33,352,000)	(-824,000)	D
State councils	(7,942,000)	(7,942,000)	DEFER	(9,000,000)	(9,000,000)	(8,783,000)	(+8 783,000)	(-217,000)	D
Tech Prep	---	---	DEFER	(20,000,000)	(65,000,000)	(63,434,000)	(+63,434,000)	(+43,434,000)	D
National programs:									
Research	(6,986,000)	(9,986,000)	DEFER	(9,986,000)	(7,000,000)	(6,831,000)	(+6,831,000)	(-3,155,000)	D
Demonstrations	(11,096,000)	(8,096,000)	DEFER	(13,290,000)	(13,290,000)	(12,970,000)	(+12,970,000)	(-320,000)	D
Data systems including NOICC/SOICC	(4,932,000)	(4,932,000)	DEFER	(5,000,000)	(5,000,000)	(4,880,000)	(+4,880,000)	(-120,000)	D
Subtotal, national programs	(23,014,000)	(23,014,000)	DEFER	(28,276,000)	(25,290,000)	(24,681,000)	(+24,681,000)	(-3,595,000)	
Bilingual vocational training	(2,959,000)	(2,959,000)	DEFER	(2,959,000)	(2,959,000)	(2,888,000)	(+2,888,000)	(-71,000)	D
Subtotal, Vocational education 1/	(929,675,000)	(929,675,000)	DEFER	(997,165,000)	(1,028,579,000)	(1,003,792,000)	(+1,003,792,000)	(+6,627,000)	

1/ Excludes FY91 permanent appn. of $7,148,000.

2/ Includes regional rulemaking.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Adult education:									
State Programs	157,811,000	200,000,000	200,000,000	206,000,000	206,000,000	201,035,000	+1,035,000	-4,965,000	D
National programs	1,973,000	8,000,000	8,000,000	8,000,000	8,000,000	7,807,000	-193,000	-193,000	D
Literacy training for homeless adults	7,397,000	10,000,000	10,000,000	10,000,000	10,000,000	9,759,000	-241,000	-241,000	D
Workplace literacy partnerships	19,726,000	19,726,000	20,000,000	19,726,000	19,726,000	19,251,000	-749,000	-475,000	D
English literacy grants	5,888,000	1,000,000	6,000,000	1,000,000	1,000,000	976,000	-5,024,000	-24,000	D
Subtotal, adult education	192,795,000	238,726,000	244,000,000	244,726,000	244,726,000	238,828,000	-5,172,000	-5,898,000	
Technology education demonstrations	988,000	988,000	1,000,000	988,000	988,000	964,000	-36,000	-24,000	D
Commercial truck driver training	---	---	---	2,000,000	2,000,000	1,952,000	+1,952,000	-48,000	D
Total, Vocational & adult education	193,783,000	239,714,000	245,000,000	247,714,000	247,714,000	241,744,000	-3,256,000	-5,970,000	
Activities not considered by House	(929,675,000)	(929,675,000)	DEFER	(997,165,000)	(1,028,579,000)	(1,003,792,000)	(+1,003,792,000)	(+6,627,000)	
Total	(1,123,458,000)	(1,169,389,000)	(245,000,000)	(1,244,879,000)	(1,276,293,000)	(1,245,536,000)	(+1,000,536,000)	(+657,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
STUDENT FINANCIAL ASSISTANCE									
Pell Grants:									
Academic year 1991 - 1992	4,804,478,000	4,906,000,000	4,930,000,000	5,193,000,000	5,193,000,000	5,067,849,000	+137,849,000	-125,151,000	D
FY 1991 - 1992 contingency	---	---	113,000,000	113,000,000	113,000,000	110,277,000	-2,723,000	-2,723,000	D
Subtotal, 1991 - 1992	4,804,478,000	4,906,000,000	5,043,000,000	5,306,000,000	5,306,000,000	5,178,126,000	+13 ,126,000	-127,874,000	
Prior year shortfall, 1989 - 90	---	265,000,000	265,000,000	265,000,000	265,000,000	258,614,000	-6,386,000	-6,386,000	D
Prior year shortfall, 1990 - 91	---	106,000,000	106,000,000	106,000,000	106,000,000	103,445,000	-2,555,000	-2,555,000	D
Proposed legislation	---	---	---	-170,000,000	-170,000,000	-170,000,000	-170,000,000	---	D
Subtotal, Pell grants	4,804,478,000	5,277,000,000	5,414,000,000	5,507,000,000	5,507,000,000	5,370,185,000	-43,815,000	-136,815,000	
Supplemental educational opportunity grants	458,650,000	458,650,000	533,000,000	533,000,000	533,000,000	520,155,000	-12,845,000	-12,845,000	D
Work-study	601,765,000	601,765,000	600,000,000	618,750,000	609,375,000	594,689,000	-5,311,000	-24,061,000	D
Income contingent loans	9,863,000	15,000,000	10,000,000	5,000,000	5,000,000	4,880,000	-5,120,000	-120,000	D
Perkins loans:									
Federal capital contributions	135,129,000	---	160,000,000	140,000,000	160,000,000	156,144,000	-3,856,000	+16,144,000	D
Loan cancellations	15,700,000	---	---	---	---	---	---	---	D
State student incentive grants	59,181,000	---	60,000,000	70,200,000	65,100,000	63,531,000	+3,531,000	-6,669,000	D
Total, Student Financial Assistance	6,084,766,000	6,352,415,000	6,777,000,000	6,873,950,000	6,879,475,000	6,709,584,000	-67,416,000	-164,366,000	
GUARANTEED STUDENT LOANS 1/									
Contract authority 2/	4,450,089,000	4,539,780,000	3,900,000,000	4,539,780,000	4,539,780,000	4,539,780,000	+639,780,000	---	M
Appropriation, including shortfalls (non-add)	(3,826,314,000)	(5,381,422,000)	(3,900,000,000)	(5,381,422,000)	(5,381,422,000)	(5,381,422,000)	(+1,481,422,000)	---	NA

1/ Excludes $49,470,000 in legislative savings proposed for later transmittal.

2/ FY90 reestimate.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
HIGHER EDUCATION									
Aid for institutional development:									
Strengthening institutions	82,911,000	86,631,000	87,500,000	90,000,000	90,000,000	87,831,000	+331,000	-2,169,000	D
Strengthening historically black colleges & univ.	83,898,000	83,898,000	87,500,000	90,000,000	90,000,000	87,831,000	+331,000	-2,169,000	D
Strengthening historically black grad institutions	11,468,000	11,468,000	12,000,000	12,000,000	12,000,000	11,711,000	-289,000	-289,000	D
Endowment grants:									
Current law	17,893,000	17,893,000	27,500,000	17,893,000	17,893,000	17,462,000	-10,038,000	-431,000	D
Proposed legislation	---	15,000,000	---	---	---	---	---	---	D
Subtotal, Institutional development	196,170,000	214,890,000	214,500,000	209,893,000	209,893,000	204,835,000	-9,665,000	-5,058,000	
Program development:									
Fund for the Improvement of Postsec. Education	11,702,000	11,702,000	15,000,000	15,000,000	15,000,000	14,639,000	-361,000	-361,000	D
Minority science improvement	5,416,000	5,633,000	6,000,000	6,000,000	6,000,000	5,855,000	-145,000	-145,000	D
Innovative projects for community services	1,481,000	---	---	1,500,000	1,500,000	1,464,000	+1,464,000	-36,000	D
International education and foreign language studies:									
Domestic programs 1/	34,658,000	34,658,000	40,000,000	41,000,000	41,000,000	40,012,000	+12,000	-988,000	D
Overseas programs	5,136,000	5,136,000	6,000,000	6,000,000	6,000,000	5,855,000	-145,000	-145,000	D
Subtotal, International education	39,794,000	39,794,000	46,000,000	47,000,000	47,000,000	45,867,000	-133,000	-1,133,000	
Cooperative education	13,445,000	---	13,500,000	13,500,000	13,500,000	13,175,000	-325,000	-325,000	D
Law school clinical experience	4,935,000	---	5,000,000	6,000,000	6,000,000	5,855,000	+855,000	-145,000	D
Student Literacy Corps	5,042,000	5,042,000	5,000,000	5,500,000	5,500,000	5,367,000	+367,000	-133,000	D
Interest subsidy grants, prior year construction	22,449,000	20,900,000	20,900,000	20,900,000	20,900,000	20,396,000	-504,000	-504,000	D

1/ Includes funds for international business education

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Special grants:									
Assistance to Guam	494,000	---	500,000	500,000	500,000	488,000	-12,000	-12,000	D
Margaret Chase Smith Library	2,468,000	---	---	1,000,000	1,000,000	976,000	+976,000	-24,000	D
Magnuson Endowment	---	---	---	3,000,000	3,000,000	2,928,000	+2,928,000	-72,000	D
John McCormack Institute	---	---	3,000,000	---	3,000,000	2,928,000	-72,000	+2,928,000	D
Taft Institute	---	---	---	750,000	700,000	683,000	+683,000	-67,000	D
Wiesenthal Center	---	---	---	2,500,000	---	---	---	-2,500,000	D
Aid for Students:									
Special program for disadvantaged (TRIO)	241,822,000	269,739,000	342,000,000	342,000,000	342,000,000	333,758,000	-8,242,000	-8,242,000	D
Support services:									
Veterans' education outreach	2,801,000	---	2,800,000	2,800,000	2,800,000	2,733,000	-67,000	-67,000	D
Legal training for the disadvantaged (CLEO)	2,468,000	2,468,000	3,000,000	2,572,000	3,000,000	2,928,000	-72,000	+356,000	D
School, college & university partnerships	2,961,000	2,961,000	4,000,000	4,000,000	4,000,000	3,904,000	-96,000	-96,000	D
Scholarships and fellowships:									
Byrd honors scholarships	8,627,000	8,627,000	8,627,000	9,500,000	9,500,000	9,271,000	+644,000	-229,000	D
National Science Scholars, proposed legislat'n	---	5,000,000	---	1,000,000	1,000,000	976,000	+976,000	-24,000	D
Douglas Teacher Scholarships	14,922,000	14,922,000	15,000,000	15,000,000	15,000,000	14,639,000	-361,000	-361,000	D
Harris graduate fellowships	16,034,000	17,780,000	18,000,000	18,000,000	18,000,000	17,566,000	-434,000	-434,000	D
Harris public service fellowships	3,277,000	1,189,000	1,189,000	3,277,000	3,277,000	3,198,000	+2,009,000	-79,000	D
Javits Fellowships	7,896,000	5,424,000	8,000,000	8,000,000	8,000,000	7,807,000	-193,000	-193,000	D
Minority participation in graduate education	3,547,000	6,094,000	6,100,000	6,100,000	6,100,000	5,953,000	-147,000	-147,000	D
Graduate assistance in areas of national need	15,793,000	25,483,000	25,500,000	25,500,000	25,500,000	24,885,000	-615,000	-615,000	D
Academic facilities	---	---	---	14,800,000	9,800,000	9,564,000	+9,564,000	-5,236,000	D
Total, Higher education	623,544,000	657,648,000	763,616,000	785,592,000	781,470,000	762,638,000	-978,000	-22,954,000	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
HOWARD UNIVERSITY									
Academic program	155,306,000	155,306,000	157,306,000	157,306,000	157,306,000	153,515,000	-3,791,000	-3,791,000	D
Endowment grant	1,500,000	4,500,000	3,000,000	4,500,000	3,000,000	*2,928,000	-72,000	-1,572,000	D
Research	4,730,000	4,730,000	4,730,000	4,730,000	4,730,000	4,616,000	-114,000	-114,000	D
Howard University Hospital	20,910,000	20,910,000	29,000,000	29,000,000	29,000,000	28,301,000	-699,000	-699,000	D
Emergency construction	---	---	6,000,000	---	6,000,000	5,855,000	-145,000	+5,855,000	D
Total, Howard University	182,446,000	185,446,000	200,036,000	195,536,000	200,036,000	195,215,000	-4,821,000	-321,000	
COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS LOAN LIMITATION:									
Borrowing authority	30,000,000	5,000,000	30,000,000	5,000,000	30,000,000	29,277,000	-723,000	+24,277,000	D
Interest subsidy payments	5,129,000	8,449,000	8,449,000	8,449,000	8,449,000	8,449,000	---	---	M
Total, College Housing	35,129,000	13,449,000	38,449,000	13,449,000	38,449,000	37,726,000	-723,000	+24,277,000	
RESEARCH, STATISTICS AND IMPROVEMENT OF PRACTICE									
Research, evaluation and demonstrations	50,557,000	61,322,000	61,322,000	66,322,000	62,000,000	60,506,000	-816,000	-5,816,000	D
Statistics	22,655,000	41,538,000	41,538,000	41,538,000	41,538,000	40,537,000	-1,001,000	-1,001,000	D
Assessment (NAEP)	17,084,000	18,866,000	18,000,000	18,866,000	18,866,000	18,411,000	+411,000	-455,000	D
National board for professional teacher standards	(4,945,000)	---	DEFER	(5,000,000)	(5,000,000)	(4,880,000)	(+4,880,000)	(-120,000)	D
Educational reform evaluation	---	3,000,000	3,000,000	3,000,000	3,000,000	2,928,000	-72,000	-72,000	D
Research on dropout prevention demonstrations	---	5,000,000	---	---	---	---	---	---	D
Principal training	---	25,000,000	---	---	---	---	---	---	D
Education Summit followup	---	20,000,000	10,000,000	5,000,000	5,000,000	4,880,000	-5,120,000	-120,000	D
National council on educational goals	---	---	---	---	2,000,000	1,952,000	+1,952,000	+1,952,000	D
School year extension study commission	---	---	---	---	1,000,000	976,000	+976,000	+976,000	D
Total, Education research and statistics	90,296,000	174,726,000	133,860,000	134,726,000	133,404,000	130,190,000	-3,670,000	-4,536,000	
Activities not considered by House	(4,945,000)	---	DEFER	(5,000,000)	(5,000,000)	(4,880,000)	(+4,880,000)	(-120,000)	
Total	(95,241,000)	(174,726,000)	(133,860,000)	(139,726,000)	(138,404,000)	(135,070,000)	(+1,210,000)	(-4,656,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
LIBRARIES									
Public libraries:									
Services	82,505,000	---	82,500,000	85,970,000	85,970,000	83,898,000	+1,398,000	-2,072,000	D
Construction	18,900,000	---	18,900,000	19,693,000	19,693,000	19,218,000	+318,000	-475,000	D
Interlibrary cooperation	19,551,000	20,372,000	20,400,000	20,400,000	20,400,000	19,908,000	-492,000	-492,000	D
Training and demonstrations	855,000	855,000	1,000,000	1,000,000	1,000,000	976,000	-24,000	-24,000	D
Research libraries	5,738,000	5,738,000	6,000,000	6,000,000	6,000,000	5,855,000	-145,000	-145,000	D
Library literacy programs	5,365,000	8,365,000	7,000,000	8,365,000	8,365,000	8,163,000	+1,163,000	-202,000	D
College library technology	3,732,000	3,732,000	4,000,000	4,000,000	4,000,000	3,904,000	-96,000	-96,000	D
Foreign language materials (Title V)	---	---	1,000,000	1,000,000	1,000,000	976,000	-24,000	-24,000	D
Total, Libraries	136,646,000	39,062,000	140,800,000	146,428,000	146,428,000	142,898,000	+2,098,000	-3,530,000	
DEPARTMENTAL MANAGEMENT									
PROGRAM ADMINISTRATION	273,303,000	331,000,000	331,000,000	331,000,000	331,000,000	323,023,000	-7,977,000	-7,977,000	D
OFFICE FOR CIVIL RIGHTS, SALARIES AND EXPENSES	44,572,000	49,900,000	49,900,000	50,900,000	50,400,000	49,185,000	-715,000	-1,715,000	D
OFFICE OF THE INSPECTOR GENERAL, SALARIES AND EXPENSES	23,110,000	25,800,000	25,800,000	25,800,000	25,800,000	25,178,000	-622,000	-622,000	D
Undistributed salary and expense savings, Federal Fund	---	---	---	-5,000,000	-5,000,000	-5,000,000	-5,000,000	---	D
Total, Departmental management	340,985,000	406,700,000	406,700,000	402,700,000	402,200,000	392,386,000	-14,314,000	-10,314,000	
Total, Department of Education	23,600,814,000	24,931,794,000	26,082,051,000	26,459,139,000	26,699,326,000	26,206,977,000	+124,926,000	-252,162,000	
Activities not considered by House	(1,123,406,000)	(1,111,540,000)	DEFER	(1,218,008,000)	(1,249,422,000)	(1,219,315,000)	(+1,219,315,000)	(+1,307,000)	
Total	(24,724,220,000)	(26,043,334,000)	(26,082,051,000)	(27,677,147,000)	(27,948,748,000)	(27,426,292,000)	(+1,344,241,000)	(-250,855,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
TITLE IV - RELATED AGENCIES									
Action (Domestic Programs):									
Volunteers in Service to America:									
VISTA operations	25,062,000	31,569,000	30,500,000	31,569,000	31,035,000	30,287,000	-213,000	-1,282,000	D
VISTA Literacy Corps	3,053,000	6,050,000	3,420,000	6,050,000	4,735,000	4,621,000	+1,201,000	-1,429,000	D
Student Community Service	893,000	1,765,000	893,000	1,000,000	1,000,000	976,000	+83,000	-24,000	D
Subtotal	29,008,000	39,384,000	34,813,000	38,619,000	36,770,000	35,884,000	+1,071,000	-2,735,000	
Special Volunteer Programs:									
Drug programs	2,645,000	2,245,000	2,245,000	2,245,000	2,245,000	2,191,000	-54,000	-54,000	D
Older Americans Volunteer Programs:									
Foster Grandparents Program	59,463,000	62,079,000	64,000,000	65,000,000	64,500,000	62,946,000	-1,054,000	-2,054,000	D
Senior Companion Program	26,567,000	26,925,000	27,500,000	29,000,000	28,250,000	27,569,000	+69,000	-1,431,000	D
Retired Senior Volunteer Program	31,469,000	31,519,000	33,500,000	35,000,000	34,250,000	33,425,000	-75,000	-1,575,000	D
Subtotal, Older Volunteers	117,499,000	120,523,000	125,000,000	129,000,000	127,000,000	123,940,000	-1,060,000	-5,060,000	
Inspector General	893,000	1,101,000	981,000	1,101,000	1,000,000	976,000	-5,000	-125,000	D
Program Support	25,620,000	29,171,000	28,620,000	29,171,000	29,000,000	28,301,000	-319,000	-870,000	D
Total, Action	175,665,000	192,424,000	191,659,000	200,136,000	196,015,000	191,292,000	-367,000	-8,844,000	
Corporation for Public Broadcasting: 1/									
FY 1993 (current request)	251,030,000	259,565,000	259,565,000	275,000,000	259,565,000	253,309,000	-6,256,000	-21,691,000	D
FY 1993 satellite replacement	76,250,000	46,940,000	46,940,000	66,940,000	66,940,000	65,327,000	+18,387,000	-1,613,000	D
Subtotal, Corporation for Public Broadcasting	327,280,000	306,505,000	306,505,000	341,940,000	326,505,000	318,636,000	+12,131,000	-23,304,000	

1/ FY 1990 approp. adv. in FY88 is $229,391,000.
FY 1991 approp. adv. in FY89 is $298,870,000.
FY 1992 approp. adv. in FY90 is $327,280,000.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Federal Mediation and Conciliation Service.....	26,554,000	26,312,000	27,705,000	27,705,000	27,705,000	27,037,000	-668,000	-668,000	D
Federal Mine Safety and Health Review Commission.....	4,030,000	4,292,000	4,292,000	4,292,000	4,292,000	4,189,000	-103,000	-103,000	D
Joint Study Commission on Institutional Postsecondary recognition.....	---	---	---	1,000,000	---	---	---	-1,000,000	D
National Commission on Acquired Immune Deficiency Syndrome.....	1,000,000	3,000,000	3,000,000	3,000,000	3,000,000	2,928,000	-72,000	-72,000	D
National Commission on Children.....	1,329,000	---	---	1,100,000	1,100,000	1,073,000	+1,073,000	-27,000	D
National Commission on Libraries and Information Science.....	750,000	777,000	750,000	750,000	750,000	732,000	-18,000	-18,000	D
National Commission to Prevent Infant Mortality.....	400,000	---	400,000	400,000	400,000	390,000	-10,000	-10,000	D
National Commission on Responsibilities for Financing Postsecondary Education.....	---	662,000	---	---	---	---	---	---	D
National Council on Disability.....	1,540,000	1,200,000	1,200,000	1,750,000	1,475,000	1,439,000	+239,000	-311,000	D
National Labor Relations Board.....	140,111,000	151,103,000	151,103,000	140,111,000	151,103,000	147,461,000	-3,642,000	+7,350,000	D
National Mediation Board.....	6,384,000	6,675,000	6,675,000	6,675,000	6,675,000	6,514,000	-161,000	-161,000	D
Occupational Safety and Health Review Commission.....	5,970,000	6,401,000	6,401,000	6,401,000	6,401,000	6,247,000	-154,000	-154,000	D
Physician Payment Review Commission (trust funds).....	(3,806,000)	(3,871,000)	(3,871,000)	(3,871,000)	(3,871,000)	(3,778,000)	(-93,000)	(-93,000)	TF
Prescription Drug Payment Review Commission (trust funds) 1/.....	(1,500,000)	---	---	---	---	---	---	---	TF
Prospective Payment Assessment Commission (trust funds).....	(3,869,000)	(4,073,000)	(4,073,000)	(3,869,000)	(3,971,000)	(3,875,000)	(-198,000)	(+6,000)	TF

1/ Funding repealed by P.L. 101-234.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Railroad Retirement Board:									
Dual benefits payments account 1/	340,000,000	321,000,000	328,000,000	335,000,000	335,000,000	326,927,000	-1,073,000	-8,073,000	D
Less income tax receipts on dual benefits	-30,000,000	-18,000,000	-18,000,000	-18,000,000	-18,000,000	-18,000,000	---	---	D
Subtotal, dual benefits	310,000,000	303,000,000	310,000,000	317,000,000	317,000,000	308,927,000	-1,073,000	-8,073,000	
Federal payment to the Railroad Retirement Account 2/	---	100,000	100,000	400,000	400,000	400,000	+300,000	---	M
(Limitation on administration, retirement)	(63,035,000)	(72,200,000)	(73,125,000)	(70,200,000)	(71,663,000)	(69,936,000)	(-3,189,000)	(-264,000)	TF
(Limitation on administration, unemployment) (non-add)	(14,100,000)	(16,457,000)	(15,909,000)	(15,420,000)	(15,665,000)	(15,287,000)	(-622,000)	(-133,000)	NA
(Limitation on administration, review activity)	(3,903,000)	(7,698,000)	(6,000,000)	(7,698,000)	(6,000,000)	(5,855,000)	(-145,000)	(-1,843,000)	TF
Soldiers' and Airmen's Home (trust fund limitation):									
Operation and maintenance	(38,745,000)	(38,249,000)	DEFER	(41,583,000)	(41,583,000)	(40,581,000)	(+40,581,000)	(-1,002,000)	D
Capital outlay	(9,375,000)	(9,750,000)	DEFER	(11,500,000)	(11,500,000)	(11,223,000)	(+11,223,000)	(-277,000)	D
United States Bipartisan Commission on Comprehensive Health Care	467,000	---	---	---	---	---	---	---	D
United States Institute of Peace	7,550,000	7,270,000	8,000,000	9,200,000	8,600,000	8,393,000	393,000	-807,000	D
White House Conference on Library and Information Services	3,225,000	---	---	1,000,000	500,000	488,000	+488,000	-512,000	D
Total, Title IV, Related Agencies: Federal Funds (all years)	1,012,255,000	1,009,721,000	1,017,790,000	1,062,860,000	1,051,921,000	1,026,146,000	+8,356,000	-36,714,000	
Current year, FY 1991	(684,975,000)	(703,216,000)	(711,285,000)	(720,920,000)	(725,416,000)	(707,510,000)	(-3,775,000)	(-13,410,000)	
FY 1993	(327,280,000)	(306,505,000)	(306,505,000)	(341,940,000)	(326,505,000)	(318,636,000)	(+12,131,000)	(-23,304,000)	
Activities not considered by House	(48,120,000)	(47,999,000)	DEFER	(53,083,000)	(53,083,000)	(51,804,000)	(+51,804,000)	(-1,279,000)	
Total	(1,060,375,000)	(1,057,720,000)	(1,017,790,000)	(1,115,943,000)	(1,105,004,000)	(1,077,950,000)	(+60,160,000)	(-37,993,000)	
Trust funds	(76,113,000)	(87,842,000)	(87,069,000)	(85,638,000)	(85,505,000)	(83,444,000)	(-3,625,000)	(-2,194,000)	

1/ Excludes $80,250,000 in legislative savings proposed for later transmittal.

2/ Excludes $58,300,000 in legislative savings proposed for later transmittal.

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
SUMMARY									
Title I - Department of Labor:									
Federal Funds	6,599,016,000	7,218,325,000	7,648,593,000	7,582,271,000	7,646,083,000	7,505,314,000	-143,279,000	-76,957,000	
Current year	(6,597,516,000)	(7,218,325,000)	(7,648,593,000)	(7,582,271,000)	(7,646,083,000)	(7,505,314,000)	(-143,279,000)	(-76,957,000)	
1992 advance	(1,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(11,343,000)	(11,500,000)	DEFER	(11,500,000)	(11,500,000)	(11,223,000)	(+11,223,000)	(-277,000)	
Total	(6,610,359,000)	(7,229,825,000)	(7,648,593,000)	(7,593,771,000)	(7,657,583,000)	(7,516,537,000)	(-132,056,000)	(-77,234,000)	
Trust Funds	(2,941,886,000)	(3,107,139,000)	(3,156,566,000)	(3,171,212,000)	(3,249,962,000)	(3,171,639,000)	(+15,073,000)	(+427,000)	
1991 advance	(12,500,000)	---	---	---	---	---	---	---	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	
Title II - Department of Health and Human Services:									
Federal Funds (all years)	122,503,081,000	136,175,978,000	135,916,008,000	139,760,731,000	140,352,392,000	139,925,555,000	+4,009,547,000	+164,824,000	
Current year	(105,156,593,000)	(117,278,222,000)	(116,463,008,000)	(118,628,697,000)	(119,220,358,000)	(118,807,476,000)	(+2,344,468,000)	(+178,779,000)	
1992 advance	(17,346,488,000)	(18,897,756,000)	(19,453,000,000)	(21,132,034,000)	(21,132,034,000)	(21,118,079,000)	(+1,665,079,000)	(-13,955,000)	
Activities not considered by House	(4,717,810,000)	(4,338,915,000)	DEFER	(7,187,266,000)	(6,389,381,000)	(6,235,400,000)	(+6,235,400,000)	(-951,866,000)	
Total	(127,220,891,000)	(140,514,893,000)	(135,926,008,000)	(146,947,997,000)	(146,741,773,000)	(146,160,955,000)	(+10,234,947,000)	(-787,042,000)	
Trust Funds	(5,767,111,000)	(6,088,805,000)	(6,279,322,000)	(6,244,572,000)	(6,373,972,000)	(6,218,987,000)	(-60,335,000)	(-25,585,000)	
Title III - Department of Education:									
Federal Funds	23,600,814,000	24,931,794,000	26,082,051,000	26,459,139,000	26,699,326,000	26,206,977,000	+124,926,000	-252,162,000	
Activities not considered by House	(1,123,406,000)	(1,111,540,000)	DEFER	(1,218,008,000)	(1,249,422,000)	(1,219,315,000)	(+1,219,315,000)	(+1,307,000)	
Total	(24,724,220,000)	(26,043,334,000)	(26,082,051,000)	(27,677,147,000)	(27,948,748,000)	(27,426,292,000)	(+1,344,241,000)	(-250,855,000)	

CONFERENCE AGREEMENT: H.R. 5257 - FY 1991 APPROPRIATIONS FOR THE DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, EDUCATION AND RELATED AGENCIES

	FY 1990 Comparable	FY 1991 Budget Request	FY 1991 House Bill	FY 1991 Senate Bill	Conference Initial	Conference Final -2.41%	Conference Final vs House Bill	Conference Final vs Senate Bill	Mand Disc
Title IV - Related Agencies:									
Federal Funds (all years)	1,012,255,000	1,009,721,000	1,017,790,000	1,062,860,000	1,051,921,000	1,026,146,000	+8,356,000	-36,714,000	
Current year	(684,975,000)	(703,216,000)	(711,285,000)	(720,920,000)	(725,416,000)	(707,510,000)	(-3,775,000)	(-13,410,000)	
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(341,940,000)	(326,505,000)	(318,636,000)	(+12,131,000)	(-23,304,000)	
Activities not considered by House	(48,120,000)	(47,999,000)	DEFER	(53,083,000)	(53,083,000)	(51,804,000)	(+51,804,000)	(-1,279,000)	
Total	(1,060,375,000)	(1,057,720,000)	(1,017,790,000)	(1,115,943,000)	(1,105,004,000)	(1,077,950,000)	(+60,160,000)	(-37,993,000)	
Trust Funds	(76,113,000)	(87,842,000)	(87,069,000)	(85,638,000)	(85,505,000)	(83,444,000)	(625,000)	(-2,194,000)	
Total, all titles:									
Federal Funds (all years)	153,715,166,000	169,335,818,000	170,664,442,000	174,865,001,000	175,749,722,000	174,663,992,000	+3,99.,550,000	-201,009,000	
Current year	(136,039,898,000)	(150,131,557,000)	(150,904,937,000)	(153,391,027,000)	(154,291,183,000)	(153,227,277,000)	(+2,322,340,000)	(-163,750,000)	
1992 advance	(17,347,988,000)	(18,897,756,000)	(19,453,000,000)	(21,132,034,000)	(21,132,034,000)	(21,118,079,000)	(+1,665,079,000)	(-13,955,000)	
1993 advance	(327,280,000)	(306,505,000)	(306,505,000)	(341,940,000)	(326,505,000)	(318,636,000)	(+12,131,000)	(-23,304,000)	
Activities not considered by House	(5,900,679,000)	(5,509,954,000)	DEFER	(8,469,857,000)	(7,703,386,000)	(7,517,742,000)	(+7,517,742,000)	(-952,115,000)	
Total	(159,615,845,000)	(174,845,772,000)	(170,674,442,000)	(183,334,858,000)	(183,453,108,000)	(182,181,734,000)	(+11,507,292,000)	(-1,153,124,000)	
Trust Funds	(8,785,110,000)	(9,283,786,000)	(9,522,957,000)	(9,501,422,000)	(9,709,439,000)	(9,474,070,000)	(-48,887,000)	(-27,352,000)	
1991 advance	(12,900,000)	---	---	---	---	---	---	---	
Activities not considered by House	(24,653,000)	---	DEFER	(20,000,000)	(20,000,000)	(19,518,000)	(+19,518,000)	(-482,000)	

WILLIAM H. NATCHER,
NEAL SMITH,
DAVID R. OBEY,
EDWARD R. ROYBAL,
LOUIS STOKES,
JOSEPH D. EARLY,
BERNARD J. DWYER,
STENY H. HOYER,
JAMIE L. WHITTEN,
SILVIO O. CONTE
(except amendment 14),
JOHN EDWARD PORTER
(except amendment 14),
C.W. BILL YOUNG
(except amendment 14),
VIN WEBER,
Managers on the Part of the House.

TOM HARKIN,
ROBERT C. BYRD,
ERNEST F. HOLLINGS,
QUENTIN N. BURDICK,
DANIEL K. INOUYE,
DALE BUMPERS,
HARRY REID,
BROCK ADAMS,
ARLEN SPECTER,
MARK O. HATFIELD,
WARREN B. RUDMAN,
JAMES A. MCCLURE,
THAD COCHRAN,
PHIL GRAMM,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 5021

Mr. SMITH of Iowa submitted the following conference report and statement on the bill (H.R. 5021) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary and related agencies for the fiscal year ending September 30, 1991, and for other purposes:

CONFERENCE REPORT (H. REPT. 101-909)

The Committee of Conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5021) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary and Related Agencies for the fiscal year ending September 30, 1991, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 36, 37, 89, 137, 158, 163, and 166.

That the House recede from its disagreement to the amendment of the Senate numbered 13, 22, 25, 29, 38, 40, 58, 72, 86, 88, 98, 115, 116, 129, 136, 145, 149, 150, 151, 152, 153, 154, and 157, and agree to the same.

Amendment 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$14,400,000*; and the Senate agree to the same.

Amendment 68:

That the House recede from its disagreement to the amendment of the Senate numbered 68 and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$75,300,000* ; and the Senate agree to the same.

Amendment 69:

That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$3,500,000*; and the Senate agree to the same.

Amendment 97:

That the House recede from its disagreement to the amendment of the Senate numbered 97 and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$4,500,000*; and the Senate agree to the same.

Amendment 122:

That the House recede from its disagreement to the amendment of the Senate numbered 122, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: *$75,000*; and the Senate agree to the same.

Amendment numbered 124:

That the House recede from its disagreement to the amendment of the Senate numbered 124, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$197,750,000*; and the Senate agree to the same.

Amendment numbered 127:

That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$7,075,000*; and the Senate agree to the same.

Amendment numbered 130:

That the House recede from its disagreement to the amendment of the Senate numbered 130, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment insert: *$198,300,000*; and the Senate agree to the same.

Amendment numbered 141:

That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$55,750,000*; and the Senate agree to the same.

Amendment numbered 146:

That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$652,757,000*; and the Senate agree to the same.

Amendment numbered 147:

That the House recede from its disagreement to the amendment of the Senate numbered 147, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert: *$4,023,000*; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 23, 24, 26, 27, 28, 30, 31, 32, 33, 34, 35, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 49A, 50, 51, 52, 53, 54, 55, 56, 57, 59, 60, 61, 62, 63, 64, 65, 66, 67, 70, 71, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 87, 90, 91, 92, 93, 94, 95, 96, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 117, 118, 119, 120, 121, 123, 125, 126, 128, 131, 132, 133, 134, 135, 138, 139, 140, 142, 143, 144, 148, 155, 156, 159, 160, 161, 162, 164, and 165.

NEAL SMITH,
BILL ALEXANDER,
JOSEPH D. EARLY,
BERNARD J. DWYER,
BOB CARR,
ALAN MOLLOHAN,
JAMIE L. WHITTEN,
HAL ROGERS,
RALPH REGULA,
JIM KOLBE,
SILVIO O. CONTE,
Managers on the Part of the House.

ERNEST F. HOLLINGS,
DANIEL K. INOUYE,
DALE BUMPERS,
FRANK R. LAUTENBERG,
JIM SASSER,
BROCK ADAMS,
ROBERT C. BYRD,
WARREN B. RUDMAN,
TED STEVENS,
MARK O. HATFIELD,
ROBERT W. KASTEN, JR.,
PHIL GRAMM,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5021) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies for the fiscal year ending September 30, 1991, and for other purposes, submit the following joint statement to the House and Senate in explanation of the effect of the action by the managers and recommended in the accompanying conference report:

TITLE I—DEPARTMENT OF COMMERCE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment insert the following: *including not to exceed $2,000 for official entertainment, $29,595,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $29,595,000 instead of $29,854,000 as proposed by the House and $29,337,000 as proposed by the Senate. The conference agreement also includes a limitation of $2,000 for official entertainment as proposed by the Senate.

OFFICE OF THE INSPECTOR GENERAL

Amendment No. 2: Appropriates $14,400,000 instead of $14,600,000 as proposed by the House and $14,208,000 as proposed by the Senate. The conference agreement includes $200,000 of the requested program increase for the Office of Inspections and Resource Management.

BUREAU OF THE CENSUS

SALARIES AND EXPENSES

Amendment No. 3: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and

concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$110,250,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The following table reflects the conference agreement for the various items funded in this account, with appropriate comparisons.

FISCAL YEAR 1991 CONFERENCE—BUREAU OF THE CENSUS—SALARIES AND EXPENSES

[Dollars in thousands]

	Request	House	Senate	Conference
Business Statistics, Base	$14,820	$14,820	$14,820	$14,820
Advanced Retail Sales	1,069	969	969	700
Corporate Financial Data	450			
Detail on Service Industry	1,050	782	782	500
Purchase of Services	523		523	400
Small Company Financial Data	418		268	200
Growth Industry SIC Codes	400			
Construction Statistics	8,170	8,170	8,170	8,170
Manufacturing Statistics, Base	11,237	11,237	11,237	11,237
Manufacturers, Shipments, Inventories and Orders	900	900	900	564
Business Investments Survey	2,000	2,000	2,000	1,300
Reduce Current Industrial Reports	(450)	(450)	(450)	(450)
Gen. Economic Statistics, Base	11,054	11,054	11,054	11,054
Research/Improve/Revise SIC	375			
National Trade Data Bank	200	200	200	100
Foreign Trade Statistics, Base	17,381	17,381	17,381	17,381
Improve Quality/Response	500	500	500	300
Government Statistics	5,211	5,211	5,211	5,211
Agriculture Statistics, Base	414	414	414	414
End Cotton Gin Statistics	(414)			
Subtotal Economic Statistics	75,308	73,188	73,979	71,901
Demographic Surveys, Base	29,453	29,453	29,453	29,453
Modernize Current Population Survey Processing System	826	826	826	500
Restore SIPP Sample Size	2,000	2,000	2,000	1,000
Demographic reports, Base	3,030	3,030	3,030	3,030
Review Metro. Statistical Area Concepts	250			
International Statistics	733	733	733	733
Housing Statistics	615	615	615	615
Subtotal Demographic Statistics	36,907	36,657	36,657	35,311
Other Programs and Publications	3,137	3,137	3,137	3,137
Data Systems Development	(119)	(119)	(119)	(119)
Subtotal, Other Programs and Publications	3,018	3,018	3,018	3,018
Total	115,233	112,863	113,654	110,250

PERIODIC CENSUSES AND PROGRAMS

Amendment No. 4: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *$272,700,000 to remain available until expended*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $272,700,000 to remain available until expended for Periodic Censuses and Programs. The House had proposed $310,904,1000 with no authority to carry over unexpended balances. The Senate had proposed $269,774,000 with authority to carry over unexpended balances. The conference agreement reflects carry over balances of $36,000,000 from fiscal year 1990 due to lower than anticipated costs of the follow up activities required for the 1990 Decennial Census.

ECONOMIC AND STATISTICAL ANALYSIS

SALARIES AND EXPENSES

Amendment No. 5: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$36,200,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $36,200,000 for Economic and Statistical Analysis Programs instead of $38,456,000 as proposed by the House and $39,948,000 as proposed by the Senate.

The following table reflects the conference agreement for the various items in the account, with appropriate comparison:

[In thousands of dollars]

	Request	House	Senate	Conference
National economic accounts, base	10,166	10,166	10,166	10,166
Quality of national income and product accounts	1,927	1,127	1,927	1,200
System of national accounts	1,625	1,625	1,625	1,300
International economic accounts, base	7,673	7,673	7,673	7,200
Balance of payments	1,090	398	1,090	700
International investment data	2,353	2,353	2,353	2,100
Regional economic accounts	4,381	4,381	4,381	4,000
Analysis of business trends	5,046	5,046	5,046	4,500
Subtotal, economic analysis	34,261	32,769	34,261	31,166
Policy support	5,687	5,687	5,687	5,034
Total	39,948	38,456	39,948	36,200

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(INCLUDING RESCISSION)

Amendment No. 6: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *and for economic development assistance as provided by the Public Works and Economic Development Act of 1965, as amended, and Public Law 91-304, and such laws that were in effect immediately before September 30, 1982, $209,000,000: Provided, That during fiscal year 1991 total commitments to guarantee loans shall not exceed $150,000,000 of contingent liability for loan principal: Provided further, That none of the funds appropriated or otherwise made available under this heading may be used directly or indirectly for attorneys' or consultants' fees in connection with securing grants and contracts made by the Economic Development Administration: Provided further, That the Economic Development Administration shall not implement the funding policy for the university center program as stated in the Federal Register notice of May 24, 1990 to reduce the grant of each university center from the Fisal Year 1990 level and that any changes in individual grant amounts be made on the basis of failing to conform to the EDA grant agreements in place in fiscal year 1990, other than the funding policy for the university center program as stated in the Federal Register notice of May 24, 1990: Provided further, That any reduction in an individual grant amount to a university center from the Fiscal Year 1990 level shall be subject to the reprogramming procedures stated in section 606 of this Act.*

ECONOMIC DEVELOPMENT REVOLVING FUND

(RESCISSION)

Of the unobligated balances in the Economic Development Revolving Fund, $35,000,000 are rescinded.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides an appropriation totalling $209,000,000 for Economic Development Assistance Programs. Of this amount, $12,950,000 is for the Trade Adjustment Assistance Program, including $12,400,000 for Trade Adjustment Assistance Centers and $550,000 for industry grants. The conference agreement also includes language limiting loan guarantees to $150,000,000 and language prohibiting funds for attorneys' or consultants' fees in connection with securing grants and contracts. In addition, the conference agreement includes language prohibiting EDA from implementing the funding policy for the university center program as stated in the Federal Register notice of May 24, 1990 to reduce the grant of each university center from the FY 1990 level. The conference agreement further provides that any reductions in individual grant amounts be made on the basis of failing to conform to the EDA grant agreements in place in FY 1990, other than the funding policy for the university center program as stated in the Federal Register notice of May 24, 1990. The conference agreement further provides that any reduction in a grant amount to a university center from the FY 1990 level should be subject to the Appropriations Committees reprogramming procedures. Finally, the conference agreement provides a rescission of $35,000,000 from the Economic Development Revolving Fund in order to meet deficit reduction targets.

The Senate bill would have appropriated a total of $204,430,000 for Economic Development Assistance Programs, including $12,400,000 for Trade Adjustment Assistance Centers and $550,000 for industry assistance grants. The Senate bill also included the limitations on loan guarantees and attorneys' and consultants' fees in the conference agreement. The Senate bill also included a requirement that each university center that received funding in FY 1990 receive not less than the same level of funding in FY 1991 notwithstanding any EDA or Department of Commerce regulation.

The House bill would have appropriated $14,400,000 for the Trade Adjustment Assistance Program, but contained none of the other provisions included in the Senate amendment or the conference agreement.

The Department of Commerce has informed the Committee that the contingent liability for outstanding EDA loan guarantees is $61,000,000. Unobligated balances in the Fund currently are $140,000,000. Therefore, the remaining unobligated balances in the Fund after this rescission should be more than sufficient to fund the contingent liability on outstanding guarantees and provide for the current program level of new guarantees. While the conferees expect EDA to offer loan guarantees only when reasonably assured of repayment, the conferees also expect EDA to continue to implement the guarantee program in order to promote the agency's mission under the Public Works and Economic Development Act of 1965, as amended.

The amount in the conference agreement shall be allocated as follows among the various EDA programs:

Fiscal Year 1990 EDA Program Levels

Public works grants	$140,825
Planning assistance	23,102
Districts	(15,543)
Indians	(2,835)
States	(1,890)
Urban	(2,834)
Technical assistance	6,613
University centers	(4,724)
Research and evaluation	1,193
Economic adjustment grants	24,317
Sudden and severe projects	(12,282)
Revolving loan fund projects	(12,035)
Total	196,050

SALARIES AND EXPENSES

Amendment No. 7: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted, insert the following: *$27,018,000: Provided, That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended, title II of the Trade Act of 1974, and the Community Emergency Drought Relief Act of 1977. Notwithstanding any other provision of this Act or any other law, funds appropriated in this paragraph shall be used to fill and maintain forty-nine permanent positions designated as Economic Development Representatives out of the total number of permanent positions funded in the Salaries and Expenses account of the Economic Development Administration for fiscal year 1991, of which no more than two positions shall be designated as National Economic Development Representatives: Provided further, That such positions shall be maintained within an organizational structure that provides at least one full-time EDR in each State to which a full-time EDR was assigned as of December 31, 1987*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $27,018,000 for Salaries and Expenses and authority to use the funds to monitor projects approved under Title I of the Public Works Employment Act of 1976, Title II of the Trade Act of 1974 and the Community Emergency Drought Relief Act of 1977. In addition the conference agreement enables EDA to allocate as National EDR's not more than two of the 49 permanent positions designated as EDR's.

The Senate bill would have appropriated $27,605,000 for Salaries and Expenses, the authority to monitor projects which is contained in the conference agreement, and language which specified the number of EDR's and their location in the various States.

The House bill would have appropriated $27,018,000 without providing any monitoring authority or language on EDR's.

The conference agreement modifies language which has been in the appropriation for several years which specifies the number of Economic Development Representatives (EDR's) funded from this appropriation. The language now enables EDA to allocate as National EDR's not more than two of the 49 permanent positions designated as EDR's.

However, with respect to the vacancies which occur among the traditional EDR positions, the conferees expect EDA to fill such vacancies within the assigned geographical location(s) of responsibility that existed for each such EDR as of December 31, 1987.

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

Amendment No. 8: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which substitutes the words "international trade" for "import administration" as proposed by the House.

Amendment No. 9: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *and engaging in trade promotional activities abroad without regard to the provisions of law set forth in 44 U.S.C. 3702 and 3703; full medical coverage for dependent members of immediate families of employees stationed overseas; travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 1517; employment of Americans and aliens by contract for services abroad; rental of space abroad for periods not exceeding ten years, as amended and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed $330,000 for official representation expenses abroad; and purchase of passenger motor vehicles for official use abroad not to exceed $30,000 per vehicle; obtain insurance on official motor vehicles, rent tie lines and teletype equipment; $185,620,000 to remain available until expended, of which $3,000,000 shall be for support costs of a new materials center in Ames, Iowa, and of which $7,175,000 is for the Office of Textiles and Apparels, including $3,315,000 for a grant to the Tailored Clothing Technology Corporation: Provided, That the provisions of the first sent ence of section 105(f) and all of the section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities; and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities. Notwithstanding any other provision of law, upon the request of the Secretary of Commerce, the Secretary of State shall accord the diplomatic title of Minister-Counselor to the senior Commercial Officer assigned to any United States mission abroad: Provided further, That the number of Commercial Service officers accorded such diplomatic title at any time shall not exceed twelve. The Secretary of Commerce shall establish a foreign trade zone for Cedar Rapids, Iowa, not later than February 1, 1991, notwithstanding any other provision of law*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate bill would have appropriated $183,620,000, provided language concerning certain limitations on the use of funds, and provided for certain activities of the Mutual Educational and Cultural Exchange Act and certain authority to designate the number of senior commercial officers with the diplomatic title of Minister-Counselor.

The conference agreement appropriates $185,620,000 for the International Trade Administration, inserts all of the language provisions contained in the Senate amendment, provides new language not in either the House or Senate bills earmarking $3,000,000 for support costs for a new materials center in Ames, Iowa, and provides new language requiring the Secretary of Commerce to establish a Foreign Trade Zone in Cedar Rapids, Iowa.

The House bill would have appropriated $24,421,000 for Import Administration activities with none of the provisions contained in the conference agreement or the Senate bill.

The conference agreement includes program increases of $800,000 for Import Administration and $8,325,000 for the U.S. and Foreign Commercial Service. The increase for the latter items does not include any funds for security costs for overseas operations, which is a responsibility of the Department of State. The conferees encourage the U.S. and Foreign Commercial Service to consider allocating funds above the budget request to the CIMS project.

EXPORT ADMINISTRATION

OPERATIONS AND ADMINISTRATION

Amendment No. 10: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$43,599,000" named in said amendment, insert the following: *$43,099,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $43,099,000 for the Export Administration instead of $43,599,000 as proposed by the Senate and provides certain language provisions which were contained in the Senate amendment. The House bill contained no similar provisions.

The conference agreement includes the requested increase of $410,000 for the regional offices in Portland, Oregon; northern California; and Nashua, New Hampshire.

MINORITY BUSINESS DEVELOPMENT AGENCY

MINORITY BUSINESS DEVELOPMENT

Amendment No. 11: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$42,549,000" named in said amendment, insert: *$40,549,000* and in lieu of the sum "$26,873,000" named in said amendment, insert: *$24,873,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $40,549,000 for the Minority Business Development Agency of which $24,873,000 shall remain available until expended instead of an appropriation of $42,549,000 of which $26,873,000 would remain available until expended as proposed by the Senate. The House bill contained no similar provision.

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 12: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter inserted by said amendment, insert the following:

UNITED STATES TRAVEL AND TOURISM ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the United States Travel and Tourism Administration including travel and tourism promotional activities abroad for travel to the United States and its possessions without regard to 44 U.S.C. 3702 and 3703; and including employment of American citizens and aliens by contract for services abroad; rental of space abroad for periods not exceeding five years, and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; advance of funds under contracts abroad; payment of tort claims in the manner authorized in the first paragraph of 28 U.S.C. 2672, when such claims arise in foreign countries; not to exceed $15,000 for representation expenses abroad; and grants to States or other eligible entities pursuant to 22 U.S.C. 2123 for the purpose of providing financial assistance for States whose tourism promotion needs have increased due to disasters; $19,596,000, to remain available until expended.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $19,596,000 for the Travel and Tourism Administration and certain authorities as proposed by the Senate and new language not in either the House or Senate bill which provides authority for grants to States whose tourism promotion needs have increased due to disasters. The House bill contained no provisions on any of these matters.

The conferees have provided $5,000,000 to the United States Travel and Tourism Administration for grants for the purpose of providing financial assistance for States whose tourism promotion needs have increased due to disasters, such as Hurricane Hugo and the Exxon Valdez oil spill.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(Including Transfers of Funds)

Amendment No. 13: Inserts a heading as proposed by the Senate. The House bill contained no similar provision.

Amendment No. 14: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment insert the following: *$1,353,156,000 to remain available until expended, of which $2,200,000 shall be available for construction and renovation of facilities at the Stuttgart Fish Farming Experimental Station, Stuttgart, Arkansas, and to acquire equipment and furnishings necessary for such facility which are consistent with the original plan for the facility, and of which $550,000 shall be available for operational expenses at the Stuttgart Fish Farming Experimental Station, Stuttgart, Arkansas, and of which $400,000 shall be available only for a semitropical research facility located at Key Largo, Florida; and in addition, $34,521,000 shall be derived from the Airport and Airways Trust Fund as authorized by 49 U.S.C. 2205(d); and in addition $60,900,000 shall be derived by transfer from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries"; and in addition, $7,000,000 shall be derived by transfer from the Coastal Energy Impact Fund: Provided, That grants to States pursuant to section 306 and 306(a) of the Coastal Zone Management Act, as amended, shall not exceed $2,000,000 and shall not be less than $450,000: Provided further, That in addition to the sums appropriated elsewhere in this paragraph, not to exceed $500,000 shall be available from the receipts deposited in the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries" for grant management and related activities: Provided further, That notwithstanding any other provision of law, $400,000 shall be available to the South Carolina Coastal Council for the Charleston Harbor Estuary Special Area Management Plan*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $1,353,156,000 instead of $1,037,465,000 as proposed by the House and $1,369,730,000 *as proposed by the Senate.*

The conference agreement provides the following amounts:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

[Dollars in thousands]

Activity/Subactivity/Item	Fiscal year— 1990 appropriation	1991 President's request	House Mark	Senate Mark	Conference
National Ocean Service					
Mapping Charting & Geodesy:					
Mapping and Charting	$24,737	$26,533	$26,533	$26,533	$26,533
Great Lakes Mapping Project	100	0	1,000	100	500
ANCS II	1,660	1,644	1,644	1,644	1,644
Vertical Control Network	3,044	3,029	3,029	3,029	3,029
Subtotal, Mapping and Charting	29,541	31,206	32,206	31,306	31,706
Geodesy	15,540	15,728	15,728	15,728	15,728
SC Cooperative Geodetic Survey	577	0	0	577	577
Multi-Purpose Cadastre	1,836	0	1,836	1,836	1,836
Subtotal Geodesy	17,953	15,728	17,564	18,141	18,141
Total Mapping, Charting and Geodesy	47,494	46,934	49,770	49,447	49,847
Observation and Assessment:					
Observation and Prediction	10,176	10,503	10,503	10,503	10,503
Ocean Services	4,086	5,989	4,689	5,989	4,800
COAP	500	0	550	0	550
Gulf of Maine Data Collection Project				250	250
Circulatory Survey Program	777	373	373	773	773
Tampa Bay Mapping Project	1,000	0	0	0	1,500
California Data Buoys	151	0	151	151	151
Subtotal Observation & Prediction	16,690	16,865	16,266	17,666	18,527
Estuarine and Coastal Assessment	910	1,991		1,991	1,991
Damage Assessment	2,500	2,500		2,500	2,500
Ocean Assessments	12,759	12,693		10,193	10,193
LI Sound	1,000			1,000	1,000
Wetland Management Demonstration Project	900	0		1,400	1,400
Subtotal Estuarine and Coastal Ass	18,069	17,184	0	17,084	17,084
Coastal Ocean Science	6,400	17,369	11,369	11,869	10,369
Total Observation and Assessment	41,159	51,418	27,635	46,619	45,980
Ocean and Coastal Management:					
Coastal Management—					
CZM 306 and 306A Grants	34,000	29,838		35,000	34,600
CZM 309 Grants	400	0		0	0
Acquisition of Estuarine Sanctuaries	3,490	3,473		3,473	3,473
CZM Program Administration	3,351	2,894		3,894	3,394
Purchase of Buxton Woods	1,500	0		0	0
Charleston, SC Spec. Area Mgmnt. Plan	0	0		400	400
Subtotal Coastal Management	42,741	36,205	0	42,767	41,867
Ocean Management	1,168	1,667	1,667	1,667	1,667

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION—Continued

[Dollars in thousands]

Activity/Subactivity/Item	Fiscal year— 1990 appropriation	1991 President's request	House Mark	Senate Mark	Conference
Marine Sanctuary Sites Program	3,122	3,322	4,122	3,322	3,822
HI Humpback Whale Marine Sanctuary Program	0	0	0	250	250
Subtotal Ocean Management	4,290	4,989	5,789	5,239	5,739
Total Ocean and Coastal Management	47,031	41,194	5,789	48,006	47,606
Total NOS	135,684	139,546	83,194	144,072	143,433
National Marine Fisheries Service					
Information Collection & Analyses:					
Resource Information	47,512	48,645	4,774	48,695	48,695
Conservation Engineering	0	750		750	750
Bering Sea Pollock Research	0	750		1,000	1,000
Alaskan Groundfish Surveys	0	750		750	700
Aquaculture	2,725	465		2,702	2,702
Stuttgart	2,050		2,850	2,750	2,750
Protected Species Research	2,913	2,250	2,899	2,899	2,899
Marine Mammal Population	0	3,000	2,000	2,000	2,000
Chesapeake Bay Studies	1,600	0		2,000	2,000
Right Whale Research	235	0	235	235	235
Alaska Salmon Enhancements	3,766	0		2,300	2,300
Habitat Evaluation	471	0		471	500
North Carolina				0	1,000
Sub-Arctic Bottomfish Fisheries	753	0		0	0
Gulf of Maine Groundfish Svy				500	500
Hawaii Stock Management Plan	400	0		400	400
Yukon River Chinook Salmon	235	0		235	235
Antarctic Research	1,300	0		1,300	1,300
Atlantic Salmon Research	500	0		500	500
Oyster Disease Research	500	0		852	1,352
Field Structure Savings	0	−4,000		0	0
Dolphin Research			400	0	400
West Coast Groundfish	847	843		843	843
SEFCAR			250	0	250
Pacific Salmon Treaty	4,708	4,686		5,400	5,000
SEAMAP	942	938		938	938
MARFIN	3,000	2,986		2,986	2,986
GearEntanglement Studies	706	703		703	703
New England Stock Research	650	647		647	647
Alaska Whale Reimbursement	170	0		0	0
Subtotal Resource Information	75,983	63,413	13,408	81,856	83,585
Fishery Industry Information	0				
Fish Statistics/Alaska Monitoring	9,759	11,898		10,898	10,898
PACFIN	1,000	2,000		2,000	2,000
Subtotal Fishery Industry Info.	10,759	13,898	0	12,898	12,898
Information Analysis & Dissemination	18,912	19,277	1,120	19,277	19,277
Computer Hardware and Software	0	1,700		1,700	1,700
Subtotal Info. Analysis & Diss.	18,912	20,977	1,120	20,977	20,977
Total Info. Collection & Analyses	105,654	98,288	14,528	115,731	117,460
Conservation and Management Operations:					
Fisheries Management Program	12,040	12,141		12,141	12,141
Columbia River Hatcheries	9,300	0		10,400	10,300
Smolt				0	100
Columbia River Endangered Species Study				300	300
Management of Georges Bank	471	0		471	471
Regional Councils	7,233	7,199		8,999	8,500
Subtotal Fisheries Management Pgm.	29,044	19,340	0	32,311	31,812
Protected Species Management	3,612	3,677	2,347	3,677	3,677
Endangered Species Recovery Plans	235	235	235	235	235
Oregon Harbor Seals, Sea Lions	36			36	36
North Pacific Driftnet Program	3,000	3,300		4,800	4,300
MMPA Implementation	7,500	7,500	7,500	7,500	7,500
Fishery Observer Training	0	0	0	200	200
St. Paul Trust Fund	1,600	0		0	0
St. George Trust Fund	1,100	0		0	0
Subtotal Protected Species Mgmnt.	17,083	14,712	10,082	16,448	15,948
Habitat Conservation	5,412	5,544		5,544	5,544
Enforcement and Surveillance	8,871	9,380	1,521	9,380	9,380
Total, Conservation and Management Ops	60,410	48,976	11,603	63,683	62,684
State and Industry Assistance Programs:					
Grants to States					
Interjurisdictional Fisheries Grants	3,500	0		3,500	3,500
Anadromous Grants	2,354	0		2,354	2,354
Striped Bass Research	471	0		471	471
Interstate Fish Commissions	330	0		330	330
Subtotal, Grants to States	6,655	0	0	6,655	6,655
Fisheries Development Program					
Fisheries Trade Promotion Activities	1,388	1,388		1,388	1,388
Product Quality and Safety Research	8,620	4,506		8,906	8,906
Fish Oil Research	942	0		942	942
Mahi Mahi/US Asia Aquaculture	188	0		470	470
Shellfish Water Standards	500	0		1,500	1,500
Model Seafood Inspection Program	330	0		330	330
Seafood Consumer Center			1,000		1,000
Subtotal Fisheries Development Pgm.	11,968	5,894	1,000	13,536	14,536
Total State and Industry Assistance Pgm.	18,623	5,894	1,000	20,191	21,191
Total NMFS	184,687	153,158	27,131	199,605	201,335
Oceanic and Atmospheric Research					
Climate and Qlr Quality Research:					
International Seasonal Climate R.	8,224	8,260	8,260	8,260	8,260
Long Term Climate & Air Quality R.	22,536	23,498	23,498	23,498	23,498

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION—Continued

[Dollars in thousands]

Activity/Subactivity/Item	Fiscal year— 1990 appropriation	1991 President's request	House Mark	Senate Mark	Conference
National Acid Precipitation Asses.	1,487	0	1,487	1,487	1,487
Subtotal Long Term Clim & AQ R.	24,023	23,498	24,985	24,985	24,985
Climate and Global Change	18,000	86,914	47,914	52,914	47,000
NCPO International Climate Panel	250	0	.....	0	0
Regional Climate Centers	2,892	0	.....	3,140	3,340
Subtotal National Climate Program	3,142	0	0	3,140	3,340
Total, Climate & Air Quality Research	53,389	118,672	81,159	89,299	83,585
Atmospheric Programs:					
Weather Research	28,504	28,111	28,111	28,111	28,111
Severe Storm/Mesoscale	5,600	5,600	5,600	5,600	5,600
PROFS	3,766	1,883	3,766	3,766	3,766
Weather Modification Matching Grants	2,213	0	2,763	2,213	2,763
Subtotal Weather Research	40,083	35,594	40,240	39,690	40,240
Solar-Terrestrial Services & Research	4,550	6,205	4,705	4,705	4,705
Total Atmospheric Programs	44,633	41,799	44,945	44,395	44,945
Ocean and Great Lakes Programs:					
Marine Prediction Research	9,984	8,360	8,360	8,360	8,360
GLERL	4,772	3,172	4,772	5,772	4,772
GLERL-Zebra Mussel	.....	.....	1,000	0	1,000
GLERL-Research Vessel	.....	.....	1,000	0	0
VENTS	2,000	0	2,000	2,600	2,600
SE/US Caribbean FOCI	942	0	942	942	942
Fla. Lab. Study	0	0	200	0	200
Oceanology	.....	.....	100	0	100
Subtotal Marine Prediction Research	17,698	11,532	18,374	17,674	17,974
Sea Grant College Program	41,000	27,498	.....	41,798	40,798
Zebra Mussel Research—Sea Grant	.....	.....	.....	1,000	2,000
National Coastal R&D Institute	1,177	0	−1,177	1,177	1,000
United States/Asia Aquaculture Exchange	282	0	−282	0	0
Subtotal Sea Grant	42,459	27,498	−1,459	43,975	43,798
NOAA Undersea Research Program	14,285	0	14,285	14,285	16,285
Key Largo Tropical Research Facility	377	0	400	0	400
Subtotal Undersea Research Program	14,662	0	14,685	14,285	16,685
Total Ocean and Great Lakes Programs	74,819	39,030	31,600	75,934	78,457
Total Oceanic and Atmospheric Research	172,841	199,501	157,704	209,628	206,987
National Weather Service					
Operations and Research:					
Local Warnings and Forecasts	188,803	220,364	220,364	220,364	220,364
MARDI	.....	11,000	5,000	11,000	10,000
Reduce Staff at 8 WSFO's	787	0	787	787	787
Southern Region Headquarters	12,850	11,998	12,850	12,850	12,850
Data Buoy Activities	14,665	13,560	14,100	14,665	14,665
Pacific and Alaska Region Headquarters	4,200	3,817	4,200	4,200	4,200
Agricultural Weather Service Program	1,745	0	1,745	1,745	1,745
Fruit Frost Program	679	0	679	679	679
Fire Weather Services	1,582	1,112	1,582	1,582	1,582
Susquehanna River Basin Flood System	700	0	700	700	700
Colorado River Basin Flood System	300	0	300	300	300
Contract Observers—NW	200	0	200	200	200
Base Reduction/Equipment Maintenance	29,073	.....	1,054	0	1,000
Samoa	.....	.....	300	300	300
Subtotal Local Warnings and Forecasts	255,584	261,851	263,861	269,372	269,372
Central Forecast Guidance	29,861	28,394	28,394	28,394	28,394
Atmospheric and Hydrological Research	2,394	2,311	2,311	2,311	2,311
Total Operations and Research	287,839	292,556	294,566	300,077	300,077
Systems Acquisition:					
NEXRAD	71,400	114,343	101,059	114,343	114,343
ASOS	8,725	14,058	11,183	14,058	12,500
AWIPS/NOAAPORT	13,500	41,803	33,436	35,194	20,000
NMC Computer	7,800	7,263	7,263	7,263	7,263
Total Systems Acquisition	101,425	177,467	152,941	170,858	154,106
Total National Weather Service	389,264	470,023	447,507	470,935	454,183
National Environmental Satellite, Data, and Information Service					
Polar Spacecraft and Launching	15,184	64,584	50,112	50,112	50,584
Geostationary Spacecraft and Launching	135,997	109,146	109,146	109,146	109,146
Environmental Observing Services	48,964	48,192	48,192	48,192	48,192
Landsat Operations	9,500	0	9,500	9,500	9,500
Landsat Commercialization	34,900	36,334	.....	34,734	34,734
Total Satellite Observing Systems	244,545	258,256	216,950	251,684	252,156
Environmental Data Management Systems	20,715	22,174	22,174	22,174	22,174
Total NESDIS	265,260	280,430	239,124	273,858	274,330
Program Support					
Executive Direction & Administration	25,079	25,006	25,006	25,006	25,006
Central Administrative Support	30,487	37,192	36,992	36,992	36,992
Retired Pay Commissioned Officers	5,228	5,277	5,277	5,277	5,277
Total Administration and Services	60,794	67,475	67,275	67,275	67,275
Facilities Maintenance	471	3,204	1,954	1,954	1,954
Beaufort, NC Maintenance	200	0	200	0	200
Woods Hole Bulkhead & Dock	2,000	0	670	670	670
Facilities Consolidation	750	3,473	750	3,473	3,000
Total Facilities	3,421	6,677	3,574	6,097	5,824

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION—Continued

[Dollars in thousands]

Activity/Subactivity/Item	Fiscal year— 1990 appropriation	1991 President's request	House Mark	Senate Mark	Conference
Marine Services	59,910	65,848	64,130	63,720	63,720
Marine Electronics Agenda	675	0	750	0	750
Subtotal Marine Services	60,585	65,848	64,880	63,720	64,470
Aircraft Services	7,571	9,306	8,440	8,440	8,440
Total Program Support	132,371	149,306	144,169	145,532	146,009
Adjustments to Base/Unidentified:					
GRH Cut			6,079		779
Airport & Airways Trust Fund Transfer Inc			5,357		0
Total Direct Obligations	1,280,107	1,391,964	1,110,265	1,443,630	1,427,056
Financing:					
Deobligations	−6,000	−6,000	−6,000	−6,000	−6,000
Transfer From Coastal Energy Impact Fund	−4,500				
Budget Authority	1,269,607	1,385,964	1,104,265	1,437,630	1,421,056
Transfers:					
From Promote and Develop	−55,000	−61,900	−61,900	−60,900	−60,900
From Coastal Energy Impact Fund		−8,000	−4,900	−7,000	−7,000
Airport and Airways Trust Fund				[34,521]	[34,521]
Appropriation	1,214,607	1,316,064	1,037,465	1,369,730	1,353,156

The conference agreement also includes earmarkings totalling $2,750,000 for construction, renovation and operation of facilities at the Stuttgart Fish Farming Experimental Station, a transfer of $34,521,000 from the Airport and Airways Trust Fund, a transfer of $7,000,000 from the Coastal Energy Impact Fund, each of which was proposed by the Senate. The House bill contained no similar provisions.

The conference agreement also includes a transfer of $60,900,000 from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries" as proposed by the Senate. The House bill contained no similar provision.

The conference agreement also makes available not to exceed $500,000 from the receipts deposited in the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries" for grant management and not less than $450,000 and not to exceed $2,000,000 for grants to States under the Coastal Zone Management Act, as proposed by the Senate. The House bill contained no similar provisions.

The conference agreement does not include the provision proposed by the Senate which would have required not less than $8,400,000 to be obligated no more than 30 days following enactment of this Act for the operation and maintenance of anadromous fish hatcheries in the Columbia River Basin. The House bill contained no similar provision. The conferees have been given assurances that NOAA will make these funds available within 45 days of the date of enactment of this Act.

The conference agreement provides that $400,000 shall be available to the South Carolina Coastal Council, notwithstanding any other provision of law. The Senate had proposed this language as well as a provision waiving a financial matching requirement for the Charleston Harbor Estuary Special Area Management Plan. The House bill contained no similar provision.

The conference agreement also includes an earmarking not included in either the House or Senate bill of $400,000 to support continuation of work at a semi-tropical research facility located at Key Largo, Florida.

The conferees are agreed that in awarding grants for zebra mussel research, NOAA should given primary consideration to sea grant college programs located in States affected by zebra mussels.

The conferees expect the Department of Commerce promptly to provide to the relevant committees of the Congress such information or reports on current issues within the scope of section 6 of Public Law 92-500 and the need, if any, for revisions to this statutory mandate. In particular, the Department should report on the feasibility and cost of studies of the likely effects on the competitiveness of United States industry and/or the U.S. economy of one or more scenarios involving domestic environmental regulatory actions or actions to implement actual or potential environmental treaties or international agreements.

The conference agreement includes $1,460,000 for the Gloucester Laboratory.

The conference agreement includes $2,500,000 for the National Undersea Research Program (NURP) at the Institute of Marine Coastal Sciences at Rutgers University to carry out the activities specified for this institution in House Report 101-537. The conference agreement also includes $2,500,000 for the National Undersea Research Program in Hawaii. The conferees are agreed that NOAA should submit a report to the Appropriations Committees by December 31, 1990 detailing amounts expended and the purposes of such expenditures for the NURP program for the last three fiscal years and the proposals for expenditure of funds for the program for FY 1991.

DAMAGE ASSESSMENT AND RESTORATION REVOLVING FUND

Amendment No. 15: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$5,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $5,000,000 to capitalize the new Damage Assessment and Restoration Revolving Fund instead of $4,500,000 for this purpose as proposed by the Senate. The conference agreement also includes all of the bill language proposed by the Senate which provides certain authorities for the Fund. The House bill contained no similar provision.

The additional $500,000 provided above the Senate bill by the conference agreement is for a damage assessment project for a radioactive dump site in the Gulf of the Farallones National Marine Sancturary.

FISHERIES PROMOTIONAL FUND

Amendment No. 16: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which makes available until expended $2,000,000 of the funds deposited in the Fisheries Promotional Fund as proposed by the Senate. The House bill contained no similar provision.

FISHING VESSEL AND GEAR DAMAGE FUND

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a provision making the appropriation available until expended. The House bill contained no similar provision.

FISHERMEN'S CONTINGENCY FUND

Amendment No. 18: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a provision making the appropriation available until expended. The House bill contained no similar provision.

FOREIGN FISHING OBSERVER FUND

Amendment No. 19: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a provision making the appropriation available until expended. The House bill contained no similar provision.

PATENT AND TRADEMARK OFFICE

SALARIES AND EXPENSES

Amendment No. 20: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment insert the following: *including defense of suits instituted against the Commissioner of Patents and Trademarks; $91,000,000 of which $88,000,000 shall be derived from deposits in the Patent and Trademark Office Fee Surcharge Fund as authorized by law: Provided, That the amounts made available under the Fund shall not exceed amounts deposited; and*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $3,000,000 out of the General Fund of the Treasury and $88,000,000 from deposits of fees in a new Patent and Trademark Office Fee Surcharge Fund as authorized by law and includes language which permits Patent and Trademark Office funds to be used for defense of suits instituted against the Commissioner.

The House bill had proposed an appropriation of $109,807,000 out of the General Fund of the Treasury.

The Senate bill had proposed no appropriation for the Patent Office on the understanding emanating from the Budget Summit that the Patent and Trademark Office would become self-sustaining through a legislative increase in patent fees which would be treated as offsetting collections. The Senate bill had also proposed the language contained in the conference agreement which permits Patent and Trademark Office funds to be used for defense of suits instituted against the Commissioner.

The $3,000,000 appropriated out of the General Fund of the Treasury under the conference agreement are for support of core public functions of the Patent and Trademark Office, which, in the opinion of the conferees, should be financed with public funds.

Amendment No. 21: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which inserts a provision making the funds for the Patent and Trademark Office available until expended. The House bill contained no similar provision.

TECHNOLOGY ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 22: Inserts a heading as proposed by the Senate. The House bill contained no similar provision.

Amendment No. 23: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum named in said amendment, insert the following: *$4,200,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $4,200,000 for the Technology Administration instead of $4,433,000 as proposed by the Senate. The House bill contained no similar provision.

The conference agreement provides $200,000 for the Clearinghouse on State and Local Competitiveness Initiatives.

INFORMATION PRODUCTS AND SERVICES

Amendment No. 24: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which permits receipts up to $500,000 to be used for modernization of the facilities of the National Technical Information Service. The House bill contained no similar provision.

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

Amendment No. 25: Inserts a heading as proposed by the Senate. The House bill contained no similar provision.

Amendment No. 26: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$172,228,000" named in said amendment insert: *$166,228,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $166,228,000 for the National Institute of Standards and Technology of which not to exceed $9,772,000 may be transferred to the Working Capital Fund and of which not to exceed $10,095,000 shall be available for construction of research facilities. The Senate bill would have provided $172,228,000 and the limitations contained in the conference agreement. The House bill contained no similar provisions.

The conference agreement provides the following program increases:

[Dollars in thousands]

	Conference
Facilities	$900
Supercomputer	2,200
Lightwave	2,280
ISDN	900
Chemical	1,500
Semiconductors	1,500
Computer Security	1,000
Intelligent Machines	2,000
Materials Processing	900
Composites	550
Superconductivity	550
Total	14,280

INDUSTRIAL TECHNOLOGY SERVICES

Amendment No. 27: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$49,100,000.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provided $49,100,000 for the external technology grant programs of the National Institute of Standards and Technology which are funded in the Industrial Technology Services account instead of $52,100,000 as proposed by the Senate. The House bill contained no provision on this matter.

The following table shows the conference agreement for the three grant program areas:

Program	
Centers for Transfer of Manufacturing Technology	$11,900,000
Advanced Technology Program	35,900,000
State Technology Extension Program	1,300,000
Total	$49,100,000

National Telecommunications and Information Administration

SALARIES AND EXPENSES

Amendment No. 28: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum named in said amendment, insert: *$15,252,000.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $15,252,000 for the National Telecommunications and Information Administration instead of $14,882,000 as proposed by the Senate. The House bill contained no similar provision.

The conference agreement provides the full budget request and includes a program increase of $370,000 for research and policy studies in the development of high definition television systems (HDTV) in the U.S.

PUBLIC TELECOMMUNICATIONS FACILITIES, PLANNING AND CONSTRUCTION

Amendment No. 29: Appropriates $21,833,000 as proposed by the Senate instead of $30,833,000 as proposed by the House.

Amendment No. 30: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate making prior year unobligated balances available for grants for projects for which applications have been submitted and approved during any fiscal year. The House bill contained no similar provision.

Amendment No. 31: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which earmarks $1,000,000 for the Pan-Pacific Education and Cultural Experiments by Satellite program (PEACESAT). The House bill contained no similar provision.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

Amendment No. 32: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts language making Commerce Department funds in this Act available for advanced payments only upon certification of officials designated by the Secretary that such payments are in the public interest. The House bill contained no similar provision.

Amendment No. 33: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a provision prohibiting the use of Commerce Department funds in this Act to support hurricane reconnaissance aircraft and activities which were under the control of the United States Air Force or the United States Air Force Reserve as of June 1, 1990. The House bill contained no similar provision.

Amendment No. 34: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a provision prohibiting the use of Commerce Department funds in this or any previous Act for the purpose of reimbursing the Unemployment Trust Fund or any other account of the Treasury to pay unemployment compensation for temporary census workers for services performed after April 20, 1990. The House bill contained no similar provision.

The budget estimates submitted to Congress to reimburse the Unemployment Trust Fund for temporary census workers have been notably inaccurate. The conferees expect the Department of Commerce and the Bureau of the Census to review this matter thoroughly after 1990 census activities are completed and submit an estimate for consideration by the Congress to reimburse the Unemployment Compensation Trust Fund in the FY 1992 budget, based as closely as possible upon the actual number of temporary census workers who claim un-

employment compensation in their respective States. Postponing a possible appropriation to reimburse the Unemployment Compensation Trust Fund until an accurate budget estimate can be developed should not in any way result in temporary census workers being denied compensation, nor any State being denied reimbursement from the Unemployment Compensation Trust Fund for unemployment compensation payments to temporary census workers since the present balances in the Fund are sufficient to meet all such requirements during FY 1991.

The conferees believe that any request submitted to reimburse the Trust Fund should be considered a mandatory item since unemployment compensation is an entitlement for temporary census workers who qualify for such payments under current law. In addition, the Bureau of the Census is required to reimburse the Unemployment Trust Fund under current law. The conferees, therefore, strongly urge that this item be reclassified as a mandatory item in the FY 1992 budget.

Amendment No. 35: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 105. (a) Funds appropriated by this Act to the National Institute of Standards and Technology of the Department of Commerce for the Advanced Technology Program shall be available for award to companies or to joint ventures under the terms and conditions set forth in subsection (b) of this section, in addition to any terms and conditions established by rules issued by the Secretary of Commerce.

(b)(1) A company shall be eligible to receive financial assistance from the Secretary of Commerce only if—

(A) the Secretary of Commerce finds that the company's participation in the Advanced Technology Program would be in the economic interest of the United States, as evidenced by investments in the United States in research, development, and manufacturing (including, for example, the manufacture of major components or subassemblies in the United States); significant contributions to employment in the United States; and agreement with respect to any technology arising from assistance provided by the Secretary of Commerce to promote the manufacture within the United States of products resulting from that technology (taking into account the goals of promoting the competitiveness of United States industry), and to procure parts and materials from competitive suppliers; and

(B) either—

(i) the company is a United States-owned company; or

(ii) the Secretary of Commerce finds that the company has a parent company which is incorporated in a country which affords the United States-owned companies opportunities, comparable to those afforded to any other company, to participate in any joint venture similar to those funded through the Advanced Technology Program; affords to United States-owned companies local investment opportunities comparable to those afforded to any other company; and affords adequate and effective protection for the intellectual property rights of United States-owned companies.

(2) The Secretary of Commerce may, 30 days after notice to Congress, suspend a company or joint venture from receiving continued assistance through the Advanced Technology Program if the Secretary of Commerce determines that the company, the country of incorporation of the parent company of a company, or the joint venture has failed to satisfy any of the criteria set forth in this subsection, and that it is in the national interest of the United States to do so.

(3) As used in this section, the term "United States-owned company" means a company that has a majority ownership or control by individuals who are citizens of the United States.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees have agreed to a modification to the Senate bill regarding the conditions under which companies are eligible to receive assistance under the Commerce Department's Advanced Technology Program. The conference agreement provides that a company shall be eligible to receive financial assistance from the Secretary of Commerce only if (a) the Secretary finds that the company's participation in the Advanced Technology Program would be in the economic interest of the United States, as evidenced by investments, employment, and agreement to promote manufacturing in the U.S., and (b) either the company is a United States-owned company or the Secretary finds that the company has a parent company in a country which affords U.S.-owned companies research and investment opportunities comparable to other companies and offers adequate and effective protection for intellectual property rights. The conference agreement also provides that the Secretary may suspend a company or joint venture which fails to satisfy any of these criteria. Finally, the conference agreement defines the term "United States-owned company" as a company that has a majority ownership or control by individuals who are citizens of the United States.

The Senate bill would have generally prohibited non-North American companies from participating in research programs funded under the Advanced Technology Program unless such foreign-owned companies could make a material contribution to the research project funded under the program; make a commitment to the American market, in terms of having research, manufacturing and employment in the U.S.; and had not repeatedly violated U.S. laws concerning dumping and unfair subsidies. In addition, the Senate bill would have required the foreign-owned company's country to offer U.S. firms reciprocal access to its government-supported research as a condition for eligibility in the program.

The House bill contained no similar provision.

Amendment No. 36: Deletes language proposed by the Senate which would have required the Secretary of Commerce to submit a report to appropriate Congressional committees by February 1, 1991, providing certain detailed information on procurement of the GOES weather satellites I, J, K, L and M and on contingency plans for a potential gap in GOES weather satellite products. The House bill contained no similar provision.

The conferees are agreed that the Secretary of Commerce shall provide a report to the appropriate committees of the Congress on the procurement of the weather satellites GOES I, J, K, L, and M which—

(1) describes the procedures associated with this procurement, including a discussion of the respective roles of NOAA and NASA, and analysis of prior and existing agreements between NOAA and NASA regarding spacecraft research and development responsibilities, and an identification of individual officials responsible for procurement decisions, including contract modifications;

(2) provides the original cost estimates and schedule for the spacecraft procurement, outlines the performance capabilities for the spacecraft and instruments specified in the contract including a description of anticipated improvements in operational weather warning and forecast systems which would result from the new GOES system design, and provides information on all changes to the original estimates and performance specifications, including the reason for each change and the implication of each change for cost, schedule, and weather service warning and forecast system performance;

(3) provides the most recent estimate of spacecraft and launch costs and schedules for this spacecraft series, including a description of potential contract modifications and their impacts on cost, schedule, and weather service warning and forecast system performance; and

(4) sets out a contingency plan for a potential gap in GOES service, including a description of past decisions regarding options for avoiding a gap in GOES service, a detailed description of current contingency plan elements, costs, and schedules, options for obtaining a "gap-filler" spacecraft and instrument redesign, a description of the procedures for implementing the contingency plan, and an analysis of the impact of the loss of GOES service on weather service warning and forecast system performance if the contingency plan were implemented.

The report shall be transmitted to the Congress no later than February 1, 1991.

Amendment No. 37: Deletes language proposed by the Senate which would have required that $100,000 of the funds in this Act available for research on zebra mussels be used for translation into English of scientific materials published in Russian and other languages. The House bill contained no similar provision.

The conferees are aware that extensive research on the control and eradication of zebra mussels currently exists, though published in languages other than English. The conferees encourage recipients of funds provided for zebra mussel research under the National Oceanic and Atmospheric Administration's Sea Grant program to make use of any existing materials and make funds available for the translation into English of existing research materials published in Russian and other languages.

TITLE II—DEPARTMENT OF JUSTICE

FINANCIAL INSTITUTION INVESTIGATIONS, PROSECUTIONS AND CIVIL PROCEEDINGS

SALARIES AND EXPENSES

Amendment No. 38: Deletes language proposed by the House which appropriated $75,000,000 for Savings and Loan fraud investigations and prosecutions for fiscal year 1991.

The conference agreement instead provides for an increase of $106.8 million above the President's request to investigate and prosecute financial institution fraud. This increase provides for over a doubling of the resources currently available to investigate and prosecute those responsible for the worst white collar crime scandal of the century.

The conference agreement provides for increases over the request in the various Justice Department agencies as follows:

Federal Bureau of Investigation	$47,300,000
United States Attorneys	45,000,000
Criminal Division	6,200,000
Civil Division	4,900,000
Tax Division	3,400,000
Total	$106,800,000

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 39: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $100,968,000 for General Administration, makes $970,000 available until expended, and places limits on the numbers of positions authorized for the Offices of Public Affairs and Legislative Affairs for fiscal year 1991. The House contained no similar provisions.

The conference agreement provides $100,968,000 for General Administration, the full amount requested, less the $93,000 associated with the Foreign Affairs Administrative System (FAAS), which will be funded through the Department of State.

TELEMARKETING FRAUD

The conferees are concerned that the Department of Justice may not be providing sufficient attention and resources to telemarketing fraud, which is a serious national problem. The conferees expect the Justice Department to provide a report, within six months of enactment of this bill, which addresses the following:

1. Measures to be taken by the Department to encourage those United States Attorneys which have not been active in investigating and prosecuting fraudulent telemarketers to become more active in this regard.

2. The funds expended by, and the number of personnel assigned in each of the 92 U.S. Attorneys offices to investigate and/or prosecute telemarketing fraud during each of the last two fiscal years.

3. What additional resources are required to expand and accelerate the investigation and prosecution of telemarketing fraud. If the Department believes no additional resources are required, please explain why.

4. Please provide the recommended statutory language necessary to enact the following into law:

A. Making it a crime to submit into the credit card system, without financial institution authorization, credit card sales drafts through the accounts of merchants having authorized access to the credit card systems.

B. Expanding the Federal mail fraud statute to include commercial mail couriers and facsimile machines.

C. Amending the Federal wire fraud statute to prohibit illegal activities which affect interstate commerce.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

Amendment No. 40: Inserts the heading "Office of Inspector General" as proposed by the Senate. The House included no similar heading.

Amendment No. 41: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$22,140,000" named in said amendment, insert: *$25,140,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $25,140,000 instead of $22,140,000 as proposed by the Senate, and includes language which allows for up to $10,000 to meet unforeseen emergencies of a confidential character, and allows for acquisition, lease, maintenance and operation of motor vehicles without regard to purchase price limitation. The House bill contained no similar provisions.

The conference agreement allows for the base adjustments of $2,599,000 and program growth of $2,000,000, as follows:

Increased audits	$450,000
Increased investigations	1,100,000
Management	450,000

WORKING CAPITAL FUND

Amendment No. 42: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which authorizes the Department of Justice to expend up to $3,000,000 to convert their payroll system to the Department of Agriculture's National Finance System. The House bill contained no similar provision.

UNITED STATES PAROLE COMMISSION

SALARIES AND EXPENSES

Amendment No. 43: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed in said amendment insert: *$10,051,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $10,051,000 for the United States Parole Commission instead of $9,869,000 as proposed by the Senate. The House bill contained no similar provision.

The conference agreement provides requested adjustments to base and program changes, and adds $299,000 above the request as follows: three positions and $117,000 for the Hyattsville Monitoring Project, $100,000 for contract typists, and two positions and $82,000 for the Supervision Monitoring Program.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

Amendment No. 44: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$352,103,000" named in said amendment insert: *$343,603,000.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $343,603,000, instead of $352,103,000 as proposed by the Senate, and includes language proposed by the Senate which allows up to $20,000 for collecting evidence, up to $5,639,000 for the United States National Central Bureau—INTERPOL, up to $6,000,000 for litigation support contracts, and up to $17,000,000 for the Department's Legal Activities Office Automation systems. The House bill contained no similar provisions.

The conference agreement provides $343,603,000 for General Legal Activities for fiscal year 1991, which allows for requested adjustments to base, less $6,000 associated with FAAS reimbursements.

The conference agreement allows for $15,500,000 of the requested program growth of $18,747,000 for automated litigation support, environmental programs, civil rights programs, white collar crime, and tax prosecutions.

S&L fraud.—The conference agreement also allows for a $14,502,000 increase over the request, for total program growth of $18,000,000 over fiscal year 1990, for the investigation and prosecution of financial institution fraud as follows:

Tax Division	$3,480,000
Civil Division	8,320,000
Criminal Division	6,200,000

Office automation.—The conference agreement provides $17,000,000 for office automation, the amount necessary to fully fund the systems installed in fiscal year 1990. The conferees are aware that the Department has proposed to expand the scope of its Legal Activities Office Automation system to make it a department-wide system. The existing system was designed based on the requirements of the U.S. Attorneys and the litigating divisions of the Department. The conferees support the goal of providing uniform office automation capabilities throughout the Department's various organizations; however, the needs of those organizations are different from those of the litigating divisions. The conferees expect the Attorney General to develop new uniform office automation requirements and technical standards before committing to any department-wide system.

In addition, the existing office automation contract was awarded based on a Delegation of Procurement Authority (DPA) that assumed the system was to be limited to the senior management and the litigating activities of the Department. The conferees believe it would be inappropriate to procure this system for department-wide use under the existing procurement contract. The conferees expect the existing contract to be used as it was initially intended, in support of senior management and litigation-related efforts of the Department. The conferees further expect that any department-wide system will be accomplished through a full and open competitive procurement action.

VACCINE INJURY COMPENSATION CLAIMS

Amendment No. 45: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed by said amendment insert: *$2,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides for a transfer of up to $2,000,000 for Justice Department costs associated with claims filed under the National Vaccine Injury Compensation Program, instead of $1,000,000 as proposed by the Senate and $1,500,000 as proposed by the House. The conferees were recently made aware of the large number of last-minute claims filed prior to the September 30, 1990 deadline. As a result of these late filings and the legal requirement to process the cases within 14 months of receipt, the conference agreement allows the Department to receive up to $500,000 above their request to handle the additional workload.

SALARIES AND EXPENSES, ANTITRUST DIVISION

Amendment No. 46: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides a total of $53,730,000 for the Antitrust Division during fiscal year 1991, of which $20,000,000 shall be derived from fees, and waives the provisions of the Antideficiency Act should fee collections fall behind schedule. The House bill contained no similar provisions.

The conference agreement allows for an increase of $5,400,000 over actual FY 1990 levels, associated with an anticipated increase in fee collections.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

Amendment No. 47: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$674,095,000" named in said amendment insert: *$673,095,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $673,095,000 instead of $674,095,000 as proposed by the Senate, and includes Senate language which makes up to $5,000,000 available for debt collection and up to $8,000 available for representation expenses. The House bill contained no similar provisions.

The conference agreement appropriates $673,095,000 for the United States Attorneys for fiscal year 1991, which provides for requested adjustments to base and program reductions. The conference agreement also provides $45,000,000 above the request and above fiscal year 1990 levels for the investigation and prosecution of financial institution fraud.

The conferees agree with language in the Senate report authorizing the use of available U.S. Attorney funds to complete the installation of the new office automation system into the remaining offices.

UNITED STATES TRUSTEE SYSTEM FUND

Amendment No. 48: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum named in said amendment insert: *$64,300,000*

The managers on the part of the Senate will offer a motion to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $64,300,000, instead of $64,703,000 as proposed by the Senate, and includes Senate language which allows the Trustees to pay refunds due depositors. The House bill contained no similar provisions.

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION

Amendment No. 49: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $640,000 as proposed by the Senate. The House bill contained no similar provision.

The conference agreement provides $640,000, an increase of $150,000 above the amount requested for the Commission for fiscal year 1991, in order to expedite the settlement of claims of American citizens against Iran.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

Amendment No. 49A: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which restores prior year language authorizing funds for passenger motor vehicles. The House bill contained no similar provision.

Amendment No. 50: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which makes $12,653,000 available until expended for renovation and construction of holding facilities, and which provides $6,000 for official reception and representation expenses. The House bill contained no similar provision.

The conference agreement provides an appropriation of $288,529,000 for the Marshals Service for FY 1991, which is the full budget request.

SUPPORT OF UNITED STATES PRISONERS

Amendment No. 51: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $193,034,000, the same amount as in the House bill, and includes language, not in the House bill, making $15,000,000 available for the Cooperative Agreement Program. The conference agreement provides an appropriation of $193,034,000 for Support of U.S. Prisoners for fiscal year 1991, the full budget request.

FEES AND EXPENSES OF WITNESSES

Amendment No. 52: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates the requested $70,628,000 for Fees and Expenses of Witnesses and includes language which makes $2,000,000 available for safehouses. The House bill contained no similar provisions.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

Amendment No. 53: Reported in technical disagreement. The managers on the part of the House will a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$28,172,000" named in said amendment insert: *$27,172,000*

and in lieu of the sum "$20,214,000" named in said amendment insert: *$19,614,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $27,172,000 instead of $28,172,000 as proposed by the Senate, and limits to $19,614,000 the amount available for the processing, care and placement of Cuban and Haitan entrants instead of $20,214,000 as proposed by the Senate. The House bill contained no similar provisions.

The conference agreement holds to fiscal year 1990 levels the amount available for the prevention and conciliation of community disputes. The conferees expect the Community Relations Service to provide $400,000 to a private entity or entities, such as the National Institute Against Prejudice and Violence, for efforts to combat and respond to prejudice and bigotry-related crime as described in the Senate report.

The conferees have been made aware of the extremely high cost associated with the medical/psychiatric care provided Mariel Cuban detainees in St. Elizabeths Hospital, located in Washington, D.C. The conferees have been unable to determine any reason for providing this care in an area with such a high cost of living. The conferees expect the Community Relations Service to shift this operation to a facility in an area which can provide similar services, but at a lower cost. In anticipation of the savings to be had by this move, the conferees have reduced this appropriation by $600,000.

INTERAGENCY LAW ENFORCEMENT

ORGANIZED CRIME DRUG ENFORCEMENT

Amendment No. 54: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

INTERAGENCY LAW ENFORCEMENT

ORGANIZED CRIME DRUG ENFORCEMENT

For necessary expenses for the detection, investigation, and prosecution of individuals involved in organized crime drug trafficking not otherwise provided for, $328,000,000, of which $50,000,000 shall remain available until exended: Provided, That any amounts obligated from appropriations under this heading may be used under authorities available to the oganizations reimbursed from this appropriation: Provided, further, That any unobligated balances remaining available at the end of the fiscal year shall revert to the Attorney General for reallocation among participating organizations in the succeeding fiscal year, subject to the reprogramming procedures described in section 606 of this Act.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $328,000,000 instead of $330,000,000 as proposed by the Senate. The conference agreement includes Senate language providing that funds obligated from this appropriation may be used under authorities available to the organizations receiving those funds. The House bill contained no similar provision.

The conference agreement also adds new language making $50,000,000 available until expended. This language was added to allow the Attorney General to reprogram funds amongst the various agencies if an agency identifies surplus amounts late in the fiscal year.

The conference agreement of $328,000,000, when added to the $6,941,000 to be transferred from the Special Forfeiture Fund for AUO, will provide for total reimbursements of $334,941,000 to OCDE agencies as follows:

Drug Enforcement Administration	$93,305,000
Federal Bureau of Investigation	89,941,000
Immigration and Naturalization Service	10,251,000
U.S. Marshals Service	1,082,000
U.S. Customs Service	25,750,000
Bureau of Alcohol, Tobacco and Firearms	9,981,000
Internal Revenue Service	33,995,000
Coast Guard	862,000
U.S. Attorneys	66,655,000
Criminal Division	702,000
Tax Division	1,194,000
Administrative Support	1,223,000

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

Amendment No. 55: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$1,690,962,000" named in said amendment insert the following: *$1,687,962,000*

and in lieu of the phrase "activities funded by this appropriation" in the last sentence of said amendment, insert the following: *construction of Pod C of the Engineering Research Facility at Quantico, Virginia.*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $1,687,962,000 instead of $1,690,962,000 as proposed by the Senate, and includes language making funds previously provided for the Washington Field Office to be made available for construction of the final section of the FBI's Engineering Research Facility, instead of the Senate language which made these funds available for any FBI activity. The House included no such provision.

The conference agreement also includes Senate language, not in the House bill, which makes up to $25,000,000 for automated data processing and telecommunications, and $1,000,000 for undercover operations, available until September 30, 1992; which makes up to $8,000,000 for research and development available until expended; and which makes the following available: $500,000 for payments to State and local law enforcement agencies, $70,000 to meet unforeseen emergencies of a confidential character, $45,000 for official reception and representation expenses, and $7,500,000 for a language translation system. The conference agreement also includes Senate language, not in the House bill, authorizing the use of funds to procure passenger vehicles and aircraft, and inserts language proposed by the Senate to allow the FBI to establish and collect fees to process fingerprint identifications and name checks.

The conference agreement of $1,687,962,000, when added to the $4,548,000 to be transferred from the Special Forefeiture Fund for AUO, provides total fund availability of $1,692,510,000 for the FBI for fiscal year 1991, including the requested adjustments to base, less $275,000 associated with FAAS reimbursements.

The conference agreement provides for $87,837,000 in net program changes as follows:

Financial Institution Fraud Investigations	$49,098,000
Other White-collar crime	10,618,000
Other Field Programs	30,036,000
Organized Crime	4,119,000
Drug Programs	19,168,000
Technical Field Support	6,409,000
Other Program Increases	3,128,000
Requested Deficit Reduction	−27,322,000
AUO Absorption	−2,869,000
OMB Circular A-76 Reductions	0

The conference agreement also provides for total reimbursements to the FBI of $89,941,000 from the Organized Crime Drug Enforcement appropriation, an increase of $38,446,000 over fiscal year 1990 levels.

The conference agreement includes language providing for the final phase of the construction of the Engineering Research Facility at the FBI Academy in Quantico, VA. Completion of this facility is critical for research and development of sophisticated surveillance and other technical equipment to support the FBI intelligence related activities and to enhance FBI and DEA drug investigations.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

Amendment No. 56: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$696,900,000" named in said amendment insert: *$694,340,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $694,340,000 instead of $696,900,000 as proposed by the Senate, and includes Senate language which makes available the following: $70,000 to meet unforeseen emergencies, $1,800,000 for research, $4,000,000 for payments for information, $4,000,000 for ADP/telecommunications, $2,000,000 for laboratory equipment, $20,550,000 for aircraft, $10,000,000 for a new aviation facility, and $45,000 for official reception and representation expenses; and provides for the procurement of passenger vehicles. The House bill contained no similar provision.

The conference agreement of $694,340,000 provides for requested adjustments to base, less $3,100,000 associated with FAAS reimbursements, and allows for program changes of $119,199,000, as follows:

Domestic enforcement	$36,690,000
Special enforcement	13,674,000
Foreign cooperative investigations	4,877,000
State and local support	8,824,000
Intelligence programs	7,123,000
Purchase new aircraft	20,550,000
Construct new airwing facility	10,000,000
Other	17,461,000

The conferees concur with the Senate report concerning the need to ensure that increases in DEA staffing be equitably distributed among high intensity and rural areas. The conferees also understand there are concerns within the Department that support staff requirements have not kept pace with the growth in agent staffing. Reports have been received that in some field locations, DEA investigative reports are being accepted by local U.S. Attorneys in handwritten form due to a lack of DEA clerical support. It does not appear to be the most prudent use of resources to have journeymen special agents performing clerical duties instead of their investigative duties. The conferees believe steps must be taken to correct this imbalance.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

Amendment No. 57: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$883,501,000" named in said amendment insert: *$884,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreeement appropriates $884,000,000 instead of $883,501,000 as proposed by the Senate and includes Senate language which makes available the following; $50,000 to meet unforeseen emergencies, $400,000 for research, $17,188,000 for construction, and $5,000 for official reception and representation expenses. The conference agreement also includes Senate language providing authority to purchase vehicles and uniforms, and limiting the payment of overtime to $25,000. The House bill contained no similar provisions.

The conference agreement of $884,000,000, when added to the $2,637,000 transferred from the Special Forfeiture Fund for AUO, provides a total appropriation of $886,637,000 for the INS in FY 1991, which allows for requested adjustments to base, and program changes as follows:

Border Patrol	$16,327,000
Krome expansion	4,500,000
San Clemente checkpoint	10,000,000
Marathon/Alpine checkpoints	388,000
Brownfield/Ysleta border patrol stations	2,300,000
Purchase passenger vehicles	6,782,000
Automated fingerprint ID project	2,000,000
Machine Readable Visa project	3,000,000
Border Patrol special purpose vehicles	4,000,000
Other	2,056,000
Examinations fee shift	−25,133,000
AUO absorption	0
A-76 contracting out	0
Requested budget deficit reduction	−22,127,000

Administrative fines.—the conferees are aware of an increase in the violations of the various sections of Title 8 of the United States Code and the corresponding section of the Immigration and Nationality Act (INA). This growth in violations results from the ever-increasing number of passengers arriving in the United States for whom the airlines are in violation of the INA. For example, population statistics at one Immigration and Naturalization Service facility, Krome North Service Processing Center in Miami, Florida reveal that 83 percent of its detainees were excludables and should never have been transported to the United States. It can be concluded from this disclosure that the carriers would rather risk paying an administrative fine than bear the cost of properly screening their passengers destined for the United States. The conferees wish to place the airlines on notice that, unless there is an appreciable decline in the number of detentions resulting from improper airline screening, the Congress may have to consider increases in the current fine structure.

Part-time inspectors.—The conferees have been made aware of a proposal by the INS to eliminate the use of part-time inspectors at airports and land border points of entry. The conferees are unaware of a need for this change, especially considering the irregular hours required of inspection work and the view, held by many, that part-time employees are the most economical way of handling workload associated with short-term peak hours of operation. The conferees expect the INS to notify the Committees on Appropriations of the House and Senate, in accordance with the reprogramming procedures outlined in section 606 of this Act, prior to implementation of any such proposal. Such notification should include the rationale for the change; the number, type and location of positions affected; and the cost impact.

INS case information system.—Conferees are pleased to learn that the Immigration and Naturalization Service is taking steps to improve services provided to the public through its field office structure. In particular, the new prototype on-line case information system in St. Albans, Vermont, holds forth the promise of providing more information to the public more rapidly. However, as the system is presently designed, its goal is not being fulfilled; the cumbersome manner in which callers are routed to the information they need is overly time-consuming and frustrating, especially for those wishing to contact the Service directly. The conferees encourage the Immigration Service to streamline this system and address the problems before it is expanded to other offices.

East European worker visa.—With the dramatic events transpiring in Eastern Europe, citizens there have looked eagerly to the United States for support in fostering their emerging democracies. One essential way that America can provide support is through training Eastern European workers to contribute toward the essential market reforms. Many times such training is only available in the United States. Unfortunately, delays in processing visas for such training unnecessarily stalls our contribution to the East European democratization.

The conferees are hopeful that the INS will devote attention toward developing a system which ensures that applications for training visas for Eastern Europeans can be processed as expeditiously as possible so that the United States can make a maximum contribution to on-going reforms with a minimum of delay.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

Amendment No. 58: Inserts a heading as proposed by the Senate. The House bill contained no similar provision.

Amendment No. 59: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$1,359,843,000" named in said amendment insert: *$1,357,843,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $1,357,843,000 instead of $1,359,843,000 as proposed by the Senate, and includes language proposed by the Senate which limits to 330 the number of passenger vehicles to be purchased, allows for the transfer of funds for the medical relief of inmates to the Health Resources and Services Administration, provides for the purchase of uniforms and allows $3,000 for official reception and representation expenses. The House bill contained no similar provisions.

The conference agreement provides $1,357,843,000 for the Salaries and Expenses of the Federal Prison System for FY 1991, which provides for requested adjustments to base and built-in changes and for program changes as follows:

Activation of new facilities	$37,539,000
Improved staffing	89,119,000
Population adjustments	25,462,000
Contract confinement	1,000,000
A-76 Contracting out	0
Other	388,000

NATIONAL INSTITUTE OF CORRECTIONS

Amendment No. 60: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $10,007,000 for the National Institute of Corrections—the full budget request. The House bill contained no similar provision.

The conferees are concerned that the Department of Justice has not moved forward with the proposed move of the National Academy of Corrections. The conferees continue to expect the Department to move forward with its plans to consolidate and relocate the Academy pursuant to the decision of the Justice Department's Site Selection Committee.

BUILDINGS AND FACILITIES

Amendment No. 61: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $374,358,000 for Buildings and Facilities for fiscal year 1991 as proposed by the Senate. The conference agreement also includes language proposed by the Senate which allows for the use of U.S. prisoners for work performed at prisons, and provides for the transfer of up to 10 percent of the Buildings and Facilities appropriation to the Salaries and Expenses appropriation in the event of an emergency. The House bill contained no similar provisions.

The conference agreement provides $374,358,000 for the construction and expansion of Federal prisons—the full request for fiscal year 1991. These funds provide for a prison construction, expansion and modernization program as follows:

	Increased bed space	Funding
New Federal Prisons: Northeast correctional complex	1,960	$119,700,000
Medical center: Fort Worth long-term care	300	10,500,000
Expand existing facilities:		
Mid-Atlantic satellite camp	150	6,000,000
Big Spring, TX, satellite camp	150	4,500,000
Bryan, TX, housing unit	340	13,600,000
Tyndall, FL, camp expansion	75	3,000,000
El Paso, TX, camp expansion	150	6,000,000
Terre Haute, IN, segregation unit	100	6,100,000
Detention capacity:		
Northeast detention unit	350	37,500,000
Sheridan, OR, detention unit	150	10,800,000
Leavenworth, KS, detention unit	150	10,300,000
Butner, NC, detention unit	150	8,700,000
Memphis, TN, detention unit	150	9,700,000
El Reno, OK, detention unit	150	9,800,000
Seagoville, TX, detention unit	150	9,800,000
Acquire and convert active and closed military facilities	1,700	22,500,000
Other new construction		2,229,000
Modernization and Repair		83,629,000
Total	6,176	374,358,000

The conference agreement also includes language proposed by the Senate which will allow continuation in FY 1991 of the lease of a facility at Oklahoma City Airport. The conferees agree to allow this lease to continue on a test basis to determine the cost effectiveness of such an approach. The conferees expect the Bureau to keep the Committees on Appropriations apprised on a regular basis of the status of this project. The House bill contained no similar provision.

Seattle detention facility.—The conferees understand that the Bureau of Prisons plans to build a detention facility with a community corrections component in Seattle, WA. The conferees believe that plans for developing the community treatment centers should not go forward until an agreement is reached with State and local government officials.

Lower Mississippi Valley Delta Region.—The conferees are aware of the report of the Lower Mississippi Delta Development Commission concerning the economic and other problems of the delta region. In light of the findings of the Lower Mississippi Delta Development Commission, the conferees direct the Bureau of Prisons to evaluate carefully and report on the feasibility of helping alleviate the pervasive poverty in the delta region by the construction of Federal prisons there. This report should include a thorough consideration of the economic impact of construction of Federal correctional facilities in such economically depressed rural areas, including factors such as relative costs of site acquisition and construction compared to urban areas, differences in operating costs to the Bureau in such areas, and the effects on the regional economy of both construction and operations of the facilities. The Bureau of Prisons shall report back its findings and recommendations to the Committees on Appropriations of the House and Senate by March 1, 1991.

FEDERAL PRISON INDUSTRIES, INCORPORATED

Amendment No. 62: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which authorizes Federal Prison Industries to make expenditures necessary to carry out its programs. The House bill contained no similar provision.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Amendment No. 63: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which makes $3,167,000 available for administrative expenses, the amount requested in the budget. The House bill contained no similar provision.

ADMINISTRATIVE PROVISION

Amendment No. 64: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following:

ADMINISTRATIVE PROVISION

Federal Prison Industries, Inc., is authorized and directed to enter into a contract to carry out an independent market study at a cost not to exceed $250,000. The study shall be conducted by a private sector market analysis firm, that is not affiliated in any way with the Federal Prison Industries or the Bureau of Prisons. Federal Prison Industries is directed to report the results of this study to Congress not later than nine (9) months from the enactment (or effective date) of this Act. The study shall include an analysis and appropriate recommendations to Congress concerning the following:

1. identify potential new product lines for prison-made products, which will have a minimal impact on the private sector;

2. analyze the impact that Federal Prison Industries has had on certain private sector industries (furniture, textiles, printing, electronics and apparel) in terms of production levels, employment levels, and annual sales to Federal government departments and agencies;

3. provide, after consulting with the Department of Labor and the Department of Commerce, an estimate of the number of jobs displaced in the private sector (on an industry-by-industry basis) by the operation of Federal Prison Industries;

4. analyze whether Federal departments and agencies should consider placing limits on the market share that Federal Prison Industries can obtain in specific products or product lines; and

5. determine whether the current law governing Federal procurement from the Federal Prison Industries should be retained or revised.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes language concerning a study on Federal Prison Industries, Inc. instead of similar language proposed by the Senate. The House included no similar provision.

The conference agreement includes language requiring the Federal Prisons Industries, Inc. to enter into a contract with a private market analysis firm for a study which analyzes and provides recommendations to Congress regarding the impact that Federal procurement from FPI has had on certain private sector industries; potential new product lines for prison-made products; and the need for changes in current law governing federal procurement from FPI.

The Federal Prisons Industries is currently required by statute to provide employment for the greatest number of inmates eligible to work, to diversify prison operations to the extent possible, and to conduct operations so as to avoid placing a burden of undue competition upon private enterprise.

The FPI is directed to provide the study to the Congress within nine months of enactment.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

Amendment No. 65: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$91,467,000" named in said amendment insert: *$87,916,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $87,916,000 instead of $92,321,000 as proposed by the House and $91,467,000 as proposed by the Senate.

Amendment No. 66: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed in said amendment, insert: *$475,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $475,000,000 instead of $400,000,000 as proposed by the House and $490,000,000 as proposed by the Senate.

Amendment No. 67: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: *, and in addition, $17,000,000 to remain available until expended, shall be available to the Director of the Federal Bureau of Investigation for the National Crime Information Center 2000 project: Provided, That notwithstanding any other provision of law, the grant limitation established in Section 504(f) of Part D of Title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended by Public Law 100-690 (102 Stat. 4333), is hereby waived for fiscal year 1991 for grants awarded to state and local governments for the purpose of participating in multi-jurisdictional drug task forces*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides languages making $17,000,000 of drug grant funding available for the NCIC 2000 project, in addition to the $475,000 provided separately for these grants. The Senate amendment provided $17,000,000 for the NCIC 2000 out of drug grant discretionary funds. The House bill included no such provision.

The conference agreement also includes language waiving the 4-year grant limitation on the use of anti-drug abuse grants for multi-jurisdictional drug task forces. The Senate amendment waived the 4-year rule for all projects. The House included no such provision. The conferees are particularly concerned about the need to allow continued funding for many of the multijurisdictional drug task forces which have proven to be one of the most useful tools in the war against drugs at the State and local level.

Amendment No. 68: Appropriates $75,300,000 for Juvenile Justice and Delinquency Prevention programs instead of $78,000,000 as proposed by the House and $72,601,000 as proposed by the Senate.

Amendment No. 69: Makes $3,500,000 available for youth gangs instead of $5,000,000 as proposed by the House and $2,000,000 as proposed by the Senate.

Amendment No. 70: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which deletes House language on Mariel Cubans and inserts prior year language on this matter. The conference agreement provides $4,963,000 for reimbursement to States for costs of incarcerating illegal aliens and certain Cuban nationals, requires that grants be made by April 1, 1991, and limits the amount of reimbursement per prisoner per annum to $12,000.

The following table shows the recommended amounts for fiscal year 1991 for Justice Assistance:

OFFICE OF JUSTICE PROGRAMS—JUSTICE ASSISTANCE

[In thousands of dollars]

Program/Activity	Fiscal year—				
	1990 post seq.	1991 request	1991 House	1991 Senate	1991 Conference
National Institute of Justice	22,766	24,524	27,929	24,524	23,929
Bureau of Justice Statistics	20,879	23,051	22,500	23,051	22,095
Emergency Assistance	9,927	0	0	0	0
(Prior year carryover)	0	(2,078)	(2,078)	(2,078)	(2,078)
Missing Children	3,971	7,971	7,971	7,971	7,971
Regional Info Sharing System	13,402	9,750	14,000	14,000	14,000
Management and Administration	19,163	19,921	19,921	19,921	19,921
Subtotal, new budget authority	90,108	85,217	92,321	89,467	87,916
Juvenile Justice Programs:					
Part A:					
Management and Administration	3,077	2,798	3,248	3,196	3,248
Federal effort	448	223	402	334	342
Part B: Formula grants	49,348	0	51,100	49,421	50,260
Part C: Discretionary grants	17,624	7,277	18,250	17,650	17,950
Part D: Youth Gangs	1,985	0	5,000	2,000	3,500
Subtotal, Juvenile Justice	72,482	10,298	78,000	72,601	75,300
Anti-Drug Abuse Grants:					
NCIC 2000	0		17,000	17,000	17,000
Formula grants	395,101	440,000	348,250	440,000	423,000
Discretionary grants	49,636	50,000	33,000	33,000	50,000
Management and Administration	2,000	2,000	1,750	2,000	2,000
Subtotal, Drug grants	446,737	492,000	400,000	492,000	492,000
Mariel Cubans	4,963	0	5,000	4,963	4,963
Total, new budget authority	614,290	587,515	575,321	659,031	660,179

Edward Byrne Memorial State and local law enforcement assistance.—The conference agreement provides $492,000,000 for fiscal year 1991 for the State and local drug control and system improvement grant programs.

The conference agreement provides for a total of $50,000,000 for discretionary grants, to include:

—Not less than $4,000,000 for innovative neighborhood-oriented policing projects in both urban and rural areas, of which $500,000 is for the National Neighborhood Crime and Drug Abuse Prevention Program of the Eisenhower Foundation, $100,000 is for the National Association of Town Watch, and $1,000,000 is for the National Crime Prevention Council's Community Drug Abuse Prevention Initiatives. The conferees expect these projects to be open to both nationally-based and local organizations.

—Not less than $3,000,000 for the National Crime Prevention Council to administer the National Crime Prevention Campaign.

—Not less than $1,200,000 for the Drug Abuse Resistance Education (DARE) program.

—Not less than $3,000,000 for the Organized Crime Narcotics (OCN) program to support regional organized crime task forces in order to foster Federal, State and local cooperations.

—Not less than $700,000 to support SEARCH Group, Inc. for their National Technical Assistance Program.

—Not less than $500,000 to expand the Criminal Drug Organization Project of the South Carolina State Grand Jury into a model for the Nation. The conferees believe this comprehensive focus, in which a State grand jury unit is solely dedicated to the investigation, indictment, and prosecution of drug and pornography offenders, has proven to be an extremely effective law enforcement tool that should be made available to other States.

—Not less than $3,000,000 for continuation of the model Financial Investigations (Finvest) Program.

—Not less than $3,000,000 as a grant to the National Institute of Justice for the monitoring/evaluation of this grant program. The conferees believe increased monitoring is needed to ensure that funds are being spent by grant recipients. The conferees also believe that current reporting of the results of demonstration projects among local law enforcement agencies should be expanded in order to share the valuable lessons learned. The expanded reporting should include increased travel to review projects and the subjective assessment of programs.

Juvenile Justice and Delinquency Prevention Program (JJDPP).—The conference agreement provides $75,300,000 in fiscal year 1991 for JJDPP, an increase of $2,828,000 over amounts available in fiscal year 1990.

The conference agreement includes $17,950,000 for discretionary grants, of which $500,000 is to carry out the provisions of section 241(f) of the JJDP Act to provide financial and technical assistance to an organization representing the State Advisory Group (SAGs); $3,500,000 is to expand the program relating to juvenile gangs, drug abuse, and drug trafficking, of which $400,000 is for the Teen, Crime and the Community Program; $2,300,000 is for the National Council of Juvenile and Family Court Judges; $750,000 is for the Court-Appointed Special Advocate (CASA) program; and $3,200,000 is for the coordinated, Law-Related Education (LRE) program. The conferees expect that funding for LRE should continue to be provided by the same LRE organizations that have previously received funding.

The conferees are supportive of providing grants to local communities sponsoring projects to promote the involvement of juveniles in lawful activities and to reduce juvenile involvement in gang-related drug activity, especially when those projects receive matching funds from State or local sources. The conferees understand that the City of Portland, Oregon, has developed, and is ready to initiate, a comprehensive demonstration project targeted for youth affected by street gangs in the Portland Metropolitan area, and has received $1,500,000 in matching State funds. The conference agreement provides at least $500,000 for a demonstration project, such as Portland's, which can then become a model for other cities with similar problems.

National Institute of Justice.—The conference agreement provides $34,929,000 in fiscal year 1991 for the National Institute of Justice (NIJ), which includes a base decrease of $537,000 associated with fiscal year 1990 studies, and provides $1,700,000 of the $1,758,000 requested for continuation of the study on less-than-lethal weapons.

Management and Administration.—The conference agreement provides a total of $25,169,000 for management and administration, to be derived as follows:

New budget authority	$19,921,000
Juvenile Justice, M&A	3,248,000
State and local grants, M&A	2,000,000
Total	$25,169,000

PUBLIC SAFETY OFFICERS BENEFITS.

Amendment No. 71: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides language making appropriations of "such sums as are necessary" instead of $26,075,000 as proposed by the House.

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

Amendment No. 72: Inserts the heading "General Provisions—Department of Justice" as proposed by the Senate. The House bill contained no similar heading.

Amendment No. 73: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 201, contained in the previous appropriations Act with regard to official reception and representation expenses. The House bill contained no similar provision.

Amendment No. 74: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the phrase "During fiscal year 1991 and thereafter with respect" in the first sentence of subsection (b)(1) of said amendment, insert the following: *During fiscal year 1991 with respect*

and in lieu of the phrase "closed in fiscal year 1991 and each fiscal year thereafter—" in the first sentence of subsection (b)(4)(A) of said amendment, insert the following: *closed in fiscal year 1991—*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement adds a general provision (Section 202) authorizing FBI/DEA undercover activities for fiscal year 1991, instead of language proposed by the Senate which made such authority permanent. The House included no such provision.

Amendment No. 75: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 203, contained in previous appropriations acts, which precludes use of appropriated funds to pay for an abortion. The House bill contained no similar provision.

Amendment No. 76: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 204, contained in previous appropriations acts, precluding the use of appropriated funds to require anyone to perform or facilitate in any way the performance of an abortion. The House bill contained no similar provision.

Amendment No. 77: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 205, contained in previous appropriations acts, which requires the Bureau of Prisons to provide escort services for female prisoners seeking abortions. The House bill contained no similar provision.

Amendment No. 78: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 206, contained in previous appropriations acts, which makes available up to $100,000 to the Department for awards for information on domestic terrorism. The House bill contained no similar provision.

Amendment No. 79: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 207, which restores prior year language to continue through fiscal year 1991 the Federal match for the Edward Byrne Memorial State and Local Law Enforcement Assistance grants at the same match authorized for fiscal year 1990. The House bill contained no similar provision.

Amendment No. 80: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 208, which provides that funds transferred from the Assets Forfeiture Fund in fiscal year 1989 for prison construction may also be used for construction of U.S. Marshal and INS detention facilities. The House bill contained no similar provision.

Amendment No. 81: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Section 209, which prohibits the use of funds available in this appropriations act and the Special Forfeiture Fund for expenses of the proposed National Drug Intelligence Center (NDIC). The House bill contained no similar provision.

Amendment No. 82: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of matter inserted by said amendment, insert the following:

SEC. 210. (a) Section 286 of the Immigration and Nationality Act of 1952 (8 U.S.C. 1356), as amended, is further amended—

(1) by inserting in subsection (e)(1), after the word "passenger" the phrase ", other than aircraft passengers,";

(2) by inserting ", except the fourth quarter payment for fees collected from airline passengers shall be made on the date that is ten days before the end of the fiscal year, and the first quarter payment shall include any collections made in the preceding quarter that were not remitted with the previous payment" after the words "in which fees are collected" in subsection (f)(3);

(3) by inserting ", within forty-five minutes of their presentation for inspection," after the word "provided" and before the words "when needed" in subsection (g);

(4) by striking the first two sentences of subsection (h)(1)(A) and inserting "There is established in the general fund of the Treasury a separate account which shall be known as the 'Immigration User Fee Account'. Notwithstanding any other section of this title, there shall be deposited as offsetting receipts into the Immigration User Fee Account all fees collected under subsectin (b) of this section, to remain available until expended" before the words "At the end of each 2-year period".

(5) by replacing the previously repealed subsection (l) with the following new subsection—

In addition to the reporting requirements established pursuant to subsection (h), the Attorney General shall prepare and submit annually to the Congress, not later than March 31st of each year, a statement of the financial condition of the 'Immigration User Fee Account' including beginning account balance, revenues, withdrawals and their purpose, ending balance, projections for the ensuing fiscal year and a full and complete workload analysis showing on a port by port basis the current and projected need for inspectors. The statement shall indicate the success rate of the Immigration and Naturalization Service in meeting the forty-five minute inspection standard and shall provide detailed statistics regarding the number of passengers inspected within the standard, progress that is being made to expand the utilization of United States citizen by-pass, the number of passengers for whom the standard is not met and the length of their delay, locational breakdown of these statistics and the steps being taken to correct any non-conformity.".

(b) The amendment made by subsection (a)(1) of this section shall apply to fees charged only with respect to immigration inspection or preinspection services rendered in regard to arriving passengers using transportation for which documents or tickets were issued after November 30, 1990.

(c) Pursuant to section 202(b) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, the amendments made by this section which transfer receipts from one fiscal year to the next are a necessary (but secondary) result of a significant policy change.

(d) Section 286 of the Immigration and Nationality Act of 1952 (8 U.S.C. 1356), as amended, is further amended—

"(1) Report to Congress

(2) By inserting in subsection (m), after the phrase "the treasury of Guam" the following: ": Provided further, That fees for providing adjudication and naturalization services may be set at a level that will ensure recovery of the full costs of providing all such services, including the costs of similar services provided without charge to asylum applicants or other immigrants. Such fees may also be set at a level that will recover any additional costs associated with the administration of the fees collected";

(3) by inserting a new subsection after subsection (p) as follows:

"(q) Land Border Inspection Fee Account

(1) Notwithstanding any other provision of law, the Attorney General is authorized to establish, by regulation, a project under which a fee may be charged and collected for inspection services provided at one or more land border points of entry. Such project may include the establishment of commuter lanes to be made available to qualified United States citizens and aliens, as determined by the Attorney General.

(2) All of the fees collected under this subsection shall be deposited as offsetting receipts in a separate account within the general fund of the Treasury of the United States, to remain available until expended. Such account shall be known as the Land Border Inspection Fee Account.

(3)(A) The Secretary of Treasury shall refund, at least on a quarterly basis amounts to any appropriations for expenses incurred in providing inspection services at land border points of entry. Such expenses shall include—

(i) the providing of overtime inspection services;

(ii) the expansion, operation and maintenance of information systems for nonimmigrant control;

(iii) the hire of additional permanent and temporary inspectors;

(iv) the minor construction costs associated with the addition of new traffic lanes (with the concurrence of the General Services Administration);

(v) the detection of fraudulent documents used by passengers travelling to the United States;

(vi) providing for the administration of said account.

(B) The amounts required to be refunded from the Land Border Inspection Fee Account for fiscal years 1992 and thereafter shall be refunded in accordance with estimates made in the budget request of the Attorney General for those fiscal years: Provided, That any proposed changes in the amounts designated in said budget requests shall only be made after notification to the Committees on Appropriations of the House of Representatives and the Senate in accordance with Section 606 of Public Law 101-162.

(4) The Attorney General will prepare and submit annually to the Congress statements of financial condition of the Land Border Immigration Fee Account, including beginning account balance, revenues, withdrawals, and ending account balance, revenues, withdrawals, and ending account balance and projections for the ensuing fiscal year.

(5)(A) The program authorized in this subsection shall terminate on September 30, 1993, unless further authorized by an Act of Congress.

(B) The provisions set forth in this subsection shall take effect 30 days after submission of a written plan by the Attorney General detailing the proposed implementation of the project specified in subsection (q)(1).

(C) If implemented, the Attorney General shall prepare and submit on a quarterly basis, until September 30, 1993, a status report on the land border inspection project.".

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment added a new general provision (Sec. 210) which (a) corrects a fundamental inequity in the existing airport inspection user fee program by charging all air passengers equally for immigration inspection services provided, (b) scores the fees as offsetting receipts, and (c) imposes, as a compliance standard, the requirement that all passengers arriving in U.S. air terminals be cleared by the Immigration and Naturalization Service within 45 minutes of their presentation for inspection under present airline schedules. The House bill contained no such provisions.

The conference agreement accepts the Senate language, and adds new language as follows:

Examinations Fee Account—Subsection (d)(1) provides that adjudications and naturalization fees be deposited into the Examinations Fee Account as offsetting receipts. Subsection (d)(2) allows the Department to establish adjudications and naturalization fees at a level that will ensure recovery of the full costs of the program, to include the overseas program and administration.

Land Border Inspections Pilot Project—Subsection (d)(3) establishes a pilot project to study the feasibility of charging fees to enhance services at land border points of entry. The conferees are aware of problems at land border entry points to the United States from both Canada and Mexico resulting in one to two hour delays at certain times of the day. Extensive delays are both costly and irritating to the tens of thousands of individuals who cross the borders on a daily basis. The need to speed up the inspection of vehicles and passengers at these stations must be counterbalanced by the need to halt the flow of illegal drugs and illegal aliens into the country. These delays could be significantly reduced by the INS, with no impact on the interdiction of illegal drugs and aliens, through the use of some innovative, automated procedures, and by the expansion of the number of inspectors. The major impediment to these improvements is a lack of appropriated funds to pay the necessary expenses to enhance services. At a time of increasing budgetary constraints, it is difficult for the Congress to maintain ongoing programs, let alone fund new ones.

The conferees agree that the only available means of financing needed improvements at border crossing ports is by charging the users for the cost to enhance services. There are numerous proposals for improvements which the conferees believe will reduce delays for all individuals, while not imposing a financial burden on those who can least afford it. One such proposal is to charge an annual fee to certain pre-approved individuals who would be allowed to utilize an expedited commuter lane. Fees collected from these individuals would be used first, to pay for the costs of establishing the commuter lanes, and then, to add additional inspectors to improve the service for the remaining individuals.

There are other proposals which may also prove feasible, especially since each border entry point has its own unique problems, and what works at one entry point may not work at another. In order to allow for a test of the efficacy of this concept and the various proposals, the conferees have included bill language which will allow the Attorney General to establish a pilot project under which user fees may be charged, and to utilize those fees only to enhance inspection services.

The conferees agree that this pilot project should be developed by the Attorney General in consultation with the Secretary of the Treasury, as well as the Congress. The conference agreement includes language requiring the Attorney General to provide a report to the Committees on Appropriations

identifying the proposed pilot project no less than 30 days prior to its implementation. Implementation of the pilot project is to be subject to the reprogramming procedures of the Committees on Appropriations. The conferees also agree that this pilot project should last until September 30, 1993, and that the Attorney General shall provide quarterly reports on the status of the pilot project to the Committees on Appropriations of the House and Senate. In addition, the conferees believe that the pilot project should take place at several points on both the Northern and Southern borders in order to ascertain the impact on various geographic areas.

Amendment No. 83: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

SEC. 211. Notwithstanding any other provision of law, in the specific case involving the Iowa Power Inc. and Redlands, Inc. ownership within the proposed Walnut Creek NWR, condemnation is authorized to determine the just compensation of the Iowa Power Inc. and Redlands Inc. lands, provided there is agreement by both parties involved.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement deletes language proposed by the Senate which prohibits the Department of Justice from engaging in litigation or other action involving the requiring of the Aspen-Pitkin County Airport, CO, to adjust its curfew to a single time for all types of aircraft using the airport.

Aspen/Pitkin County Airport—The conferees recognize that the Aspen/Pitkin County Airport's (Sardy Field) curfew is from the one half hour after sunset to 7:00 a.m. Nearly twelve years ago, commercial carriers negotiated a waiver of this restriction to permit commercial service operations up to 11:00 p.m. In exchange for this waiver and to insure safe operations, commercial operators installed private navigational aids, and agreed to require certain aircraft performance standards, as well as special pilot training and experience, to perform after-dark operations at Sardy Field. In addition, the costs of operating the airport's Index A Crash Fire Rescue capability after the official curfew is borne by the commercial service companies.

The conferees are aware that the Federal Aviation Administration recently initiated proceedings to force Pitkin County to permit operations for general aviation aircraft after dark. These proceedings have included the withholding of Airport Improvement Program entitlement funds and grants, as well as the threat of litigation.

The conferees believe that the interest of the people of Pitkin County and the Federal Government would be best served by a negotiated solution, rather than litigation conducted by the Department of Justice, at the request of the Federal Aviation Administration.

Walnut Creek Refuge—The conference agreement adds new language, not in either bill, dealing with the condemnation procedures for the Walnut Creek Refuge.

The U.S. Fish and Wildlife Service is in the process of obtaining land for the Walnut Creek Refuge.

Even though the U.S. Fish and Wildlife Service is not condemning any land for this project, one of the owners, Redlands Inc., has agreed to sell their land for a price to be determined through procedures normally used in condemnation. The provision in the bill permits the parties to use those procedures to settle a difference of opinion concerning the price in this specific case.

Amendment No. 84: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following:

SEC. 212. (a) Notwithstanding any other provision of law, for fiscal years 1991 and 1992, the provisions of the Office of Management and Budget Circular A-76 and any similar provisions in any other order or directive shall not apply to activities conducted by the Federal Bureau of Prisons, Federal Bureau of Investigation, Drug Enforcement Administration, Immigration and Naturalization Service, United States Attorneys, United States Marshals Service, the Office of Justice Programs, the Office of Inspector General, and any of the litigating activities of the Department of Justice, unless such provisions are specifically approved by an Act of Congress.

(b) For fiscal years 1991 and 1992, no reduction in resources for the Justice Department activities described in subsection (a) shall be effected pursuant to the provisions of the Office of Management and Budget Circular A-76 or any similar provision in any other order or directive unless specifically provided therefore by an Act of Congress.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The Senate amendment added a new general provision (Sec. 212) which restricted the authority of the Office of Justice Programs to contract out certain positions pursuant to OMB Circular A-76. The House bill contained no similar provision.

The conference agreement expands the Senate's contracting out prohibition to include all of the law enforcement and litigating activities of the Department of Justice, unless such contracting out proposals are specifically approved by Congress. The conferees have been made aware of serious doubts concerning the propriety of privatizing many of the functions relating to the administration of justice, particularly the law enforcement and litigating activities of the Department of Justice. The enforcement of Federal law is an inherently governmental function which should not be contracted out to private industry. Furthermore, there are concerns that, after a decade in existence, in many instances, contracting out programs have failed to produce both desired management improvement and projected savings. Under the conference agreement, no positions, workyears or associated funding for the law enforcement and litigating components of the Department of Justice associated with contracting out initiatives can be reduced unless specifically approved by the Congress. The conferees agree that it is incumbent upon the Administration to prove that future privatization proposals will produce savings and management improvements before such proposals are submitted to and approved by the Congress.

TITLE III—DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

SALARIES AND EXPENSES

Amendment No. 85: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds the words "international agreement and binational contracts" to the bill language, thus making the appropriation available for expenses pursuant to these matters. The House bill contained no similar provision.

The conferees note that a number of legislative provisions necessary for the orderly administration of several Department of State appropriations accounts, which have been included in the Department of State Appropriations Acts for many years, are again included in the Department's Appropriations Act under this conference agreement. The conferees strongly urge the appropriate legislative committees of the Congress to consider legislation as soon as possible to provide a permanent authorization for these items. The House and Senate Appropriations Committees will be pleased to consult with the legislative committees to provide whatever assistance is required concerning this matter.

Amendment No. 86: Appropriates $1,860,017,000 as proposed by the Senate instead of $1,872,279,000 as proposed by the House. The conference agreement also includes a total of $1,528,000 in fee collections for the use of the Department as provided in Amendments Nos. 88, 90 and 91. The conference agreement also provides in Amendment No. 100 for certain transfer authority, subject to the Appropriations Committees' reprogramming procedures that could provide additional funds to this account, not to exceed $1,872,279,000 plus the fee collections.

The conference agreement includes up to $6,400,000 for the continuation of the machine readable visa project. This account includes up to $4,000,000 in the budget request and $2,400,000 in carry over funds from fiscal year 1990.

The conference agreement also includes up to $900,000 for the Latin American data base.

The conferees support the efforts of the Department to develop highly sensitive explosive detection machines for the protection of U.S. embassies and consulates. The conferees understand that final testing will be completed on this project in 1991. The conferees anticipate that the Department of State will consider including an appropriate amount for this program in its fiscal year 1992 budget request.

Amendment No. 87: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: *of which not to exceed $2,000,000 may be available for rewards, and to publicize the availability of rewards, as authorized by section 36 of the State Department Basic Authorities Act, as amended (22 U.S.C. 2708), and in addition*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement earmarks not to exceed $2,000,000 of the Salaries and expenses appropriation which may be available for rewards as authorized by the State Department Basic Authorities Act and adds

the words to the appropriations language "and in addition". The House bill proposed the language "and in addition". The Senate amendment deleted this language, earmarked $2,000,000 which was required to be available for rewards as authorized by the State Department Basic Authorities Act and added the language "and of which".

Amendment No. 88: Earmarks $500,000 for certain registration fees as proposed by the Senate instead of $250,000 for this purpose as proposed by the House.

Amendment No. 89: Provides the language "in addition" as proposed by the House instead of the language "of which" as proposed by the Senate.

Amendment No. 90: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides that $1,013,000 shall be available for certain registration fees instead of providing $500,000 for this purpose without requiring that they shall be available as proposed by the House.

Amendment No. 91: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following: , *and in addition not to exceed $15,000 shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities in accordance with section 46 of the State Department Basic Authorities Act of 1956 (section 119 of Public Law 101-246), and of the total amount appropriated in this paragraph, $350,000 may be available for the purpose of preparations for the 1992 United Nations Conference on Environment and Development*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides language which makes $15,000 in certain fees available for the use of Blair House in accordance with law and provides that, of the total amount appropriated under Salaries and Expenses, $350,000 may be used for preparing for the 1992 United Nations Conference on Environment and Development. The conference agreement is substantially the same as the Senate amendment except for certain technical changes. The House bill contained no similar provision.

Amendment No. 92: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: *: Provided, That the obligation of funds for the Department of State Telecommunications Network (DOSTN) shall be subject to the reprogramming provisions of section 606 of this Act: Provided further, That the Secretary of State shall submit a report to the appropriate committees of the Congress not later than December 1, 1990, which justifies the requirement for the Department of State Telecommunications Network (DOSTN)*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides language which requires that the obligation of funds for the Department of State Telecommunications Network (DOSTN) shall be subject to the reprogramming provisions of section 606 of this Act and requires the Secretary of State to submit a report to the appropriate committees of the Congress not later than December 1, 1990 which justifies the requirements for DOSTN. The Senate amendment would have provided language that would have prohibited the obligation of funds for procurement of DOSTN before February 15, 1991, would have made the obligation of funds for DOSTN subject to the reprogramming provisions of section 606 of this Act, and would have required the Secretary of State to submit a report to the appropriate committees of the Congress at least 15 days prior to February 15, 1991. The House bill contained no provision in this matter.

The State Department budget request for fiscal year 1991 includes $30,248,000 for the Department of State Telecommunications Network (DOSTN) Program. This program is intended to modernize and improve the capabilities, cost effectiveness, and flexibility of leased communications services supporting diplomatic facilities and operations worldwide. While the conferees have supported DOSTN, serious questions have arisen regarding the proper mix of Government-owned and leased communications services at diplomatic facilities abroad, and the degree to which such systems should be interoperable.

While the conferees are concerned about certain aspects of DOSTN, they are reluctant to withhold fiscal year 1991 funding as this would cause a serious delay to the entire program. The conferees note that the Department does not intend to award a DOSTN contract until February 1991. This would appear to provide sufficient time for the Department to review DOSTN plans and, if necessary, revise them to take into account any concerns.

Due to the constraints on the bill, the conference agreement includes the base amount of $15,000,000 for DOSTN, which the Department has indicated will be sufficient to meet fiscal year 1991 requirements. The conferees have included language in the bill that makes funds for DOSTN subject to the established reprogramming procedures of the Appropriations Committees. The conference agreement also requires the Secretary of State to prepare a report to the appropriate congressional committees no later than December 1, 1990, addressing the following: the extent to which Government-owned communications capabilities can meet DOSTN requirements; (2) the current 1990 mix of Government-owned and leased data and voice communications services at each major diplomatic facility abroad; (3) the requirements that have been identified to improve such services in the future; (4) the current Diplomatic Telecommunications Service plan for meeting such requirements through Government-owned and DOSTN leased services; and (5) the extent to which Government-owned and DOSTN leased services will be interoperable.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

Amendment No. 93: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds the word "conventions" to the bill language, thus enabling the United States to meet annual obligations of membership in international multilateral organizations pursuant to conventions. The House bill contained no similar provision.

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

Amendment No. 94: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides a limitation of $6,000 for representation expenses of the Commission. The House bill contained no similar provision.

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

Amendment No. 95: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides for a limitation of $9,000 for representation expenses of the International Joint Commission.

INTERNATIONAL FISHERIES COMMISSIONS

Amendment No. 96: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $12,147,000 and waives section 15(a) of the State Department Basic Authorities Act and permits the U.S. share of the Commissions' expenses to be paid in advance, instead of $11,440,000 without any such provisions as proposed by the House.

The conference agreement includes sufficient funds to maintain the fiscal year 1990 funding level for the Sea Lamprey control program of the Great Lakes Fishery Commission.

OTHER

UNITED STATES BILATERAL SCIENCE AND TECHNOLOGY AGREEMENTS

Amendment No. 97: Appropriates $4,500,000 instead of $5,000,000 as proposed by the House and $4,000,000 as proposed by the Senate. The conference agreement includes $2,000,000 for the science and technology agreement with Yugoslavia, $2,000,000 for the agreement with Poland and $500,000 for the agreement with Hungary.

SOVIET-EAST EUROPEAN RESEARCH AND TRAINING

Amendment No. 98: Appropriates $4,600,000 as proposed by the Senate instead of $4,784,000 as proposed by the House.

FISHERMEN'S GUARANTY FUND

Amendment No. 99: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $900,000 for the Fishermen's Guaranty Fund, including $450,000 derived from receipts collected pursuant to the Fishermen's Protective Act of 1967. The House bill contained no similar provision.

GENERAL PROVISIONS—DEPARTMENT OF STATE

Amendment No. 100: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 302. (a) Not to exceed .5 per centum of the appropriation, Administration of Foreign Affairs, "Salaries and expenses" may be transferred to Administration of Foreign Affairs, "Emergencies in the Diplomatic and Consular Service" or International Organizations and Conferences, "International Conferences and Contingencies" but no such appropriation shall be increased by more

than 35 per centum by any such transfer: Provided, That the Department shall follow the normal reprogramming procedures of the Senate and House Appropriations Committees before obligating or expending any funds so transferred.

(b) Funds appropriated in this Act under the heading "Contributions to International Organizations" for payment to the United Nations or any of its specialized agencies, which are not made available to the United Nations or any such specialized agency due to the operation of any provision of this or any other Act, may be transferred to any account under the heading "Administration of Foreign Affairs", notwithstanding any other provision of law: Provided, That the Department shall follow the normal reprogramming procedures of the Senate and House Appropriations Committees before obligating or expending any funds so transferred.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes a general provision for the Department of State which permits the Department to transfer up to .5 percent of the Salaries and expenses account to the Emergencies in the Diplomatic and Consular Service account or to the International Conferences and Contingencies account provided that the Department may not increase either account by more than 35 percent by such a transfer and would have to follow the Appropriations Committees' reprogramming procedures before obligating or expending any funds transferred under this provision. The conference agreement is the same as the Senate bill except that the receiving account may be increased by not more than 35 percent instead of 25 percent as proposed by the Senate. The House bill contained no provision on this matter.

The conference agreement also includes a provision not in either the House or Senate bill which permits funds appropriated in the Act for Contributions to International Organizations which are not available for payment to the United Nations or any of its specialized agencies due to certain statutory restrictions to be transferred to any account under the heading "Administration of Foreign Affairs" subject to the reprogramming procedures of the Appropriations Committees before any funds so transferred may be obligated or expended.

In recognition of the high priority placed on payment of the United States assessed contributions to the United Nations and its specialized agencies, the conference agreement includes funds under the heading "Contributions to International Organizations" sufficient to pay to the United Nations and each of such agencies the full assessment for the current year and 20 percent of the outstanding arrearages owed by the United States to each such entity. At the same time, in order to remain within the amounts allocated for the State Department accounts, it has been necessary to reduce the funding made available to the Department's operational accounts. The conferees recognize that several provisions of law restrict the ability of the Department to provide full assessments and arrearages to the UN and its specialized agencies; e.g., section 405 (concerning budget and other reforms) and section 414 (concerning membership status of the PLO) of P.L. 101-246; and section 114(a) of P.L. 98-164, as amended (concerning, among other things, projects whose primary purpose is to benefit the PLO or SWAPO). Therefore, this transfer authority is provided, subject to the Appropriations Committees' reprogramming procedures, to allow the Department to transfer to any account under the heading "Administration of Foreign Affairs" any funds that are not paid to the entity for which they were appropriated (as indicated in the State Report) because of the operation of these or similar laws. However, the conferees are agreed that before any transfer is proposed, the first priority for use of any funds which are not paid to the entity for which they were appropriated because of these restrictions should be payment of additional arrearages to other organizations or taking care of currency losses within the Contributions to International Organizations account. The conferees are further agreed that any proposed transfer to the Salaries and Expenses account should not cause the total amount available for fiscal year 1991 to exceed the amount in the House bill ($1,872,279,000 plus $1,528,000 in fee collections as stipulated in the conference agreement).

Amendment No. 101: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate which provides language that terminates the requirement for fiscal year 1991 to produce the semi-annual report required under Section 5 of Public Law 94-304. That legislation requires a semi-annual and annual report on the degree of compliance with the Helsinki accords by the CSCE signatories. Because of improved conditions in Eastern Europe and the Soviet Union, the State Department has recommended and the Commission on Security and Cooperation in Europe has approved, producing this report on an annual basis only in fiscal year 1991. The House bill contained no similar provision.

Amendment No. 102: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which amends certain provisions of the Department of State Authorization Act, Fiscal Years 1984 and 1985 to provide a $50,000 appropriation for a new British-American Parliamentary Group. The House bill included no similar provision.

TITLE IV—THE JUDICIARY

Supreme Court of the United States

SALARIES AND EXPENSES

Amendment No. 103: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $19,029,000 as proposed by the Senate instead of $18,807,000 as proposed by the House. The Senate amendment also adds language, not in the House bill, which authorizes up to $10,000 for official reception and representation expenses.

The conference agreement provides for the full amount requested, less $195,000 associated with absorption of one-half of the fiscal year 1991 pay raise.

CARE OF THE BUILDING AND GROUNDS

Amendment No. 104: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which makes $1,106,000 of the appropriations provided available until expended for major repair projects. The House bill contained no similar provision.

The conference agreement provides for the full budget request, as recommended by both the House and the Senate.

United States Court of Appeals for the Federal Circuit

SALARIES AND EXPENSES

Amendment No. 105: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following: *$9,711,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $9,711,000 which provides for the full budget request less $55,000 associated with absorption of one-half of the FY 1991 pay raise, instead of $9,590,000 as proposed by the House and $9,304,000 as proposed by the Senate.

Courts of Appeals, District Courts, and Other Judicial Services

SALARIES AND EXPENSES

Amendment No. 106: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$1,598,623,000" named in said amendment insert the following: *$1,589,124,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $1,589,124,000 instead of $1,575,320,000 as proposed by the House and $1,598,623,000 as proposed by the Senate.

The conference agreement also includes Senate language contained in previous appropriations acts which allows the Courts to obligate funds for the purchase of firearms, ammunition, books and periodicals, and adds new language proposed by the Senate which allows up to $61,045,000 to remain available until expended for space alteration projects. The House bill contained no similar provision.

The conferees have been made aware of the large number of unanticipated vaccine injury cases filed just prior to the September 30, 1990 deadline. In order to accommodate the associated workload increase on the Special Masters, the conferees agree that up to $600,000 in appropriated funds shall be available in the event the $1,500,000 transferred from the Vaccine Injury Trust Fund is insufficient to process the claims within the time constraints provided for in law.

This appropriation account will have a total of $1,651,693,000 available for obligation in fiscal year 1991 as follows:

New budget authority	$1,589,124,000
Transfer from Fees and Jurors	4,919,000
Reimbursements:	
Vaccine Injury Fund	1,500,000
Crime Victims Fund	2,200,000
Immigration Exam Fund	2,800,000
Subtotal	6,500,000
Fee Accounts:	
Registry Fee	4,400,000
Civil Filing Fee	7,000,000
Public Access Fee	

Bankruptch Fees	39,750,000
Subtotal	51,150,000
Total obligational authority	1,651,693,000

The $1,651,693,000 provided by the conference agreement allows for requested adjustments to base and built-in changes, adjusted as follows:

	Request	Conference
Absorption of 1/2 of FY 91 pay raise	$17,500,000	$8,750,000
Restoration of FY 1990 sequestration	15,747,000	
Shortfall in fee collections		5,450,000
Immigration naturalization expenses	1,700,000	

The conference agreement also allows $103,920,000 for workload/program adjustments, as follows:

Magistrates (+22)/recalled bankruptcy judges and supporting personnel (+67 positions)	$13,130,000
Additional court personnel (+876 positions)	10,520,000
Probation/Pretrial Services (+458 positions)	6,635,000
Contract pretrial services	2,800,000
Space and Facilities	33,800,000
Drug Dependent Offenders program	9,250,000
Electronic Monitoring Services	3,650,000
Court automation (+35 positions)	20,750,000
Crime/drug initiative	1,400,000
Court Library ($190,000)/Mental Health ($375,000)/Child Care ($375,000)/Court Appointed Counsel ($25,000)/Audits ($250,000)/Training ($200,000)/Electronic court recording ($570,000)	1,985,000

The conference agreement appropriates $20,750,000 for court automation. The conferees expect that this full amount will be deposited into the Judiciary Automation Fund.

The conference agreement provides $1,100,000 in the base for training of court personnel in fiscal year 1991 for reimbursement to the Federal Judicial Center. The Director of the Administrative Office, under the direction of the Judicial Conference should identify operational training requirements of court support personnel and reimburse the Center from funds appropriated herein for any unfunded costs necessary to perform this training requirement.

The conference agreement assumes that a total of $2,800,000 will be reimbursed to the Courts by the Immigration and Naturalization Service from the Immigration Examinations Fee Account to fully offset Court costs associated with naturalization and citizenship cases. The conferees expect the INS to transfer appropriate amounts to the Administrative Office of the U.S. Courts on a quarterly basis.

The conference agreement assumes the following amounts will be available from fee collections.

ESTIMATED JUDICIARY FEES AND REIMBURSEMENTS

[In thousands of dollars]

	Fiscal year—				
		1991			
	1990 actual	Request	House	Senate	Conference
Reimbursements:					
Vaccine Injury Fund	1,500	2,500	1,500	1,500	1,500
Crime Victims Fund	2,200	2,200	2,200	2,200	2,200
Immigration Exam Fund	982	900	2,800	2,800	2,800
Subtotal Reimbursement	4,682	5,600	6,500	6,500	6,500
Fee Collections:					
Registry Administration	4,400	12,000	3,500	3,500	4,400
Civil Filing Fee	6,900	7,500	7,500	7,500	7,000
Public Access (ADP)	0	0	0	0	0
Bankruptcy:					
Noticing	4,600	4,100	4,250	4,250	4,750
Filing	17,700	22,000	22,000	22,000	23,300
Motion—Auto Stay	9,000	11,000	11,000	11,000	11,700
Deconsolidation	0	0	0	0	0
Cross Appeal Docket	0	0	0	0	0
Subtotal Fees	42,600	56,600	48,250	48,250	51,150
Total Fees-Reimbursements	47,282	62,200	54,750	54,750	57,650

The conferees expect that any changes to these amounts will be handled in accordance with the reprogramming procedures set out in Sec. 606 of this Act.

The conferees have been informed that the Judicial Conference of the United States, as authorized by 28 USC 753(b), plans to increase the maximum charged to the government by court reporters for transcripts. The conferees understand that these rates could rise by as much as 50 percent and that affected agencies have not had an opportunity to budget for the increased costs. The conferees have no objection to a reasonable increase in rates, if warranted, but believe it should be delayed until fiscal year 1992 to allow for proper budget lead time.

DEFENDER SERVICES

Amendment No. 107: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following: *the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel, the compensation and reimbursement of travel expenses of guardians ad litem acting on behalf of financially eligible minor or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences, and*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides language included in prior year acts which provides for compensation of attorneys in criminal cases where representation is waived, and for travel expenses for guardians *ad litem.* These language provisions were included in Senate amendments 107 and 108. The House bill contained no similar provisions.

Amendment No. 108: Reported in technical disagreement. the managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following: *$132,761,000,*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides an appropriation of $132,761,000 instead of $137,569,000 as proposed by the House and $135,269,000 as proposed by the Senate.

The conference agreement, when combined with fiscal year 1990 carryover amounts of $21,000,000, will allow for the following growth over fiscal year 1990 obligations:

Pay Raises	$1,500,000
Public Defenders	13,200,000
Community Defenders	1,600,000
Panel Attorneys	11,400,000
Additional transcripts	800,000
Education/training	300,000
Death Penalty Resource Centers	2,000,000

FEES OF JURORS AND COMMISSIONERS

(INCLUDING TRANSFER OF FUNDS)

Amendment No. 109: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment insert the following: , *to remain available until expended: Provided, That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code: Provided further, That not to exceed $81,000 of the amounts appropriated herein shall be transferred to "Salaries and expenses", United States Court of International Trade, and not to exceed $4,919,000 of the amounts appropriated herein shall be transferred to "Salaries and expenses", Courts of Appeals, District Courts, and Other Judicial Services*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes the Senate language, which makes funds available until expended and which restores prior year language concerning rates of pay for land commissioners. The House bill contained no such provision.

The conference agreement also adds new language, not in the House or Senate bills, which transfers unanticipated surplus amounts of $5,000,000 to other Judiciary accounts.

COURT SECURITY

Amendment No. 110: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum named in said amendment insert the following: *$71,261,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $71,260,000 as proposed by the House instead of $72,261,000 as proposed by the Senate. The conference agreement also includes Senate language, not in the House bill, which allows funds to be spent on the Judicial Security Program.

The conference agreement of $71,261,000 provides for requested adjustments to base, less $601,000 associated with the proposed restoration of FY 1990 sequestration

amounts. The conference agreement provides for program increase of $2,148,000 for security systems and equipment, and $6,279,000 for Contract Security Officers.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

Amendment No. 111: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$37,178,000" named in said amendment insert: *$37,400,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $37,400,000, instead of $37,712,000 as proposed by the House and $37,178,000 as proposed by the Senate. The conference agreement also restores language contained in previous appropriations acts which allows funds to be available for advertising and rent, and for official reception and representation expenses. The House bill contained no similar provision.

The conference agreement provides for requested adjustments to base and built-in changes, less $309,000 associated with sequestration restoration and allows for program increases of $222,000.

The conference agreement includes up to $90,000 to allow the Administrative Office to centrally procure subscriptions of the Federal Sentencing Reporter for Federal judges, magistrates, probation officers and law libraries when requested. This publication is especially important as an aid in understanding and interpreting Sentencing Guidelines.

GENERAL PROVISIONS—THE JUDICIARY

Amendment No. 112: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a general provision, Sec. 402, contained in previous appropriations acts which authorizes appropriations for the Temporary Emergency Court of Appeals and the Special Court established under the Regional Rail Reorganization Act of 1973. The House bill contained no similar provision.

Amendment No. 113: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a general provision, Sec. 403, which makes funds appropriated to the Judiciary available for the Judicial Conference to sponsor and host the Fifth International Appellate Judges Conference in the United States. The House bill contained no similar provision.

Amendment No. 114: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts a general provision, Sec. 404, which authorizes the Judicial Conference to prescribe reasonable fees for public access to case information through automatic data processing equipment, and deposit such fees into the Judiciary Automation Fund

TITLE V—RELATED AGENCIES

DEPARTMENT OF TRANSPORTAION

Amendment No. 115: Inserts heading as proposed by the Senate. The House bill contained no similar provision.

MARITIME ADMINISTRATION

Amendment No. 116: Inserts a heading as proposed by the Senate. The House bill contained no similar provision.

OPERATING-DIFFERENTIAL SUBSIDIES

(LIQUIDATION OF CONTRACT AUTHORITY)

Amendment No. 117: Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate which appropriates $261,200,000 to liquidate contract obligations incurred for operating-differential subsidies of American flag vessels. The House bill contained no similar provision.

OPERATIONS AND TRAINING

Amendment No. 118: Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate with an amendment as follows:

In lieu of the first sum named in said amendment, insert: *$69,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $69,000,000 in new budget authority for operations and training instead of $69,685,000 as proposed by the Senate. The conference agreement also includes provisions of the Senate bill that permit $1,100,000 to be derived from unobligated balances of the "Ship Construction" appropriation, allow reimbursements to be made to this appropriation from the Federal Ship Financing Fund for certain administrative expenses, and transfer the unexpended balances from the "Research and Development" appropriation to the "Operations and Training" appropriation. The House bill contained no similar provisions.

READY RESERVE FORCE

Amendment No. 119: Reported in technical disagreement. The managers on the part of the House will move to concur in the amendment of the Senate which appropriates $225,000,000 for expenses of the Ready Reserve Force. This amount includes $49,400,000 to add five ships to the RRF including three tankers by upgrade and one RO/RO and one tanker by acquisition; $171,600,000 for maintenance and operations; and $4,000,000 for long-term capital improvement projects for the National Defense Reserve Fleet.

The conference agreement also provides that reimbursements may be made to the Operations and Training appropriation for expenses related to the Ready Reserve Force Program. The House bill contained no similar provisions.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Amendment No. 120: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which inserts certain administrative provisions involving Government property controlled by the Maritime Administration, the accounting for certain funds received by the Maritime Administration, and a prohibition on obligations from the Maritime Administration construction fund. The House bill contained no provision on this matter.

ADVISORY COMMISSION ON CONFERENCES IN OCEAN SHIPPING

Amendment No. 121: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, insert the following: *$500,000, to remain available until expended*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $500,000 for the Advisory Commission on Conferences in Ocean Shipping as proposed by the Senate, instead of $200,000 as proposed by the House, and adds new language not in either bill making these funds available until expended.

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

Amendment No. 122: Provides a limitation of up to $75,000 for official reception and representation expenses for the Arms Control and Disarmament Agency instead of $55,000 for this purpose as proposed by the House and $100,000 as proposed by the Senate.

Amendment No. 123: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: *$37,040,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement includes $9,175,000, originally proposed in the State Department's budget, for the administrative cost of ACDA's Geneva operations and $1,000,000 for four additional staff positions and the external research program to support various arms control activities. The conference agreement also reflects a reduction of $421,000 from the budget request for reduced costs of the Foreign Affairs Administrative System. These costs are included in the State Department's Salaries and Expenses appropriation.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

Amendment No. 124: Appropriates $197,750,000 for grants and expenses of the Board for International Broadcasting instead of $192,586,000 as proposed by the House and $201,258,000 as proposed by the Senate. The conference agreement provides $5,164,000 of the additional funds requested for the transmitter modernization program for Radio Free Europe/Radio Liberty. The conferees are agreed that these funds should be used for currency exchange fluctuations to support the operations of the Radios if needed.

COMMISSION ON AGRICULTURAL WORKERS

SALARIES AND EXPENSES

Amendment No. 125: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides for extended availability of funds for the Commission. The House bill contains no similar provision.

COMMISSION ON THE BICENTENNIAL OF THE UNITED STATES CONSTITUTION

SALARIES AND EXPENSES

Amendment No. 126: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which extends the availability of funds and authorizes the Commission to enter into contracts, grants or cooperative agreements. The House bill contains no similar provision.

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

Amendment No. 127: Appropriates $7,075,000 instead of $6,075,000 as proposed by the House and $7,825,000 as proposed by the Senate.

The conference agreement provides for additional funds to allow the Commission to enhance its regional operations in fiscal year 1991.

COMPETITIVENESS POLICY COUNCIL

SALARIES AND EXPENSES

Amendment No. 128: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which appropriates $750,000 for the Competitiveness Policy Council to remain available until expended. The House bill contained no similar provision.

The conferees are pleased to note that all but one of the Council's members have now been named and that the Council should soon be operational after the President officially announces his four appointments. The Council is directed to submit to the House and Senate Appropriations Committees, within forty-five days of enactment of this Act, a report describing the Council's proposed agenda and activities for fiscal year 1991. This report should also indicate the proposed allocation of the $1,500,000—including $750,000 in unobligated balances from 1990—available to the Council in fiscal year 1991. The conferees recognize that the Council must conduct its first meeting in order to select its chairman and develop an agenda prior to submitting this report, and encourage the Administration to assist the Council in expediting this process.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

Amendment No. 129: Makes available up to $25,000,000 for payments to State and local enforcement agencies as proposed by the Senate, as opposed to $20,000,000 as proposed by the House.

The conference agreement maintains the Senate provision which increases the limitation for payments to State and local enforcement agencies by $5,000,000 to $25,000,000. This limitation had been held constant at $20,000,000 for several years despite a serious increase in the pending inventory of the State and local agencies as well as additional legislative mandates.

Amendment No. 130: Appropriates $198,300,000 instead of $194,500,000 as proposed by the House and $200,700,000 as proposed by the Senate, and deletes language inserted by the Senate which would have delayed for one year implementation of a rule allowing unsupervised waivers under the Age Discrimination in Employment (ADEA) Act.

The conference agreement includes $1,000,000 for the implementation of a technical assistance program as authorized by section 506 of the Americans with Disabilities Act of 1990. The conferees are aware that the ADA and other recent and pending legislation will have other increased workload implications for the Commission. The conferees have provided the fullest amount possible within the overall resource allocation for this bill, and recognize that the funding level provided for this fiscal year will not allow the Commission to carry out all newly authorized programs and other Commission priorities. However, the conferees have noted the EEOC's recent successes in decreasing the pending inventory of cases in both the private and Federal sectors. The Commission is encouraged to continue its automation program and other efforts aimed at streamlining the procedures by which cases are processed so that additional workload savings can be directed toward these new priorities.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

Amendment No. 131: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$117,794,000" named in said amendment insert the following: *$115,794,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $115,794,000 for the Federal Communications Commission for fiscal year 1991 instead of $117,794,000 as proposed by the Senate. The conference agreement also includes certain language provisions governing the use of funds as proposed by the Senate. The House bill included no similar provision.

The conference agreement provides for $2,800,000 of the program increases requested by the Commission and $800,000 for the collection of fees.

The conference agreement again includes $30,000 so that the FCC can continue to subscribe to the Rutgers University Wireless Information Network Laboratory in fiscal year 1991. The conferees expect the Commission again to move expeditiously to subscribe to this important technical information network.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

Amendment No. 132: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which limits funds for official reception and representation expenses to $2,000. The House bill contained no similar provision.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

Amendment No. 133: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the first sum "$76,095,000" named in said amendment insert: *$74,095,000*

and in lieu of the sum "$56,095,000" named in said amendment insert: *$54,095,000*

and in lieu of the second sum "$76,095,000' named in said amendment, insert: *$74,095,000*

The managers on the part of the Senate will move to concur in the amendment of the House of the amendment of the Senate.

The conference agreement appropriates $74,095,000 of which $20,000,000 shall be derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, maintains certain restrictions from the Federal Trade Commission Improvements Act of 1980, and allows for up to $2,000 for official reception and representation expenses. The conference agreement also provides that a total of $74,095,000 shall be apportioned and shall be construed as being available for obligation without regard to the actual amount of fee collections and the Antideficiency Act. The Senate bill contained $76,095,000, the language restrictions contained in the conference agreement and the provision concerning the apportionment of funds contained in the conference agreement. The House bill contained no similar provisions.

The conference report provides for an increase of $3,400,000 over actual FY 1990 levels, associated with an anticipated increase in fee collections.

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

Amendment No. 134: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$40,671,000" named in said amendment insert: *$40,299,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $40,299,000 for the International Trade Commission and includes up to $2,500 for official reception and representation expenses. The House bill contained no similar provision.

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

Amendment No. 135: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert:

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, $327,186,000 of which $280,314,000 is for basic field programs, $7,445,000 is for the Native American programs, $10,282,000 is for migrant programs, $1,166,000 is for the law school clinics, $1,060,000 is for supplemental field programs, $662,000 is for regional training centers, $7,663,000 is for national support, $8,315,000 is for State support, $917,000 is for the Clearinghouse, $541,000 is for computer assisted legal research regional centers, and $8,821,000 is for Corporation management and administration.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $327,186,000 and certain earmarkings of the funds for each component of the Corporation's budget. The Senate bill provided a total of $329,186,000 and certain earmarkings for the various components of the Corporation's budget which were reduced proportionately in the conference agreement. The House bill contained no similar provisions.

The following table shows the amounts for each program provided for in 1990, in the budget request, in the Senate amendment and in the conference agreement. The House deferred consideration of the Legal Services Corporation budget request due to lack of authorization.

LEGAL SERVICES CORPORATION

[In thousands of dollars]

	Fiscal year—		House	Senate	Conference
	1990 enacted	1991 request			
Basic field programs	$274,965	$292,097	Defer	$282,080	$280,314
Special emergency funds		500	do		
Native American program	7,304	7,759	do	7,490	7,445
Migrant programs	10,088	10,717	do	10,345	10,282
Law school clinics	1,144	1,215	do	1,173	1,166
Supplemental field programs	1,040	1,105	do	1,067	1,060
Regional training centers	649	689	do	666	662
National support	7,518	7,986	do	7,710	7,663
State support	8,158	8,666	do	8,366	8,315
Clearinghouse	900	956	do	923	917
Computer Assisted Legal Research (CALR) regional centers	531	564	do	545	541
Corporation management and administration	8,703	10,746	do	8,821	8,821
Total	321,000	343,000	do	329,186	327,186

The conference agreement assumes that $1,925,000 of funds carried over from fiscal year 1990 are available to the Corporation for management and administration bringing the total amount available for management and administration to $10,746,000, the level in the budget request. The Corporation is directed to submit a report to the House and Senate Appropriations Committees regarding the source of any carryover funds and, to the extent the total amount exceeds $1,925,000, to submit a reprogramming pursuant to section 606 of this Act regarding any proposed use of such excess amount.

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

Amendment No. 136: Appropriates $1,153,000 for the Marine Mammal Commission as proposed by the Senate instead of $1,003,000 as proposed by the House.

MARTIN LUTHER KING, JR. FEDERAL HOLIDAY COMMISSION

SALARIES AND EXPENSES

Amendment No. 137: Appropriates $300,000 for the Martin Luther King, Jr. Federal Holiday Commission as proposed by the House instead of $338,000 as proposed by the Senate.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SALARIES AND EXPENSES

Amendment No. 138: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum "$18,936,000" named in said amendment, insert: *$20,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement appropriates $20,000,000 for the Office of the U.S. Trade Representative for fiscal year 1991 instead of $18,936,000 as proposed by the Senate. The House bill contained no similar provision. The amount provided will allow the USTR to fund all uncontrollable adustments to base and also to begin the upgrade of automation capabilities for both the USTR's Washington office and its Geneva operations.

The conference agreement also provides for up to $89,000 for official reception and representation expenses as proposed by the Senate.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

Amendment No. 139: Reported in technical disagreement. The managers on the part of the House bill offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission including services as authorized by 5 U.S.C. 3109, and not to exceed $3,000 for officials reception and representation expenses, $190,185,000, of which not to exceed $10,000 may be used toward funding a permanent secretariat for the International Organization of Securities Commissions and, for 1991 only, not to exceed $100,000 shall be available to host a conference of the International Organization of Securities Commissions, such sum to cover related translation, printing, facility and other necessary logistic and administrative expenses: Provided, That immediately upon anactment of this Act, the rate of fees under section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) shall increase from one-fiftieth of 1 per centum to one-fortieth of 1 per centum and such increase shall be deposited as an offsetting receipt to the general fund of the Treasury: Provided further, That the preceding proviso is repealed upon enactment into law of other legislation which increases the rate of fees under section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)).

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $190,185,000 for the Commission, provides for up to $3,000 for official reception and representation expenses, limits to $10,000 the amount to be used toward funding a permanent secretariat for the International Organization of Securities Commissions, and limits to $100,000 the amount to host a conference of the International Organization of Securities Commissions.

The conference agreement also includes language requiring the SEC to raise the rate of fees under section 6(b) of the Securities Act of 1933 from one-fiftieth to one-fortieth of 1 percent, provides that the amounts to be collected by this increase are to be deposited in the general fund of the Treasury and are considered offsetting receipts to this appropriation and provides that the requirement that certain fee increases shall be repealed upon enactment of other legislation which increases fees in that area.

The Senate amendment provided $192,385,000, the limits on the use of funds contained in the conference agreement and the proviso on fees contained in the conference agreement without the further repealer provision. The House bill contained no similar provisions.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Amendment No. 140: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *and not to exceed $3,500 for official reception and representation expenses, $274,753,000, of which $1,500,000 shall be made available for a grant to St. Norbert College in De Pere, Wisconsin, for a regional center for rural economic development, of which $100,000 shall be made available for a grant to the School of Forestry of the University of Montana for a planning study for locating a Value-Added Wood Products Development, Marketing and Small Business Assistance Research Laboratory at the University of Montana, of which $200,000 shall be made available for a grant to Central Arkansas University to establish a national communications and data center for the Small Business Institute program, of which $1,500,000 shall be made available for a grant to the University of Kentucky's Somerset Community College for a regional center for rural economic development with a special emphasis on small business, of which $1,500,000 shall be made available for a grant to the West Philadelphia Economic Development Corporation for a national demonstration project for community economic development and small business assistance, of which $500,000 shall be made available for a Center for Manufacturing Productivity at the University of Massachusetts at Amherst, of which $1,200,000 is for the Small Business Development Center Technical Assistance Program, of which $15,000,000 shall be made available to implement section 24 of the Small Business Act, as amended, of which $1,000,000 shall be made available to implement section 25 of the Small Business Act, as amended, and*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides a total of $274,753,000 for the Salaries and Expenses account of the Small Business Administration and language earmarking funds for the following grants for certain small business development activities: $1,500,000 for St. Norbert College; $100,000 for the School of Forestry of the University of Montana; $200,000 for Central Arkansas University; $1,500,000 for the University of

Kentucky's Somerset College; $1,500,000 for the West Philadelphia Economic Development Corporation; $500,000 for the University of Massachusetts and $1,200,000 for the Small Business Development Center Technical Assistance Program. The Senate amendment would have appropriated a total $250,619,000 for Salaries and Expenses and earmarked the following amounts for certain small business development activities: $1,000,000 for St. Norbert College; $100,000 for the School of Forestry at the University of Montana and $250,000 for Central Arkansas University. The House proposed $248,500,000 for Salaries and Expenses with no earmarkings.

The conference agreement, including $107,160,000 expected to be transferred from the Disaster Loan Fund in Amendment No. 143, provides the following amounts for the various items funded in the Salaries and Expenses account with appropriate comparisons to the House and Senate bills:

[Dollars in thousands]

	Fiscal year 1991—		
	House	Senate	Conference
Small Business Development Centers	$56,000	$49,338	$55,750
SCORE	2,467	3,067	2,767
SBI	2,490	3,090	2,990
7(j)	8,731	8,731	8,731
Women's Outreach	3,614	1,974	2,000
Veterans Outreach	459	459	459
International Trade	800	493	493
Advocacy Research and Data Base	1,663	1,663	1,663
PASS	1,443	1,179	1,179
Women's Council	500	493	493
Minority Council	865	493	600
Rural Development—Kentucky	0	0	1,500
Rural Development—Wisconsin	0	1,000	1,500
Data Collection System—Arkansas	0	250	200
Forestry Grant—Montana	0	100	100
West Philadelphia Enterprise Development	0	0	1,500
Productivity Center—Massachusetts	0	0	500
SBDC Technical Assistance Program	0	0	1,200
New Computer	3,500	3,500	3,500
Move to Central Office	4,189	4,189	4,189
Disaster Assistance	19,357	29,603	29,603
FTS	3,821	5,900	3,821
Compensation and Benefits	179,886	176,382	176,000
All Other	65,875	65,875	65,175
Natural Resources Development	0	0	15,000
SBDC Central Europe Development	0	0	1,000
Total	355,660	357,779	383,613

Amendment No. 141: Earmarks $55,750,000 for grants for Small Business Development Centers instead of $56,000,000 as proposed by the House and $49,338,000 as proposed by the Senate.

Amendment No. 142: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides language specifying that grants for the Small Business Development Centers are for performance in fiscal year 1991 or fiscal year 1992. The House bill contained no similar provision.

Amendment No. 143: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert the following: *nothing herein shall preclude the Small Business Administration from preparing or formulating, but not publishing in the Federal Register, proposed rules, nor shall anything herein apply to uniform common rules applicable to multiple Federal departments and agencies, including the Small Business Administration; nor may any of the funds provided in this paragraph restrict in any way the right of association of participants in such program.*

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 1. DEPUTY ADMINISTRATOR.

(a) Section 4 of the Small Business Act is amended by striking "The Administrator is authorized to appoint a Deputy Administrator and" from the fourth sentence of paragraph (1) of subsection (b) and inserting in lieu thereof the following: "The President also may appoint a Deputy Administrator, by and with the advice and consent of the Senate. The Administrator is authorized to appoint".

(b) The provisions of subsection (a) of this section shall apply to any vacancy in the position of Deputy Administrator of the Small Business Administration after the effective date of this Act.

SEC. 2. JOINT VENTURES WITH TRIBALLY OWNED PARTICIPANTS IN THE 8(a) PROGRAM.

Section 602 of the Business Opportunity Development Reform Act of 1988 (15 U.S.C. 637 note) is amended—

(1) in subsection (c), by striking "two" and inserting "5", and

(2) in subsection (e), by striking "September 30, 1991" and inserting "September 30, 1992".

SEC. 3. INTEREST RATE ON CERTIFIED DEVELOPMENT COMPANY LOANS.

Section 112 of the Small Business Administration Reauthorization and Amendment Act of 1988 (Public Law 100-590) is amended by striking from the end of subsection (c) "October 1, 1990" and by inserting in lieu thereof "October 1, 1994".

SEC. 4. NATURAL RESOURCE DEVELOPMENT.

The Small Business Act is amended by adding the following new section:

SEC. 24. (a) The Administrator is authorized to make grants to or to enter into contracts with any State for the purpose of contracting with small businesses to plant trees on land owned or controlled by such state or local government. The Administrator shall require as a condition of any grant (or amendment or modification thereof) under this section that the applicant also contribute to the project a sum equal to at least 25 per centum of a particular project cost from sources other than the Federal Government. Such non-Federal money may include inkind contributions, including the cost or value of providing care and maintenance for a period of three years after the planting of the trees, but shall not include any value attributable to the land on which the trees are to be planted, nor may any part of any grant be used to pay for land or land charges: Provided, That not less than one-half of the amounts appropriated under this section shall be allocated to each State, the District of Columbia, and the Commonwealth of Puerto Rico on the basis of the population in each area as compared to the total population in all areas as provided by the Census Bureau of the Department of Commerce in the annual population estimate or the decennial census, whichever is most current. The Administrator may give a priority in awarding the remaining one-half of appropriated amounts to applicants who agree to contribute more than the requisite 25 per centum.

"(b) In order to accomplish the objectives of this section, the Administrator, in consultation with appropriate Federal agencies, shall be responsible for formulating a national small business tree planting program. Based on this program, a state may submit a detailed proposal for tree planting by contract.

"(c) To encourage and develop the capacity of small business concerns, to utilize this important segment of our economy, and to permit rapid increases in employment opportunities in local communities, grantees are directed to utilize small business contractors or concerns in connection with the program established by this section, and shall, to the extent practicable, divide the project to allow more than one small business concern to perform the work under the project.

"(d) For purposes of this section, agencies of the Federal Government are hereby authorized to cooperate with all grantees and with State foresters or other appropriate officials by providing without charge, in furtherance of this program, technical services with respect to the planting and growing of such trees.

"(e) There are authorized to be appropriated to carry out the objectives of this section, $15,000,000 for fiscal year 1991 and $30,000,000 for each of the fiscal years 1992 through 1994, and all of such sums may remain available until expended.

"(f) Notwithstanding any other law, rule, or regulation, the administration shall publish in the Federal Register proposed rules and regulations implementing this section within sixty days after the date of enactment of this section and shall publish final rules and regulations within one hundred and twenty days of the date of enactment of this section.

"(g) As used in this section:

"(1) the term 'local government' includes political subdivisions of a State such as counties, parishes, cities, towns and municipalities;

"(2) the term 'planting' includes watering, application of fertilizer and herbicides, pruning and shaping, and other subsequent care and maintenance for a period of three years after the trees are planted; and

"(3) the term 'State' includes any agency thereof.

"(h) The Administrator shall submit annually to the President and the Congress a report on activities within the scope of this section.".

SEC. 5. SMALL BUSINESS DEVELOPMENT CENTERS.

(a) Section 21 of the Small Business Act is amended by striking the second proviso in subsection (a)(4) and inserting in lieu thereof the following: "Provided further, That no recipient of funds under this section shall receive a grant which would exceed its pro rata share of a $70,000,000 program based upon the population to be served by the Small Business Development Center as compared to the total population of the United States, plus $100,000 for each state but no state shall receive less than $200,000.";

(b) section 204 of the Small Business Development Center Act of 1980 (Public Law 96-302), as amended, is hereby repealed; and

(c) the amendments to the second proviso in subsection (a)(4) made by subsection (a) of this section shall apply to contracts, grants or cooperative agreements for performance commencing on or after October 1, 1991; contracts, grants or cooperative agreements for performance commencing prior thereto shall receive funding for the entire term of performance without regard to this amendment and according to the state's pro rata share of a $65,000,000 program as computed on the effective date of this section under population estimates used for calendar year 1990 agreements, plus $50,000 for each state, but no state shall receive less than $200,000.

SEC. 6. SDBC GRANTEE ELIGIBILITY.

Section 21 of the Small Business Act is amended by striking the period at the end of the first sentence of paragraph (1) of subsection (a) and inserting the following: ": Provided, That after December 31, 1990, the Administration shall not make a grant to any applicant other than an institution of higher education as a Small Business Development Center unless the applicant was receiving a grant (including a contract or cooperative agreement) on such date. The Administration shall require any applicant for a small business development center grant with performance commencing on or after January 1, 1992 to have its own budget and to primarily utilize institutions of higher education to provide services to the small business community.".

SEC. 7. CENTRAL EUROPEAN ENTERPRISE DEVELOPMENT.

The Small Business Act is amended by adding the following new section:

"SEC. 25. (a) There is hereby established a Central European Small Business Enterprise Development Commission (hereinafter in this section referred to as the 'Commission'). The Commission shall be comprised of a representative of each of the following: the Small Business Administration, the Association of American Universities, and the Association of Small Business Development Centers.

"(b) The Commission shall develop in Czechoslovakia, Poland and Hungary (hereinafter referred to as 'designated Central European countries') a self-sustaining system to provide management and technical assistance to small business owners.

"(1) Not later than 90 days after the effective date of this section, the Commission, in consultation with the Agency for International Development, shall enter a contract with one or more entities to—

"(A) determine the needs of small businesses in the designated Central European countries for management and technical assistance;

"(B) evaluate appropriate Small Business Development Center-programs which might be replicated in order to meet the needs of each of such countries; and

"(C) identify and assess the capability of educational institutions in each such country to develop a Small Business Development Center type program.

"(2) Not later than 18 months after the effective date of this section, the Commission shall review the recommendations submitted to it and shall formulate and contract for the establishment of a three-year management and technical assistance demonstration program.

"(c) In order to be eligible to participate, the educational institution in each designated Central European country shall—

"(1) obtain the prior approval of the government to conduct the program;

"(2) agree to provide partial financial support for the program, either directly or indirectly, during the second and third years of the demonstration program; and

"(3) agree to obtain private sector involvement in the delivery of assistance under the program.

"(d) The Commission shall meet and organize not later than 30 days after the date of enactment of this section.

"(e) Members of the Commission shall serve without pay, except they shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred by them in carrying out their functions in the same manner as persons employed intermittently in the Federal Government are allowed expenses under section 5703 of title 5, United States Code.

"(f) Two Commissioners shall constitute a quorum for the transaction of business. Meetings shall be at the call of the Chairperson who shall be elected by the Members of the Commission.

"(g) The Commission shall not have any authority to appoint staff, but upon request of the Chairperson, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of such department or agency to the Commission to assist in carrying out the Commission's functions under this section without regard to section 3341 of title 5 of the United States Code. The Administrator of the General Services Administration shall provide, on a reimbursable basis, such administrative support services as the Commission may request.

"(h) The Commission shall report to Congress not later than December 1, 1991, and annually thereafter, on the progress in carrying out the provisions of this section.

"(i) There are hereby authorized to be appropriated to the Small Business Administration the sum of $3,000,000 for fiscal year 1991, $5,000,000 for fiscal year 1992 and $8,000,000 for fiscal year 1993 to carry out the provisions of this section. Such sums shall be disbursed by the Small Business Administration as requested by the Commission and may remain available until expended. Any authority to enter contracts or other spending authority provided for in this section is subject to amounts provided for in advance in appropriations Acts.".

SEC. 8. LOAN SERVICING FEE.

In the Small Business Investment Act of 1958, insert the following new subsection:

"SEC. 503 (e)(3). Notwithstanding any other provision of law, qualified State or local development companies shall be authorized to prepare applications for deferred participation loans under Section 7(a) of the Small Business Act, to service such loans and to charge a reasonable fee for servicing such loans.".

SEC. 9. SMALL BUSINESS DEVELOPMENT CENTER TECHNICAL ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Small Business Act (15 U.S.C. 631 et seq.) is amended by inserting after section 21, the following new section.

"21A. Small Business Development Center Technical Assistance Program.

"(a) The Administration is authorized to make grants to establish pilot programs at five Small Business Development Centers in order to increase access by small businesses in each center's service area to online data bases. The purpose of this program shall be to provide small businesses, in states selected to participate in this demonstration program, with improved online access to public and private technology, services and expertise, so as to accelerate the transfer of technology and expertise to small businesses and to improve the productivity and economic competitiveness of these small businesses.

"(b) Any Small Business Development Center which is funded by the Administration is eligible to receive an additional grant to provide access to online data bases as described in subsection (a) providing it contributes at least a fifty percent matching contribution.

"(c) The grants authorized by this section must be used to—

"(1) defray all or part of the cost of accessing data bases from private vendors for a limited period of time,

"(2) demonstrate to small businesses the benefits of accessing such data bases, and

"(3) train small businesses to use such data bases to access technical information and services."

(b) AUTHORIZATION.—There is authorized to be appropriated to the Small Business Administration for each of fiscal years 1991 and 1992, $1,200,000 to carry out the terms of section 21A of the Small Business Act.

SEC. 10. CONTINUATION OF AUTHORITY.

Nothwithstanding any other provision of law, an amount shall be made available from the unobligated balances in the Business Loan and Investment Fund to make a grant designated in Public Law 100-459 in subsection (c) under the heading "Economic Assistance Programs", at a funding level not less than the level provided during fiscal year 1990, and notwithstanding any other provision of law, an amount shall be made available from the unobligated balances in the Business Loan and Investment fund to make a grant to the first entity designated in Public Law 100-459 in subsection (k) under the heading "Economic Development Assistance Programs" at a funding level not less than the level provided during fiscal year 1990 to such entity.

SEC. 11. COOPERATIVE AGREEMENTS.

Section 7(b) of the Small Business Computer Security and Education Act of 1984 (15 U.S.C. 633 note) as amended, is further amended by striking "October 1, 1990" and inserting in lieu thereof "March 31, 1991".

"SEC. 12. TRANSFER FROM DISASTER LOAN FUND.

In additon such sums as may be necessary

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The House had proposed a transfer of $107,160,000 from the Disaster Loan Fund for disaster loan making activities. The Senate amendment would have eliminated this amount and provided for a transfer of such sums as may be necessary for disaster loan making activities. The conference agreement includes the language proposed by the Senate and several new provisions not included in either the House or Senate bill as follows:

The conference agreement includes a provision which permits SBA to develop rules or regulations for the Small Business Development Center program. Prior appropriations Acts have prohibited the Small Business Administration from adopting rules or regulations for the Small Business Development Center program. That limitation did not prohibit SBA from developing regulations, and the conferees on those Acts did not intend to prohibit SBA from doing so. Some employees of the agency, however, erroneously interpreted that language to mean they could not even begin the regulatory process due to the limitation.

Since the conferees do not intend to prohibit the development of regulations and, in fact, encourage SBA to do so, the language has been modified for FY 1991 to eliminate any misinterpretation. The Agency may and should begin the regulatory process, including the formulation and drafting of proposed regulations and consulting with the Small Business Development Centers and others concerning contemplated regulations. The Agency, however, is prohibited from expending any funds to publish proposed regulations or to carry them beyond the developmental stage.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

Section 1. Deputy Administrator

This provision amends the Small Business Act to provide that the position of Deputy Administrator (now vacant) be subject to Senate confirmation.

Section 2. Joint Ventures with Tribally Owned Participants in the 8(a) Program

This provision extends for one year a pilot program which allows two or more Indian tribes to enter joint ventures and participate in SBA's 8(a) program. Each party participating in the joint venture could receive up to five 8(a) contracts instead of the two contracts now authorized.

Section 3. Interest Rate on Certified Development Company Loans

This section extends for four years a provision allowing SBA to override state law and set the interest rate on a bank loan made as part of the funding for a project partially funded by the certified development company loan program.

Section 4. Natural Resources Development

This provision authorizes the Administrator of the Small Business Administration to contract with any state for the purpose of contracting with small businesses to plant trees on land owned or controlled by the State or local government. As a condition of receiving any grant, the applicant is required to contribute a sum equal to at least 25 percent of the grant in order to augment that project. Each state would consolidate requests from local governments to participate so that only one application would be submitted to SBA by each state.

At least one-half of the moneys must be allocated to states on the basis of the state's population as compared to total population in the United States. The Administrator of the SBA may award the other half in his discretion, but is authorized to give a priority to applicants which agree to contribute more than the requisite 25 percent match.

Grantees are directed to utilize small business contractors or concerns to plant the trees and, to the extent practicable, to divide the project to allow more than one small business concern to participate in the project.

Fifteen million dollars is authorized for fiscal year 1991 and $30 million for each of fiscal years 1992 through 1994 to carry out this program.

Section 5. Small Business Development Centers

This provision amends the authorization for the Small Business Development Center Program.

Legislation was enacted in 1980 to establish the Small Business Development Center program and authorize funding in each state based upon its population as compared to total population in the United States. The state could receive up to its share of a $65 million national program. This formula has remained unchanged and has not been adjusted for inflation during the past decade.

The decennial census is almost completed and its use will change the amount of the grant made available to each state. States which either have lost population or whose population has not increased to the same extent as high growth states would have their funding reduced and this would hinder their ability to deliver management and technical assistance to the small business community.

To insure that states are not harmed by the shifting and growth of population which will be reflected in the census and to provide some recompense for inflation which has occurred in the past 10 years, the national program is being increased by $5 million. Each state will share in this based upon the census, and when fully implemented each state will also receive $100,000. The next effect is that no state will have its funding reduced due to the census.

In addition, the 1991 sunset on the SBDC program is repealed.

Section 6. SBDC Grantee Eligibility

This provision makes certain changes in eligibility requirements for the Small Business Development Center program.

The most successful SBDC programs have two major characteristics in common. First, they rely heavily upon an educational institution's faculty, its facilities and its students. And, second, they operate as autonomous entities under the Small Business Development Center name rather than simply being an anonymous part of a government agency which serves purposes other than the delivery of management and technical assistance to the small business community.

Accordingly, future applicants for the SBDC program are limited to educational institutions except that SBA is authorized to renew the funding of other entities currently funded as SBDCs providing SBA affirmatively determines that such applicants have their own budget and will primarily utilize instructions of higher education to provide the services to the small business community.

Sec. 7. Central European Enterprise Development

This provision established a new section 25 of the Small Business Act. The new section 25 establishes a three member Commission (the Small Business Administration, the American Association of Universities, and the Association of Small Business Development Centers) to arrange the establishment of a three-year pilot program to provide management and technical assistance in three designated Central European countries. The three countries are Czechoslovakia, Poland and Hungary. The program would be patterned after the Small Business Development Center program which operates at institutions of higher education in the United States.

The Commission would hire a private contractor to determine the needs of small businesses in the three countries, to evaluate the appropriate SBDC programs existing here which might be used to meet those needs, and to identify educational institutions in the Central European countries which would be capable of establishing and operating such programs.

The ultimate decision as to the proposed foreign host institutions and the domestic programs which would be replicated to fill these needs would be made by the Commission. It is expected that the program would be in place in 18 months and would operate for three years.

Three million dollars is authorized for this program for fiscal year 1991, $5 million is authorized for fiscal year 1992 and $8 million is authorized for fiscal year 1993.

Sec. 8. Loan Servicing Fees

This provision adds a new provision to the Small Business Investment Act of 1958 which permits qualified State or local development companies to service deferred participation loans under Section 7(a) of the Small Business Act and to charge a reasonable fee for servicing such loans.

Sec. 9. Small Business Development Center Technical Assistance Program

This provision adds a new section to the Small Business Act which authorizes the Small Business Administration to make grants to establish pilot programs at 5 Small Business Development Centers to increase access by small businesses in each center's service area to online data bases. The provision authorizes $1,200,000 for each of fiscal years 1991 and 1992 for this purpose.

Sec. 10. Continuation of Authority

The conference agreement includes a provision which continues authority to make certain grants designated in Public Law 100-459.

Sec. 11. Cooperative Agreements

The conference agreement includes a provision which extends a sunset from October 1, 1990, to March 31, 1991, thereby authorizing the Small Business Administration to cooperate with for-profit businesses in providing training and seminars for small firms.

Sec. 12. Transfer from Disaster Loan Fund

This provision permits such sums as may be necessary to be transferred from the Disaster Loan Fund into the Salaries and Expenses account as proposed by the Senate instead of a transfer of $107,160,000 for this purpose as proposed by the House.

STATE JUSTICE INSTITUTE

SALARIES AND EXPENSES

Amendment No. 144: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment as follows:

In lieu of the sum named in said amendment insert: *$13,000,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $13,000,000 for the State Justice Institute for fiscal year 1991 instead of $12,360,000 as proposed by the Senate and $14,000,000 as proposed by the House. The conference agreement also provides for extended availability of funds as proposed by the Senate. The House bill contained no similar provision.

The conferees are pleased to note the accomplishments of the State Justice Institute in its efforts to improve the administration and operation of State and local courts and their support organizations. The conferees expect the Board of Directors of the Institute to continue to give priority consideration to grant proposals dealing with innovative methods of addressing the burden of drug-related cases in State and local courts. The conferees also urge the Board to give full consideration to all levels of State court administration, including the training of family, juvenile, and domestic court judges.

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

Amendment No. 145: Provides a limitation of $25,000 in entertainment expenses, including official receptions, as proposed by the Senate instead of $20,000 for this purpose as proposed by the House.

Amendment No. 146: Appropriates $652,757,000 instead of $648,188,000 as proposed by the House and $653,700,000 as proposed by the Senate. The conference agreement includes $3,569,000 above the House allowance for staff and related costs to

expand Voice of America broadcasts to the Middle East and the Persian Gulf to 24 hours a day. The conference agreement also includes $1,000,000 above the House allowance for restoration of base program funds.

OFFICE OF INSPECTOR GENERAL

Amendment No. 147: Appropriates $4,023,000 instead of $4,123,000 as proposed by the House and $3,923,000 as proposed by the Senate.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

Amendment No. 148: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$159,708,000" named in said amendment, insert the following: *$163,151,000*

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement provides $163,151,000 for Educational and Cultural Exchanges and earmarks up to $200,000 for the Claude and Mildred Pepper Scholarship Program and $500,000 for a grant to the North Pacific Studies Center. The Senate had proposed an appropriation of $159,708,000 with the earmarkings listed above. The House had proposed an appropriation of $167,000,000 with no earmarkings.

The following table shows the conference agreement with appropriate comparisons:

[In thousands of dollars]

	FY 1990 enacted	1991 Request	1991 House	1991 Senate	1991 Conference
Academic exchange programs:					
Samantha Smith	2,000	2,000	2,000	2,000	2,000
All other academic	90.751	91,549	96,166	94,319	95,319
CAMPUS	3,245	3,187	3,414	3,414	3,414
Subtotal	95,996	96,736	101,530	99,733	100,733
International Vistors Program	41,413	42,638	46,191	43,916	45,659
Hubert Humphrey fellowships	5,123	5,328	6,000	5,328	5,328
Congress-Bundestag exchange	2,465	2,465	3,400	2,465	2,465
Institute for Representative Government	532			532	532
The North Pacific Studies Center					500
Citizen exchanges:					
Eisenhower fellowships	1,497	(1)	(1)	(1)	
Citizen exchanges	7,322	7,163	9,879	7,734	7,934
Subtotal	8,801	7,163	9,879	7,734	7,934
Total	154,330	154,330	167,000	159,708	163,151

[1] Carryover balances of $1,737,000 will be used to fund Eisenhower fellowships in 1991.

The conference agreement includes up to $2,000,000 under Private Sector Programs for training programs for local government officials, scholars, and business leaders in the emerging democracies in Poland, Hungary, Czechoslovakia and Romania. These funds would be used for training officials and leaders from these countries in the United States, providing U.S. experts to those countries and developing and distributing instructional materials in several program areas, including local government, government administration, economics, business administration, and the role of a free press. The conferees understand that several American institutions have already developed project proposals which would address these critical areas, including Rutgers University, DePaul University, and the University of Kansas. The conferees believe these kinds of proposals offer excellent potential for fostering the growth of democratic institutions and economic pluralism in these developing democracies and urge the United States Information Agency to consider such proposals expeditiously.

The conferees encourage the U.S. Information Agency to emphasize programs in Central and Eastern Europe in order to respond to the unique opportunities that are occurring in that region of the world. In that regard, the conferees endorse the language contained in the House report on this matter. In addition, the conferees agree that the Appropriations Committees would entertain a reprogramming to make funds available for the newly-authorized Eisenhower Fellowship Program.

RADIO CONSTRUCTION

Amendment No. 149: Appropriates $107,237,000 instead of $96,557,000 as proposed by the House. The conference agreement includes $10,680,000 above the House allowance to expand Voice of America broadcasts to the Middle East and the Persian Gulf to 24 hours a day.

BROADCASTING TO CUBA

Amendment No. 150: Provides the technical citation for the Radio Broadcasting to Cuba Act as proposed by the Senate. The House bill contained no similar provision.

Amendment No. 151: Provides the citation for the Television Broadcasting to Cuba Act as proposed by the Senate. The House bill contained no similar provision.

Amendment Nos. 152 and 153: Provide a reference to television transmissions in the appropriation language as proposed by the Senate. The House bill contained no similar provisions.

Amendment No. 154: Deletes language proposed by the House and stricken by the Senate which would have made the appropriation available for expenses to carry out activities authorized by the Television Broadcasting to Cuba Act. This is a technical change and is addressed in Amendment No. 151.

Amendment No. 155: Reported in disagreement.

Amendment No. 156: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which adds a provision which permits funds for television broadcasting to Cuba to be used to purchase, lease, maintain and operate aircraft (including aerostats) which may be required to house and operate necessary broadcasting equipment. The House bill contained no similar provision.

EAST-WEST CENTER

Amendment No. 157: Appropriates $23,000,000 as proposed by the Senate instead of $20,000,000 as proposed by the House.

ADMINISTRATIVE PROVISION

Amendment No. 158: Deletes a provision proposed by the Senate which would have extended the Au Pair programs designated by USIA until such programs are authorized and implemented by another agency. The House bill contained no similar provision. This matter is addressed in legislation which has already been passed by the Congress.

TITLE VI—GENERAL PROVISIONS

Amendment No. 159: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which provides that if any provision of this Act or the application of any provision is held invalid, the remainder of this Act and the application of such provisions to persons or circumstances other than those as to which it is held invalid shall not be affected. The House bill contained no similar provision.

Amendment No. 160: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which requires that fiscal year 1991 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act. The House bill contained no similar provision.

Amendment No. 161: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment which restores prior year language proposed by the Senate concerning the reprogramming of funds within appropriation accounts. The House bill contained no similar provisions.

Amendment No. 162: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the sum "$9.28" in subparagraph (1) of said amendment, insert *$9.22* and

In lieu of the term "6 cents" in subparagraph (1) of said amendment, insert *"5 cents"*.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement continues substantially all of the legislative provisions relating to the Legal Services Corporation which were in effect during fiscal year 1990 as proposed by the Senate. These provisions include prohibitions on abortion litigation and representation of illegal aliens; restrictions on lobbying, class action suits and training programs; provisions governing the appointment of local program boards of directors; and provisions making it easier to deny refunding to grantees. The conference agreement also includes Senate provisions which were in effect in FY 1990 concerning the development of a system of competitive bidding grants; requirements for full-year funding of grants; a requirement that any timekeeping system be developed by regulation; and restrictions on implementation of LSC regulations.

The conference agreement also includes a funding formula for the distribution of funds to field programs which provides that grants shall be maintained at not less than $9.22 per poor person instead of $9.28 as proposed by the Senate or 5 cents per poor person more than the annual per-poor-person level at which funding was appropriated prior to the sequestration order under Public Law 101-239 instead of 6 cents for this purpose as proposed by the Senate. These changes in the formula reflect the reduction in the appropriation in the conference agreement.

The conference agreement also includes Senate language which modifies fiscal year 1990 provisions that permitted certain statutory restrictions on the Board's authority to be lifted by a Board of Directors nominated by the President and confirmed by the Senate. As proposed by the Senate, the conference agreement eliminates the portions which tie Board powers to Senate confirmation because of concerns over the constitutionality of these provisions.

The House bill contained no provisions on any of these matters.

Amendment No. 163: Deletes language proposed by the Senate which would have established the National Commission to Support Law Enforcement for the purpose of studying and recommending changes concerning law enforcement issues at the Federal, State and local level, including the sufficiency of funding and the adequacy of information sharing among law enforcement agencies.

The House bill contained no provision on this matter.

Amendment No. 164: Reported in disagreement.

Amendment No. 165: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment with an amendment as follows:

In lieu of the matter proposed by said amendment, insert the following:

SEC. 609. (a) None of the funds in this or any other Act may be used to approve the licensing for export of any supercomputer to any country whose government the President determines to be assisting Iraq to improve its ballistic missile technology or chemical, biological, or nuclear weapons capability and so reports to the Congress.

(b) None of the funds in this or any other Act may be used to approve the licensing for export of any supercomputer to any country whose nationals are assisting Iraq to improve its rocket technology or chemical, biological, or nuclear weapons capability: Provided, That this provision shall apply only if the President determines that the government of the country has made inadequate efforts to restrict such involvement by its citizens or corporations and so reports to the Congress.

The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conference agreement adds a general provision which prohibits any of the funds in this or any other Act from being used to approve export licenses for supercomputers to any country whose government the President determines to be assisting Iraq to improve its ballistic missile technology or chemical, biological or nuclear weapons capability and so reports to the Congress. The conference agreement also prohibits any of the funds in this or any other Act from being used to approve export licenses for supercomputers to any country whose nationals are assisting Iraq to improve its rocket technology or chemical, biological or nuclear weapons capability except that this provision shall apply only if the President determines that the government of the country has made inadequate efforts to restrict such involvement by its citizens or corporations and so reports to the Congress.

The Senate amendment would have prohibited any of the funds in this or any other Act from being used to approve export licenses for supercomputers or associated technology to any country which is assisting officially or unofficially or whose nationals are assisting Iraq to improve its rocket technology or chemical, biological or nuclear weapons capability. The Senate amendment would have also directed the Secretary of State to begin negotiations immediately with those governments, including the United Kingdom, Brazil and Japan, with whom the U.S. has bilateral supercomputer agreements, on conditions restricting the transfer of supercomputer or associated technology which would assist Iraq in developing the weapons capabilities listed above.

The House bill contained no provision on this matter.

Amendment No. 166: Deletes a provision proposed by the Senate which would have required the Secretary of Education to reduce a penalty owed by Dakota Wesleyan University in the amount of $159,360 plus interest of $16,113.

The House bill contained no provision on this matter.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1991 recommended by the Committee of Conference, with comparisons to the fiscal year 1990 amount, the 1991 budget estimates, and the House and Senate bills for the 1991 follow:

New budget (obligational) authority, fiscal year 1990	$19,857,650,000
Budget estimates of new (obligational) authority, fiscal year 1991	20,009,388,000
House bill, fiscal year 1991	10,590,916,000
Senate bill, fiscal year 1991	19,305,879,000
Conference agreement, fiscal year 1991	19,328,275,000
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1990	−529,375,000
Budget estimates of new (obligational) authority, fiscal year 1991	−681,113,000
House bill, fiscal year 1991	+8,737,359,000
Senate bill, fiscal year 1991	+22,396,000

NEAL SMITH,
BILL ALEXANDER,
JOSEPH D. EARLY,
BERNARD DWYER,
BOB CARR,
ALAN B. MOLLOHAN,
JAMIE L. WHITTEN,
HAL ROGERS,
RALPH REGULA,
JIM KOLBE,
SILVIO O. CONTE,
Managers on the Part of the House.

ERNEST F. HOLLINGS,
DANIEL K. INOUYE,
DALE BUMPERS,
FRANK R. LAUTENBERG,
JIM SASSER,
BROCK ADAMS,
ROBERT C. BYRD,
WARREN B. RUDMAN,
TED STEVENS,
MARK O. HATFIELD,
ROBERT W. KASTEN, Jr.,
PHIL GRAMM,
Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOPKINS) to revise and extend their remarks and include extraneous material:)

Mr. BURTON of Indiana, for 60 minutes, each day on October 20 and 21.

Mr. GINGRICH, for 60 minutes, each day on October 22, 23, 24, 25, and 26.

(The following Member (at the request of Mr. HOYER) to revise and extend his remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DORGAN of North Dakota, following rollcall 493, in the House today.

(The following Members (at the request of Mr. HOPKINS) and to include extraneous matter:)

Mr. BURTON of Indiana.

Mr. BEREUTER.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. JONTZ.

Mr. BONIOR.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3187. An act to address immediate problems affecting environmental cleanup activities; to the Committee on Energy and Commerce.

ADJOURNMENT

Mr. HOYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 41 minutes p.m.) under its previous order, the House adjourned until Sunday, October 21, 1990, at 2 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4070. A letter from the Chief of Legislative Liaison, Department of the Army, transmitting notification of the decision not to convert to contractor performance and to retain the in-house operation of the Training and Audiovisual Support Center at Fort Eustis, VA, pursuant to Public Law 100-463, section 8061 (102 Stat. 2270-27); to the Committee on Armed Services.

4071. A letter from the Chief, Legislative Liaison, Department of the Army, transmitting notification of the decision to convert to contractor performance the consolidated maintenance services function at Fitzsimmons Army Medical Center, Aurora, CO, pursuant to Public Law 100-463, section 8061 (102 Stat. 2270-27); to the Committee on Armed Services.

4072. A letter from the Chief, Legislative Liaison, Department of the Army, transmitting notification of the decision to convert to contractor performance the administrative services function at Fort Lee, VA, pursuant to Public Law 100-463, section 8061 (102 Stat. 2270-27); to the Committee on Armed Services.

4073. A letter from the Chief, Legislative Liaison, Department of the Army, transmit-

ting notification of the decision to convert to contractor performance the visual information services function at Tripler Army Medical Center, HI, pursuant to Public Law 100-463, section 8061 (102 Stat. 2270-27); to the Committee on Armed Services.

4074. A letter from the Chief, Legislative Liaison, Department of the Army, transmitting notification of the decision to convert to contractor performance the laundry, dry cleaning and pickup points function at the Military District of Washington installations of Cameron Station and Fort Myers, VA, and Fort McNair, Washington, DC, pursuant to the Public Law 100-463, section 8061 (102 Stat. 2270-27); to the Committee on Armed Services.

4075. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize new accessions to the Armed Forces who already possess specialized skills to be deployed overseas after completing an initial training period that is less than 12 weeks; to the Committee on Armed Services.

4076. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a copy of Transmittal No. 01-91, concerning the proposed annext B to the memorandum of agreement with the Federal Ministry for Defense of the Federal Republic of Germany on extended air defense, pursuant to 22 U.S.C. 2767(f); to the Committee on Foreign Affairs.

4077. A letter from the Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a report on the relative costs and benefits of the tribal self-governance project, pursuant to Public Law 100-472, section 209 (102 Stat. 2298); to the Committee on Interior and Insular Affairs.

4078. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

4079. A letter from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

4080. A letter from the Administrator, Small Business Administration, transmitting the SBA's annual report for fiscal year 1989, pursuant to 15 U.S.C. 639(b); to the Committee on Small Business.

4081. A letter from the Legislative Counsel, Department of the Interior, transmitting further views on H.R. 3977; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, and Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROYBAL: Committee of Conference. Conference report on H.R. 5241 (Rept. 101-906). Ordered to be printed.

Mr. WHITTEN: Committee of Conference. Conference report on H.R. 5268 (Rept. 101-907). Ordered to be printed.

Mr. NATCHER: Committee of Conference. Conference report on H.R. 5257 (Rept. 101-908). Ordered to be printed.

Mr. SMITH of Iowa: Committee of Conference. Conference report on H.R. 5021 (Rept. 101-909). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CARDIN:

H.R. 5884. A bill to amend the Internal Revenue Code of 1986 to allow small commercial finance companies to use the reserve method in accounting for bad debts; to the Committee on Ways and Means.

By Mr. PENNY (for himself, Mr. MCNULTY, Mr. ACKERMAN, Mr. LAFALCE, and Mr. RANGEL):

H. Con. Res. 387. Concurrent resolution expressing the sense of the Congress regarding the need to provide adequate care for America's children; to the Committee on Energy and Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. Staggers introduced a bill (H.R. 5885) for the relief of Ghassan Hasbani; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3717: Mr. JONTZ and Mr. GRAY.

H.R. 4026: Mr. FIELDS.

H.R. 4548: Mr. WEISS and Mr. FLAKE.

H.R. 4979: Mr. THOMAS of Wyoming.

H.R. 5373: Mr. JENKINS, Mr. FISH, Mr. WOLPE, Mr. ALEXANDER, Ms. PELOSI, Mr. DICKINSON, Mr. WILLIAMS, Mr. WYLIE, Mr. CHANDLER, Mr. QUILLEN, Mr. UPTON, Ms. LONG, Mr. MOORHEAD, Mr. CRANE, and Mr. JONTZ.

H.R. 5504: Mr. MCNULTY, Mr. SOLOMON, Mr. DOUGLAS, Mr. PORTER, Mr. HOAGLAND, Mr. ERDREICH, Mr. LEHMAN of Florida, Mr. ECKART, Mr. WYLIE, Mr. NEAL of Massachusetts, Ms. PELOSI, Mr. SWIFT, Mr. UDALL, Mr. BOEHLERT, and Mr. COSTELLO.

H.R. 5625: Mr. KOSTMAYER, Mr. FAZIO, Mr. OWENS of Utah, Ms. SCHNEIDER, Mr. HALL of Texas, and Mr. RIDGE.

H.R. 5743: Mr. ENGLISH and Mr. RAHALL.

H.R. 5751: Ms. SCHNEIDER.

H.J. Res. 606: Mr. BRUCE, Mrs. BYRON, Mr. ACKERMAN, Mr. ARMEY, Mr. BARTLETT, Mrs. BOGGS, Mr. BRYANT, Mr. CAMPBELL of Colorado, Mr. DOWNEY, Mr. EARLY, Mr. ESPY, Mr. FORD of Michigan, and Mr. PICKLE.

H.J. Res. 640: Mr. ACKERMAN, Mr. ALEXANDER, Mr. ANDERSON, Mr. APPLEGATE, Mr. BATES, Mr. BENNETT, Mrs. BOGGS, Mr. BOSCO, Mr. BURTON of Indiana, Mr. BUSTAMANTE, Mr. CARDIN, Mr. COLEMAN of Texas, Mr. DELUGO, Mr. DICKS, Mr. DURBIN, Mr. ENGEL, Mr. FALEOMAVAEGA, Mr. FASCELL, Mr. FEIGHAN, Mr. FOGLIETTA, Mr. FORD of Tennessee, Mr. SHUSTER, Mr. GUARINI, Mr. HARRIS, Mr. HATCHER, Mr. HEFNER, Mr. HOCHBRUECKNER, Mr. HOYER, Mr. HUBBARD, Mr. JONES of North Carolina, Mr. KENNEDY, Mr. KOLTER, Mr. LANCASTER, Mr. LEATH of Texas, Ms. LONG, Mr. MCMILLEN of Maryland, Mr. MCNULTY, Mr. MONTGOMERY, Mr. PICKETT, Mr. POSHARD, Mr. ROYBAL, Mr. ROE, Mr. SABO, Mr. SCHEUER, Mr. SISISKY, Mr. SKELTON, Mr. SLATTERY, Ms. SLAUGHTER of New York, Mr. SMITH of Florida, Mr. STAGGERS, Mr. STUDDS, Mr. TALLON, Mr. TANNER, Mr. TAUZIN, Mr. TORRES, Mr. TRAFICANT, Mr. TRAXLER, Mrs. LLOYD, Mr. SOLARZ, Mrs. MINK, Mr. VALENTINE, Mrs. BOXER, Mr. HUTTO, Mr. LEVINE of California, Mr. DINGELL, Ms. KAPTUR, Mr. JACOBS, Mr. DEFAZIO, Mrs. UNSOELD, Mr. LIPINSKI, Mrs. LOWEY of New York, Mr. THOMAS A. LUKEN, Mr. MCDERMOTT, Mr. MOLLOHAN, Mr. OBERSTAR, Mr. OWENS of Utah, Mr. ERDREICH, Mr. MINETA, Mr. WYDEN, Mr. YATRON, Mr. LEVIN of Michigan, Mr. LANTOS, Mr. MFUME, and Mr. SAWYER.

H. Con. Res. 372: Mr. HAYES of Illinois, Mr. FORD of Michigan, Ms. KAPTUR, and Mrs. BOXER.

PETITIONS, ETC.

Under clause 1 of rule XXII,

251. The SPEAKER presented a petition of the Junior Order United Americans Mechanics, Cincinnati, OH, relative to illegal aliens; which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

ROBIN HOOD IS KNOCKING ON THE WRONG DOOR

HON. DAN BURTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 20, 1990

Mr. BURTON of Indiana. Mr. Speaker, this is must reading for all Democrats:

ROBIN HOOD IS KNOCKING ON THE WRONG DOOR

(By Alan Reynolds)

Soak-the-rich demagoguery has been making a comeback lately, with phony statistics employed to rekindle the idea of using the tax system to punish success. Kevin Phillips, every liberal's favorite "conservative," has been pandering to the politics of envy in a new book full of old misconceptions, "The Politics of Rich and Poor."

The book's arguments and the use of statistics are so bad, the book wouldn't be worth mentioning were it not for the fact that the thing is being taken by a lot of people as gospel. Phillips even uses the inflationary hurricane of 1973 as the basis for comparisons that are supposed to show that "the 1980s were the triumph of upper America." The three most important reasons some people earn more than others are neither surprising nor unfair:

Older, experienced workers earn more than young trainees. In 1988 median family income was only $16,204 per year when the houshold head was less than 24 years old but $37,250 for those 45 to 54.

People with graduate degrees earn more than high school dropouts. Families in which the household head had not finished high school had a median income of $12,166 in 1987, while those with five or more years of college had a median income of $50,908.

Families with two full-time workers have higher incomes than families in which nobody works. Average earnings were only $5,264 among couples in which the wives worked part-time in 1987 and husbands did not work at all, but $44,517 when husbands and wives both worked full-time.

Phillips laments that the "top fifth" of families earn more than two-fifths of the income. What's new? The top 20% of every successful society's earners have always earned more than 40% of the income, precisely because they produce more than 40% of the nation's goods and services.

What about the constantly echoed complaint that "the rich got richer and the poor got poorer" in the Reagan era? That is quite impossible. Median family income rose by 7.1% from 1980 to 1988, after falling by 4.7% from 1970 to 1980.

What really happened in the 1980s is that many more families moved up into an income that used to be considered "rich." When incomes are measured in constant 1987 dollars (that is, adjusted for inflation), the percentage of families earning more than $50,000 rose from 19.4% in 1980 to 22.9% in 1988. The average of incomes included in the "top 20%" had to get larger—by definition—since that average now includes only incomes well above $50,000, while it used to be diluted by lower incomes. This means that there are now too many such "rich" families to fit in the top 20%.

This increase in real family income was not simply the result of former housewives being "forced" to take jobs to make ends meet. From 1980 to 1988, real median income among two-earner families increased by 10.7%, compared with only a 3.1% increase over the entire previous decade. Among black families, real income per capita increased by an impressive 19.9% from 1980 to 1988, after falling by 6.1% in the 1978–80 inflation.

The income figures I cite are pre-tax income. Thus, after taxes, real income per capita has increased by nearly 20% since 1980.

What about the poor? A University of Michigan study that tracked 5,000 families over a decade found that only one-fifth of the poor remained that way for long, and that the greatest single cause of poverty, by far, was divorce. The bottom fifth of the income distribution is dominated by female-headed households with young children but no husband. Reported money income of female-headed families fell in the 1970s, by 3.9%, but it has subsequently recovered most of that loss.

Phillips is right on one score: Some of the poor have gotten poorer. Families in which nobody has even a part-time job have not kept up with families with one or two workers. But those who do work, even for a low wage, benefited not only from millions of new jobs in the 1980s, but also from a much more generous personal exemption and earned income tax credit.

The distribution of income is often confused with the distribution of wealth—which depends largely on age. The National Center for Policy Analysis finds that the elderly receive 20% of their incomed from financial assets and real estate, compared with ony 5% for those aged 40 to 65, and even less for younger folks.

Politicians would do well to understand this difference between income and wealth. Many in Congress do not seem to understand why an aging electorate will increasingly reject Robin Hood policies that plunder their lifetime savings with punitive taxes on the sale of assets. Considering the growing clout of older voters, any politician who takes the egalitarian drivel seriously will find it even harder to peddle than it was during the presidential campaigns of George McGovern and Richard Gephardt.

DON'T PUSH JAPAN TO MILITARIZE

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 20, 1990

Mr. BEREUTER. Mr. Speaker, on Tuesday of this week, legislation was reported to have been introduced in the Japanese Diet which would ultimately facilitate the deployment of that nation's military forces abroad. It is alleged that the United States Government is now pressuring or encouraging Japan to deploy military forces to the Persian Gulf region to join multilateral forces arrayed against Iraq because of that nation's invasion and forcible annexation of Kuwait. This member emphatically hopes that representatives of the United States Government are not asking or urging Japan to deploy its military forces abroad, and, if such is the case, that those actions or efforts stop immediately.

The Government of Japan certainly should be making even larger untied contributions to the costs of the United States involvement, the multilateral force, and those of nations in the region whose economies are so greatly affected by the Iraqi invasion and the subsequent embargo of Iraq. Since Japan is so very dependent upon Middle East oil, the ready supply of which was threatened by Iraqi hostilities, Japan should finance an even larger share of the costs of the multilateral force and embargo costs than it has now belatedly and reluctantly agreed to meet. It should also pay the full equitable basing costs of the American military and naval forces in or near Japan that assures Japanese security.

However, this Member wants it known that he regards it as potentially a tragic mistake to take even the first step to push the Japanese Government to send its military forces abroad, even if they are specified to serve in noncombatant roles.

My previous contacts with the governmental leaders of the southeast Asian region has shown they share my strong concern that Japan should not be given any encouragement to become a military power again, but should be encouraged to only maintain a strong self-defense force.

Mr. Speaker, the attention of Members is drawn to the following column of A.M. Rosenthal found in the New York Times on October 20, 1990.

[From the New York Times, Oct. 20, 1990]

MACARTHUR WAS RIGHT

(By A.M. Rosenthal)

The United States is working hard, doing its very best, to persuade Japan to make a momentous decision. If Japan finally agrees, generations to come will remember and study the great historic moment—and will curse the day.

Inch by reluctant inch, the Japanese Government is moving toward sending troops to the Persian Gulf, as Washington urges. First Tokyo said no, never. That is said no, never, maybe. Now it says well, yes, as long as they don't actually have to shoot anybody.

But once they get to the gulf, the Japanese soliders may find themselves shot at. Then, of course, nobody would expect them not to shoot back.

Shooting or not, there we will have it, the nightmare of the Japanese people and hundreds of millions of other Asians, come

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

alive. In violation of the Japanese Constitution, Japan's armed forces will be empowered again to move out abroad, no longer locked up in a military closet with the key in civilian hands.

Count on this: The Japanese Army will soon again become a political force at home, a constant threat to the delicate, complex civilian equilibrium that is now the base and protection of Japan's democratic society.

Certainly the rich, strutting gangs of the Japanese for right count on it. They dream, ever, or a new militarism, a new empire. They do not just dream—from time to time they kill a Japanese politician or journalist in acts of vengeance and reminder. It is not the Persian Gulf that draws them. Asia draws them, as it did the Japanese generals, whose shades they worship. And if you were Chinese, Malay, Philippine, Vietnamese, would you say it could never happen again? Waiting, what country but the United States would you blame for making you live in renewed fear of the Japanese?

Some polls say the Japanese public is against sending the army to the gulf, 2 to 1; other say 4 to 1. And what country but the U.S. will the Japanese people resent for pushing their Government toward the possibility of the militarization they remember so well and fear so vividly?

Washington think the anti-Iraqi coalition will be strengthened if Japan contributes troops, as well as money. The Japanese Cabinet nervously goes along. But troops supposed to serve behind the lines are a tiny gain in the gulf for a huge risk in Asia.

Yet the American public pays little attention. We have a remarkable historical memory. It clicks on and off with TV reruns. This time it is not Pearl Harbor that should be remembered but what came after the war. Only four dacades ago an American general created hope in the ruins of Tokyo.

In 1947, Douglas MacArthur gave to the Japanese the best gift ever presented to a conquered people: a Constitution under which for the first time they could live as free men and women.

Article 9 was received with particular relief by all Japanese except those who still dream that one day the past would become the present. It stipulated that Japan would never maintain land, sea or air forces, or other potential for war. Article 9 also forswore Japanese force or threat of force in interenational disputes.

Like the rest of us, the Japanese know how to stare straight at a cow and say what cow? Faced with the reality of hostile neighbors—Communist China, the Soviet Union, North Korea—and a huge coastline, the Japanese stared straight at the Constitution and built an armed force.

They called it a self-defense force and essentially it was. The U.S. wanted Japan to "come out of the cocoon" and contribute to the defense of it own home islands, Now Japan has 247,000 men in the Army, Navy and Air Force—one of the largest, most expensive and best-equipped nonnuclear forces in the world.

But two things the Japanese public refused totally: nuclear weapons of their own, and the empowerment of Japan's armed forces to serve abroad.

To Japanese, those prohibitions have been a special kind of self-defense force, the difference between and army able to guard their islands and one that could suddenly pop out of that cocoon, metamorphosed as a military dictatorship itching for glory. The Japanese Government has put the issue to its Parliament where public opinion counts. Edwin O. Reischauer, the great U.S. Ambassador to Japan, used to say that the Japanese people were a lot smarter than their Government. Maybe they will show this time that they are also a lot smarter than ours.

ALLOW SMALL COMMERCIAL FINANCE COMPANIES TO USE RESERVE METHOD IN ACCOUNTING FOR BAD DEBTS

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Saturday October 20, 1990

Mr. CARDIN. Mr. Speaker, since 1986, small commercial finance companies have been operating at a competitive disadvantage to their primary business rivals, small commercial banks. The 1986 Tax Act repealed the use of the bad debt reserve in calculating the deduction for losses on loans for all taxpayers except thrifts and banks with under $500 million in gross assets. While thrifts by the nature of their business are not actively engaged in asset based lending, small commercial banks are. Both small finance companies and small banks provide credit to the small businesses in their community through lending based on the borrower's assets, purchasing accounts receivable, sales financing, leveraged leasing, and other commercial lending transactions.

However, small banks can determine deductions for bad debts using the reserve method. This means that they recognize the losses inherent in any lending portfolio as they occur, and do not have to wait until the final step of the charge-off to claim a tax deduction. By not allowing the reserve method of accounting for small finance companies, the Tax Code places these companies at a distinct competitive disadvantage compared to small banks. The bill I introduce today will remove the imbalance in the tax treatment of small banks and small commercial finance companies by again allowing small finance companies to use the reserve method of accounting for bad debts.

FORESTS: A HISTORIC PERSPECTIVE

HON. JIM JONTZ

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Saturday, October 20, 1990

Mr. JONTZ. Mr. Speaker, I rise today to recognize one of our Nation's great historic resources, the ancient forests of the Pacific Northwest. These giant and majestic trees, some of which are up to 1,000 years old, constitute the last living links with the Middle Ages, and a priceless heritage to the history of our planet.

Congress faces the task of protecting our forest resources for the enjoyment of future generations, while at the same time maintaining a strong and viable wood products industry. Although achieving this balance is not always an easy task, we must meet this challenge by encouraging sound resource management practices by our public land management agencies, and by providing them with clear management direction and guidance.

I would like to share with you this article, written by one of my constituents, Mr. James D. Hubbard of Gas City, IN, which provides a citizen's perspective on the issue of our Nation's forests.

Mr. Hubbard gives credit to Rutherford Platt's book "The Great American Forest" for inspiring some of the ideas expressed in this article, and has received the permission of Simon and Schuster for use of materials contained in this article.

TIMBER

(By James D. Hubbard)

Near Pelican Falls, Minnesota, in the glaciated northwestern part of the State, archeologists have discovered a complete human skeleton much earlier in origin than any previously found in the United States. Some 20,000 years ago this person drowned in a flash flood, the body being held down by mud which preserved it from animal attack. Through the centuries, additional layers of mud were deposited until, finally, these layers were in turn covered with glacial till composed of sand and gravel, thus burying the remains still deeper.

The skeleton, referred to in archeological treaties as "Minnesota Man," is that of a young woman whose large teeth, jutting lower jaw and narrow skull with its great extension backwards demonstrate to scientists that she and her people were of a very primitive culture. Predating by thousands of years the Mongols who crossed into North America by means of the Bering land bridge to become ancestors of our American Indians, "Minnesota Man" was the First American. He co-existed with the last glaciation period, the Wisconsin, and survived it by killing and eating the giant sloths, mastodons, mammoths and even the smilodon or "saber-toothed tiger" then the denizens of the area. Incidentially, his only weapons were crude clubs and stone tipped spears for bows and arrows were not to be invented for another thousand or so years; these were, indeed, an extremely ancient people.

The forest in which they dwelt was far older, taking its present form about 70 million years ago, and was composed of white spruce, balsam fir, white pine and birch in the higher elevations. Tamarack and black spruce occupied the bogs . . . as they continue to do today. Man, even though 20,000 years old, is a newcomer here—by a margin of some 69,980,000 years!

At one time a lobe of the glacier advanced against the forest and overwhelmed it—shearing off the trees and carrying them off to be buried in a shallow lake. In a few centuries, a short time to a forest, the ice retreated and the forest regrew.

In modern times, since Columbus in 1492, the forests have met their most dangerous foe: man. In that relatively short period, this continent has been shorn of two-thirds of its trees. In England, where the destructive actions have continued for many more centuries, forests have been reduced to only 4% of the land surface. Even earlier, when Casar's legions swarmed into Germany's Black Forest, they were terrified of the dark and gloomy woods so different from their accustomed sunny Italy. Uneasy, too, were the early American colonists who felt threatened by horizon-to-horizon woodlands of unknown depth. Their only wish was to cut down the trees that, to them, were

swarming with unseen foes both human and animal.

Now, hopefully, we have begun to realize the irreplaceable treasure that we have in our woodlands and are taking steps to protect it.

HOUSE OF REPRESENTATIVES—*October 21, 1990*

The House met at 2 p.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

In the midst of the challenges of the day, we pray, O God, that truth be our watchword and honor be our guide. We confess that our communication one with another so often suffers when we miss the truth and seem not to notice or give little heed to the obligations of truth even in our own understanding. So fill our hearts and minds, gracious God, to know that You call us to the values of truth and fidelity in all we do and say. This is our earnest prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from California [Mr. McCANDLESS] please come forward and lead the House in the Pledge of Allegiance.

Mr. McCANDLESS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

GENERAL LEAVE

Mr. FAZIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 5399, and that I may include tabular and extraneous material and charts.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1991

Mr. FAZIO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 5399) making appropriations for the legislative branch for the fiscal year ending September 30, 1991, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that the general debate be limited to not to exceed 1 hour, the time to be equally controlled by the gentleman from California [Mr. LEWIS] and myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California [Mr. FAZIO].

The motion was agreed to.

□ 1403

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 5399, with Mr. KILDEE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the bill was considered as having been read the first time.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from California [Mr. FAZIO] will be recognized for 30 minutes, and the gentleman from California [Mr. LEWIS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, it is a pleasure to present H.R. 5399, the legislative branch appropriations bill for fiscal year 1991 to the House.

The bill and the report, House Report No. 101-648, were filed on July 30, 1990.

I think we all understand that normally this is a bill which comes to the floor far earlier in the legislative session. In fact, on some other occasions we have been criticized for bringing the work of the legislative branch before the body before other matters of greater importance to the country have been dealt with. I suppose today we may hear another kind of criticism, that we have waited too long to bring to the body this significant bill, which has so much to do with the way in which this branch of the government functions; but we have been delayed for reasons I think that everyone understands. First of all, a desire for this bill to wait until a budget agreement is reached so that we certainly would come to the floor with a bill which in both budget authority and outlays was well within the numbers that were agreed to by the body and distributed to this subcommittee by the full House Appropriations Committee.

In addition, we have been struggling for the last several months to reach an accommodation on the question of franking. I think I can report to my colleagues today that we have attained our goal of a bipartisan reform of the traditional congressional privilege of franking for mailing to our constituents.

The gentleman from Minnesota [Mr. FRENZEL] and I will offer an amendment later on today which I hope will be an overwhelmingly successful one, which reflects the product of that bipartisan effort, one that I might add has the support of Common Cause, the National Taxpayers Union, and a number of other people who have been prior critics of the way in which Congress has used its franking privilege.

I do not intend to go into every detail of this bill. The report and the bill have been available to the Members for several weeks, so at this point I will simply summarize.

I would before I begin, though, want to thank each member of my Legislative Subcommittee on Appropriations. First of all, my good friend, the gentleman from California [Mr. LEWIS] who has worked so diligently with me in this and for I think 10 prior years.

My good colleague, the gentleman from Illinois [Mr. YATES] who has such a deep interest in the Library of Congress, which is of course an integral part of this bill.

The gentleman from Wisconsin [Mr. OBEY] who is a fighter for the prerogatives of this legislative branch, more than most Members, certainly an effective advocate for our point of view.

The gentleman from Pennsylvania [Mr. MURTHA], one of the stronger Members in regard to those issues that are important for this branch to stand up for and which play a significant role vis-a-vis the executive branch.

The gentleman from Michigan [Mr. TRAXLER], who is a stellar member of the committee, and particularly one other Member who is not with us today because of a celebration of her years in Congress, the gentlewoman from Louisiana [Mrs. BOGGS]. The gentlewoman from Louisiana [Mrs. BOGGS] will not be with us today, and I truly regret that because she is probably one of the most significant members of this subcommittee and has been for many years. She has a true and deep love of this institution, having served along with her husband,

Hale Boggs, for over 50 years. She certainly cares a great deal about the Library of Congress, about the antiquities, the paintings, the furniture, the very history that I think we are all part of here in the House of Representatives and in the Congress of the United States. We will sorely miss Mrs. BOGGS on this subcommittee, and certainly miss her today.

The gentleman from Massachusetts [Mr. CONTE], the ranking minority member of the full committee, who is a strong proponent of savings in the legislative branch and a major contributor to the work of the committee. We will be hearing from him, I am sure, later on today.

The gentleman from Indiana [Mr. MYERS], who is perhaps the most hard-working servant of this institution, serving in so many different positions, including ranking minority member of the Ethics Committee.

The gentleman from Illinois [Mr. PORTER], who is another stellar defender of the institution, but a critic as well and one we value very much on our subcommittee and, of course, our full committee chairman, the gentleman from Mississippi [Mr. WHITTEN].

I want to point out again my particular appreciation for the gentleman from California [Mr. LEWIS], the ranking minority member, and my colleague from my home State of California. He has been a full partner in our hearings and deliberations and in the writing of this bill. There is no question that this is a joint product, a bipartisan product, and one that I think we can both be proud of.

I also wanted to pay homage to my colleague, the gentleman from California [Mr. LEWIS] because it is his birthday, and while it is a beautiful, sunny day here in Washington, and the House has been in session for many, many days continually, and while we are not watching, as so many of our constituents hopefully are, football games today, and while we are not raking the leaves, we are here together trying to process our work and get it done in time for us to leave and go home and campaign for reelection.

The gentleman from California [Mr. LEWIS] is here, having flown back from California to spend his birthday with us and so we offer the gentleman from California [Mr. LEWIS] our particular appreciation and congratulations. Having attained another birthday while ranking on this subcommittee is indeed an accomplishment. I do not know whether the gentleman has reached retirement age or not, but I am sure today would be a great day to take retirement, if it were possible.

I also want to express appreciation to a number of Members of Congress who are working very closely with us. First of all, the Members and leadership of the House Administration Committee, primarily the chairman, the gentleman from Illinois [Mr. ANNUNZIO], and the gentleman from California [Mr. THOMAS], who is on the floor, the ranking minority member of that committee; the gentlewoman from Ohio [Ms. OAKAR] and the gentleman from Kansas [Mr. ROBERTS], the ranking member on the Personnel and Police Subcommittee.

The gentleman from North Carolina [Mr. ROSE] and the gentleman from New York [Mr. WALSH], the chairman and ranking minority member of the Subcommittee on Communications, Computers and Office Systems of the Committee on House Administration; and the gentleman from Pennsylvania [Mr. GAYDOS], and the gentlewoman from Nevada [Mrs. VUCANOVICH], chairman and ranking member of the Accounts Subcommittee.

I think as you hear the titles of these subcommittees of the Committee on House Administration, you understand that this is a bill made of people and computers and business machines and telephones. Some people would criticize us for not having a particular product here in the legislative branch. I guess all we can offer is our best efforts at legislative oversight, our best efforts at deciding on the tough issues that face this country.

□ 1410

We are a personnel-intensive agency that works hard within our dollars to provide for the public, for our constituents, for the people and taxpayers of this country a good product, a good government.

Mr. Chairman, there is $1.75 billion in the bill for the operations of the legislative branch for fiscal year 1991. These funds do not include the activities of the Senate, which will be inserted when the bill is considered in the other body.

Also we do not include certain permanent appropriations. The bill has $1.05 billion for congressional operations and $693 million for other agencies.

I think that is a very significant point. When you read in the national news magazines that Congress spends $2.3 billion, it is important to point out this bill has a little over a billion dollars for congressional operations. It includes almost $700 million for other agencies that happened by historical accident, almost, to appear in the legislative branch of our Government.

We have reduced the budget by 9.7 percent, almost $187 million. The budget request was for a 25.7-percent increase. At the appropriate time and under the rule, an amendment will be offered en bloc to reduce the amounts in the bill by some $26.1 million.

An additional en bloc No. 2 will further reduce the bill by $16.2 million. I will do that and others will be doing that to bring us within our new 302(b) allocations which have been adjusted to reflect the budget agreement.

At this point, Mr. Chairman, I think I will reserve the balance of my time. Mr. LEWIS of California may wish to make some comments. But the interest today of the membership, I hope, is to move this bill along. A number of comments that could have occurred in my opening remarks, I believe, will be more appropriately used in response to amendments later on as the bill is considered.

I do want everyone to understand, however, that we are talking about a bill that is quite frugal. The overall reduction to our 302(b) targets will be somewhere in the neighborhood of $38 million in budget authority. Because the bill as reported was already $25 million below our 302(b) targets, we have been frugal to begin with. We have decided to go beyond the additional reduction required by an additional $13 million.

So the amendment for the $26.1 million reduction will mean that we are reducing our spending in this bill even more and overall our budget authority is now well below our original 302(b) ceiling by some 2.9 percent.

We will then be $12.6 million below the "302(b)" target in budget authority—and we estimate we are below our outlay target by $58.7 million.

With the second amendment, our budget authority will be $28.8 million below the 302(b) and $74.2 million below our outlay target.

After both amendments, the bill will contain $166.9 million more than the current fiscal year 1990 appropriation. That increase over the current level can be explained by its five components:

First, mandatory items cause an increase of $106.7 million. These items consist of COLA increases paid to our employees, the normal merit and longevity increases, increases in health and retirement benefits, the clerk hire allowance increase, and the effects of lifting the pay cap made possible by the Ethics Reform Act.

Second, the effect of price increases in contracts, rents, supplies and materials, and other normal expenditure items is about $22.8 million.

Third, the legislation that requires us to reimburse the D.C. government for water and sewer services is another $3 million.

Fourth, workload increases—primarily to begin the long task of working down the cataloging arrearage at the Library of Congress and other projects is a net $4.9 million—one of the smallest workload increases ever achieved by the legislative branch.

Fifth, the final category consists of several essential building renovations or equipment purchase items. This category has $29.7 million in increases. Some of the projects are: $11.2 million

at General Accounting Office to restart the asbestos removal project in their building and to proceed with the multiyear microcomputer project; $2.2 million to replenish funds needed to replace many of our PCB-contaminated transformers; $2 million for much needed improvements in the House restaurant kitchen, the Members' and staff dining room, and the basement carryout; $1 million to begin a major electrical renovation in the Cannon Building; and $1.5 million for needed roof repairs and replacements.

The $166 million may sound like a large increase—and it is—but when we look at its components, these are all essential projects.

Many, many worthwhile projects have not been included because we tried to reduce as much as we could. For example, $3.5 million to undertake needed repairs to the House steps, and an $8 million project for additional elevators in Longworth and Cannon are being deferred. So is a $10 million printing and folding room facility as are 100 additional positions that the Comptroller General feels are critically needed to do fraud, waste, and abuse audits by GAO; funds for the permanent bound editions of the CONGRESSIONAL RECORD, an item that our depository libraries want very much; the Bound RECORD for Members of the House. And several others.

We had to draw the line somewhere, many of those projects will have to be funded in the future.

There is a $33.2 million item to pay for our mail deficiency. That is really a fiscal year 1990 bill. If we adjusted the figures to include the fiscal year 1990 deficiency as a fiscal year 1990 item—a more reasonable analysis—the increase after the amendments will be only $100.5 million, or a 6.4-percent increase. That is a fair comparison.

If we use this analysis, 6.4 percent, this bill would rank 10th among this year's appropriations bills in percentage of increase.

Another example of restraint is our authorization of new jobs. There are over 30,000 authorized positions in the legislative branch agencies covered by this bill. Those agencies had requested 515 new jobs.

The committee allowed a net of 25 new jobs. Of the 25, 15 are for the House Postmaster to handle the unprecedented volumes of incoming mail to the Members of the House. Four more positions were allowed for our new fair employment practices program, and four for our employee assistance office. A nurse's position was also added.

We did allow 253 blocked positions to be filled, all at the Library of Congress, but only funded the positions at 75 percent. These positions were already on the books. They have been unfilled because we have not provided funding, or sequestrations and other across-the-board cuts have kept these positions vacant.

But they were positions that over the years had been properly justified; the committee had approved those positions; the Congress had approved them; but baseline erosion has kept them unfilled. We are finally funding some of those jobs, keeping the commitment already made by the Congress.

Mr. Chairman, the bill consists of three titles. Title I is congressional operations: After my amendments, this title will include the House, $647.5 million; joint items—$107.1 million; OTA, $19.6 million; CBO, $19.2 million; Architect of the Capitol, $97.6 million; CRS, $51.9 million; and congressional printing, $77.4 million.

Title II consists of: Botanic Garden, $3.5 million; Library of Congress, $227.6 million; Library building and grounds, $14.9 million; Copyright Royalty Tribunal, $127,000; Superintendent of Documents, $25.7 million; and GAO, $413.2 million.

Title III contains various provisions to facilitate opeations.

TITLE II—OTHER AGENCIES

Mr. Chairman, I want to make special note of title II of this bill—the "other agencies" title.

Too often, we think of this bill as merely funding the House and Senate. Some realize that the Congressional Budget Office and Architect of the Capitol are also in the bill. But few Members focus on that very substantial portion which funds other activities of the legislative branch.

As I have noted, we have the Library of Congress, an institutional leader throughout the country for the library community, scholarly research, preservation technologies, copyright registration, books for the blind and physically handicapped and other important programs. Just one of their programs, machine readable cataloging, is a geat example of the help the Library of Congress gives to libraries throughout the country. This program saves the Nation's libraries over $352 million each year, dollars and staff time that your State and local libraries would have to expend to catalog a book or magazine before placing it on one of their shelves.

This is a very important year for the Library, Mr. Chairman. The Library needs help. And every member of this body should be sensitive to that.

The Library of Congress is the world's foremost collector of information and printed materials. It is the country's knowledge storage. Not only every library in the country, local, public, university, and otherwise, but every national library in the world looks to the Library of Congress for leadership and assistance. And they get the best that our Library has to give, which is very good.

But our best is slipping, Mr. Chairman.

Of the 90 million items in the collection, over 40 percent are not cataloged. Over 38 million items of the 90 million are not fully retrievable because we have not provided sufficient resources to do the job.

That is the legacy of across-the-board reductions, Mr. Chairman. That is the legacy of a "baseline" philosophy in our budget scorekeeping that is grossly underestimating what it takes to maintain current activities.

We can't let this library become second class, Mr. Chairman. This is Jefferson's library—the library of our Congress—and the Nation's library all in one.

This is the year we have to start on the road back. We have provided funds to begin the long arduous task of cleaning up this vast cataloging backlog. It is a modest beginning—$5.7 million and 170 blocked jobs that we are finally allowing them to fill. These jobs have long ago been justified. But across-the-board reductions are sequestrations have not allowed them to be filled.

This is a step that will directly effect each and every congressional district—your libraries, your readers, your constituents.

The General Accounting Office is also in title II and is an extremely important part of the legislative branch, as well as the entire Government. The GAO sets our accounting standards, does financial audits of Government programs and corporations, reviews program results, does studies, and is an overall watchdog in assisting the Congress and the American people. According to Comptroller General Charles Bowsher, the GAO had measurable financial benefits of $8 billion in fiscal year 1989, that's a return of $20 for every $1 we appropriate to GAO. And those savings are only part of the story, GAO studies are a major assistance to congressional committees in carrying out their responsibilities. How many times have you seen a GAO study lead to a major improvement or serve to raise an issue that was otherwise buried in the bureaucracy?

They sounded the warning on the S&L problem several years ago. They ferret out waste at the Pentagon, and keep Federal contractors on their toes.

We also have a small agency with a big responsibility—the Copyright Royalty Tribunal. The tribunal sets royalty rates for the cable TV industry, for jukebox and phonograph records, and for public broadcasting. They also distribute royalty funds to the performing rights societies for jukeboxes and the cable industry. This agency distributes over $200 million each year in royalties to copyright owners in the music and cable television industries.

Then there is the Superintendent of Documents, a part of the Government Printing Office. That program distributes Government documents to over 1,400 Federal depository libraries all over the country. They sell or distribute free about 110 million publications yearly to the general public, depositories, and Federal, State, or local entities. In many ways, that program brings the Government as close to the average citizen as any program in the entire Federal structure.

Of course, we also have the Office of Technology Assessment, the Congressional Budget Office, and the Congressional Research Service in title I who do very important work for the House and Senate. Their studies are widely reported and respected.

As I have outlined, this is not a bill that solely funds the House and Senate. It is an entire branch of Government, one of the three coequal branches. I hope that Members will remember that when they vote on this bill, and when they explain its contents to our constituents.

GENERAL PROVISIONS

I know the Members have read the bill. There are several general provisions, many of which have been in year to year. But I want to reference a few of the new ones.

We are approving the Capitol security plan—the so-called whip's security proposal. This will place a hedge around the east front plaza, and a small fence will control access on the west front. That may be onerous to a few, but remember there is a fence at the White House and there used to be one at the Capitol. We are only talking about a 3- to 4-foot hedge.

And this will produce many benefits for our visitors and those who work here.

We will be able to channel the tourists to two official entrances for all the necessary screening, similar to that at the White House. Eventually, we can get rid of all the walk throughs, x rays, and other security paraphernalia that surround us.

We can get on with the job of making the east plaza an attractive pedestrian area. A couple of fountains, some attractive paver blocks, sit-down areas, and so forth. We can finally remove the unsightly blacktop.

Our visitors really deserve an area where the Congress and its workings can be explained to them. For most, this is the first and only trip to their Congress in their lifetime. The treatment we now give them, or lack of it, is neglectful. For a modest cost, we can increase the value of tourist visits to the Capitol immeasurably.

The first step is to approve this security plan. And the best part about that is that it is already funded. We provided the security funds in a 1986 supplemental.

We also have included the drug free workplace language added last year to the bill by Mr. WALKER.

COMPARISONS

In conclusion, Mr. Chairman, we have developed some interesting comparisons and they are on the chart behind me.

[Chart not reproducible in the RECORD.]

Since 1978 the legislative appropriation has grown at an average annual rate of 5.8 percent. The executive budget has grown at an annual rate of 8.0 percent. The CPI has grown at an annual rate of 5.8 percent. That is, the legislative branch has just about stayed even in real terms while the rest of the Federal budget has grown at an annual rate about 38 percent higher.

This year, when you make the adjustment to reflect the fiscal year 1990 mail deficiency, the growth is 6.4 percent. That is a reasonable projection, Mr. Chairman, for a branch of the Government that is almost totally personnel intensive.

Those who oppose the bill will try to use a higher percentage. But they will be stretching reality.

In summary, this is a realistic budget.

We have tried to protect core legislative functions. Members can be assured we have trimmed the maximum, but the House will have the funds needed for essential operations. There is no need to apologize for this bill, or to make meat ax reductions.

I urge an "aye" vote for the bill.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. FAZIO] has consumed 10 minutes.

Mr. LEWIS of California. Mr. Chairman, my chairman, VIC FAZIO, was most gracious in his comments regarding our working together.

Mr. Chairman, I might say to you and to my colleagues who are present that while it has been a privilege working with Mr. FAZIO and my other colleagues on the subcommittee, this year in particular was one of the more difficult years of our past decade of our experience together.

Across the country our citizens face the prospect of economic crisis. That is reflected in the debate both in this House and in the other body. Indeed, the Congress struggled to make a significant contribution to balance the budget and help to make sense of our economy, and as we do so, there is a great tendency to look directly at this institution.

This appropriations bill is the one whereby we fund or do not fund the various responsibilities and activities of the Congress. There is always a tendency in a body like this to exercise ourselves in a way, in a thing known as self-flagellation. It is an easy thing to point at the institution and pretend that we are whacking away there, showing how tough we are on spending. The fact is that this bill is relatively moderate compared to the other appropriation bills that will come to us.

Indeed, there has been an effort in every section of this bill to very carefully evaluate each expenditure to see if we can hone back and indeed tighten our own belt.

If all of the amendments that have been addressed within the rule are passed today, the bill finally will reflect somewhere in the neighborhood of a growth of 6.8 percent for the total legislative branch appropriations package.

When you consider the fact that this bill also reflects adjustments in income schedules that do not reflect expenditures beyond inflation but rather a catchup for many of our employees, indeed the bill does, itself, involve a good deal of restraint on the part of the legislative branch.

It is important, I think, as we address this measure, as we talk about other kinds of cuts that might be appropriate from the view of the House on both sides, we should remember that if this body is to operate effectively and professionally in the years ahead, we have got to do something about the way we attract and keep excellent personnel to serve the Members of the House and the constituents whom we, in turn, try to serve.

There is indeed a good deal of turnover among our professional staff, changing at a rate that is much more intensive than most people would recognize.

There is a popular perception that our professional staff come and stay forever, 10, 15, 20 years. Indeed, that is not the case. There is very rapid turnover within our committees and in our personal staffs, in no small part because we have not maintained a competitive edge in dealing with those others who look to find the best of the best that come to the Halls of the Congress.

I expect that we will have a good deal of interchange from Members who want to cut specific elements of this bill during the short time that we have ahead of us.

If I could suggest one thing in closing, to my colleagues, I sense in the House a desire for some restraint. We have had a good deal of combative confrontation in recent weeks in the House.

This is Sunday, among other things. I can sense a kind of quietness out there. If we can take that quiet feeling to our bosom, we might very well be able to complete our work on this bill in a very relatively short period of time. If that is the case, we may on this Sunday be able to go back to our

homes and even enjoy one of the Nation's favorite pastimes, that is, the Redskins, who are on the football field this afternoon.

If nothing else, my friends, a birthday gift to your friend would be appreciated in that connection.

Mr. Chairman, I reserve the balance of my time.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT], from Youngstown, OH, I believe, who is a football player of some renown himself.

Mr. TRAFICANT. Mr. Chairman, I was a football player, and they are playing a game at Redskins Park. I want to tell my colleagues if you go outside and look up in the air, you will not see a Goodyear blimp, you will see a Fuji blimp circling RFK Stadium.

I am in opposition to this bill. I think there is a great chairman here and a great vice chairman. But here is why: Any Congress that will continue to increase foreign aid, not even cut it but increase it, and keep paying money for the defense of Japan and Germany does not deserve a pay raise. I know Members are going to get mad at me for this. We are asking the American people to eat more taxes. We have got all these budgets that are circulating around the Capitol, and they all stink. They all stink.

Not one of them, in my opinion, is anything better than token.

There is nobody who works harder than Congress. This is crazy. I feel for many of the people who have been here for a long time. You deserve more money than what is in the bill. The American people do not understand it.

Frankly, let me tell you how I feel. If we are going to keep taxing people, keep taking money out of Social Security, keep increasing premiums for Medicare, then I have only one thing to say: I cannot support this bill because it has a big pay raise for Congress and the American people are fed up.

They are so fed up, don't worry about the Fuji blimp circling over RFK and D.C., start worrying about taxpayers circling the Capitol here.

I oppose it. I have nothing against——

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. TRAFICIANT. I yield to the chairman of the subcommittee, the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the gentleman for yielding.

Mr. Chairman, I appreciate the gentleman's concern about burden sharing or the lack of reduction in foreign aid, et cetera. I just wanted to clarify, though: There is no pay raise for Members of Congress in this bill. I understand it might be logical for one to assume that, but in fact it is not in this bill.

Mr. TRAFICANT. What bill is it in, Mr. Chairman?

Mr. FAZIO. It is a premanent appropriation, it is a piece of legislation—the Ethics Reform Act of 1990. This is an appropriation bill. It is not included. I just thought I would clarify that.

Mr. LEWIS of California. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. DANNEMEYER].

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Mr. DANNEMEYER. Mr. Chairman, I thank the gentleman from California [Mr. LEWIS] for yielding this time to me.

Mr. Chairman, I rise in opposition to this bill. I listened to the statements by the gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. LEWIS], my colleagues, and, the people in the House listening to their statements would almost think that this bill is an example of parsimony and thrift. I mean, if this bill is an example of parsimony and thrift, it is also realistic for us to say that the Democrat claim that their tax bill redefines the rich to be anybody who works in America is accurate. That is nonsense.

Mr. Chairman, last year this item consumed $1,538,355,000 plus. This year the proposal is that we appropriate or authorize $1,747,514,000.

I do not know how my colleagues define that, but that represents an increase of $209-plus million. This is a 13.6-percent increase.

Mr. Chairman, at a time when we are asking the American public, not with my vote, but some in this Chamber, to raise people's taxes, that we in the House would suggest we could justify an increase of 13.6 percent in the appropriation is not my idea of parsimony and thrift. It is an example of excess, and it should be diminished.

I intend at the appropriate time to offer an amendment that will cut this appropriation by 8 percent, which would reduce it by $139.8 million, and the resultant amount that would still be available to be expended represents an increase of 4.5 percent over what was spent last year.

If we just had the courage to limit appropriation bill in this House to 4.5 percent over what was spent in the year previously in the decade of the eighties, the budget of the U.S. Government today would be in balance. But we, as an institution, have not exhibited that kind of courage.

Indeed, the outlay increase in 1990 over 1989 was—I am going to read down the previous years 10 percent, 7.4 percent, 6 percent and so on. And the increases that we have authorized in 1 year over the preceding year are the reason that we are in this deep difficult trouble today. Enclosed is a chart showing this date.

HOLDING GOVERNMENT SPENDING TO INFLATION OUTLAYS: COMPARING ACTUAL TO CPI–INDEXED [1]

[Dollar amounts in billions]

Fiscal year	Actual revenues	Actual outlays	Deficit/surplus	Increase in percent—			Outlays held to CPI	Deficit/surplus	Including defense [2]
				Revenue	Outlay	CPI			
1980	$517	$591	−$74	11.7	17.5	12.5	$591	−$74	−$74
1981	599	678	−79	15.9	13.9	8.9	644	−45	−69
1982	618	746	−128	3.1	10.8	3.8	668	−50	−77
1983	601	808	−208	−2.8	9.3	3.8	693	−92	−117
1984	666	852	−185	10.8	5.4	3.9	720	−54	−71
1985	734	946	−212	10.2	11.0	3.8	748	−14	−40
1986	769	990	−221	4.8	4.7	1.1	756	+13	−7
1987	854	1,004	−150	11.1	1.5	4.4	789	+65	+56
1988	909	1,064	−155	6.4	6.0	4.4	824	+85	+76
1989	991	1,143	−152	9.0	7.4	4.6	862	+129	+115
1990 [3]	1,044	1,264	−220	5.3	10.6	4.8	903	+141	+145

[1] 1980 as base.
[2] Includes defense buildup (in addition to CPI), illustrating that defense spending did not fuel excessive growth in outlays.
[3] Estimated.

So, Mr. Chairman, it is for this reason that I believe that the amendment to cut this bill by 8 percent is appropriate.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I thank the gentleman from California [Mr. DANNEMEYER], my friend, for yielding.

First of all, Mr. Chairman, if the gentleman had listened carefully to my introductory remarks, we are expecting to have two amendments adopted, both of which will be en bloc amendments which will reduce the bill

markedly. After those two amendments are adopted, which will be the first two offered——

Mr. DANNEMEYER. How much is the gentleman from California [Mr. FAZIO] going to reduce it by?

Mr. FAZIO. That will be reducing by some 16.2 million in one case; in another, 26.1 million, for a total of 42. So, we will——

Mr. DANNEMEYER. Mr. Chairman, the addition of the gentleman from California [Mr. FAZIO] is not quite right.

Mr. Chairman, I will reclaim my time. Sixteen point two and 36 is 52.

Mr. FAZIO. Twenty-six; excuse me.

The CHAIRMAN. The time of the gentleman from California [Mr. DANNEMEYER] has expired.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DANNEMEYER] from my side.

Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. FAZIO. It is a combination of two amendments which add up to $42 million.

When my colleagues take that into consideration, and when they take into consideration, in addition, the fact that we are carrying a supplemental funding for postage from a prior year, this bill is increased 6.4 percent over the last year.

Now the average, I will admit, over the last decade is 5.8 percent.

The Congress has come in annually below the executive branch; 5.8 percent is the average for the last 10 years.

Mr. DANNEMEYER. Mr. Chairman, I will reclaim my time.

Mr. FAZIO. We are slightly above this year but we have been on average for the last——

Mr. DANNEMEYER. Mr. Chairman, reclaiming my time, I say to the gentleman, "When you reduce it by $42 million, you're moving in the right direction. My amendment would take out $139 million, and, if you'll join me in doing that, I think you would get my support for the bill."

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, the amendment of the gentleman from California [Mr. DANNEMEYER] would take us well below the level of spending for last year, and of course that overlooks all of the——

Mr. DANNEMEYER. Wait, wait. Maybe I have the wrong figure.

The figure that I have that was expended in this category in fiscal year 1990 is $1,538,355,500. Is that accurate?

Mr. FAZIO. Mr. Chairman, the gentleman and I will go round and round on this for the rest of the day. We might as well proceed with the debate.

Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield 7 minutes to the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Chairman, it is ironic that after all these days and weeks and months of hard work on a deficit reduction package;

It is ironic that right after we pass a hard-won reconciliation bill;

It is ironic that after all our hard work to fight off ill-conceived Medicare cuts and disastrous home heating oil taxes hurting our vulnerable citizens;

It is ironic that after all the blood, sweat, and tears we finally pull up the last appropriations bill to reach the floor: the bill to feather our own nest.

We've saved the best for last!

But, we must get the job done, and as long as we're here, we owe it to the taxpayers to bring the most responsible bill forward we can.

This is one of the most difficult bills to write, and even more difficult to shepherd through to enactment.

And I'm not a bit sheepish when I say my hat's off to Chairman WHITTEN, and to that dynamic duo—Chairman FAZIO and Mr. LEWIS—who labor so hard each year to bring us a bill the flock can stand behind.

And I'll tell you how far I'm standing behind it after we finish today.

Yes, it is true that this bill is under the request, and with changes we will make today, safely under our revised 302(b) allocation.

But don't let me pull the wool over your eyes—I might be confusing some of my colleagues who just came in—they'll think we're back on the Agriculture bill.

H.R. 5399 is still 12 percent over last year's appropriation, and we can't really say we held the line. It's more like the line is holding us. We can do better.

Mr. Chairman, I want to talk to you of priorities. You've heard me say it before, and you'll hear me say it again.

We're just trying to do too much with too much.

We've got funding for 1,342 police in this bill, 657 on the House side. That's one police officer per 20 staff.

We've got funding for 52 garage attendants—17 in one building alone.

It's a never-ending spiral.

Offices clamor for more parking. We send people down to the garages and repaint all the lines. We hire more men to park more cars. The empire grows.

I took a lot of grief last year when I came to the Chamber and warned about the empire that's being built right under our noses.

"Fort Russ" I called it, and some of my colleagues didn't like that. Well, Mr. Chairman, they won't be laughing so hard when the empire strikes back.

When I came to Congress, there were 216 police. Those were the days. We outnumbered them.

Now there are six times that many.

□ 1430

Tell me somebody's not building an empire. I should introduce a bill to rename the Capitol "the Empire State Building." Truth in advertising.

When I came to the House, there were 3,600 staff. Now there are almost 12,000. You tell me why we need that many. Better yet, you tell my constituents because I sure can't explain it to them.

I am submitting a chart outlining the astounding growth in House staff over the past 45 years.

EMPLOYMENT STATISTICS [1]

Year	Clerk hire	Committee	Others	Total
1945	1,442	159	495	2,096
1950	1,960	180	606	2,746
1955	2,307	376	558	3,241
1956	2,412	411	606	3,429
1958	2,339	442	822	3,603
1960	2,582	444	814	3,840
1961	3,089	505	746	4,340
1962	3,039	492	836	4,367
1963	3,396	511	617	4,524
1964	3,510	588	806	4,904
1965	3,941	560	885	5,386
1966	4,281	613	1,293	6,187
1967	4,482	531	1,468	6,481
1968	4,531	637	1,141	6,309
1969	4,591	739	1,199	6,529
1970	4,996	758	1,268	7,022
1971	5,980	723	1,658	8,361
1972	5,727	992	2,194	8,913
1973	6,125	1,024	2,080	9,229
1974	6,313	1,225	2,413	9,951
1975	6,827	1,642	1,780	10,249
1976	6,738	1,859	1,688	10,285
1977	6,859	2,169	1,885	10,913
1978	6,952	2,143	1,891	10,986
1979	7,224	2,034	1,984	11,242
1980	7,329	2,067	2,010	11,406
1981	7,652	1,987	2,085	11,724
1982	7,540	1,989	2,035	11,564
1983	7,861	2,133	2,080	12,074
1984	7,627	2,115	2,088	11,830
1985	7,811	2,213	1,856	11,880
1986	7,271	2,088	1,757	11,116
1987	7,496	2,241	1,871	11,608
1988	7,390	2,193	1,908	11,491
1989	7,439	2,200	1,960	11,599

[1] The above statistics are stated for the month of December for each year except as noted.

Every one of you should keep this right out on your desk to look at each time you vote.

I'll get those little plastic cards made up and you can keep one in your wallets. It's must reading in our fiscal responsibility 101 course.

And when we see the votes on the amendments I plan to offer later, we'll know how many will pass.

It really does boil down to a matter of priorities.

We've got 31 million people in this country with no health insurance.

In the past year, 1.3 million people were added to the food stamp rolls.

We don't have enough money to fund the Ryan White AIDS bill the President signed.

And look at the Capitol Police account alone. Listen to this. Listen to this.

We paid $950 last year "for application of braid on officers' uniforms"; $950 on gold braid.

We pay for all their dry cleaning costs. We send them to officers' school so they can sit at their desks.

People are going hungry and we're spending the money like this. I think it is crazy.

Topping the list of priorities should be garage reform. You are always wanting to reform something around here. Garage reform. You think I am kidding? No, I am serious.

Our inability to deal with a problem everyone can readily see undermines confidence in Congress as an institution.

Some Members say "Why aren't you all worried about the number of elevator operators, too?"

I say, "At least they have a natural limit: One per car."

But that's exactly what I am worried about with the parking lot attendants. I think we've got at least one per car.

I'll have an amendment later to rectify this situation.

Finally, a notable omission from this bill has been franking reform. And I'm glad we're going to have a bipartisn amendment to fix that flaw, as I understand it.

I want to commend Members on both sides of the aisle for working this out. I am looking forward to voting for that later on.

We began the whole process leading to real franking reform in May when we took up the first supplemental.

The House finally began to wise up.

By a 161 to 208 vote, we refused to approve the bill's $25 million fund for runaway mail costs. And then we adopted my motion to strip this from the bill.

"Let's look at where our franking money is going," we said with that vote, and it wasn't a very pretty picture.

This amendment holds out the promise things will be a lot better this year.

And I hope the vote will be even better, too.

It is a fine line we must walk to balance programmatic needs against the need for budgetary restraint, but walk the line we must.

We've made some progress in this bill, but we can do more.

Deficit reduction begins at home. Let's keep cutting.

Mr. FAZIO. Mr. Chairman, I yield myself such time as I may consume.

First of all, I would like to respond briefly to my friend, the gentleman from Massachusetts [Mr. CONTE]. The gentleman is a valued member of this Committee on Appropriations and of this body, and is also a member, as I indicated in my earlier remarks, of the subcommittee.

I can only tell the gentleman how much I would appreciate his participation in the work of this subcommittee, so that we could resolve some of these issues related to the police and to the garage attendants in the context of our subcommittee and in the markup process, so that when we bring the bill to the floor, we could have his unanimous support. I look forward to having his amendments. I am convinced some of them are worthy, and I may be able to support them. I would appreciate his ongoing and active involvement in the work of the subcommittee.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I will be happy to yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, of course I would like to participate. The gentleman knows the load I am carrying. I was on the budget summit for 5 months, as well as on 13 subcommittees. The gentleman from California [Mr. FAZIO] knows better than anyone how I feel about those garage attendants. I have talked to him time and time again about them.

Mr. FAZIO. Mr. Chairman, reclaiming my time, I know how busy the gentleman from Massachusetts [Mr. CONTE] is. I also know how the gentleman enjoys bringing the police and garage attendants to the floor every year in an attempt to embarrass this committee. I also know that the gentleman is the Member who moved in our conference last year to eliminate the use of the frank, and then sent a note to the people of his district telling them how sad he is he could not send six newsletters out the next year as he had the year before.

This is not what I had in mind for a Sunday afternoon here in Washington. I want people to be aware of the fact that we play games with this bill.

Mr. CONTE. If the gentleman from California [Mr. FAZIO] will yield further, I am not playing games; the gentleman is playing games. The gentleman has been aware of my position all along.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I would like to inquire of the gentleman from Massachusetts [Mr. CONTE] whether he has found his stereo yet that he lost in the garage.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I will be happy to yield to my friend the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, in an attempt to return a bit of comity to this discussion, I think it is important to point out that during the deliberations of our committee there was considerable input from the Sergeant at Arms, as well as the Chief of Police, about the need and their intention to progressively reduce the number of police officers around the Capitol, while we work very intently to improve the quality. The importance of having professional law enforcement staff attached to the Capitol should not be considered lightly, for indeed citizens who visit the Capitol do know that we live in very difficult times. A quality police force designed to protect the Capitol and the Members and the citizens who visit here is very important to us. Indeed, I would suggest it is important that Members not only recognize, but support the idea that these dangerous times do deserve quality, positively supported police and law enforcement as well.

Mr. Chairman, I appreciate the gentleman yielding.

Mr. FAZIO. Mr. Chairman, reclaiming my time, I appreciate the comments of the gentleman from California [Mr. LEWIS]. I think it is a very responsible response to the question about having too many policemen here. We are involved in the Mideast in a very serious engagement in the Persian Gulf with a man, Saddam Hussein, who is very much involved with terrorism all around the world. We are today in Washington as vulnerable to terrorist attacks as we have been at any time in our recent history.

This administration understands, I think, the potential for terrorism. I sometimes question whether Members on the Hill do.

We have a lot to do, for example, to preserve the safety of people who work on Capitol Hill. We have not been able to reach agreement on a security plan. I hope in this legislation we will force Members of the Senate and the House to face up to the need to have a security plan in place.

Our police have to be better trained. I am very supportive of the proposal of the gentleman from Massachusetts [Mr. CONTE] to move in the direction of more civilians, so that we could have more uniformed people playing significant roles in protecting not only the people here from external threat, but from the crime that does occur around Capitol Hill.

Our police have improved. They are not perfect, but we can be proud of the fact they are no longer a group of people here on patronage. They are well trained, and in fact are often taken away by other police departments who pay them more money, who want their quality, when we do not adequately compensate them well enough to keep them here.

As the gentleman from California [Mr. LEWIS] has said, I want to be a defender of the general trend of improvement we have seen in our law enforcement activities.

Mr. DURBIN. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I would be happy to yield to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Chairman, I would like to say in support of the chairman of the subcommittee, there are some things that should be mentioned here which those Members listening to this debate may have forgotten.

It was not that many years ago that someone positioned himself in that gallery to my right with enough explosives on his person to do great damage to a number of tourists, Members, and innocent people.

Security is an ongoing concern. We know that tens of thousands of Americans who come to the Nation's Capital with their children and families each year, who understand they are going in a big city, and frankly may be subjected to some pretty dangerous situations, we like to believe that when they are visting the Nation's Capital and they are in the Nation's monuments and museums, that they are going to be protected and safe. I think at a very minimum that is what we should ask.

Very recently there were some demonstrations on the steps of the House of Representatives, some that embarrassed, I guess, many people. Someone threw a container of blood on the Capitol pillars out here. It took many weeks to remove it.

This shows that despite our best efforts and hopes and dreams, there are people out there who are disruptive and dangerous.

Mr. Chairman, I am sorry that we have to have as much security as we do. It is a sad day to consider what those who visit this Capitol must go through, but it would be even sadder if the men and women who were represented by the Members of Congress should come and visit this Chamber, come and visit this Capitol, and not feel that they were safe even on the grounds of the Nation's Capitol.

Mr. Chairman, I salute the members of the subcommittee. This is not an easy assignment, to come in year-in and year-out and argue for this appropriation. I am certain that the gentleman from Massachusetts [Mr. CONTE] can point to some savings, and I hope I can support him.

Overall I think the folks that have the responsibility for security in this building perform a valuable service, not just for the Members of Congress, but for the tens of thousands of Americans that come to visit us each year.

Mr. FAZIO. Mr. Chairman, reclaiming my time, I appreciate the comments of the gentleman from Illinois [Mr. DURBIN].

I would like to clarify some remarks that were made in colloquy with the gentleman from California [Mr. DANNEMEYER]. The total budget authority from 1978 to 1991 for all Government activities in the Federal Government reflects 8-percent compounded growth per year. Eight percent.

The judicial branch of government during that same period of time, 1978 to 1991, reflects a 12.3-percent rate of real growth.

The legislative branch is 5.8 percent, which happens to be, by the way, exactly what the Consumer Price Index was for that same period of time. So we are almost 2.2 percent, on an annualized basis, below the amount of money that has been spent by the executive branch as an increase over the prior year. That is a good indication of exactly where this body has been on an annual basis. We have been willing to hold the line. I am very pleased with that.

Mr. DANNEMEYER. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I would be happy to yield to my friend, the gentleman from California.

Mr. DANNEMEYER. Mr. Chairman, I asked a question of the gentleman from California [Mr. FAZIO] before, and I will ask it again: Is it correct to say that in 1990, the preceding fiscal year, in this category we appropriated $1,538,355,500?

□ 1440

Mr. FAZIO. I will stipulate that to the gentleman from California. I do not have the number immediately in front of me, but I will stipulate to that for the purposes of discussion.

Mr. DANNEMEYER. I thank the gentleman for further yielding, and this bill today proposes we authorize $1,747,514. That is an increase of $209,158,500, a 13 percent, 13.6-percent increase.

Mr. FAZIO. I already explained to the gentleman from California in the earlier discussion that there will be two amendments here that will take it down another $42 million, and when we factor in, as I think we must, the fact that we are carrying $33 million over from supplemental postage costs from the prior fiscal year, it gets down to an increase of 6.4 percent over last year, which is very much in keeping I think with the traditional lower number which we have had on an annualized basis.

Mr. DANNEMEYER. If the gentleman will yield further, and I thank him, when we reduce it by $42 million, at least we are going in the right direction.

Mr. FAZIO. I know we are going in the right direction, and I appreciate that no matter how far we go in that direction we will not have your support. But we do need people like you, we do need people to continue to make an effort.

Mr. DANNEMEYER. I am sincere about this.

Mr. FAZIO. People to keep us on our toes and make sure we do our best to bring a bill here that can have bipartisan support, even without your support.

Mr. DANNEMEYER. Will the gentleman yield further?

Mr. FAZIO. I am happy to yield to the gentleman from California.

Mr. DANNEMEYER. I will say to my friend from Sacramento, if you accept my amendment cutting this bill by 8 percent, I will vote for the appropriations measure. That would still let us grow 4½ percent.

Mr. FAZIO. I think the gentleman has already heard that we are cutting from 13.6 to 6.4, and he should take some satisfaction in that. The next thing we will have to do is to put the legislative branch on the gold standard, which I know will get the gentleman's support.

Mr. DANNEMEYER. Does the gentleman want to talk about that today? My amendment would take it down.

Mr. FAZIO. Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, in order to make sure that this debate is not dominated by Californians, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON].

Mr. GUNDERSON. Mr. Chairman, I want to rise first of all and pay tribute to both the chairman and ranking member. They have an impossible task, and I think every one of us ought to understand that and we ought to appreciate it.

My reason for coming to the floor this afternoon is not that we have a legislative appropriation in front of us, which we do, and not that we have it on a Sunday afternoon, which we do, and which is fine with me. I am willing to work. What I have a problem with is this Congress is willing to spend something like $1.7 billion on legislative appropriations, much of which is obviously for legitimate business, but nobody can deny some of it is for helping in providing the incumbents of this Congress with the advantages we have when we go into the elections.

We have to fund the legislative process, no problem with that. My problem is if we can meet on Sunday afternoon to do legislative appropriations, why can we not at the same time have the conference committee on campaign reform meeting? We are going to within 2 weeks have national midterm elections in this country. Is there any doubt in anybody's mind that we are going to continue to have the lowest turnout of any democracy in the world?

Why? Because the American people feel disenfranchised. Between the role of special interests and big money and the advantages of incumbency, they say, "Why vote?"

Everybody talks about the anti-incumbency in this country. It is not

going to happen, because the filing deadline conveniently occurred before the public figured out what was going on in this Chamber. So most Members of both parties do not have serious opponents, and most Members will be reelected.

Why? Because we are willing on a Sunday afternoon to do legislative appropriations, but we are not willing at any time to do campaign finance reform. And if we do not get it done this session, is there anybody who believes in the next session before the major realignment elections of 1992 that we will enact campaign finance reform? It is now or not for a long time.

This is why the American people are cynical about the Congress, not what we are doing here this afternoon, but more importantly what we are not doing that we should be doing.

Mr. FAZIO. Mr. Chairman, I reserve the balance of my time.

Mr. LEWIS of California. Mr. Chairman, I yield 4 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Chairman, later in the proceedings there will be an amendment offered by the distinguished gentleman from California, chairman of the Appropriations Subcommittee, and myself to make changes in the franking account, and in the rules that govern the way we mail in this institution. I think the change we will offer is a very important step toward accountability, and I hope the Members of the House will consider it carefully when they cast their votes.

The gentleman from California [Mr. FAZIO] had a number of ideas on franking and so did I. The compromise agreement that we arrived at did not contain all of the things that the chairman wanted, nor did it contain all of the things that I wanted. What it does, above all else, however, is to provide that there will be disclosure of mail costs for each individual Member.

There is what I consider to be a very easy maximum put on each Member for mailing costs. I believe that that easy limitation will enable us to mail without any difficulty all of the things that the Members wish to mail, even in this election year.

The limitation is not going to be very restrictive. The clear advantage of this amendment is to make available to the public for the first time the mailing costs of individuals.

This amendment is supported by such an unusual grouping of outsiders as Common Cause on the one hand, and the National Taxpayers Union on the other. I think that outsiders who are watching what we do will be very observant as to what we do to ourselves and our mail account this afternoon. If it looks like we are willing to stand up for some accountability, I think the public will feel pretty good about it.

I am always critical of this subcommittee, but I think the subcommittee knows that I try to be critical constructively without disturbing what it is doing. I believe that we should freeze our spending on all appropriations bills, and I will have an amendment later in the proceedings that will freeze spending in this bill.

The gentleman from California, distinguished subcommittee chairman, will offer an amendment to take a bite out of the total, and so my amendment, when added to his, is structured to try to take us back to last year's spending.

Because I have an across-the-board spending cut does not mean that I think the reductions should be across the board. I would expect first of all if my amendment passed, to faint and need to be revived by the rescue squad. Second, I would expect that the reduction would be restored in conference. But in the unlikely event that the cuts would be retained, I would expect that the conferees would make changes to protect those areas in the bill that they thought were absolutely essential.

In fact, I believe that the Library of Congress, despite my cuts, should not be reduced. I think it needs the spending allocated here, and more. I believe the same of the Government Printing Office.

I do not have those rosy feelings about GAO, which I consider to be a grossly overfunded and bloated bureaucracy. I have somewhat the same feeling about the Legislative Research Service of the Library of Congress. And I believe the agency which could be most easily zeroed out is the Office of Technology Assessment, which as far as I know has never been good for much of anything around here.

But, nevertheless, to preserve the ratios that the committee has set forth, my amendment will try to cut about 8.9 percent, and it is calculated to take us down to zero growth in fiscal year 1991.

□ 1450

Mr. Chairman, I hope both the franking amendment and my general reduction amendment are adopted.

Mr. LEWIS of California. Mr. Chairman, I yield 4 minutes to the gentleman from Illinois [Mr. PORTER], a member of the committee.

Mr. PORTER. Mr. Chairman, I thank the gentleman from California for yielding.

Mr. Chairman, the larger issues are going to be generally raised in the debate on the amendments, but I want to highlight for the membership three "green" reasons for supporting passage of this bill.

First, we have asked the Architect of the Capitol to set a timetable for the installation of efficient lighting systems in all congressional buildings. A retrofit of congressional lighting systems could cut the Government's energy bills by 30 to 40 percent and lower costs for maintence.

We have asked the Architect also to begin in earnest a congressional waste separation and collection program this fall. In addition, we have pointed out the necessity for Congress to follow the same rules that apply to the States and, in our case, to make sure our waste removal systems are consistent with the District of Columbia's laws.

Mr. Chairman, too often the Government exempts its buildings from such standards. When it comes to recycling, this should not be, and cannot become, the case.

Finally, when the Nation has come to the realization that collection and separation of waste are only two-thirds of the recycling process, we have attempted to close the loop by purchasing recycled products for the use by the Federal Government.

To do its part, the Congress passed an affirmative procurement program for recycled paper in 1987. Since that time, however, we found that the standards set for the papers procured by the Government for printing and writing papers unintentionally precluded paper mills that utilize postconsumer waste from competing for Government contracts.

Post-consumer is a term used to describe paper which has entered and then has been removed from the waste stream. So while the real recyclers are excluded from competition, bidders who do not use any percentage of true post-consumer wastepaper compete for Federal contracts as recycled paper and receive a 10-percent cost-overrun allowance during competition for these contracts. To me, this seems disingenuous, especially if the paper has never seen the light of day.

This bill addresses the current inequities by asking the Joint Committee on Printing, which sets the standards for printing and writing paper used by the Government, to revise their standards to make sure that the paper contractors, who truly recycle—that have used post-consumer waste—not be excluded and will be able to compete on a level playing field with other so-called recycled papers for Government contracts.

Obviously this will be more consistent with the congressional intent to institute a proactive recycling program.

Mr. Chairman, I commend my chairman, the gentleman from California, my vice chairman, the gentleman also from California, and the other members of the committee for the good work they have done on this bill. The bill needs some amending in certain

particulars which we will be addressing today, but I would encourage finally its passage.

Mr. LEWIS of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. REGULA], a member of the Committee on Appropriations.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I just simply want to say that I agree with the gentleman from Wisconsin. We should be dealing with campaign finance reform. It is long overdue and, likewise, I agree with the gentleman from Minnesota in suggesting a freeze on the total and a reduction in the amount expended for franking.

One of the great weaknesses in the budget proposals we have had in the past 2 weeks has been the fact that they do nothing about nondefense discretionary spending. I think it is time that we start reducing that level of government.

In 1960, the legislative budget was around $130 million. Today it is 20 times larger, $2.3 billion, and, likewise, in 1960 we had 6,791 employees. Today it is 20,000.

This explosive growth of Government here on Capitol Hill needs to be brought under control. We need to set an example on deficit reduction. We should be leading in deficit reduction by example and not by saying that other parts of Government, Medicaid and so on, should be bearing the greater share of burden reducing the deficit.

Let us start with the Capitol Hill establishment.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I am not rising so much to rebut as just to point out to people who cite statistics that go back as far as 1960 that committee employees, for example, of the House since the year 1977 up until the end of 1990 have increased 82 people in 13 years, from 2,169 to 2,251. That does not seem to me to be a huge increase.

Members are authorized 18 permanent and 4 nonpermanent positions on their own staffs through their clerk-hire account. That has been in effect since July 20, 1979.

I do think that the legislative branch during the 10 years that the gentleman from California [Mr. LEWIS] and I have chaired and co-chaired this subcommittee has really kept the lid on employment.

If you look at the entire legislative branch during the last decade, I think you will find we have had a net decrease of over 250 employees in the legislative branch plus a more significant reduction at GPO due to their electronic updating.

It has been a very important issue to us, and one we take great pride in.

Mr. LEWIS of California. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, I am concerned, and I am concerned because of the 15-percent increase in our administrative staff's cost, and maybe that can be explained, and maybe the Stearns amendment later will handle it.

More than that, I am concerned that if we do not set an example in this area, how can we expect in other areas to demand a reduction.

I know that many of us were for the balanced-budget amendment, and I think it failed by seven votes. Indeed, I am disappointed that it has failed, and I hope that it will come back.

Artificial though it may be, Gramm-Rudman has set an example for us to give us guidelines. It is my understanding that in 5 years we will have a national deficit, or the total national debt, will be somewhere around $5 trillion. The interest on that alone will be devastating. It is now.

In the last 10 years the interest on our national debt is what, over $100 billion a year. That part of our budget would come very close to having a balanced budget right now.

Although my figures are perhaps crude in some respects, I think the spirit of my comments in there, and it is clear enough to all of us that we are creating a national disaster of fiscal irresponsibility that I think we all engaged in.

I think that we have to correct it, and I think it is by bipartisanship. Obviously it has to be bipartisan. It takes the majority of us, and I think we have to set examples for the Congresses in the future.

This cut that we are talking about now, unfortunately, cut out and hit the middle class almost exclusively as far as the bulk of it is concerned and the lower income.

Mr. LEWIS of California. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, I rise simply to note for the record that I had listened to the debate earlier about the debate over the need to pass this bill because of the need for security on Capitol Hill.

I do wish to note for the record that this bill provides for a $209 million increase in appropriations for the legislative branch in general, and the total security increases appear to be less than $4 million of that $209 million.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Michigan [Mr. TRAXLER], a member of the subcommittee.

Mr. TRAXLER. Mr. Chairman, I thank my distinguished friend from California for yielding me this time.

Mr. Chairman, let me command the two gentleman who have the responsibility for managing this bill. Mr. FAZIO and Mr. LEWIS. I know the months of effort, the hearings and the time that went into putting this bill together. I do have a question for the chairman.

Did I understand the gentleman correctly. Could he give me the numbers again on legislative personnel?

Mr. FAZIO. Mr. Chairman, Will the gentleman yield?

Mr. TRAXLER. I am happy to yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, in terms of what each Member in their own clerk-hire, in their own office can employ, we can now employ 18 permanent and 4 nonpermanent people. That has been in effect since July 20, 1979.

Mr. TRAXLER. 1979. That is over 10 years.

Mr. FAZIO. If the gentleman will yield further, that is correct. The gentleman is correct.

Mr. TRAXLER. What the gentleman is saying to me is that there have been no personnel increases in the Members' offices authorized in the last 10 years?

Mr. FAZIO. If the gentleman will yield further, the gentleman is correct, and in that same time, we have had many districts undergo major increases in population and, thereby, increasing workload.

Mr. TRAXLER. My mail has quadrupled in that time period, 400 percent in that time period.

Mr. FAZIO. The gentleman is correct.

Mr. Chairman, we have done our increasing workload with the same number of people.

Mr. TRAXLER. Mr. Chairman, could I have that information on the standing committees of the House?

Mr. FAZIO. The committee employees of the House have increased by 82, from 1977 to 1990, so that is an increase of a very, very small number from 2,169 to 2,251 in something like 13 years.

Mr. TRAXLER. I do not know that the Members of this body or the public appreciate that fact.

But I want to commend the two gentleman for their frugality, for their ability to say no, for their concern for the American taxpayer that they have demonstrated over the years in putting this bill together. There is no other, no other branch of government that can make the claims that this gentleman just gave us, and anybody who stands on this floor and denounces these gentlemen and claims that the legislative portion of this bill is extravagant simply is misleading the

American public and shamefully electioneering on this floor.

□ 1500

Mr. FAZIO. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, in conclusion, I was struck the other day when reading a piece of work by a colleague of mine, the gentleman from North Carolina [Mr. PRICE] who delivered a lecture at the Yale University Divinity School entitled "Ethics and Work of the Legislator." In that treatise, which I will include at some point in the RECORD, he quoted Richard Fenno, a political scientist who, I think, most of us know about and have respect for, who wrote a book about Members of Congress in their districts. He went into Members' districts and traveled with them, attended meetings and came away with some impressions.

Mr. Fenno describes as his greatest surprise, upon traveling with House Members around their districts, the extent to which each one "polished his or her individual reputation at the expense of the institutional reputation of Congress."

Mr. Fenno went on:

In explaining what he was doing in Washington, every one of the eighteen House Members took the opportunity to picture himself as different from, and better than, most of his fellow Members in Congress. None availed himself of the opportunity to educate his constituents about Congress as an institution—not in any way that would "hurt a little." To the contrary, the Members' process of differentiating themselves from the Congress as a whole only served, directly or indirectly, to downgrade the Congress.

To quote him further, "We have to differentiate me from the rest of those bandits down there in Congress," Fenno heard a Member say to a campaign strategy group. "They are awful, but our guy is wonderful." That is the message we have to get across.

Well, we have talked a lot in recent weeks about how the reputation of Congress has been damaged, but individuals rise above that, of course, in maintaining their popularity.

I think what we are seeing now is that Members no longer retain the ability to make that kind of critical comment about the institution in their districts. They bring it here to the House floor.

We have found increasingly that this bill becomes the centerpiece for an attack on the institution, so that some individual or some faction can gain some political advantage.

Now, we know that all the Members here today who vote yes or vote no will all have equally the same amount of funding, the same amount of benefit to derive. We are all in the same boat. Whatever we ultimately decide will apply to us all, relatively equally, certainly in terms of our seniority.

So I would only hope that Members today will vote on this bill based on what they truly believe to be appropriate, not in any sense a hypocritical vote that would somehow allow them to continue to benefit even as they vote no, sending a message to their constituents that they care about cutting something that they intend fully to utilize.

I think we have seen, particularly in the traditional debates that we have had about franking, enough of that sort of voting. I hope that today the franking reform will change that entire dynamic, allowing each Member to have an equal amount of funding so that they may decide how they will mail. I think it is symptomatic of the direction that we have to go in this institution. We have to be responsible, not only for ourselves, but for one-third of the government that our Founding Fathers created.

This is a balanced set of powers that we have here, executive, judicial and legislative, and we need a responsible body to stand up for those things that are legitimately within the purview of this institution. We cannot continue to be critical of ourselves at the same time we benefit from them on the side. We have to do a job for an institution that will long outlive us, and that is why I ask the Members to support us today as we oppose some of the more pernicious amendments that may be offered.

Mr. LEWIS of California. Mr. Chairman, I yield myself the remaining time.

Mr. Chairman, by way of closing out this part of the general debate, let me mention to the Members that as we discuss those amendments made in order by the rule, we will be reflecting a major effort to restrain the growth in the legislative branch. I would urge the Members before we attempt a process where we beat the institution for the sake of beating the institution, to remember clearly that we have a major reform in this bill, a major reform in the franking area that we have worked on for 10 years.

Should the bill not receive enough support to pass, the financing eventually will flow through a continuing resolution. Franking reform would be lost in that process.

Mr. KOLBE. Mr. Chairman, today the acid test to measure our commitment to deficit reduction is before us.

This one is about us. This is the one which cuts closest to home. This is the one that makes Members of Congress feel the pinch. What rationale will we dream up for pushing through the increases contained in this bill? This is the one without the pressure. There are no voters from our home districts writing letters or making phone calls. There are no representatives from special interests asking for protection from cuts in behalf of our constituencies. There are no editorials in home town newspapers expounding on the critical need to bolster the budget for the legislative branch.

No, the lobby for the legislative branch appropriation is all in-House. If we can't say no to ourselves, how can we begin to find the will to curtail programs which affect those who heap pressure upon request?

Today's votes will most accurately measure the House's willingness to share the burden with those who live beyond the Beltway. Unless we tighten our belt on this bill, our votes today will not be defensible before the American public. Clearly, these votes will reflect, in an immediate sense, the crisis of the Nation's budget dilemma.

Many here today will argue the merits of the programs and the necessary increase in funds contained in this bill. Indeed, in some areas, there is justification for increase. But what programs will we cut in order to increase these?

Of course the answer comes back to precisely the same issue which has, in the last several months, brought this Nation to the budget box canyon we're in. The stark reality is that many in this body are not committed to, indeed some are not even convinced that real deficit reduction is needed. That fundamental split has brought the wrath of the electorate upon the Congress for its indecision and ineffectiveness.

Taking a sample of what we have included in other appropriations bills lately, it is clear to me that there is not a mood of austerity in this House. Many don't take deficit reduction seriously, and many of the provisions in this bill attest to that fact. As has been the case many times before, Congress wants to exempt itself from any budget pain.

One example is franking reform. While most agree that a constituent has the right to a response to his or her letter, and that a town hall meeting notice serves the public good, the practice of papering our districts with self-promoting newsletters is an abuse of the frank.

I support the approach of the Fazio-Frenzel amendment which cuts back on the official mail allowance and discloses the costs incurred by each Member. For anyone who is serious about reducing the deficit, this should be an easy vote. It doesn't hurt anyone but an incumbent.

I support the other cost-cutting amendments to this bill as well. The American public is fed up with the tax and spend, business as usual, Congress. If we don't begin cutting pork at home, we'll continue to wallow in the mire of abysmal public opinion and gross economic mismanagement.

Mr. RANGEL. Mr. Chairman, I rise in support of H.R. 5399, the legislative branch appropriations bill for fiscal year 1991.

I want to clarify, however, the Appropriations Committee's report with respect to staffing requested by the Select Committee on Narcotics Abuse and Control.

The table on page 15 of the committee's report shows that the Narcotics Committee requested a reduction of two positions from fiscal year 1990 to fiscal year 1991. The 1990 request included three new positions for which the Select Committee sought funding from the Committee on House Administration in calendar year 1989. None of the funding sought for

these additional positions was approved for 1989.

Our fiscal year 1991 request to the Clerk asked for one additional position over the actual number of staff employed in September 1989, which was 16. Therefore, while the request to the Clerk for fiscal year 1991 was two less than the request made for fiscal year 1990, the 1991 request represented an increase over the actual staff on board, not a decrease as might be inferred from the Appropriations Committee report.

For calendar year 1990 the select committee received a funding increase from the House Administration Committee for additional staff positions. The committee's current staff level is 18, which includes two shared positions.

Contrary to the impression which may have been made by the report of the Appropriations Committee, the select committee has consistently sought increases in staffing to keep pace with its increased responsibilities for oversight of the national drug abuse problem.

Attached is a copy of my letter to the Honorable Donnald K. Anderson, Clerk of the House, which explains the select committee's fiscal year 1991 budget request.

SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL,
Washington, DC., September 29, 1989.

Hon. DONNALD K. ANDERSON,
Clerk, House of Representatives, Washington, DC.

DEAR MR. ANDERSON: This is in reply to your letter of September 8, 1988, concerning the select committee budget estimate for the fiscal year 1991. This estimate was to be based upon the 1990 budget estimate you have provided.

As you know, our committee had hoped to have some substantial increases in our staff during this fiscal year (1989). With the narcotics issue as prominent as it is, our workload has greatly increased, and this has created serious additional demands on our staff. Unfortunately, the Committee on House Administration did not think it appropriate to increase our funding level beyond 3 percent.

Your 1990 dollar amount estimate takes into account the fact that we did not get our requested increase in funding. However, the requested three additional staff positions for 1989, which we did not get, were included in your figures. We made the appropriate adjustments on schedules A, C and D to reflect our staff level of 16.

Under "Program Type Changes", we included funding for one additional staff person and travel expenses for additional field hearings. We also will need to replace our photocopier machine, and have included an additional $6,000 in our yearly equipment budget for that purpose.

If you have any questions concerning this submission, please contact Rebecca Hedlund of the Select Committee staff, at 6-3040.

With best wishes,

Sincerely,

CHARLES B. RANGEL,
Chairman.

Mr. GAYDOS. Mr. Chairman, I rise in strong support of the legislative branch appropriations bill for fiscal year 1991. This bill is a fiscally responsible piece of legislation which will limit the potential for growth in legislative branch expenditures. It is the product of a very rational and systematic process of reviewing in detail every budget request from the entities comprising the legislative branch. The bill, as skillfully crafted by the Subcommittee on Legislative Branch Appropriations, prudently balances the demand for fiscal restraint in the expenditure of public funds with the critical need for the legislative branch to discharge its constitutional responsibilities in an effective manner. Consequently, I commend the chairman of the subcommittee, Mr. FAZIO, the ranking minority member, Mr. LEWIS, and the members of the subcommittee for their hard and thoughtful work.

During the amendment period, the appropriation will be further reduced when Mr. FAZIO offers en bloc amendments to bring the bill into conformity with the new section 302(b) allocations necessitated by the latest budget resolution. As a result, the new total appropriation for fiscal year 1991 will be very reasonable and it certainly cannot be considered as excessive in any way. In other words, it will represent a true product of fiscal restraint and prudence.

In terms of understanding the relationship of the pending appropriations bill with the legislative branch budgets approved over the past several years, the committee report is very instructive. Since 1978, a year in which legislative branch operations stabilized, the legislative branch budget has remained approximately the same in real terms. As the report indicates:

The average growth since 1978 has been 5.8 percent per year, the same as price levels as measured by the Consumer Price Index. Congressional operations, title I of the bill (and adding the budget estimates for the Senate), also have been restrained, growing at only 6.3 percent annually. During the same period, the executive branch has averaged an 8.0 percent annual rate of growth, an increase in real dollars at an annual rate of 38 percent higher than the legislative budget.

Finally, I strongly urge my colleagues to support this bill. It is a very responsible allocation of Federal funds. In particular, I would recommend against supporting any indiscriminate across-the-board cut. Approval of such a cut would seriously negate the careful judgments made by the Appropriations Subcommittee during its meticulous budget review process. In fact, the adoption of such an amendment would impair the process itself and it would lead to unforeseen consequences. It would be a defeat for the House's effort to apportion its funds in a fiscally responsible manner.

Mrs. COLLINS. Mr. Chairman, I rise in strong opposition to the amendment to cut funding from the U.S. Capitol Police account.

Why is it that we are taking pot-shots at congressional employees? First, it was our legislative staff, now it is the Capitol Hill Force. I want to remind my colleagues that if we want competent professionals—in our offices and serving and protecting us—we must be willing to offer them compensation commensurate with other similar professionals.

Capitol Hill police officers do more than just direct traffic and respond to accidents. In fact, I wonder if my colleagues who support this amendment have seen the latest crime statistics for this area. Serious offenses such as rape and robbery are on the increase. These acts of violence are occurring in close proximity to the Capitol Grounds. Our officers are responsible for responding to these incidents and protecting us, our families and staff. And the drug epidemic which has swept the country does not stop at the edge of the Capitol. We know all too well that it has invaded our workplace.

In addition to responding to the threat and actuality of serious crime, the U.S. Capitol Police must be even vigilant to the potential for terrorist incidents. We haven't erected barricades and installed metal detectors for their aesthetic appeal, but rather in an attempt to guard against acts of terrorist violence. Our officers must be trained and equipped to handle such an emergency should our physical barriers be overcome.

Finally, these fine men and women go out of their way for us, doing such things as walking staff to their cars on distant parking lots, patrolling the nearby neighborhood streets where many Members and staff lives, and lending a hand in nonthreatening emergencies. If they were not around for just one day, we would all see just how we depend on them to keep things going smoothly around here.

Just as it isn't fair to try to balance the budget on the backs of the working men and women of this country, it is not fair to try to find a few dollars at the expense of congressional employees and police officers. I urge my colleagues to reject this amendment.

The CHAIRMAN. All time for general debate has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 5399

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Legislative Branch for the fiscal year ending September 30, 1991, and for other purposes, namely:

TITLE I—CONGRESSIONAL OPERATIONS

HOUSE OF REPRESENTATIVES

MILEAGE OF MEMBERS

For mileage of Members, as authorized by law, $210,000.

SALARIES AND EXPENSES

For salaries and expenses of the House of Representatives, $667,010,000, to remain available until expended, as follows:

Mr. FAZIO. Mr. Chairman, as provided in the rule, at this time I yield to the gentleman from Oklahoma [Mr. SYNAR] and the gentleman from California [Mr. MCCANDLESS], who are cosponsoring this amendment, for the purpose of offering the en bloc amendments numbered one and printed in the report of the Committee on Rules.

AMENDMENTS EN BLOCK OFFERED BY MR. SYNAR

Mr. SYNAR. Mr. Chairman, on behalf of the gentleman from California [Mr. MCCANDLESS] and myself, I offer amendments en bloc under the rule.

The CHAIRMAN. The Clerk will report the amendments en bloc.

The Clerk read as follows:

Amendments en bloc offered by Mr. SYNAR:

Page 2, line 8, strike "$677,010,000" and insert "$663,510,000".

Page 14, line 4, strike "$27,238,000" and insert "$22,721,000".

Page 14, line 4, strike "$8,925,000" and insert "$4,408,000".

Page 14, line 6, strike "$5,701,000" and insert "$2,184,000".

Page 14, line 12, strike "$4,964,000" and insert "$4,659,000".

Page 14, line 18, strike "$32,285,000" and insert "$30,950,000".

Page 14, line 18, strike "$4,160,000" and insert "$3,105,000".

Page 15, line 9, strike "$32,427,000" and insert "$31,827,000".

Page 17, line 15, strike "$57,543,000" and insert "$51,885,000".

Page 18, line 13, strike "$79,615,000" and insert "$77,365,000".

Page 20, line 13, strike "$182,458,000" and insert "$180,393,000".

Page 20, line 20, strike "$6,998,000" and insert "$6,965,000".

Page 21, line 7, strike "$23,118,000" and insert "$22,901,000".

Page 21, line 24, strike "$42,136,000" and insert "$41,136,000".

Page 22, lines 4–9, strike "$5,805,000" and all that follows through the period, and insert "$3,034,000".

Page 23, line 23, strike "$14,968,000" and insert "$14,868,000".

Page 28, line 2, strike "$26,500,000" and insert "$25,745,000".

Page 32, line 12, strike "$414,215,000" and insert "$413,215,000".

Mr. SYNAR (during the reading). Mr. Chairman, I ask unanimous consent that the amendments en bloc be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 510, the amendments en bloc are not subject to amendment or to a demand for a division of the question, may amend portions of the bill not yet read for amendment and if adopted, shall become original text for the purpose of further amendment.

The gentleman from Oklahoma [Mr. SYNAR] will be recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Oklahoma [Mr. SYNAR].

Mr. SYNAR. Mr. Chairman, I ask unanimous consent that half of my time, or 5 minutes, in behalf of the proponents of the amendments be given to the gentleman from California [Mr. MCCANDLESS].

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SNYAR. Mr. Chairman, this amount reduces the amounts in the bill by $26,073,000.

The legislative branch appropriations bill as reported from the committee was at the time within the 302(b) budget targets.

The new budget agreement sets a lower target. However, the en bloc amendments that I offer along with the gentleman from California are necessary to bring this legislation in line with that new, lower budget target.

The amendment makes the following reductions in the bill:

There is $3.5 million from the House of Representatives; $6,857,000 from the Architect of the Capitol; $5,658,000 from the Congressional Research Service; $3,005,000 from the Government Printing Office; $6,053,000 from the Library of Congress; and $1 million from the General Accounting Office.

This reduction of $26 million amounts to a 1.5 percent cut in the bill as it was initially reported from the committee.

Now, overall the bill is $12.6 million below the current budget target.

Mr. Chairman, I urge Members to adopt this bipartisan budget-cutting amendment, and as many Members have said who have preceded me today, let us show the American people that we are serious about cutting spending, including our own.

Mr. MCCANDLESS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I am pleased to offer this amendment together with my colleague from Oklahoma [Mr. SYNAR].

The amendment is straight-forward. It's an en bloc amendment that will put H.R. 5399 into conformance with the new 302(b) budget targets. It reduces the amounts in the bill by $26 million.

My colleague the gentleman from Oklahoma has outlined the specifics, so I will not repeat them.

This amendment is about setting priorities.

When this legislation was before the Appropriations Committee last July, the committee made tough choices, set priorities, and met the existing 302(b) budget targets.

The new budget makes it necessary to achieve $26 million in reductions.

We have worked carefully with the chairman of the Legislative Subcommittee, Mr. FAZIO, and the ranking Republican, Mr. LEWIS of California, in an effort to set priorities, and at the same time, make the necessary reductions.

Specifically, the amendment calls for a $3.5 million restraint in Salaries and Expenses appropriation of the House of Representatives.

There is a $1 million reduction in the funds provided to renovate the electrical wiring in the Cannon Building. This strikes home. I am a resident of the Cannon Building. I can personally attest to the fact that those renovations are needed—but we simply cannot afford to do it this year.

The amendment deletes the $3.5 million needed for repair of the Capitol steps, and reduces the funding for the renovation for the House restaurant kitchen by $1 million.

Other savings come from reducing the funding allocated to:

The exterior cleaning of the Longworth Building;

Some projects on the Capitol Grounds;

The acquisition of new trash receptacles;

The cost of new signs;

The renovation of the beauty shop;

New positions at the Congressional Research Service; and

The activities of the Library of Congress and the Government Printing Office.

The amendment deletes: $600,000 to replace some steam lines at the Botanic Garderns, $100,000 for the installation of a vestibule at the Madison Building of the Library of Congress; and $5.3 million for CRS's Center for Interbranch Relations.

One can argue that each of the items cut by the amendment have merit, and that the repairs we are delaying will have to be done at some point—but again—we simply cannot afford them at this time.

The committee reserves the right to revisit these items in future budgets and appropriations.

There will be other amendments offered later this afternoon to further reduce the amounts in this bill. Regardless of your position on those amendments, let's take the first step of demonstrating to the American people that Congress is willing to make the reductions necessary to meet its budget.

That's what this amendment is about, and I urge its adoption.

I again would like to acknowledge and thank my friends from California, Mr. FAZIO and Mr. LEWIS, and my colleague from Oklahoma, Mr. SYNAR, for their work and efforts on behalf of this amendment and urge its adoption.

□ 1510

Mr. Chairman, I reserve the balance of my time.

Mr. SYNAR. Mr. Chairman, I yield 1 minute to the chairman of the committee, the gentleman from California [Mr. FAZIO].

Mr. FAZIO. I thank the gentleman for yielding.

Mr. Chairman, I would say that I support this amendment. I think these items do need to be funded at some point in the future when they can be accommodated. I would hope, in passing this amendment to reduce this bill by over $26 million, that we take into consideration the fact that the items that have been included in the original bill which would be excised now are important matters that need to be

dealt with and will be in future legislative branch appropriation bills.

I simply want to thank the gentleman from Oklahoma [Mr. SYNAR] and the gentleman from California [Mr. MCCANDLESS] for their amendment and indicate that I can support it on the basis upon which I have just stated my views.

Mr. SYNAR. Mr. Chairman, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR].

Ms. OAKAR. I thank both gentlemen and thank them for the time. This is an en bloc amendment that cuts a number of projects in terms of renovation, including the project that would relate to the beauty salon that needs electrical wiring and has a very dangerous condition. Am I correct about that?

I do not have necessarily a problem, I just want to ask about this because I want the Members to know that this is being cut fairly dramatically. I just wanted to make a point of that because for 30 years we have been waiting to get new wiring in a place that returns money to the Treasury; over $110,000 have been returned to the Treasury by the women who work around this place. I just wanted to make sure we knew what we were doing here.

Mr. SYNAR. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, this amendment would strike $55,000 from the total amount that has been allocated to renovate the beauty shop. We will continue to have a sizable amount of money in the bill to proceed on that project.

I am sure the gentlewoman can be confident knowing that the wiring problem will be addressed in the House, if the Committee of the Whole, would allow the funding that would remain in the bill to go forward.

Now, if an amendment is adopted to cut it further, the gentlewoman may well be appropriate in her concern about the safety of the beauty shop.

Ms. OAKAR. May I ask the gentleman, is this en bloc amendment an amendment that had mutual bipartisan support for the cuts?

Mr. SYNAR. The gentlewoman is correct. This is a bipartisan amendment that does two things: One, it gets us below the 302(b) allocation, the new target set in the budget summit; and it has been done in a bipartisan fashion.

Ms. OAKAR. So this is in compliance with the budget summit and with the Gramm-Rudman targets.

Mr. SYNAR. That is correct.

Ms. OAKAR. Reluctantly, I am going to vote for it because I really do think—I know in one case there is a very hazardous condition. To my knowledge, it is the only place that returns money to the Treasury. The employees pay for their own salaries and their own benefits.

So if this is a bipartisan effort, I am not going to stand in the way, but I will take great issue if it is reduced any further.

I would hope that those of the Members who made this agreement will come to our support should somebody try to cut any further, because in one area it is a very hazardous condition for people to work. And these people pay their own way are return money to the Treasury, too.

I want to make sure that I understand what the agreement is.

Mr. SYNAR. Mr. Chairman, I reserve the balance of my time.

Ms. OAKAR. May I ask the gentleman from California [Mr. MCCANDLESS] is that his understanding?

The CHAIRMAN. The time of the gentleman from Oklahoma [Mr. SYNAR] has expired.

Ms. OAKAR. Mr. Chairman, I ask unanimous consent the gentleman from California [Mr. MCCANDLESS] be given 1 more minute.

The CHAIRMAN. The gentleman from California [Mr. MCCANDLESS] has 2 minutes remaining.

Mr. MCCANDLESS. Mr. Chairman, I yield the balance of my time to my colleague, the gentleman from California [Mr. LEWIS].

The CHAIRMAN. The gentleman from California [Mr. LEWIS] is recognized for 2 mintues.

Mr. LEWIS of California. I thank the gentleman for yielding.

Mr. Chairman, I would like to respond to the gentlewoman if I might.

This amendment does have bipartisan support. I must say that gentlewoman has correctly raised questions about the importance of making sure that the beauty shop operates in a safe and serviceable fashion.

Indeed, there could be amendments later on that would go much further than we can afford to go. I expect I will address myself to the question at that time.

Ms. OAKAR. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I yield to the gentlewoman from Ohio.

Ms. OAKAR. I thank the gentleman for yielding, and I appreciate the gentleman's comments. I would be anxious to know that, from the individuals offering this en bloc amendment, if there is an attempt to cut further and in one case in particular where the safety—by any OSHA standard, this would be a real problem—and I just want to make sure that if I support this en bloc amendment and ask some of my colleagues to do so, that the people offering the amendment will resist any attempt to cut it further, particularly that part jeopardizing the safety of the people who contribute to the Treasury.

Is that my understanding?

Mr. MCCANDLESS. If I may say to the gentlewoman from Ohio, it is my understanding that the Capitol Architect has reviewed the necessary restrictions we are placing on the reduction here and is in accord. So if there is a dangerous condition such as the gentlewoman is pointing out, I am sure that this was taken into consideration in his review of this reduction.

Ms. OAKAR. So the gentleman would agree with me that if there are any more amendments, I just want to make sure, if there are amendments to cut specific areas which would jeopardize the security and health of our people who work here, some of whom pay their own way, do not even cost the taxpayer a nickel, in fact contribute tens of thousands of dollars to the Treasury, the gentleman will resist that amendment?

Mr. MCCANDLESS. This has bipartisan support, and I know of no other amendments that are being supported by the subcommittee that would address the issue.

Mr. LEWIS of California. Mr. Chairman, I just wanted to thank both my colleagues for this amendment. They have effectively brought us below our 302(b) allocation in a very responsible way, attempting to cause the legislative branch to tighten its belt as people around the country are tightening their belts.

The CHAIRMAN. All time has expired. The question is on the amendments en bloc offered by the gentleman from Okahoma [Mr. SYNAR].

The question was taken, and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SYNAR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 395, noes 1, not voting 37, as follows:

[Roll No. 497]

AYES—395

Alexander	Borski	Coleman (MO)
Anderson	Bosco	Coleman (TX)
Andrews	Boucher	Collins
Annunzio	Boxer	Combest
Anthony	Brooks	Conte
Applegate	Broomfield	Cooper
Archer	Browder	Costello
Armey	Brown (CA)	Coughlin
Atkins	Brown (CO)	Courter
AuCoin	Bruce	Coyne
Baker	Bryant	Craig
Ballenger	Bunning	Crane
Barnard	Burton	Dannemeyer
Bartlett	Bustamante	Darden
Barton	Byron	Davis
Bateman	Callahan	de la Garza
Bates	Campbell (CA)	DeFazio
Bellenson	Campbell (CO)	DeLay
Bennett	Cardin	Dellums
Bentley	Carper	Derrick
Bereuter	Carr	DeWine
Berman	Chandler	Dickinson
Bevill	Chapman	Dicks
Bilbray	Clarke	Dingell
Bilirakis	Clay	Dixon
Billey	Clement	Dorgan (ND)
Boehlert	Clinger	Dornan (CA)
Bonior	Coble	Douglas

Downey	Kostmayer	Porter
Dreier	Kyl	Poshard
Duncan	LaFalce	Pursell
Durbin	Lagomarsino	Rahall
Dwyer	Lancaster	Rangel
Dymally	Lantos	Ravenel
Eckart	Laughlin	Ray
Edwards (CA)	Leach (IA)	Regula
Edwards (OK)	Leath (TX)	Rhodes
Emerson	Lehman (CA)	Richardson
English	Lehman (FL)	Ridge
Erdreich	Lent	Rinaldo
Espy	Levin (MI)	Ritter
Evans	Levine (CA)	Roberts
Fascell	Lewis (CA)	Robinson
Fawell	Lewis (FL)	Roe
Fazio	Lewis (GA)	Rogers
Feighan	Lightfoot	Rohrabacher
Fields	Lipinski	Ros-Lehtinen
Fish	Livingston	Rose
Flippo	Lloyd	Rostenkowski
Foglietta	Long	Roth
Ford (MI)	Lowey (NY)	Roukema
Frank	Luken, Thomas	Rowland (GA)
Frenzel	Lukens, Donald	Roybal
Frost	Machtley	Russo
Gallegly	Madigan	Sabo
Gallo	Manton	Saiki
Gaydos	Markey	Sangmeister
Gejdenson	Marlenee	Sarpalius
Gekas	Martin (NY)	Savage
Gephardt	Martinez	Sawyer
Geren	Matsui	Saxton
Gibbons	Mavroules	Schaefer
Gillmor	Mazzoli	Scheuer
Gilman	McCandless	Schiff
Gingrich	McCloskey	Schroeder
Glickman	McCollum	Schulze
Gonzalez	McCrery	Sensenbrenner
Goodling	McCurdy	Serrano
Gordon	McDade	Sharp
Goss	McDermott	Shaw
Gradison	McEwen	Shays
Grandy	McGrath	Shumway
Grant	McHugh	Sikorski
Guarini	McMillan (NC)	Sisisky
Gunderson	McMillen (MD)	Skaggs
Hall (OH)	McNulty	Skeen
Hall (TX)	Meyers	Skelton
Hamilton	Mfume	Slattery
Hammerschmidt	Michel	Slaughter (NY)
Hancock	Miller (CA)	Slaughter (VA)
Hansen	Miller (OH)	Smith (FL)
Harris	Miller (WA)	Smith (IA)
Hastert	Mineta	Smith (NE)
Hatcher	Mink	Smith (NJ)
Hawkins	Moakley	Smith (TX)
Hayes (IL)	Molinari	Smith, Denny (OR)
Hayes (LA)	Mollohan	Smith, Robert (NH)
Hefley	Montgomery	Smith, Robert (OR)
Hefner	Moody	Snowe
Henry	Moorhead	Solarz
Herger	Morella	Solomon
Hertel	Morrison (WA)	Spence
Hiler	Mrazek	Spratt
Hoagland	Murphy	Staggers
Hochbrueckner	Murtha	Stallings
Hopkins	Myers	Stangeland
Horton	Nagle	Stark
Houghton	Natcher	Stearns
Hubbard	Neal (NC)	Stenholm
Huckaby	Nielson	Stokes
Hughes	Nowak	Studds
Hunter	Oakar	Stump
Hutto	Oberstar	Sundquist
Hyde	Obey	Swift
Inhofe	Ortiz	Synar
Ireland	Owens (NY)	Tallon
Jacobs	Owens (UT)	Tanner
James	Oxley	Tauke
Jenkins	Packard	Tauzin
Johnson (CT)	Pallone	Taylor
Johnson (SD)	Panetta	Thomas (CA)
Johnston	Parker	Thomas (GA)
Jones (GA)	Parris	Thomas (WY)
Jones (NC)	Pashayan	Torres
Jontz	Patterson	Torricelli
Kanjorski	Paxon	Towns
Kaptur	Payne (NJ)	Traficant
Kasich	Payne (VA)	Traxler
Kastenmeier	Pelosi	Udall
Kennelly	Penny	Unsoeld
Kildee	Perkins	Upton
Kleczka	Petri	Valentine
Kolbe	Pickett	Vander Jagt
Kolter	Pickle	Vento
Visclosky	Volkmer	Vucanovich
Walgren	Walker	Walsh
Watkins	Waxman	Weber
Weiss	Weldon	Whittaker
Whitten	Williams	Wilson
Wise	Wolf	Wolpe
Wyden	Yates	Yatron
Young (AK)	Young (FL)	

NOES—1

Washington

NOT VOTING—37

Ackerman	Flake	Pease
Aspin	Ford (TN)	Price
Boggs	Gray	Quillen
Brennan	Green	Rowland (CT)
Buechner	Holloway	Schneider
Condit	Hoyer	Schuette
Conyers	Kennedy	Schumer
Cox	Lowery (CA)	Shuster
Crockett	Martin (IL)	Smith (VT)
Donnelly	Morrison (CT)	Wheat
Dyson	Neal (MA)	Wylie
Early	Nelson	
Engel	Olin	

□ 1537

Mr. ARMEY changed his vote from "no" to "aye."

So the amendments en bloc were agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ENGEL. Mr. Chairman, during rollcall vote No. 497 on H.R. 5399—the Synar amendment—I was unavoidably detained. Had I been present I would have voted "yea."

Mr. FAZIO. Mr. Chairman, as provided in the rule, I now yield to the gentleman from North Carolina [Mr. HEFNER] and the gentleman from Florida [Mr. STEARNS] for the purpose of offering the en bloc amendments numbered two printed in the report of the Committee on Rules.

AMENDMENTS EN BLOC OFFERED BY MR. HEFNER

Mr. HEFNER. Mr. Chairman, I offer amendments en bloc.

The Clerk read as follows:

Amendments en bloc offered by Mr. HEFNER: On page 2, line 8, strike $663,510,000" and insert "$647,340,000".

On page 2, line 26, strike "$214,703,000" and insert "$198,533,000".

On page 6, strike lines 21 through 23 and insert:

"SEC. 104. Effective as of the beginning of the 102d Congress, the authorization for the Clerk Hire Allowance, as established by the Committee on House Administration, is increased by $50,000."

Mr. HEFNER (during the reading). Mr. Chairman, I ask unanimous consent that the amendments en bloc be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 510, the amendments en bloc are not subject to amendment or to a demand for a division of the question.

The gentleman from North Carolina [Mr. HEFNER] will be recognized for 20 minutes, and a Member opposed will be recognized for 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. HEFNER].

□ 1540

Mr. HEFNER. Mr. Chairman, I ask unanimous consent that half of my time, 10 minutes, be allocated, for the purposes of control, to the gentleman from Florida [Mr. STEARNS].

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. OBEY. Mr. Chairman, I would inquire who will control the time for those opposed to the amendment?

The CHAIRMAN. No one has yet indicated to the Chair opposition, and when that is indicated, the Chair will then recognize that Member for the time allotted.

Mr. OBEY. Mr. Chairman, I would like the Chair to keep me in mind for that.

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

This amendment reduces the clerk hire appropriation by $16,170,000.

We had provided these funds in the reported bill to finance a $50,000 increase in each Member's clerk-hire allowance.

The clerk hire increase is absolutely justified:

There has been no clerk adjustment, other than cost-of-livings, since 1977.

But since 1977, the employee wage index and the white collar wage and salary index have increased anywhere from $120,000 to $150,000 beyond the current allowance for Members' clerk hire funds.

When we compare House Members' staff salaries to the office staff salaries of Senators from small States, the House clerk hire allowance is about $100,000 less, and we represent about the same number of constituents as those Senators do.

So the increase of $50,000 is only a 33- to 50-catch-up. House staff salaries have fallen far behind their Senate counterparts and we have failed to maintain our clerk hire funds to even come close to matching private sector or other Government wage and salary adjustments.

But be that as it may, Mr. Chairman, this $50,000 increase comes at a very, very bad time, a very inopportune time. We had provided $16,170,000 in the bill to fund the authorization. But at the same time, we are trying to save money, we are wrestling with the budget deficit, and even as we speak people are meeting, trying to reach an agreement on budget cuts, and we must reduce the deficit.

We can save this $16 million with this amendment. We can show our resolve in doing our part with our own official funds.

With the adoption of this amendment, the legislative bill will be reduced only 10 percent above the 1990 level.

If we make the adjustment of the fiscal year 1990 mail expenditure funds provided in this bill, the increase will be very modest.

The bill will then be $37.6 million below the 302(b) budget authority target and about $88.5 million below the outlay target.

I believe that is a responsible reduction, Mr. Chairman.

Also, we have made a technical, date change correction to section 104.

The amendment delays the effective date until the beginning of the 102d Congress.

I urge the adoption of this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. STEARNS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first of all let me say that I recognize how sensitive this amendment is. Let me say to the chairman and also my colleagues, I want to thank the Rules Committee genuinely for allowing me to bring this amendment along with the gentleman from North Carolina [Mr. HEFNER] before my colleagues this Sunday afternoon.

I also want to thank the gentleman from California [Mr. FAZIO], the gentleman from California [Mr. LEWIS], the ranking member on the subcommittee, for allowing me to present this amendment. I recognize how important and sensitive this is, and I want them to know, and I want them to know personally that I genuinely thank them.

Mr. Chairman. I rise today in support of this amendment.

Mr. Chairman, charity starts at home, and so does saving money. In this time of such tight budgetary constraints, I think we owe it to the American people to save money in our own House, just as we are asking Americans to do in their house.

There has been a lot of talk over the last couple of weeks in this body about fairness. Fairness in spending, fairness in taxing. It seems to me that it is only fair that we do unto ourselves what we are contemplating doing unto others.

As the original author of this amendment, I feel the necessity to cut the proposed increase in the clerk-hire account. This account is presently $447,360 a year. We use this to pay our staff here in Washington and in our district.

The committee has proposed a nearly 15-percent increase in clerk-hire! This works out to be a $50,000 additional clerk-hire increase per congressional office for the upcoming fiscal year. In addition, the committee has also given each office another $16,000, which reflects a 3.5-percent cost of living increase. Therefore, if the bill is passed, each office will receive over $65,000 additional for their staff salaries. As I said, this reflects nearly a 15-percent increase.

The amendment offered today would give our staffs their annual cost of living increase, but would eliminate this year's appropriation for the additional increase. This will result in a savings of more than $16 million in the budget we are now crafting. In addition, the amendment would leave in the authorization for the additional $50,000 increase. So this important amendment makes a statement to the American people that we also are prepared to make a sacrifice.

Mr. Chairman, we have a $3.2 trillion debt—$3.2 trillion! And our deficit this year is nearing $235 billion.

The cut I am recommending today, which would save the Government $16.2 million, is a modest attempt to show the country that we in the Congress have the leadership and courage necessary to get this country out of debt. And we need to demonstrate to the working men and women that we are not going to force everyone outside the beltway to shoulder the burden of budget cuts. We, in Congress, must also be willing to accept the realities of an ever-increasing budget deficit.

Mr. Chairman, this is not a debate on the merits of Members' personal staffs. I am sure I speak for my colleagues when I say that our staffs are hardworking and do deserve a raise. However, we are considering cutting Medicare for people who are equally deserving. We are considering raising taxes on the middle-class!

In my district, the teachers of Marion County are considering striking because they are not even going to receive a 2-percent increase in their salaries this year. And yet we are considering raising our staff's salaries by almost 15 percent in this of all years.

The American people blame Congress, for not being able to balance the Federal budget. They see us pass appropriations bills with enormous spending increases and they see the majority of the House vote against even the most modest spending cuts on appropriations bill.

Both Mr. FRENZEL, a Republican, and Mr. PENNY, a Democrat, have consistently and faithfully offered amendments to appropriation bills requesting that the Congress cut some of its runaway spending. However, almost every single, solitary amendment of this nature offered by these two distinguished Members was defeated! These opportunities to cut expenditures, even a little, all met with overwhelming defeat. Let's face it—the Government must curb its appetite.

The time has come, my colleagues, that the Congress take a hard look at the option of cutting expenditures. This novel idea is always the last considered and most quickly ignored by this body.

Mr. Chairman, my amendment will not solve the budget crisis nor will it mend all the problems in our country. However, it will save the Government $16.2 million and perhaps more importantly will send a message to the American people that we are willing to take steps toward cutting spending.

I remind my colleagues that this amendment cuts an increase. It does not cut the clerk-hire account below the 1990 fiscal year level. As I mentioned before, it still allows for a cost-of-living increase of 3.5 percent, which, by the way, the staff account has received every year. I must stress this point. The staff account has received a cost-of-living increase every year for the last 10 years.

I am asking you today to support my amendment. We must appropriate money according to what is necessary, not what is desirable.

□ 1650

Mr. Chairman, it will send a message to the American people that we are willing to take steps to cut spending. I remind my colleagues that this amendment cuts an increase. It does not cut the clerk-hire account below the 1990 fiscal year level.

As I mentioned before, it still allows for a cost-of-living increase of 3½ percent which, by the way, the staff account has received every year, and I would like to stress this point to my colleagues, that the staff account has received a cost-of-living increases every year for the last 10 years.

I am asking you, my fellow colleagues, to support my amendment. We must appropriate money according to what is necessary, not what is desirable.

In conclusion, again, I want to thank the chairman and the ranking minority member for helping me to get this amendment on the House floor.

Mr. OBEY. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman will be recognized for 20 minutes.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I recognize that this amendment is going to pass. There have been a lot of times in the 22 years that I have been here that I have opposed amendments that I knew were going to pass. There have been a lot of times when I have talked against amendments that I knew were going to pass. This is another one of those times.

I recognize that 3 weeks before the election that there is a compulsion in this place to pose for political holy pictures. There is a compulsion to appear to be saintly and pristine no matter

what it costs the political institutions that we are supposed to defend.

I have an old-fashioned idea that one of the things we are supposed to produce here is quality legislation, not just legislation, but quality legislation. I think that when a businessman walks into our office he is entitled to deal with a congressional staffer who knows something about the issue, because he has had some time to really master it, to really absorb it. I think when a worker walks into our office he has a right to be able to expect the same.

The fact is that much, though we would like to deny it, the fact is that the quality of advice which individual Members of Congress are getting from their staffs is, in my view at least, declining substantially. Now, that is not due to a lessening of dedication or talent of the people who advise us, but it is due, I would suggest, to an incredible reduction in the experience and know-how and savvy of the people who advise us.

There has been a new study which was just issued by the Congressional Management Foundation. I assume that the Members saw it in the headline of Roll Call this week; "Staff Turnover Rises Sharply with Half of All House Aides in Job for 1 Year or Less." That is the headline.

That new report demonstrates some rather disturbing numbers. It demonstrates that more than 50 percent of Hill employees have been in their jobs for less than 1 year. It demonstrates that 72 percent of Hill employees have been on the job for less 2 years. We have a research paper by the Congressional Research Service which shows some other things. It shows that the U.S. Senate pays approximately $17,000 more for a legislative director than a Member of the U.S. House of Representatives pays. It shows that for personal secretaries the Senate pays $16,000 more than a Member of the House. For district staff director, the Senate on average pays $11,000 more than House Members pay. It shows that for legislative assistants, that on average there is about a $12,000 difference between the salary paid by the Senate and the salary paid by Members of the House.

I would also point out that staff sizes differ. The average staff of the U.S. Senator is 41 persons. The average staff for a Member of the House is 17 persons. I would suggest to you that there is no Member of the House who has any responsibilities any less important than a Member of the Senate except for one function. About the only thing that a U.S. Senator does that a Member of the House does not do is to vote on Presidential appointments. Other than that, we have to be just as up-to-speed on each and every issue facing us as they do. Yet, our staff resources are substantially less.

I just want to make this point. Young people who come to Washington to work for us on Capitol Hill are full of idealism. They are full of vigor. A lot of them pool up living two, three, or four people together in an apartment in order to try to make ends meet in this incredibly expensive town, and they work beyond any reasonable set of hours to try to provide us the best possible information for us to do our jobs.

I think that as their employers we have a responsibility to do better by them than we have the last 10 years, and I also think we have a responsibility to do better by the American taxpayer and the American citizen who has come to believe that our votes ought to be based on the best possible information possible. I want to submit to you that dedicated though these young staffers may be that is not enough. It is not enough to have dedication. You also have to have experience. You have to have know-how. You have to have practical understanding of the issues you deal with, and that can only come with time.

The fact is we do not have staffers who stay here that length of time because we simply do not pay them what we need to keep them here. That is why we have staffers continually leaving the House, going to the Senate or going into the executive branch of Government or going downtown to work for private firms.

The average gap in this town between what a person makes on Capitol Hill and what they make in the executive branch of Government is about $9,000 per job. I think that is too much.

I want to make one other point. People talk here today as though we are saving the taxpayers large amounts of money individually by this vote. Do you know what this staff salary increase would cost the average American taxpayer? Nine cents, 9 cents. I think it is worth more than a dime per taxpayer in this country to increase the quality of staff advice that individual Members get from their staffs.

I recognize, as I say, that this amendment is going to pass. I respect greatly the gentleman who offered it, but the fact is that this institution requires that we do better by our staff than we have over the last 10 years.

I want to make one additional point. If the salaries for the people who work for us had increased by the same amount that the cost of living has increased since 1977, this staff salary increase which is a total of $50,000 for every Member's staff, this increase would not be $50,000. It would be $120,000, because we are falling that far behind the cost-of-living index.

The American people may not think that that does them damage, but I ask you this: Can the American people really have U.S. Congressmen advised by what is, in effect, a kiddy corps? I do not think they can. I think we need some experienced people on Capitol Hill as well as young dedicated people. You are not going to get that if you continue to deny each individual Member the staff resources we need to retain experienced quality people.

It is going to cost you more in quality than you are going to save in dollars today.

I recognize the amendment is going to pass, but I warn you, it is a bad idea for the taxpayer. It is a bad idea for this institution. It is a bad idea for this country.

Mr. STEARNS. Mr. Chairman, I yield 2½ minutes to my colleague, the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Chairman, it has been a long day, and it has been a long session. I know that all of us are counting the days to see the end of the session.

But before it ends, there is one little small detail we need to resolve. That detail is the budget for this country.

We went through a long debate earlier this week as to the type of budget that Congress should pass, and we all know what the results were.

Today we can take another step toward solving the problem, and that is to go with the Stearns amendment.

Yes, it is only $16 million, but it is 9 cents per person throughout the United States, and it is a 15-percent increase plus the cost-of-living, and the gentleman from Florida [Mr. STEARNS] says it has been an increase that has kept up with the cost of living, I believe, since 1980.

□ 1600

What I find amazing is that we would do it in this year, and that we would have that incredible increase. Why did we not do it years past? This year we face an incredible deficit. We are setting a bad standard by increasing it by 15 percent. If there was a mistake in the past, this is not the year to correct it. Certainly there has not been a mistake that was recognized before, because there was not a correction. This is not the year to correct it.

But more than that, if there is this kind of a problem in this area, how many mistakes are there in like areas of the budget that we have not addressed? Probably there are several. We should take a close look at it, because as I have said repeatedly this week, and as many others have said, it is important for us to point out the areas where we can save and the areas where we have made a mistake.

The gentleman from Florida [Mr. STEARNS] is a businessman. He comes here with many years of business experience, as I do, and that is perhaps

why these types of areas seem to gain his attention and his concern.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. JAMES. I yield to the chairman of the subcommittee.

Mr. FAZIO. Mr. Chairman, I would simply like to point out that while this may not be the year, the reason we have reached this point is that it has never been the year for perhaps the last 13 years. The point has been made, I think, very clearly that we have provided cost-of-living increases, but we have in fact fallen far behind the Consumer Price Index and in comparable terms behind the Senate, as the gentleman from North Carolina [Mr. HEFNER] said in explaining his amendment. We have fallen $100,000 behind the comparable package of employees that the Senators employ. The need is there because we have never addressed it adequately on a yearly basis, and at some point we are going to have to address it.

The CHAIRMAN. The time of the gentleman from Florida [Mr. JAMES] has expired.

Mr. JAMES. Mr. Chairman, it appears my time is up, and I cannot respond unless I am yielded more time.

Mr. STEARNS. Mr. Chairman, I yield 30 additional seconds to the gentleman from Florida [Mr. JAMES].

Mr. JAMES. Mr. Chairman, of course, statistically anyone can pick a particular year like 1977 and say, "Look, this is the base year we use." The gentleman has picked a most convenient year. I would have to go back and look at the statistics. I have heard the presentation by the gentleman from Florida [Mr. STEARNS], and it appears that inflation has kept up.

But may I respond to the gentleman in this way: In Florida, Congressman STEARNS and I have many more hundreds of thousands of people than there are in some northern districts. I do not have the figures in any of those areas, but I have nearly 800,000, actually 750,000 people in my district, and the district of the gentleman from Florida [Mr. Goss] includes 1 million people. The gentleman from Florida [Mr. STEARNS] has a very large district. It is hard for me to believe that this is the year to increase administrative staff salaries by 15 percent considering those facts.

Mr. HEFNER. Mr. Chairman, may I inquire as to how much time I have remaining?

The CHAIRMAN. The gentleman from North Carolina [Mr. HEFNER] has 7 minutes remaining.

Mr. HEFNER. Mr. Chairman, I yield such time as she may consume to the gentlewoman from South Carolina [Mrs. PATTERSON] for the purpose of engaging in a colloquy with the subcommittee chairman.

Mrs. PATTERSON. Mr. Chairman, I thank my friend, the gentleman from North Carolina, for yielding this time to me.

Mr. Chairman, with our current deficit situation, I know that many Members have taken steps to cut spending in their own offices rather than to use their entire office accounts each year. Some Members have been concerned about the disposition of these unexpended funds. It is my understanding that these unexpended funds do not go into any kind of special discretionary fund and do in fact result in real savings to the taxpayers.

Could the chairman of the subcommittee confirm that my understanding is correct and clear up the matter of the disposition of Members' unspent office accounts?

Mr. FAZIO. Mr. Chairman, will the gentlewoman yield?

Mrs. PATTERSON. I yield to the chairman of the subcommittee.

Mr. FAZIO. Mr. Chairman, I would say to the gentlewoman from South Carolina [Mrs. PATTERSON] that at this time every year and every other year at election time we begin hearing about a so-called discretionary fund or "slush fund." I want to make it clear that there is no slush fund, not in this bill, and not in any bill that I know of in the House of Representatives.

One of the common descriptions of this mystical allegation goes like this: Let us say that a Member's office expense allowance is $148,000 or a Member's current clerk hire allowance is $447,000. If he or she does not pay all that out in salaries or expenses, then some say that the unused funds go into a discretionary fund. That is inaccurate.

In the first place, we do not appropriate sufficient funds for all Members to spend the office expense for clerk hire allowance, including the transfers they are allowed to make. If we did, we would have to appropriate $242 million into clerk hire and $87 million into office expenses.

But this bill only appropriates much less, $214.7 million, or after the en bloc amendment, I should say less than $198.5 million, for clerk hire and $75.3 million for office expenses, much less than the $87 million. That is because we know that many Members will not spend their full allowances. We have many frugal Members, and the committee does not believe in full funding any account, so we only fund what we believe is necessary. So we have saved $55 million.

That $55 million, Mr. Chairman, is not in a discretionary fund. We did not appropriate it. It does not transfer into the drawing account at the Treasury. Those Members who do not spend their ceilings can correctly say they are saving real dollars. They are entitled to use the maximum allocation, but they choose not to.

Mr. Chairman, if we did not appropriate it, it cannot be spent. That is the law. So the Speaker, the leader, the whip, the Clerk, or the Doorkeeper cannot spend it. No one can spend it. It cannot be spent.

Mr. Chairman, I want to thank the gentlewoman from South Carolina [Mrs. PATTERSON] for asking this question because I think it puts to rest a rumor that seems to be loose on the floor every year at this time.

Mrs. PATTERSON. Mr. Chairman, I thank the chairman of the subcommittee very much.

Mr. STEARNS. Mr. Chairman, I yield 30 seconds to my colleague, the gentleman from California [Mr. DANNEMEYER].

Mr. DANNEMEYER. Mr. Chairman, I would like to ask the gentleman from California [Mr. FAZIO] a question, if I may.

Mr. FAZIO. I would be glad to respond if the gentleman will yield.

Mr. DANNEMEYER. Mr. Chairman, I would ask, has the gentleman ever heard of the Speaker's account or the Speaker's fund?

Mr. FAZIO. I have never heard of the Speaker's fund.

Mr. DANNEMEYER. How many years has the gentleman been here?

Mr. FAZIO. Mr. Chairman, I have been here probably as long as the gentleman from California [Mr. DANNEMEYER], maybe 12 years. We are just about at our term limit.

Mr. DANNEMEYER. Mr. Chairman, is it true that money we do not expend from our district office accounts reverts to the Speaker's fund?

Mr. FAZIO. No; that is not true. That is the entire point of the colloquy we just had. I am glad that the gentleman has let me reiterate my point, and I thank him for it.

Mr. HEFNER. Mr. Chairman, I reserve the balance of my time.

Mr. STEARNS. Mr. Chairman, would the Chair tell us, please, what the balance of our time is?

The CHAIRMAN. The gentleman from Florida [Mr. STEARNS] has one-half minute remaining, the gentleman from North Carolina [Mr. HEFNER] has 4 minutes remaining, and the gentleman from Wisconsin [Mr. OBEY] has 11 minutes remaining.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Chairman, I am opposed to this amendment.

Mr. Chairman, I think the people who work for us—and certainly it is true of the people who work for me and of the staffs of many other Members—are on the whole overworked and underpaid. I think we are also, and because we are, our constituents are the beneficiaries of an enormous amount of very good work from talented and decent people who on the whole receive far less for their work

than they could get in the private sector.

One of the gentlemen said, "Well, this is out beyond the beltway." Most of the people who work for me live beyond the beltway, they work for other people who live beyond the beltway, and they do a very important job very well.

The people who work for us, particularly in our district offices, are in the grief business. No one ever calls them and says, "My mother's Social Security check came, my kids are having a great time in the service, and they paid all my bills on time, and everything is wonderful." People call us because things have gone wrong, and the people who work for us sit in our offices day after day and listen to stories of grief and woe and do what is humanly possible to correct them. We have the people who are here who fend off lobbyists, who deal with difficult issues, and who have to deal with the hardest part of this job of all—us. We are out there smiling and being nice and being cheerful, and then we go back to our offices and we are not in the best of moods and best of shape.

The people work very hard. To deny these people of all people a raise because the political climate in this country is an unhappy one seems to me to be an error. I understand the motivations of those who offered the amendment. I admire the effort they are putting forth to try to manage this situation well, because it is a difficult time, but cutting salary increases for the enormously decent and hard-working people on the whole is not right.

We know that there may be misconceptions about political patronage, but those of us who are in our right minds hire the best people we can find. These are not easy jobs, they are important jobs, and we put the best possible people in there, and they work under very adverse conditions. There are people sitting in our offices today monitoring what is going on, and they are not going to get fully compensated because even with the fair labor standards provisions, they are above the level.

Mr. Chairman, this is the wrong thing to do.

□ 1610

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. TORRICELLI].

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, today I keep a promise that I made to myself many years ago. Fifteen years ago, coming out of school, working in the Governor's office of my State, at the end of each evening I would find my desk filled with work and I would leave to go to another job. I remember then making a pledge to myself that if I could ever bring this to anyone's attention, I would. I would say to myself, if only I could stay at this job, the legislation I have to review, the ideas that are coming from people, the opportunities to save money, and what am I doing? Going off to find some way to pay the rent.

Mr. Speaker, we are doing to the Federal Government today what was done to me in those days. You are running the largest financial institution in the history of man, $1¼ trillion, and you walk in that door and cast those votes for billion-dollar weapons systems, multimillion-dollar farm programs, and you do it on the advice of 21-year-olds making $17,000 and $18,000 a year. I do not take my responsibilities that way.

Frankly, what is being done here today, I resent, because if that is the kind of advice you want to have, someone who came to work 6 months ago out of college with no idea how this Government operates, you do it. I do not. The business of this country is more serious than that.

If you want to give a good name to this amendment, I suggest this. This is the Lobbyists Protection and Constituents Disenfranchisement Act. It is the Lobbyists Protection Act because you and I know if you do not have a good staff to give you advice, and you are relying on some fellow right out of college, the advice is coming from a lobbyist who is outside that door.

It is the Constituents Disenfranchisement Act because you also know that the mail is not getting answered and constituents are not getting helped.

We are all here because we seriously want to go about the business of this Government. We are not heroes because you deny a raise to an $18,000- or $17,000-a-year employee. You are a hero because you bring good advice to this Government.

Mr. Chairman, one idea of one staffer on one day not only funds this increases, but potentially can fund the entire budget of every staff assistant in this Congress, and you know it. One weapons system that is not worth the money, one farm program, one medical program that could be cut, funds all this. Those ideas are lost, those savings are lost and this amendment potentially is the reason.

Mr. STEARNS. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, do our staffs work hard? The answer is yes.

Do our staffs deserve more money? The answer is yes.

Does this country have the money to increase staff salaries 15 percent? The answer is "no."

If Members want to give their staffs more money, let us do it the old-fashioned way. Let us balance our books first and give raises second.

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I take no pride in offering this amendment. Unfortunately, it comes at a time when there is a mood in the country that this institution cannot govern itself, even its employees, and it is contributed to by us.

To me it seems a bit hypocritical, even though I offer the amendment and I hope that everybody will support it, because I think it is the thing to do, but it comes at a time when you hear people talking about we have got to balance the budget. We have got to cut spending, and yet you look at the record you find where the newsletters have gone out in unprecedented numbers. People continue to travel. They want to do all these cuts and everything at everybody else's expense.

We talk about how we are going to save $400 billion in discretionary spending, which everybody is for cutting the budget, we are talking about cutting $400 billion in discretionary programs that over the last 10 years have only grown 21 percent, when the interest on the national debt has grown 221 percent.

Now, I think this is the thing to do to send a signal that we are able to make sacrifices in our offices.

I would like to challenge some of the people who have made statements here, look at your mailings. You do not have to have franking reform to cut back on your mailings. You do not have to be told by this House or this Government to cut back on your travel and your expenditures that you use at taxpayers' expense. You can do it on your own.

I would have some other advice for Members of this Congress. If we want to make some people support us and get us back in the good grace of the American people, let us quit running against this institution and the demagoguery that goes about day after day on this House floor when we are talking about things we should be doing to help the American taxpayer.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. WASHINGTON].

Mr. WASHINGTON. Mr. Chairman, as most of the Members know, I recently got here. I have only sent out one newsletter and I am only going to send out perhaps one or two newsletters a year.

What I find unfair about this amendment is, I do not have a committee staff to rely upon. The only thing I have to rely upon is the staff that I personally have in my office. It seems unfair to me to limit those of us who do not have any other staff than our own individual staffs and then when you put the franking thing in where you cannot transfer money, if I want to save money on franking and transfer that because I believe it is more

important to have a good staff, then I ought to be able to do that, but this amendment does not allow it and the amendment that follows it does not allow that.

I am willing to face my voters, if the voters want to send me home because I spend an additional $50,000 on staff to do a good job, because I work as hard as anybody around here. I am willing to face my voters. If they want to send me home, then they can get them a better Congressman than I will ever be.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. JOHNSTON].

Mr. JOHNSTON of Florida. Mr. Chairman, this appears to be freshmen from Florida day. Two of them are for the amendment, and I speak against the amendment. I have 900,000 people in my district. It is commonly referred to as "JOHNSTON's two districts."

You get what you pay for. We are slowly approaching having a turnover equal to that of McDonald's, and I am tired of the House being the farm team for the Senate. They are getting our best quality people and they are moving over there because they can pay for them. I have three members in my office now who are being subsidized by their parents, and to get quality people you are going to have to pay a reasonable sum to them to keep them here. That is why as a freshman, knowing that the election is 2 days and 2 weeks away, I am going to vote against the amendment.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in opposition to this amendment, though I am one who is going to support further cuts in this section of the budget.

I do agree that the increase in this division is too great, but the big increases are not in this account but are in accounts such as that of the Architect of the Capitol, library and grounds, which will receive a 109-percent increase. There are other accounts that also have been granted extraordinary increases but I do not have time in 1 minute to go through them. We have done some of the needed paring of this section of the budget but we need to do more.

However, we do not need to cut the specific account this amendment attacks. Our staff works extraordinary hours. They do very demanding work. I am blessed to have enjoyed enormous longevity of service and loyalty amongst my staff, and that is an asset of great value to my constituents. My experienced staff know the ropes. They can get problems solved. Their depth of knowledge of the issues that we deal with and of the bureaucracy that implements the law is an enormous asset to me.

It is a disadvantage to me and to my constituents. If I must turn over my staff every 2 years because starting salaries are low, and if I can do no better in providing raises than I have generally done, that is 2- to 3-percent increases a year, then I simply cannot retain their experience, their knowledge and their good support.

I ask for rejection of the proposed amendment.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, I appreciate my colleague yielding this time to me.

I must say before suggesting that our personnel is underpaid, which in many instances I would normally suggest, we have become a farm club, as the gentleman indicated a moment ago, for the Senate staffing process. I further would like to suggest that the two gentlemen, the gentleman from North Carolina [Mr. HEFNER] and the gentleman from Florida [Mr. STEARNS] have done a very fine job of dealing with this sensitive matter.

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To address the question of an amendment that would actually cut the pay of staff in Members personal offices is not an easy thing to do. They have been most cooperative with the committee. They have in a very professional fashion addressed this point. I believe the public understands the position we are in.

The gentleman from Wisconsin is very concerned about maintaining the professionalism of the House. I commend him for that. I appreciate his participation in this portion of the debate.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. I thank the gentleman from Wisconsin.

Mr. Chairman, as the gentleman from Wisconsin, I am a realist, and this amendment in all probability will pass this afternoon. But there is plenty of room for cuts in this measure, and in a lot of other measures that we have before this body. We vote billions of dollars in foreign aid through direct aid, through programs of aid, to governments that use those moneys to perpetuate and foster their democratic situation. Yet over the sum of $50,000 we will take it out on our young people who work for this Congress.

Over 80 percent of the employees in this Congress are young college graduates. They spend 1 year and 2 months with us, learn their jobs, learn the institution, then are offered better jobs and go downtown and wind up circulating this building as lobbyists to influence legislation.

We need their talents here. We are talking right now all over this country about limiting the terms of Members of Congress. In our lifetimes we will in all probability see that amendment voted upon.

Then they are going to be turning this institution over to young people with less than a year's experience who will not be properly paid to assist us in our efforts.

I can only say in closing that each individual Member here who is in favor of this amendment has a right to pay their salaries that they want and return the rest to the Government and allow those who would spend it wisely to do so.

Mr. HEFNER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Chairman, I think this amendment demeans the Congress and demeans young people who want to work in Congress. You can graduate from Harvard Law School, you can go to a big law firm in one of the eastern cities and make, I guess, I do not know, $55,000, $65,000 a year. You go to one of the big Ivy League business schools, you can make $65,000 or $75,000 a year working in investment banks in New York, one of the big cities. But if you want to come to Congress and work here in public service, you cannot make that kind of money. We understand that. No one expects that people here should make that kind of money working on the staff.

But I have looked at my salaries, $17,000, $19,000, a young attorney from an Ivy League school, $25,000 a year. I think this amendment really says to young people who do not want to work on Wall Street, who do not want to work in the big law firms, but who want to work for the Government of this country, who want to work in public service, that you cannot do that because we are not prepared to pay you; not $65,000 or $75,000 a year, I understand that, but we are not even prepared to pay you a reasonable wage.

That sends a terrible message to young people of this country.

Mr. OBEY. Mr. Chairman. I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I rise in opposition to this amendment, and I thank the gentleman for yielding time.

Mr. Chairman, I rise in opposition to the amendment to strike the increased funding for Clerk hire.

I think it is blatantly unfair that we recently voted a pay raise for ourselves, but want to deny the same to our staff. It seems that far too many of my colleagues take their staffs for granted and don't appreciate the fine work

that they do. Without competent, highly trained, and dedicated staff, we would not be able to do as much as we do. Let's not fool ourselves: no one person could possibly handle our workload alone, with the myriad issues, meetings, floor debates, and the like. Where would we have been these last few weeks if not for our legislative assistants who have, for the most part, kept the same long, irregular hours that we have?

The last administration took great pleasure in lambasting Federal employees. Well, I have congressional employees working for the Seventh Congressional District of Illinois who do a tremendous job. I want to keep them in my employ, but we cannot expect to retain the high caliber of personnel that we have come to expect and rely upon if we don't pay them salaries competitive with the private sector. Believe it or not, our staff have mortgages, children, car notes, tuition, and all the other expenses that our own families have. And just like the high cost of living in Washington was a factor in deciding to grant ourselves a raise, so it is the same for them. While congressional staff has gotten occasional cost-of-living adjustments, there has not been a significant increase in the Clerk hire fund since 1977, 13 years ago.

This is not just a question of increasing the salaries of those already on board. Many of our colleagues like me are in need of additional personnel, but cannot stretch the current resources far enough to bring on additional staff. We want to do the best job we can for our constituents and the Nation. But to do so we need adequate financial and human resources. We have an opportunity to correct this situation today. I urge my colleagues to reject this amendment.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Chairman, I rise in strong opposition to this amendment.

Mr. Chairman, I rise in opposition to any amendment to cut the increase in the Clerk hire provision of the legislative appropriations bill except for those conforming to the 302(b) budget act amendments. For those of us who do not chair committees, or subcommittees, and I have been here 8 years and still don't chair a subcommittee, it has become increasingly difficult to maintain office operations.

When I was sworn in, the Clerk hire account was $366,648, today it is $441,120—an increase of just 20 percent. The Consumer Price Index has risen by over 34 percent in this same period. The proposal to raise the Clerk hire allowance by $50,000 would simply bring me up to par to when I was sworn in. Let me add that the situation with my official expense allowance is not better, rising from $134,833 to $158,235—a total of 17 percent, just half of the inflation rate. My district office allowance has not risen at all.

During this time, I have seen my workload explode. The longer I am in office, the more frequently people come to me with requests of assistance, or with legislative proposals. During the first 9 months of this year my Santa Fe office opened 1,214 new cases, as compared to only 945 in the same period last year, an increase of almost 30 percent in 1 year.

As the volume of letters and phone calls continues to grow, my budget continues to shrink. Last year, for example, I was forced to close one of my district offices and lay off a staff person. Where people once only had to travel 50 or 60 miles to visit my office, they now have to travel 150 miles.

Even as we discuss the franking rule, we must recognize that we are not the only ones in the mass mail business. As many of us have discovered, there are organizations which are very effective in generating mail and phone calls to our offices. Let's face it, generating mail and phone calls to congressional offices is a growth industry. We must have the resources to deal with this surge in communications from our constituents.

While high staff turnover has always been a part of life on Capitol Hill, it comes at a very high cost. Job turnover, caused partially by the low salary scale, limits office productivity and weakens our defense against the special interest groups. Only a strong, experienced staff can help insulate us from the lobbyist pushing snake oil. The people who work for us don't work for us because they love to work long hours for low pay, or even because we treat them well. Our staffs are, for the most part, dedicated and interested in public policy. Yet if we cannot pay them enough to maintain a sense of self worth, and pay their rent, they will leave.

It strikes me that some of those who oppose this raise have in recent days shown a willingness to stop thinking and like lemmings have followed their leadership into the budget abyss, voting against every budget proposal and leaving the rest of us to make the hard decisions they were elected to make. In closing, I simply wish to state the following truth. If we do not find the money to pay our staff the salaries they deserve, their resumes will be at the printers this afternoon and this entire institution will suffer.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. ORTIZ].

Mr. ORTIZ. Mr. Chairman, I rise in opposition to this amendment. Let us support our staffs.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I rise in opposition to this amendment.

Mr. OBEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Chairman, I rise in strong opposition to this amendment to cut the proposed modest improvement in House Member office staff account from this measure.

Frankly, the compensation paid to personal staff, whether in our districts or in Washington, DC, has been slipping while the workload has been significantly increased.

I cannot understand why anyone would argue to make this allowance an example, a symbol of saving, in other words, let's take a hit in this staff allowance account to prove that we are willing to go without. In my view the motivation is political not practical and certainly not fair—not equitable—to the dedicated people that work for the Members.

My experience I assume with personal staff is typical individuals with advanced degrees, many years of experience but dedicated to the work of Congress earning $25,000–$35,000 annually with reduced health insurance and other benefits that a decade ago were taken as standard fringes of the job.

They remain working because of commitment to public service, and to the proposition of a congressional role and the Member who they work with.

In our district they are the first on the line as caseworkers on answering the phone or meeting with our constituents to answer questions, to deal with disappointment or problems that people have with the Federal bureaucracy. It's not always a pleasant task but one they approach with much skill and compassion. Along with our own presence whenever possible our district employees, our coworkers, help maintain a unique rapport with and response to the people we represent.

Mr. Chairman, all of the Members' personal staff in our Nation's Capitol have common needs. This area is one of the highest cost areas for housing, the living conditions of many of our new staff are likely more similar to that of a college dormitory, but often in circumstances much different. Washington, DC, is a wonderful city with many attractions, but some notable drawbacks and risks that I don't believe are necessary to expand upon at this point; suffice it to say that adequate housing, safe housing, sanitary housing, is not obtained without significant cost in the Washington, DC, area.

Our Washington, DC, workers who frequently move from our congressional districts have no allowance for moving expenses, no allowance for housing, and fewer amenities today than in the past.

All too often in order to achieve adequate compensation personal staff must seek other employment, this happens not just with legislative assistants but even with clerical workers.

Candidly, if it were not for the public spirit and dedication of personal staff, we would be working with far less assistance.

Our role as Members of Congress has become much more demanding in the years that I have served and the legislative branch the House of Representatives shouldn't limit ourselves by short changing the personal staffs that work with us. This amendment ought to be defeated for the political posture that it is and the House move to finally respond to the unfair treatment of personal staff. I just don't believe that Members of this House are so strapped for issues that we have to turn our public policy energy into demeaning the people we must immediately work with they surely don't deserve such treatment and it is unworthy of this House.

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I have a question for the gentleman from Florida.

Is it true that the gentleman from Florida, the author of this amendment, one of the authors of this

amendment, has been listed by the Taxpayers Union as one of the largest single users of the frank of any Member of the Congress?

Mr. STEARNS. Mr. OBEY, I was prepared for you to jump me with that question. You know that the National Taxpayers Union does not even list in order the people who do the franking; No. 2, that the Franking Commission has disputed their figures; No. 3, I think, as Mr. JOHNSTON, who is also from Florida, has pointed out, I have the largest district and you know we have done 80 town meetings, we have been very proactive.

Lastly, I would like to say to Mr. OBEY, what was your rating——

Mr. OBEY. Mr. Chairman, I ask the gentleman be required to answer the question, my question——

Mr. STEARNS. Mine was 100 percent. What was yours——

Mr. OBEY. Mr. Chairman, I referred earlier to posing for political holy pictures. I think we have had a demonstration of what it is I mean by that.

Mr. HEFNER. I yield such time as he may consume to the gentleman from Louisiana [Mr. HOLLOWAY].

Mr. HOLLOWAY. Mr. Chairman, I rise in strong support of this amendment.

Mr. Chairman, as we in Congress stumble our way toward a final budget that no one believes will really work, it is not fair for us to approve an appropriations bill which spends over 13 percent more than last year.

We are trying to convince the American people that it's time for everyone to sacrifice to balance the budget—and I agree with that.

Yet now we are considering an appropriations bill to raise the amount we pay our staff by nearly 15 percent. That's not fair to other Federal workers and it's not fair to the American people.

Since 1985, spending for the legislative branch has grown by 9.2 percent. Over the same 5-year period, spending for personal staff has gone up at an even faster rate—11.2 percent.

This amendment would cut out of the bill a proposed increase in the clerk-hire account. However, personal staff would still receive the regular cost-of-living increase that other Federal workers, veterans, and retirees get.

Now is not the time to be raising the salaries of anyone in Congress—not Members and not staff.

The time for pay increases will not arrive until we do our job and balance the budget. It's irresponsible spending like this which has gotten us in this mess in the first place.

Mr. HEFNER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think this amendment sends a signal to the American taxpayers. We are going to be called on in the next few days to make some very difficult votes on the tax package, a budget reduction package. I think this sends a message to the American taxpayers that we can tighten our belt and we can get dedicated people to work for us and we are going to work with the American people to try to get the budget deficit under control.

I would ask for an "aye" vote on this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendments en bloc offered by the gentleman from North Carolina [Mr. HEFNER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. HEFNER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 275, noes 139, not voting 19, as follows:

[Roll No. 498]

AYES—275

Anderson	Dyson	Lagomarsino
Andrews	Eckart	Lancaster
Annunzio	Edwards (OK)	Laughlin
Anthony	Emerson	Leach (IA)
Archer	English	Leath (TX)
Armey	Erdreich	Levin (MI)
Atkins	Fascell	Lewis (CA)
Ballenger	Fawell	Lightfoot
Barnard	Feighan	Lipinski
Bartlett	Fields	Lloyd
Barton	Flippo	Long
Bateman	Foglietta	Lowery (CA)
Bates	Ford (TN)	Lowey (NY)
Bennett	Frenzel	Lukens, Donald
Bereuter	Gallegly	Machtley
Bevill	Gallo	Martin (NY)
Bilbray	Gekas	McCandless
Bilirakis	Geren	McCrery
Bliley	Gillmor	McCurdy
Borski	Gilman	McDade
Boxer	Gingrich	McEwen
Brooks	Glickman	McHugh
Broomfield	Goodling	McMillan (NC)
Browder	Gordon	McMillen (MD)
Brown (CA)	Goss	McNulty
Brown (CO)	Gradison	Meyers
Bruce	Grandy	Michel
Bryant	Grant	Miller (CA)
Buechner	Gunderson	Miller (OH)
Bunning	Hall (TX)	Miller (WA)
Burton	Hammerschmidt	Mineta
Byron	Hancock	Mink
Callahan	Hansen	Moakley
Campbell (CA)	Harris	Molinari
Cardin	Hastert	Montgomery
Carper	Hatcher	Moorhead
Chandler	Hayes (LA)	Mrazek
Chapman	Hefley	Natcher
Clarke	Hefner	Neal (MA)
Clement	Henry	Neal (NC)
Clinger	Herger	Nelson
Coble	Hiler	Nielson
Coleman (MO)	Hoagland	Nowak
Coleman (TX)	Hochbrueckner	Owens (UT)
Combest	Holloway	Oxley
Condit	Hopkins	Packard
Conte	Houghton	Pallone
Cooper	Hubbard	Panetta
Costello	Huckaby	Parker
Courter	Hughes	Pashayan
Cox	Hunter	Patterson
Craig	Hutto	Paxon
Crane	Hyde	Payne (VA)
Dannemeyer	Inhofe	Pease
Darden	Ireland	Penny
de la Garza	Jacobs	Petri
DeLay	James	Pickett
Derrick	Jenkins	Pickle
DeWine	Johnson (SD)	Porter
Dickinson	Jones (GA)	Poshard
Dicks	Jones (NC)	Price
Dingell	Jontz	Pursell
Dorgan (ND)	Kaptur	Ravenel
Dornan (CA)	Kasich	Ray
Douglas	Kennelly	Regula
Dreier	Kolbe	Rhodes
Duncan	Kyl	Ritter
Durbin	LaFalce	Roberts
Robinson	Smith (FL)	Taylor
Rogers	Smith (NE)	Thomas (CA)
Rohrabacher	Smith (NJ)	Thomas (GA)
Ros-Lehtinen	Smith (TX)	Thomas (WY)
Rose	Smith, Denny (OR)	Traficant
Roth	Smith, Robert (NH)	Udall
Roukema	Smith, Robert (OR)	Unsoeld
Rowland (CT)	Snowe	Upton
Rowland (GA)	Solomon	Valentine
Russo	Spence	Vander Jagt
Saiki	Spratt	Volkmer
Sangmeister	Stallings	Vucanovich
Sarpalius	Stearns	Walgren
Saxton	Stenholm	Walker
Schaefer	Stump	Walsh
Schroeder	Sundquist	Watkins
Sharp	Swift	Weber
Shaw	Synar	Weldon
Shumway	Tallon	Whittaker
Sikorski	Tanner	Wilson
Sisisky	Tauke	Wolpe
Skelton	Tauzin	Wyden
Slattery		Yatron
Slaughter (NY)		Young (FL)
Slaughter (VA)		

NOES—139

Alexander	Horton	Pelosi
Applegate	Hoyer	Perkins
AuCoin	Johnson (CT)	Rahall
Baker	Johnston	Rangel
Beilenson	Kanjorski	Richardson
Bentley	Kastenmeier	Ridge
Berman	Kildee	Rinaldo
Boehlert	Kleczka	Roe
Bonior	Kolter	Rostenkowski
Bosco	Kostmayer	Roybal
Boucher	Lantos	Sabo
Bustamante	Lehman (CA)	Savage
Campbell (CO)	Lehman (FL)	Sawyer
Carr	Lent	Scheuer
Clay	Levine (CA)	Schiff
Collins	Lewis (FL)	Schneider
Coughlin	Lewis (GA)	Schulze
Coyne	Livingston	Sensenbrenner
Davis	Luken, Thomas	Serrano
DeFazio	Madigan	Shays
Dellums	Manton	Skaggs
Dixon	Marlenee	Skeen
Downey	Martinez	Smith (IA)
Dwyer	Matsui	Solarz
Dymally	Mavroules	Staggers
Early	Mazzoli	Stangeland
Edwards (CA)	McCloskey	Stark
Engel	McCollum	Stokes
Espy	McDermott	Studds
Evans	McGrath	Torres
Fazio	Mfume	Torricelli
Fish	Mollohan	Towns
Flake	Moody	Traxler
Ford (MI)	Morella	Vento
Frank	Morrison (WA)	Visclosky
Frost	Murphy	Washington
Gaydos	Murtha	Waxman
Gephardt	Myers	Weiss
Gibbons	Nagle	Wheat
Gonzalez	Oakar	Whitten
Gray	Oberstar	Williams
Guarini	Obey	Wise
Hall (OH)	Olin	Wolf
Hamilton	Ortiz	Yates
Hawkins	Owens (NY)	Young (AK)
Hayes (IL)	Parris	
Hertel	Payne (NJ)	

NOT VOTING—19

Ackerman	Gejdenson	Schuette
Aspin	Green	Schumer
Boggs	Kennedy	Shuster
Brennan	Markey	Smith (VT)
Conyers	Martin (IL)	Wylie
Crockett	Morrison (CT)	
Donnelly	Quillen	

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The Clerk announced the following pairs:

On this vote:

Mr. Morrison of Connecticut for, with Mr. Green of New York against.

Mr. Smith of Vermont for, with Mr. Quillen against.

Messrs. SERRANO, LEHMAN of Florida, and YATES changed their vote from "aye" to "no."

Messrs. BEVILL, CHANDLER, NEAL of Massachusetts, SIKORSKI, and BROWN of California changed their vote from "no" to "aye."

So the amendments en bloc were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

HOUSE LEADERSHIP OFFICES

For salaries and expenses, as authorized by law, $5,220,000, including: Office of the Speaker, $1,132,000, including $25,000 for official expenses of the Speaker; Office of the Majority Floor Leader, $1,071,000, including $10,000 for official expenses of the Majority Leader; Office of the Minority Floor Leader, $1,316,000, including $10,000 for official expenses of the Minority Leader; Office of the Majority Whip, $973,000, including $5,000 for official expenses of the Majority Whip and not to exceed $293,330, for the Chief Deputy Majority Whip; Office of the Minority Whip, $728,000, including $5,000 for official expenses of the Minority Whip and not to exceed $88,220, for the Chief Deputy Minority Whip.

MEMBERS' CLERK HIRE

For staff employed by each Member in the discharge of his official and representative duties, $214,703,000.

COMMITTEE EMPLOYEES

For professional and clerical employees of standing committees, including the Committee on Appropriations and the Committee on the Budget, $66,832,000.

COMMITTEE ON THE BUDGET (STUDIES)

For salaries, expenses, and studies by the Committee on the Budget, and temporary personal services for such committee to be expended in accordance with sections 101(c), 606, 703, and 901(e) of the Congressional Budget Act of 1974, and to be available for reimbursement to agencies for services performed, $379,000.

CONTINGENT EXPENSES OF THE HOUSE

STANDING COMMITTEES, SPECIAL AND SELECT

For salaries and expenses of standing committees, special and select, authorized by the House, $61,100,000.

ALLOWANCES AND EXPENSES

For allowances and expenses as authorized by House resolution or law, $209,044,000, including: Official Expenses of Members, $75,272,000; supplies, materials, administrative costs and Federal tort claims, $19,950,000; net expenses of purchase, lease and maintenance of office equipment, $10,770,000; furniture and furnishings, $1,910,000; stenographic reporting of committee hearings, $950,000; reemployed annuitants reimbursements, $1,000,000; Government contributions to employees' life insurance fund, retirement funds, Social Security fund, Medicare fund, health benefits fund, and worker's and unemployment compensation, $98,570,000; and miscellaneous items including, but not limited to, purchase, exchange, maintenance, repair and operation of House motor vehicles, interparliamentary receptions, and gratuities to heirs of deceased employees of the House, $622,000.

Such amounts as are deemed necessary for the payment of allowances and expenses under this heading may be transferred among the various categories of allowances and expenses under this heading, upon the approval of the Committee on Appropriations of the House of Representatives.

COMMITTEE ON APPROPRIATIONS (STUDIES AND INVESTIGATIONS)

For salaries and expenses, studies and examinations of executive agencies, by the Committee on Appropriations, and temporary personal services for such committee, to be expended in accordance with section 202(b) of the Legislative Reorganization Act, 1946, and to be available for reimbursement to agencies for services performed, $6,120,000.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs of the House of Representatives, as authorized by law, $58,984,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation and expenses of officers and employees, as authorized by law, $44,628,000, including: Office of the Clerk, including not to exceed $1,000 for official representation and reception expenses, $19,300,000; Office of the Sergeant at Arms, including not to exceed $500 for official representation and reception expenses, $1,200,000; Office of the Doorkeeper, including overtime, as authorized by law, $9,200,000; Office of the Postmaster, $3,275,000, including $118,130 for employment of substitute messengers and extra services of regular employees when required at the salary rate of not to exceed $18,443 per annum each; Office of the Chaplain, $105,000; Office of the Parliamentarian, including the Parliamentarian and $2,000 for preparing the Digest of Rules, $890,000; for salaries and expenses of the Office of the Historian, $300,000; for salaries and expenses of the Office of the Law Revision Counsel of the House, $1,302,000; for salaries and expenses of the Office of the Legislative Counsel of the House, $4,161,000; six minority employees, $677,000; the House Democratic Steering Committee and Caucus, $1,305,000; the House Republican Conference, $1,305,000; and other authorized employees, $1,608,000.

Such amounts as are deemed necessary for the payment of salaries of officers and employees under this heading may be transferred among the various offices and activities under this heading, upon the approval of the Committee on Appropriations of the House of Representatives.

PARLIAMENTARY INQUIRY

Mr. ROBERTS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ROBERTS. Mr. Chairman, I have an amendment under the allowances and expenses section of title I. I was standing. Could the Chairman determine for me where we are reading? I could not hear the Clerk.

The CHAIRMAN. The Clerk has read through line 25 on page 5.

Mr. ROBERTS. Mr. Chairman, I have an amendment made in order by the Committee on Rules to title I in relation to line 18, and notwithstanding the fact that the Clerk has read past that line, I would like permission to introduce my amendment. I was standing at the time, Mr. Chairman, and could not hear.

The CHAIRMAN. The Chairman recognizes that the gentleman was standing. The gentleman is referring to line 18 on which page?

Mr. ROBERTS. Page 3, Mr. Chairman. The amendment is made in order by the rule.

□ 1650

Mr. FAZIO. Mr. Chairman, I believe the gentleman rose too late, and the amendment that he wished to offer would have been made appropriately two pages before the Clerk stopped reading.

I would, however, at this point indicate that I will not make the request for a point of order in the Committee in the hopes that we can have a brief discussion on this amendment. I think it might set the tone for hopefully a briefer afternoon, so I will not make my point of order.

The CHAIRMAN. Does the gentleman from Kansas [Mr. ROBERTS] seek unanimous consent to offer his amendment?

Mr. ROBERTS. Mr. Chairman, I ask unanimous consent to proceed with my amendment, made in order by the rule.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair would say to the gentleman that the Rules Committee did not specifically make this amendment in order. The Clerk does not have the text of the amendment.

Mr. ROBERTS. I have the text, Mr. Chairman.

Mr. LEWIS of California. Mr. Chairman, the amendment, as I understand it, was not prohibited by the rule, and under the rules of procedure it would automatically, as a cutting amendment, be in order.

Mr. FAZIO. Mr. Chairman, it is in order, but we do not have a copy of it, and we would like to have a copy of it. I do not wish to make a point of order that it is not in order, because it is, it is a cutting amendment, but we have not seen it.

The CHAIRMAN. There has been no objection to returning to the page and line of the amendment.

The Clerk now has a copy of the amendment.

AMENDMENT OFFERED BY MR. ROBERTS

Mr. ROBERTS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: Page 3, line 18, strike "$209,044,000" and insert "$208,544,000".

Mr. ROBERTS. Mr. Chairman, I thank the Chair and my colleague for their indulgence, and I beg their further indulgence.

Mr. Chairman, this amendment just simply strikes funding that would be

provided to study the use and space effectiveness of modular furniture in our three House office buildings and possibly the Capitol.

I am going to cut this short. Why do we have a study when only after 2 years we conducted a study which said that this was not feasible? It is expensive and it raises the office suite costs in terms of furniture from $18,000 to $50,000.

If implemented, the study of 2 years ago showed that this would cost roughly $22 million, and an additional $20 million if this kind of furniture were furnished to the entire Capitol.

I am not opposed to modular furniture. In normal times I am not opposed to a study. But at this particular time it seems to me this is unwarranted when we had a study only 2 years ago that would show this would be terribly, terribly out of order and expensive.

Mr. KANJORSKI. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know that in these trying times all of us are trying to effectuate efficiencies in Government, and quite frankly I rise because I think over the last 2 years I have been one of the moving Members of the House to encourage the House Administration and the House leadership to reexamine our office structure here.

It would seem to me that so often we are very pleased to analyze the working conditions of average Americans, and particularly in the private sector, and yet if we look at the working conditions of House staff, whether it be a Member's offices or committee offices, one can surely recognize that certainly we do not adhere to the standards in size that even OSHA would require. In many of our three-room suites we have 12 or 14 members of our staff squeezed in in small square footage, and in conditions that really do not warrant efficiency, productivity or the minimum standards that working conditions should meet.

I did not come up with what I saw lightly. The fact of the matter is I make it a point to go through Federal installations of the executive branch of Government, Federal installations, of the judicial branch of Government and State institutions, particularly in the Commonwealth of Pennsylvania. Quite frankly, in every one of those installations I found an extraordinary use of modular furniture, particularly in the area of not using the outdated, sizable, huge desks which we have to put in our facilities, and as a result limit our capacity as to what type of storage can be put in place as to immediate working files and committee operations.

If I had to say anything, I would say to the gentleman from Kansas, I come to this House with some prior experience, not in seniority, but I had the pleasure of serving as a congressional page in the 83rd Congress, and the thing that struck me as most ironic when I came here was to discover that the size and nature of the furniture that exists in the Members' offices and committee offices today is not different in size than it was some 36 years ago. I think that is unconscionable, and the only justification that ultimately will result is as we need these large staffs we will somewhere down the road, and in some short future time say we need a new office building, which we may or may not, but quite frankly, today if we could make this investment, find the modular furniture that would meet our needs, and quite frankly it does not have to be an expensive search because I do not know why with the uniqueness of the U.S. House of Representatives we have to go out and do our own thing. The General Services Administration for the executive branch of Government has made modular furniture available that is absolutely approved, that can be put in place at a tremendous savings compared to the existing furniture that we buy today, and that we use in our offices. The only problem is we are obsolete, and we do not want to change.

There is no industry in America, there is not a branch of Government in America that does not recognize that there is a new form of operating office facilities and part of it is modular, and if the House of Representatives wants to show that it is a forward looking body we at least ought to catch up with 35 years of being behind the curve.

So with that, the gentleman from Kansas is a reasonable man, and I would appeal to him as a reasonable man. I have listened to some of his debate, particularly on the budget issue, in the last several weeks. I think I will appeal to his reasonableness. Although this does not appear to be a usable item, and could appear to be a wasteful expenditure, in reality I think we may find that we will increase the productivity and efficiency of our offices here, and we will decrease the necessity in the immediate future of building a larger office building to hold the Members. So in the long run, this type of study and use of modern technology could be a great savings, a great savings to the taxpayers of the United States.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. KANJORSKI. Certainly I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I really appreciate what my friend is saying, and I am not opposed to modular furniture per se. And when we have a new House office building, if that is somewhere down the road, I think that would be very, very appropriate.

But the point I was trying to make is that less than 2 years ago we did a study on this. I do not see why we have to have yet another study when this study showed it would be $22 million to furnish these buildings and another $20 million, and that it was not cost effective. Someplace down the road, perhaps. And I agree with the gentleman's comments in regard to our staff and the lack of space that we have.

Mr. KANJORSKI. If I could reclaim my time, it is not only to serve the office buildings here, but even in the district offices. The gentleman has a district office and I have a district office. We get these humongous desks that are relatively expensive and unusable for the purposes they should be there. We are the only branch of Government that I know of, between the Federal judicial, executive and legislative, and we are the only ones. The States do not have these types of facilities.

I would just urge the gentleman for this moment to put it aside, and as I understand it this allocation is not to do a study that is just hiring an architect to come back with figures, but to do a trial installation of modular furniture, and I have made my office available for such a trial.

□ 1700

Mr. FAZIO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will indicate to my friend, the gentleman from Kansas [Mr. ROBERTS], that there was, indeed, a report done by the Office of the Clerk which was not accepted, and I underline not accepted, by the Committee on House Administration, when it was submitted to the committee some 2 years ago.

The GAO has done a report on modular furniture and reached many contradictory conclusions to those that were in the Clerk's report.

This simply says we should use $500,000 to test the use and space-effectiveness of modular furniture, and I think we all appreciate the fact that in the Cannon Building, in the Longworth Building particularly, and in fact in the Rayburn Building which is already an aging building, we have people crammed on top of each other with antiquated furniture that makes it a very obvious OSHA violation which occurs in our own facility here. We have people using square footage that would not be permitted in many other private or public facilities. We have got to make better use of that limited space.

I know private-sector space planners who work for major corporations who have viewed our operations here and are appalled at the way in which we force people to work sitting right on top of each other. This is simply a way

of attempting not to expend large sums of money to make a radical transformation of how we furnish our buildings, but an effort to find out whether in fact we could use modular furniture to make better work space.

Any of you who have seen many of our private-sector corporate headquarters today know that top-level managers work in modular settings on open floors. We do not happen to have that kind of building. Our office buildings were built many years ago. We have outgrown them. We outgrew them in the 1950's and 1960's. We have got to do a better job to satisfy the needs of our employees.

I think this is a worthy effort, and I would urge people to defeat the amendment offered by the gentleman from Kansas [Mr. ROBERTS].

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we are moving along reasonably well. There are amendments that have to do with garage attendants, and we probably will have at least one more across-the-board cut, and if we do not have to have a vote on 10 or so, we will probably even have a chance to go home for dinner this Sunday.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I would like to point out to my colleagues on page 15 of the report it reads, "For office furniture $500,000 is allowed to test the use and space-effectiveness of modular furniture."

I repeat, again, less than 2 years ago we did a study, and the reason it was not accepted by the Committee on House Administration, as the ranking member of the subcommittee in charge of this particular issue, was because 38 Members requested a desire for modular furniture, and the committee was going to choose between 8 to 10 offices as models.

The cost for each office was not the present standard cost for office furniture of $18,000. It was $50,000, and you can readily see where this was headed. The study was dropped.

This issue is not a new one. It has a long history.

I am on the subcommittee. For many years the suggestions have been made to move from the traditional furniture which was pointed out by the gentleman from Pennsylvania to so-called modern space-efficient furniture. It seems logical until you start to examine the cost of the change, the cost of maintenance, and the practicality of the furniture in the existing buildings. It is not practical.

In 1988 the Committee on House Administration examined these issues. The study shows that modular furniture was not adaptable to our office buildings, would not add efficiency and, most important, it is not cost-effective. In fact, it would cost three times as much.

I did not intend to read all of this, but I think the body should understand this.

How much? Well, if we were to begin furnishing Members' offices alone, $22 million. That would double if we were to furnish all other offices, and that does not include the problem of air-conditioning and heating.

You put the panels and the space cabinets up and you do not have ventilation. You do not have the heating. All of the electrical equipment has to be changed. Some would have modular, some would not. How do you make the change when new Members come in? Those are some of the answers that the Committee on House Administration had to determine, and they used the GAO report that the gentleman from California mentioned.

Mr. KANJORSKI. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of California. I am happy to yield to the gentleman from Pennsylvania.

Mr. KANJORSKI. Mr. Chairman, I say to the gentleman from Kansas [Mr. ROBERTS] that if we carry the logic of his argument to its natural conclusion he is saying that the Congress of the United States will never be able to have more modern furniture than they have today.

Mr. ROBERTS. Mr. Chairman, if the gentleman will yield further, that is not what I am saying. The gentleman from Pennsylvania has indicated that when we construct a new House office building or perhaps some time down the road you make one floor in the Rayburn Building, make that, say, modular, why, perhaps. This study has been done. We cannot afford this.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. ROBERTS].

The question was taken; and on a division (demanded by Mr. ROBERTS) there were—ayes 35, noes 21.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE PROVISIONS

SEC. 101. Of the amounts appropriated for fiscal year 1991 for salaries and expenses of the House of Representatives, such amounts as may be necessary may be transferred among the headings "HOUSE LEADERSHIP OFFICES", "MEMBERS' CLERK HIRE", "COMMITTEE EMPLOYEES", "CONTINGENT EXPENSES OF THE HOUSE (STANDING COMMITTEES, SPECIAL AND SELECT)", "CONTINGENT EXPENSES OF THE HOUSE (ALLOWANCES AND EXPENSES)", "OFFICIAL MAIL COSTS", and "SALARIES, OFFICERS AND EMPLOYEES", upon approval of the Committee on Appropriations of the House of Representatives.

SEC. 102. The Clerk of the House, under the direction of the Committee on House Administration, is authorized to receive and expend funds for the conduct of a biennial equipment exposition for Members.

SEC. 103. The provisions of H. Res. 294, approved November 17, 1989, establishing five additional positions on the Capitol Police for duty with respect to the House of Representatives, shall be the permanent law with respect thereto.

SEC. 104. Effective January 1, 1991, the authorization for the Clerk Hire Allowance, as established by the Committee on House Administration, is increased by $50,000.

SEC. 105. The provisions of H. Res. 420, approved June 26, 1990, establishing the position of Director of Employment Practices under the Capitol Police Board with respect to members of the Capitol Police, shall be the permanent law with respect thereto.

JOINT ITEMS

For joint committees, as follows:

CONTINGENT EXPENSES OF THE SENATE

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, $3,675,000.

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, $1,269,000.

CONTINGENT EXPENSES OF THE HOUSE

JOINT COMMITTEE ON TAXATION

For salaries and expenses of the Joint Committee on Taxation, $5,203,000, to be disbursed by the Clerk of the House.

For other joint items, as follows:

OFFICE OF THE ATTENDING PHYSICIAN

For medical supplies, equipment, and contingent expenses of the emergency rooms, and for the Attending Physician and his assistants, including (1) an allowance of $1,500 per month to the Attending Physician; (2) an allowance of $1,000 per month to one Senior Medical Officer while on duty in the Attending Physician's office; (3) an allowance of $500 per month each to two medical officers while on duty in the Attending Physician's office; (4) an allowance of $500 per month each to two assistants and $400 per month each to not to exceed nine assistants on the basis heretofore provided for such assistance; and (5) $952,000 for reimbursement to the Department of the Navy for expenses incurred for staff and equipment assigned to the Office of the Attending Physician, such amount shall be advanced and credited to the applicable appropriation or appropriations from which such salaries, allowances, and other expenses are payable and shall be available for all the purposes thereof, $1,436,000, to be disbursed by the Clerk of the House.

CAPITOL POLICE BOARD

CAPITOL POLICE

SALARIES

For the Capitol Police Board for salaries, including overtime, and Government contributions to employees' benefits funds, as authorized by law, of officers, members, and employees of the Capitol Police, $58,548,000, of which $29,114,000 is appropriated to the Sergeant at Arms of the House of Representatives, to be disbursed by the Clerk of the House, and $29,434,000 is appropriated to the Sergeant at Arms and Doorkeeper of the Senate, to be disbursed by the Secretary of the Senate.

GENERAL EXPENSES

For the Capitol Police Board for necessary expenses of the Capitol Police, including purchasing and supplying uniforms; the purchase, maintenance, and repair of police

motor vehicles, including two-way police radio equipment; contingent expenses, including advance payment for travel for training, protective details, and tuition and registration, and expenses associated with the awards program not to exceed $900, expenses associated with the relocation of instructor personnel to and from the Federal Law Enforcement Training Center as approved by the Chairman of the Capitol Police Board, and including $85 per month for extra services performed for the Capitol Police Board by such member of the staff of the Sergeant at Arms of the Senate or the House as may be designated by the Chairman of the Board, $1,951,000, to be disbursed by the Clerk of the House: *Provided*, That the funds used to maintain the petty cash fund referred to as "Petty Cash II" which is to provide for the prevention and detection of crime shall not exceed $4,000: *Provided further*, That the funds used to maintain the petty cash fund referred to as "Petty Cash III" which is to provide for the advance of travel expenses attendant to protective assignments shall not exceed $4,000: *Provided further*, That, notwithstanding any other provision of law, the cost involved in providing basic training for members of the Capitol Police at the Federal Law Enforcement Training Center for fiscal year 1991 shall be paid by the Secretary of the Treasury from funds available to the Treasury Department.

OFFICIAL MAIL COSTS

For expenses necessary for official mail costs, $33,220,000, to be disbursed by the Clerk of the House, to be available immediately upon enactment of this Act.

CAPITOL GUIDE SERVICE

For salaries and expenses of the Capitol Guide Service, $1,490,000, to be disbursed by the Secretary of the Senate: *Provided*, That none of these funds shall be used to employ more than thirty-three individuals: *Provided further*, That the Capitol Guide Board is authorized, during emergencies, to employ not more than two additional individuals for not more than one hundred twenty days each, and not more than ten additional individuals for not more than six months each, for the Capitol Guide Service.

SPECIAL SERVICES OFFICE

For salaries and expenses of the Special Services Office, $255,000, to be disbursed by the Secretary of the Senate.

STATEMENTS OF APPROPRIATIONS

For the preparation, under the direction of the Committees on Appropriations of the Senate and House of Representatives, of the statements for the second session of the One Hundred First Congress, showing appropriations made, indefinite appropriations, and contracts authorized, together with a chronological history of the regular appropriations bills as required by law, $20,000, to be paid to the persons designated by the chairmen of such committees to supervise the work.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Technology Assessment Act of 1972 (Public Law 92-484), including official representation and reception expenses (not to exceed $3,500 from the Trust Fund), to be expended on the certification of the Director of the Office of Technology Assessment, expenses incurred in administering an employee incentive awards program (not to exceed $1,800), rental of space in the District of Columbia, and those necessary to carry out the duties of the Director of the Office of Technology Assessment under 42 U.S.C. 1395ww, and 42 U.S.C. 1395w-1, $19,557,000: *Provided*, That none of the funds in this Act shall be available for salaries or expenses of any employee of the Office of Technology Assessment in excess of 143 staff employees: *Provided further*, That no part of this appropriation shall be available for assessments or activities not initiated and approved in accordance with section 3(d) of Public Law 92-484, except that funds shall be available for the assessment required by Public Law 96-151: *Provided further*, That none of the funds in this Act shall be available for salaries or expenses of employees of the Office of Technology Assessment in connection with any reimbursable study for which funds are provided from sources other than appropriations made under this Act, or be available for any other administrative expenses incurred by the Office of Technology Assessment in carrying out such a study.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

For salaries and expenses necessary to carry out the provisions of the Congressional Budget Act of 1974 (Public Law 93-344), including not to exceed $2,300 to be expended on the certification of the Director of the Congressional Budget Office in connection with official representation and reception expenses, $19,229,000: *Provided*, That none of these funds shall be available for the purchase or hire of a passenger motor vehicle: *Provided further*, That none of the funds in this Act shall be available for salaries or expenses of any employee of the Congressional Budget Office in excess of 226 staff employees: *Provided further*, That any sale or lease of property, supplies, or services to the Congressional Budget Office shall be deemed to be a sale or lease of such property, supplies, or services to the Congress subject to section 903 of Public Law 98-63.

ARCHITECT OF THE CAPITOL

OFFICE OF THE ARCHITECT OF THE CAPITOL

SALARIES

For the Architect of the Capitol; the Assistant Architect of the Capitol; and other personal services; at rates of pay provided by law, $7,308,000.

TRAVEL

Appropriations under the control of the Architect of the Capitol shall be available for expenses of travel on official business not to exceed in the aggregate under all funds the sum of $20,000.

CONTINGENT EXPENSES

To enable the Architect of the Capitol to make surveys and studies, and to meet unforeseen expenses in connection with activities under his care, $100,000, which shall remain available until expended.

CAPITOL BUILDINGS AND GROUNDS

CAPITOL BUILDINGS

For all necessary expenses for the maintenance, care and operation of the Capitol Building and electrical substations of the Senate and House Office Buildings, under the jurisdiction of the Architect of the Capitol, including furnishings and office equipment; not to exceed $1,000 for official reception and representation expenses, to be expended as the Architect of the Capitol may approve; purchase or exchange, maintenance and operation of a passenger motor vehicle; for expenses of attendance, when specifically authorized by the Architect of the Capitol, at meetings or conventions in connection with subjects related to work under the Architect of the Capitol, $27,238,000, of which $8,925,000 shall remain available until expended: *Provided*, That of the funds to remain available until expended, $5,701,000 shall be available for obligation without regard to section 3709 of the Revised Statutes, as amended.

CAPITOL GROUNDS

For all necessary expenses for care and improvement of grounds surrounding the Capitol, the Senate and House office buildings, and the Capitol Power Plant, $4,964,000, of which $400,000 shall remain available until expended.

HOUSE OFFICE BUILDINGS

For all necessary expenses for the maintenance, care and operation of the House office buildings, including the position of Superintendent of Garages as authorized by law, $32,285,000, of which $4,160,000 shall remain available until expended.

CAPITOL POWER PLANT

For all necessary expenses for the maintenance, care and operation of the Capitol Power Plant; for lighting, heating, power (including the purchase of electrical energy) and water and sewer services for the Capitol, Senate and House office buildings, Library of Congress buildings, and the grounds about the same, Botanic Garden, Senate garage, and for air conditioning refrigeration not supplied from plants in any of such buildings; for heating the Government Printing Office and Washington City Post Office and heating and chilled water for air conditioning for the Supreme Court Building, Union Station complex and the Folger Shakespeare Library, expenses for which shall be advanced or reimbursed upon request of the Architect of the Capitol and amounts so received shall be deposited into the Treasury to the credit of this appropriation, $32,427,000, of which $3,000,000 shall remain available until expended: *Provided*, That of the funds to remain available until expended, $3,000,000 shall be available for obligation without regard to section 3709 of the Revised Statutes, as amended: *Provided further*, That not to exceed $2,400,000 of the funds credited or to be reimbursed to this appropriation as herein provided shall be available for obligation during fiscal year 1991.

ADMINISTRATIVE PROVISIONS

SEC. 106. (a) Effective as of the first day of the first applicable pay period beginning on or after the date of enactment of this Act, the compensation of the Director of Engineering (under the Architect of the Capitol) shall be equal to the rate of basic pay payable for level V of the Executive Schedule.

(b)(1) Effective beginning with any pay period beginning on or after the date of enactment of this Act, the Architect of the Capitol may fix the rate of basic pay—

(A) for not more than one of the positions under paragraph (2) at a rate not to exceed the rate payable for grade GS-18 of the General Schedule; and

(B) for any other position under paragraph (2), at such rate as the Architect considers appropriate for such position, not to exceed the rate payable for step 2 of grade GS-17 of the General Schedule.

(2) Authority under paragraph (1) may be exercised with respect to any of the following positions under the jurisdiction of the Architect of the Capitol:

(A) The Senior Landscape Architect.

(B) The Administrative Assistant.

(C) The Executive Officer.
(D) The Budget Officer.
(E) The General Counsel.
(F) The Superintendent of the Senate Office Buildings.
(G) The Superintendent of the House Office Buildings.
(H) The Supervising Engineer of the United States Capitol.

SEC. 107. The Supplemental Appropriations Act, 1975 (Public Law 93-554, title I, chapter III, section 101, December 27, 1974, 88 Stat. 1777) is amended—

(1) by striking out "grade 10" and inserting in lieu thereof "grade 11"; and

(2) by striking out "and compensated initially at the same steps in such grade, currently in effect for their present grades, so long as such positions are held by the present incumbents".

LIBRARY OF CONGRESS

CONGRESSIONAL RESEARCH SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946, as amended by section 321 of the Legislative Reorganization Act of 1970 (2 U.S.C. 166) and to revise and extend the Annotated Constitution of the United States of America, $57,543,000: *Provided,* That no part of this appropriation may be used to pay any salary or expense in connection with any publication, or preparation of material therefor (except the Digest of Public General Bills), to be issued by the Library of Congress unless such publication has obtained prior approval of either the Committee on House Administration or the Senate Committee on Rules and Administration: *Provided further,* That notwithstanding any other provisions of law, the compensation of the Director of the Congressional Research Service, Library of Congress, shall be at an annual rate which is equal to the annual rate of basic pay for positions at level IV of the Executive Schedule under section 5315 of title 5, United States Code.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

For authorized printing and binding for the Congress; for printing and binding for the Architect of the Capitol; expenses necessary for preparing the semimonthly and session index to the Congressional Record, as authorized by law (44 U.S.C. 902); printing and binding of Government publications authorized by law to be distributed to Members of Congress; and for printing, binding, and distribution of Government publications authorized by law to be distributed without charge to the recipient, $79,615,000: *Provided,* That funds remaining from the unexpended balances from obligations made under prior year appropriations for this account shall be available for the purposes of the printing and binding account for the same fiscal year: *Provided further,* That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture) nor for copies of the permanent edition of the Congressional Record for individual Representatives, Resident Commissioners or Delegates authorized under 44 U.S.C. 906: *Provided further,* That to the extent that funds remain from the unexpended balance of fiscal year 1984 funds obligated for the printing and binding costs of publications produced for the Bicentennial of the Congress, such remaining funds shall be available for the current year printing and binding cost of publications produced for the Bicentennial: *Provided further,* That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years.

This title may be cited as the "Congressional Operations Appropriations Act, 1991".

Mr. FAZIO (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of title I be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order on the remainder of title I?

If not, are there any amendment to the remainder of title I?

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 8, line 18, strike "$58,548,000" and insert "$58,348,000".

Page 8, line 19, strike "$29,114,000" and insert "$28,914,000".

Mr. CONTE. Mr. Chairman, this language cuts $200,000 from the Capitol Police account in the House.

It is my intention that the police will achieve this savings by utilizing 50 civilians instead of officers in the current fiscal year. I had intended to offer an amendment striking double this amount, but at the suggestion of the chairman of the subcommittee, I have modified this language to allow the police to phase in this change over the year.

Mr. Chairman, there is no doubt we live and work in a security-conscious world, and I am as security-conscious as any other Member. It is just that I am concerned about our economic security as well.

When we look at the numbers, it is easy to see that the economy is not what we are putting first. We now have almost 1,400 police.

Mr. Chairman, this language cuts $200,000 from the Capitol Police account in the House. It is my intention that the police will achieve these savings by utilizing 50 civilians instead of officers in the current fiscal year.

I had intended to offer an amendment striking double this amount.

But at the suggestion of the chairman of the subcommittee, I have modified this language to allow the police to phase in this change over the year.

Mr. Chairman, there is no doubt. We live and work in a security-conscious world. And I'm as security-conscious as the next Member.

It's just that I'm concerned about economic security, too.

And when you look at the numbers, it is easy to see that the economy's not what we're putting first.

We have got almost 1,400 police, but just 535 Members.

And you can do this math without Joint Tax, or OMB or CBO—there are three of them for everyone of us.

Before long, we'll have to have a census just for Capitol Police alone. It's pretty scarey.

There's an easy way to hold back on police costs. Use civilians just like they do on the Senate side. Use of just one civilian over an officer saves $8,000 a year.

Let me ask you this. Why should the taxpayers pay to train and equip a uniformed officer who checks IDs at the Longworth cafeteria?

Why should the taxpayers pay to train and equip a uniformed officer who writes parking tickets all day?

There's no smoke and mirrors to this arithmetic. I based this amendment on figures supplied to me by the Capitol Police.

They want to use civilians. They want to cut costs and improve morale. They want officers to be officers.

This policy's working on the Senate side, and it can work over here, too.

Use the old math, new math, a calculator, CBO—anyway you figure it, we've got savings here.

As my colleagues are aware, I have long been concerned about the size of the force.

The force can't be very forceful if it's filled with ID checkers and ticket writers.

We are wasting our money when we pay the higher salaries for them, or foot the bill for their training at law enforcement school, or outfit them with uniforms and weapons.

This has been studied and studied. The police have looked at it. Jack Russ has looked at it. GAO has looked at it.

Now, we should look at it.

It's time we bite the bullet and move forward on this idea. I urge adoption of this amendment.

I want the chairman to know, I am trying to be constructive and cooperative here.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am happy to yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I will be happy to indicate support for the amendment that the gentleman has offered.

I rise in support of the amendment. The gentleman from Massachusetts [Mr. CONTE] had modified his original amendment to do something I think is a worthwhile goal, and that is to move in the direction of using civilians in some uniformed-police roles. I will say that this amendment is enough to allow us to make this a gradual change, one that will be monitored by the Committee on House Administration and one that will be accomplished through attrition.

□ 1710

We think this could be a useful amendment. Does the gentleman agree that the attrition approach is the way to do it?

Mr. CONTE. Yes, I do.

Mr. FAZIO. I appreciate it.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: Page 14, line 18, strike "$30,950,000" and insert "$30,800,000".

Mr. CONTE. Mr. Chairman, I spoke before on this situation. It has simply gotten out of hand: I'm talking about the garage attendant problem.

I thought we held the line back in fiscal year 1986 when the House adopted my amendment to knock the number down from 60 to 50.

I was grateful then for the cooperation of my colleague from California, the subcommittee chairman, and I hope I can count on his cooperation again—because it's just getting worse and worse.

The bill we're debating today brings the number back up to 52. And that doesn't include the "temporaries" that have been hired.

Here we are headed back up.

Mr. Chairman, we've seen a lot of charts these past few days. Members are using them to make one point or another.

Well, I made up a chart of my own, because it looks like that's the only way to get my point across.

[Show chart.]

This chart shows the number of garage attendants needed. Zero. Zip.

Why does anybody think we need all these garage attendants?

I drive in every morning and there are three of these guys just sitting there—waiting.

I guess they're waiting to draw their Federal pensions, because they certainly aren't doing anything productive.

And I bet there isn't a Member here who hasn't seen the same thing.

My office gets calls all the time about the garage attendants.

"They're down there playing cards."

"The police have just arrested three of them for selling drugs on Federal property."

"I hear they're selling parking stickers."

And now Jack Russ has started a new policy. Police are checking ID's for motorists coming in the garage.

So we're piling up police on top of police on top of garage attendants. While the costs pile up as well. It's a wonder anybody can get in the door.

I looked at the numbers. Why on Earth do we need 17 employees in the Rayburn garage alone? My staff was told this was a "barebones" number—down from the "26 it should be." Give me a break.

We need a better policy.

What do these guys do all day?

What are they supposed to do after all the traffic comes in each morning?

Why do we need a second shift coming in at 3?

And can you believe it, they used to have a third shift. At least we stopped that one.

So, who said miracles don't happen in Congress?

If the superintendent of garages entered his staff in the "Congressional Warm Chair Contest" he'd surely win—because I'm sure some of these guys don't even get up to go home at night.

Why should they? They've got to sit and wait for their next newspaper to be delivered, or maybe it's their next paycheck.

We just don't have our priorities straight.

The real issue is whether—in this time of budgetary restraint—we want to continue to have the taxpayer foot the bill to have a small army guide us each morning to the same parking spaces we've been using for years.

And that bill isn't cheap.

They're asking for a million and a half dollars this year including salaries and benefits. Somebody could buy a lot of food stamps with that.

I can't go home and justify this to my constituents. It's a waste of their money.

My amendment is simple: it strikes $150,000—funding for eight garage attendant positions. That's 15 percent.

They shouldn't have any trouble making this:

With the extras they've added since my amendment was adopted in fiscal year 1986;

With the ones who lost their jobs after they were arrested for selling drugs right here in the House office complex and with vacancies and other attrition.

If we can't reach that number by attrition, then the Architect can come in for a reprogramming and we'll fund them until they can find other jobs and get that overall number down.

And in the interim, I hope the superintendent of garages and the Architect can work with House administration to figure out a system to make sure we're using the best allocation of these employees.

So, if you believe in temporary employees, the tooth fairy, and a balanced budget by next week, maybe this situation doesn't look so bad to you.

It's a mess as far as I'm concerned.

If you believe in fiscal responsibility, doing the right thing, and saving our constituents their hard-earned money, you'll support my amendment.

The choice is clear. I urge adoption of this amendment.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I appreciate the gentleman's chart. He makes the fundamental point that we use charts too much.

I would love to agree to this, even though I have been given voluminous arguments against it, if the gentleman would agree to make it a gradual transition through attrition.

Mr. CONTE. Mr. Chairman, I will be glad to do that. I hope I have better luck.

Mr. FAZIO. If the gentleman will continue to yield. We have had our good years and our bad years. I think this will be a good year. I think we could eliminate the eight attendants with attrition if the gentleman will take that into consideration.

PARLIAMENTARY INQUIRIES

Mr. FAWELL. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. FAWELL Mr. Chairman, I have an amendment to the Conte amendment, and I am desirous, of course, of presenting that. I do not want to be foreclosed from so doing.

The CHAIRMAN. Does the gentleman wish to offer his amendment?

Mr. CONTE. Mr. Chairman, I have a parliamentary inquiry. I have agreed with the chairman of the committee that I would go along with this compromise. Can we not put that to a vote and get rid of that?

The CHAIRMAN. The Chair has to recognize that the gentleman from Illinois [Mr. FAWELL] rose, saying that he has an amendment to the amendment. The chair has to protect the right of the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, in furtherance of my parliamentary inquiry, as long as I am not foreclosed from presenting my amendment to the amendment, I simply wanted to make sure that the section does not close, and that I do have the right to present my amendment.

The CHAIRMAN. Once the figure in the bill is agreed to by the adoption of the Conte amendment, the gentleman cannot then at that time make another amendment to that figure.

Mr. FAWELL. Therefore, Mr. Chairman, I would then want to make my amendment to the amendment at this time.

The CHAIRMAN. Does the Clerk have the draft of the gentleman's amendment? Has the gentleman drafted the amendment to the amendment?

Mr. FAWELL. Yes, Mr. Chairman, I did present the amendment. It is there.

AMENDMENT OFFERED BY MR. FAWELL TO THE AMENDMENT OFFERED BY MR. CONTE

Mr. FAWELL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FAWELL to the amendment offered by Mr. CONTE: Page 14, line 18, strike "$30,950,000" and insert "$30,550,000".

Mr. FAWELL. Mr. Chairman, I am offering an amendment to the Conte amendment which would, first of all, cut $375,000 for the renovation of the House beauty shop. Second, it would cost $25,000 for a staff gymnasium study.

The original committee bill included $430,000 to renovate the congressional beauty shop. After our wrenching debate on the budget last week, after a Government shutdown, the committee went back to the drawing board and cut $55,000 from this renovation. That is fine. However, I think it is only cosmetic.

I ask the question if this is the best we can do, that is, to slap an awfully large tax increase on the American taxpayers, and then go back to business as usual, spending money, renovating a beauty shop. That is not high priority. Some say it is not even absolutely necessary.

Now, understand, it is nice to have a beauty shop subsidized by the taxpayers. I will make an admission, I have my hair cut there, too, as do a number of other Members in this Congress. By the way, they do a fine job, in my opinion. However, I think Mr. Chairman, that I can get by in the quarters they now have. Frankly, I do not think their services even have to be subsidized. The only thing I am talking about is whether there shall be the renovation.

Now, the second part of this amendment cuts $25,000 for a study of a staff gym.

□ 1720

Mr. Chairman, when the people of the 13th Congressional District of Illinois sent me to Washington to trim the fat, they were not talking about my waistline. They had something else in mind.

I am all for physical fitness, but not at the expense of fiscal fitness. The question is not would it not be nice to have another gym for the staff, rather it is, first, is it necessary, and second, even if it is deemed to be that, can we afford it at this time?

We should not, Mr. Chairman, be worrying about cutting hair, but rather about cutting deficits. Yes, even below the magic 302(b) allocation.

A gymnasium for the staff would be nice, but far removed from a priority. It should be, I think, nipped in the bud.

Now, these amendments are relatively small, but they are, I think, important if for no other reason than measuring our own resolve to do all we can to really cut spending.

Mr. Chairman, they disappoint no important constituencies. They disappoint no powerful lobbyists. They simply affect us, Members of Congress.

They also represent our saying no to a relatively small appropriation before it grows into still a larger one.

Now, in closing, let me say this, because I have just this 5 minutes. I know that the gentlewoman from Ohio [Ms. OAKAR] is opposed to this, and she has at this point advised me that there were some electrical problems, but I can only say to the gentlewoman that I have talked and researched this question with the Architect. I have talked with the House Administration Committee. I have talked to the appropriators. I have even talked to her legislative assistant, and nobody until just a few hours ago when I talked to the gentlewoman from Ohio [Ms. OAKAR], nobody mentioned that this was a problem at all.

There was a $55,000 renovation this year, but this particular problem was, I think, never addressed, and apparently was not so important that it should have been addressed.

So I hope that my colleagues will not necessarily accept as the accurate fact here, at least from my viewpoint I can only say that I do not judge anyone, least of all the gentlewoman from Ohio, but to all of my investigation, there is no such problem. If there is a problem, I would be glad to ask unanimous consent to take care of the electrical problem.

Mr. FAZIO. Mr. Chairman, I rise in opposition to the amendment.

First of all, of course, for those who wish to support the Conte amendment, to agree to this amendment would, I think, obviously negate the Conte amendment. We would end up with nothing. Particularly for those who are interested in reducing by eight the number of people who work in the House garages, this is an important one to vote no on.

But I want to talk about the merits of the amendment, because I think they deserve some attention. I frankly wish this subject had not come up, but since it has, I need to make some points.

First, the House beauty shop was last renovated some 30 years ago. The original carpeting that was laid in 1904 is still in the staff lounge, and most of the people who use the facility do not consider it an antique. In the last 10 years, the employees of the House beauty shop have turned over $120,000 in revenues to the U.S. Treasury. Yes, in fact, this is a revenue-producing facility. The House beauty shop is self-sustaining. The employees pay for their own health and retirement benefits, salaries, Social Security benefits, as well as the goods used in the shop.

I think it is important that the House beauty shop renovation be allowed to go forward. As we know because we voted to reduce the spending in the first amendment offered today, that will have to go forward at a slower pace, but certainly it should go forward. So this amendment, at least as it relates to the House beauty shop, should be defeated.

A lot of people do not realize that this is a major building complex here. Just like in so many other areas of the country where 20,000 people go to work, we have places like barber shops and beauty shops, but not, except for Members, a gymnasium.

I want to point out that the executive branch agencies have been encouraged by law since 1946 to establish and maintain physical fitness facilities for employees. In fact, statutory language was reinforced by an Executive order by President Ronald Reagan during his Presidency.

According to the Office of Personnel Management, there are at least 46 executive agency facilities in the D.C. area.

Presently, and I think I need not underscore this for my colleagues, but I should perhaps put on the record that there are no such facilities available for House, Senate, or joint agency employees. All physical facilities have startup costs consisting mainly of equipment. Usually space is provided within Federal facilities.

Such was the case, too, with equipment and space for the House and Senate Member—only gyms and the new Capitol Police gym.

Costs after startup, however, are minimal, and that is because facilities are supported through user fees and in some executive agencies through union and recreation association fees.

Many of the Members are familiar with what the Pentagon offers our military and civilian personnel who work in that large complex.

In the case of our own employees, user fees would appear to be enough to easily support a small facility. If utilization was low, and I doubt that, the facility could also be made available to Library of Congress employees for additional user fee income.

So without further discussion, Mr. Chairman, I think it is important the Members go on record, if the gentleman from Illinois [Mr. FAWELL] wants us to, to support things that will maintain in the case of the beauty shop or augment in the case of our employees' rights and responsibilities, privileges, if you will, that exist in all other Federal agencies within this city.

Mr. Chairman, I would ask that the amendment of the gentleman from Illinois [Mr. FAWELL] be defeated.

PARLIAMENTARY INQUIRIES

Mr. CONTE. Mr. Chairman, may I make a parliamentary inquiry?

The CHAIRMAN. The gentleman may state his inquiry.

Mr. CONTE. Mr. Chairman, my parliamentary inquiry is that my amend-

ment struck $30,950,000 and inserted $30,765,000, which would eliminate eight garage attendants through attrition.

The amendment offered by the gentleman from Illinois strikes $30,950,000 and inserts $30,550,000. Is that correct, on the gentleman's amendment to my amendment, $400,000 for the beauty shop and the gym study?

The CHAIRMAN. The Conte amendment reads, the copy that is at the desk, "strike $30,950,000 and insert $30,800,000."

Mr. CONTE. No, Mr. Chairman, $30,765,000.

The CHAIRMAN. Well, the copy at the desk inserts $30,800,000.

Mr. CONTE. The Chair is right, $30,800,000.

The CHAIRMAN. The Fawell amendment strikes $30,950,000 and inserts $30,550,000.

Mr. CONTE. Mr. Chairman, if the Fawell amendment is adopted, therefore, my amendment is wiped out, because the gentleman does not make the savings.

The CHAIRMAN. The figure inserted by the Conte amendment would be reduced by an additional $250,000.

Mr. CONTE. Well, Mr. Chairman, the gentleman's amendment is for $400,000 for the beauty shop and gym study.

Mr. FAZIO. Mr. Chairman, may I state further in this parliamentary inquiry, we cannot do the Fawell and the Conte amendments in their entirety simultaneously. One or the other is out of order.

Mr. CONTE. That is right.

The CHAIRMAN. The Chair can only read the figures in each amendment.

Mr. CONTE. Well, Mr. Chairman, let us go over this again.

The CHAIRMAN. The Chair cannot interpret those figures which are to be a lump sum amount for the House Office Building. The Chair can only read them in response to the gentleman's inqiury.

Mr. CONTE. Mr. Chairman, may I further inquire, the gentleman from Illinois is trying to cut $400,000, is that right?

The CHAIRMAN. The amendment offered by the gentleman from Illinois [Mr. FAWELL] would cut an additional $250,000 from the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Which would leave no cut for the garage attendants.

The CHAIRMAN. The Chair cannot interpret the effect of that. The Chair can give the gentleman the arithmetic only.

Mr. LEWIS of California. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I understand entirely where the gentleman from Illinois [Mr. FAWELL] is coming from.

By way of clarification, let me mention just a couple of points.

First, I was very concerned about discussions by those who were thinking of developing a House gym for our employees. After some considerable exchange, I learned that there were a number of such facilities around Government offices, not only in this capital but across the country.

Further, it became apparent that there were a large number of staff members who were interested in such a facility.

□ 1730

It came to my attention in an odd kind of way. So I began to ask a number of questions, one of which, for example, is: If we do have 10,000 or 11,000 employees around here, how do we assure, if we were to go in that direction, that there would be equity between the Members, that we would not just have a country club for a few staffers?

Questions like that concern me greatly. Thus, it becomes very logical to have a study before we ever go down that path, whether we decide to proceed or not.

I personally think, therefore, it is logical for us to have a study, and that is what this money provides. The other point I would like to make is there is no question at all that the facility that provides for hair care for the ladies in the Capitol is considerably more responsible than that facility or the portion of it that takes care of the men in this place.

In recent years of operation, the beauty parlor has been self-sustaining. Indeed, it has returned, as the chairwoman has indicated, sizable numbers of dollars to the Treasury.

Further, it should be noted that these facilities are long overdue in repairs. Indeed, I believe there are serious safety questions unless repairs go forward.

So I would urge the gentleman to back off a little in terms of cutting these funds.

But the last point I would make to the gentleman from Illinois [Mr. FAWELL], and I do understand his concern especially about our spending money on ourselves, the point of greatest concern to me is that with this amendment he may undermine an almost historic development here today. It appears as though we have a compromise between the chairman and the committee and Mr. CONTE regarding his most important cut in garage attendants.

I know Mr. FAWELL would not want to cause a breakdown in this historic development.

Therefore, I will with some regret oppose Mr. FAWELL's amendment.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words, and I rise to oppose the amendment.

Mr. Chairman, I assumed the chairmanship of the Subcommittee on Police and Personnel which oversees the people in the Capitol, who work on the Capitol Grounds, and the quality of life for all people, including the staff and the people who are the clerks, who work in the restaurants, the police who serve not only Members of Congress and so forth, the staff, but all of the tourists who come.

One of the things I discovered when I assumed the chairmanship, because I had never been on this subcommittee, was the absolute unfairness that exists in this institution not through necessarily maliciousness, not necessarily because of discrimination, which is malicious though unintentional, but nonetheless it existed. So with the able assistance of the minority leader of the subcommittee, the gentleman from Kansas [Mr. ROBERTS] and I and our chairman, the gentleman from Illinois [Mr. ANNUNZIO], the distinguished ranking minority member, the gentleman from California [Mr. THOMAS] with the able help of the Speaker, and his staff and our staffs, we set on a course to achieve fairness for the people who work in and around the Capitol for us and with us, as colleagues.

We began with the police department, and we found tremendous inequities. We had a hearing where we had hundreds of police people testify; never done before in this institution.

We let the chips fall where they may. We instituted reform.

I am happy to say that the House of Representatives passed the legislation.

Mr. Chairman, this may not seem like a big instance to Members of Congress or indeed to the public. How do we treat people who work in the beauty salon? Frankly, I understand why people bring up these issues because it sounds frivolous to people who are listening to the proceedings. But we have an obligation beyond everything else we do. I have an obligation, chairing the subcommittee, to insure that there is safety and insure in fact that there is fairness for the people who work here.

So one of the things that I discovered—I did not ask to discover this, it hit me over the head, frankly—is I realized that the people who worked at the beauty salon did something very unique: They did not cost the taxpayers 1 cent. As a matter of fact, and I am delighted my friend from Illinois used it, but he is not the only one who goes there. Ten thousand people go there. Not only Members of Congress. Frankly, most of the Members of Congress do not have time to go there. But a lot of the tourists go there, and they pay. And the beauty salon operators—and I would appreciate it if my col-

leagues would listen because this is symptomatic of what the problem is, not only around this place, but the country. And that is why I think in principle we ought to defeat that amendment.

Can you imagine my surprise when I saw that indeed all of these attendants, many of whom had worked for the House of Representatives and worked at that beauty salon for 10 and more than 20 years, and that the average salary was under $11,000 a year, can you imagine my surprise when I discovered that indeed they not only pay for their entire salary, all of their benefits on the proceeds they got from the charges they made to people who came in, but they returned to the Treasury thousands and thousands of dollars. They do not cost the taxpayers 1 nickel. As a matter of fact, they have paid back to the Treasury over $120,000 in the last couple of years. And it is probably more than that.

As a matter of fact, this facility is very unsafe. You can be frivolous and say that maybe you do not care that in fact the electrical outlets and the electrical system has not been replaced in 30 years and maybe the gentleman does not care that ventilation is absolutely untenable.

The CHAIRMAN. The time of the gentlewoman from Ohio [Ms. OAKAR] has expired.

(By unanimous consent, Ms. OAKAR was allowed to proceed for 4 additional minutes.)

Ms. OAKAR. Maybe no one cares, this gentleman does not care, and he can talk about it frivolously because, of course, the American public is listening and watching, and it sounds like a frivolous issue, the beauty salon. But I want to tell you it is unsafe in that area. We should have used the funds that these women collected in a trust fund so that they could replace the unsafe area and environment in that beauty salon.

But they were never allowed, they were never allowed to keep their profits and they were kept at a cap that was humiliating, to me. Meanwhile, we saw other entities where the individuals in the barbershop were classified employees and where it did cost the taxpayers a certain amount of money to subsidize that. I do not even have an objection to that.

But what I do object to is to have this gentleman offer an amendment to cut back on something that these beauty operators will pay for. They pay for it.

You do not see this gentleman offering an amendment regarding the barbershop that is subsidized by taxpayers. That is the sexism that exists in the tenor of this amendment. And I will not tolerate not bringing that up because that is true, and he knows and I know that he never called my staff. And don't you give me that baloney that that place is safe. It is not safe.

The other day an individual operator was working, and sparks flew in her customer's eyes. Now, if you think that is safe, that is fine. I do not.

It is about time we renovated this, and it will not cost the taxpayers a nickel.

Mrs. BENTLEY. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to the gentlewoman from Maryland.

□ 1740

Mrs. BENTLEY. Mr. Chairman, would the gentlewoman from Ohio [Ms. OAKAR] go over that again? Is she saying that in the beauty shop the women are all earning their own salaries, and they are also returning money to the Treasury, but, that in the barber shop, they are all on government salaries?

Ms. OAKAR. The gentlewoman from Maryland [Mrs. BENTLEY] is correct.

Mrs. BENTLEY. In addition, Mr. Chairman, is the gentlewoman from Ohio also saying that the women wanted to set up a trust fund so that they could use their own moneys for renovation, but they were not allowed to do so?

Ms. OAKAR. The gentlewoman from Maryland [Mrs. BENTLEY] is correct.

If I may give my colleagues an example, one of the operators already this year has not only paid for her own salary and benefits, which are minuscule by way of comparison, but she returned to the Treasury since January, $9,675.

I say to my colleagues, "Why shouldn't that amount of money be used to fix the electrical outlets, for crying out loud, and I don't see this gentleman trying to amend the legislation for the White House beauty salon that doesn't generate a nickel to the taxpayer."

Mr. Chairman, these people pay their way, and they pay money to the Treasury, and it makes money.

Mr. FAWELL. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. Mr. Chairman, I do not want to yield to the gentleman from Illinois. No, I do not yield.

Mr. FAWELL. But I have run out of time.

Ms. OAKAR. Then I yield to the gentleman from Illinois. I will be happy to yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, is it not true that this operation is a subsidized operation?

Ms. OAKAR. No, it is not. Absolutely not true.

Mr. FAWELL. Is it not true for the last 2 years, according to the GAO, they have lost money?

Do they pay rent?

Ms. OAKAR. This is not a subsidized operation, and I will be happy to provide the gentleman from Illinois [Mr. FAWELL] with the statistics that verify it.

Mr. FAWELL. Mr. Chairman, I do have a GAO report.

Ms. OAKAR. Mr. Chairman, reclaiming my time, let me submit for the record in response to the inquiry of the gentleman from Illinois [Mr. FAWELL] the time sheets and what each individual has paid back to the Treasury. I think that will be proof positive of what I am talking about, and the reason I asked earlier about the en bloc amendment was that they cut back money for this particular renovation, and I was in agreement with that. I said, "Fine. You want to cut that back? It will be a phase-in period. Those women will more than pay back to the Treasury the amount it will cost to renovate that beauty salon so that our friends, and tourists and others can have use of it."

Mrs. JOHNSON of Connecticut. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the amendment of the gentleman from Illinois [Mr. FAWELL].

Mr. Chairman, I was home last night very briefly. As my colleagues know, people do not understand why inside the beltway a half a million dollars is change.

Now let us look at the study for the staff gymnasium. Do the men of this body realize that the women of this body do not have access to our gymnasium equipment except on paper? And do they know that the reason we do not is because over and over we have been told that there is no money for lockers so that we can change close to the equipment? We cannot go down two flights, change, run up and vote. I mean it is not practical.

So, frankly, why do a study about a gymnasium facility that, frankly, in the next 5 years, under the summit agreement, we will simply not be able to fund? It is one of those things we are very good at down here. We hold out hope for new expenditure programs, but we simply do not have the resources to sustain.

Mr. FAZIO. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from California.

Mr. FAZIO. Mr. Chairman, I would be more than happy to say that, now that the gym committee has been expanded, and we have a woman Member on it, that I am convinced we are going to do everything we possibly can to make women, in fact, able to use the gymnasium, which has historically been more available to men. I am personally supportive of that and hope it will proceed.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I appreciate the gentleman from California [Mr. FAZIO] saying that, but the fact is that I worked on that 8 years ago, and 6 years ago, and 4 years ago, and it is a matter of lockers. It is a matter of money to rehabilitate the facilities, and we cannot afford it, and so OK. I put on my running shoes and go run, and my staff does that, too.

What I am saying is that it is disingenuous to put money in the budget for a facility which, frankly, under the budget summit agreement we cannot afford for 5 years. That is No. 1.

Second, it is questionable to put over $500,000 in renovating a women's beauty salon, and I used to use it. I do not anymore. I do worry terribly about that facility, and were we looking at reforming the system that underlies it, I would feel differently. But the male barbers in this place are paid a salary of $28,000 a year, plus tips and commissions, and these women get essentially nothing. It is a disgrace. If we were reforming the whole process; it is a very big room; if we were going to allow somebody from the private sector to contract for cleaning services and other things that Members need, it is different. But to renovate a beauty salon of that enormous size, frankly at this point I do not support that policy; I do not support that expenditure.

Mr. Chairman, we are in a budget crisis. A half a million dollars matters. For God's sake, let us just vote this down and get on with our business. I hope the amendment passes.

Mr. ARMEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to, first of all, give my compliments to the gentlewoman from Ohio [Ms. OAKAR]. We have been in a lot of debates over the years. Rarely have we been on the same side. But one thing that has been clear to me in each and every debate that I have been involved in with the gentlewoman from Ohio [Ms. OAKAR] is that she does care, and she does care very strongly about the issues she seeks to debate. It is because that I understand that the gentlewoman from Ohio cares so strongly that I accept the passion with which she debates.

However, Mr. Chairman, in this case, as I have heard the debate, I think there has been some inappropriate anger directed at the framer of this amendment.

I have had the privilege, and for me an extraordinary privilege, of sitting next to the gentleman from Illinois [Mr. FAWELL] on the Committee on Education and Labor for 6 years, to watch his careful, and meticulous, thorough work and to see in detail, by way of margin notes, underlining and research the extent to which, in fact, he does indeed care. He cares enough to read the finest print in the finest degree of concern of any Member that I have had the privilege with whom to work in this body.

Mr. Chairman, if the gentleman from Illinois [Mr. FAWELL], after having sat there and watched him for the 6 years do his careful work, tells me that he has researched the matter and that he knows the detail of it, I am not going to quarrel with that, and I am not going to doubt it, I am not going to argue about it. I may disagree with where he is or what his position might be, but I would not suggest for a moment he has not done his homework. Such a suggestion could not be correct.

Mr. Chairman, the gentlewoman from Ohio [Ms. OAKAR] has correctly said that there is an undertone of sexism here. There is a difference, and there can be no doubt about it. Anybody who uses the recreational facilities, the gym; and I hesitate to say that word given my own personal experience, knows that there is a difference in access to that facility by the men and the women who are Members of this organization. That difference is real.

Ms. OAKAR. Mr. Chairman, I did not say anything about the gym.

Mr. ARMEY. I understand, and we do understand that there is nothing in this bill asking for renovation for the barber shop. Perhaps the reason there is nothing in this bill asking for renovation for the barber shop is that was taken care of before.

But the gentleman from Illinois [Mr. FAWELL] cannot be held accountable for that. He can look at the appropriations bill that is before him, and he can do, as he has been doing through his entire year on every appropriation bill that has come to the floor, try to find that manner in the finest detail of that bill by which it is possible for us to save some money in this spending process. And it is unkind, it is inaccurate, it is unfair to suggest that his doing so can be sexism on his part.

□ 1750

I find it very difficult to accept that.

Mrs. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. ARMEY. I am happy to yield to the gentlewoman from Illinois.

Mrs. COLLINS. I thank the gentleman for yielding.

Mr. Chairman, may I ask the gentleman one question? Does the barber shop operate with a deficit?

Mr. ARMEY. Mr. Chairman, I do not know the answer to that question. I believe the answer is yes.

Mrs. COLLINS. I believe it is about $175,000 a year.

Mr. ARMEY. Mr. Chairman, if the gentlewoman will allow me to reclaim my time, the point I am making is the gentleman from Illinois [Mr. FAWELL] cannot cut from the appropriations bill renovations for the barber shop if none are put in the bill. So if there is a difference in the treatment of the barber shop and beauty shop, that has been put there by the committee. I think there has been an unfair and unkind attack against the character of the framer of this amendment, which cannot be accurate, knowing him and his character the way I know him. It cannot be accurate for somebody to stand in this body and say that the gentleman from Illinois [Mr. FAWELL] does not care. That is not a fair thing to say. It is not an accurate thing to say.

I am here to tell Members that I would be remiss in my responsibility as a Member to sit and listen to these words without speaking as I have.

The CHAIRMAN. The time of the gentleman from Texas [Mr. ARMEY] has expired.

Mr. ARMEY. Mr. Chairman, I ask unanimous consent that I be allowed to proceed for 4 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. OBEY. Mr. Chairman, reserving the right to object, would it be possible to set a time limit on this amendment of before midnight tonight?

Mr. FAZIO. Mr. Chairman, I do not wish to object, but I would ask unanimous consent that the debate on this amendment and all amendments thereto be limited to 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas [Mr. ARMEY]?

There was no objection.

The CHAIRMAN. Is there objection to the request of the gentleman from California [Mr. FAZIO]?

There was no objection

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] is recognized for 4 minutes.

Mr. ARMEY. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. FAWELL. Mr. Chairman, I have never seen a relatively simple issue get so confused. I did want to have some time to be able to rebut the gentlewoman from Illinois [Mrs. COLLINS], who asked the question, for instance, as to whether or not there have been any improvements.

All I can say is that in my investigation, I went to the GAO, and, I quote, "Because a net loss was incurred for calendar years 1989 and 1988, no transfers to the Treasury were made."

Mr. Chairman, I think it is very, very clear that this is to be subsidized by the taxpayers. The issue is not the inequalities insofar as the treatment of the barbers are concerned or the treatment insofar as the beauty shop is concerned. The point is that the taxpayers are being asked to come up with $375,000 to renovate a beauty shop, which, as I have said, I and other Members who are male, utilize.

It seems in fairly good shape to me. It is subsidizing it. There is no other way you can describe it. You do not pay rent, and you have had deficits for the last 2 years.

Mr. Chairman, you do have here a subsidized beauty shop, as we have a subsidized barber shop. I think most taxpayers would say we could get our hair cut or our hair fixed just like most of the people in America do. We do not have to have those kinds of perks.

That is the basic point that I am trying to set forth.

Mr. Chairman, my intent certainly was to not negate the Conte amendment. As I understand it, if my amendment passes, then the Conte amendment is still pending.

The CHAIRMAN. The gentleman is correct.

Mr. FAWELL. Mr. Chairman, one would still have the ability to vote in reference to the Conte amendment.

Mr. Chairman, at this time I would ask for unanimous consent that indeed the Conte amendment is not negated.

Ms. OAKAR. Mr. Chairman, I object.

The CHAIRMAN. The Chair hears objection.

Mr. ARMEY. Mr. Chairman, as I understand it, the Conte amendment will still be pending after a vote is taken, and if I shall prevail, then the Conte amendment is still pending.

Mr. Chairman, this is no big deal. I am sorry that we are taking up a lot of time. But again I repeat, most people do not think we ought to have subsidized haircuts at all. I am simply saying there is a fine marble-floored facility down there. It is adequate.

The CHAIRMAN. The gentleman from Texas [Mr. ARMEY] controls the time. The gentleman has 40 seconds remaining.

Mr. ARMEY. Mr. Chairman, if I might reclaim my time, let me say again that I commend to this body the research, the background work, the sincerity, and indeed the fairness of the gentleman from Illinois [Mr. FAWELL]. However one votes on the merit of the issue that the gentleman has presented to us here, let me encourage Members to make their vote on the merit of the issue, and to do so in all due respect to the extraordinary merit of the gentleman that has brought the amendment.

Mr. Chairman, I would encourage Members to vote for the amendment.

The CHAIRMAN. The Chair would announce that there are 6 minutes remaining on the Conte amendment and all amendments thereto. The Chair will divide those 6 minutes in this fashion: 3 minutes to the gentleman from Illinois [Mr. FAWELL], and 3 minutes to the gentleman from California [Mr. FAZIO].

The Chair recognizes the gentleman from Illinois [Mr. FAWELL].

PARLIAMENTARY INQUIRY

Mr. LEWIS of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. LEWIS of California. Mr. Chairman, did the gentleman from Illinois [Mr. FAWELL] object or not object to the time limitation?

The CHAIRMAN. The gentleman did not object.

Mr. FAWELL. Mr. Chairman, I thought I did, but the Chair evidently did not hear me.

The CHAIRMAN. The Chair interpreted the signals that the gentleman was trying to make to the Chair as not objecting. That is the ruling of the Chair. The Chair is convinced that the Chair is right.

Mr. FAWELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to make this clear: If this amendment shall pass, I will have at the desk an amendment, and I do not think I need unanimous consent for this, to the pending Conte amendment, which will rectify these figures that are only off simply because there were intervening amendments. I want to make that very, very clear.

Mrs. BENTLEY. Mr. Chairman, will the gentlewoman yield?

Mr. FAWELL. I yield to the gentleman from Maryland.

Mrs. BENTLEY. Mr. Chairman, I want to ask the gentleman from Illinois [Mr. FAWELL], since there is a safety issue involved, and that has been brought up here today, would the gentleman object to any expenditure to make that facility safe? We know how damaging electrical fires can be.

Mr. FAWELL. Mr. Chairman, if I may reclaim my time, no, I would not. In fact, it is clear under the GAO report that any earnings, before being turned over to the Treasury, may be retained for any type of capital equipment problems such as the gentlewoman from Maryland [Mrs. BENTLEY] has stated. I have no problem if there is that kind of a problem. All I can say is my extensive research has shown none.

□ 1800

Mr. FAZIO. Mr. Chairman, I yield one-half minute to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Chairman, I thank the gentleman for yielding.

There are a number of things that I wanted to point out. I am looking now at some figures that we have that show about the salaries the differences between the salaries of those in the House beauty shop and those in the barber shop.

The chief barber's salary is $40,707. The chief barber is $28,450. A barber $25,300, with a commission, barber $25,300. The average salary for the women in this House beauty shop is $12,000 a year, and they pay their own.

I want to talk also about the deficit in the House barber shop, $110,000 last year. I also want to point out the fact that in the House there is a revolving fund, sometimes a little bit up, most of the time it's a little bit down, but nevertheless, it costs the taxpayers not one single red cent ever. That ought to be something very much taken into consideration.

Mr. CONTE. Mr. Chairman, will the gentlewoman yield?

Mrs. COLLINS. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I urge all Members to vote against the Fawell amendment. If it is adopted, it negates my amendment which we have agreed on here, so I urge a "no" vote.

Mr. FAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I simply want to make clear that the ladies' beauty shop that serves not only our colleagues but many other people here on the hill has a revolving fund. 'There is no deficit at all that ever accrues to the Federal taxpayer. If it is short one year. It is made up the next year, and it is a self-contained operation where the people pay their own benefits.

We must understand that this body pays its bills. We pay as patrons for our dining room, for example, and the other body does not. This body is not subsidized in many areas where others are.

I urge that the Fawell amendment be defeated so that the Conte amendment can be adopted.

Mr. FAWELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the issue in this debate has nothing to do with the difference between the men's barber shop and the beauty shop. That is absolutely irrelevant.

I would point out that the gentlewoman from Ohio [Ms. OAKAR], is indeed the chairman of the Police and Personnel Subcommittee that has jurisdiction over the men's barber shop. It is true that both have a revolving fund. It is true that under the Doorkeeper the salaries are different.

I want to make it clear that this is not a men versus women issue, my goodness. This is simply a measure where obviously there are subsidies. The GAO study I referred to pointed out that there have been deficits for the last 2 years, in 1988 and 1989, and I do not know about 1990, but I would assume so.

The issue, therefore, is not that we wish to continue the subsidized haircutting, I am not questioning that. I am simply saying that at a time when we are going to add $800 billion, even with all of the deficit reduction that we are doing, we will have added $800

billion in the last 2 years, that this is something we ought to be able to agree upon.

Let me ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. FAWELL] to the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The amendment to the amendment was rejected.

AMENDMENT OFFERED BY MR. FAWELL TO THE AMENDMENT OFFERED BY MR. CONTE

Mr. FAWELL. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. FAWELL to the amendment offered by Mr. CONTE: In the Conte amendment strike page 14, line 18, strike "$30,800,000" and insert "$30,400,000".

The CHAIRMAN. Under the previous unanimous-consent agreement, no debate is permitted on this question.

The question is on the amendment offered by the gentleman from Illinois [Mr. FAWELL] to the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FAWELL. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chairman will count.

One hundred eighteen Members are present, a quorum,

Mr. FAWELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

Mr. FAWELL. Mr. Chairman, on that I demand a division.

On a division (demanded by Mr. FAWELL) there were—ayes 19, noes 88.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. CONTE].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. KLECZKA

Mr. KLECZKA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KLECZKA: Page 9, line 25, before the period insert the following: "*Provided further*, That no funds made available to the Capitol Police under this heading may be used to purchases any nondomestic motorcyle".

Mr. KLECZKA. Mr. Chairman, since coming to Congress I have been disturbed by the fact that although the Capitol Police have some 78 U.S. vehicles in the fleet, they have no domestic-made motorcyles out of the 50 they are now currently using. They use Hondas, Kawasakis, and Suzukis, and I am told there is not an American model made in the size range that meets the requirements of the Capitol Police. To that argument I say hogwash.

Milwaukee is home to the Harley Davidson Co. founded in 1903, manufacturing police motorcycles since 1909.

□ 1810

Today Harley Davidson serves some 750 United States and Canadian law enforcement agencies. Each police model is tailored to the special requirements of different departments. The Harleys are also used by the Washington, DC Police Department, as well as the U.S. Park Service. Surely the requirements for the U.S. Capitol Police are not any different than 750 police departments around this country.

I have made mention of this to the member of the police force from the House of Representatives on many occasions over the last 4 years, and received no response from him whatsoever.

I take this time to ask the House to support this amendment so that when we buy new motorcycles at least we get some consideration for those that are manufactured here in the United States.

Mr. FAZIO. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will accept the amendment.

Mrs. BENTLEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to commend the gentleman from Wisconsin for bringing up this buy-American amendment.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. KLECZKA].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—OTHER AGENCIES

BOTANIC GARDEN

SALARIES AND EXPENSES

For all necessary expenses for the maintenance, care and operation of the Botanic Garden and the nurseries, buildings, grounds, and collections; purchase and exchange, maintenance, repair, and operation of a passenger motor vehicle; all under the direction of the Joint Committee on the Library, $3,519,000, of which $244,000 shall remain available until expended: *Provided*, That, hereafter, all appropriations made on account of the Botanic Garden shall be disbursed for that purpose in the same manner as other appropriations under the control of the Architect of the Capitol.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

For necessary expenses of the Library of Congress, not otherwise provided for, including development and maintenance of the Union Catalogs; custody and custodial care of the Library Buildings; special clothing; cleaning, laundering and repair of uniforms; preservation of motion pictures in the custody of the Library; operation and maintenance of the American Folklife Center in the Library; preparation and distribution of catalog cards and other publications of the Library; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board, $182,458,000, of which not more than $7,025,000 shall be derived from collections credited to this appropriation during fiscal year 1991 under the Act of June 28, 1902, as amended (2 U.S.C. 150): *Provided*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $7,025,000: *Provided further*, That of the total amount appropriated, $6,998,000 is to remain available until expended for acquisition of books, periodicals, and newspapers, and all other materials including subscriptions for bibliographic services for the Library, including $40,000 to be available solely for the purchase, when specifically approved by the Librarian, of special and unique materials for additions to the collections.

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, $23,118,000, of which not more than $11,000,000 shall be derived from collections credited to this appropriation during fiscal year 1991 under 17 U.S.C. 708(c), and not more than $1,860,000 shall be derived from collections during fiscal year 1991 under 17 U.S.C. 111(d)(3), 116(c)(1), and 119(b)(2): *Provided*, That the total amount available for obligation shall be reduced by the amount by which collections are less than the $12,860,000: *Provided further*, That $100,000 of the amount appropriated is available for the maintenance of an "International Copyright Institute" in the Copyright Office of the Library of Congress for the purpose of training nationals of developing countries in intellectual property laws and policies.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

For salaries and expenses to carry out the provisions of the Act approved March 3, 1931, as amended (2 U.S.C. 135a), $42,136,000.

FURNITURE AND FURNISHINGS

For necessary expenses for the purchase and repair of furniture, furnishings, office and library equipment, $5,805,000: *Provided*, That of the total amount appropriated, $1,422,000 is to remain available until expended only for the purchase and supply of furniture, shelving, furnishings, and related costs necessary for the renovation and restoration of the Thomas Jefferson and John Adams Library Buildings.

ADMINISTRATIVE PROVISIONS

SEC. 201. Appropriations in this Act available to the Library of Congress shall be available, in an amount not to exceed $162,290, of which $51,700 is for the Con-

gressional Research Service, when specifically authorized by the Librarian, for expenses of attendance at meetings concerned with the function or activity for which the appropriation is made.

SEC. 202. (a) No part of the funds appropriated in this Act shall be used by the Library of Congress to administer any flexible or compressed work schedule which—

(1) applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS-15; and

(2) grants the manager or supervisor the right to not be at work for all or a portion of a workday because of time worked by the manager or supervisor on another workday.

(b) For purposes of this section, the term "manager or supervisor" means any management official or supervisor, as such terms are defined in section 7103(a) (10) and (11) of title 5, United States Code.

SEC. 203. Appropriated funds received by the Library of Congress from other Federal agencies to cover general and administrative overhead costs generated by performing reimbursable work for other agencies under the authority of 31 U.S.C. 1535 and 1536 shall not be used to employ more than 65 employees.

SEC. 204. Not to exceed $5,000 of any funds appropriated to the Library of Congress may be expended, on the certification of the Librarian of Congress, in connection with official representation and reception expenses for the Library of Congress incentive awards program.

ARCHITECT OF THE CAPITOL

LIBRARY BUILDINGS AND GROUNDS

STRUCTURAL AND MECHANICAL CARE

For all necessary expenses for the mechanical and structural maintenance, care and operation of the Library buildings and grounds, $14,968,000, of which $6,500,000 shall remain available until expended.

ADMINISTRATIVE PROVISION

SEC. 205. (a) The Architect of the Capitol, under the direction of the Joint Committee on the Library, is authorized to acquire on behalf of the United States by purchase, condemnation, transfer, or otherwise, as an addition to the grounds of the Library of Congress, all publicly or privately owned real property and improvements thereon contained in lot 51 in square 869 in the District of Columbia (including all alleys or parts of alleys and streets within the lot lines and curb lines surrounding such real property) as such lot appears on the records in the office of the Surveyor of the District of Columbia as of the date of the enactment of this Act: *Provided*, That upon acquisition of such real property by the Architect of the Capitol, on behalf of the United States, such property shall be a part of the grounds of the Library of Congress and subject to the provisions of the Act of August 4, 1950, chapter 561, 64 Stat. 411, 412, as amended: *Provided further*, That upon acquisition thereof by the Architect of the Capitol, such property shall be subject to the provisions of law relating to the care and maintenance of the Library buildings and grounds contained in the Act of June 29, 1922, as amended (2 U.S.C. 141): *Provided further*, That the real property authorized to be acquired hereunder shall be deemed to extend to the outer face of the curbs of the square in which it is located.

(b) The property authorized to be acquired under this section shall be used by the Librarian of Congress, under the direction of the Joint Committee on the Library, as a day care center for children of Library of Congress and other legislative branch employees; for internal and external training; for general assembly and education programs of the Library; for temporary living quarters and common areas for visiting scholars using the Library's collections or participating in the Library's programs; and for such other purposes as may be directed by the Librarian, subject to the approval of the Joint Committee on the Library. The Librarian is authorized to establish equitable rates for use of the visiting scholars and others and child care facilities authorized hereunder and to accept payment therefor from patrons of the said facilities.

(c) There is established with the Treasurer of the United States a special deposit account in the name of the Librarian of Congress, into which shall be deposited all amounts received as a result of collections of rent from visiting scholars and others utilizing the facilities authorized hereunder; of tuition charged for day care at the said facility; and such amounts as may be appropriated therefor. Disbursements under such special deposit account shall be made by the Librarian of Congress, or such employee of the Library as he may designate, for necessary expenses for the operation of the facilities, including personal services and consultants and shall be subject to audit by the General Accounting Office at such times and in such manner as the Comptroller General may direct: *Provided*, That the total amount available for obligation shall be subject to annual appropriation.

(d) The real property and improvements thereon authorized to be acquired hereunder and the activities and facilities authorized for the said premises shall not be subject to any law of the District of Columbia or any other State or locality relating to real estate taxes, personal property taxes, sales taxes, special assessments, or other taxes (including any such law enacted by Congress), nor to any law of the District of Columbia relating to building codes, permits or inspection (including any such law enacted by Congress): *Provided*, That the Architect of the Capitol shall assure that all plans for repair or renovation of the improvements conform to equal or higher standards in order to provide for the health and safety of occupants.

(e) The acquisition of real property under this Act shall be conducted in accordance with the Act entitled "Uniform Relocation Assistance and Land Acquisition Policies Act of 1970", approved January 2, 1971, as amended (42 U.S.C. 4601, et seq.) and any proceeding for condemnation brought in its course shall be conducted in accordance with the Act of December 23, 1963, as amended (16 D.C. Code 1351-1368).

(f) The Architect of the Capitol is authorized to enter into contracts and to make expenditures for necessary repairs to and refurbishment of the improvements located on the real property authorized to be acquired hereunder, and for personal and such other services as may be necessary to carry out the purposes of this section.

(g) There is hereby authorized to be appropriated to the Architect of the Capitol, the sum of $5,000,000, to remain available until expended, for the purpose of carrying out the provisions of subsections (a) and (f).

COPYRIGHT ROYALTY TRIBUNAL

SALARIES AND EXPENSES

For necessary expenses of the Copyright Royalty Tribunal, $845,000, of which $718,000 shall be derived by collections from the appropriation "Payments to Copyright Owners" for the reasonable costs incurred in proceedings involving distribution of royalty fees as provided by 17 U.S.C. 807.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

For expenses of the Office of Superintendent of Documents necessary to provide for the cataloging and indexing of Government publications and their distribution to the public, Members of Congress, other Government agencies, and designated depository and international exchange libraries as authorized by law, $26,500,000: *Provided*, That travel expenses, including travel expenses of the Depository Library Council to the Public Printer, shall not exceed $117,000.

GOVERNMENT PRINTING OFFICE REVOLVING FUND

The Government Printing Office is hereby authorized to make such expenditures, within the limits of funds available and in accord with the law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs and purposes set forth in the budget for the current fiscal year for the "Government Printing Office revolving fund": *Provided*, That not to exceed $5,000 may be expended on the certification of the Public Printer in connection with official representation and reception expenses: *Provided further*, That during the current fiscal year the revolving fund shall be available for the hire of twelve-passenger motor vehicles: *Provided further*, That expenditures in connection with travel expenses of the advisory councils to the Public Printer shall be deemed necessary to carry out the provisions of Title 44, United States Code: *Provided further*, That the revolving fund shall be available for services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for grade GS-18: *Provided further*, That the revolving fund shall be available to acquire needed land, located in Northwest D.C., which is adjacent to the present Government Printing Office, and is bounded by Massachusetts Avenue and the southern property line of the Government Printing Office, between North Capitol Street and First Street. The land to be purchased is identified as Parcels 45-D, 45-E, 45-F, and 47-A in Square 625, and includes the alleys adjacent to these parcels, and G Street, N.W. from North Capitol Street to First Street: *Provided further*, That the revolving fund and the funds provided under the paragraph entitled "Office of Superintendent of Documents, Salaries and Expenses" together may not be available for the full-time equivalent employment of more than 5,000 workyears: *Provided further*, That the revolving fund shall be available for expenses not to exceed $500,000 for the development of plans and design of a multi-purpose facility: *Provided further*, That the revolving fund shall not be used to administer any flexible or compressed work schedule which applies to any manager or supervisor in a position the grade or level of which is equal to or higher than GS-15, nor to any employee involved in the in-house production of printing and binding: *Provided further*, That expenses for attendance at meetings shall not exceed $95,000.

ADMINISTRATIVE PROVISIONS

SEC. 206. Hereafter—(a) None of the funds appropriated for fiscal year 1991 by this Act or any other law may be obligated or expended by any entity of the executive branch for the procurement from commercial sources of any printing related to the production of Government publications (including forms), unless such procurement is by or through the Government Printing Office.

(b) Subsection (a) does not apply to (1) individual printing orders costing not more than $1,000, if the work is not of a continuing or repetitive nature, (2) printing for the Central Intelligence Agency, the Defense Intelligence Agency, or the National Security Agency, or (3) printing from commercial sources that is specifically authorized by law or is of a kind that has not been routinely procured by or through the Government Printing Office.

(c) As used in this section, the term "printing" means the process of composition, platemaking, presswork, binding, and microform, and the end items of such processes.

SEC. 207. Section 309(a) of Title 44, United States Code, is amended by striking out "uniforms, or allowances therefor, as authorized by section 5901 of Title 5" and inserting in lieu thereof the following: "uniforms or uniform allowances"

SEC. 208. Section 1703 of title 44, United States Code, is amended by striking out ", the cost to be charged against the appropriation for printing and binding for Congress" from the first sentence. Section 1707 of such title is amended by striking out "The appropriation for printing and binding" from the last sentence, and inserting in lieu thereof the following: "The Revolving Fund".

SEC. 209. Section 303 of title 44, United States Code, is amended to read as follows: "The annual rate of pay for the Public Printer shall be a rate which is equal to the rate for level III of the Executive Schedule of subchapter II of chapter 53 of Title 5. The annual rate of pay for the Deputy Public Printer shall be a rate which is equal to the rate for level IV of such Executive Schedule."

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including not to exceed $7,000 to be expended on the certification of the Comptroller General of the United States in connection with official representation and reception expenses; services as authorized by 5 U.S.C. 3109 but at rates for individuals not to exceed the per diem rate equivalent to the rate for grade GS-18; hire of one passenger motor vehicle; advance payments in foreign countries in accordance with 31 U.S.C. 3324; benefits comparable to those payable under sections 901(5), 901(6) and 901(8) of the Foreign Service Act of 1980 (22 U.S.C. 4081(5), 4081(6) and 4081(8), respectively); and under regulations prescribed by the Comptroller General of the United States, rental of living quarters in foreign countries and travel benefits comparable with those which are now or hereafter may be granted single employees of the Agency for International Development, including single Foreign Service personnel assigned to A.I.D. projects, by the Administrator of the Agency for International Development—or his designee—under the authority of section 636(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2396(b)); $414,215,000: *Provided,* That notwithstanding the provisions of section 782 of Title 31, United States Code, hereinafter any payments of reimbursements received incident to the operation of the General Accounting Office Building shall be credited to the appropriation currently available to the General Accounting Office and remain available until expended, and not more than $5,915,000 of such funds shall be available for use in fiscal year 1991: *Provided further,* That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the Joint Financial Management Improvement Program (JFMIP) shall be available to finance an appropriate share of JFMIP costs as determined by the JFMIP, including but not limited to the salary of the Executive Director and secretarial support: *Provided further,* That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the National Intergovernmental Audit Forum or a Regional Intergovernmental Audit Forum shall be available to finance an appropriate share of Forum costs as determined by the Forum, including necessary travel expenses of non-Federal participants. Payments hereunder to either the Forum or the JFMIP may be credited as reimbursements to any appropriation from which costs involved are initially financed: *Provided further,* That to the extent that funds are otherwise available for obligation, agreements or contracts for the removal of asbestos, and renovation of the building and building systems (including the heating, ventilation and air conditioning system, electrical system and other major building systems) of the General Accounting Office Building may be made for periods not exceeding five years: *Provided further,* That this appropriation and appropriations for administrative expenses of any other department or agency which is a member of the American Consortium on International Public Administration (ACIPA) shall be available to finance an appropriate share of ACIPA cost as determined by the ACIPA, including any expenses attributable to membership of ACIPA in the International Institute of Administrative Sciences: *Provided further,* That $400,000 of this appropriation shall be available for the expenses of planning the triennial Congress of the International Organization of Supreme Audit Institutions (INTOSAI) to be hosted by the United States General Accounting Office in Washington, D.C., in 1992, to the extent that such expenses cannot be met from the trust authorized below: *Provided further,* That the General Accounting Office is authorized to solicit and accept contributions (including contributions from INTOSAI), to be held in trust, which shall be available without fiscal year limitation for the planning, administration, and such other expenses as the Comptroller General deems necessary to act as the sponsor of the aforementioned triennial Congress of INTOSAI. Monies in the trust, not to exceed $10,000 shall be available upon the request of the Comptroller General to be expended for the purposes of the trust.

Mr. FAZIO (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order on title II?

Are there any amendments to title II?

If not, the Clerk will read.

The Clerk read as follows:

TITLE III—GENERAL PROVISIONS

SEC. 301. No part of the funds appropriated in this Act shall be used for the maintenance or care of private vehicles, except for emergency assistance and cleaning as may be provided under regulations relating to parking facilities for the House of Representatives issued by the Committee on House Administration and for the Senate issued by the Committee on Rules and Administration.

SEC. 302. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 303. Whenever any office or position not specifically established by the Legislative Pay Act of 1929 is appropriated for herein or whenever the rate of compensation or designation of any position appropriated for herein is different from that specifically established for such position by such Act, the rate of compensation and the designation of the position, or either, appropriated for or provided herein, shall be the permanent law with respect thereto: *Provided,* That the provisions herein for the various items of official expenses of Members, officers, and committees of the Senate and House, and clerk hire for Senators and Members shall be the permanent law with respect thereto.

SEC. 304. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 305. (a) The Architect of the Capitol, in consultation with the heads of the agencies of the legislative branch, shall develop an overall plan for satisfying the telecommunications requirements of such agencies, using a common system architecture for maximum interconnection capability and engineering compatibility. The plan shall be subject to joint approval by the Committee on House Administration of the House of Representatives and the Committee on Rules and Administration of the Senate, and, upon approval, shall be communicated to the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate. No part of any appropriation in this Act or any other Act shall be used for acquisition of any new or expanded telecommunications system for an agency of the legislative branch, unless, as determined by the Architect of the Capitol, the acquisition is in conformance with the plan, as approved.

(b) As used in this section—

(1) the term "agency of the legislative branch" means the Office of the Architect of the Capitol, the Botanic Garden, the General Accounting Office, the Government Printing Office, the Library of Con-

gress, the Office of Technology Assessment, and the Congressional Budget Office; and

(2) the term "telecommunications system" means an electronic system for voice, data, or image communication, including any associated cable and switching equipment.

SEC. 306. (a) Hereafter, notwithstanding any other provision of law, any agency of the legislative branch is authorized to use telecommunications systems and services provided by the Architect of the Capitol or the House of Representatives or the Senate under the approved plan required by section 305 of Public Law 100-202 (101 Stat. 1329-308) if such systems and services—

(1) have been acquired competitively; and

(2) in the case of long distance service, have been determined by the Architect of the Capitol to be at least equal in quality to, and not greater in cost than, the systems and services available under the procurement conducted by the Administrator of General Services known as "FTS2000".

(b) As used in this section, the term "agency of the legislative branch" means the office of the Architect of the Capitol, the Botanic Garden, the General Accounting Office, the Government Printing Office, the Library of Congress, the Office of Technology Assessment, and the Congressional Budget Office.

SEC. 307. Section 1 of the Act of June 29, 1922 (Chapter 251), is amended by striking the words "and the Botanic Garden" therefrom.

SEC. 308. (a) Effective as of the date of the enactment of this Act, all review, approval, and other procedures referred to in section 102 of the Legislative Branch Appropriations Act, 1989 (102 Stat. 2165) shall, for purposes of such section, be considered to have been met in connection with the plan described in subsection (b), except to the extent provided in subsection (c).

(b) The plan referred to in subsection (a) is the improved security plan for the United States Capitol, as described in the document (dated October 19, 1988) submitted by the majority and minority whips of the House and Senate to the Joint Leadership of the House and Senate, but—

(1) including the modifications (relating to motor vehicle access) suggested in the Joint Leadership's response to such plan, as set forth in the document dated December 2, 1988; and

(2) excluding any recommendation in such plan, to the extent inconsistent with the modifications referred to in paragraph (1).

(c) Nothing in this section shall have the effect of waiving any requirement relating to review and approval by the House and Senate Committees on Appropriations with respect to detailed documentation describing the scope, cost, and construction schedule of the work to be accomplished through the funds involved.

SEC. 309. Section 311(d) of the Legislative Branch Appropriations Act, 1988 (2 U.S.C. 60a-2a) is amended—

(1) by striking "(d)" and inserting "(d)(1)";

(2) by inserting "or whenever any of the events described in paragraph (2) occurs," after "Secretary of the Senate,"; and

(3) by striking "may," and all that follows through the period and inserting the following:

"may adjust the rates of pay (and any minimum or maximum rate, limitation, or allowance) applicable to personnel whose pay is disbursed by the Clerk of the House of Representatives to the extent necessary to ensure—

"(A) appropriate pay levels and relationships between and among positions held by personnel of the House of Representatives; and

"(B) appropriate pay relationships between—

"(i) positions referred to in subparagraph (A); and

"(ii)(I) positions under subparagraphs (A) through (D) of section 225(f) of the Federal Salary Act of 1967;

"(II) positions held by personnel whose pay is disbursed by the Secretary of the Senate; and

"(III) positions to which the General Schedule applies.

"(2) The other events permitting an exercise of authority under this subsection are either—

"(A) an adjustment under section 5305 of title 5, United States Code, in rates of pay under the General Schedule; or

"(B) an adjustment in rates of pay for Members of the House of Representatives (other than an adjustment which occurs by virtue of an adjustment described in subparagraph (A)).

"(3) For the purpose of this subsection, the term 'Member of the House of Representatives' means a Member of the House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico.".

SEC. 310. No department, agency, or instrumentality of the United States receiving appropriated funds under this Act for fiscal year 1991 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act) by the officers and employees of such department, agency, or instrumentality.

SEC. 311. (a) Notwithstanding any other provision of Federal, State or local law, no elected official of the legislative branch of the United States Government shall be required to serve on a grand or petit jury, convened by any Federal, State or local court, whether such service is requested by judicial summons or by some other means of compulsion.

(b) "Elected official of the legislative branch" shall mean each Member of the United States House of Representatives, the Delegates from the District of Columbia, Guam, the American Virgin Islands, and American Samoa, and the Resident Commissioner from Puerto Rico, and each United States Senator.

Mr. FAZIO (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill except for lines 11 and 12 on page 41 be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Are there any points of order?

Mr. FAZIO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, undoubtedly there is some concern among Members and staff that the en bloc amendment which eliminated $16 million from the clerk-hire account will prohibit any raises during fiscal year 1991. The concern is understandable but unnecessary.

First of all, the bill includes an increase of over $13 million over the fiscal year 1990 level for the clerk-hire account. That is a 7-percent increase and provides the full currently authorized level for each Member. So there is increased funding of $13 million even without the $16 million that was reduced from the bill by the Hefner-Stearns amendment.

Furthermore, there is transfer authority that allows additional funding to be transferred into the accounts. While the funding for the $50,000 increase has been eliminated from the bill, the authorization to increase the clerk-hire allotment from $447,360 by $50,000 still exists. So it is incorrect to say that the staff salary increases are doomed. We will simply have to reprogram funds, find them from other parts of the bill, through our ability to transfer funds and make that increase, to the extent the Members availed themselves of it, a reality.

The CHAIRMAN. Are there any amendments to this title?

AMENDMENT OFFERED BY MR. FAZIO

Mr. FAZIO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FAZIO: On page 41, after line 10, insert the following new section:

SEC. . (a) Except as otherwise provided in this section, funds appropriated by this Act or any other Act for expenses of official mail or any person entitled to use the congressional frank may be expended only in accordance with regulations prescribed by the Committee on Rules and Administration of the Senate or the Committee on House Administration of the House of Representatives, as applicable. Such regulations shall require—

(1) individual accountability for use of official mail by each person entitled to use the congressional frank;

(2) allocation of funds for official mail to be made to each such person with respect to each session of Congress (with no transfer to any other session or to any other such person); and

(3) with respect to the House of Representatives, that in addition to any other report or information made available to the public (through the House Commission on Congressional Mailing Standards or otherwise) regarding the use of the frank, the Clerk of the House of Representatives shall include in the quarterly report of receipts and expenditures submitted to the House of Representatives a statement based solely on data provided for that purpose by the Committee on House Administration of the House of Representatives and the House Commission on Congressional Mailing Standards) of costs charged against the Official Mail Allowance for each person entitled to use the congressional frank.

(b) The Postmaster General, in consultation with the Committee on Rules and Administration of the Senate and the Committee on House Administration of the House of Representatives—

(1) shall monitor use of official mail by each person entitled to use the congressional frank;

(2) at least monthly, shall notify any person with an allocation under subsection (a)(2) to the percentage of the allocation that has been used; and

(3) may not carry or deliver official mail the cost of which is in excess of an allocation under subsection (a)(2).

(c) Expenses of official mail of the Senate and the House of Representatives may be paid only from funds specifically appropriated for that purpose and funds so appropriated—

(1) may be supplemented by other appropriated funds only if such supplement is provided for by law or by regulation under subsection (a); and

(2) may not be supplemented by funds from any other source, public or private.

(d) No Senator or Member of the House of Representatives may maintain or use, directly or indirectly, an unofficial office account or otherwise defray official expenses from—

(1) funds received from a political committee or derived from a contribution or expenditure (as such terms are defined in section 301 of the Federal Election Campaign Act of 1971);

(2) funds received as reimbursement for expenses incurred by the Senator or Member in connection with personal services provided by the Senator or Member to the person making the reimbursement; or

(3) any other funds that are not specifically appropriated for official expenses.

(e)(1) There is established in the House of Representatives an Official Mail Allowance for Members, officers, and employees of the House of Representatives who are persons entitled to use the congressional frank. Regulations for use of the Official Mail Allowance shall be prescribed—

(A) by the Committee on House Administration of the House of Representatives, with respect to allocation and expenditures relating to the Allowance; and

(B) by the House Commission on Congressional Mailing Standards, with respect to matters under section 3210(a)(6)(D) of title 39, United States Code.

(2) The Official Mail Allowance—

(A) Shall be available only for postage for franked mail sent at a first class, third class, or fourth class rate;

(B) with respect to a Member of the House of Representatives, shall be available, in a session of Congress, in a total amount, as determined under paragraph (1)(A), of not more than the product of (i) 3 times the single-piece rate applicable to first class mail, and (ii) the number (as determined by the Postmaster General) of addresses (other than business possible delivery stops) in the congressional district, as such addresses are described in section 3210(d)(7)(B) of title 39, United States Code;

(C) with respect to any other person entitled to use the congressional frank in the House of Representatives (including any Member of the House of Representatives who receives an allocation under subsection (a)(2) with respect to duties as an elected officer of, or holder of another position in, the House of Representatives), shall be available, in a session of Congress, in a total amount determined under paragraph (1)(A); and

(D) shall not be available for payment of any nonpostage fee or charge, including any fee or charge for express mail, express mail drop shipment, certified mail, registered mail, return receipt, address correction, or postal insurance.

(3)(A) Subject to subparagraph (B), each Member of the House of Representatives may transfer amounts from the Official Expenses Allowance and the Clerk Hire Allowance of the Member to the Official Mail Allowance of the Member.

(B) The total amount a Member may so transfer with respect to a session of Congress may not exceed $25,000.

(4) The Official Expenses Allowance shall be available to a Member of the House of Representatives for the payment of nonpostage fees and charges referred to in paragraph (2)(D) and for postage for mail for official business sent outside the United States.

(f) A Member of the House of Representatives shall, before making any mass mailing, submit a sample or description of the mail matter involved to the House Commission on Congressional Mailing Standards for an advisory opinion as to whether such proposed mailing is in compliance with applicable provisions of law, rule, or regulation.

(g) As used in subsections (a) through (f)—

(1) the term "Member of the House of Representatives" means a Representative in, or a Delegate or Resident Commissioner to, the Congress;

(2) the term "person entitled to use the congressional frank" means a Senator, Member of the House of Representatives, or other person authorized to use the frank under section 3210(b) of title 39, United States Code; and

(3) the term "unofficial office account" means an account or repository for the purpose of defraying otherwise unreimbursed expenses allowable as ordinary and necessary in the operation of a congressional office under section 162(a) of the Internal Revenue Code of 1986 and such term includes any newsletter fund referred to in section 527(g) of such Code.

(h)(1) Section 3210(a)(6)(E) of title 39, United States Code, is amended to read as follows:

"(E) As used in this section, the term 'mass mailing' means, with respect to a session in Congress, any mailing of newsletters or other pieces of mail with substantially identical content (whether such mail is deposited singly or in bulk, or at the same time or different times), totaling more than 500 pieces in that session, except that such term does not include any mailing—

"(i) of matter in direct response to a communication from a person to whom the matter is mailed;

"(ii) from a Member of Congress to other Members of Congress, or to Federal, State, or local government officials; or

"(iii) of a news release to the communications media.".

(2) Section 506(a)(3) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)(3)) is amended by striking out "postage on," and all that follows through "Senate, and".

(3) Section 316 of the Legislative Branch Appropriations Act, 1990 (39 U.S.C. 3210 note) is amended—

(A) by striking out subsection (a); and

(B) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

(i) This section and the amendments made by this section shall apply with respect to sessions of Congress beginning with the first session of the One Hundred Second Congress.

Mr. FAZIO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

The CHAIRMAN. Pursuant to House Resolution 510, the amendment is not subject to amendment.

The gentleman from California [Mr. FAZIO] will be recognized for 30 minutes and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, at this time, I would like to make a few brief remarks about the franking-reform amendment that has been agreed to on a bipartisan basis.

I want to say, first of all, that during the last several years when I have had the privilege of carrying this bill, the gentleman from Minnesota [Mr. FRENZEL] and I have debated at length on the floor over what was an adequate amount for the franking privilege. During that time, however, our points of view grew increasingly alike, and I think we came to a point where we both understood that some change in the franking system here needed to be implemented.

This year, for the first time, we are actually bringing some language which is authorizing language, I admit, but has been made acceptable by the rule which changes the procedures by which Members use their historic right to mail to their constituents.

We are now establishing a fixed amount of money which each Member will have based on the number of houses or post office boxes for residents that exist in his district. It will vary then, of course, by the changes in population throughout the rest of the decade. It will vary based on the amount of first-class postage that the Postal Rate Commission decides every American will pay, and so it will keep pace with population. It will also keep pace with costs, but, in effect, from now on each Member of Congress will have an allowance much like their clerk-hire allowance to pay their staff or their office expense allowance, to pay for rent and to rent equipment, office machines, computers, et cetera.

I think this will make a major improvement in a number of areas. First of all, it will give Members an incentive to save money, to be more cost efficient in how they use their franking allowance. We expect Members to get bulk-rate permits and mail at a lesser rate of 10.3 cents than the 21-cent first-class present rate or the 25-cent first-class rate, so many Members are mailing today.

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We anticipate that Members will make every possible accommodation they can to ensure that they get the most use out of the fixed amount of money that is available to them. We intend to have the Committee on House Administration, working with the Postmaster General, monitor franking usage so that we can notify users on a monthly basis as to the use of their allocation so that they may not exceed it at any time, because when Members use all of their allocation, there is nowhere else for them to go. No transfer authority exists. No supplemental funding will be required, with one caveat, that they may be able to transfer $25,000 from either their clerk-hire account or their office account to supplement their postage if they so desire, but it obviously comes out of a zero sum. There is no increase available. They simply must reduce spending in another area.

We are going to have disclosure for the first time. All mass mailings of over 500 pieces will go to the Franking Commission for approval to remain on file there, and on a quarterly basis the clerk will report the costs of mailing that each Member incurs to the House of Representatives, that is, a public document made available to everyone.

We discovered in the past that $9 million was being spent each year by Members who were using special mailing handling such as express mail, return receipt mail, certified mail, other kinds of special fee or charge mail. That will all now be handled by each individual's office account. That will not fall to the burden of the entire membership as part of the franking allowance.

We think we have made a major improvement in this area. We certainly also believe that we have improved Senate procedures with this amendment, because we will say in the future that, as in the case of the House of Representatives, no unofficial office accounts may be used by any Senator for any official account purpose. In other words, personal funds, campaign funds may not be commingled with official expenses and, therefore, abuses which we believe exist in the other body will be remedied.

We think a mailing allowance means that each Member should have the authority to decide on their own mailing priorities. No piece-count limits will apply. Members may mail any kind of mail at their discretion. They simply cannot mail at a higher cost than they are allocated. So we have done away with the limits on newsletters. We simply realized that Members in their own wisdom will want to place the highest emphasis on the ability to respond to their constituents.

Mr. Chairman, with that, I would like to say that this could not have been accomplished without the forebearance of many Members of this body who are very concerned about their historic privilege and right to frank on both sides of the aisle. I want to thank my colleague, the gentleman from California [Mr. LEWIS], who has worked with me on this issue and thank the Members of the Committee on House Administration, particularly the gentleman from Illinois [Mr. ANNUNZIO] and the gentleman from California [Mr. THOMAS], who have assured us they can find ways administratively to implement this system.

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They may wish to speak on this at their leisure.

Mr. Chairman, I yield to the gentleman from Minnesota [Mr. FRENZEL] if he wishes to speak on this amendment.

Mr. FRENZEL. Mr. Chairman, I concur in the gentleman's description of the amendment, and I concur in his praise for the people involved on our side. Particularly, the gentleman from California [Mr. LEWIS], the gentleman from Ohio [Mr. GILLMOR], and the gentleman from Illinois [Mr. MICHEL], who have worked tirelessly to come together with our Democrat friends in this successful effort to do that which was needed to reform our franking regulations.

In my judgment, the most important single thing that was needed was to provide some accountability for the mail account. It was the last personal Members' account for which Members of the House were not accountable.

We are in a position where we have received the support the National Taxpayers Union and Common Cause and others I urge that it be promptly passed.

Mr. FAZIO. Mr. Chairman, I yield to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Chairman, will the gentleman yield for a colloquy?

Mr. FAZIO. I am happy to yield to the gentleman from Michigan.

Mr. FORD of Michigan. There is a provision in the amendment which would require the Postmaster General, in consultation with the Committee on House Administration, to: First, monitor each Member's use of the frank; second, at least monthy, notify each Member as to how much of his or her franking allocation has been used; and third, refuse to carry or delivery mail once a Member's franking allocation has been used. It occurs to me, that until House Administration requires Members to adopt some method of keeping track of mailing costs—for example, use of postage meters or mail manifests—it will be very difficult, if not impossible, for the Postmaster General to fulfill these new reponsibilities. Would the gentleman agree with me that the Postmaster General should not be expected to fulfill the responsibilities imposed by the amendment unless and until the Committee on House Administration takes some appropriate action?

Mr. FAZIO. I agree with the gentleman.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield for a colloquy?

Mr. FAZIO. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I listened to the colloquy between the gentleman from Michigan, the distinguished chairman of the Post Office Committee, and the gentleman from California, who has done an outstanding job in bringing this bill to the floor. As chairman of the Committee on Housing Administration, I want to assure both gentlemen that my committee will do everything in its power to establish procedures and reporting that will make this franking reform work. While we did not seek this responsibility, we will, in cooperation with the Franking Commission and the Postmaster General, take appropriate action to see that these new provisions are carried out as efficiently as possible.

Mr. FAZIO. Mr. Chairman, I certainly agree with the gentleman, and I thank the gentleman.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Chairman, I know there is some concern about moving to this procedure. First of all, I want to applaud the Appropriations Subcommittee for offering this as an amendment. As the gentleman knows, many Members believe that this item, that is, itemizing mail for Members, is the first step in a significant change that needs to be done in the general area of campaign finance as well as personal responsibility for Members.

However, I take this time to assure the Members that having had some concern about the mechanics of determining what mail would be attributed to which Member, we have spent some time in the Committee on House Administration examining options. There are a number of options. What Members need to know, for example, on the postal patron mail, that is handled as though there were a postal permit on the mail. That would be no problem. In the folding room, it is handled on a pieces and weight basis, and that would probably continue.

The difficulty would be in the individual Members' mail, and there are a number of options there. We have looked at, for example, postal meters. There are other options that we have examined, and there is obviously a cost-benefit ratio to each. I want the Members to understand that if this amendment is passed, those Members in the 102d Congress, beginning in

January 1991 there will be no waiting period to carry out these provisions.

There will be a mechanism in place, it will be an efficient one, and it will be one which is far better than the current one which incidentally is a sampling by the Postal Service opening up every 10th bag and weighing and counting them.

I think there will be tremendous savings with this system. As we have seen in the Senate, once there is clear accountability, the volume of mail tends to drop. Not the essential mail, but the overall volume of mail tends to drop.

Therefore, I think that we should look carefully at the options, and even if it requires a small expenditure on the part of the House to provide a really efficient and accurate system, that it will be well worth our while because we will save significantly more money in the cost of House mail over the last several years.

Mr. FAZIO. Mr. Chairman, I appreciate the gentleman's comments. We will rely on the chairman and ranking member, the gentleman from Illinois [Mr. ANNUNZIO], and the gentleman from California [Mr. THOMAS] to implement this for Members. We appreciate the attitude they bring.

Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. MICHEL], the minority leader.

Mr. MICHEL. Mr. Chairman, I rise in strong support of the Fazio-Frenzel amendment to the legislative branch appropriation.

It's been a long time coming, but today through a bipartisan agreement, we have achieved needed reform to our congressional mailing practices.

For the past few years I have worked toward a resolution of this problem. Last year we were able to cut back a little on postal patrons and newsletters, but soon found that it did not have a significant impact on curbing the runaway costs associated with franking.

Then it was time to face the cold hard facts that we would exceed our appropriation by more than $38 million.

My friend from Minnesota and I, with input from a Republican Task Force on Franking, drafted a resolution which was the foundation for this compromise. We felt any resolution must contain provisions including disclosure of franking costs, cost cutting provisions flexibility for Members and most import, accountability.

The bipartisan compromise today meets all those goals. It addresses disclosure by requiring all franking costs of each Member to be printed in the Clerk's report on a quarterly basis.

It cuts costs by giving incentives to pre-sort mail and stops franking privileges of those Members who exhaust their account. It further reduces costs by prohibiting the transfer of funds from the mail account.

It allows flexibility for Members to decide how they want to use their account. Restrictions on postal patron mailings and town meeting notices will be waived so that each Member can prioritize his or her mailing practices.

Finally, the compromise holds Members accountable by requiring them to receive a written advisory by the House Franking Commission on all mass mailings exceeding 500.

Mr. Chairman, the Fazio-Frenzel amendment sets a new standard for congressional mailings.

But it also transcends the question of mailing standards by reminding us that our entire way of doing things around here needs reform.

What better way of showing the sincerity of our desire to reform than to be frank about franking?

Mr. FAZIO. Mr. Chairman, I yield 3 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Chairman, I rise in support of this amendment. Several years ago on this same House floor I offered an amendment to this same legislative appropriations bill. The posture we took then is a bit different than what we are talking about today, simply a straight across-the-board cut, as I recall, of $10 million. I further recall a majority of my colleagues supported that, and the gentleman from California [Mr. FAZIO], and the gentleman from California [Mr. LEWIS] both accepted the amendment.

I believe the approach we are talking about taking today is a vastly superior approach to the same approach that I urged my colleagues to take several years ago.

□ 1830

The premise that underlies this particular amendment is, frankly, quite similar to that which underlies a bill that the gentleman from Minnesota [Mr. FRENZEL] has offered that I cosponsored, the same premise as underlying a franking reform bill that I have introduced myself.

What we have here is a reasonable cap on the mailing cost for each Member. We have a cap that is flexible and it varies according to the size of our districts and the number of people we represent; but the basic premise that connects this amendment with my bill and the bill of the gentleman from Minnesota [Mr. FRENZEL] is that we finally disclose to the world just how much we spend for mailing costs.

You know, we already disclose as Members of this body what we pay our staffs, our clerk-hire expenses. We already disclose what we spend for rent for our offices back in our districts, how much we spend for travel, telephones and computers.

I think a reasonable question to ask is, why do we not disclose what we spend for mail, and with this amendment we say that is exactly what we are going to do.

With the adoption of this amendment, Members can decide whether or not they want to use their money, their franking money for newsletters, if they want to do as I do and hold town meetings in their districts, if they want to simply send outreach letters to tell their constituents what is being done on the budget or defense or environmental issues, or we may elect not to spend the money at all.

This amendment lets the voters make some decisions, too. They will have a public record that says how much each of us spend for the frank. The media will be able to disseminate that information. Our opponents will have access to that information and be able to suggest who is or who is not abusing the frank.

Frankly, we as incumbents can point to other Members and say that we are being prudent or we are not.

There is one deficiency in this amendment. It is not a major objection, but one I want to voice anyway. I have had an opportunity to express it to the gentleman from California [Mr. FAZIO] in the past.

Even with the adoption of this amendment, those of us in this body can still send mass mailings to people who do not live in our districts, mailings of over 500 in a block. I frankly do not think that in a time when we are trying to cut Medicare, when we are trying to cut farm spending to some extent, when we are going to be raising taxes, the idea that we can still mass mail to people outside our districts is not something I am comfortable with, and I hope that in the conference that is soon to follow this relatively minor objection will be addressed.

Let me conclude by commending my chairman, the gentleman from California [Mr. FAZIO], the gentleman from Minnesota [Mr. FRENZEL], and others for their work on this issue, and urge strong support for this amendment.

Mr. FAZIO. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. LEWIS].

Mr. LEWIS of California. Mr. Chairman, just a moment to ask the Members to focus upon this piece of the subcommittee's work. This amendment, developed after a long period of negotiation and communication between the chairman and the gentleman from Minnesota [Mr. FRENZEL], is the most significant development during the 10 years that I have been a part of this subcommittee.

Over the years I have very much appreciated the work of the gentleman from Michigan [Mr. TRAXLER], the gentleman from Wisconsin [Mr. OBEY], the gentleman from Indiana [Mr. MYERS], as well as my chairman, my minority members, the gentleman

from Illinois [Mr. PORTER], and the gentleman from Michigan [Mr. CONTE].

But I must say beyond the gentleman from California [Mr. FAZIO] and myself, we have had an ex-officio member as well working on our committee. No Member has focused more attentively, professionally and carefully on the work of our subcommittee than has the gentleman from Minnesota [Mr. FRENZEL].

There is need to make some reform relative to the frank, and relative to the resources that are available to incumbents. It has often been suggested that the power of the frank undermines the ability of individuals to seek the office of a Member of the Congress. Reform of the frank has been discussed for many, many years but, the ability to bring Members together to form a compromise which makes positive change, as well as appropriate change in terms of public affairs would not have occurred this year save only for the service of the gentleman from Minnesota [Mr. FRENZEL].

The U.S. House of Representatives will not have the benefit of his work in the years ahead. I would like the Members to join with me in recognizing the fact that this may be the last occasion we have to express our appreciation for the professional and the nonpartisan way in which the gentleman from Minnesota [Mr. FRENZEL] has addressed this and other issues. I appreciate his work. I know the Members do as well.

Mr. FAZIO. Mr. Chairman, I yield 1 minute to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Chairman, this is an important amendment, and the gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. LEWIS] have done an excellent job. All our accounts are disclosable, our clerk-hire, our travel, but our mailing account was never disclosed, and to some folks in this country on editorial boards and the public, it looked like we were trying to hide what we were doing. This ends that practice of the appearance of trying to hide what we are doing on mailing. It is a great thing. The public can then see whether we spend, they think, too much or maybe not enough, and it will give that item of disclosure the necessary attention so people will not think we are trying to pull the wool over their eyes.

Then the public will decide whether we are using the frank prudently or not.

This is the problem I have always had with our franking privilege, that there was not a disclosure. The gentleman from California [Mr. FAZIO] and the gentleman from California [Mr. LEWIS] have taken care of it. They have done it in a yeoman's way and they need to be congratulated on it.

Mr. FRENZEL. Mr. Chairman, today the House is presented with a rare opportunity to open its records to the public, save taxpayer dollars, and come together for the sake of real franking reform. The Fazio-Frenzel landmark reform measure is one of the most worthy reform efforts that this House has seen in quite some time.

This amendment could be one of the highlights of my two decades of service, but in fact my sponsorship is minor. The distinguished Chairman Mr. FAZIO, and his vice chairman Mr. LEWIS have actually done the heavy lifting. To both of them I am grateful. I think the taxpayers will be too.

Essentially, the measure offers four major changes:

First, establishes an official mail account for each Member, like clerk-hire and official allowance. Each Member will have a similar pot of money to spend, depending on the number of households in the district. Each account will be allocated an amount of three times the first class rate of postage times the household count, less business and commercial addresses.

For the average Member, this will amount to about $180,000 annually. The Member may transfer up to $25,000 to the official mail account for a total of some $205,000. Transferring out of the official mail account is not permitted.

The allocation formula is a fair one. It changes with the size of the district so that at the end of the decade, those with larger districts will receive a larger share of the franking pot. The allocation also will increase when first class postal rates increase. The official mail account will place a cap on the amount each Member can spend for all mail leaving their offices.

Second, current limit on postal patron mailings is repealed to provide maximum flexibility for Members to communicate with their constituents in whatever manner they choose. For instance, Members could send six postal patrons, or six town meeting notices, or three individually addressed districtwide mailings to their constituents, as long as they did not exceed their official mail allowance.

Third, the Fazio-Frenzel amendment provides for quarterly disclosure of total postage costs, in the Clerk's report. This is a critically important provision that will finally give constituents an opportunity to evaluate their Representatives mailing practices. Currently, the Clerk's report includes disclosure of Members' clerk-hire and official allowance. This requirement simply adds postage costs to the quarterly reporting.

Fourth, finally, we are providing for an expansion of the current written advisory requirement to include all mailings over 500 pieces. This places the Franking Commission's stamp of approval for individually addressed mailings, as well as postal patron mailings, which has always been recommended by the Franking Commission. There was never any disagreement over this provision.

The total maximum spending for franking under the Fazio-Frenzel amendment will be something less than the $70 to $80 million we are spending in election years. As the majority of this body—probably about three-quarters of our Members—are not heavy users of the frank, the full amount available to each Member, will not be full spent. As a result of this reform, fiscal year 1991 will likely be the first year in nearly a decade that we will not exceed the $58.9 million we are appropriating. I'm still aghast that we needed to include over $33 million in this bill to cover the last year's shortfall. This reform measure is long overdue.

This compromise represents far-reaching franking reform, but it is not perfect. If it were up to me, I would have put far less money into the allocation formula, but my proposal probably wouldn't have received enough votes to pass.

Last year, franking reform took a few baby steps. We reduced the number of postal patrons from a maximum of 6 to 3. That reform measure taught us a great deal about Member's mailing habits and is part of the foundation for the reform we are offering today.

In 1988, the prior election year, the House spent $77.8 million, while the estimated spending for this election year is $78.9 million. Although we reduced the allowable postal patron mailings from 6 to 3, the House still managed to increase its total overall spending for mailing. It is no secret that last year's reform, along with advanced lazar technology, provided the impetus for Members to purchase large mailing lists and mail hundreds of thousands of first class letters. In many cases, Members now have their entire district—each individual address for all their district households—readily available to mail at a moments notice. The trend toward abandoning third class mailings, in favor of first class mailings at double the cost, will obviously continue, as will a substantial increase in cost to the taxpayer, if we don't adopt the Fazio-Frenzel amendment.

Separating the House and Senate franking accounts and the requirement that the U.S. Postal Service provide quarterly reports to Congress, led the Senate to adopt individual franking accounts beginning this year. Since then, the Senate has been boasting—and rightfully so—their decrease in franking expenditures, while the House franking costs continued to rise. The Senate's reform efforts have significantly reduced their franking costs.

Although we did some progress last year, that progress ultimately highlighted the fact that unless a dollar limit can be placed on each Member's mailing, House franking costs will continue to skyrocket.

I have heard the arguments that the House Members need a whole lot more money for mail because they are receiving more mail to answer. I do not dispute the House Postmaster's record of increase in incoming mail of 14.6 million pieces in 1972 compared to 262.3 million pieces in 1989. My own survey of incoming mail reveals the following:

	Percent
In district mail (answerable)	29
Out of district mail	12
Inter-Office, interagency mail	19
U.S. Government Agency mail	4
State/local, government mail	1
Magazines and newspapers	8
Catalogs and advertising pieces	26

Conservatively, out of the 262.3 million pieces of mail the House received in 1989, our constituent requests made up only about

a third or about 87 million pieces. However, even in a nonelection year, the House felt obliged to send 372 million pieces of mail in 1989. Is it any wonder that our constituents are becoming disgruntled about the congressional junk mail that fills their mailboxes?

In the past couple of years, I have begun receiving more requests from individuals in other States. In the most recent example, a constituent penned a note over the two pieces received from a Member of this House, "Congressman Frenzel, Save us from this 'franked' mail!"

This February, the Virginia General Assembly passed a resolution asking Congress to pass legislation placing strict limits on mass mailings at the expense of the taxpayers. I invite Members to read the text of the resolution.

Both the National Taxpayers Union and Common Cause have expressed their support for the Fazio-Frenzel amendment.

I would like to take a moment to express my gratitude to the Republican leader, Mr. MICHEL, for his foresight in appointing a franking task force on this side of the aisle. The task force was instrumental in getting us to this point. Thanks, too, to the leadership and negotiating skills of JERRY LEWIS and to PAUL GILLMOR for skillfully representing and expressing the concerns of newer Members.

In conclusion, we have tried placing restrictions on postal patron mailings, but franking costs continued to multiply. Clearly, the problem does not rest with postal patron mailings, but with targeted individually addressed mailings that are all too frequently sent district wide. The only real solution to the problem of escalating franking costs, is to place a dollar limit on all mailings and to support the Fazio-Frenzel amendment. Our constituents just cannot take it anymore.

Mr. FAZIO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Is there any Member in opposition to this amendment? The Chair hears none.

The question is on the amendment offered by the gentleman from California [Mr. FAZIO].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FRENZEL

Mr. FRENZEL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRENZEL: At an approriate place in the bill, insert the following new section:

SEC. . Notwithstanding any other provision of this Act, each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is reduced by 8.9 percent.

Mr. FRENZEL. Mr. Chairman, I take this time not to explain the amendment, because I think it is self-explanatory, but simply to explain the math. If you do the figuring based on the committee report, you will find that my 8.9-percent cut, which cuts roughly a little more than $150 billion, does not quite take the bill back to where it was in 1990. You can blame that on the CBO and the way it tries to account for some of the past mailing costs and other adjustments. In any case, the intent of the amendment is to make fiscal year 1991 appropriations roughly equal with fiscal year 1990.

I have introduced a similar amendment to every appropriation bill that has gone through this House. Each of them has met with failure. I do not expect to suddenly get lucky tonight. However, in keeping with my reputation, which I shall try to defend until the end, of being the ranking curmudgeon, I will continue to try to offer these amendments.

A number of Members of the House have expressed interest in freezing our discretionary spending. A vote for my amendment will do so, not in a way that is pretty and neat, but is the only way that I know how to do it.

Mr. Chairman, my amendment will reduce the amount in this bill to the level available in fiscal year 1990.

The bill originally proposed to spend $1.754 billion for legislative activities—not including Senate items. The amendment by the gentleman from California [Mr. FAZIO] reduced the bill by $26 million. That leaves the bill at $1.727 billion—an increase of $155 million over last year. My amendment will reduce every account by 8.9 percent to eliminate this increase.

I offer this amendment because I think that we should set an example. We hold ourselves up as leaders of the country. At a time when we are asking our constituents to pay higher taxes to finance absolutely essential services—and they must be absolutely essential because we can never find a place to cut them—it is inappropriate for us to be spending more on ourselves. We must take the initiative and show the American people that we are willing to forego additional spending on ourselves in order to reduce the deficit.

I am not talking about some draconian cut that will force this body to close down—though that might not be a bad idea. I am simply talking about restricting our spending to the same level as last year. Most Members did not seem to suffer greatly due to spending restraints last year and the rate of inflation has been low. Therefore, restricting spending to the same level as last year should pose no undue burden on anyone and will set an example to everyone that we can cut spending without adversely affecting programs. It will also send a message that we are willing to share the pain of deficit reduction with everyone else.

Vote for fiscal year responsibility. Vote "yes" on this amendment.

Mr. FAZIO. Mr. Chairman, I have to oppose the amendment, and I rise to do so.

First of all, the bill at this moment is about 6.4 percent above last year, and therefore if the amendment of the gentleman from Minnesota [Mr. FRENZEL] were adopted, we would be cutting below the 1990 level.

I say that because we have adopted two en bloc amendments which total $42 million in reductions, and on top of that we have already, I think, discussed amply on the floor the fact that we have a $33 million carryover on mail from 1990.

So in factoring those two items in, this bill is no longer, as the gentleman from California [Mr. DANNEMEYER] once claimed, 13 percent above last year. It is not 10 percent or any other percentage above last year. It is 6.4 percent above last year.

Obviously, I think this would be rather unfair to this committee in that 9 of the other 12 appropriation bills reported to the House exceed this percent increase. This is one of the lesser increases.

We have met our outlay responsibilities, as I have indicated, and we have met our budget authority responsibilities. We are amply below them.

But let me put a little more flesh on the bone. If we accepted this amendment, it would wipe out every mandatory increase, every increase for employee health premiums already approved by the OPM, and the increased retirement costs for FERS for current employees.

□ 1840

I do have a few points. I know it is a long and tiring bill. I do not wish to prolong it. But I think there are important things that Members need to know.

This amendment would wipe out the retirement costs under the FERS program for our current employees. Under the prior civil service retirement system, retirement costs were paid for by the Treasury.

Now they are assessed to each agency. So we have a large sum which we cannot overlook. We have to pay it as part of our ongoing costs. Every repair project would be eliminated by this, every Library of Congress arrearage makeup effort, and that is something that we have not talked a lot about. In this bill we make a major effort to correct the arrearage problem in the Library of Congress not only in books but in manuscripts and other areas to bring the libraries collection up to a more acceptable level.

Every position for the Office of Fair Employment Practices which we have recently authorized to deal more equitably with our employees would be eliminated. Funds for the last January COLA would be eliminated, and the anticipated COLA for January 1991.

I could go on, Mr. Chairman.

But there are things we know need to be done. Repairing the Capitol roof, for example. We found the other night that indeed it is leaking and needs to be replaced or repaired.

Funding for hazardous waste projects that could threaten the safety and health of the employees who work here, if they are not done. Efforts to

clean up the PCB transformers which the EPA requires us to do. All sorts of efforts to remove asbestos problems, particularly the GAO building, where an ongoing project has been stopped.

I could go on, Mr. Chairman. People do need to know. All I can tell you is this cut would be so deep as to make it impossible for us to manage this institution. We would end up, I think, doing damage that would be irreversible in terms of our plant. It would be unhealthy, unsafe, and on top of that, Mr. Chairman, I think it would be unfair to our staff. It undoubtedly would require furloughs.

Mr. ROSE. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I want to compliment the gentleman from California, Chairman FAZIO, for the job he has done on this appropriations bill. As a member of the Committee on House Administration, I watch very carefully what he and his very competent staff do. They have done a masterful job in crafting this appropriations measure. We have seen all kinds of cuts and hits that the legislative branch appropriations bill would take today. I have sat quietly here since we came in this afternoon and listened and agreed to go along with all of it.

But I want to strongly emphasize what Mr. FAZIO has just said. That is that this cuts far too much from the legislative appropriations bill. Mr. FRENZEL said something that I would like to emphazise, and that is that he routinely offers these kinds of amendments to appropriations bills, and the gentleman from Minnesota [Mr. PENNY] has his amendments that he routinely offers and different other people do the same thing to appropriations bills that deal with the executive branch of Government.

My friends, stop just a minute: We are a separate coequal branch of Government charged with the responsibility of overseeing the executive branch of Government. We have a $1 billion budget, and we are charged with the constitutional responsibility of overseeing a branch of Government that spends over a trillion dollars every year. Their costs are 1,000 times greater than ours are. Have you not listened to the discussions that many have wisely said here today, that we need adequate tools to do our jobs as legislators in this place? If you do not want to spend the money, you do not have to spend it; you can turn it all back in. I can show you more different ways to do that.

But Members around here need the services that VIC FAZIO and his staff and the ranking members have put into this bill.

Please, if you want to shoot this place in the foot, vote for the Frenzel amendment. If you want to have the tools necessary to carry out your responsibilities as an elected Member of Congress, enough is enough is enough.

Vote down these cutting amendments.

Mr. DANNEMEYER. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

I had planned to offer an amendment that would cut 8 percent from the level of the bill, and I want to just briefly relate to my colleagues what figures we are talking about.

In 1990, the last fiscal year, this item consumed $1,538 million-plus. In the bill that is before us, it is $1,747 million-plus, representing a $209 million increase, or 13.6-percent increase.

We have cut out some $42 million, which means that without the Frenzel amendment the increase over what was spent in the preceding year is reduced to 11.1 percent, which I find totally unacceptable. I believe that we can somehow live within the appropriation that would result from the adoption of the Frenzel amendment, which is an absolute freeze on what would be spent for this item in 1991, based on what we spent in 1990.

If we are going to suggest to the American people that somehow some of us, not with my vote, but some here want to raise taxes on the American people and we are going to add $364 billion to the national debt this year, reaching a total of some $3.3 trillion, I hope that we could have the collective wisdom to somehow say that $1.5 billion is sufficient.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. DANNEMEYER. I yield to my friend from Sacramento, the gentleman from California [Mr. FAZIO].

Mr. FAZIO. Mr. Chairman, I appreciate the gentleman from Orange County yielding to me.

First of all, the gentleman continues to overlook the fact that of this $33 million that is in here for postage, that pays for last year's postage. We are required to carry that this year because we never go back on our commitment to pay our bills.

The gentleman tries to make it look as if we are spending more money.

Mr. DANNEMEYER. Mr. Chairman, I reclaim my time. It is kind of like the country against the beltway.

Let me say that may be a legitimate observation as to the rationale as to why we need an additional $33 million. But my guess is if you ask the average American taxpayer across this land, "Do you believe the House of Representatives should be able to get along on what they spent last year, the sum of $1.5 billion," I think most of them would say, "Yes, I do, Mr. Congressman, I believe they should be able to get along on that."

I am not quarreling with my colleague's observation that, frankly, we can find the need for another $33 million. We can find a need for another $66 million.

My experience in Government has taught me one thing: There never will come a time when the money that the Government spends is adequate to fill the needs of those in Government who want to spend it. That is the way life is. There is only one way to stop this runaway monster, and that is put a limitation in a rational way. When we freeze absolutely what we spent in the preceding year, that is not cutting out with a meat-tax. That is just taking a very modest paring knife to this institution that needs a little slimming down.

Mr. FAZIO. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. Without objection, the gentleman from California [Mr. FAZIO] is recognized for 5 minutes.

There was no objection.

Mr. FAZIO. Mr. Chairman, I would like to make the point that we are talking now about .05 percent of the Federal budget, that is, that which supports the House of Representatives. The entire bill of the legislative branch is .19 percent of the entire Federal budget.

Now, I think I have made clear the fact that we are trying to, for the first time in many, many years, reform the frank. We are not going to be, as we have so often been in the past, spending more money for franking that we have appropriated with the assumption that we will make it up in the next year. This is the last time we will have to pay bills which occurred in a prior year. The $33 million that we are paying as a supplement to our franking bill for 1990 is what Mr. DANNEMEYER continues to use to inflate the percentage increase in this bill.

This is the last time. All of us unanimously just a minute ago voted to change the system.

□ 1850

The gentleman from California [Mr. DANNEMEYER] implies we ought not to fulfill our responsibilities as we always have, and that is to not pay the bill after the cost has been incurred. That is all we are trying to do here, and, once we make that agreement, taking into consideration the cuts that have been made earlier today, this bill is simply 6.4 percent beyond last year. The amendment of the gentleman from Minnesota [Mr. FRENZEL] would take us below last year's spending level, and I would urge its defeat.

Mr. LEWIS of California. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

Mr. Chairman, I rise to support the Frenzel amendment to reduce the legislative appropriations bill to last year's level.

In supporting a cut of this size, I realize full well that this is a most difficult decision. As a member of the House Administration Committee, I know how hard Mr. FAZIO and Mr. LEWIS have worked to cut expenses. They, in fact, provide the funds that we on the House Administration Committee utilize as we go about our duties of literally running the House of Representatives.

I know that a cut of this size would cause each individual Member of Congress hardship in fulfilling their responsibilities to their constituents. And, as a member of the House Administration Committee we try to provide essential services at reasonable cost.

But, I say to my colleagues, with Congress at an impasse on cutting the budget deficit, with our constituents fed up with business as usual, and with the obvious fact we are asking the American people to practice self sacrifice, it is equally obvious we should set the sample and then some.

This bill, as reported, appropriates $1.7 billion in new budget authority including $1.1 billion for congressional operations.

This bill includes a 13-percent increase over last year's spending for the same activities, including a 10-percent increase in funding for the operations of the Congress. Now that is a $100 million increase in additional spending on House operations. During this time of budget crisis, that is too much at the wrong time.

I realize that this spending cut does pass the buck back to the Appropriations Committee to determine the specific cuts or, if specific cuts cannot be agreed upon, across-the-board reductions. Now, I do not serve on the subcommittee and I recognize it is one thing to stand here in this well and recommend a cut and then ask others to do the difficult work. So, in this case, I have some suggestions:

During this time of budget crisis and obvious efforts to achieve election reform—remember that debate?—there is no reason why we cannot cut back on postal patron franked mail. Actually it is probably time to end postal patrons altogether and I say that acknowledging I send out a questionnaire each session and then a copy of the results. We probably should do that with the help of the press.

And, during this time of budget crisis—and please remember it is a crisis—we are in danger of shutting the Government down and causing economic chaos.—It is long past time to take a hard look at what we call legislative service organizations.

We are talking about at least 35 caucuses that are sanctioned and another 35 that are not. I know I am talking about the lifeblood of many Members but these caucuses fund by member allowances and taxpayer money represent a scandal waiting to happen. We have caucus employees working for related foundations and raising money for them. We have obvious cases of nepotism. The LSO task force, of which I was a member, found several that did not pay taxes on time. We have more caucuses than committees and they take up money, space and work for narrow special interests.

We have State caucuses.
We have new member caucuses.
We have regional caucuses.
We have political caucuses.
We have issue caucuses.

We have mushrooms, steel, art, exports, human rights, Federal Government service, textiles, tourism, one for the future and Lord knows next week probably one for the past. I don't perjure any of these in terms of intent or product but one of the reasons this place is so fractured and running off the reservation in all directions is that we have committees, subcommittees, task forces, select committees, and caucuses. People crawl out of train wrecks faster than we can get anything done around here because of all of these competing interests.

I would add another suggestion and I know I will really cut some Members to the quick—where is it written in stone—if we are to truly step back from the maze of bureaucracy we have built around ourselves, that select committees are indeed perpetual and living monuments to issues and concerns long since departed from the scene?

There are other ways individual Members would and yes, could achieve these savings. I have suggested three. Each cut would definitely hurt and definitely result in less constituent service. But, I suggest a cut here and a cut there will result in us standing a little taller and feeling good all over. Support the Frenzel amendment.

Mr. LEWIS of California. Mr. Chairman, I rise in opposition to the amendment.

Earlier today we had an extended discussion on an amendment presented by the gentleman from Oklahoma [Mr. SYNAR] and the gentleman from California [Mr. MCCANDLESS]. I wish the Members to know that these gentlemen, particularly the gentleman from California [Mr. MCCANDLESS], spent a great deal of time developing an amendment which essentially was across the board, a $26 million cut, that made significant cuts in an attempt to professionally analyze the needs of the legislative branch.

In the old days in California when the gentleman from California [Mr. MCCANDLESS] was a member of the board of supervisors, they used to call him "Old Stone Face." Some called him "Flintstone" because he was so tough with the budget. This year he took a look at our budget, presented cuts to the House and was supported by the Members. It was an effort to recognize that, even though the committee tried to be very tough, there was meat that could be cut.

Mr. Chairman, we are now down to the bone, and indeed this legislation, with other amendments that were passed, is well below our 302(b).

I would urge the Members to resist the tendency one more time just to whack away at the institution just for the sake of doing so. I wish the Members to recognize that one more across-the-board cut is likely to affect them personally in a very serious way, and I urge the Members to vote no on the amendment.

Mr. GAYDOS. Mr. Chairman, once again the Members of this body are witnesses to the spectacle of an amendment to the legislative branch appropriations bill, which would reduce the appropriation by an across-the-board cut. While such amendments are popular with their proponents because they can tell the folks back home that they have voted to hold the line on congressional spending, I believe that an across-the-board cut to the legislative branch appropriation is ill-advised and damaging to our ability to legislate effectively.

I empathize with the dilemma of our colleagues on the Appropriations Committee. When the across-the-board cut mandated by Gramm-Rudman in 1986 had to be applied to funds for committees studies and investigations, it was the accounts Subcommittee of House Administration, that had to break the bad news to the committees. Those cuts had to be applied across-the-board by law, a process which defied logic.

The result of those cuts on the committees of the House was devastating. Many committee chairmen testified before the accounts subcommittee concerning legislative or oversight initiatives which they were forced to curtail as a result of those across-the-board cuts. I have labeled this effect as penny wise and pound foolish. Across-the-board cuts saved a few million dollars in legislative branch expenditures, but prevented our committees from properly overseeing the activities of executive agencies charged with operating multi-billion-dollar programs.

At the start of 1990, sequestration was again partially in effect. There were sufficient funds available in the appropriation to grant modest increases for some committees in the category of studies and investigations. But, these increases were not granted across the board. Instead, the subcommittee on accounts engaged in the meticulous process of reviewing each committee's request and allocating available funds in a manner which we believe reflected genuine need, based on urgent legislative requirements, rates of previous increases, and other rational and coherent factors.

In the same manner, the subcommittee on legislative branch appropriations has given us a bill for fiscal year 1991 which reflects months of careful and painstaking deliberation, line item by line item. The across-the-board cutters are not concerned with being penny wise and pound foolish. They do not participate in the line item by line item review process which was so laboriously applied to produce this bill. Instead of applying a scalpel to trim alleged fat, they would have us apply a meat cleaver of across-the-board cuts to the legislative branch.

If you vote to cut across the board, do not complain if your incoming constituent mail is 2 weeks late, or the Library of Congress has to close early, or the committees do not have the funds to adequately address the country's problems. I urge my colleagues to vote "no"

on this amendment and "yes" on the legislative branch appropriations bills.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. FRENZEL].

The question was taken; and on a division (demanded by Mr. FRENZEL) there were ayes 18, and noes 50.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 191, noes 223, not voting 19, as follows:

[Roll No. 499]

AYES—191

Andrews	Hastert	Ravenel
Archer	Hefley	Regula
Armey	Henry	Rhodes
Baker	Herger	Ridge
Ballenger	Hiler	Rinaldo
Barnard	Hoagland	Ritter
Bartlett	Holloway	Roberts
Barton	Hopkins	Robinson
Bates	Houghton	Rogers
Bennett	Huckaby	Rohrabacher
Bereuter	Hunter	Ros-Lehtinen
Bilirakis	Hutto	Roth
Bliley	Hyde	Rowland (CT)
Broomfield	Inhofe	Saiki
Browder	Ireland	Sangmeister
Brown (CO)	Jacobs	Sarpalius
Buechner	James	Saxton
Bunning	Jenkins	Schaefer
Burton	Johnson (CT)	Schneider
Callahan	Johnson (SD)	Schulze
Campbell (CA)	Kasich	Sensenbrenner
Chandler	Kolbe	Sharp
Clinger	Kyl	Shaw
Coble	Lagomarsino	Shays
Coleman (MO)	Laughlin	Shumway
Combest	Leach (IA)	Shuster
Condit	Lent	Slaughter (VA)
Conte	Lewis (FL)	Smith (NE)
Coughlin	Lightfoot	Smith (NJ)
Courter	Long	Smith (TX)
Cox	Lowery (CA)	Smith, Denny (OR)
Craig	Lukens, Donald	
Crane	Machtley	Smith, Robert (NH)
Dannemeyer	Madigan	
DeLay	Martin (NY)	Smith, Robert (OR)
Derrick	McCandless	
DeWine	McCollum	Snowe
Dickinson	McCrery	Solomon
Dornan (CA)	McGrath	Spence
Douglas	McMillan (NC)	Spratt
Dreier	Michel	Stallings
Duncan	Miller (OH)	Stangeland
Edwards (OK)	Miller (WA)	Stearns
Emerson	Molinari	Stenholm
English	Moorhead	Stump
Erdreich	Murphy	Sundquist
Fawell	Neal (NC)	Tallon
Fields	Nelson	Tauke
Frenzel	Nielson	Taylor
Gallegly	Olin	Thomas (CA)
Gekas	Oxley	Thomas (WY)
Geren	Packard	Traficant
Gillmor	Pallone	Upton
Gingrich	Parker	Vander Jagt
Goodling	Parris	Volkmer
Goss	Patterson	Vucanovich
Gradison	Paxon	Walgren
Grandy	Payne (VA)	Walker
Grant	Penny	Weber
Gunderson	Petri	Weldon
Hall (TX)	Pickle	Whittaker
Hammerschmidt	Porter	Wolf
Hancock	Poshard	Yatron
Hansen	Pursell	Young (FL)
Harris	Rahall	

NOES—223

Ackerman	Atkins	Bevill
Alexander	AuCoin	Bilbray
Anderson	Bateman	Boehlert
Annunzio	Beilenson	Bonior
Anthony	Bentley	Borski
Applegate	Berman	Bosco
Boucher	Hochbrueckner	Panetta
Boxer	Horton	Pashayan
Brown (CA)	Hoyer	Payne (NJ)
Bruce	Hubbard	Pease
Bryant	Hughes	Pelosi
Bustamante	Johnston	Perkins
Byron	Jones (GA)	Pickett
Campbell (CO)	Jones (NC)	Price
Cardin	Jontz	Rangel
Carper	Kanjorski	Ray
Carr	Kaptur	Richardson
Chapman	Kastenmeier	Roe
Clarke	Kennelly	Rose
Clay	Kildee	Rostenkowski
Clement	Kleczka	Roukema
Coleman (TX)	Kolter	Rowland (GA)
Collins	Kostmayer	Roybal
Conyers	LaFalce	Russo
Cooper	Lancaster	Sabo
Costello	Lantos	Savage
Coyne	Leath (TX)	Sawyer
Darden	Lehman (CA)	Scheuer
Davis	Lehman (FL)	Schiff
de la Garza	Levin (MI)	Schroeder
DeFazio	Levine (CA)	Schumer
Dellums	Lewis (CA)	Serrano
Dicks	Lewis (GA)	Sikorski
Dingell	Lipinski	Sisisky
Dixon	Livingston	Skaggs
Dorgan (ND)	Lloyd	Skeen
Downey	Lowey (NY)	Skelton
Durbin	Luken, Thomas	Slattery
Dwyer	Manton	Slaughter (NY)
Dymally	Marlenee	Smith (FL)
Dyson	Martinez	Smith (IA)
Early	Matsui	Staggers
Eckart	Mavroules	Stark
Edwards (CA)	Mazzoli	Stokes
Engel	McCloskey	Studds
Espy	McCurdy	Swift
Evans	McDade	Synar
Fascell	McDermott	Tanner
Fazio	McHugh	Tauzin
Feighan	McMillen (MD)	Thomas (GA)
Fish	McNulty	Torres
Flake	Meyers	Torricelli
Flippo	Mfume	Towns
Foglietta	Miller (CA)	Traxler
Ford (MI)	Mineta	Udall
Ford (TN)	Mink	Unsoeld
Frank	Moakley	Valentine
Frost	Mollohan	Vento
Gallo	Montgomery	Visclosky
Gaydos	Moody	Walsh
Gephardt	Morella	Washington
Gibbons	Morrison (WA)	Watkins
Gilman	Mrazek	Waxman
Glickman	Murtha	Weiss
Gonzalez	Myers	Wheat
Gordon	Nagle	Whitten
Gray	Natcher	Williams
Guarini	Neal (MA)	Wilson
Hall (OH)	Nowak	Wise
Hamilton	Oakar	Wolpe
Hatcher	Oberstar	Wyden
Hayes (IL)	Obey	Yates
Hayes (LA)	Ortiz	Young (AK)
Hefner	Owens (NY)	
Hertel	Owens (UT)	

NOT VOTING—19

Aspin	Green	Quillen
Boggs	Hawkins	Schuette
Brennan	Kennedy	Smith (VT)
Brooks	Markey	Solarz
Crockett	Martin (IL)	Wylie
Donnelly	McEwen	
Gejdenson	Morrison (CT)	

□ 1912

Mr. ANTHONY and Mr. McCURDY changed their vote from "aye" to "no."

Messrs. ENGLISH, PALLONE, SHAYS, PARRIS, SANGMEISTER, and PICKLE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. PENNY

Mr. PENNY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PENNY: Page 41, insert after line 10 the following new section: Sec. 312. Notwithstanding any other provision of this Act, the total amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is reduced by 2 percent. The Committee on Appropriations shall take such steps as are necessary to apportion this reduction among the various expenditures within this Act and shall make such recommendations in the conference report on this Act to ensure that this reduction is achieved.

Mr. PENNY. Mr. Chairman, it is an interesting fact that the longest debates in this Chamber generally involve the least amount of money. It was instructive to me when the chairman of this Appropriations Subcommittee remarked earlier in the debate that we should not be criticizing this legislative appropriations bill after the cuts adopted earlier today were accepted, and that we are now only talking about a bill that included a 6.4-percent increase. I assume he means that increase after the initial inflation adjustment. He shakes his head, the 6½ percent with the inflation adjustment.

He further went on to say that that increase of 6.4 percent in this bill was smaller than the increase in 9 of the 12 remaining appropriation bills, and frankly, that is where the money is, tens of billions of dollars, sizable increases, and by and large we have not trimmed those bills as they have moved along.

But nonetheless, there are increases in this bill. The General Accounting Office gets about a $50 million increase. That is over 12 percent. The Library of Congress gets a $26 million increase. That is over 12 percent. The Congressional Research Service gets a $12 million increase, and that is over 15 percent. The Architect's Office gets $24 million, an increase that is about 20 percent. The Office of Technology Assessment gets a $1.2 million increase, which is about 8 percent, and the list goes on and on.

I appreciate that we adopted a $26 million reduction earlier today which will be applied against some of these accounts. I also understand that the Clerk Hire increase of about $30 million has been now roughly cut in half by another amendment offered earlier today. But when all of that is factored in, and last year's mail costs are covered, we still end up with about a $100 million increase in spending in this bill, and that reflects the 6.4-percent admitted to by the chairman.

That is a big increase. It is beyond an inflation adjustment, and I do not think it can be justified in this week when we are trying to wrap up our

own budget adjustment package and adjourn and go home.

Mr. Chairman, this amendment is straighforward. It simply calls for a 2-percent reduction, and this reduction can be allocated any way the chairman of the subcommittee prefers. In other words, we will not be cutting directly staff offices, staff salaries or any specific account. That 2-percent reduction, which I believe will be in the range of $35 million, can be applied against those items in this bill that are receiving the biggest increases. So it is not across the board, it is 2 percent of the total. The allocation can be determined by the committee that has jurisdiction over this legislation.

With that explanation, Mr. Chairman, I yield back the balance of my time.

Mr. FAZIO. Mr. Chairman, I will be very brief. We are all tired and we want to get home and spend the last few hours of this Sunday with our families. But I do think it is important that we focus just a second or two on this issue, and if I could have the House's attention I would appreciate it.

□ 1920

Mr. Chairman, I would like to make a couple of points. First of all, if this amendment is adopted, this will bring this bill below the level of inflation. We will have, in fact, lost ground in real terms.

Second, we have already made reductions of $42 million, over 2½ percent by this point in the bill. We are below on budget authority, some $30 million, and $74 million below in outlays. This subcommittee is among the best of the appropriations subcommittees in terms of meeting its targets and goals which are in conformance with the budget agreement.

Let me talk a minute about across-the-board cuts, if I could have the attention of my colleagues.

We have voted so far this year on 27 across-the-board cuts. We have defeated all but two of them. We have defeated 25 of them. The only times we have not defeated across-the-board cuts were, of course, when we beat up on the District of Columbia for a 2-percent cut. We did that on a voice vote. Everybody knows that when we want to express our fiscal prudency you beat up on the District of Columbia. The other one was an orchestrated reduction in the Foreign Operations budget, another one agreed to on a voice vote.

We have shown a tremendous amount of courage here this year in taking on the entrenched interests of the District of Columbia and, of course, that old saw, beat up on foreign aid. We probably will be tempted to do it to ourselves today, because we all know that the Congress is always out for self-flagellation. I hope we will not do it. I hope we will not do the easy thing.

I need money to reprogram to take care of a Fair Labor Standards Act application that we still do not understand the implications of.

People know we have a clerk-hire problem here. We authorize an increase, we do not fund it. I have to find the money somewhere.

I do not need an across-the-board cut. We did not bring a phony bill to the floor, and I ask that this be defeated.

Mr. LEWIS of California. Mr. Chairman, will the gentleman yield?

Mr. FAZIO. I am happy to yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, I do not intend to ask for my own time on this amendment, but the amendment, while appearing to be very small by way of percentage, does almost double the cuts that we have already made today, $42 million which were cut earlier.

There was an effort on the part of the chairman to avoid the arbitrariness of an across-the-board cut that essentially had that by way of amendment presented earlier by members of the full committee. Indeed, across-the-board cuts do not always cut where you might want, as Members of the full body. We have accomplished that earlier today. There is no need for this 2-percent cut. We are already down to the bones on this one, and it is affecting your bones, my friends.

I urge the Members to recognize that the right vote earlier was to cut $26 million and the vote to cut $16 million. We do not need another $34.8 million.

Mr. FAZIO. Mr. Chairman, I appreciate the gentleman's comments.

Let me end on this one note, and I want everybody to hear it.

I am not aware of once in the 10 years I have chaired this committee that the Senate ever took an across-the-board cut. They have cut our postage. They play games. And then they feed at the trough. That is why they have $100,000 more available for the people who we hire in competition with them to staff our offices. That is because they are sticking together over there, talk about us, and build up their budget.

Now, I want us to stick together here and do the right thing by a committee that has done well by you.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I will not take long either. I know the House is tired and Members want to go home.

I think this is an important, if laborious, effort that is being made here. This amendment would cut 2 percent, and as the chairman has said, we have cut 2½ percent. That equals 4½ percent of a 14-percent increase.

If there is one responsibility we as Members of the House have, it is to bring the sentiments from our districts into the beltway, not to vote here as members of the beltway, but to vote as Members of our districts.

Mr. Chairman, I represent a part of the country whose economy is very, very soft. My constituents are worried about keeping their jobs. Most of them will not receive an increase equal to inflation.

We cannot talk deficit reduction and increase our own budget 10 percent, much less 12 percent.

This amendment would only bring our increase down to about 10 percent. This is the nuts and bolts of deficit reduction. This is actions speak louder than words. This reflects the fact that we have let our staffs grow from 3,600 to 12,000 around here, and it is our responsibility to try to live within the discipline that frankly I am going to be asking my constituents to live within.

I thank the Members for their attention.

Mr. LEWIS of California. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I am happy to yield to the gentleman from California.

Mr. LEWIS of California. Mr. Chairman, let me say for the record that I very much appreciate where the gentlewoman is coming from on her position on this amendment.

I frankly think that the membership should know that in terms of moneys that will be expended as a result of this bill after we have made the reductions by way of an amendment earlier, the bill will reflect only a 6.8-percent increase for those appropriations for the 1991 year. That will actually be the expenditures of the House.

There is an amount in the bill that does go by way of paying for last year's mailing that was not covered. We are trying to correct that pattern in this bill so it will not be a part of our standard future.

Indeed, it is well below our 302(b). It will be one of the tightest appropriation bills sent out of the House this year. I do appreciate where the gentlewoman is coming from.

Mrs. JOHNSON of Connecticut. Reclaiming my time, I feel we should make up our deficit in mailing last year by reducing our mailing account this year. That is what I am trying to say. That is what my constituents are trying to say we should do.

Mr. FAZIO. If the gentlewoman will yield, that is what we have done this year. We have made up the difference this year with the reform in the frank.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. PENNY].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. PENNY. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 249, noes 161, not voting 23, as follows:

[Roll No. 500]

AYES—249

Andrews	Grant	Olin
Annunzio	Guarini	Owens (UT)
Applegate	Gunderson	Oxley
Archer	Hall (TX)	Packard
Armey	Hamilton	Pallone
Baker	Hammerschmidt	Parker
Ballenger	Hancock	Parris
Barnard	Hansen	Pashayan
Bartlett	Harris	Patterson
Barton	Hastert	Paxon
Bateman	Hefley	Payne (VA)
Bates	Hefner	Penny
Bennett	Henry	Petri
Bentley	Herger	Pickett
Bereuter	Hiler	Pickle
Bilirakis	Hoagland	Porter
Bliley	Holloway	Poshard
Boehlert	Hopkins	Price
Broomfield	Houghton	Rahall
Browder	Hubbard	Ravenel
Brown (CA)	Huckaby	Ray
Brown (CO)	Hughes	Regula
Buechner	Hunter	Rhodes
Bunning	Hutto	Rinaldo
Burton	Hyde	Ritter
Byron	Inhofe	Roberts
Callahan	Ireland	Robinson
Campbell (CA)	Jacobs	Rogers
Campbell (CO)	James	Rohrabacher
Chandler	Jenkins	Ros-Lehtinen
Clarke	Johnson (CT)	Roth
Clement	Johnson (SD)	Rowland (CT)
Clinger	Jones (GA)	Rowland (GA)
Coble	Jones (NC)	Saiki
Coleman (MO)	Jontz	Sangmeister
Combest	Kaptur	Sarpalius
Condit	Kasich	Saxton
Conte	Kolbe	Schneider
Cooper	Kyl	Schroeder
Costello	LaFalce	Schulze
Coughlin	Lagomarsino	Sensenbrenner
Courter	Lancaster	Sharp
Cox	Laughlin	Shaw
Craig	Leach (IA)	Shays
Crane	Lent	Shumway
Dannemeyer	Lewis (FL)	Shuster
DeLay	Lightfoot	Sisisky
Derrick	Lipinski	Slattery
DeWine	Livingston	Slaughter (VA)
Dickinson	Lloyd	Smith (NE)
Dicks	Long	Smith (NJ)
Dornan (CA)	Lowery (CA)	Smith (TX)
Douglas	Lukens, Donald	Smith, Denny (OR)
Dreier	Machtley	Smith, Robert (NH)
Duncan	Madigan	Smith, Robert (OR)
Dyson	Martin (NY)	Snowe
Eckart	McCandless	Solomon
Edwards (OK)	McCloskey	Spence
Emerson	McCollum	Spratt
English	McCrery	Stallings
Erdreich	McCurdy	Stangeland
Fawell	McDade	Stearns
Fields	McGrath	Stenholm
Fish	McMillan (NC)	Stump
Ford (TN)	Meyers	Sundquist
Frank	Michel	Tallon
Frenzel	Miller (OH)	Tanner
Gallegly	Miller (WA)	Tauke
Gallo	Mink	Tauzin
Gekas	Molinari	Taylor
Geren	Montgomery	Thomas (CA)
Gillmor	Moorhead	Thomas (WY)
Gilman	Morella	Traficant
Gingrich	Morrison (WA)	Unsoeld
Glickman	Myers	Upton
Goodling	Neal (NC)	Valentine
Goss	Nelson	Vander Jagt
Gradison	Nielson	Volkmer
Grandy	Nowak	Vucanovich
		Walgren
		Walker
		Walsh
		Watkins
		Weber
		Weldon
		Whittaker
		Wilson
		Wolf
		Wolpe
		Yatron
		Young (FL)

NOES—161

Ackerman	Gonzalez	Ortiz
Alexander	Gordon	Owens (NY)
Anderson	Gray	Payne (NJ)
Anthony	Hall (OH)	Pease
Atkins	Hatcher	Pelosi
AuCoin	Hayes (IL)	Perkins
Beilenson	Hayes (LA)	Rangel
Berman	Hertel	Richardson
Bevill	Hochbrueckner	Ridge
Bilbray	Horton	Roe
Bonior	Hoyer	Rose
Borski	Johnston	Rostenkowski
Bosco	Kanjorski	Roukema
Boucher	Kastenmeier	Roybal
Boxer	Kennelly	Russo
Bruce	Kildee	Sabo
Bryant	Kleczka	Savage
Bustamante	Kolter	Sawyer
Cardin	Kostmayer	Scheuer
Carper	Lantos	Schiff
Carr	Leath (TX)	Schumer
Chapman	Lehman (CA)	Serrano
Clay	Lehman (FL)	Sikorski
Coleman (TX)	Levin (MI)	Skaggs
Collins	Levine (CA)	Skeen
Conyers	Lewis (CA)	Skelton
Coyne	Lewis (GA)	Slaughter (NY)
Darden	Lowey (NY)	Smith (FL)
Davis	Luken, Thomas	Smith (IA)
de la Garza	Manton	Staggers
DeFazio	Marlenee	Stark
Dellums	Martinez	Stokes
Dingell	Matsui	Studds
Dixon	Mavroules	Swift
Dorgan (ND)	Mazzoli	Synar
Downey	McDermott	Thomas (GA)
Durbin	McHugh	Torres
Dwyer	McMillen (MD)	Torricelli
Dymally	McNulty	Towns
Early	Mfume	Traxler
Edwards (CA)	Miller (CA)	Udall
Engel	Mineta	Vento
Espy	Moakley	Visclosky
Evans	Mollohan	Washington
Fascell	Moody	Waxman
Fazio	Mrazek	Weiss
Feighan	Murphy	Wheat
Flake	Murtha	Whitten
Flippo	Nagle	Williams
Foglietta	Natcher	Wise
Ford (MI)	Neal (MA)	Wyden
Frost	Oakar	Yates
Gaydos	Oberstar	Young (AK)
Gibbons	Obey	

NOT VOTING—23

Aspin	Green	Pursell
Boggs	Hawkins	Quillen
Brennan	Kennedy	Schaefer
Brooks	Markey	Schuette
Crockett	Martin (IL)	Smith (VT)
Donnelly	McEwen	Solarz
Gejdenson	Morrison (CT)	Wylie
Gephardt	Panetta	

□ 1944

Mrs. LOWEY of New York changed her vote from "aye" to "no."

Mr. RAY changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. OBEY: At the appropriate place in the bill, insert:

SEC. . None of the funds in this Act may be used to increase individual members' office accounts unless that member has requested such increase in writing as determined by regulation by the Committee on House Administration.

POINT OF ORDER

Mr. LEWIS of California. Mr. Chairman, I have a point of order on the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. LEWIS of California. Mr. Chairman, the amendment appears to be legislating on an appropriations bill. It has nothing to do with holy pictures, and I would object.

The CHAIRMAN. Does the gentleman from California wish to speak on his point of order?

Mr. LEWIS of California. Not beyond that, Mr. Chairman.

The CHAIRMAN. Does the gentleman from Wisconsin wish to speak on the point of order?

Mr. OBEY. Yes, I do, Mr. Chairman.

I would like to make the point that I had two Members come up to me during the rollcall and asked me to please be sure that we fixed this in conference.

I looked at the vote and I saw both of them had voted "aye."

I think it would be in the interest of the House to avoid hypocrisy to allow an amendment like this.

The CHAIRMAN. The gentleman from Wisconsin must address the point of order.

Mr. OBEY. I would simply say, Mr. Chairman, that I concede the point of order. I do not concede, however, that it is wise not to consider an amendment like this, because it seems to me, in the interest of avoiding hypocrisy on the floor, those who vote against the money should not get it.

The CHAIRMAN (Mr. KILDEE). The point of order is both conceded and sustained by the Chair.

Mr. OBEY. Mr. Chairman, I ask unanimous consent to offer the amendment, notwithstanding the fact that the Chair sustained the point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

Mr. LEACH of Iowa. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Chair has sustained the point of order because it would be legislation on an appropriation bill.

PARLIAMENTARY INQUIRY

Mr. VOLKMER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. VOLKMER. Mr. Chairman, the amendment as I heard it appeared to be a limitation on appropriations, is that correct?

The CHAIRMAN. The Chair has already ruled that the point of order is sustained.

Mr. VOLKMER. Mr. Chairman, is such an amendment in order if a motion to rise is defeated?

The CHAIRMAN. No; the amendment is out of order under clause 2, rule XXI.

AMENDMENT OFFERED BY MR. TAYLOR

Mr. TAYLOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Taylor: Page 41, insert after line 10 the following:

SEC. 312. It is the sense of the Congress that if the total amount appropriated under this Act as reported by the Committee on Appropriations on July 30, 1990, is more than the total amount appropriated under this Act as passed the House, the overall amount appropriated for the 13 executive offices in the account of the President shall be reduced by the percentage reduction in the total amount appropriated under this Act.

□ 1950

Mr. SKEEN. Mr. Chairman, I raise a point of order.

I have a question on the germanity of the amendment. In deference to the gentleman from Mississippi who has offered it, I will allow him to explain his amendment, but——

The CHAIRMAN. Does the gentleman reserve a point of order?

Mr. SKEEN. Mr. Chairman, I reserve a point of order.

The CHAIRMAN. The gentleman from Mississippi [Mr. TAYLOR], is recognized for 5 minutes in support of his amendment.

Mr. TAYLOR. Mr. Chairman, as of the passage of the Penny amendment, the overall appropriation for the legislative branch has been cut by 4.5 percent today. I applaud what this House has done to get our own house in order as far as spending.

I am offering a sense-of-Congress amendment that the overall budget for the 13 offices of the President be reduced by a similar percentage.

This week I obtained the following information from the Subcommittee on Treasury, Postal Service and General Appropriations: The President's fiscal year 1991 budget request for the 13 executive offices of the President accounts totals $329,973,000, or $59,155,000 more than the total of the 1990 appropriations.

Those accounts include but are not limited to compensation for the President, $250,000; Office of Administration salaries and expenses, $25,400,000; the White House office for approximately 338 employees, $32 million, which is more money than the city budget of the largest city in my district; the executive residence at the White House, $8,400,000, which is more money than my hometown's city budget for a whole year; the Council of Economic Advisers, for $30 million; the Office of Policy Development, $3,400,000; the National Security Council——

When last we spoke, we were at the National Security Council, $5,800,000; Office of Management and Budget, $48,300,000; Air Force One—you cannot, you as a Member of Congress, cannot get the budget for Air Force One because it is classified. As the President travels around the country making political speeches and if you are curious as to how much he is spending, you cannot find out.

Mr. THOMAS of California. Mr. Chairman, will the gentleman yield on that point?

Mr. TAYLOR. Yes, I yield to the gentleman.

Mr. THOMAS of California. I thank the gentleman for yielding.

If he is making political speeches, a portion of the cost of Air Force One is paid for for political purposes. If he is Commander in Chief and President of the United States, the taxpayers pay for it.

Mr. TAYLOR. Thank you, sir.

Again, according to staff on the Appropriations Committee, that number is not available. Obviously, programs like the drug czar, National Security Council are more important than other programs. That is why we are calling for an overall reduction that would be mandated by the President. Let him pick and choose what is the most important. But if we are willing to cut our budget by 4.5 percent, I think it is only fair that we ask the President, not make the President, we ask the President to reduce overall his nearly $300 million budget by a similar amount.

Mr. Chairman, that is my amendment. I hope all sides will be in agreement to this in a truly bipartisan approach to get our spending in order.

Mr. FAZIO. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR. I yield to the chairman of the subcommittee.

Mr. FAZIO. I thank the gentleman for yielding on this point.

I simply would congratulate him for bringing this information to the attention of the Members. I am not certain that Mr. SKEEN will not be successful. I have a feeling he will be. But I think it would be instructive for us look back at the end of this process and see just how much the Congress accommodated the administration on each of the requests, not only in the executive office of the President but in the administration of each department.

I would not be surprised if we did not give the administration almost everything they asked for in this area. While on the floor of the House we hoot and holler, I think most of us realize that we accommodate on the basis of comity what the executive asked for in the administration of these various Cabinet departments and the President's office, himself.

I think we ought to keep that in mind as we become increasingly self-flagellating on this floor.

Mr. TAYLOR. Mr. Chairman, I would like to remind this body that tomorrow the conference report on Treasury, Postal Service and General Government Appropriations in which this amount is included will be on the floor, should the Chair rule that this amendment is not in order.

The CHAIRMAN. The time of the gentleman from Mississippi [Mr. TAYLOR] has expired. The Chair recognizes the gentleman from New Mexico on his point of order.

Mr. SKEEN. Mr. Chairman, as the ranking member on the Subcommittee on Treasury, Postal Service, and General Government this being an election year, I would point out that usually sap rises in the rises in the spring but a lot of it in an election year rises in the fall. I understand the kind of point the gentleman is making.

I do make the point of order against the amendment because it proposes to change existing law and constitutes legislation in an appropriation bill and, therefore, violates clause 2 or rule XXI.

The rule states in pertiment part: "No amendment to a general appropriation bill shall be in order if changing existing law." The amendment gives affirmative direction; in effect, it does not apply solely to the appropriation under consideration, and I ask for a ruling from the Chair.

The CHAIRMAN. Does the gentleman from Mississippi [Mr. TAYLOR] desire to be heard on the point of order?

Mr. TAYLOR. No, Mr. Chairman.

The CHAIRMAN (Mr. KILDEE). The Chair then is prepared to rule.

The Chair sustains the point of order by the gentleman from New Mexico [Mr. SKEEN] for the reasons stated by the gentleman from New Mexico.

Are there other amendments to the bill? If not, the Clerk will read.

The Clerk read as follows:

This Act may be cited as the "Legislative Branch Appropriations Act, 1991".

Mr. FAZIO. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. BONIOR] having assumed the chair, Mr. KILDEE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5399) making appropriations for the legislative branch for the fiscal year ending September

30, 1991, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendations that the amendments be agreed to and that the bill, as amended, do pass.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 292, noes 117, not voting 24, as follows:

[Roll No. 501]

AYES—292

Ackerman	Craig	Hamilton
Alexander	Darden	Harris
Anderson	Davis	Hatcher
Andrews	de la Garza	Hayes (IL)
Annunzio	DeFazio	Hayes (LA)
Anthony	Dellums	Hefner
Applegate	Derrick	Hertel
Atkins	Dickinson	Hoagland
AuCoin	Dicks	Hochbrueckner
Baker	Dingell	Horton
Barnard	Dixon	Houghton
Bateman	Dorgan (ND)	Hoyer
Beilenson	Downey	Hubbard
Bentley	Durbin	Huckaby
Berman	Dwyer	Hughes
Bevill	Dymally	Hyde
Bilbray	Dyson	Jenkins
Boehlert	Early	Johnson (CT)
Bonior	Eckart	Johnson (SD)
Borski	Edwards (CA)	Johnston
Bosco	Edwards (OK)	Jones (GA)
Boucher	Engel	Jones (NC)
Boxer	English	Jontz
Browder	Espy	Kanjorski
Brown (CA)	Evans	Kaptur
Bruce	Fascell	Kastenmeier
Bryant	Fazio	Kennelly
Bustamante	Feighan	Kildee
Byron	Flake	Kleczka
Campbell (CO)	Flippo	Kolter
Cardin	Foglietta	Kostmayer
Carper	Ford (MI)	LaFalce
Carr	Ford (TN)	Lancaster
Chandler	Frank	Lantos
Chapman	Frenzel	Leath (TX)
Clarke	Frost	Lehman (CA)
Clay	Gallo	Lehman (FL)
Clement	Gaydos	Lent
Clinger	Gephardt	Levin (MI)
Coleman (MO)	Geren	Levine (CA)
Coleman (TX)	Gibbons	Lewis (CA)
Collins	Gillmor	Lewis (GA)
Condit	Gilman	Lipinski
Conte	Glickman	Livingston
Conyers	Gonzalez	Lloyd
Cooper	Gordon	Long
Costello	Gray	Lowery (CA)
Coughlin	Guarini	Lowey (NY)
Courter	Hall (OH)	Luken, Thomas
Coyne	Hall (TX)	Machtley
Madigan	Parris	Smith (IA)
Manton	Pashayan	Smith (NE)
Marlenee	Patterson	Smith (NJ)
Martinez	Payne (NJ)	Spratt
Matsui	Payne (VA)	Stallings
Mavroules	Pease	Stark
Mazzoli	Pelosi	Stearns
McCloskey	Penny	Stenholm
McCollum	Perkins	Stokes
McCrery	Pickett	Studds
McCurdy	Pickle	Sundquist
McDade	Porter	Swift
McDermott	Poshard	Synar
McGrath	Price	Tallon
McHugh	Rangel	Tanner
McMillan (NC)	Ray	Tauzin
McMillen (MD)	Richardson	Thomas (CA)
McNulty	Ridge	Thomas (GA)
Meyers	Rinaldo	Torres
Mfume	Roberts	Torricelli
Michel	Roe	Towns
Miller (CA)	Rogers	Udall
Mineta	Rose	Unsoeld
Mink	Roukema	Valentine
Moakley	Rowland (GA)	Vander Jagt
Molinari	Roybal	Vento
Mollohan	Russo	Visclosky
Montgomery	Sabo	Volkmer
Moody	Saiki	Walgren
Morella	Sangmeister	Walsh
Morrison (WA)	Savage	Washington
Mrazek	Sawyer	Watkins
Murphy	Scheuer	Waxman
Murtha	Schiff	Weiss
Myers	Schneider	Wheat
Nagle	Schroeder	Whittaker
Natcher	Schumer	Whitten
Neal (MA)	Serrano	Williams
Neal (NC)	Sharp	Wise
Nelson	Shaw	Wolf
Nowak	Sikorski	Wolpe
Oakar	Sisisky	Wyden
Oberstar	Skaggs	Yates
Obey	Skeen	Yatron
Ortiz	Skelton	Young (AK)
Owens (NY)	Slattery	Young (FL)
Owens (UT)	Slaughter (NY)	
Panetta	Smith (FL)	

NOES—117

Archer	Gunderson	Ravenel
Armey	Hancock	Regula
Ballenger	Hansen	Rhodes
Bartlett	Hastert	Ritter
Barton	Hefley	Robinson
Bates	Henry	Rohrabacher
Bennett	Herger	Ros-Lehtinen
Bereuter	Hiler	Roth
Bilirakis	Holloway	Rowland (CT)
Bliley	Hopkins	Sarpalius
Broomfield	Hunter	Saxton
Brown (CO)	Hutto	Schulze
Buechner	Inhofe	Sensenbrenner
Bunning	Ireland	Shays
Burton	Jacobs	Shumway
Callahan	James	Shuster
Campbell (CA)	Kasich	Slaughter (VA)
Coble	Kolbe	Smith (TX)
Combest	Kyl	Smith, Denny (OR)
Cox	Lagomarsino	Smith, Robert (NH)
Crane	Laughlin	Smith, Robert (OR)
Dannemeyer	Leach (IA)	Snowe
DeLay	Lewis (FL)	Solomon
DeWine	Lightfoot	Spence
Dornan (CA)	Lukens, Donald	Staggers
Douglas	Martin (NY)	Stangeland
Dreier	McCandless	Stump
Duncan	Miller (OH)	Tauke
Emerson	Miller (WA)	Taylor
Erdreich	Moorhead	Thomas (WY)
Fawell	Nielson	Traficant
Fields	Olin	Traxler
Gallegly	Oxley	Upton
Gekas	Packard	Vucanovich
Gingrich	Pallone	Walker
Goodling	Parker	Weber
Goss	Paxon	Weldon
Gradison	Petri	
Grandy	Pursell	
Grant	Rahall	

NOT VOTING—24

Aspin	Brooks	Fish
Boggs	Crockett	Gejdenson
Brennan	Donnelly	Green
Hammerschmidt	McEwen	Schuette
Hawkins	Morrison (CT)	Smith (VT)
Kennedy	Quillen	Solarz
Markey	Rostenkowski	Wilson
Martin (IL)	Schaefer	Wylie

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The Clerk announced the following pair:

On this vote:

Mr. Green of New York, for with Mrs. Martin of Illinois against.

Mr. TAYLOR changed his vote for "aye" to "no."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON S. 2740, THE WATER RESOURCES DEVELOPMENT ACT OF 1990

The SPEAKER pro tempore (Mr. NEAL of Massachusetts). Without objection, the Chair appoints the following conferees on the Senate bill (S. 2740) to provide for the conservation and development of water and related resources, to authorize the U.S. Army Corps of Engineers civil works program to construct various projects for improvements to the Nation's infrastructure, and for other purposes, and without objection, reserves the right to appoint additional conferees:

From the Committee on Public Works and Transportation, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Messrs. ANDERSON, ROE, MINETA, OBERSTAR, NOWAK, HAMMERSCHMIDT, SHUSTER, and STANGELAND.

Except that for consideration of section 309 of the Senate bill, Mr. RAHALL is appointed in lieu of Mr. ROE, and Mr. APPLEGATE is appointed in lieu of Mr. MINETA.

From the Committee on Merchant Marine and Fisheries, for consideration of matters within the jurisdiction of that committee contained in the Senate bill, and in the House amendment, and modifications committed to conference: Messrs: JONES of North Carolina, STUDDS, HERTEL, DAVIS, and YOUNG of Alaska.

From the Committee on Energy and Commerce, for consideration of section 309 of the Senate bill, and modifications committed to conference: Messrs. DINGELL, THOMAS A. LUKEN, SWIFT, SLATTERY, WALGREN, LENT, WHITTAKER, and RINALDO.

From the Committee on Science, Space and Technology, for consideration of section 309 of the Senate bill, and section 13 of the House amendment, and modifications committed to conference: Messrs. ROE, MINETA, TORRICELLI, VALENTINE, HAYES of Louisiana, WALKER, LEWIS of Florida, and PACKARD.

There was no objection.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent for rollcall No. 497, the Synar amendment to H.R. 5399—legislative branch appropriations; rollcall No. 499, the Frenzel amendment to H.R. 5399; rollcall No. 500, the Penny amendment to H.R. 5399; and rollcall No. 501, final passage of H.R. 5399.

Had I been here, I would have cast the following votes: "aye," "aye," "aye," and "aye."

PERSONAL EXPLANATION

Mr. PANETTA. Mr. Speaker, I was unable to be present for the following votes in the last week of the 101st Congress due to my presence in critical budget reconciliation meetings. Had I been present, I would have voted as follows:

Legislative appropriations conference report: Rollcall No. 500, Penny amendment to make a 2-percent reduction, across-the-board, "yes."

REPORT ON RESOLUTION WAIVING ALL POINTS OF ORDER DURING CONSIDERATION OF CONFERENCE REPORT ON H.R. 5241, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-911) on the resolution (H. Res. 516) waiving all points of order during consideration of the conference report on the bill (H.R. 5241) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1991, and for other purposes, and against its consideration, which was referred to the House Calendar and ordered to be printed.

WAIVING CERTAIN REQUIREMENTS OF RULES OF THE HOUSE AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS CONFERENCE REPORTS, AMENDMENTS, AND MOTIONS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-912) on the resolution (H. Res. 517) waiving the requirement of clause 4(b) of rule XI against consideration of certain resolutions reported from the Committee on Rules, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION AUTHORIZING THE SPEAKER TO DECLARE RECESSES

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-913) on the resolution (H. Res. 518) authorizing the Speaker to declare recesses, which was referred to the House Calendar and ordered to be printed.

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NOTICE OF INTENTION TO OFFER MOTION TO INSTRUCT CONFEREES ON H.R. 5400, CAMPAIGN COST REDUCTION AND REFORM ACT OF 1990

(Mr. THOMAS of California asked and was given permission to address the House for 1 minute.)

Mr. THOMAS of California. Mr. Speaker, pursuant to the provisions of rule 28, clause 1(c), I am announcing tomorrow that I will offer a motion to instruct the House conferees on the bill, H.R. 5400, to agree to section 105 of the House-passed bill.

The text of the motion is as follows:

Mr. THOMAS of California moves that the managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the bill as H.R. 5400 be instructed to agree to section 105 of the House-passed bill.

LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I ask to proceed for the purpose of inquiring of the majority whip the program for tomorrow.

Mr. GRAY. If the gentleman will yield, I would say to the distinguished minority leader that the House will meet at 10 a.m. We will have 1 minutes, and then there will be rules that will be considered as part of the same day consideration, appropriations, continuing resolution, reconciliation, and then recess authority, Treasury-Postal rule.

Votes, if ordered, will be rolled until noon or afternoon if those are ordered on those rules.

Then there will be appropriation conference reports, Agriculture, Labor-HHS, Treasury-Postal, and also we expect that there might be a Commerce-Justice conference report, if there is a rule.

There are 40 suspensions, and votes on those suspensions will be rolled until Tuesday, but we expect full debate of those suspensions at the end of the day.

Mr. MICHEL. For a point of clarification then, I would assume that if we have votes ordered in the debate that ensues before noon, having those votes at noon, and once they are disposed of, then I would assume there would be no other further rollcall votes until Tuesday, assuming that there would be some ordered on the suspensions that would be taken up later?

Mr. GRAY. I would say to the gentleman that that is not accurate. We expect that there may be some votes if we have appropriation conference reports, Agriculture, Labor-HHS, Treasury-Post Office, and Commerce and Justice. If those are considered, and if votes are called for, then we would have those votes, as well as the rules votes.

So I think we are looking at no votes until 12. Those votes would be the votes ordered on the rules, and then we would have approximately four potential conference reports that would come up. If votes are ordered, they will be taken, and then we would have the debate on the 40 suspensions, but the votes for those would be rolled over, I would say to the distinguished gentleman from Illinois, the minority leader, until Tuesday.

Mr. MICHEL. The gentleman will recall that the District of Columbia conference report was defeated, and I am wondering if the gentleman could enlighten us on when that might be brought back, if at all, for a vote here in the House.

Mr. GRAY. I would say to the gentleman that we do not have any word at this time as to when the District of Columbia conference report would come back for consideration in the House. However, the majority side will notify the minority whenever it is to come before us, and do so in an orderly fashion.

Mr. MICHEL. In my colloquy with the distinguished majority leader Friday, I believe it was, he responded to one of my questions by saying that we would not be in late Monday. Now there is a full platter of suspensions, plus the appropriation bills that the gentleman alluded to. Would he make any guesstimate as to what time, how long we might be meeting tomorrow?

Mr. GRAY. As soon as we finish those conference reports we will be able to conclude all legislative business that would require votes. And then after that would be the debates on the suspensions, but there would be no further votes. So there is a good possibility that we could be out fairly early in the evening tomorrow, with just debate on the suspensions.

Mr. MICHEL. I thank the distinguished whip.

CONFERENCE REPORT ON S. 605, CONSUMER PRODUCT SAFETY IMPROVEMENT ACT OF 1990

Mr. WALGREN, from the Committee on Energy and Commerce, submitted the following conference report and statement on the Senate bill (S. 605) to authorize appropriations for

the Consumer Product Safety Commission, and for other purposes:

CONFERENCE REPORT (H. REPT. 101-914)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 605) to authorize appropriations for the Consumer Product Safety Commission, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Consumer Product Safety Improvement Act of 1990".

TITLE I—AMENDMENTS TO ACTS

SEC. 101. REFERENCE.

Except as otherwise specifically provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Consumer Product Safety Act.

SEC. 102. QUALIFICATIONS OF MEMBERS OF THE COMMISSION.

Section 4(a) (15 U.S.C. 2053(a)) is amended by inserting immediately after the first sentence the following: "In making such appointments, the President shall consider individuals who, by reason of their background and expertise in areas related to consumer products and protection of the public from risks to safety, are qualified to serve as members of the Commission.".

SEC. 103. QUORUM ON COMMISSION.

The first sentence of section 4(d) (15 U.S.C. 2053(d)) is amended by inserting before the period a comma and the following: "except that if there are only three members serving on the Commission because of vacancies in the Commission, two members of the Commission shall constitute a quorum for the transaction of business, and if there are only two members serving on the Commission because of vacancies in the Commission, two members shall constitute a quorum for the six month period beginning on the date of the vacancy which caused the number of Commission members to decline to two".

SEC. 104. APPOINTMENT OF CERTAIN PERSONNEL.

Section 4(g)(1) (15 U.S.C. 2053(g)(1)) is amended to read as follows:

"(g)(1)(A) The Chairman, subject to the approval of the Commission, shall appoint as officers of the Commission an Executive Director, a General Counsel, an Associate Executive Director for Engineering Sciences, an Associate Executive Director for Epidemiology, an Associate Executive Director for Compliance and Administrative Litigation, an Associate Executive Director for Health Sciences, an Associate Executive Director for Economic Analysis, an Associate Executive Director for Administration, an Associate Executive Director for Field Operations, a Director for Office of Program, Management, and Budget, and a Director for Office of Information and Public Affairs. Any other individual appointed to a position designated as an Associate Executive Director shall be appointed by the Chairman, subject to the approval of the Commission. The Chairman may only appoint an attorney to the position of Associate Executive Director of Compliance and Administrative Litigation except the position of acting Associate Executive Director of Compliance and Administrative Litigation.

"(B)(i) No individual may be appointed to such a position on an acting basis for a period longer than 90 days unless such appointment is approved by the Commission.

"(ii) The Chairman, with the approval of the Commission, may remove any individual serving in a position appointed under subparagraph (A).

"(C) Subparagraph (A) shall not be construed to prohibit appropriate reorganizations or changes in classificiation.".

SEC. 105. PRIORITIES.

(a) AMENDMENT.—Section 4 (15 U.S.C. 2053) is amended by adding at the end the following:

"(j) At least 30 days before the beginning of each fiscal year, the Commission shall establish an agenda for Commission action under the acts under its jurisdiction and, to the extent feasible, shall establish priorities for such actions. Before establishing such agenda and priorities, the Commission shall conduct a public hearing on the agenda and priorities and shall provide reasonable opportunity for the submission of comments.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fiscal years which begin more than 180 days after the date of the enactment of this Act.

SEC. 106. DISCLOSURE TO CONTRACTORS.

Paragraph (8) of section 6(a) (15 U.S.C. 2055(a)) is amended to read as follows:

"(8) The provisions of paragraphs (2) through (6) shall not prohibit the disclosure of information to other officers, employees, or representatives of the Commission (including contractors) concerned with carrying out this Act or when relevant in any administrative proceeding under this Act or in judicial proceedings to which the Commission is a party. Any disclosure of relevant information—

"(A) in Commission administrative proceedings or in judicial proceedings to which the Commission is a party, or

"(B) to representatives of the Commission (including contractors),

shall be governed by the rules of the Commission (including in camera review rules for confidential material) for such proceedings or for disclosures to such representatives or by court rules or orders, except that the rules of the Commission shall not be amended in a manner inconsistent with the purposes of this section.".

SEC. 107. MONITORING COMPLIANCE.

(a) CONSUMER PRODUCT SAFETY ACT.—Section 7(b) (15 U.S.C. 2056(b) is amended—

"(1) by inserting "(1)" after "(b)", and

"(2) by adding at the end the following:

"(2) The Commission shall devise procedures to monitor compliance with any voluntary standards—

"(A) upon which the Commission has relied under paragraph (1);

"(B) which were developed with the participation of the Commission; or

"(C) whose development the Commission has monitored.".

(b) FEDERAL HAZARDOUS SUBSTANCES ACT.—Section 3(g) of the Federal Hazardous Substances Act (15 U.S.C. 1262(g)) is amended by adding at the end the following:

"(3) The Commission shall devise procedures to monitor compliance with any voluntary standards—

"(A) upon which the Commission has relied under paragraph (2) of this susection;

"(B) which were developed with the participation of the Commission; or

"(C) whose development the Commission has monitored.".

(c) FLAMMABLE FABRICS ACT.—Section 4(h) of the Flammable Fabrics Act (15 U.S.C. 1193(h)) is amended by adding at the end the following:

"(3) The Commission shall devise procedures to monitor compliance with any voluntary standards—

"(A) upon which the Commission has relied under paragraph (2) of this subsection;

"(B) which were developed with the participation of the Commission; or

"(C) whose development the Commission has monitored.".

SEC. 108. VOLUNTARY STANDARDS.

(a) CONSUMER PRODUCT SAFETY ACT.—Section 9(b)(2) (15 U.S.C. 2058(b)(2)) is amended by striking out the period and inserting the following: ", except that the Commission shall terminate any such proceeding and rely on a voluntary standard only if such voluntary standard is in existence. For purposes of this section, a voluntary standard shall be considered to be in existence when it is finally approved by the organization or other person which developed such standard, irrespective of the effective date of the standard. Before relying upon any voluntary consumer product safety standard, the Commission shall afford interested persons (including manufacturers, consumers, and consumer organizations) a reasonable opportunity to submit written comments regarding such standard. The Commission shall consider such comment in making any determination regarding reliance on the involved voluntary standard under this subsection.".

(b) FEDERAL HAZARDOUS SUBSTANCES ACT.—Section 3(g)(2) of the Federal Hazardous Substances Act (15 U.S.C. 1262(g)(2)) is amended by striking out the period and inserting the following: ", except that the Commission shall terminate any such proceeding and rely on a voluntary standard only if such voluntary standard is in existence. For purposes of this section, a voluntary standard shall be considered to be in existence when it is finally approved by the organization or other person which developed such standard, irrespective of the effective date of the standard. Before relying upon any voluntary standard, the Commission shall afford interested persons (including manufacturers, consumers, and consumer organizations) a reasonable opportunity to submit written comments regarding such standard. The Commission shall consider such comments in making any determination regarding reliance on the involved voluntary standard under this subsection.".

(c) FLAMMABLE FABRICS ACT.-Section 4(h)(2) of the Flammable Fabrics Act (15 U.S.C. 1193(h)(2)) is amended by striking out the period and inserting the following: ", except that the Commission shall terminate any such proceeding and rely on a voluntary standard only if such voluntary standard is in existence. For purposes of this section, a voluntary standard shall be considered to be in existence when it is finally approved by the organization or other person which developed such standard, irrespective of the effective date of the standard. Before relying upon any voluntary standard, the Commission shall afford interested persons (including manufacturers, consumers, and consumer organizations) a reasonable opportunity to submit written comments re-

garding such standard. The Commission shall consider such comments in making any determination regarding reliance on the involved voluntary standard under this subsection.".

SEC. 109. PROPOSED RULES.

Section 9(c) (15 U.S.C. 2058(c)) is amended by adding at the end the following: "Any proposed consumer product safety rule shall be issued within twelve months after the date of publication of an advance notice of proposed rulemaking under subsection (a) relating to the product involved, unless the Commission determines that such proposed rule is not reasonably necessary to eliminate or reduce the risk of injury associated with the product or is not in the public interest. The Commission may extend the twelve-month period for good cause. If the Commission extends such period, it shall immediately transmit notice of such extension to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives. Such notice shall include an explanation of the reasons for such extension, together with an estimate of the date by which the Commission anticipates such rulemaking will be completed. The Commission shall publish notice of such extension and the information submitted to the Congress in the Federal Register.".

SEC. 110. PETITIONS AND VOLUNTARY STANDARDS.

(a) CONSUMER PRODUCT SAFETY ACT.—Section 9 (15 U.S.C. 2058) is amended by adding at the end the following:

(i) The Commission shall grant, in whole or in part, or deny any petition under section 553(e) of title 5, United States Code, requesting the Commission to initiate a rulemaking, within a reasonable time after the date on which such petition is filed. The Commission shall state the reasons for granting or denying such petition. The Commission may not deny any such petition on the basis of a voluntary standard unless the voluntary standard is in existence at the time of the denial of the petition, the Commission has determined that the voluntary standard is likely to result in the elimination or adequate reduction of the risk of injury identified in the petition, and it is likely that there will be substantial compliance with the standard.".

(b) FEDERAL HAZARDOUS SUBSTANCES ACT.—Section 3 of the Federal Hazardous Substances Act (15 U.S.C. 1262) is amended by adding at the end the following:

"(j) The Commission shall grant, in whole or in part, or deny any petition under section 553(e) of title 5, United States Code, requesting the Commission to initiate a rulemaking, within a reasonable time after the date on which such petition is filed. The Commission shall state the reasons for granting or denying such petition. The Commission may not deny any such petition on the basis of a voluntary standard unless the voluntary standard is in existence at the time of the denial of the petition, the Commission has determined that the voluntary standard is likely to result in the elimination or adequate reduction of the risk of injury identified in the petition, and it is likely that there will be substantial compliance with the standard.".

(c) FLAMMABLE FABRICS ACT.—Section 4 of the Flammable Fabrics Act (15 U.S.C. 1193) is amended by adding at the end the following:

"(k) The Commission shall grant, in whole or in part, or deny any petition under section 553(e) of title 5, United States Code, requesting the Commission to initiate a rulemaking, within a reasonable time after the date on which such petition is filed. The Commission shall state the reasons for granting or denying such petition. The Commission may not deny any such petition on the basis of a voluntary standard unless the voluntary standard is in existence at the time of the denial of the petition, the Commission has determined that the voluntary standard is likely to result in the elimination or adequate reduction of the risk of injury identified in the petition, and it is likely that there will be substantial compliance with the standard.".

SEC. 111. COST-BENEFIT ANALYSIS.

(a) CONSUMER PRODUCT SAFETY ACT.—

(1) Section 12 (15 U.S.C. 2061) is amended by adding at the end the following:

"(g) Nothing in this section shall be construed to require the Commission, in determining whether to bring an action against a consumer product or a person under this section, to prepare a comparison of the costs that would be incurred in complying with the relief that may be ordered in such action with the benefits to the public from such relief.".

(2) Section 15 (15 U.S.C. 2064) is amended by adding at the end of the following:

"(h) Nothing in this section shall be construed to require the Commission, in determining that a product distributed in commerce presents a substantial product hazard and that notification or other action under this section should be taken, to prepare a comparison of the costs that would be incurred in providing notification or taking other action under this section with the benefits from such notification or action.".

(b) FEDERAL HAZARDOUS SUBSTANCES ACT.—Section 15 of the Federal Hazardous Substances Act (15 U.S.C. 1274) is amended by adding at the end the following:

"(g) Nothing in this section shall be construed to require the Commission, in determining that an article or substance distributed in commerce presents a substantial product hazard and that notification or other action under this section should be taken, to prepare a comparison of the costs that would be incurred in providing notification or taking other action under this section with the benefits from such notification or action.".

SEC. 112. INFORMATION REPORTING TO CONSUMER PRODUCT SAFETY COMMISSION.

(a) SECTION 15(b) REPORTING.—Section 15(b) (15 U.S.C. 2064(b)) is amended—

(1) in paragraph (1), by striking "; or" and inserting in lieu thereof "or with a voluntary consumer product safety standard upon which the Commission has relied under section 9;";

(2) in paragraph (2), by striking the comma and inserting in lieu thereof "; or";

(3) by inserting immediately after paragraph (2) the following:

"(3) creates an unreasonable risk of serious injury or death,";

(4) by striking "comply or of such defect," and inserting in lieu thereof "comply, of such defect, or of such risk,"; and

(5) by striking "defect or failure to comply." and inserting in lieu thereof "defect, failure to comply, or such risk.".

(b) INFORMATION REPORTING.—The Consumer Product Safety Act is amended by adding at the end the following new section:

"INFORMATION REPORTING

"SEC. 37(a) If a particular model of a consumer product is the subject of at least 3 civil actions that have been filed in Federal or State court for death or grievous bodily injury which in each of the 24-month periods defined in subsection (b) result in either a final settlement involving the manufacturer or a court judgment in favor of the plaintiff, the manufacturer of such product shall, in accordance with subsection (c), report to the Commission each such civil action within 30 days after the final ssttlement or court judgment in the third of such civil actions, and, within 30 days after any subsequent settlement or judgment in that 24-month period, any other such action.

"(b) The 24-month periods referred to in subsection (a) are the 24-month period commencing on January 1, 1991, and subsequent 24-month periods beginning on January 1 of the calendar year that is two years following the beginning of the previous 24-month period.

"(c)(1) The information required by subsection (a) to be reported to the Commission, with respect to each civil action described in subsection (a), shall include and in addition to any voluntary information provided under paragraph (2) shall be limited to the following:

"(A) The name and address of the manufacturer.

"(B) The model and model number or description of the consumer product subject to the civil action.

"(C) A statement as to whether the civil action alleged death or grievous bodily injury, and in the case of an allegation of grievous bodily injury, a statement of the category of such injury.

"(D) A statement as to whehter the civil action resulted in a final settlement or a judgment in favor of the plaintiff.

"(E) in the case of a judgment in favor of the plaintiff, the name of the civil action, the number assigned the civil action, and the court in which the civil action was filed.

"(2) A manufacturer furnishing the report required by paragraph (1) may include (A) a statement as to whether any judgment in favor of the plaintiff is under appeal or is expected to be appealed or (B) any other information which the manufacturer chooses to provide. A manufacturer reporting to the Commission under subsection (a) need not admit or may specifically deny that the information it submits reasonably supports the conclusion that its consumer product caused a death or grievous bodily injury.

"(3) No statement of the amount of the paid by the manufacturer in a final settlement shall be required as part of the report furnished under subsection (a), nor shall such a statement of settlement amount be required under any other section of this Act.

"(d) The reporting of a civil action described in subsection (a) by a manufacturer shall not constitute an admission of—

"(1) an unreasonable risk of injury,

"(2) a defect in the consumer product which was the subject of such action,

"(3) a substantial product hazard,

"(4) an imminent hazard, or

"(5) any other admission of liability under any statute or under any common law.".

"(e) For purposes of this section:

"(1) A grievous bodily injury includes any of the following categories of injury: mutilation, amputation, dismemberment, disfigurement, loss of important bodily functions, debilitating internal disorder, severe burn, severe electric shock, and injuries likely to require extended hospitalization.

"(2) For purposes of this section, a particular model of a consumer product is one that is distinctive in functional design, construction, warnings or instructions related to safety, function, user population, or other

characteristics which could affect the product's safety related performance.".

(c) Section 6 (15 U.S.C. 2055) is amended by adding at the end the following:

"(e)(1) Notwithstanding the provisions of section 552 of title 5, United States Code, subsection (a)(7) of this section, or of any other law, except as provided in paragraphs (2), (3), and (4), no member of the Commission, no officer or employee of the Commission, and no officer or employee of the Department of Justice may—

"(A) publicly disclose information furnished under subsection (c)(1) or (c)(2)(A) of section 37;

"(B) use such information for any purpose other than to carry out the Commission's responsibilities; or

"(C) permit anyone (other than the members, officers, and employees of the Commission or officers or employees of the Department of Justice who require such information for an action filed on behalf of the Commission) to examine such information.

"(2) Any report furnished under subsection (c)(1) or (c)(2)(A) of section 37 shall be immune from legal process and shall not be subject to subpoena or other discovery in any civil action in a State or Federal court or in any administrative proceeding, except in an action against such manufacturer under section 20, 21, or 22 for failure to furnish information required by section 37.

"(3) The Commission may, upon written request, furnish to any manufacturer or to the authorized agent of such manufacturer authenticated copies of reports furnished by or on behalf of such manufacturer in accordance with section 37, upon payment of the actual or estimated cost of searching the records and furnishing such copies.

"(4) Upon written request of the Chairman or Ranking Minority Member of the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives or any subcommittee of such committee, the Commission shall provide to the Chairman or Ranking Minority Member any information furnished to the Commission under section 37 for purposes that are related to the jurisdiction of such committee or subcommittee.

"(5) Any officer or employee of the Commission or other officer or employee of the Federal Government who receives information provided under section 37, who willfully violates the requirements of this subsection shall be subject to dismissal or other appropriate disciplinary action consistent with procedures and requirements established by the Office of Personnel Management.".

(d) PROHIBITED ACT.—Section 19(a) (15 U.S.C. 2068(a)) is amended by adding at the end the following new paragraph:

"(11) fail to furnish information required by section 37.".

(e) CIVIL PENALTIES.—The second sentence of section 20(a)(1) (15 U.S.C. 2069(a)(1)) is amended by striking "or (10)" and inserting in lieu thereof "(10), or (11)".

(f) CONGRESSIONAL REPORTS.—

(1) The Consumer Product Safety Commission shall report to the Congress on the extent to which reports made to the Commission under section 37 of the Consumer Product Safety Act have assisted the Commission in carrying out its responsibilities under such Act. The report—

(A) shall provide aggregate data and not the details and contents of individual reports filed with the Commission pursuant to such section 37,

(B) shall not disclose the brand names of products included in reports under such section 15(b) or 37 or the number of reports under such sections for particular models or classes of products, and

(C) shall include—

(i) a comparison of the number of reports received under such section 37 and the number of reports received under section 15(b) of such Act,

(ii) a comparison of the number of reports filed with the Commission before the date of the enactment of this Act and after such date, and

(iii) the total number of settlements and court judgments reported under such section 37 and the total number of rulemakings and enforcement actions undertaken in response to such reports,

(iv) recommendations of the Commission for additional improvements in reporting under the Consumer Product Safety Act.

(2) The first report under paragraph (1) shall be due February 1, 1992, and the second such report shall be due April 1, 1993.

SEC. 113. SETTLEMENT OFFERS.

Section 15(f) (15 U.S.C. 2064(f)) is amended by adding at the end the following: "Any settlement offer which is submitted to the presiding officer at a hearing under this subsection shall be transmitted by the officer to the Commission for its consideration unless the settlement offer is clearly frivolous or duplicative of offers previously made.".

SEC. 114. PRODUCT SURVEILLANCE PROGRAM.

Section 17 (15 U.S.C. 2066) is amended by adding at the end the following:

"(h)(1) The Commission shall establish and maintain a permanent product surveillance program, in cooperation with other appropriate Federal agencies, for the purpose of carrying out the Commission's responsibilities under this Act and the other Acts administered by the Commission and preventing the entry of unsafe consumer products into the commerce of the United States.

"(2) The Commission may provide to the agencies with which it is cooperating under paragraph (1) such information, data, violator lists, test results, and other support, guidance, and documents as may be necessary or helpful for such agencies to cooperate with the Commission to carry out the product surveillance program under paragraph (1).

"(3) The Commission shall periodically report to the Congress the results of the surveillance program under paragraph (1).".

SEC. 115. CIVIL PENALTIES.

(a) CONSUMER PRODUCT SAFETY ACT.—Section 20(a) (15 U.S.C. 2069(a)) is amended—

(1) by striking "$2,000" and inserting in lieu thereof "$5,000";

(2) by striking "$500,000" each place it appears and inserting in lieu thereof "$1,250,000"; and

(3) by adding at the end thereof the following:

"(3)(A) The maximum penalty amounts authorized in paragraph (1) shall be adjusted for inflation as provided in this paragraph.

"(B) Not later than December 1, 1994, and December 1 of each fifth calendar year thereafter, the Commission shall prescribe and publish in the Federal Register a schedule of maximum authorized penalties that shall apply for violations that occur after January 1 of the year immediately following such publication.

"(C) The schedule of maximum authorized penalties shall be prescribed by increasing each of the amounts referred to in paragraph (1) by the cost-of-living adjustment for the preceding five years. Any increase determined under the preceding sentence shall be rounded to—

"(i) in the case of penalties greater than $1,000 but less than or equal to $10,000, the nearest multiple of $1,000;

"(ii) in the case of penalties greater than $10,000 but less than or equal to $100,000, the nearest multiple of $5,000;

"(iii) in the case of penalties greater than $100,000 but less than or equal to $200,000, the nearest multiple of $10,000; and

"(iv) in the case of penalties greater than $20,000, the nearest multiple of $25,000.

"(D) For purposes of this subsection:

"(i) The term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor.

"(ii) The term 'cost-of-living adjustment for the preceding five years' means the percentage by which—

"(I) the Consumer Price Index for the month of June of the calendar year preceding the adjustment; exceeds

"(II) the Consumer Price Index for the month of June preceding the date on which the maximum authorized penalty was last adjusted.".

(b) FEDERAL HAZARDOUS SUBSTANCES ACT.—Section 5 of the Federal Hazardous Substances Act (15 U.S.C. 1264) is amended by adding at the end the following:

"(c)(1) Any person who knowingly violates section 4 shall be subject to a civil penalty not to exceed $5,000 for each such violation. Subject to paragraph (2), a violation of subsections (a), (b), (c), (d), (f), (g), (i), (j), and (k) of section 4 shall constitute a separate offense with respect to each substance involved, except that the maximum civil penalty shall not exceed $1,250,000 for any related series of violations. A violation of section 4(e) shall constitute a separate violation with respect to each failure or refusal to allow or perform an act required by section 4(e); and, if such violation is a continuing one, each day of such violation shall constitute a separate offense, except that the maximum civil penalty shall not exceed $1,250,000 for any related series of violations.

"(2) The second sentence of paragraph (1) of this subsection shall not apply to violations of subsection (a) or (c) of section 4—

"(A) if the person who violated such subsection is not the manufacturer, importer, or private labeler or a distributor of the substances involved; and

"(B) if such person did not have either (i) actual knowledge that such person's distribution or sale of the substance violated such subsection, or (ii) notice from the Commission that such distribution or sale would be a violation of such subsection.

"(3) In determining the amount of any penalty to be sought upon commencing an action seeking to assess a penalty for a violation of section 4, the Commission shall consider the nature of the substance, the severity of the risk of injury, the occurrence or absence of injury, the amount of the substance distributed, and the appropriateness of such penalty in relation to the size of the business of the person charged.

"(4) Any civil penalty under this subsection may be compromised by the Commission. In determining the amount of such penalty or whether it should be remitted or mitigated, and in what amount, the Commission shall consider the appropriateness of such penalty to the size of the business of

the persons charged, the nature of the substance involved, the severity of the risk of injury, the occurrence or absence of injury, and the amount of the substance distributed. The amount of such penalty when finally determined, or the amount agreed on compromise, may be deducted from any sums owing by the United States to the person charged.

"(5) As used in the first sentence of paragraph (1), the term 'knowingly' means (A) having actual knowledge, or (B) the presumed having of knowledge deemed to be possessed by a reasonable person who acts in the circumstances, including knowledge obtainable upon the exercise of due care to ascertain the truth of representations.

"(6)(A) The maximum penalty amounts authorized in paragraph (1) shall be adjusted for inflation as provided in this paragraph.

"(B) Not later than December 1, 1994, and December 1 of each fifth calendar year thereafter, the Commission shall prescribe and publish in the Federal Register a schedule of maximum authorized penalties that shall apply for violations that occur after January 1 of the year immediately following such publication.

"(C) The schedule of maximum authorized penalties shall be prescribed by increasing each of the amounts referred to in paragraph (1) by the cost-of-lving adjustment for the preceding five years. Any increase determined under the preceding sentence shall be rounded to—

"(i) in the case of penalties greater than $1,000 but less than or equal to $10,000, the nearest multiple of $1,000;

"(ii) in the case of penalties greater than $10,000 but less than or equal to $100,000, the nearest multiple of $5,000;

"(iii) in the case of penalties greater than $100,000 but less than or equal to $200,000, the nearest multiple of $10,000; and

"(iv) in the case of penalties greater than $200,000, the nearest multiple of $25,000.

"(D) For purposes of this subsection:

"(i) The term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor.

"(ii) The term 'cost-of-living adjustment for the preceding five years' means the percentage by which—

"(I) the Consumer Price Index for the month of June of the calendar year preceding the adjustment; exceeds

"(II) the Consumer Price Index for the month of June preceding the date on which the maximum authorized penalty was last adjusted.".

(c) FLAMMABLE FABRICS ACT.—Section 5 of the Flammable Fabric Acts (15 U.S.C. 1264) is amended by adding at the end the following:

"(e)(1) Any person who knowingly violates a regulation or standard under section 4 shall be subject to a civil penalty not to exceed $5,000 for each such violation, except that the maximum civil penalty shall not exceed $1,250,000 for any related series of violations.

"(2) In determining the amount of any penalty to be sought upon commencing an action seeking to assess a penalty for a violation of a regulation or standard under section 4, the Commission shall consider the nature and number of the violations, the severity of the risk of injury, the occurrence or absence of injury, and the appropriateness of such penalty in relation to the size of the business of the person charged.

"(3) Any civil penalty under this subsection may be compromised by the Commission. In determining the amount of such penalty or whether it should be remitted or mitigated, and in what amount, the Commission shall consider the nature and number of the violations, the appropriateness of such penalty to the size of the business of the persons charged, the severity of the risk of injury, and the occurrence or absence of injury. The amount of such penalty when finally determined, or the amount agreed on compromise, may be deducted from any sums owing by the United States to the person charged.

"(4) As used in paragraph (1), the term 'knowingly' means (A) having actual knowledge, or (B) the presumed having of knowledge deemed to be possessed by a reasonable person who acts in the circumstances, including knowledge obtainable upon the exercise of due care to ascertain the truth of representations.

"(5)(A) The maximum penalty amounts authorized in paragraph (1) shall be adjusted for inflation as provided in this paragraph.

"(B) Not later than December 1, 1994, and December 1 of each fifth calendar year thereafter, the Commission shall prescribe and publish in the Federal Register a schedule of maximum authorized penalties that shall apply for violations that occur after January 1 of the year immediately following such publication.

"(C) The schedule of maximum authorized penalties shall be prescribed by increasing each of the amounts referred to in paragraph (1) by the cost-of-living adjustment for the preceding five years. Any increase determined under the preceding sentence shall be rounded to—

"(i) in the case of penalties greater than $1,000 but less than or equal to $10,000, the nearest multiple of $1,000;

"(ii) in the case of penalties greater than $10,000 but less than or equal to $100,000, the nearest multiple of $5,000;

"(iii) in the case of penalties greater than $100,000 but less than or equal to $200,000, the nearest multiple of $10,000; and

"(iv) in the case of penalties greater than $200,000 the nearest multiple of $25,000.

"(D) For purposes of this subsection:

"(i) The term 'Consumer Price Index' means the Consumer Price Index for all-urban consumers published by the Department of Labor.

"(ii) The term 'cost-of-living adjustment for the preceding five years' means the percentage by which—

"(I) the Consumer Price Index for the month of June of the calendar year preceding the adjustment; exceeds

"(II) the Consumer Price Index for the month of June preceding the date on which the maximum authorized penalty was later adjusted.".

(d) REPORT ON CIVIL PENALTIES.—

(1) Beginning 1 year after the date of enactment of this Act, and every year thereafter, the Consumer Product Safety Commission shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives the information specified in paragraph (2) of this subsection. Such information may be included in the annual report to the Congress submitted by the Commission.

(2) The Commission shall submit information with respect to the imposition of civil penalties under the statutes which it administers. The information shall include the number of civil penalties imposed, an identification of the violations that led to the imposition of such penalties, and the amount of revenue recovered from the imposition of such penalties.

SEC. 116. CHRONIC HAZARD ADVISORY PANEL.

Section 28(b)(1) (15 U.S.C. 21077(b)(1)) is amended by inserting immediately after "States" the following: "(other than employees of the National Institutes of Health, the National Toxicology Program, or the National Center for Toxicological Research)".

SEC. 117. AUTHORIZATION.

Section 32(a) (15 U.S.C. 2081(a)) is amended by striking out paragraphs (1) through (9) and inserting in lieu thereof the following:

"(1) $42,000,000 for fiscal year 1991, and

"(2) $45,000,000 for fiscal year 1992.".

SEC. 118. ENFORCEMENT BY STATE ATTORNEYS GENERAL.

(a) FEDERAL HAZARDOUS SUBSTANCES ACT.—Section 5 of the Federal Hazardous Substances Act (15 U.S.C. 1264), as amended by section 115(b) of this Act, is amended by adding at the end the following:

"(d) In the case of an attorney general of a State alleging a violation that affects or may affect such State or its residents, such attorney general may bring a civil action for an injunction to enforce any requirement of this Act relating to misbranded or banned hazardous substances. The procedural requirements of section 24 of the Consumer Product Safety Act shall apply to any such action.".

(b) FLAMMABLE FABRICS ACT.—Section 5(a) of the Flammable Fabrics Act (154 U.S.C. 1194(a)) is amended by adding at the end the following: "In the case of an attorney general of a State alleging a violation of a standard or regulation under section 4 that affects or may affect such State or its residents, such attorney general may bring a civil action for an injunction to enforce the requirement of such standard or regulation. The procedural requirements of section 24 of the Consumer Product Safety Act shall apply to any such action.".

SEC. 119. USER FEE STUDY.

The Consumer Product Safety Commission shall conduct a study of the feasibility of requiring entities subject to the Consumer Product Safety Act to pay to the Commission amounts to defray the reasonable costs of particular services provided by the Commission to such entities. The Commission shall complete the study within one year of the date of the enactment of this Act and shall report the results of the study to the Congress.

TITLE II—RELATED PROVISIONS

SEC. 201. LIGHTERS.

The Consumer Product Safety Commission shall pursue its pending proceedings to establish a safety standard for cigarette lighters, taking into account the need to protect children from harm from lighters.

SEC. 202. INDOOR AIR POLLUTANTS.

Not later than 180 days after the date of the enactment of this Act, the Consumer Product Safety Commission shall report to Congress on its activities to reduce exposure of individuals to indoor air pollutants. Such report shall—

(1) briefly describe the activities of the Commission before such date of enactment in the area of indoor air quality,

(2) contain a detailed discussion of (A) the current activities of the Commission in such area, and (B) the further activities which the Commission plans to provide remedial measures to address the indoor air quality problems identified by the Commission,

(3) discuss the nature of indoor air quality hazards, the association of consumer products with such hazard, and, to the extent known, remedial measures which may be taken with respect to such hazard, and

(4) discuss the Commission's overall strategies and plans for addressing the identified indoor air quality hazards and for identifying and remedying such hazards.

SEC. 203. AUTOMATIC GARAGE DOOR OPENERS.

(a) CONSUMER PRODUCT SAFETY RULE.—The provisions of subsection (b) shall be considered to be a consumer product safety rule issued by the Consumer product Safety Commission under section 9 of the Consumer Product Safety Act.

(b) REQUIREMENTS.—

(1) Effective on and after January 1, 1991, each automatic residential garage door opener manufactured on or after that date for sale in the United States shall conform to the entrapment protection requirements of the American National Standards Institute Underwriters Laboratories, Inc. Standards for Safety—UL 325, third edition, as revised May 4, 1988.

(2)(A) Effective on and after January 1, 1993, all residential automatic garage door openers manufactured on and after such date for sale in the United States shall conform to any additional entrapment protection requirements of the American National Standards Institute Underwriters Laboratories, Inc. Standards for Safety—UL 325, third edition, which were issued after the date of the enactment of this Act to become effective on or before January 1, 1993.

(B) If, by June 1, 1992, the Underwriters Laboratories, Inc., has not issued a revision to the May 4, 1988, Standards for Safety—UL 325, third edition, to require an entrapment protection feature or device in addition to that required by the May 4, 1988, Standard, the Consumer Product Safety Commission shall begin a rulemaking proceeding, to be completed no later than October 31, 1992, to require an additional such feature or devide on all automatic residential garage door openers manufactured on or after January 1, 1993, for sale in the United States. If such a revision is issued by the Underwriters Laboratories, Inc. after the rulemaking has commenced, the rulemaking shall be terminated and the revision shall be incorporated in the consumer product safety rule under subsection (a) unless the Commission has determined under subsection (c) that such revision does not carry out the purposes opf subsection (b).

(c) REVISION OF RULE.—If, after June 1, 1992, or the date of a revision described in subsection (b)(2)(B) if later, the Underwriters Laboratories, Inc. proposes to further revise the entrapment protection requirements of the American National Standards Institute Underwriters Laboratories, Inc. Standards for Safety—UL 325, third edition, the Laboratories shall notify the Consumer Product Safety Commission of the proposed revision and the proposed revision shall be incorporated in the consumer product safety rule under subsection (a) unless, within 30 days of such notice, the Commission notifies the Laboratories that the Commission has determined that such revision does not carry out the purposes of subsection (b).

(d) LABELING.—On and after January 1, 1991, a manufacturer selling or offering for sale in the United States an automatic residential garage door opener manufactured on or after January 1, 1991, shall clearly identify on any container of the system and on the system the month or week and year the system was manufactured and its conformance with the requirements of subsection (b). The display of the UL logo or listing mark, and compliance with the date marking requirements of UL-325, on both the container and the system, shall satisfy the requirements of this subsection.

(e) NOTIFICATION.—Effective on and after July 1, 1991, all manufacturers of automatic residential garage door openers shall, in consultation with the Consumer Product Safety Commission, notify the public of the potential for entrapment by garage doors equipped with automatic garage door openers and advise the public to test their openers for the entrapment protection feature or device required by subsection (b).

(f) PREEMPTION.—In applying section 26(a) of the Consumer Product Safety Act (15 U.S.C. 2075) with respect to the consumer product safety rule of the Consumer Product Safety Commission under subsection (a), only those provisions of laws of States or political subdivisions which relate to the labeling of automatic residential garage door openers and those provisions which do not provide at least the equivalent degree of protection from the risk of injury associated with automatic residential garage door openers as the consumer product safety rule provides shall be subject to such section.

(g) REGULATIONS.—Section 553 of title 5, United States Code, shall apply with respect to the issuance of any regulations by the Consumer Product Safety Commission to implement the requirements of this section and sections 7 and 9 of the Consumer Product Safety Act do not apply to such issuance. Any additional or revised requirement issued by the Commission shall provide an adequate degree of protection to the public.

(h) CONSTRUCTION.—Nothing in this section shall affect or modify in any way the obligations or liabilities of any person under the common law or any Federal or State law.

SEC. 204. STUDY OF AVERSIVE AGENTS.

The Consumer Product Safety Commission shall conduct a study of requiring manufacturers of consumer products to include aversive agents, as appropriate, in products which present a hazard if ingested to determine the potential effectiveness of the aversive agents in deterring ingestion. In conducting the study, the Commission shall consult with appropriate consumer, health, and business organizations and appropriate government agencies. The Commission shall report to Congress the status of the study within one year of the date of the enactment of this Act and shall complete the study not later than 2 years after such date of enactment.

And the House agree to the same.

That the House recede from its amendment to the title of the bill.

JOHN D. DINGELL,
DOUG WALGREN,
JIM SLATTERY,
NORMAN F. LENT,
DON RITTER,
Managers on the Part of the House.

FRITZ HOLLINGS,
RICHARD H. BRYAN,
AL GORE,
JOHN C. DANFORTH,
SLADE GORTON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 605) to authorize appropriations for the Consumer Product Safety Commission, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SECTION 1—SHORT TITLE

Senate bill

The Senate bill, in section 1, provides the following short title: "Consumer Product Safety Commission Authorization Act of 1989".

House amendment

The House amendment, in section 1, provided the following short title: "Consumer Product Safety Improvement Act of 1990".

Conference agreement

The Conference agreement adopts the House provision.

TITLE I—AMENDMENTS TO ACTS

SECTION 101—REFERENCE

House amendment

The House amendment, in section 1, contained a provision not in the Senate bill which provides that, in general, references in the title are references to the Consumer Product Safety Act.

Conference agreement

The Conference agreement adopts the House provision.

SECTION 102—QUALIFICATIONS OF MEMBERS OF THE COMMISSION

Senate bill

The Senate bill, in section 2(a), amends section 4(a) of the CPSA to require that the President, in making appointments to the Consumer Product Safety Commission (CPSC), consider individuals with demonstrated consumer and safety experience.

House amendment

The House amendment, in section 103(a), amends section 4(a) of the CPSA to provide that in making appointments to the CPSC, the President shall consider individuals with experience in the safety of consumer products or related fields.

Conference agreement

The Conference agreement adopts the Senate provision.

SECTION 103—QUORUM ON COMMISSION

Senate bill

Section 2(b) of the Senate bill amends section 4 of the CPSA to change the number of CPSC Commissioners from five to three, and adjusts the quorum requirement from three to two members, in keeping with the reduction in the number of Commissioners. Currently funding has been provided for only three Commissioners.

House amendment

Section 103(b) of the House amendment amends section 4(d) of the CPSA to provide that if only three members of the Commission are serving because of vacancies in the Commission, the quorum shall be two. The amendment also provides that if only two members of the Commission are serving because of vacancies in the Commission, two members shall constitute a quorum for the six month period beginning on the date of the vacancy which caused the number of Commissioners to decline to two. This will ensure that the Commission can continue to function in the event of such vacancies, but establishes a six month time limit for the reduced quorum to ensure that a replacement Commissioner is nominated and confirmed expeditiously.

Conference agreement

The Conference agreement adopts the House provision.

SECTION 104—APPOINTMENT OF CERTAIN PERSONNEL

Senate bill

The Senate bill, in section 3(a), amends section 4(g)(1) of the CPSA to require that top-level personnel at the CPSC (other than in each member's office) are to be appointed by the Chairman with the concurrence of the other members of the Commission. Currently, only certain of these individuals are so appointed, and this amendment reaffirms that all top-level employees are responsible to the full Commission.

Also, the subsection provides that no such individuals may be removed from their positions except by action of the full Commission. This provision parallels the appointment process. Finally, the subsection requires that the head of the Office of Compliance and Administrative Litigation within the CPSC be an attorney, as is currently the case.

Section 3(b) of the Senate bill amends section 4(g) of the CPSA to specify that an individual may be appointed to certain top-level positions at the CPSC (other than in each member's office) on an acting basis only for a period not to exceed 90 days, unless the acting appointment is approved by the Commission.

House amendment

Section 103(c) of the House amendment amends section 4(g)(1) of the CPSA to make clear that certain top staff of the Commission are officers of the Commission and serve, and are responsible to, all Commissioners. The Director of Compliance is added to the list of officials for whom Commission approval is required for appointment. Section 103(c) also requires the Director of Compliance to be an attorney (except on an acting basis) and limits the appointment of individuals on an acting basis, to the positions listed in section 4(g)(1), to 90 days unless the appointment is approved by the Commission. The subsection also provides that the Chairman, with the approval of the Commission, may remove the officials listed in section 4(g)(1).

Conference agreement

The Conference agreement adopts the Senate provision with respect to the appointments which are to be subject to Commission approval. The agreement adopts the House provisions designating the top staff positions as officers of the Commission and providing that an acting Associate Executive Director of Compliance and Administrative Litigation need not be an attorney.

SECTION 105—PRIORITIES

Senate bill

The Senate bill, in section 4, adds a new subsection (j) to section 4 of the CPSA to require the CPSC to prioritize its actions during each year. In establishing the priorities, the CPSC must hold a public hearing and offer interested parties the opportunity to comment. Currently, the CPSC follows these procedures, and this provision merely codifies this existing practice.

House amendment

The House amendment, in section 108, includes a similar provison, but it also requires the establishment of an agenda.

Conference agreement

The Conference agreement adopts the House provision.

Senate bill

SECTION 106—DISCLOSURE TO CONTRACTORS

Section 5 of the Senate bill amends section 6(a)(8) of the CPSA (15 U.S.C. 2055(a)(8)). Subsections (a)(2) through (a)(6) of section 6 of the CPSA provide substantive and procedural protections for trade secrets and certain other confidential business information reported to or otherwise obtained by the CPSC. Under section 6(a)(2), such business information shall be considered confidential and shall not be disclosed. Subsections (a)(3) through (a)(6) further provides that when a manufacturer or private labeler designates information as confidential, the CPSC (if it determines that the information is not confidential) may not disclose the information until the CPSC has both (1) notified the manufacturer or private labeler of the CPSC's intent to disclose the information, and (2) given the manufacturer or private labeler not less than ten days from the date of receipt of the notification to bring an action in U.S. District Court to restrain disclosure of the information.

Section 6(a)(8) provides that subsections (a)(2) through (a)(6) of section 6 do not prohibit the disclosure of information to "officers or employees" of the CPSC. The CPSC has expressed its concern that section 6(a)(8) of the CPSA does not provide clearly that the CPSC may disclose to a CPSC contractor product hazard information essential to the contractor's research or investigation.

This amendment will permit the disclosure of CPSC-held information needed by agency contractors for compliance with their contracts. Contractors remain bound by section 6(d)(2) of the CPSA, which requires that contractors comply with the disclosure provisions of section 6 in making any subsequent disclosure of information of the general public.

House amendment

No provision.

Conference agreement

The Conference agreement adopts the Senate provision, with a technical amendment clarifying that the disclosure of relevant information to representatives of the CPSC (including contractors) shall be governed by rules of the Commission.

SECTION 107—MONITORING COMPLIANCE

Senate bill

The Senate bill, in section 8(c), amends the CPSA, the Federal Hazardous Substances Act (FHSA), and the Flammable Fabrics Act (FFA) to require that the CPSC establish a system for monitoring compliance with voluntary standards to ensure that industry is following the voluntary standards.

House amendment

The House amendment, in paragraphs (4), (5) and (6) of section 101(c), amends the CPSA, the FHSA, and the FFA respectively to require that the CPSC establish a system for monitoring compliance with voluntary standards to ensure that industry is following the voluntary standards. The CPSC would be required to establish such a system for voluntary standards upon which the CPSC has relied or which were developed with CPSC participation, and for voluntary standards whose development the CPSC has monitored after the date of enactment. The establishment of such a system for monitoring compliance with voluntary standards whose development the CPSC monitored before the date of enactment would be discretionary with the CPSC.

Conference agreement.

The Conference agreement adopts the Senate provisions. In accepting the Senate provisions, the Conferees emphasize that, in developing and applying the procedures, required by these provisions, the Commission will have discretion in determining which specific voluntary standards to monitor for compliance. Thus, the Conferees understand that there are a large number of voluntary standards potentially subject to CPSC monitoring for compliance under this provision. The Conferees do not expect the CPSC to monitor compliance with all standards in the same manner. Rather, the procedures that are devised should appropriately reflect the relative priority the CPSC places upon monitoring compliance with particular voluntary standards, based upon the relative risk of injury addressed by particular standards. Further, it is not the intent of the Conferees that the CPSC avoid relying upon voluntary standards, participating in the development of voluntary standards, or monitoring the development of voluntary standards in order to avoid the obligation to monitor compliance with those standards. In addition, the Conferees expect the CPSC to seek adequate resources in order to monitor adequately compliance with voluntary standards.

SECTION 108—VOLUNTARY STANDARDS

Senate bill

In 1981, the CPSA was amended to require that the CPSC defer to a voluntary standard where the CPSC determines that a voluntary standard developed in response to the invitation contained in section 9(a)(6) of the CPSA is likely to result in the elimination or adequate reduction of the risk of injury and it is likely that there will be substantial compliance with such standard. This invitation is initiated by the publication of an advance notice of proposed rulemaking (ANPR).

The Senate bill, in section 9(a), amends section 8(b)(2) of the CPSA to require that the CPSC defer under section 9 of the CPSA to a voluntary standard only where the voluntary standard exists.

The Senate bill, in section 8(b), amends section 9(b)(2) of the CPSA to require that the CPSC afford interested persons who were not involved in the development of the standard the opportunity to comment regarding any voluntary standard prior to CPSC deferral. Subsection (b) also makes a parallel amendment to section 3(g)(2) of the FHSA.

House amendment

The House amendment, in section 101(c), amends the CPSA, FHSA, and FFA to clarify the role of voluntary standards in CPSC rulemaking proceedings. In 1981, the CPSA (along with the FHSA and FFA) was amended to require that the CPSC defer to a voluntary standard where the CPSC determines that a voluntary standard developed in response to the invitation contained in section 9(a)(6) of the CPSA (and similar provisions in the other Acts) is likely to result in the elimination or adequate reduction of the risk of injury, and it is likely that there will be substantial compliance with such standard. This invitation is initiated by the publication of an ANPR.

Paragraph (1) of this subsection amends section 9(b)(2) of the CPSA to require that the CPSC defer under section 9 of the CPSA to a voluntary standard only where the voluntary standard exists. For a voluntary standard to exist, it must be finally approved by the relevant voluntary standard development body, but it need not actually be in effect. (In many cases, the implementation of a voluntary standard is deferred for a period of time, even after it has been finally approved, in order to allow time for changes in manufacturing processes.) The paragraph also amends section 9(b)(2) to require that the CPSC afford interested persons the opportunity to comment regarding any voluntary standard prior to CPSC deferral.

Paragraphs (2) and (3) make parallel amendments to section 3(g)(2) of the FHSA and section 4(h)(2) of the FFA.

Conference agreement

The Conference agreement adopts the House provisions, with technical amendments clarifying that a voluntary standard shall be considered to be in existence when it is finally approved by the organization or other person which developed such standard, irrespective of the effective date of the standard. (In many cases, the implementation of a voluntary standard is deferred for a period to time, even after it has been finally approved, in order to allow time for changes in manufacturing processes.) It is the intent of the Conferees that a standard be considered to be finally approved when the relevant approval processes of the organization involved have been completed, based on the procedures of the particular organization.

The Conferees emphasize the policy determination that the Commission may deter to a voluntary standard only where the voluntary standard exists. This policy determination should govern the CPSC's approach to deferral to voluntary standards, whether under the general guidance of section 7 of the CPSA, the more detailed procedural prescriptions of section 9 of the CPSA, or the relevant provisions of the FHSA and FFA.

SECTION 109—PROPOSED RULES

Senate bill

The Senate bill, in section 7, amends section 9(c) of the CPSA to require the CPSC to issue a proposed consumer product safety rule within 12 months after an advance notice of proposed rulemaking for such a rule has been issued, unless the CPSC determines the rule is not likely to eliminate or reduce the risk of injury from the product. The CPSC may extend this time for good cause, but is required to notify the Senate Committee on Commerce, Science and Transportation and the House Energy and Commerce Committee of the extension and the reasons for the extension, and estimate the date by which the rule will be completed.

House amendment

The House amendment, in section 101(a), includes a similar provision which amends section 9(c) of the CPSA to require the CPSC to issue a proposed consumer product safety rule within 12 months after an advance notice of proposed rulemaking for such a rule has been issued, unless the CPSC determines that the rule is not reasonably necessary to eliminate or reduce the risk of injury from the product or is not in the public interest. The CPSC may extend this time for good cause, but is required to notify the Senate Committee on Commerce, Science and Transportation and the House Committee on Energy and Commerce of the extension and the reasons for the extension, and estimate the date by which the rule will be completed.

Conference agreement

The Conference agreement adopts the House provision.

SECTION 110—PETITIONS AND VOLUNTARY STANDARDS

Senate bill

Under section 553(e) of title 5, United States Code (from the Administrative Procedure Act), any interested party may petition a Government agency to commence a rulemaking proceeding, and the agency is to consider and make a determination on the petition within a reasonable time.

The Senate bill, in section 6(a), adds a new subsection to section 9 of the CPSA to require the CPSC to make any such determination within a reasonable time, and to state the reasons for approving or denying any such petition. The subsection further provides that the CPSC may only deny such a petition on the basis of a voluntary standard if the standard is in existence, if the CPSC has determined that the standard is likely to produce an elimination or adequate reduction in the risk of injury involved, and if it is likely that industry will be in substantial compliance with the standard.

Subsections (b) and (c) of section 6 of the Senate bill make identical amendments to the FHSA and FFA, respectively.

House amendment

The House amendment, in section 102, has similar provisions amending the CPSA, FHSA, and FFA, with technical language differences.

Conference agreement

The Conference agreement adopts the House provisions, with technical amendments clarifying that the Commission can grant a petition in whole or in part.

SECTION 111—COST-BENEFIT ANALYSIS

Senate bill

The Senate bill, in section 9(a), amends section 12 of the CPSA (relating to CPSC action to address an imminent hazard) by stating that the preparation of a cost-benefit analysis is not required. The CPSC, of course, would be permitted to prepare such an analysis in those situations where it believed the analysis to be appropriate.

Subsection (b) of this section adds this provision to section 15 of the CPSA (relating to repair, replacement or refund remedies for substantial product hazards that are not imminent hazards), and subsection (c) adds the provision to the FHSA.

House amendment

The House amendment, in section 106, includes similar provisions, with a technical language change in the amendment to section 12 of the CPSA, reflecting the fact that the CPSC could bring an imminent hazard action against a person, in addition to a consumer product.

Conference agreement

The Conference agreement adopts the House provisions.

SECTION 112—INFORMATION REPORTING TO CPSC

Senate bill

Under section 15(b) of the CPSA, a manufacturer, distributor, or retailer must notify the CPSC when it obtains information which reasonably supports the conclusion that its product fails to comply with a product safety rule, or contains a defect which could create a substantial product hazard.

Section 10 of the Senate bill amends section 15(b) of the CPSA to add two additional situations in which manufacturers would be required to report—namely, where information is received that reasonably supports the conclusion that a product either (1) fails to comply with a voluntary standard on which the CPSC has relied under the CPSA, or (2) creates an unreasonable risk of injury or death.

House amendment

Section 105(a) of the House amendment amends section 15(b) to require reporting of potential product hazards to the CPSC in two situations in addition to the requirements of current law. First, reporting would be required of incidents of failures of products to comply with applicable voluntary safety standards upon which the CPSC has formally relied in accordance with section 9 of the CPSA.

Second, reporting would be required of consumer product-related lawsuits brought for a death or grievous bodily injury, including mutilation, amputation/dismemberment, disfigurement, loss of important bodily functions, debilitating internal disorders, severe burns, severe electrical shocks, and injuries likely to require extended hospitalization. A manufacturer, distributor, or retailer reporting such a civil action need not admit or may specifically deny that the information it submits reasonably supports the conclusion that its consumer product caused a death or grievous bodily injury. Obviously, a manufacturer, distributor or retailer of the product which is the subject of the civil action.

It is important to note that under section 6(b)(5) of the CPSA, reports under section 15(b) cannot be publicly disclosed except under certain, very limited, circumstances. One of the exceptions to the prohibition on public disclosure of section 15(b) reports is "information in the course of or concerning a judicial proceeding." The amendment to section 15(b) in section 105(a) of the House amendment would require reporting of certain product-related lawsuits to the CPSC, which might be construed as "information in the course of or concerning a judicial proceeding." To ensure that such reports are not releasable solely because they concern judicial proceedings, section 105(b) of the House amendment makes a conforming amendment to section 6(b)(5) clarifying that such reports would not be releasable solely because they concern judicial proceedings. Of course, such reports could be released if one of the other exceptions in section 6(b)(5) applied.

Conference agreement

Subsection (a)—Amendment to section 15(b) of the CPSA

The Conference agreement adopts the Senate position regarding section 15(b).

Subsection (b)—Information reporting

The Conference agreement adopts a new section 37 information reporting requirement. The purpose of this section is to increase reporting of information to the Commission that will assist it in carrying out its responsibilities.

Subsection (c)—Confidentiality

Strict confidentiality protections have been created for information reported under new section 37. These protections are designed to ensure that this information is used for Commission enforcement and not for the purpose of affecting ongoing private litigation related to consumer products.

Subsection (d)—Prohibited Act

This provides that failure to report under section 37 is a prohibited act under section 19 of the CPSA.

Subsection (e)—Civil Penalties

This provides for the assessment of civil penalties for violations of section 19 as amended by this section.

Subsection (f)—Report to Congress

Ths directs CPSC to report to Congress on the extent to which reports made under new section 37 have assisted the Commission in carrying out its responsibilities.

SECTION 113—SETTLEMENT OFFERS

Senate bill

No provision.

House amendment

The House amendment, in section 109, amends section 15(f) of the CPSA to require that any settlement offer submitted to the presiding officer at an adjudicative hearing under either section 15(c) (considering a notice remedy) or section 15(d) (considering a recall remedy) shall be transmitted by the presiding officer to the Commission for its consideration, unless the settlement offer is clearly frivolous or duplicative of previous offers.

Conference agreement

The Conference agreement adopts the House provision.

SECTION 114—PRODUCT SURVEILLANCE PROGRAM

Senate bill

No provision.

House amendment

The House amendment, in section 110, amends section 17 of the CPSA, by adding a new subsection (h), to require the CPSC to establish and maintain a permanent product surveillance program, in cooperation with other appropriate Federal agencies, for the purpose of carrying out the CPSC's responsibilities under the CPSA and the other Acts administered by the Commission and preventing the entry of unsafe consumer products into the commerce of the United States. The CPSC may provide the agencies with which it is cooperating such information, data, violator lists, test results, and other support, guidance, and documents as may be necessary or helpful for such agencies to cooperate with the CPSC to carry out the product surveillance program. The CPSC is to periodically report to the Congress the results of the surveillance program.

Conference agreement

The Conference agreement adopts the House provision.

SECTION 115—CIVIL PENALTIES

Senate bill

Civil penalties were provided under the CPSA when it was enacted in 1972, in the amount of a maximum of $2,000 for each violation and an aggregate maximum penalty of $500,000. Since that time, no adjustment has been made to the dollar figures in the statute, despite the fact that inflation has eroded the value of the penalties.

To address this inflation erosion, section 11(a) of the Senate bill amends section 20(a) of the CPSA to increase the penalties to a maximum of $5,000 for individual violations, and up to a maximum of $1,250,000 for a related series of violations. These maximum penalties amounts would be adjusted for inflation every five years based on the increase in the cost of living adjustment for the previous five year period. The first adjustment would be effective January 1, 1995, based on a maximum penalty schedule prescribed and published in the Federal Register by the CPSC no later than December 1, 1994.

In addition, civil penalties are currently not provided for violations of the FHSA. Section 11(b) of the Senate bill amends section 5 of the FHSA to add civil penalties to the FHSA, in the initial amounts of a maximum of $5,000 for each violation and an aggregate maximum of $1,250,000 for related series of violations. These maximum penalty amounts would be adjusted for inflation every five years in a similar fashion as civil penalties under the CPSA.

Section 11(c) of the Senate bill requires the CPSC to report annually to the Senate Committee on Commerce, Science and Transportation and the House Committee on Energy and Commerce regarding the number of civil penalties imposed, the violations that led to the civil penalties being imposed, and the amount of revenue recovered from the penalties.

House amendment

The House amendment, in subsections (a), (b), and (d) of section 107, has similar provisions with respect to civil penalties under the CPSA and the FHSA and an annual report to the authorizing committees. In addition, section 107(c) of the House amendment amends section 5 of the FFA to add explicit civil penalties to the FFA, in the initial amounts of a maximum of $5,000 for each violation and an aggregate maximum of $1,250,000 for a related series of violations. These maximum penalties amounts would be adjusted for inflation every five years in a similar fashion as civil penalties under the CPSA.

Conference agreement

The Conference agreement adopts the House provisions.

SECTION 116—CHRONIC HAZARD ADVISORY PANEL

Senate bill

The Senate bill, in section 12, amends section 28(b)(1) of the CPSA, which sets forth the membership of chronic hazard advisory panels appointed under the CPSA to advise the CPSC respecting the chronic hazards of cancer, birth defects, and gene mutations associated with consumer products. Section 28(b) of the CPSA contains limitations on the persons who may serve on such advisory panels, and these limitations were intended to preclude individuals with a conflict of interest from providing advice to the CPSC regarding these matters. Paragraph (1) of subsection (b) excludes officers or employees of the United States from service on these panels. However, it has been difficult to find qualified individuals to serve on some panels because of these statutory limitations. Therefore, the amendment made by section 12 of the Senate bill would permit Federal employees from the National Institutes of Health, the National Toxicology Program, or the National Center for Toxicological Research to serve on a chronic hazard advisory panel. Enlarging the resource pool from which members of these panels may be selected in this way will provide more expert assistance to the CPSC in evaluating chronic hazards, without creating the potential for conflicts of interest.

House amendment

No provision.

Conference agreement

The Conference agreement adopts the Senate provision.

SECTION 117—AUTHORIZATION

Senate bill

Section 13 of the Senate bill amends section 32(a) of the CPSA to authorize appropriations of $34.5 million for fiscal year 1989, $36.5 million for fiscal year 1990, and $38.179 million for fiscal year 1991.

House amendment

The House amendment, in section 111, amends section 32(a) of the CPSA to reauthorize the CPSC at $42 million for fiscal year 1991 and $45 million for fiscal year 1992.

Conference agreement

The Conference agreement adopts the House provision.

SECTION 118—ENFORCEMENT BY STATE ATTORNEYS GENERAL

Senate bill

No provision.

House amendment

Under section 24 of the CPSA, any interested person (including a state attorney general) may bring an action in U.S. District Court to enforce a consumer product safety rule and obtain appropriate injunctive relief. However, such interested person must give notice, not less than thirty days prior to the commencement of the action, to the CPSC, the U.S. Attorney General, and the potential defendant. No separate suit can be brought under section 24 if the same alleged violation is the subject of a pending civil or criminal action by the United States under the CPSA. There is currently no similar right of action provided under the FHSA or the FFA.

The House amendment, in section 104(a), amends section 5 of the FHSA to allow a state attorney general to bring a civil action for an injunction to enforce any requirement of the FHSA relating to misbranded or banned hazardous substances. The procedural requirements of section 24 of the CPSA would apply to any such action, requiring, in particular, 30 days advance notice before bringing an action.

Section 104(b) of the House amendment amends section 5 of the FFA to allow a state attorney general to bring a civil action for an injunction to enforce a standard or regulation under section 4 of the FFA. The procedural requirements of section 24 of the CPSA would apply to any such action, again requiring, in particular, 30 days advance notice before bringing an action.

Conference agreement

The Conference agreement adopts the House provision.

SECTION 119—USER FEE STUDY

Senate bill

No provision.

House amendment

Section 101(b) of the House amendment requires the CPSC to conduct a study of the feasibility of requiring entities subject to the CPSA to pay to the CPSC user fees to defray the reasonable costs of particular services provided by the CPSC to such entities. The CPSC is required to complete the study and report the results to Congress within one year.

Conference agreement

The Conference agreement adopts the House provision.

EFFECTIVE DATE

Senate bill

No provision.

House amendment

Section 112 of the House amendment provides that, in general, the effective date of the amendments made by this title shall be the date of enactment.

Conference agreement

The House recedes. No effective date provision is needed since amendments to current law are normally effective on the date of enactment, unless otherwise specified.

TITLE II—RELATED PROVISIONS

SECTION 201—LIGHTERS

Senate bill

No provision.

House amendment

Section 202 of the House amendment requires the CPSC to pursue its pending regulatory proceedings to establish a safety standard for cigarette lighters, specifically taking into account the need to protect children. In response to a petition to begin a rulemaking proceeding to require disposable lighters to be child-resistant that had been pending since 1985, the CPSC published in March of 1988 an advance notice of proposed rulemaking on this issue.

Conference agreement

The Conference agreement adopts the House provision. The Conferees believe the pending rulemaking on the child-resistancy of lighters is an important proceeding and urges the Commission to act as quickly as possible.

SECTION 202—INDOOR AIR POLLUTANTS

Senate bill

No provision.

House amendment

Section 204 of the House amendment requires the CPSC to report to Congress on its activities to reduce exposure of individuals to various indoor air pollutants. The report would be due 90 days after the date of enactment.

Conference agreement

The Conference agreement adopts a revised version of the House provision, clarifying the scope of the required report.

The Commission's strategy referred to in paragraph (4) of the provision should not be limited to a pollutant by pollutant approach but should include a systematic approach to the residential or school environments where consumer products are used or where consumer products would be involved in reducing indoor air problems. The report required by this section should address the Commission's activities carried out under its general strategy related to specific indoor air pollutants such as methylene chloride, formaldehyde, asbestos, paradichlorobenzene, combustion by-products, and allergens and pathogens.

SECTION 203—AUTOMATIC GARAGE DOOR OPENERS

Senate bill

No provision.

House amendment

Section 208 of the House amendment establishes mandatory safety standards for automatic garage door systems.

Subsection (a) provides that the requirements of subsection (b) shall be considered to be a consumer product safety rule issued by the CPSC under section 9 of the CPSA.

Subsection (b) provides that, effective on and after January 1, 1991, each automatic garage door opening system manufactured on or after that date shall conform to the applicable requirements of the American National Standards Institute Underwriters Laboratories, Inc. Standards for Safety—UL 325, third edition, as revised May 4, 1988, or any later revised edition. The standard requires that an automatic garage door must reverse within two seconds of contacting a two inch test object whose top inch is resilient. In addition, the standard requires that the door reopen if the bottom limit switch is not activated within 30 seconds after the control is pressed to start the closing cycle.

Subsection (b) further provides that, effective on and after January 1, 1993, all automatic garage door opening systems manufactured on and after such date shall be manufactured to operate only if the systems include an electric sensing edge or an optical sensor or other functionally equivalent non-contact sensor, which when activated is designed to cause a closing door to open and prevent an open door from closing. In addition, the device shall be designed to operate in a manner such that interruption or misalignment of the device or an open or short in the wires between the device and the power head would cause a closing door to open and prevent an open door from closing. Alternatively, the system can include a device found by the CPSC to provide protection from entrapment equivalent to that provided by the devices specified above.

Subsection (c) requires, on and after January 1, 1991, a manufacturer selling or offering for sale an automatic garage door opening system to clearly identify on the system and any container the month and year the system was manufactured and its conformance with the requirements of subsection (b)

Subsection (d) requires, effective on and after July 1, 1991, all manufacturers of automatic garage door opening systems, in consultation with the CPSC, to notify the public of the entrapment hazards of automatic garage door openers and advise owners to test their system for the automatic reverse feature required by subsection (b).

Subsection (e) provides that in applying section 26(a) of the CPSA (relating to preemption) with respect to the consumer product safety rule established under subsection (a), only those laws of states or political subdivisions which do not provide the equivalent degree of protection from the risk of injury associated with garage door opening systems as the consumer product safety rule provides shall be preempted.

Subsection (f) provides that section 553 of title 5 of the United States Code shall apply with respect to the issuance of any regulations by the CPSC to implement the requirements of this section. This provides the CPSC the authority to issue implementing regulations pursuant to the notice and comment rulemaking procedures of the Administrative Procedure Act.

Subsection (g) provides that nothing in this section shall affect or modify in any way the obligations or liabilities of any person under the common law or any Federal or State law.

Conference agreement

The Conference agreement adopts the House provision, with amendments to reflect the fact that the automatic garage door opener industry is currently working with Underwriters Laboratories to develop a revised voluntary standard to include additional entrapment protection. The industry currently anticipates that Underwriters Laboratories will release a preliminary revised standard by June, 1991, and publish a final standard by January, 1992, to be effective January, 1993.

Section 203 of the Conference agreement establishes mandatory safety standards for automatic garage door openers.

Subsection (a) provides that the requirements of subsection (b) shall be considered to be a consumer product safety rule issued by the CPSC under section 9 of the CPSA.

Subsection (b) provides that, effective on and after January 1, 1991, each automatic residential garage door opener manufactured on or after that date for sale in the United States shall conform to the entrapment protection requirements of the American National Standards Institute Underwriters Laboratories, Inc. Standards for Safety-UL 325, third edition, as revised May 4, 1988. The standard requires that an automatic garage door must reverse within two seconds of contacting a two inch test object whose top inch is resilient. In addition, the standard requires that the door reopen if the bottom limit switch is not activated within 30 seconds after the control is pressed to start the closing cycle.

Subsection (b) further provides that, effective on and after January 1, 1993, all residential automatic garage door openers manufactured on and after such date for sale in the United States shall conform to any additional entrapment protection requirements of UL 325, which were issued after the date of enactment of this Act to become effective on or before January 1, 1993. If, by June 1, 1992, Underwriters Laboratories has not issued a revision to UL 325 to require an entrapment protection feature or device in addition to that required by the May 4, 1988 standard, the Commission shall begin a rulemaking proceeding, to be completed no later than October 31, 1992, to require an additional such feature or device on all residential automatic garage door openers manufactured on or after January 1, 1993 for sale in the United States. If such a revision of UL 325 is issued by Underwriters Laboratories after the rulemaking has commenced, the rulemaking shall be terminated and the entrapment protection requirements of the revision shall be incorporated in the consumer product safety rule under subsection (a), unless the Commission determines under subsection (c) that the revision does not carry out the purposes of subsection (b).

The Conferees are aware that the industry and Underwriters Laboratories are currently examining a number of potential additional entrapment protection devices or features to be incorporated in UL 325. These

include an electric sensing edge or an optical sensor or other functionally equivalent noncontact sensor, which when activated are designed to cause a closing door to open and prevent an open door from closing. These devices are generally designed to operate in a manner such that interruption or misalignment of the device or an open or short in the wires between the device and the power head would cause a closing door to open and prevent an open door from closing. Another alternative being considered is a constant contact switch, requiring constant contact to operate an automatic garage door opener. The Conference provision provides the industry with the opportunity to work with Underwriters Laboratories to improve the current voluntary standard because the Conferees do not wish to legislatively mandate a specific technology to provide the additional entrapment protection feature or device. It is the protection which is important, not the specific technology used to achieve it. The Conferees understand that an appropriate revision of the UL standard is anticipated soon, which will, the Conferees expect, provide protection from entrapment generally equivalent to that provided by the devices discussed above, to become effective January 1, 1993. However, if an appropriate revised voluntary standard is not developed, the Conference provision requires the CPSC to conduct a rulemaking to require an additional feature or device.

Subsection (c) provides that if Underwriters Laboratories proposes a further revision of the entrapment protection requirements of UL 325, UL shall notify the CPSC of the proposed revision, which shall be incorporated in the consumer product safety rule under subsection (a) unless, within 30 days of the notice, the CPSC notifies UL that the Commission has determined that the revision does not carry out the purposes of subsection (b). These purposes, of course, are related to the protection from potential entrapment. This review period should ensure that any revision incorporated in the consumer product safety rule is in the public interest.

Subsection (d) requires, on and after January 1, 1991, a manufacturer selling or offering for sale in the United States a residential automatic garage door opener manufactured on or after January 1, 1991, to clearly identify on the system and any container the month or week and year the system was manufactured and its conformance with the requirements of subsection (b). The display of the UL logo or listing mark, and compliance with the date marking requirements of UL 325, on both the container and the system, shall satisfy the requirements of this subsection. This last provision does not require UL listing nor display of the UL logo, but merely establish those as one means of compliance with the requirements of this subsection.

Subsection (e) requires, effective on and after July 1, 1991, all manufacturers of automatic garage door openers, in consultation with the CPSC, to notify the public of the potential for entrapment by garage doors equipped with automatic garage door openers and advise the public to test their openers for the entrapment protection feature or device required by subsection (b). The Conferees note that this notification requirement is solely intended to provide appropriate notice to consumers and, as such, is obviously not intended, nor should it be construed as, any sort of admission of any defect for purposes of the CPSA or otherwise. Rather, it is designed to help consumers become better informed.

Subsection (f) provides that in applying section 26(a) of the DPSA (relating to preemption) with respect to the consumer product safety rule established under subsection (a), only those provisions of laws of states or political subdivisions which relate to the labeling of automatic residential garage door openers and those provisions which do not provide at least the equivalent degree of protection from the risk of injury associated with automatic residential garage door openers as the consumer product safety rule provides shall be preempted. The Conferees note, for example, that the state of Minnesota has recently enacted a more comprehensive law addressing requirements applicable to garage door openers, including provisions governing, for example, repair and servicing requirements. This subsection makes clear that such requirements of the Minnesota law are not preempted.

Subsection (g) provides that section 553 of title 5 of the United States Code shall apply with respect to the issuance of any regulations by the CPSC to implement the requirements of this section, instead of sections 7 and 9 of the CPSA. This provides the CPSC that authority to issue any necessary implementing regulations pursuant to the notice and comment rulemaking procedures of the Administraive Procedure Act. Any additional or revised requirement issued by the Commission shall provide an adequate degree of protection to the public. This subsection is not intended to preclude consideration by the CPSC, in its discretion, of factors discussed in sections 7 and 9.

As discussed above, the Conference provision first allows the industry to work with Underwriters Laboratories to revise the current standard, before requiring any CPSC rulemaking. Further revisions in the entrapment protection requirements of UL 325 will be incorporated into the consumer product safety rule under subsection (a), subject to Commission review under subsection on (c). The Conference expect that any revision in the standard developed by Underwriters Laboratories or, if necessary, by the Commission, will be technically feasible. However, the Commission retains the ability to make minor changes in the rule in the future, if necessary, to ensure that the public is adequately protected and the requirements of the rule are technically workable.

Subsection (h) provides that nothing in this section shall affect or modify in any way the obligations or liabilities of any person under this common law or any Federal or State law. This subsection does not affect the obligations of manufacturers to comply with the regulatory requirements of this section.

SECTION 204—STUDY OF AVERSIVE AGENTS

Senate bill

No provision.

House amendment

Section 210 of the House amendment requires the CPSC to conduct a study of requiring manufacturers of consumer products to include bittering agents as appropriate in products which present a hazard if ingested to determine the potential effectiveness of the agents in deterring ingestion. The CPSC shall report to Congress the status of the study within one year of the date or enactment and shall complete the study not later than two years after the date of enactment.

The study is intended to examine the potential effectiveness of bittering agents, such as denatonium benzoate or other compounds. Such agents are already used in some liquid consumer products to deter children from ingesting the product.

Conference agreement

The Conference agreement adopts the House provision, with technical amendments clarifying that the study should address the potential effectiveness in deterring ingestion of the general category of aversive agents and that the Commission should consult with appropriate organizations and government agencies in conducting the study. The Conferees urge the Commission to consider, as appropriate, toxicological implications of particular aversive agents.

SLEEPWEAR

Senate bill

No provision.

House amendment

Section 201 of the House amendment would require the CPSC to conduct a study under the FFA to determine if a special flammability standard is needed for sleepwear other than children's sleepwear (for which a special standard already exists). The CPSC must report the results of the study to Congress not later than one year after the date of enactment. The CPSC shall specifically consider the risks and benefits to the elderly.

Conference agreement

The House recedes. The Commission voted 3-0 on February 1, 1990, to terminate a project to consider mandatory flammability classification labeling on adult sleepwear.

AMUSEMENT RIDES

Senate bill

No provision.

House amendment

Section 203 of the House amendment amends the CPSA to partially restore the CPSC's jurisdiction over fixed site amusement rides.

Subsection (a) adds a new paragraph (15) to section 3(a) of the CPSA to define "amusement ride." The term includes any device which carries or conveys passengers over a fixed course within a defined area for purposes of amusing the passengers in the device. The device must be one that is customarily controlled or directed by a person who is employed for the purpose of operating the ride and who is not a consumer with respect to the device. (An amusement ride which is not permanently fixed to a site is a consumer product for all purposes of the Act. Such rides are typically found in traveling circuses and carnivals.) An amusement ride which is permanently fixed to a site is not a consumer product for purposes of sections 7, 8, 14, 15(b), 15(c), and 15(d) of the CPSA. Thus, the CPSC cannot promulgate safety standards or bans regarding permanently fixed amusement rides. The subsection also adds a new paragraph (16) to section 3(a) of the CPSA to define "amusement ride operator." The term means the owner of an amusement ride. The subsection also makes a number of technical and conforming changes.

Subsection (b) amends section 6(b) of the CPSA to make it applicable to public release of information from which the public can readily ascertain the identify of the amusement ride operator.

Subsection (c) of the House amendment amends section 15 of the CPSA to add a new subsection (h) to require any amusement

ride operator who obtains informaton which indicates that a serious injury occurred during operation of an amusement ride that the operator owns to inform the CPSC about the occurrence immediately. Serious injury is determined as trauma or other injury (1) which actually results in death or a bone fracture; (2) which requires overnight hospitalization; or (3) which typically requires overnight hospitalization. The subsection also authorizes the CPSC to order the amusement ride to cease operating until it is repaired, if the agency determines (after affording interested parties, including consumers and consumer organizations, opportunity for a hearing in accordance with section 15(f) of the CPSA) that an amusement ride that has been involved in a serious injury, or is mechanically identical to a ride involved in a serious injury, presents a substantial product hazard and that corrective action is in the public interest.

Subsection (d) of the House amendment amends section 16(a) of the CPSA to provide that officers and employees duly designated by the CPSC may inspect, at reasonable times and in a reasonable manner, fixed site amusement rides if the ride was involved in a serious injury or is mechanically identical to a ride involved in a serious injury, including investigating the cause of the serious injury in which the ride was involved and to test the safety of the ride. Such inspections must be commenced and completed with reasonable promptness.

Subsection (e) requires the CPSC to issue regulations for the administration of section 15, as amended by subsection (c) of this section. Such regulations must be promulgated within six months after the effective date.

Subsection (f) provides that the amendments made by this section will take effect January 1, 1991.

Conference agreement

The House recedes.

LABELING REQUIREMENT

Senate bill

No provision.

House amendment

Section 205 of the House amendment requires the CPSC to issue a consumer product safety standard for any toy intended for use by children three years of age or older which is manufactured for sale in the United States, and which includes a small part (as defined in current or future CPSC regulations), to require that the packaging of such toy and any descriptive materials contain a cautionary label. The label shall: (1) state the age of children for which the toy is not intended; (2) contain a description of the dangerous property of such toy; (3) be prominently and conspicuously displayed on both the toy's packaging and any descriptive materials; (4) be visible, noticeable and in English; and (5) include the word "WARNING" in capital letters.

Conference agreement

The House recedes. On June 26, 1990, the Commission published in the *Federal Register* an advance notice of proposed rulemaking (ANPR) addressing this issue. The publication of this ANPR began a rulemaking proceeding to consider the issuance of labeling requirements applicable to toys and other articles intended for children from three to about six years of age which contain or consist of small parts to warn of choking hazards to children younger than three years of age associated with those products.

The conferees emphasize that this action should not be interpreted in any way as support for or opposition to a toy labeling requirement, but rather a determination that this issue can best be addressed at this time by the CPSC in its pending proceeding.

CHILDREN'S PRODUCTS

Senate bill

No provision.

House amendment

Section 206 of the House amendment requires the CPSC to report to Congress on certain products which pose a hazard to children. The report would be due 120 days after date of enactment.

Conference agreement

The House recedes.

RECLINING CHAIRS

Senate bill

No provision.

House amendment

Section 207 of the House amendment requires the CPSC to conduct a survey of reclining chairs sold in the United States, retail outlets for such chairs, and manufacturers of such chairs, to determine compliance with voluntary industry manufacturing guidelines designed to reduce the entrapment of children in such chairs.

The CPSC is required to report the results of the survey to Congress within 120 days of enactment. If the CPSC determines that there is a substantial lack of compliance with such industry guidelines, the agency shall initiate proceedings under the CPSA to establish safety standards for reclining chairs to prevent entrapment of childen.

Conference agreement

The House recedes.

ALL TERRAIN VEHICLES

Senate bill

No provision.

House amendment

Section 209(a) of the House amendment would add a new paragraph (12) to section 19(a) of the CPSA to prohibit the commercial sale of three wheel ATVs that are new or which have not been sold to a consumer prior to the thirty days after the enactment of the bill, and which further are not subject to the Consent Decree filed with the United States District Court for the District of Columbia in Civil Action Number 87-3525, *United States v. Honda, et al.*, as the Consent Decree was modified and approved on April 28, 1988. Thus, the legislation would extend the sale restriction in the Consent Decree to any ATV manufacturer not subject to the Consent Decree and to all ATV manufacturers after the expiration of the ten year Consent Decree. However, subsection (a) is not intended to have and has no effect on three wheel ATVs that were first sold to a consumer prior to the entry of the preliminary ATV Consent Decree in the above-referenced case on December 30, 1987.

Sales of new three wheel ATVs will be permitted in the future if the CPSC promulgates a consumer product safety standard applicable to three wheel ATVs, if the CPSC formally relies upon a voluntary consumer product safety standard aplicable to three wheel ATVs, or if the CPSC accepts as satisfactory a voluntary standard for three wheel ATVs developed under the Consent Decree.

The provision would take effect 30 days after enactment. The CPSC must issue a notice to all manufacturers of three wheel ATVs explaining the effect of the provision within 30 days of enactment.

Subsection (b) requires the development of a lateral stability standard for ATVs within 18 months of enactment. Specifically, within 18 months, the CPSC would be required to promulgate a consumer product safety rule for ATVs, prescribing appropriate lateral stability standards, or accept a similar voluntary consumer product safety standard, under either the CPSA or the Consent Decree. If the CPSC is unable to promulgate a rule or accept a voluntary standard within 18 months, it shall report to Congress as the expiration of the 18 months and every 6 months thereafter on the progress it is making.

Under the Consent Decree, the CPSC reserved the right to proceed administratively under section 15 of either the CPSA or the FHSA "if it determines, after December 31, 1990, that a further and more extensive remedy, including recall or repurchase, is warranted." Subsection (c) requires the CPSC to consider the advisability of requiring refunds for those who purchased three wheel ATVs before January 1, 1988 and to report to Congress by March 31, 1991 on what action the Commission proposes to take, if any, under section 15 of either the CPSA or the FHSA to require such refunds and the reasons for such action.

Subsection (d) provides a definition of ATVs, based on the definition in the consent decree.

Subsection (e) provides that nothing in this section shall affect or modify in any way the obligations or liabilities of any person under the common law or any Federal or State law.

Conference agreement

The House recedes.

JOHN D. DINGELL,
DOUG WALGREN,
JIM SLATTERY,
NORMAN F. LENT,
DON RITTER,
Managers on the Part of the House.

FRITZ HOLLINGS,
RICHARD H. BRYAN,
AL GORE,
JOHN C. DANFORTH,
SLADE GORTON,
Managers on the Part of the Senate.

CONTRASTS IN YOUTH AND MORALITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, in 1954, 36 years ago today, at 21 years of age, I was in Air Force pilot training and soloed a jet aircraft for the first time. I look at 21-year-old people today and it amazes me that some of them seem so incapable of a mature situation where you would put them in a 10- or 15-ton single-engine jet fighter, or jet trainer and give them that responsibility. I look at pictures of myself and I think I just look too young to even be in the military.

Then I meet our young men and women like the ones serving in the gulf, the Arabian or Persian Gulf today and I think yes, young people today are just as mature as I or any-

body else was 36 years ago, just as capable of responsible work. But these are the young men and young women seen in the military that we rarely see on the camera.

Instead we see Andrew Dice Clay, and two Live Crew yesterday with a moronic jury of six people saying that their vicious antiwoman lyrics, talking about ripping women apart, making them bleed all in the name of some perverted sex, that somehow or other that is art, a genre of literature, what one soft-spoken Duke professor said. I look at Madonna in her see-through red panties and bra, wrapped in the American flag on MTV starting yesterday, telling people to vote, and I think how can we have a young generation going in such opposite directions. How can we ever convince young people that it is wrong, that it is naughty to smoke marijuana cigarettes, but it is all right to be promiscuous sexually, to be a SAT, a sexually active teenager. And if we get pregnant, we have a backup birth control called abortion, kill your child in your womb, and then we will pay for it with Federal dollars.

Today I came across a poster. It has nothing on it but the picture of a baby in its mother's womb. And the only words on this picture are from Jewish scripture, from the Old Testament, the words of a shepherd who became a king, young David, as we all know from history and scripture who slew the Philistine giant, Goliath, as a young shepherd boy.

□ 2030

When through his trials and tribulations in life was not always loyal to Yahwah, the God that we see above the Speaker's head in our motto "In God We Trust," but in his later years as a great poet, while Solomon was a child on his knee, this is David the father of Solomon, he wrote the incomparably beautiful Psalms, and here is a line from Psalm 139, 13-14, "Truly you have formed my inmost being. You knit me in my mother's womb. I give you thanks that I am fearfully wonderfully made. Wonderful are your works." Psalm 139.

When you try to tell young women that that is not a human being, or if you believe in the Jewish or the Christian faith, that it does not have an immortal soul and try to tell them that it is OK to take that life in the womb but it is not good to use drugs, you are not going to get anywhere with this younger generation. You are going to run into a stone wall.

Our Republican leader just asked when the District of Columbia bill was coming back. Here is the vote tally off our computers, a readout here in the House. We won it fair and square; 211 of our colleagues on both sides of the aisle, 74 Democrats, voted against the District of Columbia bill, 184 voted for it. That is a pretty good spread. That is a spread of 27 votes.

I am now told that a few pro-abortion Members went to the distinguished chairman of the District of Columbia Committee and asked him to bring it back for a repeat vote.

Mr. Speaker, I beg you and all of the majority leadership, some of whom were on the floor right now, do not bring this back. This is October 21. The election is 16 days away.

Is anybody going to change a vote that is this significant a few days from an election and be charged by their opponent, on either side, pro-life or pro-choice side, of flip flopping? I sincerely doubt it.

Please be wise, Mr. Speaker, and use your influence as the Speaker over all of us here and have the District of Columbia bill come back with what I am proud to call the Dornan pro-life language so that we stop killing more black children in this District than are allowed to be born.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. NEAL of Massachusetts) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
October 21, 1990.

Hon. THOMAS S. FOLEY,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House at 10:10 p.m. on Saturday, October 20, 1990, and said to contain a message from the President whereby he transmits draft legislation that, if adopted, would make S. 2104, the "Civil Rights Act of 1990," a bill he could sign. Also transmitted is a section-by-section analysis of the draft legislation.

With great respect, I am

Sincerely yours,

DONNALD K. ANDERSON,
Clerk, House of Representatives.

LEGISLATIVE PROPOSAL CONCERNING CIVIL RIGHTS ACT OF 1990—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 101-251)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the acompanying papers, without objection, referred to the Committee on the Judiciary and the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

I am pleased to transmit a legislative proposal that if adopted would cure critical defects in the Civil Rights Act of 1990, a bill which, in its current form, S. 2104, I am compelled to veto.

As presented to me, S. 2104 would lead employers to adopt quotas for hiring and promotion, and it would prevent or discourage some victims of illegal quotas from seeking legal redress. The harm this would do to the cause of civil rights is potentially profound. Any measure that causes employment decisions to turn on factors of race, sex, ethnicity, or religion—rather than on qualifications—is fundamentally unfair, and is at odds with our civil rights tradition. Our war against discrimination is impeded, not advanced, by a bill that encourages the adoption of quotas.

On Monday, I will return S. 2104 to the Senate, along with my objections. It is my hope that the Congress will immediately forward to me a corrected bill for consideration. We cannot shrink from our national commitment to equal protection under the law and equal opportunity for all. Unaltered, S. 2104 would violate that pledge. With the changes that I propose, the Civil Rights Act of 1990 would no longer result in the imposition of quotas, but would be made a true civil rights bill that I would like to see become law.

With the legislative proposal, I also transmit a section-by-section analysis explaining the need for these changes and describing the Civil Rights Act of 1990 as amended by my proposal. I urge speedy action on this measure and hope that it will be adopted so that we may take another step in defending the civil rights of all Americans.

GEORGE BUSH.

THE WHITE HOUSE, *October 20, 1990.*

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. KANJORSKI) to revise and extend his remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DORNAN of California, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. STEARNS) and to include extraneous material:)

Mr. GRADISON.

Mr. DORNAN of California.
Mrs. SAIKI.
Mr. CRAIG.
Mr. STUMP.

(The following Members (at the request of Mr. KANJORSKI) and to include extraneous material:)

Mr. GUARINI.
Mr. ROE.
Mr. WISE.
Mr. DYSON.

ADJOURNMENT

Mr. HOYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 8 o'clock and 35 minutes p.m.), under its previous order, the House adjourned until Monday, October 22, 1990, at 10 a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 3429. A bill to regulate interstate commerce with respect to parimutuel wagering on greyhound racing, to maintain the stability of the greyhound racing industry, and for other purposes; with an amendment (Rept. 101-910). Referred to the Committee of the Whole House on the State of the Union.

Ms. SLAUGHTER of New York: Committee on Rules. House Resolution 516. Resolution waiving all points of order during consideration of the conference report on H.R. 5241, a bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1991, and for other purposes, and against its consideration (Rept. 101-911). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 517. Resolution waiving the requirement of clause 4(b) of rule XI against consideration of certain resolutions reported from the Committee on Rules, and for other purposes (Rept. 101-912). Referred to the House Calendar.

Mr. MOAKLEY: Committee on Rules. House Resolution 518. Resolution authorizing the Speaker to declare recesses (Rept. 101-913). Referred to the House Calendar.

Mr. DINGELL: Committee of conference. Conference report on S. 605 (Rept. 101-914). Ordered to be printed.se Federal

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GUARINI:

H.R. 5886. A bill to clarify the treatment of certain Federal financial assistance provided to savings and loan institutions; to the Committee on Ways and Means.

By Mr. SOLOMON (for himself, Mr. BROOMFIELD, Mr. BLILEY, Mr. BEREUTER, Mr. LEWIS of Florida, and Mrs. MEYERS of Kansas):

H.R. 5887. A bill to require that the House and Senate delegations of the U.S. group of the North Atlantic Assembly each have two cochairmen, who shall be members of different political parties; to the Committee on Foreign Affairs.

By Mr. WILSON:

H.R. 5888. A bill to amend the Public Health Service Act to establish a program of grants to the States with respect to assisting rural communities in recruiting and educating individuals to serve as health care providers in such communities; to the Committee on Energy and Commerce.

By Ms. SLAUGHTER of New York:

H. Res. 516. Resolution waiving all points of order during consideration of the conference report on H.R. 5241 and against its consideration; House Calendar No. 198. House Report No. 101-911.

By Mr. MOAKLEY:

H. Res. 517. A resolution waiving the requirement of clause 4(b) of rule XI against consideration of certain resolutions reported from the Committee on Rules, and for other purposes; House Calendar No. 199. House Report No. 101-912.

By Mr. MOAKLEY:

H. Res. 518. A resolution authorizing the Speaker to declare recesses; House Calendar No. 200. House Report No. 101-913.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3121: Mr. GEREN OF TEXAS.

H.J. Res. 636: Mr. MOAKLEY, Ms. SLAUGHTER of New York, Mrs. MINK, Mr. ROSE, Mr. SERRANO, Mr. OWENS of Utah, Mr. PAYNE of New Jersey, Mr. MOODY, Mr. MARTINEZ, Mr. BARNARD, Mr. PICKETT, Mr. TAUZIN, Mr. BAKER, Mr. MONTGOMERY, Mrs. PATTERSON, Mr. NIELSON of Utah, Mr. SPENCE, Mr. HAMMERSCHMIDT, Mr. YOUNG of Florida, Mr. MACHTLEY, Mr. LIVINGSTON, Mr. SKEEN, Mr. THOMAS A. LUKEN, Mr. WALKER, Mr. BENNETT, Mr. SYNAR, Mr. FEIGHAN, Mr. CLAY, Mr. SABO, Mr. HERTEL, Mr. RICHARDSON, Mr. LEWIS of Georgia, Mr. ORTIZ, and Mr. COBLE.

H.J. Res. 674: Mr. ACKERMAN, Mr. BERMAN, Mrs. BOXER, Mr. BROWN of Colorado, Mr. BRYANT, Mr. CARDIN, Mr. CARR, Mr. COLEMAN of Texas, Mr. DURBIN, Mr. ENGEL, Mr. FAZIO, Mr. FEIGHAN, Mr. FROST, Mr. GREEN of New York, Mr. HOYER, Mr. KASTENMEIER, Mr. LEHMAN of California, Mr. LEHMAN of Florida, Mrs. LOWEY of New York, Mr. MCHUGH, Mr. MOODY, Mr. MRAZEK, Mr. PANETTA, Ms. PELOSI, Mr. SIKORSKI, Mr. SMITH of Florida, Mr. STARK, Mr. TOWNS, Mr. TRAFICANT, Mr. TRAXLER, Mr. WOLPE, Mr. YATES, Mr. BEILENSON, Mr. WEISS, Mr. SYNAR, Mr. JACOBS, Mr. HAYES of Illinois, Mr. HAYES of Louisiana, Mr. DIXON, Mr. ROYBAL, Mr. ECKART, Mr. GLICKMAN, Mr. DELLUMS, Mrs. COLLINS, Mr. MINETA, Mr. OWENS of Utah, Mr. MILLER of California, Mr. GEJDENSON, Mr. HALL of Ohio, Mr. RANGEL, Mr. DOWNEY, Mrs. BOGGS, Mr. VENTO, Mr. WAXMAN, Mr. DORGAN of North Dakota, Mr. EVANS, Mr. TORRES, and Mr. HUGHES.

EXTENSIONS OF REMARKS

IN MEMORIAM OF JOSEPH JAMES DAVIES, JR.

HON. W.J. (BILLY) TAUZIN
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mr. TAUZIN. Mr. Speaker, on Sunday, September 9, 1990, Mr. Joseph James Davies, Jr., died at age 77. While he is not well known in Washington, he was loved and respected in St. Bernard Parish, LA. In memory and celebration of his life, I wish to submit the texts of the attached articles for the CONGRESSIONAL RECORD.

EX-ST. BERNARD SCHOOL CHIEF JOSEPH DAVIES, JR., DIES AT 77

Joseph James Davies, Jr., superintendent of St. Bernard Parish public schools from 1957 to 1975, died Sunday at St. Jude Medical Center. He was 77.

Mr. Davies was born in Algiers and lived in St. Bernard Parish most of his life. He received bachelor's and master's degrees from Tulane University, where he was a member of the varsity basketball and baseball teams.

His career in education spanned 41 years, 18 as superintendent. During his tenure, the system integrated its schools, reconstructed many of its buildings in the aftermath of Hurricane Betsy and was accredited by the Southern Association of Secondary Schools.

Mr. Davies established a non-graded system in which students progress at their own speed.

From 1949 to 1964, he was a member of the Louisiana State Board of Trustees for Colleges and Universities, with two terms as president. Former President Jimmy Carter appointed him to a two-year term on the National Council of Educational Research, part of the National Institute of Education.

Mr. Davies was a World War II Navy veteran.

Survivors include his wife Marjorie Barre Davies; a son, Jonathan Davies; two daughters, Jules Joann Albrecht and Stacey Moak; a sister, Gladys Smith; and four grandchildren.

A funeral service will be held Tuesday at 10:15 a.m. at Jacob Schoen & Son Inc., 3827 Canal St. Burial will be in St. Bernard Memorial Gardens.

JOSEPH DAVIES, JR.

Joe Davies died last Sunday, a pioneer in education and the man who single-handedly turned St. Bernard Parish around and made of its school system one of the finest in all America. That's right, St. Bernard Parish. We think of it as that quiet little place down below. In the old days they had gambling. And lately, the best Creole tomatoes. But in Joe Davies they had a strong-willed but totally enlightened educator who gave St. Bernard a touch of class along with an educational system second to few in the nation. And it almost didn't happen.

Along the way he angered some politicians. He wouldn't play the political game. He refused to hire people he didn't need just because they were friends or relatives of politicians. He would allow nothing to interfere with quality education in the parish. So the politicians did what they always do when something like that happens. They tried to get rid of him. And almost did. Except that they didn't reckon with the people of St. Bernard, who rose up in a fury. And at meetings and rallies let the politicians know they would not stand meekly by, they would not allow Mr. Davies to be fired. And he wasn't. The Board backed down and renewed his contract for still another term. In all he served 18 magnificent years as head of St. Bernard schools.

In all he gave 41 years of his life to education. And he and the parish were honored when the President of the United States reached into St. Bernard and appointed him to the National Council of Educational Research, an arm of the National Institute of Education. He was an uncommonly fine and decent and caring man. He graced the parish by his presence. Uncounted thousands of children are better because he was there. He has left a legacy of learning for us all.

STUDY IN LEADERSHIP SERIES: JOSEPH DAVIES

(By Jo Ann Cangemi)

Some men are born to be physically strong, others to have dynamic personalities and still others to be endowed with those qualities of mind and heart which make for leadership and service in public affairs. Rarely is humanity blessed with the advent of one who combines in himself a splendid conglomerate of these attributes, but such is Joseph Davies. It would not be too much to say that Joseph Davies in thirty-six years brought metamorphosis to the attitude of the people of St. Bernard Parish and the State of Louisiana with regard to public education.

Joe Davies was graduated from Gretna High School, Jefferson Parish, Louisiana in 1929 at the age of 16. He was endowed with exceptional athletic abilities which provided him with the means to attend Tulane University and become one of its basketball "greats". After graduation from Tulane, Joe became a social studies teacher and coach at Marrero High in Jefferson Parish. He remembers that they didn't win any basketball championships, but they did finish as runner-ups.

In 1933, Mr. Davies was hired as principal of Maumus High School in Arabi, Louisiana. In addition to his administrative duties, he also served as basketball coach at the St. Bernard Parish School. His entry into St. Bernard began a "love affair" between the parish and Joe Davies which has endured for forty-three years. His only long term absence from the parish occurred in 1942 when Joe Davies entered the Navy during World War II. He served on active duty aboard the U.S.S. Inch, a destroyer escort.

In 1957, Mr. Davies was appointed superintendent of schools in St. Bernard. The record of his work as superintendent of schools is indicative of ability, industry, and devotion. A fair compendium of his achievements would include the following:

1. the construction of 7 new school buildings with major renovations to at least five existing buildings;
2. construction of a modern school board office building;
3. the organization of the St. Bernard's Teachers' Association and the Teachers' Federal Credit Union;
4. the establishment of the area's first full-size planetarium;
5. the institution of the all-day kindergarten program;
6. the centralization of elementary school libraries;
7. the establishment of the St. Bernard Community College;
8. the establishment of the Vocational Rehabilitation Center and Vocational Technical Center;
9. the addition of computer programming and data processing to the curriculum;
10. the construction of one of the few Driver Education Ranges in the South;
11. the initiation of public information programs;
12. the accreditation of all schools by Southern Association (the first system in the state to accomplish this feat); and
13. the transition to a continuous progress program of education which emphasized individualized learning, team teaching, and a non-graded system of education.

To lend credence to the realization of progress, St. Bernard Parish's educational system received numerous types of recognition. The Public Affairs Research Council reported that St. Bernard was shaping the future of education for the State of Louisiana. The Danforth Foundation selected Chalmette High as the only school in the South to participate in the Danforth Model Schools Program. The Southwest Educational Laboratory recognized the schools of St. Bernard by selecting them as participants in its Communications Skills Program.

Though busily involved in the work of the schools of St. Bernard, Mr. Davies always found time for educational and civic activities of a wider sphere. In January 1949, he was selected to the Louisiana State Board of Education. He served on that board for sixteen years and served as president for two terms. When the Louisiana State Board of Trustees was instituted by way of Louisiana's new constitution, Mr. Davies was appointed to that board for six years and is presently serving a second six year term. He has worked with the local Red Cross Unit. He's chairman of the Board of Directors of the First National Bank of St. Bernard, Port Director of the St. Bernard Port, Harbor and Terminal District, and member of the National Council of Educational Research, an advisory unit of NTE. This appointment was made by President Jimmy Carter. Mr. Davies is the first Louisianian to receive such an appointment.

His involvement in professional and civic endeavors, his achievements as an educational leader and his recognition by numerous groups on the state, regional, and national level all take a "back seat" to what he has described as being the best thing that ever happened to him, his marriage to Mar-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

jorie Barre of Edgard, Louisiana. Joe and Marjorie have three children, Mary Lynn Moah, Jo Ann Albrecht, and Jonathan. They also have four grandchildren. Joe credits his wife and family with providing the understanding and support a man needs to accomplish his goals.

This writer believes that the goals were accomplished and the dreams became reality. The impact of the dynamic personality of Joseph Davies has resulted in the major upbuilding of school work in Louisiana. When asked to give his perception of education today, Mr. Davies wrote:

"An educational improvement program which blindly adheres to an authority named 'test' is doomed to failure. By according excessive importance to the statistical results in various school admission tests, we have done serious damage not only to students who fail to master multiple-choice examinations but to the integrity of the baccalaureate degree. In fact, the tests do not measure learning, intelligence or aptitude. What they do measure is the mastery of technique.

"I am deeply concerned that we are still educating teachers to perform in a school program which was designed for a different clientele and a different time. The new clientele in our schools preparing for jobs in tomorrow's work force must be flexible, adaptive, improvisational, questioning, and resourceful. These are not the qualities generated by the school program of the past and 'back to basics' will not achieve our requirements. In fact, 'basics' should include: the ability to make value judgments; the ability to be clear about one's values; training in decision making based on value judgments and complex criteria; toleration for diversity in a world of highly diverse groups. There are a lot more 'basics' that move far beyond the 3R's.

"The net result of minimum competency testing is the lowering of expectations of student performance. In our society, minimums have a way of becoming maximums. The 'Back to Basics' movement strips the curriculum of the cultural elements and the more advanced, challenging courses. Public schools and universities will become great citadels of mediocrity."

To one who has never enjoyed mediocrity, Mr. Davies is sincerely concerned about education in Louisiana. That concern probably had much to do with his many successes and achievements. To the people he has served so well, Mr. Davies will be remembered always as one leader to whom the educationally minded citizens of Louisiana will remain permanently indebted.

AMERICAN-IRISH ASSOCIATION OF WESTCHESTER TO HONOR JOHN CAREY AND PATRICIA MANNION

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mrs. LOWEY of New York. Mr. Speaker, I rise today to join the American-Irish Association of Westchester in honoring John Carey and Patricia Mannion at the 14th Annual Celtic Ball. The association has a long and proud history of working in Westchester County to preserve a strong sense of culture and heritage among Irish-American families, as evidenced by their annual celebration of Irish Heritage Day and the Celtic Ball.

John Carey, who is being honored with the "Irishman of the Year Award," has a long history of commitment to the American-Irish Association. He is past president, past chairman of the board, and currently first vice president of the association. In addition to all his hard work with the association, he is the vice president of the Steamfitters Local 543, and he has held positions with numerous other Irish and civic organizations.

The Distinguished Service Award is being presented to Patricia Mannion, who has served as recording secretary of the association since 1986. She is a former teacher in the New York City School System and an active member of the Irish Teachers Association. She combined her commitment to education with her dedication to the association when she chaired the scholarship program. Patricia has been a delegate and committee member on the New York St. Patrick's Day Parade.

Both John Carey and Patricia Mannion have demonstrated an outstanding level of commitment of the Irish-American community and to all of Westchester County. I am truly grateful for all of their hard work, and am delighted to have this opportunity to join with the American-Irish Association of Westchester to recognize their achievements.

COAST GUARD ENTERS SPACE AGE

HON. W.J. (BILLY) TAUZIN

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mr. TAUZIN. Mr. Speaker, the U.S. Coast Guard has this year achieved two milestones in its long and distinguished history of service to the people of our great Nation.

The year 1990 marks the Coast Guard's 200th anniversary. Therefore, it is specially significant that 1990 also marks the time in which the Coast Guard extends its tradition of maritime service to the frontiers of space.

On Saturday, October 6, 1990, the U.S. Coast Guard entered the space age when Comdr. Bruce Melnick blasted off from Cape Canaveral aboard the space shuttle *Discovery.* As the Coast Guard's first astronaut, Commander Melnick's shuttle flight marks a significant achievement in his distinguished career and in the Coast Guard's proud history.

Commander Melnick graduated from the Coast Guard Academy in 1972 and earned his aviator wings in 1974. He has received two Distinguished Flying Crosses as a helicopter pilot, one of which was for a heroic airlift of 115 people off the sinking cruise ship *Prinsendam.* Melnick spent 4 years as a test pilot for the Coast Guard's H–65 helicopter program, flying in all types of atmospheric conditions. In 1987, he was accepted into NASA's Astronaut Training Program where he qualified as a space shuttle mission specialist.

Discovery conducted a number of new systems tests and launched the research spacecraft *Ulysses* which will explore the Sun's inner heliosphere. On October 10, 1990, *Discovery* touched down at Edwards Air Force Base after an overwhelmingly successful mission.

The Coast Guard's motto is "semper paratus," and Commander Melnick's heroic participation in the *Discovery* orbit certainly testifies that the Coast Guard is, indeed, "always ready."

JOSEPH DIPIETRO HONORED AS MAN OF THE YEAR BY GUARDIA LOMBARDI SOCIETY

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mrs. LOWEY of New York. Mr. Speaker, I rise today to join the Guardia Lombardi Society of Mount Vernon, NY in honoring Dr. Joseph DiPietro as "Man of the Year."

Dr. DiPietro's family has a long history of commitment to the Guardia Lombardi Society and to the Italian community of Westchester. His grandfather was one of the founders of the society, and Joseph DiPietro has followed in his grandfather's footsteps, serving his community and maintaining ties to his rich heritage. Dr. DiPietro grew up in New Rochelle and returned to Westchester to practice medicine. He is the first Italian-American dermatologist in Westchester.

Dr. DiPietro's pride and respect for the Italian-American cultural tradition was recently evidenced in the book he authored on the history of the Westchester Italian community, as well as his involvement with the American Committee on Italian Migration and the Boys Town of Italy Westchester Chapter. In addition to his work with Italian-American organizations, Dr. DiPietro has been an active participant in the Huguenot-Thomas Paine Historical Society, the New Rochelle Rotary Club, and the Bronxville Chamber of Commerce.

Mr. Speaker, Dr. DiPietro is being recognized by the Guardia Lombardi Society as "Man of the Year" for his outstanding contributions to his community. His steadfast commitment to Italian-American culture and tradition and his service to civic organizations have made him a role model for many. I am grateful for all of his hard work and am delighted to have this opportunity to join with the members of the Guardia Lombardi Society in honoring him.

NEW JERSEY HEALTH CARE CONSORTIUM TAKES LEAD IN ADDRESSING CRISIS IN HEALTH SCIENCES

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mr. ROE. Mr. Speaker, I would like to take this opportunity as chairman of the Science, Space, and Technology Committee to call attention to the actions of a distinguished group of companies from my State of New Jersey. A coalition of research-based health care companies have taken it upon themselves, in con-

junction with the National Institutes of Health, to create a program to encourage students to pursue careers in the health sciences.

This group has launched an innovative program designed to address the education crisis that is threatening the future of our Nation. The members of this coalition—Hoffmann-Laroche Inc., Becton Dickinson and Co., Merck and Co., Ciba-Geigy Corp., Johnson & Johnson, Warner-Lambert and Schering Plough—have joined forces with the National Institutes of Health to help stimulate student interest in careers in the health sciences.

In addition to each of their own individual education support activities and programs, this coalition has launched a project entitled "Health Careers in the Health Century." The goal of this New Jersey pilot project is to help the State's junior high school students realize the importance of career discovery and investigation, and to map out the education and training track necessary to pursue various careers in the health sciences.

In his 1990 State of the Union Address, President Bush announced that he has established a goal of making U.S. students the first in the world in math and science achievement by the year 2000. This is an ambitious goal indeed, considering the results of recent studies conducted by the National Science Foundation, which rank American students last when compared to 14 other countries. Another study by the National Science Teachers Association discovered that only about 5 percent of secondary school students study science and ultimately enter scientific and engineering careers. In addition, the American Association for the Advancement of Science has reported that less than 6 percent of all Americans have a reasonable understanding and appreciation of scientific concepts and issues.

Thus, realizing the President's goal of educational excellence in the sciences will require the dedicated efforts of many groups, including Federal and State Governments, educators and industry. Initiatives such as the Health Careers in the Health Century Program are an important step in this direction.

The health care industry and the NIH, who both make significant investments in scientific research, were among the first to recognize and respond to the national education crisis. Health care companies have been providing support systems at local levels for a number of years. Efforts have included providing funding for creative teaching programs, offering scientist-industry partnerships. Now, for the first time, these public and private groups have joined together to develop a package of resources for educators that helps explain the appeal of, the merit in, and the need for careers in the health sciences.

Math and science achievement has become a national goal, and other scientific and technical industries must become involved in the pursuit of this goal. We are confident that the efforts of this coalition of New Jersey health care companies and the NIH will help provide promising young students with a clear picture of career paths in the sciences, with the ultimate goal of keeping America at the forefront of scientific and technological discovery.

I want to take this opportunity to formally recognize and commend the efforts of these seven companies for their dedicated work with the National Institutes of Health to meet this difficult challenge. I also urge my colleagues in the public sector to encourage their business allies to make similar investments in our Nation's future and help reach the educational goals that President Bush has set.

As a life-long resident of the State of New Jersey and dean of its congressional delegation, I am proud of the efforts of these companies. Our State has a long history of innovative ideas and taking a lead in solving the problems confronting our Nation. Once again, I want to commend this coalition for their outstanding work.

TRIBUTE TO THE CINCINNATI REDS

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mr. GRADISON. Mr. Speaker, last night the Cincinnati Reds completed perhaps the most astounding sweep in World Series history since the New York Giants swept the heavily favored Cleveland Indians 36 years ago.

With a 2 to 1 victory over the Oakland A's in game 4, the Reds proved themselves the best team in baseball.

Although the Reds' victory surprised and stunned most sportswriters, it did not shock the people of Cincinnati and other Reds fans.

This club held down first place in the National League Western Division from wire to wire, the first team in the history of the National League to do so. In the league championship, the Reds battled the Pittsburgh Pirates through six nip and tuck games.

This season was truly a team effort, as the Reds benefited from the significant contributions of superstars and role players, starting pitchers and relievers.

With Manager Lou Pinella's leadership and unselfish team play, Cincinnati has ascended the baseball mountain. They will be there next year, ready to take on all challengers.

As their Representative in Congress, I extend my congratulations to owner Marge Schott, Manager Lou Panella, and the entire team and Reds organization on an outstanding year. As a lifelong Cincinnatian and fan, thank you all for all the thrills you have given us this year.

MOUNT VERNON DAY CARE CENTER, INC. HONORED

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mrs. LOWEY of New York. Mr. Speaker, I rise today to pay tribute to the Mount Vernon Day Care Center, Inc. for the outstanding contribution it has made to the people of Mount Vernon, NY.

The center was founded in 1891 as the Bureau of Charities of the city of Mount Vernon. It has since changed its focus and its name to meet the evolving needs of the community, but its dedication to serving the people of Mount Vernon has never faltered. Until 1970 it remained the only full day care program in the city of Mount Vernon. In the early 1970's the center moved to a new location, enabling it to serve an average of 140 children daily. Today the center is making further capital improvements that will aid it in its effort to provide these essential services.

Mr. Speaker, the Mount Vernon Day Care Center, Inc. continues to be a positive force in the community of Mount Vernon and in the lives of many young children and their families. In 1985, the center became a proud participant in the Head Start Program, and it remains committed to providing care with a strong educational component. I am grateful for the hard work and dedication that lie behind all the center has accomplished during the past century, and I am glad to have this opportunity to honor both the center and all of those who have contributed to its success. I look forward to the many contributions the center will undoubtedly make to the people of Mount Vernon in the years to come.

NARCOTIC ARRESTS AND SEIZURES IN THE COMMONWEALTH OF THE BAHAMAS

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mr. DYMALLY. Mr. Speaker, I wish to bring to the attention of Members the latest report of narcotic drugs from the Commonwealth of the Bahamas. The report details the narcotic arrests and seizures in Bahamian territory:

SUMMARY REPORT OF THE TRAFFIC IN NARCOTIC DRUGS AFFECTING THE BAHAMAS—FIRST HALF 1990

(Prepared by the Ministry of National Security Commonwealth of the Bahamas)

NARCOTIC ARRESTS AND SEIZURES

During the second quarter period of 1 April to June, 1990, a total of 112 pounds of cocaine was seized in The Bahamas. Additionally 1,255.5 pounds of cocaine was seized aboard a Bahamian registered fishing vessel by a boarding team of an RBDF officer and crewmembers of the USCG *Farallon* WPB 1301, in international waters, 42 miles southeast of Andros Island. This cocaine was airdropped in international waters about 60 miles southeast of Andros. The Bahamian fishing boat was apparently enroute to a rendezvous with Florida based fast boats to transfer the cocaine for delivery to Florida.

The total of 112 pounds of cocaine seized in Bahamian territory in this quarter is the lowest cocaine seizure total for a quarter since the organized transit traffic in cocaine through The Bahamas erupted about 1978.

This total of 112 pounds of cocaine is dramatically less than the 1,007.2 pounds of cocaine seized during the first quarter of 1990 as well as the 5,991 pounds in the second quarter of 1989 and the 5,736 pounds seized in the second quarter of 1988.

During the second quarter of 1990 a total of 481 pounds of marijuana and one gram of hashish was seized. The traffic in marijuana through The Bahamas continues to be at or near the irreducible minimum.

These cocaine and marijuana seizures came as a result of 285 cases and the arrest of 340 persons. This is an increase over the second quarter of 1989 when 217 cases were made resulting in the arrest of 304 persons. The second quarter of 1990 was consistent with the first quarter of 1990 when 252 cases were developed and 337 arrests made.

While the international traffic in cocaine overall through The Bahamas continues to be held under control for the fourth consecutive quarter or one year, the RBPF Drug Enforcement Unit has been consistently effective in developing more and higher level arrests and seizures in the decreasing supply of cocaine and marijuana available to the domestic traffic. This in turn is curtailing the experimentations with the abuse of marijuana and cocaine in the Bahamas.

There is attached a breakdown of the arrest and seizure statistics for the first and second quarters of 1990. Not a single Colombian or Cuban resident of Florida was arrested. Surprisingly the arrest of Americans increased from 29 in the first quarter to 49 in the second, a rise of 41 percent. If this trend continues the number of Americans arrested in 1990 will be about 8 percent more than in 1989. A significant number of the Americans arrested are attempting to smuggle multi pound quantities of cocaine from Nassau and Freeport to Florida via cruise ships and scheduled airlines. During the first half of 1990 not a single significant cocaine or marijuana seizure has been reported in South Florida that transited The Bahamas.

It has become increasingly apparent that the policy of aggressive drug enforcement, maintaining a high rate of arrests and seizures, remanding foreigners charged pending trial, vigorous prosecutions, a high rate of conviction and sentences of ten to twenty years has since mid 1987 brought the international traffic in cocaine and marijuana through The Bahamas to South Florida under control.

The conspiracy prosecution of 10 major transit traffic facilitators in Abaco, Cat Island, Grand Bahama and Great Harbour Cay has also been an important factor in suppressing the international traffic through The Bahamas. Three of these cases have been concluded with convictions, in five the trials are underway and two trials are scheduled to begin in September.

If the Government is able on its own and with the help of the United States to maintain this high level of drug enforcement effectiveness, The Bahamas should not continue to be considered a major transit country for cocaine and marijuana. Intelligence, as well as considerable hard evidence has established that The Bahamas has been abandoned as a major smuggling route from Colombia to the United States in favor of Mexico, Guatemala, Honduras, Belize, Haiti, the Dominican Republic, Puerto Rico and the Virgin Islands.

During the first six months of 1990 only two significant cocaine seizures were made in Bahamian territory; on 21 January, 221 pounds were seized off Cay Verde, Ragged Island and on 14 March, 612 pounds were seized on Mayaguana. Not a single major seizure of cocaine was made in Bahamian territory during the second quarter.

Two significant cocaine seizures were made in international waters, on 7 January, 942 pounds were seized by OPBAT, apparently a lost or abandoned airdrop, scattered over a 4 mile radius 20 miles southwest of Great Exuma. On 17 May as mentioned earlier 1,255 pounds of cocaine were seized by the USCG assisted by the RBDF aboard the Bahamian registered vessel VIRGO 42 miles southeast of Andros. This cocaine had been airdropped about 60 miles southeast of Andros.

In 1989 there were 21 major interceptions of cocaine in Bahamian territory and 8 in the international waters of the archipelago, 6 by the USCG and 2 by the USCG with OPBAT.

In 1988 there were 29 major interceptions of cocaine in Bahamian territory and one seizure in the international waters of the archipelago by the USCG.

In 1987 there were 25 major seizures of cocaine in Bahamian territory and one seizure in the international waters of the archipelago by the USCG.

During the first half of 1990, there were 2,197.5 pounds of cocaine seized in the international waters of the archipelago compared with 1,119.22 pounds seized in Bahamian territory.

This continues the trend that developed in the second half of 1989 when 6,964 pounds of cocaine was seized in the international waters of the archipelago and only 1,827 pounds was seized in Bahamian territory. The total for all of 1989 was 12,088.7 pounds of cocaine seized in Bahamian territory and 6,964 seized in the international waters.

In 1988, there were 20,620 pounds of cocaine seized in Bahamian territory and 840 pounds seized by the USCG in the international waters of the archipelago.

In 1987, there were 23,126 pounds of cocaine sezed in Bahamian territory and 1,238 pounds seized in the international waters of the archipelago by the USCG.

Intelligence indicates that the number of Colombian traffickers and their Cuban American associates in South Florida that will risk bringing Colombian cocaine through Bahamian territory continues to decline because of the high risk of interception and certainty of prosecution in The Bahamas.

It is apparent that the increased and intensified efforts the Government of Cuba launched in mid 1989, to prevent the drug smuggling aircraft from transiting Cuba to air drop cocaine in the international waters surrounding The Bahamas and Cuba has been maintained. Cuban authorities are also intercepting in their territory boats engaged in transporting airdropped cocaine to Florida.

Throughout the first half of 1990 and to date intelligence and considerable evidence indicate that the crackdown launched by the Government of Colombia in August 1989 continues to be effective. The indicators are that the constantly increasing illicit manufacture and traffic of cocaine in Colombia experienced for so long have been seriously disrupted and are in disarray.

In 1988 the transit traffic in marijuana through The Bahamas was brought under control. In 1989 the transit traffic in marijuana was brought to the irreducible minimum. During the second half of 1989 the transit traffic in cocaine through The Bahamas was brought under control. This Government's objective for 1990, is to bring the cocaine traffic through The Bahamas to the irreducible minimum.

DRUG ARREST AND SEIZURE TOTALS IN THE BAHAMAS—FIRST HALF OF 1990

	Cases	Arrests	Cocaine	Marijuana
First quarter	252	337	[1] 1,007.22	[1] 1,362.6
Second quarter	285	340	112.00	481.1
Total half year	637	677	1,119.22	1,843.7

[1] Pounds.

COCAINE SEIZURES IN INTERNATIONAL WATERS OF BAHAMAS ARCHIPELAGO—FIRST HALF 1990

	Pounds
1st quarter	942.0
2nd quarter	1,255.5
Total half year	2,197.5

DRUG SEIZURE TOTALS IN THE BAHAMAS—FIRST HALF OF 1990

	Pounds	Kilos	Metric tons
Cocaine	1,119.22	507.6	0.507
Marijuana	1,843.7	836.2	.836

DRUG SEIZURES IN INTERNATIONAL WATERS BAHAMAS ARCHIPELAGO—FIRST HALF 1990

	Pounds	Kilos	Metric tons
Cocaine	2,197.5	996.7	0.996
Marijuana	0	0	0

TOTALS OF MAJOR COCAINE INTERCEPTIONS BY CALENDAR YEAR QUARTERS FOR 1987–90

	Pounds
1987:	
1st	1,636
2d	6,979
3d	5,696
4th	7,187
1988:	
1st	6,570
2d	5,736
3d	4,320
4th	3,682
1989:[1]	
1st	4,270.6
2d	5,990.9
3d	706.6
4th	1,120.66
1990:[1]	
1st	1,007.22
2d	112.00

[1] Figures for 1989 and 1990 represent total cocaine seizures for each quarter.

TOTAL ANNUAL COCAINE SEIZURES IN BAHAMAS TERRITORY AND IN INTERNATIONAL WATERS OF ARCHIPELAGO 1987 TO JUNE 30, 1990

	Bahamas Territory	The Archipelago
Year (pounds):		
1987	23,126	1,238
1988	20,620	840
1989	12,088	6,964
1990[1]	1,119	[1] 2,198

[1] Through June 30, 1990.

COCAINE SEIZED IN THE BAHAMAS 1983–89

	Pounds	Kilos	Metric tons
Year:			
1983	3,354	1,521	1.5
1984	3,701	1,678	1.6
1985	14,469	6,563	6.5
1986	6,687	3,033	3.0
1987	23,126	10489	10.4
1988	20,620	9,353	9.3
1989	12,088	5,483	5.48

MARIJUANA SEIZED IN THE BAHAMAS 1983–89

	Pounds	Kilos	Metric tons
Year:			
1983	705,554.0	320,039	320.0
1984	180,468.0	81,860	81.8
1985	83,413.0	37,836	37.8
1986	12,583.0	5,707	5.7
1987	171,408.3	77,750	77.7
1988	19,587.0	8,884	8.9
1989	1,015.0	460	0.46

NUMBER OF PERSONS ARRESTED AND CHARGED FOR DRUG OFFENSES 1984–89

	Number
Year:	
1984	1,501
1985	1,580
1986	1,530
1987	1,596
1988	1,277
1989	1,255

DRUG PROSECUTION STATISTICS AS OF SEPT. 13, 1990

	1986	1987	1988	1989
Arrested and charged	1,530	1,596	1,277	1,255
Convicted	858	923	749	563
Aquitted	66	162	46	38
Nolle prosequi	12	16	6	5
Dismissed	59	61	122	134
Discharged	297	179	134	101
Pending trial	238	255	220	414

COMMONWEALTH OF THE BAHAMAS DRUG RETURNS FOR THE PERIOD, BEGINNING JAN. 1 AND ENDING MAR. 31, 1990

Nationality	Male adult	Female adult	Male juvenile	Female juvenile	Total
American	16	12	1		29
Bahamian	246	26	12	3	287
Canadian	4				4
Haitian	6	2			8
Jamaican	6	3			9
Total	278	43	13	3	337

Note.—During the period January to March 1990, there was a total of 252 drug cases recorded, and 337 persons arrested in connection with these matters. Amount of drug seized: Cocaine, 1,007.22 lbs; marijuana, 1,362.63 lbs.

BREAKDOWN OF COCAINE SEIZURES COMMONWEALTH OF THE BAHAMAS 1ST QTR. 1990

Date	Place	Weight (pounds)
Significant cocaine seizures made by the Royal Bahamas Police Force in domestic traffic 1st quarter 1990:		
Jan 19th, 1990	Mayaguana	2
Jan 10, 1990	Berry Islands	1.5
Jan 17, 1990	NIA (Charter Section)	22.5
Jan 28, 1990	NIA (Security Check Point)	1
Jan 2, 1990	Freeport G.B.	2.7
Jan 2, 1990	do	2.6
Jan 18, 1990	Freeport Harbour	2.3
Mar. 18, 1990	Nassau	5
Mar. 21, 1990	Freeport CB	36.50

BREAKDOWN OF COCAINE SEIZURES COMMONWEALTH OF THE BAHAMAS 1ST QTR. 1990—Continued

Date	Place	Weight (pounds)
Total		77.10
Seizures made by U.S. Customs:		
Jan. 6, 1990	Freeport	4.2
Jan. 9, 1990	Nassau	1
Jan. 21, 1990	do	.56
Feb. 21, 1990	do	.13
Mar. 7, 1990	do	.29
Mar. 18, 1990	do	12.50
Mar. 23, 1990	do	.44
Total		19.12
Seizures no arrest:		
Jan. 21, 1990	Cay Verde off Ragged Is	283
Feb. 24, 1990	Freeport	2.3
Mar. 14, 1990	Mayaguana	612
Mar. 30, 1990	Conception Is	12.50
Total		909.80
Small seizures		1.20
Domestic traffic		77.10
U.S. Customs		19.12
Found drugs (no arrest)		909.80
Total		1,007.22

COMMONWEALTH OF THE BAHAMAS DRUG RETURNS FOR THE PERIOD BEGINNING APR. 1 TO JUNE 30, 1990

Nationality	Adult male	Adult female	Juvenile male	Juvenile female	Total
American	26	20	3		49
Bamanian	238	22	9	2	271
Canadian	3	1			4
Dominican	1				1
French	1				1
German	1				1
Haitian	4	2	1		7
Jamican	4			1	5
Portugese	1				1
Grand total	279	45	13	3	340

Note.—During the period April to June, 285 drug cases were reported, resulting in the arrest of 340 offenders. Drug seized: Cocaine; 112.00 lbs; marijuana; 481.14 lbs, hashish, 1 gram. A joint seizure of 1,255.5 lbs. of cocaine was made by the USCG and RBDF in international waters.

BREAKDOWN OF COCAINE SEIZURES, COMMONWEALTH OF THE BAHAMAS 2D QUARTER 1990

Date	Place	Weight (pounds)
Significant seizures made by the Royal Bahamas Police Force in domestic traffic 2d quarter 1990:		
Apr. 13, 1990	Freeport Airport	3.38
Mar. 17, 1990	NIA	20.0
Mar. 28, 1990	do	2.0
May 31, 1990	Freeport Harbour	2.3
May 31, 1990	do	2.4
June 13, 1990	do	7.98
June 3, 1990	do	8.43
June 13, 1990	do	8.11
June 20, 1990	Freeport	.11
June 6, 1990	NIA	2.0
June 13, 1990	do	35.25
June 20, 1990	Bay Street	1.75
June 27, 1990	Fl Airport	1.10
June 30, 1990	Prince George Dock	2.5
June 14, 1990	NIA	.5
Total		97.81
Seizures made by U.S. Customs:		
Apr. 1, 1990	NIA	2.5
Apr. 10, 1990	do	.31
May 15, 1990	do	2.51
May 28, 1990	do	2.2
Total		7.52
Seizures no arrest:		
June 1990	Freeport	3.95
Small seizures		2.72
Small seizure		2.72
Domestic traffic		97.81
U.S. Customs		7.52
Found drugs (no arrest)		3.95

BREAKDOWN OF COCAINE SEIZURES, COMMONWEALTH OF THE BAHAMAS 2D QUARTER 1990—Continued

Date	Place	Weight (pounds)
Total		112.00

APARTHEID

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mr. DYSON. Mr. Speaker, I recently enjoyed the honor of attending the Second Annual Fall Banquet of the Calvert County Branch of the NAACP. President Joyce Freeland offered an exciting and memorable program for those in attendance. One particular individual on the agenda made a tremendous impression on all of us in attendance. Shani-Jinaki Whipple, a young lady from Lusby, MD, is quite an accomplished poet and we enjoyed a reading of two of her poems at the banquet. For the benefit of the Congress, I am today sharing in the RECORD the poems of Shani-Jinaki Whipple.

APARTHEID

What an ugly word
It makes me shake with fear
It stabs a knife into my heart
And fills my eyes with tears.
To see these people struggle
For what belongs to them
How they are treated in their own country
Really is a sin.

I pray for Mr. Nelson Mandella
And the African National Congress
That with his quiet dignity and
The leadership they possess
That all decent people of South Africa
Will strive to make things right
And unite peacefully with this group
Without bloodshed or a fight.

For our whole world is changing
It is very plain to see
There is room for love, peace, and equality
But no room for APARTHEID.
And like our Constitution
Freedom is the right of every man
I vision
One Nation under GOD, and peace throughout the land.

If Dr. Martin Luther King Jr. could see our world today. . .

He would see disaster, turbulence, and disarray.

Men, Women, and Children involved with drugs, innocent bystanders victimized by these thugs.

The AIDS virus, a dreadful disease, has brought many a person down on his knees.

The homeless, the jobless, the hungry, the poor, all the special people Martin was working for.

They are still here today, though they have grown in size, Looking for a new leader to keep their dream alive.

Martin's movement would have to take on a new dimension, for we are lacking black administrators in our educational system.

We are losing our children, not only to drugs and aids, they have no interest in school, they cannot make the grade.

Without our education, we do not stand a chance, to help ourselves or our brothers to advance.

With all the new technology to keep his dream alive, we will need a masters, and a Ph.D along with our black pride.

And we cannot survive without growing in grace, so help us Lord to make this world a better place.

And when Martin views us in years to come, it will be with less pain, for, He will see his dream alive and his living was not in vain.

GRAZING FEES

HON. BOB STUMP

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Sunday, October 21, 1990

Mr. STUMP. Mr. Speaker, on October 15, the House passed an amendment to the fiscal year 1991 Interior appropriations bill, H.R. 5769, to increase the grazing fees on public lands from $1.81 per animal unit month to $8.70 per animal unit month by 1994. During the debate on the amendment, my colleague, Congressman MIKE SYNAR, presented data concerning grazing fees on public lands in Arizona. Unfortunately, the data was incorrect. Because some of my colleagues may have supported the amendment on the basis of the data, I believe it is imperative to set the facts straight.

The comment, on page H9671 of the October 15, 1990 CONGRESSIONAL RECORD states that "as average on their public grazing in their lands, we find . . . Arizona (charges) $5.99." Further, the gentleman from Oklahoma asks that the Federal Government "take a lesson from our States and raise the fee from $1.81 to $8.70 over 4 years."

In fact, Arizona ranchers pay an Arizona State Lands grazing fee of $1.3965 ($1.40). And, in the history of our State, the fee has never been more than $1.43.

My record is clear in support of grazing as an acceptable and recognized use of our public lands and in support of the current grazing fee formulas as fair and equitable. Increasing the grazing fees to the amount proposed in the amendment is nothing more than a use penalty. The cost of the increase will be a devastating blow to ranchers in our State and the livestock industry in the West. If the provision is not dropped, the only lesson Arizona will take from the Federal Government is that grazing on Federal public lands is subject to arbitrary and capricious whims and not a matter of fair and reasonable public policy that it has been up to now.

SENATE—*Monday, October 22, 1990*

(Legislative day of Tuesday, October 2, 1990)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer.

Let us pray:

** * * If ye have faith as a grain of mustard seed, ye shall say unto this mountain, Remove hence to yonder place; and it shall remove; and nothing shall be impossible unto you.*—Matthew 17:20.

Faithful Father in Heaven, in the context of the pragmatism demanded by politics, faith seems utterly irrelevant. Yet we live by faith every moment of our lives. The assumption is that everyone who speaks on this floor believes what he or she says: believes the statistics, the quotes, the remedy being advocated. We believe in the system, though it has many weaknesses; we generally believe in each other, despite which, in times of tension like these, we rule out faith as impractical. Yet here are the words of the wisest Man who ever lived, telling us that faith can move mountains; that to one who has faith, nothing is impossible.

Gracious God, in these pressure days when things look impossible, help us to give faith in Your Word a chance—to put faith not just in ourselves but in Thee. Help us look to Thee for whom nothing is too hard, nothing is impossible, and seek Your intervention that this mountainous issue may be resolved.

We pray in His name who is truth incarnate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. BYRD].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, October 22, 1990.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD H. BRYAN, a Senator from the State of Nevada, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. BRYAN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for a period of time not to exceed 5 minutes each.

The majority leader is recognized.

SCHEDULE

Mr. MITCHELL. Mr. President, the Senate will now be in a period of morning business, as the Chair has just stated, until 10:30. At 10:30, we will resume consideration of the foreign operations appropriations bill. It is my hope that we can act on that measure today as well as the two other remaining appropriations bills, and that we can complete action on all of them as soon as possible. It is imperative that those bills be acted on by the Senate so they can be sent to conference and the conference reports finally acted upon by the Senate and the House.

Mr. President, do I understand that the leader time has been reserved for both myself and the distinguished Republican leader?

The ACTING PRESIDENT pro tempore. The majority leader is correct. The time of both leaders has been reserved.

Mr. MITCHELL. Mr. President, I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Washington [Mr. ADAMS].

THE BREAST CANCER SAFETY ACT OF 1990

Mr. ADAMS. Mr. President, we are at a crossroads in women's health care. Late this summer, we successfully passed legislation in the Labor and Human Relations Committee that requires women to be included for the first time in clinical research trials and establishes an Office of Women's Health at the National Institutes of Health. For the first time, an office will have an explicit direction to develop an agenda for research on health issues of particular concern to women.

I want to speak this morning on one particular issue that is of enormous concern to us all—breast cancer. Breast cancer is at the forefront of women's health issues. It strikes more women today than it did 5 years ago, yet we do not know why the incidence of breast cancer in women is rising or why the mortality rate is not declining.

We do not know what causes breast cancer, but we do know a lot about the prevention and treatment of breast cancer. In fact, we have come a long, long way in being able to detect breast cancer at a very early stage through mammography. This mammography offers women an excellent chance of successful treatment for breast cancer.

Unfortunately, as it is currently practiced, mammography has some very troubling problems. Poor quality mammograms pose serious health risks for women. If the mammogram image quality is poor or the interpretation is faulty, the radiologist may miss cancerous lesions. This could delay treatment and result in a mastectomy or an avoidable death.

A bad mammogram is dangerous. It gives a woman the false sense of confidence that she is healthy when in fact she may have cancer. It may also stop women from having regular mammograms, yet regular mammograms are critical to the successful detection of early cancer. It is essential that women have regular mammograms, particularly as they reach the ages of 35 to 40; women after age 40 need to get regular mammograms to be certain that they are free of breast cancer.

Last Friday, Senator MIKULSKI and I introduced legislation which has been numbered S. 3224 which will change that. It will not only instill confidence; it will save lives. We know breast cancer screening saves lives. The problem is we cannot tell the majority of women with any confidence whether the mammogram they receive is of high quality or not. There is absolutely no guarantee that the mammogram a woman gets is safe and accurate because there is no Federal standard to assure quality of screening mammography. Moreover, State standards are virtually nonexistent. Only five States have enacted legislation establishing quality standards for mammography.

The bill as introduced requires, first, that facilities use only equipment that is specifically designed for mammogra-

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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phy. Second, that the facilities establish a quality control program so the machines are maintained and used properly. Third, that only qualified licensed individuals perform mammograms. And fourth, that only qualified physicians read them.

The requirements of the bill apply wherever women get mammograms, whether it is in a hospital, radiology center, breast clinic, a physician's office, or a mobile unit.

Mr. President, breast cancer is a tragedy that can be prevented and treated successfully through early detection. Mammograms can detect breast cancer long before it can be felt or known about otherwise.

But breast cancer is a travesty when the woman has had a mammogram and it is wrong. We cannot stand by and allow women to pay for a bad mammogram with their lives. That is why this bill is so important. I have scheduled early hearings in the Subcommittee on Aging, and I hope there will be early action by the Congress on my bill next year.

Mr. President, I am pleased to announce the introduction of the Breast Cancer Safety Act of 1990. I am also pleased to have my long-time friend and colleague Congresswoman SCHROEDER join with me in introducing this important, and I think, historic legislation. We are at a crossroads in women's health care. Late this summer, we successfully passed legislation in the Labor Committee that requires women to be included in clinical research trials and that establishes an Office of Women's Health at the National Institutes of Health. This office will have the explicit direction to develop an agenda for research on health issues of particular concern to women.

Breast cancer is at the forefront of these issues. It strikes more women today than it did just 5 years ago. Over the last decade, 430,000 women died of breast cancer—nearly eight times the number of Americans killed in the Vietnam war. Yet, we don't know why the incidence of breast cancer in women is rising, or why the mortality rate is not declining. We don't know what causes breast cancer. But we do know something about the prevention and treatment of breast cancer. In fact, we have come a long way in being able to detect breast cancers very early on.

Unfortunately, as it is currently practiced, mammography has some serious problems. Poor quality mammograms pose health risks for women. If the mammogram image quality is poor or the interpretation is faulty, the radiologist may miss cancerous lesions. This could delay treatment and result in a mastectomy or an avoidable death.

A bad mammogram is dangerous because it gives a woman the false confidence that she is healthy when in fact she may have cancer. It may also deter women from having regular mammograms. Yet, regular mammograms are critical to successful detection of early cancer.

The legislation I am introducing today will change that. It will not only instill confidence, it will save lives.

We know that early detection through regular breast cancer screenings and reliable mammograms reduce mortality. Education and prevention programs like those at the American Cancer Society or the National Cancer Institutes have produced very positive results: More women are getting mammograms for the first time than ever before. In the last 2 years alone the percentage of women getting mammograms jumped from 37 percent in 1987 to 64 percent in 1989.

We know breast cancer screenings can save lives. Mammography is 85 to 95 percent successful in early cancer detection under optimal conditions. The problem is that we can't tell the majority of women with any confidence that the mammogram they receive is of high quality or not. There is absolutely no guarantee that the mammogram a woman gets is safe and accurate because there is no Federal standard to assure the quality of screening mammography. Moreover, State standards are virtually nonexistent. Only five States have enacted legislation in the area of quality assurance.

Of course, some facilities are better than others. We know this largely because some of these facilities have voluntarily met quality standards for accreditation established by the American College of Radiology in 1987. But by any measure, many mammography facilities are inadequate.

Only one-third of the facilities in the United States have even applied for accreditation, and about one-third of those, have failed. Overall, less than 20 percent of the estimated total number of mammography units—or about one in five—have been accredited.

In Michigan, where they recently enacted a similar bill, the State Department of Public Health found that over one-half of the facilities inspected during the first 10 months of 1988, had substandard equipment.

In Colorado, after putting into place a new inspection system last year, the health department there found the same failure rate: Over 50 percent of the machines did not meet minimum quality requirements for safety or accuracy.

Unreliable equipment is dangerous equipment. The unparalleled growth in the number of facilities offering mammography services makes the situation even worse. There are a record 10,000 facilities in operation today and nobody knows for sure how many of them are reliable. Nobody knows how many of them have been inspected. And nobody knows about the quality of the machines how, they are maintained, or if they are used properly. This situation is surely deplorable.

The bill we are introducing today will correct the problems surrounding x-ray equipment used for mammography. It will require that facilities use only equipment that is specifically designed for mammography; that all facilities establish a quality control program that assures that the machines are used properly; that they are regularly maintained; and that all machines be inspected to ensure proper upkeep and use.

As we all know in this high-technology age, even state-of-the-art mammography equipment is as good as the individuals who operate them and the physicians who interpret the mammograms. Training and educational requirements are vital to the provision of high quality mammography services.

Unfortunately, in 24 States, individuals who operate the equipment are not licensed. An accurate mammogram requires highly skilled technologists because so much depends on proper positioning and image of the breast. The bill we are introducing today requires that only qualified individuals who meet State licensing requirements or who have been appropriately trained and certified perform mammograms.

It also requires that the physicians who read the mammogram meet professional qualifications. They must be certified by the appropriate medical board or by an accreditation body to interpret the results of the mammogram. Findings show that primary care physicians and multispecialty clinics have the lowest levels of compliance with quality assurance standards. A mammogram is among the most difficult radiographic images to read.

The requirements of the bill apply wherever women get mammograms, whether it is in the hospital, at a radiology center, a breast clinic, a physician's office, or a mobile unit. The primary goal is to produce a mammogram with good image quality, while limiting the patient's radiation dose, and to provide an accurate interpretation of the image.

One more important aspect of the bill is the establishment of a mammography registry to maintain permanent records of mammograms in the United States. The value of regular mammography is undisputed, but without a record of a woman's mammograms extending over 10 or 15 years, physicians do not have the tools they need to make the best diagnosis possible.

The mammogram registry will serve another important purpose as well.

The registry will allow researchers to link breast cancer cases with mammograms through the existing tumor registry. At present researchers have no way of accessing this vital information. The data will help us better understand mortality and morbidity rates for breast cancer. At present, we are seeing a disturbing trend of rising incidence of breast cancer among women and we need to know why. The mammogram registry will help researchers to find the answers to these critical problems.

Breast cancer is a tragedy that can be prevented and treated successfully through early detection with screening mammography. But it is a travesty when a woman has had a mammogram and it is wrong. We cannot stand by and allow women to pay for a bad mammogram with their life.

We need legislation that can ensure women that the mammograms they get are safe and accurate. That is why I am introducing this bill and why I am so pleased that Congresswoman SCHROEDER and Congresswoman MARTIN will be introducing the bill in the House.

Mr. WIRTH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Colorado is recognized.

THE MEXICO CITY POLICY VOTE

Mr. WIRTH. Thank you very much, Mr. President.

Mr. President, late Friday evening, the United States Senate acted in a precedenting and absolutely important vote—voted, in effect, to overturn the so-called Mexico City policy on population by the very strong vote of 57 to 41.

Fifty-seven Members of the U.S. Senate voted not to table that amendment which I had offered; 41 voted to table. That was at least 57 Members of the Senate, and there were others who did not vote who voted to table who support overturning the Mexico City policy. So clearly well over 57 Members of the U.S. Senate wished to see changes in the Mexico City policy.

Let me, first of all, if I might, explain the Mexico City policy. This is a policy which prohibits the U.S. Government from assisting hundreds if not thousands of family planning organizations around the world. If those organizations in any way with their own funds provide counseling, information, or health care related to abortion, this policy has had a heavily muffling effect on hundreds if not thousands of family planning, private family planning, organizations around the world.

The result has been that these organizations by the score each month are backing out of providing family planning services. Governments are dropping their commitments, and what had once been a proud record by the United States of being the world leader in family planning is now dwindling and diminishing. Efforts on family planning have declined significantly at a time when the world population numbers are going just the opposite.

What an anomalous situation for us to be in, doing just the opposite of what we ought to be doing because there have been a few zealots who believe that this policy is going to stop abortions.

Their policy unfortunately has not stopped abortions. It has done just the opposite. By making sure that hundreds of thousands, millions, of women around the world do not have access to family planning services, they have left thousands and thousands of those women without access to any basic birth control information, and have left them therefore with a policy of last resort which is abortion.

The irony of this situation is those zealots pushing the Mexico City policy have had just the opposite result of what they wanted to have.

The number of abortions around the world according to the World Health Organization has jumped by 200,000 to 500,000 as a result of this misguided and wrong headed policy.

The Senate voted 57 to 41 to change this policy, Mr. President. This was an amendment of the foreign operations appropriations bill. The Senate stated in that vote strongly and very clearly that a majority wants a change to this policy, and in doing so are supported by scores of major outside groups in the United States, groups that are concerned from the Legal Women Voters' population programs, Population Council, Unitary Universalist Association of Congregation, Women's Legal Defense Fund, the YWCA, a whole variety of mainstream U.S. organizations, Mr. President, and, in addition, many, many women's groups, including women's groups across the board in the Jewish community: the National Council of Jewish Women, B'nai B'rith, the American Jewish Congress, Union of American Hebrew Congregations, the National Federation of Temple Sisterhoods, and the National Federation of Temple Youth.

Mr. President, I cite all of these organizations to demonstrate what broad support there is for changing this policy, and second, to point out that many organizations which also have a stake in the passage of this bill believe that this issue should be dealt with and support its change.

I ask unanimous consent that a list of these organizations, which is a partial list of those supporting the change in the Mexico City policy, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OCTOBER 16, 1990.

DEAR SENATOR: In 1984 at an international population conference in Mexico City, the United States announced a radical policy shift. The U.S., no longer asserting that the economic health of developing nations was linked to sound family planning programs, stopped funding private voluntary organizations that offered abortion services. To implement this policy, the Administration mandates all private organizations receiving AID grants for family planning to sign an agreement that they do not provide abortion services even with non-U.S. funds.

This so-called Mexico City policy goes beyond the Foreign Assistance Act which, since 1973, has prohibited U.S. funds from being used for abortions. This policy has had a chilling effect on international family planning programs sorely needed by developing countries. In the United States, courts have ruled unconstitutional a similar policy applied within this country to recipients of Title X Federal Family Planning funds. This issue will be heard by the Supreme Court in this session.

Sen. Timothy Wirth plans to propose an amendment to the Foreign Aid bill overturning this "Mexico City" policy to ensure that the same standards are applied to international family planning groups that are applied domestically. We strongly endorse the Wirth Amendment and urge you to support it.

Sincerely,

National Council of Jewish Women, B'nai Brith Women, American Jewish Congress, Union of American Hebrew Congregations, National Federation of Temple Sisterhoods, National Federation of Temple Youth.

ORGANIZATIONS SUPPORTING THE WIRTH AMENDMENT

Planned Parenthood Federation of America, Inc.
The Alan Guttmacher Institute.
Population Crisis Committee.
National Council of Jewish Women.
B'nai Brith Women.
American Jewish Congress.
Union of American Hebrew Congregations.
National Federation of Temple Sisterhoods.
National Federation of Temple Youths.
League of Women Voters.
Friends of the Earth.
National Abortion Rights Action League.
Sierra Club.
National Audubon Society.
National Wildlife Federation.
American Civil Liberties Union.
American Association of University Women.
American Psychological Association.
American Public Health Association.
Americans for Democratic Action.
Business and Professional Women/USA.
Catholics for a Free Choice.
Center for Population Options.
Centre for Development and Population Activities.
Coalition for Women in Development.
Columbia University Center for Population and Family Health.
Friends Committee on National Legislation.
Fund for the Feminist Majority.
Interchurch Medical Assistance.
International Planned Parenthood Federation.
National Family Planning and Reproductive Health Association.

National Organization for Women.
National Women's Law Center.
National Women's Political Caucus.
Natural Resources Defense Council.
People for the American Way Action Fund.
Population-Environment Balance.
Religious Coalition for Abortion Rights.
The National Committee for an Effective Congress.
The Pathfinder Fund.
The Population Council.
Trickle Up Program.
U.S. Conference of Local Health Officers.
United Methodist Church.
United Church of Christ.
Unitarian Universalist Association of Congregations in North America.
Women's Legal Defense Fund.
Worldwatch Institute.
YWCA of the USA.
Zero Population Growth.

Mr. WIRTH, Mr. President, I pointed out that there is a majority that do not want to change this that have a kind of zealot approach about this and the abortion issue overall. This kind of an attitude was well described by George Bush on the 24th of February 1969 when George Bush, then a Member of the U.S. Congress, said "We need to make population and family planning a household word. We need to take the sensationalism out of this topic so it can no longer be used by militants who have no real knowledge of the voluntary nature of the program but rather are using it as a political stepping stone. If family planning is anything, it is a public health matter."

Let me quote President Bush again. "We need to take the sensationalism out of this topic so it can no longer be used by militants who have no real knowledge of the voluntary nature of the program but rather are using it as a political stepping stone."

It is imperative that this issue get resolved and that we separate this issue, separate out population and family planning issues which are absolutely imperative to pursue from the sensationalism and politics of the abortion issue.

Why is that, Mr. President? We are in a situation where the world population today is about 5.3 billion people. It has doubled in the lifetimes of all of the Members of the U.S. Senate. For most people living in the world today, the population has doubled in size in our lifetime and it is scheduled to double again in the next 25 to 30 years.

Of the 5.3 billion people in the world today, the largest number in the history of the globe, are in that child-bearing cadre, the child-bearing age. If we do not aggressively pursue population programs now, Mr. President, that group in the child-bearing years is going to have an even more dramatically escalating population, and it is clear that by the next 25 or 30 years the population of the globe will have doubled once again.

We just have to think of what the implications of that are for us. A reading of the newspapers this morning alone will give you a sense of the implications of this. Looking at West Germany, with enormous pressure of population, people moving in from the Soviet Union, Central and Eastern Europe, are putting incredible pressure on those democracies in Western Europe. Migrants are coming up from North Africa, from Tunisia, Morocco, and so on—enormous population pressures there, and stories about the gypsies moving in from Romania and Yugoslavia. There are heartrending stories about grinding poverty in Haiti where the population has truly gotten out of control, and what was once the jewel of the French colonial empire, the island of Haiti which was once the jewel, is now absolutely destroyed by the ravages of population, an indication to us as to what is going to happen to this world if we are not careful.

There are stories about boat people, stories about Indian-Pakistani population conflict and stories about immigration into our own country; population is all around us.

It is absolutely imperative that we start to get rid of the excesses of the 1980's, get rid of the kinds of militant discussions that occurred about this issue in the 1980's, and once again address this issue as a fundamental national security foreign policy issue for the nineties.

It is imperative that the United States once again assume a position of leadership in the world as we once proudly had in the 1960's and 1970's, of leading the world on the subject of population and family planning.

If we do not do so we are inviting more rapidly than in any other way the degradation of the globe, the degradation of the Western democracies, the degradation of the quality of life as we know it.

The step taken Friday night on the Mexico City amendment effectively voting in the U.S. Senate by the margin of 57 to 41 to overturn that particular policy is but a first step, one that has to be included in a whole series of other steps and other policies taken by the U.S. Government.

We will be working this morning, Mr. President, with the staff of the Committee on Appropriations on Foreign Operations, we are going to be working with them on how we work our way through this. This is an enormously important issue. And I want to make it very clear that the importance of this was registered and underlined by that historic vote in the United States Senate on Friday night which occurred at about 11 o'clock Friday night, effectively voting to overturn the Mexico City policy, and put on record by Members of almost 3 to 2 in the Senate that that policy ought to be changed.

Thank you very much, Mr. President.

I appreciate your recognition.

I yield the floor.

The ACTING PRESIDENT pro tempore. The Senator from Arizona.

Mr. McCAIN. Mr. President, I ask unanimous consent to address the Senate for 15 minutes. I discussed this with the distinguished manager of the foreign ops bill, which is coming up next, and he voiced no objection. I make that unanimous-consent request at this time.

The ACTING PRESIDENT pro tempore. If there is no objection, the unanimous-consent request of the Senator is agreed to.

THE KEATING FIVE INVESTIGATION

Mr. McCAIN. Mr. President, I rise this morning to address the Senate with great reluctance and many other emotions, because in my belief the process the Senate uses to judge the ethical conduct of a Member's action should be respected. Mr. President, that respect, by me, a majority of the American people, and other Members of the Senate, is now seriously in jeopardy.

I rise with reluctance, Mr. President, because some of my closest friends and supporters have advised me not to rise and make this speech this morning, saying that the remarks I am about to make may upset the very powerful Ethics Committee, which could, in turn, cause me some political damage for speaking out with criticism and dismay of a process that has evolved over the last year in the adjudication of the allegations before the Ethics Committee concerning me and four other Members of the U.S. Senate.

Mr. President, this could jeopardize my political career. The fact is, that is not my concern as I stand here this morning. My concern is about my honor, my integrity, and my reputation.

Given the present circumstances, it is imperative that I do rise. There comes a time when you can no longer hold your tongue in the face of things that are wrong, especially when those wrongs can be righted. The Senate now faces this kind of problem, and now is the time to fix it.

Mr. President, not only am I personally frustrated by the failure of the Senate Ethics Committee to act on its year-long Keating Five investigation, there are growing allegations in the media of a coverup. The process has a credibility problem. Headlines read, "Keating Coverup?" "Panel Again Delays 'Keating 5' Decision."

Mr. President, I ask unanimous consent that a Wall Street article of Octo-

ber 17, entitled "Keating Coverup"; a Saturday, October 20, 1990, Washington Post article headlined "Panel Again Delays 'Keating 5' Decision"; concerning remarks of one member of the Ethics Committee; a New York Times editorial, Friday, October 19, "How Many in the Keating Crew?" be printed in the RECORD at this time.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 19, 1990]

HOW MANY IN THE KEATING CREW?

The Senate Ethics Committee will soon disclose whether the "Keating Five" will be reduced to a smaller group of Senators accused of ethical improprieties in a major savings and loan scandal. Each Senator's involvement was different and each is entitled to an unbiased hearing, but if the committee plans to exonerate any of the five, it had better be prepared to explain its action.

The Keating Five earned their name and notoriety because they met three years ago with Federal regulators who were closing in on Charles Keating, a powerful California S.&L. operator. Mr. Keating had made contributions to the Senators' political campaigns. According to reports from Washington, Robert Bennett, the committee's special counsel, is recommending further investigation of Senators Alan Cranston, Donald Riegle and Dennis DeConcini, but would drop charges against Senators John Glenn and John McCain.

Senators Cranston, Riegle and DeConcini may indeed have been more deeply involved in questionable dealings with Mr. Keating, who now confronts various legal proceedings and languishes in a Los Angeles jail. They received more money from him than the others did, and seem to have done him more favors in his battle against what he deemed oppressive regulation. In addition, Senators Glenn and McCain were more successful in distancing themselves from Mr. Keating after the first two meetings with the regulators. Four of the Five attended the first meeting; all of them attended the second.

Should a senator be disciplined just for showing up at a meeting that advances the interest of a constituent or donor? The answer may depend on the size, timing and context of the meeting—all factors for the Ethics Committee to weigh. Senators Glenn and McCain may not have been ringleaders in the drive to get regulators off Mr. Keating's back. But they must have understood the significance of an imposing gathering of five powerful Senators.

Congress, which sets its own ethical rules, bears heavy responsibility for the S.&.L. debacle. It's not always easy to draw clear lines between improper influence-peddling and valid constituent services. But the Ethics Committee has the duty to try. That means reaching a verdict on each member of the Keating crew, publishing the evidence against each and explaining why it chose to treat some differently from others. Only then can the committee define right and wrong—and point the way to higher standards of behavior.

[From the Washington Post, Oct. 20, 1990]

PANEL AGAIN DELAYS "KEATING FIVE" DECISION

(By Helen Dewar)

The Senate ethics committee yesterday delayed a decision on five senators under investigation for their ties to failed savings and loan executive Charles H. Keating Jr., prompting a bitter protest from member Trent Lott (D-Miss.) that the five are being victimized by the panel's "fear of acting."

Describing himself as "furious" at what he said was the committee's inability to decide how to proceed in the case, Lott said he is pessimistic about chances for action before Congress adjourns next week and added, "I feel like I've become an accomplice to a crime."

If he were one of the so-called "Keating Five," said Lott in a rare departure from the usual reticence of members of the Select Committee on Ethics, "I would have gone ballistic. It's just not fair."

The six-member panel is considering a recommendation from its special counsel, Robert S. Bennett, that it take no further action against Sens. John Glenn (D-Ohio) and John McCain (R-Ariz.) but proceed to a full investigation of Sens. Alan Cranston (D-Calif.), Dennis DeConcini (D-Ariz.) and Donald W. Riegle Jr. (D-Mich.)

After brief meetings the last two days to decide what to do, the committee, distracted by other business and apparently split over how quickly to act, put off a decision until Monday or Tuesday at the earliest, with no firm commitment to act then.

While Bennett saw no reason to proceed against Glenn and McCain, he found critical links between Keating's contributions to the other three senators and their intervention with thrift industry regulators on behalf of Keating's failed Lincoln Savings and Loan of Irvine, Calif. Keating gave $1.3 million to campaigns and causes of the five senators.

Documents being examined by the committee indicate that Cranston, DeConcini and Riegle had more extensive dealings with Keating than they have acknowledged, including a relationship that continued after regulators warned them that Keating faced a criminal probe.

Sources have indicated that there is at least some doubt on the committee about the fate of Riegle, chairman of the Senate Banking Committee, who, like Glenn and McCain, apparently did not continue his intervention with regulators on Keating's behalf after the warning of possible criminal activity.

Collapse of Lincoln is estimated to cost taxpayers about $2 billion. Keating was released on $300,000 bond after a month in jail in California, where he faces charges of fraud in the sale of junk bonds issued by his American Continental Corp., which owned Lincoln.

Lott's angry outburst to two reporters came as pressure for action by the committee mounted among Republicans in the Senate, many of whom are complaining that Democrats on the panel are waiting until after the Nov. 6 congressional elections to act. If Glenn and McCain are dropped from the probe, the bipartisan "Keating Five" would become the all-Democratic "Keating Three," they note.

Sen. Howell T. Heflin (D-Ala.), chairman of the ethics panel, expressed frustration as he left the meeting, but his annoyance was directed at leaks to newspapers of documents that have been compiled in the case.

Asked if the slow pace were attributable to Heflin, who is known for his deliberate way of doing business, Lott said, "I can't say it' one or two [members] or even that it's partisan, quite frankly." Instead, he said, "I'm afraid it's the Senate . . ., which is completely incompetent to let go of anything."

Colleagues have said that Glenn and McCain are intensely frustrated by the delay in committee action. "I've been frustrated for a year," Glenn said yesterday. McCain, who has been more outspoken, said, "Frankly, I'm deeply disappointed they haven't been able to act. I think they owe the American people an explanation."

[From the Wall Street Journal, Oct. 17, 1990]

KEATING COVER-UP?

This week the Keating Five—the leading symbols of Congress's abdication of responsibility in the S&L mess—will learn if they have to face a full Senate probe into their efforts on behalf of Charles Keating's infamous Lincoln Savings. If the Ethics Committee's track record is any indication, citizens should demand that the evidence gathered so far be published.

To its credit, the committee retained Robert Bennett, a veteran ethics investigator, as outside counsel to investigate the case. In September, Mr. Bennett submitted a report that said there was enough evidence to suggest that Senators Dennis DeConcini of Arizona, Alan Cranston of California and Donald Riegle of Michigan may have violated federal or Senate rules in intervening with federal regulators to keep Lincoln open. If the committee accepts his 350-page report, the three Senators will face further investigation. Mr. Bennett recommended no further action against Senators John Glenn of Ohio and John McCain of Arizona.

The committee has delayed action on Mr. Bennett's report until now. There is wide speculation the delay is due to efforts by some to put all five Senators on trial, thereby avoiding political embarrassment for Democrats just before November's election. Senator McCain is a Republican. The other four are Democrats.

It is just as likely that the Senate Ethics Committee is trying to draw a distinction between the kind of "influence peddling" at HUD that was so pilloried by Congress and what Members of Congress do daily to push the interests of campaign contributors and favored constitutents. Senator Terry Sanford of North Carolina, a member of the Ethics Committee "jury," has been indiscreet enough to announce a conclusion in advance. The Keating Five "did exactly what every Senator is called on to do every day," he told constitutents earlier this year.

We wonder if Senator Sanford still feels that way after reports surfaced in the Washington Post about what Mr. Bennett had uncovered. The Post reported that Joy Jacobson, a fund raiser for Senator Cranston, wrote him a memo in early 1987 on Mr. Keating's complaints about a federal crackdown on Lincoln's controversial business practices. Mr. Keating "will rightfully expect some kind of resolution" to his concerns, she wrote. Senator Cranston met several times with Mr. Keating and then joined the four other Senators in meeting with federal regulators on his behalf. In September 1987, Ms. Jacobson wrote again to set up another meeting with Mr. Keating and added, "You should ask Keating for $250,000." Mr. Cranston did, and in November he pocketed a $250,000 check for his voter-registration efforts from a Keating aide in his office.

The public has a right to know the background behind any decision the Ethics Committee makes on the Keating Five. The committee doesn't follow judicial standards of openness, and Congress of course has ex-

empted itself from the Freedom of Information Act. In the Jim Wright case, outside counsel Richard Phelan's preliminary report was released despite initial attempts to claim it was privileged. A spokesman for the Senate Ethics Committee told us it has never released equivalent reports from its outside counsels. That means the committee can agree with Senator Sanford's conclusion, end the probe of any or all of the Keating Five, and release none of the evidence. This of course would directly contradict the practice of independent counsels who've made public their reports on investigations of virtually all members of the exective branch.

Mr. Bennett's findings are cruical because they are a serious, independent exploration of the Beltway's business-as-usual practices. Mr. Phelan concluded Speaker Wright had improperly intervened on behalf of broken Texas S&Ls. The House Ethics Committee ducked the awful implications of that charge by delcaring that such actions were an integral part of a Member's job and that it couldn't second-guess "the technique and personality of the legislator."

This week's decision on the Keating Five gives Congress and the voters another chance to debate the vailidty of that decision. Taxpayers, who will be shelling out an average of $2,000 apiece for the S&L mess, deserve the full story of Congress's involvement.

Mr. McCAIN. Mr. President, a well-respected member of the Ethics Committee has publicly stated he is essentially frustrated, saying he is furious with the process and that "he feels like he has become an accomplice to a crime."

Mr. President, why would a member of the Ethics Committee say that he feels he has become an accomplice to a crime? The only reason why a Member of this body would say that is because he is aware of the Constitution in this country that states unequivocally that justice delayed is justice denied.

Mr. President, justice delayed is justice denied. It is clear to any observer that this system is incredibly and inexcusably delayed.

Mr. President, the Senate does not need this at this particular time in American political history, when our credibility and the confidence of the American people has been so badly eroded. What the Senate needs to do is act. The Senate Ethics Committee needs to act.

What am I seeking, Mr. President? I am seeking two things, which I think are entirely reasonable. One, the outside special counsel's 354-page report, which took 9 months to complete, should be made public immediately.

Mr. President, if the Senate Ethics Committee cannot make a judgment on a special counsel of unimpeachable integrity and reputation, then I think the American people can. I do not know what famous jurist said that "sunshine is the best detergent." Who said that I do not know, but sunshine remains the best detergent.

The American people have a right to know, I believe, and have a right to inspect this special counsel's report and recommendations on which millions of taxpayers' dollars were expended, and which took 9 months to complete, by one of the most reputable and experienced outside counsels in America.

Mr. President, let the American people decide, if the Senate Ethics Committee cannot.

Second, this committee should decide whether to accept or reject that report before we adjourn this week.

As a person identified as one of the "Keating 5," I would like to give you a brief, firsthand chronology of this investigation.

The Ethics Committee was first asked to look at all of this a year ago, in October of 1989. I responded to the allegations immediately. In December of last year, the committee retained an outside special counsel.

Let me point out that the organization that demanded this investigation also demanded that a special counsel be appointed, so that there would be objectivity and credibility to whatever decision was eventually made by the Ethics Committee. This special counsel, Mr. President, has been involved in several other investigations, always with great credibility. I personally have the highest regard for his reputation and for the way he has conducted this investigation. That is why the committee picked an outside counsel.

As I said, Mr. Robert Bennett is well respected. He is one of the most experienced and most credible men in Washington, DC, much less America.

I cooperated fully with that process. I produced every document when it was requested. I answered every question asked. I was interviewed in February. I was deposed in April. I was hopeful of judgment in May and then June and then July and then August and September. Time went by; so did the summer. On September 10, over 6 weeks ago, he gave the committee a 354-page report with his findings and his recommendations.

I was convinced, perhaps naively and foolishly, that a judgment would clearly be rendered as a result of this investigation. It now appears that perhaps my hopes were unjustified.

Mr. President, my lawyer and I wrote to the committee on three occasions, seeking action and seeking publication of the investigation, including seeking an open meeting with the Ethics Committee. Mr. President, I ask unanimous consent that those letters be printed in the RECORD at this time.

There being no objection, the letters were ordered to be printed in the RECORD, as follow:

U.S. SENATE,
Washington, DC, June 5, 1990.

Hon. HOWELL HEFLIN, *Chairman,*
Hon. WARREN RUDMAN, *Co-Chairman,*
Select Committee on Ethics,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN AND CO-CHAIRMAN: By your letter to me of October 16, 1989, you notified me that the Committee desired a response to the complaint filed by Common Cause regarding my participation in two meetings with representatives of the Federal Home Loan Bank Board concerning Lincoln Savings and Loan. In my letter to the Committee of November 21, 1989, I gave a detailed response to all the allegations which had been raised concerning those meetings.

On December 7, 1989, the Committee requested that I produce various documents concerning Charles Keating, Lincoln Savings and Loan, and related matters. On December 22, 1989, the Committee announced that it was conducting a preliminary inquiry into this matter, with the assistance of Special Counsel Robert Bennett. On January 10, 1990 I produced two boxes of documents which were responsive to the Committee's document request. Additional information in the form of responses to interrogatories was provided by me to the Committee on January 25, 1990.

My counsel, John M. Dowd, advised Mr. Bennett on several occasions of my desire to cooperate in any way possible to expedite the Committee's inquiry. Accordingly, my counsel suggested that Mr. Bennett interview me at his earliest convenience. Mr. Bennett agreed, and I was interviewed by him in his office for several hours on February 12, 1990.

On February 15, 1990 my counsel provided additional documents to Mr. Bennett which he requested on February 12. On February 20, 1990 my administrative assistant, Christopher Koch, and my legislative assistant, Gwendolyn Van Paasschen, were interviewed by Mr. Bennett and his staff.

On March 12, 1990, I testified before the Committee for approximately three hours, answering all questions posed by Senators Rudman and Pryor and by Mr. Bennett. The following day I produced an additional document to the Committee. On April 12, 1990, Ms. Van Paasschen testified before the Committee. On April 13, 1990, Mr. Koch testified before the Committee.

I recite the above events in order to demonstrate that I have fully cooperated with the Committee and its Special Counsel. I have produced all documents requested and made my staff available for examination by you and your staff. I have answered Mr. Bennett's questions on two separate occasions, and I have testified under oath before the Committee and answered the questions of Senators Rudman and Pryor. In short, I have done everything I can to facilitate the work of the Committee so that the Committee can efficiently and expeditiously address the allegations made against me.

I am very disappointed that the Committee has not reached a decision on these allegations so that a conclusion can be reached. Accordingly, I request an immediate meeting with the full Committee so that I may address the concerns, if any, that the Committee may have. It is clear that there is no merit to the allegations. At the present time this is the only recourse I have to resolve this matter. Justice delayed is justice denied.

I believe that whatever standards are ultimately chosen by the Committee to evaluate my conduct, they must be easily understood and fair at the time the activities under investigation occurred, as well as generally applicable to all Senators' activities on behalf of constituents or others who come to them with requests for assistance.

I take this opportunity to provide the Committee with my observations on the issues concerning my conduct which I am

prepared to discuss withe the Committee. I believe these issues involve the following three questions.

1. Why did I meet with Edwin Gray on April, 2, 1987?

As I have testified, I attended the meeting with Mr. Gray because American Continental Corporation, the parent of Lincoln Savings and Loan, is a major employer in my state. Like any Senator, I am responsive to the needs of my constituents. I was informed that Lincoln Savings had been undergoing an unusually long examination by the Federal Home Loan Bank Board. I had received a letter from a very reputable accounting firm, Arthur Young & Co., raising questions about the Bank Board's examination. I attended the meeting with Mr. Gray for informational purposes only, that is, to inquire why the examination was taking so long and to learn more about the examiners' appraisals of Lincoln's real estate investments.

I have stated clearly and unequivocally that I did not attend the meeting with Mr. Gray because of past campaign contributions received from Charles Keating. The evidence before the Committee supports this fact. On March 24, 1987—prior to the meeting with Mr. Gray—I met with Mr. Keating and advised him that I would not agree to negotiate for him or interfere with the actions being taken by the Bank Board. My staff has described this meeting to the Committee as being "tense"—a description to which I concur, because I let Mr. Keating know in no uncertain terms that I would not pursue the course he requested. My relationship with Charles Keating ended at that time.

I said "no" to Mr. Keating at a time when his reputation was untarnished, unlike it is today. While Mr. Keating had been a fundraiser for me in my past campaigns, he was not involved in any fundraising activities for me after 1986. Furthermore, I have no reason to conclude that any past contributions he raised were in reality improperly funded corporate contributions. Nevertheless, on my own initiative, I have asked the Federal Election Commission to review the contributions and determine if they are legal and proper. The FEC has not yet issued a ruling.

I do not believe that my decision to meet with Mr. Gray created even the appearance that it was because of Mr. Keating's past fundraising. The undisputed facts are that I ended my relationship with Mr. Keating on March 24, 1987. Senator DeConcini subsequently set up the meeting with Mr. Gray. I attended because I saw it was an opportunity to make some inquiries to determine if a major Arizona employer's allegations regarding some specific issues were well-founded. I believe it was appropriate to make such and inquiry of an agency on behalf of a constituent.

2. What did I do at the meeting with Mr. Gray and the other regulators?

I attended the meeting to try to determine whether or not the allegations of bureaucratic maltreatment were well founded. During the meeting with Mr. Gray, he advised us that he was not familiar with the specifics of the Bank Board's examination of Lincoln Savings and Loan. Therefore, he suggested that we meet with the regulators from the Bank Board's San Francisco office. At that point, out of concern about the possible appearance of such a meeting, I specifically asked Mr. Gray if such a meeting would be proper. He assured me that it would. I made it clear that I sought no special favors for Lincoln Savings and wanted nothing improper done on its behalf. These actions demonstrate that, not only did I exert no inappropriate pressure, I acted affirmatively to make sure that my actions not be misinterpreted.

Since, Mr. Gray was unable to answer questions about the Bank Board's inquiry of Lincoln and since he suggested meeting with the San Francisco regulators the following week, I attended the second meeting on April 9, 1987 which was again set up by Senator DeConcini. At this meeting I made it clear that I was attending because American Continental Corporation was large employer in Arizona, but wanted no special favors for them. As reflected in the notes taken by William Black of the San Francisco FHLBB office, I said:

"One of or jobs as elected officials is to help constituents in a proper fashion. ACC is a big employer and important to the local economy. I would not want any special favors for them.

I also said:

"I do not want any part of our conversation to be improper. We asked Chairman Gray about that and he said it was not improper to discuss Lincoln."

Mr. Black has since said, on the ABC Nightline program:

"I have never, and I do not believe that any other member of the San Francisco District, not Chairman Gray, have suggested that Senator McCain said anything improper at that meeting."

In short, at neither meeting did I intervene of interfere in any way with the Bank Board's actions regarding Lincoln Savings and Loan. I did not negotiate for Lincoln Savings or Charles Keating. Rather, I used the meetings only to gain information about the matter, and as soon as I received that information, I was convinced that the Bank Board's actions were proper. When I was informed that the Board suspected criminal activity on the part of Lincoln Savings and was referring the matter to the Department of Justice, it was clear to me that my constituent's complaints were not well founded and that there was no further action I should take on its behalf.

3. What did I do after the meetings with the Bank Board officials?

Since the April 9, 1987 meeting, when I was first told of the regulators belief of improper activities at Lincoln, I have done nothing further for Lincoln, ACC, or Mr. Keating. I did not notify Mr. Keating, or anyone else affiliated with American Continental Corporation or Lincoln Savings and Loan, of what I had learned in the meetings. I told my staff that there was nothing more we should do. Since April 9, 1987, I have not discussed ACC or Lincoln Savings matters with any federal or state regulators. Since then I have no professional or official contact with Mr. Keating or Lincoln or ACC. Since 1986, I have neither solicited, nor accepted political contributions from Mr. Keating, Lincoln or ACC.

Mr. Gray has confirmed that this has been the course I have taken:

". . . Senator John McCain—who I consider to be decent and honorable public servant—has taken a far different tack than (others attending the meetings). Having learned from the San Francisco regulators of Lincoln's misdeeds, he refused to continue any efforts to intervene on its behalf. Public reports claim that Mr. Keating judged Senator McCain a wimp because of this. Senator McCain is an authentic American hero, not a wimp. * * * he has chosen to take the high road.

I believe it is the responsibility of the Committee, not me, to discuss and evaluate the conduct of Senators DeConcini, Glenn, Riegle and Cranston. I have only addressed my conduct, because when I attended the meeting I spoke for myself, and no other Senator spoke for me. Therefore, the committee should judge me on the basis of my actions, and not the actions of my fellow Senators. If the Committee determines that it needs more time to evaluate the conduct of the other Senators, then it should take that time. But the Committee should not delay its decision on my conduct because it needs more time to evaluate others' conduct.

Your Committee has always understood and taken special notice of the fact that a Senator's reputation is adversely affected by being referred to in the kind of inquiry you are conducting. Each Senator must be responsible for his or her own conduct. But, I believe the Committee has an obligation to act in a way that its deliberations and conduct avoid causing additional damage to a Senator whenever that is possible.

With all due respect, the Committee has all of the information to determine that there is no reason to believe that I engaged in any improper conduct or violated any rule of the United States Senate. It would be very unfair for the Committee to postpone making a decision about my conduct because of a desire to continue reviewing the actions of another Senator. Therefore, I request an immediate meeting with the full Committee to discuss how and why this inquiry as to me should be concluded.

Sincerely,

JOHN MCCAIN,
U.S. Senator.

AKIN, GUMP, STRAUSS, HAUER & FELD, ATTORNEYS AT LAW,
Washington, DC, September 24, 1990.

Hon. HOWELL HEFLIN, *Chairman,*
Hon. WARREN RUDMAN, *Co-Chairman,*
Select Committee on Ethics,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN AND CO-CHAIRMAN: I have the privilege of representing Senator John McCain before your Committee. Kindly refer to Senator McCain's letter to you of June 5, 1990 and your reply of June 8, 1990.

I am in receipt of Mr. Bennett's letter of September 21, 1990 enclosing the materials developed during your Preliminary Inquiry and notifying us that we will meet with the Committee shortly in Executive Session.

I have reviewed all of the materials Mr. Bennett sent to me and have discussed these matters with Senator McCain. It is clear from a review of the materials and the testimony there is no reason or cause for a further hearing or proceeding involving Senator McCain. The evidence before you clearly demonstrates that Senator McCain did not engage in any improper conduct and did not violate the rules of the United States Senate. I am confident, knowing the integrity and exceptional ability of Mr. Bennett, that he must have arrived at the same conclusion.

It is time to free John McCain from this process and your inquiry. The failure to resolve this case now because of the activities of others would be a grave injustice to Senator McCain, his family and the people of Arizona.

Accordingly, Senator McCain respectfully requests:

1. A meeting with the Committee this week.

2. A final resolution of his case this week.
3. Release of Mr. Bennett's report to the public this week.

Thank you for your courtesy and consideration. I look forward to your reply.

Sincerely,

JOHN M. DOWD.

AKIN, GUMP, STRAUSS, HAUER & FELD, ATTORNEYS AT LAW,
Washington, DC, September 28, 1990.

Hon. HOWELL HEFLIN, *Chairman,*
Hon. WARREN RUDMAN, *Cochairman,*
Select Committee on Ethics,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN AND COCHAIRMAN: Unfortunately, I have not received a response to my letter of September 24, 1990. However, I did receive a call from Mr. Bennett inviting Senator McCain to appear before the Committee at 2:30 p.m. on October 4, 1990.

Senator McCain accepts your invitation and requests that the meeting with the Committee be open to the public and not in Executive session. Senator McCain renews his request that you release Mr. Bennett's report to the public and that you resolve his case on October 4, 1990.

I thank the Committee and its staff for all of the materials developed during this lengthy and difficult inquiry. The materials demonstrate clearly Mr. Bennett and his staff have turned over every stone. It is time for a decision.

Senator McCain has patiently cooperated with you during this lengthy process while being subjected to public obloquy in Arizona. Thus, he has paid a handsome price for the privilege of being investigated. I respectfully submit you now owe him a decision on his case and the opportunity to account to the people of Arizona for the questions raised by your inquiry.

At the beginning of this process, you committed to deal with each Senator on an individual basis. The Committee's failure to decide this matter when the evidence clearly indicates no misconduct by Senator McCain will undermine that committment and public confidence in the process.

Thank you again for your courtesy and cooperation.

Sincerely,

JOHN M. DOWD.

Mr. McCAIN. Mr. President, I have never seen Mr. Bennett's report. I do not know what it says. I am sure of what it does say, though, because I have had three meetings with the committee. I have answered every question clearly to their satisfaction and, obviously, the media reports are clear that I will be relieved of any culpability in this matter.

Let me just say a few words about the investigation, as far as my relationship with Mr. Keating.

Mr. President, I will not go into a lot of detail. I had a 90-minute press conference in Phoenix, AZ, when this started a year ago. I have visited virtually every major editorial board in America. I have been on every talk show in America. I have had the allegations reviewed time and time again. I would be glad, if any Member of this body has any questions about my involvement with him, to go over them again.

But the key and crucial aspect of this investigation, Mr. President, was that when Mr. Keating asked me to do something that was improper, I walked away from Mr. Keating. Yes, we had been friends; he had been a supporter of mine; and, yes, he was a hot property around the State of Arizona and one of the wealthiest men. But I never lifted a finger for him. When he asked for my help in an improper fashion, I walked away. Maybe that is why he and his family have called me "the biggest disappointment in their lives."

Those are the facts. That is what the outside special counsel has been looking into, and that is what he must have found in this investigation.

Mr. President, the special counsel's report has been gathering dust in the Ethics Committee for 6 weeks. I might remind you that after 3 weeks, the Ethics Committee had done nothing. Then the Ethics Committee released a press release saying that the 345-page document had to be examined by the committee.

Mr. President, we are going to vote, probably in a day or 2, on a few thousand page document that none of us have read. We routinely vote on appropriations bills of hundreds of pages around here, affecting the lives of virtually every American, which none of us have even read.

Mr. President, the Ethics Committee has had ample time to examine this report of the special counsel, and now they must act. Let us make the special counsel's report public. It is not some incomplete preliminary investigation, as it was advertised. It is a total, complete, thorough, multimillion dollar 9-month investigation. It is a complete investigation. The American people have the right to scrutinize it.

I believe, Mr. President, that the Ethics Committee must act before we adjourn. I will accept whatever judgment the Ethics Committee makes. Justice delayed is justice denied.

Mr. President, if the Ethics Committee cannot act, then we do not have an Ethics Committee. I have cooperated with the process at every turn. I have no quarrel with it. The problem is the conscious failure to end the process.

I note, for example, that the Ethics Committee has not even scheduled to meet today, despite nationwide questioning of whether there may be a coverup here. I am seeking, Mr. President, justice and fairness. I am concerned about the integrity of this institution, and I can accept any finding or any judgment. But I cannot accept a deliberate effort to withhold the truth, and the continued suspicion of a coverup.

Mr. President, there is far more at stake here than just my reputation; it is the reputation of the U.S. Senate. I am very concerned about that, too, as it has been a great honor and privilege for me to be a part of this body.

Mr. President, I would like to make a couple more comments, and I know that I am running out of time here. This is a very important issue.

Mr. President, I have four questions for my colleagues. If you were in my shoes, what would you do? Someday there my be an allegation against any Member of this body, with a claim that raises issues about your integrity. I patiently cooperated and held my tongue for 9 months while I was being investigated, fending off report after report, allegation after allegation, which clearly has done enormous damage to my political standing, but more importantly my reputation.

Yet after the completion 6 weeks ago of the investigation and the recommendation of the special counsel, no action has been taken. I ask my colleagues, if you were in my shoes, what would you do? I ask my colleagues a second question: If you were on the Ethics Committee and you had the report of an outside special counsel, after a 9-month investigation, that called for exoneration of some of your colleagues, a counsel who is well-respected and whose recommendations have always been followed in the past, how would you vote? Would you delay?

By the way, I want to say a word about Senator WARREN RUDMAN, who I believe has made every effort as the vice chairman of this committee to get this thing resolved, and I am deeply appreciative of his efforts.

Mr. President, if you were in my shoes, what would you say to your constituents at home if we went out of session and this body did not act? How would you explain this to the American people, who have some questions about the credibility of this institution; how it is that after a 9-month investigation this body still fails to act?

Finally, if you were in my shoes, what would you tell your family? What would you tell your family when you go home to see them on weekends: that an investigation has been conducted in the most painful experience of your life, and yet with all the evidence in, with the investigation completed, that still the committee and the body fails to act?

Mr. President, my family has served this Nation with honor and sometimes distinction for over 200 years. My direct forebear was a member of General Washington's staff. My family has had the honor and privilege to serve this Nation from generation to generation, usually in defense of freedom.

I, myself, Mr. President, for 35 years have served this Nation, always with honor, always with integrity. I deserve an adjudication and a judgment in this issue. I do not deserve—and I only speak for myself—to be strung out week after week, month after month. The evidence is there; the American

people deserve to know it; the evidence is there and the judgment must be made. Otherwise, it will reflect very badly, not only on me, but on this institution.

So my appeal is for fairness, justice, and decency, and I urge my colleagues to join me in seeking action on the part of the Ethics Committee.

I appreciate the indulgence of the distinguished President, and I yield the remainder of my time.

TRIBUTE TO SENATOR JAMES A. McCLURE

Mr. CONRAD. Mr. President, I rise to pay tribute to an outstanding Member of the U.S. Senate—Senator JAMES A. MCCLURE of Idaho.

Senator MCCLURE has decided to retire from the Senate at the end of the 101st Congress, and while I appreciate and respect his desire to pursue new endeavors, I deeply regret that his departure will leave the Senate without his wisdom and character.

Senator MCCLURE's tenure in Congress has been long and distinguished. He was elected to the Senate in 1972 after serving 6 years in the U.S. House of Representatives. He currently serves as ranking member of the Senate Committee on Energy and Natural Resources, and he chaired that committee from 1981 to 1986. In addition, he is a member of the Senate Appropriations Committee, and is the ranking member of its Subcommittee on Interior and Related Agencies.

As a longtime member of these two important committees, Senator MCCLURE has completed an impressive record of accomplishments on energy and natural resource issues. It has been my privilege to serve with him on the Senate Energy Committee during the last 4 years.

No one would dispute that JIM MCCLURE is a true expert in the field of energy. His knowledge of all energy resources is extensive, and as the Energy Committee recently noted, he has been a forceful advocate of a balanced energy policy that includes "all energy sources, strategies and technologies, including nuclear, enhanced conservation, domestic oil and gas production, use of ethanol and other renewable fuels, advanced and hybrid vehicle use such as electric cars and vans, coal and clean coal technologies, and synthetic and other alternative fuels."

With respect to synthetic fuels, I am personally grateful to Senator MCCLURE for his strong support over the years for the Great Plains Coal Gasification Plant in North Dakota. He has twice traveled to my State to attend a biannual conference on synthetic fuels, and he has spoken often about the wisdom of synthetic fuels development. The plant is the largest industrial facility in my State, employing over 700 people, and they, too, appreciate the support of such a prominent spokesman on national energy issues.

JIM MCCLURE's accomplishments in Congress are not limited to the energy field, however. His leadership as chairman and ranking member of the Energy Committee has led to the establishment of numerous new parks, historical sites, battlefields and other sites, including more acres of wilderness in the lower 48 during his 6 years as chairman of the committee than at any other time in the history of the United States.

Those of us who come from Western States particularly admire Senator MCCLURE's understanding and appreciation for the problems that arid and semiarid States face in balancing economic growth with resource conservation.

In the area of water development, for example, JIM MCCLURE has been a leader in the fight to ensure that the Federal Government keeps its word to the people of the Upper Great Plains. The Garrison Diversion Unit in my State is one such commitment, and I thank the distinguished senior Senator from Idaho for his unwavering support for this project.

Senator MCCLURE has represented the State of Idaho well, and he has served the Nation admirably. He has gained the respect of his colleagues, and he has earned the gratitude of his country. We will miss his presence in the U.S. Senate, but we are fortunate to have had him among us.

I will remember JIM MCCLURE the Senator as a wise, thoughtful and courteous Member of this body, who combined reasonable approaches to problems with a determined desire to solve them. In an era when political rhetoric often exceeds substantive accomplishments, it is noteworthy that Senator MCCLURE's self-effacing manner masks his remarkable accomplishments.

I wish him, his wife Louise, and their family all the best in the years ahead, and I thank him for his friendship and counsel during my tenure in the U.S. Senate.

TRIBUTE TO SENATOR JAMES McCLURE

Mr. BOREN. Mr. President, when the 101st Congress adjourns, the Senate will lose one of its most thoughtful, unpretentious, and worthy Members, the Senator from Idaho, JAMES MCCLURE.

Senator MCCLURE has served in this body for 18 years and he has contributed and added much to our deliberations and development of policy.

As the current ranking member of the Senate Energy and Natural Resources Committee and chairman between 1980 and 1986, Senator MCCLURE's display of bipartisanship has been a rare political virtue. The overhaul of the Price-Anderson Act, that required tougher policing of nuclear waste sites, is one of many enduring achievements of JIM MCCLURE.

I had the pleasure of working with Senator MCCLURE on the Iran-Contra Committee in 1987, where I had a chance to observe his sense of fairness and keen insights during the hearings. His intelligent and conscientious questions helped inform the Congress and the American people about the issues surrounding the affair.

JAMES MCCLURE also played an essential role in the successful ratification of the Intermediate-Range Nuclear Force [INF] Treaty. His pressure led the White House to insist on "trust, but verify" policy.

The Senate will miss Senator MCCLURE's quiet but tireless commitment to solving the most difficult problems this country faces. I wish him and his wife, Louise, much success and happiness in the years ahead.

CONSULTANT REGISTRATION—THE FIRST STEP

Mr. PRYOR. Mr. President, I rise to inform the Senate that a goal that I have been trying to reach for 12 years becomes a partial reality today. Ever since I first became a Member of the Senate, I have been asking questions about consultants. How many does the Federal Government hire? How much do we pay them? Who else do they work for?

Mr. President, to find the answers to these questions, I and other Members of Congress, have held dozens of hearings. In fact, over the past 2 years, I have chaired eight hearings on the way the Government uses consultants. In addition, the General Accounting Office has done over 40 reviews of consultants in the past 20 years. Let me sum up some of the findings of my own investigations and the GAO's audits:

A consultant simultaneously helped the Department of Energy work on the U.S. national energy plan while working for OPEC. DOE was unaware of this outside work.

A company with Japanese energy clients helped DOE lobby the Congress to approve the United States-Japanese plutonium agreement.

The EPA readily admits that most of its contractors work for the very industries regulated by EPA. EPA does not bother to ask the simple question "Who else do you work for?"

The GAO found that of 156 contracts awarded by various regulatory agencies to firms that were hired to assist with some facet of the regulatory process, 101 of the contracts involved potential conflicts of interest. In the majority of these cases, the

agencies had no knowledge of the potential conflicts.

Mr. President, I have advocated a very simple idea as the first step to reforming the Government's use of consultants—consultant registration.

Consultant registration means the Government would finally know who else these consultants work for.

Consultant registration means that potential conflicts of interest would no longer go unexamined.

Consultant registration means that the taxpayers will at last be assured that companies aren't rewarded for working both sides of the street.

Mr. President, since 1978 each administration has told me that regulations would be coming out soon to fix this consultant problem. After 12 years of dealing with different OMB officials, I can recite their refrain word for word. They always say, "There is no need to pass any legislation, we will issue regulations soon."

After listening to this for over a decade, and after watching the Ill Wind scandal unfold at the Pentagon, a scandal that has resulted in 38 convictions so far, I attached a consultant registration amendment to the defense appropriations bill in 1988.

Although the final language of the amendment was not completely satisfactory, at last the Congress was on record as mandating serious reform of the Government's use of consultants.

At a hearing on consultant registration last November, I discussed with the Director of the Office of Federal Procurement Policy, Mr. Alan Burman, my concerns about this issue. During that hearing, I gave my support to a draft proposal which his Office had issued. The regulations do ask for client information, although, they only ask for the previous year and I still prefer the past 3 years.

Although it has been too long in coming, and I do regret that it took over a decade for such a simple measure to become the law of the land, I am glad that at least now, as of today, all consultants to the Government will for the first time have to answer the question, "Who else do you work for?"

Mr. President, I again point out this is only the first step. We still have to answer the questions, How many consultants does the Government hire?, How much do we pay them? and do we need so many, and shouldn't much of this work be done by Federal employees?

Along these lines, Mr. President, I am disappointed that during the budget discussions as we have reduced spending on numerous Government programs, OMB did not offer to make any reductions in the billions of dollars the Government spends on consultants. I am hopeful that next year both OMB and the Congress will take some action to reduce our spending on consultants.

Lots of questions remain and lots of oversight work remains. But I want to commend OFPP and OMB for taking this first step.

Mr. President, I ask unanimous consent that a copy of the final regulations be included in the RECORD after my statement.

Mr. President, I also ask that two articles on the Ill Wind scandal be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Billing Code 6820-34]

DEPARTMENT OF DEFENSE, GENERAL SERVICES ADMINISTRATION, NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

FEDERAL ACQUISITION REGULATION (FAR); CONSULTANTS-CONFLICT OF INTEREST; OPTIONAL FORM 333, PROCUREMENT INTEGRITY CERTIFICATION FOR PROCUREMENT OFFICIALS

Agencies: Department of Defense (DoD), General Services Administration (GSA), and National Aeronautics and Space Administration (NASA).

Action: Interim rule with request for comments.

Summary: Federal Acquisition Circular (FAC) 90-1 amends the Federal Acquisition Regulation (FAR) to implement the policies contained in Office of Procurement Policy Letter 89-1, Conflict of Interest Policies Applicable to Consultants, dated December 8, 1989. The amendments implement policy relating to conflict of interest for persons who provide consulting services to the Government and its contractors and will provide procedures to promote compliance with the new policy. The regulation provides for remedies available to the Government in the case of a false certification or failure to provide a certification.

In FAC 84-60, Optional Form (OF) 333, Procurement Integrity Certification for Procurement Officials was promulgated. FAC 90-1 provides that the OF 333 must be accompanied by the Privacy Act notice and request for disclosure of an individual's social security number which is located at 53.302-333, to permit the filing of a completed OF 333 in an individual officer or employee's Official Personnel File.

Dates: Effective Date: [Insert date of publication in the Federal Register].

Comment Date: Comments should be submitted to the FAR Secretariat at the address shown below on or before [insert date 60 days after Federal Register publication date] to be considered in the formulation of a final rule.

Addresses: Interested parties should submit written comments to: General Services Administration, FAR Secretariat (VRS), 18th & F Streets, NW, Room 4041, Washington, DC 20405.

Please cite FAC 90-1 in all correspondence related to this issue.

For Further Information Contact: Mr. Jack O'Neill, Office of Federal Acquisition Policy, Room 4041, GS Building, Washington, DC 20405, (202) 501-3856. Please cite FAC 90-1.

Supplementary Information: A Determination to Issue an Interim Rule.

FAC 90-1, Item I. A determination has been made under authority of the Secretary of Defense (DoD), the Administrator of General Services (GSA), and the Administrator of the National Aeronautics and Space Administration (NASA) to issue the regulations in FAC 90-1 as an interim rule. This action is necessary because section 8141 of the 1989 Department of Defense Appropriation Act, Pub. L. 100-653, requires that Governmentwide regulations regarding Consultants-Conflict of Interest, be issued within 180 days of the issuance of Office of Federal Procurement Policy Letter 89-1 which established policy relating to the same subject. Policy Letter 89-1 was issued on December 8, 1989. However, pursuant to Pub. L. 98-577 and FAR 1.501, public comments received in response to this interim rule will be considered in formulating a final rule.

B. Background

FAC 90-1, Item I. The FAR revisions included in this interim rule implement section 8141 of the 1989 Department of Defense Appropriation Act and section 6 of the Office of Federal Procurement Policy Act and are applicable to all Executive Agencies. Under the regulation, apparent successful offerors on all advisory and assistance contracts over $200,000, who employ marketing consultants, must provide a certification that provides in part—

(1) A description of the nature of the services rendered by, or to be rendered by, the marketing consultant; and

(2) If any marketing consultant is rendering or, has rendered services respecting the same subject matter of the instant solicitation, or directly relating to such subject matter, to the Government or any other client, the name, and a description of the nature of the services rendered to such client(s).

Additionally, a certification is also required from all apparent successful offerors on any contract for advisory and assistance services over $25,000. The certificate must contain in part the following:

(1) If, services were rendered to the Government or any other client respecting the same subject matter of the instant solicitation, or directly relating to such subject matter, the name of the client or client(s) and a description of the services rendered to the previous client(s).

(2) A statement that the person who signs the certificate has made inquiry and that, to the best of his or her knowledge and belief, no actual or potential conflict of interest or unfair competitive advantage exists with respect to the advisory or assistance services to be provided in connection with the instant contract, or that any actual or potential conflict of interest or unfair competitive advantage that does or may exist with respect to the contract in question has been communicated in writing to the contracting officer.

The regulation provides for remedies available to the Government in the case of a false certification or failure to provide a certification

B. Public Comments

FAC 90-1, Item I. Public comment is requested on the fact that this interim rule does not make the marketing consultant certificate requirement in the provision at 52.209-7 of the proposed coverage applicable to acquisitions using sealed bidding procedures.

Sealed bidding is used only when the award is to be made on the basis of price and other price related factors and it is not necessary to conduct discussions with the responding offerors about their bids.

The rigorous structure, built-in safeguards, and limited Government discretion in the sealed bid method of acquisition make it difficult for a marketing consultant

to obtain from the Government information that would provide a competitor an unfair competitive advantage.

Also, no one in the Government knows that bid prices of the competitors prior to the public bid opening and, since award is made to the low responsive, responsible bidder in sealed bidding the opportunity for a marketing consultant to exert improper influence on a Government official is slight.

In addition, there are implementation problems if the policy applies to sealed bidding. Requiring submission after the successful bidder is identified creates problems with the firm bid rule. Alternatively, requiring the certification from all bidders with submission of sealed bids, would create an unacceptable reporting burden on the public. Similarly, submission of the certificate after award and resort to default and dispute remedies for failure to certify is considered unwieldly and administratively burdensome.

Given the conduct that is involved, the burdens to the Government and the public, and the fact that sealed bids account for only 7 percent of the procurement dollars expended Governmentwide, a determination has been made to exempt sealed bidding from the certification requirement and invite comment with respect to that determination.

D. Regulatory Flexibility Act

FAC 90-1, Item I. This interim rule may have a significant economic impact on a substantial number of small entities. The actual impact is not known. Publication of this rule will afford the public the opportunity to comment on its economic impact on small entities and such comments will be considered in the formulation of the final rule. An Initial Regulatory Flexibility Analysis (IRFA) has been prepared and will be submitted to the Chief Counsel for Advocacy of the Small Business Administration. A copy of the IRFA may be obtained from the FAR Secretariat. Comments are invited. Comments from small entitites concerning the affected FAR subparts will also be considered. Such comments must be submitted separately and cite FAR Case 90-610 (FAC 84-61) in corespondence.

FAC 90-1, Item II. The requirements of the Regulatory Flexibility Act were addressed in FAC 84-60 (55 FR 36782, September 6, 1990).

E. Paperwork Reduction Act

FAC 90-1, Item I. The information collection requirements in this interim rule are being submitted for approval under OMB Control Number 9000-00XX. Annual reporting burden: The annual reporting burden is estimated as follows: Respondents, 4000; responses per respondent, 1.5; total annual responses, 6000; preparation hours per response, 2; and total response burden hours, 12,000. Annual recordkeeping burden: The annual recordkeeping burden is estimated as follows: Recordkeeping, 10,000; hours per recordkeeper, 2.5; and total recordkeeping burden hours, 25,000. Any public comments concerning the information collection requirements should be submitted to the Office of Management and Budget (OMB), Mr. Stephen Holden, FAR Desk Officer (OIRA), Room 3235, NEOB, Washington, DC 20503.

FAC 90-1, Item II. The requirements of the Paperwork Reduction Act were addressed in FAC 84-60 (55 FR 36782, September 6, 1990).

List of Subjects in 48 CFR Parts 9, 52, and 53.

Government procurement.

ALBERT A. VICCHIOLLA,
Director, Office of Federal Acquisition Policy.

Federal Acquisition Circular (FAC) 90-1 amends the Federal Acquisition Regulation as specified below:

ITEM I—CONSULTANTS—CONFLICT OF INTEREST

The Civilian Agency Acquisition Council and the Defense Acquisition Regulatory Council are implementing the policies of OFPP Policy Letter 89-1, Conflict of Interest Policies Applicable to Consultants, dated December 8, 1989. The revision provides policy relating to conflict of interest for persons who provide consulting services to the Government and its contractors and provides procedures to promote compliance with the new policy.

ITEM II—OPTIONAL FORM 333, PROCUREMENT INTEGRITY CERTIFICATION FOR PROCUREMENT OFFICIALS

FAC 84-60 (55 FR 36782, September 6, 1990) implemented the Procurement Integrity requirements of the Office of Federal Procurement Act of 1988, as amended by section 814 of Pub. L. 101-189, and replaced the coverage previously promulgated in FAC 84-47 (54 FR 20488, May 11, 1989).

One of the significant changes in Pub. L. 101-189 was an amendment to the procurement official certification provisions of the Act. The amendment requires agencies to obtain new certifications from individuals who will be performing procurement official activities on or after December 1, 1990.

FAC 84-60 provided Optional Form (OF) 333, Procurement Integrity Certification for Procurement Officials. However, in order to permit the filing of a completed OF 333 in an individual officer or employee's Official Personnel File (OPF), the Privacy Act notice and request for disclosure of an individual's social security number included in this FAC must accompany the OF 333.

Therefore, 48 CFR Parts 9 and 52 are amended as set forth below:

1. The authority citation for 48 CFR Parts 9, 52, and 53 continues to read as follows:

Authority: 40 U.S.C. 486(c); 10 U.S.C. Chapter 137; and 42 U.S.C. 2473(c).

PART 9—CONTRACT QUALIFICATIONS

2. Subpart 9.5 is amended by revising the title to read as follows:

SUBPART 9.5—ORGANIZATIONAL AND CONSULTANT CONFLICTS OF INTEREST

3. Section 9.500 is revised to read as follows: 9.500 Scope of subpart.

This subpart (a) Prescribes responsibilities, general rules, and procedures for identifying, evaluating, and resolving organizational conflicts of interest;

(b) Provides examples to assist contracting officers in applying these rules and procedures to individual contracting situations; and

(c) Implements section 8141 of the 1989 Department of Defense Appropriation Act, Pub. L. 100-463, 102 Stat. 2270-47 (1988) and Office of Federal Procurement Policy (OFPP) Letter 89-1, Conflict of Interest Policies Applicable to Consultants.

4. Section 9.501 is revised to read as follows:

9.501 Definitions

Marketing consultant means any independent contractor who furnishes advice, information, direction, or assistance to an offeror or any other contractor in support of the preparation or submission of an offer for a Government contract by that offeror. An independent contractor is not a marketing consultant when rendering—

(a) Services excluded in Subpart 37.2;

(b) Routine engineering and technical services (such as installation, operation, or maintenance of systems, equipment, software, components, or facilities);

(c) Routine legal, actuarial, auditing, and accounting services; and

(d) Training services.

Organizational conflict of interest means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

5. Section 9.502 is amended by adding paragraphs (c) and (d) to read as follows:

9.502 Applicability

* * * * *

(c) An organizational conflict of interest may result when factors create an actual or potential conflict of interest on an instant contract, or when the nature of the work to be performed on the instant contract creates an actual or potential conflict of interest on a future acquisition. In the latter case, some restrictions on future activities of the contractor may be required.

(d) In addition to the exclusions in Subpart 37.2, the following types of acquisitions are excluded from the requirements of this subject:

(1) Routine engineering and technical services (such as installation, operation, or maintenance of systems, equipment, software, components, or facilities);

(2) Routine legal, actuarial, auditing, and accounting services.

(3) Training services.

(4) Services rendered in connection with intelligence activities as defined in Section 3.4(e) of Executive Order 12333 or a comparable definitional section in any successor order, or in connection with special access programs.

(5) Acquisitions subject to unique agency organizational conflict of interest statutes.

6. Section 9.504 is amended in paragraphs (b) and (c) by removing the words "(see 9.508)" and "(see 9.507)" respectively and adding in each place "(see 9.506)"; and by adding adding paragraph (e) to read as follows:

9.504 Contracting officer responsibilities

* * * * *

(e) The contracting officer shall award the contract to the apparent successful offeror unless a conflict of interest is determined to exist that cannot be avoided or mitigated. Before determining to withhold award based on conflict of interest considerations, the contracting officer shall notify the contractor and provide the contractor a reasonable opportunity to respond. If the contracting officer finds that it is in the best interest of the United States to award the contract notwithstanding a conflict of interest, a request for waiver shall be submitted in accordance with 9.503. The waiver request and decision shall be included in the contract file.

7. Section 9.505 is amended in the second and third sentences of the introductory text by removing the reference "9.509" and inserting in each place "9.508"; and by revising paragraph (b) to read as follows:

9.505 General rules

* * * * *

(b) Preventing unfair competitive advantage. In addition to the other situations described in this subpart, an unfair competitive advantage exists where a contractor competing for award of any Federal contract possesses—

(1) Proprietary information that was obtained from a government official without proper authorization; or

(2) Source selection information that is relevant to the contract but is not available to all competitors, and such information would assist that contractor in obtaining the contract.

8. Section 9.505-3 is amended by revising the second sentence to read as follows:

9.505-3 Providing technical evaluation or advisory and assistance services.

In this connection consult, OMB Circular No. A-120, Guidelines for the Use of Advisory and Assistance Service, OFPP Policy Letter 89-1, Conflict of Interest Policies Applicable to Consultants, and implementing agency regulations.

9. Section 9.505-4 is amended by redesignating existing paragraph (a) as (b); by redesignating existing paragraph (b) as (a); by revising the first sentence of new paragraph (b); and adding paragraph (c) to read as follows:

9.505-4 Obtaining access to proprietary information

* * * * *

(b) A contractor that gains access to proprietary information of other companies in performing advisory and assistance services for the Government must agree with the other companies to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

(c) Contractors also obtain proprietary and source selection information by acquiring the services of marketing consultants which, if used in connection with an acquisition, may give the contractor an unfair competitive advantage. Contractors should make inquiries of marketing consultants to ensure that the marketing consultant has provided no unfair competitive advantage. See the certification required for contractors and marketing consultants in the provision at 52.209-7.

10. Section 9.506 and 9.507 are revised; and sections 9.507-1 and 9.507-2 are added to read as follows:

9.506 Procedures

(a) If information concerning prospective contractors is necessary to identify and evaluate potential organizational conflicts of interest or to develop recommended actions, and no organizational conflicts of interest certificates have been filed, contracting officers should first seek the information from within the Government or from other readily available sources. Government sources include the files and the knowledge of personnel within the contracting office, other contracting offices, the cognizant contract administration and audit activities and offices concerned with contractor financing. Non-Government sources include publications and commercial services, such as credit rating services, trade and financial journals, and business directories and registers.

(b) If the contracting officer decides that a particular acquisition involves a significant potential organizational conflict of interest, the contracting officer shall, before issuing the solicitation, submit for approval to the chief of the contracting office (unless a higher level official is designated by the agency)—

(1) A written analysis, including a recommend course of action for avoiding, neutralizing, or mitigating the conflict, based on the general rules in 9.505 or on another basis not expressly stated in that section;

(2) A draft solicitation provision (see 9.507-1); and

(3) If appropriate, a proposed contract clause (see 9.507-2).

(c) The approving official shall—

(1) Review the contracting officer's analysis and recommended course of action, including the draft provision and any proposed clause;

(2) Consider the benefits and detriments to the Government and prospective contractors; and

(3) Approve, modify, or reject the recommendations in writing.

(d) The contracting officer shall—

(1) Include the approved provision(s) and any approved clause(s) in the solicitation or the contract, or both;

(2) Consider additional information provided by prospective contractors in response to the solicitation or during negotiations; and

(3) Before awarding the contract, resolve the conflict or the potential conflict in manner consistent with the approval or other direction by the head of the contracting activity; and,

(4) Retain all certificates submitted in accordance with the provisions at 52.209-7 and 52.709-8 in the contract file.

(e) If, during the effective period of any restriction (see 9.507), a contracting office transfers acquisition responsibility for the item or system involved, it shall notify the successor contracting office of the restriction, and send a copy of the contract under which the restriction was imposed. 9.507 Solicitation provisions and contract clause. 9.507-1 Solicitation provisions.

(a) As indicated in the general rules in 9.505, significant potential organizational conflicts of interest are normally resolved by imposing some restraint, appropriate to the nature of the conflict, upon the contractor's eligibility for future contracts or subcontracts. Therefore, affected solicitations shall contain a provision that—

(1) Invites offerors' attention to this subpart;

(2) States the nature of the potential conflict as seen by the contracting officer;

(3) States the nature of the proposed restraint upon future contractor activities; and

(4) Depending on the nature of the acquisition, states whether or not the terms of any proposed clause and the application of this subpart to the contract are subject to negotiation.

(b) The contracting officer shall insert the provision at 52.209-7, Organizational Conflicts of Interest Certificate—Marketing Consultants, in solicitations, other than sealed bids, if the contract amount is expected to exceed $200,000.

(c) The contracting officer shall insert the provision at 52.209-8, Organizational Conflicts of Interest Certificate—Advisory and Assistance Services, in solicitations for advisory and assistance services if the contract amount is expected to exceed $25,000.

9.507-2 Contract clause

(a) If, as a condition of award, the contractor's eligibility for future prime contract or subcontract awards will be restricted or the contractor must agree to some other restraint, the solicitation shall contain a proposed clause that specifies both the nature and duration of the proposed restraint. The contracting officer shall include the clause in the contract, first negotiating the clause's final terms with the successful offeror, if it is appropriate to do so (see 9.508-1(d) of this subsection).

(b) The restraint imposed by a clause shall be limited to a fixed term of reasonable duration, sufficient to avoid the circumstance of unfair competitive advantage or potential bias. This period varies. It might end, for example, when the first production contract using the contractor's specifications or work statement is awarded, or it might extend through the entire life of a system for which the contractor has performed systems engineering and technical direction. In every case, the restriction shall specify termination by a specific date or upon the occurrence of an identifiable event.

9.508, 9.508-1 and 9.508-2 [Removed]

11. Sections 9.508, 9.508-1, and 9-508-2 are removed.

9.509 [Redesignated as 9.508]

12. Section 9.509 is redesignated as 9.508.

PART 52—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

13. Section 52-209-7 is added to read as follows:

52.209-7 Organizational Conflicts of Interest Certificate—Marketing Consultants.

As prescribed in 9.507-1(b), insert the following provision:

Organizational Conflicts of Interest Certificate—Marketing Consultants (OCT 1990)

(a) Definitions.

(1) Marketing consultant means any independent contractor who furnishes advice, information, direction, or assistance to an offeror or any other contractor in support of the preparation or submission of an offer for a government contract by that offeror. An independent Contractor is not a marketing consultant when rendering—

(i) Services excluded in Subpart 37.2;

(ii) Routine engineering and technical services (such as installation, operation, or maintenance of systems, equipment, software, components, or facilities);

(iii) Routine legal, actuarial, auditing, and accounting services; or

(iv) Training services.

(2) Organizational conflict of interest means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

(b) In order to comply with the Office of Federal Procurement Policy Letter 89-1, Conflict of Interest Policies Applicable to Consultants, an individual or firm that employs, retains, or engages contractually, one or more marketing consultants in connection with a contract shall submit to the contracting officer, with respect to each marketing consultant, the certificates described below, if the individual or firm is notified that it is the apparent successful offeror.

(c) The certificate must contain the following:

(1) The name of the agency and the number of the solicitation in question.

(2) The name, address, telephone number, and federal taxpayer identification number of the marketing consultant.

(3) The name, address, and telephone number of a responsible officer or employee of the marketing consultant who has personal knowledge of the marketing consultants involvement in the contract.

(4) A description of the nature of the services rendered by or to be rendered by the marketing consultant.

(5) The name, address, and telephone number of the client or clients, and the name of a responsible officer or employee of the marketing consultant who is knowledgeable about the services provided to such client(s), and a description of the nature of the services rendered to such client(s), if, based on information provided to the Contractor by the marketing consultant, any marketing consultant is rendering or, in the 12 months preceding the date of the certificate, has rendered services respecting the same subject matter of the instant solicitation, or directly relating to such subject matter, to the Government or any other client (including any foreign government or person).

(6) A statement that the person who signs the certificate for the prime Contractor has informed the marketing consultant of the existence of Subpart 9.5 and Office of Federal Procurement Policy Letter 89-1.

(7) The signature, name, title, employer's name, address, and telephone number of the persons who signed the certificates for both the apparent successful offeror and the marketing consultant.

(d) In addition, the apparent successful offeror shall forward to the Contracting Officer a certificate signed by the marketing consultant that the marketing consultant has been told of the existence of Subpart 9.5 and Office of Federal Procurement Policy Letter 89-1, and the marketing consultant has made inquiry, and to the best of the consultant's knowledge and belief, the consultant has provided no unfair competitive advantage to the prime Contractor with respect to the services rendered or to be rendered in connection with the solicitation, or that any unfair competitive advantage that, to the best of the consultant's knowledge and belief, does or may exist, has been disclosed to the offeror.

(e) Persons required to certify but who fail to do so may be determined to be nonresponsible. Misrepresentation of any fact may result in suspension of debarment, as well as penalties associated with false certifications or such other provisions provided for by law or regulation.

If approved by the head of the contracting activity, this period may be increased up to 36 months.

14. Section 52.209-8 is added to read as follows: 52.209-8 Organizational Conflicts of Interests Certificate—Advisory and Assistance Services.

As prescribed in 9.507-1(c), insert the following provision:

Organizational Conflicts of Interest Certificate—Advisory and Assistance Services (OCT 1990)

(a) Organizational conflict of interest means that because of other activities or relationships with other persons, a person is unable or potentially unable to render impartial assistance or advice to the Government, or the person's objectivity in performing the contract work is or might be otherwise impaired, or a person has an unfair competitive advantage.

(b) In order to comply with the Office of Federal Procurement Policy Letter 89-1, Conflict of Interest Policies Applicable to Consultants, an offeror notified that it is the apparent successful offeror, shall provide the certificate described in paragraph (c) of this provision.

(c) The certificate must contain the following:

(1) Name of the agency and the number of the solicitation in question.

(2) The name, address, telephone number, and federal taxpayer identification number of the apparent successful offeror.

(3) A description of the nature of the services rendered by or to be rendered on the instant contract.

(4) The name, address, telephone number of the client or client(s), a description of the services rendered to the previous client(s), and the name of a responsible officer or employee of the offeror who is knowledgeable about the services rendered to each client, if, in the 12 months preceding the date of the certification, services were rendered to the Government or any other client (including a foreign government or person) respecting the same subject matter of the instant solicitation, or directly relating to such subject matter. The agency and contract number under which the services were rendered must also be included, if applicable.

(5) A statement that the person who signs the certificate has made inquiry and that, to the best of his or her knowledge and belief, no actual or potential conflict of interest or unfair competitive advantage exists with respect to the advisory and assistance services to be provided in connection with the instant contract, or that any actual or potential conflict of interest or unfair competitive advantage that does or may exist with respect to the contract in question has been communicated in writing to the Contracting Officer or his or her representatives.

(6) The signature, name, employer's name, address, and telephone number of the person who signed the certificate.

(d) Persons required to certify but who fail to do so may be determined to be nonresponsible. Misrepresentation of any fact may result in suspension or debarment, as well as penalties associated with false certifications or such other provisions provided for by law or regulation.

If approved by the head of the contracting activity, this period may be increased up to 36 months.

PART 53—FORMS

15. Section 53.302-333 is revised to read as follows: 53.302-333 Procurement Integrity Certification for Procurement Officials.

[From the Washington Post, Sept. 1, 1990]

ILL WIND PROBE: SO FAR, LESS THAN ANTICIPATED

(By Robert F. Howe)

When the Ill Wind investigation of Pentagon procurement fraud became public more than two years ago, then-Attorney General Edwin Meese III and others close to the probe promised that lofty heads would roll.

Today critics say Ill Wind petered out in disappointment. But prosecutors disagree. They point to 38 individual and corporate convictions and to more than $32 million in fines—and promise more to come, including some of those promised higher-ups.

Defense attorneys, many of whom received generous fees representing Ill Wind defendants, say the 3½-year probe has proceeded at a snail's pace, and criticize prosecutors for sometimes using shrill publicity to trample reputations and careers long before charges were brought, or even considered.

Some industry representatives said the investigation has corralled mostly rogue consultants, who tried to use influence bribes to help clients, and mid-level corporate officers on a misdirected mission to impress the front office. Even investigation insiders concede that corruption has not run as deep, or have convictions come as quickly, as Meese and others suggested two years ago.

But the federal prosecutors contend that they have dismantled several fraud and bribery schemes to manipulate multimillion-dollar weapons contracts and that the investigation and cooperation of past defendants, eager to reduce their prison time by offering damaging information against colleagues and superiors, has revealed new and high-level conspiracies.

As a result, prosecutors promise several dozen new convictions in coming months, some of which reach into the upper echelon of the defense industry.

"We are on the verge of concluding the first phase of the Ill Wind investigation, which encompassed those people identified by the wiretaps, initial interviews and seized documents," said U.S. Attorney Henry E. Hudson, whose Alexandria-based office has led the inquiry.

Hudson, who predicts there will be as many as 100 convictions by the time Ill Wind concludes, added that his team is turning attention from independent defense consultants, who formed the core of the first prosecutions, "to corporate officers and other public officials."

Key to the conclusion of the first wave of Ill Wind is former assistant secretary of the Navy Melvyn R. Paisley, accused by a former colleague of rigging a $100 million contract for drones used in battlefield reconnaissance.

A resolution of Paisley's case is expected soon.

Paisley's former colleague, William M. Galvin, pleaded guilty in March to conspiracy, bribery and tax evasion. As is true of virtually every defendant who has pleaded guilty in Ill Wind, Galvin named several conspirators in his plea statement and described detailed incidents in which contracting improprieties or bribes were arranged and carried out.

Ill Wind, which began after a tip concerning a small-scale local defense consultant, surfaced 1½ years later, in June 1988, when federal agents with search warrants burst into defense industry offices and consultants' living rooms across the country.

Law enforcement officials describe the probe as among the most successful procurement-related investigations ever. They base their claim on 34 individual convictions and four corporate convictions. The nearly $32 million in damages more than covered cost of the inquiry, they said.

The case also revealed several schemes to buy influence or information that helped defense firms gain unfair advantage in contract competitions, they said.

Officials also praise the sophistication of Ill Wind, noting a massive Federal Bureau of Investigation computer data base that was drawn on to reconstruct events from years ago and the coordination of 1,000 federal investigators from the FBI and the Naval Investigative Service.

The Internal Revenue Service and Defense Criminal Investigative Service also participated.

But critics, including some who participated in the government investigation, maintain that Ill Wind revealed little more than a decades-old brand of corruption and failed

to deliver the startling results first promised.

"We were told that this was corruption that went to the highest levels of the government and industry. All we've had is a bunch of dinks," said Brian P. Gettings, a defense attorney and former U.S. attorney. George G. Stone, Gettings' client, was a director in the contracts division of the Space and Naval Warfare Command and is the highest public official convicted in Ill wind.

Pentagon officials professed some relief at the results of the investigation. "I don't mean to minimize the nastiness of what was going on, but [the corruption] was not nearly as broad and deep" as first feared, said Dennis H. Trosch, assistant general counsel for the Defense Department.

Trosch added that Ill Wind caused Pentagon officials to finetune regulations and attitudes governing the handling of inside information about contract competitions.

A law enforcement official, who asked not to be identified, said the investigation's potential for a quick resolution was oversold by the government and media. "It wasn't realistic that it would take 60 to 90 days to have indictments," as Meese told journalists, the source said. "We were all kind of blinded. Listening to the [wiretap] tapes, we felt like we had a lot."

It took almost six months before the investigation delivered its first indictment.

Another official close to the case said it has been slowed by prosecutors, who kept investigators on too short a leash and were unwilling to pursue several defendants at a time.

Some said the slow pace was also caused by the need to depend heavily on cooperation of subordinates or business partners—evident in lengthy plea agreements outlining complex schemes with several players that took hundreds of hours of negotiations with defendants.

All but four of the guilty defendants entered pleas rather than fight charges in court, reflecting, prosecutors said, the strength of their cases.

But some defense attorneys said inflexible new sentencing guidelines persuaded defendants to plead to lesser counts rather than risk conviction on charges carrying long sentences.

Albert J. Ahern Jr. said his client Thomas E. Muldoon, refused to plead guilty, "stood firm, and they socked it to him. It was really to carry a message to everybody else not to get out of line" and refuse to plead guilty.

Muldoon was sentenced to 27 months in prison, the second longest sentence in Ill Wind. He was also the only defendant indicted twice.

A federal judge threw out the second case, saying prosecutors acted with "vindictiveness" in bringing the second round of charges shortly after Muldoon appealed his first conviction.

The length of the investigation has become a punishment of its own, defense attorneys said. Individuals whose names surfaced early sometimes lost jobs and community respect, even though it was often months before formal charges were brought, attorneys said.

R. Stan Mortenson, who defended a Teledyne Industries executive acquitted in Ill Wind, said, "From the time you're notified to the point that they decide to indict or not can be an extraordinary amount of time. . . . The families have to live with that. Kids go to school and have classmates come to them and ask questions about their dad. That stuff hurts.

But Richard B. Wade, an FBI special agent who has played a key role since Ill Wind's covert beginnings, said the length of the probe was caused by the complexity of the case, which required hundreds of interviews and cross-checking of hundreds of thousands of documents.

He noted that the first wave of prosecutions had a significant impact on the procurement world and reined in the use of independent consultants by contractors. Several business representatives said Ill Wind forced them to reevaluate their handling of information and consultants, but noted that industry drafted its tough code of ethics two years before Ill Wind.

The Defense Industry Initiative—to which 50 corporations, including 22 of the top 25 defense contractors, subscribe—requires that each member have a written code of ethics and that they "aggressively self-govern and monitor adherence to its code and to federal procurement laws."

Some industry members argue that Ill Wind revealed only a coterie of "bad apples," mostly consultants and mid-level managers duped by the consultants.

Eleven of the 34 people convicted in Ill Wind were consultants, and 18 were industry representatives, who hired or collaborated with the consultants.

Awards for defense contracts exploded from $76 billion in 1980 to $153 billion in 1985 and during that period contractors scrambled for a competitive edge, sometimes hiring consultants as a kind of "insurance policy," business and government officials said.

As a result, the consultants did not receive the attention or guidance from corporate headquarters that they might have had they been more central to their operations, executives said.

Don Fuqua, president of the Aerospace Industries Association and a former Florida congressman, suggested that Ill Wind and similar investigations show that no amount of governmental or corporate regulation can smother corruption.

"It's like one [chief executive officer] told me: 'I have 90,000 employees and I don't know of one town in the country with a population of 90,000 that doesn't have a jail,'" Fuqua said.

[From the Washington Post, Sept. 22, 1990]

DEFENSE CONSULTANT SENTENCED TO 32 MONTHS IN FRAUD PROBE

(By Robert F. Howe)

A Washington defense consultant, after telling a federal judge he is a man of service and dedication to his country, was sentenced to 32 months in prison yesterday for bribing a high-level Navy official to grant an Israeli firm a $100 million contract to produce unmanned reconnaissance aircraft.

William M. Galvin, 59, was also fined $10,000 and ordered to pay $648,000 in unpaid back taxes for his role in a scheme to illegally award an Air Force radar contract to New York-based Loral Electronic Systems.

"My life has been one of service to my church, my family and my country," Galvin told the court before sentencing. ". . . I've never done anything to jeopardize the safety of my country."

Galvin, one of the wealthiest businessmen convicted in the Ill Wind investigation into Pentagon procurement fraud, pleaded guilty in March to conspiracy to defraud the government, tax evasion and two counts of bribery.

Though Galvin's 32-month sentence equals the longest handed down in the Ill Wind probe, it was far less than the 51 months to 65 months recommended by the federal probation office.

U.S. District Judge Claude M. Hilton, accepting a motion from federal prosecutors, agreed to lessen the sentence because of what was described as Galvin's extensive cooperation in the investigation of government officials and influential businessmen.

Assistant U.S. Attorney Joseph J. Aronica, who requested that Galvin's sentence be reduced, first told the court that Galvin pleaded guilty "to perhaps the most serious activity one can engage in—the bribery of a public official."

Aronica added, however, that Galvin's cooperation was unparalleled and has moved the Ill Wind probe forward considerably.

"From virtually the day he [pleaded guilty], Mr. Galvin has been debriefed by government agents," Aronica said,

William D. Nussbaum, Galvin's attorney, argued for leniency, saying his client "has been humiliated publicly and lost almost all the material gain" he earned during his professional life.

Galvin has alleged in court papers that former assisstant secretary of the Navy Melvyn R. Paisley ordered Navy procurement officials to award Mazlat Ltd. contracts involving aerial drones used to monitor enemy movements.

At a brunch in the Watergate Hotel in 1987, Paisley allegedly demanded that a phone be brought to the table and directed a Navy official to meet immediately with Mazlat executives, according to Galvin's plea statement.

That day, the Navy official agreed to include Mazlat in the program.

According to court documents, Galvin, Paisley and two others intended to divide $2 million in kickbacks that Mazlat agreed to deposit in installments in Swiss accounts. Paisley, who left the Navy post in 1987 to form a consulting company associated with Galvin's firm, once asked Galvin how to bring some of the payoff money into the country.

"We talked about this stuff sometimes and I don't understand how to do it best . . . to bring some of that money out of Switerland and into this country," Paisely said, according to a portion of a conversation secretly taped by federal agents and submitted as part of the trial record.

Paisley has not been charged in the case, and his attorneys have said that he never compromised his government position in any way.

Four defense firms and 34 individuals have been fined or sentenced to imprisonment or community service in the Ill Wind investigation, which became public in June 1988.

RETIREMENT OF RAYMOND MARIA

Mr. NUNN. Mr. President, I want to take this opportunity to say a few words commending and thanking Raymond Maria for his long record of exemplary service to the Federal Government. Mr. Maria recently retired as Acting Inspector General of the Department of Labor, after some 23 years of Federal service.

During those years, Mr. Maria built an impressive record of accomplish-

ment as an outstanding member of the Federal law enforcement community. Beginning as a special agent with the Federal Bureau of Investigation, he amassed a wealth of experience in the development of complex criminal investigations. Most notably, he was responsible for the direction of the South Atlantic and gulf coast phases of the FBI's investigation of waterfront coruption and the International Longshoreman's Association from 1975 through 1979. That investigation resulted in numerous convictions and laid the foundation for the investigative theory and techniques which the FBI has since used so successfully in other areas of significant criminal activity.

In 1980, Mr. Maria was detailed from the FBI to serve temporarily on the staff of the U.S. Senate Permanent Subcommittee on Investigations, where I served as chairman. During his tenure with the subcommittee, Mr. Maria devoted his excellent investigative skills to the preparation of subcommittee hearings on waterfront corruption as well as alleged abuses in the Teamsters Central States Pension Fund. The evidence produced in those hearings established the need for better enforcement and tougher penalties in the Federal effort against labor racketeering. Following the hearings, I introduced the Labor-Management Racketeering Act, which was ultimately enacted into law as part of the Comprehensive Crime Contol Act of 1984. Mr. Maria's work was critical not only to the success of those hearings but also to the eventual enactment of that legislation.

In 1984, Mr. Maria left the FBI to serve as the Deputy Inspector General, and, in 1989, as the Acting Inspector General, of the Department of Labor. During his years at the Department, Mr. Maria consistently proved to be an outspoken and effective champion of stronger criminal enforcement in the Federal effort against labor racketeering and organized crime. In spearheading that effort at the Department, he repeatedly focused attention on the potential vulnerability of pension and welfare benefits funds to fraud and abuse. Under his direction, the Inspector General's Office successfully targeted abuse in that area, resulting in significant crimial prosecutions of many who attempted to loot pension and welfare funds for private gain.

While I wish Mr. Maria well in his new endeavors, I know that his efforts will be missed in the Federal law enforcement community. His outspoken, and always candid, advocacy of a strong Federal effort against labor racketeering has never waivered and his efforts have helped build more focused and effective programs in that area. In short, I commend Mr. Maria for a record of outstanding Federal service and for the significant, and lasting, contribution he has made to the Federal law enforcement community.

TAXING MIDDLE AMERICA

Mr. ROTH. Mr. President, I have come to the floor today to speak for the American family—to sound the warning bell against any new taxes that will directly penalize the most important institution in America: mom, dad, and the children. To the liberals in Congress, it is not enough that a significant part of the House proposal raises $400 a year on middle American families by cutting out indexing. It is not enough, that according to the Tax Foundation, since 1980, the Federal income tax paid by middle American families has risen 56.9 percent. And it is not enough that the tax burden on the Middle American family is higher now than ever before.

Clearly, a liberal leaning Congress has found it easy to hit the American family—it has hit them hard in the past—and now it is going after their home. The liberals in Congress are trying to strip the American family from a significant portion of its home mortgage deduction. They are doing this through the Pease proposal that limits not only the deductibility of home mortgages, but also State and local taxes and charitable contributions. This not only represents an underhanded way to increase tax rates, but it increases the cost of the home mortgage and property tax which devalue the home, and it opens the door of future limitations on deductibilities as a free-spending Congress looks for more money to supply its dreadful spending habit.

What is worse is that once Congress starts playing with the limitation of home mortgage deductibility, there is nothing the family can do to protect their property from future pillage. Unlike most addicts, Congress will be able to rob the American family blind without even breaking into the home. And there is nothing that even the most vigilant Neighborhood Watch can do.

Mr. President, has Congress even considered what this bill is going to do to the American family? As far as I am concerned, the provisions of this tax bill are more dangerous to the harmony in marriage than a vacation with the in-laws. I mean, after the stagflation of the late 1970's, just when the public thought that it was safe to go back into the wedding chapel, just when it was safe to start a family and settle down, Congress comes along and threatens to turn the average family into the "Adams Family."

For example, with the limitation of the deductibility of 5 percent of adjusted gross income in excess of $100,000, a family making $150,000 would lose $2,500 of their itemized deductions. That is this year. It does not count what the liberals have planned for next year, or the year after that. What this proposes now and in the future is far more frightening than anything we are likely to see this Halloween.

When you consider the marriage penalty, which is a part of the package—where the wife's income is included as part of the $100,000 threshold—we see just how many Americans will be affected immediately. Two spouses working in a local public school, or even with seniority in blue collar work could get hit. But that does not even take into consideration what will happen as inflation pushes more and more Americans over the threshold. For example, with an average inflation of 5-percent annually, a middle American family earning $50,000 will be hit in less than 15 years, probably just about the time they send the kids off to college.

Of course, it will not take 15 years given the raises and upward mobility of Americans, that is unless this bill kills upward mobility all together. And chances are, the liberals will decide next year to lower the threshold anyway, first to $75,000, then to $50,000, then to $25,000, until maybe the liberals in Congress just eliminate the deductibility for homeowners completely, as has been suggested in the past.

That is the way it happens, piece by piece, chipping away at middle America. And all Americans know it. Like the free-thinking New York Times has already suggested: "Congress could (always) enhance the Pease plan for limiting itemized deductions." Mr. President, the American family does not need this. Not now. Not ever. It needs to worry about securing its home, educating its children, meeting its spiritual and community commitments, not paying for Government's gross mismanagement, it is waste, fraud, and abuse.

I could take time and get into the demographics that demonstrate the challenges that already exist for the American family. But we know them well. My only question is why does Congress have to add to the family's burden? Every dollar taken from the American family in new taxes is a dollar less that can be used for savings, to pay the mortgage, to put food on the table, and to educate the children. By raising taxes on the American family on the edge of a recession, we are simply undermining their economic security.

And this idea of limiting itemized deductions is only one step toward even further limitations and even greater penalties on the American family as Congress' insatiable appetite for taxing and spending demands more

and more in the years to come. Let us put our foot down now, Mr. President—let us hold the line and spare these threatening taxes on the family. As far as the American family is concerned, let's leave it up to the kids and grandkids to eat the taxpayers out of house and home. They do not need Congress' help.

DEBT REDUCTION FOR POLAND

Mr. BRADLEY. Mr. President, I am pleased that the foreign operations appropriation bill takes important steps to assist the new democracies in Eastern Europe. With our help, the East Europeans are addressing their massive environmental problems, dealing with energy needs, upgrading their telecommunications networks, making their agriculture more productive, training people in free market economics and the practical aspects of commerce. I strongly support all of these measures which are included in this appropriation.

On Friday, the Senate passed a resolution which I introduced and Senators SIMON and KASTEN cosponsored urging the administration to take an action that will do more for the region than any other provisions in this bill. That measure is debt relief for Poland. While debt relief would have a significant positive impact on the Polish economy, it would not have any real impact on our budget, since we, including CBO, recognize that Poland cannot repay the money we are owed. Poland owes its creditors around $60 billion. Around $3 billion of that is owed to official U.S. creditors such as the Community Credit Corportation, the Export-Import Bank and others. A much larger share of that debt is owed to German banks and official German credit agencies. The German banks and credit agencies have indicated a willingness to make significant debt reductions, if the United States takes the lead. I believe it is necessary that we show leadership in the economic issues that will define international competition in the next decades.

In Friday's New York Times, the President said that he would work to with the rising energy costs resulting from the Persian Gulf crisis. I applaud the President's objective, to help Eastern Europe. But this approach only helps them in the short term and makes their situation worse in the long term. The President proposes that Poland and other Eastern Europe countries pile on more debt. The answer to too much debt is not more debt. The long-term solution is reentry into the international capital markets. As sound and creditworthy economies, these nations could meet their short-term financial needs by borrowing from private capital markets. They can only do this if their existing debt burden is reduced. Thus far, the administration has been blind to that need. In August, $1.2 billion of official debt which was due in 1989 and 1990 was rescheduled over the next 5 years.

There is a strong historical precedent for debt relief. After the Second World War, the United States coordinated a multilateral package of debt relief for almost every nation in Europe, including the Germans, who had been our enemy during the war. We did this because we knew that the long-term benefits of a strong and stable European economy far outweighed the short-term costs of that debt relief.

We also have the lesson of the debt crisis in Latin America. The administration's initial response to the debt crisis was to reschedule the debt, to extend repayment terms and argue that the debt would ultimately be repaid. The cost of the strategy was a decade of lost development in Latin America, and great losses to American workers in manufacturing and exporting industries.

Finally, we have the example of debt relief for Egypt. The administration has written off Egypt's military debts, most of them stemming from loans made at the Camp David accords, as a part of our cooperation in the Persian Gulf. I do not doubt the wisdom of this action. While I recognize that Egypt's actions early in the gulf crisis were vital to successful resolution on that crisis, I think we must also recognize that it was the Polish people, led by Lech Walesa and Solidarity, whose resistance to Communist oppression made the first cracks in East European totalitarian wall.

With these three precedents before us, I suggest that we take a close look at the current situation in Poland. My assessment is based, in part, on a recent conversation I had with Poland's Finance Minister, Mr. Leszek Balcerowicz.

Under the leadership of President Tadeusz Mazowiecki and Mr. Balcerowicz, the Polish Government has undertaken the most dramatic economic restructuring of any country in Eastern Europe and perhaps the world. They have recognized that private property must be privately held, that the basis for economic growth is a stable and easily convertible currency, that foreign investment is an important part of economic growth. They have moved toward meaningful free market reforms.

That restructuring is working. Inflation is declining and the budget deficit is down in Poland. The service sector, industry, and agriculture have all gone through structural changes and are slowly being integrated into the world economy. American firms are participating in, and making a profit from, that integration.

The reform government did not accumulate their current debt; the old Communist government did. The debt burden is weighing heavily on the reform process. Without signficant relief, Poland will have to devote the lion's share of its foreign exchange earnings to paying its debt service.

Mr. President, a healthy Poland, committed to full democratic freedoms and equality for all Polish men and women, is in the interest of the United States, the European Community, and the entire world. Our allies have indicated their willingness to join us in relieving the debt burden in Poland. By passing this resolution, the Senate has called on the administration to create a long-term basis for solid economic growth and relations with Poland and the rest of East Central Europe.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the time for morning business has expired.

EXTENSION OF MORNING BUSINESS

Mr. DANFORTH. Mr. President, I ask unanimous consent that I may proceed in morning business for 5 minutes.

Mr. LEAHY. Mr. President, reserving the right to object, and of course I will not object, but I wonder if the distinguished Senator from Missouri would withhold that for a moment so I could make a parliamentary inquiry.

Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. LEAHY. When morning business closes, what is the order?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of H.R. 5114.

Mr. LEAHY. Which is the foreign aid bill?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. LEAHY. Then I will not object, but I do want to get on to that bill as soon as we can. But obviously if the distinguished Senator from Missouri wishes time, I feel free to yield.

Mr. GORTON. Mr. President, will the Senator from Vermont yield?

Mr. LEAHY. Actually, the Senator from Missouri had the time.

Mr. GORTON. I simply wanted to inform the Senator from Vermont that I would like to speak on the same subject as the Senator from Missouri, after he is through, very briefly.

Mr. LEAHY. Could I make this suggestion to the two Senators, Mr. President? Maybe they could request en bloc as relatively as short a time as possible in morning business, and I of course will not object.

Mr. DANFORTH. Mr. President, I ask unanimous consent that there be a period of 15 minutes to be divided between myself and Senator GORTON to speak on the same subject that Senator MCCAIN just spoke about.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. LEAHY. Mr. President, reserving the right to object, and I will not object, I will have to put Senators on notice that after that amount of time, I will object to any further requests, because we must get on this bill if we are to get it completed.

The ACTING PRESIDENT pro tempore. Without no objection, it is so ordered.

The Senator is recognized.

THE ETHICS COMMITTEE INVESTIGATION

Mr. DANFORTH. Mr. President, let me begin by saying I do not know the facts in this matter. I know what I have read in the paper. I know what I have heard on television and on the radio. The question of the so-called Keating 5 has been one that has been receiving tremendous national publicity and speculation over a very long period of time.

This matter came up first, I think, over a year ago. It has been before the Senate Ethics Committee for over a year. Clearly, the most important thing for all of us, for the Senate and for the country, is that the Ethics Committee do its job; that it not do a halfway job, but that it do a complete job.

But, Mr. President, I hope that the Ethics Committee will get on with it. I hope that the Ethics Committee will apply itself to this particular investigation with the utmost diligence in the time remaining before the Senate adjourns.

The nightmare of the Senator from Arizona is that the year will end, the Congress will end, perhaps there will be new members of the Ethics Committee for the next Congress. They will feel the need to start the process all over again. The biggest possible nightmare, I think, for the Senator from Arizona is that this investigation will never be brought to an end, that it will drag on month after month, perhaps well into next year, without any resolution at all.

As the Senator from Arizona pointed out in his comments, it is an old adage that justice delayed is justice denied. That is true in our court system. I suggest that it is even more true in the case of a person who is a very well-known public figure.

Justice delayed is justice denied in the sense that these five Senators have already been judged in the press, commented on in the press, and their reputations have been called into question for over a year. And for a public figure, for a Senator, there is no more precious possession than one's reputation.

The Senator from Arizona is not asking for a particular result. He is not suggesting that the Ethics Committee decide the case one way or another. He is suggesting simply that the committee decide the case and announce what it intends to do next.

Mr. President, the indications that I have received—and I think they have been published—are that the members of the Ethics Committee have not been able to find the time to get together for meetings. I can understand that. All of us are busy in the last days of a Congress. All of us have three or four things to do at any given moment. But it is of paramount importance to the Senate and to the individuals in question that, before we adjourn, the committee find the time to determine what course of action it is going to take.

There have, of course, been comments in the press to the effect that, well, maybe if this case were terminated with respect to a couple of the Senators at an early date, it would be a political advantage to one of the two political parties before the election.

Mr. President, I do not believe that there is any member of the Ethics Committee who would decide to do nothing on such a basis. I do not believe that there is any justification for that. But I say to everybody that, in the opinion of this Senator, to try to turn the savings and loan disaster into a partisan issue is really to miss the mark. If anyone wants the Senator from Missouri to say in a public forum that, regardless of the disposition of this case with respect to one or two or more of the Senators in question, it is not a partisan issue, I would be happy to do so any time, any place.

Mr. President, I hope that the Ethics Committee will keep at its work, that it will apply itself with all diligence to the task, and I hope, for the sake of the Senate and for the sake of the five Senators, there might be some indication as to the direction the committee will pursue prior to adjournment.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Washington [Mr. GORTON] is recognized.

JUSTICE DELAYED IS JUSTICE DENIED

Mr. GORTON. Mr. President, it is only on rare occasions that we get to reflect on some of the oldest and most hallowed expressions relating to our legal system. Both the distinguished Senator from Arizona, who is a subject of this inquiry, and my friend from Missouri have used the phrase "justice delayed is justice denied." Here is an illustration literally in the lives of all of us, but, of course, most particularly in the lives of the five Senators who are the subject of this inquiry, which can illustrate to us on an individual basis exactly what that expression means.

It was 1 year ago this month that the Senate Ethics Committee determined to take up these complaints. It was 9 months ago that the Senate Ethics Committee determined to hire Robert Bennett as special counsel. Why did they pick outside counsel? Obviously, that choice was made in order to take this away from personal friendships and personal associations and to find someone whose investigation would be assured of independence and credibility.

Why did they pick Mr. Bennett himself among all of the possible selections? Almost certainly because he had the greatest degree of experience and the most successful experience in this field. Mr. Bennett investigated Democratic Senator Pete Williams, who was disciplined with the most severe discipline to which a Member can be subjected. He investigated a Republican Senator, Senator DURENBERGER, from Minnesota, who was also disciplined. His judgment has been respected and agreed to on two important past occasions by the Senate, and he, therefore, was an important and logical choice for this position. Mr. Bennett worked for 7½ months or so. While we do not have any direct report from the committee, the cost of his work, and that of several of his associates, attorneys on the Ethics Committee, must have cost the Senate $1 million or more during this period of time.

Six weeks ago, Mr. Bennett submitted reports on all five Senators to the Ethics Committee. The Ethics Committee, quite properly, Mr. President, operates almost exclusively with respect to complaints like this at this stage in closed session and in secret. It does so, of course, in order to protect the reputation of individual Members of the Senate and of other people whose names may come up during the course of an investigation from unsubstantiated charges. In this case, however, that rule of secrecy has not only been breached, but has been utilized in a way which is damaging to the reputation of these individuals.

For 6 weeks now, we have been subjected to a series of leaks and statements about the contents of Mr. Bennett's report. It seems almost certain that he has recommended that two of our colleagues, the Senator from Arizona and the Senator from Ohio, be dismissed from further proceedings on the grounds of not having violated either the rules of the Senate or having engaged in any unethical conduct whatsoever. What those conclusions are with respect to the other three Senators is perhaps somewhat less clear, but all five, Mr. President, deserve to have an answer from the Ethics Committee before this Con-

gress adjourns tomorrow or Wednesday or later on in this week.

The leaks to which we have been subjected and the newspaper stories which we have read are an inevitable consequence of having let 6 weeks pass by after a long, important, and newsworthy report was submitted to that committee. One week, perhaps 2 weeks, it seems to me, Mr. President, should have been sufficient for a decision by the committee. During that period of time, very little was written in the press about the contents of the report.

Nevertheless, at this point, we are all in the worst possible situation. We have a pretty good idea what the report says. We have a pretty good idea of what its recommendations are, but none of us, none of the 100 Members of this body, other than 6 members of the Ethics Committee, know for certain what is in that report.

All five Senators, Mr. President, deserve a prompt decision on the part of the committee as to whether or not to proceed or as to whether or not to dismiss some of those Senators. They have been put through a year now of newspaper stories, of attacks on their reputation, of immense personal and psychic and financial costs. It is time to move forward to bring to an end this investigation of those who are clearly not guilty, and to pursue it to the extent it needs to be pursued with respect to others.

We have an Ethics Committee to do this kind of work. The Ethics Committee has hired an outside council, who has done a thorough job and a thorough report. We deserve two things, Mr. President: We deserve the publication of those reports and we deserve a decision as to what comes next.

Mr. President, I wish to report to the distinguished manager that I am asked to put in a quorum call now in order that the Republican leader may come to the floor and speak to this subject.

So Mr. President, I suggest the absence of a quorum.

Mr. LEAHY. Will the Senator withhold just for a moment?

Mr. GORTON. Yes.

Mr. LEAHY. Mr. President, obviously as a courtesy, I will not make any objection to that, but I note to the two Senators that I could have asked for the regular order before. I could have objected. It was with the understanding that we would get on to this bill, which is necessary. We could have done that 20 minutes ago. As a courtesy to them, accepting the representations that we would then get on to it, I did not object. It would help the schedule if Senators would, when given a courtesy, keep to their end of it. But that is fine. And certainly, I would not object to the distinguished Republican leader at any time seeking his leadership time.

I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The absence of a quorum having been suggested, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE KEATING ETHICS INVESTIGATION

Mr. DOLE. Mr. President, I want to join my colleagues this morning, calling attention to what I think is a very important matter for this institution, for the Senate of the United States. I make reference to the so-called Keating ethics investigation, which has hung like a cloud over this institution for more than a year.

I believe, without in any way interfering with the Ethics Committee—and certainly they do not have a very enviable job—and there are six outstanding Members, three Republicans and three Democrats that constitute that committee and it is a committee that, really, no one requests to serve on, so I commend the members of the Ethics Committee at the outset, but I do believe that as a matter of fairness, it is now time to deal with the issue that concerns two of our colleagues: Senator MCCAIN and Senator GLENN.

Senator MCCAIN is right. What do you tell your family? What do you tell your friends? Or what do you tell your colleagues? And what do your tell your constituents?

I know in the case of Senator MCCAIN, and I think I can say the same for Senator GLENN, they did not ask the committee or the Senate for exoneration or for any special treatment. They have simply asked for fairness, for a resolution of an ongoing investigation that has put the integrity of a number of our colleagues on hold.

Again, as I have indicated, no one questions the integrity of the committee or the special counsel or, as far as I know, any member of the staff. We all agree in this particular case that they are all men of experience and men of quality. They have a tough job. We know they will make this judgment based on fairness.

The only thing we are suggesting this morning is that they do it now. The Senate is going to adjourn sometime this week: Wednesday, Thursday, or Friday. Sometime this week. There is little likelihood there can be any action between the time we adjourn and next year. So we have at least two of our colleagues—Senators MCCAIN and GLENN—who are going to have all of November, all of December, and all of January, because we really do not get to work here, 3 months out of their lives with people wondering in their own States—Arizona and Ohio—what should we believe about these two men? It just seems to me as a matter of fairness, and the American people want fairness, there ought to be some resolution of these cases before adjournment.

In the case of Senator MCCAIN, he has been held hostage before under very difficult circumstances. So let us not keep him hostage here in the Senate.

The Senate should do everything it can to clear up this cloud of suspicion. There are all kinds of rumors floating around. Some say they do not want to make a decision before this election; it is politics. It seems to me failure to act would lead to the same conclusions. We work very hard to protect this process and to keep it above reproach and to keep it above politics. It is not a partisan committee. It has never been a partisan committee. The judgments rendered by the Ethics Committee have never been considered in any partisan way on the Senate floor. We want to keep it that way.

It just seems very untimely, here we are the week of adjournment and two of our colleagues have sort of been hung out to dry. I am not in any way trying to influence the committee, which I will never do. I simply believe that it is time to take action.

There has been a lot of talk about fairness around this place in the last several months: Fairness in this, fairness in that, and fairness in this. I think it is time we maybe direct that at this institution, one colleague on this side of the aisle, and one colleague on that side of the aisle. So I just say in utmost sincerity, I hope we can have a resolution of these two cases before adjournment.

Mr. President, I thank the distinguished chairman of the subcommittee, Senator LEAHY.

CHILDREN'S TELEVISION

Mr. WIRTH. Mr. President, this morning I want to note the fact that the Children's Television Act of 1990 has become law. This is a piece of legislation which, for the first time in the last almost 20 years, has focused the U.S. Congress—and has amended the Communications Act of 1934 to focus—on interests of children.

We all realize, Mr. President, we have a major educational crisis in the United States today. That educational crisis is made clear in numbers related to the achievement of children, the gap between education for the affluent and inner-city nonaffluent; the major problems in reading, writing and arithmetic, the basic skills. For the first time in our Nation's history we are graduating a generation of

young people less literate than their parents.

At the same time we have this education crisis we have this potentially marvelous tool, called television, to use. Yet the irony of the situation is that the more we learn about the power of television as a teaching device, the less we use it. Television clearly has the potential of joining family, church and school as a device for educating and socializing our young. Yet we have seen television not used for the purposes of meeting the public interest but increasingly used simply as a medium for commercialization.

Children's television used to be one of the most important areas of television, particularly with programs that many of us grew up with, or that some of our children had the advantage of; "Captain Kangaroo," "Sesame Street," and so on. And commercial television played a significant role in this, Mr. President. Commercial television used to have a variety of very good program offerings.

But that has stopped. That switched. Now there is not one offering directed at children and the interests of children coming from commercial television. To public broadcasting and cable television the commercial broadcasters have totally abdicated their responsibilities, despite the fact that under the Communications Act of 1934 they are required to program in the public interest. To program, in return for receiving a free license from the public, in return for receiving the right to use the public airwaves, to graze on the public airwaves, so to speak—and we will be talking probably about grazing fees later this afternoon—for using a public good, the commercial broadcasters are meant to broadcast in the public interest. That is a requirement of the Communications Act of 1934.

Unfortunately, starting in 1980, as one of the ravages of the last decade, one of the excesses of the last decade, commercial television has stopped meeting those responsibilities, that public interest standard. There is now not one program on commercial television, regularly scheduled, focused on the interests of children.

The Children's Television Act of 1990, which many of us have worked on for a long time, does three things. It requires stations to serve the educational and informational needs of children through their overall programming, including programs specifically designed for children. It places limits on ads during children's shows at no more than 12 minutes per hour and 10½ minutes per hour over weekends. It establishes a National Endowment for Children's Educational Television Fund at $2 million in fiscal year 1981 and $4 million in fiscal year 1992.

Of greatest import, here, Mr. President, is the programming requirement. Every station must comply. Therefore, each station in a community must offer at least some educational children's programming. No longer will such content be relegated solely to PBS. No longer will commercial broadcasters be able to get out of the responsibility in that way.

The nature of the content offered is up to the discretion of the broadcaster. Leeway is granted in deference to broadcasters' first amendment rights, of course, and with the expectation of good-faith judgments, something broadcasters did during the 1960's and 1970's, as long as they wanted to.

To qualify a program should, in my view, have a clear, identifiable learning goal. Educators would call this a curriculum; a target audience of children from a limited age range; and children from different ages, who do have very different learning capabilities, would be clearly targeted by broadcasting in a different way.

Educational programs can still be entertaining, and should be to increase the size of the audience and maintain their interests; programs should be specifically designed for the interests of children. We know this can be done.

To close, Mr. President, children now, as we know, spend more time in front of a television set than they do in a classroom. Television is a pervasive and enormously powerful influence. It is imperative that, given the educational crisis, given the need for developing a common set of values for all Americans, that we make much better use of this medium.

The Children's Television Act of 1990 begins as a small, modest set of steps in this direction. I think it is an important one. I was proud to be able to work on this, Mr. President, and I have worked on it for many, many years. I am proud this is finally law. I look forward to the aggressive FCC execution of this extraordinarily important issue and this small step toward using the promise of television.

Mr. President, I have been concerned with the state of children's television in this country for many years. Television is a unique medium that offers incredible opportunities to enrich the lives of America's children. Virtually every developed country in the world devotes more resources than we do to educational television for children. In contrast, our broadcasters often ignore the child audience or offer cartoon programs that are principally designed to promote toys to children. We can do better than this. Indeed, we must do better if we expect America's youth to enjoy the same opportunities to learn from television as children from countries where television is used more wisely as an educational resource.

America's television broadcasters are licensed to serve the public interest. That obligation ought to include programming designed to serve the educational and informational needs of children. But that is not the case today. Because the Federal Communications Commission has loosened its previous requirements in this area, commercial broadcasters have virtually abandoned any efforts to provide children's educational content. Hearings on this topic have revealed study after study which demonstrates that educational programs have literally disappeared from the airwaves on all but PBS stations. Clearly, television's potential to benefit the child audience is not being adequately tapped.

Legislation to reverse this trend is now on the verge of enactment. By midnight tomorrow, President Bush must sign, veto, or allow H.R. 1677, the Children Television Act of 1990, to go into law without his signature. This legislation has three key elements: it requires stations to serve the educational and informational needs of children through their overall programming, including programs specifically designed for children; it places limits on ads during children's programming at no more than 12 minutes per hour on weekdays and no more than 10½ minutes per hour on weekends; it establishes a National Endowment for Children's Educational Television to support and promote worthwhile children's programming.

This legislation incorporates the most important element of the legislation I have proposed during the last several Congresses—a requirement that each television licensee provide programming specifically designed for children. Under this new programming standard, a station must serve children's educational and informational needs and in doing so must provide programs devised with children's special learning needs and capabilities in mind. I believe this aspect of the legislation is crucial and a most important accomplishment.

Children differ tremendously from adults in their thinking and reasoning capacities. While even very young children can make some limited sense out of most television content, the most effective way to communicate to children is to target their particular level of cognitive abilities. Just as one would not try to teach a third grader how to read by using a college-level text, it makes little sense to suggest that children's needs can be adequately served by programming primarily intended for adults, even if that programming is wholesome family viewing that includes important social lessons.

Under the standards included in H.R. 1677, each television licensee must provide at least some programming specifically designed for children

in order to qualify for license renewal. This requirement is unequivocal. Stations may also strengthen their efforts at serving the needs of children in their community by distributing support materials to enhance the value of the educational programming they provide, or by producing or otherwise supporting educational programming broadcast on another station in the same community. Either of these actions could be considered by the FCC in evaluating compliance with this legislation.

Licensees must also adhere to appropriate limits on the amount of commercial content presented during their children's programming, another area in which FCC deregulation has led to abuses of the child audience. Since the FCC rescinded its previous limits on children's advertising in 1984, the marketplace has responded by continually increasing the commercial pitches on children's television. Such increases take unfair advantage of young children who lack the capability to recognize and defend effectively against commercial persuasion. H.R. 1677 would limit commercials during children's programming to no more than 12 minutes per hour on weekdays and no more than 10½ minutes per hour on weekends.

I should note that program-length commercials [PLC's] are not directly addressed by the legislation. In my original proposal, S. 1215, a provision was included that would categorize such programming as advertising content and thus subject it to the time restrictions on commercial minutes. Let me be emphatic—I continue to support this approach and think it is badly needed. However, the legislation we sent to the President does not include that restriction.

By no means, however, does this measure abandon the issue of children's product-related programming. Under H.R. 1677, the FCC would be required to complete its pending rulemaking on children's advertising policies within 6 months after enactment of this legislation. This rulemaking proceeding, which was ordered by the U.S. Court of Appeals more than 3 years ago, requires the Commission to evaluate the special needs of children in reassessing whether restrictions should be maintained on the overall amount of commercial content presented during children's programming. Included among the issues addressed is the topic of children's program-length commercials.

Finally, the legislation incorporates Senator INOUYE's proposal to create a National Endowment for Children's Television. The need for such a program to support and promote the development of worthwhile educational children's programming has been clearly demonstrated over the years. The marketplace has simply failed to produce such content on its own, in large part because the advertiser driven television industry does not find children's programming to be a particularly lucrative venture. The endowment will help ensure that television's potential to influence the lives of America's children in a positive fashion is at last fully realized.

H.R. 1677 provides for meaningful reform and improvement in children's television. It is a substantial accomplishment, and heralds a major shift in the way in which television will address America's children. Broadcasting in this country remains a privilege, not a right, and those who hold that privilege reap substantial economic benefits. With the enactment of this measure, we can soon expect America's broadcasters to meet the very specific obligation of serving the educational needs of America's children.

I would like to thank Senator HOLLINGS and the Commerce Committee for their efforts on this issue. In particular I would like to thank Senator INOUYE for his important contributions to the legislation and for his hard work in helping bring it to the President's desk. By signing the legislation, President Bush can make an important statement on behalf of our children. I encourage him to do so.

Children's Television Act of 1990 has three elements:

It requires stations to serve educational/informational needs of children through their overall programming, including programs specifically designed for children;

It places limits on ads during children's shows at no more than 12 minute/hour weekdays; 10.5 minute/hour weekends; and

It establishes a National Endowment for Children's Educational Television, funded at $2 million in fiscal year 1991, $4 million in fiscal year 1992.

The most important aspect of the legislation is the programming requirement. Every station must comply; therefore, each station in a community must offer at least some educational children's programming. No longer will such content be limited solely to PBS. The nature of the content offered is up to the discretion of the broadcaster. Leeway is granted in deference to broadcasters' first amendment rights and with expectation of good faith judgments.

To qualify, a program should, in my view, have: clear, identifiable learning goals—educators would call this a curriculum—a target audience of children from a limited age range. Children of different ages have very different learning capabilities. To be most effective, educational content must consider the learner's interests and capabilities. Educational programs can still be entertaining, and should be to increase the size of the audience and maintain interest. This concept was pioneered by the Children's Television Workshop, producers of "Sesame Street."

What programming should we expect? The act's flexibility in defining educational programs should yield diversity. That is what the marketplace has failed to provide, because children are not the most lucrative audience.

Specific types of possible shows: are Children's news programs; historically based dramas or documentaries How about translating "the Civil War" into a form youngsters can understand? Shows that stimulate children's interest in science, mathematics, geography, nature.

Without this programming requirement, we would continue to get more of the same children's program-length commercials That is what deregulation has brought us. If a station claims in appropriate shows as educational; for example, "He-Man," "G.I. Joe," they can be challenged at license renewal time; the Congress might decide to require public identification of a station's eduational programs, such as movie rating codes. This would bring a station's efforts into the sunshine and allow the public to evaluate their performance. No program service could be more central to the public interest than meeting the needs of children.

Mr. President, I ask unanimous consent that two newspaper articles entitled "Television Is Poisoning Children," and "Let's Hope Children's TV Act Will Vanquish Ninja Turtles," be printed in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

TELEVISION IS POISONING CHILDREN

(By Richard Reeves)

WASHINGTON.—The Senate and the House have both passed and sent to President Bush a worthwhile piece of legislation that would regulate the number of toy and sugar commercials that can be injected into each half-hour of children's television programs. Bush, I assume, will veto it with some smarmy words about the rights of young people.

The rights of children. He probably thinks that has something to do with the rights of the sons and daughters of his friends, kids who might be forced to use old rather than new cars at Yale, if television or junk-food profits decline—particularly now that the old boys won't be getting another break on capital gains taxes. Our president, like God and the sparrows, hears the fall of a profit or dividend anywhere in this great land.

The legislation is hardly the work of do-gooders and other crazed anti-business radicals. It would keep the commercial content "down" to 10½ minutes of each 30 minutes of cartoons on weekends and "down" to 12 minutes during the week. The limit was 9½ minutes before Ronald Reagan became president and deregulated the government to get it off our children's backs.

Now some stations are running 12 minutes on weekends and more on weekdays. And some of that is in cunning little programs that are actually commercials from begin-

ning to end. We interrupt this half-hour cartoon commercial for Teenage Mutant Ninja Turtle products to bring you a 30-second commercial from the sugar industry.

I watch these things with a certain horrified fascination, the way the people of Pompeii must have watched Mount Vesuvius until the local volcano turned them into statues. The reason, of course, is that I have a 5-year-old daughter, a first-grader. Her television-watching is restricted to far below the national average—to deprive her totally would isolate her from friends and classmates—but she does love the cartoons and respects the commercials.

"How do you know that, Fiona?" her father asks. Or: "Why do you think that's true?"

"I know it's true, Daddy!" There is great emphasis on the word "know." Why? "I saw it on a commercial."

Smart kid. She knows the important part of what she's seeing. I watched WWOR-TV in New York with her for as long as I could stand it one Saturday this summer. The advertisers seemed to have been selected by starving dentists: Kool-Aid, Golden Grahams, Cocoa Puffs, Keebler Cookies, Cap'n Crunch, Froot Loops, Super Golden Crisps, Cocoa Pebbes, Hi-C, Gummi Bears—and a public service announcement for the Damon Runyon-Walter Winchell Cancer Fund. The Gummi Bears, by the way, have their own show.

"How do you know the difference between the commercials and the shows?" I asked.

"The ones that stay on longer are the shows," she said. I told you, she's smart.

So, as a parent, I hope the president signs The Children's Television Act of 1990. It won't hurt. But the cartoons and sugarheads are only part of the problem, a small part. The problem for parents is non-children's television, the programming and commercials aimed at adults.

The Center for Science in the Public Interest surveyed 180 boys and girls, all between the ages of 8 and 12, and found that they knew the names of more beers than presidents of the United States. One 10-year-old girl could name only four presidents but knew the brand names of 14 beers and wine coolers.

They think the president's name is spelled "Busch." Bad stuff. But that's not the worst.

It is television news that is the worst, with local news being the bottom, the pits. It's like talking your kid to the killing fields night after night. That's the programming we forbid Fiona to watch.

I suppose New York, where we spend a good deal of time, is worse than most places. Hour after hour, beginning in the late afernoon, it is: Hate! Hate! Hate! . . . Guns! Guns! Guns! . . . Kill! Kill! Kill! . . . Blood! Blood! Blood!

You'd have to be crazy to let your kids near this stuff. In fact, it makes me crazy to look at it. It is not a president or any bunch of politicans that is spreading America's electronic poison; it's my own business doing it to my own kids.

[From the Los Angeles Times, Oct. 8, 1990]

LET'S HOPE CHILDREN'S TV ACT WILL VANQUISH NINJA TURTLES

(By Dale Kunkel)

Imagine what a different experience television would be for adults if the only programs offered were situation comedies and action-adventure shows. No evening news, no "60 Minutes," no music, culture, or drama—only endless episodes built around laugh tracks and good-versus evil fantasy themes. In such a world, television would no doubt be criticized for a lack of diversity and an overall failure to realize its potential.

Now adjust the focus of this picture to programming for children. You can forget about the need for imagination. The range of children's programs provided by commercial television over the years has been little more than sitcoms and action-adventure formats, albeit mostly packaged in a genre better known as cartoons.

With the exception of occasional specials to aid their conscience, most stations offer no serious dramatic programs for children, no news or information shows, no series to stimulate children's curiosity about nature, science or the arts—in short, no diversity, just "mind candy."

The Children's Television Act just approved by Congress is meant to remedy this situation, as well as reverse the increasing commercialization of children's TV. But will it work? Can this regulation really accomplish meaningful change?

A principal element of the bill is a requirement that stations serve the educational and informational needs of children through their overall programming, including content specifically designed for children.

These last few words, *specifically designed for children*, are the key to the legislation's value. Simply requiring stations to serve children's needs through their "overall programming" would accomplish nothing new. Every broadcaster airing reruns of "The Cosby Show" or "Family Ties" could claim these shows have educational value for children, teaching them important social and moral lessons, and thus fulfill their obligation under the law.

While such family-oriented programs indeed have merit, they don't address children's special needs and interests. Neither are they tailored to be readily comprehensible to young viewers, who may miss subtle elements in adult-oriented plots. Relying on them to serve the needs for our youth would be like constructing a building for a children's library, then filling it with books intended for adults.

What new content are we likely to see under the new law, assuming President Bush doesn't veto it? I anticipate more reality-based programs, including some children's news shows.

Educational game shows are a possibility. Any program premise to facilitate visits to distant lands and cultures would be attractive. Perhaps it's wishful thinking, but wouldn't it be terrific to see an important historical documentary like "The Civil War" translated into a form youngsters could understand?

Commercial television's Achilles heel is that it treats all viewers the same, while children have special needs and limits in their comprehension abilities. Children's Television Workshop, which produces "Sesame Street," carefully researches each episode to ensure its appeal and comprehensibility to particular age ranges. This technique is expensive but effective and provides an excellent model for commercial TV to emulate.

That act leaves the choice of content up to the good-faith judgment of each broadcaster. That leaves lots of room for creativity and diversity, as well as abuse. Not much will be accomplished if stations claim that "He Man" or G.I. Joe" are educational.

The act also limits the amount of commercials during children's programs. Basic fairness requires that a consumer be able to weigh the fact that advertising claims and appeals may be biased and exaggerated. Young children inherently lack the reasoning abilities to make these judgments and thus are particularly vulnerable to commercial persuasion.

The major oversight of the legislation is that the new limits on advertising during children's programming (12 minutes per hour on weekdays, 10.5 on weekends) apply solely to traditional forms of advertising: the 15-, 30- or 60-second spot.

The thorny problem that won't go away is advertising that masquerades as programming, or the so-called program-length commercial.

By avoiding the topic of program-length commercials, the Children's Television Act creates a strange paradox. The breaks between programs may contain no more than 10.5 to 12 minutes of commercials per hour. In contrast, the programs themselves are virtually unlimited advertisements.

This concern is hardly an idle one. "Teenage Mutant Ninja Turtles" was taken from an existing comic-book series and packaged as part of a mass-merchandising campaign from its earliest stages of development. "Super Mario Brothers 3" morning is obviously a video-game promotion, even including the product's most recent version number in the program title to ensure that young consumers aren't confused about what to buy.

By most accounts, about half of all children's programs currently have direct product tie-ins. You can almost hear the toy manufacturers laughing behind Congress' back. Why worry about limits on 30-second ads when 30-minute versions just work fine?

Except for this omission, the Children's Television Act is a very sound approach to improving kids' T.V. History teaches us that broadcasters simply will not air educational programs when they can avoid it. That decision is based on simple economics. But even today, broadcasting remains more than a business. It is a trusteeship, licensed to serve the public interest. This bill should help to better tap TV's potential to benefit the nation's children.

(Kunkel is assistant professor of telecommunications at Indiana University. He conducts research on children and television and has testified at congressional hearings on the Children's Television Act.)

ETHICS COMMITTEE INVESTIGATION

Mr. MITCHELL. Mr. President, this morning the distinguished Republican leader and other Republican Senators commented on one of the matters now pending before the Senate Ethics Committee.

During that discussion appeals were repeatedly made to fairness. That is an objective we all share, of course.

Our colleagues who serve on the Ethics Committee discharge a difficult responsibility on our behalf.

They are required to investigate and judge the actions of their colleagues. They are required to be fair to the individuals involved and to preserve the integrity of the Senate. It is a challenging and often painful duty.

I have never intervened in any way with the work of the Ethics Commit-

tee. I will not do so in this or any other case. It would be inappropriate for me, or any other Senator not on the committee, to attempt to influence the committee's actions. Every decision made by the committee must be made solely by the members of the committee based upon the evidence before them.

I do not believe any fair conclusions can yet be reached about the outcome of the committee's current deliberations. I have reached none myself and I hope that all Senators will defer judgment until after the committee makes its recommendations.

Violating a Senate ethics rule is not necessarily a criminal offense. The preliminary investigations of the committee are not grand jury proceedings. But in every other sense than in criminal liability, the preliminary investigation is analogous to a grand jury proceeding. It ought to be treated with the same respect by those involved.

One aspect of this matter was not discussed by any of our colleagues this morning. It also involves fairness.

It is unfortunate, indeed it is outrageous, that the confidential work of the committee has been consistently and prejudicially leaked to the press before any final decisions have been made by the committee.

For the past several weeks, there have been a series of leaks to the press about the confidential work of the committee.

Last week, the Washington Times quoted a self-described witness' selective accounting of facts. Both the Washington Post and the New York Times quoted extensively from confidential documents to which they have been given access. These were just a few of a barrage of such leaks in recent weeks.

Those who are breaking the confidentiality of the process are identified as informed sources and congressional officials. One press report cites unidentified members of the Reagan White House.

Whoever these self-appointed channels of information are, they are unwilling to stand publicly behind the charges they are making. They need the defense of anonymity to give credence to their selective memories and their carefully culled documentary evidence.

It is noteworthy, and particularly disturbing to me, that the leaks have been limited to accusations against members of the Democratic Party, although the preliminary investigation now under way involves Members of both parties.

The Senators under investigation cannot respond, since they must respect the confidentiality of the process.

The effect of such leaks is to create an atmosphere of prejudgment. And those who want to have the issue prejudged are free to push their line of speculation and interpretation so as to create a climate in which guilt will be assumed before the members of the Ethics Committee themselves have reached a conclusion.

These leaks are damaging the reputations of members. All Senators ought to consider how easy it is to make allegations, and how hard it is to set them to rest, particularly when those who are the subject of the anonymous leaks cannot respond.

Equally important, and I stress this point, these leaks are attempting to establish a climate in which the judgment of the Ethics Committee will be immediately discredited if it reaches a different conclusion.

The problem of leaks is endemic to political life. During the recent budget summit meetings, my friend and colleague, the distinguished Republican leader, strongly expressed his displeasure about the leaks of administration proposals that appeared in the press prematurely.

At that time, I joined him in condemning those leaks. I condemned the leaks and I asked all those involved to consider the larger interests at stake.

I know in this instance that the Repubican leader joins me in calling upon all those involved with or close to the investigation to also consider the larger isues at stake.

It is essential that the members of the Ethics Committee be permitted to do their work in an atmosphere as free of prejudgment and bias as possible. It is unfair to those under investigation to be attacked by innuendo when they cannot defend themselves. It is unfair to those who serve on the committee to undermine their efforts to be fair and even handed. I hope those engaged in these leaks will receive the strong bipartisan condemnation they deserve.

A most unfortunate result of this proceeding would be the politicization of the process by which the Senate handles allegations of ethical impropriety. That has not happened in the past. It cannot be permitted to occur now.

I hope the committee will reach its decision as promptly as possible, consistent with fair and thorough review, and free of the influence of outside pressures.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Morning business is closed.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS, FISCAL YEAR 1991

The ACTING PRESIDENT pro tempore. The Senate will resume consideration of H.R. 5114, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5114) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1991, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Wirth amendment No. 3067 (to committee amendment beginning on page 172, line 7), to provide that in determining eligibility for assistance from funds appropriated to carry out the provisions of section 104(b), the Agency for International Development shall not subject nongovernmental and multilateral organizations to requirements more restrictive than requirements applicable to foreign governments for such assistance.

The ACTING PRESIDENT pro tempore. The pending question is amendment No. 3067. The distinguished Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I ask unanimous consent that the pending amendment be temporarily laid aside. I say that seeing the distinguished proponent of it on the floor.

The PRESIDING OFFICER (Mr. DIXON). Without objection, it is so ordered.

Mr. LEAHY. Mr. President, we have, so that Senators know where we stand on the bill, a number of items I might note that the staff and concerned Senators have been working on throughout the weekend. I know in talking with Eric Newsom on the majority side and with Senator KASTEN's staff director, Jim Bond, and with the distinguished Senator from Wisconsin, he and I discussed the bill yesterday afternoon and again this morning. I think we are down to a very short list.

One of the advantages of the late session Friday night and into Saturday morning is that we disposed of a number of items as the hour grew late and the desire to speak at length on some of the amendments waned. We were able to move them forward.

We are now down to just a very few amendments. It would be my intention to try to wrap up this bill. I see the distinguished majority leader also on the floor and I know the leadership of the Senate wants to move forward. I also know that they do not want this bill to take much longer. A major item in the bill, of course, is the question of Egyptian aid. We settled that I believe in a manner that is satisfactory not only to the administration but I think is also good Government policy.

Mr. President, I ask unanimous consent that the pending committee amendment be temporarily laid aside.

Mr. ARMSTRONG. Reserving the right to object, only for the purpose of informing myself. What is the pending committee amendment? Is that the underlying amendment to the Wirth amendment that we are laying aside?

Mr. LEAHY. Mr. President, my intent would be, as I recall, to answer the question of the distinguished Senator from Colorado, that we had a pending—the short answer is yes—but also we had pending a noncontroversial committee amendment which was there simply for normal housekeeping procedures. I am moving to set that aside so we can get on and take up some of the amendments that have been cleared for action.

Mr. ARMSTRONG. Not committee amendments but other floor amendments, and so on?

Mr. LEAHY. Yes.

The PRESIDING OFFICER. The Chair will state that the previous unanimous consent agreed to brought us back to the pending question, and the pending question is the committee amendment on page 2, line 12.

Mr. LEAHY. Mr. President, I would amend my unanimous-consent request to lay aside all committee amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Vermont.

Mr. LEAHY. Then the bill is now open to further amendment.

Mr. President, I understand that there is an amendment about to be offered. We are just waiting for one Senator. So in the meantime, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT FISCAL YEAR 1991

Mr. LEAHY. Mr. President, I ask unanimous consent that the pending business be laid aside and the Chair lay before the Senate a message from the House of Representatives on H.R. 5311, the District of Columbia appropriations bill for fiscal year 1991.

The PRESIDING OFFICER laid before the Senate the following message from the House of Represenatives:

Resolved, That the House insist on its disagreement to all amendments of the Senate to the bill (H.R. 5311) entitled "An Act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1991, and for other purposes", and ask for a further conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. Dixon, Mr. Natcher, Mr. Stokes, Mr. AuCoin, Mr. Dwyer of New Jersey, Mr. Hoyer, Mr. Whitten, Mr. Gallo, Mr. Green of New York, Mr. Regula, and Mr. Conte be the managers of the conference on the part of the House.

Mr. LEAHY. Mr. President, I move that the Senate insist on its amendments and agree to the conference requested by the House on the disagreeing votes of the two Houses and the Chair be authorized to appoint conferees.

The motion was agreed to, and the Presiding Officer [Mr. DIXON] appointed Mr. ADAMS, Mr. FOWLER, Mr. KERREY, Mr. BYRD, Mr. GRAMM, Mr. DOMENICI, and Mr. HATFIELD conferees on the part of the Senate.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS, FISCAL YEAR 1991

The Senate continued with the consideration of the bill.

Mr. LEAHY. Mr. President, I move that we return to the pending business under the earlier unanimous-consent agreement in which it was before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3089

(Purpose: To provide benefits for the United States hostages in Iraq and Kuwait and their family members)

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN] (for Mr. STEVENS) proposes an amendment numbered 3089.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

SEC. . BENEFITS FOR UNITED STATES HOSTAGES IN IRAQ AND KUWAIT.

(a) ELIGIBILITY.—United States hostages in Iraq and Kuwait shall be entitled to the benefits described in this section. Except as otherwise provided in this section or other provision of law, no such individual or any family member shall receive any benefit under the provisions of title 5, United States Code.

(b) PAYMENTS FOR DURATION OF HOSTAGE STATUS, LIFE INSURANCE, AND HEALTH INSURANCE.—(1) Not later than 30 days after the date of enactment of this Act, the Office of Personnel Management, after consultation with the Department of State, shall prescribe regulations, consistent with this section, for the application of the provisions of chapter 87 (relating to life insurance) and chapter 89 (relating to health insurance) of title 5, United States Code, to the United States hostages in Iraq or Kuwait and their family members for the period that such hostages remain in hostage status.

(2) United States hostages in Iraq or Kuwait shall be paid at the rate of pay for a position at GS-9 of the General Schedule for the period in which such hostages remained in a hostage status without the hostages (or their family members on their behalf) receiving salaries or wages from their employers.

(3) During the period of an individual's hostage status and during the 12-month period after the hostage status of that individual ceases, such individual and his family members shall be entitled to health benefits covered by paragraph (1) if such benefits were not provided by any other insurance coverage.

(4) During the period of an individual's hostage status and during the 12-month period after the hostage status of that individual ceases, that individual shall be entitled to life insurance benefits covered by paragraph (1) if such benefits were not provided by any other insurance coverage.

(c) ADMINISTRATION OF AUTHORITIES.—(1) For purposes of this section, the Secretary of State shall certify to such officer of the United States as may require such information the names of the United States hostages in Iraq and Kuwait and their family members.

(2) For purposes of the protection of the identity of any individual, the Secretary of State may submit any certification under this subsection in classified form.

(3) The Secretary of State may require of any individual such verification of hostage status as he may deem necessary.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "hostage status" means the status of being held in custody by governmental or military authorities of a country or taking refuge within that country in fear of being taken into such custody (including residing in any diplomatic mission or consular post in that country);

(2) the term "family members" means sources, dependents, and any indivdiuals who are members of such hostages' households;

(3) the term "United States economic sanctions against Iraq" means the exercise of authorities under the International Emergency Economic Powers Act by the President with respect to financial transactions with Iraq;

(4) the term "United States hostages in Iraq and Kuwait" means United States nationals, or family members of United States nationals, who are in a hostage status in Iraq or Kuwait during the period beginning on August 2, 1990, and terminating on the date on which United States economic sanctions against Iraq are lifted; and

(5) the term "United States national" means any individual who is a citizen of the United States or who, though not a citizen of the United States, owes permanent allegiance to the United States.

(e) ALLOCATION OF FUNDS.—Of the funds appropriated by this Act under the heading "Economic Support", $10,000,000 shall be available to carry out this section.

Mr. KASTEN. Mr. President, this is an amendment which deals with insurance and other benefits for hostages as a result of the situation in Iraq. It has been cleared I believe on both sides. I urge adoption of the amendment.

Mr. LEAHY. Mr. President, this has been cleared, and I appreciate the work of the Senator from Alaska and others in making some changes from the earlier amendment to make it

more acceptable. Certainly I concur in the amendment. I urge its adoption.

Mr. STEVENS. I propose an amendment that would compensate the American hostages in Iraq and Kuwait—many of whom were employed by failed or defunct Kuwaiti or international businesses—for their time spent in captivity. As a result, many Americans and their dependents were left without salaries and health benefits.

Specifically, my amendment would give the hostages—those Americans who are being used as human shields, as well as the Americans hiding in Iraq and Kuwait—the salary of a GS-9 Federal employee, about $24,705, for their time spent in captivity. My intention is that this salary would be available to help meet the immediate needs of the families of our hostages. It is my understanding that there are now approximately 100 Americans who are being used as human shields, as well as about 700 Americans hiding in Iraq and Kuwait.

My amendment also provides for health benefits for the hostages and their families during the time spent in captivity and for a year following a hostage's release from captivity. Additionally, my amendment provides for life insurance benefits for hostages for this same time period. The Office of Personnel Management, after consultation with the State Department, would promulgate regulations that would work out the details of the administration of giving salary and benefits to our American hostages that are similar to the salary and benefits available to our Federal employees.

This amendment does not provide for the duplication of salary or benefits for hostages and their families who are currently receiving salary or health and life insurance coverage from the hostages' employers.

CBO has estimated that this amendment would cost $1.2 million per month if one-half of all of the hostages were eligible to receive a salary and health and life insurance benefits. This translates into a cost of about $2,182 per hostage per month.

I urge your support for this concept. I know that our American hostages are on all of our minds. This is simply a humanitarian gesture that will not only help the dependents of our hostages with their mounting debts, but will also demonstrate that we do care about the individual problems of these families of our American hostages.

The PRESIDING OFFICER. Is there further debate on the amendment? The question is on agreeing to the amendment of the Senator from Alaska.

The amendment (No. 3089) was agreed to.

Mr. KASTEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. LEAHY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3090

Mr. LEAHY. Mr. President, I send an amendment to the desk on Andes drugs, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], proposes an amendment numbered 3090.

Mr. LEAHY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 33, line 20, strike *"Provided"* and all that follows through "1961" and insert in lieu thereof the following: *"Provided further,* That of the funds appropriated under this heading up to $125,000,000 may be used, subject to the regular notification procedures of the Committees on Appropriations, to provide economic, administration of justice, military and law enforcement assistance for the countries in the Andean region notwithstanding sections 531(e) and 660 of the Foreign Assistance Act of 1961: *Provided further,* That any funds made available under the authority of the previous proviso which are used for military and law enforcement assistance shall be considered Foreign Military Financing Program funds for purposes of the limitation on the use of such funds contained in section 559(a)(4) of this Act".

Mr. LEAHY. Mr. President, when I said Andes drugs, I mean A-n-d-e-s, not as one person who mentioned salto votay, Andy's.

This is, after all, the foreign aid bill.

Mr. President, this amendment revises the committee amendment relating to the funding of the counternarcotics strategy.

I understand it is acceptable.

COUNTERNARCOTICS ASSISTANCE

Mr. President, the amendment I have offered today arises from a colloquy I had with the distinguished chairman of the Foreign Relations Committee last Friday.

The Chairman raised concerns about a provision in the committee bill which authorizes the use of up to $125 million in economic support funds to support the counternarcotics strategy the President is carrying out in the Andean drug producing and exporting countries. He asked whether this money might not all be used by the administration as military assistance. I made clear that was not my intent, and that my aim was to help the President maintain his Andean counternarcotics strategy during the present squeeze on the Foreign Aid Program by giving him this extra flexibility in the economic support fund account.

On reflection further about the concerns raised by the distinguished chairman of the Foreign Relations Committee, I have concluded that the amendment as drafted does, indeed, have too much ambiguity. I do not believe it is wise to wait until conference to make further changes. Therefore, I have offered this amendment today to make clarifying changes to ensure that the committee's intent in the original amendment is properly stated.

As amended, the committee provision will authorize the President to use up to $125 million in economic assistance to support all elements of the Andean counternarcotics strategy. Any use of the $125 million for the the military assistance component of the Andean drug strategy will be treated as if it were regular foreign military financing funds and covered by the $118 million cap on military assistance to the Andean drug countries now in the bill. It further provides that any use of the $125 million is subject to the regular congressional notification procedures, which will enable us to review all proposed uses, and to block any of those of which we disapprove.

I am indeed grateful to the distinguished chairman of the Foreign Relations Committee for raising the concerns he did last Friday. Our colloquy led directly to this amendment to revise the committee provision. I thank Senator PELL for his help on this important matter.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Vermont.

The amendment (No. 3090) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEAHY. Mr. President, I note, as I did at just about this same hour on Friday night, and I see the same 22 stalwarts on the floor: the distinguished chairman of the committee, the President pro tempore, who has the amazing ability to look as refreshed at 11:25 in the morning as he does at 11:25 at night; the distinguished Senator from Wisconsin; the Senator from Colorado; and others, and I would state, as I did then, that at this hour the Senator from Wisconsin and I——

Mr. BYRD. Will the Senator yield?

Mr. LEAHY. Of course I yield.

Mr. BYRD. Mr. President, I must look pretty much down at 11 o'clock at night.

Mr. LEAHY. Mr. President, the Senator from West Virginia always looks fine to us.

But I would note that the Senator from Wisconsin and I have that same sense of kindness flowing through our

veins at this point; that may not continue as this bill goes forth. So those who have amendments should come forth.

In the meantime, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3091

Mr. BYRD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for himself, Mr. DOLE, Mr. BOREN, Mr. BENTSEN, Mr. KASTEN, Mr. BURNS, and Mr. NICKLES, proposes an amendment numbered 3091.

On page 34, strike out all on lines 17-20 and insert in lieu thereof, the following: "$300,000,000 of the funds appropriated under this heading may be made available to finance tied aid credits, unless the President determines it is in the national interest to provide in excess of $300,000,000 and so notifies the Committees on".

Mr. BYRD. Mr. President, I have offered this amendment on behalf of the distinguished Republican leader, Mr. DOLE; the distinguished Senator from Oklahoma [Mr. BOREN]; the distinguished Senator from Texas, [Mr. BENTSEN]; the distinguished Senator from Wisconsin [Mr. KASTEN]; the distinguished Senator from Montana [Mr. BURNS]; and myself.

Mr. President, the amendment that I have offered raises the cap in the bill for tied aid credits within the overall economic support fund. The amount in the bill for economic support, which goes to scores of countries around the world, is over $3.4 billion for fiscal year 1991.

The bill places an upper cap on the amount of this large sum that may be used to tie aid, that is to require the recipient of U.S. dollars to spend them on U.S. business and commerical services, to a paltry $50 million. Tied aid, then, in the bill amounts to about 1 percent of the overall economic support fund.

The amendment I have offered would increase this to $300 million, still a somewhat paltry sum, 9 percent of the ESF total. As I say, it is still paltry, but at least a beginning in our effort to make our foreign aid programs more relevant to the international economic health and competitiveness of our Nation.

Without debate, America's priorities in the world are changing their character rather quickly. I believe the overwhelming force now driving a refashioning of our international economic policies should be the need to improve our economic competitiveness, out trade balances, and our budget problems.

Aid which benefits the American economy and is tied to U.S. business and commerical interests should make up a larger and larger share of our aid-giving programs. This is not only because other major donors engage in this practice, but because I believe this kind of aid will be of greatest utility to those countries, but more importantly, to our country.

Such tied aid, I hope, will develop a robust American business and commerical presence in nations, such as in Eastern Europe, that desperately need massive infusions of capital, commercial expertise, technology, and information.

I have come to believe that the foreign aid programs of the United States are crippled by the anchors of special clients whose needs have not been examined and in relationship to the overall size of a limited foreign aid pie, and by our failure to address the changing needs of the United States itself. Such an analysis is badly overdue, and must be ruthlessly made, without the overlay of emotionalism, nostalgia, or special interest pleading. In short, we need to pursue, first and foremost, the interests of the United States, to further our goals in a rapidly changing world, and enhance U.S. economic competitiveness as an integral part of our national security.

The two areas which need urgent work are in the country-by-country distribution of aid, and in the fundamental nature of the aid being given.

Perhaps our single most important contribution to making U.S. foreign aid programs more relevant to our own commercial and economic health is to fundamentally change the philosophy underpinning the ways and conditions by which U.S. dollars are transferred via our aid program. They should be tied to long-term U.S. strategic, and particularly economic interests, if these programs are to regain a modicum of popularity and relevance in the American political system.

If a successful program is to be put into place in Eastern Europe, for instance, then the U.S. taxpayers should be convinced that they are going to get a fair and deserved return on their investment. National security and international influence today need to be gauged in terms of economic leverage and prowess as never before. A brief comparison of how we manage foreign aid with that of our key competitors highlights the fundamental problem. Tied aid and tied-aid receipts are a primary mechanism that West Germany—or Germany now—France, and Japan use as a wedge for economic influence around the world. For example, from 1984 to 1987, those three countries spent 70 percent of their aid on capital-intensive projects to create large markets for capital goods exports from the home country.

During the same years, the United States dedicated a mere 9 percent of its assistance to such projects. Tied aid is locking in markets for our economic competitors. Their foreign aid does give valuable assistance to recipients, but it is also a motor to expand influence and penetrate and create new markets in the recipient countries. Between 1984-87, over 90 percent of U.S. aid was in the form of direct cash grants, no strings attached, no influence affected, no lasting economic relationship generated.

Our aid programs have focused on balance of payments support and direct basic needs to the poorest people. The adverse impact of these practices on the U.S. trade position has been substantial, estimated in a recent report by the Center for Strategic and International Studies to be between $2.4 and $4.8 billion of annual losses to American exports.

Mr. President, last May, the administration proposed a more aggressive program to promote U.S. exports, and announced an initiative to tie aid through our aid and export promotion programs. It proposed that $100 million of AID funds and $400 million of Export-Import Bank funds be dedicated to a new initiative of tied aid. Such a program would not be possible with the cap that is now in the bill.

It is still little enough, but it is better than nothing, and it would at least be a start in implementing reforms in this area which I think are badly overdue.

CONCLUSION

America has always been a generous, responsive nation, and we have used our foreign aid programs to rebuild war-ravaged countries across the globe for half a century. In a new world where there are many other economically wealthy donors who practice aid-giving as another form of wealth creation, it would be running against a long tradition in the United States to simply ape mercantilist practices.

But we have also learned that lasting progress results from the long process of capital creation, and if we are hopeful of implanting democratic free market systems in the desperate economies and societies being evacuated by the Soviet Union, then fundamental restructuring of our priorities and our mechanisms is overdue.

In other words, Mr. President, we cannot keep on as we are in the 1990's pursuing a 1950's foreign policy. Success in the kind of reform that I have been discussing would breathe new popularity and political support for foreign aid, help our own economy, be a win-win game for donor and recipient alike, and probably cause an in-

crease in the popular support of our foreign assistance programs.

Mr. President, I urge the Senate to adopt the amendment, and I yield the floor.

Mr. DOLE. Mr. President, I am pleased to join the distinguished chairman of the Appropriations Committee in offering this amendment.

It is a very modest, and long overdue, step to make sure that American aid programs—especially our principal Cash Transfer Program, the Economic Support Fund, [ESF]—serve American interests.

Considering the way we have run some of our aid programs in the past, that is a more innovative approach that it seems to be on the surface—that our aid programs advance our interests.

The fact of the matter is—considering our massive budget and trade deficits, and our other economic problems—we can probably start qualifying for aid under the poorest of the poor criterion. Compared to some of our allies—Japan, West Germany, and some of the others—I sometimes start to feel that we are the poor sister.

There are a lot of reasons they are doing so well, and we're not. But one important reason is that in some ways they have a much more comprehensive approach to economic policy making. In particular, they have long brought on to that startling proposition I just mentioned—they insist that their foreign aid programs serve their own interests.

It's high time we started insisting on that, too.

This amendment is an important starting point.

It authorizes the use of up to $300 million of ESF to finance so-called tied aid credits. What are tied aid credits? Simple—it means that we give credits to another country, and they must use those funds to buy American.

In my view, that is not a particularly outrageous requirement. We're providing the credits. We're giving them the money. All we're asking is that they use the money to buy our goods.

I think that most Americans would be surprised to find that we do not already require that all of our foreign aid—with rare exception—be spent here in the United States. I don't know how many viewers we have on C-SPAN at this moment, but I would bet that most of them are scratching their heads right now, saying: you mean we do not already do that?

But, in fact, we don't. We have hardly ever used tied aid.

I saw one study a while ago—it was never publicly released; my staff was able to get a copy only after some pretty arduous research—reporting that only a few cents out of every aid dollar we spent on our aid projects in the country of Thailand was spent on U.S.-provided goods and services. More of every dollar was spent in Japan than in the United States.

Let me repeat that—more of our aid money was being spent to pay for goods and services from Japan, than from the United States.

And as far as I can tell, Thailand is not some grand exception. That is the rule wherever you look.

It is time to begin to address this imbalance more aggressively.

This year, at long last, AID has begun a modest tied AID program, with the Export-Import Bank. I commend the administrator of AID, Mr. Roskens, for this initiative.

But much more needs to be done.

Let me stress that this amendment is very modest. In fact, the bill already authorizes the use of some ESF for tied aid, but only to the level of $50 million—$50 million is a pitifully small sum, totally out of proportion to the whole ESF budget of $3-plus billion and totally inadequate to our need to do much more to help stimulate American exports.

In this context, $50 million is the equivalent of a pilot project, when what we need is a real program, that can have some real impact.

Let me underscore, too, that this bill does not require the President to utilize any ESF for tied aid. If there are compelling reasons why that would not serve U.S. inerests, the President—as the Chief Executive Officer of our foreign policy—retains the right to make that judgment. But the bill does give the President the authority he needs, to make sure that ESF money in a reasonable amount can be used to finance tied aid.

It seems to me it makes great sense to give the President that flexibility.

It seems to me there is no downside.

It seems to me it is high time that we caught up with our allies and friends around the world, who seem to have grasped—far better than we have—the concept that a nation's foreign aid programs ought to serve that nation's interests.

Mr. President: It is in our interest—American interest—to provide a reasonable amount of foreign aid, to support our allies and friends around the world.

But it is also within our right to ask those allies and friends to use that money, at least in part, to purchase American goods and services.

That is what this amendment requires, and what a sensible foreign aid program requires.

I urge all Senators to support this amendment.

Mr. BENTSEN. Mr. President, I rise today in support of the Senator from West Virginia's amendment to the foreign operations appropriations bill.

Four months ago, Senators BOREN and BYRD and I introduced the Aid for Trade Act of 1990, a bill designed to increase our export competitiveness in a changing world economy. One of the critical objectives of our legislation is to increase our Government's commitment to the use of tied aid financing. Since 1982, our major allies and trading competitors—principally Japan, France, and Germany—have increased their use of tied aid some 30 percent, to over $12 billion. To date, we have done little in response, other than trying to negotiate—without success—to get these countries to reduce their use of tied aid. Meanwhile, our exporters have suffered in one foreign market after another, and U.S. Job opportunities have been lost.

Senators BOREN and BYRD and I introduced that bill because we believe we must do much more. We must use more of our foreign economic aid in a way that helps our own companies and workers even as it helps the aid recipients. We should increase the share of our bilateral economic aid allocated to capital projects, and we should require that more of our aid be spent on U.S. goods and U.S. services—with less in the form of no-strings-attached cash grants.

Mr. President, last week I had the opportunity to testify in support of the Aid for Trade Act before the Foreign Relations Committee. I am confident that this important legislation will continue to receive careful consideration by the committee.

In the meantime, however, we cannot afford to take steps backward on the issue of tied aid. The amendment offered by Senator BYRD provides an important assurance in this regard. It replaces a low ceiling on how much of our economic support funds budget can be used by the agency for International Development for tied aid with a much more realistic figure. While I have concerns with setting any such ceiling, this figure is higher than the amount expended so far by the agency on tied aid. It thus is a step forward, a modest effort to begin meeting the objectives that the Aid for Trade Act is intended to address.

I, therefore, support the amendment of the Senator from West Virginia, and urge my colleagues to do the same.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. KASTEN. Mr. President, first of all I ask unanimous consent to be made a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KASTEN. Mr. President, the Senator from West Virginia, the President pro tempore, I think has made a very, very important statement with regard to our economic competitiveness. That is the key to this amendment, economic competitiveness. Other countries, as he correctly pointed out, are already doing this, and we

in the United States are behind the curve.

In effect, this makes our foreign aid program more valuable to the American people because it means that our foreign aid program will develop jobs, jobs here in the United States of America. Our goals as Americans are recognized in this amendment.

So it is to the long-term U.S. economic interests that this amendment is addressed, and I believe that it is a very, very important contribution and a very important change to our overall foreign aid.

UNANIMOUS-CONSENT AGREEMENTS

Mr. KASTEN. Mr. President, it is my understanding that, along with the distinguished Senator from Vermont, we are going to try to schedule votes beginning at 2 p.m. So I ask unanimous consent that the vote on this amendment occur at 2 p.m.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KASTEN. I yield the floor.

Mr. LEAHY. Mr. President, I also ask unanimous consent to add to the request of the distinguished Senator from Wisconsin that there be no amendment to the amendment in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I realize we shall not vote on this until 2 this afternoon, but I will note that I am also prepared to support the amendment to raise the ceiling for use of ESF, or tied aid, programs, from $50 million to $300 million.

I might note some reservation in this tying of aid to U.S. contracts with foreign governments. It does, to some extent, take U.S. aid away from heavy emphasis on economic development and meeting of basic human needs. To a large extent, however—and the distinguished Senator from West Virginia touched on this in his statement—we are driven in this direction by our competition. Several nations, especially Japan, France, Italy, Germany, and others tie their foreign aid programs to contracts and purchases with companies located in their nations.

Japan, which is certainly one of the largest economic powers in the world, has an especially heavy emphasis on such tied aid, to the extent that it is extremely rare when the Japanese Government does something as a humanitarian gesture or for altruistic purposes, almost as though that country does not realize it is an economic superpower and has responsibilities worldwide. Certainly many of them have shown reluctance to exercise such responsibilities. Maybe a day will come when they will feel otherwise. I hope so. At the age of 50 it is conceivable I may live long enough to see that day.

I strongly encourage the administration to use this higher tied aid ceiling to put pressure on our competitors to reduce their tied aid practices.

The sooner we can get an agreement for other donor nations to use aid primarily to foster economic development and not as an arm of their commercial policy, the better for the poorer nations in the Third World. After all, the same ones who drive these tied aid policies, whether it is in Japan or anywhere else—I wish that some of those who live in great comfort, in great wealth, would go to some of these poorer nations and realize that they have more than just a commercial interest. They do have the humanitarian interests. At some point, you go beyond simply commerce and politics, and one has to ask just what are some of the moral responsibilities of nations.

Incidentally, Mr. President, I would note that the committee provides $150 million in the Eximbank direct loan program. So even without this amendment, the committee had already provided the President authority to just up to $50 million in ESF and $150 million of Eximbank direct loans for tied aid.

But, I will support the amendment of the distinguished Senator from West Virginia and I hope that some of the other nations will note this and start working together with themselves and with the United States to start directing foreign aid to the areas in which it should be directed.

Mr. President, I yield the floor.

Mr. SIMON. Mr. President, I was just over in my office and caught what was going on. I am sympathetic to this idea of aid for some countries, but for the desperately poor countries, I think this would not be the general thrust that we ought to have. I wonder if the distinguished Senator from West Virginia would want to comment on that at all.

Mr. BYRD. Will the Senator repeat his question please?

Mr. SIMON. Mr. President, my concern is that while it seems to me the Senator's amendment in terms of, say, aid to Eastern Europe could be helpful to our economy as well as helpful to Eastern Europe, in terms of some of the desperately poor countries in Africa and elsewhere, I am concerned that we do not tie our hands. There our concern ought to be what do we do to really lift those countries.

Mr. BYRD. Well, I have two or three things to say in response to the Senator's question.

It is my understanding that over 90 percent of the ESF funds would still be available for those purposes. Second, the amendment says that funds appropriated may be made available. Third, it is my understanding, that most of the aid that Germany and Japan, and other leading industrial nations of the world—certainly our chief competitors, or among the chief competitors—tie their aid, tie most of it around the world. And so I take the position that the United States should also tie its aid.

Now there may be instances or cases in which the circumstances would advise otherwise. But I think that flexibility would be built in here. It seems to me that we need to start down this road in that way.

Mr. SIMON. I agree. And I agee with the general thrust of what the Senator is doing. And I think I understand now it is not a mandate, it says "may." With that qualification, I have no objection. I misunderstood. Grabbing just a brief remark on that television set in my office, I thought it was a mandate.

Mr. BYRD. If the Senator will yield further, I will read the amendment in the context of the bill so that he will have a clear understanding.

On page 34 of the bill, line 16, the words therein are as follows:

Provided further, That no more than $50,000,000 of the funds appropriated under this heading may be made available to finance tied aid credits, unless the President determines it is in the national interest to provide in excess of $50,000,000 and so notifies the Committees on Appropriations through the regular notification procedures of the Committees on Appropriations.

If the amendment which I offered on behalf of Senators DOLE, BOREN, BENTSEN, and myself is agreed to, then the language in the bill would read as follows:

Provided further, That not more than $300,000,000 of the funds appropriated under this heading may be made available to finance tied aid credits, unless the President determines it is in the national interest to provide in excess of $300,000,000 and so notifies the Committees on Appropriations through the regular notification procedures of the Committees on Appropriations.

Mr. SIMON. I have no objection. I thank the distinguished President pro tempore for clarifying that for me.

Mr. BYRD. I thank the very distinguished Senator from Illinois [Mr. SIMON].

Mr. BOREN. Mr. President, I am proud to join the distinguished senior Senator from West Virginia in offering this amendment. As he has indicated, this has the same thrust as legislation that was introduced by Senator BYRD, Senator BENTSEN, and myself earlier this year, the Aid for Trade Act.

We live in a changing world. If we were to really outline the greatest threat to our national security at this point, it is our failure to change our thinking to coincide with all the changes of the world.

We have to understand, as we move into the next century, the leadership of the United States is going to depend more and more on our economic

strength as opposed to depending narrowly upon the military strength of this country.

When the cold war began, we were in a very different situation than we face now. At the beginning of the cold war, we had 9 of the 10 largest banks in the world. Today, we do not have any of the top 20 banks in the world.

At the beginning of the cold war, we had a 68-percent share of the world markets. Today, we have an 18-percent share of the world markets.

The gross national product of the combined European markets, when they are formed together in 1992, will provide a larger market than the United States. The per capita income of Japan and several other countries is already higher than that of the United States.

We are already beginning to hear from the some of those countries that have been allies of ours in the past, those that have been willing to follow the lead of the United States, and now that the threat to them from the Soviet Union is receding in their minds, they are looking at us and saying, "We no longer need you. We no longer are so willing to follow your lead in matters of international relations and international politics."

So, Mr. President, if the United States is going to lead the world in the next century as we have led the world in this century that is now drawing to a close, we must develop new assets, new strengths. One of those strengths clearly has to be the rebuilding of American economic strength.

How long are we going to standby, Mr. President, and allow those with whom we are locked in economic competition to take advantage of our own foreign aid program; our own dollars are now being used by other countries to buy products produced by countries competing with the United States. It is estimated we have been losing between $2 and $4 billion a year in sales of American products because our foreign aid dollars, given in the form of cash, are being used by other countries to buy products not produced in the United States.

When we look, for example, at what happened recently in Eastern Europe, we give Poland, for example, $800 million. How did we give that $800 million? We gave over 90 percent of it in cash. They could use it in any way they wanted to use it. During the same period, West Germany and Japan gave them approximately $3 billion.

Does that mean they were more generous than the United States? No. The $3 billion that they gave was mainly in the form of credits, about 90 percent in the form of credits, that could only be used to buy their products.

When are we going to wake up and have a buy American program, for a change? When are we going to give our taxpayers some return on the tax dollars they are giving in terms of foreign aid so the foreign aid dollars are being used to create jobs here at home.

The infrastructure in many of the developing nations, including those in Eastern Europe, is now being developed. The transportation system is being constructed; the communications system is being put together.

Mr. President, it is time for us to take advantage of that situation and make sure our foreign aid is used to buy our products; that our products end up in that infrastructure so when spare parts are needed in the future, it will be American spare parts that are bought. When service contracts are needed, it will be American service contracts that are entered into.

It is a way for us to help other countries and help ourselves at the same time. We simply have to wake up to the fact that other nations of the world are doing it while we continue to disadvantage ourselves.

Recently, for example, it was found between 1984 and 1987, the amount of tied aid projects by our economic competitors rose from $4 billion a year to $12 billion a year; 70 percent of aid West Germany and Japan is now in the form of capital project which are required to use their products as a part of the construction mechanism.

By contrast, 7 percent of our aid is going in this way. Seven percent for the United States, 7 percent return to create jobs in this country, versus 70 percent of the aid in West Germany and Japan, used in a similar fashion.

Mr. President, how long are we going to stand on the sidelines and allow ourselves to continue to lose the opportunity to build these economic relationships? According to a recent national poll, 83 percent of the American people say that they want foreign aid cut substantially. And it is no small wonder, Mr. President, when we have problems here at home, when we are cutting back on programs for our farmers, when we are cutting back on Medicare and Medicaid, when we are not doing enough to finance the educational system, when we have middle-income Americans who are footing more and more of the bill and getting fewer and fewer of the benefits. When they do not qualify for scholarships for their children to go to college, or other help, and they are bearing this burden, no wonder 83 percent of the American people say we have had enough in terms of giving away our foreign aid to other countries, with so many pressing needs here at home. Especially, Mr. President, when we refuse to change the system to make sure that there is a two-way benefit from our foreign aid: A benefit for those countries we are helping and a benefit for the United States as well because we build jobs here at home as we give foreign aid to help people overseas.

Let us change the foreign aid system. Let us not wait another day to do it. Let us begin to catch up. Let us match the competition. When they give aid they insist that that aid be used to buy their products. It is time we did the same thing. It is time we had a buy American program; and insisted that the foreign aid dollars being supplied by American taxpayers are used to create jobs here at home, and are used as a source of market development for us to improve our ability to compete around the world.

This bill is not aimed at doing away with the ability of the United States out of compassion to help those countries that are the poorest countries in the world. The fact is only about 7 percent of all of our foreign aid is going to those countries that are at the lowest poverty levels—only about 7 percent. For us to increase from $50 million a year up to $250 or $300 million a year, the cap which constrains our ability to have tied aid projects to create jobs here in the United States should have no effect whatsoever on our ability to continue, out of human compassion, to meet those pressing needs for those countries that are subject to the greatest poverty.

In many cases the kinds of projects we are talking about funding are the kinds of projects that will also help the poor. For example, it has been found in one undeveloped country the ability in the medical system to set up a teleconferencing system to exchange information back and forth, to electronically send back data about tests, has saved lives in that country where there are so few personnel out and about in that country. It is not evil, if we are going to give aid to that country to establish such a telecommunications system, that our tax dollars, the dollars being supplied to help those people by our taxpayers, be used to buy American telecommunications equipment as opposed to Japanese or French or Italian or West German.

It is a new world. We have to change our thinking to coincide with the changes in the world. This is a step in the right direction. I hope we will see the day when the entire bill proposed by Senator BYRD and Senator BENTSEN, and myself, the Aid for Trade Act, will be passed. In the meantime, agreement to this amendment which is now pending would be an important first step toward the implementation of a total strategy to help us retain our economic strength internationally. While we help other countries with their needs, we will help their transition to democracy at the same time.

The American people are going to insist upon change. We do not have a choice between continuing the foreign aid program as it is now and making

reforms. If we do not make reforms in the system and if we do not start giving the American taxpayer some return for their foreign aid dollars the American taxpayers through the ballot box are going to end the foreign aid program as we now know it.

That is what the 83 percent in the polls are saying to us. It is time we heed their message. Once again, the American people are ahead of the politicians. They understand that our foreign aid program should be reformed. They understand that more of the benefit of our help to other nations should also flow back to this country to create jobs here at home.

Let us listen to the wisdom of the people. Let us rebuild the economic strength of this country. Let us change our thinking to coincide with changes in the world. Let us, today, in the adoption of this amendment, take the first step to begin a buy American program in terms of the foreign aid program of the United States.

I compliment my colleague from West Virginia for his leadership in bringing this amendment to the floor. I urge my colleagues to join in an overwhelming show of approval for this policy change.

(Applause in the Visitors' Galleries.)

The PRESIDING OFFICER (Mr. ROBB). The Chair will remind the gallery that no expressions of any kind are permitted.

The Chair recognizes the Senator from Wisconsin [Mr. KASTEN].

Mr. KASTEN. Mr. President, it is my understanding that debate on this amendment may be over. The order is, I believe, for the amendment to be voted on at 2 p.m.

The PRESIDING OFFICER. The Senator is correct.

Mr. KASTEN. I now ask, once more, to set aside any pending amendments.

The PRESIDING OFFICER. Without objection, it is so ordered, the pending amendments are set aside.

AMENDMENT NO. 3092

Mr. KASTEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wisconsin [Mr. KASTEN], for himself and Mr. INOUYE, proposes an amendment numbered 3092.

Mr. KASTEN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At appropriate place add new section:

SEC. . (a) As a result of circumstances arising from the recent invasion by Iraq of Kuwait, Israel faces a heightened threat to its national security. In order to assist Israel in meeting this threat, the President may direct for the purposes of Part II of the Foreign Assistance Act of 1961, the drawdown, for Israel, of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not less than $700,000,000 within nine months from the date of enactment of this Act.

(b) To the maximum extent feasible, drawdowns under subsection (a) shall be made from units withdrawn or to be withdrawn from Europe.

(c) In the event the President determines that the timing of the drawdown under subsection (a) would have an adverse impact on the readiness of the Armed Forces of the United States, the President may have such additional time as he deems appropriate to comply with the requirements of subsection (a). The President shall notify the Committees on Appropriations of any determination under this subsection, including an estimate as to when the total amount of the drawdown under subsection (a) will be completed.

(d) The President shall, within six months of the last drawdown under subsection (a), submit a report to the Committees on Appropriations which identifies the articles, services, and training drawn down under this section.

(e) Section 506(c) of the Foreign Assistance Act of 1961 (regarding the reimbursement of accounts) shall be applicable to the drawdown authority contained in this section.

(f) Section 632(d) of the Foreign Assistance Act of 1961 shall not apply with respect to drawdowns under this section.

Mr. KASTEN. Mr. President, I send this amendment on behalf of myself and the senior Senator from Hawaii [Mr. INOUYE]. This amendment provides the administration discretionary authority to draw down defense stocks for Israel in the face of the Middle East emergency.

Because of Iraqi threats, the Government of Israel has had to increase its defense expenditures by at least $1 billion. The State of Israel has to take the overt statements by the Iraqi President seriously. Because of threats of chemical warfare, the government has already issued gas masks, for example, to the Israeli population.

I want to point out to my colleague the amendment is permissive. It provides drawdown primarily from units being withdrawn from Europe and specifically stipulates that any drawdown may not interfere with U.S. readiness. We have been assured by the Budget Committee the amendment does not violate the budget and is not subject to a budget point of order. I sincerely hope my colleagues will support this amendment.

Mr. CRANSTON. Mr. President, I rise today as a cosponsor of this amendment which authorizes a defense stock drawdown of $700 million for the provision of military equipment to our ally, the State of Israel.

The Iraqi invasion of Kuwait has added an element of instability to the world at large and to the Middle East in particular. The Israelis are on the frontlines—not only their military forces, but also every man, woman, and child has been directly threatened by the perverse Saddam Hussein.

This amendment grants the President authority to take excess defense stocks—and I expect many of these will be taken directly from Europe—and transfer them to the Israelis, our key ally in the region. This transfer will supplement our efforts to deter Saddam Hussein and put our vast defense resources to use in addressing one of the most potent threats to security in our time.

Bolstering the Israeli military is not only consistent with our commitment to maintain Israel's qualitative edge in what is by far one of the toughest neighborhoods in the world, but it raises the stakes for Saddam Hussein should he follow through on his chilling threats.

Saddam realizes that bringing the Israelis into this war poses a threat to the anti-Iraq coalition we have stitched together. I am pleased to see us moving forward to ensure that Israel has the resources to deter and respond to this crisis.

I have been told that the administration has no objections to this amendment and will make use of this drawdown authority in an expeditious fashion.

Mr. President, I urge my colleagues to support this amendment.

Mr. McCAIN. Mr. President, the crisis we face in the Middle East is not simply a crisis in the gulf. Saddam Hussein is as much a threat to the security of Israel as he is to Kuwait and Saudi Arabia.

Saddam Hussein has repeatedly threatened Israel with destruction, and these threats are not simply empty boasts. The Director of the CIA has recently confirmed that Iraq is stockpiling biological weapons. Saddam's Al Abbas missiles can reach any target in Israel, and his Al Hussein missiles can reach virtually every major urban target.

Iraq's Al Hussein missiles have chemical warheads. Its Al Abbas missiles may soon acquire them as well. Only a few days ago, Saddam Hussein announced that he had a new missile that could reach Israel, and referred to its population as "targets of evil."

While Israel has kept a low profile since Iraq's invasion of Kuwait, it faces a growing risk that Iraq may lash out in a military effort to broaden the confrontation in the gulf into an Arab-Israeli conflict and weaken Arab support for the United Nations efforts to restore Kuwait's sovereignty.

Israel has had to increase its military readiness at a cost of some $200 million since August 2, and Israel will have to spend at least $300 million on increased training, air alerts, and other defensive precautions before this year is over. While an increase in

defense spending of $500 million may not seem a great deal to the United States, it is equal to 10 percent of Israel's total defense spending.

For all of Israel's military strength, Israel normally only has an active military manpower strength of 141,000 versus over 1 million for Iraq. Israel has only 3,800 tanks, versus 5,500 for Iraq. Israel's peacetime air strength is only about half the active air strength of Iraq.

We also need to remember that the issue is not simply whether Israel will win a war with Iraq, but whether it can win at a price that its small population and fragile economy can afford. A nation of 4.4 million, with a total labor force of only 1.4 million, cannot afford high casualties, or to become locked into a war of attrition. It must be strong enough to avoid fighting if this is at all possible, and it must be able to win quickly and decisively if war is forced upon it.

It is true that we already spend $1.8 billion a year on aid to Israel. This is a significant sum, and it makes up an important part of our total security assistance budget. We cannot, however, ignore Israel's new national security needs, and the value of our aid in constant dollars has declined some $45 percent since 1985.

Further, we have to compare the current $1.8 billion aid figure with the $2.2 to $2.5 billion that Israel feels it needs to maintain both its current readiness and the edge of technical superiority it needs to deter or defeat an Arab attack. Unlike Egypt, Israel is not getting debt relief or any other assistance to close its gap in military assistance. It will be some $700 million short of its requirements unless we support this amendment.

Mr. President, we cannot afford to treat Israel's needs for military assistance as if nothing had changed since it made its fiscal year 1991 aid request in June 1990. Those who thought that Israel did not face a real threat, and who thought its warning about Iraq were an exaggeration, have been proved decisively wrong.

Further, let me remind every member of this body that Israel's low profile should not lead us to ignore its strategic value. Saddam Hussein would almost certainly behave very differently if he did not constantly have to look over his Western shoulder. His calls of Jihads and holy wars would be far more attractive if the threat of Israel's strength did not act as a deterrent. Iraqi control of Jordan, and Syrian control of Lebanon, would be far more dangerous prospects.

Before we sell Israel short over jurisdictional grounds or because of the budget deficit, we should remember that we are talking about a friend, a democracy, and a major strategic asset. We must also remember that if we save too much in our assistance to Israel today, we may have to pay in American lives and billions of dollars tomorrow.

ISRAELI DEFENSE DRAW-DOWN

Mr. HUMPHREY. Mr. President, in the Middle East, Israel alone has stood with us for the past 40 years. We have not had to worry about Israeli consistency and loyalty. But now, our loyalties to Israel are at issue. At a moment when the Middle East is overflowing with arms and tension, we are being asked to vote to delay efforts to ensure Israel's continued security.

The distinguished Senator from West Virginia is saying that we do not need to send another message in support of Israel's security, that we have already sent enough messages. Well, Mr. President, we need to keep sending messages in support of Israel as long as Saddam Hussein retains his poison gas stocks and keeps his 1 million troops deployed.

We as a nation have pledged to guarantee Israel's security. Throughout this month, the Secretary of State has repeated this pledge. Well, Mr. President, it seems to this Senator that allowing Israel to receive defense supplies, supplies which it will no doubt receive sooner or later, quickly will help us to fulfill that guarantee.

Our foreign policy succeeds when we maintain our principles. Support for Israel is one of those principles. Certainly, we are all disturbed by the unrest that has plagued Israel in recent months. But we must look at the larger picture. Few nations ever spend their lives free from unrest, be it civil, racial, or political. Furthermore, Israel, surrounded by enemies, has aided and stood by the United States, even when such support has not been popular or has posed additional threats to Israeli security.

The Kasten-Inouye language will allow Israel to better protect itself in the increasingly hostile climate of the Middle East; it will help Israel maintain its self-reliance. That ability will ultimately benefit not just Israel but also American forces now deployed in the Middle East.

Mr. President, we are speaking about one of the United States most constant allies. We are speaking about a nation that has become a refuge for Jews fleeing years of persecution and ostracism. We must stand fast in our commitment to Israel. To do less, to strike the Kasten-Inouye language, would be to abandon our principles.

The PRESIDING OFFICER. The President pro tempore, the Senator from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I speak in opposition to this amendment, and I do so regretfully, and I do so with apologies to Senator INOUYE and Senator KASTEN.

Let me state why I speak apologetically in that regard.

Last week, on the day that the foreign operations bill was marked up in the Senate Appropriations Committee, I learned of the amendment and I inquired of the distinguished Senator from Hawaii, Mr. INOUYE, as to whether or not he would forego calling up this amendment in the committee. I told Senator INOUYE that I would oppose the amendment in the committee, but in order to avoid controversy in the committee on the amendment and again on the floor on the amendment, I asked Mr. INOUYE not to call the amendment up in committee and stated to him that if he would not call the amendment up in the committee, that, while I would vote against the amendment on the floor, I would not speak against it.

Mr. President, that was my full intent at that moment. I sincerely intended to say nothing against the amendment on the floor but only to vote against it if Senator INOUYE did not call it up in the full Appropriations Committee.

Senator INOUYE and I have had a long and friendly relationship as we have served in this Senate over a good many years. When I came to the Senate, the States of Alaska and Hawaii had not yet entered the Union as States. Senator INOUYE came to the Senate shortly after I came to the Senate. During the years that he has served here in the Senate, I have had nothing but excellent cooperation out of him while I was the Democratic leader, while I was the majority leader, while I was the minority leader, while I was the majority whip prior thereto, and, subsequently, as I have served as chairman of the Appropriations Committee. He has been most cooperative with me, always courteous, always considerate; and I value my friendship greatly with him. I truly am troubled now that I feel compelled to speak out against the amendment, because of my having told Senator INOUYE that if he and Senator KASTEN would not offer the amendment in committee, I would simply vote against it on the floor and not speak against it.

The committee meeting was held and the amendment was not called up in the committee. Since then, Mr. President, I have focused on the amendment at greater length. I was first informed by a representative of the administration that this amendment, if it were adopted, would break the summit agreement.

Since that time, I have had mixed signals: First, that it would and then that it would not, then that it would, then that it would not break the summit agreement. As of now, I am confused as to where the administration stands, but I am told by staff that the administration no longer feels that

this amendment would break the budget summit agreement.

Also, I have been confused by the changes that have been made in the amendment from time to time, after hearing that the Armed Services Committee had problems with the amendment; hearing that the amendment had been changed so that the Armed Services Committee no longer had problems; then hearing that the Armed Services Committee still had problems; then hearing that the Armed Services Committee no longer had problems.

As I understand it this morning, and I do not presume to say what the position of the distinguished chairman of that committee is, Senator NUNN, or the distinguished ranking member of that committee, Senator WARNER. It is my impression as of this moment, based on what my staff tells me, that the amendment is not opposed by the Armed Services chairman and the ranking member. Perhaps the distinguished Senator from Wisconsin can enlighten me further.

Mr. KASTEN. If the Senator will yield.

Mr. BYRD. Yes, I yield.

Mr. KASTEN. I simply want to say, I have spoken both with the Senator from Virginia and the Senator from Georgia. Not only is the Armed Services Committee not opposed, but the Armed Services Committee supports the amendment in the form that it has been presented this morning.

Mr. BYRD. I thank the distinguished Senator. So, that clarifies the record on that point.

I greatly respect the chairman of the Armed Services Committee, Mr. NUNN. I have spoken of my affection and respect for him many, many times and many places. I have that same affection and great respect for the ranking member, Mr. WARNER. So what I have to say on this amendment certainly does not seek to refute what they may say or may not say or whatever their position may be. I respect their position, and I respect the position that is now taken by Mr. INOUYE and by Mr. KASTEN. I am, as I say, troubled that, at the time prior to the markup in the full committee, which was perhaps within the hour—or not much longer than that—before the markup, I made such a commitment to Senator INOUYE.

Mr. President, I take a commitment seriously. I believe that I should keep my word when it is given, and I believe that the other individual should keep his. Senator INOUYE has kept his, and Senator KASTEN kept his. They did not offer the amendment in committee. It is with deep regret that I cannot keep mine in this instance. I told Senator INOUYE this past Friday that I would have to speak against the amendment. So that brings me to this point. I just feel deeply that I cannot sit silently here and not oppose this amendment.

I have the utmost respect for the Senators who are the authors of the amendment and for all Senators who will vote for it. I may not get but one vote in opposition to it, that being my own vote. I have not labored under any impression that I would defeat the amendment.

That brings me to this point. The Senator from Hawaii and the Senator from Wisconsin gave up an advantage when they committed to me in the committee that they would not call up the amendment, and I want to restore the advantage that they gave up. What was the advantage? The advantage was that if the amendment had been agreed to in committee, then a motion to strike out the amendment, or an amendment to remove it from the bill, on a tie vote would have lost here on the floor; whereas the amendment which they now offer, if there were a tie vote thereon, not knowing how the Vice President would vote—I assume he would vote to break the tie in their favor, but let us say he did not—on a tie vote their amendment would lose. It would not be adopted on a tie vote.

That is the practical advantage which they lost, and I want to restore that advantage. It is not going to be a tie vote. As I say, I would not be surprised if my vote is the only vote cast against the amendment, but I want to restore those Senators to the position they would have been in had they offered the amendment in committee and had the amendment been adopted there.

I expect I would have stood a better chance in the committee in defeating the amendment. I probably would not have defeated it there, but I expect I would have stood a better chance there, if at all, than I would stand here. With the full Senate voting, there is no doubt in my mind but that this Senate is going to adopt this amendment.

I cannot recall having put myself in this position ever before in the Senate, but I have to deal with myself. As I said before Mr. INOUYE came to the floor, I am troubled by my previous commitment to him. He did not say, "shall we shake hands on it." He simply accepted my word, and we went to committee and he did not call up the amendment; he and Senator KASTEN had discussed it and they both agreed not to call it up. At the same time, I feel, as I have examined the amendment more closely, as I focused on it more intensely, as I said on Friday to the distinguished Senator from Hawaii [Mr. INOUYE] I feel I am going to have to oppose it, and I am sorry.

So it is, Mr. President, that I have laid on the public record here my heartfelt and soulfelt emotions, and so I shall ask unanimous consent that the amendment be included in the bill, subject to a motion to strike—keeping in mind, Mr. President, that if this amendment is adopted, which it will be in any event, I am sure—if it is adopted, under the rules I can no longer then move to strike the amendment. I could move to strike a larger portion of the bill which would be inclusive of the amendment, but I could no longer then move to strike the four corners of the amendment, once it is agreed to.

I do not want to do anything to other parts of the bill. I would like to put these two Senators in the position in which they would have been placed had they called up their amendment in the full committee and had it been agreed to there.

I ask unanimous consent that the amendment by Mr. INOUYE and Mr. KASTEN be agreed to and that I then be authorized by the Senate to offer an amendment to strike the very same language that the Senate will have agreed to in accepting the amendment offered by these two distinguished Senators.

The PRESIDING OFFICER. Is there objection to the request propounded by the President pro tempore? The Chair hears none, and it is so ordered.

The amendment is agreed to. The Senator from West Virginia reserves the right to strike.

The amendment (No. 3092) was agreed to.

Mr. BYRD. Mr. President, I thank both my colleagues and I hope that this little episode does not leave any scar tissue on our relationship that I have long enjoyed with my very fine friend, the distinguished Senator from Hawaii.

Mr. INOUYE. If my distinguished friend will yield.

Mr. BYRD. Yes, I will be happy to.

Mr. INOUYE. Mr. President, may the record show that the Senator from West Virginia, the distinguished President pro tempore, a U.S. Senator, is a gentleman in the highest sense of the word.

Mr. BYRD. Mr. President, I thank my friend for those words.

Mr. KASTEN. Will the Senator yield?

Mr. BYRD. I will be happy to yield.

Mr. KASTEN. I associate myself with the views of the cosponsor of the amendment. The way in which we are now dealing with this amendment is the correct way, and I thank the Senator from West Virginia for developing this strategy.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Wisconsin.

I continue to feel some remorse about the way this situation has developed, but I feel that I have now done

everything I could do to both explain the matter on the record and at the same time put the two Senators in the same position that they otherwise would have been in had the alternative course been taken at the committee level.

Mr. President, I am troubled by the amendment which has just been agreed to, and which I will attempt to strike later, not because I differ with the genuine concern that has motivated the amendment and not because I think we do not need to undergird our allies and friends in the Middle East. The authors of the amendment are exactly right in their concerns about American staying power in the Middle East.

They are right that any impression that the United States does not stand by its friends and allies sends a dangerous signal to Iraq.

My problem with this amendment is not with the motivation on the part of its authors. My problem is one of fundamental priorities. I will go as far as any Senator in protecting the territorial boundaries of the State of Israel against Saddam Hussein or anybody else.

But is there anyone here who would maintain that we are not doing what we need to do to shore up Israel at this time of crisis in the Middle East? It is not a question of keeping up with the Joneses,

I am not swayed by the argument by some—I am certainly not referring to the Senator from Hawaii and the Senator from Wisconsin—that we have to match dollar for dollar. I am talking about the argument that is made outside the Chamber that we have to match dollar for dollar, every bit of assistance we give this or that Arab state with an equal amount for Israel. I am not swayed by that argument. I believe that we can think a little more clearly than that.

Saudi Arabia is not going to attack Israel while hundreds of thousands of American troops are in Saudi Arabia. Saudi Arabia is worried about surviving a possible attack from an aggressive Arab bully. And the same may be said, I think, of Egypt. We need not match tit for tat every dollar of debt forgiveness that we provide for Egypt, which is bankrupt, with debt forgiveness for Israel, which is certainly not bankrupt.

I voted against forgiving the debt that Egypt owes the United States. I voted against it. I would even vote against forgiving the debt that Turkey owes the United States. Turkey is not asking for such forgiveness. And I would vote against forgiving the debt that Israel owes to the United States. These two situations are not on a par by any means, but I would still be against any such cancellation of debts if Israel were to ask for such consideration.

As I say, they are not parallel in that regard. But I voted against forgiving Egypt's debt. Nevertheless, the Senate voted to forgive that debt. Does this mean that we have to turn around and make amends to Israel because the Senate has forgiven Egypt's debt? Let us get away from formulas that do not make rational sense.

No one can reasonably argue that this amendment should be passed because we have not done enough for Israel. There is plenty in this bill, and there is plenty in the defense appropriations bill for Israel. There are those who criticize the numerous new programs, numerous new pots of money that have been put in those bills for Israel. I do not take issue with that series of provisions. I take issue, however, with the notion that we simply cannot do enough. Enough is never enough; more is better. More is always needed; more and more and more.

Senators should know what we have already put in the defense and foreign operations bill for Israel. In the bill before us we include, as we did last year, $1.8 billion for military assistance to be transferred immediately upon enactment. No other country in the world gets all its money up front, but Israel does. This instantaneous transfer will provide another $60 million in interest to Israel in fiscal year 1991 because it is an instantaneous transfer. Israel can gain interest to the tune of $60 million. The American taxpayers should be spared that cost.

Then we have added to that the following new initiatives; $200 million in additional military aid transferred from economic support funds of $1.2 billion; $200 million more in pre-position equipment to be used by Israel in emergency; and priority over every other country except Turkey to receive excess defense articles.

The exception on behalf of Turkey was made by the distinguished Senator from Hawaii and the distinguished Senator from Wisconsin, at my request, because of the fact that Turkey is a country that responded immediately, positively, and forcefully to Saddam Hussein's takeover in Kuwait, and at great cost to Turkey itself. Moreover, Turkey is a neighbor of Iraq, shares a common border with Iraq, and thus is vulnerable, very vulnerable to an attack by Iraqi ground forces. And if perchance this episode should run itself out to whatever end is in store, should the result be that Saddam Hussein is then still in power in Iraq, then Turkey would be very vulnerable, once United States forces were withdrawn from the Middle East, if and when that might occur. So Turkey is in a very vulnerable position.

Let me repeat that the following new initiatives have been added; $200 million in additional transferred military aid transferred from economic support funds of $1.2 billion; $200 million more in pre-position equipment to be used by Israel in emergency; and priority over every other country except Turkey to receive excess defense articles.

It is hard to assign the exact dollar figure to this final provision, but I am aware of two Patriot missile systems in Germany worth about $300 to $400 million, which will probably go to Israel.

So the foreign operations bill includes at least the amount of the amendment before us in additional military aid, with the total probably between $2.5 and $3 billion. That is just military aid, and it does not include the $1 billion in economic support.

When we come to the defense appropriations bill, which has already passed and is in conference, we have a series of additional important initiatives for Israel. These new initiatives include a major new petroleum reserve of 4.5 million barrels, worth $180 million if calculated at $40 a barrel, which is available for Israel's use in the case of an emergency and without the requirement for Israel to reimburse the United States; $15 million to improve military facilities at the Israeli Port of Haifa; specific inclusion in the overseas workload program allowing Israel to bid on contracts for the repair, maintenance, or overhaul of United States equipment overseas, and funds for the Department of Defense to undertake studies on ways to apply Israeli technology to DOD systems, including a wide range of missions and some of our most advanced technological systems.

These initiatives, all new, are in addition to the continuation of ongoing joint programs between the United States and Israel in the military area, such as $42 million for joint research and development on the Arrow antitactical ballistic missile program. No other country has gotten anything near this range of initiatives from the United States.

Now we are being told that Israel must have at least $700 million more or United States military equipment, and that it must be transferred within 9 months. So I ask the question rhetorically, Mr. President, why $700 million more at a time when our own Government is strapped for funds, at a time when we are wrestling in the summit with the budget in an effort to cut the budget triple-digit deficit? Why 9 months? We have to consider the needs of the U.S. military. This is a serious problem with me. We have to consider the needs of our own U.S. military. When we contemplate a new massive transfer of U.S. defense equipment abroad, we are not talking about excess equipment. That has been

taken care of in another part of the bill, as I have said.

What about the readiness of the U.S. forces? Will United States forces be put at risk by such a drawdown of United States defense articles and defense services to Israel? Not long ago, I saw on television, and I cannot remember what channel or program, but it may have been an evening news story; I do not recall precisely. It has been within the last 2 weeks that I saw this. I noted that the National Guard of a particular State—I am not absolutely sure, but I believe it was the Wisconsin National Guard, and I am only speaking from memory—was training in preparation to join other U.S. forces in the Middle East. The upshot, the thrust, of the television story was that the equipment was not obsolete, but obsolescent. It was old equipment. The tanks were not the most modern by any means. Therefore, the absolute readiness of that National Guard detachment could not be said to be up to date by any means. So here were tanks and other equipment that needed to be replaced with newer and more up-to-date equipment for that National Guard unit. It was in need of modern equipment. Yet, that Guard unit, division, or whatever it was, was training in preparation before going to the Middle East, and training with equipment of earlier vintage.

I speak only from memory. I did not concentrate on viewing the TV screen at that particular moment. I have since tried to determine through my staff's calls to the networks, C-SPAN and other outlets, and I have tried to document the date, and whether it was the Wisconsin National Guard or some other, which is not of particular interest, as to what State it was. I think it would be fair to presume that whatever State it was, it was not the only State whose National Guard equipment was in considerable need of replacement.

So I ask the rhetorical question: What about the readiness of United States forces as we consider a drawdown of United States defense articles and defense services to Israel?

This amendment gives verbal preference to U.S. readiness.

Yes, it also purports to be discretionary, although it is the strangest discretionary authority that I have ever seen. Let me read the amendment. It reads as follows:

As a result of circumstances arising from the recent invasion by Iraq of Kuwait, Israel faces a heightened threat to its national security. In order to assist Israel in meeting this threat, the President may direct—

And so to that extent it sounds as though it is discretionary, and it would be. He may direct—

for the purposes of part II of the Foreign Assistance Act of 1961 the drawdown for Israel of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training of an aggregate value of not less than—

I urge Senators to pay very close attention to that phrase—

not less than $700 million within 9 months from the date of enactment of this act.

So the reason I say that this is a strange discretionary authority is derived, in my view, from a careful reading of the words, which first say that the President may direct the drawdown, but then the phrase is followed by the words "of an aggregate value of not less than $700 million and must do it within 9 months of the date of enactment of this act."

Mr. President, at first it appears to be discretionary, and it is. It says he "may" draw down. But who would doubt that this gives full authority for the President to draw down this equipment and defense services and military education and training?

And if he does direct such a drawdown, he must direct the drawdown of "not less than $700 million." Why is that? That means he cannot draw down $1 million, $20 million, $50 million; he must draw down not less than $700 million, "not less than," and again it comes from U.S. Department of Defense stocks.

So if the President gives even one penny to Israel under this section, he has to give at least the entire $700 million in aid. That is hardly discretionary as we normally speak of it in this body.

Mr. President, this is not a contest to see which state of the Middle East can get the most from the United States. If we buy into that game we will be draining our own readiness, our own ability to defend ourselves and to defend our allies. We will be cutting into the bone.

The United States has undertaken a massive deployment to the Arabian Peninsula and the Persian Gulf under Operation Desert Shield. We have approximately 200,000 troops serving in some of the most demanding conditions imaginable. The heat and the sand of the Saudi desert are taking a substantial toll on both people and equipment. U.S. forces have already had 12 aircraft crashes with loss of several lives. If multilateral diplomatic efforts fail and war breaks out with Iraq, then the amount of equipment and supplies needed by our troops, U.S. troops, coming from Wisconsin, coming from West Virginia, coming from Kentucky, coming from every State in the Union, will increase vastly.

(Mr. KOHL assumed the chair.)

Mr. CHAFEE. Mr. President, I wonder if I could ask a question of the distinguished Senator.

Mr. BYRD. I will be happy to yield shortly. Would the Senator allow me to finish my statement and then I shall be happy to yield. I think I am fairly close.

Mr. CHAFEE. I would like to ask on a very good point I thought the Senator made.

Mr. BYRD. Yes?

Mr. CHAFEE. I do not understand the rationale for this legislation in this particular area. As the Senator pointed out, in the first paragraph it says that the "President may"—has the option, there is the discretion—"have a drawdown." But if he does, "it shall be in aggregate value of not less than * * *."

I share the Senator's concern and confusion over that particular paragraph. It seems to me it should read "of an aggregate value of not more than." In other words, the Senator's point seems such a valid one. If we send one tank, then we must send 700 million dollars' worth, as I understand this provision.

Mr. BYRD. That is the way I understand the provision.

Mr. CHAFEE. It seems like such a curious provision.

Mr. BYRD. As I have already indicated, it is the strangest discretionary authority I can remember.

Mr. President, the answer is "yes." I agree with the Senator.

Mr. CHAFEE. My only thought was possibly this could be fixed up.

Mr. BYRD. There are other areas in it that need fixing also.

Mr. CHAFEE. I thank the Senator.

Mr. BYRD. I thank the distinguished Senator.

Mr. President, I continue to read the amendment.

Prior to the distinguished Senator from Rhode Island, Mr. CHAFEE's, request that I yield to him for a question, I had read subsection (a).

Under (b):

To the maximum extent feasible, drawdowns under subsection (a) shall be made from units withdrawn or to be withdrawn from Europe.

(c) In the event the President determines that the timing of the drawdown under subsection (a) would have an adverse impact on the readiness of the Armed Forces of the United States, the President may have such additional time as he deems appropriate to comply with the requirements of subsection (a). The President shall notify the Committees on Appropriations of any determination under this subsection, including an estimate as to when the total amount of the drawdown under subsection (a) will be completed.

(d) The President shall, within six months of the last drawdown under subsection (a), submit a report to the Committees on Appropriations which identifies the articles, services, and training drawn down under this section.

(e) Section 506(c) of the Foreign Assistance Act of 1961 (regarding the reimbursement of accounts) shall be applicable to the drawdown authority contained in this section.

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(f) Section 632(d) of the Foreign Assistance Act of 1961 shall not apply with respect to drawdowns under this section.

Mr. President, the equipment that is most likely to be drawn down under this provision, I believe, is the same equipment needed by U.S. forces currently deployed in the Persian Gulf. It seems to me that it could at least be the same type of equipment.

So, in the light of all the circumstances that I have touched upon, how can we consider giving $700 million, at least $700 million, away from existing Department of Defense inventories? This is not the time to be running risks with the readiness and the sustainability of U.S. forces.

I think the amendment—I say this with the greatest respect for Senators who will support the amendment—I personally think it is a bad idea. Israel's security is not vitally dependent on this additional provision, on top of our already generous efforts favoring Israel to which I have previously referred. The United States is not a bottomless pit of aid money.

There is a certain psychology that I cannot accept—and it is a fake psychology that we need to break—and that is the idea that any vote against anything for Israel means that you are against Israel; you are somehow suspect. That is bunk!

I and all of my colleagues have voted against things that we think are extravagant or wasteful for Americans. I recall the vote on the amendment which I offered to the clean air bill which would have made reparations, or some degree of jobs as a direct result of the enactment of the clean air bill. But no Senator is considered anti-American or anti-coal miner just because he voted against my amendment providing benefits to coal miners who lose their employment as a result of that legislation.

I came within one vote of carrying that amendment in the Senate. But never for a moment would I feel that any Senator who voted against my position and therefore against the amendment was anti-West Virginia or anti-coal miner. Not at all.

No Senator is anti-American because he votes against a tax break for brewers, or textile manufacturers, or candy manufacturers, or any of the countless things that he will vote for or against anytime.

The attitude that opposing any item that might benefit Israel means that one opposes Israel is one that has been used to considerable advantage around here for years. It is time that that kind of psychological strangehold ends in this body. I oppose this amendment because I do not believe that this additional equipment is really needed by Israel, given what we are already providing, and, more importantly, I am concerned that such an amendment works against U.S. national interest because it affects the readiness of our own military forces; the readiness of U.S. fighting men and women from every State in the Union who are presently stationed in the Middle East or who will go there.

Mr. President, let me look more directly at the amendment now. I have already indicated that the discretion of the President is provided for; yet, if he chooses to draw down United States defense equipment for Israel, under this section, he must draw down in the aggregate not less than $700 million and it must be within 9 months of the date of enactment of this act. When I say "it must be within 9 months of the date of the enactment," I suppose the preceding word "may"—"the President may direct"—would likewise apply to the time period. He may direct that it be drawn down within 9 months.

But the specific floor that is applied to the figure, "an aggregate value of not less than $700 million," means that it cannot be $600 million, it cannot be $500 million, it cannot be $400 million or $300 million or $200 million or $100 million. It must be a drawdown of U.S. military stocks aggregating, not less than $700 million.

"To the maximum extent feasible," then, subsection (b) says, "To the maximum extent feasible, drawdowns under subsection (a) shall be made from units withdrawn or to be withdrawn from Europe."

There is another uncertainty, another opening. It does not say that drawdowns under subsection (a) shall be made from units withdrawn or to be withdrawn from Europe. It says, "To the maximum extent feasible, drawdowns shall be made from units withdrawn or to be withdrawn from Europe."

In other words, under that subsection, the drawdowns could come from United States defense stocks in the United States, in our own country, or even from our stocks in Saudi Arabia.

Then, subparagraph (c) reads:

In the event the President determines that the timing of the drawdown under subsection (a) would have an adverse impact on the readiness of the Armed Forces of the United States, the President may have such additional time—

It says he—

may have such additional time as he deems appropriate to comply with the requirements of subsection (a).

The President shall notify the Committees on Appropriations of any determination under this subsection, including an estimate as to when the total amount of drawdown under subsection (a) will be completed.

So it is not limited, indeed, to 9 months, Mr. President. If he determines it would have an adverse impact on the readiness of the Armed Forces of the United States, then the President may have such additional time as he deems appropriate. That could mean another 9 months. It can mean many more months and beyond.

So, it is pretty open ended. He may have such additional time as he deems appropriate; not as Congress deems appropriate, but as he, the President, deems appropriate.

Subsection (d):

The President shall, within six months of the last drawdown under subsection (a), submit a report to the Committees on Appropriations which identifies the articles, services, and training drawn down under this section.

When we say "training," what does that mean? He must identify the articles, services, and training drawn down, under this section. Does this mean the training and services shall be carried out by American personnel as well?

Subsection (e) reads as follows:

Section 506(c) of the Foreign Assistance Act of 1961 (regarding the reimbursement of accounts) shall be applicable to the drawdown authority contained in this section.

What that means, as I understand it, is that the Defense Department may be reimbursed. In other words, the function 050 may be reimbursed from function 150, foreign operations, for any amounts that are involved in the drawdown authority.

So, the Defense Department, according to this subsection, would be made whole, or could be made whole, with moneys from function 150, foreign operations, to be put back into function 050, the defense section. That is reimbursing the Department of Defense for the amount in dollars of the drawdown, which, again I say cannot be less than $700 million.

But the next subsection, if I am not incorrect, subsection (f) would mean that that which we have given with the right hand can be taken away with the left hand, and will be. Subsection (f), reads as follows,

Section 632(d) of the Foreign Assistance Act of 1961 shall not apply with respect to drawdowns under this section.

So while the preceding subsection (e) says that function 050, Department of Defense, may be reimbursed by moneys drawn from function 150, the foreign operations function, for such a drawdown, (f) says that that provision is waived. It says, it "shall not apply" with respect to drawdowns. The reimbursability is waived. So that, indeed, whatever drawdown occurs from U.S. defense stocks, the Defense Department will not be reimbursed from foreign operations.

What are we doing here? Are we giving foreign operations a blank check on the drawdown of defense equipment, weapons, services, and training from the U.S. defense stocks? I know this is not the intent of the authors of the amendment. Perhaps they have an answer that I do not know.

Perhaps they are unaware of the problems I am raising.

Are we permitting foreign operations, here, to raid defense? Are we permitting function 150 to raid function 050? If that is the case, then I must warn the Office of Management and Budget, and I must warn the administration, that if that precedent is set, then do not come to me, as chairman of the Appropriations Committee, and complain if somehow I am able to raid other functions for moneys to be spent here in this country on domestic discretionary programs like bridges, highways, wastewater treatment facilities, water quality facilities, rivers and harbors, law enforcement, the war on crime, the war on drugs, education, job training, parks, U.S. forests, and so on.

If we are going to start that raiding and waiving the reimbursement, then just be prepared, because I say to the Department of Defense that there may be the votes in this Chamber to raid function 050 in the future for domestic discretionary. I have fought in the summit to protect defense, foreign operations, and domestic discretionary against raiding on the part of any one or more of the categories.

I do not like fencing. I said at the summit that I did not like fencing. I do not like fencing off defense; I do not like fencing off foreign operations. But we are in a situation in extremis just now, faced with triple-digit deficits and a Federal debt that is $3.189 trillion and on which the interest payments this year will be $189 billion, of which there is not one penny that will go toward the purchase of a single textbook in any of our schools in this country, toward the immunization of a single child against measles. The interest on that national debt does not put one nail in a house for the elderly or the handicapped. It does not put one rivet into a bridge that replaces a structurally deficient bridge. The interest we pay on that national debt does not add 1 centimeter, not 1 inch of highway in this country.

So I agreed to defend the fencing for the next 3 years, including fiscal year 1991, against predatory raids, in order to protect domestic discretionary.

If this amendment, which has now been adopted by unanimous consent, is not taken out of the bill, it may set a precedent and the Office of Management and Budget and the Defense Department and the State Department ought to be made aware of that.

Mr. President, I think this is a bad amendment, under the circumstances to which I have alluded.

It is tough to say this. It is difficult for me to say this. But, basically, I have to think first of our own American fighting men and women in the Middle East. I admire Israel. I have many times said, and I say it again, those people will fight. Israel is a strong ally of the United States, and I admire the pluck of Israel. Israel took out Iraq's nuclear reactor some years ago. That was a bold stroke, and I admired Israel for doing it. I admire the quality of Israel's fighting men and women.

But I cannot support this step because one thing I have to remember first, last, and always—beyond that of any other country, are the needs of the United States. I feel that this amendment may impact adversely upon American forces in the Middle East. It is a drawdown of U.S. defense stocks to the tune of not less than $700 million. I cannot support that amendment.

I believe I have to put the needs and requirements of West Virginia National Guardsmen, of Ohio National Guardsmen, of Kentucky, of Virginia, Pennsylvania, Maryland, Florida, California and other States ahead of those of any other country no matter how strong an ally that other country may be.

I have already indicated that I will go as far as any Senator in protecting the territorial integrity of Israel against any threat from Iraq or otherwise. But in view of the many other things that we are doing in this bill and also in the defense bill in support of Israel, I cannot go along with this amendment.

Mr. President, I will at the appropriate time, under the order that I sought and was agreed to by the Senate, offer a motion to strike this language from the bill.

I understand that the distinguished Senator from Alabama wants to talk for 10 minutes in regard to the Ethics Committee.

The distinguished senior Senator from Hawaii was on his feet; may I inquire of him as to whether or not he would like to be first?

Mr. INOUYE. No. The Senator from Alabama has a very important statement to make.

Mr. BYRD. Very well. I thank the Senator from Hawaii.

Mr. INOUYE. I would like to be recognized after that.

Mr. BYRD. Mr. President, I ask unanimous consent that I may yield the floor now and that Mr. HEFLIN may be recognized, because that is the reason I am yielding the floor, and that upon the completion of Senator HEFLIN's remarks, the distinguished Senator from Hawaii [Mr. INOUYE] be recognized.

Mr. SPECTER. Mr. President, I seek to comment, reserving the right to object.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. If the distinguished President pro tempore has established a schedule, before the unanimous-consent agreement is entered into, or if it has been while I sought recognition, I would ask for a sequence to speak after our distinguished colleague from Hawaii speaks.

Mr. BYRD. Mr. President, I certainly have no objection to that and will include that in my request. May I say that I am not attempting to establish a sequence except for the fact that Senator INOUYE has been here patiently waiting and had risen to seek recognition. That was the only reason why I began a sort of sequence.

The distinguished Senator raises a pertinent point, and I would include the recognition of Mr. SPECTER following Mr. INOUYE, if that is agreeable.

Mr. LEAHY. Reserving the right to object, Mr. President, is my understanding correct that any unanimous-consent agreement being propounded now would not interfere with the earlier unanimous-consent agreement that we vote at 2 p.m. on an amendment on which the yeas and nays were earlier ordered?

Mr. SPECTER. Parliamentary inquiry, Mr. President. What is that scheduled vote?

Mr. BYRD. Mr. President, it is not my understanding that any request has been granted with respect to a time for the vote on this amendment. Perhaps it has been.

Mr. LEAHY. Mr. President, renewing that question, I believe there is a vote pending at 2 p.m. on which the yeas and nays have been ordered; Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. That was on the previous tied aid amendment. My understanding is that there is no time set for a vote on the motion which I will offer to strike.

Mr. LEAHY. Mr. President, reserving the further right to object, the Senator from West Virginia is, of course, correct. I was not suggesting there was one on this. I just wanted to make sure because we had alerted Senators who are in committees of conference there would be a vote at 2 o'clock. I wanted to make absolutely sure that vote was still going to occur.

Obviously, I do not want to block any Senator from speaking, but am I correct that a vote will occur at 2 o'clock on an earlier rollcall vote ordered on an earlier amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. LEAHY. I thank the Chair.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The Chair recognizes the Senator from Alabama [Mr. HEFLIN].

ETHICS COMMITTEE WORK

Mr. HEFLIN. Mr. President, the proceedings of the Ethics Committee are confidential. This is in accordance with the rules. I do not intend to

speak on matters that are confidential in nature, but I do think I should speak to matters that are publicly known relative to the proceedings of the Select Committee on Ethics.

The special counsel to the Ethics Committee made a report on September 10. Since that time, the Ethics Committee has had numerous meetings, several times each week, with meetings averaging around 3 hours each. Some of these meetings have been interrupted because of other important duties and business of the Senate. Each Senator under investigation has now appeared with his attorney before the committee in accordance with a previous agreement. The last Senator and his counsel appeared before the committee on last Thursday, October 18. The committee met again on Friday, October 19. It the closing days of a session of Congress, there are many competing duties that face individual members of the Ethics Committee. One is on a conference working out differences of budget reconciliation measures which continue to require his absence from the Ethics Committee. Another Senator could not be present for a meeting today, October 22. The committee is scheduled to meet on Tuesday, October 23.

The Ethics Committee does not consider any charge lightly. Each charge has and will be given careful consideration.

I have before me a recent press release from Common Cause, which I will read. In doing so, it is not my purpose to say that it is correct or incorrect, but to say that it should be given careful consideration.

I quote:

On October 13, 1989, Common Cause requested the Senate Select Committee on Ethics to undertake an investigation to determine if activities undertaken in behalf of Charles H. Keating, Jr. and his company, Lincoln Savings and Loan Association, by Senators Alan Cranston (D-CA), Dennis DeConcini (D-AZ), John Glenn (D-OH), John McCain (R-AZ), and Donald Riegle (D-MI) violated Senate ethics rules and standards. On December 22, 1989 the Ethics Committee announced that it had initiated a preliminary inquiry into the matter.

Last week reports surfaced that the Senate Ethics Committee may be getting ready to drop Senators Glenn and McCain from the proceeding. These reports are deeply disturbing. We see no basis for removing Senators Glenn and McCain from this case and believe that any such action by the Senate Ethics Committee would be wholly unwarranted.

Senators Glenn and McCain, along with Senators Cranston, DeConcini, and Riegle, jointly intervened in meetings with the Federal Home Loan Bank Board on behalf of former Lincoln Savings and Loan owner Keating in April of 1987, at a time when Lincoln was approaching insolvency. Each Senator had received substantial financial benefits from Keating, his family and business associates. These included campaign contributions of $34,000 to Senator Glenn and $200,000 in corporate funds to a political action committee (PAC) Glenn controlled. Senator McCain received $112,000 in campaign contributions and substantial free transportation for McCain and his family, including three free trips to Keating's vacation resort in the Bahamas.

For the Senate Ethics Committee to drop Senators Glenn and McCain from this case is to say that there was nothing improper about the meetings that the Senators jointly held with officials of the Federal Home Loan Bank Board. We emphatically disagree. These meetings were held by the Senators to presssure regulatory officials on behalf of the Senators' finanical benefactor, Charles Keating. They were meetings that never should have occurred. All five Senators were involved—four in one of the meetings and five in the other—and all five Senators bear responsibility for participating in this improper activity.

In a July 11, 1990 brief filed with the Senate Ethics Committee setting forth the Senate ethics standards applicable in the Keating Five case, former Watergate Special Prosecutor and current Common Cause Chairman Archibald Cox concluded that all five Senators "not only jointly intervened with the Federal Home Loan Bank Board and Keating's behalf, but their combined intervention took an extraordinary form, seemingly designed put the maximum Senatorial pressure upon the Board to accede to Keating's wishes. Such favors are not available to other citizens."

The joint meetings attended by the Senators, Cox stated, constituted "extraordinary pressure upon the FHLBB [Federal Home Loan Bank Board]" and "an extraordinary favor" to Charles Keating, and make "each of the five Senators a knowing participant in the fundamental violation regardless of differences in the details of their participation or in the benefits each received."

The Cox brief stated that "for even a single Senator to intervene in a particular law enforcement proceeding presents highly delicate ethics questions. Here, the concerted action of the four and then five Senators on April 2 and 9 (1987) even when viewed apart from the financial benefits received, involves such extraordinary use of the office of Senator as to violate the portion of the Code of Ethics [for Government Service] which mandates that a public servant should 'never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; . . .'"

According to the Cox brief, "For four or five Senators collectively to use their power and prestige to influence regulatory proceedings for the benefit of a person who confers large financial benefits upon them is, regardless of their subjective motivation, conduct which reasonable persons might construe as influenced by the receipt of the benefits conferred."

Furthermore, according to the Cox brief, "One of the most widely known and accepted standards of conduct necessary to preserve confidence in the integrity of our institutions of self-government, including the Senate, forbids a public official or other fiduciary either to act or appear to act in an official capacity in response to gifts or other benefits." This standard is set forth in the Code of Ethics for Government Service, which provides that any person in government services should "[n]ever accept for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his government duties."

The Cox brief concluded that "[e]ach of the five." including Senators McCain and Glenn, "even if his reported conduct be viewed apart from the others, received money or other benefits from Keating, his family and/or business accociates—arranged by Keating—far in excess of the $1,000 campaign contribution that an individual can give to a federal candidate. Each then intervened on behalf of Keating's Lincoln Savings and Loan in an FHLBB inquiry into violations of law risking Lincoln's federally insured deposits. The Code and underlying principle were violated in each of these instances because these circumstances surely 'might lead a reasonable person to contrue the intervention as influenced by the receipt of the favors or benefit.'"

In reading this news release, I stated it was not my position to say that it was correct or incorrect; but I do feel that the charges and statements to Common Cause should be given careful and deliberate study and evaluation, as well as the report of special counsel.

There have been many leaks and disclosures concerning the proceedings. Documents have been leaked to the press concerning only three Senators. The leaks have been distorted and misleading in many instances. An analysis of the leaks and the timing of the leaks have convinced me that there has been an organized campaign of leaks. Such an analysis also lends strong suspicion that some of the leaks have come from either members of the committee or their staffs. Why? I ask again the question. Why? The answer obviously is to gain some advantage for some position or person to which the leakers are partisan. The organized campaign has to be for the advantage of a friend or friends, or disadvantage to enemies or for a political advantage. It is interesting to note that the leak of documents have been confined to three Senators and that there have been no leak of documents about the two other Senators. This is supportive of an organized campaign of leaks.

I listened this morning to the statements of Senators MCCAIN, DANFORTH, GORTON, and DOLE. Each belong to the same political party. It is interesting to note that most had prepared statements. Senator GORTON asked for a delay in order that one Senator could come to the floor to make his statement.

I do not believe that the Ethics Committee should be placed in the position of responding to pressure for the benefit of a friend or friends or the disadvantage of enemies or for a party position. The Ethics Committee is organized to be nonpartisan. I have done everything that I possibly can to keep the work of the committee from becoming partisan. I will continue to do so.

The committee owes an obligation to the charged Senators, but it also owes

an obligation to the institution as a whole, as well as to the public.

The reason the committee is not meeting today is because of conflicts of work duties. It has scheduled a meeting tomorrow. Hopefully, decisions will be made that are in the best interest of the Senate as an institution with the rights of those accused fully protected.

Thank you, Mr. President.

Mr. DANFORTH. Mr. President, will the Senator yield?

Mr. HEFLIN. I am not going to yield. I have made a prepared statement. Anything that I might say might get into confidentiality.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS, FISCAL YEAR 1991

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is to be recognized.

ORDER OF PROCEDURE

Mr. INOUYE. Mr. President, I ask unanimous consent that I be recognized to speak after the completion of the rollcall, which is to commence at 2 o'clock, and that, after the completion of my remarks, the Senator from Pennsylvania be recognized.

Mr. LEAHY. Reserving the right to object, Mr. President, we have kind of an open-ended thing. I am sure the Senator does not mean this, but technically his request could mean the two Members could hold the floor until next Friday if they wanted to. I know he does not want to do that, but, as manager of the bill, is it possible that we could put a limitation on the amount of time they want for these two Senators, because there are a dozen other Senators who want to bring up their amendments. As manager of the bill, I would like to get this thing done.

Mr. INOUYE. Mr. President, I ask unanimous consent that after the completion of the rollcall I be recognized for no more than 20 minutes, and that after completion of my remarks the Senator from Pennsylvania be recognized for no more than 20 minutes.

Mr. LEAHY. Mr. President, again reserving the right to object, I will not object, but I would warn the two Senators that, as the time is going out, an extra 40 minutes here and there runs a very real risk of getting us to the point where this bill, the foreign aid bill, is withdrawn from consideration until everything backed up behind it is done, which would virtually guarantee that we will not finish this bill this year.

I will not object. I urge Senators—and I certainly would not do anything to stop either the distinguished Senator from Hawaii or the distinguished Senator from Pennsylvania having their right to speak. Of course, they could get recognition to speak for hours if they wanted. But we are going to have to get this bill finished or it is done for this year.

Mr. INOUYE. Mr. President, I think the record should note that in this debate of the foreign operations bill I took the floor for 3 minutes to speak in support of the Egyptian debt forgiveness and, other than that, this will be my first and only lengthy speech, which I am certain will last no more than 10 minutes.

Mr. LEAHY. Mr. President, let me reiterate that I would be the last person in the world to do anything to stop the distinguished Senator from Hawaii from speaking. Obviously, he could speak as long as he wanted. I also would never be part or party to any attempt to stop him from speaking. I am just urging Senators that maybe using this as an opportunity for any other Senators who have amendments to get them over now because we either finish this bill soon or the bill gets taken down.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who seeks recognition?

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask unanimous consent to speak as in morning business for 4 minutes?

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I am sorry, what was the request?

The PRESIDING OFFICER. The Senator asked permission to speak as in morning business for 4 minutes.

Mr. LEAHY. Thank you.

EGYPTIAN DEBT FORGIVENESS

Mr. PRESSLER. Mr. President, the Egyptian debt forgiveness that was approved last Friday night, set a precedent that is very bad. I think we will see the same request from Brazil, Poland, other countries in South America, and Israel; and I think, we have now put ourselves into a position that much of the debt owed to the United States is merely on paper. That is a severe blow to our taxpayers.

I voted against this decision because I felt that it would have this cumulative effect. I also point out that the Egyptian debt forgiveness of $6.7 billion represents half of the total cuts to be made in agricultural programs over a 5-year period.

That is, the so-called deficit reduction package passed by the Senate, but which I opposed, includes $13.5 billion worth of deficit reduction in agricultural programs. In one swoop, we gave away half of that amount and probably much more if we anticipate that Polish debt, Brazilian debt, and the debts of other countries owed to the United States are included.

I can see why the taxpayers of this country are angry and upset. We have been very late in agreeing on a budget. I made a statement in September in which I said that Congress should go into session, stay in session day and night until it reached an agreement, rather than adopt this succession of continuing resolutions. Once again we are coming up to another deadline on Wednesday. I hope that this is the last one.

What has happened is that we have achieved the lowest common denominator in terms of tax policy and spending cuts; but, certainly, the issue of debt forgiveness is one that this Chamber will revisit. We will revisit the debt forgiveness issue in South America, in Eastern Europe, and elsewhere. Now that we have started the ball rolling, it will continue. We will find it more difficut to pay for many of our domestic programs, senior citizens programs, health care programs, job development programs, child care programs and many others.

We have now set a massive precedent, not for the rescheduling of foreign debt, but for the forgiveness of it. The countries that were making an effort to repay us will stop making that effort, and our taxpayers will be burdened even more.

I, for one, feel that our taxpayers should be upset at being asked to pay higher taxes and take more cuts in essential domestic programs, while forgiving Egypt's debts.

Some would say we had no alternative on the Egyptian debt. But there were opportunites for rescheduling that debt and an opportunity to insist on some payment. By a flat forgiveness of debt, we have set a precedent that will encourage everybody else in the world who owes us any kind of debt to not take that debt obligation seriously.

Mr. President, I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent that the Leahy, et al. amendment voted last Friday relating to Egyptian debt be moved from its present place in the bill, page 174, line 17, to page 174, line 4, which is the committee provision dealing with Egyptian debt relief.

That has been cleared all around.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I rise to offer an amendment to the international military education and training, or IMET, section of the foreign operations bill.

Let me first say, I congratulate my distinguished colleague and friend Senator LEAHY and the other members of the committee for the work they have already done on IMET.

It is clear from the legislation before us, that the International Military Education and Training Program, a little understood but important Government effort, is receiving an important reorientation, and one that will make it more suited for the 1990's.

IMET, which already provides important linkages with foreign militaries, is being assigned the task of helping empower civilian managers in national defense and security issues.

This is an enormous step forward. Obviously, one cannot talk about civilian control of the military without helping civilians become more conversant in issues of national defense. In the past, this lack of concern for civilian training put other countries' political leadership at a distinct disadvantage, given the amounts of time and money we invested in their militaries.

I also want to express my appreciation for the generosity of Senator LEAHY and members of the Foreign Operations Subcommittee staff in taking the ideas of other Members not on the committee into account in drafting this bill.

Mr. President, there are five further changes that I would like to offer to the bill that would help ensure in practice the implementation of these most important U.S. foreign policy goals: Support for emerging democracies, and the civilian control of military establishments.

The first change would give voice to the new direction IMET is taking by changing its name to Democratic Military Education and Training, or DMET.

IMET [International Military Education and Training Program], may have been an acceptable title before the great debates of the 1970's and 1980's put human rights and democratization at the head of American foreign policy concerns. Today, however, it is the name Democratic Military Education and Training that best puts the program's title in sync with its purpose.

The second change would allow up to $2.5 million to be spent on the new initiatives designed to empower civilians in the oversight of the military. The bill currently allows at least $1 million, or slightly more than 2 percent of the IMET total, to be spent.

Given the scope and recognized importance of this new task, however, and the number of countries that could use such training, I believe that the larger figure, just slightly more than 5 percent of the total, is more appropriate.

The third change would explicitly include members of national legislatures and their staffs in the training process.

I should point out that in many emerging democracies long-term patterns of political instability and military takeovers have meant that parliaments have little practical experience in military oversight.

Frequently these legislative bodies serve as little more than rubber stamps on questions of defense, a self-reinforcing trend given their lack of expertise or experience in military issues.

The fourth change mandates that, after March 31, 1991, all trainees shall receive instructions specifically designed to promote adherence to the universal military responsibilities of protecting civilians and prisoners from harm and intimidation, reporting to the proper military and legal authorities all abuses of human rights by military force, and accepting the authority of elected civilian officials.

Mr. President, one would assume that these values and practices are already part of our military training curriculum. But as the report of the Foreign Operations Subcommittee, the IMET Program currently suffers from a lack of clear objectives and the absence of a means to evaluate [its] accomplishments. This provision, I hope, will give IMET some clear objectives.

The final change would require that nation-building training be offered to foreign military personnel only if the recipient country does not have any civilian agencies or organization that could absorb such training.

Mr. President, I believe that the reasons for the first two changes are clearly evident and need no further elaboration.

However, I would like to discuss a little further the reasons for opening up the Democratic Military and Education and Training Program to members of parliament and their staffs, as well as the importance of limiting nation-building training to specific conditions.

Mr. President, our more than 200-year history has been one of successfully managing our civilian-military relationship. In few, if any, countries in the world is the prospect of a military intervention in political life more remote than it is here. Indeed, the possibility seems the stuff of a far-fetched novel.

However, it is that very improbability that perhaps makes it easy to lose sight of the democratic institutions and practices that has made this success possible. It is that accumulated knowledge that is a virtual treasure drove of information and an object lesson for those who seek to craft their own viable democracies.

The American model has an important array of lessons in the proper management of civil-military relations:

The control of the military budget by Congress ensures a close collaborative relationship between civilian political authority and leadership of the armed forces; there is close interaction and contact between civilians and military, and between the four services, throughout our command and control structure; scores of civilian-run nongovernmental agencies help to inform and to shape military policy; and the military has remained at the margins of partisan politics in large part because its role in internal security has always been sharply circumscribed.

Mr. President, as I said in this Chamber a few weeks ago, by seeking to train significant numbers of civilians over time, we will be both empowering civilian managers and assuring an instance of democratic oversight which is sadly lacking in many of these nations.

It is my hope that we take advantage of the much we have to offer, and offer it to those political leaders who might most benefit, members of parliaments and their staffs. I can think of few greater single contributions to the cause of civilian control over the military than that of helping foreign legislators become effective players in the formulation of defense and security policy.

The issue of nation-building, too, ought to be fully addressed.

Mr. President, let us first be clear what we mean by nation building training. Generally speaking, nation building involves the construction of public works and other activities that might be seen as helpful to economic and social development. On the surface, these activities would appear unobjectionable.

In fact, however, nation building can, and usually does, have several negative consequences when it is carried out by the military in countries that have an uncertain civilian control over their armed forces.

Military nation building can help tip the balance of power away from elected civilian leaders and toward unelected military rulers.

By encouraging militaries to take on nation-building activities, the United States is in practice giving the militaries legitimacy in assuming roles that put them in direct competition with civilian authorities.

The military often ends up carrying out attractive, big-ticket items such as roads, schools, bridges, health clinics, with the corresponding public relations boon. Meanwhile cash strapped political leaders are left with less resources to do a lot less exciting, but absolutely vital projects.

It is often forgotten, but one of the most successful—and at the same time

most sinister—military nation-building efforts was conducted by the Panamanian Defense Forces under Gen. Manuel Antonio Noriega. While this is albeit one of the most extreme examples, it is worth pointing out that once the military started down this road, there was virtually no area of governance which was left untouched by them.

Mr. President, today in El Salvador, democratic political leaders are struggling to consolidate their own democracy. Not surprisingly, the major stumbling block to this effort is the debate over the future role of the armed forces.

Recently El Salvador's Christian Democrats—our political ally of choice during the difficult decade of the 1980's—issued their own manifesto on the steps needed to be taken in order for democracy to prosper. Among the specific recommendations they made was the following:

> The elimination of all military participation in civil affairs of whatever type, including activities such as propaganda, civic action, engineering, etc. * * *

Mr. President, for too long the United States has sought to give the armed forces in the developing world tasks which have little to do with traditional roles of protecting a nation's borders and its political sovereignty.

During the cold war, these militaries' mission was inward-looking, focusing on internal security, with the often all-too-tragic results that are well-known to us.

Now, with the winding-down of the East-West conflict, other roles outside the boundaries of traditional military conduct and missions are being sought. Without persuasive military threats on their borders, the political establishments of many countries are now faced with the question: What to do with these large standing armies that are seemingly without mission or purpose?

In some countries, such as those in the Andean region, the enemy has changed from "international communism" to multinational drug cartels. This new internal security function, to my mind, continues to put democratic institutions at risk.

And, in other emerging democracies, nation building has again become an attractive alternative, particularly when given the alternative—armed forces' resistance to demilitarization.

Mr. President, I believe that the case of Argentina is instructive, inasmuch as it helps give insight to the practical effects of searching for nontraditional military roles, rather than maintaining armed forces at the level at which they are needed.

In 1962, then Agency for International Development contract employee James Theberge interviewed Argentina Brig. Gen. Carlos J. Rosas. Rosas, who was commander of the third infantry division, was one of the prime ideologues in bringing French dirty war techniques used in Algeria and Indochina to Argentina.

According to a U.S. State Department memorandum of conversation from the time, Theberger reported:

> General Rosas does not believe Argentina needs a conventional army to fight foreign wars. The period in which Argentina needed an army to protect its frontiers or repulse attack in international wars is past. In a world war its army would be useless.
>
> He advocates training the army for defensive counter-revolutionary warfare developed by the French in Indo-China and Algeria. Influenced by French military theorists, he believes that the Argentine military must understand the social, economic and psychological problems of the country in order to prevent the conquest of foreign-inspired ideologies.

The recommendation of the U.S. Embassy at the time:

> General Rosas' interest in anti-guerrilla warfare is one which we propose to cultivate.

During a 25-year period, from 1950 to 1975, 2,766 Argentine military men were trained at U.S. institutions. Six hundred of them attended the U.S. Army School of the Americas at Fort Gulick in the Panama Canal Zone, at which counterinsurgency operations were an important component of the curriculum.

In 1976, the military took power in a coup and proceeded to carry out one of the most vicious antiterrorist campaigns conducted in the Western World in modern times. The regime was also one of the most corrupt in recent memory, and its legacy of financial mismanagement left the incoming civilian administration in 1983 strapped with an enormous foreign debt. As Latin sociologist Jose Enrique Miguens pointed out, the Argentine military shattered the myth that military governments were efficient, rather they were only brutal.

As I pointed out, the counterinsurgency techniques that were used were copied from those used by the French in Algeria and Indochina. However, there was also an underlying dynamic at work which directly affects the debate here today.

One of the most intractable problems in trying to exert civilian control over the military in Argentina, El Salvador, Chile and other less-developed nations is the idea held by many officers that they are different and better than their civilian counterparts. And, the reasoning runs, if they are different and better, the question inevitably arises: why should they accept the command and control of civilian authorities?

The problem is that nation building, by its very nature, helps reinforce that spirit. It gives the military a taste for bureaucraic power, for immersion into politics, without forcing officers to share the difficult choices that have to be made by civilian political authorities. By giving the military training in counterinsurgency, nation-building and multisector development training, as we have in the past, we whet appetites within the armed forces of other nations that we would not accept in our own country.

It seems to me we ought to be very careful about encouraging foreign militaries to take on nontraditional missions, especially those which would be much questioned if they were taken on by the U.S. military.

Recently, Adm. Argimiro Fernandez, retired, the former head of Argentine naval intelligence, spoke about the practical effect these kinds of nation-building courses had in his country. The planning ideology inculcated by Argentine military colleges, Fernandez said, and the quantity of superficial general knowledge students received there, gave the armed forces the idea they had a great capacity for solving the nation's problems. As we know, the superficiality of their knowledge did not keep the generals from seizing power.

Mr. President, before scarce training resources are used for nation building by the military, I would suggest we ask what kind of nations do we want built. Recently, the General Accounting Office conducted a study of the IMET Program in six countries. It pointed out, in at least two of the countries, officials of both the Agency for International Development and the U.S. Information Agency said national building should be undertaken by the civilian sector, and that their agencies were capable of providing such training to civilians.

In redesigning DMET, I hope the administration will call on civilian government agencies, such as AID and USIA to offer their expertise and help. I also urge that nongovernmental organizations with experience in improving civilian-military relations in foreign countries be consulted. Among these NGO's I hope will be drawn into the process are the American University; the National Endowment for Democracy and its core grantees the National Republican Institute for International Affairs [NRI]; the Center for Democracy, and the Institute for Representative Government.

Mr. President, for more than 200 years we have enjoyed a democratic government which has worked unfettered by the fear of military threat or interference. It is an admirable record, and one that bears imitation. If we are committed to sustaining our links to foreign militaries, and at the same time show our seriousness in supporting the spread and maintenance of democracy, DMET can provide needed support for both efforts.

Mr. President, I appreciate the opportunity to make these points. I now withdraw my amendment.

Mr. President, I ask unanimous consent that the amendment I am withdrawing be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

Strike out "International Military Education and Training" and all that follows up to but not including the paragraph entitled "Foreign Military Financing Program" and insert in lieu thereof the following:

DEMOCRATIC MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541, $47,196,000: *Provided*, That none of the funds appropriated under this heading shall be made available for grant financed military education and training for any country whose annual per capita GNP exceeds $2,349 unless that country agrees to fund from its own resources the transportation cost and living allowances of its students: *Provided further*, That not less than $1,000,000 and up to $2,500,000 of the funds appropriated under this heading shall be made available for developing, initiating, conducting and evaluating courses and other programs for training foreign civilian and military officials in managing and administering military establishments and budgets, and for training foreign military and civilian officials in creating and maintaining effective military judicial systems and military codes of conduct, including observance of internationally recognized human rights: *Provided further*, That none of the funds appropriated under this heading shall be available for Malaysia, Zaire, Liberia, and Somalia: *Provided further*, That chapter 5 of part II of the Foreign Assistance Act of 1961 is amended by striking out "International Military Education and Training" and inserting in lieu thereof "Democratic Military Education and Training": *Provided further*, That any reference in law to international military education and training shall hereafter be deemed to be a reference to democratic military education and training: *Provided further*, That funds appropriated under this heading shall be available for "nation-building" training (other than map making) only in a country in which no civilian agency or individual could reasonably be expected to carry out such activities and in which a freely elected head of government has requested such "nation-building" training: *Provided further*, That after March 31, 1991, all trainees shall receive instruction specifically designed to promote adherence to the universal military responsibility of protecting civilians and prisoners from harm and intimidation, reporting to the proper military and legal authorities all abuses of human rights by military forces, and accepting the authority of elected civilian officials: *Provided further*, That section 541 of the Foreign Assistance Act of 1961 is amended by inserting the following sentence immediately after the first sentence: "Such civilian personnel shall include foreign governmental personnel of ministries other than ministries of defense, as well as member of national legislatures and their staffs, if the military education and training would (i) contribute to responsible defense resource management, (ii) foster greater respect for and understanding of the principle of civilian control of the military, or (iii) improve military justice systems and procedures in accordance with internationally recognized human rights.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from California for his remarks about my efforts to reshape the International Military Education and Training Program to make it more responsive to the post-cold war era. I commend him for the ideas he raises in this amendment. I appreciate his willingness to withdraw his amendment. As I explained to him in earlier discussions, I reached an understanding with the Defense Security Assistance Agency on initial steps to modernize the IMET program. Before we take additional steps, I would like to test DSAA's encouraging response thus far to my efforts. Next year, as we review DSAA's response to the new directions in the bill, the ideas in the Senator from California's amendment merit further consideration. I look forward to working with him and others on this important issue.

Mr. LIEBERMAN. Mr. President, I rise in support of the distinguished President pro tempore's amendment. Once again, he shows himself to be on the cutting edge of this most important issue.

I come from a State that exports more per capita than any other State in the Union. Seven percent of Connecticut's work force is involved in producing exports, compared with 4.5 percent nationally. The dollar volume of State exports grew by 18 percent last year. But international competition is increasing, and there is no guarantee that Connecticut's exporters will continue to remain strong.

One of our primary problems is that our exporters in Connecticut and across the country are at a competitive disadvantage because they do not have the kind of government support that their counterparts from Japan and the nations of the European Community have. They need government support to compete. Congress and the administration must reach out to our exporting community to form a public-private partnership that will help them capture new markets. Our products are often competitive with the products of other nations, but it is our terms of trade—the packaging of a transaction—that makes life difficult for American exporters.

A primary difficulty confronting them is the issue of export financing and tied aid—the tying of economic aid to export sales. This predatory form of financing was supposed to have been put to rest with the arrangement on guidelines for officially supported export credits also known as the arrangement. The problem is that tied aid activity has increased since the 1987 version of the arrangement was put into place because our foreign competitors have been willing to meet the 35 percent requirement because they are committed to the practice of using tied aid to help their exporters.

A new round of negotiations is going on at the OECD, but unless the United States has contingency plans in place to combat the tied aid practices of foreign nations then no negotiations or agreement will help.

The lack of commitment by the government to an aggressive tied aid program has caused U.S. exporters to lose out to their competitors in valuable overseas markets, including such areas as computers and telecommunications. According to Ambassador Ernie Preeg, a former chief economist at AID and one of the foremost experts on this issue, the "current market for capital goods transactions * * * which is inaccessible to U.S. exporters because of other governments, is $10 billion to $12 billion per year, resulting in an estimated $2.4 billion to $4.8 billion annual loss to U.S. exports. Future U.S. export loss in high-growth developing country markets could be far greater."

Within the context of a revitalized tied aid program we should set up a special program for Eastern Europe. We have a responsibility and opportunity to capture new overseas markets with these nations. For over four decades we promised the nations of Eastern Europe that we would help them if they would rise up against their communist oppressors. They have done so, beyond anyone's expectations. Now we have to live up to our end of the bargain, but we must do so within our financial means. The best way to do this is to help them develop their infrastructure, from telecommunications to the building of roads and bridges.

Since we are putting up taxpayer dollars to help these nations, we must be certain that American companies will benefit from our Nation's investment. That is why our foreign aid dollars for Eastern Europe should pave the way for new opportunities for American companies in the region.

There was a time in our Nation's recent history when trade was considered a kind of foreign aid program for our friends and allies. After World War II, we developed a world trading system that was really designed to give foreign nations access to our market while allowing them to protect their own. This system worked—too well. Now we run trade deficits that are out of control.

In order to take control of our economic destiny, we must eliminate our trade deficit. One of the most effective ways of achieving this is to reach out to our exporters and help them compete on a level playing field. Frank Doyle, one of my constituents and a

senior vice president at General Electric, said it best:

We won't win many orders without the best products at the best quality and the best price.* * * But without competitive financing, we won't win any order at all.

Earlier this year, I introduced legislation that complements the thrust of the amendment of the distinguished Senator from West Virginia. My bill, in turn, complements legislation that Senators BOREN, BENTSEN, and BYRD, have introduced.

If we don't reach out to our exporting community more consistently and effectively, then our Nation's competitiveness will be a further risk and so will overall support for foreign aid programs. We need to maintain foreign aid for our friends and allies. But we also need to make certain that foreign assistance is used—to the extent practical—to help American businesses. That is the premise of this amendment. I urge my colleagues to support it.

Mr. LEAHY. Mr. President, we are going to vote in about 5 minutes. I then urge the Senators who have amendments to remain on the floor, because shortly thereafter we will dispose of amendments. So I would appreciate it if the Senators will remain on the floor at this point.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to amendment No. 3091 offered by the Senator from West Virginia.

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KERRY] is necessarily absent.

I further announce that, if present and voting the Senator from Massachusetts [Mr. KERRY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER (Mr. SANFORD). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 95, nays 3, as follows:

[Rollcall Vote No. 299 Leg.]

YEAS—95

Adams	Bingaman	Breaux
Akaka	Bond	Bryan
Baucus	Boren	Bumpers
Bentsen	Boschwitz	Burdick
Biden	Bradley	Burns
Byrd	Hatfield	Nickles
Chafee	Heflin	Nunn
Coats	Heinz	Packwood
Cochran	Helms	Pell
Cohen	Hollings	Pressler
Conrad	Humphrey	Pryor
Cranston	Inouye	Reid
D'Amato	Jeffords	Riegle
Danforth	Johnston	Robb
Daschle	Kassebaum	Rockefeller
DeConcini	Kasten	Roth
Dixon	Kennedy	Rudman
Dodd	Kerrey	Sanford
Dole	Kohl	Sarbanes
Domenici	Lautenberg	Sasser
Durenberger	Leahy	Shelby
Exon	Levin	Simon
Ford	Lieberman	Simpson
Fowler	Lott	Specter
Garn	Mack	Stevens
Glenn	McCain	Symms
Gore	McClure	Thurmond
Gorton	McConnell	Wallop
Graham	Metzenbaum	Warner
Grassley	Mikulski	Wilson
Harkin	Mitchell	Wirth
Hatch	Murkowski	

NAYS—3

Armstrong	Lugar	Moynihan

NOT VOTING—2

Gramm	Kerry

So the amendment (No. 3091) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order.

Mr. INOUYE. Mr. President, what is the pending business?

The PRESIDING OFFICER. Under the previous order, the Senator from Hawaii is recognized for 20 minutes.

Mr. INOUYE. Thank you, Mr. President.

Mr. BYRD. Mr. President, this is a very important matter. I hope Senators will listen to the Chair, and particularly that they will listen to the Senator from Hawaii [Mr. INOUYE].

Mr. INOUYE. Mr. President, the question before us is a matter that has been debated by Members of this body since the early days of our Republic: the interests of the United States; how to best serve the national interest. The question is: Is this proposal before us one that will serve and enhance the interests of the United States in the Middle East?

Before I respond to that question, I believe it would be well if we review some of the activities that have preceded the August 2 invasion of Kuwait.

Mr. METZENBAUM. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. There is conversation going on at several of the exits. Will Senators please move those conversations from the floor.

Mr. INOUYE. On June 29 of this year, together with several of my distinguished colleagues, a matter was presented to the Senate: to have sanctions placed against Iraq. At that time the administration, in rather forceful language, suggested to the Members of the Senate that such action was not only unnecessary but it would not serve the best interests of the United States; that Saddam Hussein was a good friend of ours and that he should be trusted.

A week before the August 2 invasion a hearing was held in the House of Representatives, a very important one. The witness was the Under Secretary of State, speaking in behalf of the Secretary of State of the United States. The question was a very simple one.

"Mr. Secretary, several divisions have massed their troops on the border of Kuwait. Should the United States be involved, if Iraq should invade Kuwait?"

The answer was, "We have no military alliance with Kuwait."

Two days before the invasion, when forces began to mount, Iraqi forces began to grow in great numbers on the border of Kuwait, our show of concern was our Ambassador in Baghdad, going on vacation. In addition to this, several distinguished Members of this body visited Saddam Hussein, and came back with glowing accounts of their meetings. Our colleagues were impressed and suggested that we have, in Saddam Hussein, a good friend.

I cite this because we are dealing in a part of the world where messages are very important. I know very little of the history, but from what little I know of the history of that part of the world, all those events, I most respectfully suggest, added up to a message from which Saddam Hussein must have concluded: "If I send my forces into Kuwait, the United States would not care." In fact, the response on the part of the United States was a great surprise to many.

Messages, Mr. President, are very, very important. Since August 2, the President of the United States publicly announces that the $7.1 billion debt for the Egyptian Government will be forgiven and forgotten. We voted upon this last week, supporting the President of the United States. It was a solemn promise made by our President, received by the people of Egypt, and perceived to be the word of this country.

Then, soon after that, an announcement was made that we would enter into an arrangement whereby Saudi Arabia will buy the most sophisticated weapons systems from the United States, to the tune of about $22 billion; which, incidentally, they are not buying, because as a result of this invasion all of our experts tell us that Saudi Arabia will make at least $50 billion. That sale is being subsidized by the taxpayers and the drivers of this country.

In addition to this, our Secretary of State has made two important trips to

the Middle East and in those two trips—Syria, Saudi Arabia, Bahrain, Egypt, back to the United States; he goes on another one to Saudi Arabia, the Arab Emirates, Bahrain, Cairo, back to the United States—Israel was not included in the itinerary.

Our Secretary of Defense goes on two trips, very important ones—the same itinerary. Members of this body, Members of the United States House, in large numbers have gone to the Middle East. They all go to Saudi Arabia, Bahrain, Cairo, and back to the United States.

Mr. President, I most respectfully suggest that when you add up all of these events we are sending a very dangerous message.

What we have tried to do with this measure was to in some way, in small and subtle ways, send a countermessage. We have no intention to match, dollar for dollar. this is not a $7 billion, or a $24 billion deal. In no way, Mr. President.

Yes, there is an item of $15 million, in the defense bill, to develop the Haifa harbor; not for the Israeli Navy, because their vessels all are shallow draft. This is for our vessels, just in case our huge ships may need to enter that port.

Yes, we have made arrangements to store strategic fuel there, but it is for our use. But in the case of an emergency, the President of the United States may permit the Israelis to use that. We decide whether there is an emergency.

The Israelis do not decide whether there is an emergency, and it is the same thing with pre-position of arms. In this case, in the amendment before us, Mr. President, most respectfully, we could have left out the numbers. It was not necessary to put in $700 million, but we deliberately put in $700 million as part of this message, so we could show in terms of money, because money seems to be so important, that we have not forsaken and forgotten our friends in Israel. But we went a step further. This is not mandatory. It is discretionary. It says, "The President may direct."

Second, and I say this as chairman of the Defense Appropriations Subcommittee, because my concern, No. 1, has been personnel readiness, this amendment says if the President believes that in any way this action suggested by the attempt would adversely impact upon the readiness of our troops, he may not go through with this, and he need not go through with this.

The other matter that was brought up, which is a very serious concern, is that these are funds in the Department of Defense account to be used to further the purposes of the foreign operations account. The question was, Should the Foreign Operations Committee reimburse the Department of Defense?

Mr. President, I most respectfully suggest that hardly a day goes by when we are not doing this. We used DOD equipment, paid for through appropriations, for Hurricane Hugo. We do not ask the State of South Carolina or any other Government agency of the United States to reimburse DOD for the use of tractors or bulldozers or personnel, equipment, fuel, food, tents. We do this all the time.

We have just provided Egypt with 700 M-60 tanks from Europe. We are not asking the State Department to reimburse the Department of Defense because we have already paid for this. It is the same thing with the drawdown, Mr. President. One thing, if at any time the President believes, or his subordinates believe, that this would negatively, adversely impact our readiness, the language is very clear. Yes, we have assistance programs in here for Israel because, like many of my colleagues, I believe that the best interest of this country is served by assuring the viability and the strength of the State of Israel.

It is the most reliable ally we have there; always available to the United States. The State of Israel provided the United States, without cost, a secret that would have cost us billions of dollars to find out. If my colleagues will recall, not too long ago, they wiped out the SAM sites, surface-to-air missile sites, that the Soviets gave to the Syrians. They did so without a loss of one aircraft. It was something that no one believed could be done. The Israelis found out how to do it. We know it now. That has saved us billions of dollars.

The best intelligence that we get from that part of the world, without question, comes from the State of Israel, and they share it with us freely. In fact, Mr. President, the records will show that before this August 2 invasion, the intelligence community of Israel was very clear in their messages to us that we better be concerned with what Saddam Hussein is doing. We should have listened to them.

Mr. President, as I said at the outset—I notice my time is just about running out—the issue before us is: Is this suggested proposal in the best interest of the United States? Mr. President, I respectfully suggest that it does serve the best interest of our country.

I thank the Chair.

Mr. SPECTER addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Pennsylvania is recognized for 20 minutes.

Mr. SPECTER. I thank the Chair.

At the outset, Mr. President, I compliment my distinguished colleagues, the Senator from Hawaii, and the Senator from Wisconsin, for offering this amendment. I compliment Senator INOUYE for his outstanding presentation. I would like to make just a comment or two in following up a couple of the items he has referred to.

The parameters of the national interest of the United States are precise; that is our inquiry here. I think that the distinguished Senator from Hawaii has articulated very strong reasons why it is in the United States national interest, as well as, collaterally, the Israeli national interest.

When the distinguished Senator from Hawaii commented about the recent travels of the Secretary of State, he might have added the travels of the Secretary of Defense, and it would be the hope of this Senator that those ranking officials, in addition to traveling to the countries enumerated by the Senator from Hawaii—Saudi Arabia, the United Emirates, and Egypt, in the Arab world—that they should include Israel as part of the itinerary to send a message.

When the distinguished Senator from Hawaii talked about the message, I think he is on a very important aspect of the overall matter, in addition to the substance. The United States Senate delivered a very important message on our backing of Israel on Friday when there was an amendment on the floor relating to settlements in Jerusalem where this body rejected by a 90-to-8 vote the either express or implied criticism of Israel.

It was as if a tree fell in a forest, Mr. President, with no one there to hear it. I have not seen a report in any of the media about that 90-to-8 vote expressing the confidence of the United States Senate in Israel or, alternatively, rejecting a criticism of Israel. Had that vote been the reverse, I think it would have been the lead story in all of the national newspapers and electronic media. But I have not seen a word reported on that subject.

It is my hope, Mr. President, that there will be a very strong message sent by the U.S. Senate today in rejecting the motion to strike this $700 million drawdown when that motion is presented, as we have been assured it will be later this afternoon.

On the merits, Mr. President, I suggest that the United States will be an enormous benefactor in making $700 million of military equipment available to Israel in a drawdown. Bear in mind at the outset that it is discretionary with the President; that they will not make the allocation if it would in any way weaken the United States; and that the allocation, should the President choose to make it, can be delayed as he sees fit to assure the readiness of the United States.

But it is well known that we have enormous stockpiles of equipment in NATO where we have already implemented a program of partial with-

drawal so that we have every reason to expect that it is no significant problem for the United States to set aside that much in materiel and supplies.

It is not a matter that affects the deficit, as has been suggested on this floor today. The military hardware is already bought and paid for, and I will not amplify or repeat the arguments made by the distinguished Senator from Hawaii about the irrelevancy of a trade in accounts.

We bought it. We paid for it, and now we are making use of it.

But there are two elements, Mr. President, in evaluating a military defensive response, which is what this amendment calls for, defensive military equipment. One is the personnel and the second is the materiel. By far the least expensive, the least valuable, the item of least concern is the materiel. We are much more concerned about our 250,000 fighting men and women in the Mideast today than we are in the ships, planes, and tanks which are there. It is a bonanza for the United States and an enormous advantage to have Israeli fighting men and women handling this $700 million in equipment instead of having it necessary for United States fighting men and women to do so. The Israelis are willing to do that for their own protection and for the joint protection of United States and Israeli interests, which have been mutually beneficial, Mr. President, for more than 4 decades.

When we talk about $700 million Mr. President, I suggest to you that it is relatively minor compared to the $7 billion which has been committed already to the Saudis, at least committed by the administration. It is yet the hope of this Senator that that $7 billion will be significantly reduced. As I said on the Senate floor recently, I support selling to the Saudis military equipment which will help right now in the threat which Iraq poses with the invasion of Kuwait and further Iraqi threats. I support that sale because it will relieve the United States of some burdens of our fighting men and women there and what we have deployed.

I have grave reservations as previously expressed, about selling the Saudis equipment for the far distant future where some administration officials have said, "Let's sell it to them so they can hold the fort next time." I am opposed to that because I think it is highly dangerous to put sophisticated equipment in the hands of the Saudis for the next time when they may fall prey to someone like Iraq which overran Kuwait and seized all of the materiel which the United States had sold to Kuwait. Thankfully, the Maverick missiles we sold Kuwait had not yet been delivered. I am further opposed to next time because who knows where Saudi Arabia is going to be lined up at some time in the indefinite future. They may be a threat to U.S. interests.

But if you take the $7 billion figure which is proposed by the administration, $700 billion is one-tenth of that. If you take the forgiveness of more than $7 billion in debt to Eygpt, $700 million is less than one-tenth of that. It is a relatively small amount. It is de minimis. It is a modest request which is circumvented in this amendment.

Mr. President, I am advised by the managers of the bill that formally the administration has taken no position, or, stated more specifically, does not object, which might raise some inference of approval. But I would like to call to the attention of my colleagues a letter that I wrote to President Bush and a response that I received which bears on this subject and I think states a supportive position by the administration.

When rumors surfaced about a $20 billion sales to Saudi Arabia around Labor Day, since reduced to $7 billion immediately and the balance later, I wrote to the President on September 11. I will only read the first line because I know the manager of the bill is anxious to move ahead:

> Mr. President, I urge you to take action as promptly as possible to provide Israel with urgently needed military assistance.

The rest of the letter goes on to talk about materiel and the proposed sale to the Saudis.

The President wrote back to me on October 10: "Dear Arlen," et cetera. In the first paragraph:

> The administration's commitment to Israel's security is ironclad. It is my intent to see that Israel receives the assistance necessary to maintain its qualitative military superiority.

And then the President goes on to talk about the Patriot Air Defense System and other aspects of United States assistance to Israel.

I ask unanimous consent at this point, Mr. President, that these two letters be printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. Mr. President, there is a great deal more this Senator could say, but I know we are limited in time and other Senators are on the floor. But I would suggest that the message ought to be abundantly clear, as Senator INOUYE has articulated, but, more than that, this is a modest allocation of military supplies from the United States where we do not lose but gain by having a strong ally put its fighting men and women behind this military equipment which could well save American lives.

EXHIBIT 1

U.S. SENATE,
Washington, DC, September 11, 1990.

The PRESIDENT,
The White House, Washington, DC.

DEAR MR. PRESIDENT: I urge you to take action as promptly as possible to provide Israel with urgently-needed military assistance.

Although I understand from officials from the Department of Defense that the matter is being processed at the present time, I am writing to urge expedited treatment because of the urgency of the situation.

The Iraqi threat to Saudi Arabia, Israel and perhaps other nations in the region is imminent.

Beyond the necessity to be prepared for any Iraqi threat, there is a need to maintain the pre-existing military balance between Israel and the Arab nations. While it is understandable that military sales to Saudi Arabia and other Arab countries may be warranted at this time, their balance with Israel must be maintained in light of the fact that such equipment may fall into enemy hands (as did the Maverick missiles sold to Kuwait) and such sales to Arab nations without counterbalancing sales to Israel could create a future risk to Israel once, hopefully, the Iraqi threat is resolved.

I am taking the liberty of sending copies of this letter to Secretary of Defense Dick Cheney, National Security Adviser Brent Scowcroft, Under Secretary of Defense for Policy Paul Wolfowitz, and Assistant Secretary of Defense for International Security Affairs Henry Rowen.

My best.

Sincerely,

ARLEN SPECTER.

THE WHITE HOUSE,
Washington, October 10, 1990.

Hon. ARLEN SPECTER,
U.S. Senate, Washington, DC.

DEAR ARLEN: Thank you for your recent letter expressing concern about the military balance between Israel and the Arab states. The Administration's commitment to Israel's security is ironclad. It is my intent to see that Israel receives the assistance necessary to maintain its qualitative military superiority. Toward this end, I decided on September 29 to provide the Patriot Air Defense system to Israel under the emergency authority available to me.

A fundamental part of our Middle East policy is providing all our friends with appropriate military assistance so that they can defend themselves. At this critical time, Saudi Arabia has a distinct need for additional military assistance. A long term benefit of meeting Saudi Arabia's legitimate defense needs will be to provide the Saudis with the means to defend themselves and thereby reduce the need to deploy U.S. military forces for that purpose.

I hope I can continue to count on your support for our Gulf policy and these related issues.

GEORGE BUSH.

Mr. DECONCINI. Will the Senator from Pennsylvania yield?

Mr. SPECTER. I do.

Mr. DECONCINI. Mr. President, the Senator from Pennsylvania raises an interesting point about the Maverick missiles in Kuwait that had not been delivered there. The Senator will recall we tried very hard, 2 years ago,

to prevent those to even be contracted. Is that the Senator's recollection?

Mr. SPECTER. It is. If I may respond to my distinguished colleague from Arizona, Senator DECONCINI and I led the fight, almost succeeded, in having the Maverick missiles deleted from an arms sale to Kuwait. When Iraq invaded Kuwait, the first thing this Senator did was to find out where those Maverick missiles were, and was delighted to find that they had not been delivered. I really had wondered what the debate of such intensity was about if 2 years had passed and they had not been delivered. Thankfully, they had not been delivered.

Mr. DECONCINI. Will the Senator agree—I am sure he does—it has been the Government of Israel, through different governments they have had, that consistently has supported the United States need to have its ships repaired at Haifa; when United States Navy fighters shot down Libyan Mig fighters, the Navy ships docked at the harbor of Haifa. There has never been any question about the willingness of this nation to come to the aid and response of the United States when we are in danger in the area. Does the Senator agree with that?

Mr. SPECTER. The Senator from Arizona is preeminently correct. That listing of support by Israel to United States interests could be multiplied tenfold if we were to take the time at this moment to itemize specific Israeli assistance to United States military and United States national interests.

Mr. DECONCINI. Does the Senator also conclude that Israel's willingness, in 1981, to bomb the nuclear reactor in Iraq, though it was done for the United States, it certainly benefited the whole region; that our interests were very much benefited by Israel's having the courage to do what had to be done toward Saddam Hussein's nuclear capabilities?

Mr. SPECTER. I would respond to my colleague that when I heard the criticism leveled against Israel for that 1981 bombing of the Iraqi nuclear reactor, I thought I would never hear such a torrent of abuse. But the swell of compliments and commendation which Israel has belatedly received 9 years later has even exceeded that criticism, and I think the world is a major benefactor.

Mr. DECONCINI. If the Sentor will yield, I think the Senator from Pennsylvania and a few others of us spoke up the next day, I did I know, and I know the Senator from Pennsylvania did. The Senator from Ohio spoke up the next day about how grateful we ought to be as someone who came forward without a lot of debate and decision delays and do what had to be done.

I hope this amendment, if there is an amendment to strike here, is turned down. I think it will be a big mistake to do this to an ally that we have worked closely with, and given surplus equipment, material, that is going to be withdrawn from the European forces by the United States or destroyed. There is no reason why we ought not to position it in Israel for the common defense of democracy of the world.

I thank the Senator.

Mr. SPECTER. By way of response, I say those who spoke up in Israel's defense at that time, were in the minority. But now there is virtual unanimity that it was a daring, bold, courageous, and very important move in eliminating the potential for Iraq to have nuclear weapons.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I know a number of people want to speak. I do not want to block anybody from speaking. I realize that because of the issues that have been raised I am sure there will be three-quarters of the Senate who will want to come down, and assure everybody that they support the security of Israel, which maybe we should just have as a standard thing that we all do.

I do not know one Senator, Republican or Democrat, who does not support the security of Israel. I do not know one Senator, Republican or Democrat, who has not voted for considerable expenditure of United States tax money for that support of Israel. I do not know anybody since I have been here, have been chairman of the Appropriations Committee, who has not supported it, as the distinguished Senator from West Virginia has supported billions and billions and billions of dollars for the security of Israel.

I think we have done it for all the right reasons. But, Mr. President, there seems to be a feeling that if there is some possible criticism of Israel on anything, that we must all be here and take a great deal of time to speak on it, and to state our position.

Let me state my position clearly. I support the security of Israel as do 99 other Senators. I voted for billions of dollars for that security, as have 99 other Senators. This foreign aid bill which I support—in fact it is my bill, along with the distinguished Senator from Wisconsin—has considerable aid voted for in committee. We are going to vote for it on the floor if we get to a vote.

Mr. President, time runneth out. And as the distinguished chairman of the Appropriations Committee, Mr. BYRD, who is on the floor, realizes, he knows that if this goes on much longer this bill comes down. Israel's aid, Egyptian debt forgiveness, with everything that I have worked hard to put in there, with everything that the distinguished Republican manager has worked hard to put in there, with the very issue we are discussing right now—all of that just disappears.

At best we go to a continuing resolution with the lowest of last year's numbers, which for those who are supportive of aid to Israel, is bad news. For those who support the administration, as I have, on Egyptian debt relief, that is also bad news. For those who would like to see us change the ratio from just foreign military aid, to putting it into economic assistance, that is bad news. For those who of us who would like to see such things as the Leahy war victims fund to give artificial limbs to those who have lost them in civil wars, from Mozambique throughout other parts of the world, that is bad news. For the distinguished Presiding Officer, and some of the initiatives, very good initiatives that he has supported in Latin America and elsewhere, that is bad news.

So might I ask this, and then I will yield the floor. People can talk as long as they want, but might I ask if we could at least have a unanimous-consent agreement for the time to dispose of the pending amendment, either by an up or down vote, or by a motion to strike?

Before I make any such unanimous-consent request, I wonder if I might engage the distinguished Senator from West Virginia and ask, Mr. President, if the distinguished chairman of the Senate Appropriations Committee might be willing to enter into a unanimous-consent agreement to vote one way or the other on the pending amendment, say at 3:15 p.m. I am not making that request, Mr. President. Before I do, I, of course, will make the same point with the distinguished Senator from Ohio, who also happens to be one of the closest friends I have ever had in this body—time he might want and so forth, so we might bring this to a close.

Mr. METZENBAUM. I have no problem.

Mr. BYRD. Mr. President, I will certainly not detain the Senate overly long. I can appreciate the desire of the distinguished Senator from Vermont, who has been very carefully, professionally, and ably managing this appropriations bill, as he has done in the past. I can understand his concerns and his desire to move on. I share that concern. I do not know how much time other Senators will want to take. I am sure I will not want more than a half hour if I use that much again. I may use 15 minutes, I may need 10, I may need 5. I am sure it will not be more than 30. But until we see how many other Senators are going to speak, I will be very happy at that point to enter into a time limitation on my own mark and a time to vote.

Mr. LEAHY. Mr. President, I thank the distinguished Senator from West

Virginia. I yield to my good friend, who is my very good friend, from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. Mr. President, for me, I will say I will have no trouble in voting at 3:15 and limit my own remarks to 5 minutes. I agree with the manager of the bill that we ought to move on. Probably no one is going to be convinced at this point as to how they are going to vote.

I heard the distinguished Senator from West Virginia in presenting the amendment, and my guess is that everybody has pretty well made up their minds.

I rise only for a few points of clarification. Those points of clarification are that I stood here the other day and supported the cancellation of the Egyptian debt. I did so because I thought it was the responsible vote, and I thought that it was appropriate that those of us who know what is happening in the Middle East be willing to recognize the pressure that President of Egypt is under, that this would in some way contribute to supporting his position, and indicate to the American people our appreciation of that fact.

I did not rise to lead any opposition nor participate in any opposition to the Saudi Arabian arms sale, although I must confess that I have had some difficulty as to why some of the extent of that arms sale, which even though it was cut back from $21 billion to around $6.7 billion, need be as great as it is. I say that particularly in view of the fact, and I am very much concerned about some of the things that the Saudi Arabians have said in recent weeks concerning the fact that they wished they were standing shoulder to shoulder with their Arab Iraqi brothers and fighting the Israelis rather than in fighting the Iraqis.

In spite of that, I did not oppose and would not oppose the sale of the Saudi Arabian arms package.

But with respect to the Israeli package, which is a very small one, an extremely small one, it becomes the focal point of all of the discussion. Let us not kid ourselves. Israel stands out there and those of us who visited with Saddam Hussein know what he said. He made it very clear that if there were to be a breakout of war, he would be certain—and he had already advised his military commanders—to let go with his chemical weapons, let go with his bacteriological weapons against the State of Israel.

So the Israelis do not have all the answers as to how to prevent this from happening, but the Israelis are within striking distance of Iraq. We, here in the United States, are not. Our young men and women who are stationed in Saudi Arabia, are in a position to defend themselves, but they are much further removed than are the Israelis.

This package about which we are speaking is not just a gift. You would think it was a great monumental gift of all sorts of billions and billions of dollars. That is just not the fact.

First of all, the pre-positioning of the oil does not become Israel's oil. The oil is there for the United States to use if we need it in that part of the world, and if the President decides it should be released to the Israelis, then it can be.

The question of the drawdown of some of the munitions that are talked about in this bill is only if the President of the United States says it should be so.

What are we talking about? We are making this into a cause celebre, as if it were the biggest thing in the entire world—no talk about $7 billion in the future or a sale of $14 billion to the Saudi Arabians, notwithstanding the fact that the Saudi Arabians are picking up $4 billion a month in extra charges, much of it coming from the people of this country, by reason of the increased oil prices that they are able to charge under the circumstances. So it is a pittance for them to spend $7 billion in armaments in this country. But we, the American people, are paying for those armaments.

The Israelis have no place to find it. They do not have any oil to sell. Do not forget, after they won the war with Egypt, they gave back the oilfields they had to Egypt. They wound up buying the oil, when it was available, from the Egyptians, or from such other places in the world, as they could get it.

Israel is the only nation in the whole world that, after it had been attacked by its neighbors, countries adjacent to it, time after time has been called upon to give back the spoils of war. The United States does not give back the spoils of war, and Britain does not. No other country in the world is ever called upon to do so. Israel is always that little nation out there fighting for its very existence, and it is called upon to give back, give back, pay the price.

Today we have before us this whole argument on the question of the arms. Israel is fighting for its very existence. Israeli lives are threatened, so they want some protection and they need some. Talk about the AMRAAM material, the investigation and the development of that system, that is not for Israel alone, that is for the United States, as well as Israel.

I say to my colleagues in the Senate that I believe the Senator from Hawaii stated it very well when he indicated that this is the right move to make, and to make any change at this point would be an entirely inappropriate one. I hope when an appropriate time occurs, when Senators have an opportunity to say what they feel, as the Senator from Vermont has said, I hope someone will see fit to offer a motion to table so we might move on with this bill.

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey [Mr. LAUTENBERG].

Mr. LAUTENBERG. Mr. President, I will not take too much time. I do feel compelled to not let this proposal be voted upon without expressing my opposition. I think to do so would be to relinquish a responsibility that we have to a strategic and permanent ally.

We promised many times over that we would not permit Israel's qualitative edge to be eroded. And yet, our actions may help erode that edge. We are contemplating the sale of sophisticated arms to Saudi Arabia. We have agreed to participate in the defense of Saudi Arabia by sending 200,000 troops and the latest equipment. We encourage our good friends like Turkey and Egypt to join with us in this effort and we offer inducements, in this case to Egypt of a $7 billion debt cancellation, which I voted for because I believe it is the right thing to do. Some of those things could result in an erosion of Israel's qualitative military edge by changing the military balance in the region.

But as we listen to Saddam Hussein's threats since April of this year to burn half of Israel with chemical weapons, there are few who do not believe that Iraq has the capability of sending its missiles to Israel and of doing exactly what it did to a portion of its own population. I talked to people when they sought refuge in Turkey last year. Saddam has the ability and the willingness, whatever weapons he has to do that, to wreak that kind of destruction.

Further, as a result of the crisis, Israel is going to be compelled to spend $1 billion just in extra fees for the oil that it buys, after having, as the Senator from Ohio noted, returned the Sinai with its oil fields to Egypt in a treaty that it concluded.

So we have a good friend, a necessary friend, a strong but small friend, who looks to us for its sustenance, who looks to us for our guarantees. She should not be further endangered as a result of matters that we here in this body decide.

Mr. President, I think that not only is it fair, it is appropriate for us to permit the drawdown of this equipment which may be positioned in Israel. It costs nothing in the budget. We are not transferring title; we are positioning these weapons and these armaments where they can be used by the United States, if necessary, and obviously can be called upon by Israel

if she needs to defend herself or participate in the common defense.

It would be a particularly bad sign, Mr. President, at this time to reject this drawdown position. In the last couple of days, we have seen attacks on Israelis, innocent people who were not engaged in putting down a riot or seeking to capture a terrorist, but who were essentially walking down the street minding their own business. Those attacks were encouraged by extremists who have said to the Palestinians, seek revenge, let blood from the Israeli occupier.

Mr. President, no one took any satisfaction from the deaths of the 20 Palestinians who died about 10 days ago on the Temple Mount, but Israel is conducting an investigation of that, and they want to get to the bottom of that, to punish those who are responsible. That is the nature of their society.

But to now permit a sign to go out from this body on top of the atrocity just committed by more than one individual, two in 2 days, that suggests that we do not care as much about the Israeli side of the issue as we do about the other side, I think, is a grievous error. The sign that we send out now, Mr. President, by saying no, we do not want to help you preserve your resources, no, we do not want for you to have the kind of strength that we are committed to providing, I think would only encourage those who think that the support for Israel has lessened somewhat here in the United States.

So, Mr. President, I hope that we will not strike the language that is in this bill. I think it is a very important factor in protecting Israel's ability to defend itself. She is willing to do that. I think, also, Mr. President, it is an important signal to the Israelis that we do not forget our friends, especially those who stand by us day after day and year after year.

Mr. DOLE addressed the Chair.

The PRESIDING OFFICER (Mr. LIEBERMAN). The Republican leader is recognized.

Mr. DOLE. Mr. President, I want to commend the distinguished Senator from West Virginia [Mr. BYRD], for his excellent statement earlier today on the Inouye-Kasten proposal for a so-called drawdown of United States military equipment for Israel.

In his usual fashion, Senator BYRD hit the nail on the head, in raising the concerns which he did.

We do have a budget crisis, and we have to scrutinize carefully every new proposal to spend the taxpayers' dollars.

We do have to be particularly careful about expending taxpayers' dollars overseas, when we have so many pressing needs here at home.

We do have an extremely largely and multifaceted aid program for Israel—unmatched anywhere else in the world—and we are adding major new elements to that program this year already, no matter the fate of the Byrd amendment. Senator BYRD listed and described most of those new programs in his statement.

As Senator BYRD reminded us: We can never put ourselves in the position of unthinking, knee-jerk support for any new foreign aid proposal, whether it is for Israel or any other country. We owe our own citizens and taxpayers more than that.

And there are some curious formulations in this amendment, so that it is not entirely clear whether or not the President has full discretion to forego, or limit, these drawdowns. I should say that my own view is that the President does have that authority in this wording—but it is not clear.

I would hope that the wording is something that could be considered in conference, so it could be made absolutely clear that this is discretionary authority for the President.

So, in making his statement, Senator BYRD has rendered a great service to the Senate and to the Nation.

At the same time, I will not support the Byrd amendment.

There are four reasons for my decision.

First, without question, Israel does have legitimate, additional defense needs, growing out of events in the Persian Gulf. This is one way to help Israel meet those needs, with minimal direct impact on our budget.

Second, I do believe the language is discretionary, and it is clear that no drawdowns need be made if they would jeopardize our own defense posture.

Third, the administration supports the Inouye-Kasten proposal, in the form in which it was adopted. In that form, the objections earlier raised by the administration to this concept were resolved.

Finally, accepting the Inouye-Kasten proposal does send the important signal—both to Israel, and to its enemies—that we are standing by Israel at this critical time. No one should have any doubt about that. And I am certain that nothing Senator BYRD said, and no interpretation of his remarks, could be construed to send any other message.

Mr. President, I commend Senators INOUYE and KASTEN for taking the initiative to shape their proposal in ways that truly serve our national interest, while helping Israel meet its legitimate defense needs.

I commend Senator BYRD for reminding us of so many important elements which must be taken into account in considering this kind of proposal, and for laying down some useful markers for our future consideration of all foreign aid proposals.

And I urge that we retain the Inouye-Kasten proposal, by defeating the Byrd amendment.

Mr. LEAHY. Mr. President, I apologize to the Senator from Florida. I am going to yield to him immediately.

Again, Mr. President, so Senators will know when the distinguished Senator from Florida finishes, I will make a unanimous-consent request to have a vote on this issue. I realize that the Inouye-Kasten language is already in the bill. If there is to be a vote on it, we should have it at a time certain soon. I realize there may be objection to that from some Senators, but just so Senators will know, I will make such a request again with the idea to move this bill along.

I thank the Senator from Florida.

The PRESIDING OFFICER. The Chair recognizes the Senator from Florida.

Mr. GRAHAM. Mr. President, this debate that we are having this afternoon relative to the availability to the State of Israel access to United States military supplies, training, and equipment, is not occurring in a vacuum. We are all aware of the security implications in the context of this. We are also aware of the political context, one of increasing instability in this region, not only within the territories of Israel itself, increasingly militant PLO activity, but also immediately across the border in Jordan. Great pressure is being placed upon that regime by Iraq and those who support Iraq's position. All those are contributing to political instability in the region which affects the State of Israel.

I want to talk about a third aspect which goes to the internal economics of Israel.

In 1984, there were slightly over 800 Soviet Jews allowed to immigrate to Israel. Two years later, slightly over 900 were allowed to emigrate from the Soviet Union and immigrate to the State of Israel. Last month, September of 1990, there were over 17,000 Soviet Jews who immigrated to the State of Israel. It is estimated that that number will continue to grow as a result of internal changes of policy within the Soviet Union, including, hopefully, the adoption of a regularized immigration law by the Soviet Union, a commitment that the Soviets have stated they will fulfill before the end of this calendar year as well as the facilitating of transportation.

Recently Israel and the Soviet Union have entered into an agreement which will allow regular direct flights from Tel Aviv to Moscow, with the principal purpose of accelerating and facilitating the flow of emigration from the state of the Soviet Union to the State of Israel. We as Americans should take great pride in this because for many years we have had as one of our goals in United States-Soviet policy to

change the Soviet attitude toward emigration of its Jewish population.

We passed before either the Presiding Officer or myself were Members of this body the Jackson-Vanik provision which essentially linked any United States economic normalization with the Soviet Union to the Soviet Union's satisfactory compliance with some basic international standards of human justice as it relates to the right of people to leave their home country.

Mr. President, that great victory of United States policy and the tenacity of commitment to that policy is not without cost, particularly not without cost to the Israel.

The figures I am going to cite are by no means to indicate the State of Israel is not enthusiastically welcoming the population of Soviet Jews who are now becoming citizens of Israel. It has been a long dream of the State of Israel to be able to have that free flow of immigration. It will provide the State of Israel tens of thousands of very talented, committed people who will assist the country in achieving its national objectives. Having said that, it is not a goal which is without cost.

It is estimated that next year there will be 125,000 Soviet Jews immigrating to the State of Israel and that the resettlement costs, including housing, health services, linguistic services, vocational services, all of the things that are necessary to adapt a new population to a new home, to take this population with great potential and covert it into a population with great, actual productivity, that all of that is going to cost the State of Israel approximately $2.2 billion for those 125,000 Soviet Jews who will be immigrating to the State of Israel. All of that is occurring at exactly the time of security and political instability in the region.

In a way, Mr. President, we, America, freedom-loving people around the world ought to see what is happening as a great victory for the principles of human rights. We took a position which was a principled position and we stayed with that position even though there were many times that we might have been attempted to divert because of some transitory apparent advantage for so doing. But we avoided that temptation and now they are reaping the reward. I believe it would be very inappropriate at this time, given the context of events in the State of Israel, for us to not extend the assistance which is provided through the amendment that we have previously adopted.

We support the State of Israel, not just because it is in our strategic interest to do so, it very much is in our strategic interest to have a stable ally in a region of such turmoil. We also do it because we have a long tradition of shared values, democracy, human rights, respect for freedom of the individual. I believe, Mr. President, that the action which we have already taken is wise, prudent, anbd constructive in a period of time in which we need to be sending to our allies around the world as well as to our former and current adversaries that we are a nation that can be relied upon, we are a nation that is committed to a world of peace through law, and that we are a nation which is prepared to defend its interest and to defend its friends' interest.

Thank you, Mr. President.

The PRESIDING OFFICER. Who seeks recognition?

The Chair recognizes the Senator from West Virginia [Mr. BYRD].

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I have listened with interest to the statements of others, and I think it should be said, briefly, that with respect to sending a message to Israel or to Iraq—to Saddam Hussein, surely—we do not have to rely on this amendment here to send a message that we fully support Israel against any aggressor. Surely, it is not required of us that we must adopt this particular amendment in order to send a message to Saddam Hussein that we will stand by our friend and ally, the Government of Israel. If it does, Mr. President, then I fear that we must indeed be perceived as a very weak reed when it comes to being a supporter of Israel.

From 1974 to 1990 inclusive, the United States has given $45.679 billion to Israel; $15.772 billion of which has been given from 1986 to 1990, the last 5 years. This is in direct aid only. These numbers do not include cooperative R&D projects, loan guarantees, excess equipment, transfers, and so forth.

Surely we do not have to adopt this amendment to prove to the world that we stand by Israel against any other nation that would transgress Israel's legitimate boundaries or her territorial integrity. Surely, we do not need to send still another message. We have sent messages ad infinitum in that respect for over 40 years.

Much of what has been said in support of the amendment has been interesting. But much of it has also been irrelevant to the point to which I have addressed my concerns here today, much of it irrelevant with respect to the amendment that has been authored by Senators INOUYE and KASTEN—interesting but irrelevant. The human rights question has no point of relevance here in this context.

I have referred to other areas of the foreign operations appropriation bill and to various items in the defense appropriations bill. I did not raise any question about them. The prepositioning of oil in Israel—that is not what I am talking about here. I merely cited that as one of the other items of appropriations being directed to the support of Israel.

References have been made to future arms sales to Saudi Arabia. That is not a question in point here. We are not discussing the arms sale to Saudi Arabia. I have produced my share of opposition to such sales in the past. This is a question yet to be determined in the future.

Reference has also been made to increased oil profits for Saudi Arabia because of the increase in the prices of oil, and to how such an increase had redounded to the coffers of the Saudi Arabian treasury. That has nothing to do with this amendment. It is not relevant to this discussion.

Let us get back to the point that is involved here. Let us concentrate on the gravamen of what is really involved here in the amendment that has been agreed to and which reads as follows, in part, and which I shall attempt to strike. I read the following extracts:

> • • • the President may direct for the purposes of part II of the Foreign Assistance Act of 1961, the drawdown, for Israel, of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not less than $700 million within nine months from the date of enactment of this act.

So while the President has the discretion, he has the option of doing this or not doing this, he is mandated by this language, in the event he does opt to drawdown, he is mandated to draw down not less than $700 million. That can become $7 billion; it can be any amount. The sky is the limit when it says "not less than." That is open-ended.

Now, surely Senators do not want to do that. Surely Senators will want to be more careful than that, in giving the President of the United States open-ended authority—the sky being the limit—to a drawdown from U.S. defense stocks.

A Senator said a little earlier that this equipment is surplus equipment. That is not what the language says. The excess equipment is taken care of elsewhere in the legislation, either in this legislation or in the defense bill, I do not recall which. But this legislation does not say excess equipment, it does not say surplus equipment, nor does it say that it has to come only from units that are withdrawn or to be withdrawn from Europe. It only says "to the maximum extent feasible," the equipment shall be drawn from that source.

Well, what does that mean, "to the maximum extent feasible"?

The drawdown will be made from units withdrawn or to be withdrawn from Europe "to the maximum extent possible." If anyone would show me where this language uses the words

"surplus" or "excess equipment," I will eat my hat. And I do wear a hat once in awhile. The language does not confine this to excess or surplus equipment. And "to the maximum extent feasible." Why, the President is given a blank check here. He will determine whether or not it is feasible and he will determine what "to the maximum extent" means, where that ends and where it begins.

"In the event the President determines that the timing of the drawdown * * * would have an adverse impact on the readiness of the Armed Forces of the United States, the President may have such additional time. * * *"—How much additional time?—"such additional time as he"—the President—"deems appropriate to comply with the requirements of subsection (a)."

He can take an additional month. He can take an additional 6 months. He can deem that he needs an additional year or an additional 18 months, whatever, just leave it to the President: "Mr. President, you may do this, but if you do it, you must do it with not one penny less than $700 million in drawdawn from U.S. defense stocks, training and services. You may do it within 9 months of the date of enactment. But if you need additional time, you may have as much as you, Mr. President, deem "appropriate."

Is that the way we want to legislate here?

It is a very delicate and sensitive proposition to question this appropriation. I know that. But I am not afraid to let the record stand. I am concerned about American men and women in the 120-degree heat of the desert sands in Arabia, thousands of miles away. Do they need this equipment first? Do they need this equipment to protect themselves?

It may be that this equipment will be important in their hands to protect America's allies, including Israel. From the very beginning, we have been very concerned lest Israel's profile become too elevated in connection with Desert Shield. And Israel has maintained a low profile, and that has been good because of the circumstances and all of the dynamics that are involved in this situation, which I do not need to go into here.

I am thinking first and foremost of the needs of America's fighting men and women who are in Saudi Arabia today, who did not ask to go there, who are not complaining because they are there, and who are there to do their duty.

But I consider it my duty as a Senator, when it comes to balancing the interests here between two governments, I consider it my duty to uphold what I see by my feeble lights to be in the best interests of this government, the U.S. Government, and our own fighting men and women above all others. I do not question anybody else's motivations in saying that. It is the U.S. Government, U.S. fighting forces, that should come first.

Let me read, Mr. President, an excerpt from U.S. News & World Report, October 15, 1990, page 60, titled, "Keeping the Tanks Running; Spare Parts for the Shield":

The U.S. military has moved some 200,000 troops and their equipment halfway around the world in nine weeks. Now, as the weeks turn into months, the job is to keep the troops fed and the tanks fueled and running.

Operation Desert Shield already has stretched the U.S. military to the limit: 258 of the Air Force's 284 big C-5 and C-141 cargo planes were in use at the peak of the airlift. But if the crisis is not resolved the logistical headaches will intensify early next year when frontline units will need to be rotated out of the desert and replaced by fresh ones

The Marines have no spare AH-1W Cobra helicopters; every one is already in the Gulf. Three out of 5 of the Marines AV-8 Harrier jump jets have been deployed. "How do you replace them" asks one Pentagon official "if you've held less than half the planes back?" The Air Force sent so many F-15 fighters to Saudi Arabia that when the time comes to rotate crews, it may have to replace the F-15s with F-16s.

Another constraint on the already taxed force: Military planners must still ensure that sufficient forces are available in case they are needed elsewhere. That is why the Marines are even now using equipment left behind on the West Coast and in Hawaii to restock the pre-positioned ships in the Indian Ocean that supplied the first Marines into the Gulf. But when Marines currently in the Gulf are rotated back to base in Hawaii, they'll be short on equipment for training.

One of the Pentagon's top priorities is figuring out how to rotate troops without dulling America's fighting edge in the desert. Planners are considering whether to rotate brigades, rather than individuals or entire divisions. But they have not decided whether a departing unit should take all its equipment with it. After Stretching sea and airlife capacity to the limit for weeks, moving heavy M1 tanks back to Georgia isn't an attractive proposition

The Pentagon also may need to tap reserve units to replace front-line regulars. "The challenge is making sure they're ready to go," say one official. But time spent training combat reserves would count against the time they would spend in Saudi Arabia, and officials say it would be too costly to send reserves if they could spend only a few months in the desert.

Finally, the desert is hard on sophisticated electronics components—such as targeting and night-vision systems on the M1 tank and the Bradley fighting vehicle—which can cost as much as $800,000. "We're going to be paying a helluva price to defense contractors to come out and do repairs," say one official.

Mr. President, I read now from page XVII, "Reserve Component Programs; Report of the Reserve Forces Policy Board, Fiscal Year 1989," from the section entitled "Equipment." I will read it in its entirety.

DOD policy is to equip first those units that will fight first. Under this policy, the Reserve components have received substantial amounts of modern equipment. Reserve component units that are not scheduled to deploy early are provided minimum essential equipment for training. Modern equipment has significantly increased the readiness of National Guard and Reserve units.

Last year, in the same "Reserve Component Program" report, it was stated under the paragraph titled "Equipment," that:

The value of the shortage between the equipment on hand and wartime requirements amounts to $14.1 billion.

The value of the shortage the last year before that was $15.6 billion, so it had dropped. It had been reduced to $15.6 billion the year before, and to $14.1 billion last year.

Modern equipment has significantly increased the readiness of National Guard and Reserve units. Although excellent progress has been made in equipping reserve component units, significant equipment and spare parts shortages remain. Some equipment incompatibility continues to exist between the active and reserve components. These shortages adversely impact the ability of the reserve components to interface and conduct joint operations.

During FY 1989, the Army National Guard, Air Force Reserve, and Air National Guard reduced their equipment shortages by 6, 22, and 35 percent respectively. Congressionally-added National Guard and Reserve Equipment Appropriations have complemented service appropriations and have been used to reduce critical equipment shortages.

The lack of adequate electronic defensive warfare equipment for reserve component aircraft is of continuing concern. Reserve component aircraft need modern defensive systems to allow air crews to conduct effective training and to enhance their survivability in a high-threat electonic environment. Only limited progress has been made to date.

So, Mr. President, this is not just what the Senator from West Virginia is saying. This is from the report of the Reserve Forces Policy Board, titled "Reserve Component Program." Let me say it once more: "Modern equipment has significantly increased the readiness of National Guard and Reserve units. Although excellent progress has been made in equipping Reserve component units, significant equipment and spare parts shortages remain."

We are talking about U.S. National Guard and Reserve units, "significant equipment and spare parts shortages remain. These shortages adversely impact the ability of the Reserve components to interface and conduct joint operations."

These are U.S. reserve components.

"The lack of adequate electronic defensive warfare equipment for component aircraft is of continuing concern." Continuing means up to the minute the report was written.

"Reserve component aircraft need modern defensive systems to allow air crews to conduct effective training and

to enhance the survivability of the air crew in a high-threat electronic environment"—like that in the Middle East. "Only limited progress has been made to date."

Mr. President, that is what I am talking about. I am not talking about an arms sale to Saudi Arabia. I will vote on that on another day. I am not talking about the pre-positioning of oil which United States forces may use or which the Government of Israel may use. I am talking, instead, about how a drawdown of U.S. defense stocks, with a floor on that drawdown of $700 million, no less, not one penny, not one nickel, not one thin dime, no less than $700 million—the sky is the limit—how that might impact on American fighting forces which may be called upon tonight, tomorrow, a month from now, a year from now to defend themselves. The quality of the equipment may make the difference in whether some of our boys will come home alive or will return home in flag-draped coffins.

I am talking about giving the President of the United States—it does not matter to me what his name is or of what party he may be the titular head, Democrat or Republican—we are giving a President an open-ended blank check to draw down any amount of defense articles from U.S. defense stocks, defense services, and military education and training—any amount above $700 million.

Mr. President, what kind of a message are we sending our own fighting men and women in the Middle East? What kind of a message are we sending to the parents and the wives and the husbands and brothers and sisters and children of American fighting men and women who are in the desert sands if we give the President what amounts to a blank check and tell him that if he opts to drawdown, he must drawdown at least $700 million, with the sky as the limit. If he cannot do it in 9 months' time, the time will be extended.

Mr. President, I do not think that this is the kind of message we want to send to American boys and the families of American boys. We are talking about government to government. I am saying that we should not place any government in the world above our own Government, and I am saying that we should not place the fighting forces of any government in the world above our own.

So I shall move to strike, Mr. President. I am not under any illusion as to how many votes I will get. I may get two votes. I am sure I will get one, but that may be all. I might have done better had I been able to oppose the amendment before it was locked into the bill. But that was my choice. I felt that I owed it to the distinguished Senator from Hawaii and the distinguished Senator from Wisconsin to put them back to the status quo ante, the position which they were in before I took the bill up in the Appropriations Committee. In all fairness to them, I felt that I should do that.

I have made my case, Mr. President. The case will rest, and every Senator will decide for himself. I certainly respect the viewpoint of every Senator, regardless of how he may vote on this. I know it is easy for me to be misunderstood on this matter, but I have sought to make the record clear as to my motivation while questioning no other Senator's motivation.

Mr. President, I ask unanimous consent that a table showing U.S. assistance to Israel beginning with fiscal year 1949 through fiscal year 1989, along with one showing Israel's aid for fiscal year 1990, be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. ASSISTANCE TO ISRAEL, FISCAL YEARS 1949–89

[In millions of dollars]

Year	Total	Military		Economic		Food for Peace		Export-Import Bank loan	Jewish refugee resettle grant	Housing loan guaranty	American schools and hospitals grant	Other loan	Other grant
		Loan	Grant	Loan	Grant	Loan	Grant						
1949	100.0							100.0					
1950													
1951	35.1				.1			35.0					
1952	86.4				63.7		22.7						
1953	73.6				73.6		(1)						
1954	74.7				54.0		20.7						
1955	52.7			20.0	21.5	10.8	.4						
1956	50.8			10.0	14.0	25.2	1.6						
1957	40.9			10.0	16.8	11.8	2.3						
1958	85.4			15.0	9.0	34.9	2.3	24.2					
1959	53.3	.4		10.0	9.2	29.0	1.7	3.0					
1960	56.2	.5		15.0	8.9	26.8	4.5	.5					
1961	77.9	(1)		16.0	8.5	13.8	9.8	29.8					
1962	93.4	13.2		45.0	.4	18.5	6.8	9.5					
1963	87.9	13.3		45.0		12.4	6.0	11.2					
1964	37.0			20.0		12.2	4.8						
1965	65.1	12.9		20.0		23.9	4.9	3.4					
1966	126.8	90.0		10.0		25.9	.9						
1967	23.7	7.0		5.5			.6	9.6			1.0		
1968	106.5	25.0				51.3	.5	23.7			6.0		
1969	160.3	85.0				36.1	.6	38.6					
1970	93.6	30.0				40.7	.4	10.0			12.5		
1971	634.3	545.0				55.5	.3	31.0			2.5		
1972	480.9	300.0			50.0	53.8	.4	21.1		50.0	5.6		
1973	492.8	307.5			50.0	59.4	.4	21.1	50.0		4.4		
1974	2,646.3	982.7	1,500.0		50.0		1.5	47.3	36.5	25.0	3.3		
1975	783.0	200.0	100.0		324.5	8.6		62.4	40.0	25.0	2.5		[2] 20.0
1976	2,362.7	750.0	750.0	225.0	475.0	14.4	(1)	104.7	15.0	25.0	3.6		
TQ	292.5	100.0	100.0	25.0	50.0	3.6		12.6			1.3		
1977	1,787.5	500.0	500.0	245.0	490.0	7.0		.9	15.0	25.0	4.6		
1978	1,822.6	500.0	500.0	260.0	525.0	6.8		5.4	20.0		5.4		
1979	4,913.0	2,700.0	1,300.0	260.0	525.0	5.1		68.7	25.0	25.0	4.2		
1980	2,146.0	500.0	500.0	260.0	525.0	1.0		305.9	25.0	25.0	4.1		
1981	2,408.4	900.0	500.0		764.0			217.4	25.0		2.0		
1982	2,245.5	850.0	550.0		806.0			6.5	12.5		3.0	17.5	[3]
1983	2,500.6	950.0	750.0		785.0				12.5		3.1		
1984	2,626.6	850.0	850.0		910.0				12.5		4.1		
1985	3,371.7		1,400.0		1,950.0				15.0		4.7		[4] 2.0
1986	3,643.5		1,722.6		1,898.4				12.0		5.5		[4] 5.0
1987	3,035.2		1,800.0		1,200.0				25.0		5.2		[4] 5.0
1988	3,034.9		1,800.0		1,200.0				25.0		4.9		[4] 5.0
1989	3,039.9		1,800.0		1,200.0				28.0		6.9		[4] 5.0
Total	45,849.2	11,212.5	16,422.16	1,516.5	14,057.6	588.5	94.1	1,203.5	394.0	200.0	100.4	17.5	42.0

[1] Less than $100,000.
[2] Desalt plant.
[3] CCC loan.
[4] Coop. aid.

Note.—TQ = Transition Quarter, when U.S. fiscal year changed from June to September.

After the adjustments, U.S. aid to Israel for FY 1990 is as follows:

ISRAEL'S AID FOR FISCAL YEAR 1990: AFTER SEQUESTRATION

[In millions of dollars]

Program	Fiscal year 1990 scheduled	GRN 1.4 percent cut	NARC control .43 percent cut	Fiscal year 1990 adjusted
ESF	$1,200.0	No	5.16	$1,194.8
FMS	1,800.0	No	7.74	1,792.3
Refugee	25.0	No	.1075	24.9
United States-Israel Coop	7.5	.105	.0323	7.4
Totals	3,032.5	.105	13.0398	3,019.4

Mr. BYRD. Mr. President, what was the number of the amendment that was included in the bill?

The PRESIDING OFFICER. The Chair informs the Senator from West Virginia that the amendment was No. 3092.

Mr. BYRD. Mr. President, I move to strike amendment No. 3092 as previously offered and agreed to.

The PRESIDING OFFICER. The motion is authorized by the previous order.

Mr. INOUYE addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Hawaii [Mr. INOUYE].

Mr. INOUYE. I did not intend, Mr. President, to speak any further on this amendment, but I feel that something must be said so that all of us will know how we are voting.

Mr. President, when this amendment was drafted, we very carefully used the following words: In the event the President of the United States determines that this proposition would have an "adverse impact"—these are the two words—upon the readiness of the forces of the United States, the proposition can be stopped.

It is true that the President of the United States has that authority and not the Congress of the United States, but this is not unusual. The President of the United States is the Commander in Chief of our forces. Without the approval of the Congress of the United States, he has already sent over 200,000 troops to Saudi Arabia, committed countless numbers of ships, aircraft. And it further limits from where the drawdown can come.

We could have used other words. Instead of using the phrase "adverse impact," we could have said "excess to the needs of the United States Armed Forces." They mean the same thing. It was not the intention of any of the drafters of this amendment to deny our forces, even one of them, all that is necessary to make certain that they carry out their mission successfully and return home safely. I am pledged to that as chairman of the Defense Appropriations Committee. That is one thing I would never do, deny our men and women the necessary equipment, the wherewithal to carry out their missions. After all, they are our volunteers. None of them were forced to join. They willingly wanted to serve our country.

Mr. President, the other point that was made that since 1974 this country has provided the State of Israel grants in aid in excess of $40 billion.

Mr. President, that is correct. We have provided the State of Israel over $40 billion in grants. But I think all of us should remind ourselves that in October 1973, on the holiest of holidays for the Jewish people of this world, Yom Kippur, when the Israeli troops were in prayer, when the State of Israel was in prayer, Egyptian forces crossed the Suez Canal and advanced almost unobstructed close to the Israeli border. This is the so-called Yom Kippur war.

Well, the rest is history. The Israelis reorganized and pushed the Egyptian forces back across the Suez Canal, took over the Sinai, including the oil fields, and built air bases there. Then the President of the United States decided that the best interests of this country would be served if Egypt and Israel got together. So we called upon them to meet with our President at Camp David and an accord was reached, a very expensive accord.

As a result of that accord, the Israelis were required to give up two major air bases which they had built, not with grants, with their own money; and they gave up the oilfields, which, if they had today, there would be enough oil to meet all of their energy needs. But in the interest of stability in that part of the world, we prevailed upon the Israelis to return the Sinai.

Think about this, Mr. President. In the history of mankind, can you think of any country at any time returning any parcel of land which they won in combat? Just think of it. Do you believe we will give back Arizona and New Mexico, California, and Texas to Mexico? We finally granted the Philippines independence after all these years. We still maintain sovereign rights over Puerto Rico, and that was Spanish.

We called upon the Israelis to give up their lands. That cost the Israelis at least $10 billion. That is why we began the grant program, because we knew without that they would go down the economic drain. We felt it was our moral responsibility, having called upon them to give up legitimately acquired land by conquest, to provide this grant in aid.

I thought the Members of this body should remind themselves of what had happened. Yes, we did provide in excess of $40 billion, but it was part of a deal. As part of that deal we provide aid to Egypt. These were decisions made when many of my colleagues here were still not Members, but it was made solemnly with the United States of America as one of the participants and principals involved.

Mr. President, I am ready to vote, and I hope that we can have a voice vote on this if such is possible.

Mr. LEAHY. I ask for the yeas and nays on the motion to strike.

The PRESIDING OFFICER. Is there a sufficient second. There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? If there is no further debate, the question is on agreeing to the motion to strike. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KERRY] is necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KERRY] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The result was announced—yeas 1, nays 97, as follows:

[Rollcall Vote No. 300 Leg.]

YEAS—1

Byrd

NAYS—97

Adams	Fowler	Metzenbaum
Akaka	Garn	Mikulski
Armstrong	Glenn	Mitchell
Baucus	Gore	Moynihan
Bentsen	Gorton	Murkowski
Biden	Graham	Nickles
Bingaman	Grassley	Nunn
Bond	Harkin	Packwood
Boren	Hatch	Pell
Boschwitz	Hatfield	Pressler
Bradley	Heflin	Pryor
Breaux	Heinz	Reid
Bryan	Helms	Riegle
Bumpers	Hollings	Robb
Burdick	Humphrey	Rockefeller
Burns	Inouye	Roth
Chafee	Jeffords	Rudman
Coats	Johnston	Sanford
Cochran	Kassebaum	Sarbanes
Cohen	Kasten	Sasser
Conrad	Kennedy	Shelby
Cranston	Kerrey	Simon
D'Amato	Kohl	Simpson
Danforth	Lautenberg	Specter
Daschle	Leahy	Stevens
DeConcini	Levin	Symms
Dixon	Lieberman	Thurmond
Dodd	Lott	Wallop
Dole	Lugar	Warner
Domenici	Mack	Wilson
Durenberger	McCain	Wirth
Exon	McClure	
Ford	McConnell	

NOT VOTING—2

Gramm Kerry

So the motion to strike amendment No. 3092 was rejected.

Mr. HELMS. Mr. President, I move to reconsider the vote.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. SHELBY). The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank you very much for recognizing me.

First of all, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HELMS. If I should ask for the regular order to return to the committee amendment on page 2, line 12, I suppose that would be in order; is that correct?

The PRESIDING OFFICER. That would be in order. The Senator from North Carolina is correct.

Mr. HELMS. And that would mean that expected committee amendment No. 1 would be the pending business?

The PRESIDING OFFICER. That would be the pending question.

AMENDMENT NO. 3093 TO COMMITTEE AMENDMENT ON PAGE 2

(Purpose: To cut foreign aid by such amount as is necessary to prevent any increase in the gas tax)

Mr. HELMS. In that case, Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. Is the Senator from North Carolina asking for the regular order at this time?

Mr. HELMS. I am.

The PRESIDING OFFICER. Regular order is ordered.

The clerk will report the amendment to the committee amendment.

The assistant legislative clerk read as follows:

The Senator from North Carolina, [Mr. HELMS], proposes an amendment numbered 3093.

At the end of the pending amendment, add the following:

"SEC. . All amounts appropriated under this Act are reduced by up to 29.7 percent; provided that it is the intent of the Senate that such savings shall be used only for the purpose of preventing the authorization or requirement of any increase in the gasoline tax for fiscal year 1991."

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, last week the Senator from Idaho [Mr. SYMMS], was literally boxed out of getting a vote on his proposal to eliminate any proposed increase in the gas tax from the reconciliation bill. When that occurred, an increase in the gas tax moved one step closer to reality, despite what I believe were the wishes of the majority of Senators.

In addition, the American people were deprived of their right to know exactly how each and every Senator stands on that issue. Now that the conference committee on the reconciliation bill has reportedly ground to a halt, we may have, in this amendment, an opportunity both to prevent any increase in the gas tax for this fiscal year and help resolve one of the differences in the conference. If Senators went home over the weekend, they no doubt heard as much about the gas tax as this Senator did. I believe there are many Senators here who would like to see this issue revisited and resolved.

The pending amendment gives Senators a chance to reverse this body's previous actions with regard to the proposed increase in the gas tax and enables Senators to go on record with regard to the proposed increase in the gas tax. I ask Senators to make a choice, a very clear choice: increase the gas tax or cut foreign aid.

In the view of this Senator, that is a simple choice. If Senators vote to approve this amendment, we will create the savings necessary to eliminate any need for an increase in the gasoline tax for fiscal year 1991. The conferees considering the Budget Reconciliation Act could then use these savings to recede to the House which has no gasoline tax increase in its bill for fiscal year 1991. But if, on the other hand, Senators vote against this amendment they will be in the process of saddling the American people with another tax increase in order to sustain foreign aid programs.

That is the deal. Vote for this amendment and prevent any increase in the gas tax; or vote against this amendment and the American people will be taxed every time they fill up their cars so that Washington can send more money overseas in foreign aid.

Mr. LEAHY. Mr. President, will the Senator let me ask a brief question simply on procedure?

Mr. HELMS. I would rather finish my statement if the Senator will not mind.

Mr. LEAHY. Of course.

Mr. HELMS. I thank him.

Mr. President, the stated increase in the price of gasoline since Saddam Hussein's brutal invasion of Kuwait has already affected the monthy budgets of most American families across the country; Americans are already starting to feel the pain. That is why most Americans erupted with shock and outrage when the summiteers returned to Capitol Hill earlier this month proposing that the gas tax be more than doubled. Their tax plan, as first announced, would have immediately raised the gasoline tax by 5 cents a gallon and then by another 5 cents a gallon July 1, 1991.

The Senate, of course, has since then approved the Finance Committee's proposal increasing the gas tax by 4 cents a gallon on December 1, 1990, and another 5 cents a gallon next July 1 and another one-half cent per gallon January 1, 1992.

To those who live on a Senator's salary, 5 or 10 cents a gallon may not seem to be very much. But to the vast majority of Americans who must live on a budget, doubling the gasoline tax is going to make a difference.

Only Washington, Mr. President, can come up with the idea of increasing the gas tax when the price of gasoline has increased as much as it has over the past few months. I suppose if Saddam Hussein is going to exact his price from the American people, Washington must exact its price as well. That is the way it seems to work.

Small wonder that the American people have lost all confidence in this city.

The pending amendment will help return what I believe to be some sanity to the way this city does business. It would reduce foreign aid by up to $4.6 billion in 1991, the amount the Joint Committee on Taxation estimates would be raised in fiscal year 1991 by the gas tax proposal included in the reconciliation bill. Heavens only knows what will be in any further agreement.

If the gas tax is less, then the reduction in foreign aid would be appropriately smaller, of course. The key words are "up to $4.6 billion."

No doubt we will see Senators rising to the cry of the cut in foreign aid that this amendment proposes, but the fact is that this amendment at the minimum would bring foreign aid spending down only to about the level it was in 1984. Since 1984, the cost of foreign aid, to the American taxpayers has increased—if you can believe this—by 49 percent.

All year long, Senators called for massive cuts in the defense budget, and argued that the world is now a safer place and that the Soviet threat has abated. If that is the case, there is certainly less need for foreign aid. There is certainly no reason to increase the gasoline tax so that 49 percent more could be spent on foreign aid than was spent in 1984. Except when used for urgent humanitarian assistance, foreign aid is a waste of money.

I remember Senator SAM ERVIN said, "I never voted for a nickel in foreign aid." He did not believe in it, nor does this Senator. The American people instinctively sense that this is the truth. That is why there is so little support outside of the beltway for foreign aid. There is enough waste in this bill that this amendment can pass and not do harm to America's interest one iota.

Senators no doubt will respond to this amendment by citing what they believe to be meritorious programs in this bill. Maybe they are meritorious or maybe they are not. But the question Senators must ask themselves is whether the programs in this bill are so meritorious that funding them fully justifies having the American people pay each and every time they go to

the gas pump in the form of a doubled gasoline tax.

In my view, if Congress is intent upon asking the American people to tighten their belts because of the budget crisis, certainly we should ask the foreigners who receive money from the U.S. taxpayers to do the same. To me it is just as simple as that.

Nevertheless, some Senators may disagree and think that giving foreign aid an increase of about 49 percent since 1984 is important enough that every American should be required to pay for the increase through additional Federal gasoline taxes. And that is what it amounts to.

If Senators think foreign aid is worth increasing the gasoline tax for, then vote against my amendment. but if you think the American people should not be imposed upon so that the foreigners who receive money from our Treasury—that means the U.S. taxpayers, of course—do not have to tighten their belts while we are asking the American people to tighten theirs, or demanding that they do so, then the option is to vote for my amendment.

Mr. President, this amendment asks Senators to make a choice. Are you in favor of cutting foreign aid back to 1984 levels in order to avoid increasing the gasoline taxes upon the American people, or are you in favor of increasing the gasoline tax in order to give foreign aid a 49-percent increase over 1984 levels?

How Senators choose is something that the American taxpayers should know. This is something they are entitled to know. But in any event, Mr. President, this amendment deserves a clearcut up or down vote. The American people want Congress to make decisions, not promises, as the senior Senator from Wyoming [Mr. WALLOP] so aptly put it the other day.

I believe that the American people will be intensely interested in the outcome of the vote on this amendment.

Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. I thank the Chair, and I yield the floor.

Mr. BURNS. Mr. President, I rise in support of the amendment offered by the Senator from North Carolina.

The people of my State have been devastated by the recent rise in gasoline prices.

In Montana consumers are paying the highest price in the country for gasoline. Now, we are about to impose a 9-cent-per-gallon additional tax on consumers.

This comes at a time when we continue to make substantial contributions to dozens of foreign countries. Combined with the cuts in agriculture and the lingering effects of drought, farmers and ranchers in my State are being hit with a one-two punch that will put many of them out of business.

We need to look to the future of our own heartland before we contemplate massive giveaway programs that have limited effect. In my State of Montana, we rely on our highways and secondary roads heavily. There are few forms of alternative transportation in Montana.

I have heard some say that an increase in the motor fuels tax is good energy policy because it discourages people from driving. Well, that may be true in Washington, DC, and New York City where people can take the bus and the subway, but in Montana people do not have those options. People drive in Montana because they have to. It is often the only way to get from point A to point B.

Any gas tax hits them particularly hard, especially given the fact that Montana's State gas tax is the second highest in the Nation at 20 cents per gallon.

Montana's 1,200-mile Interstate System was completed in 1988. It cost $1.2 billion and took 30 years to complete. Many portions of these roads now need to be repaired and reconstructed. In addition, Montana's 2,300 miles of primary roads need a considerable amount of work.

The State started a reconstruction trust fund in 1983 in order to address a shortfall in Federal funds and to reverse the deterioration of Montana's highways. The needs are clearly there, Mr. President, and the States need help.

They can't do it all, and they will have an especially hard time if we raise the Federal motor fuels tax and diminish their ability to raise the State motor fuels tax.

AMENDMENT NO. 3067

MEXICO CITY POLICY

Mr. MITCHELL. Mr. President, prior to 1984, the United States recognized that runaway population growth threatens economic development in Third World nations.

American foreign assistance and agricultural research efforts were directed at helping those nations improve their peoples' living standards. Those included strong support for voluntary family planning.

American policy recognized that increases in agricultural output and economic development programs would not meet the demands of rapidly growing populations for food, education, housing, health care, and jobs unless the growth of population could be slowed.

Economic development demands a rate of population growth that is steady and much lower than the rapid rate of growth now occurring in most Third World nations. That fact has been broadly accepted by Third World governments only in the last quarter century.

Today, 90 percent of Third World people live in countries whose governments are actively promoting birth control.

Yet just as the recognition was beginning to hold out the hope of slowing the rate of population increase, a policy was developed by the Reagan administration to curtail the American contribution to that goal.

The so-called Mexico City policy was put into effect in 1984. That policy bars the use of any U.S. dollars by any organization which uses its own funds, or other governments' funds, for abortions.

American policy had always barred the use of American dollars for abortion. That policy has never been changed. It has never been challenged. The Mexico City policy sought to dictate to non-U.S. organizations what policies they should follow in foreign countries.

The Mexico City policy has had several effects, none of which eliminate or reduce abortions. But virtually all of them hurt the health and lives of women worldwide.

Instead of curtailing abortions, the Mexico City policy may have driven up the rate of deaths from abortion-related complications.

The Pan American Health Organization estimates that the leading cause of pregnancy-related deaths in Latin America today stems from botched abortions. The organization estimates that between 20 and 25 percent of pregnancies in Latin America are unwanted and terminations are sought. The World Health Organization estimates that between 125,000 and 200,000 women die needlessly from botched abortions each year.

The misguided policy change embodied in the Mexico City policy is doing nothing to eliminate or reduce the rate of abortion anywhere in the world. It is doing nothing to stem deaths from abortions. And it is not reducing unwanted pregnancies, because this policy is making more and more organizations decide to simply stop offering family planning services entirely.

Senator WIRTH has already spoken eloquently about the result of this policy in terms of women's health and women's lives. It is the second prong of the policy to which I want to direct attention.

An explicit element of the Mexico City policy made it the official U.S. policy that population growth is not a factor in successful economic development.

So just as the governments of most Third World nations recognized that successful economic development demands a lower rate of population

growth, a fact our Government had stressed and urged for decades, the Reagan administration reversed American policy.

To say that population size or growth has no effect on economic development is incorrect. It is contradicted by every study of living standards and economic growth in the Third World. It is contradicted by the history of the past half century. It is contradicted by common sense.

The political strife and civil unrest that results from too many people contesting for the same scarce resources has contributed to one civil war after another around the world for the last half century.

Today, 250,000 young Americans are in Saudi Arabia, in part because of a conflict over a scarce resource—oil. That conflict over resources is repeated in large and small ways in many places and conditions in virtually every Third World country.

Whether the resource is agricultural land, or education, or jobs, or firewood, or oil, a rapidly growing population in a finite space will inevitably result in more competition for the available resources.

The world's population grows at an exponential rate. A worldwide population which took more than 1,500 years to double to 1 billion persons from the beginning of our era is now doubling in less than half a century.

Since the middle of the last century, the rate of increase has skyrocketed. From 1850 to 1945, 1.3 billion more persons were added. From 1945 to 1981, 2.2 billion more persons were added, a doubling of the world's population in 36 years. From 1981 to today, 10 short years, almost another billion have been added.

There are only three ways to reduce the contest for resources by a growing human population.

One is migration. Historically, human beings found new resources in previously unpopulated continents.

Today, migration threatens the developed world with an influx of people seeking jobs and livelihoods from the less-developed nations. Economic migration has caused problems in our Nation. It is causing problems in Europe today. Experts suggest we may be seeing the opening years of the largest mass migrations since the displacements caused by World War II—millions of people seeking access to the resources of developed economies.

The second way to slow the competition for resources is through high death rates. Historically, epidemics and starvation accomplished in a brutal fashion the balancing of peoples and the available resources of their environments.

The third way to reduce the contest for available resources is through lower birth rates—to reduce the number of contestants for resources to match what our environment can sustain.

That is what has happened in the developed nations of the world. Since 1950, a doubling of world population has gone hand in hand with a fourfold increase in world production output. That increase in output is responsible for the standard of living that we are able to enjoy.

It is our standard of living that the growing populations of the Third World seek to obtain for themselves.

But runaway population growth is defeating that goal. Let me cite an example.

In 1950, European grain production was 234 kilograms per capita; 234 kilograms for every person in Europe. In the same year, the per capital production in Africa was 157 kilograms—lower, but not below decent subsistence. In the next 35 years, grain production rose 129 percent in Africa. That was one of the fruits of the green revolution.

But the massive increase in African grain production did not give each African citizen a better diet. Instead, while Europe produced 501 kilograms of grain per capita in 1985, African per capita production fell to 150 kilograms. Even though the absolute number increased the per capita production declined. That is because the African population doubled in those 35 years while the population of Europe rose by only 20 percent.

Population growth in the Third World has outpaced economic development. It has outrun the fruits of the green revolution. It threatens the survival of the natural environment.

Five of the world's regions have population growing at a rate of 2.5 percent per annum, adding 64 million persons each year to the global population: They are Southeast Asia, the Indian Subcontinent, the Middle East, Africa, and Latin America.

In these five regions, the carrying capacity of the land is being exhausted. The people of these regions are directly dependent on the resources of the natural enviroment for their daily living needs: fuel for cooking, wood for building, land for livestock, and land and water for crops.

What we have to understand is that for the first time in human history, the sheer numbers of human beings may outrun the human ability to provide for their survival.

The carrying capacity of our world is not its theoretical potential output. It is limited by the critical resources in shortest supply.

In Africa, deforested regions can carry fewer people because there is no fuel. The World Bank found that seven African countries have already exceeded their carrying capacity for fuelwood by 10 million people, even though their potential agricultural output would support 15 million more people.

In other regions, land is the scarcest resource. As much as 40 percent of the rural population of the Indian Subcontinent may have less than 1 acre of land. The rate may be equally high in Latin America.

Landlessness is the leading cause of world deforestation. Landless and unemployed people will seek sustenance wherever they can, even if that means destroying the ability of a watershed to contain flooding or clearing the forests of the Amazon basin.

We do not know what the carrying capacity of our world is. But the environmental damage already inflicted by developed and undeveloped nations alike indicates that the world cannot support a population of 5.3 billion—today's number—at American or Western European living standards.

People will not tolerate even relative poverty: We have seen the people of Eastern Europe strive to attain the living standards of their Western neighbors. The people of less developed nations will not be content forever to live in absolute poverty and desperation.

The only way to assure all of the world's people the hope that they and their children can have a decent life is to try to see that the numbers of people are within the ability of our resources to provide for their material needs.

And the most enlightened and effective way to do so is to provide the incentives that lead to the voluntary reduction of birth rates.

We know from the experience of several Asain nations that birth control efforts, together with economic development programs, and strategies to raise the status of women, can have a dramatic and positive effect.

Our Nation should be in the forefront of efforts to assist Third World nations in restraining their population growth rates. Senator WIRTH's amendment would be a first step in returning us to a policy which recognizes that fact. It is an amendment that deserves the support of every Senator.

THE WIRTH AMENDMENT AND INTERNATIONAL FAMILY PLANNING

Mr. BRADLEY. Mr. President, I rise today in strong support of the amendment introduced by my colleague from the State of Colorado. This amendment, of which I am a cosponsor, would support international family planning services which are provided by private voluntary organizations. None of these funds would be used for abortion services. I believe this is sound public policy.

Mr. President, for over 20 years the U.S. policy on international family planning was guided by the belief that successful economic development is linked to sound family planning poli-

cies. Unless impoverished countries can reduce their rapid rate of population growth, they cannot hope to provide hope to their people of a better, healthier future. Based on this belief, the U.S.-supported private family planning organizations, which have an outstanding record of providing family planning services throughout the world.

This policy came to an abrupt end in 1984 at the International Conference on Population in Mexico City. Ever since, the administration has essentially argued that family planning is irrelevant to development. It has also denied U.S. funds to private voluntary organizations that offer abortion-related services—even if Government funds are not used to offer abortion services.

Mr. President, in 1984, while the Mexico City Conference was in progress, I said on this floor that I could not comprehend the logic of such U.S. policy reversal. I still don't. The new policy was not about abortion, since the law already said no U.S. funds could be used for abortion. Rather, the shift in policy prevented U.S. support for family planning services that developing countries urgently need. Our policy does nothing to prevent abortions. Indeed, it probably increases them, since women who are denied information about family planning alternatives are more likely to face an unwanted pregnancy and thus resort to abortion. Greater access to family planning information could reduce the rate of abortion. It could also reduce the number of babies born to face starvation or an early death from lack of proper prenatal care.

Our policy is just wrong. Only last month, the Senate voted overwhelmingly to reject this philosophy which the administration sought to impose on domestic family planning programs. I ask my colleagues: How can we justify denying poor women overseas the same fundamental right we extend to American women? How can we reconcile their even greater need with our commitment to fairness and justice for all?

Mr. President, the foreign aid bill already prohibits the use of AID funds to finance abortions. This amendment does nothing to change that. This amendment would simply restore U.S. support to private voluntary organizations to provide family planning services overseas. These organizations are some of the most effective organizations working on family planning.

There is no doubt in my mind that the Mexico City policy is both wrongheaded and immoral. If maintained, it will only lead to more poverty, more abortions, and very possibly more deaths and harsher Government controls on individual freedoms. We need to reverse this policy without further delay. I urge my colleagues to join me in strongly supporting this amendment.

POPULATION FUNDING

Mr. BOSCHWITZ. Mr. President, I rise today in support of the funding for population assistance programs included in the committee-passed foreign operations appropriations bill. This measure includes $330 million in population funding, an increase of almost $80 million over fiscal year 1990.

The population problem lies at the heart of almost all of our environmental problems. When I was born, there were 2 billion people on our planet. Now there are 5.4 billion people, and by the year 2000 that number will certainly be well over 6 billion.

Since 1950, the world's population has doubled, and its urban population has tripled. In developing countries, the urban population has increased fourfold since 1950.

In the overpopulated Third World, people live surrounded by denuded lands, waste dumps, and squatter settlements. The exploding populations of these countries demand more and more food, water, electrical energy and cars. Their needs and appetites are infinite, but our natural resources are mostly finite. And the more fuel that is consumed, the more pollution that is emitted into the air.

The pressures of escalating populations in the Third World and the poverty resulting from such pressures compel poor landless farmers into the rainforest to clear trees from the land in order to plant crops. As a result, the world loses 40 to 50 million acres of tropical forests as well as 26 billion tons of topsoil each year from erosion and flooding. In addition, vast amounts of carbon dioxide, the primary greenhouse gas, are released into the atmosphere due to slash and burn forest clearing methods.

While the United States can afford to clean our air and properly manage our forests, developing countries often cannot, simply because they have too many mouths to feed. That's mainly due to the increasing pressures of population growth.

After hosting the Interparliamentary Conference on the Global Environment, Senator WIRTH and I agreed that we would work together for increased population funding. We organized a letter in support of population funding, which I am pleased to say was signed by 20 of our colleagues, that we sent to the chairman and ranking member of the Foreign Operations Appropriations Subcommittee. The response to this letter makes it clear to me that there is strong support in Congress for population programs.

What has stifled the debate over international family planning is the involvement of abortion in population programs. This is the problem that we face over funding for UNFPA and the Chinese population program of coerced abortions and involuntary sterlization. And this is the problem we face today over the Mexico City policy which prohibits the promotion of abortion in international familiy planning programs. Attempts to repeal this policy has held up passage of the foreign operations bill and will lead to a Presidential veto if this amendment is passed.

This controversy is similar to the fight we had over reauthorizing the title X Program for domestic family planning. Because some organizations were more interested in promoting abortion than in providing family planning services, the bill was defeated and title X was not reauthorized. We should not make the same mistake today. It is my hope that we will not vote to repeal the Mexico City policy but will instead focus our attention on supporting AID's efforts in supporting international population programs.

Once we are able to separate these two issues, as I believe should and can be done, I will continue to work for additional financial support for international family planning efforts. I believe that we will need to come up with several hundred million dollars more for such programs, and that such money should go not only to our bilateral population assistance programs, but to multilateral programs as well.

I would like to congratulate my colleagues on the committee, especially Senator WIRTH and Senator KASTEN, for supporting large increases in population funding. While we are certainly under serious budget constraints, I hope that we will be able to come up with several hundred million dollars for population assistance in coming years. Population experts have stated that a serious international effort in this area would require an immediate $500 million U.S. commitment. While this bill does not reach that figure, it is a very important step in that direction, and I am optimistic that we will be able to take even greater steps in the near future.

Ms. MIKULSKI. Mr. President, I support the amendment by the Senator from Colorado.

The stated goal of the so-called Mexico City policy is to reduce the number of abortions around the world. Unfortunately, the effect has been just the opposite.

This policy, which has never been a statutory requirement, has effectively banned the use of the International Planned Parenthood Federation as a conduit of U.S. family planning assistance abroad. IPPF is the most efficient and widely based of all private family planning organizations, and any effort which restricts the ability of IPPF to deliver its services will result in an alarming dropoff in family

planning services in the developing world—less counseling, fewer contraceptives provided, less education and outreach on family planning.

And where family planning services are not available, the number of unwanted pregnancies goes up. And so does the number of abortions.

Supporters of the Mexico City policy point out that other private voluntary organizations are available to provide these services. That is true, but the quality of those services is not always adequate. Consider the case of Zambia.

In Zambia women on average have over seven children who survive infancy. The Zambian economy is in collapse, and the government cannot provide adequate services to its citizens. There is widespread hunger and disease. Women in Zambia have made it clear that they would like to have fewer children, but, unfortunately, the Zambian Government has been slow to establish a family planning program. Thus, the burden falls on international public and private efforts.

The United States has a minimal family planning effort based in its small AID mission, and the staff of the mission, mostly agricultural experts, knows next to noting about family planning programs. What little aid the United States provides in Zambia is funneled largely through an organization called Human Life International, which provides instruction in natural family planning. Now, I believe that a wide variety of family planning options should be made known to women in Zambia, but to stress natural family planning to the exclusion of other methods is absurd. We have a name for people who practice natural family planning—parents. Moreover, the head of Human Life International is the leading Right to Life spokesman in Zambia and is opposed to all other forms of birth control. Mr. President, this is not an effective use of U.S. aid, and it belies AID's claim that other PVO's are effective conduits of our family planning efforts.

In Zambia, as in other countries, the government looks to International Planned Parenthood and the U.N. Population Fund for assistance in family planning. Other PVO's look to them for guidance and support. Even local U.S. Missions acknowledge the preeminence of these organizations in providing what is probably the most critical element of any development program. Ironically, the United States refuses to contribute to either.

Mr. President, if the United States is to show leadership and responsibility on this critical development issue, it must fund UNFPA and refute the Mexico City policy. The Wirth amendment gives us a chance today to act on Mexico City.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, a few minutes ago the majority leader delivered a truly extraordinary talk on the subject of population control addressed, I think, not to the pending amendment but, in fact, to another amendment which is floating around here in some kid of a limbo status. Anyone who might be watching this on television would assume there is something faulty in their remote control because every few minutes the subject changes. I do not mind changing it back to the issue the majority leader addressed.

I was struck by the fact the leader revealed, for the first time I heard it revealed, that he really subscribes to the doctrines of the 17th century, the economist Thomas Malthus.

I do not know exactly how far we ought to go with this, but the leader suggested that there are only three ways that it would be possible to reduce the existing and the potential conflict in competition for scarce resources. First was migration; second was high death rates, and third was low birth rate. This sort of neo-Malthusian idea struck me as somewhat discordant in this Chamber, in this body, in this country because, in fact, there is another valid alternative which is not only a possible fourth way to reduce the competition for scarce resources among growing numbers of people but, in fact, is the way which every advanced country in the world has primarily depended upon, and that is to create additional resources.

I do not want to argue this at any length, but I just did not want to let the moment go by and leave the impression that everybody in the Chamber subscribes somehow to the notion that resources were finite and that the competition for these resources was some kid of a zero-sum gain where ever-incresing numbers of people are battling with furious intensity for a diminishing storehouse of natural resources. In fact, Mr. President, nothing could be further from the truth.

What we think of as resources today are those things that we have created as resources. I refer to anyone who is interested to an article such as the one Walter Wriston, formerly chairman of the Citibank wrote a number of years ago about whale oil. He recounted the fact at one point about 130 years ago, economists were deeply concerned about the diminishing supply of whale oil. They recognized that whale oil was widely used to light the lamps of not only this country, but lamps all over the world. They pointed out with the rising population and growing need for light and the resulting increase in the number of whale oil lamps in use that the prospects were very nearly certain, as they saw it, that every live whale in the world would soon be hunted down and rendered for its oil, and then all the lamps would go out. They really foresaw a terrible situation, a drastic circumstance.

It did not work out that way because, given the boundless creativity of human beings, it was not long before somebody came up with the idea of a petroleum-based substitute for whale oil.

It was not too long after that that somebody came along with the idea of electricity produced by coal, and then a few decades later electricity produced by a lot of different ways—nuclear power, solar power, photovoltaic, wind, and so on. If you look around, Mr. President, that is true in just about every field of human endeavor. Every time somebody raises the alarm about the scarcity of resources, they are surprised by the ingenuity and creativity of free people operating in a free economic environment to create new resources.

Certainly there is no more basic resource than food. I cannot help relating one kind of pertinent example that shows I think how enormously productive we have become, the notion that somehow the amount of farmland and the amount of arable space we have in the world is limited to the point where inevitably the growing number of people will be competing for scarce resources.

A particular example I have in mind has to do with a little tract of land out in western Nebraska that I had occasion to look over a while back. It was farmed for a number of years by my brother-in-law, and he related this story to me: That back in the 1920's, no less than 28 families lived on that particular piece of land and grew crops on it. By the time he and his partner got that piece of land, they produced more, just the two of them, on that one piece of land than 28 families had previously.

I do not want to labor this because it is really not particularly germane to the pending legislation, nor to the Wirth amendment, which I gather the majority leader's remarks were addressed to, but I did not want to let it go by either. My point comes down to this. Any notion that we have to control population in order to provide for prosperous economic circumstances for the people of the world is simply not borne out by human experience.

I happen to favor reasonable methods of controlling the growth of population, but there is no showing, I am not aware of any, that we are limited to the three alternatives which were suggested by the majority leader: Migration high death rates, or low birth rates.

It so happens that low birth rates seem to be the almost inevitable concomitant of affluence—as countries

emerge from poverty status, there seems to be a natural birth control at work—just the economics of the situation, and the changing circumstances; as people become more prosperous, they feel less need evidently to have large families.

But, Mr. President, before I conclude my thoughts about neo-Malthusianism, I just want to make one additional point, and it is this. That the principal problem in the poverty-stricken areas of the world—I am thinking of places like Africa, Asia, India—is not excess people; there may or may not be more people than are really well suited to those geographic areas, nor is it for that matter the scarcity of resources. The principal problem seems to be that they have lived under economic arrangements, socialist arrangements, and other kinds of economic arrangements, which stifled human creativity and in the process of doing so have limited human freedom including economic freedom. As a result, these countries are dreadfully poor.

When you look at countries that seem to lack virtually every natural resource and which are tremendously overcrowded, according to somebody's standards of how many people there should be per square mile, they are not all poor. The examples are obvious, places like Japan, places like Singapore, Hong Kong, countries that have almost no natural resources as we think of, coal, and farmland and so on, which support very heavy densities of population and yet because of the economic arrangements they have entered into life with a degree of prosperity which is the envy of their neighbors.

So the next time somebody says we have to adopt some kind of drastic measures in order to control population and match it up with the available resources, I hope that my colleagues will think long and hard before jumping to conclusions, particularly the conclusion which the leader and others evidently believe to be inevitable, that abortion is thereby justified; that because the number of people is too large to be supported by the economic resources available, this somehow justifies abortion.

As a matter of fact, this is a nonsequitur, even if you believe, which I do not, that overpopulation is a primary economic problem, because there are other methods of population control including other forms of birth control, education, and so on, that are far more promising as well as far more humane.

Mr. President, I had not intended to speak at this time on the Mexico City issue since that is not really pending. I will reserve my comments about the Mexico City policy until that amendment comes back. But since the leader had raised this particular issue, I thought it would be well at least to add as a footnote to his comments my own observations on the reasons why some countries are in poverty and what they might do about it.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KERREY). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, I first want to commend the managers on a very difficult bill. I think they have done an outstanding job. But I wanted to sketch out where we are from the standpoint of how much time do we have. The CR expires Wednesday midnight—the continuing resolution—and if there is not another extension the Government would shut down.

I am being told by my colleagues on this side that they do not want any more extensions; we are not ever going to finish this Congress as long as we are given additional time and we just keep on going. And even those who are running may have to vote by absentee ballot because the election is 2 weeks from tomorrow.

So there is not much excitement around here for another continuing resolution.

This bill is a very important bill. We have the Interior appropriations bill, and we still have legislative appropriations. I have been told that my friend from Illinois, Senator DIXON, may offer a most-favored-nation amendment regarding China. We cannot give him a time agreement on that. I do not fault him for wanting to offer the amendment, but I must say it puts this bill in jeopardy because any one, or a number of Senators, now can pretty much block legislation for this session.

And there are other amendments that are troublesome that hopefully we can dispose of but it seems to me that if we cannot dispose of this bill, then we ought to move to one we can dispose of.

It may be just as difficult when we take up the interior bill. Then we have the National Endowment for the Arts. We have legislative appropriations. I am not certain what will happen there, but normally that bill is disposed of. But, in addition, we have civil rights veto, which may come tomorrow after some debate. Hopefully, we can get a time agreement on that. We have clean air legislation, the farm bill conference report, reconciliation, itself, and we are allowed 10 hours by statute.

Try to examine all that in between now and Wednesday midnight, and those are only a few of the things. I know there are all the conference reports and appropriations bills. There will be a veto of the District of Columbia appropriations. There will be a veto of the military construction bill. There will be action on those vetoes, and we can go on and on.

But I wanted to indicate in as friendly of a way as I can, that I am not certain another CR will pass. It seems to me somebody has to give. If we cannot complete action on this appropriations bill, notwithstanding the work of the able chairman and my colleague from Wisconsin, Senator KASTEN, then it would be my hope we could set the bill aside. Maybe if it were set aside for 24 hours those who have important amendments—and they are important—would be able to work them out or devise some way we could get a time agreement and complete action on the bill at that time.

So I hope that we have made some progress on reconciliation. We do not have any agreement on reconciliation. We do not have any agreement on the Finance-Ways and Means portion of the package. Are we close? I am not certain. I felt we were close yesterday afternoon. But that fell apart.

We have not had much discussion today. We have been waiting for certain numbers. It takes a long time. Some of these are very complicated. It takes the Joint Tax Committee, and they have a very able staff and outstanding men and women. It just takes time to get accurate numbers.

So for whatever it may be worth, I hope that we can figure out some way to complete our business by Wednesday at midnight and adjourn the 101st Congress sine die.

Mr. LEAHY. Mr. President, will the distinguished Senator from Kansas yield?

Mr. DOLE. I am happy to yield. I will yield the floor.

Mr. LEAHY. I want to respond. I do not want the distinguished Republican leader to be at all nervous by the statement but I must say that I agree with everything he said. It is a very difficult thing. The distinguished Senator from Wisconsin and I worked extremely hard on this. I think that we have tried—and in a bipartisan fashion as possible—to accommodate our colleagues on the other side. We have been able to work through most of the amendments. We have had a number of contentious amendments that have been raised in discussions with us, and because of the fact that we are facing the limit of time that the distinguished Republican leader has referred to, we have asked them to hold off, and they have held off. Several Senators have had to accommodate us and have withheld bringing amendments that I know they felt strongly about.

Frankly, Mr. President, I see us down to really two major amendments unless there is something else lurking out here that I am not aware; two that

could not be disposed of quickly. One is the amendment now pending, and which would require about a 29-percent cut across the board in foreign aid; the other is the amendment of the distinguished Senator from Colorado [Mr. WIRTH] on which he has agreed to enter into an extremely short time agreement but has been unable to get one.

Those are the only two amendments. And on paper it seems like we have 10 minutes ahead of us and two votes and in actuality, of course, on both of the amendments people do not want to go forward with rollcall votes. There are people on either side of the aisle who may not want to go forward on rollcall votes.

I have been told by the distinguished majority leader of his concerns which I must say are very similar to that of the distinguished Republican leader on the time and schedule. He has told me that frankly he wants to pull this bill if we cannot reach a conclusion. I asked him if he would hold off on that for a bit until we tried one more time.

It would, Mr. President, be a tragedy if the bill was pulled. There is no constituency by itself or foreign aid as foreign aid. There is a constituency for the United States of America maintaining its power, prestige, and position as the leading country in the democratic world.

Within this bill are many of the tools that the President of the United States and the Secretary of State, this country, must use in maintaining that position as the leader in the democratic world. There are some very significant parts of this bill that would not be replaced in a continuing resolution and that might not be faced again until next spring if this bill went down.

I urge my colleagues to think first and foremost not of their individual feelings, either politically, partisan, or anything else, but this is truly one of those bills where you think of the country first or should.

Anybody can bring up an amendment that on the face is very popular, and is very difficult to vote against when you are dealing with foreign aid. But if any one of us want to stand up when we review some of our Fourth of July speeches and others and say we want to back off from our position as the leader of the free world, I think not. Many of those tools of being the leader of the Free world are within this bill.

The distinguished Senator from Wisconsin and I are going to have more of our work cut out for us when we go to conference as it is. There are certain things the staffer must do when the bill is finished, just to prepare it for that. We are up against a time agreement.

I hope our colleagues will assume that Senator KASTEN and I use some sense and have some sensitivity to the needs of both the Republicans and the Democrats in this Chamber, and the administration when we go to conference. We certainly have not been seen as those who go off on a tangent when we have been in conference in the past. I think we have demonstrated that.

So I urge my colleagues. I will close with this because I agree with what the Republican leader has said on the time and what the distinguished majority leader has said on time. We are basically down to two issues. Let us get them resolved because if the bill is pulled, we will not see Egyptian aid, and that is something where I definitely, and strongly, and consistently, have backed the President on. We will not see a number of the other issues that are important to all of us in this bill. I think that would be a sad mistake especially if it evolved around the needs of just a small number of Senators. If we have issues left, let us vote them up or vote them down, and go to conference.

I yield the floor.

Mr. DOLE. Mr. President, I thank my colleague from Vermont. Again, I thank the Senator from Vermont and the Senator from Wisconsin. We have a time agreement. It ends on Wednesday night midnight.

I have a parliamentary inquiry. Does the Senate meet on Thursday if the Government shuts down Wednesday night? Are we essential? [Laughter.]

The PRESIDING OFFICER. The Senate will have to have an order to convene.

Mr. DOLE. They would have the authority?

The PRESIDING OFFICER. Would have to have an order to convene.

Mr. DOLE. From whom?

The PRESIDING OFFICER. From the Senate itself.

Mr. DOLE. Oh, the Senate would vote whether or not we were essential? [Laughter.]

It is not debatable, I hope. Is it? [Laughter.]

Well, in any event, I think we have a problem. It is only 2 days away. I know the Senator, the distinguished majority leader, could probably put a list in the RECORD of all the things we need to do by then. It would probably be a surprise to many of my colleagues but there are a number of issues that have yet to be resolved.

As I understand it, there will not be an amendment on Angola; is that correct?

Mr. LEAHY. The distinguished Senator from Kansas is correct; there will not be.

Mr. DOLE. That would be one major amendment that would not be offered. With reference to the pending amendment, a foreign aid cut might have been one thing. When it is tied into a gas tax or some other bill when you have no jurisdiction, it would seem that the amendment ought to be defeated. Twenty-nine percent in foreign aid may be very appealing, but to use that money for a gas tax which would be imposed on a direct reconciliation bill which we have to pass and which will be reduced in conference—we had 9½ cents, and the House had zero. So you can figure it is going to be 5, 6, 7 cents. Maybe you would not need that much of a reduction.

It seems to me that this amendment should be defeated.

Mr. WIRTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. WIRTH. Mr. President, one of the contentious amendments before us is the Wirth amendment, on which we had a vote Friday night. That vote was a motion to table made by the distinguished Republican leader. That was defeated. A majority of the Senate, by a vote of 57 to 41, said they did not want to table the amendment; in other words, effectively saying they wanted to join with me, I believe, in putting an end to the so-called Mexico City policy.

I made it very clear to the distinguished Republican leader on Friday night that I would like to try to work this out in any way that is feasible. I will drop the amendment and substitute it with a sense-of-the-Senate resolution, make that offer, and I would have a straight up-or-down vote, which we can have in a matter of 45 seconds, I think. Let us have a straight up-or-down vote on the issue.

I would entertain any other thoughts people might have as to how to resolve the issue. It is very clear that 57 Members, at least, of the U.S. Senate want to put an end to this so-called Mexico City policy.

I do not, also want to stand in the way of this piece of legislation. I agree with the distinguished Senator form Vermont, related to the Egyptian issue, that the President of the United States has made this cornerstone of his policy in the Middle East, and I think we have an obligation to support him in that, whether or not we might in our heart of hearts agree with the way in which he did it, and the timing and all that. The President has done it. We are deeply dependent upon our relationship with the Egyptians, and this is very important to them and our foreign policy.

We want to see this bill moved forward so the President can get what he wants in this. There are a variety of other elements in here, such as the issues related to the drawdown of terms for Israel and issues related to Central and Eastern Europe, related to El Salvador. There are a variety of things in this legislation that are very important and very good foreign

policy. So I am looking for any kind of suggestion from the other side on this.

I say, on the Mexico City issue, I would be more than happy to have a sense-of-the-Senate, or to have a vote up or down on the amendment. There are a variety of ways, it seems to me, to solve this. I made that clear Friday night. This has been a little bit like pushing on a rope. We make all kind of offers and suggestions and so on, and there is nothing coming back in the other direction.

So I appreciate the dilemma in which the distinguished Senator from Vermont and the Senator from Wisconsin find themselves, and I hope we can, Mr. President, find a way of resolving this issue.

While I have the floor, Mr. President, I would like to spend a few minutes as well responding to a letter which was delivered this morning from a Mr. Ray Randlett, who is the assistant administrator for legislative affairs at the Agency for International Development. This is Mr. Randlett's attempt, I guess AID's attempt, or the administration's attempt, to justify the Mexico City policy.

Mr. Randlett makes four points. He said, "I would like to call a few important facts to your attention," leaving out, I suppose, all of the other facts in this debate which we have generated on this policy and why it is both morally and intellectually bankrupt.

He makes four points which he says have been obscured in the debate. The first point made by the administration is that over 350 foreign family planning organizations have signed the Mexico City clauses.

The allegation there, of course, is if 350 signed the Mexico City clauses, it must be OK. The fact of the matter is that the two organizations that have not signed the Mexico City policy, International Planned Parenthood Federation [IPPF] and Family Planning International Assistance [FPIA] actualy represent numerous foreign organizations carrying out many projects and subprojects in developing countries. FPIA, alone, presently is implementing 119 projects around the region. IPFF assists 58 affiliate organizations, which have not agreed to the policy and which run themselves numerous projects and subprojects.

Those organizations which have agree to the policy, such as Pathfinder Fund, many of which were created by AID themselves, all agreed to it under duress in the face of collapse altogether.

Others, such as IPFF, Western Hemisphere Region, which works exclusively in Latin America, signed the Mexico City agreement because they operate in countries where abortion is illegal.

So that Mexico City policy does not present a conflict. If the Planned Parenthood Federation of America were to sign the Mexico City clause, it would be agreeing to a policy overseas, which has been ruled illegal by the courts in this country and which the Senate itself has voted on by the margin of, I believe, 62 to 38 as being wrong, which would force Planned Parenthood Federation affiliates which operate more than 750 family planning centers in the United States to deny counsel to women; in other words, to create effectively a second-class group of citizens around the world or in the United States. As we are now doing around the world, women who would like to have family planning services, just to know about them, to be presented with that information, are being treated as second-class citizens.

Virtually all the affected nongovernmental organizations endorse Federal legislation that would repeal the Mexico City policy. I put that information in the RECORD this morning, that list.

The major organizations that have signed the Mexico City policy did so, in largest part, under duress, under the threat of losing all of their family planning funding. Most have protested the policy in court and support the Wirth amendment to reverse the policy legislatively.

The second thing AID tells us in this letter that "Only two organizations, Planned Parenthood Federation of America and the International Planned Parenthood Federation, have formally refused to sign. However, 57 IPPF affiliates have signed."

The fact of the matter is that most of the 57 IPPF affiliates are in countries where abortion is highly restricted and illegal. I address that. Most of the Latin American companies, for example.

Again, 58 affiliates have not signed the policy, because the policy puts them in conflict with their own country's laws.

I discussed yesterday the situation in India, where abortion is legal, and here more children are being born than in any other country in the world. The Indians are working hard to hold that birth rate down. Because of the mammoth size of the population and of the numbers of women in the child-bearing countries, their population is growing very dramatically. In that country, those organizations that starved for funds would like to have funds from U.S. AID, from us, to help with this enormous population problem; and they cannnot receive them, even though at the same time we provide money to the Indian Government, but we do not do so to private organizations. Our own inconsistency comes blaring out.

The third point that AID makes is that since 1981 AID obligated $2.3 billion for population activities. AID accounts for more than 40 percent of all international population planning funds this year. The response to that is that Mr. LEAHY, the distinguished manager of the legislation, had requested a GAO report on the effectiveness of AID's population program.

Notwithstanding the increase of funds, it was critical of AID's management of the program because they were so hamstrung by these restrictions that it makes it difficult to effectively use the dollars they do have. Some of the most effective family planning services are delivered by private nongovernmental organizations which are now cut off from the effective use of money.

If we are concerned about the effective use of U.S. taxpayer dollars, presumably we would want them to go to the most effective organization. Why choose the second- or third-rate organizations if we can pick the first-rate ones?

I further add that the Bush administration this year in their budget requested $193 million for family planning, a $27 million cut from the previous year. What an anomalous situation.

The population is going up, going up very dramatically, and what does this administration do? Respond accordingly? No. Not only do we have this muffling, stifling Mexico City policy, but they come in and request a cut in family planning funding. The bill before us recommends $250 million, much more in line with what we ought to be doing.

And if, in fact, we are going to be serious about this changing world, we are going to be serious about our long-term economic and national security obligations, as so very well outlined by the distinguished majority leader, what we ought to be doing is investing significantly more in programs like this and not remembering the mentality of the fifties, sixties, and seventies and, for example, building more B-2 bombers. The choices are right in front of us if we are going to get right down to the stark choice we are facing today.

The final point made by the administration says:

> We cannot effectively disassociate the United States from abortion activities of foreign family planning organizations merely by using separate accounting. The person on the street will not see the books of the foreign grant recipient, just the services the clinic offers.

The facts of the matter are that the United States already provides funds to foreign governments for family planning programs with the proviso that they separate the funding and do not use U.S. dollars to inform, refer, or provide abortions.

If we are dealing with a foreign government—for example, the Government of India—Mr. President, we say to them, "Government of India, we

will give you family planning funds and we realize, Government of India, that you also are providing abortion services. But if you separate those funds, if you account for family planning here and make that separate and do abortions over here, and do abortions with your own money, you, Government of India, can have our funding."

But if we talk to India family planning services, a private, nongovernmental organization, we take a totally different policy. We do not allow that private organization to separate its funds. We allow the government organization to separate its funds, but we do not allow the private organizations to separate its funds.

Why in the world do we do that? Why in the world do we not allow an accounting division to be made by private, nongovernmental family-planning organizations, as we do for the Government of India or any number of other governments who themselves provide abortion services?

The fact is we are picking on the private, nongovernmental organizations, Mr. President. That is effectively what we are doing, because they are relatively easy targets for the kind of demagoguery that George Bush himself warned about when he was a Congressman in the late 1960's. I have already read into the RECORD twice various accounts of women in Turkey and elsewhere who have horribly suffered the effects of Mexico City policy because information is not made available to them. These are the very people on the street who are affected by this arbitrary and wrong-headed policy.

Mr. President, there are countries in Africa, Asia, the Near East, Latin America, and the Caribbean which could receive U.S. AID funds, should receive U.S. AID funds, many of which are countries with rapidly rising rates of increasing population. These 65 countries at stake have a total population of 1½ billion people, and cannot get our assistance. The number of women of reproductive age is 350 million, and we are saying we are not engaged in that at all. That, Mr. President, makes no sense whatsoever.

I ask unanimous consent for these lists of countries impacted by this be printed in the Record, as well as the letter that we received from Mr. Randlett, the Assistant Administrator for Legislative Affairs at U.S. AID.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COUNTRIES ELIGIBLE TO RECEIVE AID DEVELOPMENT ASSISTANCE IN WHICH THE LEGAL STATUS OF ABORTION IS LESS RESTRICTIVE THAN THE PROHIBITIONS CONTAINED IN THE MEXICO CITY POLICY

AFRICA

Botswana, Burundi, Cameroon, Comoros, Congo, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Malawi, Mauritius, Nigeria, Rwanda, Seychelles, Sierra Leone, Swaziland, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.

ASIA & NEAR EAST

Algeria, Bangladesh, Cyprus, Egypt, Fiji, Hong Kong, India, Israel, Jordan, Korea, Republic of Malaysia, Morocco, Nepal, Papus-New Guinea, Singapore, Sri Lanka, Thailand, Tunisia, Turkey, and Western Samoa.

LATIN AMERICA & THE CARIBBEAN

Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Costa Rica, Dominica, El Salvador, Grenda, Guyana, Honduras, Jamaica, Montserrat, Peru, St. Kitts-Nevis, St. Luica, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Uruguay.

NUMBER OF PEOPLE POTENTIALLY AFFECTED BY MEXICO CITY POLICY RESTRICTIONS

Total population of the 65 countries with less restrictive abortion laws-1.57 billion.

Total number of women of reproductive age (15-49 yrs.) in the 65 countries-348 million.

Sources.

Christopher Tietze and Stanley K. Henshaw, "Induced Abortion—A World Review 1986" (New York: Alan Guttmacher Institute, 1986).

International Planned Parenthood Federation, "Family Planning in Five Continents" (London: IPPF, 1986).

Rebecca J. Cook and Bernard M. Dickens, "Issues in Reproductive Health Law in the Commonwealth" (London: Commonwealth Secretariat, 1986).

IPPF AFFILIATES FUNDED BY AID

Country and IPPF Affiliate
Belize: Belize Family Life Association.
Brazil: BEMFAM.
Chile: APROFAM.
Colombia: PROFAMILIA.
Costa Rica: ADC.
Cote d'Ivoire: AIBEF.
Dominican Republic: PROFAMILIA.
Ecuador: ABROFE.
Egypt: ITRFP.
El Salvador: ADS.
Guatemela: APROFAM.
Guinea: AGBEF.
Honduras: ASHONPLAFA.
Kenya: FPAK.
Liberia: FPAL.
Madagascar: FISA.
Mali: AMPPF.
Mauritius: MFPA.
Mexico: MEXFAM.
Nepal: FPAN.
North Yemen: Yemen Family Care Association.
Pakistan: FPAP.
Paraguay: CEPEP.
Peru: INPARES.
Philippines: FPOP.
Sierra Leone: FPASL.
Tanzania: FPAT.
Thailand: FPAT.
Trinidad and Tobayo: FPATB.
Uruguay: AUDFTRM.
Venuzuela: BLAFAM.
Zaire: AZBEF.
Total affiliates, 32.
Updated: June 26, 1990.

AGENCY FOR INTERNATIONAL DEVELOPMENT,
Washington, DC, October 22, 1990.

Hon. TIMOTHY E. WIRTH,
U.S. Senate,
Washington, DC.

DEAR SENATOR WIRTH: The Senate is expected to resume consideration of the Foreign Operations Appropriations Bill today. Pending on Friday was an amendment which would repeal the "Mexico City policy" which provides the U.S. will not contribute to foreign non-governmental organizations which perform or actively promote abortion as a method of family planning.

I would like to call a few important facts to your attention which I believe have become obscured in the debate.

Over 350 foreign family planning organizations have signed the Mexico City clauses.

Only two organizations, Planned Parenthood Federation of America and the International Planned Parenthood Federation (IPPF) have formally refused to sign. However, 57 IPPF affiliates have signed.

Since 1981, A.I.D. has obligated $2.3 billion for population activities. A.I.D. accounts for more than 40 percent of all international population planning funds this year.

We cannot effectively disassociate the U.S. from abortion activities of foreign family planning organizations merely by using separate accounting. The person on the street will not see the books of the foreign grant recipient, just the services the clinic offers.

Support for voluntary population and family planning programs is an essential part of U.S. development assistance. The Mexico City policy does not diminish that support.

Sincerely,

R. RAY RANDLETT,
Assistant Administrator for Legislative Affairs.

Mr. WIRTH. Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, it seems to me the first thing I want to do is clear up any misunderstanding of my colleagues from Colorado about the vote that occurred last Friday night.

The supposition that the vote which occurred the other night was an indication of the ultimate outcome of this amendment or similar amendments I do not think is a well-founded conclusion. That vote was on whether or not somebody wanted to table the Wirth amendment.

I voted to table it. I voted to table it first and foremost because it seemed to me that it was inappropriate on this bill. That is a judgment each Senator is entitled to make, and I do not criticize my colleague for raising it on this bill. But it was obvious to me if we were going to consider the Wirth amendment and open up the question of the Mexico City policy, there were a lot of other related issues that would have to be considered, and that would make it very difficult for us to get through the foreign aid operations bill in any timely manner.

It is not the Senator's fault, nor is it mine, that this bill comes to us late in the session. It just worked out that way as a result of inactivity on the budget resolution, the fact that we waited 5½ months for a summit agreement, the fact that appropriations bills could not come to the floor until after a modified budget resolution had been adopted, and so on and so on and so on.

I do not say that to blame that on my colleague from Colorado, but it is just a fact; that in order to get some of this legislation through—we are operating on a constrained time schedule; for that reason, among others—many of us who had amendments that we thought should be offered were not inclined to offer them in order to accommodate the managers and accommodate the President.

But it is obvious that if my colleague insists on raising the Mexico City policy and all the attendant issues and overtones that go with it, there are other related questions that simply must be addressed.

For example, the question of whether or not funds in this bill go to organizations which do not permit conscience on the part of their personnel; that is: The conscience of personnel to refrain from various aspects of performing abortions. The question of whether or not organizations receiving funds under this bill require parental notification for minors under the age of 18 years. The question of whether or not funds in this bill go to organizations which perform or support abortions in the 7th month of life, or 8th month of life, or for that matter, in the 9th month of life. The question of whether or not funds in this bill go to entities which perform abortions without the informed consent of the individual. The question of whether or not funds are expended in this legislation to go to entities which have not certified they have established procedures for the humane disposal of aborted children. And other similar questions.

Mr. President, these are all abortion-related issues, and there are a number of others which I could have mentioned. But I think my colleagues get the point that if we are going to deal with the abortion issue, then we ought to deal with it in a thoughtful and dispassionate manner and consider the range of issues that are logically presented by the Foreign Operations appropriations bill.

Mr. President, I am not loath to do that. I said the other night, and I hope no one misunderstands me, that this issue which many people find distasteful and which in fact sort of sends a shiver up the spine of a lot of people—and I guess I am one of them—is nonetheless so important an issue of public policy that I think it deserves to be discussed, that it deserves to be discussed often.

I recall that one of our colleagues, every time the subject of abortion comes up, and it comes up several times a year, always protests that somehow we always come back to this issue. Yes, Mr. President, we do always come back to this issue, because it is that important, because we are talking about millions of human lives and we are talking about two of the most fundamental values that are the most ingrained in the lives of thoughtful people, and they are brought directly into conflict when you consider abortion: On the one hand, the privacy of an expectant mother, and the other, the sanctity of human life.

When you get strongly held opinions in support of both of these principles, both of which are believed in by every Member of this body and yet are in conflict when the question of abortion comes up, then it is going to precipitate a debate, and rightly it should. I say that both are kind of in the generic sense, that an issue this important, involving literally millions of lives and such basic values, deserves public discussion; but more than that, I say it, Mr. President, because as one who believes earnestly that abortion is morally wrong under almost all circumstances, I am convinced that discussion of this issue in public, in the Senate, on street corners, in the newspapers, on television, in any responsible forum, advances the human life cause.

I will tell you why. The reason is really quite simple. Most people do not want to think about this subject. Most people, if they are forced to confront the reality of abortion, if they do not know much about it, they just instinctively adopt what has come to be known as a prochoice point of view. That is perfectly natural because the right to privacy, the right of an expectant mother to not be interfered with by any level of government, is a natural presupposition if you have not thought too deeply about the consequences and ramifications of abortion.

Mr. President, as people think about the moral content of abortion, as they think about what is really at stake, as they come to the realization, based upon deep thought and scientific evidence and consideration, of the fact that every abortion takes the life of an innocent human being, they find it harder and harder to be permissive about abortion. In fact, it is instructive that one rarely encounters somebody who has thought deeply about this subject over a lengthy period of time who becomes steadily more permissive toward abortion. There are lots of examples of people whose instinct is to be prochoice, whose instinct may be libertarian on such matters, to say, "Look, I do not want the Government interfering in such sensitive personal matters," who have been drawn, nonetheless, as they have considered the facts, to what has come to be known as a prolife point of view. And yet, Mr. President, is it not interesting that there are very, very few examples—I do not know of a single one except a handful of political people, people who run for office or who would like to run for office—who have ever made the transition the other way. There may be such a person. I just never encountered one. I never encountered anyone who is instinctively prolife and, as they thought about the subject, became more and more permissive toward abortion, the only exception to that being people who appealed for votes in elections or who are candidates for public office. I say there may be some examples to the contrary, but I never saw them.

So my conclusion is, Mr. President, that the more we talk about this, the more likely it is that, as thoughtful people consider what abortion is all about, consider the moral implications, and come to the realization that we are talking about taking millions of innocent human lives, that the likelihood is that the human life cause in which I so deeply believe will grow stronger.

I will say more about that in a minute, but I want now to turn to the question of the Mexico City policy. The Mexico City policy has been one of the most important.

Mr. LEAHY. Will the Senator yield for a question,

Mr. ARMSTRONG. Yes, of course.

Mr. LEAHY. Mr. President, the Senator has noted that he has foregone bringing up some amendments on the assumption that this Mexico City amendment might not come up. I do not want to foreclose anybody. Might the Senator from Colorado [Mr. ARMSTRONG] be willing to offer his amendments with a short-time agreement on each, have a short-time agreement on the amendment of the other Senator from Colorado [Mr. WIRTH] and just set them up and just vote them all, vote them all up or vote them all down? Because I think when the Senator from Colorado [Mr. ARMSTRONG] said that nobody should read one thing or other into the tabling motion the other night, the quickest way to figure out how people stand on that issue is simply to have an up or down vote on it and then, if the Senator from Colorado [Mr. ARMSTRONG] still has amendments, vote them up or vote them down, do it on a short-time agreement, and get on with this bill.

Mr. ARMSTRONG. Mr. President, the manager of the bill makes a good point. I did not mean to say that one should draw no conclusions from the vote on Friday night. The conclusions which I draw is that the Senate did not wish to terminate the debate on the issue at that point. Now, whether or not that is a decision they would

make if a similar motion were made tonight or tomorrow, I do not know. In any case, that is what happened Friday night.

For my own part, this is a matter that I think deserves some discussion. I am going to try to discuss it in a thoughtful and dispassionate manner. I may or may not offer amendments. I am not certain I will do so. I simply make the point that there are a number of possible amendments that relate to the subject of abortion which are logically suggested by this bill if we are going to consider abortion-related material.

I certainly will consider the point made by the manager and take it under advisement. But during the last several hours, almost all of the debate has been in support of the amendment by my colleague from Colorado, so I think the next thing which I need to do is to lay out, at least in part, the case against the amendment, and I am prepared to do that at this time.

Let me speak directly to the Mexico City policy. I started to say that in many ways, this could be considered the most important antiabortion policy adopted during recent years. This Mexico City policy, so-called because it was announced at a conference in Mexico City in 1984, simply denies U.S. population assistance funds to organizations which perform or actively promote abortion as a method of family planning. The U.S Agency for International Development [AID] confirms that the Mexico City policy has not reduced funding for contraceptive programs by even $1. One major international organization has lost funding. That is the London headquarters of the International Planned Parenthood Federation, which has been referred to earlier as IPPF. This organization has reaffirmed its intent to lobby for legal abortion in lesser developed nations, and, therefore, funds were denied to IPPF and were reprogrammed to other family planning programs.

Mr. President, AID states that the United States is supporting family planning activities through 300 agencies in 70 nations under the Mexico City policy, including 36 IPPF affiliates which have agreed to abide by the Mexico City policy. The United States remains the major donor on contraceptive services in developing nations. The committee bill increases population assistance from $220 million to $250 million.

Mr. President, this is important because, contrary to what one might assume from the debate which has taken place up until now, the real question suggested by the amendment of my colleague from Colorado is not whether or not we are going to fund population birth control measures, the question is whether we are going to fund abortion. If the Mexico City policy is nullified, the United States will once again be in the business of subsidizing abortion, for example, through London's IPPF headquarters, which openly proclaims its mission is to repeal antiabortion laws which remain in effect in most of the less-developed countries. President Bush has stated that he will veto any bill which weakens or circumvents or nullifies the Mexico City policy.

Mr. President, an issue has been raised about whether or not there is a reasonable ground to distinguish American aid to a national government as contrasted with private organizations, its nongovernment organizations. It seems to me that there is a very logical distinction, and it simply comes down to this. When you are dealing with the government, there is only one government in each country. When you are talking about private organizations, there are a multiplicity of choices available, and, in fact, that is exactly what has happened. As some organizations, the couple that I have mentioned, the IPPF and also the Planned Parenthood Organization of the United States, have declined to abide by the Mexico City policy, the money that would have otherwise gone to them for birth control has simply been reallocated to other organizations.

Mr. President, I should note in passing that the Mexico City policy is supported by the National Right to Life Committee, the Southern Baptist Conference, the U.S. Catholic Conference, and the Family Research Council.

Mr. President, I want to submit for the RECORD a rather detailed factsheet that tells us the historical background, how the Mexico City policy came to be adopted, and which asks and answers a number of questions which are commonly raised with respect to our policy. This document, prepared by Right to Life, is, I think, a pretty good primer on the issue. I commend it to the attention of anyone who is concerned about this group of questions. I send it to the desk and ask unanimous consent that it be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ARMSTRONG. Mr. President, I would also like to take a moment to address some of the specific issues that have been brought up by the sponsor of the amendment and to discuss an alternative point of view on some of these questions that have been raised by my colleague from Colorado.

First, my colleague makes the point the Mexico City policy goes beyond the foreign assistance restrictions to impose restrictions on activities undertaken by nongovernmental organizations with non-U.S. funds.

Actually, this is not true. Money is fungible. Even if the organizations can show by some kind of skillful accounting practices that they are actually not using U.S. funds to perform restricted activities, the reality of the matter is that U.S. funds will free other moneys to perform unpermitted activities.

For example, let us put this in concrete terms. A nongovernmental organization could show they were using U.S. funds only for administrative support, but then use the money that would normally be used for administrative support to perform restricted activities, that is to say abortions or the promotion of abortion or lobbying for a change in abortion laws.

The second issue which my colleague has raised is that the Mexico City policy discriminates against nongovernmental organizations while allowing governments receiving United States funds to promote abortions while nongovernmental organizations cannot. From a certain point of view, which I happen to hold to, this is an argument for extending the Mexico City policy to governmental organizations. Not for its repeal.

However, the big difference between the two is that governments do not lobby themselves to change their own laws to permit abortions. But without the Mexico City policy, that is exactly what a nongovernmental organization receiving funds can and will do.

A third point which is raised in support of the amendment, the Mexico City policy imposes restrictions that most Americans would consider unconstitutional, restricting the right to speak freely.

Mr. President, this is simply not true. The Mexico City policy has nothing to do with restricting anyone's right to speak freely. It only places conditions on what the U.S. Government will fund. These organizations are free to say or do whatever they would like, but their actions must confrom to U.S. standards to receive U.S. funds.

If we were to adopt the logic of the advocates of this amendment, not funding any organization for any reason restricts the right to speak freely—if we were to adopt that, it would turn on its head half the laws the go through this Chamber.

The United States places conditions on the disbursement of funds of every kind, to colleges and universities, to State legislative bodies, to the District of Columbia and to other private and public agencies. It seems to me that if my colleagues will think this through, they will realize that this argument simply is not rooted in substance.

A fourth argument that is advanced in support of the amendment, the World Health Organization estimates that out of 500,000 pregnancy-related

deaths each year, 200,000 are the result of botched abortions. I do not know whether or not those figures are correct. But they do not seem correct to me. It appears to me from the information that has been made available to me that, on the contrary, legalizing abortion increases, not decreases, the risks to women.

I call to the attention of my colleagues an article which appeared in the Washington Post on August 13 of this year, under the headline "Two Tragedies Raise Doubts About Suitland Clinic," which outlines the dangers, the physical dangers of abortions, even performed under the more or less modern facilities and circumstances in the Washington, DC, metropolitan area.

I send that article to the desk and ask that it also be printed at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

The PRESIDING OFFICER. Does the Senator from Colorado yield the floor?

Mr. ARMSTRONG. No, Mr. President, I am about done. I have a couple of other thoughts I would like to share with my colleagues.

Before I yield the floor I would like to make this point. I have tried to discuss the specific arguments that have been raised in support of the amendment. At some time before the evening is over, I would like to again seek recognition and talk about the broader question of abortion itself, because that really is the underlying issue.

It, honestly, is not a technical question, and it is not so much a question of what is being said or done in a court of law. It finally comes down to a question of whether or not these are really and truly innocent human lives that are at stake. I made that point a few minutes ago and I want to elaborate on it when the occasion presents itself.

I will now yield the floor. I see some of my other colleagues are here. I am not seeking to monopolize the discussion and I will be happy to yield.

Mr. LEAHY. Will the Senator yield for unanimous-consent request,

Mr. ARMSTRONG. As I say, I have had my say for now and I yield the floor.

EXHIBIT 1

THE MEXICO CITY POLICY: SHOULD THE U.S. SUBSIDIZE PRO-ABORTION ADVOCACY OVERSEAS?

[For further information: Federal Legislative Office, NRLC, (202) 626-8820. Specific documents quoted in this factsheet are available upon request.]

SUMMARY

During the 1970s and early 1980s, the U.S. "population assistance" program was the major source of funding for a number of organizations which vigorously promoted abortion, and the legalization of abortion, in many less-developed countries. In 1984, President Reagan adopted the "Mexico City Policy," under which private organizations which "perform or actively promote abortion as a method of family planning in other nations," of which campaign to repeal anti-abortion laws in foreign nations, are not eligible for population assistance funds. There are exceptions for abortions performed to save the life of the mother, or in cases of rape or incest.

The National Right to Life Committee (NRLC) takes no position on contraception or on federal funding of contraceptive services, at home or overseas. However, NRLC strongly opposes federal funding of organizations which promote abortion, or which campaign for the legalization of abortion in less-developed countries. (Abortion for social reasons is not legal in most less-developed nations). Therefore, NRLC strongly supports the Mexico City Policy.

The debate over the Mexico City Policy is not a debate about "family planning" or "population assistance." As the U.S. Agency for International Development (USAID) has repeatedly assured Congress, every dollar removed from organizations which promote abortion has been re-programmed to other agencies which agree to stick to contraception.

Most overseas family-planning groups have complied with the Mexico City Policy and continue to receive U.S. funds. Two organizations which are strongly committed to the repeal of foreign anti-abortion laws have refused to comply; they are the London-based International Planned Parenthood Federation (IPPF) and its U.S. affiliate, the Planned Parenthood Federation of America (PPFA). (However, 36 other IPPF affiliates have accepted the Mexico City Policy). It would be wrong for the U.S. to fund these groups, which openly proclaim their intent to undermine pro-life laws—laws which are based on the religious, cultural, and religious values of the peoples of the nations in question.

[Note: the Mexico City Policy should be confused with the Kemp/Kasten Amendment, a rider to the annual foreign operations appropriations bill which denies "population assistance" funds to organizations which "support or participate in the management of a program of coercive abortion or involuntary sterilization." Under this law, the United States Population Fund (UNFPA) has received no U.S. funds since 1985, due to that agency's extensive involvement in China's coercive population-control program.]

CAPSULE HISTORY AND CURRENT SITUATION

In July, 1984, the U.S. delegation to the International Conference on Population in Mexico City, actng on a policy approved by President Reagan, enunciated what has since been referred to as the "Mexico City Policy": that no U.S. population assistance funds would go to private organizations which "perform or actively promote abortion as a method of family planning in other nations." This pro-life criteria for population assistance has come to be known as the "Mexico City Policy." President Bush has affirmed his strong support for continuation of the Mexico City Policy.

The U.S. courts of appeals for the District of Columbia and the Second Circuit have ruled that the Mexico City Policy is consistent with the Foreign Assistance Act. The U.S. Court of Appeals for the District of Columbia has also upheld the constitutionality of the policy. A second lawsuit challenging the constitutionality of the policy, brought by the Planned Parenthood Federation of America (PPFA), was dismissed by the U.S. District of Court for the Southern District of New York on March 7, 1990; this case is on expedited appeal to the Second Circuit.

Numerous proposals to weaken or nullify the Mexico City Policy have been rejected in Congress. On July 10, 1985, and on June 22, 1989, the House approved amendments offered by Rep. Chris Smith (R-NJ) strongly reaffirming the Mexico City Policy. In 1987, amendments to overturn the policy were rejected by the House and Senate appropriations committees.

During the 1990 session, two amendments to undercut the Mexico City Policy, offered by pro-abortion Rep. Peter Kostmayer (D-Pa.) to the FY 1990-91 foreign aid authorization bill (HR 4445), were adopted by the House Foreign Affairs Committee on March 28. These amendments will be challenged on the House floor. The issue is also likely to arise during consideration of the FY 1991 foreign operations appropriations bill, and perhaps on other vehicles as well.

QUESTIONS AND ANSWERS ON THE MEXICO CITY POLICY

Question: Has the Mexico City Policy resulted in crippling reductions in funding of family planning programs overseas?

Not at all. According to the Agency for International Development (June 25, 1987 letter attached), the Mexico City Policy "has not reduced our total family planning assistance by even one dollar. The withheld funds were reprogrammed to support other family planning programs. In fact, A.I.D has increased its support for family planning under this Administration."

All but a few foreign family planning organizations have accepted the Mexico City conditions. According to A.I.D, 300 subgrantees are conducting approximately 700 projects in about 70 nations under the terms of the Mexico City Policy. That is, these 300 subgrantees provide contraceptive services without providing abortion (except to save the mother's life, or in cases of rape or incest), and without campaigning to legalize abortion.

Question: which organizations have been de-funded by the Mexico City Policy, and why?

Two major organizations have refused to conform to the Policy: the London-based International Planning Parenthood Federation (IPPF), and the Planning Parenthood Federation of America (PPFA). A.I.D. has stated (Feb. 8, 1988): "Aside from IPPF London and the stated intent of PPFA, we are aware of no other organizations which have refused to accept funding subject to the restrictions of the Mexico City Policy against abortion activities." (Actually, PPFA continues to receive some A.I.D. funding, pending the resolution of a legal challenge filed by PPFA.)

Abortion for social reasons is legal in only 8 out of 126 nations classified as "less-developed" by the United Nations. Yet, both IPPF and PPFA see it as part of their mission to legalize abortion throughout the world. Primarily because of their determination to udermine the anti-abortion laws of less-developed countries, IPPF and PPFA have refused to comply with the Mexico City Policy.

[However, it is noteworthy that, according to A.I.D., IPPF/Western Hemisphere Region (representing Latin America IPPF affiliates) and other individual IPPF affiliates are receiving funds directly from A.I.D. under the Mexico City conditions. "Today we work with approximately 36 IPPF affiliates worldwide," A.I.D. informed Sen.

Gordon Humphrey in a letter dated Feb. 8, 1988.]

Question: How do we know that the Planned Parenthood Federation of America and the London IPPF campaign to legalize abortion in less-developed countries?

Both PPFA and IPPF boldly proclaim their determination to legalize abortion throughout the developing world. Moreover, they claim the U.S. taxpayer has an obligation to subsidize such activity.

For example: In an April 14, 1987 speech to the National Press Club, PPFA President Faye Wattleton forcefully expressed PPFA's position that the U.S. govrnment has an obligation to export abortion to the citizens of developing countries. She called legal abortion "a universal human right, to which every person on this planet is entitled," and added: "Our government must increase its fundings to make contraception and safe, legal abortion available in developing nations" (speech text, page 6).

Prior to adoption of the Mexico City Policy, IPPF and PPFA had some successes in undermining the anti-abortion laws of sovereign nations. Pro-abortion leaders now complain that, as a direct result of the Mexico City Policy, there has been "a near halt in the liberalization of abortion laws in third world countries." ("Abortion-Aid Cutoff Still Being Judged," The New York Times, Feb. 27, 1989, A16.)

In a recent advertisement urging the abandonment of the Mexico City Policy, PPFA argued, "Where abortion remains illegal, many groups place a high priority on lobbying for reform." (New York Times, Feb. 6, 1989, A15.) NRLC believes that it is an inappropriate use of U.S. tax dollars to subsidize such "high priority" pro-abortion political campaigns.

Question: Why is it wrong for the U.S. to subsidize organizations which seek to overturn pro-life laws overseas?

The anti-abortion laws should be presumed to reflect the legal, cultural, and religious values of these sovereign nations—many of which are predominantly Catholic or Moslem. It is clearly inappropriate for the U.S. to subsidize Planned Parenthood's "cultural imperialism" in seeking to undermine these laws.

As A.I.D. told Congress in 1985:

"Abortion is a controversial issue in many countries, especially those with large Catholic or Moslem populations. The U.S. has been criticized in developing countries for its funding of groups (such as IPPF and some of its affiliates) which perform abortions with their own funds . . . The Administration believes that it is important to avoid the damage to U.S. interests which results from the belief that it supports abortion. A principle purpose of the [Mexico City] policy is to avoid the hostility to the U.S. resulting from U.S. identification with abortion. Where abortion services are provided by an organization of which the U.S. is a major contributor, it is unrealistic not to expect that the U.S. be identified with its activities. However, where U.S. support is rendered to a government program, there is little damage to the U.S. reputation since the issue is one of domestic politics. (A.I.D. "Population Assistance Fact Sheet," May, 1985)

In a landmark 1980 study of population assistance programs, Donald P. Warwick of the Harvard Institute for International Development wrote that IPPF "has in word and deed been one of the foremost lobbyists for abortion in the developing countries." Warwick also noted that groups such as IPPF violate internationally accepted principles of national autonomy when they seek to undermine anti-abortion laws:

"By taking sides, particularly where support is accompanied by a generous infusion of foreign monies, the donors are, in fact, infringing on national autonomy in a particularly delicate area. Foreign intervention becomes especially questionable when it is used as a bargaining chip in negotiating what is fundamentally a moral and political questions on the national scene." ("Foreign Aid for Abortion," The Hastings Center Report, April, 1980)

PPFA/IPPF leaders have even urged national family-planning groups to ignore anti-abortion laws. For example, a 1983 IPPF document—signed by PPFA President Faye Wattleton, among others—recommended that IPPF affiliates violate "unfavourable" laws:

"Family Planning Associations [IPPF affiliates] and other non-governmental organizations should not use the absence of a law or the existence of an unfavourable law as an excuse for inaction; action outside the law, and even in violation of it, is part of the process of stimulating change." (Report of the Working Group on the Promotion of Family Planning as a Basic Human Right, to the Member's Assembly and the Central Council of the International Planned Parenthood Federation, November 1983)

Question: Wasn't it already illegal to use A.I.D. funds for abortion, even before adoption of the Mexico City Policy in 1984?

It is true that, under the Helms Amendment of 1973 to the Foreign Assistance Act, A.I.D. funds may not be spent directly to perform abortion procedures. But that provision alone did not prevent A.I.D.-subsidized organizations from campaigning to repeal anti-abortion laws, training abortionists, and otherwise aggressively promoting abortion in less-developed countries. There is abundant documentation that organizations which received large portions of their budgets through A.I.D.—such as IPPF and the Pathfinder Fund—frequently engaged in such activities, prior to adoption of the Mexico City Policy.

Question: What about a 1987 study by the University of Michigan School of Public Health, which purports to demonstrate that removal of A.I.D. funds from PPFA's overseas programs will disrupt family planning services, resulting in 1,177 maternal deaths and 69,000 additional abortions?

This manufactured "study" was commissioned and funded by PPFA itself. The fabricated predictions of this "study" are as worthy of confidence as PPFA's predictions, a few years back, that the "Hyde Amendment" (restricting Medicard funding of abortion) would cause an explosion in abortion-related maternal mortality and morbidty in the U.S. (Subsequent C.D.C. studies found no statistically significant increase in morbidity and mortality attributable to the cutoff of public funds for abortion.)

The dire effects predicted in 1984 by critics of the Mexico City Policy have not been validated. As the New York Times reported in an analysis published in Feb. 27, 1989:

"Family-planning groups predicted a dramatic rise in unwanted births and unsafe abortions abroad when the United States announced in 1984 that the American agency that administers foreign aid abroad would not finance projects abroad that promoted abortions. But five years later even the most fervent opponents of the policy say its impact is difficult to gauge." ("Abortion-Aid Cutoff Still Being Judged," Feb. 27, 1989)

Moreover, it defies common sense to believe that giving millions of dollars a year to PPFA will diminish the number of abortions in developing countries, so long as PPFA is determined to introduce abortion on demand into the many countries in which it is currently outlawed. The results of the legalization of abortion in the United States was an increase from roughly 200,000 illegal abortions a year to 1.6 million legal abortions a year. Presumably there would be comparable increases in some developing countries if abortion was legalized.

Thus, if PPFA succeeds in its oft-stated goal of making abortion on demand legal in even a few of the 118 less-developed countries which currently do not permit it., it could easily result in an increase in abortions far greater than the 69,000 figure fabricated in PPFA's "study."

Funding IPPF or PPFA in order to "diminish the number of abortions" makes as much sense as subsidizing the Mafia to curb the smuggling of illegal drugs.

CURRENT PROPOSALS TO OVERTURN THE MEXICO CITY POLICY

Pro-abortion groups have put forward several different proposals to overturn the Mexico City Policy. One formulation is found in Rep. Schneider's "global warming" bill (HR 1078). Sec. 1102 (b)(2-3) reads:

"(2) No restrictions may be placed on the use of these funds which would be inconsistent with the United States constitutional rights of privacy, regardless of whether such funds are used to provide such services abroad, to support international efforts, or any other use. (3) Restrictions may be applied by the President to information, counseling, or services that may be provided by family planning entities abroad only to the extent that the same restrictions are applied by the President to information, counseling, and services that may be provided by family planning entities receiving funds under grants or contracts made under title X of the Public Health Service Act (42 U.S.C. 300 and following)."

The language of (3) is also found in Sen. Wirth's "global warming" bill (S. 324) on page 162. Language in Sec. 702 of Sen. Gore's "warming" bill (S. 201) would have the same practical effect.

The effect of these proposals would be to require U.S. funding of organizations which organize political compaigns to overturn the anti-abortion laws of sovereign nations. Moreover, these proposals would require funding even of organizations which blatantly violate the anti-abortion laws of sovereign nations, if those laws are "inconsistent" with Roe v. Wade. There are few if any less-developed nations which have abortion laws as permissive as Roe.

This would allow, for example, a U.S.-funded organization to train abortionists and otherwise assist in setting up abortion providers in Brazil, where abortion is illegal, so long as U.S. dollars were not used directly to pay for specific abortions.

Clearly, it is inappropriate for the U.S. to subsidize organizations which undermine or defy the anti-abortion laws of sovereign nations—laws which reflect the legal, cultural, and religious values of these nations. Yet that is precisely what the anti-Mexico-City language in the Schneider, Wirth, and Gore bills would require.

EXHIBIT 2

[From the Washington Post, Aug. 13, 1990]

TWO TRAGEDIES RAISE DOUBTS ABOUT SUITLAND CLINIC; ABORTION PATIENT, LEFT PARALYZED, FILES SUIT

(By Retha Hill)

Susanne Renee Logan was three months pregnant when whe went to Hillview Women's Medical Surgical Center for an abortion. She was given Brevital, an anesthetic meant to lull her to sleep during the procedure.

Minutes after the drug entered Logan's system, her throat tightened, restricting her breathing and cutting off oxygen to her brain, rescue records show. Eight minutes later, paramedics at the District Heights Volunteer Fire Department received a high priority call: A woman was unconscious; she had no pulse.

What the emergency workers saw when they got to Logan prompted the director of the Prince George's County paramedics program and the Prince George's Medical Society to ask the Maryland Physicians Quality Assurance Board to investigate. County officials were also concerned about other incidents at the Suitland clinic in the past two years, in which emergency workers have rushed women to area hospitals with problems including hemorrhaging, shock, breathing trouble and cardiac arrest.

In sworn statements contained in a lawsuit Logan has filed, paramedics said that the 32-year-old woman was blue and in cardiac arrest when they arrived. Paramedics said clinic personnel attempted to revive her with a medicine that medical experts say has no effect on reversing the reaction to Brevital. Clinic workers had tried to resuscitate her with oxygen equipment that was not working. An oxygen mask placed over her nose and mouth was upside down.

Furthermore, there was no anesthesiologist on duty to administer the drug or monitor Logan's vital signs, according to interviews with clinic personnel. A warning on the drug states that Brevital should be administered by people "qualified in the use of intravenous anesthetics," and that "cardiac life support equipment must be immediately available" during use of the drug.

After four months in a coma, Logan, who suffered extensive brain damage in the Sept. 9 incident, is almost completely paralyzed. The former waitress cannot walk or talk and communicates by tapping out her messages on an electronic keyboard with her left hand, over which she has limited control.

Logan and her family have filed suit against clinic owners Barbara P. and Benjamin Lofton and physician Gideon M. Kioko, alleging that clinic workers were not sufficiently trained to treat and monitor her while under the anesthetic or to resuscitate her during an emergency. The suit also says that emergency equipment was not available or working.

In a response to the lawsuit, Hillview's owners denied the allegations in the Logan case. Barbara Lofton, who is also the clinic administrator, contended in an interview that Hillview provides "a good service" and that complications at the clinic are very rare.

"If you provide a certain number [of abortions], no matter how good you are, no matter what the qualifications are, there are sometimes, circumstances," Lofton said. "There are probably no facilities without some complications."

The Physicians Quality Assurance Board and Maryland Attorney General's Office are investigatng the Logan case. Kioko and Lofton said they have also been interviewed by board investigators about the death of Debra M. Gray, a 34-year-old woman who, according to a medical examiner's report and paramedic records, went into cardiac arrest while under general anesthesia at the clinic.

Maryland has no laws specifically regulating clinics where abortions are performed, including requirements for handling emergencies. Nor does the state have rules governing ambulatory care centers or regulations for those centers that use anesthesia, a spokeswoman for the state Health and Human Resources Department said. Only ambulatory surgical centers that are reimbursed under the Medicaid and Medicare programs are regularly inspected.

The Accreditation Association for Ambulatory Health Care Inc. requires that anesthesia be administered only by anesthesiologists, other qualified physician or dentist anesthetists or qualified nurse anesthetists. Some facilities ask for certification from the national association, although it is not a legal requirement. Under the association's recommendations, the operating surgeon or anesthesiologist must evaluate the patient immediately before surgery to assess the risk of the anesthesia.

The Maryland Physicians Quality Assurance Board is empowered only to evaluate the practice of the physicians who work at clinics, and neither Barbara nor Benjamin Lofton is a physician. Three physicians work at the clinic part time. The Loftons opened the clinic in Prince George's in 1987 after the District's Department of Consumer and Regulatory Affairs ordered a clinic they owned in the District to stop performing abortions without a license.

Kioko would not go into detail about the Logan case. But he said the decision on whether patients receive an anesthetic stronger than a drug that numbs the cervix is made between the client and clinic personnel based on the patient's ability to pay. He said the surgeons take no part in precribing anesthesia.

In the cases of Logan and Gray, he said, no anesthesiologist was on duty, and Kioko said he was not aware of the qualifications of the people who administered the anesthetic. Kioko, who works part time at the clinic and served as its acting medical director until last month, said he banned the use of Brevital in November.

National Statistics show that abortions in the first trimester (seven to 13 weeks) and early second trimester (13 to 16 weeks) are among the safest outpatient procedures done in the United States, resulting in complications less than one-half percent of the time, according to the Alan Guttmacher Institute, a reproductive health research center. Less than 1 percent of all legal abortions result in major complications.

Because clinics in Maryland are not required to report the number of abortions performed or whether there are complications, the exact percentage of abortion-related complications at Hillview could not be determined. Barbara Lofton estimated that the clinic performs 100 abortions a week.

Lofton said any time a woman is taken to a hospital from her clinic it is unacceptable. "Your system has somehow failed," she said. However, she attributed the investigations of her clinic to the chief of the county's paramedics program, who she said is against abortion.

"Obviously, the report from the paramedics was written by a pro-life person," said Lofton, whose clinic has been the target of antiabortion protests and bomb threats. "There were many fabrications in the report."

Joseph J. Colella Jr., an anesthesiologist and director of the county paramedic program, said Lofton's claim that he is antiabortion "couldn't be further from the truth."

"I'm not either a right-to-lifer or the other group," Colella said. He said he asked the state to investigate "because of [a] series of incidents in a short period of time involving the same group of people."

Barbara Lofton said most post-abortion complications are minor, but that is not the case in the incidents under investigation by the state physicians board.

In the case of Logan, paramedic Kimberly Dixon said in a statement contained in the lawsuit, clinic workers trying to give CPR "seemed to be very confused and did not seem to know what they were doing."

Paramedic Donna Stone said in a statement that clinic workers were mishandling the oxygen mask and bag they were attempting to put on Logan, and paramedic Dominic Mancinelli said the clinic's bag mask was not working. (Lofton denies that the mask was not working.) Stone asked clinic staff to intubate Logan, a procedure in which a tube is inserted in the throat to assist with breathing. Stone was told by clinic workers no such tube was available, the sworn statements said.

The statements from the paramedics said that a clinic doctor told them Logan had been given Narcan, a drug that, according to a spokesman for the American Society of Anesthesiologists, has no effect on reversing a reaction to Brevital. The emergency workers gave Logan the stimulant epinephrine intravenously, after which her heartbeat was restored.

Today, Logan lives at the Inns of Evergreen, a rehabilitative nursing home in Baltimore, after spending three months at Good Samaritan Hospital. Her father and stepmother, Robin and Peggy Logan, are trying to make arrangements to move her back to her home in California. Her medical bill, according to her father, is approaching $500,000; Medicaid will pay part of it.

The Physicians Quality Assurance Board is also looking at the case of Debra Gray, a secretary at the Naval Hospital, who went to the Hillview night clinic on July 12, 1989. She was about 13 or 14 weeks pregnant, family members said. She was given a fast-acting barbiturate as an anesthetic, according to the autopsy report. What happened next is uncertain.

Paramedics were called to the clinic, where Gray had gone into cardiac arrest; her brain was deprived of oxygen for at least 12 minutes, according to the autopsy records and family members. Gray, who was later found to have traces of heroin in her system, was rushed to Malcolm Grow Hospital at Andrews Air Force Base, where doctors detected no brain activity. Three days later, doctors disconnected life support systems.

"Nobody has made an effort to explain what happened to anybody," Gray's sister, Pamela, said in a interview."We've been stalled for a year. It would be a relief if we could get to the bottom of this."

The Prince George's County Police Department's criminal investigation unit inquired into the death of Gray but closed the case after finding no criminal wrongdoing on the part of Kioko or the clinic.

The state Medical Examiner's Office reported that Gray's death was precipitated by a reaction of the heroin in her system with the barbiturate.

Doctors who work regularly with anesthesia said a patient who has used street drugs runs a greater risk of complications but will not automatically suffer the extent of oxygen deprivation that Gray did.

Kioko, who was the gynecologist performing the abortion, said that a registered nurse mixed and injected the barbiturate into Gray, and that clinic personnel though it would put her into a "twilight" state rather than under general anesthesia.

Barbara Lofton agreed with Kioko that no anesthesiologist was at the clinic during the time Logan and Gray underwent abortions, but she said physicians administered the anesthetic. Kioko denied that.

"None of the physicians who have worked there before have given the drug [Brevital] or were consulted about the drug." Kioko said. "Everybody was nervous with it [the anesthesia]. They just didn't know anything about it."

In another case, an 18-year-old woman went to Hillview when she was about 15 weeks pregnant. She borrowed $575 from a friend after making an appointment at Hillview because it was the least expensive of the clinics she called. Hillview offers a 10 percent discount to women with medical assistance cards, although they cannot be used to pay for abortions.

In an interview, the woman, who asked that her name not be used, said Kioko sent her home after the procedure was completed; she thought the pregnancy was determinated. However, a couple of days later, she was informed by the clinic workers that the abortion was not a success. After a second abortion attempt several days later, the woman said, she was in so much pain that clinic workers carried her to a cab and sent her home. Again, she was told the abortion was unsuccessful and she would have to undergo a third procedure.

Later that night, the woman checked into Washington Adventist Hospital, where doctors removed a bruised but otherwise intact fetus and discovered that her uterus had been perforated during the two abortion attempts, according to hospital records and the woman's doctor.

Kioko acknowledged there were two unsuccessful abortion attempts and said he offered to perform a third procedure at a hospital.

Hillview Women's Medical Surgical Center is unique in the Washington area because it performs abortions up to 24 weeks, about six months. Local clinics such as Planned Parenthood of Washington, which does not perform abortions after 18 weeks, refer women seeking late second trimester abortions to hospitals or a clinic sanctioned by the National Abortion Federation.

The federation has strict standards of care, including requirements that drugs and equipment be available to treat emergencies such as cardiac arrest and narcotic toxicity.

Barbara Lofton said her clinic, which is not affiliated with the federation, has a complete complement of emergency equipment, and all staff members, including office personnel, are trained in CPR.

Barbara and Benjamin Lofton have owned several health care clinics in the area since 1983. They operated a mental health day clinic in Southwest Washington under the name Metropolitan Care Centers Inc. The clinic closed in 1986 after city officials dropped it from the Medicaid program. City records showed the clinic had submitted false billings, allowed medicine to be administered by unqualified help and misrepresented the professional credentials of staff members.

The District's Health Care Financing Administration also found that Barbara Lofton was not a mental health professsional, which is required by District regulations to act as a program manager. City investigators found that Barbara Lofton used resume's that listed a PhD in clinical psychology from Catholic University, although there was no record that she got a degree there.

In a recent interview, Barbara Lofton said she received her PhD in Psychology from the University of California at Berkeley; however a university spokeswoman said Lofton never received a degree there. A spokeswoman for Pacific Western University, a non-accredited university in Los Angeles, said that Lofton did receive a PhD in behavioral sciences. The university advises students, who do their studies mostly by mail, not to use their degrees for professional certification, the spokeswoman said. Lofton later said she didn't know why she told a reporter that she completed her doctoral studies at Berkeley.

In 1986, the Loftons opened a family planning clinic on the site of their closed mental health clinic, and in March 1987 they began offering abortions at the 25 M St. SW address, according to city records and Lofton. In an investigation, District officials found that the clinic did not have a license required under city law to perform surgery, particularly abortions.

Lofton said the clinic ceased performing abortions.

Three months after the District inspection, Hillview clinic opened at its new location on Silver Hill Road in Suitland.

UNANIMOUS-CONSENT AGREEMENT

Mr. LEAHY. Mr. President, I ask unanimous consent that the pending question, which I believe is the amendment by——

The PRESIDING OFFICER. The Helms amendment.

Mr. LEAHY. By Senator HELMS, be temporarily laid aside to allow the distinguished Senator from Wisconsin and me to take up some amendments that are cleared for action. This would not in any way affect the rights of the Senator from North Carolina because once we clear those we would then go back on his amendment.

Mr. ARMSTRONG. Reserving the right to object.

The PRESIDING OFFICER. As a point of clarification, the Chair inquires, is the request the Helms amendment and the amendment of Senator WIRTH both to be laid aside?

Mr. LEAHY. No, the Helms amendment.

The PRESIDING OFFICER. Is there objection?

Mr. ARMSTRONG. Reserving the right to object, I would like to inquire of the manager, first, if under his unanimous-consent request the Helms amendment would automatically recur after whatever amendment he wishes to call up is disposed of?

Mr. LEAHY. I have three amendments I will call up, but after that, yes, I want to clarify we would then go back to the Helms amendment.

Mr. ARMSTRONG. The second question, Mr. President, has the manager discussed this with the Senator from North Carolina?

Mr. KASTEN. I just had the opportunity to discuss this procedure with the Senator from North Carolina and our hope is we are going to be back on his amendment within 15 minutes.

Under those circumstances, it is acceptable to the Senator from North Carolina.

Mr. ARMSTRONG. If he has no objection, I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. CHAFEE. Mr. President, I reserve my right to object and ask a question, if I might. The parliamentary situation, as I understand it, is we are on the Helms amendment. Where is the Wirth amendment?

The PRESIDING OFFICER. The Wirth amendment is pending to the third committee amendment.

Mr. CHAFEE. Has the Wirth amendment been offered?

The PRESIDING OFFICER. It would recur upon the disposition of the first two committee amendments.

Mr. LEAHY. If I might, I would tell the distinguished Senator from Rhode Island that we would have to dispose of the Helms amendment under my unanimous-consent request, the Helms amendment coming back up automatically after we cleared these, which will probably take about 3 minutes, 4 minutes. And then, upon the completion of that, we would go to the Wirth amendment. But the Wirth amendment is not pending.

Mr. CHAFEE. Could I ask, as I understand what would happen, the procedure here is if the unanimous consent is granted, that the distinguished leaders, the floor managers of the measure, have some amendments, routine business to take up that will be accepted?

Mr. LEAHY. That is right.

Mr. CHAFEE. Then we go back to the Helms amendment?

Mr. LEAHY. That is right.

Mr. CHAFEE. Will there be a vote on the Helms amendment or will the distinguished Senator from North Carolina be speaking on the amendment? I am trying to figure out whether those of us interested in the Wirth amendment should stay around?

Mr. LEAHY. Mr. President, I advise my colleagues not to go far. That is why I am trying to get these out of the way so then we can get down to know what we have left and then maybe be able to wrap it up. I cannot speak for the distinguished Senator from North Carolina or the distinguished Senator from any other States, nor do I intend to.

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I just urge my colleagues, please, in about the amount of time it has taken to make this request, let me have that time and I will get rid of these amendments and we will be back on the amendment of the distinguished Senator from North Carolina.

Mr. HELMS. Will the Senator yield?

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Will the Senator yield?

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HELMS. Reserving the right to object, will the Senator permit me to do something that I neglected to do at the time I offered the amendment, which is to identify the distinguished Senator from Montana [Mr. BURNS], as the principal cosponsor of the pending amendment? If he will agree to that, I make such request.

Mr. LEAHY. Let me make that as part of my unanimous-consent request.

Mr. HELMS. Will the Senator once more state his unanimous-consent request?

Mr. LEAHY. My unanimous-consent request, Mr. President, is the amendment by the distinguished Senator from North Carolina [Mr. HELMS] and the distinguished Senator from Montana [Mr. BURNS] be temporarily set aside to allow the managers to bring up three amendments which have been cleared for action, dispose of them, and then automatically go back to the amendment of the distinguished Senator from North Carolina.

Mr. HELMS. On which the yeas and nays have already been ordered. Mr. President, I have absolutely no objection to that, and if it will expedite matters, I certainly hope it will.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Vermont still has the floor.

AMENDMENT NO. 3095

(Purpose: To clarify certain provisions regarding reimbursement of research and development costs)

Mr. LEAHY. Under the unanimous-consent request, I send to the desk an amendment on behalf of Mr. BREAUX and ask for its immediate consideration.

The PRESIDING OFFICER (Ms. MILKULSKI). The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BREAUX, proposes an amendment numbered 3095.

Mr. LEAHY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in Title V, insert the following:

"SEC. . Section 38(a)(1) of the Arms Export Control Act is amended by inserting after the second sentence the following new sentence: "Such regulations shall not include provisions for recoupment of research and development costs on night vision equipment contracts of $10,000,000 or less."

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from Louisiana? If not, the question is on agreeing to the amendment.

The amendment (No. 3095) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3096 TO COMMITTEE AMENDMENT ON PAGE 2

Mr. LEAHY. Madam President, I send an amendment to the desk on behalf of Senator BURDICK and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. BURDICK, proposes an amendment numbered 3096.

Mr. LEAHY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert:

Funds appropriated in the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1991 for title III of the Agricultural Trade Development and Assistance Act of 1954 shall be made available for the donation of commodities as authorized by law.

Mr. LEAHY. Madam President, this is a technical amendment to conform with the Public Law 480 Food for Peace Program. I understand it has been cleared by the agricultural appropriations subcommittee, as well as by Senator KASTEN. I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment of the Senator from North Dakota? If not, the question is on agreeing to the amendment.

The amendment (No. 3096) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. KASTEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3097 TO COMMITTEE AMENDMENT ON PAGE 2

(Purpose: To extend financing to the Soviet Union under the export credit guarantee program (GSM-102), subject to certain conditions)

Mr. LEAHY. Madam President, I send to the desk an amendment on behalf of Senators CONRAD and BAUCUS and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for Mr. CONRAD (for himself and Mr. BAUCUS), proposes an amendment numbered 3097.

Mr. LEAHY. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 183, between lines 17 and 18, insert the following:

SEC. 599F. (a) Subject to subsection (b) and notwithstanding any other provision of law, the President is authorized to extend financing for the export credit guarantee program (GSM-102 and GSM-103) established under section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) to the Soviet Union.

(b) The authority of subsection (a) shall apply only for such period as the Government of the Soviet Union adheres to its obligations under long-term agreements for the purchase of United States agricultural commodities, or for a period of one year, whichever period expires first.

Mr. CONRAD. Madam President, this is an important amendment for American agriculture. The health of the U.S. agriculture economy depends on our success in the international marketplace. With the adoption of this amendment, we are giving the President the authority to make commodity credits available to the Soviet market.

This amendment will not only give American agriculture a much needed boost, but it will also help stabilize a very difficult situation in the Soviet Union. Anticipated food shortages in major Soviet cities threaten Mr. Gorbachev's bold plans to move his country toward a market economy. Instability in that country is not in our interests, nor in the interests of world peace. Most importantly, instability could threaten the well being of minority groups in the Soviet Union.

Madam President, I have made many speeches on the floor of the Senate in recent weeks on the difficult challenges facing American agriculture. American agriculture is under assault not only here in Congress, but also at the GATT talks in Geneva. For rural America, there has been previous little good news coming out of Washington in recent weeks. But we can reverse that trend with the passage of

this amendment. This amendment is a piece of very good news for American's farmers, and I urge its adoption.

Mr. BAUCUS. Madam President, I rise in strong support of Senator CONRAD'S amendment to authorize the administration to extend GSM-102 and GSM-103 agricultural export credits to the Soviet Union.

It is critical that we extend agricultural credit guarantees to the Soviet Union.

A few weeks ago, a Soviet trade delegation made it clear to USDA that the Soviet Union could not purchase substantial quantities of wheat from the United States without GSM export loan guarantees.

When the loan guarantees were not forthcoming, the Soviet Union turned to our competitors who were more than happy to accommodate.

The Soviet Union has not reportedly concluded an agreement to purchase 5 million metric tons of wheat from Canada.

The United States must immediately take steps to meet the competition head on.

In most years, the Soviet Union is the world's largest export market for wheat.

Often sales to the Soviet Union are the difference between a good year and a bad year for wheat farmers.

Yet, the administration refuses to extend export loan guarantees to the Soviet Union unless and until the Soviet Union changes its emigration laws. They make this demand even though the Soviet Union has allowed a virtual human tidal wave of emigration over the last 2 years.

The time to extend GSM loan guarantees is now, not next year after we lose millions of dollars in export sales.

I urge the administration to use the authority granted by this amendment and immediately agricultural export credits to the Soviet Union.

Mr. LEAHY. Madam President, there is some question on this.

The PRESIDING OFFICER. The Senator is referring to the Conrad-Baucus amendment?

Mr. LEAHY. The Chair is correct.

Madam President, there appears to be some question on the nature of this. To protect the rights of all Senators, Madam President, I ask unanimous consent that the pending amendment, the Conrad-Baucus amendment, be temporarily laid aside and that the Senate return to consideration of the amendment by the distinguished Senator from North Carolina [Mr. HELMS].

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GORE addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

AMENDMENT NO. 3067

Mr. GORE. Madam President, I rise to support the amendment of my colleague from Colorado [Mr. WIRTH] to strengthen U.S. international population assistance by reversing the so-called Mexico City policy.

This policy was first announced by Reagan administration officials at the 1984 International Conference on Population which was held in Mexico City. That is why it is called the Mexico City policy.

The policy disqualifies private voluntary organizations from receiving U.S. population assistance if they use funds to support indigenous private family planning agencies overseas if they in any way discuss abortion or provide information on abortion. Understand, Madam President, that U.S. funds are not used to perform abortions or to participate in the performing of abortions. This is not the issue here.

The effect of the policy, however, was to cut off funding to all of the non-Western Hemisphere programs of the International Planned Parenthood Federation, the largest private family planning agency providing assistance to couples in the developing world, as well as to several smaller family planning organizations.

This action was taken under the guise of opposition to abortion, but by cutting off one of the developing world's most significant sources of contraceptive information, education, and services, the policy is undoubtedly responsible for many more abortions than would have taken place had this policy not been enacted. The Mexico City policy is unfair and cynical. It creates a double standard between U.S. law and the policy we apply to needy women in the developing world.

Furthermore, overturning this policy will not mean that the United States will support abortion overseas. Since 1973, U.S. law has prohibited foreign aid from paying for abortions in any way, shape or form. But under the Mexico City policy, the United States cannot provide fiancial support to private organizations with their own private raised funds, even counsel a woman that abortion is available someplace else, and that in countries where abortion is legal and where the practice of these private organizations is to give the full range of options in counseling.

This is an extremely shortsighted policy. The world's population of 5.3 billion is growing annually by more than 90 million people. We are adding the equivalent of one China's worth of people every 10 years now. It is an extremely serious development that we have been ignoring for far too long.

Perhaps the most devastating consequence of this unprecedented growth is its impact on the global environment. Whether our concern is the loss of forest lands, topsoil, the pollution of air, water and land, global warming, damage to the ozone layer, whatever the ecobalance environmental problem is, rapid population growth is virtually always a major factor and a major cause.

There can be no question that one of the most effective actions that can be taken to protect the world's environment is to ensure that couples in the developing world, which accounts for over 92 percent of world population growth, have access to family planning.

The United States was once foremost among the leading advocates of population assistance to the developing world, but because of the Reagan administration's Mexico City policy, and because of our cutoff of support to the U.N. Population Fund, we have excluded ourselves from the efforts of the leading international organizations that provide birth control services to the poorest people of the world.

It is time that the United States heeds the fact that rapid population growth is a major catalyst of environmental degradation. It is time that the United States comprehends that population stabilzation is instrumental in achievement of global stability and security. It is time that the United States rejoins the international effort to ensure the basic human rights of couples to determine the size of their families by reversing the Mexico City policy.

Madam President, this spring, the U.S. Senate hosted the Interparliamentary Conference on the Global Environment.

I was pleased to work with six of our colleagues on this conference, including the Senator from Colorado [Mr. WIRTH]; the Senator from Rhode Island [Mr. CHAFEE], who is on the floor; and others. The junior Senator from Colorado chaired the subpanel on population growth and brought to the conference a very interesting and helpful report. His cochair, incidentally, was a rather gifted parliamentarian from Pakistan. The two of them met with legislators and parliamentarians from around the world and produced a policy statement on this subject which was then adopted by the representatives of 42 nations at the conference.

There was general agreement, Madam President, that if we are going to recognize and respond to the unprecedented challenges facing the global environment, we must take account of the unprecedented explosion in population growth. I cited some figures a moment ago that we were adding the equivalent of one China every 10 years.

Let me give some specific examples. Egypt has 52 million people today. The United Nations optimistic, best-case projection is that within 35 years Egypt will have not 52 million people but 100 million people. Nigeria today already has 100 million people. The most optimistic, best-case projection is

that within 35 years Nigeria will have not 100 million people but 300 million people. All of the nations that border the Nile, for example, are increasing dramatically in population growth. But, Madam President, the Nile does not have any more water in it today than when Moses was found in the bulrushes. What kind of pressure is going to be placed on the relationship between those nations that are trying to get a fair share of the water in the Nile River?

What about the Tigris and Euphrates where tensions are already very high? What about the river Jordan? What about the other sources of water in the world today?

In Central Soviet Asia, to use an example, the Aral Sea now has 70 percent of its water diverted for irrigation and for use by people. In 1900, if you took all five of the Central Asian Republics in the Soviet Union: Kazakhastan, Kirghizia, Tajikistan, Uzbekistan, and Turkmenistan, together they had a population of 5 million people. Now they have a population of 35 million people and within 10 years the projection is they will have 50 million people.

But let us look at world population, Madam President. Let me draw a graph. I do not have a poster board graph. I would like to draw it with my hand in this Chamber.

If you go back to the beginning of the time when human beings walked on the face of this Earth and draw a graph from that time until this, here is what it would look like.

Well, first of all, we would have to agree on when the first recognizably human beings walked on the face of this Earth, and that is not an easy matter to resolve. But for the sake of argument, let us suppose that the anthropologists are correct and something resembling human beings came to walk on the face of this Earth roughly 1 million years ago.

Let us start the graph 1 million years ago, Madam President. I am going to draw it with my hand in the air. One million years ago the first people walked on the face of this Earth and for the first 500,000 years there was very little change; for the next 150,000 years very little change. That was the next to the last Ice Age. Then about 40,000 years ago, at the time of the last Ice Age, the great migrations took place. From Northeast Asia down through a valley that we now call the Bering Straits into North America and down into Central America, similarly from New Guinea into Australia, the people now known as the aborigines traveled and population began to spread over the Earth. But 40,000 years ago the population was still relatively small.

At the end of the last Ice Age, about 10,000 years ago, population began to increase with the invention of agriculture, but it still grew very slowly. Around the time the Roman Empire began the population of the Earth had reached 250 million people. By the time Christopher Columbus sailed for the New World, the population had reached 500 million people. By the time Thomas Jefferson wrote the Declaration of Independence, the population had reached 1 billion. Then around the time many of us in this Chamber were born, around about the end of World War II, the population had reached 2 billion people.

Now, Madam President, let me recount this progress in the graph so far. We have come a million years and we have reached 2 billion people. In the last 45 years, we have gone from 2 billion to 5.3 billion, and in the next 45 years we will go to 14 billion—all the way up, part way up this Chamber.

If it takes 1 million years to reach 2 billion people, and then in the space of 1 human lifetime, the lifetime of the baby boom generation born after World War II, we go from 2 billion to 10 billion, something new is happening. Something has changed in the relationship between the human species and the planet on which we live. Are we going to recognize it and take it into account or are we going to stick our heads in the sand and pretend that this issue does not exist?

Madam President, there are some countries where population has grown and then leveled off and stabilized. Our country is one of those. We still have a little population growth, a lot of it from immigration, and there will be more migration in the world from countries that have burgeoning population growth into those nations that have stable population growth.

Mark my words, we have barely seen the beginning of it. Ninety-two percent of population growth is in what we call the Third World. You talk about environmental refugees. There are going to be millions, hundreds of millions of them unless population worldwide is stabilized.

What factors account for stabilizing population? The scientists have a phrase. They call it the "demographic transition." That is the process by which population is stabilized. Technically, it means a country goes from high birth rates and high death rates to low birth rates and low death rates. Every developed nation in the world has gone through the demographic transition. We have. European countries have. You can go down the list of the wealthy developed countries and they all have. The Third World developing nations have not.

Well, Madam President, there are three factors that determine whether or not a nation goes through a demographic transition.

The first one is whether or not there is widely available information about birth control and family planning and whether or not there is a level of education and empowerment of women so that they can participate in the decisions about the size of the family they produce. Where that factor is present, populations begin to stabilize, but there have to be other factors as well.

The second factor is a little tricky and it is not widely known but it is extremely important. The second factor is childhood survival where children die regularly under the age of 5. Family sizes tend to be very large. Why is that? Well, when mothers and fathers believe there is a high risk that their children will die in infancy and childhood, they are more prone to have large families to ensure that some of them survive.

In many of these countries there is no such thing as Social Security and they depend upon their adult children to provide them sustenance and security in their old age.

Julius Nyerere, in Africa said, 30 years ago, the most powerful contraceptive in the world is the confidence that your children will survive. In countries where there is a very high death rate among young children, the population explodes. In Ethiopia today there is probably the highest childhood mortality rate of any nation in the world. But Ethiopia today has one of the highest rates of population growth in the world. These two phenomenon are linked. They are linked, and that linkage has to be understood.

So we should not kid ourselves. I support this amendment very strongly. We should not kid ourselves that this is the only thing we need to do. We also need to pay attention to this high death rate among children. We also need to pay attention to sensible efforts to spread information and the level of education. And we also have to pay attention to the third factor; that is, a level of economic development, and how you define that is very tricky, but a level of economic development which makes possible the provision of adequate health care services to pregnant women and to young children in order to deal with that childhood survival rate.

I gave some examples a moment ago about countries that are in the midst of this fantastic explosion in their population. Let me give a couple of examples on the other side. In the nation of India, the southernmost province or State of India is a State called Kerala. It is one of the poorest parts of the nation of India, and yet its population is stable. Why? Well, when the experts looked into it, here is what they found.

No. 1, they have an extremely high literacy rate, and the level of education is very high. And the literacy rate and education level among women is especially high. They also found that

birth control information and birth control devices are widely available.

They also found, Madam President, that the health care available for children was not only adequate but was working to reduce the child mortality rate. The parents were confident their children would survive. The women were empowered to make decisions on family size. The information on how to do that was widely available. So in spite of the level of poverty their population is stable.

Madam President, I personally believe that with the financial participation of the Japanese and the Europeans, we really ought to have a worldwide Marshall plan of sorts to try to create the conditions necessary to achieve this demographic transition all over the world. It is possible. It can be done. We do not have the money to do it. But we ought to be able to provide some of the leadership to do it. We ought to be participating in it. And the first step we should take is by reversing this extremely misguided policy known as the Mexico City policy and get this Nation back into the business of participating in international family planning programs. It is extremely shortsighted not to do that.

Madam President, I will conclude by saying that in my view there are really three causes to the environmental catastrophe now being faced by the world. The first is this issue that we are talking about, the population explosion. The second is the scientific and technological revolution which magnifies the impact of each of the additional billions on the Earth's environment.

We need to talk about technology transfer, and stimulating the development of additional technologies that can substitute for the ones now in widespread use which cause environmental destruction.

The third factor is our way of thinking, our proclivity for sticking our heads in the sand and for pretending that this problem does not exist.

There is a rock and roll group called "Dire Straits," Madam President. In one of their songs they sing the line "denial ain't just a river in Egypt." It is very true. Denial is also a psychological strategy for hiding from the truth, for pretending that a problem does not exist.

Since we debated this issue on Friday evening, there have been an additional 750,000 people added to the world's population. That is net. If we are still debating it tomorrow, which I hope we are not, there will be an additional million people since Friday. Every day, an additional 250,000 people, every year another Mexico, every 10 years another China. Is it a problem? It sure is. Is there a solution? Yes. That is the good news. Part of the solution is to agree to the Wirth amendment.

Some people are evidently concerned about this. That is obvious, and I respect them, I understand. I believe where they are coming from. But I urge them to consider the thoughtful offer of my colleague from Colorado to sit down and try to work out some language that might get them over this impasse.

This does not have to do with abortion. This has to do with the single most serious aspect of the driving force behind the world's environmental crisis.

I know many of my colleagues have been waiting patiently. I appreciate their patience and indulgence. I hope we can come quickly to a vote on this matter, Madam President.

I yield the floor.

Mr. CHAFEE. Madam President, first of all I want to commend the Senator from Tennessee for his remarks in connection with the population explosion that is taking place in the world. This matter is a subject he has been long interested in and has presented graphs and other pictorial matter showing exactly what is happening in the growth of the population of the world. I think is is so helpful that he continues to sound that theme, sound the alarm, because clearly something has to be done.

Last Friday evening the Senate voted by 57 to 41 not to table the Wirth amendment to reverse the so-called Mexico City policy of the United States. We voted on the tabling motion because those opponents to the Wirth amendment would not allow an up-or-down vote on the issue.

That is what the Senator from Colorado is seeking—a vote. He said he would agree to a time limit; he would be accommodating in any fashion to be helpful; but he wanted to have a vote. I think that is a very fair requirement that he has, and request.

So it is my hope that the Senate will be allowed to take a vote on this important issue so that we can complete action on the foreign operations appropriations bill that is before us and move on to other pending matters.

I support Senator Wirth's amendment. As the vote on last Friday evening clearly signifies, a majority of my colleagues, our colleagues in this Senate, a majority, 57, likewise support the Wirth amendment and would like to reverse the so-called Mexico City policy.

During consideration of the legislation to reauthorize title X which involves family planning programs here in our country, as the distinguished junior Senator from Colorado pointed out last Friday when he made these remarks, I offered an amendment to reverse the Health and Human Services regulations, Department of HHS regulations, which prohibit title X clinics—these are family planning clinics in the United States—not from giving abortions but from counseling pregnant women on abortion as an option.

And indeed, it goes further than that. The current regulations say that if a woman asks, "What are my options?" the doctor cannot volunteer. If the pregnant woman says, "Well, doctor, what are my options?" in outlining the options, under the existing regulations from the Health and Human Services, the doctor cannot state that abortion is an option.

I wanted to change that and say that when the patient asked the doctor, "Doctor, what are my options?" that the doctor would be permitted to be forthright, to be honest, and indeed not to be guilty of malpractice, by saying, in answer to the woman patient's question, "These are your options," not fostering one above the other, not urging it or saying, "I will supply you with an abortion," if such be the case. No, none of that. All that I sought was that the doctor be able to answer the patient's question.

And, by the way, we are talking about those in the low economic categories; we are not talking wealthy people. We are talking people who have very limited resources and are unable to go elsewhere. If they could afford to go to a private doctor, the doctor would tell them. But under the current policy, the doctor cannot list the four options.

We had a vote on that, and my amendment was approved by the Senate 62 to 36. So thus it seems to me, Madam President, that a strong bipartisan majority of the Senate has spoken on this issue. The issue before us this evening is simply an international version of what was addressed in my amendment.

The Mexico City policy was announced in 1984 by the United States representatives to the International Conference on Population, which took place in Mexico City. This was 6 years ago.

What does that policy say? It prohibits the distribution of U.S. population assistance funds. We cannot distribute our funds from the U.S. Government to the indigenous, to local, private family planning agencies overseas that provide information. Again, it is not that they provide abortions; it is that they provide information about abortion or abortion services.

So even if U.S. funds are represented by a small portion of the overall fund that each clinic has, the clinic cannot spend any of its funds—none of its funds, which are being used to pay a doctor, a nurse, midwife, or whatever it might be, can be used for providing neutral counseling on abortion, even if abortion is clearly legal in the country where the clinic is situated.

Some 300 organizations across the world have agreed to the terms of the Mexico City policy, and they have agreed to them because most of these organizations I have talked about were created by the Agency for International Development, AID. Without AID funds, they could not function.

Because of the Mexico City policy, these organizations are thus forced to make a choice. They can choose not to adhere to the policy and lose the funds, or they can sign up for the policy and provide inadequate information to pregnant women. What a choice.

What is the effect of this policy? I have an article from the Boston Globe in 1989 which provides a frightening illustration of the impact of the policy.

I ask unanimous consent that this article may be printed in the RECORD at this time.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, July 13, 1989]

ON ABORTIONS, TURKEY BOWS TO U.S.

(By Ethan Bronner)

IZMIR, TURKEY.—In the packed slums that ring this Aegean port, where the population will double again in 12 years, the American abortion debate reverberates with a tinny, nearly incomprehensible timbre.

With hard living conditions, scarce work and four to five children per family, disputes over whether a fertilized ovum is the same as a person would normally seem to many here—where early abortion is now both legal and free—merely a quaint American preoccupation.

But American abortion politics are affecting the lives of thousands in Turkey and millions around the world. The result is anger, confusion and occasionally, physical harm.

The United States became world leader in promoting population control in poor countries in the mid-1960s, thanks partly to the dogged work of a young Houston congressman named George Bush.

In the political climate of the past decade, however, population control has become a perilous issue. In 1984, the Reagan administration announced at a Mexico City conference that Third World poverty could be better fought through market economics than increased family planning.

Since then, US aid for family planning abroad has declined steadily from $300 million to $230 million a year.

In addition, the United States said, abortion had no place in family planning even as a last resort.

Congress had agreed to an amendment sponsored by Sen. Jesse Helms (R-NC) in 1973 that American aid would not be used to perform abortions. But the new policy went further. Now, the aid could no longer be used in family planning clinics or programs that counseled for or acknowledged the option of abortion, even if the counseling was paid for by non-American money.

Known as the Mexico City policy, the announcement drew proud cheers from the antiabortion lobby. But in April, here in these squatter suburbs, it had a hand in almost killing Gulsen Unalan.

A CASE STUDY IN IZMIR

Unalan is a shy, roundfaced 27-year-old who moved here from a village in east-central Turkey six years ago. Her husband, a seasonal construction worker, built their home, a three-room hut with outdoor toilet, down a narrow unpaved alley.

Gulsen had two children and felt she could neither house nor feed any more.

So when a local woman, Zisan Akayran, came by with a kit to explain various forms of birth control, Gulsen listened. She was cautious, however; unsure whether the new methods would cause her harm or anger her husband.

Akayran visited every month or two. Along with a dozen others, she had been trained and was paid with American government money. The project is jointly run by the Pathfinder Fund a private Watertown-based population control agency, and a Turkish foundation.

Because the project is funded by the Agency for International Development the US government's foreign aid arm, Pathfinder and the Turkish foundation had to sign a contract that stipulated they would abide by the Mexico City policy.

Birth-control trainers such as Akayran are forbidden to mention abortion to any client—except in cases of rape, incest or mortal danger—or the program risk losing its funding.

Abortion on demand in the first 10 weeks of pregnancy has been legal and free in Turkey since 1983, when this Moslem country saw its ballooning rates of fertility and maternal death reach critical points. A key religious leader endorsed the legalization, saying the Koran allows abortion up to 10 weeks gestation, although this is not a universally held view.

A new study shows that since abortion was legalized, infant mortality has decreased dramatically. Demographers here estimate that about a third of infant deaths formerly were from neglect and abuse of unwanted babies.

But word of legalization is not fully out. Many of the country's 55 million are illiterate and it costs money to spread the news of the changed law.

Moreover, the aim is not to use abortion routinely but to get Turks onto reliable birth control methods and use abortion for those who have no other choice. Because the government is too strapped for much birth control counseling—state maternity hospitals are jam-packed every morning—American-aided projects like the one here are a vital support.

AN ACCIDENTAL PREGNANCY

After Gulsen Unalan gave birth to her third child last August, she accepted condoms with the plan of eventually having an intrauterine device inserted.

And when a condom broke this spring, she was unconcerned, having been told it was unlikely she would get pregnant while lactating. But she did.

She went to Akayran, her distributor, and asked what to do. Akayran said she could not help, that Unalan should go to the state hospital. She could say no more; that was the policy.

Unalan had never been to a hospital. For many rural people, hospitals are places to die. Feeling betrayed and afraid, she drank henna, a red-brown dye she had heard would induce menstruation. She only felt worse.

She inserted a long, sharp chicken feather into her uterus.

She bled profusely and fainted. A neighbor found her and got her to a hospital where an abortion was performed.

Perched on a chair in her home recently, Unalan tells her story softly and plainly, her hair shrouded in Moslem modesty, her baby daughter sitting on her lap.

Tulay Bayindirli, who coordinates the project, can barely control her rage over the American policy and its impact on the women she is trying to help.

"Our distributors spend a long time convincing these women to use birth control," she says. "They share their most intimate concerns, become their confidantes. But as soon as they develop this terribly important problem, we turn our backs and say, 'There is nothing we can do.' It's incomprehensible."

Gulsen Unalan is not the only local victim of the Mexico City policy. A few blocks away, Fatma Yetkin, 35, a mother of four, tells how she got pregnant while taking contraceptive pills irregularly. She asked her distributor what to do and was faced with the same fearful silence.

Desperate, she tried inducing abortion with a meat skewer. She hemorrhaged and nearly died. She still has pelvic pain several months later.

To Dr. Pinar Senlet, who has just launched an Agency for International Development-funded contraceptive project in northwest Turkey, the American policy is dangerous.

"It makes our level of care worse," she says, speaking in the Ankara office of a tradesmen's confederation that is the local consponsor of the project.

"Abortion is a good time to start teaching about contraception. There is a Turkish saying: One piece of trouble is worth a thousand pieces of advice."

Turkey, the most pro-Western of the Moslem nations and with the second-largest standing army in NATO, is insulted by the American policy. But, in need of the help, it finds it has no choice but to abide by it.

Tandogan Tokgoz, former director general at the Health Ministry, says: "Abortion is accepted in Turkey as a woman's right. Yet in order to qualify for American money, we must ignore our own law."

Officials at the Watertown-based Pathfinder, which runs several programs here as well as some 180 projects in 21 other countries, is equally incensed.

"The position this policy puts us in is a thoroughly disrespectful one," complained Pathfinder executive director Daniel Pellegrom.

Pathfinder has joined Planned Parenthood Federation of America in legal challenges to the policy. The cases are pending in federal courts in Washington and New York.

"THE POLICY IS WORKING"

Duff G. Gillespie, AID director for population, denies that the policy has caused harm.

"The implementation of the Mexico City policy has not produced what family planning advocates predicted," he said. "In most countries, abortion is already illegal as a method of family planning. Should the US be involved in turning over abortion laws abroad? That opens up a horrible precedent.

"To say our policy is reducing access to abortion is to say the policy is working. That's the point of the policy. Frankly, if the Mexico City policy vanished tomorrow, you wouldn't see much difference. The real change was from the Helms Amendment.

The London-based International Planned Parenthood Federation lost $12 million in AID funding and a 17-year relationship with AID when it refused to sign the Mexico City clause. But it has so far made up for the funds through other contributions.

Family planners say that throughout the developing world, the American policy is complicating their work and endangering women's health. They acknowledge that the danger is hard to quantify and so the policy has been difficult to fight.

Daniel Weintraub, vice president of Planned Parenthood's international division, says the policy is not like shooting someone, but more like leaving the scene of a bad accident. "This policy perpetuates the worst existing conditions," he says. "It is a game being played with women's lives."

In countries like Zaire and Kenya, self-induced and botched illegal abortions are an enormous problem, producing dozens of victims daily. American policy, opponents charge, has halted efforts to improve the situations and has interfered with treatment.

Dr. Sharon Camp, director of the Population Crisis Committee, a Washington-based organization, spent several months in 1988 visiting poor countries to assess the impact of the policy.

She found that access to safe medical abortion has been curtailed and postabortion contraceptive services have suffered. In several countries, such as Bangladesh, she found that AID-funded clinics had rid themselves of all abortion-related medical equipment for fear of losing funding.

The result has been that such clinics, sometimes located in isolated areas, are now unable to provide even emergency treatment for septic abortion cases.

EFFORTS TO CHANGE POLICY

There is no evidence that the number of abortions worldwide—more than 50 million annually—has gone down since the American policy. To the contrary, the data suggest an increase.

The World Health Organization estimates that between 100,000 and 200,000 women die every year because of complications from abortions. That amounts to about 20 percent of all maternal deaths, about the same proportion as existed in the United States before abortion was legalized in 1973.

Reps. Chester Atkins (D-Mass.) and Olympia Snowe (R-Maine) are cosponsoring a bill to change the Mexico City policy. The bill states that no restrictions can be placed on American aid abroad that are not in effect at home.

While Atkins expresses optimism—buoyed by Planned Parenthood polls showing that most Americans, when told of the Mexico City policy, do not approve of it—any bill dealing with abortion is political dynamite; many legislators are likely to avoid it. Previous efforts to undo the policy have failed.

Atkins, who spent time in family planning clinics in India and Bangladesh, feels strongly about the bill, which is scheduled for a House subcommittee hearing on Sept. 21.

"The policy has put family planning abroad into chaos," he laments. "Its effect is the opposite of that desired. It is increasing the incidence of abortion, whereas a good policy could dramatically decrease abortion.

"The best way to prevent abortions is to assure that people have access to family planning and that women have choices. We're taking away choices from women and forcing them to confront abortion on their own. It's crazy.

Mr. CHAFEE. This tells about the plight of a young Turkish woman who shares a three-room hut with an outdoor toilet with her husband and two children. The young woman did not want to have any more children because she and her husband could neither feed nor house them.

Unfortunately, the young woman became pregnant once again. She went to a counselor at a family planning clinic in her village and asked what she could do, because she felt she could not afford any more children. The counselor suggested she go to a State hospital that they could not help her in the clinic.

This young women was from a rural village and never had been to a hospital and was frightened of it. And because she believed she had no other options but the option to go to the hospital and have a baby, she attempted a self-induced abortion and nearly bled to death.

This is not the only incidence of this. There are countless stories similar to this. Why did it happen? Because the counselor from whom this young Turkish woman sought help works in a family planning clinic, and it is financed by the American-based Pathfinder fund and a Turkish foundation. Not all the money comes from the United States, just a portion of it. The Pathfinder fund receives money from the U.S. Government. Without the U.S. Government fund, the services by the clinic would be significantly reduced.

Because the clinic receives some funds from the U.S. Government, the clinic is forced to abide by the Mexico City policy. Counselors, therefore, are forbidden from mentioning abortion to their patients. Due to the high rate of illiteracy in Turkey, many people like this young woman do not know that abortion has been legal and free in Turkey since 1983. Because the counselor at the clinic could not provide the young woman with that information, neutral information—she asked what were her options and could not be told—the woman nearly killed herself.

That is the result of the Mexico City policy. It harms the very people we are attempting to help through the earmarking of U.S. funds for international planning assistance. Most of this assistance is going to underveloped Third World countries to help the poorest of the poor.

Madam President, the President has spoken on this issue. We have had votes. We have said that poor women in the United States, who must rely on Government-funded health care, should not receive less adequate health information than women who can afford to pay for it at private consultations, through private physicians.

Nobody really wants that, to have two classes in our society—the poor, who are denied information, and the wealthy, who can obtain it. Why, then, do we want to export abroad this inequitable policy to poor people overseas?

As I say, the Senate has spoken on this issue, not once, but twice, in the recent past. A majority of us are opposed to limiting access to proper health care. This is a health issue, Madam President, as we all know. We do not want to limit access to proper health information for poor women.

So I hope we will be able to vote on this and to move ahead and adopt the policy fostered by the Wirth amendment, and get on with this legislation.

I yield the floor.

SUPPORT FOR SECTION 599E

Mr. PELL. Mr. President, I strongly support section 599E regarding assistance to the Federal Republic of Yugoslavia. I commend Senator NICKLES for offering this provision which would condition United States assistance upon progress on human rights and democratic reform by Yugoslavia and its republics.

Regrettably, intense nationalist rivalry in Yugoslavia is fueling a rash of repression and is hindering progress toward reform. Recent clashes in Serbian-inhabited areas of Croatia have many observers asking how long the Federal Republic can survive. The spate of unrest has raised the specter of civil war.

Mr. President, Yugoslavia is a multiethnic society, where tyranny against one group has broad repercussions for all who live in the federation, including Croatians, Slovenes, Montenegrans, and Serbs. And nowhere in Yugoslavia has that tyranny been more harshly felt than in Kosova, where the Serbian leadership continues a campaign of repression against the Albanian population. The Serbian Government has arrested hundreds of ethnic Albanians, shut down the Albanian press, and revoked the Province's autonomous state. Many Albanians have been brutally beaten and even killed during the past 2 years. Clearly, by these actions, Yugoslavia is violating its political obligations under the Helsinki Final Act and under the Universal Declaration of Human Rights.

Human rights organizations have expressed increasing concern about the situation in Kosova. In August, the executive director of Helsinki Watch wrote to the Prime Minister of Yugoslavia, to say that the human rights group was "dismayed at recent policies of the Government of Serbia and the Federal Government that have * * * significantly increased human rights violations in that province." In a September press release, the chairman and cochairman of the United States Commission on Security and Coopera-

tion in Europe, Senator DECONCINI and Representative HOYER, stated: "Recent actions by Sarbian authorities in Kosovo have escalated an already tense situation to dangerous new levels."

Despite these and other international outcries, repression continues. Apparently, Serbian officials are making it difficult for Albanians to receive medical care. In Pristina, Kosova's capital, Albanian doctors have been fired from the main hospital and replaced with Serbian physicians who do not speak Albanian. Medicine is apparently in short supply, and according to a recent newspaper account, Serbian police have harassed and seized medical supplies from Catholic nuns who had cared for Albanian citizens.

There are signs of hope, however: in Serbia, a democratic movement that apparently opposes its current leader's brand of nationalism is emerging; and in other republics—such as Slovenia and Croatia, free elections were held during the past year. Section 599E would encourage these trends toward democracy. This provision would not deny assistance intended to support democratic movements within the country; nor would it deny humanitarian assistance; nor would it deny assistance for activities in a Yugoslav Republic which has held free and fair elections and which is not engaged in systematic human rights abuses.

Mr. President, I believe this provision complements Senate Concurrent Resolution 124, a measure that Senator DOLE and I introduced earlier this year condemning the violations of human rights in Kosova. Taken together, our resolution and section 599E of this legislation put the Congress squarely on the side of progress in Yugoslavia. I believe that the United States must keep the pressure on Yugoslavia to take effective action in support of reconciliation in Kosova and to protect the human rights of all citizens of the Federal Republic of Yugoslavia.

Mr. MITCHELL. Madam President, this is the third time that I have attempted to enable the Senate to complete action on this bill. The first time I tried, I was unable to bring the bill up because of an objection on the Republican side. The second time, despite their best efforts—and they were super efforts by the managers—the distinguished Senator from Vermont and the Senator from Wisconsin, we were unable to complete action on the bill.

This, today, being the third time, I had hoped that we would be able to complete action on this measure. But as is obvious to all Senators, we have been unable to do so.

I regret that very much. But it is imperative that the Senate proceed to complete action on the remaining appropriations bills, which total three, including this one; the other two are the interior appropriations bill and the legislative appropriations bill. If we are not going to be able to complete action on this bill, at the very least, we must proceed to the other two.

I am advised that the interior appropriations bill is available and ready for action. There are a number of Senators who have an interest in that bill and want it to be brought up and, hopefully, acted upon within a reasonable time. So it is my intention to now proceed to that legislation.

Under a previous order, No. 787, the majority leader, after consultation with the Republican leader, has the authority to proceed to the consideration of that bill at any time, and I intend shortly to exercise that authority.

I repeat that I regret the necessity of taking such action. One of the two pending matters is an amendment by the distinguished junior Senator from Colorado [Mr. WIRTH]. He has repeatedly offered to enter into a time agreement to have a vote on his amendment. That was refused. He then offered to make it into a sense-of-the-Senate resolution. That was refused. Every effort that has been made to bring that matter to a conclusion has been refused, and I do not know what more can be done with respect to that provision at this point.

We have also pending an amendment by the distinguished Senator from North Carolina, and it is obvious that there is going to be a lengthy discussion, debate, and dispute about that measure.

I had been under the impression that this was an important bill to the President, that the President was concerned about Egyptian debt relief and other provisions in the bill, and, to accommodate the President's interest, I tried hard and in every conceivable way to move this bill, including, as I have said, bringing it up three times within a week despite objections at the outset from the Republican side to doing so.

Accordingly, Madam President, I can see no alternative but to now take action to exercise the authority I have under the previous order to proceed to the Interior bill, and I have consulted with the distinguished Republican leader on this matter. He has not only concurred in my action, he encouraged me to do so both publicly here on the floor and in private conversation. So I note the presence of the distinguished manager, and I am pleased to yield to him before I act, if he wishes to comment.

Mr. LEAHY. Madam President, I appreciate the courtesy of the majority leader. He has been very good on this. He has consulted several times during the day with me and others about this. Madam President, he has extended the time on the foreign operations bill considerably beyond what all of us felt it would take.

In every instance, when the distinguished majority leader said to move on with the schedule he wanted to pull down the bill, he has listened to our request to move forward again.

We have reached the point where virtually, with the exception of one amendment which will be taken care of one way or another by voice vote, the only thing remaining are the two amendments, the amendment by the distinguished Senator from Colorado [Mr. WIRTH] and the one by the distinguished Senator from North Carolina [Mr. HELMS] The one by Mr. WIRTH, he has agreed to a 10-minute time agreement if that was necessary to complete it, but that is not acceptable.

Madam President, there is probably no Member of this body more disappointed than I to see this bill drawn down. Senator KASTEN and I have tried to craft a good bill. We have strongly supported issues of great importance to the administration. We have done it in a bipartisan fashion. Democrats as well as Republicans have voted for the most important issues that mattered to the President.

Frankly, I must concur with the distinguished majority leader, I do not see an end to this. I do not see the ability to get the time agreements. I state I would enter into a 1-minute time agreement on these two issues, if necessary, but it is not going to be agreed to.

So I appreciate the courtesies of the distinguished majority leader and all he has done, and I concur with him.

Mr. WIRTH. Madam President, will the majority leader yield?

Mr. MITCHELL. I yield without losing my right to the floor.

Mr. WIRTH. I appreciate the majority leader's yielding and his great patience in this. The junior Senator from Colorado has offered to substitute for my amendment a sense-of-Congress resolution, a sense-of-the-Senate resolution, to have a vote with no time on it, any number of things.

While we are taking this bill down for a period of time to go on to Interior, which I think is probably a wise course, let me put another option on the table. That would be to drop the amendment all the way from the bill and return it for simply having a free-standing sense-of-Congress resolution which we could vote on right after the disposition of the foreign ops bill. That would be another attempt to move this along and also to assure that Members have a chance to vote on this legislation. If we could get unanimous consent to have that kind of agreement, that would be fine with me as well.

So, again, I am doing everything that I can, and I appreciate the majority leader's patience as well to see if we can expedite the whole situation. I thank the majority leader for yielding.

Mr. CHAFEE. Madam President, I wonder if the majority leader will yield for a quick question.

Mr. MITCHELL. I yield.

Mr. CHAFEE. First of all, I do join in the comment that the majority leader has great patience.

As you look at the clock and ponder what the evening holds, could the majority leader perhaps let us know what he might be thinking?

Mr. MITCHELL. Yes. I am momentarily going to ask the Chair to lay before the Senate the Interior appropriations bill, and I hope we can complete action on that bill this evening.

Two conflicting currents are running in the Senate. One is that every Senator who has spoken to me privately in the past few days has first asked, when are we going to get out of session, and, before I can answer the question, they say, "We want to get out of session right away." And then when I tell them that I want to complete this session more than any other individual Senator and perhaps more than the other 99 combined and I will do my best to do that, then I go back into my office and I soon see the same Senators on the Senate floor, debating, as is their right, and offering amendments and keeping this thing going.

So, Madam President, I believe this session ought to conclude as soon as possible. I wish it had been possible to conclude last Friday midnight. It proved not to be.

This week certainly we have to finish the business of the Senate, and that means we have to finish these three appropriation bills, send them to conference, get the conference reports back, and take all of the other actions that are required, including the budget. If we cannot finish an appropriations bill, that means we will have to have a continuing resolution.

I must say to my colleagues, I frankly do not know when, or if, we should get back to this bill. Perhaps the best thing we could do is forget the foreign ops bill and adopt a continuing resolution with respect to that measure and go home and leave the matter to next year.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The majority leader has the floor.

Mr. CHAFEE. Could I respond?

The PRESIDING OFFICER. Does the Senator from Rhode Island seek recognition?

Mr. MITCHELL. I am pleased to yield to the Senator without losing my right to the floor.

Mr. CHAFEE. The majority leader's intention is to finish the Interior appropriations bill this evening?

Mr. MITCHELL. If possible.

Mr. CHAFEE. And then we are through?

Mr. MITCHELL. Yes.

Mr. CHAFEE. I think it is an incentive. When we know we can go home there is incentive to some degree to complete the work. There is no point in completing the work if that hard-driving majority leader is going to laden something else on top of us should we move with dispatch.

Mr. LEAHY. If the majority leader will yield further, I understand that, under the rule, if we finish Interior, it would then be in order, unless he sets it aside again, for the foreign ops to come back up?

Mr. MITCHELL. Yes. I do intend to lay it aside to get to the legislative appropriations bill, not this evening, to answer the direct question.

Mr. GORE. Will the Senator yield?

Mr. MITCHELL. I yield without losing my right to the floor.

Mr. GORE. Madam President, I commend the majority leader for the manner in which he allowed the Senate to debate the measure still technically before us.

I simply offer this comment in the hope that we could move much more rapidly on the Interior appropriations bill than we have so far been able to do on the foreign operations appropriations bill.

I simply remind the Senate and the majority leader that on Friday evening this Senator made what I thought was a very fair proposition that, if the objections to the voting on the amendment by the Senator from Colorado would be dropped and the Senate would be allowed to work its will, then I would drop my objections to proceeding expeditiously on the amendment that was to be proposed by the Senator from Oregon [Mr. PACKWOOD] to the Interior appropriations bill, said amendment dealing with the spotted owl, and, of course, beyond the spotted owl, the rain forest in the Pacific Northwest.

Since that proposition which many Senators on both sides of the aisle felt was fair and reasonable was not accepted, I simply say that one way in which to speed through the Interior appropriations bill would be to not bring up the spotted owl amendment because it would require some extensive discussion and I think not just by this Senator because it has a lot of opposition.

So I just offer that for the record in expressing the hope that that amendment would not be offered.

I appreciate the majority leader's patience, his yielding, and his leadership.

Mr. MITCHELL. I thank my colleague.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1991

Mr. MITCHELL. Madam President, accordingly, pursuant to the authority which I have under Order No. 787, following consultation with the Republican leader, I now ask the Chair to lay before the Senate H.R. 5769, the Department of the Interior appropriations bill.

The PRESIDING OFFICER. Under the previous order, the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5769) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1991, and for other purposes.

The Senate proceeded to consider the bill, which was reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 5769

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of the Interior and related agencies for the fiscal year ending September 30, 1991, and for other purposes, namely:

TITLE I—DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

For expenses necessary for protection, use, improvement, development, disposal, cadastral surveying, classification, and performance of other functions, including maintenance of facilities, as authorized by law, in the management of lands and their resources under the jurisdiction of the Bureau of Land Management, including the general administration of the Bureau of Land Management, **[**$503,451,000**]** *$496,899,000* of which the following amounts shall remain available until expended: not to exceed $1,200,000 to be derived from the special receipt account established by section 4 of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-6a(i)), and $20,000,000 for the Automated Land and Mineral Record System Project: *Provided,* That appropriations herein made shall not be available for the destruction of healthy, unadopted, wild horses and burros in the care of the Bureau of Land Management or its contractors**[**: *Provided further,* That none of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to issue a patent for any mining or mill site claim located under the general mining laws unless the Secretary of the Interior determines that, for the claim concerned—

[(1) a patent application was filed with the Secretary on or before the date of enactment of this Act, and

[(2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims, sections 2329, 2330, 2331 and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and all requirements applicable to mill site claims were fully complied with by that date.]

FIREFIGHTING

For necessary expenses for fire management, emergency rehabilitation, firefighting, fire presuppression, and other related emergency actions by the Department of the Interior, [$246,892,000] *$168,765,000*, to remain available until expended: *Provided*, That such funds also are to be available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes.

CONSTRUCTION AND ACCESS

For acquisition of lands and interests therein, and construction of buildings, recreation facilities, roads, trails, and appurtenant facilities, [$16,106,000] *$14,846,000* to remain available until expended.

PAYMENTS IN LIEU OF TAXES

For expenses necessary to implement the Act of October 20, 1976 (31 U.S.C. 6901-07), $105,000,000, of which not to exceed $400,000 shall be available for administrative expenses.

LAND ACQUISITION

For expenses necessary to carry out the provisions of sections 205, 206, and 318(d) of Public Law 94-579 including administrative expenses and acquisition of lands or waters, or interest therein, [$16,228,000] *$19,101,000* to be derived from the Land and Water Conservation Fund, to remain available until expended.

OREGON AND CALIFORNIA GRANT LANDS

For expenses necessary for management, protection, and development of resources and for construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on other Federal lands in the Oregon and California land-grant counties of Oregon, and on adjacent rights-of-way; and acquisition of lands or interests therein including existing connecting roads on or adjacent to such grant lands; [$81,451,000] *$87,453,000*, to remain available until expended: *Provided*, That the amount appropriated herein for road construction shall be transferred to the Federal Highway Administration, Department of Transportation: *Provided further*, That 25 per centum of the aggregate of all receipts during the current fiscal year from the revested Oregon and California Railroad grant lands is hereby made a charge against the Oregon and California land grant fund and shall be transferred to the General Fund in the Treasury in accordance with the provisions of the second paragraph of subsection (b) of title II of the Act of August 28, 1937 (50 Stat. 876).

RANGE IMPROVEMENTS

For rehabilitation, protection, and acquisition of lands and interests therein, and improvement of Federal rangelands pursuant to section 401 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701), notwithstanding any other Act, sums equal to 50 per centum of all moneys received during the prior fiscal year under sections 3 and 15 of the Taylor Grazing Act (43 U.S.C. 315 et seq.) and the amount designated for range improvements from grazing fees and mineral leasing receipts from Bankhead-Jones lands transferred to the Department of the Interior pursuant to law, but not less than $10,188,000, to remain available until expended: *Provided*, That not to exceed $600,000 shall be available for administrative expenses.

SERVICE CHARGES, DEPOSITS, AND FORFEITURES

For administrative expenses and other costs related to processing application documents and other authorizations for use and disposal of public lands and resources, for costs of providing copies of official public land documents, for monitoring construction, operation, and termination of facilities in conjunction with use authorizations, and for rehabilitation of damaged property, such amounts as may be collected under sections 209(b), 304(a), 304(b), 305(a), and 504(g) of the Act approved October 21, 1976 (43 U.S.C. 1701), and sections 101 and 203 of Public Law 93-153, to be immediately available until expended: *Provided*, That notwithstanding any provision to the contrary of subsection 305(a) of the Act of October 21, 1976 (43 U.S.C. 1735(a)), any moneys that have been or will be received pursuant to that subsection, whether as a result of forfeiture, compromise, or settlement, if not appropriate for refund pursuant to subsection 305(c) of that Act (43 U.S.C. 1735(c)), shall be available and may be expended under the authority of this or subsequent appropriations Acts by the Secretary to improve, protect, or rehabilitate any public lands administered through the Bureau of Land Management which have been damaged by the action of a resource developer, purchaser, permittee, or any unauthorized person, without regard to whether all moneys collected from each such forfeiture, compromise, or settlement are used on the exact lands damage to which led to the forfeiture, compromise, or settlement: *Provided further*, That such moneys are in excess of amounts needed to repair damage to the exact land for which collected.

MISCELLANEOUS TRUST FUNDS

In addition to amounts authorized to be expended under existing law, there is hereby appropriated such amounts as may be contributed under section 307 of the Act of October 21, 1976 (43 U.S.C. 1701), and such amounts as may be advanced for administrative costs, surveys, appraisals, and costs of making conveyances of omitted lands under section 211(b) of that Act, to remain available until expended.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase, erection, and dismantlement of temporary structures, and alteration and maintenance of necessary buildings and appurtenant facilities to which the United States has title; up to $25,000 for payments, at the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Bureau of Land Management; miscellaneous and emergency expenses of enforcement activities authorized or approved by the Secretary and to be accounted for solely on his certificate, not to exceed $10,000: *Provided*, That appropriations herein made for Bureau of Land Management expenditures in connection with the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands (other than expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed to the General Fund of the Treasury from the 25 per centum referred to in subsection (c), title II, of the Act approved August 28, 1937 (50 Stat. 876), of the special fund designated the "Oregon and California land grant fund" and section 4 of the Act approved May 24, 1939 (53 Stat. 754), of the special fund designated the "Coos Bay Wagon Road grant fund": *Provided further*, That appropriations herein made may be expended for surveys of Federal lands and on a reimbursable basis for surveys of Federal lands and for protection of lands for the State of Alaska: *Provided further*, That an appeal of any reductions in grazing allotments on public rangelands must be taken within thirty days after receipt of a final grazing allotment decision. Reductions of up to 10 per centum in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 per centum shall be suspended pending final action on the appeal, which shall be completed within two years after the appeal is filed[: *Provided further*, That appropriations herein made shall be available for paying costs incidental to the utilization of services contributed by individuals who serve without compensation as volunteers in aid of work of the Bureau and for nonmonetary awards of nominal value to private individuals and organizations that make contributions to Bureau programs:] *Provided further*, That notwithstanding section 5901(a) of title 5, United States Code, the uniform allowance for each uniformed employee of the Bureau of Land Management shall not exceed $400 annually: *Provided further*, That unobligated balances in the "Recreation Development and Operation of Recreation Facilities" account are to be deposited into the receipt account established by 16 U.S.C. 4601-6a(i): *Provided further*, That notwithstanding the provisions of the Federal Grants and Cooperative Agreements Act of 1977 (31 U.S.C. 6301-6308), the Bureau is authorized *hereafter* to negotiate and enter into cooperative arrangements with public and private agencies, organizations, institutions, and individuals, to implement challenge cost-share programs.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

For expenses necessary for scientific and economic studies, conservation, management, investigations, protection, and utilization of sport fishery and wildlife resources, except whales, seals, and sea lions, and for the performance of other authorized functions related to such resources; for the general administration of the United States Fish and Wildlife Service; and for maintenance of the herd of long-horned cattle on the Wichita Mountains Wildlife Refuge; and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, [$471,858,000] *$461,881,000* of which [$6,671,000] *$9,713,000* to carry out the purposes of 16 U.S.C. 1535, shall remain available until expended; and of which $8,813,000 shall be for operation and maintenance of fishery mitigation facilities constructed by the Corps of Engineers under the Lower Snake River Compensation Plan, authorized by the Water Resources Development Act of 1976 (90 Stat. 2921), to compensate for loss of fishery resources from water development projects on the Lower Snake River, and which shall remain available until expended; and of which $1,000,000 shall be for contaminant sample analysis, and shall remain

available until expended: *Provided*, That beginning October 1, 1990, and thereafter, the United States Fish and Wildlife Service can perform work for the Great Lakes Fishery Commission, authorized by 16 U.S.C. 931-939c, Great Lakes Fisheries Act of 1956, on the sea lamprey program on a reimbursable basis: *Provided further*, That such reimbursements are to be treated as Intragovernmental funds as defined in the publication titled "A Glossary of Terms Used in the Federal Budget Process".

CONSTRUCTION AND ANADROMOUS FISH

For construction and acquisition of buildings and other facilities required in the conservation, management, investigation, protection, and utilization of sport fishery and wildlife resources, and the acquisition of lands and interests therein; [$68,375,000] *$85,833,000* to remain available until expended, [of which $1,800,000 shall be available for expenses to carry out the Anadromous Fish Conservation Act (16 U.S.C. 757a-757g):] *Provided*, That notwithstanding any other provision of law, procurements for the visitor center at the Patuxent Wildlife Research Center, *the National Training Center*, and the replacement laboratory for the National Fisheries Research Center—Seattle, Washington may be issued which include the full scope of the facility: *Provided further*, That the solicitation and contract shall contain the clause "availability of funds" found at 48 CFR 52.232.18: *Provided, That notwithstanding any other provision of law, procurements for the visitor center at the Patuxent Wildlife Research Center, the National Training Center, and the replacement laboratory for the National Fisheries Research Center—Seattle, Washington may be issued which include the full scope of the facility: Provided further, That the solicitation and contract shall contain the clause "availability of funds" found at 48 CFR 52.232.18: Provided further, That the Patuxent Wildlife Research Center (PWRC) is authorized to enter into a cooperative agreement with the Washington Suburban Sanitary Commission (WSSC) for the purposes of allowing the WSSC to place a water tower on land of the PWRC in return for which the WSSC will provide a continuous supply of potable water to the PWRC National Wildlife Visitor Center. The placement of said water tower will be near the present southern boundary of the PWRC adjacent to Springfield Road and shall encompass no more than five (5) acres of land.*

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the United States Fish and Wildlife Service, [$84,750,000] *$99,160,000*, to be derived from the Land and Water Conservation Fund, to remain available until expended.

NATIONAL WILDLIFE REFUGE FUND

For expenses necessary to implement the Act of October 17, 1978 (16 U.S.C. 715s), [$10,000,000] *$11,000,000*.

REWARDS AND OPERATIONS

For expenses necessary to carry out the provisions of the African Elephant Conservation Act (16 U.S.C. 4201-4203, 4211-4213, 4221-4225, 4241-4245, 1538), $1,000,000, to remain available until expended.

NORTH AMERICAN WETLANDS CONSERVATION FUND

For expenses necessary to carry out the provisions of the North American Wetlands Conservation Act, Public Law 101-233, $15,000,000, *to remain available until expended.*

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the United States Fish and Wildlife Service shall be available for purchase of not to exceed 129 passenger motor vehicles, of which 117 are for replacement only (including 39 for police-type use); not to exceed $400,000 for payment, at the discretion of the Secretary, for information, rewards, or evidence concerning violations of laws administered by the United States Fish and Wildlife Service, and miscellaneous and emergency expenses of enforcement activities, authorized or approved by the Secretary and to be accounted for solely on his certificate; repair of damage to public roads within and adjacent to reservation areas caused by operations of the United States Fish and Wildlife Service; options for the purchase of land at not to exceed $1 for each option; facilities incident to such public recreational uses on conservation areas as are consistent with their primary purpose; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the United States Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources: *Provided*, That the United States Fish and Wildlife Service may accept donated aircraft as replacements for existing aircraft.

Amounts collected prior to 1983 for "Special Recreation Use Fees," United States Fish and Wildlife Service, pursuant to 16 U.S.C. 4601-6a(b), (c), and (f) shall be transferred to the General Fund of the Treasury.

Amounts collected prior to October 1, 1984 from taxes imposed by section 4161(a) of the Internal Revenue Code; import duties under subpart B of part 5 of schedule 7 of the Tariff Schedules of the United States (19 U.S.C. 1202), and on yachts and pleasure craft under subpart D schedule 6, shall be transferred to the Sport Fish Restoration account of the Aquatic Resources Trust Fund.

The Act, establishing Assateague Island National Seashore, as amended (16 U.S.C. 459), is amended by striking out "ten acres" and inserting in lieu thereof "sixteen acres."

NATIONAL PARK SERVICE

OPERATION OF THE NATIONAL PARK SYSTEM

For expenses necessary for the management, operation, and maintenance of areas and facilities administered by the National Park Service (including special road maintenance service to trucking permittees on a reimbursable basis), and for the general administration of the National Park Service, including not to exceed $492,000 for the Roosevelt Campobello International Park Commission, and not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408, [$874,178,000] *$873,791,000*, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), of which not to exceed $55,500,000 to remain available until expended is to be derived from the special fee account established pursuant to title V, section 5201, of Public Law 100-203: *Provided*, That the National Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation[: *Provided further*, That of the funds provided herein, $600,000 is available for the National Institute for the Conservation of Cultural Property: *Provided further*, That upon enactment of this Act personnel in the Division of Legislation as of Septmeber 27, 1990, shall report to the Associate Director, Planning and Development and personnel in the Division of Congressional Liaison as of September 27, 1990, shall report to the Director through the Congressional Affairs Assistant incumbent to that position as of September 27, 1990:] *Provided further, That of the funds provided under this head in this Act and in subsequent annual appropriation acts, $85,000 shall be available to assist the town of Harpers Ferry, West Virginia, for police force use.*

NATIONAL RECREATION AND PRESERVATION

For expenses necessary to carry out recreation programs, natural programs, cultural programs, environmental compliance and review, and grant administration, not otherwise provided for, [$17,968,000] *$16,278,000*.

HISTORIC PRESERVATION FUND

For expenses necessary in carrying out the provisions of the Historic Preservation Act of 1966 (80 Stat. 915), as amended (16 U.S.C. 470), $34,665,000 to be derived from the Historic Preservation Fund, established by section 108 of that Act, as amended, to remain available for obligation until September 30, 1992: *Provided*, That the Trust Territory of the Pacific Islands is a State eligible for Historic Preservation Fund matching grant assistance as authorized under 16 U.S.C. 470w(2): *Provided further*, That pursuant to section 105(1) of the Compact of Free Association, Public Law 99-239, the Federated States of Micronesia and the Republic of the Marshall Islands shall also be considered States for purposes of this appropriation.

CONSTRUCTION

For construction, improvements, repair or replacement of physical facilities, without regard to the Act of August 24, 1912, as amended (16 U.S.C. 451), [$227,111,000] *$227,710,000*, to remain available until expended [and including $2,000,000 to assist local communities to protect Mammoth Cave National Park from groundwater pollution notwithstanding the fourth proviso under this head in Public Law 99-190]: *Provided*, That for payment of obligations incurred for continued construction of the Cumberland Gap Tunnel, as authorized by section 160 of Public Law 93-87, $28,000,000 to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended[:-*Provided further*, That for payments of obligations incurred for improvements to the George Washington Memorial Parkway, $9,700,000 to be derived from the Highway Trust Fund and to remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended: *Provided further*, That for payments of obligations incurred for improvements to the Baltimore Washington Parkway, $15,000,000 to be derived from the Highway Trust Fund and to

remain available until expended to liquidate contract authority provided under section 104(a)(8) of Public Law 95-599, as amended]: *Provided further,* That not to exceed $7,500,000 shall be paid to the Army Corps of Engineers for modifications authorized by section 104 of the Everglades National Park Protection and Expansion Act of 1989: *Provided further, That of the funds provided under this heading, $8,000,000 shall be available for a grant for the restoration of the Keith Albee Theatre in Huntington, West Virginia, and $12,000,000 shall be available for a grant to the Liberty Science Center and Hall of Technology, Inc., for the establishment of the Liberty Science Center and Hall of Technology, as if authorized by the Historic Sites Act of 1935 (16 U.S.C. 462(e)).*

[URBAN PARK AND RECREATION FUND

[For expenses necessary to carry out the provisions of the Urban Park and Recreation Recovery Act of 1978 (title 10 of Public Law 95-625) $20,000,000, to remain available until expended.]

LAND AND WATER CONSERVATION FUND

(RESCISSION)

The contract authority provided for fiscal year 1991 by 16 U.S.C. 460l-10a is rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the National Park Service, [$152,386,000] *$144,478,000* to be derived from the Land and Water Conservation Fund, to remain available until expended, of which [$50,000,000] *$35,000,000* is for the State Assistance program including [$3,300,000] *$3,400,000* to administer the State Assistance program: *Provided,* That of the amounts previously appropriated to the Secretary's contingency fund for grants to States $23,000 shall be available in 1991 for administrative expenses of the State grant program[:-*Provided further,* That of the amount provided above, $320,000 is for acquisition of the Saxton House, 331 South Market Street, Canton, Ohio, as if authorized by the Historic Sites Act of 1935 (16 U.S.C. 462(e)): *Provided further,* That, of the amount provided herein $4,200,000 shall be made available by the National Park Service, pursuant to a grant agreement, to the State of Florida and Broward County so that the State may purchase the "Everglades Buffer Strip" located in Broward County, Florida and stretching approximately 13 miles between State Road 84 and the Dade County line: *Provided further,* That, management of the Buffer Strip shall be the responsibility of the State of Florida and the grant agreement shall provide that the Buffer Strip shall, after eradication of the exotic species of melaleuca plant, be preserved in its natural state].

For the purposes of section 6(f)(3) of the Land and Water Conservation Fund Act of 1965 as amended (16 U.S.C. 4601-8(f)(3)), the Cap Erb Wildlife Preserve of approximately 6 acres that on the effective date of this section is proposed by the city of Boone, Iowa, to be substituted for land formerly in Blair Park that was converted to non-recreation use, shall be deemed by the Secretary of the Interior to be equal in fair market value to, and of equivalent usefulness and location as, the land which was so converted.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

For expenses necessary for operating and maintaining the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, $21,150,000, of which $13,500,000 shall remain available until expended.

ILLINOIS AND MICHIGAN CANAL NATIONAL HERITAGE CORRIDOR COMMISSION

For operation of the Illinois and Michigan Canal National Heritage Corridor Commission, $250,000.

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed 1 new rotary-wing aircraft for replacement only and 468 passenger motor vehicles, of which 324 shall be for replacement only, including not to exceed 355 for police-type use, 12 buses, and 7 ambulances; to provide, notwithstanding any other provision of law, at a cost not exceeding $100,000, transportation for children in nearby communities to and from any unit of the National Park System used in connection with organized recreation and interpretive programs of the National Park Service; options for the purchase of land at not to exceed $1 for each option; and for the procurement and delivery of medical services within the jurisdiction of units of the National Park System: *Provided,* That any funds available to the National Park Service may be used, with the approval of the Secretary, to maintain law and order in emergency and other unforeseen law enforcement situations and conduct emergency search and rescue operations in the National Park System: *Provided further,* That none of the funds appropriated to the National Park Service may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913[: *Provided further,* That none of the funds appropriated to the National Park Service may be used to add industrial facilities to the list of National Historic Landmarks without the consent of the owner: *Provided further,* That none of the funds available to the National Park Service may be used to designate any operating scientific institution or facility as eligible for National Historic Landmark status or eligible for placement on the National Historic Register without the consent of the appropriate authorities of such institution or facility]: *Provided further,* That the National Park Service may use helicopters and motorized equipment at Death Valley National Monument for removal of feral burros and horses: *Provided further,* That notwithstanding any other provision of law, the National Park Service may recover all costs of providing necessary services associated with special use permits, such reimbursements to be credited to the appropriation current at that time: *Provided further,* That none of the funds appropriated to the National Park Service may be used to implement an agreement for the redevelopment of the southern end of Ellis Island until such agreement has been submitted to the Congress and shall not be implemented prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full and comprehensive report on the development of the southern end of Ellis Island, including the facts and circumstances relied upon in support of the proposed project[: *Provided further,* That hereafter the Cedar Pass Visitor Center at Badlands National Park, South Dakota, shall be known as the Ben Reifel Visitor Center: *Provided further,* That Federal funds available to the National Park Service may be used for improvements to the National Park Service rail excursion line between Milepost 132.7 and 100.5 located in Northeastern, Pennsylvania]: *Provided further, That with respect to lands and waters under the jurisdiction of the Secretary of the Interior within the City of Rocks National Reserve established by title II of Public Law 100-696, the Secretary shall hereafter permit hunting, fishing and trapping in accordance with the otherwise applicable laws of the United States and the State of Idaho, except that he may designate zones where and periods when no hunting, fishing or trapping may be permitted for reasons of public safety, administration, floral and faunal protection and management, or public use and enjoyment: Provided further, That except in emergencies, any regulation prescribing such restrictions shall be put into effect only after consultation with the appropriate state agency having jurisdiction over hunting, fishing, and trapping activities: Provided further, That with respect to lands and waters under the jurisdiction of the Secretary within the Hagerman Fossil Beds National Monument, established by title III of Public Law 100-696, the Secretary shall hereafter permit hunting, fishing and trapping as well as the construction and maintenance of access routes and structures necessary to undertake such activities, including but not limited to duck and goose blinds on those lands within an area fifty feet in elevation above the high water level of the Snake River in accordance with otherwise applicable laws of the United States and the State of Idaho.*

From within funds appropriated in the Act of December 16, 1985 (fiscal year 1986 Interior Appropriations bill), $350,000 is made available to the Secretary to conduct an Environmental Impact Statement to determine the engineering requirements and environmental effects of construction of an all-weather surface on the 66 mile road beginning in the town of Boulder and ending in the town of Bullfrog, Utah. The National Park Service and the Bureau of Land Management shall jointly conduct such studies.

GEOLOGICAL SURVEY

SURVEYS, INVESTIGATIONS, AND RESEARCH

For expenses necessary for the Geological Survey to perform surveys, investigations, and research covering topography, geology, hydrology, and the mineral and water resources of the United States, its Territories and possessions, and other areas as authorized by law (43 U.S.C. 31, 1332 and 1340); classify lands as to their mineral and water resources; give engineering supervision to power permittees and Federal Energy Regulatory Commission licensees; administer the minerals exploration program (30 U.S.C. 641); and publish and disseminate data relative to the foregoing activities; [$571,904,000] *$569,912,000,* of which $64,299,000 shall be available only for cooperation with States or municipalities for water resources investigations: *Provided,* That no part of this appropriation shall be used to pay more than one-half the cost of any topographic mapping or water resources investigations carried on in cooperation with any State or municipality: *Provided further,* That beginning October 1, 1990, and

thereafter, funds received from any State, territory, possession, country, international organization, or political subdivision thereof, for topographic, geologic, or water resources mapping or investigations involving cooperation with such an entity shall be considered as intragovernmental funds as defined in the publication titled "A Glossary of Terms Used in the Federal Budget Process".

WORKING CAPITAL FUND

There is hereby established in the Treasury of the United States a working capital fund to assist in the management of certain support activities of the Geological Survey (hereafter referred to as the "Survey"), Department of the Interior. The fund shall be available hereafter without fiscal year limitation for expenses necessary for furnishing materials, supplies, equipment, work, and services in support of Survey programs, and, as authorized by law, to agencies of the Federal Government and others. Such expenses may include computer operations and telecommunications services; requirements definition, systems analysis, and design services; acquisition or development of software; systems support services such as implementation assistance, training, and maintenance; acquisition and replacement of computer, telecommunications, and related automatic data processing equipment; and, such other activities as may be approved by the Secretary of the Interior.

There are authorized to be transferred to the fund, at fair and reasonable values at the time of transfer, inventories, equipment, receivables, and other assets, less liabilities, related to the functions to be financed by the fund as determined by the Secretary of the Interior: *Provided,* That the fund shall be credited with appropriations and other funds of the Survey, and other agencies of the Department of the Interior, other Federal agencies, and other sources, for providing materials, supplies, equipment, work, and services as authorized by law and such payments may be made in advance or upon performance: *Provided further,* That charges to users will be at rates approximately equal to the costs of furnishing the materials, supplies, equipment, facilities, and services, including such items as depreciation of equipment and accrued annual leave: *Provided further,* That all existing balances as of the date of enactment of this Act from amortization fees resulting from the Survey providing telecommunications services and deposited in a special fund established on the books of the Treasury and available for payment of replacement or expansion of telecommunications services as authorized by Public Law 99-190, are hereby transferred to and merged with the working capital fund, to be used for the same purposes as originally authorized: *Provided further,* That funds that are not necessary to carry out the activities to be financed by the fund, as determined by the Secretary, shall be covered into miscellaneous receipts of the Treasury.

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed 26 passenger motor vehicles, for replacement only; reimbursement to the General Services Administration for security guard services; contracting for the furnishing of topographic maps and for the making of geophysical or other specialized surveys when it is administratively determined that such procedures are in the public interest; construction and maintenance of necessary buildings and appurtenant facilities; acquisition of lands for gauging stations and observation wells; expenses of the United States National Committee on Geology; and payment of compensation and expenses of persons on the rolls of the Geological Survey appointed, as authorized by law, to represent the United States in the negotiation and administration of interstate compacts: *Provided,* That activities funded by appropriations herein made may be accomplished through the use of contracts, grants, or cooperative agreements as defined in Public Law 95-224[: *Provided further,* That appropriations available to the Geological Survey may be used to provide nonmonetary awards of nominal value to private individuals and organizations that make contributions to Geological Survey programs].

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

For expenses necessary for minerals leasing and environmental studies, regulation of industry operations, and collection of royalties, as authorized by law; for enforcing laws and regulations applicable to oil, gas, and other minerals leases, permits, licenses and operating contracts; and for matching grants or cooperative agreements; including the purchase of not to exceed eight passenger motor vehicles for replacement only; [$200,128,000] *$195,903,000,* of which not less than [$61,552,000] *$65,527,000* shall be available for royalty management activities: *Provided,* That funds appropriated under this Act shall be available for the payment of interest in accordance with 30 U.S.C. 1721 (b) and (d): *Provided further,* That not to exceed $3,000 shall be available for reasonable expenses related to promoting volunteer beach and marine cleanup activities: *Provided further,* That notwithstanding 5 U.S.C. 5901(a), as amended, *hereafter* the uniform allowance for each uniformed employee of the Minerals Management Service shall not exceed $400 annually: *Provided further,* That notwithstanding any other provision of law, $8,000 under this head shall be available for refunds of overpayments in connection with certain Indian leases in which the Director of the Minerals Management Service concurred with the claimed refund due: *Provided further,* That notwithstanding 31 U.S.C. 3302, any moneys hereafter received as a result of the forfeiture of a bond or other security or payment of civil penalty by an Outer Continental Shelf permittee, lessee, or right-of-way holder which does not fulfill the requirements of its permit, lease, or right-of-way or does not comply with the regulations of the Secretary shall be credited to this account to cover the cost to the United States of any improvement, protection, or rehabilitation work rendered necessary by the action or inaction that led to the forfeiture or imposition of the civil penalty, to remain available until expended: *Provided further,* That any portion of the moneys so credited shall be returned to the permittee, lessee, or right-of-way holder to the extent that the money is in excess of the amount expended in performing the work necessitated by the action or inaction which led to their receipt or, if the bond or security was forfeited for failure to pay the civil penalty, in excess of the civil penalty imposed[: *Provided further,* That notwithstanding any other provision of law, $136,400,000 shall be deducted from Federal onshore mineral leasing receipts prior to the division and distribution of such receipts between the States and the Treasury and shall be credited to miscellaneous receipts of the Treasury].

BUREAU OF MINES

MINES AND MINERALS

(INCLUDING TRANSFER)

For expenses necessary for conducting inquiries, technological investigations, and research concerning the extraction, processing, use, and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal, and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, [$171,443,000] *$185,155,000,* of which [$95,922,000] *$104,672,000* shall remain available until expended: *Provided,* That none of the funds in this or any other Act may be used for the closure or consolidation of any research centers or the sale of any of the helium facilities currently in operation.

Funds in the amount of $6,000,000 appropriated pursuant to 102 Stat. 2270-12, Public Law 100-463, and transferred from the Department of Defense to the Bureau of Mines pursuant to 103 Stat. 1124, Public Law 101-165, are to be transferred to the Secretary of Defense to carry out the Soledad Canyon Demonstration Project in Los Angeles County, California. These funds shall remain available until September 30, 1993.

ADMINISTRATIVE PROVISIONS

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided,* That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

REGULATION AND TECHNOLOGY

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not to exceed 15 passenger motor vehicles, of which 11 shall be for replacement only; and uniform allowances of not to exceed $400 for each uniformed employee of the Office of Surface Mining Reclamation and Enforcement; [$110,527,000] *$110,647,000,* and notwithstanding 31 U.S.C. 3302, an additional amount, to remain available until expended, equal to receipts to the General Fund of the Treasury from performance bond forfeitures in fiscal year 1991: *Provided,* That notwithstanding any other provision of law, the Secretary of the Interior, pursuant to regulations, may utilize directly or through grants to States, moneys collected in fiscal year 1991 pursuant to the assessment of civil penalties under section 518 of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1268), to reclaim lands adversely affected by coal mining practices after August 3, 1977, to remain available

until expended: *Provided further,* That the Secretary of the Interior shall abide by and adhere to the terms of the Settlement Agreement in NWR v. Miller, C.A. No. 86-99 (E.D. Ky), and not take any actions inconsistent with the provisions of footnote 3 of the Agreement with respect to any State or Federal program: *Provided further,* That the Office of Surface Mining Reclamation and Enforcement may provide for the travel and per diem expenses of State and tribal personnel attending Office of Surface Mining Reclamation and Enforcement sponsored training: *Provided further, That notwithstanding the requirements of section 705 of Public Law 95-87 (30 U.S.C. 1295) appropriations herein shall be available to fund full implementation by the States of the Applicant Violator System (AVS) agreement.*

ABANDONED MINE RECLAMATION FUND

For necessary expenses to carry out the provisions of title IV of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, including the purchase of not more than 22 passenger motor vehicles, of which 16 shall be for replacement only, [$199,406,000] *$199,486,000* to be derived from receipts of the Abandoned Mine Reclamation Fund and to remain available until expended: *Provided,* That pursuant to Public Law 97-365, the Department of the Interior is authorized to utilize up to 20 per centum from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: *Provided further,* That of the funds made available to the States to contract for reclamation projects authorized in section 406(a) of Public Law 95-87, administrative expenses may not exceed 15 per centum: *Provided further,* That none of these funds shall be used for a reclamation grant to any State if the State has not agreed to participate in a nationwide data system established by the Office of Surface Mining Reclamation and Enforcement through which all permit applications are reviewed and approvals withheld if the applicants (or those who control the applicants) applying for or receiving such permits have outstanding State or Federal air or water quality violations in accordance with section 510(c) of the Act of August 3, 1977 (30 U.S.C. 1260(c)), or failure to abate cessation orders, outstanding civil penalties associated with such failure to abate cessation orders, or uncontested past due Abandoned Mine Land fees: *Provided further,* That the Secretary of the Interior may deny 50 per centum of an Abandoned Mine Reclamation Fund grant, available to a State pursuant to title IV of Public Law 95-87, in accordance with the procedures set forth in section 521(b) of the Act, when the Secretary determines that a State is systematically failing to administer adequately the enforcement provisions of the approved State regulatory program. Funds will be denied until such time as the State and Office of Surface Mining Reclamation and Enforcement have agreed upon an explicit plan of action for correcting the enforcement deficiency. A State may enter into such agreement without admission of culpability. If a State enters into such agreement, the Secretary shall take no action pursuant to section 521(b) of the Act as long as the State is complying with the terms of the agreement: *Provided further,* That expenditure of moneys as authorized in section 402(g)(4) of Public Law 95-87 shall be on a priority basis with the first priority being protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices, as stated in section 403 of Public Law 95-87:[*Provided further,* That 23 full-time equivalent positions are to be maintained in the Anthracite Reclamation Program at the Wilkes-Barre Field Office:] *Provided further,* That, notwithstanding any other provision of law, funds appropriated pursuant to Public Law 98-181 and derived from receipts of the Abandoned Mine Reclamation Fund shall be made available to and expended by the Commonwealth of Pennsylvania to provide for the acquisition of the ten properties along Route 61 near the Borough of Centralia, previously identified by the Commonwealth of Pennsylvania to the Office of Surface Mining Reclamation and Enforcement as needing acquisition but ineligible for funding pursuant to Public Law 98-181, and for the relocation of families and individuals residing in such properties who are threatened by the progressive movement of the mine fire currently burning in and around the Borough of Centralia: *Provided further,* That all acquisitions made by the Commonwealth of Pennsylvania under the authority provided herein shall be at fair market value without regard to the mine fire-related damages and such homeowners shall be treated in a manner that avoids any disparity with the treatment authorized and implemented pursuant to Public Law 98-181: *Provided further,* That land acquisition and relocation authorized herein shall not require any matching funding from the Commonwealth of Pennsylvania under section 407(e) of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

For operation of Indian programs by direct expenditure, contracts, cooperative agreements, and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, [$1,364,259,000] *$1,303,379,000,* including [$245,000,000] *$190,000,000* for school operations costs of Bureau-funded schools which shall become available for obligation on July 1, 1991, and shall remain available for obligation until June 30, 1992, and of which amount, funds obligated pursuant to the authority of Public Law 93-638, as amended, shall remain available for expenditure by the contractor until June 30, 1993; and of which not to exceed [$72,024,000] *$72,684,000* for higher education scholarships, adult vocational training, and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.), shall remain available for obligation until September 30, 1992, and of which $2,180,000 for litigation support shall remain available until expended, [$5,000,000 for self-governance tribal compacts shall be made available on completion and submission of such compacts to the Congress, and shall remain available until expended] and the funds made available to tribes and tribal organizations through contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 1992: *Provided,* That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs unless the tribe(s) and the Bureau of Indian Affairs enter into a cooperative agreement for consolidated services; and for expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640d-18(a)), [$1,327,000] *$1,027,000,* to remain available until expended: *Provided further,* That none of the funds appropriated to the Bureau of Indian Affairs shall be expended as matching funds for programs funded under section 103(b)(2) of the Carl D. Perkins Vocational Education Act: *Provided further,* That $200,000 of the funds made available in this Act shall be available for cyclical maintenance of tribally owned fish hatcheries and related facilities: *Provided further,* That none of the funds in this Act shall be used by the Bureau of Indian Affairs to transfer funds under a contract with any third party for the management of tribal or individual Indian trust funds until the funds held in trust for all such tribes or individuals have been audited and reconciled to the earliest possible date, the results of such reconciliation have been certified by an independent party as the most complete reconciliation of such funds possible, and the affected tribe or individual has been provided with an accounting of such funds: *Provided further,* That notwithstanding any other provision of law, the statute of limitations shall not commence to run on any claim concerning losses to or mismanagement of trust funds, until the affected tribe or individual Indian has been furnished with the accounting of such funds: *Provided further,* That $300,000 of the amounts provided for education program management shall be available for a grant to the Close Up Foundation: *Provided further, That $220,000 of the amounts provided for administrative services shall be available for payment to eliminate the tax liability of Leonard and Rita Felder of Barrow, Alaska and that $221,000 of these funds shall be paid into the Treasury of the United States in extinguishment of the tax liability of Leonard and Rita Felder and $19,000 of these funds shall be available for payment for the aggregate attorney and accountant fees: Provided further, That such amount shall not be included in gross income for purposes of Federal income taxation: Provided further, That $300,000 of the amounts provided for aid to tribal government shall be available until expended for operation of the Joint Federal-State Commission on Policies and Programs Affecting Alaska Natives, authorized in Public Law 101-379*[: *Provided further,* That from funds provided herein the Bureau is directed to pay to the Institute of American Indian and Alaska Native Culture and Arts Development $103,361 in severance pay and accrued annual leave costs for former Bureau employees who elected not to be covered under the personnel system of the Institute: *Provided further,* That not more than $3,235,000 shall be made available for the Federal Financial System in fiscal year 1991: *Provided further,* That none of the funds in this Act shall be used to carry out

any proposed reorganization of the Bureau of Indian Affairs, including dividing the current Bureau into separate bureaus or offices unless the reorganization is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 99-714].

CONSTRUCTION

For construction, major repair, and improvement of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands and interests in lands; preparation of lands for farming; maintenance of Indian reservation roads as defined in section 101 of title 23, United States Code; and construction, repair, and improvement of Indian housing, [$166,935,000] *$162,501,000*, to remain available until expended: *Provided*, That $1,000,000 of the funds made available in this Act shall be available for rehabilitation of tribally owned fish hatcheries and related facilities: *Provided further*, That such amounts as may be available for the construction of the Navajo Indian Irrigation Project may be transferred to the Bureau of Reclamation: *Provided further*, That not to exceed 6 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover the road program management costs of the Bureau of Indian Affairs: *Provided further*, That none of the funds available to the Bureau of Indian Affairs in this or any other Act shall be used to transfer, through agreement, memorandum of understanding, demonstration project or other method, the Safety of Dams program *management* of the Bureau of Indian Affairs to the Bureau of Reclamation: *Provided further, That nothing herein shall prevent the Bureau of Indian Affairs or tribes from using, on a case-by-case basis, the technical expertise of the Bureau of Reclamation: Provided further, That none of the funds provided for the safety of dams program are available for transfer pursuant to sections 101 and 102 of this Act.*

MISCELLANEOUS PAYMENTS TO INDIANS

For miscellaneous payments to Indian tribes and individuals pursuant to Public Laws 98-500, 99-264, 100-383, 100-512, 100-580, and 100-585, including funds for necessary administrative expenses, [$53,931,000] *$56,431,000*, to remain available until expended: *Provided*, That notwithstanding any other provision of law, funds appropriated pursuant to Public Law 100-383 shall not be subject to the provisions of 43 U.S.C. 1606(i): *Provided further*, That income earned on funds appropriated by Public Law 101-121, October 23, 1989, 103 Stat. 701, 715 for the purposes of section 6(b) of the Puyallup Tribe of Indians Settlement Act of 1989, Public Law 101-41, June 21, 1989, 103 Stat. 83, may be utilized by the Permanent Trust Fund Board of Trustees to secure necessary and appropriate financial, auditing, accounting, insurance and other administrative services to fulfill the Board of Trustees' fiduciary and administrative responsibilities: *Provided further*, That no more than 5 per centum of the income in any year may be utilized for such purposes: *Provided further, That 16 U.S.C. 1166(e) is amended by adding the following new subsection: "(3) There is authorized to be appropriated to the Secretary of the Interior $3,500,000 for distribution to the Trust for the purpose of preserving and maintaining municipal, community, and tribal functions while an economy not dependent on sealing is established.".*

NAVAJO REHABILITATION TRUST FUND

For Navajo tribal rehabilitation and improvement activities in accordance with the provisions of section 32(d) of Public Law 93-531, as amended (25 U.S.C. 640d-30), including necessary administrative expenses, [$2,000,000] *$4,000,000*, to remain available until expended.

REVOLVING FUND FOR LOANS

During fiscal year 1991, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), shall not exceed resources and authority available.

INDIAN LOAN GUARANTY AND INSURANCE FUND

For payment of interest subsidies on new and outstanding guaranteed loans and for necessary expenses of management and technical assistance in carrying out the provisions of the Indian Financing Act of 1974, as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), [$11,487,000] *$11,987,000*, to remain available until expended, of which not to exceed $500,000 shall remain available for payment of losses on surety bonds guaranteed pursuant to the authority of said Act: *Provided*, That during fiscal year 1991, total commitments to guarantee loans pursuant to said Act may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed resources and authority available.

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits, and purchase of not to exceed 162 passenger carrying motor vehicles, of which not to exceed 115 shall be for replacement only.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of territories under the jurisdiction of the Department of the Interior, [$104,469,000] *$109,794,000*, of which (1) [$101,162,000] *$106,487,000* shall be available until expended for technical assistance; maintenance assistance; drug interdiction and abuse prevention; late charges and payments of the annual interest rate differential required by the Federal Financing Bank, under terms of the second refinancing of an existing loan to the Guam Power Authority, as authorized by law (Public Law 98-454; 98 Stat. 1732); grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for construction and support of governmental functions; grants to the Government of the Virgin Islands as authorized by law; grants to the Government of Guam, as authorized by law; grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241; 90 Stat. 272); and (2) $3,307,000 shall be available for salaries and expenses of the Office of Territorial and International Affairs: *Provided*, That the territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: *Provided further*, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with chapter 35 of title 31, United States Code: *Provided further*, That Northern Mariana Islands Covenant grant funding shall be provided according to those terms of the Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands approved by Public Law 99-396, except that should the Secretary of the Interior believe that the performance standards of such agreement are not being met, operations funds may be withheld, but only by Act of Congress as required by Public Law 99-396: *Provided further*, That [$935,000] *$1,025,000* of the amounts provided for technical assistance shall be available for a grant to the Close Up Foundation: *Provided further*, That the funds for the program of operations and maintenance improvement are appropriated to institutionalize routine operations and maintenance of capital infrastructure in American Samoa, Guam, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Republic of the Marshall Islands, and the Federated States of Micronesia through assessments of long-range operations and maintenance needs, improved capability of local operations and maintenance institutions and agencies (including management and vocational education training), and project-specific maintenance (with territorial participation and cost sharing to be determined by the Secretary based on the individual territory's commitment to timely maintenance of its capital assets): *Provided further, That funds provided herein for disaster hazard mitigation projects are not available for obligation until authorizing legislation is enacted.*

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495); grants to the Trust Territory of the Pacific Islands, in addition to local revenues, for support of governmental functions; [$51,450,000] *$42,987,000* to remain available until expended, including $8,000,000 to reduce the accumulated deficit of the former Trust Territory Government and $4,200,000 for settlement purposes related to reef and beach damage on Kosrae Island resulting from airport construction: *Provided*, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with chapter 35 of title 31, United States Code: *Provided further*, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: *Provided further*, That all Government operations funds appropriated and obligated for the Republic of Palau under this account for fiscal year 1991, shall be credited as an offset against fiscal year 1991 payments made pursuant to the legislation approving the Palau Compact of Free Association (Public Law 99-658), if such Compact is implemented before October 1, 1991: *Provided further*, That not less than $300,000 of the grants to the Republic of Palau, for support of governmental functions, shall be dedicated to the College of Micronesia in accordance with the

agreement between the Micronesian entities.

COMPACT OF FREE ASSOCIATION

For economic assistance and necessary expenses for the Federated States of Micronesia and the Republic of the Marshall Islands as provided for in sections 122, 221, 223, 232, and 233 of the Compact of Free Association, [$28,800,000] *$24,500,000*, to remain available until expended, as authorized by Public Law 99-239: *Provided*, That the effective date of the Palau Compact for purposes of economic assistance pursuant to the Palau Compact of Free Association, Public Law 99-658, shall be the effective date of the Palau Compact as determined pursuant to section 101 of Public Law 101-219.

DEPARTMENTAL OFFICES

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary of the Interior, [$57,671,000] *$58,812,000*, of which not to exceed $10,000 may be for official reception and representation expenses *and also of which not less than $55,000 shall be available to pay the claim of Dick A. Blenden of Carlsbad, New Mexico, made under Public Law 96-549, 94 Stat. 3219, and settled in United States v. Blenden, Civil Action Numbered 85-1587 JB (D.N.M.).*

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, $26,883,000.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General, $22,156,000.

CONSTRUCTION MANAGEMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Construction Management, $2,097,000.

NATIONAL INDIAN GAMING COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the National Indian Gaming Commission, pursuant to Public Law 100-497, [$1,004,000] *$1,504,000*.

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition from available resources within the Working Capital Fund, 11 aircraft, 7 of which shall be for replacement and which may be obtained by donation, purchase or through available excess surplus property: *Provided*, That no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: Provided, That no funds shall be made available to the Department of the Interior for emergencies shall have been exhausted: Provided further, That all funds used pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under the jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods, volcanoes, storms, or other unavoidable causes; for contingency planning subsequent to actual oilspills, response and natural resource damage assessment activities related to actual oilspills; for the prevention, suppression, and control of actual or potential grasshopper and Mormon Cricket outbreaks on lands under the jurisdiction of the Secretary, pursuant to the authority in section 1773(b) of Public Law 99-198 (99 Stat. 1658); for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: Provided, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof: Provided further, That all funds used pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible: Provided further, That such replenishment funds shall be used to reimburse, on a pro rata basis, accounts from which emergency funds were transferred.

SEC. [101] *103*. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, where ever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. [102] *104*. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $500,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

SEC. [103] *105*. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

SEC. [104] *106*. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

[SEC. 105. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located 63 degrees, 04 minutes, 15 seconds west, presently named and referred to as Mount McKinley.]

SEC. [106] *107*. Notwithstanding any other provisions of law, appropriations in this title shall be available to provide insurance on official motor vehicles, aircraft, and boats operated by the Department of the Interior in Canada and Mexico.

SEC. [107] *108*. No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.

[SEC. 108. No funds provided in this title may be expended by the Department of the Interior for the conduct of offshore leasing and related activities placed under restriction in the President's moratorium statement of June 26, 1990, in the areas of Northern, Central, and Southern California; the North Atlantic; Washington and Oregon; and the Eastern Gulf of Mexico south of 26 degrees north latitude and east of 86 degrees west longitude.

[SEC. 109. No funds provided in this title may be expended by the Department of the Interior for the conduct of leasing, or the approval or permitting of any drilling or other exploration activity, on lands within the North Aleutian Basin planning area.

[SEC. 110. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities for Outer Continental Shelf Lease Sale 137 in the Eastern Gulf of Mexico.

[SEC. 111. No funds provided in this title may be expended by the Department of the Interior for the conduct of preleasing and leasing activities within an area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)), located in the Atlantic Ocean, bounded by the following line: from the intersection of the seaward limit of the Commonwealth of Massachusetts territorial sea and the 71 degree West longitude line south along that longitude line to its intersection with the line which passes between blocks 423 and 467 on Outer Continental Shelf protraction diagram NK 19-10; then southwesterly along a line 50 miles seaward of the States of Rhode Island, Connecticut, New York, New Jersey, Delaware, and Maryland, to its intersection with the 38 degree North latitude line; then westerly along the 38 degree North latitude line until its approximate intersection with the seaward limit of the State of Maryland territorial sea; then northeasterly along the seaward limit of the territorial sea to the point of beginning at the intersection of the seaward limit of the territorial sea and the 71 degree West longitude line.

[SEC. 112. None of the funds made available by this Act may be used for the implementation or financing of agreements or arrangements with entities for the management of all lands, waters, and interests therein on Matagorda Island, Texas, which were purchased by the Department of the Interior with federally appropriated amounts from the Land and Water Conservation Fund.

[SEC. 113. The provision of section 112 shall not apply if the transfer of management or control is ratified by law.]

SEC. [114] *109.* In fiscal year 1991 and thereafter, the Secretary may exercise the authorities granted in the Act of July 1, 1955 (16 U.S.C. 18f) in administration of the Department of the Interior Museum, and may dispose of objects no longer needed for the Museum or held in duplicate among museum properties and apply the proceeds to the purchase of museum objects, museum collections, and other personal properties at reasonable prices.

[SEC. 110. Notwithstanding any other provision of law, any appropriations or funds available to the Department of the Interior in this Act may be used to provide nonmonetary awards of nominal value to private individuals and organizations that make contributions to Department of the Interior programs.

[SEC. 111. Appropriations under this title may be made available for paying costs incidental to the utilization of services contributed by individuals who serves compensation as volunteers in aid of work for units of the Department of the Interior.

[SEC. 112. None of the funds available to the Bureau of Indian Affairs in this or any other Act shall be used to evict, or demolish the homes or structures, of those members of the Yakima Indian Tribe presently residing at federal in lieu of fishing sites located at Cooks Landing and Underwood in the State of Washington within the area ceded to the United States of America under the Treaty With the Yakima, 1855, 12 Stat. 698 (1859).]

TITLE II—RELATED AGENCIES

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

For necessary expenses of forest research as authorized by law, [$167,693,000] *$165,284,000,* to remain available until September 30, 1992.

STATE AND PRIVATE FORESTRY

For necessary expenses of cooperating with, and providing technical and financial assistance to States, Territories, possessions, and others; and for forest pest management activities, [$132,806,000] *$190,932,000,* to remain available until expended, as authorized by law: *Provided, That a grant of $9,000,000 shall be available to Mercer County, West Virginia for the construction and equipping of a hardwood training center and a flexible manufacturing center: Provided further, That $725,000 shall be available for a study, to be completed within 120 days after enactment, examining the composition, organization, and policies regarding the future wildfire suppression air tanker fleet: Provided further, That a grant of $250,000 shall be made for a study of the Sterling Forest in New York and New Jersey.*

NATIONAL FOREST SYSTEM

For necessary expenses of the Forest Service, not otherwise provided for, for management, protection, improvement, and utilization of the National Forest System, and for administrative expenses associated with the management of funds provided under the heads "Forest Research", "State and Private Forestry", "National Forest System", "Construction", "Forest Service Firefighting", and "Land Acquisition", [$1,274,021,000] *$1,303,847,000* to remain available for obligation until September 30, 1992, and including 65 per centum of all monies received during the prior fiscal year as fees collected under the Land and Water Conservation Fund Act of 1965, as amended, in accordance with section 4 of the Act (16 U.S.C. 460l-6a(i)): *Provided,* That [unobligated] *unexpended* balances in the National Forest System account at the end of fiscal year 1990, [which would otherwise be returned to the general fund of the Treasury,] shall be merged with and made a part of the fiscal year 1991 National Forest System appropriation, and shall remain available for obligation until September 30, 1992: *Provided further, That timber volume authorized or scheduled for sale during fiscal year 1990, but which remains unsold at the end of fiscal year 1990 shall be offered for sale during fiscal year 1991 in addition to the fiscal year 1991 timber sale volume directed by this Act: Provided further, That up to $5,000,000 of the funds provided herein for road maintenance shall be available for the planned obliteration of roads which are no longer needed.*

FOREST SERVICE FIREFIGHTING

For necessary expenses for firefighting on or adjacent to National Forest System lands or Department of the Interior lands, and for forest fire management and presuppression; and emergency operations on National Forest System lands, [$304,507,000] *$299,507,000,* to remain available until expended: *Provided,* That such funds are also to be available for repayment of advances to other appropriation accounts from which funds were previously transferred for such purposes.

CONSTRUCTION

For necessary expense of the Forest Service, not otherwise provided for, for construction, [$243,705,000] *$299,208,000,* to remain available until expended, of which [$68,829,000] *$82,895,000* is for construction and acquisition of buildings and other facilities; and [$174,876,000] *$214,804,000* is for construction of forest roads and trails by the Forest Service as authorized by 16 U.S.C. 532-538 and 23 U.S.C. 101 and 205: *Provided,* That funds becoming available in fiscal year 1991 under the Act of March 4, 1913 (16 U.S.C. 501) shall be transferred to the General Fund of the Treasury of the United States: *Provided further,* That not to exceed $110,000,000, to remain available until expended, may be obligated for the construction of forest roads by timber purchasers.

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water Conservation Fund Act of 1965, as amended (16 U.S.C. 460l-4-11), including administrative expenses, and for acquisition of land or waters, or interest therein, in accordance with statutory authority applicable to the Forest Service, [$92,579,000] *$82,719,000,* to be derived from the Land and Water Conservation Fund, to remain available until expended [of which $300,000 is for acquisition of land and interests therein at and near the Old Chief Joseph Gravesite, Wallowa County, Oregon, as depicted on a map entitled "Old Chief Joseph Gravesite Acquisition—1990" on file with the Forest Service, pursuant to the Department of Agriculture Organic Act of 1956 (7 U.S.C. 428(a)):] *Provided, That of the funds previously appropriated under this head for land acquisition, the Forest Service shall make available up to $1,700,000, less any amount made available by the Bonneville Power Administration, solely for the purchase of water rights associated with the Northwest Resource Information Center, Inc.'s water resource and fish enhancement proposal of April 20, 1990, as amended June 8, 1990 and September 6, 1990, and as certified by the Area Ranger of the Sawtooth National Recreation Area on October 1, 1990.*

ACQUISITION OF LANDS FOR NATIONAL FORESTS SPECIAL ACTS

For acquisition of lands within the exterior boundaries of the Cache, Uinta, and Wasatch National Forests, Utah; the Toiyabe National Forest, Nevada; and the Angeles, San Bernardino, Sequoia, and Cleveland National Forests, California, as authorized by law, $1,103,000, to be derived from forest receipts.

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

For acquisition of lands, to be derived from funds deposited by State, county, or municipal governments, public school districts, or other public school authorities pursuant to the Act of December 4, 1967, as amended (16 U.S.C. 484a), to remain available until expended.

RANGE BETTERMENT FUND

For necessary expenses of range rehabilitation, protection, and improvement, 50 per centum of all moneys received during the prior fiscal year, as fees for grazing domestic livestock on lands in National Forests in the sixteen Western States, pursuant to section 401(b)(1) of Public Law 94-579, as amended, to remain available until expended, of which not to exceed 6 per centum shall be available for administrative expenses associated with on-the-ground range rehabilitation, protection, and improvements.

GIFTS, DONATIONS AND BEQUESTS FOR FOREST AND RANGELAND RESEARCH

For expenses authorized by 16 U.S.C. 1643(b), $30,000 to remain available until expended, to be derived from the fund established pursuant to the above Act.

ADMINISTRATIVE PROVISIONS, FOREST SERVICE

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed 202 passenger motor vehicles of which 27 will be used primarily for law enforcement purposes and of which 170 shall be for replacement only, of which acquisition of 144 passenger motor vehicles shall be from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed two for replacement only, and acquisition of 97 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of $400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any re-

gional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.

Any appropriations or funds available to the Forest Service may be advanced to the Forest Service Firefighting appropriation and may be used for forest firefighting and the emergency rehabilitation of burned-over lands under its jurisdiction.

The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to reimburse employees for the cost of State licenses and certification fees pursuant to their Forest Service position and that are necessary to comply with State laws, regulations, and requirements.

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development and the Office of International Cooperation and Development in connection with forest and rangeland research, technical information, and assistance in foreign countries, and shall be available to support forestry and related natural resource activities outside the United States and its territories and possessions, including technical assistance, education and training, and cooperation with United States and international organizations.

All funds received for timber salvage sales may be credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest, *and for timber sales preparation to replace sales lost to fire or other causes, and sales preparation to replace sales inventory on the shelf for any national forest to a level sufficient to maintain new sales availability equal to a rolling five-year average of the total sales offerings, and for design, engineering, and supervision of construction of roads lost to fire or other causes associated with the timber sales programs described above: Provided, That notwithstanding any other provision of law, moneys received from the timber salvage sales program in fiscal year 1991 shall be considered as money received for purposes of computing and distributing 25 per centum payments to local governments under 16 U.S.C. 500, as amended: Provided further, That these payments shall not be made before October 1, 1991: Provided further, That these actions are taken pursuant to section 202(b)(1) of Public Law 100-119 (2 U.S.C. 909).*

None of the funds made available to the Forest Service under this Act shall be subject to transfer under the provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) or 7 U.S.C. 147b unless the proposed transfer is approved in advance by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 99-714.

No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.

Notwithstanding any other provision of law, any appropriations or funds available to the Forest Service may be used to *disseminate program information to private and public individuals and organizations through the use of nonmonetary items of nominal value and to* provide nonmonetary awards of nominal value to *and to incur necessary expenses for the nonmonetary recognition of* private individuals and organizations that make contributions to Forest Service programs.

[Notwithstanding any other provision of law or existing policy, the peak that is the second peak to the south of Mount Whitney, and is the highest point on Pinnacle Ridge where it reaches the Sierra Crest, located approximately ¼ mile to the south of the summit of Mount Whitney and approximately ½ mile to the north of the summit of Mount Muir, near Lone Pine, in the State of California, shall be known and designated as "Crooks Peak". Any reference in any law, regulation, document, record, map, or other paper of the United States to the peak is deemed to be a reference to "Crooks Peak".]

Funds available to the Forest Service shall be available to conduct a program of not less than $1,000,000 for high priority projects within the scope of the approved budget which shall be carried out by the Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.

Notwithstanding the provisions of the Federal Grant and Cooperative Agreements Act of 1977 (31 U.S.C. 6301-6308), the Forest Service is authorized to negotiate and enter into cooperative arrangements with public and private agencies, organizations, institutions, and individuals to continue the Challenge Cost-Share Program.

[None of the funds available in this Act shall be used for clearcutting or other forms of even-age management in hardwood timber stands in the Wayne National Forest, Ohio or the Shawnee National Forest, Illinois: *Provided*, That all funds for clearcutting in the Wayne National Forest shall be reserved for use in pine timber stands for the purpose of reverting these stands to hardwood forest.]

None of the funds made available to the Forest Service in this Act shall be expended for the purpose of issuing a special use authorization permitting land use and occupancy and surface disturbing activities for any project to be constructed on Lewis Fork Creek in Madera County, California, at the site above, and adjacent to, Corlieu Falls bordering the Lewis Fork Creek National Recreation Trail until the studies required in Public Law 100-202 have been submitted to the Congress: *Provided*, That any special use authorization shall not be executed prior to the expiration of thirty calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt of the required studies by the Speaker of the House of Representatives and the President of the Senate.

Any money collected from the States for fire suppression assistance rendered by the Forest Service on non-Federal lands not in the vicinity of National Forest System lands shall be used to reimburse the applicable appropriation and shall remain available until expended as the Secretary may direct in conducting activities authorized by 16 U.S.C. 2101 (note), 2101-2110, 1606, and 2111.

[No funds made available under this Act may be used for the issuance of any permit or other authorization providing access to, or permitting the construction of, any motel-restaurant or similar overnight accommodations on lands located within the exterior boundaries of the Allegheny National Forest in the State of Pennsylvania, and no funds made available under this Act may be used to enter into any contract or lease for the construction of any such facilities.]

The Secretary of Agriculture may sell to the Louisiana Pacific Corporation, without complying with the advertisement and competitive bidding requirements of section 14 of the National Forest Management Act of 1976 (Public Law 94-599, 16 U.S.C. 472a) and of the regulations issued by the Secretary, replacement trees, portions of trees, or forest products located on National Forest System lands that are equal in total value to the trees, portions of trees, or forest products deleted by agreement of the Secretary and the Louisiana Pacific Corporation from the contract (numbered 001657) for the sale of timber in the Bowen Gulch area of the Arapaho National Forest, State of Colorado: *Provided*, That in selling such replacement trees, portions of trees, or forest products, the Secretary shall comply with all other laws and regulations applying to timber sales on National Forest System lands.

Of the funds available to the Forest Service, $2,000 is available to the Chief of the Forest Service for official reception and representation expenses.

Notwithstanding section 705(a) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 539d(a)), [$37,677,000] *$45,668,000* shall be available from the Tongass Timber Supply Fund for timber supply, protection and management, research, resource protection, and construction on the Tongass National Forest in fiscal year 1991: *Provided, That all of the funds available from the Tongass Timber Supply Fund in fiscal year 1991 pursuant to section 705(a) of Public Law 96-487 shall be deemed obligated as of October 1, 1990 and shall remain available until expended: Provided further, That this funding limitation shall not include those funds available to the Forest Service as National Forest System, Construction, Trust Funds, Permanent Funds (other than the Tongass Timber Supply Fund), or Purchaser Road Construction.*

In fiscal year 1991, the Forest Service is directed to offer for sale new timber volumes in the following regions—Region 1, 980 million board feet; Region 2, 340 million board feet; Region 3, 400 million board feet; Region 4, 390 million board feet; Region 5, 1.552 billion board feet; Region 6, 3.450 billion board feet; Region 8, 1.230 billion board feet; Region 9, 821 million board feet; and Region 10, 451 million board feet.

In fiscal year 1991 the Forest Service shall prepare timber sales for offering in future years by conducting the necessary environmental documentation (Gate 2) and by conducting field activities and appraisal activities so that the sale is ready for advertisement: Provided, That in fiscal year 1991 the Forest Service is directed to prepare sales volume through Gate 2 totaling 7.795 billion board feet, distributed as follows—Region 1, 800 million board feet; Region 2, 350 million board feet; Region 3, 400 million board feet; Region 4, 400 million board feet; Region 5, 1.2 billion board feet; Region 6, 2.345 billion board feet; Region 8, 1.1 billion board feet; Region 9, 800 million board feet; Region 10, 400 million board feet: Provided further, That in fiscal year 1991 the Forest Service is directed to prepare sales volume through

Gate 3 totaling 5.381 billion board feet, distributed as follows—Region 1, 680 million board feet; Region 2, 300 million board feet; Region 3, 300 million board feet; Region 4, 340 million board feet; Region 5, 1.0 billion board feet; Region 6, 1.050 billion board feet; Region 8, 800 million board feet; Region 9, 611 million board feet; Region 10, 300 million board feet.

Notwithstanding any other provision of law, the Secretary of the Treasury is directed to make available to the Secretary of Agriculture, upon request of the Secretary of Agriculture, to remain available until expended, all the necessary funds, including timber sale administration and management, timber support, and engineering costs for the preparation of timber sales through the completion of all field work activities for the timber sale volume found to be short of the target of having 125 per centum of the Average Annual Allowable Sale Quantity fully prepared for sale by the beginning of the fiscal year: Provided, That the amount of volume necessary to have 125 per centum fully prepared and ready to be offered shall be fully documented as to status, reasons for the shortfall, and the total costs to complete through the field preparation phase: Provided further, That the analysis and total cost of the shortfall shall be submitted by the Secretary of Agriculture to the Appropriations Committees before the end of the first quarter of the fiscal year: Provided further, That the funds shall be made available to the Secretary of Agriculture from timber receipts received during the previous fiscal year: Provided further, That these funds shall not be made available before October 1, 1991: Provided further, That such funds shall be in addition to any other funds provided in this Act: Provided further, That this transaction shall not affect, diminish, or otherwise alter payments to be made in accordance with the provisions of the Act of May 23, 1908, as amended (16 U.S.C. 500) or the Act of July 10, 1930 (16 U.S.C. 577g).

Notwithstanding any other provision of law, funds allocated by the Forest Service to a specific national forest in fiscal year 1992 for National Forest System trail construction; trail maintenance; wildlife and fish habitat management; soil water, and air management; cultural resource management; wilderness management; reforestation and timber stand improvement; timber sale administration and management including all timber support costs shall be increased by 10 per centum on October 1, 1991 if the specific national forest attains the timber sale offer volume and timber pipeline preparation volume directed in fiscal year 1991: Provided, That these funds shall be made available in fiscal year 1992 from fiscal year 1991 timber receipts returned to the Federal Treasury and shall be available until expended: Provided further, That these funds are in addition to any other funds appropriated for these activities and can be merged into regular appropriated accounts.

Notwithstanding any other provision of law, the Forest Service is directed to develop and implement land management stewardship contracts for the conduct of tasks normally associated with a timber sale contract, including but not limited to site preparation, replanting, silviculture programs, recreation, and wildlife habitat enhancements: Provided, That the Forest Service is directed to prepare an estimate of the cost of offering the same sales under normal timber sale contracts and performing reforestation and other related work under separate contracts as compared to the estimated costs for conducting such work under the combined stewardship contract provided herein: Provided further, That upon realization of any savings in the execution of a land management stewardship contract in comparison to the normal timber sale contracting arrangement, 50 per centum of the savings realized shall be available to the national forest upon which the contract was executed for the accomplishment of forest plan non-commodity objectives: Provided further, That the remaining 50 per centum of the savings shall be returned to the stewardship contract signator.

Notwithstanding any other provision of law, the Forest Service is authorized to employ or otherwise contract with persons at regular rates of pay, as determined by the Service, to perform work occasioned by emergencies such as fires, storms, floods, earthquakes or any other unavoidable cause without regard to Sundays, Federal holidays, and the regular workweek.

The Chief of the Forest Service is authorized to establish an advisory committee on the Ouachita National Forest to advise the Forest Supervisor on the new Forest Plan including principles of "New Perspectives" for forest management, and other land management activities. The committee shall be comprised of individuals who, in the Chief's judgment, represent a diversity of views: Provided, That every effort shall be made to ensure that environmental and business concerns are equally represented on the committee. The committee may be formed without being subject to the Federal Advisory Committee Act (86 Stat. 770). Committee members shall serve without compensation but may be reimbursed for travel expenses at the prevailing Government rate.

Section 3 of Public Law 87-869 (16 U.S.C. 554d, 76 Stat. 1157) is hereby amended by striking the number "$35,000" and inserting in lieu thereof "$100,000".

The Forest Service is directed to begin the preparation of all environmental documents necessary to implement the management goals, policies, standards, and guidelines contained in the recently completed land and resource management plans on the national forests in Region 6, Oregon and Washington.

DEPARTMENT OF ENERGY

CLEAN COAL TECHNOLOGY

The first paragraph under this head in Public Law 101-121 is amended by striking "$600,000,000 shall be made available on October 1, 1990, and shall remain available until expended, and $600,000,000 shall be made available on October 1, 1991, and shall remain available until expended" and inserting "$600,000,000 shall be made available as follows: **[**$35,000,000**]** *$100,000,000* on September 1, 1991, **[**$315,000,000**]** *$250,000,000* on October 1, 1991, and $250,000,000 on October 1, 1992, all such sums to remain available until expended for use in conjunction with a separate general request for proposals, and $600,000,000 shall be made available as follows: $150,000,000 on October 1, 1991, $225,000,000 on October 1, 1992, and $225,000,000 on October 1, 1993, all such sums to remain available until expended for use in conjunction with a separate general request for proposals": *Provided,* That these actions are taken pursuant to section 202(b)(1) of Public Law 100-119 (2 U.S.C. 909)*: Provided further, That a fourth general request for proposals shall be issued not later than January 1, 1991, and a fifth general request for proposals shall be issued not later than March 1, 1992: Provided further, That project proposals resulting from such solicitations shall be selected not later than eight months after the date of the general request for proposals: Provided further, That for clean coal solicitations required herein, provisions included for the repayment of government contributions to individual projects shall be identical to those included in the Program Opportunity Notice (PON) for Clean Coal Technology III (CCT-III) Demonstration Projects (solicitation number DE-PS01-89 FE 61825), issued by the Department of Energy on May 1, 1989: Provided further, That none of the funds provided under this head in this or any other Act may be used to restrict the geographic area of eligibility for all or any portion of such funds to any area other than the United States.*

With regard to funds made available under this head in this and previous appropriations Acts, unobligated balances excess to the needs of the procurement for which they originally were made available may be applied to other procurements for use on projects for which cooperative agreements are in place, within the limitations and proportions of Government financing increases currently allowed by law: *Provided,* That the Department of Energy, for a period of up to five (5) years after completion of the operations phase of a cooperative agreement may provide appropriate protections, including exemptions from subchapter II of chapter 5 of title 5, United States Code, against the dissemination of information that results from demonstration activities conducted under the Clean Coal Technology Program and that would be a trade secret or commercial or financial information that is privileged or confidential if the information had been obtained from and first produced by a non-Federal party participating in a Clean Coal Technology project: *Provided further,* That, in addition to the full-time permanent Federal employees specified in section 303 of Public Law 97-257, as amended, no less than 90 full-time Federal employees shall be assigned to the Assistant Secretary for Fossil Energy for carrying out the programs under this head using funds available under this head in this and any other appropriations Act *and of which 35 shall be for PETC and 30 shall be for METC: Provided further,* That reports on projects selected by the Secretary of Energy pursuant to authority granted under this heading which are received by the Speaker of the House of Representatives and the President of the Senate less than 30 legislative days prior to the end of the second session of the 101st Congress shall be deemed to have met the criteria in the third proviso of the fourth paragraph under the heading "Administrative provisions, Department of Energy" in the Department of the Interior and Related Agencies Appropriations Act, 1986, as contained in Public Law 99-190, upon expiration of 30 calendar days from receipt of the report by the Speaker of the House of Representatives and the President of the Senate or at the end of the session, whichever occurs later.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

For necessary expenses in carrying out fossil energy research and development activities, under the authority of the Department of Energy Organization Act (Public Law 95-91), including the acquisition of interest, including defeasible and equitable interests in any real property or any facility or for plant or facility acquisition or expansion, **[**$443,258,000**]** *$459,322,000,* to remain available until expended, of which $267,000

is for the functions of the Office of the Federal Inspector for the Alaska Natural Gas Transportation System established pursuant to the authority of Public Law 94-586 (90 Stat. 2908-2909) and of which [$3,169,000] *$2,969,000* is for the fuels program[, and of which $3,000,000 is for a cooperative research program with States: *Provided,* That no part of this appropriation shall be used to pay more than one-half the cost of any project carried on in the above-mentioned cooperative research program]: *Provided further,* That no part of the sum herein made available shall be used for the field testing of nuclear explosives in the recovery of oil and gas.

Of the funds herein provided, $40,250,000 is for implementation of the June, 1984 multiyear, cost-shared magnetohydrodynamics program targeted on proof-of-concept testing: *Provided,* That 35 per centum private sector cash or in-kind contributions shall be required for obligations in fiscal year 1991, and for each subsequent fiscal year's obligations private sector contributions shall increase by 5 per centum over the life of the proof-of-concept plan: *Provided further,* That existing facilities, equipment, and supplies, or previously expended research or development funds are not cost-sharing for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further,* That cost-sharing shall not be required for the costs of constructing or operating Government-owned facilities or for the costs of Government organizations, National Laboratories, or universities and such costs shall not be used in calculating the required percentage for private sector contributions: *Provided further,* That private sector contribution percentages need not be met on each contract but must be met in total for each fiscal year.

Of the funds provided herein, $3,500,000 shall be for a grant for the National Research Center for Coal and Energy, and $3,500,000 shall be for a grant for the University of North Dakota Energy and Environmental Research Center.

Of the funds provided herein, $8,000,000 is to initiate a ten-year industry/government cooperative agreement to design, construct, and operate a proof-of-concept oil shale facility employing modified in-situ retorting and surface processing of mined shale and waste at Federal Prototype Oil Shale Lease Tract Cb near Meeker, Colorado: *Provided,* That the Federal contribution to the cooperative agreement shall not exceed $80,000,000 in 1989 dollars escalated yearly by the annual GNP deflator, or 40 per centum of the total equity in the project, whichever is less: *Provided further,* That at no time during the project shall the Federal contribution exceed 40 per centum of total equity in the project: *Provided further,* That in fiscal years 1992 and thereafter, the annual Federal contribution shall not exceed the annual portion of the remaining allowable Federal contribution distributed evenly over the remaining years of the project: *Provided further,* That construction of such facility shall not commence prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than 3 calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a report on such project including the results of the detailed design, cost estimate, and environmental compliance activities, and such additional facts and circumstances as necessary to support project construction and operation.

ALTERNATIVE FUELS PRODUCTION

(INCLUDING TRANSFER OF FUNDS)

Monies received as investment income on the principal amount in the Great Plains Project Trust at the Norwest Bank of North Dakota, in such sums as are earned as of October 1, 1990, shall be deposited in this account and immediately transferred to the General Fund of the Treasury.

Monies received as revenue sharing from the operation of the Great Plains Gasification Plant shall be immediately transferred to the General Fund of the Treasury.

NAVAL PETROLEUM AND OIL SHALE RESERVES

For necessary expenses in carrying out naval petroleum and oil shale reserve activities, [$224,310,000] *$210,610,000,* to remain available until expended: *Provided,* That, notwithstanding any other provision of law, revenues received from the sale of natural gas after the date of enactment of this Act from wells drilled or communitized in fiscal year 1990 and thereafter as part of gas protection activity at the Naval Oil Shale Reserves shall be deposited in this account, to remain available until expended, for use in further gas protection activity*: Provided further, That sums in excess of $638,000,000 received during fiscal year 1991 from use and operation of the Naval Petroleum Reserves Numbered 1, 2, and 3 shall be deposited in the "SPR Petroleum Account", to remain available until expended, for the acquisition and transportation of petroleum and for other necessary purposes.*

ENERGY CONSERVATION

For necessary expenses in carrying out energy conservation activities, [$497,684,000] *$470,941,000,* to remain available until expended, including, notwithstanding any other provision of law, the excess amount for fiscal year 1991 determined under the provisions of section 3003(d) of Public Law 99-509 (15 U.S.C. 4502): *Provided,* That [$247,893,000] *$223,000,000* shall be for use in energy conservation programs as defined in section 3008(3) of Public Law 99-509 (15 U.S.C. 4507) and shall not be available until excess amounts are determined under the provisions of section 3003(d) of Public Law 99-509 (15 U.S.C. 4502): *Provided further,* That notwithstanding section 3003(d)(2) of Public Law 99-509 such sums shall be allocated to the eligible programs in the same proportion for each program as in fiscal year 1990: *Provided further,* That $1,250,000 of the amount provided under this heading shall be for *a grant to the University of Northern Iowa for the regional metals casting center* [establishment of a National Metal Casting Research Institute at the University of Alabama consistent with the provisions of the "Department of Energy Metal Casting Competitiveness Research Act of 1990", H.R. 1243 or equivalent legislation]: *Provided further,* That $16,900,000 of the amount provided under this heading shall be available for continuing research and development efforts begun under title II of the Interior and Related Agencies portion of the joint resolution entitled "Joint Resolution making further continuing appropriations for the fiscal year 1986, and for other purposes", approved December 19, 1985 (Public Law 99-190), and implementation of steel and aluminum research authorized by Public Law 100-680*: Provided further, That $3,000,000 of the amount provided under this heading shall be available for a grant to the National Center for Alternate Transportation Fuels Provided further,* That existing facilities, equipment, and supplies, or previously expended research or development funds are not accepted as contributions for the purposes of this appropriation, except as amortized, depreciated, or expensed in normal business practice: *Provided further,* That the total Federal expenditure under this proviso shall be repaid up to one and one-half times from the proceeds of the commercial sale, lease, manufacture, or use of technologies developed under this proviso, at a rate of one-fourth of all net proceeds.

ECONOMIC REGULATION

For necessary expenses in carrying out the activities of the Economic Regulatory Administration and the Office of Hearings and Appeals, $16,816,000.

EMERGENCY PREPAREDNESS

For necessary expenses in carrying out emergency preparedness activities, [$6,617,000] *$7,117,000.*

STRATEGIC PETROLEUM RESERVE

For expenses necessary to carry out the provisions of sections 151 through 166 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), [$195,633,000] *$201,633,000,* to remain available until expended[: *Provided,* That appropriations herein made shall not be available for leasing of facilities for the storage of crude oil for the Strategic Petroleum Reserve].

SPR PETROLEUM ACCOUNT

For the acquisition and transportation of petroleum and for other necessary expenses under section 167 of the Energy Policy and Conservation Act of 1975 (Public Law 94-163), as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97-35), [$119,935,000, to remain available until expended: *Provided,* That an additional $90,860,000] *$196,188,000* shall be made available until expended beginning October 1, 1991: *Provided further,* That notwithstanding 42 U.S.C. 6240(d) the United States share of crude oil in Naval Petroleum Reserve Numbered 1 (Elk Hills) may be sold or otherwise disposed of to other than the Strategic Petroleum Reserve[: *Provided further,* That no funds appropriated in this or any other appropriations Act may be used for the lease of crude oil for the Strategic Petroleum Reserve:] *Provided further,* That outlays in fiscal year 1991 resulting from the use of funds in this account other than funds deposited pursuant to 42 U.S.C. 6247 as a result of the sale of petroleum products in any drawdown and distribution of the Strategic Petroleum Reserve under 42 U.S.C. 6241 shall not exceed $378,000,000: *Provided further,* That this action is taken pursuant to section 202(b)(1) of Public Law 100-119 (2 U.S.C. 909).

ENERGY INFORMATION ADMINISTRATION

For necessary expenses in carrying out the activities of the Energy Information Administration, [$68,608,000] *$68,853,000,* of which $1,000,000 for computer operations shall remain available until September 30, 1992 and $1,700,000 for end use energy consumption surveys shall remain available until expended.

ADMINISTRATIVE PROVISIONS, DEPARTMENT OF ENERGY

Appropriations under this Act for the current fiscal year shall be available for hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase, repair, and cleaning of uniforms; and reim-

bursement to the General Services Administration for security guard services.

From appropriations under this Act, transfers of sums may be made to other agencies of the Government for the performance of work for which the appropriation is made.

[None of the funds made available to the Department of Energy under this Act shall be used to implement or finance authorized price support or loan guarantee programs, or the leasing of crude oil for the Strategic Petroleum Reserve or the leasing of facilities for the storage of crude oil for the Strategic Petroleum Reserve unless specific provision is made for such programs or activities in an appropriations Act.]

The Secretary of Energy is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, private, or foreign: *Provided,* That revenues and other moneys received by or for the account of the Department of Energy or otherwise generated by sale of products in connection with projects of the Department appropriated under this Act may be retained by the Secretary of Energy, to be available until expended, and used only for plant construction, operation, costs, and payments to cost-sharing entities as provided in appropriate cost-sharing contracts or agreements: *Provided further,* That the remainder of revenues after the making of such payments shall be covered into the Treasury as miscellaneous receipts: *Provided further,* That any contract, agreement, or provision thereof entered into by the Secretary of Energy pursuant to this authority shall not be executed prior to the expiration of 30 calendar days (not including any day in which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) from the receipt by the Speaker of the House of Representatives and the President of the Senate of a full comprehensive report on such project, including the facts and circumstances relied upon in support of the proposed project.

The Secretary of Energy may transfer to the Emergency Preparedness appropriation such funds as are necessary to meet any unforeseen emergency needs from any funds available to the Department of Energy from this Act.

Annual appropriations made in this Act and previous Interior and Related Agencies Appropriations Acts shall be available for obligations in connection with contracts issued by the Department of Energy for supplies and services for periods not in excess of twelve months beginning at any time during the fiscal year.

Notwithstanding any other provision of law, the Secretary of Energy may enter into a contrct, agreement, or arrangement, including, but not limited to, a Management and Operating Contract as defined in the Federal Acquisition Regulations (17.601), with a profit-making or non-profit entity to conduct activities at the Department of Energy's research facilities at Bartlesville, Oklahoma: *Provided,* That any contract, agreement, or arrangement shall contain provisions encouraging use of the Department of Energy's Bartlesville facilities by interested third party sponsors: *Provided further,* That any contract, agreement, or arrangement entered into by the Secretary pursuant to this authority shall be submitted to the Senate Committee on Appropriations and the House Committee on Appropriations and a period of thirty days shall elapse while Congress is in session (in computing the thirty days, there shall be excluded the days on which either the Senate or the House is not in session because of adjournment for more than three days) before the contract, agreement, or arrangement shall become effective.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

INDIAN HEALTH SERVICE

INDIAN HEALTH SERVICES

For expenses necessary to carry out the Act of August 5, 1954 (68 Stat. 674), the Indian Self-Determination Act, the Indian Health Care Improvement Act, and titles III and XXVI and sections 208 and 338G of the Public Health Service Act with respect to the Indian Health Service, including hire of passenger motor vehicles and aircraft; purchase of reprints; purchase and erection of portable buildings; payments for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; [$1,419,700,000] *$1,414,500,000, together with payments received during the fiscal year pursuant to 42 U.S.C. 300cc-2 for services furnished by the Indian Health Service*: *Provided,* That notwithstanding any other law or regulation, funds transferred from the Department of Housing and Urban Development to the Indian Health Service shall be administered under Public Law 86-121 (the Indian Sanitation Facilities Act): *Provided further,* That funds made available to tribes and tribal organizations through grants and contracts authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450), shall remain available until expended: *Provided further,* That $17,000,000 shall remain available until expended, for the Indian Catastrophic Health Emergency Fund and contract medical care: *Provided further,* That of the funds provided, $5,000,000 shall be used to carry out a loan repayment program under which Federal, State, and commercial-type educational loans for physicians and other health professionals will be repaid at a rate not to exceed $25,000 per year of obligated service in return for full-time clinical service: *Provided further,* That funds provided in this Act may be used for one-year contracts and grants which are to be performed in two fiscal years, so long as the total obligation is recorded in the year for which the funds are appropriated: *Provided further,* That the amounts collected by the Secretary of Health and Human Services under the authority of title IV of the Indian Health Care Improvement Act shall be available for two fiscal years after the fiscal year in which they were collected, for the purpose of achieving compliance with the applicable conditions and requirements of titles XVIII and XIX of the Social Security Act (exclusive of planning, design, construction of new facilities, or major renovation of existing Indian Health Service facilities): *Provided further,* That of the funds provided, $2,500,000 shall remain available until expended, for the Indian Self-Determination Fund, which shall be available for the transitional costs of initial or expanded tribal contracts, grants or cooperative agreements with the Indian Health Service under the provisions of the Indian Self-Determination Act: *Provided further,* That funding contained herein, and in any earlier appropriations Acts for scholarship programs under [section 103] of the Indian Health Care Improvement Act *(25 U.S.C. 1613)* and section 338G of the Public Health Service Act with respect to the Indian Health Service shall remain available for expenditure until September 30, 1992: *Provided further,* That amounts received by tribes and tribal organizations under title IV of the Indian Health Care Improvement Act and Public Law 100-713 shall be reported and accounted for and available to the receiving tribes and tribal organizations until expended: *Provided further,* That notwithstanding the existing Indian Health Service facilities priority system, $1,500,000 shall remain available until expended for the purpose of funding a demonstration program to equip, supply, operate, and maintain up to three health centers to be selected by the Secretary of Health and Human Services, acting through the Service, for the provision of Indian Health Service funded health services: *Provided further,* That the centers shall be selected on a competitive basis from those tribal applicants who agree to provide an appropriate facility for use as a health center for a minimum of 20 years, under a no cost lease, in exchange for financial resources to equip, supply, operate and maintain such health centers.

INDIAN HEALTH FACILITIES

For construction, major repair, improvement, and equipment of health and related auxiliary facilities, including quarters for personnel; preparation of plans, specifications, and drawings; acquisition of sites, purchase and erection of portable buildings, and purchases of trailers; and for provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the Act of August 5, 1954 (42 U.S.C. 2004a), the Indian Self-Determination Act and the Indian Health Care Improvement Act, [$167,236,000] *$165,956,000,* to remain available until expended: *Provided,* That notwithstanding any other provision of law, funds appropriated for the planning, design, construction or renovation of health facilities for the benefit of an Indian tribe or tribes may be used to purchase land for sites to construct, improve, or enlarge health or related facilities.

ADMINISTRATIVE PROVISIONS, INDIAN HEALTH SERVICE

Appropriations in this Act to the Indian Health Service shall be available for services as authorized by 5 U.S.C. 3109 but at rates not to exceed the per diem equivalent to the rate for GS-18, and for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902), and for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities[: *Provided,* That none of the funds appropriated under this Act to the Indian Health Service shall be available for the initial lease of permanent structures without advance provision therefor in appropriations Acts]*: Provided, That no later than 30 days after the end of each quarter of the fiscal year, the Indian Health Service is to report to the Committee on Appropriations of the United States House of Representatives and the United States Senate on any proposed adjustments to existing leases or proposed additional leases for permanent structures to be used in the delivery of Indian health care services*: *Provided further,* That non-Indian patients may be extended health care at all tribally administered or Indian Health Service facilities, if such care can be extended without impairing the ability of the facility to fulfill its re-

sponsibility to provide health care to Indians served by such facilities and subject to such reasonable charges as the Secretary of Health and Human Services shall prescribe, the proceeds of which, together with funds recovered under the Federal Medical Care Recovery Act (42 U.S.C. 2651-53), shall be deposited in the fund established by sections 401 and 402 of the Indian Health Care Improvement Act or in the case of tribally administered facilities, shall be retained by the tribal organization without fiscal year limitation: *Provided further,* That funds appropriated to the Indian Health Service in this Act, except those used for administrative and program direction purposes, shall not be subject to limitations directed at curtailing Federal travel and transportation: *Provided further,* That with the exception of Indian Health Service units which currently have a billing policy, the Indian Health Service shall not initiate any further action to bill Indians in order to collect from third-party payers nor to charge those Indians who may have the economic means to pay unless and until such time as Congress has agreed upon a specific policy to do so and has directed the Indian Health Service to implement such a policy: *Provided further,* That personnel ceilings may not be imposed on the Indian Health Service nor may any action be taken to reduce the full-time equivalent level of the Indian Health Service by the elimination of temporary employees by reduction in force, hiring freeze or any other means without the review and approval of the Committees on Appropriations: *Provided further,* That none of the funds made available to the Indian Health Service in this Act shall be used to implement the final rule published in the Federal Register on September 16, 1987, by the Department of Health and Human Services, relating to eligibility for the health care services of the Indian Health Service until the Indian Health Service has submitted a budget request reflecting the increased costs associated with the proposed final rule, and such request has been included in an appropriations Act and enacted into law: *Provided further,* That funds made available in this Act are to be apportioned to the Indian Health Service as appropriated in this Act, and accounted for in the appropriation structure set forth in this Act: *Provided further, That none of the funds provided in this Act shall be available for the closure or reorganization of the Tucson area office prior to receiving advance approval of the Committees on Appropriations of the United States House of Representatives and the United States Senate.*

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

For necessary expenses to carry out, to the extent not otherwise provided, the Indian Education Act of 1988, $75,762,000, of which $56,556,000 shall be for subpart 1 and $16,304,000 shall be for subparts 2 and 3: *Provided,* That $1,578,000 available pursuant to section 5323 of the Act shall remain available for obligation until September 30, 1992.

OTHER RELATED AGENCIES

OFFICE OF NAVAJO AND HOPI INDIAN RELOCATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Navajo and Hopi Indian Relocation as authorized by Public Law 93-531, $33,749,000, to remain available until expended: *Provided,* That funds provided in this or any other appropriations Act are to be used to relocate eligible individuals and groups including evictees from District 6, Hopi-partitioned lands residents, those in significantly substandard housing, and all others certified as eligible and not included in the preceding categories: *Provided further,* That none of the funds contained in this or any other Act may be used to evict any single Navajo or Navajo family who, as of November 30, 1985, was physically domiciled on the lands partitioned to the Hopi Tribe unless a new or replacement home is provided for such household: *Provided further,* That no relocatee will be provided with more than one new or replacement home: *Provided further,* That the Office shall relocate any certified eligible relocatees who have selected and received an approved homesite on the Navajo reservation or selected a replacement residence off the Navajo reservation or on the land acquired pursuant to 25 U.S.C. 640d-10.

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

PAYMENT TO THE INSTITUTE

For payment to the Institute of American Indian and Alaska Native Culture and Arts Development, as authorized by Public Law 99-498, as amended (20 U.S.C. 56, part A), [$5,673,000] *$4,602,000,* of which not to exceed $300,000 for Federal matching contributions, to remain available until expended, shall be paid to the Institute endowment fund: *Provided,* That notwithstanding any other provision of law, the annual budget proposal and justification for the Institute shall be submitted to the Congress concurrently with the submission of the President's Budget to the Congress: *Provided further,* That the Institute shall act as its own certifying officer.

SMITHSONIAN INSTITUTION

SALARIES AND EXPENSES

For necessary expenses of the Smithsonian Institution, as authorized by law, including research in the fields of art, science, and history; development, preservation, and documentation of the National Collections; presentation of public exhibits and performances; collection, preparation, dissemination, and exchange of information and publications; conduct of education, training, and museum assistance programs; maintenance, alteration, operation, lease (for terms not to exceed thirty years), and protection of buildings, facilities, and approaches; not to exceed $100,000 for services as authorized by 5 U.S.C. 3109; up to 5 replacement passenger vehicles; purchase, rental, repair, and cleaning of uniforms for employees; [$274,342,000] *$270,595,000,* of which not to exceed [$20,402,000] *$19,437,000* for the instrumentation program, collections acquisition, Museum Support Center equipment and move, exhibition reinstallation, the National Museum of the American Indian, and the repatriation of skeletal remains program shall remain available until expended and, including such funds as may be necessary to support American overseas research centers and a total of $125,000 for the Council of American Overseas Research Centers: *Provided,* That funds appropriated herein are available for advance payments to independent contractors performing research services or participating in official Smithsonian presentations: *Provided further,* That $15,000,000 of the amount appropriated under this head shall be made available to the Trustees of the John F. Kennedy Center for the Performing Arts for repayment of an accumulated operating deficit.

MUSEUM AND RELATED RESEARCH

(SPECIAL FOREIGN CURRENCY PROGRAM)

Funds previously appropriated in this account for the American Institute of Indian Studies Forward Funded Reserve may be invested in India by the United States Embassy in India in interest bearing accounts with the interest to be used along with other funds in the account to support the ongoing programs of the American Institute of Indian Studies.

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

For necessary expenses of planning, construction, remodeling, and equipping of buildings and facilities at the National Zoological Park, by contract or otherwise, $6,671,000, to remain available until expended.

REPAIR AND RESTORATION OF BUILDINGS

For necessary expenses of repair and restoration of buildings owned or occupied by the Smithsonian Institution, by contract or otherwise, as authorized by section 2 of the Act of August 22, 1949 (63 Stat. 623), including not to exceed $10,000 for services as authorized by 5 U.S.C. 3109, [$31,356,000] *$31,656,000,* to remain available until expended[, including $1,500,000 for the East Court building of the National Museum of Natural History, subject to authorization]: *Provided,* That contracts awarded for environmental systems, protection systems, and exterior repair or restoration of buildings of the Smithsonian Institution may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

CONSTRUCTION

For necessary expenses for construction, [$15,989,000] *$16,189,000,* to remain available until expended, *including $1,500,000 for the East Court building of the National Museum of Natural History, subject to authorization: Provided,* That notwithstanding any other provision of law, the Institution is authorized to transfer to the State of Arizona, the counties of Santa Cruz and/or Pima, a sum not to exceed $150,000 for the purpose of assisting in the construction or maintenance of an access to the Whipple Observatory.

NATIONAL GALLERY OF ART

SALARIES AND EXPENSES

For the upkeep and operations of the National Gallery of Art, the protection and care of the works of art therein, and administrative expenses incident thereto, as authorized by the Act of March 24, 1937 (50 Stat. 51), as amended by the public resolution of April 13, 1939 (Public Resolution 9, Seventy-sixth Congress), including services as authorized by 5 U.S.C. 3109; payment in advance when authorized by the treasurer of the Gallery for membership in library, museum, and art associations or societies whose publications or services are available to members only, or to members at a price lower than to the general public; purchase, repair, and cleaning of uniforms for guards, and uniforms, or allowances therefor, for other employees as authorized by law (5 U.S.C. 5901-5902); purchase, or rental of devices and services for protecting buildings and contents thereof, and maintenance, alteration, improvement, and repair of buildings, approaches, and grounds; and purchase of services for restoration and repair of works of art for the National Gallery of Art

by contracts made, without advertising, with individuals, firms, or organizations at such rates or prices and under such terms and conditions as the Gallery may deem proper, $46,276,000, of which not to exceed $4,370,000 for the special exhibition program shall remain available until expended.

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

For necessary expenses of repair, restoration and renovation of buildings, grounds and facilities owned or occupied by the National Gallery of Art, by contract or otherwise, as authorized, [$3,205,000] *$4,205,000*, to remain available until expended: *Provided*, That contracts awarded for environmental systems, protection systems, and exterior repair or renovation of buildings of the National Gallery of Art may be negotiated with selected contractors and awarded on the basis of contractor qualifications as well as price.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

For expenses necessary in carrying out the provisions of the Woodrow Wilson Memorial Act of 1968 (82 Stat. 1356) including hire of passenger vehicles and services as authorized by 5 U.S.C. 3109, $5,074,000.

PAYMENT TO ENDOWMENT CHALLENGE FUND

Funds appropriated pursuant to Public Law 100-446, 102 Stat 1820, for payment to the Endowment Challenge Fund for the Woodrow Wilson International Center for Scholars and not transferred to the Center as of September 30, 1990, shall remain available until September 30, 1992: *Provided*, That such sums shall be transferred only to the extent matched on a three-to-one basis by private funds.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and Humanities Act of 1965, as amended, [$152,000,000] *$142,000,000* shall be available to the National Endowment for the Arts for the support of projects and productions in the arts through assistance to groups and individuals pursuant to section 5(c) of the Act, and for administering the functions of the Act.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $28,000,000, to remain available until September 30, 1992, to the National Endowment for the Arts, of which $15,000,000 shall be available for purposes of section 5(l): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of section 10(a)(2), subsections 11(a)(2)(A) and 11(a)(3)(A) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

For necessary expenses to carry out the National Foundation on the Arts and the Humanities Act of 1965, as amended [$143,550,000] *$141,150,000* shall be available to the National Endowment for the Humanities for support of activities in the humanities, pursuant to section 7(c) of the Act, and for administering the functions of the Act, of which [$8,700,000] *$4,200,000* for the Office of Preservation shall remain available until September 30, 1992.

MATCHING GRANTS

To carry out the provisions of section 10(a)(2) of the National Foundation on the Arts and the Humanities Act of 1965, as amended, $27,150,000, to remain available until September 30, 1992, of which $15,150,000 shall be available to the National Endowment for the Humanities for the purposes of section 7(h): *Provided*, That this appropriation shall be available for obligation only in such amounts as may be equal to the total amounts of gifts, bequests, and devises of money, and other property accepted by the Chairman or by grantees of the Endowment under the provisions of subsections 11(a)(2)(B) and 11(a)(3)(B) during the current and preceding fiscal years for which equal amounts have not previously been appropriated.

INSTITUTE OF MUSEUM SERVICES

GRANTS AND ADMINISTRATION

For carrying out title II of the Arts, Humanities, and Cultural Affairs Act of 1976, as amended, [$28,040,000] *$24,000,000*, including not to exceed $250,000 as authorized by 20 U.S.C. 965(b): *Provided*, That the National Museum Services Board shall not meet more than three times during fiscal year 1991.

ADMINISTRATIVE PROVISIONS

None of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to process any grant or contract documents which do not include the text of 18 U.S.C. 1913: *Provided*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used for official reception and representation expenses[: *Provided further*, That none of the funds appropriated to the National Foundation on the Arts and the Humanities may be used to require the signing of an affidavit respecting the content of a product of a grant]: *Provided further, That none of the funds authorized to be appropriated for the National Endowment for the Arts or the National Endowment for the Humanities may be used to promote, disseminate, or produce materials which in the judgment of the National Endowment for the Arts or the National Endowment for the Humanities may be considered obscene, including but not limited to, depictions of sadomasochism, homoeroticism, the sexual exploitation of children, or individuals engaged in sex acts and which, when taken as a whole, do not have serious literary, artistic, political, or scientific value.*

COMMISSION OF FINE ARTS

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing a Commission of Fine Arts (40 U.S.C. 104), $637,000.

NATIONAL CAPITAL ARTS AND CULTURAL AFFAIRS

For necessary expenses as authorized by Public Law 99-190 (99 Stat. 1261; 20 U.S.C. 956a), as amended, $6,250,000.

ADVISORY COUNCIL ON HISTORIC PRESERVATION

SALARIES AND EXPENSES

For expenses made necessary by the Act establishing an Advisory Council on Historic Preservation, Public Law 89-665, as amended, $2,238,000: *Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

NATIONAL CAPITAL PLANNING COMMISSION

SALARIES AND EXPENSES

For necessary expenses, as authorized by the National Capital Planning Act of 1952 (40 U.S.C. 71-71i), including services as authorized by 5 U.S.C. 3109, [$3,448,000] *$3,438,000*.

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Franklin Delano Roosevelt Memorial Commission, established by the Act of August 11, 1955 (69 Stat. 694), as amended by Public Law 92-332 (86 Stat. 401), $28,000 to remain available until September 30, 1992.

PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION

SALARIES AND EXPENSES

For necessary expenses, as authorized by section 17(a) of Public Law 92-578, as amended, $2,365,000, for operating and administrative expenses of the Corporation.

PUBLIC DEVELOPMENT

For public development activities and projects in accordance with the development plan as authorized by section 17(b) of Public Law 92-578, as amended, [$4,805,000] *$4,705,000*, to remain available until expended.

LAND ACQUISITION AND DEVELOPMENT FUND

The Pennsylvania Avenue Development Corporation is authorized to borrow from the Treasury of the United States $5,000,000, pursuant to the terms and conditions in paragraph 10, section 6, of Public Law 92-576, as amended.

UNITED STATES HOLOCAUST MEMORIAL COUNCIL

HOLOCAUST MEMORIAL COUNCIL

For expenses of the Holocaust Memorial Council, as authorized by Public Law 96-388, as amended, [$7,554,000] *$3,554,000: Provided*, That none of these funds shall be available for the compensation of Executive Level V or higher positions.

TITLE III—GENERAL PROVISIONS

SEC. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

[SEC. 302. None of the funds provided in this Act to the Department of the Interior may be obligated or expended to implement a transfer of property located within the city of Minneapolis from the Department of Housing and Urban Development to any Indian Tribe.]

SEC. [303.] *302.* No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetitive bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.

SEC. [304] *303.* No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

SEC. [305] *304.* No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. [306] *305.* None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency except as otherwise provided by law.

SEC. [307] *306.* None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

SEC. [308] *307.* No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such Committees.

SEC. [309] *308.* Employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law.

SEC. [310] *309.* Notwithstanding any other provision of law, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Energy, and the Secretary of the Smithsonian Institution are authorized to enter into contracts with State and local governmental entities, including local fire districts, for procurement of services in the presuppression, detection, and suppression of fires on any units within their jurisdiction.

SEC. [311] *310.* None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge.

SEC. [312] *311.* None of the funds in this Act may be used to plan, prepare, or offer for sale timber from trees classified as giant sequoia (sequoiadendron giganteum) which are located on National Forest System or Bureau of Land Management lands until an environmental assessment has been completed and the giant sequoia management implementation plan is approved. In any event, timber harvest within the identified groves will be done only to enhance and perpetuate giant sequoia. There will be no harvesting of giant sequoia specimen trees. Removal of hazard, insect, disease and fire killed giant sequoia other than specimen trees is permitted.

SEC. [313] *312.* Such sums as may be necessary for fiscal year 1991 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. [314] *313.* With respect to claims resulting from the performance of functions *during fiscal year 1991 and thereafter,* or claims asserted after [the effective date of this Act] *September 30, 1990,* but resulting from the performance of functions prior to fiscal year 1991, under a contract, grant agreement, or cooperative agreement authorized by the Indian Self-Determination and Education Assistance Act of 1975, as amended (88 Stat. 2203; 25 U.S.C. 450 et seq.) or by title V, part B, Tribally Controlled School Grants of the Hawkins-Stafford Elementary and Secondary School Improvement Amendments of 1988, as amended (102 Stat. 385; 25 U.S.C. 2501 et seq.), an Indian tribe, tribal organization or Indian contractor is deemed hereafter to be part of the Bureau of Indian Affairs in the Department of the Interior or the Indian Health Service in the Department of Health and Human Services while carrying out any such contract or agreement and its employees are deemed employees of the Bureau or Service while acting within the scope of their employment in carrying out the contract or agreement: *Provided,* That [upon the effective date of this legislation] *after September 30, 1990,* any civil action or proceeding involving such claims brought hereafter against any tribe, tribal organization, Indian contractor or tribal employee covered by this provision shall be deemed to be an action against the United States and will be defended by the Attorney General and be afforded the full protection and coverage of the Federal Tort Claims Act: *Provided further,* That beginning with the fiscal year ending September 30, 1991, and thereafter, the appropriate Secretary shall request through annual appropriations funds sufficient to reimburse the Treasury for any claims paid in the prior fiscal year pursuant to the foregoing provisions: *Provided further,* That nothing in this section shall in any way affect the provisions of section 102(d) of the Indian Self-Determination and Education Assistance Act of 1975, as amended (88 Stat. 2203; 25 U.S.C. 450 et seq.).

SEC. [315] *314.* Notwithstanding any other provision of law, the payment to be made by the United States Government pursuant to the provision of subsection (a) of title II of the Act of August 28, 1937 (50 Stat. 876) to the Oregon and California land-grant counties in the State of Oregon from fiscal year 1991 receipts derived from the Oregon and California grant lands shall not be less than 90 per centum of the average annual payment made to those counties of their share of the Oregon and California land-grant receipts collected during the three-year baseline period of fiscal years 1988 through 1990: *Provided,* That in no event shall this payment exceed the total amount of receipts collected from the Oregon and California grant lands during fiscal year 1991.

SEC. [316] *315.* Notwithstanding any other provision of law, payments to States pursuant to 16 U.S.C. 500 for National Forests affected by decisions relating to the Northern Spotted Owl from fiscal year 1991 receipts shall not be less than 90 per centum of the average annual payments to States, based on receipts collected on those National Forests during the three-year baseline period of fiscal years 1988 through 1990: *Provided,* That in no event shall these payments exceed the total amount of receipts collected from the affected National Forests during fiscal year 1991.

[SEC. 317. (a) The sum of $500,000 is hereby appropriated under this Act for the Forest Service to prepare the Supplement to the Final Environmental Impact Statement (SEIS) for the proposed Early Winters Alpine Sports Site in the Methow Valley, Washington State. This sum may be used by the Forest Service to employ additional employees or consultants in the preparation of the SEIS.

[Sec. 318. Subsection 401(a) of the Federal Land Policy and Managment Act of 1976 (43 U.S.C. 1751[a]) is hereby amended as follows:

[(a) Grazing Fee Structure for Public Lands.

[(1) Notwithstanding any other provision of law, the Secretary of Agriculture, with respect to lands in the 16 Western States administered by the U.S. Forest Service where domestic livestock grazing is permitted under applicable law, and the Secretary of the Interior, with respect to public lands administered by the Bureau of Land Management where domestic livestock grazing is permitted under applicable law, shall establish the following domestic livestock grazing fee structure for such grazing.

[(a) For fiscal year 1991, the grazing fee on such lands shall be not less than $4.35 per animal unit month.

[(b) For fiscal year 1992, the grazing fee on such lands shall be not less than $5.80 per animal unit month.

[(c) For fiscal year 1993, the grazing fee on such lands shall be not less than $7.25 per animal unit month.

[(d) For Fiscal Year 1994, and each fiscal year thereafter, the grazing fee on such lands shall not be less than $8.70 per animal unit month or fair market value, whichever is higher.

[(e)(i) Fair Market Value for purposes of this Section shall be defined as follows:

[Fair Market Value = Appraised Base Value x Forage Value Index

100

[(ii) As used in this Section, "Forage Value Index" means the Forage Value Index computed annually by the Economic Research Service, U.S. Department of Agriculture. "Appraised Base Value" means the 1983 Appraisal Value conclusions by animal class (expressed in dollars per head or pair month) for the pricing area concerned, as determined in the 1986 report prepared jointly by the Secretary of Agriculture and the Secretary of Interior entitled "Grazing Fee Review and Evaluation." dated February, 1986.

[(2) Executive Order No. 12548 of February 14, 1986 is hereby revoked."

[SEC. 319. SHORT TITLE.—This section may be cited as the "Arts, Humanities, and Museums Amendments of 1990".

[TITLE I—AMENDMENTS TO THE NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES ACT OF 1965

[SEC. 101. DECLARATION OF FINDINGS AND PURPOSES.

[Section 2 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951) is amended to read as follows:

["DECLARATION OF FINDINGS AND PURPOSES

["SEC. 2. The Congress finds and declares the following:

["(1) The arts and the humanities belong to all the people of the United States.

["(2) The encouragement and support of national progress and scholarship in the humanities and the arts, while primarily a matter for private and local initiative, are also appropriate matters of concern to the Federal Government.

["(3) An advanced civilization must not limit its efforts to science and technology

alone, but must give full value and support to the other great branches of scholarly and cultural activity in order to achieve a better understanding of the past, a better analysis of the present, and a better view of the future.

["(4) Democracy demands wisdom and vision in its citizens. It must therefore foster and support a form of education, and access to the arts and the humanities, designed to make people of all backgrounds and wherever located masters of their technology and not its unthinking servants.

["(5) It is necessary and appropriate for the Federal Government to complement, assist, and add to programs for the advancement of the humanities and the arts by local, State, regional, and private agencies and their organizations. In doing so, the Government must be sensitive to the nature of public sponsorship. Public funding of the arts and humanities is subject to the conditions that traditionally govern the use of public money. Such funding should contribute to public support and confidence in the use of taxpayer funds. Public funds provided by the Federal Government must ultimately serve public purposes the Congress defines.

["(6) The arts and the humanities reflect the high place accorded by the American people to the nation's rich cultural heritage and to the fostering of mutual respect for the diverse beliefs and values of all persons and groups.

["(7) The practice of art and the study of the humanities require constant dedication and devotion. While no government can call a great artist or scholar into existence, it is necessary and appropriate for the Federal Government to help create and sustain not only a climate encouraging freedom of thought, imagination, and inquiry but also the material conditions facilitating the release of this creative talent.

["(8) The world leadership which has come to the United States cannot rest solely upon superior power, wealth, and technology, but must be solidly founded upon worldwide respect and admiration for the Nation's high qualities as a leader in the realm of ideas and of the spirit.

["(9) Americans should receive in school, background and preparation in the arts and humanities to enable them to recognize and appreciate the aesthetic dimensions of our lives, the diversity of excellence that comprises our cultural heritage, and artistic and scholarly expression.

["(10) It is vital to a democracy to honor and preserve its multicultural artistic heritage as well as support new ideas, and therefore it is essential to provide financial assistance to its artists and the organizations that support their work.

["(11) To fulfill its educational mission, achieve an orderly continuation of free society, and provide models of excellence to the American people, the Federal Government must transmit the achievement and values of civilization from the past via the present to the future, and make widely available the greatest achievements of art.

["(12) In order to implement these findings and purposes, it is desirable to establish a National Foundation on the Arts and the Humanities.

[SEC. 102. DEFINITIONS.

[(a) LOCAL ARTS AGENCY.—Section 3 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952) is amended—

[(1) in subsection (b) by inserting "all those traditional arts practiced by the diverse peoples of this country." after "forms,", and

[(2) by adding at the end the following:

["(h) The term 'local arts agency' means a community organization, or an agency of local government, that primarily provides financial support, services, or other programs for a variety of artists and arts organizations, for the benefit of the community as a whole.

["(i) The term 'developing arts organization' means a local arts organization of high artistic promise which—

["(1) serves as an important source of local arts programming in a community; and

["(2) has the potential to develop artistically and institutionally to broaden public access to the arts in rural and innercity areas and other areas that are underserved artistically.".

[(b) TECHNICAL AMENDMENTS.—Section 3 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952) is amended—

[(1) in subsection (b) by inserting "film, video," after "radio,",

[(2) in subsection (c) by inserting "film, video," after "radio,", and

[(3) in subsection (d)—

[(A) in the first sentence by inserting "the widest" after "enhance", and

[(B) in paragraph (2) by striking "sections 5(1)" and inserting "sections 5(p), 7(c)(10),".

[(c) DETERMINED TO BE OBSCENE; FINAL JUDGEMENT.—Section 3 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 952), as amended by subsection (a), is amended by adding at the end the following:

["(j) The term 'determined to be obscene' means determined, in a final judgment of a court of record and of competent jurisdiction in the United States, to be obscene.

["(k) The term 'final judgment' means a judgment that is either—

["(1) not reviewed by any other court that has authority to review such judgment; or

["(2) is not reviewable by any other court.

["(l) The term 'obscene' means with respect to a project, production, workshop, or program that—

["(1) the average person, applying contemporary community standards, would find that such project, production, workshop, or program, when taken as a whole, appeals to the prurient interest;

["(2) such project, production, workshop, or program depicts or describes sexual conduct in a patently offensive way; and

["(3) such project, production, workshop, or program, when taken as a whole, lacks serious literary, artistic, political, or scientific value.".

[SEC. 103. NATIONAL ENDOWMENT FOR THE ARTS.

[(a) AUTHORITY TO PROVIDE ASSISTANCE.—Section 5(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(c)) is amended—

[(1) by amending paragraph (1) to read as follows:

["(1) projects and productions which have substantial national or international artistic and cultural significance, giving emphasis to American creativity and cultural diversity and to the maintenance and encouragement of professional excellence;",

[(2) in paragraph (2) by inserting "or tradition" after "authenticity",

[(3) in paragraph (5) by inserting "education," after "knowledge,",

[(4) in paragraph (7) by striking "and",

[(5) by redesignating paragraph (8) as paragraph (10),

[(6) by inserting after paragraph (7) the following:

["(8) projects that enhance managerial and organizational skills and capabilities;

["(9) projects, productions, and workshops of the kinds described in paragraphs (1) through (8) through film, radio, video, and similar media, for the purpose of broadening public access to the arts; and", and

[(7) in the matter following paragraph (10), as so redesignated, by striking "clause (8)" and inserting "paragraph (10)".

[(b) ARTISTIC EXCELLENCE AND OBSCENE MATTER.—Section 5(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(d)) is amended to read as follows:

["(d) No payment shall be made under this section except upon application therefor which is submitted to the National Endowment for the Arts in accordance with regulations issued and procedures established by the Chairperson. In establishing such regulations and procedures, the Chairperson shall ensure that—

["(1) artistic excellence and artistic merit are the criteria by which applications are judged, taking into consideration general standards of decency and respect for the diverse beliefs and values of the American public; and

["(2) applications are consistent with the purposes of this section. Such regulations and procedures shall clearly indicate that obscenity is without artistic merit, is not protected speech, and shall not be funded. Projects, productions, workshops, and programs that are determined to be obscene are prohibited from receiving financial assistance under this Act from the National Endowment for the Arts.

[The disapproval or approval of an application by the Chairperson shall not be construed to mean, and shall not be considered as evidence that, the project, production, workshop, or program for which the applicant requested financial assistance is or is not obscene.".

[(c) TECHNICAL AMENDMENT.—Section 5(f) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(f)) is amended by striking "1954" and inserting "1986".

[(d) STATE APPLICATIONS FOR ASSISTANCE.—Section 5(g)(2)(E) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(g)(2)(E)) is amended by striking clauses (i) and (ii), and inserting the following:

["(i) a description of the level of participation during the most recent preceding year for which information is available by artists, artists' organizations, and arts organizations in projects and productions for which financial assistance is provided under this subsection;

["(ii) for the most recent preceding year for which information is available, a description of the extent projects and productions receiving financial assistance from the State arts agency are available to all people and communities in the State; and".

[(e) PURPOSES OF PROGRAM PROVIDING ASSISTANCE TO AGENCIES AND ORGANIZATIONS.—Section 5(l)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(l)(1)) is amended—

[(1) in subparagraph (E) by striking "and" at the end,

[(2) in subparagraph (F) by striking the period at the end and inserting "; and", and

[(3) by inserting after subparagraph (F) the following:

["(G) stimulating artistic activity and awareness which are in keeping with the varied cultural traditions of this Nation.".

[(f) SYSTEM OF NATIONAL INFORMATION AND DATA COLLECTION.—Section 5(m) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(m)) is amended—

[(1) in the first sentence—

[(A) by inserting "ongoing" after "shall, in",

[(B) by striking "develop" and inserting "continue to develop and implement", and

[(C) by inserting "and public dissemination" after "collection",

[(2) by striking the fourth sentence, and

[(3) in the last sentence by striking "1988, and biennially" and inserting "1992, and quadrennially".

[(g) CONTENTS OF APPLICATIONS; INSTALLMENT PAYMENTS.—Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954) is amended—

[(1) by redesignating subsections (i) through (m) as subsections (l) through (p), respectively, and

[(2) by inserting after subsection (h) the following:

["(i) It shall be a condition of the receipt of financial assistance provided under this section by the Chairperson or the State agency that the applicant for such assistance include in its application—

["(1) a detailed description of the proposed project, production, workshop, or program for which the applicant requests such assistance;

["(2) a timetable for the completion of such proposed project, production, workshop, or program;

["(3) an assurance that the applicant will submit—

["(A) interim reports describing the applicant's—

["(i) progress in carrying out such project, production, workshop, or program; and

["(ii) compliance with this Act and the conditions of receipt of such assistance;

["(B) if such proposed project, production, workshop, or program will be carried out during a period exceeding 1 year, an annual report describing the applicant's—

["(i) progress in carrying out such project, production, workshop, or program; and

["(ii) compliance with this Act and the conditions of receipt of such assistance; and

["(C) not later than 90 days after—

["(i) the end of the period for which the applicant receives such assistance; or

["(ii) the completion of such project, production, workshop, or program;

whichever occurs earlier, a final report to the Chairperson or the State agency (as the case may be) describing the applicant's compliance with this Act and the conditions of receipt of such assistance; and

["(4) an assurance that the project, production, workshop, or program for which assistance is requested will meet the standards of artistic excellence and artistic merit required by this Act.

["(j) The Chairperson shall issue regulations to provide for the distribution of financial assistance to recipients in installments except in those cases where the Chairperson determines that installments are not practicable. In implementing any such installments, the Chairperson shall ensure that—

["(1) not more than two-thirds of such assistance may be provided at the time such application is approved; and

["(2) the remainder of such assistance may not be provided until the Chairperson finds that the recipient of such assistance is complying substantially with this section and with the conditions under which such assistance is provided to such recipient.

["(k) The Inspector General of the Endowment shall conduct appropriate reviews to ensure that recipients of financial assistance under this section comply with the regulations under this Act that apply with respect to such assistance, including regulations relating to accounting and financial matters.".

[(h) LIMITATION ON RECEIPT OF FINANCIAL ASSISTANCE.—Section 5 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954), as amended by subsection (g), is amended—

[(1) by redesignating subsections (l) through (p) as subsections (m) through (q), respectively, and

[(2) by inserting after subsection (k) the following:

["(l)(1) If, after reasonable notice and opportunity for a hearing on the record, the Chairperson determines that a recipient of financial assistance provided under this section by the Chairperson or any non-Federal entity, used such financial assistance for a project, production, workshop, or program that is determined to be obscene, then the Chairperson shall require that until such recipient repays such assistance (in such amount, and under such terms and conditions, as the Chairperson determines to be appropriate) to the Endowment; no subsequent financial assistance be provided under this section to such recipient.

["(2) Financial assistance repaid under this section to the Endowment shall be deposited in the Treasury of the United States and credited as miscellaneous receipts.

["(3)(A) This subsection shall not apply with respect to financial assistance provided before the effective date of this subsection.

["(B) This subsection shall not apply with respect to a project, production, workshop, or program after the expiration of the 7-year period beginning on the latest date on which financial assistance is provided under this section for such project, production, workshop, or program.".

[(i) TECHNICAL AMENDMENTS.—(1) Section 5(m) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(i)), as so redesignated by subsections (g) and (h), is amended by striking "subsection (j)" and inserting "subsection (n)".

[(2) Section 11(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)) is amended—

[(A) in paragraph (3)—

[(i) in subparagraph (A) by striking "section 5(l)(1)" each place it appears and inserting "section 5(p)(1)", and

[(ii) in subparagraph (C) by striking "section 5(l)(1)" and inserting "section 5(p)(1)", and

[(B) in paragraph (4) by striking "section 5(l)(1)" and inserting "section 5(p)(1)".

[SEC. 104. INNOVATIVE PROGRAMS TO EXPAND PUBLIC ACCESS TO THE ARTS IN RURAL AND INNERCITY AREAS.

[Section 5(p) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954(l)), as so redesignated and amended by section 103, is amended—

[(1) in paragraph (3) by striking "section 5(c)" and inserting "subsection (c)",

[(2) by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively,

[(3) by inserting after paragraph (1) the following:

["(2)(A) The Chairperson of the National Endowment for the Arts, with the advice of the National Council on the Arts, is authorized in accordance with this subsection, to establish and carry out a program of contracts with, or grants to, States for the purposes of—

["(i) raising the artistic capabilities of developing arts organizations by providing for—

["(I) artistic and programmatic development to enhance artistic capabilities, including staff development; and

["(II) technical assistance to improve managerial and organizational skills, financial systems management, and long-range fiscal planning; and

["(ii) stimulating artistic activity and awareness and broadening public access to the arts in rural and innercity areas and other areas that are underserved artistically.

["(B) For purposes of providing financial assistance under this paragraph, the Chairperson shall give priority to the activities described in subparagraph (A)(i).

["(C) The Chairperson may not provide financial assistance under this paragraph to a particular applicant in more than 3 fiscal years for the purpose specified in subparagraph (A)(i).".

[SEC. 105. STRENGTHENING ARTS THROUGH ARTS EDUCATION.

[The National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 951-960) is amended by inserting after section 5 the following:

["ACCESS TO THE ARTS THROUGH SUPPORT OF EDUCATION

["SEC. 5A. (a) The purposes of this section are—

["(1) to increase accessibility to the arts through providing education to all Americans, including diverse cultures, urban and rural populations by encouraging and developing quality education in the arts at all levels, in conjunction with programs of nonformal education for all age groups, with formal systems of elementary, secondary, and postsecondary education;

["(2) to develop and stimulate research to teach quality education in the arts; and

["(3) to encourage and facilitate the work of artists, arts institutions, and Federal, State, regional, and local agencies in the area of education in the arts.

["(b) The Chairperson of the National Endowment for the Arts, is authorized to establish and carry out a program of contracts with, or grants to, any State or other public agency, individual, artist, any nonprofit society, performing and nonperforming arts and educational institution or organization, association, or museum in the United States, in order to foster and encourage exceptional talent, public knowledge, understanding, and appreciation of the arts, and to support the education, training, and development of this Nation's artists, through such activities as projects that will—

["(1) promote and improve the availability of arts instruction for American youth and life-long learning in the arts;

["(2) enhance the quality of arts instruction in programs of teacher education;

["(3) develop arts faculty resources and talents;

["(4) support and encourage the development of improved curriculum materials in the arts;

["(5) improve evaluation and assessment of education in the arts programs and instruction;

[''(6) foster cooperative programs with the Department of Education and encourage partnerships between arts and education agencies at State and local levels, arts organizations, business colleges and universities;

[''(7) support apprenticeships, internships, and other career oriented work-study experiences for artists and arts teachers, and encourage residencies of artists at all educational levels;

[''(8) support the use of technology and improved facilities and resources in education in the arts programs at all levels; and

[''(9) foster the development of demonstration projects, demonstration productions, demonstration workshops, and demonstration programs in arts education and collect, and make available to the public, information on their implementation and effectiveness.

[''(c) In order to provide advice and counsel concerning arts education, the Chairperson shall appoint an advisory council on arts education.''.

[SEC. 106. NATIONAL COUNCIL FOR THE ARTS.

[(a) MEMBERSHIP OF COUNCIL.—Section 6(b) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955(b)) is amended by adding at the end the following: ''Members of the Council shall be appointed so as to represent equitably all geographical areas in the United States.''.

[(b) MEETINGS AND RECORDS.—Section 6(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 955(d)) is amended—

[(1) by inserting ''(1)'' after ''(d)'', and

[(2) by adding at the end the following:

''All policy meetings of the Council shall be open to the public.

[''(2) The Council shall—

[''(A) create written records summarizing—

[''(i) all meetings and discussions of the Council; and

[''(ii) the recommendations made by the Council to the Chairperson; and

[''(B) make such records available to the public in a manner that protects the privacy of individual applicants, panel members, and Council members.''.

[(c) AUTHORITY OF COUNCIL.—Section 6(f) of the National Foundation of the Arts and the Humanities Act of 1965 (20 U.S.C. 955(f)) is amended—

[(1) in the first sentence—

[(A) by striking ''(1)'' and ''(2)'',

[(B) by striking ''thereon'', and

[(C) by inserting before the period the following:

''with respect to the approval of each application and the amount of financial assistance (if any) to provide to each applicant'',

[(2) in the second sentence by striking '', unless'' and all that follows through ''time'',

[(3) in the last sentence—

[(A) by striking ''a delegation'' and inserting ''an expressed and direct delegation'', and

[(B) by striking ''; *Provided*, That'' and inserting '', and that such action shall be used with discretion and shall not become a normal practice of providing assistance under such subsections, except that'',

[(4) by inserting after the second sentence the following:

''The Chairperson shall have final authority to approve each application, except that the Chairperson may only provide to an applicant the amount of financial assistance recommended by the Council and may not approve an application with respect to which the Council makes a negative recommendation.'', and

[(5) by inserting after the first sentence the following:

''The Council shall make recommendations to the Chairperson concerning—

[''(1) whether to approve particular applications for financial assistance under subsections (c) and (p) of section 5 that are determined by panels under section 10(c) to have artistic excellence and artistic merit; and

[''(2) the amount of financial assistance the Chairperson should provide with respect to each such application the Council recommends for approval.''.

[SEC. 107. NATIONAL ENDOWMENT FOR THE HUMANITIES.

[(a) TECHNICAL AMENDMENT.—Section 7(a) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(a)) is amended by striking ''a'' and inserting ''the''.

[(b) AUTHORITY OF CHAIRPERSON.—Section 7(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(c)) is amended—

[(1) in the matter preceding paragraph (1) by inserting ''enter into arrangements, including contracts, grants, loans, and other forms of assistance, to'' after ''is authorized to'',

[(2) in paragraph (2) by striking ''(including contracts, grants, loans, and other forms of assistance)'',

[(3) in paragraph (3)—

[(A) by striking ''award'' and all that follows through Fellowships'', and inserting ''initiate and support training and workshops in the humanities by making arrangements with institutions or individuals (fellowships'', and

[(B) by striking ''time;'' and inserting ''time);'',

[(4) in paragraph (7) by striking ''through grants or other arrangements'',

[(5) in paragraph (8) by striking ''and'',

[(6) in paragraph (9) by striking the period and inserting ''; and'', and

[(7) by inserting after paragraph (9) the following:

[''(10) foster programs and projects that provide access to, and preserve materials important to research, education, and public understanding of, the humanities.''.

[(c) COORDINATION OF PROGRAMS.—Section 7(d) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(d)) is amended by striking ''correlate'' and inserting ''coordinate''.

[(d) ADMINISTRATION BY STATE AGENCIES.—

[(1) DESIGNATION.—Section 7(f)(2)(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(2)(A)) is amended by striking ''of the enactment of the Arts, Humanities, and Museums Amendments of 1985,'' and inserting ''the State agency is established''.

[(2) APPLICATION FOR FINANCIAL ASSISTANCE.—Section 7(f)(2)(A)(viii) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(2)(A)(viii)) is amended—

[(A) in subclause (I) by striking ''previous two years'' and inserting ''most recent preceding year for which information is available'', and

[(B) in subclause (II) by inserting ''for the most recent preceding year for which information is available,'' after ''(II)''.

[(3) CONTENTS OF STATE PLAN.—Section 7(f)(3)(J) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(f)(3)(J)) is amended—

[(A) in clause (i) by striking ''previous two years'' and inserting ''most recent preceding year for which information is available'', and

[(B) in clause (ii) by inserting ''for the most recent preceding year for which information is available,'' after ''(ii)''.

[(e) CONDITION OF RECEIPT OF GRANTS.—The last sentence of section 7(g) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(g)) is amended by striking ''not later'' and all that follows through ''1985''.

[(f) TECHNICAL AMENDMENT.—The last sentence of section 7(h)(2)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(h)(2)(B)) is amended by striking ''Endowment on'' and inserting ''Endowment for''.

[(g) SYSTEM OF NATIONAL INFORMATION AND DATA COLLECTION.—Section 7(k) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956(k)) is amended—

[(1) in the first sentence—

[(A) by inserting ''ongoing'' after ''shall, in'',

[(B) by striking ''develop'' and inserting ''continue to develop and implement'', and

[(C) by inserting ''and public dissemination'' after ''collection'',

[(2) by striking the third sentence, and

[(3) in the last sentence by striking ''1988, and biennially'' and inserting ''1992, and quadrennially''.

[(h) RECEIPT OF FINANCIAL ASSISTANCE AND AWARDS.—Section 7 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 956) is amended by striking subsection (l) and inserting the following:

[''(l) Any group shall be eligible for financial assistance under this section only if—

[''(1) no part of its net earnings inures to the benefit of any private stockholder or stockholders, or individual or individuals; and

[''(2) donations to such group are allowable as a charitable contribution under the standards of section 170(c) of the Internal Revenue Code of 1986.

[''(m) The Chairperson, with the advice of the National Council on the Humanities, is authorized to make the following annual awards:

[''(1) The Jefferson Lecture in the Humanities Award to one individual for distinguished intellectual achievement in the humanities. The annual award shall not exceed $10,000.

[''(2) The Charles Frankel Prize to honor individuals who have made outstanding contributions to the public understanding of the humanities. Not more than 5 individuals may receive such prize each year. Each prize shall not exceed $5,000.''.

[SEC. 108. FEDERAL COUNCIL ON THE ARTS AND THE HUMANITIES.

[(a) DIALOGUE AMONG FEDERAL AGENCIES.—Section 9(c) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958(c)) is amended—

[(1) in paragraph (5) by striking ''and'' at the end,

[(2) in paragraph (6) by striking the period at the end and inserting ''; and'', and

[(3) by adding at the end the following:

[''(7) encourage an ongoing dialogue in support of the arts and the humanities among Federal agencies.''.

[(b) TECHNICAL AMENDMENT.—Section 9 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 958) is amended by striking subsection (d).

[SEC. 109. REVIEW PANELS; TECHNICAL AMENDMENTS.

[Section 10 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 959) is amended—

[(1) in subsection (a)—

[(A) in paragraph (4) by striking "from time to time, as appropriate,", and

[(B) in paragraph (6) by striking "the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529)" and inserting "section 3324 of title 31, United States Code",

[(2) in subsection (d)(3) by striking "the last sentence of subsection (a)" and inserting "subsection (c)(3)(A)",

[(3) by striking subsections (e) and (f),

[(4) by redesignating subsections (b), (c), and (d) as subsections (d), (e), and (f), respectively,

[(5) in the second sentence—

[(A) by striking "In any case" and inserting the following:

["(b)(1) In any case",

[(B) by striking "(A)", and

[(C) by striking "(B)",

[(6) in the third sentence by striking "In any case" and inserting the following:

["(2) In any case",

[(7) in the fourth sentence by striking "For the purposes" and inserting the following:

["(3) For the purposes",

[(8) in the fifth sentence by striking "For the purpose" and inserting the following:

[(4) For the purpose", and

[(9) by striking the sixth sentence and all that follows through "pending.", and inserting the following:

["(c) The Chairperson of the National Endowment for the Arts shall utilize advisory panels to review applications, and to make recommendations to the National Council on the Arts in all cases except cases in which the Chairperson exercises authority delegated under section 6(f). When reviewing applications, such panels shall recommend applications for projects, productions, and workshops solely on the basis of artistic excellence and artistic merit. The Chairperson shall issue regulations and establish procedures—

["(1) to ensure that all panels are composed, to the extent practicable, of individuals reflecting a wide geographic, ethnic, and minority representation as well as individuals reflecting diverse artistic and cultural points of view;

["(2) to ensure that all panels include representation of lay individuals who are knowledgeable about the arts but who are not engaged in the arts as a profession and are not members of either artists' organizations or arts organizations;

["(3) to ensure that, when feasible, the procedures used by panels to carry out their responsibilities are standardized;

["(4) to require panels—

["(A) to create written records summarizing—

["(i) all meetings and discussions of such panel; and

["(ii) the recommendations made by such panel to the Council; and

["(B) to make such records available to the public in a manner that protects the privacy of individual applicants and panel members;

["(5) to require, when necessary and feasible, the use of site visitations to view the work of the applicant and deliver a written report on the work being reviewed, in order to assist panelists in making their recommendations; and

["(6) to require that the membership of each panel change substantially from year to year and to provide that each individual is ineligible to serve on a panel for more than 3 consecutive years.

In making appointments to panels, the Chairperson shall ensure that an individual who has a pending application for financial assistance under this Act, or who is an employee or agent of an organization with a pending application, does not serve as a member of any panel before which such application is pending. The prohibition described in the preceding sentence shall commence with respect to such individual beginning on the date such application is submitted and shall continue for so long as such application is pending.".

[SEC. 110. AUTHORIZATION OF APPROPRIATIONS.

[(a) AUTHORIZATIONS FOR THE NATIONAL ENDOWMENT FOR THE ARTS.—Section 11(a)(1)(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)(A)) is amended—

[(1) by inserting "(i)" after "SEC. 11(a)(1)(A)",

[(2) in the first sentence by striking "$121,678,000" and all that follows through "1990", and inserting: "$125,800,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993",

[(3) by striking the last sentence, and

[(4) by adding at the end the following:

["(ii) For fiscal years—

["(I) 1991 and 1992 not less than 25 percent of the amount appropriated for the respective fiscal year; and

["(II) 1993 not less than 27.5 percent of the amount appropriated for such fiscal year;

shall be for carrying out section 5(g).

["(iii) For fiscal years—

["(I) 1991 and 1992 not less than 5 percent of the amount appropriated for the respective fiscal year; and

["(II) 1993 not less than 7.5 percent of the amount appropriated for such fiscal year;

shall be for carrying out programs under section 5(p)(2) (relating to programs to expand public access to the arts in rural and innercity areas). Not less than 50 percent of the funds required by this clause to be used for carrying out such programs shall be used for carrying out such programs in rural areas.".

[(b) GENERAL AUTHORIZATONS FOR THE NATIONAL ENDOWMENT FOR THE HUMANITIES.—The first sentence of section 11(a)(1)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)(B)) is amended by striking"$95,207,000" and all that follows through "1990;", and inserting "$119,900,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993".

[(c) TECHNICAL AMENDMENT.—Section 11(a)(1) National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(1)) is amended by striking subparagraph (C).

[(d) INCENTIVE AUTHORIZATIONS FOR THE ENDOWMENTS.—(1) Section 11(a)(2(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(2)(A)) is amended—

[(A) by striking "1990" the first place it appears and inserting "1993",

[(B) in clause (ii) by striking "paragraph (8)" and inserting "paragraph (10)", and

[(C) by striking "$8,820,000" and all that follows through "1990", and inserting "$13,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993".

[(2) Section 11(a)(2)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(2)(B)) is amended—

[(A) by striking "1990" the first place it appears and inserting "1993",

[(B) by striking "(9)" and inserting "(10)", and

[(C) by striking "$10,780,000" and all that follows through "1990", and inserting "$12,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993".

[(3) Section 11(a)(3)(A) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(3)(A)) is amended—

[(A) by striking "1990" the first place it appears and inserting "1993", and

[(B) by striking "$20,580,000" and all that follows through "1990", and inserting "$15,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993".

[(4) Section 11(a)(3)(B) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(3)(B)) is amended—

[(A) by striking "1990" the first place it appears and inserting "1993", and

[(B) by striking "$19,600,000" and all that follows through "1990", and inserting "$15,150,000 for fiscal year 1991 and such sums as may be necessary for fiscal year 1992 and 1993".

[(e) AUTHORITY TO TRANSFER FUNDS.—Section 11(a)(3) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(a)(3)) is amended—

[(1) by striking subparagraph (C), and

[(2) by redesignating subparagraph (D) as subparagraph (C).

[(f) ADMINISTRATION: OFFICIAL RECEPTION AND REPRESENTATION EXPENSES.—Section 11(c)(1) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)(1)) is amended—

[(A) by striking "$15,982,000" and all that follows through "1990", and inserting "$21,200,000" for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993", and

[(B) by striking "$35,000" each place it appears and inserting "$50,000".

[(2) Section 11(c)(2) of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960(c)(2)) is amended—

[(A) by striking "$14,291,000" and all that follows through "1990", and inserting "$17,950,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993", and

[(B) by striking "$35,000 each place it appears and inserting "$50,000".

[(g) ARTS EDUCATION.—Section 11 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 960) is amended by adding at the end the following:

["(f)(1) Subject to subparagraph (2), in any fiscal year in which the aggregate amount appropriated to the National Endowment for the Arts exceeds $175,000,000, 50 percent of such excess shall be available to carry out section 5A.

["(2) In each fiscal year, the amount made available to carry out section 5A shall not exceed $40,000,000, in the aggregate.

["(3) Funds made available to carry out section 5A shall remain available until expended.".

[SEC. 111. GAO STUDY REGARDING FEDERAL, STATE, AND LOCAL FUNDING OF THE ARTS.

["(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study—

[(1) to evaluate the roles and responsibilities of the National Endowment for the Arts, the States (including State agencies), and local arts agencies, in providing financial assistance under section 5 of the National Foundation on the Arts and the Humanities Act of 1965 (20 U.S.C. 954),

[(2) the relative effectiveness of the Endowment, the States (including State agencies), and local arts agencies in maximizing the amount of financial assistance they make available under such section, and

[(3) the existing capacity of the States to receive increased allocations under section 5 of such Act and the ability of the States to manage such increased allocations effectively.

[(b) REPORT REQUIRED.—Not later than October 1, 1992, the Comptroller General shall submit, to the Speaker of the House of Representatives and the President pro tempore of the Senate, a report summarizing the results of the study conducted under subsection (a).

[SEC. 112. GAO STUDY, FINDINGS, AND RECOMMENDATIONS REGARDING STAFFING AND CONTRACTORS OF THE NEA.

[(a) STUDY REQUIRED.—The Comptroller General of the United States shall conduct a study of—

[(1) the program staffing policies and practices of,

[(2) the use of consultants by, and

[(3) the use of independent contractors as administrative staff of,

the National Endowment for the Arts.

[(b) REPORT REQUIRED.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report containing—

[(1) the results of the study conducted under subsection (a), and

[(2) findings and recommendations with respect to the matters specified in paragraphs (1), (2), and (3) of such subsection.

[TITLE II—AMENDMENTS TO THE MUSEUM SERVICES ACT

[SEC. 201. NATIONAL MUSEUM SERVICES BOARD.

[(a) MEMBERSHIP.—Section 204(a)(1)(A) of the Museum Services Act (20 U.S.C. 963(a)(1)(A)) is amended by inserting "conservation," after "curatorial,".

[(b) MEETINGS.—Section 204(d)(1) of the Museum Services Act (20 U.S.C. 963(d)(1)) is amended by striking "four" and inserting "three".

[SEC. 202. DIRECTOR.

[(a) COMPENSATION.—(1) Section 205(a)(1) of the Museum Services Act (20 U.S.C. 964(a)(1)) is amended by striking "be compensated at the rate provided for level V of the Executive Schedule (section 5316 of title 5), and shall".

[(2) Section 5315 of title 5, United States Code, is amended by adding at the end the following new item:

["Director of the Institute of Museum Services.".

[(b) TECHNICAL AMENDMENT.—Section 205(a)(2) of the Museum Services Act (20 U.S.C. 964) is amended by striking "Chairperson's" and inserting "Director's".

[SEC. 203. ACTIVITIES.

[(a) CONSERVATION.—Section 206 (a)(5) of the Museum Services Act (20 U.S.C. 965(a)(5)) is amended by striking "artifacts and art objects" and inserting "their collections".

[(b) AUTHORITY OF DIRECTOR.—Section 206 (b) of the Museum Services Act (20 U.S.C. 965(b)) is amended—

[(1) in paragraph (1)—

[(A) by striking "with professional museum organizations",

[(B) by striking "to such organizations", and

[(C) by striking "enable such organizations to",

[(2) in paragraph (2)—

[(A) by striking subparagraph (A), and

[(B) in subparagraph (B)—

[(i) by striking "(B)",

[(ii) by striking "the", and

[(iii) by striking "of any professional museum organization",

[(3) in paragraph (3) by striking "to professional museum organizations", and,

[(4) by striking paragraph (4).

[SEC. 204. AUTHORIZATION OF APPROPRIATIONS.

[(A) GENERAL AUTHORIZATION OF APPROPRIATIONS.—Section 209(a) of the Museum Services Act (20 U.S.C. 967(a)) is amended by striking "$21,600,000" and all that follows through "1990", and inserting "$24,000,000 for fiscal year 1991 and such sums as may be necessary for fiscal years 1992 and 1993".

[(b) INCENTIVE AUTHORIZATION OF APPROPRIATIONS.—Section 209(d) of the Museum Services Act (20 U.S.C. 967(d)) is amended—

[(1) by striking "during the period" and all that follows through "1990,",

[(2) by inserting "for each fiscal year ending before October 1, 1993," after "appropriated", and

[(3) by striking "such period" and inserting "such fiscal year".

[SEC. 205. ASSESSMENT OF CERTAIN MUSEUMS.

[The Museum Services Act (20 U.S.C. 961-968) is amended by adding at the end the following:

"ASSESSMENT OF CERTAIN MUSEUMS

["SEC. 211. The Director, subject to the policy direction of the Board and in consulation with appropriate representatives of the museum and cultural communities shall undertake an assessment of the needs of small, emerging, minority, and rural museums. The assessment, to be completed and presented to Congress within two years of enactment, shall include but not necessarily be limited to, the following subjects:

["(1) The need for resources to identify, collect, document, research, preserve and interpret tangible and nontangible collections and to communicate with and involve their own communities and the general public.

["(2) The personnel staffing and training needs for small, emerging, minority, and rural museums, including needs for professional positions and for the community persons employed or utilized by museums who are expert in the history, culture, customs, and other human resources of the communities.

["(3) The building and construction needs, including impediments to accessing Federal and non-Federal funds for this purpose.

["(4) The maintenance, operation and repair needs, including impediments to accessing Federal and non-Federal funds for these purposes.

["(5) The status of the museums' current collections and the museums' interest in accessing, through gift, purchase, repatriation or borrowing, objects now held privately or in public collections.

["(b) As used in this subsection—

["(1) the term "small, emerging, minority, and rural museums includes tribal museums and museums of other ethnic and cultural groups; and

["(2) the term "Indian tribe" has the meaning given in the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(b)).".

[(b) AUTHORIZATION OF APPROPRIATIONS.—Section 209 of the Museum Services Act (20 U.S.C. 967) is amended by adding at the end the following:

["(e)(1) Subject to paragraph (2), there are authorized to be appropriated $1,000,000 for each of two fiscal years to carry out section 211.

["(2) Paragraph (1) shall not be effective for any fiscal year for which the amount appropriated under subsection (a) is less than $24,000,000.".

[TITLE III—AMENDMENTS TO THE ARTS AND ARTIFACTS INDEMNITY ACT

[SEC. 301. INDEMNITY AGREEMENTS.

[(a) LIMITATION APPLICABLE TO AGGREGATE LOSS.—Section 5(b) of the Arts and Artifacts Indemnity Act (20 U.S.C. 974(b)) is amended by striking "$1,200,000,000" and inserting "$3,000,000,000".

[(b) LIMITATION APPLICABLE TO SINGLE EXHIBIT.—(1) Section 5(c) of the Art and Artifacts Indemnity Act (20 U.S.C. 974(c)) is amended by striking "$125,000,000" and inserting "$300,000,000".

[(2) Section 5(d) of the Act (20 U.S.C. 974(d)) is amended—

[(A) in paragraph (2) by striking "or" at the end,

[(B) by amending paragraph (3) to read as follows:

["(3) not less than $10,000,000 but less than $125,000,000, then coverage under this Act shall extend to loss or damage in excess of the first $50,000 of loss or damage to items covered;", and

[(C) by adding at the end the following:

["(4) not less than $125,000,000 but less than $200,000, then coverage under this Act shall extend to loss or damage in excess of the first $100,000 of loss or damage to items covered; or

["(5) $200,000,000 or more, then coverage under the Act shall extend only to loss or damage in excess of the first $200,000, of loss or damage to items covered.".

[TITLE IV—MISCELLANEOUS

[SEC. 401. SENSE OF CONGRESS.

[It is the sense of the Congress that a recipient (including a nation, individual, group, or organization) of any form of subsidy, aid, or other Federal assistance under the Acts amended by this Act should, in expending that assistance, purchase American-made equipment and products.

[SEC. 402. NOTICE.

[Any entity that provides a form of subsidy, aid, or other Federal assistance under the Acts amended by this Act shall provide to each recipient of such form of subsidy, aid, or other Federal assistance a notice describing the sense of the Congress stated under section 401.

[SEC. 403. EFFECTIVE DATES.

[(a) GENERAL EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect on October 1, 1990.

[(b) SPECIAL EFFECTIVE DATE.—The amendments made by sections 110, 204, and 301 shall take effect on the date of the enactment of this Act or October 1, 1990, whichever is earlier.]

SEC. 316. None of the funds made available by this or any other Act with respect to any fiscal year may be used by the Department of the Interior or the Forest Service, Department of Agriculture to make any reimbursements to any other Federal department for litigation costs associated with the Prince William Sound oilspill.

SEC. 317. None of the funds appropriated or otherwise made available by this Act may be used for the preparation of an environmental impact statement in accordance with the National Environmental Policy Act or any other activities associated with the reintroduction of gray wolves to Yellowstone National Park and adjacent public lands.

SEC. 318. Section 319(e)(2)(c) of Public Law 101-121 (31 U.S.C. 1352) is hereby amended by adding after "$150,000," the following: "or the single family maximum mortgage limit for affected programs, whichever is greater,".

SEC. 319. None of the funds provided in this Act may be expended by the Forest Service or the Bureau of Land Management to implement a new fee schedule or increase the fees charged for communication site use of lands administered by the Forest Service or Bureau of Land Management above the levels in effect on January 1, 1989.

SEC. 320. None of the funds appropriated by this Act may be used to ensure that hardwood saw timber harvested from Federal lands east of the 100th meridian is marked in such a manner as to make it readily identifiable at all times before its manufacture.

SEC. 321. Notwithstanding any other provision of this Act, all funds provided in this Act for oilspill cleanup and damage assessment resulting from the Exxon Valdez oilspill in Prince William Sound, Alaska shall be transferred to the Secretary of the Interior for comprehensive coordination of all such activities for the land-managing agencies funded in this Act.

SEC. 322. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to accept or process applications for a patent for any mining or mill site claim located under the general mining laws or to issue a patent for any mining or mill site claim located under the general mining laws unless the Secretary of the Interior determines that, for the claim concerned: (1) a patent application was filed with the Secretary on or before the date of enactment of this Act, and (2) all requirements established under sections 2325 and 2326 of the Revised Statutes (30 U.S.C. 29 and 30) for vein or lode claims and sections 2329, 2330, 2331, and 2333 of the Revised Statutes (30 U.S.C. 35, 36, and 37) for placer claims, and section 2337 of the Revised Statutes (30 U.S.C. 42) for mill site claims, as the case may be, were fully complied with by that date.

This Act may be cited as the "Department of the Interior and Related Agencies Appropriations Act, 1991".

Mr. MITCHELL. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Madam President, it is my pleasure, as chairman of the Senate Committee on Appropriations, to bring before the Senate today the fiscal year 1991 Department of the Interior and related agencies appropriation bill. With this bill and the legislative appropriation bill, the Senate Committee on Appropriations had reported all 13 annual appropriation bills as of last Tuesday evening.

Some may note that this Interior bill was reported to the Senate a little over 2 weeks after the start of the fiscal year. But, the Senate Appropriations Committee has done its work promptly and well. The Senate did not receive this Interior appropriation bill from the House until Tuesday morning; 6 days ago. That same Tuesday morning, at 10 o'clock a.m., we marked up the bill in my Interior Appropriations Subcommittee. At 5 o'clock that afternoon, we considered the bill in full committee and reported it to the Senate with our recommendations. Our recommendations were filed with the Senate within 24 hours of the House floor action.

Lest anyone be concerned that what you have before you is a rushed product, let me assure the Senate that the Interior Subcommittee conducted 13 hearings starting in February of this year and continuing until this past July. The committee had considered 2,864 amendment requests as of last week. Perhaps another 100 or so have come in since that time. I would also note that every member of the Senate has written to me requesting at least one amendment to the fiscal year 1991 Department of the Interior and related agencies bill. So, the recommendations in this appropriation bill have undergone a long and intensive review process; and, when the committee members were called upon to move quickly, we moved quickly.

The committee recommendations before the Senate total $12,698,929,000 in discretionary budget authority which is just $1,071,000 under the subcommittee's allocation in accordance with section 302(b) of the Budget Act. The discretionary outlay scoring of $11,946,363,000 is also just under the allocation. The bill is some $239 million under the revised CBO baseline as well.

I believe this is a good bill. I believe that it contributes substantially to the health and well being of citizens throughout America.

The Interior bill has jurisdiction over the land management funding for approximately one-third of the United States' land mass. This bill raises more revenue than any other appropriation bill with the exception of the Treasury-Postal Service bill, which funds the operations of the Internal Revenue Service. For fiscal year 1991 it is estimated that agencies under the subcommittee's jurisdiction will raise a total of $7,734,353,000 in receipts for the U.S. Treasury.

Madam President, I will briefly highlight the committee's recommendations.

The committee recommends significant increases for maintenance funding and operations funding for a number of public land management agencies.

The recommendation includes $345,458,000 for land and water conservation fund land acquisition and State assistance, an increase of $95,458,000 compared to the President's budget.

For energy conservation grant programs, the Committee recommendation includes a total of $223 million, which includes $180 million for weatherization. Both figures represent approximately a 10 percent increase over the fiscal year 1990 level.

With respect to the spotted owl issue and the timber program, the committee recommendation includes no specific language, akin to last year's section 318, for the spotted owl. The timber program for the Pacific Northwest is 3.2 billion board feet, as was recommended by the House. The overall timber program recommendation is 9.614 billion board feet. No additional funding is recommended above the President's request for road construction associated with the timber program. Rather than initiate the administration's tree-planting initiative, the committee recommendations include enhanced funding for the State and private forestry programs.

Again this year, the Senate is confronted with the controversial issue of Federal funding for the arts. The committee recommendations include an increase of approximately $136 million above the administration's request for operation of indian health programs, which will allow these programs to keep pace with inflation, population growth, and ameliorate shortfalls experienced in recent years.

For firefighting on public lands, the committee recommendations provide exactly what the administration requested for this purpose. Unfortunately, with the drought and devastation experienced in recent years, this level of funding will likely be insufficient in the coming year. The allowance does, however, do exactly what the administration requested. It is the hope of the committee that the administration will be more realistic in the future in its assessment of the fire needs funded in this bill.

The committee-reported bill represents a bipartisan product and I am pleased, Mr. President, to have had the full cooperation of the ranking Republican member, Senator MCCLURE, at every step in the process. Senator MCCLURE, has been the chairman or ranking member on the Interior bill for 10 years. I know of no one with a more thorough knowledge of

public lands law and policies, and he has been an invaluable help to the committee and to me over the years.

His experience of chairmanship, his years as the ranking Republican member of the subcommittee, have been of inestimable value to me. I have profited by his advice, and in my judgment the Senate and the country have been served well. We may not have agreed on every issue, but I have always had the highest regard for Senator MCCLURE's analytical skills and the diligence with which he has tackled the issues in every bill that has come before the subcommittee and in this bill. This is no exception.

This is the last opportunity I will have to work with Senator MCCLURE on the Interior bill and I truly regret that. I will miss the senior Senator from Idaho, when we turn to this bill next year. He has always been most courteous and most considerate and most cooperative with me and it has been a genuinely fine relationship of which I am proud, and, as he leaves the Senate voluntarily, my good wishes will attend him and his lovely wife in whatever they do and wherever they go in the future years.

I would now like to yield the floor for Senator MCCLURE to seek recognition and make any comments that he may wish to make regarding the committee's recommendations.

The PRESIDING OFFICER (Mr. WIRTH). The Senator from Idaho.

Mr. MCCLURE. Mr. President, I thank the distinguished chairman of the Appropriations Committee for his efforts in bringing this bill before the full Senate for its consideration. As the Senator from West Virginia fully knows, this year's Interior appropriations bill has been one of the most difficult Interior bills in years. I want to thank and compliment the chairman for the excellent work he has done in assembling this bill, which contains so many programs of importance to many of our States.

There were several controversial issues which have been discussed and debated over the past several months which contributed to the difficulty in drafting this bill. Some of these issues include the continuing public timber supply crisis in the Pacific Northwest and other regions; the Outer Continental Shelf oil and gas leasing issue; and of course the battle over the National Endowment for the Arts.

Although others in this body may disagree, I believe that the Appropriations Committee decisions with respect to most of these issues was both appropriate and thoughtful.

There is, however, one provision that was added to the bill in full committee with which I am at great odds. That provision pertains to a 1-year prohibition on the issuance of mining patents on Federal lands. This clearly is an issue which would be more appropriately addressed in the authorizing committee, and I am troubled that this bill is being used as the vehicle to carry out such a misguided policy regarding one of this Nation's most crucial natural resource-based industries.

As I mentioned during subcommittee and full committee markup of this bill, the subcommittee received over 2,800 amendment requests this year. Requests were received from all 100 Senators. Considering that approximately 1,700 requests were received just 2 years ago, it is easy to see that our workload has increased almost exponentially in the space of just 24 months. And, I might add, that as little as 4 years ago the requests were about one-quarter of the number of requests we received this year.

It is evident that the chairman has done an outstanding if not a remarkable job of assembling the priorities of the subcommittee as well as merging the requests of the Members.

I thank the Senator from West Virginia for the comments that he made about the working relationship that he and I have had on this committee. I do sincerely appreciate the remarks and I can only reciprocate by saying, yes, indeed, a working relationship is a two-way relationship. My relationship with the distinguished President pro tempore of the Senate has been both constructive and fruitful, in a personal and in a political sense, with respect to the job that this subcommittee has to do. But, also, it has been a very rewarding and enriching experience for me in a very personal sense.

I appreciate the Senator from West Virginia and his courtesy and the diligence with which he has worked on this bill, has listened to the various Members and their requests, has balanced the demands of individual Senators and the regions of the country. That is the way this Senate ought to work. And it has worked well in this instance. I very sincerely appreciate it.

The Congressional Budget Office has scored the bill as reported by the Appropriations Committee and we are just within our 302(b) allocation of $12.7 billion in discretionary budget authority and $11.95 billion in outlays. While CBO will continue to score the bill as we proceed, it is clear that there is little room to make many changes upward in either budget authority or outlays. Accordingly, amendments if offered will have to have offsets.

Mr. President, I also want to thank staff on both sides, not only minority staff but also the majority staff with whom we worked very closely. It has been a very good working relationship. In the years I have been either ranking member or chairman of this subcommittee, it has always been a bipartisan effort and that makes the task at hand more enjoyable, much more achievable, and much less difficult.

The disagreements we have had have been worked out amicably, because we believe on both sides that you can disagree without being disagreeable, and we can find ways to agree most of the time. This is a good bill, a constructive bill, a difficult bill because of the number of demands from every area of the country in every area of interest that each of our Members may have. That has been expressed by the amendment requests that we have had.

I have a very strong feeling that what the distinguished chairman of the committee has been saying to this Senate over the last few weeks has not really sunk in with enough of the Members, and that is what has happened to the discretionary accounts within our Government. They have been squeezed. They have declined as a proportion of the total budget. This very real pressure comes from the fact that the increase in dollars allocated has not matched the cost of inflation. So in real terms we are down. And in real terms the American public demands more and more of the activities which we fund through the discretionary accounts. And this certainly is true of the accounts in this bill.

That is why, in my judgment, as the budget has become tighter and tighter and as the allocation to the discretionary accounts has become smaller and smaller in proportion to the total, as in terms of real dollars, our money available has grown less rather than more.

More Members have come to us and asked us to add something for them in their State or their area of the country. To go from something like 750 requests 4 years ago to 2,846 such requests this year only remarks upon the tightness of the budget, the difficulty of the priority setting and the extreme importance of being able to make allocations that are fair.

We will get back to that on some of the amendments that may be offered here tonight in terms of their allocation, their regional impact and their fairness. I will not debate those now, but we will be talking in regard to what has been the hallmark of our activities in this subcommittee; and, that is, the balancing of individual and regional requests and interests.

I hope that everybody, as we go through the bill tonight, will keep in mind the difficulty that we on the committee have had trying to accommodate what seems sometimes to people outside the areas of interest to be an excessive amount of money which we place in emphasis on their programs or activity.

It is a very real balancing act. I think the committee has done well. I again commend the chairman of the committee for his activity and the

result of the bill we bring to the floor tonight.

Mr. BYRD. Mr. President, I wish to thank the members of the staff. The Appropriations Committee staff is a highly professional and dedicated, hard-working, loyal staff and courteous to everyone and very helpful to the ranking member, to me, and the other members of the subcommittee: Jim English and Mary Dewald; Jim English is the director of the full committee staff; and Keith Kennedy is the counterpart of Jim English, the ranking committee staff on the other side of the aisle; Sue Masica; Rusty Mathews; Ellen Donaldson; Charlie Estes; Cherie Cooper; Mark Walker; Debbie Rieman; Nancy Brandell; Rheda Freeman; and Anita Skadden.

Let me also thank the members of the subcommittee, Republicans and Democrats, for their cooperation throughout the process.

Mr. President, I ask unanimous consent that the committee amendments be adopted, en bloc, and be considered as original text for the purpose of further amendment, with the exception of the committee amendment beginning on page 2, line 20, down through page 3, line 10, and the last committee amendment which begins on page 155, line 13.

Mr. President, I ask unanimous consent that the amendments be considered as original text for the purpose of further amendment and that no point of order be waived thereby; and that it be in order to lay aside the expected amendments for the purpose of considering other amendments to the bill, if necessary.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Reserving the right to object.

The PRESIDING OFFICER. The Senator from Idaho is recognized on his reservation.

Mr. McCLURE. Mr. President, my understanding is that the two amendments that have been excepted relate to the Bumpers amendment on mining; is that correct, two of the excepted amendments relate to the Bumpers amendments adopted in committee?

Mr. BYRD. They do.

Mr. McCLURE. I have a request that we make a request for the provision of the NEA, the National Endowment for the Arts. I wonder if the Senator would modify his request in that regard.

Mr. BYRD. Mr. President, I have no objection to that request.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

The Chair hears none. It is so ordered.

Mr. BYRD. Mr. President, it is my understanding that Mr. BURDICK has an amendment or perhaps two amendments.

Would he please call up his amendments at this time?

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AMENDMENT NO. 3098

(Purpose to increase funding to the National Wildlife Refuge Fund)

Mr. BURDICK. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. BURDICK] proposes an amendment numbered 3098.

On page 12 of the bill, line 14, strike "$11,000,000", and insert therein "$12,000,000".

Mr. BURDICK. Mr. President, the amendment I am offering seeks to correct an inequity which we have unfortunately allowed to develop over the past 10 years.

Under the Refuge Revenue Sharing Act, the Fish and Wildlife Service makes payments to counties with Federal wildlife refugues to compensate them for lost property tax revenues. We do this because the Federal Government cannot be taxed.

Refuge revenue sharing funding is derived partially from receipts generated by the refuges. If these revenues are insufficient, then under the Refuge Revenue Sharing Act the balance is to be made up by direct appropriation.

The problem is that throughout the 1980's, the President did not request and Congress did not appropriate adequate funds for the program. This is simply unfair to these county governments.

The Federal Government made a deal with these counties that in return for their willingness to help in the national effort to preserve wildlife habitat, we would compensate them for lost revenue.

This continuing shortfall has the potential to be very damaging to efforts in my State, as well as others, to acquire important wildlife habitat. Actually, if could come to a halt.

In fact, we have already had cases where local governments have disapproved Federal land acquisitions because of the tax issue. If we wish to continue to buy land, then we must be good neighbors and pay our taxes—it's that simple.

In fiscal year 1991, an estimated appropriation of just over $13 million is needed to make full payment. With the good help of the chairman of the Appropriations Committee, Senator BYRD, we have made progress recently—but we must do better.

The bill before us includes $11 million for this purpose, which would provide about 86 percent of the full entitlement. My amendment would increase that amount by $1 million to $12 million, about 92 percent of full payment.

Because of budget constraints, I am not requesting the full 100 percent but my amendment brings us much nearer to that goal. Although paying our taxes is not as attractive as acquiring land and creating a refuge, it is not less important.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. BYRD. Mr. President, this amendment increases the amount, as the distinguished Senator from North Dakota has indicated on page 12, from $11 million to $12 million. Therefore, it will consume almost all the remaining budget authority that is below the allocation ceiling. It does not break through the ceiling. It comes within about $70,000, I believe. I am pleased to accept this amendment. It is a meritorious amendment. I compliment the Senator from North Dakota.

If my friend, Senator McCLURE, is willing to accept the amendment, then the Senate can vote.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I am willing to accept the amendment. I compliment the Senator for getting here first, but I take this time only to indicate because he was first, he got all there is left. Anybody who comes after this is going to have to find an offset. That is just the way it is. I compliment the Senator for having been here first. We are willing to accept the amendment.

Mr. BURDICK. I thank the Senators.

Mr. CONRAD. Mr. President, I rise to support the amendment of my colleague, the senior Senator from North Dakota [Mr. BURDICK]. The amendment would add $1 million to the committee reported appropriation for the refuge revenue-sharing fund, and bring funding for the program to approximately $12 million. That amounts to about 92 percent of what local governments are entitled to under the refuge revenue-sharing fund.

I also want to thank the distinguished chairman of the Appropriations Committee and the President pro tempore of the Senate, Senator BYRD, for his support over the years for the program. He's been a strategic ally.

Under the Refuge Revenue Sharing Act, the U.S. Fish and Wildlife Service makes payments to counties in which Service lands are located, based on their fair market values, in order to compensate these local jurisdictions for the loss of tax revenues that results from Federal acquisition of private lands.

Refuge revenue sharing funding is derived partially from net revenues on the sale of products—such as timber, oil, gas, and minerals—from refuge lands. If net revenues are insufficient to provide full payments to counties, then under the Refuge Revenue Sharing Act, the balance is made up by direct appropriations.

Over the last several years, refuge receipts have been inadequate, and appropriations for the fund have fallen far short of what is needed to compensate local governments for this loss in their tax bases.

Last year, with the help of Senator BURDICK and the distinguished chairman of the Appropriations Committee, the fund received $9 million, which together with the refuge revenues, provided about 75 percent of the full payment in fiscal year 1990. It left a $4.3 million deficit.

The deficit, while smaller than previous years, continued to have a very negative impact upon services in counties with national wildlife refuge lands. Even a few thousand dollars in many counties is vitally important for maintaining essential services—especially as we head into what looks like an economic slowdown.

Finally, and most importantly, full funding for the refuge revenue-sharing fund is not only good fiscal policy for our local governments, it's also good environmental policy for our nation. If local governments can count on the Federal Government to keep its word on the Refuge Revenue Sharing Program, then local governments will be more willing to commit lands to the refuge system. In short, it's a "win-win" situation for everyone.

I commend my colleague, Senator BURDICK, for offering the amendment, and I thank my colleagues for supporting it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3098) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote.

Mr. McCLURE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, Lord Nelson said that he owed everything in the world to being always a quarter of an hour beforehand. Senator BURDICK has demonstrated that it does pay to be on the job first, early, and at least a quarter of an hour beforehand. He got practically all the money that there was left.

Did the Senator from North Dakota have another amendment?

Mr. BURDICK. Not at this time.

Mr. BUMPERS addressed the Chair.

Mr. BYRD. Not at this time. All right.

The PRESIDING OFFICER. The Senator from Arkansas.

COMMITTEE AMENDMENT ON PAGE 155

Mr. BUMPERS. Mr. President, I ask unanimous consent that the committee amendments—there are two committee amendments that have been excepted. I ask unanimous consent that they be reversed in order so that we can take up the committee amendment dealing with the real issue first.

The PRESIDING OFFICER. The Chair would ask that the Senator clarify his unanimous-consent request.

Mr. BUMPERS. The first amendment offered by the Senator from West Virginia is an amendment that strikes House language. The second amendment was the language that was inserted in the bill in the committee. I think under the rules we would normally consider the striking amendment first. I am asking unanimous consent that we reverse that so that Senator REID and I can get at it.

The PRESIDING OFFICER. Is there objection to moving to the committee amendment on page 155? The Chair hears none, and it is so ordered.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BYRD. Mr. President, will the distinguished Senator from Nevada yield to me for a unanimous-consent request which I have been authorized by the distinguished majority leader to make and which has been cleared on the other side of the aisle.

Mr. REID. Of course.

Mr. BYRD. I thank the distinguished Senator.

UNANIMOUS-CONSENT AGREEMENT—VETO MESSAGE ON S. 2104

Mr. BYRD. I ask unanimous consent that upon receipt of the veto message on S. 2104, the civil rights bill, it be deemed read and spread upon the Journal; that it then be laid aside and may be called up only by the majority leader after consultation with the Republican leader at any time.

The PRESIDING OFFICER. Is there objection?

Mr. McCLURE. Mr. President, we have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

DISAPPROVAL OF S. 2104—THE CIVIL RIGHTS ACT OF 1990

The PRESIDING OFFICER. Under the previous order, the Chair lays before the Senate the President's veto message on S. 2104.

The message is deemed read and spread upon the Journal.

The veto message ordered to be printed in the RECORD is as follows:

To the Senate of the United States:

I am today returning without my approval S. 2104, the "Civil Rights Act of 1990." I deeply regret having to take this action with respect to a bill bearing such a title, especially since it contains certain provisions that I strongly endorse.

Discrimination, whether on the basis of race, national origin, sex, religion, or disability, is worse than wrong. It is a fundamental evil that tears at the fabric of our society, and one that all Americans should and must oppose. That requires rigorous enforcement of existing antidiscrimination laws. It also requires vigorously promoting new measures such as this year's Americans with Disabilities Act, which for the first time adequately protects persons with disabilities against invidious discrimination.

One step that the Congress can take to fight discrimination right now is to act promptly on the civil rights bill that I transmitted on October 20, 1990. This accomplishes the stated purpose of S. 2104 in strengthening our Nation's laws against employment discrimination. Indeed, this bill contains several important provisions that are similar to provisions in S. 2104:

—Both shift the burden of proof to the employer on the issue of "business necessity" in disparate impact cases.

—Both create expanded protections against on-the-job racial discrimination by extending 42 U.S.C. 1981 to the performance as well as the making of contracts.

—Both expand the right to challenge discriminatory seniority systems by providing that suit may be brought when they cause harm to plaintiffs.

—Both have provisions creating new monetary remedies for the victims of practices such as sexual harassment. (The Administration bill allows equitable awards up to $150,000.00 under this new monetary provision, in addition to existing remedies under Title VII.)

—Both have provisions ensuring that employers can be held liable if invidious discrimination was a motivating factor in an employment decision.

—Both provide for plaintiffs in civil rights cases to receive expert witness fees under the same standards that apply to attorneys fees.

—Both provide that the Federal Government, when it is a defendant under Title VII, will have the same obligation to pay interest to compensate for delay in payment as a nonpublic party. The filing period in such actions is also lengthened.

—Both contain a provision encouraging the use of alternative dispute resolution mechanisms.

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The congressional majority and I are on common ground regarding these important provisions. Disputes about other, controversial provisions in S. 2104 should not be allowed to impede the enactment of these proposals.

Along with the significant similarities between my Administration's bill and S. 2104, however, there are crucial differences. Despite the use of the term "civil rights" in the title of S. 2104, the bill actually employs a maze of highly legalistic language to introduce the destructive force of quotas into our Nation's employment system. Primarily through provisions governing cases in which employment practices are alleged to have *unintentionally* caused the disproportionate exclusion of members of certain groups, S. 2104 creates powerful incentives for employers to adopt hiring and promotion quotas. These incentives are created by the bill's new and very technical rules of litigation, which will make it difficult for employers to defend legitimate employment practices. In many cases, a defense against unfounded allegations will be impossible. Among other problems, the plaintiff often need not even show that any of the employer's practices caused a significant statistical disparity. In other cases, the employer's defense is confined to an unduly narrow definition of "business necessity" that is significantly more restrictive than that established by the Supreme Court in *Griggs* and in two decades of subsequent decisions. Thus, unable to defend legitimate practices in court, employers will be driven to adopt quotas in order to avoid liability.

Proponents of S. 2104 assert that it is needed to overturn the Supreme Court's *Wards Cove* decision and restore the law that had existed since the *Griggs* case in 1971. S. 2104, however, does not in fact codify *Griggs* or the Court's subsequent decisions prior to *Wards Cove*. Instead, S. 2104 engages in a sweeping rewrite of two decades of Supreme Court jurisprudence, using language that appears in no decision of the Court and that is contrary to principles acknowledged even by Justice Stevens' *dissent* in *Wards Cove*: "The opinion in *Griggs* made it clear that a neutral practice that operates to exclude minorities is nevertheless lawful if it serves a valid business purpose."

I am aware of the dispute among lawyers about the proper interpretation of certain critical language used in this portion of S. 2104. The very fact of this dispute suggests that the bill is not codifying the law developed by the Supreme Court in *Griggs* and subsequent cases. This debate, moreover, is a sure sign that S. 2104 will lead to years—perhaps decades—of uncertainty and expensive litigation. It is neither fair nor sensible to give the employers of our country a difficult choice between using quotas and seeking a clarification of the law through costly and very risky litigation.

S. 2104 contains several other unacceptable provisions as well. One section unfairly closes the courts, in many instances, to individuals victimized by agreements, to which they were not a party, involving the use of quotas. Another section radically alters the remedial provisions in Title VII of the Civil Rights Act of 1964, replacing measures designed to foster conciliation and settlement with a new scheme modeled on a tort system widely acknowledged to be in a state of crisis. The bill also contains a number of provisions that will create unnecessary and inappropriate incentives for litigation. These include unfair retroactivity rules; attorneys fee provisions that will discourage settlements; unreasonable new statutes of limitation; and a "rule of construction" that will make it extremely difficult to know how courts can be expected to apply the law. In order to assist the Congress regarding legislation in this area, I enclose herewith a memorandum from the Attorney General explaining in detail the defects that make S. 2104 unacceptable.

Our goal and our promise has been equal opportunity and equal protection under the law. That is a bedrock principle from which we cannot retreat. The temptation to support a bill—any bill—simply because its title includes the words "civil rights" is very strong. This impulse is not entirely bad. Presumptions have too often run the other way, and our Nation's history on racial questions cautions against complacency. But when our efforts, however well intentioned, result in quotas, equal opportunity is not advanced but thwarted. The very commitment to justice and equality that is offered as the reason why this bill should be signed requires me to veto it.

Again, I urge the Congress to act on my legislation before adjournment. In order truly to enhance equal opportunity, however, the Congress must also take action in several related areas. The elimination of employment discrimination is a vital element in achieving the American dream, but it is not enough. The absence of discrimination will have little concrete meaning unless jobs are available and the members of all groups have the skills and education needed to qualify for those jobs. Nor can we expect that our young people will work hard to prepare for the future if they grow up in a climate of violence, drugs, and hopelessness.

In order to address these problems, attention must be given to measures that promote accountability and parental choice in the schools; that strengthen the fight against violent criminals and drug dealers in our inner cities; and that help to combat poverty and inadequate housing. We need initiatives that will empower individual Americans and enable them to reclaim control of their lives, thus helping to make our country's promise of opportunity a reality for all. Enactment of such initiatives, along with my Administration's civil rights bill, will achieve real advances for the cause of equal opportunity.

GEORGE BUSH,
THE WHITE HOUSE, *October 22, 1990.*

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1991

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER. The Senator from Nevada is now recognized.

Mr. REID. I thank the Chair.

I rise tonight on behalf of myself, Senators MCCLURE, BRYAN, DECONCINI, ARMSTRONG, BURNS, WALLOP, SIMPSON, SYMMS, and HATCH, in opposition to a committee amendment.

Mr. President, defeat of the amendment is of great importance to the mining industry in the United States. The Senate Interior Appropriations Committee amendment that is before us includes language which would place a moratorium on patenting of mining claims on Federal lands. I and my colleagues urge you not to accept this moratorium language.

Mr. President, my father was a hard rock miner when I grew up in a mining town in the southern tip of the State of Nevada, a place called Searchlight. I worked with my father and I learned about mining firsthand. I understand the mining industry's history and importance, especially to the western United States. Let me remind my colleagues of the importance of the mining industry all over the western United States.

There are counties in the United States where the majority of the money earned by the people in those counties is earned from mining. Those mines came about as a result of exploration, and that is really what this is all about tonight, exploration.

Mining contributions to the national economy and security of this Nation certainly are important. We have talked long and hard in recent months, in recent years really, in this body and in the other body about not having a long-range energy policy. That has now come back to haunt us. We also, Mr. President, do not have a long-range mineral policy.

Minerals are essential to this country—any country maintaining a strong industrial base. That is what this is all about—this country having a long-term mineral policy. If the committee

amendment is allowed to be made a part of this Interior appropriations bill, the mining industry of this country will receive a serious blow.

It is estimated in a report of the Western Regional Mining Council law committee entitled, "Economic Importance of Mining in the West," that by 1993 nonfuel mineral production will reach $35 billion.

Mining operations give enormous benefits to the typically rural areas where they are located. Here are some figures from the Bureau of Economic Analysis for 1987. For example, in Jefferson County, MT, 27 percent of all personal earnings are derived from mining salaries and wages; Greenlee County, AZ, 70 percent of earnings come from mining; Campbell, WY, 46 percent; Clear Creek, CO, 44 percent; North Slope, AL, 46 percent; Eureka, NV, 85 percent.

We have talked, Mr. President, about counties. We can talk about States. The State of California is an example. Of course, in this huge State of almost 30 million people, a figure like this is buried in their gross product, but it is a tremendous figure. Each nonfuel mining payroll in the State of California, $314 million; Alaska, $24 million; Arizona, $302 million; Colorado, almost $100 million; Idaho, $55 million; Montana, $72 million; the State of Nevada, $203 million; New Mexico, $126 million; Wyoming, $158 million.

These figures do not account for the support industry associated with a mining town, support industry which provides further jobs, further revenue for the county, further development.

Also to the advantage of rural America, Mr. President, mining jobs are typically high-paying jobs. In much of the Nation's rural areas residents are behind their urban counterparts in living standards. In January 1990, the average weekly wage nationwide was $338. In mining, though, the average weekly wage was $590 a week, again the difference between $338 and $589 a week. Few if any industries can match such a high average wage.

Many urban towns depend on mining revenue. In fact, in rural Nevada, Mr. President, but for mining, it would be extremely depressed. And that is the way it is through much of the western part of the United States.

I offer a few more statistics that should raise my colleagues' awareness of the importance of mining to this country. In 1989, several States in the West exceeded the billion dollar mark in nonfuel mineral production: California was almost $3 billion, Nevada almost $2 billion, Arizona over $3 billion. It is estimated that in 1985 natural resource industry revenues at all levels of government were over $15 billion.

So it seems obvious to me that with numbers like these the general mining law is working well for our country. I believe, Mr. President, we should leave it alone, or at least move through the established legislative process to thoroughly review any abrogation, annulling, or changing of the law.

Let me turn to the specific issue of mining patents in the moratorium. Mining companies need the security offered by a patent to protect the tens of thousands of dollars, if not millions, that are invested in mining operations.

Mr. President, let me make sure that this body understands. We are talking about a very limited part of the mining law that relates to the issuance of patents for mining claims.

This does not include the thousands and thousands of nonpatented mining claims that are filed. That is a different issue to be debated at a different time in this body. We are talking about only patented mining claims. The mining patent amounts to a fee title to the minerals and the surface necessary to fully explore and develop mineral deposits.

Without a patent, the miner is at the mercy of the Federal agency managing the land on which a claim is located. With a patent, the mining company assures its right to mine a proven mineral resource. Such assurance is particularly important when a certain mineral, say gold, silver, or copper, takes a turn for the worse in the market, and that is the way the mining business is. It has periods of boom and periods of bust.

As I look back over the history of Nevada, it is a period of boom and bust. That is the mining industry, and the patent mining claim in the mining law was set aside in the law to allow mining companies to protect in the boom and bust years.

A mining company may for a while choose to cease mining activities during a time in which market prices make the mining operation unprofitable. With a patent, a mining company can take the risk over a long term, despite the changes in the market. A mining operation can prove profitable if the initial multithousand-dollar prepatent investment is more than matched in mining operation revenue. Without the assurance of a patent, many mining companies would not take the risk of fully developing a claim, a claim which might offer valuable minerals, minerals vital to our national security.

Even if a mining company is ready to take the risk which developing an unpatented claim entails, lenders are more than likely unwilling to take the risk. They want some assurance, some way to be assured when they loan the money that that property is there. The risk of no patent, certainly, Mr. President, curtails development of this Nation's valuable mineral resources.

Remember, we have been falling behind. We do not have the essential minerals that we need. That is why there is an agency of the Federal Government, part of the executive branch, that has been set up to develop, help develop a long-range mineral policy for essential minerals.

We are now facing the specter of a moratorium on patents. That is what this committee amendment is all about. Who will be hurt? Mining companies currently investing substantial time and money into the exploration and development of these claims are the ones that would be hurt, and ultimately the American public.

The companies operate under the assumption that we will not change the law, that once an economically viable mineral deposit is proven, a patent will be applied for and hopefully granted. Without the possibility of a patent, many would cease exploration activity due to the insecurity of the unpatented mining claims. Such abandonment of claims would mean the loss of both the claimants' substantial initial investments and valuable minerals. Miners, explorers must demonstrate at great expense the presence of an economically viable mineral deposit before a patent can be issued.

One of the things that a lot of people misunderstand is the fact you cannot just go out and obtain a patent on land because you think minerals might be there. You can only obtain a patent to these lands if you can prove that there are minerals in it. The average cost of patenting a mining claim is $250,000. These are not fly-by-night operations that come to patent these lands. Many stand to lose if this moratorium prevails.

The main argument against patenting of mining claims appears to be the Federal Government is virtually giving away amounts of land to the patent fee of $2.50 to $5 per acre. You will hear my good friend from Arkansas refer to these figures, $2.50 to $5 per acre. You will hear reference made to the nominal rate fee as an 1872 price, which constitutes bargain-basement prices for fee title Federal land.

This view shows a lack of understanding of the general mining laws or a lack of interest in further development of this country's mineral resources. The nominal amount paid for fee title is nothing more than a processing fee and, Mr. President, if in fact the processing fee should be raised, that is another issue.

But that is not the dispute before us. The real expenditure is in the form of thousands of dollars in prepatent investment. As I have indicated, hundreds of thousands of dollars is the average price to patent one of these claims.

A patent can only be obtained if there has been a discovery of valuable minerals and if it can be proven that the minerals are present in economic

quantities. Such proof takes substantial investment. The patent fee is indeed minute compared to the miners' investment. An investment in no way allows for the actual expenditure of $2.50 an acre. If all anyone had to go to get fee title of Federal land was to pay $2.50 or $5 an acre, as has been suggested, I think most people would not be here tonight. They would be out filing patent application after patent application; but we are not.

Why? Because tens of thousands and hundreds of thousands of dollars must be risked to meet patenting requirements. Miners must invest these thousands of dollars to demonstrate to the Federal Government the discovery of economically viable mineral products.

I think in passing, it is important to note that in the report that you will hear referred to tonight by the General Accounting Office, they cover two different areas of mining law. One is unpatented mining claims; the other is patented mining claims. It is interesting to note that one of the objections to the unpatented mining claims is it takes the Federal Government at least $10,000 to determine if in fact those small unpatented mining claims have any mineral value in them. They have recognized at the General Accounting Office that it takes a lot of money to find out if there are minerals in those lands.

In fact, what we are doing with the patent claims is that the explorer, the mining company itself, is making a determination whether there is any value in the land. The patent process does not allow the giving away of masses of this country's public lands, as is often argued.

In fact, in Nevada, the State which led the country in gold and silver production between 1967 and 1989—22 years—only 92 patents were issued under the mining law. This is a State which is the third leading producer of gold in the world, only behind South Africa and the Soviet Union. But yet, between 1967 and 1989, the boom years of Nevada mining, only 92 patents were issued in the State of Nevada, a little more than four a year. The acreage involved in those patents accounts for far less than one-half of 1 percent of the federally owned land in Nevada. Remember, in Nevada, 87 percent of the land is federally owned.

The mining law is not intended to bring masses of revenue directly to the Federal Government. The mining law is there to encourage exploration or development of our country's vast and valuable mineral resources, much like other countries. Take, for example, the country of Australia. In Australia, they have gone to great lengths to give individuals and companies incentives to explore.

For example, in a state in western Australia, the government has even gone so far as providing direct subsidies to gold producers. They have even gone so far that they found it necessary to make rewards for discovery of different types of minerals. Prospectors in Australia were paid a bonus of as much as $10,000 when they found a commercially feasible mineral deposit, gold deposit.

That is in Australia. So what we are doing in America is only one example of what they are doing around the world to develop the minerals. We do not hear a lot about the mineral industry, but I repeat, it is just as essential as a long-term energy policy in this country. That is what this is about. This mining law is a long-term mineral policy for our country.

The mining law is there to encourage exploration and development of our country's vast and valuable mineral resources. Development of these resources eventually create substantial economic gain for the country in general, which ultimately results in revenue for the Government, as we can see in Nevada.

During the short debate that was held in the committee on this issue, there was some talk about what the Government gets from processing these claims for $2.50, $5? What does the country get? Well, I can speak for Nevada's experience of what the country gets.

It gets the second largest employer in the State of Nevada producing thousands of jobs in the small State of Nevada, producing taxable income that is helping to build our schools, to contribute to the efficient running of government in the State of Nevada.

The Interior appropriations bill in its present form takes a dramatic change—supposedly temporarily—in the application of the general mining laws. The Interior appropriations bill is not the proper place for moratorium language. A change that affects the entire industry, that would affect the future of mineral development, should be fully considered by the appropriate authorizing committees. If you vote for this amendment, you vote against proper legislative procedure, against development of valuable mineral resources, and against the economic health of rural America.

Mr. President, I would like to direct some attention to the General Accounting Office that did a study that was somewhat critical of the patent process of mining claims. I have had the good fortune in the past couple of years to be the chairman of the Legislative Branch Appropriations Subcommittee. As part of my responsibilities, one of the agencies in the legislative branch of Government is the General Accounting Office. I think they render a tremendous service as being the watchdog of Congress. They do good work. With rare exception, I think they do outstanding work. I have to say, though, being from a mining State, having been involved in mining all my life—my father had miner's consumption, so I have been around mines and know a lot about mining—I think the General Accounting Office, simply for lack of a better word, did not know about what they set out to do. In short, they did not know what they were talking about.

Let us look at some of the things that the General Accounting Office talked about. First of all, they reviewed 20 mineral patents, and that is all. They reviewed examples of claims patented for minerals that Congress has already removed from the operation of mining laws. Examples are sand, gravel, stone, and oil shale. These commodities have been removed from the confines of the patent law. There are ways, if a claim was filed prior to 1920—that is when this law was changed—you could come and patent some of these things, but rarely has it been done. We have examples. For example, in oil shale, Mr. President—and the Presiding Officer is from a State where there is valuable oil shale—when there was a shortage of oil, there are people who went back and tried to revive—in fact, they did revive—claims filed prior to 1920. Some of them had estates probated that had never been probated and bought the claims and developed these oil shale claims. They are quickly coming to an end. There are only so many claims that were filed prior to 1920. As an example, oil shale is one of those that have already been removed from operation in the mining law.

The General Accounting Office went out and looked at those. Selected localities were also reviewed. The GAO did not go out into rural America. They went outside the big cities. For example, they went out near the city of Las Vegas. One of the 20 they looked at out there was—and my colleague from the State of Nevada will remember this name—Stocks Mill and Supply. It was a gravel claim, and it was originally denied by the Bureau of Land Management. They filed the claim in the early fifties and went through the process some 30 years before the claim was finally approved by a Federal court—not a Federal agency, but a Federal court. Stocks Mill and Supply, at the time examined by the GAO, was almost in the middle of Las Vegas, because in 30 years the population had grown out. But for Stocks Mill and Supply, however, a lot of Las Vegas would not have been built, because the gravel and other supplies that they contributed to the growth of Las Vegas was essential. So, in short, they selected localities adjacent to the expanding urban West. They reviewed commodities that contributed to expansion. I have just talked about that.

If the Chair will bear with me, I am looking for a paper here. I am not going to find it unless I put on my glasses. One of the examples used in the report that I cannot put my fingertips on right now dealt with a property in the State of Colorado, and the complaint was that this mining property had been sold for a large amount of money, and they did not mine it. Well, that is really true because the community in which the claim was located outlawed mining. They actually could not do it. I wanted to refer the body to that.

Also, Mr. President, the vast majority of claims are never patented. Lots of claims are filed, but because the process is so burdensome and difficult, the GAO report simply does not talk about how difficult it is to file those claims. Selected sites, as I have indicated, are sand and gravel, decompressed granite, and these have not been located since 1955.

I have indicated the Stocks Mill and Supply claim. They also used as an example in the GAO report that patent obtained in 1983 by somebody by the name of Yeager. Well, it is interesting, because this Yeager is a cousin of mine. They started working that claim in the late 1930's and it took all that period of time. It took a father, and he died, and finally the son was able to get the patent. That claim took 40 years or more to get patented. So the General Accounting Office, as well-meaning as they might be, simply has not directed the attention to the appropriate problems that are existing with patenting.

The GAO leaves the uninformed reader with the impression that mineral patents are easily obtained with little expenditure of labor and means. But you only need ask someone, which they did not do, that tried to go through the process. The mineral exploration and development business is extremely risky. A few targets becomes prospects, and even fewer becomes mine. But GAO implies that any claimant can readily receive a patent just for the asking. Even claimants fortunate enough to discover valuable minerals must spend thousands of dollars in qualifying making improvements, general surveys, plat preparation, title abstracting, and publishing costs.

To develop a mine in the State of Nevada—and this is an average number—or in the United States, it takes 100 different permits. Each claim takes 100 different permits. The fact of the matter is that the General Accounting Office, Mr. President, simply did not apply the right test that the Bureau of Land Management and other Federal agencies use to determine whether there is a valuable mining property located within the property that is attempting to be patented.

I will respectfully submit to this body that this is the wrong place, that there may be something wrong with the mining law, but this is not one of those places. The patent is the value way of developing mining claims in this country.

The administration, we know, and we have been told because of what they put in the budget, supports some reform of the general mining laws. But I submit that they should not be misled into thinking that the administration supports a moratorium on the issuance of patents, because it does not.

Let me read to you passage from OMB in a September 28 letter to the House Appropriation Chairman, JAMIE WHITTEN, outlining the administration appropriation in the House Interior appropriation bill.

> The Administration objects to language preventing BLM from issuing mineral patents that transfer title of land to mining claimants who, having satisfied all statutory requirements, are otherwise entitled to a patent under the Mining Law of 1872. While the Administration agrees that various provisions of the bill appears to be an attempt to force changes in the underlying philosophy of mining on federal lands. If enacted, this moratorium on patenting would be a piecemeal and inefficient attempt to reform Federal land management policy and procedures and would not solve the problems of concern to the Congress, the agencies and the public.

I am not going to belabor all the errors in the GAO report, other than to say there are a multitude of errors. For example, in Colorado, again near Aspen, there is a picture in their study saying, see, here is a claimant, here is a patent holder that has locked out all people trying to get into public lands.

The fact of the matter is, if they had gone and done their homework the way they should have done, you would have found there was, in fact, a locked gate. But, this closure was done by the Forest Service for land management requirements and the road remained vacant for hikers, skiers, mountain cyclists, and other recreational users.

Furthermore, it is not in the report that there was another access road available. In the selected patent sites that I have talked about, six of the seven patents were near metropolitan areas, retirement communities and resorts. They even went on to give an example of a place in Nevada, Laughlin, which is a rapidly growing area. What they failed to mention is that that, in fact, could not have been developed anyway.

So, let me just review very, very briefly that reclamation laws exist in all States with major mineral deposits. To say that these lands are patented and then destroyed is not, in fact, the case. All miners, whether in Government or private land, must abide by Federal laws such as the Clean Air Act, clean water acts, State and local environmental laws. As I indicated, mines are required to have in excess of 100 permits and approval regarding air, water quality, visibility, wildlife, and health and safety for workers, and other protective measures. The moratorium does not in any way enhance these already extensive protections.

I respect and certainly appreciate the good work that my friend from Arkansas has done in many areas of environment. I think he has done an outstanding job. I know his intent is well founded in this regard. But I submit to my friend from Arkansas that I believe that he is picking on the wrong horse at this time. The patent process is a valuable process to develop the minerals of this country.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I thank the Chair.

Mr. President, let me commend my senior colleague from Nevada. He has done an extraordinarily effective job in outlining with a great deal of specificity the mischief and harm which will be occasioned within a majority industry in my own State should this proposal be enacted and become law.

I would say to my good friend and colleague from Arkansas, who has sponsored so many progressive legislative acts over the years, and whose own oratory in my own 2 years as a Member of this body has persuaded me on so many occasions, that this is simply not the time to debate a major change in the mining law of 1872. The appropriating process is not the proper function, and something that is as comprehensive and as sweeping as this with all the implications that it has not only in my own State but in many Western States, requires a more thoughtful process, a forum in which those whose interests are affected, may be thoroughly heard and that we have an opportunity to debate it in the context of the authorization process as opposed to the appropriating process.

I would say to my good friend and colleague from Arkansas, for those of us in Nevada, the history of our State is inextricably linked to the mining industry. We came into this Union in 1864 based largely upon the discovery of the legendary Comstock lode in Virginia City in 1859. Within 2 years thereafter, the territory of Nevada was organized, and 3 years thereafter, Nevada became the 36th State in this Nation.

Nevada's admission to the Union at that time was a critical juncture in our Nation's history, and President Lincoln urged upon our State statehood status to enable the ratification of the 13th, 14th, and 15th amendments to the Constitution of the United States.

Mining was the catalyst which brought thousands of people to our

State, and through all of the 19th century, Nevada's own economic fortunes ebbed and flowed, based upon the health of that industry, and indeed, into at least the first 30 or 40 years of this century, where it may be fair to conclude today that mining no longer occupies the dominant economic role in our State that it once did.

Mr. President, I point out that for a great majority of the 16 counties and Carson City in our own State, mining yet today is the principal economic livelihood. To pass this moratorium would seriously impair the livelihood of thousands of Nevadans and would wreak great havoc upon a great number of citizens of my own State.

Let me just make a couple of points that my distinguished colleague made, that I would like to embellish for a moment.

Mining is not an industry which lends itself to precision. There is much risk involved and indeed much of the mineral wealth in our own State as well as throughout the West that is easily located, easily ascertained, was located, filed upon, and fully developed many years ago. Only as a consequence of some extraordinary technology in this century, has it been possible for my own State to enjoy a renaissance in mining that rivals indeed those legendary days of the Comstock lode in the latter part of the 19th century. It requires an enormous amount of capital and the risk is extraordinary.

So, indeed, as my distinguished colleague from Nevada has pointed out, there is no absolute certainty in discovering or indeed securing a patent once a claim is filed. The criteria for issuance of a mineral patent is the discovery of a mineral deposit, which a prudent man could develop economically. It does not, as suggested by some, to allow the wholesaling of public lands.

There has been some suggestion or impression created generally that there are literally tens of thousands, if not hundreds of thousands, of patents that are granted indiscriminately. And as a consequence, great abuse is occurring on the public lands of this Nation.

Mr. President, nothing could be further from the truth, as my colleague from Nevada pointed out. Since 1967, in our own State, only 92 patents have been issued. More recently—and this is in the height of a mining boom, Mr. President, that certainly has been unequaled in my own lifetime and does indeed rival, in fact, or surpasses in terms of dollar wealth those legendary days of yesteryear—in 1986, five patents were issued; in 1987, two patents were issued; in 1988, two patents; in 1989, four; and in 1990, five.

So may I suggest that there is no compelling argument of public policy that suggests that action needs to be taken in the context of this appropriation bill that ought not to be deferred until the next Congress when indeed, if it is the pleasure of the Senator from Arkansas to raise the question of what is an appropriate review of public lands and the patent process with respect to mining claims, that there is appropriate time and opportunity and the processes available to do so.

Indeed, we are informed by the Bureau of Land Management office in our own State that 50 applications are pending in various stages of processing. So there is not that need which has been suggested by some that we must take action now or some matter of great consequence and irreversible tragedy is about to befall us in this Nation.

A moratorium now would potentially destroy the value of the investment already incurred and would create substantial new business risks for ongoing mining operations. As has been pointed out, the average cost to prepare a claim per patent is approximately a quarter of a million dollars. So it is not something that one embarks upon without having thoroughly researched and carefully evaluated the prospect of mineral wealth being developed and without the prospect that that wealth can be established in accordance with the prudent man rule which is the criteria for securing a patent of mining claim.

May I respectfully suggest, Mr. President, that this is not the time to take the action urged upon us by my friend and colleague, the distinguished Senator from Arkansas. The mining law of 1872 has served this Nation for more than a century. It is my own view, and shared by a great majority of those in the West, that it continues to serve the national interest well.

I am not unmindful, Mr. President, that in recent years a growing choir of vioces has raised questions as to whether or not that policy ought to be revisited and we ought not to debate whether or not some changes should occur in that mining law. Although I would disagree with those who assert such a proposition, I readily acknowledge that the appropriate forum for doing so is the Congress of the United States. I welcome the opportunity to join with them in constructive and spirited discussion and debate in the context of committee hearings before the authorizing committee and if necessary the further stage of the legislative process.

But this law should not be altered without careful consideration by this body. To propose a fundamental change now in the hurried last days of this Congress is not a wise decision. Therefore, Mr. President, I join with my senior colleague in urging my colleagues to reject this moratorium until such time as this issue can be debated at a more suitable time during the next Congress.

I yield the floor.

The PRESIDING OFFICER (Mr. DODD). Who seeks time?

Mr. BUMPERS. Mr. President, I rather relish this debate, to be truthful. The reason I relish it is because it provides an opportunity to enlighten the Members of the body, as well as the American people to probably—and there are plenty of them around—by all odds the biggest skam still going on in America.

When this thing was first brought to my attention about 3 years ago, I thought just as many of my colleagues here tonight would think at first blush: That cannot be. Why Congress would never allow a situation like that to continue once they were made aware of it.

Well, as you have already seen, Mr. President, not only do they permit it, there are people who defend it. Here we are dealing with a $400 billion-plus deficit; here we are trying to find money through the reconciliation process.

I just came from the reconciliation conference committee of the House and Senate on energy. We are trying to find $360 million to cut in the energy budget and in the Interior budget. And here we are tonight debating an amendment, which the Appropriations Committee very wisely adopted by a vote of 17 to 10, here we are tonight with an effort to strike that amendment.

Now every public official ought to have a high ability to be outraged. A politician that does not get outraged is not worth his salt.

And tonight, we are debating an amendment that will put a moratorium—a moratorium—on the Bureau of Land Management giving away Federal lands by deed for $2.50 an acre. When I introduced a bill last year to revise this old antiquated law that Ulysses Grant signed back in 1872 trying to encourage people to go West and settle—I think you will agree with me the original rationale for giving away the public domain for $2.50 an acre to go West and settle is hardly a legitimate rationale in this year of Our Lord 1990.

But when I introduced my bill last year, called the mine reform law of 1989, I went around here trying to collect cosponsors, and I got a few. But one Senator said to me, and he said it humorously, but I thought it was pretty appropriate, he said "I am not going to cosponsor it. I am going to Nevada and start staking a claim."

Mr. President, let me just give you a little rundown of the law as Ulysses Grant signed it 118 years ago. He said if you go West and settle, you can file claims for 20 acres, as long as you want to, and without limit. And if you

will look for hard rock minerals on that 20 acres and find it, and produce it, you ask us for a patent, which is the same thing as a deed, you ask Uncle Sucker for a deed to the 20 acres and we will give it to you for $2.50 an acre.

Now in 1872, most of that land was not worth $2.50 an acre. But that was 118 years ago, and the law is still in place. Since 1872—and the Presiding Officer ought to be especially interested in this figure—we have sold land for $2.50 an acre the size of Connecticut. We have literally given away a State the size of Connecticut for $2.50 an acre. And there are not pending claims for a State almost the size of my home State of Arkansas—45 million acres at risk. Conceivably—it would not happen, but under the law it could—the entire 45 million acres could be sold by the Federal Government for $2.50 to $5 an acre.

You know what is more? You do not even have to put up a bond to mine. Do you know what is more? If you start mining the land and it may be profitable, let us say it is gold or silver, and let us assume the price drops of whatever you are mining and it is no longer profitable, walk off and leave it. And who do you think picks up the tab for reclaiming it, Mr. President?

Why, the taxpayers of America. The General Accounting Office said it will cost several hundred million dollars to reclaim just the ones we know about that have been abondoned. Some of the others, the Wilderness Society, and so on, say it will cost billions.

I used a little illustration the other day when I offered this amendment in the committee and I will use it again tonight. I am going to give every Member of the U.S. Senate a reason to vote with the Senator from Nevada. I am going to give my colleagues a hypothetical case and I hereby award every Member of the Senate 500 acres of land. Some of them own more than that already, but I am going to give them 500 acres of land tonight.

Then I want someone to come and knock on your door and say "I have been looking over this 500 acres of land you own out here. I think there might be gold or silver under that. I would like to go out there and look."

You think, that might not be too bad a deal. "Go out and look. But, before you do that, will you promise me you are not going to destroy my farm?"

"No. No promises. I am going to go out there and explore around and see if I cannot find some gold."

"And you are telling me you are not even going to promise me that you are not going to tear my farm up?"

"No. But if we find gold, wouldn't that be wonderful?"

And then you say, "Would you consider putting up a bond for the damage you do?"

"Oh no. No. I just want to go out there and look and explore and dig around. No bond."

If you will permit that man to go explore for gold, silver, or whatever on your land with no bond or no promise to reclaim it in case he finds nothing—if you are willing to do that with your land, you vote with the Senator from Nevada.

To go further, let us assume you lose your mind temporarily and you do allow him to go look. And he goes out there and he finds the mother lode, gold all over that 500 acres. And you are happy and you are applauding and you are patting yourself on the back.

You say to him, "OK, let us cut a deal."

He says, "What do you mean,"

"Well, what is my royalty on this gold?"

"Nothing. Not a dime."

And I say, "Wait a minute. You are telling me you have explored on my land and you found gold and you want to go out there and mine it and not pay me anything?"

That is exactly what he is saying. If you will permit that, if you will permit them to mine your 500 acres of land and take the gold and silver or whatever material they want to take off of it and you do not get a dime—if you think that is a good deal, you vote with the Senator from Nevada.

And, if they decide, after several years of mining it, that it is no longer profitable, they do not want it any more, and the 500 acres was literally destroyed anyway, you say to this fellow, "Look, you will put my land back in place, will you not?"

He says, "No, I never gave you any assurances I would do anything. You did not require a bond of me. I did not put one up. I am leaving."

And you have 500 acres of land that is virtually worthless that you are going to have to reclaim.

Do my colleagues think I am embellishing the story? Do they think it is a fairy tale?

Mr. President, that is exactly the way it happens every single year: $4 billion worth of hard rock minerals are removed from Federal lands, and what do you think the United States with a $400 billion deficit—what do you think we get? Not one thin dime.

Do you know what this comes under the heading of? It is an old expression we used to have in Arkansas: Everybody's business is nobody's business.

This has been going on and it just went on and the people from the States affected, of course, protected it. We all have parochial and provincial interests back home. Can you imagine this going on for 118 years until today?

Do you know something? If anything, I have understated the case. GAO report, March 1989, read it. Read the GAO report. One example after another.

Here is an article from the Chicago Tribune, an editorial.

Incidentally, every newspaper in the country has editorialized on this.

"Ninteen acres inside the city of Phoenix which cost the claimholder $47 in 1987, and it is now valued at somewhere between $376,000 and $3.8 million." When we have held hearings on this and I ask the Director of BLM, "1,200,000 claims; how do you renew them?"

He said, "Well, they sign an affidavit. They just sign an affidavit. It is a form that we give them." And it says, "I hereby affirm or swear"—or whatever—"that I put in $100 worth of work on my claim."

"Do you go out and check to see if they did that?"

"No."

"Why not?"

"We don't have the resources."

"Let me ask you this, when somebody says they found valuable minerals on it and they ask you for a deed to it, and you give them a deed to it, do you go back and make sure they mined it? That they found all these strategic minerals that the opponents of this amendment say are so vital to us? Do you go out there and see if they have mined them?"

"No, we do not, Senator. We do not have time."

I am quoting from the hearing record. "No. We do not."

So here is what you get. You get this 19 acres in Phoenix for $47. And you sell it for somewhere between $387,000 and $3.8 million, 5 years later.

Item, 34 acres in northern California's mother lode gold country, just outside Yosemite National Park. Bought for $170 in 1985. And is estimated now to be worth $510,000.

And 319 acres on the edge of mountain resorts near Las Vegas. I know my colleagues would not condone this. I know they are good Nevadans. But they would not condone this. They are gentlemen, they are fine men. There are not two people in the Senate for whom I have a higher regard and affection. But they would not condone this; 319 acres of mountain resorts near Las Vegas which cost its Las Vegas owner $775 in 1983, and in 1988 was appraised at $1.8 million.

"Mr. BLM Director, when they sell that land off for $10,000 and $20,000 and $30,000 an acre, does that burden you? Does it cause you any lost sleep?"

"Senator, we just do not have the horses to monitor these things."

More than $48 million worth of Federal land went to individuals and companies for $4,500. The GAO probe has just completed examining 20 transactions, 1978 and 1988. That land that brought Uncle Sugar $4,500 according to the GAO is now worth $48 million.

I have to tell my colleagues, Mr. President, I do not believe these figures myself. Here I am preaching about the evils of this 118-year-old law and when I cite these statistics I think surely to goodness that cannot be. If that were true, I would not have to stand on the Senate floor and say we have to stop this. And yet there it is.

Here is one other, and I am not picking on Nevada. But here is another little item of Nevada. The BLM has 12 applications for patents. Those 12 pending patents would bring the U.S. Government, it they issue them—if we kill this amendment tonight, there is not any reason for BLM to deny them the deed—12 separate deeds and that would bring in a handsome $16,000 to the U.S. Treasury which has a $400 billion deficit staring it in the face. And for that $16,000, we deed land which the GAO says is worth $47 million. This includes a lot of valuable land along Casino Road in Laughlin. I do not know where Laughlin is. Casino Road tells me where I think it is. Prime acreage in the Breckenridge ski resort in Colorado and a potentially lucrative track inside the city limits of Tucson. All those tracts, now deeds sought from BLM.

The Laughlin site—that is in Nevada—the Laughlin site, near a booming new casino complex includes 1,280 acres and could be worth $30 million, according to GAO. The Breckenridge property in Colorado, 60 acres in clear view of the resort slopes, is worth $8 million but could be turned over with a warranted deed for $150.

That ought to be enough, and I should just sit down. If anybody is listening, I ought to sit down.

Mr. President, we have these claims inside national parks. Do my colleagues know that? Yes. We have 760 patented claims inside national parks and we have 1,492 unpatented claims in national parks. The Park Service records show that at least eight patents on National Park Service-administered land have been put to nonmining uses.

I am pleased by that. I do not want the mining of anything inside the national parks. But these are supposed to be mineral claims, mining claims. But they say at least eight of these patents in the National Park Service are going to be put to a casino and a hotel, a housing subdivision, hunting and fishing camps, and a tourist resort with a gulf course.

Why am I arguing about it? Why am I not out there filing claims? You would need a saliva test not to be going out there and driving a stake. But I will tell my colleagues, you need an even bigger saliva test to vote to drop this amendment from the committee bill.

Mr. President, the 1,200,000 claims I alluded to a moment ago, we do not know where they are. A lot of them were filed 100 years ago, before we had a recordation act. They hand them down from generation to generation just like you would will your property to your son and your grandson and your great grandson. We have claims out there that have been in the same family for 100 years.

Mr. President, if I had my way about it, that amendment that is in the committee bill would be a lot more draconian than it is. The people in the energy reconciliation had a chance today to do the Lord's work and be on George Bush's side at the same time, and that is not easy. That does not happen often. But the President wants, instead of these people going out there and scouring the ground up a little bit for 10 minutes and coming in and signing an affidavit that they put $100 worth of work on their claim, the President wants—and we have not been able to do it, though it is worth $255 million—he wants these mining claims, instead of signing an affidavit, send $100 in.

There was testimony the other day that requiring them to send a check for $100 instead of signing an affidavit is worth $255 million but, more than that—and they do not even count it—it is worth $30 million just in administrative expense to BLM.

Do my colleagues know what CBO said? CBO said that if we did this, if we required all of these people who hold these claims for 20 acres—some people have 500,000 acres; they can file as many of them as they want—if we require them to actually send $100 in instead of just saying they did $100 worth of work, 40 percent of the claims will lapse.

Does that tell my colleagues anything? Does that tell my colleagues that maybe somebody signed some affidavits that they have been doing 100 dollars' worth of work and have not done it?

The Senator from Nevada makes the point that people spend a lot of money proving these claims. I would, too. If I could just go out there and find some Federal land and all I have to do is start looking for gold, no bond, no reclamation , no rally, no nothing.

Somebody made mention of a molybdenum mine in Colorado; that they put $300 million into it to discover oil and are working it. Do my colleagues know why? Because they thought they would make billions out of it; that is why.

We have had a debate in the Energy Committee I do not know how many times about opening the Arctic National Wildlife Refuge. I have been opposed to it and am still opposed to it. We will drill it one of these days, but there certainly ought not be any hurry about it. But do my colleagues know what BLM says? They think they will get, on the first bid for lands in the Arctic Wildlife Refuge, about $1.2 billion. And that is not all of it. That is just the first offer; bonus, just for the right to look for oil. They do not have the foggiest notion of whether they are going to find it and, if so, how much. And yet if you want to look for gold, silver, molybdenum and all the others, you do it, tear up the land, take it out, and do not pay the taxpayers a dime.

The land belongs to the taxpayers of America. There is not one Senator seated on this floor who has not made 100 speeches when he first ran for office about what a fiscal conservative he is going to be, how he is going to save the taxpayers dollars and how he will treat your assets, your money and your land as though it were his own. That is what we have all said. And we hoped the American people or the people in our constituencies would buy it.

As I said a moment ago, if you are willing to let some mining company or just some old Joe Blow come on your land and tear it up exploring, and he finds something, take it, and not pay you a dime for it and leave that mess for you to clean up, if you want to do that to your land, go home and tell your constituents.

You know one of the reasons this place is under gridlock, Mr. President? Nobody can vote around here anymore without figuring out which side of the issue the hardest hitting 30-second television spot will be on in the next election. I tell you what, there may be some votes somebody is going to use against me, but one of them is not going to be that I voted to give away the taxpayers' land, the public domain, when we are here this 22d day of October still trying to figure out how to deal with the deficit.

Mr. President, the mining companies that are mining this land also mine on private land. Do you know what they do when they mine on private land? They clean it up. They pay a royalty. They do everything in an arm's length transaction, just exactly as you would require with that 500 acres I deeded to you earlier this evening. You would not let them near your place under those conditions, and we should not either.

The other day the distinguished senior Senator from Nevada, in the committee, when he was arguing against my amendment, said the reason miners want these patents is because they want the Government to leave them alone. I wish the IRS would leave me alone. There are a lot of people in this country who wish EPA would leave them alone. There are a lot of pharmaceutical companies that wish the FDA would leave them alone. There are a lot of highway and airport contractors that wish Government would leave them alone.

I can tell you, if I were a miner and I had a business on the ground like this, I would want the Government to leave me alone. Good lord, what does it take?

Mr. President, just to give you some idea of what happens if this moratorium does not go into effect, No. 1, everybody knows—everybody does not, but everybody who is interested in this legislation, principally the miners and the mining companies know that this practice is coming to an end. And if you vote to delete this amendment from the bill, there is going to be a headlong mad dash of patent applications, of claim filing.

Did you know sand is a hard rock mineral in the Oregon dunes? They have an uncommon variety of land out in the Oregon dunes. Somebody acquired land out there for $1,950 in those dunes. They found it was worth somewhere between $350,000 and $12 million, and now the State or the Government wants to buy it. And so the same land that the Government just got through selling out there for $1,950, they are going to have the privilege of paying probably millions to get it back.

Mr. President, I had a list—I have lost it—of the number of acres that the Government is still selling for $2.50 an acre. Here is it. Do you think this is something that just happened during Ulysses S. Grant's time? Do you think it is not continuing? Do you think this amendment is specious or something?

In 1988, 38 patents were issued by BLM covering 9,014 acres; in 1989, 32 patents covering 19,345 acres. So far in 1990, 34 patents were issued covering 8,027 acres.

If you want to go home and tell your people——

Mr. STEVENS. Will the Senator yield?

Mr. BUMPERS. I will be happy to yield.

Mr. STEVENS. In view of the fact that just so few patents are being issued now, what is all the rhubarb?

Mr. BUMPERS. Let me tell the Senate something. That is like being just a little bit pregnant. If it is wrong, it is wrong.

Mr. STEVENS. Will the Senator yield for one question?

Mr. BUMPERS. I do not care if they issue one patent or two patents. The fact that only 34 patents have been issued this year does not make it right.

Mr. STEVENS. One more question, Mr. President?

Mr. BUMPERS. Fire away. I am listening.

Mr. STEVENS. Does the Senator know how long it took those patentees to get the patents?

Mr. BUMPERS. That is irrelevent to me. I could not care less how long it took them. This is a rotten-to-the-core system. Do not tell me how long it took somebody to perfect a patent in order to get acreage free that is worth million of dollars, that they paid $2,50 for, and pay the U.S. Government not 1 dime. All right. And you come in here and say, "Well, they only gave 38 patents in 1988, and 32 patents in 1989, and 34 in 1990."

Mr. President, that is almost 34,000 acres for $2.50. That is what is relevant. The fact is that they do not even put up a bond sometimes, Mr. President. In order to be absolutely fair, sometimes the Forest Service breaks out in a spate of conscience and requires a bond. BLM never does. BLM never asks for a bond to reclaim land.

As I said, you go out and look at these abandoned mine sites, and then go home and tell your constituents that the savings and loan crisis is going to be over soon, but you are going to have to spend several billion dollars to clean up this mess at all these abandoned mine sites. If you can make that case, vote with the Senator from Nevada.

Mr. President, I yield the floor.

Mr. McCLURE addressed the Chair.

The PRESIDING OFFICER (Mr. LEVIN). The Senator from Idaho.

Mr. McCLURE. Mr. President, I rise in strong support of the amendment offered by the distinguished Senator from Nevada. I am proud to be a cosponsor of the amendment, and I hope my friends who may be listening will really listen.

I do not know exactly how to respond to my friend from Arkansas because he is long on emotion and short on fact, and emotion is hard to contend with. I think the Senator is genuinely involved in this issue. I do not question at all that he feels the emotions he states. But I wish he had been more careful with the facts.

I am going to try to rather unemotionally recite to you some of the background material which, indeed, if you care about this issue you ought to have. I will say to my friend from Arkansas, I have known him well for a long period of time, and I do not intend to even attempt to persuade him tonight. I have done that before, and I concede I have failed in that.

But I want to talk to the rest of my colleagues, and I want to talk to the American public about some of the fallacies that creep into this argument.

First of all, because some of my friends have seen the GAO report, they need to understand something about what a piece of junk this report is. There has been a great deal written about this since the GAO report came out, and I do not have the time tonight to go into every one of the publications and every one of the criticisms that illustrate just how faulty this report is and how poorly they did the job with respect to looking at background material.

So I will not even attempt to detail that, but I do want to talk about one or two things that went into this report that they cite as evidence and illustrate to you that you cannot rely upon everything that is said in it. As a matter of fact, you cannot rely upon very much of what is said in it.

The GAO major premise in this report, the one that my friend from Arkansas has picked up, is that patents to public lands are obtained for real estate value rather than for mining purposes. To prove that conclusion, GAO investigators chose initially to investigate only 7 sites out of 100 patented in 1983. Of those that they chose to look at, six of the seven sites chosen were near metropolitan areas, retirement communities, and resorts. They were in no way representative samples of patented mining claims, which, in real life, are usually located far away from such areas, from cities and resorts and retirement communities.

The result of this bias—and it is a very provable bias, it is apparent on its face, this device of choosing seven unrepresentative cases—is they came up with terribly erroneous results in their extrapolation of values. They were out to prove something. They were not out to discover something. They were not out to find out what the truth was; they were out to prove that there was something wrong. They set out to do it.

Let us look at one of the cases they looked at, the Keystone ski resort area in Colorado. They apparently, I say perhaps obviously, chose that example as being indicative of everything that is wrong with the mining law. But what they neglected to say was that the claim holder was prevented from mining his property. He did not choose not to. He was prevented from mining that property because by some accounts Colorado skiing has taken the place of mining as king of the mountain, and there was passed the zoning ordinance prohibiting mining. The miner wanted to mine the property. It was converted to other uses only because the local community prevented him from doing that.

There has been reference made to Breckenridge. Let us look at why the GAO chose that, because they could take a picture of the miner's cabin in the foreground with the ski slopes in the background, attempting to prove something by implication, that the property is typical of the sites where mining patents are pending and will soon be bought by some speculator for $2.50 an acre.

The truth is that the GAO investigators were advised by the Forest Service at the time of their visit to the Breckenridge site that the mining claims were not even qualified for patents. If they were not even qualified

for patent, why did GAO use that claim as evidence in their report of the evils of the mining law? As a matter of fact, the mining law would have prevented the issuance of a patent.

We could go through that time after time after time in the GAO report. I do not have the time to go through all of the things that the GAO report indicated that were simply flat wrong because the GAO investigators were out to prove something, and were seeking something, anything, that would bolster their claim, bolster their case that there is something wrong with the 1872 mining law, which my friend from Arkansas persists in reminding us was signed by President Grant and therefore must have been evil. I guess if you come from the South, that is a reasonable conclusion that, if President Grant had anything to do with it, it must have been bad. Other than that, I am not sure what the point is.

One place in the GAO report makes reference to the fact that a patent holder of one site, and I quote from their report, "The patent holder of one site we visited near Aspen, CO, had a locked gate locking the only access road to considerable Forest Service land and other mining claims, thus precluding recreational users and miners from crossing his lands to adjoining Forest Service lands."

What is the truth? It came out in a hearing before our committee on June 7, 1989, on the record, by Forest Service officials testifying in that hearing, that that gate was locked by a Forest Service padlock because it was the Forest Service that wanted that access closed, not the holder of the mining claim.

So the GAO, in the report, in citing that locked gate as a reason why we should not have mining claims, simply jumped to a conclusion that they could use that example to discredit the claimant process. As a matter of fact, their claim was totally false, and any inquiry on their part would have clearly and quickly revealed that fact if, in fact, they did not already know that it was totally false.

My friend from Arkansas a few moments ago referred to 1,200,000 claims. I think I remember correctly what he said, that many of those are over 100 years old. Pure nonsense, absolutely not a matter of fact. Like the GAO report, it may be useful to try to bolster a case, but it is factually incorrect.

In the committee, and again here on the floor, an analogy has been drawn to private property and private property owners—about what you would do with your own private property. Would you let somebody come in and mine, and you would get nothing out of it? That would be ridiculous, so goes the claim. As a matter of fact, the Government gets something out of this.

In the case of a private property owner, the private property owner does not levy taxes. But having been there, I say, at least in my family, in leasing to operators property held under an unpatented mining claim in which we did, indeed, make a bargain with the operator that, if you make any money, we get a share of it. That is not at all dissimilar from the situation that any other property owner might have in leasing his property to a farmer, to a recreational development or user: "I will let you use my property so long as I get something out of it."

As private property owners, we cannot, and do not levy taxes, but the Federal and State governments can and do. So the Federal Government, as the property owner, can and does have a bargain with that holder of a mining claim. You operate on it and you make some money, we get something—exactly the same thing that a private property owner can and often times does do.

So it is not fair to say that the Federal Government in granting the use of property for the extraction of minerals gets nothing back at all. As a matter of fact, they get back State tax, local property tax, the division of fees with the State governments. They get back the income taxes paid by all of the industries that are involved in the mining industry.

It is also suggested that since the law was passed in 1872, it ought to be changed now, it must be out of date. As a matter of fact, it has been changed hundreds of times, hundreds of times since 1872. It is a modern body of law with all kinds of environmental protective constraints under the mining law and other related statutes dealing with the use of these public lands. And it is not fair to indicate that, just because it was initially passed in 1872, it must be out of date. I do not see anybody here on the floor of the Senate making claims that the Constitution of the United States adopted 201 years ago is now out of date and should be scrapped because it is old. The mining law serves us well.

Let us look at what the moratorium does, and that is all we are talking about here. We are not debating mining law, generally speaking.

The moratorium would adversely affect claimants who now have claims. Let us look at one class that should not be involved in this at all, the oil shale claims in Colorado and Utah, primarily, because for administrative reasons, the Department of the Interior is refusing to follow the law that is on the books today. After extensive litigation—and believe me, it is extensive—a Federal district court in Colorado, with Judge Finesilver ruling, said in June of this year that the Department of the Interior has abused its discretion in refusing to act with finality on the oil shale patent application before the court. This moratorium would deprive claimants of rights that they would have, if the Department of the Interior was following the law, because the moratorium would adversely affect all oil shale claimants who have filed application for patent but who have not yet received the first half of the final certificate, simply because Secretary Lujan has refused to follow the law or the order by the court that would have allowed them to process their patent application to that point.

Well, the case law is clear, absolutely clear, that once a claimant receives the first half of the final certificate, he is entitled to a patent, if there is a valid discovery. The courts have not specifically addressed whether this right to patent also exists for a claimant holding a valid claim, who has submitted a patent application, but who has not received the first half of the final certificate. The moratorium would have the effect of denying this class of claimants any right to patent that may exist.

Mr. President, this kind of action should be submitted through an authorizing committee; it should not be legislated in an Appropriations Committee action, because of the frustration of one or more Members of this body that the authorizing committee has not yet acted.

My friend from Arkansas is right, this has been debated in the Energy Committee upon more than one occasion. And the Energy Committee has failed to act. I was going to say refused to act, but it has failed to act. I characterize that failure as a refusal and not just inaction.

Two other points, and I will not belabor this all evening. But I want to make two other points as briefly as I can. It is suggested that to transfer title upon the payment of $2.50 is unconscionable. Well, if this is such a good deal, why are there not hundreds of thousands of Americans out there trying to get some of that land?

As a matter of fact, I am informed that after a recent television show on this subject, which made the same kind of charge, the phones rang off the hooks from people who said, if it is that easy to get that land for $2.50 an acre, I want some; how do I do it?

Well, as a matter of fact, it is not easy. It is an arduous process. If, indeed, out of 1.2 million unpatented claims out there, there were only 15 patents issued last year—as a matter of fact, in the oil shale claims where I think there are 1,600 claims, there are only 300 patent applications—if it is so easy, why are they not all applying for a patent? If it is so easy, cheap and automatic, thousands of people would be trying this route.

As a matter of fact, just as in the case I referred to, where the GAO looked at a specific piece of property

under a mining claim with a ski area in the background, they implied that person was going to get a patent. And the Forest Service they said they were not even eligible. They might have tried to get a patent, but they never would get a patent on that piece of property.

And so it is with a great many of those mining claims that are out there that will never, under any circumstances, proceed to patent.

Finally, Mr. President, let us look for just a moment at this massive giveaway under a law that is now 118 years old. People have free access to go out there and get all the land they want, and in 118 years they have succeeded in getting title to two-tenths of 1 percent of the public lands of this country. A massive problem? I scarcely think that indicates that there is a massive problem, or a problem of any dimension. Two-tenths of 1 percent of all of the public lands in 118 years, and it is suggested to us now that there is such an emergency on the granting of patents that we must, by this rather unusual route of hanging a provision on appropriations bill, seek to stop the progress of a mining industry that is vital to this country.

Mr. President, I have not said anything this evening about the vital nature of the mining industry, and I will not belabor the Senate very long in that regard, because I think it is obvious that is we are going to remain a strong, vital and competitive country, we have to have strong, vital and competitive basic industries. If we are going to, one-by-one, single out industries and say, no, we do not want you here, no, we do not like you here, and I am sorry about all you folks who happen to work in it, I really am sympathetic with the communities that will be hurt by this action, but we are going to close you down, then I will suggest to you our budget problems will not go down; they will rise. As more and more people are denied the opportunity to be constructive, productive people in our society, we are going to have more and more problems with poverty, with unemployment, with all of the myriad of social problems that come from deprived people in areas of declining activity.

From those of us who come from public land States, we live with this problem daily. For those of you who live in the rest of the country, do not believe you are immune from this kind of problem just because you do not have public lands in your States. I remember a few years ago when we made it difficult for our specialty steel industry to get the ingredients that are necessary to put in the specialty steels in this country, and that portion of our steel industry went to Europe and to the Soviet Union. We have never gotten them back.

Yes, you can progressively strangle the productive enterprise in this country. I submit to you that, indeed, the mining industry is a productive enterprise that is vital to the health of this country. If you flip on the light, where did the product come from that was in the switch, in the wires that led the electricity in, in the appliance or the light that you turned on? Where did the product come from that made it possible for any of us to enjoy the things that are around us everyday?

And you will not find any of your activities that are not directly affected by a product that came from the mines in this country. We close those down, buy them from outside this country, and then rail against the consequences of having given another foreign group some opportunity to affect the livelihood and the security of this country.

Look around us. Look at the examples. We made it almost impossible for Detroit to produce automobiles in this country and they just about went under, and we have not recovered the markets that we lost during that period of time. The examples are endless of what we do to productive enterprise in this country to make it impossible for them to compete.

Our country suffers when we do that, and I hope the amendment of the Senator from Nevada is adopted.

Mr. DOMENICI. Mr. President, will the Senator yield for a question?

Mr. McCLURE. I am happy to yield.

Mr. DOMENICI. Did I hear my friend from Idaho say that last year 15 patents were granted?

Mr. McCLURE. The Senator is correct. The Senator from Arkansas used a slightly different figure because he is doing it on a different 12-month period and included some patents that were issued in oil shale and not hard rock minerals otherwise.

Mr. DOMENICI. Let us assume it is 15. The point you are making I gather is that it is a very small number in comparison with the claims and acreage that is being spoken of here tonight as if they were all going to yield patentable lands; is that not correct?

Mr. McCLURE. The Senator is absolutely correct. I say to my friend from Arkansas as a matter of fact he may think that the number of claims upon which patents were issued last year that totaled 4,134 acres is a lot of land. But we bought more than that for the Buffalo River in the State of Arkansas.

Mr. DOMENICI. I am sure the Senator is correct. I just wondered if the Senator would agree with the Senator from New Mexico, that under the mining law, a patent can only be obtained if there has been discovery of a valuable mineral and it can be demonstrated that that mineral exists in economically developable quantities; is that not correct?

Mr. McCLURE. The Senator is absolutely correct.

Mr. DOMENICI. So that is the relevant and operative act that the United Sates recognizes before a patent is issued?

Mr. McCLURE. The Senator is again correct.

Mr. DOMENICI. And the reason for that is that we do not grant patents unless there is going to be some significant activity on that claim because there are valuable minerals there that are not only discovered, but economically mineable; is that correct?

Mr. McCLURE. The Senator is correct.

Mr. DOMENICI. I thank the Senator.

Mr. McCLURE. As a matter of fact, under current regulations, if it is not economically recoverable under current market conditions it is not a valid claim and could not move to patent.

Mr. DOMENICI. I thank the Senator.

The PRESIDING OFFICER (Mr. ROCKEFELLER). The Senator from Alaska.

Mr. STEVENS. Mr. President, I regret that my good friend from Arkansas is not here at the moment, as I would like to continue the dialog we had before.

This Senator is most disturbed at the trend of the Congress lately. The Senator that cannot get a basic law changed—and by the way this one has been changed more than 50 times in the last 118 years—the Senator, who cannot achieve a goal that he or she selects for the current Congress, introduced an amendment to put a moratorium on existing law.

If there has ever been a sectional amendment, one that hits a particular portion of the United States so hard that it is unfathomable, this is one. This affects only public land States. It does not happen to be my privilege to represent one of the original 13 States, and I see there are some of the Members here who have that privilege. They do not have any Federal land at all.

When you look at the Western States, west of the Mississippi, even some of them did not have any Federal land at all. I wonder what it would be like if we got the GAO to go back and look to see what kind of deal it was for those people who were taxpayers in the original 13 States and how we distributed the lands in Arkansas, for instance.

The reason for this law, the mining law which affects only the West, was that Congress wanted to find some way to bring about economic development in the West. These were vast arid lands out there then.

This fee of $2.50 an acre is just that. The Government is not selling this land for $2.50 an acre. That is the fee

you pay to get a patent when you can comply with the mining law. Mineral exploration and obtaining a patent today is one of the most expensive things in the United States, and that is why there are so few of them that are issued.

Let me tell about a few of them up in my State. If you want an interesting experience someday take a map of Siberia and look at one that has a pin on it for every mine in Siberia and then look at a plan of Canada and put a pin on every mine in Canada, and look at Alaska with another 10 or 12 pins, major mines I am talking about. Canada has developed its property. Western Siberia has developed its mines. We have not developed ours because we are under regulation from the Federal Government.

This is Federal land we are talking about. Americans from all over the country trying to obtain title to lands that they have proven are capable of producing economically substantial minerals. Those are the people who file applications for patents. In one case in Alaska it cost $2.2 million to patent 20 claims—$5500 per acre—and that mine is not in production yet. It will still cost a great deal more because in order to go ahead with that mine there has to be a mine plan, a reclamation plan, a special use permit, that is for the special uses on the surface, a reclamation bond, a National Pollution Discharge Elimination System permit, a Corps of Engineers wetlands permit, a solid waste management plan, an explosives storage permit, and a Mine Safety and Health Administration training plan. All of these must be approved by the Federal Government before a permittee can go ahead and try to mine what he has just proved can economically produce minerals.

Anyone who thinks that this is an inexpensive proposition and you can walk away with $2.50 an acre land, be our guest. That is about, by the way, 125 times what they paid for land in Arkansas.

We are not privileged to have private ownership in our States in the West. The Federal Government owns it. Senators here on the floor, many of whom have never seen the land that they legislate about, come up with dreams and plans all the time about what they can do with the land we live in.

It is true that the taxpayers of the United States own it because they own the United States. But I do not think it gives them the right to change willy-nilly the commitments that have been made by Congress, after Congress, after Congress now since 1872.

Here there is a whole group of people who are still coming through perfecting their mining claims. They filed claims years ago. They filed all these plans. They paid all kinds of people to perfect the plans that are necessary in order to continue with the mining claim. And along comes a rider on an appropriations bill that says we want to put a moratorium on patenting, and the reason that is given is you are giving away this land for $2.50 an acre.

I am glad there are rules in the Senate that keep me from using the language we use in Alaska quite often, I really am at times, Mr. President. In the time I have been here I have not slipped too many times. This is one of the nights I am liable to, and I know the Chair will put me back in order. It is plane baloney. We call it something else up our way.

This moratorium is the most false thing I have seen. I think the Senator from Arkansas ought to tell us why. He is on the legislative committee. Why cannot he get the bill out to change the law? Why does he want to put a blanket on top of the people who have been working for years trying to bring mines into production?

We have a copper-zinc deposit in southeast Alaska that has cost $1,230,000 so far. You want to put a moratorium on it. We have a molybdenum deposit at Quartz Hill. Some people involved in the debates of 1973 to 1980 will remember the long, long battle we had as to whether or not that claim was even going to survive. That has cost $16,998 per acre to patent and it is not in production yet.

I think anyone who claims that this land is being given away for $2.50 an acre is—I cannot think of a comparison that is valid. It is like saying that when you go into Yellowstone and pay the entry fee, you own the park. It is a permit application. Just as this is a patent application. And that is the processing fee for issuing the permit after years and years of work, not just by one person, by thousands of people.

Everyone has the vision—I see the Senator from Nevada here—of someone with an old burro and deep suntan and a shovel and a pick and going out and finding a bonanza and becoming the most wealthy man in the world because of a mining claim.

Mr. President, that was not the case back in the days when those people were out in the desert that I used to see in my youth, and I did not know many of them that got too wealthy; as a matter of fact, they did not make any money. But it certainly is not the case today.

If this law needs changing, let the legislative committee deal with it. Mining exploration in the West is a very difficult proposition, and one very necessary in the public interest. We have people now that want to put a moratorium on the issue of oil and gas leases on public land. They want to put a moratorium on oil and gas leases on the Outer Continental Shelf land. They want to put a moratorium on the issuance of mining permits. They are all Federal public lands States that are affected by that.

That does not affect West Virginia—I see the distinguished Senator presiding over the Senate from West Virginia. It does not affect these other States that people represent here. It affects only the public lands States. And I tell you, it is sectionalism at its worst. This Senator is going to be around here for a while. If we are going to have sectionalism, if we are going to start digging out and, through the use of devices and fabrications, trying to change the lifestyle of a portion of the country, then this is the place to start. Because we are seeing it. We are seeing it in terms of people who talk about our forest roads, they talk about our Outer Continental Shelf land. Every one of them is an attempt to stifle some economic development in the West.

If you do not want the taxes paid by westerners, it is a good thing and you can keep all the production of timber in Georgia. You can keep all the production of mines in Arkansas. You can keep all the Oklahoma oil production you want. But if you want production from my part of the country up in Alaska, you have to use Federal public lands. If you want it from Nevada, you have to use Federal public lands. The Federal Government still owns more than half of the lands of the Western States. Imagine that.

In order to do anything in terms of private enterprise, you have to go begging to at least seven different Federal agencies. After these people have been doing it for years and years and years, along comes a moratorium, just spread this moratorium, as I said, a blanket of cold water on top of future economic development. That is what this is. No one gets a mining claim permit unless they have proven, proven beyond any question—it is subject to attack; every one that is filed today is subject to attack—that there has been a significant discovery of minerals that can be mined economically. In other words, that a person can make a substantial contribution to the American economy.

We will not buy it from Brazil. We will not buy it from Africa. We will not be bringing it over from the Soviet Union to buy. We would be purchasing materials produced in the United States with American labor. And every single miner I know is buying something from one of those other States, the Senators from which want to close down the West.

I hope that people do listen to these programs now that we are on television. I hope some of them think about it. How many small pumps have you seen that run on gas, you know, the little electric generators and pumps. Where do you think they come from? They do not come from Alaska. Yet I

see one in every single small miner's camp. Where do they get their shovels? They are not made in Alaska. They come from Ohio. Where do they get all of this stuff that they wear? It comes from New Hampshire. Most of the clothing my miners wear come from New Hampshire. I know their boots do. There is not a thing that we get that is not made somewhere in the United States.

These people are buy American if I have ever met them. And the Senator from Arkansas wants to close them down. I think it is time that you all thought about your own economies. The way this free enterprise economy goes is someone has an incentive to go out and create a new business. And if there is one new business in this country that takes a whale of a lot of inventive, it is to open a new mine.

I used to in the summertime take Senators up and get on helicopters and drop in and see some of these small miners. I have yet to see someone who took the time to go visit them who did not change his mind about miners in the West.

And I will tell you miners in the north country have to be pretty sturdy people. When I go home and report to them—and I have to report to the Alaska miners on this debate—you know, they are just appalled. They cannot believe it. I cannot find the words. And that is pretty hard for me not to find words to try to explain something. You cannot explain to them what motivates anyone who would try to stop a process where American citizens have known the law and read the law. They went out and filed claims. They took years and years to develop the plans, make all the proof. And then they come with the last final thing, which is applying for the patent. For $2.50 per acre you file the application for a patent and someone says, "Oh, I am sorry, you cannot have that. You cannot have that because the Congress of the United States has just put a moratorium on, we cannot use any of the money we have to process that application."

Now this amendment is going to produce more sectionalism, more resentment from the West. It will rekindle the Sagebrush Rebellion in my opinion. And well it should. We are going to have to start looking to how can we use these Federal lands if we cannot get them through the use of the law, through the respect of the Federal law that has been passed.

This moratorium produces disrespect by the people who have worked all their lives, their hearts out to perfect a claim and at the last minute telling them no matter what you have done to comply with the law, you cannot have the title to your land.

Now I think that is wrong. I hope that some people in their offices are listening tonight because this amendment should be stripped from this bill. It is legislation from a member of the Legislative Committee that, if he had anything that made sense, his own committee would report it out.

To put it on this as a rider on an appropriation bill—and I have seen riders that make a lot of sense. They are emergency matters and sometimes they have to be handled in this way. And I have seen moratoriums that made sense. But not when it is taking away from people who by literally the sweat of their brows and the work of their backs have proven that they have the right now to an economic future and to say "No, no, you cannot get that last thing that gives you the right that you sought all these years." I think it is absolutely wrong. It ought to be taken out.

This Senator is going to frame this vote. In the next 6 years when someone asks me to do something for this State, I am going to look at this vote and I am going to tell them, "You did not hear me. Now why should I listen to you."

Mr. ARMSTRONG. Mr. President, I hope Senators are listening to this debate in their offices and heard what the Senator from Alaska has said because there are a lot of people, and not just Senators, who feel exactly the way he does, but ordinary people out in places in Alaska and Colorado and Idaho and New Mexico and Nevada and all over the West who have that same sense of furstration and, yes, even of bitterness has been expressed by the Senator from Alaska.

This is a rotten deal. The idea that an amendment like this would come to the floor under these circumstances and in an appropriations bill, when the committee which has studied it has declined to adopt it, is absolutely everything the Senator from Alaska not only said but was tempted to say.

Mr. President, I listened with great interest to the statement by the Senator from Idaho [Mr. MCCLURE]. It was a masterpiece.

If there are Senators who do not know much about mining, and I am one of them, or mining law—and I am one of those, too—I encourage them when the occasion arises to go back and read the thoughtful, detailed explanation of the seriousness of this problem that was contained in the largely extemporaneous remarks of the Senator from Idaho. He is really going to be missed in this Chamber for a lot of reasons, not the least of which he probably knows more about that subject and the related issues than anybody we are going to have in this Chamber for a long time to come.

So I rise first to associate myself with what he has said. I agree with him completely. His analysis is right on target. I agree completely with what the Senator from Alaska said. I agree with the point of my friend from New Mexico. I really do not have much to add except maybe three points.

First of all, this is a long-term issue affecting the viability of a major industry of this country, the mining industry. That happens to affect my State. I do not apologize for it. It is not just a parochial Colorado interest. It is truly a national interest.

The products that are produced in the States I have mentioned, Colorado, Idaho, some of the others—Montana, New Mexico—and a lot of other States as well, have an implication for the well-being of this whole country. Even people in States where there are not any mines. I do not know if there are any States where there is not even one mine or where there is not even one industry that depends on a product produced by a mine. They all have a stake in this amendment.

I do not know if there could be such a place. It is hard for me to imagine a community or a family that was so isolated they would not have a direct, measurable economic stake in the outcome of this amendment. Because the truth of the matter is, the extractive industries have a pretty direct effect on the lifestyle and prosperity of just about every American family.

In addition, there is a national policy issue which the Senator from Idaho, Mr. MCCLURE, spoke about with great accuracy and perspicacity.

If we wreck the mining industry, which is what we are in the process of doing, we are going to live to regret it. It has a lot to do with our ability to compete in international markets. It has something to do with our balance of trade and balance of payments. It has something to do with our national defense. That is not a topic that is on the forefront of everybody's mind right now because we are in an era when the world seems a more peaceful place.

But the time will come again when we will be concerned about our national defense, and when our ability to extract from sources within our own borders the kind of minerals that are needed for national defense as well as for national economic purposes will be significant to us. So I agree with what Senator MCCLURE has said about that.

Second, I want to emphasize a point which has already been made about this $2.50 per acre fee. I am sick and tired of hearing in this Chamber and elsewhere about how this is some kind of a giveaway that somehow, when we pay a patent fee of $2.50 it represents the selling of Western lands at bargain prices. It is not anything of the kind.

I do not know how you do it in your State, Mr. President, but in Colorado when we get ready to record a title for an automobile we go down to the county clerk and we pay a little fee.

No one suggests that somehow if we pay $13 or $15 or whatever it is to record that title, that it is a giveaway, that the automobile is being purchased for that; any more than they should suggest that when somebody records his ownership, documents his ownership by obtaining a patent, that that is a sale.

The same is true when we buy a home. We take that down to the courthouse and we record the deed. It costs practically nothing.

The fee in question here is a recording fee. It is a fee for performing a ministerial function which documents an ownership interest that already exists before that document is ever solemnized by issuing the patent.

So that argument, it seems to me, is worse than what the Senator from Alaska suggested. It is, in fact, pure demagoguery and the kind of demagoguery that has led not only in this particular issue, but in a number of others, to the process of what somebody has called tonight the shutting down of the West. This is part and parcel, I think, of a very broad-gauged trend that affects not just mining but all kinds of economic activity in the West and elsewhere.

We have reached a point in this country where, honestly, you cannot start a business unless you get a lot of approvals. You cannot go out of business. You cannot hire somebody. You cannot fire somebody. You cannot build something. You cannot tear something down. You cannot open a mine. You cannot close a mine. You cannot hardly breathe without getting approval from somebody and, in fact, getting a lot of approvals from a lot a somebodies.

The net result of all these approvals, all of this bureaucratic overlay on the economic vitality of our country is that we are a lot less competitive than we used to be.

This amendment will make us just one more increment less competitive because it is going to shut down some mines that would otherwise come into existence. And not just the ones where there has already been a discovery, or where they are at some point in the patenting process. But the mines that simply will not be started, that are just over the horizon and people will say: No, this is not a friendly place to do this kind of business. So, instead, they will explore in Canada, South Africa or someplace else, Australia or wherever it might be. So that is point No. 2.

Point No. 3, Mr. President, is a far more basic one than either of these. It is literally a moral issue. Out our way, we have the notion that a deal is a deal. When somebody gives his word, it is to be depended upon. And particularly when an agency of the Government says: Here are the ground rules; here is the basis on which we ask you to undertake certain socially desirable actions as an individual or as a firm or as a business or as a community, that the work, the incentive they give, is to be depended upon and that word is not to be broken.

In this case, this amendment, the amendment which is in the bill and which is sought to be stricken by my friend from Nevada, Mr. REID, represents a breaking of the solemn word of this Government. It is not just the word of some official but, in fact, the law.

There are a lot of people who, in fact, have abided by the law, who have acted in reliance on it, who have spent their time and their money and their blood and sweat and tears and toil and effort, working long hours under arduous circumstances, frequently over a long period of time. Because we are not talking about something that happens in 6 months or a year but in some cases over quite a long period of years.

They have done their part. They have followed the ground rules established by law. And now when the time comes for them to get the incentive which they have been promised—that is the right to patent their ownership interest, an interest which already exists under the law—they are denied. And they are not denied just by this proposed amendment, although it goes one step further and makes the situation even worse than it has been, but in fact they have been denied by the Department right along.

The truth of the matter is that the Department of the Interior has not been doing its job. Upon the recommendation and at the urging of some people in this Chamber, the Secretary and his people have not been following the law. I will grant that is a matter of opinion, and that is my opinion. My opinion is that the Secretary and his Department have disgraced the charge that they have been given by not following the law.

I said that is my opinion. It also happens to be the opinion of the U.S. District Court in Colorado where the chief judge, Sherman Finesilver, wrote a scathing opinion which was published recently in which he said, in stronger and more accurate and more precisely drawn terms than I can tonight, exactly the extent to which the Department of the Interior has failed to enforce the law by imposing an informal moratorium.

What he said is that the Department has exceeded its discretion in failing to grant the patents which are so clearly due to the people who have fulfilled their end of the bargain under the existing law. Somebody might not like that law, but it is the law. And it seems to me that the Department of the Interior is bound to follow that.

My belief is that the intention of those who put this amendment to change the law in this bill is ultimately destined to be frustrated in any case because I believe our Constitution protects the ownership interest that already has vested in people who have fulfilled their end of the bargain in finding and staking out and developing these claims.

In fact that they do not yet have the patent is an important technicality but their ownership interest does not vest at the time they get the patent. It vests ahead of that.

The patenting process is a complex one, one step of which is to get the first half, and then the second half, and so on. As I understand what is in this proposed committee amendment, it cuts off anybody who does not have his first half certificate.

If that is true, and that is what staff advises me the effect of this language to be, that cuts off practically everybody. For example, the oil shale patents—I do not know how many there are, there are a lot of them, more than 100. I think this cuts off all but seven.

Those seven, it so happens, have been the subject of a lawsuit, and whether this passes or not, they are going to get their oil shale patents. But everybody else who should have gotten their certificate, if the Secretary had been doing this job, are going to be cut off, or at least that is what this bill purports to do.

I do not think that is going to happen because I think some court is going to say, regardless of what we do here tonight, they are going to say they are entitled to it, or entitled to compensation for the taking that will occur if they do not get what they are entitled to.

But, Mr. President, even if it is possible for these citizens to enforce their rights, and I think it is possible—it certainly ought to be possible; I think the law is clear—but even if it is not possible for Congress to take those rights away, and I hope there is no way Congress can do that, it seems to me we Senators have a vested interest in protecting the integrity of the Senate. So I want to draw this one distinction.

If this amendment purported only to be prospective, only to deal with what happens in the future, then everything Senator MCCLURE has said and everything Senator STEVENS has said would still apply. But the way this amendment is drawn, it seeks to preempt the lawful rights of people, going back in some cases for decades. That is reprehensible. That is beneath the honor of the Senate, in my opinion.

For these reasons, that language ought to be striken out of the bill. That is why I am proud to join my friend from Nevada [Mr. REID] in cosponsoring this amendment.

Mr. BURNS address the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. I thank the Chair.

Mr. President, just listening to the discussion tonight on this issue does trouble a lot of us, as the Senator from Colorado pointed out, who are dominated by public lands. I was thinking that you do not have to be around here very long—and I have not been—to see a GAO report come out and someone use it as the gospel—it has so many holes in it and it is so slanted—for the purpose of attaining a goal that I have yet to define.

We have a mine in Montana, and it is the only one in the United States of America. It is a palladium mine. It sits on the Stillwater River down in south Columbus, MT. Palladium some would say, is probably not very important. But if you are worried about the environment and the handling of automobile emissions, it is a primary mineral that is found in catalytic converters. It was developed under this law.

This moratorium is not a fiscal matter. It is a policy matter and, as such, does not belong in this appropriations bill. I know that mixing policy into appropriations bills is not exactly new. It has been done many times. That still does not make it right.

However, this measure has been a subject of hearings in the Energy and Natural Resources Committee, of which I am a member, during the past 2 years. The committee has chosen not to move the legislation that this moratorium has embodied. Clearly, there are policy questions that have not been adequately answered.

Certainly, there are 1.2 million mining claims on Federal lands. There are only about 40 patents filed each year, and less granted. A case made by the proponents of this moratorium is that we must stop this terrible Federal land giveaway. Only 40 patents per year, this does not amount to a Dixie cup out of the ocean.

Proponents of this moratorium claim patent holders only pay $2.50 an acre for land that they patented. They cannot mine unless they find a mineral there that is economically viable to mine. I do not know how many people know how to value land. There is a lot of land that is trying to be developed with these patents that is not worth $2.50 an acre. They are on that kind of land, but yet they want to talk about grazing fees in other areas.

It is a tremendous cost to miners to explore and develop that mineral resource. Miners simply do not go out and stake out a claim, pay their patent fee, and take the possession of the land. A miner is required to do a lot of work to provide that the ore embodies an economically minable amount prior to the patents being issued. This is not an easy process, and it certainly is not a cheap process for the miners to go through.

There are a myriad of hoops they have to jump through. They just cannot do anything with that land; there is reclamation, and all the environmental laws have to be met; they are subject to State laws, as well as Federal. Those of us who have done business with the Federal bureaucracy know that that gets to be time consuming, if your time is worth anything at all.

The only issue here is whether we want to continue to set policy through appropriations bills, number one, or allow the normal legislative process to work to set national mining policy.

I have strongly opposed any changes in the 1872 mining law. It has been stated here over and over again. It has been changed many times since it was passed and signed by President Grant to reflect the times and the demands of those times. We do not need to deal with it on an appropriations bill.

I will oppose the interior appropriations bill if it contains the moratorium on mining patents. I encourage all my colleagues to work with all of us. I am especially appreciative to the delegation from Nevada—Senator BRYAN and Senator REID—who have worked long and hard on this. They understand what mining means to their State. In many areas, it is the bread and butter of the West. We must remove this provision from the bill.

Thank you, Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am strongly opposed to the mining patent moratorium language in the Interior appropriations bill.

In my lifetime, I have watched the fortunes of mining in New Mexico ride a roller coaster. Fortunes go up, then they drop to the bottom. Then they rise again, then fall. Right now, copper is rebounding, and potash is back alive. We need to make sure both grow stronger still. Uranium is in rough shape, which is bad news for our future. I will continue to do all I can to revive the uranium industry.

No matter how our economy evolves in our increasingly high-technology world where knowledge is so important, America's future still remains tied to dependable supplies of needed minerals, and that means keeping our mines open and producing.

The mining law has served America well. It has allowed for the orderly development or our mineral resources.

Yet we all recognize that pressure exists over that law. But my answer is: Do not meddle with the law.

Whatever problems there may be with the mining law simply do not justify putting this law on hold.

A moratorium on the issuance of mining patents would jeopardize the viability of the domestic mining industry, greatly reducing the incentives for exploration, development, and production.

A moratorium would prove particularly onerous on the small miner, who is as much a part of the economy and culture of the West as the farmer or rancher.

The moratorium is based in belief that valuable Federal lands are being given away for the current patenting fee of $2.50 per acre.

This stated rationale demonstrates a total lack of understanding of how the mining law works.

Under the mining law, a patent can only be obtained if there has been a discovery of valuable minerals and it can be demonstrated that the minerals exist in economically develop able quantities.

The patenting fee is not a charge for the land—it is a charge for the processing of the application.

The real cost to a mining claimant is the tens of thousands of dollars spent in the discovery and development of a potential ore body.

Our Nation gets a substantial return for its land in the form of a dependable supply of needed minerals.

The right to obtain a patent is a vital component of the mining law. In order to invest the sums necessary to discover a develop minerals, miners must have some assurance that they will be able to continue to have access to the minerals. Were a miner unable to obtain fee title to the minerals and the surface necessary to conduct operations, an element of uncertainty would be introduced into the process, which would threaten the ability to conduct mining operations.

The moratorium proposed in this bill is very shortsighted public policy. It throws into question the continued existence of a major incentive for mineral prospecting and development. It will deter individuals from discovering valuable new mineral deposits.

I also doubt whether this will be just a 1-year moratorium. The continuing moratorium on OCS leasing demonstrates that temporary moratoria have a way of becoming permanent policy.

Finally, it is vitally important in my view that we not open up the 1872 mining law to fundamental changes.

If there are to be changes, we must ensure four things:

First, we need to be certain that the domestic mining industry remains viable, and that the small miner remains a vital part of that industry.

Second, we must retain economic incentives for individuals to explore for, develop, and produce minerals.

Third, the public must continue to have free access to the public lands to explore for minerals. After all, these are the public lands.

Finally, we must be certain not to create a new and burdensome Federal bureaucracy.

Frankly, I do not see how this moratorium would do that, and, therefore, I oppose it.

Mr. President, it is 9:40 p.m. We have been in session now, I gather, longer than any other time in history in an election year. An appropriations bill is up, a very important appropriations bill, managed by the distinguished chairman of the Appropriations Committee and his ranking member, Senator McCLURE. They have both been most patient. The chairman has been most helpful in trying to encourage us to get all our appropriations bills up.

Here we are, and the session should already be over. We have a matter being raised that is of fundamental importance to the mining future of the United States, and in a rather cavalier manner.

Some think the law needs fixing. So since we cannot get it done, they say, let us just freeze patents with allegations about how many thousands of acres we might patent this year, how many thousands of acres are being worked under the mining laws of the United States. And we ask an expert, the distinguished Senator from Idaho, if you leave out oil shale, how many patients were granted last year? And the answer is 15, if you look at it one way; and slightly more if you look at it another way.

And here we are. We have heard more indepth discussions in the last few weeks about our institution and the integrity of the Senate. In talking about that, we even heard about our great Constitution, and here we come along tonight and somebody says: "Well, it does not really matter. There can be some company, small or large, or some individual, poor or rich, that has had a claim going for 30 years.

"But because I find some abuse here or there, we are going to decide tonight, just like that, whatever your rights were, they are gone." Just think of that. Why do you think a miner wants a patent after 15 years of work, getting a claim ready?

The law says to get the patent you have to have a mineable claim with real minerals on it. Why would you think he would want a patent? If seems to me they do not want it just because it is a nice thing to have. I think most of them want it because they need to own something to raise the money to develop the minerals. Who for? For some man in the sky? No, for us. Do you know that most of America's minerals in the West that made America a great nation were found this way? Now we have national networks talking about the way it used to be and omitting to mention all the environmental laws that are required to be complied with, as stated so succinctly by the Senator from Alaska. One of the reasons only 15 claims were turned into patents last year is because you have to comply with all kinds—and I am glad you do—of environmental, archeological, health, and safety standards now imposed on those claims.

Now somebody comes along and says, I have an answer to it all. For 1 year, we are really not interested in how your claim evolved, how much money you put in it. On this business of $2.50 an acre, did anyone listen to the Senator from Alaska as to how many thousands went in per acre before you could let it ripen into a patent? That is the issue, not the $2.50. That is a processing fee. Nobody says you are selling them anything for that. You have to do all that work the Senator described.

We have had high-sounding phrases of what a wonderful country we have, how we respect peoples' rights. Look what we are about to do unless we agree with the distinguished Senator from Nevada and get this out of an appropriations bill and handle it in due course. We are going to say to those people, be it 15, be it 20, be it 80 claims, we are going to say, you used to live in a good country. You used to live in a country that made commitments, and if you lived up to them you had some rights. We are going to just say to them, oh, no, not now, not for this year. We have no other way to get our way, get what we want, so you lose your rights this year.

I remind everyone these temporary moratoria have some strange way of turning from 1 year into 2 to 3 to 5, and then pretty soon you have nothing left. I believe that if there are amendments needed to this law—and it has already been amended over 50 times—let us do it in a way that builds credibility, that builds respect among those people who are out there in a real decent way trying to build our mineral resources and at the same time trying to get ahead themselves, make some money and employ some people and produce some real vitality.

I thank the Senate for listening. I yield the floor.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I would like to compliment many of my colleagues: my senior colleague from Idaho, the Senator from New Mexico, the Senators from Montana, Colorado, the impassioned remarks of the Senator from Alaska.

Mr. McCLURE. Mr. President, will the Senator yield for a question?

Mr. SYMMS. I will be happy to yield to my senior colleague.

Mr. McCLURE. Mr. President, I thank the Senator for yielding. The distinguished President pro tempore and I have been under discussion seeing whether we could arrive at a time limit on this amendment. I have advised him that I know of no one on our side who would require more than 15 minutes more, including the Senator now speaking. So I think we could agree on this side to 15 minutes. I do not know what the request may be on the Senator's side.

Mr. BYRD. I wonder if on this side we might limit discussion to 15 minutes.

Mr. BUMPERS. I apologize. What was the request?

Mr. BYRD. The question was whether or not we might limit further discussion to 30 minutes equally divided.

Mr. BUMPERS. I am certainly agreeable to that, Mr. President.

Mr. REID. Mr. President, I ask the permission of this body that I have 20 minutes myself. Senator Bumpers spoke a long time on a lot of different issues, and I need to respond to those.

Mr. BUMPERS. I might say to my good friend from Nevada, Mr. President, that I spoke for 35 minutes and every Senator from the West who has spoken has taken up to an hour and 45 minutes. So I would not think that anybody would be slighted in time. If anybody has been slighted, it is the Senator from Arkansas. Of course, my eloquence more than makes up for that.

Mr. REID. If I could ask the chairman, through the Presiding Officer, Senator Bumpers said 15 minutes would be adequate for him. Will Senator BRYAN request time?

Five minutes for Senator BRYAN. I will reduce mine to 15 minutes. That is 20 minutes for you, Senator BUMPERS.

Mr. BUMPERS. That adds up to 20 minutes.

Mr. REID. Five for Senator BRYAN, 15 for me. That is 20 minutes.

The PRESIDING OFFICER. The Chair requests that the Senators speak through the Chair.

Mr. BUMPERS. Mr. President, I must confess I am not following this. If the two Senators from Nevada get 20 minutes, that is already 5 minutes more than 30 minutes equally divided. I see the Senator from Idaho on his feet, and I assume that he and the Senator from Alaska wish to speak. Could the distinguished Senator perhaps, Mr. President——

Mr. SYMMS. Mr. President, I believe I have the floor. I am happy to yield.

Mr. BYRD. May I suggest there are 10 minutes on this side, 5 minutes for Mr. SYMMS and 5 for Senator McCLURE and 5 for Mr. MURKOWSKI. That is 15 minutes over here as stated. And 5 for Mr. BRYAN, and how much for Mr. REID?

Mr. REID. Twenty.

Mr. BUMPERS. Twenty?

Mr. BYRD. Twenty for Mr. REID. And how many for Mr. BUMPERS?

Mr. BUMPERS. Two hours. I am being facetious, Mr. President. I must say that I do not want to get sand-

bagged on this. I had agreed to 30 minutes equally divided. Now we have 25 here and 15 over there. That is a total of 40 minutes against 15. I am like the fellow in U.S. Government versus Jones. He said, "That does not sound like fair odds to me."

Mr. SYMMS. Mr. President, I do think I still have the floor. Is that right? I have yielded for a question.

I would like to say that I would be through now. And I will be very brief. Maybe all Senators would be happy for a time agreement if the Senator wants to pose one.

Mr. BUMPERS. Let me just suggest that the first unanimous-consent agreement be that both the Senator from Idaho and the Senator from Alaska each have 5 minutes, and then we will decide after that if we can work out an agreement.

Mr. BYRD. I wonder if we could get a little further than that. How much time did Mr. BRYAN want?

Mr. SYMMS. I object.

Mr. MURKOWSKI. I object. Mr. President, I simply would object to the proposal of the Senator from Arkansas that we make a deal on this side and no deal on the other side.

Mr. BYRD. That proposal has not been submitted yet.

Mr. FOWLER. That is the summit; that is the way we do the summit.

Mr. BUMPERS. Mr. President, does the Senator from Idaho have the floor?

The PRESIDING OFFICER. The Senator from Idaho has the floor.

Mr. SYMMS. I will be happy to yield to the President pro tempore.

Mr. BUMPERS. I say to the distinguished chairman of the Appropriations Committee, I will accept 20 minutes and probably yield back half of it, but just for safety's sake I will take 20 minutes, and however they want to divide the time is up to them.

Mr. BYRD. I wonder if my friend, Mr. REID, would agree to not more than 15 minutes and 5 for Mr. BRYAN.

Mr. BRYAN. If the Senator will yield, I will yield my time to my distinguished colleague.

Mr. BYRD. Very well, and Mr. REID would require——

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. BYRD. Mr. Reid.

Mr. REID. It appears that the Nevada delegation, Mr. President, has 20 minutes and the Senator from Arkansas has 20 minutes.

Mr. BYRD. Twenty minutes for Mr. REID, 20 for Mr. BUMPERS.

Mr. STEVENS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. SYMMS. Yes I yield.

Mr. STEVENS. Mr. President, does the Senator have the floor now?

Mr. SYMMS. I have the floor. I was just speaking when this started, I tell my friend from Alaska.

Mr. STEVENS. Mr. President, I am going to put the Senate on notice I intend to raise a point of order on this amendment. If the point of order is not granted, I am going to object to time agreements.

Mr. BUMPERS. I am sorry. I did not understand the Senator from Alaska.

Mr. SYMMS. Mr. President, I will reclaim my time and go ahead. I want to say, first, to my friend from Nevada, if I am not a cosponsor of the amendment of my friend, I would like to be added as a cosponsor.

I want to be very brief, Mr. President. The case is being made here, but what is going on, I must say to my friend from Arkansas, I believe if he goes back and checks Arkansas history—and I know the Senator from Alaska, Senator STEVENS, was on the floor speaking with great passion a few moments ago. I think they are much more severe on claim jumpers in Alaska than even the Senator talked about.

We are pure and simply trying to step in, interfere with the process that has worked and served this country very well for many, many years. This is pure claim jumping. That is what is going on, claim jumping, Mr. President. The per-acre charge, the real cost is the thousands of dollars of blood, sweat, tears, the work, the years it takes to delineate and find the ore body and prove that it is there.

You cannot get a patent unless you have something that is mineable. And the uncertainty of this amendment that is in the bill would put into this a new uncertainty that the mineral industry does not need and America does not need. I cannot believe that my colleagues will accept this bill in the form that it is in which will make this Nation more dependent on South Africa, on Chile, other foreign countries, the Soviet Union and others that have minerals, than we already are. That is exactly what this will do.

We already know what happens when you become dependent on foreign countries for oil. Now we are doing the same thing with respect to critical minerals.

What about our competitiveness? I think my senior colleague made that case very clear. Superconductivity is a technology highly dependent on the availability of scarce minerals. Shall we in the United States simply shut down any further efforts of technology while the rest of the world passes us by because we do not have the minerals?

This system is based on the incentive-reward system. It creates an incentive for an American to seek out, measure, evaluate the potential for mineral production. Without patenting, we lose that incentive. There is no incentive if you cannot patent it. Without the incentive who is going to produce the minerals? Without the minerals—and for all of these Senators to talk on this floor about wanting a better environment—who is going to build, and how are we going to build the cleaner cars, the more efficient smokestack scrubbers, better environmental technologies in general?

As the EPA administrator William Reilly has been saying, in a recent article he noted that the development of cleaner, more environmentally benign technology clearly is a central element in the transition to a sustainable pattern of growth. Technological progress has given many of the Earth's people longer, healthier lives, greater mobility, Mr. President, higher living standards than most would have thought possible a century ago when the mining law became part of our policy.

I happen to think there is a lot of truth to Bill Reilly's statement. But how is it going to help the environment in this country to handicap the mineral industry, to stifle our ability to be able to develop the new technologies?

I urge my colleagues to support the amendment of the Senator from Nevada and my senior colleague. The right to patent provides an important incentive to find and develop economically viable mineral deposits. The right to patent is a major consideration for financing. Senator DOMENICI, the senior Senator from New Mexico, made a very good point about that. Without a patent where do you borrow the money? This moratorium is not only not necessary to protect the environment in the long run, but it will be deleterious and damaging to the environment.

Mining operations already satisfy numerous Federal, State, and local environmental requirements. Permits, permits and permits. Mines are required to have sometimes over 100 permits in order to operate; from every single thing, from air quality, water quality, visibility, wildlife, health, safety, the workers, many other health and environmental values. The patenting—the moratorium does nothing to enhance or improve that protection. This is the wrong thing to do.

Mr. President, I want to say again, the U.S. Senate needs to strike this from the bill so the U.S. Senate will not be on record in favor of claim jumping.

I thank the Chair, and I yield the floor.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I rise along with a number of my rather indignant Western colleagues to protest the amendment as proposed by

the Senator from Arkansas. Somebody once said, "If it ain't broke do not fix it." That is certainly applicable in the case of our mining laws, and the traditional aspects of patent law.

Mr. President, much has been said about what a moratorium on patents would basically do to our mineral industry. But I think we have to reflect on the reality that much of the western United States was founded upon mineral claims. I know in my own State of Alaska, Ketchikan, a mining district, southeastern Alaska, Juneau, mineral activity still today up in Fairbanks where my home is, is dependent on a mining industry.

Throughout Alaska, we see significant dependence, and most of the early settlement was as a consequence of very promising mineral deposits. Many of those over the last century and a half, have been patented claims.

It is interesting to note the magnitude of the size of the State of Alaska, approximately one-fifth the size of the United States, yet today we have two operating mines in an area one-fifth the size of the United States.

I am not going to suggest that I can cite the number of patents, but there is an economic factor that is directly related to the production of minerals. That is obviously the competitiveness on a world market.

It is interesting to note that in Alaska we have 20 out of the 27 strategic minerals, yet few of those minerals are in production because it is cheaper to get them from South Africa, it is cheaper to get them from the Soviet Union, and it is cheaper to get them from various points in South America.

So the economics certainly dictate a good deal of where the minerals come from, yet in a time of national emergency we might find it indeed in our national interest to have the development potential, and as a consequence that has been much the basis for stockpiling of strategic minerals.

Nevertheless, since we look at our trade imbalance we find more and more it is more expedient to go overseas for our minerals than to develop our own basic industry. This is a combination of, I think, a big brother, namely the Federal Government, that has become so immersed in the policy, the regulatory requirements, that we simply cannot move ahead.

I would like to give you an example. The largest molybdenum discovery in North American was made in an area near Ketchikan, AK, back in 1974. In October 1988, 14 years later, the Forest Service final environmental impact statement addressed the issue of tailings disposal. And the recommended disposal was an area called Wilson Arm. It was a marine tailings disposal.

The Environmental Protection Agency concurred and the regional administrator in region 10, a gentleman by the name of Robby Russel, made the decision. That was in 1988, 14 years after the discovery.

A prove-up had to occur, a camp had to go in. Today some $50 million has been expended in this mining venture, and the mine is still not in production.

A few months after the Forest Service initiated its favorable environmental impact statement, the Environmental Protection Agency issued a draft NPDES permit for the tailing disposal. Well, a couple more years went by. In May 1990, the inspector general report recommended that the regional administrator reconsider its tentative decision to issue the NPDES permit for Wilson Arm tailings disposal.

This is something that came in from the inspector general of the United States. I will tell you where it came in; it came in from America's environmental community that was adamantly opposed to the development of this mine, because it was carved out around a wilderness area.

The report stated "Mr. Russell's decision was not illegal, just bad judgment." Can you imagine what the inspector general knew of the merits of the wherewithal that went into a Forest Service environmental impact statement and support by the State of Alaska and the realization that EPA first concurred with the decision? Well, in May 1990, Mr. President, EPA issued a tentative denial of the NPDES permit for Wilson Arm Tailing Disposal. No new data was collected or analyzed to support the tentative denial.

This was done, curiously enough, by an acting regional administrator, Mr. Thomas Dunn. Shortly thereafter, Mr. Dunn left the scene of region 10. On September 27, just a few days ago, the EPA issued a denial of the NPDES permit for Wilson Arm Tailing Disposal. This was, as I said, 4 days before the acting regional administrator left the office.

This is some idea of mining in the United States today, regardless of where you go. Fifty million dollars was expended, the largest molybdenum discovery in North America, and it is still not in production. There is a good question of whether it will ever be in production, because Government is changing the name of the game. That is what we are talking about here with the legislation before us, Government changing the name of the game, putting a moratorium on patents.

Someone asked "Who would finance a mineral claim without a patent?" The answer is, obviously, no one would.

When we think of the number of patents that are coming out, as has been mentioned by my colleague, 15 to 17 thereabouts in any given year, obviously, the system has become so redundant in the permitting process that the incentive is not there. Unfortunately, there are few American mines and mineral companies that are totally independent today that can afford our system of permitting and our system of oversight.

If one wants to look at mining in my particular area, one can go to British Columbia or the Yukon Territory where there are incentives for mineral development. There are roads that are put in by the Government of Canada to provide incentives for mineral exploration and development. If we think of doing that here, there would be an accusation that somebody is subsidizing the industry.

I cannot tell you, Mr. President, how this type of constant harassment of the free enterprise system is simply driving away jobs for Americans, tax base for communities, and a lifestyle that was part of Western America. To suggest that there is something wrong with this, that there is something onerous, that we should just put together a moratorium for an indefinite period of time and pass the problem to the realities of importing minerals from other countries, is just unacceptable to the junior Senator from Alaska.

As a consequence, Mr. President, I encourage my colleagues to recognize the reality associated with the concept of what it means to go out and explore in a harsh environment under conditions that often are very, very difficult. The technology that has to be used oftentimes is water sampling, to begin to find a trace of minerals in a watershed, and moving up and finding, indeed, the actual area where there might be a vein, and then going in with extensive drilling and proving up on those veins, all part of the process leading up to patent; and at that point in time, the question is, well, this is a giant ripoff of the Federal Treasury.

I think we have to look at the concept of what built this country. This is public land, but who benefits? You make the full circle, and it comes around to the general public, because in reality the general public have employment in the mines; there is a tax base associated with the operation and, as a consequence, there is prosperity, the same type of prosperity as I indicated in my opening remarks when I said most of my communities in Alaska were founded on hard rock mining.

So, Mr. President, as we address a conclusion, hopefully at some point in time the disposition of this moratorium on patents, I urge my colleagues to recognize that we do not have to make all the monumental changes in the world relative to putting more strings and putting an unfair burden on capital investment in mineral resources in this country. The reality is, it is not broke, so let us not try and fix it. It served this country for over 100 years,

and it will serve this country much better if we simply leave it alone and relax it a bit.

I could go on, Mr. President, at some length relative to mineral development as we know it today in the United States, and as we go into such times as the reality associated with the emerging Soviet relationship and the development that we have observed in some of their mining properties. I am reminded that last year a group from the University of Alaska, and other miners, went over to the Soviet Union and observed for the first time underground placer operations that were actually occurring in permafrost caves where they had developed a procedure to basically pull the gold from the permafrost sands underground, contrary to our more traditional concept of taking away the overburden and then slucing down to bedrock where recoveries could be made of the heavier gold.

As a consequence, Mr. President, are the merits of that type of technology. As we reflect on more traditional mineral procedures, we run afoul from time to time of the Environmental Protection Agency and water quality standards in the technology that we can learn and we can adopt.

But when you get into the basic incentive of taking away the security of having a claim—and that is what the Senator from Arkansas really gets at when he suggests that there should be a moratorium on patents—as a consequence, if you want to take the incentive, the inducement out of exploration, that is the best way to do it, and it would be so effective in curtailing future exploration.

One of the things that few people recognize is that, in my State, it is not like many of the States in the eastern seaboard, or in the Midwest, for example. Today, much of our State remains unexplored. The merits of finding major mineral deposits still exist in Alaska.

(Mr. DASCHLE assumed the chair.)

Mr. MURKOWSKI. The very fact that in 1974 the beryllium discovery at Quartz Hill proves that fact as we look at the mineral deposits in our State today that were proven up at various times over our 100-year history or thereabouts. We find that some of those properties are emerging and the economics are supporting feasibility studies.

I can be specific. The old Alaska Juneau mine—those of you who have been at Juneau, AK, can see it sitting on the side of the hill. The old mills are there, but in that mountain there are hundreds and hundreds of miles of tunnels. There is a proposal now to develop that and it is rather interesting because a development would be incompatible with the Environmental Protection Agency and all the clean air and clean water standards, but the fact remains there is something there and what is there are the patented claims.

To give you some idea of what they are talking about, the suggestion has been made and the engineering studies are underway to actually put the mill inside the mountain. The mountain portion of it has already been opened up in some of the larger tunnels, but the procedure would be to put the actual mill inside the tunnel.

Then the question is, What do you do with the tailings? A more conventional disposal has been by marine disposal in the deep fjords of the surrounding area. If one looks at the Juneau-Douglas Canal, one sees a very long straight canal, with one exception, and that exception is the tailing pile that accumulated over the 70 years or so that the Alaska Juneau gold mine operated. The tailings were simply after they had gone through the mill and simply dumped and they today provide an excellent breakwater. It was formerly used as a golf course. There are sewerage disposal plants there. There are oil storage tanks there, but the point is the tailings were used in the most expeditious manner at that time and simply put in the water that provided a stabling area for the facilities that I have suggested.

You cannot do that anymore. The Quartz Hill selection of a tailings disposal in a marine environment was the last one to be granted.

The basis for that evaluation, I think, begs the issue because clearly there is not sound scientific evidence that suggests that there is necessarily alternatives that are better in all cases.

In those deep fjords, there is unlikely to be any significant damage to bottom life. The materials settle down at the bottom, they do not cloud, and as a consequence, as evidenced in the years of watching the tailings disposal at the Juneau-Douglas mine there are reasons to believe that they have not been scientifically detrimental to the marine environment.

It is true that we do not know a lot of things about dumping rock into the sea, but, by the same token, we do know that it is not necessarily a foreign substance by any means. It is interesting to note today that on either side of the old tailings in Juneau are fish hatcheries. There is one very, very close on the southern end and the other one is in the downtown area from Juneau just a few miles away.

So the point is that as we look at future mineralization in areas of my State, the question of where you put the tailings is a major factor in not only the economics of the mine, because it costs a great deal to move those tailings, but the consideration on what impact it may have on the environment. In the particular case of the Juneau-Douglas mine there is a proposal that the tailings be placed in an area adjacent called Sheep Creek. That would mean damming up an area and putting in a large settling area for the rock to settle down and, as a consequence, there is objection to that.

The point I am making, Mr. President, is when EPA comes down and says there shall be no more marine tailings of any kind anywhere that decision may have merit it is not backed up by any sound scientific evidence, and the point that the Senator from Alaska wants to make in this regard is that as we look at the attitude prevailing by the various agencies it is not certainly to encourage mineralization in the United States; it is to discourage it. I cannot think of a way that would discourage it more than a moratorium on patents.

Mr. President, to share with my colleagues some idea of the magnitude of what is involved in bringing into production a major mine, in my earlier remarks I indicated that currently in Alaska today we have two mines. I am sure that many of my colleagues just assume that, because of the connotation of Alaska and tremendous mineral resources, we would have many, many more than that.

The largest lead and zinc mine, world class mine, that was opened last year is a place called Red Dog. Mr. President, you might not have seen or heard or wondered where Red Dog is. But Red Dog is just above the Arctic Circle. It is in a very, very hostile environment but a very, very beautiful area in its ruggedness, its splendor, and vastness. The mine was discovered as a consequence of an early day bush pilot who noticed the discoloration in one of the creeks that flowed out of the general area associated with the area in question, which is north of Kotzebue, AK.

The idea of opening that mine had so many major engineering problems that had never been addressed before that many thought that it would simply have to wait for production, and it did wait. It waited a number of years as various major U.S. and international firms looked at the economics of bringing Red Dog on line.

Let me share with you a few of those major difficulties, because it is not like a mine that you might find in the lower 48. First of all, you had about 75 to 80 miles of road to build to the mineral deposit from the coast. And at the coastline you found a very shallow depth. And, more important, the realization that the ocean was only open about 4 months of the year, so you could only move your concentrates out within those 3 or 4 months, which meant a tremendous strockpiling requirement and then moving your concentrates out in that short period of time to the markets of the world.

Well, after a good deal of evaluation and joint venture gathering, as a consequence, Mr. President, after a good deal of evaluation, a decision was made and the capital was put up. It was not U.S. capital necessarily. It was international capital. In excess of $200 million went into the venture.

Let me tell you what it is, Mr. President. It provided the first year-round jobs for the people of the area that they have ever had. These are primarily Eskimo people. Suddenly they were given an opportunity to have jobs, year-round jobs. Previously they only had seasonal employment. Well, the magnitude of that, Mr. President, changed the whole complexity of that part of Alaska.

The point the Senator from Alaska is making is that if we had a moratorium on patents, obviously these developments would simply never occur.

The same thing is true of the second mine, Greens Creek, near Juneau, a very, very difficult area to bring into development. It is a large silver mine, the largest silver mine producing in the United States today. The men and women that work in that mine are transported over each day by boat from Juneau, AK. It is just not a simple boat ride. It is a ride that takes an hour. And then they get in buses and go nearly another hour to work every day.

Now, the production of both those mines goes into the world market. The economics of both those mines are conditioned on their ability to be competitive in a world market. That means competing with mines that are producing where there is no EPA, in South Africa; there is no EPA in Brazil; or certainly the Soviet Union. Yet they are good operations. They are American operations and we are proud that they are there.

But the point is we must maintain the incentives. As a consequence of not maintaining those incentives, with an overabundance of regulatory requirements, why, we lose that capability.

It does not always work that way, though, Mr. President. We had a situation where we had the west gold dredge in Nome operated for a period of about 4 years. They lost millions of dollars per year, but they did not give up. This project was a venture of international capital that brought in a tin dredge from Malaysia to try and mine the beach sands of Nome, AK. Due to the high cost of operating in the harsh Arctic conditions, the venture was concluded this year as uneconomical.

So the point that the Senator from Alaska would like to make to my friend from Arkansas is, it is not always a great return. It is not always a profitable deal. It is not always a situation where the mining company makes a bundle. In many cases, it is a venture of capital for a high return, but sometimes the risk is even higher.

This provided most of the year-round jobs in Nome. Unfortunately, it had to shut down and, as a consequence, Mr. President, we find that there are indeed many of these capital-intensive ventures that fail and they fail because of the economics and the world competitiveness.

Mr. President, I could go on, but I will not. And that is perhaps a good thing. I yield the floor.

Mr. McCLURE. Mr. President, will the Senator from Alaska yield to the Senator from Idaho without losing right to the floor?

Mr. MURKOWSKI. I yield the floor.

Mr. McCLURE. I ask unanimous consent to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCLURE. Mr. President, I thank the Senator from Alaska and interrupt only to make a suggestion to my colleagues. It is now 10:15 p.m. We are still on the first contested committee amendment.

Unless anyone believes that when we dispose of this committee amendment we are done with the bill, I want to just go through a list of amendments that we on both sides of the aisle know about and without any particular order but just in the order they appear on the sheet of paper I have.

Senator BYRD will offer an amendment with respect to technical corrections. I know of no problem with that amendment.

Senator BYRD has two other amendments unspecified reserved on the list.

Senator STEVENS has an amendment with respect to a statute of limitations on inverse condemnation proceedings in Alaska with respect to some particular mining claims in Denali National Park.

Senator STEVENS has an amendment with respect to the procedures for conducting an appraisal on those same mining claims.

Senator REID has an amendment with respect to transfer of 80 acres in the State of Nevada with respect to the administrative side for Great Basin National Park.

Senator BURNS has an amendment to this amendment that is now pending.

Senator BUMPERS has reserved a second amendment with respect to mining.

Senators STEVENS and REID jointly have an amendment with respect to mining claims as does Senator BRYAN with respect to mining.

Senator PRESSLER has an amendment with respect to the Cedar Pass Visitor Center at Badlands National Park.

Senator MOYNIHAN has an amendment with respect to Seneca Indians and advanced appropriations for Indian claims in New York.

Senator SIMPSON has an amendment with respect to the Big Horn National Forest plan and the authorization of use of K-V money for reforestation work.

Senator WALLOP has an amendment with respect to Buffalo Valley project in the State of Wyoming.

Senator BOSCHWITZ has an amendment with respect to a water quality study of the upper Mississippi River.

Senator DOLE has one with respect to Fish and Wildlife Service land acquisition account.

Senator FOWLER has one with respect to forest road construction fund, to reduce those funds by $100 million.

I have reserved an amendment in the second degree to the Fowler amendment, as does Senator BOSCHWITZ.

Senator ARMSTRONG has an amendment with respect to timber.

Senator PACKWOOD has an endangered species amendment related to the Spotted Owl as does Senator HATFIELD have a second degree amendment to the Packwood amendment.

Senators HATCH and PELL have a possible National Endowment for the Arts amendment, and Senator HELMS has three amendments with respect to NEA funding.

Senator HELMS has one with respect to sanctions on obscenity in the NEA.

Senator BOSCHWITZ has an amendment with respect to increasing the funding for NEA.

Senator LOTT has an amendment with respect to the NEA.

Senator WIRTH has reserved an amendment, that is not identified amendment, with respect to grazing fees.

Senator CONRAD has a second degree amendment to the Wirth amendment or any grazing fee amendment.

Senator CONRAD has an amendment with respect to the impact aid that affects a couple military bases in his State.

Senator DOMENICI has an amendment that would transfer some funds within the State of New Mexico from one project to another.

Senator MURKOWSKI reserves an amendment he identifies as a possible amendment with respect to hydrocarbons and a second amendment with respect to the Arctic National Wildlife leasing provision.

Senator BURNS has an amendment with respect to brucellosis testing.

Senator SYMMS has an amendment with respect to a ski resort in Wyoming.

Senator WILSON has a possible amendment on water policy.

Senators McCLURE, SYMMS, WALLOP, and SIMPSON have an amendment with respect to a permitting process.

And those are the amendments which have been identified to us that we are aware of. Some of those amendments might well be negotiated, agreed upon, or accepted; other will be time consuming indeed.

So I would support the suggestion that has been made by the Senator from West Virginia and the distinguished majority leader that we try to find a way to limit the number of amendments. I thought it might be helpful if we would identify what it is we are talking about so that Members who are not on the floor but listening might be advised as to what the parameters of that discussion may be.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. McCLURE. I am happy to yield to the distinguished Senator from West Virginia.

Mr. BYRD. I have just been tracking with our committee staff assistant the amendments that are on the list. I am advised that two-thirds of them probably will not take much time. There are some amendments in the remaining third that might take some time. I wonder if we might ask unanimous consent that there be no further amendments other than the amendments that were called out on the list by Mr. McCLURE.

Mr. STEVENS. Reserving the right to object, Mr. President, and I would not object as to new amendments. I do have some amendments in the second degree which I intend to offer to the Bumpers amendment.

Mr. McCLURE. Mr. President, I would say to the Senator from West Virginia, at the current time we have objections to any unanimous consent with respect to limiting the number of amendments. But I thought perhaps if we identified that, everyone could see what landscape we have and perhaps we can work out with those who are now registering objections to any such unanimous consent to see whether we can get them to agree that we would not need to do that.

Mr. BYRD. Very well. I thank all Senators.

The PRESIDING OFFICER. The Senator from West Virginia.

Mr. BYRD. Mr. President, the bill was laid down at 6:50 p.m. Therefore, the Senate has been debating the bill for 3 hours and 40 minutes. And we have disposed of, I believe, two amendments.

I ask unanimous consent that Mr. BUMPERS have 15 minutes and that Mr. REID and Mr. BRYAN each have 10 minutes, and that the Senator from Alaska [Mr. STEVENS] then be recognized to make his point of order.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

AMENDMENT NO. 3099

(Purpose: Technical amendment)

Mr. BYRD. Mr. President, I ask unanimous consent that technical amendments which I will submit may be agreed to en bloc. When the committee sent its amendment to the Government Printing Office for incorporation onto the House-passed official papers last Tuesday night, a number of amendments were printed incorrectly.

These changes are generally corrections of text that were typed in Roman type, but which should have been printed in italics to indicate that the item is a Senate amendment. In some cases, the edition of the bill before the Members fails to delete commas, colons, or other punctuation associated with House amendments, which the committee proposes to strike. In no cases do these technical corrections expand existing law or do anything different than the intent of the committee action.

Mr. President, I send these amendments to the desk and ask for their immediate consideration. I ask unanimous consent that they be agreed to en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 3099.

On page 9, line 25, restore the roman number "$6,671,000" and delete the italic number "$9,713,000".

On page 10, line 2, linetype roman number "$8,813,000" and insert immediately thereafter "$9,713,000" in italics.

On page 10, line 25, extended linetype over the ",".

On page 11, line 9, delete italic text beginning with ": *Provided*, That not withstanding any other . . ." down through "48 CFR 52.232.18" on page 11, line 16.

On page 14, lines 12-14, transfer language in italics to page 24, line 3, before the heading.

On page 18, line 5, before the period insert the following: ", such grants funds to be made available on an as needed basis".

On page 24, line 16, linetype roman number "$66,109,000" in italics.

On page 27, line 18, remove linetype over the ".".

On page 36, line 4, correct the House linetyped number to read "$1,329,259,000".

On page 36, line 5, correct the House linetyped number to read "$210,000,000".

On page 38, line 24, remove the linetype and restore the roman type beginning with the ":" down through "1991" on page 39, line 1.

On page 48, line 24, after the word "available" insert the following in italic text: "under this authority until funds specifically made available".

On page 54, line 13, remove the linetype and retype text in italic beginning with "Sec. 110." down through " (1859)." on page 55, line 6 and on page 55, line 2, delete the word "of".

On page 56, line 18, extend linetype to include the ",".

On page 56, line 19, extend linetype to include the ",".

On page 67, line 17, beginning with the ":" change the italic text to roman down through this "." on page 67, line 21.

On page 80, line 8, linetype the roman number "1,250,000" and insert immediately thereafter "1,300,000" in italics.

On page 80, line 16, linetype the roman number "$16,900,000" and insert immediately thereafter "$24,600,000" in italics.

On page 81, line 1, after "fuels" insert a roman ":".

On page 81, line 23, linetype the ":".

On page 82, line 6, remove the linetype from "),".

On page 85, line 8, correct the spelling of the word "contract".

On page 88, line 4, extend the linetype through the word "of".

On page 96, line 4, linetype the "," before the word "including".

On page 96, line 23, after the word "expended" change the "," from roman to italic.

On page 104, line 10, change the italic ":" to roman.

On page 155, line 24, replace the "." with an italic ",".

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from West Virginia.

The amendment (No. 3099) was agreed to.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senator from Nevada is recognized for 10 minutes.

Mr. REID. Mr. President, the two Senators from Nevada agree that I will control 20 minutes. I ask unanimous consent that be the case.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DeCONCINI. Mr. President, I join my colleague Senator REID and others in opposing the committee amendment providing for a 1-year moratorium on the patenting of Federal mining and millsite claims. This Senator does not find it easy to disagree with my friend, the senior Senator from Arkansas. However, I believe that the ramifications of what he is proposing are significant and will, in my opinion, seriously jeopardize the mining industry in this Nation.

It seems to me that the prime motivation for this sudden fiscal urge of our colleague from Arkansas is the GAO report dated March 10, 1989, titled "The Mining Law of 1872 Needs Revision." I think that many of the assertions made in this document have been questioned to the degree that the integrity of this document is in doubt. Because of the late hour, I will not go into these in detail. Rather, I ask unanimous consent that both the BLM's and American Mining Congress' response to this report be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DECONCINI. The major argument in support of the amendment is that it is intended to stop the wholesale giveaway of our Federal lands. Much has been made about the administrative processing fee for the patenting of mining claims. It ranges from $2.50 to $5. Mr. President, let us be intellectually honest about this argument. As my colleagues know, patents are only issued when there has been a discovery of valuable minerals and only if it can be proven that these minerals exist in economic quantities. The real cost of patenting a mining claim is reflected in the thousands and sometimes millions of dollars spent in the discovery and delineation of a potential ore body. So Mr. President, it is not a wholesale giveaway of our Federal lands. If it were, why have there not been more patents granted. In 1989, out of over 15,000 applications pending, only 15 were granted.

The argument is also made that a moratorium on the patenting of mining claims will not prevent the development of these claims. This is partially correct. However, security of tenure is essential to the success of any mining operation. If a miner were unable to obtain fee title to the minerals and the surface necessary to conduct mining operations, an element of uncertainty would be introduced into the process. This would have the likely effect of jeopardizing the financing of mining operations. This will have a particularly detrimental effect in my State of Arizona. The security of title provided by a patent is necessary to protect the enormous investment required to open and operate a competitive domestic copper mine.

This brings me to an important point—the importance of mining to the economy of this country generally, and my State of Arizona specifically. The 11 major mining Western States account for over 70 percent of U.S. production of metallic minerals. Arizona alone produces in excess of 61 percent of the total copper production in the Unites States. This is a strategic mineral, essential to our national defense. The debate concerning the issue has become a regional debate. It is much more than that, Mr. President. Should this amendment pass, it will devastate our domestic mineral production, which will have a profound impact nationally. The passage of this amendment will have the effect of increasing our reliance on foreign sources of copper.

Mr. President, the mining industry is critical to the economy of Arizona. It contributes almost $5.67 billion to Arizona's economy. Mining has a particular impact on the economically distressed rural areas of Arizona. In Greenlee County, AZ for example, the mining industry is responsible for 70 percent of the personal income in this economically depressed area of my State.

Furthermore, Mr. President, in Arizona over 60 percent of the total land is administered by the Federal Government. On the other hand, in Arkansas, for example, only 10 percent of land is administered by the Federal Government. Arizonans depend on the public lands for their livelihoods. Passage of this amendment further impairs their ability to do so.

Mr. President, the distinguished Senator from Arkansas raises important issues that need to be addressed and I look forward to working with him in this regard. However, the amendment he offered in committee is a significant alteration of the mining policy of this country. It deserves careful consideration by the committees of jurisdiction. This appropriations bill is not the appropriate place.

I urge my colleagues to oppose the amendment.

EXHIBIT 1

BUREAU OF LAND MANAGEMENT ANALYSIS OF GAO REPORT, "THE MINING LAW OF 1872 NEEDS REVISION"

The Department of the Interior's Bureau of Land Management (BLM) has completed its analysis of a March 10, 1989, General Accounting Office (GAO) report entitled "The Mining Law of 1872 Needs Revision" (GAO/RCED-89-72). The BLM analysis finds the GAO report to be so seriously flawed that it should not be used as the basis for a review of the Mining Law.

Under the Mining Law, U.S. citizens may stake and claim certain valuable mineral deposits on public lands (for example, gold, silver, lead, fluorspar, asbestos, mica). To maintain the claim, the claimant must meet certain requirements including performing at least $100 worth of work annually to develop the claim. The law allows a claimant to apply for patent (title to surface and minerals) for a mining claim if the claimant demonstrates discovery of a valuable mineral deposit that can be mined and marketed at a profit. To obtain a patent, the claimant must also fulfill other requirements, including payment of $2.50 or $5.00 an acre (depending on the type of mining claim). BLM administers the Federal Mining Law program. In the 117 years since the passage of the Act, 3.2 million acres have been patented, which constitutes about 0.2 percent of the public domain land in 1872, and about 2 percent of the acreage the GAO report says is withdrawn from mineral location today.

In its March report, GAO contends that the patenting process of the Mining Law allows valuable Federal lands to be sold to private interests at nominal values and that the surface estate of these lands now has commercial real estate value ("fair market value") greatly exceeding what the Federal government received for the lands. The report recommends that Congress amend the Mining Law to abolish mineral patenting, based on a review of only 20 mineral patents issued since 1970 and 12 patent applications. The report picks out 10 of the 20 patents for discussion.

Although the GAO report notes in passing that minerals such as oil shale and sand and gravel can no longer be claimed under the Mining Law, many of the 20 patents used as examples of deficiencies were, in fact, obtained for minerals such as sand and gravel.

The GAO report does not give consistent consideration to the fact that the patented lands contain valuable mineral deposits. The report implies that a mineral patent is easy to obtain, ignoring the fact that a mining claimant must prove that valuable deposits exist in commercial quantities. Meeting this test is a significant hurdle, and as a result, the vast majority of mining claims are never patented. There are approximately 1.2 million mining claims of record, covering an estimated 35 million acres. In the past eight years, on the average only 0.02–0.03 percent of lands under non-oil shale mining claims was patented in any year. The GAO report does not explain why this 117-year-old provision is so little used.

BLM's analysis questions GAO's estimated "fair market values" for the surface estate of mineral patents. Fair market value is the price that a buyer of the surface estate would pay for that estate. When patented mining claims are involved in the transaction, the buyer understands that the mineral deposit could be developed imminently and thus preclude most intended uses of the surface estate for decades or more.

In areas where ongoing or potential mining operations could proceed for a lengthy period into the future, the value of the surface estate may be very small. BLM's analysis points out that 9 of the 10 patents specifically discussed in the GAO report have been actively mined for many years or have the potential to be mined in the future.

The only patent discussed by GAO that was actually for sale at the time of the report was a Colorado gold placer near the Keystone ski resort. BLM's research determined that the owner of the patent had put the land up for sale after county officials had rezoned the area to disallow mining. After considerable litigation over the zoning, the county recently reclassified the area as suitable for mining. It is BLM's understanding that the patented land is no longer for sale and that the owner has obtained permits to mine.

In addition, GAO argues that although Congress has never passed legislation to allow collection of royalties on locatable minerals, allowing patenting to continue precludes the Government from obtaining potential royalty income from the General Fund of the Treasury in the future. The BLM analysis notes that if distribution of revenues from potential "hardrock" royalties was made under the same formula Congress set for leasable minerals, then only 10 percent of the revenues would actually end up in the General Fund. Half of all lease revenues are returned to the States in which the leasing occurs and 40 percent goes into the reclamation fund. Also, 100 percent of royalty payments are deductible from income taxes.

GAO also proposes that the $100 annual assessment work requirement should be replaced with an annual holding fee of $1,000 per claim, as suggested by the Congressional Budget Office (CBO). GAO's conclusions are based on a review of only 100 affidavits of assessment.

BLM's analysis indicates that a $1,000 holding fee would clearly prompt an enormous relinquishment of claims rather than payment of the fee. The CBO's estimate that this proposal would generate $75 million in annual revenues to the Treasury means that only 6.4 percent of the 1.2 mil-

lion claims of record today would be held. This estimated number is roughly equal to those claims being mined today. Apparently both BLM and CBO agree that, in practical terms, exploration work in the United States would cease with this holding fee.

The BLM analysis points out that the GAO report fails to discuss how the proposed holding fee would affect the mineral exploration and development community. The Treasury's claim on money formerly available for drilling, sampling and other development work would cripple the search for domestic "hardrock" minerals. This, in turn, could force exploration companies to look at foreign sources such as Australia, Asia, and Latin American.

Such a reduction in minerals exploration would have significant effects on the general economy of the mining States in the West. For example, the U.S. Bureau of Mines estimates 1986 mineral production in Nevada at $904 million. The Nevada Department of Minerals recently estimated that exploration expenditures in the State amounted to $76 million in 1986.

Mining also has indirect economic effects. For example, more than $296 million was spent in purchases in Nevada by the mining operators in 1986. Furthermore, the mineral industry paid $21 million in State and local taxes directly, with an additional $4 million paid by employees in sales taxes and property taxes. Direct salaries paid to mining employees approximated $195 million, and the mining industry contributed to an increase in statewide employment of nearly 17,000 jobs.

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, DC, June 22, 1989.

Hon. JOHN CONYERS, JR.,
Chairman, Committee on Government Operations,
Washington, DC.

DEAR MR. CHAIRMAN: Section 236 of the Legislative Reorganization Act of 1970, would normally require that we respond to the General Accounting Office (GAO) report entitled "FEDERAL LAND MANAGEMENT—the Mining Law of 1872 Needs Revision" (GAO/RCED-89-72) dated March 10, 1989. Even though the report did not make recommendations to the Secretary, we are offering our comments on the contents of the report.

Enclosed is a thorough critique by the Bureau of Land Management of this report. Basically, the GAO's recommendations do not appear to be well thought out and are based upon faulty analysis. We believe that the authors are not well versed in the background of the Mining Law of 1872, as amended. The perceived motive behind the report—to further cultivate and attempt to popularize the idea that the Mining Law is a "give-away"—is revealed by the bias in patents and patent applications chosen for study. No attempt at objective analysis of all claims patented in the last decade is made. Instead, patents for minerals no longer locatable, e.g., sand and gravel, were heavily emphasized, skewing the analysis dramatically.

Furthermore, no thought appears to have been given to the effects upon Federal, State, and local tax revenues, as well as the ability of the domestic mineral industry to fund exploration and development if a $1,000 per claim annual "holding fee" were enacted. Additionally, all GAO calculations and comments related to public revenues are "gross" numbers, with no recognition of the possibility that "net" figures may be substantially less and perhaps even enlarge rather than reduce the Federal deficit.

The GAO may have been mislead by the estimates of the so-called "fair market value" of the surface of the claimed lands. Our review indicates that consistent consideration was not given to the fact that these lands contain valuable mineral deposits. (The GAO ignored the fact that to receive a mineral patent, mining claimants must prove such deposits exist.) Because of the right to develop these deposits into mines or quarries, the value of the surface estate should not be based upon comparative sales of parcels for recreational or residential use where owners gained full fee title and have immediate use of the land for such purposes.

Sincerely,

/S/ JAMES M. HUGHES,
Deputy Assistant Secretary,
Land and Minerals Management.

THE BUREAU OF LAND MANAGEMENT'S COMMENTS UPON GENERAL ACCOUNTING OFFICE REPORT (GAO/RCED-89-72)

SUMMARY OF FINDINGS AND RECOMMENDATIONS

In general we find the report entitled "FEDERAL LANDS—The Mining Law of 1872 Needs Revision" provides decisionmakers with insufficient basic information for a cogent discussion of the issues and the policies associated with the development of minerals on the public lands.

This report purports to evaluate the annual assessment work requirements and the mineral patent provisions of the law to determine if they promote diligent development on mineral resources, and conform to current natural resource policies.

The GAO has found that both provisions of the Mining Law of 1872 need to be revised. The GAO recommends the adoption of a holding fee to replace the annual assessment work requirement and recommends that the mineral patent provision of the law be eliminated or at the very least drastically modified.

The GAO bases these recommendations on a cursory analysis of 100 affidavits of assessment work in California and Arizona, and a review of only 20 mineral patents issued since 1970. The GAO claims to have found no evidence of mining activity on the lands while reviewing the affidavits, but they did make note of what was viewed as being only scattered surface disturbance that did not demonstrate actual mining.

The GAO determined that lands being patented were far more valuable for purposes other than mining and that a number of the operations were "inactive". The GAO claims to have talked to industry personnel who revealed that they were only "mining" on less than 10 percent—20 percent of their mining claims.

SUMMARY OF BLM RESPONSE

The GAO analysis is flawed and adds little in the way of useful or new information to the analysis of Federal minerals policy. The analysis ignores the obvious adverse impacts to exploration that would result from the adoption of the proposed $1,000 per claim annual holding fee and fails to recognize the enormous contribution that small miners—who could be priced out of the prospecting business by such a fee—have made to the discovery of this Nation's mineral reserves.

The GAO failed to provide the entire set of facts for 20 patents, leaving no way for the reader to reach any conclusions as to why an operation may be dormant. The GAO persisted in utilizing as examples of current and future practice, claims patented for minerals that Congress has already removed from the operation of the mining law; sand and gravel, common building stone, and oil shale.

Sand and gravel operations have historically been reclaimed with productive second use as a final reclamation goal. Nationwide, in developed areas this has often been conversion of the land use from open space to light industrial or residential purposes, with a commensurate increase in value of the surface estate.

The GAO makes a great deal of the potential land value of the one mineral commodity in the report, placer gold in Colorado, that remains locatable under the mining law. We note that the mining practice for placer gold closely parallels that of sand and gravel deposits, rendering the two all but indistinguishable when final reclamation is completed.

The GAO has carefully selected localities adjacent to the expanding urban West, and selected commodities that in fact greatly contributed to that expansion. The GAO has cited "land values" based mostly on hearsay for the 20 mineral patents, but appears to have included a component of mineral value in the estimates. Within the cumulative estimate are "land values" for mineral commodities that are not now locatable but make up nearly 70 percent of the estimated value. The GAO has simply repeated the well-known economic justification for productive second use of lands mined for mineral materials near urban areas.

Lastly, the GAO leaves the uninformed reader with the impression that mineral patents are easily attained with little expenditure of labor and means. Ask a miner that has gone through the process! The mineral exploration and development business is very risky. Few targets become prospects and even fewer still become mines, yet the GAO implies that any claimant can readily receive a patent for the asking. Even those claimants fortunate enough to discover valuable mineralization must then spend thousands of dollars on qualifying improvements, mineral survey and plat preparation, title abstracting, and publishing costs. A recent estimate of $5,000 per average lode claim ($250/acre) was calculated by a mining engineer in the Colorado State Office of the BLM. Actual costs vary widely from application to application, but the GAO fails to acknowledge their existence at all. Likewise, GAO failed to report the increase in the patent application fee effective January 3, 1989, from the former $25 per application to $200 per application plus $50 for each claim within the application.

In summary, though we do not doubt the need to periodically review Federal minerals policy and statutes in an objective manner, this report adds little or nothing of value because of its obvious bias as well as the reluctance of the GAO to assign investigators to the project that are at all knowledgeable about the Mining Law and the minerals industry. Our detailed commentary on the report follows.

The test of whether the Government could benefit from a claimant's failure to perform assessment work came with the passage of the Mineral Leasing Act of 1920 and the attendant "grandfathering" of previously located oil shale claims. The Department of the Interior sought to invalidate claims for which assessment work had lapsed, using the rationale that because oil shale was no longer locatable there was no

threat of relocation to spur development. In 1930, the Supreme Court ruled that the resumption principle bars the Government from challenging claims where labor had been resumed prior to contest. (*Wilbur v. Krushnic*). In 1935, the Supreme Court went further and rejected the Interior Department's effort to invalidate oil shale claims for which labor had lapsed for a year and had not been resumed. (*Virginia-Colorado Development Corp. v. Ickes*). Not until 1979, in *Hickel v. TOSCO* did the Court recognize that the Government had a limited role in the policing of assessment work performance.

The Bureau has codified in regulation (43 CFR 3851.3) that the Department may cancel a claim for failure to perform annual labor or make improvements. The policy is limited to situations in which the land and/or minerals are closed to the operation of the Mining Law, thus retaining the long-held concept that diligence is best promoted by those willing to take the risks themselves.

Because disputed over possessory rights to a mining claim are to be decided by a "court of competent jurisdiction" the Bureau has no record of the numerous instances in which rival claimants have used allegations of lapsed assessment work to relocate claims. Perhaps the best measure of the use of this feature of the law to enforce diligent development can be found in the 56 pages of Notes of Decisions of the Section 28 of the US Code Annotated (1982 ed.). Mining claimants have not been shy about challenging claims held by non-diligent rivals when they deem market conditions warrant developing the claims.

On the other hand, when market conditions do not warrant such development, claims were held with little or no assessment work because the threat of relocation was small. For example, thousands of uranium mining claims in Southeast Utah have been held since the 1950's boom with little or no development, but few, if any, miners have come forward to allege nonperformance of labor and relocation of the claims because of the dismal prospects for the uranium market.

FLPMA-MANDATED RECORDATION OF MINING CLAIM DOCUMENTS

Since the enactment of the Federal Land Policy and Management Act of 1976 (FLPMA), miners have had to record either an affidavit of assessment work or a notice of intent to hold their claims with BLM each calendar year, or the claims are deemed abandoned by operation of law. A lode or placer claimant that chooses to file the latter document has basically opted to let others that would perform assessment work take his or her claim without a fight because they have put rivals on notice as to the nonperformance of the obligated minimum labor. (Millsite and tunnelsite owners have different obligations to maintain their claims.)

More commonly, an affidavit of assessment work is filed. Although an affidavit is prima facie evidence of assessment work performance, it is rebuttable in the local courts by those willing to make the challenge. Obviously, it is much more difficult to establish that at least $100 worth of labor was not expended upon a claim today than it was a century ago. However, the challenge may take the form that the professed labor did not tend to develop the claimed mineral deposit as the courts have deemed the law requires. Again, free market forces dictate whether claims that are not in fact being developed will be challenged or relocated by other claimants willing to risk labor and means to do so.

The GAO makes no reference to the new filing foe for affidavits or notices of intent to hold (or the fee for initial recordation of a mining claim for that matter). Beginning this calendar year claimants must pay $5/claim annually to record these documents with BLM to keep their claims active under FLPMA. Based upon the hundreds of negative comments received upon the proposed fee, we expect tens of thousands of claims to be relinquished by their owners rather than payment of the new fee. The actual extent of this "elastic response" will not be known at least until the annual deadline for filing, December 30, has passed, and may take several years. We are unsure how the Congressional Budget Office (CBO) estimated the response to their proposed fee discussed below.

CRITIQUE OF THE PROPOSED ANNUAL HOLDING FEE

The alternative annual holding fee of $1,000 per claim suggested by the CBO, and reported in the GAO report, would clearly create an enormous relinquishment of claims rather than payment of the fee. The CBO's own estimate of $75 million of annual revenues to the Treasury generated by this proposal means that only 6.4 percent of the 1,200,000 claims of record today would be held.

Nowhere within the report does the GAO even mention the effects upon the mineral exploration and development community from the proposed annual holding fee. Even a cursory examination of costs associated with this proposal suggests that it would cripple the search for domestic "hardrock" mineral supplies by taking money formerly available for drilling, sampling, and other development work and sending it to the Treasury.

The GAO does not recognize the critical relationship between the land position and the development cycles of a mineral property. Customarily, mineral properties pass through a cycle that begins with the discovery of a potential deposit of valuable minerals and may lead to production, with market forces sometimes forcing a property into dormancy. A typical mineral property in North America may pass through the cycle several times.

Mineral properties are routinely acquired by larger companies on a buy-in basis. In the current North American mineral industry structure, there is little in the way of grassroots exploration on the part of the larger companies, often referred to as "Majors", whose focus tends to be more on production than exploration. Exploration has, for the most part, been left to the small company and the individual operator, usually referred to as "Juniors." Junior operators often spend considerable time and effort to develop submittal properties to the Majors for review and possible purchase.

For a property to be of interest to a potential buyer, it must be at least large enough to support the appropriately sized operation (as determined by the corporate strategy), with sufficient room for expansion (should further exploration, market forces or technology turn poorly mineralized wall-rock into ore), and sufficient non-mineral land to allow construction of surface facilities such as leach pads, milling facilities, offices, maintenance yards, etc. An informal poll of some Majors showed the number of mining claims in submittal properties ranged from 50 to 200 with 50 mining claims being an average.

Two recently permitted mid-sized, precious-metal heap leach operations involve surface disturbances on the order of 700 to 1000 acres. The total property requirement for a major mining company could easily be double in size, easily amounting to 70 to 100 mining claims. A smaller operator would likely accept 35 to 50 mining claims for a smaller operation. The annual cost for the simple maintenance of a property position during evaluation could easily exceed $35,000 and go as high as $100,000 if the CBO's $1,000/per claim holding fee were to be adopted.

The evaluation of a property could well be impossible for a company if the $1,000 per claim fee were imposed. Drilling costs for reverse circulation drilling range from $15-$20 per foot, while core drilling costs range from $25-$40 per foot. A typical "first pass" drilling program will have a $100,000 to $120,000 budget and involve 2,500 to 4,000 feet of drilling. Exploration geophysics and geochemistry programs that identify drilling targets will average $15,000 and $10,000 respectively.

A typical exploration company with a budget of $1,000,000 would probably hold an average of about 500 claims. The company would be reasonably expected to spend $500,000 on salaries and overhead such as office rents, field vehicles, etc. The remaining $500,000 would generally go into the evaluation of the mineral properties. With the imposition of a $1,000/claim fee, the cost of holding the 500 mining claims would eliminate the remaining cash, leaving no money for exploration purposes. Thus, this proposed fee would negatively affect the so-called finding cost of domestic mineral commodities generally and in the case of the typical exploration company would force them to look elsewhere, likely to offshore regions such as Australia, Asia, and Latin America. There is evidence that such migration to regions with lower finding costs is already in progress.

There clearly would be multiplied effects on the general economy of the mining States in the West that would occur from a fee-induced flight of the domestic minerals exploration business. The U.S. Bureau of Mines preliminarily estimates 1986 mineral production in Nevada at $904 million. The Nevada Department of Minerals recently published a study of the economic impacts of the mineral industry upon the State. They estimate that exploration expenditures in that State amounted to $76 million in 1986. More than $296 million was spent in purchases in Nevada by the mining operators that year. Furthermore, the mineral industry paid $21 million in State and local taxes directly, with an additional $4 million paid by employees in sales taxes and property taxes. Direct salaries paid to mining employees approximated $195 million, and the mining industry contributed to an increase in statewide employment of nearly 17,000 jobs.

These data support the conclusion that the economic benefits to be gained at the Federal, State and local levels through continued exploration and development far outweigh the revenues that could possibly be attained by the U.S. Treasury under the proposed fee collection. Clearly, the CBO and GAO are seeking solutions for Federal deficit reduction but have given no regard for the long-term effects on State and local economics as well as regional and national mineral exploration and production.

In fact, we believe that the annual holding fee concept could lead to increased environmental degradation by encouraging operators to pursue quickly executed and poorly planned drilling programs to avoid holding claims long enough for the obligation to pay the fee to be reached. The cost of holding claims for a more detailed analysis of their mineral potential would simply be too great. Some major operators, already facing high front end costs to evaluate a presentation property, are entering into shorter term options coupled with quickly executed drilling programs rather than the standard long term option that utilizes carefully planned exploration methods. The proposed fee would exacerbate this trend.

RECOMMENDATION TO THE CONGRESS, PAGE 41

The General Accounting Office recommends that the Congress amend the Mining Law of 1972 to eliminate the patenting of both hardrock minerals and the land required to mine them. Alternatively, the GAO recommends amending the law to either (1) permit claim holders to patent only the minerals, or (2) require that the Government obtain fair market value for the lands patented. Under either of these options the GAO recommends that claim holders should be required to pay an annual holding fee.

As with the assessment work chapter of the report, we believe that GAO has misunderstood some principles of the Mining Law that affect their conclusion regarding the efficacy of the patenting provisions of the Mining Law. Their principal recommendation may indeed have merit, but we do not feel it is supported by the analysis of cases cited. Our critique of this chapter follows:

FLPMA-ESTABLISHED LAND MANAGEMENT POLICY

To begin, the GAO cites FLPMA as establishing a general land management policy of retention of public lands within Federal ownership unless disposal is in the national interest. While we do not argue with that statement, we do wish to point out that the Congress clearly stated in Section 302(b) that the Mining Law of 1872 was not being amended. Therefore, FLPMA must be read as a Congressional endorsement of the view that the Mining Law indeed serves the national interest, or at least it did so in 1976. Recognition of this idea is completely lacking in the general tenor of this report.

PATENTED LANDS BLOCK ACCESS

The GAO states that patenting mining claims may block future access to adjoining public lands by the Government and the public, thus impairing effective land management, to argue for elimination of the ability to patent the surface estate of a mining claim. We believe instances where this occurs are few, because easements or rights-of-way are routinely reserved in mineral patents where road access existed prior to the location of this claim. The Act of July 23, 1955 (30 USC 612[b]) clearly states that the United States, and its permittees and licensees, have the right of access across unpatented mining claims located thereafter. Bureau policy is to acquire an easement for access contructed after a claimant vests rights to the land so that such easement may become part of any mineral patent that might be issued for the claimed land.

The Aspen, Colorado, and Alaska examples given in the report are cases where the mining claims predate the roads on which access was barred. Had the Forest Service and Park Service negotiated easements with the claim owners, access would not now be blocked. The denial of access to Federal agencies or the public is not unique to patented mining claimants. Far more public land access is blocked by land owners holding patents authorized under other public land laws than by the Mining Law. In the recent outcry over the Department's patenting of 82,000 acres of oil shale placer claims in the negotiated settlement of the *TOSCO* v. *Hodel* litigation some conservationists asserted that hunting access will be blocked by the decision to patent the lands (although the claimants agreed in the settlement to allow such access) when in fact, access to the remaining pulic land in the Piceance basin is already controlled by private ranchers in the bottom lands that charge a "per rifle" fee to cross their lands!

OIL SHALE MINING CLAIMS ARE AN ANOMALY

With respect to the oil shale lands patented in 1986-87, we wish to note that the mineral has not been locatable under the Mining Law since 1920. The remaining claims are "grandfathered" rights under the Mineral Leasing Act. If oil shale claims are removed from the mineral patent database that GAO constructed for the period 1978-1987 the picture looks much different. Instead of 160,000 acres patented during that interval, the figure drops to 77,000 acres, i.e., over half of the acres patented were the result of 25 years of costly litigation of the TOSCO cases which finally concluded in the negotiated settlement of August 1986.

DISCOVERY TEST REQUIRED TO PATENT MINING CLAIMS

When oil shale is excluded from the database, the success rate of patent applicants (calculated as a percentage of acres applied for patent for which patent was issued) drops to 29 percent. This shows the difficulty of receiving a mineral patent to a mining claim. The GAO report leaves the reader with the impression that one need only locate a claim, do $500 worth of work, and then ask for title to the land. In fact, meeting the test of discovery of a valuable mineral deposit is a significant hurdle. The Department applies the "Prudent Man" test complemented by the "Marketability" test to determine the existence of a discovery within each claim for which a patent is sought. Basically, the test requires a physical exposure of mineralization of sufficient grade and quantity to justify development of a mine with a reasonable prospect of making a profit. The standard has evolved since the turn of the century (except for oil shale) into a more rigorous application of engineering costs and expected return such that many miners in the 1970's and 1980's complained "the Department of the Interior doesn't issue patents anymore."

SUCCESS RATE OF PATENTING MINING CLAIMS

For example, during the 1978-87 interval nearly 55,000 acres of lode and placer gold claims had patent applications filed, but only 20% of the acreage was patented, 20 percent is still pending final decision, 14 percent was withdrawn (usually because of the threat of contest), 11 percent was rejected for technical reasons, and 35 percent of the acreage under application was within claims successfully contested by the Bureau (usually because of a lack of a discovery of a valuable mineral deposit).

When sorted on a State-by-State basis, similar results are revealed. Alaska mineral patent applicants were successful 32 percent of the time (on an acreage basis), Arizona 38 percent, California 20 percent, Colorado 18 percent, Idaho 20 percent, Montana 41 percent, New Mexico 62 percent, Nevada 24 percent, Oregon 28 percent, Utah 22 percent, and Wyoming 26 percent.

MAGNITUDE OF PATENTING UNDER THE MINING LAW

The vast majority of claims never are patented. There are approximately 1.2 million mining claims of record today under FLPMA as unpatented lode and placer claims, millsites and tunnelsites. An estimated 35 million acres are contained within these current claims alone, yet as the GAO acknowledges less than one-tenth that amount (3.2 million acres) has ever been patented in 123 years. The Public Land Law Review Commission estimated in their report, One Third of the Nation's Land, that as many as 7 million outstanding mining claims encumbered the Federal lands in the late 1960's, an estimate that included the "stale" claims which FLPMA-mandated recordation later eliminated. On average, as little as 0.02-0.03 percent of the land area under mining claims in any year was patented. Since FLPMA recordation, the following percentages of non-oil shale claimed lands have been patented under the Mining Law:

Year patented	Acres patented	Acres under claim	Percent of acreage
1980	4,222	38,363,000	0.011
1981	5,524	27,782,190	0.020
1982	9,678	29,889,558	0.032
1983	14,441	30,454,350	0.047
1984	9,248	28,116,345	0.033
1985	9,327	27,776,966	0.034
1986	5,104	21,819,546	0.023
1987	5,416	32,639,206	0.017

The magnitude of public lands leaving Federal ownership via the patent provision of the Mining Law is actually quite small when viewed on this basis. By any standard, this figure cannot be considered significant amongst the sundry important resource management issues begging for attention today.

FAIR MARKET VALUE OF SURFACE ESTATES OF MINING CLAIMS

As to the issue that valuable lands are being sold under the Mining Law at nominal amounts, we believe that the GAO has grossly exaggerated the difference between the statutory price per acre paid by successful patent applicants and the "fair market value" of the land patented. Part of the problem seems to stem from a confusion about the meaning of the term "land." We take this to mean the surface estate of the acreage under claim or for which patent has issued. In most cases cited, the GAO also appears to define land this way; however, in the oil shale example cited on page 25 the reported sale for $37 million was definitely not for the surface estate only. The $2,000/acre price reportedly paid by Shell Oil Company was for the mineral estate and surface estate together and encompassed rich, strippable deposits of oil shale. There can be no doubt that Shell acquired these claims for their oil shale deposits and not for the "land" values.

A much larger flaw in the GAO report, in our view, is that the reported estimates of value of the lands appear to have no grounding in the true concept of "fair market value" (FMV) as we see it. Fair market value is the price that a willing buyer of the surface estate would pay to a willing seller of that estate in an arms length transaction. When patented mining claims (or valid unpatented claims for that

matter) are involved in the transaction, the willing buyer understands that the mineral deposit at or beneath the surface of the land he is purchasing could be developed imminently and thus foreclose the buyer's actual use of the surface estate for decades or more. The general concept that use of the mineral estate is dominant over that of the surface estate is well established. Therefore, a significant discounting of the future value of the surface estate of a mining claim must be made in order to arrive at a reasonable present value for that surface.

Clearly, in areas where ongoing or potential mining operations could proceed for a lengthy period into the future the present value of the surface estate may be very small. In fact, the joint liability of surface owners for hazardous wastes under the Superfund Act and amendments can make this value negative in many instances. A knowledgeable "buyer" would not take title to the surface estate alone of metal or other mines using hazardous materials or creating hazardous wastes because he or she is taking on joint responsibility for the possible misdeeds of the mine operator even though the pollution may have stemmed from operations occurring decades previously! Examples of such "retroactive" liability facing recent purchasers can be found at Aspen and Leadville, Colorado, and Park City Utah.

Comparable sales data upon which to base FMV estimates are extremely rare, because few buyers are willing to take title to mining claims except in fee, unless market conditions for the mineral claimed are so depressed as to make mining the deposit very unlikely, and/or the impacts to the surface estate are likely to be small. Sales of adjacent tracts that either have no mineral development potential or are sold in fee cannot be used to establish FMV of the surface of patented mining claims. However, this appears to be exactly how the GAO reported estimates were derived by the "government appraisers and local real estate brokers" they cite generally. Thus, it is obvious that these authorities are either woefully ignorant of proper appraisal techniques, or more likely, were not asked the proper questions by the GAO auditors (because to do so would have greatly reduced the estimates of surface estate values). In sum, we do not believe that the cited market values of the surface estates alone of the patented claims are within an order of magnitude of the values ascribed by the GAO.

MINERAL MATERIALS NO LONGER LOCATABLE

Another point not discussed by the GAO is that the selected sites in the text and Table II.1 are dominantly common variety sand and gravel, decomposed granite, and cinders which have not been locatable since 1955; rather such materials must now be acquired via the Materials Sale Act. To receive patents to these claims that were "grandfathered" under the 1955 Act, the claimants had to demonstrate that the materials from the claims have, or could have, profitably supplied a market for the claimed materials in 1955 and continuing thereafter. This is no easy task, as administrative and judicial decisions concerning many of these claims attest, but the owners of such claims successfully asserting valid existing rights are entitled to receive a patent.

PATENTED SITES VISITED BY GAO

Arizona

The case examples from Phoenix and Las Vegas are pre-1955 claims that were located to supply mineral materials for the construction of homes, buildings, and roads. Low unit value, high bulk commodities are always mined near their markets because transportation costs are a large part of the costs to the end user. Since location of these claims, they have been encroached upon by the very urban growth made possible by these sources of gypsum and aggregate for concrete, asphalt, etc. This growth has obviously increased the value of the claimed land both as to its minerals and to the surface value because of the potential for residential development *post-mining.*

In Phoenix and Mesa, Arizona, all patented sites visited but the Melluzo building stone placer are continuing to supply materials to the metropolitan area. That these claims have contributred for over 30 years to their respective communities allowing for much needed expansion is unrecognized by the GAO.

The continuing production from the claims argues that the estimated values of the surface estates are grossly inflated because mining would certainly interfere with whatever use is contemplated by the appraisers ascribing $10,000/acre to $200,000/acre values to the patented lands. Clearly, such land prices could only be attained if the claims were sold in fee and the mining shut down and reclaimed. Apparently though, even those high prices are not sufficient inducement to the patentees to forego their mining operations and sell out. Thus, either these figures are greatly exaggerated, or the sand and gravel and decomposed granite mining business is sufficiently lucrative to spurn these tempting offers. The estimated value of the Melluzo building stone placer reflects the inactive status of mining since patenting in 1970 and the fact that it is the site of a new resort hotel. For such an investment to be undertaken, the hotel developers have obviously acquired the mineral rights as well.

Nevada

Likewise, the placer claims near Las Vegas have been ascribed estimated land values that are not supported by common sense. The claims owned by Stocks Mill & Supply Company are the well known Charleston placers that the BLM contested in the 1960's and 1970's as lacking a market in 1955 and thusly not qualifying as a valid existing right. The Ninth Circuit Court of Appeals reversed the Department and patent was issued in 1981. These claims have produced a large fraction of the sand and gravel used in Las Vegas since 1981. To suggest that a willing buyer would pay $2,196,971 for 450 acres of surface estate alone without purchasing the mineral rights defies all logic. Again, this FMV, to be all believable, must include purchase of the entire fee. The ongoing mining suggests that the priority of the estimated value is properly assigned to the minerals and not the surface value.

The Brawer gypsum placer visited by GAO is indeed inactive now, but when the BLM examined the claims for patent the then owner had a letter of intent from Las Vegas cement manufacturer to purchase 75,000 tons per year from the claim. In 1982, the value of the crude gypsum was $8.50/ton, f.o.b. the mine, and mining and milling cost was estimated at $2.50/ton. The BLM's mineral report identified over 14 million tons of gypsum reserves within the claims to be patented. Even today's lower gypsum prices (approximately $6.50/ton) would provide an operating profit of sufficient size to make the GAO-reported estimated value of $1,200,000 for the 310 acres too low to warrant selling out in fee. Again, no willing buyer is likely to offer that price for land upon which surface mining is likely to occur. Simple arithemetic by the GAO auditors would have shown this had they read the mineral report.

The Bunkowski gypsite placers visited by the GAO were mined for this materials' chemical properties as a soil amendment until shortly after patenting in 1978. More than 39,000 tons mined before shutdown. We question the value ascribed to the claims' surface considering that Carson City suburban development is miles away. Increasing land values in Nevada fueled by the mining boom-led influx of new residents must have factored into the reported $565,000–$675,000 value of these 120 acres.

The Yeager lode claim and millsite patented in 1983 was a "mom and pop" gold mining operation that began in 1936. On-site milling began in 1975 to reduce costs. The son of the original locator is attempting to gather capital to repair equipment and restart operations soon. We presume that the estimated value reported by GAO includes the improvements on the claims.

The Gornowich sand and gravel placer near Boulder City, Nevada, is most likely mined-out after over 30 years of mining. The company continues to produce sand and gravel from BLM-issued leases in the immediate area and has produced between 50,000 and 150,000 tons of material per year since 1952.

Colorado

The inactive status of the Pitkin Iron Corporation's 15-acre millsite is entirely due to the shutdown of Colorado Foundry & Iron (CF&I) blast furnaces in the mid-1980's. The owners await recovery of the iron ore market and have not removed the idle milling and load-out facilities. Although as a millsite the land has no locatable mineral potential for development that might preclude its sale for other uses, it is held in conjunction with patented iron ore deposits that could be revived in the future.

The Webster sand and gravel placers near Leadville, Colorado have been continually active since the 1940's. The obvious interest the owners have in continuing mining the deposits makes us question the estimated surface value of $420,000 to $1.4 million.

The Hinton gold placer near Keystone ski resort is an example of what may happen upon patenting of a mining claim. While a claim is unpatented the Federal Government remains paramount title holder and State end local government may not zone-out legitimate uses of the public land, such as mining. However, upon patent issuance the land becomes private land subject to local zoning ordinances. In this case, public pressure was brought to bear upon Summit County officials to zone the area to disallow mining so as to protect the ski area residential development nearby. After considerable litigation over the zoning, the County recently reclassified the area as suitable for mining and we understand that Hinton has received the permits necessary to mine. He is attempting to raise funds to develop the deposit now. The GAO report of 44-acre parcel being for sale thus did not tell the whole story. Our understanding is that Hinton considered the sale an inferior alternative and withdrew the offer upon rezoning to allow mining use.

California

In California, the GAO chose to visit only three patented sites, all in the Mother Lode country, and not representative of the large mining operations that are ongoing in the

Mohave Desert, for example. Had the GAO done so they would have discovered that huge expenditures were necessary to bring these low-grade disseminated gold mines into production. The $5 per acre to patent such claims is several orders of magnitude less than the actual expenditures made to reach the patent application stage, and is the norm today.

The Graham lode and millsite is a high-grade, low-tonnage gold deposit with fine specimen gold produced periodically. The claims were bought by the father of the patentee in 1913 for a reported $700, and have been worked intermittently since. Because no mining was ongoing when the GAO visited they reported its status as inactive. In fact, the owner probably only mines but several weeks or a month of each year as he is 62 years old. The estimated value must include the improvements on the claim and millsite, as well as the mineral values, in order to arrive at the half-million dollar figure reported, but no reference is made to the value added by the owner.

The J&D Marquis fractional lode claim of 12 acres is mostly on very steep topography in which it is difficult to imagine residential use. The remainder was ground sluiced and placered before many years ago and has two houses, a holding pond, mill, and other improvements upon it. As in the Graham case, the reported value probably includes the value of improvements added by the claimant. In fact, we understand that the $125,000 value was gleaned from a realtor's multiple listing book. If so, then the value also likely includes the minerals as well and further complicates valuation of the surface estate.

PATENT APPLICATION SITES VISITED

The GAO has incompletely listed the status of several of the mineral patent application sites they visited.

The Breckenridge, Colorado placers were contested by the BLM at the request of the Forest Service, alleging lack of a valuable mineral deposit. A hearing is scheduled for May 1989 for the claimants to have opportunity to rebut the charges. The Gamba application near Glenwood Springs, Colorado was withdrawn last year.

The Edgar, et al., application for lands near Laughlin, Nevada, was purported to be withdrawn by one of the co-applicants recently for unstated reasons.

The Superior Company is indeed mining gypsum on its Camp Verde, Arizona, placer claims, Anamax Mining Company has withdrawn its patent applications for 22 lode claims on Forest Service lands near Green Valley, Arizona.

REVENUE ACCRUAL TO THE FEDERAL GOVERNMENT

The GAO is clearly interested in sources of revenue from "hardrock" mining for the Federal Treasury. Nonetheless, it is specious to argue that the Government "stands to lose between $14.4 million and $47.1 million if the 12 pending applications included in our review are patented, and tens of millions of dollars more if the patent provision of the Mining Law of 1872 is not amended." (p. 41). In fact, not one dollar of revenue would be lost because, if the lands were not patented, the land would have to be actually sold, which, as GAO notes, is "not consistent with current national natural resource policy" calling for the Government to maintain ownership of public lands. (p. 22).

Likewise, the admonition on pages 40 and 41 concerning the loss of potential royalty income if patenting is allowed to continue is a short-sighted analysis of revenue accrual to the Treasury. If the distribution of revenues from potential "hardrock" royalties made under the formula within FLPMA pertaining to Mineral Leasing Act revenues, there is reason to believe that receipts to the General Fund would actually decline! This is because only 10 percent of such revenues are actually placed into that portion of the Treasury. Half of lease revenues go to the States in which the leasing occurs and 40 percent goes into the reclamation fund. Given that 100 percent of royalty payments are deductible from income taxes, a marginal tax rate of 28 percent or 35 percent on profits from a mine would send more dollars to Washington to defray the deficit than would FLPMA-mandated royalty distribution.

In summary, we are very concerned that the GAO is looking at the Mining Law as the goose that laid the golden egg. We believe that our Nation's prosperity has been fostered by the Mining Law. The GAO's recommendations for holding fees and possible production royalties are short-sighted attempts to kill the goose.

AMC'S REBUTTAL: THREE DOZEN GAO ERRORS OF FACT

1. GAO does not acknowledge that the Mining Law requires $100 worth of work to be performed on or for the benefit of each mining claim (page 5 of AMC rebuttal).

2. With regard to GAO report that 146 out of 240 claims located between fiscal years 1948 and 1972 had no evidence of mineral development work, GAO did not indicate how many of these claims had been abandoned or whether claim owners were current with their annual assessment work affidavits (page 7).

3. GAO did not mention that it does not make sense to conduct exploration or development work on each claim, so long as the value of annual work equals at least $100 per claim (pages 7-8). It is standard practice to conduct group work.

4. GAO states that all firms must do to preserve their claims is to file annual affidavits with BLM and the respective county. It is not mentioned that the firms must not only certify that the required development work was done, but that work must have, in fact, been done and must have been of the nature which qualifies as assessment work (page 8).

5. In addition to the performance, filing and recording of assessment work, the claim owner must either be physically occupying and working each claim within a group or have made a "prudent man" type of mineral discovery within each claim not being physically occupied and worked (page 9).

6. The BLM did not, as claimed by the GAO, conclude that much of the work reported in the 100 annual work affidavits (Arizona and California) "did little to bring the claims any closer to development" (pages 10-11).

7. GAO inferred that there were problems with the Forest Service (FS) and BLM failing to verify the $100 annual work requirement for unpatented mining claims. The GAO does not indicate what the problems are or the fact that if surface operations have not been proposed or no application for a patent has been made, there is no need for federal agencies to verify whether assessment work has been done. The public has the right to use the surface for any authorized purposes if the mining claims are not being operated (page 12).

8. Contrary to the statement by GAO, if BLM has withdrawn the land for nonmining uses and is successful in invalidating a claim for failure to meet the assessment work requirements, the claimholder cannot refile another claim on the same location and thus regain the right to extract and sell minerals (page 13).

9. GAO asserts that "in some instances, . . ., claimholders have needlessly scarred the land with bulldozers to make it appear they have complied with the annual work requirement even though this did nothing to further development of the minerals." The claimholders did not indicate this to GAO representatives. Instead they told GAO that mineral samples had been taken from particular excavations and these samples had been assayed for their mineral content (pages 13-14).

10. The BLM or the FS can halt operations which could result in significant surface disturbance since the claimholders must notify the agencies before they conduct such operations (page 14).

11. GAO has not established that any of the stated goals of an annual holding fee are necessary (page 15).

12. GAO has not established any problem with federal agencies not enforcing the assessment work requirement (page 15).

13. GAO has not shown that there is nothing to be accomplished by clearing inactive or abandoned claims from the records except when another party becomes interested in the development of the land and then that party has the opportunity to relocate any claims with respect to which there has been a failure in assessment work (page 15).

14. GAO has not established that claimholders damage federal lands by trying to make it appear that they have complied with the annual work requirement (page 15).

15. GAO's assertion that claimholders may simply patent their claims to avoid paying the annual holding fee indicates GAO's lack of understanding of the extensive requirements to obtain a mineral patent (pages 15-16). (See # 18)

16. There are conflicting figures with regard to the data GAO used for the number of acres patented between January 1, 1978 and September 30, 1987. Whichever number is correct, more than half of that number was patented for minerals (oil shale and common varieties) that can never be located and patented again. This leaves, at the most, only 66,000 acres patented over a period of 9 years and 9 months for minerals subject to the Mining Law (page 17).

17. GAO implies that patenting under the Mining Law continues to be used to settle the West which is untrue (page 18). The marketability test requires that the deposit be of such value that it can presently be mined, removed and disposed of at a profit and its application in the patent process is complex (page 19).

18. GAO leaves the impression that, if the annual work requirement is replaced with an annual holding fee, the claim holders may simply attempt to patent their claims to avoid paying the fee. In addition to the costs for providing a mineral discovery and for the patent process, making an application for a patent can place the claim holder in a win all or lose all situation (if the patent application is rejected, it is likely a contest to invalidate the claim will be brought by the U.S.) (pages 21-22).

19. It is absurd to conclude that the patent provision is an attractive means of

acquiring valuable land for nonmining purposes, especially in light of the drastically declining number of patents being issued (page 21).

20. With the selective modification of the patent provision of the Mining Law in various statutes, Congress is confirming the patent provision of the Mining Law is national policy with respect to the remaining lands and minerals, not showing that the Mining Law is inconsistent with public land policies (page 22).

21. Although the GAO indicates disdain for private ownership of land for mining claim patents, it does not mention the hundreds of millions of acres that have left the public domain through patents for homesteads, railroad grants, state land grants, townsite grants, Recreation and Public Purposes Act grants, etc. (page 23).

22. GAO erroneously indicated that a patentholder near Aspen, Colorado, had a locked gate blocking the only access road to considerable FS land. This closure was done by the Forest Service for land management requirements and the road remained available for hikers, skiers, mountain bicyclists and other recreational users. Furthermore, there was another access road available (page 25).

23. Federal agencies may resort to the Unlawful Enclosures Act if rights of access across patented mining claims are denied (pages 27-28).

24. No one can be found in the Colorado State BLM office that verifies the GAO assertion that an official of this office stated that up to 80 percent of the patent applications received are motivated primarily by uses other than mining. BLM officials have stated just the opposite (pages 28-29).

25. The seven selected patent sites which formed the basis for the twenty patent sites studies by the GAO to determine whether the federal government was obtaining a fair market return were not representative of the locations of the more than 100 patents issued in 1983, since six of the seven patents were near metropolitan areas, retirement communities or resorts (page 30).

26. Of the thirteen patent sites listed by GAO as inactive in its study of real estate values, two of the sites were being produced within the range of time which spanned the GAO study and nine had been active at some time and presently contain mine workings or mineral processing facilities (page 30).

27. The Hinton-Keystone Site was not being mined because Summit County, Colorado, had passed a zoning ordinance prohibiting mining which had been proposed (page 31).

28. GAO selected patent sites near metropolitan areas and, as a result, eight of the twenty sites were patented for common variety minerals. These sites are not illustrative of the problems with patent provisions of the Mining Law today, since after the Common Varieties Act of 1955 was enacted, these claims could not have been validly located or patented. The figures for the total estimated values of the patent sites is reduced drastically if the common varieties patents are excluded (page 31).

29. The methodology used by the GAO report in studying 12 out of 265 patent application sites in the Western United States and Alaska, assured that the sites were located near metropolitan or resort areas and falsely left the impression that the applications would likely be granted (page 32).

30. The Forest Service advised GAO that the mining claims near Breckenridge, Colorado, were not qualified for patent and the claims were being contested. The GAO did not acknowledge its awareness of these facts and assumed the sites would be patented (page 32).

31. GAO provided no indication that the patent application for lands near Laughlin, Nevada, would be subjected to the close scrutiny of the marketability test or that the BLM would conduct careful examinations of the mineral discoveries on the claims. In fact, the claim owners withdrew these patent applications on April 17, 1989 (pages 32-33).

32. The GAO did not acknowledge that its representatives were advised by the Forest Service at the time of their visit that the patent application for the site near Glenwood Springs, Colorado, could not be approved because no evidence of mineralization had even been provided with the patent application (page 33).

33. Three hundred thirty acres of the 760 acres in the ASARCO patent application have been withdrawn because the BLM has determined the mill sites were not valid (page 33).

34. All of the Anamex patent applications for 330 acres of land have been withdrawn (page 33).

35. The Tognoni and Great Star patent applications are presently being contested through formal proceedings in the BLM (page 33).

36. The patent applications for the remaining four sites (Onanon, Superior, Hasse and Commercial) are presently undergoing or will undergo mineral examinations to determine their validity for patent (page 33).

Mr. BAUCUS. Mr. President, I will vote to strike the mining patent moratorium from this appropriations bill.

As a general rule, I do not believe we should make such fundamental policy decisions in the appropriations process. After thorough hearings, this should be the role of the authorizing committee, the Committee on Energy and Natural Resources.

At the same time, I am deeply concerned about the 1872 mining law. It seems implausible to me that a 118-year-old law is up to the environmental challenge of regulating the modern mining industry.

Although hard rock mining is an important growth industry in Montana, I believe most Montanans would be dismayed to know fee title to Federal lands can be sold for a little as a few dollars per acre.

During the next Congress, this issue will move to the forefront. I hope we can forge a solution that is sound from both an environmental and fiscal perspective; a solution that respects the the land, the American taxpayer, and the legitimate needs of responsible miners.

Mr. REID. Mr. President, the Senator from Arkansas indicated when this debate started that he relished the debate. That was the term he used. I believe that is really the case; that he did relish the debate.

I wonder, during the presentation of the statement of the Senator from Arkansas, why he appeared so animated, and at times, in a term I would use, frustrated. I suggest to my colleagues it is probably as a result of the fact he cannot in his own subcommittee or committee that he serves on, get this done legislatively.

For all those Senators listening who have wanted to get back at the Appropriations Committee for doing things they do not feel appropriate, this is the time. Because this is a perfect example of what the Appropriations Committee should not be doing, legislating on an appropriations bill.

So I submit to the Senate, for my colleagues who want to get even with the Appropriations Committee, this is your time, because this is perfectly what the Appropriations Committee should not be doing.

It is pretty strong language that the Senator from Arkansas has used. That is that this is a scam.

Mr. President, will the president notify the Senator when he has used 10 minutes?

The PRESIDING OFFICER. The Senator will be so notified.

Mr. REID. The strong language of the Senator from Arkansas would indicate that this is a scam. A scam, when someone invests $250,000 on an average, sometimes much more than that, to file a claim on a patent? We have indicated that just a handful are filed. And who benefits? The engineers, the geologists, the cartographers, the surveyors, the miners, as a result of this investment of $250,000.

What does the U.S. Government get in income taxes from the billions of dollars that come from the minerals industry? I submit respectfully, Mr. President, the example used by my friend from Arkansas regarding the State of Connecticut is really in point. The State of Nevada consists of 74 million acres, a State that is 600 miles wide and 650 miles long at the point. The State of Connecticut would fit into one of the counties of Nevada. It is a tiny little speck compared to the great West.

I submit in the years since 1872, they really have not taken much advantage of this law. The reason they have not is it is very difficult to do.

I submit, also, the Senator from Arkansas is living in a fantasy land; talking about tearing up farms, leaving big holes that are uncovered. The fact of the matter is the mining operations in present day are not ecological disasters, but rather they are like the Big Springs Mine in Elko, NV, which received an award from the U.S. Forest Service as an environmental showcase.

BIG SPRINGS MINE, ELKO, NV

Mining has been under attack, of late, particularly by the environmental community. I would like to bring to the attention of this Congress a mining operation of which I am very proud, the Big Springs Gold Mine of Nevada. The U.S. Forest Service re-

cently designated the operation an environmental showcase.

Big Springs Mine is a prime example of what we can expect from the mining industry today. In the past, large mining operations have been guilty of not reclaiming land. However, Nevada, where my family mined for years, has passed its own law, as have most States with extensive hardrock mining, demanding reclamation work.

In 1987, before Big Springs began extensive development of the mineral resource located on Forest Service managed lands, the company worked to ensure that the mine met standards set by the Forest Service. The company designed roads and rock deposit sites so as to greatly minimize sediment in nearby streams, and therefore protected the endangered Lahontan Cutthroat trout living nearby. Further, the company built a campsite so that the area would not be cut off from public use. Most importantly, extensive, state-of-the-art reclamation practices are currently in use. This is just one example. Nevada has other such exemplary operations as do the States represented by my colleagues who join me in offering this amendment. The patented mining activities of today do not amount to the wholesale rape of the land as often suggested.

That is how all the modern mines are in Nevada, with rare exception. Those exceptions are dealt with very harshly by the various administrative agencies.

The Senator from Arkansas states that only the Forest Service demands bonds. That is no longer the case. It used to be. Now the Bureau of Land Management also demands bonds.

Mr. President, there are, I repeat, 100 licenses that have to be obtained. The junior Senator from Montana indicated that a palladium mine was recently discovered, the only one in North America. That took millions and millions of dollars to develop, and it is part of our essential mineral industry that we are so lacking in this country.

The Senator from Arkansas said: "Am I embellishing the story?" The answer is yes; he is embellishing the story.

The GAO report, we will not go over all of it, except we will talk about the additional matter that was not covered by any of the other Senators who spoke.

In Laughlin, NV, next to a booming casino industry. The fact of the matter is, the GAO, as they did throughout this report, provided no indication that the patent application for lands near Laughlin would be subject to the close scrutiny of the marketability test, or that the BLM would conduct a careful examination of the mineral discoveries on the claim.

In fact, Mr. President, the claim owners withdrew these patent applications. Why did not the GAO indicate that? These patent applications were withdrawn. This whole procedure reminds me of the Warner amendment. Those of us from the West also understand the Warner amendment where, in the dead of night, all people who had claims, legal in nature, against the contractors who cause them sickness as a result of the aboveground testing at the Nevada test site, they wiped out their claims. They could not file lawsuits. Lawsuits that were then filed were terminated.

We, in the Senate, were able to terminate the Warner amendment, but it took 6 years. That is what we are doing here.

Also, let us not lose sight of the fact that what the Senator from Arkansas talks about most of the time is unpatented mining claims. That is a different issue that is not before this body; talking about thousands of acres. We have already established in the State of Nevada the biggest boom gold mining operations in this country. They are averaging less than four patents a year since 1967.

I submit respectfully that this is something we have to look at very closely. I hope we recognize the right to patent provides an important incentive to find and develop economically viable mineral deposits, and that is something we need in this country. The right to patent is a major consideration in the financing of mining operations and the moratorium is not necessary to protect the environment, as indicated by the statement we submitted regarding one mine in Nevada, which is only one of many that meet the standards that we all require with the environment.

I reserve the remainder of my time.

Parliamentary inquiry. What time is remaining?

The PRESIDING OFFICER. The Senator has 13 minutes remaining. The Senator from Arkansas has 15 minutes.

Mr. BUMPERS. Mr. President, I think there have been about 15 Senators from the Western States affected speaking since I sat down earlier this evening. I have the utmost respect for every one of them and their positions. I understand exactly where they are coming from.

I did say earlier I relished the debate, just as I did for 8 years, trying 8 years to change the oil and gas leasing system of this country. I remember when Fort Chaffee, AR, 2 miles from my home, was leased; 33,000 acres of it was leased for $1 an acre under an old law just like this.

The reason Fort Chaffee never had been leased before was because military reservations could not be leased by law. So when I got a call one day saying Texas Oil & Gas Co. has leased 33,000 acres on Fort Chaffee for $1 an acre, $33,000 to the U.S. Government, I could not believe it. The reason I could not believe it is because Fort Chaffee is surrounded by 500 producing gas wells.

We took that to the Supreme Court of the United States, and the Supreme Court said that because the Secretary of the Interior had not finalized the regulations for leasing military reservations, that that lease was null and void.

The Bureau of Land Management relet the 33,000 acres on a competitive bid basis. Does anybody care to take a guess? $43 million. $1,705 an acre just for the right to drill. It took 8 years to change the leasing system, and during that 8-year period, I heard every single argument that I have heard this evening: Now is not the time; that $2.50 is really a processing fee. You do not sell land for thousands and thousands of dollars an acre that all you did was pay a $2.50 processing fee on. You sell land that you have a deed to, and you get a deed for $2.50 an acre, and BLM testified in our committee that they pursue it no further.

There is a lot of talk about the GAO report. I want the Senators who question this GAO report to tell me who in the GAO has it in for these Western States? Who in that agency is pulling off this kind of a scam where they list dozens and dozens of patents that people have acquired for $2.50 an acre and sold for millions? Why would the GAO say things like that? I do not know. If there is some kind of cabal going on in the GAO, I do not know about it. Maybe there is. But they said the same thing back in 1974. Was there some kind of cabal or subterfuge being pulled then by GAO?

On the one hand, I heard arguments tonight that just a few patents are issued every year; not really significant numbers of patents or deeds are given out each year. On the other hand, they say this amendment will wreck the mining industry. We cannot have it both ways. I am not trying to wreck the mining industry. When the mining industry finds gold on private lands, they pay a royalty. This has nothing to do with that, incidentally. My amendment is a very small amendment. You do not have to have a patent to mine. Not one single miner in Alaska or Nevada who has a claim filed will be deprived of mining that claim if this amendment stays in the bill, as it should. Not one. You can mine unpatented claims. Believe you me, if I were king, this amendment would cover a lot more than it covers.

Mr. STEVENS. Will the Senator yield right there?

Mr. BUMPERS. No, I will not yield until I conclude my remarks.

Mr. President, bear in mind this language. The precise language that I

have used in my amendment is already in the House bill. I guess they took leave of their senses, too. But it is in the House bill already. My amendment is precisely the same language.

Do my colleagues know who wants to change the mining law? George Bush. He wants to make the miners pay $100 a year in cash to hold a claim instead of just signing an affidavit. I have not heard anybody criticize the President tonight. Nobody said he is going to bankrupt America by making the 1.2 million claimants pay that $100 in cash.

The Senator from New Mexico said we do not give anybody a patent unless that land contains valuable minerals. I just read off a long list of lands that claimants have received deeds to and turned around and sold for casinos, for hotels, for resorts—everything under the shining Sun.

Maybe you can justify this to your constituents. I cannot, and I do not intend to. Do you know what I did 3 years ago when Jane Fonda and Shirley MacLaine told everybody that quartz would cure whatever ailed you? Do you know where the biggest quartz deposit in the United States is? The Ouachita National Forest in Arkansas. We have a million acres of public domain in our State, and this bill applies to my State, too. I got a bill passed.

Mr. McCLURE. Will the Senator yield for one point? Is that public domain or acquired lands?

Mr. BUMPERS. No, it is 1 million acres, public domain, subject to these same kinds of claims. When everybody in the United States came down to the Ouachita and started digging with their picks and shovels and tearing those mountains up to find quartz, I quickly got a bill passed here to say that the Forest Service would change the method for mining quartz, and we did it on a competitive-lease basis. I did not want the people of my State ripped off. The State gets half the money. If these people pay royalties and pay what the land is worth, the States would get half of it. That ought to be fairly attractive. When we leased the land at Fort Chaffee for $43 million, the State of Arkansas received $21.5 million of it.

So the Senator from Colorado said this was a rotten deal. That is the most appropriate statement that has been made tonight. It is a rotten deal for the American taxpayers. The American taxpayers do not know except what Sam Donaldson told them on "Prime Time Live" about it one night. That is all they know. But I can tell you one thing, the phones in my office and a lot of Senators' rang off the wall because the American people were outraged. They had no idea that this system was in place.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 6 minutes, 30 seconds remaining.

Mr. BUMPERS. This argument "now is not the time," how many times have I heard that? Never the time. My friend, the Senator from Alaska, and he is a friend; we fight on the floor, but we are friends. There is $6 million in this bill, Mr. President, to buy mining claims in Denali National Park in Alaska, and that will not even begin to buy all the claims there. We are going to pay, just in this bill alone, $6 million for mining claims at Mt. McKinley. As I say, that will not even begin to cover it. What do you think we will pay per acre for those mining claims? They have not even paid $2.50 for a lot of them. Some are patented and some are not. See how much land we get back for those claims.

Mr. STEVENS. Now will the Senator yield?

Mr. BUMPERS. Yes.

Mr. STEVENS. I wonder if the Senator would tell the American people that he is interested in how much you paid per acre for lands that belonged to the Federal Government in Arkansas? Every single person who wanted to claim 640 acres got it just by being there at one time. Another time they received 800 acres free. The Federal Government paid the filing fee. My question to you is, how do we get land out of Federal ownership in Alaska and the West now? You got it for nothing, absolutely nothing. If you want to file a mining claim in Arkansas today, you file it on land that was given away.

Mr. BUMPERS. Mr. President, I yielded for a question.

Mr. STEVENS. How do you get land out of the Federal Government?

The PRESIDING OFFICER. The Senator From Arkansas.

Mr. BUMPERS. Mr. President, it is true there is money in this bill to buy land in the Ouchita National Forest to protect the lake, and it is being bought by Weyerhaeuser Corp., who paid dearly for it years ago. They did not pay $2.50 an acre for it.

Mr. President, I think all that can be said has been said. I do want to correct one thing. When it comes to reclamation, while only 20 percent of the BLM applications require bonds for reclamation, the Forest Service requires bond in about 80 percent of the cases. But you can thank most of the States that have reclamation laws, otherwise the bill of the taxpayers of this country to clean up abandoned mine sites would, indeed, run into the billions.

Let me just close out by saying, bear this in mind. Last year $4 billion worth of hard rock minerals were removed from Federal lands and we got nothing, not a thin dime. All I am trying to say is that you are not going to stop the mining but, for God's sakes, quit issuing deeds to people for $2.50, many of them who will turn around and sell them for millions of dollars. I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. REID. Mr. President, I yield 5 minutes to the junior Senator from Nevada.

The PRESIDING OFFICER. The Senator is recognized.

Mr. BRYAN. Mr. President, the hour is late and I will be brief.

It has been suggested during the course of this debate that this is really a very modest amendment, that it is nothing really comprehensive and all encompassing. But let me suggest to anyone who has any knowledge at all about mining activity—I realize that is primarily those of us who come from public land States—that this will have a devastating impact, devastating impact. It will inject a note of uncertainty, in effect a state of suspended animation will exist because no one will know what the ground rules are going to be in the future.

Today, at the kind of expense that is involved in making a determination as to whether to pursue an application for a patented mining claim, there is enormous expense involved, Mr. President, enormous expense. You just do not go out in the public land and kick over a couple rocks and pick up a piece, hit it with a hammer and say look, I think I have a claim. We are talking about microscopic particles, the kind of thing that represents technology that only the recent developments in the last 20 or 30 years have made possible for mineral exploration in my State. You are not going to get the kind of investment, the capital, necessary resources to develop these claims if the amendment proposed by the distinguished Senator from Arkansas prevails.

There are some who cast this in the context of a regional debate. They say, well, look, I am sure in their mind they are right. It does not affect my State. I am not a public land State. I have no interest. Perhaps what the distinguished Senator from Arkansas has to say sounds appealing and it will probably be registered as a positive environmental vote. Maybe I want to get on the right side of those people because of the failure to vote on some other measures.

This will have a tremendous impact on this country. We are involved in the most sophisticated technology ever conceived by the minds of men with all kinds of requirements for sophisticated materials, alloys, whether we are talking about national defense, manufacturing some of the very technical aspects of airframes. Molybdenum is involved and that sort of alloy.

So we ought not to be thinking about this only in the context of those

who are involved in mineral exploration for the rare metals that are involved in jewelry and in nonindustrial purposes. We are simply not going to have the kind of strategic minerals development which is essential to this country if you inject the kind of uncertainty into the entire mineral development process which, I would respectfully submit, Mr. President and my colleagues, has served this country well for more than a century.

Finally, may I add a note that has already been pointed to. If, for reasons which are unpersuasive to me, there ought to be a debate and a change of policy with respect to this, it ought not be done in the context of an appropriations bill. That is wholly inappropriate, and I must say I believe it to be a travesty of the legislative process.

The committees that have jurisdiction over the legislative content and the policy ought to make that judgment. If they cannot persuade those committees as to the merit of this legislation, they ought not to use the office of an appropriating bill to make that argument for them at 11 o'clock at night in the last week of what has been billed as the longest congressional session since the end of World War II.

I yield the floor.

Mr. REID addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. The Senator from Arkansas started out his statement in the second round like he started out the first round, talking about something that had no bearing whatsoever on what we are here for tonight. He talked tonight about oil leasing, about something that dealt with apples when we are dealing with oranges, typical for the debate that has taken place tonight, a lot of emotion, very little fact.

I would also suggest to this body that I think we have to look closely at his statements regarding private land. He said if this were on private land this would take place and this would take place. A patent is important. That is how you get private land. That is what it is all about.

I submit that we have to make sure that we understand the difference between patented—and that is what this debate is about tonight—and unpatented claims, which the Senator from Arkansas spent the majority of his time talking about tonight. That is a debate for another time.

The Senator from Arkansas continually brings up the cases of the GAO. Senator after Senator has brought up the fact that the GAO—I am sure that they did not have any meanness in their hearts, any evil intent; they were simply not prepared. They went and did their studies around metropolitan areas, and as a result of that 6 of the 7 patents were around metropolitan areas.

We talked about Nevada, we talked about places in Colorado. We repeat time and time again that the examples used by the Senator from Arkansas, by the way, and the amount of land that was purchased are simply wrong and we keep repeating that.

I would also suggest that there are other States that should listen very closely, States that do not produce minerals but are mining States, like Kentucky, West Virginia, Pennsylvania, States that mine coal. I suggest that each of those States should be aware of what is happening.

The Senator from Arkansas talks as if mining is evil, that there is something wrong with mining. I submit that that is not the case.

I can talk about patented mining claims because I was raised on those patented claims; that is, my father worked in them, the Blossom, the Tellurite, the Sante Fe, the Pan Am, holes in the ground. I have been down in those holes with my father and without my father. But for those patented mining claims, most of the time my dad would not have had a place to work. The people owned those mines. People gave him the ability to work. Some were leased; some were contracted. He did not earn a great living, but he earned a living.

Things have been a lot better since my father worked in the mines. Now we have modern machinery, modern equipment. I think we should talk about apples, if in fact that is what we are talking about.

The Senator from Arkansas has talked very loosely about scam artists. We recognize that is not the case. A tiny number of patents—in all the time that the patents have been issued, they covered not even one county in the State of Nevada, a State of 74 million acres. But we have been able to have production and that is what is important.

I reserve the remainder of my time.

Mr. BUMPERS. Mr. President, how much time remains on each side?

The PRESIDING OFFICER. The Senator from Arkansas has 3 minutes; the Senator from Nevada has 5 minutes.

Mr. BUMPERS. Mr. President, the fact that the State of Connecticut fit in a county in Nevada may be relevant, but I fail to see it. Everybody is talking about how people spend a lot of money developing these claims. But it is on Federal land; it belongs to the taxpayers of the country. They do it virtually for free. I do not think that is right.

I never will forget, Mr. President, when my first son, I guess, was a year old and said "dada." I thought I was going to faint. But if he were 30 years old and still saying "dada," I would get him to the nearest psychiatrist, speech therapist, or something. Here is a law that is 118 years old, and we are still saying "dada." Can you believe that this is actually going on in this country?

I promise you, if you took this case to the American people and you ran it outside of one of these States in the West where mining is, indeed, a big industry and will continue to be, you would not get 10 votes.

You could not defend it to save your life. You let me make the 30-second spots on people who defend this practice of selling off the public domain for $2.50 an acre, and you take all of those cases in Nevada, and Colorado, and you say but the mining industry is important to the country. So is the oil and gas industry. We do not let them do this. We do not give the timber industry timber off our forests for $2.50 an acre.

I know that jobs are involved, but I can tell you, as I said earlier, this amendment is a very small amendment. It does not stop mining. It does not even stop people from applying for patents. During the term of the appropriations bill, 1 year, we are saying do not issue any more patents, because I can tell you next year the authorizing committees are going to reform this law.

We did not do it this year by agreement. We never voted on it. I never asked the chairman of my committee, the Energy Committee, to put it on the markup calendar. It is a complex thing. But pending the happy day when we resolve it, we ought not to be selling off the people's land for $2.50 an acre. I trust that my colleagues will agree with me when we vote.

I yield the floor.

Mr. REID. Mr. President, I ask the Senator from Idaho if he would explain to the body the Fort Chaffee situation about which the Senator from Arkansas spoke earlier?

Mr. McCLURE. I thank the Senator for asking the question. If the Senator yields to me——

Mr. REID. I yield.

Mr. McCLURE. The Fort Chaffee situation, I do not mean to relitigate that case, but as I recall the facts—I think these are accurate—the price went up. The value went up because in the interim between the beginning of this story to the end of it, other people around Fort Chaffee had drilled for oil and gas and found it. So it was no longer the speculative prospect that it had been at the first and therefore is not analogous here unless they were filing a mining claim on something that is in the middle of a mining area.

Mr. President, I also should say that although Senator BUMPERS has described his language as identical to the House it is not. It is much more sweeping than the House language, and

people should understand it goes much further than the House language and, therefore, is a much worse provision than the House language. I thank the Senator for yielding.

Mr. BUMPERS. Mr. President, I hope the Senator will yield to me for at least 15 seconds because we are talking about property 2 miles from my home.

Mr. REID. Mr. President, I am happy to yield 15 seconds to the Senator from Arkansas.

Mr. BUMPERS. The increase in the value of the oil and gas, of the gas at Fort Chaffee, did not go up. Fort Chaffee was always surrounded by 500 gas wells. You just could not lease it because it was on a military reservation. It would have brought $1,705 an acre in the first place if it had been put up for competitive bid.

Mr. REID. I submit to this body that is what I talked about previously. The Senator from Arkansas is talking about apples and we should be talking about oranges.

I think also the fact is that the Senator said next year is just a couple, 3 months from now, and next year we should be handling this legislatively. The Senator said there has been a deal made, and they are going to take this up by agreement. That speaks against what the Senator from Arkansas is trying to do.

It there were ever a reason not to do what is being attempted here tonight by amending this Interior appropriations bill, it is what this Senator said. This should be done legislatively.

We are talking about a period of 2 or 3 months. That way we can legislate when we are supposed to legislate. I submit to this body that the Appropriations Committee is a money committee, not a legislative committee. The Interior appropriations bill in its present form makes a dramatic change, supposedly temporarily in the application of the general mining laws. The Interior appropriations bill is not the proper place for moratorium language, language that dramatically alters the application of mining law, a change that effects an entire industry. The 1872 mining law has been amended scores of times. It is not the 1872 mining law.

I submit that this affects an entire industry, a change that could affect the future of mineral development which is so essential to this country. I submit that this amendment should not be agreed to. If you vote for the amendment, you vote against the proper legislative procedure, against the development of valuable mineral resources, and I believe the economic health of rural America.

How much time is remaining?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. REID. The Senator yields the time.

The PRESIDING OFFICER. All time having been yielded, pursuant to the unanimous-consent agreement, the Senator from Alaska is recognized.

Mr. STEVENS. Mr. President, this is legislation on an appropriations bill. It comes at us despite the fact that a legislative committee has the jurisdiction over the legislation dealing with this issue. It comes at us in a particular sectional way.

Again, I want to state to the Senate, we from the West, and particularly from Alaska, have to come to this body to almost beg for our economic assistance.

Mr. BUMPERS. Is the point of order debatable?

Mr. STEVENS. I am allowed to make a point of order. I am making it.

Mr. BUMPERS. Is the point of order debatable?

Mr. STEVENS. I have not made it yet. I have not made it yet.

The PRESIDING OFFICER. The Senator has not made his point of order.

Mr. BUMPERS. I did not understand the Chair.

The PRESIDING OFFICER. The Chair informs Senators that there is no limit on the time required for Senators to make a point of order. The Senator has not yet made his point of order.

Mr. STEVENS. Mr. President, what I was saying is that as far as this Senator is concerned the repeal of legislation that vitally affects the future economics of our State is not going to happen as legislation on an appropriations bill. That is what the rules were made for, to assure we had ample time to protect our particular States from riders such as this.

The Senate has the choice in my opinion. It can enforce the rule against legislation on an appropriations bill or it can face a myriad of issues on this or vote cloture. I will accept cloture when it comes as we do from time to time. But this amendment is not going to pass as legislation on an appropriations bill unamended without cloture.

Mr. President, I make a point of order that under rule 26, paragraph 4, this is legislation on an appropriations bill, and should be stricken.

Mr. BUMPERS. I raise the defense of germaneness, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. Is there a sufficient second on the request made by the Senator from Arkansas? There is a sufficient second.

The yeas and nays were ordered.

Mr. STEVENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. McCLURE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The Chair submits to the Senate the question, Is the committee amendment on page 155, line 13 germane? On this question, the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts [Mr. KERRY] is necessarily absent.

I further announce that, if present and voting, the Senator from Massachusetts [Mr. KERRY], would vote "yea."

Mr. SIMPSON. I announce that the Senator from Texas [Mr. GRAMM] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 50, as follows:

[Rollcall Vote No. 301 Leg.]

YEAS—48

Adams	Fowler	Metzenbaum
Akaka	Glenn	Mikulski
Bentsen	Gore	Mitchell
Biden	Graham	Nunn
Boren	Grassley	Pell
Bradley	Harkin	Pressler
Breaux	Hollings	Pryor
Bumpers	Jeffords	Riegle
Burdick	Johnston	Robb
Cohen	Kennedy	Rockefeller
Cranston	Kerrey	Sanford
Daschle	Kohl	Sarbanes
Dixon	Lautenberg	Sasser
Dodd	Leahy	Simon
Exon	Levin	Specter
Ford	Lieberman	Wilson

NAYS—50

Armstrong	Durenberger	McConnell
Baucus	Garn	Moynihan
Bingaman	Gorton	Murkowski
Bond	Hatch	Nickles
Boschwitz	Hatfield	Packwood
Bryan	Heflin	Reid
Burns	Heinz	Roth
Byrd	Helms	Rudman
Chafee	Humphrey	Shelby
Coats	Inouye	Simpson
Cochran	Kassebaum	Stevens
Conrad	Kasten	Symms
D'Amato	Lott	Thurmond
Danforth	Lugar	Wallop
DeConcini	Mack	Warner
Dole	McCain	Wirth
Domenici	McClure	

NOT VOTING—2

Gramm	Kerry

So, the committee amendment is not germane and the amendment thus falls.

The PRESIDING OFFICER. The committee amendment is rejected.

Mr. McCLURE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, there are seven amendments which have been agreed to on both sides. And if the following Senators would like to remain, I would be happy to work with the distinguished Senator from Idaho [Mr. MCCLURE] in handling those amendments, and everyone else could go home for the evening.

If the following Senators would remain: Senators PRESSLER, MOYNIHAN, BOSCHWITZ, DOLE, RID, BURNS, and HUMPHREY. Those amendments can be accepted, because they have been agreed to.

I am authorized by the majority leader to say there will be no more rollcall votes this evening. The Senate will come in in the morning at 10 o'clock, and we will immediately take up the bill.

AMENDMENT NO. 3100

Mr. MOYNIHAN. Mr. President, I send an amendment to the desk for myself and Senator D'AMATO and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New York [Mr. MOYNIHAN], for himself and Mr. D'AMATO, proposes an amendment numbered 3100.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 41, line 13, before the period insert ": *Provided further*, That $35,000,000 shall be made available on October 1, 1991, subject to enactment of H.R. 5367 as passed the House of Representatives on October 10, 1990 and as passed the Senate on October 16, 1990".

Mr. MOYNIHAN. Mr. President, This amendment would provide $35 million to the Seneca Nation of Indians beginning in fiscal year 1992. Senator D'AMATO and I introduced S. 2895, a bill to authorize those funds, on July 24. Compensation is necessary for the inequities that resulted from past lease agreements between the Senecas and the city of Salamanca, NY. The House passed the bill on October 10. The Senate on October 16. It awaits the President's signature.

As Ken Burns reminded us in his epic Civil War documentary, a Seneca Indian, Col. Eli S. Parker, inscribed the articles of surrender for Generals Grant and Lee, on that fateful Palm Sunday in 1865. This is a proud tribe with an important history.

Before explaining the need for these funds, let me first express my gratitude to Senator INOUYE, the fine chairman of the Select Committee on Indian Affairs. His expeditious consideration of the authorizing legislation has enabled us to consider funding today. I would also like to thank Senator MCCAIN, the vice chairman of the select committee, for his assistance and support.

Senator BYRD, the distinguished chairman of the Appropriations Committee, deserves a special thanks. And it is due to him that I hope we shall meet our commitment to the Seneca Nation. Without such funds the agreement reached between the city of Salamanca, NY, and the Nation might well fall apart.

The city of Salamanca is located almost entirely on land owned by the Seneca Nation of Indians. Some 3,000 property owners in Salamanca lease their land from the Senecas, under terms that will expire on February 19, 1991.

As these leases contained no rent escalation provision, over their 99-year duration, some lessees have paid as little as one dollar per year for the use of the land. For these leases to be renewed, a compensation package must be provided. An agreement has now been reached that would clear the way for the provision of new leases. This agreement also contemplates a one-time payment of $60 million in restitution for the inequities of the past leases. A $35 million Federal and $25 million State contribution.

Mr. President, the proposed amendment would provide the $35 million Federal commitment. It would become available in fiscal year 1992. The time at which State funds would be made available. It's the fair thing to do. And I urge my colleagues to support this amendment.

Mr. BYRD. Mr. President, this amendment does not cost anything. It has been considered by the joint managers, and the managers are agreeing to accept the amendment and recommending its adoption by the Senate.

Mr. MCCLURE. Mr. President, we are acquainted with the Moynihan-D'Amato amendment. We are satisfied that it is necessary and should be done. It is based upon the right premise and has the right conditions in it. We are happy to accept the amendment.

Mr. D'AMATO. Mr. President, I rise in support of the amendment being offered on behalf of myself and Senator MOYNIHAN.

Both the House and the Senate have now passed H.R. 5367, the Seneca Nation Settlement Act. The administration has indicated that the President will sign the legislation. A sum of $35 million is needed to meet the Federal Government's responsibilities under the Settlement Act.

Our amendment provides for $35 million in budget authority to be held in fiscal year 92. I stress that this amendment does not provide any funds for fiscal year 1991.

H.R. 5367 will correct an injustice dating back to 1875. Ninety percent of the city of Salamanca, NY, is located on land leased from the Seneca Nation of Indians. A State court ruled that these leases were invalid.

But in 1875 Congress, over the Seneca Nation's strong objections, approved the leases for 99 years. These leases were for nominal rents with no provision for inflation, resulting in substantial financial losses to the nation. These leases will expire in February 1991.

After a decade of negotiations, the nation and the city finally reached agreement on new leases in July.

Unlike the existing fixed term leases, the annual rent of these new leases is linked to the appraised value of the land—8 percent for residential property and 10 percent for commercial property. The annual rental income will jump from $57,000 now received by the nation to $800,000.

The agreement—embodied in H.R. 5367—has two parts: the city lessees will receive new leases good for 40 years, and the nation will be compensated for years of nominal rents forced on it by the U.S. Government. The Federal share of this is $35 million, and the State will contribute $25 million. Five million dollars of the Federal share will be placed in an economic development fund that will also benefit the city.

I urge the acceptance of this amendment.

Mr. President, our senior Senator, Senator Moynihan, has worked long and hard on this. I am pleased to be associated with him.

May I thank both the chairman and the ranking members for accommodating us, for doing something that certainly is long necessary. The people of New York are deeply appreciative; the Seneca Nation, was well as the rest of the population in that area.

Mr. MOYNIHAN. Mr. President, may I join with my distinguished colleague and friend in this regard to say to the Senator from Idaho—for whom I may not have that many opportunities to address again—that I have heard many discussions of Indian matters on this floor, and they have sometimes seemed as if they had to do with another part of the country. But when I speak to him in this nature, I realize they are part of the country's history and its heart. He has never shown more respect than to a small village in Appalachia——

Mr. BYRD. Where the winds——

Mr. MOYNIHAN. Keep coming down from Canada, sir.

Mr. BYRD. "* * * where the winds murmur and whisper and sing, of a land where even the old are fair and even the wise are merry of tongue."

Mr. MOYNIHAN. W.B. Yeats—my friend is incomparable. I want to thank my friend from Idaho.

The PRESIDING OFFICER. If there be no further debate, the ques-

tion is on agreeing to the amendment of the Senator from New York.

The amendment (No. 3100) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3101

(Purpose: To provide appropriations for the West Shiprock Irrigation Project in New Mexico)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE], for Mr. DOMENICI (for himself and Mr. BINGAMAN), proposes an amendment numbered 3101.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 39, line 21, strike all after the word "further," through the word "Reclamation:" on page 39, line 23, and insert the following: "That not to exceed $17,350,000 shall be available for the construction of the Navajo Indian Irrigation Project and may be transferred to the Bureau of Reclamation: *Provided further,* That $550,000 shall be available for activities associated with the cleaning and repair of canals and siphons developed by the Hogback Irrigation Project".

Mr. McCLURE. This amendment would simply transfer $550,000 within the BIA construction from the Navajo Indian irrigation project to the West Shiprock irrigation project on the Navajo reservation. It is cosponsored by both the Senators who are affected directly by it. I know of no objection to the amendment. I urge its adoption.

The PRESIDING OFFICER. Is there further debate?

Mr. BYRD. The amendment is acceptable on this side.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from New Mexico.

The amendment (No. 3101) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 3102

Mr. BURNS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] (for himself and Mr. BAUCUS) proposes an amendment numbered 3102.

Mr. BURNS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following section:

SECTION 1. FINDINGS.

Congress finds that—

(1) Yellowstone National Park has no effective means to keep free roaming elk and bison from crossing into private land in Montana, Wyoming, and Idaho in search of food and shelter, which is a de facto expansion of the Federal holdings;

(2) 50 percent of the Yellowstone bison harvested outside Yellowstone National Park in the winter of 1989 were tested positive for the brucellosis organism;

(3) Yellowstone National Park officials believe that attempts to control brucellosis in elk and bison herds would violate the responsibilities to preserve and protect natural processes;

(4) Yellowstone National Park officials have determined that the National Park Service has no legal jurisdiction over, or liability for, animals that are outside the boundaries of Yellowstone National Park;

(5) brucellosis is a very infectious disease that causes cows to abort calves;

(6) Montana, Wyoming, Idaho, and North Dakota (except for areas within Yellowstone National Park) are brucellosis-free States with cattle industries that represent millions of dollars to their economies; and

(7) Montana, Wyoming, Idaho, and North Dakota must continue to test cattle for brucellosis contamination and to destroy animals infected with brucellosis in order to ensure that herds are kept disease free.

SEC. 2. REIMBURSEMENT FOR COSTS.

(a) IN GENERAL.—The Secretary of the Interior shall reimburse the cattle owners of Montana, Wyoming, North Dakota, and Idaho and the governments of those States for the costs of testing cattle for brucellosis if there is a demonstrated risk of such cattle becoming infected with brucellosis due to exposure to national park herds; provided that such reimbursement is limited to the amounts authorized in Sec. 3.

(b) VALIDITY OF CLAIMS.—A claimant of reimbursement under subsection (a) shall prove the validity of such claim by presenting bills or other explanations of expenses to the Secretary of the Interior.

SEC. 3. AUTHORIZATION.

There are authorized to be appropriated to carry out this Act $50,000 for fiscal year 1990, $50,000 for fiscal year 1991, and $50,000 for fiscal year 1992, within the funds appropriated for the operation of the National Park System.

Mr. BURNS. Mr. President, this has been cleared by both sides. It has to do with the brucellosis testing in Montana and Idaho as a result of the research coming out of the park after the fires. I think it has been cleared by both sides as it was amended.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment of the Senator from Montana.

So the amendment (No. 3102) was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3103

(Purpose: To convey certain federal lands and improvements to the National Park Service)

Mr. REID. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Nevada [Mr. REID], for himself and Mr. BRYAN, proposes an amendment numbered 3103.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

"Those public lands, more particularly described as the E½NW¼ section 9, T13N, R70E, M.D.M. are hereby established as an administrative site under the jurisdiction of the National Park Service for the purposes of Great Basin National Park. The General Services Administration is hereby authorized to transfer to the National Park Service any excess lands and improvements under its jurisdiction within the aforesaid lands on a nonreimbursable basis."

Mr. REID. Mr. President, The amendment I understand has been cleared on both sides of the aisle.

The amendment I offer will facilitate the creation of an administrative site at the Great Basin National Park. The amendment simply permits the transfer of roughly 80 acres and five small wood buildings from the Forest Service to the Park Service. The Forest Service has revoked their withdrawal on the lands because they are no longer needed for Forest Service use.

The land in question borders on the Great Basin National Park and is a prime location for the development of a Great Basin National Park headquarters, a visitor facility and other facilities needed at the relatively new Great Basin National Park.

The amendment, I understand, is not a cost item.

I thank the chairman for his support of this amendment.

Mr. BYRD. Mr. President, the Senator from Nevada is correct. The amendment costs nothing, and in the long run it will save money for the taxpayers. The transfer of land and facilities which the Forest Service no longer needs, but for which the park service has a great need, seems to be a reasonable solution. I commend him

for his amendment, and, on my part, I am willing to accept the amendment.

Mr. McCLURE. Mr. President, we have no problem with the amendment and urge its adoption.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Nevada.

The amendment (No. 3103) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 3104

Mr. McCLURE. Mr. President, on behalf of Mr. DOLE, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho, [Mr. McCLURE], for Mr. DOLE, proposes an amendment numbered 3104.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 15, delete "$569,912,000" and insert "$568,412,000".

On page 12, line 10 delete "$99,160,000" and insert $101,660,000".

On line 11, insert before the ".", ", *Provided*, That of the funds provided under this head, $2,500,000 shall be available to purchase land for the Marais des Cygnes Wildlife Refuge in Linn County, Kansas"

Mr. McCLURE. Mr. President, this is an amendment that deals with the Fish and Wildlife Service land acquisition account. I know of no objection to the amendment and urge its adoption.

Mr. BYRD. I understand there is an offset for this amendment?

Mr. McCLURE. The Senator is correct.

Mr. BYRD. The amendment is acceptable on this side. I am pleased to support it.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment (No. 3104) was agreed to.

Mr. McCLURE. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President I have two amendments at the desk. I ask unanimous consent they be considered en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 3105

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alaska [Mr. STEVENS] proposes an amendment numbered 3105.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

SEC. . STATUTE OF LIMITATIONS.

(a) Holders of mining claims subject to the injunction issued in Northern Alaska Environmental Center v. Hodel, Civil Case J-85-009, U.S. District Court (District of Alaska) may file an action for inverse condemnation against the United States at least until December 31, 1999.

SEC. . APPRAISAL PROCEDURE.

(a) Holders of unpatented mining claims subject to the injunction issued in Northern Alaska Environmental Center v. Hodel, Civil Case J-85-009, U.S. District Court, (District of Alaska) may apply to the Department of the Interior for a validity determination. The validity determination shall be conducted by the National Park Service or the Bureau of Land Management, as determined by the Secretary, within two years of application, subject to the availability of appropriated funds. Upon completion of the validity determination, copies of the written report shall be provided to the claimant.

(b) Upon receipt by the National Park Service of (1) a finding of validity pursuant to subsection (a), or evidence of a valid patent, and (2) an offer of sale of said mining claims, the National Park Service shall commence the appraisal process pursuant to subsection (c).

(c) Upon fulfillment of the requirements of subsection (b), a panel of three persons shall be selected pursuant to the procedures of the American Arbitration Association. The panel shall consist of an attorney familiar with mining law, a registered professional mining engineer/geologist familiar with mineral appraisal and methods of production for the type of claim in question, and in the case of patented mining claims, an appraiser qualified to perform surface estate appraisals. The appraisal shall be completed within one year of the date the appraisers are selected. Nothing in this subsection shall require the conduct of a new appraisal for lands or claims for which a valid current government appraisal already exists.

(d) Within six months of completion of the appraisal process for a mining claim under subsection (c), the National Park Service shall, subject to the availability of appropriate funds, or as soon thereafter as funds become available, make an offer to the claimant to purchase said claim for the appraised value. The claimant shall have six months to accept or reject the offer.

Mr. STEVENS. Mr. President, this amendment addresses problems encountered by miners in Alaska's national parks. My proposal extends the statute of limitations for Alaska miners to bring inverse condemnation actions against the United States until December 31, 1999. The statute may toll in July of next year unless action is taken to extend it.

Mr. BYRD. Mr. President, this amendment will give the miners additional time to determine whether Congress will provide adequate funds to acquire their claims on a willing seller basis, making any takings actions against the United States unnecessary. Is that the intent of the amendment?

Mr. STEVENS. Yes it is. In the long-run this amendment will save money because the Justice Department and the Interior Department will not have to defend costly, but unnecessary lawsuits.

The amendment also establishes a procedure for determining the value of claims offered for sale to the Federal Government on a willing seller basis.

Mr. BYRD. Will this appraisal procedure apply to the mining claims to be acquired in Denali National Park with the $6 million provided in the Senate bill?

Mr. STEVENS. That is correct. It will establish a procedure that is fair to the Government and fair to the miners.

Mr. BYRD. I support the Senator's goal of ensuring a fair process, and join him in supporting the amendment.

Mr. STEVENS. I am grateful for the chairman's support and leadership on this issue.

I urge the adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment offered en bloc by the Senator from Alaska.

The amendment (No. 3105) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. I understood Mr. PRESSLER had an amendment? He will not offer it.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 3106

(Purpose: To make certain funds available by reallocation)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE] for Mr. BOSCHWITZ, (for himself, Mr. DURENBERGER, Mr. KASTEN, and Mr. KOHL) proposes an amendment numbered 3106.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 24, line 15, after "$569,912,000," insert "of which $1,000,000 shall be available only to the Geological Survey to conduct, in consultation with the United States Fish and Wildlife Service, Environmental Protection Agency, Army Corps of Engineers, and appropriate States, a study of the water quality of the Mississippi River, and to remain available until expended; and".

Mr. McCLURE. This amendment adds $1 million for the U.S. Geological Survey to study the water quality of the upper Mississippi River. There is an offset, so it is not a net addition to the bill.

Mr. BYRD. On this side, I support the amendment. It is acceptable.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3106) was agreed to.

AMENDMENT NO. 3107

(Purpose: To direct the National Park Service to report accurate attendance figures for mass political demonstrations held in the Nation's capital)

Mr. McCLURE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. McCLURE], for Mr. HUMPHREY, proposes an amendment numbered 3107.

Mr. McCLURE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill insert the following:

SEC. . REPORTING OF ATTENDANCE AT POLITICAL DEMONSTRATOINS.

(a) FINDINGS.—The Congress finds that—

(1) the estimate of attendance at a mass political demonstration is sometimes interpreted as an indication of the depth and intensity of public support for the viewpoint espoused at the demonstration and therefore,

(2) the attendance estimates at all such mass political demonstrations should be calculated by an impartial organization using the same standard, scientific, accurate method.

(b) ESTIMATES BY THE NATIONAL PARK SERVICE.—(1) The National Park Service shall prepare and make public an estimate of the number of people who attend a mass political demonstration in the area known as the Mall or elsewhere in the District of Columbia.

(2) Each estimate made pursuant to paragraph (1) shall be made using a method that—

(A) is published in the Federal Register;

(B) is consistent from 1 demonstration to another;

(C) makes use of both black and white and color aerial photographs taken both 1 hour before and 1 hour after the time that the greatest attendance is anticipated;

(D) uses the aerial photographs to construct grid maps;

(E) assigns to each square on a grid map a crowd density figure that most accurately approximates the density of demonstrators occupying the area represented by the square;

(F) provides documentation to support an estimate of attendance, including photographs and videos, grid maps, crowd density figures, square footage occupied by the demonstrators, and calculatons; and

(G) states its expected degree of accuracy.

(3) The National Park Service shall not release or report any preliminary or unofficial attendance estimates before its official estimate can be calculated in compliance with the method described in paragraph (2).

(4) The National Park Service shall make a good faith effort to calculate and release its official attendance estimate as early as possible, so long as accuracy of the estimate and compliance with paragraph (2) are not sacrified.

(5) In preparing an attendance estimate, the National Park Service may seek and rely upon the assistance of the United States Capitol Police, the Metropolitan Police of the District of Columbia, and other authorities, but only to the extent that the estimates provided by those authorities are prepared in accordance with the method and procedures described in paragraph (2). When the attendance estimate by the National Park Service differs substantially from the estimate of any of those other authorities, the estimate by the National Park Service, being the more accurately derived, shall prevail.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section, for the cost of providing the following:

(A) Use of a helicopter.

(B) Helicopter pilot.

(C) Helicopter observer/co-pilot.

(D) VHS/Video photographer.

(E) Still photographer.

(F) Two photo analysts.

(G) Two statisticians.

(H) Fuel, equipment and supplies.

(2) The National Park Service shall expend no more than $3,000 in the preparation of an attendance estimate for any single demonstration on a single day.

(d) DEFINITIONS.—For the purpose of this section, the term "mass political demonstration" means a gathering that—

(1) is organized for the purpose of expressing the views of its attendees on a legal, moral, or other public issue;

(2) is expected to be attended by more than 10,000 persons; and

(3) is one that requires a permit from the National Park Service.

Mr. McCLURE. Mr. President, this amendment requires a head count with respect to demonstrations on the use of public lands here in the District of Columbia. I know of no objection to the amendment and urge its adoption.

Mr. BYRD. Mr. President, I accept the amendment on this side.

The PRESIDING OFFICER. Is there further debate? If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 3107) was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the vote on this amendment and the vote on the preceding one be reconsidered en bloc and laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

GRAND CANYON NATIONAL PARK

Mr. McCAIN. Mr. President, I am very pleased to see that the Interior appropriations bill for fiscal year 1991 contains funds for internal transportation at the Grand Canyon National Park. The shuttle bus system currently serving the Park is in dire need of renovation and expansion. It was a pleasure to work with my colleague Senator DECONCINI to help secure the resources necessary to provide the park with the kind of system it needs and deserves.

The language included in the committee report accompanying H.R. 5769 enables the Park Service to provide a capable, safe, and modern shuttle bus system to the millions who visit this park annually. For the information of my colleagues, the historic Grand Canyon Railway resumed passenger service to the park. The Park Service anticipates a large number of visitors coming in and out of the park via this train service, which will further stress the already inadequate internal transportation system.

The effects of an inadequate internal transportation system are not limited to adverse impacts on visitor experience, which are substantial and totally unacceptable. Inadequate shuttle bus transportation has resource and environmental impacts as well. According to the Park Service, the resources of the Grand Canyon are being damaged by unauthorized off road travel, inadequate parking, and congested roads. For example, the lack of parking at overlook areas results in visitors parking on undeveloped land. This causes soil compaction, erosion, and the destruction of vegetation.

My understanding of the committee's intent is that the Park Service will fund the improvements to the internal transportation system plan by combining the revenues generated from increasing the entrance fees at the Grand Canyon National Park from $5 to $8 with the $622,000 already included in the 1991 base budget for internal transportation at the park. The concept of using fee increase money to improve visitor services at the park is one I have advocated and strongly endorse.

I would like to thank the committee leadership for their recognition of the vital transportation needs at the Grand Canyon and for helping to provide the means to meet them.

INDIAN AND NATIVE PROGRAMS AND SERVICES

Mr. McCAIN. Mr. President, I would like to express my sincere gratitude for the overall support the Appropriations Committee has shown in helping to meet the needs of native Americans

in the fiscal year 1991 Interior appropriations bill.

I commend the action taken by the Interior Appropriations Subcommittee in fiscal year 1991 to reverse the 15-year downward trend that has been experienced in funding for Indian and native programs and services. Based on the analysis prepared by the Congressional Research Service for the Select Committee on Indian Affairs, it is clear that spending for Indian programs and services has significantly decreased in the past 15-years compared to spending for non-Indian programs. In addition to this grave situation, Indian and native people suffer the highest poverty level, poorest health conditions, and the worst substandard housing conditions in this Nation. These conditions would have continued to worsen if the critical needs of native Americans had not been addressed in this year's appropriation bill. I believe that 1990 may mark the beginning of an era of resurgence of congressional interest in addressing the adverse conditions which affect native Americans today.

I would like to personally thank Chairman BYRD, and ranking minority member Senator MCCLURE, as well as Senators JOHNSTON, LEAHY, DECONCINI, BURDICK, BUMPERS, REID, STEVENS, GARN, COCHRAN, RUDMAN, NICKLES, and DOMENICI for their leadership and support for native Americans. I also want to express my thanks and gratitude to Charles Estes, Sue Masica and Mark Walker of the subcommittee staff for their outstanding service. Last, but certainly not least, I extend my thanks, gratitude and respect to the distinguished chairman of the House Appropriations Subcommittee on Interior and related agencies, Mr. YATES, and the ranking minority member, Mr. REGULA. They, along with Kathy Johnson, Loretta Beaumont, and Barbara Wainman of their staff, have consistently provided outstanding leadership on these issues.

I look forward to working with all of my colleagues as we try to continue to close the gap between Indian citizens and the rest of the county.

SENATE COMMITTEE ON THE BUDGET

Mr. SASSER. Mr. President, the Senate Budget Committee has examined, H.R. 5769, the Interior appropriations bill and has found that the bill is under its 302(b) allocation budget authority allocation by $230 million and meet its 302(b) outlay allocation of $12 billion.

I compliment the distinguished manager of the bill, Senator BYRD, and the distinguished ranking member of the Interior Subcommittee, Senator MCCLURE on all of their hard work.

Mr. President, I have a table from the Budget Committee showing the official scoring of the Interior appropriations bill and I ask unanimous consent that it be printed in the RECORD at the appropriate point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SENATE BUDGET COMMITTEE SCORING OF H.R. 5769—INTERIOR SUBCOMMITTEE—SPENDING TOTALS

[Senate reported, in fiscal year 1991, in billions of dollars]

302(b) bill summary	Budget authority	Outlays
H.R. 5769, Senate Reported, (new BA and outlays)	11.7	8.1
Enacted to date	1.1	4.1
Adjustment to conform mandatory programs to resolution assumptions	−(*)	−.2
Scorekeeping adjustments	0	0
Bill total	12.8	12.0
Senate 302(b) allocation	12.8	12.0
Total difference	−(*)	−(*)
Discretionary:		
Domestic discretionary spending	12.7	11.9
Domestic discretionary allocation	12.7	12.0
Domestic discretionary difference	−(*)	−(*)
Defense discretionary spending	+(*)	+(*)
Defense discretionary allocation	0	0.0
Defense discretionary difference	+(*)	+(*)
Total discretionary spending	12.7	11.9
Total discretionary allocation	12.7	12.0
Total discretionary difference	−(*)	−(*)
Mandatory spending	.1	0.1
Mandatory allocation	.1	0.1
Mandatory difference	+(*)	−(*)
Bill total above (+) or below (−):		
President's request	1.9	0.8
House-passed bill	+(*)	+(*)
House 302(b) allocation	na	na
Programmatic baseline	−.5	−0.1

INTERIOR

[In thousands of dollars]

	President's request		House passed		Senate reported		Senate passed		Conference	
	BA	O	BA	O	BA	O	BA	O	BA	O
302(b) bill summary:										
Total enacted to date	1,085,458	4,062,258	1,085,458	4,062,258	1,085,458	4,062,258	0	0	0	0
Total new budget authority	9,825,585	7,378,881	11,658,608	8,112,856	11,685,001	8,143,028	0	0	0	0
Adjustments:										
Discretionary programs	0	0	0	0	0	0	0	0	0	0
Mandatory programs	−300	−187,020	−300	−187,020	−300	−187,020	0	0	0	0
Adjusted bill total	10,910,743	11,254,119	12,743,766	11,988,094	12,770,159	12,018,266	0	0	0	0
Total 302(b) allocation (point of order)			12,771,000	12,022,000	12,771,000	12,022,000	12,771,000	12,022,000	12,771,000	12,022,000
Domestic discretionary allocation			12,700,000	11,950,000	12,700,000	11,950,000	12,700,000	11,950,000	12,700,000	11,950,000
International discretionary allocation			0	0	0	0	0	0	0	0
Defense discretionary allocation			0	0	0	0	0	0	0	0
Mandatory allocation			71,000	72,000	71,000	72,000	71,000	72,000	71,000	72,000
House appropriations 302(b) allocation			NA	NA	NA	NA	NA	NA	NA	NA
Baseline			13,253,948	12,158,695	13,253,948	12,158,695	13,253,948	12,158,695	13,253,948	12,158,695
Adjusted bill above (+) or below (−):										
Total 302(b) allocation (point of order)			−27,234	−33,906	−841	−3,734	−12,771,000	−12,022,000	−12,771,000	−12,022,000
Domestic discretionary allocation			−33,464	−35,316	−7,071	−5,144				
International discretionary allocation			0	0	0	0	0	0	0	0
Defense discretionary allocation			6,000	1,529	6,000	1,529				
Mandatory allocation			230	−119	230	−119				
House appropriations 302(b) allocation			NA	NA	NA	NA	NA	NA	NA	NA
Baseline			−510,182	−170,601	−483,789	−140,429	−13,253,948	−12,158,695	−13,253,948	−12,158,695
President's request			1,833,023	733,975	1,859,416	764,147	−10,910,743	−11,254,119	−10,910,743	−11,254,119
House adjusted bill			NA	NA	26,393	30,172	−12,743,766	−11,988,094	−12,743,766	−11,988,094
Senate adjusted bill			NA	NA	NA	NA	NA	NA	0	0
DISCRETIONARY										
Previously enacted:										
Permanent appropriations	1,064,458	258,208	1,064,458	258,208	1,064,458	258,208				
Advance appropriations	0		0		0					
Outlays from prior year apprns		3,588,901		3,588,901		3,588,901				
Other action to date	0	−1,534	0	−1,534	0	−1,534				
Total enacted to date	1,064,458	3,845,575	1,064,458	3,845,575	1,064,458	3,845,575	0	0	0	0
New Budget Authority: H.R. 5769	9,775,055	7,336,663	11,608,078	8,070,638	11,634,471	8,100,810				
Adjustments:										
Possible later requirements: examples										
Total PLRs										
Scorekeeping adjustments: Adjustment										

INTERIOR—Continued

[In thousands of dollars]

	President's request		House passed		Senate reported		Senate passed		Conference	
	BA	O	BA	O	BA	O	BA	O	BA	O
Total discretionary adjustments	0	0	0	0	0	0	0	0	0	0
Discretionary total	10,839,513	11,182,238	12,672,536	11,916,213	12,698,929	11,946,385	0	0	0	0
MANDATORIES										
Previously enacted:										
Permanent appropriations	21,000	21,000	21,000	21,000	21,000	21,000				
Advance appropriations										
Outlays from prior year apprns		195,683		195,683		195,683				
Other action to date										
Total enacted to date	21,000	216,683	21,000	216,683	21,000	216,683	0	0	0	0
New Budget Authority: H.R. 5769	50,530	42,218	50,530	42,218	50,530	42,218				
Adjustments for Mandatories:										
Mandatories in bill	71,530	258,901	71,530	258,901	71,530	258,901				
Resolution assumptions	71,000	72,000	71,000	72,000	71,000	72,000				
Mandatory adjustment	−300	0	−3090	0	−300	0	0	0	0	0
Adjustment for prior year outlays not assumed in resolution		−187,020		−187,020	0	−187,020				
Total mandatory adjustment	−300	−187,020	−300	−187,020	−300	−187,020	0	0	0	0
Mandatory total	71,230	71,881	71,230	71,881	71,230	71,881	0	0	0	0

MISSISSIPPI RIVER WATER QUALITY SURVEY

Mr. BOSCHWITZ. Mr. President, I would like to thank the distinguished managers of the bill for accepting my amendment to earmark $1 million in U.S. Geological Survey funding for a comprehensive study of the water quality of the Mississippi River.

The water resources development reauthorization bill authorized this study of the entire length of the river from Minnesota to the Gulf of Mexico. The results of this study would give us a better understanding of the river's pollution sources and allow us to take remedial action in the future.

The study funded by this amendment would be led by the U.S. Geological Survey in coordination with the EPA, the Fish and Wildlife Survey, the Army Corps of Engineers, and the States bordering the river. I hope that this study will lead to future actions to preserve the environmental, recreational, and commercial uses of the Mississippi River for future generations.

Mr. BYRD. Mr. President, I do not wish to delay the distinguished Senator from Ohio [Mr. GLENN] any further. He has been very patient. I suggest he proceed.

The PRESIDING OFFICER. The Senator from Ohio.

ETHICS COMMITTEE INVESTIGATION

Mr. GLENN. Mr. President, with considerable reluctance I rise to address briefly certain events that occurred in this Chamber earlier today. I empathize with my colleague, Senator MCCAIN, and the deeply felt concerns for due process and fairness that he expressed this morning. I feel the same concerns no less deeply.

Mr. President, I also feel strongly about the importance of maintaining the integrity of the Ethics Committee's work and for that reason have refrained until now from making any comment on its deliberations over the past year. I have played it very straight, as the Ethics Committee asked us to do. Out of me and my office there have been no leaks, no winks, no nods, no hints, and I wish everyone could say the same thing.

If the only question were when the Ethics Committee would meet and when it would vote, I would not have asked for this opportunity to speak. I hope, of course, that it will dispose of the matters before it quickly, and I know it will do so wisely and fairly.

Rather, what brings me before you is my concern that certain statements made this afternoon may be perceived as putting a political gloss on what I believe to be only an issue of fairness and due process. I am sure that the comments of Senators MCCAIN, DANFORTH, GORTON, and DOLE were not intended to seek any political advantage, and I am equally certain that my colleagues Senator MITCHELL and Chairman HEFLIN did not intend to suggest that such was the case. All of us have too much respect for the integrity of the committee and its long history of nonpolitical decisionmaking.

Nonetheless, Mr President, I am troubled by the inferences that may be drawn from the chairman's speech.

Senator MCCAIN has made it clear that he is not seeking to influence the Committee's judgment on the merits, and neither am I. Yet, despite the chairman's statement that the committee has not adopted the position of Common Cause set out in its press release of October 1, the very reading of the release into the RECORD carries the inevitable implication that the chairman does give credence to the factual and legal assertions it contains. It constitutes, however, inadvertently, a comment on the substance of the allegations before the committee.

The chairman offered nothing to balance the allegations even though special counsel for the committee spent 9 months doing an exhaustive investigation and reported his findings to the committee on September 10—over 6 weeks ago. Appointment of that outside independent special counsel for the committee had been suggested by Common Cause in their original letter of last fall in order to avoid possible political overtones, a process that has worked well in the past and which I fully supported.

Mr. President, I still support that process and have confidence in the political independence of that special counsel to make an absolutely unbiased report and recommendation to the committee.

Mr. President, when this process started, the committee stated in writing that each Senator against whom allegations were made would be treated as an individual, investigated on the merits of his own individual case, and be judged as an individual. That is the way it should be, and I trust the committee to make it's judgments on that basis and without other extraneous matters delaying or affecting what must be individual considerations.

I do not seek in any manner to influence the committee's decision insofar as the allegations relating to my conduct are concerned. I ask only that the committee not allow the Senate to adjourn, and thus delay indefinitely a resolution of this matter, without deciding what, if any, action to take concerning those allegations. Mr. President, the investigation is now done. The analysis has been made. The information has been put to the committee and recommendations are into the committee.

For more than a year, my honor and integrity have been called into question, and my conduct has been the subject of unending speculation. I

have not seen the special counsel's report, but if the committee feels it cannot come to a decision, even at this late date, then I am fully prepared to let the public make its own judgment on the special counsel's report.

Earlier today—supporting Senator MCCAIN's remarks—I requested in a press release that if the committee is not prepared to act, the committee release the portions of special counsel's report as it applies to me, and now repeat that request here on the Senate floor.

I do not wish to use this forum either to debate the merits or certainly to criticize the work of the committee—whose members carry a burden far greater than that borne by the rest of this body. For me, I only ask what I know the committee will give: A fair, dispassionate and expenditious resolution of the matter before it. I thank the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, as the former chairman of the Ethics Committee, I have not spoken out on the floor. I have had several interviews now and they are unsatisfactory in their result because long conversations end up by having just one sentence printed. But I have stayed this evening to hear the statement of the Senator from Ohio because I am worried about the confidence of the Senate in the Ethics Committee.

As the Senator from Ohio has said, that is the toughest job in the Senate, to be a member of that committee. And I think it is the toughest legislative job in the country to be one of the cochairmen of that committee. But I do believe that the time comes in the Ethics Committee procedure where a decision, based upon the interest of justice, must be made and it must be made to protect the integrity of the Senate and the Ethics Committee, as much as the personal interests of Senators who should not be subject to further investigation.

I understand the decision is going to be made tomorrow on the request of two Members, in particular Senator GLENN and Senator MCCAIN. I have no way to influence that decision any more than any other Member. But as a former chairman, I worked fairly hard to make sure we had the confidence of the Senate and the public at large in the Senate ethics process.

It is my hope that a decision will be made concerning who is to be subject to further investigation and why, and those not subject to further investigation will be dropped. Thank you, Mr. President.

Mr. GLENN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GLENN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. GLENN. Mr. President, I ask unanimous consent there be a period for morning business with Senators permitted to speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

EUROPEAN DEMOCRACY NEEDS SEED II

Mr. CRANSTON. Mr. President, I rise today to offer my strongest endorsement of the Support for Eastern European Democracy [seed] Act II.

The sweeping changes generated by Eastern Europe's democratic renewal have kept us all in their thrall for the last 2 years. Today, however, the exhilaration is starting to wind down, as the Democrats there and their friends here take stock of the monumental task of what lies ahead.

Nationalism, age-old hatreds, economic dislocation, and disrepair threaten vast expanses of European soil.

There has been no war in Europe for more than four decades. But to Judge from the economic and social wreckage that is the legacy of Communist rule, most of the newly-emerging democracies in Eastern Europe face tasks as difficult in their way as those faced in Western Europe after World War II.

Frustration and anger have already erupted in strikes, walkouts and protests in some countries of Eastern Europe. What is worse, primitive scapegoating have surfaced among small but vocal groups, in the form of anti-Semitism and other ideologies of hatred.

The purpose and content of the SEED II bill is timely and important. As the leaders and peoples of Eastern Europe begin the job of constructing democratic institutions and practices, it is vital that they feel accompanied in their quest.

The largely peaceful political revolutions of the past 2 years need to be followed by just as far-sweeping social and economic changes in the months and years to come.

The world's oldest democracy cannot turn its back on these Democrats whose struggle has so enriched the meaning of our own inheritance.

The United States has the resources, the talent and the technical skills to make an important contribution to Eastern European democracy. The SEED II bill brings all of these to bear.

The bill is not a financial give away. Rather it provides technical economic assistance and democracy-building help to countries in Europe which were ruled by Communists.

The bill provides authority to participate in multilateral financial efforts, but its focus—rather than on loans and grants—is on nuts-and-bolts issues of democratic and free-market institution building. And in the case of the Soviet Union, such financial assistance is explicitly prohibited.

Mr. President, I confess to having a special interest in this legislation. Part of the package is a specific proposal I made that is designed to strengthen civilian political control over the armed forces and police in the nations of Eastern Europe.

One of the most important aspects of successful democratic governance is civilian control over a nation's military and police forces.

Yet, despite the euphoria surrounding the wave or democratic elections in Central and Eastern Europe, the emerging leaders of these countries have yet to redefine the nature of external and internal threats to national security. Nor have they shown that they exercise real control over their nation's armed forces, police, and intelligence services. In fact, the legacy of military-Communist party ties continues to be a problem in each of these nations.

As the glow from the election period recedes, it is clear that civil-military relations will be one of the most important issues confronting civilian policymakers. In each of these newly emerging democracies, nationalism or economic austerity—and sometimes both—threaten to wreak havoc upon the nascent political community.

Add to this 40 years of Communist Party-military cooperation and a close working relationship to both the Soviet military and the KGB, and scenarios for a disaster in the making are not hard to imagine.

What is needed is a program to assist Eastern European leaders to increase civilian oversight of defense budgets and defense policy issues, and to ensure that the militaries of these countries respond to civilian priorities and policies.

The program I am proposing, section 504 of the SEED II, "Institutionalizing Civilian Control of Security Forces," seeks to empower civilian leaders and democratic political institutions in their dealings with not only the military, but also with the intelligence agencies and police forces.

To do this, East and Central European civilians must become familiarized with the range of models of civil-security force relations in Western Europe and in other countries recently experiencing democratic transitions. Such a program would include bringing to the United States political party and parliamentary leaders, and congressional

and ministerial staffs, to see how we have successfully managed our own civil-military relationship.

It would also involve seminars, conferences, and workers crafted to promote healthier relationships between civilians and military officers in these new democracies, while providing the civilian political leadership the expertise and technical skills to exercise real political controls.

The program would be tailored to meet each country's needs. In Czechoslovakia and Hungary, this means helping the new civilian leaders forge a new relationship with their intelligence agencies and police forces.

In Yugoslavia, Bulgaria, and Romania, domestic violence—based on ethnic rivalries, ancient animosities, political disputes, or economic factors—makes it essential that the new rulers are skilled in the use of security forces in a democracy in providing for law and order.

Among the issues that would be included in such programs are the following:

First, civil-military relations in a democratic transition—the historical experience;

Second, the essential distinction between internal security and national defense—a cornerstone of the U.S. experience;

Third, the institutional framework for civilian control—training of parliamentary and civilian government staff, as well as laws which empower civilians; and

Fourth, budgetary issues.

Mr. President, as a backdrop to our deliberations today, I remind our colleagues that twice in this century the world has been engulfed in total war. These conflagrations were the result of economic austerity and/or nationalism.

The initiatives contained in the SEED II bill is a marvelous opportunity to show that we have learned from history, and are not bound to repeat it.

I congratulated my friend and colleague, the distinguished Senator from Rhode Island, Senator PELL, for his initiative in putting the SEED II bill together. I can think of few proposals that could help to create a safer, more democratic world than those contained in the SEED II amendment.

I urged my colleagues, in the strongest possible terms, to support this brilliant initiative.

VETO OF THE CIVIL RIGHTS ACT OF 1990

Mr. KENNEDY. Mr. President, President Bush's veto of the Civil Rights Act of 1990 is a sad day for America's ideals and for all citizens who believe in equal justice and equal opportunity.

In vetoing this legislation, President Bush has rejected the advice of leading members of his own party.

He is siding with those who are willing to divide the Nation for their own partisan advantage, and deny justice to millions of our fellow citizens.

This veto, and the so-called White House compromise submitted to Congress late Saturday night, are part of a cynical strategy by the President to have it both ways on civil rights.

President Bush has said that he wants to sign a civil rights bill—and a President who does believe in civil rights would sign this bill.

In fact, throughout the consideration of this legislation, it is clear that some of the President's top advisers have wanted him to veto a civil rights bill, and the President has finally surrendered to their views.

The President's veto of the Civil Rights Act of 1990 and his repeated efforts to pin the false label of "quotas" on this legislation are part of a disreputable tactic to appeal to public resentment and prejudice.

As a Presidential candidate in 1988, George Bush was willing to resort to that kind of tactic. But to do so as President of all the people, on an issue so important to the future of the Nation as civil rights, is tragic and disgraceful.

The bipartisan supporters of this legislation have made every effort to reach agreement with the administration. Despite many months of negotiations, despite numerous good faith modifications in the bill to meet every reasonable objection raised by the administration, we were never able to satisfy the White House. When the chips are down, this White House is against civil rights.

A final attempt to reach a compromise was made as recently as last Friday by former Transportation Secretary William Coleman. But the White House rejected that effort too. The alternative they have now submitted as a cover for the veto is a sham. It would leave gaping holes in our antidiscrimination laws.

Now it is up to Congress. The vast majority of Democrats will vote to override the President's veto. Whether this bill becomes law will be determined by Republican Members of the Senate and House of Representatives. Perhaps, out of loyalty to the President, they are willing to put principle aside, and vote against civil rights. But sometimes, loyalty asks too much—and this is one of those times.

President Bush's veto should be overridden, and the Civil Rights Act of 1990 should become the law of the land.

MARINE ACTION IN LIBERIA

Mr. WARNER. Mr. President, I rise today to recognize the valiant efforts of the U.S. Marine Corps this summer in liberating Americans and foreign nationals whose lives were threatened by a civil war in Liberia.

On August 5, while the world's eyes focused on the Iraqi invasion of Kuwait, a task force of 237 marines from the 22d Marine Expeditionary Unit—Special Operations Capable—on orders from the President of the United States, deployed by CH-46 and CH-53D helicopters from the U.S.S. *Saipan* to the American Embassy in the capital of Liberia—Monrovia—on the west coast of Africa—to rescue these civilians and boost the security of the Embassy.

Sixty-two days earlier, the expeditionary unit, commanded by Col. Granville R. Amos, comprised of the 2d Battalion, 4th Marine Regiment, elements from the 2d Force Service Support Group and the Marine Medium Helicopter Squadron 261, totaling 2,500 sailors and marines, arrived on station some 20 miles off the shores of Liberia.

As lead elements of "H" Company, 2d Battalion, 4th Marine Regiment landed and moved quickly to establish blocking positions outside the embassy compound, armed rebel forces were forced to flee. Over the next 18 days, as high-flying enemy fire echoed throughout the Liberian capital, the Marines used their helicopters to safely evacuate 1,640 civilian men, women, and children—including 750 civilians in one day—to the sovereignty of the U.S. Navy ships stationed offshore.

In the words of the commanding officer of the 2d battalion, 4th Marines, Lt. Col. Richard L. Pugh, "The performance of the troops, especially the small-unit leaders, was truly magnificent."

Mr. President, I am pleased to report that after having completed this mission in Liberia and following 6 months of deployment from the United States, the sailors and marines of Amphibious Group Four were replaced by a smaller contingency force. On September 6, the 22d Marine Expeditionary Unit returned to their homeports of Camp LeJeune and Marine Corps Air Stations Cherry Point and New River in North Carolina.

Mr. President, if the military and political conflict in the Persian Gulf had not occured at nearly the same point in time as the Marine rescue of civilians in Liberia, the action would have been front-page headlines in the media. The Nation is proud of their courageous efforts and we salute their successful response to the call to action by the Commander in Chief. Their ability to maneuver deftly to evacuate Americans and foreign national civilians from a hostile situation and to reinforce the American Embas-

sy is in keeping with the finest tradition of the U.S. Marine Corps.

Mr. President, the men and women of our Armed Forces are always ready, 24 hours a day, 7 days a week, 365 days a year to defend our Nation and the ideals for which it stands. The sailors, soldiers, and airmen of our military are stationed throughout the world and are prepared to sacrifice their lives to protect the liberties of all Americans. The Marines who served on the recent mission to Liberia are testimony to that commitment.

I share the gratitude of one woman in commenting on the rescue effort in Liberia who said, "Thank God for the United States Marines, they're always there to help people who are helpless." Semper fidelis—always faithful.

THE CONTINUING SEARCH FOR JACOB

Mr. BOSCHWITZ. Mr. President, I rise today to remember a 12-year-old boy—Jacob Wetterling—who was kidnaped on this day a year ago in the small town of St. Joseph, MN.

Jacob's kidnaping occurred at about 9:15 p.m. as Jacob, his 10-year-old brother, Trevor, and 11-year-old friend, Aaron Larson, were returning from a convenience store. They were halfway home when a man wearing dark clothing, black boots, and a mask walked out of a long gravel driveway. He told the boys to get off their bikes, or he'd shoot. Then he asked the boys their ages. When they answered he ordered Trevor and Aaron to run or he'd shoot. The two boys started running. When they looked back, the masked man and Jacob were gone.

This tragedy touched Minnesotans like no other crime. It sent shock waves across our State. People always believe that tragedies like this happen in the big city—not in St. Joseph, a town of 3,000. If it can happen in St. Joseph, it can happen anywhere. Also, the stereotypical "kidnaping'—the kind that happened to Jacob—is rare. Most are custody disputes, or runaway cases.

Mr. President, Minnesota's response to this crime was incredible. And on this day that we remember Jacob, I also salute and congratulate those who have dedicated countless hours and massive energy trying to track him down.

Jacob's parents. Jerry and Patty Wetterling have endured an obviously trying year. Patty spends her time keeping Jacob's name in the public consciousness. She appears on talk shows, and goes on speaking tours. She tracks any and every lead on Jacob's disappearance. This is a full time effort considering there have been more than 40,000 tips. And Jerry has most recently returned to work as a chiropractor, but he tracks numerous leads from psychics around the country.

The Wetterlings have been fortunate in that they have received tremendous support from thousands of Minnesotans. And there are many Minnesotans who deserve recognition for their efforts during the past year.

Immediately after the tragedy occurred hundreds of students from nearby colleges joined the search. Thousands of people attended church benefits, sent flyers throughout the State, and volunteered to stuff envelopes with pictures of Jacob.

The volunteer effort evolved into the Jacob Wetterling Foundation that has raised thousands of dollars to help Jacob's cause and other missing child cases.

The local media also has been very cooperative. After the abduction, radio stations throughout the State played Jacob's favorite song, "Listen" by the group Red Grammer, hoping Jacob would hear it and realize that he has not been forgotten.

And this evening across Minnesota, citizens will be leaving their lights on to indicate the hope that still shines for Jacob.

I could go on listing everyone who has dedicated efforts to Jacob—the residents of St. Joseph, local college students, the media who has kept Jacob alive in peoples minds, and countless of other people.

Jerry and Patty Wetterling's life has been a roller coaster. But, throughout this whole tragedy they have remained strong and hopeful. I'll never forget how I felt when I heard about this tragedy. As a father, I imagined the emptiness and uncertainty the Wetterling family must have been feeling. My heart goes out to them.

But the most important person today is Jacob, We do not know where he is, but we know where he belongs. And that is back in St. Joseph with his family. Jacob had had a unique effect on Minnesota, and we will not forget him.

TERRY ANDERSON

Mr. MOYNIHAN. Mr. President, I rise to inform my colleagues that today marks the 2,046th day that Terry Anderson has been held captive in Lebanon.

On October 19, Farouk Nasser, an Associated Press writer in Beirut, reported the transfer of American and British hostages from Beirut to the Bekaa Valley. All of a sudden—a few days prior to the defeat of Gen. Michel Aoun—the captives were "whisked" out of Beirut. The objective has yet to be established.

Mr. President, I ask unanimous consent that the above mentioned article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES, BRITISH HOSTAGES REPORTED MOVED TO EASTERN LEBANON

(By Farouk Nassar)

BEIRUT, LEBANON.—American and British hostages held by pro-Iranian extremists have been moved from Beirut's southern slums to eastern Lebanon's Bekaa Valley, Lebanese military intelligence sources said today.

The hostages were moved last week, before Saturday's attack by government troops and the Syrian army that crushed Gen. Michel Aoun's rebellion in the Christian heartland northeast of Beirut, the sources said.

"We have accurate information the captors whisked the captives out from south Beirut a few days before the attack," one source said.

"The Syrians are certainly aware of the transfer. They control all roads from Beirut to the Bekaa. But we do not know whether they had any role in it" said the source, who spoke on condition of anonymity.

Another army intelligence source, who also spoke on condition he not be named, confirmed that the hostages were moved to the Bekaa.

"But we don't know whether they were tipped off about the attack and asked to make the transfer, or they took the move for other considerations that we are not aware of," he said.

The tank-led attack on Aoun was mounted from three directions, one of which was the densely populated Shiite Moslem southern slums, a major power base of the Iranian-backed fundamentalist Hezbollah.

Hezbollah, or Party of God, is believed to be the umbrella of Shiite extremists holding most of the Western hostages in Lebanon.

The Western hostages are six Americans, four Britons, two West Germans and an Italian. The longest held is Terry A. Anderson, chief Middle East correspondent for The Associated Press, who was abducted March 16, 1985.

Both intelligence sources said the hostages spirited to the Bekaa were the six Americans and two of the Britons: Anglican church envoy Terry Waite and journalist John McCarthy.

"We believe they are now held in Sheik Abdulla barracks in Baalbek and in the nearby village of Nabi Sheet," one source said. "But we do not know who, or how many, are held in either place."

Sheik Abdulla barracks, a former Lebanese army garrison, is the command post of about 3,000 Iranian Revolutionary Guards who were stationed in the Bekaa after Israel's 1982 invasion of Lebanon.

Nabi Sheet is a Hezbollah base 12 miles southeast of Baalbek, which is about 40 miles east of the Lebanese capital.

The Syrians, who maintain 40,000 troops in Lebanon under a 1976 Arab League peacekeeping mandate, have often skirmished with Hezbollah militiamen in Beirut and the Bekaa but have carefully avoided confrontation with the Iranian guards.

Syria was the only active Arab ally of Iran during its eight-year war with Iraq. Syria and Iraq are governed by rival wings of the Arab Socialist Baath Party. The Syrians were instrumental in arranging the release of two American hostages and two Swiss captives of the Red Cross this year.

CIVIL RIGHTS ACT OF 1990—MESSAGE FROM THE PRESIDENT RECEIVED DURING RECESS—PM 151

Under the authority of the order of the Senate of January 3, 1989, the Secretary of the Senate, on October 20, 1990, during the recess of the Senate, received the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I am pleased to transmit a legislative proposal that if adopted would cure critical defects in the Civil Rights Act of 1990, a bill which, in its current form, S. 2104, I am compelled to veto.

As presented to me, S. 2104 would lead employers to adopt quotas for hiring and promotion, and it would prevent or discourage some victims of illegal quotas from seeking legal redress. The harm this would do to the cause of civil rights is potentially profound. Any measure that causes employment decisions to turn to factors of race, sex, ethnicity, or religion—rather than on qualifications—is fundamentally unfair, and is at odds with our civil rights tradition. Our war against discrimination is impeded, not advanced, by a bill that encourages the adoption of quotas.

On Monday, I will return S. 2104 to the Senate, along with my objections. It is my hope that the Congress will immediately forward to me a corrected bill for consideration. We cannot shrink from our national commitment to equal protection under the law and equal opportunity for all. Unaltered, S. 2104 would violate that pledge. With the changes that I propose, the Civil Rights Act of 1990 would no longer result in the imposition of quotas, but would be made a true civil rights bill that I would like to see become law.

With the legislative proposal, I also transmit a section-by-section analysis explaining the need for these changes and describing the Civil Rights Act of 1990 as amended by my proposal. I urge speedy action on this measure and hope that it will be adopted so that we may take another step in defending the civil rights of all Americans.

GEORGE BUSH.

THE WHITE HOUSE, *October 20, 1990.*

VETO MESSAGE ON S. 2104—MESSAGE FROM THE PRESIDENT—PM 152

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was ordered to be read and spread upon the Journal:

To the Senate of the United States:

I am today returning without my approval S. 2104, the "Civil Rights Act of 1990." I deeply regret having to take this action with respect to a bill bearing such a title, especially since it contains certain provisions that I strongly endorse.

Discrimination, whether on the basis of race, national origin, sex, religion, or disability, is worse than wrong. It is a fundamental evil that tears at the fabric of our society, and one that all Americans should and must oppose. That requires rigorous enforcement of existing antidiscrimination laws. It also requires vigorously promoting new measures such as this year's Americans With Disabilities Act, which for the first time adequately protects persons with disabilities against invidious discrimination.

One step that the Congress can take to fight discrimination right now is to act promptly on the civil rights bill that I transmitted on October 20, 1990. This accomplishes the stated purpose of S. 2104 in strengthening our Nation's laws against employment discrimination. Indeed, this bill contains several important provisions that are similar to provisions in S. 2104:

—Both shift the burden of proof to the employer on the issue of "business necessity" in disparate impact cases.

—Both create expanded protections against on-the-job racial discrimination by extending 42 U.S.C. 1981 to the performance as well as the making of contracts.

—Both expand the right to challenge discriminatory seniority systems by providing that suit may be brought when they cause harm to plaintiffs.

—Both have provisions creating new monetary remedies for the victims of practices such as sexual harassment. (The Administration bill allows equitable awards up to $150,000.00 under this new monetary provision, in addition to existing remedies under Title VII.)

—Both have provisions ensuring that employers can be held liable if invidious discrimination was a motivating factor in an employment decision.

—Both provide for plaintiffs in civil rights cases to receive expert witness fees under the same standards that apply to attorneys fees.

—Both provide that the Federal Government, when it is a defendant under Title VII, will have the same obligation to pay interest to compensate for delay in payment as a nonpublic party. The filing period in such actions is also lengthened.

—Both contain a provision encouraging the use of alternative dispute resolution mechanisms.

The congressional majority and I are on common ground regarding these important provisions. Disputes about other, controversial provisions in S. 2104 should not be allowed to impede the enactment of these proposals.

Along with the significant similarities between my Administration's bill and S. 2104, however, there are crucial differences. Despite the use of the term "civil rights" in the title of S. 2104, the bill actually employs a maze of highly legalistic language to introduce the destructive force of quotas into our Nation's employment system. Primarily through provisions governing cases in which employment practices are alleged to have *unintentionally* caused the disproportionate exclusion of members of certain groups, S. 2104 creates powerful incentives for employers to adopt hiring and promotion quotas. These incentives are created by the bill's new and very technical rules of litigation, which will make it difficult for employers to defend legitimate employment practices. In many cases, a defense against unfounded allegations will be impossible. Among other problems, the plaintiff often need not even show that any of the employer's practices caused a significant statistical disparity. In other cases, the employer's defense is confined to an unduly narrow definition of "business necessity" that is significantly more restrictive than that established by the Supreme Court in *Griggs* and in two decades of subsequent decisions. Thus, unable to defend legitimate practices in court, employers will be driven to adopt quotas in order to avoid liability.

Proponents of S. 2104 assert that it is needed to overturn the Supreme Court's *Wards Cove* decision and restore the law that had existed since the *Griggs* case in 1971. S. 2104, however, does not in fact codify *Griggs* or the Court's subsequent decisions prior to *Wards Cove*. Instead, S. 2104 engages in a sweeping rewrite of two decades of Supreme Court jurisprudence, using language that appears in no decision of the Court and that is contrary to principles acknowledged even by Justice Stevens' *dissent* in *Wards Cove*: "The opinion in *Griggs* made it clear that a neutral practice that operates to exclude minorities is nevertheless lawful if it serves a valid business purpose."

I am aware of the dispute among lawyers about the proper interpretation of certain critical language used in this portion of S. 2104. The very fact of this dispute suggests that the bill is not codifying the law developed by the Supreme Court in *Griggs* and subsequent cases. This debate, moreover, is a sure sign that S. 2104 will lead to years—perhaps decades—of uncertainty and expensive litigation. It is neither fair nor sensible to give the employers of our country a difficult choice between using quotas and seek-

ing a clarification of the law through costly and very risky litigation.

S. 2104 contains several other unacceptable provisions as well. One section unfairly closes the courts, in many instances, to individuals victimized by agreements, to which they were not a party, involving the use of quotas. Another section radically alters the remedial provisions in Title VII of the Civil Rights Act of 1964, replacing measures designed to foster conciliation and settlement with a new scheme modeled on a tort system widely acknowledged to be in a state of crisis. The bill also contains a number of provisions that will create unnecessary and inappropriate incentives for litigation. These include unfair retroactivity rules; attorneys fee provisions that will discourage settlements; unreasonable new statutes of limitation; and a "rule of construction" that will make it extremely difficult to know how courts can be expected to apply the law. In order to assist the Congress regarding legislation in this area, I enclose herewith a memorandum from the Attorney General explaining in detail the defects that make S. 2104 unacceptable.

Our goal and our promise has been equal opportunity and equal protection under the law. That is a bedrock principle from which we cannot retreat. The temptation to support a bill—any bill—simply because its title includes the words "civil rights" is very strong. This impulse is not entirely bad. Presumptions have too often run the other way, and our Nation's history on racial questions cautions against complacency. But when our efforts, however well intentioned, result in quotas, equal opportunity is not advanced but thwarted. The very commitment to justice and equality that is offered as the reason why this bill should be signed requires me to veto it.

Again, I urge the Congress to act on my legislation before adjournment. In order truly to enhance equal opportunity, however, the Congress must also take action in several related areas. The elimination of employment discrimination is a vital element in achieving the American dream, but it is not enough. The absence of discrimination will have little concrete meaning unless jobs are available and the members of all groups have the skills and education needed to qualify for those jobs. Nor can we expect that our young people will work hard to prepare for the future if they grow up in a climate of violence, drugs, and hopelessness.

In order to address these problems, attention must be given to measures that promote accountability and parental choice in the schools; that strengthen the fight against violent criminals and drug dealers in our inner cities; and that help to combat poverty and inadequate housing. We need initiatives that will empower individual Americans and enable them to reclaim control of their lives, thus helping to make our country's promise of opportunity a reality for all. Enactment of such initiatives, along with my administration's civil rights bill, will achieve real advances for the cause of equal opportunity.

GEORGE BUSH.

THE WHITE HOUSE, *October 22, 1990.*

ANNUAL REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT—PM 153

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Small Business:

To the Congress of the United States:

I am pleased to submit my first annual report on the state of small business, which documents the progress of small firms in 1989. Over the record-breaking past almost 8 years of economic expansion, the economic environment for small business growth has been remarkable. Entrepreneurs have seized the opportunity to create millions of new enterprises, innovative products, and jobs.

In 1989, the number of business tax returns filed in the United States topped 20 million—an increase of more than 50 percent over a decade ago. Most of these businesses are very small ventures, but their importance cannot be overstated: by testing thousands of new ideas, products, and processes in the marketplace, they are inventing America's future.

Small firms have had good earnings growth over the years of the expansion, and they continue to generate income for an increasing number of America's workers and entrepreneurs. Our economy experienced unemployment rates of only 5.3 percent in 1989, its lowest level since 1973. Small firms created a more than proportional share of new jobs relative to large businesses, as they have throughout the decade. Even when the pace of economic activity slowed, small firms often cushioned adverse effects on the labor force, laying off workers only as a last resort.

More women became small business owners during the 1980s than at any other time in America's history; the number of women proprietors almost doubled from 2.5 million in 1980 to 4.4 million in 1987. Minorities, too, started businesses in growing numbers during the 1980s. Women and minorities can be expected to continue making great strides in business ownership over the coming decade.

Small firms grew rapidly in the 1980s and contributed immeasurably to the diversity of the American economy. It was not easy. New companies often must struggle to enter competitive new markets with limited resources, vie with more established businesses for a trained labor force, and face increasing international competition.

While the 1980s were a decade of great achievement for America's entrepreneurial small businesses, the 1990s promise great opportunity and great challenge. We must invest in America—in human, intellectual, and physical capital. We must continue to find the means to educate and empower young people, new immigrants, women, minorities, and all who aspire to be entrepreneurs.

In a time of great economic opportunity around the world, we must equip ourselves, not only to meet new international competition, but to take the lead in a global economy. I am confident that, with the strength and spirit of American enterprise, we will be able to build an even stronger economy in the last decade of the 20th century.

GEORGE BUSH.

THE WHITE HOUSE, *October 22, 1990.*

MESSAGES FROM THE HOUSE

At 10:04 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the concurrent resolution (H. Con. Res. 381) to correct the enrollment of the bill H.R. 4151.

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 2331) to amend title 39, United States Code, to designate as nonmailable matter solicitations of donations which could reasonably be misconstrued as a bill, invoice, or statement of account due, and solicitations which are offered in terms implying any Federal Government connection or endorsement, unless such matter contains an appropriate conspicuous disclaimer, and for other purposes.

The message further announced that the Speaker makes the following modification in the appointment of conferees in the conference on H.R. 5835, to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for fiscal year 1991:

Replace the last paragraph of the appointment with the following two paragraphs:

As additional conferees for consideration of part 1 of subtitle A and subtitles B through E (except section 14302) of title XIV of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. WHITTEN, Mr. PICKLE, and Mr. CONTE.

As additional conferees for consideration of part 2 of subtitle A of title XIV and section 14302 of the House bill, and corresponding provisions of the Senate amendment, and modifications committed to conference: Mr. WHITTEN, Mr. PICKLE, and Mr. PURSELL.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 5814. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940 to improve and clarify the protections provided by such Act and to make technical amendments; to amend title 38, United States Code, to clarify veterans' right to reinstatement of health insurance, and for other purposes.

At 11:16 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, without amendment:

S. 2789. An act to authorize appropriations for the Earthquake Hazards Reduction Act of 1977, and for other purposes;

S. 3032. An act to designate the planned Department of Veterans Affairs Medical Center in Honolulu, Hawaii, as the "Spark M. Matsunaga Department of Veterans Affairs Medical Center"; and

S. 3216. An act to designate the Department of Veterans Affairs Medical Center in Charleston, South Carolina as the "Ralph H. Johnson Department of Veterans Affairs Medical Center".

The message also announced that the House insists upon its disagreement to all amendments of the Senate to the bill (H.R. 5311) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1991, and for other purposes; it asks a further conference on the disagreeing votes of the two Houses thereon, and appoints Mr. DIXON, Mr. NATCHER, Mr. STOKES, Mr. AUCOIN, Mr. DWYER of New Jersey, Mr. HOYER, Mr. WHITTEN, Mr. GALLO, Mr. GREEN of New York, Mr. REGULA, and Mr. CONTE as managers of the conference on the part of the House.

The message further announced that the House has passed the bill (S. 2740) to provide for the conservation and development of water and related resources, to authorize the United States Corps of Engineers civil works program to construct various projects for improvements to the Nation's infrastructure, and for other purposes, with an amendment; it insists upon its amendment to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Public Works and Transportation, for consideration of the Senate bill, and the House amendment, and modifications committed to conference: Mr. ANDERSON, Mr. ROE, Mr. MINETA, Mr. OBERSTAR, Mr. NOWAK, Mr. HAMMERSCHMIDT, Mr. SHUSTER, and Mr. STANGELAND: Except that for consideration of section 309 of the Senate bill, Mr. RAHALL is appointed in lieu of Mr. ROE, and Mr. APPLEGATE is appointed in lieu of Mr. MINETA.

From the Committee on Merchant Marine and Fisheries, for consideration of matters within the jurisdiction of that committee contained in the Senate bill, and in the House amendment, and modifications committed to conference: Mr. JONES of North Carolina, Mr. STUDDS, Mr. HERTEL, Mr. DAVIS of Michigan, and Mr. YOUNG of Alaska.

From the Committee on Energy and Commerce, for consideration of section 309 of the Senate bill, and modifications committed to conference: Mr. DINGELL, Mr. THOMAS A. LUKEN, Mr. SWIFT, Mr. SLATTERY, Mr. WALGREN, Mr. LENT, Mr. WHITTAKER, and Mr. RINALDO.

From the Committee on Science, Space, and Technology, for consideration of section 309 of the Senate bill, and section 13 of the House amendment, and modifications committed to conference: Mr. ROE, Mr. MINETA, Mr. TORRICELLI, Mr. VALENTINE, Mr. HAYES of Louisiana, Mr. WALKER, Mr. LEWIS of Florida, and Mr. PACKARD.

The message also announced that the House has passed the following bills, each with an amendment, in which it requests the concurrence of the Senate:

S. 321. An act to revise provisions of law that provide a preference to Indians; and

S. 1783. An act to regulate Indian protection and prevent child abuse on Indian reservations.

The message further announced that the Speaker makes the following modification in the appointment of conferees on the disagreeing votes of the two Houses on the bill (H.R. 5835) to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for fiscal year 1991:

The first panel (health) from the Committee on Energy and Commerce is also appointed for consideration of subtitles B, C, and D of title XII of the House bill.

The message also announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 5399. An act making appropriations for the Legislative Branch for the fiscal year ending September 30, 1991, and for other purposes;

H.R. 5796. An act to conduct certain studies in the State of New Mexico; and

H.R. 5871. An act to amend the farm poundage quota provisions of section 319 (g), (h), and (i) of the Agricultural Adjustment Act of 1938, and for other purposes.

At 7 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, without amendment:

S. 1890. An act to amend title 5, United States Code, to provide relief from certain inequities remaining in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes.

The message also announced that the House agrees to the amendments of the Senate to the amendment of the House to the bill (S. 303) to establish a framework for the conduct of negotiated rulemaking by Federal agencies.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5268) making appropriations for rural development, agriculture, and related agencies programs for the fiscal year ending September 30, 1991, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 2, 29, 45, 46, 50, 54, and 68 to the bill, and agrees thereto; and it recedes from its disagreement to the amendments of the Senate numbered 6, 13, 14, 16, 26, 27, 28, 32, 35, 47, 75, 76, 77, 79, and 83 to the bill, and agrees thereto, each with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 2548. An act to provide for the establishment of the Laguna de Santa Rosa National Wildlife Refuge in Sonoma County, California;

H.R. 5237. An act to provide for the protection of Native American graves, and for other purposes;

H.R. 5567. An act to authorize international narcotics control activities for fiscal year 1991, and for other purposes;

H.R. 5740. An act to amend title 38, United States Code, to make improvements in veterans health-care programs, and for other purposes; and

H.J. Res. 657. Joint resolution granting the consent of the Congress to amendments to the Delaware-New Jersey Compact, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

H.R. 4111. An act to amend the Mining and Mineral Resources Research Institute Act of 1984, and for other purposes;

H.R. 4238. An act to amend the Public Health Service Act to extend various programs with respect to vaccine-preventable diseases;

H.R. 5144. An act to provide for the study of certain historical and cultural resources located in the city of Vancouver, Washington, and for other purposes;

H.R. 5367. An act to provide for the renegotiation of certain leases of the Seneca Nation, and for other purposes;

H.R. 5759. An act to amend the Age Discrimination in Employment Act of 1967 to clarify the application of such Act to employee group health plans;

H.J. Res. 519. Joint resolution designating August 28, 1990, as "National Sarcoidosis Awareness Day";

H.J. Res. 520. Joint resolution granting the consent of Congress to amendments to amendments to the Washington Metropolitan Area Transit Regulation Compact; and

H.J. Res. 566. Joint resolution acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 19, 1990, as "National Military Families Recognition Day".

At 9:25 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5257) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies, for the fiscal year ending September 30, 1991, and for other purposes; it recedes from its disagreement to the amendments of the Senate numbered 9, 12, 15, 19, 25, 35, 55, 56, 57, 61, 76, 82, 91, 100, 102, 103, 111, 112, 118, 119, 133, 142, 144, 156, 169, 176, 181, 186, and 191 to the bill, and agrees thereto; and it recedes from its disagreement to the amendments of the Senate numbered 10, 14, 16, 21, 24, 26, 27, 31, 34, 36, 37, 38, 39, 40, 43, 44, 45, 50, 60, 62, 63, 65, 68, 69, 71, 77, 78, 79, 80, 81, 83, 84, 87, 95, 96, 110, 113, 117, 122, 138, 139, 147, 152, 155, 162, 163, 164, 189, and 190 to the bill, and agrees thereto, each with an amendment, in which it requests the concurrence of the Senate.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 2548. An act to provide for the establishment of the Laguna de Santa Rosa National Wildlife Refuge in Sonoma County, California; to the Committee on Environment and Public Works.

H.R. 5796. An act to conduct certain studies in the State of New Mexico; to the Committee on Energy and Natural Resources.

H.R. 5814. An act to amend the Soldiers' and Sailors' Civil Relief Act of 1940 to improve and clarify the protections provided by such act and to make technical amendments; to amend title 38, United States Code, to clarify veterans' reemployment rights and to improve veterans' rights to reinstatement of health insurance, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 5871. An act to amend the farm poundage quota provisions of section 319 (g), (h) and (i) of the Agricultural Adjustment Act of 1938, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

MEASURES PLACED ON THE CALENDAR

Pursuant to the order of the Senate of October 20, 1990, the Committee on the Judiciary was discharged from the further consideration of the following bill, which was placed on the calendar:

S. 971. A bill to authorize and encourage Federal agencies to use mediation, conciliation, arbitration, and other techniques for the prompt and informal resolution of disputes, an for other purposes.

The following joint resolution received from the House of Representatives for concurrence, was read the first and second times and placed on the calendar:

H.J. Res. 657. Joint resolution granting the consent of the Congress to amendments to the Delaware-New Jersey Compact, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that he had presented to the President of the United States the following enrolled bills and joint resolutions:

On October 20, 1990:

S. 2104. An Act to amend the Civil Rights Act of 1964 to restore and strengthen civil rights laws that ban discrimination in employment, and for other purposes; and

S.J. Res. 346. Joint resolution to designate October 20 through 28, 1990, as "National Red Ribbon Week for a Drug-Free America".

On October 22, 1990:

S. 2753. An act to revise and extend the Developmental Disabilities Assistance and Bill of Rights Act;

S. 3091. An act to amend the act incorporating the American legion so as to redefine eligibility for membership therein;

S.J. Res. 270. Joint resolution to designate the period commencing February 17, 1991, and ending February 23, 1991, as "National Visiting Nurse Associations Week";

S.J. Res. 323. Joint resolution designating November 11 through 17, 1990, as "Geography Awareness Week";

S.J. Res. 347. Joint resolution designating April 7 through 13, 1991, as "National County Government Week";

S.J. Res. 351. Joint resolution to designate the month of May 1991 as "National Trauma Awareness Week";

S.J. Res. 353. Joint resolution to designate September of 1991 as "National Rice Month";

S.J. Res. 362. Joint resolution to designate the period commencing on November 18, 1990, and ending on November 24, 1990, as "National Adoption Week"; and

S.J. Res. 366. Joint resolution to designate March 30, 1991, as "National Doctors Day".

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3727. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on the status of certain budget authority proposed for rescission in the President's seventh special impoundment message for fiscal year 1990; pursuant to the order of January 30, 1975, as modified on April 11, 1986, referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Armed Services.

EC-3728. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize new accessions to the armed forces who already possess specialized skills to be deployed overseas after completing an initial training period that is less than 12 weeks; to the Committee on Armed Services.

EC-3729. A communication from the Chief of the Special Actions Branch, Office of Legislative Liaison, Department of the Army, transmitting, pursuant to law, a report on the conversion of the consolidated maintenance services function at Fitzsimmons Army Medical Center, Aurora, Colorado, to performance under contract; to the Committee on Armed Services.

EC-3730. A communication from the Chief of the Special Actions Branch, Office of Legislative Liaison, Department of the Army, transmitting, pursuant to law, a report on the conversion of the administrative services function at Fort Lee, Virginia, to performance under contract; to the Committee on Armed Services.

EC-3731. A communication from the Chief of the Special Actions Branch, Office of Legislative Liaison, Department of the Army, transmitting, pursuant to law, a report on the retention of the Training and Audiovisual Support Center as an in-house activity; to the Committee on Armed Services.

EC-3732. A communication from the Chief of the Special Actions Branch, Office of Legislative Liaison, Department of the Army, transmitting, pursuant to law, a report on the conversion of the laundry, dry cleaning and pick-up-points function at the Military District of Washington installations at Cameron Station and Fort Meyer to performance under contract; to the Committee on Armed Services.

EC-3733. A communication from the Deputy Assistant Secretary of the Air Force (Communications, Computers, and Logistics), transmitting, pursuant to law, a report on the conversion of the mess attendant function at Cheyenne Mountain, Colorado, to performance under contract; to the Committee on Armed Services.

EC-3734. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the first annual report on the state of fair housing; to the Committee on Banking, Housing, and Urban Affairs.

EC-3735. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the interim report on the Home Equity Conversion Mortgage Insurance Demonstration; to the Committee on Banking, Housing, and Urban Affairs.

EC-3736. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report with respect to a transaction involving a working capital guarantee to support U.S. exports to the Republic of Korea; to the Committee on Banking, Housing, and Urban Affairs.

EC-3737. A communication from the Secretary of the Federal Trade Commission,

transmitting, pursuant to law, a report entitled "Tar, Nicotine, and Carbon Monoxide of the Smoke of 370 Varieties of Domestic Cigarettes"; to the Committee on Commerce, Science, and Transportation.

EC-3738. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on progress in implementing the Strategic Petroleum Reserve test sale; to the Committee on Energy and Natural Resources.

EC-3739. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on a project negotiated under the Clean Coal Technology Demonstrations Program; to the Committee on Energy and Natural Resources.

EC-3740. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive report on a project negotiated under the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-3741. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive report on a project negotiated under the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-3742. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3743. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3744. A communication from the Deputy Associate Director for Collection and Disbursement, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the refund of certain offshore lease revenues; to the Committee on Energy and Natural Resources.

EC-3745. A communication from the Secretary of Energy, transmitting, pursuant to law, a comprehensive report negotiated under the Clean Coal Technology Demonstration Program; to the Committee on Energy and Natural Resources.

EC-3746. A communication from the Administrator of General Services, transmitting, pursuant to law, a report of building project survey which proposes construction of a new U.S. courthouse in Tallahassee, Florida; to the Committee on Environment and Public Works.

EC-3747. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Cost Effectiveness Demonstration of Medicare Coverage of Influenza Vaccine"; to the Committee on Finance.

EC-3748. A communication from the Administrator of the Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, a report on the Rural Health Care Transition Grant Program; to the Committee on Finance.

EC-3749. A communication from the Director, Division of Commissioned Personnel, Public Health Service, transmitting, pursuant to law, the annual report on the Public Health Service Commissioned Corps Retirement System for the plan year ended September 30, 1989; to the Committee on Governmental Affairs.

EC-3750. A communication from the Director of the Office of Personnel Management, transmitting, pursuant to law, a report entitled "Civil Service Retirement and Disability Fund Annual Report for fiscal year 1988"; to the Committee on Governmental Affairs.

EC-3751. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report on actions taken to recruit and train Indians to qualify for positions which are subject to preference under Indian preference laws; to the Select Committee on Indian Affairs.

EC-3752. A communication from the Secretary of Education, transmitting, pursuant to law, a report on the findings of a review of selected Indian education formula grant projects funded in fiscal year 1987 under the Indian Education Act; to the Committee on Labor and Human Resources.

EC-3753. A communication from the Acting Commissioner of the National Center for Education Studies, Office of Educational Research and Improvement, Department of Education, transmitting, pursuant to law, a report entitled "Dropout Rates in the United States, 1988"; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEE

The following reports of committees were submitted:

By Mr. BURDICK, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 2706. A bill to improve the public safety and quality of marine recreational waters (Rept. No. 101-550).

S. 1697. A bill to require local educational agencies to conduct testing for radon contamination in schools, and for other purposes (Rept. No. 101-551).

INTRODUCTION OF BILLS AND JOINT RESOULUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. KASTEN:

S. 3226. A bill to amend the Solid Waste Disposal Act; to the Committee on Environment and Public Works.

By Mr. BREAUX:

S. 3227. A bill to redesignate the Vacherie Post Office located at 2747 Highway 20 in Vacherie, Louisiana, as the John Richard Haydel Post Office; to the Committee on Governmental Affairs.

By Mr. CONRAD (for himself and Mr. BURDICK):

S. 3228. A bill to implement certain recommendations of the Garrison Unit Joint Tribal Advisory Committee regarding the entitlement of the Three Affiliated Tribes and the Standing Rock Sioux Tribe to additional financial compensation for the taking of reservation lands for the site of the Garrison Dam and Reservoir and the Oahe Dam and Reservoir, and for other purposes; to the Select Committee on Indian Affairs.

By Mr. HATCH:

S. 3229. A bill to amend title 17, United States Code, to clarify news reporting monitoring as a fair use exception to the exclusive rights of a copyright owner; to the Committee on the Judiciary.

By Mr. PELL:

S. 3230. A bill to amend the Immigration and Nationality Act to provide for the deportation of aliens who are convicted of felony drunk driving; to the Committee on the Judiciary.

By Mr. BOND (for himself and Mr. DANFORTH):

S. 3231. A bill to provide for the acquisition of certain lands within the Mark Twain National Forest, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KASTEN:

S. 3226. A bill to amend the Solid Waste Disposal Act; to the Committee on Environment and Public Works.

HAZARDOUS WASTE SAFE BURNING ACT

● Mr. KASTEN. Mr. President, I rise today to introduce legislation to assure the safe burning of hazardous waste.

This bill will protect the public and environment against the unregulated burning of hazardous waste. Today, vast volumes of hazardous waste are being burned in facilities with no environmental standards.

The unregulated burning of hazardous waste is allowed by a loophole in our hazardous waste law. When Congress passed the Hazardous and Solid Waste Amendment of 1984 we directed the Environmental Protection Agency [EPA] to promulgate regulations within 2 years on the burning of hazardous materials in boilers and industrial furnaces.

Unfortunately, EPA has failed to take this action. The result is that many hazardous waste generators are dodging environmental regulation by burning toxic material in industrial boilers and furnaces.

Allowing the unregulated burning of hazardous waste poses a clear threat to the health of American's and to our environment. As much as 1.2 million tons of hazardous waste a year are now being burned in unregulated devices.

Without action, this situation is likely to grow worse. Many of the operators of these unregulated facilities are now advertising the fact that they are not covered by environmental standards.

There are no required performance standards for these incinerators, no required operating standards such as minimum temperature or requirements for the duration of exposure to high temperatures that are necessary to destroy many toxants.

These unregulated facilities also pose a much greater threat to the environment from industrial accident than licensed waste incinerators. Unlike licensed facilities, these burners are not required to have feed cutoffs should there be an accident or interruption in the boilers proper operation.

There are not supervised trial burns, and no peridoc inspections to assure the safe operation of these burners. Local communities are often not even advised that a hazardous burning facility is being operated nearby.

This loophole was created because of our intent to encourage recycling and recovery of hazardous materials. But the action going on today is clearly not consistent with congressional intent.

The issue of "sham recycling" has forced us to realize that some operators have turned incentives to encourage recycling into a loophole to avoid complying with the law.

Let there be no mistake, I want to continue to encourage recycling, recovery, and waste minimization—but within the bounds of environmental protection.

Today we are allowing millions of pounds of hazardous waste to escape our system of environmental management. Clearly, we need to act expeditiously to close this loophole and protect the American people and our environment.

I ask unanimous consent that a copy of this legislation and certain articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 3226

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hazardous Waste Safe Burning Act of 1990".

SEC. 2. AMENDMENTS

(a) MODIFICATION OF REGULATIONS.—Section 3004(q) of the Solid Waste Disposal Act (42 U.S.C. 6924(q)) is amended (1) by redesignating paragraph (2) as paragraph (3); and (2) by adding immediately after paragraph (1) the following new paragraph:

"(2) The regulation issued pursuant to subparagraph (1)(B) of this section shall be modified so as to reflect the following provisions applicable to cement, lime, and aggregate kilns burning hazardous waste for fuels or other purposes:

"(A) standards and requirements which are no less stringent than apply to incinerators by virtue of (i) regulations currently in effect, and (ii) application of the provisions of paragraph 3005(c)(3) of this Act;

"(B) emission standards no less stringent than proposed for incinerators by the Administrator on April 27, 1990;

"(C) requirements for the management of all residues from the burning of hazardous waste that are no less stringent than those applicable to incinerators;

"(D) requirements that any products resulting from the burning of hazardous waste meet the treatment standards which have been issued pursuant to subsections (d) through (m) of this section;

"(E) requirements for submission to the Administrator of a trial burn plan by each major burner of hazardous waste (burning more than 10,000 tons of hazardous waste in any consecutive 12-month period) not later than June 30, 1991, and not later than December 31, 1991 by all other burners of hazardous waste;

"(F) requirement for submission to the Administrator of a trial burn report within 6 months of completion of the trial burn; and

"(G) requirement for submission of a permit application by major burners of hazardous waste by September 30, 1991, and by all other burners of hazardous waste by March 31, 1992.".

(b) CONDITION.—Section 3004(q)(3)(C)(i) of such Act, as redesignated by this Act, is amended by adding at the end thereof the following: "No fuel which contains any hazardous waste, or any other hazardous waste, may be burned in any cement, aggregate, or lime kiln after June 30, 1991, unless the standards called for by subparagraph (1)(B) of this subsection are issued in the form of a final regulation by June 30, 1991.".

(c) STANDARDS.—Section 3004(q) of such Act is amended by adding at the end thereof the following:

"(4) The Administrator shall supervise a trial burn by each burner of hazardous waste within 3 months from the submission of that burner's trial burn plan as required by subparagraph (2)(E) of this subsection.

"(5) Within 3 months from the submission of any trial burn report required by subparagraph (2)(F) of this subsection, the Administrator will either (A) approve the burning of hazardous waste by the kiln subject to conditions based on the trial burn and the regulations, or (B) disapprove the burning the hazardous waste by the kiln, or (C) disapprove the burning of hazardous waste by the kiln until a subsequent trial burn is conducted and reviewed by the Administrator.

"(6) The Administrator will complete action on each permit application submitted pursuant to subparagraph (2)(G) of this subsection within 2 years of its submission.

"(7) Any burner of hazardous waste for which any deadline specified in paragraph (2), (4), (5), or (6) is not met shall cease burning hazardous waste as of the date of the missed deadline.

"(8) Any facility which was not burning hazardous waste on January 1, 1990, may not burn hazardous waste until it has received a permit from the Administrator pursuant to the provisions of paragraphs (2), (4), (5), (6), and (7). No facility may construct new capacity or increase its capacity for burning of hazardous waste until it has received a permit for such new or expanded capacity from the Administrator pursuant to the provisions of paragraphs (2), (4), (5), (6), and (7).

"(9) Until such time as the Administrator issues a permit to a burner of hazardous waste, the Administrator is authorized to impose such limitations with respect to that facility regarding hazardous waste as the Administrator determines necessary to protect human health and the environment.".

(d) REPEAL.—Section 3001(b)(3)(A)(iii) of such Act (42 U.S.C. 6921(b)(3)(A)(iii)) is repealed.

[From the Austin American-Statesman, Sept. 10, 1990]

TOXIC WASTE-USING KILNS CONDEMNED BY MIDLOTHIANS

(By the Associated Press)

MIDLOTHIAN.—This city southwest of Dallas, known as the cement capital of Texas, also has become a center for burning toxic waste, a label residents would rather not have.

With about 5,000 people, Midlothian is home to two of the 24 cement kilns nationwide that burn hazardous waste as fuel under an Environmental Protection Agency exemption that treats the practice as recycling.

"Texas burns more hazardous waste in cement kilns than any other state in the nation. That's the first thing," Edward Kleppinger, a Washington, D.C. environmental consultant, said.

"The second thing is that all of it is burned in Midlothian," he said.

Regulators said the kilns have been burning hazardous waste since the early 1980s without the level of government scrutiny imposed on commercial incinerators that were built and licensed to burn and bury hazardous waste.

Texans United, a Dallas-based group representing small towns in Texas, has joined Greenpeace, the international conservation group, and other environmentalists in an effort to toughen the regulation of waste-burning kilns or shut them down.

The residue of what burns in Midlothian may also lie in the highways, patios, sidewalks and playgrounds of America as the ash goes into the cement that is sold, environmentalists said.

A Texas Air Control Board official whose authority ends with the atmosphere says the TACB has warned its sister agency, the Texas Water Commission, that the state may need to plug the federal gap and monitor cement and kiln dust.

"It's been a kind of a difficult issue for us because it's not been treated as a hazardous waste," said Shanon DiSorba, TACB project engineer, "With commercial incinerators, the ash is treated as hazardous waste. With cememt kilns, it's a product."

Texas Water Commission officials and the EPA say they do not inspect or regulate the cement or kiln dust produced by waste-burning plants.

Midlothian cement plants owned by Texas Industries and Gifford-Hill Cement Co. together burned 67,000 tons of hazardous chemicals last year.

Environmentalists said those chemicals would otherwise have been buried or incinerated at a waste disposal facility licensed and inspected by the federal government.

Laboratory workers check the cement and the dust once during every shift at the Texas Industries' 24-hour-a-day operation to ensure that the toxic metals are below federal limits, said Kenneth Reed, TXI general plant manager.

He said tests show that deposits of lead, cadmium and other heavy metals are locked inside the cement and pose no risk of leaching into the surrounding environment for the next 3,000 years.

[From the Washington Post, Sept. 17, 1990]

LAFARGE PLANTS FUEL DEBATE OVER HAZARDOUS WASTE DISPOSAL

(By John Dorrity)

XENIA, Ohio.—Lafarge Corp.'s plants are doing more these days than making the company one of the nation's leading cement producers.

Four of them, by using the toxic byproducts of U.S. factories to help fire their kilns, have made the Reston-based company a force in the hazardous waste disposal business—and a participant in the environmental debate that goes with the territory.

In this small town 15 miles east of Dayton, Lafarge's Systech Environmental Systems subsidiary gathers hazardous waste

produced by more than 500 companies, including General Motors Corp., converting it into a fuel to supplement traditional fuels such as coal.

Systech earns money two ways: Its customers pay it to take the waste off their hands, and it gets a fuel that is cheaper than traditional sources. Last year Systech converted more than 500 million pounds of such waste for four of Lafarge's 12 U.S. cement plants and two of its competitors' plants.

In the last decade, the cement industry, with Lafarge in the technological forefront, has surpassed the hazardous waste incineration industry as the largest burner of commercial hazardous waste in the country.

Twenty-six cement plants burned more than 1.8 billion pounds of liquid hazardous waste last year, said the Cement Kiln Recycling Coalition. Commercial hazardous waste incinerators burned about 1.6 billion pounds of mostly solid waste, according to the National Solid Waste Management Association.

"In the future, cement plants will be valued for two reasons," said Systech President Tom Wittmann. "They will provide an important building material, portland cement, and they will play a major role in waste management technology."

Environmental and citizens groups that have fought the hazardous waste incineration industry for years take another view—that the kinds of wastes the kilns are allowed to burn create a health hazard

"We are facing a slow-moving Bhopal," said Jeff Catwright-Smith, an organizer of the Greene Environmental Coalition in Yellow Springs, Ohio, which wants to stop a Southdown Corp. cement kiln from burning 34 million pounds of hazardous waste annually.

Lafarge and its competitors face opposition from another quarter as well.

The hazardous waste incineration industry—which burns mostly solid hazardous wastes, rather than the liquid wastes that cement producers use—has stepped up its attacks against cement producers by pressing the Environmental Protection Agency to tighten its regulation of the kilns.

The incineration industry, analysts said, is concerned that cement producers, free from meeting expensive federal regulations, have developed technologies that will allow them to burn solid waste and lure away lucrative contracts.

"The solids [are] where the real money is," said Debra G. Coy, a hazardous waste analyst with Washington Analysis Corp., a Washington consulting firm.

Industry analysts said the cement producers' competitors also fear a report of what happened when they began burning liquid hazardous waste: More options for disposing of the waste pushed down the price companies had to pay for disposal.

The EPA itself helped the cement producers emerge as competitors of the solid-waste incinerators in the last few years, analysts said.

The agency exempted cement kilns and about 1,000 other industrial boilers and furnaces from rules applied to commercial hazardous waste incinerators because the EPA considered them to be recyclers, using hazardous waste to manufacture a product.

At the same time, the agency ran tests at several kilns and concluded they could safely burn hazardous waste. State air pollution regulators, relying on the EPA tests, typically granted permits to cement companies seeking to burn hazardous waste.

Technology and economics also helped. Hazardous wastes burn at the high temperatures needed to produce cement from clay, sand and limestone, and they are relatively cheap compared with traditional fuels.

Given all those reasons, Lafarge, the eight-largest public company in the Washington area with 8,200 employees and $1.5 billion in sales last year, jumped into the field by purchasing Systech in 1986.

Lafarge invested millions of dollars in making its U.S. cement plants able to burn hazardous waste. The firm was able to reduce the fuel bill at its Alpena, Mich., cement plant by at least 20 percent, and keep its Fredonia, Kan., plant economically viable, Wittmann said.

Most of the wastes come from producers of solvents, inks, cosmetics, toys, medical supplies and electronics and autos. The EPA allows cement kilns to burn more than 125 different chemical compounds, many of which contain low amounts of chlorinated solvents and a wide range of heavy metals, including lead, chromium and barium.

Environmental groups claim the chlorinated wastes provide the right conditions for creating emissions of dioxin—an extremely toxic compound, although it has not been positively linked to serious health problems in humans. Highly toxic chemicals like PCBs and pesticides aren't allowed for use in cement kilns.

In the last year, community groups in towns like Lebec, Calif., Cottonwood, Ariz., and Yellow Springs, Ohio, were formed with the help of the environmental group Greenpeace to oppose the cement producers.

EPA is preparing to tighten the rules on what cement kilns can burn, but the new regulations are not expected to be issued until next year and cement producers will have several years to meet the standards.

Systech, which saw its revenue jump 31 percent in 1989, has no intention of slowing its expansion in the face of opposition and is developing a technology to burn solid hazardous waste that companies pay about $500 per 55-gallon drum just to get rid of.

Company officials said their technical arguments, backed by EPA data, will convince communities that burning hazardous waste in cement kilns is not a health threat. "All we are asking for is the right to go through the permitting process," Wittmann said.

As for the hazardous waste incineration industry, Wittmann said, cement kilns cannot absorb all the hazardous waste U.S. companies produce. "We believe there is room for both of us because we can only accept select wastes," he said.●

By Mr. BREAUX:

S. 3227. A bill to redesignate the Vacherie Post Office located at 2747 Highway 20 in Vacherie, LA, as the John Richard Haydel Post Office; to the Committee on Governmental Affairs.

JOHN RICHARD HAYDEL POST OFFICE

● Mr. BREAUX. Mr. President, today I am offering a bill to name the new U.S. Post Office in Vacherie, LA, in honor of the late John Richard Haydel.

I can think of no finer tribute to this devoted public servant. Mr. Haydel, who passed away in August of this year, spent 43 years of his life in the U.S. Postal Service. He joined the Post Office in 1934 and, by 1940, had become the Postmaster of Vacherie.

Mr. Haydel's Postal Service was interrupted by World War II and he spent 4 years in the Pacific Theater with the Navy, participating in numerous campaigns including the liberation of the Philippines. After his return to Louisiana Mr. Haydel resumed his postal duties and, in 1957, took on the additional duty as a member of the St. James Parish Selective Service Board, a position he was to hold until 1971.

In 1961 Mr. Haydel was promoted to postmaster counselor for the Dallas region which includes Texas and Louisiana. He served with distinction in this capacity and in 1967 he received the Postal Service's "Superior Accomplishment Award" for notable performance contributing to outstanding economy, efficiency and improved service.

Between 1961 and his retirement in 1981, Mr. Haydel presided over the construction or renovation of three post offices in the Dallas region. He worked tirelessly to improve postal service in a period of rapid technological change for the Post Office.

Mr. President, John Richard Haydel epitomized the devotion to duty that characterizes the America's postal workers. It is only fitting that Congress honor his legacy of service by passing this legislation and naming the Vacherie Post Office in his honor.●

By Mr. CONRAD (for himself and Mr. BURDICK):

S. 3228. A bill to implement certain recommendations of the Garrison Unit Joint Tribal Advisory Committee regarding the entitlement of the Three Affiliated Tribes and the Standing Rock Sioux Tribe to additional financial compensation for the taking of reservation lands for the site of the Garrison Dam and Reservoir and the Oahe Dam and Reservoir, and for other purposes; to the Select Committee on Indian Affairs.

THREE AFFILIATED TRIBES AND STANDING ROCK SIOUX EQUITABLE COMPENSATION ACT

● Mr. CONRAD. Mr. President, I am pleased today to be joined by my colleague Senator BURDICK in introducing this measure to address a wrong that was perpetrated upon the people of two North Dakota Indian reservations, Standing Rock and Fort Berthold, by the Federal Government.

Mr. President, the lives of members of the Standing Rock Sioux Tribe and the Three Affiliated Tribes of the Fort Berthold Indian Reservation were changed forever by the construction during the middle of this century of two large dams on the Missouri River. When the Garrison and Oahe dams were constructed, more than 300,000 acres of tribal land were lost. Infrastructure, such as bridges, homes, hospitals and the like, was destroyed. And families were uprooted from precious

Missouri River bottomlands that had been their home for generations.

The Federal Government took this land from the tribes, and from many nonIndian families as well, to provide for the construction of the Pick-Sloan flood control project on the Upper Missouri River Basin. This plan was developed by the U.S. Army Corps of Engineers and the Bureau of Reclamation in 1944 to help control flooding in the lower Missouri. States like Missouri and Nebraska were the beneficiaries. But States like North and South Dakota were the losers. And those who were forced to make the largest sacrifice were Indians.

The first group forced to deal with the Army Corps of Engineers was the Three Affiliated Tribes. Fort Berthold lost its land in 1949. The Garrison Dam took one quarter of the reservation's land base. Three hundred twenty five families—80 percent of the tribal membership—were forcibly relocated. And the remainder of the reservation was segmented into five waterbound areas. Ninety-four percent of the agricultural lands of these farmers and ranchers were destroyed. Their way of life was literally wiped out.

At Standing Rock, things were not much different. The tribe lost 56,000 acres of land. Ninety percent of the timbered area on the reservation was demolished. And thousands of acres of exceptional grazing land and rangeland were eliminated. Sixty percent of the ranchers at Standing Rock saw their land disappear.

While the Fort Berthold agency headquarters at Elbowoods was destroyed, most of the Standing Rock agency at Fort Yates survived. Twenty-five percent of the people at Standing Rock had to relocate, versus the 80 percent at Fort Berthold. But Standing Rock suffered incredible isolation resulting from the Oahe Reservoir that flooded the reservation. Fort Yates became separated from the remainder of the reservation. And a bridge that had formerly crossed the Missouri River, which completely bounds the reservation to the east, was destroyed. That bridge has yet to be replaced.

Today, someone who visits Standing Rock can still see tree stumps jutting out of the Oahe Reservoir. The tribe was not even allowed to salvage this timber to use in stoves and to build homes. Unemployment rates on both reservations often exceed 50 percent. And alcoholism is destroying the minds and futures of many promising individuals, in large part because these tribes have so few resources.

All the people of Fort Berthold and Standing Rock want is a chance to rebuild. They pray for a better life for their children. And they demand justice from the Government that has treated them so brutally.

The Indians residing on the Fort Berthold and Standing Rock reservations were offered a take-it-or-leave-it proposition. The Federal Government was going to take their land, so they could accept the compensation the Government decided to offer or they would receive nothing. The reservations were finally forced to accept about $12 million each in compensation for their losses. They were given absolutely no choice.

The bill Senator BURDICK and I are introducing today is an apology. It tells the people of Fort Berthold and Standing Rock that we understand they have been wronged. And it represents a new beginning. The bill authorizes the buildup of a substantial trust fund, the interest from which the tribes will use to sew the seeds of their futures.

Mr. President, a report entitled "Final Report of the Garrison Unit Joint Tribal Advisory Committee," a special committee created by former Interior Secretary Hodel, acknowledged the need to compensate these tribes. The JTAC report provided ranges of compensation to which each of the reservations is entitled—between $181.2 and $349.9 million for Standing Rock and between $178.4 and $411.8 million for Fort Berthold. The levels of compensation proposed in the bill, which are below those recommended in JTAC, are the result of years of work and a great deal of compromise. In addition, the bill calls for the return of certain lands taken in excess from the tribes and nonmembers of the tribes.

Mr. President, Senator BURDICK and I are introducing this bill today to put people on notice that we will vigorously pursue the compensation issue during the 102d Congress. And we hope that this bill will help us continue a productive dialogue on this significant question. We welcome suggestions from all parties affected to ensure that the final product is reasonable, equitable and just. And we urge our colleagues to look favorably on this proposal to provide a better future for the children at Fort Berthold and Standing Rock.●

● Mr. BURDICK. Mr. President, today I join Mr. CONRAD in cosponsoring a bill that would provide compensation to the Three Affiliated Tribes and the Standing Rock Sioux Tribe for land taken during the flooding of the Garrison and Oahe Reservoirs. The dams were authorized under the Flood Control Act of 1944.

The catalyst for this bill was a series of recommendations of the Department of the Interior's Garrison Unit Joint Tribal Advisory Committee [JTAC]. Secretary Hodel established this committee on May 19, 1985, responding to the findings of the Garrison Diversion Unite Commission's Final Report that, "The tribes of the Standing Rock and Fort Berthold Indian Reservations bore an inordinate share of the cost of implementing Pick-Sloan Missouri Basin Program mainstream reservoirs." The committee was instructed, quote, "to find ways to resolve inequities" borne by the tribes.

In 1987 the Select Committee on Indian Affairs held an oversight hearing on the final report of the Garrison Unit Joint Tribal Advisory Committee [JTAC] with the Senate Energy and Natural Resources Committee and the Water and Power Subcommittee of the House Interior and Insular Affairs Committee. The report documented the devastating effects the tribes suffered as a result of their forced removal from their homes and communities located in prime tracts of the Missouri River bottom lands. The JTAC report stated, quote, "that the bottom lands in the taking area were not just land owned by the tribes. They were the economic and social base of the tribes. The uplands offered as in lieu lands could not be counted as equivalent to the bottom lands, for they couldn't support the same type of ranching and agricultural economy which the bottom lands had provided." It should be noted that the tribes inhabited these lands when the first white explorers traveled through the Missouri Basin in the early 1800's.

The Commission report unraveled a disturbing historical record of the "negotiations" the Government had with the tribes. The Flood Control Act of 1944, required the Indians to sacrifice traditionally occupied homes and communities and lands totaling over 300,000 acres. Though they objected, the tribes finally signed an agreement after the Government threatened to use power to force the tribes to move off their homelands. Although white settlers in the valley were also forced to leave their homes, their situation was different, in that they had obtained their land from the Government, whereas the Indians, as the original possessors of the soil, had certain rights guaranteed by treaty with the United States.

The compensation Congress provided the Indians failed to accord the tribes the standard of compensation under the terms of the settlement act, Public Law 81-437. This law provides that tribes should receive the cash equivalent of their lost economic and social base using the principal of substitute or replacement value.

The bill we are introducing today attempts to redress this disregard for treaty rights and human rights. I believe that passage of this bill would start the healing process for the Indian men, women and children who feel the Government unfairly destroyed their ancestral lands.●

By Mr. HATCH:

S. 3229. A bill to amend title 17, United States Code, to clarify news reporting monitoring as a fair use exception to the exclusive rights of a copyright owner; to the Committee on the Judiciary.

COPYRIGHT STATUS OF NEWS REPORTING MONITORING

Mr. HATCH. Mr. President, as this campaign season nears an end, we are all vividly reminded how broadcast news has unprecendented and nearly limitless influence over public opinion. News programming is, however, as ephermeral as it is powerful—it vanishes once it is aired. Video cassette recorders [VCR's], now a part of every day life, permit an individual or institution to suspend this ephermerality by recording programming for later viewing, for preservation and analysis.

At the intersection of broadcasting and VCR technology is a new and rapidly growing industry: Broadcast news monitoring. Broadcast monitors meet a narrow public demand for tracking local and national news programs. Like newspaper clipping services, on behalf of individuals, or institutions they monitor programming and edit and compile segments of broadcast news, from local stations and from across the country, that are of specific interest to their clients.

Broadcast monitoring is absolutely invaluable to individuals, the Federal Government, corporations, advertising agencies, charitable organizations and libraries and universities. Today, broadcast monitoring services are used to follow the reporting of issues at the local and national levels, for law enforcement, to respond to unfair, negative or inaccurate reporting, for disaster relief, to monitor commercial advertisements, and for news research.

Through broadcast monitoring viewers are no longer limited by time or geography to stations in their own areas, or to watching only on of several programs aired simultaneously. But by acting as agents on behalf of their clients, broadcast monitors can do what their clients cannot do: Monitor broadcasts nationwide.

Yet, broadcast monitoring services are now under attack. Claiming that monitoring is an infringement of their copyrights in broadcast programming, a vocal and litigious minority of broadcasters are threatening—and bringing lawsuits against—monitors. These stations seek to stifle both broadcast monitoring and the public's ability to watch, respond to and study the news, Moreover, broadcasters may not even own the copyrights in some of the programming that they air and that is monitored.

To date, broadcast monitors have relied on the constitutional balance of the copyright law to protect their interests and those of the public. Although copyright is intended to reward creators, its ultimate purpose is to ensure that works are made broadly available to the public. This goal is embedded in the Constitution, in the Copyright Act and, particularly, in the fair use doctrine of the copyright law.

Broadcast monitors have demonstrated repeatedly that they advance this constitutional and statutory goal, without having the slightest negative economic impact on broadcasters or on their incentive to produce news or other programming.

The underpinnings of the copyright law and the fair use doctrine should, therefore, protect and encourage the development of monitoring services. As the Supreme Court decided in the Sony Betamax case, copyright law clearly permits clients of broadcast monitoring services to monitor and record programming off-air. Monitors, with their greater technological resources and national reach, simply do for clients what the fair use doctrine would otherwise permit them to do for themselves.

In recent decisions, however, some courts have seemingly misapplied the copyright law, as it was enacted by Congress and as it has been interpreted by the Supreme Court. These decisions refuse to recognize the realities of broadcast monitoring and fail to comprehend how it serves the public. By enjoining the legitimate and necessary monitoring activities that the public demands, these courts are defying congressional intent and ignoring the public's interest in access to information that is embodied in the copyright law.

Now, only Congress can act to restore the proper balance between the public's right to have access to broadcast programming and the incentives due to copyright owners.

Mr. President, I am today introducing a bill to clarify that news reporting monitoring is a fair use of copyrighted works. I recognize that this proposed bill may not represent the ultimate legislative solution for the fair treatment of broadcast monitors. It is, however, introduced with the full recognition that a solution must be sought after, that a clashing of interests is occurring which, according to some courts, was not anticipated by the copyright law. In the near future I look forward to soliciting the views of monitors, consumers and expert witnesses alike, toward resolving this issue of vital concern to all of us who are interested in what is said about us when we may not be personally present to observe.

MONITORING AND COPYRIGHT INTERESTS

Mr. President, broadcast monitors currently are under attack by broadcasters who claim that their services infringe program producers' copyrights in the news. In their defense, broadcast monitors have relied on the fair use doctrine of the Copyright Act, to prove that monitoring activities are not an infringement of copyright. To date, some courts have sided with broadcasters. These decisions, however, seem to misunderstand and misapply the fair use doctrine. When correctly applied to broadcast monitors, the copyright law—and the fair use doctrine—can be read to protect their services from claims of infringement.

Article I, section 8, of the U.S. Constitution grants Congress the authority:

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

Congress gave exclusive rights to authors as an incentive to create new works for the public good. These rights, however, can create a tension with other rights and interests of the public—as embedded in the first amendment—in the broad dissemination of works of public significance.

Congress and the courts have developed, enacted and applied the fair use doctrine to harmonize the disparate interests of the public. The fair use doctrine is not, therefore, only a statutory exception to the exclusive rights afforded by the Copyright Act. Rather, it is a necessary bulwark of our constitutional scheme, protecting the public's interest in access to information as a balance to the exclusive rights of copyright owners.

As one commentator put it:

[i]n the balancing between the constitutional right of access through fair use and the copyright law, the balance must tilt toward the constitutionally protected right to reasonable access. Fair use is the vehicle for effectuating the constitutional protection for the privacy of the public interest over the interest of the copyright proprietor. (H. Rosenfield, "The Constitutional Dimension of Fair Use in Copyright Law," 50 Notre Dame L. Rev. 790 (1975).)

When it enacted the Copyright Act in 1976, Congress decided that it was important to codify the longstanding common law doctrine of fair use. See 17 U.S.C. S 107. Section 107 states that certain uses of copyrighted material for important public purposes such as "criticism, comment, news reporting, teaching, * * * scholoarship or research" are not infringements of copyright. Congress described section 107 in the legislative history accompanying the act as "one of the most important and well-established limitations on the exclusive rights of copyright owners." H.R. Rept. 1476, 94th Cong., 2d Sess., at 65 (1976).

In section 107, and after describing certain types of fair uses, Congress set out the factors for determining whether a particular use of copyrighted material is a fair use. They are:

First, the purpose and character of the use, including whether such use is

of a commercial nature or is for nonprofit educational purposes;

Second, the nature of the copyrighted work;

Third, the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and

Fourth, the effect of the use upon the potential market for or value of the copyrighted work. (17 U.S.C. 107).

The legislative history of the Copyright Act makes clear that while "[t]he bill endorses the purpose and general scope of the judicial doctrine of fair use," there "is no disposition to freeze the doctrine in the statute, especially during a period of rapid technological change." H.R. Rept. 1476, 94th Cong., 2d Sess., at 66 (1976). Thus, Congress intended that the fair use doctrine be flexible enough to protect new technological uses of copyrighted works. Important, productive and beneficial uses—such as broadcast monitoring—were not forseeable when the Copyright Act was enacted. Nevertheless, broadcast monitoring services are, and should rightfully be considered to be, fair uses.

BROADCAST NEWS MONITORING AND THE FAIR USE DOCTRINE

Broadcast news monitoring services seem to fall within the core of activities protected by the fair use doctrine. In fact, the ultimate purposes of monitoring are precisely those defined in the first sentence of section 107: "criticism, comment, teaching * * * scholarship or research." A searching analysis of broadcast monitoring under the four factors set out in section 107 demonstrates that news monitoring is the type of activity that Congress intended the fair use doctrine to protect.

1. THE EFFECT UPON THE POTENTIAL MARKET FOR OR VALUE OF THE WORK

The Supreme Court has held that the sole purpose of copyright is to create incentives for creative effort. (*Sony Corp. of America* v. *Universal City Studios, Inc.*, 464 U.S. 417, 450 (1984).) Therefore, the most important element of any fair use analysis of broadcast monitoring is whether it diminishes the incentive of broadcasters to create news programming.

Uses that have no demonstrable effect on the market for, or the value of, the copyrighted work need not be prohibited. (Id.) In this situation, no such prohibition is required—and no infringement need be found—to protect the author's incentive to create. Because monitoring has no adverse economic impact on broadcast news programming, or the incentive to produce the news, a proper application of this factor cuts strongly in favor of concluding that news monitoring is a fair use.

Producing news programming and providing news monitoring services are not the same business. Commercial broadcasters generate revenues from the news by producing programs that attract viewers, that increase audience shares and that enables them to sell advertising at rates that escalate with the size of the audience. Broadcast monitoring, by definition, has no impact on the size of the audience. Furthermore, monitors do not sell advertising time because they do not rebroadcast news segments. Therefore, broadcast monitors do not compete with broadcast stations for audiences or for advertising revenues. They have no actual or potential negative effect on the market for, or value of, the advertising time sold by broadcast stations.

For example, if a news monitor in Texas provides a compilation of clips from Texas news programs to a client in New York, the Texas news station has not been negatively affected in any way. The monitoring service did not cut into the Texas station's audience and did not siphon revenues that would otherwise have gone to the broadcaster.

Moreover, broadcasters are not, and have no demonstrable interest in, exploiting the market for monitored broadcasts. They do not actively sell clips of their programs in their local markets, let alone nationally. They maintain no standing orders from clients nor do they monitor other stations' programs. In short, broadcast monitoring does not diminish in any way the value of or market for any broadcaster's news programming.

2. THE NATURE OF THE COPYRIGHTED WORK

The Supreme Court has held that the fair use doctrine has its broadest application where informational, rather than creative, works are involved. In fact, the Supreme Court has acknowledged that "[c]opying a news broadcast may have a stronger claim to fair use than copying a motion picture." (*Sony*, 464 U.S. at 455.) Similarly, the nature of a news program also argues in favor of finding that broadcast monitoring should be viewed as a fair use.

Factual material, such as much of the material contained in a news program, is more susceptible to a fair use finding than purely artistic works, such as motion pictures.

News is of public significance, and contributes substantially to public awareness and informed debate.

News programs, unlike works of entertainment, lose much of their value as soon as they are broadcast. The value of news lies in its timeliness; there is no significant aftermarket for news.

News programming is ephemeral; it becomes inaccessible immediately after it is broadcast. Congress specifically intended that the relative inaccessiblity of a work to the public should be a factor in assessing whether users who reproduce such works are engaged in an activity protected by the fair use doctrine. In considering the fair use doctrine in 1976, the Senate Judiciary Committee noted that:

[a] key, though not necessarily determinative factor in fair use is whether or not the work is available to the potential user. If the work is "out of print" and unavailable for purchase through normal channels, the user may have more justification for reproducing it than in the ordinary case, but the existence of organizations licensed to provide photocopies of out-of-print works at a reasonable cost is a factor to be considered.—(S. Rept. No. 473, 94th Cong., 2d Sess., at 64 (1976).)

3. THE AMOUNT OF THE COPYRIGHTED WORK USED

Broadcast monitors record and compile brief segments from various broadcasts; they do not use entire or even substantial parts of news broadcasts.

Clients are not interested in the portions of news reports unrelated to them. One of the most valuable aspects of monitoring services is that they screen irrelevant information and compile only what is directly related to clients' interests. This fair use factor weighs strongly in favor of broadcast monitors.

4. THE PURPOSE AND CHARACTER OF THE USE

Perhaps the strongest argument in favor of finding monitoring services to be fair uses is that the end uses to which clips are put fall squarely within the core of the doctrine: compilations are used for comment, research, criticism, and education. As described above, many customers of broadcast monitors use clips to follow coverage about their activities, to make sure that the media fairly represents them and their views to the public. The legislative history of the Copyright Act states that:

[w]hen a copyrighted work contains unfair, inaccurate or derogatory information concerning an individual or institution, the individual or institution may copy and reproduce such parts of the work as are necessary to permit understandable comment in the statements made in the work.—(H.R. Rep. No. 1476, 94th Cong., 2d Sess., at 73 (1976).)

Broadcast monitors enable clients nationwide to perform precisely this monitoring or checking functions. On their clients' behalf, and at their specific request, monitors simply copy, compile, and log when they are themselves unable to view all possible programs of interest or relevance.

That broadcast monitors charge a few for their services does not mean that their monitor activities are not a fair use. The commercial nature of a use is only one aspect to be considered in analyzing the purpose and character of the use. In fact, many fair uses of copyrighted material involve commercial purposes, such as parody, satire, literary or artistic criticism, and biography.

The House report accompanying the Copyright Act stated that the lan-

guage in section 107 referring to the purpose and character of the use of copyrighted material—

is not intended to be interpreted as any sort of not-for-profit limitation on educational uses of copyrighted works. It is an express recognition that, as under present law, the commercial or non-profit character of an activity, while not conclusive with respect to fair use, can and should be weighed along with other factors . . .—H.R. Rept. No. 1476, 94th Cong., 2d Sess., at 66 (1976).

Broadcast news monitors could not provide their services on a non-profit basis. They, like many other users of copyrighted material, must charge their clients. In the case of monitors, the fee that they charge is set at a level that demonstrates that clients are willing to—and do—pay for a service package that offers much more than the mere reproduction of a broadcast program.

In summary, a proper application of the four factors of section 107 demonstrates that broadcast monitoring services are precisely the type of activity Congress wanted to protect by codifying the fair use doctrine.

News monitoring services do not have any negative effect on the actual or potential market for or value of new programming;

News is of significant public interest and monitoring enables clients to review and analyze otherwise ephemeral news programming;

Monitoring services use only insubstantial portions of news programs; and

The ultimate uses of compilations of clips are educational and for comment, analysis and research.

Broadcast monitors play an integral role in the broad dissemination of news and other public affairs programs. Recognizing this fact, most broadcasters have excellent working relations with the monitors that serve their communities. Indeed, many refer viewer requests for clips of recent broadcasts to monitors. In this way broadcasters and broadcast monitors together ensure that the demand for both immediate news by local audiences and for retreival of footage by a national audience is wholly satisfied.

LITIGATION AGAINST MONITORS

This system for meeting society's need for access to information is now under attack. Some broadcasters are bringing—and winning—lawsuits for copyright infringement against news monitors. In recent years, suits have been filed in Atlanta, Los Angeles, Houston, Minneapolis, Denver, and other cities. Many of these cases have been settled; some have been lost by monitor; others are on appeal. A great many more broadcasters, spurred only by the success of this increasing flood of litigation, have sent cease and desist letters, demanding that monitors refrain from taping their programs.

Broadcast monitors, facing these threats, are forced to choose between abandoning their businesses and time-consuming, expensive litigation. They believe that they are acting lawfully and that monitoring, when properly understood, is a fair use of copyrighted material and not copyright infringement. Nevertheless, many monitors believe that actual or threatened litigation may compel them to leave the business.

Why are a few broadcasters meeting with such success in using lawsuits or threatening letters to drive broadcast monitors out of business? To date, and in the cases that have been decided, courts have misapplied the fair use doctrine to conclude that monitoring is copyright infringement. Instead of properly balancing the public benefits from and economic impact of monitoring against the broadcasters' incentives to create, courts have focused largely on the fact that monitoring is a commercial activity. They have either ignored or wrongly applied the other fair use factors.

In one of the earlier cases involving broadcast news monitors, for example, one appellate court leaned heavily on the fact that merely because a news monitor was a commercial business, it infringed on a potential—the broadcast monitoring—market for broadcasters. (*Pacific & Southern Co.* v. *Duncan*, 572 F. Supp. 1186 (N.D. Ga. 1983), aff'd and rev'd in part, 744 (1985).) The flaw in this reasoning in that it fails to understand the respective markets and functions of broadcasters and monitors. As noted, broadcast monitors and broadcasters perform entirely different services. One produces and airs news for immediate consumption, the other monitors, excerpts, compiles and sends news programs to local or distant locations for later viewing by individuals or institutions who have a clear, legitimate interest to themselves record these same broadcasts. There is no actual or potential competition between the two.

The Supreme Court has correctly interpreted the fair use doctrine to mean that courts should not "inhibit access to ideas without any countervailing benefit. (*Sony*, 464 U.S. at 450–51.) Because monitoring has no real or potential economic impact on broadcasters, lower courts are just plain wrong: Monitors do not diminish the incentive to produce news or other programs. There is no counter vailing benefit, economic or otherwise, from courts acting to suppress access to news.

This appellate decision and other regrettably like-minded courts have defied congressional intent regarding the proper application of the fair use doctrine. At least two other courts around the country have adopted both the factual and legal conclusions of this earlier decision. They have refused to follow Congress' instructions—to apply the doctrine on a case-by-case basis. Courts have ignored, for example, that many owners of copyrights in monitored programs—such as commercial advertisements or video news releases—are not the broadcasters, and that these copyright owners freely consent to monitoring. Yet, monitoring of even these programs is threatened or subject to injunction.

By sharply restricting the proper scope of the fair use doctrine, courts have curtailed the activities of broadcast monitors. The unfortunate result is that the public's first amendment right to access to news programs is now being severely eroded.

Congress should act to correct the judicial imbalance that has been created by courts that have tilted the copyright law against the public's right to have access to broadcast information. It should enact legislation, of the type I am introducing today, so that services that provide clips, or compilations of clips, for the internal use of third parties, are engaged in an activity protected by the fair use doctrine. At this point, a legislative solution is required to restore the balance of rights between producers of news programs and the public.

Mr. President, I would again like to emphasize that I do not view this proposed legislation as final legislative language. I introduce this bill to generate discussion and to induce experts and effected parties to make their views known. Hopefully, hearings can be held early next year which can perfect the bill introduced today, that we may resolve the conflicts unaddressed by current law.

Mr. President, I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3229

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 107 of title 17, United States Code, is amended by inserting "or monitoring news reporting programming" after "news reporting".

By Mr. PELL:

S. 3230. A bill to amend the Immigration and Nationality Act to provide for the deportation of aliens who are convicted of felony drunk driving; to the Committee on the Judiciary.

DEPORTATION OF ALIENS CONVICTED OF FELONY DRUNK DRIVING

Mr. PELL. Mr. President, today I am introducing legislation that would allow for the deportation of non-U.S. residents convicted of felony drunk driving. Specifically, my bill would allow for deportation of a non-U.S. resident convicted of operating a motor vehicle while under the influ-

ence of alcohol or illegal drugs, arising in connection with a fatal crash or a crash in which serious bodily injury has been inflicted upon an innocent party.

Under current law, an alien residing in this country can be deported if he or she commits a crime involving "moral turpitude." Court decisions over the years have established that crimes such a murder, rape, assault, robbery, and drug prossession are crimes that demonstrate moral turpitude and are grounds for deportation.

However, a non-U.S. resident who gets behind the wheel of a motor vehicle after abusing alcohol or drugs and kills or injures an innocent victim, cannot be deported. Under current law, getting drunk and then killing someone with your car is not considered a sufficient enough demonstration of moral turpitude to warrant deportation.

Mr. President, drunk driving is not a simple traffic offense and should not be treated that way. Since the early 1980's, when I introduced the first in a series of laws forcing a crackdown on drunk drivers, there has been a wholesale change in the way society views drunk driving. I believe it is also time for our deportation laws to reflect this fundamental change. An assault or murder committed by a drunk driver should be considered as grounds for deportation.

I realize that this legislation may seem draconian to some. Our country has always opened its arms to all people and it is a very serious step to deport someone from our shores. That is why my bill follows current deportation law and gives a presiding judge in a felony case involving an alien the power to recommend against deportation. My bill also specifically states that an alien cannot be deported if this action would subject the alien to persecution on account of race, religion, or political opinion. I believe these safeguards will adequately protect aliens from the misuse of this proposed law.

In 1980, over half of all traffic fatalities in this country were alcohol-related. In 1987—the last year statistics were available—this figure showed some decrease. The number of drunk driving fatalities is still much too high and it is up to Congress to look for new ways to deter drunk drivers. My bill will make a small contribution to accomplishing this goal because it will force a very specific group of drivers to think twice before drinking and driving. I plan to continue my work on this issue so that some day all drivers will think twice before drinking and driving.

Mr. President, the idea for this legislation was suggested to me by a group of people that has had more to do with curbing drunk driving than all the Senators and Cogressmen on Capitol Hill. Mothers Against Drunk Driving [MADD] is marking its 10th anniversary this year and it is staggering to think of all that this group has accomplished in the last 10 years. Quite simply, in one short decade, MADD has changed the way we think about drunk driving and managed to save thousands of lives in the process.

It was MADD that told me about a recent drunk driving case in Florida, convincing me there was a need for my bill. The case involved a man who was living in Florida as an alien. He was convicted of drunk driving after causing an accident in which a 73-year-old woman received serious stomach wounds, a crushed pelvis, a punctured lung, and broken ribs. This was the third drunk driving conviction for this man. I share MADD's view that someone like this should be deported.

Unfortunately, the law does not allow us to deport a driver who kills or injures someone. My bill would change that and I owe the dedicated people of MADD my thanks for opening my eyes to this unjustifiable legal loophole.

Mr. President, I ask unaminous consent that the text of this bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3230

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) Section 241(a) of the Immigration and Nationally Act (8 U.S.C. 1251(a)) is amended—

(1) by striking out "or" at the end of paragraph (19);

(2) by striking out the period at the end of paragraph (20) and inserting in lieu thereof "; or"; and

(3) by adding at the end thereof the following new paragraph:

"(21) has been convicted of operating a motor vehicle while under the influence of, or impaired by, alcohol or a controlled substance arising in connection with a fatal traffic accident or traffic accident resulting in serious bodily injury to an innocent party.".

(b) Section 241 of that Act is amended by adding at the end thereof the following:

"(h) Subsection (a)(21) shall not apply to any alien described in section 243(h).".

By Mr. BOND (for himself and Mr. DANFORTH):

S. 3231. A bill to provide for the acquisition of certain lands within the Mark Twain National Forest, and for other purposes; to the Committee on Energy and Natural Resources.

GREER SPRING ACQUISITION AND PROTECTION ACT

● Mr. BOND. Mr. President, on behalf of Senator DANFORTH and myself, I am introducing legislation today which is very important to the environmental heritage of our State. It would authorize the U.S. Forest Service to negotiate with the current owner for the purchase of the property known as Greer Spring, located in Oregon County, MO.

There are several compelling reasons for this legislation, Mr. President. First, it would waive the legal acreage requirements of Wild and Scenic Rivers Act which limits the amount of land the Forest Service may own along a designated wild and scenic river. The 2,500 acres in the immediate vicinity of the Spring, which is the core area in need of protection, is a few acres over the limit. The Forest Service cannot even begin negotiating with the current owner of the property until the limitation is waived. The balance of the property, 4,500 acres, would be managed under established Forest Service practices.

Second, Greer Spring is the last remaining privately-owned property within the boundary of the Eleven Point wild and scenic riverway. The Eleven Point was one of the original eight rivers designated for protection by the Wild and Scenic Rivers Act of 1968. Since then, the U.S. Forest Service has been able to acquire all the property within the 44-mile river corridor, with the exception of Greer Spring. As a result, inclusion of this property within the protected area is considered a very high priority by the Forest Service.

Third, Greer Spring is one of the most beautiful and pristine areas of Missouri, Mr. President. It is the second largest spring in the State, generating an average flow of over 200 million gallons a day and providing almost 50 percent of the water which runs through the Eleven Point River. It is one of the most popular recreation areas along the river, utilized by thousands of Missourians every year for boating, camping and hiking. It is a unique and special natural resource which should be preserved in its current state.

Finally, most of the funds needed for the purchase of the property have already been appropriated. The U.S. Forest Service cost estimate of the property is $4.6 million. Two years ago, Senator DANFORTH, myself and Congressmen EMERSON and VOLKMER obtained $2 million in appropriations for the purchase of the property. This is in addition to an earlier appropriation of $1.6 million for Greer Spring. Thus, only $1 million is needed and the funds may be available from private sources.

I know that there are some who believe that this legislation does not go far enough because it does not designate the entire 6,900 acres as part of the Eleven Point wild and scenic river corridor. They believe that Congress is a better land manager than the Forest Service and that I should make the decisions which the agency is empowered and trained to make. I do not share that view. I don't think that Congress

is very good at micromanaging—no matter what it is! I believe that our legislation strikes the right balance in this difficult equation. It provides complete protection for the most sensitive area of Greer Spring while taking into account the needs of the surrounding communities by allowing limited access to the balance of the property. And, it is important to remember that if the current landowner does not want to sell the Greer Spring property to the Forest Service, he does not have to. The final decision is completely up to him—he can keep it or sell it.

In summary, Mr. President, I think this is a balanced solution to a difficult problem and I urge our colleagues' support for it. ●

ADDITIONAL COSPONSORS

S. 1675

At the request of Mr. KENNEDY, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1675, a bill to provide financial assistance for teacher recruitment and training, and for other purposes.

S. 1815

At the request of Mr. BOSCHWITZ, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 1815, a bill to amend the Internal Revenue Code of 1986 to exclude the imposition of employer social security taxes on cash tips.

S. 1942

At the request of Mr. ROCKEFELLER, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1942, a bill to provide for home and community care as optional State-wide service, and for other purposes.

S. 2591

At the request of Mr. BAUCUS, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 2591, a bill to amend title XVIII of the Social Security Act to provide relief from certain regulations relating to physicians' services.

S. 2936

At the request of Mr. EXON, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 2936, a bill to amend the Hazardous Materials Transportation Act to authorize appropriations for fiscal years 1990, 1991, and 1992, and for other purposes.

S. 3002

At the request of Mr. MOYNIHAN, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 3002, a bill to amend title XIX of the Social Security Act to permit coverage of residential drug treatment for pregnant women and certain family members under the medicaid program, and for other purposes.

SENATE JOINT RESOLUTION 183

At the request of Mr. PRESSLER, his name was added as a cosponsor of Senate Joint Resolution 183, a joint resolution proposing an amendment to the Constitution relating to a Federal balanced budget.

SENATE JOINT RESOLUTION 350

At the request of Mr. BYRD, the names of the Senator from Alaska [Mr. MURKOWSKI] and the Senator from Pennsylvania [Mr. SPECTER] were added as cosponsors of Senate Joint Resolution 350, a joint resolution to designate October 18, 1990, as "National Hardwood Day".

SENATE JOINT RESOLUTION 375

At the request of Mr. BOSCHWITZ, the names of the Senator from New Mexico [Mr. DOMENICI], the Senator from North Dakota [Mr. CONRAD], the Senator from Rhode Island [Mr. PELL], the Senator from Maryland [Ms. MIKULSKI], the Senator from Georgia [Mr. NUNN], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 375, a joint resolution to designate October 30, 1990, as "Refugee Day".

SENATE JOINT RESOLUTION 381

At the request of Mr. BURNS, the names of the Senator from Mississippi [Mr. COCHRAN] and the Senator from South Carolina [Mr. THURMOND] were added as cosponsors of Senate Joint Resolution 381, a joint resolution to designate November 2, 1990, as a national day of prayer for members of American military forces and American citizens stationed or held hostage in the Middle East, and for their families.

SENATE JOINT RESOLUTION 383

At the request of Mr. HEINZ, the names of the Senator from Nebraska [EXON], the Senator from Washington [Mr. ADAMS], the Senator from Washington [Mr. GORTON], the Senator from South Carolina [Mr. THURMOND], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Nevada [Mr. BRYAN], the Senator from Nevada [Mr. REID], the Senator from Idaho [Mr. SYMMS], the Senator from Idaho [Mr. MCCLURE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Wyoming [Mr. SIMPSON], the Senator from New York [Mr. MOYNIHAN], the Senator from New York [Mr. D'AMATO], the Senator from Indiana [Mr. COATS], the Senator from Montana [Mr. BURNS], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Minnesota [Mr. DURENBERGER], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Wisconsin [Mr. KASTEN], the Senator from Kansas [Mr. DOLE], the Senator from California [Mr. WILSON], the Senator from Iowa [Mr. GRASSLEY], the Senator from Iowa [Mr. HARKIN], the Senator from Alaska [Mr. STEVENS], the Senator from Vermont [Mr. JEFFORDS], the Senator from Oregon [Mr. PACKWOOD], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Utah [Mr. HATCH], the Senator from Missouri [Mr. BOND], the Senator from Tennessee [Mr. GORE], the Senator from Tennessee [Mr. SASSER], the Senator from Hawaii [Mr. INOUYE], the Senator from Hawaii [Mr. AKAKA], the Senator from Arizona [Mr. DECONCINI], the Senator from Maine [Mr. COHEN], the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Connecticut [Mr. DODD], the Senator from Alabama [Mr. SHELBY], the Senator from Alabama [Mr. HEFLIN], the Senator from Ohio [Mr. METZENBAUM], the Senator from Georgia [Mr. NUNN], the Senator from Georgia [Mr. FOWLER], the Senator from New Jersey [Mr. BRADLEY], the Senator from Michigan [Mr. LEVIN], the Senator from Michigan [Mr. RIEGLE], the Senator from Massachusetts [Mr. KERRY], the Senator from North Carolina [Mr. SANFORD], the Senator from Louisiana [Mr. JOHNSTON], the Senator from Illinois [Mr. DIXON], the Senator from Maryland [Ms. MIKULSKI], the Senator from North Dakota [Mr. BURDICK], and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of Senate Joint Resolution 383, a joint resolution to designate November 16, 1990, as "National Federation of the Blind Day."

SENATE CONCURRENT RESOLUTION 153

At the request of Mr. INOUYE, the names of the Senator from North Dakota [Mr. CONRAD], the Senator from California [Mr. CRANSTON], the Senator from Hawaii [Mr. AKAKA], the Senator from Washington [Mr. ADAMS], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Concurrent Resolution 153, a concurrent resolution to acknowledge the 100th anniversary of the tragedy at Wounded Knee Creek, State of South Dakota, December 29, 1890, wherein soldiers of the United States Army 7th Cavalry killed and wounded approximately 350–375 Indian men, women and children of Chief Big Foot's band of the Minneconjou Sioux, and to recognize the Year of Reconciliation declared by the State of South Dakota between the citizens of the State and the member bands of the Great Sioux Nation.

SENATE RESOLUTION 338

At the request of Mr. SASSER, the name of the Senator from Colorado [Mr. WIRTH] was added as a cosponsor of Senate Resolution 338, a resolution expressing the sense of the Senate that the Department of Commerce should utilize the statistical correction methodology to achieve a fair and accurate 1990 Census.

SENATE RESOLUTION 341—AUTHORIZING REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. GLENN (for Mr. MITCHELL, for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 341

Whereas, in the case of *Springfield Terminal Railway Co.* v. *United Transportation Union*, No. 88-0117 P, pending in the United States District Court for the District of Maine, counsel for the plaintiff has served deposition subpoenas for testimony and the production of documents on the Office of Senator William S. Cohen and Dale Gerry, an employee on the staff of Senator Cohen;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1988), the Senate may direct its counsel to defend employees of the Senate with respect to subpoenas directed to them in their official capacity;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to represent Dale Gerry and the Office of Senator William S. Cohen in connection with subpoenas served in *Springfield Terminal Railway Co.* v. *United Transportation Union.*

SEC. 2. That Dale Gerry is authorized, consistent with any order of the Court, to testify and to produce records relevant to the case of *Springfield Terminal Railway Co.* v. *United Transportation Union*, except concerning matters for which a privilege should be asserted.

AMENDMENTS SUBMITTED

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1991

STEVENS AMENDMENT NO. 3089

Mr. KASTEN (for Mr. STEVENS) proposed an amendment to the bill (H.R. 5114) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1991, and for other purposes, as follows:

At the appropriate place in the bill, insert the following:

SEC. . BENEFITS FOR UNITED STATES HOSTAGES IN IRAQ AND KUWAIT.

(a) ELIGIBILITY.—United States hostages in Iraq and Kuwait shall be entitled to the benefits described in this section. Except as otherwise provided in this section or other provision of law, no such individual or any family member shall receive any benefit under the provisions of title 5, United States Code.

(b) PAYMENTS FOR DURATION OF HOSTAGE STATUS, LIFE INSURANCE, AND HEALTH INSURANCE.—(1) Not later than 30 days after the date of enactment of this Act, the Office of Personnel Management, after consultation with the Department of State, shall prescribe regulations, consistent with this section, for the application of the provisions of chapter 87 (relating to life insurance) and chapter 89 (relating to health insurance) of title 5, United States Code, to the United States hostages in Iraq or Kuwait and their family members for the period that such hostages remain in hostage status.

(2) United States hostages in Iraq or Kuwait shall be paid at the rate of pay for a position at GS-9 of the General Schedule for the period in which such hostages remained in a hostage status without the hostages (or their family members on their behalf) receiving salaries or wages from their employers.

(3) During the period of an individual's hostage status and during the 12-month period after the hostage status of that individual ceases, such individual and his family members shall be entitled to health benefits covered by paragraph (1) if such benefits were not provided by any other insurance coverage.

(4) During the period of an individual's hostage status and during the 12-month period after the hostage status of that individual ceases, that individual shall be entitled to life insurance benefits covered by paragraph (1) if such benefits were not provided by any other insurance coverage.

(c) ADMINISTRATION OF AUTHORITIES.—(1) For purposes of this section, the Secretary of State shall certify to such officer of the United States as may require such information the names of the United States hostages in Iraq and Kuwait and their family members.

(2) For purposes of the protection of the identity of any individual, the Secretary of State may submit any certification under this subsection in classified form.

(3) The Secretary of State may require of any individual such verification of hostage status as he may deem necessary.

(d) DEFINITIONS.—For purposes of this section—

(1) the term "hostage status" means the status of being held in custody by governmental or military authorities of a country or taking refuge within that country in fear of being taken into such custody (including residing in any diplomatic mission or consular post in that country);

(2) the term "family members" means sources, dependents, and any individuals who are members of such hostages' households;

(3) the term "United States economic sanctions against Iraq" means the exercise of authorities under the International Emergency Economic Powers Act by the President with respect to financial transactions with Iraq;

(4) the term "United States hostages in Iraq and Kuwait" means United States nationals, or family members of United States nationals, who are in a hostage status in Iraq or Kuwait during the period beginning on August 2, 1990, and terminating on the date on which United States economic sanctions against Iraq are lifted; and

(5) the term "United States national" means any individual who is a citizen of the United States or who, though not a citizen of the United States, owes permanent allegiance to the United States.

(e) ALLOCATION OF FUNDS.—Of the funds appropriated by this Act under the heading "Economic Support", $10,000,000 shall be available to carry out this section.

LEAHY AMENDMENT NO. 3090

Mr. LEAHY proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 33, line 20, strike *"Provided"* and all that follows through "1961" and insert in lieu thereof the following: *"Provided further*, That of the funds appropriated under this heading up to $125,000,000 may be used, subject to the regular notification procedures of the Committees on Appropriations, to provide economic, administration of justice, military and law enforcement assistance for the countries in the Andean region notwithstanding sections 531(e) and 660 of the Foreign Assistance Act of 1961: *Provided further*, That any funds made available under the authority of the previous proviso which are used for military and law enforcement assistance shall be considered Foreign Military Financing Program funds for purposes of the limitation on the use of such funds contained in section 559(a)(4) of this Act".

BYRD (AND OTHERS) AMENDMENT NO. 3091

Mr. BYRD (for himself, Mr. DOLE, Mr. BOREN, Mr. BENTSEN, Mr. KASTEN, and Mr. BURNS) proposed an amendment to the bill H.R. 5114, supra, as follows:

On page 34, strike out all on lines 17-20 and insert in lieu thereof, the following: "$300,000,000 of the funds appropriated under this heading may be made available to finance tied aid credits, unless the President determines it is in the national interest to provide in excess of $300,000,000 and so notifies the Committees on".

KASTEN (AND INOUYE) AMENDMENT NO. 3092

Mr. KASTEN (for himself, Mr. INOUYE, Mr. CRANSTON, and Mr. PACKWOOD) proposed an amendment to the bill H.R. 5114, supra; as follows:

At appropriate place add new section:

SEC. . (a) As a result of circumstances arising from the recent invasion by Iraq of Kuwait, Israel faces a heightened threat to its national security. In order to assist Israel in meeting this threat, the President may direct for the purposes of Part II of the Foreign Assistance Act of 1961, the drawdown, for Israel, of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value of not less than $700,000,000 within nine months from the date of enactment of this Act.

(b) To the maximum extent feasible, drawdowns under subsection (a) shall be made from units withdrawn or to be withdrawn from Europe.

(c) In the event the President determines that the timing of the drawdown under subsection (a) would have an adverse impact on the readiness of the Armed Forces of the United States, the President may have such additional time as he deems appropriate to

comply with the requirements of subsection (a). The President shall notify the Committees on Appropriations of any determination under this subsection, including an estimate as to when the total amount of the drawdown under subsection (a) will be completed.

(d) The President shall, within six months of the last drawdown under subsection (a), submit a report to the Committees on Appropriations which identifies the articles, services, and training drawn down under this section.

(e) Section 506(c) of the Foreign Assistance Act of 1961 (regarding the reimbursement of accounts) shall be applicable to the drawdown authority contained in this section.

(f) Section 632(d) of the Foreign Assistance Act of 1961 shall not apply with respect to drawdowns under this section.

HELMS AMENDMENT NO. 3093

Mr. HELMS proposed an amendment to the bill H.R. 5114, supra, as follows:

At the end of the pending amendment, add the following:

"SEC. . All amounts appropriated under this Act are reduced by up to 29.7 percent; provided that it is the intent of the Senate that such savings shall be used only for the purpose of preventing the authorization or requirement of any increase in the gasoline tax for fiscal year 1991."

RECLAMATION PROJECTS AUTHORIZATION AND ADJUSTMENT ACT

HEINZ (AND KOHL) AMENDMENT NO. 3094

(Ordered to lie on the table.)

Mr. HEINZ (for himself and Mr. KOHL) submitted an amendment intended to be proposed by them to the bill (H.R. 2567) entitled Reclamation Projects Authorization and Adjustment Act of 1990; as follows:

At the appropriate place, insert the following new section:

SEC. . MODIFICATION OF WATER CONTRACT RENEWAL CONDITIONS.

Section 1(1) of Public Law 84-643 (43 U.S.C. 485h-l(1)) is amended by deleting "include in any long-term contract hereafter entered into under said subsection (e) provision, if the other contracting party so requests, for renewal thereof" and inserting in lieu thereof: "if in any long-term contract entered into hereafter under subsection (e) provision is made for renewal thereof, require that such renewal be made".

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1991

BREAUX AMENDMENT NO. 3095

Mr. LEAHY (for Mr. BREAUX) proposed an amendment to the bill H.R. 5114, supra; as follows:

At the appropriate place in Title V, insert the following:

"SEC. . Section 38(a)(1) of the Arms Export Control Act is amended by inserting after the second sentence the following new sentence: "Such regulations shall not include provisions for recoupment of research and development costs on night vision equipment contracts of $10,000,000 or less."

BURDICK AMENDMENT NO. 3096

Mr. LEAHY (for Mr. BURDICK) proposed an amendment to the bill H.R. 5114, supra; as follows:

At the appropriate place in the bill, insert:

Funds appropriated in the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1991 for title III of the Agricultural Trade Development and Assistance Act of 1954 shall be made available for the donation of commodities as authorized by law.

CONRAD (AND BAUCUS) AMENDMENT NO. 3097

Mr. LEAHY (for Mr. CONRAD, for himself and Mr. Baucus) proposed an amendment to the bill H.R. 5114, supra; as follows:

On page 183, between lines 17 and 18, insert the following:

SEC. 599F. (a) Subject to subsection (b) and notwithstanding any other provision of law, the President is authorized to extend financing for the export credit guarantee program (GSM-102) & GSM1B established under section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) to the Soviet Union.

(b) The authority of subsection (a) shall apply only for such period as the Government of the Soviet Union adheres to its obligations under long-term/agreements for the purchase of United States agricultural commodities, or for a period of one year, whichever period expires first.

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1991

BURDICK AMENDMENT NO. 3098

Mr. BURDICK proposed an amendment to the bill (H.R. 5769) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1991, and for other purposes, as follows:

On page 12 of the bill, line 14, strike "$11,000,000", and insert therein "$12,000,000".

BYRD AMENDMENT NO. 3099

Mr. BYRD proposed an amendment to the bill H.R. 5769, supra, as follows:

On page 9, line 25, restore the roman number "$6,671,000" and delete the italic number "$9,713,00".

On page 10, line 2, linetype roman number "$8,813,000" and insert immediately thereafter "$9,713,000" in italic.

On page 10, line 25, extend linetype over the ",".

On page 11, line 9, delete italic text beginning with ": Provided, That notwithstanding any other . . ." down through "48 CFR 52.232.18" on page 11, line 16.

On page 14, lines 12-14, transfer language in italic to page 24, line 3, before the heading.

On page 18, line 5, before the period insert the following: ", such grants funds to be made available on an as needed basis".

On page 24, line 16, linetype roman number "$64,299,000" and insert immediately thereafter "$66,109,000" in italic.

On page 27, line 18, remove linetype over the ".".

On page 36, line 4, correct the House linetyped number to read "$1,329,259,000".

On page 36, line 5, correct the House linetyped number to read "$210,000,000".

On page 38, line 24, remove the linetype and restore the roman type beginning with the ":" down through "1991" on page 39, line 1.

On page 48, line 24, after the word "available" insert the following in italic text: "under this authority until funds specifically made available".

On page 54, line 13, remove the linetype and retype text in italic beginning with "Sec. 110." down through "(1859)." on page 55, line 6 and on page 55, line 2, delete the word "of".

On page 56, line 18, extend linetype to include the ",".

On page 56, line 19, extend linetype to include the ",".

On page 67, line 17, beginning with the ":" change the italic text to roman down through the "." on page 67, line 21.

On page 80, line 8, linetype the roman number "1,250,000" and insert immediately thereafter "1,300,000" in italic.

On page 80, line 16, linetype the roman number "$16,900,000" and insert immediately thereafter "$24,600,000" in italic.

On page 81, line 1, after "fuels" insert a roman ":".

On page 81, line 23, linetype the ":".

On page 82, line 6, remove the linetype from "),".

On page 85, line 8, correct the spelling of the word "contract".

On page 88, line 4, extend the linetype through the word "of".

On page 96, line 14, linetype the "," before the word "including".

On page 96, line 23, after the word "expended" change the "," from roman to italic.

On page 104, line 10, change the italic":" to roman.

On page 155, line 24, replace the "." with an italic ",".

MOYNIHAN (AND D'AMATO) AMENDMENT NO. 3100

Mr. MOYNIHAN. (for himself and Mr. D'AMATO) proposed an amendment to the bill H.R. 5769, supra, as follows:

On page 41, line 13, before the period insert "*Provided further*, That $35,000,000 shall be made available on October 1, 1991, subject to enactment of H.R. 5367 as passed the House of Representatives on October 10, 1990 and as passed the Senate on October 16, 1990".

DOMENICI (AND BINGAMAN) AMENDMENT NO. 3101

Mr. MCCLURE (for Mr. DOMENICI, for himself and Mr. BINGAMAN) pro-

posed an amendment to the bill H.R. 5769, supra; as follows:

On page 39, line 21, strike all after the word "further," through the word "Reclamation:" on page 39, line 23, and insert the following: "That not to exceed $17,350,000 shall be available for the construction of the Navajo Indian Irrigation Project and may be transferred to the Bureau of Reclamation: *Provided further*, That $550,000 shall be available for activities associated with the cleaning and repair of canals and siphons developed by the Hogback Irrigation Project".

BURNS (AND BAUCUS) AMENDMENT NO. 3102

Mr. BURNS (for himself and Mr. BAUCUS) proposed an amendment to the bill H.R. 5768, supra; as follows:

At the appropriate place insert the following section:

SECTION 1. FINDINGS.

Congress finds that—

(1) Yellowstone National Park has no effective means to keep free roaming elk and bison from crossing into private land in Montana, Wyoming, and Idaho in search of food and shelter, which is a de facto expansion of the Federal holdings;

(2) 50 percent of the Yellowstone bison harvested outside Yellowstone National Park in the winter of 1989 were tested positive for the brucellosis organism;

(3) Yellowstone National Park officials believe that attempts to control brucellosis in elk and bison herds would violate the responsibilities to preserve and protect natural processes;

(4) Yellowstone National Park officials have determined that the National Park Service has no legal jurisdiction over, or liability for, animals that are outside the boundaries of Yellowstone National Park;

(5) brucellosis is a very infectious disease that causes cows to abort calves;

(6) Montana, Wyoming, Idaho, and North Dakota (except for areas within Yellowstone National Park) are brucellosis-free States with cattle industries that represent millions of dollars to their economies; and

(7) Montana, Wyoming, Idaho, and North Dakota must continue to test cattle for brucellosis contamination and to destroy animals infected with brucellosis in order to ensure that herds are kept disease free.

SEC. 2. REIMBURSEMENT FOR COSTS.

(a) IN GENERAL.—The Secretary of the Interior shall reimburse the cattle owners of Montana, Wyoming, North Dakota, and Idaho and the governments of those States for the costs of testing cattle for burcellosis if there is a demonstrated risk of such cattle becoming infected with brucellosis due to exposure to national park herds; provided that such reimbursement is limited to the amounts authorized in Sec. 3.

(b) VALIDITY OF CLAIMS.—A claimant of reimbursement under subsection (a) shall prove the validity of such claim by presenting bills or other explanations of expenses to the Secretary of the Interior.

SEC. 3. AUTHORIZATION.

There are authorized to be appropriated to carry out this Act $50,000 for fiscal year 1990, $50,000 for fiscal year 1991, and $50,000 for fiscal year 1992, within the funds appropriated for the operation of the National Park System.

REID (AND BRYAN) AMENDMENT NO. 3103

Mr. REID (for himself and Mr. BRYAN) proposed an amendment to the bill H.R. 5769, supra, as follows:

At the appropriate place, insert the following: "Those public lands, more particularly described as the E½ NW¼ section 9, T13N, R70E, M.D.M. are hereby established as an administrative site under the jurisdiction of the National Park Service for the purposes of Great Basin National Park. The General Services Administration is hereby authorized to transfer to the National Park Service any excess lands and improvements under its jurisdiction within the aforesaid lands on a nonreimbursable basis."

DOLE AMENDMENT NO. 3104

Mr. McCLURE (for Mr. DOLE) proposed an amendment to the bill H.R. 5769, supra, as follows:

On page 24, line 15, delete "$569,912,000" and insert "$567,412,000".

On page 12, line 10 delete "$99,160,000" and insert $101,660,000".

On line 11 insert before the ".", ", *Provided*, That of the funds provided under this head, $2,500,000 shall be available to purchase land for the Marais des Cygnes Wildlife Refuge in Linn County, Kansas".

STEVENS AMENDMENT NO. 3105

Mr. STEVENS proposed an amendment to the bill H.R. 5769, supra, as follows:

SEC. . STATUTE OF LIMITATIONS

(a) Holders of mining claims subject to the injunction issued in *Northern Alaska Environmental Center v. Hodel*, Civil Case J-85-009, U.S. District Court, (District of Alaska) may file an action for inverse condemnation against the United States at least until December 31, 1999.

SEC. . APPRAISAL PROCEDURE—

(a) Holders of unpatented mining claims subject to the injunction issued in *Northern Alaska Environmental Center v. Hodel*, Civil Case J-85-009, U.S. District Court, (District of Alaska) may apply to the Department of the Interior for a validity determination. The validity determination shall be conducted by the National Park Service or the Bureau of Land Management, as determined by the Secretary, within two years of application, subject to the availability of appropriated funds. Upon completion of the validity determination, copies of the written report shall be provided to the claimant.

(b) Upon receipt by the National Park Service of (1) a finding of validity pursuant to subsection (a), or evidence of a valid patent, and (2) an offer of sale of said mining claims, the National Park Service shall commence the appraisal process pursuant to subsection (c).

(c) Upon fulfillment of the requirements of subsection (b), a panel of three persons shall be selected pursuant to the procedures of the American Arbitration Association. The panel shall consist of an attorney familiar with mining law, a registered professional mining engineer/geologist familiar with mineral appraisal and methods of production for the type of claim in question, and in the case of patented mining claims, an appraiser qualified to perform surface estate appraisals. The appraisal shall be completed within one year of the date the appraisers are selected. Nothing in this subsection shall require the conduct of a new appraisal for lands or claims for which a valid current government appraisal already exists.

(d) Within six months of completion of the appraisal process for a mining claim under subsection (c), the National Park Service shall, subject to the availability of appropriated funds, or as soon thereafter as funds become available, make an offer to the claimant to purchase said claim for the appraised value. The claimant shall have six months to accept or reject the offer.

BOSCHWITZ (AND OTHERS) AMENDMENT NO. 3106

Mr. McCLURE (for Mr. BOSCHWITZ, for himself, Mr. DURENBERGER, Mr. KOHL, and Mr. KASTEN) proposed an amendment to the bill H.R. 5769, supra, as follows:

On page 24, line 15, after "$569,912,000," insert "of which $1,000,000 shall be available only to the Geological Survey to conduct, in consultation with the United States Fish and Wildlife Service, Environmental Protection Agency, Army Corps of Engineers, and appropriate States, a study of the water quality of the Mississippi River, and to remain available until expended; and".

HUMPHREY AMENDMENT NO. 3107

Mr. McCLURE (for Mr. HUMPHREY) proposed an amendment to the bill H.R. 5769, supra, as follows:

At the appropriate place in the bill insert the following:

SEC. . REPORTING OF ATTENDANCE AT POLITICAL DEMONSTRATOINS.

(a) FINDINGS.—The Congress finds that—

(1) the estimate of attendance at a mass political demonstration is sometimes interpreted as an indication of the depth and intensity of public support for the viewpoint espoused at the demonstration and therefore,

(2) the attendance estimates at all such mass political demonstrations should be calculated by an impartial organization using the same standard, scientific, accurate method.

(b) ESTIMATES BY THE NATIONAL PARK SERVICE.—(1) The National Park Service shall prepare and make public an estimate of the number of people who attend a mass political demonstration in the area known as the Mall or elsewhere in the District of Columbia.

(2) Each estimate made pursuant to paragraph (1) shall be made using a method that—

(A) is published in the Federal Register;

(B) is consistent from one demonstration to another;

(C) makes use of both black and white and color aerial photographs taken both 1 hour before and 1 hour after the time that the greatest attendance is anticipated;

(D) uses the aerial photographs to construct grid maps;

(E) assigns to each square on a grid map a crowd density figure that most accurately approximates the density of demonstrators occupying the area represented by the square;

(F) provides documentation to support an estimate of attendance, including photographs and videos, grid maps, crowd density figures, square footage occupied by the demonstrators, and calculatons; and

(G) states its expected degree of accuracy.

(3) The National Park Service shall not release or report any preliminary or unofficial attendance estimates before its official estimate can be calculated in compliance with the method described in paragraph (2).

(4) The National Park Service shall make a good faith effort to calculate and release its official attendance estimate as early as possible, so long as accuracy of the estimate and compliance with paragraph (2) are not sacrified.

(5) In preparing an attendance estimate, the National Park Service may seek and rely upon the assistance of the United States Capitol Police, the Metropolitan Police of the District of Columbia, and other authorities, but only to the extent that the estimates provided by those authorities are prepared in accordance with the method and procedures described in paragraph (2). When the attendance estimate by the National Park Service differs substantially from the estimate of any of those other authorities, the estimate by the National Park Service, being the more accurately derived, shall prevail.

(c) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section, for the cost of providing the following:

(A) Use of a helicopter.

(B) Helicopter pilot.

(C) Helicopter observer/co-pilot.

(D) VHS/Video photographer.

(E) Still photographer.

(F) Two photo analysts.

(G) Two statisticians.

(H) Fuel, equipment and supplies.

(2) The National Park Service shall expend no more than $3,000 in the preparation of an attendance estimate for any single demonstration on a single day.

(d) DEFINITIONS.—For the purpose of this section, the term "mass political demonstration" means a gathering that—

(1) is organized for the purpose of expressing the views of its attendees on a legal, moral, or other public issue;

(2) is expected to be attended by more than 10,000 persons; and

(3) is one that requires a permit from the National Park Service.

TELEMARKETING FRAUD AND ABUSE PREVENTION ACT

BRYAN (AND McCAIN) AMENDMENT NO. 3108

Mr. GLENN (for Mr. BRYAN, for himself, and Mr. MCCAIN) proposed an amendment to the bill (S. 2494) to strengthen the authority of the Federal Trade Commission regarding fraud committed in connection with sales made with a telephone, and for other purposes; as follows:

On page 14, lines 9 through 14, strike all and insert in lieu thereof the following:

(4) "telemarketing" means a plan, program, or campaign which is conducted to induce purchases of goods or services by significant use of one or more telephones and which has involved interstate telephone calls; the term does not include other use of a telephone in connection with business or personal transactions, nor does the term include the solicitation of sales through the mailing of a catalog which—

"(A) contains a written description or illustration of the goods or services offered for sale;

"(B) includes the business address of the seller;

"(C) includes multiple pages of written material or illustrations;

"(D) is issued not less frequently than once a year; and

"(E) is at least the third catalog satisfying the requirements of subparagraphs (A) through (D) that has been issued by the seller within the last five years,

where the seller does not place calls to customers but only receives calls initiated by customers in response to the catalog and during those calls takes orders only without further solicitation.

On page 16, line 2, insert "a pattern or practice of" immediately before "telemarketing".

On page 18, line 25, insert "pattern or practice of" immediately before "telemarketing".

On page 19, line 3, insert "pattern or practice of" immediately before "telemarketing".

On page 18, line 2, strike "antifraud".

On page 25, lines 15 through 22, strike all and insert in lieu thereof the following:

(c)(1) No provision of this Act shall apply to any person exempt from the jurisdiction of the Commission under section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)), and nothing in this Act shall be construed to vest the Commission, or the attorney general of any State or any person, with jurisdiction or authority over any person not otherwise subject to the jurisdiction or authority of the Commission.

(2)(A) No provision of this Act shall apply—

(i) to a broker, dealer, municipal securities dealer, government securities broker, government securities dealer, or investment company in connection with the offer, sale, or purchase of any security, or to an issuer in connection with the offer, sale, or purchase of any security which that issuer has issued, or to any investment adviser providing investment advice relating to any security; or

(ii) to the solicitation, acceptance, confirmation, or execution of orders for the entry into, purchase of, or sale of any contract, account, agreement, or transaction subject to the exclusive jurisdiction of the Commodity Futures Trading Commission under the Commodity Exchange Act (7 U.S.C. 1 et seq.) by a person registered under the Commodity Exchange Act in order to engage in such activity; including as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, leverage transaction merchant, floor broker, or floor trader, or as a person associated with any such person.

(B) For purposes of subparagraph (A)(i)—

(1) the terms "broker", "dealer", "municipal securities dealer", "government securities broker", and "government securities dealer" have the meanings given them in section 3(a)(4), (5), (30), (43), and (44), respectively, of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4), (5), (30), (43), and (44));

(2) the term "investment adviser" has the meaning given it in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(11));

(3) the term "investment company" has the meaning given it in section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(a));

(4) the term "issuer" has the meaning given it in section 2(4) of the Securities Act of 1933 (15 U.S.C. 77b(4)); and

(5) the term "security" has the meaning given to it in section 2(1) of the Securities Act of 1933 (15 U.S.C. 77b(1)), section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10), and section 2(a)(36) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(36)).

HOME HEALTH CARE DEMONSTRATION PROJECTS EXTENSION ACT

KENNEDY AMENDMENT NO. 3109

Mr. GLENN (for Mr. KENNEDY) proposed an amendment to the bill (H.R. 5112) to amend the Public Health Service Act to extend certain programs for health care services in the home; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Home Health Care and Alzheimer's Disease Amendments of 1990".

TITLE I—DEMONSTRATION PROJECTS FOR HEALTH CARE SERVICES IN THE HOME

SEC. 101. REVISION AND EXTENSION OF GENERAL PROGRAM.

(a) NUMBER OF GRANTS.—Section 395(a) of the Public Health Service Act (42 U.S.C. 280c(a)) is amended in the matter preceding paragraph (1) by striking "shall make" and all that follows through "grants" and inserting the following: "shall make not less than 5, and not more than 20, grants".

(b) SERVICES PROVIDED.—Section 395(a)(1) of the Public Health Service Act (42 U.S.C. 280c(a)(1)) is amended by striking "skilled" and all that follows and inserting the following: "skilled nursing care services, homemaker or home health aide services, or personal care services are provided in the homes of the individuals;".

(c) AGE OF RECIPIENTS OF SERVICES.—Section 395(b) of the Public Health Service Act (42 U.S.C. 280c(b)) is amended by striking "to ensure" and all that follows and inserting the following: "to ensure that—

"(1) not less than 25 percent of the grant is expended to provide services under such subsection to individuals who are not less than 65 years of age; and

"(2) of the portion of the grant reserved by the State for purposes of complying with paragraph (1), not less than 10 percent is expended to provide such services to individuals who are not less than 85 years of age.".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 397(e) of the Public Health Service Act (42 U.S.C. 280c-2(e)) is amended—

(1) by striking "there is" and inserting "there are"; and

(2) by inserting before the period the following: ", $7,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993".

SEC. 102. REVISION AND EXTENSION OF PROGRAM REGARDING ALZHEIMER'S DISEASE.

(a) NUMBER OF GRANTS.—Section 398(a) of the Public Health Service Act (42 U.S.C. 280c-3(a)) is amended in the matter preceding paragraph (1) by striking "shall make" and all that follows through "grants" and

inserting the following: "shall make not less than 5, and not more than 15, grants".

(b) COORDINATION OF SERVICES.—Section 398(a)(1) of the Public Health Service Act (42 U.S.C. 280c-3(a)(1)) is amended by striking "by public and private organizations" and inserting "with public and private organizations".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 399A(e) of the Public Health Service Act (42 U.S.C. 280c-5(e)) is amended—

(1) by striking "there is" and inserting "there are"; and

(2) by inserting before the period the following: ", $7,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993".

TITLE II—REVISION OF PROGRAMS FOR RESEARCH ON ALZHEIMER'S DISEASE

SEC. 201. ALZHEIMER'S DISEASE CENTERS.

Section 445 of the Public Health Service Act (42 U.S.C. 285e-2) is amended—

(1) in subsection (a)(1)—

(A) by inserting "(including university medical centers)" after "nonprofit entities";

(B) by inserting "(including staffing)" after "operating support";

(C) by inserting "(including multidisciplinary research)" after "clinical research"; and

(D) by striking "Alzheimer's Disease" and inserting "Alzheimer's disease"; and

(2) in subsection (b), by amending such subsection to read as follows:

"(b)(1) Federal payments made under a cooperative agreement or grant under subsection (a) may, with respect to Alzheimer's disease, be used for—

"(A) diagnostic examinations, patient assessments, patient care costs, and other costs necessary for conducting research;

"(B) training, including training for allied health professionals;

"(C) diagnostic and treatment clinics designed to meet the special needs of minority and rural populations and other underserved populations;

"(D) activities to educate the public; and

"(E) the dissemination of information.

"(2) For purposes of paragraph (1), the term 'training' does not include research training for which National Research Service Awards may be provided under section 487.".

SEC. 202. CENTERS OF GERIATRIC RESEARCH AND TRAINING.

(a) REDESIGNATION AS CLAUDE D. PEPPER OLDER AMERICANS INDEPENDENCE CENTERS.—Section 445A of the Public Health Service Act (42 U.S.C. 285e-3) is amended—

(1) in the heading for such section, by amending the heading to read as follows: "claude d. pepper older americans independence centers"; and

(2) in subsection (a), by adding at the end the following new sentence: "Each such center shall be known as a Claude D. Pepper Older Americans Independence Center.".

(b) REVISIONS IN PROGRAM.—

(1) IN GENERAL.—Section 445A of the Public Health Service Act (42 U.S.C. 285e-3) is amended—

(A) in subsection (a), by inserting "not less than 10" before "centers of excellence"; and

(B) in subsection (b)(2)(A), by inserting before the semicolon at the end the following: ", including menopause, which research includes research on such treatments, and on medical devices and other medical interventions regarding such diseases, disorders, and complications, that can assist individuals in avoiding institutionalization and prolonged hospitalization and in otherwise increasing the independence of the individuals".

(2) CONFORMING AMENDMENT.—Section 445A(b)(2)(B) of the Public Health Service Act (42 U.S.C. 285e-3(b)(2)(B)) is amended by striking "research concerning" and all that follows and inserting "research described in subparagraph (A).".

(c) DEFINITION.—Section 445A of the Public Health Service Act (42 U.S.C. 285e-3) is amended by adding at the end the following new subsection:

"(d) For purposes of this section, the term 'independence', with respect to diseases, disorders, and complications of aging, means the functional ability of individuals to perform activities of daily living or instrumental activities of daily living without assistance or supervision.".

TITLE III—TASK FORCE ON AGING RESEARCH

SEC. 301. ESTABLISHMENT AND DUTIES.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall establish a Task Force on Aging Research.

(b) DUTIES.—With respect to aging research (as defined in section 305), the Task Force each fiscal year shall—

(1) make recommendations to the Secretary specifying the particular projects of research, or the particular categories of research, that should be conducted or supported by the Secretary;

(2) of the projects specified under paragraph (1), make recommendations to the Secretary of the projects that should be given priority in the provision of funds; and

(3) make recommendations to the Secretary of the amount of funds that should be appropriated for such research.

(c) PROVISION OF INFORMATION TO THE PUBLIC.—The Task Force may make available to health professionals, and to other members of the public, information regarding the research described in subsection (b).

SEC. 302. MEMBERSHIP.

(a) COMPOSITION.—The Task Force shall be composed of—

(1) the Assistant Secretary for Health;

(2) the Surgeon General of the Public Health Service;

(3) the Assistant Secretary for Planning and Evaluation;

(4) the Director of the National Institute on Aging, and the Directors of such other agencies of the National Institutes of Health as the Secretary determines to be appropriate;

(5) the Commissioner of the Administration on Aging;

(6) the Commissioner of Foods and Drugs;

(7) the Chief Medical Director of the Department of Veterans Affairs;

(8) the Administrator of the the Alcohol, Drug Abuse, and Mental Health Administration;

(9) the Administrator of the Health Care Financing Administration;

(10) the Commissioner of Social Security;

(11) the Administrator for Health Care Policy and Research;

(12) two Members of the House of Representatives appointed by the Speaker of the House in consultation with the Minority Leader, and two members of the Senate appointed by the Majority Leader in consultation with the Minority Leader, not more than one of whom from each body shall be members of the same political party; and

(13) three members of the general public, to be appointed by the Secretary, that shall include one representative each from—

(A) a nonprofit group representing older Americans;

(B) a private voluntary health organization concerned with the health problems affecting older Americans; and

(C) a nonprofit organization concerned with research related to the health and independence of older Americans.

(b) CHAIR.—The Secretary, acting through either the Assistant Secretary for Health or the Director of the National Institute on Aging, shall serve as the Chair of the Task Force.

(c) QUORUM.—A majority of the members of the Task Force shall constitute a quorum, and a lesser number may hold hearings.

(d) MEETINGS.—The Task Force shall meet periodically at the call of the Chair, but in no event less than twice each year.

(e) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Members of the Task Force who are not regular full-time employees of the United States government shall, while attending meetings and conferences of the Task Force or otherwise engaged in the business of the Task Force (including traveltime), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedules established under section 5332 of title 5, United States Code.

(2) EXPENSES.—While away from their homes or regular places of business on the business of the Task Force, members of such Task Force may be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

SEC. 303. ADMINISTRATIVE STAFF AND SUPPORT.

The Secretary, acting through either the Assistant Secretary for Health or the Director of the National Institute on Aging, shall appoint an Executive Secretary for the Task Force and shall provide the Task Force with such administrative staff and support as may be necessary to enable the Task Force to carry out subsections (b) and (c) of section 301.

SEC. 304. REPORTS.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Task Force shall prepare and submit to the Secretary, and to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report providing the recommendations required in section 301(b).

(b) AVAILABILITY TO PUBLIC.—The Task Force may make available to the public copies of the report required in subsection (a).

SEC. 305. DEFINITIONS.

For purposes of this title:

(1) AGING RESEARCH.—

(A) The term "aging research" means research on the aging process and on the diagnosis and treatment of diseases, disorders, and complications related to aging, including menopause. Such research includes research on such treatments, and on medical devices and other medical interventions regarding such diseases, disorders, and complications, that can assist individuals in avoiding institutionalization and prolonged hospitalization and in otherwise increasing the independence of the individuals.

(B) For purposes of subparagraph (A), the term "independence", with respect to diseases, disorders, and complications of aging,

means the functional ability of individuals to perform activities of daily living or instrumental activities of daily living without assistance or supervision.

(2) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(3) TASK FORCE.—The term "Task Force" means the Task Force on Aging Research established under section 301(a).

SEC. 306. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 1993.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. MISCELLANEOUS AMENDMENTS.

(a) MINORITY HEALTH.—

(1) IN GENERAL.—Section 1707(b) of the Public Health Service Act, as added by section 2 of the Disadvantaged Minority Health Improvement Act of 1990, is amended—

(A) in paragraph (6), by striking "and" after the semicolon at the end;

(B) in paragraph (7), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(8) support expansion and enhancement of tertiary perinatal facilities in rural States with infant mortality rates among individuals from disadvantaged backgrounds, including minorities, that are significantly above the national average for such rates.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of the Disadvantaged Minority Health Improvement Act of 1990.

(b) SERVICES REGARDING ACQUIRED IMMUNE DEFICIENCY SYNDROME.—Title XXVI of the Public Health Service Act, as added by Public Law 101-381, is amended—

(1) in section 2607(1), by striking "2601(a)(1)" and inserting "2601(a)";

(2) in section 2651, by striking "section 2652(a)(1)" and inserting "section 2652(a)"; and

(3) in section 2652(a)—

(A) by striking "referred to in subsection (b)" and inserting "referred to in section 2651(a)";

(B) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively; and

(C) in paragraph (6) (as so redesignated), by striking "a nonprofit private entity that provides" and inserting "nonprofit private entities that provide".

TITLE V—FELLOWSHIPS

SEC. 501. JAMES MADISON MEMORIAL FELLOWSHIPS.

Section 813(a)(4) of the James Madison Memorial Fellowship Act (20 U.S.C. 4512(a)(4)) is amended by striking the second sentence.

Amend the title so as to read: "An Act to amend the Public Health Service Act regarding certain programs for health care services in the home and certain programs relating to Alzheimer's disease, and for other purposes.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. GLENN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on October 22, 1990, at 4 p.m., to hold a hearing on the nomination of Dennis W. Shedd.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TOTAL FORCE POLICY AND THE NATIONAL GUARD AND RESERVE

● Mr. FORD. Mr. President, in early 1989, Senator BOND and I formed the National Guard Caucus. The 2 years during which I have served as cochairman of the caucus have turned out to be two of the most significant years in the 350-year history of the Guard. The growing budget deficit has resulted in a demand for lower defense expenditures. Political upheaval in Eastern Europe and the Soviet Union has led to substantial changes in the strategic military threat and anticipated warning times. Combined with the sudden impact of Iraq's invasion of Kuwait and the resulting deployment of United States forces to Saudi Arabia, this has begun to dramatically change the size, shape, and mix of our total defense forces of the future.

During its first 2 years, the National Guard Caucus has focused upon one primary issue—the logic of deferring cuts in the Guard and Reserve Forces until strategy, force requirements, and force mix can be more fully developed. We have adamantly opposed program reductions in Guard and Reserve Forces for the sake of alleged budget savings, feeling that the cost effectiveness of such forces will undoubtedly lead to increased reliance on the Guard and Reserve rather than to equal reductions along with the Active Forces.

Actions by Congress have echoed these views. Proposed reductions in Guard and Reserve Forces have been restored in each of the past 2 years. In addition, last year Congress directed the Secretary of Defense to conduct a review of the total force policy, which was formally established in 1973 and which has been nurtured and developed over the past 17 years, to include the assignment of missions and the mix of forces within the Active, Guard, and Reserve components. That report is due by the end of December, but members of the Armed Services Committees have been asking for advance information to provide insight during the current budget reviews. The rapidly changing geopolitical scenario has added emphasis to calls by senior leaders in both the House and Senate for assurance that there will be a comprehensive review and report.

Operation Desert Shield has fortuitously provided an excellent basis for measurement of the toal force policy. As far as I am concerned, it has proven that the concept works. Desert Shield has resulted in the first use of the Presidential authority for call-up of the Guard and Reserve that was provided by Congress in 1976. A long list of Guard and Reserve units and individual volunteers have been involved in Desert Shield, and their participation has been flawless. The total force policy, so far, is an oustanding success.

But everything is not bright and sunny. Some grey, if not black, clouds are appearing on the horizon. There are disturbing signs that the Department of Defense still has not recognized the full capability and cost effectiveness of the Guard and Reserve portion of our total forces. The Pentagon has not gotten the message.

The first indication is the September 1990 DOD total force policy study group interim report to the Congress. That report appears to be nothing more than a disappointing restatement of past assumptions and biases, a summary of study group procedures, and a status report on Desert Shield activities as of late September. The one paragraph interim conclusion states simply that the results of the study group work will be considered in developing future DOD budgets.

Mr. President, something funny happened on the way to the Hill. The substance of the formal interim report is in stark contrast to an early August draft which went into some detail on the success of the total force policy, the planning principles which might be used in developing future force structure and budgets, and discussion of several issues which related to placing structure in the Guard and Reserve rather than the active components. The draft indicated that cost savings should be a significant consideration, that call-up authority will be used when required, and that the Guard and Reserve should be considered for mission tasking across the full spectrum of military operations, from contingencies through full mobilization.

Incredibly, either 9 months of works was discarded in the 2 weeks before publication of the interim report, or the draft interim report did not coincide with the predetermined outcome of higher authorities.

A second dark cloud is the DOD position regarding call-up of Army Guard combat units. Guard and Reserve leaders understand the priority requirement for support forces to augment early deploying Active Forces. However, despite the overall success of the call-up to date, the guidance of the Secretary of Defense continues to preclude any call-up of combat units by the Army.

National Guard roundout units complete the structure of the Active Army division. These units were formed, equipped, and trained to move out

with their parent Active Army division, but there seems to be a reluctance to use them. They have been trained and tested under the same criteria as their active counterparts and are ready, willing and able to go. In some cases they have had more intensive training than the active units that have been deployed to Saudi Arabia. Key members of the Armed Services Committees have urged the Secretary of Defense to activate Guard roundout combat units and I agree with them. I just wonder if anyone across the river can hear.

By the time the 102d Congress convenes next January, we will have in hand the final DOD total force policy study group report. We will also be given the fiscal year 1992 DOD budget along with a 5-year projection of forces. Finally, unless there is a major change, we will still have Guard and Reserve Forces continuing to share the burden in Operation Desert Shield.

In this light, I urge the Secretary of Defense to step back and take a good look at what the Guard and Reserve have done and can do for our Nation. I would respectively suggest a review of the proposals that the chairman of the Senate Armed Services Committee, Senator NUNN, gave in a series of floor speeches in March and April. Among the key elements of his military strategy for the future is a greater reliance on the Guard and Reserve.

In the upcoming months we will be shaping the Armed Forces of tomorrow. A larger and more meaningful role for the Guard and Reserve will be a part of that picture, Mr. President. If the Defense Department's leadership does not adequately address that reality, we in the Congress will.●

ROTC TEACHES PATRIOTISM

● Mr. BOSCHWITZ. Mr. President, I rise today to insert in the RECORD an article by Amy Dine that recently appeared in the Harvard Crimson. I have known Amy for many years and she is a lovely young woman. I was proud to read her article in the Harvard Crimson in support of the Reserve Officers' Training Corps [ROTC] Programs, despite widespread student opposition there.

Recently, students at Harvard who participate in ROTC—about 3 percent of the student population—have been subject to the abuse of their fellow students. In fact, Harvard has banned ROTC from using university facilities.

Amy correctly points out in her article that students participating in ROTC are the only ones who appear prepared to make the kind of sacrifice being made by our soldiers in the Middle East. ROTC participants deserve the respect, not the abuse of their fellow students, she concludes.

Not long ago I had the pleasure of addressing the Oxford University Union from its speaker's box. About a year before I appeared, the debaters of 1939 returned for the 50th anniversary of a debate about whether Oxford students should fight for King and country. As the Second World War loomed on the horizon, a majority voted "no." Fifty years later, they returned and reversed their decision. Harvard students who criticize ROTC today are as wrong as the Oxford students were in 1939.

The article follows:

[From the Harvard Crimson, Oct. 10, 1990]

ROTC TEACHES PATRIOTISM

(By Amy E. Dine)

Each night the television relays messages home from U.S. defense personnel in Saudi Arabia. Their faces are shyly grinning, or blushing with embarrassment as they talk to the camera. They are fearless—or courageous despite their fear. Perhaps most impressive is that these U.S. service men and women are exactly as old as we are.

Each one of the male faces is not an ephemeral number in a far away place; any of them could be thought of as a guy on any Thursday night out in the Square. That woman saying hello to mom and dad can easily be replaced by the one who kept dropping her pen waiting to sign up for aerobics. It is a matter of circumstance only.

For each of us, sitting safely in a dining hall or a common room, or cringing with boredom in a lecture while the barrage of undesired information spatters around the room, there is more than one counterpart military personnel in the Middle East this morning.

He may be leaning back on a tank, going over the day's tactical maneuver with his partner, or reviewing a defensive move to shield them from a barrage of Iraqi artillery or shrapnel.

These men and women are dedicated to the United States. They are physically demonstrating their patriotism and belief in this country. Their closest counterparts in the seclusion of Cambridge are our students in Reserve Officer Training Corps (ROTC)—students who, ironically, receive a lot of abuse on this campus for being involved in the program.

The soldiers in the Middle East generate our admiration, a vicarious sense of pride in their presence and certainly our support. Our colleagues in ROTC deserve as much.

Patriotism is a political ideal, but also an emotion that seems a lost sensibility in our generation. (Interesting that we are the only generation in this country who is lucky enough never to have participated in a full scale war . . .)

ROTC, with its participants' willingness to risk their lives for the United States, is the closest thing to a demonstrative sense of patriotism that we have around us. They are the only group of students in these hallowed halls who even come close to the sort of sacrifice and dedication of the warriors in the Middle East.

The 3 percent of the Harvard undergraduate community enrolled in ROTC attracted an inordinate amount of abuse last year. The turmoil culminated in ROTC being excluded from the use of Harvard facilities. The Faculty even threatened to refuse to accept ROTC scholarship funds.

What are we saying about patriotism and responsibility? It is a bizarre message.

On one hand, we commend the valiance of the enlisted personnel in Saudi Arabia. On the other, we tell members of our own community who are inspired, or simply willing enough to pledge the same sense of loyalty to the U.S., to hustle over to MIT, surreptitiously and without complaint.

"The opposition [to ROTC] is very loud," says Kat Pearson '93, a squad leader in ROTC, "though it has never been to my face. The rallies, the newspapers—you sense, and you know, how this campus feels."

Those in ROTC do not deserve any sort of put-down; it takes effort and dillegence to get up early in the mornings, sacrifice afternoons and weekends, and serve during part of the summer and years after college. ROTC students are perhaps the only students at Harvard who could both preach a sense of patriotism and act in its preservation.

ROTC deserves better than the bad image we have pompously doused on it. Beyond its ideals, it allows hundreds of high school seniors to attend colleges they would otherwise not have been able to afford.

The people in ROTC are our friends, and they are serving our country. They can truly say they are living up to the call of John F. Kennedy, and the rest of us?

Even if we don't join, the least we can do is give them our support. It doesn't do anything to accuse them sophomorically of being in the wrong simply because they participate in the U.S. military.

Last year, the administration banned ROTC from using University facilities on account of its refusal to accept gay and lesbian students. But discarding the program from campus sends a hypocritical message. ROTC trains capable and intelligent human beings to be good officers in the U.S. military. These college students made the decision to add the commitment of ROTC to an already challenging period of life.

We should commend them, and not discard a whole program because of something beyond its control; it is the military's inflexibility that prohibits ROTC from accepting gays and lesbians. We should voice our dissent and dissatisfaction with this policy—without damaging the rest of a valuable program and the patriotism of its participants.

If the crisis in the Gulf does not subside, it could be their faces we see on TV in a few years.●

ISRAEL AND DOUBLE STANDARDS

● Mr. BOSCHWITZ. Mr. President, I would like to take a moment today to insert an article into the RECORD by Mr. Tom Dikel which was published in the University of Minnesota Daily on October 11. The article is about the tragic violence that occurred on the Temple Mount in Jerusalem on October 8.

With all due respect to the Minnesota Daily, I wish I had read similar articles in other publications with national circulations. It is unfortunate that Mr. Dikel's point has not received the circulation that it deserves.

There has been a great uproar in the United States, and in the international community over the excessive force that Israeli police used in quelling the

riots that took place, in which 19 Palestinians were tragically killed. The Israelis were excessive, there is no argument there.

What is missing in the outrage that has been expressed by the United Nations and the Western governments and media is condemnation of the acts that provoked the Israeli response. Why has there been no outrage about the thousands of Palentinians who threw rocks, bottles, and Molotov cocktails at Jews who were praying at their holiest site on the day of a religious holiday? As Mr. Dikel points out: "Can no one figure out that thousands of rocks in the hands of thousands of Arabs don't just spontaneously appear on the Temple Mount above Jews at prayer?

Mr. President, the central point of this piece is one that has been made before. Namely, when the press and the international community report on the behavior of Israel, they do so with a tremendous double standard. That double standard says that when violence occurs in other countries, circumstances are considered, and the actions of the state might or might not be reprehensible. When Israel is concerned however, its actions are always condemned, whether or not there was provocation or the actions were taken in self-defense.

I remember some time ago Charles Krauthammer made this point quite astutely in an article printed in Time magazine. In the wake of the Temple Mount violence I have not seen any similar articles in the national press. Nonetheless, it pleases me to see that this student at the University of Minnesota saw fit to write this article, and that the Minnesota Daily printed it.

I do seek to excuse the actions of Israel. I believe the United States was right to express concern. However, I do seek to have the double standard that is applied to Israel become a thing of the past.

The article follows:

[From the Minnesota Daily, Oct. 11, 1990]

WHY DOES NO ONE PROTEST THE STONING OF JEWS AT PRAYER?

(By Tom Dikel)

Now I can see that the alliance I forged with a sheltered reality is too fragile to stand against a hail of rocks. I am overcome. For years I have attempted to live my life under the assumption that if I would treat all people equally, I, too, would receive equal judgment in the eyes of others. For years I tried to come to terms with bigotry as something separate, but equal.

This morning the camel's back was broken. The last straw was not the tragedy of yet more bloodshed in Jerusalem. This, though horrific, is unfortunately not an extraordinary occurrence in the Middle East. The last straw was not the act of horrendous bigotry, blind hatred and premeditated desecration of the holiest of all Jewish places at the most sacred time of year. The perpetrators of this outrage are the children of those who used synagogues as stables and Jewish gravestones as outhouse walls. I am shocked, but such things no longer surprise me.

The last straw was the reaction of the rest of the world to this latest altercation between Isaac and Ishmael, as typified by headlines like "Israeli police kill 19 Palestinians in Jerusalem."

From the secretary-general of the United Nations (see: Waldheimer's Disease) to the U.S. State Department (surprise!) to the government of France (from the folks who gave us the Dreyfus affair and were unique in exceeding Nazi quotas for deportation of Jews to death camps), condemnation of Israel rings self-righteous. Condemnation of Israeli overreaction to the Arab stoning of Jews worshiping at the most sacred of times and places (respect for people of the Book, indeed), with not a word about the loathsome attack itself.

Imagine, briefly, that thousands of Jews stoned Moslems in Mecca for the Haj. Would one think for a second that security forces would restrain themselves from immediate and deadly retribution down to the last infidel? Or that the entire Arab and Moslem world would not rise in a cry for jihad? Who would be condemned?

Or perhaps imagine a few thousand Protestants getting together to stone the Pope and worshipers at a Christmas mass in St. Peter's in Rome. Might we not hear a word or two of outrage regarding the perpetrators? But somehow this situation is different. And it goes beyond simple bigotry or anti-Semitism. Rather, what is at work here is a tremendous discomfort, and fear, of Jews with power.

Many people in the world, and certainly liberal people of the world, have come to accept Jews in their midst—as victims, underdogs, powerless intellectuals, and of course as other liberals. When Jewish graveyards, places of worship or Jews themselves are attacked in the host countries of Europe, South America and North America, we hear some outcry. There is some expression of sorrow over the fact that 45 years after the destruction of one-third of all the Jews in the world, we still have attacks of violence and hatred against these poor objects of history. But when the same attacks occur in Israel, we are confronted with deafening silence, as if they are somehow justified—permissible, according to some political paradigm.

But Heaven forbid roles should be reversed, and the first Jews in two millennia to wield an army and the power to protect themselves should strike out against someone else. Suddenly the media and the political corridors of the world erupt in uproar and outrage. Even, and often particularly, Jews beat their brows and rend their clothing in mourning for the passing of Jewish morality. Meanwhile, Jews in Israel, felling increasingly isolated in a hostile world, close the windows of opportunity in the face of smiling diplomats offering to broker peace. They say, "When we faced extinction, every country in the world closed its doors to us, condemning us to death for the crime of being born Jews. Now these same countries, and those who participated more actively in attempts to destroy us, ask us to lay our lives and existence on the line so they might sleep more peacefully. 'Trust us,' they say. 'Trust us.'"

An the Israelis stare in bewilderment, wondering whether no one else sees the wedge the Palestinians are attempting to drive between the United States and its new Arab allies. Have they forgotten with whom the Palestine Liberation Organization has aligned itself? Can no one else figure out that thousands of rocks in the hands of thousands of Arabs don't just spontaneously appear on the Temple Mount above Jews at prayer?

In the Christian Bible, Jesus objects to the stoning of a whore. What has happened to Christianity? Has the world gone totally mad?

Perhaps, perhaps not. I must now accept the fact that so long as we are sovereign in our own land, the land of our fathers, so long as we define ourselves as subjects rather than objects of history, we will be a thorn in the side of a world that would rather control us. I must choose to be a thorn in charge of my own destiny rather than a well-tended flower on the shelf of history; watered, or withering, at the whim of others. I had a dream that we could all live free, together, as brothers. On Oct. 9, 1990, I woke up.●

NEWBERRY NATIONAL VOLCANIC MONUMENT

Mr. HATFIELD. Mr. President, I ask unanimous consent that the Energy Committee be discharged from further consideration of H.R. 3840, a bill to establish the Newberry National Volcanic Monument in Oregon.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3840) to establish the Newberry National Volcanic Monument in the State of Oregon, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. HATFIELD. Mr. President, if the Senator from Ohio will provide me with just a couple of minutes, I would like to describe this bill briefly.

This is an example of local leadership. When I say local leadership, people like Dr. Stuart Garrett, the city officials, the county officials, the State officials, the Federal officials setting aside a monument of some 50,000 acres relating to the Newberry Crater. Environmentalists, forest users, recreationists, every group conceivable have joined together in the effort to preserve this unique piece of terrain in my State.

It is a marvelous way of resolving competitive uses. I am very proud to offer this following the passage by the House of Representatives, and I appreciate the leadership on the Democratic side, the leadership on the Republican side, cooperating to pass this bill.

I urge its passage.

The PRESIDING OFFICER. If there are no amendments, the bill will be considered, read a third time, and passed.

So the bill (H.R. 3840) was passed.

Mr. HATFIELD. Mr. President, I move to reconsider the vote.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION PLACED ON THE EXECUTIVE CALENDAR

Mr. GLENN. Mr. President, as if in executive session, I ask unanimous consent that the nomination of Michael Joseph Bayer to be a Federal inspector, Alaska Natural Gas Transportation System, be discharged from the Committee on Energy and Natural Resources and placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GLENN. As if in executive session, I ask unanimous consent that the nomination of Sylvia A. Earle, to be chief scientist of the National Oceanic and Atmospheric Administration; Paul K. Dayton, to be a member of the Marine Mammal Commission; Marion C. Blakey, to be an Assistant Secretary, Department of Transportation; and all nominations in the Coast Guard, be discharged from the Committee on Commerce, Science, and Transportation and placed on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION FOR REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. GLENN. Mr. President, on behalf of Senator MITCHELL and the distinguished Republican leader, Mr. DOLE, I send to the desk a resolution on representation by the Senate Legal Counsel and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 341) to authorize representation by Senate Legal Counsel and testimony and document production by Senate employee in *Springfield Terminal Railway Co.* v. *United Transportation Union*, No. 88-0117 p.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. MITCHELL. Mr. President, the plaintiff in this civil action is a railroad seeking to overturn an arbitration award in a railway labor safety dispute in which the arbitrator ruled that the union had lawfully withheld labor services because of unsafe working conditions. The railroad has served deposition subpoenas for testimony and documents on the Office of Senator WILLIAM S. COHEN and a member of Senator COHEN's staff named Dale Gerry. Mr. Gerry is a legislative assistant who assists Senator COHEN with transportation issues, among other matters.

During the last Congress, the Senate agreed to Senate Resolution 494, which authorized the Senate Legal Counsel to represent Senator KERRY and his staff in connection with this same matter, and last session the Senate agreed to Senate Resolution 208, authorizing an employee on Senator KERRY's staff to testify and produce documents at a deposition. Earlier this session the Senate agreed to Senate Resolution 233, which similarly authorized a legislative assistant on my staff to testify and produce documents at a deposition and provided for representation by the Senate Legal Counsel. Discovery has also been had in this matter from staff of Members of the House of Represenatives, including Representatives SILVIO CONTE of Massachusetts, and OLYMPIA SNOWE and JOSEPH BRENNAN of Maine.

After 2 years of extensive discovery from both Houses of the Congress, both parties to the lawsuit, the railroad and the union, have filed motions that would dispose of the lawsuit. Nothwithstanding that those motions are pending before the Court and that exhaustive discovery has been conducted in this case, the plaintiff has served additional subpoenas for testimony and documents. The new subpoenas are to Senator COHEN's office and staff.

This resolution would authorize the Senate Legal Counsel to represent Senator COHEN's office and his staff in order to protect the Senate's privileges and seek to relieve the growing burden imposed upon the Senate by the continuing demands for discovery in this case. In the event that additional discovery is appropriate in this case, the resolution authorizes Senator COHEN's office and staff to testify and produce relevant and unprivileged documents.

Mr. GLENN. Mr. President, I urge adoption of the resolution.

The PRESIDING OFFICER. Without objection, the resolution is considered and agreed to.

The preamble is agreed to.

The resolution (S. Res. 341), with the preamble, is as follows:

S. RES. 341

Whereas, in the case of Springfield Terminal Railway Co. v. United Transportation Union, No. 88-0117 P, pending in the United States District Court for the District of Maine, counsel for the plaintiff has served deposition subpoenas for testimony and the production of documents on the Office of Senator William S. Cohen and Dale Gerry, an employee on the staff of Senator Cohen;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1988), the Senate may direct its counsel to defend employees of the Senate with respect to subpoenas directed to them in their official capacity;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such actions as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it *Resolved*, That the Senate Legal Counsel is directed to represent Dale Gerry and the Office of Senator William S. Cohen in connection with subpoenas served in Springfield Terminal Railway Co. v. United Transportation Union.

SEC. 2. That Dale Gerry is authorized, consistent with any order of the Court, to testify and to produce records relevant to the case of Springfield Terminal Railway Co. v. United Transportation Union, except concerning matters for which a privilege should be asserted.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS ACT, FISCAL YEAR 1991

Mr. GLENN. Mr. President, I submit a report of the committee of conference on H.R. 5268 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated. The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5268) making appropriations for Rural Development, Agriculture, and Related Agencies for the fiscal year ending September 30, 1991, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 20, 1990.)

Mr. BURDICK. Mr. President, I am pleased to bring before the Senate, the conference report on H.R. 5268, the appropriations bill for agriculture, rural development, and related agencies for fiscal year 1991. I hope my colleagues will support it.

The conference report contains several significant changes from the Senate-passed version of the bill. First of all, it fully funds the administrative and operating expenses of the Federal Crop Insurance Program at "such sums as necessary" where the Senate bill had provided a specific amount. The funds are provided for the program as authorized by the Federal Crop Insurance Act. The full amount, $337,365,000, is also provided for the

Federal Crop Insurance Corporation Fund.

In the conference committee, we were also able to restore some of the funds that the Senate had cut for rural housing loans, farm operating loans, and farm ownership loans which had been reduced by the Senate.

The conference committee agreed to impose caps on the Export Enhancement Program of $425 million and the Targeted Export Assistance Program of $175 million. The conferees had to forego the $138 million increase in Rural Electrification Administration loans that the Senate had adopted. Nevertheless, REA loans still remain at the 1990 levels.

These reductions were made in order to keep the bill within the 302(b) allocation for the subcommittee. I would like to point out that the allocation for this subcommittee was reduced by $275 million from the previous allocation under which the Senate passed the bill on September 25, 1990.

The conference agreement provides funding levels similar to the Senate bill for agricultural research, rural development, conservation, extension, and inspection programs.

Domestic food assistance programs remain a high priority in the bill. Based on current estimates of need, the Food Stamp Program is increased by $2.1 billion over last year's level. Funding for commodity distributions under the Temporary Emergency Food Assistance Program, the Elderly Feeding Program, and for Indian reservations is increased. The WIC Program is funded as proposed by the Senate, at $224 million over the 1990 level—with no reserve. And the commodity supplemental food program is increased by $14 million over last year.

For the Food and Drug Administration, the bill restores the $157 million in funds assumed by the administration through user fees and has added $89 million over the 1990 appropriations for the agency.

In summary, the conference bill proposes to spend $52,155,593,000.

I commend the conference report to my colleagues and recommend that it be accepted.

Mr. President, I want to make mention of one error in the language of the statement of the managers. Following the table for Agricultural Research Service, Buildings and Facilities, there is reference to the "U.S. Fruit and Vegetable Laboratory at Yakima, Washington." That reference should be to the "U.S. Vegetable Lab at Charleston, South Carolina." The table for this account is correct.

Mr. President, I yield the floor.

Mr. COCHRAN. Mr. President, we have before us the conference report on H.R. 5268, the Rural Development, Agriculture, and related agencies appropriations bill for fiscal year 1991. This agreement was reached Friday, October 19, and the House passed it on Monday the 22.

H.R. 5268 makes funds available for the many programs administered by the Department of Agriculture, such as research and extension; conservation; rural housing and farm loans, and farm income and prices support programs.

Total obligational authority in this conference agreement is $52.2 billion, which is $92.5 million below the President's budget request, and is within the adjusted 302(b) allocation.

A major part of this bill—about one-half of the total amount appropriated—consists of funding for the various domestic food programs administered by the U.S. Department of Agriculture. These include the Food Stamp Program; the child nutrition programs—school lunch, school breakfast, summer feeding programs, and child and adult day care, et cetera—and the feeding program for women, infants and children. I believe that adequate funding levels are provided for these very beneficial nutrition programs.

Mr. President, I am pleased to report that this conference agreement places increased emphasis on rural development. In fact, almost one-fourth of the bill total is available for programs that assist rural areas. Specifically, the agreement provides slight increases for the rural housing programs, for rural water and waste disposal loans and grants, and for industrial development and community facility loans. Many of these programs have been very beneficial and have improved the lives of those who live in our Nation's small towns and rural communities.

An important element in the success of agriculture in the United States is the support it has enjoyed from both private and public research. I believe this agreement provides a comprehensive, geographically broadbased, well-funded research program for agriculture and technology transfer needs.

This conference report supports continuation of the existing conservation programs administered by the Soil Conservation Service and the Agricultural Stabilization and Conservation Service, including the Conservation Reserve Program. These Department of Agriculture conservation activities are critical to improving and conserving our soil and water resources.

For the activities of the Food and Drug Administration, the agreement provides a much-needed increase. These additional funds should help ensure that the FDA is better able to carry out its responsibilities under the law.

In addition, adequate funding is provided for the Commodity Futures Trading Commission and for the Department of the Treasury for interest expenses incurred by the Farm Credit System Financial Assistance Corporation, and limitations are established on the administrative expenses of the Farm Credit Administration and the Farm Credit System Assistance Board.

The Committee of Conference on H.R. 5268 considered 83 amendments in disagreement between the two Houses. Although the conferees were faced with some major challenges due to the current fiscal conditions that we face, I believe those challenges were met and the differences were resolved to make this an agreement that is fiscally responsible and reflective of true needs.

Finally, Mr. President, I urge my colleagues to approve this conference report today. We are already 3 weeks into fiscal year 1991, and the current continuing resolution is due to expire at midnight Wednesday, October 24.

Mr. GLENN. Mr. President, I urge that the conference report be adopted.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote.

Mr. GLENN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. GLENN. Mr. President, I ask unanimous consent that the Senate concur en bloc, with the amendments in disagreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments in disagreement, agreed to en bloc, are as follows:

Resolved, That the House agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5268) entitled "An Act making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes.".

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 2, 29, 45, 46, 50, 54, and 68 to the aforesaid bill, and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 6 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$61,976,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 13 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$17,933,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 14 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert $388,489,000".

Resolved, That the House recede from its disagreement to the amendment of the

Senate numbered 16 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert "*Provided*, That the $2,853,000 appropriated in fiscal year 1990 for the Center for Research on Human Nutrition and Chronic Disease Prevention at Wake Forest University, Winston-Salem, North Carolina, shall be made available for planning and construction of the facility".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 26 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$389,273,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 27 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, inset "$9,205,00".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 28 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$16,798,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 32 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum stricken and inserted by said amendment, "*such sums as necessary*".

Resolved, That the House recede from its disagrement to the amendment of the Senate numbered 35 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert "$1,857,981,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 47 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

"SOLID WASTE MANAGEMENT GRANTS

"For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act, $1,500,000: *Provided*, That such assistance shall include regional technical assistance for improvement of solid waste management.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 75 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter stricken and inserted by said amendment, insert: "Not to exceed $40,290,000 (from assessments collected from farm credit institutions) and not to exceed $608,000 (from assessments collected from the Federal Agricultural Mortgage Corporation); in all, $40,898,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 76 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended as follows: In lieu of the sum named, insert "$175,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 77 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended as follows: In lieu of the second sum named, insert "$425,000,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 79 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number stricken and inserted by said amendment, insert:

"636. The Secretary shall use the authority available under section 32 and the Charter of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices, as authorized by law, to regain and retain the United States fair share of world markets.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 83 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the section number stricken and inserted by said amendment, insert:

"640. None of the funds in this Act may be used to establish any new office, organization or center for which funds have not been provided in advance in Appropriations Acts, except the Department may carry out planning activities.

"SEC. 641".

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

COMPREHENSIVE CRIME CONTROL ACT

Mr. GLENN. On behalf of the majority leader, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 996, H.R. 5269, the House-passed crime bill; that all after the enacting clause be striken and the text of S. 1970, as passed in the Senate on July 11, 1990, be inserted in lieu thereof; that the bill then be read for the third time, passed, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the bill (H.R. 5269), as amended, was passed.

Mr. GLENN. Mr. President, I move that the Senate insist on its amendment, request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BIDEN, Mr. KENNEDY, Mr. METZENBAUM, Mr. DECONCINI, Mr. LEAHY, Mr. THURMOND, Mr. HATCH, and Mr. SIMPSON; for the purpose of title XXIII of the House bill: Mr. PELL, Mr. HELMS; for the purpose of title XXI of the House bill: Mr. RIEGLE, Mr. WIRTH, Mr. GRAHAM, Mr. DODD, Mr. D'AMATO, Mr. HEINZ, and Mr. BOND; for the purpose of title XXII, section 2224 of the House bill: Mr. RIEGLE, Mr. WIRTH, Mr. DODD, Mr. HEINZ, and Mr. ROTH conferees on the part of the Senate.

CONSUMER PRODUCT SAFETY IMPROVEMENT ACT—CONFERENCE REPORT

Mr. GLENN. Mr. President, I submit a report of the committee of conference on S. 605 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 605) to authorize appropriations for the Consumer Product Safety Commission, and for other purposes having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of October 21, 1990.)

Mr. HOLLINGS. Mr. President, I support S. 605, legislation which will reauthorize the Consumer Product Safety Commission [CPSC]. I complement Senator BRYAN, the chairman of the Consumer Subcommittee, on moving this bill expeditiously through the Senate, and on his efforts to reach the conference agreement the Senate is now considering.

The importance of this action is obvious: The last enactment of a CPSC authorization bill was in 1981, and since that time the CPSC has become less and less effective. The information functions of the agency, its investigation and enforcement responsibilities, and even its existence have been threatened during the past 8 years. This assault runs counter to Congress' reasons for creating the CPSC in 1972. At that time, Congress stated that the public should be protected against unreasonable risks of injury associated with consumer products, and determined that an independent CPSC was the entity to fulfill that function. We need to act now to reaffirm that congressional determination, and this authorization bill is one way to do just that.

I am hopeful that this bill will revitalize the CPSC and help it to fulfill the purposes Congress set out for it in is organic legislation. I urge my colleagues to join in supporting the conference agreement.

Mr. BRYAN. Mr. President, I am pleased that the Senate is considering the conference report on S. 605, legislation to authorize funds to be appropriated for the Consumer Product

Safety Commission [CPSC]. This conference agreement is the product of hard work and cooperation by both the House of Representatives and the Senate, and will address some of the serious concerns surrounding the CPSC.

An authorization bill was last enacted for the CPSC during the reconciliation process in 1981. Congress has been unable to move a bill through the entire legislative process since that time. When I assumed chairmanship of the Consumer Subcommittee last year, this reauthorization was the first legislative initiative that I undertook. I am proud that we have come this far, and that we have an opportunity to reauthorize this important agency this year.

The CPSC in the past several years has been a beleaguered agency. Beset by internal squabbles and demoralized staff, the CPSC had been sending the message that it was open season on consumers and their interests. Indeed, for most of 1989, the CPSC was without the necessary quorum even to transact business, since the Chairman had resigned and no new Commission member had been appointed. It is obvious that the American consumer is harmed by such a situation. What may not be as obvious is that the business community suffers as well. When an agency as important as the CPSC is mired in inactivity and inconsistency, businesses do not know what to expect from the very unit of the Federal Government that is charged with overseeing their activities regarding product safety.

Testimony before the Consumer Subcommittee has made clear that the creation of Federal safety regulatory agencies like the CPSC has contributed to a significant decline in injuries and deaths. Such agencies are an important line of defense for the consumer and business in ensuring the discovery and correction of safety problems with products. The CPSC, with its responsibility for a wide range of products in use by the consumer every day, is critically important to the public's safety and confidence. The agency now has a new Chairman and a quorum for the transaction of business, and I am hopeful that its revitalization has begun. With the authorization bill, we have an opportunity to assist in this process. The conference report attempts to provide this assistance in several ways.

First, it addresses the administration and structure of the CPSC, in an effort to avoid the contention and inactivity that has occurred in the past. This legislation requires that the President, in making appointments to the CPSC, consider individuals with experience relevant to the CPSC's mission. Additionally, to address some of the internal difficulties that have affected the CPSC in past years, the legislation requires the heads of all major departments at this CPSC to be appointed by one Chairman with the approval of the full Commission, and subject to removal only with the concurrence of the full Commission. This requirement will avoid employees fearing retribution due to a disagreement with one Commissioner. This provision is not intended to prevent the Commission from reorganizing its departments as it sees fit, nor is it intended to cast in stone the current organizational structure. Rather, it is to require that all heads of departments be answerable to the full Commission and not just to any one member.

The legislation also will deal with the crippling quorum problem that has beset the Commission in recent years. While the Commission is constituted as a five member body, the CPSC is currently limited to three members by appropriations constraints, and yet its quorum requirement also is three members. This creates the potential for serious difficulties in the transaction of Commission business. To correct the situation, the conference report establishes that two members of the CPSC shall constitute a quorum for the transaction of business when the Commission has only three members. The conference report thus recognizes the reality of the current funding situation, and enables the CPSC to meet to carry out its responsibilities without interruption.

Additionally, the conference report contains several provisions that should improve the substantive work of the Commission. Among other things, these provisions are designed to encourage improved voluntary standards and more expeditious processing of rulemaking. The Commission would be permitted to defer to a voluntary standard developed by industry only when that standard is actually in existence, having received final approval by the standard-setting body. There is concern that the Commission has in the past deferred to a mere promise by industry that a voluntary standard would be developed. This will no longer be permitted. The legislation also will ensure that petitions for rulemaking be handled expeditiously, and that rulemaking proceedings be concluded—absent unusual circumstances—within 1 year after they are begun.

The legislation also will establish requirements to improve reporting by manufacturers to the CPSC of products which should be reviewed to ensure that product hazards are minimized. As the CPSC has noted, manufacturer reporting is "invaluable because firms often learn of product safety problems long before the Commission does." Currently, manufacturers must notify the CPSC when they obtain information that their products violate a safety rule or are defective in such a manner that a substantial product hazard is created. Many sources have indicated to the Consumer Subcommittee that underreporting of product hazards is prevalent, despite the importance of these reports.

The conference report retains the Senate bill's requirements of two additional situations in which manufacturers must report—when information is received that reasonably supports the conclusion that a product either first, fails to comply with a voluntary standard on which the CPSC has relied under the Consumer Product Safety Act (CPSA); or second, creates an unreasonable risk of injury or death. In addition, the conference report requires that manufacturers report products which have been the subject of three or more settlements or adverse judgments in lawsuits for grevious bodily injury or death within a 2-year period. While it is understood that a settlement or adverse judgment is a lawsuit may not indicate to the manufacturer that his product constitutes a hazard, this type of report provides some objective criteria on which to base reporting to the CPSC of products that have the potential for requiring review. It is not intended that the CPSC would determine on the basis of such reporting of lawsuits alone that a product is hazardous. Rather, it is intended that this reporting serve as an early-warning system to the CPSC that its own investigation of this product may be warranted.

Another important aspect of this legislation is an increase in the amount of civil penalties that may be assessed against manufacturers for various violations. The penalty amounts in current law have not kept pace with inflation over the years and, for that reason, are not as effective a penalty as they should be. The legislation will correct that situation.

Finally, while the Senate version of this legislation did not address any specific products, the House version contained a substantial number of provisions designed to insure regulation or reporting with respect to specific products which the House believed merited the CPSC's immediate attention. The conference report addresses some, although not all, of the specific products dealt with by the House in an effort to provide the CPSC some guidance in prioritizing its product safety efforts. Enactment of these provisions does not, of course, preclude future action on specific products not addressed by the legislation, and it is my intention that the Consumer Subcommittee will review additional products as it performs its oversight function in the next Congress.

We in the Congress have an obligation to insure that products sold to American consumers are safe, and that consumers can use them with confi-

dence. We also have an obligation to let businesses know what will be required of them regarding product safety so that they can plan their production with certainty. Business must also get the clear message that cutting corners on safety will not provide any competitive advantage, but will have the opposite effect. The CPSC has an extremely important function to perform. This legislation is intended to strengthen the CPSC, give it clearer direction, and emphasize the critical nature of its mission to consumers. I urge my colleagues to enact this CPSC authorization, the first such legislation in almost a decade, and confirm Congress' belief in the need for, and importance of, this agency's mission.

Mr. GORTON. Mr. President, I am pleased to support the conference report to accompany S. 605, the Consumer Product Safety Improvement Act of 1990. The Congress has not reauthorized the Consumer Product Safety Commission [CPSC] since 1981. Passage of this bill will reestablish the focus and purpose of the Commission.

This legislation gives CPSC the direction and authority that is necessary to protect the public welfare, and it preserves the prerogative of the Commission to act where appropriate. Congress must give the Commission direction on how to protect the public, but it is important that the Commission have discretion to act as it sees fit and to defer to voluntary industry standards were appropriate.

The most significant issue to the Commission was the quorum requirement because a lack of a quorum prevented the agency from transacting business much of last year. I preferred the Senate provision which addressed this problem by reducing the Commission from five to three members and the quorum requirement from three to two. I believed this position acknowledged the fact that the Appropriations Committee has been willing to provide funding for only three members in recent years. In the interest of reaching a consensus, however, I have supported the House provision which maintains CPCS as a five-member commission but reduces the quorum requirement to two if only three members are serving. The conference report provides also that, if one of the three members of the Commission should leave office, then two members could conduct business for a period of 6 months. If no replacement is nominated and confirmed within 6 months, the Commission would be unable to transact business, as was the case much of last year.

The conference report also requires the CPSC to complete rulemaking procedures within 12 months after the publication of an advance notice of proposed rulemaking, unless the Commission determines that the rule is not reasonably necessary to eliminate or reduce the risk of injury from the product. The Commission may extend this time limit only for good cause after notifying the Senate Commerce Committee and the House Energy and Commerce Committee and providing an estimate of the date by which the rule will be completed. The Senate Commerce Committee received testimony in a reauthorization hearing last year indicating that rulemakings were taking on average more than 4 years to complete. This provision requires CPSC to act without unnecessary delay. It enhances the Commission's ability to address safety issues in a timely fashion.

Mr. President, the conferees worked very hard to reach a compromise on the section 15(b) notice requirement. The original House provision would have required notification to CPSC when a consumer product is the subject of a product liability lawsuit. I was concerned about this provision because a complaint is merely an allegation: It need have no basis in fact. This would not provide the Commission with accurate or useful information for the purpose of carrying out its responsibilities. Rather, it would require the Commission to interpret a tremendous amount of data, much of which may have little or no value for the agency.

The conference agreement requires manufacturers to report adverse judgments and settlements outside of section 15. This provision requires manufacturers to report only judgments in favor of the plaintiff or settlements over a specified 2-year period. Since these cases have been resolved or settled, they will have greater probative value for the Commission than would the allegations in a complaint. Therefore, they will assist the Commission in carrying out out its responsibilities without inundating the Commission with vast amounts of useless information. Further, this provision would protect manufacturers from improper disclosure or other use of this information through the strict confidentiality provision contained in the conference report.

Mr. President, the CPSC has been subjected to much criticism in recent years. Critics contend that the Commission has failed to address important safety issues. This legislation will strengthen the Commission and provide it with the resources and authority to carry out its mission effectively. I congratulate my colleagues on the conference committee, particularly Senator BRYAN, the chairman of the Consumer Subcommittee, for their hard work in resolving these difficult issues. I urge my colleagues to support the conference report.

Mr. DANFORTH. Mr. President, today the Senate will consider the conference report to accompany S. 605, the Consumer Product Safety Improvement Act of 1990. This conference report is essential for the continuing operations of the Consumer Product Safety Commission [CPSC].

The purpose of the CPSC is to protect consumes from product hazards. For much of last year, however, the Commission was unable to fulfill its statutory mandate because it lacked a quorum and was unable to transact business. The Commission's primary concern in reauthorizing legislation is avoiding a shutdown in the future. The conference report addresses this issue by lowering the quorum requirement to two as long as the Commission has only three members. If the Commission has only two members, that will constitute a quorum for a period of 6 months.

Another issue of great significance is the Consumer Product Safety Act's section 15(b) reporting requirement. The purpose of this section is to provide the Commission with information on consumer products that may pose a danger to the public. The consensus in the Senate Commerce Committee was that the Commission was receiving insufficient data under this section.

The conference report approaches the reporting issue in a way that will give CPSC the tools it needs for more effective enforcement. The report retains the Senate's section 15(b) provision which requires reporting whenever a product creates an unreasonable risk of death or serious injury. It also creates a new section 37 that requires manufacturer reporting of verdicts in favor of a plaintiff and settlements. This information may assist the CPSC in deciding where to devote its enforcement and regulatory efforts. I would stress, however, that this information does not constitute an admission that a product is unsafe. Moreover, many verdicts are overturned on appeal, and manufacturers settle cases because the cost of continued litigation substantially outweighs the cost of settling.

A crucial aspect of the new section 37 is its strict confidentiality provision. This will ensure that the increased reporting to the Commission has no effect on ongoing product liability litigation. Further, the conference report protects the confidentiality of the terms of all settlements.

Mr. President, I am pleased to support this conference report. The CPSC must be reauthorized. The quorum provision is essential for the continuing operation of the Commission. The other provisions will give the Commission the direction and resources it needs to carry out its responsibilities. I urge my colleagues to support this conference report.

Mr. GLENN. Mr. President, I urge adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TELEMARKETING FRAUD AND ABUSE PREVENTION ACT

Mr. GLENN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 739, S. 2494, the Telemarketing and Consumer Fraud Abuse Prevention Act.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2494) to strengthen the authority of the Federal Trade Commission regarding fraud committed in connection with sales made with a telephone, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike all after the enacting clause, and inserting in lieu thereof the following:

That this Act may be cited as the "Telemarketing and Consumer Fraud and Abuse Prevention Act".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "attorney general" means the chief legal officer of a State;

(2) "Commission" means the Federal Trade Commission;

(3) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, and any territory or possession of the United States; and

(4) "telemarketing" means a plan, program, or campaign which is conducted to induce purchases of goods or services by significant use of one or more telephones and which has involved interstate telephone calls; the term does not include other use of a telephone in connection with business or personal transactions.

TELEMARKETING RULES

SEC. 3. (a) The Commission shall prescribe rules regarding telemarketing activities. In prescribing such rules, the Commission shall consider the inclusion of—

(1) a requirement that goods or services offered by telemarketing be shipped or provided within a specified period and that if the goods or services are not shipped or provided within such period a refund be required;

(2) authority for a person who orders a good or service through telemarketing to cancel the order within a specified period;

(3) restrictions on the hours of the day when unsolicited telephone calls can be made to consumers;

(4) a prohibition of telemarketing generated by computers on equipment that does not permit the individual called to terminate the telephone call; and

(5) recordkeeping requirements.

(b) The Commission also shall prescribe rules prohibiting fraudulent telemarketing acts or practices and shall include in such rules a definition of the term "fraudulent telemarketing acts or practices".

(c) The Commission shall prescribe the rules under subsections (a) and (b) of this section within 180 days after the date of enactment of this Act. Such rules shall be prescribed in accordance with section 553 of title 5, United States Code.

(d) Any violation of any rule prescribed under subsection (a) or (b) of this section shall be treated as a violation of a rule under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) regarding unfair or deceptive acts or practices (subject to any remedy or penalty applicable to any violation thereof).

(e) The rules promulgated under this section shall not be construed as preempting State law.

ACTIONS BY STATE ATTORNEYS GENERAL

SEC. 4. (a) Whenever the attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person has engaged or is engaging in telemarketing which violates any rule, regulation, or order of the Commission under this Act, the State may bring a civil action on behalf of its residents to enjoin such telemarketing, to enforce compliance with any rule, regulation, or order of the Commission under this Act, to obtain damages on behalf of their residents, or to obtain such further and other relief as the court may deem appropriate.

(b) The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this section to enforce any liability or duty created by any rule, regulation, or order of the Commission under this Act, or to obtain damages or other relief with respect thereto. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of any rule, regulation, or order of the Commission under this Act, including the requirement that the defendant take such action as is necessary to remove the danger of violation of any such rule, regulation, or order. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

(c) The State shall serve prior written notice of any such civil action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Commission shall have the right (1) to intervene in the action, (2) upon so intervening, to be heard on all matters arising therein, and (3) to file petitions for appeal.

(d) Any civil action brought under this section in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the telemarketing occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

(e) For purposes of bringing any civil action under this section, nothing in this Act shall prevent the attorney general from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(f) Nothing contained in this section shall prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal antifraud statute of such State.

(g) Whenever the Commission has instituted a civil action for violation of any rule prescribed under this Act, no State may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for violation of any rule as alleged in the Commission's complaint.

ACTIONS BROUGHT BY PRIVATE PERSONS

SEC. 5. (a) As used in this section, the term "person adversely affected by telemarketing" means—

(1) any person who has incurred loss or damage in connection with telemarketing and who actually purchased goods or services through telemarketing, or paid or is obligated to pay for goods or services purchased through telemarketing;

(2) any financial institution that has incurred loss or damage in connection with telemarketing; or

(3) any member organization comprised of financial institution members, or any parent organization of such member organization, if one or more of the financial institution members is eligible to bring a civil action under this subsection.

Such term does not include a governmental entity.

(b)(1) Any person adversely affected by any telemarketing which violates any rule, regulation, or order of the Commission under this Act may, within 3 years after discovery of the violation, bring a civil action against a person who has engaged or is engaging in such telemarketing if the amount in controversy exceeds the sum or value of $50,000 in actual damages for each person adversely affected by such telemarketing. Such an action may be brought to enjoin such telemarketing, to enforce compliance with any rule, regulation, or order of the Commission under this Act, to obtain damages, or to obtain such further and other relief as the court may deem appropriate.

(2) The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this section to enforce any liability or duty created by any rule, regulation, or order of the Commission under this Act, or to obtain damages or other relief with respect thereto. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of any rule, regulation, or order of the Commission under this Act, including the requirement that the defendant take such action as is necessary to remove the danger of violation or of any such rule, regulation, or order. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

(3) The plaintiff shall serve prior written notice of the action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the person shall serve such notice immediately upon instituting such action. The Commission shall have the right (A) to intervene in the action, (B) upon so intervening, to be heard on all matters arising therein, and (C) to file petitions for appeal.

(4) Whenever the Commission has instituted a civil action for violation of any rule prescribed under this Act, no person may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for violation of any rule as alleged in the Commission's complaint.

(5) Any civil action brought under this section in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the telemarketing occurred or is occurring and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

(c) The court, in issuing any final order in any action brought under subsection (b) of this section, may award costs of suit and reasonable fees for attorneys and expert witnesses to the prevailing party.

(d) Nothing in this section shall restrict any right which any person may have under any statute or common law.

VENUE

SEC. 6. Subsections (a) and (b) of section 13 of the Federal Trade Commission Act (15 U.S.C. 53) are each amended by adding at the end thereof the following: "Whenever it appears to the court that the interests of justice require that any other person, partnership, or corporation should be a party in such suit, the court may cause such person, partnership, or corporation to be summoned without regard to whether they reside or transact business in the district in which the suit is brought, and to that end process may be served wherever the person, partnership, or corporation may be found.".

SUBPOENA

SEC. 7. (a) Section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting immediately after paragraph (6) the following new paragraph:

"(7) The term 'physical evidence' means any object or device, including any medical device, food product, drug, nutritional product, cosmetic product, or audio or video recording.".

(b) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)(1)) is amended—

(1) by inserting "physical evidence or" immediately after "any" the second time it appears;

(2) by inserting "to produce such physical evidence for inspection," immediately before "to produce";

(3) by inserting "physical evidence," immediately after "concerning"; and

(4) by inserting "evidence," immediately before "material, answers,".

(c) Section 20(c)(3)) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)(3)) is amended—

(1) by inserting "physical evidence or" immediately before "documentary material";

(2) in subparagraph (A)—

(A) by inserting "physical evidence or" immediately before "documentary"; and

(B) by inserting "evidence or" immediately after "permit such";

(3) in subparagraph (B), by inserting "evidence or" immediately before "material"; and

(4) in subparagraph (C), by inserting "evidence or" immediately before "material".

(d) Section 20(c)(10) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)(10)) is amended by inserting "physical evidence or" immediately before "documentary material" each place it appears.

FALSE ADVERTISEMENTS CONCERNING SERVICES

SEC. 8. Section 12(a) of the Federal Trade Commission Act (15 U.S.C. 52(a)) is amended by inserting "services," immediately after "devices," each place it appears.

CLEARINGHOUSE

SEC. 9. The Commission shall establish a clearinghouse for inquiries made to Federal agencies concerning telemarketing. The clearinghouse will provide information (other than information which may not be disclosed under section 552(b) of title 5, United States Code, or under regulations prescribed by the Commission to implement sections 552(b) of title 5, United States Code) to anyone making inquiries respecting persons engaged in telemarketing or direct such inquiries to the appropriate Federal or State agency.

FINANCIAL DATA

SEC. 10. Section 1109(a)(3) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3409(a)(3)) is amended—

(1) by redesignating subparagraph (E) as subparagraph (F);

(2) by striking "or" at the end of subparagraph (D); and

(3) by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) dissipation, removal, or destruction of assets that are subject to forfeiture, seizure, redress, or restitution under any law of the United States by reason of having been obtained in violation of law; or".

CRIMINAL CONTEMPT AUTHORITY

SEC. 11. Section 16(a)(1) of the Federal Trade Commission Act (15 U.S.C. 56(a)(1)) is amended—

(1) in subparagraph (A) by striking "civil" the first place it appears and inserting in lieu thereof "Federal court"; and

(2) by adding at the end the following: "The Commission may bring a criminal contempt action for violations of orders obtained in cases brought under section 13(b) of this Act in the same manner as civil penalty and other Federal court actions to which this subsection applies. Such cases may be initiated by the Commission on its own complaint, or pursuant to its acceptance of an appointment by a court to assist it in enforcing such orders pursuant to Rule 42(b) of the Federal Rules of Criminal Procedure."

ADMINISTRATION AND APPLICABILITY OF ACT

SEC. 12. (a) Except as otherwise provided in sections 4 and 5 of this Act, this Act shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) The Commission shall prevent any person from violating a rule, regulation, or order of the Commission under this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act. Any person who violates such rule, regulation, or order shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act.

(c) No provision of this Act shall apply to any person exempt from the jurisdiction of the Commission under section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)), and nothing in this Act shall be construed to vest the Commission, or (except as provided in sections 4 and 5) the attorney general of any State or any person, with jurisdiction or authority over any person in addition to any jurisdiction or authority otherwise granted to the Commission.

LIFE CARE HOME STUDY

SEC. 13. (a) The Federal Trade Commission shall conduct a study of unfair or deceptive acts or practices in the life care home industry, including acts or practices engaged in by life care homes. Within 24 months after the date of enactment of this section, the Commission shall report the findings and conclusions of the study to Congress. The Commission shall indicate in its report whether it intends to initiate a trade regulation rulemaking under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) respecting unfair or deceptive acts or practices in the life care home industry and the reasons for such determination.

(b) for purposes of subsection (a)—

(1) The term "life care home" includes the facility or facilities occupied, or planned to be occupied, by residents or prospective residents where a provider undertakes to provide living accommodations and services pursuant to life care contract, regardless of whether such facilities are operated on a profit or nonprofit basis.

(2) The term "life care contract" includes a contract between a resident and a provider to provide the resident, for the duration of such resident's life, living accommodations and related services in a life care home, including nursing care services, medical services, and other health-related services, which is conditioned upon the transfer of an entrance fee to the provider and which may be further conditioned upon the payment of periodic service fees.

SUNSET

SEC. 14. The provisions of sections 3, 4, and 5 shall cease to have force and effect on and after the date that is five years following the date of enactment of this Act.

AMENDMENT NO. 3108

(Purpose: To make various amendments)

Mr. GLENN. Mr. President, on behalf of Mr. BRYAN, I send to the desk a technical amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] for Mr. BRYAN (for himself and Mr. MCCAIN) proposes an amendment numbered 3108.

Mr. GLENN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 14, lines 9 through 14, strike all and insert in lieu thereof the following:

(4) "telemarketing" means a plan, program, or campaign which is conducted to induce purchases of goods or services by significant use of one or more telephones and which has involved interstate telephone calls; the term does not include other use of a telephone in connection with business or personal transactions, nor does the term include the solicitation of sales through the mailing of a catalog which—

"(A) contains a written description or illustration of the goods or services offered for sale;

"(B) includes the business address of the seller;

"(C) includes multiple pages of written material or illustrations;

"(D) is issued not less frequently than once a year; and

"(E) is at least the third catalog satisfying the requirements of subparagraphs (A) through (D) that has been issued by the seller within the last five years,

where the seller does not place calls to customers but only receives calls initiated by customers in response to the catalog and during those calls takes orders only without further solicitation.

On page 16, line 2, insert "a pattern or practice of" immediately before "telemarketing".

On page 18, line 25, insert "pattern or practice of" immediately before "telemarketing".

On page 19, line 3, insert "pattern or practice of" immediately before "telemarketing".

On page 18, line 2, strike "antifraud".

On page 25, lines 15 through 22, strike all and insert in lieu thereof the following:

(c)(1) No provision of this Act shall apply to any person exempt from the jurisdiction of the Commission under section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)), and nothing in this Act shall be construed to vest the Commission, or the attorney general of any State or any person, with jurisdiction or authority over any person not otherwise subject to the jurisdiction or authority of the Commission.

(2)(A) No provision of this Act shall apply—

(i) to a broker, dealer, municipal securities dealer, government securities broker, government securities dealer, or investment company in connection with the offer, sale, or purchase of any security, or to an issuer in connection with the offer, sale, or purchase of any security which that issuer has issued, or to any investment adviser providing investment advice relating to any security; or

(ii) to the solicitation, acceptance, confirmation, or execution of orders for the entry into, purchase of, or sale of any contract, account, agreement, or transaction subject to the exclusive jurisdiction of the Commodity Futures Trading Commission under the Commodity Exchange Act (7 U.S.C. 1 et seq.) by a person registered under the Commodity Exchange Act in order to engage in such activity; including as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, leverage transaction merchant, floor broker, or floor trader, or as a person associated with any such person.

(B) For purposes of subparagraph (A)(i)—

(1) the terms "broker", "dealer", "municipal securities dealer", "government securities broker", and "government securities dealer" have the meanings given them in section 3(a)(4), (5), (30), (43), and (44), respectively, of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4), (5), (30), (43), and (44));

(2) the term "investment adviser" has the meaning given it in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(11));

(3) the term "investment company" has the meaning given it in section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(a));

(4) the term "issuer" has the meaning given it in section 2(4) of the Securities Act of 1933 (15 U.S.C. 77b(4)); and

(5) the term "security" has the meaning given to it in section 2(1) of the Securities Act of 1933 (15 U.S.C. 77b(1)), section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10), and section 2(a)(36) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(36)).

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3108) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BRYAN. Mr. President, I am pleased that the Senate is considering the important issue of consumer fraud, and particularly fraud carried out through use of the telephone. As we all know, telephone sales are increasingly being used, both by legitimate businesses for consumer convenience, and by bad actors who are out to defraud and harass the consumer. Over $100 billion in sales are estimated to be made by telephone each year. Unfortunately, estimates of the annual cost of fraudulent telephone sales are in the $1 billion range.

No one knows this better than the citizens of my own State of Nevada. The Senate Consumer Subcommittee, which I chair, held its first hearing on this issue, focused on penny stock fraud, in Las Vegas, and heard memorable testimony from consumers about fraudulent schemes. In fact, it is fair to say that during the 1980's, fraudulent telemarketing boiler rooms were a growth industry in Nevada. The State's consumer affairs division has records of over 15,000 written complaints and over 66,000 telephone inquiries from consumers concerned about such fraud. It is estimated that Nevada consumers lost about $8 million between 1984 and 1989 because of telemarketing schemes.

The State government, together with the Federal strike force, has done an admirable job in attempting to deal with this overwhelming problem. The boiler room industry has gone into sharp decline, from 400 telemarketing firms with 20,000 employees in 1988 to 60 operations with 5,000 salespeople in 1989. The State has enacted creative and effective legislation to address this problem, requiring licensing of telemarketers and establishing tough antifraud provisions in the securities area, which I was pleased to sign into law when I served as Governor.

Despite these efforts, the problem has not been eliminated either in Nevada or in the rest of the country. The legislation we are considering today is a step toward maximizing the efforts at the Federal level to protect consumers from being swindled out of money they can seldom afford to lose.

Legislation in this area must be carefully crafted to avoid unduly burdening the many legitimate telemarketers, and to find the proper balance between Federal and State enforcement. I believe this legislation achieves both those goals, and will be of considerable assistance to consumers. S. 2494 is the result of two consumer subcommittee hearings on this issue, and many months of work toward this end. The bill was unanimously reported favorably by the Commerce Committee in July 1990.

My republican colleague, Senator MCCAIN, who is a cosponsor of the bill, has been of tremendous assistance in crafting this legislation. He has worked on these issues for some time, and the version of S. 2494 that the Senate will consider incorporates several proposals originating with Senator MCCAIN.

Briefly stated, S. 2494 requires the Federal Trade Commission to promulgate rules defining and preventing telemarketing fraud, as well as regulating the ways in which telemarketing is carried out. This rulemaking will consider, among other things, limitations on the hours of calling and the use of automatic dialing machines, as well as the requirement of a cooling off period in which buyers may rescind purchases which they have reconsidered. These rules will provide supplemental authority to that which the FTC has under current law. This bill is not intended in any way to alter the FTC's current authority, but merely to provide the FTC with additional weapons in its arsenal against those who would harass or defraud the consumer.

The bill also will permit State law enforcement officials, and private parties who have incurred over $50,000 in damage, to sue to enforce the new telemarketing rules in Federal court. However, the bill will not preempt any existing State laws, so the States will retain all authority they currently have to bring actions in State court against telemarketing fraud or other injuries to their citizens. This bill merely provides an additional remedy enforceable only in Federal court. Additionally, the bill provides the FTC

with enhanced enforcement tools, such as increased subpena power, to carry out its consumer protection functions.

Senator MCCAIN and I also are proposing four somewhat technical amendments to the bill as reported by the Commerce Committee. The first amendment makes clear that telemarketing is not intended to include sales in which the buyer orders a product by telephone from a catalog, without any additional solicitation by telephone from the seller. Such sales are not typically subject to the high pressure, highly mobile, boiler room tactics that require additional enforcement tools.

The second amendment makes clear that lawsuits by private parties and State attorneys general should be brought only against those who engage in a pattern or practice of violation of telemarketing rules, and not based on a one-time, unintentional incident of activity inconsistent with the rules. The third amendment is a technical correction to make clear that this bill is not intended to preempt State law of any type. The last amendment makes clear that this bill is not intended to apply to securities or futures transactions carried out by individuals regulated by the Securities and Exchange Commission or the Commodity Futures Trading Commission.

To summarize, I believe this is a bill that will provide valuable enforcement tools for both Federal and State officials and private parties, to protect consumers against the serious threat of telemarketing fraud. However, it is carefully balanced to impose no more burden than is necessary on legitimate telemarketing businesses, whose reputations should benefit from the elimination from their industry of those who commit fraud or otherwise harass consumers.

Consumers deserve to be protected from intrusive, high pressure, and fraudulent sales schemes. They deserve our help in protecting the income they have worked so hard to earn. Today I believe the Senate has the opportunity to take a significant step on behalf of the consumer. I welcome my colleagues' support in this effort.

Mr. HOLLINGS. Mr. President, I am glad to see the Senate considering this legislation, which I believe will be very valuable to consumers. We all know that telemarketing fraud has become an enormous drain on the pocketbooks of hardworking consumers, who lose an estimated $1 billion each year from telemarketing fraud. We also know that, despite increasing enforcement efforts by the Federal Trade Commission and State enforcement officials, this fraud continues to be a major problem for consumers. It also is a problem for the many legitimate businesses which sell goods over the telephone. The reputation of these legitimate businesses can suffer due to the actions of the bad apples.

S. 2494 will give the Federal Trade Commission, the States, and private citizens additional ammunition in the fight to reduce losses to consumers. It is the result of hard work by members of the consumer subcommittee, particularly the chairman, Senator BRYAN, who introduced this legislation and has chaired 2 days of hearings on the issue, and Senator MCCAIN, who developed many of the consumer fraud provisions of the legislation in the course of his work to prevent fraud against the elderly. The Commerce Committee, which I chair, approved this legislation unanimously.

Consumers need help in protecting themselves from unscrupulous telemarketers, who often use high pressure sales techniques, take the consumer's money, and then disappear. Fraudulent telemarketers are not only clever and resourceful, but also, by definition, quite mobile. We need to use the full resources of the Federal and State governments to give consumers the protection they deserve.

I commend Senators BRYAN and MCCAIN for their hard work on this issue. This is a thoroughly considered and well-conceived bill that will mean a great deal to consumers. I am happy to lend my support to this effort, and I urge my colleagues to act favorably on this bill.

Mr. MCCAIN. Mr. President, telemarketing is one of the fastest growing industries in the United States. Most telemarketing companies are legitimate, but the expansion of telemarketing as an industry has unfortunately led to the emergence of telemarketing and consumer fraud as a growing, and potentially hazardous, problem today.

Consumer fraud has been the focus of my attention for some time, particularly the issues of health and consumer fraud targeting the elderly. On March 16, 1988, I testified before the Federal Trade Commission [FTC] on the the issue of fraud and the elderly. On that occasion, I conveyed my concern over the increase in cases of health care and consumer fraud by scam operators who count on the vulnerability of senior citizens to give them their money, and then run, leaving behind those elderly consumers dissatisfied, and, possibly, physically harmed by their reliance on fraudulent products and health care schemes. Later that year, on April 26, 1988, I introduced S. 2326, the Consumer Fraud Prevention Act. S. 2326 would have made it unlawful to disseminate any false advertisement for the purpose of inducing the purchase of services, such as health care or home repair services. This provision, among others, was incorporated into S. 1441, the Consumer Fraud Prevention Act, which I introduced on July 31, 1989. Sharing the same concerns that I have, my colleague from Nevada, Senator BRYAN, introduced S. 2494, the Telemarketing and Consumer Fraud and Abuse Prevention Act, on April 23, 1990. Senator BRYAN also has a long-standing concern about the impact of consumer fraud. I am very pleased to have worked with him to incorporate the consumer fraud provisions of S. 1441 into S. 2494. This legislation will provide protection for consumers against those who commit telemarketing and consumer fraud, and gives State attorneys general the authority to act against the individuals who commit such fraud.

Telemarketing and consumer fraud cost American taxpayers tens of billions of dollars per year, and, in the case of health fraud, consumers can pay with their lives. Such fraud is often committed by individuals who escape legal action by Federal or State authorities by dismantling their operation and relocating to begin the operation again. In the cases of these boiler room scams, both the victims and the perpetrators are difficult to locate since the operations often consist of nothing more than phone banks, which do not readily provide detailed evidence of illegal activity.

Mr. President, senior citizens are particularly susceptible to consumer and telemarketing fraud. For some, advance age brings increased wisdom and experience. But for others, it brings increased vulnerability to crimes—especially those who live alone, are lonely, or who may have recently suffered the loss of a loved one. Fraudulent practices are successful with the elderly for many reasons. First, senior citizens are sometimes more easily pressured by individuals seeking to defraud them. Second, seniors are major consumers of services and products, such as medical devices, drugs, and nutritional products. Therefore, they are an easy target for con artists. Third, fixed incomes make get-rich-quick schemes seem attractive. Finally, illnesses or diseases suffered by seniors may make wonder cures very enticing.

There are several areas of fraud to which older Americans are particularly susceptible.

One area, health fraud or quackery, is one of our Nation's leading health care problems. Current projections by the National Council Against Health Fraud indicate that health quackery is costing Americans close to $25 billion per year. Health care fraud is the most prevalent and damaging type of fraud committed against older Americans. Older Americans, as a group, experience deteriorating health and a greater number of terminal illnesses. In searching for a way to extend life and

combat illness, they fall prey to health quackery.

A few examples from my own State of Arizona illustrate the magnitude of the problem.

An advertisement was placed in the Arizona Republic and Phoenix Gazette newspapers that read: "Alzheimer's disease—symptoms of senility. At last—now there is hope! Call ——— for help. Free—no charges—no fees."

In another case, the C.C. Pollen Co. was soliciting "The first 100 People who are now afflicted with Alzheimer's Disease. To participate in a risk-free program to prove the miraculous benefits achieved when ingesting the new advanced nutrient tablet—Ageless." The literature lists testimonials; columns of M.D.'s, Ph.D's, D.D.S.', and so forth, who allegedly have recommended the Ageless and Ageless II tablets; and clinical reports. The man behind this company at the time of this advertising blitz was under indictment for land fraud. Fortunately, this scam was stopped fairly quickly, but not before three victims were identified.

Another example of health quackery in Arizona involved a phony cancer cure called "Tumorex." The ad read: "Cancer patients undergo a six-day therapy of daily tumorex injections administered by a licensed M.D. or R.N. This is augmented by amino acid capsules taken ½ hour before each meal. Treatment is given Monday through Saturday. Any enzyme program must be discontinued 24 hours before the first day of treatment. In most cases, six days of treatment are sufficient; however, 12 days or more are required for some severe cases. Colon cleansing is important before treatment and imperative after treatment. $2,500 includes the 6- or 12-day treatment, and transportation (meals and lodging not included). We suggest cashier's or traveler's checks, however MasterCard and Visa are acceptable." Mr. President, "Tumorex" is really the amino acid L-Argenine, which can be purchased at local health food stores at a cost of $5.50 for 100 tablets.

Health care fraud is not only costly to consumers, it can be life threatening as well. In some cases, the quack cure may be deadly. In other cases, the quack cure may be harmless, but a victim may be led to opt for the quack cure for an illness instead of a physician-recommended course of treatment. Again, the result can be harmful.

A second area of fraud of particular concern to older Americans is telemarketing fraud, via the television or telephone. While telemarketing fraud is not confined to older Americans, it is often successful amongst this group. Medical and health services, work-at-home schemes, and home repair frauds are common exploitations aimed directly at older Americans. Many of these deceptions appear legitimate on the surface, but, unfortunately, their true nature is usually not discovered until the consumer does not receive the ordered item, receives a copy rather than an authentic item, or suffers some financial or health loss.

Some examples of telemarketing fraud that I've found include the following:

One telemarketing scam preying on Arizonans involved a nationwide, shop-at-home program. This program, which was aired over nationwide television, involved a listing of various items for sale. The funds for these items are sent to the company, which in turn, cashes the checks and never delivered the merchandise. This operation generated over 1,300 complaints.

A Scottsdale-based company advertised reduced prices on new carpeting and installations costs by telephone. However, the business never delivers the new carpet—even after the company has collected a sizable deposit and sometimes even after the customer's old carpet has been removed. In just a few months, the State Attorney General's office received over 65 complaints about the operation of this firm—many complaints of which were from older Americans. Despite the best efforts of the Attorney General's Office to investigate the firm's practices and develop a case, restitution to the victims may not be possible due to the fact that the firm filed for bankruptcy.

An elderly woman in Scottsdale received a phone solicitation offering her ways to save money on her taxes, saying that the "National Senior Citizens Association" has found loopholes in the tax laws that would save her and other older Americans thousands of dollars. The caller then visited the woman's home and tried to sell this plan. Out of fear, she backed off and called my office. Unfortunately, others who were victimized by this scam did not take this course of action and were ripped off by this practice.

Mr. President, the list of examples of older Americans who are swindled out of their fixed incomes or life savings by those out to make a quick buck goes on. We also need to recognize that telemarketing fraud isn't confined to seniors. However, this particular consumer group has consistently been targeted for telemarketing fraud.

A third area of great concern is life care communities. While most life care communities are reputable and provide a valuable service, there are enough cases of seniors losing huge investments due to fraud or mismanagement that Congress should carefully scrutinize these problems.

Life care communities can be a practical solution to the problem of assuring independent and supportive living for older Americans as long as possible, and guaranteeing that 24-hour nursing care is available when necessary. This type of living arrangement, however, is often more costly than others. An entrance fee is usually required—which can range from $20,000 to $100,000, in addition to a monthly fee that can range from $650 to $1,200. In exchange for the fees, the resident is assured of housing and services for life—regardless of health.

The Congressional Research Service estimates that there are between 300 and 600 communities operating today, serving approximately 90,000 residents. Regulation of the life care industry is handled by individual State governments. To date, fewer than 20 States have adopted legislation regulating continuing care communities. Because of the lack of Federal or widespread State standards and regulation, the life care industry has experienced problems with both fraud and unintentional mismanagement. I would like to touch on a number of the issues associated with this industry.

First is the occasional misrepresentation of financial risks. Some of the life care communities fail to establish adequate means of financial protection to cover the services specified in their contract with the residents. A recent study of 50 life care communities found that since 1980, 10 percent have defaulted on their debts and another 14 percent are not meeting the occupancy rates that were deemed to be crucial to success.

Second, is the occasional misrepresentation of the mortgage-lender's interests. A study of this area of deception by the FTC found that some of the life care communities misrepresent the mortgage-creditor's responsibilities to the life care community. Some consumers are led to believe that, if the management experiences a financial hardship, the commercial lender assumes responsibility for the maintenance and quality of the facility or the care provided. The FTC found that such an assertion is misleading, at best.

Third is the potential misuse of the entrance fee financing. Given the fact that the life care communities want a large entrance fee paid up front, a life care provider may have as much as $7 to $12 million at its disposal before the community even opens its doors. These fees do not merely represent spare dollars for the prospective residents, they represent substantial down payments on security in old age.

The structure of the life care industry leaves the door wide open for abuse, and I believe that it is time to study the industry's practices and find a way to make life care communities an alternative for senior citizens without concerns about fraud and deception.

Mr. President, in addressing these issues, S. 2494 would minimize the

practice of telemarketing and consumer fraud in the following ways.

It offers a solution to the problems facing law enforcement officers working toward bringing scam operators to justice, by expanding the venue and service of process provisions in the Federal Trade Commission Act. Thus, authorities will be permitted to summon and serve process upon any party, regardless of where they live or conduct business. This way, law enforcement officials will be able to bring scam operators to justice even if they have packed up their operation.

Next, it enhances the enforcement authority of the FTC by amending the Right to Financial Privacy Act of 1978 to permit access to financial records of consumer fraud suspects, without providing advance notice to the suspects, with court approval, if it can show that the funds which are the focus of the records are likely to disappear without a trace for the purposes of an investigation.

S. 2494 offers protection to consumers against telemarketing fraud and abuse by requiring the FTC to develop a telemarketing rules protecting consumers, which would include, (1) refunds for untimely delivery of goods or services, (2) order cancellations, (3) time restrictions on unsolicited sales calls, (4) a prohibition on the use of equipment that does not allow the person called to hang up and disconnect the call immediately, and (5) requirements for proper recordkeeping for the purposes of establishing evidence of proper business practices. The bill also directs the FTC to promulgate a rule to combat fraudulent telemarketing acts and practices. This rule is intended to be flexible in order to reflect the changing nature of these illegal practices. These provisions would protect unsuspecting consumers from both unwelcome, unsolicited interruptions, and, more importantly, fraud.

S. 2494 will allow enforcement assistance by the States by permitting State attorneys general to enforce the proposed FTC telemarketing rules after first notifying the Commission. After receiving a copy of the State's complaint, the Commission may intervene as a matter of right in the proceeding. This provision assures joint enforcement efforts by both State and Federal authorities without precluding one or the other.

Next, it permits private individuals to sue for violation of the FTC telemarketing rules when the amount in controversy exceeds $50,000. As in the case of the States attorneys general, a plaintiff would be required to notify the FTC prior to bringing suit.

These last three provisions are subject to a 5-year sunset clause, at which time they will cease to be effective. This will allow Congress the opportunity to evaluate the reasonableness and effectiveness of the telemarketing fraud and enforcement rules before continuing them indefinitely.

Another important provision amends the Federal Trade Commission Act to clearly set forth that is is unlawful to disseminate any false advertisement for the purpose of inducing the purchase of services, such as health care or home repair services. This provision addresses the problems and dangers of health care fraud by further amending the Federal Trade Commission Act to expand the definition of physical evidence for the purposes of bringing these cases to court. The definition of physical evidence should be expanded to include services, as well as medical devices, food products, nutritional or cosmetic products, or audio or video recordings, all things which are often pivotal evidence in consumer fraud cases generally, and health care fraud in particular.

It also permits FTC to bring an action for criminal contempt for violation of an FTC order, if it is presently authorized to institute a proceeding for civil contempt.

In addition, the legislation further requires the FTC to establish a clearinghouse for telemarketing inquiries to be made available to the public.

Finally, S. 2494 requires the FTC to conduct a study of unfair or deceptive acts or practices in the life care home industry and report to Congress on the results of that study. This would be a starting point toward ensuring that the elderly are not misled when choosing a life care community, and can feel confident when making this very important decision.

Mr. President, S. 2494 is an important step toward minimizing the practice of telemarketing and consumer fraud, and helps protect senior citizens in particular, who are targeted as victims of fraud, and I ask for the support of the Senate on this important legislation.

Mr. GORTON. Mr. President, I am pleased to support S. 2494, the Telemarketing Fraud and Abuse Prevention Act of 1990. This bill takes a reasonable approach to addressing the problems associated with telemarketing fraud.

Telemarketing is one of the fastest growing industries in the United States. In 1986, telemarketing revenues were approximately $118 billion. The industry is comprised of more than 140,000 firms employing 2 million people. Consumers are making increased use of telemarketing, as it allows them to make purchases from their homes.

Although the vast majority of telemarketing firms are legitimate, fraud is a major problem. For example, a Florida company operated a telemarketing investment scam that convinced 13,000 individuals to purchase gold bars, which were to be held in the company's vault. When law enforcement officials closed down the operation, they discovered that the vault contained pieces of wood painted to look like gold bars and money bags filled with shredded paper. Consumers were defrauded out of more than $75 million by this scheme. The Federal Trade Commission [FTC] estimates that telemarketing scams take in $1 billion annually.

Combatting telemarketing fraud is particularly difficult since scam artists often operate out of boilerrooms consisting of banks of phone lines on which solicitors place calls to likely prospects. If the scam artists determine that legal action by State or Federal authorities is imminent, the boilerroom is packed up and moved to a new location.

S. 2494 will address this problem through enhanced law enforcement. The bill directs the FTC to promulgate new telemarketing rules to combat fraudulent telemarketing acts or practices. These rules are intended to be flexible in order to encompass the changing nature of these activities. Violations of these rules will be treated as a rule violation under section 5 of the FTC Act, thereby allowing the Commission to seek those remedies from violators of the new rules.

The bill also enhances FTC enforcement authority by permitting the Commission to subpoena physical evidence in addition to documentary evidence. Also, section 13 of the FTC Act would be amended to permit a court to join additional defendants even if they have no contacts with the district in which the case is pending. The FTC would be permitted to serve process on defendants wherever the defendants can be found.

Section 4 of S. 2494 provides for enforcement of the FTC telemarketing rules by State attorneys general. This provision is particularly important because State law enforcement resources are critical to the national effort to combat telemarketing fraud. A 1989 report by the American Bar Association on the FTC urged the Commission and the States to work cooperatively on national matters such as these. This section will ensure such a healthy and cooperative relationship by requiring a State attorney general to give the FTC prior written notice of his or her intent to file a civil action. In addition, the FTC would have authority to intervene in any lawsuit brought by a State and to file appeals of any court order. Also, State attorneys general would be prohibited from bringing a civil action during the pendency of an action by the FTC against the same defendant for a violation of the same rule. The telemarketing rules and the State and private enforcement provisions will no longer be in effect 5 years after enactment so

that Congress can evaluate the efficacy of these provisions.

Mr. President, I wish to congratulate Senator BRYAN, the chairman of the Consumer Subcommittee, and Senator MCCAIN, an active member of the subcommittee who has devoted considerable time to telemarketing and consumer fraud issues, for their fine work on this bill. This is a complex issue, and I believe that this bill, if enacted into law, will provide enhanced protection for the American consumer fraudulent telemarketing practices while not unduly hindering legitimate businesses.

I urge my colleagues to support this bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, shall it pass?

So the bill (S. 2494) was passed, as follows:

S. 2494

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Telemarketing and Consumer Fraud and Abuse Prevention Act".

DEFINITIONS

SEC. 2. As used in this Act, the term—

(1) "attorney general" means the chief legal officer of a State;

(2) "Commission" means the Federal Trade Commission;

(3) "State" means any State of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, and any territory or possession of the United States; and

TELEMARKETING RULES

SEC. 3 (a) The Commission shall prescribe rules regarding telemarketing activities. In prescribing such rules, the Commission shall consider the inclusion of—

(1) a requirement that goods or services offered by telemarketing be shipped or provided within a specified period and that if the goods or services are not shipped or provided within such period a refund be required;

(2) authority for a person who orders a good or service through telemarketing to cancel the order within a specified period;

(4) "telemarketing" means a plan, program, or campaign which is conducted to induce purchases of goods or services by significant use of one or more telephones and which has involved interstate telephone calls; the term does not include other use of a telephone in connection with business or personal transactions, nor does the term include the solicitation of sales through the mailing of a catalog which—

"(A) contains a written description or illustration of the goods or services offered for sale;

"(B) includes the business address of the seller;

"(C) includes multiple pages of written material or illustrations;

"(D) is issued not less frequently than once a year; and

"(E) is at least the third catalog satisfying the requirements of subparagraphs (A) through (D) that has been issued by the seller within the last five years,

where the seller does not place calls to customers but only receives calls initiated by customers in response to the catalog and during those calls takes orders only without further solicitation.

(3) restrictions on the hours of the day when unsolicited telephone calls can be made to consumers;

(4) a prohibition of telemarketing generated by computers on equipment that does not permit the individual called to terminate the telephone call; and

(5) recordkeeping requirements.

(b) The Commission also shall prescribe rules prohibiting fraudulent telemarketing acts or practices and shall include in such rules a definition of the term "fraudulent telemarketing acts or practices".

(c) The Commission shall prescribe the rules under subsections (a) and (b) of this section within 180 days after the date of enactment of this Act. Such rules shall be prescribed in accordance with section 553 of title 5, United States Code.

(d) Any violation of any rule prescribed under subsection (a) or (b) of this section shall be treated as a violation of a rule under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) regarding unfair or deceptive acts or practices (subject to any remedy or penalty applicable to any violation thereof).

(e) The rules promulgated under this section shall not be construed as preempting State law.

ACTIONS BY STATE ATTORNEYS GENERAL

SEC. 4. (a) Whenever the attorney general of any State has reason to believe that the interests of the residents of that State have been or are being threatened or adversely affected because any person has engaged or is engaging in a pattern or practice of telemarketing which violates any rule, regulation, or order of the Commission under this Act, the State may bring a civil action on behalf of its residents to enjoin such telemarketing, to enforce compliance with any rule, regulation, or order of the Commission under this Act, to obtain damages on behalf of their residents, or to obtain such further and other relief as the court may deem appropriate.

(b) The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this section to enforce any liability or duty created by any rule, regulation, or order of the Commission under this Act, or to obtain damages or other relief with respect thereto. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of any rule, regulation, or order of the Commission under this Act, including the requirement that the defendant take such action as is necessary to remove the danger of violation of any such rule, regulation, or order. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

(c) The State shall serve prior written notice of any such civil action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the State shall serve such notice immediately upon instituting such action. The Commission shall have the right (1) to intervene in the action, (2) upon so intervening, to be heard on all matters arising therein, and (3) to file petitions for appeal.

(d) Any civil action brought under this section in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the telemarketing occurred or is occurring, and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

(e) For purposes of bringing any civil action under this section, nothing in this Act shall prevent the attorney general from exercising the power conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(f) Nothing contained in this section shall prohibit an authorized State official from proceeding in State court on the basis of an alleged violation of any general civil or criminal statute of such State.

(g) Whenever the Commission has instituted a civil action for violation of any rule prescribed under this Act, no State may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for violation of any rule as alleged in the Commission's complaint.

ACTIONS BROUGHT BY PRIVATE PERSONS

SEC. 5. (a) As used in this section the term "person adversely affected by telemarketing" means—

(1) any person who has incurred loss or damage in connection with telemarketing and who actually purchased goods or services through telemarketing, or paid or is obligated to pay for goods or services purchased through telemarketing;

(2) any financial institution that has incurred loss or damage in connection with telemarketing; or

(3) any member organization comprised of financial institution members, or any parent organization of such member organization, if one or more of the financial institution members is eligible to bring a civil action under this subsection.

Such term does not include a governmental entity.

(b)(1) Any person adversely affected by any pattern or practice of telemarketing which violates any rule, regulation, or order of the Commission under this Act may, within 3 years after discovery of the violation, bring a civil action against a person who has engaged or is engaging in such pattern or practice of telemarketing if the amount in controversy exceeds the sum or value of $50,000 in actual damages for each person adversely affected by such telemarketing. Such an action may be brought to enjoin such telemarketing, to enforce compliance with any rule, regulation, or order of the Commission under this Act, to obtain damages, or to obtain such further and

other relief as the court may deem appropriate.

(2) The district courts of the United States, the United States courts of any territory, and the District Court of the United States for the District of Columbia shall have exclusive jurisdiction over all civil actions brought under this section to enforce any liability or duty created by any rule, regulation, or order of the Commission under this Act, or to obtain damages or other relief with respect thereto. Upon proper application, such courts shall also have jurisdiction to issue writs of mandamus, or orders affording like relief, commanding the defendant to comply with the provisions of any rule, regulation, or order of the Commission under this Act, including the requirement that the defendant take such action as is necessary to remove the danger of violation or of any such rule, regulation, or order. Upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.

(3) The plaintiff shall serve prior written notice of the action upon the Commission and provide the Commission with a copy of its complaint, except in any case where such prior notice is not feasible, in which case the person shall serve such notice immediately upon instituting such action. The Commission shall have the right (A) to intervene in the action, (B) upon so intervening, to be heard on all matters arising therein, and (C) to file petitions for appeal.

(4) Whenever the Commission has instituted a civil action for violation of any rule prescribed under this Act, no person may, during the pendency of such action instituted by the Commission, subsequently institute a civil action against any defendant named in the Commission's complaint for violation of any rule as alleged in the Commission's complaint.

(5) Any civil action brought under this section in a district court of the United States may be brought in the district wherein the defendant is found or is an inhabitant or transacts business or wherein the telemarketing occurred or is occurring and process in such cases may be served in any district in which the defendant is an inhabitant or wherever the defendant may be found.

(c) The court, in issuing any final order in any action brought under subsection (b) of this section, may award costs of suit and reasonable fees for attorneys and expert witnesses to the prevailing party.

(d) Nothing in this section shall restrict any right which any person may have under any statute or common law.

VENUE

SEC. 6. Subsections (a) and (b) of section 13 of the Federal Trade Commission Act (15 U.S.C. 53) are each amended by adding at the end thereof the following: "Whenever it appears to the court that the interests of justice require that any other person, partnership, or corporation should be a party in such suit, the court may cause such person, partnership or corporation to be summoned without regard to whether they reside or transact business in the district in which the suit is brought, and to that end process may be served wherever the person, partnership or corporation may be found.".

SUBPOENA

SEC. 7. (a) Section 20(a) of the Federal Trade Commission Act (15 U.S.C. 57b-1(a)) is amended—

(1) by redesignating paragraph (7) as paragraph (8); and

(2) by inserting immediately after paragraph (6) the following new paragraph:

"(7) The term 'physical evidence' means any object or device, including any medical device, food product, drug, nutritional product, cosmetic product, or audio or video recording."

(b) Section 20(c)(1) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)(1)) is amended—

(1) by inserting "physical evidence or" immediately after "any" the second time it appears;

(2) by inserting "to produce such physical evidence for inspection," immediately before "to produce";

(3) by inserting "physical evidence," immediately after "concerning"; and

(4) by inserting "evidence," immediately before "material, answers,".

(c) Section 20(c)(3)) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)(3)) is amended—

(1) by inserting "physical evidence or" immediately before "documentary material";

(2) in subparagraph (A)—

(A) by inserting "physical evidence or" immediately before "documentary"; and

(B) by inserting "evidence or" immediately after "permit such";

(3) in subparagraph (B), by inserting "evidence or" immediately before "material"; and

(4) in subparagraph (C), by inserting "evidence or"immediately before "material".

(d) Section 20(c)(10) of the Federal Trade Commission Act (15 U.S.C. 57b-1(c)(10)) is amended by inserting "physical evidence or" immediately before "documentary material"; each place it appears.

FALSE ADVERTISEMENTS CONCERNING SERVICES

SEC. 8. Section 12(a) of the Federal Trade Commission Act (15 U.S.C. 52(a)) is amended by inserting "services," immediately after "devices," each place it appears.

CLEARINGHOUSE

SEC. 9. The Commission shall establish a clearinghouse for inquiries made to Federal agencies concerning telemarketing. The clearinghouse will provide information (other than information which may not be disclosed under section 552(b) of title 5, United States Code, or under regulations prescribed by the Commission to implement sections 552(b) of title 5, United States Code) to anyone making inquiries respecting persons engaged in telemarketing or direct such inquiries to the appropriate Federal or State agency.

FINANCIAL DATA

SEC. 10. Section 1109(a)(3) of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3409(a)(3)) is amended—

(1) by redesignating subparagraph (E) as subparagraph (F);

(2) by striking "or" at the end of subparagraph (D); and

(3) by inserting immediately after subparagraph (D) the following new subparagraph:

"(E) dissipation, removal, or destruction of assets that are subject to forfeiture, seizure, redress, or restitution under any law of the United States by reason of having been obtained in violation of law; or".

CRIMINAL CONTEMPT AUTHORITY

SEC. 11. Section 16(a)(1) of the Federal Trade Commission Act (15 U.S.C. 56(a)(1)) is amended—

(1) in subparagraph (A) by striking "civil" the first place it appears and inserting in lieu thereof "Federal court"; and

(2) by adding at the end the following: "The Commission may bring a criminal contempt action for violations of orders obtained in cases brought under section 13(b) of this Act in the same manner as civil penalty and other Federal court actions to which this subsection applies. Such cases may be initiated by the Commission on its own complaint, or pursuant to its acceptance of an appointment by a court to assist it in enforcing such orders pursuant to Rule 42(b) of the Federal Rules of Criminal Procedure."

ADMINISTRATION AND APPLICABILITY OF ACT

SEC. 12. (a) Except as otherwise provided in sections 4 and 5 of this Act, this Act shall be enforced by the Commission under the Federal Trade Commission Act (15 U.S.C. 41 et seq.).

(b) The Commission shall prevent any person from violating a rule, regulation, or order of the Commission under this Act in the same manner, by the same means, and with the same jurisdiction, powers, and duties as though all applicable terms and provisions of the Federal Trade Commission Act (15 U.S.C. 41 et seq.) were incorporated into and made a part of this Act. Any person who violates such rule, regulation, or order shall be subject to the penalties and entitled to the privileges and immunities provided in the Federal Trade Commission Act in the same manner, by the same means, and with the same jurisdiction, power, and duties as though all applicable terms and provisions of the Federal Trade Commission Act were incorporated into and made a part of this Act.

(c)(1) No provision of this Act shall apply to any person exempt from the jurisdiction of the Commission under section 5(a)(2) of the Federal Trade Commission Act (15 U.S.C. 45(a)(2)), and nothing in this Act shall be construed to vest the Commission, or the attorney general of any State or any person, with jurisdiction or authority over any person not otherwise subject to the jurisdiction or authority of the Commission.

(a)(A) No provision of this Act shall apply—

(i) to a broker, dealer, municipal securities dealer, government securities broker, government securities dealer, or investment company in connection with the offer, sale, or purchase of any security, or to an issuer in connection with the offer, sale, or purchase of any security which that issuer has issued, or to any investment adviser providing investment advice relating to any security; or

(ii) to the solicitation, acceptance, confirmation, or execution of orders for the entry into, purchase of, or sale of any contract, account, agreement, or transaction subject to the exclusive jurisdiction of the Commodity Futures Trading Commission under the Commodity Exchange Act (7 U.S.C. 1 et seq.) by a person registered under the Commodity Exchange Act in order to engage in such activity; including as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, leverage transaction merchant, floor broker, or floor trader, or as a person associated with any such person.

(B) For purposes of subparagraph (A)(i)—

(1) the terms "broker", "dealer", "municipal securities dealer", "government securities broker", and government securities dealer" have the meanings given them in section 3(a)(4), (5), (30), (43), and (44), respectively, of the Securities Exchange Act

of 1934 (15 U.S.C. 78c(a)(4), (5), (30), (43), and (44));

(2) the term "investment adviser" has the meaning given it in section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(11));

(3) the term "investment company" has the meaning given it in section 3(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(a));

(4) the term "issuer" has the meaning given it in section 2(4) of the Securities Act of 1933 (15 U.S.C. 77b(4)); and

(5) the term "security" has the meaning given to it in section 2(1) of the Securities Act of 1933 (15 U.S.C. 77b(1)), section 3(a)(10 of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)), and section 2(a)(36) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(36)).

LIFE CARE HOME STUDY

SEC. 13. (a) The Federal Trade Commission shall conduct a study of unfair or deceptive acts or practices in the life care home industry, including acts or practices engaged in by life care homes. Within 24 months after the date of enactment of this section, the Commission shall report the findings and conclusions of the study to Congress. The Commission shall indicate in its report whether it intends to initiate a trade regulation rulemaking under section 18 of the Federal Trade Commission Act (15 U.S.C. 57a) respecting unfair or deceptive acts or practices in the life care home industry and the reasons for such determination.

(b) For purposes of subsection (a)—

(1) The term "life care home" includes the facility or facilities occupied, or planned to be occupied, by residents or prospective residents where a provider undertakes to provide living accommodations and services pursuant to life care contract, regardless of whether such facilities are operated on a profit or nonprofit basis.

(2) The term "life care contract" includes a contract between a resident and a provider to provide the resident, for the duration of such resident's life, living accommodations and related services in a life care home, including nursing care services, medical services, and other health-related services, which is conditioned upon the transfer of an entrance fee to the provider and which may be further conditioned upon the payment of periodic service fees.

SUNSET

SEC. 14. The provisions of sections 3, 4, and 5 shall cease to have force and effect on and after the date that is five years following the date of enactment of this Act.

Mr. GLENN. Mr. President, I move to reconsider the vote.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOME HEALTH CARE DEMONSTRATION PROJECTS EXTENSION ACT

Mr. GLENN. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order No. 745, H.R. 5112, a bill to amend the Public Health Service Act to establish a disabilities prevention program.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 5112) to amend the Public Health Service Act to extend certain programs for health care services in the home.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill.

AMENDMENT NO. 3109

Mr. GLENN. Mr. President, I send a substitute amendment to the desk on behalf of Senator KENNEDY.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. GLENN] for Mr. KENNEDY, proposes an amendment numbered 3100.

Mr. GLENN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Home Health Care and Alzheimer's Disease Amendments of 1990".

TITLE I—DEMONSTRATION PROJECTS FOR HEALTH CARE SERVICES IN THE HOME

SEC. 101. REVISION AND EXTENSION OF GENERAL PROGRAM.

(a) NUMBER OF GRANTS.—Section 395(a) of the Public Health Service Act (42 U.S.C. 280c(a)) is amended in the matter preceding paragraph (1) by striking "shall make" and all that follows through "grants" and inserting the following: "shall make not less than 5, and not more than 20, grants".

(b) SERVICES PROVIDED.—Section 395(a)(1) of the Public Health Service Act (42 U.S.C. 280c(a)(1)) is amended by striking "skilled" and all that follows and inserting the following: "skilled nursing care services, homemaker or home health aide services, or personal care services are provided in the homes of the individuals;".

(c) AGE OF RECIPIENTS OF SERVICES.—Section 395(b) of the Public Health Service Act (42 U.S.C. 280c(b)) is amended by striking "to ensure" and all that follows and inserting the following: "to ensure that—

"(1) not less than 25 percent of the grant is expended to provide services under such subsection to individuals who are not less than 65 years of age; and

"(2) of the portion of the grant reserved by the State for purposes of complying with paragraph (1), not less than 10 percent is expended to provide such services to individuals who are not less than 85 years of age.".

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 397(e) of the Public Health Service Act (42 U.S.C. 280c-2(e)) is amended—

(1) by striking "there is" and inserting "there are"; and

(2) by inserting before the period the following: ", $7,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993".

SEC. 102. REVISION AND EXTENSION OF PROGRAM REGARDING ALZHEIMER'S DISEASE.

(a) NUMBER OF GRANTS.—Section 398(a) of the Public Health Service Act (42 U.S.C. 280c-3(a)) is amended in the matter preceding paragraph (1) by striking "shall make" and all that follows through "grants" and inserting the following: "shall make not less than 5, and not more than 15, grants".

(b) COORDINATION OF SERVICES.—Section 398(a)(1) of the Public Health Service Act (42 U.S.C. 280c-3(a)(1)) is amended by striking "by public and private organizations" and inserting "with public and private organizations".

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 399A(e) of the Public Health Service Act (42 U.S.C. 280c-5(e)) is amended—

(1) by striking "there is" and inserting "there are"; and

(2) by inserting before the period the following: ", $7,500,000 for fiscal year 1991, and such sums as may be necessary for each of the fiscal years 1992 and 1993".

TITLE II—REVISION OF PROGRAMS FOR RESEARCH ON ALZHEIMER'S DISEASE

SEC. 201. ALZHEIMER'S DISEASE CENTERS.

Section 445 of the Public Health Service Act (42 U.S.C. 285e-2) is amended—

(1) in subsection (a)(1)—

(A) by inserting "(including university medical centers)" after "nonprofit entities";

(B) by inserting "(including staffing)" after "operating support";

(C) by inserting "(including multidisciplinary research)" after "clinical research"; and

(D) by striking "Alzheimer's Disease" and inserting "Alzheimer's disease"; and

(2) in subsection (b), by amending such subsection to read as follows:

"(b)(1) Federal payments made under a cooperative agreement or grant under subsection (a) may, with respect to Alzheimer's disease, be used for—

"(A) diagnostic examinations, patient assessments, patient care costs, and other costs necessary for conducting research;

"(B) training, including training for allied health professionals;

"(C) diagnostic and treatment clinics designed to meet the special needs of minority and rural populations and other underserved populations;

"(D) activities to educate the public; and

"(E) the dissemination of information.

"(2) For purposes of paragraph (1), the term 'training' does not include research training for which National Research Service Awards may be provided under section 487.".

SEC. 202. CENTERS OF GERIATRIC RESEARCH AND TRAINING.

(a) REDESIGNATION AS CLAUDE D. PEPPER OLDER AMERICANS INDEPENDENCE CENTERS.—Section 445A of the Public Health Service Act (42 U.S.C. 285e-3) is amended—

(1) in the heading for such section, by amending the heading to read as follows: "claude d. pepper older americans independence centers"; and

(2) in subsection (a), by adding at the end the following new sentence: "Each such center shall be known as a Claude D. Pepper Older Americans Independence Center.".

(b) REVISIONS IN PROGRAM.—

(1) IN GENERAL.—Section 445A of the Public Health Service Act (42 U.S.C. 285e-3) is amended—

(A) in subsection (a), by inserting "not less than 10" before "centers of excellence"; and

(B) in subsection (b)(2)(A), by inserting before the semicolon at the end the following: ", including menopause, which research includes research on such treatments, and on medical devices and other medical inter-

ventions regarding such diseases, disorders, and complications, that can assist individuals in avoiding institutionalization and prolonged hospitalization and in otherwise increasing the independence of the individuals".

(2) CONFORMING AMENDMENT.—Section 445A(b)(2)(B) of the Public Health Service Act (42 U.S.C. 285e-3(b)(2)(B)) is amended by striking "research concerning" and all that follows and inserting "research described in subparagraph (A).".

(c) DEFINITION.—Section 445A of the Public Health Service Act (42 U.S.C. 285e-3) is amended by adding at the end the following new subsection:

"(d) For purposes of this section, the term 'independence', with respect to diseases, disorders, and complications of aging, means the functional ability of individuals to perform activities of daily living or instrumental activities of daily living without assistance or supervision.".

TITLE III—TASK FORCE ON AGING RESEARCH

SEC. 301. ESTABLISHMENT AND DUTIES.

(a) ESTABLISHMENT.—The Secretary of Health and Human Services shall establish a Task Force on Aging Research.

(b) DUTIES.—With respect to aging research (as defined in section 305), the Task Force each fiscal year shall—

(1) make recommendations to the Secretary specifying the particular projects of research, or the particular categories of research, that should be conducted or supported by the Secretary;

(2) of the projects specified under paragraph (1), make recommendations to the Secretary of the projects that should be given priority in the provision of funds; and

(3) make recommendations to the Secretary of the amount of funds that should be appropriated for such research.

(c) PROVISION OF INFORMATION TO THE PUBLIC.—The Task Force may make available to health professionals, and to other members of the public, information regarding the research described in subsection (b).

SEC. 302. MEMBERSHIP.

(a) COMPOSITION.—The Task Force shall be composed of—

(1) the Assistant Secretary for Health;

(2) the Surgeon General of the Public Health Service;

(3) the Assistant Secretary for Planning and Evaluation;

(4) the Director of the National Institute on Aging, and the Directors of such other agencies of the National Institutes of Health as the Secretary determines to be appropriate;

(5) the Commissioner of the Administration on Aging;

(6) the Commissioner of Foods and Drugs;

(7) the Chief Medical Director of the Department of Veterans Affairs;

(8) the Administrator of the the Alcohol, Drug Abuse, and Mental Health Administration;

(9) the Administrator of the Health Care Financing Administration;

(10) the Commissioner of Social Security;

(11) the Administrator for Health Care Policy and Research;

(12) two Members of the House of Representatives appointed by the Speaker of the House in consultation with the Minority Leader, and two members of the Senate appointed by the Majority Leader in consultation with the Minority Leader, not more than one of whom from each body shall be members of the same political party; and

(13) three members of the general public, to be appointed by the Secretary, that shall include one representative each from—

(A) a nonprofit group representing older Americans;

(B) a private voluntary health organization concerned with the health problems affecting older Americans; and

(C) a nonprofit organization concerned with research related to the health and independence of older Americans.

(b) CHAIR.—The Secretary, acting through either the Assistant Secretary for Health or the Director of the National Institute on Aging, shall serve as the Chair of the Task Force.

(c) QUORUM.—A majority of the members of the Task Force shall constitute a quorum, and a lesser number may hold hearings.

(d) MEETINGS.—The Task Force shall meet periodically at the call of the Chair, but in no event less than twice each year.

(e) COMPENSATION AND EXPENSES.—

(1) COMPENSATION.—Members of the Task Force who are not regular full-time employees of the United States government shall, while attending meetings and conferences of the Task Force or otherwise engaged in the business of the Task Force (including traveltime), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedules established under section 5332 of title 5, United States Code.

(2) EXPENSES.—While away from their homes or regular places of business on the business of the Task Force, members of such Task Force may be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

SEC. 303. ADMINISTRATIVE STAFF AND SUPPORT.

The Secretary, acting through either the Assistant Secretary for Health or the Director of the National Institute on Aging, shall appoint an Executive Secretary for the Task Force and shall provide the Task Force with such administrative staff and support as may be necessary to enable the Task Force to carry out subsections (b) and (c) of section 301.

SEC. 304. REPORTS.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Task Force shall prepare and submit to the Secretary, and to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate, a report providing the recommendations required in section 301(b).

(b) AVAILABILITY TO PUBLIC.—The Task Force may make available to the public copies of the report required in subsection (a).

SEC. 305. DEFINITIONS.

For purposes of this title:

(1) AGING RESEARCH.—

(A) The term "aging research" means research on the aging process and on the diagnosis and treatment of diseases, disorders, and complications related to aging, including menopause. Such research includes research on such treatments, and on medical devices and other medical interventions regarding such diseases, disorders, and complications, that can assist individuals in avoiding institutionalization and prolonged hospitalization and in otherwise increasing the independence of the individuals.

(B) For purposes of subparagraph (A), the term "independence", with respect to diseases, disorders, and complications of aging, means the functional ability of individuals to perform activities of daily living or instrumental activities of daily living without assistance or supervision.

(2) SECRETARY.—The term "Secretary" means the Secretary of Health and Human Services.

(3) TASK FORCE.—The term "Task Force" means the Task Force on Aging Research established under section 301(a).

SEC. 306. AUTHORIZATION OF APPROPRIATIONS.

For the purpose of carrying out this title, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 1993.

TITLE IV—MISCELLANEOUS PROVISIONS

SEC. 401. MISCELLANEOUS AMENDMENTS.

(a) MINORITY HEALTH.—

(1) IN GENERAL.—Section 1707(b) of the Public Health Service Act, as added by section 2 of the Disadvantaged Minority Health Improvement Act of 1990, is amended—

(A) in paragraph (6), by striking "and" after the semicolon at the end;

(B) in paragraph (7), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(8) support expansion and enhancement of tertiary perinatal facilities in rural States with infant mortality rates among individuals from disadvantaged backgrounds, including minorities, that are significantly above the national average for such rates.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall take effect on the date of the enactment of the Disadvantaged Minority Health Improvement Act of 1990.

(b) SERVICES REGARDING ACQUIRED IMMUNE DEFICIENCY SYNDROME.—Title XXVI of the Public Health Service Act, as added by Public law 101-381, is amended—

(1) in section 2607(1), by striking "2601(a)(1)" and inserting "2601(a)";

(2) in section 2651, by striking "section 2652(a)(1)" and inserting "section 2652(a)"; and

(3) in section 2652(a)—

(A) by striking "referred to in subsection (b)" and inserting "referred to in section 2651(a)";

(B) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively; and

(C) in paragraph (6) (as so redesignated), by striking "a nonprofit private entity that provides" and inserting "nonprofit private entities that provide".

TITLE V—FELLOWSHIPS

SEC. 501. JAMES MADISON MEMORIAL FELLOWSHIPS.

Section 813(a)(4) of the James Madison Memorial Fellowship Act (20 U.S.C. 4512(a)(4)) is amended by striking the second sentence.

Amend the title so as to read: "An Act to amend the Public Health Service Act regarding certain programs for health care services in the home and certain programs relating to Alzheimer's disease, and for other purposes.".

Mr. KENNEDY. Mr. President, this legislation includes a number of provisions that will improve the delivery of

long-term care services and strengthen aging research. Specifically, the Senate amendments to H.R. 5112, which incorporates the provisions of S. 2602, expands and extends the grant programs for home health and Alzheimer's demonstration projects; redesignates and expands geriatric education centers; broadens authority for Alzheimer's disease research centers; and requires the establishment of a task force on aging research.

Americans 65 years and older currently represent 12 percent of the population. This group is expected to more than double by the year 2020, to more than 65 million persons. Of the current population 65 and older, approximately 3 million persons are unable to perform two or more activities of daily living without assistance. Their disabilities make it impossible for them to perform such activities as dressing, bathing, going to the bathroom, or eating on their own. Of this population, 1.3 million reside in nursing homes; an additional 1.6 million live in community settings.

The fastest growing segment of our society is the group 85 years and older—those most at risk of needing long-term care. By the year 2000, persons over 85 will increase from the current 2.9 million persons to 5 million; by the year 2040, the number is expected to quadruple to more than 12 million.

Earlier this year, the Alliance for Aging Research published a report highlighting serious gaps in aging research. The report notes that while older Americans account for an estimated $215 billion in health care costs in 1990, the Federal Government will spend only $425 million on research in human aging research. While health care costs continue to skyrocket, research to find prevention and cures for many of the disabling conditions associated with aging remains extremely underfunded. The alliance estimated that each month reduction in the period of dependency for older Americans would save $5 billion in health care and custodial costs, which does not take into account the increase in the quality of life for these Americans.

This bill includes five major provisions that address the issue of services for the elderly, aging research concerning Alzheimer's disease, and research into maintaining independence among the elderly. Title I reauthorizes grant programs for home health and Alzheimer's demonstration projects. Title II expands the efforts toward the prevention, better treatment, and ultimately the cure for Alzheimer's disease. Title III of the bill redesignates the geriatric education centers as Claude D. Pepper Older Americans Independence Centers and targets funding for these centers at those projects with the greatest promise of increasing independence among the elderly, holding down health care costs, and improving the quality of life for the aging.

I would like to extend my appreciation to Senators METZENBAUM and HARKIN, the leading cosponsors of this bill. Senator METZENBAUM has long been an advocate for the elderly, particularly Alzheimer's patients and their families. Senator HARKIN continues his admirable efforts on behalf of elderly and individuals with disabilities.

This bill offers a crucial strengthening of research concerning Alzheimer's disease and other research efforts necessary to increase the independence of the elderly and an improvement in the delivery of long-term care services for those patients needing health care services in the home. I urge my colleagues to support this legislation.

Mr. METZENBAUM. Mr. President, I rise today in support of the Home Health Care and Alzheimer's Disease Amendments of 1990.

These Senate amendments to H.R. 5112 are a milestone in helping older Americans and their families, particularly the 4 million Americans afflicted with Alzheimer's disease.

Right now, Alzheimer's disease is draining our family pocketbooks and our Public Treasury to the tune of $90 billion a year. Unless we find a way to prevent or cure Alzheimer's, the number of people affected will double in the next decade and jump to 14 million by the middle of the next century.

Fortunately, researchers tell us we are on the verge of promising breakthroughs in the diagnosis and treatment of Alzheimer's.

If this legislation resulted in just one scientific breakthrough in the near term—an accurate and inexpensive tool to diagnose Alzheimer's—we would save $1 billion a year in Medicare testing costs.

I would like to note here that, under the leadership of Senator HARKIN on the Senate side, the Appropriations Conference Committee is considering major increases in Alzheimer's research. I applaud that effort.

Beyond those appropriations, this bill focuses on two specific areas that will help us stay on the cutting edge of research and reach out to victims and their families.

You may recall that in 1984, an amendment I offered resulted in the creation of five specialized Alzheimer's Research Centers. Today, the number of federally supported centers has grown to 15, including one in my home-town of Cleveland, and others in Boston, Baltimore, and Washington State.

The Alzheimer's Research Centers have been pioneers.

Now it is time to let them grow. To meet the challenge Alzheimer's presents.

To do that, this bill authorizes research at university medical centers that will serve as core centers—or backup resources—for the current Alzheimer's Centers. It also sets up clinics for research on diagnosis and treatment. Both of these will be branches of the current Alzheimer's Centers, which are under the auspices of the distinguished National Institute on Aging.

Together, these efforts will help us expand our research and our knowledge. We will be able to go to patients in rural areas and minority communities—in tiny towns in Kansas and crowded conditions of Harlem. Testing a promising drug often means monitoring dosage and side effects daily. With quality research experts near more Alzheimer's patients, we may be able to unlock the mystery of this cruel killer.

Until then, we must extend a hand to the victims and their families. That is why this bill also reauthorizes the Alzheimer's disease grant programs to States.

States will coordinate and develop public and private efforts to provide critical services such as diagnosis, education, and legal counsel. They will also provide respite care for the loving and exhausted families who care for Alzheimer's victims around the clock, sometimes for 10 and 20 years.

The measure we are considering today grew out of S. 2602, the Comprehensive Alzheimer's Assistance, Research and Education Act, which I introduced with Senators GRASSLEY, HATFIELD, PRESSLER, and GRAHAM. Their efforts—and the efforts of Representative ROYBAL, with whom I held a joint Senate-House hearing on Alzheimer's this spring—have been instrumental in our progress on the fight against Alzheimer's in 1990.

I am also pleased that this legislation includes Senator HARKIN's provisions on innovative ways to help older Americans retain independence, and Senator HATCH's provisions on home health care. These are important steps in our efforts to improve the health and well-being of older Americans.

I am grateful, too, to Senator KENNEDY and his staff for his support on this vital health care issue. His leadership has been an enormous help.

Mr. President, this bill will make a difference in the lives of many, many Americans. I look forward to its prompt passage.

Mr. HARKIN. Mr. President, I rise today to commend the Senate for its unanimous approval of H.R. 5112 (S. 2602), the Home Health Care and Alzheimer's Disease Amendments of 1990. This is a substitute negotiated with the House for S. 2602, the Research on Alzheimer's Disease and Independence for Older Americans Act of 1990, unanimously reported by the Commit-

tee on Labor and Human Resources on September 26, 1990. It will be instrumental in helping to combat the major diseases and conditions that impair the independence of older Americans.

I was very pleased to join with Senators METZENBAUM, KENNEDY, and HATCH in offering this legislation, which includes two important provisions from the Independence for Older Americans Act (S. 2654), a bill that I introduced with the cosponsorship of Senators HATFIELD, SASSER, METZENBAUM, PELL, KERRY, and AKAKA. S. 2654 is supported by a coalition of more than 50 groups representing older Americans, industry, and other concerned citizens.

Mr. President, the legislation we are approving today and sending on to the President is the result of hard work and leadership of many individuals. I want to especially thank my distinguished colleague from Ohio, Senator METZENBAUM, for his excellent leadership in this effort. The 4 million Americans who suffer from Alzheimer's disease and their families and friends with them owe our colleague a great debt of gratitude for his tireless and skillful work. I also want to thank the chairman of the Labor and Human Resources Committee, Senator KENNEDY, and the chairman of the Committee's Aging Subcommittee, Senator ADAMS, for their good help and guidance in crafting this legislation and other members of the committee who took an active role in developing this bill. In addition, I want to thank Senator HATCH for his excellent contribution to the legislation and his work to assure support for the final package.

We also received valuable advice from a number of experts in the field of aging research, including staff from the National Institute of Aging [NIA] and faculty from the University of Iowa. I am proud that the University of Iowa has been in the forefront of research efforts to translate our basic knowledge into substantive gains for older Americans. Finally, I want to pay tribute to the staff members who contributed to this legislation, including Peter Reinecke and Ira Shoulson of my staff, Darrel Jodrey with Senator KENNEDY, Meg Thale with Senator METZENBAUM and Sue Whittaker with Senator HATCH.

Mr. President, the bill we are approving tonight helps to direct and support research to lessen the growing burdens of patients and families who suffer from Alzheimer's disease and other type of diseases and conditions that rob so many of our older people of their independence, dignity, and financial security. While death rates among older individuals have decreased dramatically over the past 50 years, chronic conditions that impair independence and often require expensive long-term care have become the most pressing health care problem for older Americans. These problems are expected to increase greatly in the next century. For example, if no action is taken, it is estimated that the number of older Americans needing nursing home care will more than triple, from 1.5 million to 5.3 million, by the year 2030. The human and monetary costs of this increase would be enormous.

Much can be done to reduce the need for long-term care through improved research, training, and demonstration. There are many innovative techniques and other approaches which hold great promise for helping older Americans remain independent and productive and out of expensive nursing homes. Despite this, we are not investing enough in the development of our research efforts or in testing innovative practical interventions that hold the promise of lessening the dependence of our older citizens. The Task Force on Aging Research and the Claude D. Pepper Older Americans Independence Centers authorized by this legislation, address this public policy shortcoming.

Title III establishes a Task Force on Aging Research. There are more than 20 Federal agencies involved in aging research; yet, there is no appropriate mechanism to ensure that our efforts are appropriately coordinated and not unnecessarily duplicated. The task force would meet this need and also identify and report to Congress the most promising areas of research aimed at increasing the independence of older Americans and reducing their need for costly long-term care services.

Title IV authorizes 10 centers, to be known as the Claude D. Pepper Older Americans Independence Centers, in honor of our late great champion of older Americans and advocate for better health care. These centers are charged with developing and investigating innovative ways to reduce the need for long-term care. The centers would examine promising and practical interventions such as novel approaches to minimize falls and bone fractures and the loss of continence among our vulnerable older Americans. The centers would subsequently disseminate their findings so that families and caregivers around the Nation can take advantage of new approaches that are found to be effective. Too often, the results of research are either not immediately applicable to reducing a health problem or not readily available to those who could be assisted by it.

This legislation is in keeping with the recent recommendations of The Pepper Commission, emphasizing the importance of research intended to enhance the functional capacity and productivity of older Americans. A variety of diseases and conditions related to growing older take a steady toll in forcing our older citizens and their families to resort to costly long-term care—care which often robs senior citizens of their independence, dignity, and financial security. This bill will help ensure that applicable research is carried out in order to better translate our current knowledge into substantive benefits for older Americans.

Mr. President, the very modest investment this bill calls for will more than pay for itself both in terms of reduced health care costs for senior citizens and the nation and increasing the quality of life and happiness of millions of older Americans. I am delighted that the Congress is taking swift action to assure that this help is quickly provided.

Mr. COCHRAN. Mr. President, my amendment to H.R. 5112, the Home Health Care and Alzheimer's Disease Amendment Act of 1990, amends the Minority Health Improvement Act of 1990 which was recently signed into law by the President.

The amendment would allow the Secretary of HHS to fund the expansion and enhancement of perinatal facilities which serve a high percentage of rural minority, are located where infant mortality rates hover well above the national average, and are currently operating far beyond planned capacity. It is my view that the amendment would allow for renovation and construction for such facilities.

In recent years there have been major decreases in obstetrical care in many rural areas throughout the country. In 1983 within the State of Mississippi, 97 hospitals provided obstetrical care and newborn services; by 1989, the number had decreased to 50 hospitals providing care.

There is a crisis situation in these rural areas where obstetrical care has so drastically declined. The few hospitals that are still trying to provide perinatal services are becoming totally overwhelmed and simply do not have the capability of meeting the needs of all the citizens they are responsible for serving. For example, in one particular region in my State, one hospital is providing obstetrical care for patients from an eight-county area that includes a population of 60,000 women of child-bearing age.

This shortage of obstetrical care has particular ramifications on minority populations with whom teenage pregnancy rates are high and infant mortality rates double the national average.

I appreciate my colleague, Senator KENNEDY, including this amendment which I believe improves the Minority Health Improvement Act of 1990.

Mr. HATFIELD. Mr. President, I am tremendously pleased to rise today in support of the Senate amendments to H.R. 5112, the Home Health Care and

Alzheimer's Disease Amendments of 1990.

As an original sponsor of the Comprehensive Alzheimer's Assistance, Research, and Education Act of 1990, and the Independence for Older Americans Act of 1990, I am heartened to see this legislation, which combines key elements of both bills, move forward.

Our action today will provide critical assistance for the 4 million Americans currently afflicted with Alzheimer's disease. In addition to medical research, this legislation provides grants to the States to coordinate and develop public and private efforts to offer important services such as diagnosis, education, and legal counsel to both patients and their families.

Coupled with the support for our caregivers, this bill provides for increased medical research funding. We must continue to devote our attention to increasing resources targeted to finding preventative treatments and cures. I am pleased that this year, Mr. President, the Senate Appropriations Committee provided $305,604,000 for research into Alzheimer's disease—a doubling of our current Federal investment.

As most of my colleagues know, I believe that medical research is the most effective investment the Federal Government can make in the betterment of human life. In my past years as the chairman of the Senate Appropriations Committee, and currently as the ranking minority member, I have directed my energy to increasing the Federal commitment to medical research of all diseases—from Sudden Infant Death Syndrome to Acquired Immune Deficiency Syndrome.

It saddens me, Mr. President, that worthy research efforts must compete against each other for critical Federal funding: AIDS versus cancer, stroke versus heart disease. This has been acutely illustrated this year with the effort we have made to fund the Ryan White AIDS care bill.

The bottom line is that we must reorder our Federal budget priorities. Public opinion is already on our side. A survey recently conducted by the American Federation for Clinical Research suggests that 53 percent of our constituents would make increased funding for medical research a top budget priority. Only 3 percent would make increased funding for weapons a top priority.

The facts are also on our side. One dollar spent on medical research today produces $13 in savings tomorrow. A $235,000, 17-year study that led to the identification of a vaccine against Hepatitis B, for example, is saving between $50 and $100 million each year. A $680,000, 4-year study that led to a preventative treatment of kidney stones will result in a savings of between $300 million and $600 million a year.

As we debate the Federal budget every year, we are given the choice between supporting life-enhancing endeavors and life-destroying ones. When we hammer out budget agreements and focus our attention on complicated calculations and endless reams of paper, perhaps we feel isolated and insulated from the very real choices we are making. But those who are suffering from cancer and AIDS and hundreds of other diseases understand the implications of our choices all too well.

Mr. President, I wholeheartedly support this legislation and I look forward to working with my colleagues next year to provide full funding for its provisions. I urge its swift passage.

Mr. PRESSLER. Mr. President, I am pleased to support the Home Health Care and Alzheimer's Disease Amendments of 1990. I have been working on legislation in this area for nearly 12 years. Many provisions in this legislation are similar to those in the bill I sponsored and introduced on July 14, 1989.

This revised legislation expands the existing Alzheimer's disease research centers by establishing a program of grants to university medical centers for Alzheimer's research. It also reauthorizes the State Alzheimer's disease programs that provide services to families and caregivers of Alzheimer's victims. These programs provide much-needed support to individuals with Alzheimer's disease and have never been funded in the past.

It is essential that we pass this legislation this year. We must do more to address the growing needs of those who are victimized by Alzheimer's disease. An estimated $80 billion is spent annually just on care for Alzheimer's victims. With the rapidly increasing number of elderly Americans, victims and expenditures can be expected to multiply each year. It is estimated that 4 million Americans currently are affected by Alzheimer's Disease and that 14 million Americans will have the disease by the 21st century. It is now the fourth leading cause of death among adults.

By increasing funding for Alzheimer's research to find more effective treatment and an eventual cure, we can dramatically reduce the health care costs associated with Alzheimer's disease. I was extremely pleased to see that funding for Alzheimer's research was substantially increased in the Senate's labor, HHS and Education Appropriations bill.

I commend the Appropriations Committee for its efforts in this area. This increased funding will help to offset the $80 billion price tag of the disease, thereby saving billions of dollars in the long run.

Recently, much progress has been made in understanding, Alzheimer's disease through research. Genetic and calcium regulation defects, accumulation of aluminum in the brain, and viral factors, are all being explored to determine the causation of this devastating disease. Different drug treatments are also being tested in the hope of offsetting some or all of the cognitive and memory defects caused by Alzheimer's disease.

The Federal Government must take a more active role in finding in cure for this deadly disease. Through the passage of this legislation and the related appropriations bill, we will have achieved a major step forward in our fight to conquer Alzheimer's disease.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 3109) was agreed to.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Without objection the bill, as amended, is considered read a third time and passed.

So the bill (H.R. 5112), as amended, was passed.

Mr. GLENN. Mr. President, I move to reconsider the vote by which the bill as amended, was passed.

Mr. HATFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROGRAM

Mr. GLENN. Mr. President, on behalf of the majority leader, I ask unanimous consent that, following the prayer, the Journal of proceedings be deemed approved to date; that the time for the two leaders be reserved for there use later in the day; and that following reservation of the leaders' time the Senate resume consideration of H.R. 5769, the Interior appropriations bill. I further ask unanimous consent that the Senate stand in recess from 12:30 p.m. to 2:15 p.m. on Tuesday in order to accommodate the respective party coferences.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M.

Mr. GLENN. Mr. President, if there is no further business to come before the Senate today, I now ask unanimous consent that the Senate stand in recess, under the previous order, until 10 a.m. Tuesday, October 23.

There being no objection, the Senate, at 12:21 a.m., recessed until Tuesday, October 23, 1990, at 10 a.m.

HOUSE OF REPRESENTATIVES—October 22, 1990

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We place before You, O God, all we hold dear—our families, our possessions, our accomplishments. Yet, we know, that too often our priorities can make a mockery of our values and idolatry drives us to the time when more is not enough for us. Take our lives, O God, in Your hand and our spirits in Your spirit so we see our possessions and our accomplishments in the light of Your command to do justice and to love mercy. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Michigan [Mr. DINGELL] come forward and lead the House in the Pledge of Allegiance.

Mr. DINGELL led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 587. Joint resolution committing to the private sector the responsibility for support of the Civic Achievement Award Program in Honor of the Office of Speaker of the House of Representatives, and for other programs.

The message also announced that the Senate agrees to the amendment of the House to the bill (S. 2846) entitled "An act to authorize and direct the Secretary of the Interior to conduct a study of the feasibility."

The message also announced that the Senate agrees to the amendments of the House to the joint resolution (S.J. Res. 324) entitled "Joint resolution to designate June 9, 1990, as 'Week of the National Observance of the 50th Anniversary of World War II'."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate to the bill (H.R. 3386) "An act to prohibit the use of refrigerated motor vehicles for the transportation of solid waste, to prohibit the use of cargo tanks in providing motor vehicle transportation of food and nonfood products, and for other purposes."

THE MAGNIFICENT CINCINNATI REDS

(Mr. THOMAS A. LUKEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS A. LUKEN. Mr. Speaker, it is not often that I have the opportunity to depart from such weighty matters as defense and talk about defense, the defense, the impregnable defense of the Cincinnati Reds—yea.

Just last week our underdog team was described on national TV as the Ohio Reds, and they were talking about how the slugging A's were going to defeat and sweep our poor Reds.

Well, here it is, Mr. Speaker and Members of Congress, the clean sweep of the Cincinnati Reds.

I found out last week that there are many Members of this House who were for Cincinnati. They liked the underdogs. They knew that the A's were billed as the best team in baseball, and I am here to say that the best team in baseball, if that is what they were, was completely dominated in every department by the Cincinnati Reds.

Manager Lou Pinella's club is a blue-collar club. They worked harder. They did the job. They have been magnificent all year. We knew that. We love them and now the Nation does.

HOUSE REPUBLICAN PACKAGE OFFERS THE ONLY CHANCE TO CUT SPENDING

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, I think nearly all American taxpayers would be willing to pay higher taxes if they were assured the money would be used to reduce the deficit and not expand the Federal Government.

But under Democratic leadership, who have failed to cut anything, domestic spending will increase faster in the first 5 years of the 1990's than during the previous 10 years.

The only plan which would have reduced spending was the House Republican package, on which you Democrats refused to allow debate or a vote.

In this time of taxpayer sacrifice can they believe you Democrats allowed special tax breaks to tuxedo stores, crop dusting, and foreign insurance companies.

You are truly showing for whom you run this body—your own special interests—not the American people. When they decide to clean this place out, I hope they remember who runs it.

COMPLETION OF CLEAN AIR ACT OF 1990

(Mr. DINGELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, if the members of the Energy and Commerce Committee look a little tired today, it is for good reason.

It is my pleasure to inform you, Mr. Speaker, and Members of the House, that at exactly 5:02 a.m. this morning, the House and Senate conferees concluded our discussions on the Clean Air Act of 1990.

The report and the statement of managers are now being written. It is my expectation they can be on the floor before the conclusion of the session. Much effort has gone into this legislation. Years and years of time and quarreling over the contents of the bill have been finally completed.

Later this week we will present to the House a conference report that represents literally thousands of hours of work, thousands of compromises, large and small.

Commendations to the staff and to the members of the conference are owed by this body and the country.

This is a historic piece of legislation. It is the most complex, comprehensive, and far-reaching environmental law any Congress has ever considered. It is going to affect virtually every activity—and even if we have done things right, it is going to change our behavior and raise our appreciation for the costs and benefits of environmental protection.

Mr. Speaker, this has not been an easy bill to write. We have had to resolve scores of differences between industries, between regions, between Members, and between the House and the Senate.

On far too many occasions, we have had to work all through the night, and I will be the first to admit that at times I wondered whether we would ever complete the task; but we have, and for that I would like to thank my colleagues for their support, their encouragement, and their cooperation. In particular, I want to commend the gentleman from New York [Mr. LENT], the gentleman from California [Mr. WAXMAN], the gentleman from Indiana [Mr. SHARP], the gentleman from Illinois [Mr. MADIGAN], the gentleman from Ohio [Mr. ECKART], and all other members of the conference committee and the committee of this body who worked to bring forth this legislation.

Mr. Speaker, this is a tough bill. It will be a very costly bill, but we believe it is a fair bill and it is a workable bill. I am proud to present it to this body and I hope that my colleagues will find it worthy of their support.

HELP THE PRESIDENT KEEP HIS WORD ON THE BUDGET AGREEMENT

(Mr. SMITH of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Texas. Mr. Speaker, 5 days after the budget summit agreement was rejected by the House, the President stated,

* * * Let me be clear that any package I sign must meet the following criteria * * *. It must deliver real spending cuts * * *. The budget must include progrowth incentives to create jobs * * * and the budget must include significant budget process reforms * * *.

None of the reported versions of the next proposed budget agreement meets these tests.

Instead, spending actually increases, there is no adjustment in the capital gains tax, and there is no mention of a line item veto for the President or a balanced budget amendment.

Let us help the President keep his word by voting "no" on any agreement that does not meet his stated criteria.

□ 1010

NEW VIEWPOINTS ON TAXES SURFACE IN THE REPUBLICAN PARTY

(Mrs. ROUKEMA asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Speaker, in the morning news there is word that the Republican Party has some new spokesmen. Their way to raise taxes is to reduce itemized deductions rather than boost marginal tax rates or levy a surtax on millionaires. Where have these Republican spokesmen come from?

I have talked with numerous Republican colleagues. This viewpoint does not reflect our thinking. I have talked extensively with Republican businessmen and voters in New Jersey—that is not our thinking.

Limiting the deductions for State and local taxes and capping the deductions for mortgage interest is not only regionally biased it is also unfair to tens of millions of Americans who most often come from two worker families whose combined income may reach $100,000. They are not rich. They are house poor—high real estate values, high mortgage rates, and high property taxes. This is double taxation on these hard-working Americans trying to hold onto a piece of the American dream.

All in an effort to not raise the rates on millionaires. That is not the Republican Party I represent.

We want fairness and we want a strong middle class. Burst the bubble. Put your efforts into curbing spending, not taxing the middle class out of house and home.

This opens the floodgates and peals the deathknell on mortgage interest deductions and State and local tax deductions. They will be inviting targets for each year's new tax bill. In short order you will see these deductions disappear. These are the only relief most young families have. Are we going to deny them to save a lower marginal tax rate for the richest 1 percent in the country? The answer must be a resounding, "no."

LET'S PASS CAMPAIGN FINANCE REFORM IN THIS CONGRESS

(Mr. MAZZOLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAZZOLI. Mr. Speaker, 2 days ago from this well I said that to your everlasting credit you forced a somewhat balky House in August to take up the question of campaign reform. We took up and passed a good bill, just on the eve of our leaving for the August recess.

Mr. Speaker, I read in the newspapers that campaign reform is apparently moribund for this Congress. I would hope that, despite the fact there are only a few more days and a few more hours left in this Congress, exercising your good offices and in cooperation with our friends on the other side of the Hill, somehow once again you can force a Congress to deal with the very tough subject of campaign reform.

Unless we do, I really feel the confidence of the American people will not rise as sufficiently as it could. If we can deal with campaign reform, I think we can leave the 101st Congress with a very good feeling about accomplishment.

BUDGET DEAL

(Mr. JAMES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JAMES. Mr. Speaker, the conference committee is now trying to iron out a new budget agreement. It is a disgusting sight. House Democrats are arguing for greater and greater tax increases on all Americans, and are ignoring the desires of the American people to curb the tax and spend mentality that has gripped this House for decades.

What is the result of this unwillingness by the Democrats to compromise and present a sensible budget deficit reduction package? For one, Congress is staying in session during an election year longer than at any time since World War II. Public confidence in the Government is falling rapidly, the financial markets are nervous, and the legitimacy of this institution to govern is disappearing.

The American people are not dumb. They are beginning to see what the Democrats really stand for. A tax package cloaked in class warfare is actually an attack on Americans of all income levels. The attack on the taxpayer is being made in order to preserve billions of dollars in waste, pork-barrel projects, and a top-heavy bureaucracy. The voters are watching, and they know that the Democratic incumbents in this House are to blame for the mess. I hope that my Democratic colleagues continue to sleepwalk in the valley of tax increases. Come November 6, they are in for a rude awakening.

LET'S DO OURSELVES A FAVOR AND DO AMERICA A FAVOR

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, the budgeteers are fighting over a bunch of bad budgets, token at best. You know it, I know it, and the American people know it.

I suggest we do Uncle Sam a favor. We spend $160 billion a year on NATO and the defense of other countries. CRS does not even know where the money is, but they say it could be $170 billion. Let us cut it 50 percent.

We spend $20 billion a year on foreign aid, and we are going bankrupt. Let us cut it just 50 percent, if you do not want to throw it out.

Let us take the top 5 percent, the big-income people, and put that 5 percent on the bubble, the 33, plug up some loopholes, and we will do fine.

The truth is we are stealing from Social Security and raising taxes on mom and dad and truck drivers, while

fat cats in the Congress are filling their cars up for free, no less.

Let us do the country a favor. This budget would cut $100 billion without raising one bit of taxes.

Let us do ourselves a favor and do America a favor.

ESTABLISHING NATIONAL QUALITY STANDARDS FOR ADMINISTRATION OF MAMMOGRAMS

(Mrs. LLOYD asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LLOYD. Mr. Speaker, Congresswoman PATRICIA SCHROEDER and I are sponsoring the Breast Screening Safety Act of 1990. We ask our colleagues to cosponsor this legislation, which establishes national quality standards for the administration of mammograms.

Half a million women have died of breast cancer in the last decade, amost eight times as many people as were killed during the entire Vietnam war. This is a shameful statistic when you consider that we have come such a long way toward being able to cure breast cancer if it is detected early on.

A bad mammogram is worse than no mammogram, because it gives women a false sense of security.

Our bill addresses two problems associated with bad mammograms. First, unreliable equipment is dangerous equipment, and this legislation will require that mammography screening facilities use only machines specifically designed for mammography as approved by the American Radiological Association.

Second, state-of-the-art equipment is only as good as those who operate it. This bill that Congresswoman SCHROEDER and I are sponsoring will require that only qualifed individuals read the mammograms. The primary goal is to produce a mammogram with a high-quality image and to provide an accurate interpretation of that image.

It is a tragic fact that voluntary standards for mammography have not been met in four out of five facilities. And we cannot continue to let women pay for bad mammograms with their lives.

I urge my colleagues to cosponsor this lifesaving legislation.

DO WE WANT MORE FREEDOM AND OPPORTUNITY OR MORE BUREAUCRACY?

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, this battle over the new taxes has very falsely been portrayed as whether to tax the rich.

If the House had voted only on the surcharge on millionaires, almost every House Republican would have supported it.

Instead, as in most tax plans, the budget the House passed a few days ago hit the middle-income people the hardest.

A family of four with taxable income of $44,000 would have their taxes raised $639.

This is not a battle over more taxes for the rich—it is a battle over whether we leave money in the hands of the working people or the hands of the Government.

Money left in private hands is spent more efficiently and produces more jobs and benefits for everyone.

Money turned over to the Government benefits mainly the bureaucrats.

This is not a battle over taxing the rich—it is a battle over whether we want more freedom and opportunity or more bureaucracy.

It is a battle over whether Americans want to succeed, or merely just to survive.

TAXING THE MEGA-RICH

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHEUER. Mr. Speaker, it is said that the Democratic budget plan provides for taxing millionaires. That is really not quite the truth. Our plan will tax a mega-millionaire's adjusted net taxable income of $1 million. But such a megabuck millionaire, in order to have net taxable income of one million dollars, would need assets of at least $10 million and probably more like up to $20 million or $25 million, to produce net taxable earnings of $1 million.

□ 1020

Mr. Speaker, those are the people for whose financial welfare President Bush has such an obsessive concern. Those are the people for whom he bleeds.

It is also said that we are raising taxes. Mr. Speaker, that is not really true either. We are gradually and partially restoring the tax rates of the 1950's, the 1960's, and the 1970's, when we had 46 to 52 percent corporate taxes. Those were the days when America was an economic giant. We never had an adverse balance of trade in those 3 whole decades, except 1 year when there was a negative balance of trade. Those were the days when America was the economic powerhouse of the world. Unemployment remained very low in the 1950's and 1960's and through much of the 1970's. We did it with 46 to 52 percent corporate taxes and with income taxes for the ultra, ultra rich in the 70 percentile brackets.

Mr. Speaker, I heard at that time businessmen saying, "Oh, it's not worthwhile to work any more. It's not worthwhile to invest anymore." Yet, I never saw one of them retire for that cause and I never saw one of them cease to invest because of high taxes. America then had a healthy, robust, strong economy compared to today's failing economy. A raise in income taxes on the super wealthy and a slight raise in the corporate tax rate most assuredly will not slow our economy. On the contrary, Mr. Speaker, it is the deficit problem which must be faced if we are to stimulate our economy to health and strength once again.

THE DEMOCRATS ARE PORK BARRELLERS

(Mr. DOUGLAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOUGLAS. Mr. Speaker, tomorrow or the day after, we are going to be coming in here to raise taxes rather than cut spending. One of the reasons this happens, my colleagues, is because we have pork projects here in Congress, and 2 days ago we wasted $54 million of tax dollars on just such pork projects.

Let me give my colleagues some examples: $995,000 for a performing arts center in Miami, $200,000 for a theater in Cleveland, $769,000 for bridge lighting in Michigan.

Mr. Speaker, these are the kind of projects that come in here, run up the meter, and then my colleagues from the Democratic side come in and say, "We've got to raise your taxes. We can't cut spending."

Is there a difference between how the parties voted on that pork barrel $54 million? Yes, there was. By four to one the Democrats in the House voted for the pork. By three to one the Republicans in the House voted to take that pork out of the HUD appropriation.

Every year we are going to see the same pattern. The Democrats are the pork barrellers; the Republicans are saying, "Let's cut spending, let's cut out the pork; that way we won't have to raise your taxes."

CLEAN AIR ACT TO BECOME A REALITY

(Mr. ECKART asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ECKART. Mr. Speaker, this morning as the Sun rose across America it seemed just a little bit brighter, because at 5:02 a.m. this morning the Senate-House conferees concluded the final agreements on a renewed Clean Air Act.

Mr. Speaker, it is a strong act. It contains 10 million tons in acid rain deductions, which we know have hurt our neighbors to the northeast. It contains meaningful reductions in the emission of air toxic pollution, which we know causes birth defects across the country. It eliminates urban smog and puts more regulations on mobile sources, something that we know will affect us all.

Mr. Speaker, it is a tough bill. It is a fair bill. And it is a comprehensive piece of legislation that says to all of us in all sectors of this country that the time has come to end doing business as usual when it comes to polluting our environment. It is a bill that is as big and as grand as that which it seeks to protect. It contains meaningful worker protection provisions as well so that those industries which are affected by the costs and implications of this bill will not find themselves without work.

Mr. Speaker, this is a historic bill. This is a bill that says to all who watch this country that we do very much care about our precious natural resources and honor the memory of that first conservationist. Teddy Roosevelt, who admonished us all that we must, indeed, leave the world a little better than the way we found it.

PRICE GOUGING

(Mr. CONTE asked and was given permission to address the House for 1 minute.)

Mr. CONTE. Mr. Speaker, when the price of oil rises, the rate of inflation rises, our trade deficit widens, and the price of imports increases. At the same time, the spending power of the American consumer decreases, and the stock market plummets.

Logically, you would expect that a decrease in the price of oil would have the opposite effect. You would think it would help the economy by pushing down the price of gas and home heating oil. But Mr. Speaker, the oil business does not work like that.

Last week, crude oil prices fell by $4 a barrel. The price of gas did not fall. In fact, regular unleaded went up by a penny a gallon. It has happened time and time again.

Between 1981 and 1988, crude prices dropped 60 percent, but gasoline prices came down less than 20 percent. And when crude prices fell by 11 percent between December 1989 and April 1990, gasoline prices actually increased by 7 percent.

There is a name for it, Mr. Speaker, and it is not the free market. It is highway robbery, or extortion. Well, we do not have to sit here and take it.

Tax the price gouger on their unfair profits, and stop big oil from burdening the American consumer with outrageous prices.

CONFEREES SAY MAMMOGRAPHY AND CANCER SCREENING COVERAGE IS TOO EXPENSIVE

(Ms. OAKAR asked and was given permission to address the House for 1 minute.)

Ms. OAKAR. Mr. Speaker, for many years, I have been trying to get mammography and other preventive health care items such as colorectal screening covered in Medicare. Prevention would save money and save lives. Every time we get mammography coverage in a bill, one of the conferees takes it out.

But some of the conferees have told me that mammography coverage and cancer screening coverage is too expensive—we can't afford it.

Meanwhile, on page A16 in the New York Times today, I read that the conferees, the same good ole boys, have taken care of their special interests. One fellow wants to take care of his insurance company back home, one is taking care of wineries in his State and another is taking care of big cigars. All these breaks cost three times what mammography coverage costs. It's time to think of all Americans and not just a few.

I will not vote for a conference report that sledgehammers Medicare recipients and does not include measures that save lives.

SMALL BUSINESS AND THE BUDGET

(Mr. SPENCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SPENCE. Mr. Speaker, I have had to vote against the recent budget bills because they raise taxes on all of our people. Of special concern to me is the seriously danaging impact that these taxes will have on the ability of small businesses to stay in business.

In the summer of 1990, the National Federation of Business said that taxes were the single most important problem facing small business. It has held that position since July of 1983.

However, I am told that new problems are emerging for small businesses. Small business owners cite Government regulation and red tape as a growing concern, rising almost 4 percent since the beginning of 1988.

I would like to remind my colleagues that small businesses are at the heart of the American free enterprise system. They provide the majority of jobs in this country and furnish the unique opportunity for individuals to pursue their own American dreams. We need to remember this as we vote on the various pieces of legislation before us.

READING PRESIDENT'S LIPS DOES NOT RESOLVE COUNTRY'S FISCAL PROBLEMS

(Mr. RANGEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RANGEL. Mr. Speaker and my colleagues, when the House and Senate were unable to reconcile a budget, one of the major reasons for it was that it is an election year, and no one wanted to say that we had to tax in order to make up for the difference in what we are spending, and so the result was that a group of leaders, Republicans and Democrats, went to Andrews Air Force Base where the President finally realized that reading his lips did not really resolve the major fiscal problems that this country has had. These people got together, put together a package, brought it to the House, and it was rejected. It was rejected because the Constitution provides the tax initiatives come from the House of Representatives and that there were differences between the House and Senate going into conference, and these differences are supposed to be worked out.

□ 1030

Now we find that Andrews Air Force Base has come back to the Capitol, and we find the White House now is upset because the constitutional process is beginning to work, where people are working around the clock to work out their differences. The President's representatives are so shocked because we believe that those who have earned so much in this country should pay their fair share in taxes.

Mr. President, stay out of our business. Wait until you get a bill, and let the people govern.

CLEAN AIR BILL

(Mr. HANSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANSEN. Mr. Speaker, I am very happy about the clean air bill being finished this morning. Yesterday at 3:30 a.m., we finished the acid rain portion of the bill. This morning at 5 o'clock, as was mentioned, we finished the other items.

They were very sticky items. We had the Outer Continental Shelf issue. We had the Weiss amendment on people who lose their jobs because of the clean air bill. We had the visibility amendment. All these were very important amendments, and we had a very tough time coming together on them.

Other committees were able to solve their differences, but this took us until 5 o'clock this morning.

I want to give credit to a lot of people. I cannot list them all, but I think President Bush should lead the list. We would not have a clean air bill had he not presented a bill to us. We tried for several years.

I would like to compliment the gentleman from Michigan [Mr. DINGELL], the chairman of the committee; the gentleman from California [Mr. WAXMAN]; and the gentleman from New York [Mr. LENT]. On the Senate side I would like to compliment Mr. BAUCUS, Mr. SIMPSON, and others too numerous to mention, and give them credit for doing what had to be done.

Mr. Speaker, I do not like the bill too much. I do not think it is very fair. I think it gives too much leeway to the Midwest. I do not think it is fair to the West at all. But nevertheless, it does take care of the problems, and I am going to support it. I hope Republican Members will also support it.

THE CIVIL RIGHTS ACT VETO

(Mr. LEWIS of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEWIS of Georgia. Mr. Speaker, will you please ask the President why he plans to veto the Civil Rights Act of 1990. By vetoing this act, he is sending the wrong message to the American people.

By vetoing this bill, the President is giving cover to the likes of David Duke, the Klan, skinheads, and companies that discriminate against minorities and women. He is sending the message to Americans that it is all right to discriminate.

Mr. Speaker, I wonder if the President can tell us whether any of the people who are advising him, have ever been discriminated against because of their race, color, or sex? How many of his advisers have tasted the bitter fruit of racism and sexism?

Mr. Speaker, you should tell the President that he is not being a leader with his veto. He has failed a critical test of leadership. Instead of being a head light, he is being a tail light.

I think the President is making a grave mistake. He is ignoring the plight of millions of Americans. He is creating the climate for more discrimination and more exclusion.

I urge the voters to mobilize, organize, and vote on election day to reward our friends.

PRESIDENT SHOULD VETO TAX BILL

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, the President put taxes on the table when the Democrats wanted to take its ball and go home. The President gave in on increased spending; the Democrats wanted more spending. The President gave in on tax rates; the Democrats wanted higher tax rates. The President gave in on capital gains.

Mr. Speaker, the President should realize the Democrats want to raise taxes and increase spending. The Democrats want to lower middle income standards of living so that they can spend more money for others.

The President should realize that you cannot satisfy the voracious appetite of the Democrats. Walk away from the table, Mr. President. Let the Democrats pass their tax bill, then veto it, and save the American economy.

FOREIGN CORPORATIONS NOT PAYING THEIR FAIR SHARE

(Mr. APPLEGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. APPLEGATE. Mr. Speaker, foreign corporations in the United States are ripping off U.S. taxpayers to the tune of $50 billion a year. That is right. Our friends are cheating us, the people that we mistakenly allow to come into this country and buy a piece of any action in the United States. We are selling Rockefeller Center, we are selling a part of Houston, we are selling Pebble Beach. Then we allow them to buy our farms, our timberlands, and our businesses.

Now, get this, these corporations reported total sales in the last 10 years of over $8 trillion; $8 trillion since 1981. Is that a familiar year, 1981? Yet they are only paying one-quarter of 1 percent in taxes, while the United States went into the hole $3½ trillion during that same period.

The administration and Congress are letting these guys off the hook. Then to balance the budget deficit, they are looking to raise the taxes on the little guy. Then they want to cut medical benefits of the elderly and veterans.

Hey, we had better get our priorities straightened around. We have got them all screwed up. Let us get the money where the money is.

MESSAGE TO LEADERSHIP: NO MORE SUMMITS

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. DORGAN of North Dakota. Mr. Speaker, 2 weeks ago this House voted on what I thought then was an unfair budget deficit reduction plan constructed at an economic summit by the President and congressional leaders. We voted no. Both sides voted no.

We then constructed our own plan, a much better plan, a fairer plan, and then we voted yes. While we voted yes, we sent an indelible message to our leadership and the White House: No more economic summits.

This morning I see on television that White House aides walked out of the budget talks. How can you walk out of talks you should not have been in in the first place?

Do our leaders not get the message? No more summits. Let us do our work the right way, with the Senate. Let us have Republicans negotiate with Democrats in Congress, and then the product to the President's desk and let him do his work.

Do they not get the message: No more economic summits.

Yes, let us cut spending, yes, let us ask the rich to pay their fair share, and yes, let us put this country back on track; but no more failed policies of economic summits.

DEMOCRATS CONCERNED ABOUT MEDICARE AND MILLIONAIRES

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, I read in the paper this morning that Chief of Staff Sununu said Democrats are divided. Well, nothing could be further from the truth. Democrats are united. We are united in that we want an agreement, but we also have some precepts. We want an agreement, but we are very concerned about the issues of M&M, Medicare and millionaires.

On Medicare, Mr. Sununu pushed the last summit to cause such deep cuts in Medicare that the package was defeated. Let us not climb up that mountain again.

Yes, Medicare should have its share of cuts, but cuts so deep that they would have ruined the Medicare Program and caused the summit to be defeated makes no sense.

On millionaires, yes, the very wealthy must pay their share, and that is all we are fighting for here, and pay their share equitably, not on a basis of raising deductions so high that some regions are affected differently than others, but an across-the-board surtax that affects the very wealthy equally from one end of the country to the other.

Mr. Speaker, Democrats want an agreement, but the issues of M&M, Medicare and millionaires, are issues we will fight for on our way to that agreement.

AUTHORIZING THE SPEAKER TO DECLARE RECESSES

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 518 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 518

Resolved, That upon the adoption of this resolution the Speaker is authorized to declare recesses at any time through the legislative day of October 24, 1990, subject to the call of the chair.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], for the purpose of debate only, pending which I yield myself such time as I may use.

House Resolution 518 authorizes the Speaker to declare recesses subject to the call of the Chair at any time through the legislative day of October 24.

Mr. Speaker, this Wednesday, October 24, the Government runs out of money again unless we enact the appropriation bills and a budget agreement. Between today and Wednesday we have a lot to do. The House needs the flexibility which this resolution will provide. It is a simple resolution and I urge its adoption.

□ 1040

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, I will be very brief. I have no objection to this particular resolution. These are indeed trying times, and given the Wednesday night deadline we are working against, there is no purpose to be served by opposing this particular resolution. I commend the gentleman for bringing it before the House. The House may be required, as developments warrant, to convene at unusual hours in order to consider important matters relating to the budget.

So I can recommend to the Members that we approve this resolution and give the Speaker authority to give the House authority for recess.

Other procedural waivers that will be coming before us, I assume right after this one, which waive the two-thirds rule are another matter, and I will be opposing that rule very strongly. But I urge support of this rule, and I commend the gentleman for bringing it before the House.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

WAIVING CERTAIN REQUIREMENTS OF RULES OF THE HOUSE AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS, CONFERENCE REPORTS, AMENDMENTS, AND MOTIONS

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 517 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 517

Resolved, That the requirement of clause 4(b), rule XI for a two-thirds vote to consider a report from the Committee on Rules on the same day it is presented to the House is hereby waived with respect to any resolution reported from that committee on or before the legislative day of October 24, 1990, to provide for the consideration or disposition of: (1) a bill to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for the fiscal year 1991, an amendment thereto, or a conference report thereon; (2) a joint resolution making continuing appropriations for the fiscal year 1991, an amendment thereto, or a conference report thereon; (3) a bill to extend the temporary increase in the public debt limit, an amendment thereto, or conference report thereon; or (4) a conference report and amendments reported from conference in disagreement on any general appropriations bill.

SEC. 2. Notwithstanding the provisions of clause 2 of rule XXVIII, it shall be in order at any time through the legislative day of October 24, 1990, to consider conference reports and amendments reported from conference in disagreement on any general appropriation bill on the same day reported or any day thereafter if copies of the conference report and accompanying statement, together with the text of any amendment reported from conference in disagreement, have been available to Members for at least two hours before the beginning of such consideration. Any said conference report, amendments in disagreement, and motions to dispose of amendments in disagreement printed in the joint statement of the managers shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from New York [Mr. SOLOMON], pending which I yield myself such time as I may consume.

House Resolution 517 is necessary so that the House can complete its business quickly, fairly, and by majority vote. This rule extends through Wednesday the two-thirds waiver that expired last night. The resolution adds one item. Conference reports on general appropriations bills and amendments in disagreement will also be covered.

House Resolution 517 permits the House, by majority vote, to consider a rule on the same day it is reported through the legislative day of October 24, notwithstanding the requirement of clause 4(b) of rule XI. The waiver applies to rules to consider or dispose of any reconciliation bill, continuing resolution or temporary increase in the debt limit. The requirement of a two-thirds vote is also waived against amendments to such measures and conference reports on such measures. House Resolution 517 also waives the requirement against rules to consider or dispose of conference reports on general appropriation bills and amendments in disagreement.

Mr. Speaker, the resolution makes it in order, through the legislative day of October 24, to consider conference reports and amendments reported from conference in disagreement on any general appropriation bill, if copies of the report or the text of any amendment reported in disagreement, are available for 2 hours before they are considered. The requirement that conference reports be printed in the RECORD and lay over 3 days is waived against appropriation conference reports.

Finally, the rule provides that the conference reports, amendments in disagreement and motions to dispose printed in a joint statement of managers will be considered as having been read.

Mr. Speaker, House Resolution 517 is necessary to permit the House to get its business done this week by majority vote. I urge adoption of the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, with all due respect to my good personal friend, JOE MOAKLEY, who is the chairman of our Rules Committee, I rise in strong opposition to this resolution. I recommend that the Members defeat it, and I shall ask for a vote at the conclusion of this debate.

In the past several weeks we have had several resolutions that waive the so-called two-thirds rule which requires a two-thirds vote of the membership in order to bring legislation to the floor the same day such legislation is considered by the Rules Committee. Those previous resolutions applied to only those matters dealing with the budget process, or with emergency continuing resolutions and temporary increases in the debt ceiling. I supported those resolutions because they were reasonable.

This resolution before us now applies to the same three things, and for the first time it adds a fourth element,

conference reports on general appropriation bills.

Gentlemen, back in your offices, you ought to pay particular attention to this, and I will repeat it. This resolution adds a fourth element, conference reports on general appropriation bills. That means if we waive this two-thirds rule, conference reports, completely changed by the Senate, with God knows what put in over there, will be coming to this floor, and Members will not have the slightest idea what is in the conference report.

Mr. Speaker, that is going too far. How long can we continue to trash the legislative process before we do not have any process at all?

This waiver of the rules is being requested at a time when, for example, House Republican conferees to the defense authorization bill have been completely excluded from the conference. Meeting times have been kept secret, and all of the deals have been made behind closed doors. There is not a man or woman in this Chamber today who can tell us what is in that conference report on DOD.

I realize that the bill I just mentioned is an authorizing bill, and the resolution before us now would apply to general appropriation bills, but let us look at the whole cloth. The lockout of Republican Members from the defense authorization bill conference and the continued violence which is done on this floor to the rules of the House, are part and parcel of the same thing.

Mr. Speaker, maybe the reason why Congress cannot produce a budget is because Congress cannot govern itself. If we cannot maintain an orderly procedure by which to conduct our own affairs on the floor of this House, how can we possibly expect to make the decisions that affect everything else beyond the confines of this Chamber?

Mr. Speaker, let us look at some of the statistical data which traces the collapse of rules and procedures in this House. It seems to be a systematic pattern which is getting worse by the day.

As of this moment, in this 101st Congress, over this 2-year period, fully 55 percent of the rules to come before this House have been restrictive rules, 55 percent. And 51 percent, more than half, have waived the Budget Act in some form. Most of these waivers have in fact been blanket waivers, sweeping away all points of order based on the so-called budget process. And we wonder why we have a deficit problem in this House, in this Congress, and in this Nation today.

And here we go again, doing violence to the rules of the House once more, and here we go again wondering how we got into such a mess. And like a drug addict or an alcoholic, we keep telling ourselves we will get sober tomorrow, just so long as we can get one more drink today.

□ 1050

Mr. Speaker, the process has gone on for years, and here it is today getting worse and worse by the hour. It is the No. 1 reason why we are staring into the face of disaster.

One more drink or one more fix is not going to sober us up. It is only going to make things worse.

Mr. Speaker, assuming this resolution passes today, I would at least hope that Members would be given adequate time to examine these conference reports on the general appropriation bills before these bills get rushed to the floor. It is hardly right to ask Members to vote on something when they have no idea what is in it.

Mr. Speaker, I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the gentleman from New York states his case very well, but the truth of the matter is that we are at the 11th hour. We may be getting out of here Thursday, Friday, and we just do not have the luxury of waiving these things for 3 days. We do have a proviso in here that the bills will be available for 2 hours to look over the changes, so that it is not going to be here at 11 o'clock and rushed through at 11:01, but these are things that happen at the end of every legislative session. We just do not have the luxury of laying over 3 days, and we have to waive the rules.

I would like to operate in a more orderly society, but the rules of the legislative procedure being what they are, it is just not allowable if we are going to make any kind of deadline.

Mr. SOLOMON. Mr. Speaker, will the gentleman yield?

Mr. MOAKLEY. I am happy to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, as I said to the gentleman, I have the greatest admiration and respect for the gentleman. He has given us his word that he would give us 2 hours' notice to have the conference report in hand before we are expected to vote on it.

Mr. MOAKLEY. Absolutely.

Mr. SOLOMON. I do appreciate it.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. SOLOMON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the Chair declares that further proceedings on this vote will occur not sooner than 12 o'clock today.

WAIVING ALL POINTS OF ORDER DURING CONSIDERATION OF CONFERENCE REPORT ON H.R. 5241, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1991

Ms. SLAUGHTER of New York. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 516 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 516

Resolved, That upon adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 5241) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1991, and for other purposes, and all points of order against the conference report and against its consideration are hereby waived. The conference report, amendments reported from conference in disagreement, and motions to dispose of amendments reported from conference in disagreement printed in the joint statement of the managers shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. The gentlewoman from New York [Ms. SLAUGHTER] will be recognized for 1 hour.

Ms. SLAUGHTER of New York. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may consume.

Ms. SLAUGHTER of New York. Mr. Speaker, House Resolution 516 provides for the consideration of the conference report on H.R. 5241, making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies for the fiscal year ending September 30, 1991.

The rule waives all points of order against the conference report and against its consideration. The conference report requires rules waivers because of the addition of Federal pay reform provisions designed to help the Government recruit and retain qualified employees. These provisions have bipartisan support and have been mutually agreed upon by the House and Senate conferees, the authorizing committees, and the Office of Personnel Management.

Further, the rule provides that the conference report, amendments in disagreement, and motions to dispose of amendments in disagreement will be

considered as read when called up for consideration.

Mr. Speaker, the conference report on H.R. 5241, the bill for which the committee has recommended this rule, provides $20.9 billion for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies. Many essential functions of the Government receive funding through this bill including: the Federal Law Enforcement Training Center, the Customs Service, the Mint, the Internal Revenue Service, the Secret Service, the General Services Administration, and the National Archives.

Today, we are 22 days into the 1991 fiscal year. As lawmakers we have a responsibility to act as expeditiously as possible on this and other overdue appropriations measures. I ask my colleagues to support the rule so that we may proceed with consideration of the merits of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend the chairman and the ranking Republican member of the Appropriations Subcommittee on Treasury, Postal Service, and General Government, the gentleman from California, [Mr. ROYBAL] and the gentleman from New Mexico [Mr. SKEEN] for their hard work and leadership in working out this conference report. One indication of their success is that no one appeared in the Rules Committee meeting yesterday to object to the granting of this rule.

The gentlewoman from New York [Ms. SLAUGHTER] has fully described the provisions of this rule, and I will not repeat that.

Mr. Speaker, we are nearing what I hope will be the closing days of this session. One of the things that has to be done is to complete action on the general appropriations bills. This rule is a step toward that goal.

I support adoption of this rule so that the House may proceed to consideration of the conference report on the 1991 appropriation for Treasury, Postal, and General Government.

Mr. Speaker, I urge adoption of this resolution.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Ms. SLAUGHTER of New York. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to House Resolution 518, the Chair declares the House in recess for 5 minutes.

(Accordingly, at 10 o'clock and 58 minutes a.m., the House stood in recess for 5 minutes.)

□ 1108

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. MAZZOLI) at 11 o'clock and 8 minutes a.m.)

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken tomorrow.

NEGOTIATED RULEMAKING ACT OF 1989

Mr. FRANK. Mr. Speaker, I move to suspend the rules and concur in the Senate Amendments to the House Amendment to the Senate bill (S. 303) to establish a framework for the conduct of negotiated rulemaking by Federal agencies.

The Clerk read as follows:

Senate amendments to House amendment:

Page 6, line 20 of the House engrossed amendment, after "rule" insert ", including residents of rural areas".

Page 7, line 6 of the House engrossed amendment, after "rule" insert ", including residents of rural areas".

Page 10, line 5, of the House engrossed amendment, after "subchapter" insert "and, as appropriate, in trade or other specialized publications, a copy of which shall be sent to any person who applied for, or nominated another person for membership on the negotiating rulemaking committee to represent such interests with respect to the proposed rule."

Page 10, of the House engrossed amendment, strike out lines 21 to 24.

The SPEAKER pro tempore. Is a second demanded?

Mr. JAMES. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes, and the gentleman from Florida [Mr. JAMES] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a bill which has already passed the House, went over to the Senate and comes back now in a form in which we propose to concur. It gives explicit authority to a proceeding known as regulatory negotiation.

Our colleague, the gentleman from Ohio [Mr. PEASE] has been a very strong advocate of this. In the other body, the Senator from Michigan, Senator LEVIN, has been very active in it.

It comes to us with the strong endorsement of the Administrative Conference of the United States.

What it seeks to do is to promote a procedure whereby parties that have an interest in a regulation come together in a negotiation session.

It is important to note that under this procedure no party gives up any rights it has. This is an effort to do in a relatively nonadversarial way an important proceeding which sometimes becomes adversarial.

It is important to note that should there be the kind of disagreements that unfortunately or fortunately sometimes are inevitable, no one loses any rights by this. It is an effort to regularize the procedure. Some agencies are already employing this procedure. Others have felt that absent the type of statutory authorization we here provide, they could not go ahead with it.

□ 1110

It was therefore the unanimous feeling of the subcommittee and of the full committee and ultimately of the House, when we acted on this in concurrence with the Administrative Conference, that we should set forward the form in which this should go forward, again making it clear it would be an inclusive process in which no one would lose any rights and in which all parties in interest would be involved.

I wanted to make note here of a particular concern that was brought to me. Sometimes people in the lower income categories who have socioeconomic difficulties are obviously not as well represented as those who are more successful in our society. We wanted to make sure, in enacting this legislation and in making the record, and I want to reinforce this today, that it is our understanding that every agency will make every reasonable effort to be fully inclusive and that lower income groups, people who may have linguistic or other problems, people who would not ordinarily easily be able to participate in this process, will be included.

There was some difference between us as to the role of the Legal Services Corporation. In the end the Senate

thought it best to have no reference to the Legal Services Corporation at all.

We will, of course, be dealing next year with a full-fledged reauthorization of Legal Services now that the President has submitted some nominees for confirmation.

I want to make it clear again I think it is our understanding that Legal Services attorneys who would ordinarily under the statute be allowed to represent parties at interest in a regulation would be allowed to participate on their behalf in the negotiation. In other words, this is not meant to be either a diminution or a further empowerment of Legal Servcies.

It is to say that whatever Legal Services could do in other contexts, to the extent that effective representation—that it become necessary for effective representation for them to participate on behalf of eligible clients in a regulation negotiation, they can do that.

I stress this does not further empower Legal Services. Neither is it our intention that they be denied whatever legal authority they now have to represent eligible clients.

Mr. Speaker, I reserve the balance of my time.

Mr. JAMES. Mr. Speaker, this bill establishes a framework for the conduct of negotiated rulemaking by Federal agencies. It attempts to bring the private sector and the public sector together to work out their differences before a rule is published. It passed the Senate on August 3, 1989, it passed this body in amended form under suspension of the rules on June 5, 1990, and now it comes back to us from the Senate with minor changes.

Mr. Speaker, I support this bill and urge my colleagues to do so as well.

This bill covers all administrative agencies, as defined in the Administrative Procedures Act.

What it will do is presumably and hopefully, though it will not have a formal proceeding setting, what it will do is encourage those parties who are most affected by the rules to try to address the problems that the administrative rules create prior to their being utilized in the administrative agencies which ultimately leads to very expensive litigation on behalf of both parties and then ultimately winds up in court and then 5 years later you will find out that the rule makes little or no sense or has a harsher application than is authorized by the enacting legislation.

By then it is often too late because you have followed through many court cases, many administrative proceedings that have been affected. Sometimes it is hundreds, sometimes thousands.

In that scenario, in that case, the court is always faced with the proposition as to whether or not to make the new procedures that are adopted either retroactive or active only from the point of judgment or active for suits that have been filed or have not been filed.

So it is a critical type of approach. It appears innocuous enough, but I think it is quite important. It is about time we had this type of recognition and understanding that rules that are created by administrative agencies should have substantial input from the people that are affected by it.

So I think it is quite important that everyone support this legislation, and I compliment and thank the chairman of the subcommittee, the gentleman from Massachusetts [Mr. FRANK] for his efforts in this case.

Please support this bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FRANK. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Massachusetts [Mr. FRANK] that the House suspend the rules and concur in the Senate amendments to the House amendment the Senate bill, S. 303.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments to the House Amendment were concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the motion just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

GRANTING CONSENT OF THE CONGRESS TO AMENDMENTS TO THE DELAWARE-NEW JERSEY COMPACT

Mr. FRANK. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 657) granting the consent of the Congress to amendments to the Delaware-New Jersey compact, and for other purposes, as amended.

The Clerk read as follows:

H.J. RES. 657

Whereas the State of Delaware and the State of New Jersey, pursuant to legislative authority adopted by each State, being 53 Laws of Delaware, chapter 145, and Public Law 1961, chapter 66 of the Laws of New Jersey, have provided, subject to the consent of Congress, for a compact, known as the Delaware-New Jersey Compact, establishing "The Delaware River and Bay Authority" for the development of the area in both States bordering the said Delaware River and Bay; and

Whereas the State of Delaware and the State of New Jersey, pursuant to legislative authority adopted by each State, subject to the consent of Congress, have provided for an amendment to the Delaware-New Jersey Compact to authorize the Delaware River and Bay Authority to undertake economic development projects, other than major projects, at its own initiative, and to undertake major projects after securing only such approvals as may be required by the legislation of the State in which the project is to be located, except the Authority is prohibited from undertaking any major project to be located in the Delaware River and Bay, including, without limitation, any deepwater port or superport, without the prior approval, by concurrent legislation, of the two States: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONSENT OF CONGRESS.

The Congress consents to the amendments to the Delaware-New Jersey Compact which have been enacted by the States of Delaware and New Jersey, so that the Delaware-New Jersey Compact reads substantially as follows:

"DELAWARE-NEW JERSEY COMPACT

"Whereas the States of Delaware and New Jersey are separated by the Delaware River and Bay which creates a natural obstacle to the uninterrupted passage of traffic other than by water and with normal commercial activity between the two States thereby hindering the economic growth and development of those areas in both States which border the River and Bay; and

"Whereas the pressures of existing trends from increasing traffic, growing population, and greater industrialization indicate the need for closer cooperation between the two States in order to advance the economic development and to improve crossings, transportation, terminal, and other facilities of the area; and

"Whereas the financing, construction, operation and maintenance of such crossings, transportation, terminal, and other facilities of commerce and the overall planning for future economic development of the area may be best accomplished for the benefit of the two States and their citizens, the region and Nation, by the cordial cooperation of Delaware and New Jersey by and through a joint or common agency or authority; and

"Whereas the Delaware-New Jersey Compact, enacted pursuant to 53 Laws of Delaware, Chapter 145 (17 Del. C. §1701) and Public Law 1961, c. 66 (C. 32:11E-1 et seq.) of the Pamphlet Laws of New Jersey, with the consent of the United States Congress by Joint Resolution being Public Law 87-678, 87th Congress, H.J. Res. 783, September 20, 1962, created the Delaware River and Bay Authority with the intention of advancing the economic growth and development of those areas in both States which border the Delaware River and Bay by the financing, development, construction, operation, and maintenance of crossings, transportation, or terminal facilities, and other facilities of commerce, and by providing for overall planning for the future economic development of those areas; and

"Whereas the economic growth and development of areas of both States will be further advanced by authorizing the Authority to undertake economic development projects, other than major projects, as de-

fined in Article II, at its own initiative, and to undertake major projects after securing only such approvals as may be required by legislation of the State in which the project is to be located, except that the Authority is prohibited from undertaking any major project, to be located in the Delaware River or Bay, including, without limitation, any deep-water port or superport, without the prior approval, by concurrent legislation, of the two States; and

"Whereas the natural environment of those areas in the two States which border the Delaware River and Bay would be better preserved by requiring that the projects, other than crossings, of the Authority shall be in complete compliance with all applicable environmental protection laws and regulations before the Authority may undertake the planning, development, construction, or operation of any project, other than a crossing:

"NOW, THEREFORE, the State of Delaware and the State of New Jersey do hereby solemnly covenant and agree, each with the other as follows:

"ARTICLE I

"SHORT TITLE

"This Compact shall be known as the 'Delaware-New Jersey Compact'.

"ARTICLE II

"DEFINITIONS

" 'Crossing' means any structure or facility adapted for public use in crossing the Delaware River or Bay between the States, whether by bridge, tunnel, ferry, or other device, and by any vehicle or means of transportation of persons or property, as well as all approaches thereto and connecting and service routes and all appurtenances and equipment relating thereto.

" 'Transportation facility' and 'terminal facility' means any structure or facility other than a crossing, as herein defined, adapted for public use within each of the States party hereto in connection with the transportation of persons or property, including railroads, motor vehicles, watercraft, airports and aircraft, docks, wharves, piers, slips, basins, storage places, sheds, warehouses, and every means or vehicle of transportation now or hereafter in use for the transportation of persons and property or the storage, handling or loading of property, as well as all appurtenances and equipment related thereto.

" 'Commerce facility or development' means any structure or facility adapted for public use or any development for a public purpose within each of the States party hereto in connection with recreational and commercial fishery development, recreational marina development, aquaculture (marine farming), shoreline preservation and development (including wetlands and open-lands acquisition, active recreational and park development, beach restoration and development, dredge spoil disposal and port-oriented development), foreign trade zone site development, manufacturing and industrial facilities, and other facilities of commerce which, in the judgment of the Authority, are required for the sound economic development of the area.

" 'Appurtenances' and 'Equipment' mean all works, buildings, structures, devices, appliances, and supplies, as well as every kind of mechanism, arrangement, object, or substance related to and necessary or convenient for the proper construction, equipment, maintenance, improvement, and operation of any crossing, transportation facility or terminal facility, or commerce facility, or development.

" 'Project' means any undertaking or program for the acquisition or creation of any crossing, transportation facility or terminal facility, or commerce facility or development, or any part thereof, as well as for the operation, maintenance, and improvement thereof.

" 'Major Project' means any project, other than a crossing, having or likely to have significant environmental impacts on the Delaware River and Bay, its shorelines or estuaries, or any other area in the State of Delaware or the New Jersey counties of Cape May, Cumberland, Gloucester, and Salem, as determined in accordance with State law by the environmental agency of the State in which the major project is to be located.

" 'Tunnel' means a tunnel of one or more tubes.

" 'Governor' means any person authorized by the Constitution and law of each State to exercise the functions, powers, and duties of that office.

" 'Authority' means the Authority created by this Compact or any agency successor thereto.

"The singular whenever used in this Compact shall include the plural, and the plural shall include the singular.

"ARTICLE III

"FAITHFUL COOPERATION

"They agree to and pledge, each to the other, faithful cooperation in the effectuation of this Compact and any future amendment or supplement thereto, and of any legislation expressly in implementation thereof hereafter enacted, and in the planning, development, financing, construction, operation, maintenance, and improvement of all projects entrusted to the authority created by this Compact.

"ARTICLE IV

"ESTABLISHMENT OF AGENCY; PURPOSES

"The two States agree that there shall be created and they do hereby create a body politic, to be known as 'The Delaware River and Bay Authority' (for brevity hereinafter referred to as the 'Authority'), which shall constitute an agency of government of the State of Delaware and the State of New Jersey for the following general public purposes, and which shall be deemed to be exercising essential government functions in effectuating such purposes, to wit:

"(a) The planning, financing, development, construction, purchase, lease, maintenance, improvement, and operation of crossings between the States of Delaware and New Jersey across the Delaware River or Bay at any location south of the boundary line between the State of Delaware and the Commonwealth of Pennsylvania as extended across the Delaware River to the New Jersey shore of said River, together with such approaches or connections thereto as in the judgment of the Authority are required to make adequate and efficient connections between such crossings and any public highway or other routes in the State of Delaware or in the State of New Jersey; and

"(b) The planning, financing, development, construction, purchase, lease, maintenance, improvement, and operation of any transportation or terminal facility within the State of Delaware or the New Jersey counties of Cape May, Cumberland, Gloucester, and Salem, which facility, in the judgment of the Authority, is required for the sound economic development of the area; and

"(c) The planning, financing, development, construction, purchase, lease, maintenance, improvement, and operation of any commerce facility or development within the State of Delaware or the New Jersey counties of Cape May, Cumberland, Gloucester, and Salem, which in the judgment of the Authority is required for the sound economic development of the area; and

"(d) The performance of such other functions as may be hereafter entrusted to the Authority by concurrent legislation expressly in implementation hereof.

"The Authority shall not undertake any major project or part thereof without having first secured such approvals as may be required by legislation of the State in which the project is to be located.

"The Authority shall not undertake any major project, or part thereof to be located in the Delaware River or Bay, including, without limitation, any deep-water port or superport, without having first secured approval thereof by concurrent legislation of the two States expressly in implementation thereof.

"The Authority shall not undertake any major project or part thereof without first giving public notice and holding a public hearing, if requested, on any proposed major project, in accordance with the law of the State in which the major project is to be located. Each State shall provide by law for the time and manner for the giving of such public notice, the requesting of a public hearing and the holding of such public hearings.

"ARTICLE V

"COMMISSIONERS

"The Authority shall consist of twelve Commissioners, six of whom shall be residents of and qualified to vote in and shall be appointed from the State of Delaware, and six of whom shall be residents of and qualified to vote in and shall be appointed from the State of New Jersey; not more than three of the Commissioners of each State shall be of the same political party; the Commissioners for each State shall be appointed in the manner fixed and determined from time to time by the law of each State respectively. Each Commissioner shall hold office for a term of five years, and until his successor shall have been appointed and qualified, but the terms of the first Commissioners shall be so designated that the term of at least one Commissioner from each State shall expire each year. All terms shall run to the first day of July. Any vacancy, however created, shall be filled for the unexpired term only. Any Commissioner may be suspended or removed from office as provided by law of the State from which he shall be appointed.

"Commissioners shall be entitled to reimbursement for necessary expenses to be paid only from revenues of the Authority and may not receive any other compensation for services to the Authority except such as may from time to time be authorized from such revenues by concurrent legislation.

"ARTICLE VI

"BOARD ACTION

"The Commissioners shall have charge of the Authority's property and affairs and shall, for the purpose of doing business, constitute a Board, but no action of the Commissioners shall be binding or effective unless taken at a meeting at which at least four Commissioners from each State are present, and unless at least four Commis-

sioners from each State shall vote in favor thereof. The vote of any one or more of the Commissioners from each State shall be subject to cancellation by the Governor of such State at any time within 10 days (Saturdays, Sundays, and public holidays in the particular State excepted) after receipt at the Governor's office of a certified copy of the minutes of the meeting at which such vote was taken. Each State may provide by law for the manner of delivery of such minutes and for notification of the action thereon.

"ARTICLE VII

"GENERAL POWERS

"For the effectuation of its authorized purposes, the Authority is hereby granted the following powers:

"(a) To have perpetual succession.

"(b) To adopt and use an official seal.

"(c) To elect a chairman and a vice chairman from among the Commissioners. The chairman and vice chairman shall be elected from different States and shall each hold office for two years. The chairmanship and vice chairmanship shall be alternated between the two States.

"(d) To adopt bylaws to govern the conduct of its affairs by the Board of Commissioners, and it may adopt rules and regulations and may make appropriate orders to carry out and discharge its powers, duties, and functions, but no bylaw or rule, regulation, or order shall take effect until it has been filed with the Secretary of State of each State or in such other manner in each State as may be provided by the law thereof. In the establishment of rules, regulations, and orders respecting the use of any crossing, transportation, or terminal facility or commerce facility or development owned or operated by the Authority, including approach roads, it shall consult with appropriate officials of both States in order to insure, as far as possible, uniformity of such rules, regulations, and orders with the laws of both States.

"(e) To appoint or employ such other officers, agents, attorneys, engineers, and employees as it may require for the performance of its duties and to fix and determine their qualifications, duties, compensation, pensions, terms of office and all other conditions and terms of employment and retention.

"(f) To enter into contracts and agreements with either State or with the United States, or with any public body, department, or other agency of either State or of the United States or with any individual, firm, or corporation deemed necessary or advisable for the exercise of its purposes and powers.

"(g) To accept from any government or governmental department, agency, or other public or private body, or from any other source, grants, or contributions of money or property as well as loans, advances, guarantees, or other forms of financial assistance which it may use for or in aid of any of its purposes.

"(h) To acquire (by gift, purchase, or condemnation), own, hire, lease, use, operate, and dispose of property, whether real, personal, or mixed, or of any interest therein, including any rights, franchise and property for any crossing, facility, or other project owned by another and which the Authority is authorized to own and operate.

"(i) To designate as express highways, and control public and private access thereto, all or any approaches to any crossing or other facility of the Authority for the purpose of connecting the same with any highway or other route in either State.

"(j) To borrow money and to evidence such loans by bonds, notes, or other obligations, either secured or unsecured, and either in registered or unregistered form, and to fund or refund such evidences of indebtedness, which may be executed with facsimile signatures of such persons as may be designated by the Authority and by a facsimile of its corporate seal.

"(k) To procure and keep in force adequate insurance or otherwise provide for the adequate protection of its property, as well as to indemnify it or its officers, agents, or employees against loss or liability with respect to any risk to which it or they may be exposed in carrying out any function hereunder.

"(l) To grant the use of by franchise, lease, or otherwise, and to make charges for the use of any crossing, facility, or other project or property owned or controlled by it.

"(m) To exercise the right of eminent domain to acquire any property or interest therein.

"(n) To determine the exact location, system, and character of and all other matters in connection with any and all crossings, transportation, or terminal facilities, commerce facilities or developments or other projects which it may be authorized to own, construct, establish, effectuate, operate, or control.

"(o) To exercise all other powers not inconsistent with the Constitutions of the two States or of the United States, which may be reasonably necessary or incidental to the effectuation of its authorized purposes or to the exercise of any of the foregoing powers, except the power to levy taxes or assessments, and generally to exercise in connection with its property and affairs, and in connection with property within its control, any and all powers which might be exercised by a natural person or a private corporation in connection with similar property and affairs.

"ARTICLE VIII

"ADDITIONAL POWERS

"For the purpose of effectuating the authorized purposes of the Authority, additional powers may be granted to the Authority by legislation of either State without the concurrence of the other, and may be exercised within such State, or may be granted to the Authority by Congress and exercised by it; but no additional duties or obligations shall be undertaken by the Authority under the law of either State or of Congress without authorization by the law of both States.

"ARTICLE IX

"EMINENT DOMAIN

"If the Authority shall find and determine that any property or interest therein is required for a public use in furtherance of the purposes of the Authority, said determination shall not be affected by the fact that such property has theretofore been taken over or is then devoted to a public use, but the public use in the hands or under the control of the Authority shall be deemed superior to the public use for which it has theretofore been taken or to which it is then devoted. The Authority shall not exercise the power of eminent domain granted herein to acquire any property, other than a crossing, devoted to a public use, of either State, or of any municipality, local government, agency, public authority or commission, or of two or more of them, for any purpose other than a crossing, without having first secured the authorization of the holder of the title to the land in question and such other approvals as may be required by legislation of the State in which the project is to be located. The Authority shall not exercise the power of eminent domain in connection with any commerce facility or development.

"In any condemnation proceedings in connection with the acquisition by the Authority of property or property rights of any character in either State and the right of inspection and immediate entry thereon, through the exercise by it of its power of eminent domain, any existing or future law or rule of court of the State in which such property is located with respect to the condemnation of property for the construction, reconstruction, and maintenance of highways therein shall control. The Authority shall have the same power and authority with respect thereto as the State agency named in any such law, provided that nothing herein contained shall be construed as requiring joint or concurrent action by the two States with respect to the enactment, repeal, or amendment of any law or rule of court on the subject of condemnation under which the Authority may proceed by virtue of this Article.

"If the established grade of any street, avenue, highway, or other route shall be changed by reason of the construction by the Authority of any work so as to cause loss or injury to any property abutting on such street, avenue, highway, or other route, the Authority may enter into voluntary agreements with such abutting property owners and pay reasonable compensation for any loss or injury so sustained, whether or not it be compensable as damages under the condemnation law of the State.

"The power of the Authority to acquire property by condemnation shall be a continuing power, and no exercise thereof shall be deemed to exhaust it.

"ARTICLE X

"REVENUE AND APPLICATION

"The Authority is hereby authorized to establish, levy, and collect such tolls and other charges as it may deem necessary, proper, or desirable in connection with any crossing, transportation, or terminal facility, commerce facility or development or other project which it is or may be authorized at any time to construct, own, operate, or control, and the aggregate of said tolls and charges shall be at least sufficient (1) to meet the combined expenses of operation, maintenance and improvement thereof, (2) to pay the cost of acquisition or construction, including the payment, amortization, and retirement of bonds or other securities or obligations assumed, issued, or incurred by the Authority, together with interest thereon, and (3) to provide reserves for such purposes; and the Authority is hereby authorized and empowered, subject to prior pledges, if any, to pledge such tolls and other revenues or any part thereof as security for the repayment with interest of any moneys borrowed by it or advanced to it for its authorized purposes and as security for the satisfaction of any other obligations assumed by it in connection with such loans or advances. There shall be allocated to the cost of the acquisition, construction, operation, maintenance, and improvement of such facilities and projects such proportion of the general expenses of the Authority as it shall deem property chargeable thereto.

"ARTICLE XI

"COVENANT WITH BONDHOLDERS

"The two said States covenant and agree with each other and with the holders of any bonds or other securities or obligations of the Authority, assumed, issued, or incurred by it and as security for which there may be pledged the tolls and revenues or any part thereof of any crossing, transportation, or terminal facility, commerce facility or development or other project, that the two said States will not, so long as any of such bonds or other obligations remain outstanding and unpaid, diminish, or impair the power of the Authority to establish, levy, and collect tolls and other charges in connection therewith, and that neither of the two said States will, so long as any of such bonds or other obligations remain outstanding and unpaid, authorize any crossing of the Delaware River or Delaware Bay south of the line mentioned in Article IV(a) of this Compact by any person or body other than the Authority, unless, in either case, adequate provision shall be made by law for the protection of those advancing money upon such obligations.

"ARTICLE XII

"SECURITIES LAWFUL INVESTMENTS

"The bonds or other securities or obligations which may be issued by the Authority pursuant to this Compact, or any amendments hereof or supplements hereto, are hereby declared to be negotiable instruments, and are hereby made securities in which all State and municipal officers and bodies of each State, all banks, bankers, trust companies, savings banks, building and loan associations, saving and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all administrators, executors, guardians, trustees, and other fiduciaries and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of either State may properly and legally invest any funds, including capital, belonging to them or within their control, and said obligations are hereby made securities which may properly and legally be deposited with and shall be received by any State or municipal officer or agency of either State for any purpose for which the deposit of bonds or other obligations of such State is now or may hereafter be authorized.

"ARTICLE XIII

"TAX STATUS

"The powers and functions exercised by the Authority under this Compact and any amendments hereof or supplements hereto are and will be in all respects for the benefit of the people of the States of Delaware and New Jersey, the region and Nation, for the increase of their commerce and prosperity and for the enhancement of their general welfare. To this end, the Authority shall be regarded as performing essential governmental functions in exercising such powers and functions and in carrying out the provisions of this Compact and of any law relating thereto, and shall not be required to pay any taxes or assessments of any character, levied by either State or political subdivision thereof, upon any of the property used by it for such purposes, or any income or revenue therefrom, including any profit from a sale or exchange. The bonds or other securities or obligations issued by the Authority, their transfer and the interest paid thereon or income therefrom, including any profit from a sale or exchange, shall at all times be free from taxation by either State or any subdivision thereof.

"ARTICLE XIV

"JURISDICTION; USE OF LANDS

"Each of the two States hereby consents to the use and occupancy by the Authority of any lands and property of the Authority in such State for the construction, operation, maintenance or improvement of any crossing, transportation, or terminal facility, commerce facility or development, or other project which it is or may be authorized at any time to construct, own, or operate, including lands lying under water.

"ARTICLE XV

"REVIEW AND ENFORCEMENT OF RULES

"Judicial proceedings to review any bylaw, rule, regulation, order, or other action of the Authority or to determine the meaning or effect thereof may be brought in such court of each State, and pursuant to such law or rules thereof, as a similar proceeding with respect to any agency of such State might be brought.

"Each State may provide by law what penalty or penalties shall be imposed for violation of any lawful rule, regulation, or order of the Authority, and, by law or rule of court, for the manner of enforcing the same.

"ARTICLE XVI

"NO PLEDGE OF CREDIT

"The Authority shall have no power to pledge the credit or to create any debt or liability of the State of Delaware, of the State of New Jersey or of any other agency or of any political subdivision of said States.

"ARTICLE XVII

"LOCAL COOPERATION AND AGREEMENTS

"(a) All municipalities, political subdivisions, and every department, agency, or public body of each of the States are hereby authorized and empowered to cooperate with, aid and assist the Authority in effectuating the provisions of this Compact and of any amendment hereof or supplement hereto.

"(b) The Authority is authorized and empowered to cooperate with each of the States, or any political subdivision thereof, and with any municipality, local government, agency, public authority or commission of the foregoing, in connection with the acquisition, planning, rehabilitation, construction or development of any project, other than a crossing, and to enter into an agreement or agreements, subject to compliance with the laws of the State in which the project is to be located, with each of the States, or any political subdivision thereof, and with any municipality, county, local government, agency, public authority, or commission or with two or more of them, for or relating to such purposes.

"(c) The Authority and the city, town, municipality, or other political subdivision in which any project, other than a crossing, is to be located are hereby authorized and empowers, subject to compliance with the laws of the State in which the project is to be located, to enter into an agreement or agreements to provide which local laws, resolutions, ordinances, rules, and regulations, if any, of the city, town, municipality, or other political subdivision affected by such project shall apply to such project. All other existing local laws, resolutions, ordinances or rules and regulations not provided for in the agreement shall be applicable to the project, other than a crossing. All local laws, resolutions, ordinances or rules and regulations enacted after the date of the agreement shall not be applicable to such projects unless made applicable by the agreement or any modification thereto.

"ARTICLE XVIII

"DEPOSITARIES

"All banks, bankers, trust companies, savings banks and other persons carrying on a banking business under the laws of either State are authorized to give security for the safekeeping and prompt payment of moneys of the Authority deposited by it with them, in such manner and form as may be required by and may be approved by the Authority, which security may consist of a good and sufficient undertaking with such sureties as may be approved by the Authority, or may consist of the deposit with the Authority or other depository approved by the Authority as collateral of such securities as the Authority may approve.

"ARTICLE XIX

"AGENCY POLICE

"Members of the police force established by the Authority, regardless of their residence, shall have in each State, on the crossings, transportation or terminal facilities, commerce facilities or developments and other projects and the approaches thereto, owned, operated, or controlled by the Authority, and at such other places and under such circumstances as the law of each State may provide, all the powers of investigation, detention, and arrest conferred by law on peace officers, sheriffs, or constables in such State or usually exercised by such officers in each State.

"ARTICLE XX

"REPORTS AND AUDITS

"The Authority shall make annual reports to the Governors and Legislatures of the State of Delaware and the State of New Jersey, setting forth in detail its operations and transactions, and may make such additional reports from time to time to the Governors and Legislatures as it may deem desirable.

"It shall, at least annually, cause an independent audit of its fiscal affairs to be made, and shall furnish a copy of such audit report together with such additional information or data with respect to its affairs as it may deem desirable to the Governors and Legislatures of each State.

"It shall furnish such information or data with respect to its affairs as may be requested by the Governor or Legislature of each State.

"ARTICLE XXI

"BOUNDARIES UNAFFECTED

"The existing territorial or boundary lines of the States or the jurisdiction of the two States established by said boundary lines shall not be changed hereby.

"ARTICLE XXII

"ENVIRONMENTAL PROTECTION

"(a) The planning, development, construction, and operation of any project, other than a crossing, shall comply with all environmental protection laws, regulations, directives, and orders, including, without limitation, any coastal zone laws, wetlands laws, or subaqueous land laws or natural resources laws, now or hereinafter enacted, or promulgated by the State in which the project, or any part thereof, is located.

"(b) The planning, development, construction, and operation of any project, other

than a crossing, to be located in the Delaware River and Bay shall comply with all environmental protection laws, regulations, directives, and orders, including, without limitation, any coastal zone laws, wetlands laws, subaqueous land laws or natural resource laws now or hereinafter enacted or promulgated by either State.

"(c) The planning, development, construction, and operation of any project, other than a crossing, located in the coastal zone of Delaware (as defined in Chapter 70 of Title 7 of the Delaware Code, as in effect on January 1, 1989), shall be subject to the same limitations, requirements, procedures, and appeals as apply to any other person under the Delaware Coastal Zone Act, Chapter 70 of Title 7 of the Delaware Code, as in effect on January 1, 1989. Nothing in this Compact shall be deemed to pre-empt, modify, or supersede any provision of the Delaware Coastal Zone Act, Chapter 70 of Title 7 of the Delaware Code, as in effect on January 1, 1989. The interpretation and application of this paragraph shall be governed by the laws of the State of Delaware and be determined by the courts of the State of Delaware.

"(d) The planning, development, construction, and operation of any project, other than a crossing, located in New Jersey, shall be subject to the provisions of New Jersey law, when applicable, including but not limited to the Wetlands Act of 1970, N.J.S.A. 13:9A-1, et seq. and the Coastal Area Facility Review Act, N.J.S.A. 13:19-1, et seq.".

SEC. 2. FEDERAL JURISDICTION NOT AFFECTED.

Nothing contained in the compact set forth in section 1 shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the area which forms the subject of such compact.

SEC. 3. AUTHORITY FOR ADDITIONAL TOLL BRIDGES.

Section 4 of the Act entitled "An Act to authorize the State of Delaware, by and through its State highway department, to construct, maintain, and operate a toll bridge across the Delaware River near Wilmington, Delaware" approved July 13, 1946 (60 Stat. 533), as amended by the Act of June 27, 1951 (65 Stat. 91) and the Act of October 3, 1962 (76 Stat. 741-742), is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting "; and", and

(3) by adding after paragraph (4) the following:

"(5) to pay the cost of any project which the Delaware River and Bay Authority is or may be authorized to construct, own, operate, or control, under the Delaware-New Jersey Compact, as consented to by the Congress.".

SEC. 4. REQUIREMENTS OF OTHER LAWS.

In addition to any other requirement of law, any project constructed by the Delaware River and Bay Authority in and over the navigable waters of the United States shall be subject to the procedural requirements of section 2(a) of the Fish and Wildlife Coordination Act (16 U.S.C. 662(a)).

SEC. 5. CONSTRUCTION.

Nothing in this resolution shall be construed as—

(1) amending or superseding the provisions of the Act of September 27, 1961 (75 Stat. 688); or

(2) granting advance consent of Congress for the performance by the Delaware River and Bay Authority of other functions, as contemplated by Article IV, paragraph (d) of the compact set forth in section 1 or for the assumption by the Authority of additional powers, as contemplated by Article VIII of such compact.

SEC. 6. DISCLOSURE OF INFORMATION.

The right is reserved to the Congress or any of its standing committees to require of the Delaware River and Bay Authority the disclosure and furnishing of such information and data as is deemed appropriate by the Congress or any committee thereof having jurisdiction of the subject matter of this resolution.

SEC. 7. RESERVATION BY THE CONGRESS.

The right to alter, amend, or repeal this joint resolution is expressly reserved.

The SPEAKER pro tempore (Mr. SARPALIUS). Is a second demanded?

Mr. JAMES. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. FRANK] will be recognized for 20 minutes and the gentleman from Florida [Mr. JAMES] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution before us would give congressional approval to a compact between the States of Delaware and New Jersey affecting the disposition of tolls.

It is the constitutional responsibility of the Congress to approve or disapprove compacts between or among the several States. That originates in the Subcommittee on Administrative Law.

My view as chairman of that subcommittee is that it is our job to make sure that in such a compact it is procedurally regular; that is, the appropriate authorities in all of the States involved have acted appropriately; that the interests of no other States are prejudiced in ways that are unfair to that States; and that no individual within either or all of the compacting States are singled out for unfair treatment.

Beyond that, it does not seem to me to be good constitutional theory or good governmental practice for this body to seek to substitute its judgment for that of the legislatures and governments of the States.

And I mention that because in this case I did want to acknowledge I did receive a letter from an environmental group in Delaware in which they raised objections to the compact, but they are not of a sort that it seems to me ought to deter us. They are not objections with which I necessarily disagree.

I am not a resident of Delaware. The objections had to do with what they considered to be an appropriate level of development in that State.

Now, Federal environmental laws apply in every State of the Union and any particular development project which impinges on Federal environmental laws would be disallowed.

But where we are talking about a project or projects that need environmental specifications, the question of how much is too much is a question that ought to be left to the States. There is no request here for any Federal subsidy. There is nothing that, as I said, unduly impinges on anyone else.

The question that the group that wrote to me from Delaware and the group which I suspect I would usually be in agreement with, the questions they raise are, as I said to them in a letter, questions that ought to appropriately be decided within the State of Delaware or within the State of New Jersey.

I should note that our colleague, the gentleman from New Jersey [Mr. HUGHES] and the gentleman from Delaware [Mr. CARPER] brought to our attention. They have been diligent in getting us to act very expeditiously. As soon as the procedures were completed at the State level, they brought it to our attention.

Mr. HUGHES, as a member of our Committee on the Judiciary, was able to help me get this through the committee and with biparisan cooperation we have before the House a compact which I think we ought to give our approval to.

Mr. Speaker, I reserve the balance of my time.

Mr. JAMES. Mr. Speaker, I rise in support of House Joint Resolution 657, which grants the consent of Congress to amendments made to the interstate compact between Delaware and New Jersey governing the Delaware River and Bay Authority.

These amendments have been approved by the legislatures of both States. The most significant would enable the authority to use toll revenues to engage in economic development projects in Delaware and the southern counties of New Jersey, in addition to the transportation-related projects now authorized. Surplus revenues could be used, for instance, to support recreational and commercial fishing facilities, shoreline preservation, and marine farming. All such undertakings would be required to comply with applicable environmental laws.

Now, as far as I can ascertain in talking to our attorney, though we are all sensitive toward environmental issues and I think the Congressman from Massachusetts would agree with me, though we are all very sensitive to environmental issues, this is not the arena nor the area where we inject those considerations. Those should be proceeded with in either State or Fed-

eral or, depending on the nature of the allegations and the law that is applicable to the problem, or it should be addressed through further legislation if it is not already covered.

□ 1120

Yes, we want no interference with environment concerns or with Federal environmental laws, but unless and until such time that there is a presentation of a justifiable issue to the proper authority I would think we are powerless to take that consideration now. However, Mr. Speaker, having said that, I would encourage anyone, any Congressman, anyone of this body, who can point out with specificity an environmental law that is now being breached to step forward and let us know; this is the first time that I have understood that there was a significant concern about it, so that we can address that problem. Otherwise, no one having stepped forward, I would have to continue my approval of this interstate compact agreement, which is our obligation. I think to prove otherwise we would be committing havoc, as far as encouraging proper relationships between States when they have agreement on issues that technically involve the commerce clause and interstate commerce, for us to abrogate our responsibility and not approve them. I think it would be irresponsible for us not to at this point, and I would encourage us, and all of us, to vote for it.

Mr. FRANK. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. First of all, Mr. Speaker, I want to thank the distinguished gentleman from Massachusetts, [Mr. FRANK] for his expeditious handling of this particular piece of legislation. I think we introduced it just about 3 weeks ago, and he has really moved it through the process along with his ranking Republican member, the gentleman from Florida [Mr. JAMES].

Mr. Speaker, House Joint Resolution 657 is needed to implement legislation enacted by the New Jersey and Delaware State governments to modify the Delaware-New Jersey compact.

The compact serves as the charter for the Delaware River and Bay Authority, which maintains the Delaware Memorial Bridge and Cape May-Lewes ferry. These facilities have been constructed and maintained without any Federal funds, and the authority has succeeded in maintaining these facilities in excellent condition despite keeping the bridge toll for passenger cars at $0.75, lower than the rate on many similar bridges.

The State legislation changing the compact had widespread, bipartisan support and was approved unanimously in New Jersey. The principal changes are to allow the Delaware River and Bay Authority to fund some economic development activities in years when their revenues exceed expenses. This change only relates to surplus funds and will not change the Federal requirement that toll revenues be just and reasonable based on the authority's investment in the bridge and ferry facilities.

Other than this minor change, the compact amendments are procedural in nature, relating to the process by which the authority's projects are approved. The Governor of either State can veto any action, and all major project must be approved by the legislature of the State in which the project is to be located.

Companion legislation in the Senate, Senate Joint Resolution 373, has been approved by the Senate Judiciary Committee, and I would like to thank Senator BIDEN, the Senate sponsor and chairman of the Senate Judiciary Committee, for his efforts in moving this legislation through the other body.

I would also like to thank several of my colleagues for their assistance in bringing this legislation to the floor. I would like to thank the gentleman from New Jersey [Mr. ROE] and the gentleman from Delaware [Mr. CARPER] for their support of this legislation; BARNEY FRANK, chairman of the Subcommittee on Administrative Law and Governmental Relations, and JACK BROOKS, chairman of the Judiciary Committee, for their prompt consideration of this legislation; and chairman of the Public Works and Transportation Committee, Mr. ANDERSON, and the chairman of the Subcommittee on Surface Transportation, Mr. MINETA, for their assistance in expediting consideration of the bill and clarifying that House Joint Resolution 657 will not change the Federal standards for just and reasonable tolls.

Mr. BOSCO. Mr. Speaker, will the gentleman yield?

Mr. HUGHES. I yield to the gentleman from California.

Mr. BOSCO. Mr. Speaker, I would like to enter into a brief colloquy with the gentleman from New Jersey [Mr. HUGHES] to seek clarification of the provisions of the bill.

Mr. Speaker, I just want to make it very clear that the adoption of this resolution does not circumvent the requirement for tolls to be just and reasonable.

Mr. HUGHES. Mr. Speaker, would the gentleman yield?

Mr. BOSCO. I yield to the gentleman from New Jersey.

Mr. HUGHES. The gentleman is absolutely correct in his understanding of the requirement that the tolls established by the Delaware River and Bay Authority on the Delaware Memorial Bridge must continue to be just and reasonable as required under the provisions of the Surface Transportation and Uniform Relocation Assistance Act of 1987.

Although the interstate compact agreement is amended to permit revenues derived from the toll receipts to be used for other public purposes, this joint resolution is not intended to either repeal, modify or amend the just and reasonable standard. In addition, House Joint Resolution 657 does not change the standards for what factors should be considered in determining a just and reasonable toll for a given facility.

Mr. BOSCO. Mr. Speaker, under those circumstances, I support adoption of House Joint Resolution 657 offered by the gentleman.

Mr. HUGHES. Mr. Speaker, I thank the gentleman from California [Mr. Bosco].

I urge my colleagues to support this measure. It is a good bill, and again I thank the gentleman from Massachusetts [Mr. FRANK], for his splendid assistance.

Mr. FRANK. Mr. Speaker, I yield myself an additional minute just to stress that the environmental concerns raised to not deal with any particular project. No one has alleged that any particular proposal here is environmentally unsound. There was a general concern, and we wanted to stress, as the gentleman from Florida [Mr. JAMES] did, that nothing in this compact suspends Federal environmental law. Whatever projects are financed as a result of this compact are fully subject to all the environmental rules and regulations. If they do not meet those, they will be disallowed. If they meet them, it then becomes a matter of public policy for Delaware.

Mr. JAMES. Mr. Speaker, I yield myself 1 minute and say likewise. I want to know, and I have not heard from any specific individual that this compact, through its funding, or through its purposes specifically abrogates any Federal or State laws in relationship to the environment, and I want to thank the gentleman from New Jersey [Mr. HUGHES] for clarifying those issues for us.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Massachusetts [Mr. FRANK] that the House suspend the rules and pass the joint resolution, House Joint Resolution 657, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. FRANK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CIVIL SERVICE RETIREMENT FOR NATIONAL GUARD TECHNICIANS

Mr. ACKERMAN. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1890) to amend title 5, United States Code, to provide relief from certain inequities remaining in the crediting of National Guard technician service in connection with civil service retirement, and for other purposes.

The Clerk read as follows:

S. 1890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ELIMINATION OF POST-1968 SERVICE AS A PREREQUISITE TO RETIREMENT CREDIT.

Section 8332(b) of title 5, United States Code, relating to creditable service, is amended by striking out "Service referred to in paragraph (6) is allowable only in the case of persons performing service under section 709 of title 32 after December 31, 1968."

SEC. 2. ELIMINATION OF POST-1968 SERVICE AS A PREREQUISITE TO RECEIVING CREDIT FOR PURPOSES OF CERTAIN OTHER BENEFITS.

Section 3(c) of the National Guard Technicians Act of 1968 (82 Stat. 757; 32 U.S.C. 709 note) is amended by striking out the last sentence.

SEC. 3. APPLICABILITY.

(a) RULE FOR SECTION 1.—

(1) GENERAL RULE.—

(A) ELIGIBILITY.—Except as provided in paragraph (2), the amendment made by section 1 applies only with respect to individuals who—

(i) separate from employment with the Government on or after the date of enactment of this Act; and

(ii) make an appropriate deposit, in accordance with section 8334(c) or 8411(f) of title 5, United States Code (as appropriated), for additional service that is creditable under such amendment

(B) DEPOSIT.—Any such deposit—

(i) shall include interest, which shall be computed under section 8334(e) of such title (except that the rate of interest shall be 3 percent a year) from the midpoint of the period of additional service to the date deposit is made; and

(ii) shall be made before date of retirement.

(2) EXCEPTION.—

(A) RULE FOR INDIVIDUALS SEPARATING AFTER DECEMBER 31, 1968, AND BEFORE THE ENACTMENT OF THIS ACT.—In the case of any individual who—

(i) was employed under section 709 of title 32, United States Code, relating to National Guard technicians, or any prior corresponding provision of law, before January 1, 1969, and

(ii) was separated from employment with the Government on or after January 1, 1969, and before the date of enactment of this Act,

any annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, based on such individual's service (as defined in section 8331(12) or 8401(26) of such title, as applicable) shall be determined or redetermined to take into account the amendment made by section 1, if application therefor is received by the Office of Personnel Management within 1 year after the date of enactment of this Act, and an appropriate deposit is made for any additional service that is creditable under such amendment. Any such deposit shall be computed, and must be paid either in a lump sum at the time of application or in installments over the 2-year period which begins on the date of application, or such shorter period as the Office may by regulation prescribe.

(B) EARLIER PAYMENTS NOT AFFECTED BY RECOMPUTATION.—Any change in an annuity resulting from a redetermination under subparagraph (A) shall apply only with respect to monthly payments accruing after the date the deposit required under subparagraph (A) is made (or, if payments are to be made in installments, after an agreement has been entered into regarding the manner in which such payments will be made).

(3) PAYMENT BY SURVIVORS.—For the purpose of survivor annuities, any deposit or installment payment required by paragraph (1) or (2) relating to service of an individual may also be made by a survivor of such individual.

(b) RULE FOR SECTION 2.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the amendment made by section 2 applies only with respect to an individual performing service as an officer or employee of the Government on or after the date of enactment of this Act and only to determine—

(A) any annual leave accuring under section 6303 of title 5, United States Code, to the individual on or after such date; and

(B) the individual's length of service for the purpose of entitlement to Federal employee death and disability compensation, group life insurance and health benefits, severance pay, tenure, and status.

(2) EXCEPTION.—

(A) RULE FOR INDIVIDUALS SEPARATING AFTER DECEMBER 31, 1988, AND BEFORE THE ENACTMENT OF THIS ACT.—The amendment made by section 2 of this Act applies with respect to any individual who separated from Government employment after December 31, 1968, and before the date of the enactment of this Act, for the purpose of determining whether such individual satisfies the length of service requirement under section 8901(3)(A) of title, 5, United States Code (relating to the definition of the term "annuitant", as in effect at the time of such individual's separation) for the purpose of chapter 89 of such title.

(B) CONDITIONS FOR ENROLLING IN A HEALTH BENEFITS PLAN.—Any individual who satisfies the length of service requirement referred to in subparagraph (A) as a result of the application of the amendment made by section 2 shall be enrolled in a health benefits plan (described in section 8903 of such title) of such individual's choice, if—

(i) application for enrollment is received by the Office of Personnal Management within one year after the date of the enactment of this Act; and

(ii) such individual would have qualified under section 8950(1) of such title at the time of such individual's separation.

SEC. 4. REGULATIONS

The Office of Personnel Management shall prescribe any regulations necessary for the implementation of this Act.

The SPEAKER pro tempore. Under the rule, a second is not required on this motion.

The gentleman from New York [Mr. ACKERMAN] will be recognized for 20 minutes, and the gentlewoman from Maryland [Mrs. MORELLA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. ACKERMAN].

□ 1130

GENERAL LEAVE

Mr. ACKERMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on S. 1890, the Senate bill now being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ACKERMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1890 is substantially similar to a bill, H.R. 1400, which was favorably reported by the Committee on Post Office and Civil Service on September 26. H.R. 1400 was originally introduced by my distinguished colleague from Maryland, Congresswoman MORELLA, on March 14, 1989, and it has 373 cosponsors.

I want to salute Congresswoman MORELLA, who serves on the Subcommittee on Compensation and Employee Benefits, for her tireless efforts to advance this legislation.

S. 1890 would remove the restriction in present law which limits the creditability of National Guard technician service to persons who performed such service on or after January 1, 1969. The bill also applies to Federal retirees who retired on or after January 1, 1969, but before the date of enactment of this act.

The legislation, as reported by our committee and as approved by the Senate, would require employees or retirees to make a deposit, with interest, in order to receive retirement credit for pre-1969 National Guard service. Current employees would be required to make a deposit before they retire.

Retirees and survivors may make these deposits in either a lump sum or in installments over a period not to exceed 2 years.

Mr. Speaker, I urge my colleagues to support S. 1890, and I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to rise in favor of the passage of S. 1890, a bill to provide relief from inequities which remain in the crediting of Civil Service retirement to National Guard technicians who retired before January 1, 1969. The average age of these National Guard technicians is about 66 years of age—most of them are World War II and Korean war veterans.

The concept of this bill is not new to Congress. Ever since the 91st Congress, bills have been introduced to address this inequity which befell National Guard technicians. I introduced such legislation in the 100th and the 101st Congresses.

Mr. Speaker, I am heartened to see that S. 1890 is before us today. Though this legislation has a long history, it would not have come to the floor without the tenacity of my constituent, Joe Cimmino, who has, over the years, done a superb job in patiently explaining to Members' staffs the inequities and necessity to correct present law.

Nothing happens without somebody making it happen. He has indeed been the guiding force. I think he deserves credit for it.

Also I would like to commend the chairman of the Subcommittee on Compensation and Employee Benefits of the Committee on Post Office and Civil Service, the gentleman from New York [Mr. ACKERMAN], for helping to guide this bill through, and his staff. Particularly I want to pay tribute to someone else who has been tenacious, the person on my staff, Heea Fales, for the work she has done indefatigably on this bill.

Mr. Speaker, it should have been simple, but it wasn't. Now it is finally coming to fruition.

Mr. Speaker, I believe the bills are unique in that though they affect only 105 people, 81 Senators and 374 Members of the House have supported S. 1890 and H.R. 1400. I want to take this opportunity to thank each of them for their support, especially our colleague from Mississippi, Mr. MONTGOMERY, who has always supported the National Guard technicians.

Thank you, Mr. Speaker; I urge swift passage of the legislation before us.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of the legislation before us today, S. 1890, which gives civil service retirement credit to people working as National Guard technicians and who was retired prior to 1969. Rarely do we have the opportunity to vote on a measure cosponsored by more than 370 of our House colleagues. Granting retroactive retirement credit to a group of employees who were ineligible at the time the work was performed is an extraordinary act for the Congress. Rarely does the Committee on Post Office and Civil Service favorably report such legislation. I think we should all recognize the hard work and time the gentlelady and chief sponsor of the measure, Mrs. MORELLA, and our distinguished subcommittee chairman, the gentleman from New York, has put into this bill.

I agree with our good friend, the Director of the Office of Personnel Management, Constance Newman, when she wrote our committee stating that National Guard technicians have had a torturous history. I hope that passage of this legislation will be the final happy ending for this often overlooked group of Federal employees.

Accordingly, I urge all my colleagues to join me in support of this measure.

Mr. ACKERMAN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Mississippi [Mr. MONTGOMERY], who has worked so long and hard in this field.

Mr. MONTGOMERY. Mr. Speaker, I would like to thank the gentleman from New York [Mr. ACKERMAN] for giving me this time.

Mr. Speaker, I rise in support of S. 1890, a bill which corrects inequity against the group of individuals who were employed as National Guard civilian employee technicians.

In 1968, Congress passed legislation granting Federal civil service credit to those technicians who worked for National Guard units across the country. However, the law only covered those technicians who served after January 1, 1969. It did not cover those technicians who left the Guard prior to January 1, 1969, to work somewhere else in the Federal Government.

Later, legislation in the 94th and 99th Congress corrected most of this oversight, except for a small group of about 100. The last attempt was H.R. 3006, which I introduced back in 1986. Before that, in the late 1970's, and even in the 1980's, I was working to correct this inequity.

Now my good friend, the gentlewoman from Maryland [Mrs. MORELLA], introduced H.R. 1400, the companion bill to S. 1890, last year in another attempt to correct this inequity. I am proud that I am a sponsor of H.R. 1400.

S. 1890 had 81 cosponsors, as has been mentioned. This bill, H.R. 1400, has 374 cosponsors. I only wish that it was a House bill that we were passing today, because the gentlewoman from Maryland [Mrs. MORELLA] and the gentleman from New York [Mr. ACKERMAN] and others have done all of the work. I certainly want to congratulate both Members, as well as several others I would like to mention.

One is Joe Cimmino, who is a retired technician. He has worked to lobby for this bill. He is responsible for a number of House Members and Senate Members who have cosponsored the bill.

What really makes it wonderful, this bill does not affect him at all. It was something he felt like should be corrected. He is a retired technician, but he gets no benefits from this work.

Second, Heea Fales, minority staff on the Subcommittee on Compensation and Employee Benefits. She has worked very hard and pushed this bill.

Mr. Speaker, I have to admit that I tried to do this for 10 years. I have been unsuccessful. I congratulate those who have been successful. I hope Members will support this legislation.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

The gentleman from Mississippi [Mr. MONTGOMERY] who just spoke is very modest, because he has always been there for the National Guard technicians and for all of our veterans. I appreciate his kind remarks, and I know the others who have been mentioned in his remarks are also very appreciative of that.

Mr. Speaker, it is interesting that Mr. Cimmino not only is not affected by this bill, but neither is anyone else in the district I am honored to represent. Yet about 105 people throughout the country will have an inequity corrected because of his fortitude and because Members of Congress believed and cared.

Mr. Speaker, I yield 1 minute to the distinguished gentleman from Tennessee [Mr. DUNCAN.]

□ 1140

Mr. DUNCAN. Mr. Speaker, I rise in support of this legislation. I was pleased to be a cosponsor of the House version of this bill.

I probably support fewer spending bills than almost any Member of this body. However, this bill is a matter of simple fairness. These National Guard technicians who retired prior to 1969 performed much valuable service for this Nation. They should not be treated differently than those who retired a year or two later.

This bill will cost only about $400,000 the first year and less with each succeeding year. It is a good bill and a fair bill.

I would like to commend the gentlewoman from Maryland [Mrs. MORELLA] for her work in sponsoring this legislation, as well as the gentleman from Mississippi [Mr. MONTGOMERY] and the gentleman from New York [Mr. ACKERMAN] and I urge passage of this very good legislation.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman from Tennessee for his remarks. Again I offer my accolades to the gentleman

from New York [Mr. ACKERMAN], who chairs my subcommittee, and his staff, as well as the ranking member of the full committee, the gentleman from New York [Mr. GILMAN] and the chairman of the full committee, the gentleman from Michigan [Mr. FORD] the gentleman from Mississippi [Mr. MONTGOMERY], and all others who have been very much involved with this legislation.

Mr. Speaker, I yield back the balance of my time.

Mr. ACKERMAN. Mr. Speaker, I thank the gentlewoman for her fortitude, perseverance, and tenacity.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SARPALIUS). The question is on the motion offered by the gentleman from New York [Mr. ACKERMAN] that the House suspend the rules and pass the Senate bill, S. 1890.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

LAGUNA DE SANTA ROSA NATIONAL WILDLIFE REFUGE ACT

Mr. STUDDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2548) to provide for the establishment of the Laguna de Santa Rosa National Wildlife Refuge in Sonoma County, CA, as amended.

The Clerk read as follows:

H.R. 2548

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.—This act maybe cited as the Laguna de Santa Rosa National Wildlife Refuge Act.

SEC. 2. FINDINGS.—(a) The area in Sonoma County, California, known as the Laguna de Santa Rosa is a valuable coastal freshwater wetland.

(b) the Laguna de Santa Rosa supports a wide diversity of plants and animals.

(c) Urban development, ineffective land and water management practices, overlapping Federal, State, and local jurisdictions, and inadequate enforcement of existing regulations have hampered efforts to conserve the Laguna de Santa Rosa.

(d) Thousands of acres of wetlands habitat in the Laguna de Santa Rosa have been lost or degraded.

SEC. 3. ESTABLISHMENT OF REFUGE.—(a) The Secretary of the Interior (hereinafter referred to as "the Secretary") acting through the Director of the United States Fish and Wildlife Service is authorized to acquire approximately 9,000 acres of lands and waters in the vicinity of the Laguna de Santa Rosa, in Sonoma County, California, as depicted on a map prepared under this section if the Secretary determines that the lands and waters therein contain fish and wildlife habitat appropriate for inclusion in the National Wildlife Refuge System.

(b) The Secretary shall prepare a detailed map depicting the boundaries of any land designated under subsection (a), which shall be kept of file and available for public inspection in appropriate offices of the United States Fish and Wildlife Service.

(c) The Secretary may make such minor revisions in the boundaries of any area designated under subsection (a) as may be appropriate to carry out the acquisition of property for the refuge.

(d) The Secretary shall establish the refuge by publication of a notice in the Federal Register and publication of local circulation if and when sufficient property has been acquired within the boundary of the refuge to constitute an area that can be effectively managed as a National Wildlife Refuge.

SEC. 4. PURPOSES.—The primary purposes for which the refuge is authorized—

(a) to preserve and enhance the refuge's lands and waters in a manner that will conserve the natural diversity of fish, wildlife, plants, and their habitats for present and future generations;

(b) to conserve and enhance populations of native fish, wildlife, and plants within the refuge;

(c) to protect and enhance the water quality of aquatic habitats within the refuge;

(d) to fulfill international treaty obligations of the United States with respect to fish and wildlife and their habitats; and

(e) to provide opportunities for compatible scientific research, environmental education, and fish and wildlife-oriented recreation.

SEC. 5. ADMINISTRATION.—(a) The Secretary shall administer all lands, waters, and interests therein which may be acquired under this Act in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.).

(b) The Secretary may utilize such other existing statutory authority as the Secretary considers appropriate to provide for the conservation and development of wildlife and natural resources, the development of recreational opportunities, and interpretive education in the Laguna de Santa Rosa National Wildlife Refuge authorized by this Act.

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriate to the Department of the Interior not more than $20,000,000 for the acquisition of lands and waters designated pursuant to section 3.

The SPEAKER pro tempore. Is a second demanded?

Mr. GOSS. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. STUDDS] will be recognized for 20 minutes, and the gentleman from Florida [Mr. GOSS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. STUDDS].

Mr. STUDDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2548 would authorize the Director of the U.S. Fish and Wildlife Service to establish the Laguna de Santa Rosa National Wildlife Refuge in Sonoma County, CA, if he determines that the area contains fish and wildlife habitat appropriate for inclusion in the refuge system.

The area in Sonoma County, CA, known as the Laguna de Santa Rosa, is a valuable costal freshwater wetland which supports a diversity of plants and animals. Urban development, ineffective land and water management practices, and overlapping jurisdictions have hampered efforts to conserve the area. As a result, thousands of acres of wetland habitat in Laguna de Santa Rosa have been lost or degraded.

This bill was introduced by Congressman Bosco, and I would like to congratulate him for his peristent efforts on its behalf. It offers a means of protecting the wetlands and associated wildlife habitat in this area from further degradation, and I urge members to support it.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2548, legislation to establish the Laguna de Santa Rosa National Wildlife Refuge in Sonoma County, CA. This legislation introduced by my colleague, Congressman Bosco of California, directs the Department of the Interior to establish a new wildlife refuge. The refuge would be jointly managed by the U.S. Fish and Wildlife Service and the California Department of Fish and Game.

Earlier this year, the Subcommittee on Fisheries and Wildlife Conservation and the Environment held a hearing, at which time testimony was received from individuals in support of the bill. The legislation has been amended to reflect the administration's concern and allows the refuge to go forward only if it is determined that it is a high priority for inclusion in the National Wildlife Refuge System.

Mr. Speaker, this is a good bill and I urge my colleagues to support its adoption.

Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

GENERAL LEAVE

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. STUDDS. Mr. Speaker, I yield whatever time he may consume and consume utterly to the distinguished gentleman from California [Mr. Bosco].

Mr. BOSCO. Mr. Speaker, I want to thank the distinguished chairman of our subcommittee, the gentleman from Massachusetts [Mr. STUDDS], and the gentleman from Florida [Mr. Goss], for his kind remarks.

Mr. Speaker, H.R. 2548 represents the culmination of 2 years of intentive effort by environmentalists, the business and agricultural communities, and local governments to reach a consensus plan to protect and restore the Laguna de Santa Rosa area in northern California.

Located in the Russian River watershed, the Laguna de Santa Rosa plays an important role in wildlife protection, agriculture, flood control, and in providing open space and recreational opportunity. As one of the most significant freshwater wetlands in northern California, the Laguna supports a wide variety of plants, animals and waterfowl. This includes over 230 types of birds and several State and Federal rare, threatened or endangered species.

Unfortunately, the Laguna and its resources remain at considerable risk. Urban encroachment, adverse land-use practices, and conflicting public management practices have all resulted in the loss of significant wetlands habitat. Despite State and local conservation efforts, nothing short of a national commitment to protecting this area will reverse the present course of irreparable long term damage.

H.R. 2548 provides the Secretary of Interior with the authority to establish a 9,000-acre Laguna de Santa Rosa National Wildlife Refuge developed with a comprehensive land acquisition and management program. With the cooperation of the State of California, H.R. 2548 is designed to restore and enhance wetlands habitat, protect sensitive plant and animal species, encourage the maintenance of agriculture, and enhance educational and recreational opportunities, I believe these goals all point to this area's national significance.

Mr. Speaker, the truly unique broad-based community support that exists for this measure offers us the opportunity to take a very constructive step forward in protecting the Laguna de Santa Rosa. I would thus hope that this measure is approved without delay.

Mr. STUDDS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Massachusetts [Mr. STUDDS] that the House suspend the rules and pass the bill, H.R. 2548, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

INTERNATIONAL NARCOTICS CONTROL ACT OF 1990

Mr. FASCELL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5567) to authorize international narcotics control activities for fiscal year 1991, and for other purposes as amended.

The Clerk read as follows:

H.R. 5567

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Narcotics Control Act of 1990".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Economic assistance and administration of justice programs for Andean countries.
Sec. 3. Military and law enforcement assistance for Andean countries.
Sec. 4. General provisions relating to assistance for Andean countries.
Sec. 5. International narcotics control assistance.
Sec. 6. Assistance for agricultural and industrial alternatives to narcotics production.
Sec. 7. Exceptions to requirement that aircraft provided to foreign countries for narcotics control purposes be leased rather than sold.
Sec. 8. Number of members of United States Armed Forces in Andean countries.
Sec. 9. Nonapplicability of certification procedures to certain major drug-transit countries.
Sec. 10. Authority to transfer military assistance funds to economic programs.
Sec. 11. Extradition of United States citizens.
Sec. 12. Congressional review of narcotics-related assistance for Afghanistan.
Sec. 13. Training of foreign pilots.
Sec. 14. Review of riverine program.
Sec. 15. Uses of excess defense articles transferred to certain major illicit drug producing countries.
Sec. 16. Export-Import Bank financing for sales of defense articles and services.
Sec. 17. Debt-for-drugs exchanges.

SEC. 2. ECONOMIC ASSISTANCE AND ADMINISTRATION OF JUSTICE PROGRAMS FOR ANDEAN COUNTRIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated, there are authorized to be appropriated $300,000,000 for fiscal year 1991 for assistance for Andean countries under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 and following; relating to the economic support fund) or under chapter 1 of part I of that Act (22 U.S.C 2151 and following; relating to development assistance).

(b) ADMINISTRATION OF JUSTICE PROGRAMS.—

(1) ADDITIONAL ASSISTANCE FOR BOLIVIA, COLOMBIA, AND PERU.—Of the funds authorized to be appropriated by subsection (a) that are appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, up to $16,000,000 should be used to provide assistance for Bolivia, Colombia, and Peru—

(A) pursuant to section 534 of that Act (22 U.S.C. 2346c; relating to the administration of justice program), in addition to funds otherwise used for those countries under that section for fiscal year 1991; and

(B) pursuant to paragraphs (2) and (3) of this subsection.

(2) PROTECTION AGAINST NARCO-TERRORIST ATTACKS.—Funds used in accordance with paragraph (1) may be used to provided to Bolivia, Colombia, and Peru, notwithstanding section 660 of the Foreign Assistance Act of 1961 (22 U.S.C. 2420; relating to the prohibition on assistance to law enforcement agencies), such assistance as the government of that country may request to provide protection against narco-terrorist attacks on judges, other government officials, and members of the press.

(3) ASSISTANCE FOR COLOMBIA'S OFFICE OF SPECIAL INVESTIGATIONS AND SPECIAL PROSECUTOR FOR HUMAN RIGHTS.—It is the sense of the Congress that up to $2,000,000 of the funds used in accordance with paragraph (1) should be used for assistance for Colombia to provide training, technical assistance, and equipment for the Office of Special Investigations and the Special Prosecutor for Human Rights, both of which are within the Office of the Attorney General of the Government of Colombia.

(4) ADDITIONALITY OF ASSISTANCE.—Funds may be used in accordance with paragraph (1) of this subsection without regard to the dollar limitation contained in section 534(c) of the Foreign Assistance Act of 1961.

(5) PERIOD OF AVAILABILITY.—Funds allocated for use in accordance with paragraph (1) of this subsection shall remain available until expended notwithstanding any other provision of law.

(6) EXTENSION OF AUTHORITY FOR AOJ PROGRAM.—Section 534(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2346c(e)) is amended—

(A) in the second sentence by striking out "$7,000,000 may be made available in fiscal year 1990" and inserting in lieu thereof "$10,000,000 may be made available in fiscal year 1991"; and

(B) in the third sentence by striking out "1990" and inserting in lieu thereof "1991".

SEC. 3. MILITARY AND LAW ENFORCEMENT ASSISTANCE FOR ANDEAN COUNTRIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts otherwise authorized to be appropriated, there are authorized to be appropriated $118,000,000 for fiscal year 1991 for assistance for Andean countries under the "FOREIGN MILITARY FINANCING PROGRAM" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

(b) PURPOSES OF ASSISTANCE.—Assistance under subsection (a) shall be designed to—

(1) enhance the ability of the government of the recipient country to control illicit narcotics production and trafficking;

(2) strengthen the bilateral ties of the United States with that government by offering concrete assistance in this area of great mutual concern;

(3) strengthen respect for internationally recognized human rights and the rule of law in efforts to control illicit narcotics production and trafficking; and

(4) assist the armed forces of the Andean countries in their support roles for those countries' law enforcement agencies, which are charged with the main responsibility for

the control of illicit narcotics production and trafficking.

(c) CONDITIONS OF ELIGIBILITY.—Assistance may be provided for an Andean country under subsection (a) only—

(1) so long as that country has a democratic government; and

(2) the government of that country, including the armed forces and law enforcement agencies, does not engage in a consistent pattern of gross violations of internationally recognized human rights (as defined in section 502B(d)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2304(d)(1))).

(d) LAW ENFORCEMENT TRAINING AND EQUIPMENT.—Subject to subsection (e), funds made available to carry out subsection (a) may be used, notwithstanding section 660 of the Foreign Assistance Act of 1961 (22 U.S.C. 2420; relating to the prohibition on assistance to law enforcement agencies)—

(1) to provide to law enforcement units, that are organized for the specific purpose of narcotics enforcement, education and training in the operation and maintenance of equipment used in narcotics control interdiction and eradication efforts;

(2) for the expenses of deploying, upon the request of the Government of Bolivia, the Government of Colombia, or the Government of Peru, Department of Defense mobile training teams in that country to conduct training in military-related individual and collective skills that will enhance that country's ability to conduct tactical operations in narcotics interdiction; and

(3) for the procurement of defense articles or commodities (as defined in section 644(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(c))) for use in narcotics control, eradication, and interdiction efforts by law enforcement units that are organized for the specific purpose of narcotics enforcement.

(e) Military and Law Enforcement Assistance.—

(1) LIMITATIONS ON AMOUNTS.—The aggregate amount of military and law enforcement assistance provided for Bolivia, Colombia, and Peru for fiscal year 1991 may not exceed $250,000,000. Of that amount—

(A) not more than $175,000,000 may be assistance for the armed forces; and

(B) not more than $175,000,000 may be assistance for law enforcement units or agencies.

(2) DEFINITION OF MILITARY AND LAW ENFORCEMENT ASSISTANCE.—For purposes of paragraph (1), the term "amount of military and law enforcement assistance" means the sum of—

(A) the amount obligated for assistance under the "FOREIGN MILITARY FINANCING PROGRAM" account under section 23 of the Arms Export Control Act (22 U.S.C. 2763);

(B) the amount obligated for assistance under chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 and following; relating to international narcotics control assistance);

(C) the amount obligated for assistance under chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 and following; relating to international military education and training);

(D) the value of defense articles, defense services, and military education and training made available under the special drawdown authority of paragraphs (1) and (2) of section 506(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(a)); and

(E) the value of excess defense articles made available under section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k).

(f) LIMITATIONS ON AMOUNT OF EXCESS DEFENSE ARTICLES TRANSFERRED TO BOLIVIA, COLOMBIA, AND PERU.—

(1) ESTABLISHMENT OF LIMIT.—The aggregate acquisition cost to the United States of excess defense articles ordered by the President in fiscal year 1991 for delivery to Bolivia, Colombia, and Peru under section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k) may not exceed $60,000,000.

(2) WAIVER OF EXISTING GRANT EDA LIMITATION.—The dollar limitation in section 517(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k(e)) shall not apply with respect to Bolivia, Colombia, and Peru in fiscal year 1991.

(3) WORLDWIDE LIMITATION ON AMOUNT OF EXCESS DEFENSE ARTICLES TRANSFERRED.—Section 31(d) of the Arms Export Control Act (22 U.S.C. 2771(d)) shall not apply to excess defense articles ordered for transfer to Bolivia, Colombia, or Peru under section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k) in fiscal year 1991.

(g) ASSISTANCE FOR LEASING OF AIRCRAFT.—

(1) USE OF FUNDS.—For purposes of satisfying the requirement of section 484 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291c), funds made available under subsection (a) may be used to finance the leasing of aircraft under chapter 6 of the Arms Export Control Act.

(2) COST OF LEASES.—Section 61(a)(3) of the Arms Export Control Act shall not apply with respect to leases so financed; rather the entire cost of any such lease (including any renewals) shall be an initial, one time payment of the amount which would be the sales price for the aircraft if they were sold under section 21(a)(1)(B) or section 22 of that Act (as appropriate).

(3) REIMBURSEMENT OF SDAF.—To the extent that aircraft so leased were acquired under chapter 5 of the Arms Export Control Act, funds used pursuant to this subsection to finance such leases shall be credited to the Special Defense Acquisition Fund under chapter 5 of that Act (excluding the amount of funds that reflects the charges described in section 21(e)(1) of that Act). The funds described in the parenthetical clause of the preceding sentence shall be available for payments consistent with sections 37(a) and 43(b) of that Act.

SEC. 4. GENERAL PROVISIONS RELATING TO ASSISTANCE FOR ANDEAN COUNTRIES.

(a) PRESIDENTIAL DETERMINATION REQUIRED.—Assistance may be provided for an Andean country pursuant to the authorizations of appropriations provided in section 2(a) and section 3(a), and excess defense articles may be transferred to Bolivia, Colombia, or Peru in fiscal year 1991 pursuant to section 517 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k), only if the President determines that—

(1) that country is implementing programs to reduce the flow of cocaine to the United States in accordance with a bilateral or multilateral agreement, to which the United States is a party, that contains specific, quantitative and qualitative, performance criteria with respect to those programs;

(2) the armed forces and law enforcement agencies of that country are not engaged in a consistent pattern of gross violations of internationally recognized human rights, and the government of that country has made significant progress in protecting internationally recognized human rights, particularly in—

(A) ensuring that torture, cruel, inhuman, or degrading treatment or punishment, incommunicado detention or detention without charges and trial, disappearances, and other flagrant denials of the right to life, liberty, or security of the person, are not practiced; and

(B) permitting an unimpeded investigation of alleged violations of internationally recognized human rights, including providing access to places of detention, by appropriate international organizations (including nongovernmental organizations such as the International Committee of the Red Cross) or groups acting under the authority of the United Nations or the Organization of American States; and

(3) the government of that country has effective control over police and military operations related to counternarcotics and counterinsurgency activities.

(b) NOTIFICATIONS TO CONGRESS.—Not less than 15 days before funds are obligated pursuant to section 2(a) or section 3(a), the President shall transmit to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) a written notification in accordance with the procedures applicable to reprogrammings under that section. Such notification shall specify—

(1) the country to which the assistance is to be provided;

(2) the type and value of the assistance to be provided;

(3) in the case of assistance provided pursuant to section 3(a), the law enforcement or other units that will receive the assistance; and

(4) an explanation of how the proposed assistance will further—

(A) the objectives specified in subsection (a) of this section, and

(B) in the case of assistance under section 3(a), the purposes specified in section 3(b).

(c) COORDINATION WITH INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM.—Assistance authorized by section 2(a) and section 3(a) shall be coordinated with assistance provided under chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 and following; relating to international narcotics control assistance).

(d) CONDITIONAL WAIVER OF BROOKE-ALEXANDER AMENDMENT.—For fiscal year 1991, section 620(q) of the Foreign Assistance Act of 1961 (22 U.S.C. 2370(q)) and section 518 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991, shall not apply with respect to narcotics-related assistance for an Andean country, provided the President has made the determination described in subsection (a) of this section.

(e) AUTHORITY TO WAIVER REQUIREMENT TO WITHHOLD 50 PERCENT OF ASSISTANCE PENDING CERTIFICATION.—Section 481(h)(1)(A) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(h)(1)(A)) shall not apply with respect to Bolivia, Colombia, and Peru for fiscal year 1991 if the President—

(1) determines that its application would be contrary to the national interest; and

(2) transmits written notification of that determination to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) in accordance with the procedures applicable to reprogrammings under that section.

SEC. 5. INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.

There are authorized to be appropriated $150,000,000 for fiscal year 1991 for assist-

ance under chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 and following; relating to international narcotics control assistance).

SEC. 6. ASSISTANCE FOR AGRICULTURAL AND INDUSTRIAL ALTERNATIVES TO NARCOTICS PRODUCTION.

(a) WAIVER OF RESTRICTIONS.—For the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived, the President may provide assistance to a foreign country under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) and chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund) to promote the production, processing, or the marketing of products or commodities, notwithstanding any other provision of law that would otherwise prohibit the provision of assistance to promote the production, processing, or the marketing of such products or commodities.

(b) EFFECTIVE DATE.—Subsection (a) applies with respect to funds made available for fiscal year 1991 or any fiscal year thereafter.

SEC. 7. EXCEPTIONS TO REQUIREMENT THAT AIRCRAFT PROVIDED TO FOREIGN COUNTRIES FOR NARCOTICS CONTROL PURPOSES BE LEASED RATHER THAN SOLD.

Section 484 of the Foreign Assistance Act of 1961 (22 U.S.C. 2291c) is amended by adding at the end the following: "The requirement of this section does not apply with respect to aircraft made available to a foreign country under section 2(b)(6)(B) of the Export-Import Bank Act of 1945 or under any provision of law that authorizes property that has been civilly or criminally forfeited to the United States to be made available to foreign countries.".

SEC. 8. NUMBER OF MEMBERS OF UNITED STATES ARMED FORCES IN ANDEAN COUNTRIES.

(a) MONTHLY REPORTS.—Within 15 days after the end of each month, the President shall submit to the Congress a report listing the number of members of the United States Armed Forces who were assigned or detailed to, or otherwise performed functions in, each Andean country at any time during that month.

(b) LIMITATION.—Section 515(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(c)) is amended by adding at the end the following:

"(3) If more than 6 members of the Armed Forces may be assigned to Bolivia, Colombia, or Peru under this section pursuant to an authorization by the Congress or an exercise by the President of the waiver authority provided in paragraph (1), the number so assigned to any such country may not exceed 12 unless the President determines and reports to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, 30 days prior to the introduction of the additional military personnel, that the United States national interests require that a greater number be assigned to that country to carry out international security assistance programs under this section.".

SEC. 9. NONAPPLICABILITY OF CERTIFICATION PROCEDURES TO CERTAIN MAJOR DRUG-TRANSIT COUNTRIES.

Section 8 of the International Narcotics Control Act of 1989 is amended by inserting "or fiscal year 1991" after "fiscal year 1990".

SEC. 10. AUTHORITY TO TRANSFER MILITARY ASSISTANCE FUNDS TO ECONOMIC PROGRAMS.

(a) APPLICABILITY OF TRANSFER AUTHORITY TO FOREIGN MILITARY FINANCING PROGRAM FUNDS.—Section 610(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2360(a)) is amended—

(1) by inserting "or for section 23 of the Arms Export Control Act" after "part I)"; and (2) by striking out "other".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to funds made available for fiscal year 1991 or any fiscal year thereafter.

SEC. 11. EXTRADITION OF UNITED STATES CITIZENS.

(a) IN GENERAL.—Chapter 209 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 3196. Extradition of United States citizens

"If the applicable treaty or convention does not obligate the United States to extradite its citizens to a foreign country, the Secretary of State may, nevertheless, order the surrender to that country of a United States citizen whose extradition has been requested by that country if the other requirements of that treaty or convention are met.".

(b) SECTION ANALYSIS.—The section analysis for chapter 209 of title 18, United States Code, is amended by adding at the end the following:

"3196. Extradition of United States citizens.".

SEC. 12. CONGRESSIONAL REVIEW OF NARCOTICS-RELATED ASSISTANCE FOR AFGHANISTAN.

Not less than 15 days before obligating funds made available for any fiscal year to carry out the Foreign Assistance Act of 1961 or the Arms Export Control Act for any assistance for Afghanistan that has narcotics control as one of its purposes, the President shall notify the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2394-1) in accordance with the procedures applicable to reprogramming notifications under that section.

SEC. 13. TRAINING OF HOST COUNTRY PILOTS.

(a) INSTRUCTION PROGRAM.—Not less than 90 days after the date of enactment of this Act, the President shall implement, under chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 and following; relating to international narcotics control assistance), a detailed program of instruction to train host country pilots, and other flight crew members, to fly host country aircraft involved in counternarcotics efforts in Andean countries. Such program shall be designed to eliminate direct participation of the United States Government (including participation through the use of either direct hire or contract personnel) in the operation of such aircraft.

(b) REQUIREMENT FOR REPLACEMENT OF UNITED STATES GOVERNMENT PILOTS BY HOST COUNTRY PILOTS.—The President shall ensure that, within 18 months after the date of enactment of this Act, flight crews composed of host country personnel replace all United States Government pilots and other flight crew members (including both direct hire or contract personnel) for host country aircraft involved in airborne counternarcotics operations in the Andean countries.

(c) AIRCRAFT SUBJECT TO REQUIREMENTS.—As used in this section, the term "host country aircraft" means any aircraft made available to an Andean country by the United States Government under chapter 8 of part I of the Foreign Assistance Act of 1961, or any other provision of law, for use by that country for narcotics-related purposes.

SEC. 14. REVIEW OF RIVERINE PROGRAM.

Funds made available to carry out the Foreign Assistance Act of 1961 or the Arms Export Control Act may not be used for the procurement of surface water craft for counternarcotics programs in the Andean countries until the Secretary of State and the Secretary of Defense have jointly assessed and audited, and have submitted a report to Congress on—

(1) the specific goals and objectives of such programs;

(2) how such craft will further the attainment of those goals and objectives;

(3) the cost and utility of craft to be provided; and

(4) how such craft will be sustained through maintenance and training.

SEC. 15. USES OF EXCESS DEFENSE ARTICLES TRANSFERRED TO CERTAIN MAJOR ILLICIT DRUG PRODUCING COUNTRIES.

Section 517(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k(c)) is amended by striking out "only" the second place it appears and inserting in lieu thereof "primarily".

SEC. 16. EXPORT-IMPORT BANK FINANCING FOR SALES OF DEFENSE ARTICLES AND SERVICES.

Section 2(b)(6)(B)(vi) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(6)(B)(vi)) is amended by striking out "1990" and inserting in lieu thereof "1992".

SEC. 17. DEBT-FOR-DRUGS EXCHANGES.

(a) FINDINGS.—The Congress finds that—

(1) section 10 of the International Narcotics Control Act of 1989 gives the President the authority to provide relief with respect to certain debt owed to the United States Government by the Government of Bolivia, the Government of Colombia, or the Government of Peru if the President determines that that country is implementing programs to reduce the flow of cocaine to the United States;

(2) President Bush has endorsed the concept of debt relief with respect to debt owed by Latin American governments to the United States Government in his "Enterprise for Americans Initiative", announced June 27, 1990; and

(3) President Bush has proposed forgiveness of foreign military sales debt owed by the Government of Egypt to the United States Government.

(b) USE OF DEBT-FOR-DRUGS AUTHORITY.—The Congress strongly urges the President to use the authority provided in section 10 of the International Narcotics Control Act of 1989 to forgive debt owed to the United States Government by the Government of Bolivia, the Government of Colombia, and the Government of Peru.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Florida [Mr. FASCELL] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation which is before the House is the result of a bipartisan compromise on international narcotics control assistance for fiscal year 1991. A great deal of work has gone into this compromise. In particular, I would like to commend our ranking minority member, BILL BROOMFIELD; LARRY SMITH, the chairman of the Committee's Task Force on International Narcotics Control, and his minority counterpart BEN GILMAN; PETER KOSTMAYER, from the Subcommittee on Western Hemisphere Affairs; and chairman and ranking minority member of the Human Rights Subcommittee, for their tireless efforts to put together this language. None of us is completely satisfied with the language as it stands, but in an effort to move this process forward we have all had to make some sacrifices.

The Committee on Foreign Affairs ordered reported H.R. 5567 on September 11 of this year. In order to gain bipartisan support, we subsequently made several changes to that bill and offered it as an amendment to the comprehensive crime control bill, H.R. 5269. It was adopted by the House on voice vote on October 4, at which time I included a detailed explanation in the RECORD of the background of the provisions in the measure; for purposes of legislative history, I am again submitting a detailed explanation of the bill as amended. Given the uncertain status of the conference on the crime bill, we are now taking up H.R. 5567 with amendments as a freestanding bill. The amendments consist of technical clarifications sought by the executive branch, and an increase in the ceiling we established on military aid and police aid to the three Andean countries. Military and police aid to these countries would now be set at an aggregate total of $250 million, with a $175 million subceiling on each type of aid. It is our understanding that this formulation is acceptable to the other body, and we would hope that they would pass it as a freestanding bill without further amendments as expeditiously as possible.

Mr. Speaker, this legislation deserves our support, and I urge its immediate passage.

COMMITTEE ACTION AND BACKGROUND

On May 22, 1990, the Director of the Office of National Drug Control Policy submitted proposed legislation to implement the National Drug Control Strategy (Executive Communication 3226) which contained requests for authorities and funding pertaining to international narcotics control activities. On June 14, Hon. Robert H. Michel introduced H.R. 5055, which contains the executive branch request for international narcotics control programs.

On September 11, the committee met in open markup session to consider draft legislation which incorporates, in whole or in part, the executive branch legislative request. The committee approved draft legislation the same day by voice vote, a quorum being present. On the same day, H.R. 5567 was introduced by Hon. Dante B. Fascell, chairman, with 20 cosponsors. Subsequently, changes to H.R. 5567 were agreed to in order to facilitate bringing the measure to the Floor. In addition to the committee markup of this legislation, the following hearings were held during 1990 which contributed to the formulation of this legislation.

February 20 and 28: Review of the Department of State Inspector General's Reports on Bureau of International Narcotics Matters Programs (Task Force on International Narcotics Control);

February 27: Review of the International Aspects of the President's 1990 Drug Control Strategy (Full Committee);

March 1: Overview of the 1990 International Narcotics Control Strategy Report and the 1990 Presidential Certifications on Narcotics Control Cooperation (Task Force on International Narcotics Control);

March 6: Review of the 1990 International Narcotics Control Strategy Report: South America (Task Force on International Narcotics Control);

March 8: Review of the 1990 International Narcotics Control Strategy Report: Central America and the Caribbean (Task Force on International Narcotics Control);

March 13: Review of the 1990 International Narcotics Control Strategy Report: Southeast Asia (Task Force on International Narcotics Control);

March 15: Review of the 1990 International Narcotics Control Strategy Report: Southwest Asia, Europe, and Africa (Task Force on International Narcotics Control);

April 3: Overview of the Agency for International Development's Economic Assistance Strategy for the Andes and Other Programs (Task Force on International Narcotics Control);

May 23: Operation Snowcap: Past, Present, and Future (Task Force on International Narcotics Control);

June 6 and 20: The Andean Initiative (Subcommittee on Western Hemisphere Affairs); and

October 10: Compliance with Legislative Requirements, U.S. and Host Country Compliance with the Cartagena Agreement, and the Future of the Andean Initiative (Task Force on International Narcotics Control).

In addition to the above, the Committee has conducted numerous closed briefings with members of the Administration on the implementation of the Andean Initiative, as well as informal meetings with U.S. Government officials, foreign officials, and other interested non-governmental organizations and persons on counternarcotics issues.

This measure contains three major themes. First, the legislation responds to requests from the executive branch to implement the 1990 strategy submitted by the Director of the Office of National Drug Control Policy. Second, it codifies the stated objectives of that strategy. These include the concept that counternarcotics efforts in the Andean countries are primarily the responsibility of host country law enforcement agencies, with the support of host country militaries, and that economic and military assistance provided by the United States will be conditioned on narcotics control performance criteria as well as respect for human rights concerns. Finally, the legislation contains certain provisions responding to problems identified during the extensive oversight activities of the committee.

Prominent among the provisions contained in this legislation are increased economic assistance to the Andean countries and a carefully defined role for U.S. support to host country military and law enforcement agencies. Regarding economic assistance, the committee notes that the United States has been unable to build on some initial successes during 1990 which were primarily a result of vigorous enforcement efforts against narcotics trafficking by the Government of Colombia. The courageous actions of the Colombian Government, coupled with a reinvigorated eradication program in Bolivia, seem to be responsible for having driven the price of coca leaf below the cost of production for a sustained period of time, thus encouraging coca farmers to seek alternative forms of support. The committee predicted this development in its report on the International Narcotics Control Act of 1989; however, due to the opposition of the executive branch, no increased economic assistance was available in fiscal year 1990 to respond to this development and thus no programs were available to offer to such farmers. For fiscal year 1991, the executive branch has requested $175 million in economic assistance for Bolivia, Colombia, and Peru. The committee believes that this amount is insufficient to provide a credible incentive for governments to sustain an attack against an industry which by conservative estimates generates several billion dollars for local economies, and which employs hundreds of thousands of people. While the financial burden for supporting such programs should not fall entirely on the United States, the United States should contribute a sufficient amount to provide an adequate incentive for governments to take unpopular law enforcement steps which are necessary to curb coca production and trafficking. The committee has therefore authorized $300 million to be used for both balance-of-payments support and alternative development programs, conditioned on those governments meetings narcotics control performance targets agreed to by both parties and on respect for basic human rights. In order to better monitor this assistance, the committee has required that the Congress be notified in advance of the provision of such assistance, and that such assistance be coordinated with regular international narcotics control programs. These conditions do not apply to non-narcotics related economic assistance, estimated for fiscal year 1991 at $135 million.

Regarding support to host country armed forces and law enforcement agencies, the committee sets a ceiling of $250 million on the total amount of such funding, of which not more than $175 million would be available for assistance to armed forces and not more than $175 million would be available for assistance to police forces.

The committee has taken this action for a number of reasons. First, there are currently five different authorities under which narcotics-related military assistance may be

provided. Three of the five authorities were enacted at a time when no regular military assistance funding was available to the Andean countries; such regular funding has now been provided. The committee understands the special utility each of these authorities has and is therefore maintaining all of those authorities in law. However, the committee believes it is essential for purposes of planning and oversight that the combined spending permitted from these accounts not exceed reasonable levels. The overall limitation on assistance to the police and military serves this purpose.

Second, due to a variety of delays, none of the $125 million in regular military assistance provided for fiscal year 1990 has yet been delivered. The committee therefore has no basis for judging the utility or impact of military assistance on narcotics control programs. Further, the delay in fiscal year 1990 assistance deliveries will result in two fiscal years of military aid being delivered in the space of one year. The committee does not believe that host countries can effectively absorb, nor the United States effectively manage, the $125 million for fiscal year 1990 and the potential assistance requested or available for fiscal year 1991. This is of particular concern because the United States has not had sizable security assistance relationships with these countries for two decades, and appropriate personnel and management and oversight mechanisms are not yet in place. This problem was apparent during the provision of $65 million in emergency assistance to Colombia in August, 1989.

Third, newly-installed Peruvian President Fujimori has refused to accept the military assistance proposed for his country for fiscal year 1990 ($36 million), and it is unclear at this time whether the Bolivian Army will participate in narcotics control efforts ($10 million).

Finally, the committee notes that the Andean strategy is based on the premise that narcotics control efforts are primarily a law enforcement responsibility, with host country armed forces playing a supporting role. Yet current and proposed funding levels for the two groups have been in inverse proportion to this stated premise, with the armed forces receiving more than twice as much funding as law enforcement agencies. This legislation attempts to address this discrepancy by providing equivalent funding levels for both groups.

SECTION-BY-SECTION ANALYSIS

Section 1—Short title and table of contents

Section 1 establishes a short title of the International Narcotics Control Act of 1990 and sets foth a table of contents for this act.

Section 2—Economic assistance for Andean countries

Section 2 authorizes the appropriation of $300 million in addition to amounts otherwise authorized for economic support fund assistance and development assistance for the Andean countries for fiscal year 1991. Of that amount, $16 million is authorized to be appropriated in addition to amounts otherwise authorized for the administration of justice program for use in Bolivia, Peru, and Colombia. The additional authorization for the administration of justice program may be used to provide protection against narcoterrorist attack on judges or other government officials. In addition, section 2 expresses the sense of Congress that up to $2 million of the additional funds authorized for the administration of justice program should be used to provide training and equipment to Colombia's Office of Special Investigations and the Special Prosecutor for Human Rights.

The committee intends that, to the maximum extent possible, economic assistance for Peru and Bolivia be used to provide alternative development programs that will directly benefit small farmers, micro-enterprises and others who in the absence of such assistance would most likely turn to the production of illicit narcotics. Of particular importance are programs that provide legal access to land, credit, and appropriate technology and infrastructure development, as well as programs that promote the production, processing, and marketing of alternative products. The committee notes its concern that the Agency for International Development (AID) has apparently failed thus far to adequately develop any such alternative development programs for these countries, and urges AID to expeditiously design and implement such programs if the conditions outlined in section 4 are met. Finally, it is the committee's intention that for the purposes of this legislation the term "Andean countries" include Ecuador.

Section 3—Military and law enforcement assistance for Andean countries

Section 3 authorizes the appropriation of funds for military and law enforcement assistance for the Andean countries, establishes the purposes of such assistance, and places certain conditions and limitations on the uses of such assistance.

Section 3(a) authorizes the appropriation of $118 million, in addition to amounts otherwise authorized for fiscal year 1991 for assistance for the Andean countries, under the Foreign Military Financing Program under section 23 of the Arms Export Control Act.

Section 3(b) specifies that assistance provided by this section shall be designed to enhance the ability of the recipient government to control illicit narcotics production and trafficking, strengthen the bilateral ties of the United States and the recipient country, strengthen respect for internationally recognized human rights, and assist the armed forces of the Andean countries in their support roles for those countries' law enforcement agencies.

Section 3(c) provides that assistance may be provided under this section for an Andean country only so long as that country has a democratic government and the armed forces and law enforcement agencies of that country do not engage in a consistent pattern of gross violations of internationally recognized human rights.

Section 3(d) provides that funds made available by this section may be used, notwithstanding section 660 of the Foreign Assistance Act, to provide education and training in the operation and maintenance of equipment used in narcotics control interdiction and eradication efforts to law enforcement units specifically organized for narcotics enforcement. Section 2303(d) also provides that such funds may be used for the expenses of deploying, upon the request of the Governments of Peru, Bolivia, or Colombia, Department of Defense mobile training teams (MTTs) to conduct training that will enhance that country's ability to conduct operations in narcotics interdiction and for the procurement of defense articles or commodities for use in narcotics control, eradiction, or interdiction efforts by law enforcement agencies specifically organized for narcotics enforcement.

Section 3(e) limits the aggregate amount of military and law enforcement assistance to Bolivia, Colombia, and Peru to $250 million of which not more than $175 million may be used for assistance for the armed forces and not more than $175 million may be used for assistance to law enforcement units or agencies. For purposes of this subsection, the amount of military and law enforcement assistance includes foreign military financing, international military education and training assistance, the value of defense articles and services and military education and training made available under section 506(a)(1) and (2) of the Foreign Assistance Act, the value of excess defense articles and made available under section 517 of the Foreign Assistance Act, and funds authorized under chapter 8 of part I of the Foreign Assistance Act (relating to international narcotics control assistance).

Section 3(f) establishes an aggregate ceiling of $60 million in acquisition costs for the amount of excess defense articles that may be provided for Peru, Bolivia, and Colombia for fiscal year 1991 and waives the existing ceiling contained in section 517(e) of the Foreign Assistance Act on the provision of excess defense articles to an individual country for those countries. In addition, section 3(f) exempts excess defense articles provided to Peru, Bolivia, and Colombia from counting against the worldwide ceiling contained in section 31(d) of the Arms Export Control Act.

Section 3(g) clarifies the authority of the Department of Defense to finance the leasing of aircraft for the purposes of satisfying the requirement of section 484 of the Foreign Assistance Act, which requires that aircraft provided to a foreign country for counternarcotics purposes be leased rather than sold (For a detailed history of this provision, see pages 9698 to 9703 of the Congressional Record of May 8, 1990).

Section 4—General provisions relating to assistance for Andean countries

Section 4(a) requires that before assistance is provided to Bolivia, Peru, or Colombia in fiscal year 1991 pursuant to this legislation the President make a determination that (1) that country is implementing programs to reduce the flow of cocaine to the United States in accordance with a bilateral or multilateral agreement that contains specific qualitative and quantitative performance criteria and, (2) that the armed forces and law enforcement agencies of that country are not engaged in a consistent pattern of gross violations of and has made significant progress in protecting certain internationally recognized human rights. In order to accommodate concerns of the executive branch, the committee did not statutorily require that the determination contained in this section be written. However, the committee expects that the executive branch will communicate to the Congress, in an appropriate form, the basis on which the Presidential determination established in this section was made.

Section 4(b) provides that not less than 15 days before funds are obligated the President shall notify Congress pursuant to the reprogramming procedures applicable under section 634A of the Foreign Assistance Act. Such notification shall specify the country to which assistance is to be provided, the type and value of all assistance to be provided, in the case of assistance provided pursuant to section 3(a) the law enforcement agencies or units that will receive such assistance, and an explanation of how the pro-

posed assistance will achieve the purposes specified in this legislation.

Section 4(c) specifies that assistance provided under sections 2(a) and 3(a) shall be coordinated with international narcotics control assistance provided under chapter 8 of part I of the Foreign Assistance Act.

Section 4(d) waives the prohibitions on assistance contained in section 620(q) of the Foreign Assistance Act (relating to failure to repay on a timely basis past U.S. government loans) for fiscal year 1991, and a similar prohibition contained in the annual Foreign Operations Appropriations Act, with respect to narcotics-related assistance provided to an Andean country provided the President has made the determination contained in section 4(a).

Section 4(e) allows the President to waive the 50 percent withholding requirement contained in section 481(h)(1)(A) of the Foreign Assistance Act for Bolivia, Peru, and Colombia provided that the President determines that its application is contrary to the national interest, and if he notifies Congress pursuant to the reprogramming procedures applicable under section 634A of the Foreign Assistance Act.

Section 5—Narcotics control assistance

Section 5 authorizes to be appropriated $150 million for fiscal year 1991 for narcotics control assistance provided under chapter 8 of part I of the Foreign Assistance Act.

The original executive branch request for narcotics control legislation included a provision that would have amended section 482(b) of the Foreign Assistance Act to expressly allow the defensive arming of aircraft and personnel engaged in counternarcotics missions. This provision was not included because the committee believes that the executive branch already has the authority to defensively arm aircraft and personnel under existing law as long as funds authorized under chapter 8 of part I of the Foreign Assistance Act are not used for this purpose.

Section 6—Assistance for agricultural and industrial alternatives to narcotics production

Section 6 allows the President to provide economic support fund assistance or development assistance to promote the production, processing, or marketing of products or commodities for the purpose of reducing dependence upon the production of crops from which narcotic or pyschotropic drugs are derived, notwithstanding any other provision of law that would otherwise prohibit such assistance.

Section 7—Exceptions to requirement that aircraft provided to foreign countries for narcotics control purposes be leased rather than sold

Section 7 exempts seized aircraft provided by the U.S. to a foreign government and aircraft purchased by a foreign government with Export-Import Bank financing from the requirement contained in section 484 of the Foreign Assistance Act that the U.S. retain title to all antinarcotics aircraft provided to a foreign government.

Section 8—Number of members of United States Armed Forces in Andean countries

Section 8 requires the President to submit to Congress a monthly report on the number of U.S. military personnel assigned, detailed to, or otherwise performing functions in each Andean country during that month. Section 8 also amends section 517(c) of the Foreign Assistance Act to establish a new ceiling of 12 on the number of U.S. military personnel who may be assigned to carry out international security assistance programs in Bolivia, Colombia, and Peru if the current statutory limit of six military personnel is waived either by the Congress or the President. The President may waive this new ceiling if he determines and reports to Congress 30 days prior to the assignment of any additional personnel that it is in the national interest of the United States to do so.

The correspondence between the committee and the executive branch on this issue follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, July 31, 1990.

Hon. RICHARD CHENEY,
Secretary of Defense, Washington, DC.

DEAR MR. SECRETARY: The Committee on Foreign Affairs has supported, and continues to support an appropriate role for the Department of Defense in counternarcotics efforts overseas. DOD has already made important contributions to those efforts in the Andean countries. However, to allay growing concerns about the scale of U.S. military involvement we believe steps should be taken now to set levels of military personnel in these countries which the Congress and the American people can support over the long-term. The best way to do this is for the executive branch to voluntarily set a limit on the number of military personnel who might be deployed in the Andean countries.

If a voluntary limit on military participation in Latin America is not established, congressional and public fears of an unchecked escalation of military involvement will make it difficult to concentrate attention and reach agreement on the more important issues in the national counternarcotics effort. Every effort must be made to ensure that overseas counternarcotics efforts will neither be perceived to be nor become dominated by the U.S. military. As we have all learned, it is vitally important that host countries realize that the success of this initiative depends on their activities, not ours. It is equally important that we continue to support their efforts with funds and material assistance.

To ensure that counternarcotics efforts be seen by all as a joint executive-legislative effort, we stand ready to work with you in a bipartisan manner to arrive at a policy that will give the executive branch the ability to accomplish our goals and objectives, while dispelling fears over excessive U.S. militry involvement.

If we cannot reach some agreement on this important issue, it is very probable that the Congress will, in due time, see fit to impose such a limit on military personnel in the Andean countries. Such a divisive and unproductive debate could be avoided if you act now to establish voluntary limits.

A duplicate letter has been sent to the Secretary of State. Because the Committee anticipates Floor action on narcotics control legislation the week of September 10, 1990, we would request that a response be provided to us by September 1. Thank you for your cooperation and assistance in this matter.

With best wishes, we are
Sincerely yours,
DANTE B. FASCELL
Chairman.

WILLIAM S. BROOMFIELD,
Ranking Minority Member.

U.S. DEPARTMENT OF STATE,
Washington, DC., August 22, 1990.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: Secretaries Baker and Cheney have asked us to reply on their behalf to the separate letters they received last month from you outlining your concerns over the levels of U.S. military personnel to be employed in our nation's counternarcotics efforts in the Andean region.

We wish to note that the Departments of States and Defense share your desire to dispel congressional and public fears of excessive U.S. military involvement in joint counter-narcotics efforts in the Andes. We understand the sensitivities in our country as well as in the rest of the hemisphere to U.S. military involvement in Latin America. We are making every effort to minimize our military presence in the region while providing adequate support to host country counter-narcotics efforts. The Administration's policy continues to be that no U.S. military personnel will enter any of the Andean countries to work in the counternarcotics field without the express authorization of the U.S. Ambassador accredited to that country. The Administration has been opposed heretofore to artificially-imposed ceilings on U.S. military participation in Andean counter-narcotics activities, considering them to be a hindrance to the achievement of our nation's goals in this area.

Presently, we have monitoring mechanisms in place to assure that our counternarcotics efforts represent a balanced program. The Andean Initiative is a comprehensive plan to achieve that balance. Your letter, however, has prompted us to re-examine our personnel situation and we will share our findings with you as soon as they become available.

Let me assure you that the Administration shares your interest in avoiding lengthy and counterproductive debate on the implementation of the President's National Drug Control Strategy. Any delay in implementing this much needed legislation could lead our allies in the struggle against illicit narcotics to question our nation's sincerity and resolve in doing its part to carry out this vitally important joint endeavor.

Sincerely,
DAVID J. GRIBBIN III
Assistant Secretary, Legislative Affairs, Department of Defense.
JANET G. MULLINS
Assistant Secretary, Legislative Affairs, Department of State.

Section 9—Nonapplicability of certification procedures to certain major drug-transit continues

Section 9 extends the provisions of section 8 of the International Narcotics Control Act of 1989 to fiscal year 1991.

Section 10—Authority to transfer military assistance funds to economic programs

Section 10 allows the President to transfer funds authorized for military assistance programs under section 23 of the Arms Export Control Act to economic programs. This provision is designed to correct an inadvertent elimination of this authority which occurred when the grant military assistance programs authorized under the Foreign Assistance Act were consolidated with the credit military assistance programs authorized under the Arms Export Control Act.

Section 11—Extradition of United States citizens

Section 11 expressly permits the surrender of U.S. national notwithstanding the language of limitation in antiquated treaties. This section addresses a problem that arises under some very old U.S. extradition treaties that fail to include specific authority to extradite U.S. national who are charged with crimes in the county seeking extradition. Under prevailing case law, the United States may extradite its nationals in the absence of any limiting language in a bilateral treaty (*Charlton* v. *Kelly*, 229 U.S. 447, 1913). However, if an extradition treaty contains language which limits that authority, e.g., "neither party shall be bound to deliver up its own citizens", the Supreme Court has held that U.S. nationals may not be extradited unless the treaty also contains a positive grant of authority to surrender U.S. citizens (*Valentine* v. *United States ex rel. Neidecker*, 229 U.S. 5, 7-12 1936). Post-Valentine extradition treaties of the United States uniformly contain language such as "Neither of the contracting Parties shall be bound to deliver up its own citizen under the stipulations of this convention, but the executive authority of each shall have the power to deliver them up, if, in its discretion, it is deemed proper to do so." Such a clause contains the necessary positive grant of authority to the executive branch to extradite U.S. citizens.

However, the United States still has several pre-*Valentine* treaties in force that contain the limitation but lack a requisite grant of authority. In those instances, the United States must refuse to extradite based on the nationality of the offender. Moreover, the limitation on extradition of nationals posed by these pre-*Valentine* treaties must be remedied in light of the extradition provisions of the new United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988), Article 4 Paragraph 2. Under these provisions, the United States must either assure that nationalty is not a bar to extradition of its citizens or establish its jurisdiction to prosecute those citizens for the drug offenses they have committed abroad. The alternative of prosecution is not feasible as a practical matter. Moreover, it would be inconsistent with the U.S. general policy against creating "universal" jurisdiction over extraterritorial crimes.

This section is also consistent with the general policy of the United States favoring extradition of nationals to the country where the greatest harm has been suffered because of the commission of criminal acts. The committee recognizes that it is not feasible to address this situation on a piecemeal basis by renegotiating all the pre-*Valentine* treaties that contain this flaw. Moreover, it would permit the United States to fully meet the important objectives of the new U.N. Convention.

Section 12—Congressional review of narcotics-related assistance for Afghanistan

Section 12 provides that not less than 15 days before funds are obligated for narcotics-related assistance programs in Afghanistan for any fiscal year the President shall notify Congress pursuant to the reprogramming procedures applicable under section 634A of the Foreign Assistance Act.

The committee has included this provision due to the unusual nature of previous funding for the Afghan Resistance. Assistance to the Afghan Resistance has been provided "notwithstanding any other provision of law," which has exempted the program from the requirement for prior notification to Congress applicable under section 634A of the Foreign Assistance Act. This authority has been used by AID to begin a $12.5 million narcotics control program in Afghanistan, which would constitute the third largest AID narcotics control program in the world, in a country in which the United States has no capability to monitor or control the use of funds and in which the assistance recipients are historically involved in opium production and trafficking. Given the high risks associated with this project, it is reasonable to require prior congressional notification for further project funding.

Section 13—Training of host country pilots

Section 13 requires the President to implement a detailed program of instruction for host country pilots and other flight crew members to fly aircraft involved in counter-narcotics activities in the Andean countries that have been made available by the U.S. Government. Such program shall be implemented not less than 90 days after enactment of this act. In addition, section 13 requires the President to ensure that host country pilots and flight crew members replace all U.S. Government pilots and flight crew members, including direct hire and contract personnel, within 18 months of the date of enactment of this act. Aircraft covered by this provision include any aircraft made available to an Andean country by the United States under chapter 8 of part I of the Foreign Assistance Act or any other provision of law for use by that country for narcotics-related purposes.

This provision stems from the committee's concern that despite a long-standing U.S.-sponsored aircraft program in Peru, there are insufficient numbers of Peruvian pilots to fly anti-narcotics aircraft. As a result, U.S. contract pilots are performing these duties. The committee notes that Peru is the only country in which U.S. pilots are required to fly routine interdiction and transport missions (as opposed to Turbothrush aerial eradication missions, which require specialized personnel). Despite several years of congressional concern on this issue, the situation has still not been remedied.

While the committee understands that the executive branch shares the goal of having host country personnel perform aerial support functions, and has been in the process of preparing a plan to achieve this goal by a date certain, subject to safety concerns and unanticipated obstacles, the committee believes that at the present time, efforts on the part of the executive branch to achieve this goal have not lived up to its stated commitments. When the executive branch develops a plan in accordance with its stated priority on this issue, the committee is prepared to modify the current language of this section.

The committee also notes that the Drug Enforcement Administration (DEA) operates some aircraft in South America. Because those aircraft are operated primarily in support of DEA operations and are not made available on a sale, lease, or loan basis to foreign governments, it should not be construed, nor is it the intention, that those aircraft or the DEA pilots operating them be affected by this provision.

The correspondence between the committee and the executive branch on this issue follows:

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC, August 8, 1990.

Hon. MELVYN LEVITSKY,
Assistant Secretary for International Narcotics Matters, Department of State, Washington, DC.

DEAR MR. SECRETARY: I am writing about a matter which has concerned me for some time: the need to train host country pilots for INM's air wing in Peru.

Our mutual goal, as I understand it, has always been to have host country pilots eventually assume full responsibility for the operation of these aircraft. I understand the difficulties involved in achieving this goal, but feel that we need to make every effort to ensure that these pilots are trained as soon as possible. The continued extensive use of U.S. contract pilots, particularly in the highly volatile environment in Peru, may undermine public and congressional support for this program.

The Committee would prefer not to address this issue legislatively. In this regard, I would hope that the executive branch could expeditiously agree on a reasonable plan for the training of host country pilots, including a date by which we hope that these pilots will be fully qualified. As you know, the Committee expects to mark up draft narcotics control legislation during the week of September 3. It would therefore be helpful if you could ensure a response before that time.

I cannot overemphasize my personal interest in and concern over this matter. I therefore look forward to working with you to find a solution to this problem.

With best wishes, I am

Sincerely yours,

DANTE B. FASCELL,
Chairman.

U.S. DEPARTMENT OF STATE,
Washington, DC.

Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: Thank you for your letter of August 8 to Assistant Secretary Levitsky concerning the need to train host country pilots for International Narcotics Matters' (INM) air wing in Peru. As you know, USG contractor pilots have been successfully flying interdiction and resupply missions between Lima and the Upper Huallaga Valley (UHV) for over two years. The Department shares your goal of turning over such operations to host country pilots as soon as they are qualified. We would like to describe our plan for achieving this goal.

The American Embassy in Lima and INM have been working together to develop a plan to train Peruvian pilots and maintenance personnel. Currently, the Department is seeking support from DoD to identifying a U.S. Army Spanish-speaking instructor pilot for assignment to Peru at the Santa Lucia forward operations base where our helicopters are deployed, in order to give a boost to the program. We intend to identify and deploy such an individual no later than September. Further, we are directing the incumbent contractor to increase its efforts in the training program. We are also drafting an air crew training program to ensure flight standardization and flight safety.

Training highly competent helicopter pilots is not an easy matter. It requires considerable time and effort even assuming the trainees have a high aptitude for flying. The majority of the copilots now flying en-

tered the program with little or no experience. They have been trained to their present level of expertise through our efforts.

Peruvianization has been further complicated because the Peruvian National Police (PNP) have not made firm commitments of flying personnel. We have already sent 17 Peruvian pilots to the U.S. Army helicopter training center at Ft. Ruckar, Alabama. About half of these individuals are now flying as copilots in air wing aircraft and the others are flying PNP aircraft conducitng other missions. Our goal is to enroll all the PNP-dedicated copilots in our air crew training program and advance them to pilot-in-command (PIC) status as they become qualified. We seek not only Peruvianization but the safe and purposeful use of U.S.-supplied equipment. We believe that roughly half, i.e., four, of the current copilots could reach PIC status by spring 1991. Also, we plan to provide basic pilot training to an additional ten PNP pilots at Ft. Rucker in the coming months.

We do not believe that legislation will address the variables of operating in an uncertain environment, and we hope you agree that the plan outlined above is not only appropriate but will result in the Peruvianization of the aviation program in the shortest time possible consistent with aviation safety. Perhaps the principal constraint on such a program is the inability, thus far, of the PNP to provide appropriate personnel for training and for retention in the program. We intend to encourage senior GOP officials to make such a commitment. Our Peruvianization plan would be facilitated if Peruvian Air Force pilots were made available to the program. We intend to raise this question with senior GOP officials.

Sincerely,

JANET G. MULLINS,
Assistant Secretary,
Legislative Affairs.

Section 14—Review of riverine program

Section 14 prohibits the use of funds for the procurement of new riverine craft for counternarcotics programs in the Andean countries until the Secretary of State and the Secretary of Defense have jointly assessed and audited, and submitted to Congress a report to Congress on the specific goals and objectives of such programs, how the acquisition of such craft will further the attainment of such goals and objectives, the cost and utility of the craft to be provided, and how such craft will be sustained.

This provision results from long-standing congressional concern, validated by numerous reports from independent observers, that the current riverine programs contemplated for the Andean countries have not been the subject of adequate planning and preparation on even a most basic level. While the committee understands the need for riverine programs and supports such programs, it believes that before further resources, estimated at more than $20 million in fiscal year 1991, are devoted to these programs a thorough review should be undertaken of the programs' goals and objectives and the appropriate equipment to achieve those goals. The committee understands that the executive branch agrees with the need for a thorough review of these programs, and has initiated action to begin such a review. When the committee receives documentation of this review, it will be prepared to modify the current language of this section.

Section 15—Uses of excess defense articles transferred certain major illicit drug producing countries

Section 15 amends section 517(c) of the Foreign Assistance Act to clarify that excess defense articles provided to major illicit coca producing countries may be provided primarily for antinarcotics purposes.

Section 16—Export-Import Bank financing for sales of defense articles and services

Section 16 amends the Export-Import Bank Act to extend the authority to finance sales of defense articles and services for counternarcotics purposes to September 30, 1992.

Section 17-Debt-for-Drugs exchanges

Section 17 contains congressional findings regarding the existing authority of the President contained in section 10 of the International Narcotics Control Act of 1989 to provide relief with respect to certain debt owed to the United States Government by the Governments of Bolivia, Colombia, and Peru if he determines that that country is implementing programs to reduce the flow of cocaine to the United States, and urges the President to excercise this authority for those countries.

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Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support favorable House action on H.R. 5567, as amended. The International Narcotics Control Act of 1990 is the product of many hours of work by the Foreign Affairs Committee.

After H.R. 5567 was originally reported out of committee last month, we developed compromise language which was supported by the full House and added as title XXIII to H.R. 5269, the Comprehensive Crime Control Act of 1990.

The legislation before us today represents a further modification from title XXIII. Committe Republicans have always indicated that our major problem with the title XXIII legislation was the authorized level of $67.5 million in foreign military financing.

The FMF level of $118 million in this bill represents a major increase from the amount in title XXIII. H.R. 5567 sets an overall ceiling of $250 million on police and military aid. This ceiling is likely to be higher than the available funds, given other demands on the various assistance channels.

Because the future of H.R. 5269 is uncertain, and because the Foreign Affairs Committee strongly believes that H.R. 5567 should be enacted into law this year, we are acting today on freestanding legislation.

I support H.R. 5567, and would like to commend the chairman for his efforts to work out legislation that is agreeable to the minority and to the administration. Passage of this legislation will support our counternarcotics program in the Andes, and will also keep a strong bipartisan majority in Congress behind the administration's efforts. I urge my colleagues to support H.R. 5567.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, I am pleased to rise in support of H.R. 5732, the International Narcotics Control Act of 1990, authorizing appropriations for use in International Narcotics Control Activities for fiscal year 1991 and which represents a compromise between the two sides of the aisle on the Foreign Affairs Committee. I would like to commend the distinguished chairman of the Foreign Affairs Committee, the gentleman from Florida [Mr. FASCELL], and our ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD] and the distinguishing chairman for their talent in compromising and conciliation.

Mr. Speaker, this amendment authorizes funding for a comprehensive and coordinated U.S. effort to aid the war against drugs at its source: The Andean drug producing nations. Our Nation's assistance is desperately needed in those drug producing countries, such as Colombia, whose governments have pledged to fight against the powerful drug cartels, native to their countries.

Our own drug enforcement administration has recognized the advances the Colombians have made since they pledged to fight drug traffickers little more than 2 years ago. Since that time, some of the most notorious drug lords have been captured or killed, and the price of cocaine has soared on U.S. streets, while the price for coca leaf has dropped dramatically.

Mr. Speaker, obviously progress has been made, but the war has not been won and is far from over. Recent intelligence reports now reveal a forged union between the Mafia in Italy and the Colombian drug king pins. That alliance has the potential to become the most powerful drug trafficking and distribution network ever. Clearly, the struggle of our Andean neighbors must be reinforced by the United States.

While we cannot emphasize enough the need for treatment, rehabilitation and education to stem the tide of demand in the United States, I similarly cannot emphasize enough the need to continue to pressure the drug cartels of Latin America to reduce supply.

This measure would authorize $118 million in foreign military assistance for Andean military and law enforcement agencies, and, in addition, authorizes $300 million in economic assistance—economic support fund and development assistance—for the Andean countries of Bolivia, Colombia and Peru.

Mr. Speaker, I have long advocated a balanced effort in our war against drugs. I believe we must attack this problem simultaneously on five major battlefronts: eradication, interdiction, enforcement to reduce supply and education and treatment and rehabilitation to reduce demand. Bolstering the Latin American countries' courageous attempts to limit and extinguish drugs at their source is of paramount interest to our Nation. As we work on cutting demand at home, we must work on reducing supply abroad.

Accordingly, I urge all my colleagues to vote in favor of this measure so that we may continue to support our Latin American neighbors at this very critical point in their struggle to help us win our war against drugs.

Mr. FASCELL. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Florida [Mr. SMITH], who is the chairman of the Narcotics Task Force.

Mr. SMITH of Florida. Mr. Speaker, I want to thank the gentleman for yielding me this time and thank him for helping to find another vehicle to bring to this floor to provide the possible capability of passing what is otherwise significantly good legislation that seems to lack for an adoptive parent that can wind up passed by the House and the Senate and going over to the President for his signature.

The provisions of this bill are provisions which are follow-on provisions that the International Narcotics Task Force, myself and other Members, and the gentleman from New York [Mr. GILMAN], the ranking member of the task force, have put together over the years to continue the international aspect on the legislative side of what needs to be done in terms of all of the problems that we have in international cooperation, international effort, international capability. Some of those things which, over the years, we have been talking about have come to pass, legislation which we devised in our task force, passing through the Committee on Foreign Affairs, went to the floor of this House, passed, went on to the Senate and passed and have become law, and they have been very helpful in the fight against drugs both domestically, but even more so internationally.

The particular items which are contained in this bill hopefully will get to the Senate once they pass here and be part of that chain of things that this Congress has done to aid the President of the United States in his effort to win cooperation from major drug-producing, drug-trafficking, and drug-consuming countries so that the United States ultimately can reduce the supply coming in and then begin to reduce the major tragic consequences of the huge volume of drugs that besiege our country.

At the same time we have put all of the items in place, we have also tried to balance it with an approach that would allow for, while military aid and police aid are important components, to allow for economic aid as well that will give some of these countries in the drug-producing regions, Peru, Bolivia among others, and Colombia, the opportunity to be able to try, because of their economy, with the help of the United States, to implement some new programs that may ultimately make real farmers out of people who grow coca or provide jobs to people who are not real farmers who are growing coca, because they have no other way of making a living in those countries, because as much as the drug problem is a problem of money and a problem of greed and a problem of corruption, it is also a problem of poverty.

The people who are growing a lot of these drugs are poor. If we would bootstrap the economies in both countries and allow the poor people to be able to get a piece of the dream, they would both in our country and in those countries, I believe, get out of the drug trade. That is one of the problems.

But we have got economic assistance. We have got military assistance for these countries, especially police assistance. We have got conditionality making sure that human rights violations do not occur as a result of what we are attempting to do.

We have provided safeguards so that aircraft and other things which we give are not items which are ultimately kept by them not to be used for the purposes we give them, but for any other purpose like we had some problems within Mexico during the 1970's.

We have provisions requiring and regarding Export-Import Bank financing of items used for combating the drug trade. It is a whole package, and it is a good package. It is something that the people on the Committee on Foreign Affairs and on the International Narcotics Task Force labored long and hard to produce, and they have been dedicated to getting something.

It is a shame that we have to keep trying to find another way to get this even though some of it has passed through the House, to get this back over to the Senate and put it on a bird that apparently is going to have two wings and that will fly from the House and the Senate to the White House.

I commend the chairman, once again, for his dedication in this fight, but also for attempting to continue to find a set of parents that will bring this baby forth and allow the White House to present it in the international community.

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Finally, I might add, it will do something very important, and that is enunciate to the people in the world that the United States has not, not one iota, slipped in its commitment to making sure that the fight against the drug trade is carried out by every facet of our Government. By every person involved, we are getting some help that can help. We want the American people to know, as well as the people in Colombia, Bolivia, Peru, the Bahamas, Haiti, and in other drug-trafficking countries, that we are not giving up this fight. The future of our children and the future of this country is too important. We will not hesitate to use whatever methods we have legally at our disposal, including 27 different legislative vehicles, if that is what it takes, to get these things enacted into law, to give our law enforcement personnel, our diplomatic corps, and our military the capability to work with other countries, to help them combat the drug trade.

Once again, I commend the chairman for his work and his involvement in this matter. I commend my colleague, the gentleman from New York [Mr. GILMAN] who has been active as anyone in this Congress for many years in trying to stop the scourge of drugs in this country.

Mr. LAGOMARSINO. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. Goss], who has also been a very active Member in this method.

Mr. GOSS. Mr. Speaker, I rise in strong support of H.R. 5567, as a member of the Task Force on International Narcotics Control.

I would also like to join the accolades that are being paid to the chairman, the gentleman from Florida [Mr. FASCELL] and the ranking member, the gentleman from Michigan [Mr. BROOMFIELD], the chairman of our task force, the gentleman from Florida [Mr. SMITH], and the gentleman from New York [Mr. GILMAN], who is the ranking member. I do not think that the people of this country realize how much work went into crafting particular compromise.

I would view this particular piece of legislation with some satisfaction knowing how much has been discussed, how much has been given, and how close we are to getting done what I think needs to be able to get done. I think this is a strong positive, and if I have seen a system work here, this is a place where the system worked.

We are not over all the hurdles yet, but I think this is a good start.

This bill is part of a comprehensive drug program. It gets to the availability, the supply question. It is an essential part. Many Members saw on national television network last Sunday, a program many Members watch in the evening, about a police chief in a town in New England, I believe, who became addicted to drugs. He was a hidden drug addict. When they got to interviewing, and explaining why did

this happen to him, his answer was, "Because it was available." It was very available to him in his evidence room. He just simply was out handling the material, and he finally tried it one day. Those Members who saw that program know, and he could not stop. He became addicted. He is a tragic, ruined figure today.

Availability and cutting off drugs is a very important part of what we are trying to do. We have an obligation to monitor and report how well we do with the funds involved in this program, and we will do that because the administration has pledged to work closely and provide Members information.

One other point, we have recently passed in the Committee on Foreign Affairs under the chairman's leadership something called the American enterprise initiative, which also gets to the economy question of the countries of our brothers and friends in Latin America. This, too, addresses that area of economy, and for that reason I think we are getting 2 for 1 in this legislation. I urge my colleagues to support it.

Mr. FASCELL. Mr. Speaker, I yield myself such time as I may consume to add a few remarks at this point because of the remarks made by previous speakers.

First, I really need to emphasize the appreciation all Members feel for the Task Force on Narcotics, led by the gentleman from Florida [Mr. SMITH], the gentleman from New York [Mr. GILMAN], and for their determination, their constancy, their perseverance in their leadership in this program.

It ought to be an easy subject. Unfortunately it is not. There are divergent views, deeply held, and it is in a truly democrat sense, with a small d. one of those areas that requires tremendous effort in order to get an agreement and compromise in order to move the process forward, even as important as we think this whole fight on drugs is. People need to understand that.

I would like to emphasize also the issue raised by both the gentleman from New York [Mr. GILMAN], and the gentleman from Florida [Mr. Goss], with respect to the fight, we are doing in the Committee on Foreign Affairs our share of the effort with this international narcotics control, and with our efforts in both trying to improve the economic condition and also the drug enforcement on a supply side.

However, let Members not fool ourselves. No matter what we do, how much help we provide, how determined the other countries are who are in the supply arena, we will never whip this problem as long as there is demand in the United States at such a level that people will pay high prices for the privilege of killing themselves and doing damage to themselves, their families, and our society.

Our struggle in this narcotics fight is not in the Andeam mountain areas, our struggle is right here in the United States. However, we recognize the fact that we have to work with other countries in order to stop the supply, deal with the drug lords, and help on the enforcement as expected of it.

Mr. Speaker, I yield such time as she may consume to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Speaker, I rise in strong support of the bill, H.R. 5567, to provide foreign assistance for efforts to combat illegal drugs coming into the United States.

H.R. 5567 would provide funding for the administration's Andean initiative, an aspect of this Nation's antidrug strategy. The money would go to help Bolivia, Columbia, and Peru in their efforts to end the lucrative drug production market in those countries. While the major impediment to such effort is the continuing demand for drugs here in the United States, we must nonetheless work in conjuntion with the nations supplying the substances. This bill represents a good compromise between the military assistance favored by the administration, and the economic assistance favored by the majority of this House.

Such economic assistance would be used to improve the infrastructure and alternative income production for the Andean nations, as well as to provide assistance for substitute crop development—measures that are crucial to making these nations more attractive for business development. New and expanded business opportunities will in turn lead to more job opportunties which will, we hope, lure people out of the dangerous drug production arena. The crop substitution program is key because it will help create an expanded agricultural base to attract farmers away from the lucrative illegal narcotic crops to those that can help feed their people and provide a profit.

Military assistance provided under this measure is substantial and includes an increase in the amount of surplus U.S. military equipment that can be transferred to these nations. In addition, there is funding to assist in the protection of justice officials in these countries. Here in the United States, our law enforcement officials and judges have been relatively free of retaliatory violence perpetrated by the powers of the drug trade, but similar officials, especially in Columbia, live daily with threats to their own lives and those of their families. Courageously, they press on, enforcing the laws of their nations and civilized society. Clearly, we can aid our cause by protecting and assisting their law enforcement officials because each time they successfully interdict drugs or prosecute manufacturers, our job here is eased just a little bit.

These funds will not be handed out willynilly: Distribution of these funds is conditioned on these countries maintaining a democratically elected government and the enforcement of basic principles of human rights. Assistance provided will be closely monitored; regular reports must be made as to the number and activity of U.S. troops in these countries involved in the drug combat effort; and, the President is called upon to notify Congress 15 days before the funds provided for in this measure are allocated.

Finally, as a member of the Select Committee on Narcotics, I want to commend the Foreign Affairs Committee for recognizing the need for this type of assistance in the war on illegal drugs. I think this bill is a sound and reasoned component of that effort and I urge my colleagues to support it.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to join in complimenting the chairman of our committee, the gentleman from Florida [Mr. FASCELL], as well as our ranking member, the gentleman from Michigan [Mr. BROOMFIELD], the chairman of the task force, the gentleman from Florida [Mr. SMITH], and the ranking member, the gentleman from New York [Mr. GILMAN], the gentleman from Pennsylvania [Mr. KOSTMAYER], the acting chairman of the Subcommittee on Western Hemisphere, and all who participated in putting this bill together.

This was not easy, as several speakers have already noted. There was a wide divergence as to what was the best way to go about this. There was no dispute about the goals. There was no dispute about the need to do something about stopping cocaine from coming in from South America, but there was a lot of dispute, for example, as to whether or not there should be a military aid component, and if so, how big it should be.

I think that the agreement we have reached, the compromise that is before Members, is a good one.

It is important, Members, to have a military component. This is a war. In many of the countries in South America, the government is up against armies of the drug pushers, well financed, well armed, so they have to use military means to combat them. There is a war going on in our streets right now. We cannot ignore this.

Perhaps the most important thing, and the chairman alluded to this, is that it shows that we are determined, we have not forgotten. We are serious about it. We are going to push forward.

This also, of course, carries out the promises and the agreements that President Bush made to South American leaders in Cartagena, Colombia. Therefore, I am very pleased to lend my strong support to this bill. I am pleased that the chairman brought it up as separate legislation, because the vehicle to which it was attached when it passed the House earlier, may run out of gas and may not make it through the session, and although that is a very important piece of legislation itself, this, I would say, is equally as important, and needs to be con-

sidered and passed, regardless of what happens to the other measure.

Mr. Speaker, I urge my colleagues to support it.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 5567, the International Narcotics Control Act of 1990, which was previously considered as an amendment to the omnibus crime bill. At the time, I offered the following statement in support of the Narcotics Control Act. As time grows short in this congressional session, it is ever more imperative that we pass this essential piece of legislation.

This narcotics control legislation reflects a serious effort by both the majority and the minority of the Foreign Affairs Committee to reach a consensus position on the President's Andean initiative for fighting international drug trafficking. Although this consensus language does not provide the administration with everything it has requested, particularly in terms of funding levels, it does give the broad flexibility the President has been seeking to help him in his negotiations with Andean leaders, both those who have been newly elected and also those who have faced for some time the challenges of meeting the drug trafficking crisis.

The very nature of the menace that international drug trafficking poses against the citizens of the country requires that we in the Congress respond strongly and effectively. We are literally fighting a war, and international drug traffickers have not hesitiated to use deadly force and apparently unlimited resources to carry out their drug trafficking activities. If we are really serious about our opposition to this menace, we have to be prepared to fight the traffickers on their terms, if necessary. The fight requires unusual measures and the availability of many different resources. The authority we are giving the administration with this legislation provides the needed flexibility and variety of resources that should enable the President to elicit the type of cooperation we want from our Andean allies in this fight.

I am confident that once the administration has been able to demonstrate success with its approach and with the cooperation of our Andean partners, then it will be possible to increase the funding in future years to levels closer to those requested by the administration. In the meantime, I believe this legislation represents the best we can do now, and requires our support and prompt action.

I urge my colleagues to vote in favor of this legislation.

Mr. FASCELL. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. SARPALIUS). The question is on the motion offered by the gentleman from Florida [Mr. FASCELL] that the House suspend the rules and pass the bill, H.R. 5567, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIVE AMERICAN GRAVE PROTECTION AND REPATRIATION ACT

Mr. CAMPBELL of Colorado. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5237) to provide for the protection of Native American graves, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5237

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Native American Grave Protection and Repatriation Act".

SEC. 2. DEFINIITONS.

For purposes of this Act, the term—

(1) "burial site" means any natural or prepared physical location, whether originally below, on, or above the surface of the earth, into which as a part of the death rite or ceremony of a culture, individual human remains are deposited.

(2) "cultural affiliation" means that there is a relationship of shared group identity which can be reasonably traced historically or prehistorically between a present day Indian tribe or Native Hawaiian organization and an identifiable earlier group.

(3) "cultural items" means human remains and—

(A) "associated funerary objects" which shall mean objects that, as a part of the death rite or ceremony of a culture, are reasonably believed to have been placed with individual human remains either at the time of death or later, and both the human remains and associated funerary objects are presently in the possession or control of a federal agency or museum, except that other items exclusively made for burial purposes or to contain human remains shall be considered as associated funerary objects.

(B) "unassociated funerary objects" which shall mean objects that, as a part of the death rite or ceremony of a culture, are reasonably believed to have been placed with individual human remains either at the time of death or later, where the remains are not in the possession or control of the Federal agency or museum and the objects can be identified by a preponderance of the evidence as related to specific individuals or families or to known human remains or, by a preponderance of the evidence, as having been removed from a specific burial site of an individual culturally affiliated with a particular Indian tribe,

(C) "sacred objects" which shall mean specific ceremonial objects which are needed by traditional Native American religious leaders for the practice of traditional Native American religions by their present day adherents, and

(D) "cultural patrimony" which shall mean an object having ongoing historical, traditional, or cultural importance central to the Native American group or culture itself, rather than property owned by an individual Native American, and which, therefore, cannot be alienated, appropriated, or conveyed by any individual regardless of whether or not the individual is a member of the Indian tribe or Native Hawaiian organization and such object shall have been considered inalienable by such Native American group at the time the object was separated from such group.

(4) "Federal agency" means any department, agency, or instrumentality of the United States and shall include, except as may be inconsistent with the provisions of P.L. 101-185, the Smithsonian Institution.

(5) "Federal lands" means any land other than tribal lands which are controlled or owned by the United States.

(6) "Hui Malama I Na Kupuna O Hawai'i Nei" means the nonprofit, Native Hawaiian organization incorporated under the laws of the State of Hawaii by that name on April 17, 1989, for the purpose of providing guidance and expertise in decisions dealing with Native Hawaiian cultural issues, particularly burial issues.

(7) "Indian tribe" shall have the meaning given such term in section 4 of the Indian Self Determination and Education Assistance Act (25 U.S.C. 450b).

(8) "museum" means any institution or State or local government agency (including any institution of higher learning) that receives Federal funds and has possession of, or control over, native American cultural items, but does not include any Federal agency.

(9) "Native American" means of, or relating to, a tribe, people, or culture that is indigenous to the United States.

(10) "Native Hawaiian" means any individual who is a descendant of the aboriginal people who, prior to 1778, occupied and exercised sovereignty in the area that now constitutes the State of Hawaii.

(11) "Native Hawaiian organization" means any organization which—

(A) serves and represents the interests of Native Hawaiians,

(B) has as a primary and stated purpose the provision of services to Native Hawaiians, and

(C) has expertise in Native Hawaiian Affairs,

shall include the Office of Hawaiian Affairs and Hui Malama I Na Kupuna O Hawai'i nei.

(12) "Office of Hawaiian Affairs" means the office of Hawaiian Affairs established by the constitution of the State of Hawaii.

(13) "right of possession" means possession obtained with the voluntary consent of an individual or group that had authority of alienation. The original acquisition of a Native American unassociated funerary object, sacred object or object of cultural patrimony from an Indian tribe or Native Hawaiian organization with the voluntary consent of an individual or group with authority to alienate such object is deemed to give right of possession of that object, unless the phrase so defined would, as applied in Section 7(c), result in a Fifth Amendment taking by the United States as determined by the United States Claims court pursuant to 28 U.S.C. 1491 in which event the "right of possession" shall be as provided under otherwise applicable property law. The original acquisition of Native American human remains and associated funerary objects which were excavated, exhumed, or otherwise obtained with full knowledge and consent of the next of kin or the official governing body of the appropriate culturally affiliated Indian tribe or Native Hawaiian organization is deemed to give right of possession to those remains.

(14) "Secretary" means the Secretary of the Interior.

(15) "tribal land" means—

(A) all lands within the exterior boundaries of any Indian reservation;

(B) all dependent Indian communities;

(C) lands conveyed to, or subject to an interim conveyance of, Native Corporations pursuant to the Alaska Native Claims Settlement Act; and

(D) any lands administered for the benefit of Native Hawaiians pursuant to the Hawaiian Homes Commission Act, 1920, and section 4 of Public law 86-3.

SEC. 3. OWNERSHIP.

(a) NATIVE AMERICAN HUMAN REMAINS AND OBJECTS.—The ownership or control of Native American cultural items which are excavated or discovered on Federal or tribal lands after the date of enactment of this Act shall be (with priority given in the order listed)—

(1) in the case of Native American human remains and associated funerary objects, in the lineal descendants of the Native American; or

(2) in any case in which such lineal descendants cannot be ascertained, and in the case of unassociated funerary objects, sacred objects, and objects of cultural patrimony—

(A) in the Indian tribe or Native Hawaiian organization on whose tribal land such objects or remains were discovered;

(B) in the Indian tribe or Native Hawaiian organization which has the closest cultural affiliation with such remains or objects and which, upon notice, states a claim for such remains or objects; or

(C) If the cultural affiliation of the objects cannot be reasonably ascertained and if the objects were discovered on Federal land that is recognized by a final judgement of the Indian Claims Commission of the United States Court of Claims as the aboriginal land of some Indian tribe—

(1) in the Indian tribe that is recognized as aboriginally occupying the area in which the objects were discovered, if upon notice, such tribe states a claim for such remains or objects, or

(2) if it can be shown by a preponderance of the evidence that a different tribe has a stronger cultural relationship with the remains or objects than the tribe or organization specified in paragraph (1), in the Indian tribe that has the strongest demonstrated relationship, if upon notice, such tribe states a claim for such remains or objects.

(b) UNCLAIMED NATIVE AMERICAN HUMAN REMAINS AND OBJECTS.—Native American cultural items not claimed under subsection (a) shall be disposed of in accordance with regulations promulgated by the Secretary in consultation with the review committee established under section 8, Native American groups, representatives of museums and the scientific community.

(c) INTENTIONAL EXCAVATION AND REMOVAL OF NATIVE AMERICAN HUMAN REMAINS AND OBJECTS.—The international removal from or excavation of Native American cultural items from Federal or tribal lands for purposes of discovery, study, or removal of such items is permitted only if—

(1) such items are excavated or removed pursuant to a permit issued under section 4 of the Archaeological Resources Protection Act of 1979 (93 Stat. 721; 16 U.S.C. 470aa *et seq.*) which shall be consistent with this Act;

(2) such items are excavated or removed after consultation with or, in the case of tribal lands, consent of the appropriate (if any) Indian tribe or Native Hawaiian organization;

(3) the ownership and right of control of the dispostion of such items shall be as provided in subsections (a) and (b); and

(4) proof of consultation or consent under paragraph (2) is shown.

(d) INADVERTENT DISCOVERY OF NATIVE AMERICAN REMAINS AND OBJECTS.—(1) Any person who knows, or has reason to know, that such person has discovered Native American cultural items on Federal or tribal lands after the date of enactment of this Act shall notify, in writing, the Secretary of the Department, or head of any other agency or instrumentality of the United States, having primary management authority with respect to Federal lands and the appropriate Indian tribe or Native Hawaiian organization with respect to tribal lands, if known or readily ascertainable. If the discovery occurred in connection with an activity, including (but not limited to) construction, mining, logging, and agriculture, the person shall cease the activity in the area of the discovery, make a reasonable effort to protect the items discovered before resuming such activity, and provide notice under this subsection. The activity may resume after a reasonable amount of time and following notification under this subsection.

(2) The disposition of and control over any cultural items excavated or removed under this subsection shall be determined as provided for in this section.

(3) If the Secretary of the Interior consents, the responsibilities (in whole or in part) under paragraphs (1) and (2) of the Secretary of any department (other than the Department of the Interior) or the head of any other agency or instrumentality may be delegated to the Secretary with respect to any land managed by such other Secretary or agency head.

(e) RELINQUISHMENT.—Nothing in this section shall prevent the government body of an Indian tribe or Native Hawaiian organization from expressly relinquishing control over any Native American human remains, or title to or control over any funerary object, or sacred object.

SEC. 4. ILLEGAL TRAFFICKING.

(a) ILLEGAL TRAFFICKING.—Chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following new section:

"SEC. 1170. ILLEGAL TRAFFICKING IN NATIVE AMERICAN HUMAN REMAINS AND CULTURAL ITEMS.

"(a) Whoever knowingly sells, purchases, uses for profit, or transports for sale or profit, the human remains of a Native American without the right of possession to those remains as provided in the Native American Graves Protection and Repatriat Act shall be fined in accordance with this title, or imprisoned not more than 12 months, or both, and in the case of a second or subsequent violation, be fined in accordance with this title, or imprisoned not more than 5 years, or both.

"(b) Whoever knowingly sells, purchases, uses for profit, or transports for sale or profit any Native American cultural items obtained in violation of the Native American Grave Protection and Repatriation Act shall be fined in accordance with this title, imprisoned not more than one year, or both, and in the case of a second or subsequent violation, be fined in accordance with this title, imprisoned not more than 5 years, or both.".

(b) TABLE OF CONTENTS.—The table of contents for chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following new item:

"1170. Illegal Trafficking in Native American Human Remains and Cultural Items.".

SEC. 5. INVENTORY FOR HUMAN REMAINS AND ASSOCIATED FUNERARY OBJECTS.

(a) IN GENERAL.—Each Federal agency and each museum which has possession or control over holdings or collections of Native American human remains and associated funerary objects shall compile an inventory of such items and, to the extent possible based on information possessed by such museum or federal agency, identify the geographical and cultural affiliation of such item.

(b) REQUIREMENTS.—(1) The inventories and identifications required under subsection (a) shall be—

(A) completed in consultation with tribal government and Native Hawaiian organization officials and traditional religious leaders;

(B) completed by not later than the date that is 5 years after the date of enactment of this Act, and

(C) made available both during the time they are being conducted and afterward to review committee established under section 8.

(2) Upon request by an Indian tribe or Native Hawaiian organization which receives or should have received notice, a museum or federal agency shall supply additional available documentation to supplement the information required by subsection (a) of this section. The term "documentation" means a summary of existing museum or Federal agency records, including inventories or cataloges, relevant studies, or other pertinent data for the limited purpose of determining the geographical origin, cultural affiliation, and basic facts surrounding acquisition and accession of Native American human remains and associated funerary objects subject to this section. Such term does not mean, and this Act shall not be construed to be an authorization for, the initiation of new scientific studies of such remains and associated funerary objects or other means of acquiring or preserving additional scientific information from such remains and objects.

(c) EXTENSION OF TIME FOR INVENTORY.—Any museum which has made a good faith effort to carry out an inventory and identification under this section, but which has been unable to complete the process, may appeal to the Secretary for an extension of the time requirements set forth in subsection (b)(1)(B). The Secretary may extend such time requirements for any such museum upon a finding of good faith effort. An indication of good faith shall include the development of a plan to carry out the inventory and identification process.

(d) NOTIFICATION.—(1) If the cultural affiliation of any particular Native American human remains or associated funerary objects is determined pursuant to this section, the Federal agency or museum concerned shall, not later than 6 months after the completion of the inventory, notify the affected Indian tribes or Native Hawaiian organizations.

(2) The notice required by paragraph (1) shall include information—

(A) which identifies each Native American human remains or associated funerary objects and the circumstances surrounding its acquisition;

(B) which lists the human remains or associated funerary objects that are clearly identifiable as to tribal origin; and

(C) which lists the Native American human remains and associated funerary objects that are not clearly identifiable as being culturally affiliated with that Indian tribe or Native Hawaiian organization, but which, given the totality of circumstances surrounding acquisition of the remains or objects, are determined by a reasonable belief to be remains or objects culturally affiliated with the Indian tribe or Native Hawaiian organization.

(3) A copy of each notice provided under paragraph (1) shall be sent to the Secretary who shall publish each notice in the Federal Register.

(e) INVENTORY.—For the purposes of this section, the term "inventory" means a simple itemized list that summarizes the information called for by this section.

SEC. 6. SUMMARY FOR UNASSOCIATED FUNERARY OBJECTS, SACRED OBJECTS, AND CULTURAL PATRIMONY.

(A) IN GENERAL.—Each Federal agency or museum which has possession or control over holdings or collections of Native American unassociated funerary objects, sacred objects, or objects of cultural patrimony shall provide a written summary of such objects based upon available information held by such agency or museum. The summary shall describe the scope of the collection, kinds of objects included, reference to geographical location, means and period of acquisition and cultural affiliation, where really ascertainable.

(b) REQUIREMENTS.—The summary required under subsection (a) shall be—

(A) in lieu of an object-by-object inventory;

(B) followed by consultation with tribal government and Native Hawaiian organization officials and traditional religious leaders; and

(C) completed by not later than the date that is 3 years after the date of enactment of this Act.

(2) Upon request, Indian tribes and Native Hawaiian organizations shall have access to records, cataloges, relevant studies or other pertinent data for the limited purposes of determining the geographic origin, cultural affiliation, and basic facts surrounding acquisition and accession of Native American objects subject to this section. Such information shall be provided in a reasonable manner to be agreed upon by all parties.

SEC. 7. REPATRIATION.

(a) REPATRIATION OF NATIVE AMERICAN HUMAN REMAINS AND OBJECTS POSSESSED OR CONTROLLED BY FEDERAL AGENCIES AND MUSEUMS.—(1) If, pursuant to section 5, the cultural affiliation of Native American human remains and associated funerary objects with a particular Indian tribe or Native Hawaiian organization is established, then the Federal agency or museum, upon the request of a known lineal descendant of the Native American or of the tribe or organization and pursuant to subsections (b) and (e) of this section, shall expeditiously return such remains and associated funerary objects.

(2) If, pursuant to section 6, the cultural affiliation with a particular Indian tribe or Native Hawaiian organization is shown with respect to unassociated funerary objects, sacred objects or objects of cultural patrimony, then the Federal agency or museum, upon the request of the Indian tribe or Native Hawaiian organization and pursuant to subsections (b), (c) and (e) of this section, shall expeditiously return such objects.

(3) The return of cultural items covered by this Act shall be in consultation with the requesting lineal descendant or tribe or organization to determine the place and manner of delivery of such items.

(4) Where cultural affiliation of Native American human remains and funerary objects has not been established in an inventory prepared pursuant to section 5, or the summary pursuant to section 6, or where Native American human remains and funerary objects are not included upon any such inventory, then, upon request and pursuant to subsections (b) and (e) and, in the case of unassociated funerary objects, subsection (c), such Native American human remains and funerary objects shall be expeditiously returned where the requesting Indian tribe or Native Hawaiian organization can show cultural affiliation by a preponderance of the evidence based upon geographical, kinship, biological, archaeological, anthropological, linguistic, folkloric, oral traditional, historical, or other relevant information or expert opinion.

(5) Upon request and pursuant to subsections (b), (c) and (e), sacred objects and objects of cutlural patrimony shall be expeditiously returned where—

(A) the requesting party is the direct lineal descendent of an individual who owned the sacred object;

(B) the requesting Indian tribe or Native Hawaiian organization can show that the object was owned or controlled by the tribe or organization; or

(C) the requesting Indian tribe or Native Hawaiian organization can show that the sacred object was owned or controlled by a member thereof, provided that in the case where a sacred object was owned by a member thereof, there are no identifiable lineal descendants of said member or the lineal descendants, upon notice, have failed to make a claim for the object under this Act.

(b) SCIENTIFIC STUDY.—If the lineal descendant, Indian tribe, or Native Hawaiian organization requests the return of culturally affiliated Native American cultural items, the Federal agency or museum shall expeditiously return such items unless such items are indispensable for completion of a specific scientific study, the outcome of which would be of major benefit to the United States. Such items shall be returned by no later than 30 days after the date on which the scientific study is completed.

(c) STANDARD OF REPATRIATION.—If a known lineal descendant or an Indian tribe or Native Hawaiian organization request the return of Native American unassociated funerary objects, sacred objects or objects of cultural patrimony pursuant to this Act and presents evidence which, if standing alone before the introduction of evidence to the contrary, would support a finding that the Federal agency or museum did not have the right of possession, then such agency or museum shall return such objects unless it can overcome such inference and prove that it has a right of possession to the objects.

(d) SHARING OF INFORMATION BY FEDERAL AGENCIES AND MUSEUMS.—Any Federal agency or museum shall share what information it does possess regarding the object in question with the known lineal descendant, Indian tribe, or Native Hawaiian organization to assist in making a claim under this section.

(e) COMPETING CLAIMS.—Where there are multiple requests for repatriation of any cultural item and, after complying with the requirements of this Act, the Federal agency or museum cannot clearly determine which requesting party is the most appropriate claimant, the agency or museum may retain such item until the requesting parties agree upon its disposition or the dispute is otherwise resolved pursuant to the provisions of this Act or by a court of competent jurisdiction.

(f) MUSEUM OBLIGATION.—Any museum which repatriates any item in good faith pursuant to this Act shall not be liable for claims by an aggrieved party or for claims of breach of fiduciary duty, public trust, or violations of state law that are inconsistent with the provisions of this Act.

SEC. 8. REVIEW COMMITTEE.

(a) ESTABLISHMENT.—Within 120 days after the date of enactment of this Act, the Secretary shall establish a committee to monitor and review the implementation of the inventory and identification process and repatriation activities required under sections 5, 6 and 7.

(b) MEMBERSHIP.—(1) The Committee established under subsection (a) shall be composed of 7 members,

(A) 3 of whom shall be appointed by the Secretary from nominations submitted by Indian tribes, Native Hawaiian organizations, and traditional Native American religious leaders with at least 2 of such persons being traditional Indian religious leaders;

(B) 3 of whom shall be appointed by the Secretary from nominations submitted by national museum organizations and scientific organizations; and

(C) 1 who shall be appointed by the Secretary from a list of persons developed and consented to by all of the members appointed pursuant to subparagraphs (A) and (B).

(2) The Secretary may not appoint Federal officers or employees to the committee.

(3) In the event vacancies shall occur, such vacancies shall be filled by the Secretary in the same manner as the original appointment within 90 days of the occurrence of such vacancy.

(4) Members of the committee established under subsection (a) shall serve without pay, but shall be reimbursed at a rate equal to the daily rate for GS-18 of the General Schedule for each day (including travel time) for which the member is actually engaged in committee business. Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) RESPONSIBILITIES.—The committee established under subsection (a) shall be responsible for—

(1) designating one of the members of the committee as chairman;

(2) monitoring the inventory and identification process conducted under sections 5 and 6 to ensure a fair, objective consideration and assessment of all available relevant information and evidence;

(3) reviewing upon the request of any affected party any finding relating to—

(A) the identity or cultural affiliation of cultural items, or

(B) by the return of such items;

(4) facilitating the resolution of any disputes among Indian tribes, Native Hawaiian organizations, or lineal descendants and Federal agencies or museums relating to the return of such items including convening the parties to the dispute if deemed desirable;

(5) compiling an inventory of cultural unidentifiable human remains that are in the possession or control of each Federal agency and museum and recommending specific ac-

tions for developing a process for disposition of such remains;

(6) consulting with Indian tribes and Native Hawaiian organizations and museums on matters within the scope of the work of the committee affecting such tribes or organizations;

(7) consulting with the Secretary in the development of regulations to carry out this Act;

(8) performing such other related functions as the Secretary may assign to the committee; and

(9) making recommendations, if appropriate, regarding future care of cultural items which are to be repatriated.

(d) RECOMMONDATIONS AND REPORT.—The committee shall make the recommendations under paragraph (c)(5) in consultation with Indian tribes and Native Hawaiian organizations and appropriate scientific and museum groups.

(e) ACCESS.—The Secretary shall ensure that the committe established under subsection (a) and the members of the committee have reasonable access to Native American cultural items under review and to associated scientific and historical documents.

(f) DUTIES OF SECRETARY.—The Secretary shall—

(1) establish such rules and regulations for the committee as may be necessary, and

(2) provide reasonable administrative and staff support necessary for the deliberations of the committee.

(g) ANNUAL REPORT.—The committee established under subsection (a) shall submit an annual report to the Congress on the progress made, and any barriers encountered, in implementing this section during the previous year.

(h) TERMINATION.—The committee established under subsection (a) shall terminate at the end of the 120-day period beginning on the day the Secretary certifies, in a report submitted to Congress, that the work of the committee has been completed.

SEC. 9. PENALTY.

(a) PENALTY.—Any museum that fails to comply with the requirements of this Act may be assessed a civil penalty by the Secretary of Interior pursuant to procedures established by the Secretary through regulation. A penalty assessed under this subsection shall be determined on the record after opportunity for an agency hearing. Each violation under this subsection shall be a separate offense.

(b) AMOUNT OF PENALTY.—The amount of a penalty assessed under subsection (a) shall be determined under regulations promulgated pursuant to this Act, taking into account, in addition to other factors—

(1) the archaeological, historical, or commercial value of the item involved.

(2) the damages suffered, both economic and noneconomic, by an aggrieved party, and

(3) the number of violations that have occurred.

(c) ACTIONS TO RECOVER PENALTIES.—If any museum fails to pay an assessment of a civil penalty pursuant to a final order of the Secretary that has been issued under subsection (a) and not appealed or after a final judgment has been rendered on appeal of such order, the Attorney General may institute a civil action in an appropriate district court of the United States to collect the penalty. In such action, the validity and amount of such penalty shall not be subject to review.

(d) SUBPOENAS.—In hearings held pursuant to subsection (a), subpoenas may be issued for the attendance and testimony of witnesses and the production of relevant papers, books, and documents. Witnesses so summoned shall be paid the same fees and mileage that are paid to witnesses in the courts or the United States.

SEC. 10. GRANTS.

(a) INDIAN TRIBES AND NATIVE HAWAIIAN ORGANIZATIONS.—The Secretary is authorized to make grants to Indian tribes and Native Hawaiian organizations for the purpose of assisting such tribes and organizations in the repatriation of Native American cultural items.

(b) MUSEUMS.—The Secretary is authorized to make grants to museums for the purpose of assisting the museums in conducting the inventories and identification required under sections 5 and 6.

SEC. 11. SAVINGS PROVISIONS.

Nothing in this Act shall be construed to—

(1) limit the authority of any Federal agency or museum to—

(A) return or repatriate Native American cultural items to Indian tribes, Native Hawaiian organizations, or individuals, and

(B) enter into any other agreement with the consent of the culturally affiliated tribe or organization as to the disposition of, or control over, items covered by this Act;

(2) delay actions on repatriation requests that are pending on the date of enactment of this Act;

(3) deny or otherwise affect access to any court;

(4) limit any procedural or substantive right which may otherwise be secured to individuals or Indian tribes or Native Hawaiian organizations; or

(5) limit the application of any State or Federal law pertaining to theft or stolen property.

SEC. 12. SPECIAL RELATIONSHIP BETWEEN FEDERAL GOVERNMENT AND INDIAN TRIBES.

This Act reflects the unique relationship between the Federal government and Indian tribes and Native Hawaiian organizations and should not be construed to establish a precedent with respect to any other individual, organization or foreign government.

SEC. 13. REGULATIONS.

The Secretary shall promulgate regulations to carry out this Act within 12 months of enactment.

SEC. 14. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated such sums as may be neccessary to carry out this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. RHODES. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Colorado [Mr. CAMPBELL] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. RHODES] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Colorado [Mr. CAMPBELL].

□ 1210

GENERAL LEAVE

Mr. CAMPBELL of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include therein extraneous material on H.R. 5237, the bill now under consideration.

The SPEAKER pro tempore (Mr. SARPALIUS). Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. CAMPBELL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 5237 is a bill whose time has come. Today thousands upon thousands of native American human remains and sacred objects are housed in museums and Federal agencies across the country. They are kept in boxes, crates, and small wooden file drawers, tagged and numbered. Many of these remains and sacred objects came from the all-too-common practice of digging Indian graves and using the contents for profit or to satisfy some morbid curiosity.

In 1868 the Surgeon General issued an order to all Army field officers to send him Indian skeletons. This was done so that studies could be performed to determine whether the Indian was inferior to the white man due to the size of the Indian's cranium. These studies were also expected to show that the Indian was not capable of being a landowner. Today this study may be considered grotesque but the result of such an attitude in the name of the U.S. Government was the desecration of countless sacred grounds in which Indian ancestors were buried.

For many years several Indian tribes have attempted to have these remains returned to them so that they may be handled according to the laws and traditions of their tribe. In some cases, repatriation has occurred but in far too many cases the tribes have been shut out and told they have no standing. In fact under current law, native American human remains found today on public land are still considered to be Federal property.

The legislation before us today will help end this practice and give standing to tribes which are culturally affiliated with human remains currently being curated. It will set up a process whereby museums and Federal agencies will work in cooperation with descendants and tribes to identify and reach agreement as to the disposition of such collections.

This legislation does not include every basket, every pot and every blanket ever made by Indian hands. It refers to human remains, funerary objects, and only the most sacred of religious items which were taken from a tribe without permission. It affords current day Indians the opportunity to determine the proper way that their ancestors be treated.

Much of the groundwork for this legislation was laid last year when Congress mandated that the Smithsonian Institution build the Museum of the American Indian to honor contributions of native Americans. That law also directed the Smithsonian to inventory and identify its collection of some 18,000 native American human remains and funerary objects, contact the tribes affiliated with them and discuss repatriating them. The legislation before us today extends that directive to Federal agencies and federally funded museums.

This bill comes after many, many long hours of negotiations among interested parties. Among the participants in these negotiations were representatives of the museum community, the scientific community and the Indian community. They met on several occasions to reach agreement and what is currently before the House conforms to those agreements.

The inventory section of the bill had been of concern to many. It was felt that the directive for the museums to inventory entire collections of native American human remains, funerary objects, and sacred objects would be too onerous and expensive for them. Changes made in committee now allows that only human remains and associated funerary objects be inventoried and identified. The unassociated funerary objects, sacred objects and objects of cultural patrimony will be surveyed and if a descendant or tribe requests a specific object, then, and only then will the museum further study that object and attempt to identify it. This change will go a long way to reduce cost to the museum and at the same time encourage both sides to sit down early together to discuss their options.

The standard to be used to determine whether or not something is to be repatriated was also changed in committee. If a sacred object is requested to be repatriated, the requesting tribe must first show that the object was separated from the tribe without its permission. If the tribe cannot show this, then the repatriation request may be denied. If the tribe, however, does make such a showing then the burden shifts to the museum to show that it did in fact receive the object with the permission of the tribe.

Changes have been made to tighten and clarify definitions of several key terms used in the legislation including the definitions for the terms "sacred objects," "cultural affiliation," and "unassociated funerary objects." These changes should aide in the implementation of the act.

The illegal trafficking section of the bill is meant to prohibit trafficking and profiting from the sale of native American human remains without the right of possession. As is consistent with current Federal criminal law, the term "knowingly" as it appears in this section refers not only to anyone who "sells, purchase, uses for profit, or transports for sale or profit," but also to those without the right of possession.

This bill takes into account that many of these items may be of considerable scientific value and allows for current studies to continue with repatriation occurring after the completion of such a study. It further acknowledges that repatriation is not the only alternative and I encourage all sides to try and work out agreeable compromises where all interested parties can benefit from access to some of the items.

Mr. Speaker, in the past several years the United States Government has done much to retrieve the human remains of our brave service men and women who died during the Vietnam war. Sparing little so that the remains of these fine people can be brought home to the ones who loved them, buried with full military honors and by the wishes of their families. We now have the opportunity to continue and extend this stance to native Americans so that their ancestors can finally be put to rest.

This bill has the approval of the American Association of Museums, the Society of American Archeology, the Native American Rights Fund, the National Congress of American Indians, the Friends Committee, and the Association of American Indian Affairs to name a few.

I urge my colleagues to join me in supporting H.R. 5237, the Native American Grave Protection and Repatriation Act.

Mr. RHODES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in the interest of time this afternoon, the gentleman from Colorado [Mr. CAMPBELL] has very adequately explained the purposes behind the bill and the technical nature of the bill.

I would simply like to pay special tribute to the gentleman from Colorado [Mr. CAMPBELL] who has been among the leaders in this House to get this very noteworthy and very emotional issue resolved here in this Congress.

I would also like to pay special tribute to the Heard Museum in Phoenix, AZ, which in 1989 established a year long dialog among the archaelogical community, the museum community, and the native American community, which led to many of the agreements which are embodied in this bill. The museum deserves a lot of credit for getting this bill to the point where it is right now. I urge my colleagues to support it.

Mr. Speaker, I rise in support of H.R. 5237, the Native American Grave Protection and Repatriation Act. This bill is one of the most emotional and intricate bills that the committee has considered this year. It is a noteworthy bill because it represents a major policy statement by the Congress with regard to the treatment of native American human remains, funerary objects, sacred objects, and objects of cultural patrimony.

Congress took its first step toward establishing a comprehensive and uniform Federal policy on this subject with the enactment of Public Law 101-185, which authorized the National Museum of the American Indian under the Smithsonian Institution. In that bill, Congress established a process to repatriate native American human remains and funerary objects in the possession of the Smithsonian. H.R. 5237 would be an extension of the policy initiated in Public Law 101-185 by expanding coverage to other Federal agencies and to museums that receive Federal funds. In addition, H.R. 5137 would expand the scope of the policy to include native American sacred objects and objects of cultural patrimony.

There are many factors that make this bill ripe for action. First, during 1989 the Heard Museum in Phoenix sponsored a year-long diaglog between museum professionals and native Americans, specifically to address the need to respond to increasing tribal demands for repatriation of human remains and other objects in museum collections. The report of the dialog was presented to the committee as its hearing on H.R. 5237 and helped immensely to shape the policies contained in the bill. Through the dialog process, and perhaps for the first time ever, museum professionals and native Americans sat down face to face to express their feelings on the issue.

Second, Secretary of the Interior, Manuel Lujan, announced earlier this year the Department's efforts to improve and update internal policies regarding the treatment of native American grave sites and the items found therein. I understand that the Smithsonian Institution has embarked on a similar course. Third, there is an increasing number of State legislatures that have recognized the importance of this issue by enacting State laws to provide better protection of native American graves and grave goods.

Finally, and perhaps most importantly, it appears that the content of H.R. 5237 may represent a consensus among the constituency groups most affected by the policy reflected in the bill—museums, scientists, and native Americans. Each of the constituency groups has a legitimate viewpoint with regard to how native American human remains and cultural items are handled. It is my hope that this bill will encourage these groups to interact with one another respectfuly and amiably. By doing so, the disposition and treatment of native American human remains and cultural items can be achieved in a manner that reflects respect for the human rights of native Americans, and for the values of science and public education.

For all of these reasons, I support passage of H.R. 5237, and I urge my colleagues to do the same.

Mr. CAMPBELL of Colorado. Mr. Speaker, I yield 3 minutes to the gentlewoman from Illinois [Mrs. COLLINS].

Mrs. COLLINS. Mr. Speaker, I want to strongly commend my colleague from Colorado, Mr. CAMPBELL. He has worked long and hard to ensure the rights of native Americans and to bring long-overdue protection of Indian burial sites and artifacts. H.R. 5237 is a crucial first step in returning native American remains and artifacts to their descendants. And it is also critical to protecting tribal lands from further uninvited and unapproved excavations by the unscrupulous.

I share Mr. CAMPBELL's concerns. My Subcommittee on Government Activities and Transportation of the Government Operations Committee has been conducting an investigation into this country's cultural institutions' hiring practices and how they impact public policy regarding our many minority communities. What we found during more than 2 years of investigation is that African-Americans, Hispanics, Asian-Americans, and native Americans are conspicuously absent in most decisionmaking positions. Not surprisingly, the rich life, art, culture, and history of these groups have not been accurately and fairly reflected.

The executive director of the National Congress of American Indians, Ms. Suzan Shown Harjo, testified before my subcommittee more eloquently than I can express here today and I'd like to share her feelings with you.

We are, in our organization, quite concerned about the single face, which is white, which is presented by the Smithsonian to the world. . . . Throughout the Smithsonian, people of color are treated in demeaning and derogatory ways, which is, unfortunately, reflective of our society at large. White people have "history". The nonwhite people have "stories". White people have "religions". the nonwhite people have "myths" and "lore".

Ms. Harjo reminded us that in the Smithsonian, depictions of native Americans are "placed alongside the dinosaurs and the elephants. Our relatives' skulls and skeletons are displayed on the walls, primarily to illustrate misguided notions about our origins." Her remarks at the hearing, I believe, compellingly explain why underrepresentation of minorities in our cultural institutions has dramatic, long-term impacts on how we perceive each other and ourselves. Had native Americans been part of the institutional hierarchy or even consulted, it's unlikely that such policies would have been approved, much less continued.

As Ms. Horjo further testified:

If there were not racial imbalance in the Smithsonian and in American society, the American people would not permit the Smithsonian to keep 19,000 of our ancestors' remains in the Nation's attic.

I believe that the Smithsonian, under the leadership of Secretary Robert McCormick Adams, has made some strides in bringing more minorities to senior- and mid-level management positions. And I commend him for those efforts, for his personal commitment to the subcommittee to involve native Americans and Alaska Natives in plans for the new museum of the American Indian and to develop a more responsible repatriation policy.

Subsequent to the subcommittee hearings, several States have passed new laws protecting all burial sites; the Smithsonian has made important progress in hiring practices, programming and the return of Indian ancestral remains and artifacts; and in my home city of Chicago, the Field Museum of Natural History has revised its repatriation policy.

But I believe we must do more. H.R. 5237 is necessary to ensure the repatriation of hundreds of sacred objects to native American communities to reverse several hundreds years of abuses of a people, their lands and their very roots.

Countless remains and artifacts sit in collections, not in the hands of their descendants. Those collections too often are not used to build pride among native Americans and understanding among other ethnic groups. And those collectors do not prohibit wholesale grave-robbing.

H.R. 5237 first provides for the protection of Indian burial sites, Indian remains, and sacred or cultural artifacts on Federal and tribal land, and second, establishes criminal penalties for persons who knowingly profit from or sell any Indian remains or artifacts from Federal or tribal lands.

Mr. Speaker this is good, sound legislation and I urge my colleagues to support it.

Mr. CAMPBELL of Colorado. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, the legislation we are considering, H.R. 5237, the Native American Grave Protection and Repatriation Act, presents a delicate balance between two important and compelling interests.

This legislation will protect native American burial sites from exploitation and allow tribes to repatriate human remains and sacred ceremonial objects, which were improperly taken from their possession. The native American community sees this legislation fundamentally as an issue of human rights.

While there is a compelling need to address the exploitation and improper acquisition of Indian artifacts, this must be done in a manner which protects those museums and collectors who acquired ceremonial objects with the full consent of the native American or community of origin.

This consideration is of tremendous importance when one realizes that museums and collectors are responsible for enhancing our understanding and appreciation of our Nation's Indian heritage.

POINTS OF COMPROMISE

Considering the difficult issues at hand, this legislation does a remarkable job of incorporating the concerns of the native American community, the museums, the scientific community and collectors and dealers.

The several points on which key compromises were reached included:

The definition of sacred objects, cultural affiliation, and inalienable communal property;

The scope of individuals covered by the legislation;

Museum inventory requirements have been made more reasonable;

Burden of proof requirements have been placed on the tribes requesting repatriation rather than on museums; and

The composition of the review committee has been adjusted to include balanced representation of all groups affected by the measure.

Mr. Speaker, this measure embodies several delicate compromises. The Chairman of the Interior Committee is to be commended for allowing the full participation of all groups which will be affected.

SUMMARY OF INCORPORATION OF ANTIQUE TRIBAL ARTS DEALERS ASSOCATION SUGGESTIONS FOR H.R. 5237

DEFINITION OF "CULTURAL AFFILIATION"

ATADA suggested that the act include a definition which incorporated anthropological and archeological criteria.

The final definition stipulates that the definition shall be based on "relationship of shared group identity which can be reasonably traced historically or prehistorically between a present day Indian tribe or native Hawaiian organization and an identifiable earlier group."

DEFINITION OF "INALIENABLE COMMUNAL PROPERTY"

ATADA suggested two changes: (1) that the object be of "ongoing" cultural or religious importance, and (2) that language stipulate that the object must be deemed inalienable at the time it expatriation.

Both suggestions are incorporated in the bill's final language.

DEFINITION OF "MUSEUM"

ATADA was concerned that the broad definition of museum could possibly include private individuals who receive Federal grants or payments such as social security. This would have included many collectors and dealers in the scope of the bill.

The definition of museum was narrowed to include only "institutions of state or local government agencies."

DEFINITION OF "SACRED OBJECT"

ATADA was concerned that the definition of "sacred object" was so broad as to be unworkable. The ATADA suggested that the definition should stipulate that the object need be "irreplaceable" and "necessary for the continued practice" of tribal religions.

The final version of H.R. 5237 incorporates the latter suggestion regarding necessity for continued practice in the definition of sacred objects. The word "irreplaceable" was not included in the definition due to

native American objections that courts should not determine what is intrinsically necessary for the practice of a religion.

MUSEUM INVENTORY REQUIREMENTS

ATADA expressed concern that the bill's original inventory requirements would pose enormous financial and bureaucratic burdens on museums.

The bill includes specific simplified inventory requirements and authorizes a Federal grant program to assist museums in their inventory activities. The Association of American Museums [AAM] has agreed to the new provisions and the ATADA has concurred.

BURDEN OF PROOF REQUIREMENT

ATADA's strongest objections arose from provisions of the original bill which would have placed the burden of proving ownership of objects in museum collections. This objection was echoed by the AAM.

The revised measure makes substantial changes in this section of the bill. Burden of proof is shifted from the museums to the tribes or native American individuals hoping to repatriate objects. Specifically, the act stipulates that: the requesting party be a direct, lineal descendant of an individual who owned the object; the requesting tribe or organization can demonstrate the tribe or organization owned the object; and, show that the object was owned by a member of the requesting tribe or organization and that there are no identifiable lineal descendants of the said member or they have failed to make a claim.

These revisions shift burden of proof to the native American or Hawaiian groups. The new language was arrived at with the cooperation of the AAM.

COMPOSITION OF THE REVIEW COMMITTEE

ATADA raised concerns that representation of the review committee established by the act was weighted in favor of native American groups. AAM raised similar objections.

The revised act stipulates that of the seven board members, three are to be appointed from a list provided by native American groups and three from a list provided by museum and scientific organizations. The final board member would be appointed from a list developed by those appointed from the first two lists.

This compromise was supported by ATADA and AAM.

OTHER PROVISIONS ADDRESSING ATADA CONCERNS

The final bill includes a provision stipulating that the act shall not supersede right of possession properly established under State property laws.

Funerary objects have been divided into "associated" and "unassociated" funerary objects, providing greater specificity to the objects covered in the bill.

Mr. BENNETT. Mr. Speaker, I rise in support of H.R. 5237, to protect Native American artifacts, burial sites and funerary objects. I am deeply interested in this issue and was one of the first to introduce legislation to provide for the Federal protection of burial sites and mandate the return of sacred objects to the proper Indian tribes.

As a nation, we have failed to respect the burial sites of native Americans and have virtually turned our backs on the pillaging and theft of Indian remains and sacred objects. I support H.R. 5237 because it thoughtfully begins to resolve what I consider to be a national tragedy. Unfortunately, in my opinion the bill does not go far enough, as it only protects remains on Federal lands and in federally funded agencies and museums. While this is a good start, I would hope that Congress will soon consider legislation similar to what I introduced earlier in the session to protect native American remains on all lands.

In fact, it was the pillaging of a private burial site that made me interested in this issue. A March 1989, National Geographic magazine article titled, "Who Owns Our Past?" told of the desecration of over 650 native American graves on the Slack farm in Kentucky. Graves were unearthed, funerary objects sold and bones of the dead were left strewn about the farm. I am outraged by this immoral and indecent treatment of the dead and am committed to reversing this tragedy.

More than 20 States, including my home State of Florida, have enacted legislation to accord all human burials and skeletal remains equal treatment and respect without regard to ethnic origin, cultural background or religious affiliation. However, these laws are insufficient to protect native American burial sites nationwide. It is time for Congress to act on behalf of those who have been wronged for too long. I urge all Members to support H.R. 5237, but also be willing to support the protection of native American remains and sacred objects on private lands as well.

Mrs. MINK. Mr. Speaker, I rise today in support of H.R. 5237, the Native American Grave Protection and Repatriation Act of 1990. Native Americans, including native Hawaiians, have long been deprived of many of the cultural artifacts, sacred objects and even human remains of their ancestors that lay in the basements and storage rooms of museums across this country. This bill would serve to correct this injustice and assure that native American and Hawaiiian burial sites will be protected in the future.

The legislation provides for the return of native American and Hawaiian remains, associated burial objects, and other sacred or cultural artifacts currently held by Federal agencies or museums which receive Federal funds. These organizations would be required to inventory such objects and contact the appropriate tribe or native Hawaiian organization to negotiate the return of those items. For future protection of these cultural objects, the bill establishes a process under which those seeking to excavate such items must first obtain a permit pursuant to the Archeological Resource Protection Act. The bill also provides Federal grants to assist tribes and Hawaiian organizations in the repatriation of these objects.

Preserving native American and Hawaiian culture is in the interest of all Americans, for these unique cultures are a part of the history and heritage of our Nation. Mr. Speaker my State has long sought to preserve the unique culture of the Hawaiian people and this bill will help us to pursue this goal. Last year the Hawaii State Legislature passed a bill to protect burial sites on State and private lands. H.R. 5237 would extend similar procedures to Federal lands as well.

I commend the work of Chairman UDALL and the House Interior and Insular Affair Committee in tackling this sensitive and difficult issue. I must also recognize the hard work and dedication of my colleague from Hawaii, Senator DANIEL K. INOUYE, who has spent many years trying to resolve this issue. I think their solution is equitable. It respects the remains of the native Americans yet continues to allow our cultural institutions to study the rich heritage and culture of this group of people. I urge the House to join me in supporting this bill.

Mr. BENNETT. Mr. Speaker, I rise in support of S. 555, the De Soto Expedition Trail Commission Act. This bill would encourage and direct research of Hernando De Soto's 16th century exploration of the southeastern United States. Knowledge gained as a result of the expedition contributed significantly to the subsequent exploration and colonization of the region. The chronicles of this expedition provide a rare description of the native societies present in the New World at the time.

Additional research of De Soto's expedition will enhance the public's awareness of the early historic period of the southeastern United States. A number of southern States have already initiated studies of De Soto's march and coordination of these studies at the Federal level will help to identify expedition sites and determine the exact route De Soto traveled.

Although this bill no longer includes a commemorative highway route through the 10 States that De Soto traveled, it is important to recognize that such a designation would be an excellent way to inform and educate the public of this historic route. Florida and Alabama have already designated State highways in this manner. It is my hope that, following additional research, Congress can establish a commemorative highway through all 10 States, thereby further enhancing the public's knowledge of De Soto's expedition.

In 1993, we will celebrate the 450th anniversary of the De Soto expedition. Passage of the De Soto Expedition Trail Commission Act would be a fitting tribute to the first major European exploration of the southeastern United States.

Mr. UDALL. Mr. Speaker, I urge my colleagues to join me today in supporting the Native American Grave Protection and Repatriation Act, H.R. 5237.

I introduced this legislation because I feel it does not simply address the return of native American remains to their rightful resting place, or the matter of the protection of Indian graves in the future. It goes far beyond that. It addresses our civility, and our common decency.

We all are familiar with the story of the settling of the American West. Like most upheavals throughout history, that story is filled with heroics and sacrifice and challenge. It is also filled with tragedy and sadness, and this legislation, I think, finally brings an end to one chapter of the story that has extended into the 20th century.

For decades, the skeletal remains of American Indians were removed from their burial sites, studied, cataloged, and relegated to the bins of museums and science. This legislation is about respecting the rights of the dead, the right to an undisturbed resting place. It is a good bill, and long overdue.

The Heard Museum in Phoenix deserves praise for that institution's leadership in getting this issue and this bill before the Con-

gress. This distinguished and renowned facility opened a year-long discussion in 1989 that brought all sides of the issue together. Out of that historic session came some basic agreements between Indian tribes, museums, archaeologists, anthropologists and others that became this bill's groundwork.

What we are saying to American Indians today, Mr. Speaker, is simply that your ancestors and their burial grounds are sacred, and will remain so.

In the larger scope of history, this is a very small thing.

In the smaller scope of conscience, it may be the biggest thing we have ever done.

Mr. RHODES. Mr. Speaker, I yield back the balance of my time.

Mr. CAMPBELL. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado [Mr. CAMPBELL] that the House suspend the rules and pass the bill, H.R. 5237, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

WAIVING CERTAIN REQUIREMENTS OF RULES OF THE HOUSE AGAINST CONSIDERATION OF CERTAIN RESOLUTIONS, CONFERENCE REPORTS, AMENDMENTS, AND MOTIONS

The SPEAKER pro tempore. The pending business is the question of agreeing to the resolution, House Resolution 517.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the resolution, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 238, nays 168, not voting 27, as follows:

[Roll No. 502]

YEAS—238

Ackerman	Bustamante	Dorgan (ND)
Anderson	Byron	Downey
Andrews	Campbell (CO)	Durbin
Annunzio	Cardin	Dwyer
Anthony	Carper	Dymally
Applegate	Carr	Dyson
Aspin	Chapman	Early
Atkins	Clarke	Eckart
AuCoin	Clay	Edwards (CA)
Barnard	Clement	Engel
Bates	Coleman (TX)	English
Beilenson	Collins	Erdreich
Bennett	Condit	Espy
Berman	Conyers	Evans
Bevill	Cooper	Fascell
Bilbray	Costello	Fazio
Boggs	Coyne	Feighan
Bonior	Darden	Flake
Borski	de la Garza	Flippo
Bosco	DeFazio	Foglietta
Boucher	Dellums	Ford (TN)
Boxer	Derrick	Frank
Browder	Dicks	Frost
Brown (CA)	Dingell	Gaydos
Bruce	Dixon	Gejdenson
Bryant	Donnelly	Gephardt
Geren	Matsui	Russo
Gibbons	Mavroules	Sabo
Glickman	Mazzoli	Sangmeister
Gonzalez	McCloskey	Sarpalius
Gordon	McCurdy	Sawyer
Guarini	McDermott	Scheuer
Hall (OH)	McHugh	Schroeder
Hall (TX)	McMillen (MD)	Schumer
Hamilton	McNulty	Serrano
Harris	Mfume	Sharp
Hatcher	Miller (CA)	Sikorski
Hayes (IL)	Mineta	Sisisky
Hayes (LA)	Mink	Skaggs
Hefner	Moakley	Skelton
Hertel	Mollohan	Slattery
Hoagland	Montgomery	Slaughter (NY)
Hochbrueckner	Moody	Smith (FL)
Horton	Mrazek	Smith (IA)
Hoyer	Murphy	Solarz
Hubbard	Murtha	Spratt
Huckaby	Nagle	Staggers
Hughes	Natcher	Stallings
Hutto	Neal (MA)	Stark
Jacobs	Nelson	Stenholm
Jenkins	Nowak	Studds
Johnson (SD)	Oakar	Swift
Johnston	Oberstar	Synar
Jones (GA)	Obey	Tallon
Jones (NC)	Olin	Tanner
Jontz	Ortiz	Tauzin
Kanjorski	Owens (NY)	Taylor
Kaptur	Owens (UT)	Thomas (GA)
Kastenmeier	Pallone	Torres
Kennelly	Panetta	Traficant
Kildee	Parker	Traxler
Kleczka	Patterson	Udall
Kolter	Payne (NJ)	Unsoeld
Kostmayer	Payne (VA)	Valentine
Lancaster	Penny	Vento
Lantos	Perkins	Visclosky
Laughlin	Pickett	Volkmer
Lehman (CA)	Pickle	Walgren
Lehman (FL)	Poshard	Washington
Levin (MI)	Price	Waxman
Levine (CA)	Quillen	Weiss
Lewis (GA)	Rahall	Wheat
Lipinski	Rangel	Whitten
Lloyd	Ray	Williams
Long	Richardson	Wilson
Lowey (NY)	Roe	Wolpe
Luken, Thomas	Rose	Wyden
Manton	Rostenkowski	Yates
Markey	Rowland (GA)	
Martinez	Roybal	

NAYS—168

Archer	Emerson	Leach (IA)
Armey	Fawell	Lent
Baker	Fields	Lewis (CA)
Ballenger	Fish	Lewis (FL)
Bartlett	Frenzel	Lightfoot
Barton	Gallegly	Livingston
Bateman	Gallo	Lowery (CA)
Bentley	Gekas	Lukens, Donald
Bereuter	Gillmor	Machtley
Bilirakis	Gilman	Madigan
Bliley	Gingrich	Marlenee
Boehlert	Goodling	Martin (NY)
Broomfield	Goss	McCandless
Brown (CO)	Gradison	McCollum
Buechner	Grandy	McCrery
Bunning	Grant	McDade
Burton	Green	McEwen
Callahan	Gunderson	McGrath
Campbell (CA)	Hammerschmidt	McMillan (NC)
Chandler	Hancock	Meyers
Clinger	Hansen	Michel
Coble	Hastert	Miller (OH)
Coleman (MO)	Hefley	Miller (WA)
Combest	Henry	Molinari
Conte	Herger	Moorhead
Coughlin	Hiler	Morella
Courter	Holloway	Morrison (WA)
Cox	Hopkins	Myers
Craig	Houghton	Nielson
Dannemeyer	Hunter	Oxley
Davis	Hyde	Packard
DeLay	Inhofe	Parris
DeWine	Ireland	Pashayan
Dickinson	James	Paxon
Dornan (CA)	Johnson (CT)	Petri
Douglas	Kasich	Porter
Dreier	Kolbe	Pursell
Duncan	Kyl	Ravenel
Edwards (OK)	Lagomarsino	Rhodes
Rinaldo	Shumway	Stearns
Ritter	Shuster	Stump
Roberts	Skeen	Sundquist
Robinson	Slaughter (VA)	Tauke
Rogers	Smith (NE)	Thomas (CA)
Rohrabacher	Smith (NJ)	Thomas (WY)
Ros-Lehtinen	Smith (TX)	Upton
Roth	Smith (VT)	Vander Jagt
Roukema	Smith, Denny (OR)	Vucanovich
Saiki	Smith, Robert (NH)	Walker
Saxton	Smith, Robert (OR)	Walsh
Schaefer	Snowe	Weber
Schiff	Solomon	Weldon
Schneider	Spence	Whittaker
Schulze	Stangeland	Wolf
Sensenbrenner		Wylie
Shaw		Young (AK)
Shays		Young (FL)

NOT VOTING—27

Alexander	LaFalce	Rowland (CT)
Brennan	Leath (TX)	Savage
Brooks	Martin (IL)	Schuette
Crane	Morrison (CT)	Stokes
Crockett	Neal (NC)	Torricelli
Ford (MI)	Pease	Towns
Gray	Pelosi	Watkins
Hawkins	Regula	Wise
Kennedy	Ridge	Yatron

□ 1241

The Clerk announced the following pairs:

On this vote:

Mr. Pease for, with Mr. Crane against.

Mr. Morrison of Connecticut for, with Mrs. Martin of Illinois against.

Mr. DEFAZIO changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3484

Mr. MOODY. Mr. Speaker, I ask unanimous consent to have my name removed from cosponsorship of H.R. 3484.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 3069. An act to amend the Job Training Partnership Act to establish an employment training program for displaced homemakers, and for other purposes; and

H.R. 5275. An act to amend the Congressional Award Act to temporarily extend the Congressional Award Board, and to otherwise revise such act.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 5311) "An act making appropriations for the government of the District of Columbia and

other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1991, and for other purposes," and agrees to the further conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ADAMS, Mr. FOWLER, Mr. KERREY, Mr. BYRD, Mr. GRAMM, Mr. DOMENICI, and Mr. HATFIELD to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 198) entitled "An act to amend title 17, United States Code, the Copyright Act to protect certain computer programs" with an amendment.

The message also announced that Mr. BYRD and Mr. HATFIELD, be appointed conferees, on the part of the Senate, on the bill (H.R. 5835) "An act to provide for reconciliation pursuant to section 4 of the concurrent resolution on the budget for fiscal year 1991" for purposes of budget process reform and appropriations matters.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3045) "Concurrent resolution to amend chapters 5 and 9 of title 17, United States Code, to clarify that States, instrumentalities of States, and officers and employees of States acting in their official capacity, are subject to suit in Federal court by any person for infringement of copyright and infringement of exclusive rights in mask works, and that all the remedies can be obtained in such suit that can be obtained in a suit against a private person or against other public entities."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5019) "An act making appropriations for energy and water development for the fiscal year ending September 30, 1991, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 1, 9, 11, 14, 15, 31, 35, 46, 49, 50, 51, 52, 53, 54, 57, 58, 59, 64, 70, and 71 to the above-entitled bill.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1957. An act to provide for the efficient and cost effective acquisition of nondevelopmental items for Federal agencies, and for other purposes;

S. 2056. An act to amend title XIX of the Public Health Service Act to provide grants to States to establish and implement State health objectives plans, and for other purposes;

S. 3225. An act to amend the State Department Basic Authorities Act of 1956 to provide for publication of a thorough, accurate, and reliable documentary record of major United States foreign policy activities through the "Foreign Relations of the United States" historical series of the Department of State;

S.J. Res. 329. Joint resolution to designate the week of November 3, 1990, through November 10, 1990, as "National Week to Commemorate the Victims of The Famine in the Ukraine, 1932-1933", and to commemorate the Ukrainian famine of 1932-1933 and the policies of Russification to suppress Ukrainian identity; and

S.J. Res. 380. Joint resolution to designate February 14, 1991, as "Flag Wavers Day."

MOTION TO INSTRUCT CONFEREES ON H.R. 5400, CAMPAIGN COST REDUCTION AND REFORM ACT OF 1990

Mr. THOMAS of California. Mr. Speaker, I offer a privileged motion to instruct conferees on the bill (H.R. 5400) to amend the Federal Election Campaign Act of 1971 and certain related laws to clarify such provisions with respect to Federal elections to reduce costs in House of Representatives elections, and for other purposes.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. THOMAS of California moves that the managers on the part of the House, at the conference on the disagreeing votes of the two Houses on the bill H.R. 5400 be instructed to agree to Section 105 of the House passed bill.

The SPEAKER pro tempore. The gentleman from California [Mr. THOMAS] will be recognized for 30 minutes and the gentleman from Washington [Mr. SWIFT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. THOMAS].

Mr. THOMAS of California. Mr. Speaker, back in early August we carried on a debate which I think is of some significance to the American electorate over campaign finance, as to whether or not the proposal of the Democrats was to prevail or those provisions in the Republican proposal were to prevail. The same debate was carried on over in the Senate, previous to the early August debate in the House.

The early August debate resulted, not unexpectedly, in virtually a party rollcall vote in support of the Democratic proposal known as H.R. 5400.

On the Senate side, as is usually the case, it was a bit more of a mixing bag in terms of who supported and who did not, but the Senate bill, S. 137, was passed by the Senate.

The obvious result of the House and the Senate passing legislation in the same area, but of differing content, creates a conference committee opportunity. Members of the House were duly appointed, more than a month later, in September, to what was going to be the campaign finance conference committee between the House and the Senate to either try to reconcile the differences between the two bills or, as is sometimes the case, new proposals introduced in the conference in the conference brought back to the House and the Senate to see if they would gain acceptance.

Last Friday in the Washington Post was an article in which Senator DAVID BOREN was quoted:

It's over, said Senator David L. Boren, Democrat of Oklahoma, chief sponsor of the Senate version of the bill, referring to prospects of reaching a House-Senate compromise acceptable to President Bush before the 101st Congress adjourns, presumably within a week.

The interesting part about that statement is that the President had his own campaign finance proposal. It is pretty clear what was acceptable to President Bush.

What was really said here was that the Democrat Senate and the Democrat House plans were unacceptable to the President. But I think that is not the whole story. I think one of the things that needs to be told today is that the Senate plan is not acceptable to the House Democrats, and the House Democrat plan is not acceptable to the Senate Democrats. The conflicts are far more than the legislative versus the executive branch.

In fact, that newspaper report of last Friday goes on to say,

Moreover, once they had gone on record for "reform in House and Senate votes" many lawmakers appeared to be in no hurry to push for enactment of restrictions on the fundraising advantages they enjoy as incumbents.

Mr. Speaker, I would hope that the real differences between the House and the Senate were substantive ones, and not the fact that once the House had gone on record for reform and once the Senate had gone on record for reform, that there was no real drive to come together to produce real reform in the area of campaign finance legislation. Because not only in the House and the Senate was the clash over the overriding architecture of the package. For example, the Democrats, had their package prevailed, had campaign financing out of the Treasury of the United States. Some of it was subsides of a second-hand nature, but it was basically that fundamental question of whether the taxpayers were going to begin to finance campaigns, or whether another method was going to be introduced.

The Republican proposal contained provisions which we thought were relatively revolutionary and had not been examined for some time. The key concept of the Republican campaign finance reform package was that a candidate was to be required to get a ma-

jority of their funds from the people who actually lived in the district that they sought to represent.

Now, I know that is fairly revolutionary, the idea that incumbents and candidates alike would have go back home and ask that people in the district to give them a contribution, because if you did not get the contribution from the people in the district, you could not receive one from outside the district.

We thought that the concept of local control of campaign finance was a worthy one, not only because it would put the person who was in the voting roll back in the central picture of financing, and we thought the voting precincts ought to bring the finance precincts back home, but more importantly, that single change we thought would produce a significant number of changes within the system.

For example, today political action committees are more often centralized check-collecting operations. That is members send their checks to a central operation, more and more an executive secretary here in Washington, and that executive secretary would give the money to the candidate.

□ 1250

We have seen more and more frequently the candidate that got that special interest PAC money that was concentrated in Washington was the incumbent. After all, incumbents win 98 percent of the time. Why take a flyer on someone who does not have as high a chance for getting back in?

What we thought was if you had to get a dollar from the district that the people who were writing the checks, sending them to Washington, and then their executive secretaries giving them to the candidate who came back home to spend it, it would be a whole lot better for the process if the individual at home gave the contribution directly to the candidate. I know that sounds pretty simplified, but I think some people were afraid that if they saw who the candidate was who got the money, the individual may not be making the contribution. But I think they have a right to determine where their money ought to go on a one-to-one basis.

So what we thought might happen was that the political action committee, instead of centralized check collecting operations, could possibly become a decentralized information disseminating operation, and instead of sending checks to the candidate they would send information to the people who belonged to the political action committee back home, and then those people would decide whether or not they wanted to make a contribution to that candidate.

There is no question that if that occurred the percentage going to incumbents would go down. By how much? We were not sure. But clearly that was to be a partial cleansing process.

But the fundamental purpose of moving away from Treasury-financed campaigns and letting the people in the district determine how much money should be spent in a campaign was that it provided a process of controlling the increasing expenses in campaigns without an arbitrary or an artificial amount placed as to how much you can spend.

One of the sure things, besides too much money being spent in campaigns, is that the 435 congressional districts are different. Some congressional districts represent an entire State and others just a few blocks in an urban area, significant differences in the makeup of congressional districts, significant differences in the makeup of the need for campaigns. In some campaigns television is absolutely paramount. In others, you could not afford television in a major metropolitan area, so you went to the mail. Yet in others, the small communities, it is the one-to-one contact, the old-fashioned kind of campaign, that is still the one being carried on.

But given the diverse congressional districts across the United States, the Democrats' proposal was an arbitrary, flat, fixed amount for every district whether you needed that amount or not, whether it was not enough or not, it was an arbitrary, fixed amount which seemed to us fairly arbitrary on this side of the aisle. And another advantage of the local control proposal was that the amount that could be spent in the district would depend upon the people in the district. They could control the amount that would be spent, more or less, and it depends on whether or not people wanted to give money or not.

But even more fundamental than that, why in the world are candidates collecting all of that money in the first place? Money itself is not the end in the political races. It is the votes of the electorate that determine who wins.

I know all of the information that has been printed that says the more money you get, the better chance you get for election. I understand that. But the end is the votes.

Today's currency is more and more money so that you can buy the votes. But historically that was not always so. Then it is our very strong belief that if you make people go back to the district, it is not necessarily the $1,000 contribution that becomes really important, as important as it is today, because with that $1,000 contribution only comes one vote. It is the fact that the $5 or $10 contribution that really adds up to votes, that the person who has the $50, the $25, the $10 or $5 to contribute then becomes important once again, because without that $5, or that $10, or that $25 contribution you cannot take the money from Washington or the money from the political action committee.

So they are the ones who drive how much can be spent in the election. They are the ones who determine the overall amount. But more imortantly, they are the ones that the candidate begins to focus on again, because if you go around, and I have heard my colleagues say my gosh, we are going to be spending all of that time trying to raise money. What do you think we do now, except it is not in the districts, it is in Los Angeles, it is in New York, it is in Dallas. It is not in the district.

So a similar benefit will be you will be trying to raise money in your own district, you will be talking to people in your district, you will be asking for support from people in your district who have the chance to vote. And in the process of collecting those dollars you also do something else. You meet people, and you ask them for the vote.

Do you know what happens to the cost of campaigns when you have already made that many face-to-face contacts, not with somebody in New York, or Texas, but someone, for example, in my district in California: You have created that relationship, you have created the bond, you have got the vote. You do not need as much money to campaign as you do today when you use television to try to contact people and buy their votes.

So we thought local control was a good idea. It was a new idea. It was an attempt to move away from the only other arguments we have ever heard to control campaign funds. It seemed to us that this was a reasonable alternative to the only other suggestion, and that was an arbitrary, fixed amount with funds from the Treasury to run political campaigns. Of course, we lost that battle and so that is what the House position is on H.R. 5400.

I offered last time, on September 26, the motion to instruct. The two provisions in that motion to instruct I had taken from the Senate bill. One of them was to require disclosure of franking. That was not in the House campaign finance bill. It was in the Senate bill.

The other position was to curb political action committees down from the $5,000 to $1,000 for those nonaligned ideological PAC's.

I do not need to offer the franking disclosure provision as a motion to instruct, because yesterday on this floor in the legislative appropriation was, lo and behold, a joint Democrat- and Republican-sponsored franking disclosure provision. So we have accomplished our aims through the legislative appropriation method rather than through the campaign finance reform provision of the Senate bill. So I have no need to offer that as a motion to instruct today.

Today's motion to instruct, in an attempt to find some position in which my colleagues on the majority side can agree, it comes wholly from H.R. 5400. Once again, in the Republican package our position was different than that of the Democrats on the question of leadership political action committees and Members making contributions out of their funds to other Members or candidates. The Republican position was that not only to ban leadership political action committees headed by Members which ask outside groups to provide money so that they can dole it out to other incumbents or candidates, but the Republican provision went one step further and said no money could move between political candidates' committees. That candidate could have one principal campaign committee, and that principal campaign committee could not contribute to another principal campaign committee. Or another way of saying it is no horizontal movement of money. People give to candidates, candidates spend it on their election. They do not give it to other candidates after it has been given to them. That was the Republican position. That was defeated.

The position that the Democrats have is that they wanted to ban leadership PAC's. The principal campaign committee of a Member under the Democrat proposal could still give to another candidate or another incumbent, and that amount would be $1,000. But the Democrat provision, section 105, was to eliminate leadership PAC's.

I want to spend a minute or two in talking about that provision.

□ 1300

In the seminal work on that question. "The New Fat Cats, Members of Congress' Political Benefactors," by Ross K. Baker, he indicates that there are only about 50 to 60 leadership PAC's, but the amount they have been contributing has grown significantly in the last few years.

This chart will give the Members an indication just since 1978 the growth in leadership PAC's. The most recent data in the book, "The New Fat Cats, Members' Political Benefactors," was 1986, We do not have 1988 data, but I can assure the Members it is larger in terms of total dollar amounts than the 1986 amount, but you can see the significant and rapid growth.

More importantly, when you look at the kinds of leadership PAC's that have been created, just to give you a flavor, sometime the name of a PAC is also a lot of fun as it attempts to sescribe what it is striving to accomplish with its contributions to other political candidates, some of them your colleageus: Senator CRANSTON in the other body has a leadershp PAC called Committee for a Democratic Consenus that contributed $216,000 over the 1987-88 cycle. Senator BOB DOLE, the minority leader, has a Campaign America, and that was $313,000 over the 1987-88 campaign cycle. Speaker of the House TOM FOLEY has the House Leadership Fund, an appropriate name, $134,000. The majority leader, the gentleman from Missouri [Mr. GEPHARDT], has the Effective Government Fund. The gentleman from Georgia [Mr. GINGRICH], the Republican whip, has the Conservation Opportunities Society PAC. Interestingly, the majority whip has the Committee for Democratic Opportunity. So there are some value-laden words that both sides try to hang onto such as "opportunity."

As we go through the list, interestingly enough, JIM WRIGHT had a Majority Congressional Committee to Fund New Leadership, which probably was more effective than he thought it was going to be, and spent $447,000 in the 1987-88 cycle.

The question is whether or not these kinds of leadership PAC's should be allowed to continue, and what is the probability of their increasing in the future.

My colleague, whom I do not see on the floor at this time, but someone who for years has been outspoken on the question of campaign financing, our colleague, the gentleman from Wisconsin [Mr. OBEY], and interestingly enough, as I read through this list, there is, in fact, a leadership PAC sponsored by our colleague, the gentleman from Wisconsin [Mr. OBEY], Committee for a Progressive Congress, and if you would ask our colleague, the gentleman from Wisconsin [Mr. OBEY], why such a PAC was created by him, the answer is in the "New Fat Cats, Members of Congress, Political Benefactors"; when asked that very question, for example,

David Obey, a Member of Congress from Wisconsin and a longtime critic of leadership PAC's, formed his own PAC, the Committee for a Progressive Congress, in 1985. Asked about this change of heart, Obey said. "You can't play touch while the other guy is playing tackle football."

It seems to me that one thing you can do if the other fellow is playing tackle football and you are playing touch is not necessarily to join them. But, instead of joining them, by more and more people forming leadership PAC's, what we ought to do is instruct conferees that this is one of the key areas that we want to make sure this conference, if it ever meets, bans, and so my motion to instruct is part of H.R. 5400 to underline the importance of getting rid of leaderhip PAC's, hopefully leading to the prohibition that Member's principal committees could move money horizontally to other Members' principal committee, but, more importantly, it is to remind my colleagues that we spent a better part of a year and a very, very long difficult session on the floor of this House attempting to put together some campaign finance legislation which now has been blithely dismissed before we even meet once in conference to try to find some kind of common ground.

What kind of operation are we running around here where, by fiat, conferences are called off in the newspapers rather than by the people who are supposed to make up the conference itself?

Mr. Speaker, I am asking my colleagues to support this motion to instruct, first, to underline the importance of getting rid of leadership PAC's, and, second to remind everyone that we voted on, we passed, and we created a conference on campaign finance reform, and it is time they meet.

Mr. Speaker, I reserve the balance of my time.

Mr. SWIFT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I, too, read the statement to which the gentleman from California has referred in the newspaper. I have no idea whether the remarks by the gentleman from the other body, the gentleman from Oklahoma, were authorized or not. They were certainly unilateral.

In that sense, I can understand the concern of my colleague, the gentleman from California [Mr. THOMAS], and can share that frustration. However, I think it is also useful to note that moving ahead in the conference faces two problems.

Both the House- and Senate-passed provisions deal with, as their central focus, the central focus of the proposals in both Houses is spending caps. Because the two institutions are different, those spending caps are formulated differently, Senators representing full States, and the States varying in size greatly, and House Members representing districts of equal size; we have formulated them differently. But in both instances, the view of the Democrats in the other body, the view of the Democrats in this House, and some Republicans in the two Houses, is that what we have to do as the first step in trying to deal with this whole question of the money chase is to put a cap on how much we spend.

The problem with that, in terms of getting law established, is that the President has announced he will veto any campaign finance spending provisions which contain spending caps. That is unfortunate.

It is a strongly held view on our side of the aisle that the basic problem that we are facing in terms of campaign finance is we are all spending too much time chasing too many dollars to feed the coffers that we need to feed in order to be able to spend the kind of money that modern campaigns have evolved into.

It is interesting to note that if you take the spending limit that Congress passed way back when it established public financing for Presidential campaigns, created PAC's and so forth, at that time it adopted a spending limit in congressional campaigns. That limit was subsequently thrown out by the Supreme Court, but if you took the limit at that time and you multiplied it for inflation today, that limit would be $275,000.

The House-passed bill provides almost twice that, in fact, exactly twice that, $550,000. There were some, and Common Cause won one of them, who thought it should be $600,000.

What has happened between those times when Congress believed it could live with the equivalent of $275,000 and now?

I had some trouble, frankly, on my own side, getting this down to $550,000. What has happened in the interim is we have mechanized, we have high-teched our campaigns. We used to doorbell. Today you direct mail.

One of the things a campaign used to measure was whether you had a sense in the back of your neck about what the anxieties and the aspirations of your people were. Campaigns used to measure, in fact, your political instincts.

We now hire pollsters, at considerable amounts of money, to explain all of that to us. We used to have talented amateurs who would run our campaigns, and now we hire hired guns, and all of this has escalated the amount of money many of us think we need to run a really good campaign.

I am in a minority in this institution, I believe, in believing that the spending cap should be substantially lower than what we passed, but, nevertheless, the underlying point is that spending caps of some sort, to stop the million-dollar campaigns, to stop the incredible continued escalation way above and beyond the inflation rates that we have seen in the last 15 to 20 years in this country.

□ 1310

The provisions in both the Senate-passed bill and the House-passed bill address that issue. It is the President who has said he will veto any proposal sent to him that contains spending caps. In short, he will veto the centerpiece of the proposals that the two Houses have offered.

There is one other problem, one that is our impediment to moving ahead, and that is that the gentleman from California, I think, makes a good point, that there are some of these things we ought to be able to move ahead with, but there are those who absolutely resist and have resisted for nearly two decades what we call the incremental approach, making some improvements. There are those in the so-called public and community who will denounce and, in fact, I have been threatened with being denounced for even suggesting that we take up improvements in the campaign reform method that we had because it was not perceived to have been the totality of what this particular individual thought we should do.

So much of what we get done around this place that is good for the American public takes a long time to accomplish because it is accomplished a step at a time. What the gentleman from California is proposing in this particular instruction is something that we support on this side. It is in our bill, and it was initially a Democratic proposal. The fact is that a conference that had tried to come up with this kind of approach would be opposed, I am sure, by Common Cause, by Congress Watch, and any number of citizen groups which have said, "No, you cannot improve, you must make perfect." It is a classic sense of the best driving out the better.

I think that now, here at the end of a very difficult and controversial session in which we are wrestling with desperate problems of the budget, that now here is probably the best time in which to do this, but I do believe that the Congress, Republicans and Democrats alike, the House and the other body alike, need to ask themselves the question whether they are going to let these external forces continue to prevent this body from achieving those improvements which we can achieve, because clearly there is deep disagreement between the two parties on some of the larger provisions. Republicans generally do not support spending caps; Democrats, generally, find that the key to the solution.

We are not, in divided government, likely to reach agreement on that, but there is a whole list of things on which agreement can be done, and the gentleman from California is, among other things, trying to highlight that fact, as well.

As to the specific issue, leadership PAC's, our side of the aisle is in favor banning leadership PAC's. Our leadership opposes leadership PAC's. We are delighted to move ahead on this front, if we can get general agreement in some form. Again, I suspect, due to the factors that I have indicated already, that that is unfortunately not likely to occur in this session of Congress, but it is an idea whose time has come, and it is an idea to which we will return.

So I indicate at this point that I think we have severe problems in trying to move campaign finance reform legislation into law this year. The President being one of the primary stumbling blocks, and those who will not let any improvement because it is not perfection will denounce and oppose those efforts, but that on a specific issue that the gentleman from California is bringing to the floor as an instruction to the conferees, we do not oppose that.

Mr. THOMAS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. BUECHNER], who would have been a member of the conference committee.

Mr. BUECHNER. Mr. Speaker, I was disheartened by the words of the gentleman from Washington, who I know has labored long and hard on this Holy Grail of campiagn reform. Unfortunately, it does seem that is what we are; we are a group of knights. At least that is the way we would probably like to picture ourselves, charging about the countryside to find this elusive Holy Grail. Unfortunately, instead of finding this wonderful chalice of goodness, we keep finding cups of political poison.

They are, in reality, what is causing the problem. We on both sides, and in both Houses, speak a lot about reforming the process, but when we get right down to it, we do not change the process. We are not sure how to do it. It is very similar to what is going on with the budget. We are talking a lot about it, and there is a lot of partisan rancor up there, and the final analysis is that the majority party does not really want to upset the status quo a whole lot. It is quite understandable. There are two-thirds of them for every 1 on this side. But is like a baseball game. One side is playing with 13, the other side is playing with 6. They really do not want to change that rule that gives the other side more players, more at bats, and allows them to pitch more innings. They do not want to change that.

However, I would just suggest, Mr. Speaker, that as the gentleman from Washington has said, that if they are supportive of this it is because the reality is such that no one can argue that a leadership PAC which is somebody who is power and has gotten there by wielding power, that goes out and asks for donations and says, I am going to give this to somebody who I may not agree with philosophically, but I will wield it, and unfortunately people say, "Oh, yes, Mr. Speaker; yes, Mr. Majority Leader; yes, Mr. Chairman of the Committee on Ways and Means. Whatever it is, yes, yes, I will do that." Who in this country gives a donation to somebody to give it to somebody else? I don't think anyone does.

Also, I might add that at the end of any cycle the money ought to be used when a person changes their philosophy or decides to run for the Senate or Government or something else, it ought to go back to someone, either charity, Treasury, State party, or back to the donors, but we have this thing turned upside down. We are talking

about campaign reform as though the fact that those two, this ying and yang were passed, and each side, we have done our business. We have not done our business. All that has been done is business as usual, and that is wrong.

Now we ought to adopt what the gentleman from California wants because it is a meager step to reality, and that is what the people out there are looking for. They are looking for honesty and forthrightness from this body. They are not looking for another speech. That is all we give them. We give them speech after speech. Every person walks about with a button that says, "I'm for campaign reform—my way." There has got to be a way that is the people's way, and you are forgetting about that. We are going to finish up this horrible carousel of idiocy that has been rotating around and around this session, where we cannot get things done, and when the people look at Members in the next election cycle, they are going to be faced with the same proposition, and that is, real campaign reform will have done just what it has always done: gone around, and around, and around. We should adopt the gentleman from California's suggestions.

The SPEAKER pro tempore. (Mr. MAZZOLI). The Chair would advise that the gentleman from California [Mr. THOMAS] has 8 minutes remaining, and the gentleman from Washington [Mr. SWIFT] has 21 minutes remaining.

Mr. SWIFT. Mr. Speaker, I yield myself 5 minutes.

I wonder if the gentleman from Missouri [Mr. BUECHNER] will be interested in engaging in a colloquy with me.

Mr. BUECHNER. I certainly would.

Mr. SWIFT. Rather than asking the gentleman to yield, I appreciate the gentleman engaging in this colloquy on my time.

This is not to ask the gentleman corkscrew questions, but I think one of the things we are doing more and more in this institution in expressing some of the frustrations we have with one another, is to leave the impression that we never can get along on anything, and the gentleman, along with the gentleman from California, myself, and a number of others, served on a bipartisan task force, and one of the things we did was spend a considerable time going over all these issues that are involved, and asking each other, "Well, why do you believe that? Why do you believe this? What is your rationale behind that," something I think we do too infrequently around this institution.

It is so easy for the gentleman from Missouri to hold a view, and I cannot, off the top of my head, understand why in the world anyone would think that that is so easy to think. Well, the gentleman is a fool, and then we sit down and talk with the gentleman and he explains, I know that that is the rationale, that is the kind of thinking behind the point of view.

The question I wanted to ask the gentleman was, my perception in leading those conversations that we had over a period of time in the bipartisan task force was not that we had gotten closer to agreement, but that we did walk away with some respect for the rationale behind some very different points of view.

□ 1320

I do not know whether that was the gentleman's perception or not.

Mr. BUECHNER. Mr. Speaker, if the gentleman will yield, I would agree with that.

Unfortunately, I probably feel like a General Motors engineer who for 10 years, inside little rooms, kept telling them that they better come up with a new car or they are going to lose their share of the market. Unfortunately, the big boys said, "No, we're going to go with what we have."

I believe the gentleman is absolutely correct, that within that meeting those people, those men and women, had a great interchange. We agreed to disagree on some things, but we moved forward and we actually got a little closer to some reconciliation; but unfortunately, when it comes out to the floor, the carousel began again and the engineers went back to their drawing boards, recognizing that ultimately the product would become less salable.

Mr. SWIFT. Mr. Speaker, I think the gentleman makes a good point. At some point when we get on the floor it does tend to become kind of partisan again, but I think it is important for the public to understand that there are legitimate differences of points of view.

I understand better today the rationale behind any number of Republican proposals that I still do not happen to agree with, but I no longer think that they are just thrown out for partisan purposes or just thrown out in order to be embarrassing or to take advantage of a headline.

I think that many on the gentleman's side began to understand some of the underlying rationale that we had as well, the point of which being as follows: If either side were being phony about this, a compromise would not be difficult.

I said to the whip, the gentleman from Georgia [Mr. GINGRICH] one day when we were meeting with the Speaker and the gentleman from Illinois [Mr. MICHEL] and so forth, I said, "If either side were being phony, we could reach a compromise."

The problem is that we honestly disagree on some of the aspects, some of the very basic aspects; and I think it is important that we do not just tell the American public that honest disagreement is something either side should just capitulate on in order to resolve something, when in fact the underlying principles that the gentleman's side is pursuing and the underlying principles that our side our pursuing are ones that we both think are really quite important.

Mr. BUECHNER. Well, Mr. Speaker, if this is a colloquy, I would like to just add my own remarks to that.

I do not think there is any disagreement between the gentleman and I, that each of us understands, each member of that committee understands a little bit better about where the other side was coming from; but there is no benefit to that in the final analysis if what comes out to the floor looses whatever that new-found understanding is.

Yes, I understand politics, and when I made the point about the fact that there are more of you than there are of us, there really is not a whole lot to be gained by changing the process substantially.

In fact, we talked about this, and the gentleman from California mentioned that one of the problems we have is that some of the things that were offered seemed to be more than intent to keep incumbents in office than to present a real new vision of competitiveness.

Well, there are less of us, therefore we would like to have more competitiveness, and I am glad the gentleman spoke with the whip. The gentleman obviously has had better success in reaching an idea about what a compromise is than the President did; but I would just say that we must be careful that we do not take that good feeling we got from the committee and say that is what happened on the floor, because I do not think that is what happened on the floor.

Now, that may be my very tortured partisan understanding, but I really think when we got to the floor, those good feelings expired dramatically.

The SPEAKER pro tempore (Mr. MAZZOLI). The time of the gentleman from Washington has again expired.

Mr. SWIFT. Mr. Speaker, I yield myself 2 additional minutes.

Mr. BUECHNER. Mr. Speaker, I appreciate the gentleman allowing this additional time.

Mr. SWIFT. Mr. Speaker, I think the points the gentleman made are perfectly understandable, particularly from the gentleman's perspective.

I would obviously argue that our interest is not in preserving incumbency.

We see some institutional questions that are at issue there. If I were on the gentleman's side of the aisle, that might be a little hard for me to understand, given 30 years of not having the majority, so I understand that.

My basic point is that gentlemen, such as the gentleman from Missouri and the gentleman from California, and I would like to believe the gentle-

man from Washington, would be able to agree on some things and could bring a bill that made improvements to the floor, even though we might still be unable to agree on some things that are pretty fundamental, but there are external forces, not Republicans or Democrats, not this House or the other body, external forces that insist that we not do that, and that is something we also need it seems to me to address.

Do we want to take those on or do we not?

Mr. BUECHNER. Mr. Speaker, if the gentleman will yield further, I would just concur. I think it is imperative that we let the American public know what those external pressures are, and before we pat ourselves on the back we ought to make sure whose hand it is that is patting us.

Mr. THOMAS of California. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. GUNDERSON], who would have been a member of the conference committee had there been one.

Mr. GUNDERSON. Mr. Speaker, two points have been made that I think need to be clarified around here. No. 1, the point in this debate has been made that we cannot meet because we have too strong a disagreement. Well, that has not stopped the negotiations on the $500 billion reduction plan, and I suspect they are a lot stronger than these.

No. 2, we have been told that we cannot deal with this issue because it is going to include some things the President has said he would veto in the likely final result. Well, that did not stop us from passing a civil rights bill which the President said he was going to veto and has vetoed, so I am not quite clear on that.

You know, I do not think I do support the motion to instruct conferees, but I have a couple of questions.

PARLIAMENTARY INQUIRY

Mr. GUNDERSON. Mr. Speaker, may I address a parliamentary inquiry to the Chair?

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman will state his parliamentary inquiry.

Mr. GUNDERSON. Mr. Speaker, what happens to the motion to instruct conferees once it is adopted, and I assume this one will be adopted because it is Republicans advocating a position in the Democratic bill? Where do we send this motion?

The SPEAKER pro tempore. The managers on the part of the House, if the conference is convened, would then have the nonbinding instruction before them to consider in whatever fashion the managers would so decide.

Mr. GUNDERSON. It sounds to me, Mr. Speaker, like we are going to get the letter returned to us because no one lives at that address.

My second question would be to the distinguished chairman of the subcommittee, the gentleman from Washington. Is the conference ever going to meet?

Mr. SWIFT. Under the circumstances that I have very carefully tried to outline, it is not likely. The other body has rather unilaterally announced that the issue is through, and as I think the gentleman will acknowledge, we know that the President has suggested that he will veto anything with spending caps in it, that is central to the bills of both Houses.

Therefore, under the circumstances, with the budget situation and other major issues such as clean air, that is probably not the most likely thing to occur.

Mr. GUNDERSON. Well, Mr. Speaker, I appreciate the gentleman's response.

A couple suggestions. Suggestion No. 1 would be that while the gentleman was over talking to the gentleman from California [Mr. THOMAS], I indicated that Presidential opposition did not stop us from passing a civil rights bill that the President vetoed. That has not stopped this Congress from doing a lot of things that the President has vetoed. I do not know that that should keep the President from doing it.

Mr. SWIFT. Mr. Speaker, if the gentleman will yield, I presume the gentleman would not recommend that the President sign a bill that contained spending limits.

Mr. GUNDERSON. Well, I look at the total of the package. I am a much bigger reformer on campaign reform than I think some people would expect.

Mr. SWIFT. So the gentleman would support spending limits?

Mr. GUNDERSON. Well, I am willing to talk about them. I mean, I never thought some things were going to come out of the budget summit agreement that apparently are going to come out of that, that the President is going to sign into law.

This place has gotten really interesting in the last couple days. My concern is that we are not even meeting.

The SPEAKER pro tempore. The time of the gentleman from Wisconsin has expired.

Mr. SWIFT. Mr Speaker, I yield the gentleman 1 of my minutes.

Mr. GUNDERSON. Mr. Speaker, may I say to the gentleman, go ahead. I yield to the gentleman.

Mr. SWIFT. Let me finish that statement, and then we can make more of it.

I was just going to say that I would hope the gentleman would be willing to endorse spending limits and urge the President to sign a bill that contained those, and I would certainly welcome the gentleman to the fold.

Mr. GUNDERSON. Well, I cannot answer that until I see the conference report. If we are not going to meet, how will we ever know?

I am looking around the room. The gentleman is here. My good friend, the gentleman from Wisconsin [Mr. OBEY] is here. The gentleman from Washington [Mr. MILLER] was here, and the gentleman from California [Mr. FAZIO] was here. They are all on this committee that was named on September 26. It is October 22, and we have not even found a room.

Does the gentleman want us to find a room for this, is that the problem?

Mr. SWIFT. If I could suggest, I would think the gentleman is now talking in a circular fashion in the way in which he is accusing others.

□ 1330

Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT. Mr. Speaker, as I look at this issue of campaign finance, there are lots of problems involved. We ought to try to solve whatever we can. Section 105 of the law which is before us seems to me to be a salutary, productive thing upon which both sides of the aisle seem to agree.

I would certainly hope that we could pass that at least in this Congress, which would end leadership PAC's.

There is an adjunctive matter, however, which I would like to briefly address, not involved in this law at all but it should be. That is, we ought to prohibit people from making contributions to other Members of Congress when the person making the contribution is seeking, himself, some sort of subcommittee chairmanship or full committee chairmanship or leadership aspect in the Congress.

Approximately 20 or 30 years ago, Senator Holland and I and a lot of other people ended by a constitutional amendment the poll tax situation that we had in the South, which had helped keep people from voting. Our solution made it impossible for people to hand out the poll tax and get a vote back in return.

If it was important enough to put that in as an amendment to the U.S. Constitution, which poll tax had a smaller connection with perfidy, it certainly would be important, it seems to me, that Members of Congress running for chairmanship or leadership in some capacity would not be allowed to transmit funds of their own or from a PAC to another Member of Congress who would be voting on that in the caucus or elsewhere.

So that is the thing we need to address as well as the thing that is before us.

But the thing that is now before us is very virtuous. It is a step forward. I am in favor of taking steps forward

even though they may be small steps; and doing that, if we can do it in our time.

So I congratulate the gentleman from California for doing that. He and I use to serve on the Ethics Committee together, and he did a very excellent job there, and I am familiar with his leadership in this and I congratulate him on it.

Mr. THOMAS of California. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I appreciate the kind words of the gentleman from California, and I do want to remind him that the proposal that we had offered included not just the ban on leadership PAC's but a prohibition on transfers from one candidate's principal committee to another.

I agree totally with his analysis of the situation because so often it is not necessarily the fact that there is some kind of an insidious relationship going on; there is nothing wrong with the attempt to try to help a friend either stay in or get into Congress. But I think you have ample opportunity with your own money to provide that assistance just as every other voter does.

But when it comes to the money that is in a candidate's campaign committee contributed by people who gave that money to get that person elected, I think it is a bit more difficult.

Now, first of all I want to state for the record that I do, under the law, what the law lets me do. And I do contribute to other candidates. I try not to contribute to incumbents but people who have not been able to come to this body.

I have in the past contributed to incumbents, however.

But I think we have to remind ourselves about the atmosphere, the charged atmosphere on this floor at the time we are talking about campaign finance.

The gentleman from Washington and I have worked a number of years in committee, and we have been able to come up with proposals not agreed to by significant numbers on both sides, but collectively a majority.

For example, on voter registration, we produced a bipartisan bill which was highly controversial but which nevertheless, I think, would move us forward in the area of making sure that every American who wants to vote has a clean, clear opportunity to vote.

That legislation passed this House. It is over in the Senate. The Senate has not been able to act on that legislation.

So where we have worked in an ordered and reasoned fashion, we have come up with proposals in contentious areas that have been able to pass this House.

But I have to remind my colleague from Washington that the task force was created by the Speaker, and it was disbanded. What occurred was a one-armed clamp in the preparation of campaign finance reform.

Those were fond memories of a few weeks when we began to discuss fundamental issues. It did not continue for the entire time. It was broken up by the leadership on that side.

The rules under which we debated the issue limited us particularly; we were not able to offer particulars we thought were important as standalones. That rule was structured to advantage your side.

I think what we have to understand is that ultimately it is the people who will be the arbiters. We like to think we are going to structure the rules under which we will be able to operate. That stopped us from reasonable redistricting over the last several years. That is stopping us now from reasonable campaign finance reform.

I will tell you the people ultimately are a lot smarter than we are. We are beginning to see it in terms of voter revolt across the country which says, "Don't give us fair districts, don't give us campaign reform. A pox on you. We will limit your terms."

I think this term limitation movement is a direct reflection on our inability to respond to what people see as desired changes. And if they do not come about, we are going to get more of it.

So I am urging us as we take a look at this one small provision, to not allow the unilateral dismissal of conferences in which we can at least continue the dialog that may create a groundwork for us to move forward. I think we should pursue every opportunity rather than standing up and someone announcing a conference is off.

The American people are tired of this kind of behavior. If we do not get busy soon on fundamental district reform, fundamental campaign finance reform, we are going to find ourselves here for a very short period of time. Hopefully, then, someone else will be able to pick up that mantle and move forward.

Let me say also that one of the contentious points in those bipartisan discussions was the question of franking by incumbents and whether or not this took on at certain times some coloration of campaign activity.

I was in the well with a chart a few weeks ago showing the strange highs and lows, peaks and valleys of the way in which mail is used in this body. Interestingly enough, the mountains were on even-numbered years, which would do something to correspond to election cycles in the House.

But that was an issue we were told was flat unavailable for discussion, it was not part of the discussion, it was off the table.

Interestingly enough, we have been able to move out of this House and over to a conference a franking provision which discloses the amount that Members will spend. I am very hopeful that that provision will survive conference and we will have handled that issue outside the campaign finance structure.

I think there are other secondary issues that we can look at and attempt to handle. I do not care what outside group tells us what they are or are not going to do; we as Members ought to define our needs and move forward. If it is a limited bill, then it is a limited bill. Let us set aside those key cutting issues like taxpayer financing, clean up the soft-money area, deal with independent expenditures, make sure the FEC is doing its job correctly. There is a multitude of things that could be done if we would only do them.

Mr. SWIFT. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). All time has expired. The question is on the motion to instruct offered by the gentleman from California [Mr. THOMAS].

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. THOMAS of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 403, nays 6, not voting 24, as follows:

[Roll No. 503]

YEAS—403

Ackerman	Brown (CO)	Coyne
Anderson	Bruce	Craig
Andrews	Bryant	Crane
Annunzio	Buechner	Crockett
Applegate	Bunning	Dannemeyer
Archer	Burton	Darden
Armey	Bustamante	Davis
Aspin	Byron	de la Garza
Atkins	Callahan	DeFazio
AuCoin	Campbell (CA)	DeLay
Baker	Campbell (CO)	Dellums
Ballenger	Cardin	Derrick
Barnard	Carper	DeWine
Bartlett	Carr	Dickinson
Barton	Chandler	Dicks
Bateman	Chapman	Dixon
Bates	Clarke	Donnelly
Beilenson	Clay	Dorgan (ND)
Bennett	Clement	Dornan (CA)
Bentley	Clinger	Douglas
Bereuter	Coble	Downey
Bevill	Coleman (MO)	Dreier
Bilbray	Coleman (TX)	Duncan
Bilirakis	Collins	Durbin
Billey	Combest	Dwyer
Boehlert	Condit	Dymally
Boggs	Conte	Dyson
Bonior	Conyers	Early
Borski	Cooper	Eckart
Bosco	Costello	Edwards (CA)
Boxer	Coughlin	Edwards (OK)
Broomfield	Courter	Emerson
Browder	Cox	Engel

English	Lehman (CA)	Rhodes
Erdreich	Lehman (FL)	Richardson
Espy	Lent	Rinaldo
Evans	Levin (MI)	Ritter
Fascell	Lewis (CA)	Roberts
Fawell	Lewis (FL)	Robinson
Fazio	Lewis (GA)	Roe
Feighan	Lightfoot	Rogers
Fields	Lipinski	Rohrabacher
Fish	Lloyd	Ros-Lehtinen
Flake	Long	Rose
Flippo	Lowery (CA)	Rostenkowski
Foglietta	Lowey (NY)	Roth
Ford (TN)	Luken, Thomas	Rowland (GA)
Frank	Lukens, Donald	Roybal
Frenzel	Machtley	Russo
Frost	Madigan	Sabo
Gallegly	Manton	Saiki
Gallo	Markey	Sangmeister
Gaydos	Marlenee	Sarpalius
Gejdenson	Martin (NY)	Savage
Gekas	Martinez	Sawyer
Gephardt	Matsui	Saxton
Geren	Mavroules	Schaefer
Gibbons	Mazzoli	Scheuer
Gillmor	McCandless	Schiff
Gilman	McCloskey	Schneider
Gingrich	McCollum	Schroeder
Glickman	McCrery	Schulze
Gonzalez	McCurdy	Schumer
Goodling	McDade	Sensenbrenner
Gordon	McDermott	Serrano
Goss	McEwen	Sharp
Gradison	McGrath	Shaw
Grandy	McHugh	Shays
Grant	McMillan (NC)	Shumway
Gray	McMillen (MD)	Shuster
Green	McNulty	Sikorski
Guarini	Meyers	Sisisky
Gunderson	Mfume	Skaggs
Hall (OH)	Miller (CA)	Skeen
Hall (TX)	Miller (OH)	Skelton
Hamilton	Miller (WA)	Slattery
Hammerschmidt	Mineta	Slaughter (NY)
Hancock	Mink	Slaughter (VA)
Hansen	Moakley	Smith (FL)
Harris	Molinari	Smith (IA)
Hastert	Mollohan	Smith (NE)
Hatcher	Montgomery	Smith (NJ)
Hayes (IL)	Moody	Smith (TX)
Hayes (LA)	Moorhead	Smith (VT)
Hefley	Morella	Smith, Denny (OR)
Hefner	Morrison (WA)	Smith, Robert (NH)
Henry	Mrazek	Smith, Robert (OR)
Herger	Murphy	Snowe
Hertel	Murtha	Solarz
Hiler	Myers	Solomon
Hoagland	Nagle	Spence
Hochbrueckner	Natcher	Spratt
Holloway	Neal (MA)	Staggers
Hopkins	Neal (NC)	Stallings
Horton	Nelson	Stangeland
Houghton	Nielson	Stark
Hubbard	Nowak	Stearns
Huckaby	Oakar	Stenholm
Hughes	Oberstar	Stokes
Hunter	Olin	Studds
Hutto	Ortiz	Stump
Hyde	Owens (NY)	Sundquist
Inhofe	Owens (UT)	Swift
Ireland	Oxley	Synar
Jacobs	Packard	Tallon
James	Pallone	Tanner
Jenkins	Panetta	Tauke
Johnson (CT)	Parker	Tauzin
Johnson (SD)	Parris	Taylor
Johnston	Pashayan	Thomas (CA)
Jones (GA)	Patterson	Thomas (GA)
Jones (NC)	Paxon	Thomas (WY)
Jontz	Payne (NJ)	Torres
Kanjorski	Payne (VA)	Torricelli
Kasich	Pelosi	Traficant
Kastenmeier	Penny	Traxler
Kennedy	Perkins	Udall
Kennelly	Petri	Unsoeld
Kildee	Pickett	Upton
Kleczka	Pickle	Valentine
Kolbe	Porter	Vander Jagt
Kolter	Poshard	Vento
Kostmayer	Price	Visclosky
Kyl	Pursell	Volkmer
Lagomarsino	Quillen	Vucanovich
Lancaster	Rahall	Walgren
Lantos	Rangel	Walker
Laughlin	Ravenel	Wheat
Leach (IA)	Ray	Whittaker
		Whitten
		Williams
		Wilson
		Wolf
		Wolpe
		Wyden
		Wylie
		Yates
		Young (AK)
		Young (FL)

NAYS—6

Alexander	Berman	Hoyer
Anthony	Dingell	Levine (CA)

NOT VOTING—24

Boucher	Leath (TX)	Ridge
Brennan	Livingston	Roukema
Brooks	Martin (IL)	Rowland (CT)
Brown (CA)	Michel	Schuette
Ford (MI)	Morrison (CT)	Towns
Hawkins	Obey	Waxman
Kaptur	Pease	Wise
LaFalce	Regula	Yatron

□ 1357

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent for rollcall No. 503, a motion to instruct conferees on H.R. 5400, Campaign Cost Reduction and Reform Act; and rollcall No. 504, the conference report on H.R. 5268, Rural Development, Agriculture, and Related Agencies Appropriations.

Had I been here, I would have voted in the following manner: "aye" and "aye."

CONFERENCE REPORT ON H.R. 5268, RURAL DEVELOPMENT, AGRICULTURE, AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. WHITTEN. Mr. Speaker, pursuant to House Resolution 517, I call up the conference report on the bill (H.R. 5268) making appropriations for Rural Development, Agriculture, and Related Agencies programs for the fiscal year ending September 30, 1991, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to House Resolution 517, the conference report is considered as having been read.

(For conference report and statement, see provisions of the House of Saturday, October 20, 1990, at page 31542.)

The SPEAKER pro tempore. The gentleman from Mississippi [Mr. WHITTEN] will be recognized for 30 minutes, and the gentlewoman from Nebraska [Mrs. SMITH] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

□ 1400

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we bring before you today the conference agreement on appropriations for the Department of Agriculture and related agencies for the fiscal year 1991. The total appropriation is within the 302(b) allocation, and may I add the total of all appropriation bills are within the budget ceiling.

There were 83 Senate amendments involving approximately 400 items that had to be resolved in order to bring you this report.

We recommend $52,155,593,000 in total budget authority. This is $93 million less than the budget request, and under our domestic 302(b) allocation. As Members know, we on our subcommittee and on our full committee receive testimony from our various colleagues, and in connection with this bill we had 27 Members present statements to the committee. We had Members write us 623 letters, on items in the bill.

Over 80 percent of the bill is mandatory spending not under the control of the Appropriations Committee. Only 17 percent of the bill is discretionary domestic spending.

Over half of the bill is food and consumer programs, $27.6 billion for food programs, $1.1 billion for Food for Peace; $690 million for FDA, and $441 million for food inspection.

Food stamps have been adjusted by $1.3 billion to reflect budget amendments submitted by the President.

The agreement funds WIC at $2,350,000,000, $224 million more than fiscal year 1990.

It provides funds for water and sewer, rural housing, REA, for the conservation programs, the ACP, watershed and flood prevention and protection, special grants, urban gardening, and wholesale market development, including studies for Toledo and Chicago.

I want to thank the members of the committee who have worked hard all year in hearings and in conference, my colleagues BOB TRAXLER, MATT MCHUGH, BILL NATCHER, WES WATKINS, DICK DURBIN, MARCY KAPTUR, NEAL SMITH, and on the Republican side VIRGINIA SMITH, JOHN MYERS, JOE SKEEN, VIN WEBER, and SILVIO CONTE.

I especially want to thank Mrs. SMITH and Mr. WATKINS, who are leaving Congress. We will miss them and wish them well. They have a splendid work record of accomplishment and will serve their Nation well for years to come.

Mr. Speaker, as you know, with the support of my colleagues I have served my 12th year as chairman of the Committee on Appropriations. I am also a member of the Subcommittee on Defense, Energy and Water, Interior, Labor-HHS, VA, HUD, Treasury-Postal and all of the rest. I am proud to report that our committee has held the total of appropriation bills $173

billion below the Presidential budget request since 1945.

The $3 trillion debt our Nation owes comes from passing entitlements and back-door spending, from giving up our domestic and foreign markets to foreign producers, and loss of income while increasing military spending.

In this connection, I submit other factors which have been the cause of this debt we all owe, as shown by the record.

I would point out that in connection with our committee we had the facts brought forward, and it shows, Mr. Speaker, that as a result of the 1981 tax relief bill, in which we forgave taxes for windfall profits, the country has been out over $2 trillion income. It further shows that because we have let all of those foreign commodities and products come into this country, while begging them to let ours into their country, we have lost about a trillion dollars in the last 10 years.

There are other factors that entered into it which I shall discuss in detail in my remarks.

May I say again that we must realize that American agriculture is our biggest industry. Historically, it has earned more dollars in world trade than any other sector of our economy. Agriculture is basic to all of our programs and to all of our well-being, yet we have neglected agriculture. We have not used the existing law where a fair return should come from the purchaser and turned it over to whoever was sending them a check from the Government. As a result, we have seen the average community in rural America drying up.

I say again that we need our agricultural legislative committee to recognize that they should return to the law which worked so well for 40 years. Under that program, may I say, the cost of the farm program was about $73 million for 8 years. In the last 9 years it has cost almost $140 billion, nearly double. It is time we corrected some of these things.

One of the things that we need to correct is our trade policy. We are letting everything from all around the world come into this country, and then we run around begging them to let us sell our goods in their country. As I say, that policy has cost us a trillion dollars over the last 10 years. If you look into it you can see that the $3 trillion debt we have comes from the passage of the 1981 tax bill, forging all of the excess profits tax, and from our trade policies where we let foreign goods take over our domestic markets.

Mr. Speaker, may I repeat again that the bill we bring you today is below the budget and within the 302(b) allocation. We have held the line. Unfortunately, many others have not.

May I say that we are stewards of only 17 percent of the budget, 17 percent is the only amount or percentage of discretionary spending that we have control over. I think we have done a great job on it, and I say again, this is the basic program for the whole country. Unfortunately, mistakes have been made in policy that are being felt now by our cities, and it is the chief reason for our present situation.

Mr. Speaker, this is a good bill and it deserves the support of the Members.

Mr. Speaker, there is an error in the printed copy of the "Statement of the Managers" regarding the buildings and facilities account of the Agricultural Research Service. The statement should read the "U.S. Vegetable Laboratory at Charleston, South Carolina" rather than the "U.S. Fruit and Vegetable Laboratory at Yakima, Washington," The table that precedes the statement is correct.

Mr. Speaker, at this point in the RECORD I will insert the detailed bill tables on the conference report.

The tables follow:

Rural Development, Agriculture, and Related Agencies Appropriations Bill, FY 1991 (H.R. 5268)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - AGRICULTURAL PROGRAMS						
Production, Processing and Marketing						
Office of the Secretary	1,766,000	1,943,000	1,943,000	1,943,000	1,943,000	+177,000
Farm and export programs plan	395,000	.....	.....	.....	.....	-395,000
Compilation of methods used by foreign countries to protect their domestic agriculture	395,000	.....	.....	.....	.....	-395,000
Office of the Deputy Secretary	392,000	477,000	477,000	477,000	477,000	+85,000
Office of Budget and Program Analysis	4,522,000	4,971,000	4,971,000	4,971,000	4,971,000	+449,000
Office of the Assistant Secretary for Administration	464,000	544,000	544,000	544,000	544,000	+80,000
Rental payments (USDA)	49,307,000	49,305,000	49,305,000	49,305,000	49,305,000	-2,000
Building operations and maintenance	22,990,000	25,093,000	25,093,000	25,093,000	25,093,000	+2,103,000
Advisory committees (USDA)	1,494,000	1,407,000	1,407,000	1,407,000	1,407,000	-87,000
Hazardous waste management	19,927,000	29,586,000	24,757,000	24,757,000	24,757,000	+4,830,000
Departmental administration	22,022,000	23,355,000	23,052,000	23,052,000	23,052,000	+1,030,000
Working Capital Fund	.....	3,750,000	3,750,000	3,750,000	3,750,000	+3,750,000
Office of the Assistant Secretary for Congressional Relations	951,000	1,095,000	1,095,000	1,095,000	1,095,000	+144,000
Office of Public Affairs	7,964,000	8,442,000	8,442,000	8,442,000	8,442,000	+478,000
Intergovernmental affairs	479,000	440,000	440,000	440,000	440,000	-39,000
Total, Office of Public Affairs	8,443,000	8,882,000	8,882,000	8,882,000	8,882,000	+439,000
Office of the Inspector General	51,779,000	60,452,000	55,580,000	55,580,000	55,580,000	+3,801,000
Office of the General Counsel	21,525,000	23,517,000	23,130,000	23,130,000	23,130,000	+1,605,000
Office of the Assistant Secretary for Economics	448,000	529,000	529,000	529,000	529,000	+81,000
Economic Research Service	50,589,000	56,262,000	54,400,000	54,400,000	54,400,000	+3,811,000
National Agricultural Statistics Service	66,976,000	81,151,000	76,451,000	76,451,000	76,451,000	+9,475,000
World Agricultural Outlook Board	1,910,000	2,404,000	2,196,000	2,196,000	2,196,000	+286,000
Office of the Assistant Secretary for Science and Education	432,000	512,000	512,000	512,000	512,000	+80,000
Agricultural Research Service	584,174,000	621,510,000	631,208,000	612,495,000	621,585,000	+37,411,000
Special fund	1,972,000	2,000,000	2,500,000	2,500,000	2,500,000	+528,000
Buildings and facilities	10,675,000	32,600,000	26,039,000	65,122,000	41,016,000	+30,341,000
Total, Agricultural Research Service	596,821,000	656,110,000	659,747,000	680,117,000	665,101,000	+68,280,000
Cooperative State Research Service	337,668,000	346,893,000	373,076,000	379,966,000	388,489,000	+50,821,000
Buildings and facilities	45,108,000	.....	45,361,000	67,758,000	62,867,000	+17,759,000
Extension Service	369,180,000	345,676,000	393,877,000	395,477,000	398,478,000	+29,298,000
National Agricultural Library	14,676,000	15,773,000	16,373,000	16,423,000	16,798,000	+2,122,000
Office of the Assistant Secretary for Marketing and Inspection Services	422,000	497,000	497,000	497,000	497,000	+75,000
Animal and Plant Health Inspection Service:						
Salaries and expenses	355,366,000	367,950,000	380,266,000	381,120,000	381,120,000	+25,754,000
Buildings and facilities	13,385,000	25,396,000	21,396,000	25,396,000	21,396,000	+8,011,000
Total, Animal & Plant Health Inspection Service	368,751,000	393,346,000	401,662,000	406,516,000	402,516,000	+33,765,000
Food Safety and Inspection Service	421,298,000	440,882,000	440,882,000	440,882,000	440,882,000	+19,584,000
Federal Grain Inspection Service	8,185,000	10,443,000	9,706,000	9,706,000	9,706,000	+1,521,000
Inspection and Weighing Services (limitation on administrative expenses, from fees collected)	(36,340,000)	(37,164,000)	(37,164,000)	(37,164,000)	(37,164,000)	(+824,000)
Agricultural Cooperative Service	4,714,000	4,764,000	4,864,000	4,864,000	4,864,000	+150,000
Agricultural Marketing Service:						
Marketing Services	33,171,000	52,251,000	47,914,000	47,914,000	47,914,000	+14,743,000
(Limitation on administrative expenses, from fees collected)	(37,440,000)	(40,162,000)	(40,162,000)	(40,162,000)	(40,162,000)	(+2,722,000)
Funds for strengthening markets, income, and supply (transfer from section 32)	8,007,000	8,526,000	8,255,000	8,255,000	8,255,000	+248,000
Sunflower and cottonseed oil export program	(30,000,000)	.....	.....	.....	.....	(-30,000,000)
Payments to States and possessions	1,236,000	942,000	1,250,000	1,250,000	1,250,000	+14,000
Total, Agricultural Marketing Service	42,414,000	61,719,000	57,419,000	57,419,000	57,419,000	+15,005,000
Office of Transportation	2,397,000	2,429,000	2,429,000	2,429,000	2,429,000	+32,000
Packers and Stockyards Administration	9,562,000	10,687,000	10,687,000	10,687,000	10,687,000	+1,125,000
Total, Production, Processing and Marketing	2,547,923,000	2,664,454,000	2,774,654,000	2,830,815,000	2,818,807,000	+270,884,000
Farm Income Stabilization						
Office of the Under Secretary for International Affairs and Commodity Programs	414,000	506,000	506,000	506,000	506,000	+92,000

Rural Development, Agriculture, and Related Agencies Appropriations Bill, FY 1991 (H.R. 5268), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Agricultural Stabilization and Conservation Service:						
(By transfer from Commodity Credit Corporation)	(623,732,000)	(630,406,000)	(630,406,000)	(630,406,000)	(630,406,000)	(+6,674,000)
Salaries and expenses	11,000,000	.....	.....	.....	.....	-11,000,000
Dairy indemnity program	5,000	.....	5,000	5,000	5,000	.....
Total, Farm Income Stabilization	(635,151,000)	(630,912,000)	(630,917,000)	(630,917,000)	(630,917,000)	(-4,234,000)
CORPORATIONS						
Federal Crop Insurance Corporation:						
Administrative and operating expenses	237,694,000	325,857,000	101,579,000	325,857,000	248,635,000	+10,941,000
Federal crop insurance corporation fund	162,939,000	337,365,000	162,939,000	337,365,000	337,365,000	+174,426,000
Total, Federal Crop Insurance Corporation	400,633,000	663,222,000	264,518,000	663,222,000	586,000,000	+185,367,000
Commodity Credit Corporation:						
Reimbursement for net realized losses	4,233,000,000	6,100,000,000	5,000,000,000	5,000,000,000	5,000,000,000	+767,000,000
Short-term export credit (loan authorization)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	(5,000,000,000)	.....
Intermediate export credit (loan authorization)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	.....
General Sales Manager (transfer from Commodity Credit Corporation)	(7,415,000)	(8,090,000)	(7,803,000)	(7,803,000)	(7,803,000)	(+388,000)
Total, Corporations:						
New budget (obligational) authority	4,633,633,000	6,763,222,000	5,264,518,000	5,663,222,000	5,586,000,000	+952,367,000
(By transfer)	(7,415,000)	(8,090,000)	(7,803,000)	(7,803,000)	(7,803,000)	(+388,000)
(Loan authorization)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	.....
Total, title I, Agricultural Programs:						
New budget (obligational) authority	7,192,975,000	9,428,182,000	8,039,683,000	8,494,548,000	8,405,318,000	+1,212,343,000
(By transfer)	(661,147,000)	(638,496,000)	(638,209,000)	(638,209,000)	(638,209,000)	(-22,938,000)
(Limitation on administrative expenses)	(73,780,000)	(77,326,000)	(77,326,000)	(77,326,000)	(77,326,000)	(+3,546,000)
(Loan authorization)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	(5,500,000,000)	.....
TITLE II - RURAL DEVELOPMENT PROGRAMS						
Rural Development Assistance						
Office of the Under Secretary for Small Community and Rural Development	419,000	660,000	530,000	530,000	530,000	+111,000
Farmers Home Administration:						
Rural Housing Insurance Fund:						
Low-income housing (sec. 502)	(1,261,496,000)	(589,000,000)	(1,262,210,000)	(1,190,693,000)	(1,226,451,000)	(-35,045,000)
Unsubsidized direct	(49,308,000)	(20,000,000)	(50,000,000)	(50,000,000)	(50,000,000)	(+692,000)
Unsubsidized guaranteed	.....	(297,000,000)	.....	.....	(70,000,000)	(+70,000,000)
Subsidized guaranteed	.....	(297,000,000)	(100,000,000)	(100,000,000)	(30,000,000)	(+30,000,000)
Housing repair (sec. 504)	(11,173,000)	(11,100,000)	(11,330,000)	(11,330,000)	(11,330,000)	(+157,000)
Farm labor (sec. 514)	(11,321,000)	(16,250,000)	(16,300,000)	(16,300,000)	(16,300,000)	(+4,979,000)
Rental housing (sec. 515)	(571,870,000)	(391,000,000)	(573,900,000)	(573,900,000)	(573,900,000)	(+2,030,000)
Site loans (loan authorization)	(562,000)	.....	(600,000)	(600,000)	(600,000)	(+38,000)
Subtotal (loan authorization)	(1,905,730,000)	(1,621,350,000)	(2,014,340,000)	(1,942,823,000)	(1,978,581,000)	(+72,851,000)
Collection and servicing contracts (limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	.....
Rent supplement	296,317,000	258,000,000	308,100,000	308,100,000	308,100,000	+11,783,000
Reimbursement for interest and other losses	2,677,897,000	2,667,186,000	2,167,186,000	2,667,186,000	2,667,186,000	-10,711,000
Interest subsidy for guaranteed loans	.....	362,460,000	.....	.....	.....	.....
Total, Rural Housing Insurance Fund:						
New budget (obligational) authority	2,974,214,000	3,267,646,000	2,475,286,000	2,975,286,000	2,975,286,000	+1,072,000
(Loan authorization)	(1,905,730,000)	(1,621,350,000)	(2,014,340,000)	(1,942,823,000)	(1,978,581,000)	(+72,851,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	.....
Self-help Housing Land Development Fund (loan authorization)	(500,000)	.....	(500,000)	(500,000)	(500,000)	.....
Agricultural Credit Insurance Fund:						
Farm ownership loans (loan authorization):						
Insured	(80,000,000)	(25,000,000)	(66,500,000)	.....	(33,000,000)	(-47,000,000)
Advance appropriation, FY 1991	.....	(13,500,000)	(13,500,000)	(13,500,000)	(13,500,000)	(+13,500,000)
Guaranteed	(469,279,000)	(150,000,000)	(475,500,000)	(542,000,000)	(509,000,000)	(+39,721,000)
Total, farm ownership loans (loan authorization)	(549,279,000)	(175,000,000)	(542,000,000)	(542,000,000)	(542,000,000)	(-7,279,000)
Soil and water loans (loan authorization):						
Insured	(5,500,000)	.....	(5,500,000)	(5,500,000)	(5,500,000)	.....
Guaranteed	(1,480,000)	.....	(1,500,000)	(1,500,000)	(1,500,000)	(+20,000)
Total, soil and water loans (loan authorization)	(6,980,000)	.....	(7,000,000)	(7,000,000)	(7,000,000)	(+20,000)

Rural Development, Agriculture, and Related Agencies Appropriations Bill, FY 1991 (H.R. 5268), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Operating loans (loan authorization):						
Insured	(900,000,000)	(500,000,000)	(950,000,000)	(850,000,000)	(900,000,000)	.....
Guaranteed	(2,565,985,000)	(2,600,000,000)	(2,600,000,000)	(2,600,000,000)	(2,600,000,000)	(+34,015,000)
Total, operating loans (loan authorization)	(3,465,985,000)	(3,100,000,000)	(3,550,000,000)	(3,450,000,000)	(3,500,000,000)	(+34,015,000)
Indian tribe land acquisition loans (loan authorization)	(1,000,000)	.....	(1,000,000)	(1,000,000)	(1,000,000)	.....
Emergency disaster loans (loan authorization)	(579,136,000)	(25,000,000)	(600,000,000)	(600,000,000)	(600,000,000)	(+20,864,000)
Watershed and flood prevention (loan authorization)	(4,000,000)	.....	(4,000,000)	(4,000,000)	(4,000,000)	.....
Resource conservation loans (loan authorization)	(600,000)	.....	(600,000)	(600,000)	(600,000)	.....
State mediation program	3,456,000	2,000,000	3,500,000	4,000,000	3,750,000	+294,000
Reimbursement for interest and other losses	4,120,159,000	6,014,356,000	5,620,159,000	6,014,356,000	6,014,356,000	+1,894,197,000
Interest subsidy for guaranteed loans	.....	33,227,000	.....	.....	.....	.....
Total, Agricultural Credit Insurance Fund:						
New budget (obligational) authority	4,123,615,000	6,049,583,000	5,623,659,000	6,018,356,000	6,018,106,000	+1,894,491,000
(Loan authorization)	(4,606,980,000)	(3,300,000,000)	(4,704,600,000)	(4,604,600,000)	(4,654,600,000)	(+47,620,000)
Rural Development Insurance Fund:						
Water and sewer facility loans (loan authorization):						
Direct	(350,293,000)	(300,000,000)	(500,000,000)	(500,000,000)	(500,000,000)	(+149,707,000)
Guaranteed	(74,465,000)	(50,000,000)	(35,000,000)	(35,000,000)	(35,000,000)	(-39,465,000)
Total, water and sewer facility loans (loan authorization)	(424,758,000)	(350,000,000)	(535,000,000)	(535,000,000)	(535,000,000)	(+110,242,000)
Industrial development loans (loan authorization):						
Guaranteed	(95,018,000)	.....	(100,000,000)	(100,000,000)	(100,000,000)	(+4,982,000)
Community facility loans (loan authorization):						
Direct	(94,381,000)	(45,700,000)	(100,000,000)	(100,000,000)	(100,000,000)	(+5,619,000)
Guaranteed	(23,829,000)	(50,000,000)	(25,000,000)	(25,000,000)	(25,000,000)	(+1,171,000)
Total, community facility loans (loan authorization)	(118,210,000)	(95,700,000)	(125,000,000)	(125,000,000)	(125,000,000)	(+6,790,000)
Reimbursement for interest and other losses	1,474,499,000	1,666,160,000	1,466,160,000	1,666,160,000	1,666,160,000	+191,661,000
Total, Rural Development Insurance Fund:						
New budget (obligational) authority	1,474,499,000	1,666,160,000	1,466,160,000	1,666,160,000	1,666,160,000	+191,661,000
(Loan authorization)	(637,986,000)	(445,700,000)	(760,000,000)	(760,000,000)	(760,000,000)	(+122,014,000)
Rural Development Loan Fund:						
(Loan authorization)	(19,297,000)	(30,000,000)	(25,000,000)	(40,000,000)	(32,500,000)	(+13,203,000)
Appropriation	17,318,000	28,000,000	23,000,000	38,000,000	30,500,000	+13,182,000
Rural water and waste disposal grants	207,700,000	100,000,000	300,000,000	300,000,000	300,000,000	+92,300,000
Very low-income housing repair grants	12,500,000	10,000,000	12,500,000	12,500,000	12,500,000	.....
Rural housing for domestic farm labor	10,862,000	10,000,000	11,000,000	11,000,000	11,000,000	+138,000
Mutual and self-help housing	8,634,000	.....	8,750,000	8,750,000	8,750,000	+116,000
Rural community fire protection grants	3,091,000	.....	3,500,000	3,500,000	3,500,000	+409,000
Compensation for construction defects	500,000	.....	500,000	500,000	500,000	.....
Rural rental assistance payments (voucher program)	.....	189,928,000	.....	.....	.....	.....
Rural housing preservation grants	19,140,000	15,000,000	23,000,000	23,000,000	23,000,000	+3,860,000
Rural development grants	16,406,000	.....	16,500,000	25,000,000	20,750,000	+4,344,000
Solid waste management grants	.....	.....	.....	3,000,000	1,500,000	+1,500,000
Emergency community water assistance grants	.....	.....	.....	20,000,000	10,000,000	+10,000,000
Office of the Administrator	600,000	.....	600,000	600,000	600,000	.....
Salaries and expenses	422,934,000	447,787,000	439,854,000	439,854,000	439,854,000	+16,920,000
(Transfer from loan accounts)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	.....
Total, salaries and expenses	(426,934,000)	(451,787,000)	(443,854,000)	(443,854,000)	(443,854,000)	(+16,920,000)
Total, Farmers Home Administration:						
New budget (obligational) authority	9,292,013,000	11,804,104,000	10,404,309,000	11,545,506,000	11,522,006,000	+2,229,993,000
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	.....
(Loan authorization)	(7,170,493,000)	(5,397,050,000)	(7,504,440,000)	(7,347,923,000)	(7,426,181,000)	(+255,688,000)
(Limitation on obligations)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)	.....
Rural Electrification Administration:						
Rural electrification & telephone revolving fund:						
Insured loans:						
Electric	(622,050,000)	(200,000,000)	(622,050,000)	(760,050,000)	(622,050,000)	.....
Telephone	(239,250,000)	.....	(239,250,000)	(239,250,000)	(239,250,000)	.....
Total, insured loans (loan authorization)	(861,300,000)	(200,000,000)	(861,300,000)	(999,300,000)	(861,300,000)	.....

Rural Development, Agriculture, and Related Agencies Appropriations Bill, FY 1991 (H.R. 5268), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Guaranteed loans:						
Electric	(813,450,000)	.....	(813,450,000)	(813,450,000)	(813,450,000)	.....
Telephone	(119,625,000)	.....	(119,625,000)	(119,625,000)	(119,625,000)	.....
Total, guaranteed loans (loan authorization)	(933,075,000)	.....	(933,075,000)	(933,075,000)	(933,075,000)	.....
Reimbursement to the rural electrification and telephone revolving fund	240,757,000	.....	266,603,000	266,603,000	266,603,000	+25,846,000
Total, Rural electrification and telephone revolving fund:						
New budget (obligational) authority	240,757,000	.....	266,603,000	266,603,000	266,603,000	+25,846,000
(Loan authorization)	(1,794,375,000)	(200,000,000)	(1,794,375,000)	(1,932,375,000)	(1,794,375,000)	.....
Rural telephone bank	28,710,000	.....	28,710,000	28,710,000	28,710,000	.....
Direct loans (limitation on obligations)	(177,045,000)	(103,560,000)	(177,045,000)	(177,045,000)	(177,045,000)	.....
Rural communication development fund	1,329,000	1,264,000	1,264,000	1,264,000	1,264,000	-65,000
Rural economic development subaccount	4,992,000	.....	5,000,000	5,000,000	5,000,000	+8,000
Office of the Administrator	194,000	.....	229,000	229,000	229,000	+35,000
Salaries and expenses	31,124,000	33,055,000	32,826,000	32,826,000	32,826,000	+1,702,000
Total, Rural Electrification Administration:						
New budget (obligational) authority	307,106,000	34,319,000	334,632,000	334,632,000	334,632,000	+27,526,000
(Loan authorization)	(1,794,375,000)	(200,000,000)	(1,794,375,000)	(1,932,375,000)	(1,794,375,000)	.....
(Limitation on obligations)	(177,045,000)	(103,560,000)	(177,045,000)	(177,045,000)	(177,045,000)	.....
Total, Rural Development Assistance:						
New budget (obligational) authority	9,599,538,000	11,839,083,000	10,739,471,000	11,880,668,000	11,857,168,000	+2,257,630,000
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	.....
(Loan authorization)	(8,964,868,000)	(5,597,050,000)	(9,298,815,000)	(9,280,298,000)	(9,220,556,000)	(+255,688,000)
(Limitation on obligations)	(187,045,000)	(113,560,000)	(187,045,000)	(187,045,000)	(187,045,000)	.....
Conservation						
Office of the Assistant Secretary for Natural Resources and Environment	439,000	538,000	520,000	520,000	520,000	+81,000
Soil Conservation Service:						
Conservation operations	476,949,000	506,998,000	509,056,000	509,056,000	509,056,000	+32,107,000
River basin surveys and investigations	12,292,000	10,351,000	12,783,000	12,783,000	12,783,000	+491,000
Watershed planning	8,824,000	6,875,000	9,176,000	9,176,000	9,176,000	+352,000
Watershed and flood prevention operations	239,867,000	151,112,000	191,544,000	179,867,000	185,705,000	-54,162,000
Resource conservation and development	27,255,000	23,974,000	29,900,000	29,900,000	29,900,000	+2,645,000
Great Plains conservation program	20,884,000	24,637,000	24,637,000	24,637,000	24,637,000	+3,753,000
Total, Soil Conservation Service	786,071,000	723,947,000	777,096,000	765,419,000	771,257,000	-14,814,000
Agricultural Stabilization and Conservation Service:						
Agricultural conservation program	182,369,000	176,000,000	197,935,000	182,369,000	190,152,000	+7,783,000
Forestry incentives program	12,446,000	12,446,000	12,446,000	12,446,000	12,446,000	.....
Water bank program	12,240,000	10,498,000	10,498,000	15,000,000	13,620,000	+1,380,000
Emergency conservation program	29,927,000	.....	10,000,000	10,000,000	10,000,000	-19,927,000
Colorado River Basin salinity control program	10,341,000	14,783,000	14,783,000	14,783,000	14,783,000	+4,442,000
Conservation reserve program	1,010,978,000	1,878,038,000	1,314,926,000	1,314,926,000	1,314,926,000	+303,948,000
Total, Agricultural Stabilization and Conservation Service	1,258,301,000	2,091,765,000	1,560,588,000	1,549,524,000	1,555,927,000	+297,626,000
Total, Conservation	2,044,811,000	2,816,250,000	2,338,204,000	2,315,463,000	2,327,704,000	+282,893,000
Total, title II, Rural Development Programs:						
New budget (obligational) authority	11,644,349,000	14,655,333,000	13,077,675,000	14,196,131,000	14,184,872,000	+2,540,523,000
(By transfer)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	(4,000,000)	.....
(Loan authorization)	(8,964,868,000)	(5,597,050,000)	(9,298,815,000)	(9,280,298,000)	(9,220,556,000)	(+255,688,000)
(Limitation on obligations)	(187,045,000)	(113,560,000)	(187,045,000)	(187,045,000)	(187,045,000)	.....
TITLE III - DOMESTIC FOOD PROGRAMS						
Office of the Assistant Secretary for Food and Consumer Services	407,000	485,000	485,000	485,000	485,000	+78,000
Food and Nutrition Service:						
Child nutrition programs	730,882,000	880,698,000	569,038,000	880,698,000	880,698,000	+149,816,000
Transfer from section 32	4,156,554,000	4,696,501,000	4,696,501,000	4,696,501,000	4,696,501,000	+539,947,000
Total, Child nutrition programs	4,887,436,000	5,577,199,000	5,265,539,000	5,577,199,000	5,577,199,000	+689,763,000
Special milk program	20,309,000	19,268,000	19,268,000	19,268,000	19,268,000	-1,041,000
Special supplemental food program for women, infants, and children (WIC)	2,125,958,000	2,215,248,000	2,325,000,000	2,350,000,000	2,350,000,000	+224,042,000
WIC reserve	.....	.....	25,000,000	.....	.....	.....

Rural Development, Agriculture, and Related Agencies Appropriations Bill, FY 1991 (H.R. 5268), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Commodity supplemental food program 2/	68,128,000	62,932,000	81,928,000	81,928,000	81,928,000	+13,800,000
Food stamp program:						
Expenses	15,969,589,000	17,253,168,000	15,976,681,000	17,253,168,000	17,253,168,000	+1,283,579,000
Subject to budget request	.....	.....	2,100,000,000	823,513,000	823,513,000	+823,513,000
Nutrition assistance for Puerto Rico 1/	925,925,000	825,000,000	951,300,000	974,220,000	974,220,000	+48,295,000
Cattle tick eradication	10,825,000	.....	10,825,000	.....	.....	-10,825,000
Total, Food stamp program	16,906,339,000	18,078,168,000	19,038,806,000	19,050,901,000	19,050,901,000	+2,144,562,000
Food donations programs for selected groups:						
Needy family program 2/	60,140,000	74,841,000	78,241,000	78,241,000	78,241,000	+18,101,000
Elderly feeding program 2/	143,482,000	149,897,000	149,897,000	149,897,000	149,897,000	+6,415,000
Subtotal	203,622,000	224,738,000	228,138,000	228,138,000	228,138,000	+24,516,000
Soup kitchens	39,440,000	32,000,000	32,000,000	32,000,000	32,000,000	-7,440,000
Total, Food donations programs	243,062,000	256,738,000	260,138,000	260,138,000	260,138,000	+17,076,000
Temporary emergency food assistance program	49,822,000	50,000,000	50,000,000	50,000,000	50,000,000	+178,000
Commodity purchases - TEFAP	119,573,000	120,000,000	120,000,000	120,000,000	120,000,000	+427,000
Total, Temporary emergency food assistance program	169,395,000	170,000,000	170,000,000	170,000,000	170,000,000	+605,000
Food program administration	91,727,000	96,778,000	96,778,000	96,778,000	96,778,000	+5,051,000
Total, Food and Nutrition Service	24,512,354,000	26,476,331,000	27,282,457,000	27,606,212,000	27,606,212,000	+3,093,858,000
1/ FY91 Administration proposes a new account for Puerto Rico special assistance within HHS.						
2/ FY91 Administration proposes to consolidate into a single account.						
Human Nutrition Information Service	9,031,000	10,705,000	9,923,000	9,923,000	9,923,000	+892,000
Total, title III, Domestic Food Programs, new budget (obligational) authority	24,521,792,000	26,487,521,000	27,292,865,000	27,616,620,000	27,616,620,000	+3,094,828,000
TITLE IV - INTERNATIONAL PROGRAMS						
Foreign Agricultural Service	101,146,000	102,741,000	105,048,000	105,048,000	105,048,000	+3,902,000
Agricultural trade missions	197,000	.....	.....	.....	.....	-197,000
Ameri Flora Exposition	.....	.....	500,000	.....	500,000	+500,000
Public Law 480:						
Title I and III - Credit sales:						
Program level	(848,963,000)	(817,000,000)	(880,000,000)	(880,000,000)	(880,000,000)	(+31,037,000)
Direct loans	(778,996,000)	(752,400,000)	(806,400,000)	(806,400,000)	(806,400,000)	(+27,404,000)
Ocean freight differential	(69,967,000)	(64,600,000)	(73,600,000)	(73,600,000)	(73,600,000)	(+3,633,000)
Appropriation	305,622,000	251,853,000	314,853,000	314,853,000	314,853,000	+9,231,000
Title II - Commodities for disposition abroad:						
Program level	(672,599,000)	(646,000,000)	(696,000,000)	(696,000,000)	(696,000,000)	(+23,401,000)
Appropriation	672,599,000	646,000,000	696,000,000	696,000,000	696,000,000	+23,401,000
Total, Public Law 480:						
Program level	(1,521,562,000)	(1,463,000,000)	(1,576,000,000)	(1,576,000,000)	(1,576,000,000)	(+54,438,000)
Appropriation	978,221,000	897,853,000	1,010,853,000	1,010,853,000	1,010,853,000	+32,632,000
Office of International Cooperation and Development	6,041,000	4,893,000	5,268,000	7,268,000	6,879,000	+838,000
Scientific activities overseas (foreign currency program)	875,000	.....	875,000	1,250,000	1,062,000	+187,000
Total, title IV, International Programs, new budget (obligational) authority	1,086,480,000	1,005,487,000	1,122,544,000	1,124,419,000	1,124,342,000	+37,862,000
TITLE V - RELATED AGENCIES						
DEPARTMENT OF HEALTH AND HUMAN SERVICES						
Food and Drug Administraion						
Salaries and expenses 3/	567,079,000	497,633,000	497,633,000	661,652,000	656,519,000	+89,440,000
Subject to budget request	.....	.....	157,175,000	.....	.....	.....
Total, salaries and expenses	567,079,000	497,633,000	654,808,000	661,652,000	656,519,000	+89,440,000
Buildings and facilities 3/	8,350,000	4,752,000	8,350,000	10,850,000	8,350,000	.....
Rental payments (FDA) 3/	25,612,000	25,612,000	25,612,000	25,612,000	25,612,000	.....
Total, Food and Drug Administration	601,041,000	527,997,000	688,770,000	698,114,000	690,481,000	+89,440,000

Rural Development, Agriculture, and Related Agencies Appropriations Bill, FY 1991 (H.R. 5268), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
DEPARTMENT OF THE TREASURY						
Financial Management Service:						
Payments to the farm credit system financial assistance corporation	90,000,000	99,330,000	90,000,000	90,000,000	90,000,000	.....
Farm Credit System Assistance Board (limitation on administrative expenses)	(2,206,000)	(2,184,000)	(2,017,000)	(2,017,000)	(2,017,000)	(-189,000)
INDEPENDENT AGENCIES						
Commodity Futures Trading Commission	39,186,000	44,960,000	39,691,000	44,960,000	43,960,000	+4,774,000
Farm Credit Administration (limitation on administrative expenses)	(36,120,000)	(41,548,000)	(41,548,000)	(38,834,000)	(40,898,000)	(+4,778,000)
Total, title V, Related Agencies:						
New budget (obligational) authority	730,227,000	672,287,000	818,461,000	833,074,000	824,441,000	+94,214,000
(Limitation on administrative expenses)	(38,326,000)	(43,732,000)	(43,565,000)	(40,851,000)	(42,915,000)	(+4,589,000)
3/ FY91 Administration proposes to consolidate into a single account.						
RECAPITULATION						
Grand Total:						
New budget (obligational) authority	45,175,823,000	52,248,810,000	50,351,228,000	52,264,792,000	52,155,593,000	+6,979,770,000
(By transfer)	(665,147,000)	(642,496,000)	(642,209,000)	(642,209,000)	(642,209,000)	(-22,938,000)
(Loan authorization)	(14,464,868,000)	(11,097,050,000)	(14,798,815,000)	(14,780,298,000)	(14,720,556,000)	(+255,688,000)
(Limitation on administrative expenses)	(112,106,000)	(121,058,000)	(120,891,000)	(118,177,000)	(120,241,000)	(+8,135,000)
(Limitation on obligations)	(187,045,000)	(113,560,000)	(187,045,000)	(187,045,000)	(187,045,000)	.....
Title I - Agricultural programs	7,192,975,000	9,428,182,000	8,039,683,000	8,494,548,000	8,405,318,000	+1,212,343,000
Title II - Rural development programs	11,644,349,000	14,655,333,000	13,077,675,000	14,196,131,000	14,184,872,000	+2,540,523,000
Title III - Domestic food programs	24,521,792,000	26,487,521,000	27,292,865,000	27,616,620,000	27,616,620,000	+3,094,828,000
Title IV - International programs	1,086,480,000	1,005,487,000	1,122,544,000	1,124,419,000	1,124,342,000	+37,862,000
Title V - Related agencies	730,227,000	672,287,000	818,461,000	833,074,000	824,441,000	+94,214,000
Total, new budget (obligational) authority	45,175,823,000	52,248,810,000	50,351,228,000	52,264,792,000	52,155,593,000	+6,979,770,000
Memoranda:						
Direct and insured loan level	5,000,830,000	2,256,610,000	5,227,795,000	5,142,778,000	5,116,036,000	+115,206,000
Guaranteed loan level	4,251,882,000	2,863,560,000	4,297,120,000	4,363,620,000	4,330,620,000	+78,738,000
Transfers from Commodity Credit Corporation	623,732,000	630,406,000	630,406,000	630,406,000	630,406,000	+6,674,000

Mr. Speaker, I reserve the balance of my time.

Mrs. SMITH of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first, let me say that while I rise today to support this bill, I do so with mixed emotions.

I want to thank our chairman, Mr. WHITTEN, for the last time, for working to put together an agricultural appropriations bill that meets the most essential needs of our farmers, rural communities, and urban consumers in this country. And at the same time, this conference report reflects our revised budget targets by cutting $275 million in budget authority from the earlier House-passed version.

I have mixed emotions about this appropriations bill not because funding priorities were inappropriately addressed, but because, as my last agricultural appropriations bill, I will miss working with the chairman and every member of the subcommittee.

I have enjoyed and appreciated every minute of my tenure on this committee under Chairman WHITTEN's leadership. And as the ranking minority member of the House Agriculture Appropriations Subcommittee, I know of no leader who is more dedicated to agriculture.

As chairman of this subcommittee for 41 years, Mr. WHITTEN has promoted the welfare of agriculture and rural life across America. For the last 14 years, I have had the distinct honor of working side by side with our distinguished chairman. I have grown to appreciate and support many of Mr. WHITTEN's priorities, and I hope that some of my priorities will continue with him and the subcommittee once I have gone.

Regardless of our party labels, all the members of this subcommittee believe in the importance of agriculture for the foundational strength of this Nation—and its unparalleled contribution to the health of our economy. Each member of our subcommittee cares deeply about the farmers and ranchers who make agriculture this Nation's largest single industry.

On this subcommittee, we have worked on a completely bipartisan basis—not as Democrats or Republicans, but as leaders working in the interests of agriculture and consumers.

I have appreciated working with every one of my good friends; Mr. MYERS with whom I share both agriculture as well as energy and water appropriations. Also, I want to thank my outstanding Republican colleagues, Mr. SKEEN and Mr. WEBER; then there is Mr. TRAXLER and Mr. NATCHER, Mr. MCHUGH, Mr. WATKINS, Mr. DURBIN, and Mr. SMITH—all are wonderful gentlemen. Unfortunately, I must, at the same time, welcome and say goodbye to our newest Member, Ms. KAPTUR. If her brief tenure on this subcommittee is any indication of what her future contributions will be, she will soon be an irreplaceable member.

I must also say thank you to our ranking Republican on the full committee, Mr. CONTE. I am proud to call him a dear friend and colleague even though I have never been able to convince him to fully support essential air service.

Also, our great staff deserve the thanks of this Chamber. Like the members of this subcommittee, they have worked with all of us on a completely bipartisan basis. Particularly, I want to single out Bob Foster and Tim Sanders for all the excellent work they have done. Without their great work, agriculture would not be as strong as it is today.

Mr. Speaker, in H.R. 5268, we bring to the floor an agricultural appropria-

tions conference report that is completely within revised 302(b) allocation guidelines, providing $52.1 billion for fiscal year 1991, an increase of $6.9 billion from 1990, and $93.2 million below our current budget estimates.

In conference report, we have tried to meet the most important national priorities for agriculture, for good consumer nutrition, and for rural development programs.

Members provided nearly 650 written requests for increases in funding for projects and programs of particular interest to their districts, totaling hundreds of millions of dollars. And I am sure no one would be surprised to learn that our subcommittee did not receive a single request from Members of Congress for decreased funding for a program important to their State—another sign of increasing competition for fewer Federal dollars.

Mr. Speaker, I consider it a great privilege to stand before this Chamber to express and to protect the interests of farmers, ranchers, and rural America.

Throughout the early eighties, farm incomes were declining, farmland values dropped, and U.S. agricultural exports were falling both in total value and market share. Producers suffered from unstable prices and incomes due to uncontrolled grain reserves and inconsistent agricultural policy.

Today, agriculture and rural America are rebounding due in great part to the decisions and policies pursued by agricultural leaders and Congress. Farm incomes have stabilized, agricultural exports have regained strength, and grain reserves are being better controlled with a greater market-oriented philosophy.

For 1990, crop sales are expected to grow by 6 percent and livestock sales could be up to 4 percent higher than 1989. Most importantly, net cash income is forecast to range between $55 billion and $59 billion, 2 to 9 percent above 1989.

Many of the policy changes that have allowed our farmers to climb out of the economic recession of the 1980's include the agricultural spending priorities endorsed by Congress and funded in this bill.

The 1991 conference report is a collection of spending priorities addressing the concerns, recommendations, and requests of those who care about agriculture.

However, as our chairman has pointed out so many times, more than half of the money in this bill does not go to agriculture—it goes to consumers.

CONSUMER PROGRAMS

In H.R. 5268, we have recognized the funding shortfalls faced by the Women, Infants, and Children [WIC] Program. For 1991, we have provided an additional $224 million, a 9-percent increase and $74 million more than requested by members of the Select Committee on Children, Youth, and Families, to respond to higher prices from last year's freezes and droughts.

For child nutrition programs, including the School Lunch, School Breakfast, and Summer Food Service Programs, we are providing more than $5.6 billion—an increase of more than $700 million from 1990. And we have provided more than 13.8 million additional dollars for the Commodity Supplemental Food Program [CSFP] over 1990—raising the total funding level to more than $68 million.

Finally, additional increases in food assistance programs include a small $2 billion, 12 percent, hike for the Food Stamp Program. Funded at just under $17 billion last year, 1991 will bring more than $19 billion to help alleviate hunger and malnutrition among low-income people.

Programs funded in this bill that provide services to all Americans—not just agriculture—do not stop with food assistance programs.

The Food and Drug Administration [FDA] will receive an increase of $92.5 million for a total appropriation of $660 million to ensure the safety of our food and drug products. And we have provided $32.9 million to the Agricultural Research Service, also to ensure food quality and safety.

Included in the fiscal year 1991 budget for the FDA is an increase of $9 million for new seafood inspection activities, while $11.5 million will be spent for the Orphan Drug Program. Certainly, these are national needs, but they do not go to agriculture.

Since 1935, we have provided more than $56 billion for rural housing programs through the Farmers Home Administration [FmHA]. Through 1991, our subcommittee has approved almost $2 billion in rural housing programs for communities of less than 20,000 people; $300 million for rural rental assistance payments; and more than $1 billion in rural development activities.

Again, these programs are not for farmers. But our committee has come to realize that housing legislation rarely addresses the problems of rural America—so we must.

FEDERAL CROP INSURANCE PROGRAM

And with all the increases for programs that do not directly benefit our Nation's farmers, I am so very pleased that we were able to find the funds necessary to continue the Federal Crop Insurance Program.

Although I am concerned that some very important agricultural programs such as Targeted Export Assistance [TEA] and the Export Enhancement Program [EEP] have taken cuts to provide funding for the Federal Crop Insurance Corporation [FCIC], crop insurance is of vital importance to agriculture.

In the administration's recommendations for the 1990 farm bill, the elimination of the Federal Crop Insurance Program in favor of permanent disaster assistance legislation was proposed—unless significant improvements were made in the current program. To be sure, major modifications are necessary.

The Commission for the Improvement of Federal Crop Insurance and the General Accounting Office have carefully studied the entire program, and the Agriculture Committee has been working to develop a new, more cost-effective program.

Farmers in my district support continuation of a Federal Crop Insurance Program, and 63 percent of all acres in Nebraska are covered by the FCIC. In my home county, participation in crop insurance has reached more than 90 percent.

Because crop insurance is so important to American agriculture, I want to thank Chairman WHITTEN for his close scrutiny of FCIC, and his willingness to help find ways to improve the program's operation to minimize costs to the Federal Government and still provide farmers with an effective risk-management tool. If the necessary steps are taken to improve the current program and correct the practices that have led to excessive costs, I am hopeful future years will bring more stability to funding of the Federal Crop Insurance Program.

AGRICULTURAL TRADE

Throughout our subcommittee hearings, stimulating the growth of agricultural exports and U.S. competitiveness overseas have been issues of particular concern. Many have expressed fear that the Congress would be reluctant to continue to fund a strong agriculture trade policy.

Since 1986, agricultural exports have grown over 35 percent. For 1990, exports should be slightly stronger—increasing by $300 million from 1989 to a total $40 billion. Every member of our subcommittee wants to insure that this growth in exports continues.

After careful review of the current world situation and recurring natural disasters in regions of the United States, the committee has put forward a recommendation to fund the Export Enhancement Program [EEP] at $425 million and the Targeted Export Assistance [TEA] Program at $175 million.

Both programs have proven instrumental in the marketing of U.S. agricultural commodities throughout the world. Although these recommended funding levels are below the administration's request, the committee proposal would continue to provide adequate funding of these programs.

We are also sending a clear signal to producers, exporters, and our foreign competitors that until successful com-

pletion of a new GATT accord on agriculture, the United States will continue to aggressively pursue foreign export markets.

ENVIRONMENT

Our subcommittee continues to pay close attention to the increasing public interest in environmental issues. It used to only be the farmers who came to me and requested resources to assist in protecting this Nation's vital natural resources. Apparently, many of our urban counterparts have followed the lead of our agricultural producers and now realize the need to implement sound conservation practices.

H.R. 5268 increases the funding for Soil Conservation Service conservation operations by $32 million from 1990, to $509 million in 1991.

For farmers, the 1985 farm bill brought new laws to agriculture that we are just now beginning to fully understand. During the next 5 years, many producers are facing significant changes in the farming methods they will be allowed to utilize.

According to the Soil Conservation Service [SCS], producers in Nebraska will have to convert 5.4 million acres to conservation crop rotation, 3.6 million acres to conservation tillage, and 1 million acres will have to be converted to contour farming.

In addition, Nebraska farmers will have to install 180 million feet of terraces, 940,000 feet of tile outlets, and 1.5 million feet of windbreaks. And when you assume that terraces cost approximately $1 per foot—terraces alone will cost Nebraska producers $180 million.

To complete all this work in 5 years will be very difficult indeed.

I believe it is our responsibility to help farmers complete the conservation compliance provisions of the 1985 farm bill by providing adequate funding, staff, and technical assistance.

Under current law, farmers face significant penalties if they do not have their conservation plans fully implemented by 1995. Some farmers may find their plans too expensive to fully implement and will stop participating in Federal farm programs. If that should happen, not only will we lose the best avenue to encourage better conservation practices, but with increased commodity production farm program costs will escalate.

Finally, H.R. 5268 addresses additional environmental concerns by including $32.5 million to the Agricultural Research Service, an increase of $5 million from 1990, and $17.6 million to the Soil Conservation Service (SCS) for research and projects designed to enhance water quality and quantity.

NEBRASKA PROJECTS

In H.R. 5268, there are a number of initiatives of particular interest to Nebraskans. As one would expect, this bill has a major impact in my home State and my district.

Under H.R. 5268, the University of Nebraska would receive a substantial boost to begin construction of facilities for the proposed Center for Science and Technology.

This center will strengthen the ability of Nebraska and other States in the region to develop human resources and foster development and the technological transfer of new products and processes to industry.

In fiscal year 1989, the Federal Government provided $250,000 for the planning and design of the facility, and $3 million in 1990 to begin construction. In 1991, H.R. 5268 would provide $4.5 million for the center to continue construction activities.

This initiative will support the Federal Government's technology transfers activities while also working to support high-technology research advancements. More than a simple emphasis on biotechnology, the Center will bring into a single cooperative setting the resources of three academic areas: Biotechnology, Biological Chemistry, and Chemical Engineering. Scientists will focus on targeted basic and applied research critical to our regional and national economic security.

I am pleased that the Appropriations Committee has carefully considered Nebraska's request and has recommended this funding level.

In addition, this bill provides that the Meat Animal Research Center in Clay Center, NE, be funded at more than $2 million in fiscal year 1991. This increased funding, $687,000 above the administration's $1.4 million recommendation, will be utilized to fully staff the animal health unit, complete construction of swine facilities, and undertake a new initiative in gene mapping.

MARC has proven to be one of the most effective research facilities for the Department of Agriculture. One of only two such facilities in the Nation, the research and experimentation conducted will continue to provide leadership and direction for livestock producers across the Nation.

With an eye to the future in other areas, the committee has also approved $99,000 for continued range management and grazing research conducted at the Gudmanson Ranch in Whitman, NE.

The bill would provide for continued milkweed, $80,000; crambe, $70,000; and corn polymer, $40,000 research conducted in Nebraska; a $150,000 increase for the ARS Wheat, Sorghum, and Forage Unit in Lincoln; $110,000 for research on nonfood agricultural products at UNL; $375,000 for the formation of a new Rural Policies Institute; and it also provides for the continuation of the Nebraska Cooperative Extension Service programs, including Managing Main Street—$194,000, and Rural Community Revitalization—$219,000.

The further support of Nebraska's initiatives have been and will continue to be a wise investment for the Congress.

CLOSE

Mr. Speaker, for my last time, I join our distinguished committee chairman, Mr. WHITTEN, and the rest of the members of our subcommittee in support of H.R. 5268. It is a fair bill that meets the most important needs of agriculture, rural America, and urban consumers. H.R. 5268 meets the revised and tightened 302(b) budget targets set by the House earlier this month.

Although it is unable to fulfill the requests of every individual, organization, or agency, H.R. 5268 attempts to balance the multiple interests, concerns, and suggestions the Appropriations Committee has faced.

Thank you for 16 wonderful years in Congress and for the privilege of serving on this committee.

□ 1410

Mr. WHITTEN. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. GLICKMAN].

Mr. GLICKMAN. Mr. Speaker, I thank my colleague, the chairman of the full committee, for yielding me this time.

Mr. Speaker I, too, would like to indicate to the gentlewoman from Nebraska [Mrs. SMITH], that we will miss her. She has done an outstanding job for agriculture in the high plains of America.

Mr. Speaker, I just want to ask our chairman a little bit about the crop insurance provisions in the bill.

As I understand it, you have gone ahead and funded the administrative functions of the Federal Crop Insurance Corporation "sums as necessary"; you have permitted the crop insurance program to continue, if at least 75 percent actuarially sound.

There was great concern when the original House bill came through as to your cutting off, or your committee cutting off, crop insurance, and I see that it has been allowed to continue.

I wonder if the gentleman could give us some committee explanation of where crop insurance is going?

Mr. WHITTEN. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I am happy to yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Speaker, as our colleague will remember, our subcommittee continues this program for 10 or 12 years while trying to make it workable. We went along with it, but this year the administration asked that it be ended in view of the cost.

I would point out for the record that from 1939 to 1979, the program basically broke even. Since 1980, however, the program has lost over $2.6 billion

in indemnity payments, borrowed from the Commodity Credit Corporation.

In addition, the administrative costs for the past 10 years, have cost over $2 billion, an increase of over 450 percent. Insurance companies received $1,194,000,000 in overhead costs. So the gentleman can see we had to do something.

Having had 10 or 12 years' experience with this program, and knowing it is of interest to many, many areas, we tried to restore it. What we did is, we turned it back over to the ASCS to write the policies and handle the loss adjustment, which is perhaps more important, and we said that it should be not less than 75 percent actuarially sound.

We are not against it, but the administration asked that we end it. We have gone along with it, and hope it will work again.

Mr. GLICKMAN. Mr. Speaker, I appreciate that. I appreciate the comments by the gentlewoman from Nebraska [Mrs. SMITH] on the same thing.

Crop insurance is an important part of our agricultural programs. The program does need to be run better, and we also need to look at it more in conjunction with farm programs as opposed to separate from programs.

Mr. WHITTEN. If the gentleman will yield further, what we are trying to do is, return it to the farmers, and keep it from being a program for the insurance companies.

Mr. GLICKMAN. Mr. Speaker, we look forward on the Committee on Agriculture to continuing to work with the chairman to make that a program that is viable and useable.

Mrs. SMITH of Nebraska. Mr. Speaker, I yield 5 minutes to my good friend, the ranking Republican on the full Committee on Appropriations, the gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Mr. Speaker, I rise to give my qualified support to the conference report on the fiscal year 1991 agriculture appropriations bill.

On the whole, the conferees have done a good job. The gentleman from Mississippi, the esteemed chairman of the Agriculture Subcommittee, and of the full committee, JAMIE WHITTEN along with the gentlelady from Nebraska, the ranking member, VIRGINIA SMITH, have completed another bill which takes care of the farmers, the rural communities, and the less fortunate who depend on food assistance.

As we all know, this is the last agriculture appropriations bill for Mrs. SMITH, and I want to take a moment to acknowledge what a tremendous job my dear friend from the Cornhusker State has done on this bill, and on the many others over her 14 years on the Appropriations Committee. I am sorry that you are leaving us, VIRGINIA. We are really going to miss you. I will have more to say when I do my special order on her retirement tomorrow night.

With a price tag of $52 billion, the agriculture appropriations bill is not cheap, but it does begin to control costs in some necessary areas. Direct farm lending under the Farmers Home Administration has been reduced.

The Export Enhancement Program has been cut back by $75 million from fiscal 1990. The Targeted Export Assistance Program has been cut back by $25 million.

And even though the conference report restores funding for crop insurance, it does take some absolutely necessary steps to reduce the Federal cost of the program.

Most important is the condition that the program may be run only if it is 75 percent actuarially sound. That will enable the Department of Agriculture to reform some of the costlier aspects of the program such as loss adjustments, and will give USDA leverage over the reinsurance companies which have eaten up $1.2 billion in Federal subsidies over the past decade.

But in some particulars, the conference report plays a different tune. If you listen closely, you can hear the sounds of champagne music wafting over from the Senate. You know what that is? It is Lawrence Welk pumping that accordion because this bill contains a $500,000 earmark to restore his birthplace in North Dakota.

That is right—and a one, and a two, and a three, and a four, and a $500,000. Strike up the band, and bring out those lovely little Lennon sisters! Half a million dollars. What will they do for an encore? Earmark funds to renovate Guy Lombardo's speedboat, or restore Artie Shaw's wedding tuxedo?

There is more, Mr. Speaker. There is also a $1 million earmark in the same account for the Institute of Decision Making in Iowa. Maybe you have to make lots of decisions when you live in Iowa, but I think it would have been more appropriate to locate the institute here in Washington. It is too bad the institute was not set up before the Senate decided to spend $500,000 on Lawrence Welk.

Mr. Speaker, as you can see, the conference report does contain a few excesses courtesy of our colleagues from the other body. Except for amendment 44, which includes the two earmarks, I approve of the work the conferees have done, and support the conference report.

□ 1420

Mr. WHITTEN. Mr. Speaker, I yield myself 1 minute. We all enjoy the gentleman from Massachusetts, the ranking member of our committee [Mr. CONTE]. It is good for him to put on this act, and I am sure that the millions of Americans who have enjoyed Lawrence Welk through the years will appreciate his presentation. It was a little bit weak in spots, but it was his best effort.

Mr. Speaker, I yield 2 minutes to the gentleman from North Dakota [Mr. DORGAN].

Mr. DORGAN of North Dakota. Mr. Speaker, I shall not comment, Mr. Speaker, on the gentleman from Massachusetts's presentation. That obviously was a provision in the Senate side and I will not comment on his singing.

Let me say that I am going to support this legislation, and let me pay homage to my friend from Nebraska [Mrs. SMITH], who I think does a wonderful job in this body.

Having said that, let me now turn just for a second because we are talking about agriculture, to a message from the Secretary of Agriculture. I received a letter last week from the Secretary of Agriculture. I want to read to my friends in this Chamber what Clayton Yeutter says:

> American agriculture as a whole is in its healthiest economic state in years.

It comes from the Secretary of Agriculture just last week.

Well, I have here price quotes from 12 North Dakota grain elevators on wheat. Wheat has plummeted $3.13 a bushel to $2.35 a bushel, almost Great Depression level prices. In Hunter, North Dakota, a small grain elevator in Hunter has charted the price of wheat. Look at where it is headed. Wheat has collapsed in price. Seed grain has collapsed in price, and the Secretary says, It "is in its healthiest state in years."

Where has the Secretary of Agriculture been sleeping? Can this Rip Van Winkle wake up and give Members leadership in agricultural policy? Can he help Members get a better price for family farmers, or is he content to say the price collapse is fine, or he does not know what is happening? We need some leadership, and we need some leadership now. We need the Agriculture Secretary to either step up or step aside and provide some leadership to better prices, stronger prices, and better economic health in agriculture for family farmers.

There is, in fact, a crisis in wheat and seed grains, and it disserves the economic interests of family farmers in the part of the region that I am from to blithely say, as the Secretary has, that American agriculture as a whole "is at its healthiest economic state in decades." Baloney. Family farmers are going broke. Auction sales are the growth industry. We need leadership, Mr. Secretary, and we need it now.

Mrs. SMITH of Nebraska. Mr. Speaker, I yield 5 minutes to my good friend from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Speaker, once again this committee has come forward with a conference report that I am proud to support. It was not an easy task this year for any of the conferees who are meeting on the appropriation bills, faced with the austere position that Congress finds itself in this year, having to cut back on some badly needed programs, some very deserving programs. Certainly this conference, under the able leadership of our chairman, the gentleman from Mississippi [Mr. WHITTEN], and the gentlewoman from Nebraska [Mrs. SMITH] and the others as well as the staff, have done a good job.

We did battle with the other body on some differences, and as the gentleman from Massachusetts [Mr. CONTE] said, maybe we did not win all of them, but at least we went down swinging our batons here, and we lost a few of them here, but it is a good conference report, one I am proud to support.

I believe this is the largest appropriations in agriculture in the years I have been on this committee. I can recall 20 years ago, when I came on the subcommittee that most of the agricultural bills with farmers, helped the farmers, those who were actually producing the food and fiber that our country uses. Through the years since I have been on the committee, gradually it has gone more over to consumer-oriented programs. As the chairman has said, most of this appropriation is for consumer needs for feeding programs, for food programs for the hungry, and for those in nutritional programs. So much of the program is not really related to assisting farmers and producing the products at a better price and more economical price, doing a better job, but producing on the same costs. So, we have come a long way in the years. I am not sure all of it has been for the good, but nevertheless, this is a bill that I think we need to all support.

It touches everyone in this country, and as long as we can keep up the export, and there are some export programs in this bill, if we can continue to keep up the export, it is important to much of the world. This is an area that this committee has seen fit to assist, in adding to, and helping exports, because the farmer, through the talents of the farmer, the hard work of our American agriculture were able to produce so much more than we need to consume in our country, we either have to pay farmers not to produce, which no one likes, or we can help and export. This committee has been dedicated in doing a great job, I think, in helping export, to do more.

Now, we have two Members already who have been recognized this afternoon that will be a swan song for them. The gentleman from Oklahoma [Mr. WATKINS] and the gentlewoman from Nebraska [Mrs. SMITH]. Both Members chose not to run for reelection this year in the House of Representatives. We will miss both of them. Both of these Members are very dedicated, hard-working Members, particularly Mrs. SMITH, who I have had the privilege of in the past 10 years sitting, negotiating in two subcommittees of the appropriations process. I shall miss her. As I have said many times, I have never served with anyone more dedicated, conscientious, or hard working and tenacious. I want to underline tenacious. When Mrs. SMITH decides something is appropriate, that something is needed, whether it is for her State or for agriculture or for our country, she hangs right in there and just will not accept no. She will compromise when she has to, but I can tell Members from experience, I have found that she is one hard-nosed lady. We will certainly miss her services, as well as the gentleman from Oklahoma [Mr. WATKINS] on our Subcommittee on Appropriations. Their decision not to run, while I respect it, I regret it for our sake, selfishly, but certainly Nebraska and Oklahoma will miss those two.

□ 1430

Our committee will miss them, our Congress will miss them and our Nation will miss their service, but we say thank you for the service they have given to the country and to the House. We will miss them, but we wish both of them well.

Mr. WHITTEN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. TRAXLER], the ranking member on this subcommittee, and who also heads the VA, HUD, and Independent Agencies Subcommittee, where he has done a tremendous job.

Mr. TRAXLER. Mr. Speaker, I rise in support of the conference report to accompany H.R. 5268, a bill making appropriations for rural development, Agriculture, and related agencies. It is a conference report that responsibly deals with the many diverse needs of those affected by the programs operated by USDA, namely every single American.

Mr. Speaker, I want to compliment and thank our chairman, the gentleman from Mississippi, for once again doing his best to safeguard the recommendations made by this House when we passed this bill back in July.

I also want to pay special tribute to the gentlelady from Nebraska [Mrs. SMITH], who is managing her last conference report on behalf of the minority. Her devotion to American agriculture is well known, and this chamber would be better if we had more Members like her.

Mr. Speaker, the American farmer is caught in the midst of changing policies. He is caught up with the changes being made by the 1990 farm bill which is clearly being driven by budgetary concerns. He is affected by those who continue to believe that GATT negotiations will result in a fairer world agriculture, even though other participating nations do not hold the same expectations as do our negotiators. And the farmer is caught up with the day to day reality of how we fund—or do not fund—programs that provide for research, extension, and conservation activities that are vital for a long lasting and productive American agriculture.

Mr. Speaker, I am pleased that we were able to continue the various special research grants that are being conducted in Michigan, albeit with some slight modifications to reflect spending reductions that are being imposed throughout the Government.

There are certain projects that are of particular importance in this bill. First, I want to call attention to the subirrigation research project which will be funded at $262,000 in the Cooperative State Research Service's budget, and an additional $375,000 in the Soil Conservation Service's budget. This research continues to find ways to reduce the risks of nonpoint source pollution while recapturing and reusing farmland runoff in a fashion which should reduce the demand for groundwater in those areas where groundwater is the source for irrigation.

I am also pleased that we have retained nearly all of the funding provided by the House for the construction of a National Food Toxicology Research Center at Michigan State University. The conference agreement funds this project at $5,076,000. There is no doubt that food safety is a key concern for Americans, and this project has been underway since before food safety became a new budget buzz word.

I am also pleased that we were able to continue the crop insurance program. Our action will allow the program to continue if it is at least 75 percent actuarially sound, and its operations shall be returned to the Agricultural Stabilization and Conservation Service so far as sale and loss adjustments are concerned. There is no doubt that action had to be taken to reduce the losses associated with this program. While some may not like the course of action taken by the conferees, it is certainly preferable to having the crop insurance program totally discontinued.

Mr. Speaker, I also want to take a moment to call attention to language included in the report regarding the Commodity Supplemental Food Program. There has been a great deal of comments that have ranged from disagreement to confusion over whether or not the food and Nutrition Service was going to be able to obtain nonfat dry milk from Commodity Credit Cor-

poration stocks for donation in the Community Supplemental Food Program. It now appears that these donations will occur, and as a result funds provided in the fiscal 1991 appropriation will allow for a modest program expansion. The level of that expansion is yet to be determined, but nonetheless it is an expansion. I would call upon the officials within the Food and Nutrition Service to recognize that based on current information we do expect to see the program expanded, and based upon provisions agreed to within the 1990 farm bill, we expect to see some of that expansion to be in services to the elderly as well as to mothers, infants, and children. I would also call special attention to the provisions of the farm bill that authorize elderly-only programs. I am hopeful that these modifications will be implemented in an expeditious and comprehensive fashion. I am also hopeful that the Food and Nutrition Service will work to provide more regular and accurate information about the operation of and need for this program. These are indeed tough budget times, but we must remember that our focus must be to respond to those with real needs and not use the budget situation as an excuse for inaction.

Mr. Speaker, I commend this report to my colleagues, and I urge their support.

Mrs. SMITH of Nebraska. Mr. Speaker, I yield 5 minutes to my good friend, the gentleman from New Mexico [Mr. SKEEN].

Mr. SKEEN. Mr. Speaker, I rise in strong support of the conference report on H.R. 5268, making appropriations for rural development, agriculture and related agencies for fiscal year 1991.

In my 10 years in the House of Representatives, I have never seen agriculture come under such pressure as it has this year. From the authorizing and appropriation's committee, agriculture has been asked to give and give and give.

Given the current atmosphere, the burden has been enormous to fund important research and support programs within USDA; provide funding for agencies that help maintain part of the infrastructure of our rural communities; and ensure that important food and nutrition programs are maintained.

Under the leadership of our chairman, JAMIE WHITTEN, and the ranking member of our subcommittee, VIRGINIA SMITH, this Nation's agriculture community is assured that vital programs will continue and important new initiatives will begin.

Among the new programs that deserve mention is the Department of Agriculture's food safety initiative, which will help document the safety of our domestic food supply; a new agriculture research initiative, which allows for increased competitive research work among our universities; and a youth at risk program, which will focus on helping this Nation's youngsters deal with the pressures and problems of today's world.

Of all the programs funded in this bill, none have received as much attention as the Federal Crop Insurance Program.

While the program will be funded for the next year, a message to the Department of Agriculture has been sent loud and clear. That message is this: Change must be made to the current program. Those changes must result in greater cost savings to the American taxpayer.

I am hopeful the Department will begin focusing on these changes in the next few weeks.

This conference report ensures that our agricultural community and rural America are provided with the resources needed to feed and clothe a nation and much of the world.

The conference report is within our 302B allocations and assumes agriculture's share of meeting our deficit reduction goal for fiscal year 1991. But just as important, this report is good for agriculture and good for America.

I urge my colleagues to support this measure.

Mr. BEREUTER. Mr. Speaker, this Member would like to commend the gentleman from Mississippi [Mr WHITTEN] and the distinguished gentlewoman from Nebraska [Mrs. SMITH] for their leadership in developing the conference report now before the House. This Member would especially like to recognize the gentlewoman from Nebraska [Mrs. SMITH] for the untiring and exemplary service she has provided to the third district, the entire State of Nebraska, and America for the past 14 years as she has served in the House. She will definitely be greatly missed.

This Member is very pleased that the conference report fully funds the Federal Crop Insurance Progam for fiscal year 1991. A viable crop insurance program has disproportionately large value to Great Plains States such as Nebraska due to the greater extremes in climate and the greater likelihood of localized droughts as compared to the eastern Corn Belt and Southeastern States. Nebraska's farmers realize it is unlikely that future drought conditions will frequently include all of the eastern Corn Belt as they did in 1988 and 1989, and thereby provide the political base necessary to push disaster legislation through the Congress. Sparsely settled States of the Great Plains, with few Representatives in Congress, would be hard-pressed to routinely get disaster legislation passed for the relatively frequent drought and severe weather problems prevalent in the Great Plains.

The current crop insurance program needs to be reformed, for it has not served the taxpayer or the farmer as well as it could. Low participation rates, which have been artificially inflated by disaster assistance requirements recently, are a prime indicator of this fact. The requirement in the conference report that the program is at least 75 percent actuarially sound should facilitate much needed reform of this critically important program.

Developing an appropriations bill under the current budget climate was indeed difficult. This challenge was undoubtedly further complicated by the inordinate magnitude of cuts that agriculture programs were forced to bear to meet deficit reduction targets. This Member would again commend the conference committee members for their effort in developing an appropriations bill within these restrictive guidelines.

Mr. MILLER of California. Mr. Speaker, I rise in support of the conference report on H.R. 5268, the agriculture appropriations bill for fiscal year 1991, and especially to thank and commend the chairman of the Agriculture Appropriations Subcommittee, Mr. WHITTEN, and the conferees for their efforts to expand the Women, Infants, and Children's Special Supplemental Feeding Program [WIC] to more poor and nutritionally needy women, infants, and children.

The conference agreement allocates substantial new resources to combat the crippling problems—low birthweight, anemia, and birth defects—which face many thousands of infants whose mothers were deprived of adequate nutrition. As many Members of Congress are aware, nutritional deficiencies, mental retardation, and learning difficulties that may result can have a paralyzing and debilitating effect on the lives of young children and their families. Even more unacceptable is the fact that these problems can lead to premature death—low birthweight babies are 40 times more likely to die in the first month of life than infants of normal weight.

Mr. Speaker, the severe problems facing low birthweight babies are especially tragic because they are largely preventable. WIC has proven itself over the years to be an invaluable intervention for the most vulnerable, highest risk women and children.

Just this month, the Department of Agriculture released a new report to Congress which found that prenatal WIC participation by Medicaid recipients was associated with increased birthweight, especially for preterm births. Prenatal WIC participation was also associated with a lower incidence of preterm births and a longer gestational age. These findings support many previous studies which have shown that WIC reduces low birthweight births, infant mortality, and anemia among poor children and improves cognitive functioning.

Other recent studies support the USDA findings that WIC is an extremely effective program. In Missouri, in 1 year, WIC participation was found to be associated with an increase in mean birthweight of 31 grams and reductions in low birthweight rates of 23 percent. A Massachusetts study found that WIC brought improved pregnancy outcomes, including decreases in low birthweight incidence and neonatal mortality, an increase in gestational age, and a reduction in inadequate prenatal care. In North Carolina, a study reported that "not being on WIC independently increased the chances of having a low-weight birth by 60 percent."

Mr. Speaker, in these cost-conscious times, one of the appealing aspects of WIC is that it actually saves a tremendous amount of

money. The new Department of Agriculture study demonstrates clearly that prenatal WIC participation brings significant Medicaid savings. The five-State study conducted in Florida, Minnesota, North Carolina, South Carolina, and Texas found that WIC brought savings ranging from $277 to $598 per participant. In addition, for every dollar spent on the prenatal component of the program, the associated savings in Medicaid costs during the first 60 days after birth ranged from $1.77 to $3.13 for newborns and mothers, and from $2.84 to $3.90 for newborns alone.

Because WIC has proven to be a very effective program, I am pleased that the conferees have approved a substantial increase in WIC funding that will result in expanding services to thousands more low-income, nutritionally at-risk women, infants, and children. Currently, the program only reaches about half of those eligible. Rising food and formula costs have impeded our progress to reach more of those in need. The increased support provided by this agreement will allow us to maintain current efforts and increase them modestly.

I am particularly pleased that the reserve fund, originally set aside for unanticipated needs, has been removed from the bill, thus making the additional funds immediately available to persons in critical need of WIC services. Once again, I commend and thank both the chairman of the Appropriations Committee and the conferees for their continued dedication to this proven, cost-effective program.

The WIC Program continues to make an extraordinary difference in the lives of the mothers and children whom it serves. That WIC is cost-effective benefits our National Treasury. That WIC contributes to the healthy development of children who will be much better able to participate fully in American society is of inestimable value.

Mrs. SMITH of Nebraska. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WHITTEN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). Without objection, the previous question is ordered on the conference report.

There was no objection.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. Pursuant to House Resolution 517, the amendments in disagreement and the motions to dispose of the amendments are considered as having been read.

The Clerk will designate the first amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 2: Page 12, line 9, after "113a)" insert ": *Provided further,* That the foregoing limitations on purchase of land shall not apply to the purchase of land at Kimberly, Idaho".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 29, 45, 46, 50, 54, and 68 be considered en bloc and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The texts of the various Senate amendments referred to in the unanimous consent request are as follows:

Senate amendment No. 29: Page 18, line 12, after "improvements" insert: ": *Provided further,* That $425,000 shall be available for a grant pursuant to section 1472 of the National Agricultural, Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3818), in addition to other funds available in this appropriation for grants under this section".

Senate amendment No. 45: Page 38, line 20, after "assistance" insert "and training".

Senate amendment No. 46: Page 38, line 22, after "development" insert: ": *Provided further,* That $2,000,000 shall be available for grants to statewide private, non-profit public television systems in predominantly rural States to provide information and services on rural economics and agriculture".

Senate amendment No. 50: Page 41, after line 4 insert:

CITY OF BURLINGTON

Hereafter, the area within the present city limits of the city of Burlington, Ward County, State of North Dakota, shall be eligible for loans and payments administered by the Farmers Home Administration through the Rural Housing Insurance Fund.

Senate amendment No. 54: Page 44, line 9, strike out all after "Bank" down to and including "systems" in line 13 and insert: ": *Provided further,* That not less than $500,000 of this appropriation shall be expended to provide community and economic development technical assistance to rural electric and telephone systems by Rural Electrification Administration employees who are located within REA and assigned to REA's Rural Development Coordinator and who may not be reassigned or relocated to the Rural Information Center or other agency or office".

Senate amendment No. 68: Page 61, line 17, after "basis" insert: ": *Provided further,* That, hereafter, notwithstanding any other provision of law, upon the request of the Secretary of Agriculture, the Secretary of State shall accord the diplomatic title of Minister-Counselor to the senior Foreign Agricultural Service officer assigned to any United States mission abroad: *Provided further,* That the number of senior Foreign Agricultural Service officers accorded such diplomatic title at any time shall not exceed twelve".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendments of the Senate numbered 29, 45, 46, 50, 54 and 68 and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 6: Page 14, line 6, strike out "$56,909,000" and insert "$56,811,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 6 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "$61,987,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows: Page 15, line 9, strike out "$14,985,000" and insert "$16,245,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate number 13 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: "$17,933,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows: Page 15, line 20, strike out "$373,076,000" and insert "$379,966,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 14 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert: "$388,489,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate Amendment No. 16: Page 16, line 2, after "$45,361,000" insert ": *Provided*, That from funds provided, a feasibility study shall be conducted on the Rural Health Information and Technology Initiative at the Medical College of Wisconsin".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate number 16 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert ": *Provided*, That the $2,853,000 appropriated in fiscal year 1990 for the Center for Research on Human Nutrition and Chronic Disease Prevention at Wake Forest University, Winston-Salem, North Carolina, shall be made available for planning and construction of the facility

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 26: Page 17, line 11, strike out "$385,727,000" and insert "$387,331,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "$389,273,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 27: Page 18, line 1, strike out "$8,150,000" and insert "$8,146,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "$9,205,000"

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

□ 1450

The SPEAKER pro tempore (Mr. MAZZOLI). The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 28: Page 18, line 5, strike out "$16,373,000" and insert "$16,423,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 28 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "$16,798,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 32: Page 29, line 20, strike out "$101,579,000" and insert "$325,857,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 32 and concur therein with an amendment, as follows:

In lieu of the sum stricken and inserted by said amendment, insert "such sums as necessary".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 35: Page 33, line 6, strike out "$1,963,740,000" and insert "$1,892,223,000".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 35 and concur therein with an amendment, as follows:

In lieu of the sum proposed by said amendment, insert "$1,857,981,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 47: Page 38, after line 22, insert:

SOLID WASTE MANAGEMENT GRANTS

For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act, $3,000,000: *Provided*, That grants made under this section shall be for 100 percent of the cost of such assistance.

MOTION OFFERED BY MR. WHITTEN

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 47 and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

SOLID WASTE MANAGEMENT GRANTS

For grants for pollution abatement and control projects authorized under section 310B(b) (7 U.S.C. 1932) of the Consolidated Farm and Rural Development Act, $1,500,000: *Provided*, That such assistance shall include regional technical assistance for improvement of solid waste management.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 75: Page 67, strike out all after line 17 down to and including "Corporation)," in line 20, and insert:

Not to exceed $37,926,000 (from assessments collected from farm credit institutions) and not to exceed $908,000 (from assessments collected from the Federal Agricultural Mortgage Corporation); in all, $38,834,000.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 75 and concur therein with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

Not to exceed $40,290,000 (from assessments collected from farm credit institutions) and not to exceed $608,000 (from assessments collected from the Federal Agricultural Mortgage Corporation); in all, $40,898,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 76: Page 77, strike out lines 4 to 9.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 76 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows: In lieu of the sum named, insert "$175,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 77: Page 77, strike out lines 10 to 16.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 77 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment, amended as follows: In lieu of the second sum named, insert "$425,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 79: Page 77, line 23, strike out "636" and insert "634".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 79 and concur therein with an amendment, as follows:

In lieu of the section number stricken and inserted by said amendment, insert:

636. The Secretary shall use the authority available under section 32 and the Charter of the Commodity Credit Corporation to sell surplus agricultural commodities in world trade at competitive prices, as authorized by law, to regain and retain the United States' fair share of world markets.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 83: Page 78, line 19, strike out "640" and insert "638".

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. WHITTEN moves that the House recede from its disagreement to the amendment of the Senate numbered 83 and concur therein with an amendment, as follows:

In lieu of the section number stricken and inserted by said amendment, insert:

640. None of the funds in this Act may be used to establish any new office, organization or center for which funds have not been provided in advance in Appropriations Acts, except the Department may carry out planning activities.

SEC. 641

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Mississippi [Mr. WHITTEN].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions and on the conference report was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to, and that I be permitted to include tables, charts, and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONFERENCE REPORT ON H.R. 5257, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. NATCHER. Mr. Speaker, I call up the conference report on the bill (H.R. 5257) making appropriations for the Departments of Labor, Health and Human Services, and Education and related agencies, for the fiscal year ending September 30, 1991, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 517, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 20, 1990, at page H10791.)

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. NATCHER].

GENERAL LEAVE

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report and amendments in disagreement on the bill, H.R. 5257.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. NATCHER. Mr. Speaker, I yield myself such time as I may consume.

I am pleased to present the conference report on H.R. 5257, the fiscal year 1991 appropriations bill for the Departments of Labor, Health and Human Services and Education and related agencies. I am also pleased to report that the conferees were able to resolve all 191 amendments in disagreement and that the final agreement is within the revised 302(b) allocations for both budget authority and outlays. We believe that the bill as agreed to in conference can be signed by the President. The full conference agreement is described in the statement of the managers accompanying the conference report, which includes a detailed table with appropriate comparisons. The agreement was printed in the CONGRESSIONAL RECORD of October 20, 1990, and has been available to Members since noon on Sunday.

As is the case with all conferences, the agreements reached are not the exact compromises which each of us would have preferred. I believe, however, that it is a fair compromise of the different priorities and interests of the House and the Senate. The task of reaching this agreement was made more difficult by two problems which have become known only in the last several weeks. The first is the need for additional energy assistance funds as a result of the situation in the Middle East. The second is the need for more money for State unemployment operations because of increased unemployment. Many Members have talked to

the committee about these problems and the conferees added almost $300 million to address these matters. It was the job of the conferees to accommodate these critical new needs within a 302 allocation which had already been adjusted downward by $2 billion from the original House level. In the end, the conferees agreed to an across-the-board reduction of 2.41 percent in order to stay within our ceiling.

The conference agreement includes a total of $182,181,734,000 for the departments and agencies funded in this bill. This is an increase of $22,565,889,000 over the 1990 level and $7,335,962,000 over the President's budget request. $16,755,512,000 of the increase over 1990 is the result of entitlements such as Medicaid, Medicare, and Aid to Families with Dependent Children. For discretionary programs, the conference agreement provides $50,080,026,000 which is an increase of $5,928,194,000 over 1990, and $4,731,880,000 over the President's request. The most important increases over 1990 include a $2,493 million increase for education, $730 million for the National Institutes of Health, $400 million for Head Start, $281 million for AIDS, $167 million for emergency energy assistance, and $732 million for the new child care program expected to be authorized by this Congress.

For the Department of Labor, the bill includes $7,516,537,000, an increase of $286,712,000 over the President's budget request. In addition, trust fund limitations of $3,171,639,000 are included. For the Job Training Partnership Act we agreed to provide $4,066,728,000, including $867,497,000 for the Job Corps. We have provided $2,849,478,000 for the State employment security agencies. This includes $90,700,000 that we included to meet the President's request of September 10 for additional funds for increased unemployment claims workload. The conferees thought that it was very important to attempt to address that matter which was raised by the administration very late in the appropriations process.

The agreement provides a total of $146,160,955,000 for the Department of Health and Human Services. Of this amount, $22,336,693,000 is for discretionary programs. For discretionary activities, the bill provides an increase of $3,095,520,000 over 1990 and an increase of $3,131,796,000 over the budget request. The most important parts of the agreement include a $221 million appropriation to initiate AIDS care programs authorized by all three titles of the Ryan White Act, $8,307 million for the National Institutes of Health, a 9.6-percent increase over 1990, $1,610 million for energy assistance grants, and $1,952 million for Headstart, a 26-percent increase. Of particular interest to many Members of the House, the agreement includes $29 million to initiate the new breast and cervical cancer screening programs authorized by the Congress earlier this year. The conferees also provided funding to start up the new disadvantaged minority health improvement program. Finally, the bill includes $732 million for the new child care program which is expected to be authorized in the reconciliation bill this week. These funds would be spent under the terms and conditions established in reconciliation and the appropriation is contingent on the enactment of authorizing legislation.

For the Department of Education, the agreement provides $27,426,292,000. This is an increase of $2,702,072,000 over the 1990 level, and $1,382,958,000 over the President's request. Again this year the conference has given its highest priority to funding in support of education programs serving disadvantaged children. This includes an $856 million, or a 16-percent, increase for compensatory education and a $566 million, or a 12-percent, increase for Pell grants. The conference agreement accepts the Senate proposal to raise the maximum Pell award to $2,400. For impact aid payments, the bill provides $781 million and follows the allocation for "a" and "b" payments established by the House. The bill provides a $412 million, or a 20-percent increase for the education for the handicapped program. The agreement also provides $149 million for handicapped activities under chapter I but recommends that this program be consolidated with the regular handicapped education program in 1992. The agreement also provides $1,004 million to fund the recently reauthorized Carl D. Perkins Vocational and Applied Technology Act. This includes $63 million to start the "tech prep" program which was the centerpiece of the new law.

The conference agreement includes $1,077,950,000 for the 18 independent and related agencies funded in the bill. This includes $319 million for the Corporation for Public Broadcasting of which $65 million is for the satellite replacement project.

With respect to the sensitive issue of abortion, the Senate receded to the House on amendment No. 92. The conference agreement therefore maintains current law which permits Federal funding for abortions only when the life of the mother would be endangered if the fetus were carried to term.

I believe the conference agreement is a fair compromise between the House and Senate bills which should be supported by this House. I urge its adoption.

□ 1450

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of the conference report for H.R. 5257—the Labor, Health and Human Services, and Education Appropriations bill for fiscal year 1991.

Each year Congress provides for the needs of this great country through the 13 bills which the Appropriations Committee brings to this floor for consideration. Of these bills, none is more important than this one.

This is the bill that provides the resources to keep our nation healthy, well educated, and safely employed. This bill embodies our commitment to the American people.

I think of it as America's bill because it brings the disabled into the mainstream of society, gives every youngster the best education possible, keeps our workers safe, and seeks cures to save the sick and dying. It takes care of the fundamental needs of our Nation.

While I am very pleased with the many good items in this bill, it still falls short of sending the full message the American people deserve to hear. In my opinion, it still does not go far enough for educating the disabled, helping schools with Federal facilities, serving the unemployed, and taking care of the health needs of some of the most disadvantaged groups, such as minorities.

It's not because we didn't try. We did our very best. If this subcommittee had its way we'd do even more. But we live in tight fiscal times. The growth of entitlement programs have squeezed our ability to quickly respond to new national priorities. This year over 70 percent of the $182 billion in this bill went to entitlements.

That means we had just over $50 billion in discretionary spending.

The bill's $6 billion increase over last year for discretionary programs sounds like a lot of money until you have to divide it up among everyone who looks to us for help. The budget limits made it nearly impossible to fully meet all needs.

In fact, the demand for service and assistance was so great that we had to take a 2.4 percent across the board cut in conference for each discretionary line item to bring the bill back in line with our 302(b) allocation.

Despite all the tough decisions, regulations, and budgetary constraints we created some real winners. Let me just mention some of them:

For low income fuel assistance, we provided $1 billion—$421 million for the regular LIHEAP program. This is a $22 million decrease from the overall total we had last year. But more significantly, we have provided almost $200 million for an emergency fuel assistance contingency fund. This fund will help to protect low income families from the skyrocketing cost of home heating oil.

We also provide about $220 million for the Ryan White AIDS care bill. All

three parts of the bill are funded. We provide $87 million for emergency grants and comprehensive care. And we provide nearly $45 million for early intervention programs to help stop the spread of the HIV virus.

For HIV, we appropriated $8.3 billion for biomedical research that will save lives and improve our health. I also fought to assure funding to complete the Child Health Neuroscience Building at the NIH campus. I worked for over a decade to see this project come true.

For the decade of the brain, we boosted mental health research to a record level of $459 million. The neurology institute will get a $53 million increase. And the Aging Institute will get a big 37 percent increase from last year.

For family planning, we provide $144 million, which is $5 million over last year. Family planning has suffered too long from the lack of reauthorization. The straight reauthorization bill will be up sometime soon, and I hope that we can pass it and break the 5-year deadlock.

For chapter 1, the compensatory education program for the disadvantaged, the bill provides $6.2 billion, an increase of $856 million over last year and $356 million more than the President's request.

For student aid, $6.7 billion, $625 million more than last year, with $371 million going to cover prior year shortfalls.

For Head Start, $1.95 billion which is the biggest increase in the program's history. This boost will add over 180,000 more children to the Head Start rolls.

For workers dislocated by plant closing there is $526 million, $63.4 million more than last year and $126 million more than requested.

I worked especially hard for increases in student aid, with a $61 million increase for supplemental grants. I also fought for the disabled, by creating centers to help with the implementation of the Americans with Disabilities Act, and by providing $10 million for CDC's disability prevention program. I also worked to establish centers to help children with attention deficit disorders, and to develop descriptive videos for the blind.

Let me also mention a couple of points of concern:

For unemployment we provide $2.85 billion, including the $90.7 million requested by the President in September. Unfortunately that's $83 million less than current projections now indicated will be needed. You can bet we'll be coming back to this one next spring.

For child care, our bill makes $750 million available if and when the bill is enacted into law. Here's an area that deserves a lot more. If legislation had passed earlier, we could have had more flexibility in the number. I hope our authorizing committees will conclude this session with an agreement that will be signed into law, and get child care out to the working families who desperately need our help.

I want to congratulate the gentleman from Kentucky, Chairman BILL NATCHER for working with me on this fine piece of legislation. Having served with him since 1981, I know this bill reflects his heartfelt compassion and affection for all Americans.

And a special thanks to the subcommittee members on this side of the aisle, CARL PURSELL, JOHN PORTER, BILL YOUNG, and VIN WEBER.

I also appreciate the fine work of the majority and minority staffs who supported our efforts.

Mr. Speaker, this bill does so much good and the American people have been kept waiting for so long. I urge my colleagues to support the conference report. Let's get it over to the White House for the President's signature.

Mr. Speaker, as you know there are many other programs in addition to the ones I have already mentioned that are vital to the health, employment, and education of the American people and are operated by the Departments receiving funds from this bill.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

For the Department of Health and Human Services the bill provides a total of $139.9 billion for fiscal year 1991, which is $17.4 billion—14.2 percent—above last year.

This year's turmoil in the Middle East has resulted in the highest prices for oil and home heating fuel. The poor of this country are facing a long, cold winter without adequate resources to keep their homes warm. A gallon of home heating oil is already at $1.40 or higher, and winter has yet to set in.

To protect low-income families against the volatility of the energy markets, I worked with the conferees to establish an energy emergency contingency fund of nearly $200 million. This money would be distributed to the States based upon the proportion of energy consumption among low-income families using heating oil, kerosene, or propane. The funds would be made available after January 15, 1991, should retail prices for home heating oil exceed 20 percent of the previous 4-year average for that month.

In order to provide the States with adequate resources for heating assistance, we have appropriated $1.421 billion for regular LIHEAP grants. It would have been $1.45 billion had it not been for the 2.41 percent across the board decrease our bill had to undergo in order to meet our 302(b) allocation. This amount, along with the contingency fund, should help cushion the blow of high energy prices.

Regarding the other important discretionary programs within HHS, we have sustained the momentum in biomedical research, AIDS activities, health programs, and disease control.

At the Health Resources and Services Administration, $1.85 billion is appropriated, $49 million above last year. We have fully restored cuts proposed by the administration in health professions training. Important health professions such as nursing, allied health, public health and several others will continue.

For the Ryan White AIDS care bill, the conferees have funded all three titles: $87.8 million for emergency assistance, $87.8 million for comprehensive care, and $44.9 million for early intervention programs. This is a total of $220.5 million for this landmark health package.

We have started the new minority health initiative with $19.5 million, which will fund a variety of new programs including: Hispanic centers, Native American centers, scholarship grants, student loan funds, loan repayment for faculty service, grants to States/community based organizations for scholarships, public housing health services, and data collection.

The bill provides $22 million more for community health centers, for a total of $478 million. This valuable program will be able to provide additional primary care in economically disadvantaged areas of the country, including rural regions.

The Maternal and Child Health block grant will also receive a major increase of $34 million from last year for a total of $587,310,000. This program provides for preventive nutritional, health and social services for families with children. This increase is needed to combat the continuing high rates of infant mortality in America.

At the centers for disease control, we provide for $1.01 billion for a wide array of epidemic tracking, disease prevention, and education efforts. Nearly half of the agency's budget, or $497 million, is devoted to AIDS prevention and control activities. In other areas, we have doubled the disability prevention program to $10 million. These new funds will enable an expansion of current State programs in disability prevention, increase the number of States starting new programs and provide for better coordination of State and nationwide activities related to this growing field. With the signing of the American With Disabilities Act, it is imperative that we make a special effort to reduce the incidence of disabilities.

We have also doubled CDC's lead poisoning prevention programs to $7.8 million and trebled breast and cervical cancer programs to $29.3 million. Lyme disease control will receive almost $5 million, up $3 million from last year. These new funds will help those States with the heaviest burden of cases, including Massachusetts and New York. With the growing numbers of diseases of world-wide significance, we have provided new funds to enable CDC's International Health Program office to respond to emergency outbreaks of disease, famine and disasters around the world.

For the National Institutes of Health, this bill provides for $8.3 billion, $450 million above last year and $379 million over the administration's request.

Biomedical research is our Nation's best investment against disease. Doctors and scientists labor day and night to find the cures for the thousands of diseases afflicting mankind. I am heartened by the progress we are making in conquering the tough diseases. Just last week, scientists found the gene causing neurofibromatosis, giving thousands of people

around the world hope in finding a cure soon for their painful affliction. I am pleased with the progress we are making, but so much more remains to be done.

The amount in this bill will bring the number of new and competing research grants back up to 6,000 from the 4,600 being funded this year. This is an investment in our strong investigators and gives them the confidence to go forth with new theories on the cause and manifestations of disease. By increasing the percentage of funding of approved grants, we will sustain more projects of scientific importance and increase the chances of finding more cures.

The decade of the brain initiative signed into law last year is now well underway. With Federal efforts coordinated by the White House Office of Science and Technology Policy, the NIH is taking the lead in making neuroscience a national health priority.

Research at the National Institute of Mental Health, a key player during the Decade of the Brain, will total $458.7 million, an increase of nearly $70 million over the last year. With these additional funds, NIMH will begin new initiatives in children mental health, brain imaging relating to mental disorders, and basic research on the biological basis of mental illness.

At the National Institute for Drug Abuse, we have provided $258 million for basic research. This will give NIDA research programs, especially in the crucial field of medications development, the momentum to find the answers in treating drug addiction.

At the Office of the Assistant Secretary for Health, the national vaccine program will receive $10 million, nearly double last year's amount and $3 million over the request. The NVP is responsible for the coordination and development of new vaccines which would reduce the incidence of infectious diseases such as whooping cough and measles.

For the new Agency for Health Care Policy and Research, the bill includes $96.5 million in appropriated funds, an increase of $47 million over the request and $57 million over 1990. This agency was created by last year's reconciliation bill, and there is continued concern over the provisions of the bill which funds AHCPR with PHS evaluation funds. For the medical treatment effectiveness program, we have provided $58.5 million in order to find out which treatments are the most cost-effective and medically useful. The results from this research have important policy and reimbursement implications.

Head Start, which celebrates its silver anniversary this year, will receive the largest increase in the history of the program. Because of Head Start's proven effectiveness, the conference provided on $1.951 billion, which is $400 million more than last year and $65 million more than the President's request.

We have provided major increases for family crisis programs, including child abuse State and challenge grants, runaway and homeless youth, and family violence. For the Administration on Aging which administers HDS's aging program, we provide for $767 million, $45 million over last year and over the administration's request.

For AIDS programs throughout the Public Health Service, the bill provides for approximately $2 billion. I'm especially pleased to be able to accelerate our efforts in combating pediatric AIDS, which is fast becoming a top cause of mortality among children ages 0 to 5. At HRSA, we have provided $20 million for pediatric AIDS demonstration projects and at the NIH we have doubled the funding for pediatric AIDS clinical trials to $47.5 million. The conferees made a special effort to preserve the House mark for PCTU's. These substantial increases will help pave the way to reducing the incidence of HIV infection among infants and children.

DEPARTMENT OF LABOR

H.R. 5257 provides the Department of Labor with $7.5 billion, $906 million more than fiscal year 1990 and $287 million above the administration's request.

For departmental management the bill contains $132.3 million, $14.374 million more than last year and $802,000 above the administration's request. This includes $7.46 million for the Women's Bureau, an increase of $600,000 over the amount requested which will be used to continue expansion of the displaced homemakers' network. Also, an increase of $7.6 million is provided for the Office of the Solicitor to handle the increased number of cases being referred to that office.

The bill proposes to fund the programs under the Job Training and Partnership Act at $4.07 billion, $148 million more than last year and $227.5 million above the administration's request.

Included in the JTPA total is $867.5 million for Job Corps, a $65 million increase. This will enable the Job Corps program to continue serving about one out of every seven eligible youth. There is $682.9 million for the Summer Youth Training Programs, a $16.8 decrease over the amount provided last year, and $526 millllion for dislocated worker assistance, a $63.3 million increase. The JTPA block grants to the States will receive $1.778 billion, a $34 million increase.

The Department's unemployment compensation programs are slated for $1.98 billion, $183 million more than last year. This includes allotments to the States of $1.458 billion. The recommended $865 million for employment services programs, $34 million more than last year.

Under the bill the Labor-Management Services program would receive $87.9 million, $14 million more than last year and the $2.2 million less than the amount requested by the President.

Established by title IV of the ERISA Act of 1975, the Pension Benefit Guaranty Corporation is a wholly owned, self-financing corporation. The conferees recommend usage of trust funds totaling $69.4 million, $94,000 more than last year.

The Community Service Employment for Older Americans is another Labor Department program for which the conferees recommend an increase. The bill provides CSEOA with $390 million, $22 million more than last year and $47 million above the President's request. Of the CSEOA total $304 million will go to national contracts and $85.8 million to State grants.

The bill provides the Bureau of Labor Statistics with $256.7 million, $15.36 million more than last year. This amount includes funds to continue the mass layoffs and plant closing surveys.

The bill provides the Employment Standards Administration and all the programs in that account with a total of $1.434 billion, $381 million more than last year and $344,000 less than the President's request.

Within the ESA account is special benefits, for which the bill provides $297 million, $102.9 million above last year and the amount requested by the administration. Of this amount $4 million is for the longshore and harbor workers' benefits.

Black lung would receive $919 million through this bill, $277 million more than last year and $3.95 million above the administration's request.

The bill provides the Occupational Safety and Health Administration with $286.7 million, $19.6 million more than last year. Of the total $29.6 million is for safety and health statistics and $186.6 million is for Federal and State enforcement.

The Mine Safety and Health Administration would receive $174.9 million under this bill, that is $6.85 million more than last year.

The bill includes $167.8 million, $7 million more than last year and $5.5 above the Administration's budget request for veterans employment and training. The total includes $77 million for the Disabled Veterans Outreach, $2.7 million over the budget request and $71.1 million for local veterans employment representative program, an increase of $2.6 million. Funding for the National Veterans Training Institute was restored to $2.44 million, slightly less than the previous years funding.

For the inspector general the bill provides $48.7, $2.1 million more than last year and $58,000 above the administration request.

DEPARTMENT OF EDUCATION

For the Department of Education, the bill provides a total of $27,426,292—$2.702 billion more than fiscal year 1990 and $1.383 billion above the administration's request. These figures represent the most money we have ever been able to provide the Department.

In the student financial assistance account, the conferees provided a total of $6.708 billion as proposed, $625 million more than last year and $359 million above the administration's request. The SEOG program would receive $520 million, a $75 million increase. The Pell grant program gets $537 billion, a $665 million increase. Of that increase $371 million goes to cover prior year shortfalls and $113 million is placed in a contingency fund in case the Department's assumptions are inaccurate. Work-study gets $594 million, income contingent loans get $4.88 million, Perkins loans $156 million, and State student incentive grants get $63.5 million.

The guaranteed student loans program receives $5.381 billion, the administration's request. More than $2 billion of that amount goes to pay for loan defaults. This is a serious problem that undermines the student aid programs.

For the categorical higher education programs the bill provides $72.6 million, $140 million more than last year. There are several increases of which I am very pleased and want to highlight. One is aid for institutional devel-

opment that receives $204 million, an $8.6 million increase. Another is TRIO where we're recommending $333.7 million, a $92 million increase.

For the fund for innovation in post secondary education we're recommending $14.639 million, over a $2 million increase, the first increase in over a decade.

The school improvement programs are slated to receive $1.575 billion, $165 million more than last year and $129 million less than the administration's request. Let me mention a few of the increases provided by this bill. Included in the total are $14.2 million for the national diffusion network, $9.2 million for the inexpensive book distribution, $4.4 million for arts in education, $5.855 million for law related education, and $885,000 for blue ribbon schools.

Included in the school improvement programs $606.6 million for the drug-free schools and communities program, $66 million more than was requested by the administration.

The bill provides $213.7 million for the Eisenhower mathematics and science education program, $78 million more than last year. As I mentioned last summer when we brought the bill to the floor, I hope the Department will work with the Department of Energy and the National Science Foundation to strengthen the math-science capacity of this Nation.

For the fund for the improvement and reform of schools and teaching, the bill contains $8.9 million, a $520,000 increase. The fund for Innovation in education the bill provides $27.8 million, nearly a $10 million increase. Of the increase for FIE $9.5 million is for the comprehensive school health program and $4.5 million is earmarked to continue expansion of the underachiever initiative that I started last year. We've got to do more for the large number of students who aren't being reached by our educational system. This initiative fosters innovative ways to reach youngsters who have fallen off the wayside of the educational assemblyline.

The administration requested $1 million for the Women's Equity Act program, the bill provides $2 million.

As I previously mentioned chapter 1 is provided with $6.22 billion, an $852 million increase over the previous year. Included in the overall increase for chapter 1 is an increase that means a great deal to me, the $15.5 million increase for Even Start, raising the total for that program to $49.8 million. Even Start is a wonderful program that meets the educational needs of disadvantaged children and parents simultaneously. As provided in the authorizing statute when the total funding exceeds $50 million, Even Start must convert to a State formula grant activity, that will not be the case in fiscal year 1991, but will probably happen next year. I started funding for this program 2 years ago and I'm thrilled to see it grow.

For impact aid the bill provides $780.7 million, $38.4 million more than last year and $119 million above the administration's request. Of the amount provided, $585.5 million will go for category "A" students, $136.6 million will go for category "B" students, $16.6 million is for payments for section 2—Federal property, and $1.95 million for section 3E—Base Closings.

The education for the handicapped programs will receive $2.264 billion, $483.6 million less than the amount which the House provided. The amount provided will once again keep the Federal share of the excess costs for education of disabled children far below the 40 percent level which we promised nearly 15 years ago. One of the most contentious issues in the conference was the consolidation of the handicapped education program in Public Law 89–313 and the Education for the Disabled Public Law 94–142, as recommended by GAO and required by the Hawkins-Stafford Admendments of 1988 which says the administration of these programs be consolidated by fiscal year 1991. The conferees chose to not merge the programs this year but did say the programs should be combined in the years ahead.

For this account the conferees agreed to provide $750,000 for the creation of a center or centers to help educators and parents meet the unique needs of children with attention deficit disorders.

The account also includes about $1 million for futher development decriptive video technology. This technology promises to do for the blind what closed captioning does for the hearing impaired.

In the bill the rehabilitative services and handicapped research will get $1.96 billion, $116 million more than last year and $60 million above the administration's request.

The bill provides special institutions for the handicapped with $115.6 million, $6.3 million more than was provided last year.

For bilingual and immigrant education the bill provides $198 million, $9.4 million more than last year and $7.5 million less than the administration's request. This total includes $800,000 for two middle school developmental bilingual instructional projects that foster academic achievement and retention by using arts based curriculums. The projects which will be generated via an open competition process will feature site-based decision-making, voluntary magnet schools, parent involvement, and community support, and collaboration with colleges and universities.

The bill would increase the funding for vocational and adult education by $2 million, for a total of $1.245 billion.

For research and statistics the bill provides $135.07 million, $39 million more than last year and $35 million less than the administration's request. The account contains a couple of items that deserve special attention. One is the $2.9 million for evaluation of education reforms in the States. Another is the $5 million for following-up with the President's educational summit held last fall.

For libraries the bill provides $142.9 million, $6.2 million more than last year. The bill provides $976,000 to fund for the first time a grant program for local libraries to purchase native language materials.

□ 1500

Mr. NATCHER. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Mississippi [Mr. WHITTEN], the chairman of the full committee.

Mr. WHITTEN. Mr. Speaker, it is a great pleasure to come in at this time. During the history of the country, I do not believe we have had Members who have done a greater job in looking after the welfare of the American people than the gentleman from Kentucky [Mr. NATCHER] and the gentleman from Massachusetts [Mr. CONTE], as well as my colleagues of that subcommittee, because they have worked together. It is a pleasure to work with them.

It is great to see our subcommittee under the chairmanship of the gentleman from Kentucky [Mr. NATCHER] give attention to Americans and America. We have got to give our country that attention, because our country is what all of our money is based on. An educated, healthy population, with adequate housing, food, and nutrition form a strong agricultural base, provides the foundation for our national strength and future.

This is a bill that is supported by all members of the Committee on Appropriations who agree on the importance of the education and health of the citizens of the United States.

Mr. Speaker, ours is a great country. We need to take care of all of it in order to maintain a strong, healthy Nation. Strength and health that can come only from protection and developing the Nation's resources—our real wealth—our highways, our bridges, our schools, our habors, our health facilities, our national parks and wildlife refuges, and our research programs.

We face a difficult financial situation. But we cannot eliminate a $3 trillion national debt by cutting back or eliminating that which we need as a basis for economic growth. We will get out of our fiscal problem only when we return to producing more than we consume and selling the balance aborad. We need to regain our normal domestic and overseas markets. When we do that, we will be well on our way to eliminating the debt.

Mr. Speaker, this bill includes funds for all phases of education, both higher and secondary, including universities, colleges, and community colleges, vocational education, disadvantaged education, adult education, and historically black colleges, including Mississippi Valley State University at Itta Bena, MI.

As I said earlier, it is time we begin to look after our own country. In what we face right now, most of the cuts have been in programs that are in the United States. It is proper to cut out those things that do not bring value, but the programs in this bill are a must. They represent what I think is a sound approach that we have had the last number of years.

Since 1940, those areas where the Federal Government has come in with programs to help meet the needs of people, our national wealth has increased 34 times. I think that what we

see here is that we are not going to neglect our own people. I know it is fine to keep a balanced budget. It is fine to balance our paper money. But we could leave our children all the money in the world, let our health go down, let our education slide, let our highways and bridges deteriorate, let our rivers, and harbors silt in and all the paper money we can print will not give us a strong country. If we will take care of our own people—their health and education with a strong agricultural base, they would have strong country, and could set up their own financial system.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to my good friend, the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Speaker, I rise with enthusiastic support for this conference report. I particularly want to thank the gentleman from Kentucky [Mr. NATCHER] and the ranking member, the gentleman from Massachusetts [Mr. CONTE], for their concern in sharing some of the hearings. I do not have the privilege of serving on this subcommittee, but they permitted me to sit on several hearings because of my interest particularly in cancer treatment and cancer prevention.

Mr. Speaker, I want to thank both members and members of the subcommittee today for including two amendments, No. 31 and No. 36. No. 31 provides for an additional $20 million, up to $30 million now, for breast and cervical cancer research. These two areas of cancer alone will kill a great many women and men, in breast cancer, this year. It is a growing number. One out of ten women now unfortunately may expect at some time during their life to be diagnosed with breast cancer. Cervical cancer is on the increase. Something has to be done about it. So this committee has included $30 million for research this year.

Second, amendment No. 36 is a provision to provide for up to $250,000 to set up a program to investigate the possibility of using tamoxifen, a drug developed in England, as a cancer prevention. There has been some great research done with laboratory animals where they have found that laboratory animals can be treated successfully with tamoxifen, and a great reduction in the incidence of cancer in those treated animals. Now we are going to have a study to determine if tamoxifen can be used in human beings. It has a great opportunity as a cancer prevention.

Mr. Speaker, I thank the committee for including these two items in their conference report, and the country will thank them for doing a great job. We appreciate it.

Mr. NATCHER. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware [Mr. CARPER].

Mr. CARPER. Mr. Speaker, I rise in support of this conference report. Among the challenges we face in our country, perhaps none is greater than that of young people who do not fare well academically in school, who drop out before completing their high school education, who run into problems with the law, who become parents but do not turn out to be very good role models, who do not turn out to be good partners in marriage, people who end up not being very productive citizens in our society.

Mr. Speaker, I think if we could design a Federal program that somehow encouraged kids to stay in school and do well, if we could somehow design a program that is likely to ensure that people stay out of trouble with the law, if we could somehow design a program more likely to encourage people getting ready to be married to stay married and be good role models for the children they raise, we would all stand up and applaud that kind of Federal program.

As it turns out, there is such a Federal program, and has been for a number of years, perhaps the best program that has grown out of the Great Society. We call it Head Start.

Earlier this year the House of Representatives voted to reauthorize Head Start. We did so in 5-year reauthorization. In the course of that 5-year period, we call for increasing Head Start funding by 1995 to provide virtually full day Head Start participation for every child who is economically eligible for the program.

I regret to say that up until now, prior to this year, for every child who is eligible for Head Start by virtue of their family's economic status, we only fund one out of every five children. With the adoption of this conference report today, we will significantly, maybe not dramatically, but significantly raise the ability of other less fortunate children to participate.

Mr. Speaker, I would like to ask a question of the gentleman from Kentucky [Mr. NATCHER]. My recollection is that the funding for Head Start for last year, including the supplemental appropriation, was approximately $1.5 billion. In this particular appropriations bill we raise that by roughly $500 million, to almost $2 billion. Is that correct?

Mr. NATCHER. Mr. Speaker, the gentleman from Delaware [Mr. CARPER] is correct. The exact amount in this conference report is $1,952,000,000, and that is a little over $400 million more than last year.

Mr. CARPER. Mr. Speaker, I want to commend the chairman and the subcommittee for having taken this step. I am hopeful that Members of this body and the Senate will, as we head toward 1995, continue to support this program ever more strongly, and to thus give a lot of children who might not otherwise have had a chance to succeed in life that opportunity.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GREEN].

Mr. GREEN of New York. Mr. Speaker, I rise to support this bill, and particularly to express my thanks to the subcommittee for the fine work it did in conference on funding the provisions of the recently enacted AIDS legislation, which was signed into law by the President just a couple of months ago.

As the distinguished ranking minority member mentioned, there is a little over $220 million in this bill for the implementation of that AIDS package.

Mr. Speaker, I particularly should like to point out to Members that although the distinguished chairman of the subcommittee, so far as I know, does not have a major AIDS problem in his district, nonetheless he has always been willing to listen to those of us who have that terrible plague in great measure in our districts. This time he went into the conference with a Senate subcommittee which had been very negative on funding this new legislation, and fought the good fight with the Senate, and came up with this appropriation of more than $220 million.

Mr. Speaker, I want to say that all Members who have in our districts this enormous problem are deeply grateful to the gentleman from Kentucky [Mr. NATCHER] and to the gentleman from Massachusetts [Mr. CONTE] for fighting for us in that conference and winning that fight.

Mr. NATCHER. Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. MCDERMOTT].

Mr. McDERMOTT. Mr. Speaker, if I could, may I engage the subcommittee chairman in a brief colloquy?

Mr. NATCHER. Yes, Mr. Speaker, I would be glad to respond.

Mr. McDERMOTT. First, I would like to thank the gentleman from Kentucky and the subcommittee for giving the AIDS health care services programs a start this year. I know that this has been a particularly trying year for finding new spending and that the Senate amendment was very low in this area, but once again the chairman and his subcommittee have found a way.

But let me ask, would it be your intention that community health centers that are already receiving funds from HHS for early intervention health care services be continued under the categorical program for early intervention services in this bill?

Mr. Speaker, I yield to the gentleman for his response.

Mr. NATCHER. That is correct.

Mr. McDERMOTT. I know that some of these programs have been providing early intervention services already, and I would hope that HHS would use its discretion to disrupt these services as little as possible.

Mr. NATCHER. That is the subcommittee's intention also.

Mr. McDERMOTT. And, if I might continue, is it also your intention that the Secretary, in using the discretion granted to him under this bill, do his utmost to ensure that entitles within States and the States themselves are not adversely affected by the provisions of or the formula of title II of the Ryan White bill?

Mr. NATCHER. That is our intention.

Mr. McDERMOTT. Mr. Speaker, I thank the chairman, both for these clarifications and for his leadership in these areas.

□ 1510

Mr. CONTE. Mr. Speaker, I yield 3 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker I thank the gentleman for yielding time to me.

Mr. Speaker, I rise today in support of the conference agreement on H.R. 5257, Particularly thank Mr. NATCHER and Mr. CONTE for there attention to one of the concerns I have expressed to both of them. This agreement includes $30 million for the initial funding of the recently enacted Breast and Cervical Cancer Mortality Prevention Act of 1990, of which I was an original cosponsor. As a breast cancer survivor, I wanted to express how pleased I am with this appropriation and thank the conferees for showing their support for this act which will help drive down the tragic number of deaths from breast cancer.

As you may recall, the Breast and Cervical Cancer Mortality Prevention Act of 1990 which we passed in June established a program of grants for the prevention and control of breast and cervical cancer. States could use this funding to pay for mammograms and pap smears, to refer women for follow up care, and for the development of public information and education programs which emphasize the need for periodic screening. In addition, funding could be used to establish state quality-control systems to monitor the accuracy of test results.

Mr. Speaker, it is essential that we continue this war on breast cancer. In 1989 more than 43,000 American women died from breast cancer, and it is expected that more than 44,000 women will die this year from a disease that is usually survivable if detected early enough. Recent, statistics on this chronic, epidemic disease show that one woman in nine must face the prospect of breast cancer in her lifetime, almost three times the number of incidences only 20 years ago.

I have made the fight against breast cancer one of my legislative priorities. My dedication to this cause stems from my personal experience as a breast cancer victim. As you know, in 1983 following the advice of the capital physician, I went for my first screening mammography where I was diagnosed as having breast cancer. Early detection and prompt surgery allowed me to continue living an active an satisfying life and caused me to dedicate myself to reducing breast cancer mortality. I am hopeful that this $30 million appropriation for the implementation of the Breast and Cervical Cancer Mortality Prevention Act will enable others to obtain necessary screening which will allow for early detection. Until there is a cure, early detection is the only means to turn breast cancer from a death sentence into a disease that can be survived in 90 percent of cases.

In addition, Mr. Speaker, I would also like to commend the conferees for their agreement of funding for the National Cancer Institute and their emphasis on breast cancer prevention. As you know, this conference agreement urges that $250,000 of increased funding for NCI be used for the establishment of a major study on the use of Tamoxifen as a prevention of breast cancer. I am hopeful that such research will show encouraging results.

Once again, I would like to thank Mr. NATCHER, Mr. CONTE and the rest of the conferees for their fine efforts and results. The war on breast cancer is not over; it has just begun.

Mr. NATCHER. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. PELOSI].

Mr. Speaker, before yielding to the gentlewoman. I want to thank her and commend her. Since she has been a Member of Congress, she has worked with us on our bill. She believes the same as we do, Mr. Speaker, that when we take care of the health of our people and educate our children, we can continue living in the greatest country in the world.

Ms. PELOSI. Mr. Speaker, I thank the gentleman for yielding the time and for his kind remarks. It is an honor for me to stand here today in support of this legislation and to commend the chairman and the gentleman from Massachusetts [Mr. CONTE], for their leadership on this bill and some of the special provisions that are in it that represent a breakthrough, a breakthrough when it comes to cancer, breakthrough as far as women are concerned, and a breakthrough when it comes to caring for people with AIDS.

Mr. Speaker, when the Congress passed the C.A.R.E. bill resoundingly, it sent a message of hope to people with AIDS, people who care for and about people with AIDS. But without this legislation today, that would have just been a hollow promise, despite the hard work of Chairman WAXMAN in this House, and Senator KENNEDY in the Senate.

With this legislation today, Chairman NATCHER and Mr. CONTE are delivering on the promise of that legislation, and for that I am grateful. Up until now the Federal Government's role has been limited to prevention and research, both of which are very, very important. But with the passage of this bill today, the Federal Government will be taking a leadership role in caring for people with AIDS.

Mr. Speaker, this represents a tremendous breakthrough in the fight against AIDS.

I would also like to say in addition that many of the other provisions in the bill are welcomed by my constituents as well as other people throughout the country.

So again I want to commend each member of the committee, and especially committee leaders, Chairman HATCHER and Mr. CONTE, for all that they have done in defining our country's strength in terms of the health and well-being of our citizens.

Mr. CONTE. Mr. Speaker, I yield 4 minutes to my good friend, the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the conference report. I realize that all of the previous speakers have extolled the virtues of this report, but its principal virtue seems to be an extraordinary, unprecedented ability to spend increasing amounts of the taxpayers' money.

I am told by the committee that this bill spends $182.1 billion. This is up $22.6 billion over fiscal year 1990. The modest little increase is about 14 percent, or three times the rate of inflation.

The committee has done an innovative job of identifying needs so that it could spend money at three times the rate of the CPI. It has taken care of all of its old friends, and it has found lots of new friends.

The bill is a little more than two-thirds entitlements over discretionary. It is also, I believe, in total more than $7 billion over the request made by the President.

The fun-loving folks at the Appropriations Committee have always had a splendid record for being able to spend more money every year. It spends more money than nearly anyone wants. This year, the Committee has exceeded even its own high standards. This bite ought to go into the Guinness Book of Records.

While it is true that those interests and those agencies on whom they have lavished money will be fulsome in their praise of this bill, the taxpayers

are going to take quite a different look.

This is a time of unprecedented fiscal crisis in the United States. Taxpayers are going to be asked in the next couple of days to spend a great deal of money in terms of new taxes. What will we tell them we are doing with this money? We will tell them we are spending it on this bill, $22 billion more than we spent last year.

That $22 billion will probably be a little greater than the total first year tax component of the reconciliation bill.

Mr. Speaker, I suppose that no one else in this body is going to complain much about this bill. I hate to take on the entire obligation of complaint. But I do think there is going to come a time when the taxpayers of the United States are going to get sick of this exercise, of having members of the Appropriations Committee tell each other how wonderful they are for financing each other's projects and special interests.

Yes, it is important that we improve education. But this committee has told us it has been improving education for at least as long as I have been here. Even though the dollars have flowed in volume, education has not improved. If one looks at Iowa tests and SAT's.

□ 1520

The committee has told us every year that it is curing cancer, too. And each year it votes greater increases in spending. Education and medical research are areas in which it may be better to err on the high side, but if we must spend more in these functions, then the Committee ought to spend less elsewhere. The wonderful things that the Committee takes bows for are simply engendering greater expenses for the future, building higher aspirations on the part of all the interest groups.

Mr. Speaker, the high level of spending is not the only thing wrong with the bill. It is supposed to be a general appropriations bill, and yet it contains a couple of dozen earmarked projects.

Mr. Speaker, I am including in the RECORD at this point a list of earmarked projects which I think are unsuitable for this kind of a bill.

LABOR-EDUCATION EARMARKS IN H.R. 5257

Harkin—$500,000 for construction of a child care center at the Denison, IA, job corps center;

Lugar—$500,000 for construction materials at the Columbus, IN, job corps center;

Bentsen—$1,000,000 to rehabilitate the El Paso, TX, job corps center;

Inouye—$2,500,000 for the Job Help Share Program on Kauai and Maui;

Hatfield—$250,000 for Asian immigrant training in Washington;

Byrd—strong language saying "no black lung field offices will close in West Virginia."

Mitchell—Direct OSHA to open district office in Bangor, ME;

Byrd—Create a $1.5 million fire-fighting training facility in Beckley, WV;

Harkin—Chapter I, eligibility changes for Des Moines, IA;

DeWine-Metzenbaum-Glenn—$500,000 from amending impact aid laws for Fairborn, OH, school district;

Coughlin-Specter—$400,000 from amending impact aid laws for Hatboro-Horsham, PA, school district;

DeConcini—Impact aid to Phoenix schools because Department of the Interior Indian school is closing;

Cochran-Whitten—$2,500,000 for innovative teacher training programs in Mississippi delta region;

Harkin—$500,000 for demonstration project with the Iowa Department of Education and Department of Economic Development;

Byrd—$535,000 model curriculum project;

Specter—$2,000,000 for commercial truck driver literacy project;

Harkin—$4,000,000 for University of Northern Iowa child development center;

Lautenberg-Dwyer—$5,500,000 million for Seton Hall;

Pell—$5,000,000 University of Rhode Island and $300,000 University of Rhode Island Business School;

Byrd—$30,000,000 CDC NIOSH building for West Virginia;

Dole-Mitchell—$15 million from NIH for University of Kansas and Jackson Laboratories.

Mr. Speaker, there is no reason to extend this debate. I shall vote against the bill. I realize there are some Members who are temporarily absent from Capitol Hill, but I do intend to call a vote on it. I think it is important that Members of the House be recorded on a bill that is going to cost the taxpayers $182 billion, $22 billion more than last year, $7 billion more than the President offered at a time when we are trying to reduce deficits and hold down Federal spending.

Mr. Speaker, despite all the wonderful things this bill does, despite all the good work that the members of the committees have put in on both sides of the Capitol, this bill is wanton profligacy. It should be defeated.

Mr. Speaker, I rise in opposition to this conference report. Of all the appropriations conference reports that have or will come before this body before the end of this legislative session, none is so expansionary as the one currently before us. This conference report is a slap in the face of the American people who have been trying to send to Washington a no-new-spending message for the past several weeks. The majority in Congress just must not be reading their mail.

Democrats and Republicans alike agree that deficit reduction is needed to restore some degree of sobriety to Congress, compulsion for fiscal indulgence. In fact, we are on the eve of considering a budget reconciliation conference report that will attempt to implement about 75 percent of a $500 billion deficit reduction package. In that package, Congress will be recommending to the President that taxes be raised and that some spending be cut.

None of those cuts will be in the area of domestic discretionary spending. For some mystical reason, it is the one area of the budget that Democrats deemed to be off-limits for purposes of deficit reduction.

The new taxes in that package will hit most of the American people and will require some belt tightening in the typical household budget. People who previously received benefits under the affected entitlement/mandatory programs, will now have to find new ways to pay for benefits that will be reduced or discontinued. Entitlement spending cuts will require segments of the population to tighten their belts also—perhaps even in addition to the tax bite that will be in that package. Defense spending also will be cut. Discretionary spending, the kind we find in this conference report, however, will grow by leaps and bounds as its way of dealing with the budget deficit.

This conference report contains $50.085 billion—budget authority—in discretionary spending for fiscal 1991. It is within its 302(b) allocations, because the budget summit allowed the levels for domestic discretionary spending to grow at a rate in excess of the rate of inflation. Last year fiscal year 1990, the 302(b) allocation for this subcommittee was $44.804 billion—budget authority—and $49.166 billion—outlays. The subcommittee's 302(b) allocations for fiscal year 1991 grow to $50.709 billion—budget authority—and $53.534 billion outlays. These allocations allow for growth of 13.2 percent in budget authority and 8.9 percent in outlays.

This report provides 5.448 billion—budget authority—more in discretionary spending in fiscal year 1991 than was spent in fiscal year 1990. Outlays will be $3.726 billion higher than they were in fiscal year 1990. It provides $5.603 billion—budget authority—and $1.308 billion—outlays—more than the President requested in his January budget.

There is no sacrifice in this bill. Spending increases at breakneck pace—three times the rate of inflation. The conferees had trouble restraining themselves at this exorbitant level and had to resort to an across-the-board cut of 2.4 percent just to live within a 13.2-percent increse over last year.

Do not be fooled. These are not one-time increases. They become part of the base and will help to inflate the growth in future baselines, from which this committee will claim artificial savings.

Other colleagues will elucidate the spending and program growth within the various component parts of this legislation. I just want to alert my friends that if they approve the conference report, they will have met the peace dividend—and spent it. Therefore, I urge a "no" vote.

Mr. NATCHER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the gentleman from Minnesota [Mr. FRENZEL] has pointed out that this bill exceeds the amount for the bill in the current fiscal year of 1990. I would just like to call the gentleman's attention to one or two facts.

Mr. Speaker, in the last 10 years in this country we have appropriated, and the Department of Defense has spent, $2 trillion 162 billion. For education during the last 10 years, Mr. Speaker, it has been $199 billion.

When I first became a member of this subcommittee, in the National Institutes of Health we had $73 million. At the present time, as I pointed out, we have $8,700,000,000 for the National Institutes of Health. For health and human services programs overall, we have spent about $860 billion over the last decade. Education and health is where we should spend our money. We have here job training. We have vocational education, rehabilitation, elementary and secondary education, higher education, and the National Institutes of Health.

Mr. Speaker, we have the Cancer Institute, we have Heart, Lung, and Blood. Mr. Speaker, this is where research is done to help our people.

We have said on many occasions that if there is an appropriation bill that belongs to the people that is next to the heart of the people it is this one.

Mr. Speaker, we have 13 appropriation bills in the Committee on Appropriations. As I pointed out a moment or two ago, the largest bill is defense. This is the second bill.

Mr. Speaker, if I had my way, instead of having in this bill, $8,700,000,000 for the National Institutes of Health, we would have $15 billion. In this bill if I had my way, instead of having 6,000 new grants in the National Institutes of Health, we would have 16,000.

Mr. Speaker, here is the bill where we should spend our money, and this is money spent on our people.

When the gentleman says that this bill exceeds the amount of last year and this conference report should be defeated, anyone who makes that statement, Mr. Speaker, is just as wrong as he can be—just as wrong as he can be.

It is awful easy to come in here and want to offer amendments across the board, and the gentleman from Minnesota has done it on many occasions. He has never succeeded a single time on this bill to my knowledge.

Mr. Speaker, this is a good bill. This is a good conference report, and we recommend it to the House.

Mr. CONTE. Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Pennsylvania [Mr. GOODLING].

Mr. GOODLING. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 5257, the conference report to the fiscal year 1991 Labor, Health and Human Services, and Education appropriations bill. As ranking Republican to the Committee on Education and Labor, I wish to commend Chairman NATCHER, the ranking member, Mr. CONTE, and the members of the Labor-HHS-Education Subcommittee, for having so successfully defended the priorities of this House in the vital policy and programmatic areas encompassed by this bill.

This bill will provide additional resources in critical areas of national importance. Given these difficult fiscal times, I am most grateful to Chairman NATCHER and Mr. CONTE for including increases in appropriation for chapter I, Even Start, Head Start, vocational education, and special education.

The appropriations for the elementary, secondary, and vocational programs translate into additional educational services for our Nation's students.

Mr. Speaker, we no longer come to the committee and ask them just for more money. We now come to the committee and tell them that we will promise them better results, and every piece of legislation that we have been passing in the Education and Labor Committee dealing with education during the last 2 years talks mostly about improvement, about quality. We are not only talking now about access, we are talking about access to what, and the answer is access to a better education for all.

Again, I particularly want to compliment them for the additional money in Even Start. Even Start will receive almost $50 million, a tremendous increase, and these increases should permit the program to expand throughout the Nation.

As you know, it is an intergenerational approach to try to eliminate illiteracy in our country. So far, it seems to be working very, very well, and those who are administering it are very enthused.

Again, I thank the chairman, and I thank the ranking member and the other members of the committees for their outstanding work keeping the House bill intact and doing the best possible for the young children of this Nation.

Mr. NATCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MURPHY].

Mr. MURPHY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I want to say that I rise in support of the conference report and particularly I support the comments of the gentleman from Kentucky [Mr. NATCHER] that this is a bill for our people, the people in the United States who need help.

I point out with particular reference a situation that unfortunately happened in southwestern Pennsylvania just 4 days ago. The Thomas Portal of the Mathies Mine caught on fire through an accident through no fault of anyone. The roof collapsed. The electrical wires came down on the metal tracks and causes a mine fire.

At the present time we are sealing, or the company is sealing that mine, and I would like to ask the gentleman from Kentucky if we can secure any funds in this measure from the Mine Safety and Health Administration to assist us in going in and combating that mine fire.

We have over 500 miners employed at that mine, and I might say, fortunately, not a single life was lost in that mine fire and subsequent explosion. There were a few minor injuries, but no loss of life. But we are sealing the mine portal; eight separate entrances to this mine are now being sealed.

Mr. Speaker, and my fellow Members, at a time when we are spending approximately $1.5 billion a month, $1.5 billion a month in supporting an effort to protect Saudi Arabian oil, I would like to call on this Congress to appropriate $1 million to extinguish a mine fire, that will produce for us, or continue producing for us, over 4,000 tons of coal daily out of this mine and reemploy 500 miners.

It is not too late. It is in the early stages of the fire, and I believe that if we can have the Mine safety and Health Administration and the Bureau of Mines move in and cooperate in extinguishing this fire that we will serve the purposes that we are here for in serving our people.

Mr. Speaker, I would yield to our chairman for his comments as to whether we can expect any assistance from the Mine Safety and Health Administration.

□ 1530

Mr. NATCHER. Mr. Speaker, I yield myself such time as I may consume. I would like to say to the distinguished gentleman from Pennsylvania that his problem is a serious problem. We have on our full Committee on Appropriations 13 subcommittees, and I hope between now and the time we bring another bill some provision can be made to help the gentleman from Pennsylvania.

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 5257, the Labor/HHS appropriations bill.

I do so for two particular reasons: First, the funding for impact aid included in the appropriation, and second, the funding for mental health research.

Impact aid is very important to a number of school districts in my congressional district. I testified in support of an increase in funding and wish to express my strong appreciation to Chairman HATCHER and ranking member CONTE for their important action in this regard.

Mr. Speaker, of particular and personal concern is the matter of mental illness research. In this decade of the brain, it is obvious to all who have studied the issue, that research can—in fact, in many cases, already has—open the door to curing many mental illnesses.

My wife Norma, a member of the National Advisory Mental Health Council, testified before the subcommittee in support of increasing mental health research funds.

The subcommittee agreed, and with the hard work and dedication of Mr. CONTE, has included $458.6 million for this very appropriate Federal function—research.

This is $69 million more than last years appropriation and $45 million more than requested by the President.

I urge my colleagues to vote for this legislation.

Mrs. KENNELLY. Mr. Speaker, I rise in strong support of the conference Report on Labor-HHS appropriations for fiscal 1991.

First let me express my sincere thanks to Chairman NATCHER and the members of the subcommittee for correcting a very serious problem that would have resulted in Connecticut and 34 other States losing critical AIDS funding.

As a result of a formula change contained in the Health Omnibus Programs Extension Act of 1988, 35 States, Guam, the Virgin Islands, and the District of Columbia have been notified by the Centers for Disease Control that they stand to lose substantial funds in fiscal year 1991. My home State of Connecticut, for instance, received $1.237 million in fiscal year 1989, a similar amount this year, and will be slashed to $787,000 in fiscal year 1991, under the 1988 formula, a dramatic 36-percent cut.

While I understand that all the States are struggling to cope with the AIDS crisis, Connecticut has a high incidence of AIDS and, in fact, the highest incidence of pediatric AIDS in the Nation.

The Senate-passed Labor-HHS-Education appropriation contained language similar to that included in legislation I introduced in H.R. 5442 which provided for a hold-harmless provision. I thank the subcommittee for receding to this provision. As a result, no State could receive less than it does currenily.

In addition, I want to thank the committee for their efforts with regard to the Low-Income Energy Assistance [LIHEAP] Program. The bill provides for $1.415 billion for this critical program, an increase over last year.

Adequate funding for this program is absolutely essential to the survival of thousands of families in Connecticut and throughout the Nation. The LIHEAP Program served 78,000 households last winter in Connecticut when home heating oil sold for $.892 per gallon. It is currently $1.28 a gallon.

Given the situation in the Persian Gulf, the continued volatility of oil prices, and the fact that the price of crude oil on the world market has doubled since July, I am especially pleased that the committee saw fit to include a $195 million contingency fund which could be tapped depending on oil prices and the severity of the winter. I do appreciate the committee's willingness to plan for these events that are beyond our control especially given our present budgetary circumstances.

I urge adoption of the conference report.

Mr. RICHARDSON. Mr. Speaker, I rise in strong support of H.R. 5257 making appropriations for the Departments of Labor, Health and Human Services, and Education. As the sponsor of H.R. 4487, the National Health Service Corps Revitalization Amendments, I am particulary pleased that the conference committee included significant increases for the National Health Service Corps.

The corps was first established in 1970 with a mandate "to improve and maintain the health status of medically underserved population * * * by addressing the geographical maldistribution of health manpower resources." More importantly, the NHSC is the Federal Government's primary means of recruiting physician's to rural and inner city health areas—areas which have historically suffered from health manpower shortages.

Some 12.5 million Americans live in areas without primary health care because health care providers find it difficult to run viable practices in these areas. Those communities lucky enough to have a corps provider are losing these providers at a rate of 600 a year with no replacements. To meet the demand for physicians just in designated shortage areas, we would need 4,224 providers.

Unfortunately, rural areas suffer disproportionately from these physician shortages. Over 1,300 rural areas are designated shortage areas and rural areas are more than twice as likely as the Nation as a whole to face shortages of primary care physicians. Today, people living in rural areas continue to be in poorer health—12 percent versus 9.4 percent in urban areas—travel further for health care, report chronic or serious illness more frequently—1.78 chronic conditions per person per year versus 1.55 in urban areas—are more likely to die from injury, and are older than their urban counterparts.

The budget cuts of the 1980's nearly destroyed the corps, severely limiting its ability to meet its mandate. Today's appropriation of $42,940,000 for field placements and $48,795,000 for loans and scholarships will begin the process of rebuilding and strengthening the corps so that it can again provide access to health care in underserved areas. Again, I commend the chairman and the members of the subcommittee for their work on this critical program.

In addition, as the sponsor of H.R. 4980, the Hispanic Health Parity Act, and an original cosponsor of H.R. 5702, the Minority Health Improvement Act which included many provisions from H.R. 4980, I am also extremely pleased that $20,000,000 in initial startup funding was included to fund important provisions of the Minority Health Improvement Act. I am particularly pleased that Hispanic Centers of Excellence in the Health Professions were funded at $1.5 million.

Hispanics will be both the largest and the youngest minority group in this country by the year 2000. Despite their growing population, poverty and a continuing lack of access to basic human resources remain a persistent fact of life for millions of Hispanics. One in four Hispanics—21.7 percent—has no health insurance of any sort—a rate that is almost three times that of non-Hispanic whites—7.7 percent.

Compounding the lack of parity in access to health care is the lack of population parity in the health professions. While Hispanics represent 9.1 percent of the total population, they represent only 4 percent of physicians and 2 percent of registered nurses.

Hispanic Centers of Excellence were modeled after the Historically Black Colleges and Universities [HBCU's] which have been tremendously successful in training black students to excel and move into the health professions. The funding provided by the chairman and members of the subcommittee for Hispanic Centers of Excellence will provide the Hispanic community with a critically needed infrastructure designed for achievement.

The work of the subcommittee is also critical in addressing the health needs of Native Americans. As the Representative of one of the largest Native American constituencies in the House, I am also pleased that $1 million was included for Native American Centers of Excellence. The death rate for Native Americans aged 25 to 34 is almost two times as great as the general population. The death rate for Native American children age 1 to 4 is 1.7 times greater than the general population. Per capita, there are even fewer Native American health professionals than Hispanic health professionals. Funding for Native American Centers of Excellence will strengthen the existing Native American infrastructure by establishing consortia with tribal community colleges training Native Americans today.

I am also pleased at the inclusion of $1 million for data collection. Currently, basic health information for Hispanics such as national mortality rates, rates of cancer, and other major diseases are not enumerated or collected through our health data collection system. Collection of this data will enable us to plan and deliver adequate and appropriate health care to Hispanic communities.

Finally, I am pleased that $11.5 million was included for loans and scholarships for competitive grants to health professions schools with a demonstrated commitment to enrolling and serving minorities. A primary deterrent to achieving Hispanic health professions parity is one of finances. The cost of medical school is one of the most significant obstacles Hispanics encounter going into the medical field. Over 47 percent of minority medical students who interrupted their studies reported financial difficulties as playing a role in their decision.

In closing I would like to particularly commend my colleagues LOUIS STOKES and EDWARD ROYBAL who have been instrumental in helping to achieve this appropriations success for minorities. In addition, EDWARD ROYBAL worked with me to introduce the Hispanic Health Parity Act, the genesis for much of today's legislation. I would also like to note the critical role of HENRY WAXMAN in ensuring the passage of the Minority Health Improvement Act.

Also with respect to education appropriations, I am pleased the conferees included $2.5 million for tribally controlled postsecondary vocational education institutions under which Crownpoint Institute of Technology in Crownpoint, NM, and United Tribes Educational/Technical Center in Bismark, ND, would qualify. As the sponsor of legislation in 1988 designed to provide a stable source of Federal funding for such institutions, I am pleased to see the final result of many years of hard work.

Mr. PURSELL. Mr. Speaker, a Senate-House appropriations conference committee for the Departments of Labor, Health and Human Services, and Education has taken action that will jeopardize research on chronic

illnesses such as cancer, heart disease, stroke, and diabetes. As a Republican member of the conference committee that was meeting to allocate funds to these Departments for fiscal year 1991, I warned my colleagues that our AIDS budget is out of control. Of the $15 billion the conference committee has provided for activities at the six major components of the Department of Health and Human Services: the Centers for Disease Control [CDC], the National Institutes of Health [NIH], the Alcohol, Drug Abuse and Mental Health Administration [ADAMHA], the Office of the Assistant Secretary for Health, the Agency for Health Care Policy and Research, and the Health Resources and Services Administration, more than $1.8 billion, or 12 percent, will go for AIDS programs.

I warned my fellow conference colleagues that our AIDS spending is out of control, and that unless the Democratic leaders of the committee make priorities, the drive for breakthroughs in chronic disease research will come to a dramatic slowdown. It is clear that the AIDS budget has bulldozed its way over competing health needs in this Nation. The increases for AIDS research has grown dramatically, as shown by the following table, while research dollars for chronic diseases has remained relatively stable—and in many cases has failed to keep pace with inflation:

AIDS FUNDING

Fiscal year	Amount (in millions)	Percentage increase
1982	$5,555	—
1983	28,736	417
1984	61,460	114
1985	108,618	77
1986	233,793	115
1987	502,455	115
1988	962,018	91
1989	1,301,012	35
1990	1,585,878	22
1991	1,832,000	15.5
Total increase		32,880

Senior citizens and other Americans who suffer from chronic diseases such as cancer and diabetes should be aware that the AIDS community has effectively dramatized their agenda through a political and substantive effort.

In conversations with various people in the AIDS community, I outlined the danger in demanding too much and causing a collision course with senior citizens and others affected by chronic diseases. For the past 2 years I said that I, along with many of my colleagues in Congress, would support a reasonable appropriation for AIDS research, but not at the expense of other diseases, diseases which kill many more people. For example, AIDS has killed about 84,000 people in 9 years, yet heart disease kills that many every 6 weeks. Heart disease, cancer and stroke account for approximately two-thirds of all deaths annually in the United States.

Both the House and Senate Health and Human Services appropriations committees believe that health research is a national priority. We believe that additional dollars are needed to address health needs and many of us feel that other budget accounts, including defense and entitlements, should be reallocated. The fact remains that the NIH budget has received increases, but the increases for non-AIDS research has often failed to keep pace with inflation. Furthermore, the percentage of grant applications approved by NIH that eventually receive funding has decreased in the past several years.

It is also clear that the Centers for Disease Control [CDC], which ranks death rates by State for certain diseases, has allocated a disproportionate amount of health care dollars to AIDS, relative to chronic diseases. For example, Michigan had the Nation's highest chronic disease death rate in 1986, with 517 deaths per 100,000 population, and a reported AIDS incidence rate of less than 6 per 100,000 in 1989. Despite the fact that chronic disease is a bigger killer in Michigan than is AIDS, CDC grants to Michigan in 1989 for AIDS prevention was $6 million, while grants for chronic disease prevention during the same year as only $139,000.

As a senior member of the House Appropriations Subcommittee on Labor, HHS, Education, I refused to sign the conference report to this bill for two reasons: Because of the AIDS issue I have discussed above, and because the funding for discretionary accounts in the bill is 13 percent higher than the 1990 level. This is about 8 percent above inflation, and far higher than the 2.7-percent increase requested by the President.

Therefore, I recommend that the leaders of the forthcoming Congress address this imbalance of health care dollars. On several occasions, on the House floor and through written statements, I have warned that this issue is distorting the health needs of our Nation. The health community should be actively engaged in redirecting our scarce resources to establish a more rational set of national health priorities.

Mrs. ROUKEMA. Mr. Speaker, the conference report increases appropriations for these departments and agencies a full 14 percent above the 1990 level of spending. How can these increase be justified when Congress should be cutting spending and trimming the deficit?

What makes this generous increase even more objectionable is the fact that it was done in the face of a proposed $43 billion cut in Medicare. I, for one, cannot think of a more unfair approach to deficit reduction than what the budget agreement would do to the sick elderly of this Nation. If we are to cut spending, as everyone here knows we must, then the pain needs to be shared by all, and it must be fair.

Ms. OAKAR. Mr. Speaker, I rise in strong support of H.R. 5257, the Labor, HHS, and Education appropriations conference report for 1991. My deepest respect and admiration goes out to Chairman NATCHER and Mr. CONTE in their continued bipartisan concern for the health and education of our Nation's citizens. I know that Chairman NATCHER fought a tough battle with lower Senate budget targets and Gramm-Rudman constraints to preserve the fine work that the House originally approved.

With the passage of this conference report today, there is finally hope on the horizon for breast cancer victims. This bill includes an increase of $89 million for fiscal year 1991 for research at the National Cancer Institute, with priority funding for new research on breast and cervical cancer. Back in April of this year, I testified before the Chairman NATCHER's subcommittee for an additional $25 million for breast cancer research to find a cure. While, the House agreed to a much larger increase for NCI than included in this report, I am convinced that this conference report moves us in the right direction in the search for a cure to this killer that will cut short the lives of 44,000 American women this year.

Mr. Speaker, I also wish to thank Chairman WHITTEN, Chairman NATCHER, Mr. CONTE, and other members of the Appropriations Committee for keeping their commitment on $30 million in funding for mammography screening and cervical cancer screening for women covered under the Medicaid Program. I know that this benefit will save lives and will also save the Medicaid Program a lot of money. I am also pleased that Mr. WAXMAN of California, and the full Energy and Commerce Committee authorized of this program. According to a 1985 study done through the Centers for Disease Control, breast cancer mortality costs our Nation $5 billion annually in direct and indirect costs. The chairman and all the Members of this body can take pride in the fact that a vote for this bill is a vote for a longer, happier, and more productive life for many of the one in nine women in this country who will be diagnosed with breast cancer.

A lot of progress, has been made this year, but there is a long way to go. We must provide an annual mammography screening benefit to women covered under Medicare—14,000 women covered under Medicare will be diagnosed with breast cancer this year and another 4,000 will die from breast cancer. Most of these deaths could be prevented. A malignant breast tumor detected in its early stages of development costs less than $15,000 to treat. However, a tumor detected in its later stages will cost well over $60,000 to treat—and chances of beating the cancer are dramatically reduced.

Mr. Speaker, I wish that my good friend, the late Rose Kushner, were here today to see this progress. This persistent champion of the rights and the issues of breast cancer patients would never have been satisfied with anything short of a world without the threat of breast cancer. However, I know she woud be happy to see the progress that has been made in this short year since her death. She would smile inwardly, but would remind us—much more has yet to be done.

Mr. CONTE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. NATCHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the

point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 335, nays 74, not voting 24, as follows:

[Roll No. 504]

YEAS—335

Ackerman	Engel	Lent
Alexander	English	Levin (MI)
Anderson	Erdreich	Lewis (CA)
Andrews	Espy	Lewis (GA)
Annunzio	Evans	Lipinski
Anthony	Fascell	Livingston
Applegate	Fazio	Lloyd
Aspin	Feighan	Long
Atkins	Fish	Lowery (CA)
AuCoin	Flake	Lowey (NY)
Barnard	Flippo	Luken, Thomas
Bateman	Foglietta	Machtley
Bates	Ford (MI)	Madigan
Beilenson	Ford (TN)	Manton
Bennett	Frank	Markey
Bentley	Frost	Martin (NY)
Bereuter	Gallegly	Martinez
Berman	Gallo	Matsui
Bevill	Gaydos	Mavroules
Bilbray	Gejdenson	Mazzoli
Bilirakis	Gekas	McCandless
Bliley	Gephardt	McCloskey
Boehlert	Geren	McCrery
Boggs	Gibbons	McCurdy
Bonior	Gilman	McDade
Borski	Glickman	McDermott
Bosco	Gonzalez	McGrath
Boucher	Goodling	McHugh
Boxer	Gordon	McMillen (MD)
Broomfield	Gradison	McNulty
Browder	Grandy	Meyers
Brown (CA)	Grant	Mfume
Bruce	Green	Miller (CA)
Bryant	Guarini	Miller (OH)
Bustamante	Gunderson	Mineta
Byron	Hall (OH)	Mink
Campbell (CO)	Hall (TX)	Moakley
Cardin	Hamilton	Molinari
Carper	Hammerschmidt	Mollohan
Carr	Harris	Montgomery
Chandler	Hastert	Moody
Chapman	Hatcher	Morella
Clarke	Hawkins	Morrison (WA)
Clay	Hayes (IL)	Mrazek
Clement	Hayes (LA)	Murphy
Clinger	Hefner	Murtha
Coble	Hertel	Myers
Coleman (MO)	Hoagland	Nagle
Coleman (TX)	Hochbrueckner	Natcher
Collins	Holloway	Neal (MA)
Condit	Hopkins	Neal (NC)
Conte	Horton	Nelson
Conyers	Hoyer	Nowak
Cooper	Hubbard	Oakar
Costello	Huckaby	Oberstar
Coughlin	Hughes	Obey
Courter	Hutto	Olin
Coyne	Hyde	Ortiz
Crockett	Inhofe	Owens (NY)
Darden	Ireland	Owens (UT)
Davis	Jacobs	Pallone
de la Garza	James	Panetta
Dellums	Jenkins	Parker
Derrick	Johnson (SD)	Parris
DeWine	Jones (GA)	Pashayan
Dicks	Jones (NC)	Patterson
Dingell	Jontz	Payne (NJ)
Dixon	Kanjorski	Payne (VA)
Donnelly	Kastenmeier	Pelosi
Dorgan (ND)	Kennedy	Penny
Downey	Kennelly	Perkins
Duncan	Kildee	Pickett
Durbin	Kleczka	Pickle
Dwyer	Kolter	Porter
Dymally	Kostmayer	Poshard
Dyson	Lagomarsino	Price
Early	Lancaster	Quillen
Eckart	Laughlin	Rahall
Edwards (CA)	Leath (TX)	Rangel
Edwards (OK)	Lehman (CA)	Ravenel
Emerson	Lehman (FL)	Ray
Regula	Sikorski	Torricelli
Rhodes	Sisisky	Traficant
Richardson	Skaggs	Traxler
Rinaldo	Skeen	Udall
Ritter	Skelton	Unsoeld
Roe	Slattery	Valentine
Rogers	Slaughter (NY)	Vento
Ros-Lehtinen	Smith (FL)	Visclosky
Rose	Smith (IA)	Volkmer
Rostenkowski	Smith (NE)	Vucanovich
Roth	Smith (NJ)	Walgren
Rowland (GA)	Smith (VT)	Walsh
Roybal	Snowe	Washington
Russo	Solarz	Watkins
Sabo	Spratt	Waxman
Saiki	Staggers	Weber
Sangmeister	Stallings	Weiss
Sarpalius	Stangeland	Weldon
Savage	Stark	Wheat
Sawyer	Stearns	Whittaker
Saxton	Stenholm	Whitten
Scheuer	Stokes	Williams
Schiff	Studds	Wilson
Schneider	Swift	Wolf
Schroeder	Synar	Wolpe
Schulze	Tallon	Wyden
Schumer	Tanner	Wylie
Serrano	Tauzin	Yates
Sharp	Taylor	Young (AK)
Shaw	Thomas (GA)	Young (FL)
Shays	Torres	

NAYS—74

Archer	Hancock	Roberts
Armey	Hansen	Robinson
Ballenger	Hefley	Rohrabacher
Bartlett	Henry	Schaefer
Barton	Herger	Sensenbrenner
Brown (CO)	Hiler	Shumway
Buechner	Houghton	Shuster
Bunning	Johnson (CT)	Slaughter (VA)
Burton	Kasich	Smith (TX)
Callahan	Kolbe	Smith, Denny (OR)
Campbell (CA)	Kyl	Smith, Robert (NH)
Combest	Leach (IA)	Smith, Robert (OR)
Cox	Lewis (FL)	Solomon
Craig	Lightfoot	Spence
Crane	Lukens, Donald	Stump
Dannemeyer	Marlenee	Sundquist
DeLay	McCollum	Tauke
Dickinson	McEwen	Thomas (CA)
Dornan (CA)	McMillan (NC)	Thomas (WY)
Douglas	Moorhead	Upton
Dreier	Nielson	Vander Jagt
Fawell	Oxley	Walker
Fields	Packard	
Frenzel	Paxon	
Gillmor	Petri	
Gingrich	Pursell	

NOT VOTING—24

Baker	Kaptur	Pease
Brennan	LaFalce	Ridge
Brooks	Lantos	Roukema
DeFazio	Levine (CA)	Rowland (CT)
Goss	Martin (IL)	Schuette
Gray	Michel	Towns
Hunter	Miller (WA)	Wise
Johnston	Morrison (CT)	Yatron

□ 1555

Mr. HALL of Texas and Mr. BEREUTER changed their vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. GOSS. Mr. Speaker, I was detained on other business at the White House during rollcall No. 504, the conference report on Labor, HHS appropriations. Had I been here, I would have voted yes.

PERSONAL EXPLANATION

Mr. MORRISON of Connecticut. Mr. Speaker, I was unavoidably absent for rollcall No. 503, a motion to instruct conferees on H.R. 5400—Campaign Cost Reduction and Reform Act; and rollcall No. 504, the conference report on H.R. 5268—Rural Development. Agriculture, and related agencies appropriations.

Had I been here, I would have voted in the following manner: "aye" and "aye."

MODIFICATION OF APPOINTMENT OF CONFEREES ON H.R. 486 DEFENSE PRODUCTION ACT AMENDMENTS OF 1990

The SPEAKER. The Chair would like to interrupt the proceedings to announce a modification in the appointment of conferees.

Pursuant to the authority granted on October 17, 1990, the Chair makes the following modification in the appointment of conferees on H.R. 486, Defense Production Act Amendments of 1990:

From the Committee on Energy and Commerce, Mr. SHARP is appointed in lieu of Mr. WALGREN for consideration of section 8 of the House bill and modifications committed to conference.

APPOINTMENT OF CONFEREES ON H.R. 1602, THE TRAUMA CARE SYSTEMS PLANNING AND DEVELOPMENT ACT OF 1989

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1602), to amend the Public Health Service Act to improve emergency medical services and trauma care and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BARTLETT. Mr. Speaker, reserving the right to object, has this been cleared by the minority? I have been requested to put the question by our minority staff.

Mr. WAXMAN. Mr. Speaker, if the gentleman will yield, yes, it has.

Mr. BARTLETT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California? The Chair hears none, and appoints the following conferees and without objection, reserves the right to appoint additional conferees: Messrs. DINGELL, WAXMAN, BATES, LENT, and MADIGAN.

CONFERENCE REPORT ON S. 2830, FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990

Mr. DE LA GARZA submitted the following conference report and statement on the Senate bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purpose:

CONFERENCE REPORT (H. REPT. 101-916)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2830), to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Food, Agriculture, Conservation, and Trade Act of 1990".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

TITLE I—DAIRY

Sec. 101. Milk price support and milk inventory management program for calendar years 1991 through 1995.
Sec. 102. Milk manufacturing margin adjustment.
Sec. 103. Minnesota-Wisconsin price series reform.
Sec. 104. Hearings on Federal milk marketing orders.
Sec. 105. Report of dairy product purchases.
Sec. 106. Application of support price for milk.
Sec. 107. Application of amendments.
Sec. 108. Adjustments for seasonal production; hearings on amendments; determination of milk prices.
Sec. 109. Transfer of dairy products to the military and veterans hospitals.
Sec. 110. Extension of the dairy indemnity program.
Sec. 111. Export sales of dairy products.
Sec. 112. Component pricing of milk.
Sec. 113. Adjustments in payments by handlers.
Sec. 114. Dairy export incentive program.
Sec. 115. Status of producer handlers.
Sec. 116. Multiple component pricing study.

TITLE II—WOOL AND MOHAIR

Sec. 201. Wool and mohair price support program.

TITLE III—WHEAT

Sec. 301. Loans, payments, and acreage reduction programs for the 1991 through 1995 crops of wheat.
Sec. 302. Nonapplicability of certificate requirements.
Sec. 303. Suspension of land use, wheat marketing allocation, and producer certificate provisions.
Sec. 304. Suspension of certain quota provisions.
Sec. 305. Nonapplicability of section 107 of the Agricultural Act of 1949 to the 1991 through 1995 crops of wheat.

TITLE IV—FEED GRAINS

Sec. 401. Loans, payments, and acreage reduction programs for the 1991 through 1995 crops of feed grains.
Sec. 402. Nonapplicability of section 105 of the Agricultural Act of 1949 to the 1991 through 1995 crops of feed grains.
Sec. 403. Recourse loan program for silage.
Sec. 404. Price support for high moisture feed grains.
Sec. 405. Calculation of refunds of advance established price payments by producers of the 1988 or 1989 crops of feed barley.

TITLE V—COTTON

Sec. 501. Loans, payments, and acreage reduction programs for the 1991 through 1995 crops of upland cotton.
Sec. 502. Suspension of base acreage allotments, marketing quotas, and related provisions.
Sec. 503. Miscellaneous cotton provisions.
Sec. 504. Skiprow practices.
Sec. 505. Preliminary allotments for 1996 crop of upland cotton.
Sec. 506. Extra long staple cotton program.
Sec. 507. Cottonseed and cottonseed oil price support.
Sec. 508. Security interests.

TITLE VI—RICE

Sec. 601. Loans, payments, and acreage reduction programs for the 1991 through 1995 crops of rice.

TITLE VII—OILSEEDS

Sec. 701. Loans and payments for oilseeds for 1991 through 1995 marketing years.

TITLE VIII—PEANUTS

Sec. 801. Suspension of marketing quotas and acreage allotments.
Sec. 802. National poundage quotas and acreage allotments.
Sec. 803. Sale, lease, or transfer of farm poundage quota.
Sec. 804. Marketing penalties; disposition of additional peanuts.
Sec. 805. Experimental and research programs for peanuts.
Sec. 806. Price support program.
Sec. 807. Reports and records.
Sec. 808. Suspension of certain price support provisions.
Sec. 809. Regulations.

TITLE IX—SUGAR

Sec. 901. Sugar price support.
Sec. 902. Marketing allotments for sugar and crystalline fructose.
Sec. 903. Reports on quota allocations to countries importing sugar.

TITLE X—HONEY

Sec. 1001. Honey price support.
Sec. 1002. Loan forfeiture limitation.

TITLE XI—GENERAL COMMODITY PROVISIONS

Subtitle A—Acreage Base and Yield System

Sec. 1101. Acreage base and yield system.

Subtitle B—Payment Limitations

Sec. 1111. Payment limitations.

Subtitle C—Provisions Related to Agricultural Act of 1949

Sec. 1121. Deficiency and land diversion payments.
Sec. 1122. Commodity certificates.
Sec. 1123. Farmer owned reserve program.
Sec. 1124. Comparability of storage payments.
Sec. 1125. Supplemental set-aside and acreage limitation authority.
Sec. 1126. Disaster payments.
Sec. 1127. Increase in support levels.
Sec. 1128. Adjustment of support prices.
Sec. 1129. Program option for 1996 crops.
Sec. 1130. Commodity Credit Corporation sales price restrictions.
Sec. 1131. Application of terms in the Agricultural Act of 1949.
Sec. 1132. Producer appeals process.

Subtitle D—Miscellaneous Commodity Provisions

Sec. 1141. Normally planted acreage.
Sec. 1142. Normal supply.
Sec. 1143. Food security wheat reserve.
Sec. 1144. Determinations of the Secretary.
Sec. 1145. National Agricultural Cost of Production Standards Review Board.
Sec. 1146. Assignment of payments.
Sec. 1147. Financial impact study.
Sec. 1148. Survey of program participants.

Subtitle E—Options Pilot Program

Sec. 1151. Short title.
Sec. 1152. Purposes.
Sec. 1153. Options pilot program.
Sec. 1154. Terms and conditions.
Sec. 1155. Commodity futures trading industry.
Sec. 1156. Commodity Credit Corporation.

Subtitle F—Conforming Amendments

Sec. 1161. Conforming amendments.

Subtitle G—Effective Date

Sec. 1171. Effective date.

TITLE XII—STATE AND PRIVATE FORESTRY

Sec. 1201. Short title.

Subtitle A—Cooperative Forestry Assistance Act of 1978

Sec. 1211. References.
Sec. 1212. Findings, purpose, and policy.
Sec. 1213. Rural forestry assistance.
Sec. 1214. Forest incentives program.
Sec. 1215. Forest stewardship program.
Sec. 1216. Stewardship incentive program.
Sec. 1217. Forest legacy program.
Sec. 1218. Forest health protection.
Sec. 1219. Urban and community forestry assistance.
Sec. 1220. Firefighting preparedness and mobilization assistance.
Sec. 1221. Statement of limitation.
Sec. 1222. Federal, State, and local coordination and cooperation.
Sec. 1223. Administration.
Sec. 1224. Conforming amendments.

Subtitle B—Research and Education

CHAPTER 1—GENERAL RESEARCH PROGRAMS

Sec. 1231. McIntire-Stennis research program.
Sec. 1232. Competitive forestry, natural resources, and environmental grants program.

CHAPTER 2—SPECIALIZED RESEARCH

Sec. 1241. Research and utilization.
Sec. 1242. Southern Forest Regeneration Program.
Sec. 1243. Semiarid Agroforestry Research Center.
Sec. 1244. Forest land protection.

Sec. 1245. Presidential Commission on State and Private Forests.
Sec. 1246. Blue Mountain Natural Resource Institute.
Sec. 1247. International Forest Products Trade Institute.
CHAPTER 3—EDUCATION
Sec. 1251. Extension.
Sec. 1252. Forestry student grant program.
Subtitle C—America the Beautiful
Sec. 1261. Short title.
Sec. 1262. Findings.
Sec. 1263. Purposes.
Sec. 1264. Tree planting foundation.
Sec. 1265. Rural tree planting and forest management program.
Sec. 1266. Community tree planting and improvement program.
Subtitle D—Miscellaneous Provisions
Sec. 1271. Emergency reforestation assistance.
Sec. 1272. Talladega National Forest expansion.
TITLE XIII—FRUITS, VEGETABLES, AND MARKETING
Subtitle A—Fruits and Vegetables
Sec. 1301. Findings.
Sec. 1302. Purposes.
Sec. 1303. Declaration.
Sec. 1304. Study of the fruit and vegetable industry.
Sec. 1305. Country of origin labeling programs.
Sec. 1306. Enforcement of handler assessments.
Sec. 1307. Kiwifruit and other fruit.
Sec. 1308. Marketing orders.
Sec. 1309. Products produced in distinct geographic areas.
Subtitle B—National Laboratory Accreditation
Sec. 1321. Definitions.
Sec. 1322. National laboratory accreditation program.
Sec. 1323. Accreditation.
Sec. 1324. Samples.
Sec. 1325. Application.
Sec. 1326. Reporting.
Sec. 1327. Fees.
Sec. 1328. Public disclosure.
Sec. 1329. Regulations.
Sec. 1330. Effect of other laws.
Subtitle C—Cosmetic Appearance
Sec. 1351. Definition.
Sec. 1352. Research.
Sec. 1353. Changes in procedural regulations.
Sec. 1354. Authorization of appropriations.
Subtitle D—Miscellaneous
Sec. 1361. Amendment to the Perishable Agricultural Commodities Act.
Sec. 1362. Wine and winegrape industry study.
TITLE XIV—CONSERVATION
Sec. 1401. Short title.
Subtitle A—Highly Erodible Land Conservation
Sec. 1411. Program ineligibility.
Sec. 1412. Exemptions.
Subtitle B—Wetland Conservation
Sec. 1421. Wetland program improvements.
Sec. 1422. Delineation of wetland; exemptions.
Sec. 1423. Consultation.
Sec. 1424. Fairness of compliance.
Subtitle C—Agricultural Resources Conservation Program
Sec. 1431. Agricultural Resources Conservation Program.
Sec. 1432. Conservation Reserve Program.
Sec. 1433. Duties of owners and operators.
Sec. 1434. Payments.
Sec. 1435. Conversion of land subject to contract.
Sec. 1436. Extended base protection.
Sec. 1437. Study of land use for expiring contracts and extension of authority.
Sec. 1438. Wetlands reserve program.
Sec. 1439. Agricultural water quality incentives.
Sec. 1440. Environmental easement program.
Sec. 1441. Tree planting initiative.
Sec. 1442. Administration of conservation programs.
Sec. 1443. Authorization of appropriations.
Sec. 1444. Monitoring and evaluation.
Sec. 1445. Assistance for control of the spread of weeds and pests.
Sec. 1446. State Technical Committee.
Sec. 1447. Technical and conforming amendments.
Subtitle D—Other Conservation Measures
Sec. 1451. Integrated Farm Management Program Option.
Sec. 1452. Resource conservation and development program.
Sec. 1453. Amendment to the Noxious Weed Act.
Sec. 1454. Identifying the effects of Federal programs.
Sec. 1455. Great Plains conservation program.
Sec. 1456. Composting research and extension program.
Subtitle E—Watershed Protection and Flood Prevention Act; Farmland Protection
CHAPTER 1—WATERSHED PROTECTION AND FLOOD PREVENTION
Sec. 1461. Relation of benefits to agriculture.
Sec. 1462. Cost share assistance.
Sec. 1463. Data.
Sec. 1464. Amendment to the Watershed Protection and Flood Prevention Act.
CHAPTER 2—FARMLAND PROTECTION
Sec. 1465. Short title, purpose, and definition.
Sec. 1466. Establishment of program.
Sec. 1467. Federal accounts.
Sec. 1468. Applications and administration.
Sec. 1469. Report.
Sec. 1470. Implementation and effective date.
Subtitle F—Administration of Environmental Programs
Sec. 1471. Establishment of the Agricultural Council on Environmental Quality.
Sec. 1472. Office of Agricultural Environmental Quality.
Sec. 1473. Environmental quality policy statement.
Subtitle G—Water Quality Research, Education, and Coordination
Sec. 1481. Short title, purpose, definitions, and authorization of appropriations.
Sec. 1482. Soil and water activities.
Sec. 1483. State Water Quality Coordination Program.
Sec. 1484. Water quality and nutrient management research.
Sec. 1485. Repository of agriculture and ground water quality planning information.
Subtitle H—Pesticides
Sec. 1491. Pesticide recordkeeping.
Sec. 1492. Data in support of registration.
Sec. 1493. Reduction or waiver of fees for pesticides registered for minor agricultural uses.
Sec. 1494. Voluntary cancellation.
Sec. 1495. Pest control.
Sec. 1496. Conforming amendments to table of contents.
Sec. 1497. Inter-Regional Research Project Number 4 (IR-4 Program).
Sec. 1498. Biological pesticide handling study.
Sec. 1499. Water policy with respect to agrichemicals.
TITLE XV—AGRICULTURAL TRADE
Sec. 1501. Short title.
Subtitle A—Agricultural trade development and assistance act of 1954
Sec. 1511. Short title.
Sec. 1512. Agricultural Trade Development and Assistance Act of 1954.
Sec. 1513. Effective date.
Sec. 1514. Amendments to section 416 of the Agricultural Act of 1949.
Sec. 1515. Conforming amendments and technical changes.
Sec. 1516. Food for progress.
Sec. 1517. Debt-for-health-and-protection swap.
Subtitle B—Shipping provisions
Sec. 1521. Exemption of American great lakes vessels from restriction on carriage of preference cargoes.
Sec. 1522. Designation of American great lakes vessels.
Sec. 1523. Restrictions on operations of American great lakes vessels.
Sec. 1524. Revocation and termination of designation.
Sec. 1525. Allocation based on lowest landed cost.
Sec. 1526. Study and report.
Sec. 1527. Definitions.
Subtitle C—Export promotion
Sec. 1531. Amendment to the Agricultural Trade Act of 1978.
Sec. 1532. Amendment to the Agricultural Act of 1954.
Subtitle D—General Provisions
Sec. 1541. Cottonseed oil and sunflower oil exports.
Sec. 1542. Promotion of agricultural exports to emerging democracies.
Sec. 1543. Agricultural fellowship program for middle income countries and emerging democracies.
Sec. 1544. Assistance in furtherance of narcotics control objectives of the United States.
Sec. 1545. World livestock market price information.
Subtitle E—Studies, Reports, and Other Provisions
Sec. 1551. Study of North American free trade area.
Sec. 1552. Rose and flower study.
Sec. 1553. Commodity transportation and technology assessment and report.
Sec. 1554. Report on section 22 suspension or termination.
Sec. 1555. Agricultural exports to the european community.
Sec. 1556. Language proficiency and evaluation of foreign agricultural service officers.
Sec. 1557. Reporting requirements relating to tobacco.
Sec. 1558. Report on origin of exports of peanuts.

Sec. 1559. Sense of Congress concerning rebalancing proposal of the european community.
Sec. 1560. Sense of the Senate regarding multilateral trade negotiations.
Subtitle F—Conforming provisions and technical changes
Sec. 1571. Amendments to the Omnibus Trade and Competitiveness Act of 1988.
Sec. 1572. Amendments to the Food Security Act of 1985.
Sec. 1573. Amendments to the Agriculture and Food Act of 1981.
Sec. 1574. Amendment to the Food for Peace Act of 1966.
Sec. 1575. Amendment to the Agricultural Act of 1949.
Sec. 1576. Amendment to the Agricultural Act of 1956.
Sec. 1577. Amendment to the Agricultural Technical Corrections Act.
Sec. 1578. Amendment to the Agricultural Act of 1970.
TITLE XVI—RESEARCH
Subtitle A—Extensions and Changes to Existing Programs
Sec. 1601. Increased authorizations for, and the extension or repeal of, existing programs.
Sec. 1602. Purposes of the agricultural research and extension system.
Sec. 1603. Definitions.
Sec. 1604. Joint Council on Food and Agricultural Sciences and National Agricultural Research and Extension Users Advisory Board.
Sec. 1605. Agricultural Science and Technology Review Board.
Sec. 1606. National Agricultural Library.
Sec. 1607. Grants to enhance research capacity in schools of veterinary medicine.
Sec. 1608. Grants and fellowships for food and agricultural sciences education.
Sec. 1609. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 1610. Food Science and Nutrition Research Center.
Sec. 1611. Animal health and disease research study and Animal Health Science Research Advisory Board.
Sec. 1612. Grant programs for 1890 land-grant colleges, including Tuskegee University.
Sec. 1613. International agricultural science, education, and development and international trade development centers.
Sec. 1614. Aquaculture assistance programs.
Sec. 1615. National competitive research initiative.
Sec. 1616. Special research grants.
Sec. 1617. Minimization of conflicts of interest of employees of colleges receiving funds under the Smith-Lever Act.
Sec. 1618. Agricultural experiment stations and transportation of virus of foot-and-mouth disease.
Subtitle B—Sustainable Agriculture Research and Education
Sec. 1619. Purpose and definitions.
Sec. 1620. Repeal of agricultural productivity research.
CHAPTER 1—BEST UTILIZATION OF BIOLOGICAL APPLICATIONS
Sec. 1621. Research and extension projects.
Sec. 1622. Program administration.
Sec. 1623. Federal-State matching grant program.
Sec. 1624. Authorization of appropriations.
CHAPTER 2—INTEGRATED MANAGEMENT SYSTEMS
Sec. 1627. Integrated management systems.
CHAPTER 3—SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM
Sec. 1628. Technical guides and handbooks.
Sec. 1629. National Training Program.
Subtitle C—National Genetics Resources Program
Sec. 1632. Establishment, purpose, and functions of the National Genetic Resources Program.
Sec. 1633. Appointment and authority of Director.
Sec. 1634. Advisory council.
Sec. 1635. Definitions and authorization of appropriations.
Subtitle D—National Agricultural Weather Information System
Sec. 1637. Short title and purposes.
Sec. 1638. Agricultural Weather Office.
Sec. 1639. National Advisory Board on Agricultural Weather.
Sec. 1640. State agricultural weather information systems.
Sec. 1641. Funding.
Subtitle E—Research Regarding the Production, Preparation, Processing, Handling, and Storage of Agricultural Products
Sec. 1644. Research and grant program.
Sec. 1645. Advisory committee and grant process.
Sec. 1646. Reports to Congress.
Sec. 1647. Authorization of appropriations.
Subtitle F—Plant and Animal Pest and Disease Control Program
Sec. 1650. Plant and animal pest and disease control program.
Sec. 1651. Pest and disease control data base and pesticide resistance monitoring.
Sec. 1652. Research on exotic pests.
Sec. 1653. Study of the biology and behavior of chinch bugs, including factors leading to crop loss and development of improved management practices.
Sec. 1654. Authorization of appropriations.
Subtitle G—Alternative Agricultural Research and Commercialization
Sec. 1657. Short title, purposes, and definitions.
Sec. 1658. Alternative Agricultural Research and Commercialization Center.
Sec. 1659. Alternative Agricultural Research and Commercialization Board.
Sec. 1660. Research and development grants, contracts, and agreements.
Sec. 1661. Commercialization assistance.
Sec. 1662. General rules regarding the provision of assistance.
Sec. 1663. Regional centers.
Sec. 1664. Alternative Agricultural Research and Commercialization Revolving Fund.
Subtitle H—Miscellaneous Research Provisions
Sec. 1668. Biotechnology risk assessment research.
Sec. 1669. Graduate school of the Department of Agriculture.
Sec. 1670. Livestock product safety and inspection program.
Sec. 1671. Plant genome mapping program.
Sec. 1672. Specialized research programs.
Sec. 1673. Agricultural telecommunications program.
Sec. 1674. Commission on agricultural research facilities.
Sec. 1675. National centers for agricultural product quality research.
Sec. 1676. Turkey research center.
Sec. 1677. Reservation extension agents.
Sec. 1678. Special grant to study constraints on agricultural trade.
Sec. 1679. Pilot project to coordinate food and nutrition education programs.
Sec. 1680. Assistive technology program for farmers with disabilities.
Sec. 1681. Research on honeybee diseases.
TITLE XVII—FOOD STAMP AND RELATED PROVISIONS
Sec. 1701. Short title.
SUBTITLE A—FOOD STAMP PROGRAM
Sec. 1711. References to the Food Stamp Act of 1977.
Sec. 1712. Recipients of aged, blind, and disabled benefits in the territories.
Sec. 1713. Restaurant meals at concessional prices for the homeless.
Sec. 1714. Categorical eligibility for recipients of general assistance.
Sec. 1715. Exclusion of education benefits.
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TITLE I—DAIRY

SEC. 101. MILK PRICE SUPPORT AND MILK INVENTORY MANAGEMENT PROGRAM FOR CALENDAR YEARS 1991 THROUGH 1995.

(a) IN GENERAL.—Effective January 1, 1991, the Agricultural Act of 1949 is amended by inserting after section 203 (7 U.S.C. 1446d) the following new section:

"SEC. 204. MILK PRICE SUPPORT AND MILK INVENTORY MANAGEMENT PROGRAM FOR CALENDAR YEARS 1991 THROUGH 1995.

"Notwithstanding any other provision of law:

"(a) IN GENERAL.—During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported as provided in this section.

"(b) RATE.—During the period beginning on January 1, 1991, and ending on December 31, 1995, the price of milk shall be supported at a rate not less than $10.10 per hundredweight for milk containing 3.67 percent milkfat.

"(c) PURCHASES.—

"(1) IN GENERAL.—The price of milk shall be supported through the purchase of milk and the products of milk.

"(2) CCC BID PRICES.—The Commodity Credit Corporation support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Corporation shall be the same for all of that product sold by persons offering to sell the product to the Corporation. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price not less than the rate of price support for milk in effect during a 12-month period under this subsection.

"(3) BUTTER AND NONFAT DRY MILK.—

"(A) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. The Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation.

"(B) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

"(d) SUPPORT RATE ADJUSTMENTS.—

"(1) REDUCTIONS.—

"(A) IN GENERAL.—Effective January 1 of each of the calendar years 1991 through 1995, if the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this section (less sales under section 407 for unrestricted use), as estimated by the Secretary by November 20 of the preceding calendar year, will exceed 5 billion pounds (milk equivalent, total milk solids basis), the Secretary shall decrease by an amount per hundredweight of at least $0.25 but not more than $0.50 the rate of price support for milk in effect for the calendar year.

"(B) PRIOR NOTIFICATION.—The Secretary shall, by November 20 of the preceding calendar year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed decrease in price support under this paragraph.

"(2) INCREASES.—

"(A) IN GENERAL.—Effective January 1 of each of the calendar years 1991 through 1995, if the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this section (less sales under section 407 for unrestricted use), as estimated by the Secretary by November 20 of the preceding calendar year, will not exceed 3.5 billion pounds (milk equivalent, total milk solids basis), the Secretary shall increase by an amount per hundredweight of at least $0.25 the rate of price support for milk in effect for the calendar year.

"(B) PRIOR NOTIFICATION.—The Secretary shall, by November 20 of the preceding calendar year, notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of any proposed increase in price support under this paragraph.

"(3) NO ADJUSTMENTS.—If for any of the calendar years 1992 through 1995, the level of purchases of milk and the products of milk by the Commodity Credit Corporation under this section (less sales under section 407 for unrestricted use), as estimated by the Secretary by November 20 of the preceding calendar year, will be less than 5 billion pounds (milk equivalent, total milk solids basis), but more than 3.5 billion pounds (milk equivalent, total milk solids basis), the Secretary shall not decrease the rate of price support for milk in effect for the calendar year.

"(4) MINIMUM PRICE.—Notwithstanding any other provision of this section, in no event shall the price of milk be supported at less than $10.10 per hundredweight.

"(5) ADMINISTRATION.—

"(A) MILK EQUIVALENT, TOTAL MILK SOLIDS BASIS.—As used in this section, the term 'milk equivalent, total milk solids basis', of milk and the products of milk purchased by the Commodity Credit Corporation, shall be equal to the weighted-average of the milk equivalent (as computed on a milkfat basis and on a milk solids nonfat basis) of such products, with weighting factors equal to not more than 40 percent for the milk equivalent, milkfat basis, and not more than 70 percent for the milk equivalent, solids nonfat basis. The weighting factors shall total 100 percent.

"(B) LEVEL OF PURCHASES.—In estimating the level of purchases of milk and the products of milk under this section, the Secretary shall deduct the amount, if any, by which the level of imports into the United States of milk and the products of milk during the most recent calendar year exceeds the annual average level of imports into the United States of milk and the products of milk during the period January 1, 1986, through December 31, 1990 (milk equivalent, total milk solids basis).

"(e) REPORT ON MILK INVENTORY MANAGEMENT PROGRAM.—

"(1) IN GENERAL.—Not later than August 1, 1991, the Secretary shall prepare and submit a report and recommendations on various milk inventory management programs to the Committee on Agriculture of the House of Representatives and Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(2) SOLICITATION OF PROPOSALS.—Within 60 days after the date of enactment of this section, the Secretary shall publish in the Federal Register a notice to solicit proposals concerning a milk inventory management program.

"(3) REQUIRED PROPOSALS.—In carrying out this subsection, the Secretary shall study, among other proposals—

"(A) an alternative classification of milk contained in section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), as amended by the Agricultural Marketing Agreement Act of 1937;

"(B) a program to support the income of milk producers through a system of established prices and deficiency payments; and

"(C) other such programs submitted to the Secretary under paragraph (2) as the Secretary may determine appropriate after consultation with the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) PROHIBITED PROGRAMS.—In the study required under paragraph (3), the Secretary shall not consider any milk inventory management program that includes any milk production termination program that is similar to the program established under section 201(d)(3), or support price reductions below the levels established under this section.

"(5) CRITERIA FOR EVALUATION.—The Secretary shall evaluate the proposals for a milk inventory management program based on—

"(A) the ability of the program to limit Government purchases of milk products to 6,000,000,000 pounds (milk equivalent, total milk solids basis) in a calendar year;

"(B) the speed and effectiveness of reducing excess milk production;

"(C) the effectiveness in sustaining reduced milk production for at least a 5-year period with and without the continuation of the program;

"(D) the regional impact on milk prices, producer revenue, and milk supplies;

"(E) the impact on national producer income and Government expenditures;

"(F) the impact on the rural economy and maintaining family farms;

"(G) the impact on the availability of wholesome dairy products for domestic and foreign nutrition and food assistance programs;

"(H) technological innovations;

"(I) the effectiveness in reducing butter fat production and increasing protein content in milk;

"(J) the impact of temporary increases and decreases of milk production;

"(K) the impact on the United States livestock industry; and

"(L) all other issues the Secretary considers appropriate.

"(6) NOTICE AND COMMENT.—The Secretary shall provide for public notice and comment on the milk inventory programs studied by the Secretary under this subsection no later than June 1, 1991.

"(f) NOTIFICATION OF CONGRESS CONCERNING ESTIMATED PURCHASES.—On August 1 and by November 20 of each of the calendar years 1991 through 1995, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate regarding the value and volume of dairy product purchases on a milk equivalent, total milk solids basis, the Secretary estimates that the Corporation will make during the upcoming calendar year.".

"(g) EXCESS PURCHASES.—

"(1) IN GENERAL.—In order to offset any cost to the Commodity Credit Corporation associated with the purchase of milk and the products of milk in excess of 7,000,000,000 pounds (milk equivalent, total milk solids basis), during any of the calendar years 1991 through 1994, the Secretary shall, if necessary, provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use.

"(2) CALCULATION.—If on November 20 of each of the calendar years 1991 through 1994, the Secretary estimates that the level of Commodity Credit Corporation purchases of milk and the products of milk will exceed 7,000,000,000 pounds (milk equivalent, total milk solids basis), the amount of reduction in the price received by producers shall be an amount per hundredweight calculated by dividing—

"(A) the cost of the purchases in excess of 7,000,000,000 pounds, milk equivalent, total milk solids basis; by

"(B) the total quantity of hundredweights of milk the Secretary estimates will be produced and marketed in the United States for commercial use in that calendar year.

"(3) ADJUSTMENTS.—The Secretary shall adjust any such assessment in future years, or refund any portion of such assessments, as needed, to carry out the purposes of this subsection.

"(h) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(i) PERIOD.—Notwithstanding any other provision of law, this section shall be effective only during the period beginning on January 1, 1991, and ending on December 31, 1995.".

(b) CONFORMING PROVISION.—Section 553 of title 5, United States Code, shall not apply with respect to the implementation of section 204 of the Agricultural Act of 1949 (as added by subsection (a) of this section) by the Secretary of Agriculture, including determinations made regarding—

(1) the level of price support for milk; and

(2) any reduction in the prices paid to producers of milk.

SEC. 102. MILK MANUFACTURING MARKETING ADJUSTMENT.

(a) IN GENERAL.—Effective beginning on the date that is 12 months after the date of enactment of this Act, no State shall provide for (and no person shall collect, directly or indirectly) a greater allowance for the processing of milk (hereafter referred to as a 'make allowance') than is permitted under a

Federal program to establish a Grade A price for manufacturing butter, nonfat dry milk, or cheese.

(b) LIABILITY FOR PENALTIES.—

(1) IN GENERAL.—If the Secretary of Agriculture determines that—

(A) based on a request by a producer supported by evidence, the make allowance collected by a person is in excess of the amount that is permitted under subsection (a); or

(B) a person has failed to comply with any requirement of this section or a regulation issued under this section,

the person shall be liable for penalties as determined by the Commodity Credit Corporation in accordance with this subsection.

(2) AMOUNT OF PENALTIES.—Such penalties shall be equal to the product obtained by multiplying—

(A) twice the permitted make allowance that could be charged as provided under subsection (a); by

(B) the quantity of milk with respect to which the person was determined by the Secretary to have collected a make allowance in excess of the permitted make allowance.

(c) REGULATIONS.—The Secretary may issue such regulations as are necessary to carry out this section.

(d) INVESTIGATIONS.—

(1) IN GENERAL.—The Secretary may make such investigations as the Secretary considers necessary for the effective administration of this section or to determine whether any person subject to this section has violated this section.

(2) ADMINISTRATION.—For the purpose of the investigation, the Secretary may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry.

(3) SUBPOENA.—The attendance of witnesses and the production of any such records may be required from any place in the United States. In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of records. The court may issue an order requiring the attendance and testimony of witnesses and the production of records, or requiring the person to appear before the Secretary to produce records or to give testimony on the matter under investigation.

(4) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as a contempt thereof.

(5) PROCESS.—All process in any such case may be served in the judicial district of which the person is an inhabitant or wherever the person may be found.

(e) ENFORCEMENT.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any provision of this section or any regulation issued under this section.

SEC. 103. MINNESOTA-WISCONSIN PRICE SERIES REFORM.

(a) IN GENERAL.—Within 60 days of the date of enactment of this Act, the Secretary of Agriculture shall commence to accept alternative pricing formula recommendations, as they may relate to the Minnesota-Wisconsin price series used to determine the minimum prices paid under milk marketing orders, in order to amend such milk marketing orders authorized under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937. Among the alternative pricing formulas to be considered by the Secretary shall be a price series based on prices paid by milk processors for Grade A milk and manufacturing grade milk that is used in the manufacture of dairy products.

(b) AVAILABILITY OF DATA.—The Secretary shall compile and make available to the public the historical and current data used to compare the alternative pricing formulas submitted and recommended as provided in subsection (a) with the existing Minnesota-Wisconsin price series.

(c) IMPLEMENTATION IN FEDERAL MARKETING ORDERS.—

(1) ANNOUNCEMENT OF HEARING.—Not later than October 1, 1991, the Secretary shall—

(A) announce a national hearing to consider the proposed replacement of the Minnesota-Wisconsin price series in Federal milk marketing orders; and

(B) invite industry and consumer proposals on the specific provisions to be considered for each order.

(2) REPORT TO CONGRESS.—On issuance of the final decision on the hearing proposals, the Secretary shall report the decision to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(3) OPPORTUNITY FOR PUBLIC COMMENT.—The opportunity for public comment on the recommended decision shall not be less than 30 legislative days. For purposes of this paragraph, the term "legislative day" means a day on which either House of Congress is in session.

SEC. 104. HEARINGS ON FEDERAL MILK MARKETING ORDERS.

The Secretary of Agriculture shall—

(1) conclude the national hearings announced by the Secretary on March 29, 1990, regarding possible changes in the pricing provisions of Federal milk marketing orders; and

(2) to the maximum extent practicable consistent with applicable laws, effect any resulting system-wide changes in the Federal orders setting minimum prices that milk processors must pay for Grade A milk received from producers, by January 1, 1992.

SEC. 105. REPORT OF DAIRY PRODUCT PURCHASES.

The Secretary of Agriculture shall make available to the public quarterly evaluations of the acquisition and disposal of Commodity Credit Corporation purchases of dairy products.

SEC. 106. APPLICATION OF SUPPORT PRICE FOR MILK.

For purposes of supporting the price of milk under section 204 of the Agricultural Act of 1949 (as added by section 101 of this Act), the Secretary of Agriculture may not take into consideration any market value of whey.

SEC. 107. APPLICATION OF AMENDMENTS.

The amendments made by this title shall not affect any liability of any person under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) as in effect before the date of the enactment of this Act.

SEC. 108. ADJUSTMENTS FOR SEASONAL PRODUCTION; HEARINGS ON AMENDMENTS; DETERMINATION OF MILK PRICES.

Section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note) is amended by striking "1990" and inserting "1995".

SEC. 109. TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS.

Section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a) is amended by striking "1990" each place it appears in subsections (a) and (b) and inserting "1995".

SEC. 110. EXTENSION OF THE DAIRY INDEMNITY PROGRAM.

Section 3 of the Act entitled "An Act to provide indemnity payments to dairy farmers" (7 U.S.C. 4501), approved August 13, 1968, is amended by striking "1990" and inserting "1995".

SEC. 111. EXPORT SALES OF DAIRY PRODUCTS.

Section 1163 of the Food Security Act of 1985 (7 U.S.C. 1731 note) is amended by striking "1990" each place it appears and inserting "1995".

SEC. 112. COMPONENT PRICING OF MILK.

Section 8c(5)(B) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(B)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) by striking "and" at the end of clause (d); and

(2) by inserting before the period at the end the following: "and, (f) a further adjustment, equitably to apportion the total value of milk purchased by any handler or by all handlers among producers on the basis of the milk components contained in their marketings of milk".

SEC. 113. ADJUSTMENTS IN PAYMENTS BY HANDLERS.

Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

"(L) Providing that adjustments in payments by handlers under paragraph (A) need not be the same as adjustments to producers under paragraph (B) with regard to adjustments authorized by subparagraphs (2) and (3) of paragraph (A) and clauses (b), (c), and (d) of paragraph (B)(ii).".

SEC. 114. DAIRY EXPORT INCENTIVE PROGRAM.

Section 153 of the Food Security Act of 1985 (15 U.S.C. 713a-14) is amended by striking "September 30, 1990" and inserting "December 31, 1995".

SEC. 115. STATUS OF PRODUCER HANDLERS.

The legal status of producer handlers of milk under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall be the same after the amendments made by this title take effect as it was before the effective date of the amendments.

SEC. 116. MULTIPLE COMPONENT PRICING STUDY.

(a) IN GENERAL.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall initiate a study to determine whether, and to what extent, milkfat is being produced in the United States in excess of commercial market needs as a result of any provision of law, regulation, or order that affects the manner in which producers receive payment for milk on the basis of the milk components contained in their marketings of milk under any Federal or State milk pricing program.

(b) STUDY.—In conducting the study, the Secretary shall assess the potential impact on achieving balance in the production, marketing, and domestic commercial use of milkfat through adoption of multiple component pricing programs under Federal and State milk pricing programs.

(c) REPORT.—Not later that 180 days after the date of enactment of this Act, the Secretary shall—

(1) report the results of the study conducted under subsection (a), together with associated recommendations, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(2) publish the results of the study.

(d) IMPLEMENTATION IN FEDERAL MARKETING ORDERS.—On completion and publication of the study described in this section, the Secretary shall—

(1) announce a national hearing to consider the adoption of multiple component pricing provisions in individual Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937; and

(2) invite industry and consumer proposals on the specific provisions to be considered for each order.

TITLE II—WOOL AND MOHAIR

SEC. 201. WOOL AND MOHAIR PRICE SUPPORT PROGRAM.

(a) EXTENSION.—Section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) is amended by striking "1990" each place it appears in subsections (a) and (b) and inserting "1995".

(b) PAYMENT LIMITATION.—Section 704 of such Act (7 U.S.C. 1783) is amended—

(1) by striking the section heading and inserting the following:

"SEC. 704. PAYMENTS AS MEANS OF PRICE SUPPORT.";

(2) by inserting after the section designation the following: "(a) USE OF PAYMENTS.—; and

(3) by adding at the end the following new subsection:

"(b) PAYMENT LIMITATION.—

"(1) IN GENERAL.—The total amount of payments that a person shall be entitled to receive under this Act for wool or mohair for any marketing year shall not exceed—

"(A) $200,000 for the 1991 marketing year;

"(B) $175,000 for the 1992 marketing year;

"(C) $150,000 for the 1993 marketing year; and

"(D) $125,000 for each of the 1994 and subsequent marketing years.

"(2) ENFORCEMENT.—The Secretary shall issue regulations defining the term 'person' for purposes of this section. The regulations shall be consistent with regulations issued by the Secretary in accordance with sections 1001, 1001A, and 1001B of the Food Security Act of 1985 (7 U.S.C. 1308, 1308-1, and 1308-2).".

TITLE III—WHEAT

SEC. 301. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF WHEAT.

The Agricultural Act of 1949 is amended—

(1) by repealing sections 107A and 107B (7 U.S.C. 1445b and 1445b-1);

(2) by redesignating section 107D (7 U.S.C. 1445b-3) as section 107A; and

(3) by inserting after section 107A (as so redesignated) the following new section:

"SEC. 107B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF WHEAT.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm loans and purchases for each of the 1991 through 1995 crops of wheat produced on the farm at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—

"(A) STOCKS TO USE RATIO.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

"(i) equal to or greater than 30 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

"(ii) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan and purchase level for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(iii) less than 15 percent, the Secretary may not reduce the loan and purchase level for wheat for the corresponding crop.

"(B) REPORT TO CONGRESS.—

"(i) IN GENERAL.—If the Secretary adjusts the level of loans and purchases for wheat under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the accumulation of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) EFFECTIVE DATE OF ADJUSTMENT.—The adjustment shall become effective no earlier than 60 calendar days after the date of submission of the report to the Committees, except that in the case of the 1991 crop of wheat, the adjustment shall become effective on the date of the submission of the report.

"(C) COMPETITIVE POSITION.—Notwithstanding subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 10 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for wheat under this paragraph shall not be considered in determining the loan and purchase level for wheat for subsequent years.

"(E) MINIMUM LOAN RATE.—Notwithstanding subparagraph (A), the loan rate for wheat shall not be less than $2.44 per bushel, unless such rate would exceed 80 percent of the 5-year average market price determination.

"(4) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under this subsection for a crop at a level (except as provided in subparagraph (C)) that is the lesser of—

"(i) the loan level determined for the crop;

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(iii) the prevailing world market price for wheat (adjusted to United States quality and location), as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—If the Secretary permits a producer to repay a loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing world market price for wheat, adjusted to United States quality and location; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for wheat.

"(C) ALTERNATIVE REPAYMENT RATES.—For each of the 1991 through 1995 crops of wheat, if the world market price for wheat (adjusted to United States quality and location) as determined by the Secretary, is less than the loan level determined for the crop, the Secretary may permit a producer to repay a loan made under this subsection for a crop at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of wheat stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing wheat; and

"(iv) allow wheat produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments (hereafter in this section referred to as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of wheat the producer is eligible to place under loan (or obtain a purchase agreement) but for which the producer forgoes obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as 'deficiency

payments') for each of the 1991 through 1995 crops of wheat in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) PAYMENT RATE FOR 1991 THROUGH 1993 CROPS.—The payment rate for each of the 1991 through 1993 crops of wheat shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(I) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop, prior to any adjustment made under subsection (a)(3) for the marketing year for the crop of wheat.

"(ii) PAYMENT RATE OF 1994 AND 1995 CROPS.—The payment rate for each of the 1994 and 1995 crops of wheat shall be calculated as provided in clause (i).

"(iii) MINIMUM ESTABLISHED PRICE.—The established price for wheat shall not be less than $4.00 per bushel for each of the 1991 through 1995 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or

"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(D) EMERGENCY COMPENSATION.—

"(i) IN GENERAL.—Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for wheat under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the deficiency payments for wheat by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) CALCULATION.—In determining the payment rate, per bushel, for emergency compensation payments for a crop of wheat under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of wheat, received by producers during the marketing year for the crop, as determined by the Secretary.

"(iii) DEADLINES FOR ESTIMATES AND AVAILABILITY.—Notwithstanding any other provision of this Act, the Secretary shall—

"(I) by December 1 of the marketing year for the crop, estimate the national weighted average market price, per bushel of wheat, received by producers during the marketing year;

"(II) by December 15 of the marketing year, use the estimate to make available to producers who have elected the payment option authorized by this clause not less than 75 percent of the increase in payments estimated to be payable with respect to the crop under this subparagraph; and

"(III) adjust the amount of each final payment for wheat to reflect any difference between the amount of any estimated payment made under this clause and the amount of actual payment due under this subparagraph.

"(iv) TIME FOR ELECTING PAYMENT OPTION.—Producers shall elect the payment option authorized by clause (iii) at the time of entering into a contract to participate in the program established by this section for the crop.

"(E) 0/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of wheat and the producers on a farm devote a portion of the maximum payment acres for wheat as calculated under subparagraph (C)(ii) of the farm equal to more than 8 percent of such wheat acreage of the farm for the crop to conservation uses (except as provided in subparagraph (F))—

"(I) such portion of the maximum payment acres in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to wheat for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage.

"(ii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for wheat for the farm to conservation uses (or other uses as provided in subparagraph (F)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to wheat and eligible for payments under this subparagraph for the crop at a per-bushel rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which wheat producers may agree to participate in the program for the crop.

"(iii) ADVERSE EFFECT ON AGRIBUSINESS AND OTHER INTERESTS.—The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary is authorized to restrict the total quantity of wheat acreage that may be taken out of production under this subparagraph, taking into consideration the total quantity of acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the quantity of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during the crop year.

"(iv) CROP ACREAGE AND PAYMENT YIELD.—The wheat crop acreage base and wheat farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted wheat acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)) under this subparagraph.

"(v) LIMITATION.—Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

"(vi) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to wheat in accordance with clauses (i) and (iv) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(F) ALTERNATIVE CROPS.—

"(i) INDUSTRIAL AND OTHER CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(I) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(II) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) OILSEEDS.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, and other minor oilseed designated by the Secretary (excluding soybeans). In implementing this clause, the Secretary shall provide that, in order to receive payments under subparagraph (E), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of any such oilseed produced on the farm.

"(G) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of wheat on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) DISASTER PAYMENTS.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat to wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage that the producers were prevented from planting to wheat or other nonconserving crops in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the wheat acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the wheat acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of wheat shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of wheat, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of wheat an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce any such program not later than June 1 prior to the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section.

"(D) ADJUSTMENTS.—Not later than July 31 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in the program announced under subparagraph (C) if the Secretary determines that there has been a significant change in the total supply of wheat since the program was first announced.

"(E) COMPLIANCE.—As a condition of eligibility for loans, purchases, and payments for any such crop of wheat, except as provided in subsections (f) and (g) and section 504, the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, a land diversion program as provided in paragraph (5).

"(F) ACREAGE LIMITATION PROGRAM FOR 1991 CROP.—In the case of the 1991 crop of wheat, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not less than 15 percent.

"(G) ACREAGE LIMITATION PROGRAMS FOR 1992 THROUGH 1995 CROPS.—In the case of each of the 1992 through 1995 crops of wheat, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of wheat to total disappearance of wheat for the preceding marketing year will be—

"(i) more than 40 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not less than 10 percent nor more than 20 percent; or

"(ii) equal to or less than 40 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to wheat for harvest on a farm would be limited to the wheat crop acreage base for the farm for the crop reduced by not more than 0 to 15 percent.

For the purpose of this subparagraph, the term 'total disappearance' means all wheat utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a wheat acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 20 percent) to the wheat crop acreage base for the crop for each wheat-producing farm.

"(B) COMPLIANCE.—Except as provided in subsection (g) and section 504, producers who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Wheat crop acreage bases for each crop of wheat shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying the wheat crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to wheat for harvest within the permitted wheat acreage for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—As used in this subparagraph, the term 'designated crop' means a crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) IN GENERAL.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of wheat, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(E) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of wheat under an acreage limi-

tation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for wheat under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' wheat acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for wheat by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' wheat acreage base.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the producers' wheat acreage base shall not be increased by more than 10 percentage points for the 1991 crop and 15 percentage points for each of the 1992 through 1995 crops above the acreage limitation percentage announced by the Secretary for the crop or above 25 percent total for the crop.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' wheat acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for wheat under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this subparagraph, the Secretary shall decrease the established price for wheat by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' wheat acreage base.

"(iii) LIMITATION.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' wheat acreage base under this paragraph by more than one-half of the announced acreage limitation percentage.

"(E) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of wheat under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of wheat, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(E), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(E) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PAYMENTS.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of wheat, whether or not an acreage limitation program for wheat is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of wheat to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) SOIL AND WATER CONSERVATION PRACTICES.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on acreage required to be devoted to conservation uses or on additional diverted acreage.

"(C) PUBLIC ACCESSIBILITY.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by

the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of wheat.

"(8) SPECIAL OATS PLANTINGS.—In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, notwithstanding the foregoing provisions of this subsection, the Secretary—

"(A) may provide that any reduced acreage may be planted to oats for harvest;

"(B) may make program benefits (including loans, purchases, and payments) available under the annual program for oats under section 105B available to producers with respect to acreage planted to oats under this paragraph; and

"(C) shall not make program benefits other than the benefits specified in subparagraph (B) available to producers with respect to acreage planted to oats under this paragraph.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of wheat, make payments available to producers who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(4) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant wheat for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) PILOT VOLUNTARY PRODUCTION LIMITATION PROGRAM.—

"(1) IN GENERAL.—Effective for the 1992 or 1993 crops (and, if the Secretary so determines, the 1994 and 1995 crops), if a wheat acreage limitation program or a land diversion program is announced under subsection (d) for such crops, the Secretary shall carry out a pilot program in at least 15 counties in at least 2 States where producers express an interest in participating in the pilot program under which the producers on a farm shall be considered to have met the requirements of such acreage limitation or land diversion program if the producers meet the requirements of the voluntary production limitation program established under this subsection.

"(2) LIMITATION ON MARKETING.—In order to comply with the voluntary production limitation program, the producers on a farm must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of wheat in excess of the wheat production limitation quantity for the farm for the marketing year.

"(3) PRODUCTION LIMITATION QUANTITY.—For purposes of this subsection, the production limitation quantity for a farm for a marketing year for a crop shall equal the product obtained by multiplying—

"(A) the acreage permitted to be planted to wheat under the acreage reduction program or land diversion program in effect for the crop for the farm; by

"(B) the higher of—

"(i) the farm program payment yield for the farm; or

"(ii) the average of the yield per harvested acre for wheat for the farm for each of the 5 crop years immediately preceding the crop year during which the producers first participate in the program established under this subsection, excluding the crop years with the highest and lowest yield per harvested acre and any crop year in which the commodity was not planted on the farm.

"(4) TERMS AND CONDITIONS.—Producers on a farm who elect to participate in the program established under this subsection for a crop of wheat shall—

"(A) enter into an agreement with the Secretary providing that the producers shall comply with the program for the crop;

"(B) not plant program commodities for harvest in a quantity in excess of the sum of the crop acreage bases for the farm; and

"(C) be considered to have complied with the terms and conditions of the wheat acreage reduction program or land diversion program for the crop, even though the acreage planted to wheat on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

"(5) EXCESS PRODUCTION.—

"(A) IN GENERAL.—Any quantity of wheat produced in a crop year on a farm in excess of the production limitation quantity for the farm may be stored by the producers for a period of not to exceed 5 marketing years and may be used only in accordance with this paragraph.

"(B) MARKETING IN SUBSEQUENT YEAR.—

"(i) PARTICIPANTS IN PROGRAM.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess wheat referred to in subparagraph (A) equal to the difference between the production limitation quantity for the farm for the crop year subsequent to the crop year in which the excess wheat is produced less the quantity of wheat produced on the farm during the crop year.

"(ii) PARTICIPANTS IN ACREAGE REDUCTION PROGRAM.—Producers on a farm who are participating in an acreage reduction or a land diversion program for a crop of wheat may market, barter, or use a quantity of the excess wheat referred to in subparagraph (A) in an amount that reflects the quantity of wheat that would be expected to be produced on acreage that the producers agree to devote to approved conservation uses (in excess of any acreage reduction or land diversion requirements) during a crop year, as determined by the Secretary.

"(6) DUTIES OF SECRETARY.—In carrying out the pilot program established under this subsection, the Secretary—

"(A) shall issue such regulations as are necessary to carry out the program;

"(B) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess wheat production in order to allow the producers to market, barter, or use the production in subsequent years;

"(C) shall take appropriate measures designed to prevent the circumvention of the program established under this subsection, including the imposition of penalties;

"(D) may require producers who participate in the program for a crop, but who fail to comply with the terms and conditions of the program, to refund all or a part of any deficiency payments received with respect to the crop;

"(E) may require the forfeiture to the Commodity Credit Corporation of any wheat that is produced in excess of the production limitation quantity and that is not marketed, bartered, or used within 5 marketing years; and

"(F) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in the determination of farm program payment yields for wheat for the farm.

"(7) REPORT.—

"(A) IN GENERAL.—The Comptroller General of the United States shall prepare a report that evaluates the pilot program carried out under this subsection.

"(B) SUBMISSION.—The Comptroller General shall submit a copy of the report required by subparagraph (A) to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary.

"(h) EQUITABLE RELIEF.—

"(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the wheat program with respect to any other farm operated by the producers.

"(o) PUBLIC COMMENT ON WHEAT PROGRAM.—

"(1) IN GENERAL.—In order to ensure that producers and consumers of wheat are provided with reasonable opportunity to comment on the annual program determinations concerning the price support and acreage reduction program for each of the 1992 and subsequent crops of wheat, the Secretary shall request public comment regarding the wheat program in accordance with this subsection.

"(2) OPTIONS.—Not less than 60 days before the program is announced for a crop of wheat under this section, the Secretary shall propose for public comment various program options for the crop of wheat.

"(3) ANALYSES.—Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that would likely result from each option.

"(4) ESTIMATES.—In announcing the program for a crop of wheat under this section, the Secretary shall include an estimate of the planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that is expected to result from the program as announced.

"(p) SPECIAL PROVISIONS FOR WHEAT PLANTED IN 1990.—Effective with respect to producers of the 1991 crop of wheat that was planted in 1990, a producer may, when participating in the production adjustment program for the 1991 crop of wheat specified in this section elect to participate in the program with the following modifications:

"(1) DEFICIENCY PAYMENTS.—The producer's deficiency payment shall be the amount by which the established price for the crop of wheat exceeds the higher of—

"(A) the lesser of—

"(i) the national weighted average market price received by producers during the marketing year for the crop, as determined by the Secretary; or

"(ii) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary, plus 10 cents per bushel; or

"(B) the loan level determined for the crop, prior to any adjustment made under subsection (a)(3) for the marketing year for the crop of wheat.

"(2) PAYMENT ACRES.—The producer's payment acres shall be the lesser of—

"(A) the number of acres planted to the crop for harvest within the permitted acreage; or

"(B) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(q) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of wheat.".

SEC. 302. NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS.

Sections 379d through 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d–1379j) (relating to marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1991, through May 31, 1996.

SEC. 303. SUSPENSION OF LAND USE, WHEAT MARKETING ALLOCATION, AND PRODUCER CERTIFICATE PROVISIONS.

Sections 331 through 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331 through 1339, 1379b, and 1379c) shall not be applicable to the 1991 through 1995 crops of wheat.

SEC. 304. SUSPENSION OF CERTAIN QUOTA PROVISIONS.

The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1991 through 1995.

SEC. 305. NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF WHEAT.

Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1991 through 1995 crops of wheat.

TITLE IV—FEED GRAINS

SEC. 401. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

The Agricultural Act of 1949 is amended—

(1) by repealing sections 105A and 105B (7 U.S.C. 1444c and 1444d);

(2) by redesignating section 105C (7 U.S.C. 1444e) as section 105A; and

(3) by inserting after section 105A (as so redesignated) the following new section:

"SEC. 105B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm loans and purchases for each of the 1991 through 1995 crops of corn produced on the farm at such level as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) MINIMUM LOAN AND PURCHASE LEVEL.—Except as provided in paragraphs (3) and (4), the loan and purchase level determined under paragraph (1) shall not be less than 85 percent of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, except that the loan and purchase level for a crop determined under this paragraph may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ADJUSTMENTS TO SUPPORT LEVEL.—

"(A) STOCKS TO USE RATIO.— If the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

"(i) equal to or greater than 25 percent, the Secretary may reduce the loan and purchase level for corn for the corresponding crop by an amount not to exceed 10 percent in any year;

"(ii) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan and purchase level for corn for the corresponding crop by an amount not to exceed 5 percent in any year; or

"(iii) less than 12.5 percent the Secretary may not reduce the loan and purchase level for corn for the corresponding crop.

"(B) REPORT TO CONGRESS.—

"(i) IN GENERAL.—If the Secretary adjusts the level of loans and purchases for corn under subparagraph (A), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report—

"(I) certifying such adjustment as necessary to prevent the accumulation of stocks and to retain market share; and

"(II) containing a description of the need for such adjustment.

"(ii) EFFECTIVE DATE OF ADJUSTMENT.—The adjustment shall become effective no earlier than 60 calendar days after the date of submission of the report to the Committees, except that in the case of the 1991 crop of feed grains, the adjustment shall become effective on the date of the submission of the report.

"(C) COMPETITIVE POSITION.—Notwithstanding subparagraph (A), if the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the effective loan rate established for such crop will not maintain a competitive market position for corn, the Secretary may reduce the loan and purchase level for corn for the marketing year by an amount, in addition to any reduction under subparagraph (A), not to exceed 10 percent in any year.

"(D) NO EFFECT ON FUTURE YEARS.—Any reduction in the loan and purchase level for corn under this paragraph shall not be considered in determining the loan and purchase level for corn for subsequent years.

"(E) MINIMUM LOAN RATE.—Notwithstanding subparagraph (A), the loan rate for corn shall not be less than $1.76 per bushel, unless such rate would exceed 80 percent of the 5-year average market price determination.

"(4) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—The Secretary may permit a producer to repay a loan made under this subsection for a crop at a level (except as provided in subparagraph (C)) that is the lesser of—

"(i) the loan level determined for the crop;

"(ii) the higher of—

"(I) 70 percent of such level;

"(II) if the loan level for a crop was reduced under paragraph (3), 70 percent of the loan level that would have been in effect but for the reduction under paragraph (3); or

"(iii) the prevailing world market price for feed grains (adjusted to United States quality and location), as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—If the Secretary permits a producer to repay a

loan in accordance with subparagraph (A), the Secretary shall prescribe by regulation—

"(i) a formula to determine the prevailing world market price for feed grains, adjusted to United States quality and location; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for feed grains.

"(C) ALTERNATIVE REPAYMENT RATES.—For each of the 1991 through 1995 crops of feed grains, if the world market price for feed grains (adjusted to United States quality and location) as determined by the Secretary, is less than the loan level determined for the crop, the Secretary may permit a producer to repay a loan made under this subsection for a crop at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of feed grain stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing feed grains; and

"(iv) allow feed grains produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(5) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(6) OTHER FEED GRAINS.—The Secretary shall make available to producers loans and purchases for each of the 1991 through 1995 crops of grain sorghums, barley, oats, and rye, respectively, produced on the farm at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchases are made available for corn, taking into consideration the feeding value of the commodity in relation to corn and other factors specified in section 401(b).

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of feed grains, make payments (hereafter in this section referred to as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of feed grains the producer is eligible to place under loan (or obtain a purchase agreement) but for which the producer forgoes obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as 'deficiency payments') for each of the 1991 through 1995 crops of corn, grain sorghums, oats, and barley, in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) PAYMENT RATE FOR 1991 THROUGH 1993 CROPS.—The payment rate for each of the 1991 through 1993 crops of corn, grain sorghums, oats, and barley shall be the amount by which the established price for the respective crop of feed grains exceeds the higher of—

"(I) the national weighted average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop, prior to any adjustment made under subsection (a)(3) for the marketing year for the crop.

"(ii) PAYMENT RATE OF 1994 AND 1995 CROPS.—The payment rate for each of the 1994 and 1995 crops of corn, grain sorghums, oats, and barley shall be determined as provided in clause (i).

"(iii) MINIMUM ESTABLISHED PRICES.—

"(I) CORN.—The established price for corn shall not be less than $2.75 per bushel for each of the 1991 through 1995 crops of corn.

"(II) OATS.—The established price for oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but not less than $1.45 per bushel.

"(III) GRAIN SORGHUMS.—The established price for each of the 1991 through 1995 crops of grain sorghums shall not be less than $2.61 per bushel.

"(IV) BARLEY.—

"(aa) IN GENERAL.—The established price for barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley. The established price for barley shall not be less than 85.8 percent of the established price for corn.

"(bb) BARLEY CALCULATIONS.—The Secretary shall, for purposes of determining the payment rate for barley under clause (i)(I) and subparagraph (D)(ii), use the national weighted average market price received by producers of barley sold primarily for feed purposes.

"(cc) ADVANCE PAYMENTS.—In the case of the 1991 crop of barley, the Secretary shall, for purposes of determining any advance deficiency payment made to the producers of barley under section 114, use the national weighted average market price received by producers for all barley, as determined by the Secretary.

"(dd) EQUITY.—In implementing this subsection, the Secretary shall make available to producers of the 1991 crop of barley, notwithstanding the method of calculation or the amount of the advance deficiency payment, the total amount of payments as calculated under clause (bb).

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or

"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(D) EMERGENCY COMPENSATION.—

"(i) IN GENERAL.—Notwithstanding the foregoing provisions of this section, if the Secretary adjusts the level of loans and purchases for feed grains under subsection (a)(3), the Secretary shall provide emergency compensation by increasing the deficiency payments for feed grains by such amount as the Secretary determines necessary to provide the same total return to producers as if the adjustment in the level of loans and purchases had not been made.

"(ii) CALCULATION.—In determining the payment rate, per bushel, for emergency compensation payments for a crop of feed grains under this subparagraph, the Secretary shall use the national weighted average market price, per bushel of feed grains, received by producers during the marketing year for the crop, as determined by the Secretary.

"(E) 0/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of feed grains and the producers on a farm devote a portion of the maximum payment acres for feed grains as calculated under subparagraph (C)(ii) of the farm equal to more than 8 percent of such feed grain acreage of the farm for the crop, to conservation uses (except as provided in subparagraph (F))—

"(I) such portion of the maximum payment acres of the farm in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (F)) shall be considered to be planted to feed grains for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage.

"(ii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for feed grains for the farm to conservation uses (or other uses as provided in subparagraph (F)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to feed grains and eligible for payments under this subparagraph for the crop at a per-bushel rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which feed grain producers may agree to participate in the program for the crop.

"(iii) ADVERSE EFFECT ON AGRIBUSINESS AND OTHER INTERESTS.—The Secretary shall implement this subparagraph in such a manner as to minimize the adverse effect on agribusiness and other agriculturally related economic interests within any county, State, or region. In carrying out this subparagraph, the Secretary is authorized to restrict the total quantity of feed grain acreage that may be taken out of production under this subparagraph, taking into consideration the total quantity of acreage that has or will be removed from production under other price support, production adjustment, or conservation program activities. No restrictions on the quantity of acreage that may be taken out of production in accordance with this subparagraph in a crop year shall be imposed in the case of a county in which producers were eligible to receive disaster emergency loans under section 321 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961) as a result of a disaster that occurred during the crop year.

"(iv) CROP ACREAGE AND PAYMENT YIELD.—The feed grain crop acreage base and feed grain farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted feed grain

acreage of the farm was devoted to conserving uses (except as provided in subparagraph (F)) under this subparagraph.

"(v) LIMITATION.—Other than as provided in clauses (i) through (iv), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to feed grains.

"(vi) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to feed grains in accordance with clauses (i) and (iv) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(F) ALTERNATIVE CROPS.—

"(i) INDUSTRIAL AND OTHER CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(I) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(II) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(ii) OILSEEDS.—The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (E) to be devoted to sunflowers, rapeseed, canola, safflower, flaxseed, mustard seed, and other minor oilseeds designated by the Secretary (excluding soybeans). In implementing this clause, the Secretary shall provide that, in order to receive payments under subparagraph (E), the producers shall agree to forgo eligibility to receive a loan under section 205 for the crop of any such oilseed produced on the farm.

"(G) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of feed grains on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) DISASTER PAYMENTS.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage that the producers were prevented from planting to feed grains or other nonconserving crops in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the established price for the crop for the deficiency in production below 60 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the feed grain acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the feed grain acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of feed grains shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of corn, grain sorghum, barley, or oats, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of corn, grain sorghum, barley, or oats an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce the program not later than September 30 prior to the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section.

"(D) ADJUSTMENTS.—Not later than November 15 of the year previous to the year in which the crop is harvested, the Secretary may make adjustments in the program announced under subparagraph (C) if the Secretary determines that there has been a significant change in the total supply of feed grains since the program was first announced.

"(E) COMPLIANCE.—As a condition of eligibility for loans, purchases, and payments for any such crop of feed grains, except as provided in subsections (f) and (g) and section 504, the producers on a farm must comply with the terms and conditions of the acreage limitation program and, if applicable, a land diversion program as provided in paragraph (5).

"(F) ACREAGE LIMITATION PROGRAM FOR 1991 CROP.—In the case of the 1991 crop of corn, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) as provided in subparagraph (G).

"(G) ACREAGE LIMITATION PROGRAMS FOR 1992 THROUGH 1995 CROPS.—In the case of each of the 1992 through 1995 crops of corn, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total disappearance of corn for the preceding marketing year will be—

"(i) more than 25 percent, the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to corn for harvest on a farm would be limited to the corn crop acreage base for the farm for the crop reduced by not less than 10 percent nor more than 20 percent; or

"(ii) equal to or less than 25 percent, the Secretary may provide for such an acreage limitation program under which the acreage planted to corn for harvest on a farm would be limited to the corn crop acreage base for the farm for the crop reduced by not more than 0 to 12.5 percent.

For the purpose of this subparagraph, the term 'total disappearance' means all corn utilization, including total domestic, total export, and total residual disappearance.

"(H) ACREAGE LIMITATION PROGRAM FOR 1991 THROUGH 1995 CROPS OF OATS.—In the case of each of the 1991 through 1995 crops of oats,

the Secretary shall provide for an acreage limitation program (as described in paragraph (2)) under which the acreage planted to oats for harvest on a farm would be limited to the oat crop acreage base for the farm for the crop reduced by not more than 0 percent.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a feed grain acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 20 percent) to the crop acreage base for corn, grain sorghum, barley, or oats, respectively, for each feed grain-producing farm.

"(B) COMPLIANCE.—Except as provided in subsection (g) and section 504, producers who knowingly produce a feed grain in excess of the respective permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Feed grain crop acreage bases for each crop of feed grains shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying the respective feed grain crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to feed grains for harvest within the permitted feed grain acreage for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—As used in this subparagraph, the term 'designated crop' means a crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) IN GENERAL.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(G) EXCEPTION FOR MALTING BARLEY.—The Secretary may provide that no producer of malting barley shall be required as a condition of eligibility for feed grain loans, purchases, and payments to comply with any acreage limitation under this paragraph if the producer has previously produced a malting variety of barley for harvest, plants barley only of an acceptable malting variety for harvest, and meets such other conditions as the Secretary may prescribe.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of feed grains, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(E) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of feed grains under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for corn under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' corn acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for corn by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' corn acreage base.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the producers' corn acreage base shall not be increased by more than 5 percentage points for the 1991 crop and 10 percentage points for each of the 1992 through 1995 crops above the acreage limitation percentage announced by the Secretary for the crop or above 20 percent total for the crop.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' corn acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for corn under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this subparagraph, the Secretary shall decrease the established price for corn by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' corn acreage base.

"(iii) LIMITATION.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' corn acreage base under this paragraph by more than one-half of the announced acreage limitation percentage.

"(E) OTHER FEED GRAINS.—The Secretary shall implement the program provided for by this paragraph for other feed grains similar to the manner in which the program is implemented for corn.

"(F) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of feed grains under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of feed grains, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans,

crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(E), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(E) SUMMER FALLOW.—In determining the quantity of land to be devoted to conservation uses under an acreage limitation program with respect to land that has been farmed under summer fallow practices, as defined by the Secretary, the Secretary shall consider the effects of soil erosion and such other factors as the Secretary considers appropriate.

"(5) LAND DIVERSION PAYMENTS.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of feed grains, whether or not an acreage limitation program for feed grains is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of feed grains to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) SOIL AND WATER CONSERVATION PRACTICES.—The Secretary may also pay an appropriate share of the cost of approved soil and water conservation practices (including practices that may be effective for a number of years) established by the producer on acreage required to be devoted to conservation uses or on additional diverted acreage.

"(C) PUBLIC ACCESSIBILITY.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of feed grains.

"(8) SPECIAL OATS PLANTINGS.—In any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand for oats, notwithstanding the foregoing provisions of this subsection, the Secretary—

"(A) may provide that any reduced acreage may be planted to oats for harvest;

"(B) may make program benefits (including loans, purchases, and payments) available under the annual program for oats under this section available to producers with respect to acreage planted to oats under this paragraph; and

"(C) shall not make program benefits other than the benefits specified in subparagraph (B) available to producers with respect to acreage planted to oats under this paragraph.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of feed grains, make payments available to producers who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(4) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant feed grains for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) PILOT VOLUNTARY PRODUCTION LIMITATION PROGRAM.—

"(1) IN GENERAL.—Effective for the 1992 or 1993 crops (and, if the Secretary so determines, the 1994 and 1995 crops), if a feed grain acreage limitation program or a land diversion program is announced under subsection (d) for such crops, the Secretary shall carry out a pilot program in at least 15 counties in at least 2 States where producers express an interest in participating in the pilot program under which the producers on a farm shall be considered to have met the requirements of such acreage limitation or land diversion program if the producers meet the requirements of the voluntary production limitation program established under this subsection.

"(2) LIMITATION ON MARKETING.—In order to comply with the voluntary production limitation program, the producers on a farm must agree not to market, barter, donate, or use on the farm (including use as feed for livestock) in a marketing year a quantity of feed grains in excess of the feed grain production limitation quantity for the farm for the marketing year.

"(3) PRODUCTION LIMITATION QUANTITY.—For purposes of this subsection, the production limitation quantity for a farm for a marketing year for a crop shall equal the product obtained by multiplying—

"(A) the acreage permitted to be planted to feed grains under the acreage reduction program or land diversion program in effect for the crop for the farm; by

"(B) the higher of—

"(i) the farm program payment yield for the farm; or

"(ii) the average of the yield per harvested acre for feed grains for the farm for each of the 5 crop years immediately preceding the crop year during which the producers first participate in the program established under this subsection, excluding the crop years with the highest and lowest yield per harvested acre and any crop year in which the commodity was not planted on the farm.

"(4) TERMS AND CONDITIONS.—Producers on a farm who elect to participate in the program established under this subsection for a crop of feed grains shall—

"(A) enter into an agreement with the Secretary providing that the producers shall comply with the program for the crop;

"(B) not plant program commodities for harvest in a quantity in excess of the sum of the crop acreage bases for the farm; and

"(C) be considered to have complied with the terms and conditions of the feed grain acreage reduction program or land diver-

sion program for the crop, even though the acreage planted to feed grains on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

"(5) EXCESS PRODUCTION.—

"(A) IN GENERAL.—Any quantity of feed grains produced in a crop year on a farm in excess of the production limitation quantity for the farm may be stored by the producers for a period of not to exceed 5 marketing years and may be used only in accordance with this paragraph.

"(B) MARKETING IN SUBSEQUENT YEAR.—

"(i) PARTICIPANTS IN PROGRAM.—Producers on a farm who are participating in the program established under this subsection may market, barter, or use a quantity of the excess feed grains referred to in subparagraph (A) equal to the difference between the production limitation quantity for the farm for the crop year subsequent to the crop year in which the excess feed grains are produced less the quantity of feed grains produced on the farm during the crop year.

"(ii) PARTICIPANTS IN ACREAGE REDUCTION PROGRAM.—Producers on a farm who are participating in an acreage reduction or a land diversion program for a crop of feed grains may market, barter, or use a quantity of the excess feed grains referred to in subparagraph (A) in an amount that reflects the quantity of feed grains that would be expected to be produced on acreage that the producers agree to devote to approved conservation uses (in excess of any acreage reduction or land diversion requirements) during a crop year, as determined by the Secretary.

"(6) DUTIES OF SECRETARY.—In carrying out the pilot program established under this subsection, the Secretary—

"(A) shall issue such regulations as are necessary to carry out the program;

"(B) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess feed grain production in order to allow the producers to market, barter, or use the production in subsequent years;

"(C) shall take appropriate measures designed to prevent the circumvention of the program established under this subsection, including the imposition of penalties;

"(D) may require producers who participate in the program for a crop, but who fail to comply with the terms and conditions of the program, to refund all or a part of any deficiency payments received with respect to the crop;

"(E) may require the forfeiture to the Commodity Credit Corporation of any feed grains that is produced in excess of the production limitation quantity and that is not marketed, bartered, or used within 5 marketing years; and

"(F) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in the determination of farm program payment yields for feed grains for the farm.

"(7) REPORT.—

"(A) IN GENERAL.—The Comptroller General of the United States shall prepare a report that evaluates the pilot program carried out under this subsection.

"(B) SUBMISSION.—The Comptroller General shall submit a copy of the report required by subparagraph (A) to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary.

"(h) EQUITABLE RELIEF.—

"(1) LOANS, PURCHASES, AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(i) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(j) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(k) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(l) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(m) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(n) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the feed grains program with respect to any other farm operated by the producers.

"(o) PUBLIC COMMENT ON FEED GRAINS PROGRAM.—

"(1) IN GENERAL.—In order to ensure that producers and consumers of feed grains are provided with reasonable opportunity to comment on the annual program determinations concerning the price support and acreage reduction program for each of the 1992 and subsequent crops of feed grains, the Secretary shall request public comment regarding the feed grains program in accordance with this subsection.

"(2) OPTIONS.—Not less than 60 days before the program is announced for a crop of feed grains under this section, the Secretary shall propose for public comment various program options for the crop of feed grains.

"(3) ANALYSES.—Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that would likely result from each option.

"(4) ESTIMATES.—In announcing the program for a crop of feed grains under this section, the Secretary shall include an estimate of the planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that is expected to result from the program as announced.

"(p) MALTING BARLEY.—In order to help offset costs associated with deficiency payments made available under this section to producers of barley, the Secretary shall provide for an assessment for each of the 1991 through 1995 crop years to be levied on producers of malting barley that are participating in the production adjustment program under this section. The Secretary shall establish such assessment at no more than 5 percent of the value of malting barley produced on the farm during each of the 1991 through 1995 crop years.

"(q) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of feed grains.".

SEC. 402. NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1991 THROUGH 1995 CROPS OF FEED GRAINS.

Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1991 through 1995 crops of feed grains.

SEC. 403. RECOURSE LOAN PROGRAM FOR SILAGE.

Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e-1) is amended by striking "1990" and inserting "1996".

SEC. 404. PRICE SUPPORT FOR HIGH MOISTURE FEED GRAINS.

(a) RECOURSE LOANS.—Notwithstanding any other provision of law, effective for each of the 1991 through 1995 crops of feed grains, the Secretary of Agriculture shall make available recourse loans as determined by the Secretary, as provided in this section, to producers on a farm who—

(1) normally harvest all or a portion of their crop of feed grains in a high moisture state (hereafter defined as a feed grain having a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under paragraphs (1) and (6) of section 105B of the Agricultural Act of 1949 (as added by section 401 of this Act);

(2)(A) present certified scale tickets from an inspected, certified commercial scale, including licensed warehouses, feedlots, feed mills, distilleries, or other similar entities approved by the Secretary, pursuant to regulations issued by the Secretary; or

(B) present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(3) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to such facilities maintained by the users of such high-moisture feed grain;

(4) comply with deadlines established by the Secretary for harvesting the feed grain

and submit applications for loans within deadlines established by the Secretary; and

(5) participate in an acreage limitation program for the crop of feed grains established by the Secretary.

(b) ELIGIBILITY OF ACQUIRED FEED GRAINS.—The loans shall be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(1) the acreage of the feed grain in a high moisture state harvested on the producer's farm; by

(2) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grain was obtained.

SEC. 405. CALCULATION OF REFUNDS OF ADVANCE ESTABLISHED PRICE PAYMENTS BY PRODUCERS OF THE 1988 OR 1989 CROPS OF FEED BARLEY.

(a) MANDATORY CALCULATION OF REFUND.—

(1) IN GENERAL.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall calculate, for informational purposes only (except as provided in the discretionary authority under subsection (b)), the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 Federal barley price support program would be required to make pursuant to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) (as it existed immediately before the date of enactment of this Act) based on a formula which excludes malting barley from the market price calculations of barley used to determine the amount of refund of the advance deficiency payment required of the producer.

(2) DISCLOSURE.—

(A) TO THE PUBLIC.—The Secretary shall publish in the Federal Register—

(i) the formula used to perform the calculations described in paragraph (1);

(ii) the aggregate results that the use of the calculation would have pursuant to subsection (b), in terms of—

(I) the total reduction in the amount of refunds;

(II) the number of producers affected; and

(III) any other information the Secretary determines appropriate;

(iii) a declaration of the Secretary's decision whether to use the calculation to recalculate barley producer's refunds pursuant to subsection (b); and

(iv) a statement of the Secretary's reasons for the decision described in clause (iii).

(B) TO PRODUCERS.—The Secretary shall make available to each producer of 1988 or 1989 crop barley, on request, a statement detailing the effect of the calculation of refunds described in paragraph (1) on the producer's 1988 or 1989 refund.

(b) DISCRETIONARY USE OF CALCULATION.—

(1) IN GENERAL.—The Secretary may use the calculation described in subsection (a) to determine whether or not to reduce the total refund owed by a producer of 1988 or 1989 crop barley under section 107C of the Agricultural Act of 1949 (as it existed immediately before the date of enactment of this Act).

(2) PROCEDURE FOR USE OF CALCULATION.—If the Secretary decides to use the calculation described in subsection (a) as provided under paragraph (1), in the case of a producer of 1988 or 1989 crop barley who paid the refund of the advance deficiency payment for the crop calculated prior to the date of enactment of this Act (or any amount of refund in excess of the amount of the refund determined in accordance with paragraph (1)), the Secretary—

(i) shall, before May 31, 1991, reimburse the producer the amount of refund paid by the producer in excess of the refund determined in accordance with this section;

(ii) shall have the option to make the reimbursement in a lump sum or in installments;

(iii) shall, not later than 90 days after the date of enactment of this Act, notify producers who are eligible to receive the reimbursement of their 1988 or 1989 advance deficiency payment refund under this section—

(I) of the timing of the payment of the reimbursement (either in lump sum or in installments);

(II) that the amount of the reimbursement shall not bear interest if paid before February 15, 1991; and

(III) that the amount of the reimbursement paid after February 15, 1991, shall bear interest at a rate of at least 7 percent per annum; and

(iv) may elect to pay the reimbursement in a lump sum with generic certificates redeemable for commodities owned by the Commodity Credit Corporation if the reimbursement is paid in full not later than 60 days after the date of enactment of this Act.

TITLE V—COTTON

SEC. 501. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF UPLAND COTTON.

The Agricultural Act of 1949 is amended by inserting after section 103A (7 U.S.C. 1444-1) the following new section:

"SEC. 103B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF UPLAND COTTON.

"(a) LOANS.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall, on presentation of warehouse receipts or other acceptable evidence of title, as determined by the Secretary, reflecting accrued storage charges of not more than 60 days, make available for the 1991 through 1995 crops of upland cotton to producers on a farm nonrecourse loans for upland cotton produced on the farm for a term of 10 months from the first day of the month in which the loan is made at such loan level, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average location in the United States a level that is not less than the smaller of—

"(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) 90 percent of the average, for the 15-week period beginning July 1 of the year in which the loan level is announced, of the 5 lowest-priced growths of the growths quoted for Middling one and three-thirty-seconds inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton, as determined by the Secretary.

"(2) ADJUSTMENTS TO LOAN LEVEL.—

"(A) LIMITATION ON DECREASE IN LOAN LEVEL.—The loan level for any crop determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop, and may not be reduced below 50 cents per pound.

"(B) LIMITATION ON INCREASE IN LOAN LEVEL.—If for any crop the average Northern European price determined under paragraph (1)(B) is less than the average United States spot market price determined under paragraph (1)(A), the Secretary may increase the loan level to such level as the Secretary may consider appropriate, not in excess of the average United States spot market price determined under paragraph (1)(A).

"(3) ANNOUNCEMENT OF LOAN LEVEL.—The loan level for any crop of upland cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which the loan is to be effective or, in the case of the 1991 crop, as soon as is practicable after the date of enactment of this Act. The loan level shall not thereafter be changed.

"(4) EXTENSION OF LOAN PERIOD.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), nonrecourse loans provided for in this section shall, on request of the producer during the 10th month of the loan period for the cotton, be made available for an additional term of 8 months.

"(B) LIMITATION.—A request to extend the loan period shall not be approved in any month in which the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for the preceding month exceeded 130 percent of the average price of such base quality of cotton in the designated United States spot markets for the preceding 36-month period.

"(5) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—If the Secretary determines that the prevailing world market price for upland cotton (adjusted to United States quality and location) is below the loan level determined under the foregoing provisions of this subsection, in order to make United States upland cotton competitive in world markets, the Secretary shall permit a producer to repay a loan made for any crop at—

"(i) a level that is the lesser of—

"(I) the loan level determined for the crop; or

"(II) the higher of—

"(aa) the loan level determined for the crop multiplied by 70 percent; or

"(bb) the prevailing world market price for upland cotton (adjusted to United States quality and location), as determined by the Secretary; or

"(ii) such other level (not in excess of the loan level determined for the crop nor less than 70 percent of such loan level) that the Secretary determines will—

"(I) minimize potential loan forfeitures;

"(II) minimize the accumulation of cotton stocks by the Federal Government;

"(III) minimize the cost incurred by the Federal Government in storing cotton; and

"(IV) allow cotton produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(B) FIRST HANDLER MARKETING CERTIFICATES.—

"(i) IN GENERAL.—During the period beginning August 1, 1991, and ending July 31, 1996, if a program carried out under sub-

paragraph (A) or subsection (b) fails to make United States upland cotton fully competitive in world markets and the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for upland cotton determined under subparagraph (A), to make United States upland cotton competitive in world markets and to maintain and expand domestic consumption and exports of upland cotton produced in the United States, the Secretary shall provide for the issuance of marketing certificates in accordance with this subparagraph.

"(ii) PAYMENTS.—The Commodity Credit Corporation, under such regulations as the Secretary may prescribe, shall make payments, through the issuance of marketing certificates, to first handlers of cotton (persons regularly engaged in buying or selling upland cotton) who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. The payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make upland cotton produced in the United States available at competitive prices, consistent with the purposes of this subparagraph.

"(iii) VALUE.—The value of each certificate issued under clause (ii) shall be based on the difference between—

"(I) the loan repayment rate for upland cotton; and

"(II) the prevailing world market price of upland cotton (adjusted to United States quality and location), as determined by the Secretary.

"(iv) REDEMPTION, MARKETING, OR EXCHANGE.—The Commodity Credit Corporation, under regulations prescribed by the Secretary, may assist any person receiving marketing certificates under this subparagraph in the redemption of certificates for cash, or marketing or exchange of the certificates for agricultural commodities or products owned by the Commodity Credit Corporation, at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this subparagraph. Any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

"(v) DESIGNATION OF COMMODITIES AND PRODUCTS; CHARGES.—Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products thereof, including storage sites thereof, the owners would prefer to receive in exchange for certificates. If any certificate is not presented for redemption, marketing, or exchange within a reasonable number of days after the issuance of the certificate (as determined by the Secretary), reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

"(vi) DISPLACEMENT.—The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and products for certificates under this subsection from adversely affecting the income of producers of the commodities or products.

"(vii) TRANSFERS.—Under regulations prescribed by the Secretary, certificates issued to cotton handlers under this subparagraph may be transferred to other handlers and persons approved by the Secretary.

"(C) PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—The Secretary shall prescribe by regulation—

"(I) a formula to define the prevailing world market price for upland cotton (adjusted to United States quality and location); and

"(II) a mechanism by which the Secretary shall announce periodically the prevailing world market price for upland cotton (adjusted to United States quality and location).

"(ii) USE.—The prevailing world market price for upland cotton (adjusted to United States quality and location) established under this subparagraph shall be used under subparagraphs (A) and (B).

"(D) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE.—

"(i) IN GENERAL.—During the period beginning August 1, 1991, and ending July 31, 1996, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subparagraph (C) shall be further adjusted if—

"(I) the adjusted prevailing world market price is less than 115 percent of the current crop year loan level for the base quality of upland cotton, as determined by the Secretary; and

"(II) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the five lowest-priced growths of upland cotton, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe (hereafter in this subsection referred to as the 'Northern Europe price').

"(ii) FURTHER ADJUSTMENT.—Except as provided in clause (iii), the adjusted prevailing world market price shall be further adjusted on the basis of some or all of the following data, as available:

"(I) The United States share of world exports.

"(II) The current level of cotton export sales and cotton export shipments.

"(III) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

"(iii) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under clause (ii) may not exceed the difference between—

"(I) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling one and three-thirty seconds inch cotton delivered C.I.F. Northern Europe; and

"(II) the Northern Europe price.

"(E) COTTON USER MARKETING CERTIFICATES.—

"(i) ISSUANCE.—During the period beginning August 1, 1991, and ending July 31, 1996, if for any consecutive 4-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price by more than 1.25 cents per pound, the Secretary shall issue marketing certificates to domestic users or exporters for documented sales made in the week following such consecutive 4-week period.

"(ii) VALUE.—The value of the marketing certificates shall be based on the amount of the difference (reduced by 1.25 cents per pound) in such prices during the 4th week of the consecutive 4-week period multiplied by the quantity of upland cotton included in the documented sales.

"(iii) ADMINISTRATION.—Clauses (iv) through (vii) of subparagraph (B) shall apply to marketing certificates issued under this subparagraph. Any such certificates may be transferred to other persons in accordance with regulations issued by the Secretary.

"(F) SPECIAL IMPORT QUOTA.—

"(i) ESTABLISHMENT.—The President shall, within 180 days after the date of enactment of this section, establish an import quota program which shall provide that, during the period beginning August 1991 and ending July 31, 1996, whenever the Secretary determines and announces that for any consecutive 10-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) one and three-thirty seconds inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificates issued under subparagraph (E), exceeds the Northern Europe price by more than 1.25 cents per pound, there shall immediately be in effect a special limited global import quota.

"(ii) QUANTITY.—The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(iii) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under clause (i) and entered into the United States not later than 180 days after such date.

"(iv) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by clause (i), except that a special quota period may not be established under this paragraph if a special quota period has been established under subsection (n).

"(6) RECOURSE LOANS FOR SEED COTTON.—In order to encourage and assist producers in the orderly ginning and marketing of their production of upland cotton, the Secretary shall make recourse loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.).

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of upland cotton, make payments (hereafter in this section referred to as 'loan deficiency payments') available to producers who, although eligible to obtain a loan under subsection (a), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of upland cotton the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(4) MARKETING CERTIFICATES.—The Secretary may make up to one-half the amount of a payment under this subsection available in the form of marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(B).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as 'deficiency payments') for each of the 1991 through 1995 crops of upland cotton in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) IN GENERAL.—The payment rate for upland cotton shall be the amount by which the established price for the crop of upland cotton exceeds the higher of—

"(I) the national average market price received by producers during the calendar year that includes the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) MINIMUM ESTABLISHED PRICE.—The established price for upland cotton shall not be less than $0.729 per pound for each of the 1991 through 1995 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or

"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(D) 50/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of upland cotton and the producers on a farm devote a portion of the maximum payment acres for upland cotton as calculated under subparagraph (C)(ii) of the farm equal to more than 8 percent of such upland cotton acreage of the farm for the crop to conservation uses (except as provided in subparagraph (E))—

"(I) such portion of the maximum payment acres in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (E)) shall be considered to be planted to upland cotton for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage, subject to the compliance of the producers with clause (ii).

"(ii) MINIMUM PLANTING REQUIREMENT.—To be eligible for payments under clause (i), except as provided in clauses (iv) and (v), the producers on a farm must actually plant upland cotton for harvest on at least 50 percent of the maximum payment acres for cotton for the farm.

"(iii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for upland cotton for the farm to conservation uses (or other uses as provided in subparagraph (E)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to upland cotton and eligible for payments under this subparagraph for the crop at a per-pound rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which upland cotton producers may agree to participate in the program for the crop.

"(iv) QUARANTINES.—If a State or local agency has imposed in an area of a State or county a quarantine on the planting of upland cotton for harvest on farms in the area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph, without regard to the requirement imposed under clause (ii), to producers in the area who were required to forgo the planting of upland cotton for harvest on acreage to alleviate or eliminate the condition requiring the quarantine. If the Secretary determines that the condition exists, the Secretary may make payments under this paragraph to the producers. To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)).

"(v) PREVENTED PLANTING.—If an acreage limitation program under subsection (e) is in effect for any crop of upland cotton and if the Secretary determines that producers on a farm are prevented from planting the acreage intended for upland cotton to upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments under this subparagraph without regard to the requirement imposed under clause (ii). To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)). Any such acreage shall be considered to be planted to upland cotton.

"(vi) CROP ACREAGE AND PAYMENT YIELD.—The upland cotton crop acreage base and upland cotton farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted cotton acreage of the farm was devoted to conserving uses (except as provided in subparagraph (E)) under this subparagraph.

"(vii) LIMITATION.—Other than as provided in clauses (i) through (vi), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to upland cotton.

"(viii) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to upland cotton in accordance with clauses (i) and (vi) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(E) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(F) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of upland cotton on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) DISASTER PAYMENTS.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for upland cotton to upland cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to upland cotton for harvest (including any acreage that the producers were prevented from planting to upland cotton or other nonconserving crops in lieu of upland cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of upland cotton that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the upland cotton acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the upland cotton acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting upland cotton or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of upland cotton shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of upland cotton, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of upland cotton an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) ANNOUNCEMENTS.—

"(i) PRELIMINARY ANNOUNCEMENT.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall make a preliminary announcement of any such program not later than November 1 of the calendar year preceding the year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section. The announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop acreage base described in paragraph (2)(A).

"(ii) FINAL ANNOUNCEMENT.—Not later than January 1 of the calendar year in which the crop is harvested, the Secretary shall make a final announcement of the program. The announcement shall include, among other information determined necessary by the Secretary, an announcement of the uniform percentage reduction in the upland cotton crop described in paragraph (2)(A).

"(iii) OPTIONAL PROGRAMS IN EARLY PLANTING AREAS.—The Secretary shall allow producers in early planting areas to elect to participate in the program on the terms of the acreage limitation program—

"(I) first announced for the crop under clause (i); or

"(II) as subsequently revised under clause (ii),

if the Secretary determines that the producers may be unfairly disadvantaged by the revision.

"(D) DESIRED CARRY-OVER.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carry-over to total disappearance of 30 percent, based on the Secretary's most recent projection of carry-over and total disappearance at the time of announcement of the acreage limitation program. For the purpose of this subparagraph, the term 'total disappearance' means all upland cotton utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) UNIFORM PERCENTAGE REDUCTION.—Except as provided in paragraph (3), if an upland cotton acreage limitation program is announced under paragraph (1), the limitation shall be achieved by applying a uniform percentage reduction (from 0 to 25 percent) to the upland cotton crop acreage base for the crop for each upland cotton-producing farm.

"(B) COMPLIANCE.—Except as provided in section 504, producers who knowingly produce upland cotton in excess of the permitted upland cotton acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for upland cotton loans and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Upland cotton crop acreage bases for each crop of upland cotton shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying the upland cotton crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to upland cotton for harvest within the permitted upland cotton acreage for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—As used in this subparagraph, the term 'designated crop' means a crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) IN GENERAL.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of upland cotton, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(D) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of upland cotton under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for upland cotton under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' upland cotton acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for upland cotton by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' upland cotton acreage base.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the producers' upland cotton acreage base shall not be increased by more than 10 percentage points above the acreage limitation percentage announced by the Secretary for the crop or above 25 percent total for the crop.

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's upland cotton base under this para-

graph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted upland cotton acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to upland cotton for harvest during the previous 2 years.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' upland cotton acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for upland cotton under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this subparagraph, the Secretary shall decrease the established price for upland cotton by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' upland cotton acreage base.

"(iii) LIMITATION.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' upland cotton acreage base under this paragraph by more than one-half of the announced acreage limitation percentage.

"(E) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of upland cotton under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of upland cotton, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(D), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(5) LAND DIVERSION PROGRAM.—

"(A) PAYMENTS.—

"(i) IN GENERAL.—The Secretary may make land diversion payments to producers of upland cotton, whether or not an acreage limitation program for upland cotton is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of upland cotton to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(ii) EXCESS CARRY-OVER.—If, at the time of final announcement of the acreage limitation program established under this subsection, the projected carry-over of upland cotton for the crop year is equal to or greater than 8 million bales, the Secretary shall offer a paid land diversion program to producers of upland cotton. Payments to producers under such a program shall be determined by multiplying—

"(I) the payment rate, of not less than 35 cents per pound of cotton, established by the Secretary; by

"(II) the program payment yield established for the crop for the farm; by

"(III) the number of permitted upland cotton acres diverted on the farm.

"(B) BIDS FOR CONTRACTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATIONS ON DIVERTED ACREAGE.—

"(i) MAXIMUM ACREAGE PER FARM, COUNTY, OR COMMUNITY.—The Secretary shall limit the total acreage to be diverted under this paragraph—

"(I) to not more than 15 percent of the upland cotton crop acreage base for a farm; and

"(II) under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(ii) LOWER PARTICIPATION LEVELS.—The Secretary may allow producers to participate in a land diversion program under this paragraph at a level lower than the maximum level announced by the Secretary, at the option of the producer, if the Secretary determines that it will increase participation in the program.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) PUBLIC ACCESS.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing

for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of upland cotton.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of upland cotton, make payments available to producers who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—

"(A) IN GENERAL.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) QUANTITY OF COTTON MADE AVAILABLE.—The quantity of upland cotton to be made available to a producer under this subsection shall be equal in value to the payments so determined under this subsection.

"(4) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant upland cotton for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"(h) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(k) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(m) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the upland cotton program with respect to any other farm operated by the producers.

"(n) SPECIAL LIMITED GLOBAL IMPORT QUOTA.—

"(1) IN GENERAL.—The President shall, within 180 days after the date of enactment of this section, establish an import quota program which shall provide that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in such markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a special limited global import quota subject to the following conditions:

"(A) QUANTITY.—The quantity of the special quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent 3 months for which data are available.

"(B) QUANTITY IF PRIOR QUOTA.—If a special quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated as set forth in subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

"(C) DEFINITIONS.—As used in subparagraph (B):

"(i) SUPPLY.—The term 'supply' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

"(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the special quota is established; plus

"(II) production of the current crop; plus

"(III) imports to the latest date available during the marketing year.

"(ii) DEMAND.—The term 'demand' means—

"(I) the average seasonally adjusted annual rate of domestic mill consumption in the most recent 3 months for which data are available; plus

"(II) the larger of—

"(aa) average exports of upland cotton during the preceding 6 marketing years; or

"(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the special quota is established.

"(D) QUOTA ENTRY PERIOD.—When a special quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the effective date of the proclamation.

"(2) NO OVERLAP.—Notwithstanding paragraph (1), a special quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (a)(5)(F).

"(o) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of upland cotton.".

SEC. 502. SUSPENSION OF BASE ACREAGE ALLOTMENTS, MARKETING QUOTAS, AND RELATED PROVISIONS.

Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342–1346 and 1377) shall not be applicable to any of the 1991 through 1995 crops of upland cotton.

SEC. 503. MISCELLANEOUS COTTON PROVISIONS.

Section 103(a) of the Agricultural Act of 1949 (7 U.S.C. 1444(a)) shall not be applicable to the 1991 through 1995 crops.

SEC. 504. SKIPROW PRACTICES.

Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374(a)) is amended by striking "1990 crops" and inserting "1995 crops, except that, for the 1991 through 1995 crops, the rules shall allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped".

SEC. 505. PRELIMINARY ALLOTMENTS FOR 1996 CROP OF UPLAND COTTON.

Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379), shall be the preliminary allotments for the 1996 crop.

SEC. 506. EXTRA LONG STAPLE COTTON PROGRAM.

(a) IN GENERAL.—Section 103(h) of the Agricultural Act of 1949 (7 U.S.C. 1444(h)) is amended—

(1) by striking paragraphs (4) through (6);

(2) by redesignating paragraphs (7) through (19) as paragraphs (4) through (16), respectively;

(3) in the second sentence of paragraph (5)(A)(i) (as so redesignated), by inserting "(including a zero percentage reduction)" after "reduction";

(4) by striking paragraph (13) (as so redesignated) and inserting the following new paragraph:

"(13)(A) Compliance on a farm with the terms and conditions of any other commodity program or compliance with crop acreage base requirements for any other commodity may not be required as a condition of eligibility for loans or payments under this section.

"(B) The Secretary may not require producers on a farm, as a condition of eligibility for loans or payments under this section for the farm, to comply with the terms and conditions of the extra long staple cotton program with respect to any other farm operated by the producers."; and

(5) in paragraph (16) (as so redesignated), by striking "1991" and inserting "1996".

(b) CONFORMING AMENDMENTS.—Section 103(h) of such Act is amended—

(1) in paragraph (3)(A)—

(A) by striking "paragraph (6) or paragraph (8)(A) of this subsection" and inserting "paragraph (5)(A)"; and

(B) by striking "paragraph (7) of this subsection" and inserting "paragraph (4)";

(2) in paragraph (3)(C), by striking "paragraph (8)(A) of this subsection" and inserting "paragraph (5)(A)";

(3) in paragraph (5)(A)(i) (as redesignated by subsection (a)(2)), by striking the next to last sentence;

(4) in paragraph (5)(A)(ii) (as redesignated by subsection (a)(2)), by striking "paragraph (16)(C)" and inserting "paragraph (13)(C)"; and

(5) in paragraph (6) (as redesignated by subsection (a)(2)), by striking "paragraph (8) of this subsection" and inserting "paragraph (5)".

SEC. 507. COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

Section 203 of the Agricultural Act of 1949 (7 U.S.C. 1446d) is amended to read as follows:

"SEC. 203. COTTONSEED AND COTTONSEED OIL PRICE SUPPORT.

"(a) IN GENERAL.—If the Secretary determines that any oilseed program or programs cause, or are likely to cause, a reduction in prices received by producers for cottonseed or by processors for cottonseed oil, the Secretary shall take such actions as are necessary to offset the actual or anticipated impact of the program on prices for cottonseed or cottonseed oil. The actions shall only include actions to stabilize or increase the price of cottonseed, and shall not include actions to decrease the prices of other oilseeds.

"(b) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of upland cotton.".

SEC. 508. SECURITY INTERESTS.

(a) IN GENERAL.—Section 17 of the United States Warehouse Act (7 U.S.C. 259) is amended by adding at the end the following new subsections:

"(c)(1)(A) The Secretary of Agriculture, or the designated representative of the Secretary, may provide that in lieu of issuing a receipt for cotton stored in a warehouse licensed under this Act the information required to be included in a receipt under section 18 shall be recorded instead in a central filing system or systems maintained in one or more locations in accordance with regulations issued by the Secretary.

"(B) Any such record shall state that the cotton shall be delivered to a specified person, or to the order of the person.

"(C) This subsection and subsection (d) shall not apply to a warehouse that does not have facilities to electronically transmit and receive information to and from the central filing system. Nothing in this subsection shall be construed as to require a warehouseman to obtain the facilities.

"(2) Notwithstanding any other provision of law—

"(A) the record of the ownership interests of persons in cotton included in any such central filing system shall be deemed to be a receipt for the purposes of this Act and shall establish the ownership interest of persons in the cotton; and

"(B) the Secretary may provide for the recording of liens in the central filing system that shall represent the perfected security interest of persons whose liens are so recorded and for liens that are so recorded to be the only liens that are enforceable against owners and purchasers of cotton registered in the central filing system, except that nothing in this paragraph shall be construed to alter the enforceability of the warehouseman's lien.

"(3) A warehouseman conducting a warehouse licensed under this Act, in the absence of a lawful excuse, shall, without unnecessary delay, deliver the cotton stored in the warehouse on demand made by the person named in the record in the central filing system as the owner of the receipt representing the cotton, if demand is accompanied by—

"(A) an offer to satisfy a valid warehouseman's lien, as determined by the Secretary; and

"(B) an offer to provide an acknowledgement in the central filing system, if requested by the warehouseman, that the cotton has been delivered.

"(d)(1) The Secretary shall (under such regulations as the Secretary may prescribe) charge and provide for the collection of reasonable fees to cover the estimated costs to the Department of Agriculture incident to the functioning and the maintenance of any central filing system or systems referred to in subsection (c) that is administered by the Department of Agriculture.

"(2) The Secretary may provide for the fees to be collected by persons operating the central filing system administered by the Department from those persons recording information in the central filing system at such time and in such manner as may be prescribed in regulations issued by the Secretary.

"(3) The fees shall be deposited into a fund which shall be available without fiscal year limitation for the expenses of the Secretary incurred in carrying out subsection (c) and this subsection. Any sums collected or received by the Secretary under this Act and deposited to the fund and any late payment penalties collected by the Secretary and credited to the fund may be invested by the Secretary in insured or fully collateralized, interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. The interest earned on the sums and any late payment penalties collected by the Secretary shall be credited to the fund and shall be available without fiscal year limitations for the expenses of the Service incurred in carrying out subsection (c) and this subsection.".

(b) PENALTY.—Section 30 of such Act (7 U.S.C. 270) is amended by inserting after "who shall issue or utter a false or fraudulent receipt or certificate," the following: "or furnish false or fraudulent information to a central filing system maintained under section 17,".

TITLE VI—RICE

SEC. 601. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF RICE.

The Agricultural Act of 1949 is amended by inserting after section 101A (7 U.S.C. 1441-1) the following new section:

"SEC. 101B. LOANS, PAYMENTS, AND ACREAGE REDUCTION PROGRAMS FOR THE 1991 THROUGH 1995 CROPS OF RICE.

"(a) LOANS AND PURCHASES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, the Secretary shall make available to producers on a farm nonrecourse loans and purchases for each of the 1991 through 1995 crops of rice produced on the farm at a level that is not less than the higher of—

"(A) 85 percent of the simple average price received by producers, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period; or

"(B) $6.50 per hundredweight.

"(2) MAXIMUM REDUCTION.—The loan level for any crop of rice determined under paragraph (1) may not be reduced by more than 5 percent from the level determined for the preceding crop.

"(3) ANNOUNCEMENT OF LOAN LEVEL AND ESTABLISHED PRICE.—The loan and purchase level and the established price for each of the 1991 through 1995 crops of rice shall be announced not later than January 31 of each calendar year for the crop harvested in the calendar year or, in the case of the 1991 crop, as soon as practicable after the date of enactment of this section.

"(4) TERM.—A loan made under this subsection shall have a term of not more than 9 months beginning after the month in which the application for the loan is made.

"(5) MARKETING LOAN PROVISIONS.—

"(A) IN GENERAL.—In order to ensure that a competitive market position is maintained for rice, the Secretary shall permit a producer to repay a loan made under paragraph (1) for a crop at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the higher of—

"(I) the loan level determined for the crop multiplied by 70 percent; or

"(II) the prevailing world market price for rice, as determined by the Secretary.

"(B) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(i) a formula to define the prevailing world market price for rice; and

"(ii) a mechanism by which the Secretary shall announce periodically the prevailing world market price for rice.

"(C) PRODUCER PURCHASE OF MARKETING CERTIFICATES.—

"(i) IN GENERAL.—As a condition of permitting a producer to repay a loan as provided in subparagraph (A), the Secretary may require a producer to purchase marketing certificates equal in value to an amount that does not exceed one-half the difference, as determined by the Secretary, between the amount of the loan obtained by the producer and the amount of the loan repayment.

"(ii) REDEMPTION FOR RICE OR CASH.—The certificates shall be redeemable for agricultural commodities owned by the Commodity Credit Corporation valued at the prevailing market price, as determined by the Secretary or for cash, under such terms and conditions as the Secretary may prescribe.

"(iii) REDEMPTION, MARKETING, OR EXCHANGE.—The Commodity Credit Corporation, under regulations prescribed by the Secretary, shall assist any person receiving marketing certificates under this subparagraph in the redemption or marketing or exchange of the certificates at such times, in such manner, and at such price levels as the Secretary determines will best effectuate the purposes of the program established under this section.

"(iv) CHARGES.—If any such certificate is not presented for redemption or marketing within a reasonable number of days after issuance, as determined by the Secretary, reasonable costs of storage and other carrying charges, as determined by the Secretary, shall be deducted from the value of the certificate for the period beginning after the reasonable number of days and ending with the date of the presentation of the certificate to the Commodity Credit Corporation.

"(v) DESIGNATION OF COMMODITIES AND PRODUCTS.—Insofar as practicable, the Secretary shall permit owners of certificates to designate the commodities and the products thereof, including storage sites thereof, the

owners would prefer to receive in exchange for certificates.

"(vi) SALES PRICE RESTRICTIONS.—Notwithstanding any other provision of law, any price restrictions that may otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subparagraph.

"(vii) DISPLACEMENT.—The Secretary shall take such measures as may be necessary to prevent the marketing or exchange of agricultural commodities and the products thereof for certificates under this subparagraph from adversely affecting the income of producers of the commodities or products.

"(viii) TRANSFERS.—Under regulations prescribed by the Secretary, certificates issued under this subparagraph may be transferred to other persons approved by the Secretary.

"(D) CERTIFICATES TO MAINTAIN COMPETITIVENESS.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, whenever, during the period beginning August 1, 1991, and ending July 31, 1996, the prevailing world market price for a class of rice (adjusted to United States quality and location), as determined by the Secretary, is below the current loan repayment rate for that class of rice, to make United States rice competitive in world markets and to maintain and expand exports of rice produced in the United States, the Commodity Credit Corporation shall make payments, through the issuance of marketing certificates, to persons who have entered into an agreement with the Commodity Credit Corporation to participate in the program established under this subparagraph. The payments shall be made in such monetary amounts and subject to such terms and conditions as the Secretary determines will make rice produced in the United States available at competitive prices consistent with the purposes of this subparagraph.

"(ii) VALUE.—The value of each certificate issued under this subparagraph shall be based on the difference between—

"(I) the loan repayment rate for the class of rice; and

"(II) the prevailing world market price for the class of rice, as determined by the Secretary.

"(iii) TERMS AND CONDITIONS OF CERTIFICATES.—Marketing certificates issued under this subparagraph shall be subject to the same terms and conditions as certificates issued under subparagraph (C).

"(6) SIMPLE AVERAGE PRICE.—For purposes of this section, the simple average price received by producers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination.

"(b) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of rice, make payments (hereafter in this section referred to as 'loan deficiency payments') available to producers who, although eligible to obtain a loan or purchase agreement under subsection (a), agree to forgo obtaining the loan or agreement in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of rice the producer is eligible to place under loan (or obtain a purchase agreement) but for which the producer foregoes obtaining the loan or agreement in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (a).

"(4) MARKETING CERTIFICATES.—The Secretary may make up to one-half the amount of a payment under this subsection available in the form of marketing certificates, subject to the terms and conditions provided in subsection (a)(5)(C).

"(c) PAYMENTS.—

"(1) DEFICIENCY PAYMENTS.—

"(A) IN GENERAL.—The Secretary shall make available to producers payments (hereafter in this section referred to as 'deficiency payments') for each of the 1991 through 1995 crops of rice in an amount computed by multiplying—

"(i) the payment rate; by

"(ii) the payment acres for the crop; by

"(iii) the farm program payment yield established for the crop for the farm.

"(B) PAYMENT RATE.—

"(i) PAYMENT RATE FOR 1991 THROUGH 1993 CROPS.—The payment rate for each of the 1991 through 1993 crops of rice shall be the amount by which the established price for the crop of rice exceeds the higher of—

"(I) the national average market price received by producers during the first 5 months of the marketing year for the crop, as determined by the Secretary; or

"(II) the loan level determined for the crop.

"(ii) PAYMENT RATE OF 1994 AND 1995 CROPS.—The payment rate for the 1994 and 1995 crops of rice shall be determined in accordance with clause (i).

"(iii) MINIMUM ESTABLISHED PRICE.—The established price for rice shall not be less than $10.71 per hundredweight for each of the 1991 through 1995 crops.

"(C) PAYMENT ACRES.—Payment acres for a crop shall be the lesser of—

"(i) the number of acres planted to the crop for harvest within the permitted acreage; or

"(ii) 100 percent of the crop acreage base for the crop for the farm less the quantity of reduced acreage (as determined under subsection (e)(2)(D)).

"(D) 50/92 PROGRAM.—

"(i) IN GENERAL.—If an acreage limitation program under subsection (e)(2) is in effect for a crop of rice and the producers on a farm devote a portion of the maximum payment acres for rice as calculated under subparagraph (C)(ii) for equal to more than 8 percent of such rice acreage of the farm for the crop to conservation uses (except as provided in subparagraph (E))—

"(I) such portion of the maximum payment acres in excess of 8 percent of such acreage devoted to conservation uses (except as provided in subparagraph (E)) shall be considered to be planted to rice for the purpose of determining the acreage on the farm required to be devoted to conservation uses in accordance with subsection (e)(2)(D); and

"(II) the producers shall be eligible for payments under this paragraph with respect to such acreage, subject to the compliance of the producers with clause (ii).

"(ii) MINIMUM PLANTING REQUIREMENT.—To be eligible for payments under clause (i), except as provided in clauses (iv) and (v), the producers on a farm must actually plant rice for harvest on at least 50 percent of the maximum payment acres for rice for the farm.

"(iii) DEFICIENCY PAYMENTS.—Notwithstanding any other provision of this section, any producer who devotes a portion of the maximum payment acres for rice for the farm to conservation uses (or other uses as provided in subparagraph (E)) under this subparagraph shall receive deficiency payments on the acreage that is considered to be planted to rice and eligible for payments under this subparagraph for the crop at a per-hundredweight rate established by the Secretary, except that the rate may not be established at less than the projected deficiency payment rate for the crop, as determined by the Secretary. Such projected payment rate for the crop shall be announced by the Secretary prior to the period during which rice producers may agree to participate in the program for the crop.

"(iv) QUARANTINES.—If a State or local agency has imposed in an area of a State or county a quarantine on the planting of rice for harvest on farms in the area, the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) may recommend to the Secretary that payments be made under this paragraph, without regard to the requirement imposed under clause (ii), to producers in the area who were required to forgo the planting of rice for harvest on acreage to alleviate or eliminate the condition requiring the quarantine. If the Secretary determines that the condition exists, the Secretary may make payments under this paragraph to the producers. To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)).

"(v) PREVENTED PLANTING.—If an acreage limitation program under subsection (e) is in effect for any crop of rice and if the Secretary determines that producers on a farm are prevented from planting the acreage intended for rice to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make available to such producers payments under this subparagraph without regard to the requirement imposed under clause (ii). To be eligible for payments under this clause, the producers must devote the acreage to conservation uses (except as provided in subparagraph (E)). Any such acreage shall be considered to be planted to rice.

"(vi) CROP ACREAGE AND PAYMENT YIELD.—The rice crop acreage base and rice farm program payment yield of the farm shall not be reduced due to the fact that a portion of the permitted rice acreage of the farm was devoted to conserving uses (except as provided in subparagraph (E)) under this subparagraph.

"(vii) LIMITATION.—Other than as provided in clauses (i) through (vi), payments may not be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice.

"(viii) CONSERVATION USE ACREAGE UNDER OTHER PROGRAMS.—Any acreage considered to be planted to rice in accordance with clauses (i) and (vi) may not also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program requiring that the producers devote a specified acreage to conservation uses.

"(E) ALTERNATIVE CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage otherwise required to be devoted to conservation uses as a condition of qualifying for payments under subparagraph (D) to be devoted to sweet sorghum,

guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, commodities for which no substantial domestic production or market exists but that could yield industrial raw material being imported, or likely to be imported, into the United States, or commodities grown for experimental purposes (including kenaf and milkweed), subject to the following sentence. The Secretary may permit the acreage to be devoted to the production only if the Secretary determines that—

"(i) the production is not likely to increase the cost of the price support program and will not affect farm income adversely; and

"(ii) the production is needed to provide an adequate supply of the commodity, or, in the case of commodities for which no substantial domestic production or market exists but that could yield industrial raw materials, the production is needed to encourage domestic manufacture of the raw material and could lead to increased industrial use of the raw material to the long-term benefit of United States industry.

"(F) REDUCTION FOR DISASTER PAYMENTS.—The total quantity of rice on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2).

"(2) DISASTER PAYMENTS.—

"(A) PREVENTED PLANTING.—Except as provided in subparagraph (C), if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(i) the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage that the producers were prevented from planting to rice or other nonconserving crops in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(ii) 75 percent of the farm program payment yield established for the farm by the Secretary; by

"(iii) a payment rate equal to 33⅓ percent of the established price for the crop.

"(B) REDUCED YIELDS.—Except as provided in subparagraph (C), if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice that the producers are able to harvest on any farm is less than the result of multiplying 75 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33⅓ percent of the established price for the crop for the deficiency in production below 75 percent for the crop.

"(C) CROP INSURANCE.—Producers on a farm shall not be eligible for—

"(i) prevented planting disaster payments under subparagraph (A), if prevented planting crop insurance is available to the producers under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) with respect to the rice acreage of the producers; or

"(ii) reduced yield disaster payments under subparagraph (B), if reduced yield crop insurance is available to the producers under such Act with respect to the rice acreage of the producers.

"(D) ADMINISTRATION.—

"(i) ECONOMIC EMERGENCIES.—Notwithstanding subparagraph (C), the Secretary may make a disaster payment to the producers on a farm under this paragraph if the Secretary determines that—

"(I) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the producers have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crops or from reduced yields;

"(II) the losses have created an economic emergency for the producers;

"(III) crop insurance indemnity payments under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) and other forms of assistance made available by the Federal Government to the producers for the losses are insufficient to alleviate the economic emergency; and

"(IV) additional assistance must be made available to the producers to alleviate the economic emergency.

"(ii) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm as necessary to ensure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) PAYMENT YIELDS.—The farm program payment yields for farms for each crop of rice shall be determined under title V.

"(e) ACREAGE REDUCTION PROGRAMS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Notwithstanding any other provision of this Act, if the Secretary determines that the total supply of rice, in the absence of an acreage limitation program, will be excessive taking into account the need for an adequate carry-over to maintain reasonable and stable supplies and prices and to meet a national emergency, the Secretary may provide for any crop of rice an acreage limitation program as described in paragraph (2).

"(B) AGRICULTURAL RESOURCES CONSERVATION PROGRAM.—In making a determination under subparagraph (A), the Secretary shall take into consideration the number of acres placed in the agricultural resources conservation program established under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

"(C) ANNOUNCEMENTS.—If the Secretary elects to implement an acreage limitation program for any crop year, the Secretary shall announce any such program not later than January 31 of the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section.

"(D) CARRY-OVER.—The Secretary shall carry out an acreage limitation program described in paragraph (2) for a crop of rice in a manner that will result in carry-over stocks equal to 16.5 to 20 percent of the simple average of the total disappearance of rice for each of the 3 marketing years preceding the year for which the announcement is made. For the purpose of this subparagraph, the term 'total disappearance' means all rice utilization, including total domestic, total export, and total residual disappearance.

"(2) ACREAGE LIMITATION PROGRAM.—

"(A) PERCENTAGE REDUCTIONS.—Except as provided in paragraph (3), if a rice acreage limitation program is announced under paragraph (1), such limitation shall be achieved by applying a uniform percentage reduction (from 0 to 35 percent) to the rice crop acreage base for the crop for each rice-producing farm.

"(B) COMPLIANCE.—Except as provided in section 504, producers who knowingly produce rice in excess of the permitted rice acreage for the farm, as established in accordance with subparagraph (A), shall be ineligible for rice loans, purchases, and payments with respect to that farm.

"(C) CROP ACREAGE BASES.—Rice crop acreage bases for each crop of rice shall be determined under title V.

"(D) ACREAGE DEVOTED TO CONSERVATION USES.—A number of acres on the farm shall be devoted to conservation uses, in accordance with regulations issued by the Secretary. Such number shall be determined by multiplying the rice crop acreage base by the percentage reduction required by the Secretary. The number of acres so determined is hereafter in this subsection referred to as 'reduced acreage'. The remaining acreage is hereafter in this subsection referred to as 'permitted acreage'. Permitted acreage may be adjusted by the Secretary as provided in paragraph (3) and in section 504.

"(E) INDIVIDUAL FARM PROGRAM ACREAGE.—Except as otherwise provided in subsection (c), the individual farm program acreage shall be the acreage planted on the farm to rice for harvest within the permitted rice acreage for the farm as established under this paragraph.

"(F) PLANTING DESIGNATED CROPS ON REDUCED ACREAGE.—

"(i) DEFINITION OF DESIGNATED CROP.—As used in this subparagraph, the term 'designated crop' means a crop defined in section 504(b)(1), excluding any program crop as defined in section 502(3).

"(ii) IN GENERAL.—Subject to clause (iii), the Secretary may permit producers on a farm to plant a designated crop on no more than one-half of the reduced acreage on the farm.

"(iii) LIMITATIONS.—If the producers on a farm elect to plant a designated crop on reduced acreage under this subparagraph—

"(I) the amount of the deficiency payment that the producers are otherwise eligible to receive under subsection (c) shall be reduced, for each acre (or portion thereof) that is planted to the designated crop, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate, except that if the producers on the farm are participating in a program established for more than one program crop, the amount of the reduction shall be determined by prorating the reduction based on the acreage planted or considered planted on the farm to all of such program crops; and

"(II) the Secretary shall ensure that reductions in deficiency payments under subclause (I) are sufficient to ensure that this subparagraph will result in no additional cost to the Commodity Credit Corporation.

"(3) TARGETED OPTION PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section, if the Secretary implements an acreage limitation program with respect to any of the 1991 through 1995 crops of rice and announces an acreage

limitation percentage of 20 percent or less, the Secretary may make available to producers on a farm who do not receive payments under subsection (c)(1)(D) for such crop on the farm, adjustments in the level of deficiency payments that would otherwise be made available to the producers if the producers exercise the payment options provided in this paragraph.

"(B) PAYMENT OPTIONS.—If the Secretary elects to carry out this paragraph, the Secretary shall make the payment options specified in subparagraphs (C) and (D) available to producers who agree to make adjustments in the quantity of acreage diverted from the production of rice under an acreage limitation program in accordance with this paragraph.

"(C) INCREASED ACREAGE LIMITATION OPTION.—

"(i) INCREASE IN ESTABLISHED PRICE.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to receive an increase in the established price for rice under clause (ii) if the producer agrees to an increase in the acreage limitation percentage to be applied to the producers' rice acreage base above the acreage limitation percentage announced by the Secretary.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who participate in the program under this paragraph, the Secretary shall increase the established price for rice by an amount determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the acreage limitation percentage applied to the producers' rice acreage base.

"(iii) LIMITATION.—The acreage limitation percentage to be applied to the producers' rice acreage base shall not be increased by more than 5 percentage points above the acreage limitation percentage announced by the Secretary.

"(iv) ADJUSTMENT FOR UNDERPLANTINGS.—In determining the increased acreage limitation percentage that is applied to the producer's rice acreage base under this paragraph, the Secretary shall exclude an amount of acreage equal to the average difference between the producer's permitted rice acreage and the acreage actually planted (including acreage devoted to conserving uses under subsection (c)(1)(D)) to rice for harvest during the previous 2 years.

"(D) DECREASED ACREAGE LIMITATION OPTION.—

"(i) DECREASE IN ACREAGE LIMITATION REQUIREMENT.—If the Secretary elects to carry out this paragraph, a producer shall be eligible to decrease the acreage limitation percentage applicable to the producers' rice acreage base (as announced by the Secretary) if the producer agrees to a decrease in the established price for rice under clause (ii) for the purpose of calculating deficiency payments to be made available to the producer.

"(ii) METHOD OF CALCULATION.—For the purposes of calculating deficiency payments to be made available to producers who choose the option set forth in this subparagraph, the Secretary shall decrease the established price for rice by an amount to be determined by the Secretary, but not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' rice acreage base.

"(iii) LIMITATION.—A producer may not choose to decrease the acreage limitation percentage applicable to the producers' rice acreage base under this paragraph by more than one-half of the announced acreage limitation percentage.

"(E) PARTICIPATION AND PRODUCTION EFFECTS.—Notwithstanding any other provision of this paragraph, the Secretary shall, to the extent practicable, ensure that the program provided for in this paragraph does not have a significant effect on program participation or total production and shall be offered in such a manner that the Secretary determines will result in no additional budget outlays. The Secretary shall provide an analysis of the Secretary's determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(4) ADMINISTRATION.—

"(A) PROTECTION FROM WEEDS AND EROSION.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall assure protection of the acreage from weeds and wind and water erosion.

"(B) ANNUAL OR PERENNIAL COVER.—

"(i) IN GENERAL.—Except as provided in paragraph (2), a producer who participates in an acreage reduction program established for a crop of rice under this subsection shall be required to plant to an annual or perennial cover 50 percent (or more, at the option of the producer) of the acreage that is required to be removed from the production of rice, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for the crop. This requirement shall not apply with respect to arid areas (including summer fallow areas), as determined by the Secretary.

"(ii) MULTIYEAR PROGRAM.—

"(I) COST-SHARE ASSISTANCE.—If a producer elects to establish a perennial cover capable of improving water quality or wildlife habitat on the acreage, the Commodity Credit Corporation shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage that is required to be diverted from production, but not to exceed 5 percent (or more, at the option of the producer) of the crop acreage base established for a crop.

"(II) AGREEMENT OF PRODUCER.—If a producer elects to establish a perennial cover on the acreage under this subparagraph and receives cost-share assistance from the Corporation with respect to the cover, the producer, under such terms and conditions as may be prescribed by the Secretary, taking into consideration guidelines established by the State technical committees established in subtitle G of title XII of the Food Security Act of 1985, shall agree to maintain the perennial cover for a minimum of 3 years.

"(iii) CONSERVING CROPS.—The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the acreage to be devoted to sweet sorghum, guar, sesame, castor beans, crambe, plantago ovato, triticale, rye, mung beans, milkweed, or other commodity, if the Secretary determines that the production is needed to provide an adequate supply of the commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(C) HAYING AND GRAZING.—

"(i) IN GENERAL.—Except as provided in clause (ii), haying and grazing of reduced acreage, acreage devoted to a conservation use under subsection (c)(1)(D), and acreage diverted from production under a land diversion program established under this section shall be permitted, except during any consecutive 5-month period that is established by the State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for a State. The 5-month period shall be established during the period beginning April 1, and ending October 31, of a year.

"(ii) NATURAL DISASTERS.—In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on the acreage. The Secretary may not exclude irrigated or irrigable acreage not planted in alfalfa when exercising the authority under this clause.

"(D) WATER STORAGE USES.—

"(i) IN GENERAL.—The regulations issued by the Secretary under paragraph (2) with respect to acreage required to be devoted to conservation uses shall provide that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion to water storage uses.

"(ii) LIMITATIONS.—Land converted to water storage uses for the purposes of this subparagraph may not be devoted to any commercial use, including commercial fish production. The water stored on the land may not be ground water. The farm on which the land is located must have been irrigated with ground water during at least 1 of the preceding 5 crop years.

"(5) LAND DIVERSION PROGRAM.—

"(A) IN GENERAL.—The Secretary may make land diversion payments to producers of rice, whether or not an acreage limitation program for rice is in effect, if the Secretary determines that the land diversion payments are necessary to assist in adjusting the total national acreage of rice to desirable goals. The land diversion payments shall be made to producers who, to the extent prescribed by the Secretary, devote to approved conservation uses an acreage of cropland on the farm in accordance with land diversion contracts entered into by the Secretary with the producers.

"(B) AMOUNTS.—The amounts payable to producers under land diversion contracts may be determined through the submission of bids for the contracts by producers in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate. In determining the acceptability of contract offers, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producers and the productivity of the acreage diverted.

"(C) LIMITATION ON DIVERTED ACREAGE.—The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(6) CONSERVATION PRACTICES.—

"(A) WILDLIFE FOOD PLOTS OR HABITAT.—The reduced acreage and additional diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies. The Secretary may pay an appropriate share of the cost of practices designed to carry out the purposes of this subparagraph.

"(B) PUBLIC ACCESS.—The Secretary may provide for an additional payment on the acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(7) PARTICIPATION AGREEMENTS.—

"(A) IN GENERAL.—Producers on a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for the participation not later than such date as the Secretary may prescribe.

"(B) MODIFICATION OR TERMINATION.—The Secretary may, by mutual agreement with producers on a farm, modify or terminate any such agreement if the Secretary determines the action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities. The Secretary may modify the agreement under this subparagraph for the purpose of alleviating a shortage in the supply of agricultural commodities only if there has been a significant change in the estimated stocks of the commodity since the Secretary announced the final terms and conditions of the program for the crop of rice.

"(f) INVENTORY REDUCTION PAYMENTS.—

"(1) IN GENERAL.—The Secretary may, for each of the 1991 through 1995 crops of rice, make payments available to producers who meet the requirements of this subsection.

"(2) FORM.—The payments may be made in the form of marketing certificates.

"(3) PAYMENTS.—

"(A) IN GENERAL.—Payments under this subsection shall be determined in the same manner as provided in subsection (b).

"(B) QUANTITY OF RICE MADE AVAILABLE.—The quantity of rice to be made available to a producer under this subsection shall be equal in value to the payments so determined under this subsection.

"(4) ELIGIBILITY.—A producer shall be eligible to receive a payment under this subsection for a crop if the producer—

"(A) agrees to forgo obtaining a loan or purchase agreement under subsection (a);

"(B) agrees to forgo receiving payments under subsection (c);

"(C) does not plant rice for harvest in excess of the crop acreage base reduced by one-half of any acreage required to be diverted from production under subsection (e); and

"(D) otherwise complies with this section.

"(g) EQUITABLE RELIEF.—

"(1) LOANS AND PAYMENTS.—If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines are equitable in relation to the seriousness of the failure. The Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of the program in determining whether equitable relief is warranted under this paragraph.

"(2) DEADLINES AND PROGRAM REQUIREMENTS.—The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of the program.

"(h) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(i) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(j) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(k) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(l) TENANTS AND SHARECROPPERS.—The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(m) CROSS-COMPLIANCE.—

"(1) IN GENERAL.—Compliance on a farm with the terms and conditions of any other commodity program, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition of eligibility for loans, purchases, or payments under this section.

"(2) COMPLIANCE ON OTHER FARMS.—The Secretary may not require producers on a farm, as a condition of eligibility for loans, purchases, or payments under this section for the farm, to comply with the terms and conditions of the rice program with respect to any other farm operated by the producers.

"(n) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of rice.".

TITLE VII—OILSEEDS

SEC. 701. LOANS AND PAYMENTS FOR OILSEEDS FOR 1991 THROUGH 1995 MARKETING YEARS.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) is amended—

(1) in the matter preceding subsection (a) of section 201 (7 U.S.C. 1446), by striking "tung nuts," and inserting the following: "oilseeds (including soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and such other oilseeds as the Secretary may determine),"; and

(2) by adding at the end the following new section:

"SEC. 205. LOANS AND PAYMENTS FOR OILSEEDS FOR 1991 THROUGH 1995 MARKETING YEARS.

"(a) DEFINITION OF OILSEEDS.—As used in this section, the term 'oilseeds' means soybeans, sunflower seed, canola, rapeseed, safflower, flaxseed, mustard seed, and such other oilseeds as the Secretary may determine.

"(b) IN GENERAL.—The Secretary shall support the price of oilseeds through nonrecourse loans to producers on a farm for oilseeds produced on the farm in each of the 1991 through 1995 marketing years as provided in this section.

"(c) LOAN LEVEL.—The loan level for each of the 1991 through 1995 crops of—

"(1) soybeans shall not be less than $5.02 per bushel;

"(2) sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed shall not be less than $0.089 per pound; and

"(3) other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan level available for soybeans, except that, in the case of cottonseed, in no event less than the level established for soybeans on a per-pound basis for the same crop year.

"(d) MARKETING LOAN PROVISIONS.—

"(1) IN GENERAL.—The Secretary shall permit a producer to repay a loan made under this section for a crop—

"(A) at a level that is the lesser of—

"(i) the loan level determined for the crop; or

"(ii) the prevailing world market price for the applicable oilseed (adjusted to United States quality and location), as determined by the Secretary; or

"(B) such other level (not in excess of the loan level determined for the crop) that the Secretary determines will—

"(i) minimize potential loan forfeitures;

"(ii) minimize the accumulation of oilseed stocks by the Federal Government;

"(iii) minimize the cost incurred by the Federal Government in storing oilseeds; and

"(iv) allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally.

"(2) PREVAILING WORLD MARKET PRICE.—The Secretary shall prescribe by regulation—

"(A) a formula to define the prevailing world market price for oilseeds (adjusted to United States quality and location); and

"(B) a mechanism by which the Secretary shall announce periodically the prevailing world market price for oilseeds (adjusted to United States quality and location).

"(e) LOAN DEFICIENCY PAYMENT.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of oilseeds, make payments available to producers who, although eligible to obtain a loan under subsection (b), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of oilseeds the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (c); exceeds

"(B) the level at which a loan may be repaid under subsection (d).

"(4) MARKETING CERTIFICATES.—

"(A) IN GENERAL.—The Secretary may make payments under this section available in the form of certificates redeemable for any agricultural commodity owned by the Commodity Credit Corporation.

"(B) MINIMAL OILSEED STOCKS.—The Secretary shall make certificates available under subparagraph (A) in such a manner so as to minimize the accumulation of oilseeds stocks.

"(f) MARKETING YEAR.—For purposes of this section, the marketing year for—

"(1) soybeans shall be the 12-month period beginning on September 1 and ending on August 31; and

"(2) other oilseeds shall be prescribed by the Secretary by regulation.

"(g) ANNOUNCEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall make an announcement of the loan level for the crop not later than November 15 prior to the calendar year in which the crop is harvested.

"(2) 1991 CROP.—In the case of the 1991 crop, the Secretary shall make an announce-

ment of the loan level for the crop as soon as practicable after the date of enactment of this section.

"(h) LOAN MATURITY.—A loan made for a crop of oilseeds under this section shall mature on the last day of the 9th month following the month the application for the loan is made.

"(i) OTHER TERMS AND CONDITIONS.—Notwithstanding any other provision of law—

"(1) the Secretary shall not require participation in any production adjustment program for oilseeds or any other commodity as a condition of eligibility for price support for oilseeds;

"(2) the Secretary may not authorize payments to producers to cover the cost of storing oilseeds; and

"(3) oilseeds may not be considered an eligible commodity for any reserve program.

"(j) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(k) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(l) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(m) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of oilseeds.".

TITLE VIII—PEANUTS

SEC. 801. SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS.

The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1991 through 1995 crops of peanuts:

(1) Subsections (a) through (j) of section 358 (7 U.S.C. 1358(a)-(j)).

(2) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a(a)-(h)).

(3) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359 (a), (b), (d), and (e)).

(4) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.).

(5) Section 371 (7 U.S.C. 1371).

SEC. 802. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS.

The Agricultural Adjustment Act of 1938 is amended by inserting after section 358 the following new section:

"SEC. 358–1. NATIONAL POUNDAGE QUOTAS AND ACREAGE ALLOTMENTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) NATIONAL POUNDAGE QUOTAS.—

"(1) ESTABLISHMENT.—The national poundage quota for peanuts for each of the 1991 through 1995 marketing years shall be established by the Secretary at a level that is equal to the quantity of peanuts (in tons) that the Secretary estimates will be devoted in each such marketing year to domestic edible, seed, and related uses. Notwithstanding any other provision of this paragraph, the national poundage quota for a marketing year shall not be less than 1,350,000 tons.

"(2) ANNOUNCEMENT.—The national poundage quota for a marketing year shall be announced by the Secretary not later than December 15 preceding the marketing year.

"(3) APPORTIONMENT AMONG STATES.—The national poundage quota established under paragraph (1) shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1990.

"(b) FARM POUNDAGE QUOTAS.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—A farm poundage quota for each of the 1991 through 1995 marketing years shall be established—

"(i) for each farm that had a farm poundage quota for peanuts for the 1990 marketing year;

"(ii) if the poundage quota apportioned to a State under subsection (a)(3) for any such marketing year is larger than the quota for the immediately preceding marketing year, for each other farm on which peanuts were produced for marketing in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary; and

"(iii) as approved and determined by the Secretary under section 358c, for each farm on which peanuts are produced in connection with experimental and research programs.

"(B) QUANTITY.—The farm poundage quota for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(i) shall be the same as the farm poundage quota for the farm for the immediately preceding marketing year, as adjusted under paragraph (2), but not including—

"(i) any increases for undermarketings from previous years; or

"(ii) any increases resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

The farm poundage quota, if any, for each of the 1991 through 1995 marketing years for each farm described in subparagraph (A)(ii) shall be equal to the quantity of peanuts allocated to the farm for the year under paragraph (2).

"(C) TRANSFERS.—For purposes of this subsection, if the farm poundage quota, or any part thereof, is permanently transferred in accordance with section 358a or 358b, the receiving farm shall be considered as possessing the farm poundage quota (or portion thereof) of the transferring farm for all subsequent marketing years.

"(2) ADJUSTMENTS.—

"(A) ALLOCATION OF INCREASED QUOTA GENERALLY.—Except as provided in subparagraph (B) and subject to subparagraph (D), if the poundage quota apportioned to a State under subsection (a)(3) for any of the 1991 through 1995 marketing years is increased over the poundage quota apportioned to farms in the State for the immediately preceding marketing year, the increase shall be allocated proportionately, based on farm production history for peanuts for the 3 immediately preceding years, among—

"(i) all farms in the State for each of which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made; and

"(ii) all other farms in the State on each of which peanuts were produced in at least 2 of the 3 immediately preceding crop years, as determined by the Secretary.

"(B) ALLOCATION OF INCREASED QUOTA IN TEXAS.—

"(i) IN GENERAL.—In Texas, and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, 33 percent of the increased quota referred to in subparagraph (A) shall be allocated to farms having poundage quotas for the 1990 marketing year in any county in which the production of additional peanuts exceeded the total quota allocated to the county for the 1989 marketing year.

"(ii) BASIS FOR ALLOCATION TO COUNTIES.—The allocation of the quota to eligible counties shall be based on the total production of additional peanuts in the respective counties for the 1988 crop, except that the total quota allocated to any county under this subparagraph and paragraph (6)(C) shall not be increased by more than 100 percent of the basic quota assigned to the county for the 1989 marketing year if that county had more than 10,000 tons of quota for the 1989 marketing year.

"(iii) ALLOCATION TO OTHER COUNTIES.—If the total quota for any such county is so increased by 100 percent, all of the remaining quota percentage set aside under this subparagraph shall be allocated to farms in other counties otherwise meeting the requirements of this subparagraph.

"(iv) ALLOCATION TO ELIGIBLE FARMS.—The percentage of increased quota in any county shall be allocated under this subparagraph only to quota farms from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made. The percentage of the increased quota in each county shall be allocated among the eligible farms in the county on the following basis:

"(I) FACTOR.—A factor shall be established for each such eligible farm by dividing the quantity of additional peanuts contracted and delivered to handlers from the farm by the total remaining peanuts produced on the farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(II) ALLOCATION.—Each such eligible farm shall be allocated the percentage of the increased quota for the county as its factor bears to the total of the factors for all eligible farms in the county.

"(v) REMAINING PERCENTAGE.—In Texas, the remaining 67 percent of the increased quota referred to in subparagraph (A) shall be allocated to farms in the State in accordance with subparagraph (A).

"(C) DECREASE.—If the poundage quota apportioned to a State under subsection (a)(3) for any of the 1991 through 1995 marketing years is decreased from the poundage quota apportioned to farms in the State under subsection (a)(3) for the immediately preceding marketing year, the decrease shall be allocated among all the farms in the State for each of which a farm poundage quota was established for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(D) SPECIAL RULE ON TENANT'S SHARE OF INCREASED QUOTA.—Subject to terms and conditions prescribed by the Secretary, on farms that were leased to a tenant for peanut production, the tenant shall share equally with the owner of the farm in that percentage of the quota referred to in subparagraph (A) and otherwise allocated to the farm as the result of the tenant's production on the farm of additional peanuts. Not later than April 1 of each year or as soon as practicable, the tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm. Any quota not so disposed of as provided in this subparagraph shall be allocated to other quota farms in the State under paragraph (6) as part of the quota reduced from farms in the State due to the failure to produce the quota.

"(3) QUOTA NOT PRODUCED.—

"(A) IN GENERAL.—Insofar as practicable and on such fair and equitable basis as the Secretary may by regulation prescribe, the farm poundage quota established for a farm

for any of the 1991 through 1995 marketing years shall be reduced to the extent that the Secretary determines that the farm poundage quota established for the farm for any 2 of the 3 marketing years preceding the marketing year for which the determination is being made was not produced, or considered produced, on the farm.

"(B) EXCLUSIONS.—For the purposes of this paragraph, the farm poundage quota for any such preceding marketing year shall not include—

"(i) any increases for undermarketing of quota peanuts from previous years; or

"(ii) any increase resulting from the allocation of quotas voluntarily released for 1 year under paragraph (7).

"(4) QUOTA CONSIDERED PRODUCED.—For purposes of this subsection, the farm poundage quota shall be considered produced on a farm if—

"(A) the farm poundage quota was not produced on the farm because of drought, flood, or any other natural disaster, or any other condition beyond the control of the producer, as determined by the Secretary;

"(B) the farm poundage quota for the farm was released voluntarily under paragraph (7) for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made; or

"(C) the farm poundage quota was leased to another owner or operator of a farm within the same county for transfer to such farm for only 1 of the 3 marketing years immediately preceding the marketing year for which the determination is being made.

"(5) QUOTA PERMANENTLY RELEASED.—Notwithstanding any other provision of law—

"(A) the farm poundage quota established for a farm under this subsection, or any part of the quota, may be permanently released by the owner of the farm, or the operator with the permission of the owner; and

"(B) the poundage quota for the farm for which the quota is released shall be adjusted downward to reflect the quota that is so released.

"(6) ALLOCATION OF QUOTAS REDUCED OR RELEASED.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the total quantity of the farm poundage quotas reduced or voluntarily released from farms in a State for any marketing year under paragraphs (3) and (5) shall be allocated, as the Secretary may by regulation prescribe, to other farms in the State on which peanuts were produced in at least 2 of the 3 crop years immediately preceding the year for which the allocation is being made.

"(B) SET-ASIDE FOR FARMS WITH NO QUOTA.—Not more than 25 percent of the total amount of farm poundage quota to be allocated in the State under subparagraph (A) shall be allocated to farms in the State for which no farm poundage quota was established for the immediately preceding year's crop. The allocation to any such farm shall not exceed the average farm production of peanuts for the 3 immediately preceding years during which peanuts were produced on the farm.

"(C) ALLOCATION OF QUOTAS REDUCED OR RELEASED IN TEXAS.—

"(i) IN GENERAL.—In Texas, and subject to terms and conditions prescribed by the Secretary, beginning with the 1991 marketing year, the total quantity of the farm poundage quota, except the percentage allocated to new farms under subparagraph (B), shall be allocated to other farms having poundage quotas for the 1990 marketing year in all counties in which the production of additional peanuts exceeded the total quota allocated to the county for the 1989 marketing year.

"(ii) BASIS FOR ALLOCATION TO COUNTIES.—The allocation of the quota to eligible counties shall be based on the total production of additional peanuts in the respective county for the 1988 crop, except that the total quota allocated to any county under this subparagraph and paragraph (2)(B) shall not be increased by more than 100 percent of the basic quota allocated to the county for the 1989 marketing year, if that county had more than 10,000 tons of quota for the 1989 marketing year.

"(iii) ALLOCATION TO OTHER COUNTIES.—If the total quota for any such county is so increased by 100 percent, all of the remaining quota set aside under this subparagraph shall be allocated to farms in other counties otherwise meeting the requirements of this subparagraph.

"(iv) ALLOCATION TO ELIGIBLE FARMS.—The percentage of farm poundage quota available for allocation under this subparagraph shall be allocated only to quota farms from which additional peanuts were delivered under contract with handlers for the marketing year immediately preceding the marketing year for which the allocation is being made. The percentage of the increased quota in each county shall be allocated among the eligible farms in the county on the following basis:

"(I) FACTOR.—A factor shall be established for each such eligible farm by dividing the amount of additional peanuts contracted and delivered to handlers from the farm by the total remaining peanuts produced on the farm for the marketing year immediately preceding the marketing year for which the allocation is being made.

"(II) ALLOCATION.—Each such eligible farm shall be allocated the percentage of the increased quota for the county as its factor bears to the total of the factors for all eligible farms in the county.

"(7) QUOTA TEMPORARILY RELEASED.—

"(A) IN GENERAL.—The farm poundage quota, or any portion thereof, established for a farm for a marketing year may be voluntarily released to the Secretary to the extent that the quota, or any part thereof, will not be produced on the farm for the marketing year. Any farm poundage quota so released in a State shall be allocated to other farms in the State on such basis as the Secretary may by regulation prescribe.

"(B) EFFECTIVE PERIOD.—Except as otherwise provided in this section, any adjustment in the farm poundage quota for a farm under subparagraph (A) shall be effective only for the marketing year for which it is made and shall not be taken into consideration in establishing a farm poundage quota for the farm from which the quota was released for any subsequent marketing year.

"(8) INCREASE FOR UNDERMARKETINGS IN PREVIOUS MARKETING YEARS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the farm poundage quota for a farm for any marketing year shall be increased by the number of pounds by which the total marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1989 crop) were less than the total amount of applicable farm poundage quotas (disregarding adjustments for undermarketings from previous marketing years) for the marketing years.

"(B) QUOTA NOT PRODUCED.—For purposes of subparagraph (A), no increase for undermarketings in previous marketing years shall be made to the poundage quota for any farm to the extent that the poundage quota for the farm for the marketing year was reduced under paragraph (3) for failure to produce.

"(C) NATIONAL POUNDAGE QUOTA.—Any increases in farm poundage quotas under this paragraph shall not be counted against the national poundage quota for the marketing year involved.

"(D) TRANSFER OF ADDITIONAL PEANUTS.—Any increase in the farm poundage quota for a farm for a marketing year under this paragraph may be used during the marketing year by the transfer of additional peanuts produced on the farm to the quota loan pool for pricing purposes on such basis as the Secretary shall by regulation prescribe.

"(9) LIMIT ON INCREASES FOR UNDERMARKETINGS.—Notwithstanding the foregoing provisions of this subsection, if the total of all increases in individual farm poundage quotas under paragraph (8) exceeds 10 percent of the national poundage quota for the marketing year in which the increases shall be applicable, the Secretary shall adjust the increases so that the total of all the increases does not exceed 10 percent of the national poundage quota.

"(c) FARM YIELDS.—

"(1) IN GENERAL.—For each farm for which a farm poundage quota is established under subsection (b), and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each such farm.

"(2) QUANTITY.—The yield shall be equal to the average of the actual yield per acre on the farm for each of the 3 crop years in which yields were highest on the farm out of the 5 crop years 1973 through 1977.

"(3) APPRAISED YIELDS.—If peanuts were not produced on the farm in at least 3 years during the 5-year period or there was a substantial change in the operation of the farm during the period (including a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that quantity determined to be fair and reasonable on the basis of yields established for similar farms that are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(d) REFERENDUM RESPECTING POUNDAGE QUOTAS.—

"(1) IN GENERAL.—Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of producers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether the producers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the 5 calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the producers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second, third, fourth, and fifth years of the period.

"(2) PROCLAMATION.—The Secretary shall proclaim the result of the referendum within 30 days after the date on which it is held.

"(3) VOTE AGAINST QUOTAS.—If more than one-third of the producers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year

immediately following the calendar year in which the referendum is held.

"(e) DEFINITIONS.—For the purposes of this part and title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.):

"(1) ADDITIONAL PEANUTS.—The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from the farm for the year; and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (b).

"(2) CRUSHING.—The term 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary.

"(3) DOMESTIC EDIBLE USE.—The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (2)) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available.

"(4) QUOTA PEANUTS.—The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (b), that—

"(A) are eligible for domestic edible use as determined by the Secretary;

"(B) are marketed or considered marketed from a farm; and

"(C) do not exceed the farm poundage quota of the farm for the year.

"(f) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 803. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA.

The Agricultural Adjustment Act of 1938 is amended by inserting after section 358a the following new section:

"SEC. 358b. SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) IN GENERAL.—

"(1) AUTHORITY.—Subject to such terms, conditions, or limitations as the Secretary may prescribe, the owner, or operator with the permission of the owner, of any farm for which a farm poundage quota has been established under this Act may sell or lease all or any part of the poundage quota to any other owner or operator of a farm within the same county for transfer to the farm, except that any such lease of poundage quota may be entered into in the fall or after the normal planting season—

"(A) if not less than 90 percent of the basic quota (the farm quota exclusive of undermarketings and temporary quota transfers), plus any poundage quota transferred to the farm under this subsection, has been planted or considered planted on the farm from which the quota is to be leased; and

"(B) under such terms and conditions as the Secretary may by regulation prescribe.

In the case of a fall transfer or a transfer after the normal planting season by a cash lessee, the landowner shall not be required to sign the transfer authorization. A fall transfer or a transfer after the normal planting season may be made not later than 72 hours after the peanuts that are the subject of the transfer are inspected and graded.

"(2) TRANSFERS TO OTHER SELF-OWNED FARMS.—The owner or operator of a farm may transfer all or any part of the farm poundage quota for the farm to any other farm owned or controlled by the owner or operator that is in the same county or in a county contiguous to the county in the same State and that had a farm poundage quota for the preceding year's crop. Any farm poundage quota transferred under this paragraph shall not result in any reduction in the farm poundage quota for the transferring farm if the transferred quota is produced or considered produced on the receiving farm.

"(3) TRANSFERS IN STATES WITH SMALL QUOTAS.—Notwithstanding paragraphs (1) and (2), in the case of any State for which the poundage quota allocated to the State was less than 10,000 tons for the preceding year's crop, all or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(b) CONDITIONS.—Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to all of the following conditions:

"(1) LIENHOLDERS.—No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) TILLABLE CROPLAND.—No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) RECORD.—No transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which the transfer is made and the committee determines that the transfer complies with this section.

"(4) OTHER TERMS.—Such other terms and conditions that the Secretary may by regulation prescribe.

"(c) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 804. MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS.

The Agricultural Adjustment Act of 1938 is amended by inserting after section 359 the following new section:

"SEC. 359a. MARKETING PENALTIES AND DISPOSITION OF ADDITIONAL PEANUTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) MARKETING PENALTIES.—

"(1) IN GENERAL.—

"(A) MARKETING PEANUTS IN EXCESS OF QUOTA.—The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which the peanuts are produced shall be subject to penalty at a rate equal to 140 percent of the support price for quota peanuts for the marketing year in which the marketing occurs. The penalty shall not apply to the marketing of breeder or Foundation seed peanuts grown and marketed by a publicly owned agricultural experiment station (including a State operated seed organization) under such regulations as the Secretary may prescribe.

"(B) MARKETING YEAR.—For purposes of this section, the marketing year for peanuts shall be the 12-month period beginning August 1 and ending July 31.

"(C) MARKETING ADDITIONAL PEANUTS.—The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are—

"(i) placed under loan at the additional loan rate in effect for the peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers;

"(ii) marketed through an area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949; or

"(iii) marketed under contracts between handlers and producers pursuant to subsection (f).

"(2) PAYER.—The penalty shall be paid by the person who buys or otherwise acquires the peanuts from the producer or, if the peanuts are marketed by the producer through an agent, the penalty shall be paid by the agent. The person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(3) FAILURE TO COLLECT.—If the person required to collect the penalty fails to collect the penalty, the person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable with such persons who failed to collect the penalty for the amount of the penalty.

"(4) APPLICATION OF QUOTA.—Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to the quotas even though the peanuts are marketed prior to the date on which the marketing year begins.

"(5) FALSE INFORMATION.—If any producer falsely identifies, fails to accurately certify planted acres, or fails to account for the disposition of any peanuts produced on the planted acres, a quantity of peanuts equal to the greater of the farm's average or actual yield, as determined by the Secretary, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. Any penalty payable under this paragraph shall be paid and remitted by the producer.

"(6) UNINTENTIONAL VIOLATIONS.—The Secretary shall authorize, under such regulations as the Secretary shall issue, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases which the committees determine that the violations that were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(7) DE MINIMIS VIOLATIONS.—Errors in weight that do not exceed one-tenth of 1 percent in the case of any one marketing document shall not be considered to be marketing violations except in cases of fraud or conspiracy.

"(b) USE OF QUOTA AND ADDITIONAL PEANUTS.—

"(1) QUOTA PEANUTS.—Only quota peanuts may be retained for use as seed or for other uses on a farm. When peanuts are so retained, such retention shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts for the quantity involved that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available.

"(2) ADDITIONAL PEANUTS.—Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use, except as provided in subsection (g).

"(3) SEED.—Except as provided in paragraph (1), seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(c) MARKETING PEANUTS WITH EXCESS QUANTITY, GRADE, OR QUALITY.—On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by the handler from the crop for the marketing, the handler shall be subject to a penalty equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(d) HANDLING AND DISPOSAL OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949.

"(2) SUPERVISION BY NONHANDLERS.—

"(A) IN GENERAL.—Supervision of the handling and disposal of additional peanuts by a handler shall not be required under paragraph (1) if the handler agrees in writing, prior to any handling or disposal of the peanuts, to comply with regulations that the Secretary shall issue.

"(B) REGULATIONS.—The regulations issued by the Secretary under subparagraph (A) shall include the following provisions:

"(i) TYPES OF EXPORTED OR CRUSHED PEANUTS.—Handlers of shelled or milled peanuts may export or crush peanuts classified by type in all of the following quantities:

"(I) SOUND SPLIT KERNEL PEANUTS.—Sound split kernel peanuts purchased by the handler as additional peanuts to which, under price support loan schedules, a mandated deduction with respect to the price paid to the producer of the peanuts would be applied due to the percentage of the sound splits.

"(II) SOUND MATURE KERNEL PEANUTS.—Sound mature kernel peanuts (which term includes sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of the peanuts purchased by the handler as additional peanuts, less the total poundage of sound split kernel peanuts described in subclause (I).

"(III) REMAINDER.—The remaining quantity of total kernel content of peanuts purchased by the handler as additional peanuts.

"(ii) DOCUMENTATION.—Handlers shall ensure that any additional peanuts exported or crushed are evidenced by onboard bills of lading or other appropriate documentation as may be required by the Secretary, or both.

"(iii) LOSS OF PEANUTS.—If a handler suffers a loss of peanuts as a result of fire, flood, or any other condition beyond the control of the handler, the portion of the loss allocated to contracted additional peanuts shall not be greater than the portion of the handler's total peanut purchases for the year attributable to contracted additional peanuts purchased for export or crushing by the handler during the year.

"(iv) SHRINKAGE ALLOWANCE.—

"(I) IN GENERAL.—The obligation of a handler to export or crush peanuts in quantities described in this subparagraph shall be reduced by a shrinkage allowance, to be determined by the Secretary, to reflect actual dollar value shrinkage experienced by handlers in commercial operations, except that the allowance shall not be less than 4 percent, except as provided in subclause (II).

"(II) COMMON INDUSTRY PRACTICES.—The Secretary may provide a lower shrinkage allowance for a handler who fails to comply with restrictions on the use of peanuts, as may be specified by the Commodity Credit Corporation, to take into account common industry practices.

"(3) ADEQUATE FINANCES AND FACILITIES.—A handler shall submit to the Secretary adequate financial guarantees, as well as evidence of adequate facilities and assets, with the facilities under the control and operation of the handler, to ensure the handler's compliance with the obligation to export peanuts.

"(4) COMMINGLING OF LIKE PEANUTS.—Quota and additional peanuts of like type and segregation or quality may, under regulations issued by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(5) PENALTY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(B) NONDELIVERY.—A handler shall not be subject to a penalty for failure to export additional peanuts if the peanuts were not delivered to the handler.

"(6) REENTRY OF EXPORTED PEANUTS.—If any additional peanuts exported by a handler are reentered into the United States in commercial quantities as determined by the Secretary, the importer thereof shall be subject to a penalty at a rate equal to 140 percent of the loan level for quota peanuts on the quantity of peanuts reentered.

"(e) SPECIAL EXPORT CREDITS.—

"(1) IN GENERAL.—The Secretary shall, with due regard for the integrity of the peanut program, promulgate regulations that will permit any handler of peanuts who manufactures peanut products from domestic edible peanuts to export the products and receive credit for the fulfillment of export obligations for the peanut content of the products against which the export credits the handler may thereafter apply, up to the amount thereof, equivalent quantities of additional peanuts of the same type acquired by the handler and used in the domestic edible market. The peanuts so acquired for the domestic edible market as provided in this subsection shall be of the same crop year as the peanuts used in the manufacture of the products so exported.

"(2) CERTIFICATION.—Under such regulations, the Secretary shall require all handlers who are peanut product manufacturers to submit annual certifications of peanut product content on a product-by-product basis. Any changes in peanut product formulas as affecting peanut content shall be recorded within 90 days of the changes. The Secretary shall conduct an annual review of the certifications. The Secretary shall pursue all available remedies with respect to persons who fail to comply with this paragraph.

"(3) RECORDS.—The Secretary shall require handlers who are peanut product manufacturers to maintain and provide such documents as are necessary to ensure compliance with this subsection and to maintain the integrity of the peanut program.

"(f) CONTRACTS FOR PURCHASE OF ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—Handlers may, under such regulations as the Secretary may issue, contract with producers for the purchase of additional peanuts for crushing or export, or both.

"(2) SUBMISSION TO SECRETARY.—

"(A) CONTRACT DEADLINE.—Any such contract shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval not later than September 15 of the year in which the crop is produced.

"(B) EXTENSION OF DEADLINE.—The Secretary may extend the deadline under subparagraph (A) by up to 15 days in response to damaging weather or related condition (as defined in section 112 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.)). The Secretary shall announce the extension no later than September 5 of the year in which the crop is produced.

"(3) FORM.—The contract shall be executed on a form prescribed by the Secretary. The form shall require such information as the Secretary determines appropriate to ensure the proper handling of the additional peanuts, including the identity of the contracting parties, the poundage, and category of the peanuts, the disclosure of any liens, and the intended disposition of the peanuts.

"(4) INFORMATION FOR HANDLING AND PROCESSING ADDITIONAL PEANUTS.—Notwithstanding any other provision of this section, any person wishing to handle and process additional peanuts as a handler shall submit to the Secretary (or if designated by the Secretary, the area marketing association), such information as may be required under subsection (d) by such date as prescribed by the Secretary so as to permit final action to be taken on the application by July 1 of each marketing year.

"(5) TERMS.—Each such contract shall contain the final price to be paid by the handler for the peanuts involved and a specific prohibition against the disposition of the peanuts for domestic edible or seed use.

"(6) SUSPENSION OF RESTRICTIONS ON IMPORTED PEANUTS.—Notwithstanding any other provision of this Act, if the President issues a proclamation under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, temporarily suspending restrictions on the importation of peanuts, the Secretary shall, subject to such terms and conditions as the Secretary may prescribe, permit a handler, with the written consent of the producer, to purchase additional peanuts from any producer who contracted with the handler and to offer the peanuts for sale for domestic edible use.

"(g) MARKETING OF PEANUTS OWNED OR CONTROLLED BY THE COMMODITY CREDIT CORPORATION.—

"(1) IN GENERAL.—Subject to section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use, in accordance with regulations issued by the Secretary, so long as doing so does not result in substantially increased cost to the Commodity Credit Corporation. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs in-

curred with respect to the peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 percent of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by and with the written consent of the producer;

"(B) not less than 105 percent of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year; or

"(C) not less than 107 percent of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(2) ACCEPTANCE OF BIDS BY AREA MARKETING ASSOCIATIONS.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), for the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which the additional peanuts were harvested, the area marketing association designated pursuant to section 108B(c)(1) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price, as determined under this subsection, equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts.

"(B) MODIFICATION.—The area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by subparagraph (A) to facilitate the orderly marketing of additional peanuts.

"(3) PRODUCER MARKETING AND EXPENSES.—Notwithstanding any other provision of this Act, the Secretary shall, in any determination required under subsections (a)(2) and (b)(1) of section 108B of the Agricultural Act of 1949, include any additional marketing expenses required by law, excluding the amount of any assessment required under the Omnibus Budget Reconciliation Act of 1990.

"(h) ADMINISTRATION.—

"(1) INTEREST.—The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate per annum of interest that was charged the Commodity Credit Corporation by the Treasury of the United States on the date the penalty became due.

"(2) DE MINIMIS QUANTITY.—This section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on the farm do not share in the peanuts produced on any other farm.

"(3) LIENS.—Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which the penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4) PENALTIES.—

"(A) PROCEDURES.—Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulation may prescribe. The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

"(B) JUDICIAL REVIEW.—Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether the determination was made in conformity with the applicable law and regulations.

"(C) CIVIL PENALTIES.—All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) REDUCTION OF PENALTIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subparagraph (B), the Secretary may reduce the amount of any penalty assessed against handlers under this section by any appropriate amount, including, in an appropriate case, eliminating the penalty entirely, if the Secretary finds that the violation on which the penalty is based was minor or inadvertent, and that the reduction of the penalty will not impair the operation of the peanut program.

"(B) FAILURE TO EXPORT CONTRACTED ADDITIONAL PEANUTS.—The amount of any penalty imposed on a handler under this section that resulted from the failure to export or crush contracted additional peanuts shall not be reduced by the Secretary.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 805. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

The Agricultural Adjustment Act of 1938 (as amended by section 803 of this Act) is further amended by inserting after section 358b the following new section:

"SEC. 358c. EXPERIMENTAL AND RESEARCH PROGRAMS FOR PEANUTS.

"(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary may permit a portion of the poundage quota for peanuts apportioned to any State to be allocated from the State's quota reserve to land-grant institutions identified in the Act of May 8, 1914 (38 Stat. 372, chapter 79; 7 U.S.C. 341 et seq.), and colleges eligible to receive funds under the Act of August 30, 1890 (26 Stat. 419, chapter 841; 7 U.S.C. 321 et seq.), including Tuskegee Institute and, as appropriate, the Agricultural Research Service of the Department of Agriculture to be used for experimental and research purposes.

"(b) QUANTITY.—The quantity of the quota allocated to an institution under this section shall not exceed the quantity of the quota held by each such institution during the 1985 crop year, except that the total quantity allocated to all institutions in a State shall not exceed $\frac{1}{10}$ of 1 percent of the State's basic quota.

"(c) LIMITATION.—The director of the agricultural experiment station for a State shall be required to ensure, to the extent practicable, that farm operators in the State do not produce quota peanuts under subsection (a) in excess of the quantity needed for experimental and research purposes.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 806. PRICE SUPPORT PROGRAM.

The Agricultural Act of 1949 is amended—

(1) by repealing sections 108 and 108A (7 U.S.C. 1445c and 1445c-1);

(2) by redesignating section 108B (7 U.S.C. 1445c-2) as section 108A; and

(3) by inserting after section 108A (as so redesignated) the following new section:

"SEC. 108B. PRICE SUPPORT PROGRAM FOR 1991 THROUGH 1995 CROPS OF PEANUTS.

"(a) QUOTA PEANUTS.—

"(1) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, and other operations on quota peanuts for each of the 1991 through 1995 crops.

"(2) SUPPORT RATES.—The national average quota support rate for each of the 1991 through 1995 crops of quota peanuts shall be the national average quota support rate for the immediately preceding crop, adjusted to reflect any increase, during the calendar year immediately preceding the marketing year for the crop for which a level of support is being determined, in the national average cost of peanut production, excluding any change in the cost of land, except that in no event shall the national average quota support rate for any such crop exceed by more than 5 percent the national average quota support rate for the preceding crop.

"(3) INSPECTION, HANDLING, OR STORAGE.—The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage.

"(4) LOCATION AND OTHER FACTORS.—The Secretary may make adjustments for location of peanuts and such other factors as are authorized by section 403.

"(5) ANNOUNCEMENT.—The Secretary shall announce the level of support for quota peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(b) ADDITIONAL PEANUTS.—

"(1) IN GENERAL.—The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1991 through 1995 crops at such levels as the Secretary finds appropriate, taking into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, except that the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of the peanuts.

"(2) ANNOUNCEMENT.—The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for the crop for which the level of support is being determined.

"(c) AREA MARKETING ASSOCIATIONS.—

"(1) WAREHOUSE STORAGE LOANS.—

"(A) IN GENERAL.—In carrying out subsections (a) and (b), the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.95 of title 7 of the Code of Federal Regulations (January 1, 1989)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting the loan activities. The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and sections 359 and 359a of the Agricultural Adjustment Act of 1938.

"(B) ADMINISTRATIVE AND SUPERVISORY ACTIVITIES.—The area marketing associations shall be used in administrative and supervi-

sory activities relating to price support and marketing activities under this section and sections 359 and 359a of the Agricultural Adjustment Act of 1938.

"(C) ASSOCIATION COSTS.—Loans made to the association under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and sections 359 and 359a of the Agricultural Adjustment Act of 1938.

"(2) POOLS FOR QUOTA AND ADDITIONAL PEANUTS.—

"(A) IN GENERAL.—The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by area and segregation for quota peanuts handled under loan and for additional peanuts placed under loan, except that separate pools shall be established for Valencia peanuts produced in New Mexico. Bright hull and dark hull Valencia peanuts shall be considered as separate types for the purpose of establishing the pools.

"(B) NET GAINS.—Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed only to producers who placed peanuts in the pool and shall be distributed in proportion to the value of the peanuts placed in the pool by each producer. Net gains for peanuts in each pool shall consist of the following:

"(i) QUOTA PEANUTS.—For quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool plus an amount from all additional pool gains equal to any loss on disposition of all peanuts in the pool for quota peanuts.

"(ii) ADDITIONAL PEANUTS.—For additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i).

"(d) LOSSES.—Notwithstanding any other provision of this section:

"(1) QUOTA PEANUTS PLACED UNDER LOAN.—Any distribution of net gains on additional peanuts (other than net gains on additional peanuts in separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) shall be first reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts placed under loan.

"(2) QUOTA LOAN POOLS.—

"(A) TRANSFERS FROM ADDITIONAL LOAN POOLS.—The proceeds due any producer from any pool shall be reduced by the amount of any loss that is incurred with respect to peanuts transferred from an additional loan pool to a quota loan pool by such producer under section 358-1(b)(8) of the Agricultural Adjustment Act of 1938.

"(B) OTHER LOSSES.—Losses in area quota pools, other than losses incurred as a result of transfers from additional loan pools to quota loan pools under section 358-1(b)(8) of the Agricultural Adjustment Act of 1938, shall be offset by any gains or profits from pools in other production areas (other than separate type pools established under subsection (c)(2)(A) for Valencia peanuts produced in New Mexico) in such manner as the Secretary shall by regulation prescribe.

"(e) DISAPPROVAL OF QUOTAS.—Notwithstanding any other provision of law, no price support may be made available by the Secretary for any crop of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358-1(d) of the Agricultural Adjustment Act of 1938.

"(f) QUALITY IMPROVEMENT.—

"(1) PRICE SUPPORT PEANUTS.—With respect to peanuts under price support loan, the Secretary shall—

"(A) promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration;

"(B) ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts;

"(C) continue to endeavor to operate the peanut price support program so as to improve the quality of domestic peanuts and ensure the coordination of activities under the Peanut Administrative Committee established under Marketing Agreement No. 146, regulating the quality of domestically produced peanuts (under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.)); and

"(D) ensure that any changes made in the price support program as a result of this subsection requiring additional production or handling at the farm level shall be reflected as an upward adjustment in the Department of Agriculture loan schedule.

"(2) EXPORTS AND OTHER PEANUTS.—The Secretary shall require that all peanuts in the domestic market fully comply with all quality standards under Marketing Agreement No. 146. The Secretary shall ensure that peanuts produced for the export market meet quality standards established for the domestic market under Marketing Agreement No. 146.

"(g) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts.".

SEC. 807. REPORTS AND RECORDS.

Effective only for the 1991 through 1995 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting before "all brokers and dealers in peanuts" the following: "all producers engaged in the production of peanuts,".

SEC. 808. SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS.

Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1991 through 1995 crops of peanuts.

SEC. 809. REGULATIONS.

The Secretary of Agriculture shall issue such regulations as are necessary to carry out this title and the amendments made by this title. In issuing the regulations, the Secretary—

(1) is encouraged to comply with subchapter II of chapter 5 of title 5, United States Code;

(2) shall provide public notice through the Federal Register of any such proposed regulations; and

(3) shall allow adequate time for written public comment prior to the formulation and issuance of any final regulations.

TITLE IX—SUGAR

SEC. 901. SUGAR PRICE SUPPORT.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 701 of this Act) is further amended—

(1) in the matter preceding subsection (a) of section 201 (7 U.S.C. 1446), by striking "honey, and milk" and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) by adding at the end the following new section:

"SEC. 206. SUGAR PRICE SUPPORT FOR 1991 THROUGH 1995 CROPS.

"(a) IN GENERAL.—The price of each of the 1991 through 1995 crops of sugar beets and sugarcane, respectively, shall be supported in accordance with this section.

"(b) SUGARCANE.—The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate, but not less than 18 cents per pound for raw cane sugar.

"(c) SUGAR BEETS.—The Secretary shall support the price of each of the 1991 through 1995 crops of crop of domestically grown sugar beets through nonrecourse loans at such level for each such crop as the Secretary determines reflects—

"(1) an amount that bears the same relation to the support level for the crop of sugarcane under subsection (b) as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, expressed on a cents per pound basis for refined beet sugar and raw cane sugar, for the most recent 5-year period for which data are available; plus

"(2) an amount that covers sugar beet processor fixed marketing expenses.

"(d) ADJUSTMENT IN SUPPORT PRICE.—

"(1) IN GENERAL.—The Secretary may increase the support price for each of the 1991 through 1995 crops of domestically grown sugarcane and sugar beets from the price determined for the preceding crop based on such factors as the Secretary determines appropriate, including changes (during the 2 crop years immediately preceding the crop year for which the determination is made) in the cost of sugar products, the cost of domestic sugar production, and other circumstances that may adversely affect domestic sugar production.

"(2) REPORT.—If the Secretary makes a determination not to increase the support price under paragraph (1), the Secretary shall submit a report containing the findings, decision, and supporting data for the determination to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(e) ANNOUNCEMENTS.—The Secretary shall announce the loan rate to be applicable during any fiscal year under this section as far in advance of the beginning of that fiscal year as is practicable consistent with the purposes of this section.

"(f) TERM.—Loans under this section during any fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature at the earlier of—

"(1) the end of 9 months; or

"(2) the end of the fiscal year.

"(g) SUPPLEMENTARY NONRECOURSE LOANS.—In the case of sugar beet producing areas in which sugar beets normally are harvested during the last 3 months of a fiscal year, the Secretary shall make available, to each borrower of a loan made and repaid under this section during the last 3 months of the fiscal year on sugar processed from sugar beets so harvested, a supplementary nonrecourse loan in addition to the initial loan. In each case, the supplementary loan shall—

"(1) be made available to the borrower as of the first day of the following fiscal year;

"(2) be made at the same loan rate as the initial loan; and

"(3) mature in 9 months less the amount of time that the initial loan was in effect.

"(h) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

"(i) CROPS.—This section shall be effective only for the 1991 through 1995 crops of sugar beets and sugarcane.".

SEC. 902. MARKETING ALLOTMENTS FOR SUGAR AND CRYSTALLINE FRUCTOSE.

Subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following new part:

"PART VII—MARKETING QUOTAS—SUGAR AND CRYSTALLINE FRUCTOSE

"SEC. 359a. INFORMATION REPORTING.

"(a) DUTY TO REPORT.—All cane sugar refiners and sugar beet processors and all manufacturers of crystalline fructose from corn (hereafter in this part referred to as 'crystalline fructose') shall furnish the Secretary, on a monthly basis, such information as the Secretary may require with respect to the person's importation, distribution, and stock levels of sugar or crystalline fructose, respectively.

"(b) PENALTY.—Any person willfully failing or refusing to furnish the information, or furnishing willfully any false information, shall be subject to a civil penalty of not more than $10,000 for each such violation.

"(c) MONTHLY REPORTS.—Taking into consideration the information received under subsection (a), the Secretary shall publish on a monthly basis composite data on imports, distribution, and stock levels of sugar and crystalline fructose.

"SEC. 359b. MARKETING ALLOTMENTS FOR SUGAR AND CRYSTALLINE FRUCTOSE.

"(a) SUGAR ESTIMATES.—

"(1) IN GENERAL.—Before the beginning of each of the fiscal years 1992 through 1996, the Secretary shall estimate—

"(A) the quantity of sugar that will be consumed in the customs territory of the United States during the fiscal year (other than sugar imported for purposes other than human consumption);

"(B) the quantity of sugar that will be available from carry-in stocks or from domestically-produced sugarcane and sugar beets for consumption in the United States during the year; and

"(C) the quantity of sugar that will be imported for consumption during the year (other than sugar imported for purposes other than human consumption), based on the difference between—

"(i) the quantity of estimated consumption; and

"(ii) the quantity of sugar estimated to be available from domestically-produced sugarcane and sugar beets and from carry-in stocks.

"(2) QUARTERLY REESTIMATES.—The Secretary shall make quarterly reestimates of sugar consumption, availability, and imports for a fiscal year no later than the beginning of each of the second through fourth quarters of the fiscal year.

"(b) SUGAR ALLOTMENTS.—

"(1) IN GENERAL.—For any fiscal year in which the Secretary estimates, under subsection (a), that imports of sugar for consumption in the United States will be less than 1,250,000 short tons, raw value, the Secretary shall establish for that year appropriate allotments under section 359c for the marketing by processors of sugar processed from domestically-produced sugarcane and sugar beets in a manner that is fair, efficient, and equitable to producers, processors, and refiners, at a level that the Secretary estimates will result in imports of sugar of not less than 1,250,000 short tons, raw value, for that year.

"(2) PRODUCTS.—The Secretary may include products of sugar in the allotments under paragraph (1) if the Secretary determines it to be appropriate for purposes of this part.

"(c) CRYSTALLINE FRUCTOSE ALLOTMENTS.—For any fiscal year in which the Secretary establishes allotments for the marketing of sugar under section 359c, the Secretary shall establish for that year appropriate allotments for the marketing by manufacturers of crystalline fructose manufactured from corn, at a total level not to exceed the equivalent of 200,000 tons of sugar, raw value, during the fiscal year, in a manner that is fair, efficient, and equitable to manufacturers.

"(d) PROHIBITIONS.—

"(1) SUGAR.—

"(A) EXCEEDING ALLOCATION.—At any time allotments are in effect and allocated to processors under section 359d, the total of—

"(i) the quantity of sugar marketed by a processor, plus

"(ii) the quantity of sugar pledged as collateral by the processor for a price support loan under section 206 of the Agricultural Act of 1949,

shall not exceed the quantity of the allocation of the allotment made to the processor.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply—

"(i) to the marketing during a fiscal year of sugar pledged in that fiscal year as collateral for a price support loan under section 206 of the Agricultural Act of 1949 after the sugar has been subsequently redeemed; or

"(ii) to any sale of sugar by a processor to another processor made to enable the other processor to fulfill the quantity of the allocation of the allotment made to the other processor.

"(2) CRYSTALLINE FRUCTOSE.—At any time crystalline fructose allotments are in effect for manufacturers under subsection (c), no manufacturer may market crystalline fructose in excess of the manufacturer's allotment. No restrictions or allotments shall be established on the marketings of any liquid fructose produced from corn.

"(3) CIVIL PENALTY.—Any processor who violates paragraph (1) or manufacturer who violates paragraph (2) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar or crystalline fructose involved in the violation.

"(4) DEFINITION OF MARKET.—For purposes of this part, the term 'market' shall mean to sell or otherwise dispose of in commerce in the United States.

"SEC. 359c. ESTABLISHMENT OF MARKETING ALLOTMENTS.

"(a) IN GENERAL.—The Secretary shall establish marketing allotments for sugar for any fiscal year in which the allotments are required under section 359b(b) in accordance with this section.

"(b) OVERALL ALLOTMENT QUANTITY.—

"(1) IN GENERAL.—The Secretary shall establish the overall quantity of sugar to be allotted for the fiscal year (hereafter in this part referred to as the 'overall allotment quantity') by deducting from the estimated sugar consumption for the fiscal year, as determined under section 359b(a)—

"(A) 1,250,000 short tons, raw value (representing minimum imports of sugar for consumption in the United States during the fiscal year); and

"(B) carry-in stocks of sugar, including sugar in Commodity Credit Corporation inventory.

(2) ADJUSTMENT.—The Secretary shall adjust the overall allotment quantity to the maximum extent practicable to prevent the accumulation of sugar acquired by the Commodity Credit Corporation.

"(c) ALLOTMENT.—The overall allotment quantity for the fiscal year shall be allotted among—

"(1) sugar derived from sugar beets; and

"(2) sugar derived from sugarcane.

"(d) PERCENTAGE FACTORS.—

"(1) IN GENERAL.—The Secretary shall establish percentage factors for the overall beet sugar and cane sugar allotments applicable for a fiscal year. The Secretary shall establish the percentage factors in a fair and equitable manner on the basis of past marketings of sugar (considering for such purposes the marketings of sugar processed from sugarcane and sugar beets of any or all of the 1985 through 1989 crops), processing and refining capacity, and the ability of processors to market the sugar covered under the allotments.

"(2) PUBLICATION.—The Secretary shall publish these percentage factors in the Federal Register, along with a description of the Secretary's reasons for establishing the factors, as provided in section 359h(c).

"(e) MARKETING ALLOTMENT.—The marketing allotment for sugar derived from sugarcane and the marketing allotment for sugar derived from sugar beets for a fiscal year, in each case, shall be a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by the percentage factor established by the Secretary under subsection (d)(1) for the allotment.

"(f) STATE SUGARCANE ALLOTMENT.—The allotment for sugar derived from sugarcane shall be further allotted among the 5 States in the United States in which sugarcane is produced in a fair and equitable manner on the basis of past marketings of sugar (considering for such purposes the average of marketings of sugar processed from sugarcane in the 2 highest years of production from each State from the 1985 through 1989 crops), processing capacity, and the ability of processors to market the sugar covered under the allotments.

"(g) ADJUSTMENT OF MARKETING ALLOTMENTS.—

"(1) IN GENERAL.—The Secretary shall, based on reestimates under section 359b(a)(2), adjust upward or downward marketing allotments established under subsections (a) through (f) in a fair and equitable manner, or suspend the allotments, as the Secretary determines appropriate, to reflect changes in estimated sugar consumption, availability, or imports.

"(2) ALLOCATION TO PROCESSORS.—In the case of any increase or decrease in an allotment, each allocation to a processor of the allotment under section 359d, and each proportionate share established with respect to the allotment under section 359f(b), shall be increased or decreased by the same percentage that the allotment is increased or decreased.

"(3) REDUCTIONS.—Whenever a marketing allotment for a fiscal year is required to be reduced during the fiscal year under this paragraph—

"(A) if the quantity of the sugar marketed, including sugar pledged as collateral for a price support loan under section 206 of the Agricultural Act of 1949, for the fiscal year

at the time of the reduction under the allotment by all processors covered by the allotment exceeds the reduced allotment, the quantity of the excess sugar marketed shall be deducted—

"(i) if beet sugar is involved, from the marketing allotment, if any, next established for beet sugar; or

"(ii) if cane sugar is involved, from the marketing allotment next established for the State; and

"(B) if the quantity of sugar marketed, including sugar pledged as collateral for a price support loan under section 206 of the Agricultural Act of 1949, for the fiscal year at the time of the reduction by any individual processor covered by the allotment exceeds the processor's reduced allocation, the quantity of the excess sugar marketed shall be deducted from the allocation of an allotment, if any, next established for the processor.

"(h) FILLING SUGARCANE AND SUGAR BEET ALLOTMENTS.—Except as otherwise provided in section 359e, each marketing allotment of sugarcane established under this section may only be filled with sugar processed from domestically grown sugarcane, and each marketing allotment of sugar beets established under this section may only be filled with sugar processed from domestically grown sugar beets.

"SEC. 359d. ALLOCATION OF MARKETING ALLOTMENTS.

"(a) IN GENERAL.—

"(1) ALLOCATION TO PROCESSORS.—Whenever marketing allotments are established for a fiscal year under section 359c, in order to afford all interested persons an equitable opportunity to market sugar under an allotment, the Secretary shall allocate each such allotment among the processors covered by the allotment.

"(2) HEARING AND NOTICE.—

"(A) CANE SUGAR.—The Secretary shall make allocations for cane sugar after such hearing and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of the allocations by taking into consideration processing capacity, past marketings of sugar, and the ability of each processor to market sugar covered by that portion of the allotment allocated. Each such allocation shall be subject to adjustment under section 359c(g).

"(B) BEET SUGAR.—The Secretary shall make allocations for beet sugar after such hearing and on such notice as the Secretary by regulation may prescribe, in such manner and in such quantities as to provide a fair, efficient, and equitable distribution of the allocations by taking into consideration processing capacity, past marketings of sugar (considering for the purposes the marketings of sugar processed from sugar beets of any or all of the 1985 through 1989 crops), and the ability of each processor to market sugar covered by that portion of the allotment allocated. Each such allocation shall be subject to adjustment under section 359c(g).

"(b) FILLING CANE SUGAR ALLOTMENTS.—Except as otherwise provided in section 359e, the marketing allotment established for cane sugar under this part for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.

"SEC. 359e. ASSIGNMENTS OF DEFICITS.

"(a) ESTIMATES OF MARKETING.—At any time allotments are in effect under this part, the Secretary, from time to time, shall determine whether (in view of then-current inventories of sugar, the estimated production of sugar and expected marketings, and other pertinent factors) processors of sugarcane in each State covered by an allotment will be able to market the sugar covered by the allotment applicable to them and whether processors of sugar beets will be able to market sugar covered by the portion of the beet sugar allotment applicable to them.

"(b) REASSIGNMENT OF DEFICITS.—

"(1) CANE SUGAR.—If the Secretary determines that the sugarcane processors subject to a State allotment will be unable to market the State's allotment for the fiscal year—

"(A) the Secretary first shall reassign the estimated quantity of the deficit proportionately to the allocations for other processors within that State;

"(B) if after the reassignments the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit proportionately to the allotments for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to it, with the reassigned quantity to each State to be allocated among processors in that State in proportion to the allocations of the processors; and

"(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(2) BEET SUGAR.—If the Secretary determines that a sugar beet processor subject to an allotment will be unable to market that allotment—

"(A) the Secretary first shall reassign the estimated quantity of the deficit proportionately to the allotments for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it; and

"(B) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.

"(3) CORRESPONDING INCREASE.—The allocation of each processor receiving a reassigned quantity of an allotment under this subsection for a fiscal year shall be increased to reflect the reassignment.

"SEC. 359f. PROVISIONS APPLICABLE TO PRODUCERS.

"(a) PROCESSOR ASSURANCES.—Whenever allotments for a fiscal year are allocated to processors under section 359d, the Secretary shall obtain from the processors such assurances as the Secretary considers adequate that the allocation will be shared among producers served by the processor in a fair and equitable manner that adequately reflects producers' production histories. Any dispute between a processor and a producer, or group of producers, with respect to the sharing of the processor's allocation shall be resolved through arbitration by the Secretary on the request of either party.

"(b) PROPORTIONATE SHARES OF CERTAIN ALLOTMENTS.—

"(1) IN GENERAL.—

"(A) STATES AFFECTED.—In any case in which a State allotment is established under section 359c(f) and there are in excess of 250 producers in such State, the Secretary shall make a determination under subparagraph (B).

"(B) DETERMINATION.—The Secretary shall determine, for each State allotment described in subparagraph (A), whether the production of sugar, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the allotment and provide a normal carryover inventory.

"(2) ESTABLISHMENT OF PROPORTIONATE SHARES.—If the Secretary determines under paragraph (1) that the quantity of sugar processed from all crops by all processors covered by a State allotment for a fiscal year will be in excess of the quantity needed to enable processors to fill the allotment for the fiscal year and provide a normal carryover inventory, the Secretary shall establish proportionate shares for the crop of sugarcane that is harvested during the fiscal year the allotment is in effect as provided in this subsection. Each such proportionate share shall be subject to adjustment under section 359c(g).

"(3) METHOD OF DETERMINING.—For purposes of determining proportionate shares for any crop of sugarcane:

"(A) The Secretary shall establish the State's per-acre yield goal for a crop at a level (not less than the average per-acre yield in the State for the preceding 5 years, as determined by the Secretary) that will ensure an adequate net return per pound to producers in the State, taking into consideration any available production research data that the Secretary deems relevant.

"(B) The Secretary shall convert the State allotment for the fiscal year involved into a State acreage allotment for the crop by dividing the State allotment by the per-acre yield goal for the State, as established under subparagraph (A).

"(C) The Secretary shall establish a uniform reduction percentage for the crop by dividing the State acreage allotment, as determined for the crop under subparagraph (B), by the sum of all acreage bases in the State, as determined by the Secretary, that the Secretary estimates would otherwise be harvested for the production of the crop of sugarcane.

"(D) The uniform reduction percentage for the crop, as determined under subparagraph (C), shall be applied to the acreage base for each farm covered by the State allotment to determine the farm's proportionate share for the crop.

"(4) ACREAGE BASE.—For purposes of this subsection, the acreage base for each sugarcane-producing farm shall be determined by the Secretary, as follows:

"(A) The acreage base for any crop shall be the number of acres that is equal to the average of the acreage planted and considered planted for harvest for sugar or seed on the farm in each of the 5 crop years preceding the crop year.

"(B) Acreage that producers on a farm were unable to harvest to sugarcane for sugar or seed because of drought, flood, other natural disaster, or other condition beyond the control of the producers shall be considered as harvested to sugarcane for sugar or seed for purposes of this paragraph.

"(5) VIOLATION.—

"(A) IN GENERAL.—Whenever proportionate shares are in effect in a State for a crop of sugarcane, no producer in the State knowingly may harvest for sugar or seed an acreage of sugarcane of the crop in excess of the farm's proportionate share for the crop or otherwise violate proportionate share regulations issued by the Secretary under section 359h(a).

"(B) CIVIL PENALTY.—Any producer who violates subparagraph (A) shall be liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the United States market value, at the time of the commission of the violation, of that quantity of sugar involved in the violation. The quantity of sugar involved shall be determined based on the per-acre yield goal established under paragraph (3).

"(6) WAIVER.—Notwithstanding the preceeding subparagraph, the Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other proportionate share requirements in cases in which lateness or failure to meet the other requirements does not affect adversely the operation of proportionate shares.

"SEC. 359g. SPECIAL RULES.

"(a) TRANSFER OF PRODUCTION HISTORY.—For the purpose of establishing proportionate shares for producers under section 359f, the Secretary, on application of any producer, may transfer the production history of land owned, operated, or controlled by the producers to any other parcels of land of the applicant.

"(b) RESERVATION OF PRODUCTION HISTORY.—If for reasons beyond the control of an owner of a farm, the owner is unable to use all or a portion of the proportionate share established for the farm under section 359f, the Secretary may reserve for a period of not more than 3 consecutive years the production history of the farm to the extent of the proportionate share involved. The proportionate share may be redistributed to other farm owners or operators, but no production history shall accrue to the other farm owners or operators, by virtue of the redistribution of the proportionate share so redistributed.

"(c) REVISIONS OF ALLOCATIONS AND PROPORTIONATE SHARES.—The Secretary, after such hearing and notice as the Secretary by regulation may prescribe, may revise or amend any allocation of a marketing allotment under section 359d, or any proportionate share established for a farm under section 359f, on the same basis as the initial allocation or proportionate share was established.

"SEC. 359h. REGULATIONS; VIOLATIONS; PUBLICATION OF SECRETARY'S DETERMINATIONS; JURISDICTION OF THE COURTS; UNITED STATES ATTORNEYS.

"(a) REGULATIONS.—

"(1) IN GENERAL.—The Secretary shall issue such regulations as may be necessary to carry out the authority vested in the Secretary in administering the marketing allotment program under this part.

"(2) PRIOR CONSULTATIONS REQUIRED.—In addition to taking such other action as may be required under section 551 through 559 of title 5, United States Code, prior to proposing any regulations under paragraph (1), the Secretary shall consult with representatives of domestic sugar processors and producers with regard to ensuring that the regulations achieve the objectives of this part. The results of the consultations shall be published in the Federal Register, along with the proposed regulations.

"(b) VIOLATION.—Any person knowingly violating any regulation of the Secretary issued under subsection (a) shall be subject to a civil penalty of not more than $5,000 for each violation.

"(c) PUBLICATION IN FEDERAL REGISTER.—Each determination issued by the Secretary to establish, adjust, or suspend allotments under this part shall be promptly published in the Federal Register and shall be accompanied by a statement of the reasons for the determination.

"(d) JURISDICTION OF COURTS; UNITED STATES ATTORNEYS.—

"(1) JURISDICTION OF COURTS.—The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, this part or any regulation issued thereunder.

"(2) UNITED STATES ATTORNEYS.—Whenever the Secretary shall so request, it shall be the duty of the several United States attorneys, in their respective districts, to institute proceedings to enforce the remedies and to collect the penalties provided for in this part. The Secretary may elect not to refer to a United States attorney any violation of this part or regulation when the Secretary determines that the administration and enforcement of this part would be adequately served by written notice or warning to any person committing the violation.

"(e) NONEXCLUSIVITY OF REMEDIES.—The remedies and penalties provided for in this part shall be in addition to, and not exclusive of, any remedies or penalties existing at law or in equity.

"SEC. 359i. APPEALS.

"(a) IN GENERAL.—An appeal may be taken to the Secretary from any decision under section 359d establishing allocations of marketing allotments, or under section 359f, by any person adversely affected by reason of any such decision.

"(b) PROCEDURE.—

"(1) NOTICE OF APPEAL.—Any such appeal shall be taken by filing with the Secretary, within 20 days after the decision complained of is effective, notice in writing of the appeal and a statement of the reasons therefor. Unless a later date is specified by the Secretary as part of the Secretary's decision, the decision complained of shall be considered to be effective as of the date on which announcement of the decision is made. The Secretary shall deliver a copy of any notice of appeal to each person shown by the records of the Secretary to be adversely affected by reason of the decision appealed, and shall at all times thereafter permit any such person to inspect and make copies of appellant's reasons for the appeal and shall on application permit the person to intervene in the appeal.

"(2) HEARING.—The Secretary shall provide each appellant an opportunity for a hearing. The Secretary shall appoint an administrative law judge to conduct a hearing on the record on each appeal under this section. In all other respects, each appeal under this section shall be subject to sections 551 through 559, and 701 through 706, of title 5, United States Code.

"SEC. 359j. ADMINISTRATION.

"(a) USE OF CERTAIN AGENCIES.—In carrying out this part, the Secretary may use the services of local committees of sugar beet or sugarcane producers, sugarcane processors, or sugar beet processors, State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), and the departments and agencies of the United States Government.

"(b) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the services, facilities, funds, and authorities of the Commodity Credit Corporation to carry out sections 359a through 359i.

"(c) DEFINITION OF UNITED STATES AND STATE.—Notwithstanding section 301, for purposes of this part, the terms 'United States' and 'State' means the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.".

SEC. 903. REPORTS ON QUOTA ALLOCATIONS TO COUNTRIES IMPORTING SUGAR.

Section 902(c) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2)(A) Effective 90 days after the date of enactment of this paragraph and by August 1 of each year thereafter through 1995, the Secretary of Agriculture shall report to the President and Congress on the extent, if any, of sugar imports from Cuba by the countries described in paragraph (1).

"(B) Commencing with the quota year for sugar imports after the 1990–1991 quota year, the President shall report to Congress by January 1, on—

"(i) the identity of the countries that are net importers of sugar derived from sugarcane or sugar beets who have a quota for the current quota year;

"(ii) the identity of such countries who have verified that they do not import for reexport to the United States any sugar produced in Cuba; and

"(iii) the action, if any, taken by the President with respect to countries reported by the Secretary of Agriculture as net importers of sugar derived from sugarcane or sugar beets who imported the sugar from Cuba who reexported the sugar to the United States during the previous quota year.".

TITLE X—HONEY

SEC. 1001. HONEY PRICE SUPPORT.

Title II of the Agricultural Act of 1949 (7 U.S.C. 1446 et seq.) (as amended by section 901 of this Act) is further amended by adding at the end the following new section:

"SEC. 207. HONEY PRICE SUPPORT.

"(a) IN GENERAL.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations at not less than 53.8 cents per pound.

"(b) MARKETING LOAN PROVISIONS.—The Secretary may permit a producer to repay a loan made to the producer under this section for a crop at a level that is the lesser of—

"(1) the loan level determined for the crop; or

"(2) such level as the Secretary determines will—

"(A) minimize the number of loan forfeitures;

"(B) not result in excessive total stocks of honey;

"(C) reduce the costs incurred by the Federal Government in storing honey; and

"(D) maintain the competitiveness of honey in the domestic and export markets.

"(c) LOAN DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall, for each of the 1991 through 1995 crops of honey, make payments available to producers who, although eligible to obtain a loan under subsection (b), agree to forgo obtaining the loan in return for payments under this subsection.

"(2) COMPUTATION.—A payment under this subsection shall be computed by multiplying—

"(A) the loan payment rate; by

"(B) the quantity of honey the producer is eligible to place under loan but for which the producer forgoes obtaining the loan in return for payments under this subsection.

"(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

"(A) the loan level determined for the crop under subsection (a); exceeds

"(B) the level at which a loan may be repaid under subsection (b).

"(4) MARKETING CERTIFICATES.—The Secretary may make payments under this section available in the form of certificates redeem-

able for any agricultural commodity owned by the Commodity Credit Corporation.

"(d) PLEDGING ADULTERATED OR IMPORTED HONEY AS COLLATERAL.—

"(1) IN GENERAL.—If the Secretary determines that a person has knowingly pledged adulterated or imported honey as collateral to secure a loan made under this section, the person, in addition to any other penalty or sanction prescribed by law, shall be ineligible for a loan, purchase, or payment under this section for the 3 crop years succeeding the determination.

"(2) ADULTERATED HONEY.—For purposes of paragraph (1), honey shall be considered adulterated if—

"(A) any substance has been substituted wholly or in part for the honey;

"(B) the honey contains a poisonous or deleterious substance that may render the honey injurious to health, except that in any case in which the substance is not added to the honey, the honey shall not be considered adulterated if the quantity of the substance in or on the honey does not ordinarily render it injurious to health; or

"(C) for any other reason, the honey is unsound, unhealthy, unwholesome, or otherwise unfit for human consumption.

"(e) PAYMENT LIMITATIONS.—

"(1) IN GENERAL.—The total amount of payments that a person may receive under this section may not exceed—

"(A) $200,000 in the 1991 crop year;

"(B) $175,000 in the 1992 crop year;

"(C) $150,000 in the 1993 crop year; and

"(D) $125,000 in each of the 1994 and subsequent crop years.

"(2) PAYMENTS.—For the purposes of this subsection, the term 'payments' means—

"(A) any gain realized by a producer from repaying a loan for a crop of honey at a lower level than the original loan level under this section; and

"(B) any loan deficiency payment received under subsection (c).

"(3) PERSON.—The Secretary shall issue regulations defining the term 'person' for the purposes of this section. The regulations shall provide for the attribution of payments received under this section.

"(f) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(g) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(h) ASSIGNMENT OF PAYMENTS.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this section.

"(i) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of honey.".

SEC. 1002. LOAN FORFEITURE LIMITATION.

Section 405A of the Agricultural Act of 1949 (7 U.S.C. 1425A) is amended—

(1) in subsection (a), by striking "producer for such crop of honey under section 201(b), does not exceed $250,000" and inserting "person for such crop of honey under section 207, does not exceed $200,000 in the 1991 crop year, $175,000 in the 1992 crop year, $150,000 in the 1993 crop year, and $125,000 in each of the 1994 and subsequent crop years"; and

(2) in subsection (d), by adding at the end the following new sentence: "The regulations shall provide for the attribution of the value of collateral forfeited on loans described in subsection (a).".

TITLE XI—GENERAL COMMODITY PROVISIONS

Subtitle A—Acreage Base and Yield System

SEC. 1101. ACREAGE BASE AND YIELD SYSTEM.

Title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended to read as follows:

"TITLE V—ACREAGE BASE AND YIELD SYSTEM

"SEC. 501. PURPOSE.

"The purpose of this title is to prescribe a system for establishing crop acreage bases and program payment yields for the wheat, feed grains, upland cotton, and rice programs under this Act that is efficient, equitable, flexible, and predictable.

"SEC. 502. DEFINITIONS.

"For purposes of this title:

"(1) COUNTY COMMITTEE.—The term 'county committee' means the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) for the county in which the farm is administratively located.

"(2) OILSEED.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, other oilseeds.

"(3) PROGRAM CROP.—The term 'program crop' means a crop of wheat, corn, grain sorghums, oats, barley, upland cotton, or rice.

"SEC. 503. CROP ACREAGE BASES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary shall provide for the establishment and maintenance of crop acreage bases for each program crop, including any program crop produced under an established practice of double cropping.

"(2) LIMITATION.—The sum of the crop acreage bases on the farm may not exceed the cropland on the farm, except to the extent there is an established practice of double cropping on the farm.

"(3) DEFINITION OF DOUBLE CROPPING.—As used in this subsection, the term 'double cropping' means a farming practice, as defined by the Secretary, that has been carried out on a farm during at least 3 of the 5 crop years immediately preceding the crop year for which the crop acreage base for the farm is established.

"(b) CALCULATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the crop acreage base for each program crop for a farm for a crop year shall be the number of acres that is equal to the average of the acreage planted and considered planted to the program crop for harvest on the farm in each of the 5 crop years preceding the crop year.

"(2) COTTON AND RICE.—

"(A) IN GENERAL.—In the case of upland cotton and rice, except as provided in subparagraph (B), the crop acreage base for such crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 3 crop years preceding such crop year.

"(B) EXCEPTION.—

"(i) 1991 CROPS.—In the case of each of the 1991 crops of upland cotton and rice, if the producers on a farm did not participate in the production adjustment program established for the 1989 and 1990 crops of upland cotton and rice, respectively, the crop acreage base for the 1991 crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 5 crop years preceding the 1991 crop year, excluding all crop years in which planted and considered planted acreage was not established for the farm. Any crop acreage base established in accordance with this subparagraph shall not exceed a number of acres equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 2 crop years preceding the 1991 crop year.

"(ii) 1992 CROPS.—In the case of each of the 1992 crops of upland cotton and rice, if the producers on a farm did not participate in the production adjustment program established for the 1990 and 1991 crops of upland cotton and rice, respectively, the crop acreage base for the 1992 crop shall be equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 5 crop years preceding the 1992 crop year, excluding all crop years in which planted and considered planted acreage was not established for the farm. Any crop acreage base established in accordance with this subparagraph shall not exceed a number of acres equal to the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 2 crop years preceding the 1992 crop year.

"(c) ACREAGE CONSIDERED PLANTED.—For purposes of this Act, acreage considered planted to a program crop shall consist of—

"(1) any reduced acreage and diverted acreage on the farm;

"(2) any acreage on the farm that producers were prevented from planting to the crop because of drought, flood, or other natural disaster, or other condition beyond the control of the producers;

"(3) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted by the Secretary under the 0/92 or 50/92 programs established for any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, and rice established under sections 107B(c)(1)(E), 105B(c)(1)(E), 103B(c)(1)(D), and 101B(c)(1)(D), respectively;

"(4) acreage in an amount equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to the production of commodities in accordance with section 504;

"(5) any acreage on the farm that the Secretary determines is necessary to be included in establishing a fair and equitable crop acreage base;

"(6) the crop acreage base for the crop, if producers on the farm forgo receiving any payments under the program established under title I for the crop and certify that no acreage on the farm was planted to—

"(A) the crop; or

"(B) any fruit or vegetable crop (including potatoes and dry edible beans) not designated as an industrial or experimental crop by the Secretary, in excess of normal plantings; and

"(7) any acreage on the farm for which the crop acreage base for the crop on the farm was adjusted because of a condition or occurrence beyond the control of the producer pursuant to subsection (h).

"(d) CONSTRUCTION OF PLANTING HISTORY.—For the purpose of determining the crop acreage base for the 1991 and subsequent crop years for any farm, the county committee, in accordance with regulations prescribed by the Secretary, may construct a planting history for such crop if—

"(1) planting records for such crop for any of the 5 crop years preceding such crop year are incomplete or unavailable; or

"(2) during at least one but not more than 4 of the 5 crop years preceding such crop year, the program crop was not produced on the farm.

"(e) CROP ROTATION AND OTHER FACTORS.—The Secretary shall make adjustments to reflect crop rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable crop acreage base, including adjustments necessary to enable producers to meet the requirements of title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

"(f) PREVENTED PLANTING.—If a county committee determines, in accordance with regulations prescribed by the Secretary, that the occurrence of a natural disaster or other similar condition beyond the control of the producer prevented the planting of a program crop on any farm within the county (or substantially destroyed any such program crop after it had been planted but before it had been harvested), the producer may plant any other crop, including any other program crop, on the acreage of such farm that, but for the occurrence of such disaster or other condition, would have been devoted to the production of a program crop. For purposes of determining the crop acreage base, any acreage on the farm on which a substitute crop, including any program crop, is planted under this subsection shall be taken into account as if such acreage had been planted to the program crop for which the other crop was substituted.

"(g) SUBSEQUENT CROP YEARS.—A producer who is eligible to receive a deficiency payment for any program crop or crop of extra long staple cotton in any crop year with respect to a farm may not use the acreage planted or considered planted to any program crop or crop of extra long staple cotton on the farm in the crop year to increase any crop acreage base established for the farm in a subsequent crop year.

"(h) ADJUSTMENT OF BASES.—The county committee, in accordance with regulations prescribed by the Secretary, may adjust any crop acreage base for any program crop for any farm if the crop acreage base for the crop on the farm would otherwise be adversely affected by a condition or occurrence beyond the control of the producer.

"SEC. 504. PLANTING FLEXIBILITY.

"(a) IN GENERAL.—The producers on a farm may, in accordance with this section, plant for harvest on the crop acreage base established for a program crop a commodity, other than the specific program crop, without suffering a reduction in the crop acreage base as a result of the production.

"(b) SPECIFIED COMMODITIES.—

"(1) PERMITTED CROPS.—Except as provided in paragraph (2), for purposes of this section, the commodities that may be planted for harvest on a crop acreage base are—

"(A) any program crop;

"(B) any oilseed;

"(C) any industrial or experimental crop designated by the Secretary; and

"(D) any other crop, except any fruit or vegetable crop (including potatoes and dry edible beans) not designated by the Secretary as—

"(i) an industrial or experimental crop; or

"(ii) a crop for which no substantial domestic production or market exists.

"(2) LIMITATION.—For purposes of this section, the Secretary may, at the discretion of the Secretary, prohibit the planting on a crop acreage base of any crop specified in paragraph (1).

"(3) NOTIFICATION.—With regard to commodities that may be planted pursuant to this subsection, the Secretary shall make a determination in each crop year of the commodities that may not be planted pursuant to this subsection and shall make available a list of the commodities.

"(c) LIMITATION ON ACREAGE.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the quantity of the crop acreage base that may be planted to a commodity, other than the specific program crop, under this section may not exceed 25 percent of the crop acreage base.

"(2) EXCEPTION FOR SOYBEANS.—If on January 1 of any calendar year the Secretary estimates that the national average price of soybeans during the following marketing year for soybeans would be less than 105 percent of the nonrecourse loan level for soybeans established in section 205 if soybeans were allowed to be planted on up to 25 percent of the crop acreage base under this section, the quantity of the crop acreage base that may be planted to soybeans under this section may not exceed 15 percent of the crop acreage base.

"(d) PLANTINGS IN EXCESS OF PERMITTED ACREAGE.—Notwithstanding any other provision of this Act, producers of a program crop who are participating in the production adjustment program for that program crop under this Act shall be allowed to plant that program crop in a quantity that exceeds the permitted acreage for that crop without losing their eligibility for loans, purchases, or payments with respect to that crop under this Act if—

"(1) the acreage planted to the program crop on the farm in excess of the permitted acreage does not exceed 25 percent of the crop acreage bases on the farm for other program crops; and

"(2) the producer agrees to a reduction in permitted acreage for the other program crops produced on the farm by a quantity equal to the overplanting.

"(e) LOAN ELIGIBILITY.—

"(1) IN GENERAL.—Producers of a specific program crop (referred to in this subsection as the 'original program crop') who plant for harvest on the crop acreage base established for such original program crop another program crop in accordance with this section and who are not participants in the program established for such other program crop shall be eligible to receive loans, purchases, or loan deficiency payments for such other program crop on the same terms and conditions as are provided to participants in a production adjustment program established for such other program crop.

"(2) REQUIREMENTS.—Producers shall be eligible to receive loans, purchases, or loan deficiency payments under this subsection if the producers—

"(A) plant such other program crop in an amount that does not exceed 25 percent of the crop acreage base established for the original program crop; and

"(B) agree to a reduction in the permitted acreage for the original program crop for the particular crop year.

"SEC. 505. FARM PROGRAM PAYMENT YIELDS.

"(a) ESTABLISHMENT.—The Secretary shall provide for the establishment of a farm program payment yield for each farm for each program crop for each crop year in accordance with subsection (b) or (c).

"(b) FARM PROGRAM PAYMENT YIELDS BASED ON 1990 CROP YEAR.—

"(1) IN GENERAL.—If the Secretary determines that farm program payment yields shall be established in accordance with this subsection, except as provided in paragraphs (2) and (3), the farm program payment yield for each of the 1991 through 1995 crop years shall be the farm program payment yield for the 1990 crop year for the farm.

"(2) ADDITIONAL YIELD PAYMENTS.—In the case of each of the 1991 through 1995 crop years for a commodity, if the farm program payment yield for a farm is reduced more than 10 percent below the farm program payment yield for the 1985 crop year, the Secretary shall make available to producers established price payments for the commodity in such amount as the Secretary determines is necessary to provide the same total return to producers as if the farm program payment yield had not been reduced more than 10 percent below the farm program payment yield for the 1985 crop year. The payments shall be made available not later than the time final deficiency payments are made.

"(3) NO CROP OR YIELD AVAILABLE.—If no crop of the commodity was produced on the farm or no farm program payment yield was established for the farm for any of the 1981 through 1985 crop years (or, as appropriate, the 1986 through 1990 crop years), the farm program payment yield shall be established on the basis of the average farm program payment yield for the crop years for similar farms in the area.

"(4) NATIONAL, STATE, OR COUNTY YIELDS.—If the Secretary determines the action is necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting the yields in the historical period; or

"(B) the Secretary's estimate of actual yields for the crop year involved if historical yield data is not available.

"(5) BALANCING YIELDS.—If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(c) DETERMINATION OF YIELDS.—

"(1) ACTUAL YIELDS.—With respect to the 1991 and subsequent crop years, the Secretary may—

"(A) establish the farm program payment yield as provided in subsection (a); or

"(B) establish a farm program payment yield for any program crop for any farm on the basis of the average of the yield per harvested acre for the crop for the farm for each of the 5 crop years immediately preceding the crop year, excluding the crop year with the highest yield per harvested acre, the crop year with the lowest yield per harvested acre, and any crop year in which such crop was not planted on the farm.

"(2) PRIOR YIELDS.—For purposes of the preceding sentence, the farm program payment yield for the 1986 crop year and the actual yield per harvested acre with respect to the 1987 and subsequent crop years shall be used in determining farm program payment yields.

"(3) REDUCTION LIMITATION.—Notwithstanding any other provision of this paragraph, for purposes of establishing a farm program payment yield for any program crop for any farm for the 1991 and subsequent crop years, the farm program payment yield for the 1986 crop year may not be reduced more than 10 percent below the farm program payment yield for the farm for the 1985 crop year.

"(4) ADJUSTMENT OF YIELDS.—The county committee, in accordance with regulations

prescribed by the Secretary, may adjust any farm program payment yield for any program crop for any farm if the farm program payment yield for the crop on the farm does not accurately reflect the productive potential of the farm.

"(d) ASSIGNMENT OF YIELDS.—In the case of any farm for which the actual yield per harvested acre for any program crop referred to in subsection (c) for any crop year is not available, the county committee may assign the farm a yield for the crop for the crop year on the basis of actual yields for the crop for the crop year on similar farms in the area.

"(e) ACTUAL YIELD DATA.—

"(1) PROVISION.—The Secretary shall, under such terms and conditions as the Secretary may prescribe, allow producers to provide to county committees data with respect to the actual yield for each farm for each program crop.

"(2) MAINTENANCE.—The Secretary shall maintain the data for at least 5 crop years after receipt in a manner that will permit the data to be used, if necessary, in the administration of the commodity programs.

"(3) NOTIFICATION.—The Secretary shall provide timely notification to producers of the provisions of this subsection.

"SEC. 506. PLANTING AND PRODUCTION HISTORY OF FARMS.

"Each county committee, in accordance with regulations prescribed by the Secretary, may require any producer who seeks to establish a crop acreage base or farm program payment yield for a farm for a crop year to provide planting and production history of the farm for each of the 5 crop years immediately preceding the crop year.

"SEC. 507. ESTABLISHMENT OF BASES AND YIELDS BY COUNTY COMMITTEES.

"Each county committee may, in accordance with regulations prescribed by the Secretary, provide for the establishment of a crop acreage base, and farm program payment yield with respect to any farm administratively located within the county if the crop acreage base or farm program payment yield cannot otherwise be established under this title. The crop acreage bases and farm program payment yields shall be established in a fair and equitable manner, but no such bases or farm program payment yields shall be established for a farm if the producer on the farm is subject to sanctions under any provision of Federal law for cultivating highly erodible land or converted wetland.

"SEC. 508. APPEALS.

"The Secretary shall establish an administrative appeal procedure that provides for an administrative review of determinations made with respect to crop acreage bases and farm program payment yields.

"SEC. 509. CROPS.

"Notwithstanding any other provision of law, this title shall be effective only for the 1991 through 1995 program crops.".

Subtitle B—Payment Limitations

SEC. 1111. PAYMENT LIMITATIONS.

(a) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after the paragraph designation;

(B) by striking "1990" and inserting "1995"; and

(C) by adding at the end the following new subparagraph:

"(B) Subject to sections 1001A through 1001C for each of the 1991 through 1995 crops, the total amount of payments specified in clauses (iii), (iv), and (v) of paragraph (2)(B) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for wheat, feed grains, upland cotton, rice, and oilseeds (as defined in section 205(a) of the Agricultural Act of 1949) may not exceed $75,000.";

(2) in paragraph (2)(A)—

(A) by striking "1987 through 1990 crops" and inserting "1991 through 1995 crops"; and

(B) by striking "honey, and (with respect to clause (iii)(II) of subparagraph (B))" and inserting "and"; and

(3) in paragraph (2)(B)—

(A) by striking clause (iii) and inserting the following new clause:

"(iii) any gain realized by a producer from repaying a loan for a crop of any commodity (other than honey) at a lower level than the original loan level established under the Agricultural Act of 1949;";

(B) in clause (iv)—

(i) by striking "section 107D(c)(1) or 105C(c)(1)" and inserting "107B(c)(1) or 105B(c)(1); and

(ii) by striking "section 107D(a)(4) or 105C(a)(3)" and inserting "section 107B(a)(3) or 105B(a)(3)";

(C) by striking clause (v) and inserting the following new clause:

"(v) any loan deficiency payment received for a crop of wheat, feed grains, upland cotton, rice, or oilseeds under section 107B(b), 105B(b), 103B(b), 101B(b), or 205(e), respectively, of the Agricultural Act of 1949; and"; and

(D) in clause (vi), by striking "section 107D(g), 105C(g), 103A(g), or 101A(g)" and inserting "section 107B(f), 105B(f), 103B(f), or 101B(f)".

(b) FOREIGN PERSONS.—Section 1001C(a) of such Act (7 U.S.C. 1308-3(a)) is amended—

(1) by striking "1989 and 1990 crops" and inserting "1991 through 1995 crops"; and

(2) by inserting after "(16 U.S.C. 3831 et seq.)" the following: ", or under any contract entered into under title XII during the 1989 through 1995 crop years,".

(c) SPOUSES.—Clause (iii) of section 1001(5)(B) of such Act (7 U.S.C. 1308(5)(B)(iii)) is amended to read as follows:

"(iii) The regulations shall provide that, with respect to any married couple, the husband and wife shall be considered to be one person, except that, for the purpose of the application of the limitations established under this section—

"(I) in the case of any married couple consisting of spouses who, prior to their marriage, were separately engaged in unrelated farming operations, each spouse shall be treated as a separate person with respect to the farming operation brought into the marriage by the spouse so long as the operation remains as a separate farming operation; and

"(II) at the option of the Secretary, in the case of any married couple consisting of spouses who do not hold, directly or indirectly, a substantial beneficial interest in more than one entity (including the spouses themselves) engaged in farm operations that also receives farm program payments (as described in paragraphs (1) and (2)) as separate persons, the spouses may be considered as separate persons if each spouse meets the other requirements established under this section and section 1001A to be considered to be a separate person.".

(d) GROWERS OF HYBRID SEED.—Section 1001A(b) of such Act (7 U.S.C. 1308-1(b)) is amended by adding at the end the following new paragraph:

"(6) GROWERS OF HYBRID SEED.—To determine whether a person growing hybrid seed under contract shall be considered to be actively engaged in farming, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

(e) IRREVOCABLE TRUSTS.—Section 1001(5)(B)(ii) of such Act (7 U.S.C. 1308(5)(B)(ii)) is amended by adding at the end the following new subparagraph:

"(III) Notwithstanding any other provision of law, to be considered a separate person under this section, an irrevocable trust (other than a trust established prior to January 1, 1987) must not allow for modification or termination of the trust by the grantor, allow for the grantor to have any future, contingent, or remainder interest in the corpus of the trust, or provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years from the date the trust is established except in cases where the transfer is contingent on the remainder beneficiary achieving at least the age of majority or is contingent on the death of the grantor or income beneficiary.".

(f) MINIMAL BENEFICIAL INTERESTS.—Section 1001A(a)(2) of such Act (7 U.S.C. 1308-1(a)(2)) is amended by striking "10 percent" and inserting "0 to 10 percent".

(g) EDUCATION PROGRAM.—Such Act is amended by inserting after section 1001C (7 U.S.C. 1308-3) the following new section:

"SEC. 1001D. EDUCATION PROGRAM.

"(a) IN GENERAL.—The Secretary shall carry out a payment provisions education program for appropriate personnel of the Department of Agriculture and members and other personnel of county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), for the purpose of fostering more effective and uniform application of the payment limitations and restrictions established under sections 1001 through 1001C.

"(b) TRAINING.—The education program shall provide training to the personnel in the fair, accurate, and uniform application to individual farming operations of the provisions of law and regulation relating to the payment provisions of sections 1001 through 1001C.

"(c) ADMINISTRATION.—The State office of the Agricultural Stabilization and Conservation Service shall make the initial determination concerning the application of payment limitations and restrictions established under sections 1001 through 1001C to farm operations consisting of more than 5 persons, subject to review by the Secretary.

"(d) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program provided under this section through the Commodity Credit Corporation.".

(h) TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.—Such Act (as amended by subsection (g) of this section) is further amended by inserting after section 1001D the following new section:

"SEC. 1001E. TREATMENT OF MULTIYEAR PROGRAM CONTRACT PAYMENTS.

"(a) IN GENERAL.—Notwithstanding any other provision of law, in the event of a transfer of ownership of land (or an ownership interest in land) by way of devise or descent, the Secretary of Agriculture may, if the new owner succeeds to the prior owner's contract entered into under title XII, make payments to the new owner under such contract without regard to the amount of pay-

ments received by the new owner under any contract entered into under title XII executed prior to such devise or descent.

"(b) LIMITATION.—Payments made pursuant to this section shall not exceed the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the death of the prior owner.".

(i) TREATMENT OF CASH RENT TENANTS.—Section 2 of Public Law 101-217 is amended by striking "Effective only for" and inserting "Effective beginning with".

Subtitle C—Provisions Related to Agricultural Act of 1949

SEC. 1121. DEFICIENCY AND LAND DIVERSION PAYMENTS.

(a) IN GENERAL.—Section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) is amended to read as follows:

"SEC. 107C. DEFICIENCY AND LAND DIVERSION PAYMENTS.

"(a) DEFICIENCY PAYMENTS.—

"(1) IN GENERAL.—If the Secretary establishes an acreage limitation program for any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice under this Act and determines that deficiency payments will likely be made for the commodity for the crop, the Secretary shall make advance deficiency payments available to producers for each of the crops.

"(2) TERMS AND CONDITIONS.—Advance deficiency payments under paragraph (1) shall be made to the producer under the following terms and conditions:

"(A) FORM.—Such payments may be made available in the form of—

"(i) cash;

"(ii) commodities owned by the Commodity Credit Corporation and certificates redeemable in a commodity owned by the Commodity Credit Corporation, except that not more than 50 percent of the payments may be made in commodities or the certificates in the case of any producer; or

"(iii) any combination of clauses (i) and (ii).

"(B) COMMODITIES AND CERTIFICATES.—If payments are made available to producers as provided for under subparagraph (A)(ii), such producers may elect to receive such payments either in the form of—

"(i) such commodities; or

"(ii) such certificates.

"(C) MATURITY.—Such a certificate shall be redeemable for a period not to exceed 3 years from the date the certificate is issued.

"(D) STORAGE.—The Commodity Credit Corporation shall pay the cost of storing a commodity that may be received under such a certificate until such time as the certificate is redeemed.

"(E) TIMING.—The payments shall be made available as soon as practicable after the producer enters into a contract with the Secretary to participate in such program.

"(F) AMOUNTS.—The payments shall be made available in such amounts as the Secretary determines appropriate to encourage adequate participation in the program, except that the amount may not exceed an amount determined by multiplying—

"(i) the estimated payment acreage for the crop; by

"(ii) the farm program payment yield for the crop; by

"(iii)(I) in the case of wheat and feed grains, not less than 40 percent, nor more than 50 percent, of the projected payment rate; and

"(II) in the case of rice and upland cotton, not less than 30 percent, nor more than 50 percent, of the projected payment rate, as determined by the Secretary.

"(G) REPAYMENT.—If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary under this Act, is less than the amount paid to the producer as an advance deficiency payment for the crop under this subsection, the producer shall repay an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be payable to the producer as a deficiency payment for the crop concerned.

"(H) REPAYMENT REQUIREMENT.—If the Secretary determines under this Act that deficiency payments will not be made available to producers on a crop with respect to which advance deficiency payments already have been made under this subsection, the producers who received the advance payments shall repay the payments.

"(I) DEADLINE.—Any repayment required under subparagraph (G) or (H) shall be due at the end of the marketing year for the crop with respect to which the payments were made.

"(J) NONCOMPLIANCE.—If a producer fails to comply with requirements established under the acreage limitation program involved after obtaining an advance deficiency payment under this subsection, the producer shall repay immediately the amount of the advance, plus interest thereon in such amount as the Secretary shall prescribe by regulation.

"(3) REGULATIONS.—The Secretary may issue such regulations as the Secretary determines necessary to carry out this section.

"(4) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(5) ADDITIONAL AUTHORITY.—The authority provided in this section shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"(b) LAND DIVERSION PAYMENTS.—If the Secretary makes land diversion payments under this Act to assist in adjusting the total national acreage of any of the 1991 through 1995 crops of wheat, feed grains, upland cotton, or rice to desirable levels, the Secretary may make at least 50 percent of such payments available to a producer as soon as possible after the producer agrees to undertake the diversion of land in return for the payments.

"(c) TIMING OF DEFICIENCY PAYMENTS.—In the case of deficiency payments made available to producers for any of the 1991 through 1995 crops of wheat, feed grains, and rice which payments are calculated on the basis of the national weighted average market price (or, in the case of rice, the national average market price) for the marketing year for the crop, the Secretary shall make deficiency payments as follows:

"(1) A portion of the deficiency payment shall be made in advance in accordance with subsection (a)(2).

"(2) Seventy-five percent of the final projected deficiency payment for the crop, reduced by the amount of the advance, shall be made available as soon as practicable after the end of the first 5 months of the applicable marketing year.

"(3) The remainder of the deficiency payments shall be made available at the end of the marketing year.".

(b) REPAYMENT REQUIREMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, effective only for producers who are suffering financial hardship, as determined by the Secretary, on a farm who received an advance deficiency payment for the 1988 or 1989 crop of a commodity and are otherwise described in paragraph (2), the Secretary of Agriculture—

(A) shall not charge an annual interest rate for any delinquent refund for the advance deficiency payment in excess of prevailing rates for operating loans made by Farm Credit System institutions;

(B) shall not withhold, in each of the 3 succeeding crop years, more than ⅓ of the farm program payments otherwise due to the producers, as a result of any delinquency in providing the refund; and

(C) shall permit the producers to make the refund in three equal installments during each of the crop years 1990, 1991, and 1992, if the producers enter into an agreement to obtain multiperil crop insurance for each of the crop years, to the extent that the Secretary determines is similar to section 107 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 et seq.).

(2) APPLICATION.—This subparagraph shall apply if—

(A) the producers received an advance deficiency payment for the 1988 or 1989 crop of a commodity under section 107C(a) of the Agricultural Act of 1949 (7 U.S.C. 1445b-2(a));

(B) the producers are required to provide a refund of at least $1,500 under subparagraph (G) or (H) of section 107C(a)(2) of such Act with respect to the advance deficiency payments;

(C) the producers reside in a county, or in a county that is contiguous to a county, where the Secretary of Agriculture has found that farming, ranching, or aquaculture operations have been substantially affected as evidenced by a reduction in normal production for the county of at least 30 percent during two of the three crop years 1988, 1989, and 1990 by a natural disaster or by a major disaster or emergency designated by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

(D) the total quantity of the 1988 or 1989 crop of the commodity that the producers were able to harvest is less than the result of multiplying 65 percent of the farm payment yield established by the Secretary for the crop by the sum of the acreage planted for the harvest and the acreage prevented from being planted (because of the disaster or emergency referred to in subparagraph (C)) for the crop.

(c) CONFORMING AMENDMENT.—Section 1002 of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1446) is amended by striking "Effective only for the 1986 through 1990 crops of wheat, feed grains, upland cotton, and rice, section" and inserting "Section".

SEC. 1122. COMMODITY CERTIFICATES.

(a) IN GENERAL.—Section 107E of the Agricultural Act of 1949 (7 U.S.C. 1445b-4) is amended by adding at the end the following new subsection:

"(c) The Secretary shall pay interest on the cash redemption of a commodity certificate issued by the Secretary to a producer who holds the certificate for at least 150 days. This subsection shall not apply with respect to commodity certificates issued in connection with the export enhancement program or the marketing promotion program established under the Agricultural Trade Act of 1978.".

(b) SPECIAL RULES.—

(1) IN GENERAL.—A subsequent holder of a commodity certificate issued by the Com-

modity Credit Corporation shall be allowed to exchange the expired commodity certificate under the same rules that apply to an original holder of the certificate.

(2) APPLICATION AND REDEMPTION LIMITATIONS.—This subsection shall only apply during the 180-day period beginning on the date of enactment of this Act. No person may redeem more than $1,000 worth of certificates under this subsection.

(3) REDEMPTION LIMITATIONS.—In no event shall a person receive a payment from the Commodity Credit Corporation for a certificate that is redeemed under this subsection in an amount greater than the price paid for the certificate by the person. No expired certificate shall be exchanged under this section if the owner purchased the certificate after January 1, 1990.

SEC. 1123. FARMER OWNED RESERVE PROGRAM.

Section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended to read as follows:

"SEC. 110. FARMER OWNED RESERVE PROGRAM.

"(a) IN GENERAL.—The Secretary shall formulate and administer a farmer owned reserve program under which producers of wheat and feed grains will be able to store wheat and feed grains when the commodities are in abundant supply, extend the time period for the orderly marketing of the commodities, and provide for adequate carryover stocks to ensure a reliable supply of the commodities.

"(b) TERMS OF PROGRAM.—

"(1) PRICE SUPPORT LOANS.—In carrying out this program, the Secretary shall provide extended price support loans for wheat and feed grains. An extended loan shall only be made to a producer after the expiration of a 9-month price support loan (hereafter in this section referred to as the 'original loan') made in accordance with this title.

"(2) LEVEL OF LOANS.—Loans made under this section shall not be less than the then current level of support under the wheat and feed grain programs established under this title.

"(3) OTHER TERMS AND CONDITIONS.—The Secretary shall provide for—

"(A) repayment of the extended price support loan 27 months from the date on which the original loan expired unless, at the discretion of the Secretary, the loan has been extended for one 6-month period;

"(B) a rate of interest as provided under subsection (c); and

"(C) payments to producers for storage as provided in subsection (d).

"(4) REGIONAL DIFFERENCES.—The Secretary shall ensure that producers are afforded a fair and equitable opportunity to participate in the program established under this section, taking into account regional differences in the time of harvest.

"(c) INTEREST CHARGES.—

"(1) LEVYING OF INTEREST.—The Secretary may charge interest on loans under this section whenever the price of wheat or feed grains is equal to or exceeds 105 percent of the then current established price for the commodity.

"(2) 90-DAY PERIOD.—If interest is levied on the loans under paragraph (1), the interest may be charged for a period of 90 days after the last day on which the price of wheat or feed grains was equal to or in excess of 105 percent of the established price for the commodities.

"(3) RATE OF INTEREST.—The rate of interest charged participants in this program shall not be less than the rate of interest charged by the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust the interest as the Secretary considers appropriate to effectuate the purposes of this section.

"(d) STORAGE PAYMENTS.—

"(1) IN GENERAL.—The Secretary shall provide storage payments to producers for storage of wheat or feed grains under the program established in this section in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program.

"(2) TIMING.—The Secretary shall make storage payments available to participants in this program at the end of each quarter.

"(3) DURATION.—The Secretary shall cease making storage payments whenever the price of wheat or feed grains is equal to or exceeds 95 percent of the then current established price for the commodities, and for any 90-day period immediately following the last day on which the price of wheat or feed grains was equal to or in excess of 95 percent of the then current established price for the commodities.

"(e) EMERGENCIES.—Notwithstanding any other provision of law, the Secretary may require producers to repay loans made under this section, plus accrued interest and such other charges as may be required by regulation prior to the maturity date thereof, if the Secretary determines that emergency conditions exist that require that the commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports the determination and the reasons for the determination to the President, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 14 days before taking the action.

"(f) QUANTITY OF COMMODITIES IN PROGRAM.—The Secretary may establish maximum quantities of wheat and feed grains that may receive loans and storage payments under this program as follows:

"(1) The maximum quantities of wheat may not be established at less than 300 million bushels, nor more than 450 million bushels.

"(2) The maximum quantities of feed grains may not be established at less than 600 million bushels, nor more than 900 million bushels.

"(g) ANNOUNCEMENT OF PROGRAM.—

"(1) TIME OF ANNOUNCEMENT.—The Secretary shall announce the terms and conditions of the producer storage program for a crop of wheat and feed grains by—

"(A) in the case of wheat, December 15 of the year in which the crop of wheat was harvested; and

"(B) in the case of feed grains, March 15 of the year following the year in which the crop of corn was harvested.

"(2) DISCRETIONARY ENTRY.—The Secretary may make extended loans available to producers of wheat or feed grains if—

"(A) the Secretary determines that the average market price for wheat or corn, respectively, for the 90-day period prior to the dates specified in paragraph (1) is less than 120 percent of the current loan rate for wheat or corn, respectively; or

"(B) as of the appropriate date specified in paragraph (1), the Secretary estimates that the stocks-to-use ratio on the last day of the current marketing year will be—

"(i) in the case of wheat, more than 37.5 percent; and

"(ii) in the case of corn, more than 22.5 percent.

"(3) MANDATORY ENTRY.—The Secretary shall make extended loans available to producers of wheat or feed grains if the conditions specified in subparagraphs (A) and (B) of paragraph (2) are met for wheat or feed grains, respectively.

"(4) CONTENT OF ANNOUNCEMENT.—In the announcement, the Secretary shall specify the maximum quantity of wheat or feed grains to be stored under this program that the Secretary determines appropriate to promote the orderly marketing of the commodities.

"(h) DISCRETIONARY EXIT.—A producer may repay a loan extended under this section at any time.

"(i) RECONCENTRATION OF GRAIN.—The Secretary may, with the concurrence of the owner of grain stored under this program, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary considers to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the producer's or warehouseman's commitment.

"(j) MANAGEMENT OF GRAIN.—Whenever grain is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodities that the Commodity Credit Corporation owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

"(k) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall use the Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce.

"(l) USE OF COMMODITY CERTIFICATES.—Notwithstanding any other provision of law, if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for a loan made under this section, the Secretary may allow a producer to repay the loan using a generic commodity certificate that may be exchanged for commodities owned by the Commodity Credit Corporation, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county.

"(m) ADDITIONAL AUTHORITY.—The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(n) REGULATIONS.—The Secretary of Agriculture shall issue such regulations as are necessary to carry out this section not later than 60 days after the date of enactment of this section.

"(o) CROPS.—Notwithstanding any other provision of law, this section shall become effective December 1, 1990.".

SEC. 1124. COMPARABILITY OF STORAGE PAYMENTS.

In making storage payments to producers under section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) and to commercial warehousemen in accordance with the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Commodity Credit Corporation and the Secretary of Agriculture shall, to the extent practicable, ensure that the rates of the storage payments made to producers are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees as determined by the Secretary, except that the rates paid to producers and commercial warehouse shall be established at rates that will result in no increase in current or projected combined outlays of the Commodity Credit Corporation for the storage payments made to producers and commercial warehouse as a result of the adjustment of storage rates under this section.

SEC. 1125. SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY.

(a) IN GENERAL.—Section 113 of the Agricultural Act of 1949 (7 U.S.C. 1445h) is amended to read as follows:

"SEC. 113. SUPPLEMENTAL SET-ASIDE AND ACREAGE LIMITATION AUTHORITY

"Notwithstanding any other provision of law or prior announcement made by the Secretary to the contrary, the Secretary may announce and provide for an acreage limitation program under section 105B or 107B for one or more of the 1991 through 1995 crops of wheat and feed grains if the Secretary determines that such action is in the public interest as a result of the imposition of restrictions on the export of any such commodity by the President or other member of the executive branch of the Federal Government. To carry out effectively an acreage limitation program authorized under this section, the Secretary may make such modifications and adjustments in such program as the Secretary determines necessary because of any delay in instituting such program.".

(b) CONFORMING AMENDMENT.—Section 1011 of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1454) is amended by striking "Effective for the 1986 through 1990 crops of wheat and feed grains, section" and inserting "Section".

SEC. 1126. DISASTER PAYMENTS.

Title II of Agricultural Act of 1949 (as amended by section 1001 of this Act) is further amended by adding at the end the following new section:

"SEC. 208. DISASTER PAYMENTS FOR 1991 THROUGH 1995 CROPS OF PEANUTS, SOYBEANS, SUGAR BEETS, AND SUGARCANE.

"(a) PREVENTED PLANTING.—If the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage on the farm intended for peanuts, soybeans, sugar beets, or sugarcane to peanuts, soybeans, sugar beets, sugarcane, or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary may make a prevented planting disaster payment to the producers in an amount equal to the product obtained by multiplying—

"(1) the number of acres so affected but not to exceed the acreage planted to peanuts, soybeans, sugar beets, or sugarcane for harvest (including any acreage that the producers were prevented from planting to the commodity or to other nonconserving crops in lieu of peanuts, soybeans, sugar beets, or sugarcane because of drought, flood or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year; by

"(2) 75 percent of the farm program payment yield established by the Secretary; by

"(3) a payment rate equal to 50 percent of the loan and purchase level for the crop.

"(b) REDUCED YIELDS.—If the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of peanuts, soybeans, sugar beets, or sugarcane that the producers are able to harvest on any farm is less than the result of multiplying 60 percent of the farm program payment yield established by the Secretary for the crop by the acreage planted for harvest for the crop, the Secretary may make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan and purchase level for the crop for the deficiency in production below 60 percent for the crop.

"(c) ADJUSTMENTS.—The Secretary may make such adjustments in the amount of payments made available under this paragraph with respect to an individual farm so as to assure the equitable allotment of the payments among producers, taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(d) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through 1995 crops of peanuts, soybeans, sugar beets, and sugarcane.".

SEC. 1127. INCREASE IN SUPPORT LEVELS.

Section 402 of the Agricultural Act of 1949 (7 U.S.C. 1421) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end the following new subsection:

"(b) Effective only for the 1991 through 1995 crops of wheat, feed grains, cotton, and rice, the Secretary of Agriculture may provide for annual adjustments in the established prices for such program crops to reflect any change during the last calendar year ending before the beginning of each such crop year in the index of prices paid by farmers for production items, interest, taxes, and wage rates in such calendar year.".

SEC. 1128. ADJUSTMENT OF SUPPORT PRICES.

Section 403 of the Agricultural Act of 1949 (7 U.S.C. 1423) is amended to read as follows:

"SEC. 403. ADJUSTMENTS OF SUPPORT PRICES.

"(a) IN GENERAL.—The Secretary may make appropriate adjustments in the support price for any commodity (excluding cotton) for differences in grade, type, quality, location and other factors. The adjustments shall, so far as practicable, be made in such manner that the average support price for the commodity will, on the basis of the anticipated incidence of such factors be equal to the level of support determined as provided in this Act.

"(b) ADJUSTMENT IN SUPPORT PRICES FOR COTTON.—The Secretary may make appropriate adjustments in the support price for cotton for differences in quality factors and location. Beginning with the 1991 crop, the quality differences (premiums and discounts for quality factors) for the upland cotton loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop, and (2) market differences for such crop in the designated United States spot markets.

"(c) LIMITATION ON ADJUSTMENTS FOR WHEAT AND FEED GRAINS.—Notwithstanding any other provision of this section, for each of the 1990 through 1995 crops of wheat and feed grains, no adjustment in the loan rate applicable to a particular region, State, or county for the purpose of reflecting transportation differentials may increase or decrease the regional, State, or county loan rate from the level established for the previous year by more than the percentage change in the national average loan rate plus or minus 3 percent.".

SEC. 1129. PROGRAM OPTION FOR 1996 CROPS.

Subsection (b) of section 406 of the Agricultural Act of 1949 (7 U.S.C. 1426(b)) is amended to read as follows:

"(b)(1) Notwithstanding any other provision of law, the Secretary may offer an option to producers of the 1996 crop of wheat, feed grains, upland cotton, extra long staple cotton, rice, or oilseeds and to dairy producers for the 1996 calendar year to participate in commodity price support, production adjustment, and payment programs as provided in this subsection.

"(2) The Secretary may offer such programs based on the terms and conditions as are provided in sections 101(h), 101B, 103B, 105B, 107B, 114, 204, and 205 of the Agricultural Act of 1949, and any other relevant provisions of the Agricultural Act of 1949, as determined by the Secretary. Any established price or loan and purchase level made available in accordance with this subsection shall be established at the same level as that established for the 1995 crop or, in the case of milk, for the 1995 calendar year.

"(3) The Secretary may offer each of the programs provided for by this subsection if the Secretary has not made final announcement of the terms of the commodity price support, production adjustment, or payment programs for the 1996 crops of wheat, feed grains, cotton, rice, or oilseeds, or the 1996 calendar year for dairy on or before the later of—

"(A) in the case of wheat, June 1, 1995;

"(B) in the case of feed grains, September 30, 1995;

"(C) in the case of upland cotton, November 1, 1995;

"(D) in the case of extra long staple cotton, December 1, 1995;

"(E) in the case of rice, January 31, 1996;

"(F) in the case of oilseeds, July 15, 1995; and

"(G) in the case of dairy, November 1, 1995.

"(4) Producers may not participate in such programs unless a law has been enacted subsequent to the date of enactment of this subsection that provides for loans and purchases for the 1996 crop of wheat, feed grains, cotton, rice, or oilseeds, or for dairy for the 1996 calendar year.

"(5) The Secretary may use the funds, facilities and authorities of the Commodity Credit Corporation in carrying out this subsection.".

SEC. 1130. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

Section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended to read as follows:

"SEC. 407. COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS.

"(a) IN GENERAL.—The Commodity Credit Corporation may sell any farm commodity owned or controlled by the Corporation at any price not prohibited by this section.

"(b) INVENTORIES.—In determining sales policies for basic agricultural commodities

or storable nonbasic commodities, the Corporation should consider the establishment of such policies with respect to prices, terms, and conditions as the Corporation determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop.

"(c) SALES PRICE RESTRICTIONS.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less than 115 percent of the lower of—

"(A) the current national average price support loan rate for the commodity adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or

"(B) the loan repayment level.

"(2) EXTRA LONG STAPLE COTTON.—The Corporation may sell extra long staple cotton for unrestricted use at such price as the Corporation determines is appropriate to maintain and expand export and domestic markets.

"(3) OILSEEDS.—The Corporation shall not sell oilseeds at less than the lower of—

"(A) 105 percent of the current national average price support loan rate for the oilseed, adjusted for the current market differentials reflecting grade, quality, location, reasonable carrying charges, and other factors determined appropriate by the Corporation; or

"(B) 115 percent of the loan repayment level.

"(4) WHEAT AND FEED GRAINS.—Whenever the producer reserve program for wheat and feed grains established under section 110 is in effect, the Corporation may not sell any of its stocks of wheat or feed grains at a level that is less than 150 percent of the then current loan rate for wheat or feed grains.

"(5) UPLAND COTTON.—The Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same price the Corporation sells upland cotton for export, but in no event at less than the amount provided for in paragraph (1).

"(d) NONAPPLICATION OF SALES PRICE RESTRICTIONS.—The foregoing restrictions of this section shall not apply to—

"(1) sales for new or byproduct uses;

"(2) sales of peanuts and oilseeds for the extraction of oil;

"(3) sales for seed or feed if the sales will not substantially impair any price support program;

"(4) sales of commodities that have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage;

"(5) sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity;

"(6) sales for export (excluding sales of upland cotton for export);

"(7) sales of wool; and

"(8) sales for other than primary uses.

"(e) DISTRESS, DISASTER, AND LIVESTOCK EMERGENCY AREAS.—

"(1) IN GENERAL.—Notwithstanding the foregoing provisions of this section, the Corporation, on such terms and conditions as the Secretary may consider in the public interest, may—

"(A) make available any farm commodity or product thereof owned or controlled by the Corporation for use in relieving distress—

"(i) in any area in the United States (including the Virgin Islands) declared by the President to be an acute distress area because of unemployment or other economic cause, if the President finds that the use will not displace or interfere with normal marketing of agricultural commodities; and

"(ii) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under the Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.); and

"(B) donate or sell commodities in accordance with title VI.

"(2) COSTS.—Except on a reimbursable basis, the Corporation shall not bear any costs in connection with making the commodity available under this subsection beyond the cost of the commodities to the Corporation in—

"(A) the storage of the commodity; and

"(B) the handling and transportation costs in making delivery of the commodity to designated agencies at one or more central locations in each State or other area.

"(f) EFFICIENT OPERATIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), the foregoing restrictions of this section shall not apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the operations of the Corporation because of the small quantities involved, or because of age, location or questionable continued storability of the commodity.

"(2) OFFSETS.—The sales shall be offset (if necessary) by the purchases of commodities as the Corporation determines is appropriate to prevent the sales from substantially impairing any price support program or unduly affecting market prices, except that the purchase price shall not exceed the Corporation's minimum sales price for the commodities for unrestricted use.

"(3) COMPETITIVE BID BASIS.—Subject to the sales price restrictions contained in this section, the Corporation may sell any basic agricultural commodity or storable nonbasic commodity on a competitive bid basis, if the sale is determined to be appropriate by the Secretary.

"(g) SALES FOR EXPORT.—For the purposes of this section, sales for export shall include—

"(1) sales made on condition that the identical commodities sold be exported; and

"(2) sales made on condition that commodities of the same kind and of comparable value or quantity be exported, either in raw or processed form.".

SEC. 1131. APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949.

(a) IN GENERAL.—Subsection (k) of section 408 of the Agricultural Act of 1949 (7 U.S.C. 1428(k)) is amended to read as follows:

"(k)(1) Reference made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well to the loan and purchase level for wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice under this Act.

"(2) References made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to loan and purchase operations for wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice under this Act.

"(3) Notwithstanding any other provision of law, this subsection shall be effective only for the 1991 through 1995 crops of wheat, feed grains, upland cotton, extra long staple cotton, honey, oilseeds and rice.".

(b) PRODUCER.—Section 408 of such Act is amended by striking subsections (l) and (m) and inserting the following new subsection:

"(l) 'Producer' shall include a person growing hybrid seed under contract. In determining the interest of a grower of hybrid seed in a crop, the Secretary shall not take into consideration the existence of a hybrid seed contract.".

SEC. 1132. PRODUCER APPEALS PROCESS.

(a) IN GENERAL.—Title IV of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 426. APPEALS.

"(a) RIGHT TO APPEAL.—Any participant in any of the programs under this Act or any other Act administered by the Agricultural Stabilization and Conservation Service, or any successor agency in the United States Department of Agriculture (hereafter in this section referred to as the 'ASCS'), shall have the right to appeal any adverse determination made by any State or county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, by employees or agents of such committees, by other personnel of the ASCS, or by agents of the Commodity Credit Corporation under this Act or under any other Act administered by the ASCS.

"(b) APPEAL PROCEDURE.—

"(1) IN GENERAL.—Such appeal shall be made in accordance with this section.

"(2) CONDITIONS OF APPEAL.—Any participant who believes that a proper determination has not been made with respect to the implementation of any program administered by the ASCS concerning such participant may appeal such determination as follows:

"(A) if such determination was rendered by a county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, the participant may appeal such determination to the applicable State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act;

"(B) if such determination was rendered by a State committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, the participant may appeal such determination to the National Appeals Division established in accordance with this section; and

"(C) if such determination was rendered by any other employee or agent of the ASCS or the Commodity Credit Corporation, the participant may appeal such determination to the National Appeals Division.

"(3) TIME OF FILING OF APPEAL.—A participant shall file a notice of appeal within a reasonable time after receiving notice of the adverse determination, as determined by the Secretary.

"(c) NATIONAL APPEALS DIVISION.—

"(1) ESTABLISHMENT.—For the purpose of hearing producer appeals, the Secretary shall establish and maintain within the ASCS, a National Appeals Division, which shall consist of a director, hearing officers, and such other personnel necessary to the administration of the division, all of whom shall be employees of the Department of Agriculture who shall have no duties other than hearing and determining formal appeals arising under this Act or any other Act administered by the Agricultural Stabilization and Conservation Service, or a successor agency.

"(2) HEARING OFFICERS.—Hearing officers within the National Appeals Division shall hear each appeal made to the National Appeals Division under this section.

"(3) POWERS AND DUTIES OF DIRECTOR.—The director of the National Appeals Division, in carrying out the provisions of this section—

"(A) shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available that relate to programs and operations with respect to which an appeal has been taken;

"(B) may request such information or assistance as may be necessary for carrying out the duties and responsibilities established under this section from any Federal, State, or local governmental agency or unit thereof;

"(C) may require the attendance of witnesses, the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary to the proper resolution of appeals;

"(D) may, if appropriate, require the attendance of witnesses and production of documentary evidence by subpoena, which subpoena, in the case of contumacy or refusal to obey, shall be enforceable by order of any appropriate United States district court;

"(E) may administer oaths and affirmations, whenever necessary in the process of hearing appeals;

"(F) may enter into contracts and other arrangements for reporting and other services and make such payments as may be necessary to carry out the provisions of this section;

"(G) shall issue procedural rules for the conduct of appeals; and

"(H) may delegate to hearing officers the authorities provided in subparagraphs (A) through (E) of this paragraph as the Secretary determines appropriate.

"(4) HEARINGS.—

"(A) IN GENERAL.—The hearing shall be held at a time and place designated by the National Appeals Division.

"(B) CONDUCT OF HEARING.—At a minimum, the hearing shall be conducted as follows:

"(i) the participant shall be advised of the issues involved;

"(ii) the participant shall be given a full opportunity to present facts and information relevant to the matter in issue and may present evidence; and

"(iii) the hearing officer may confine the presentation of facts and evidence to pertinent matters and may exclude irrelevant, immaterial, or unduly repetitious evidence, information, or questions.

"(C) RECORD.—At the request of the participant, each hearing before a hearing officer in the National Appeals Division shall be recorded verbatim by voice recorder, stenographer, or other method. A transcript of the hearing, together with all documents and evidence submitted shall be made available to the participant, on request, if the decision of the hearing officer is appealed. The record of the hearing shall consist of copies of all documents and other evidence presented to the hearing officer and the transcript of the hearing, if prepared.

"(5) REVIEW OF DECISION.—

"(A) IN GENERAL.—The director of the National Appeals Division shall make all determinations with respect to the appeals submitted to the Division for review.

"(B) PROCEDURE.—In submitting an appeal for the determination of the director, the hearing officer shall certify the record and deliver or otherwise provide the certified record to the director.

"(C) BASIS OF REVIEW.—The National Appeals Division shall base its review of the hearing on the transcript of the hearing and the evidence presented to the hearing officer, except that the director of the National Appeals Division may order that further proceedings be had in order that the record presented for review by the National Appeals Division may be complete or in order to hear new or additional evidence.

"(6) INDEPENDENCE OF DIVISION—All hearing officers within the National Appeals Division shall report to the principal officers of the division and shall not be under the direction or control of, or receive administrative support (except on a reimbursable basis) from, offices other than the National Appeals Division.

"(7) FINALITY OF DECISIONS.—Except as provided in subsection (e), determinations of the director of the National Appeals Division shall be final, conclusive, and binding on the Department of Agriculture, including the Commodity Credit Corporation, and any agency thereof.

"(d) COURT REVIEW.—Final decisions of the Department of Agriculture under the process provided for in this section shall be reviewable by a United States court of competent jurisdiction.

"(e) PARTICIPANT.—For the purposes of this section, a participant means any person whose right to participate in, or receive payments or other benefits in accordance with, any of the programs under this Act or any other Act administered by the ASCS is adversely affected by a determination of any State or country committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act, by employees or agents of such committees, by other personnel of the ASCS, or by agents of the Commodity Credit Corporation under this Act or under any other Act administered by the ASCS.

"(f) DELEGATION OF AUTHORITY.—Nothing contained in this section shall preclude the Secretary, the Administrator of the ASCS, or the Executive Vice President of the Commodity Credit Corporation from determining at any time any question arising under the programs to which the provisions of this section apply or from reversing or modifying (in writing, with sufficient reason given therefor) any determination made by a county or State committee or the director of the National Appeals Division.

"(g) DECISIONS OF STATE AND COUNTY COMMITTEES.—Decisions of the State and County Committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, or employees of such committees made in good faith in the absence of misrepresentation, false statement, fraud, or wilful misconduct, unless otherwise appealed under this section, shall be final, unless otherwise modified under subsection (f) within 90 days, and no action shall be taken to recover amounts found to have been disbursed thereon in error unless the producer had reason to believe that the decision was erroneous.

"(h) REGULATIONS.—The Secretary may issue such regulations as are determined necessary to implement the provisions of this section, including regulations governing the conduct of appeals made before State and county committees established under section 8(e) of the Soil Conservation and Domestic Allotment Act.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply to any appeal or proceeding with respect to any adverse determination made by any State or county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)), by employees or agents of the committees, by other personnel of the Agricultural Stabilization and Conservation Service, or by agents of the Commodity Credit Corporation prior to the date of enactment of this Act.

(c) GOOD FAITH RELIANCE.—Section 326 of the Food and Agriculture Act of 1962 (7 U.S.C. 1339c) is amended to read as follows:

"SEC. 326. GOOD FAITH RELIANCE.

"Notwithstanding any other provision of law, to the extent the Secretary of Agriculture considers it desirable in order to provide fair and equitable treatment, the Secretary may make price support or other payments available to farmers who have, in attempting to comply with the requirements of any price support or other program administered by the Secretary or any other requirements in law affecting such person's eligibility under such programs, taken actions in good faith in reliance on the action or advice of an authorized representative of the Secretary. The Secretary may provide such price support or other payments to the extent the Secretary determines such farmer has been injured by such good faith reliance and may require such farmer to take necessary actions designed to remedy any failure to comply with such programs.".

Subtitle D—Miscellaneous Commodity Provisions

SEC. 1141. NORMALLY PLANTED ACREAGE.

Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is amended—

(1) by striking "1990" each place it appears and inserting in lieu thereof "1995"; and

(2) in subsection (c)(2), by striking "section 107D(d)(3)(A)" and inserting "section 107B(d)(3)(A)".

SEC. 1142. NORMAL SUPPLY.

Section 1019 of the Food Security Act of 1985 (7 U.S.C. 1310a) is amended by striking "1990" and inserting "1995".

SEC. 1143. FOOD SECURITY WHEAT RESERVE.

(a) EXTENSION.—Section 302(i) of the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1(i)) is amended by striking "1990" both places it appears and inserting "1995".

(b) REPLENISHMENT.—Section 302(b)(2) of such Act is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after the paragraph designation;

(3) by adding at the end the following new subparagraph:

"(B) Not later than 18 months after the release of stocks from the reserve, the Secretary of Agriculture shall replenish the reserve—

"(i) through purchases under subparagraph (A)(i), to the extent of available appropriations; or

"(ii) by designating an equivalent quantity of wheat from uncommitted stocks of the Commodity Credit Corporation, to the extent sufficient appropriations are not available under subparagraph (A)(i), except to the extent that the Secretary reports to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that there are not sufficient uncommitted stocks of the Commodity Credit Corporation available.".

SEC. 1144. DETERMINATIONS OF THE SECRETARY.

Section 1017(b) of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1459) is amended by striking "1986 through 1990" and inserting "1991 through 1995".

SEC. 1145. NATIONAL AGRICULTURAL COST OF PRODUCTION STANDARDS REVIEW BOARD.

(a) MEMBERSHIP.—The first sentence of section 1006(a)(1) of the Agriculture and Food Act of 1981 (7 U.S.C. 4102(a)(1)) is amended by striking "seven members who are engaged in the commercial production of one or more of the various major agricultural commodities produced in the United States" and inserting "seven members who, individually or as a group, are engaged in the commercial production of each of the program crops and in one or more of the other various major agricultural commodities produced in the United States".

(b) EXTENSION.—Section 1014 of the Agriculture and Food Act of 1981 (7 U.S.C. 4110) is amended by striking "1990" and inserting "1995".

SEC. 1146. ASSIGNMENT OF PAYMENTS.

Subsection (g) of section 8 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) is amended to read as follows:

"(g) A payment that may be made to a producer under this section may be assigned only in accordance with regulations issued by the Secretary. This subsection shall not authorize any suit against or impose any liability on the Secretary, any disbursing agent, or any agency of the United States if payment is made to the producer without regard to the existence of any such assignment.".

SEC. 1147. FINANCIAL IMPACT STUDY.

(a) STUDY.—The Secretary of Agriculture shall conduct an annual study of the financial impact of the support levels established and announced by the Secretary under programs contained in the Agricultural Act of 1949 (hereafter in this section referred to as "programs"), including a study of the effect of the support levels on the ability of producers to meet their financial obligations (with special emphasis on borrowers from the Farmers Home Administration and the Farm Credit System).

(b) REPORT.—The Secretary shall annually prepare a report containing the results of the study and submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, not later than the date of the final announcement for the programs by the Secretary for any 1 year.

(c) INFORMATIONAL PURPOSES.—The study under this section (including the study of the effect of the support levels on the ability of producers to meet their financial obligations) shall be only for informational purposes and for Congressional oversight and shall not give rise to any cause of action, be a basis for, or be used as evidence in support of, any claim or right of any person, including farmers and borrowers, in any administrative or judicial proceeding.

SEC. 1148. SURVEY OF PROGRAM PARTICIPANTS.

(a) SURVEY.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall provide that producers, during the sign-up period for commodity programs under the Agricultural Act of 1949 (7 U.S.C. 1441) in the 1992 calendar year, complete a survey regarding the preference of the producers, either to increase the efficiency of their farming operation or to assist in meeting conservation requirements for the farm, for the redistribution of any crop acreage bases on each producer's farm. The survey shall include questions designed to determine whether the producers would prefer to redistribute their current crop acreage bases—

(1) in different proportions among the program crops for which the producers currently have a crop acreage base;

(2) among program crops for which the producers currently do not have a crop acreage base; or

(3) in some combination of the options provided under paragraphs (1) and (2),

without exceeding total cropland of the farm. The survey shall be prepared and administered by the Agricultural Stabilization and Conservation Service, and conducted in every county where sign-ups for Federal commodity programs are administered.

(b) ANALYSIS OF DATA.—The Secretary shall compile and analyze the data collected from the survey required under subsection (a) to determine—

(1) the potential increases and decreases in State, regional, and national acreage that would be planted to various program crops if producers were given the option to redistribute their current crop acreage bases as indicated by the survey conducted under subsection (a);

(2) the potential commodity program costs or savings if producers were allowed to implement the redistribution of such crop acreage bases as described in paragraph (1);

(3) the potential impact of such a redistribution of crop acreage bases on the competitiveness of United States agriculture in world markets; and

(4) such other consequences of such a redistribution of crop acreage bases that the Secretary determines to be of significance to United States agriculture.

(c) REPORT.—Not later than January 31, 1993, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the survey conducted under subsection (a). The report shall—

(1) include a compilation of the data collected pursuant to the survey conducted under subsection (a);

(2) include the results of the analysis and determinations required under subsection (b);

(3) provide a summary of such data and determinations on a program crop-by-program crop and State-by-State basis; and

(4) provide such other recommendations or information as the Secretary determines appropriate.

Subtitle E—Options Pilot Program

SEC. 1151. SHORT TITLE.

This subtitle may be cited as the "Options Pilot Program Act of 1990".

SEC. 1152. PURPOSES.

It is the purpose of this subtitle to require the Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary") to conduct research necessary—

(1) to ascertain whether futures options trading would provide reasonable protection to producers from fluctuations in the value of the commodities they produce;

(2) to ascertain whether producers will accept and fully utilize this method of price protection if information is provided to the producers concerning its proper use; and

(3) to determine the effect widespread adoption of such futures options trading program would have on commodity prices.

SEC. 1153. OPTIONS PILOT PROGRAM.

(a) IN GENERAL.—To determine whether regulated agricultural commodity options trading can be used by producers to obtain protection from fluctuations in the market prices of the commodities they produce and the impact of such trading on the prices of the commodities, the Secretary shall conduct a pilot program for each of the 1991 through 1995 crops of corn and for each of the 1993 through 1995 crops of wheat and soybeans.

(b) COUNTIES.—The Secretary shall conduct the pilot program in various counties that produce significant quantities of the 1991 through 1995 crops of corn, and significant quantities of the 1993 through 1995 crops of wheat and soybeans. For the 1991 crop year, the Secretary shall select not less than three counties in each of three major corn-producing States to conduct the pilot program for corn for the crop year. The Secretary may add additional States and counties to the program in succeeding crop years.

(c) BROKERS.—Trades under the pilot program conducted under this subtitle shall be carried out through registered commodity brokers who choose to participate in the program.

(d) ELIGIBLE PRODUCER PARTICIPANTS.—The Secretary shall contract with eligible producers who wish to participate in the program and who are located in the counties selected for the pilot program. The contracts shall set forth the terms and conditions for participation in the pilot program, including a provision that the contract may be terminated by any participating producer at any time prior to receiving payments for options contracted for under the pilot program.

SEC. 1154. TERMS AND CONDITIONS.

(a) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—To be eligible to participate in the pilot program conducted under this subtitle, a producer shall meet all of the eligibility requirements specified in this subtitle, and the regulations issued pursuant to this subtitle.

(2) PARTICIPATION IN PRICE SUPPORT PROGRAMS.—The regulations shall specify to what degree participation in the price support and production adjustment program established for the applicable crop of the commodity shall be required for participation in the pilot program.

(3) ADDITIONAL REQUIREMENTS.—To be eligible to participate in the pilot program, a producer shall—

(A) attend not less than one seminar conducted by the Cooperative Extension Service;

(B) maintain a separate brokerage account for the purpose of trading futures and options contracts covered by the pilot program; and

(C) compile, maintain, and submit (or authorize the compilation, maintenance, and submission) of such documentation as the regulations governing the program may require to permit a proper record to be kept of the results of all cash, futures, or options trading that may be undertaken under the pilot program by the producer.

(b) PROGRAM TERMS AND CONDITIONS.—The Secretary shall issue regulations or develop contract forms, or both, that set forth the terms and conditions of the program, and the rights and obligations of all of the parties participating in the program (including producers and registered brokers). At a minimum, the terms and conditions shall include the following:

(1) CONTRACT MONTHS AND STRIKE PRICES.—

(A) IN GENERAL.—The contract months and options strike prices at which participating producers may buy commodity put options

in order to receive payments to cover the premiums on the options for each of the 1991 through 1995 crops of corn, and for each of the 1993 through 1995 crops of wheat and soybeans.

(B) TARGET PRICE AND LOAN RATE STRIKE PRICES.—The pilot program shall provide—

(i) a target price strike price for put options that is equivalent to the target price for the commodity involved; and

(ii) a loan rate strike price that is equivalent to the loan rate for the commodity involved.

(C) OTHER OPTIONS STRIKE PRICES.—Other options strike prices for commodities included in the program may be used if the prices are selected and agreed on by the Secretary and the representatives of the commodity futures trading industry designated in accordance with section 1155(a).

(2) ELIGIBLE PORTION OF CROP.—The portion of the crop of an eligible producer that may be used as a basis for acquiring options contracts.

(3) PUT OPTIONS CONTRACTS.—The time when, and the manner in which, put options contracts shall be acquired, held, and liquidated by producers to meet program requirements.

(4) PROGRAM BENEFITS.—

(A) IN GENERAL.—The program benefits to be offered participating producers shall include the cost of option premiums and payments of not more than 15 cents per bushel to cover transaction fees, interest, and other expenses.

(B) RELATIVE BENEFITS.—The Secretary shall inform participants that their participation is voluntary and that neither the United States, the Commodity Credit Corporation, nor representatives of the futures industry can guarantee that the participants will be better or worse off financially as a result of participation in the pilot program than the participants would be if the participants participated solely in price support and production adjustment programs carried out by the Secretary and the Commodity Credit Corporation.

SEC. 1155. COMMODITY FUTURES TRADING INDUSTRY.

(a) CONSULTATION.—The Secretary or the Secretary's designees may consult with representatives of the commodity futures trading industry who are specialists in the trading of futures contracts and futures options contracts, and who are designated by the regulated commodity futures markets that choose to participate in the pilot program.

(b) PROCEDURE.—The designations and consultations may be held without regard to the Federal Advisory Committee Act (5 U.S.C. App. 2). Such Act shall not be applicable to the pilot program carried out under this subtitle, or to the meetings of representatives of the commodity futures trading industry with the Secretary or the Secretary's designees relating to this subtitle.

SEC. 1156. COMMODITY CREDIT CORPORATION.

(a) IN GENERAL.—The pilot program established under this subtitle shall be carried out by and through the Commodity Credit Corporation.

(b) FUNDS.—The Corporation shall expend such funds as may be required to conduct the pilot program for futures options contract trading in the manner specified in this subtitle and the regulations issued, and contracts entered into, to carry out this subtitle, except that funds of the Corporation may not be used to carry out this subtitle unless the Corporation has received funds to cover such expenditures from appropriations made in advance to carry out this subtitle.

(c) CONTRACTS.—Contracts entered into under this subtitle shall be considered to be program benefit contracts of the Commodity Credit Corporation, and not service or acquisition contracts of the United States.

Subtitle F—Conforming Amendments

SEC. 1161. CONFORMING AMENDMENTS.

(a) MISCELLANEOUS COMMODITY PROVISIONS.—The Agricultural Act of 1949 (7 U.S.C. 1441 et seq.) (as amended by sections 301, 1121, and 1122 of this Act) is further amended—

(1) by transferring sections 107C and 107E (7 U.S.C. 1445b–2 and 1445b–4) to the end of title I and redesignating such sections as sections 114 and 115, respectively; and

(2) by repealing section 107F (7 U.S.C. 1445b–5).

(b) DESIGNATED NONBASIC AGRICULTURAL COMMODITIES.—Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) in the first sentence—

(A) by inserting "(a)" before "The Secretary"; and

(B) by striking "as follows:" and inserting "in accordance with this title.";

(2) in subsection (c), by striking "subsection (d)" and inserting "section 204"; and

(3) by redesignating subsection (c) (as amended) as subsection (b).

(c) SUGAR.—Section 902(a) of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by striking "section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446)" and inserting "section 206 of the Agricultural Act of 1949".

(d) HONEY.—Section 405A(a) of the Agricultural Act of 1949 (7 U.S.C. 1425a(a)) is amended—

(1) by striking "section 201(b) of this Act" and inserting "section 207"; and

(2) by striking "section 201(b)(2)(B)" and inserting "section 207(b)(2)".

Subtitle G—Effective Date

SEC. 1171. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise specifically provided in title I through this title, such titles and the amendments made by such titles shall become effective beginning with the 1991 crop of an agricultural commodity.

(b) PRIOR CROPS.—Except as otherwise specifically provided and notwithstanding any other provision of law, title I through this title, and the amendments made by such titles, shall not affect the authority of the Secretary of Agriculture to carry out a price support or production adjustment program for any of the 1986 through 1990 crops of an agricultural commodity established under a provision of law in effect immediately before the effective date prescribed by subsection (a).

TITLE XII—STATE AND PRIVATE FORESTRY

SEC. 1201. SHORT TITLE.

This title may be cited as the "Forest Stewardship Act of 1990".

Subtitle A—Cooperative Forestry Assistance Act of 1978

SEC. 1211. REFERENCES.

Whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.).

SEC. 1212. FINDINGS, PURPOSE, AND POLICY.

Section 2 of the Act (16 U.S.C. 2101) is amended to read as follows:

"SEC. 2. FINDINGS, PURPOSE, AND POLICY.

"(a) FINDINGS.—Congress finds that—

"(1) most of the productive forest land of the United States is in private, State, and local governmental ownership, and the capacity of the United States to produce renewable forest resources is significantly dependent on such non-Federal forest lands;

"(2) adequate supplies of timber and other forest resources are essential to the United States, and adequate supplies are dependent on efficient methods for establishing, managing, and harvesting trees and processing, marketing, and using wood and wood products;

"(3) nearly one-half of the wood supply of the United States comes from nonindustrial private timberlands and such percentage could rise with expanded assistance programs;

"(4) managed forest lands provide habitats for fish and wildlife, as well as aesthetics, outdoor recreation opportunities, and other forest resources;

"(5) the soil, water, and air quality of the United States can be maintained and improved through good stewardship of privately held forest resources;

"(6) insects and diseases affecting trees occur and sometimes create emergency conditions on all land, whether Federal or non-Federal, and efforts to prevent and control such insects and diseases often require coordinated action by both Federal and non-Federal land managers;

"(7) fires in rural areas threaten human lives, property, forests and other resources, and Federal-State cooperation in forest fire protection has proven effective and valuable;

"(8) trees and forests are of great environmental and economic value to urban areas;

"(9) managed forests contribute to improving the quality, quantity, and timing of water yields that are of broad benefit to society;

"(10) over half the forest lands of the United States are in need of some type of conservation treatment;

"(11) forest landowners are being faced with increased pressure to convert their forest land to development and other purposes;

"(12) increased population pressures and user demands are being placed on private, as well as public, landholders to provide a wide variety of products and services, including fish and wildlife habitat, aesthetic quality, and recreational opportunities;

"(13) stewardship of privately held forest resources requires a long-term commitment that can be fostered through local, State, and Federal governmental actions;

"(14) the Department of Agriculture, through the coordinated efforts of its agencies with forestry responsibilities, cooperating with other Federal agencies, State foresters, and State political subdivisions, has the expertise and experience to assist private landowners in achieving individual goals and public benefits regarding forestry;

"(15) the products and services resulting from nonindustrial private forest land stewardship provide income and employment that contribute to the economic health and diversity of rural communities; and

"(16) sustainable agroforestry systems and tree planting in semiarid lands can improve environmental quality and maintain farm yields and income.

"(b) PURPOSE.—It is the purpose of this Act to authorize the Secretary of Agriculture (hereafter in this Act referred to as the 'Secretary'), with respect to non-Federal forest lands of the United States, to assist in—

"(1) the establishment of a coordinated and cooperative Federal, State, and local

forest stewardship program for management of the non-Federal forest lands;

"(2) the encouragement of the production of timber;

"(3) the prevention and control of insects and diseases affecting trees and forests;

"(4) the prevention and control of rural fires;

"(5) the efficient utilization of wood and wood residues, including the recycling of wood fiber;

"(6) the improvement and maintenance of fish and wildlife habitat;

"(7) the planning and conduct of urban forestry programs;

"(8) broadening existing forest management, fire protection, and insect and disease protection programs on non-Federal forest lands to meet the multiple use objectives of landowners in an environmentally sensitive manner;

"(9) providing opportunities to private landowners to protect ecologically valuable and threatened non-Federal forest lands; and

"(10) strengthening educational, technical, and financial assistance programs that provide assistance to owners of non-Federal forest lands.

"(c) POLICY.—It is the policy of Congress that it is in the national interest for the Secretary to work through and in cooperation with State foresters, or equivalent State officials, nongovernmental organizations, and the private sector in implementing Federal programs affecting non-Federal forest lands.

"(d) CONSTRUCTION.—This Act shall be construed to complement the policies and direction under the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1600 et seq.).".

SEC. 1213. RURAL FORESTRY ASSISTANCE.

Section 3 of the Act (16 U.S.C. 2102) is amended to read as follows:

"SEC. 3. RURAL FORESTRY ASSISTANCE.

"(a) ASSISTANCE TO FOREST LANDOWNERS AND OTHERS.—The Secretary may provide financial, technical, educational, and related assistance to State foresters or equivalent State officials, and State extension directors, to enable such officials to provide technical information, advice, and related assistance to private forest land owners and managers, vendors, forest resource operators, forest resource professionals, public agencies, and individuals to enable such persons to carry out activities that are consistent with the purposes of this Act, including—

"(1) protecting, maintaining, enhancing, restoring, and preserving forest lands and the multiple values and uses that depend on such lands;

"(2) identifying, protecting, maintaining, enhancing, and preserving wildlife and fish species, including threatened and endangered species, and their habitats;

"(3) implementing forest management technologies;

"(4) selecting, producing, and marketing alternative forest crops, products and services from forest lands;

"(5) protecting forest land from damage caused by fire, insects, disease, and damaging weather;

"(6) managing the rural-land and urban-land interface to balance the use of forest resources in and adjacent to urban and community areas;

"(7) identifying and managing recreational forest land resources;

"(8) identifying and protecting the aesthetic character of forest lands;

"(9) protecting forest land from conversion to alternative uses; and

"(10) the management of resources of forest lands, including—

"(A) the harvesting, processing, and marketing of timber and other forest resources and the marketing and utilization of wood and wood products;

"(B) the conversion of wood to energy for domestic, industrial, municipal, and other uses;

"(C) the planning, management, and treatment of forest land, including site preparation, reforestation, thinning, prescribed burning, and other silvicultural activities designed to increase the quantity and improve the quality of timber and other forest resources;

"(D) ensuring that forest regeneration or reforestation occurs if needed to sustain long-term resource productivity;

"(E) protecting and improving forest soil fertility and the quality, quantity, and timing of water yields; and

"(F) encouraging the investment of a portion of the proceeds from the sale of timber or other forest resources in stewardship activities that preserve, protect, maintain, and enhance their forest land.

"(b) STATE FORESTRY ASSISTANCE.—The Secretary is authorized to provide financial, technical, and related assistance to State foresters, or equivalent State officials, to—

"(1) develop genetically improved tree seeds;

"(2) develop and contract for the development of field arboretums, greenhouses, and tree nurseries, in cooperation with a State, to facilitate production and distribution of tree seeds and seedlings in States where the Secretary determines that there is an inadequate capacity to carry out present and future reforestation needs;

"(3) procure, produce, and distribute tree seeds and trees for the purpose of establishing forests, windbreaks, shelterbelts, woodlots, and other plantings;

"(4) plant tree seeds and seedlings on non-Federal forest lands that are suitable for the production of timber, recreation, and for other benefits associated with the growing of trees;

"(5) plan, organize, and implement measures on non-Federal forest lands, including thinning, prescribed burning, and other silvicultural activities designed to increase the quantity and improve the quality of trees and other vegetation, fish and wildlife habitat, and water yielded therefrom; and

"(6) protect or improve soil fertility on non-Federal forest lands and the quality, quantity, and timing of water yields therefrom.

"(c) IMPLEMENTATION.—In implementing this section, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, universities and the private sector.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

SEC. 1214. FOREST INCENTIVES PROGRAM.

Section 4 of the Act (16 U.S.C. 2103) is amended by adding at the end the following new subsection:

"(k) The program developed by the Secretary under this section shall terminate on December 31, 1995.".

SEC. 1215. FOREST STEWARDSHIP PROGRAM.

The Act (16 U.S.C. 2101 et seq.) is amended—

(1) by redesignating sections 5 through 15 as sections 8 through 18, respectively; and

(2) by inserting after section 4 the following new section:

"SEC. 5. FOREST STEWARDSHIP PROGRAM.

"(a) ESTABLISHMENT.—The Secretary, in consultation with State foresters or equivalent State officials, shall establish a Forest Stewardship Program (hereafter referred to in this section as the 'Program') to encourage the long-term stewardship of nonindustrial private forest lands by assisting owners of such lands to more actively manage their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise and assistance programs.

"(b) GOAL.—The goal of the Program shall be to enter at least 25,000,000 acres of nonindustrial private forest lands in the Program by December 31, 1995.

"(c) DEFINITION.—For the purposes of this section, the term 'nonindustrial private forest lands' means rural, as determined by the Secretary, lands with existing tree cover, or suitable for growing trees, and owned by any private individual, group, association, corporation, Indian tribe, or other private legal entity.

"(d) IMPLEMENTATION.—In carrying out the Program the Secretary, in consultation with State Foresters or equivalent State officials, shall provide financial, technical, educational, and related assistance to State Foresters or equivalent State officials, including assistance to help such State Foresters or equivalent officials to provide financial assistance to other State and local natural resource entities, both public and private, and land-grant universities for the delivery of information and professional assistance to owners of nonindustrial private forest lands. Such information and assistance shall be directed to help such owners understand and evaluate alternative actions they might take, including—

"(1) managing and enhancing the productivity of timber, fish and wildlife habitat, water quality, wetlands, recreational resources, and the aesthetic value of forest lands;

"(2) investing in practices to protect, maintain, and enhance the resources identified in paragraph (1);

"(3) ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide the environmental benefits that result; and

"(4) protecting their forests from damage caused by fire, insects, disease, and damaging weather.

"(e) ELIGIBILITY.—All nonindustrial private forest lands that are not in management under Federal, State, or private sector financial and technical assistance programs existing on the date of enactment of this section are eligible for assistance under the Program. Nonindustrial private forest lands that are managed under such existing programs are eligible for assistance under the Program if forest management activities are expanded and enhanced and the landowner agrees to meet the requirements of this Act.

"(f) DUTIES OF OWNERS.—To enter forest land into the Program, landowners shall—

"(1) prepare and submit to the State forester or equivalent State official a forest stewardship plan that meets the requirements of this section and that—

"(A) is prepared by a professional resource manager;

"(B) identifies and describes actions to be taken by the landowner to protect soil, water, range, aesthetic quality, recreation, timber, water, and fish and wildlife resources on such land in a manner that is compatible with the objectives of the landowner; and

"(C) is approved by the State forester, or equivalent State official; and

"(2) agree that all activities conducted on such land shall be consistent with the stewardship plan.

"(g) STEWARDSHIP RECOGNITION.—The Secretary, in consultation with State foresters or equivalent State officials, is encouraged to develop an appropriate recognition program for landowners who practice stewardship management on their lands, with an appropriate, special recognition symbol and title.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated $25,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary thereafter, to carry out this section.".

SEC. 1216. STEWARDSHIP INCENTIVE PROGRAM.

The Act (16 U.S.C. 2101 et seq.) is amended by inserting after section 5 (as added by section 1215 of this Act) the following new section:

"SEC. 6. STEWARDSHIP INCENTIVE PROGRAM.

"(a) ESTABLISHMENT.—The Secretary, in consultation with State foresters or equivalent State officials, shall establish a program within the Forest Service, to be known as the 'Stewardship Incentive Program' (hereafter referred to in this section as the 'Program'), to meet the objectives and goals of section 5.

"(b) ELIGIBILITY.—

"(1) IN GENERAL.—Owners of nonindustrial private forest lands shall be eligible for cost-sharing assistance under the Program if such owners—

"(A) have developed an approved forest stewardship plan pursuant to section 5(f);

"(B) agree to implement approved activities pursuant to paragraph (4) in accordance with the plan for a period of not less than 10 years unless the State forester or equivalent State official approves a modification to such plan; and

"(C) own not more than 1,000 acres of nonindustrial private forest land, except that the Secretary may approve the provision of cost-sharing assistance to landowners that own more than 1,000 acres of such land if the Secretary determines that significant public benefits will accrue from such approval.

"(2) LIMITATION.—

"(A) SECRETARY.—The Secretary shall not approve of the provision of cost-sharing assistance to any landowner owning in excess of 5,000 acres of nonindustrial private forest land.

"(B) LANDOWNER.—A landowner shall not receive cost-share assistance for management on acreage under this section if such landowner receives cost-share assistance on the same acreage under section 4.

"(3) STATE PRIORITIES.—The Secretary in consultation with the State forester, or equivalent State official, other State natural resource management agencies, and the State Coordinating Committee established pursuant to section 19(b), may develop State priorities for cost sharing under this section that will promote unique forest management objectives in that State.

"(4) APPROVED ACTIVITIES.—

"(A) DEVELOPMENT.—The Secretary, in consultation with the State Coordinating Committees established pursuant to section 19(b), shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

"(B) TYPE OF ACTIVITIES.—The Secretary, in developing a list of approved activities and practices under subparagraph (A), shall attempt to achieve landowner and public purposes including—

"(i) the establishment, management, maintenance, and restoration of forests for shelterbelts, windbreaks, aesthetic quality, and other conservation purposes;

"(ii) the sustainable growth and management of forests for timber production;

"(iii) the protection, restoration, and use of forest wetlands;

"(iv) the enhanced management and maintenance of native vegetation on other lands vital to water quality;

"(v) the growth and management of trees for energy conservation purposes;

"(vi) the management and maintenance of fish and wildlife habitat;

"(vii) the management of outdoor recreational opportunities; and

"(viii) other activities approved by the Secretary.

"(c) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—The Secretary shall share the cost of developing and carrying out the forest stewardship plan under section 5(f), and in implementing the approved activities that the Secretary determines are appropriate and in the public interest, with a landowner who has entered in an agreement to place the forest land of such owner into the Program.

"(2) RATE.—The Secretary, in consultation with the State forester, or equivalent State official, shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

"(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to a landowner in an amount in excess of 75 percent of the total cost to such landowner of developing the forest stewardship plan and implementing eligible activities under the plan. The maximum payments to any one landowner shall be determined by the Secretary.

"(d) RECAPTURE.—

"(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to a landowner in the event that the landowner fails to implement any approved activity specified in the forest stewardship plan for which such owner received cost-share payments.

"(2) ADDITIONAL PROVISION.—The provisions of paragraph (1) are in addition to any other provision available.

"(e) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under this section among the States only after assessing the public benefit incident to such distribution and after giving appropriate consideration to—

"(1) the total acreage of nonindustrial private forest land in each State;

"(2) the potential productivity of such land;

"(3) the number of owners eligible for cost sharing in each State;

"(4) the need for reforestation in each State;

"(5) the opportunities to enhance nontimber resources on such forest lands; and

"(6) the anticipated demand for timber and nontimber resources in each State.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary thereafter, to carry out this section.".

SEC. 1217. FOREST LEGACY PROGRAM.

The Act (16 U.S.C. 2101 et seq.) is amended by inserting after section 6 (as added by section 1216 of this Act) the following new section:

"SEC. 7. FOREST LEGACY PROGRAM.

"(a) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a program, to be known as the Forest Legacy Program, in cooperation with appropriate State, regional, and other units of government for the purposes of ascertaining and protecting environmentally important forest areas that are threatened by conversion to nonforest uses and, through the use of conservation easements and other mechanisms, for promoting forest land protection and other conservation opportunities. Such purposes shall also include the protection of important scenic, cultural, fish, wildlife, and recreational resources, riparian areas, and other ecological values.

"(b) STATE AND REGIONAL FOREST LEGACY PROGRAMS.—The Secretary shall exercise the authority under subsection (a) in conjunction with State or regional programs that the Secretary deems consistent with this section.

"(c) INTERESTS IN LAND.—In addition to the authorities granted under section 6 of the Act of March 1, 1911 (16 U.S.C. 515), and section 11(a) of the Department of Agriculture Organic Act of 1956 (7 U.S.C. 428a(a)), the Secretary may acquire from willing landowners lands and interests therein, including conservation easements and rights of public access, for Forest Legacy Program purposes. The Secretary shall not acquire conservation easements with title held in common ownership with any other entity.

"(d) IMPLEMENTATION.—

"(1) IN GENERAL.—Lands and interests therein acquired under subsection (c) may be held in perpetuity for program and easement administration purposes as the Secretary may provide. In administering lands and interests therein under the program, the Secretary shall identify the environmental values to be protected by entry of the lands into the program, management activities which are planned and the manner in which they may affect the values identified, and obtain from the landowner other information determined appropriate for administration and management purposes.

"(2) INITIAL PROGRAMS.—Not later than 1 year after the date of enactment of this section, the Secretary shall establish a regional program in furtherance of the Northern Forest Lands Study in the States of New York, New Hampshire, Vermont, and Maine under Public Law 100-446. The Secretary shall establish additional programs in each of the Northeast, Midwest, South, and Western regions of the United States, and the Pacific Northwest (including the State of Washington), on the preparation of an assessment of the need for such programs.

"(e) ELIGIBILITY.—Within 1 year from the date of enactment of this section and in consultation with State Forest Stewardship Advisory Committees established under section 15(b) and similar regional organizations, the Secretary shall establish eligibility criteria for the designation of forest areas from which lands may be entered into the Forest Legacy Program and subsequently select such appropriate areas. To be eligible, such

areas shall have significant environmental values or shall be threatened by present or future conversion to nonforest uses. Of land proposed to be included in the Forest Legacy Program, the Secretary shall give priority to lands which can be effectively protected and managed, and which have important scenic or recreational values; riparian areas; fish and wildlife values, including threatened and endangered species; or other ecological values.

"(f) APPLICATION.—For areas included in the Forest Legacy Program, an owner of lands or interests in lands who wishes to participate may prepare and submit an application at such time in such form and containing such information as the Secretary may prescribe. The Secretary shall give reasonable advance notice for the submission of all applications to the State forester, equivalent State official, or other appropriate State or regional natural resource management agency. If applications exceed the ability of the Secretary to fund them, priority shall be given to those forest areas having the greatest need for protection pursuant to the criteria described in subsection (d).

"(g) STATE CONSENT.—Where a State has not approved the acquisition of land under section 6 of the Act of March 1, 1911 (16 U.S.C. 515), the Secretary shall not acquire lands or interests therein under authority granted by this section outside an area of that State designated as a part of a program established under subsection (b).

"(h) FOREST MANAGEMENT ACTIVITIES.—

"(1) IN GENERAL.—Conservation easements or deed reservations acquired or reserved pursuant to this section may allow forest management activities, including timber management, on areas entered in the Forest Legacy Program insofar as the Secretary deems such activities consistent with the purposes of this section.

"(2) ASSIGNMENT OF RESPONSIBILITIES.—For Forest Legacy Program areas, the Secretary may delegate or assign management and enforcement responsibilities over federally owned lands and interests in lands only to another governmental entity.

"(i) DUTIES OF OWNERS.—Under the terms of a conservation easement or other property interest acquired under subsection (b), the landowner shall be required to manage property in a manner that is consistent with the purposes for which the land was entered in the Forest Legacy Program and shall not convert such property to other uses. Hunting, fishing, hiking, and similar recreational uses shall not be considered inconsistent with the purposes of this program.

"(j) COMPENSATION AND COST SHARING.—

"(1) COMPENSATION.—The Secretary shall pay the fair market value of any property interest acquired under this section. Payments under this section shall be in accordance with Federal appraisal and acquisition standards and procedures.

"(2) COST SHARING.—In accordance with terms and conditions that the Secretary shall prescribe, costs for the acquisition of lands or interests therein or project costs shall be shared among participating entities including regional organizations, State and other governmental units, landowners, corporations, or private organizations. Such costs may include, but are not limited to, those associated with planning, administration, property acquisition, and property management. To the extent practicable, the Federal share of total program costs shall not exceed 75 percent, including any in-kind contribution.

"(k) EASEMENTS.—

"(1) RESERVED INTEREST DEEDS.—As used in this section, the term 'conservation easement' includes an easement utilizing a reserved interest deed where the grantee acquires all rights, title, and interests in a property, except those rights, title, and interests that may run with the land that are expressly reserved by a grantor.

"(2) PROHIBITIONS ON LIMITATIONS.—Notwithstanding any provision of State law, no conservation easement held by the United States or its successors or assigns under this section shall be limited in duration or scope or be defeasible by—

"(A) the conservation easement being in gross or appurtenant;

"(B) the management of the conservation easement having been delegated or assigned to a non-Federal entity;

"(C) any requirement under State law for re-recordation or renewal of the easement; or

"(D) any future disestablishment of a Forest Legacy Program area or other Federal project for which the conservation easement was originally acquired.

"(3) CONSTRUCTION.—Notwithstanding any provision of State law, conservation easements shall be construed to effect the Federal purposes for which they were acquired and, in interpreting their terms, there shall be no presumption favoring the conservation easement holder or fee owner.

"(l) APPROPRIATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

SEC. 1218. FOREST HEALTH PROTECTION.

Section 8 of the Act (as redesignated by section 1215 of this Act) (16 U.S.C. 2104) is amended to read as follows:

"SEC. 8. FOREST HEALTH PROTECTION.

"(a) IN GENERAL.—The Secretary may protect trees and forests and wood products, stored wood, and wood in use directly on the National Forest System and, in cooperation with others, on other lands in the United States, from natural and man-made causes, to—

"(1) enhance the growth and maintenance of trees and forests;

"(2) promote the stability of forest-related industries and employment associated therewith through the protection of forest resources;

"(3) aid in forest fire prevention and control;

"(4) conserve forest cover on watersheds, shelterbelts, and windbreaks;

"(5) protect outdoor recreation opportunities and other forest resources; and

"(6) extend timber supplies by protecting wood products, stored wood, and wood in use.

"(b) ACTIVITIES.—Subject to subsections (c), (d), and (e) and to such other conditions the Secretary may prescribe, the Secretary may, directly on the National Forest System, in cooperation with other Federal departments on other Federal lands, and in cooperation with State foresters, or equivalent State officials, subdivisions of States, agencies, institutions, organizations, or individuals on non-Federal lands—

"(1) conduct surveys to detect and appraise insect infestations and disease conditions and man-made stresses affecting trees and establish a monitoring system throughout the forests of the United States to determine detrimental changes or improvements that occur over time, and report annually concerning such surveys and monitoring;

"(2) determine the biological, chemical, and mechanical measures necessary to prevent, retard, control, or suppress incipient, potential, threatening, or emergency insect infestations and disease conditions affecting trees;

"(3) plan, organize, direct, and perform measures the Secretary determines necessary to prevent, retard, control, or suppress incipient, potential, threatening, or emergency insect infestations and disease epidemics affecting trees;

"(4) provide technical information, advice, and related assistance on the various techniques available to maintain a healthy forest and in managing and coordinating the use of pesticides and other toxic substances applied to trees and other vegetation, and to wood products, stored wood, and wood in use;

"(5) develop applied technology and conduct pilot tests of research results prior to the full-scale application of such technology in affected forests;

"(6) promote the implementation of appropriate silvicultural or management techniques that may improve or protect the health of the forests of the United States; and

"(7) take any other actions the Secretary determines necessary to accomplish the objectives and purposes of this section.

"(c) CONSENT OF ENTITY.—Operations under this section to prevent, retard, control, or suppress insects or diseases affecting forests and trees on land not controlled or administered by the Secretary shall not be conducted without the consent, cooperation, and participation of the entity having ownership of or jurisdiction over the affected land.

"(d) CONTRIBUTION BY ENTITY.—No money appropriated to implement this section shall be expended to prevent, retard, control, or suppress insects or diseases affecting trees on non-Federal land until the entity having ownership of or jurisdiction over the affected land contributes, or agrees to contribute, to the work to be done in the amount and in the manner determined appropriate by the Secretary.

"(e) ALLOTMENTS TO OTHER AGENCIES.—The Secretary may, in the Secretary's discretion, and out of any money appropriated to implement this section, make allocations to Federal agencies having jurisdiction over lands held or owned by the United States in the amounts the Secretary determines necessary to prevent, retard, control, or suppress insect infestations and disease epidemics affecting trees on those lands.

"(f) LIMITATION ON USE OF APPROPRIATIONS.—

"(1) REMOVING DEAD TREES.—No amounts appropriated shall be used to—

"(A) pay the cost of felling and removing dead or dying trees unless the Secretary determines that such actions are necessary to prevent the spread of a major insect infestation or disease epidemic severely affecting trees; or

"(B) compensate for the value of any property injured, damaged, or destroyed by any cause.

"(2) INSECTS AND DISEASES AFFECTING TREES.—The Secretary may procure materials and equipment necessary to prevent, retard, control, or suppress insects and diseases affecting trees without regard to section 3709 of the Revised Statutes (41 U.S.C. 5), under whatever procedures the Secretary may prescribe, if the Secretary determines that such action is necessary and in the public interest.

"(g) PARTNERSHIPS.—The Secretary, by contract or cooperative agreement, may provide financial assistance through the Forest

Service to State foresters or equivalent State officials, and private forestry and other organizations, to monitor forest health and protect the forest lands of the United States. The Secretary shall require contribution by the non-Federal entity in the amount and in the manner determined appropriate. Such non-Federal share may be in the form of cash, services, or equipment, as determined appropriate by the Secretary.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated annually such sums as may be necessary to carry out subsections (a) through (g).".

"(i) INTEGRATED PEST MANAGEMENT.—

"(1) IN GENERAL.—Subject to the provisions of subsections (c) and (e), the Secretary shall, in cooperation with State foresters or equivalent State officials, subdivisions of States, or other entities on non-Federal lands (hereafter in this subsection referred to as the 'cooperator')—

"(A) provide cost-share assistance to such cooperators who have established an acceptable integrated pest management strategy, as determined by the Secretary, that will prevent, retard, control, or suppress gypsy moth, southern pine beetle, spruce budworm infestations, or other major insect infestations in an amount no less than 50 percent nor greater than 75 percent of the cost of implementing such strategy; and

"(B) upon request, assist the cooperator in the development of such integrated pest management strategy.

"(2) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated annually $10,000,000 to implement this subsection.".

SEC. 1219. URBAN AND COMMUNITY FORESTRY ASSISTANCE.

(a) AMENDMENT TO COOPERATIVE FORESTRY ASSISTANCE ACT.—Section 9 of the Act (16 U.S.C. 2105) (as redesignated by section 1215) is amended to read as follows:

"SEC. 9. URBAN AND COMMUNITY FORESTRY ASSISTANCE.

"(a) FINDINGS.—The Congress finds that—

"(1) the health of forests in urban areas and communities, including cities, their suburbs, and towns, in the United States is on the decline;

"(2) forest lands, shade trees, and open spaces in urban areas and communities improve the quality of life for residents;

"(3) forest lands and associated natural resources enhance the economic value of residential and commercial property in urban and community settings;

"(4) urban trees are 15 times more effective than forest trees at reducing the buildup of carbon dioxide and aid in promoting energy conservation through mitigation of the heat island effect in urban areas;

"(5) tree plantings and ground covers such as low growing dense perennial turfgrass sod in urban areas and communities can aid in reducing carbon dioxide emissions, mitigating the heat island effect, and reducing energy consumption, thus contributing to efforts to reduce global warming trends;

"(6) efforts to encourage tree plantings and protect existing open spaces in urban areas and communities can contribute to the social well-being and promote a sense of community in these areas; and

"(7) strengthened research, education, technical assistance, and public information and participation in tree planting and maintenance programs for trees and complementary ground covers for urban and community forests are needed to provide for the protection and expansion of tree cover and open space in urban areas and communities.

"(b) PURPOSES.—The purposes of this section are to—

"(1) improve understanding of the benefits of preserving existing tree cover in urban areas and communities;

"(2) encourage owners of private residences and commercial properties to maintain trees and expand forest cover on their properties;

"(3) provide education programs and technical assistance to State and local organizations (including community associations and schools) in maintaining forested lands and individual trees in urban and community settings and identifying appropriate tree species and sites for expanding forest cover;

"(4) provide assistance through competitive matching grants awarded to local units of government, approved organizations that meet the requirements of section 501(c)(3) of the Internal Revenue Code of 1986, or other local community tree volunteer groups, for urban and community forestry projects;

"(5) implement a tree planting program to complement urban and community tree maintenance and open space programs and to reduce carbon dioxide emissions, conserve energy, and improve air quality in addition to providing other environmental benefits;

"(6) promote the establishment of demonstration projects in selected urban and community settings to illustrate the benefits of maintaining and creating forest cover and trees;

"(7) enhance the technical skills and understanding of sound tree maintenance and arboricultural practices including practices involving the cultivation of trees, shrubs and complementary ground covers, of individuals involved in the planning, development, and maintenance of urban and community forests and trees; and

"(8) expand existing research and educational efforts intended to improve understanding of—

"(A) tree growth and maintenance, tree physiology and morphology, species adaptations, and forest ecology,

"(B) the value of integrating trees and ground covers,

"(C) the economic, environmental, social, and psychological benefits of trees and forest cover in urban and community environments, and

"(D) the role of urban trees in conserving energy and mitigating the urban heat island.

"(c) GENERAL AUTHORITY.—The Secretary is authorized to provide financial, technical, and related assistance to State foresters or equivalent State officials for the purpose of encouraging States to provide information and technical assistance to units of local government and others that will encourage cooperative efforts to plan urban forestry programs and to plant, protect, and maintain, and utilize wood from, trees in open spaces, greenbelts, roadside screens, parks, woodlands, curb areas, and residential developments in urban areas. In providing such assistance, the Secretary is authorized to cooperate with interested members of the public, including nonprofit private organizations. The Secretary is also authorized to cooperate directly with units of local government and others in implementing this section whenever the Secretary and the affected State forester or equivalent State official agree that direct cooperation would better achieve the purposes of this section.

"(d) PROGRAM OF EDUCATION AND TECHNICAL ASSISTANCE.—The Secretary, in cooperation with State foresters and State extension directors or equivalent State officials and interested members of the public, including nonprofit private organizations, shall implement a program of education and technical assistance for urban and community forest resources. The program shall be designed to—

"(1) assist urban areas and communities in conducting inventories of their forest resources, including inventories of the species, number, location, and health of trees in urban areas and communities, identifying opportunities for the establishment of plantings for the purposes of conserving energy, and determining the status of related resources (including fish and wildlife habitat, water resources, and trails);

"(2) assist State and local organizations (including community associations and schools) in organizing and conducting urban and community forestry projects and programs;

"(3) improve education and technical support in—

"(A) selecting tree species appropriate for planting in urban and community environments and for promotion of energy conservation;

"(B) providing for proper tree planting, maintenance, and protection in urban areas and communities;

"(C) protecting individual trees and preserving existing open spaces with or without tree cover; and

"(D) identifying opportunities for expanding tree cover in urban areas and communities;

"(4) assist in the development of State and local management plans for trees and associated resources in urban areas and communities; and

"(5) increase public understanding of the energy conservation, economic, social, environmental, and psychological values of trees and open space in urban and community environments and expand knowledge of the ecological relationships and benefits of trees and related resources in these environments.

"(e) PROCUREMENT OF PLANT MATERIALS.—The Secretary, in cooperation with State foresters or equivalent State officials, shall assist in identifying sources of plant materials and may procure or otherwise obtain such plant materials from public or private sources and may make such plant materials available to urban areas and communities for the purpose of reforesting open spaces, replacing dead and dying urban trees, promoting energy conservation, and providing other environmental benefits through expanding tree cover in urban areas and communities.

"(f) CHALLENGE COST-SHARE PROGRAM.—

"(1) IN GENERAL.—The Secretary shall establish an urban and community forestry challenge cost-share program. Funds or other support shall be provided under such program to eligible communities and organizations, on a competitive basis, for urban and community forestry projects. The Secretary shall annually make awards under the program in accordance with criteria developed in consultation with, and after consideration of recommendations received from, the National Urban and Community Forestry Advisory Council established under subsection (g). Each State forester or equivalent State official may make recommendations to the Secretary for awards under the program for project proposals in their State which meet such criteria. Awards shall be consistent with the cost-share requirements of this section.

"(2) COST-SHARING.—The Federal share of support for a project provided under this subsection may not exceed 50 percent of the support for that project and shall be provided on a matching basis. The non-Federal share of such support may be in the form of cash, services, or in-kind contributions.

"(g) FORESTRY ADVISORY COUNCIL.—

"(1) ESTABLISHMENT AND PURPOSE.—The Secretary shall establish a National Urban and Community Forestry Advisory Council (hereafter in this section referred to as the 'Council') for the purpose of—

"(A) developing a national urban and community forestry action plan;

"(B) evaluating the implementation of that plan; and

"(C) developing criteria for, and submitting recommendations with respect to, the urban and community forestry challenge cost-share program under subsection (e).

"(2) COMPOSITION AND OPERATION.—

"(A) COMPOSITION.—The Council shall be composed of 15 members appointed by the Secretary, as follows:

"(i) 2 members representing national nonprofit forestry and conservation citizen organizations,

"(ii) 3 members, 1 each representing State, county, and city and town governments,

"(iii) 1 member representing the forest products, nursery, or related industries,

"(iv) 1 member representing urban forestry, landscape, or design consultants,

"(v) 2 members representing academic institutions with an expertise in urban and community forestry activities,

"(vi) 1 member representing State forestry agencies or equivalent State agencies,

"(vii) 1 member representing a professional renewable natural resource or arboricultural society,

"(viii) 1 member from the Extension Service,

"(ix) 1 member from the Forest Service, and

"(x) 2 members who are not officers or employees of any governmental body, 1 of whom is a resident of a community with a population of less than 50,000 as of the most recent census and both of whom have expertise and have been active in urban and community forestry.

"(B) VACANCY.—A vacancy in the Council shall be filled in the manner in which the original appointment was made.

"(C) CHAIRPERSON.—The Secretary shall select 1 member, from members appointed to the Council, who is not an officer or employee of the United States nor any State, county, city, or town government, who shall serve as the chairperson of the Council.

"(D) TERMS.—

"(i) IN GENERAL.—Except as provided in clauses (ii) and (iii) of this paragraph, members shall be appointed for terms of 3 years, and no member may serve more than 2 consecutive terms on the Council.

"(ii) STAGGERED TERMS.—Of the members first appointed—

"(I) 5, including the chairperson and 2 governmental employees, shall be appointed for a term of 3 years,

"(II) 5, including 2 governmental employees, shall be appointed for a term of 2 years, and

"(III) 5, including 2 governmental employees, shall be appointed for a term of 1 year, as designated by the Secretary at the time of appointment.

"(iii) CONTINUATION.—Any member appointed to fill a vacancy occurring before the expiration of the term of the member's predecessor shall be appointed only for the remainder of such term. A member may serve after the expiration of the member's term until the member's successor has taken office.

"(E) COMPENSATION.—

"(i) IN GENERAL.—Except as provided in clause (ii), members of the Council shall serve without pay, but may be reimbursed for reasonable costs incurred while in the actual performance of duties vested in the Council.

"(ii) FEDERAL OFFICERS AND EMPLOYEES.—Members of the Council who are full-time officers or employees of the United States shall receive no additional pay, allowances, or benefits by reason of their service on the Council.

"(iii) FINANCIAL AND ADMINISTRATIVE SUPPORT.—The Secretary shall provide financial and administrative support for the Council.

"(3) URBAN AND COMMUNITY FORESTRY ACTION PLAN.—Within 1 year after the date of enactment of this subsection and every 10 years thereafter, the Council shall prepare a National Urban and Community Forestry Action Plan. The plan shall include (but not be limited to) the following:

"(A) An assessment of the current status of urban forest resources in the United States.

"(B) A review of urban and community forestry programs and activities in the United States, including education and technical assistance activities conducted by the Department of Agriculture, and other Federal agencies, the State forestry organizations, private industry, private nonprofit organizations, community and civic organizations and interested others.

"(C) Recommendations for improving the status of the Nation's urban and community forest resources, including education and technical assistance and modifications required in existing programs and policies of relevant Federal agencies.

"(D) A review of urban and community forestry research, including—

"(i) a review of all ongoing research associated with urban and community forests, arboricultural practices, and the economic, social, and psychological benefits of trees and forest cover in urban and community environments being conducted by the Forest Service, other Federal agencies, and associated land grant colleges and universities;

"(ii) recommendations for new and expanded research efforts directed toward urban and community forestry concerns; and

"(iii) a summary of research priorities and an estimate of the funds needed to implement such research, on an annual basis, for the next 10 years.

"(E) Proposed criteria for evaluating proposed projects under the urban and community forestry challenge cost share program under subsection (e), with special emphasis given to projects that would demonstrate the benefits of improved forest management (including the maintenance and establishment of forest cover and trees) in urban areas and communities.

"(F) An estimate of the resources needed to implement the National Urban and Community Forestry Action Plan for the succeeding 10 fiscal years.

"(4) AMENDMENT OF THE PLAN.—The plan may be amended by a majority of the Council members. Such amendments shall be incorporated into the Council's annual review of the plan submitted to the Secretary pursuant to paragraph (5) of this subsection.

"(5) REVIEW OF THE PLAN.—The Council shall submit the plan to the Secretary and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate upon its completion. Beginning no later than one year after the plan is submitted and annually thereafter, the Council shall submit a review of the plan to the Secretary no later than December 31. The review shall consist of—

"(A) the Council's assessment of prior year accomplishments in research, education, technical assistance, and related activities in urban and community forestry;

"(B) the Council's recommendations for research, education, technical assistance, and related activities in the succeeding year; and

"(C) the Council's recommendations for the urban and community forestry challenge cost share projects to be funded during the succeeding year.

The review submitted to the Secretary shall be incorporated into the annual report required under section 3(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(d)).

"(6) DETAIL OF PERSONNEL.—Upon request of the Council, the Secretary is authorized to detail, on a reimbursable basis, any of the personnel of the Department of Agriculture to the Council to assist the Council in carrying out its duties under this Act.

"(h) DEFINITIONS.—For the purposes of this section—

"(1) the term 'Council' means the National Urban and Community Forestry Advisory Council established under subsection (f);

"(2) the term 'plan' means the National Urban and Community Forestry Action Plan developed under subsection (f)(3); and

"(3) the term 'urban and community area' includes cities, their suburbs, and towns.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated $30,000,000 for each of the fiscal years 1991 through 1995, and such sums as may be necessary for each fiscal year thereafter, for the implementation of this section.".

(b) AMENDMENT TO RENEWABLE RESOURCES EXTENSION ACT.—

(1) PROMOTION OF PUBLIC UNDERSTANDING.—Section 3(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1672(a)) is amended—

(A) by striking "and" at the end of paragraph (7);

(B) by striking the period at the end of paragraph (8) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(9) in cooperation with State foresters or equivalent State officials, promote public understanding of the energy conservation, economic, social, environmental, and psychological values of trees and open space in urban and community area environments and expand knowledge of the ecological relationships and benefits of trees and related resources in urban and community environments.".

(2) URBAN AND COMMUNITY FORESTRY.—Section 5(a) of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1674(a)) is amended in the final sentence by striking "for planting and management of trees and forests in urban areas," and inserting "for urban and community forestry activities,".

SEC. 1220. FIREFIGHTING PREPAREDNESS AND MOBILIZATION ASSISTANCE.

(a) ASSISTANCE TO STATE FORESTERS.—Section 10(b) of the Act (16 U.S.C. 2106(b)) (as redesignated by section 1215 of this Act) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) provide financial, technical, and related assistance to State foresters or equivalent State officials, and through them to other agencies and individuals, including rural volunteer fire departments, to conduct preparedness and mobilization activities, including training, equipping, and otherwise enabling State and local firefighting agencies to respond to requests for fire suppression assistance.".

(b) APPROPRIATIONS.—Section 10(e) of the Act (16 U.S.C. 2106(e)) is amended—

(1) by striking "(e)" and inserting "(e)(1)"; and

(2) in paragraph (1) (as so redesignated), by inserting "paragraphs (1), (2), and (3) of" after "implement"; and

(3) by adding at the end thereof the following:

"(2)(A) There are hereby authorized to be appropriated annually $70,000,000 to carry out subsection (b)(4). Of the total amount appropriated to carry out subsection (b)(4)—

"(i) one-half shall be available only for State foresters or equivalent State officials, and through them to other agencies and individuals, of which not less than $100,000 shall be made available to each State; and

"(ii) one-half shall be available only for rural volunteer fire departments.

"(B) The Federal share of the cost of any activity carried out with funds made available pursuant to this paragraph may not exceed 50 percent of the cost of that activity. The non-Federal share for such activity may be in the form of cash, services, or in kind contributions.".

(c) DEFINITIONS.—Section 10 of the Act (16 U.S.C. 2106) (as amended by section 1215) is amended by adding at the end the following:

"(g) As used in this section—

"(1) the term 'rural volunteer fire department' means any organized, not for profit, fire protection organization that provides service primarily to a community or city with a population of 10,000 or less or to a rural area, as defined by the Secretary, whose firefighting personnel is 80 percent or more volunteer, and that is recognized as a fire department by the laws of the State; and

"(2) the term 'mobilization' means any activity in which one fire fighting organization assists another that has requested assistance.".

SEC. 1221. STATEMENT OF LIMITATION.

Section 14 of the Act (16 U.S.C. 2110) (as redesignated by section 1215 of this Act) is amended to read as follows:

"SEC. 14. STATEMENT OF LIMITATION.

"This Act shall not authorize the Federal Government to regulate the use of private land or to deprive owners of land of their rights to property or to income from the sale of property, unless such property rights are voluntarily conveyed or limited by contract or other agreement. This Act does not diminish in any way the rights and responsibilities of the States and political subdivisions of States.".

SEC. 1222. FEDERAL, STATE, AND LOCAL COORDINATION AND COOPERATION.

The Act (16 U.S.C. 2101 et seq.) (as amended by section 1215 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 19. FEDERAL, STATE, AND LOCAL COORDINATION AND COOPERATION.

"(a) DEPARTMENT OF AGRICULTURE COORDINATING COMMITTEE.—

"(1) ESTABLISHMENT.—The Secretary shall establish an intradepartmental committee, to be known as the 'Forest Resource Coordinating Committee' (hereafter referred to in this section as the 'Coordinating Committee'), to coordinate forestry activities.

"(2) COMPOSITION.—The Coordinating Committee shall be composed of representatives, appointed by the Secretary, from the Agricultural Research Service, Agricultural Stabilization and Conservation Service, Extension Service, Forest Service, and Soil Conservation Service.

"(3) CHAIRPERSON.—The Secretary shall designate the Chief of the Forest Service as chairperson.

"(4) DUTIES.—The Coordinating Committee shall—

"(A) provide assistance in directing and coordinating actions of the Department of Agriculture that relate to educational, technical, and financial assistance concerning forest land to private landowners;

"(B) clarify individual agency responsibilities concerning forest land of each agency represented on the Committee; and

"(C) advise the Secretary of intradepartmental differences regarding the implementation of this Act, and any other Act related to the authority of the Secretary concerning non-Federal forest lands.

"(b) STATE COORDINATING COMMITTEES.—

"(1) ESTABLISHMENT.—

"(A) IN GENERAL.—The Secretary, in consultation with the State forester or equivalent State official of each State, shall establish a State Forest Stewardship Coordinating Committee (hereafter referred to in this section as the 'State Coordinating Committee') for each such State.

"(B) COMPOSITION.—The State Coordinating Committee shall be chaired and administered by the State Forester, or equivalent State official, or the designee thereof, and shall be composed, to the extent practicable, of—

"(i) representatives from the Forest Service, Soil Conservation Service, Agricultural Stabilization and Conservation Service, and Extension Service;

"(ii) representatives, to be appointed by the State forester or equivalent State official, representative of—

"(I) local government;

"(II) consulting foresters;

"(III) environmental organizations;

"(IV) forest products industry;

"(V) forest land owners;

"(VI) land-trust organizations, if applicable in the State;

"(VII) conservation organizations; and

"(VIII) the State fish and wildlife agency; and

"(iii) any other individuals determined appropriate by the Secretary.

"(C) TERMS.—The members of the State Coordinating Committee appointed under subparagraph (B)(ii) shall serve 3-year terms, with the initial members serving staggered terms as determined by the State forester or equivalent State official, and may be reappointed for consecutive terms.

"(D) EXISTING COMMITTEES.—Existing State forestry committees may be used to complement, formulate, or replace the State Coordinating Committees to avoid duplication of efforts if such existing committees are made up of membership that is similar to that described in subparagraph (B)(ii), and if such existing committees include landowners and the general public in their memberships.

"(2) DUTIES.—A State Coordinating Committee shall—

"(A) consult with other Department of Agriculture and State committees that address State and private forestry issues;

"(B) make recommendations to the Secretary concerning the assignment of priorities and the coordination of responsibilities for the implementation of this Act by the various Federal and State forest management agencies that take into consideration the mandates of each such agency;

"(C) make recommendations to the State Forester or equivalent State official concerning the development of a Forest Stewardship Plan under paragraph (3); and

"(D) make recommendations to the Secretary concerning those forest lands that should be given priority for inclusion in the Forest Legacy Program established pursuant to section 7.

"(3) FOREST STEWARDSHIP PLAN.—The State forester or equivalent State official of each State, in consultation with the State Coordinating Committee of such State, shall develop a Forest Stewardship Plan that shall—

"(A) provide baseline data on the forest resources of the State;

"(B) outline threats to the forest resources of the State;

"(C) describe economic and environmental opportunities that are linked with the forest resources of the State;

"(D) address management problems, opportunities, and objectives associated with intermingled Federal, State, and private land ownership patterns within the State; and

"(E) make planning recommendations for Federal, State, and local implementation of this Act.

"(4) OTHER PLANS.—Other State forest management plans may be used as the basis for or in lieu of establishing a plan for the State under paragraph (3) if such plans fully conform to the objectives of this section.

"(5) TERMINATION.—The State Coordinating Committees shall not terminate.

"(6) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to compel action by any State official.".

SEC. 1223. ADMINISTRATION.

The Act (16 U.S.C. 2101 et seq.) (as amended by section 1222 of this Act) is further amended by adding at the end thereof the following new section:

"SEC. 20. ADMINISTRATION.

"(a) IN GENERAL.—The Secretary shall administer this Act in accordance with regulations that the Secretary shall develop.

"(b) GUIDELINES.—The regulations promulgated under this Act shall include guidelines for the administration of this Act at the Federal and State levels and shall identify the measures and activities that are eligible for cost sharing under this Act.

"(c) EXISTING MECHANISMS.—Existing mechanisms shall be used to the extent possible to make payments and deliver services to the landowner under this Act.

"(d) LAND GRANT UNIVERSITIES.—The Secretary, in consultation with State foresters or equivalent State officials, may provide assistance directly to other State and local natural resource management agencies and land grant universities in implementing this Act in cases in which the State foresters or equivalent State officials are not able to make fund transfers to other State and local agencies.".

SEC. 1224. CONFORMING AMENDMENTS.

The Act is amended—

(1) in subsections (d) and (f) of section 4 (16 U.S.C. 2103 (d) and (f)), by striking

"10(c)" each place that such occurs and inserting "13(c)";

(2) in section 12(f) (as redesignated by section 1215 of this Act) (16 U.S.C. 2108(f)) by striking "13" in subsection (f) and inserting "16"; and

(3) in section 13(g) (as redesignated by section 1215 of this Act) (16 U.S.C. 2109(g)), by striking "13" and inserting "16".

Subtitle B—Research and Education

CHAPTER 1—GENERAL RESEARCH PROGRAMS

SEC. 1231. MCINTIRE-STENNIS RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87-788 (16 U.S.C. 582a et seq.) commonly known as the McIntire-Stennis Cooperative Forestry Act.

SEC. 1232. COMPETITIVE FORESTRY, NATURAL RESOURCES, AND ENVIRONMENTAL GRANTS PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall establish a competitive forestry, natural resources, and environmental grant program to award grants for the conduct of research as described in subsection (c).

(b) ELIGIBLE ENTITIES.—To be eligible to receive a grant under subsection (a), an entity shall—

(1) be a State agricultural experiment station, a college or university, a research institution or organization, a Federal agency, a private organization, or a corporation that has a demonstrable capacity to conduct forestry, natural resources, and environmental research as determined by the Secretary; and

(2) prepare and submit to the Secretary, an application at such time, in such manner, and containing such information as the Secretary shall require, including the proposed use of the amounts that may be received under a grant.

(c) USE.—In awarding the initial grants under subsection (a) the Secretary shall give priority to applicants who will use such grants for research concerning—

(1) the biology of forest organisms, including physiology, genetic mechanisms, and biotechnology;

(2) ecosystem function and management, including forest ecosystem research, biodiversity, forest productivity, pest management, water resources, and alternative silvicultural systems;

(3) wood as a raw material, including forest products and harvesting;

(4) human forest interactions, including outdoor recreation, public policy formulation, economics, sociology, and administrative behavior;

(5) international trade, competition, and cooperation related to forest products;

(6) alternative native crops, products, and services that can be produced from renewable natural resources associated with privately held forest lands;

(7) viable economic production and marketing systems for alternative natural resource products and services;

(8) economic and environmental benefits of various conservation practices on forest lands;

(9) genetic tree improvement; and

(10) market expansion.

(d) FACILITIES AND EQUIPMENT.—

(1) AUTHORITY.—Grants made under this section may be used to update research facilities and equipment available to facilitate the conduct of state-of-the-art research in forestry, natural resources, and the environment.

(2) PRIORITIES AND CRITERIA.—The Secretary, in consultation with the Cooperative Forestry Research Council appointed under section 5(b) of Public Law 87-788 (16 U.S.C. 582e(b)), may develop criteria and priorities for the awarding of grants for use under paragraph (1).

(e) RECOMMENDATIONS.—The Secretary shall request the Cooperative Forestry Research Council referred to in subsection (d)(2) to provide recommendations regarding grant priorities.

(f) TERM.—The Secretary may make grants under this section for periods of not to exceed 5 years.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

CHAPTER 2—SPECIALIZED RESEARCH

SEC. 1241. RESEARCH AND UTILIZATION.

(a) REFORESTATION RESEARCH; APPROPRIATIONS; PRIVATE FORESTRY.—Section 3 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1642) is amended—

(1) in subsection (a)(1) by inserting after "energy conservation, and other purposes" the following: ", including activities for encouraging improved reforestation of forest lands from which timber has been harvested";

(2) in subsection (b) by—

(A) inserting "(1)" immediately prior to the words "To ensure the availability,"; and

(B) adding at the end the following:

"(2) In implementing this subsection, the Secretary is authorized to develop and implement improved methods of survey and analysis of forest inventory information, for which purposes there are hereby authorized to be appropriated annually $10,000,000."; and

(3) by adding at the end the following:

"(d) The Secretary is authorized to conduct, support, and cooperate in studies and other activities the Secretary deems necessary to—

"(1) evaluate renewable resource management problems associated with urban-forest interface;

"(2) assess effects of changes in Federal revenue codes on private forest management and investment; and

"(3) develop improved delivery systems for information and technical assistance provided to private landowners.".

(b) RECYCLING RESEARCH.—Section 9 of the Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.) is amended to read as follows:

"SEC. 9. RECYCLING RESEARCH.

"(a) FINDINGS.—Congress finds that—

"(1) the United States is amassing vast amounts of solid wastes, which is presenting an increasing problem for municipalities in locating suitable disposal sites;

"(2) a large proportion of these wastes consists of paper and other wood wastes;

"(3) less than one-third of these paper and wood wastes are recycled;

"(4) additional recycling would result in reduced solid waste landfill disposal and would contribute to a reduced rate of removal of standing timber from forest lands; and

"(5) additional research is needed to develop technological advances to address barriers to increased recycling of paper and wood wastes and utilization of products consisting of recycled materials.

"(b) RECYCLING RESEARCH PROGRAM.—The Secretary is authorized to conduct, support, and cooperate in an expanded wood fiber recycling research program, including the acquisition of necessary equipment. The Secretary shall seek to ensure that the program includes the cooperation and support of private industry and that program goals include the application of such research to industry and consumer needs.

"(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other funds made available to implement section 3 of this Act, for the 5-year period beginning on October 1, 1990, there are authorized to be appropriated annually $10,000,000 to implement this section.".

(c) MODERN TIMBER BRIDGE INITIATIVE.—

(1) IN GENERAL.—The Secretary of Agriculture is authorized to continue the Modern Timber Bridge Initiative to provide Federal funds, on a cost share basis as determined by the Secretary, for the construction of demonstration bridges, modern bridge technology transfer projects, and conferences.

(2) APPROPRIATIONS.—There are hereby authorized to be appropriated annually $5,000,000 to carry out this subsection.

(d) FORESTRY RESEARCH NEEDS ASSESSMENTS.—Within 6 months after the date of enactment of this Act, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that responds to the recommendations contained in the report of the National Research Council entitled "Forestry Research: A Mandate for Change". The report shall include—

(1) an assessment of the capability of current forestry research programs to address research areas specified in the report, including research on ecosystem functions and management;

(2) an evaluation of alternatives to current organizational frameworks for providing guidance to forestry research programs and establishing research priorities, including the establishment of a National Forestry Research Council; and

(3) recommendations for changes in current forestry research programs, including levels of research funding, that may be needed to address existing deficiencies.

SEC. 1242. SOUTHERN FOREST REGENERATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall make a grant to a State for the establishment, within such State, of a center, to be known as the "Southern Forest Regeneration Center" (hereafter referred to in this section as the "Center"), to study forest regeneration problems and forest productivity in the southern region of the United States.

(b) DUTIES OF CENTER.—The Center shall study forest regeneration problems and forest productivity in the southern region of the United States, including—

(1) nursery management concerns that will lead to improved seedling quality;

(2) forest management practices that account for environmental stresses; and

(3) the development of low-cost forest regeneration methods that provide options for wood products, species diversity, wildlife habitat, and production of clean air and water.

(c) ESTABLISHMENT OF OTHER PROGRAMS.—The Secretary of Agriculture may establish other programs in other regions of the United States, or a comprehensive National program, to carry out the purposes of this section as the Secretary determines appropriate.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1243. SEMIARID AGROFORESTRY RESEARCH CENTER.

(a) SEMIARID AGROFORESTRY RESEARCH, DEVELOPMENT, AND DEMONSTRATION CENTER.—The Secretary of Agriculture shall establish at the Forestry Sciences Laboratory of the United States Forest Service, in Lincoln, Nebraska, a Semiarid Agroforestry Research, Development, and Demonstration Center (hereafter referred to in this section as the "Center") and appoint a Director to manage and coordinate the program established at the Center under subsection (b).

(b) PROGRAM.—The Secretary shall establish a program at the Center and seek the participation of Federal or State governmental entities, land-grant colleges or universities, State agricultural experiment stations, State and private foresters, the National Arbor Day Foundation, and other nonprofit foundations in such program to conduct or assist research, investigations, studies, and surveys to—

(1) develop sustainable agroforestry systems on semiarid lands that minimize topsoil loss and water contamination and stabilize or enhance crop productivity;

(2) adapt, demonstrate, document, and model the effectiveness of agroforestry systems under different farming systems and soil or climate conditions;

(3) develop dual use agroforestry systems compatible with paragraphs (1) and (2) which would provide high-value forestry products for commercial sale from semiarid land;

(4) develop and improve the drought and pest resistance characteristics of trees for conservation forestry and agroforestry applications in semiarid regions, including the introduction and breeding of trees suited for the Great Plains region of the United States;

(5) develop technology transfer programs that increase farmer and public acceptance of sustainable agroforestry systems;

(6) develop improved windbreak and shelterbelt technologies for drought preparedness, soil and water conservation, environmental quality, and biological diversity on semiarid lands;

(7) develop technical and economic concepts for sustainable agroforestry on semiarid lands, including the conduct of economic analyses of the costs and benefits of agroforestry systems and the development of models to predict the economic benefits under soil or climate conditions;

(8) provide international leadership in the development and exchange of agroforestry practices on semiarid lands worldwide;

(9) support research on the effects of agroforestry systems on semiarid lands in mitigating nonpoint source water pollution;

(10) support research on the design, establishment, and maintenance of tree and shrub plantings to regulate the deposition of snow along roadways; and

(11) conduct sociological, demographic, and economic studies as needed to develop strategies for increasing the use of forestry conservation and agroforestry practices.

(c) INFORMATION COLLECTION AND DISSEMINATION.—The Secretary shall establish at the Center a program, to be known as the National Clearinghouse on Agroforestry Conservation and Promotion to—

(1) collect, analyze, and disseminate information on agroforestry conservation technologies and practices; and

(2) promote the use of such information by landowners and those organizations associated with forestry and tree promotion.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 annually to carry out this section.

SEC. 1244. FOREST LAND PROTECTION.

(a) NORTHERN FOREST LANDS.—In furtherance of Public Law 100-446, the Secretary of Agriculture (hereafter in this section referred to as the "Secretary") is authorized to continue support for the study of changing land ownership and management patterns in the northern forest lands of Maine, New Hampshire, Vermont, and New York.

(b) NEW YORK-NEW JERSEY HIGHLANDS.—

(1) IN GENERAL.—The Secretary is authorized to conduct a study of the region known as the New York-New Jersey Highlands, located in the States of New York, New Jersey, and Pennsylvania, including the Sterling Forest in Orange County, New York.

(2) SCOPE OF STUDY.—The study authorized under this subsection (hereafter in this subsection referred to as the "study") shall include an identification and assessment of—

(A) the physiographic boundaries of the region referred to in this subsection (hereafter in this subsection referred to as the "region");

(B) forest resources of the region, including (but not limited to) timber and other forest products, fish and wildlife, lakes and rivers, and recreation;

(C) historical land ownership patterns in the region and projected future land ownership, management, and use, including future recreational demands and deficits and the potential economic benefits of recreation to the region;

(D) the likely impacts of changes in land and resource ownership, management, and use on traditional land use patterns in the region, including economic stability and employment, public use of private lands, natural integrity, and local culture and quality of life; and

(E) alternative conservation strategies to protect the long-term integrity and traditional uses of lands within the region.

(3) ALTERNATIVE CONSERVATION STRATEGIES.—The alternative conservation strategies referred to in paragraph (2)(E) shall include a consideration of—

(A) sustained flow of renewable resources in a combination that will meet the present and future needs of society;

(B) public access for recreation;

(C) protection of fish and wildlife habitat;

(D) preservation of biological diversity and critical natural areas; and

(E) new local, State, or Federal designations.

(4) PUBLIC PARTICIPATION.—In conducting the study, the Secretary shall provide an opportunity for public participation.

(5) APPROPRIATIONS.—There are hereby authorized to be appropriated $250,000 to carry out this subsection.

SEC. 1245. PRESIDENTIAL COMMISSION ON STATE AND PRIVATE FORESTS.

(a) ESTABLISHMENT.—The President shall establish a Commission on State and Private Forests (hereafter in this section referred to as the "Commission") which shall assess the status of the State and private forest lands of the United States, the problems affecting these lands, and the potential contribution of these lands to the renewable natural resource needs of the United States associated with their improved management and protection.

(b) COMPOSITION.—The Commission shall be composed of 25 members to be appointed by the President, including Federal, State, and local officials, timber industry representatives, nonindustrial private forest landowners, conservationists, and community leaders. No more than five members shall be appointed from any one State. Not fewer than 20 members shall be appointed by the President from nominations submitted by the following Members of Congress:

(1) The chairman of the Committee on Agriculture of the House of Representatives.

(2) The ranking minority member of the Committee on Agriculture of the House of Representatives.

(3) The chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(4) The ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(c) VACANCY.—A vacancy on the Commission shall be filled by appointment by the President in the manner provided in subsection (b).

(d) CHAIRPERSON.—The Commission shall elect a chairperson from among the members of the Commission by a majority vote.

(e) MEETINGS.—The Commission shall meet at the call of the chairperson or a majority of the members of the Commission.

(f) DUTIES.—

(1) STUDY.—The Commission shall conduct a study that shall include—

(A) an assessment using existing inventories of the current status of the State and private forest lands of the United States, including—

(i) ownership status and past and future trends;

(ii) the production of timber and nontimber resources from such lands; and

(iii) landowner attitudes toward the protection and management of these lands;

(B) a review of the problems affecting the State and private forest lands of the United States, including—

(i) resource losses to insects, disease, fire, and damaging weather;

(ii) inadequate reforestation;

(iii) fragmentation and conversion of the forest land base; and

(iv) management options;

(C) constraints on, and opportunities for, providing multiresource outputs from forest lands;

(D) administrative and legislative recommendations for addressing the problems and capitalizing on the potential of these lands for contributing to the renewable natural resource needs of the United States.

(2) FINDINGS AND RECOMMENDATIONS.—On the basis of its study, the Commission shall make findings and develop recommendations for consideration by the President with respect to the future demands placed on State and private forests in meeting both commodity and noncommodity needs of the United States in anticipation of impending changes in the management of the national forests, especially with regard to timber harvest. This assessment should focus on the role of State and private forest lands and help to identify means of improving their contribution to meeting the timber and nontimber needs of the United States.

(3) REPORT.—The Commission shall submit to the President, not later than December 1, 1992, a report containing its findings and recommendations. The President shall submit the report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the report is authorized to be printed as a House Document.

(g) OPERATIONS IN GENERAL.—

(1) AGENCY COOPERATION.—The heads of executive agencies, the General Accounting

Office, the Office of Technology Assessment, and the Congressional Budget Office shall cooperate with the Commission.

(2) COMPENSATION.—Members of the Commission shall serve without compensation for work on the Commission. While away from their homes or regular places of business in the performance of duties of the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service under section 5703 of title 5 of the United States Code.

(3) DIRECTOR.—To the extent there are sufficient funds available to the Commission and subject to such rules as may be adopted by the Commission, the Commission, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to the classification and General Schedule pay rates, may—

(A) appoint and fix the compensation of a director; and

(B) appoint and fix the compensation of such additional personnel as the Commission determines necessary to assist it to carry out its duties and functions.

(4) STAFF AND SERVICES.—On the request of the Commission, the heads of executive agencies, the Comptroller General, and the Director of the Office Technology Assessment may furnish the Commission with such office, personnel or support services as the head of the agency, or office, and the chairperson of the Commission agree are necessary to assist the Commission to carry out its duties and functions. The Commission shall not be required to pay, or reimburse, any agency for office, personnel or support services provided by this subsection.

(5) EXEMPTIONS.—

(A) FACA.—The Commission shall be exempt from sections 7(d), 10(e), 10(f), and 14 of the Federal Advisory Committee Act (5 U.S.C. App. 2, 1 et seq.).

(B) TITLE 5.—The Commission shall be exempt from the requirements of sections 4301 through 4305 of title 5 of the United States Code.

(h) AUTHORIZATION OF APPROPRIATIONS AND SPENDING AUTHORITY.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as are necessary to implement this section.

(2) SPENDING AUTHORITY.—Any spending authority (as defined in section 401 of the Congressional Budget Act of 1974) provided in this title shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(i) TERMINATION.—The Presidential Commission on State and Private Forests shall cease to exist 90 days following the submission of its report to the President.

SEC. 1246. BLUE MOUNTAIN NATURAL RESOURCE INSTITUTE.

(a) FINDINGS.—The Congress finds that—

(1) the forests and rangelands in the States of Washington and Oregon east of the Cascade Crest do not yield their productive capacity of multiple products, services and benefits, yet these forests and rangelands are expected to yield more;

(2) these forests are among the most insect infested and disease infected in North America due to previous management practices, including the exclusion of fire and past management treatments, which have allowed these forests to become overstocked or to succeed to pest-susceptible forest types;

(3) forage productivity of these forests and rangelands is reduced due to the spread of nonactive grasses, juniper, and noxious weeds;

(4) the unprecedented build-up of fuel loads in these forests places them under continual threat of catastrophic fire;

(5) losses due to insects, disease, and fire and reduced productivity of these forests and rangelands have far reaching environmental and economic consequences to local communities and a region entirely dependent on land-based resources; and

(6) concerns over global climate change, water quality and quantity, air quality, fish and wildlife habitat, biodiversity, long-term forest and rangeland health and productivity, welfare of resource-dependent communities and regional economies, catastrophic fire, and scenic quality of landscapes set the dimensions of multifaceted resources issued which are straining the effectiveness of policy makers and land managers.

(b) ESTABLISHMENT OF RESEARCH AND DEMONSTRATION PROGRAM.—The Secretary of Agriculture shall establish, plan, and initiate a research, development, and application program for the forests and rangelands of the States of Oregon and Washington located east of the Cascade Crest which shall address research, development, and application needs of the Blue Mountain area in Washington and Oregon. The program, through research, technology development and application, and public involvement, shall—

(1) compile and develop basic biological and ecological information to improve forest and rangeland health and vigor;

(2) focus research on joint management and production of timber, wildlife, grazing, fish, water quality, and recreation;

(3) stimulate cooperative research between universities and Federal and State agencies;

(4) identify and evaluate opportunities to enhance the long-term economic and social benefits derived from the region's forest and rangeland resources in concert with county and regional economic strategies;

(5) convert results of research into technology development products and apply new information in a timely manner;

(6) develop technology to guide intensive multiresource management and policy decisions for sustaining long-term productivity and ecological values into the early decades of the 21st century;

(7) develop new technologies that will enable forest and range managers to maximize multiresource benefits and minimize the hazards of fire, insect, and disease outbreaks;

(8) develop forest management practices for use by land managers and landowners that are appropriate at the wildland-urban interface and in concert with public values for these areas;

(9) demonstrate the application of technology and resource knowledge on specific management areas; and

(10) establish mutually beneficial relations with the public to inform them regarding research and technology development and new management directions and to obtain feedback.

(c) PARTNERSHIP.—The Secretary of Agriculture shall establish and carry out the program under subsection (b) in consultation and cooperation with Federal, State, and local agencies, universities, and the private sector. In addition, the Secretary of Agriculture shall establish an advisory committee representing broad interests and perspectives to assist in the formulation of plans for implementing the program.

SEC. 1247. INTERNATIONAL FOREST PRODUCTS TRADE INSTITUTE.

(a) ESTABLISHMENT.—The Secretary of Agriculture may establish an International Forest Products Trade Institute (hereafter in this section referred to in this section as the "Institute").

(b) MISSION.—The mission of the Institute will be to increase the competitive position of the forest industries of the northeastern United States as major producers of international forest products in order to increase domestic employment and stimulate rural development, and to provide a knowledgeable, objective analysis of global forest resource problems.

(c) FUNCTIONS.—The Institute shall—

(1) emphasize the application of existing knowledge to the manufacturing and international marketing of forest products as well as conduct new research related to the competitiveness of the northeastern forest products industry;

(2) study and evaluate domestic and international forest, forest sector, agroforestry, development, economic, and trade policies;

(3) design, analyze and test technologically appropriate manufacturing, processing and marketing systems which are supportive of and consistent with forest policy and management strategies formulated by the Institute and which enhance opportunities for markets in forest products; and

(4) formulate and test management strategies for—

(A) United States forests, and

(B) manufacturing facilities that promote ecologically sustainable use, and long-term management, of international forests.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

CHAPTER 3—EDUCATION

SEC. 1251. EXTENSION.

(a) EXPANSION OF PROGRAMS.—The Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. EXPANDED PROGRAMS.

"(a) IN GENERAL.—The Secretary, acting through the Extension Service and the State cooperative extension services, and in consultation with State foresters or equivalent State officials, school boards, and universities, shall expand forestry and natural resources education programs conducted under this Act for private forest owners and managers, public officials, youth, and the general public, and shall include guidelines for the transfer of technology.

"(b) ACTIVITIES.—

"(1) IN GENERAL.—In expanding the programs conducted under this Act, the Secretary shall ensure that activities are undertaken to promote policies and practices that enhance the health, vitality, productivity, economic value, and environmental attributes of the forest lands of the United States.

"(2) TYPES.—The activities referred to in paragraph (1) shall include—

"(A) demonstrating and teaching landowners and forest managers the concepts of multiple-use and sustainable natural resource management;

"(B) conducting comprehensive environmental education programs that assist citizens to participate in environmentally positive activities such as tree planting, recycling, erosion prevention, and waste management; and

"(C) educational programs and materials that will improve the capacity of schools, local governments and resource agencies to deliver forestry and natural resources information to young people, environmentally concerned citizens, and action groups.".

(b) PROGRAM AUTHORIZATIONS.—Section 3(a) of such Act (16 U.S.C. 1672(a)) is amended—

(1) in paragraph (7), by striking "and" at the end thereof;

(2) in paragraph (8), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(9) conduct a comprehensive natural resource and environmental education program for landowners and managers, public officials, and the public, with particular emphasis on youth.".

(c) EXTENSION PROGRAM PLAN.—Section 5(a) of such Act (16 U.S.C. 1674(a)) is amended by inserting before the period at the end thereof the following: ", and give special attention to water quality protection and natural resource and environmental education for landowners and managers, public officials, and the public".

SEC. 1252. FORESTRY STUDENT GRANT PROGRAM.

The Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 10. FORESTRY STUDENT GRANT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the 'Forestry Student Grant Program' (hereafter referred to in this section as the 'Program'), to provide assistance to expand the professional education of forestry, natural resources, and environmental scientists.

"(b) STUDENT GRANTS.—Under the Program the Secretary shall provide assistance for the establishment of a competitive grant fellowship program to assist graduate, and undergraduate minority and female, students attending institutions having programs in forestry and natural resources.

"(c) ELIGIBILITY.—The Secretary shall ensure that students concentrating in the following studies shall be eligible for assistance under subsection (b):

"(1) Forestry.

"(2) Biology and forest organisms.

"(3) Ecosystem function and management.

"(4) Human-forest interaction.

"(5) International trade, competition, and cooperation.

"(6) Wood as a raw material.

"(7) Economics and policy.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.".

Subtitle C—America the Beautiful

SEC. 1261. SHORT TITLE.

This subtitle may be cited as the "America the Beautiful Act of 1990".

SEC. 1262. FINDINGS.

Congress finds that—

(1) trees and forests provide beauty and diversity to both rural and urban landscapes;

(2) trees and forests protect the United States's soil, water, and wetland resources by filtering runoff and preventing erosion;

(3) trees and forests provide food and cover for many species of wildlife;

(4) trees and forests provide shade, block winds, and add moisture to the air, thereby mitigating the urban "heat island" effect and significantly reducing energy use;

(5) trees and forests make important contributions to the environmental, social, and economic well-being of both rural and urban areas across the United States; and

(6) stewardship of trees and forests could be significantly enhanced by encouraging, promoting, and supporting partnerships and community service projects involving individuals, youth groups, organizations, businesses and governments at all levels.

SEC. 1263. PURPOSES.

The purposes of this subtitle are to—

(1) authorize the President to designate a private nonprofit foundation as eligible for a one-time grant from the Secretary of Agriculture, to be used for promoting public awareness and a spirit of volunteerism, soliciting private sector contributions, and overseeing the use of these contributions to encourage tree planting projects in communities and urban areas;

(2) promote the principles of basic forest stewardship through the nationwide planting, improvement, and maintenance of trees in order to increase reforestation, enhance the environmental and aesthetic qualities of the United States's rural and urban areas, and reduce global carbon dioxide levels;

(3) authorize the Secretary of Agriculture to provide increased financial and technical assistance to State forestry agencies and others, and enter into cost-sharing agreements with individuals, for the purpose of encouraging owners of nonindustrial private lands to plant and maintain trees and improve forests in rural areas; and

(4) authorize the Secretary of Agriculture to provide increased financial and technical assistance to State forestry agencies and others for the purpose of encouraging units of local government, civic groups, and individuals to plant and maintain trees and improve forests in communities and urban areas.

SEC. 1264. TREE PLANTING FOUNDATION.

(a) PURPOSE.—The purpose of this section is to authorize the President to designate a private nonprofit Foundation as eligible to receive a grant from the Department of Agriculture to be used—

(1) to provide grants, including matching grants, to qualifying nonprofit organizations (including youth groups), municipalities, counties, towns and townships for the implementation of programs to promote public awareness and a spirit of volunteerism in support of tree planting, maintenance, management, protection, and cultivation projects in rural areas, communities and urban areas throughout the United States;

(2) to solicit public and private sector contributions through the mobilization of individuals, businesses, governments, and community organizations with the goal of increasing the number of trees planted, maintained, managed, and protected in rural areas, communities and urban environments;

(3) to accept and administer public and private gifts and make grants, including matching grants, to encourage local participation, for the planting, maintenance, management, protection, and cultivation of trees; and

(4) to ensure that our descendants will be able to share their ancestors' pride when referring to their land as "America the Beautiful".

(b) AUTHORITY.—The President is authorized to designate a private nonprofit organization (hereafter in this section referred to as the "Foundation") as eligible to receive funds pursuant to subsections (d) and (e) upon determining that such organization can, consistent with its charter, carry out the purposes stated in subsection (a), and that the officers of such organization have the experience and expertise necessary to direct the activities of the organization. Nothing in this section shall be construed to make officers, employees, or members of the board of directors of the Foundation officers or employees of the United States. The Foundation shall be a private and nonprofit organization and not an agency or establishment of the United States.

(c) IMPLEMENTATION.—The Foundation shall carry out this section in accordance with the purposes stated in subsection (a).

(d) FUNDING.—For fiscal year 1991, the Secretary is authorized to make a grant of not to exceed $25,000,000 to the Foundation.

(e) USE OF FUNDS.—Funds made available pursuant to subsection (d) shall be granted to the Foundation by the Secretary to enable the Foundation to carry out the purposes specified in subsection (a).

(f) INTEREST.—Notwithstanding any other provision of law, the Foundation may hold funds made available pursuant to subsection (e) in interest-bearing accounts prior to the disbursement of the funds for purposes specified in subsection (a) and may retain to carry out such purposes any interest earned on the deposits.

(g) LIMITATIONS ON USES OF FUNDS.—

(1) IN GENERAL.—The Foundation may use funds provided by this section only for making grants to qualified organizations, municipalities, counties, towns and townships for the implementation of projects and activities that are consistent with the purposes specified in subsection (a).

(2) QUALIFIED ORGANIZATIONS.—For the purposes of this section, qualified organizations shall consist of those organizations that meet the requirements of section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and have demonstrated a capability to implement the project or activity for which the Foundation funds will be used.

(h) COMPENSATION FROM OUTSIDE SOURCES.—An officer or employee of the Foundation may not receive any salary or other compensation for services rendered to the Foundation from any source other than the Foundation.

(i) STOCK AND DIVIDENDS.—The Foundation shall not issue any shares of stock or declare or pay any dividends.

(j) LOBBYING.—The Foundation shall not engage in lobbying or propaganda for the purpose of influencing legislation and shall not participate or intervene in any political campaign on behalf of any candidate for public office.

(k) SALARY; TRAVEL AND EXPENSES; CONFLICTS OF INTEREST.—

(1) PERSONAL BENEFIT FROM FUNDS.—No part of the funds of the Foundation shall inure to the benefit of any board member, officer, or employee of the Foundation, except as salary or reasonable compensation for services or expenses.

(2) TRAVEL AND EXPENSE REIMBURSEMENT.—Compensation for board members shall be limited to reimbursement for reasonable costs of travel and expenses.

(3) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, or organization in which such director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(l) RECORDS; AUDITS.—The Foundation shall ensure that—

(1) each recipient of assistance provided through the Foundation under this section maintains, for at least 5 years after the receipt of the assistance, separate accounts with respect to the assistance and such records as may be reasonably necessary to disclose fully—

(A) the amount and the disposition by the recipient of the proceeds of the assistance;

(B) the total cost of the project or undertaking in connection with which the assistance is given or used;

(C) the amount and nature of that portion of the cost of the project or undertaking supplied by other sources; and

(D) such other records as will facilitate an effective audit; and

(2) the Foundation and any duly authorized representative of the Foundation shall have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient that are pertinent to assistance provided through the Foundation under this section.

(m) AUDITS.—

(1) INDEPENDENT AUDITS.—For the fiscal year in which the Foundation receives the grant awarded under subsection (e), and for the succeeding 5 fiscal years, the accounts of the Foundation shall be audited annually in accordance with generally accepted auditing standards by an independent certified public accountant or an independent licensed public accountant certified or licensed by a regulatory authority of a State or other political subdivision of the United States. The report of each such independent audit shall be included in the annual report required by subsection (n).

(2) AGENCY AUDITS.—For the fiscal year in which the Foundation receives the grant awarded under subsection (d), and for the succeeding 5 fiscal years, the financial transactions undertaken pursuant to this section by the Foundation may be audited by any agency designated by the President.

(n) ANNUAL REPORTS.—

(1) IN GENERAL.—Not later than 3 months after the conclusion of each fiscal year, the Foundation shall publish an annual report that includes a comprehensive and detailed report of the operations, activities, financial condition, and accomplishments of the Foundation under this Act during the fiscal year.

(2) TERMINATION.—The obligation of the Foundation to publish annual reports pursuant to this subsection shall terminate after publication of the report incorporating the findings of the final audit in accordance with procedures required by subsection (l).

(o) PROHIBITION ON COMMERCIAL HARVEST.—Trees planted pursuant to a program receiving funds under this section may not be commercially harvested and sold for Christmas trees.

(p) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $25,000,000 to be granted by the Secretary of Agriculture to the Foundation. All funds appropriated under this section may remain available until expended.

SEC. 1265. RURAL TREE PLANTING AND FOREST MANAGEMENT PROGRAM.

The Secretary of Agriculture is authorized to establish a rural tree planting and forest management program as a special component of the forest stewardship program and the stewardship incentive program established under sections 5 and 6 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2102) (as amended by subtitle A). Such program shall terminate on December 31, 2001.

SEC. 1266. COMMUNITY TREE PLANTING AND IMPROVEMENT PROGRAM.

The Secretary of Agriculture is authorized to establish a community tree planting and improvement program as a special component of the urban and community forestry assistance program established under section 9 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2105) (as amended by section 1219). Such program shall terminate on December 31, 2001.

Subtitle D—Miscellaneous Provisions

SEC. 1271. EMERGENCY REFORESTATION ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture is authorized to provide assistance under this section to eligible landowners who suffer destruction of 35 percent or more of a commercial tree stand due to damaging weather, related condition, or wildfire.

(b) FORM OF ASSISTANCE.—The assistance, if any, provided by the Secretary under this section shall consist of either—

(1) reimbursement of up to 65 percent of the cost of reestablishing such tree stand damaged by the damaging weather, related condition, or wildfire in excess of 35 percent mortality; or

(2) at the discretion of the Secretary, provision of sufficient tree seedlings to reestablish such tree stand.

(c) CONDITIONS.—

(1) LIMITATION ON ASSISTANCE.—No person may receive an amount in excess of $25,000 in any fiscal year, or an equivalent value in tree seedlings, under this section.

(2) INELIGIBILITY.—A person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive any disaster payment or other benefits under this section.

(3) IMPLEMENTATION.—In implementing this section, the Secretary shall issue regulations—

(A) defining the term "person" for the purposes of this section that shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308);

(B) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this subsection; and

(C) ensuring that no person receives duplicative payments or assistance under this section, the Cooperative Forestry Assistance Act of 1978, and the Agricultural Conservation Program established under section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l, or 590p), or other Federal program.

(d) DEFINITIONS.—As used in this section—

(1) the term "damaging weather" includes drought, hail, excessive moisture, freeze, tornado, hurricane, excessive wind, or any combination thereof;

(2) the term "eligible landowner" means a person who—

(A) produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees;

(B) owns 1,000 acres or less of private forest land; or

(C) owns more than 1,000 acres but less than 5,000 acres of private forest land if the Secretary, in the Secretary's discretion, determines the person eligible;

(3) the term "qualifying gross revenues" means—

(A) if a majority of the person's annual income is received from farming, ranching, and forestry operations, the gross revenue from the person's farming, ranching, and forestry operations; and

(B) if less than a majority of the person's annual income is received from farming, ranching, and forestry operations, the person's gross revenue from all sources;

(4) the term "related condition" includes insect infestations, disease, or other deterioration of a tree stand that is accelerated or exacerbated by damaging weather;

(5) the term "reestablish" includes site preparation, reforestation of a damaged stand, and timber stand improvement practices, including thinning, prescribed burning, and other practices approved by the Secretary for reforestation;

(6) the term "Secretary" means the Secretary of Agriculture; and

(7) the term "wildfire" means any forest or range fire.

(e) RETROACTIVE ASSISTANCE.—The Secretary shall use funds provided under this section to reimburse landowners for approved reforestation practices that were implemented before the date of enactment of this section. The Secretary shall not make reimbursements for reforestation practices that were implemented prior to September 1, 1989.

SEC. 1272. TALLADEGA NATIONAL FOREST EXPANSION.

The boundaries of the Talladega National Forest are hereby modified to include all lands depicted on a map entitled "Talladega Forest Expansion" and dated October 1990, which shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Washington, District of Columbia. Within the area delineated on such map, the Secretary shall utilize his authorities under the Act of March 1, 1911 (Chapter 186, 36 Stat. 961), to acquire lands, waters, and interests therein. Lands so acquired shall be managed under such Act for National Forest purposes. It is the intent of the Congress that, to the extent practicable, private lands be acquired on a willing seller basis without undue delay.

TITLE XIII—FRUITS, VEGETABLES, AND MARKETING

Subtitle A—Fruits and Vegetables

SEC. 1301. FINDINGS.

Congress finds that—

(1) fruits, vegetables, and specialty crops are a vital and important source of nutrition for the general health and welfare of the people of the United States; and

(2) fruits and vegetables are recommended as an essential part of a healthy, nutritious diet by numerous health officials and organizations including the Surgeon General of the United States; the National Institutes of Health; the National Cancer Institute; the American Heart Association; the Committee on Diet, Nutrition and Cancer of the National Academy of Sciences; the Department of Agriculture; and the Department of Health and Human Services.

SEC. 1302. PURPOSES.

The purposes of this subtitle are to—

(1) improve the Nation's dietary and nutritional standards by promoting domestically produced wholesome and nutritious fruit and vegetable products;

(2) increase the public awareness as to the difficulties domestic producers experience regarding the production, harvesting, and marketing of these products; and

(3) aid in the development of new technology and techniques that will assist domestic producers in meeting the challenges of increased demands for fruit and vegetable products in the future.

SEC. 1303. DECLARATION.

Congress declares that the domestic production of fruits and vegetables is an integral part of this Nation's farm policy.

SEC. 1304. STUDY OF THE FRUIT AND VEGETABLE INDUSTRY.

(a) STUDY.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study to determine the state of the domestic fruit and vegetable industry. In conducting such study, the Secretary of Agriculture shall consult with such agencies or departments, as determined necessary by the Secretary of Agriculture, including the Environmental Protection Agency, the Department of Health and Human Services, the Department of Commerce, the Department of Labor, and the Department of Education.

(2) CONTENTS.—The study conducted under paragraph (1) shall include—

(A) a review of the availability of an adequate labor supply for maintaining and harvesting of fruits and vegetables;

(B) a review of the availability of crop insurance or disaster assistance for fruit and vegetable producers;

(C) a review of scientific and technological advances in the areas of genetics, biotechnology, integrated pest management, post harvest protection, and other scientific developments related to the production and marketing of fruits and vegetables;

(D) an examination of the availability of safe and effective chemicals for use in the production of fruits and vegetables, and an evaluation of the value of national uniformity to both consumers and producers;

(E) a review of the requirements and cost of labeling fruits and vegetables in the industry, and the benefits that would result from the labeling of such products; and

(F) a review of Federal educational programs that teach the importance of fruits and vegetables to a proper diet.

(b) REPORT.—Not later than 18 months after the date of enactment of this title, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report containing the results of the study described in subsection (a). Such report shall include—

(1) the recommendations of the Secretary concerning the manner in which producers of domestic fruit and vegetable commodities that are not receiving assistance under the programs that provide market enhancement assistance (such as the export enhancement program under subtitle B of title XI of the Food Security Act of 1985 (7 U.S.C. 1736p et seq.) to producers of domestic fruit and vegetable commodities, could participate in such programs; and

(2) the recommendations to the Secretary concerning the establishment of additional programs of the type described in paragraph (1) to assist producers of domestic fruit and vegetable commodities in increasing their production and in expanding domestic and foreign markets for the products of such producers.

SEC. 1305. COUNTRY OF ORIGIN LABELING PROGRAMS.

(a) GROWN IN THE U.S. PROGRAM.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall implement a program defining the conditions under which non-perishable agricultural products may be designated as "grown in the U.S.".

(b) PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary shall implement a 2-year pilot program during which time perishable agricultural products (fresh fruits and vegetables) are labeled or marked as to their country of origin. This program shall be conducted nationwide. After the 2-year period, the Secretary shall conduct a study to determine the results of the program. The Secretary shall submit to the Congress the results of the study within 18 months from the date of completion of the program.

(2) DETAILS OF THE PILOT PROGRAM.—

(A) DESIGNATION OF COUNTRY OF ORIGIN.—The program shall require that the country of origin of perishable agricultural products be indicated on any such products or on the package, display, holding unit, or bin by means of a label, stamp, mark, placard, or other clear and visible indication at the point of sale by any commission merchant, dealer, broker, or grocer. A sign near the products shall be an acceptable indication of the country of origin.

(B) APPLICATION OF PROGRAM.—

(i) IMPORTED AND DOMESTIC PRODUCTS.—The program shall apply to imported and domestic perishable agricultural products (including fresh fruits and vegetables).

(ii) IMPORTED PERISHABLE AGRICULTURAL PRODUCTS.—The labeling program shall apply to imported perishable agricultural products that enter the United States marked as to the country of origin and that are in compliance with section 304(a) of the Tariff Act of 1930.

(C) EXEMPTIONS.—The Secretary may provide for exemptions for products that are exempted, under section 304(a)(3)(J) of the Tariff Act of 1930, from the country of origin marking requirements of that Act.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.

SEC. 1306. ENFORCEMENT OF HANDLER ASSESSMENTS.

Section 8c(14) of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c(14)) is amended—

(1) in subparagraph (A) by—

(A) striking "(other than a provision calling for payment of a pro rata share of expenses)"; and

(B) striking ": Provided, That if" and inserting ". If"; and

(2) in subparagraph (B) by striking "(other than a provision calling for payment of a pro rata share of expenses)".

SEC. 1307. KIWIFRUIT AND OTHER FRUIT.

The first sentence of section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e-1), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by striking "or eggplants" and inserting "eggplants, kiwifruit, nectarines, plums, pistachios, or apples".

SEC. 1308. MARKETING ORDERS.

Section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by—

(1) striking "(a) Notwithstanding any other provision of law," in the first sentence, and inserting in its place "(a) Subject to the provisions of subsections (c) and (d) and notwithstanding any other provision of law,";

(2) adding at the end thereof the following new subsections:

"(c) Prior to any import prohibition or regulation under this section being made effective with respect to any commodity—

"(1) the Secretary of Agriculture shall notify the United States Trade Representative of such import prohibition or regulation; and

"(2) the United States Trade Representative shall advise the Secretary of Agriculture, within 60 days of the notification under paragraph (1), to ensure that the application of the grade, size, quality, and maturity provisions of the relevant marketing order, or comparable restrictions, to imports is not inconsistent with United States international obligations under any trade agreement, including the General Agreement on Tariffs and Trade.

"(d) The Secretary may proceed with the proposed prohibition or regulation if the Secretary receives the advice and concurrence of the United States Trade Representative within 60 days of the notification under subsection (c)(1).".

SEC. 1309. PRODUCTS PRODUCED IN DISTINCT GEOGRAPHIC AREAS.

(a) IN GENERAL.—In the case of a perishable agricultural commodity (as defined under the Perishable Agricultural Commodity Act (7 U.S.C. 499a(4))—

(1) subject to a Federal marketing order under the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.);

(2) traditionally identified as being produced in a distinct geographic area, State, or region; and

(3) the unique identity, based on such distinct geographic area, of which has been promoted with funds collected through producer contributions pursuant to such marketing order,

no person may use the unique name or geographical designation of such commodity to promote the sale of a similar commodity produced outside such area, State, or region.

(b) PENALTIES.—A violation of this section shall be considered a violation of paragraphs (4) and (5) of section 2 of the Perishable Agricultural Commodities Act (7 U.S.C. 499b(4) and (5)).

(c) REIMBURSEMENT.—A person bringing a complaint under this section shall reimburse the Secretary of Agriculture for any and all costs associated with the enforcement of this section.

(d) PROHIBITION.—The Secretary of Agriculture shall not increase any fees charged under the Perishable Agricultural Commodities Act (7 U.S.C. 499 et seq.) to offset costs associated with the operation of this section.

(e) REGULATIONS.—The Secretary shall promulgate regulations to carry out this section.

Subtitle B—National Laboratory Accreditation

SEC. 1321. DEFINITIONS.

As used in this subtitle:

(1) AGRICULTURAL PRODUCT.—The term "agricultural product" means any fresh fruit or vegetable or any commodity or product derived from livestock or fowl, that is marketed in the United States for human consumption.

(2) CERTIFICATE.—The term "certificate" means a certificate of accreditation issued under this subtitle.

(3) LABORATORY.—The term "laboratory" means any facility or vehicle that is owned by an individual or a public or private entity and is equipped and operated for the purpose of carrying out pesticide residue analysis on agricultural products for commercial purposes.

(4) PESTICIDE.—The term "pesticide" means any substance that alone, in chemical combination, or in any formulation with one or more substances, is defined as a pesticide in section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(u)).

(5) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

SEC. 1322. NATIONAL LABORATORY ACCREDITATION PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—The Secretary shall administer a National Laboratory Accreditation Program under which laboratories that request accreditation and conduct residue testing of agricultural products, or that make claims to the public or buyers of agricultural products concerning chemical residue levels on agricultural products, shall be determined to meet certain minimum quality and reliability standards.

(b) STANDARDS.—The Secretary of Health and Human Services, after consultation with the Secretary and the Administrator of the Environmental Protection Agency, shall establish, through regulations, standards for the National Laboratory Accreditation program that shall include—

(1) standards applicable to laboratories;

(2) qualifications for directors and other personnel; and

(3) standards and procedures for quality assurance programs.

(c) ACCREDITING BODIES.—The Secretary of Health and Human Services shall approve State agencies or private, nonprofit entities as accrediting bodies to act on behalf of such Secretary in implementing the certification and quality assurance programs in accordance with the requirements of this section. In making such approvals the Secretary of Health and Human Services shall—

(1) oversee and review the performance of any accrediting body acting on behalf of the Secretary to ensure that such accrediting body is in compliance with the requirements of the certification program under this section; and

(2) have the right to obtain from an accrediting body acting on behalf of the Secretary and from any laboratory that may be certified by such a body all records and materials that may be necessary for the oversight and review required by paragraph (1).

(d) REQUIREMENTS.—To be accredited under this subtitle, a laboratory shall—

(1) prepare and submit an application for accreditation to the Secretary; and

(2) comply with such terms and conditions as are determined necessary by the Secretary and the Secretary of Health and Human Services.

(e) EXCEPTIONS.—This subtitle shall not apply to—

(1) a laboratory operated by a government agency;

(2) a laboratory operated by a corporation that only performs analysis of residues on agricultural products for such corporation or any wholly owned subsidiary of such corporation and does not make claims to the public or buyers based on such analysis;

(3) a laboratory operated by a partnership that only performs analysis of residues on agricultural products for the partners of such partnership and does not make claims to the public or buyers based on such analysis; or

(4) a laboratory not operated for commercial purposes that performs pesticide chemical residue analysis on agricultural products for research or quality control for the internal use of a person who is initiating the analysis.

SEC. 1323. ACCREDITATION.

(a) IN GENERAL.—The Secretary shall issue certificates of accreditation to laboratories that meet the requirements of this subtitle, as determined by the Secretary.

(b) REQUIREMENTS FOR ACCREDITATION.—To receive accreditation under this subtitle, a laboratory shall prepare and submit an application for accreditation to the Secretary and shall complete such required tests, and meet such standards as established under section 1322.

(c) FAILURE TO MEET ACCREDITATION STANDARDS.—The Secretary shall deny an application for accreditation or shall revoke any existing accreditation with respect to any laboratory that fails to meet the requirements for accreditation under this subtitle.

(d) LIMITED ACCREDITATION.—The Secretary may issue certificates of accreditation to laboratories that are limited to specific fields of testing.

SEC. 1324. SAMPLES.

(a) PERFORMANCE EVALUATION SAMPLES.—

(1) PROVIDED BY SECRETARY.—The Secretary shall ensure that performance evaluation samples are provided to any laboratory that has applied for accreditation under this subtitle.

(2) ANALYSIS BY LABORATORY.—A laboratory described in paragraph (1) shall analyze such performance evaluation samples and submit the results of such analysis to the Secretary, as provided for in section 1322.

(3) TESTING METHODS.—Samples shall be tested by the laboratory according to methods specifically approved for such purpose by alternate methods of demonstrated adequacy or equivalence, as determined in regulations established under this subtitle.

(b) RESULTS OF TESTING.—

(1) SUBMISSION OF RESULTS.—The laboratory shall submit the results of the tests conducted under subsection (a) to the Secretary on forms provided by the Secretary, on or before the date determined by the Secretary.

(2) EVALUATION OF TESTS.—The Secretary shall evaluate the results of such tests achieved by the laboratory and shall determine whether such laboratory is capable of undertaking an accurate analysis of chemical residues in agricultural products.

(c) REVIEW OF ACCREDITATION.—The Secretary shall ensure that performance evaluation samples for analysis are provided to laboratories accredited under this subtitle not less than two times a year.

SEC. 1325. APPLICATION.

(a) CONTENTS OF APPLICATION.—An application for accreditation under this subtitle shall be prepared and submitted to the Secretary and shall include—

(1) the name and address of the laboratory;

(2) the name and address of the owners and managers of such laboratory;

(3) a statement concerning the type of analysis the laboratory intends to conduct;

(4) a brief history of the laboratory and its previous operations; and

(5) such other information as may be required by the Secretary.

(b) RESTRICTIONS ON SUBMISSION OF APPLICATION.—A laboratory that has been denied, or has lost, accreditation under this subtitle shall not reapply for accreditation until the expiration of at least 6 months after such denial or loss of accreditation. Corrective actions taken by the laboratory to address deficiencies upon which the denial or loss of accreditation was based must accompany the reapplication.

SEC. 1326. REPORTING.

(a) IN GENERAL.—Each laboratory or individual that performs, brokers, or otherwise arranges for the performance of a pesticide chemical analysis of food shall prepare and submit a report, simultaneously to the Secretary, the Secretary of Health and Human Services, and to the owner of such food, that shall contain any finding of pesticide chemical residues in such food—

(1) for which no chemical residue tolerance or exemption has been established;

(2) that is in excess of residue tolerances; or

(3) for which the chemical residue tolerance has been revoked or the chemical residue is otherwise not permitted by the Environmental Protection Agency.

(b) TIMING OF REPORT.—A laboratory shall submit the report required under subsection (a) to the Secretary, the Secretary of Health and Human Services, and the owner of such food as soon as practicable after the completion of the analysis of such food.

(c) GUIDELINES.—The Secretary shall adopt standardized reporting guidelines to be applied to laboratories under this section and shall provide such guidelines to laboratories accredited under this subtitle, as well as other sources of information regarding applicable pesticide chemical tolerances.

SEC. 1327. FEES.

(a) IN GENERAL.—At the time that an application for accreditation is received by the Secretary, and annually thereafter, a laboratory seeking such accreditation under this subtitle shall pay a nonrefundable accreditation fee.

(b) AMOUNT OF FEE.—The fee required under subsection (a) shall be established by the Secretary in an amount that will offset the cost of the program established by this subtitle.

(c) REIMBURSEMENT OF EXPENSES.—Each laboratory that is accredited under this subtitle or that has applied for accreditation under this subtitle shall reimburse the Secretary for reasonable travel and other expenses necessary to perform onsite inspections of such laboratory.

(d) ADJUSTMENT OF FEES.—The Secretary may, on an annual basis, adjust the fees imposed under this section as necessary to support the full costs of the program established by this subtitle.

SEC. 1328. PUBLIC DISCLOSURE.

The results of the evaluations of laboratories conducted by the Secretary under this subtitle shall be made available to the Secretary of Health and Human Services and to the public on request.

SEC. 1329. REGULATIONS.

The Secretary shall promulgate regulations to carry out this subtitle.

SEC. 1330. EFFECT OF OTHER LAWS.

Nothing in this subtitle shall alter the authority of the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 301 et seq.).

Subtitle C—Cosmetic Appearance

SEC. 1351. DEFINITION.

As used in this subtitle, the term "cosmetic appearance" means the exterior appearance of an agricultural commodity, including changes to that appearance resulting from superficial damage or other alteration that do not significantly affect yield, taste, or nutritional value.

SEC. 1352. RESEARCH.

(a) REQUIREMENT.—The Secretary of Agriculture shall conduct research to examine

the effects, to the extent listed in subsection (b), of grade standards and other regulations, as developed and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.), and other statutes governing cosmetic appearance.

(b) SCOPE OF RESEARCH.—The primary goal of this research is to investigate the extent to which grade standards and other regulations governing cosmetic appearance affect pesticide use in the production of perishable commodities. The research shall also—

(1) determine pesticide application levels for United States perishable commodity production and assess trends, and factors influencing those trends, of pesticide application levels since 1975;

(2) determine the extent to which Federal grade standards and other regulations affect pesticide use in agriculture for cosmetic appearance;

(3) determine the effect of reducing emphasis on cosmetic appearance in grade standards and other regulations on—

(A) the application and availability of pesticides in agriculture;

(B) the adoption of agricultural practices that result in reduced pesticide use;

(C) production and marketing costs;

(D) domestic and international markets and trade for perishable commodities;

(4) determine the extent to which grade standards and other regulations reflect consumer preferences;

(5) develop options for implementation of food marketing policies and practices that will remove obstacles that may exist to pesticide use reduction, based on the findings of research conducted under this section.

(c) FIELD RESEARCH.—

(1) LENGTH OF PROJECTS.—The Secretary of Agriculture shall implement, not later than 12 months after the date of enactment of this Act, a minimum of three, 2-year market research projects, in at least three States, to demonstrate and evaluate the feasibility of consumer education and information programs.

(2) SCOPE OF FIELD RESEARCH.—Research under paragraph (1) shall be conducted to evaluate programs designed to—

(A) offer consumers choices among perishable commodities produced with different production practices;

(B) provide consumers with information about agricultural practices used in the production of perishable commodities; or

(C) educate the public about the relationship, as determined in the research conducted under this subtitle, between the cosmetic appearance of perishable commodities and pesticide use.

(d) DISSEMINATION OF RESULTS.—The Secretary of Agriculture shall disseminate to concerned parties the results obtained from prior scientifically valid research concerning Federal marketing policies and practices described in this section to avoid any duplication of effort and to ensure that current knowledge concerning such policies and practices is enhanced.

(e) ADVISORY COMMITTEE.—

(1) ESTABLISHMENT.—The Secretary of Agriculture shall establish an advisory committee for the purpose of providing ongoing review of the implementation of the requirements in this section and providing the Secretary of Agriculture with recommendations regarding the implementation of those requirements.

(2) MEMBERSHIP.—The Advisory Committee shall consist of 12 members comprised of three representatives from not-for-profit consumer organizations, three representatives from not-for-profit environmental organizations, three representatives from production agriculture and the perishable commodity grower and shipper community, and three representatives from the food retailing sector, each with experience in the policy issues discussed in this section.

(f) REPORT.—The Secretary of Agriculture shall report to Congress on the research conducted under this section no later than September 30, 1992. The Secretary shall report on the research conducted under subsection (c) no later than September 30, 1993.

SEC. 1353. CHANGES IN PROCEDURAL REGULATIONS.

With regard to Federal grade standards developed and promulgated pursuant to the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq), the Secretary of Agriculture shall:

(1) Take into account the impact of those standards on the ability of perishable commodity growers to reduce the use of pesticides.

(2) Provide for citizens outside of the perishable commodity industry fair and reasonable opportunity to formally petition a change in grade standards.

(3) Provide for a comment period after a formal petition to change grade standards has been made to enable all interested parties to submit information. The Secretary of Agriculture shall evaluate the information and consider it in the revision process.

(4) Provide interested parties with annual status reports during the period 1992 through 1994, updated upon request, on all pending grade standard changes the Department of Agriculture is considering.

SEC. 1354. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out the activities required under this subtitle, $4,000,000 for each fiscal year.

Subtitle D—Miscellaneous

SEC. 1361. AMENDMENT TO THE PERISHABLE AGRICULTURAL COMMODITIES ACT.

Section 3(b) of the Perishable Agricultural Commodities Act of 1930 (7 U.S.C. 499c(b)) is amended—

(1) by striking ": Provided, That the" and inserting the following: ". Any reserve funds in the Perishable Agricultural Commodities Act Fund may be invested by the Secretary in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. Any interest earned on such reserve funds shall be credited to the Perishable Agricultural Commodities Act Fund and shall be available for the same purposes as the fees deposited in such fund. The"; and

(2) by striking ": Provided further, That financial" and inserting ". Financial".

SEC. 1362. WINE AND WINEGRAPE INDUSTRY STUDY.

(a) STUDY.—The Secretary of Agriculture shall conduct a study to determine how the Department of Agriculture might best work with and support the United States wine and winegrape industry. Such study shall—

(1) be designed to determine whether existing Department of Agriculture programs could be improved to better assist and support the United States wine and winegrape industry;

(2) be designed to determine whether new methods or programs implemented by the Department of Agriculture could enhance wine and winegrape production and processing and expand markets for United States wine and winegrapes;

(3) be conducted in consultation with local, state, and national associations or organizations of wine and winegrape producers;

(4) give special emphasis to States or other geographic areas that have not traditionally had a wine and winegrape industry.

(b) REPORT.—The Secretary of Agriculture shall submit a report detailing the determinations made in the study under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than December 31, 1991. Such report shall also include any recommendations to the Congress for legislation the Secretary determines may be necessary to implement the programs or methods specified under subsection (a).

TITLE XIV—CONSERVATION

SEC. 1401. SHORT TITLE.

This title may be cited as the "Conservation Program Improvements Act".

Subtitle A—Highly Erodible Land Conservation

SEC. 1411. PROGRAM INELIGIBILITY.

Section 1211 of the Food Security Act of 1985 (16 U.S.C. 3811) is amended—

(1) in the first sentence by inserting after "is predominate" the following: ", or designates land on which highly erodible land is predominate to be set aside, diverted, devoted to conservation uses, or otherwise not cultivated under a program administered by the Secretary to reduce production of an agricultural commodity, as determined by the Secretary";

(2) in paragraph (1)(D) by inserting before the semicolon ", under section 132 of the Disaster Assistance Act of 1989 (16 U.S.C. 1421 note), or under any similar provision enacted subsequent to August 14, 1989";

(3) in paragraph (1)(E) by striking the final "or";

(4) in paragraph (2) by striking the period at the end and inserting "; or"; and

(5) by adding at the end the following:

"(3) during such crop year—

"(A) a payment made under section 8, section 12 or section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l or 590p(b));

"(B) a payment made under section 401 or section 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 or 2202);

"(C) a payment under any contract entered into pursuant to section 1231;

"(D) a payment under chapter 2;

"(E) a payment under chapter 3; or

"(F) a payment, loan or other assistance under section 3 or section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 or 1006a).".

SEC. 1412. EXEMPTIONS.

(a) CONSERVATION COMPLIANCE.—Section 1212(a) of the Food Security Act of 1985 (16 U.S.C. 3812(a)) is amended by adding at the end thereof the following new paragraphs:

"(3) Any person who owns or operates highly erodible land that was the subject of a contract entered into under subchapter B of chapter 1 of subtitle D shall, if the conservation plan established under this subtitle for such land requires structures to be constructed, have until 2 years after the expiration of such contract to comply with the conservation plan, or a longer period of time if the Secretary determines compliance is otherwise technically or economically not feasible, or such longer period is otherwise appropriate, before such person will be subject to program ineligibility with respect to such land under section 1211.

"(4) On the expiration of a contract entered into under subchapter B of chapter 1 of subtitle D, the provisions of this subtitle

shall apply to the acreage that was the subject of such contract.".

(b) INADVERTENT ACTIONS; REDUCTION IN CERTAIN PAYMENTS, LOANS, AND ASSISTANCE.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) is amended—

(1) in subsection (b)(1), by inserting "or" after the semicolon;

(2) in subsection (b)(2), by striking the semicolon and inserting a period;

(3) by redesignating subsection (c) as subsection (d);

(4) by redesignating the paragraphs (3) through (5) of subsection (b) as paragraphs (1) through (3), respectively, of subsection (c) and by inserting after subsection (b)(2) the following:

"(c) No person shall become ineligible under section 1211 for program loans, payments, and benefits as the result of the production of a crop of an agricultural commodity or the designation of land to be set aside, diverted, devoted to conservation uses, or otherwise not cultivated under a program administered by the Secretary to reduce production of an agricultural commodity (hereafter in this subsection referred to as 'set aside')—";

(5) in subsection (c)(1)(B), as amended by paragraph (4), by inserting "for the protection of highly erodible land that has been set aside or" after "adequate"; and

(6) in subsection (c)(2), as amended by paragraph (4)—

(A) by inserting "or set aside" after "that is planted"; and

(B) by inserting "or set aside" after "that was planted".

(c) TENANTS.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (b) of this section) is amended by adding at the end the following new subsection:

"(e) If a tenant is determined to be ineligible for payments and other benefits under section 1211, the Secretary may limit such ineligibility only to the farm which is the basis for such ineligibility determination if—

"(1) the tenant has established to the satisfaction of the Secretary that—

"(A) the tenant has made a good faith effort to meet the requirements of this section, including enlisting the assistance of the Secretary to obtain a reasonable conservation compliance plan for such farm; and

"(B) the landlord on the farm refuses to comply with such plan on such farm; and

"(2) the Secretary determines that such lack of compliance is not a part of a scheme or device to avoid such compliance.

The Secretary shall provide an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the ineligibility determinations limited during the previous 12-month period under this subsection.".

(d) GRADUATED SANCTIONS, HIGHLY ERODIBLE LAND CONSERVATION.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (c) of this section) is further amended by adding at the end thereof the following new subsection:

"(f)(1) Except to the extent provided in paragraph (2), no person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the failure of such person to actively apply a conservation plan that documents the decisions of such person with respect to location, land use, tillage systems, and conservation treatment measures and schedules prepared under subsection (a), if the Secretary determines that such person has—

"(A) not violated the provisions of section 1211 within the previous 5 years on a farm; and

"(B) acted in good faith and without the intent to violate the provisions of this subtitle.

"(2) If the Secretary determines that a person who has failed to comply with the provisions of section 1211 meets the requirements of paragraph (1), the Secretary shall, in lieu of applying the ineligibility provisions in section 1211, reduce by not less than $500 nor more than $5,000, depending on the seriousness of the violation as determined by the Secretary, program benefits described in section 1211 that such producer would otherwise be eligible to receive in a crop year.

"(3) Any person whose benefits are reduced in any crop year under this subsection shall continue to be eligible for all of the benefits described in section 1211 for any subsequent crop year if, prior to the beginning of such subsequent crop year, the Secretary determines that such person is actively applying a conservation plan prepared under subsection (a) according to the schedule set forth in such plan.

"(4) Notwithstanding any other provision of this subtitle, no person shall become ineligible under section 1211 for program loans, payments, and benefits as a result of the failure of such person to actively apply a conservation plan that documents the decisions of such person with respect to location, land use, tillage systems, and conservation treatment measures and schedules prepared under subsection (a), if the Secretary—

"(A) determines that such failure results in a violation of section 1211 that is technical and minor in nature and that such violation has a minimal effect on the erosion control purposes of the conservation plan applicable to the land on which such violations has occurred;

"(B) determines that such failure is due to circumstances beyond the control of the person; or

"(C) grants the person a temporary variance from the practices specified in the plan for the purpose of handling a specific problem.

A determination or the granting of a variance by the Secretary under this paragraph shall not be counted as a violation for the purposes of paragraph (1)(A).".

(e) INFORMATION.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (d) of this section) is further amended by adding at the end thereof the following new subsection:

"(g) The Secretary, in providing assistance to an individual in the preparation or revision of a conservation plan under this section, shall provide such individual with information—

"(1) concerning cost effective and applicable erosion control measures that may be available to such individual to meet the requirements of this section; and

"(2) concerning crop flexibility, base adjustment, and conservation assistance options that may be available to such individual to meet the requirements of this section, including the provisions of titles X, XII, and XIII, of the Food, Agriculture, Conservation, and Trade Act of 1990 (or the amendments made by such titles).".

(f) NONCOMMERCIAL PRODUCTION OF AGRICULTURAL COMMODITIES.—Section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812) (as amended by subsection (e) of this section) is further amended by adding at the end thereof the following new subsection:

"(h) Section 1211 shall not apply to the noncommercial production of agricultural commodities on a farm if such production is limited to two acres or less and if the Secretary determines that such production is not intended to circumvent the conservation requirements otherwise applicable to lands under this subtitle.".

Subtitle B—Wetland Conservation

SEC. 1421. WETLAND PROGRAM IMPROVEMENTS.

(a) DEFINITION.—Section 1201(a)(16) of the Food Security Act of 1985 (16 U.S.C. 3801(a)(16)) is amended by amending the first sentence to read as follows:

"(16) The term 'wetland', except when such term is part of the term 'converted wetland', means land that—

"(A) has a predominance of hydric soils;

"(B) is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

"(C) under normal circumstances does support a prevalence of such vegetation.".

(b) WETLAND.—Section 1221 of the Food Security Act of 1985 (16 U.S.C. 3821) is amended—

(1) by striking "Except as provided" and inserting "(a) Except as provided";

(2) in paragraph (1)(D), by inserting before the semicolon ", under section 132 of the Disaster Assistance Act of 1989 (16 U.S.C. 1421 note), or under any similar provision enacted subsequent to August 14, 1989";

(3) in paragraph (1)(E), by striking the final "or";

(4) in paragraph (2), by striking the period at the end and inserting a "; or";

(5) by adding at the end the following:

"(3) during such crop year—

"(A) a payment made under section 8, section 12, or section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h, 590l or 590p(b));

"(B) a payment made under section 401 or section 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201 or 2202);

"(C) a payment under any contract entered into pursuant to section 1231;

"(D) a payment under chapter 2;

"(E) a payment under chapter 3; or

"(F) a payment, loan or other assistance under section 3 or section 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 or 1006a).''; and

(6) by adding after subsection (a) (as designated by paragraph (1)), a new subsection (b) as follows:

"(b) Except as provided in section 1222 and notwithstanding any other provision of law, any person who in any crop year subsequent to the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990 converts a wetland by draining, dredging, filling, leveling, or any other means for the purpose, or to have the effect, of making the production of an agricultural commodity possible on such converted wetland shall be ineligible for those payments, loans, or programs specified in subsections (a)(1) through (3) for that crop year and all subsequent crop years.".

SEC. 1422. DELINEATION OF WETLAND; EXEMPTIONS.

Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended to read as follows:

"SEC. 1222. DELINEATION OF WETLANDS; EXEMPTIONS.

"(a) DELINEATION OF WETLANDS.—

"(1) WETLAND DELINEATION MAPS.—The Secretary shall delineate wetlands on wetland

delineation maps. The Secretary shall make a reasonable effort to make an on-site wetland determination whenever requested by an owner or operator, prior to such delineation.

"(2) CERTIFICATION.—Upon providing notice to affected owners or operators, the Secretary shall certify each such map as sufficient for the purpose of making determinations of ineligibility for program benefits under section 1221 and shall, in accordance with section 1243, provide an opportunity to appeal such delineations to the Secretary prior to making such certification final. In the case of an appeal, the Secretary shall review and certify the accuracy of the mapping of all lands subject to the appeal mapped prior to the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990 for the purpose of wetland delineations to ensure that wetland on such lands has been accurately delineated. Prior to rendering a decision on any such appeal, the Secretary shall conduct an on-site inspection of the subject land. The Secretary shall not be required to provide an opportunity for an appeal of delineations completed prior to the enactment of this subsection that are not changed, and for which an appeal had already occurred and, in connection with such previous appeal, an on-site determination had been conducted.

"(3) PUBLIC LIST.—The Secretary shall maintain a public listing of all such certifications that have been completed.

"(4) PERIODIC REVIEW AND UPDATE.—The Secretary shall provide by regulation a process for the periodic review and update of such wetland delineations as the Secretary deems appropriate. No person shall be adversely affected because of having taken an action based on a previous determination by the Secretary.

"(b) EXEMPTIONS.—No person shall become ineligible under section 1221 for program loans, payments, and benefits—

"(1) as the result of the production of an agricultural commodity on—

"(A) converted wetland if the conversion of such wetland was commenced before December 23, 1985;

"(B) an artificial lake, pond, or wetland created by excavating or diking nonwetland to collect and retain water for purposes such as water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control;

"(C) a wet area created by a water delivery system, irrigation, irrigation system, or application of water for irrigation; or

"(D) wetland on which the owner or operator of a farm or ranch uses normal cropping or ranching practices to produce an agricultural commodity in a manner that is consistent for the area where such production is possible as a result of a natural condition, such as drought, and is without action by the producer that destroys a natural wetland characteristic; or

"(2) for the conversion of—

"(A) an artificial lake, pond, or wetland created by excavating or diking nonwetland to collect and retain water for purposes such as water for livestock, fish production, irrigation (including subsurface irrigation), a settling basin, cooling, rice production, or flood control; or

"(B) a wet area created by a water delivery system, irrigation, irrigation system, or the application of water for irrigation.

"(c) ON-SITE INSPECTION REQUIREMENT.—No program loans, payments, or benefits shall be withheld from a person under this subtitle unless the Secretary has conducted an on-site visit of the subject land.

"(d) PRIOR LOANS.—Section 1221 shall not apply to a loan described in section 1221 made before December 23, 1985.

"(e) NONWETLANDS.—The Secretary shall exempt from the ineligibility provisions of section 1221 any action by a person upon lands in any case in which the Secretary determines that any one of the following does not apply with respect to such lands:

"(1) Such lands have a predominance of hydric soils.

"(2) Such lands are inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions.

"(3) Such lands, under normal circumstances, support a prevalence of such vegetation.

"(f) MINIMAL EFFECT; MITIGATION.—The Secretary shall exempt a person from the ineligibility provisions of section 1221 for any action associated with the production of an agricultural commodity on a converted wetland, or the conversion of a wetland, if, as determined by the Secretary—

"(1) such action, individually and in connection with all other similar actions authorized by the Secretary in the area, will have a minimal effect on the functional hydrological and biological value of the wetland, including the value to waterfowl and wildlife;

"(2) such wetland has been frequently cropped prior to the date of such action and the wetland values, acreage, and functions are mitigated by the producer through the restoration of a converted wetland, the conversion of which occurred or was commenced prior to December 23, 1985, where such restoration is—

"(A) in accordance with a restoration plan;

"(B) in advance of, or concurrent with, such action;

"(C) not at the expense of the Federal Government;

"(D) on not greater than a one-for-one acreage basis unless more acreage is needed to provide equivalent functions and values that will be lost as a result of such wetland conversion to be mitigated;

"(E) on lands in the same general area of the local watershed as the converted wetland; and

"(F) with respect to such restored wetland, made subject to an easement to be recorded on public land records, and which shall remain in force for as long as the converted wetland for which the restoration is to mitigate remains in agricultural use or is not returned to its original wetland classification with equivalent functions and values, and which easement prohibits making alterations to such restored wetland that lower the restored wetland's functions and values; or

"(3) such wetland was converted subsequent to December 23, 1985, but prior to the date of enactment of this section, and the wetland values, acreage, and functions are mitigated by the producer through the restoration of a converted wetland, the conversion of which occurred or was commenced prior to December 23, 1985, if such restoration meets the requirements of subparagraphs (A), (B), (C), (D), (E), and (F) of paragraph (2).

"(g) MITIGATION APPEALS.—A producer shall be afforded the right to appeal, under section 1243, the imposition of a mitigation agreement requiring greater than one-to-one acreage mitigation to which the producer is subject.

"(h) GOOD FAITH EXEMPTION; GRADUATED SANCTIONS.—

"(1) GOOD FAITH EXEMPTION.—A person's ineligibility under section 1221 for program loans, payments, and benefits as the result of the conversion of a wetland subsequent to the date of enactment of this subsection, or the production of an agricultural commodity on a converted wetland subsequent to December 23, 1985, may be reduced under paragraph (2) if—

"(A) such person is actively restoring the wetland under an agreement entered into with the Secretary to fully restore the characteristics of the converted wetland to its prior wetland state, or such person has previously restored the characteristics of the converted wetland to its prior wetland state as determined by the Secretary; and

"(B) the Secretary determines that—

"(i) the person has not otherwise violated the provisions of section 1221 in the previous 10-year period on a farm; and

"(ii) such person converted a wetland, or produced an agricultural commodity on a converted wetland, in good faith and without the intent to violate the provisions of section 1221.

"(2) GRADUATED SANCTIONS.—If the Secretary determines that a person who has violated the provisions of section 1221 meets the requirements of paragraph (1), the Secretary shall, in lieu of applying the ineligibility provisions in section 1221, reduce by not less than $750 nor more than $10,000, depending on the seriousness of the violation, program benefits described in section 1221 that such person would otherwise be eligible to receive in a crop year.

"(3) RELIEF.—The relief allowed by this subsection shall include the restoration of benefits withheld for violations that occurred prior to the date of enactment of this section.

"(i) RESTORATION.—Any person who is determined to be ineligible for program benefits under section 1221 for any crop year shall not be ineligible for such program benefits under such section for any subsequent crop year if, prior to the beginning of such subsequent crop year, the person has fully restored the characteristics of the converted wetland to its prior wetland state.

"(j) DETERMINATIONS; RESTORATION AND MITIGATION PLANS; REPORTING; MONITORING ACTIVITIES.—

"(1) DETERMINATIONS; PLANS.—Technical determinations and the development of restoration and mitigation plans under this section shall be made through the agreement of the local representative of the Soil Conservation Service and a representative of the Fish and Wildlife Service. If agreement cannot be reached at the local level under the preceding sentence, such determinations shall be referred to the State Conservationist, who in making a determination under this paragraph, shall consult with the Fish and Wildlife Service.

"(2) REPORT OF DETERMINATIONS.—The State Conservationist and a representative of the Fish and Wildlife Service shall report to their respective national offices concerning all determinations made under paragraph (1) at the State level as a result of an agreement not being reached at the local level.

"(3) MONITORING ACTIVITIES.—The Secretary shall conduct such monitoring activities as are necessary to ensure the success and effectiveness of the wetland restorations undertaken pursuant to this section.".

SEC. 1423. CONSULTATION.

Section 1223 of the Food Security Act of 1985 (16 U.S.C. 3823) is amended—

(1) in paragraph (2), by striking "and";

(2) in paragraph (3), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(4) mitigation; and

"(5) the restoration of wetland values and functions on converted wetland as required under this subtitle.".

SEC. 1424. FAIRNESS OF COMPLIANCE.

Subtitle C of title XII of the Food Security Act of 1985 (16 U.S.C. 3821 et seq.) is amended by adding at the end the following new section:

"SEC. 1224. FAIRNESS OF COMPLIANCE.

"If the actions of an unrelated person or public entity, outside the control of, and without the prior approval of, the landowner or tenant result in a change in the characteristics of cropland that would cause the land to be determined to be a wetland, the affected land shall not be considered to be wetland for purposes of this subtitle.".

Subtitle C—Agricultural Resources Conservation Program

SEC. 1431. AGRICULTURAL RESOURCES CONSERVATION PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 1231 et seq.) is amended—

(1) in the subtitle heading, by striking "Conservation Reserve" and inserting "Agricultural Resources Conservation Program"; and

(2) by inserting before section 1231 the following:

"CHAPTER 1—ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM

"Subchapter A—General Provisions

"SEC. 1230. ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM.

"(a) ESTABLISHMENT.—During the 1991 through 1995 calendar years, the Secretary shall, in accordance with this chapter, establish an Environmental Conservation Acreage Reserve Program and implement such program through contracts and the acquisition of easements to assist owners and operators of highly erodible lands, other fragile lands (including land with associated ground or surface water that may be vulnerable to contamination), and wetlands in conserving and improving the soil and water resources of the farms or ranches of such owners and operators.

"(b) NUMBER OF ACRES.—In carrying out the Environmental Conservation Acreage Reserve Program, the Secretary shall enter into contracts with owners and operators and acquire interests in lands through easements from owners as provided for in subchapters B and C to place in the Environmental Conservation Acreage Reserve Program during the 1986 through 1995 calendar years a total of not less than 40,000,000 nor more than 45,000,000 acres.

"(c) IMPLEMENTATION.—The Secretary shall carry out the Environmental Conservation Acreage Reserve Program established under subsection (a) through the conservation reserve program and the wetland reserve program established in subchapters B and C, respectively. Acreage enrolled into the conservation reserve under subchapter B prior to the date of enactment of this chapter shall be considered to be land placed in the Environmental Conservation Acreage Reserve Program for the purposes of this chapter.".

SEC. 1432. CONSERVATION RESERVE PROGRAM.

Title XII of the Food Security Act of 1985 is amended—

(1) by inserting after section 1230 (as added by section 1431 of this Act) the following:

"Subchapter B—Conservation Reserve"; and

(2) by amending section 1231 (16 U.S.C. 3831) to read as follows:

"SEC. 1231. CONSERVATION RESERVE.

"(a) IN GENERAL.—Through the 1995 calendar year, the Secretary shall formulate and carry out the enrollment of lands in a conservation reserve program through the use of contracts to assist owners and operators of lands specified in subsection (b) to conserve and improve the soil and water resources of such lands.

"(b) ELIGIBLE LANDS.—The Secretary may include in the program established under this subchapter—

"(1) highly erodible croplands that—

"(A) if permitted to remain untreated could substantially reduce the production capability for future generations; or

"(B) can not be farmed in accordance with a plan under section 1212;

"(2) marginal pasture lands converted to wetland or established as wildlife habitat prior to the enactment of the Food, Agriculture, Conservation, and Trade Act of 1990;

"(3) marginal pasture lands to be devoted to trees in or near riparian areas or for similar water quality purposes, not to exceed 10 percent of the number of acres of land that is placed in the conservation reserve under this subchapter in each of the 1991 through 1995 calendar years;

"(4) croplands that are otherwise not eligible—

"(A) if the Secretary determines that (i) such lands contribute to the degradation of water quality or would pose an on-site or off-site environmental threat to water quality if permitted to remain in agricultural production, and (ii) water quality objectives with respect to such land cannot be achieved under the water quality incentives program established under chapter 2;

"(B) if such croplands are newly-created, permanent grass sod waterways, or are contour grass sod strips established and maintained as part of an approved conservation plan;

"(C) that will be devoted to, and made subject to an easement for the useful life of, newly established living snow fences, permanent wildlife habitat, windbreaks, shelterbelts, or filterstrips devoted to trees or shrubs; or

"(D) if the Secretary determines that such lands pose an off-farm environmental threat, or pose a threat of continued degradation of productivity due to soil salinity, if permitted to remain in production.

"(c) CERTAIN LAND AFFECTED BY SECRETARIAL ACTION.—For purposes of determining the eligibility of land to be placed in the conservation reserve established under this subchapter, land shall be considered planted to an agricultural commodity during a crop year if an action of the Secretary prevented land from being planted to the commodity during the crop year.

"(d) MAXIMUM ENROLLMENT.—The Secretary may enter into contracts under this section to place in the conservation reserve the amount of acres specified in section 1230(b). In enrolling such acres, the Secretary shall reserve 1 million acres for enrollment under this section in each of calendar years 1994 and 1995.

"(e) DURATION OF CONTRACT.—

"(1) IN GENERAL.—For the purpose of carrying out this subchapter, the Secretary shall enter into contracts of not less than 10, nor more than 15, years.

"(2) CERTAIN LANDS.—In the case of land devoted to hardwood trees, shelterbelts, windbreaks, or wildlife corridors under a contract entered into under this subchapter after October 1, 1990, and land devoted to such uses under contracts modified under section 1235A, the owner or operator of such land may, within the limitations prescribed under this section, specify the duration of the contract. The Secretary may, in the case of land that is devoted to hardwood trees under a contract entered into under this subchapter prior to October 1, 1990, extend such contract for not to exceed 5 years, as agreed to by the owner or operator of such land and the Secretary.

"(f) CONSERVATION PRIORITY AREAS.—

"(1) DESIGNATION.—Upon application by the appropriate State agency, the Secretary shall designate watershed areas of the Chesapeake Bay Region (Pennsylvania, Maryland, and Virginia), the Great Lakes Region, the Long Island Sound Region, and other areas of special environmental sensitivity as conservation priority areas.

"(2) ELIGIBLE WATERSHEDS.—Watersheds eligible for designation under this subsection shall include areas with actual and significant adverse water quality or habitat impacts related to agricultural production activities.

"(3) EXPIRATION.—Conservation priority area designation under this subsection shall expire after 5 years, subject to redesignation, except that the Secretary may withdraw a watershed's designation—

"(A) upon application by the appropriate State agency; or

"(B) in the case of areas specified in this subsection, if the Secretary finds that such areas no longer contain actual and significant adverse water quality or habitat impacts related to agricultural production activities.

"(4) DUTY OF SECRETARY.—In utilizing the authority granted under this subsection, the Secretary shall attempt to maximize water quality and habitat benefits in such watersheds by promoting a significant level of enrollment of lands within such watersheds in the program under this subchapter by whatever means the Secretary determines appropriate and consistent with the purposes of this subchapter.

"(g) MULTI-YEAR GRASSES AND LEGUMES.—For purposes of this subchapter, alfalfa and other multi-year grasses and legumes in a rotation practice, approved by the Secretary, shall be considered agricultural commodities.".

SEC. 1433. DUTIES OF OWNERS AND OPERATORS.

(a) AGREEMENT PROVISIONS.—Section 1232(a) of the Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended—

(1) in paragraph (1), by striking "highly erodible cropland" and inserting "eligible lands";

(2) in paragraph (4)—

(A) by inserting ", or water cover for the enhancement of wildlife," after "cover"; and

(B) by inserting ", except that such water cover shall not include ponds for the purpose of watering livestock, irrigating crops, or raising fish for commercial purposes" after "land".

(3) in paragraph (5), by inserting "in addition to the remedies provided under section 1236(d)," before "on the violation";

(4) in paragraph (6), by inserting before the semicolon at the end thereof ", or the transferee and the Secretary agree to modifications to such contract, where such modifications are consistent with the objectives of

the program as determined by the Secretary;";

(5) in paragraph (7), by inserting ", and the Secretary may permit limited fall and winter grazing on such land where such grazing is incidental to the gleaning of crop residues on the fields in which such land is located for an applicable reduction in rental payment" after "emergency";

(6) in paragraph (9), by striking "and" at the end thereof;

(7) in paragraph (10), by striking the period and inserting "; and"; and

(8) by adding at the end thereof the following new paragraph:

"(11) with respect to any contract entered into after the date of enactment of this paragraph concerning highly erodible land in a county that has not reached the limitation established by section 1243(f)—

"(A) not to produce an agricultural commodity for the duration of the contract on any other highly erodible land that such owner or operator has purchased after the date of enactment of this paragraph and that does not have a history of being used to produce an agricultural commodity other than forage crops; and

"(B) on the violation of a contract described in subparagraph (A), to be subject to the sanctions described in paragraph (5).".

(b) ENVIRONMENTAL USE; ALLEY-CROPPING; FORECLOSURE.— Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended by striking subsection (c) and adding the following new subsections:

"(c) ENVIRONMENTAL USE.—To the extent practicable, not less than one-eighth of land that is placed in the conservation reserve under this subchapter during the 1991 through 1995 calendar years shall be devoted to trees, or devoted to shrubs or other noncrop vegetation or water that may provide a permanent habitat for wildlife including migratory waterfowl.

"(d) ALLEY-CROPPING.—

"(1) The Secretary may permit alley cropping of agricultural commodities on land that is subject to contracts entered into under this subchapter, if—

"(A) such land is planted to hardwood trees;

"(B) such agricultural commodities will be produced in conjunction with, and in close proximity to, such hardwood trees; and

"(C) the owner or operator of such land agrees to implement appropriate conservation practices concerning such land.

"(2) The Secretary shall develop a bid system by which owners and operators may offer to reduce their annual rental payments in exchange for permission to produce agricultural commodities on such land in accordance with this subsection. The Secretary shall not accept offers under this paragraph that provide for less than a 50 percent reduction in such annual payments.

"(3) The Secretary shall ensure that the total annual rental payments over the term of any contract modified under this subsection are not in excess of that specified in the original contract.

"(4) For the purposes of this subsection, the term 'alley cropping' means the practice of planting rows of trees bordered on each side by a narrow strip of groundcover, alternated with wider strips of row crops or grain.

"(e) FORECLOSURE.—Notwithstanding any other provision of law, an owner or operator who is a party to a contract entered into under this subchapter may not be required to make repayments to the Secretary of amounts received under such contract if the land that is subject to such contract has been foreclosed upon and the Secretary determines that forgiving such repayments is appropriate in order to provide fair and equitable treatment. This subsection shall not void the responsibilities of such an owner or operator under the contract if such owner or operator resumes control over the property that is subject to the contract within the period specified in the contract. Upon the resumption of such control over the property by the owner or operator, the provisions of the contract in effect on the date of the foreclosure shall apply.".

SEC. 1434. PAYMENTS.

(a) COST SHARE ASSISTANCE.—Section 1234(b) of the Food Security Act of 1985 (16 U.S.C. 3834(b)) is amended to read as follows:

"(b)(1) In making cost sharing payments to an owner or operator under a contract entered into under this subchapter, the Secretary shall pay 50 percent of the cost of establishing water quality and conservation measures and practices required under such contracts for which the Secretary determines that cost-sharing is appropriate and in the public interest.

"(2) The Secretary shall not make any payment under this subchapter to the extent that the total amount of cost sharing payments provided to such owners and operators from all sources would exceed 100 percent of the total establishment costs.

"(3) In the case of land devoted to the production of hardwood trees, windbreaks, shelterbelts, or wildlife corridors under a contract entered into under this subchapter after the date of enactment of this section, or in the case of land converted to such production under section 1235A, the Secretary, in making cost share payments to an owner or operator of such land, shall pay 50 percent of the reasonable and necessary costs, as determined by the Secretary, incurred by such owner or operator for maintaining such plantings that are trees or shrubs, including the cost of replanting (if the trees or shrubs were lost due to conditions beyond the control of the owner or operator), during not less than the 2-year, and not more than the 4-year, period beginning on the date of such plantings, as determined appropriate by the Secretary.

"(4) The Secretary may permit owners or operators who contract to devote at least 10 acres of land to the production of hardwood trees under this subchapter to extend the planting of such trees over a 3-year period if at least one-third of such trees are planted in each of the first 2 years.

"(5) An owner or operator shall not be eligible to receive or retain cost share assistance under this subsection if such owner or operator receives any other Federal cost share assistance with respect to such land under any other provision of law.".

(b) ACCEPTABILITY OF OFFERS; CONTINUOUS SIGN-UP FOR HARDWOOD TREES.—

(1) ACCEPTABILITY OF OFFERS.—Section 1234(c)(3) of the Food Security Act of 1985 (16 U.S.C. 3834(c)(3)) is amended to read as follows:

"(3) In determining the acceptability of contract offers, the Secretary may—

"(A) take into consideration the extent to which enrollment of the land that is the subject of the contract offer would improve soil resources, water quality, wildlife habitat, or provide other environmental benefits; and

"(B) establish different criteria in various States and regions of the United States based upon the extent to which water quality or wildlife habitat may be improved or erosion may be abated.".

(2) CONTINUOUS SIGN-UP FOR HARDWOOD TREES.—Section 1234(c) of the Food Security Act of 1985 (16 U.S.C. 3834(c)) is further amended by adding at the end thereof the following new paragraph:

"(4) In the case of acreage enrolled in the conservation reserve established under this subchapter that is to be devoted to hardwood trees, the Secretary may consider bids for contracts under this subsection on a continuous basis.".

(c) STATE PAYMENTS.—Section 1234(d) of the Food Security Act of 1985 (16 U.S.C. 3834(d)) is amended by adding at the end the following new paragraph:

"(4) Payments to a producer under a special conservation reserve enhancement program described in subsection (f)(4) shall be in the form of cash only.".

(d) OTHER PAYMENTS.—Section 1234(f)(3) of the Food Security Act of 1985 (16 U.S.C. 3834(f)(3)) is amended by inserting ", the Food, Agriculture, Conservation, and Trade Act of 1990," after "this Act".

(e) EXEMPTION FROM SEQUESTRATION; OTHER STATE PAYMENTS.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended further by adding at the end the following new subsections:

"(g) Notwithstanding any other provision of law, no order issued for any fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 902) shall affect any payment under any contract entered into at any time that is subject to this subchapter, including contracts entered into prior to the date of enactment of this subsection.

"(h) In addition to any payment under this subchapter, an owner or operator may receive cost share assistance, rental payments, or tax benefits from a State or subdivision thereof for enrolling lands in the conservation reserve program.".

SEC. 1435. CONVERSION OF LAND SUBJECT TO CONTRACT.

Subtitle D of title XII of the Food Security Act of 1985 is amended by inserting after section 1235 (16 U.S.C. 3835) the following new section:

"SEC. 1235A. CONVERSION OF LAND SUBJECT TO CONTRACT TO OTHER CONSERVING USES.

"(a) CONVERSION TO TREES.—

"(1) IN GENERAL.—The Secretary shall permit an owner or operator who has entered into a contract under this subchapter that is in effect on the date of enactment of this section to convert areas of highly erodible cropland that are subject to such contract, and that are devoted to vegetative cover, from such use to hardwood trees, windbreaks, shelterbelts, or wildlife corridors.

"(2) TERMS.—

"(A) EXTENSION OF CONTRACT.—With respect to any contract on land to be devoted to hardwood trees, windbreaks, shelterbelts, or wildlife corridors under this section, if the original term of such contract was less than 15 years, the owner or operator may extend such contract to a term of not to exceed 15 years.

"(B) EASEMENTS.—If such areas are converted to windbreaks, shelterbelts, or wildlife corridors under this section, the owner of such land shall enter into an agreement to provide a conservation easement to the Secretary for the useful life of such plantings.

"(C) COST SHARE ASSISTANCE.—The Secretary shall pay 50 percent of the cost of establishing conservation measures and practices authorized under this subsection for which

the Secretary determines the cost sharing is appropriate and in the public interest.

"(b) CONVERSION TO WETLANDS.—The Secretary shall permit an owner or operator who has entered into a contract under this subchapter that is in effect on the date of enactment of this section to restore areas of highly erodible cropland that are devoted to vegetative cover under such contract to wetlands if—

"(1) such areas are prior converted wetlands;

"(2) the owner or operator of such areas enters into an agreement to provide the Secretary with a long-term or permanent easement under subchapter C covering such areas;

"(3) there is a high probability that the prior converted area can be successfully restored to wetland status; and

"(4) the restoration of such areas otherwise meets the requirements of subchapter C.

"(c) LIMITATION.—The Secretary shall not incur, through a conversion under this section, any additional expense on such acres, including the expense involved in the original establishment of the vegetative cover, that would result in cost share for costs in excess of the costs that would have been subject to cost share for the new practice had that practice been the original practice.

"(d) CONDITION OF CONTRACT.—An owner or operator shall as a condition of entering into a contract under subsection (a) participate in the Forest Stewardship Program established under section 5 of the Cooperative Forestry Assistance Act of 1978 (as amended by section 1215 of the Food, Agriculture, Conservation, and Trade Act of 1990).".

SEC. 1436. EXTENDED BASE PROTECTION.

Section 1236 of the Food Security Act of 1985 (16 U.S.C. 3835) is amended by adding at the end the following new subsections:

"(c) The Secretary shall offer the owner or operator of a farm or ranch an opportunity to extend the preservation of cropland base and allotment history pursuant to subsection (b) for such time as the Secretary determines to be appropriate after the expiration date of a contract under this subchapter at the request of such owner or operator. In return for such extension, the owner or operator shall agree to continue to abide by the terms and conditions of the original contract, except that—

"(1) such owner or operator shall receive no additional cost share, annual rental, or bonus payment; and

"(2) the Secretary may permit, subject to such terms and conditions as the Secretary may impose, haying and grazing of acreage subject to such agreement, except during any consecutive 5 month period that is established by the State committee. Each 5 month period shall be established during the period beginning April 1 and ending October 31 of a year. In the case of a natural disaster, the Secretary may permit unlimited haying and grazing on such acreage.

"(d) In addition to any other remedy prescribed by law, the Secretary may reduce or terminate the amount of cropland base and allotment history preserved pursuant to subsection (c) for acreage with respect to which a violation of a term or condition occurs.".

SEC. 1437. STUDY OF LAND USE FOR EXPIRING CONTRACTS AND EXTENSION OF AUTHORITY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of cropland subject to expiring conservation reserve contracts entered into prior to the date of enactment of this Act under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.). Such study shall include the consideration of—

(1) the environmental benefits of such lands that remain out of crop production as compared to the economic benefits that would result from returning such lands to production under adequate stewardship and management;

(2) the renewal of the contracts in a manner that allows for certain sustainable economic uses of cropland in return for lower rental payments;

(3) the purchase of permanent easements permitting specified economic uses of cropland subject to the contracts;

(4) the purchase of the cropland subject to the contracts;

(5) the preservation of crop acreage bases associated with cropland subject to the contracts if the owner or operator continues to devote the cropland to conserving uses;

(6) the purchase of crop acreage bases associated with cropland subject to the contracts; and

(7) the expiration of the contracts.

(b) REPORT.—Not later than December 31, 1993, the Secretary of Agriculture shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report concerning the results of the study conducted under subsection (a) and recommendations concerning the treatment of lands subject to expiring contracts under subtitle D of title XII of the Food Security Act of 1985, proposed legislation addressing the treatment of such lands, and the projected cost of such treatment.

(c) EXTENSIONS.—During the 1996 through 2000 calendar years, the Secretary of Agriculture may—

(1) extend up to 10 years contracts entered into under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831) prior to the date of enactment of this Act; or

(2) purchase long-term or permanent easements as provided for in chapter 3;

at the option of the owner or operator on land that the Secretary has determined under the study conducted under subsection (a) should remain in conserving uses.

SEC. 1438. WETLANDS RESERVE PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding after section 1236 the following new subchapter:

"Subchapter C—Wetlands Reserve Program

"SEC. 1237. WETLANDS RESERVE PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall establish a wetlands reserve program to assist owners of eligible lands in restoring and protecting wetlands.

"(b) NUMBER OF ACRES.—To the extent practicable, the Secretary shall attempt to enroll into the wetlands reserve program, 1,000,000 acres of land during the 1991 through 1995 calendar years; except that the Secretary may not enroll more than 200,000 acres in 1991, 400,000 acres in the 1991 to 1992 period, 600,000 acres in the 1991 to 1993 period, 800,000 acres in the 1991 to 1994 period, and 1,000,000 acres in the 1991 to 1995 period.

"(c) ELIGIBILITY.—For purposes of enrolling land in the wetland reserve established under this subchapter during the 1991 through 1995 calendar years, land shall be eligible to be placed into such reserve if the Secretary, in consultation with the Secretary of the Interior at the local level, determines that—

"(1) such land is farmed wetland or converted wetland, together with adjacent lands that are functionally dependent on such wetlands, except that converted wetlands where the conversion was not commenced prior to December 23, 1985, shall not be eligible to be enrolled in the program under this section; and

"(2) the likelihood of the successful restoration of such land and the resultant wetland values merit inclusion of such land in the program taking into consideration the cost of such restoration.

"(d) OTHER ELIGIBLE LAND.—The Secretary may include in the wetland reserve established under this subchapter, together with land that is eligible under subsection (d)—

"(1) farmed wetland and adjoining lands, enrolled in the conservation reserve, with the highest wetland functions and values, and that are likely to return to production after they leave the conservation reserve;

"(2) other wetland of an owner that would not otherwise be eligible if the Secretary determines that the inclusion of such wetland in such easement would significantly add to the functional value of the easement; and

"(3) riparian areas that link wetlands that are protected by easements or some other device or circumstance that achieves the same purpose as an easement.

"(e) INELIGIBLE LAND.—The Secretary may not acquire easements on—

"(1) land that contains timber stands established under the conservation reserve under subchapter B; or

"(2) pasture land established to trees under the conservation reserve under subchapter B.

"(f) TERMINATION OF EXISTING CONTRACT.—The Secretary may terminate or modify an existing contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program established by this subchapter.

"(g) EASEMENTS.—The Secretary shall enroll lands in the wetland reserve through the purchase of easements as provided for in section 1237A.

"SEC. 1237A. EASEMENTS.

"(a) IN GENERAL.—To be eligible to place land into the wetland reserve under this subchapter, the owner of such land shall enter into an agreement with the Secretary—

"(1) to grant an easement on such land to the Secretary;

"(2) to implement a wetland easement conservation plan as provided for in this section;

"(3) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to under this subchapter with respect to such lands; and

"(4) to provide a written statement of consent to such easement signed by those holding a security interest in the land.

"(b) TERMS OF EASEMENT.—An owner granting an easement under subsection (a) shall be required to provide for the restoration and protection of the functional values of wetland pursuant to a wetland easement conservation plan that—

"(1) permits—

"(A) repairs, improvements, and inspections on such land that are necessary to maintain existing public drainage systems if such land is subsequently restored to the condition required by the terms of the easement; and

"(B) landowners to control public access on the easement areas while identifying access routes to be used for wetland restora-

tion activities and management and easement monitoring;

"(2) prohibits—

"(A) the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;

"(B) the spraying of such land with chemicals or the mowing of such land, except where such spraying or mowing is permitted by the plan or is necessary—

"(i) to comply with Federal or State noxious weed control laws; or

"(ii) to comply with a Federal or State emergency pest treatment program; and

"(C) any activities to be carried out on such participating landowner's or successor's land that is immediately adjacent to, and functionally related to, the land that is subject to the easement if such activities will alter, degrade, or otherwise diminish the functional value of the eligible land; and

"(D) the adoption of any other practice that would tend to defeat the purposes of this subchapter, as determined by the Secretary;

"(3) provides for the efficient and effective restoration of the functional values of wetlands; and

"(4) includes such additional provisions as the Secretary determines are desirable to carry out this subchapter or to facilitate the practical administration thereof.

"(c) RESTORATION PLANS.—

"(1) PLANS.—The development of restoration plans under this section shall be made through the agreement of the local representative of the Soil Conservation Service and a representative of the Fish and Wildlife Service. If agreement cannot be reached at the local level under the preceding sentence within a reasonable period of time, such plans shall be referred to the State Conservationist, who in developing such plans under this paragraph, shall consult with the Fish and Wildlife Service.

"(2) REPORT.—The State Conservationist and a representative of the Fish and Wildlife Service shall report to their respective national offices concerning all plans developed under paragraph (1) at the State level as a result of an agreement not being reached at the local level.

"(d) COMPATIBLE USES.—Wetland reserve program lands may be used for compatible economic uses, including such activities as hunting and fishing, managed timber harvest, or periodic haying or grazing, if such use is specifically permitted by the plan and consistent with the long-term protection and enhancement of the wetlands resources for which the easement was established.

"(e) TYPE AND LENGTH OF EASEMENT.—A conservation easement granted under this section—

"(1) shall be in a recordable form; and

"(2) shall be for 30 years, permanent, or the maximum duration allowed under applicable State laws.

"(f) COMPENSATION.—Compensation for easements acquired by the Secretary under this subchapter shall be made in cash in such amount as is agreed to and specified in the easement agreement, but not to exceed the fair market value of the land less the fair market value of such land encumbered by the easement. Lands may be enrolled through the submission of bids under a procedure established by the Secretary. Compensation may be provided in not less than 5 nor more than 20 annual payments of either equal or unequal size, except in the case of a permanent easement, a single lump-sum payment may be provided, as agreed on by the owner and the Secretary.

"(g) VIOLATION.—On the violation of the terms or conditions of the easement or related agreement entered into under subsection (a), the easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter, together with interest thereon as determined appropriate by the Secretary.

"SEC. 1237B. DUTIES OF OWNERS.

"Under the terms of an agreement entered into under this subchapter, an owner and operator of the land that is subject to an easement under this subchapter shall agree to comply with the terms of the easement and related agreements and shall agree to the permanent retirement of any existing cropland base and allotment history for such land under any program administered by the Secretary.

"SEC. 1237C. DUTIES OF THE SECRETARY.

"(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall—

"(1) share the cost of carrying out the establishment of conservation measures and practices, and the protection of the wetland functions and values, as set forth in the plan to the extent that the Secretary determines that cost sharing is appropriate and in the public interest; and

"(2) provide necessary technical assistance to assist owners in complying with the terms and conditions of the easement and the plan.

"(b) COST SHARE ASSISTANCE.—In making cost share payments under subsection (a)(1), the Secretary shall pay the owner an amount that is not less than 50 percent but not more than 75 percent of eligible costs with respect to an easement which is not permanent, and not less than 75 percent but not more than 100 percent of eligible costs with respect to a permanent easement.

"(c) ACCEPTABILITY OF OFFERS.—In determining the acceptability of easement offers, the Secretary may take into consideration—

"(1) the extent to which the purposes of the easement program would be achieved on the land;

"(2) the productivity of the land; and

"(3) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities.

"(d) EASEMENT PRIORITY.—In carrying out this subchapter, to the extent practicable, taking into consideration costs and future agricultural and food needs, the Secretary shall give priority to obtaining permanent conservation easements before shorter term conservation easements and, in consultation with the Secretary of the Interior, shall place priority on acquiring easements based on the value of the easement for protecting and enhancing habitat for migratory birds and other wildlife.

"SEC. 1237D. PAYMENTS.

"(a) TIME OF PAYMENT.—The Secretary shall provide payment for obligations incurred by the Secretary under this subchapter—

"(1) with respect to any cost sharing obligation as soon as possible after the obligation is incurred; and

"(2) with respect to any annual easement payment obligation incurred by the Secretary as soon as possible after October 1 of each calendar year.

"(b) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"(c) PAYMENT LIMITATION.—

"(1) IN GENERAL.—The total amount of easement payments made to a person under this subchapter for any year may not exceed $50,000, except such limitation shall not apply with respect to payments for perpetual easements.

"(2) REGULATIONS.—The Secretary shall issue regulations prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this subsection.

"(3) OTHER PAYMENTS.—Easement payments received by an owner shall be in addition to, and not affect, the total amount of payments that such owner is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(4) STATE WETLAND AND ENVIRONMENTAL ENHANCEMENT.—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special wetland and environmental easement enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this subchapter.

"(d) EXEMPTION FROM AUTOMATIC SEQUESTER.—Notwithstanding any other provision of law, no order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 902) shall affect any payment under this subchapter.

"SEC. 1237E. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.

"(a) LIMITATIONS.—No easement shall be created under this subchapter on land that has changed ownership in the preceding 12 months unless—

"(1) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(2) the new ownership was acquired before January 1, 1990; or

"(3) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program established by this subchapter.

"(b) MODIFICATION; TERMINATION.—

"(1) MODIFICATION.—The Secretary may modify an easement acquired from, or a related agreement with, an owner under this subchapter if—

"(A) the current owner agrees to such modification; and

"(B) the Secretary determines that such modification is desirable—

"(i) to carry out this subchapter;

"(ii) to facilitate the practical administration of this subchapter; or

"(iii) to achieve such other goals as the Secretary determines are appropriate and consistent with this subchapter.

"(2) TERMINATION.—

"(A) IN GENERAL.—The Secretary may terminate an easement created with an owner under this subchapter if—

"(i) the current owner agrees to such termination; and

"(ii) the Secretary determines that such termination would be in the public interest.

"(B) NOTICE.—At least 90 days before taking any action to terminate under paragraph (A) all easements entered into under this subchapter, the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"SEC. 1237F. ADMINISTRATION, AND FUNDING.

"(a) DELEGATION OF EASEMENT ADMINISTRATION.—The Secretary may delegate any of the easement management, monitoring, and enforcement responsibilities of the Secretary to Federal or State agencies that have the appropriate authority, expertise, and resources necessary to carry out such delegated responsibilities.

"(b) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.".

SEC. 1439. AGRICULTURAL WATER QUALITY INCENTIVES.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) (as amended by section 1438) is further amended by adding after section 1237F the following new chapter:

"CHAPTER 2—AGRICULTURAL WATER QUALITY INCENTIVES

"SEC. 1238. POLICY.

"The policy of Congress is that water quality protection, including source reduction of agricultural pollutants, henceforth shall be an important goal of the programs and policies of the Department of Agriculture. Furthermore, agricultural producers in environmentally sensitive areas should request assistance to develop and implement on-farm water quality protection plans in order to assist in compliance with State and Federal environmental laws and to enhance the environment.

"SEC. 1238A. DEFINITIONS.

"As used in this chapter—

"(1) AGRICULTURAL WATER QUALITY PROTECTION PRACTICE.—The term 'agricultural water quality protection practice' means a farm-level practice or a system of practices designed to protect water quality by mitigating or reducing the release of agricultural pollutants, including nutrients, pesticides, animal waste, sediment, salts, biological contaminants, and other materials, into the environment.

"(2) SOURCE REDUCTION.—The term 'source reduction' means minimizing the generation, emission, or discharge of agricultural pollutants or wastes through the modification of agricultural production systems and practices.

"SEC. 1238B. AGRICULTURAL WATER QUALITY PROTECTION PROGRAM.

"(a) INCENTIVES.—

"(1) IN GENERAL.—During the 1991 through 1995 calendar years, the Secretary shall formulate and carry out a voluntary incentive program, in accordance with this chapter, through agreements to assist owners and operators of a farm in developing and implementing a water quality protection plan pursuant to this section.

"(2) AGREEMENTS.—The Secretary shall enter into agreements of 3 to 5 years upon the request of owners and operators of farms in eligible areas but shall not enter into any such agreements after December 31, 1995.

"(3) DUTIES OF OWNERS AND OPERATORS.—In order to receive annual incentive payments, an owner or operator of a farm must agree—

"(A) to implement a water quality protection plan approved by the Secretary subject to the agreement established under this chapter;

"(B) not to conduct any practices on the farm that would tend to defeat the purposes of this chapter;

"(C) to comply with such additional provisions as the Secretary determines are desirable and are included in the agreement to carry out the water quality protection plan or to facilitate the practical administration of the program;

"(D) on the violation of a term or condition of the agreement at any time the owner or operator has control of the land to refund any incentive or cost share payment received with interest and forfeit any such future payments as determined by the Secretary;

"(E) on the transfer of the right and interest of the owner or operator in land subject to the agreement, unless the transferee of such right and interest agrees with the Secretary to assume all obligations of the agreement, to refund any such cost share and incentive payments received under this chapter, as determined by the Secretary;

"(F) to accurately report nutrient, pesticide and animal waste materials usage rates on management areas for three previous years; and

"(G) to supply production evidence, well test results, soil tests, tissue tests, nutrient application levels, pesticide application levels, and animal waste material usage levels, to the Soil Conservation Service or another designee of the Secretary including the local conservation district for each year of the agreement, as determined necessary by the Secretary.

"(4) WETLAND OR WILDLIFE HABITAT OPTIONS.—

"(A) COST SHARE ASSISTANCE.—Owners and operators who voluntarily agree to develop and implement agricultural production practices, in concert with their water quality protection plan, that preserve and enhance wetland or wildlife habitat, shall also be eligible to receive cost share assistance for the implementation of such practices. The Secretary shall develop procedures for approving such agricultural practices, as a part of and consistent with the objectives of the water quality protection plan, that qualify for cost share assistance.

"(B) WETLAND PRESERVATION AND WILDLIFE HABITAT IMPROVEMENT OPTIONS.—

"(i) WETLAND PRESERVATION.—The Secretary shall encourage owners and operators who choose the wetland preservation option to implement, improve and maintain agricultural production practices, in concert with their water quality protection plan, that are designed to preserve and enhance existing wetland.

"(ii) WILDLIFE HABITAT IMPROVEMENT.—The Secretary shall encourage owners and operators who choose the wildlife habitat improvement option to implement, improve and maintain agricultural production practices, in concert with their water quality protection plan, that are designed to improve on-farm wildlife habitat, including the establishment of perennial cover, the protection of riparian areas, wildlife corridors, and areas of critical habitat for endangered species.

"(5) DUTIES OF THE SECRETARY.—In return for an incentive agreement voluntarily entered into under this chapter, the Secretary shall assist the owner or operator in the protection and improvement of surface and groundwater quality and related resources by—

"(A) providing an eligibility assessment of the farming operation as a basis for developing the water quality protection plan and any options associated with such plan;

"(B) providing technical assistance in developing and implementing agricultural water quality protection plans;

"(C) providing an annual incentive payment for developing and implementing agricultural production practices in accordance with an approved water quality protection plan submitted by the owner or operator;

"(D) providing cost share assistance for implementing the wetland preservation or wildlife habitat improvement options;

"(E) providing participants with information, education, and training to aid in implementation of a plan; and

"(F) encouraging the owner or operator to obtain cost share assistance under other Federal, State, or local cost share programs.

"(6) PAYMENTS.—

"(A) TERMS.—Payments shall be made under this section for a period of not less than 3 nor more than 5 years, as determined appropriate by the Secretary, and as specified in the contract entered into under the program established under this chapter.

"(B) AMOUNTS.—

"(i) INCENTIVE.—In determining the amount of incentive payment to be made to a participant under this chapter, the Secretary shall consider, among other things, the amount necessary on a per acre basis to encourage producers to participate, additional costs incurred by the producer, and the production values forgone, if any, in implementing the practices.

"(ii) LIMITATION.—Cost share payments shall be made in an amount not to exceed 50 percent of the cost of the eligible practice.

"(C) LIMITATIONS.—Payments to a participant agreeing to implement a plan on acres devoted to the production of an agricultural commodity under this chapter shall not exceed—

"(i) $3500 per person per year in the form of incentive payments; and

"(ii) not more than an additional $1500 per person per contract in the form of cost share assistance.

"(D) MANNER.—The Secretary may make a lump sum payment to an owner or operator of the total incentive payments required under a contract entered into under this chapter, as reduced to present value, if such lump sum payment is necessary to enable the producer to pay the initial costs of implementing a practice required under such contract.

"(E) OTHER PROGRAMS.—Payments received by an owner or operator under this chapter shall be in addition to, and not affect, the total amount of payments that such owner or operator is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), except that payments for a practice or practices shall not be made under this chapter if payments or assistance is provided for such practice under any other Federal program.

"(7) MODIFICATIONS.—The Secretary may modify an agreement entered into with a participant under this chapter if the participant agrees to such modification and the Secretary determines such modifications are desirable—

"(A) to carry out this chapter;

"(B) if natural causes prevent the implementation, improvement or maintenance of practices as required under such contract;

"(C) if the contract cannot be carried out without economic losses that threaten the viability of the farming operation;

"(D) if the owner or operator and the Secretary agree on contract modifications that will not compromise the water quality goals and objectives in the existing contract and that will be no less effective or timely in achieving such goals and objectives than the existing contract;

"(E) to facilitate the practical administration of this chapter; or

"(F) to achieve such other goals as the Secretary determines are appropriate, consistent with this chapter.

"(8) TERMINATION.—The Secretary may terminate an agreement entered into with a participant under this chapter if—

"(A)(i) the producer agrees to such termination; or

"(ii) the producer violates the terms and conditions of the agreement; and

"(B) the Secretary determines that such termination would be in the public interest.

"(9) REFUNDS.—The Secretary shall obtain refunds of incentive and cost share payments with interest, to the extent determined by the Secretary to be in the public interest, if an agreement is terminated or violated.

"(10) BASE AND YIELD PROTECTION.—An owner or operator agreeing to implement an approved water quality protection plan pursuant to this chapter shall, by regulations established by the Secretary, receive program payment yield and base protection on the farm during the agreement period.

"(11) ACREAGE LEVELS.—The Secretary shall, to the extent practicable, seek to enter into agreements with participants to place into the program a total of 10 million acres during the 1991 through 1995 calendar years.

"(b) CONTENT OF PLANS.—Agricultural water quality protection plans should include as applicable—

"(1) a description of the prevailing farm enterprises, cropping patterns, and cultural practices, and other information that may be relevant to protecting water quality on the farm;

"(2) a description of farm resources, including soil characteristics, proximity to water bodies, and other relevant characteristics of the farm related to water quality;

"(3) to the extent practicable, specific, quantitative water quality protection goals and objectives that will minimize contamination or degradation of surface or ground water;

"(4) water quality protection practices that will, if implemented by a producer, assist such producer in complying with State and Federal environmental laws, and where appropriate, will complement conservation plans prepared for highly erodible lands under section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

"(5) the specific agricultural production practices that will be implemented, improved and maintained, including practices that ensure continued farm productivity and profitability by promoting the efficient use of fertilizers, other crop nutrients, and pesticides, as well as management practices that are to be avoided, in order to carry out and achieve the water quality goals and objectives of the producer;

"(6) to the extent practicable, water quality protection practices for safe storage, mixing and loading of pesticides and fertilizers, and storage and handling of animal waste;

"(7) the timing and sequence for implementing such practices that will assist the producer in complying with State and Federal environmental laws, taking into consideration schedules that may be established in such laws;

"(8) information that will enable evaluation of the effectiveness of the plan in protecting water quality; and

"(9) recommendations of application rates and disposal methods of nutrients, pesticides, and animal waste materials as recommended by the Secretary.

"(c) PLAN DEVELOPMENT.—The Secretary, acting through the Assistant Secretary for Natural Resources and Environment, shall establish a procedure to enable agricultural producers to develop agricultural water quality protection plans pursuant to this section.

"(d) PROTECTION OF CONFIDENTIALITY.—The Secretary shall protect the confidentiality of the information contained in these plans to the extent confidentiality is provided under current law to information contained in conservation plans under section 1212. The Secretary shall provide notice to producers that information contained in the plans developed under this subsection will be available to the public upon request.

"(e) ACCEPTANCE OF CONTRACTS.—The Secretary shall begin accepting contracts within one year after the date of enactment of this chapter.

"(f) FEDERAL OR STATE PROVISIONS.—Acceptance of an agreement under this section or receipt of assistance pursuant to section 1238D shall not be deemed to satisfy the requirements of any State or Federal law.

"SEC. 1238C. ELIGIBLE LANDS.

"(a) ELIGIBLE LANDS.—Lands eligible for enrollment in the program pursuant to section 1238B or for technical assistance pursuant to section 1238D shall include—

"(1) areas that are not more than 1,000 feet from a public well unless a larger wellhead area is deemed desirable for inclusion by the Secretary in consultation with the Environmental Protection Agency and the State agency responsible for the State's operations under the Safe Drinking Water Act (42 U.S.C. 300h–7);

"(2) areas that are in shallow Karst topography areas where sinkholes convey runoff water directly into ground water;

"(3) areas that are considered to be critical cropland areas within hydrologic units identified in a plan submitted by the State under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329) as having priority problems that result from agricultural nonpoint sources of pollution;

"(4) areas where agricultural nonpoint sources have been determined to pose a significant threat to habitat utilized by threatened and endangered species;

"(5) areas recommended by State lead agencies for environmental protection as designated by a Governor of a State;

"(6) in consultation with the Secretary, other areas recommended by the Administrator of the Environmental Protection Agency or the Secretary of the Interior;

"(7) lands that are not located within the designated or approved areas but that are located such that if permitted to continue to operate under existing management practices would defeat the purpose of the program as determined by the Secretary; or

"(8) areas contributing to identified water quality problems in areas designated by the Secretary.

"(b) PRIORITY LANDS.—In accepting agreements pursuant to this section and providing assistance pursuant to section 1238D, the Secretary shall give priority to lands on which agricultural production has been determined to contribute to, or creates, the potential for failure to meet applicable water quality standards or the goals and requirements of Federal or State laws governing surface and ground water quality, in consultation with State officials having responsibility for monitoring and protecting water quality, the management of which provide the greatest public benefit as determined by the Secretary.

"SEC. 1238D. TECHNICAL ASSISTANCE FOR WATER QUALITY PROTECTION.

"(a) IN GENERAL.— Upon request, the Secretary shall provide technical assistance to agricultural producers on eligible lands to assist such producers in developing and implementing agricultural water quality protection plans.

"(b) FIELD OFFICE TECHNICAL GUIDANCE FOR WATER QUALITY PROTECTION.—

"(1) DEVELOPMENT.—The Secretary shall develop guidance materials describing a process to assist agricultural producers in preparing and implementing on-farm agricultural water quality protection plans necessary to assist in complying with State and Federal environmental laws, and to implement the agricultural water quality protection policy established by this chapter.

"(2) CONTENT.—The guidance materials required under this subsection shall reflect local agronomic, economic and ecological conditions to the extent practicable, and include and describe in detail—

"(A) procedures to identify potential sources of pollution on a farm;

"(B) to the extent practicable, a range of water quality protection practices, and their economic cost and benefit, that is suitable to local ecological characteristics and prevailing farm enterprises and that complement conservation plans prepared for highly erodible lands under section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812);

"(C) storage, mixing, and loading practices for on-farm pesticide and fertilizer use to protect water quality;

"(D) information regarding relevant State and Federal environmental laws that may impact upon the producer;

"(E) criteria to evaluate the effectiveness of on-farm plans in protecting water quality and provide aggregate data to aid in evaluating compliance with State and Federal environmental laws; and

"(F) means to evaluate the economic costs and benefits of agricultural water quality protection practices, including source reduction practices.

"(3) DEADLINE.—Local guidance materials shall be developed no later than two years after the date of enactment of this chapter and up-dated periodically, but not less than every two years.

"(4) CONSULTATION.—The Secretary shall consult with the Administrator of the Environmental Protection Agency, the Secretary of the Interior, and relevant State agencies in developing guidance materials under this section to ensure that such materials contain accurate and up-to-date technical information on practices designed to protect water quality.

"(c) PERSONNEL.—The Secretary shall designate the Soil Conservation Service as the lead agency for purposes of providing technical assistance in connection with implementing this chapter, and shall assign such

personnel from the Extension Service, Agricultural Research Service, and other agencies as are necessary to fulfill the purposes of this chapter. The Secretary may request the services of the State water quality agencies, State fish and wildlife agencies, State forestry agencies, or any other source deemed appropriate to assist in providing the technical assistance necessary for the development and implementation of the water quality protection plans.

"(d) LIMITATION OF LIABILITY.—No person shall be permitted to bring or pursue any claim or action against any official or entity based upon or resulting from any technical assistance provided to assist in complying with State or Federal environmental laws under subsection (b)(1) of this section.

"SEC. 1238E. DEMONSTRATION AND PILOT PROGRAMS.

"(a) DEMONSTRATION AND MODEL FARM PROGRAMS.—To the extent practicable and consistent with the requirements of the program established under this chapter and the priority described in section 1238C(b), the Secretary may enter into contracts under this chapter with owners and operators to facilitate the participation by such owners or operators in demonstration or model farm programs that are sponsored by governmental or private nonprofit entities and are designed to provide education on, disseminate information about, and demonstrate the practical application of agricultural production practices that reduce the potential for contamination or degradation of surface water or ground water while emphasizing practices that enhance profitability and productivity.

"(b) PILOT PROGRAMS.—To complement and enhance the effectiveness of the program established under this chapter, the Secretary may establish pilot programs, for implementation in areas determined to be priority areas under section 1238C(b), that shall be designed to provide assistance to address a wide range of farming operations and production conditions that enhance the efficient use of farm inputs and reduce waste.".

"SEC. 1238F. REPORT TO CONGRESS.

"Not later than September 30, 1992, the Secretary shall provide to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an interim report describing the degree of participation in the planning process and program established in this subtitle, including the number of plans that have been prepared, information on the number of plans that are in implementation, including the number and acreage of farms engaged in planning by type of environmentally sensitive area, information relevant for evaluating the effectiveness of agricultural water quality plans in protecting water quality, and other information pertinent to implementation of this chapter. A final report shall be submitted no later than September 30, 1994.".

SEC. 1440. ENVIRONMENTAL EASEMENT PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) (as amended by section 1439) is further amended by adding after section 1238F the following new chapter:

"CHAPTER 3—ENVIRONMENTAL EASEMENT PROGRAM

"SEC. 1239. ENVIRONMENTAL EASEMENT PROGRAM.

"(a) ESTABLISHMENT.—The Secretary shall, during the 1991 through 1995 calendar years, formulate and carry out an environmental easement program (hereafter in this chapter referred to as the 'easement program') in accordance with this chapter, through the acquisition of permanent easements or easements for the maximum term permitted under applicable State law from willing owners of eligible farms or ranches in order to ensure the continued long-term protection of environmentally sensitive lands or reduction in the degradation of water quality on such farms or ranches through the continued conservation and improvement of soil and water resources.

"(b) ELIGIBILITY; TERMINATION.—

"(1) IN GENERAL.—The Secretary may acquire easements under this section on land placed in the conservation reserve under this subtitle (other than such land that is likely to continue to remain out of production and that does not pose an off-farm environmental threat), land under the Water Bank Act (16 U.S.C. 1301), or other cropland that—

"(A) contains riparian corridors,

"(B) is an area of critical habitat for wildlife, especially threatened or endangered species; or

"(C) contains other environmentally sensitive areas, as determined by the Secretary, that would prevent a producer from complying with other Federal, State, or local environmental goals if commodities were to be produced on such land.

"(2) INELIGIBLE LAND.—The Secretary may not acquire easements on—

"(A) land that contains timber stands established under the conservation reserve under subtitle D; or

"(B) pasture land established to trees under the conservation reserve under subtitle D.

"(3) TERMINATION OF EXISTING CONTRACT.—The Secretary may terminate or modify any existing contract entered into under section 1231(a) if eligible land that is subject to such contract is transferred into the program established by this chapter.

"SEC. 1239A. DUTIES OF OWNERS; COMPONENTS OF PLAN.

"(a) DUTIES OF OWNERS.—

"(1) PLAN.—In conjunction with the creation of an easement on any lands under this chapter, the owner of the farm or ranch wherein such lands are located must agree to implement a natural resource conservation management plan under subsection (b) approved by the Secretary in consultation with the Secretary of the Interior.

"(2) AGREEMENT.—In return for the creation of an easement on any lands under this chapter, the owner of the farm or ranch wherein such lands are located must agree to the following:

"(A) To the creation and recordation of an appropriate deed restriction in accordance with applicable State law to reflect the easement agreed to under this chapter with respect to such lands.

"(B) To provide a written statement of consent to such easement signed by those holding a security interest in the land.

"(C) To comply with such additional provisions as the Secretary determines are desirable and are included in the easement to carry out this chapter or to facilitate the practical administration thereof.

"(D) To specify the location of any timber harvesting on land subject to the easement. Harvesting and commercial sales of Christmas trees and nuts shall be prohibited on such land, except that no such easement or related agreement shall prohibit activities consistent with customary forestry practices, such as pruning, thinning, or tree stand improvement on lands converted to forestry uses.

"(E) To limit the production of any agricultural commodity on such lands only to production for the benefit of wildlife.

"(F) Not to conduct any harvesting or grazing, nor otherwise make commercial use of the forage, on land that is subject to the easement unless specifically provided for in the easement or related agreement.

"(G) Not to adopt any other practice that would tend to defeat the purposes of this chapter, as determined by the Secretary.

"(3) VIOLATION.—On the violation of the terms or conditions of the easement or related agreement entered into under this section, the easement shall remain in force and the Secretary may require the owner to refund all or part of any payments received by the owner under this chapter, together with interest thereon as determined appropriate by the Secretary.

"(b) COMPONENTS OF PLAN.—The natural resource conservation management plan referred to in subsection (a)(1), (hereafter referred to as the 'plan')—

"(1) shall set forth—

"(A) the conservation measures and practices to be carried out by the owner of the land subject to the easement; and

"(B) the commercial use, if any, to be permitted on such land during the term of the easement; and

"(2) shall provide for the permanent retirement of any existing cropland base and allotment history for such land under any program administered by the Secretary.

"SEC. 1239B. DUTIES OF THE SECRETARY.

"In return for the granting of an easement by an owner under this chapter, the Secretary shall—

"(1) share the cost of carrying out the establishment of conservation measures and practices set forth in the plan for which the Secretary determines that cost sharing is appropriate and in the public interest;

"(2) pay for a period not to exceed 10 years annual easement payments in the aggregate not to exceed the lesser of—

"(A) $250,000; or

"(B) the difference in the value of the land with and without an easement;

"(3) provide necessary technical assistance to assist owners in complying with the terms and conditions of the easement and the plan; and

"(4) permit the land to be used for wildlife activities, including hunting and fishing, if such use is permitted by the owner.

"SEC. 1239C. PAYMENTS.

"(a) TIME OF PAYMENT.—The Secretary shall provide payment for obligations incurred by the Secretary under this chapter—

"(1) with respect to any cost sharing obligation as soon as possible after the obligation is incurred; and

"(2) with respect to any annual easement payment obligation incurred by the Secretary as soon as possible after October 1 of each calendar year.

"(b) COST SHARING PAYMENTS.—In making cost sharing payments to owners under this chapter, the Secretary may pay up to 100 percent of the cost of establishing conservation measures and practices pursuant to this chapter.

"(c) EASEMENT PAYMENTS; ACCEPTABILITY OF OFFERS.—

"(1) DETERMINATION OF AMOUNT.—The Secretary shall determine the amount payable to owners in the form of easement payments under this chapter, and in making such determination may consider, among other

things, the amount necessary to encourage owners to participate in the easement program.

"(2) ACCEPTABILITY OF OFFERS.—In determining the acceptability of easement offers, the Secretary may take into consideration—

"(A) the extent to which the purposes of the easement program would be achieved on the land;

"(B) the productivity of the land; and

"(C) the on-farm and off-farm environmental threats if the land is used for the production of agricultural commodities.

"(d) FORM OF PAYMENT.—Except as otherwise provided in this section, payments under this chapter—

"(1) shall be made in cash in such amount and at such time as is agreed on and specified in the easement or related agreement; and

"(2) may be made in advance of a determination of performance.

"(e) PAYMENTS TO OTHERS.—If an owner who is entitled to a payment under this chapter dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make such payment, in accordance with regulations prescribed by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all of the circumstances.

"(f) PAYMENT LIMITATION.—

"(1) IN GENERAL.—The total amount of easement payments made to a person under this chapter for any year may not exceed $50,000.

"(2) REGULATIONS.—The Secretary shall issue regulations prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this subsection.

"(3) OTHER PAYMENTS.—Easement payments received by an owner shall be in addition to, and not affect, the total amount of payments that such owner is otherwise eligible to receive under this Act, the Food, Agriculture, Conservation, and Trade Act of 1990, or the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.).

"(4) STATE ENVIRONMENTAL ENHANCEMENT.—The provisions of this subsection that limit payments to any person, and section 1305(d) of the Agricultural Reconciliation Act of 1987 (7 U.S.C. 1308 note), shall not be applicable to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under an environmental easement enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into such agreements for payments to States, political subdivisions, or agencies thereof that the Secretary determines will advance the purposes of this chapter.

"(g) EXEMPTION FROM AUTOMATIC SEQUESTER.—Notwithstanding any other provision of law, no order issued under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (2 U.S.C. 902) shall affect any payment under this chapter.

"SEC. 1239D. CHANGES IN OWNERSHIP; MODIFICATION OF EASEMENT.

"(a) LIMITATIONS.—No easement shall be created under this chapter on land that has changed ownership in the preceding 12 months unless—

"(1) the new ownership was acquired by will or succession as a result of the death of the previous owner;

"(2) the new ownership was acquired before January 1, 1990; or

"(3) the Secretary determines that the land was acquired under circumstances that give adequate assurances that such land was not acquired for the purposes of placing it in the program established by this chapter.

"(b) MODIFICATION; TERMINATION.—

"(1) MODIFICATION.—The Secretary may modify an easement acquired from, or a related agreement with, an owner under this chapter if—

"(A) the current owner of the land agrees to such modification; and

"(B) the Secretary determines that such modification is desirable—

"(i) to carry out this chapter;

"(ii) to facilitate the practical administration of this chapter; or

"(iii) to achieve such other goals as the Secretary determines are appropriate and consistent with this chapter.

"(2) TERMINATION.—

"(A) IN GENERAL.—The Secretary may terminate an easement created with an owner under this chapter if—

"(i) the current owner of the land agrees to such termination; and

"(ii) the Secretary determines that such termination would be in the public interest.

"(B) NOTICE.—At least 90 days before taking any action to terminate under subparagraph (A) all easements entered into under this chapter, the Secretary shall provide written notice of such action to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 1441. TREE PLANTING INITIATIVE.

(a) TREE PLANTING INITIATIVE.—Title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.) is amended by adding at the end of subtitle F the following new section:

"SEC. 1256. TREE PLANTING INITIATIVE.

"(a) MAINTENANCE, AFFORESTATION, AND REFORESTATION OF FOREST LANDS.—

"(1) POLICY.—It is the policy of the United States to—

"(A) promote the retention and management of lands currently in forest cover as forested lands;

"(B) provide for the reforestation of Federal, State, and private nonindustrial forest lands following timber harvest or loss of cover due to fire, insect damage, disease or damaging weather;

"(C) encourage the reforestation of previously forested lands and the afforestation of marginal agricultural lands; and

"(D) promote the planting of trees and the proper management of existing forest lands to reduce soil erosion, improve water quality, enhance fish and wildlife habitat, and provide for the sustained production of the commodity and noncommodity resources that these lands can provide to meet the Nation's needs.

"(2) IMPLEMENTATION OF POLICY.—The Secretary is encouraged to use the following programs to accomplish the policy identified in subsection (a)(1):

"(A) The conservation reserve established under subchapter B of chapter 1.

"(B) The agricultural conservation program authorized by sections 7 through 15, 16(a), 16(f), and 17 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g through 590o, 590p(a), 590p(f), and 590(g) and sections 1001 through 1008 and 1010 of the Agricultural Act of 1970 (16 U.S.C. 1501 through 1508 and 1510).

"(C) The Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103).

"(D) The provisions of title XII of the Food, Agriculture, Conservation, and Trade Act of 1990.

"(b) AGREEMENTS WITH STATE FORESTRY AGENCIES.—The Secretary shall encourage owners and operators of cropland who enter into agreements in accordance with this section to enlist the cooperative assistance of the State Forester or equivalent State official in obtaining technical and financial assistance for tree planting and maintenance activities in accordance with the provisions title XII of the Food, Agriculture, Conservation, and Trade Act of 1990.".

SEC. 1442. ADMINISTRATION OF CONSERVATION PROGRAMS.

Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by adding at the end the following new subsections:

"(d) In making determinations under this title and in conducting appeals from any determination made under this title, the Secretary shall act as expeditiously as possible but shall provide adequate safeguards to protect the interests of the persons involved in such determination.

"(e) The Secretary shall maintain data concerning the number and status of appeals pending in excess of 120 days or resolved under this title.

"(f)(1) The Secretary shall not enroll more than a total of 25 percent of the cropland in any county into the Environmental Conservation Acreage Reserve Program under chapter 1 and the Environmental Easement Program under chapter 3, and not more than 10 percent of such cropland may be subject to an easement acquired under those chapters. The Secretary may exceed these limitations in a county to the extent that the Secretary determines that—

"(A) such action would not adversely affect the local economy of such county; and

"(B) producers in such county are having difficulties complying with conservation plans or other environmental requirements.

"(2) The limitations established under this subsection shall not apply to cropland that is subject to an easement under chapter 1 or chapter 3 that is used for the establishment of shelterbelts and windbreaks.

"(3) In making a determination under this subsection, the Secretary shall not require the written consent of a member of Congress.".

SEC. 1443. AUTHORIZATION OF APPROPRIATIONS.

Section 1245 of the Food Security Act of 1985 (16 U.S.C. 3845) is amended to read as follows:

"SEC. 1245. AUTHORIZATION OF APPROPRIATIONS.

"(a) ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM AND WATER QUALITY INCENTIVE PROGRAM.—There is authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out chapters 1 and 2 of subtitle D. Amounts available to carry out subtitle D before the date of enactment of this section shall remain available to carry out such chapters.

"(b) OTHER CONSERVATION MATTERS.—In addition to subsection (a), there is authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out subtitles (A) through (G), other than chapters 1 and 2 of subtitle D.".

SEC. 1444. MONITORING AND EVALUATION.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is further amended by adding after section 1245 the following new section:

"SEC. 1246. MONITORING AND EVALUATION.

"(a) IN GENERAL.—Not later than June 30, 1993, the Secretary shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a comprehensive report that evaluates, in accordance with subsection (b), the programs and policies established and operated under this title.

"(b) REQUIREMENTS.—In conducting the evaluations required under subsection (a), the Secretary shall—

"(1) assess the progress made toward the national objective of nondegradation of the soil resources through the implementation of the relevant provisions of this title, identify obstacles to the attainment of such goal, and recommend ways in which to overcome such obstacles;

"(2) perform on-site evaluations of 5 percent, or such reasonable amount as necessary to produce a statistically valid survey, of all affected acreage of—

"(A) conservation practices on highly erodible lands;

"(B) estimates of erosion reductions that may result from the implementation of conservation plans; and

"(C) the technical adequacy and feasibility of such plans;

"(3) collect data concerning the social and economic impacts, violations, appeals, and such other matters under this title as the Secretary determines to be necessary to assess the overall impact of this title, which data collection shall not impose an additional recordkeeping or reporting requirement on the producer; and

"(4) assess the contribution toward the national objectives of wetlands preservation, wildlife and waterfowl habitat improvement, and water quality improvement through the implementation of the relevant provisions of this title, identify obstacles to furthering progress toward such objectives, and recommend ways in which to overcome such obstacles.".

SEC. 1445. ASSISTANCE FOR CONTROL OF THE SPREAD OF WEEDS AND PESTS.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) (as amended by section 1444) is further amended by inserting after section 1246 the following new section:

"SEC. 1247. ASSISTANCE FOR CONTROL OF THE SPREAD OF WEEDS AND PESTS.

"(a) IN GENERAL.—The Secretary, in consultation with State experiment stations, the Administrator of the Extension Service, the Chief of the Soil Conservation Service, and State pest and weed control boards, shall make available to owners and operators of land that is subject to a contract under subtitle D, weed and pest control technical information and materials that—

"(1) address common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve; and

"(2) are otherwise consistent with maintaining the conservation and environmental objectives of the conservation reserve.

"(b) CONSERVATION MEASURE.—At the Secretary's discretion, the control of insect pests on conservation reserve acreage that is most likely to incur a crop pest infestation that adversely affects surrounding commercial land may be considered a conservation measure or practice for the purposes of subsection 1234(b).".

SEC. 1446. STATE TECHNICAL COMMITTEE.

Title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.) is amended by adding at the end the following new subtitle:

"Subtitle G—State Technical Committees

"SEC. 1261. ESTABLISHMENT.

"(a) IN GENERAL.—The Secretary shall establish in each State a technical committee to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title.

"(b) STANDARDS.—Not later than 180 days after enactment of this section, the Secretary shall develop standards to be used by the State technical committee in the development of technical guidelines under section 1262(b) for the implementation of the conservation provisions of this title.

"(c) COMPOSITION.—Each State technical committee established under subsection (a) shall be composed of professional resource managers that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences. Such committee shall include such representatives as may serve from among—

"(1) the Soil Conservation Service;

"(2) the Agricultural Stabilization and Conservation Service;

"(3) the Forest Service;

"(4) the Extension Service;

"(5) the Farmers Home Administration;

"(6) the Fish and Wildlife Service;

"(7) State departments and agencies which the Secretary deems appropriate, including:

"(A) the State fish and wildlife agency;

"(B) the State forester or equivalent State official;

"(C) the State water resources agency;

"(D) the State department of agriculture; and

"(E) the State association of soil and water conservation districts; and

"(8) other agency personnel with expertise in soil, water, wetland, and wildlife management as the Secretary determines appropriate.

"SEC. 1262. RESPONSIBILITIES.

"(a) IN GENERAL.—Each Committee established under section 1261 shall meet regularly to provide information, analysis, and recommendations to appropriate officials of the Department of Agriculture who are charged with implementing the conservation provisions of this title. Such information, analysis, and recommendations shall be provided in a manner that will assist the Department of Agriculture in determining matters of fact, technical merit, or scientific question. Data, analysis, and recommendations shall be provided in writing and shall reflect the best professional information and judgment of the Committee. The Secretary shall coordinate activities conducted under this section with those conducted under section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990.

"(b) WETLAND AND WILDLIFE HABITAT PROTECTION GUIDELINES.—

"(1) DEVELOPMENT OF TECHNICAL GUIDES.—Not later than one year after the date of enactment of this section each State technical committee shall develop technical guides for the implementation of the wetland preservation and wildlife habitat improvement options of the agricultural water quality protection program under section 1238B.

"(2) CONTENT OF GUIDES.—

"(A) IN GENERAL.—The technical guides required under this subsection shall include detailed information on the selection of crops and crop-plant varieties, cover crops, rotation practices, tillage systems, nutrient management, biological control practices (including biologically intensive integrated pest management practices), soil, water, and natural resource conservation, and other practices useful in developing practices pursuant to such option.

"(B) STANDARDS AND INSTRUCTIONS.—The technical guides required under subsection (a) shall provide standards and practical instructions for implementation of wetland protection and wildlife habitat improvement practices based on existing scientific and technical knowledge.

"(C) CONTRACTS.—The Secretary may enter into contracts to assist in the development and periodic revision of the technical guides described in this subsection.

"(c) OTHER DUTIES.—Each technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

"(1) wetland protection, restoration, and mitigation requirements;

"(2) criteria to be used in evaluating bids for enrollment of environmentally-sensitive lands in the conservation reserve program;

"(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on set-aside acreage;

"(4) highly erodible lands exemptions and appeals;

"(5) wetland and conservation compliance exemptions and appeals;

"(6) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

"(7) guidelines for planting perennial cover for water quality and wildlife habitat improvement on set-aside lands; and

"(8) other matters determined appropriate by the Secretary.

"(d) AUTHORITY.—Each Committee established under section 1261 is advisory and shall have no implementation or enforcement authority. However, the Secretary shall give strong consideration to the recommendations of such Committees in administering the programs under this title, and to the factual, technical, or scientific findings and recommendations under the Committee's responsibility.".

SEC. 1447. TECHNICAL AND CONFORMING AMENDMENTS.

(a) FOOD SECURITY ACT.—Subtitle D of title XII of such Act (16 U.S.C. 3831 et seq.) as such subtitle existed prior to the date of enactment of this Act, is amended by striking the term "this subtitle" each place that such term occurs and inserting "this subchapter".

(b) TABLE OF CONTENTS.—

(1) WETLAND CONSERVATION.—Section 2 of the Food Security Act of 1985 is amended—

(A) by striking the item relating to section 1222 and insert the following:

"Sec. 1222. Delineation of wetlands; exemptions.";

(B) by inserting after the item relating to section 1223 the following new item:

"Sec. 1224. Fairness of compliance.";

(2) CONSERVATION RESERVE.—Section 2 of such Act is amended by striking the heading and the items relating to subtitle D of title XII and inserting the following:

"Subtitle D—Agricultural Resources Conservation Program"

"CHAPTER 1—ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM

"Subchapter A—General Provisions

"Sec. 1230. Environmental Conservation Acreage Reserve Program.

"Subchapter B—Conservation Reserve

"Sec. 1231. Conservation reserve.
"Sec. 1232. Duties of owners and operators.
"Sec. 1233. Duties of the Secretary.

"Sec. 1234. Payments.
"Sec. 1235. Contracts
"Sec. 1235A. Conversion of land subject to contract to other conserving uses.
"Sec. 1236. Base history.
"Subchapter C—Wetlands Reserve Program
"Sec. 1237. Wetlands Reserve Program.
"Sec. 1237A. Easements.
"Sec. 1237B. Duties of owners.
"Sec. 1227C. Duties of the Secretary.
"Sec. 1237D. Payments.
"Sec. 1237E. Changes in ownership; agreement modification; termination.
"Sec. 1237F. Administration, and funding.
"CHAPTER 2—AGRICULTURAL WATER QUALITY INCENTIVES
"Sec. 1238. Policy.
"Sec. 1238A. Definitions.
"Sec. 1238B. Agricultural Water Quality Protection Program.
"Sec. 1238C. Eligible lands.
"Sec. 1238D. Technical assistance for water quality protection.
"Sec. 1238E. Demonstration and pilot programs.
"Sec. 1238F. Report to Congress.
"CHAPTER 3—ENVIRONMENTAL EASEMENT PROGRAM
"Sec. 1239. Environmental Easement Program.
"Sec. 1239A. Duties of owners; components of plan.
"Sec. 1239B. Duties of the Secretary.
"Sec. 1239C. Payments.
"Sec. 1239D. Changes in ownership; modification of easement.".

(3) ADMINISTRATION.—Section 2 of such Act is further amended by striking the item relating to section 1245 and inserting the following new items:

"Sec. 1245. Authorization of appropriations.
"Sec. 1246. Monitoring and evaluation.
"Sec. 1247. Assistance for control of the spread of weeds and pests.".

(4) TREE PLANTING INITIATIVE.—Section 2 of such Act is further amended by inserting after the item relating to section 1254 the following new item:

"Sec. 1256. Tree planting initiative.".

(5) STATE TECHNICAL COMMITTEES.—Section 2 of such Act is further amended by inserting after the items relating to subtitle F of title XII the following new items:

"SUBTITLE G—STATE TECHNICAL COMMITTEES
"Sec. 1261. Establishment.
"Sec. 1262. Responsibilities.".

Subtitle D—OTHER CONSERVATION MEASURES

SEC. 1451. INTEGRATED FARM MANAGEMENT PROGRAM OPTION.

(a) ESTABLISHMENT.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall, by regulation, establish a voluntary program, to be known as the "Integrated Farm Management Program Option" (hereafter referred to in this section as the "program"), designed to assist producers of agricultural commodities in adopting integrated, multiyear, site-specific farm management plans by reducing farm program barriers to resource stewardship practices and systems.

(b) DEFINITIONS.—

(1) IN GENERAL.—For purposes of this section—

(A) The term "resource-conserving crop" means legumes, legume-grass mixtures, legume-small grain mixtures, legume-grass-small grain mixtures, and alternative crops.

(B) The term "resource-conserving crop rotation" means a crop rotation that includes at least one resource-conserving crop and that reduces erosion, maintains or improves soil fertility and tilth, interrupts pest cycles, or conserves water.

(C) The term "farming operations and practices" includes the integration of crops and crop-plant variety selection, rotation practices, tillage systems, soil conserving and soil building practices, nutrient management strategies, biological control and integrated pest management strategies, livestock production and management systems, animal waste management systems, water and energy conservation measures, and health and safety considerations.

(D) The term "integrated farm management plan" means a comprehensive, multiyear, site-specific plan that meets the requirements of subsection (e).

(2) CROPS.—For purposes of paragraph (1)(A)—

(A) The term "grass" means perennial grasses commonly used for haying or grazing.

(B) The term "legume" means forage legumes (such as alfalfa or clover) or any legume grown for use as a forage or green manure, but not including any bean crop from which the seeds are harvested.

(C) The term "small grain" shall not include malting barley or wheat, except for wheat interplanted with other small grain crops for nonhuman consumption.

(D) The term "alternative crops" means experimental and industrial crops grown in arid and semiarid regions that conserve soil and water.

(c) ELIGIBILITY.—To be eligible to participate in the program established by this section, a producer must—

(1) prepare and submit to the Secretary for approval an integrated farm management plan (hereafter referred to in this section as the "plan");

(2) actively apply the terms and conditions of the plan, as approved by the Secretary;

(3) devote to a resource-conserving crop, on the average through the life of the contract, not less than 20 percent of the crop acreage bases enrolled under such program;

(4) comply with the terms and conditions of any annual acreage limitation program in effect for the crop acreage bases contracted under the terms of this subsection; and

(5) keep such records as the Secretary may reasonably require.

(d) ACREAGE.—In accepting contracts for the program, the Secretary, to the extent practicable, shall enroll not more than 3,000,000, nor more than 5,000,000, acres of cropland in the calendar years 1991 through 1995.

(e) CONTRACTS.—The Secretary shall enter into contracts with producers to enroll acreage in the program. Such contracts shall be for a period of not less than 3 years, but may, at the producer's option, be for a longer period of time (up to 5 years) and may be renewed upon mutual agreement between the Secretary and the producer.

(f) REQUIREMENTS OF THE PLANS.—Each plan approved by the Secretary shall—

(1) specify the acreage and the crop acreage bases to be enrolled in the program;

(2) describe the resource-conserving crop rotation to be implemented and maintained on such acreage during the contract period to fulfill the purposes of the program;

(3) contain a schedule for the implementation, improvement and maintenance of the resource-conserving crop rotation described in the plan;

(4) describe the farming operations and practices to be implemented on such acreage and how such operations and practices could reasonably be expected to result in—

(A) the maintenance or enhancement of the overall productivity and profitability of the farm;

(B) the prevention of the degradation of farmland soils, the long-term improvement of the fertility and physical properties of such soils; and

(C) the protection of water supplies from contamination by managing or minimizing agricultural pollutants if their management or minimization results in positive economic and environmental benefits;

(5) assisting the producer to comply with all Federal, State, and local requirements designed to protect soil, wetland, wildlife habitat, and the quality of groundwater and surface water; and

(6) contain such other terms as the Secretary may, by regulation, require.

(g) ADMINISTRATION; CERTIFICATION; TERMINATION.—

(1) ADMINISTRATION; TECHNICAL ASSISTANCE; FLEXIBILITY; IMPLEMENTATION; DISPLACEMENT.—

(A) ADMINISTRATION.—The program shall be administered by the Secretary.

(B) TECHNICAL ASSISTANCE.—In administering the program, the Secretary, in consultation with the local conservation districts, and any State or local authorities deemed appropriate by the Secretary, shall provide technical assistance to producers in developing and implementing plans, evaluating the effectiveness of plans, and assessing the costs and benefits of farming operations and practices. The plans may draw on handbooks and technical guides and may also include other practices appropriate to the particular circumstances of the producer and the purposes of the program.

(C) FLEXIBILITY.—In administering the program, the Secretary shall provide sufficient flexibility for a producer to adjust or modify the producer's plan consistent with this section, except that such adjustments or modifications must be approved by the Secretary.

(D) MINIMIZATION OF ADVERSE EFFECT.—

(i) IN GENERAL.—Notwithstanding any other provision of this section, the Secretary shall implement this section in such a manner as to minimize any adverse economic effect on the agribusinesses and other agriculturally related economic interests within any county, State, or region that may result from a decrease of harvested acres due to the operation of this section. In carrying out this section, the Secretary may restrict the total amount of crop acreage that may be removed from production, taking into consideration the total amount of crop acreage that has, or will be, removed from production under other price support, production adjustment, or conservation program activities.

(ii) MAXIMIZE CONSERVATION GOALS.—The Secretary shall, to the greatest extent practicable, permit producers on a farm that desire to participate in the program authorized under this section to enroll acreage adequate to maximize conservation goals on such farm and ensure economic effectiveness of the program in each individual application.

(E) DISPLACEMENT.—The Secretary shall not approve any plan that will result in the involuntary displacement of farm tenants or lessees by landowners through the removal of substantial portions of the farm from production of a commodity. In the case of any tenant or lessee who has rented or leased the

farm (with or without a written option for annual renewal or periodic renewals) for a period of two or more of the immediately preceding years, the Secretary shall consider the refusal by a landlord, without reasonable cause other than simply for the purpose of enrollment in the program, to renew such rental or lease as an involuntary displacement in the absence of a written consent to such nonrenewal by the tenant or lessee.

(2) CERTIFICATION.—The Secretary shall certify compliance by producers with the terms and conditions of the plans.

(3) TERMINATION.—The Secretary may terminate a contract entered into with a producer under this program if—

(A) the producer agrees to such termination, or

(B) the producer violates the terms and conditions of such contract.

(h) PROGRAM RULES.—

(1) BASE AND YIELD PROTECTION.—Notwithstanding any other provision of law, the Secretary shall not, except as provided in paragraph (6), reduce crop acreage bases, or farm program payment yields, as a result of the planting of a resource-conserving crop as part of a resource-conserving crop rotation.

(2) RESOURCE-CONSERVING CROPS ON REDUCED ACREAGE.—Notwithstanding the provisions of title I of the Agricultural Act of 1949, acreage devoted to resource-conserving crops as part of a resource-conserving crop rotation under this program may also be designated as conservation use acreage for the purpose of fulfilling any provisions under any acreage limitation or land diversion program and up to 50 percent of the acreage so designated shall be without restrictions on haying and grazing, except as provided in paragraph (5)(B), except that such acreage that is devoted to perennial cover on which cost-share assistance for the establishment of the perennial cover has been provided, shall not be credited towards the producer's resource-conserving crop requirement under a contract under this section.

(3) BARLEY, OATS, AND WHEAT.—Notwithstanding any other provisions of this section, barley, oats, or wheat planted as part of a resource-conserving crop on reduced acreage may not be harvested in kernel form.

(4) PAYMENT ACRES.—Notwithstanding any other provision of this Act, the Secretary shall not reduce farm program payments of participants in this program as a result of the planting a resource-conserving crop as part of a resource-conserving crop rotation on payment acres.

(5) HAYING AND GRAZING RESTRICTION.—

(A) IN GENERAL.—The Secretary shall not make any program payments to a producer who is otherwise eligible to receive with respect to acreage enrolled in the program if such producer hays or grazes such acreage (excluding acreage designated as conservation use acreage) during the 5-month period in each State during which haying and grazing of conserving use acres is not allowed under the provisions of the Agricultural Act of 1949, or, if the crop planted on such acreage includes a small grain, before the producer harvests the small grain crop in kernel form.

(B) LIMITATION ON PERMITTED HAYING AND GRAZING.—Notwithstanding any other provision of this section, if the Secretary determines that implementation of this section will result in a significant adverse economic impact on hay or livestock prices in a particular geographic area, the Secretary may limit the quantity of hay that can be harvested or grazed from that area. Such limit may include restrictions on the number of times that hay may be harvested or grazed from the acres per year, the timing of such harvesting and grazing, or the number of years that such land may remain in the same hay stand, or a prohibition on the harvesting or grazing of hay from acres on which a small grain was not originally interplanted with the hay crop and harvested for grain.

(6) BASE ACRE ADJUSTMENTS.—The Secretary, only for the purpose of establishing a producer's crop acreage base under the Agricultural Act of 1949, may make such adjustments as the Secretary determines to be fair and equitable to reflect resource-conserving crop rotation practices that were maintained by producers prior to participation in the program and to reflect such other factors as the Secretary determines should be considered, except that the total of such adjustments in any year shall not exceed the total farm program savings in the same year that would result from the implementation of plans.

(7) PAYMENT ACREAGE LIMITATION.—

(A) IN GENERAL.—No producers enrolled in a resource-conserving crop rotation shall not be eligible to receive payments under farm programs for wheat, feed grains, cotton, or rice under the Agricultural Act of 1949 on acreage equal to the average number of traditionally underplanted acres for the three years prior to enrolling in this program.

(B) DEFINITION.—

(i) IN GENERAL.—Subject to clause (ii), for the purposes of this paragraph the term "traditionally underplanted acreage" means the difference in a particular year between the acreage that is part of a producer's crop acreage base that is not planted to the program crop and the part of the crop acreage base subject to an acreage limitation program or required to be set aside. In no case shall such acreage be less than zero.

(ii) EXCEPTION.—In the case of a producer participating in a particular year in a program authorized under section 101B(c)(1)(B), section 103B(c)(1)(B), section 105A(c)(1)(B), or section 107A(c)(1)(B) of the Agricultural Act of 1949, the term "traditionally underplanted acreage" means 8 percent of the producer's permitted acreage for such year.

SEC. 1452. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

(a) ELIGIBILITY.—Section 1536 of the Agriculture and Food Act of 1981 (16 U.S.C. 3459) is amended by striking "two hundred and twenty-five" and inserting "450".

(b) AUTHORIZATION.—Section 1538 of the Agriculture and Food Act of 1981 (16 U.S.C. 3461) is amended by striking "for each of the five fiscal years beginning October 1, 1982, and ending September 30, 1987," and inserting "for each of the fiscal years 1991 through 1995".

SEC. 1453. AMENDMENT TO THE NOXIOUS WEED ACT.

The Federal Noxious Weed Act of 1974 (7 U.S.C. 2801 et seq.) is amended by adding at the end the following:

"SEC. 15. MANAGEMENT OF UNDESIRABLE PLANTS ON FEDERAL LANDS.

"(a) DUTIES OF AGENCIES.—Each Federal agency shall—

"(1) designate an office or person adequately trained in the management of undesirable plant species to develop and coordinate an undesirable plants management program for control of undesirable plants on Federal lands under the agency's jurisdiction;

"(2) establish and adequately fund an undesirable plants management program through the agency's budgetary process;

"(3) complete and implement cooperative agreements with State agencies regarding the management of undesirable plant species on Federal lands under the agency's jurisdiction; and

"(4) establish integrated management systems to control or contain undesirable plant species targeted under cooperative agreements.

"(b) ENVIRONMENTAL IMPACT STATEMENTS.—In the event an environmental assessment or environmental impact statement is required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) to implement plant control agreements, Federal agencies shall complete such assessments or statements within 1 year after the requirement for such assessment or statement is ascertained.

"(c) COOPERATIVE AGREEMENTS WITH STATE AGENCIES.—

"(1) IN GENERAL.—Federal agencies, as appropriate, shall enter into cooperative agreements with State agencies to coordinate the management of undesirable plant species on Federal lands.

"(2) CONTENTS OF PLAN.—A cooperative agreement entered into pursuant to paragraph (1) shall—

"(A) prioritize and target undesirable plant species or group of species to be controlled or contained within a specific geographic area;

"(B) describe the integrated management system to be used to control or contain the targeted undesirable plant species or group of species; and

"(C) detail the means of implementing the integrated management system, define the duties of the Federal agency and the State agency in prosecuting that method, and establish a timeframe for the initiation and completion of the tasks specified in the integrated management system.

"(d) EXCEPTION.—A Federal agency is not required under this section to carry out programs on Federal lands unless similar programs are being implemented generally on State or private lands in the same area.

"(e) DEFINITIONS.—As used in this section:

"(1) COOPERATIVE AGREEMENT.—The term 'cooperative agreement' means a written agreement between a Federal agency and a State agency entered into pursuant to this section.

"(2) FEDERAL AGENCY.—The term 'Federal agency' means a department, agency, or bureau of the Federal Government responsible for administering or managing Federal lands under its jurisdiction.

"(3) FEDERAL LANDS.—The term 'Federal lands' means lands managed by or under the jurisdiction of the Federal Government.

"(4) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management systems' means a system for the planning and implementation of a program, using an interdisciplinary approach, to select a method for containing or controlling an undesirable plant species or group of species using all available methods, including—

"(A) education;

"(B) preventive measures;

"(C) physical or mechanical methods;

"(D) biological agents;

"(E) herbicide methods;

"(F) cultural methods; and

"(G) general land management practices such as manipulation of livestock or wild-

life grazing strategies or improving wildlife or livestock habitat.

"(5) INTERDISCIPLINARY APPROACH.—The term 'interdisciplinary approach' means an approach to making decisions regarding the containment or control of an undesirable plant species or group of species, which—

"(A) includes participation by personnel of Federal or State agencies with experience in areas including weed science, range science, wildlife biology, land management, and forestry; and

"(B) includes consideration of—

"(i) the most efficient and effective method of containing or controlling the undesirable plant species;

"(ii) scientific evidence and current technology;

"(iii) the physiology and habitat of a plant species; and

"(iv) the economic, social, and ecological consequences of implementing the program.

"(6) STATE AGENCIES.—The term 'State agency' means a State department of agriculture, or other State agency or political subdivision thereof, responsible for the administration or implementation of undesirable plants laws of a State.

"(7) UNDESIRABLE PLANT SPECIES.—The term 'undesirable plants' means plant species that are classified as undesirable, noxious, harmful exotic, injurious, or poisonous, pursuant to State or Federal law. Species listed as endangered by the Endangered Species Act of 1973 shall not be designated as undesirable plants under this section and shall not include plants indigenous to an area where control measures are to be taken under this section.

"(f) COORDINATION.—

"(1) IN GENERAL.—The Secretary of Agriculture and the Secretary of the Interior shall take such actions as may be necessary to coordinate Federal agency programs for control, research, and educational efforts associated with Federal, State, and locally designated noxious weeds.

"(2) DUTIES.—The Secretary, in consultation with the Secretary of the Interior, shall—

"(A) identify regional priorities for noxious weed control;

"(B) incorporate into existing technical guides regionally appropriate technical information; and

"(C) disseminate such technical information to interested State, local, and private entities.

"(3) COST SHARE ASSISTANCE.—The Secretary may provide cost share assistance to State and local agencies to manage noxious weeds in an area if a majority of landowners in that area agree to participate in a noxious weed management program.

"(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary in each of fiscal years 1991 through 1995 to carry out this section.".

SEC. 1454. IDENTIFYING THE EFFECTS OF FEDERAL PROGRAMS.

Section 1541(b) of the Farmland Protection Policy Act (7 U.S.C. 4202(b)) is amended by inserting "to identify the quantity of farmland actually converted by Federal programs, and" after "of this section,".

SEC. 1455. GREAT PLAINS CONSERVATION PROGRAM.

(a) CONTRACTS.—Section 16(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p(b)) is amended—

(1) in paragraph (1), by striking "1991" and inserting "2001"; and

(2) in paragraph (7), by striking "$600,000,000" and inserting "$1,000,000,000".

(b) DESIGN OF SYSTEMS AND DATA.—Section 16 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590p) is amended by adding at the end thereof the following new subsections:

"(j) In the design and preparation of resource management systems under this section, the Secretary shall, where practicable, substitute more intensive management measures for structural measures.

"(k) The Secretary shall collect and maintain data on a national and State by State basis concerning the resource, environmental and economic consequences of the assistance and applications provided under this section.".

SEC. 1456. COMPOSTING RESEARCH AND EXTENSION PROGRAM.

(a) PURPOSE.—It is the purpose of this section to require the Secretary of Agriculture to identify and compile appropriate methods of composting agricultural wastes and the potential uses for such compost, and to make such information available to the appropriate Federal, State, or other private authorities and the general public.

(b) COMPOSTING INFORMATION.—

(1) SECRETARY.—The Secretary shall identify and compile information on—

(A) the composting of agricultural wastes, including information on the composting of wastes from the production, processing, and distribution of food, fiber, forestry, livestock, and fish products, and the potential uses of such compost; and

(B) laws, rules, and programs adopted by State and local governments and foreign governments that establish definitions and set standards for the processing, handling, and use of compost.

(2) CONSULTATION.—In identifying and compiling such information, the Secretary may consult with representatives of other Federal departments and such other persons as the Secretary determines appropriate.

(c) RESEARCH.—The Secretary shall conduct research on the potential uses for compost derived from animal wastes, and from other waste streams as appropriate, and identify uses for such compost, including the potential for marketing such product. Such research shall also include evaluation of the application of compost derived from agricultural wastes on soil, plants, and food and fiber crops.

(d) COMPOSTING EXTENSION PROGRAM.—Beginning not later than one year after the date of the enactment of this Act, the Secretary shall initiate extension efforts to inform the agricultural community and the general public regarding—

(1) the desirability and safety of compost derived from agricultural wastes;

(2) on-farm and other composting techniques; and

(3) procedures for using compost.

(e) FARM CONSERVATION PRACTICE.—The Secretary shall consider designating composting as a farm conservation practice eligible for cost-sharing.

Subtitle E—Watershed Protection and Flood Prevention Act; Farmland Protection

CHAPTER 1—WATERSHED PROTECTION AND FLOOD PREVENTION

SEC. 1461. RELATION OF BENEFITS TO AGRICULTURE.

The Watershed Protection and Flood Prevention Act of 1954 is amended in the third sentence of section 2 (16 U.S.C. 1002)—

(1) by striking "Each such project" and all that follows through "1987," and inserting "Each project"; and

(2) by inserting after "agriculture" the following: ", including rural communities,".

SEC. 1462. COST SHARE ASSISTANCE.

The Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.) is amended by inserting after section 3 the following new section:

"SEC. 3A. COST SHARE ASSISTANCE.

"(a) EASEMENTS.—The Secretary may provide cost share assistance to project sponsors to enable such sponsors to acquire perpetual wetland or floodplain conservation easements to perpetuate, restore and enhance the natural capability of wetlands and floodplains to retain excessive floodwaters, improve water quality and quantity, and provide habitat for fish and wildlife.

"(b) AMOUNT.—The Secretary shall require that project sponsors of watershed projects provide up to 50 percent of the cost of acquiring easements under subsection (a).".

SEC. 1463. DATA.

The Watershed Protection and Flood Prevention Act of 1954 (16 U.S.C. 1001 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 13. DATA.

"The Secretary shall collect and maintain data on a national and State by State basis concerning—

"(1) expenditures for the individual flood control and conservation measures for which assistance is provided under this Act; and

"(2) the expected flood control or environmental (including soil erosion) benefits that will result from the implementation of such measures.".

SEC. 1464. AMENDMENT TO THE WATERSHED PROTECTION AND FLOOD PREVENTION ACT.

Section 3(6) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003(6)) is amended by inserting "and enhance the water quality of" after "recreation resources of".

CHAPTER 2—FARMLAND PROTECTION

SEC. 1465. SHORT TITLE, PURPOSE, AND DEFINITION.

(a) SHORT TITLE.—This chapter may be cited as the "Farms for the Future Act of 1990".

(b) PURPOSE.—It is the purpose of this chapter to promote a national farmland protection effort to preserve our vital farmland resources for future generations.

(c) DEFINITIONS.—As used in this chapter:

(1) ALLOWABLE INTEREST RATE.—The term "allowable interest rate" refers to an interest rate which shall be the current average rate of interest that each State pays on 10-year notes or other similar obligations of the State, or a comparable interest rate as determined by the Secretary.

(2) ELIGIBLE LOAN.—The term "eligible loan" means the 10-year loans made by lending institutions to State trust funds to further the purposes of this chapter. No principal payments shall be due on such eligible loans for the first 10 years after such loan is made and the principal amount shall be paid by the State trust fund at the end of the 10th year. For each such eligible loan, each State trust fund shall be entitled to receive an interest rate subsidy from the Secretary as set forth in section 1466(b).

(3) ELIGIBLE STATE.—The term "eligible State" means—

(A) the State of Vermont; and

(B) at the option of the Secretary and subject to appropriations, any State that on or before August 1, 1991—

(i) operates or administers a land preservation fund that invests funds in the protec-

tion or preservation of farmland for agricultural purposes; and

(ii) works in coordination with the governing bodies of counties, towns, townships, villages, or other units of general government below the State level, or with private nonprofit or public organizations, to assist in the preservation of farmland for agricultural purposes.

(4) LENDING INSTITUTION.—The term "lending institution" means any Federal or State chartered bank, savings and loan associations, cooperative lending agencies, or other legally organized lending agencies.

(5) PROGRAM.—The term "program" means the farmland preservation program established under this chapter to be known as the "Agricultural Resource Conservation Demonstration Program".

(6) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(7) STATE.—The term "State" means any State of the United States, Commonwealth of Puerto Rico, and the Virgin Islands of the United States.

(8) STATE TRUST FUND.—The term "State trust fund" means a trust fund or an account established by an eligible State, approved to participate by the Secretary in the program, in which Federal funds received under this chapter are deposited for use by such trust fund.

SEC. 1466. ESTABLISHMENT OF PROGRAM.

(a) IN GENERAL.—

(1) PURPOSE.—The Secretary, acting through the Farmers Home Administration, shall establish and implement a program, to be known as the "Agricultural Resource Conservation Demonstration Program", to provide Federal guarantees and interest rate assistance for loans made by lending institutions to State trust funds.

(2) ASSISTANCE.—Under the program, the Secretary shall guarantee the timely payment of the principal amount and interest due on eligible loans made by lending institutions to State trust funds and shall subsidize the interest on such loans at the allowable interest rate for the first 5 years after such loan is made, and at no less than three percentage points for the second 5 years under procedures described in subsection (b). Each State trust fund shall pay the rate of interest, and the principal at the end of the 10th year, as provided for in the loan agreement regarding each eligible loan.

(b) MANDATORY ASSISTANCE TO EACH ELIGIBLE STATE TRUST FUND.—The Secretary shall—

(1) fully guarantee each eligible loan made by lending institutions to each State trust fund under regulations promulgated by the Secretary;

(2) annually pay to each State trust fund an amount calculated by applying the allowable interest rate to the amount of each loan the State trust fund receives, as determined under procedures developed by the Secretary, during each of the first 5 years after the date on which each such loan is made; and

(3) annually pay to each State trust fund, for each year during the second 5-year period after each such eligible loan is made, an amount calculated by applying the interest rate difference, between the rate of interest charged to borrowers of direct loans as described in section 316(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1946(a)(2)) and the allowable interest rate, to the amount of each loan the State trust fund receives from any given lending institution, as determined under procedures issued by the Secretary.

(c) FUNDING PROVIDED BY THE SECRETARY OF THE TREASURY.—The Secretary of Agriculture is required to make and issue stock, in the same manner as notes are issued under section 309(c) or 309A(d) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(c) or 1929a(d)), to the Secretary of the Treasury for the purpose of obtaining Funds from the Secretary of the Treasury that are necessary for discharging the obligations of the Secretary of Agriculture under this chapter. Such stock shall not pay dividends and shall not be redeemable.

(d) REQUIRED PURCHASES OF STOCK.—The Secretary shall promptly notify, in writing, the Secretary of the Treasury each time an application of an eligible State is approved by the Secretary under this chapter. The Secretary of the Treasury shall purchase stock offered by the Secretary under subsection (c) on the day offered and the Secretary of Agriculture shall deposit the proceeds from each such sale of stock in accounts created to administer this program.

(e) ENTITLEMENTS.—The Secretary is entitled to receive funds, and shall receive funds, from the Secretary of the Treasury in an amount equal to the total par-value of the stock issued to the Secretary of the Treasury. Each State trust fund is entitled to receive, and the Secretary of Agriculture shall promptly pay to each such trust fund, amounts calculated under procedures described in section (b).

(f) REGULATIONS.—The Secretary shall promulgate proposed and final regulations, under the prior public comment provisions of section 553 of title 5, United States Code, setting forth—

(1) the application procedures for eligible States;

(2) the factors to be used in approving applicants;

(3) procedures for the prompt payment of the obligations of the Secretary under section (b);

(4) recordkeeping requirements for approved State trust funds;

(5) requirements to prevent program abuse and procedures to recover improperly obtained funds;

(6) rules permitting State trust funds to act as revolving funds or to otherwise accumulate additional capital, based on investments, to be subsequently used to promote the purposes of this chapter; and

(7) any other rules necessary and appropriate to carry out this program.

(g) DURATION OF PROGRAM.—The program established under this chapter shall expire on September 30, 1996, except that any financial obligations of the Secretary shall continue to be met as required by this chapter.

SEC. 1467. FEDERAL ACCOUNTS.

To carry out the purposes of this chapter, the Secretary may establish in the Treasury of the United States an account, to be known as the "Agricultural Resource Conservation Revolving Fund" (hereinafter referred to in this chapter as the "Fund"), for the use by the Secretary to meet the obligations of the Secretary under this chapter.

SEC. 1468. APPLICATIONS AND ADMINISTRATION.

(a) APPLICATIONS.—In applying for assistance under this chapter an eligible State shall—

(1) prepare and submit, to the Secretary, an application at such time, in such manner, and containing such information as the Secretary shall require;

(2) agree that the State trust fund will use any funds provided by the Secretary under this chapter in a manner which is consistent with the chapter and the regulations promulgated by the Secretary; and

(3) agree to comply with any other requirements set forth in agreements with the Secretary or as the Secretary may prescribe by regulation.

(b) ANNUAL APPLICATIONS.—Eligible States may apply for Federal assistance under this chapter on an annual basis.

(c) MATCH AND MAXIMUM AMOUNT.—The total amount of any guarantees provided by the Secretary under this program shall not exceed an amount that is equal to double the amount that each eligible State shall make available for acquiring interests in land to protect and preserve important farmlands for future agricultural use but in no event shall the total Federal share exceed $10,000,000 in any fiscal year for any given State.

SEC. 1469. REPORT.

Not later than September 30, 1992, and annually thereafter, the Secretary of Agriculture shall prepare and submit, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report concerning the operation of the program established under this chapter.

SEC. 1470. IMPLEMENTATION AND EFFECTIVE DATE.

This chapter shall become effective on October 1, 1990. Not later than December 30, 1990, the Secretary shall enter into an agreement with the State of Vermont to provide Federal assistance under this chapter to the State.

Subtitle F—Administration of Environmental Programs

SEC. 1471. ESTABLISHMENT OF THE AGRICULTURAL COUNCIL ON ENVIRONMENTAL QUALITY.

(a) ESTABLISHMENT.—The Secretary shall establish an Agricultural Council on Environmental Quality in the Department of Agriculture (hereafter in this subtitle referred to as the "Council"). The Council shall be under the direct authority of the Secretary, and shall be responsible for carrying out the provisions of this subtitle, and for coordination and direction of all environmental policies and programs of the Department.

(b) MEMBERSHIP.—Membership of the Council shall consist of the Secretary, the Deputy Secretary, the Assistant Secretary for Natural Resources and Environment, the Assistant Secretary for Science and Education, other under and assistant secretaries as may be designated by the Secretary, and the Director of the Office of Agricultural Environmental Quality, established in section 1472, who shall serve as the Executive Director of the Council. The Secretary shall designate a member of the Council, other than the Executive Director, as chair of the Council.

SEC. 1472. OFFICE OF AGRICULTURAL ENVIRONMENTAL QUALITY.

(a) ESTABLISHMENT.—The Secretary shall establish an Office of Agricultural Environmental Quality in the Department of Agriculture (hereafter in this subtitle referred to as the "Office").

(b) DIRECTOR.—The Office shall be administered by a director who shall be appointed by the Secretary. The Director shall be an individual who has demonstrated technical expertise and experience in agricultural and environmental matters.

(c) STAFF.—

(1) APPOINTMENTS.—The Director may appoint such employees as may be necessary to assist the Director in carrying out this section. Such employees shall include individuals who have professional expertise in mat-

ters related to environmental quality, including (but not limited to) agricultural production, water quality, wetland, wildlife conservation, soil conservation, and agricultural chemical usage.

(2) LIAISONS.—The Administrator of the Environmental Protection Agency and the Secretary of the Interior shall detail to the Office upon request of the Secretary, on a reimbursable basis, at least one employee, respectively, with expertise in matters related to agriculture and environmental quality. Such detailed employees shall serve as a liaison for their respective agencies with the Department of Agriculture to assist the Director in carrying out the provisions of this section. The term of the detail shall not exceed 3 years.

(3) ADDITIONAL STAFF.—Upon request of the Secretary, the head of any Federal agency is authorized to detail, on a reimbursable basis, employees of such agency to the Office to assist the Director.

(d) DUTIES OF THE DIRECTOR.—

(1) IN GENERAL.—The Director shall assist the Council in developing a departmental and agency-specific environmental quality policy statement and implementation plan and an annual agricultural environmental quality report, as specified in section 1473. The Director shall coordinate and monitor the activities of the Department regarding initiatives and programs related to environmental quality and the interpretation of departmental policies affecting environmental quality. The Director shall serve as a member of the Council and as its Executive Director.

(2) ADDITIONAL DUTIES.—The Director shall also be responsible for—

(A) recommending to the Council environmental protection goals and specific programs, initiatives, and policies that will balance the needs of production agriculture with environmental concerns;

(B) providing advice to the Council on the development, implementation, and review of activities of agencies of the Department to ensure consistency with the Department's environmental protection goals;

(C) coordinating environmental policy within the Department through the program managers, and between the Department and other Federal agencies, regional authorities, State and local governments, land-grant and other colleges and universities, and nonprofit and commercial organizations, regarding programs and actions relating to environmental quality;

(D) serving as a coordinator for the Department's data, information, programs, and initiatives dealing with environmental quality;

(E) developing the plans and reports required as specified by this subtitle; and

(F) providing such staff as may be necessary to support the activities of the Council.

SEC. 1473. ENVIRONMENTAL QUALITY POLICY STATEMENT.

(a) ENVIRONMENTAL QUALITY POLICY STATEMENT, IMPLEMENTATION PLAN, AND ANNUAL REPORT.—

(1) POLICY STATEMENT.—The Council shall develop an Environmental Quality Policy Statement that identifies goals and objectives for addressing the effects of agriculture on environmental quality. The policy statement shall be based upon an assessment, in accordance with subparagraph (B), of the current status and level of effort, in terms of staff and funding, of programs at the Department of Agriculture to evaluate, prevent, and mitigate environmental problems that may result from agricultural production. The policy statement shall be revised at least every 5 years.

(2) ASSESSMENT.—The assessment under subparagraph (A) shall include:

(A) Detailed descriptions of the roles of the involved Departmental agencies.

(B) A description of current efforts to coordinate the individual activities of each of the involved departmental agencies.

(C) Recommendations for precluding any undesirable duplication of efforts within the Department and among the Department and other Federal and State programs.

(D) Specific recommendations for new initiatives in monitoring, research, extension, and technical assistance efforts to address present and potential environmental quality problems.

The assessment may incorporate existing documents and planning processes within the Department.

(b) IMPLEMENTATION PLAN.—The Director, subject to the approval of the Council, shall prepare a plan to implement the Environmental Quality Policy Statement. The plan shall include an assessment of the activities of each departmental agency to mitigate or reduce any negative effects on environmental quality of agricultural policies, programs, and practices under their respective jurisdictions and shall describe in detail new departmental and agency-specific initiatives intended to achieve the goals and objectives of the policy statement. The plan shall be revised at least every 5 years.

(c) ANNUAL ENVIRONMENTAL QUALITY REPORT.—Not later than January 31, 1992, and annually thereafter, the Council, through the Director, shall prepare and submit an annual report to the Congress, other appropriate Federal and State agencies, and the public on the progress being made toward the goals and objectives established in the Environmental Quality Policy Statement. The report shall also include—

(1) a review of the environmental activities and initiatives of the Department during the preceding year;

(2) specific action taken to coordinate the environmental programs of the Department with programs of other Federal agencies and related State programs; and

(3) such recommendations as the Secretary considers appropriate regarding current or additional environmental protection programs, initiatives, or policies that will balance the needs of production agriculture while addressing environmental concerns.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated annually not to exceed $2,000,000 to carry out this subtitle.

Subtitle G—Water Quality Research, Education, and Coordination

SEC. 1481. SHORT TITLE, PURPOSE, DEFINITIONS, AND AUTHORIZATION OF APPROPRIATIONS.

(a) SHORT TITLE.—This subtitle may be cited as the "Agriculture and Water Policy Coordination Act".

(b) PURPOSE.—It is the purpose of this subtitle to ensure—

(1) that the Department of Agriculture develops, implements, and sustains a coordinated, integrated, and comprehensive intra-agency program to protect waters from contamination from agricultural chemicals and production practices; and

(2) increased efforts by the Department of Agriculture in extension, technical assistance, and research on the relations between agricultural production and the contamination of water.

(c) DEFINITIONS.—For purpose of this subtitle—

(1) The term "contaminant" means any matter which, in its original form or as a metabolite, degradation, or waste product, as a constituent of water may impair the quality of water or may have a potential adverse effect on human health or the environment.

(2) The term "Department" means the United States Department of Agriculture.

(3) The term "food and agricultural councils" means those councils established by the policy of the Secretary in each State and made up of the leaders of programs within each State that represent agriculture.

(4) The term "soil and water conservation committees" refers to the committees established within the respective States by State law and which include the leaders of appropriate State agencies that address soil and water conservation.

(5) The term "Secretary" means the Secretary of Agriculture.

(6) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, the Virgin Islands, and federally recognized Indian tribes.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for fiscal years 1991 through 1995 to carry out this subtitle.

SEC. 1482. SOIL AND WATER ACTIVITIES.

(a) PURPOSE.—The Congress declares that an additional purpose of the Soil Conservation Service and the Extension Service is to aid in protecting and improving the quality of water.

(b) CONSERVATION PLANS.—The Secretary, when reviewing conservation plans for compliance certification, shall determine the impact that such plans may have on agriculture and water quality planning. The Soil Conservation Service shall complete this determination by January 1, 2000.

(c) ACQUISITION OF WATER INFORMATION THROUGH THE NATIONAL RESOURCES INVENTORY.—The Secretary shall determine within six months after the date of the enactment of this Act whether the national resources inventory can be modified to acquire useful information on water conditions and surface conditions that affect water quality and supply. In making this determination, the Secretary shall consider—

(1) the costs, limitations, opportunities, and capability of expanding the inventory to include water matters; and

(2) whether the natural resources inventory can be integrated with alternative sources of data on water from Federal and State agencies.

(d) ANNUAL REPORT.—The Secretary shall submit an annual report to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate in conjunction with the report required under section 1473(c). The report shall specify the—

(1) activities and accomplishments of the Soil Conservation Service during the preceding year, including measures taken to enhance the ability of the Service to address water contamination problems;

(2) plans of the Secretary for the subsequent year, concerning measures expected to be taken to enhance the ability of the Serv-

ice to address water contamination problems; and

(3) progress made in carrying out the purpose stated in subsection (a).

SEC. 1483. STATE WATER QUALITY COORDINATION PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall require the establishment of a water quality coordination program within each State. To the greatest extent possible, the Secretary shall use the expertise of the food and agricultural councils.

(b) MEMBERSHIP.—Each State water quality coordination program shall involve those departmental agencies specified in subsection (c) that are operating within the State. For the purpose of coordination, the State water quality coordination program shall include, should they choose to participate, those State agencies with complementary water program authorities and programs. These State agency members should include the State agencies that are members of the respective State's soil and water conservation committees. The program shall also include the education program coordinator designated under section 1629(b).

(c) AGENCIES.—The agencies referred to in subsection (b) are: the Agricultural Research Service; the Agricultural Stabilization and Conservation Service; the Animal Plant Health Inspection Service; the Cooperative State Research Service in conjunction with the system of State agricultural experiment stations; the Economic Research Service; the Extension Service, in conjunction with State and county cooperative extension services; the Forest Service; the National Agricultural Library; the National Agricultural Statistics Service; the Soil Conservation Service; and other agencies within the Department deemed appropriate by the Secretary.

(d) PROGRAM LEADER.—The program leader of the State water quality coordination program shall be designated by the Secretary from among the Federal agency representatives in subsection (b).

(e) PURPOSE.—The water quality coordination program within each State shall serve as the focal point for coordinating the Department's water programs with agencies of that State. In addition to other actions, each water quality coordination program shall—

(1) serve as the focal point within the State for the coordination of Department-supported agricultural water programs with the water programs being conducted by other Federal agencies within the State;

(2) coordinate departmental activities with other Federal activities, within the State with water quality plans developed by that State in accordance with applicable Federal and State laws;

(3) review progress being made on identification and mapping of hydrologic units within that State; and

(4) review the needs of that State to assess the Federal assistance required for State programs to address agricultural sources of water contamination.

(f) ADVISORY PANELS.—The chair of the water quality coordination program in each State may establish an ad hoc advisory panel that shall include farmers, representatives of conservation groups, and advocates of sustainable agricultural practices, agribusiness, chemical and fertilizer industries, agricultural commodities, lending institutions, and trade organizations.

(g) STATE AND REGIONAL RESEARCH PRIORITIES.—The water quality coordination program for each State shall request appropriate representative scientists from the Agricultural Research Service, the State agricultural experiment stations and the agricultural departments of the land-grant universities, to work with the water quality coordination program to establish a prioritized agriculture and water research agenda for the State. This agenda shall address the research topics identified in section 1484 and the concerns or findings established by the activities described in subsection (e)(4). The State research priorities identified under this subsection shall be compiled and reviewed by the appropriate regional and area divisions of the Cooperative State Research Service and the Agricultural Research Service to develop coordinated regional research priorities.

SEC. 1484. WATER QUALITY AND NUTRIENT MANAGEMENT RESEARCH.

(a) PURPOSES.—It is the purpose of this section to establish a coordinated water quality and nutrient management research program at the Department of Agriculture. In carrying out this section, the Secretary shall undertake efforts to—

(1) reduce the sources of contaminants of surface and ground water resources through the development of farm systems which replace or conserve the use of such contaminants while maintaining farm profitability;

(2) develop information and technologies needed to formulate integrated farm chemical and plant nutrient and animal waste management strategies which avoid contamination of surface and ground water, especially in areas identified by State and Federal monitoring or regulatory efforts as having current or potential water quality problems; and

(3) monitor and better evaluate the extent of water contamination caused by farm chemicals, plant nutrients, and animal wastes.

(b) COORDINATION.—In carrying out this section, the Secretary shall ensure that all activities undertaken are coordinated with other programs within the Department of Agriculture, other Federal agencies, and with State governments.

(c) RESEARCH.—Research projects on water quality funded in whole or in part by the Secretary under this section shall include research to help—

(1) develop farming systems and practices which can prevent water contamination while maintaining and improving profitability, including—

(A) integrated crop management systems;

(B) sustainable agricultural practices;

(C) best management practices for use of plant nutrients and animal wastes;

(D) alternative methods of pest and disease control designed to integrate biological, cultural, host-resistance, and judicious use of pesticides; and

(E) improved methods for the storage, use, and safe disposal of potential contaminants;

(2) improve the understanding of the fate and transport of farm chemicals, plant nutrients, and animal wastes which can contaminate water and cause adverse human or environmental effects;

(3) develop integrated crop production systems which are more productive, use inputs more efficiently, and are more protective of the environment, including research on—

(A) nutrient management and use efficiency;

(B) soil and tissue testing and nutrient availability interactions with specific cropping systems;

(C) plant nutrient needs for nitrogen and elements in intensively managed cropping systems;

(D) enhancement of soil productivity;

(E) varietal and hybrid interactions with plant nutrient requirements and overall crop management;

(F) the relationship of soil microbial activity to nutrient management;

(G) suitability of cover crops in soil protection and nutrient conservation;

(H) the role of crop rotations in intensively managed cropping systems;

(I) legume management for nutrient conservation and environmental protection;

(J) interactions of improved nutrient use efficiency and efficient water use;

(K) nutrient availability interactions with soil physical conditions;

(L) nutrient balance effects on improved nitrogen use efficiency and lowered nitrate carryover in soils; and

(M) the importance of subsoil fertility in improved plant yields and nutrient use efficiency;

(4) monitor and evaluate the extent of water contamination from agricultural production methods;

(5) improve the understanding of the relationships between water use and the availability and quality of water;

(6) improve the accuracy of yield and nutrient advisories;

(7) improve the understanding of the ecological and biological aspects of agricultural production;

(8) demonstrate the results of research conducted with funds provided under this section, undertaken in cooperation with the Extension Service, the Soil Conservation Service, and other entities;

(9) reduce water contamination and improve water quality relating to the production of cut roses and other fresh cut flowers; and

(10) meet other critical water quality research needs, as determined by the Secretary.

SEC. 1485. REPOSITORY OF AGRICULTURE AND GROUND WATER QUALITY PLANNING INFORMATION.

(a) REPOSITORY.—The Secretary, acting through the Administrator of the National Agricultural Library, shall establish at such Library, a repository for all reports prepared and submitted, in accordance with this subtitle, to the Director, the Secretary, or Committees of Congress. The Administrator of the Library, in administering such repository, shall—

(1) compile other planning documents concerning agriculture and ground water protection that are produced by the Secretary and other Federal, regional, and State agencies;

(2) compile and catalog all Federal statutes relevant to the protection of ground water from agricultural production; and

(3) identify, list, and provide information concerning access to data bases and informational sources relating to ground water and agricultural production that are available through the Secretary, the United States Geological Survey, the Environmental Protection Agency, the Department of Commerce, the National Oceanic and Atmospheric Agency, the Tennessee Valley Authority, private industry, nonprofit organizations, and other sources.

(b) RESEARCH DATA BASE.—

(1) REPORT.—Within 270 days after the date of enactment of this Act, the Secretary shall prepare and submit a report to the Congress on the measures necessary to develop an interactive, descriptive national data base to contain information on agricultural practices and water resources (including re-

search results, monitoring and survey data, pesticide and nutrient use data, and other relevant data bases and information sources relevant to water protection), to be located at the National Agricultural Library. In preparing this report, the Secretary shall—

(A) identify the information required for the development of such an agriculture and water data base and identify the extent to which such information is now collected either publicly or privately;

(B) determine the extent to which such information can be integrated into one data base; and

(C) develop a plan for implementing the development of such a data base.

(2) CONSULTATION.—In preparing the report, the Secretary shall consult as appropriate with the Economic Research Service, the Extension Service, the Cooperative State Research Service, the National Agricultural Statistics Service, the Soil Conservation Service, the United States Geological Survey, the Environmental Protection Agency, such other public and private persons as the Secretary determines appropriate.

(3) DEVELOPMENT.—Ninety days after the date on which the report is submitted under subsection (a), the Secretary shall initiate the development of the data base in accordance with such report.

Subtitle H—Pesticides

SEC. 1491. PESTICIDE RECORDKEEPING.

(a) REQUIREMENTS.—(1) The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency, shall require certified applicators of restricted use pesticides (of the type described under section 3(d)(1)(C) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(d)(1)(C)) to maintain records comparable to records maintained by commercial applicators of pesticides in each State. If there is no State requirement for the maintenance of records, such applicator shall maintain records that contain the product name, amount, approximate date of application, and location of application of each such pesticide used for a 2-year period after such use.

(2) Within 30 days of a pesticide application, a commercial certified applicator shall provide a copy of records maintained under paragraph (1) to the person for whom such application was provided.

(b) ACCESS.—Records maintained under subsection (a) shall be made available to any Federal or State agency that deals with pesticide use or any health or environmental issue related to the use of pesticides, on the request of such agency. Each such Federal agency shall conduct surveys and record the data from individual applicators to facilitate statistical analysis for environmental and agronomic purposes, but in no case may a government agency release data, including the location from which the data was derived, that would directly or indirectly reveal the identity of individual producers. In the case of Federal agencies, such access to records maintained under subsection (a) shall be through the Secretary of Agriculture, or the Secretary's designee. State agency requests for access to records maintained under subsection (a) shall be through the lead State agency so designated by the State.

(c) HEALTH CARE PERSONNEL.—When a health professional determines that pesticide information maintained under this section is necessary to provide medical treatment or first aid to an individual who may have been exposed to pesticides for which the information is maintained, upon request persons required to maintain records under subsection (a) shall promptly provide record and available label information to that health professional. In the case of an emergency, such record information shall be provided immediately.

(d) PENALTY.—The Secretary of Agriculture shall be responsible for the enforcement of subsections (a), (b), and (c). A violation of such subsection shall—

(1) in the case of the first offense, be subject to a fine not more than $500; and

(2) in the case of subsequent offenses, be subject to a fine of not less than $1,000 for each violation, except that the penalty shall be less than $1,000 if the Secretary determines that the person made a good faith effort to comply with such subsection.

(e) FEDERAL OR STATE PROVISIONS.—The requirements of this section shall not affect provisions of other Federal or State laws.

(f) SURVEYS AND REPORTS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency, shall survey the records maintained under subsection (a) to develop and maintain a data base that is sufficient to enable the Secretary and the Administrator to publish annual comprehensive reports concerning agricultural and nonagricultural pesticide use. The Secretary and Administrator shall enter into a memorandum of understanding to define their respective responsibilities under this subsection in order to avoid duplication of effort. Such reports shall be transmitted to Congress not later than April 1 of each year.

(g) REGULATIONS.—The Secretary of Agriculture and the Administrator of the Environmental Protection Agency shall promulgate regulations on their respective areas of responsibility implementing this section within 180 days after the date of the enactment of this Act.

SEC. 1492. DATA IN SUPPORT OF REGISTRATION.

Section 3(c)(2)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(c)(2)(A)) is amended by inserting after the third sentence the following new sentence: "The Administrator shall not require a person to submit, in relation to a registration or reregistration of a pesticide for minor agricultural use under this Act, any field residue data from a geographic area where the pesticide will not be registered for such use.".

SEC. 1493. REDUCTION OR WAIVER OF FEES FOR PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.

Section 4(i)(5)(A) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a-1(i)(5)(A)) is amended by adding at the end thereof the following:

"In the case of a pesticide that is registered for a minor agricultural use, the Administrator may reduce or waive the payment of the fee imposed under this subparagraph if the Administrator determines that the fee would significantly reduce the availability of the pesticide for the use.".

SEC. 1494. VOLUNTARY CANCELLATION.

Section 6(f) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136d(f)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) VOLUNTARY CANCELLATION.—

"(A) A registrant may, at any time, request that a pesticide registration of the registrant be canceled or amended to terminate one or more pesticide uses.

"(B) Before acting on a request under subparagraph (A), the Administrator shall publish in the Federal Register a notice of the receipt of the request and provide for a 30-day period in which the public may comment.

"(C) In the case of a pesticide that is registered for a minor agricultural use, if the Administrator determines that the cancellation or termination of uses would adversely affect the availability of the pesticide for use, the Administrator—

"(i) shall publish in the Federal Register a notice of the receipt of the request and make reasonable efforts to inform persons who so use the pesticide of the request; and

"(ii) may not approve or reject the request until the termination of the 90-day period beginning on the date of publication of the notice in the Federal Register, except that the Administrator may waive the 90-day period upon the request of the registrant or if the Administrator determines that the continued use of the pesticide would pose an unreasonable adverse effect on the environment.

"(D) Subject to paragraph (3)(B), after complying with this paragraph, the Administrator may approve or deny the request."; and

(2) by adding at the end the following new paragraph:

"(3) TRANSFER OF REGISTRATION OF PESTICIDES REGISTERED FOR MINOR AGRICULTURAL USES.—In the case of a pesticide that is registered for a minor agricultural use:

"(A) During the 90-day period referred to in paragraph (1)(C)(ii), the registrant of the pesticide may notify the Administrator of an agreement between the registrant and a person or persons (including persons who so use the pesticide) to transfer the registration of the pesticide, in lieu of canceling or amending the registration to terminate the use.

"(B) An application for transfer of registration, in conformance with any regulations the Administrator may adopt with respect to the transfer of the pesticide registrations, must be submitted to the Administrator within 30 days of the date of notification provided pursuant to subparagraph (A). If such an application is submitted, the Administrator shall approve the transfer and shall not approve the request for voluntary cancellation or amendment to terminate use unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse affect on the environment.

"(C) If the Administrator approves the transfer and the registrant transfers the registration of the pesticide, the Administrator shall not cancel or amend the registration to delete the use or rescind the transfer of the registration, during the 180-day period beginning on the date of the approval of the transfer unless the Administrator determines that the continued use of the pesticide would cause an unreasonable adverse effect on the environment.

"(D) The new registrant of the pesticide shall assume the outstanding data and other requirements for the pesticide that are pending at the time of the transfer.".

SEC. 1495. PEST CONTROL.

Section 28 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136w-3) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The Administrator,"; and

(2) by adding at the end thereof the following new subsections:

"(b) PEST CONTROL AVAILABILITY.—

"(1) IN GENERAL.—The Administrator, in cooperation with the Secretary of Agriculture, shall identify—

"(A) available methods of pest control by crop or animal;

"(B) minor pest control problems, both in minor crops and minor or localized problems in major crops; and

"(C) factors limiting the availability of specific pest control methods, such as resistance to control methods and regulatory actions limiting the availability of control methods.

"(2) REPORT.—The Secretary of Agriculture shall, not later than 180 days after the date of enactment of this subsection and annually thereafter, prepare a report and send the report to the Administrator. The report shall—

"(A) contain the information described in paragraph (1) and the information required by section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990;

"(B) identify the crucial pest control needs where a shortage of control methods is indicated by the information described in paragraph (1); and

"(C) describe in detail research and extension efforts designed to address the needs identified in subparagraph (B).

"(c) INTEGRATED PEST MANAGEMENT.—The Administrator, in cooperation with the Secretary of Agriculture, shall develop approaches to the control of pests based on integrated pest management that respond to the needs of producers, with a special emphasis on minor pests.".

SEC. 1496. CONFORMING AMENDMENTS TO TABLE OF CONTENTS.

The table of contents in section 1(b) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. prec. 121) is amended—

(1) by striking out the item relating to section 6(f)(1) and inserting in lieu thereof the following new item:

"(1) Voluntary cancellation.";

(2) by adding at the end of the item relating to section 6(f) the following new item:

"(3) Transfer of registration of pesticides registered for minor agricultural uses.";

and

(3) by striking the items relating to section 28 and inserting the following new items:

"Sec. 28. Identification of pests; cooperation with Department of Agriculture's program.

"(a) In general.

"(b) Pest control availability.

"(1) In general.

"(2) Report.

"(c) Integrated pest management.".

SEC. 1497. INTER-REGIONAL RESEARCH PROJECT NUMBER 4 (IR-4 PROGRAM).

Section 2 of the Act entitled "An Act to facilitate the work of the Department of Agriculture, and for other purposes", approved August 4, 1965 (7 U.S.C. 450i), is amended—

(1) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively;

(2) by inserting after subsection (d) the following new subsection:

"(e)(1) The Secretary of Agriculture shall establish an Inter-Regional Research Project Number 4 (hereinafter referred to in this section as the 'IR-4 Program') to assist in the collection of residue and efficacy data in support of—

"(A) the registration or reregistration of minor use pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.); and

"(B) tolerances for residues of minor use chemicals in or on raw agricultural commodities under sections 408 and 409 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a, 348).

"(2) The Secretary shall carry out the IR-4 program in cooperation with the Administrator of the Environmental Protection Agency, State agricultural experiment stations, colleges and universities, extension services, private industry, and other interested parties.

"(3) In carrying out the IR-4 program, the Secretary shall give priority to registrations, reregistrations, and tolerances for pesticide uses related to the production of agricultural crops for food use.

"(4) As part of carrying out the IR-4 program, the Secretary shall—

"(A) participate in research activities aimed at reducing residues of pesticides registered for minor agricultural use;

"(B) develop analytical techniques applicable to residues of pesticides registered for minor agricultural use, including automation techniques and validation of analytical methods; and

"(C) coordinate with other programs within the Department of Agriculture and the Environmental Protection Agency designed to develop and promote biological and other alternative control measures.

"(5) The Secretary shall prepare and submit, to appropriate Committees of Congress, a report on an annual basis that contains—

"(A) a listing of all registrations, reregistrations, and tolerances for which data has been collected in the preceding year;

"(B) a listing of all registration, reregistrations, and tolerances for which data collection is scheduled to occur in the following year, with an explanation of the priority system used to develop this list;

"(C) a listing of all activities the IR-4 program has carried out pursuant to paragraph (4).

"(6) The Secretary shall submit to Congress within one year of the date of the enactment of this paragraph a report detailing the feasibility of requiring recoupment of the costs of developing residue data for registrations, reregistrations or tolerances under this program. Such recoupment shall only apply to those registrants which make a profit on such registration, reregistration, or tolerance subsequent to residue data development under this program. Such report shall include:

"(A) an analysis of possible benefits to the IR-4 program of such a recoupment;

"(B) an analysis of the impact of such a payment on the availability of registrants to pursue registrations or reregistrations of minor use pesticides; and

"(C) recommendations for implementation of such a recoupment policy.

"(7) There are authorized to be appropriated $25,000,000 for fiscal year 1991, and such sums as are necessary for subsequent fiscal years to carry out this section."; and

(3) by inserting in subsection (g) following "subsection (b)" the following: "and subsection (e)".

SEC. 1498. BIOLOGICAL PESTICIDE HANDLING STUDY.

(a) STUDY.—Not later than September 30, 1992, the National Academy of Sciences shall conduct a study of the biological control programs and registration procedures utilized by the Food and Drug Administration, the Animal and Plant Health Inspection Service, and the Environmental Protection Agency.

(b) DEVELOPMENT OF PROCEDURES.—Not later than 1 year after the completion of the study under subsection (a), the agencies and offices described in such subsection shall develop and implement a common process for reviewing and approving biological control applications that are submitted to such agencies and offices that shall be based on the study conducted under such subsection and the recommendation of the National Academy of Sciences, and other public comment.

SEC. 1499. WATER POLICY WITH RESPECT TO AGRICHEMICALS.

(a) AUTHORITY.—The Department of Agriculture shall be the principal Federal agency responsible and accountable for the development and delivery of educational programs, technical assistance, and research programs for the users and dealers of agrichemicals to insure that—

(1) the use, storage, and disposal of agrichemicals by users is prudent, economical, and environmentally sound; and

(2) agrichemical users, dealers, and the general public understand the implications of their actions and the potential effects on water.

The Secretary is authorized to undertake such programs and assistance in cooperation with other Federal, State, and local governments and agencies, and appropriate nonprofit organizations. The Secretary shall disseminate the results of efforts in extension, technical assistance, research, and related activities. The Secretary shall undertake activities under this subtitle in coordination with the Office of Environmental Quality in section 1612 of this Act.

(b) AFFECT ON EXISTING AUTHORITY.—The authority granted in subsection (a) does not alter or effect the responsibility of the Environmental Protection Agency under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(c) PARTICIPATION.—The following agencies shall participate in the Department's water program: the Agricultural Research Service; the Agricultural Stabilization and Conservation Service; the Animal Plant Health Inspection Service; the Cooperative State Research Service in conjunction with the system of State agricultural experiment stations; the Economic Research Service; the Extension Service, in conjunction with State and county cooperative extension services; the Forest Service; the National Agricultural Library; the National Agricultural Statistics Service; the Soil Conservation Service; and other agencies within the Department deemed appropriate by the Secretary.

TITLE XV—AGRICULTURAL TRADE

SEC. 1501. SHORT TITLE.

This title may be cited as the "Agricultural Development and Trade Act of 1990".

Subtitle A—Agricultural Trade Development and Assistance Act of 1954

SEC. 1511. SHORT TITLE.

This subtitle may be cited as the "Mickey Leland Food for Peace Act".

SEC. 1512. AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954.

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Agricultural Trade Development and Assistance Act of 1954'.

"SEC. 2. UNITED STATES POLICY.

"It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United

States by enhancing the food security of the developing world through the use of agricultural commodities and local currencies accruing under this Act to—

"(1) combat world hunger and malnutrition and their causes;

"(2) promote broad-based, equitable, and sustainable development, including agricultural development;

"(3) expand international trade;

"(4) develop and expand export markets for United States agricultural commodities; and

"(5) foster and encourage the development of private enterprise and democratic participation in developing countries.

"SEC. 3. GLOBAL FOOD AID NEEDS.

"In view of the principal findings of the National Research Council of the National Academy of Sciences that doubling food aid above 1990 levels of about 10,000,000 metric tons per year would be necessary to meet projected global food needs throughout the decade of the nineties, it is the sense of Congress that the President should—

"(1) increase the contributions of food aid by the United States, and encourage other donor countries to increase their contributions toward meeting new food aid requirements; and

"(2) encourage other advanced nations to make increased food aid contributions to combat world hunger and malnutrition, particularly through the expansion of international food and agricultural assistance programs.

"TITLE I—TRADE AND DEVELOPMENT ASSISTANCE

"SEC. 101. TRADE AND DEVELOPMENT ASSISTANCE.

"(a) IN GENERAL.—The President shall establish a program under this title to provide for the sale of agricultural commodities to developing countries for dollars on credit terms, or for local currencies (including for local currencies on credit terms) for use under this title. Such program shall be implemented by the Secretary.

"(b) GENERAL AUTHORITY.—To carry out the policies and accomplish the objectives described in section 2, the Secretary may negotiate and execute agreements with developing countries to finance the sale and exportation of agricultural commodities to such countries.

"SEC. 102. ELIGIBLE COUNTRIES.

"(a) IN GENERAL.—A country shall be considered to be a developing country and eligible for assistance under this title if such country has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels, as determined by the Secretary.

"(b) PRIORITY.—In determining whether and to what extent agricultural commodities will be made available to developing countries under this title, the Secretary shall give priority to developing countries that—

"(1) demonstrate the greatest need for food;

"(2) are undertaking measures for economic development purposes to improve food security and agricultural development, alleviate poverty, and promote broad-based equitable and sustainable development; and

"(3) have the demonstrated potential to become commercial markets for competitively priced United States agricultural commodities.

"SEC. 103. TERMS AND CONDITIONS OF SALES.

"(a) PAYMENT.—

"(1) DOLLARS.—Except as provided in paragraph (2), agreements under this title shall require that payment for agricultural commodities be made in dollars.

"(2) LOCAL CURRENCIES.—

"(A) IN GENERAL.—The Secretary may permit a recipient country to make payment under an agreement under this title in the local currency of such country in order to use the proceeds from such payments to carry out activities under section 104.

"(B) RATES OF EXCHANGE.—Payments in local currency shall be at rates of exchange that are no less favorable than the highest exchange rate legally obtainable in the country and that are no less favorable than the highest exchange rate obtainable by any other country.

"(b) INTEREST.—Such agreements shall provide that interest accrue on the payment deferred under such agreement at a concessional rate as determined appropriate by the Secretary.

"(c) DURATION.—Payments required under such agreements may be made in reasonable annual amounts over the period (not less than 10 nor more than 30 years from the date of the last delivery of commodities in each year under such agreement) specified in the agreement.

"(d) DEFERRAL OF PAYMENTS.—The Secretary may defer the date on which the recipient country is required to begin making payment, under such agreements, for a period of not in excess of 7 years after the date of the last delivery of commodities in each year under the agreement, and interest shall be computed from the date of such last delivery.

"(e) DELIVERY OF COMMODITIES.—Delivery of the commodities shall be made in accordance with the terms of the agreement.

"SEC. 104. USE OF LOCAL CURRENCY PAYMENT.

"(a) IN GENERAL.—Agreements under this title may provide that the Secretary shall use payments made in local currencies by the recipient country in accordance with this section.

"(b) SPECIAL ACCOUNT.—Foreign currencies received by the Secretary under this title shall be deposited in a separate account, that may be interest-bearing, to the credit of the United States and such currencies and interest thereon shall be used as provided for in this section.

"(c) ACTIVITIES.—The proceeds from the payments referred to in subsection (a) may be used in the recipient country for the following:

"(1) TRADE DEVELOPMENT.—To carry out programs to help develop markets for United States agricultural commodities on a mutually beneficial basis in the recipient country.

"(2) AGRICULTURAL DEVELOPMENT.—To support—

"(A) increased agricultural production, including availability of agricultural inputs, with emphasis on small farms, processing of agricultural commodities, forestry management, and land and water management;

"(B) credit policies for private-sector agriculture development;

"(C) establishment and expansion of institutions for basic and applied agricultural research and the use of such research through development of extension services; and

"(D) programs to control rodents, insects, weeds, and other animal or plant pests.

"(3) AGRICULTURAL BUSINESS DEVELOPMENT LOANS.—To make loans to United States business entities (including cooperatives) and branches, subsidiaries, or affiliates of such entities for agricultural business development and agricultural trade expansion in such recipient countries.

"(4) AGRICULTURAL FACILITIES LOANS.—To make loans to domestic or foreign entities (including cooperatives) for the establishment of facilities for aiding in the utilization or distribution of, or otherwise increasing the consumption of and markets for, United States agricultural products.

"(5) TRADE PROMOTION.—To promote agricultural trade development, under procedures established by the Secretary, by making loans or through other activities (including trade fairs) that the Secretary determines to be appropriate.

"(6) PRIVATE SECTOR AGRICULTURAL TRADE DEVELOPMENT.—To conduct private sector agricultural trade development activities in the recipient country, as determined appropriate by the Secretary.

"(7) RESEARCH.—To conduct research in agriculture, forestry, and aquaculture, including collaborative research which is mutually beneficial to the United States and the recipient country.

"(8) UNITED STATES OBLIGATIONS.—To make payments of United States obligations (including obligations entered into pursuant to other laws).

"(d) FISCAL REQUIREMENTS REGARDING USE OF LOCAL CURRENCIES.—

"(1) EXEMPTION.—Section 1306 of title 31, United States Code, shall not apply to local currencies used by the President under paragraphs (1) through (7) of subsection (c).

"(2) USE OF CURRENCIES BY OTHER AGENCIES.—Any department or agency of the Federal Government other than the Department of Agriculture using any such local currencies for a purpose for which funds have been appropriated shall reimburse the Commodity Credit Corporation in an amount equivalent to the dollar value of the currencies used.

"SEC. 105. VALUE-ADDED FOODS.

"(a) POLICY.—Congress declares it to be the policy of the United States to assist developing countries that are or have been recipients of high protein, blended, or fortified foods under title II to continue to combat hunger and malnutrition among the lower income segments of the population of such countries, especially children, through the continued provision of such foods under this title.

"(b) PARTIAL WAIVER OF REPAYMENT.—In implementing the policy declared in subsection (a), the Secretary, in entering into agreements for the sale of high protein, blended, or fortified foods under this title with countries that—

"(1) provide assurances that the benefits of any waiver granted under this subsection will be passed on to the individual recipients of such foods; and

"(2) have a reasonable potential for transferring benefits of such waiver to commercial purchasers of such foods;

may make provisions for a waiver of payment of not to exceed an amount equal to the value of that part of the product that is attributable to the costs of processing, enrichment, or fortification of such product.

"(c) MINIMIZE IMPACT.—In implementing this section, the Secretary shall, to the extent practicable, minimize the impact of this section on other commercial and concessional sales of whole grains.

"TITLE II—EMERGENCY AND PRIVATE ASSISTANCE PROGRAMS

"SEC. 201. GENERAL AUTHORITY.

"The President shall establish a program under this title to provide agricultural commodities to foreign countries on behalf of the people of the United States to—

"(1) address famine or other urgent or extraordinary relief requirements;

"(2) combat malnutrition, especially in children and mothers;

"(3) carry out activities that attempt to alleviate the causes of hunger, mortality and morbidity;

"(4) promote economic and community development;

"(5) promote sound environmental practices; and

"(6) carry out feeding programs.

Such program shall be implemented by the Administrator.

"SEC. 202. PROVISION OF AGRICULTURAL COMMODITIES.

"(a) EMERGENCY ASSISTANCE.—Notwithstanding any other provision of law, the Administrator may provide agricultural commodities to meet emergency food needs under this title through governments and public or private agencies, including intergovernmental organizations such as the World Food Program and other multilateral organizations, in such manner and on such terms and conditions as the Administrator determines appropriate to respond to the emergency.

"(b) NON-EMERGENCY ASSISTANCE.—The Administrator may provide agricultural commodities for non-emergency assistance under this title through eligible organizations (as described in subsection (d)) that have entered into an agreement with the Administrator to use such commodities in accordance with this title.

"(c) USES OF ASSISTANCE.—Agricultural commodities provided under this title may be made available for direct distribution, sale, barter, or other appropriate disposition.

"(d) ELIGIBLE ORGANIZATIONS.—To be eligible to receive assistance under subsection (b) an organization shall be—

"(1) a private voluntary organization or cooperative that is, to the extent practicable, registered with the Administrator; or

"(2) an intergovernmental organization, such as the World Food Program.

"(e) SUPPORT FOR PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.—

"(1) IN GENERAL.—Of the funds made available in each fiscal year under this title to private voluntary organizations and cooperatives, not less than $10,000,000 and not more than $13,500,000 shall be made available by the Administrator to assist such organizations and cooperatives in—

"(A) establishing new programs under this title; and

"(B) meeting specific administrative, management, personnel and internal transportation and distribution costs for carrying out programs in foreign countries under this title.

"(2) REQUEST FOR FUNDS.—In order to receive funds made available under paragraph (1), a private voluntary organization or cooperative must submit a request for such funds (which must be approved by the Administrator) when submitting a proposal to the Administrator for an agreement under this title. Such request for funds shall include a specific explanation of—

"(A) the program costs to be offset by such funds;

"(B) the reason why such funds are needed in carrying out the particular assistance program; and

"(C) the degree to which such funds will improve the provision of food assistance to foreign countries (particularly those in sub-Saharan Africa suffering from acute, long-term food shortages).

"(3) ASSISTANCE WITH RESPECT TO SALE.—Upon the request of a private voluntary organization or cooperative, the Administrator may provide assistance to that organization or cooperative with respect to the sale of agricultural commodities made available to it under this title.

"(f) EFFECTIVE USE OF COMMODITIES.—To ensure that agricultural commodities made available under this title are used effectively and in the areas of greatest need, organizations or cooperatives through which such commodities are distributed shall—

"(1) to the extent feasible, work with indigenous institutions and employ indigenous workers;

"(2) assess and take into account nutritional and other needs of beneficiary groups;

"(3) help such beneficiary groups design and carry out mutually acceptable projects;

"(4) recommend to the Administrator methods of making assistance available that are the most appropriate for each local setting;

"(5) supervise the distribution of commodities provided and the implementation of programs carried out under this title; and

"(6) periodically evaluate the effectiveness of projects undertaken under this title.

"(g) LABELING.—Commodities provided under this title shall, to the extent practicable, be clearly identified with appropriate markings on the package or container of such commodity in the language of the locality in which such commodities are distributed, as being furnished by the people of the United States of America.

"SEC. 203. GENERATION AND USE OF FOREIGN CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

"(a) LOCAL SALE AND BARTER OF COMMODITIES.—An agreement entered into between the Administrator and a private voluntary organization or cooperative to provide food assistance through such organization or cooperative under this title may provide for the sale or barter in the recipient country of the commodities to be provided under such agreement.

"(b) MINIMUM LEVEL OF LOCAL SALES.—In carrying out agreements of the type referred to in subsection (a), the Administrator shall permit private voluntary organizations and cooperatives to sell, in recipient countries, an amount of commodities equal to not less than 10 percent of the aggregate amounts of all commodities distributed under non-emergency programs under this title for each fiscal year, to generate foreign currency proceeds to be used as provided in this section.

"(c) DESCRIPTION OF INTENDED USES.—A private voluntary organization or cooperative submitting a proposal to enter into a non-emergency food assistance agreement under this title shall include in such proposal a description of the intended uses of any foreign currency proceeds that may be generated through the sale, in the recipient country, of any commodities provided under an agreement entered into between the Administrator and the organization or cooperative.

"(d) USE.—Foreign currencies generated from any partial or full sale or barter of commodities by a private voluntary organization or cooperative under a non-emergency food assistance agreement under this title may—

"(1) be used to transport, store, distribute, and otherwise enhance the effectiveness of the use of agricultural commodities provided under this title;

"(2) be used to implement income generating, community development, health, nutrition, cooperative development, agricultural, and other developmental activities within the recipient country; or

"(3) be invested and any interest earned on such investment may be used for the purposes for which the assistance was provided to that organization, without further appropriation by Congress.

"SEC. 204. LEVELS OF ASSISTANCE.

"(a) MINIMUM LEVELS.—

"(1) MINIMUM ASSISTANCE.—Except as provided in paragraph (3), the Administrator shall make agricultural commodities available for food distribution under this title in an amount that—

"(A) for fiscal year 1991, is not less than 1,925,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,950,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,975,000 metric tons;

"(D) for fiscal year 1994, is not less than 2,000,000 metric tons; and

"(E) for fiscal year 1995, is not less than 2,025,000 metric tons.

"(2) MINIMUM NON-EMERGENCY ASSISTANCE.—Of the amounts specified in paragraph (1), and except as provided in paragraph (3), the Administrator shall make agricultural commodities available for non-emergency food distribution through eligible organizations under section 202 in an amount that—

"(A) for fiscal year 1991, is not less than 1,450,000 metric tons;

"(B) for fiscal year 1992, is not less than 1,475,000 metric tons;

"(C) for fiscal year 1993, is not less than 1,500,000 metric tons;

"(D) for fiscal year 1994, is not less than 1,525,000 metric tons; and

"(E) for fiscal year 1995, is not less than 1,550,000 metric tons.

"(3) EXCEPTION.—The Administrator may waive the requirements of paragraphs (1) and (2) for any fiscal year if the Administrator determines that such quantities of commodities cannot be used effectively to carry out this title or in order to meet an emergency. In making a waiver under this paragraph, the Administrator shall prepare and submit to the Committee on Foreign Affairs and Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the reasons for the waiver.

"(b) USE OF VALUE-ADDED COMMODITIES.—

"(1) MINIMUM LEVELS.—Except as provided in paragraph (2), in making agricultural commodities available under this title, the Administrator shall ensure that not less than 75 percent of the quantity of such commodities required to be distributed during each fiscal year under subsection (a)(2) be in the form of processed, fortified, or bagged commodities.

"(2) WAIVER OF MINIMUM.—The Administrator may waive the requirement of paragraph (1) for any fiscal year in which the Administrator determines that the requirements of the programs established under this title will not be best served by the enforcement of such requirement under such paragraph.

"SEC. 205. FOOD AID CONSULTATIVE GROUP.

"(a) ESTABLISHMENT.—There is established a Food Aid Consultative Group (hereinafter referred to in this section as the 'Group') that shall meet regularly to review and address issues concerning the effectiveness of the regulations and procedures that govern food assistance programs established and implemented under this title, and the implementation of other provisions of this title that may involve private voluntary organi-

zations, cooperatives and indigenous non-governmental organizations.

"(b) MEMBERSHIP.—The Group shall be composed of—

"(1) the Administrator;

"(2) the Under Secretary for International Affairs and Commodity Programs;

"(3) the Inspector General of the Agency for International Development;

"(4) a representative of each private voluntary organization and cooperative participating in a program under this title, or receiving planning assistance funds from the Agency to establish programs under this title; and

"(5) representatives from African, Asian and Latin American indigenous non-governmental organizations determined appropriate by the Administrator.

"(c) CHAIRPERSON.—The Administrator shall be the chairperson of the Group.

"(d) CONSULTATIONS.—In preparing regulations, handbooks, or guidelines implementing this title, or significant revisions thereto, the Administrator shall provide such proposals to the Group for review and comment. The Administrator shall consult and, when appropriate, meet with the Group regarding such proposed regulations, handbooks, guidelines, or revisions thereto prior to the issuance of such.

"(e) ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply to the Group.

"(f) TERMINATION.—The Group shall terminate on December 31, 1995.

"SEC. 206. MAXIMUM LEVEL OF EXPENDITURES.

"(a) MAXIMUM EXPENDITURES.—Except as provided in subsection (b), programs of assistance shall not be undertaken under this title during any fiscal year if such programs necessitate an appropriation of more than $1,000,000,000 to reimburse the Commodity Credit Corporation for all costs incurred in connection with such programs (including the Corporation's investment in commodities made available).

"(b) WAIVER BY PRESIDENT.—The President may waive the limitation contained in subsection (a) if the President determines that such waiver is necessary to undertake programs of assistance to meet urgent humanitarian or emergency needs.

"SEC. 207. ADMINISTRATION.

"(a) PROPOSALS.—

"(1) TIME FOR DECISION.—Not later than 45 days after the receipt by the Administrator of a proposal submitted—

"(A) by a private voluntary organization or cooperative, with the concurrence of the appropriate United States field mission, for commodities; or

"(B) by a United States field mission to make commodities available to a private voluntary organization or cooperative;

under this title, the Administrator shall make a decision concerning such proposal.

"(2) DENIAL.—If a proposal under paragraph (1) is denied, the response shall specify the reasons for denial and the conditions that must be met for the approval of such proposal.

"(b) NOTICE AND COMMENT.—Not later than 30 days prior to the issuance of a final guideline to carry out this title, the Administrator shall—

"(1) provide notice of the existence of a proposed guideline, and that such guideline is available for review and comment, to private voluntary organizations and cooperatives that participate in programs under this title, and to other interested persons;

"(2) make the proposed guideline available, on request, to the organizations, cooperatives, and other persons referred to in paragraph (1); and

"(3) take any comments received into consideration prior to the issuance of the final guideline.

"(c) REGULATIONS.—

"(1) IN GENERAL.—The Administrator shall promptly issue all necessary regulations and make revisions to agency guidelines with respect to changes in the operation or implementation of the program established under this title.

"(2) REQUIREMENTS.—The Administrator shall develop regulations with the intent of—

"(A) simplifying procedures for participation in the programs established under this title;

"(B) reducing paperwork requirements under such programs;

"(C) establishing reasonable and realistic accountability standards to be applied to eligible organizations participating in the programs established under this title, taking into consideration the problems associated with carrying out programs in developing countries; and

"(D) providing flexibility for carrying out programs under this title.

"(3) HANDBOOKS.—Handbooks developed by the Administrator to assist in carrying out the program under this title shall be designed to foster the development of programs under this title by eligible organizations.

"(d) DEADLINE FOR SUBMISSION OF COMMODITY ORDERS.—Not later than 15 days after receipt from a United States field mission of a call forward for agricultural commodities for programs that meet the requirements of this title, the order for the purchase or the supply, from inventory, of such commodities or products shall be transmitted to the Commodity Credit Corporation.

"TITLE III—FOOD FOR DEVELOPMENT

"SEC. 301. BILATERAL GRANT PROGRAM.

"(a) IN GENERAL.—The President shall establish a program under which agricultural commodities are donated in accordance with this title to least developed countries. The revenue generated by the sale of such commodities in the recipient country may be utilized for economic development activities. Such program shall be implemented by the Administrator.

"(b) GENERAL AUTHORITY.—To carry out the policies and accomplish the objectives described in section 2, the Administrator may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis.

"SEC. 302. ELIGIBLE COUNTRIES.

"(a) LEAST DEVELOPED COUNTRIES.—A country shall be considered to be a least developed country and eligible for the donation of agricultural commodities under this title if—

"(1) such country meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference for providing financial assistance; or

"(2) such country is a food deficit country and is characterized by high levels of malnutrition among significant numbers of its population, as determined by the Administrator under subsection (b).

"(b) INDICATORS OF FOOD DEFICIT COUNTRIES.—To make a finding under subsection (a)(2) that a country is a food deficit country and is characterized by high levels of malnutrition, the Administrator must determine that the country meets all of the following indicators of national food deficit and malnutrition:

"(1) CALORIE CONSUMPTION.—That the daily per capita calorie consumption of the country is less than 2300 calories.

"(2) FOOD SECURITY REQUIREMENTS.—That the country cannot meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings.

"(3) CHILD MORTALITY RATE.—That the mortality rate of children under 5 years of age in the country is in excess of 100 per 1000 births.

"(c) PRIORITY.—In determining whether and to what extent agricultural commodities shall be made available to least developed countries under this title, the Administrator shall give priority to countries that—

"(1) demonstrate the greatest need for food;

"(2) demonstrate the capacity to use food assistance effectively;

"(3) have demonstrated a commitment to policies to promote food security, including policies to reduce measurably hunger and malnutrition through efforts such as establishing and institutionalizing supplemental nutrition programs targeted to reach those who are nutritionally at risk; and

"(4) have a long-term plan for broad-based, equitable, and sustainable development.

"SEC. 303. GRANT PROGRAMS.

"To carry out the policies and accomplish the objectives described in section 2, the Administrator may negotiate and execute agreements with least developed countries to provide commodities to such countries on a grant basis either through the Commodity Credit Corporation or through private trade channels.

"SEC. 304. DIRECT USES OR SALES OF COMMODITIES.

"Agricultural commodities provided to a least developed country under this section—

"(1) may be used in such country for—

"(A) direct feeding programs, including programs that include activities that deal directly with the special health needs of children and mothers consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2)), relating to the Child Survival Fund; or

"(B) the development of emergency food reserves; or

"(2) may be sold in such country by the government of the country or the Administrator (or their designees) as provided in the agreement, and the proceeds of such sale used in accordance with this title.

"SEC. 305. LOCAL CURRENCY ACCOUNTS.

"(a) RETENTION OF PROCEEDS.—To the extent determined to be appropriate by the Administrator, revenues generated from the sale, under section 304(2), of agricultural commodities provided under this title shall be deposited into a separate account (that may be interest bearing) in the recipient country to be disbursed for the benefit of such country in accordance with local currency agreements entered into between the recipient country and the Administrator. The Administrator may determine not to deposit such revenues in a separate account if—

"(1) local currencies are to be programmed for specific economic development purposes listed in section 306(a); and

"(2) the recipient country programs an equivalent amount of money for such purposes as specified in an agreement entered into by the Administrator and the recipient country.

"(b) OWNERSHIP AND PROGRAMMING OF ACCOUNTS.—The proceeds of sales pursuant to

section 304(2) shall be the property of the recipient country or the United States, as specified in the applicable agreement. Such proceeds shall be utilized for the benefit of the recipient country, shall be jointly programmed by the Administrator and the government of the recipient country, and shall be disbursed for the benefit of such country in accordance with local currency agreements between the Administrator and that government.

"(c) OVERALL DEVELOPMENT STRATEGY.—The Administrator shall consider the local currency proceeds as an integral part of the overall development strategy of the Agency for International Development and the recipient country.

"SEC. 306. USE OF LOCAL CURRENCY PROCEEDS.

"(a) IN GENERAL.—The local currency proceeds of sales pursuant to section 304(2) shall be used in the recipient country for specific economic development purposes, including—

"(1) the promotion of specific policy reforms to improve food security and agricultural development within the country and to promote broad-based, equitable, and sustainable development;

"(2) the establishment of development programs, projects, and activities that promote food security, alleviate hunger, improve nutrition, and promote family planning, maternal and child health care, oral rehydration therapy, and other child survival objectives consistent with section 104(c)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)(2)), relating to the Child Survival Fund;

"(3) the promotion of increased access to food supplies through the encouragement of specific policies and programs designed to increase employment and incomes within the country;

"(4) the promotion of free and open markets through specific policies and programs;

"(5) support for United States private voluntary organizations and cooperatives and encouragement of the development and utilization of indigenous nongovernmental organizations;

"(6) the purchase of agricultural commodities (including transportation and processing costs) produced in the country—

"(A) to meet urgent or extraordinary relief requirements in the country or in neighboring countries; or

"(B) to develop emergency food reserves;

"(7) the purchase of goods and services (other than agricultural commodities and related services) to meet urgent or extraordinary relief requirements;

"(8) the payment, to the extent practicable, of the costs of carrying out the program authorized in title V;

"(9) private sector development activities designed to further the policies set forth in section 2, including loans to financial intermediaries for use in making loans to private individuals, cooperatives, corporations, or other entities;

"(10) activities of the Peace Corps that relate to agricultural production;

"(11) the development of rural infrastructure such as roads, irrigation systems, and electrification to enhance agricultural production;

"(12) research on malnutrition and its causes, as well as research relating to the identification and application of policies and strategies for targeting resources made available under this section to address the problem of malnutrition; and

"(13) support for research (including collaborative research which is mutually beneficial to the United States and the recipient country), education, and extension activities in agricultural sciences.

Section 1306 of title 31, United States Code, shall not apply to the use under this subsection of local currency proceeds that are owned by the United States.

"(b) SUPPORT OF INDIGENOUS NON-GOVERNMENTAL ORGANIZATIONS.—To the extent practicable, not less than 10 percent of the amounts contained in an account established for a recipient country under section 305(a) shall be used by such country to support the development and utilization of indigenous nongovernmental organizations and cooperatives that are active in rural development, agricultural education, sustainable agricultural production, other measures to assist poor people, and environmental protection projects within such country.

"(c) INVESTMENT OF LOCAL CURRENCIES BY NONGOVERNMENTAL ORGANIZATIONS.—A nongovernmental organization may invest local currencies that accrue to that organization as a result of assistance under subsection (a), and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization without further appropriation by the Congress.

"(d) SUPPORT FOR CERTAIN EDUCATIONAL INSTITUTIONS.—If the Administrator determines that local currencies deposited in a special account pursuant to this title are not needed for any of the activities prescribed in paragraphs (1) through (13) of subsection (a) or for any other specific economic development purpose in the recipient country, the Administrator may use those currencies to provide support for any institution (other than an institution whose primary purpose is to provide religious education) located in the recipient country that provides education in agricultural sciences or other disciplines for a significant number of United States nationals (who may include members of the United States Armed Forces or the Foreign Service or dependents of such members).

"TITLE IV—GENERAL AUTHORITIES AND REQUIREMENTS

"SEC. 401. COMMODITY DETERMINATIONS.

"(a) AVAILABLE COMMODITIES.—After consulting with other agencies of the Federal Government affected and within policies established by the President for implementing this Act, and after taking into consideration productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary shall determine, prior to the beginning of each fiscal year, the agricultural commodities and quantities thereof available for disposition under this Act.

"(b) MODIFICATION.—The Secretary may, during the fiscal year, modify a determination made under subsection (a) if the Secretary provides to the Congress prior notice of that modification (including a statement of the reasons for the modification).

"(c) COMMODITIES NOT AVAILABLE.—No commodity shall be available for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary, unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act.

"(d) POLICIES FOR IMPLEMENTING ACT.—The Secretary shall, to the extent practicable, seek to maintain a stable level of available agricultural commodities under this Act of the kind and type needed to provide food assistance to developing countries and should attempt to make such commodities available to the degree necessary to fulfill multiyear agreements entered into under this Act.

"(e) INELIGIBLE COMMODITIES.—

"(1) ALCOHOLIC BEVERAGES.—Alcoholic beverages shall not be made available for disposition under this Act.

"(2) TOBACCO.—Tobacco or the products thereof shall not be made available under section 303 of title II of this Act.

"(f) MARKET DEVELOPMENT ACTIVITIES.—Subsection (e)(1) shall not be construed to prohibit representatives of the United States wine, beer, distilled spirits, or other alcoholic beverage industry from participating in agricultural market development activities carried out by the Secretary with foreign currencies made available under title I of this Act.

"SEC. 402. DEFINITIONS.

"As used in this Act:

"(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Agency for International Development, unless otherwise specified in this Act.

"(2) AGRICULTURAL COMMODITY.—The term 'agricultural commodity', unless otherwise provided for in this Act, includes any agricultural commodity or the products thereof produced in the United States, including wood and processed wood products, fish, and livestock as well as value-added, fortified, or high-value agricultural products. Effective beginning on October 1, 1991, for purposes of title II, a product of an agricultural commodity shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States, if that ingredient is produced and is commercially available in the United States at fair and reasonable prices.

"(3) COOPERATIVE.—The term 'cooperative' means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"(4) DEVELOPING COUNTRY.—The term 'developing country' means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels.

"(5) FOOD SECURITY.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

"(6) INDIGENOUS NONGOVERNMENTAL ORGANIZATION.—The term 'indigenous nongovernmental organization' means an organization that operates under the laws of the recipient country, or that has its principal place of activity in such country, and that works at the local level to solve development problems in the foreign country in which it is located, except that the term does not include an organization that is primarily an agent or instrumentality of the foreign government.

"(7) PRIVATE VOLUNTARY ORGANIZATION.—The term 'private voluntary organization' means a not-for-profit, nongovernmental organization (in the case of a United States organization, an organization that is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, voluntary contributions of money, staff time, or in-kind support from the public, and that is engaged in or is planning to engage in voluntary, charitable, or

development assistance activities (other than religious activities).

"(8) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, unless otherwise specified in this Act.

"SEC. 403. GENERAL PROVISIONS.

"(a) PROHIBITION.—No agricultural commodity shall be made available under this Act unless it is determined that—

"(1) adequate storage facilities will be available in the recipient country at the time of the arrival of the commodity to prevent the spoilage or waste of the commodity; and

"(2) the distribution of the commodity in the recipient country will not result in a substantial disincentive to or interference with domestic production or marketing in that country.

"(b) CONSULTATIONS.—The Secretary or the Administrator, as appropriate, shall consult with representatives from the International Monetary Fund, the International Bank for Reconstruction and Development, the World Bank, and other donor organizations to ensure that the importation of United States agricultural commodities and the use of local currencies for development purposes will not have a disruptive impact on the farmers or the local economy of the recipient country.

"(c) TRANSSHIPMENT.—The Secretary or the Administrator, as appropriate, shall, under such terms and conditions as are determined to be appropriate, require commitments from countries designed to prevent or restrict the resale or transshipment to other countries, for use for other than domestic purposes, of agricultural commodities donated or purchased under this Act.

"(d) PRIVATE TRADE CHANNELS AND SMALL BUSINESS.—Private trade channels shall be used under this Act to the maximum extent practicable in the United States and in the recipient countries with respect to—

"(1) sales from privately owned stocks;

"(2) sales from stocks owned by the Commodity Credit Corporation; and

"(3) donations.

Small businesses shall be provided adequate and fair opportunity to participate in such sales.

"(e) WORLD PRICES.—In carrying out this Act, reasonable precautions shall be taken to assure that sales or donations of agricultural commodities will not unduly disrupt world prices for agricultural commodities or normal patterns of commercial trade with foreign countries.

"(f) PUBLICITY.—Commitments shall be obtained from countries receiving commodities under this Act that such countries will widely publicize, to the extent practicable, through the use of the public media and through other means, that such commodities are being provided through the friendship of the American people as food for peace.

"(g) PARTICIPATION OF PRIVATE SECTOR.—The Secretary or the Administrator, as appropriate, shall encourage the private sector of the United States and private importers in developing countries to participate in the programs established under this Act.

"(h) SAFEGUARD USUAL MARKETINGS.—In carrying out this Act, reasonable precautions shall be taken to safeguard the usual marketings of the United States and to avoid displacing any sales of the United States agricultural commodities that the Secretary or Administrator determines would otherwise be made.

"(i) MILITARY DISTRIBUTION OF FOOD AID.—

"(1) IN GENERAL.—The Secretary or the Administrator, as appropriate, shall attempt to ensure that agricultural commodities made available under this Act will be provided without regard to the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient or without regard to other extraneous factors.

"(2) PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary or the Administrator, as appropriate, shall not enter into an agreement under this Act to provide agricultural commodities if such agreement requires or permits the distribution, handling, or allocation of such commodities by the military forces of any government or insurgent group.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Administrator, as appropriate, may authorize the handling or distribution of commodities by the military forces of a country in exceptional circumstances in which—

"(i) nonmilitary channels are not available for such handling or distribution;

"(ii) such action is consistent with the requirements of paragraph (1); and

"(iii) the Secretary or the Administrator, as appropriate, determines that such action is necessary to meet the emergency health, safety, or nutritional requirements of the recipient population.

"(C) REPORT.—Not later than 30 days after an authorization is provided under subparagraph (B), the Secretary or the Administrator, as appropriate, shall prepare and submit to the appropriate Committees of Congress a report concerning such authorization and include in any such report the reason for the authorization, including an explanation of why no alternatives to such handling or distribution were available.

"(3) ENCOURAGEMENT OF SAFE PASSAGE.—When entering into agreements under this Act that involve areas within recipient countries that are experiencing protracted warfare or civil strife, the Secretary or the Administrator, as appropriate, shall, to the extent practicable, encourage all parties to the conflict to permit safe passage of the commodities and other relief supplies and to establish safe zones for medical and humanitarian treatment and evacuation of injured persons.

"(j) VIOLATIONS OF HUMAN RIGHTS.—

"(1) INELIGIBLE COUNTRIES.—The Secretary or the Administrator, as appropriate, shall not enter into any agreement under this Act to provide agricultural commodities, or to finance the sale of agricultural commodities, to the government of any country determined by the President to engage in a consistent pattern of gross violations of internationally recognized human rights, including—

"(A) the torture or cruel, inhuman, or degrading treatment or punishment of individuals;

"(B) the prolonged detention of individuals without charges;

"(C) the responsibility for causing the disappearance of individuals through the abduction and clandestine detention of such individuals; or

"(D) other flagrant denials of the right to life, liberty, and the security of persons.

"(2) WAIVER.—Paragraph (1) shall not prohibit the provision of assistance to such a country if the assistance is targeted to the most needy people in such country and is made available in such country through channels other than the government.

"(k) ABORTION PROHIBITION.—Local currencies that are made available for use under this Act may not be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions.

"SEC. 404. AGREEMENTS.

"(a) IN GENERAL.—Before entering into agreements under titles I and III for the provision of commodities, the Secretary or the Administrator, as appropriate, shall consider the extent to which the recipient country is undertaking measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development.

"(b) TERMS OF AGREEMENT.—An agreement entered into under this Act shall—

"(1) include an estimate of the annual value or volume of agricultural commodities proposed to be made available to the country or eligible organization under the agreement;

"(2) with respect to agreements entered into under titles I and III, include a statement of the manner in which the agricultural commodities provided under the agreement or the revenues generated by the sale of such commodities (if such commodities are sold), will be integrated into the overall development plans of the country to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable agriculture;

"(3) with respect to agreements entered into under titles I and III, include a statement of the manner in which competitive private sector participation within the recipient country in the storage, marketing, transportation, and distribution of agricultural commodities made available under this Act will be encouraged;

"(4) include a statement that such agreement shall be subject to the availability, during each fiscal year to which the agreement applies, of the necessary appropriations and agricultural commodities; and

"(5) contain such other terms and conditions as the Secretary or the Administrator, as appropriate, determines to be necessary.

"(c) MULTI-YEAR AGREEMENTS.—

"(1) IN GENERAL.—Agreements to provide assistance on a multi-year basis under this Act shall be made available to recipient countries or to eligible organizations.

"(2) EXCEPTION.—The Secretary or the Administrator, as appropriate, may determine not to make assistance available on a multi-year basis with respect to a recipient country or an eligible organization if it is determined that assistance should be provided to such country or through such organization only on an annual basis because—

"(A) the past performance of the country or organization in meeting program objectives does not warrant a multi-year agreement;

"(B) it is anticipated that the need of the country or organization for food aid does not extend beyond 1 year; or

"(C) other circumstances, as determined by the Secretary or the Administrator, as appropriate, indicate there is only a need for a 1 year agreement.

"(d) REVIEW OF AGREEMENTS.—The Secretary or the Administrator, as appropriate, may make a determination to terminate, or refuse to enter into, a multi-year agreement with respect to a recipient country if the Secretary or the Administrator determines that such country is not fulfilling the objectives or requirements of this Act. In making such a determination, the Secretary or the

Administrator, as appropriate, may consider the extent to which the country is—

"(1) making significant economic development reforms;

"(2) promoting free and open markets for food and agricultural producers; and

"(3) fostering increased food security.

"SEC. 405. CONSULTATION.

"The Secretary and the Administrator shall cooperate and consult in the implementation of this Act.

"SEC. 406. USE OF COMMODITY CREDIT CORPORATION.

"(a) IN GENERAL.—The Commodity Credit Corporation shall acquire and make available such agricultural commodities (that have been determined to be available under section 401(a)) as necessary to carry out agreements under this Act.

"(b) INCLUDED EXPENSES.—With respect to commodities made available under this Act, the Commodity Credit Corporation may pay—

"(1) the cost of acquiring such commodities;

"(2) the costs associated with packaging, enrichment, preservation, and fortification of such commodities;

"(3) the processing, transportation, handling, and other incidental costs up to the time of the delivery of such commodities free on board vessels in United States ports;

"(4) the ocean freight charges from United States ports to designated ports of entry abroad;

"(5) the costs associated with transporting such commodities from United States ports to designated points of entry abroad in the case—

"(A) of landlocked countries;

"(B) of ports that cannot be used effectively because of natural or other disturbances;

"(C) of the unavailability of carriers to a specific country; or

"(D) of substantial savings in costs or items that may be effected by the utilization of points of entry other than ports;

"(6) in the case of commodities for urgent and extraordinary relief requirements (including pre-positioned commodities) the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs; and

"(7) the charges for general average contributions arising out of the ocean transport of commodities transferred pursuant thereto.

"(c) COMMODITY CREDIT CORPORATION.—The funds, facilities, and authorities of the Commodity Credit Corporation may be used to carry out this Act.

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) TITLE I PROGRAMS.—

"(1) ACQUISITIONS.—The importing country shall acquire the agricultural commodities to be financed under title I.

"(2) INVITATION FOR BID.—No purchase of agricultural commodities from private stock or purchase of ocean transportation shall be financed under title I unless such purchases are made on the basis of an invitation for bid that is publicly advertised in the United States, and on the basis of bid offerings that shall conform to such invitation and be received and publicly opened in the United States. All awards in the purchase of commodities or ocean transportation financed under title I shall be consistent with open, competitive, and responsive bid procedures, as determined appropriate by the Secretary.

"(b) REPORTING OF FEES.—

"(1) REQUIREMENT.—Notwithstanding any other provision of law, any commission, fee, or other compensation of any kind paid, or to be paid, by any supplier of an agricultural commodity, or any ocean transportation financed or agricultural commodity donated by the Commodity Credit Corporation under title I to any agents, brokers, or other representatives of the importer or importing country shall be reported to the Secretary by the supplier of the commodity or ocean transportation.

"(2) CONTENT.—A report filed under paragraph (1) shall identify the person or entity to whom the payment is made and the amount of the commission or fees paid.

"(3) PUBLICATION OF INFORMATION.—The Secretary shall—

"(A) maintain all information provided under this section for public inspection;

"(B) annually publish a report containing the information referred to in subparagraph (A); and

"(C) forward a copy of the annual report referred to in subparagraph (B) to the appropriate committees of Congress.

"(4) FAILURE TO FILE.—A supplier of a commodity or ocean transportation who fails to file a report required under this subsection, or who files a false report, shall be ineligible to furnish, directly or indirectly, commodities or ocean transportation financed under title I for a period of not to exceed 5 years.

"(c) AGENTS.—

"(1) AUTHORITY OF THE SECRETARY OR COMMODITY CREDIT CORPORATION.—

"(A) GENERAL RULE.—Except as provided in subparagraph (B), if it is determined appropriate, the Secretary or the Commodity Credit Corporation may serve as the purchasing or shipping agent, or both, for the importing country in arranging the purchase or shipping of commodities financed under this section.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), the Secretary or the Commodity Credit Corporation may award, under a competitive bidding process, contracts for establishing freight agents who shall act on behalf of the Secretary or the Corporation to handle the shipping of commodities financed under this Act.

"(C) AVOIDANCE OF CONFLICT OF INTEREST OF CONTRACTORS.—Freight agents employed by the Secretary or the Commodity Credit Corporation under title I shall not represent any other foreign government during the period of their contract with the United States Government.

"(2) REASONABLE FEES AND COMMISSIONS.—

"(A) FEES.—Notwithstanding any other provision of law, the Secretary or the Commodity Credit Corporation may enter into an agreement with the importing country that contains the terms and conditions that will govern the provision of purchasing or shipping agent services by the Secretary or the Corporation, including the establishment of fees for such services. Any such fees shall be fair and reasonable in relation to the services performed and shall be available as reimbursement for costs incurred in providing such services.

"(B) PROHIBITION ON COMMISSIONS.—Commissions, fees, or other payments to any selling agent or to any agent of a purchaser shall be prohibited in the purchase of agricultural commodities that are financed under this Act.

"(3) LIMITATIONS.—No commission, fees, or other payments to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services in connection with the carriage of commodities provided under this Act may—

"(A) be paid in excess of an amount determined appropriate by the Secretary; and

"(B) be shared by such person with the importer or importing country or any agent thereof.

"(4) AVOIDANCE OF CONFLICT OF INTEREST.—A person may not be an agent, broker, consultant, or other representative of the United States Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts as an agent, broker, consultant, or other representative if the person is engaged in providing ocean transportation-related services for such commodities. For the purpose of this paragraph, the term 'transportation-related services' means lightening, stevedoring, bagging, or inland transportation to the destination point.

"(d) TITLE II AND III PROGRAM.—

"(1) ACQUISITION.—The Administrator shall transfer, arrange for the transportation, and take other steps necessary to make available agricultural commodities to be provided under title II and title III.

"(2) FULL AND OPEN COMPETITION.—No purchase of agricultural commodities from private stocks or purchase of ocean transportation services by the United States Government shall be financed under titles II and III unless such purchases are made on the basis of full and open competition utilizing such procedures as are determined necessary and appropriate by the Administrator.

"(3) AVOIDANCE OF CONFLICT OF INTEREST.—Freight agents employed by the Agency for International Development under titles II and III shall not represent any other foreign government during the period of their contract with the United States Government.

"(4) OCEAN TRANSPORTATION SERVICES.—Notwithstanding any provision of the Federal Property Act of 1949, as amended, or other similar provisions relating to the making or performance of Federal Government contracts, the Administrator may procure ocean transportation services under this Act under such full and open competitive procedures as the Administrator determines are necessary and appropriate.

"(e) TIMING OF SHIPMENTS.—In determining the timing of the shipment of agricultural commodities to be provided under this Act, the Secretary or the Administrator, as appropriate, shall consider—

"(1) the time of harvest of any competing commodities in the recipient country; and

"(2) such other concerns determined to be appropriate.

"(f) DEADLINE FOR AGREEMENTS UNDER TITLES I AND III.—An agreement under titles I and III shall, to the extent practicable, be entered into not later than—

"(1) November 30 of the first fiscal year in which agricultural commodities are to be shipped under the agreement; or

"(2) 60 days after the date of enactment of the annual Rural Development, Agriculture, and Related Agencies Appropriations Act for the first fiscal year in which agricultural commodities are to be shipped under the agreement,

whichever is later.

"(g) ANNUAL REPORTS.—

"(1) IN GENERAL.—The President shall prepare an annual report concerning the programs and activities implemented under this Act for the preceding fiscal year.

"(2) CONTENTS.—Each report shall include—

"(A) the countries and organizations receiving food and other assistance provided

to each country and organization under this Act;

"(B) a general description of the projects or activities implemented under this Act, including local currency funded activities; and

"(C) a statement of the amount of agricultural commodities made available to each country pursuant to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985.

"(3) SUBMISSION.—The President shall submit such report not later than January 15 of each year to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(h) WORLD FOOD DAY REPORT.—On World Food Day, October 16 of each year, the President shall submit to the appropriate committees of Congress a report, prepared with the assistance of the Secretary and the Administrator, assessing progress towards food security in each country receiving United States Government food assistance. Special emphasis should be given in such report to the nutritional status of the poorest populations in such countries.

"SEC. 408. EXPIRATION DATE.

"No agreements to finance sales or to provide other assistance under this Act shall be entered into after December 31, 1995.

"SEC. 409. REGULATIONS.

"Not later than 180 days after the date of enactment of this Act, regulations shall be issued to implement the provisions of this Act.

"SEC. 410. INDEPENDENT EVALUATION OF PROGRAMS.

"(a) TITLE I PROGRAM.—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title I that are representative of all countries in three geographic regions and evaluate the uses of the funds under title I in such countries with respect to the impact of such uses on agricultural development, agricultural trade development, and the financial management of those funds, with reference to personnel requirements to manage these funds.

"(b) TITLE II PROGRAM.—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title II that are representative of all countries in three geographic regions and evaluate the uses of the assistance provided under such title, including an evaluation of the impact of such assistance on enhancing food security in such countries and an evaluation of the use of local currencies for economic development, as well as the financial management of those funds, with reference to personnel requirements to manage these funds.

"(c) TITLE III PROGRAM.—Not later than 2 years after the date of enactment of this Act, and 2 years thereafter, the Comptroller General of the United States shall select five countries that receive assistance under title III that are representative of all such countries in three geographic regions and evaluate—

"(1) the uses of the commodities provided under such title in such countries; and

"(2) the uses of the special account funds established in such countries under title III; with respect to the impact of such uses and funds on enhancing food security, including nutrition, in such countries and the financial management of those funds, with reference to personnel requirements to manage such funds.

"(d) REPORT TO CONGRESS.—The Comptroller General of the United States shall prepare and submit, to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report concerning the evaluations made under this section.

"SEC. 411. DEBT FORGIVENESS.

"(a) AUTHORITY.—The President, taking into account the financial resources of a country, may waive payments of principal and interest that such country would otherwise be required to make to the Commodity Credit Corporation under dollar sales agreements under this title if—

"(1) that country is a least developed country; and

"(2) either—

"(A) an International Monetary Fund standby agreement is in effect with respect to that country;

"(B) a structural adjustment program of the International Bank for Reconstruction and Development or of the International Development Association is in effect with respect to that country;

"(C) a structural adjustment facility, enhanced structural adjustment facility, or similar supervised arrangement with the International Monetary Fund is in effect with respect to that country; or

"(D) even though such an agreement, program, facility, or arrangement is not in effect, the country is pursuing national economic policy reforms that would promote democratic, market-oriented, and long term economic development.

"(b) REQUEST FOR DEBT RELIEF BY PRESIDENT.—The President may provide debt relief under subsection (a) only if a notification is submitted to Congress. Such a notification shall—

"(1) specify the amount of official debt the President proposes to liquidate; and

"(2) identify the countries for which debt relief is proposed and the basis for their eligibility for such relief.

"(c) APPROPRIATIONS ACTION REQUIRED.—The aggregate amount of principal and interest waived under this section may not exceed the amount approved for such purpose in an Act appropriating funds to carry out this Act.

"(d) LIMITATION ON NEW CREDIT ASSISTANCE.—If the authority of this section is used to waive payments otherwise required to be made by a country pursuant to this Act, the President may not provide any new credit assistance for that country under this Act during the 2-year period beginning on the date such waiver authority is exercised, unless the President provides to the Congress, before the assistance is provided, a written justification for the provision of such new credit assistance.

"(e) APPLICABILITY.—The authority of this section applies with respect to credit sales agreements entered into before the date of enactment of this Act.

"SEC. 412. AUTHORIZATION OF APPROPRIATIONS.

"(a) REIMBURSEMENT.—There are authorized to be appropriated such sums as may be necessary to carry out—

"(1) the concessional credit sales program established under title I;

"(2) the emergency and private assistance program under title II; and

"(3) the grant program established under title III,

including such amounts as may be required to make payments to the Commodity Credit Corporation to the extent the Commodity Credit Corporation is not reimbursed under the programs under this Act for the actual costs incurred or to be incurred by such Corporation in carrying out such programs.

"(b) LIMITATIONS.—Of the amounts made available in each fiscal year to carry out titles I and III, not less than—

"(1) 40 percent shall be made available to carry out the credit sales program established under title I; and

"(2) 40 percent shall be made available to carry out the grant program established under title III.

"(c) TRANSFER OF FUNDS.—Notwithstanding any other provision of law and except as provided in subsection (b), if the President determines it to be necessary for purposes of this Act, the President may direct that not in excess of 15 percent of the funds available in any fiscal year for carrying out any title of this Act be used to carry out any other title of this Act.

"(d) BUDGET.—In presenting the Budget of the United States, the President shall classify expenditures under this Act as expenditures for international affairs and finance rather than for agriculture and agricultural resources.

"(e) VALUE OF COMMODITIES.—Notwithstanding any other provision of law, in determining the reimbursement due the Commodity Credit Corporation for all expenses incurred under this Act, commodities from the inventory of the Commodity Credit Corporation that were acquired under title I of the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) shall be valued at a price not greater than the export market price for such commodities, as determined by the Secretary, as of the time such commodity is made available under this Act.

"SEC. 413. COORDINATION OF FOREIGN ASSISTANCE PROGRAMS.

"To the maximum extent practicable, assistance for a foreign country under this Act shall be coordinated and integrated with United States development assistance objectives and programs for that country and with the overall development strategy of that country. Special emphasis should be placed on, and funds devoted to, activities that will increase the nutritional impact of programs of assistance under this Act, and child survival programs and projects, in least developed countries by improving the design and implementation of such programs and projects.

"SEC. 414. ASSISTANCE IN FURTHERANCE OF NARCOTICS CONTROL OBJECTIVES OF THE UNITED STATES.

(a) SUBSTANTIAL INJURY.—Local currencies that are made available for use under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete in the world market with similar agricultural commodities (or products thereof) produced in the United States, if such competition would cause substantial injury to the United States producers, as determined by the President.

(b) EXCEPTION FOR NARCOTICS CONTROL.—Notwithstanding subsection (a), the President may provide assistance under this Act, including assistance through the use of local currencies generated by the sale of commodities under such Act, for economic development activities undertaken in an eligible country that is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961), for the purpose of reducing the dependence of

the economy of such country on the production of crops from which narcotic and psychotropic drugs are derived.

"TITLE V—FARMER-TO-FARMER PROGRAM

"SEC. 501. FARMER-TO-FARMER PROGRAM.

"(a) IN GENERAL.—To further assist developing countries, middle-income countries, and emerging democracies to increase farm production and farmer incomes, the President may, notwithstanding any other provision of law—

"(1) establish and administer a program of farmer-to-farmer assistance between the United States and such countries to assist in increasing food production and distribution and improving the effectiveness of the farming and marketing operations of farmers;

"(2) utilize United States farmers, agriculturalists, land grant universities, private agribusinesses, and nonprofit farm organizations to work in conjunction with farmers and farm organizations in such countries, on a voluntary basis, to facilitate the improvement of farm and agribusiness operations and agricultural systems in such countries, including animal care and health, field crop cultivation, fruit and vegetable growing, livestock operations, food processing and packaging, farm credit, marketing, inputs, agricultural extension, and the strengthening of cooperatives and other farmer groups;

"(3) transfer the knowledge and expertise of United States agricultural producers and businesses, on a people-to-people basis, to such countries while enhancing the democratic process by supporting private and public, agriculturally related organizations that request and support technical assistance activities through cash and in-kind services;

"(4) to the extent practicable, enter into contracts or other cooperative agreements with or make grants to private voluntary organizations, cooperatives, land grant universities, private agribusiness, or nonprofit farm organizations to carry out this section (except that any such contract or other agreement may obligate the United States to make outlays only to the extent that the budget authority for such outlays is available pursuant to subsection (c) or has otherwise been provided in advance in appropriation Acts);

"(5) coordinate programs established under this section with other foreign assistance activities carried out by the United States; and

"(6) to the extent practicable, augment the funds available for programs established under this section through the use of foreign currencies that accrue from the sale of agricultural commodities under this Act, and local currencies generated from other types of foreign assistance activities.

"(b) DEFINITIONS.—The following definitions apply for purposes of this section:

"(1) EMERGING DEMOCRACY.—The term 'emerging democracy' means a country that is taking steps toward—

"(A) political pluralism, based on progress toward free and fair elections and a multiparty political system;

"(B) economic reform, based on progress toward a market-oriented economy;

"(C) respect for internationally recognized human rights; and

"(D) a willingness to build a friendly relationship with the United States.

"(2) MIDDLE INCOME COUNTRY.—The term 'middle income country' means a country that has developed economically to the point where it does not receive bilateral development assistance from the United States.

"(c) MINIMUM FUNDING.—Notwithstanding any other provision of law, not less than 0.2 percent of the amounts made available for each of the fiscal years 1991 through 1995 to carry out this Act, in addition to any funds that may be specifically appropriated to carry out this section, shall be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries.

"TITLE VI—ENTERPRISE FOR THE AMERICAS INITIATIVE

"SEC. 601. ESTABLISHMENT OF THE FACILITY.

"There is established in the Department of the Treasury an entity to be known as the 'Enterprise for the Americas Facility' (hereafter referred to in this title as the 'Facility').

"SEC. 602. PURPOSE.

"The purpose of this title is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with inter-related actions to promote debt reduction, investment reforms, and community-based conservation and sustainable use of the environment. The Facility will support such objectives through the administration of debt reduction operations relating to those countries that meet investment reform and other policy conditions provided for in this title.

"SEC. 603. ELIGIBILITY FOR BENEFITS UNDER THE FACILITY.

"(a) REQUIREMENTS.—To be eligible for benefits from the Facility under this title, a country shall—

"(1) be a Latin American or Caribbean country;

"(2) have in effect or have received approval for, or, as appropriate in exceptional circumstances, be making significant progress towards the establishment of—

"(A) an International Monetary Fund (hereafter referred to in this title as the 'IMF') standby arrangement, extended IMF arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, an IMF-monitored program or its equivalent; and

"(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development (hereafter referred to in this title as the 'World Bank') or the International Development Association (hereafter referred to in this title as the 'IDA');

"(3) have placed into effect major investment reforms in conjunction with an Inter-American Development Bank (hereafter referred to as the 'IDB') loan or otherwise be implementing, or making significant progress towards an open investment regime; and

"(4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

"(b) ELIGIBILITY DETERMINATION.—The President shall determine whether a country is an eligible country for purposes of subsection (a).

"SEC. 604. REDUCTION OF CERTAIN DEBT.

"(a) AUTHORITY TO REDUCE DEBT.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the President may reduce the amount owed to the United States or any agency of the United States, and outstanding as of January 1, 1990, as a result of any credits extended under title I to a country eligible for benefits from the Facility.

"(2) AVALIABILITY OF APPROPRIATIONS.—The authorities under this section may be exercised only to the extent provided for in advance in appropriation Acts.

"(b) LIMITATION.—A debt reduction authorized under subsection (a) shall be accomplished, at the direction of the Facility, through the exchange of a new obligation under this title for obligations of the type referred to in subsection (a) outstanding as of January 1, 1990.

"(c) EXCHANGE OF OBLIGATIONS.—The Facility shall notify the Commodity Credit Corporation of an agreement entered into under subsection (b) with an eligible country to exchange a new obligation for outstanding obligations. At the direction of the Facility, the old obligations that are the subject of the agreement may be canceled and a new debt obligation may be established for the country relating to the agreement. The Commodity Credit Corporation shall make an adjustment in its accounts to reflect a debt reduction under this section.

"SEC. 605. REPAYMENT OF PRINCIPAL.

"(a) CURRENCY OF PAYMENT.—The principal amount owed under each new obligation issued under section 604 shall be repaid in United States dollars.

"(b) DEPOSIT OF PAYMENTS.—Principal repayments on new obligations issued under section 604 shall be deposited in Commodity Credit Corporation accounts.

"SEC. 606. INTEREST OF NEW OBLIGATIONS.

"(a) RATE OF INTEREST.—New obligations issued to an eligible country under section 604 shall bear interest at a concessional rate.

"(b) CURRENCY OF PAYMENT, DEPOSITS.—

"(1) UNITED STATES DOLLARS.—An eligible country to which a new obligation has been issued under section 604 that has not entered into an agreement under section 607, shall be required to pay interest on such obligation in United States dollars which shall be deposited in Commodity Credit Corporation accounts.

"(2) LOCAL CURRENCY.—If an eligible country to which a new obligation has been issued under section 604 has entered into an agreement under section 607, interest under such obligation may be paid in the local currency of the eligible country and deposited into an Environmental Fund as provided for in section 608. Such interest shall be the property of the eligible country until such time as it is disbursed under section 608. Such local currencies shall be used for the purposes specified in the agreement entered into under section 607.

"(c) INTEREST PREVIOUSLY PAID.—If an eligible country to which a new obligation has been issued under section 604 enters into an agreement under section 607 subsequent to the date on which interest first becomes due on such new obligation, any interest paid on such new obligation prior to such agreement being entered into shall not be redeposited into the Fund established for the eligible country under section 608(a) but shall be deposited into Commodity Credit Corporation.

"SEC. 607. ENVIRONMENTAL FRAMEWORK AGREEMENTS.

"(a) AUTHORITY.—The President is authorized to enter into an environmental framework agreement with each country eligible for benefits from the Facility concerning the operation and use of an Enterprise for the Americas Environmental Fund (hereafter referred to in this title as the 'Environmental' Fund) established under section 608 for that country. The President shall consult with

the Board established under section 610 when entering into such agreements.

"(b) REQUIREMENTS.—An environmental framework agreement entered into under this section shall—

"(1) require the eligible country to establish an Environmental Fund;

"(2) require the eligible country to make interest payments under section 608(a) into the Environmental Fund;

"(3) require the eligible country to make prompt disbursements from the Environmental Fund to the body described in subsection (c);

"(4) where appropriate, seek to maintain the value of the local currency resources deposited into the appropriate Environmental Fund in terms of United States dollars;

"(5) specify, in accordance with section 612, the purposes for which the Environmental Fund may be used; and

"(6) contain reasonable provisions for the enforcement of the terms of the agreement.

"(c) ADMINISTERING BODY.—Funds disbursed from the Environmental Fund in an eligible country shall be administered by a body constituted under the laws of the country. Such body shall—

"(1) be composed of—

"(A) one or more representatives appointed by the President;

"(B) one or more representatives appointed by the eligible country; and

"(C) representatives from a broad range of environmental and local community development nongovernmental organizations of the host country;

the majority of which shall be local representatives from nongovernmental organizations, and scientific or academic bodies;

"(2) receive proposals for grant assistance from local organizations, and make grants to such organizations in accordance with the priorities agreed upon in the framework agreement and consistent with the overall purposes of section 612;

"(3) be responsible for the management of the program and oversight of grant activities funded from resources of the Environmental Fund;

"(4) be subject to fiscal audits by an independent auditor on an annual basis;

"(5) present an annual program for review by the Board established under section 610 each year;

"(6) present an annual report on the activities undertaken during the previous year to the Chairman of the Board established under section 610, and the government of the eligible country each year; and

"(7) have any grant over $100,000 be subject to veto by the United States and the government of the eligible country.

"SEC. 608. ENTERPRISE FOR THE AMERICAS ENVIRONMENTAL FUNDS.

"(a) ESTABLISHMENT.—An eligible country shall, under the terms of an environmental framework agreement entered into under section 607, establish an Environmental Fund to receive payments in local currency pursuant to section 607(b)(1).

"(b) INVESTMENT.—Amounts deposited into an Environmental Fund shall be invested until disbursed. Notwithstanding any other provision of law, any return on such investment may be retained by the Environmental Fund and need not be deposited to the account of the Commodity Credit Corporation and may be retained without further appropriation by Congress.

"SEC. 609. DISBURSEMENT OF ENVIRONMENTAL FUNDS.

"Funds in an Environmental Fund shall be disbursed only pursuant to a framework agreement entered into pursuant to section 607.

"SEC. 610. ENVIRONMENT FOR THE AMERICAS BOARD.

"(a) ESTABLISHMENT.—There is established a board to be known as the 'Environment for the Americas Board' (hereafter referred to in this title as the 'Board').

"(b) MEMBERSHIP AND CHAIRPERSON.—

"(1) MEMBERSHIP.—The Board shall be composed of—

"(A) five representatives from the United States Government; and

"(B) four representatives from private nongovernmental environmental, community development, scientific, and academic organizations with experience and expertise in Latin America and the Caribbean;

to be appointed by the President.

"(2) CHAIRPERSON.—The Board shall be headed by a chairperson who shall be appointed by the President from among the representatives appointed under paragraph (1)(A).

"(c) RESPONSIBILITIES.—The Board shall—

"(1) advise the President on the negotiations for the environmental framework agreements described in subsections (a) and (b) of section 607;

"(2) ensure, in consultation with the government of the appropriate eligible country, with nongovernmental organizations of such eligible country, and if appropriate, of the region, and with environmental, scientific, and academic leaders of such eligible country and, as appropriate, of the region, that a suitable body referred to in section 607(c) is identified; and

"(3) review the programs, operations, and fiscal audits of the bodies referred to in section 607(c).

"SEC. 611. OVERSIGHT.

"The President may designate appropriate United States agencies to review the implementation of programs under this title and the fiscal audits relating to such programs. Such oversight shall not constitute active management of an Environmental Fund.

"SEC. 612. ELIGIBLE ACTIVITIES AND GRANTEES.

"(a) ELIGIBLE ENTITIES.—Activities eligible to receive assistance through the framework agreements entered into under section 607, shall include—

"(1) activities of the type described in the Global Environmental Protection Assistance Act of 1989 (22 U.S.C. 462), and—

"(2) agriculture-related activities, including those that provide for the biological prevention and control of animal and plant pests and diseases, to benefit the environment; and

"(3) local community initiatives that promote conservation and sustainable use of the environment.

"(b) REGULATION.—All activities of the type referred to in subsection (a) shall, where appropriate, include initiatives that link conservation of natural resources with local community development.

"(c) SETTING OF PRIORITIES.—Appropriate activities and priorities relating to the use of an Environmental Fund shall be set by local nongovernmental organizations within the appropriate eligible country.

"(d) GRANTS.—Grants may be made by the body referred to in section 607(c) from the Environmental Fund for environmental purposes to—

"(1) host country nongovernmental environmental, conservation, development, educational, and indigenous peoples organizations;

"(2) other appropriate local or regional entities; or

"(3) in exceptional circumstances, the government of the eligible country.

"(e) PRIORITY.—In providing assistance from an Environmental Fund, the body established under section 607(c) within the eligible country shall give priority to projects that are run by nongovernmental organizations and other private entities, and that involve local communities in their planning and execution.

"SEC. 613. ENCOURAGING MULTILATERAL DEBT DONATIONS.

"(a) ENCOURAGING DONATIONS FROM OFFICIAL CREDITORS.—The President should actively encourage other official creditors of an eligible country to provide debt reduction to such eligible country.

"(b) ENCOURAGING DONATIONS FROM OTHER SOURCES.—The President shall make every effort to insure that programs established through Environmental Funds are able to receive donations from private and public entities, and private creditors of the eligible country.

"SEC. 614. ANNUAL REPORT TO CONGRESS.

"Not later than December 31 of each fiscal year, the President shall prepare and submit to the Speaker of the House of Representatives and the President Pro Tempore of the Senate an annual report concerning the operation of the Facility for the prior fiscal year.".

SEC. 1513. EFFECTIVE DATE.

The amendment made by section 1512 shall become effective on January 1, 1991.

SEC. 1514. AMENDMENTS TO SECTION 416 OF THE AGRICULTURAL ACT OF 1949.

Section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)) is amended—

(1) in paragraph (1), by striking "title II" and inserting "titles II and III";

(2) in paragraph (3)(B)(i), by striking "401(b)" and inserting "403(a)";

(3) in paragraph 5(A), by striking "203" and inserting "406";

(4) in paragraph (6), by striking "203" and inserting "406"; and

(5) in paragraph (7)—

(A) by striking "title II" in subparagraph (D)(iii) and inserting "titles II and III"; and

(B) by adding at the end thereof the following new subparagraph:

"(F) The provisions of sections 403(i) and 407(c) of the Agricultural Trade Development and Assistance Act of 1954 shall apply to donations, sales and barters of eligible commodities under this subsection.".

SEC. 1515. CONFORMING AMENDMENTS AND TECHNICAL CHANGES.

(a) AGRICULTURE AND FOOD ACT OF 1981.—Section 1208(d)(2) of the Agriculture and Food Act of 1981 (7 U.S.C. 1736n) is amended by striking "408(a)" and inserting "407(g)".

(b) AGRICULTURAL AND TRADE MISSIONS ACT.—Section7(4)(A) of the Agricultural and Trade Missions Act (7 U.S.C. 1736bb-6) is amended by striking "title I and II" and inserting "titles I, II, and III".

(c) FOOD SECURITY ACT OF 1985.—Section 302 of the Food Security Wheat Reserve Act (7 U.S.C. 1736f-1) is amended—

(1) in subsection (c), by striking "401(a)" and inserting "401"; and

(2) in subsection (d), by striking "401(a)" and inserting "401".

SEC. 1516. FOOD FOR PROGRESS.

The Food for Progress Act of 1985 (7 U.S.C. 1736o) is amended—

(1) in subsection (b)—

(A) by striking "countries that" and inserting "developing countries, and countries that are emerging democracies, that", and

(B) by striking "developing countries" and inserting "the governments of such countries, or with private voluntary organizations, nonprofit agricultural organizations, or cooperatives,";

(2) in subsection (d) by striking "with countries";

(3) in subsection (e)(3)—

(A) by striking "to a developing country"; and

(B) by striking "by a developing country";

(4) in subsection (e)(4)—

(A) by striking "to a developing country" both places it appears; and

(B) by striking "section 401(b)" and inserting "sections 402, 403(a), 403(c), and 403(i)";

(5) in subsection (f)(1) by striking "to developing countries";

(6) in subsection (g) by striking "1990" and inserting "1995";

(7) in subsection (j) by striking "entered into with a country", and by inserting "with respect to a country" after "effect";

(8) in subsection (k) by striking "recipient countries" and inserting "the recipient";

(9) in subsection (l) by striking "1990" and inserting "December 31, 1995"; and

(10) by adding at the end the following new subsections:

"(m)(1) To enhance the development of private sector agriculture in countries receiving assistance under this Act the President may, in each of the fiscal years 1991 through 1995, use in addition to any amounts or commodities otherwise made available under this Act for such activities, not to exceed $10,000,000 of Commodity Credit Corporation funds (or commodities of an equal value owned by the Corporation), to provide assistance in the administration, sale, and monitoring of food assistance programs to strengthen private sector agriculture in recipient countries.

"(2) To carry out this subsection, the President may provide agricultural commodities under agreements entered into under this Act in a manner that uses the commodity transaction as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing and distribution of such commodities.

"(3) The President may use the assistance provided under this subsection and local currencies derived from the sale of commodities under paragraph (2) to design, monitor, and administer activities undertaken with such assistance, for the purpose of strengthening or creating the capacity of recipient country private enterprises to undertake commercial transactions, with the overall goal of increasing potential markets for United States agricultural commodities.".

SEC. 1517. DEBT-FOR-HEALTH-AND-PROTECTION SWAP.

(a) DEFINITION.—For purposes of this section, the term "debt-for-health-and-protection swap" means the voluntary cancellation of the foreign debt of the government of a foreign country in exchange for—

(1) the making available by such country, to a grantee under subsection (b), local currencies (including through the issuance of bonds) to be used only for eligible projects involving the research, study, prevention, or control of animal and plant pests and diseases in that country; or

(2) the financial and policy commitment of such country to research, study, prevent, or control animal and plant pests and diseases in that country.

(b) ASSISTANCE FOR COMMERCIAL DEBT SWAP.—

(1) GRANTS.—The Secretary is authorized to furnish assistance in the form of grants, on such terms and conditions as the Secretary determines to be necessary and appropriate, to United States and foreign nongovernmental organizations, including colleges and universities, for the purchase of discounted external commercial debt of a foreign government (on the secondary market) to be canceled under the terms of an agreement that is entered into by the Secretary with that government as part of a debt-for-health-and-protection swap.

(2) INTEREST ON GRANTS.—The recipient of a grant under this section (or any subgrantee of such recipient) may retain the interest earned on the proceeds of any resulting debt-for-health-and-protection swap if such recipient (or subgrantee) disburses such funds for approved program purposes, and such interest need not be deposited in the Treasury of the United States and is not subject to further appropriations by Congress.

(3) REINVESTMENT OF INTEREST.—Interest accrued in accordance with paragraph (2) shall be reinvested by the recipient of the grant under this section in an approved project in the host country or used for the establishment of an endowment for the purpose for which the grant was provided.

(c) ELIGIBLE PROJECTS.—

(1) MUTUAL BENEFIT.—The Secretary shall ensure that a debt-for-health-and-protection swap under this section is designed to be of mutual benefit to both the agricultural sector of the United States and the agricultural sector of the recipient country.

(2) IDENTIFICATION OF IMMEDIATE AREAS OF NEED.—In cooperation with the Agency for International Development, international organizations, domestic or foreign nongovernmental organizations, colleges, and universities, the Secretary shall attempt to identify those areas which, because of their imminent threat to agriculture, are in particular need of immediate attention in terms of supporting and promoting the prevention or control of plant and animal pests and diseases in the Western Hemisphere.

(d) TERMS AND CONDITIONS OF THE EXCHANGE.—

(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary shall issue regulations to implement this section. Such regulations shall include provisions—

(A) that describe the general terms and conditions necessary for any proposed exchange to gain approval under paragraph (2); and

(B) to protect against the use of any assistance provided under subsection (b) that is contrary to the provisions of this section.

(2) OTHER ASSISTANCE.—Grants made under this section are intended to supplement, and not to be a substitute for, any assistance that is otherwise available to a foreign country from the Department of Agriculture.

(3) PROHIBITION.—The Department of Agriculture is prohibited from accepting any title or interest in any project or program under this section, or any interest accrued on the amount of the grant, as a condition of the debt-for-health-and-protection swap.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

Subtitle B—Shipping Provisions

SEC. 1521. EXEMPTION OF AMERICAN GREAT LAKES VESSELS FROM RESTRICTION ON CARRIAGE OF PREFERENCE CARGOES.

(a) EXEMPTION FROM RESTRICTION.—The restriction described in subsection (b) shall not apply to an American Great Lakes vessel while it is so designated.

(b) RESTRICTION DESCRIBED.—The restriction referred to in subsection (a) is the restriction in section 901(b)(1) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)(1)), that a vessel that is—

(1) built outside the United States;

(2) rebuilt outside the United States; or

(3) documented under any foreign registry;

shall not be a privately owned United States-flag commercial vessel under that section until the vessel is documented under the laws of the United States for a period of 3 years.

(c) SUBSEQUENT APPLICATION OF RESTRICTION.—Upon the revocation or termination of a designation of a vessel as an American Great Lakes vessel, the restriction described in subsection (b) shall apply as if the vessel had never been a vessel documented under the laws of the United States.

SEC. 1522. DESIGNATION OF AMERICAN GREAT LAKES VESSELS.

(a) IN GENERAL.—The Secretary shall designate a vessel as an American Great Lakes vessel for purposes of this subtitle if—

(1) the vessel is documented under the laws of the United States;

(2) the Secretary receives an application for such designation submitted in accordance with regulations issued by the Secretary under subsection (d);

(3) the owner of the vessel enters into an agreement in accordance with subsection (b);

(4)(A) the vessel is not more than 6 years old, and not less than 1 year old, on the effective date of the designation; or

(B) the vessel is not more than 11 years old, and not less than 1 year old on the effective date of the designation, and the Secretary determines that suitable vessels are not available for providing the type of service for which the vessel will be used after designation; and

(5) the vessel has not been previously designated as an American Great Lakes vessel.

(b) CONSTRUCTION AND PURCHASE AGREEMENT.—As a condition of designating a vessel as an American Great Lakes vessel under this section, the Secretary shall require the person who will be the owner of the vessel at the time of that designation to enter into an agreement with the Secretary which provides that if the Secretary determines that the vessel is necessary to the defense of the United States, the United States Government shall have, during the 120-day period following the date of any revocation of such designation under section 1524, an exclusive right to purchase the vessel for a price equal to—

(1) the approximate world market value of the vessel; or

(2) the cost of the vessel to the owner less an amount representing reasonable depreciation of the vessel;

whichever is greater.

(c) CERTAIN FOREIGN REGISTRY AND SALE NOT PROHIBITED.—Notwithstanding any other provision of law, if the United States does not purchase a vessel in accordance with its right of purchase under a construction and purchase agreement under subsection (b), the owner of the vessel shall not be prohibited from—

(1) transferring the vessel to a foreign registry; or

(2) selling the vessel to a person who is not a citizen of the United States.

(d) ISSUANCE OF REGULATIONS.—Not later than 60 days after the date of the enactment of this Act, the Secretary shall issue regulations establishing requirements for submission of applications for designation of vessels as American Great Lakes vessels under this section.

SEC. 1523. RESTRICTIONS ON OPERATIONS OF AMERICAN GREAT LAKES VESSELS.

(a) IN GENERAL.—Subject to subsection (b), an American Great Lakes vessel shall not be used—

(1) to engage in trade—

(A) from a port in the United States that is not located on the Great Lakes; or

(B) between ports in the United States;

(2) to carry bulk cargo (as that term is defined in section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702(4)) which is subject to section 901(b) or 901b of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b) or 1241f), or section 2631 of title 10, United States Code; or

(3) to provide any service other than ocean freight service—

(A) as a contract carrier; or

(B) as a common carrier on a fixed advertised schedule offering frequent sailings at regular intervals in the foreign commerce of the United States.

(b) OFF-SEASON CARRIAGE EXCEPTION.—

(1) IN GENERAL.—Subject to paragraph (2), an American Great Lakes vessel may be used to engage in trade otherwise prohibited by subsection (a)(1)(A) for not more than 90 days during any 12-month period.

(2) LIMITATION.—An American Great Lakes vessel shall not be used during the Great Lakes shipping season to engage in trade referred to in paragraph (1).

SEC. 1524. REVOCATION AND TERMINATION OF DESIGNATION.

(a) REVOCATION.—The Secretary, after notice and an opportunity for a hearing, may revoke the designation of a vessel under section 1522 as an American Great Lakes vessel if the Secretary determines that—

(1) the vessel does not meet a requirement for such designation;

(2) the vessel has been operated in violation of this subtitle; or

(3) the owner or operator of the vessel has violated a construction and purchase agreement under section 1522(b).

(b) CIVIL PENALTY.—The Secretary, after notice and an opportunity for a hearing, may assess a civil penalty of not more than $1,000,000 against the owner of an American Great Lakes vessel, for any act for which the designation of that vessel as an American Great Lakes vessel may be revoked under subsection (a).

(c) TERMINATION OF DESIGNATION.—The Secretary may terminate the designation of a vessel as an American Great Lakes vessel under this subtitle upon petition and a showing of good cause for that termination by the owner of the vessel. The Secretary may impose conditions or restrictions in a termination order to prevent significant adverse effects on other United States-flag vessel operators.

SEC. 1525. ALLOCATION BASED ON LOWEST LANDED COST.

Section 901b(c) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241f(c)) is amended—

(1) in paragraph (2)(A) by striking "(A)";

(2) in paragraph (2) by striking subparagraph (B); and

(3) by adding at the end the following:

"(3)(A) Subject to subparagraph (B), in administering sections 901(b) and 901b (46 U.S.C. App. 1241(b) and 1241f), and consistent with those sections, the Commodity Credit Corporation shall take such steps as may be necessary and practicable without detriment to any port range to allocate, on the principle of lowest landed cost without regard to the country of documentation of the vessel, 50 percent of the bagged, processed, or fortified commodities furnished pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1751 et seq.).

"(B) In carrying out this paragraph, the Commodity Credit Corporation shall not allocate to the Great Lakes port range in any year a percentage share of commodities referred to in subparagraph (A) that is greater than the share experienced by that port range in 1984, as determined by the Secretary of Agriculture.

"(4) Amounts of cargo allocated to ports in the Great Lakes port range pursuant to paragraph (3) shall not be exported from a different port range except as necessary to meet United States-flag transportation requirements of sections 901(b) and 901b, in which case within the same year the Commodity Credit Corporation shall take such steps as are necessary and practicable without detriment to any port range to ensure the export from the Great Lakes port range of an amount of tonnage of commodities referred to in paragraph (3)(A) that is not required to be transported on United States-flag vessels, that is equal to the amount of tonnage diverted for export from other port ranges.

"(5) Any determination of nonavailability of United States-flag vessels resulting from the application of this subsection shall not reduce the gross tonnage of commodities required by sections 901(b) and 901b to be transported on United States-flag vessels.".

SEC. 1526. STUDY AND REPORT.

(a) STUDY.—The Secretary, in consultation with the Secretary of Agriculture, shall conduct a study on the implementation of this subtitle. The study shall include analysis of—

(1) the effects of that implementation on diversions of cargo to and from the Great Lakes port range and any resulting effects on the cost of transporting commodities furnished pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1751 et seq.); and

(2) whether the authority to designate vessels as American Great Lakes vessels has increased United States-flag vessel service to Great Lakes ports

(b) REPORT.—Not later than December 31, 1994, the Secretary shall submit a report to the Congress on the findings of the study under subsection (a).

SEC. 1527. DEFINITIONS.

As used in this subtitle—

(1) AMERICAN GREAT LAKES VESSEL.—The term "American Great Lakes vessel" means a vessel which is so designated by the Secretary in accordance with section 1522.

(2) GREAT LAKES.—The term "Great Lakes" means Lake Superior; Lake Michigan; Lake Huron; Lake Erie; Lake Ontario; the Saint Lawrence River west of Saint Regis, New York; and their connecting and tributary waters.

(3) GREAT LAKES SHIPPING SEASON.—The term "Great Lakes shipping season" means the period of each year during which the Saint Lawrence Seaway is open for navigation by vessels, as declared by the Saint Lawrence Seaway Development Corporation created by the Act of May 13, 1954 (33 U.S.C. 981 et seq.).

(4) SECRETARY.—The term "Secretary" means the Secretary of Transportation.

Subtitle C—Export Promotion

SEC. 1531. AMENDMENT TO THE AGRICULTURAL TRADE ACT OF 1978.

The Agricultural Trade Act of 1978 (7 U.S.C. 1761 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Agricultural Trade Act of 1978'.

"TITLE I—GENERAL PROVISIONS

"SEC. 101. PURPOSE.

"It is the purpose of this Act to increase the profitability of farming and to increase opportunities for United States farms and agricultural enterprises by—

"(1) increasing the effectiveness of the Department of Agriculture in agricultural export policy formulation and implementation;

"(2) improving the competitiveness of United States agricultural commodities and products in the world market; and

"(3) providing for the coordination and efficient implementation of all agricultural export programs.

"SEC. 102. DEFINITIONS.

"As used in this Act—

"(1) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, food, feed, or fiber, and any product thereof.

"(2) DEVELOPING COUNTRY.—The term 'developing country' means a country that—

"(A) has a shortage of foreign exchange earnings and has difficulty accessing sufficient commercial credit to meet all of its food needs, as determined by the Secretary; and

"(B) has the potential to become a commercial market for agricultural commodities.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

"(4) SERVICE.—The term 'Service' means the Foreign Agricultural Service of the Department of Agriculture.

"(5) UNFAIR TRADE PRACTICE.—

"(A) IN GENERAL.—Subject to subparagraph (B), the term 'unfair trade practice' means any act, policy, or practice of a foreign country that—

"(i) violates, or is inconsistent with, the provisions of, or otherwise denies benefits to the United States under, any trade agreement to which the United States is a party; or

"(ii) is unjustifiable, unreasonable, or discriminatory and burdens or restricts United States commerce.

"(B) CONSISTENCY WITH 1974 TRADE ACT.—Nothing in this Act may be construed to authorize the Secretary to make any determination regarding an unfair trade practice that is inconsistent with section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

"(6) UNITED STATES.—The term 'United States' includes each of the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

"(7) UNITED STATES AGRICULTURAL COMMODITY.—The term 'United States agricultural commodity' means—

"(A) with respect to any agricultural commodity other than a product of an agricultural commodity, an agricultural commodity entirely produced in the United States; and

"(B) with respect to a product of an agricultural commodity—

"(i) a product all of the agricultural components of which are entirely produced in the United States; or

"(ii) any other product the Secretary may designate that contains any agricultural component that is not entirely produced in the United States if—

"(I) such component is an added, de minimis component,

"(II) such component is not commercially produced in the United States, and

"(III) there is no acceptable substitute for such component that is commercially produced in the United States.

For purposes of this paragraph, fish entirely produced in the United States include fish harvested by a documented fishing vessel as defined in title 46, United States Code, in waters that are not waters (including the territorial sea) of a foreign country.

"SEC. 103. DEVELOPMENT OF AGRICULTURAL TRADE STRATEGY.

"(a) IN GENERAL.—

"(1) DEVELOPMENT OF MULTI-YEAR STRATEGY.—The Secretary shall develop a long-term agricultural trade strategy for the United States to guide the Secretary in the implementation of Federal programs designed to promote the export of United States agricultural commodities.

"(2) FREQUENCY.—A long-term agricultural trade strategy shall be developed under paragraph (1) for each 3-year fiscal period, beginning on October 1, 1991.

"(3) CONSULTATION.—In preparing the strategy under paragraph (1), the Secretary shall consult with—

"(A) the United States Trade Representative to ensure that such strategy is coordinated with the annual national trade policy agenda under section 163 of the Trade Act of 1974 (19 U.S.C. 2122);

"(B) the Agricultural Policy Advisory Committee and Agricultural Technical Advisory Committee established pursuant to section 135 of the Trade Act of 1974 (19 U.S.C. 2155); and

"(C) other interested agencies and persons.

"(b) GOALS.—The long-term agricultural trade strategy established under subsection (a) shall be designed to ensure—

"(1) the growth of exports of United States agricultural commodities;

"(2) the efficient, coordinated use of Federal programs designed to promote the export of United States agricultural commodities;

"(3) the provision of food assistance and the improvement in the commercial potential of markets for United States agricultural commodities in developing countries; and

"(4) the maintenance of traditional markets for United States agricultural commodities.

"(c) CONTENTS.—In developing the long-term agricultural trade strategy under subsection (a), the Secretary shall—

"(1) establish, for the 3-year period for which the strategy is developed, trade goals for the desired levels of exports of United States agricultural commodities, including goals for high value, processed agricultural commodities;

"(2) develop multiyear plans for the implementation and coordination of United States export assistance programs and foreign food assistance programs to meet such agricultural trade goals;

"(3) recommend long-term strategies for growth in agricultural trade and exports, taking into account—

"(A) United States competitiveness in the export of agricultural commodities;

"(B) United States participation in bilateral and multilateral trade negotiations;

"(C) the effects of exchange rate fluctuations and unfair trading practices by foreign governments that limit access to such foreign markets;

"(D) distribution, financing, and other requirements necessary to trade in nonmarket economies;

"(E) the differences in the markets of developed and developing countries (including the amount of outstanding national debt of particular countries); and

"(F) transportation and shipping factors;

"(4) design strategies to make the United States a primary and dependable supplier of agricultural commodities in the world market;

"(5) estimate the level of expenditures and the impact of Federal export programs on exports of United States agricultural commodities in the priority markets identified under subsection (d); and

"(6) consider such other factors as the Secretary determines appropriate.

"(d) ESTABLISHMENT OF PRIORITY MARKETS.—

"(1) DESIGNATION OF GROWTH MARKETS.—The Secretary shall develop a list, for inclusion in the long-term agricultural trade strategy developed under subsection (a), of not less than 15 countries (or groups of countries) that are most likely to emerge as growth markets for United States agricultural commodities during the 3- and 6-fiscal year periods beginning on October 1, 1991.

"(2) PRIORITY FOR GROWTH MARKETS.—The Secretary shall designate countries identified on the list developed under paragraph (1) as priority markets for Federal programs designed to promote the export of United States agricultural commodities (other than those programs designed to provide food assistance under the Agricultural Trade Development and Assistance Act of 1954 (as amended) and the program under section 301.

"(3) ESTABLISHMENT OF MARKET PLANS.—The Secretary shall develop individual market plans for each priority market designated under paragraph (2). Each such market plan shall set forth—

"(A) the trade goals for the desired levels of agricultural exports from the United States to each priority market; and

"(B) specific plans to assist in the export of United States agricultural commodities to, and develop markets for such commodities in, each priority market through Federal programs designed to promote the export of such commodities.

"(e) REVIEW OF STRATEGY.—Not less than once every 3 years, the Secretary shall review the agricultural trade performance of the United States based on the applicable long term agricultural trade strategy.

"(f) CONFIDENTIALITY.—The Secretary may determine that part of the agricultural trade strategy prepared under this section shall not be released to the general public if—

"(1) the Secretary determines that the release of such information would disadvantage the United States in international trade negotiations or with respect to its competitors in specific foreign markets; or

"(2) the Secretary determines that any such information is determined to be confidential business information.

"(g) INFORMATION.—Nothing in this section shall be construed to authorize the withholding of information from Congress.

"(h) TERMINATION.—The provisions of this section shall be effective for the period beginning January 1, 1991, and ending December 31, 1995.

"SEC. 104. PRESERVATION OF TRADITIONAL MARKETS.

"The Secretary shall, in implementing programs of the Department of Agriculture intended to encourage or assist exports of agricultural commodities, seek to preserve traditional markets for United States agricultural commodities.

"SEC. 105. INDEPENDENCE OF AUTHORITIES.

"Each authority granted under this Act shall be in addition to, and not in lieu of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

"TITLE II—AGRICULTURAL EXPORT PROGRAMS

"SEC. 201. DIRECT CREDIT SALES PROGRAM.

"(a) SHORT-TERM PROGRAM.—To promote the sale of agricultural commodities, the Commodity Credit Corporation may finance the commercial export sale of such commodities from privately owned stocks on credit terms for not to exceed a 3-year period.

"(b) INTERMEDIATE-TERM PROGRAM.—Subject to subsection (c), to promote the sale of agricultural commodities the Commodity Credit Corporation may finance the commercial export sales of agricultural commodities from privately owned stocks on credit terms for a period of not less than 3 years nor in excess of 10 years in a manner that will directly benefit United States agricultural producers.

"(c) DETERMINATIONS.—The Commodity Credit Corporation shall not finance an export sale under subsection (b) unless the Secretary determines that such sale will—

"(1) develop, expand, or maintain the importing country as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities, without displacing normal commercial sales;

"(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

"(3) otherwise promote the export of United States agricultural commodities.

"(d) USE OF PROGRAM.—

"(1) GENERAL USES.—The Commodity Credit Corporation may use export sales financing authorized under this section—

"(A) to increase exports of agricultural commodities;

"(B) to compete against foreign agricultural exports;

"(C) to assist countries, particularly developing countries, in meeting their food and fiber needs; and

"(D) for such other purposes as the Secretary determines appropriate consistent with the provisions of subsection (c).

"(2) GENERAL RESTRICTIONS.—Export sales financing authorized under this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales financed under this section.

"(e) TERMS OF CREDIT ASSISTANCE.—Any contract for the financing of exports by the Commodity Credit Corporation under this section shall include—

"(1) a requirement that repayment shall be made in dollars with interest accruing thereon as determined appropriate by the Secretary; and

"(2) a requirement, if the Secretary determines such requirement appropriate to protect the interests of the United States, that an initial payment be made by the purchaser at the time of sale or shipment of the agri-

cultural commodity that is subject to the contract.

"SEC. 202. EXPORT CREDIT GUARANTEE PROGRAM.

"(a) SHORT-TERM CREDIT GUARANTEES.—The Commodity Credit Corporation may guarantee the repayment of credit made available to finance commercial export sales of agricultural commodities from privately owned stocks on credit terms that do not exceed a 3-year period.

"(b) INTERMEDIATE-TERM CREDIT GUARANTEES.—Subject to the provisions of subsection (c), the Commodity Credit Corporation may guarantee the repayment of credit made available by financial institutions in the United States to finance commercial export sales of agricultural commodities from privately owned stocks on credit terms that are for not less than a 3-year period nor for more than a 10-year period in a manner that will directly benefit United States agricultural producers.

"(c) REQUIRED DETERMINATIONS.—The Commodity Credit Corporation shall not guarantee under subsection (b) the repayment of credit made available to finance an export sale unless the Secretary determines that such sale will—

"(1) develop, expand, or maintain the importing country as a foreign market, on a long-term basis, for the commercial sale and export of United States agricultural commodities, without displacing normal commercial sales;

"(2) improve the capability of the importing country to purchase and use, on a long-term basis, United States agricultural commodities; or

"(3) otherwise promote the export of United States agricultural commodities.

"(d) PURPOSE OF PROGRAM.—The Commodity Credit Corporation may use export credit guarantees authorized under this section—

"(1) to increase exports of agricultural commodities;

"(2) to compete against foreign agricultural exports;

"(3) to assist countries, particularly developing countries, in meeting their food and fiber needs; and

"(4) for such other purposes as the Secretary determines appropriate, consistent with the provisions of subsection (c).

"(e) RESTRICTIONS ON USE OF CREDIT GUARANTEES.—Export credit guarantees authorized by this section shall not be used for foreign aid, foreign policy, or debt rescheduling purposes. The provisions of the cargo preference laws shall not apply to export sales with respect to which credit is guaranteed under this section.

"(f) RESTRICTIONS.—The Commodity Credit Corporation shall not make credit guarantees available in connection with sales of agricultural commodities to any country that the Secretary determines cannot adequately service the debt associated with such sale.

"(g) TERMS.—Export credit guarantees issued pursuant to this section shall contain such terms and conditions as the Commodity Credit Corporation determines to be necessary.

"(h) FOREIGN AGRICULTURAL COMPONENTS.—The Commodity Credit Corporation shall finance or guarantee under this section only United States agricultural commodities. The Commodity Credit Corporation shall not finance or guarantee under this section the value of any foreign agricultural component.

"(i) INELIGIBILITY OF FINANCIAL INSTITUTIONS.—A financial institution shall be ineligible to receive an assignment of a credit guarantee or proceeds payable under a credit guarantee issued by the Commodity Credit Corporation under this section if it is determined by the Corporation that such financial institution—

"(1) is not in a sound financial condition;

"(2) is the financial institution issuing the letter of credit or a subsidiary of such institution; or

"(3) is owned or controlled by an entity that owns or controls that financial institution issuing the letter of credit.

"(j) CONDITIONS FOR FISH AND PROCESSED FISH PRODUCTS.—In making available any guarantees of credit under this section in connection with sales of fish and processed fish products, the Secretary shall make such guarantees available under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to sales of other agricultural commodities under this section.

"SEC. 203. MARKET PROMOTION PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall establish and carry out a program to encourage the development, maintenance, and expansion of commercial export markets for agricultural commodities through cost-share assistance to eligible trade organizations that implement a foreign market development program.

"(b) TYPE OF ASSISTANCE.—Assistance under this section may be provided in the form of funds of, or commodities owned by, the Commodity Credit Corporation, as determined appropriate by the Secretary.

"(c) REQUIREMENTS FOR PARTICIPATION.—

"(1) IN GENERAL.—To be eligible for cost-share assistance under this section, an organization shall—

"(A) be an eligible trade organization;

"(B) prepare and submit a marketing plan to the Secretary that meets the guidelines governing such plans established by the Secretary; and

"(C) meet any other requirements established by the Secretary.

"(2) PRIORITY BASIS FOR EXPORT ASSISTANCE.—The Secretary shall provide export assistance under this section on a priority basis in the case of an unfair trade practice.

"(d) ELIGIBLE TRADE ORGANIZATIONS.—An eligible trade organization shall be—

"(1) a United States agricultural trade organization or regional State-related organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities;

"(2) a cooperative organization or State agency that promotes the sale of agricultural commodities; or

"(3) a private organization that promotes the export and sale of agricultural commodities if the Secretary determines that such organization would significantly contribute to United States export market development.

"(e) APPROVED MARKETING PLAN.—

"(1) IN GENERAL—A marketing plan submitted by an eligible trade organization under this section shall describe the advertising or other market oriented export promotion activities to be carried out by the eligible trade organization with respect to which assistance under this section is being requested.

"(2) REQUIREMENTS.—To be approved by the Secretary, a marketing plan submitted under this subsection shall—

"(A) specifically describe the manner in which assistance received by the eligible trade organization in conjunction with funds and services provided by the eligible trade organization will be expended in implementing the marketing plan;

"(B) establish specific market goals to be achieved as a result of the marketing promotion program; and

"(C) contain whatever additional requirements are determined by the Secretary to be necessary.

"(3) AMENDMENTS.—A marketing plan may be amended by the eligible trade organization at any time, with the approval of the Secretary.

"(4) BRANDED PROMOTION.—An agreement entered into under this section may provide for the use of branded advertising to promote the sale of agricultural commodities in a foreign country under such terms and conditions as may be established by the Secretary.

"(f) OTHER TERMS AND CONDITIONS.—

"(1) MULTI-YEAR BASIS.—The Secretary may provide assistance under this section on a multi-year basis, subject to annual review by the Secretary for compliance with the approved marketing plan.

"(2) TERMINATION OF ASSISTANCE.—The Secretary may terminate any assistance made, or to be made, available under this section if the Secretary determines that—

"(A) the eligible trade organization is not adhering to the terms and conditions of the program established under this section;

"(B) the eligible trade organization is not implementing the approved marketing plan or is not adequately meeting the established goals of the marketing promotion program;

"(C) the eligible trade organization is not adequately contributing its own resources to the marketing promotion program;

"(D) the unfair trade practice that was the basis of the provision of assistance has been discontinued and marketing assistance is no longer required to offset its effects; or

"(E) the Secretary determines that termination of assistance in a particular instance is in the best interests of the program.

"(3) EVALUATIONS.—The Secretary shall monitor the expenditure of funds received under this section by recipients of such funds. The Secretary shall make evaluations of such expenditure, including—

"(A) an evaluation of the effectiveness of the program in developing or maintaining markets for United States agricultural commodities;

"(B) an evaluation of whether assistance provided under this section is necessary to maintain such markets; and

"(C) a thorough accounting of the expenditure of such funds by the recipient.

The Secretary shall make an initial evaluation of expenditures of a recipient not later than 15 months after the initial provision of funds to the recipient.

"(g) LEVEL OF MARKETING ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall justify in writing the level of assistance provided to an eligible trade organization under the program under this section and the level of cost-sharing required of such organization.

"(2) LIMITATION.—Assistance provided under this section for activities describea in subsection (e)(4) shall not exceed 50 percent of the cost of implementing the marketing plan, except that the Secretary may determine not to apply such limitation in the case of agricultural commodities with respect to which there has been a favorable decision by the United States Trade Representative under section 301 of the Trade Act of 1974. Criteria for determining that the limitation shall not apply shall be consistent and documented.

"(3) STAGED REDUCTION IN ASSISTANCE.—In the case of participants that received assist-

ance under section 1124 of the Food Security Act of 1985 prior to the date of enactment of this Act and with respect to which assistance under this section would be limited under paragraph (2), any such reduction in assistance shall be phased down in equal increments over a 5-year period.

"SEC. 204. BARTER OF AGRICULTURAL COMMODITIES.

"(a) IN GENERAL.—The Secretary or the Commodity Credit Corporation may provide eligible commodities in barter for foreign products under such terms and conditions as the Secretary or the Corporation shall prescribe.

"(b) ELIGIBLE COMMODITIES.—Unless otherwise specified, eligible commodities shall include—

"(1) agricultural commodities acquired by the Commodity Credit Corporation through price support operations; and

"(2) agricultural commodities acquired by the Secretary or the Commodity Credit Corporation in the normal course of business and available for disposition.

"(c) BARTER BY EXPORTERS OF AGRICULTURAL COMMODITIES.—

"(1) PURPOSE.—The Secretary or the Commodity Credit Corporation shall encourage exporters of agricultural commodities to barter such commodities for foreign products—

"(A) to acquire such foreign products needed by such exporters; and

"(B) to develop, maintain, or expand foreign markets for United States agricultural exports.

"(2) ELIGIBLE ACTIVITIES.—The Secretary or the Commodity Credit Corporation may provide eligible commodities to exporters to assist such exporters in barter transactions.

"(3) TECHNICAL ASSISTANCE.—The Secretary or the Commodity Credit Corporation shall provide technical advice and assistance relating to the barter of agricultural commodities to any United States exporter who requests such advice or assistance.

"(d) TRANSFER OF FOREIGN PRODUCTS TO OTHER GOVERNMENT AGENCY OR PRIVATE PARTIES.—The Secretary or the Commodity Credit Corporation may transfer any foreign products that the Secretary or such Corporation obtains through barter activities to other government agencies if the Corporation receives assurances that it will receive full reimbursement from the agency within the same fiscal year in which such transfer occurs.

"(e) CORPORATION AUTHORITY NOT LIMITED.—Nothing contained in this section shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such foreign materials as such Corporation determines appropriate in carrying out the functions and protecting the assets of the Corporation.

"(f) PROHIBITED ACTIVITIES.—The Secretary or the Commodity Credit Corporation shall take reasonable precautions to prevent the misuse of eligible commodities in a barter or exchange program, including activities that—

"(1) displace or interfere with commercial sales of United States agricultural commodities that otherwise might be made;

"(2) unduly disrupt world prices of agricultural commodities or the normal patterns of commercial trade with recipient countries; or

"(3) permit the resale or transshipment of eligible commodities to countries other than the intended recipient country.

"SEC. 205. COMBINATION OF PROGRAMS.

"The Commodity Credit Corporation may carry out a program under which commercial export credit guarantees available under section 202 are combined with direct credits from the Commodity Credit Corporation under section 201 to reduce the effective rate of interest on export sales of agricultural commodities.

"Subtitle B—Implementation

"SEC. 211. FUNDING LEVELS.

"(a) DIRECT CREDIT PROGRAMS.—The Commodity Credit Corporation may make available for each fiscal year such funds of the Commodity Credit Corporation as it determines necessary to carry out any direct credit program established under section 201.

"(b) EXPORT CREDIT GUARANTEE PROGRAMS.—

"(1) SHORT-TERM GUARANTEES.—

"(A) MINIMUM AMOUNTS.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $5,000,000,000 in credit guarantees under section 202(a).

"(B) LIMITATION ON ORIGINATION FEE.—Notwithstanding any other provision of law, the Secretary may not charge an origination fee with respect to any credit guarantee transaction under section 202(a) in excess of an amount equal to one percent of the amount of credit extended under the transaction.

"(2) INTERMEDIATE-TERM CREDIT GUARANTEES.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 in credit guarantees under section 202(b).

"(c) MARKETING PROMOTION PROGRAMS.—The Commodity Credit Corporation or the Secretary shall make available for market promotion activities authorized to be carried out by the Commodity Credit Corporation under section 203—

"(1) in addition to any funds that may be specifically appropriated to implement a market development program, not less than $200,000,000 for each of the fiscal years 1991 through 1995 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation; and

"(2) any funds that may be specifically appropriated to carry out a marketing promotion program under section 203.

"TITLE III—RESPONSE TO UNFAIR TRADE PRACTICES

"SEC. 301. EXPORT ENHANCEMENT PROGRAM.

"(a) IN GENERAL.—The Commodity Credit Corporation shall carry out in accordance with this section a program to discourage unfair trade practices by making United States agricultural commodities competitive.

"(b) EXPORT BONUS.—

"(1) IN GENERAL.—In carrying out the program established under this section, the Commodity Credit Corporation may—

"(A) make agricultural commodities, acquired by the Commodity Credit Corporation, available to exporters, users, processors, or foreign purchasers at no cost either directly or through the issuance of commodity certificates; and

"(B) make cash payments to exporters, users, and processors.

"(2) CALCULATION OF BONUS LEVELS.—The Commodity Credit Corporation shall—

"(A) maintain an established procedure for evaluating program bonus requests, with guidelines for determining prevailing market prices for targeted commodities and destinations to be used in the calculation of acceptable bonus levels;

"(B) use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels and for determining the amount of such costs actually incurred; and

"(C) maintain consistent and effective controls and procedures for auditing and reviewing payment of bonuses and for securing refunds where appropriate.

"(3) DISCLOSURE OF INFORMATION.—The Secretary may, notwithstanding the provisions of section 552 of title 5, United States Code, provide for withholding from the public the procedures and guidelines established under paragraphs (2) (A) and (B) if the Secretary determines that release of such information would adversely affect the operation of the program. Nothing in this paragraph shall be construed to authorize the withholding of information, including such procedures and guidelines, from the Congress.

"(4) COMPETITIVE DISADVANTAGE.—The Secretary shall take such action as is necessary to ensure that equal treatment is provided to domestic and foreign purchasers and users of agricultural commodities in any case in which the importation of a manufactured product made, in whole or in part, from a commodity made available for export under this section would place domestic users of the commodity at a competitive disadvantage.

"(5) DIFFERENT COMMODITIES.—The Commodity Credit Corporation may provide to an exporter, user, or processor, or foreign purchaser, under the program established under this section, agricultural commodities of a kind different than the agricultural commodity involved in the transaction for which assistance under this section is being provided.

"(6) OTHER EXPORT PROGRAMS.—The Commodity Credit Corporation may provide bonuses under this section in conjunction with other export promotion programs conducted by the Secretary or the Commodity Credit Corporation.

"(7) AVOIDANCE OF PREFERENTIAL APPLICATION.—When using the authorities of this section to promote the exporting of wheat, the Secretary shall make reasonable efforts to avoid giving a preference to one class of wheat disproportionately more than another class.

"(8) DISPLACEMENT.—The Secretary shall avoid the displacement of usual marketings of United States agricultural commodities in carrying out this section.

"(c) PRIORITY IN THE CASE OF LIVESTOCK.—In the case of proposals for bonuses for dairy cattle or other appropriate livestock, the Commodity Credit Corporation shall give priority to proposals that include, in connection with the purchase of the livestock, appropriate herd management training, veterinary services, nutritional training, and other technical assistance necessary for the adaptation of the livestock to foreign environments.

"(d) INAPPLICABILITY OF PRICE RESTRICTIONS.—Any price restrictions that otherwise may be applicable to dispositions of agricultural commodities owned by the Commodity Credit Corporation shall not apply to agricultural commodities provided under this section.

"(e) FUNDING LEVELS.—The Commodity Credit Corporation shall make available for each of the fiscal years 1991 through 1995 not less than $500,000,000 of the funds or commodities of the Commodity Credit Corporation to carry out the program established under this section.

"(g) EFFECT ON THIRD COUNTRIES.—It is not the purpose of the program established

under this section to affect adversely the exports of fairly traded agricultural commodities.

"SEC. 302. RELIEF FROM UNFAIR TRADE PRACTICES.

"(a) USE OF PROGRAMS.—

"(1) IN GENERAL.—The Secretary may, for each article described in paragraph (2), make available some or all of the commercial export promotion programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the effects of the unfair trade practice serving as the basis for the proceeding described in paragraph (2).

"(2) COMMODITIES SPECIFIED.—Paragraph (1) shall apply in the case of articles for which the United States has instituted, under any international trade agreement, any dispute settlement proceeding based on an unfair trade practice if such proceeding has been prevented from progressing to a decision by the refusal of the party maintaining the unfair trade practice to permit the proceeding to progress.

"(b) CONSULTATIONS REQUIRED.—For any article described in subsection (a)(2), the Secretary shall—

"(1) promptly consult with representatives of the industry producing such articles and other allied groups or individuals regarding specific actions or the development of an integrated marketing strategy utilizing some or all of the commercial export programs of the Department of Agriculture and the Commodity Credit Corporation to help mitigate or offset the effects of the unfair trade practice identified in subsection (a)(2); and

"(2) ascertain and take into account the industry preference for the practical use of available commercial export promotion programs in implementing subsection (a)(1).

"SEC. 303. EQUITABLE TREATMENT OF HIGH-VALUE AND VALUE-ADDED UNITED STATES AGRICULTURAL COMMODITIES.

"In the case of any program, such as that established under section 301, operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for program activities involving the export sales of high-value agricultural commodities and value-added products of United States agricultural commodities.

"TITLE IV—GENERAL PROVISIONS

"Subtitle A—Program Controls

"SEC. 401. PROGRAM CONTROLS FOR EXPORT PROGRAMS.

"(a) ARRIVAL CERTIFICATION.—With respect to commodities or other assistance provided, or for which financing or credit guarantees are made available, under the programs authorized in sections 201, 202, and 301, the Commodity Credit Corporation shall—

"(1) require the exporter to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and have access to such documents or records as needed to verify the arrival of agricultural commodities exported in connection with such programs in the countries that were the intended destination of such commodities; and

"(2) obtain certification from the seller or exporter of record of such commodities, that there were no corrupt payments or extra sales services, or other items extraneous to the transaction provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law.

"(b) DIVERSION.—The unauthorized diversion of commodities under the programs authorized in sections 201, 202, and 301 is prohibited. The Commodity Credit Corporation shall establish procedures providing for the annual audit of a sufficient number of export transactions under such programs to ensure that the agricultural commodities that were the subject of such transactions arrived in the country of destination as provided in the sales agreement.

"(c) GOOD FAITH.—The failure of an exporter, seller or other person to comply with the provisions of this section shall not affect the validity of any credit guarantee or other obligation of the Commodity Credit Corporation under the programs under this Act with respect to any exporter, seller, or person who had no knowledge of such failure to comply at the time such exporter, seller, or person was assigned the credit guarantee or at the time the Corporation entered into such obligation.

"SEC. 402. COMPLIANCE PROVISIONS.

"(a) RECORDS.—

"(1) IN GENERAL.—In the administration of the programs established under sections 201, 202, 203, and 301 the Secretary shall require by regulation each exporter or other participant under the program to maintain all records concerning a program transaction for a period of not to exceed 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

"(2) NONPROGRAM TRANSACTIONS.—The Secretary may require by regulation an exporter or other participant in the programs to make records available to the Secretary with respect to non-program transactions if such records would pertain directly to the review of program-related transactions undertaken by such exporter or participant, as determined by the Secretary.

"(3) CONFIDENTIALITY.—The personally identifiable information contained in reports under subsection (a) may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.

"(b) VIOLATION.—If any exporter, assignee, or other participant has engaged in fraud with respect to the programs authorized under this Act, or has otherwise violated program requirements under this Act, the Commodity Credit Corporation may—

"(1) hold such exporter, assignee, or participant liable for any and all losses to the Corporation resulting from such fraud or violation;

"(2) require a refund of any assistance provided to such exporter, assignee, or participant plus interest, as determined by the Secretary; and

"(3) collect liquidated damages from such exporter, assignee, or participant in an amount determined appropriate by the Secretary.

The provisions of this subsection shall be without prejudice to any other remedy that is available under any other provision of law.

"(c) SUSPENSION AND DEBARMENT.—The Commodity Credit Corporation may suspend or debar for 1 or more years any exporter, assignee, or other participant from participation in one or more of the programs authorized by this Act if the Corporation determines, after opportunity for a hearing, that such exporter, assignee, or other participant has violated the terms and conditions of the program or of this Act and that the violation is of such a nature as to warrant suspension or debarment.

"(d) FALSE CERTIFICATIONS.—The provisions of section 1001 of title 18, United States Code, shall apply to any false certifications issued under this Act.

"SEC. 403. DEPARTMENTAL ADMINISTRATION SYSTEM.

"(a) IN GENERAL.—With respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

"(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

"(2) establish a centralized system to permit the Foreign Agricultural Service to provide the history and current status of any proposal;

"(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

"(4) establish criteria to evaluate loans eligible for guarantees by the Commodity Credit Corporation, so as to ensure that the Corporation does not assume undue risk in providing such guarantees.

"(b) ACCESSIBILITY OF INFORMATION.—Information pertaining to the status of a particular proposal shall be retrievable within the central system by appropriate categories, as determined appropriate by the Secretary.

"SEC. 404. REGULATIONS.

"Not later than 180 days after the date of enactment of this Act, the Secretary shall issue regulations implementing the provisions of this Act, including specific regulations pertaining to program compliance requirements under sections 401 and 402.

"Subtitle B—Miscellaneous Provisions

"SEC. 411. AGRICULTURAL EMBARGO PROTECTION.

"(a) PREREQUISITES; SCOPE OF COMPENSATION.—Notwithstanding any other provision of law, if—

"(1) the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) or under any other provision of law;

"(2) such suspension or restriction of the export of such agricultural commodity is imposed other than in connection with a suspension or restriction of all exports from the United States to such country or area of the world; and

"(3) sales of such agricultural commodity for export from the United States to such country or area of the world during the year preceding the year in which the suspension or restriction is imposed exceeds 3 percent of the total sales of such commodity for export from the United States to all foreign countries during the year preceding the year in which the suspension or restriction is in effect;

the Secretary shall compensate producers of the commodity involved by making payments available to such producers, as provided in subsection (b) of this section.

"(b) AMOUNT OF PAYMENTS.—If the Secretary makes payments available to producers under subsection (a), the amount of such payment shall be determined—

"(1) in the case of an agricultural commodity for which payments are authorized to be made to producers under Title I of the Agricultural Act of 1949 (7 U.S.C. 1441 et seq.), by multiplying—

"(A) the farm program payment yield for the producer or the yield established for the farm for the commodity involved; by

"(B) the crop acreage base established for the commodity; by

"(C) the amount by which the average market price per unit of such commodity received by producers during the 60-day period immediately following the date of the imposition of the suspension or restriction is less than 100 percent of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or

"(2) in the case of other agricultural commodities for which price support is authorized for producers under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), by multiplying the amount by which the average market price per unit of such commodity received by the producers during the 60-day period immediately following the date of the imposition of the suspension or restriction is less than 100 percent of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction, by the quantity of such commodity sold by the producer during the period that the suspension or restriction is in effect.

"(c) TIME FOR PAYMENTS.—Payments under paragraph (1) of subsection (b) shall be made for each marketing year or part thereof during which the suspension or restriction is in effect and shall be made in equal amounts at 90-day intervals, beginning 90 days after the date of the imposition of the suspension or restriction.

"(d) COMMODITY CREDIT CORPORATION.—The Secretary shall use the Commodity Credit Corporation in carrying out the provisions of this section.

"(e) REGULATIONS.—The Secretary may issue such regulations as are determined necessary to carry out this section.

"SEC. 412. DEVELOPMENT OF PLANS TO ALLEVIATE ADVERSE IMPACT OF EMBARGOES.

"To alleviate, to the maximum extent possible, the adverse impact on farmers, elevator operators, common carriers, and exporters of agricultural commodities of the President or other member of the executive branch of the Federal Government causing the export of any agricultural commodity to any country or area of the world to be suspended or restricted, the Secretary of Agriculture shall—

"(1) develop a comprehensive contingency plan that shall include—

"(A) an assessment of existing farm programs with a view to determining whether such programs are sufficiently flexible to enable the Secretary to efficiently and effectively offset the adverse impact of such a suspension or restriction on farmers, elevator operators, common carriers, and exporters of commodities provided for under such programs;

"(B) an evaluation of the kinds and availability of information needed to determine, on an emergency basis, the extent and severity of the impact of such a suspension or restriction on producers, elevator operators, common carriers, and exporters; and

"(C) the development of criteria for determining the extent, if any, to which the impact of such a suspension or restriction should be offset in the case of each of the sectors referred to in paragraph (1)(B);

"(2) for any suspension or restriction for which compensation is not provided under section 411, prepare and submit to the appropriate Committees of Congress such recommendations for changes in existing agricultural programs, or for new programs, as the Secretary considers necessary to handle effectively, efficiently, economically, and fairly the impact of any such suspension or restriction;

"(3) for any suspension or restriction for which compensation is provided under section 411, prepare and submit to the appropriate Committees of Congress a plan for implementing and administering section 411; and

"(4) require the Commodity Credit Corporation, prior to such Corporation purchasing any contracts for the purpose of offsetting the impact of a commodity suspension or restriction, to—

"(A) prepare an economic justification for each commodity involved in the suspension or restriction to determine if such a purchase is necessary;

"(B) estimate any suspension- or restriction-related benefits and detrimental effects to the exporters, and use both estimates in determining the extent, if any, Federal assistance is needed; and

"(C) limit its purchases to only those types and grades of commodities suspended or restricted from shipment and make such purchases at prices at or near the current market prices.

"SEC. 413. CONTRACTING AUTHORITY TO EXPAND AGRICULTURAL EXPORT MARKETS.

"(a) IN GENERAL.—The Secretary may contract with individuals for services to be performed outside the United States as the Secretary determines necessary or appropriate for carrying out programs and activities to maintain, develop, or enhance export markets for United States agricultural commodities and products.

"(b) NOT EMPLOYEES OF THE UNITED STATES.—Individuals referred to in subsection (a) shall not be regarded as officers or employees of the United States.

"SEC. 414. TRADE CONSULTATIONS CONCERNING IMPORTS.

"(a) CONSULTATION BETWEEN AGENCIES.—The Secretary shall require consultation between the Administrator of the Service and the heads of other appropriate agencies and offices of the Department of Agriculture, including the Administrator of the Animal and Plant Health Inspection Service, prior to relaxing or removing any restriction on the importation of any agricultural commodity into the United States.

"(b) CONSULTATION WITH TRADE REPRESENTATIVE.—The Secretary shall consult with the United States Trade Representative prior to relaxing or removing any restriction on the importation of any agricultural commodity or a product thereof into the United States.

"SEC. 415. TECHNICAL ASSISTANCE IN TRADE NEGOTIATIONS.

"The Secretary shall provide technical services to the United States Trade Representative on matters pertaining to agricultural trade and with respect to international negotiations on issues related to agricultural trade.

"SEC. 416. LIMITATION ON USE OF CERTAIN EXPORT PROMOTION PROGRAMS.

"(a) IN GENERAL.—The Secretary may provide that a person shall be ineligible for participation in an export program established under title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.), or in any other export credit, credit guarantee, bonus, or other export program carried out through, or administered by, the Commodity Credit Corporation or carried out with funds made available pursuant to section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c) with respect to the export of any agricultural commodity or product that has been or will be used as the basis for a claim of a refund, as drawback, pursuant to section 313(j)(2) of the Tariff Act of 1930 (19 U.S.C. 1313(j)(2)), of any duty, tax, or fee imposed under Federal law on an imported commodity or product.

"(b) VEGETABLE OIL.—A person shall be ineligible for participation in any of the export programs referred to in subsection (a) with respect to the export of vegetable oil or a vegetable oil product that has been or will be used as the basis for a claim of a refund, as a drawback, pursuant to section 313 of the Tariff Act of 1930, of any duty, tax, or fee imposed under Federal law on an imported commodity or product.

"(c) CERTIFICATION.—If the Secretary takes action under the authority granted under subsection (a), a person applying to export any agricultural commodity under the export programs referred to in subsection (a) shall certify that none of the commodity has been or will be used as the basis of a claim for any refund specified in subsection (a), except that regardless of whether the Secretary takes action under the authority granted under subsection (a), a person applying to export any vegetable oil or vegetable oil product under such programs shall certify that none of the vegetable oil or vegetable oil product has been or will be used as the basis of a claim for any refund specified in subsection (b).

"(d) REGULATIONS.—The Secretary shall promulgate regulations to carry out this section.

"(e) APPLICABILITY.—This section shall not apply to quantities of agricultural commodities and products with respect to which an exporter has entered into a contract, prior to the effective date of this section, for an export sale.

"TITLE V—FOREIGN AGRICULTURAL SERVICE

"SEC. 501. UNDER SECRETARY FOR INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS.

"There is hereby established in the Department of Agriculture the position of Under Secretary of Agriculture for International Affairs and Commodity Programs to be appointed by the President, by and with the advice and consent of the Senate. The Under Secretary of Agriculture for International Affairs and Commodity Programs is authorized to exercise such functions and perform such duties related to foreign agriculture and agricultural stabilization and conservation, and shall perform such other duties, as may be required by law or prescribed by the Secretary of Agriculture.

"SEC. 502. ADMINISTRATOR OF THE FOREIGN AGRICULTURAL SERVICE.

"(a) ESTABLISHMENT.—There is hereby established in the Department of Agriculture the position of Administrator of the Foreign Agricultural Service.

"(b) DUTIES.—The Administrator of the Foreign Agricultural Service is authorized to exercise such functions and perform such duties related to foreign agriculture, and shall perform such other duties, as may be required by law or prescribed by the Secretary of Agriculture.

"(c) USE OF SERVICE.—In carrying out the duties under this section, the Administrator shall oversee the operations of the Foreign Agricultural Service, the General Sales Manager, and the Agricultural Attache Service.

"SEC. 503. ESTABLISHMENT OF THE FOREIGN AGRICULTURAL SERVICE.

"The Service shall assist the Secretary in carrying out the agricultural trade policy of the United States by acquiring information pertaining to agricultural trade, carrying out market promotion and development activities, and implementing the programs authorized in this Act, the Agricultural Trade Development and Assistance Act of 1954, and other Acts.

"SEC. 504. STAFF OF THE FOREIGN AGRICULTURAL SERVICE.

"(a) PERSONNEL OF THE SERVICE.—To ensure that the agricultural export programs of the United States are carried out in an effective manner, the authorized number of personnel for the Service shall not be less than 900 staff years each fiscal year.

"(b) RANK OF FOREIGN AGRICULTURAL SERVICE OFFICERS IN FOREIGN MISSIONS.—Notwithstanding any other provision of law, the Secretary of State shall, on the request of the Secretary of Agriculture, accord the diplomatic title of Minister-Counselor to the senior Service officer assigned to any United States mission abroad. The number of Service officers holding such diplomatic title at any time may not exceed twelve.

"SEC. 506. AUTHORIZATION OF APPROPRIATIONS.

"There are hereby authorized to be appropriated for the Service such sums as may be necessary to carry out the provisions of this title.

"TITLE VI—REPORTS

"SEC. 601. LONG-TERM AGRICULTURAL TRADE STRATEGY REPORT.

"(a) IN GENERAL.—The Secretary shall periodically prepare a long-term agricultural trade strategy report on the long-term agricultural trade strategy developed by the Secretary under section 104.

"(b) FREQUENCY.—The initial report prepared under subsection (a) shall be submitted under subsection (f) prior to October 1, 1991. Subsequent reports shall be submitted under subsection (f) prior to October 1 of each third fiscal year occurring after fiscal year 1992.

"(c) CONTENTS.—Each report prepared under subsection (a) shall describe in detail each aspect of the long-term agricultural trade strategy prepared under section 104.

"(d) CONSULTATION.—In preparing each report under subsection (a), the Secretary shall consult with the United States Trade Representative to ensure that the report is coordinated with the annual national trade policy agenda that is included in the annual report prepared under section 163 of the Trade Act of 1974 for the relevant fiscal year.

"(e) UPDATE.—The Secretary shall prepare an annual update to the report required under subsection (a) in each of the 2 fiscal years following the year for which a report is prepared under subsection (a). Such updates shall contain a description of any revisions to the long-term agricultural trade strategy under section 104, any changes in law that are necessary to meet the goals of the long-term agricultural trade strategy, and such other information as the Secretary considers appropriate.

"(f) TREATMENT AS ANNUAL BUDGET SUBMISSION.—

"(1) REPORT.—The report required under subsection (a), or the updates required under subsection (e), shall be submitted to Congress annually with the Budget of the United States Government for the appropriate fiscal year.

"(2) RECOMMENDED LEVELS OF SPENDING.—Any provision of a report under subsection (a) or the annual updates under subsection (e) that relates to recommended levels of spending on international activities of the Department of Agriculture shall be included in the Budget of the United States Government submitted by the President for the fiscal year beginning in the year in which such report or update is submitted. Such reports and updates shall be submitted to Congress together with the the budget request for other programs of the Department of Agriculture for such fiscal year.

"(g) AVAILABILITY OF REPORT.—

"(1) SUBMISSION TO CONGRESS.—The Secretary shall submit each report required under subsection (a) and the updates to such report under subsection (e) to the Committee on Agriculture, the Committee on Foreign Affairs, and the Committee on Ways and Means of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate.

"(2) AVAILABILITY TO PUBLIC.—Except as provided in paragraph (3), the Secretary may make the report required under subsection (a) and the updates under subsection (e) available to the general public, including the department of agriculture of any State.

"(3) CONFIDENTIALITY.—The Secretary may designate parts of the report required under subsection (a) or any update prepared under subsection (e) as confidential and such parts shall not be released to the general public, if—

"(A) the Secretary determines that the release of such information would disadvantage the United States with respect to its competitors in specific foreign markets; or

"(B) the Secretary determines that any of such information is confidential business information.

"(4) EXCEPTION OF PERFORMANCE.—The provisions of paragraph (3)(A) shall not be applicable with respect to that part of the agricultural trade strategy under section 104 that reviews the agricultural trade performance of the United States over the previous 3-year period.

"SEC. 602. EXPORT REPORTING AND CONTRACT SANCTITY.

"(a) EXPORT SALES REPORTS.—

"(1) IN GENERAL.—All exporters of wheat and wheat flour, feed grains, oil seeds, cotton and products thereof, and other commodities that the Secretary may designate as produced in the United States shall report to the Secretary of Agriculture, on a weekly basis, the following information regarding any contract for export sales entered into or subsequently modified in any manner during the reporting period:

"(A) type, class, and quantity of the commodity sought to be exported;

"(B) the marketing year of shipment; and

"(C) destination, if known.

"(2) CONFIDENTIALITY AND COMPILATION OF REPORTS.—Individual reports shall remain confidential in accordance with subsection (c) but shall be compiled by the Secretary and published in compilation form each week following the week of reporting.

"(3) IMMEDIATE REPORTING.—All exporters of agricultural commodities produced in the United States shall, upon request of the Secretary, immediately report to the Secretary any information with respect to export sales of agricultural commodities and at such times as the Secretary may request. When the Secretary requires that such information be reported by exporters on a daily basis, the information compiled from individual reports shall be made available to the public daily.

"(4) MONTHLY REPORTING PERMITTED.—The Secretary may, with respect to any commodity or type or class thereof during any period in which the Secretary determines that—

"(A) there is a domestic supply of such commodity substantially in excess of the quantity needed to meet domestic requirements,

"(B) total supplies of such commodity in the exporting countries are estimated to be in surplus,

"(C) anticipated exports will not result in excessive drain on domestic supplies, and

"(D) to require the reports to be made will unduly hamper export sales,

provide for such reports by exporters and publishing of such data to be on a monthly basis rather than on a weekly basis.

"(b) FAILURE TO REPORT.—Any person who knowingly fails to make any report required under this section shall be fined not more than $25,000 or imprisoned for not more than 1 year, or both.

"(c) CONTRACT SANCTITY.—Notwithstanding any other provision of law, the President shall not prohibit or curtail the export of any agricultural commodity under an export sales contract—

"(1) that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity, and

"(2) the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed,

except that the President may prohibit or curtail the export of any agricultural commodity during a period for which the President has declared a national emergency or for which the Congress has declared war.

"SEC. 603. OTHER REPORTS TO CONGRESS.

The Secretary shall, on a quarterly basis, prepare and submit to the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report specifying the cumulative amount of export assistance provided by the Commodity Credit Corporation and the Secretary under the programs provided under this Act, the Commodity Credit Corporation Charter Act, and under the Agricultural Trade Development and Assistance Act of 1954 during the current fiscal year. Such information may be provided in individual reports, in a consolidated report, or in the Long-Term Agricultural Trade Strategy Report (and annual updates to such report) prepared under section 601.".

SEC. 1532. AMENDMENT TO THE AGRICULTURAL ACT OF 1954.

The Agricultural Act of 1954 (7 U.S.C. 1741 et seq.) is amended by adding at the end thereof the following new sections:

"SEC. 108. ANNUAL REPORTS BY AGRICULTURAL ATTACHES.

"(a) IN GENERAL.—The Secretary shall require appropriate officers and employees of the Department of Agriculture, including those stationed in foreign countries, to prepare and submit annually to the Secretary detailed reports that—

"(1) document the nature and extent of—

"(A) programs in such countries that provide direct or indirect government support

for the export of agricultural commodities and the products thereof;

"(B) other trade practices that may impede the entry of United States agricultural commodities and the products thereof into such countries; and

"(C) where practicable, the average prices and costs of production in such countries for like commodities exported from the United States to such countries; and

"(2) identify opportunities for the export of United States agricultural commodities and the products thereof to such countries.

"(b) DUTIES.—The Secretary shall—

"(1) annually compile the information contained in reports prepared under subsection (a)—

"(A) on a country by country basis; and

"(B) on a commodity by commodity basis for exports of United States agricultural commodities including fruits, vegetables, legumes, popcorn and ducks, as determined appropriate by the Secretary, the export of which is hampered by an unfair trade practice. Where practicable, the report shall include a comparison of the average prices and costs of production for such commodities in the United States and in the importing countries for the previous crop year.

"(2) in consultation with the agricultural technical advisory committees established under section 135(c) of the Trade Act of 1974 (19 U.S.C. 2155(c)), include in the compilation a priority ranking of those trade barriers identified in subsection (a) by commodity group;

"(3) include in the compilation a list of actions undertaken to reduce or eliminate such trade barriers; and

"(4) not later than January 15 of each year, make the compilation available to Congress, the trade assistance office authorized under section 504 of the Agricultural Trade Act of 1978 (as amended by section 201), the agricultural policy advisory committee, and other interested parties.

"(c) MEETING.—The Secretary and the United States Trade Representative shall convene a meeting, at least once each year, of the Agricultural Policy Advisory Committee and the agricultural technical advisory committees to develop specific recommendations for actions to be taken by the Federal Government and private industry to—

"(1) reduce or eliminate trade barriers or distortions identified in the annual reports required to be submitted under subsections (a) and (b); and

"(2) expand United States agricultural export opportunities identified in such annual reports.

"SEC. 109. ATTACHE EDUCATIONAL PROGRAM.

"The Administrator of the Foreign Agricultural Service shall establish a program within the Service that directs attaches of the Service who are reassigned from abroad to the United States, and other personnel of the Service, to visit and consult with producers and exporters of agricultural commodities and products and State officials throughout the United States concerning various methods to increase exports of United States agricultural commodities and products.".

Subtitle D—General Provisions

SEC. 1541. COTTONSEED OIL AND SUNFLOWER OIL EXPORTS.

Subparagraph (A) of section 301(b)(2) of the Disaster Assistance Act of 1988 (7 U.S.C. 1464 note) is amended to read as follows:

"(A)(i) Effective for each of the fiscal years 1991 through 1995, $50,000,000 of the funds made available under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c) shall, to the extent provided in appropriations Acts, be utilized during each such fiscal year as provided for in clause (1) of the second sentence of such Act to encourage the sale of additional quantities of sunflowerseed oil and cottonseed oil in world markets at competitive world prices through the payment of benefits in connection with the exportation of such commodities.

"(ii) Clause (i) shall be implemented in such a manner as to maximize the export of such oils by assuring that the sums made available under such clause are fully obligated in the year or years in which—

"(I) such sums are made available; and

"(II) the domestic prices of such oils exceed competitive world prices.

"(iii) In determining sales on which benefits are to be provided under this subparagraph, the Secretary shall take into consideration solely the amount of benefits needed to encourage the sale.

"(iv) In carrying out this subparagraph, the Secretary shall ensure that, to the maximum extent practicable, equivalent amounts of funds are used during each fiscal year to encourage the sale of sunflower seed oil and cottonseed oil in world markets.".

SEC. 1542. PROMOTION OF AGRICULTURAL EXPORTS TO EMERGING DEMOCRACIES.

(a) GUARANTEES TO BE MADE AVAILABLE.—The Commodity Credit Corporation, for the fiscal years 1991 through 1995 shall make available not less than $1,000,000,000 of export credit guarantees for exports to emerging democracies under section 202 of the Agricultural Trade Act of 1978, in addition to the amounts required under section 211 of that Act for such program.

(b) IMPROVEMENT OF FACILITIES.—A portion of such export credit guarantees shall be made available for the establishment or improvement by United States persons of facilities in emerging democracies to improve handling, marketing, processing, storage, or distribution of imported agricultural commodities and products thereof if the Secretary of Agriculture determines that such guarantees will primarily promote the export of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978). The Commodity Credit Corporation shall give priority under this subsection to opportunities or projects identified under subsection (d).

(c) CONSULTATIONS.—Before the authority under this section is exercised, the Secretary of Agriculture shall consult with exporters of United States agricultural commodities (as defined in section 101(6) of the Agricultural Trade Act of 1978), nongovernmental experts, and other Federal Government agencies in order to ensure that facilities in an emerging democracy for which financing is guaranteed under paragraph (1)(B) do not primarily benefit countries which are in close geographic proximity to that emerging democracy.

(d) SHARING UNITED STATES AGRICULTURAL EXPERTISE.—

(1) IN GENERAL.—

(A) ESTABLISHMENT OF PROGRAM.—For each of the fiscal years 1991 through 1995, the Secretary of Agriculture (hereafter in this section referred to as the "Secretary"), in order to develop, maintain, or expand markets for United States agricultural exports, is directed to make available to emerging democracies the expertise of the United States to make assessments of the food and rural business systems needs of such democracies, make recommendations on measures necessary to enhance the effectiveness of those systems, and identify specific opportunities and projects to enhance the effectiveness of those systems.

(B) EXTENT OF PROGRAM.—The Secretary shall implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

(2) EXPERTS FROM THE UNITED STATES.—The Secretary shall implement the requirements of paragraph (1)—

(A) by providing assistance to teams consisting primarily of agricultural consultants and government officials expert in assessing the food and rural business systems of other countries to enable such teams to conduct the assessments, make the recommendations, and identify the opportunities and projects specified in paragraph (1) in emerging democracies; and

(B) by providing necessary subsistence expenses in the United States and necessary transportation expenses by individuals designated by emerging democracies to enable such individuals to consult with food and rural business system experts in the United States to enhance such systems of such emerging democracies.

(3) COST-SHARING.—The Secretary shall encourage the nongovernmental experts described in paragraph (2)(B) to share the costs of, and otherwise assist in, the participation of such experts in the program under this subsection.

(4) TECHNICAL ASSISTANCE.—The Secretary is authorized to provide technical assistance to implement the recommendations, or in connection with the opportunities or projects identified, under paragraph (1).

(5) REPORTS TO SECRETARY.—A team that receives assistance under paragraph (2)(A) shall prepare such reports as the Secretary may designate.

(6) REPORT TO CONGRESS.—The Secretary shall annually submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture and the Committee on Foreign Affairs of the House of Representatives, a report summarizing the activities carried out under this subsection, including a summary of the assessments and recommendations prepared under this subsection, and the Secretary shall also make the assessments and recommendations available to the public.

(7) ADVISORY COMMITTEE.—To provide the Secretary with information that may be useful to the Secretary in carrying out the provisions of this subsection, the Secretary shall establish an advisory committee composed of representatives of the various sectors of the food and rural business systems of the United States.

(8) USE OF CCC.—The Secretary shall implement this subsection through the funds and facilities of the Commodity Credit Corporation. The authority provided under this subsection shall be in addition to and not in place of any other authority of the Secretary or the Commodity Credit Corporation.

(9) LEVEL OF ASSISTANCE.—The Secretary shall provide assistance under this subsection of not more than $5,000,000 in any fiscal year.

(e) FOREIGN DEBT BURDENS.—

(1) EFFECT OF CREDITS.—In carrying out the program described in subsection (a), the Secretary of Agriculture shall ensure that the credits for which repayment is guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by excessively adding

to the foreign debt burdens of such countries.

(2) CONSULTATION AND REPORT.—Not later than 6 months after the effective date of this title, and not later than the end of each 6-month period occurring thereafter, the Secretary of Agriculture, in consultation with other appropriate Federal departments, shall prepare and transmit to the Committee on Foreign Affairs and the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report to assist the Congress in assessing the extent to which credits for which repayment is guaranteed under subsection (a) meet the requirements of paragraph (1). The report shall include—

(A) the amount and allocation, by country, of credit guarantees issued under subsection (a);

(B) the aggregate foreign debt burdens of countries receiving commodities or facilities under such credit guarantees, expressed in terms of debt on account of agricultural commodities or products thereof, or facilities for which guarantees may be made under subsection (a)(1)(B), and all other debt;

(C) the activities of creditor governments and private creditors to reschedule or reduce payments due on existing debt owed to such creditors by a country in cases where such country has been unable to fully meet its debt obligations; and

(D) an analysis of—

(i) the economic effects of the foreign debt burden of each recipient country, and in particular the economic effects on each recipient country of the credits for which repayment is guaranteed under subsection (a); and

(ii) the relationship between any negative economic effects on any recipient country caused by its overall foreign debt burden and debt incurred under subsection (a) and such country's political stability.

(f) EMERGING DEMOCRACY.—As used in this section, the term "emerging democracy" means any country that, as determined by the President, is taking steps toward—

(1) political pluralism, based on progress toward free and fair elections and a multiparty political system;

(2) economic reform, based on progress toward a market-oriented economy;

(3) respect for internationally recognized human rights; and

(4) a willingness to build a friendly relationship with the United States.

SEC. 1543. AGRICULTURAL FELLOWSHIP PROGRAM FOR MIDDLE INCOME COUNTRIES AND EMERGING DEMOCRACIES.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a fellowship program for middle income countries and emerging democracies, to be known as the "Cochran Fellowship Program", to provide fellowships to individuals from eligible countries who specialize in agriculture for study in the United States.

(b) ELIGIBLE COUNTRIES.—Countries that meet the following requirements shall be eligible to participate in the program established under this section:

(1) MIDDLE-INCOME COUNTRY.—A country that has developed economically to the point where it no longer qualifies for bilateral foreign aid assistance from the United States because its per capita income level exceeds the eligibility requirements of such assistance programs (hereafter referred to in this section as a "middle-income" country).

(2) ONGOING RELATIONSHIP.—A middle-income country that has never qualified for bilateral foreign aid assistance from the United States, but with respect to which an ongoing relationship with the United States, including technical assistance and training, would provide mutual benefits to such country and the United States.

(3) TYPE OF GOVERNMENT.—A country that has recently begun the transformation of its system of government from a non-representative type of government to a representative democracy and that is encouraging democratic institution building, and the cultural values, institutions, and organizations of democratic pluralism.

(c) PURPOSE OF THE FELLOWSHIPS.—Fellowships under this section shall be provided to permit the recipients to gain knowledge and skills that will—

(1) assist eligible countries to develop agricultural systems necessary to meet the food needs of their domestic populations; and

(2) strengthen and enhance trade linkages between eligible countries and agricultural interests in the United States.

(d) INDIVIDUALS WHO MAY RECEIVE FELLOWSHIPS.—The Secretary shall utilize the expertise of United States agricultural counselors, trade officers, and commodity trade promotion groups working in participating countries to help identify program candidates for fellowships under this section from both the public and private sectors of those countries.

(e) PROGRAM IMPLEMENTATION.—The Secretary shall consult with other United States Government agencies, United States universities, and the private agribusiness sector, as appropriate, to design and administer training programs to accomplish the objectives of the Program established under this section.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated without fiscal year limitation such sums as may be necessary to carry out the program established under this section, except that the amount of such funds in any fiscal year shall not exceed—

(1) for eligible countries that meet the requirements of subsection (b)(1), $3,000,000;

(2) for eligible countries that meet the requirements of subsection (b)(2), $2,000,000; and

(3) for eligible countries that meet the requirements of subsection (b)(3), $5,000,000.

(g) COMPLEMENTARY FUNDS.—If the Secretary of Agriculture determines that it is advisable in furtherance of the purposes of the program established under this section, the Secretary may accept money, funds, property, and services of every kind by gift, devise, bequest, grant, or otherwise, and may, in any manner, dispose of all such holdings and use the receipts generated from such disposition as general program funds under this section. All funds so designated for the program established under this section shall remain available until expended.

SEC. 1544. ASSISTANCE IN FURTHERANCE OF NARCOTICS CONTROL OBJECTIVES OF THE UNITED STATES.

(a) WAIVER OF CERTAIN RESTRICTIONS.—For the purpose of reducing dependence upon the production of crops from which narcotic and psychotropic drugs are derived, the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in section 481(i)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291(i)(2))) to promote the production, processing, or the marketing of products which can be economically produced in such country, notwithstanding the provisions of law described in subsection (b) of this section.

(b) DESCRIPTION OF RESTRICTIONS WAIVED.—The provisions of law made inapplicable by subsection (a) are any other provisions of law that would otherwise restrict the use of economic assistance funds with respect to the production, processing, or marketing of agricultural commodities (or the products thereof) or other products, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

(c) DEFINITION OF ECONOMIC ASSISTANCE.—As used in this section, the term "economic assistance" means assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 and following; relating to development assistance) and assistance under chapter 4 of part II of that Act (22 U.S.C. 2346 and following; relating to the economic support fund).

SEC. 1545. WORLD LIVESTOCK MARKET PRICE INFORMATION.

(a) DEVELOPMENT OF METHODOLOGY.—The Secretary of Agriculture shall develop appropriate methodology for determining the world price of livestock and livestock products and shall gather and analyze appropriate price and cost of production information concerning such products in foreign countries for the purpose of price discovery and to aid in the sale of livestock and livestock products in foreign export markets.

(b) PUBLICATION OF INFORMATION.—Not later than 240 days after the date of enactment of this Act, and periodically thereafter, the Secretary of Agriculture shall publish the information gathered under subsection (a).

Subtitle E—Studies, Reports, and Other Provisions

SEC. 1551. STUDY OF NORTH AMERICAN FREE TRADE AREA.

The Secretary of Agriculture shall study the effects on the United States agricultural economy of the creation of a North American free trade area, including the creation of a United States-Mexico free trade area. The Secretary shall submit a report on the results of such study to the Congress not later than March 31, 1991.

SEC. 1552. ROSE AND FLOWER STUDY.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct a study of the impact of consignment sales of foreign roses and fresh cut flowers on the domestic rose and fresh cut flower industry, taking into account the findings in the report issued in April 1989 entitled "Competitive Conditions in the U.S. and World Markets for Fresh Cut Roses" by the United States International Trade Commission.

(b) REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary shall report the results of the study conducted under subsection (a) to the Congress, together with any recommendation of the Secretary on how the domestic rose and fresh cut flower industry can compete fairly with the practice of consignment sales.

SEC. 1553. COMMODITY TRANSPORTATION AND TECHNOLOGY ASSESSMENT AND REPORT.

(a) ASSESSMENT.—The Secretary of Agriculture shall conduct an assessment of the impact upon prices received by producers, costs to consumers, and the overall effect upon the ability of the United States to fulfill export goals and expand foreign markets for domestic commodities, of the current agricultural transportation situation, focusing especially on rail transportation capa-

bilities including rail abandonments, periodic shortages of adequate rail car equipment suitable for transporting agricultural commodities, and the practice of rail carriers selling in advance certificates of transportation.

(b) ADDITIONAL REQUIREMENTS.—In preparing the assessment required by this section, the Secretary shall consult with rail, truck, and waterborne carriers who have experience in the transportation of agricultural commodities, and shall also examine the feasibility of—

(1) providing technical and financial assistance to producers, marketers, and exporters in the design and construction of alternatives to covered rail hopper cars (such as freight containers which could be carried aboard flatbed trucks, flatbed rail cars, river barges, and oceangoing container vessels) for the purpose of transporting bulk commodities to appropriate terminal market facilities; and

(2) encouraging the establishment of a computerized network which would assist producers, marketers, exporters, and carriers in identifying, matching, and coordinating potential cargoes of agricultural commodities with carriers having proper capabilities and equipment in an effort to expedite transportation needs.

(c) REPORT.—Within 240 days after the date of enactment of this Act, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives the results of the assessment conducted under this section, and any recommendations the Secretary may have as a result of such assessment.

SEC. 1554. REPORT ON SECTION 22 SUSPENSION OR TERMINATION.

(a) REQUIREMENT OF REPORT.—If section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) is repealed or all measures proclaimed under such section are suspended, the Secretary of Agriculture shall, prior to the effective date of the suspension or termination of any quantitative limitation or fee in effect under that section, report to the Congress.

(b) CONTENTS OF REPORT.—The report under subsection (a) shall assess each material consequence of the lifting of such limitation or fee, including the impact on—

(1) the Farmers Home Administration and agricultural credit in general;

(2) the prices paid to farmers generally for the affected commodity; and

(3) United States food security needs.

SEC. 1555. AGRICULTURAL EXPORTS TO THE EUROPEAN COMMUNITY.

(a) FINDINGS.—The Congress finds that—

(1) the European Community has established a system, as part of its Europe 1992 economic integration plan, to set product standards and requirements, including those related to agricultural commodities and products thereof, and that system has not been transparent insofar as the European Community has refused reasonable requests to allow United States Government or industry experts to observe meetings of European standards-setting institutions;

(2) the European Community is also currently writing the rules by which United States exporters of agricultural commodities and products thereof will be able to show compliance with European Community product standards and requirements, and has refused to guarantee that such United States exporters will be able to show compliance with European Community product standards and requirements by using United States laboratories or through self-certification;

(3) the United States maintains an open, transparent system to set standards and requirements for agricultural commodities and products thereof, and many reciprocal arrangements currently in place allow European Community exporters of agricultural commodities and products thereof to show compliance with United States product standards and requirements by using European Community laboratories or through self-certification;

(4) the value of United States exports of agricultural commodities and products thereof to the European Community in 1989 was $6,600,000,000, constituting 17 percent of all United States exports of agricultural commodities and products thereof; and

(5) the product standards and testing policies of the European Community are consequently unfair and discriminatory, and have great potential to reduce significantly exports from the United States of agricultural commodities and products thereof.

(b) STATEMENTS OF POLICY.—

(1) The Congress denounces the European Community's nontransparent process of setting standards and requirements for agricultural commodities and products thereof, and the Congress further denounces the refusal by the European Community to guarantee that United States exporters of such commodities and products will be able to show compliance with European Community standards and requirements by using United States laboratories or through self-certification.

(2) The Congress deplores the adverse consequences of the standards and testing policies of the European Community on the bilateral agricultural trade relationship between the United States and the European Community.

(3) The Congress urges the President to use all available means to bring about significant and far-reaching changes in the standards and testing policies of the European Community in order to protect and maintain United States access to the European Community market for agricultural commodities and products thereof.

SEC. 1556. LANGUAGE PROFICIENCY AND EVALUATION OF FOREIGN AGRICULTURAL SERVICE OFFICERS.

(a) ASSESSMENT OF FOREIGN LANGUAGE COMPETENCE.—The Foreign Agricultural Service shall revise its evaluation reports for its Foreign Service officers so as to require in a separate entry an assessment of the officer's effectiveness in using, in his or her work, a foreign language or foreign languages tested at the General Professional Speaking Proficiency level or above, in cases where the supervisor is capable of making such an assessment.

(b) PRECEDENCE IN PROMOTION.—The Director of Personnel of the Foreign Agricultural Service shall instruct promotion panels to take account of language ability and, all criteria for promotion otherwise being equal, to give precedence in promotions to officers who have achieved at least the General Professional Speaking Proficiency level in 1 or more foreign languages over officers who lack that level of proficiency.

(c) REPORT TO CONGRESS.—Within 6 months after the effective date of this title, the Administrator of the Foreign Agricultural Service shall submit a report to the Committee on Foreign Affairs, the Committee on Agriculture, and the Committee on Post Office and Civil Service of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate, which—

(1) details the extent to which, in the 3 years before the effective date of this title, Foreign Service officers of the Foreign Agricultural Service achieved General Professional Speaking Proficiency level in a primary foreign language of the host countries in which they served before arriving in such countries or within 1 year after such arrival; and

(2) makes specific, new proposals to the Congress on how to ensure that at least 75 percent of Foreign Service officers of the Foreign Agricultural Service have achieved General Professional Speaking Proficiency level in a primary foreign language of the host countries in which they serve before arriving in such countries or within 1 year after such arrival.

SEC. 1557. REPORTING REQUIREMENTS RELATING TO TOBACCO.

The Tobacco Adjustment Act of 1983 is amended by inserting after section 213 (7 U.S.C. 511r) the following new section:

"SEC. 214. REPORTING REQUIREMENTS RELATING TO TOBACCO.

"(a) IN GENERAL.—Not later than 60 days after the export of tobacco or a tobacco product not described in subsection (b), the exporter of such tobacco or tobacco product shall prepare a report containing the records relating to such export and submit such report to the Secretary of Agriculture.

"(b) SPECIAL RULE.—Manufacturers of tobacco products shall prepare and maintain records on all finished cigarettes and cigarette ready tobacco. Information contained in such records shall be aggregated on a quarterly basis, certified as accurate by the entity preparing such aggregation, and submitted to the Secretary of Agriculture as provided for in this section. Tobacco manufacturers shall maintain records utilized to prepare the aggregation for a period of 5 years.

"(c) SCOPE.—Records maintained under this section shall include the crop year, grade, type, country of origin, poundage, and such other information relating to the tobacco products as the Secretary determines appropriate.

"(d) REPORTS.—Records, reports, and aggregations submitted to the Secretary of Agriculture under this section shall be provided by the Secretary to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, in a timely manner.

"(e) PENALTY.—Any exporter who violates the provisions of this section with respect to the provision of false information or the failure to provide required information shall be subject to section 1001 of title 18, United States Code, for each such violation.

"(f) CONFIDENTIALITY OF INFORMATION.—The personally identifiable information contained in reports under this section may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.".

SEC. 1558. REPORT ON ORIGIN OF EXPORTS OF PEANUTS.

(a) EXPORTERS OF PEANUTS.—Any exporter of raw peanuts, shelled or in shell, shall indicate the country of origin of such peanuts

on the export documentation that such exporter is required to complete under other provisions of law.

(b) COLLECTION OF INFORMATION.—The Secretary of Agriculture shall collect the information contained on such export documentation and annually report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning the country of origin of all such peanuts exported from the United States during the calendar year.

(c) CONFIDENTIALITY OF INFORMATION.—The personally identifiable information contained in reports under this section may be withheld in accordance with section 552(b)(4) of title 5, United States Code. Any officer or employee of the Department of Agriculture who knowingly discloses confidential information as defined by section 1905 of title 18, United States Code, shall be subject to section 1905 of title 18, United States Code. Nothing in this subsection shall be construed to authorize the withholding of information from Congress.

SEC. 1559. SENSE OF CONGRESS CONCERNING REBALANCING PROPOSAL OF THE EUROPEAN COMMUNITY.

(a) FINDINGS.—Congress finds that—

(1) the success of the agriculture negotiations under the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) is important to the liberalization of world agricultural trade and the development of the markets for United States commodities;

(2) in order to correct distortions and restrictions in world agricultural markets, the participants in GATT negotiations have committed to substantial and progressive reductions in agricultural protection and support;

(3) the history of establishing more market-oriented trade since World War II has been progressive liberalization through a series of multilateral trade negotiations;

(4) the European Community's proposal to "rebalance" import protections could actually permit the European Community to increase import barriers for some products, including products which have enjoyed barrier free trade status as a result of earlier trade negotiations;

(5) this rebalancing proposal could pose a particularly severe threat to United States exports of corn gluten feed and oilseeds to the European Community, products whose duty-free status the European Community has long sought to undercut; and

(6) the European Community market for United States exports of corn gluten feed and oilseeds has been a successful fixture of United States-European Community trade relations for approximately 30 years, and should not be restricted.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the European Community's proposed rebalancing of import protections is fundamentally at odds with the important goals of liberalizing world agricultural trade and eliminating trade-distorting policies;

(2) such rebalancing could have a particularly severe impact on United States exports of corn gluten feed and oilseeds to the European Community, leaving them vulnerable to unfair treatment and increased trade barriers; and

(3) the United States, throughout the remainder of the Uruguay Round of the GATT negotiations on agriculture, should forcefully reject the European Community's proposal to rebalance import protections.

SEC. 1560. SENSE OF THE SENATE REGARDING MULTILATERAL TRADE NEGOTIATIONS.

(a) IN GENERAL.—It is the sense of the Senate that the objective of the Uruguay Round of Multilateral Trade Negotiations concerning agricultural trade should be to—

(1) obtain a reform of global agricultural trade and an elimination of the policies and practices that distort agricultural trade; and

(2) to reach an agreement that—

(A) provides United States farmers and agricultural community with the opportunity to compete fairly in international markets;

(B) permits United States farmers to have a safety net to protect them against market instability;

(C) assures consumers of an adequate supply of high quality food and fiber at reasonable prices, both now and in the future; and

(D) assures that humanitarian food needs are met.

(b) CONDUCT OF NEGOTIATIONS.—It is the sense of the Senate that, in conducting the agricultural trade negotiations in the Uruguay Round of Multilateral Trade Negotiations and in meeting the principal negotiating objectives contained in section 1101(b) of the Omnibus Trade and Competitiveness Act of 1988 and in this section, the United States should—

(1) ensure that any agreement—

(A) is beneficial to United States agricultural producers and businesses;

(B) does not leave an individual commodity vulnerable to unfair treatment or increased barriers and that the various sectors of United States agriculture receive equitable and fair treatment;

(C) permits countries to provide income support and stability from the vagaries of the market directly or indirectly through self-help efforts;

(D) provides a period of adjustment in cases where the reduction or elimination of trade barriers or subsidies would cause industry adjustment and resource reallocation; and

(E) does not sacrifice the interests of the agricultural sector for other sectors of the United States economy;

(2) seek the immediate elimination of all export subsidies that are conditioned on the export of agricultural commodities and products, except bona fide food aid;

(3) not enter into any self-executing agreement that would unduly restrict the authority of the United States to provide for the stabilization of its agricultural economy;

(4) not enter into any agreement that would have the effect of repealing or materially interfering with any existing legal authority designed to promote or protect any domestic agricultural program, the purpose of which is to stabilize prices, or eliminate any existing waiver granted to the United States under the General Agreement on Tariffs and Trade permitting the imposition of quantitative limitations on the entry of commodities into the United States unless the agreement meets the objectives described in this section; and

(5) ensure that any provision for special and differential treatment for developing countries contains guidelines and limitations providing for the phasing out of such treatment as such countries become more competitive.

Subtitle F—Conforming Provisions and Technical Changes

SEC. 1571. AMENDMENTS TO THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988.

The Omnibus Trade and Competitiveness Act of 1988 is amended by repealing sections 4201, 4202, 4205, 4206, 4211, 4212, 4213, 4305, and 4311 (7 U.S.C. 5211, 5212, 5215, 5216, 5231, 5232, 5233, 1736t note, and 1691 note, respectively).

SEC. 1572. AMENDMENTS TO THE FOOD SECURITY ACT OF 1985.

The Food Security Act of 1985 is amended—

(1) in section 1110 (7 U.S.C. 1736o)—

(A) by striking subsection (j); and

(B) by redesignating subsection (k) as subsection (j);

(2) in section 1113(c)(9) (7 U.S.C. 1736-1(c)(9))—

(A) by adding "and" after the semicolon in subparagraph (A);

(B) by striking subparagraph (B); and

(C) by redesignating subparagraph (C) as subparagraph (B); and

(3) by repealing sections 1124, 1125, 1127, 1128, 1132, 1151, 1162, 1165, and 1167 (7 U.S.C. 1736s, 1736t, 1736v, 1736w, 1736x, 2275, 1736z, 1736, and 1736aa).

SEC. 1573. AMENDMENTS TO THE AGRICULTURE AND FOOD ACT OF 1981.

The Agriculture and Food Act of 1981 is amended by repealing sections 1203, 1204, and 1205 (7 U.S.C. 1736i, 1736j, and 1736k).

SEC. 1574. AMENDMENT TO THE FOOD FOR PEACE ACT OF 1966.

The Food for Peace Act of 1966 is amended by repealing section 4 (7 U.S.C. 1707a).

SEC. 1575. AMENDMENT TO THE AGRICULTURAL ACT OF 1949.

The Agricultural Act of 1949 is amended by striking subsection (d) of section 416 (7 U.S.C. 1431(d)).

SEC. 1576. AMENDMENT TO THE AGRICULTURAL ACT OF 1956.

Section 201 of the Agricultural Act of 1956 (7 U.S.C. 1851(b)) is amended by striking subsection (b).

SEC. 1577. AMENDMENT TO THE AGRICULTURAL TECHNICAL CORRECTIONS ACT.

Section 13 of Public Law 101-220 (7 U.S.C. 1736cc) is repealed.

SEC. 1578. AMENDMENT TO THE AGRICULTURAL ACT OF 1970.

Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is repealed, effective upon the effective date of regulations promulgated under section 404 of the Agricultural Trade Act of 1978, as amended by this title.

TITLE XVI—RESEARCH

Subtitle A—Extensions and Changes to Existing Programs

SEC. 1601. INCREASED AUTHORIZATIONS FOR, AND THE EXTENSION OR REPEAL OF, EXISTING PROGRAMS.

(a) AGRICULTURAL RESEARCH FACILITIES GRANTS.—Section 4(a) of the Research Facilities Act (7 U.S.C. 390c(a)) is amended—

(1) by striking "$20,000,000" and inserting "$50,000,000"; and

(2) by striking "ending September 30, 1986, through September 30, 1990" and inserting "1991 through 1995".

(b) EXTENSION OF PROGRAMS ESTABLISHED IN THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.—

(1) ANIMAL HEALTH AND DISEASE CONTINUING RESEARCH.—Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended by striking "annually for the period beginning October 1, 1981, and ending September 30, 1990," and inserting "for each of the fiscal years 1991 through 1995,".

(2) ANIMAL HEALTH AND DISEASE NATIONAL OR REGIONAL RESEARCH.—Section 1434(a) of that Act (7 U.S.C. 3196(a)) is amended by striking

"annually for the period beginning October 1, 1981, and ending September 30, 1990," and inserting "for each of the fiscal years 1991 through 1995,".

(3) AGRICULTURAL RESEARCH PROGRAMS.—Section 1463 of that Act (7 U.S.C. 3311) is amended—

(A) in subsection (a), by striking "$600,000,000" and all that follows through "1990." and inserting "$850,000,000 for each of the fiscal years 1991 through 1995."; and

(B) in subsection (b), by striking "$270,000,000" and all that follows through "1990." and inserting "$310,000,000 for each of the fiscal years 1991 through 1995.".

(4) EXTENSION EDUCATION.—Section 1464 of that Act (7 U.S.C. 3312) is amended by striking "$370,000,000" and all that follows through the period and inserting "$420,000,000 for fiscal year 1991, $430,000,000 for fiscal year 1992, $440,000,000 for fiscal year 1993, $450,000,000 for fiscal year 1994, and $460,000,000 for fiscal year 1995.".

(5) SUPPLEMENTAL AND ALTERNATIVE CROPS RESEARCH.—Section 1473D(a) of that Act (7 U.S.C. 3319d(a)) is amended by striking "1990" and inserting "1995".

(6) RANGELAND RESEARCH ADVISORY BOARD.—Section 1482(a) of that Act (7 U.S.C. 3335(a)) is amended by striking "1990," and inserting "1995,".

(7) RANGELAND RESEARCH.—Section 1483(a) of that Act (7 U.S.C. 3336(a)) is amended by striking "annually for the period beginning October 1, 1981, and ending September 30, 1990." and inserting "for each of the fiscal years 1991 through 1995.".

(c) DAIRY GOAT RESEARCH.—Section 1432(b)(5) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1981 (7 U.S.C. 3222 note) is amended by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 through 1995,".

(d)(1) GRANTS TO UPGRADE 1890 LAND-GRANT COLLEGE EXTENSION FACILITIES.—Section 1416(b) of the Food Security Act of 1985 (7 U.S.C. 3224(b)) is amended by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 and 1992,".

(2) FEDERAL AGRICULTURAL RESEARCH FACILITIES.—Section 1431 of that Act (99 Stat. 1556) is amended—

(A) in subsection (a), by striking "ending September 30, 1988, through September 30, 1990," and inserting "1991 through 1995,"; and

(B) in subsection (b), by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 through 1995,"; and

(e) CRITICAL AGRICULTURAL MATERIALS RESEARCH.—Section 16 of the Critical Agricultural Materials Act (7 U.S.C. 178n) is amended—

(1) by striking subsection (a) and inserting the following:

"(a) There are authorized to be appropriated to the Secretary of Agriculture such sums as are necessary to carry out this Act in each of the fiscal years 1991 through 1995."; and

(2) by striking subsection (b);

(3) in subsection (c), by striking "subsections (a) and (b)" and inserting "subsection (a)"; and

(4) by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively.

(f) Repeal of Programs Established in the National Agricultural Research, Extension, and Teaching Policy Act of 1977.—

(1) REPEALS.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended—

(A) by repealing section 1402 (7 U.S.C. 3101) relating to Congressional findings;

(B) by striking subsection (c) of 1409A (7 U.S.C. 3124a) and redesignating subsections (d) and (e) of that section as subsections (c) and (d), respectively;

(C) by repealing section 1413A (7 U.S.C. 3129) relating to biomass energy;

(D) by repealing subtitle H (7 U.S.C. 3241-3282) relating to solar energy research and development;

(E) by repealing section 1473B (7 U.S.C. 3319b) relating to technology development for small- and medium-sized farming operations; and

(F) by repealing section 1473C (7 U.S.C. 3319c) relating to the special technology development research program.

(2) CLERICAL AMENDMENTS.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended—

(A) in the item relating to subtitle A, by striking "Findings,";

(B) by striking the items relating to section 1402 and 1413A;

(C) by striking the item relating to subtitle H of title XIV and the items relating to the parts and sections of that subtitle; and

(D) by striking the items relating to sections 1473B and 1473C.

SEC. 1602. PURPOSES OF THE AGRICULTURAL RESEARCH AND EXTENSION SYSTEM.

(a) STATEMENT OF PURPOSES.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by inserting before section 1403 the following new section:

"SEC. 1402. PURPOSES OF AGRICULTURAL RESEARCH AND EXTENSION.

"Subject to the varying conditions and needs of States, Federally funded agricultural research and extension programs shall be designed to, among other things, accomplish the following—

"(1) continue to satisfy human food and fiber needs;

"(2) enhance the long-term viability and competitiveness of the food production and agricultural system of the United States within the global economy;

"(3) expand economic opportunities in rural America and enhance the quality of life for farmers, rural citizens, and society as a whole;

"(4) improve the productivity of the American agricultural system and develop new agricultural crops and new uses for agricultural commodities;

"(5) develop information and systems to enhance the environment and the natural resource base upon which a sustainable agricultural economy depends; or

"(6) enhance human health—

"(1) by fostering the availability and affordability of a safe, wholesome, and nutritious food supply that meets the needs and preferences of the consumer; and

"(2) by assisting farmers and other rural residents in the detection and prevention of health and safety concerns.".

(b) CONFORMING AMENDMENT.—Section 1403 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3102) is amended by striking the section heading and "SEC. 1403." and inserting the following:

"SEC. 1403. ADDITIONAL PURPOSES OF AGRICULTURAL RESEARCH AND EXTENSION.".

(c) CLERICAL AMENDMENTS.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended—

(1) by inserting before the item relating to section 1403 the following new item:

"Sec. 1402. Purposes of agricultural research and extension."; and

(2) by striking the item relating to section 1403 and inserting the following new item:

"Sec. 1403. Additional purposes of agricultural research and extension.".

SEC. 1603. DEFINITIONS.

Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by striking "and" at the end of paragraph (15);

(2) by inserting "G," after "subtitles E," in paragraph (16); and

(3) by adding at the end the following new paragraphs:

"(17) the term 'sustainable agriculture' means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term—

"(A) satisfy human food and fiber needs;

"(B) enhance environmental quality and the natural resource base upon which the agriculture economy depends;

"(C) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;

"(D) sustain the economic viability of farm operations; and

"(E) enhance the quality of life for farmers and society as a whole; and

"(18) the term 'Technology Board' means the Agricultural Science Technology Review Board established in section 1408A.".

SEC. 1604. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES AND NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD.

(a) JOINT COUNCIL.—Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122(a)) is amended to read as follows:

"SEC. 1407. JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a committee to be known as the Joint Council on Food and Agricultural Sciences which shall remain in existence until September 30, 1995.

"(b) MEMBERSHIP.—The Joint Council shall be composed of not less than 21 representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, including the following:

"(1) Six representatives from State cooperative institutions, including at least one from institutions eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University.

"(2) Four representatives from agencies within the Department of Agriculture which have significant research, extension, and teaching responsibilities.

"(3) One representative from public colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching.

"(4) One representative from colleges and universities conducting research related to the food and agricultural sciences.

"(5) Three representatives from private organizations or corporations conducting research in the food and agricultural sciences, including one representative from the food

processing industry involved in food technology research.

"(6) One representative from among foundations funding research in the food and agricultural sciences.

"(7) One representative from among farmers, ranchers, and other producers of domestic agricultural commodities.

"(8) One representative from the Office of Science and Technology Policy.

"(9) Two representatives from other Federal agencies determined by the Secretary to be appropriate.

"(10) One representative from the National Academy of Sciences.

"(11) To the extent the Joint Council is composed of more than 21 members, representatives of other public and private institutions, producers, and representatives of the public who are interested in and have the potential to contribute to (as determined by the Secretary) the formulation of national policy in the food and agricultural sciences.

"(c) ADMINISTRATIVE PROVISIONS.—

"(1) TERMS.—Members of the Joint Council shall be appointed for a term of up to three years by the Secretary from nominations made by the organizations and agencies described in subsection (b). The terms of the members shall be staggered.

"(2) CHAIRPERSON.—The Joint Council shall be jointly chaired by the Assistant Secretary of Agriculture for research, extension, and teaching, and a person to be elected from among the non-Federal membership of the Joint Council.

"(3) MEETINGS.—The Joint Council shall meet at least once during each three-month period. At least one meeting each year shall be a combined meeting with the Advisory Board. The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.

"(d) PRIMARY RESPONSIBILITY.—The primary responsibility of the Joint Council is to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving the planning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes.

"(e) OTHER RESPONSIBILITIES.—The responsibilities of the Joint Council shall also include the following:

"(1) Provide a forum for the interchange of information among the organizations represented by the members of the Joint Council that will assure improved awareness among these organizations concerning the agricultural research, extension, and teaching programs, results, and directions of each organization.

"(2) Analyze and evaluate the economic, environmental, and social impacts of agricultural research, extension, and teaching programs conducted in the United States.

"(3) Determine high priority issues and goals for agricultural research, extension, and teaching programs, and submit annual reports identifying such high priority issues and goals to the Secretary and to Congress.

"(4) Develop and review the effectiveness of a system, for use by the Secretary, of compiling, maintaining, and disseminating information about each federally supported agricultural research or extension project and, to the maximum extent possible, information about private agricultural research and extension projects conducted by colleges and universities, foundations, contract research groups, businesses, and others. Information about private agricultural research and extension shall not be included in this system unless they are partially or entirely funded by the Federal Government or the organizations sponsoring the projects agree to the inclusions of information about such projects.

"(5) Assist the parties in developing, reviewing, and evaluating memoranda of understanding or other documents that detail the terms and conditions between the Secretary and the participants in agricultural research, extension, and teaching programs under this Act and other Acts.

"(6) Assist the Secretary in carrying out the responsibilities assigned to the Secretary under this title through planning and coordination in the food and agricultural sciences, by using, wherever possible, the existing regional research, extension, and teaching organizations of State cooperative institutions to provide regional planning and coordination, and by the development of recommendations and reports describing current and long-range needs, priorities, and goals in the food and agricultural sciences and means to achieve these goals.

"(7) Coordinate with the Secretary in assessing the current status of, and developing a plan for, the effective transfer of new technologies to the farming community;

"(8) In consultation with the Users Advisory Board—

"(A) provide an annual review and prioritize requests for agricultural related special grants and construction grants;

"(B) provide an annual review of the competitive grants made by the Secretary to determine priority research and grant categories and types that best advance the purposes expressed in section 1402; and

"(C) review and make budget recommendations on the research, extension, and teaching budgets for the Agricultural Research Service, the Forest Service, the Economic Research Service, the Extension Service, the National Agricultural Library, the Cooperative State Research Service, and other department agencies.

"(f) REPORTS.—

"(1) ANNUAL REPORT.—Not later than June 30 of each year, the Joint Council shall prepare a report specifying its conclusions on—

"(A) priorities for food and agricultural research, extension, and teaching programs;

"(B) suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs;

"(C) the levels of financial and other support needed to carry out such programs;

"(D) the progress made toward accomplishing the priorities and associated levels of financial and other support recommended in the annual report issued in the prior year; and

"(E) the activities of the Board in meeting its responsibilities under this section.

"(2) FIVE-YEAR PLAN.—Not later than November 30, 1990, the Joint Council shall prepare a report outlining a five-year plan for food and agricultural sciences that reflects the coordinated views of the research, extension, and teaching community. The Joint Council shall update this plan every two years thereafter in reports reflecting the progress being made toward implementing the plan.

"(3) SUBMISSION OF REPORTS.—Each report prepared under this subsection shall be submitted to the Secretary. Minority views, if timely submitted, shall be included in each such report.".

(b) USERS ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended to read as follows:

"SEC. 1408. NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD.

"(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a board to be known as the National Agricultural Research and Extension Users Advisory Board which shall remain in existence until September 30, 1995.

"(b) MEMBERSHIP.—The Advisory Board shall be composed of 21 members appointed by the Secretary. The members shall be appointed to serve staggered terms, in a manner determined appropriate by the Secretary. The members of the Advisory Board shall consist of the following:

"(1) One member who is a producer representing farm cooperatives.

"(2) Two members who are producers representing general farm organizations.

"(3) Four members who are producers representing agricultural commodities, forest product, and aquacultural product groups from various geographic regions.

"(4) One member representing agricultural farm suppliers.

"(5) One member representing food and fiber processors.

"(6) One member representing animal health interests.

"(7) One member engaged in transportation of food and agricultural products to domestic or foreign markets.

"(8) One member representing labor organizations primarily concerned with the production, processing, distribution, or transport of food and agricultural products.

"(9) One member representing food marketing interests.

"(10) One member representing private nonprofit organizations and foundations involved in agricultural research, sustainable agricultural research, education, and extension.

"(11) One member representing private sector organizations involved in development programs and issues in developing countries.

"(12) One member representing agencies of the Department of Agriculture that do not have research capabilities.

"(13) One member engaged in rural development work.

"(14) One member engaged in human nutrition work.

"(15) Two members representing consumer interests, including one member who represents nonprofit consumer advocacy organizations.

"(16) One member representing nonprofit environmental protection organizations.

"(c) CHAIRPERSON; VICE-CHAIRPERSON.—At the first meeting each year of the Advisory Board, the members of the Advisory Board shall elect a chairperson and vice-chairperson from the members. The chairperson and vice-chairperson shall serve in such positions for a term of one year.

"(d) MEETINGS.—The Advisory Board shall meet a sufficient number of times each year to carry out its responsibilities under subsection (f). At least one meeting each year shall be held as a combined meeting with the Joint Council.

"(e) PANELS.—The Advisory Board may establish such panels as the Advisory Board considers appropriate to develop information, reports, advice, and recommendations for the use of the Advisory Board in meeting the responsibilities of the Advisory Board.

Members of such panels may include members of the Advisory Board, Advisory Board staff members, individuals from the Department of Agriculture and other departments and agencies of the Federal government, and individuals from the private sector who have expertise in the subject to be examined by the panel.

"(f) RESPONSIBILITIES.—

"(1) ADVISORY OPINIONS.—The Advisory Board shall have general responsibility for preparing independent advisory opinions on the food and agricultural sciences.

"(2) SPECIFIC DUTIES.—The Advisory Board shall have specific responsibility to perform the following duties:

"(A) Review the policies, plans, and goals of programs within the Department of Agriculture involving the food and agricultural sciences, and related programs in other Federal and State departments and agencies and in the colleges and universities developed by the Secretary under this title.

"(B) Review and assess the extent of agricultural research, teaching, and extension being conducted by the private sector and the relationships and coordination of such activities with Federally supported agricultural research, teaching, and extension programs.

"(C) Review and provide consultation to the Secretary on national policies, priorities, and strategies for agricultural research and extension for both the short and long term.

"(D) Assess the overall adequacy of the distribution of resources and the allocation of funds for the agricultural research, extension, and teaching activities of the Department of Agriculture and make recommendations with regard to such distribution and allocation to the Secretary, Federal agencies, and private organizations that are contributing to the funding of agricultural research, extension, and teaching.

"(E) Identify emerging agricultural research, teaching, and extension issues and suggest programs and technology transfer solutions for use by the public and private agricultural science and education community.

"(F) Evaluate the results and the effectiveness of research and extension programs with regard to their influence on long-term goals of agriculture expressed in sections 1402 and 1403 and consumer needs.

"(g) REPORTS BY THE ADVISORY BOARD.—

"(1) EXAMINATION OF FEDERALLY SUPPORTED AGRICULTURAL RESEARCH AND EXTENSION PROGRAMS.—Not later than July 1 of each year, the Advisory Board shall provide an oral briefing to the Secretary (by the chairperson of the Advisory Board) and a written report to Congress and the Secretary of recommendations concerning the allocation of responsibilities and levels of funding among Federally supported agricultural research and extension programs. The Advisory Board shall include in each oral briefing and written report prepared under this paragraph—

"(A) a review and assessment of the allocation of funds for agricultural research and extension made for the preceding fiscal year by the Department of Agriculture;

"(B) an evaluation of—

"(i) the effectiveness of coordination of Federal and private research initiatives;

"(ii) new research and extension programs that need to be conducted by the research system; and

"(iii) the effectiveness of the private and public research and extension system; and

"(C) minority views, if timely submitted.

"(2) REVIEW OF BUDGET AND SECRETARY'S REPORT.—Not later than February 20 of each year, the Advisory Board shall submit to the President, the Committees on Agriculture and Appropriations of the House of Representatives, and the Committees on Agriculture, Nutrition, and Forestry and Appropriations of the Senate a report containing—

"(A) an appraisal by the Advisory Board of the proposed budget of the President for the food and agricultural sciences for the fiscal year beginning in the year that report is submitted;

"(B) the recommendations of the Secretary contained in the annual report submitted by the Secretary pursuant to section 1410; and

"(C) separate views of members of the Advisory Board, if timely submitted.

"(3) REQUIREMENT OF REPORTS.—Each report prepared by the Advisory Board shall list the membership of the Advisory Board as of the time the report was prepared, including the organizational and employment affiliation of each member of the Advisory Board.

"(h) REPORT BY SECRETARY.—Not later than February 1 of each year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the manner in which the recommendations of the Advisory Board have been incorporated into the budget and programs of the Department of Agriculture.".

SEC. 1605. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended by inserting after section 1408 the following new section:

"SEC. 1408A. AGRICULTURAL SCIENCE AND TECHNOLOGY REVIEW BOARD.

"(a) ESTABLISHMENT.—The Secretary, acting through the Joint Council, shall establish and oversee an Agricultural Science Technology Review Board.

"(b) MEMBERSHIP.—

"(1) COMPOSITION.—The Technology Board shall be composed of 11 individuals, to be appointed by the Secretary, who have expertise in technology assessment, environmental sciences, international agricultural issues, the social sciences, agricultural sciences (both basic and applied), technology transfer, and education, including representatives of—

"(A) the Agricultural Research Service;

"(B) the Cooperative State Research Service;

"(C) the Extension Service;

"(D) private foundations and nonprofit organizations who have expertise in agricultural research, education, and technology transfer;

"(E) private agricultural research and technology transfer firms; and

"(F) the Land Grant University System.

"(2) MANNER OF APPOINTMENT.—The Secretary shall appoint members of the Technology Board in a manner determined to be appropriate by the Secretary.

"(3) PRIVATE SECTOR REPRESENTATION.—A majority of the members of the Technology Board appointed under paragraph (1) shall be from the private sector.

"(4) TERM.—Members of the Technology Board shall serve for staggered terms of 3 years, as determined appropriate by the Secretary.

"(5) CHAIRPERSON.—The Technology Board shall select a chairperson from its membership, who shall serve in that position for a term of 1 year.

"(c) TECHNICAL INTERPRETATION AND ASSESSMENTS.—

"(1) IN GENERAL.—The Technology Board shall—

"(A) provide technical interpretation and translation of current and emerging agricultural and environmental science issues for use by the Joint Council and the Advisory Board in setting priorities and conducting evaluations; and

"(B) provide technology assessment of current and emerging public and private agricultural research and technology transfer initiatives, including emerging technologies from private industry and public institutions that would influence agriculture, environment, nutrition, and the broad social, economic, and health consequences on urban and rural communities.

"(2) ASSESSMENTS.—The Technology Board may conduct assessments to consider to what extent agricultural research and extension programs foster—

"(A) the development of farming systems that most effectively take advantage of natural processes and beneficial biological interactions and other sustainable agriculture techniques;

"(B) genetics research that results in crop varieties and livestock that enhance management options, farm productivity, use of inputs, and a diversity of products that can be marketed by the farm operator;

"(C) research to develop farming systems appropriate to climatological uncertainty;

"(D) research to increase the demand for current farm products, and to develop new farm crops and enterprises, that are economically and environmentally advantageous and enhance agricultural diversity;

"(E) research to enhance economic and societal well-being;

"(F) research that develops rural economic development strategies that build on the entrepreneurial skills, self-employment tradition, and the resource base of rural communities and extension programs to disseminate those strategies;

"(G) innovative extension and education programs that transfer new technology to the rural community including small- and moderate-sized family farmers and potential beginning and minority farmers with limited resources; and

"(H) extension programs that substantially involve a broad range of interested individuals, commodity groups, agri-industry groups, farm groups, rural organizations, community groups, farmerworkers, and environmental organizations to broaden input into research and extension priority setting.

"(d) TECHNOLOGY ASSESSMENT REPORT.—

"(1) IN GENERAL.—Not later than December 31 of each year, the Technology Board shall prepare a report that contains a technology assessment of emerging public and private agricultural research initiatives and activities, including—

"(A) recommendations on how such research would be best directed to advance the purposes set forth in section 1402; and

"(B) an assessment of activities conducted by the Secretary, research components of public and private colleges an universities, and emerging private agricultural research initiatives.

"(2) RECIPIENTS.—The Technology Board shall submit the report required under paragraph (1) to the appropriate Committees of Congress, to the Secretary, to the heads of other Federal agencies who support agricultural research, and (on request) to private organizations who have a significant involvement in agricultural research.

"(3) MINORITY VIEWS.—The Technology Board shall include minority views in the report, if timely submitted.".

(b) CONFORMING AMENDMENTS.—

(1) SUPPORT.—Section 1412 of that Act (7 U.S.C. 3127) is amended—

(A) by striking the heading and "SEC. 1412." and inserting the following:

"SEC. 1412. SUPPORT FOR THE JOINT COUNCIL, ADVISORY BOARD, AND TECHNOLOGY BOARD.";

(B) in subsection (a)—

(i) by striking "and the Advisory Board" in the matter preceding the paragraphs and inserting ", the Advisory Board, and the Technology Board";

(ii) by inserting "and the Technology Board" immediately before the dash;

(iii) in paragraph (1), by inserting "and the Technology Board" before "may direct";

(iv) in paragraph (2), by striking "Council and" and inserting "Council,"; and

(v) in paragraph (2), by inserting before the period the following: ", and one shall serve as the executive secretary to the Technology Board";

(C) in subsection (b), by striking "and the Advisory Board" and inserting ", the Advisory Board, and the Technology Board"; and

(D) in subsection (c), by striking "and the Advisory Board" and inserting ", the Advisory Board, and the Technology Board".

(2) GENERAL PROVISIONS.—Section 1413 of that Act (7 U.S.C. 3128) is amended—

(A) in subsection (a), by striking "or the Advisory Board" and inserting ", the Advisory Board, or the Technology Board";

(B) in subsection (b), by striking "and Advisory Board" and inserting ", the Advisory Board, and the Technology Board"; and

(C) by striking subsection (d) and redesignating subsection (e) as subsection (d).

(3) COORDINATION.—Section 1405(12) of that Act (7 U.S.C. 3121(12)) is amended by inserting ", after coordination with the Technology Board," after "establish".

(4) ANNUAL REPORT OF THE SECRETARY.—Paragraph (2) of section 1410 of that Act (7 U.S.C. 3125) is amended to read as follows:

"(2) the recommendations of the Joint Council developed under section 1407(f), the recommendations of the Advisory Board developed under section 1408(g), and the recommendations of the Technology Board developed under section 1408A(d); and".

(c) CLERICAL AMENDMENTS.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended—

(1) by inserting after the item relating to section 1408 the following new item:

"Sec. 1408A. Agricultural Science and Technology Review Board."; and

(2) by striking the item relating to section 1412 and inserting the following new item:

"Sec. 1412. Support for the Joint Council, Advisory Board, and Technology Board.".

SEC. 1606. NATIONAL AGRICULTURAL LIBRARY.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1410 the following new section:

"SEC. 1410A. NATIONAL AGRICULTURAL LIBRARY.

"(a) PURPOSE.—The purpose of this section is to consolidate and expand the statutory authority for the operation of the library of the Department of Agriculture established pursuant to section 520 of the Revised Statutes (7 U.S.C. 2201) as the primary agricultural information resource of the United States.

"(b) ESTABLISHMENT.—There is established in the Department of Agriculture the National Agricultural Library to serve as the primary agricultural information resource of the United States.

"(c) DIRECTOR.—The Secretary shall appoint a Director for the National Agricultural Library who shall be subject to the direction of the Secretary.

"(d) FUNCTIONS OF DIRECTOR.—The Director may—

"(1) acquire, preserve, and manage information and information products and services in all phases of agriculture and allied sciences;

"(2) organize agricultural information and information products and services by cataloging, indexing, bibliographical listing, and other appropriate techniques;

"(3) provide agricultural information and information products and services to agencies of the Department of Agriculture and the Federal Government, public and private organizations, and individuals, within the United States and internationally;

"(4) plan for, coordinate, and evaluate information and library needs related to agricultural research and education;

"(5) cooperate with and coordinate efforts among agricultural college and university libraries, in conjunction with private industry and other agricultural library and information centers, toward the development of a comprehensive agricultural library and information network; and

"(6) coordinate the development of specialized subject information services among the agricultural and library information communities.

"(e) LIBRARY PRODUCTS AND SERVICES.—The Director may—

"(1) make copies of the bibliographies prepared by the National Agricultural Library;

"(2) make microforms and other reproductions of books and other library materials in the Department;

"(3) provide any other library and information products and services; and

"(4) sell those products and services at such prices (not less than the estimated total cost of disseminating the products and services) as the Secretary may determine appropriate.

"(f) RECEIPTS.—Funds received from sales under subsection (e) shall be deposited in the Treasury of the United States to the credit of the applicable appropriation and shall remain available until expended.

"(g) AGREEMENTS.—

"(1) IN GENERAL.—The Director may enter into agreement with, and receive funds from any State, and other political subdivision, organization, business, or individual for the purpose of conducting activities to carry out this section.

"(2) FUNDS.—Funds received under this subsection for payments for library products and services or other activities shall be deposited to the miscellaneous contributed fund account, and shall remain available until expended.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this section.".

(b) CONFORMING AMENDMENTS.—

(1) SALES OF COPIES.—The Act of May 23, 1908 (35 Stat. 264, chapter 192; 7 U.S.C. 2242) is amended—

(A) in the second unnumbered paragraph following the heading "LIBRARY.", by striking the second sentence; and

(B) in the second sentence of the second unnumbered paragraph following the heading "OFFICE OF EXPERIMENT STATIONS.", by striking "the Secretary of Agriculture hereafter may furnish" and all that follows through "miscellaneous receipts; and".

(2) SALES OF COPIES.—The Act of March 4, 1915 (38 Stat. 1109, chapter 144; 7 U.S.C. 2242) is amended by striking the eleventh unnumbered paragraph following the heading "STATES RELATIONS SERVICE.".

(3) SALES OF COPIES.—Section 708 of the Act of September 21, 1944 (58 Stat. 742, chapter 412; 7 U.S.C. 2244) is repealed.

(c) CLERICAL AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by inserting after the item relating to section 1410 the following new item:

"Sec. 1410A. National Agricultural Library.".

SEC. 1607. GRANTS TO ENHANCE RESEARCH CAPACITY IN SCHOOLS OF VETERINARY MEDICINE.

(a) IN GENERAL.—Section 1415 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3151) is amended—

(1) in subsection (a), by striking the first sentence and inserting the following: "The Secretary shall conduct a program of competitive grants to States for the purpose of meeting the costs of renovation, improving compliance with Federal regulations, employing faculty, acquiring equipment, and taking other action related to the improvement of schools of veterinary medicine to ensure agricultural competitiveness on a worldwide basis.";

(2) in subsection (b)(1), by striking ", or has made a reasonable effort to establish," and by striking the final "and"; and

(3) by amending subsection (b)(2) to read as follows and adding a new subsection (b)(3) as follows:

"(2) the clinical training of the school to be improved shall emphasize care and preventive medical programs for food animals and companion animals (including horses) which support industries of major economic importance; and

"(3) the Secretary may set aside a portion of funds appropriated for the award of grants under this section and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full participation of minority groups in research in the Nation's schools of veterinary medicine.".

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking the section heading and "SEC. 1415. (a)" and inserting the following:

"SEC. 1415. GRANTS TO ENHANCE RESEARCH CAPACITY IN SCHOOLS OF VETERINARY MEDICINE.

"(a) COMPETITIVE GRANT PROGRAM.—";

(2) by inserting "PREFERENCE.—" after "(b)"; and

(3) by inserting "APPORTIONMENT AND DISTRIBUTION OF FUNDS.—" after "(c)".

(b) CLERICAL AMENDMENT.—The item in the table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) relating to section 1415 is amended to read as follows:

"Sec. 1415. Grants to enhance research capacity in schools of veterinary medicine.".

SEC. 1608. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended to read as follows:

"SEC. 1417. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

"(a) HIGHER EDUCATION TEACHING PROGRAMS.—The Secretary shall promote and strengthen higher education in the food and agricultural sciences by formulating and administering programs to enhance college and university teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agricultural system.

"(b) GRANTS.—The Secretary may make competitive grants (or grants without regard to any requirement for competition) to land-grant colleges and universities, to colleges and universities having significant minority enrollments and a demonstrable capacity to carry out the teaching of food and agricultural sciences, and to other colleges and universities having a demonstrable capacity to carry out the teaching of food and agricultural sciences, for a period not to exceed 5 years—

"(1) to strengthen institutional capacities, including curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, to respond to identified State, regional, national, or international educational needs in the food and agricultural sciences;

"(2) to attract and support undergraduate and graduate students in order to educate the students in national need areas of the food and agricultural sciences;

"(3) to facilitate cooperative initiatives between two or more eligible institutions, or between eligible institutions and units of State government or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs;

"(4) to design and implement innovative food and agricultural educational programs;

"(5) to conduct undergraduate scholarship programs to meet national and international needs for training food and agricultural scientists and professionals; and

"(6) to conduct graduate and postdoctoral fellowship programs to attract highly promising individuals to research or teaching careers in the food and agricultural sciences.

"(c) ELIGIBILITY FOR GRANTS.—

"(1) IN GENERAL.—To be eligible for a grant under subsection (b), a recipient institution must have a significant demonstrable commitment to higher education teaching programs in the food and agricultural sciences and to each specific subject area for which the grant is to be used.

"(2) MINORITY GROUPS.—The Secretary may set aside a portion of the funds appropriated for the awarding of grants under subsection (b), and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full representation of minority groups in the food and agricultural sciences workforce of the United States.

"(d) EVALUATION OF TEACHING PROGRAMS.—The Secretary shall conduct programs to develop, analyze, and provide to colleges and universities data and information that are essential to the evaluation of the quality of teaching programs and to facilitate the design of more effective programs comprising the food and agricultural sciences higher education system of the United States.

"(e) CONTINUING EDUCATION.—The Secretary shall conduct special programs with colleges and universities, and with organizations in the private sector, to support educational initiatives to enable food and agricultural scientists and professionals to maintain their knowledge of changing technology, the expanding knowledge base, societal issues, and other factors that impact the skills and competencies needed to maintain the expertise base available to the agricultural system of the United States. The special programs shall include grants and technical assistance.

"(f) TRANSFERS OF FUNDS AND FUNCTIONS.—Funds authorized in section 22 of the Act of June 29, 1935 (49 Stat. 439, chapter 338; 7 U.S.C. 329) are transferred to and shall be administered by the Secretary of Agriculture. There are transferred to the Secretary all the functions and duties of the Secretary of Education under such Act applicable to the activities and programs for which funds are made available under section 22 of such Act.

"(g) NATIONAL FOOD AND AGRICULTURAL SCIENCES TEACHING AWARDS—.

"(1) ESTABLISHMENT.—The Secretary shall establish a National Food and Agricultural Sciences Teaching Awards program to recognize and promote excellence in teaching food and agricultural sciences at a college or university. The Secretary shall make at least one cash award in each fiscal year to a nominee selected by the Secretary for excellence in teaching a food and agricultural science at a college or university.

"(2) FUNDING.—The Secretary may transfer funds from amounts appropriated for the conduct of any agricultural research, extension, or teaching program to an account established pursuant to this section for the purpose of making the awards. The Secretary may accept gifts in accordance with Public Law 95-442 (7 U.S.C. 2269) for the purpose of making the awards.

"(h) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App. 2) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created for the purpose of reviewing applications and proposals for grants or nominations for awards submitted under this section.

"(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for carrying out this section $60,000,000 for each of the fiscal years 1990 through 1995. Of amounts appropriated to carry out this section for a fiscal year, not less than $10,000,000 shall be used for the national needs graduate fellowship program referred to in subsection (b)(6).".

SEC. 1609. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

(a) GRANTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended to read as follows:

"SEC. 1419. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

"(a) AUTHORITY OF SECRETARY.—The Secretary may award grants under this section to colleges, universities, and Federal laboratories for the purpose of conducting research related to—

"(1) alcohol fuels, including ethanol and methanol or their ethers;

"(2) industrial oilseed crops for diesel fuel and petrochemical substitutes;

"(3) other forms of biomass fuels, including gaseous and solid fuels;

"(4) other industrial hydrocarbons made from agricultural commodities and forest products; and

"(5) the development of the most economical and commercially feasible means of producing, collecting, and transporting agricultural crops, wastes, residues, and byproducts for use as feedstocks for the production of alcohol and other forms of biomass energy and the development of new markets for byproducts.

"(b) SET ASIDE OF FUNDS FOR CERTAIN GRANT PROJECTS.—Of the amounts appropriated in any fiscal year pursuant to the authorization contained in subsection (c), not less than 50 percent of those amounts shall be made available for grants for research relating to the development of technologies for increasing the energy efficiency and commercial feasibility of alcohol production, including—

"(1) processes of cellulose conversion and membrane technology,

"(2) research to improve the quality and value of byproducts to increase digestibility and performance of livestock, poultry, and fish, and

"(3) development of new markets for byproducts.

"(c) MINORITY GROUPS.—The Secretary may set aside a portion of funds appropriated for the award of grants under this section and make such amounts available only for grants to eligible colleges and universities that the Secretary determines have unique capabilities for achieving the objective of full participation of minority groups in research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the purposes of carrying out this section $20,000,000 for each of the fiscal years 1991 through 1995.".

(b) CLERICAL AMENDMENT.—The item relating to section 1419 in the table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by striking ", and agricultural chemicals and other products from coal derivatives".

SEC. 1610. FOOD SCIENCE AND NUTRITION RESEARCH CENTER.

(a) GRANT AUTHORIZED.—Subtitle D of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3171 et seq.) is amended by inserting after section 1423 the following new section:

"SEC. 1424. FOOD SCIENCE AND NUTRITION RESEARCH CENTER.

"(a) ESTABLISHMENT OF CENTER.—The Secretary may award a grant to a research facility described in subsection (b) to establish not less than one food science and nutrition research center for the Southeast Region of the United States.

"(b) RESEARCH FACILITY DESCRIBED.—The research facility referred to in subsection (a) is a research facility that is part of a land-grant college or university system and, on October 1, 1990, benefits from a dedicated non-Federal nutrition endowment of not less than $100,000,000.

"(c) ADMINISTRATION OF FUNDS.—The Cooperative State Research Service, in consultation with the Agricultural Research Service,

shall administer funds appropriated to carry out this section—

"(1) to assure a coordinated approach to human nutrition research; and

"(2) to avoid duplication of research conducted at any research center established under subsection (a) with research conducted at Federal human nutrition research centers.

"(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the fiscal years 1991 through 1995 such sums as may be necessary to carry out this section.".

(b) CLERICAL AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by inserting after the item relating to section 1423 the following new item:

"Sec. 1424. Food science and nutrition research center.".

SEC. 1611. ANIMAL HEALTH AND DISEASE RESEARCH STUDY AND ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

(a) STUDY OF ANIMAL CARE DELIVERY SYSTEM.—Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3193) is amended—

(1) by striking the section heading and "SEC. 1431." and inserting the following:

"SEC. 1431. AUTHORIZATION TO THE SECRETARY OF AGRICULTURE.

"(a) AUTHORITY TO COOPERATE WITH, ENCOURAGE, AND ASSIST STATES.—"; and

(2) by adding at the end the following new subsection:

"(b) STUDY OF ANIMAL CARE DELIVERY SYSTEM.—(1) The Secretary shall commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the delivery system utilized to provide farmers, including small and limited resource farmers, and ranchers with animal care and veterinary medical services, including animal drugs.

"(2) The study required by this subsection shall assess opportunities to—

"(A) improve the flow of information to producers regarding animal husbandry practices, and diagnostic and treatment methods, including the costs and conditions necessary for the effective use of such practices and methods;

"(B) foster achievement of food safety goals; and

"(C) advance the well-being and treatment of farm animals, with particular emphasis on disease prevention strategies.

"(3) The study required by this subsection shall include recommendations for changes in research and extension policies or priorities, food safety programs and policies, and policies and procedures governing the approval, use, and monitoring of animal drugs.".

(b) CHANGES IN ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.—Section 1432 of that Act (7 U.S.C. 3194) is amended—

(1) by striking the section heading and "Sec. 1432(a)." and inserting the following:

"SEC. 1432. ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

"(a) ESTABLISHMENT AND MEMBERSHIP—";

(2) in subsection (a)—

(A) by striking "1990" in the matter preceding the paragraphs and inserting "1995";

(B) by striking "eleven" in the matter preceding the paragraphs and inserting "12";

(C) by striking "Bureau of" in paragraph (4) and inserting "Center for"; and

(D) in paragraph (5)—

(i) by striking "seven" and inserting "eight";

(ii) by striking "and" at the end of subparagraph (B);

(iii) by redesignating subparagraph (C) as subparagraph (D); and

(iv) by inserting after subparagraph (B) the following new subparagraph:

"(C) one person representing an organization concerned with the general protection and well-being of animals, and"; and

(3) by striking subsection (b) and inserting the following new subsection:

"(b) DUTIES.—The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of any animal health and disease research program provided for under this title, under such rules and procedures for conducting business as the Secretary may prescribe.".

SEC. 1612. GRANT PROGRAMS FOR 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

(a) RESIDENT INSTRUCTION.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by inserting after section 1445 (7 U.S.C. 3222) the following new section:

"SEC. 1446. RESIDENT INSTRUCTION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

"(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University (hereinafter in this section referred to as 'eligible institutions') by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

"(b) GRANTS.—The Secretary shall make competitive grants, or grants without regard to any requirement for competition, to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

"(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

"(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international educational needs in the food and agricultural sciences;

"(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need in the food and agricultural sciences;

"(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State government, or organizations in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

"(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

"(d) GRANT REQUIREMENTS.—(1) The Secretary shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

"(2) The Secretary may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402.

"(e) MINORITY SET-ASIDE.—The Secretary may set aside a portion of the funds appropriated for grants under this section and make such amounts available only for grants to eligible institutions that the Secretary determines have unique capabilities for achieving the objective or full representation of minority groups that are under-represented in the Nation's food and agricultural sciences work force.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $11,000,000 for each of the fiscal years 1991 through 1995 to carry out this section.".

(b) AGRICULTURAL AND FOOD SCIENCES FACILITIES.—Such Act is further amended by inserting after section 1446 (as added by subsection (a)) the following new section:

"SEC. 1447. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

"(a) PURPOSE.—It is hereby declared to be the intent of Congress to assist the institutions eligible to receive funds under the Act of August 30, 1890, including Tuskegee University (hereafter referred to in this section as 'eligible institutions') in the acquisition and improvement of agricultural and food sciences facilities and equipment, including libraries, so that the eligible institutions may participate fully in the production of human capital.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Agriculture for the purposes of carrying out the provisions of this section $8,000,000 for each of the fiscal years 1991 through 1995, and such sums shall remain available until expended.

"(c) USE OF GRANT FUNDS.—Four percent of the sums appropriated pursuant to this section shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to eligible institutions for the purpose of assisting them in the purchase of equipment and land, the planning, construction, alteration, or renovation of buildings to strengthen their capacity in the production of human capital in the food and agricultural sciences and can be used at the discretion of the eligible institutions in the areas of research, extension, and resident instruction or any combination thereof.

"(d) METHOD OF AWARDING GRANTS.—Grants awarded pursuant to this section shall be made in such amounts and under such terms and conditions as the Secretary shall determine necessary for carrying out the purposes of this section.

"(e) PROHIBITION OF CERTAIN USES.—Federal funds provided under this section may not be utilized for the payment of any overhead costs of the eligible institutions.

"(f) REGULATIONS.—The Secretary may promulgate such rules and regulations as the Secretary may consider necessary to carry out the provisions of this section.".

(c) NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.—Such Act is further amended by inserting after section 1447 (as added by subsection (b)) the following new section:

"SEC. 1448. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.

"(a) COMPETITIVE GRANTS AUTHORIZED.—The Secretary of Agriculture may make a competitive grant to five national research and training centennial centers located at colleges (or a consortia of such colleges) eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, that—

"(1) have been designated by the Secretary for the fiscal years 1991 through 1995 as national research and training centennial centers; and

"(2) have the best demonstrable capacity, as determined by the Secretary, to provide administrative leadership as—

"(A) a National Center for Goat Research and Training;

"(B) a National Center for Agricultural Engineering Development, Research, and Training;

"(C) a National Center for Water Quality and Agricultural Production Research and Training;

"(D) a National Center for Sustainable Agriculture Research and Training; and

"(E) a National Center for Domestic and International Trade and Development Research and Training.

"(b) USE OF GRANTS.—A grant made under subsection (a) may be expended by a center to—

"(1) pay expenses incurred in conducting research for which the center was designated;

"(2) print and disseminate the results of such research;

"(3) plan, administer, and direct such research; and

"(4) alter or repair buildings necessary to conduct such research.

"(c) PRIORITY.—In making a grant determination under subsection (a), the Secretary shall give priority to those centers that—

"(1) will assure dissemination of information between eligible institutions described in subsection (a) and among agricultural producers; and

"(2) will attract students and needed professionals in the food and agricultural sciences.

"(d) PAYMENTS.—(1) Under the terms of a grant made under subsection (a), funds appropriated under subsection (f) for a fiscal year shall be paid (upon vouchers approved by the Secretary) to a center receiving the grant in equal quarterly installments beginning on or about the first day of October of such year.

"(2) Not later than 60 days after the end of each fiscal year for which funds are paid under this section to a center, the research director of such center shall submit to the Secretary a detailed statement of the disbursements in such fiscal year of funds received by such center under this section.

"(3) If any of the funds received by a center under this section are misapplied, lost, or diminished by any action or contingency on the part of the center—

"(A) the center shall replace such funds; and

"(B) the Secretary shall not distribute to such center any other funds under this subsection until such funds are replaced.

"(e) PROHIBITED USES OF FUNDS.—Funds provided under this section may not be used—

"(1) to acquire or construct a building; or

"(2) to pay the overhead costs of the college (or consortia of colleges) receiving the grant.

"(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $2,000,000 for each of the fiscal years 1991 through 1995 for grants under this section.

"(g) CENTER DEFINED.—For purposes of this section, the term 'center' means a national research and training centennial center that receives a grant under this subsection.

"(h) COORDINATION OF CENTER ACTIVITIES.—(1) The center designated under subsection (a)(2)(C) shall coordinate its activities with the water quality research activities conducted under subtitle G of title XIV of the Food, Agriculture, Conservation, and Trade Act of 1990.

"(2) The center designated under subsection (a)(2)(D) shall coordinate its activities with the sustainable agriculture research and education program established under subtitle B of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990.".

(d) CLERICAL AMENDMENT.—The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by inserting after the item relating to section 1445 the following new items:

"Sec. 1446. Resident instruction at 1890 land-grant colleges, including Tuskegee University.
"Sec. 1447. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
"Sec. 1448. National research and training centennial centers.".

SEC. 1613. INTERNATIONAL AGRICULTURAL SCIENCE, EDUCATION, AND DEVELOPMENT AND INTERNATIONAL TRADE DEVELOPMENT CENTERS.

(a) SCIENCE, EDUCATION, AND DEVELOPMENT.—Subsection (a) of section 1458 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended to read as follows:

"(a) AUTHORITY OF THE SECRETARY.—To carry out the policy of this subtitle, the Secretary (in consultation with the Agency for International Development and subject to such coordination with other Federal officials, Departments, and agencies as the President may direct) may—

"(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities by—

"(A) exchanging research materials and results with the institutions or persons; and

"(B) conducting with the institutions or persons joint or coordinated research and extension on problems of significance to food and agriculture in the United States;

"(2) enter into cooperative arrangements with Departments and Ministries of Agriculture in other nations to conduct research, extension, and education activities in support of the development of a viable and sustainable global agricultural system, including efforts to establish a global system for plant genetic resources conservation;

"(3) enter into agreements with land-grant colleges and universities, the Agency for International Development, and international organizations (such as the United Nations, World Bank, regional development banks, the International Agricultural Research Center), or other organizations, institutions or individuals with comparable goals, to promote and support the development of a viable and sustainable global agricultural system.

"(4) further develop within the Department highly qualified and experienced scientists and experts who specialize in international programs, to be available to carry out the activities described in this section;

"(5) work with transitional and more advanced countries in food, agricultural, and related research, development, and extension (including providing technical assistance, training, and advice to persons from the countries engaged in the activities and the stationing of scientists and other specialists at national and international institutions in the countries);

"(6) expand collaboration and coordination with the Agency for International Development regarding food and agricultural research, extension, and education programs in developing countries;

"(7) assist colleges and universities in strengthening their capabilities for food, agricultural, and related research and extension that is relevant to agricultural development activities in other countries through—

"(A) the provision of support to State universities and land-grant colleges and universities to do collaborative research with other countries on issues relevant to United States agricultural competitiveness;

"(B) the provision of support for cooperative extension education in global agriculture and to promote the application of new technology developed in foreign countries to United States agriculture; and

"(C) the provision of support for the internationalization of resident instruction programs of the universities and colleges described in subparagraph (A); and

"(8) establish, in cooperation with the Secretary of State, a program, to be coordinated through the International Arid Land Consortium, to enhance collaboration and cooperation between institutions possessing research capabilities applied to the development, management, and reclamation of arid lands.".

(b) SPECIALIZED OR TECHNICAL SERVICES.—Subsection (c) of section 1458 of that Act (7 U.S.C. 3291) is amended by inserting after "universities" the following: "and other nongovernmental organizations".

(c) INTERNATIONAL TRADE DEVELOPMENT CENTERS.—Section 1458A of that Act (7 U.S.C. 3292) is amended—

(1) in subsection (a)—

(A) by inserting "GRANT PROGRAM.—" after "(a)";

(B) by striking "grants to States" in the first sentence and inserting "grants to States (or regional groupings of States)";

(C) by striking "State funding" in the second sentence and inserting "State or regional funding"; and

(D) by striking "State from" in the second sentence and inserting "State or region from";

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(3) by inserting after subsection (a) the following new subsection:

"(b) LOCATION AND FUNDING OF CERTAIN CENTERS.—The Secretary shall make determinations regarding the location and funding of international trade development centers established after the date of the enactment of this subsection based on a national plan for agricultural export promotion through international trade development centers. Grants under this section shall be made available on a competitive basis in accordance with such plan."; and

(4) in subsection (c) (as redesignated by paragraph (2))—

(A) by inserting "PREFERENCES.—" after "(c)";

(B) by inserting after "shall" in the matter preceding the paragraphs the following: ",

consistent with the plan developed under subsection (b),"; and

(C) by striking "States" and inserting "States (or regional groupings of States)".

(d) STYLISTIC AMENDMENTS.—(1) Section 1458 of that Act (7 U.S.C. 3291) (as amended by subsections (a) and (b)) is further amended—

(A) by striking "Sec. 1458." and inserting the following:

"SEC. 1458. INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION.";

(B) by inserting "ENHANCING LINKAGES.—" after "(b)";

(C) by inserting "PROVISION OF SPECIALIZED OR TECHNICAL SERVICES.—" after "(c)".

(2) Section 1458A of that Act (7 U.S.C. 3292) (as amended by subsection (b)) is further amended—

(A) by striking the section heading and "Sec. 1458A." and inserting the following:

"SEC. 1458A. GRANTS TO STATES FOR INTERNATIONAL TRADE DEVELOPMENT CENTERS.";

(B) by inserting "ACTIVITIES OF CENTERS.—" after "(d)"; and

(C) by inserting "AUTHORIZATION OF APPROPRIATIONS.—" after "(e)".

SEC. 1614. AQUACULTURE ASSISTANCE PROGRAMS.

(a) FOOD SAFETY; CLOSED-SYSTEM PRODUCTION; AND REPORTS.—Section 1475 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322) is amended—

(1) in subsection (a)—

(A) by inserting "RESEARCH AND EXTENSION PROGRAM.—" after "(a)"; and

(B) by striking "United States," and inserting "United States and to enhance further the safety of food products derived from the aquaculture industry,";

(2) in subsection (b)—

(A) by inserting "GRANTS.—" after "(b)";

(B) by inserting "and sea grant" after "land-grant"; and

(C) by striking the period at the end of the first sentence and inserting "and to enhance further the safety and wholesomeness of those species and products, including the development of reliable supplies of seed stock and therapeutic compounds.";

(3) in subsection (c), by inserting "AQUACULTURE DEVELOPMENT PLANS.—" after "(c)";

(4) in subsection (d)—

(A) by inserting "AQUACULTURAL CENTERS.—" after "(d)";

(B) by striking "four aquacultural research, development, and demonstration centers" in the first sentence and inserting "five aquacultural research, development, and demonstration centers"; and

(C) by adding at the end the following new sentence: "To the extent practicable, the Secretary shall ensure that equitable efforts are made at these centers in addressing the research needs of those segments of the domestic aquaculture industry located within that region.";

(5) in subsection (e)—

(A) by striking "Not later" and all that follows through "subsequent year," and inserting "Reports.—(1) Not later than March 1 of each year,"; and

(B) by adding at the end the following new paragraph:

"(2) The Secretary shall, in consultation with the interagency aquaculture coordinating group established under section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)), conduct a study to assess the economic impact of animal damage to the United States aquaculture industry. In conducting such study, the Secretary shall provide for the consideration of all types of animal damage, including predation, that have an impact on aquaculture enterprises, including fish farming. The Secretary shall submit a report detailing the results of such study to the Committee on Agriculture and the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate not later than January 1, 1992."; and

(6) by adding at the end the following new subsections:

"(f) LISTING OF LAWS ON AQUACULTURE.—The interagency aquaculture coordinating group established under section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)) shall, in consultation with appropriate Federal and State agencies, compile a listing of Federal and State laws, rules, and regulations materially affecting the production, processing, marketing, and transportation of aquaculturally produced commodities and the products thereof. The interagency aquaculture coordinating group shall make such listing available to the public not later than January 1, 1992, and shall update and revise such listing not later than January 1, 1996, to show such laws, rules, and regulations as in effect on that date.

"(g) FISH DISEASE PROGRAM.—The Secretary shall implement, in consultation with the Joint Subcommittee on Aquaculture referred to in section 6 of the National Aquaculture Act of 1980 (16 U.S.C. 2805), a fish disease program to include the development of new diagnostic procedures for fish diseases, the determination of the effect of water environment on the development of the fish immune system, and the development of therapeutic, synthetic, or natural systems, for the control of fish diseases.".

(b) AQUACULTURE RESEARCH FACILITY.—(1) Subtitle L of that Act (7 U.S.C. 3321 et seq.) is amended by inserting after section 1475 the following new section:

"SEC. 1476. AQUACULTURE RESEARCH FACILITIES.

"(a) GRANT AUTHORIZED.—In order to gain further knowledge of intensive water recirculating aquaculture systems, the Secretary may make grants for the purpose of further developing and expanding aquaculture research facilities at Illinois State University in Normal, Illinois, and Virginia Polytechnic Institute and State University in Blacksburg, Virginia, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems.

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized, in the event the Secretary decides to take action under subsection (a), to be appropriated $500,000 for each of the two facilities for fiscal years 1991 through 1995 to carry out this section.".

(2) The table of contents of the Food and Agriculture Act of 1977 (Public Law 95-113; 91 Stat. 913) is amended by inserting after the item relating to section 1475 the following new item:

"Sec. 1476. Aquaculture research facilities.".

(c) PROGRAM EXTENSION AND CONSTRUCTION PROHIBITION.—Section 1477 of that Act (7 U.S.C. 3324) is amended—

(1) by striking "each fiscal year" and all that follows through "1990." and inserting "each of the fiscal years 1991 through 1995."; and

(2) by adding at the end the following new sentence: "Funds appropriated under this section or section 1476 may not be used to acquire or construct a building.".

(d) APPROPRIATIONS FOR AQUACULTURE.—To authorize appropriations to carry out the National Aquaculture Act of 1980 for fiscal years 1991, 1992, and 1993, paragraphs (1), (2), and (3) of section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) are amended to read as follows:

"(1) to the Department of Agriculture, $1,000,000 for each of the fiscal years 1991, 1992, and 1993;

"(2) to the Department of Commerce, $1,000,000 for each of the fiscal years 1991, 1992, and 1993; and

"(3) to the Department of Interior, $1,000,000 for each of the fiscal years 1991, 1992, and 1993.".

SEC. 1615. NATIONAL COMPETITIVE RESEARCH INITIATIVE.

(a) INITIATIVE ESTABLISHED.—Subsection (b) of section 2 of Public Law 89-106 (7 U.S.C. 450i) is amended—

(1) by inserting "COMPETITIVE GRANTS.—(1)" after "(b)"; and

(2) by striking the third sentence and all that follows and inserting the following new paragraphs:

"(2) HIGH PRIORITY RESEARCH.—For purposes of this subsection, the term 'high priority research' means basic and applied research that focuses on both national and regional research needs (and methods to transfer such research to onfarm or inmarket practice) in—

"(A) plant systems, including plant genome structure and function; molecular and cellular genetics and plant biotechnology; plant-pest interactions and biocontrol systems; crop plant response to environmental stresses; unproved nutrient qualities of plant products; and new food and industrial uses of plant products;

"(B) animal systems, including aquaculture, cellular and molecular basis of animal reproduction, growth, disease, and health; identification of genes responsible for improved production traits and resistance to disease; improved nutritional performance of animals; and improved nutrient qualities of animal products, and uses, and the development of new and improved animal husbandry and production systems that take into account production efficiency and animal well-being, and animal systems applicable to aquaculture;

"(C) nutrition, food quality, and health, including microbial contaminants and pesticides residues related to human health; links between diet and health; bioavailability of nutrients; postharvest physiology and practices; and improved processing technologies;

"(D) natural resources and the environment, including fundamental structures and functions of ecosystems; biological and physical bases of sustainable production systems; minimizing soil and water losses and sustaining surface water and ground water quality; global climate effects on agriculture; forestry; and biological diversity;

"(E) engineering, products, and processes, including new uses and new products from traditional and non-traditional crops, animals, byproducts, and natural resources; robotics, energy efficiency, computing, and expert systems; new hazard and risk assessment and mitigation measures; and water quality and management; and

"(F) markets, trade, and policy, including optional strategies for entering and being competitive in overseas markets; new decision tools for onfarm and inmarket systems; choices and applications of technology; technology assessment; and new approaches to rural economic development.

"(3) TYPES OF GRANTS.—In addition to making research grants under paragraph

(1), the Secretary may conduct a program to improve research capabilities in the agricultural, food, and environmental sciences and award the following categories of competitive grants:

"(A) Grants may be awarded to a single investigator or coinvestigators within the same discipline.

"(B) Grants may be awarded to teams of researchers from different areas of agricultural research and scientific disciplines.

"(C) Grants may be awarded to multidisciplinary teams that are proposing research on long-term applied research problems, with technology transfer a major component of all such grant proposals.

"(D) Grants may be awarded to an institution to allow for the improvement of the research, development, technology transfer, and education capacity of the institution through the acquisition of special research equipment and the improvement of agricultural education and teaching. The Secretary shall use not less than 25 percent, and not more than 40 percent, of the funds made available for grants under this subparagraph to provide fellowships to outstanding pre- and post-doctoral students for research in the agricultural sciences.

"(E) Grants may be awarded to single investigators or coinvestigators who are beginning their research careers and do not have an extensive research publication record. To be eligible for a grant under this subparagraph, an individual shall have less than 5 years of post-graduate research experience.

"(F) Grants may be awarded to ensure that the faculty of small and mid-sized institutions who have not previously been successful in obtaining competitive grants under this subsection receive a portion of the grants.

"(4) TERM.—The term of a competitive grant made under this subsection may not exceed 5 years.

"(5) DIRECTOR.—The Secretary shall appoint a director for the grant program authorized by this subsection. The Secretary, acting through the director, shall be responsible for the overall direction of the grant program and implementation of general policies respecting the management and operation of programs and activities in the program.

"(6) PARTICIPATION IN GRANT PROCESS.—In seeking proposals for grants under this subsection and in performing peer review evaluations of such proposals, the Secretary shall seek the widest participation of qualified scientists in the Federal Government, colleges and universities, State agricultural experiment stations, and the private sector.

"(7) CONSTRUCTION PROHIBITED.—A grant made under paragraph (1) may not be used for any purpose for which a grant may be made under subsection (d) or for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

"(8) MATCHING FUNDS.—(A) Except as provided in subparagraph (B), the Secretary may not take the offer or availability of matching funds into consideration in making a grant under this subsection.

"(B) In the case of grants under paragraph (3)(D), the amount provided under this subsection may not exceed 50 percent of the cost the special research equipment or other equipment acquired.

"(9) ANNUAL REPORT.—The Secretary shall transmit to Congress an annual report describing the policies, priorities, and operations of the grant program authorized by this subsection during the preceding fiscal year. The report shall—

"(A) include a description of the progress being made to comply with subsection (j); and

"(B) be transmitted not later than January 1 of each year.

"(10) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $150,000,000 for fiscal year 1991, $275,000,000 for fiscal year 1992, $350,000,000 for fiscal year 1993, and $400,000,000 for fiscal year 1994, and $500,000,000 for fiscal year 1995, of which each fiscal year—

"(A) not less than 10 percent for fiscal year 1991, 20 percent for fiscal year 1992, and 30 percent for fiscal year 1993 and each fiscal year thereafter shall be available to make grants for research to be conducted by multidisciplinary teams;

"(B) not less than 20 percent shall be available to make grants for research to be conducted by persons conducting mission-linked systems research;

"(C) not less than 10 percent shall be available to make grants under subparagraphs (D) and (F) of paragraph (3) for awarding grants in research and education strengthening and research opportunity;

"(D) not more than two percent may be used for equipment grants under subparagraph (3)(D); and

"(E) not more than four percent may be retained by the Secretary to pay administrative costs incurred by the Secretary in carrying out this subsection.".

(b) ADMINISTRATIVE PROVISIONS—Such section is further amended by adding at the end the following new subsections:

"(j) EMPHASIS ON SUSTAINABLE AGRICULTURE.—The Secretary of Agriculture shall ensure that grants made under subsections (b) and (c) are, where appropriate, consistent with the development of systems of sustainable agriculture. For purposes of this section, the term 'sustainable agriculture' has the meaning given that term in section 1404(17) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(17)).

"(k) REPORTS.—The Secretary of Agriculture shall prepare and submit to Congress on January 1 of each year a report on awards made under subsections (b) and (c) during the previous fiscal year.

"(l) CONSULTATION WITH TECHNOLOGY BOARD.—The Secretary of Agriculture may consult with the Agricultural Science and Technology Review Board regarding the policies, priorities, and operation of subsections (b) and (c).".

(c) STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking "SEC. 2. (a)" and inserting the following:

"SEC. 2. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

"(a) ESTABLISHMENT OF GRANT PROGRAM.—";

(2) in subsection (d), by inserting "FACILITIES GRANTS.—" after "(d)";

(3) in subsection (e), by inserting "RECORD KEEPING.—" after "(e)";

(4) in subsection (f), by inserting "LIMITS ON OVERHEAD COSTS.—" after "(f)";

(5) in subsection (g), by inserting "AUTHORIZATION OF APPROPRIATIONS.—" after "(g)";

(6) in subsection (h), by inserting "RULES.—" after "(h)"; and

(7) in subsection (i), by inserting "APPLICATION OF OTHER LAWS.—" after "(i)".

SEC. 1616. SPECIAL RESEARCH GRANTS.

Subsection (c) of section 2 of the Act of August 4, 1965 (7 U.S.C. 450i), is amended to read as follows:

"(c) SPECIAL GRANTS.—(1) The Secretary of Agriculture may make grants, for periods not to exceed 5 years—

"(A) to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for the purpose of conducting research to facilitate or expand promising breakthroughs in areas of the food and agricultural sciences of importance to the United States; and

"(B) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), and accredited schools or colleges of veterinary medicine for the purpose of facilitating or expanding ongoing State-Federal food and agricultural research programs that—

"(i) promote excellence in research on a regional and national level;

"(ii) promote the development of regional research centers;

"(iii) promote the research partnership between the Department of Agriculture, colleges and universities, research foundations, and State agricultural experiment stations for regional research efforts; and

"(iv) facilitate coordination and cooperation of research among States through regional research grants.

"(2) LIMITATIONS.—The Secretary may not make a grant under this subsection—

"(A) for any purpose for which a grant may be made under subsection (d); or

"(B) for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

"(3) MATCHING FUNDS.—Grants made under this subsection shall be made without regard to matching funds.

"(4) SET ASIDES.—Of amounts appropriated for a fiscal year to carry out this subsection—

"(A) ninety percent of such amounts shall be used for grants for regional research projects; and

"(B) four percent of such amounts may be retained by the Secretary to pay administrative costs incurred by the Secretary to carry out this subsection.".

SEC. 1617. MINIMIZATION OF CONFLICTS OF INTEREST OF EMPLOYEES OF COLLEGES RECEIVING FUNDS UNDER THE SMITH-LEVER ACT.

Section 4 of the Act of May 8, 1914 (commonly known as the Smith-Lever Act) (7 U.S.C. 344), is amended by inserting after the second sentence the following: "The Secretary shall ensure that each college seeking to receive funds under this Act has in place appropriate guidelines, as determined by the Secretary, to minimize actual or potential conflicts of interest among employees of such college whose salaries are funded in whole or in part with such funds.".

SEC. 1618. AGRICULTURAL EXPERIMENT STATIONS AND TRANSPORTATION OF VIRUS OF FOOT-AND-MOUTH DISEASE.

(a) REAPPORTIONMENT OF WITHHELD ALLOTMENTS FOR AGRICULTURAL EXPERIMENT STATIONS.—Section 3(d) of the Act of March 2, 1887 (7 U.S.C. 361c(d)) is amended by inserting before the period at the end the following: "and reapportioned among the States".

(b) CERTAIN TRANSPORTATION AUTHORIZED UNDER ADEQUATE SAFEGUARDS.—The proviso in the first sentence in section 12 of the Act of May 29, 1884 (21 U.S.C. 113a) is amended—

(1) by striking "United States except" and inserting "United States (except"; and

(2) by striking "tunnel, and" and inserting the following: "tunnel) unless the Secretary determines that it is necessary and in the public interest for the conduct of research and study in the United States (except at Brookhaven National Laboratory in Upton, New York) and issues a permit under such rules as the Secretary shall promulgate to protect animal health,".

Subtitle B—Sustainable Agriculture Research and Education

SEC. 1619. PURPOSE AND DEFINITIONS.

(a) PURPOSE.—It is the purpose of this subtitle to encourage research designed to increase our knowledge concerning agricultural production systems that—

(1) maintain and enhance the quality and productivity of the soil;

(2) conserve soil, water, energy, natural resources, and fish and wildlife habitat;

(3) maintain and enhance the quality of surface and ground water;

(4) protect the health and safety of persons involved in the food and farm system;

(5) promote the well being of animals; and

(6) increase employment opportunities in agriculture.

(b) DEFINITIONS.—For purposes of this subtitle:

(1) The term "sustainable agriculture" shall have the same meaning given to that term by section 1404(17) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(17)).

(2) The term "integrated crop management" means an agricultural management system that integrates all controllable agricultural production factors for long-term sustained productivity, profitability, and ecological soundness.

(3) The term "integrated resource management" means livestock management which utilizes an interdisciplinary systems approach which integrates all controllable agricultural production practices to provide long-term sustained productivity and profitable production of safe and wholesome food in an environmentally sound manner.

(4) The term "agribusiness" includes a producer or organization engaged in an agricultural enterprise with a profit motive.

(5) The term "extension" shall have the same meaning given to that term by section 1404(7) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(7)).

(6) The term "Secretary" means the Secretary of Agriculture.

(7) The term "Advisory Council" means the National Sustainable Agriculture Advisory Council established under section 1622(c).

(8) The term "State" means each of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Marianas Islands, the Trust Territory of the Pacific Islands, or federally recognized Indian tribes.

(9) The term "State agricultural experiment stations" shall have the same meaning given to that term by section 1404(13) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(13)).

(10) The term "nonprofit organization" means an organization, group, institute, or institution that—

(A) has a demonstrated capacity to conduct agricultural research or education programs;

(B) has experience in research, demonstration, education, or extension in sustainable agricultural practices and systems; and

(C) qualifies as a nonprofit organization under section 501(c) of the Internal Revenue Code of 1986.

SEC. 1620. REPEAL OF AGRICULTURAL PRODUCTIVITY RESEARCH.

(a) REPEAL.—Subtitle C (sections 1461 through 1471) of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (7 U.S.C. 4701-4710) is repealed.

(b) CLERICAL AMENDMENT.—The table of contents at the beginning of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1354) is amended by striking the items relating to subtitle C of title XIV.

CHAPTER 1—BEST UTILIZATION OF BIOLOGICAL APPLICATIONS

SEC. 1621. RESEARCH AND EXTENSION PROJECTS.

(a) PROJECTS REQUIRED.—The Secretary shall conduct research and extension projects to obtain data, develop conclusions, demonstrate technologies, and conduct educational programs that promote the purposes of this chapter, including research and extension projects that—

(1) facilitate and increase scientific investigation and education in order to—

(A) reduce, to the extent feasible and practicable, the use of chemical pesticides, fertilizers, and toxic natural materials in agricultural production;

(B) improve low-input farm management to enhance agricultural productivity, profitability, and competitiveness; and

(C) promote crop, livestock, and enterprise diversification; and

(2) facilitate the conduct of projects in order to—

(A) study, to the extent practicable, agricultural production systems that are located in areas that possess various soil, climate, and physical characteristics;

(B) study farms that have been, and will continue to be, managed using farm production practices that rely on low-input and conservation practices;

(C) take advantage of the experience and expertise of farmers and ranchers through their direct participation and leadership in projects;

(D) transfer practical, reliable and timely information to farmers and ranchers concerning low-input sustainable farming practices and systems; and

(E) promote a partnership between farmers, nonprofit organizations, agribusiness, and public and private research and extension institutions.

(b) AGREEMENTS.—The Secretary shall carry out this section through agreements entered into with land-grant colleges or universities, other universities, State agricultural experiment stations, the State cooperative extension services, nonprofit organizations with demonstrable expertise, or Federal or State governmental entities.

(c) SELECTION OF PROJECTS.—

(1) IN GENERAL.—The Secretary shall select research and extension projects to be conducted under this section on the basis of—

(A) the recommendations of the Advisory Council;

(B) the relevance of the project to the purposes of this chapter;

(C) the appropriateness of the design of the project;

(D) the likelihood of obtaining the objectives of the project; and

(E) the national or regional applicability of the findings and outcomes of the proposed project.

(2) PRIORITY.—In conducting projects under this section, the Secretary shall give priority to projects that—

(A) are recommended by the Advisory Council;

(B) closely coordinate research and extension activities;

(C) indicate the manner in which the findings of the project will be made readily usable by farmers;

(D) maximize the involvement and cooperation of farmers, including projects involving on-farm research and demonstration;

(E) involve a multidisciplinary systems approach; and

(F) involve cooperation between farms, non-profit organizations, colleges and universities, and government agencies.

(d) DIVERSIFICATION OF RESEARCH.—The Secretary shall conduct projects and studies under this section in areas that are broadly representative of the diversity of United States agricultural production, including production on family farms, mixed-crop livestock farms and dairy operations.

(e) ON-FARM RESEARCH.—The Secretary may conduct projects and activities that involve on-farm research and demonstration in carrying out this section.

(f) IMPACT STUDIES.—The Secretary may approve study projects concerning the national and regional economic, global competitiveness, social and environmental implications of the adoption of low-input sustainable agricultural practices and systems.

(g) PROJECT DURATION.—

(1) IN GENERAL.—The Secretary may approve projects to be conducted under this section that have a duration of more than one fiscal year.

(2) SEQUENCE PLANTING.—In the case of a research project conducted under this section that involves the planting of a sequence of crops or crop rotations, the Secretary shall approve such projects for a term that is appropriate to the sequence or rotation being studied.

(h) PUBLIC ACCESS.—The Secretary shall ensure that research projects conducted under this section are open for public observation at specified times.

(i) INDEMNIFICATION.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may indemnify the operator of a project conducted under this section for damage incurred or undue losses sustained as a result of a rigid requirement of research or demonstration under such project that is not experienced in normal farming operations.

(2) SUBJECT TO AGREEMENT.—An indemnity payment under paragraph (1) shall be subject to any agreement between a project grantee and operator entered into prior to the initiation of such project.

SEC. 1622. PROGRAM ADMINISTRATION.

(a) DUTIES OF SECRETARY.—The Secretary shall—

(1) administer the programs and projects conducted under sections 1621 and 1623 through the Cooperative State Research Service in close cooperation with the Extension Service, Agricultural Research Service, and other appropriate agencies;

(2) establish the Advisory Council in accordance with subsection (c);

(3) establish a minimum of four Regional Administrative Councils in accordance with subsection (e); and

(4) in conjunction with such Regional Administrative Councils, identify regional

host institutions required to carry out such programs or projects.

(b) REPORTS.—The Secretary shall, not later than April 1, 1991, and each April 1 thereafter, prepare and submit to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Advisory Council—

(1) a report describing the results of the programs carried out under sections 1621, 1623, and 1627; and

(2) a report describing the progress of projects conducted under this subtitle, including—

(A) a summary and analysis of data collected under such projects;

(B) recommendations based on such data for new basic or applied research;

(C) the number, length, and type of projects proposed, funded and carried out, by region; and

(D) the national and regional economic, social, and environmental implications of the adoption of practices developed under this subtitle and section 1650.

(c) NATIONAL SUSTAINABLE AGRICULTURE ADVISORY COUNCIL.—The membership of the National Sustainable Agriculture Advisory Council shall include representatives of—

(1) the Agricultural Research Service;

(2) the Cooperative State Research Service;

(3) the Soil Conservation Service;

(4) the Extension Service;

(5) State cooperative extension services;

(6) State agricultural experiment stations;

(7) the Economic Research Service;

(8) the National Agricultural Library;

(9) the Environmental Protection Agency;

(10) the Farmers Home Administration;

(11) the Board on Agriculture of the National Academy of Sciences;

(12) private nonprofit organizations with demonstrable expertise;

(13) farmers utilizing systems and practices of sustainable agriculture;

(14) the United States Geological Survey;

(15) agribusiness; and

(16) other specialists in agricultural research or technology transfer, including individuals from colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, or other colleges or universities with demonstrable expertise.

(d) RESPONSIBILITIES OF ADVISORY COUNCIL.—The Advisory Council shall—

(A) make recommendations to the Secretary concerning research and extension projects that should receive funding under sections 1621 and 1623;

(B) promote the programs established under this chapter at the national level;

(C) coordinate research and extension activities funded under such programs;

(D) establish general procedures for awarding and administering funds under this chapter;

(E) consider recommendations for improving such programs;

(F) facilitate cooperation and integration between sustainable agriculture, national water quality, integrated pest management, food safety, and other related programs; and

(G) prepare and submit an annual report concerning its activities to the Secretary.

(e) REGIONAL ADMINISTRATIVE COUNCILS.—

(1) MEMBERSHIP.—The membership of the Regional Administrative Councils shall include representatives of—

(A) the Agricultural Research Service;

(B) the Cooperative State Research Service;

(C) the Extension Service;

(D) State cooperative extension services;

(E) State agricultural experiment stations;

(F) the Soil Conservation Service;

(G) State departments engaged in sustainable agriculture programs;

(H) nonprofit organizations with demonstrable expertise;

(I) farmers utilizing systems and practices of sustainable agriculture;

(J) agribusiness;

(K) the State or United States Geological Survey; and

(L) other persons knowledgeable about sustainable agriculture and its impact on the environment and rural communities.

(2) RESPONSIBILITIES.—The Regional Administrative Councils shall—

(A) make recommendations to the Advisory Council concerning research and extension projects that merit funding under sections 1621 and 1623;

(B) promote the programs established under this subtitle at the regional level;

(C) establish goals and criteria for the selection of projects authorized under this subtitle within the applicable region;

(D) appoint a technical committee to evaluate the proposals for projects to be considered under this subtitle by such council;

(E) review and act on the recommendations of the technical committee, and coordinate its activities with the regional host institution; and

(F) prepare and make available an annual report concerning projects funded under sections 1621 and 1623, together with an evaluation of the project activity.

(3) CONFLICT OF INTEREST.—A member of the regional administration council or a technical committee may not participate in the discussion or recommendation of proposed projects if the member has or had a professional or business interest in, including the provision of consultancy services, the organization whose grant application is under review.

SEC. 1623. FEDERAL-STATE MATCHING GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a Federal-State matching grant program to make grants to States to assist in the creation or enhancement of State sustainable agriculture research, extension, and education programs, in furtherance of this subtitle.

(b) ELIGIBLE PROGRAMS AND ACTIVITIES.—States eligible to receive a grant under this section may conduct a variety of activities designed to carry out the purpose of this subtitle, including—

(1) activities that encourage the incorporation and integration of sustainable agriculture concerns in all State research, extension, and education projects;

(2) educational programs for farmers, educators, and the public;

(3) the development and funding of innovative research, extension, and education programs regarding sustainable agriculture;

(4) the conduct of research and demonstration projects;

(5) the provision of technical assistance to farmers and ranchers;

(6) activities that encourage farmer-to-farmer information exchanges;

(7) the incorporation of sustainable agriculture studies in undergraduate and graduate degree programs; and

(8) such other activities that are appropriate to the agricultural concerns of the State that are consistent with the purpose of this chapter.

(c) SUBMISSION OF PLAN.—

(1) REQUIRED.—States that elect to apply for a grant under this section shall prepare and submit, to the appropriate Regional Administrative Council established under section 1622, a State plan and schedule for approval by such council and the Secretary.

(2) ELEMENTS OF PLAN.—State plans prepared under paragraph (1) shall provide details of the proposed program to be implemented using funds provided under this section for fiscal years 1991 through 1995, or any 5-year period thereafter, and shall identify the sources of matching State funds for the same fiscal year.

(3) PARTICIPATION OF FARMERS.—To be eligible for approval, State plans submitted under this subsection shall demonstrate that there will be extensive and direct participation of farmers in the development, implementation, and evaluation of the program.

(d) GRANT AWARD.—

(1) LIMITS.—Subject to paragraph (2), the Secretary shall provide grants to eligible States in an amount not to exceed 50 percent of the cost of the establishment or enhancement of a State sustainable agriculture program under a plan approved by the Secretary under subsection (c) for a period not to exceed 5 years.

(2) STATE CONTRIBUTION.—To be eligible to receive a grant under this section, a State shall agree to pay, from State appropriated funds, other State revenue, or from private contributions received by the State, not less than 50 percent of the cost of the establishment or enhancement of the sustainable agriculture program under an approved plan under subsection (c).

SEC. 1624. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $40,000,000 for each fiscal year to carry out this chapter. Of amounts appropriated to carry out this chapter for a fiscal year, not less than $15,000,000, or not less than two thirds of any such appropriation, whichever is greater, shall be used to carry out sections 1621 and 1623.

CHAPTER 2—INTEGRATED MANAGEMENT SYSTEMS

SEC. 1627. INTEGRATED MANAGEMENT SYSTEMS.

(a) ESTABLISHMENT.—The Secretary shall establish a research and education program concerning integrated resource management and integrated crop management in order to enhance research related to farming operations, practices, and systems that optimize crop and livestock production potential and are environmentally sound. The purpose of the program shall be—

(1) to encourage producers to adopt integrated crop and livestock management practices and systems that minimize or abate adverse environmental impacts, reduce soil erosion and loss of water and nutrients, enhance the efficient use of on-farm and off-farm inputs, and maintain or increase profitability and long-term productivity;

(2) to develop knowledge and information on integrated crop and livestock management systems and practices to assist agricultural producers in the adoption of these systems and practices;

(3) to accumulate and analyze information on agricultural production practices researched or developed under programs established in under this subtitle, subtitle G of title XIV, and section 1650 and other appropriate programs of the Department of Agriculture to further the development of integrated crop and livestock management systems;

(4) to facilitate the adoption of whole-farm integrated crop and livestock manage-

ment systems through demonstration projects on individual farms, including small and limited resource farms, throughout the United States; and

(5) to evaluate and recommend appropriate integrated crop and livestock management policies and programs.

(b) DEVELOPMENT AND ADOPTION OF INTEGRATED CROP MANAGEMENT PRACTICES.—The Secretary shall encourage agricultural producers to adopt and develop individual, site-specific integrated crop management practices. On a priority basis, the Secretary shall develop and disseminate information on integrated crop management systems for agricultural producers in specific localities or crop producing regions where the Secretary determines—

(1) water quality is impaired as a result of local or regional agricultural production practices; or

(2) the adoption of such practices may aid in the recovery of endangered or threatened species.

(c) DEVELOPMENT AND ADOPTION OF INTEGRATED RESOURCE MANAGEMENT PRACTICES.—The Secretary shall, on a priority basis, develop programs to encourage livestock producers to develop and adopt individual, site-specific integrated resource management practices. These programs shall be designed to benefit producers and consumers through—

(1) optimum use of available resources and improved production and financial efficiency for producers;

(2) identifying and prioritizing the research and educational needs of the livestock industry relating to production and financial efficiency, competitiveness, environmental stability, and food safety; and

(3) utilizing an interdisciplinary approach.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year $20,000,000 to carry out this section through the Extension Service.

CHAPTER 3—SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAM

SEC. 1628. TECHNICAL GUIDES AND HANDBOOKS.

(a) DEVELOPMENT.—Not later than two years after the date of the enactment of this Act, the Secretary shall develop and make available handbooks and technical guides, and any other educational materials that are appropriate for describing sustainable agriculture production systems and practices, as researched and developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department.

(b) CONSULTATION AND COORDINATION.—The Secretary shall develop the handbooks, technical guides, and educational materials in consultation with the Advisory Council, the Soil Conservation Service, and any other appropriate entities designated by the Secretary. The Secretary shall coordinate activities conducted under this section with those conducted under section 1261 of the Food Security Act of 1985, as added by section 1446.

(c) TOPICS OF HANDBOOKS AND GUIDES.—The handbooks and guides, and other education materials, shall include detailed information on the selection of crops and crop-plant varieties, rotation practices, soil building practices, tillage systems, nutrient management, integrated pest management practices, habitat protection, pest, weed, and disease management, livestock management, soil, water, and energy conservation, and any other practices in accordance with or in furtherance of the purpose of this subtitle.

(d) ORGANIZATION AND CONTENTS.—The handbooks and guides, and other educational materials, shall provide practical instructions and be organized in such a manner as to enable agricultural producers desiring to implement the practices and systems developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department to address site-specific, environmental and resource management problems and to sustain farm profitability, including—

(1) enhancing and maintaining the fertility, productivity, and conservation of farmland and ranch soils, ranges, pastures, and wildlife;

(2) maximizing the efficient and effective use of agricultural inputs;

(3) protecting or enhancing the quality of water resources; or

(4) optimizing the use of on-farm and nonrenewable resources.

(e) AVAILABILITY.—The Secretary shall ensure that handbooks and technical guides, and other educational materials are made available to the agricultural community and the public through colleges and universities, the State Cooperative Extension Service, the Soil Conservation Service, other State and Federal agencies, and any other appropriate entities.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

SEC. 1629. NATIONAL TRAINING PROGRAM.

(a) IN GENERAL.—The Secretary shall establish a National Training Program in Sustainable Agriculture to provide education and training for Cooperative Extension Service agents and other professionals involved in the education and transfer of technical information concerning sustainable agriculture in order to develop their understanding, competence, and ability to teach and communicate the concepts of sustainable agriculture to Cooperative Extension Service agents and to farmers and urban residents who need information on sustainable agriculture.

(b) ADMINISTRATION.—The National Training Program shall be organized and administered by the Extension Service, in coordination with other appropriate Federal agencies. The Secretary shall designate an individual from the Cooperative Extension Service in each State to coordinate the National Training Program within that State. The coordinators shall be responsible, in cooperation with appropriate Federal and State agencies, for developing and implementing a statewide training program for appropriate field office personnel.

(c) REQUIRED TRAINING.—

(1) AGRICULTURAL AGENTS.—The Secretary shall insure that all agricultural agents of the Cooperative Extension Service have completed the National Training Program not later than the end of the five-year period beginning on the date of enactment of this Act. Such training may occur at a college or university located within each State as designated by the coordinator designated under this section.

(2) PROOF OF TRAINING.—Beginning three years after the date of enactment of this Act, the Secretary shall ensure that all new Cooperative Extension Service agents employed by such Service are able to demonstrate, not later than 18 months after the employment of such agents, that such agents have completed the training program established in subsection (a).

(d) REGIONAL TRAINING CENTERS.—

(1) DESIGNATION.—The Secretary shall designate not less than two regional training centers to coordinate and administer educational activities in sustainable agriculture as provided for in this section.

(2) TRAINING PROGRAM.—Such centers shall offer intensive instructional programs involving classroom and field training work for extension specialists and other individuals who are required to transmit technical information.

(3) PROHIBITION ON CONSTRUCTION.—Such centers shall be located at existing facilities, and no funds appropriated to carry out this chapter shall be used for facility construction.

(4) ADMINISTRATION.—Such centers should be administered by entities that have a demonstrated capability relating to sustainable agriculture. The Secretary should consider utilizing existing entities with expertise in sustainable agriculture to assist in the design and implementation of the training program under paragraph (2).

(5) COORDINATION OF RESOURCES.—Such centers shall make use of information generated by the Department of Agriculture and the State agricultural experiment stations, and the practical experience of farmers, especially those cooperating in on-farm demonstrations and research projects, in carrying out the functions of such centers.

(e) COMPETITIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall establish a competitive grants program to award grants to organizations, including land-grant colleges and universities, to carry out sustainable agricultural training for county agents and other individuals that need basic information concerning sustainable agriculture practices.

(2) SHORT COURSES.—The purpose of the grants made available under paragraph (1) shall be to establish, in various regions in the United States, training programs that consist of workshops and short courses designed to familiarize participants with the concepts and importance of sustainable agriculture.

(f) REGIONAL SPECIALISTS.—To assist county agents and farmers implement production practices developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department, regional sustainable agriculture specialists may be designated within each State who shall report to the State coordinator of that State. The specialists shall be responsible for developing and coordinating local dissemination of sustainable agriculture information in a manner that is useful to farmers in the region.

(g) INFORMATION AVAILABILITY.—The Cooperative Extension Service within each State shall transfer information developed under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department through a program that shall—

(1) assist in developing farmer-to-farmer information exchange networks to enable farmers making transitions to more sustainable farming systems to share ideas and draw on the experiences of other farmers;

(2) help coordinate and publicize a regular series of sustainable agriculture farm tours and field days within each State;

(3) plan for extension programming, including extensive farmer input and feedback, in the design of new and ongoing research endeavors related to sustainable agriculture;

(4) provide technical assistance to individual farmers in the design and implementation of farm management plans and strategies for making a transition to more sustainable agricultural systems;

(5) consult and work closely with the Soil Conservation Service and the Agricultural Stabilization and Conservation Service in carrying out the information, technical assistance, and related programs;

(6) develop, coordinate, and direct special education and outreach programs in areas highly susceptible to groundwater contamination, linking sustainable agriculture information with water quality improvement information;

(7) develop information sources relating to crop diversification, alternative crops, on-farm food or commodity processing, and on-farm energy generation;

(8) establish a well-water testing program designed to provide those persons dependent upon underground drinking water supplies with an understanding of the need for regular water testing, information on sources of testing, and an understanding of how to interpret test results and provide for the protection of underground water supplies;

(9) provide specific information on water quality practices developed through the research programs in subtitle G of title XIV;

(10) provide specific information on nutrient management practices developed through the research programs in subtitle G of title XIV; and

(11) provide information concerning whole-farm management systems integrating research results under this subtitle, subtitle G of title XIV, section 1650, and other appropriate research programs of the Department.

(h) DEFINITION.—For purposes of this section, the term "appropriate field office personnel" includes employees of the Extension Service, Soil Conservation Service, and other appropriate Department of Agriculture personnel, as determined by the Secretary, whose activities involve the provision of agricultural production and conservation information to agricultural producers.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for each fiscal year to carry out the National Training Program.

Subtitle C—National Genetics Resources Program

SEC. 1632. ESTABLISHMENT, PURPOSE, AND FUNCTIONS OF THE NATIONAL GENETIC RESOURCES PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture shall provide for a National Genetic Resources Program.

(b) PURPOSE.—The program is established for the purpose of maintaining and enhancing a program providing for the collection, preservation, and dissemination of genetic material of importance to American food and agriculture production.

(c) ADMINISTRATION.—The program shall be administered by the Secretary through the Agricultural Research Service.

(d) FUNCTIONS.—The Secretary, acting through the program, shall—

(1) provide for the collection, classification, preservation, and dissemination of genetic material of importance to the food and agriculture sectors of the United States;

(2) conduct research on the genetic materials collected and on methods for storage and preservation of those materials;

(3) coordinate the activities of the program with similar activities occurring domestically;

(4) make available upon request, without charge and without regard to the country from which such request originates, the genetic material which the program assembles;

(5) expand the types of genetic resources included in the program to develop a comprehensive genetic resources program which includes plants (including silvicultural species), animal, aquatic, insect, microbiological, and other types of genetic resources of importance to food and agriculture, as resources permit; and

(6) engage in such other activities as the Secretary determines appropriate and as the resources of the program permit.

SEC. 1633. APPOINTMENT AND AUTHORITY OF DIRECTOR.

(a) DIRECTOR.—There shall be at the head of the program an official to be known as the Director of the National Genetic Resources program who shall be appointed by the Secretary. The Director shall perform such duties as are assigned to the Director by this subtitle and such other duties as the Secretary may prescribe.

(b) ADMINISTRATIVE AUTHORITY.—In carrying out this subtitle, the Secretary, acting through the Director—

(1) shall be responsible for the overall direction of the program and for the establishment and implementation of general policies respecting the management and operation of activities within the program;

(2) may secure for the program consultation services and advice of persons from the United States and abroad;

(3) may accept voluntary and uncompensated services; and

(4) may perform such other administrative functions as the Secretary determines are needed to effectively carry out this subtitle.

(c) DUTIES.—The Director shall—

(1) advise participants on the program activities;

(2) coordinate, review and facilitate the systematic identification and evaluation of, relevant information generated under the program;

(3) promote the effective transfer of the information described in paragraph (2) to the agriculture and food production community and to entities that require such information; and

(4) monitor the effectiveness of the activities described in paragraph (3).

(d) BIENNIAL REPORTS.—The Director shall prepare and transmit to the Secretary and to the Congress a biennial report containing—

(1) a description of the activities carried out by and through the program and the policies of the program, and such recommendations respecting such activities and policies as the Director considers to be appropriate;

(2) a description of the necessity for, and progress achieved toward providing, additional programs and activities designed to include the range of genetic resources described in section 1632(d)(5) in the activities of the program; and

(3) an assessment of events and activities occurring internationally as they relate to the activities and policies of the program.

(e) INITIAL REPORTS.—Not later than one year after the date of the enactment of this Act, the Director shall transmit to the Secretary and to the Congress a report—

(1) describing the projected needs over a 10-year period in each of the areas of genetic resources described in section 1632(d)(5), including the identification of existing components of a comprehensive program, policies and activities needed to coordinate those components, and additional elements not in existence which are required for the development of a comprehensive genetic resources program as described in such section;

(2) assessing the international efforts and activities related to the program, and their effect upon and coordination with the program; and

(3) evaluating the potential effect of various national laws, including national quarantine requirements, as well as treaties, agreements, and the activities of international organizations on the development of a comprehensive international system for the collection and maintenance of genetic resources of importance to agriculture.

SEC. 1634. ADVISORY COUNCIL.

(a) ESTABLISHMENT AND MEMBERSHIP.—The Secretary shall establish an advisory council for the program for the purpose of advising, assisting, consulting with, and making recommendations to, the Secretary and Director concerning matters related to the activities, policies and operations of the program. The advisory council shall consist of ex officio members and not more than nine members appointed by the Secretary.

(b) EX OFFICIO MEMBERS.—The ex officio members of the advisory council shall consist of the following persons (or their designees):

(1) The Director.

(2) The Assistant Secretary of Agriculture for Science and Education.

(3) The Director of the National Agricultural Library.

(4) The Director of the National Institutes of Health.

(5) The Director of the National Science Foundation.

(6) The Secretary of Energy.

(7) The Director of the Office of Science and Technology Policy.

(8) Such additional officers and employees of the United States as the Secretary determines are necessary for the advisory council to effectively carry out its functions.

(c) APPOINTMENT OF OTHER MEMBERS.—The members of the advisory council who are not ex officio members shall be appointed by the Secretary as follows:

(1) Two-thirds of the members shall be appointed from among the leading representatives of the scientific disciplines relevant to the activities of the program, including agricultural sciences, environmental sciences, natural resource sciences, health sciences, and nutritional sciences.

(2) One-third of the members shall be appointed from the general public and shall include leaders in fields of public policy, trade, international development, law, or management.

(d) COMPENSATION.—Members of the advisory council shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the advisory council, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5, United States Code.

(e) TERM OF OFFICE OF APPOINTEES; VACANCIES.—

(1) TERM.—The term of office of a member appointed under subsection (c) is four years, except that any member appointed to fill a vacancy occurring before the expiration of the term for which the predecessor of such

member was appointed shall be appointed only for the remainder of such term.

(2) INITIAL APPOINTMENT.—The Secretary shall make appointments to the advisory council so as to ensure that the terms of the members appointed under subsection (c) do not all expire in the same year. A member may serve after the expiration of the member's term until a successor takes office.

(3) REAPPOINTMENT.—A member who is appointed for a term of four years may not be reappointed to the advisory council before two years after the date of expiration of such term of office.

(4) VACANCIES.—If a vacancy occurs in the advisory council among the members appointed under subsection (c), the Secretary shall make an appointment to fill such vacancy within 90 days after the date such vacancy occurs.

(f) CHAIR.—The Secretary shall select as the chair of the advisory council one of the members appointed under subsection (c). The term of office of the chair shall be two years.

(g) MEETINGS.—The advisory council shall meet at the call of the chair or on the request of the Director, but at least two times each fiscal year. The location of the meetings of the advisory council shall be subject to the approval of the Director.

(h) STAFF.—The Director shall make available to the advisory council such staff, information, and other assistance as it may require to carry out its functions.

(i) ORIENTATION AND TRAINING.—The Director shall provide such orientation and training for new members of the advisory council as may be appropriate for their effective participation in the functions of the advisory council.

(j) COMMENTS AND RECOMMENDATIONS.—The advisory council may prepare, for inclusion in a report submitted under section 1633—

(1) comments respecting the activities of the advisory council during the period covered by the report;

(2) comments on the progress of the program in meeting its objectives; and

(3) recommendations respecting the future directions, program, and policy emphasis of the program.

(k) REPORTS.—The advisory council may prepare such reports as the advisory council determines to be appropriate.

(l) APPLICATION OF ADVISORY COMMITTEE ACT.—Section 14(a) of the Federal Advisory Committee Act (5 U.S.C. App.) relating to the termination of an advisory committee shall not apply to the advisory committee established under this section.

SEC. 1635. DEFINITIONS AND AUTHORIZATION OF APPROPRIATIONS.

(a) DEFINITIONS.—For purposes of this subtitle:

(1) The term "program" means the National Genetic Resources Program.

(2) The term "Secretary" means the Secretary of Agriculture.

(3) The term "Director" means the Director of the National Genetic Resources Program.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such funds as may be necessary to carry out this subtitle for each of the fiscal years 1991 through 1995.

Subtitle D—National Agricultural Weather Information System

SEC. 1637. SHORT TITLE AND PURPOSES.

(a) SHORT TITLE.—This subtitle may be cited as the "National Agricultural Weather Information System Act of 1990".

(b) PURPOSES.—The purposes of this subtitle are—

(1) to provide a nationally coordinated agricultural weather information system, based on the participation of universities, State programs, Federal agencies, and the private weather consulting sector, and aimed at meeting the weather and climate information needs of agricultural producers;

(2) to facilitate the collection, organization, and dissemination of advisory weather and climate information relevant to agricultural producers, through the participation of the private sector and otherwise;

(3) to provide for research and education on agricultural weather and climate information, aimed at improving the quality and quantity of weather and climate information available to agricultural producers, including research on short-term forecasts of thunderstorms and on extended weather forecasting techniques and models;

(4) to encourage, where feasible, greater private sector participation in providing agricultural weather and climate information, to encourage private sector participation in educating and training farmers and others in the proper utilization of agricultural weather and climate information, and to strengthen their ability to provide site-specific weather forecasting for farmers and the agricultural sector in general; and

(5) to ensure that the weather and climate data bases needed by the agricultural sector are of the highest scientific accuracy and thoroughly documented, and that such data bases are easily accessible for remote computer access.

SEC. 1638. AGRICULTURAL WEATHER OFFICE.

(a) ESTABLISHMENT OF THE OFFICE AND ADMINISTRATION OF THE SYSTEM.—

(1) ESTABLISHMENT REQUIRED.—The Secretary of Agriculture shall establish in the Department of Agriculture an Agricultural Weather Office to plan and administer the National Agricultural Weather Information System. The system shall be comprised of the office established under this section and the activities of the State agricultural weather information systems described in section 1640.

(2) DIRECTOR.—The Secretary shall appoint a Director to manage the activities of the Agricultural Weather Office and to advise the Secretary on scientific and programmatic coordination for climate, weather, and remote sensing.

(b) AUTHORITY.—The Secretary, acting through the Office, may undertake the following activities to carry out this subtitle:

(1) Enter into cooperative projects with the National Weather Service to—

(A) support operational weather forecasting and observation useful in agriculture;

(B) sponsor joint workshops to train agriculturalists about the optimum utilization of agricultural weather and climate data;

(C) jointly develop improved computer models and computing capacity; and

(D) enhance the quality and availability of weather and climate information needed by agriculturalists.

(2) Obtain standardized weather observation data collected in near real time through State agricultural weather information systems.

(3) Make, through the Cooperative State Research Service, competitive grants under subsection (c) for research in atmospheric sciences and climatology.

(4) Make grants to eligible States under section 1640 to plan and administer State agricultural weather information systems.

(5) Coordinate the activities of the Office with the weather and climate research activities of the Cooperative State Research Service, the National Academy of Sciences, the National Sciences Foundation Atmospheric Services Program, and the National Climate Program.

(6) Encourage private sector participation in the National Agricultural Weather Information System through mutually beneficial cooperation with the private sector, particularly in generating weather and climatic data useful for site-specific agricultural weather forecasting.

(c) COMPETITIVE GRANTS PROGRAM.—

(1) GRANTS AUTHORIZED.—With funds allocated to carry out this subsection, the Secretary of Agriculture may make grants to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations and corporations, and individuals to carry out research in all aspects of atmospheric sciences and climatology that can be shown to be important in both a basic and developmental way to understanding, forecasting, and delivering agricultural weather information.

(2) COMPETITIVE BASIS.—Grants made under this subsection shall be made on a competitive basis.

(d) PRIORITY.—In selecting among applications for grants under subsection (c), the Secretary shall give priority to proposals which emphasize—

(1) techniques and processes that relate to weather-induced agricultural losses, and to improving the advisory information on weather extremes such as drought, floods, freezes, and storms well in advance of their actual occurrence;

(2) the improvement of site-specific weather data collection and forecasting; or

(3) the impact of weather on economic and environmental costs in agricultural production.

SEC. 1639. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish the Advisory Board on Agricultural Weather (hereinafter referred to in this section as the "Board") to advise the Director of the Agricultural Weather Office with respect to carrying out this Act.

(b) COMPOSITION.—The Board shall be composed of nine members, appointed by the Secretary in consultation with the Director of the National Weather Service. Two of the members shall be from each of the four regions of the cooperative extension service. Of the two members from each region, one shall be an agricultural producer and one shall be an agricultural or atmospheric scientist. At least two members of the Board shall be appointed from among individuals who are engaged in providing private meteorology services or consulting with a private meteorology firm.

(c) CHAIRPERSON.—The Board shall elect a chairperson from among its members.

(d) TERM.—Each Board member shall be appointed for a three-year term, except that to ensure that members of the Board serve staggered terms, the Secretary shall appoint three of the original members of the Board to appointments for one year, and three of the original members to appointments for two years.

(e) MEETINGS.—The Board shall meet not less than twice annually.

(f) COMPENSATION.—Members of the Board shall serve without compensation, but while away from their homes or regular places of business in the performance of services for the Board, members of the Board shall be al-

lowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as individuals employed in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(g) FEDERAL ADVISORY COMMITTEE ACT.—Section 14(a)(2) of the Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the Board.

SEC. 1640. STATE AGRICULTURAL WEATHER INFORMATION SYSTEMS.

(a) ADVISORY PROGRAM GRANTS.—

(1) GRANTS REQUIRED.—With funds allocated to carry out this section, the Secretary of Agriculture shall make grants to not fewer than 10 eligible States to plan and administer, in cooperation with persons described in paragraph (2), advisory programs for State agricultural weather information systems.

(2) PERSONS DESCRIBED.—The persons referred to in paragraph (1) are the Director of the Agricultural Weather Office, the Administrator of the Extension Service, the Administrator of the Cooperative State Research Service, and other persons as appropriate (such as the directors of the appropriate State agricultural experiment stations and State extension programs).

(b) CONSULTATION.—For purposes of selecting among applications submitted by States for grants under this section, the Secretary shall take into consideration the recommendation of the Advisory Board on Agricultural Weather and consult with the Director.

(c) ELIGIBILITY REQUIREMENTS.—To be eligible to receive a grant under this section, the chief executive officer of a State shall submit to the Secretary an application that contains—

(1) assurances that the State will expend such grant to plan and administer a State agricultural weather system that will—

(A) collect observational weather data throughout the State and provide such data to the National Weather Service and the Agricultural Weather Office;

(B) develop methods for packaging information received from the national system for use by agricultural producers (with State Cooperative Extension Services and the private sector to serve as the primary conduit of agricultural weather forecasts and climatic information to producers); and

(C) develop programs to educate agricultural producers on how to best use weather and climate information to improve management decisions; and

(2) such other assurances and information as the Secretary may require by rule.

SEC. 1641. FUNDING.

(a) ALLOCATION OF FUNDS.—

(1) COOPERATIVE WORK.—Not less than 15 percent and not more than 25 percent of the funds appropriated for a fiscal year to carry out this subtitle shall be used for cooperative work with the National Weather Service entered into under section 1638(b)(1).

(2) COMPETITIVE GRANTS PROGRAM.—Not less than 15 percent and not more than 25 percent of such funds shall be used by the Cooperative State Research Service for a competitive grants program under section 1638(c).

(3) WEATHER INFORMATION SYSTEMS.—Not less than 25 percent and not more than 35 percent of such funds shall be divided equally between the participating States selected for that fiscal year under section 1640.

(4) OTHER PURPOSES.—The remaining funds shall be allocated for use by the Agricultural Weather Office and the Extension Service in carrying out generally the provisions of this subtitle.

(b) LIMITATIONS ON USE OF FUNDS.—Funds provided under the authority of this subtitle shall not be used for the construction of facilities. Each State or agency receiving funds shall not use more than 30 percent of such funds for equipment purchases. Any use of the funds in facilitating the distribution of agricultural and climate information to producers shall be done with consideration for the role that the private meteorological sector can play in such information delivery.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $5,000,000 to carry out this subtitle for each of the fiscal years 1991 through 1995.

Subtitle E—Research Regarding the Production, Preparation, Processing, Handling, and Storage of Agricultural Products

SEC. 1644. RESEARCH AND GRANT PROGRAM.

(a) RESEARCH PROGRAM.—The Secretary of Agriculture shall establish a research program to—

(1) establish a statistical framework to measure microbiological and chemical agents in or affecting agricultural products that seriously undermine product wholesomeness and fitness;

(2) identify any microbiological or chemical agent under the statistical framework established under paragraph (1); and

(3) identify the means to avoid microbiological and chemical agents in or affecting agricultural products or to control or reduce such agents, including—

(A) developing techniques for the rapid detection and identification of such microbiological and chemical agents;

(B) analyzing the production, preparation, processing, handling, storage, and distribution of agricultural products, to determine those points at which intervention could occur to control microbiological or chemical agents in or affecting an agricultural product; and

(C) research to develop or enhance existing techniques to control microbiological or chemical agents in or affecting an agricultural product, including food irradiation research.

(b) COMPETITIVE GRANT PROGRAM.—The Secretary of Agriculture may make competitive grants, after consultation with the committee established under section 1645, for periods not to exceed five years, to persons and governmental entities for research to be carried out for any of the activities specified in subsection (a). The Secretary shall require the recipient of any such grant to provide matching funds for such research unless the Secretary determines that the research should be performed notwithstanding the lack of matching funds.

(c) PROHIBITED USES.—No grant may be made under subsection (b) (or expended by the recipient of such a grant) for the planning, repair, rehabilitation, acquisition, or construction of a building or a facility.

(d) ELIGIBILITY REQUIREMENTS.—To be eligible to receive a grant under subsection (b), a person or governmental entity shall submit to the Secretary an application that contains—

(1) a proposal to carry out research for one or more of the activities specified in subsection (a);

(2) an assurance that such person or entity will submit to the Secretary a detailed report of the research conducted with such grant; and

(3) such other terms and conditions as the Secretary may require by rule.

(e) EFFECT ON OTHER PROGRAMS.—Nothing in this section shall be construed or interpreted—

(1) to limit or otherwise affect the research programs of any agency or department of the Federal Government currently conducted or to be conducted under any other statutory authority; or

(2) to implement any changes to current production, preparation, processing, handling and storage methods and procedures for agricultural products.

(f) AGRICULTURAL PRODUCT DEFINED.—For purposes of this section, the term "agricultural product" means the product of an agricultural commodity produced in the United States from a plant or animal or silvicultural activities, or an aquacultural species, including those raised and propagated in a controlled environment.

SEC. 1645. ADVISORY COMMITTEE AND GRANT PROCESS.

(a) ADVISORY COMMITTEE.—The Secretary of Agriculture shall establish a committee to set research priorities for, and evaluate, proposed research projects for which grants under section 1644(b) are requested.

(b) MEMBERSHIP.—The committee shall be comprised of 13 members as follows:

(1) The Secretary or the designee of the Secretary ex officio.

(2) Two members appointed by the Secretary from among scientists who are employed by colleges, universities, or State agricultural experiment stations and who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(3) Two members appointed by the Secretary from among scientists or public health professionals who are employed by private research organizations or other entities involved in food research and who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(4) Two members appointed by the Secretary from among individuals who are employees of the Federal Government and who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(5) Three members appointed by the Chairman of the Committee on Agriculture of the House of Representatives (in consultation with the ranking minority member of that Committee) from persons who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(6) Three members appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate (in consultation with the ranking minority member of that Committee) from persons who are specially qualified to serve on the committee by virtue of their demonstrated, generally recognized expertise in food science, microbiology, veterinary medicine, pathology, or any other appropriate scientific discipline.

(c) PUBLIC NOTICE.—

(1) PROPOSED RESEARCH PRIORITIES.—On receipt of the committee's recommendations with respect to research priorities for grants awarded under section 1644(b), the Secretary shall publish in the Federal Register—

(A) the proposed research priorities, and

(B) a notice requesting persons and governmental entities to submit written comments on the priorities to the Secretary not later than sixty days after publication of such notice.

(2) FINAL RESEARCH PRIORITIES.—After review of comments received under paragraph (1), the Secretary shall establish final research priorities by notice in the Federal Register.

(d) REVIEW OF RESEARCH PROPOSALS.—

(1) ROLE OF COMMITTEE.—On receipt of an application submitted under section 1644(b) for research, the Secretary shall refer the research proposal contained in such application to the committee established by this section for its review.

(2) PEER REVIEW.—To assist the committee in its deliberations, the committee shall establish peer review panels to review the scientific and technical merits of research proposals. The committee shall seek the widest participation of qualified scientists and public health professionals in such panels. The peer review panels shall report their findings and recommendations to the committee.

(3) CONSULTATION AND COORDINATION.—Both the committee and the peer review panels shall consult and coordinate with other appropriate Federal advisory committees.

(4) RECOMMENDATIONS.—After due consideration of the review panel comments, the committee shall recommend to the Secretary which grants should be made under this subtitle.

(e) BASIC AND APPLIED RESEARCH.—In reviewing research proposals received under subsection (d), the committee and the peer review panels shall identify both—

(1) proposals for basic research, and

(2) proposals for applied research, taking into consideration the practical application of the results of basic research and applied research.

(f) REVIEW OF COMPLETED PROJECTS.—When a research project is completed, the grant recipient shall forward the results of the project to the committee for its review. The committee shall submit the results to the Secretary along with any recommendations or suggestions of the committee.

(g) APPLICATION OF THE FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) shall not apply with respect to the committee or peer review panels established under this section.

SEC. 1646. REPORTS TO CONGRESS.

(a) REPORT ON IMPLEMENTATION.—Not later than one year after the date of the enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the implementation of this subtitle.

(b) REPORTS ON RESEARCH.—For each fiscal year in which funding is provided to carry out this subtitle, the Secretary shall report on the findings of the research for which grants were made during such fiscal year under this subtitle and include in such report any recommendations for implementation of the findings to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1647. AUTHORIZATION OF APPROPRIATIONS.

(a) AUTHORIZATION.—There are authorized to be appropriated for each of the fiscal years 1991 through 1995 such sums as may be necessary to carry out this subtitle to be available until expended without fiscal year limitation.

(b) ADMINISTRATIVE EXPENSES.—Not more than four percent of the amount appropriated for a fiscal year under subsection (a) may be expended by the Secretary of Agriculture for administrative costs incurred by the Secretary to carry out this subtitle.

Subtitle F—Plant and Animal Pest and Disease Control Program

SEC. 1650. PLANT AND ANIMAL PEST AND DISEASE CONTROL PROGRAM.

(a) INTEGRATED PEST MANAGEMENT RESEARCH.—

(1) PROGRAM REQUIRED.—The Secretary shall undertake or assist in the conduct of research regarding integrated pest management, including research by grant or contract with Federal or State agencies or private industries, institutions, or organizations, as may be necessary to carry out this subtitle. Such research shall include integrated pest management research to benefit floriculture.

(2) IMPLEMENTATION.—Implementation of integrated pest management strategies shall be conducted through the Extension Service.

(b) EFFECT ON OTHER LAWS.—Nothing in this Act shall be construed as limiting or repealing the authority of the Administrator of the Environmental Protection Agency to conduct research regarding integrated pest management under section 20(a) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136r(a)).

(c) INTEGRATED PEST MANAGEMENT DEFINED.—For purposes of this section, the term "integrated pest management" means a pest or disease population management system that uses all suitable techniques, such as biological and cultural controls as well as pesticides, in a total production system to anticipate and prevent pests and diseases from reaching economically damaging levels.

SEC. 1651. PEST AND DISEASE CONTROL DATA BASE AND PESTICIDE RESISTANCE MONITORING.

(a) DATA BASE REQUIRED.—The Secretary of Agriculture shall establish and maintain a data base on available materials and methods of pest and disease control available to agricultural producers. The data base required by this subsection shall include a listing (by crop, animal, and pest or disease) of information—

(1) on currently available materials or methods of chemical, biological, cultural, or other means of controlling plant and animal pests and diseases; and

(2) on the extent of pest or disease resistance developed under the monitoring required by subsection (d).

(b) PRIORITIES FOR RESEARCH AND EXTENSION ACTIVITIES.—When the information in the data base established under subsection (a) indicates a shortage of available pest or disease control materials or methods to protect a particular crop or animal, the Secretary of Agriculture shall set priorities designed to overcome this shortage in its pest and disease control research and extension programs conducted under this subtitle.

(c) DISSEMINATION OF INFORMATION IN THE DATA BASE.—The Secretary of Agriculture shall—

(1) make the information contained in the data base established under subsection (a) available through the National Agricultural Library; and

(2) provide such information on an annual basis to the Administrator of the Environmental Protection Agency in support of the activities of that Agency under the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(d) PESTICIDE RESISTANCE MONITORING.—The Secretary of Agriculture shall establish a national pesticide resistance monitoring program in accordance with the report developed by the Secretary under section 1437 of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1558).

(e) PESTICIDE DEFINED.—For purposes of this section and section 1652, the term "pesticide" shall have the same meaning as given that term in section 2(u) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136(u)).

SEC. 1652. RESEARCH ON EXOTIC PESTS.

(a) PURPOSE.—The purpose of this section is to expand the research capacity of the Department of Agriculture and State cooperative institutions in the control and eradication of exotic pests.

(b) RESEARCH PROGRAM.—The Secretary of Agriculture shall expand ongoing research and grant programs designed to control infestations of exotic pests. Expanded research and grant programs shall include—

(1) improvement of existing methods of pest control, including sterile insect release, and development of safer pesticides, including pheremones; and

(2) expansion of research capacity to develop new methods of pest control, including containment of pests for research purposes.

SEC. 1653. STUDY OF THE BIOLOGY AND BEHAVIOR OF CHINCH BUGS, INCLUDING FACTORS LEADING TO CROP LOSS AND DEVELOPMENT OF IMPROVED MANAGEMENT PRACTICES.

The Secretary of Agriculture shall establish a research and education program to study the biology and behavior of chinch bugs. The purpose of this study shall be—

(1) to characterize the relationship between environmental and climatic factors and chinch bug outbreaks in an attempt to predict when these outbreaks occur;

(2) to determine chinch bug dispersal habits, overwintering habitat preferences, and overwintering survival in native and introduced grasses;

(3) to describe the population dynamics of chinch bugs in small grain and noncrop grass hosts in the spring and assess yield losses in small grain crop hosts; and

(4) to investigate various aspects of chinch bug behavior (including host habitat preferences, oviposition, and pheromones) that may result in the development of novel management strategies.

SEC. 1654. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this subtitle.

Subtitle G—Alternative Agricultural Research and Commercialization

SEC. 1657. SHORT TITLE, PURPOSES, AND DEFINITIONS.

(a) SHORT TITLE.—This subtitle may be cited as the "Alternative Agricultural Research and Commercialization Act of 1990".

(b) PURPOSE.—Through the encouragement of and the provision of assistance to agricultural research, development, and commercialization, it is the purpose of this subtitle—

(1) to authorize research in modification of agricultural commodities, and associated research, in order to develop and produce marketable products other than food, feed, or traditional forest or fiber products;

(2) to commercialize new nonfood, nonfeed uses for traditional and new agricultural commodities in order to create jobs, enhance the economic development of the rural economy, and diversify markets for raw agricultural and forestry products;

(3) to encourage cooperative development and marketing efforts among manufacturers, financiers, universities, and private and government laboratories in order to assist the commercialization of new nonfood, nonfeed uses for agricultural and forestry products;

(4) to direct, to the maximum extent possible, research and commercialization efforts toward the production of new nonfood, nonfeed products from agricultural commodities that can be raised by family-sized agricultural producers; and

(5) to foster economic development in rural areas of the United States through the introduction of new nonfood, nonfeed products obtained from agricultural commodities.

(c) DEFINITIONS.—For purposes of this subtitle:

(1) The term "agricultural commodity" means a plant or animal species (including a species propagated or raised in a controlled environment or a tree species) and the products derived from that species.

(2) The term "alternative agricultural product" means a new use, application, or material that—

(A) is derived from an agricultural commodity; and

(B) is not in widespread commercial use and is not expected to significantly displace a use, application, or material derived from an agricultural commodity that already is in widespread commercial use.

(3) The term "Board" means the Alternative Agricultural Research and Commercialization Board.

(4) The term "Center" means the Alternative Agricultural Research and Commercialization Center.

(5) The term "commercialization" or "commercialize" includes—

(A) activities associated with the development of alternative agricultural products or industrial plants;

(B) the application of technology and techniques to the development of industrial products and alternative agricultural products; and

(C) the market development of new nonfood, nonfeed uses of new and traditional agricultural commodities and processes that will lead to the creation of goods and services that may be marketed for profit.

(6) The term "Fund" means the Alternative Agricultural Research and Commercialization Revolving Fund.

(7) The term "host institution" means an existing entity that is located in the region that is—

(A) a university or other institution of higher education;

(B) a Department of Agriculture laboratory;

(C) a State agricultural experiment station;

(D) a State cooperative extension service facility; or

(E) another organization that is involved in the development or commercialization of new nonfood, nonfeed uses for agricultural commodities, or is involved in rural economic development.

(8) The term "new nonfood, nonfeed product development" means targeted research, including fundamental and applied research, concerning—

(A) the production and processing of agricultural commodities for the purposes of developing new nonfood, nonfeed products;

(B) the uses of new nonfood, nonfeed products; and

(C) steps necessary to make a nonfood, nonfeed product available for the marketplace.

(9) The term "new nonfood, nonfeed product" means an item that is primarily not a food, feed, or traditional forest or fiber product, including an item that exists but is not commercially available from an agricultural commodity.

(10) The term "nonprofit organization" means an organization that is—

(A) described in section 501(c) of the Internal Revenue Code of 1986; and

(B) exempt from taxation under section 501(a) of such Code.

(11) The term "Secretary" means the Secretary of Agriculture.

(12) The term "traditional forest or fiber product" means a forest or fiber product that is derived from forest or agricultural materials and does not have substantial new properties.

SEC. 1658. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CENTER.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an Alternative Agricultural Research and Commercialization Center to carry out the purpose of this subtitle. The Center shall be operated as an independent entity within the Department of Agriculture under the general supervision and policy control of the Secretary.

(b) FUNCTIONS.—The Center shall have the authority to—

(1) make grants to, and enter into cooperative agreements and contracts with, eligible applicants for research, development, and demonstration projects in accordance with section 1660;

(2) make loans and interest subsidy payments and invest venture capital in accordance with section 1661;

(3) collect and disseminate information about State, regional, and local commercialization projects;

(4) search for new nonfood, nonfeed products that may be produced from agricultural commodities and for processes to produce such products;

(5) administer, maintain, and dispense funds from the Alternative Agricultural Research and Commercialization Revolving Fund to facilitate the conduct of activities under this subtitle; and

(6) engage in other activities incident to carrying out its functions.

(c) DIRECTOR.—The Center shall be headed by a Director, who shall be appointed by the Board and approved by the Secretary of Agriculture. The Director shall receive basic pay at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code. The Director shall be appointed for a term of five years, subject to removal by the Board before the end of that term.

(d) RESPONSIBILITIES OF THE DIRECTOR.—Subject to the general supervision of the Board, the Director shall be responsible for the overall management of the Center and the implementation of general policies respecting the management and operation of programs and activities of the Center. In carrying out such responsibilities on behalf of the Center, the Director shall—

(1) provide for appropriate peer review of—

(A) applications for grants, contracts, and cooperative agreements submitted under section 1660 and applications for financial assistance submitted under section 1661;

(B) the conduct of research for which assistance is provided by the Center; and

(C) research findings or reports resulting from grants, contracts, and cooperative agreements administered by the Center as the Board determines necessary;

(2) require, where appropriate, licensing and patent agreements, copyright fees, royalties, or other fee arrangements on the sales of products, new uses, applications technologies, or processes developed through assistance provided through a grant made, contract or cooperative agreement entered into, or other assistance provided, under this subtitle; and

(3) take appropriate action to ensure that all channels for the dissemination and exchange of agricultural products and processes research are maintained between the Center and other agricultural, scientific, and business entities; and

(e) STAFF.—Upon the request of the Director, the Secretary may detail, on a reimbursable basis, any of the personnel of the Department of Agriculture to assist the Director in carrying out the duties of the Director.

(f) EXPERTS AND CONSULTANTS.—The Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

SEC. 1659. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION BOARD.

(a) ESTABLISHMENT OF BOARD.—The Secretary shall establish the Alternative Agricultural Research and Commercialization Board.

(b) MEMBERS.—The Board shall consist of nine members appointed by the Secretary as follows:

(1) One member who shall be an employee of the Department of Agriculture.

(2) Four members, of whom—

(A) at least one shall be a representative of the leading scientific disciplines relevant to the activities of the Center;

(B) at least one shall be a producer or processor of agricultural commodities; and

(C) at least one shall be a person who is privately engaged in the commercialization of new nonfood, nonfeed products from agricultural commodities.

(3) Two members who—

(A) have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and

(B) shall be appointed from a group of at least four persons nominated by the Director of the National Science Foundation if such nominations are made within 60 days after the date a vacancy occurs.

(4) Two members who—

(A) have expertise in financial and managerial matters; and

(B) shall be appointed from a group of at least four persons nominated by the Secretary of Commerce if such nominations are made within 60 days after the date a vacancy occurs.

(c) RESPONSIBILITIES.—The Board shall—

(1) be responsible for the general supervision and policy control of the Center and Regional Centers;

(2) determine (in consultation with the advisory council appointed under section 1661 and those Regional Centers established under section 1663) high priority commercialization areas to receive assistance under that section;

(3) review any grant, contract, or cooperative agreement to be made by the Center under section 1660 and any financial assistance to be provided under section 1661;

(4) make the final decision, by majority vote, on whether and how to provide assistance to an applicant;

(5) establish program policy, objectives, research and development, and commercialization priorities to implement this subtitle, through a process of public hearings to be initiated as soon as practicable after the establishment of the Board; and

(6) using the results of such hearings and other information and data collected under paragraph (5), develop and establish a budget plan and a long-term operating plan to implement this subtitle.

(d) MEETINGS.—The Board shall meet at the call of the chairperson or at the request of the Director, but at least three times each fiscal year. The location of the meetings of the Board shall be subject to the approval of the Director. A quorum of the Board shall consist of a majority of the members of the Board. The decisions of the Board shall be made by majority vote.

(e) TERM; VACANCIES.—The term of office of a member of the Board shall be four years, except that the members initially appointed shall be appointed to serve staggered terms. A member appointed to fill a vacancy for an unexpired term may be appointed only for the remainder of such term. A vacancy on the Board shall be filled in the same manner as the original appointment.

(f) CHAIRPERSON.—The members of the Board shall select a chairperson from among the members. The term of office of the chairperson shall be two years. The member appointed under subsection (b)(1) may not serve as chairperson.

(g) COMMITTEES.—The Board may establish one or more temporary committees with agricultural, scientific, technical, or other expertise, whose duties shall be to provide information, analysis, and recommendations, at the request and direction of the Board, on scientific, technological, policy, and other matters, as determined necessary by the Board.

(h) COMPENSATION.—Members of the Board who are officers or employees of the United States shall not receive any additional compensation by reason of service on the Board. Other members of the Board shall receive, for each day (including travel time) they are engaged in the performance of the functions of the Board, compensation at a rate not to exceed the daily equivalent of the annual rate in effect for grade GS-18 of the General Schedule. All members of the Board shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(i) RESTRICTIONS.—

(1) CONFLICT OF INTEREST.—Except as provided in paragraph (3), no member of the Board shall vote on any matter respecting any application, contract, claim, or other particular matter pending before the Center, in which, to the knowledge of the member, such member, spouse or child of such member, partner or organization in which such member is serving as officer, director, trustee, partner, or employee, or any person or organization with whom such member is negotiating or has any arrangement concerning prospective employment, has a financial interest.

(2) VIOLATIONS.—Action by a member of the Board that is contrary to the prohibition contained in paragraph (1) shall be cause for removal of such member, but shall not impair or otherwise affect the validity of any otherwise lawful action by the Center in which the member or officer participated.

(3) EXCEPTIONS.—The prohibitions contained in paragraph (1) shall not apply if a member of the Board advises the Board of the nature of the particular matter in which such member proposes to participate in, and if such member makes a full disclosure of such financial interest, prior to any participation, and the Board determines, by majority vote, that the financial interest is too remote or too inconsequential to affect the integrity of such member's services to the Center in that matter. The member involved shall not participate in such determination.

(j) AUTHORITY OF THE SECRETARY.—Any final decision made under subsection (c) may be vetoed by the Secretary, and the Secretary shall inform the Board of the reasons for such veto.

SEC. 1660. RESEARCH AND DEVELOPMENT GRANTS, CONTRACTS, AND AGREEMENTS.

(a) ELIGIBILITY.—All public and private educational institutions, other public and private research institutions and organizations, Federal agencies, and individuals shall be eligible to receive a grant from, or enter into a contract or cooperative agreement with, the Center for a research, development, or demonstration project, as provided in this section.

(b) COMPETITIVE BASIS FOR AWARDS.—Grants made, and contracts and cooperative agreements entered into, under this section shall be selected on a competitive basis on the recommendation of a peer review system to be established by the Center. Such system shall contain peer review expertise in commercial production, product development, processing, and marketing of agricultural commodities as well as in scientific research.

(c) SELECTION CRITERIA.—The Board may select a research, development, or demonstration project to receive a grant, contract, or cooperative agreement under this section based on the likelihood that the project will result in creating or improving economically viable commercial nonfood, nonfeed products, applications, processes, or technologies that involve the use of raw or processed agricultural commodities. The criteria to be considered may include the following:

(1) the prospect of developing technologies that could make it possible to use or modify existing agricultural commodities to provide an economically viable quantity of new nonfood, nonfeed products;

(2) the potential market size of the new nonfood, nonfeed product, the likely time period needed to bring the product into the stream of commerce for general use, and the likely availability of the agricultural commodity used to produce the product;

(3) the potential for job creation in an economically distressed rural area;

(4) the anticipated State or local participation;

(5) the anticipated financial participation of private entities;

(6) the likely impact on reducing Federal crop subsidies and other Federal agricultural assistance program costs;

(7) the unavailability of adequate funding from other sources;

(8) the likely positive impact on resource conservation and the environment; and

(9) the likely positive effect of helping family-sized farmers and rural communities near the affected agricultural and forested areas.

(d) SET-ASIDE OF FUNDS FOR CERTAIN PROJECTS.—

(1) IN GENERAL.—Not less than two-thirds of the funds obligated each fiscal year for grants, contracts, and cooperative agreements under this section shall be awarded only for research, development, and demonstration projects for which the applicant—

(A) has committed substantial funding and support from its own resources; and

(B) has entered into a cooperative agreement or other contractual arrangement with a commercial company domiciled in the United States that commits such company to—

(i) provide funds for at least 20 percent of the total cost of such project; and

(ii) engage in commercial production and sale of the marketable products, processes, uses, applications, or technologies developed through the project, under appropriate licensing, royalty, or other agreements.

(2) ANIMAL SOURCES.—Not more than 25 percent of the funds obligated each fiscal year for grants, contracts, and cooperative agreements under this section shall be awarded only for projects concerning new nonfood, nonfeed products derived from animal sources.

(e) LIMITATION ON FUNDS PROVIDED.—Funds committed by the Center for any project under a grant, contract, or cooperative agreement under this section shall in no case exceed two-thirds of the total cost of the project.

(f) PREFERENCE.—In selecting projects to receive funds, the Center may give preference to those projects for which the ratio of Center funds to non-Center funds would be lowest.

SEC. 1661. COMMERCIALIZATION ASSISTANCE.

(a) ASSISTANCE AUTHORIZED.—The Center, at the discretion of the Board, may provide to entities described in subsection (b) for projects commercializing new nonfood, nonfeed products using agricultural commodities, financial assistance in the form of—

(1) loans made or insured by the Center;

(2) interest subsidy payments made by the Center (pursuant to an agreement between the Center, the lender, and the borrower) to the lender in amounts determined pursuant to the agreement;

(3) venture capital invested by the Center in the form of a convertible debenture; and

(4) repayable grants that are matched by private or local public funds and that are repaid as agreed in a contract between the Center and the entity.

(b) ELIGIBLE ENTITIES.—To obtain financial assistance for commercialization of nonfood, nonfeed products from the Center, an entity shall be a university or other institution of higher education, a nonprofit organization, a cooperative, or a business concern.

(c) ADVISORY COUNCIL.—The Board shall appoint an Advisory Council to advise the Board and Regional Centers concerning all applications for assistance submitted under this section. The conflict of interest provisions of subsection (i) of section 1659 shall apply to the Advisory Council. In appointing members of the Advisory Council, the Board shall ensure regional participation on the Advisory Council. The Advisory Council shall—

(1) review (or coordinate the review of) the technical, engineering, financial, and managerial soundness and marketing potential of the applications;

(2) by majority vote, make a nonbinding recommendation on each application submitted under this section;

(3) monitor the progress of ongoing projects and provide technical and business counseling as needed;

(4) monitor the operation of the Regional Centers; and

(5) provide technical and business counseling to entities that are not seeking financial assistance from the Center, but which

are engaged in commercializing nonfood, nonfeed uses of agricultural commodities.

(d) APPLICATION REQUIREMENTS.—

(1) FILED WITH DIRECTOR.—To obtain financial assistance from the Center under this section, an eligible entity shall file an application with the Director.

(2) CONTENTS.—An application submitted to the Director under paragraph (1) shall—

(A) describe the proposal of the entity for the commercialization of a new product consistent with this section, including documentation that such proposal is—

(i) scientifically sound;

(ii) technologically feasible; and

(iii) marketable;

(B) provide documentation that adequate private sector funding is not available, but that the applicant has the ability to obtain matching funds from the public or private sectors;

(C) provide documentation that the applicant has invested in the project a significant amount of the applicant's own resources, including time and money;

(D) provide documentation that the product or process has broad application and has the potential to be commercially viable without continual assistance;

(E) provide documentation that the proposal has broad participation by representatives of the public sector, the financial community, the private business community, State and local governments, educational institutions, the farm community, the science and engineering communities;

(F) provide documentation that an established relationship exists between the applicant and other entities to give the applicant access to private business assistance;

(G) provide assurances of legal compliance by the applicant with the terms and conditions of the receipt of assistance under this section; and

(H) provide assurances that the project will result in the creation of new jobs in rural communities.

(e) PRIORITIES.—The Board shall give priority to—

(1) applications that shall create jobs in economically distressed rural areas;

(2) applications that have State or local government financial participation; and

(3) applications that have private financial participation.

(f) ADDITIONAL CRITERIA.—The Board shall establish additional criteria for use in selecting among equivalent applications. Such criteria shall emphasize—

(1) the quantity and quality of jobs that are likely to be created in rural communities;

(2) the amount of the financial participation by State or local governments or private entities;

(3) the qualifications of the management to be used in the project;

(4) the potential market demand for the potential product to be marketed proportional to the financial assistance requested; and

(5) the likely level of returns to the Fund and the items described in paragraphs (2), (6), (8), and (9) of section 1660(c).

SEC. 1662. GENERAL RULES REGARDING THE PROVISION OF ASSISTANCE.

(a) NOTICE OF RECEIPT OF APPLICATIONS.—Not later than 30 days before the start of each period established by the Board for receipt of applications for financial assistance under section 1660 or 1661, the Board shall publish in the Federal Register a notice that it will receive such applications.

(b) MONITORING.—The Board shall monitor the progress of projects that receive financial assistance under this subtitle. Such monitoring may include on-site reviews by representatives of the Board, a Regional Center, or the Advisory Council, the requirement of written reports by recipients of assistance, and supportive business and technical counseling as needed by the recipient. The Board may use the Advisory Council appointed under section 1661 to assist in such monitoring.

(c) AUDITING AND ACCOUNTABILITY.—

(1) REQUIRED.—The Board shall establish a thorough and effective system of auditing and accountability to ensure that funds paid under section 1660 or 1661 are used by recipients only for the purposes for which those funds are provided by the Center.

(2) DEMONSTRATED COMPLIANCE.—The Board may require that recipients of financial assistance demonstrate that the use of financial assistance is in compliance with the agreement by which that assistance is provided.

(d) INFORMATION EXEMPT FROM DISCLOSURE.—With respect to research, development, demonstration, or commercialization projects carried out with the participation of private research institutions or commercial companies, information received by the Center incident thereto shall be exempt from disclosure under section 552 of title 5, United States Code, and shall not be made available publicly except—

(1) with the approval of the person providing the information; or

(2) in a judicial or administrative proceeding in which such information is subject to protective order.

(e) OVERHEAD AND ADMINISTRATIVE COSTS.—The Board shall require that applications or responses to requests for proposals issued by the Center for grants, contracts, or cooperative agreements include detailed estimates of project overhead and administrative costs. In selecting such applications or proposals for awards, the Center shall give preference to those with the lowest effective costs.

(f) PROHIBITION ON CERTAIN USES OF ASSISTANCE.—No grant may be awarded, or contract or cooperative agreement entered into under this subtitle, for the acquisition or construction of a building or a facility.

(g) REPORTS.—

(1) PREPARATION.—As soon as practicable after the end of each fiscal year, the Board shall prepare and submit to the Secretary a report on the activities, progress, and accomplishments of the Center during such fiscal year. The report shall include—

(A) a description of the progress, activities, and accomplishments of the Center during that fiscal year and the expenditures by the Center for its information and other service activities; and

(B) a copy of the operating plan prepared by the Board under section 1659(c)(6).

(2) TRANSMITTAL.—The Secretary shall transmit each report received under paragraph (1) to the President and Congress not later than 30 days after the date on which the Secretary receives the report.

SEC. 1663. REGIONAL CENTERS.

(a) ESTABLISHMENT.—

(1) REQUIRED.—Except as provided in paragraph (2), the Board shall establish not less than two nor more than six Regional Centers to carry out the activities specified in this section and such other activities as the Board shall from time to time specify.

(2) EXCEPTION.—A Regional Center may not be established or operated in a fiscal year unless at least $5,000,000 has been appropriated for that fiscal year to carry out this subtitle.

(b) METHOD OF ESTABLISHMENT.—

(1) REGIONAL BASIS.—Each Regional Center established under this section shall be located at a host institution. The Regional Centers shall be established in different States to reflect the different regional climatic conditions and rural economic stresses in the United States.

(2) COMPETITION.—An organization that desires to be selected as a host institution for a Regional Center shall submit an application to the Board. The Board shall determine the location of the Regional Centers based on a competitive review of the contents of such applications and shall consider the ability of the applicant to carry out the activities specified in this section.

(c) MATCHING OF FUNDS.—

(1) ASSURANCES OF APPLICANTS.—Each institution submitting an application for a Regional Center under this section shall provide assurances—

(A) that adequate funds or in-kind support (including office space, equipment and staff support) shall be provided to match the amount of funds used for administrative costs that are provided by the Federal Government under this subtitle; (B) that the institution is qualified to carry out the activities required of a Regional Center; and (C) concerning such other matters as the Board determines to be appropriate.

(2) CONSORTIUM.—The matching funds required under paragraph (1) may be provided by a consortia that may include the host institution and other public or private entities existing within various regions of the United States, including State and local governments, entities created by State and local governments, charitable organizations, public and private universities and other institutions of higher education, cooperatives, and economic development organizations.

(d) DIRECTOR.—Each Regional Center shall be headed by a full-time Regional Director who shall—

(1) be selected by the Board; and

(2) have a scientific or engineering background or have experience in the development of new products or processes in the public or private sector.

(e) ACTIVITIES.—Each Regional Center shall—

(1) encourage interaction among the private and Federal laboratories, National Science Foundation centers, Department of Agriculture research programs, other Federal resources, State and local regional economic development programs, universities, colleges, the private sector, and the financial community, for the purpose of evaluating and commercializing new nonfood, nonfeed uses of agricultural commodities;

(2) identify broad areas where commercialization of new nonfood, nonfeed products and processes can contribute to economic growth in rural areas of the United States, through the development of new nonfood, nonfeed uses for agricultural commodities by private companies and businesses;

(3) provide technical assistance and related business and financial counseling for small domestic businesses to commercialize new nonfood, nonfeed uses of agricultural commodities;

(4) identify new nonfood, nonfeed products and processes that are worthy of financial assistance;

(5) make use of existing programs in scientific, engineering, technical, and management education that will support the accelerated commercialization of new nonfood,

nonfeed products and processes using agricultural commodities;

(6) advise the Board on the viability of specific applications submitted for financial assistance and on the type of assistance, if any, to be provided;

(7) coordinate their activities with the Small Business Development Centers; and

(8) coordinate their activities with the Center.

(f) REVIEW OF PROPOSALS FOR ASSISTANCE.—

(1) SUBMISSION TO REGIONAL CENTER.—If a Regional Center is established that includes the area in which a person applying for assistance under this subtitle is located, that person shall submit the application to the Regional Center for review.

(2) REVIEW.—The Directors of the Regional Centers shall work in consultation with the Advisory Council appointed under section 1661(c) to obtain peer review and evaluation of applications submitted to the Regional Centers.

(3) ROLE OF ADVISORY COUNCIL.—The Advisory Council shall review applications submitted to the Regional Centers. The Advisory Council shall, by majority vote, make a nonbinding recommendation on each proposal to the appropriate Regional Director.

(4) RECOMMENDATION.—The Regional Director, after consideration of the Advisory Council's recommendation and based on the comments of the reviewers, shall make and submit a recommendation to the Board along with the recommendation of the Advisory Council. A recommendation submitted by a Regional Director or the Advisory Council shall not be binding on the Board.

SEC. 1664. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Alternative Agricultural Research and Commercialization Revolving Fund. The Fund shall be available to the Center, without fiscal year limitation, to carry out the authorized programs and activities of the Center under this subtitle.

(b) CONTENTS OF FUND.—There shall be deposited in the Fund—

(1) such amounts as may be appropriated or transferred to support the programs and activities of the Center;

(2) payments received from any source for products, services, or property furnished in connection with the activities of the Center;

(3) fees and royalties collected by the Center from licensing or other arrangements relating to commercialization of products developed through projects funded in whole or part by grants, contracts, or cooperative agreements executed by the Center;

(4) donations or contributions accepted by the Center to support authorized programs and activities; and

(5) any other funds acquired by the Center.

(c) FUNDING ALLOCATIONS.—Funding of projects and activities under this subtitle shall be subject to the following restrictions:

(1) Of the total amount of funds made available for a fiscal year under this subtitle—

(A) not more than 5 percent may be set aside to be used for authorized administrative expenses of the Center in carrying out its functions;

(B) not more than 5 percent may be set aside to be used for information collection and dissemination and technology transfer programs authorized in this subtitle; and

(C) not less than 85 percent shall be set aside to be awarded to qualified applicants who file project applications with, or respond to requests for proposals from, the Center under sections 1660 and 1661.

(2) Any funds remaining uncommitted at the end of a fiscal year shall be credited to the Fund and added to the total program funds available to the Center for the next fiscal year.

(d) TERMINATION OF THE FUND.—On expiration of the provisions of this subtitle, all assets (after payment of all outstanding obligations) of the Fund shall revert to the general fund of the Treasury.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Fund—

(1) $10,000,000 for fiscal year 1991;

(2) $20,000,000 for fiscal year 1992;

(3) $30,000,000 for fiscal year 1993;

(4) $50,000,000 for fiscal year 1994; and

(5) $75,000,000 for each of the fiscal years 1995 through 2000.

Subtitle H—Miscellaneous Research Provisions

SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

(a) PURPOSE.—It is the purpose of this section to—

(1) authorize and support environmental assessment research to the extent necessary to help address general concerns about environmental effects of biotechnology; and

(2) authorize research to help regulators develop policies, as soon as practicable, concerning the introduction into the environment of such technology.

(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered organisms into the environment.

(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

(1) Research designed to develop methods to physically and biologically contain genetically engineered animals, plants, and microorganisms once they are introduced into the environment.

(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals, plants, and microorganisms.

(3) Research designed to further existing knowledge with respect to the rates and methods of gene transfer that may occur between genetically engineered organisms and related wild and agricultural organisms.

(4) Other areas of research designed to further the purposes of this section.

(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

(1) made on the basis of the quality of the proposed research project; and

(2) available to any public or private research or educational institution or organization.

(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service, the Office of Agricultural Biotechnology, and the Agricultural Biotechnology Research Advisory Committee.

(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

(g) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

(2) WITHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least one percent of such amount for the purpose of making grants under this section for research on biotechnology risk assessment.

SEC. 1669. GRADUATE SCHOOL OF THE DEPARTMENT OF AGRICULTURE.

(a) TRAINING SERVICES.—Notwithstanding any other provision of law, the head of a Federal agency or major organizational unit within any agency, including agencies and offices within the Department of Agriculture, may place an order (or enter into an agreement) with the Graduate School of the Department of Agriculture under the provisions of section 1535 of title 31, United States Code, for training and other services incidental to the provision of such training.

(b) GOODS OR SERVICES.—The Graduate School may obtain any goods or services necessary to the fulfillment of an order under subsection (a) or its obligations under such agreement without regard to the requirements of—

(1) the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.); or

(2) any other law that prescribes procedures for the procurement of property or services by an executive agency.

(c) AUDITS OF RECORDS.—The financial records of the Graduate School relating to orders or agreements under subsection (a) shall be made available to the Comptroller General for purposes of conducting an audit.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "Graduate School" means the Graduate School of the Department of Agriculture.

(2) The term "training" has the meaning given that term in section 4101(4) of title 5, United States Code.

SEC. 1670. LIVESTOCK PRODUCT SAFETY AND INSPECTION PROGRAM.

(a) ESTABLISHMENT.—The Assistant Secretary for Science and Education, acting through the Cooperative State Research Service special grants program, may provide assistance to eligible entities to encourage and assist efforts made by research institutions to improve the efficiency and effectiveness of safety and inspection systems for livestock products.

(b) ELIGIBLE ENTITIES.—To be eligible to receive assistance under this section an entity shall be a land-grant college or university or any other college or university which demonstrates capability in the agriculture sciences, an individual research institution, or a consortia of such institutions.

(c) CONTRIBUTION BY ENTITY.—

(1) REQUIREMENT.—To be eligible to receive assistance under this section, an entity shall agree that such entity will, with respect to the costs to be incurred by the entity in conducting the research for which the assistance is provided, make available (directly or through donations) non-Federal contributions toward such costs in an amount equal to 50 percent of such costs.

(2) NON-FEDERAL CONTRIBUTIONS.—Non-Federal contributions required under paragraph (1) may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

(d) ADMINISTRATION.—In providing assistance under this section, the Assistant Secretary for Science and Education shall to the extent practicable ensure that the amount of such assistance is provided equally to eligible entities representing the beef, pork, lamb, poultry, and acquaculture industries.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, such sums as necessary for each of the fiscal years 1991 through 1995.

SEC. 1671. PLANT GENOME MAPPING PROGRAM.

(a) PROGRAM REQUIRED.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall conduct a research program for the purpose of—

(1) supporting basic and applied research and technology development in the area of plant genome structure and function;

(2) providing United States leadership in biotechnology; and

(3) providing crop varieties that may be cultivated profitably without negatively impacting the environment.

(b) COMPETITIVE GRANTS.—The Secretary may make competitive grants, for periods not to exceed five years, to State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals for research projects in the research areas identified in subsection (c).

(c) RESEARCH AREAS.—Grants available under subsection (b) shall be awarded in the following research areas:

(1) Construction of plant genome maps.

(2) Identification, characterization, transfer, and expression of genes of agricultural importance.

(3) Technology development in the areas of plant genome mapping, sequencing, gene transfer, and data management.

(4) Research on microorganisms associated with plants, such as plant pathogens and plant symbionts.

(d) PLAN FOR MAKING GRANTS.—Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Congress a detailed plan for awarding grants under this section.

(e) COORDINATION OF EFFORTS.—The Secretary shall coordinate activities under this section with related activities sponsored by the National Science Foundation, the National Institutes of Health, the Department of Energy, and the Department of Commerce.

(f) PROPRIETARY INTERESTS.—The Secretary shall require (when the Secretary considers it to be appropriate) licensing and patent agreements, copyright fees, royalties, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided under this section.

(g) REPORTS.—The Secretary shall submit to the Congress an annual report describing the operations of the grant program authorized by this section during the preceding fiscal year.

(h) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1672. SPECIALIZED RESEARCH PROGRAMS.

(a) ANIMAL LEAN CONTENT RESEARCH.—The Secretary of Agriculture is encouraged to fund research for the development of technology which will ascertain the lean content of animal carcasses to be used for human consumption.

(b) ETHANOL RESEARCH.—In order to further carry on and enhance needed ethanol research, the facility of the Agricultural Research Service located at Peoria, Illinois (authorized by section 202 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1292)), may enter into cooperative agreements, contracts, and the exchange of scientific information with the Department of Energy in the area of ethanol research. Such facility shall hereafter be referred to as the National Center for Agricultural Utilization Research, Agricultural Research Service, United States Department of Agriculture.

(c) AFLATOXIN RESEARCH.—The Secretary of Agriculture shall conduct a research program for the purpose of determining the presence of aflatoxin in the food and feed chains. The research required under this subsection shall include research in the following areas:

(A) The examination of agricultural commodities, products, and feeds for the presence and quantity of aflatoxin.

(B) The examination of human populations to assess the exposure level to aflatoxin.

(C) The examination of safe levels of aflatoxin in the food and feed chains.

(D) The development and assessment of control methods for aflatoxin, including methods to handle, store, detoxify, and dispose of aflatoxin-contaminated agricultural commodities, products, and feeds.

(E) The development of effective methods of controlling the aflatoxin contamination of agricultural products in international trade when the level of such contamination exceeds an acceptable level.

(F) The development of plants resistant to aflatoxin contamination.

(G) The improvement of sampling and analysis methods for aflatoxin.

(H) The effect of aflatoxin on animal disease through immunosuppression and interaction with other disease agents.

(I) The economic consequences of aflatoxin contamination.

(d) MESQUITE RESEARCH—

(1) RESEARCH REQUIRED.—The Secretary of Agriculture shall conduct a research program for the purpose of developing enhanced production methods and commercial uses of mesquite.

(2) COMPETITIVE GRANTS.—The Secretary shall make competitive grants, for periods not to exceed 5 years, to a State agricultural experiment station, a college or university, or a consortium of such entities, for a research project in the research areas identified in paragraph (3).

(3) RESEARCH AREAS.—A grant available under paragraph (2) shall be awarded to an applicant to conduct research in—

(A) the development of techniques to produce, from small-diameter, short-length, or otherwise irregular mesquite logs, solid-wood products useful as flooring, furniture parts, turning blanks, and such other uses as may have potential economic value;

(B) the development of management techniques designed to improve stands for quality lumber production from mesquite; and

(C) such other methods of production, harvesting, processing, and marketing that are designed to provide viable markets for mesquite and lead to the commercialization of mesquite as a cash crop.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000 for each of the fiscal years 1991 through 1995 to carry out this subsection.

(e) PRICKLY PEAR RESEARCH.—

(1) RESEARCH REQUIRED.—The Secretary of Agriculture shall conduct a research program for the purpose of investigating enhanced genetic selection and processing techniques of prickly pears.

(2) COMPETITIVE GRANTS.—The Secretary shall make competitive grants, for periods not to exceed 5 years, to a State agricultural experiment station, a college or university, or a consortium of such entities, for research projects in the research areas identified in paragraph (3).

(3) RESEARCH AREAS.—A grant available under paragraph (2) shall be awarded to an applicant to conduct research—

(A) to investigate, through genetic selection, the development of varieties of prickly pear with improved growth, freeze tolerance, and harvest characteristics;

(B) to develop techniques to produce and process prickly pear as a food source; and

(C) to continue to investigate the nutritional value and health benefits of prickly pears.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $100,000 for each of the fiscal years 1991 through 1995 to carry out this subsection.

(f) IMMUNOASSAY RESEARCH.—

(1) RESEARCH REQUIRED.—The Secretary of Agriculture shall establish and carry out a program to make grants to colleges and universities for research relating to immunoassay used—

(A) to detect agricultural pesticide residues on agricultural commodities for human consumption; and

(B) to diagnose animal and plant diseases.

(2) PREFERENCE.—In making grants under this subsection, the Secretary may give preference to those colleges and universities that, as of the date of the enactment of this Act, are conducting research described in this subsection.

(g) NICHE MARKET DEVELOPMENT.—The Secretary shall make research and extension grants available for the development of agricultural production and marketing systems that will service niche markets located in nearby metropolitan areas. In awarding such grants, the Secretary shall pay particular attention to areas—

(1) with a high concentration of small farm operations; and

(2) that experience difficulty in delivering products to market due to geographic isolation.

(h) SCRAPIE RESEARCH.—

(1) RESEARCH AUTHORIZED.—The Secretary of Agriculture may establish and carry out a program to conduct research on the disease of scrapie in sheep and goats, including research regarding the following:

(A) Methods for detecting infection of animals with scrapie before the animals become symptomatic.

(B) Methods for treatment, prevention, and cure of scrapie.

(C) Methods for controlling the spread of scrapie.

(2) GRANTS AND CONTRACTS.—In carrying out a research program established under this subsection, the Secretary may make grants to and contract with Federal, State, and local agencies and any other organizations that are experienced in research regarding animal diseases.

(3) COORDINATION.—The Secretary shall coordinate the research program established under this subsection with other research programs regarding encephalopathies, in

particular research regarding bovine spongiform encephalopathy in cattle.

(i) DEER TICK ECOLOGY AND RELATED RESEARCH.—There are authorized to be appropriated $250,000 for each of the fiscal years 1991 through 1995 to be used by the Agricultural Research Service to assist research in the field of population ecology of deer ticks and other insects and pests which transmit Lyme disease.

(j) NEW COMMERCIAL PRODUCTS FROM NATURAL PLANT MATERIALS.—The Secretary of Agriculture may—

(1) conduct fundamental and applied research related to the development of new commercial products derived from natural plant materials for industrial, medical, and agricultural applications; and

(2) participate with colleges and universities, other Federal agencies, and private sector entities in conducting such research.

(k) ADMINISTRATIVE PROVISIONS.—

(1) PEER REVIEW.—Except for research funded under subsection (i), research funded under this section shall be subject to peer review at such times as the Secretary considers necessary for the purpose of reviewing the progress and efficacy of the research and the justification and need for continued funding.

(2) LIMITATION ON USE OF FUNDS.—Funds provided under this section may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(3) GENERAL ELIGIBILITY.—Unless otherwise specified in this section, State agricultural experiment stations, all colleges and universities, other research institutions and organizations, Federal agencies, private organizations or corporations, and individuals shall be eligible to participate in the programs established by this section.

SEC. 1673. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

(a) PURPOSE.—The program (hereafter referred to in this section as the "program") established under this section is intended to encourage the development and utilization of an agricultural communications network to facilitate and to strengthen agricultural extension, resident education and research, and domestic and international marketing of United States agricultural commodities and products through a partnership between eligible institutions and the Department of Agriculture. The network will employ satellite and other telecommunications technology to disseminate and to share academic instruction, cooperative extension programming, agricultural research, and marketing information.

(b) OBJECTIVES.—The objectives of the program established under this section are—

(1) to make optimal use of available resources for agricultural extension, resident education, and research by sharing resources between participating institutions;

(2) to improve the competitive position of United States agriculture in international markets by disseminating information to producers, processors, and researchers;

(3) to train students for careers in agriculture and food industries;

(4) to facilitate interaction among leading agricultural scientists;

(5) to enhance the ability of United States agriculture to respond to environmental and food safety concerns; and

(6) to identify new uses for farm commodities and to increase the demand for United States agricultural products in both domestic and foreign markets.

(c) DEFINITIONS.—For purposes of this section—

(1) The term "eligible institution" means an accredited institution of higher education determined by the Secretary to be able to meet the objectives identified in subsection (b).

(2) The term "communications network" refers to television or cable television origination or distribution equipment, signal conversion equipment (including both modulators and demodulators), computer hardware and software, programs or terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment or via telecommunications transmission.

(3) The term "delivery" means the transmission and reception of programs by facilities that transmit, receive, or carry data between telecommunications terminal equipment at each end of a telecommunications circuit or path.

(4) The term "facilities" includes microwave antennae, fiberoptic cables and repeaters, coaxial cables, communications satellite ground station complexes, copper cable electronic equipment associated with telecommunications transmission, and similar items as defined by the Secretary.

(5) The term "satellite ground station complex" includes transmitters, receivers, and communications antennae at the Earth station site together with the interconnecting terrestrial transmission facilities (including cables, line, or microwave facilities) and modulating and demodulating equipment necessary for processing traffic received from the terrestrial distribution system prior to transmission via satellite and the traffic received from the satellite prior to transfer to terrestrial distribution systems.

(d) AUTHORIZATION OF ASSISTANCE TO ELIGIBLE INSTITUTIONS.—(1) The Secretary shall establish a program, to be administered by the Assistant Secretary for Science and Education, under which financial and technical assistance may be provided to eligible institutions that participate in a network that distributes programs consistent with the objectives described in subsection (b).

(2) The Secretary may approve all or part of any application submitted by an eligible institution if the proposed activity will contribute, directly or indirectly, to the purpose and objectives of the program established under this section.

(3) As provided in subsection (f), applications for financial assistance may include requests to fund program production or program delivery, or both.

(e) PRIORITY.—The Secretary, in considering applications for assistance under this program, shall establish procedures to ensure a broad dissemination of programming, giving a preference to applications that—

(1) are submitted by institutions affiliated with an established agricultural telecommunications network that distributes programs to a wide geographical area; or

(2) demonstrate the need for such assistance, taking into consideration the relative needs of all applicants and the financial ability of the applicants to otherwise secure or create the telecommunications system.

(f) APPLICATIONS FOR PROGRAM PRODUCTION AND DELIVERY.—(1) The Secretary shall consider applications for financial assistance for the production and delivery of programs or cooperative extension, academic instruction in agriculture, agricultural research, and other topics consistent with the objectives described in subsection (b).

(2) Eligible institutions shall request assistance by submitting applications to the Assistant Secretary for Science and Education. Applications shall include—

(A) a detailed description of the telecommunications network and programming proposed to be produced and delivered, including to whom the programming will be distributed, how the programming will contribute to achieving the objectives described in subsection (b), and the total cost of producing and delivering such programming;

(B) the amount of assistance requested for the proposed program authorized under this section and other sources of funding that will be used for the proposed program; and

(C) an analysis of the costs and benefits of purchasing (or leasing) different types of facilities, equipment, components, hardware and software, or other items.

(g) LIMITATIONS ON ASSISTANCE.—(1) The Secretary may provide funds totaling not more than 50 percent of the cost of a proposal for which an application is submitted under subsection (f). Notwithstanding the preceding sentence, the Secretary may provide funds totaling up to 100 percent of the cost of such a proposal if the Secretary determines that an eligible institution would otherwise be unable to carry out the proposal.

(2) The Secretary may allocate not more than 10 percent of the funds appropriated under this section for the acquisition and installation of telecommunications transmission facilities.

(h) AUTHORIZATION OF APPROPRIATIONS.—For the purposes of implementing the program established under this section, there are hereby authorized to be appropriated not more than $12,000,000 for each of the fiscal years 1991 through 1995.

SEC. 1674. COMMISSION ON AGRICULTURAL RESEARCH FACILITIES.

(a) DEFINITIONS.—For purposes of this section:

(1) AGRICULTURAL RESEARCH FACILITY.—The term "agricultural research facility" means a facility at which agricultural research is regularly carried out, or proposed to be carried out, and which is—

(A) an existing Agricultural Research Service facility or a Forest Service facility;

(B) an agricultural facility in the process of being planned or being constructed using Federal funding or a planned agricultural facility that will use Federal funding; or

(C) any other facility under the jurisdiction of the Secretary of Agriculture.

(2) STUDY COMMISSION.—The term "Study Commission" means the Agriculture Research Facilities Planning and Closure Study Commission established under this section.

(3) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(b) STUDY COMMISSION ESTABLISHED.—The Secretary shall establish an Agriculture Research Facilities Planning and Closure Study Commission to carry out the activities described in subsection (c).

(c) GENERAL DUTIES.—The Study Commission shall—

(1) review all currently operating and planned agricultural research facilities for research importance;

(2) identify those agricultural research facilities that should be closed, realigned, consolidated, or modernized, in order to aid in carrying out the research agenda of the Secretary;

(3) develop recommendations concerning agricultural research facilities; and

(4) evaluate the agricultural research facilities acquisition and modernization system utilized by the Department of Agriculture and recommend improvements in such system.

(d) ELEMENTS OF STUDY COMMISSION.—

(1) MEMBERSHIP.—The Study Commission shall be composed of 14 members to be appointed not later than 60 days after the date of enactment of this Act, of which—

(A) two members shall be appointed by the Secretary from among private citizens or employees of the Executive Branch;

(B) three members shall be appointed by the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(C) three members shall be appointed by the Ranking Minority Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate;

(D) three members shall be appointed by the Chairman of the Committee on Agriculture of the House of Representatives; and

(E) three members shall be appointed by the Ranking Minority Member of the Committee on Agriculture of the House of Representatives.

(2) VACANCIES.—A vacancy occurring on the Study Commission shall be filled in the same manner as that in which the original appointment was made.

(3) COMPENSATION AND EXPENSES.—

(A) COMPENSATION.—Members of the Study Commission who are not regular full-time employees of the United States government shall, while attending meetings and conferences of the Study Commission or otherwise engaged in the business of the Study Commission (including travel time), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 of the General Schedules established under section 5332 of title 5, United States Code.

(B) EXPENSES.—While away from their homes or regular places of business on the business of the Study Commission, members of such Commission may be allowed travel expenses, including per diem in lieu of subsistence, as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently by the Federal Government.

(4) CHAIRPERSON.—The Secretary shall designate a member of the Study Commission to serve as the Chairperson.

(5) MEETINGS.—The Study Commission shall meet at the call of the Chairperson, of a majority of the members of the Study Commission, or at the call of the Secretary.

(6) DIRECTOR AND STAFF.—The Chairperson of the Study Commission may appoint a Director of such Commission, and may request the detailing of the staff of Federal agencies to such Commission to assist it in carrying out its duties. The Chairperson may employ experts and consultants.

(e) GENERAL POWERS.—The Study Commission shall have the power to meet and hold hearings, use the mails of the United States, and provide and acquire administrative support services.

(f) REPORT.—Not later than 240 days after the date of enactment of this Act, the Study Commission shall prepare and submit to the Secretary, the Committee on Agriculture and Appropriations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and Appropriations of the Senate, a report concerning the findings and recommendations developed under subsection (c).

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1675. NATIONAL CENTERS FOR AGRICULTURAL PRODUCT QUALITY RESEARCH.

(a) PURPOSES.—The purposes of the national centers for agricultural product quality research shall be to—

(1) serve as regional or commodity specific agricultural product quality research and education focal points involving one or more university and Federal participants;

(2) take advantage of opportunities, and establish linkages between universities and other entities with expertise, in basic biology and engineering, the development of new technology, the application of technology to practice, and related quality assurance and regulatory activities;

(3) develop and enhance explicit relationships (including the possible sharing of the cost of center operations) between the research and development community, the Department, and other Federal agencies, and with all aspects of the involved industries;

(4) provide a mechanism for dealing with the safety and wholesomeness of new food products and processes that use biotechnology (including transgenic plants and animals);

(5) provide factual public information about agricultural product quality and wholesomeness on a continuing basis; and

(6) where appropriate, build on existing institutional strengths and commitments to address issues relating to agricultural product quality and wholesomeness and on demonstrated capability to effectively link with operational units of the Department, other Federal agencies, and private industry.

(b) CHARACTERISTICS OF CENTERS.—

(1) REGIONAL BASIS.—The centers shall be regional based units that conduct a broad spectrum of research, development, and education programs to assure the safety and wholesomeness of food through the prevention, detection, and modification of processes and products involved in the food chain that potentially compromise agricultural product quality and wholesomeness.

(2) RESEARCH APPROACH.—The centers shall involve multidisciplinary and interdisciplinary approaches to the development of new knowledge and technology. The centers may include multiinstitutional linkages between universities or related Federal laboratories.

(3) MANAGEMENT.—The centers shall serve as a management focal point for grants that deal with agricultural product quality research, extension, and teaching, including the provision of mechanisms for sharing resources between cooperating institutions and laboratories.

(4) RESEARCH LINKAGES.—Appropriate linkages within the centers shall include related efforts in agriculture, medicine, veterinary medicine, public health, engineering and related life and physical sciences, and social sciences dealing with health related behavior.

(5) RESEARCH SCOPE.—Each center shall conduct research and education on the full spectrum of production, processing, transportation, and marketing for commodity classes, such as animals (including animal products and animal feed), agronomic crops, and horticultural crops.

(c) ESTABLISHMENT OF CENTERS.—

(1) GRANTS.—The Secretary shall make grants to establish the centers. Such grants establishing centers shall be competitively awarded based on merit and relevance in reference to meeting the purposes specified in subsection (a).

(2) PERIODS AND PREFERENCES.—Grants may be awarded for periods of up to five years and may be renewed in competition with demonstration of adequate performance. The Secretary shall give preference to proposals that demonstrate linkages with action agencies of the Department, with other related Federal research laboratories and agencies, and with private industry.

(3) PRIMARY INSTITUTION IN CENTER.—The primary institution involved in a center shall be a land-grant college with other cooperating or collaborating academic institutions, nonprofit research and development entities, and Federal laboratories. A center may involve institutions or laboratories in more than one State.

(4) MATCHING FUNDS.—The non-Federal sponsors of a center shall contribute an amount of funds for operation of the center equal to not less than the amount awarded by the Federal Government.

(d) PROGRAM PLAN AND REVIEW.—

(1) PLAN.—A program plan shall be developed by the Department after obtaining the advice of representative users of the centers, including both action agencies and appropriate representatives from various segments of the food industry. The plan shall be submitted to the Congress for review at intervals of not less than once every three years.

(2) REVIEW.—Accomplishments and directions of the centers shall be reviewed by the Department on a periodic basis, but not less frequently than at the end of the second and fourth years after the date of the enactment of this Act. The persons conducting the review shall be appointed by, and report to, the Secretary.

(e) LIMITATION ON USE OF FUNDS.—Funds provided under this section may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(f) DEFINITIONS.—For purposes of this section:

(1) The term "center" means a national center for agricultural product quality research established under this section.

(2) The term "Secretary" means the Secretary of Agriculture.

(3) The term "Department" means the Department of Agriculture.

(g) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated such funds as may be necessary to carry out this section for each of the fiscal years 1991 through 1995.

(2) The centers shall be funded through the Cooperative State Research Service in the Department.

SEC. 1676. TURKEY RESEARCH CENTER.

There are authorized to be appropriated $500,000 for fiscal year 1992 to be used by the Agricultural Research Service for planning purposes in the establishment of a facility to be known as the Agricultural Turkey Research Center to be located in Pelican Rapids, Minnesota, and operated in cooperation with the North Dakota State University.

SEC. 1677. RESERVATION EXTENSION AGENTS.

(a) ESTABLISHMENT.—The Secretary of Agriculture, acting through the Extension Service, shall establish appropriate extension education programs on Indian Reservations and tribal jurisdictions. In establishing these extension programs, the Secretary shall consult with the Bureau of Indian Affairs, the Intertribal Agriculture Council, and the Southwest Indian Agriculture Association, and shall make such interagency cooperative agreements or memoranda of understanding as may be necessary. The pro-

grams to be developed and delivered on Reservations and within tribal jurisdictions shall be determined with the advice and counsel of Reservation or tribal program advisory committees.

(b) ADMINISTRATION AND MANAGEMENT.—Extension agents shall be employees of, and administratively responsible to, the Cooperative Extension Service of the State within which the Reservation or tribal jurisdiction is located, and employment and personnel management responsibilities shall be vested with the State Cooperative Extension Service. In cases where a Reservation or tribal jurisdiction is located in two or more States, the Secretary of Agriculture shall make the determination of administrative responsibility, including possible divisions along State boundaries.

(c) ADVISORY COMMITTEES.—At the request of a State Extension Director, and with the assistance of the Tribal authorities, the Secretary of Agriculture may form an advisory committee to give overall policy and program advice to that State Extension Director with regard to programs conducted on reservations or within tribal jurisdictions. Program advisory committees may be formed to assist extension staff in development and conduct of program activities.

(d) STAFFING.—Insofar as possible, agent and specialist staff shall include individuals representative of the tribal grouping being served. Programs shall emphasize training and employment of local people in positions such as program aides, master gardeners, and volunteers. Staffing at a particular location shall be dependent on the needs and priorities of that location, as identified by the advisory committees and the State Extension Director, and the Director may make use of existing personnel and facilities as appropriate.

(e) PLACING OF AGENTS.—The number of offices and their placement shall be jointly determined by the State Extension Directors and tribal authorities of the respective States by taking into consideration the agricultural acreage within the boundaries of an Indian Reservation or tribal jurisdiction, the soil classifications of such acreage, and the population of such Reservation or tribal jurisdiction.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 1678. SPECIAL GRANT TO STUDY CONSTRAINTS ON AGRICULTURAL TRADE.

(a) GRANT REQUIRED.—The Secretary of Agriculture shall provide at least two special grants to land-grant colleges and universities to conduct a study that will evaluate the trade impacts of technical barriers, quality factors, and end-use characteristics in agricultural trade to determine whether such factors are consistent as between commodities. Such study shall be conducted with the objective—

(1) to identify and analyze constraints related to end-use characteristics in trade and competition;

(2) to design production and processing techniques to lessen their impacts; and

(3) to identify public policy alternatives, nationally and internationally, that may reduce the impacts of such trade restrictions.

(b) JOINT DEVELOPMENT.—The Secretary shall ensure that the grants provided for in this section provide for the joint development of the methodology and techniques between the recipients of such grants to meet the objectives set forth in subsection (a).

(c) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Secretary shall report the results of the study grants under subsection (a) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(d) LAND-GRANT COLLEGES AND UNIVERSITIES DEFINED.—For purposes of this section, the term "land-grant colleges and universities" has the meaning given to that term in section 1404(10) of the National Agricultural Research, Teaching, and Extension Policy Act of 1977 (7 U.S.C. 3103(10)).

SEC. 1679. PILOT PROJECT TO COORDINATE FOOD AND NUTRITION EDUCATION PROGRAMS.

(a) PILOT PROJECT.—The Secretary of Agriculture shall establish a five-year pilot project to make available grants to not less than two States, on a competitive basis, for the purpose of implementing in such States, a plan that—

(1) provides for the full coordination of the conceptual design and program delivery of food and nutrition education programs for potential participants within the State; and

(2) provides to the greatest extent possible for the coordination of such food and nutrition education programs with related State programs.

(b) ELEMENTS OF THE PROJECT.—In carrying out subsection (a), the Secretary shall—

(1) provide for enhanced intraagency and interagency coordination in the design and delivery of food and nutrition education programs;

(2) develop more efficient methods, and improved agency organization, to inform the public and persons eligible for food and nutrition programs about such education programs (including those education programs regarding nutrition and management of family resources for better nutrition and health) and nutrition education programs available at the Federal, State, and local level; and

(3) provide for an evaluation of the degree to which stated program coordination objectives are being attained, the impact on actual behavioral change of program participants, and the implication of the program outcomes for future public health, budget expenditures, and the general public welfare.

(c) DEFINITIONS.—For purposes of this section:

(1) The term "coordination" means the development and implementation of a consistent and coherent program of nutrition education regarding the receipt and increased beneficial use of the resources made available to persons for food and nutrition programs and, to the extent possible, related State and local food and nutrition programs.

(2) The term "food and nutrition education programs" includes any educational programs or components of the food stamp program, the expanded food and nutrition education program, and such other programs administered by the Department of Agriculture as the Secretary determines necessary to effectively implement the programs required under subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for each of the fiscal years 1991 through 1995 such sums as may be necessary to carry out the pilot project established under subsection (a).

SEC. 1680. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

(a) SPECIAL DEMONSTRATION GRANTS.—

(1) IN GENERAL.—The Secretary of Agriculture, in consultation with other appropriate Federal agencies, shall make demonstration grants to support cooperative programs between State Cooperative Extension Service agencies and private nonprofit disability organizations to provide on-the-farm agricultural education and assistance directed at accommodating disability in farm operations for individuals with disabilities who are engaged in farming and farm-related occupations and their families.

(2) ELIGIBLE SERVICES.—Grants awarded under paragraph (1) may be used to support programs serving individuals with disabilities, and their families, who are engaged in farming and farm-related occupations.

(3) ELIGIBLE PROGRAMS.—Grants awarded under paragraph (1) may be used to initiate, expand, or sustain programs that—

(A) provide direct education and assistance to accommodate disability in farming to individuals with disabilities who engage in farming and farm-related occupations;

(B) provide on-the-farm technical advice concerning the design, fabrication, and use of agricultural and related equipment, machinery, and tools, and assist in the modification of farm worksites, operations, and living arrangements to accommodate individuals with disabilities who engage in farming, farm living and farm-related tasks;

(C) involve community and health care professionals, including Extension Service agents and others, in the early identification of farm and rural families that are in need of services related to the disability of an individual;

(D) provide specialized education programs to enhance the professional competencies of rural agricultural professionals, rehabilitation and health care providers, vocational counselors, and other providers of service to individuals with disabilities, and their families, who engage in farming or farm-related occupations; and

(E) mobilize rural volunteer resources, including peer counseling among farmers with disabilities and rural ingenuity networks promoting cost effective methods or accommodating disabilities in farming and farm-related activities.

(4) EXTENSION SERVICE AGENCIES.—Grants shall be awarded under this subsection directly to State Extension Service agencies to enable them to enter into contracts, on a multiyear basis, with private nonprofit community-based direct service organizations to initiate, expand, or sustain cooperative programs described under paragraphs (2) and (3).

(5) MINIMUM AMOUNT.—A grant awarded under this subsection may not be less than $150,000.

(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection—

(A) not less than $3,000,000 for each of the fiscal years 1991 and 1992; and

(B) not less than $5,000,000 for each of the fiscal years 1993 through 1996.

(b) NATIONAL GRANT FOR TECHNICAL ASSISTANCE, TRAINING AND DISSEMINATION.—

(1) IN GENERAL.—The Secretary of Agriculture shall award a competitive grant to a national private nonprofit disability organization to enable such organization to provide technical assistance, training, information dissemination and other activities to support community-based direct service programs of on-site rural rehabilitation and as-

sistive technology for individuals with disabilities, and their families, who are engaged in farming or farm-related occupations.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $1,000,000 to carry out this subsection for each of the fiscal years 1991 through 1996.

SEC. 1681. RESEARCH ON HONEYBEE DISEASES.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) diseases affecting the entire honeybee population impact on the ability of honeybees to carry out crop pollination and honey production, and therefore impact negatively on beekeepers, producers and consumers; and

(2) certain diseases (such as those caused by teacheal mite, varroa mite, and the Africanized honeybee) pose a threat to the continued well-being of the general honeybee population, and thus merit further study.

(b) RESEARCH.—Notwithstanding any other provision of law, the Secretary of Agriculture shall give priority attention to the funding of research regarding the diseases referred to in subsection (a) that are affecting the honeybee population.

TITLE XVII—FOOD STAMP AND RELATED PROVISIONS

SEC. 1701. SHORT TITLE.

This title may be cited as the "Mickey Leland Memorial Domestic Hunger Relief Act".

Subtitle A—Food Stamp Program

SEC. 1711. REFERENCES TO THE FOOD STAMP ACT OF 1977.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), except to the extent otherwise specifically provided.

SEC. 1712. RECIPIENTS OF AGED, BLIND, AND DISABLED BENEFITS IN TERRITORIES.

(a) DEFINITION OF FOOD.—Section 3(g) (7 U.S.C. 2012(g)) is amended—

(1) in clause (3), by striking "under title XVI" and inserting "or disability or blindness payments under title I, II, X, XIV, or XVI"; and

(2) in clause (7)—

(A) by striking "title II or title XVI" and inserting "title I, II, X, XIV, or XVI"; and

(B) by inserting after "section 1616(e) of the Social Security Act" the following: "or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section".

(b) DEFINITION OF HOUSEHOLD.—The last sentence of section 3(i) is amended—

(1) by striking "title II or title XVI" and inserting "title I, II, X, XIV, or XVI"; and

(2) by inserting after "section 1616(e) of the Social Security Act" the following: "or under standards determined by the Secretary to be comparable to standards implemented by appropriate State agencies under such section".

SEC. 1713. RESTAURANT MEALS AT CONCESSIONAL PRICES FOR THE HOMELESS.

(a) DEFINITION OF FOOD.—Section 3(g)(9) (7 U.S.C. 2012(g)(9)) is amended by striking "individuals and by a public" and all that follows through "or shelter)" and inserting "individuals and by private establishments that contract with the appropriate agency of the State to offer meals for such individuals at concessional prices".

(b) CONFORMING CHANGE.—Effective September 29, 1990, section 11002(f)(3) of the Homeless Eligibility Clarification Act (7 U.S.C. 2012 note) is amended by striking "subsection (b)" and inserting "subsections (a) and (b)".

SEC. 1714. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF GENERAL ASSISTANCE.

Section 5(a) (7 U.S.C. 2014(a)) is amended by—

(1) by striking "and beginning on the date of the enactment of the Food Security Act of 1985,"; and

(2) by inserting after the second sentence the following new sentence: "Except for sections 6, 16(e)(1), and the third sentence of section 3(i), households in which each member receives benefits under a State or local general assistance program that complies with standards established by the Secretary for ensuring that the program is appropriate for categorical treatment shall be eligible to participate in the food stamp program.".

SEC. 1715. EXCLUSION OF EDUCATIONAL BENEFITS.

(a) IN GENERAL.—Section 5(d) (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by inserting "(A)" after "the like"; and

(B) by striking "at an institution" and all that follows through "handicapped, and", and inserting the following: "(including the rental or purchase of any equipment, materials, and supplies required to pursue the course of study involved) at a recognized institution of post-secondary education, at a school for the handicapped, in a vocational education program, or in a program that provides for completion of a secondary school diploma or obtaining the equivalent thereof, (B) to the extent that they do not exceed the amount made available as an allowance determined by such school, institution, or program for books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses), of the student incidental to attending such school, institution, or program, and (C)"; and

(2) in the proviso to clause (5)—

(A) by inserting "and" after "1988),";

(B) by striking "non-Federal"; and

(C) by striking "and no portion of any Federal" and all that follows through "mandatory school fees,".

(b) CLARIFYING AND TECHNICAL AMENDMENT.—The fourth sentence of section 5(e) is amended by inserting after "third party" the following: ", amounts made available and excluded for the expenses under subsection (d)(3),".

SEC. 1716. EXCLUSION OF CLOTHING ALLOWANCES.

Section 5(d)(5) (7 U.S.C. 2014(d)(5)) is amended by inserting after "household" the following: "and any allowance a State agency provides no more frequently than annually to families with children on the occasion of those children's entering or returning to school or child care for the purpose of obtaining school clothes (except that no such allowance shall be excluded if the State agency reduces monthly assistance to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) in the month for which the allowance is provided)".

SEC. 1717. EXCESS MEDICAL EXPENSE DEDUCTION.

The last sentence of section 5(e) (7 U.S.C. 2014(e)) is amended by inserting before the period at the end the following: ", shall rely on reasonable estimates of the member's expected medical expenses for the certification period (including changes that can be reasonably anticipated based on available information about the member's medical condition, public or private medical insurance coverage, and the current verified medical expenses incurred by the member), and shall not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period".

SEC. 1718. BUDGETING AND MONTHLY REPORTING.

(a) IN GENERAL.—Paragraph (2) of section 5(f) (7 U.S.C. 2014(f)) is amended to read as follows:

"(2)(A) Except as provided in subparagraphs (B), (C), and (D), households shall have their incomes calculated on a prospective basis, as provided in paragraph (3)(A), or, at the option of the State agency, on a retrospective basis, as provided in paragraph (3)(B).

"(B) In the case of the first month, or at the option of the State, the first and second months, during a continuous period in which a household is certified, the State agency shall determine eligibility and the amount of benefits on the basis of the household's income and other relevant circumstances in such first or second month.

"(C) Households specified in clauses (i), (ii), (iii), and (iv) of section 6(c)(1)(A) shall have their income calculated on a prospective basis, as provided in paragraph (3)(A).

"(D) Except as provided in subparagraph (B), households required to submit monthly reports of their income and household circumstances under section 6(c)(1) shall have their income calculated on a retrospective basis, as provided in paragraph (3)(B).".

(b) CALCULATION OF HOUSEHOLD INCOME.—

(1) IN GENERAL.—Notwithstanding any other provision of law, during the period beginning October 1, 1988, and ending on the first day of the first month beginning at least 120 days after the date of enactment of this Act, a State agency may elect to implement the amendment to section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) made by section 202(a) of the Hunger Prevention Act of 1988 (Public Law 100-435; 102 Stat. 1656) (with respect to the requirement that income be calculated on a prospective basis in the case of households that are not required to report monthly on their income and household circumstances).

(2) PAYMENT ERROR RATES.—Notwithstanding section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)), during the period referred to in paragraph (1), errors resulting solely from implementation by a State agency of the amendment referred to in paragraph (1) shall not be included in payment error rates determined under section 16(c) of such Act.

SEC. 1719. SIMPLIFYING RESOURCE AND ELIGIBILITY DETERMINATIONS.

Section 5 (7 U.S.C. 2014) is amended—

(1) in subsection (g)—

(A) by designating the first through fourth sentences as paragraphs (1) through (4), respectively; and

(B) by adding at the end the following new paragraph:

"(5) The Secretary shall promulgate rules by which State agencies shall develop standards for identifying kinds of resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is relatively slight or because the cost of selling the household's interest would be relatively great. Resources so identified shall be excluded as inaccessible resources."; and

(2) in subsection (j)—

(A) by striking "a household in which all members of the household receive" and inserting "the resources of a household member who receives supplemental security

income benefits under title XVI of the Social Security Act (42 U.S.C. 1382 et. seq.), aid to the aged, blind, or disabled under title I, X, XIV, or XVI of the Social Security Act (42 U.S.C. 301 et seq.) or who receives"; and

(B) by striking "have satisfied the resource limitations prescribed under subsection (g)" and inserting "be exempt for purposes of satisfying the resource limitations prescribed under subsection (g) if the resources are considered exempt for purposes of such title".

SEC. 1720. EMERGENCY FOOD FOR DISASTER VICTIMS.

Section 5(h) (7 U.S.C. 2014(h)) is amended by adding at the end the following new paragraph:

"(3)(A) The Secretary shall provide, by regulation, for emergency allotments to eligible households to replace food destroyed in a disaster. The regulations shall provide for replacement of the value of food actually lost up to a limit approved by the Secretary not greater than the applicable maximum monthly allotment for the household size.

"(B) The Secretary shall adjust reporting and other application requirements to be consistent with what is practicable under actual conditions in the affected area. In making this adjustment, the Secretary shall consider the availability of the State agency's offices and personnel and any damage to or disruption of transportation and communication facilities.".

SEC. 1721. TRANSITIONAL HOUSING.

Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is amended by striking subparagraph (F) and inserting the following new subparagraph:

"(F) housing assistance payments made to a third party on behalf of a household residing in transitional housing for the homeless in an amount equal to 50 percent of the maximum shelter allowance provided to families not residing in such transitional housing under the States' plan for aid to families with dependent children approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or".

SEC. 1722. EXCLUSION OF GENERAL ASSISTANCE PAYMENTS.

Section 5(k)(2) (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking "or" at the end of subparagraph (F);

(2) by striking the period at the end of subparagraph (G) and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(H) assistance provided to a third party on behalf of a household under a State or local general assistance program, or another local basic assistance program comparable to general assistance (as determined by the Secretary), if, under State law, no assistance under the program may be provided directly to the household in the form of a cash payment.".

SEC. 1723. BUDGETING AND MONTHLY REPORTING ON RESERVATIONS.

Section 6(c)(1)(A) (7 U.S.C. 2015(c)(1)(A)) is amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(2) by inserting after clause (i) the following new clause:

"(ii) households residing on a reservation;".

SEC. 1724. PERIODIC ELIGIBILITY INFORMATION REPORTS.

Section 6(c) (7 U.S.C. 2015(c)) is amended—

(1) in paragraph (2)(C), by striking "forms approved by the Secretary" and inserting "State agency designed forms"; and

(2) in the first sentence of paragraph (3), by striking ", in accordance with standards prescribed by the Secretary, they contain sufficient information to enable the State agency to determine household eligibility and allotment levels" and inserting "they contain the information relevant to eligibility and benefit determinations that is specified by the State agency".

SEC. 1725. SELECTION OF HOUSEHOLD HEAD BY HOUSEHOLD.

Section 6(d)(1) (7 U.S.C. 2015(d)(1)) is amended by inserting after the first sentence the following new sentences: "The State agency shall allow the household to select an adult parent of children in the household as its head where all adult household members making application agree to the selection. The household may designate its head of household under this paragraph each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.".

SEC. 1726. EXPANSION OF EMPLOYMENT AND TRAINING PROGRAM.

(a) LITERACY TRAINING.—Section 6(d)(4)(B)(v) (7 U.S.C. 2015(d)(4)(B)(v)) is amended by inserting "and literacy," after "basic skills".

(b) PROGRAMS THAT FOCUS ON SELF-EMPLOYMENT OPPORTUNITIES.—

(1) AUTHORIZATION FOR PROGRAMS.—Section 6(d)(4)(B) (7 U.S.C. 2015(d)(4)(B)) is amended—

(A) by redesignating clause (vi) as clause (vii); and

(B) by inserting after clause (v) the following new clause:

"(vi) Programs designed to increase the self-sufficiency of recipients through self-employment, including programs that provide instruction for self-employment ventures.".

(2) EXEMPTION FOR RESOURCES USED IN PROJECTS.—Section 5(g)(3) (as designated by section 1719(1) of this Act) is amended by inserting before the period at the end of the paragraph the following: "and nonliquid resources necessary to allow the household to carry out a plan for self-sufficiency approved by the State agency that constitutes adequate participation in an employment and training program under section 6(d)".

(c) EXPANDING STATE FLEXIBILITY.—Section 6(d)(4)(E) (7 U.S.C. 2015(d)(4)(E)) is amended by adding at the end the following new sentence: "Through September 30, 1995, two States may, on application to and after approval by the Secretary, give priority in the provision of services to voluntary participants (including both exempt and nonexempt participants), except that this sentence shall not excuse a State from compliance with the performance standards issued under subparagraphs (K) and (L), and the Secretary may, at the Secretary's discretion, approve additional States' requests to give such priority if the Secretary reports to Congress on the number and characteristics of voluntary participants given priority under this sentence and such other information as the Secretary determines to be appropriate.".

(d) STATE IMPLEMENTATION OF PERFORMANCE STANDARDS.—Section 6(d)(4)(L)(iii) (7 U.S.C. 2015(d)(4)(L)(iii)) is amended by striking "April" and inserting "October".

SEC. 1727. ELIGIBILITY FOR STUDENTS.

Subsection (e) of section 6 (7 U.S.C. 2015(e)) is amended to read as follows:

"(e) No individual who is a member of a household otherwise eligible to participate in the food stamp program under this section shall be eligible to participate in the food stamp program as a member of that or any other household if the individual is enrolled at least half-time in an institution of higher education, unless the individual—

"(1) is under age 18 or is age 50 or older;

"(2) is not physically or mentally fit;

"(3) is assigned to or placed in an institution of higher education through or in compliance with the requirements of—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) an employment and training program under this section;

"(C) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(D) another program for the purpose of employment and training operated by a State or local government, as determined to be appropriate by the Secretary;

"(4) is employed a minimum of 20 hours per week or participating in a State or federally financed work study program during the regular school year;

"(5) is—

"(A) a parent with responsibility for the care of a dependent child under age 6; or

"(B) a parent with responsibility for the care of a dependent child above the age of 5 and under the age of 12 for whom adequate child care is not available to enable the individual to attend class and satisfy the requirements of paragraph (4);

"(6) is receiving aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(7) is so enrolled as a result of participation in the work incentive program under title IV of the Social Security Act or its successor programs; or

"(8) is enrolled full-time in an institution of higher education, as determined by the institution, and is a single parent with responsibility for the care of a dependent child under age 12.".

SEC. 1728. STAGGERED ISSUANCES; RESERVATIONS.

Subsection (h) of section 7 (7 U.S.C. 2016(h)) is amended to read as follows:

"(h)(1) The State agency may establish a procedure for staggering the issuance of coupons to eligible households throughout the month. The State agency shall establish such a procedure for eligible households residing on reservations.

"(2) Any procedure established under paragraph (1) shall not reduce the allotment of any household and shall ensure that no household experiences an interval between issuances of more than 40 days. The procedure may include issuing a household's benefits in more than one issuance.".

SEC. 1729. ELECTRONIC BENEFITS ISSUANCE.

(a) IN GENERAL.—Section 7 (7 U.S.C. 2016) is amended by adding at the end the following new subsection:

"(i)(1)(A) Any State agency may, with the approval of the Secretary, implement an online electronic benefit transfer system in which household benefits determined under section 8(a) are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale.

"(B) No State agency may implement or expand an electronic benefit transfer system without prior approval from the Secretary.

"(2) The Secretary shall issue final regulations effective no later than April 1, 1992, that establish standards for the approval of such a system. The standards shall include—

"(A) determining the cost-effectiveness of the system to ensure that its operational

cost, including the pro rata cost of capital expenditures and other reasonable startup costs, does not exceed, in any 1 year, the operational cost of issuance systems in use prior to the implementation of the on-line electronic benefit transfer system;

"(B) defining the required level of recipient protection regarding privacy, ease of use, and access to and service in retail food stores;

"(C) the terms and conditions of participation by retail food stores, financial institutions, and other appropriate parties;

"(D) system security;

"(E) system transaction interchange, reliability, and processing speeds;

"(F) financial accountability;

"(G) the required testing of system operations prior to implementation; and

"(H) the analysis of the results of system implementation in a limited project area prior to expansion.

"(3) In the case of a system described in paragraph (1) in which participation is not optional for households, the Secretary shall not approve such a system unless—

"(A) a sufficient number of eligible retail food stores, including those stores able to serve minority language populations, have agreed to participate in the system throughout the area in which it will operate to ensure that eligible households will not suffer a significant reduction in their choice of retail food stores or a significant increase in the cost of food or transportation to participating food stores; and

"(B) any special equipment necessary to allow households to purchase food with the benefits issued under this Act is operational—

"(i) in the case of a participating retail food store in which coupons are used to purchase 15 percent or more of the total dollar amount of food sold by the store (as determined by the Secretary), at all registers in the store; and

"(ii) in the case of other participating stores, at a sufficient number of registers to provide service that is comparable to service provided individuals who are not members of food stamp households, as determined by the Secretary.

"(4) Administrative costs incurred in connection with activities under this subsection shall be eligible for reimbursement in accordance with section 16, subject to the limitations in section 16(g).

"(5) The Secretary shall periodically inform State agencies of the advantages of using electronic benefit systems to issue benefits in accordance with this subsection in lieu of issuing coupons to households.

"(6) This subsection shall not diminish the authority of the Secretary to conduct projects to test automated or electronic benefit delivery systems under section 17(f).".

(b) CONFORMING AND TECHNICAL AMENDMENT.—Section 17(f) is amended by striking "(f)(1)" and inserting "(f)".

SEC. 1730. MINIMUM BENEFIT.

Section 8(a) (7 U.S.C. 2017(a)) is amended by inserting before the final period ", and shall be adjusted on each October 1 to reflect the percentage change in the cost of the thrifty food plan without regard to the special adjustments under section 3(o) for the 12-month period ending the preceding June, with the result rounded to the nearest $5".

SEC. 1731. ISSUANCE OF AGGREGATE ALLOTMENTS.

Section 17(a) (7 U.S.C. 2026(a)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary may, on application, permit not more than two State agencies to establish procedures that allow households whose monthly food stamp benefits do not exceed $20, at their option, to receive, in lieu of their food stamp benefits for the initial period under section 8 and their regular allotment in following months, and at intervals of up to 3 months thereafter, aggregate allotments not to exceed $60 and covering not more than 3 months' benefits. The allotments shall be provided in accordance with paragraphs (3) and (9) of section 11(e) (except that no household shall begin to receive combined allotments under this section until it has complied with all applicable verification requirements of section 11(e)(3)) and (with respect to the first aggregate allotment so issued) within 40 days of the last coupon issuance.".

SEC. 1732. STATE FLEXIBILITY IN ASSISTING HOUSEHOLDS.

Paragraph (3) of section 8(c) (7 U.S.C. 2017(c)(3)) is amended to read as follows:

"(3) A State agency—

"(A) in the case of a household that is not entitled in the month in which it applies to expedited service under section 11(e)(9), may provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraph (3) of section 11(e); and

"(B) in the case of a household that is entitled in the month in which it applies to expedited service under section 11(e)(9), shall provide that an eligible household applying after the 15th day of the month shall receive, in lieu of its initial allotment and its regular allotment for the following month, an allotment that is the aggregate of the initial allotment and the first regular allotment, which shall be provided in accordance with paragraphs (3) and (9) of section 11(e).".

SEC. 1733. PERIODIC REAUTHORIZATION OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a) (7 U.S.C. 2018(a)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary is authorized to issue regulations providing for a periodic reauthorization of retail food stores and wholesale food concerns.".

SEC. 1734. AUTHORIZATION OF WHOLESALE FOOD CONCERNS.

Section 9(b)(1) (7 U.S.C. 2018(b)(1)) is amended by inserting after the first sentence the following new sentence: "No co-located wholesale-retail food concern may be authorized to accept and redeem coupons as a retail food store, unless (A) the concern does a substantial level of retail food business, or (B) the Secretary determines that failure to authorize such a food concern as a retail food store would cause hardship to food stamp households.".

SEC. 1735. REQUIRED SUBMISSION OF CERTAIN IDENTIFYING INFORMATION BY RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

(a) IN GENERAL.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

(1) by redesignating clauses (ii), (iii), and (iv) as clauses (iv), (v), and (vi), respectively;

(2) by redesignating subclauses (I) and (II) of clause (i) as clauses (i) and (ii), respectively; and

(3) by inserting after clause (ii) (as redesignated) the following new clause:

"(iii) In the administration of section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018) involving the determination of the qualifications of applicants under such Act, the Secretary of Agriculture may require each applicant retail store or wholesale food concern to furnish to the Secretary of Agriculture the social security account number of each individual who is an officer of the store or concern and, in the case of a privately owned applicant, furnish the social security account numbers of the owners of such applicant. No officer or employee of the Department of Agriculture shall have access to any such number for any purpose other than the establishment and maintenance of a list of the names and social security account numbers of such individuals for use in determining those applicants who have been previously sanctioned or convicted under section 12 or 15 of such Act (7 U.S.C. 2021 or 2024). The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of the Food Stamp Act of 1977. The Secretary of Agriculture shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of the social security account numbers.".

(b) CONFIDENTIALITY OF SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2)(C) of such Act (as amended by subsection (a) of this section) is further amended by adding at the end the following new clause:

"(vii)(I) Social security account numbers and related records that are obtained or maintained by authorized persons pursuant to any provision of law enacted on or after October 1, 1990, shall be confidential, and no authorized person shall disclose any such social security account number or related record.

"(II) Paragraphs (1), (2), and (3) of section 7213(a) of the Internal Revenue Code of 1986 shall apply with respect to the unauthorized willful disclosure to any person of social security account numbers and related records obtained or maintained by an authorized person pursuant to a provision of law enacted on or after October 1, 1990, in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of return and return information described in such paragraphs. Paragraph (4) of section 7213(a) of such Code shall apply with respect to the willful offer of any item of material value in exchange for any such social security account number or related record in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.

"(III) For purposes of this clause, the term 'authorized person' means an officer or employee of the United States, an officer or employee of any State, political subdivision of a State, or agency of a State or political subdivision of a State, and any other person (or officer or employee thereof), who has or had access to social security account numbers or related records pursuant to any provision of law enacted on or after October 1, 1990. For

purposes of this subclause, the term 'officer or employee' includes a former officer or employee.

"(IV) For purposes of this clause, the term 'related record' means any record, list, or compilation that indicates, directly or indirectly, the identity of any individual with respect to whom a request for a social security account number is maintained pursuant to this clause.".

(c) REQUIRED SUBMISSION OF EMPLOYER IDENTIFICATION NUMBERS.—Section 6109 of the Internal Revenue Code of 1986 (relating to identifying numbers) is amended by adding at the end the following new subsection:

"(f) ACCESS TO EMPLOYER IDENTIFICATION NUMBERS BY SECRETARY OF AGRICULTURE FOR PURPOSES OF FOOD STAMP ACT OF 1977.—

"(1) IN GENERAL.—In the administration of section 9 of the Food Stamp Act of 1977 (7 U.S.C. 2018) involving the determination of the qualifications of applicants under such Act, the Secretary of Agriculture may, subject to this subsection, require each applicant retail store or wholesale food concern to furnish to the Secretary of Agriculture the employer identification number assigned to the store or concern pursuant to this section. The Secretary of Agriculture shall not have access to any such number for any purpose other than the establishment and maintenance of a list of the names and employer identification numbers of the stores and concerns for use in determining those applicants who have been previously sanctioned or convicted under section 12 or 15 of such Act (7 U.S.C. 2021 or 2024).

"(2) SAFEGUARDS.—The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to paragraph (1) only to officers and employees of the United States whose duties or responsibilities require access for the administration or enforcement of the Food Stamp Act of 1977. The Secretary of Agriculture shall provide such other safeguards as the Secretary of the Treasury determines to be necessary or appropriate to protect the confidentiality of the employer identification numbers.

"(3) CONFIDENTIALITY AND NONDISCLOSURE RULES.—Employer identification numbers that are obtained or maintained by the Secretary of Agriculture pursuant to this subsection shall be confidential, and no officer or employee of the United States who has or had access to the social security account numbers shall disclose any such employer identification number obtained thereby in any manner. For purposes of this paragraph, the term 'officer or employee' includes a former officer or employee.

"(4) SANCTIONS.—Paragraphs (1), (2), and (3) of section 7213(a) shall apply with respect to the unauthorized willful disclosure to any person of employer identification numbers maintained by the Secretary of Agriculture pursuant to this subsection in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of return and return information described in such paragraphs. Paragraph (4) of section 7213(a) shall apply with respect to the willful offer of any item of material value in exchange for any such employer identification number in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.".

SEC. 1736. SIMPLIFIED APPLICATION REQUIREMENTS.

Section 11(e)(2) (7 U.S.C. 2020(e)(2)) is amended—

(1) in the third sentence, by striking "instructions" and inserting "(on or near its front cover) explanations"; and

(2) by striking the sentence beginning "One adult member" and inserting the following new sentences: "The State agency shall require that an adult representative of each household that is applying for food stamp benefits shall certify in writing, under penalty of perjury, that the information contained in the application is true and that all members of the household are either citizens or are aliens eligible to receive food stamps under section 6(f). The signature of the adult under this section shall be deemed sufficient to comply with any provision of Federal law requiring household members to sign the application or statements in connection with the application process.".

SEC. 1737. ESTIMATES IN LIEU OF VERIFICATION FOR HOMELESS HOUSEHOLDS WITH SHELTER COSTS.

Section 11(e)(3)(E) (7 U.S.C. 2020(e)(3)(E)) is amended by inserting before the final semicolon a period and the following: "Under rules prescribed by the Secretary, a State agency shall develop standard estimates of the shelter expenses that may reasonably be expected to be incurred by households in which all members are homeless but that are not receiving free shelter throughout the month. The Secretary may issue regulations to preclude the use of the estimates for households with extremely low shelter costs for whom the following sentence shall not apply. A State agency shall use the estimates in determining the allotments of the households, unless a household verifies higher expenses".

SEC. 1738. RURAL ISSUANCE PROCEDURES.

Section 11(e) (7 U.S.C. 2020(e)) is amended—

(1) by striking "and" at the end of paragraph (21);

(2) by striking the period at the end of paragraph (22) and inserting a semicolon;

(3) by striking "and" at the end of paragraph (23);

(4) by striking the period at the end of paragraph (24) and inserting "; and"; and

(5) by adding at the end the following new paragraph:

"(25) a procedure for designating project areas or parts of project areas that are rural and in which low-income persons face substantial difficulties in obtaining transportation. The State agency shall designate the areas according to procedures approved by the Secretary. In each area so designated, the State agency shall provide for the issuance of coupons by mail to all eligible households in the area, except that any household with mail losses exceeding levels established by the Secretary shall not be entitled to such a mailing and the State agency shall not be required to issue coupons by mail in those localities within such area where the mail loss rates exceed standards set by the Secretary.".

SEC. 1739. NUTRITION EDUCATION.

Section 11(f) (7 U.S.C. 2020(f)) is amended by striking the first sentence and inserting the following new sentence: "To encourage the purchase, preparation, and consumption of nutritious foods, the Secretary is authorized to assign responsibility for the nutrition education of individuals eligible for food stamps, or the program for the distribution of commodities on reservations, to the Cooperative Extension Service, in cooperation with the Food and Nutrition Service.".

SEC. 1740. FOOD STAMP APPLICATION FOR GENERAL ASSISTANCE HOUSEHOLDS.

Section 11(i)(3) (7 U.S.C. 2020(i)(3)) is amended—

(1) by inserting after "State or local general assistance grant" the following: "in a State that has a single State-wide general assistance application form"; and

(2) by inserting before the semicolon at the end the following: ", and households applying for a local general assistance grant in a local jurisdiction in which the agency administering the general assistance program also administers the food stamp program shall be provided an application for participation in the food stamp program at the time of their application for general assistance, along with information concerning how to apply for the food stamp program".

SEC. 1741. APPLICANTS FOR SUPPLEMENTAL SECURITY INCOME.

Section 11(j)(1) (7 U.S.C. 2020(j)(1)) is amended by inserting "supplemental security income or" after "recipient of".

SEC. 1742. AUDIT OF SIMPLIFIED FOOD STAMP APPLICATIONS AT SOCIAL SECURITY ADMINISTRATION OFFICES.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct an audit of the programs established under subsections (i) and (j) of section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) under which an applicant for or recipient of social security benefits may make or be provided a simple application to participate in the food stamp program at social security offices, including an examination of whether—

(1) the programs are operating effectively; and

(2)(A) the program for recipients of supplemental security income established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) should be expanded to include all applicants for and recipients of social security benefits; or

(B) a joint application is feasible for benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) and supplemental security income benefits.

(b) REPORT.—Not later than December 31, 1991, the Comptroller General shall deliver a report on the results of the study required by this section to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Special Committee on Aging of the Senate.

SEC. 1743. PERMANENT DISQUALIFICATION.

Section 12(b)(3) (7 U.S.C. 2021(b)(3)) is amended—

(1) by striking "or" at the end of subparagraph (A);

(2) in subparagraph (B)—

(A) by inserting after "$20,000" the following: "for each violation (except that the amount of civil money penalties imposed during a 2-year period may not exceed $40,000)";

(B) by inserting after "substantial evidence" the following: "(including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation)"; and

(C) by striking the period at the end of the subparagraph and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(C) a finding of the sale of firearms, ammunition, explosives, or controlled sub-

stances (as the term is defined in section 802 of title 21, United States Code) for coupons, except that the Secretary shall have the discretion to impose a civil money penalty of up to $20,000 for each violation (except that the amount of civil money penalties imposed during a 2-year period may not exceed $40,000) in lieu of disqualification under this subparagraph if the Secretary determines that there is substantial evidence (including evidence that neither the ownership nor management of the store or food concern was aware of, approved, benefited from, or was involved in the conduct or approval of the violation) that the store or food concern had an effective policy and program in effect to prevent violations of this Act.".

SEC. 1744. FINES FOR ACCEPTANCE OF LOOSE COUPONS.

Section 12(e) (7 U.S.C. 2021(e)) is amended by adding at the end the following new paragraph:

"(3) The Secretary may impose a fine against any retail food store or wholesale food concern that accepts food coupons that are not accompanied by the corresponding book cover, other than the denomination of coupons used for making change as specified in regulations issued under this Act. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations issued under this Act separately or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the store or concern to collect the fine.".

SEC. 1745. FINES FOR UNAUTHORIZED THIRD PARTIES THAT ACCEPT FOOD STAMPS.

Section 12 (7 U.S.C. 2021) is amended by adding at the end the following new subsection:

"(f) The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem food coupons who violates any provision of this Act or a regulation issued under this Act, including violations concerning the acceptance of food coupons. The amount of any such fine shall be established by the Secretary and may be assessed and collected in accordance with regulations issued under this Act separately or in combination with any fiscal claim established by the Secretary. The Attorney General of the United States may institute judicial action in any court of competent jurisdiction against the person to collect the fine.".

SEC. 1746. FRAUD CLAIMS REPAYMENT.

The last sentence of section 13(b)(1)(A) (7 U.S.C. 2022(b)(1)(A)) is amended by striking "within thirty days" and inserting "on the date of receipt (or, if the date of receipt is not a business day, on the next business day)".

SEC. 1747. COMPUTER FRAUD PENALTIES.

(a) USE OF AN ACCESS DEVICE.—The first sentence of section 15(b)(1) (7 U.S.C. 2024(b)(1)) is amended—

(1) by striking "or authorization cards in any manner not authorized by" and inserting ", authorization cards, or access devices in any manner contrary to";

(2) by inserting after "a value of $100 or more," the following: "or if the item used, transferred, acquired, altered, or possessed is an access device that has a value of $100 or more,"; and

(3) by inserting after "a value of less than $100," the following: "or if the item used, transferred, acquired, altered, or processed is an access device that has a value of less than $100,".

(b) DEFINITION.—Section 3 (7 U.S.C. 2012) is amended by adding at the end the following new subsection:

"(u) 'Access device' means any card, plate, code, account number, or other means of access that can be used, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or that can be used to initiate a transfer of funds under this Act.".

(c) CONFORMING CHANGE.—The first sentence of section 15(g) (7 U.S.C. 2024(g)) is amended by striking "or authorization cards in any manner not authorized by" and inserting ", authorization cards or access devices, or anything of value obtained by use of an access device, in any manner contrary to".

SEC. 1748. UNLAWFUL USE OF COUPONS IN LAUNDERING MONETARY INSTRUMENTS.

The first sentence of section 15(b)(1) (7 U.S.C. 2024(b)(1)) (as amended by section 1747) is further amended—

(1) by inserting after "Act shall," the following: "if such coupons, authorization cards, or access devices are of a value of $5,000 or more, be guilty of a felony and shall be fined not more than $250,000 or imprisoned for not more than twenty years, or both, and shall,"; and

(2) by inserting after "$100 or more," each place that such appears the following: "but less than $5,000,".

SEC. 1749. COUPON TRAFFICKING.

Section 15(c) (7 U.S.C. 2024(c)) is amended by striking "$10,000" each place it appears and inserting "$20,000".

SEC. 1750. RETENTION OF FUNDS OR ALLOTMENTS RECOVERED OR COLLECTED BY STATES.

The proviso of the first sentence of section 16(a) (7 U.S.C. 2025(a)) is amended—

(1) by striking "50 per centum" and inserting "25 percent during the period beginning October 1, 1990, and ending September 30, 1995, and 50 percent thereafter"; and

(2) by striking "25 per centum" and inserting "10 percent during the period beginning October 1, 1990, and ending September 30, 1995, and 25 percent thereafter".

SEC. 1751. QUALITY CONTROL SANCTIONS.

(a) IN GENERAL.—No disallowance or other similar action shall be applied to or collected from any State for any of the fiscal years 1983, 1984, or 1985 under section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) or any predecessor statutory or regulatory provision relating to disallowances or other similar actions for erroneous issuances made in carrying out a State plan under such Act, except for amounts to be paid or collected after the date of enactment of this Act pursuant to settlement agreements which do not provide for payment adjustments based on future changes in law.

(b) APPLICATION.—Subsection (a) shall also apply to disallowances described in subsection (a) with respect to which an administrative or judicial appeal is pending on the date of enactment of this Act, including any such disallowance that has been collected before such date.

SEC. 1752. FEDERAL MATCH FOR AUTOMATION.

(a) IN GENERAL.—Section 16(g) (7 U.S.C. 2025(g)) is amended—

(1) by striking "Effective October 1, 1980, the" and inserting "The"; and

(2) by striking "75 per centum" and inserting "63 percent effective on October 1, 1991".

(b) APPLICATION.—The amendment made by subsection (a)(2) shall not apply to proposals for automatic data processing and information retrieval systems under section 16(g) of the Food Stamp Act of 1977 that were approved by the Secretary of Agriculture prior to the date of enactment of this Act.

SEC. 1753. EMPLOYMENT AND TRAINING ALLOCATIONS.

Paragraph (1) of section 16(h) (7 U.S.C. 2025(h)(1)) is amended to read as follows:

"(1)(A) The Secretary shall allocate among the State agencies in each fiscal year, from funds appropriated for the fiscal year under section 18(a)(1), the amount of $75,000,000 for each of the fiscal years 1991 through 1995 to carry out the employment and training program under section 6(d)(4), except as provided in paragraph (3), during the fiscal year.

"(B) In making the allocation required by subparagraph (A) for each of the fiscal years 1992 through 1995, the Secretary shall allocate $15,000,000 among the States based on State agency performance under section 6(d)(4), as determined by the Secretary.

"(C) In making the allocation required by subparagraph (A) for fiscal year 1992, the Secretary shall allocate nonperformance funding of $60,000,000 among the States in a manner such that each State is allocated funds equal to—

"(i) a funding level determined under the nonperformance funding allocation formula used for fiscal year 1991;

"(ii) increased by one half of the difference between such funding level and an amount, if larger, based on the State's proportion of the number of individuals registered for work under section 6(d)(4); or

"(iii) decreased by one half of the difference between such funding level and such amount, if such amount is smaller.

"(D) In making the allocation required by subparagraph (A) for each of the fiscal years 1993 through 1995, the Secretary shall allocate nonperformance funding of $60,000,000 among the States based on each State's proportion of the number of individuals registered for work under section 6(d)(4).

"(E) Notwithstanding subparagraphs (C) and (D), the Secretary shall—

"(i) for fiscal year 1992, ensure that each State is allocated at least $50,000 by reducing, to the extent necessary, the funds allocated to States (other than States allocated less than $50,000) whose funding level has been increased under subparagraph (C); and

"(ii) for each of the fiscal years 1993 through 1995, ensure that each State is allocated at least $50,000 by reducing, to the extent necessary, the funds allocated to those States allocated more than $50,000.

"(F) Each such State's share of such reduction under subparagraph (E) shall represent its proportion of individuals registered for work under section 6(d)(4) in all States subject to the reduction.".

SEC. 1754. EXTENSION OF PILOT PROJECTS.

The last sentence of section 17(b)(1) (7 U.S.C. 2026(b)(1)) is amended by striking "1990" and inserting "1995".

SEC. 1755. SALES TAXES IN CASH-OUT DEMONSTRATION PROJECTS.

Section 17(b)(1) (7 U.S.C. 2026(b)(1)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following new subparagraph:

"(B)(i) No waiver or demonstration program shall be approved under this Act after

the date of enactment of this subparagraph unless—

"(I) any household whose food assistance is issued in a form other than coupons has its allotment increased to the extent necessary to compensate for any State or local sales tax that may be collected in all or part of the area covered by the demonstration project, the tax on purchases of food by any such household is waived, or the Secretary determines on the basis of information provided by the State agency that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(II) the State agency conducting the demonstration project pays the cost of any increased allotments.

"(ii) Clause (i) shall not apply if a waiver or demonstration project already provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the household in the project area in which the household resides.".

SEC. 1756. ENHANCED WAIVER AUTHORITY FOR DEMONSTRATION PROJECTS.

Section 17(b) (7 U.S.C. 2026(b)) is amended—

(1) in the second sentence of paragraph (1)(A) (as amended by section 1755(1) of this Act), by inserting after "eligible households" the following: "or a project conducted under paragraph (3)"; and

(2) by adding at the end the following new paragraph:

"(3)(A) The Secretary may conduct demonstration projects to test improved consistency or coordination between the food stamp employment and training program and the Job Opportunities and Basic Skills program under title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(B) Notwithstanding paragraph (1), the Secretary may, as part of a project authorized under this paragraph, waive requirements under section 6(d) to permit a State to operate an employment and training program for food stamp recipients on the same terms and conditions under which the State operates its Job Opportunities and Basic Skills program for recipients of aid to families with dependent children under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.). Any work experience program conducted as part of the project shall be conducted in conformity with section 482(f) of such Act (42 U.S.C. 682(f)).

"(C) A State seeking such a waiver shall provide assurances that the resulting employment and training program shall meet the requirements of subsections (a)(19) and (g) of section 402 of such Act (42 U.S.C. 602) (but not including the provision of transitional benefits under clauses (ii) through (vii) of section 402(g)(1)(A) and sections 481 through 487 of such Act (42 U.S.C. 681 through 687). Each reference to 'aid to families with dependent children' in such sections shall be deemed to be a reference to food stamps for purposes of the demonstration project.

"(D) Notwithstanding the other provisions of this paragraph, participation in an employment and training activity in which food stamp benefits are converted to cash shall occur only with the consent of the participant.

"(E) For the purposes of any project conducted under this paragraph, the provisions of this Act affecting the rights of recipients may be waived to the extent necessary to conform to the provisions of section 402, and sections 481 through 487, of the Social Security Act.

"(F) At least 60 days prior to granting final approval of a project under this paragraph, the Secretary shall publish the terms and conditions for any demonstration project conducted under the paragraph for public comment in the Federal Register and shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(G) Waivers may be granted under this paragraph to conduct projects at any one time in a total of up to 60 project areas (or parts of project areas), as such areas are defined in regulations in effect on January 1, 1990.

"(H) A waiver for a change in program rules may be granted under this paragraph only for a demonstration project that has been approved by the Secretary, that will be evaluated according to criteria prescribed by the Secretary, and that will be in operation for no more than 4 years.".

SEC. 1757. DEMONSTRATION PROJECTS FOR VEHICLE EXCLUSION LIMIT.

Section 17 (7 U.S.C. 2026) is amended by adding at the end the following new subsection:

"(h) The Secretary shall conduct a sufficient number of demonstration projects to evaluate the effects, in both rural and urban areas, of including in financial resources under section 5(g) the fair market value of licensed vehicles to the extent the value of each vehicle exceeds $4,500, but excluding the value of—

"(1) any licensed vehicle that is used to produce earned income, necessary for transportation of an elderly or physically disabled household member, or used as the household's home; and

"(2) one licensed vehicle used to obtain, continue, or seek employment (including travel to and from work), used to pursue employment-related education or training, or used to secure food or the benefits of the food stamp program.".

SEC. 1758. DEMONSTRATION PROJECTS FOR AFDC/FOOD STAMP SIMPLIFICATION

Section 17 (7 U.S.C. 2026) (as amended by section 1757 of this Act) is further amended by adding at the end the following new subsection:

"(i)(1) The Secretary may conduct four demonstration projects, in both urban and rural areas, under which households in which each member receives benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (hereafter in this subsection referred to as an 'eligible household') shall be issued monthly allotments following the rules and procedures of programs under part A of title IV of the Social Security Act, and without regard to the eligibility, benefit, and administrative rules established under this Act other than those terms and conditions specified under this subsection or established by the Secretary to ensure program integrity.

"(2) In carrying out the demonstration projects, the Secretary shall ensure the following:

"(A) The third sentence of section 3(i), subsections (b) and (d)(2) of section 6, the first sentence of section 6(c), paragraphs (1)(B), (3), (4), and (9) of section 11(e), and all applicable provisions of this Act dealing with the treatment of homeless individuals and migrant and seasonal farm worker households shall apply.

"(B) Assistance under the food stamp program shall be furnished to all eligible households who make application for assistance by providing any information that is needed by the State agency to determine the correct monthly allotment and that has not been provided as part of the household's application for assistance under part A of title IV of the Social Security Act.

"(C) Eligible households' monthly allotments shall be calculated under section 8(a), except that a household's income shall be determined in accordance with subparagraphs (D) and (E). The allotments shall be provided retroactive to the date of application.

"(D) For purposes of determining monthly allotments under this subsection, household income shall be the benefit provided under part A of title IV of the Social Security Act and the amount used to determine the household's benefit under such part (not including any amount disregarded for dependent care expenses), except that the amount shall be calculated without regard to section 402(a)(7)(C) of such Act (42 U.S.C. 602(a)(7)(C)) and shall not include nonrecurring lump-sum income and income deemed or allocated to the household under such part.

"(E) In computing household income for purposes of determining monthly allotments, all eligible households shall be allowed the standard, earned income, excess shelter, and medical expense deductions provided under section 5(e) in lieu of any earned income disregards provided under section 402(a)(8) of the Social Security Act (42 U.S.C. 602(a)(8)). Alternatively, the Secretary may approve demonstration projects under which households without earned income are allowed such standard, excess shelter, and medical expense deductions, and household income for households with earned income is computed using such deductions and the earned income disregards provided under section 402(a)(8) of the Social Security Act to the extent that the Secretary determines they are consistent with the purposes of the demonstration projects required under this subsection.

"(F) Uninterrupted food stamp assistance shall be provided to households who become ineligible to receive the assistance under this subsection but are determined otherwise eligible for food stamp assistance and to households receiving food stamp assistance other than under this subsection who are determined eligible under this subsection.

"(G) Any other requirements and administrative procedures equivalent to those applicable under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) may be used in implementing the demonstration projects required under this subsection, if the Secretary determines that the requirements or procedures further the purposes of this subsection and do not undermine program integrity.

"(3) In establishing the projects, the Secretary shall solicit proposals from, and consult with, interested State and local agencies and shall consult with the Secretary of Health and Human Services on waivers of Federal rules under part A of title IV of the Social Security Act that would assist in carrying out the projects required under this subsection.

"(4) Not later than six months after termination of any project, the Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate evaluating the results of the demonstration projects established under this subsection, including eval-

uations of the effects on recipients and administrators.".

SEC. 1759. GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.

Section 17 (7 U.S.C. 2026) (as amended by section 1758 of this Act) is further amended by adding at the end the following new subsection:

"(j)(1)(A) Subject to the availability of funds specifically appropriated to carry out this subsection and subject to the other provisions of this subsection, during each of fiscal years 1992 through 1995, the Secretary shall make grants competitively awarded to public or private nonprofit organizations to fund food stamp outreach demonstration projects (hereinafter in this subsection referred to as the 'projects') and related evaluations in areas of the United States to increase participation by eligible low-income households in the food stamp program. The total amount of grants provided during a fiscal year may not exceed $5,000,000. Funds appropriated to carry out this subsection shall be used in the year during which the funds are appropriated. Not more than 20 percent of the funds appropriated to carry out this subsection shall be used for evaluations.

"(B) The Secretary shall make a grant under this paragraph only to an entity that demonstrates to the Secretary that the entity is able to conduct the outreach functions described in this subsection.

"(2) Outreach projects under this subsection shall be targeted toward members of rural, elderly, and homeless populations, low-income working families with children, and non-English speaking minorities (hereinafter in this subsection collectively referred to as 'target populations').

"(3)(A) The Secretary shall appoint an advisory panel (hereinafter in this subsection referred to as the 'panel') composed of representatives of the target populations as well as individuals with expertise in the area of program evaluation. The panel shall not be subject to the Federal Advisory Committee Act (5 U.S.C. App. 2).

"(B) The Secretary shall select recipients for grants, taking into consideration any recommendations from the panel concerning criteria that should be used in selecting recipients, to carry out projects under this subsection based on the appropriateness of the methods proposed for the projects to reach target populations. Appropriate methods shall include—

"(i) the production of electronic media campaigns (with the total amount allocated for the campaigns in the aggregate not to exceed 15 percent of the total amount of funds specified in paragraph (1)(A));

"(ii) utilization of local outreach workers and volunteers;

"(iii) development of solutions to transportation and access problems;

"(iv) in-service training for those capable of referring households to the program;

"(v) community presentations and education;

"(vi) pre-screening assistance for program eligibility;

"(vii) individualized client assistance;

"(viii) consultation and referral for benefit appeals; and

"(ix) recruitment of authorized representatives for applicants unable to appear for certification or at authorized food stores.

"(C) In selecting grant recipients, the Secretary shall take into consideration the ability of the applicants to produce useful data for evaluation purposes.

"(D) In selecting grant recipients from among applicant public agencies, preference shall be given to those applicants that propose to involve nonprofit organizations in projects to be carried out with the grants.

"(E) The Secretary shall provide at least one grant equal to 50 percent of the cost of the development of outreach materials aimed at the general food stamp eligible population as well as the specific target populations, including written materials and public service announcements, so that the materials may be used or adopted by other grant recipients, as appropriate. To be eligible to receive any such grant, a recipient shall provide matching funds equal to 50 percent of the cost of the development of materials described in the preceding sentence. In carrying out this subparagraph, the Secretary shall give preference to applicants that demonstrate the ability to disseminate the materials through other public and private nonprofit organizations. Not to exceed $500,000 of the funds provided under this subsection for any fiscal year shall be used for the grant.

"(4)(A) The Secretary shall evaluate a sufficient number of projects to be able to determine the effectiveness of the projects and the techniques employed by the projects with respect to—

"(i) success in reducing barriers to participation;

"(ii) increasing overall program participation including participation among target populations;

"(iii) administrative effectiveness;

"(iv) program efficiency; and

"(v) adequacy of administrative resource levels to conduct the activities effectively.

"(B) The Secretary shall provide an interim report on the results of the evaluation carried out under subparagraph (A) not later than 1 year after a sufficient number of projects have begun and a final report not later than 3 years after a sufficient number of projects have begun to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(C) The Secretary shall also examine and report on previous research regarding reasons for nonparticipation and effective methods to conduct outreach and to reduce barriers to participation.

"(5) The Secretary shall—

"(A) within 180 days after funds are appropriated, publish such notice as may be necessary to implement this subsection;

"(B) accept proposals from organizations for projects under this subsection for 90 days following the date the notice is published; and

"(C) begin to award grants under this subsection beginning no later than 180 days following the date the notice is published.".

SEC. 1760. REAUTHORIZATION OF FOOD STAMP PROGRAM.

Section 18 (7 U.S.C. 2027) is amended—

(1) in subsection (a)(1)—

(A) by striking the first two sentences and inserting the following new sentence: "To carry out this Act, there are authorized to be appropriated such sums as are necessary for each of the fiscal years 1991 through 1995."; and

(B) in the last sentence, by striking "reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section" and inserting "supplemental appropriations will be needed to support the operation of the program through the end of the fiscal year"; and

(2) in subsection (b), by striking "amount authorized in subsection (a)(1)".

SEC. 1761. NUTRITION EDUCATION IMPROVEMENTS.

Section 18(a) (7 U.S.C. 2027(a)) (as amended by section 1760 of this Act) is amended—

(1) in the second sentence of subsection (a)(1), by inserting before the period at the end the following: ", subject to paragraph (3)"; and

(2) by adding at the end the following new paragraph:

"(3)(A) Of the amounts made available under the second sentence of paragraph (1), not more than $2,000,000 in any fiscal year may be used by the Secretary to make 2-year competitive grants that will—

"(i) enhance interagency cooperation in nutrition education activities; and

"(ii) develop cost effective ways to inform people eligible for food stamps about nutrition, resource management, and community nutrition education programs, such as the expanded food and nutrition education program.

"(B) The Secretary shall make awards under this paragraph to one or more State cooperative extension services (as defined in section 1404(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(5))) who shall administer the grants in coordination with other State or local agencies serving low-income people.

"(C) Each project shall include an evaluation component and shall develop an implementation plan for replication in other States.

"(D) The Secretary shall report to the appropriate committees of Congress on the results of the projects and shall disseminate the results through the cooperative extension service system and to State human services and health department offices, local food stamp program offices, and other entities serving low-income households.".

SEC. 1762. NUTRITION ASSISTANCE PROGRAM IN PUERTO RICO.

(a) POLICY OF CONGRESS.—It is the policy of Congress that citizens of the United States who reside in the Commonwealth of Puerto Rico should be safeguarded against hunger and treated on an equitable and fair basis with other citizens under Federal nutritional programs.

(b) FUNDING LEVELS.—Subparagraph (A) of section 19(a)(1) (7 U.S.C. 2028(a)(1)(A)) is amended to read as follows:

"(A) From the sums appropriated under this Act, the Secretary shall, subject to the provisions of this section, pay to the Commonwealth of Puerto Rico $974,000,000 for fiscal year 1991, $1,013,000,000 for fiscal year 1992, $1,051,000,000 for fiscal year 1993, $1,091,000,000 for fiscal year 1994, and $1,133,000,000 for fiscal year 1995, to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses related to the provision of the assistance.".

(c) STUDY OF NUTRITIONAL NEEDS OF PUERTO RICANS.—The Comptroller General of the United States shall conduct a study of—

(1) the nutritional needs of the citizens of the Commonwealth of Puerto Rico, including—

(A) the adequacy of the nutritional level of the diets of members of households receiving assistance under the nutrition assistance program and other households not currently receiving the assistance;

(B) the incidence of inadequate nutrition among children and the elderly residing in the Commonwealth;

(C) the nutritional impact of restoring the level of nutritional assistance provided to households in the Commonwealth to the level of the assistance provided to other households in the United States; and

(D) such other factors as the Comptroller General considers appropriate; and

(2) the potential alternative means of providing nutritional assistance in the Commonwealth of Puerto Rico, including—

(A) the impact of restoring the Commonwealth to the food stamp program;

(B) increasing the benefits provided under the nutrition assistance program to the aggregate value of food stamp coupons that would be distributed to households in the Commonwealth if the Commonwealth were to participate in the food stamp program; and

(C) the usefulness of adjustments to standards of eligibility and other factors appropriate to the circumstances of the Commonwealth comparable to those adjustments made under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) for Alaska, Hawaii, Guam, and the Virgin Islands of the United States.

(d) REPORT OF FINDINGS.—Not later than August 1, 1992, the Comptroller General shall submit a final report on the findings of the study required under subsection (c) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1763. AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEMS.

(a) IN GENERAL.—The Act (7 U.S.C. 2011 et seq.) is amended by adding at the end the following new section:

"SEC. 23. AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEMS.

"(a) STANDARDS AND PROCEDURES FOR REVIEWS.—

"(1) INITIAL REVIEWS.—

"(A) IN GENERAL.—Not later than 1 year after the date of enactment of this section, the Secretary shall complete a review of regulations and standards (in effect on the date of enactment of this section) for the approval of an automated data processing and information retrieval system maintained by a State (hereinafter in this section referred to as a "system") to determine the extent to which the regulations and standards contribute to a more effective and efficient program.

"(B) REVISION OF REGULATIONS.—The Secretary shall revise regulations (in effect on the date of enactment of this Act) to take into account the findings of the review conducted under subparagraph (A).

"(C) INCORPORATION OF EXISTING SYSTEMS.—The regulations shall require States to incorporate all or part of systems in use elsewhere, unless a State documents that the design and operation of an alternative system would be less costly. The Secretary shall establish standards to define the extent of modification of the systems for which payments will be made under either section 16(a) or 16(g).

"(D) IMPLEMENTATION.—Proposed systems shall meet standards established by the Secretary for timely implementation of proper changes.

"(E) COST EFFECTIVENESS.—Criteria for the approval of a system under section 16(g) shall include the cost effectiveness of the proposed system. On implementation of the approved system, a State shall document the actual cost and benefits of the system.

"(2) OPERATIONAL REVIEWS.—The Secretary shall conduct such reviews as are necessary to ensure that systems—

"(A) comply with conditions of initial funding approvals; and

"(B) adequately support program delivery in compliance with this Act and regulations issued under this Act.

"(b) STANDARDS FOR APPROVAL OF SYSTEMS.—

"(1) IN GENERAL.—After conducting the review required under subsection (a), the Secretary shall establish standards for approval of systems.

"(2) IMPLEMENTATION.—A State shall implement the standards established by the Secretary within a reasonable period of time, as determined by the Secretary.

"(3) PERIODIC COMPLIANCE REVIEWS.—The Secretary shall conduct appropriate periodic reviews of systems to ensure compliance with the standards established by the Secretary.

"(c) REPORT.—Not later than October 1, 1993, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the extent to which State agencies have developed and are operating effective systems that support food stamp program delivery in compliance with this Act and regulations issued under this Act.".

(b) CONFORMING AMENDMENT.—The first sentence of section 11(g) (7 U.S.C. 2020(g)) is amended by inserting after "section 16(b)(1)" the following: "or the requirements established pursuant to section 23".

Subtitle B—Commodity Distribution Programs

SEC. 1771. COMMODITY DISTRIBUTION PROGRAM; COMMODITY SUPPLEMENTAL FOOD PROGRAMS.

(a) REAUTHORIZATION.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "1986, 1987, 1988, 1989, and 1990" and inserting "1991 through 1995".

(b) INFANTS AND CHILDREN.—

(1) IN GENERAL.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by inserting after "distribution to institutions" the following: "(including hospitals and facilities caring for needy infants and children)".

(2) CONFORMING AMENDMENT.—Section 416(a)(3) of the Agricultural Act of 1949 (7 U.S.C. 1431(a)(3)) is amended by striking "hospitals, to the extent that needy persons are served" and inserting "hospitals and facilities, to the extent that they serve needy persons (including infants and children)".

(c) ELDERLY.—The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a), by striking "supplemental feeding programs" and inserting "supplemental feeding programs serving women, infants, and children or elderly persons, or both,"; and

(2) in section 5(f), by inserting after "additional sites for the program" the following: ", including sites that serve only elderly persons,".

(d) ADMINISTRATIVE FUNDING.—Section 5(a)(2) of such Act (7 U.S.C. 612c note) is amended—

(1) by striking "1986 through 1990" and inserting "1991 through 1995"; and

(2) by striking "15 per centum" and all that follows through the end of the subsection and inserting "20 percent of the amount appropriated for the commodity supplemental food program.".

(e) REFERRALS TO OTHER PROGRAMS.—Section 5 of such Act (7 U.S.C. 612c note) is amended by adding at the end thereof the following new subsections:

"(h) Each State agency administering a commodity supplemental food program serving women, infants, and children shall—

"(1) ensure that written information concerning food stamps, the program for aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and the child support enforcement program under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) is provided on at least one occasion to each adult who applies for or participates in the commodity supplemental food program;

"(2) provide each local agency with materials showing the maximum income limits, according to family size, applicable to pregnant women, infants, and children up to age 6 under the medical assistance program established under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (hereinafter referred to in this section as the 'medicaid program') which materials may be identical to those provided under section 17(e)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(e)(3)); and

"(3) ensure that local agencies provide to pregnant, breast feeding and post partum women, and adults applying on behalf of infants or children, who apply to the commodity supplemental food program, or who reapply to such program, written information about the medicaid program and referral to the program or to agencies authorized to determine presumptive eligibility for the medicaid program, if the individuals are not participating in the medicaid program.

"(i) Each State agency administering a commodity supplemental food program serving elderly persons shall ensure that written information is provided on at least one occasion to each elderly participant in or applicant for the commodity supplemental food program for the elderly concerning—

"(1) food stamps provided under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

"(2) the supplemental security income benefits provided under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.); and

"(3) medical assistance provided under title XIX of such Act (42 U.S.C. 1396 et seq.) (including medical assistance provided to a qualified medicare beneficiary (as defined in section 1905(p) of such Act (42 U.S.C. 1396d(5)).".

(f) ADVANCE WARNING FOR DECLINE IN NUMBER OF PERSONS SERVED UNDER PROGRAM.—Section 5 of such Act (7 U.S.C. 612c note) (as amended by subsection (e) of this section) is further amended by adding at the end the following new subsection:

"(j)(1) If the Secretary must pay a significantly higher than expected price for one or more types of commodities purchased under the commodity supplemental food program, the Secretary shall promptly determine whether the price is likely to cause the number of persons that can be served in the program in a fiscal year to decline.

"(2) If the Secretary determines that such a decline would occur, the Secretary shall promptly notify the State agencies charged with operating the program of the decline and shall ensure that a State agency notify all local agencies operating the program in the State of the decline.".

SEC. 1772. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) SHORT TITLE.—The Temporary Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended—

(1) by striking the title and inserting the following new title:

"TITLE II—EMERGENCY FOOD ASSISTANCE ACT OF 1983"; and

(2) in section 201, by striking "Temporary".

(b) AVAILABILITY OF CCC COMMODITIES.—Section 202 of such Act (7 U.S.C. 612c note) is amended by adding at the end the following new subsection:

"(g)(1) Whenever commodities acquired by the Commodity Credit Corporation are made available for donation to domestic food programs in quantities that exceed Federal obligations, the Secretary shall give equal consideration to making donations of such commodities to emergency feeding organizations participating in the program authorized by this Act as is given to other commodity recipient agencies, taking into account the types and amounts of commodities available and appropriate for distribution to these organizations.

"(2) In determining the commodities that will be made available to emergency feeding organizations under this Act, the Secretary may distribute commodities that become available on a seasonal or irregular basis.".

(c) REAUTHORIZATION.—Section 204 of such Act (7 U.S.C. 612c note) is amended—

(1) by striking subsections (a) and (b);

(2) by redesignating subsections (c) and (d) as subsections (a) and (b), respectively; and

(3) in subsection (a)(1) (as so redesignated), by striking "ending September 30, 1986, through September 30, 1990," and inserting "1991 through 1995".

(d) HANDLING COSTS.—The second sentence of section 204(a)(2) of such Act (7 U.S.C. 612c note) (as redesignated by subsection (c)(2) of this section) is amended by inserting after "handling," the following: "repackaging, processing,".

(e) ESTIMATES OF TYPES AND QUANTITIES OF AVAILABLE COMMODITIES.—Section 210 of such Act (7 U.S.C. 612c note) by striking subsection (c) and inserting the following new subsection:

"(c)(1) The Secretary shall as early as feasible but not later than the beginning of each fiscal year, publish in the Federal Register an estimate of the types and quantities of commodities that the Secretary anticipates are likely to be made available under the commodity distribution program under this Act during the fiscal year.

"(2) The actual types and quantities of commodities made available by the Secretary under this Act may differ from the estimates made under paragraph (1).".

(f) PROGRAM TERMINATION.—Section 212 of such Act (7 U.S.C. 612c note) is amended by striking "1990" and inserting "1995".

(g) ADDITIONAL COMMODITIES.—Section 214 of such Act (7 U.S.C. 612c note) is amended—

(1) in subsection (a), by striking "fiscal years 1989 and 1990" and inserting "fiscal years 1991 through 1995"; and

(2) by striking subsection (e) and inserting the following new subsection:

"(e) AMOUNTS.—To carry out this section there are authorized to be appropriated $175,000,000 for fiscal year 1991, $190,000,000 for fiscal year 1992, and $220,000,000 for each of the fiscal years 1993 through 1995 to purchase, process, and distribute additional commodities under this section. Any amounts provided for fiscal years 1991 through 1995 shall be available only to the extent and in such amounts as are provided in advance in appropriations acts.".

(h) CONFORMING AMENDMENTS.—

(1) Section 214 of such Act (7 U.S.C. 612c note) is amended by striking out subsection (k).

(2) Section 4(c) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by striking "(7 U.S.C. 1446a-1) Temporary or the" and inserting "(7 U.S.C. 1446a-1), or the".

(3) Section 3(a)(2)(F) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking clause (i) and inserting the following new clause:

"(i) the emergency food assistance program established under the Emergency Food Assistance Act of 1983 (Public Law 100-237; 7 U.S.C. 612c note); and".

(4) Section 13(3)(E) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by striking "Temporary".

(5) Section 220(a) of the Hunger Relief Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended by striking "Temporary" each place it appears.

(6) Section 675(c)(5) of the Community Services Block Grant Act (42 U.S.C. 9904(c)(5)) is amended by striking "Temporary".

SEC. 1773. COMMODITY DISTRIBUTION REFORM.

(a) CLARIFYING AMENDMENT.—Section 3(a)(3)(A)(i) of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note) is amended by inserting after "recipient agencies" the following: ", including food banks".

(b) ADVANCE FUNDING FOR STATE OPTION CONTRACTS (SOCs).—Such Act (7 U.S.C. 612c note) is amended by inserting after section 3 the following new section:

"SEC. 3A. ADVANCE FUNDING FOR STATE OPTION CONTRACTS.

"(a) IN GENERAL.—The Secretary may use the funds of the Commodity Credit Corporation and funds made available to carry out section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) to pay for all or a portion of the cost, as agreed on with the State distribution agency, of food or the processing or packaging of food on behalf of a State distribution agency.

"(b) REIMBURSEMENT.—In such cases, the State distribution agency shall reimburse the Secretary for the agreed on cost. Any funds received by the Secretary as reimbursement shall be deposited to the credit of the Commodity Credit Corporation or section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), as appropriate. If the State distribution agency fails, within 150 days of delivery, to make the required reimbursement in full, the Secretary shall, within 30 days, offset any outstanding amount against the appropriate account.".

(c) COMMERCIAL WAREHOUSING AND DISTRIBUTION.—Section 3(d) of such Act (7 U.S.C. 612c note) is amended—

(1) by striking "Before the expiration of the 270-day period beginning on the date of the enactment of this Act," and inserting the following: "On or before July 1, 1992,"; and

(2) by striking paragraphs (1), (2), and (3) and inserting the following new paragraphs:

"(1) evaluate its system for warehousing and distributing donated commodities to recipient agencies designated in subparagraphs (A) and (B) of section 13(3) (hereafter referred to in this Act as 'child and elderly nutrition program recipient agencies');

"(2) in the case of State distribution agencies that require payment of fees by child and elderly nutrition program recipient agencies for any aspect of warehousing or distribution, implement the warehousing and distribution system that provides donated commodities to such recipient agencies in the most efficient manner, at the lowest cost to such recipient agencies, and at a level that is not less than a basic level of services determined by the Secretary;

"(3) in determining the most efficient and lowest cost system, use commercial facilities for providing warehousing and distribution services to such recipient agencies, unless the State applies to the Secretary for approval to use other facilities demonstrating that, when both direct and indirect costs incurred by such recipient agencies are considered, such other facilities are more efficient and provide services at a lower total cost to such recipient agencies;".

(d) COMMODITY ACCEPTABILITY INFORMATION.—Section 3(f)(2) of such Act (7 U.S.C. 612c note) is amended by striking "semiannually" and inserting "annually".

(e) FOOD BANK PROJECTS.—Section 4 of such Act (7 U.S.C. 612c note) is amended—

(1) in the section heading, by striking "DEMONSTRATION";

(2) in subsection (a), by striking "DEMONSTRATION PROJECT" and inserting "COMMUNITY FOOD BANKS";

(3) in subsection (d), by striking "and ending on December 31, 1990"; and

(4) by striking paragraph (e).

(f) REPORT ON ENTITLEMENT COMMODITY PROCESSING.—

(1) IN GENERAL.—Not later than January 1, 1992, the Comptroller General of the United States shall submit a report regarding processing of entitlement commodities used in child nutrition programs to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(2) CONSULTATION.—The Comptroller General shall consult with representatives of State and Federal commodity distribution authorities, local elected school authorities, local school food service authorities, and food processors with experience providing service to child nutrition programs regarding the scope and design of the report.

(3) EVALUATION.—The report shall evaluate the extent to which—

(A) processing of entitlement commodities occurs in the States;

(B) governmental requirements for participation in the processing vary among States; and

(C) entitlement commodity recipients are satisfied with access to and services provided through entitlement commodity processing.

SEC. 1774. HUNGER PREVENTION PROGRAMS.

(a) SOUP KITCHENS AND FOOD BANKS.—Section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) in subsection (a), by striking "1991" and inserting "1995"; and

(2) in subsection (b)—

(A) by redesignating paragraphs (4) through (8) as paragraphs (5) through (9), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

"(4) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) AMOUNTS.—

"(1) 1991 FISCAL YEAR.—During fiscal year 1991, the Secretary shall spend $32,000,000, to purchase, process, and distribute additional commodities to States for distribution to soup kitchens and food banks within a given State that provide nutrition assistance to relieve situations of emergency and distress through the provision of food and meals to needy persons.

"(2) 1992 THROUGH 1995 FISCAL YEARS.—There are authorized to be appropriated $40,000,000 for each of the fiscal years 1992 through 1995 fiscal years to purchase, process, and distribute additional commodities to States for distribution to soup kitchens and food banks within a given State that provide nutrition assistance to relieve situations of emergency and distress through the provision of food and meals to needy persons. Any amounts provided for fiscal years 1992 through 1995 shall be available only to the extent and in such amounts as are provided in advance in appropriations Acts.

"(3) FOOD PANTRIES.—In instances in which food banks do not operate within a given State, the State may distribute commodities to food pantries."; and

(4) by striking subsection (j).

(b) GLEANING ASSISTANCE.—Section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended to read as follows:

"SEC. 111. GLEANING CLEARINGHOUSES.

"(a) DEFINITION OF GLEANING.—For purposes of this section, the term 'to glean' means to collect unharvested crops from the fields of farmers, or to obtain agricultural products from farmers, processors, or retailers, in order to distribute the products to needy individuals, including unemployed and low-income individuals, and the term includes only those situations in which agricultural products and access to fields and facilities are made available without charge.

"(b) ESTABLISHMENT.—

"(1) IN GENERAL.—The Secretary of Agriculture (hereafter in this section referred to as the 'Secretary') is authorized to assist States and private nonprofit organizations in establishing Gleaning Clearinghouses (hereafter in this section referred to as a 'Clearinghouse').

"(2) ASSISTANCE.—The Secretary is authorized to provide technical information and other assistance considered appropriate by the Secretary to encourage public and nonprofit private organizations to—

"(A) initiate and carry out gleaning activities, and to assist other organizations and individuals to do so, through lectures, correspondence, consultation, or such other measures as the Secretary may consider appropriate;

"(B) collect from public and private sources (including farmers, processors, and retailers) information relating to the kinds, quantities, and geographical locations of agricultural products not completely harvested;

"(C) gather, compile, and make available to public and nonprofit private organizations and to the public the statistics and other information collected under this paragraph, at reasonable intervals;

"(D) establish and operate a toll-free telephone line by which—

"(i) farmers, processors, and retailers may report to a Clearinghouse for dissemination information regarding unharvested crops and agricultural products available for gleaning, and may also report how they may be contacted;

"(ii) public and nonprofit organizations that wish to glean or to assist others to glean, may report to a Clearinghouse the kinds and amounts of products that are wanted for gleaning, and may also report how they may be contacted;

"(iii) persons who can transport crops or products may report the availability of free transportation for gleaned crops or products; and

"(iv) information about gleaning can be provided without charge by a Clearinghouse to the persons and organizations described in clauses (i), (ii), and (iii);

"(E) prepare, publish, and make available to the public, at cost and on a continuing basis, a handbook on gleaning that includes such information and advice as may be useful in operating efficient gleaning activities and projects, including information regarding how to—

"(i) organize groups to engage in gleaning; and

"(ii) distribute to needy individuals, including low-income and unemployed individuals, food and other agricultural products that have been gleaned; or

"(F) advertise in print, on radio, television, or through other media, as the Secretary considers to be appropriate, the services offered by a Clearinghouse under this section.".

(c) CHEESE AND NONFAT DRY MILK.—

(1) CONFORMING AMENDMENT.—Subsection (d) of section 5 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note) is amended by inserting "(1)" after the subsection designation.

(2) TRANSFER.—Section 130 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note) is amended—

(A) by redesignating such section as paragraph (2) of section 5(d) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note);

(B) by transfering and inserting such section immediately after paragraph (1) of section 5(d) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note); and

(C) to read as follows:

"(2) Notwithstanding any other provision of law, the Commodity Credit Corporation shall, to the extent that the Commodity Credit Corporation inventory levels permit, provide not less than 9,000,000 pounds of cheese and not less than 4,000,000 pounds of nonfat dry milk in each of the fiscal years 1991 through 1995 to the Secretary of Agriculture. The Secretary shall use such amounts of cheese and nonfat dry milk to carry out the commodity supplemental food program before the end of each fiscal year.".

SEC. 1775. REPROCESSING AGREEMENTS WITH PRIVATE COMPANIES.

(a) REAUTHORIZATION—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended by striking "1990" and inserting "1995".

(b) PROCESSED END PRODUCTS.—Section 1114(a)(2) of such Act is amended by adding at the end the following new subparagraphs:

"(C) Whenever commodities are made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), the Secretary shall encourage access to processed end products containing the commodities when in the Secretary's judgment it is cost effective. The requirements of this subparagraph shall be met in the most efficient and effective way possible. The Secretary may, among other alternatives, use direct purchase, state option contracts authorized under section 3A of the Commodity Distribution Reform Act and WIC Amendments of 1987 (Public Law 100-237; 7 U.S.C. 612c note), State processing programs, and (beginning in fiscal year 1994) agreements with private companies operated as a part of the national commodity processing program.

"(D) In each of fiscal years 1992 and 1993, the Secretary shall conduct a pilot project in not more than three States under which any commodity made available to agencies pursuant to section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)) that the Secretary determines to be appropriate for reprocessing is made available to the agencies as reprocessed end products. The reprocessing shall be performed pursuant to agreements with private companies, at the expense of the agencies, and operated as part of the national commodity processing program established under subparagraph (A). In determining the appropriateness of the commodities to be reprocessed under the pilot project, the Secretary shall consider the common needs of the agencies and the availability of processors.".

SEC. 1776. NUTRITION EDUCATION REAUTHORIZATION.

(a) NUTRITION EDUCATION PROGRAM.—Section 1588(a) of the Food Security Act of 1985 (7 U.S.C. 3175e(a)) is amended by striking "$5,000,000" and all that follows through the end of the subsection and inserting "$8,000,000 for each of the fiscal years 1991 through 1995.".

(b) EXPANDED FOOD AND NUTRITION EDUCATION PROGRAM.—Section 1425(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125(c)) is amended by adding at the end the following new paragraph:

"(3) There is authorized to be appropriated to carry out the expanded food and nutrition education program established under section 3(d) of the Act of May 8, 1914 (38 Stat. 373, chapter 79; 7 U.S.C. 343(d)) and this section $63,000,000 for fiscal year 1991, $68,000,000 for fiscal year 1992, $73,000,000 for fiscal year 1993, $78,000,000 for fiscal year 1994, and $83,000,000 for fiscal year 1995.".

SEC. 1777. NOTIFYING SHELTERS OF CHARITABLE INSTITUTIONS PROGRAM.

At least once in fiscal year 1991, when commodities are provided to a State by the Secretary of Agriculture for donations to charitable institutions the Secretary of Agriculture shall require the appropriate State agency to undertake efforts to inform shelters for the homeless and for battered women and children of—

(1) the availability of commodity donations to charitable institutions;

(2) the criteria for qualifying to receive the donations; and

(3) how application can be made to receive the donations.

SEC. 1778. WELFARE SIMPLIFICATION AND COORDINATION ADVISORY COMMITTEE.

(a) APPOINTMENT AND MEMBERSHIP.—

(1) ESTABLISMENT.—There is established an Advisory Committee on Welfare Simplification and Coordination (hereafter in this section referred to as the "Committee") consisting of not fewer than 7, nor more than 11, members appointed by the Secretary of Agriculture (hereafter in this section referred to as the "Secretary"), after consultation with the Secretary of Health and Human Services and the Secretary of Housing and Urban Development, and with the advice of State and local officials responsible for administering

the food stamp program, cash and medical assistance programs for low-income families and individuals under the Social Security Act, and programs providing housing assistance to needy families and individuals, and representatives of recipients and recipient advocacy organizations associated with such programs.

(2) QUALIFICATIONS.—The members of the Committee shall be individuals who are familiar with the rules, goals, and limitations of Federal food stamp, cash, medical, and housing assistance programs for low-income families and individuals, and may include individuals who have demonstrated expertise in evaluating the operations of and interaction among such programs as they affect administrators and recipients, persons who have experience in administering such programs at the Federal, State, or local level, and representatives of administrators and recipients affected by such programs.

(b) PURPOSE.—It shall be the purpose of the Committee, in consultation, where appropriate, with program administrators and representatives of recipients—

(1) to identify the significant policies implemented in the food stamp program, cash and medical assistance programs under the Social Security Act, and housing assistance programs (whether resulting from law, regulations, or administrative practice) that, because they differ substantially, make it difficult for those eligible to apply for and obtain benefits from more than one program and restrict the ability of administrators of such programs to provide efficient, timely, and appropriate benefits to those eligible for more than one type of assistance, drawing, where appropriate, on previous efforts to coordinate and simplify such programs and policies;

(2) to examine the major reasons for such different programs and policies;

(3) to evaluate how and the extent to which such different programs and policies hinder, to a significant degree, the receipt of benefits from more than one program and substantially restrict administrators' ability to provide efficient, timely, and appropriate benefits;

(4) to recommend common or simplified programs and policies (including recommendations for changes in law, regulations, and administrative practice and for policies that do not currently exist in such programs) that would substantially reduce difficulties in applying for and obtaining benefits from more than one program and significantly increase the ability of administrators of such programs to efficiently provide timely and appropriate assistance to those eligible for more than one type of assistance; and

(5) to describe the major effects of such common or simplified programs and policies (including how such common or simplified programs and policies would enhance or conflict with the purposes of such programs, how they would ease burdens on administrators and recipients, how they would affect program costs and participation, and the degree to which they would change the relationships between the Federal Government and the States in such programs) and the reasons for recommending such programs and policies (including reasons, if any, that might be sufficient to override special rules derived from the purposes of individual programs).

(c) ADMINISTRATIVE SUPPORT.—The Secretary shall provide the Committee with such technical and other assistance, including secretarial and clerical assistance, as may be required to carry out its functions.

(d) REIMBURSEMENT.—Members of the Committee shall serve without compensation but shall receive reimbursement for necessary travel and subsistence expenses incurred by such members in the performance of the duties of the Committee.

(e) REPORTS.—Not later than July 1, 1993, the Committee shall prepare and submit, to the appropriate committees of Congress, the Secretary of Agriculture, the Secretary of Health and Human Services, and the Secretary of Housing and Urban Development a final report, including recommendations for common or simplified programs and policies and the effects of and reasons for such programs and policies and may submit interim reports, including reports on common or simplified programs and policies covering less than the complete range of programs and policies under review, to the committees and such Secretaries as deemed appropriate by the Committee.

SEC. 1779. SCHOOL LUNCH STUDIES.

(a) IN GENERAL.—The Secretary of Agriculture shall determine—

(1) the quantity of bonus commodities lost, by State, since the 1987–88 school year;

(2) what school food service authorities charge students for non-free or reduced price meals; and

(3) trends in school participation and student participation, by State and for the United States.

(b) ADDITIONAL STUDY.—

(1) IN GENERAL.—The Secretary shall determine—

(A) the cost to produce school lunches and breakfasts, including indirect and local administrative costs;

(B) the reasons why schools choose not to participate in the National school lunch program;

(C) the State costs incurred to administer the school programs;

(D) why children eligible for free or reduced price meals do not apply for benefits or participate; and

(E) other information considered necessary by the Secretary.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, $1,000,000 for each of the fiscal years 1991 through 1993.

(c) REPORTS.—The Secretary shall submit to Congress—

(1) an interim report on the study required by subsection (a) not later than October 1, 1991;

(2) an interim report on the study required by subsection (b) not later than October 1, 1992; and

(3) a final report on the studies required by subsections (a) and (b) not later than October 1, 1993.

Subtitle C—Effective Dates

SEC. 1781. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in subsection (b) and other provisions of this title, this title and the amendments made by this title shall become effective and implemented the 1st day of the month beginning 120 days after the publication of implementing regulations. Such regulations shall be promulgated not later than October 1, 1991.

(b) SPECIAL EFFECTIVE DATES.—

(1) OCTOBER 1, 1990.—The amendments made by sections 1721, 1730, 1750, 1754, 1760(1)(A), 1761, 1762, 1771(a), 1771(d), 1772(c), 1772(f), 1772(g), and 1776 shall be effective on October 1, 1990.

(2) DATE OF ENACTMENT.—The amendments made by sections 1718, 1729, 1731, 1739, 1742, 1746, 1747, 1748, 1749, 1751, 1753, 1755, 1756, 1757, 1758, 1759, 1760(1)(B) and (2), 1763, 1771(b), 1771(c), 1772(a), 1772(b), 1772(d), 1772(h), 1773, 1774(a)(1), 1774(b), 1774(c), 1775(a), 1775(b), 1777, 1778, and 1779 shall become effective on the date of enactment of this Act.

(3) APRIL 1, 1991.—The amendments made by sections 1716, 1722, and 1736(2) shall become effective and implemented the 1st day of the month beginning 120 days after the promulgation of implementing regulations. Such regulations shall be promulgated not later than April 1, 1991.

(4) CATEGORICAL ELIGIBILITY.—The amendment made by section 1714(2) shall become effective and implemented the 1st day of the month beginning 120 days after the promulgation of implementing regulations. Such regulations shall be promulgated—

(A) in the case of a State general assistance program, not later than October 1, 1991; and

(B) in the case of a local general assistance program, not later than April 1, 1992.

TITLE XVIII—CREDIT

Subtitle A—Farmers Home Administration Loans

SEC. 1801. REFERENCES TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), except to the extent otherwise specifically provided.

SEC. 1802. SOIL AND WATER LOANS.

(a) IN GENERAL.—Section 304 (7 U.S.C. 1924) is amended by adding at the end the following new subsection:

"(d)(1) Loans may also be made or insured under this subtitle for soil and water conservation and protection. Such loans may be made to farm owners or tenants who are eligible borrowers under this subtitle for—

"(A) the installation of conservation structures, including terraces, sod waterways, permanently vegetated stream borders and filter strips, windbreaks (tree or grass), shelterbelts, and living snow fences;

"(B) the establishment of forest cover for sustained yield timber management, erosion control, or shelterbelt purposes;

"(C) the establishment or improvement of permanent pasture;

"(D) the conversion to and maintenance of sustainable agricultural production systems, as described by Department technical guides and handbooks;

"(E) the payment of costs of complying with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812); and

"(F) other purposes consistent with plans for soil and water conservation, integrated farm management, water quality protection and enhancement, and wildlife habitat improvement.

"(2) In making or insuring loans under this subsection, the Secretary shall give priority to producers who use such loans to build conservation structures or establish conservation practices to comply with section 1212 of the Food Security Act of 1985 (16 U.S.C. 3812).

"(3) The Secretary shall not make or insure a loan under this section that exceeds the lesser of—

"(A) the value of the farm or other security for such loan; or

"(B) $50,000.".

(b) LIMITED RESOURCE AUTHORIZATION.—Section 310D(a) (7 U.S.C. 1934(a)) is amended—

(1) by striking "clauses (1) through (5) of section 303(a) of this title" and inserting "paragraphs (1) through (5) of section 303(a), or subparagraphs (A) through (E) of section 304(d)(1),";

(2) in paragraph (2), by striking "clauses" and inserting "paragraphs";

(3) in paragraph (3), by striking "of this title"; and

(4) in the second sentence, by striking "clauses" and inserting "paragraphs".

SEC. 1803. INTEREST RATE ON FARM OWNERSHIP LOANS AND OPERATING LOANS MADE TO LIMITED RESOURCE BORROWERS.

(a) Farm Ownership Loans.—Subparagraph (B) of section 307(a)(3) (7 U.S.C. 1927(a)(3)(B)) is amended to read as follows:

"(B) Except as provided in paragraph (6), the interest rate on loans (other than guaranteed loans) under section 310D shall not be—

"(i) greater than the sum of—

"(I) an amount that does not exceed one-half of the current average market yield on outstanding marketable obligations of the United States with maturities of 5 years; and

"(II) an amount not exceeding 1 percent per year, as the Secretary determines is appropriate; or

"(ii) less than 5 percent per year.".

(b) Operating Loans.—Paragraph (2) of section 316(a) (7 U.S.C. 1946(a)(2)) is amended to read as follows:

"(2) The interest rate on any loan (other than a guaranteed loan) to a low income, limited resource borrower under this subtitle shall not be—

"(A) greater than the sum of—

"(i) an amount that does not exceed one-half of the current average market yield on outstanding marketable obligations of the United States with maturities of 5 years; and

"(ii) an amount not exceeding 1 percent per year, as the Secretary determines is appropriate; or

"(B) less than 5 percent per year.".

SEC. 1804. GUARANTEE OF PAYMENT BY DEPARTMENT OF HAWAIIAN HOME LANDS.

Section 310C(b) (7 U.S.C. 1933(b)) is amended by striking ", as amended" and inserting "or this title".

SEC. 1805. DEBT SETTLEMENT.

(a) In General.—Section 331 (7 U.S.C. 1981) is amended—

(1) in subsection (d)—

(A) by striking "under any of its programs, as circumstances may require, to carry out" and inserting ", except for activities under the Housing Act of 1949"; and

(B) by striking "incurred under this title" and inserting ", except for debt incurred under the Housing Act of 1949"; and

(C) in paragraph (1), by inserting "with respect to farmer program loans," before "on terms"; and

(2) in subsection (e)—

(A) by inserting "except for activities conducted under the Housing Act of 1949," after "(e)";

(B) by striking "arising or";

(C) by striking "under this title" and inserting "by the Farmers Home Administration"; and

(D) by striking "pursuant to this title" and inserting "by the Farmers Home Administration".

(b) Payment of Accrued Interest.—Section 331 (7 U.S.C. 1981) is amended by striking subsection (h).

(c) Technical and Conforming Amendments.—Section 331 (7 U.S.C. 1981) is amended—

(1) by indenting the margin of subsections (f), (g), and (i) so as to align with the margin of subsection (e);

(2) in subsection (f), by striking "Release" and inserting "release";

(3) in subsection (g), by striking "Obtain" and inserting "obtain";

(4) in subsection (i), by striking "Consent" and inserting "consent"; and

(5) by redesignating subsections (i) and (j) as subsections (h) and (i), respectively.

SEC. 1806. DOCUMENTATION FOR APPROVAL OF SECURITY TRANSFER.

Section 331(h)(2) (as amended and so redesignated by section 1805 of this Act) is amended by inserting before the semicolon at the end the following: ", and shall document the consent of the Secretary for the transfer of the property of a borrower in the file of the borrower".

SEC. 1807. NOTICE OF LOAN SERVICE PROGRAMS.

Section 331D (7 U.S.C. 1981d) is amended—

(1) in subsection (b)(1), by inserting "debt settlement programs," after "preservation loan service programs,"; and

(2) in subsection (e), by striking "45" and inserting "60".

SEC. 1808. UNDERWRITING FORMS AND STANDARDS.

(a) In General.—The Act is amended by inserting after section 331E (7 U.S.C. 1981e) the following new section:

"SEC. 331F. UNDERWRITING FORMS AND STANDARDS.

"In the administration of this title, the Secretary shall, to the extent practicable, use underwriting forms, standards, practices, and terminology similar to the forms, standards, practices, and terminology used by lenders in the private sector.".

(b) Regulations.—The Secretary of Agriculture shall not issue final regulations providing for the use of ratios and standards for determining the degree of potential loan risk under section 331F of the Consolidated Farm and Rural Development Act (as added by subsection (a) of this section), prior to the submission of the study and report on the effects of the regulations required by section 621 of the Agricultural Credit Act of 1987 (7 U.S.C. 1989 note).

SEC. 1809. COUNTY COMMITTEES.

(a) FmHA-Eligible Borrowers.—Section 332(a)(4) (7 U.S.C. 1982(a)(4)) is amended by inserting "be elected to" before "serve".

(b) Mailing Ballots.—Section 332(a) is amended by adding at the end the following new paragraph:

"(6) The Secretary shall provide for the mailing of ballots to persons eligible to vote for the election of county committee members only if the mailing of the ballots coincides with the mailing of ballots under other programs administered by the Secretary.".

(c) Training.—Section 332 is amended by adding at the end the following new subsection:

"(d)(1) The Secretary shall provide annual training of county committee members on the job responsibilities of the members under this title.

"(2) The Secretary shall develop and provide a county committee training manual to all county committee members and shall update the manual in a timely manner to reflect changes in law or regulations.".

SEC. 1810. CERTIFICATION OF LOAN ELIGIBILITY.

Section 333(b) (7 U.S.C. 1983(b)) is amended to read as follows:

"(b)(1)(A) for loans (other than under sections 306, 310B, 314, and 321(a)(2)), the county committee to certify in writing that the applicant meets the eligibility requirements for the loan, and has the character, industry, and ability to carry out the proposed operations, and will in the opinion of the county committee honestly endeavor to carry out the applicant's undertakings and obligations;

"(B) for loans under sections 306, 310B, 314, and 321(a)(2), the recommendation of the county committee as to the making or insuring of the loan; and

"(C) for all loans, the certification of eligibility under this subsection shall continue in effect for a period of not to exceed 2 years as the committee may determine appropriate; and

"(2) the Secretary may provide a procedure for appeal and review of any determination relating to a certification or recommendation required to be made by the county committee, and for reversal or modification thereof should the facts warrant such action;".

SEC. 1811. BUSINESS AND INDUSTRY AND COMMUNITY FACILITY LOANS.

Section 333A(a) (7 U.S.C. 1983a(a)) is amended by adding at the end the following new paragraph:

"(4)(A) Notwithstanding paragraph (1), each application for a loan or loan guarantee under section 310B(a), or for a loan under section 306(a), that is to be disapproved by the Secretary solely because the Secretary lacks the necessary amount of funds to make the loan or guarantee shall not be disapproved but shall be placed in pending status.

"(B) The Secretary shall retain the pending application and reconsider the application beginning on the date that sufficient funds become available.

"(C) Not later than 60 days after funds become available regarding each pending application, the Secretary shall notify the applicant of the approval or disapproval of funding for the application.".

SEC. 1812. APPEALS.

Section 333B(e) (7 U.S.C. 1983b(e)) is amended by adding at the end the following new paragraph:

"(4) Except as provided in paragraph (3) and in the regulations of the Secretary governing the right of the Secretary to seek review of appeal decisions under this title, a county committee or employee of the Farmers Home Administration shall, on having a case returned pursuant to the decision of a hearing officer, State director, or the director of the national appeals division, implement the decision within a reasonable period of time.".

SEC. 1813. DISPOSITION OF SUITABLE PROPERTY.

(a) Holding Period.—The fourth sentence of section 335(c)(1) (7 U.S.C. 1985(c)(1)) is amended by striking "three years from the date of acquisition" and inserting "12 months from the date first published under paragraph (2)(D)".

(b) Random Selection Among Equally Qualified Applicants.—Section 335 (7 U.S.C. 1985) is amended—

(1) in subsection (c)(2)(C), by inserting before the semicolon the following: ", except that if the committee determines that two or more applicants meet the loan eligibility criteria, the committee shall select between the qualified applicants on a random basis"; and

(2) in subsection (e)(4)(C)—

(A) by striking "shall, by majority vote," and inserting "shall randomly"; and

(B) by inserting before the period at the end the following: ", in accordance with subsection (c)(2)(B)(iii)".

(c) PROPERTY SUBJECT TO BORROWER PURCHASE OR LEASE OPTION.—Section 335(e)(1)(A)(i) (7 U.S.C. 1985(e)(1)(A)(i)) is amended by striking "real property" and inserting "real farm or ranch property (including the principal residence of the borrower)".

(d) RIGHT OF FIRST REFUSAL.—Section 335(e)(1)(A) (7 U.S.C. 1985(e)(1)(A)) is amended by adding at the end the following new clause:

"(iv) In the case of real property described in clause (i) that was acquired by the Secretary before January 6, 1988, that is (or has been at any time during the 12-month period preceding the date of enactment of this clause) under lease to a person described in subparagraph (C), and that has not been conveyed (or contracted to be conveyed) by the Secretary prior to the date of enactment of this clause, the Secretary shall, during the 30-day period following the date of enactment of this clause, make the person an offer, to be held open for a period of 90 days, to purchase the property on the same terms and conditions that such offers are made in the case of property coming into inventory on or after the date of enactment of this clause.".

(e) QUALIFIED BEGINNING FARMERS OR RANCHERS.—

(1) SUITABLE FARMLAND.—Section 335(c)(2) (7 U.S.C. 1985(c)(2)) is amended—

(A) by redesignating subparagraphs (A), (B), (C), and (D) as clauses (i), (ii), (iii), and (iv), respectively; and

(B) by striking all that precedes clause (i) (as so redesignated by subparagraph (A) of this paragraph) and inserting the following:

"(2)(A) Notwithstanding any other provision of law, the Secretary shall sell suitable farmland administered under this title to persons in the following order:

"(i) Qualified beginning farmers or ranchers (as defined pursuant to section 343(a)(8)), as of the time immediately after such contract for sale or lease is entered into, as determined by the county committee.

"(ii) Operators, as of the time immediately after such contract for sale or lease is entered into, of not larger than family sized farms, as determined by the county committee.

"(B) In selling such land, the county committee shall—".

(2) OTHER PROPERTY.—Section 335(e)(1)(C) (7 U.S.C. 1985(e)(1)(C)) is amended—

(A) by redesignating clause (iv) as clause (v); and

(B) by inserting after clause (iii) the following new clause:

"(iv) Qualified beginning farmers or ranchers (as defined pursuant to section 343(a)(8)) as of the time immediately after such contract for sale or lease is entered into, of not larger than family-sized farm or ranching operations.".

(f) INDIAN LAND IN INVENTORY.—Section 335(e)(1)(D) (7 U.S.C. 1985(e)(1)(D)) is amended by adding at the end the following new clause:

"(x) This subparagraph shall apply to all lands in the land inventory established under this title (as of the date of enactment of this clause) that were (immediately prior to such date) owned by an Indian borrower-owner described in clause (i) and that are situated within an Indian reservation (as defined in clause (ii)), regardless of the date of foreclosure or acquisition by the Secretary. The Secretary shall afford an opportunity to a tribal member, an Indian corporate entity, or the tribe to purchase or lease the real property as provided in clause (iii). If the right is not exercised or no expression of intent to exercise such right is received within 180 days after the date of enactment of this clause, the Secretary shall transfer the real property to the Secretary of the Interior as provided in clause (v).".

(g) OFFERING PRICE.—

(1) IN GENERAL.—Section 335(c)(2)(B)(ii) (7 U.S.C. 1985(c)(2)(B)(ii)), as amended by subsection (e)(1) of this section, is amended to read as follows:

"(ii) offer such land—

"(I) for sales pursuant to subsection (e)(1)(C), at a price not greater than that which reflects the appraised market value of such farmland; and

"(II) for all other sales, at a price not greater than that which reflects the fair market value of such land as determined by bids after advertising or by negotiated sale;".

(2) CONFORMING AMENDMENTS.—Section 335(e)(4) (7 U.S.C. 1985(e)(4)) is amended—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as (B).

(h) CONSERVATION EASEMENTS ON WETLANDS ON FMHA INVENTORY PROPERTY.—

(1) IN GENERAL.—Section 335 (7 U.S.C. 1985) is amended by adding at the end the following new subsection:

"(g)(1) Subject to paragraphs (2) through (5), in the disposal of real property under this section, the Secretary shall establish perpetual wetland conservation easements to protect and restore wetlands or converted wetlands that exist on inventoried property, as determined by the Secretary in accordance with title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

"(2) In establishing the wetland conservation easements on land that is considered to be cropland as of the date of enactment of this subsection, the Secretary shall avoid, to the extent practicable, an adverse impact on the productivity of the croplands, as provided in this subsection.

"(3) In order to avoid the adverse impact, the Secretary shall—

"(A) not establish the wetland conservation easements with respect to wetlands that were converted prior to December 23, 1985, and that have been in cropland use, as determined by the Secretary, in excess of 10 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(B) not establish the wetland conservation easements with respect to wetlands that have been frequently planted to agricultural commodities and wetlands described in subparagraph (A), in excess of 20 percent of the existing cropland available for production of agricultural commodities on the particular parcel of inventoried property;

"(C) ensure that the buffer area adjacent to the wetland is generally not more than 100 feet in average width; and

"(D) ensure that access to other portions of the property for farming and other uses is provided.

"(4) The wetland conservation easements shall be placed on wetlands that have a history of haying and grazing, as determined by the Secretary, except that in no case shall the quantity of the wetland subject to the easements exceed 50 percent of the existing forage lands on the parcel of inventoried property. All haying and grazing practices on the wetlands (including the timing and intensity of haying and grazing) shall conform to forage management standards designed to protect wetlands.

"(5) If, despite the limitations contained in paragraph (3), wetland conservation easements established under paragraph (1) would prevent a particular parcel of inventoried property that is to be sold or leased to a borrower described in clause (i), (ii), or (iii) of subsection (e)(1)(C), or to a borrower who is a beginning farmer or rancher, from being a marketable agricultural production unit that is comparable to the parcel as acquired, the Secretary may—

"(A) establish wetland conservation easements on wetland that was converted prior to December 23, 1985, in a quantity that is less than 10 percent of the existing croplands available for production of agricultural commodities on the particular parcel; and

"(B) if the reduction provided in subparagraph (A) is not applicable, or is not sufficient to ensure that the particular parcel would be a marketable agricultural production unit, amend the wetland conservation easements established on the wetlands that have been frequently planted to agricultural commodities to permit the production of agricultural commodities (consistent with title XII of the Food Security Act of 1985) on the wetlands, to the extent necessary to maintain the parcel as a marketable agricultural production unit.

"(6) The Secretary shall provide prior written notification to a borrower considering preservation loan servicing that a wetlands conservation easement may be placed on land for which the borrower is negotiating a lease option.

"(7) The appraised value of the farm shall reflect the value of the land due to the placement of wetland conservation easements.

"(8) Notwithstanding the limitations described under paragraphs (3) and (4), the limitations may be voluntarily, knowingly waived by any person with respect to real property described in paragraph (3) or (4).".

(2) Study and report on appropriate ceilings on the establishment of wetland conservation easements on existing cropland.—

(A) STUDY.—Not later than January 31, 1991, the Administrator of the Farmers Home Administration shall study the appropriateness of the maximum percentages, in subparagraphs (A) and (B) of section 335(g)(3) of the Consolidated Farm and Rural Development Act, of the existing cropland available for production of agricultural commodities with respect to which perpetual wetland conservation easements are to be established under such section, taking into account—

(i) the amount of land in the inventory of the Farmers Home Administration that may become subject to such an easement; and

(ii) the costs and benefits associated with the making of such inventory land subject to such an easement.

(B) REPORT.—Not later than January 31, 1991, the Administrator of the Farmers Home Administration shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the recommendations of the Administrator as to the appropriate maximum percentages referred to in subparagraph (A) of this paragraph.

SEC. 1814. DEFINITIONS.

Section 343(a) (7 U.S.C. 1991(a)) is amended—

(1) by striking "and" at the end of paragraph (6); and

(2) by inserting before the period at the end the following: ", (8) the term 'beginning farmer or rancher' means such term as defined by the Secretary, (9) the term 'direct loan' means a loan made or insured from funds in the account created by section 309, and (10) the term 'farmer program loan' means a farm ownership loan (FO) under section 303, operating loan (OL) under section 312, soil and water loan (SW) under section 304, recreation loan (RL) under section 304, emergency loan (EM) under section 321, economic emergency loan (EE) under section 202 of the Emergency Agricultural Credit Adjustment Act (title II of Public Law 95-334), economic opportunity loan (EO) under the Economic Opportunity Act of 1961 (42 U.S.C. 2942), softwood timber loan (ST) under section 1254 of the Food Security Act of 1985, or rural housing loan for farm service buildings (RHF) under section 502 of the Housing Act of 1949".

SEC. 1815. EXTENSION OF ELIGIBILITY FOR CONSERVATION EASEMENTS; ASSISTANCE TO BORROWERS.

Section 349 (7 U.S.C. 1997) is amended—

(1) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "such property";

(B) in paragraph (1), by inserting "such property" before "is";

(C) in paragraph (2), by inserting "such property" before "is";

(D) in paragraph (3)(A)(i), by inserting "such property" before "secures";

(E) by amending clause (ii) of paragraph (3)(A) to read as follows:

"(ii) such easement better enables a qualified borrower to repay the loan in a timely manner, as determined by the Secretary; or";

(F) in paragraph (3)(B), by inserting "such property" before "is"; and

(G) in paragraph (4), by inserting "such property" before "was"; and

(2) by amending subsection (e) to read as follows:

"(e)(1) Subject to paragraph (2), the Secretary may purchase any such easement from the borrower—

"(A) in the case of a borrower to whom the Secretary has made one or more outstanding loans under laws administered by the Farmers Home Administration, by canceling that part of the aggregate amount of such outstanding loans that bears the same ratio to such aggregate amount as the number of acres of the real property of the borrower that are subject to the easement bears to the aggregate number of acres securing such loans; or

"(B) in any other case, by treating as prepaid that part of the principal amount of a new loan to the borrower issued and held by the Secretary under a law administered by the Farmers Home Administration that bears the same ratio to such principal amount as the number of acres of the real property of the borrower that are subject to the easement bears to the aggregate number of acres securing the new loan.

"(2) The amount so canceled or treated as prepaid pursuant to paragraph (1) shall not exceed—

"(A) in the case of a delinquent loan, the value of the land on which the easement is acquired or the difference between the amount of the outstanding loan secured by the land and the value of the land, whichever is greater; or

"(B) in the case of a nondelinquent loan, 33 percent of the amount of the loan secured by the land."; and

(9) by striking subsection (h).

SEC. 1816. DEBT RESTRUCTURING AND LOAN SERVICING.

(a) ELIGIBILITY FOR RESTRUCTURING.—Section 353(b)(1) (7 U.S.C. 2001(b)(1)) is amended by inserting before the semicolon the following: ", except that the regulations shall require that, if the value of the assets calculated under subsection (c)(2)(A)(ii) that may be realized through liquidation or other methods would produce enough income to make the delinquent loan current, the borrower shall not be eligible for assistance under subsection (a)".

(b) CHANGES IN NET RECOVERY VALUE CALCULATION.—

(1) INCLUSION OF CERTAIN NONESSENTIAL UNSECURED ASSETS OF THE BORROWER IN THE RECOVERY VALUE.—Section 353(c)(2)(A) (7 U.S.C. 2001(c)(2)(A)) is amended to read as follows:

"(A)(i) the amount of the current appraised value of the interests of the borrower in the property securing the loan; plus

"(ii) the value of the interests of the borrower in all other assets that are—

"(I) not essential for necessary family living expenses;

"(II) not essential to the operation of the farm; and

"(III) not exempt from judgment creditors or in a bankruptcy action under Federal or State law; less".

(2) INCLUSION OF SECURITY PROPERTY NOT POSSESSED BY THE BORROWER IN THE RECOVERY VALUE.—Section 353(c)(2) (7 U.S.C. 2001(c)(2)) is amended—

(A) in subparagraph (B)(iv), by striking "costs." and inserting "costs; plus"; and

(B) by adding at the end the following new subparagraph:

"(C) the value, as determined by the Secretary, of any property not included in subparagraph (A)(i) if the property is specified in any security agreement with respect to such loan and the Secretary determines that the value of such property should be included for purposes of this section.".

(c) DEBT SERVICE MARGIN.—Section 353(c)(3) (7 U.S.C. 2001(c)(3)) is amended by adding at the end the following new subparagraph:

"(C) DEBT SERVICE MARGIN.—

"(i) ASSUMPTION.—For the purpose of assessing under subparagraph (A) the ability of a borrower to meet debt obligations and continue farming operations, the Secretary shall assume that the borrower needs up to 105 percent of the amount indicated for payment of debt obligations.

"(ii) AVAILABLE INCOME.—If an amount up to 105 percent of the debt payments of the borrower has been earmarked for such payments, the Secretary shall consider the income of the borrower to be adequate to meet the debt obligations of the borrower.".

(d) DEADLINE FOR RESTRUCTURING CALCULATIONS.—Section 353(c)(4) (7 U.S.C. 2001(c)(4)) is amended by striking "60" and inserting "90".

(e) GOOD FAITH REQUIREMENT FOR LEASEBACK/BUYBACK ELIGIBILITY.—Section 335(e)(1) (7 U.S.C. 1985(e)(1)) is amended—

(1) in subparagraph (A)(i), by inserting ", if such borrower-owner has acted in good faith with the Secretary, as defined in regulations issued by the Secretary, in connection with such loan" before the period at the end; and

(2) in subparagraph (C)(i), by inserting ", if such borrower-owner has acted in good faith with the Secretary, as defined in regulations issued by the Secretary, in connection with the loan of such borrower-owner for which such property served as security" before the period at the end.

(f) TERMINATION OF LOAN OBLIGATIONS.—Paragraph (6) of section 353(c) (7 U.S.C. 2001(c)(6)) is amended to read as follows:

"(6) TERMINATION OF LOAN OBLIGATIONS.—

"(A) REQUIRED CONDITIONS.—

"(i) IN GENERAL.—Except as provided in subparagraph (B), the obligations of a borrower to the Secretary under a restructured loan shall terminate if—

"(I) the borrower satisfies the requirements of paragraphs (1) and (2) of subsection (b);

"(II) the value of the restructured loan is less than the recovery value; and

"(III) within 90 days after receipt of the notification described in paragraph (4)(B), the borrower pays (or obtains third-party financing to pay) the Secretary an amount equal to the recovery value.

"(ii) LIMITED APPLICABILITY OF GOOD FAITH REQUIREMENT.—Clause (i)(I) shall not apply to any offer of net recovery buyout made by the Secretary under this section before the date of enactment of this paragraph, unless the Secretary, before such date, determined that the borrower involved did not act in good faith with respect to the loan.

"(B) RECAPTURE.—

"(i) AUTHORITY TO REQUIRE BORROWER TO ENTER INTO AGREEMENT BEFORE TERMINATING LOAN OBLIGATIONS.—

"(I) IN GENERAL.—The Secretary may require, as a condition of the termination of loan obligations under this paragraph, that the borrower enter into an agreement with the Secretary providing that if the borrower sells or otherwise conveys the real property used to secure such loan within 10 years after the date of such agreement, and realizes a gain on such sale or conveyance over the amount of the recovery value of the loan, then the Secretary may recapture part or all of the difference between the recovery value of the loan and the fair market value (on the date of such sale or conveyance) of the property securing the loan.

"(II) LIMITATION ON RECAPTURE AMOUNT.—The agreement described in subclause (I) shall not provide for recapture of an amount that exceeds the difference between such recovery value and the outstanding balance of principal and interest owed on the loan immediately prior to the termination of any loan obligations under this paragraph.

"(ii) TREATMENT OF INTRAFAMILY TRANSFERS.—For purposes of clause (i)(I), transfer of title to a property, on the death or retirement of the borrower, to a spouse or child of the borrower who is actively engaged in farming on the property shall not be treated as a sale or conveyance.".

(g) APPRAISALS.—Section 353(c) (7 U.S.C. 2001(c)) is amended by adding at the end the following new paragraph:

"(7) NEGOTIATION OF APPRAISAL.—

"(A) IN GENERAL.—In making a determination concerning restructuring under this subsection, the Secretary, at the request of the borrower, shall enter into negotiations concerning appraisals required under this subsection with the borrower.

"(B) INDEPENDENT APPRAISAL.—If the borrower, based on a separate current appraisal, objects to the decision of the Secretary regarding an appraisal, the borrower and the Secretary shall mutually agree, to the extent practicable, on an independent appraiser who shall conduct another appraisal of the borrower's property. The average of the two appraisals that are closest in value shall become the final appraisal under this paragraph. The borrower and the Secretary shall

each pay one-half of the cost of the independent appraisal.".

(h) ADDITIONAL PROVISIONS.—Section 353 is amended by adding at the end the following new subsections:

"(l) PARTIAL LIQUIDATIONS.—If partial liquidations are performed (with the prior consent of the Secretary) as part of loan servicing by a guaranteed lender under this title, the Secretary shall not require full liquidation of a delinquent loan in order for the lender to be eligible to receive payment on losses.

"(m) DISPOSITION OF NORMAL INCOME SECURITY.—For purposes of subsection (b)(2) of this section, and subparagraphs (A)(i) and (C)(i) of section 335(e)(1)(A), if a borrower—

"(1) disposed of normal income security prior to October 14, 1988, without the consent of the Secretary; and

"(2) demonstrates that—

"(A) the proceeds were utilized to pay essential household and farm operating expenses; and

"(B) the borrower would have been entitled to a release of income proceeds by the Secretary if the regulations in effect on the date of enactment of this subsection had been in effect at the time of the disposition, the Secretary shall not consider the borrower to have acted without good faith to the extent of the disposition.

"(n) ONLY 1 WRITE-DOWN OR NET RECOVERY BUY-OUT PER BORROWER FOR A LOAN MADE AFTER JANUARY 6, 1988.—

"(1) IN GENERAL.—The Secretary may provide for any one borrower not more than 1 write-down or net recovery buy-out under this section with respect to all loans made to the borrower after January 6, 1988.

"(2) Special rule.—For purposes of paragraph (1), the Secretary shall treat any loan made on or before January 6, 1988, with respect to which a restructuring, write-down, or net recovery buy-out is provided under this section after such date, as a loan made after such date.

"(o) LIQUIDATION OF ASSETS.—The Secretary may not use the authority provided by this section to reduce or terminate any portion of the debt of the borrower that the borrower could pay through the liquidation of assets (or through the payment of the loan value of the assets, if the loan value is greater than the liquidation value) described in subsection (c)(2)(A)(ii).

"(p) LIFETIME LIMITATION ON DEBT FORGIVENESS PER BORROWER.—The Secretary may provide not more than $300,000 in principal and interest forgiveness under this section per borrower.".

SEC. 1817. DISTRIBUTION OF FUNDS ON INDIAN RESERVATIONS.

Section 355(b) (7 U.S.C. 355(b)) is amended by adding at the end the following new paragraph:

"(3) INDIAN RESERVATIONS.—In distributing loan funds in counties within the boundaries of an Indian reservation, the Secretary shall allocate the funds on a reservation-wide basis.".

SEC. 1818. BORROWER TRAINING.

(a) IN GENERAL.—Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding at the end the following new section:

"SEC. 359. BORROWER TRAINING.

"(a) IN GENERAL.—The Secretary shall enter into contracts to provide educational training to all borrowers of farmer program direct and guaranteed loans made under this title in financial and farm management concepts associated with commercial farming.

"(b) CONTRACT.—

"(1) IN GENERAL.—The Secretary may contract with State or private providers of farm management and credit counseling services (including a community college, the extension service of a State, a State department of agriculture, or a nonprofit organization) to carry out this section.

"(2) CONSULTATION.—The Secretary may consult with the chief executive officer of a State concerning the identity of the contracting organization and the process for contracting.

"(c) ELIGIBILITY FOR LOANS.—

"(1) IN GENERAL.—Subject to paragraph (2), to be eligible to obtain a direct or guaranteed loan under this title, a borrower must obtain management assistance under this section, appropriate to the management ability of the borrower (as determined by the appropriate county committee established pursuant to section 332, during the determination of eligibility for the loan).

"(2) LOAN CONDITIONS.—The need of a borrower who satisfies the criteria set out in section 302(a)(2) or 311(a)(2) for management assistance under this section shall not be cause for denial of eligibility of the borrower for a direct or guaranteed loan under this title.

"(d) GUIDELINES AND CURRICULUM.—The Secretary shall issue regulations establishing guidelines and curriculum for the borrower training program established under this section.

"(e) PAYMENT.—A borrower shall pay for training received under this section, and may use funds from operating loans made under subtitle B to pay for the training.

"(f) WAIVERS.—The Secretary may waive the requirements of this section for an individual borrower on a determination by the county committee that the borrower demonstrates adequate knowledge in areas described in this section.".

(b) OPERATING LOAN PURPOSES.—Section 312(a) (7 U.S.C. 1942(a)) is amended—

(1) by striking "and" at the end of paragraph (11); and

(2) by inserting before the period at the end the following: ", and (13) borrower training under section 359".

SEC. 1819. LOAN ASSESSMENTS.

Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding after the section added by section 1818(a) of this Act the following new section:

"SEC. 360. LOAN ASSESSMENTS.

"(a) IN GENERAL.—After an applicant is determined eligible for assistance under this title by the appropriate county committee established pursuant to section 332, the Secretary shall evaluate, in accordance with regulations issued by the Secretary, the farming plan and financial situation of each qualified farmer or rancher applicant.

"(b) DETERMINATIONS.—In evaluating the farming plan and financial situation of an applicant under this section, the Secretary shall determine—

"(1) the amount that the applicant will need to borrow to carry out the proposed farming plan;

"(2) the rate of interest that the applicant would need to be able to cover expenses and build an adequate equity base;

"(3) the goals of the proposed farming plan of the applicant;

"(4) the financial viability of the plan and any changes that are necessary to make the plan viable; and

"(5) whether assistance is necessary under this title and, if so, the amount of the assistance.

"(c) CONTRACT.—The Secretary may contract with a third party (including those entities eligible to provide borrower training under section 359(b)) to conduct loan assessments under this section.

"(d) REVIEW OF LOANS.—

"(1) IN GENERAL.—Loan assessments conducted under this section shall include biannual review of direct loans, and periodic review (as determined necessary by the Secretary) of guaranteed loans, made under this title to assess the progress of a borrower in meeting the goals for the farm or ranch operation.

"(2) CONTRACTS.—The Secretary may contract with an entity that is eligible to provide borrower training under section 359(b) to conduct loan reviews under paragraph (1).

"(3) PROBLEM ASSESSMENTS.—If a borrower is delinquent in payments on a direct or guaranteed loan made under this title, the Secretary or the contracting entity shall determine the cause of, and action necessary to correct, the delinquency.

"(e) GUIDELINES.—The Secretary shall issue regulations providing guidelines for loan assessments conducted under this section.".

SEC. 1820. SUPERVISED CREDIT.

Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding after the sections added by sections 1818(a) and 1819 of this Act the following new section:

"SEC. 361. SUPERVISED CREDIT.

"The Secretary shall provide adequate training to employees of the Farmers Home Administration on credit analysis and financial and farm management to—

"(1) better acquaint the employees with what constitutes adequate financial data on which to base a direct or guaranteed loan approval decision; and

"(2) ensure proper supervision of farmer program loans.".

SEC. 1821. MARKET PLACEMENT.

Subtitle D (7 U.S.C. 1981 et seq.) is amended by adding after the sections added by sections 1818(a), 1819, and 1820 of this Act the following new section:

"SEC. 362. MARKET PLACEMENT.

"The Secretary shall establish a market placement program for qualified beginning farmers and ranchers and other borrowers of farmer program loans that the Secretary believes have a reasonable chance of qualifying for commercial credit with a guarantee provided under this title.".

SEC. 1822. SENSE OF CONGRESS REGARDING ASSISTANCE FOR QUALIFIED BEGINNING FARMERS OR RANCHERS.

It is the sense of Congress that, in carrying out the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), the Secretary of Agriculture should—

(1) establish innovative programs of finance and assistance for land transfer between generations and for establishment of new farm and ranch units;

(2) expand the use of the credit sale and land contract method for the sale of suitable property acquired under such Act; and

(3) maintain statistics on the number of loans made, insured, or guaranteed, and inventory farmland sold or leased, to qualified beginning farmers or ranchers under such Act.

SEC. 1823. SENSE OF CONGRESS REGARDING FmHA LOAN APPLICATION REVIEW AND LOAN SERVICING.

(a) FINDINGS.—Congress finds that reports issued by the Inspector General of the Department of Agriculture and the Comptroller General of the United States found problems with the system of loan application review, and monitoring of loan servicing of guaran-

teed loans, used under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary of Agriculture should quickly take all actions necessary to correct the problems identified by the reports and report to Congress on the actions taken.

SEC. 1824. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

Subtitle D of the Consolidated Farm and Rural Development Act is amended by adding after the sections added by sections 1818(a), 1819, 1820, and 1821 of this Act the following new section:

"SEC. 363. PROHIBITION ON USE OF LOANS FOR CERTAIN PURPOSES.

"The Secretary shall not approve any loan under this title to drain, dredge, fill, level, or otherwise manipulate a wetland (as defined in section 1201(a)(16) of the Food Security Act of 1985 (16 U.S.C. 3801(a)(16)), or to engage in any activity that results in impairing or reducing the flow, circulation, or reach of water, except in the case of activity related to the maintenance of previously converted wetlands, or in the case of such activity that is already commenced prior to the date of enactment of this section.".

Subtitle B—Farm Credit System

SEC. 1831. REFERENCES TO THE FARM CREDIT ACT OF 1971.

Wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.), except to the extent otherwise specifically provided.

SEC. 1832. FINANCING FOR BASIC PROCESSING AND MARKETING OPERATIONS OWNED BY BONA FIDE PRODUCERS.

(a) FARM CREDIT BANKS.—Section 1.11(a) (12 U.S.C. 2019(a)) is amended—

(1) by striking "(a) Agricultural or Aquatic Purposes.—Loans made by a Farm Credit Bank" and inserting the following:

"(a) Agricultural or Aquatic Purposes.—

"(1) In general.—Loans made by a Farm Credit Bank";

(2) by striking "at least 20 percent," and all that follows through "Farm Credit Administration," and inserting "some portion"; and

(3) by adding after and below the end the following new paragraph:

"(2) Limitation on loans for basic processing and marketing operations.—The aggregate of the financing provided by any Farm Credit Bank for basic processing and marketing directly related to the operations of farmers, ranchers, and producers or harvesters of aquatic products, if the operations of the applicant supply less than 20 percent of the total processing or marketing for which financing is extended, shall not exceed 15 percent of the total of all outstanding loans of such bank.".

(b) PRODUCTION CREDIT ASSOCIATIONS.—Section 2.4(a)(1) (12 U.S.C. 2075(a)(1)) is amended by striking "at least 20 percent," and all that follows through the end of the paragraph and inserting "some portion of the total processing or marketing for which financing is extended, except that the aggregate of the financing provided by any association for basic processing and marketing directly related to the operations of farmers, ranchers, and producers or harvesters of aquatic products, if the operations of the applicant supply less than 20 percent of the total processing or marketing for which financing is extended, shall not exceed 15 percent of the total of all outstanding loans of all associations in the district at the end of its preceding fiscal year;".

SEC. 1833. RESTORATION OF FIRST LIEN ON STOCK.

Subtitle A of title II is amended—

(1) by redesignating section 2.6 (12 U.S.C. 2077) as section 2.7; and

(2) by inserting after section 2.5 (12 U.S.C. 2076) the following new section:

"SEC. 2.6. LIENS ON STOCK.

"Except with regard to stock or participation certificates held by other Farm Credit System institutions, each production credit association shall have a first lien on stock and participation certificates the association issues, on allocated surplus, and on investments in equity reserve, for any indebtedness of the holder of the capital investments and, in the case of equity reserves, for charges for association losses in excess of reserves and surpluses.".

SEC. 1834. INSURANCE SERVICES.

Section 4.29 (12 U.S.C. 2218) is amended—

(1) in subsection (a)(2)—

(A) in the first sentence, by inserting before the period at the end the following: ", if more than two insurers for each type of insurance have proposed programs to a bank that will, in all likelihood, have long-term viability and meet the requirements of subsection (b)(2)(D)"; and

(B) in the third sentence, by inserting before the period at the end the following: ", if at least two insurers have been approved in accordance with this paragraph"; and

(2) in subsection (b)(2)(E), by inserting before the semicolon at the end the following: ", if at least two insurers have been approved in accordance with subsection (a)(2)".

SEC. 1835. CLARIFICATION OF CONTENTS OF CERTIFIED STATEMENTS.

Subsection (a) of section 5.56 (12 U.S.C. 2277a-5(a)) is amended to read as follows:

"(a) FILING CERTIFIED STATEMENT.—Annually, on a date to be determined in the sole discretion of the Board of Directors, each insured System bank that became insured before the beginning of the year shall file with the Corporation a certified statement showing—

"(1) the annual average principal outstanding on loans made by the bank that are in accrual status, including the nonguaranteed portions of government-guaranteed loans;

"(2) the annual average principal outstanding on the guaranteed portion of Federal Government-guaranteed loans (as defined in section 5.55(a)(2)) that are in accrual status;

"(3) the annual average principal outstanding on State government-guaranteed loans (as defined in section 5.55(a)(2)) that are in accrual status;

"(4) the annual average principal outstanding on loans that are in nonaccrual status; and

"(5) the amount of the premium due the Corporation from the bank for the year.".

SEC. 1836. TERMINATION DATE FOR FARM CREDIT SYSTEM ASSISTANCE BOARD.

(a) USE OF INSURANCE FUND.—Section 5.60(c) (12 U.S.C. 2277a-9(c)) is amended—

(1) in paragraph (1), by striking "5 years after the date of the enactment of this part" and inserting "January 1, 1993"; and

(2) in paragraph (2), by striking "5 years after the date of enactment of this part" and inserting "January 1, 1993".

(b) POWERS OF CORPORATION WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.—Section 5.61(f) (12 U.S.C. 2277a-10(f)) is amended by striking "beginning on the date of the enactment of this part" and inserting "prior to January 1, 1993".

SEC. 1837. EMPLOYMENT OF CERTAIN PERSONS BY FARM CREDIT SYSTEM INSTITUTIONS.

Section 5.65(d) (12 U.S.C. 2277a-14(d)) is amended—

(1) in paragraph (1), by striking "insured System bank" and inserting "insured System institution"; and

(2) in paragraph (2), by striking "bank" and inserting "institution".

SEC. 1838. TERMINATION OF SYSTEM INSTITUTION STATUS OF CALIFORNIA LIVESTOCK PRODUCTION CREDIT ASSOCIATION.

(a) AUTHORITY TO TERMINATE.—Notwithstanding any other provision of law, effective on the date of enactment of this Act, the California Livestock Production Credit Association may terminate the status of the Association as a Farm Credit System institution.

(b) REQUIREMENTS.—Notwithstanding section 7.10(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2279(a)(4)), the California Livestock Production Credit Association shall not (on termination) be—

(1) required to pay any part of the last $1,000,000 of its capital; or

(2) restricted from transferring any part of the $1,000,000 to its successor institution.

SEC. 1839. SECONDARY MARKET FOR GUARANTEED FARMER PROGRAM LOANS.

(a) DEFINITION OF CERTIFIED FACILITY.—Paragraph (3) of section 8.0 (12 U.S.C. 2279aa(3)) is amended to read as follows:

"(3) CERTIFIED FACILITY.—The term 'certified facility' means—

"(A) a secondary marketing agricultural loan facility that is certified under section 8.5; or

"(B) the Corporation and any affiliate thereof, but only with respect to qualified loans described in paragraph (9)(B).".

(b) DEFINITION OF QUALIFIED LOAN.—Paragraph (9) of section 8.0 (12 U.S.C. 2279aa(9)) is amended to read as follows:

"(9) QUALIFIED LOAN.—The term 'qualified loan' means an obligation—

"(A)(i) that is secured by a fee-simple or leasehold mortgage with status as a first lien, on agricultural real estate located in the United States that is not subject to any legal or equitable claims deriving from a preceding fee-simple or leasehold mortgage;

"(ii) of—

"(I) a citizen or national of the United States or an alien lawfully admitted for permanent residence in the United States; or

"(II) a private corporation or partnership whose members, stockholders, or partners holding a majority interest in the corporation or partnership are individuals described in subclause (I); and

"(iii) of a person, corporation, or partnership that has training or farming experience that, under criteria established by the Corporation, is sufficient to ensure a reasonable likelihood that the loan will be repaid according to its terms; or

"(B) that is the portion of a loan guaranteed by the Secretary of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.), except that—

"(i) subsections (b) through (f) of section 8.6, and sections 8.7, 8.8, and 8.9, shall not apply to the portion of a loan guaranteed by the Secretary or to an obligation, pool, or security representing an interest in or obligation backed by a pool of obligations relating

to the portion of a loan guaranteed by the Secretary; and

"(ii) the portion of a loan guaranteed by the Secretary shall be considered to meet all standards for qualified loans for all purposes under this Act.".

SEC. 1840. AUTHORITY OF FARM CREDIT ADMINISTRATION TO REGULATE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.11 (12 U.S.C. 2279aa-11) is amended—

(1) in subsection (a), by amending paragraph (1) to read as follows:

"(1) AUTHORITY.—Notwithstanding any other provision of this Act, the Farm Credit Administration shall have the authority to—

"(A) provide for the examination of the condition of the Corporation and its affiliates; and

"(B) provide for the general supervision of the safe and sound performance of the powers, functions, and duties vested in the Corporation and its affiliates by this title, including through the use of the enforcement powers of the Farm Credit Administration under part C of title V."; and

(2) by adding at the end the following new subsection:

"(e) DEFINITION OF AFFILIATE.—As used in this title, the term 'affiliate' shall mean an entity effectively controlled or owned by the Corporation, except that such term shall not include a certified facility or an originator (as defined in paragraphs (3) and (7), respectively, of section 8.0).".

SEC. 1841. EXCLUSION OF FARM CREDIT ADMINISTRATION FROM SENIOR EXECUTIVE SERVICE.

Section 3132(a)(1)(D) of title 5, United States Code, is amended by inserting "the Farm Credit Administration," after "Corporation,".

SEC. 1842. GAO STUDY OF RURAL CREDIT COST AND AVAILABILITY.

(a) STUDY.—The Comptroller General of the United States shall conduct a study of certain matters related to the cost and availability of credit in rural America, including a study of—

(1) the relationship of the role and lending volume of the Farm Credit System to the ability of the System to repay the assistance provided under the Agricultural Credit Act of 1987 (Public Law 100-233) and amendments made by such Act;

(2) the ability of Farm Credit System institutions to be competitive taking into consideration the costs of rebuilding capital, repaying assistance, and capitalizing the Farm Credit Insurance Fund established under section 5.60 of the Farm Credit Act of 1971 (12 U.S.C. 2277a-9);

(3) the rates Farm Credit Banks charge for credit and the rates prevailing in the market for credit of comparable risk and maturity;

(4) the potential for credit pricing practices of rural lending institutions to adversely affect the financial soundness of other lending institutions that provide agricultural credit;

(5) the pricing practices of commercial lending and insurance institutions and whether the practices adequately address the level of risk in agricultural lending;

(6) whether the assistance authorized under the Agricultural Credit Act of 1987 and the amendments made by such Act, is being utilized in accordance with the purposes intended by Congress;

(7) the availability and adequacy of credit in rural America for the purpose of financing agricultural production, infrastructure development (including development of roads, bridges, and water systems), and rural development;

(8) the prudence and desirability for commercial lenders and Farm Credit System institutions who serve primarily agriculture to broaden lending activity to provide diversity in their portfolios;

(9) the level of competitiveness among the major sector lenders in agriculture, whether competition among such lenders has increased or decreased in the last 5 years, and whether American producers have benefited from the competitive situation; and

(10) the level of farm lending activity, in relation to the total asset level, of agricultural lending institutions in rural America and the level of investment by the institutions outside of the rural community or area in which the lending institutions are located.

(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General shall submit a report on the study conducted under subsection (a) (including any related recommendations) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1843. SALARIES AND COMPENSATION PAID BY SYSTEM INSTITUTIONS.

(a) REPEAL OF AUTHORITY OF FARM CREDIT ADMINISTRATION TO APPROVE SALARIES AND COMPENSATION PAID BY SYSTEM INSTITUTIONS.—

(1) IN GENERAL.—Section 5.17(a) (12 U.S.C. 2252(a)) is amended by striking paragraph (13).

(2) CONFORMING AMENDMENT.—Section 6.6(a)(8)(B) (12 U.S.C. 2278a-6(a)(8)(B)) is amended by striking "notwithstanding the authority of the Farm Credit Administration to approve such matters".

(b) INCLUSION OF COMPENSATION ANALYSIS IN BANK EXAMINATION.—Section 5.19(a) (12 U.S.C. 2254(a)) is amended by inserting after the third sentence the following: "Examination of banks shall include an analysis of the compensation paid to the chief executive officer and the salary scales of the employees of the bank.".

Subtitle C—Miscellaneous

SEC. 1851. ECONOMIC EMERGENCY LOAN PROGRAM.

The Emergency Agricultural Credit Adjustment Act of 1978 (7 U.S.C. prec. 1961 note) is hereby repealed.

SEC. 1852. AUTHORIZATION OF APPROPRIATIONS FOR FARM OWNERSHIP OUTREACH PROGRAM TO SOCIALLY DISADVANTAGED INDIVIDUALS.

Section 623 of the Agricultural Credit Act of 1987 (7 U.S.C. 1985 note) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The Secretary"; and

(2) by adding at the end the following new subsection:

"(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $2,500,000 for each of the fiscal years 1991 through 1995.".

SEC. 1853. STATE MEDIATION PROGRAMS.

Section 506 of the Agricultural Credit Act of 1987 (7 U.S.C. 5106) is amended by striking "1991" and inserting "1995".

SEC. 1854. INDIAN LAND ACQUISITION PROGRAM.

(a) LIMITED RESOURCE INTEREST RATE.—Section 5 of Public Law 91-229 (25 U.S.C. 492) is amended by striking "section 307(a)" and inserting "section 307(a)(3)(B)".

(b) AUTHORIZATION OF APPROPRIATIONS.—Public Law 91-229 (25 U.S.C. 488 et seq.) is amended by adding at the end the following new section:

"SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this Act $8,000,000 for each of the fiscal years 1991 through 1995.".

Subtitle D—Effective Dates

SEC. 1861. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall become effective on the date of enactment of this Act.

(b) NOTICE OF DEBT SETTLEMENT PROGRAMS.—The amendment made by section 1807(1) of this Act shall become effective 120 days after the date of enactment of this Act.

(c) DEBT RESTRUCTURING AND LOAN SERVICING.—

(1) IN GENERAL.—Except as provided in section 353(c)(6)(A)(ii) of the Consolidated Farm and Rural Development Act (as added by section 1816(f) of this Act) and in paragraph (3) of this subsection, section 1816 of this Act and the amendments made by such section 1816 shall apply to new applications submitted under section 353 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001) on or after the date of enactment of this Act.

(2) DEFINITION OF NEW APPLICATION.—As used in paragraph (1), the term "new application" means an application submitted by a borrower to initiate a debt restructuring consideration and not an application reconsidered after an appeal or revision of the original application.

(3) LIQUIDATION OF ASSETS.—Section 353(o) of the Consolidated Farm and Rural Development Act (as added by section 1816(h) of this Act) shall not apply until the Secretary of Agriculture has issued final regulations to carry out such section 353(o).

(d) RESTORATION OF FIRST LIEN ON STOCK.—The amendment made by section 1833 of this Act shall be effective as of January 7, 1988.

(e) REGULATIONS.—As soon as practicable after the date of enactment of this Act—

(1) the Secretary of Agriculture shall issue such regulations as are necessary to carry out subtitles A and C of this Act and the amendments made by such subtitles; and

(2) the Farm Credit Administration shall issue such regulations as are necessary to carry out subtitle B of this Act and the amendments made by such subtitle.

TITLE XIX—AGRICULTURAL PROMOTION

SEC. 1901. SHORT TITLE.

This Act may be cited as the "Agricultural Promotion Programs Act of 1990".

Subtitle A—Pecans

SEC. 1905. SHORT TITLE.

This subtitle may be cited as the "Pecan Promotion and Research Act of 1990".

SEC. 1906. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) pecans are a native American nut that is an important food, and is a valuable part of the human diet;

(2) the production of pecans plays a significant role in the economy of the United States in that pecans are produced by thousands of pecan producers, shelled and processed by numerous shellers and processors, and pecans produced in the United States are consumed by millions of people throughout the United States and foreign countries;

(3) pecans must be high quality, readily available, handled properly, and marketed efficiently to ensure that consumers have an adequate supply of pecans;

(4) the maintenance and expansion of existing markets and development of new mar-

kets for pecans are vital to the welfare of pecan producers and those concerned with marketing, using, and producing pecans, as well as to the general economy of the United States, and necessary to ensure the ready availability and efficient marketing of pecans;

(5) there exist established State organizations conducting pecan promotion, research, and industry and consumer education programs that are invaluable to the efforts of promoting the consumption of pecans;

(6) the cooperative development, financing, and implementation of a coordinated national program of pecan promotion, research, industry information, and consumer information are necessary to maintain and expand existing markets and develop new markets for pecans; and

(7) pecans move in interstate and foreign commerce, and pecans that do not move in such channels of commerce directly burden or affect interstate commerce in pecans.

(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on pecans produced or imported into the United States), and carrying out an effective, continuous, coordinated program of promotion, research, industry information, and consumer information designed to—

(1) strengthen the pecan industry's position in the marketplace;

(2) maintain and expand existing domestic and foreign markets and uses for pecans; and

(3) develop new markets and uses for pecans.

(c) CONSTRUCTION.—Nothing in this subtitle may be construed to provide for the control of production or otherwise limit the right of any person to produce pecans.

SEC. 1907. DEFINITIONS.

As used in this subtitle—

(1) BOARD.—The term "Board" means the Pecan Marketing Board established in section 1910(b).

(2) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(3) CONFLICT OF INTEREST.—The term "conflict of interest" means a situation in which a member has a direct or indirect financial interest in a corporation, partnership, sole proprietorship, joint venture, or other business entity dealing directly or indirectly with the Board.

(4) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of pecans.

(5) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(6) DISTRICT.—The term "district" means a geographical area of the United States, as determined by the Board and approved by the Secretary, in which there is produced approximately one-fourth of the volume of pecans produced in the United States.

(7) FIRST HANDLER.—The term "first handler" means the first person who buys or takes possession of pecans from a grower for marketing. If a grower markets pecans directly to consumers, such grower shall be considered the first handler with respect to pecans grown by such grower.

(8) GROWER.—The term "grower" means any person engaged in the production and sale of pecans in the United States who owns, or who shares the ownership and risk of loss of, such pecans.

(9) GROWER-SHELLER.—The term "grower-sheller" means a person who—

(A) shells pecans, or has pecans shelled for such person, in the United States; and

(B) during the immediately previous year, grew 50 percent or more of the pecans such person shelled or had shelled for such person.

(10) HANDLE.—The term "handle" means receipt of in-shell pecans by a sheller or first handler, including pecans produced by such sheller or first handler.

(11) IMPORTER.—The term "importer" means any person who imports pecans from outside of the United States for sale in the United States.

(12) INDUSTRY INFORMATION.—The term "industry information" means information and programs that will lead to the development of new markets and marketing strategies, increased efficiency, and activities to enhance the image of the pecan industry.

(13) IN-SHELL PECAN.—The term "in-shell pecan" means a pecan that has a shell that has not been removed.

(14) TO MARKET.—The term "to market" means to sell or offer to dispose of pecans in any channel of commerce.

(15) MEMBER.—The term "member" means a member of the Board.

(16) PECAN.—The term "pecan" means the nut of the pecan tree carya illinoensis.

(17) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity.

(18) PLAN.—The term "plan" means a plan issued under section 1908.

(19) PROMOTION.—The term "promotion" means any action taken by the Board, pursuant to this subtitle, to present a favorable image of pecans to the public with the express intent of improving the competitive position of pecans in the marketplace and stimulating sales of pecans, including paid advertising.

(20) RESEARCH.—The term "research" means any type of test, study, or analysis designed to advance the image, desirability, usage, marketability, production, product development, or quality of pecans.

(21) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(22) SHELL.—The term "shell" means to remove the shell from an inshell pecan.

(23) SHELLED PECAN.—The term "shelled pecan" means a pecan kernel, or portion of a kernel, after the pecan shell has been removed.

(24) SHELLER.—The term "sheller" means any person who—

(A) shells pecans or has pecans shelled for the account of such person; and

(B) during the immediately previous year, purchased more than 50 percent of the pecans such person shelled or had shelled for such account.

(25) STATE.—The term "State" means any of the several States, the District of Columbia and the Commonwealth of Puerto Rico.

(26) UNITED STATES.—The term "United States" means collectively the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1908. ISSUANCE OF PLANS.

(a) IN GENERAL.—To effectuate the declared policy of section 1906(b), the Secretary shall, subject to this subtitle, issue and from time to time amend, plans applicable to growers, grower-shellers, shellers, first handlers, and importers of pecans. Any such plan shall be national in scope. Not more than one plan shall be in effect under this subtitle at any one time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF PLAN.—The Secretary may propose the issuance of a plan under this subtitle, or an association of pecan growers or grower-shellers or any other person that will be affected by this subtitle may request the issuance of, and submit a proposal for, such a plan.

(2) PROPOSED PLAN.—Not later than 60 days after the receipt of a request and proposal by an interested person for a plan, or when the Secretary determines to propose a plan, the Secretary shall publish a proposed plan and give due notice and opportunity for public comment on the proposed plan.

(3) ISSUANCE OF PLAN.—After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue a plan, taking into consideration the comments received and including in the plan provisions necessary to ensure that the plan is in conformity with the requirements of this subtitle.

(4) EFFECTIVE DATE OF PLAN.—Such plan shall be issued and become effective not later than 150 days following publication of the proposed plan.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any plan issued under this section. The provisions of this subtitle applicable to a plan shall be applicable to amendments to a plan.

SEC. 1909. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

SEC. 1910. REQUIRED TERMS IN PLANS.

(a) IN GENERAL.—Each plan issued under this subtitle shall contain the terms and conditions prescribed in this section.

(b) PECAN MARKETING BOARD.—

(1) ESTABLISHMENT.—The plan shall establish a Pecan Marketing Board to carry out the program referred to in section 1906(b).

(2) SERVICE TO ENTIRE INDUSTRY.—The Board shall carry out programs and projects that will provide maximum benefit to the pecan industry in all parts of the United States and only generically promote pecans.

(3) BOARD MEMBERSHIP.—The Board shall consist of 15 members, including—

(A) 8 members who are growers;

(B) 4 members who are shellers;

(C) one member who is a first handler and who derives over 50 percent of the member's gross income from buying and selling pecans;

(D) one member who is an importer of pecans into the United States, nominated by the Board;

(E) one member representing the general public, nominated by the Board; and

(F) at the option of the Board, a consultant or advisor representing the views of pecan producers in a country other than the United States who may be chosen to attend Board functions as a nonvoting member.

(4) REPRESENTATION OF MEMBERS.—

(A) GROWER REPRESENTATIVES.—Of the growers referred to in paragraph (3)(A), 2 members shall be from each district.

(B) SHELLER REPRESENTATIVES.—Of the shellers referred to in paragraph (3)(B)—

(i) 2 members shall be selected from among shellers whose place of residence is east of the Mississippi River; and

(ii) 2 members shall be selected from among shellers whose place of residence is west of the Mississippi River.

(C) FIRST HANDLER REPRESENTATIVE.—The first handler representative on the Board referred to in paragraph (3)(C) shall be select-

ed from among first handlers whose place of residence is in a district.

(D) IMPORTER REPRESENTATIVE.—The importer representative on the Board referred to in paragraph (3)(D) shall be an individual who imports pecans into the United States.

(E) PUBLIC REPRESENTATIVE.—The public representative on the Board referred to in paragraph (3)(E) shall not be a grower, grower-sheller, sheller, first handler, or importer.

(5) ALTERNATE FOR EACH MEMBER.—Each member of the Board shall have an alternate with the same qualifications as the member such alternate would replace.

(6) LIMITATION ON STATE RESIDENCE.—There shall be no more than one member from each State in each district, except that the State of Georgia may have 2 growers from such State representing the district that it is in.

(7) MODIFYING BOARD MEMBERSHIP.—In accordance with regulations approved by the Secretary, at least once each 3 years and not more than once each 2 years, the Board shall—

(A) review the geographic distribution of pecan production throughout the United States; and

(B) if warranted, recommend to the Secretary that the Secretary reapportion a district in order to reflect the geographic distribution of pecan production.

(8) SELECTION PROCESS FOR MEMBERS.—

(A) PUBLICITY.—The Board shall give reasonable publicity to the industry for nomination of persons interested in being nominated for Board membership.

(B) ELIGIBILITY.—Each grower and sheller shall be eligible to vote for the nomination of members who represent that class of members on the Board. Growers shall be eligible to vote for the nomination of the first handler members on the Board.

(C) SELECTION OF NOMINEES.—Each person referred to in subparagraph (B) shall have one vote. The 2 eligible candidates receiving the largest number of votes cast for each Board position for each class of members shall be the nominees for such position.

(D) CERTIFICATION.—Except for the establishment of the initial Board, the nominations made under subparagraph (C) and subsections (b)(3)(D) and (b)(3)(E) shall be certified by the Board and submitted to the Secretary no later than May 1 or such other date recommended by the Board and approved by the Secretary preceding the commencement of the term of office for Board membership, as established in paragraph (9).

(E) APPOINTMENT.—To each vacant Board position, the Secretary shall appoint 1 individual from among the nominees certified and submitted under subparagraph (D).

(F) REJECTION OF NOMINEES.—The Secretary may reject any nominee submitted under subparagraph (D). If there are insufficient nominees from which to appoint members to the Board as a result of the Secretary's rejecting such nominees, additional nominees shall be submitted to the Secretary in the same manner.

(G) INITIAL BOARD.—The Secretary shall establish an initial Board from among nominations solicited by the Secretary. For the purpose of obtaining nominations for the members of the initial Board described in paragraph 3(A), (B), and (C), the Secretary shall perform the functions of the Board under this subsection as the Secretary determines necessary and appropriate. Nominations for those members of the initial Board described in paragraph (3)(D) and (E) shall be made in accordance with paragraph (3).

(H) FAILURE TO NOMINATE.—If growers and shellers fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the plan. If the Board fails to nominate an importer or a public representative, such member may be appointed without a nomination.

(9) TERMS OF OFFICE.—

(A) IN GENERAL.—The members of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board established under paragraph (8)(G) shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) TERMINATION OF TERMS.—Notwithstanding subparagraph (C), each member shall continue to serve until a successor is appointed by the Secretary.

(C) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(D) VACANCIES.—

(i) SUBMITTING NOMINATIONS.—To fill any vacancy created by the death, removal, resignation, or disqualification of any member of the Board, the Secretary shall request that at least 2 eligible nominations for a successor for each such vacancy be submitted by the Board in the manner provided in paragraph (8).

(ii) LACK OF NOMINATIONS.—If at least 2 eligible nominations are not submitted under clause (i), the Secretary shall determine the manner of submission of nominations for the vacancy.

(10) COMPENSATION.—A member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties for and approved by the Board.

(c) POWERS AND DUTIES OF THE BOARD.—The plan shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the plan in accordance with its terms and conditions;

(2) to make regulations to effectuate the terms and conditions of the plan;

(3) to meet, organize, and select from among members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines appropriate;

(4) to establish working committees of persons other than Board members;

(5) to employ such persons, other than Board members, as the Board considers necessary and to determine the compensation and define the duties of such persons;

(6) to prepare and submit for the approval of the Secretary, prior to the beginning of each fiscal period, a recommended rate of assessment under section 1912, and a fiscal period budget of the anticipated expenses in the administration of the plan, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, subject to subsection (e), to develop and carry out programs or projects of promotion, research, industry information and consumer information;

(9) to carry out research, promotion, industry information, and consumer information, and to pay the costs of such projects with assessments collected pursuant to section 1912;

(10) to keep minutes, books, and records that reflect the actions and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to appoint and convene, from time to time, working committees comprised of growers, grower-shellers, first handlers, shellers, importers, and the public to assist in the development of research, promotion, industry information, and consumer information programs for pecans;

(12) to invest, pending disbursement under a program or project, funds collected through assessments authorized under this subtitle, only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States; except that income from any such invested funds may be used for any purpose for which the invested funds may be used;

(13) to receive, investigate, and report to the Secretary complaints of violations of the plan;

(14) to furnish the Secretary with such information as the Secretary may request;

(15) to recommend to the Secretary amendments to the plan; and

(16) to develop and recommend to the Secretary for approval such regulations as may be necessary for the development and execution of programs or projects, or as may otherwise be necessary, to carry out the plan.

(d) PROGRAMS AND BUDGETS.—

(1) SUBMISSION TO SECRETARY.—The plan shall provide that the Board shall submit to the Secretary for approval any program or project of promotion, research, consumer information, or industry information. No program or project shall be implemented prior to its approval by the Secretary.

(2) BUDGETS.—The plan shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of such fiscal year, to submit to the Secretary for approval budgets of its anticipated expenses (including reimbursements under subsection (b)(10)) and disbursements in the implementation of the plan, including projected costs of promotion, research, consumer information, and industry information programs and projects.

(3) INCURRING EXPENSES.—The Board may incur such expenses for programs or projects of research, promotion, consumer information, or industry information, and other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary, including any implementation, administrative, and referendum costs incurred by the Department.

(4) PAYING EXPENSES.—The funds to cover the expenses referred to in paragraph (3) shall be paid by the Board from assessments collected under section 1912 or funds borrowed pursuant to paragraph (5).

(5) AUTHORITY TO BORROW.—In order to meet the expenses referred to in paragraph (3), the Board shall have the authority to borrow funds, as approved by the Secretary, for capital outlays and startup costs.

(6) LIMITATION ON SPENDING.—Effective on the date that is 3 years after the date of the establishment of the Board, the Board shall not spend in excess of 20 percent of the assessments collected under section 1912 for administration of the Board.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds, the plan shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of pro-

grams or projects of pecan promotion, research, consumer information, or industry information, including contracts with grower and grower-sheller organizations, and for the payment of the cost thereof with funds received by the Board under the plan.

(2) REQUIREMENTS.—Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project together with a budget or budgets that shall show estimated costs to be incurred for such program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(3) GROWER AND GROWER-SHELLER ORGANIZATIONS.—The plan shall provide that the Board may contract with grower and grower-sheller organizations for any other services. Any such contract shall include provisions comparable to those required by paragraph (2).

(f) BOOKS AND RECORDS OF BOARD.—

(1) IN GENERAL.—The plan shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) AUDITS.—The Board shall cause its books and records to be audited by an independent auditor at the end of each fiscal year, and a report of such audit to be submitted to the Secretary.

(g) PROHIBITION.—The Board shall not engage in any action to, nor shall any funds received by the Board under this subtitle be used to—

(1) influence legislation or governmental action, other than recommending to the Secretary amendments to the plan;

(2) engage in any action that would be a conflict of interest; or

(3) engage in any advertising that may be false or misleading.

(h) BOOKS AND RECORDS.—

(1) IN GENERAL.—The plan shall require that each first handler, grower-sheller, or importer shall—

(A) maintain and submit to the Board any reports considered necessary by the Secretary to ensure compliance with this subtitle; and

(B) make available during normal business hours, for inspection by employees of the Board or Secretary, such books and records as are necessary to carry out this subtitle, including such records as are necessary to verify any required reports.

(2) TIME REQUIREMENT.—The records required under paragraph (1) shall be maintained for 2 years beyond the fiscal period of the applicability of such records.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained from books, records, or reports required to be maintained under paragraph (1) shall be kept confidential, and shall not be disclosed to the public by any person.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed to the public only if—

(i) the Secretary considers the information relevant;

(ii) the information is revealed in a suit or administrative hearing brought at the direction or on the request of the Secretary or to which the Secretary or any officer of the Department is a party; and

(iii) the information relates to this subtitle.

(C) MISCONDUCT.—Any disclosure of confidential information in violation of subparagraph (A) by any Board member or employee of the Board, except as required by other law or allowed under subparagraph (B) or (D), shall be considered a violation of this subtitle.

(D) GENERAL STATEMENTS.—Nothing in this paragraph may be construed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the plan or statistical data collected therefrom, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating the plan, together with a statement of the particular provisions of the plan violated by such person.

(4) AVAILABILITY OF INFORMATION.—

(A) EXCEPTION.—Except as provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Board or the Department, shall be removed from office.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle shall be construed to authorize the withholding of information from Congress.

(i) USE OF ASSESSMENTS.—The plan shall provide that the assessments collected under section 1912 shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle, except for the salaries of Government employees incurred in conducting referenda.

(j) OTHER TERMS AND CONDITIONS.—The plan also shall contain such terms and conditions, not inconsistent with this subtitle, as determined necessary by the Secretary to effectuate this subtitle.

SEC. 1911. PERMISSIVE TERMS IN PLANS.

(a) IN GENERAL.—A plan issued pursuant to this subtitle may contain one or more of the terms and conditions contained in this section.

(b) EXEMPTIONS.—The plan may provide authority to exempt from the plan pecans used for nonfood uses and authority for the Board to require satisfactory safeguards against improper uses of such exemptions.

(c) DIFFERENT PAYMENT AND REPORTING SCHEDULES.—The plan may provide authority to designate different payment and reporting schedules for growers, grower-shellers, first handlers and importers to recognize differences in marketing practices and procedures utilized in different production areas.

(d) PROMOTION.—The plan may provide for the establishment, issuance, effectuation, and administration of appropriate programs or projects for the promotion of pecans and for the disbursement of necessary funds for such purposes, except that—

(1) any such program or project shall be directed toward increasing the general demand for pecans; and

(2) such promotional activities shall comply with other restrictions on the use of funds that are established under this subtitle.

(e) RESEARCH AND INFORMATION.—The plan may provide for establishing and carrying on research, consumer information, and industry information projects and studies to the end that the marketing and utilization of pecans may be encouraged, expanded, improved, or made more efficient, and for the disbursement of necessary funds for such purposes.

(f) RESERVE FUNDS.—The plan may provide authority to accumulate reserve funds from assessments collected pursuant to this subtitle, to permit an effective and continuous coordinated program of research, consumer information, industry information and promotion in years when the production and assessment income may be reduced, except that the total reserve fund may not exceed the amount budgeted for the operation of the plan for 2 years.

(g) FOREIGN MARKETS.—The plan may provide authority to use funds collected under this subtitle, with the approval of the Secretary, for the development and expansion of pecan sales in foreign markets.

SEC. 1912. ASSESSMENTS.

(a) IN GENERAL.—During the effective period of a plan issued pursuant to this subtitle, assessments shall be—

(1) levied on all pecans produced in, and all pecans imported into, the United States and marketed; and

(2) deducted from the payment made to a grower for all pecans sold to a first handler.

(b) LIMITATION ON ASSESSMENTS.—No more than one assessment may be assessed under subsection (a) on a grower (as remitted by a first handler), grower-sheller, or importer, for any lot of pecans handled or imported.

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted to the Board by—

(A) a first handler; and

(B) an importer.

(2) TIMES TO REMIT ASSESSMENT.—

(A) FIRST HANDLERS.—Each first handler who is not a grower-sheller and who is required to remit an assessment under paragraph (1) shall remit such assessment to the Board no later than the last day of the month following the month that the pecans being assessed were purchased or marketed by such first handler.

(B) GROWER-SHELLERS.—Each first handler who is a grower-sheller and who is required to remit an assessment under paragraph (1) shall remit such assessment to the Board, to the extent practicable, in payments of one-third of the total annual amount of such assessment due to the Board on January 31, March 31, and May 10, or such dates as may be recommended by the Board and approved by the Secretary, during the fiscal year that the pecans being assessed were harvested.

(C) IMPORTERS.—Importers of pecans into the United States shall pay the assessment at the time the pecans enter the United States and shall remit such assessment to the Board.

(d) ASSESSMENT RATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), assessment rates shall be recommended by the Board and approved by the Secretary, except that the maximum assessment shall not exceed—

(A) during the period commencing on the effective date of the issuance of a plan and ending on the date the referendum is conducted under section 1916(a), one-half cent per pound for in-shell pecans as determined by the Board and approved by the Secretary; and

(B) after such period, 2 cents per pound for in-shell pecans.

(2) ADJUSTING RATE FOR SHELLED PECANS.—The rate of assessment of shelled pecans shall be twice the rate established for in-shell pecans pursuant to paragrcph (1).

(3) SPECIAL STATE ASSESSMENT.—

(A) IN GENERAL.—Notwithstanding any other provision of this subtitle, with the approval of the Secretary and if authorized by State law and requested by such State, a special assessment of one-quarter cent per pound for in-shell pecans, and an appropriate per-pound assessment for shelled pecans as adjusted under paragraph (2), shall be remitted to the Board for the purpose of utilizing such funds by a State pecan marketing board for research projects to promote pecans pursuant to State law.

(B) COLLECTION AND REMITTANCE.—The Board shall collect such assessments and upon receipt of such assessments shall remit such assessments to the State, within a time period mutually agreed upon between the State and the Board, and approved by the Secretary. In the collection of such State assessments, neither the Board nor the Secretary shall in any manner enforce the collection or remittance of any such payment by producers of such State assessments or investigate nonpayment of such State assessments, except to provide to a State the names of growers from whom such assessments were collected and the respective amounts of assessments collected.

(C) REGULATIONS.— The Secretary is authorized to make such regulations as may be necessary to carry out the provisions of this section.

(e) LATE-PAYMENT CHARGE.—

(1) IN GENERAL.—There shall be a late-payment charge imposed on any person who fails to remit, on or before the due date established by the Board under subsection (c)(2), to the Board the total amount for which such person is liable.

(2) AMOUNT OF CHARGE.—The amount of the late-payment charge imposed under paragraph (1) shall be prescribed by the Board with the approval of the Secretary.

(f) REFUND OF ASSESSMENTS FROM ESCROW ACCOUNT.—

(1) ESTABLISHMENT OF ESCROW ACCOUNT.—During the period beginning on the effective date of a plan first issued under section 1908 and ending on the date the referendum is conducted under section 1916(a), the Board shall—

(A) establish an escrow account to be used for assessment refunds; and

(B) place funds in such account in accordance with paragraph (2).

(2) PLACEMENT OF FUNDS IN ACCOUNT.—The Board shall place in such account, from assessments collected during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during such period by 10 percent.

(3) RIGHT TO RECEIVE REFUND.—Subject to paragraphs (4), (5), and (6), any grower, grower-sheller, or importer shall have the right to demand and receive from the Board a one-time refund of assessments paid by or on behalf of such grower, grower-sheller, or importer during the period referred to in paragraph (1) if—

(A) such grower, grower-sheller, or importer is required to pay such assessments;

(B) such grower, grower-sheller, or importer does not support the program established under this subtitle;

(C) such grower, grower-sheller, or importer demands such refund prior to the conduct of the referendum under section 1916(a); and

(D) the plan is not approved pursuant to the referendum conducted under section 1916(a).

(4) FORM OF DEMAND.—Such demand shall be made in accordance with regulations, on a form, and within a time period prescribed by the Board.

(5) MAKING OF REFUND.—Such refund shall be made on submission of proof satisfactory to the Board that such grower, grower-sheller, or importer paid the assessment for which refund is demanded.

(6) PRORATION.—If—

(A) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by eligible growers, grower-shellers, or importers; and

(B) the plan is not approved pursuant to the referendum conducted under section 1916(a);

the Board shall prorate the amount of such refunds among all eligible growers, grower-shellers, and importers who demand such refund.

(7) PROGRAM APPROVED.—If the plan is approved pursuant to the referendum conducted under section 1916(a), all funds in the escrow account shall be returned to the Board for use by the Board in accordance with this subtitle.

SEC. 1913. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to a plan issued under this subtitle may file with the Secretary a petition—

(A) stating that the plan, any provision of the plan, or any obligation imposed in connection with the plan is not in accordance with law; and

(B) requesting a modification of the plan or an exemption from the plan.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on the petition, on the record and in accordance with regulations issued by the Secretary.

(3) RULING.—After such hearing, the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with ăirections either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 1914.

SEC. 1914. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain a person from violating, this subtitle or any plan or regulation issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle or any plan or regulation issued under this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or by providing a suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—

(A) IN GENERAL.—A person who willfully violates any provision of this subtitle or any plan or regulation issued under this subtitle, or who fails to pay, collect, or remit any assessment or fee required of the person under this subtitle or any plan or regulation issued under this subtitle, may be assessed by the Secretary a civil penalty of not less than $1,000 nor more than $10,000 for each such violation.

(B) SEPARATE OFFENSE.—Each violation described in subparagraph (A) shall be a separate offense.

(2) CEASE AND DESIST ORDERS.—In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from continuing such violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed or cease and desist order issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record with respect to such violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from the Secretary's order in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—A person against whom a civil penalty is assessed or a cease and desist order is issued under subsection (c) may obtain review of such penalty or order in the district court of the United States for the district in which such person resides or does business, or in the United States District Court for the District of Columbia, by—

(A) filing, within the 30-day period beginning on the date such penalty is assessed or order issued, a notice of appeal in such court; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the find-

ing is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease and desist order after the order has become final and unappealable, or after the appropriate district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing on the record and for judicial review under the procedures specified in subsections (c) and (d), of not more than $1,000 for each offense. Each day during which the failure continues shall be considered a separate violation of such order.

(f) FAILURE TO PAY PENALTY.—If a person fails to pay a civil penalty after it has become a final and unappealable order issued by the Secretary, or after the appropriate district court has entered a final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In such action, the validity and appropriateness of such order imposing such civil penalty shall not be subject to review.

SEC. 1915. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary determines necessary—

(1) for the effective administration of this subtitle; or

(2) to determine whether a person has engaged or is engaging in any act or practice that constitutes a violation of any provision of this subtitle, or of any plan, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary is authorized to administer oaths and affirmations and to issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1913 or section 1914, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under section 1913 or 1914 shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1916. REQUIREMENT OF REFERENDUM.

(a) IN GENERAL.—Not later than 24 months after the effective date of the plan first issued under section 1908, the Secretary shall conduct a referendum among growers, grower-shellers, and importers, who during a representative period determined by the Secretary have been engaged in the production or importation of pecans, for the purpose of ascertaining whether growers, grower-shellers, and importers favor continuation, termination, or suspension of the plan.

(b) OTHER REFERENDA.—

(1) IN GENERAL.—After the referendum required under subsection (a), the Secretary shall hold a referendum on request of the Board or 10 percent or more of the total number of growers, grower-shellers, and importers, to determine if growers, grower-shellers, and importers favor the termination or suspension of the plan.

(2) SUSPENSION OR TERMINATION.—The Secretary shall terminate or suspend such plan, in accordance with section 1917(b), whenever the Secretary determines that such suspension or termination is favored by a majority of those voting in a referendum.

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from any assessments collected by the Board for any expenses incurred by the Department in connection with the conduct of any referendum under this subtitle, except for the salaries of Government employees.

(d) MANNER.—

(1) IN GENERAL.—Referenda conducted pursuant to this subtitle shall be conducted in such a manner as is determined by the Secretary.

(2) ADVANCE REGISTRATION.—A grower, grower-sheller, or importer who chooses to vote in any referendum conducted under this subtitle shall register in person prior to the voting period at the appropriate local office of the Agricultural Stabilization and Conservation Service, as determined by the Secretary, for such grower, grower-sheller, or by mailing such a request to the Secretary on behalf of an importer.

(3) VOTING.—A grower, grower-sheller, or importer who votes in any referendum conducted under this subtitle shall vote in person at the appropriate local office of the Agricultural Stabilization and Conservation Service, as determined by the Secretary or by mail to the Secretary.

(4) NOTICE.—Each Agricultural Stabilization and Conservation Service office shall notify all growers, grower-shellers, and importers in the area of such office, as determined by the Secretary, at least 30 days prior to a referendum conducted under this subtitle. Such notice shall explain the registration and voting procedures established under this subsection.

SEC. 1917. SUSPENSION OR TERMINATION OF PLAN.

(a) MANDATORY SUSPENSION OR TERMINATION.—The Secretary shall, whenever the Secretary finds that the plan or any provision of the plan obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of such plan or provision.

(b) SUSPENSION OR TERMINATION.—If, as a result of any referendum conducted under this subtitle, the Secretary determines that suspension or termination of a plan is favored by a majority of the growers, grower-shellers, and importers voting in the referendum, the Secretary shall—

(1) within 6 months after making such determination, suspend or terminate, as the case may be, collection of assessments under the plan; and

(2) suspend or terminate, as the case may be, activities under the plan in an orderly manner as soon as practicable.

(c) The termination or suspension of any plan, or any provision thereof, shall not be considered a plan within the meaning of this subtitle.

SEC. 1918. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated to carry out this subtitle shall not be available for payment of the expenses or expenditures of the Board in administering any provision of any plan issued under this subtitle.

Subtitle B—Mushrooms

SEC. 1921. SHORT TITLE.

This subtitle may be cited as the "Mushroom Promotion, Research, and Consumer Information Act of 1990".

SEC. 1922. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) mushrooms are an important food that is a valuable part of the human diet;

(2) the production of mushrooms plays a significant role in the Nation's economy in that mushrooms are produced by hundreds of mushroom producers, distributed through thousands of wholesale and retail outlets, and consumed by millions of people throughout the United States and foreign countries;

(3) mushroom production benefits the environment by efficiently using agricultural byproducts;

(4) mushrooms must be high quality, readily available, handled properly, and marketed efficiently to ensure that the benefits of this important product are available to the people of the United States;

(5) the maintenance and expansion of existing markets and uses, and the development of new markets and uses, for mushrooms are vital to the welfare of producers and those concerned with marketing and using mushrooms, as well as to the agricultural economy of the Nation;

(6) the cooperative development, financing, and implementation of a coordinated program of mushroom promotion, research, and consumer information are necessary to maintain and expand existing markets for mushrooms; and

(7) mushrooms move in interstate and foreign commerce, and mushrooms that do not move in such channels of commerce directly burden or affect interstate commerce in mushrooms.

(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing through adequate assessments on mushrooms produced domestically or imported into the United States, and carrying out, an effective, continuous, and coordinated program of promotion, research, and consumer and industry information designed to—

(1) strengthen the mushroom industry's position in the marketplace;

(2) maintain and expand existing markets and uses for mushrooms; and

(3) develop new markets and uses for mushrooms.

(c) CONSTRUCTION.—Nothing in this subtitle may be construed to provide for the control of production or otherwise limit the

right of individual producers to produce mushrooms.

SEC. 1923. DEFINITIONS.

As used in this subtitle—

(1) COMMERCE.—The term "commerce" means interstate, foreign, or intrastate commerce.

(2) CONSUMER INFORMATION.—The term "consumer information" means information and programs that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of mushrooms.

(3) COUNCIL.—The term "Council" means the Mushroom Council established under section 1925(b).

(4) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(5) FIRST HANDLER.—The term "first handler" means any person, as described in an order issued under this subtitle, who receives or otherwise acquires mushrooms from a producer and prepares for marketing or markets such mushrooms, or who prepares for marketing or markets mushrooms of that person's own production.

(6) IMPORTER.—The term "importer" means any person who imports, on average, over 500,000 pounds of mushrooms annually from outside the United States.

(7) INDUSTRY INFORMATION.—The term "industry information" means information and programs that are designed to lead to the development of new markets and marketing strategies, increased efficiency, and activities to enhance the image of the mushroom industry.

(8) MARKETING.—The term "marketing" means the sale or other disposition of mushrooms in any channel of commerce.

(9) MUSHROOMS.—The term "mushrooms" means all varieties of cultivated mushrooms grown within the United States for the fresh market, or imported into the United States for the fresh market, that are marketed, except that such term shall not include mushrooms that are commercially marinated, canned, frozen, cooked, blanched, dried, packaged in brine, or otherwise processed, as may be determined by the Secretary.

(10) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity.

(11) PRODUCER.—The term "producer" means any person engaged in the production of mushrooms who owns or who shares the ownership and risk of loss of such mushrooms and who produces, on average, over 500,000 pounds of mushrooms per year.

(12) PROMOTION.—The term "promotion" means any action determined by the Secretary to enhance the image or desirability of mushrooms, including paid advertising.

(13) RESEARCH.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or nutritional value of mushrooms.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE AND UNITED STATES.—The terms "State" and "United States" include the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1924. ISSUANCE OF ORDERS.

(a) IN GENERAL.—To effectuate the declared policy of section 1922(b), the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this subtitle applicable to producers, importers, and first handlers of mushrooms. Any such order shall be national in scope. Not more than one order shall be in effect under this subtitle at any one time.

(b) PROCEDURES.—

(1) ISSUANCE OF AN ORDER.—The Secretary may propose the issuance of an order under this subtitle, or an association of mushroom producers or any other person that will be affected by this subtitle may request the issuance of, and submit a proposal for, such an order.

(2) PUBLICATION OF ORDER.—Not later than 60 days after the receipt of a request and proposal by an interested person for an order, or when the Secretary determines to propose an order, the Secretary shall publish the proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue the order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle. Such order shall be issued and, if approved by producers and importers of mushrooms as provided in section 1926(a), shall become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—

(1) IN GENERAL.—The Secretary, from time to time, may amend any order issued under this section.

(2) APPLICATION OF SUBTITLE.—The provisions of this subtitle applicable to an order shall be applicable to amendments to the order.

SEC. 1925. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—Each order issued under this subtitle shall contain the terms and conditions prescribed in this section.

(b) MUSHROOM COUNCIL.—

(1) ESTABLISHMENT AND MEMBERSHIP OF COUNCIL.—

(A) ESTABLISHMENT.—The order shall provide for the establishment of, and selection of members to, a Mushroom Council that shall consist of at least 4 members and not more than 9 members.

(B) MEMBERSHIP.—Except as provided for in paragraph (2), the members of the Council shall be mushroom producers and importers appointed by the Secretary from nominations submitted by producers and importers in the manner authorized by the Secretary, except that no more than one member may be appointed to the Council from nominations submitted by any one producer or importer.

(2) APPOINTMENTS.—

(A) IN GENERAL.—In making appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of mushroom production throughout the United States, and the comparative volume of mushrooms imported into the United States.

(B) UNITS.—In establishing such geographical distribution of mushroom production, a whole State shall be considered as a unit and such units shall be organized into 4 regions that shall fairly represent the geographic distribution of mushroom production within the United States.

(C) IMPORTERS.—Importers shall be represented as one region, which shall be separate from the regions established for mushrooms produced in the United States.

(D) MEMBERS PER REGION.—The Secretary shall appoint one member from each region if such region produces or imports, on average, at least 35,000,000 pounds of mushrooms annually.

(E) ADDITIONAL MEMBERS.—Subject to the nine-member limit on the number of members on the Council provided in paragraph (1), the Secretary shall appoint an additional member to the Council from a region for each additional 50,000,000 pounds of production or imports per year, on average, within the region.

(F) For purposes of this paragraph, in determining average annual mushroom production in each of the 4 regions of the United States established under this paragraph, the Secretary shall only consider mushrooms produced by producers covered by this subtitle, as defined in section 1923(11).

(G) FAILURE TO NOMINATE.—If producers and importers fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order.

(3) TERMS; COMPENSATION.—

(A) TERMS.—The term of appointment to the Council shall be for 3 years, except that the initial appointments shall to the extent practicable be proportionately for 1-year, 2-year, and 3-year terms.

(B) COMPENSATION.—Council members shall serve without compensation but shall be reimbursed for their expenses incurred in performing their duties as members of the Council.

(c) POWERS AND DUTIES OF THE COUNCIL.—The order shall define the powers and duties of the Council, which shall include the following powers and duties—

(1) to administer the order in accordance with its terms and provisions;

(2) to make rules and regulations to effectuate the terms and provisions of the order;

(3) to appoint members of the Council to serve on an executive committee;

(4) to propose, receive, evaluate, approve and submit to the Secretary for approval under subsection (d) budgets, plans, and projects of mushroom promotion, research, consumer information, and industry information, as well as to contract and enter into agreements with appropriate persons to implement such plans or projects;

(5) to develop and propose to the Secretary voluntary quality and grade standards for mushrooms;

(6) to receive, investigate, and report to the Secretary complaints of violations of the order;

(7) to recommend to the Secretary amendments to the order; and

(8) to invest, pending disbursement under a plan or project, funds collected through assessments authorized under this subtitle only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States, except that income from any such invested funds may only be used for any purpose for which the invested funds may be used.

(d) PLANS AND BUDGET.—

(1) SUBMISSION TO SECRETARY.—The order shall provide that the Council shall submit to the Secretary for approval any plan or project of promotion, research, consumer information, or industry information.

(2) BUDGETS.—The order shall require the Council to submit to the Secretary for approval budgets on a fiscal year basis of its anticipated expenses and disbursements in

the implementation of the order, including projected costs of promotion, research, consumer information, and industry information plans and projects.

(3) APPROVAL BY SECRETARY.—No plan or project of promotion, research, consumer information, or industry information, or budget, shall be implemented prior to its approval by the Secretary.

(e) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds, the order shall provide that the Council may enter into contracts or agreements for the implementation and carrying out of plans or projects of mushroom promotion, research, consumer information, or industry information, including contracts with producer organizations, and for the payment of the cost thereof with funds received by the Council under the order.

(2) REQUIREMENTS.—Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Council a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project;

(B) the plan or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, make periodic reports to the Council of activities conducted, and make such other reports as the Council or the Secretary may require.

(3) PRODUCER ORGANIZATIONS.—The order shall provide that the Council may contract with producer organizations for any other services. Any such contract shall include provisions comparable to those provided in subparagraphs (A), (B), and (C) of paragraph (2).

(f) BOOKS AND RECORDS OF COUNCIL.—

(1) IN GENERAL.—The order shall require the Council to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Council.

(2) AUDITS.—The Council shall cause its books and records to be audited by an independent auditor at the end of each fiscal year, and a report of such audit to be submitted to the Secretary.

(g) ASSESSMENTS.—

(1) COLLECTION AND PAYMENT.—

(A) IN GENERAL.—The order shall provide that each first handler of mushrooms for the domestic fresh market produced in the United States shall collect, in the manner prescribed by the order, assessments from producers and remit the assessments to the Council.

(B) IMPORTERS.—The order also shall provide that each importer of mushrooms for the domestic fresh market shall pay assessments to the Council in the manner prescribed by the order.

(C) DIRECT MARKETING.—Any person marketing mushrooms of that person's own production directly to consumers shall remit the assessments on such mushrooms directly to the Council in the manner prescribed in the order.

(2) RATE OF ASSESSMENT.—The rate of assessment shall be determined and announced by the Council and may be changed by the Council at any time. The order shall provide that the rate of assessment—

(A) for the first year of the order, may not exceed one-quarter cent per pound of mushrooms;

(B) for the second year of the order, may not exceed one-third cent per pound of mushrooms;

(C) for the third year of the order, may not exceed one-half cent per pound of mushrooms; and

(D) for the following years of the order, may not exceed one cent per pound of mushrooms.

(3) USE OF ASSESSMENTS.—The order shall provide that the assessments shall be used for payment of the expenses in implementing and administering this subtitle, with provision for a reasonable reserve, and to cover those administrative costs incurred by the Secretary in implementing and administering this subtitle, except for the salaries of Government employees incurred in conducting referenda.

(4) LIMITATION ON COLLECTION.—No assessment may be collected on mushrooms that a first handler certifies will be exported as mushrooms.

(h) PROHIBITION.—The order shall prohibit any funds received by the Council under the order from being used in any manner for the purpose of influencing legislation or government action or policy, except that such funds may be used by the Council for the development and recommendation to the Secretary of amendments to the order as prescribed in this subtitle and for the submission to the Secretary of recommended voluntary grade and quality standards for mushrooms under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.).

(i) BOOKS AND RECORDS.—

(1) IN GENERAL.—The order shall require that each first handler and importer of mushrooms maintain, and make available for inspection, such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order.

(2) AVAILABILITY TO SECRETARY.—Such information shall be made available to the Secretary as is appropriate for the administration or enforcement of this subtitle, the order, or any regulation issued under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained under paragraph (1) shall be kept confidential by all officers and employees of the Department and the Council, and agents of the Council, and only such information so obtained as the Secretary considers relevant may be disclosed to the public by them and then only in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order.

(B) LIMITATIONS.—Nothing in this paragraph may be construed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to the order or statistical data collected therefrom, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating the order, together with a statement of the particular provisions of the order violated by such person.

(4) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(B) PENALTY.—Any person knowingly violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if an officer or employee of the Council or the Department, shall be removed from office.

(5) WITHHOLDING INFORMATION.—Nothing in this subtitle shall be construed to authorize the withholding of information from Congress.

(j) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as are necessary to effectuate this subtitle, including provisions for the assessment of a penalty for each late payment of assessments under subsection (g).

SEC. 1926. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order issued under section 1924(b), the Secretary shall conduct a referendum among mushroom producers and importers to ascertain whether the order shall go into effect.

(2) APPROVAL OF ORDER.—The order shall become effective, as provided in section 1924(b), if the Secretary determines that the order has been approved by a majority of the producers and importers voting in the referendum, which majority, on average, annually produces and imports into the United States more than 50 percent of the mushrooms annually produced and imported by all those voting in the referendum.

(b) SUCCEEDING REFERENDA.—

(1) DETERMINATION CONCERNING ORDER.—

(A) IN GENERAL.—Effective 5 years after the date on which an order becomes effective under section 1924(b), the Secretary shall conduct a referendum among mushroom producers and importers to ascertain whether they favor continuation, termination, or suspension of the order.

(B) REQUEST FOR REFERENDUM.—Effective beginning 3 years after the date on which an order becomes effective under section 1924(b), the Secretary, on request of a representative group comprising 30 percent or more of the number of mushroom producers and importers, may conduct a referendum to ascertain whether producers and importers favor termination or suspension of the order.

(2) SUSPENSION OR TERMINATION.—If, as a result of any referendum conducted under paragraph (1), the Secretary determines that suspension or termination of an order is favored by a majority of the producers and importers voting in the referendum, which majority, on average, annually produces and imports into the United States more than 50 percent of the mushrooms annually produced and imported by all those voting in the referendum, the Secretary shall—

(A) within 6 months after making such determination, suspend or terminate, as appropriate, collection of assessments under the order; and

(B) suspend or terminate, as appropriate, activities under the order in an orderly manner as soon as practicable.

(c) MANNER.—Referenda conducted pursuant to this section shall be conducted in such a manner as is determined by the Secretary.

SEC. 1927. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order, is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After such hearing, the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which a person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of such ruling of the Secretary under subsection (a).

(2) PROCESS.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 1928.

SEC. 1928. ENFORCEMENT.

(a) JURISDICTION.—The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to the person who committed or is committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—A person who willfully violates a provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under such order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from continuing such violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed or cease and desist order issued by the Secretary under this subsection unless the Secretary gives the person against whom the penalty is assessed or the order is issued notice and opportunity for a hearing before the Secretary with respect to such violation.

(4) FINALITY.—The penalty assessed or cease and desist order issued under this subsection shall be final and conclusive unless the person against whom the penalty is assessed or the order is issued files an appeal with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under subsection (c) may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date such penalty is assessed or order issued, a notice of appeal in the district court of the United States for the district in which such person resides or does business, or in the United States district court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—A person who fails to obey a cease and desist order after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which such failure continues shall be considered as a separate violation of such order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after it has become final and unappealable, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in any district court in which the person resides or conducts business. In such action, the validity and appropriateness of such civil penalty shall not be subject to review.

SEC. 1929. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary for the effective administration of this subtitle or to determine whether any person subject to this subtitle has engaged or is engaging in any act that constitutes a violation of this subtitle or of any order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1927 or section 1928, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under section 1927 or 1928 shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1930. SAVINGS PROVISION.

Nothing in this subtitle may be construed to preempt or supersede any other program relating to mushroom promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State.

SEC. 1931. SUSPENSION OR TERMINATION OF ORDERS.

The Secretary shall, whenever the Secretary finds that the order or any provision of the order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of such order or provision. The termination or suspension of any order, or any provision thereof, shall not be considered an order under the meaning of this subtitle.

SEC. 1932. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such sums as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—The funds so appropriated shall not be available for payment of the expenses or expenditures of the Council in administering any provision of an order issued under this subtitle.

SEC. 1933. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

Subtitle C—Potatoes

SEC. 1935. SHORT TITLE.

This subtitle may be cited as the "Potato Research and Promotion Act Amendments of 1990".

SEC. 1936. FINDINGS AND DECLARATION OF POLICY.

Section 302 of the Potato Research and Promotion Act (7 U.S.C. 2611) is amended—

(1) in the first paragraph—

(A) by inserting "and foreign countries" after "United States" in the first sentence;

(B) by inserting "and imported into the United States from foreign countries" after "United States" in the second sentence; and

(C) by striking the last sentence;

(2) in the second paragraph—

(A) in the first sentence—

(i) by striking ", in a large part,"; and

(ii) by inserting "or foreign" after "channels of interstate"; and

(B) by striking the second sentence; and

(3) in the fourth paragraph—

(A) by inserting "and imported into the United States from foreign countries" after "commercial use"; and

(B) by striking at the end thereof "produced in the United States" and inserting "and potato products".

SEC. 1937. DEFINITIONS.

Section 303 of the Potato Research and Promotion Act (7 U.S.C. 2612) is amended—

(1) in subsection (c)—

(A) by striking "forty-eight contiguous" and inserting "50"; and

(B) by inserting before the period at the end thereof ", and grown in foreign countries and imported into the United States"; and

(2) by adding at the end the following new subsection:

"(g) The term 'importer' means any person who imports tablestock, frozen, or processed potatoes for ultimate consumption by humans or seed potatoes into the United States.".

SEC. 1938. AUTHORITY TO ISSUE A PLAN.

Section 304 of the Potato Research and Promotion Act (7 U.S.C. 2613) is amended—

(1) in the first sentence—

(A) by striking "persons engaged in the handling of potatoes (hereinafter referred to as handlers)" and inserting "handlers and importers"; and

(B) by inserting "or imported" after "potatoes handled"; and

(2) in the third sentence—

(A) by striking "forty-eight contiguous" and inserting "50"; and

(B) by inserting before the period "and in foreign countries, if importers are subject to a plan and such potatoes are imported into the United States".

SEC. 1939. NOTICE AND HEARINGS.

Section 305 of the Potato Research and Promotion Act (7 U.S.C. 2614) is amended—

(1) in the first sentence by striking "potato producers" and inserting "interested persons"; and

(2) in the second sentence by striking "by potato producers or by any other interested person or persons, including the Secretary" and inserting "by any interested person, including the Secretary".

SEC. 1940. REQUIRED TERMS IN PLANS.

Section 308 of the Potato Research and Promotion Act (7 U.S.C. 2617) is amended—

(1) in subsection (b)—

(A) by inserting after the first sentence the following: "If importers are subject to a plan, the board shall also include up to 5 representatives of importers, appointed by the Secretary from nominations submitted by importers in such manner as may be prescribed by the Secretary.";

(B) after "If producers" by inserting "or importers"; and

(C) in the last sentence by inserting ", or to importer approval when importers are subject to a plan," after "approval";

(2) in subsection (e)—

(A) by striking "one cent" and inserting "2 cents"; and

(B) by inserting ", and importers when importers are subject to a plan," after "producers";

(3) in subsection (f)(1) by inserting in the proviso ", or importer approval when importers are subject to a plan," after "producer approval"; and

(4) by striking subsection (g) and redesignating subsections (h), (i), and (j) as subsections (g), (h), and (i), respectively.

SEC. 1941. PERMISSIVE TERMS IN PLANS.

Section 309 of the Potato Research and Promotion Act (7 U.S.C. 2618) is amended by redesignating subsection (g) as subsection (i) and inserting the following new subsections:

"(g) Providing that any potato producer or importer against whose potatoes any assessment is made and collected under authority of this title and who is not in favor of supporting the research and promotion program as provided for under this title shall have the right to demand and receive from the board a refund of such assessment. Such demand shall be made personally by such producer or importer in accordance with regulations and on a form and within a time period prescribed by the board and approved by the Secretary, but in no event less than 90 days, and upon submission of proof satisfactory to the board that the producer or importer paid the assessment for which refund is sought, and any such refund shall be made within 60 days after demand therefor.

"(h) Providing for authority to assess imports of tablestock, frozen, or processed potatoes for ultimate consumption by humans and seed potatoes into the United States.".

SEC. 1942. ASSESSMENTS.

Section 310 of the Potato Research and Promotion Act (7 U.S.C. 2619) is amended—

(1) in subsection (a) by inserting "(1)" after "(a)" and adding at the end thereof the following new paragraph:

"(2) when importers are subject to a plan, each importer designated by the board, pursuant to regulations issued under the plan, to make payment of assessments shall be responsible for payment to the board, as it may direct, of any assessment levied on potatoes. The assessment on imported tablestock, frozen, or processed potatoes for ultimate consumption by humans, and seed potatoes shall be established by the board so that the effective assessment shall equal that on domestic production and shall be paid by the importer to the board at the time of entry into the United States. Each such importer shall maintain a separate record including the total quantity of tablestock, frozen, processed potatoes for ultimate consumption by humans, and seed potatoes imported into the United States that are included under the terms of the plan as well as those that are exempt under such plan, and shall indicate such other information as may be prescribed by the board. No more than one assessment shall be made on any imported potatoes.";

(2) in subsection (b) by inserting "and importers" after "Handlers"; and

(3) in subsection (c)(1) by inserting "or importers" after "handlers".

SEC. 1943. INVESTIGATION AND POWER TO SUBPOENA.

Section 313 of the Potato Research and Promotion Act (7 U.S.C. 2622) is amended in subsection (a)—

(1) by striking in the first sentence "a handler or any other" and inserting "any"; and

(2) in the last sentence by striking "handler or other".

SEC. 1944. REQUIREMENT OF REFERENDUM.

Section 314 of the Potato Research and Promotion Act (7 U.S.C. 2623) is amended—

(1) in subsection (a) by adding at the end the following sentence: "When the issuance of a plan would subject importers to the terms and conditions of a plan, the Secretary also shall conduct the referendum among importers, who during a representative period determined by the Secretary have been engaged in the importation of potatoes, for the purpose of ascertaining whether the issuance of such plan is approved or favored by such importers.";

(2) in subsection (b) by striking "two-thirds of the producers voting in such referendum, or by the producers of not less than two-thirds of the potatoes produced during the representative period by producers voting in such referendum, and by not less than a majority of the producers voting in such referendum" and inserting "a majority of the producers voting in such referendum or a majority of the producers and importers when the issuance of a plan would subject importers to the terms and conditions of a plan, voting in such referendum";

(3) in subsection (c) by inserting "and importers" after "producers"; and

(4) in subsection (d) by inserting ", or any importer or the volume of potatoes imported by such importer," after "potatoes".

SEC. 1945. SUSPENSION OR TERMINATION OF PLANS.

Section 315 of the Potato Research and Promotion Act (7 U.S.C. 2624) is amended—

(1) in subsection (b)—

(A) by inserting ", or of the total number of producers and importers when importers are subject to a plan," after "potato producers" the first time it appears;

(B) by inserting "and importers" after "potato producers" the second time it appears;

(C) by inserting "and import" after "produce"; and

(D) by striking "by the potato producers voting in the referendum" and inserting "and imported by those voting in the referendum"; and

(2) by adding a new subsection (c) to read as follows:

"(c) The termination or suspension of any plan, or any provision thereof, shall not be considered the issuance of a plan within the meaning of this part.".

SEC. 1946. AMENDMENT PROCEDURE.

(a) IN GENERAL.—Notwithstanding any provision of the Potato Research and Promotion Act (hereafter in this section referred to as the "Act"), the procedure specified in this section shall apply if a producer or a producer organization requests the Secretary of Agriculture (hereafter in this section referred to as the "Secretary") to amend the plan in effect under that Act (hereafter in this section referred to as the "plan") to—

(1) subject importers to the terms and conditions of a plan, and

(2) eliminate provisions for refunds of assessments for those not in favor of supporting the research and promotion program as provided under that Act.

The procedure under this section shall apply only in the case of the first such request received after the date of enactment of this Act.

(b) PUBLICATION OF PROPOSED AMENDMENTS.—The Secretary shall publish for public comment such proposed amendments to the plan within 60 days.

(c) ISSUANCE OF FINAL AMENDMENTS.—Not later than 150 days after publication of such amendment, and after notice and opportunity for public comment, the Secretary shall issue the amendments to the plan, as described in subsection (a), if the Secretary has reason to believe that such amendments will tend to effectuate the declared policy of this subtitle.

(d) REFERENDUM.—Not later than 24 months after the date of issuance of such amendments to the plan, the Secretary shall conduct a referendum among producers and importers who, during a representative period determined by the Secretary, have been engaged in the production or importation of potatoes. The amendments shall be continued only if the Secretary determines that the amendments to the plan have been approved by a majority of the total number of producers and importers voting in the referendum.

(e) REFUNDS.—The board shall—

(1) establish an escrow account to be used for assessment refunds, and place funds in such account in accordance with paragraph (2) during the period beginning on the effective date of the amendments to the plan issued under subsection (c) and ending on the date of the referendum on the amendments to the plan;

(2) place in the account established under paragraph (1), from assessments collected under the plan during the period referred to in paragraph (1), an amount equal to the product obtained by multiplying the total amount of assessments collected during such period by 10 percent;

(3) subject to paragraphs (4), (5), and (6), provide that for the period referred to in paragraph (1) any producer or importer shall have the right to demand and receive from the board a one-time refund of assessments collected from such producer or importer during such period if—

(A) such producer or importer is responsible for paying such assessments;

(B) such producer or importer does not support the program established under the plan; and

(C) the amendments to the plan to eliminate provisions for refunds of assessments are not approved pursuant to a referendum conducted under subsection (d);

(4) require such demand to be made in accordance with regulations, on a form, and within a time period prescribed by the board;

(5) require such refund to be made on submission of proof satisfactory to the board that such producer or importer paid the assessment for which refund is demanded; and

(6) if the amount in the escrow account required to be established by paragraph (1) is not sufficient to refund the total amount of assessments demanded by all eligible producers and importers under this subsection, prorate the amount of such refunds among all eligible producers and importers who demand such refund.

(f) TERMINATION.—If such amendments to the plan are not approved, the Secretary shall terminate the amendments and the plan shall continue in effect without the amendments.

(g) AMENDMENT TO INCLUDE THE 50 STATES.—Notwithstanding any provision of the Act, the Secretary shall, upon request of a producer or a producer organization, issue an amendment to the plan to include the 50 States of the United States. Such amendment shall not be subject to a referendum.

Subtitle D—Limes

SEC. 1951. SHORT TITLE.

This subtitle may be cited as the "Lime Research, Promotion, and Consumer Information Act of 1990".

SEC. 1952. FINDINGS, PURPOSES, AND LIMITATIONS.

(a) FINDINGS.—Congress finds that—

(1) domestically produced limes are grown by many individual producers;

(2) virtually all domestically produced limes are grown in the States of Florida and California;

(3) limes move in interstate and foreign commerce, and limes that do not move in such channels of commerce directly burden or affect interstate commerce in limes;

(4) in recent years, large quantities of limes have been imported into the United States;

(5) the maintenance and expansion of existing domestic and foreign markets for limes and the development of additional and improved markets for limes are vital to the welfare of lime producers and other persons concerned with producing, marketing, or processing limes;

(6) a coordinated program of research, promotion, and consumer information regarding limes is necessary for the maintenance and development of such markets; and

(7) lime producers, lime producer-handlers, lime handlers, and lime importers are unable to implement and finance such a program without cooperative action.

(b) PURPOSES.—The purposes of this subtitle are—

(1) to authorize the establishment of an orderly procedure for the development and financing (through an adequate assessment) of an effective and coordinated program of research, promotion, and consumer information regarding limes designed—

(A) to strengthen the position of the lime industry in domestic and foreign markets, and

(B) to maintain, develop, and expand markets for limes; and

(2) to treat domestically produced and imported limes equitably.

(c) LIMITATION.—Nothing in this subtitle shall be construed to require quality standards for limes, control the production of limes, or otherwise limit the right of the individual producers to produce limes.

SEC. 1953. DEFINITIONS.

As used in this subtitle:

(1) BOARD.—The term "Board" means the Lime Board provided for under section 1955(b).

(2) CONSUMER INFORMATION.—The term "consumer information" means any action taken to provide information to, and broaden the understanding of, the general public regarding the use, nutritional attributes, and care of limes.

(3) HANDLE.—The term "handle" means to sell, purchase, or package limes.

(4) HANDLER.—The term "handler" means any person in the business of handling limes.

(5) IMPORTER.—The term "importer" means any person who imports limes into the United States.

(6) LIME.—The term "lime" means the fruit of a citrus aurantifolia tree for the fresh market.

(7) MARKETING.—The term "marketing" means the sale or other disposition of limes in commerce.

(8) ORDER.—The term "order" means a lime research, promotion, and consumer information order issued by the Secretary under section 1954(a).

(9) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or other legal entity.

(10) PRODUCER.—The term "producer" means any person who produces limes in the United States for sale in commerce.

(11) PRODUCER-HANDLER.—The term "producer-handler" means any person who is both a producer and handler of limes.

(12) PROMOTION.—The term "promotion" means any action taken under this subtitle (including paid advertising) to present a favorable image for limes to the general public with the express intent of improving the competitive position and stimulating the sale of limes.

(13) RESEARCH.—The term "research" means any type of research relating to the use and nutritional value of limes and designed to advance the image, desirability, marketability, or quality of limes.

(14) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(15) STATE AND UNITED STATES.—The term—

(A) "State" means each of the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico; and

(B) "United States" means the 50 States of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1954. ISSUANCE OF ORDERS.

(a) IN GENERAL.—Subject to this subtitle, and to effectuate the declared purposes of this subtitle, the Secretary shall issue and, from time to time, amend lime research, promotion, and consumer information orders applicable to handlers, producers, producer-handlers, and importers of limes. Any such order shall be national in scope. Not more than one order shall be in effect under this subtitle at any one time.

(b) PROCEDURE.—

(1) PROPOSAL FOR ISSUANCE OF ORDER.—Any person that will be affected by this subtitle may request the issuance of, and submit a proposal for, an order under this subtitle.

(2) PROPOSED ORDER.—Not later than 60 days after the receipt of a request and proposal by an interested person for an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given, as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements of this subtitle.

(4) EFFECTIVE DATE OF ORDER.—Such order shall be issued and become effective not later than 150 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any order issued under this section. The provisions of this subtitle applicable to orders shall be applicable to amendments to orders.

SEC. 1955. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—An order issued by the Secretary under section 1954(a) shall contain the terms and conditions described in this section and, except as provided in section 1956, no other terms or conditions.

(b) LIME BOARD.—Such order shall provide for the establishment of a Lime Board as follows:

(1) MEMBERSHIP.—The Board shall be composed of—

(A) 7 members who are producers and who are not exempt from an assessment under subsection (d)(5)(A);

(B) 3 members who are importers and who are not exempt from an assessment under subsection (d)(5)(A); and

(C) one member appointed from the general public.

(2) APPOINTMENT AND NOMINATION.—

(A) APPOINTMENT.—The Secretary shall appoint the members of the Board.

(B) PRODUCERS.—The 7 members who are producers shall be appointed from individuals nominated by lime producers.

(C) IMPORTERS.—The 3 members who are importers shall be appointed from individuals nominated by lime importers.

(D) PUBLIC.—The public representative shall be appointed from nominations of the Board.

(E) FAILURE TO NOMINATE.—If producers and importers fail to nominate individuals for appointment, the Secretary may appoint members on a basis provided for in the order. If the Board fails to nominate a public representative, such member may be appointed by the Secretary without a nomination.

(F) INITIAL BOARD.—The Secretary shall establish an initial Board from among nominations solicited by the Secretary. For the purpose of obtaining nominations for the members of the initial Board described in paragraph (1), the Secretary shall perform the functions of the Board under this subsection as the Secretary determines necessary and appropriate.

(3) ALTERNATES.—The Secretary shall appoint an alternate for each member of the Board. An alternate shall—

(A) be appointed in the same manner as the member for whom such individual is an alternate; and

(B) serve on the Board if such member is absent from a meeting or is disqualified under paragraph (5).

(4) TERMS.—Members of the Board shall be appointed for a term of 3 years. Of the members first appointed—

(A) 3 members shall be appointed for a term of 1 year;

(B) 4 members shall be appointed for a term of 2 years; and

(C) 4 members shall be appointed for a term of 3 years;

as designated by the Secretary at the time of appointment.

(5) REPLACEMENT.—If a member or alternate of the Board who was appointed as a producer, importer, or public representative ceases to belong to the group for which such member was appointed, such member or alternate shall be disqualified from serving on the Board.

(6) COMPENSATION.—Members and alternates of the Board shall serve without pay.

(7) TRAVEL EXPENSES.—While away from their homes or regular places of business in the performance of duties for the Board, members and alternates shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed travel expenses under section 5703 of title 5, United States Code.

(8) POWERS AND DUTIES.—The Board shall—

(A) administer orders issued by the Secretary under section 1954(a), and amendments to such orders, in accordance with their terms and provisions and consistent with this subtitle;

(B) prescribe rules and regulations to effectuate the terms and provisions of such orders;

(C) receive, investigate, and report to the Secretary accounts of violations of such orders;

(D) make recommendations to the Secretary with respect to amendments that should be made to such orders; and

(E) employ a manager and staff.

(c) BUDGETS AND PLANS.—Such order shall provide for periodic budgets and plans as follows:

(1) BUDGETS.—The Board shall prepare and submit to the Secretary a budget (on a fiscal period basis determined by the Secretary) of the anticipated expenses and disbursements of the Board in the administration of the order, including probable costs of research, promotion, and consumer information. A budget shall take effect on the approval of the Secretary.

(2) PLANS.—Each budget shall include a plan for research, promotion, and consumer information regarding limes. A plan under this paragraph shall take effect on the approval of the Secretary. The Board may enter into contracts and agreements, with the approval of the Secretary, for—

(A) the development and carrying out of such plan; and

(B) the payment of the cost of such plan with funds collected pursuant to this subtitle.

(d) ASSESSMENTS.—Such order shall provide for the imposition and collection of assessments with regard to the production and importation of limes as follows:

(1) RATE.—The assessment rate shall not exceed $.01 per pound of limes.

(2) COLLECTION BY FIRST HANDLERS.—Except as provided in paragraph (4), the first handler of limes shall—

(A) be responsible for the collection from the producer, and payment to the Board, of assessments under this subsection; and

(B) maintain a separate record of the limes of each producer whose limes are so handled, including the limes owned by the handler.

(3) PRODUCER-HANDLERS.—For purposes of paragraph (2), a producer-handler shall be considered the first handler of limes produced by such producer-handler.

(4) IMPORTERS.—The assessment on imported limes shall be paid by the importer at the time of entry into the United States and shall be remitted to the Board.

(5) DE MINIMIS EXCEPTION.—The following persons are exempt from an assessment under this subsection—

(A) a producer who produces less than 35,000 pounds of limes per year;

(B) a producer-handler who produces and handles less than 35,000 pounds of limes per year; and

(C) an importer who imports less than 35,000 pounds of limes per year.

(6) CLAIMING AN EXEMPTION.—To claim an exemption under paragraph (5) for a particular year, a person shall submit an application to the Board—

(A) stating the basis for such exemption; and

(B) certifying that such person will not exceed the limitation required for such exemption in such year.

(e) USE OF ASSESSMENTS.—

(1) IN GENERAL.—Such order shall provide that funds paid to the Board as assessments under subsection (d)—

(A) may be used by the Board to—

(i) pay for research, promotion, and consumer information described in the budget of the Board under subsection (c) and for other expenses incurred by the Board in the administration of an order;

(ii) pay such other expenses for the administration, maintenance, and functioning of the Board as may be authorized by the Secretary; and

(iii) fund a reserve established under section 1956(4); and

(B) shall be used to pay the expenses incurred by the Secretary, including salaries and expenses of government employees in implementing and administering the order, except as provided in paragraph (2).

(2) REFERENDA.—Such order shall provide that the Board shall reimburse the Secretary, from assessments collected under subsection (d), for any expenses incurred by the Secretary in conducting referenda under this subtitle, except for the salaries of Government employees.

(f) FALSE CLAIMS.—Such order shall provide that any promotion funded with assessments collected under subsection (d) may not make—

(1) any false or unwarranted claims on behalf of limes; and

(2) any false or unwarranted statements with respect to the attributes or use of any product that competes with limes for sale in commerce.

(g) PROHIBITION ON USE OF FUNDS.—Such order shall provide that funds collected by the Board under this subtitle through assessments authorized by this subtitle may not, in any manner, be used for the purpose of influencing legislation or governmental policy or action, except for making recommendations to the Secretary as provided for in this subtitle.

(h) BOOKS, RECORDS, AND REPORTS.—

(1) BY THE BOARD.—Such order shall require the Board—

(A) to maintain books and records with respect to the receipt and disbursement of funds received by the Board;

(B) to submit to the Secretary from time to time such reports as the Secretary may require for appropriate accounting; and

(C) to submit to the Secretary at the end of each fiscal year a complete audit report regarding the activities of the Board during such fiscal year.

(2) BY OTHERS.—So that information and data will be available to the Board and the Secretary that is appropriate or necessary for the effectuation, administration, or enforcement of this subtitle (or any order or regulation issued under this subtitle), such order shall require handlers, producer-handlers, and importers who are responsible for the collection, payment, or remittance of assessments under subsection (d)—

(A) to maintain and make available for inspection by the employees of the Board and the Secretary such books and records as may be required by the order; and

(B) to file, at the times, in the manner, and having the content prescribed by the order, reports regarding the collection, payment, or remittance of such assessments.

(i) CONFIDENTIALITY.—

(1) IN GENERAL.—Such order shall require that all information obtained pursuant to subsection (h)(2) shall be kept confidential by all officers and employees of the Department and of the Board. Only such information as the Secretary considers relevant shall be disclosed to the public and only in a suit or administrative hearing, brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, involving the order with respect to which the information was furnished or acquired.

(2) LIMITATIONS.—Nothing in this subsection prohibits—

(A) issuance of general statements based on the reports of a number of handlers, producer-handlers, and importers subject to an order, if the statements do not identify the information furnished by any person; or

(B) the publication by direction of the Secretary, of the name of any person violating an order issued under section 1954(a), together with a statement of the particular provisions of the order violated by such person.

(j) WITHHOLDING INFORMATION.—Nothing in this subtitle shall be construed to authorize the withholding of information from Congress.

SEC. 1956. PERMISSIVE TERMS IN ORDERS.

On the recommendation of the Board and with the approval of the Secretary, an order issued under section 1954(a) may—

(1) provide authority to the Board to exempt from such order limes exported from the United States, subject to such safeguards as the Board may establish to ensure proper use of the exemption;

(2) provide authority to the Board to designate different handler payment and reporting schedules to recognize differences in marketing practices and procedures;

(3) provide that the Board may convene from time to time working groups drawn from producers, handlers, producer-handlers, importers, exporters, or the general public to assist in the development of research and marketing programs for limes;

(4) provide authority to the Board to accumulate reserve funds from assessments collected pursuant to section 1955(d) to permit an effective and continuous coordinated program of research, promotion, and consumer information, in years in which production and assessment income may be reduced, except that any reserve fund so established may not exceed the amount budgeted for operation of this subtitle for 1 year;

(5) provide authority to the Board to use, with the approval of the Secretary, funds collected under section 1955(d) for the development and expansion of lime sales in foreign markets; and

(6) provide for terms and conditions—

(A) incidental to, and not inconsistent with, the terms and conditions specified in this subtitle; and

(B) necessary to effectuate the other provisions of such order.

SEC. 1957. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order may file with the Secretary a petition—

(A) stating that such order, a provision of such order, or an obligation imposed in connection with such order is not in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—A person submitting a petition under paragraph (1) shall be given an opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition which shall be final if in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which such person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted pursuant to subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from obtaining relief pursuant to section 1958.

SEC. 1958. ENFORCEMENT.

(a) JURISDICTION.—Each district court of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued by the Secretary under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by administrative action under subsection (c) or suitable written notice or warning to any person committing the violation.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulation, may be assessed a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation. Each violation shall be a separate offense.

(2) CEASE AND DESIST ORDERS.—In addition to or in lieu of such civil penalty, the Secretary may issue an order requiring such person to cease and desist from continuing such violation.

(3) NOTICE AND HEARING.—No order assessing a penalty or cease and desist order may be issued by the Secretary under this subsection unless the Secretary gives the person against whom the order is issued notice and opportunity for a hearing on the record before the Secretary with respect to such violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease and desist order shall be final and conclusive unless the person against whom the order is issued files an appeal from such order with the appropriate district court of the United States, in accordance with subsection (d).

(d) REVIEW BY UNITED STATES DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease and desist order issued under subsection (c) may obtain review of the penalty or order in the district court of the United States for the district in which such person resides or does business, or the United States district court for the District of Columbia, by—

(A) filing a notice of appeal in such court not later than 30 days after the date of such order; and

(B) simultaneously sending a copy of such notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall promptly file in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease and desist order issued by the Secretary after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $500 for each offense. Each day during which such failure continues shall be considered a separate violation of such order.

(f) FAILURE TO PAY PENALTIES.—If a person fails to pay an assessment of a civil penalty after it has become a final and unappealable order issued by the Secretary, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States in any district in which the person resides or conducts business. In such action, the validity and appropriateness of the final order imposing such civil penalty shall not be subject to review.

SEC. 1959. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) IN GENERAL.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective carrying out of the responsibilities of the Secretary under this subtitle; or

(2) to determine whether a person subject to the provisions of this subtitle has engaged or is engaging in any act that constitutes a violation of any provision of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) POWER TO SUBPOENA.—

(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary may administer oaths and affirmations and may issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1957 or section 1958, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district of which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under section 1957 or 1958 shall be within the judicial district where such person is an inhabitant or has a principal place of business.

SEC. 1960. INITIAL REFERENDUM.

(a) REQUIREMENT.—Not later than 2 years after the date on which the Secretary first issues an order under section 1954(a), the Secretary shall conduct a referendum among producers, producer-handlers, and importers who—

(1) are not exempt from assessment under section 1955(d)(5); and

(2) produced or imported limes during a representative period as determined by the Secretary.

(b) PURPOSE OF REFERENDUM.—The referendum referred to in subsection (a) is for the purpose of determining whether the issuance of the order is approved or favored by not less than a majority of the producers, producer-handlers, and importers voting in the referendum. The order shall continue in effect only with such a majority.

(c) CONFIDENTIALITY.—The ballots and other information or reports that reveal, or tend to reveal, the vote of any person under this section, or section 1961, shall be held strictly confidential and shall not be disclosed.

(d) REFUND OF ASSESSMENTS FROM ESCROW ACCOUNT.—

(1) IN GENERAL.—A portion of the assessments collected from producers, producer-handlers, and importers prior to announcement of the results of the referendum provided for in this section shall be held in an escrow account until the results of the referendum are published by the Secretary. The amount in the escrow account shall be equal to the product obtained by multiplying the total amount of assessments collected during such period by 10 percent.

(2) APPROVAL OF ORDER.—If the order is approved by a majority of the producers, producer-handlers, and importers voting in the initial referendum under subsection (a), the funds in the escrow account shall be released to be used for the purposes of this subtitle.

(3) DISAPPROVAL OF ORDER.—

(A) PRORATION.—If—

(i) the amount in the escrow account required by paragraph (1) is not sufficient to refund the total amount of assessments demanded by producers, producer-handlers, or importers; and

(ii) the plan is not approved pursuant to the referendum conducted under subsection (a);

the Board shall prorate the amount of such refunds among all eligible producers, producer-handlers, or importers who demand such refund.

(B) RIGHT TO REFUND.—A producer, producer-handler, or importer shall be eligible to receive a refund—

(i) if demand is made personally, in accordance with regulations and on a form and within a time period prescribed by the Board, but in no event less than 90 days after the date of publication of the results of the referendum; and

(ii) on submission of proof satisfactory to the Board that the person paid the assessment for which refund is sought and did not collect the assessment from another person.

(C) SURPLUS FUNDS.—Any funds not refunded under this paragraph shall be released to be used to carry out this subtitle.

SEC. 1961. SUSPENSION AND TERMINATION.

(a) FINDING OF SECRETARY.—If the Secretary finds that an order issued under section 1954(a), or a provision of such order, obstructs or does not tend to effectuate the purposes of this subtitle, the Secretary shall terminate or suspend the operation of such order or provision.

(b) PERIODIC REFERENDA.—The Secretary may periodically conduct a referendum to determine if lime producers, producer-handlers, and importers favor the continuation, termination, or suspension of any order issued under section 1954(a) and in effect at the time of such referendum.

(c) REQUIRED REFERENDA.—The Secretary shall hold a referendum under subsection (b)—

(1) at the request of the Board; or

(2) if not less than 10 percent of the lime producers, producer-handlers, and importers subject to assessment under this subtitle submit a petition requesting such a referendum.

(d) LIMITATION.—The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this subtitle.

(e) VOTE.—The Secretary shall suspend or terminate the order at the end of the marketing year if the Secretary determines that—

(1) the suspension or termination of the order is favored by not less than a majority of those persons voting in a referendum under subsection (b); and

(2) the producers, producer-handlers, and importers comprising this majority produce and import more than 50 percent of the volume of limes produced and imported by those voting in the referendum.

SEC. 1962. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such funds as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—The funds so appropriated shall not be available for payment of the expenses or expenditures of the Board in administering any provisions of an order issued under this subtitle.

SEC. 1963. REGULATIONS.

The Secretary may issue such regulations as are necessary to carry out this subtitle.

Subtitle E—Soybeans

SEC. 1965. SHORT TITLE.

This subtitle may be cited as the "Soybean Promotion, Research, and Consumer Information Act".

SEC. 1966. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) soybeans are an important source of nutritious foods that are a valuable part of the human diet and are an important feedstuff for the livestock industry;

(2) the production of soybeans plays a significant role in the economy of the United States in that soybeans are produced by thousands of soybean producers, processed by numerous processing entities, and soybeans and soybean products produced in the United States are consumed by people and livestock throughout the United States and foreign countries;

(3) soybeans and soybean products should be readily available and marketed efficiently to ensure that consumers have an adequate supply of soybean products at a reasonable price;

(4) the maintenance and expansion of existing markets and development of new markets for soybeans and soybean products are vital to the welfare of soybean producers and processors and those concerned with marketing soybeans and soybean products, as well as to the general economy of the United States, and are necessary to ensure the ready availability and efficient marketing of soybeans and soybean products;

(5) there exist established State and national organizations conducting soybean promotion, research, and consumer education programs that are valuable to the efforts of promoting the consumption of soybeans and soybean products;

(6) the cooperative development, financing, and implementation of a coordinated national program of soybean promotion, research, consumer information, and industry information are necessary to maintain and expand existing markets and develop new markets for soybeans and soybean products; and

(7) soybeans and soybean products move in interstate and foreign commerce, and soybeans and soybean products that do not move in such channels of commerce directly burden or affect interstate commerce in soybeans and soybean products.

(b) POLICY.—Congress declares that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing through assessments on domestically-produced soybeans, and implementing a program of promotion, research, consumer information, and industry information designed to strengthen the soybean industry's position in the marketplace, to maintain and expand existing domestic and foreign markets and uses for soybeans and soybean products, and to develop new markets and uses for soybeans and soybean products.

(c) CONSTRUCTION.—Nothing in this subtitle may be construed to provide for the control of production or otherwise limit the right of individual producers to produce soybeans.

SEC. 1967. DEFINITIONS.

As used in this subtitle:

(1) BOARD.—The term "Board" means the United Soybean Board established under section 1969(b).

(2) COMMERCE.—The term "commerce" includes interstate, foreign, and intrastate commerce.

(3) COMMITTEE.—The term "Committee" means the Soybean Program Coordinating Committee established under section 1969(g).

(4) CONSUMER INFORMATION.—The term "consumer information" means information that will assist consumers and other persons in making evaluations and decisions regarding the purchase, preparation, and use of soybeans or soybean products.

(5) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(6) FIRST PURCHASER.—The term "first purchaser" means—

(A) except as provided in subparagraph (B), any person buying or otherwise acquiring from a producer soybeans produced by such producer; or

(B) the Commodity Credit Corporation, in any case in which soybeans are pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation.

(7) INDUSTRY INFORMATION.—The term "industry information" means information and programs that will lead to the development of new markets, new marketing strategies, or increased efficiency for the soybean industry, and activities to enhance the image of the soybean industry.

(8) MARKETING.—The term "marketing" means the sale or other disposition of soybeans or soybean products in any channel of commerce.

(9) NET MARKET PRICE.—The term "net market price" means—

(A) except as provided in subparagraph (B), the sales price or other value received by a producer for soybeans after adjustments for any premium or discount based on grad-

ing or quality factors, as determined by the Secretary; or

(B) for soybeans pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation, the principal amount of the loan.

(10) ORDER.—The term "order" means an order issued under section 1968.

(11) PERSON.—The term "person" means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity.

(12) PRODUCER.—The term "producer" means any person engaged in the growing of soybeans in the United States who owns, or who shares the ownership and risk of loss of, such soybeans.

(13) PROMOTION.—The term "promotion" means any action, including paid advertising, technical assistance, and trade servicing activities, to enhance the image or desirability of soybeans or soybean products in domestic and foreign markets, and any activity designed to communicate to consumers, importers, processors, wholesalers, retailers, government officials, or others information relating to the positive attributes of soybeans or soybean products or the benefits of importation, use, or distribution of soybeans and soybean products.

(14) QUALIFIED STATE SOYBEAN BOARD.—The term "qualified State soybean board" means a State soybean promotion entity that is authorized by State law. If no such entity exists in a State, the term "qualified State soybean board" means a soybean producer-governed entity—

(A) that is organized and operating within a State;

(B) that receives voluntary contributions and conducts soybean promotion, research, consumer information, or industry information programs; and

(C) that meets criteria established by the Board as approved by the Secretary relating to the qualifications of such entity to perform duties under the order and is recognized by the Board as the soybean promotion and research entity within the State.

(15) RESEARCH.—The term "research" means any type of study to advance the image, desirability, marketability, production, product development, quality, or functional or nutritional value of soybeans or soybean products, including any research activity designed to identify and analyze barriers to export sales of soybeans and soybean products.

(16) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(17) SOYBEAN PRODUCTS.—The term "soybean products" means products produced in whole or in part from soybeans or soybean by-products.

(18) SOYBEANS.—The term "soybeans" means all varieties of Glycine max or Glycine soya.

(19) STATE.—The terms "State" and "United States" consist of the 50 States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1968. ISSUANCE AND AMENDMENT OF ORDERS.

(a) IN GENERAL.—To effectuate the declared policy of section 1966(b), the Secretary, subject to the procedures provided in subsection (b), shall issue orders under this subtitle applicable to producers and first purchasers of soybeans. Any such order shall be national in scope, and not more than one order shall be in effect under this subtitle at any one time.

(b) PROCEDURE.—

(1) PROPOSAL OR REQUEST FOR ISSUANCE.—The Secretary may propose the issuance of an order under this subtitle, or an association of soybean producers or any other person that would be affected by an order issued pursuant to this subtitle may request the issuance of, and submit a proposal for, such an order.

(2) NOTICE AND COMMENT CONCERNING PROPOSED ORDER.—Not later than 30 days after the receipt of a request and proposal for an order pursuant to paragraph (1), or whenever the Secretary determines to propose an order, the Secretary shall publish a proposed order and give due notice and opportunity for public comment on the proposed order.

(3) ISSUANCE OF ORDER.—After notice and opportunity for public comment are given as provided in paragraph (2), the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements under this subtitle. Such order shall be issued and become effective not later than 180 days following publication of the proposed order.

(c) AMENDMENTS.—The Secretary, from time to time, may amend any order issued under this section. The provisions of this subtitle applicable to orders shall be applicable to amendments to orders.

SEC. 1969. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—Any order issued under this subtitle shall contain the terms and conditions specified in this section.

(b) ESTABLISHMENT AND MEMBERSHIP OF THE UNITED SOYBEAN BOARD.—

(1) IN GENERAL.—The order shall provide for the establishment of, and appointment of members to, a United Soybean Board to administer the order. Members of the Board shall be soybean producers appointed by the Secretary, on a geographic basis, from State or combined units, as provided in this subsection. The cumulative number of seats on the Board shall be the total number of seats to which all the units are entitled.

(2) SEATS.—The Secretary shall establish State units and combined units and seats on the Board for such units, as follows:

(A) STATE UNITS.—Except as provided in subparagraph (B), each State shall be considered as a unit.

(B) COMBINED UNITS.—A State in which average annual soybean production is less than 3,000,000 bushels shall be grouped with other States into a combined unit. To the extent practicable, each State with average annual soybean production of less than 3,000,000 bushels shall be grouped with other States with average annual soybean production of less than 3,000,000 bushels into a combined unit, in a manner prescribed in the order, and each combined unit shall consist of geographically contiguous States. To the extent practicable, each combined unit shall have an average annual production of soybeans of at least 3,000,000 bushels.

(C) NUMBER OF SEATS PER UNIT.—Subject to subparagraph (F), each unit, as established under subparagraph (A) or (B)—

(i) if its average annual soybean production is less than 15,000,000 bushels, shall be entitled to one seat on the Board;

(ii) if its average annual soybean production is 15,000,000 bushels or more but less than 70,000,000 bushels, shall be entitled to 2 seats on the Board;

(iii) if its average annual soybean production is 70,000,000 bushels or more but less than 200,000,000 bushels, shall be entitled to 3 seats on the Board; and

(iv) if its average annual soybean production is 200,000,000 bushels or more, shall be entitled to 4 seats on the Board.

(D) DETERMINATION OF AVERAGE ANNUAL SOYBEAN PRODUCTION.—For purposes of subparagraphs (A), (B), (C), and (F), the Secretary shall determine average annual soybean production applicable to a crop year by using the average of the 5 previous crops of soybeans, excluding the crop in which production was the highest and the crop in which production was the lowest.

(E) REAPPORTIONMENT OF SEATS.—At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Secretary, if necessary, shall adjust any unit to conform with subparagraphs (A) and (B). If the Secretary makes such an adjustment, the Secretary shall reapportion the seats on the Board to conform with subparagraph (C) and any modifications made under subparagraph (F). If payment of refunds following the initial referendum conducted under section 1970(a) is authorized by producers, in making such adjustments, the Secretary shall exclude, from each State's annual soybean production, those bushels of soybeans on which such refunds are paid.

(F) ADJUSTMENT OF LEVELS OF PRODUCTION.—At the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Board may recommend to the Secretary, to the extent it determines appropriate, changes in the levels of production used in subparagraphs (A), (B), and (C) to determine per-unit representation on the Board. The Secretary may amend the order to make such changes in levels of production used to determine per-unit representation. Any such amendment to the order shall not be subject to a referendum of producers. A unit may not, as a result of any modification under this subparagraph, lose Board seats to which it is entitled at the time the order is initially issued unless its average annual production, as determined under subparagraph (D), declines below the levels required for representation, as specified in subparagraphs (A), (B), and (C).

(3) NOMINATIONS.—

(A) IN GENERAL.—The Secretary shall appoint soybean producers to seats established under paragraph (2) from nominations submitted by each unit. Each unit shall submit to the Secretary at least two nominations for each appointment to the Board to which the unit is entitled, as determined under paragraph (2).

(B) METHOD FOR OBTAINING NOMINATIONS.—

(i) INITIALLY-ESTABLISHED BOARD.—

(I) STATE UNITS.—The Secretary shall solicit nominations for each seat on the initially-established Board to which a State unit is entitled from the State soybean board in the State that submits satisfactory evidence to the Secretary that such board meets the criteria of subparagraph (A) or (B) of section 1967(14). If no such organization exists in the unit, the Secretary shall solicit nominations for appointments in such manner as the Secretary determines appropriate.

(II) COMBINED UNITS.—The Secretary shall solicit nominations for each seat on the initially-established Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any State soybean board operating in the unit that submits to the Secretary satisfactory evidence that such board meets the criteria described in subparagraph (A) or (B) of section 1967(14).

(ii) SUBSEQUENT APPOINTMENT.—

(I) STATE UNITS.—Nominations for each subsequent appointment to a seat on the Board to which a State unit is entitled shall be made by the qualified State soybean board in the unit. If no such organization exists in the unit, the Secretary shall solicit nominations for such appointment in such manner as the Secretary determines appropriate.

(II) COMBINED UNITS.—The Secretary shall solicit nominations for each subsequent appointment to the Board to which a combined unit is entitled in such manner as the Secretary determines appropriate, taking into consideration the recommendations of any qualified State soybean board operating in the unit.

(iii) REJECTION.—The Secretary may reject any nomination submitted by a unit under this paragraph. If there are insufficient nominations from which to appoint members to the Board as a result of the Secretary rejecting the nominations submitted by a unit, the unit shall submit additional nominations, as provided in this paragraph.

(4) TERMS.—Each appointment to the Board shall be for a term of 3 years, except that appointments to the initially-established Board shall be proportionately for 1-year, 2-year, and 3-year terms. No person may serve more than three consecutive 3-year terms.

(5) COMPENSATION.—Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Board.

(6) TEMPORARY APPOINTMENTS.—

(A) APPOINTMENT.—Notwithstanding paragraphs (1) through (5), the Secretary, under procedures established by the Secretary, shall appoint to the initially-established Board up to three temporary members to serve in addition to the members appointed as otherwise provided in this subsection, as the Secretary determines appropriate for transition purposes under the criteria set out in subparagraph (B). Each such temporary member shall be appointed for a single term not to exceed 3 years.

(B) REPRESENTATION OF CERTAIN STATES.—The Secretary shall make temporary appointments to the initially-established Board to ensure, to the extent practicable, that each State with a State soybean board that, prior to the date of enactment of this Act, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts has representation on the initially-established Board that reflects the relative contributions of such State to the national soybean promotion and research effort.

(7) MEETINGS.—The order shall provide for at least one meeting of the Board annually and specify the circumstances under which additional special meetings of the Board may be held.

(c) POWERS AND DUTIES OF THE BOARD.—The order shall define the powers and duties of the Board and shall include the power and duty—

(1) to administer the order in accordance with the terms and provisions of the order;

(2) to make regulations to effectuate the terms and provisions of the order;

(3) if the Board exercises its authority to establish the Committee described in subsection (g)—

(A) to elect members of the Board to serve on the Committee; and

(B) if the Board assigns to the Committee the power to develop and submit budgets as provided for in subsection (h)(1), to approve, modify, or reject budgets submitted by the Committee;

(4) to submit budgets to the Secretary for the approval or disapproval of the Secretary;

(5) to contract with appropriate persons to implement plans or projects;

(6) to contract with qualified State soybean boards to implement programs in their States;

(7) to receive, investigate, and report to the Secretary complaints of violations of the order;

(8) to recommend to the Secretary amendments to the order;

(9) to provide the Secretary with prior notice of meetings of the Board and meetings of committees of the Board to permit the Secretary, or a designated representative, to attend such meetings; and

(10) to provide not less than annually a report to producers accounting for funds and describing programs implemented, and such reports shall be made available to the public on request.

(d) BOARD VOTING PROCEDURES.—

(1) IN GENERAL.—The order shall establish procedures for the conduct of voting by the Board, as provided in this subsection. On or after the end of the 3-year period beginning on the effective date of the order, the Board may recommend to the Secretary changes in the voting procedures of the Board and the Secretary may amend the order to make such changes. Such changes shall not be subject to a referendum of producers.

(2) NUMBER OF VOTES PER MEMBER.—Each member of the Board shall be entitled, in any vote conducted by the Board, to cast the number of votes determined under the following rules:

(A) IN GENERAL.—Each member shall be entitled to cast one vote unless a roll call vote is conducted. On a roll call vote, each member shall be entitled to cast such additional votes as are assigned to the member under subparagraph (B).

(B) ADDITIONAL VOTES.—The additional votes that each member is assigned for roll call votes shall be computed as follows:

(i) ASSESSMENT LEVEL.—Except as provided in clause (ii), each unit shall be allotted one vote for each percent, or portion of a percent, of the total amount of assessments remitted to the Board that was remitted from the unit (net of any refunds made under subsection (l)(2)), on the average, during each of the 3 previous fiscal years of the Board.

(ii) FIRST THREE FISCAL YEARS.—

(I) FIRST FISCAL YEAR.—During the first fiscal year of the Board, each unit shall be allotted one vote for each percent, or portion of a percent, of the total production of soybeans in the United States that was produced in the unit, on the average, during each of the 3 immediately preceding crop years.

(II) SECOND AND THIRD FISCAL YEARS.—The order shall provide appropriate adjustments of the procedure for the allotment of votes under clause (i) to apply to allotments of votes during the second and third fiscal years of the Board.

(iii) DIVISION OF VOTES WITHIN UNITS.—A unit's total votes under clause (i) or (ii) shall be divided equally among all the members present and voting representing that unit. The procedures established by the order shall provide for the equitable disposition of fractional votes assigned to a member under such division of a unit's vote.

(3) MOTIONS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), a motion shall carry if approved by a simple majority of members of the Board casting votes.

(B) ROLLCALL VOTES.—Any member of the Board may call for a roll call vote on any motion. Except as otherwise provided in the bylaws adopted by the Board, whenever a roll call vote is conducted, the motion shall carry only if it is approved by a simple majority of all votes cast and a simple majority of all units voting (with the vote of each unit determined by a simple majority of all votes cast by members in that unit).

(4) COMMITTEE VOTES.—In any vote conducted by a committee of the Board, each member of the committee shall have one vote.

(5) PROXIES.—A member may not cast votes by proxy.

(e) BUDGETS.—

(1) IN GENERAL.—The order shall provide that the Board shall develop budgets on a fiscal year basis of anticipated expenses and disbursements under the order, including probable costs of administration and promotion, research, consumer information, and industry information projects. The Board shall submit such budgets or any substantial modification thereof to the Secretary for the Secretary's approval.

(2) LIMITATION.—No expenditure of funds may be made by the Board unless such expenditure is authorized under a budget or modification approved by the Secretary.

(f) PLANS AND PROJECTS.—The order shall provide that the Board shall review or, on its own initiative, develop plans or projects of promotion, research, consumer information, and industry information, to be paid for with funds received by the Board. Such plans or projects shall not become effective until approved by the Secretary.

(g) SOYBEAN PROGRAM COORDINATING COMMITTEE.—

(1) ESTABLISHMENT.—The order may authorize the Board to establish a Soybean Program Coordinating Committee to assist in the administration of the order, as provided in this subsection.

(2) MEMBERSHIP.—

(A) COMPOSITION.—The Committee shall be composed of members such that—

(i) not less than two-thirds of the Committee shall be members of the Board, including—

(I) the Chairperson and Treasurer of the Board; and

(II) additional members of the Board elected by the Board; and

(ii) not more than one-third of the Committee shall be producers elected by the national, nonprofit soybean producer-governed organization that conducts activities on behalf of State soybean boards and that, on the date of the enactment of this Act, conducts activities to promote soybeans and soybean products as a cooperator with the Foreign Agricultural Service of the Department.

(B) CERTIFICATION.—To serve on the Committee, each producer elected by the national, nonprofit soybean producer-governed organization shall be certified by the Secretary as a producer who is duly elected by such organization as a representative to the Committee.

(3) TERMS.—Terms of appointment to the Committee shall be for 1 year. No person may serve on the Committee for more than 6 consecutive terms.

(4) COMPENSATION.—Committee members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing duties for the Committee.

(5) CHAIRPERSON.—The Chairperson of the Board shall serve as Chairperson of the Committee.

(6) QUORUM.—A quorum of the Committee shall consist of the number of members of the Committee equal to three-fourths of the total membership of the Committee.

(h) POWERS AND DUTIES OF THE COMMITTEE.—The order shall define the powers and duties that the Board may assign to the Committee, which may include the following:

(1) BUDGETS.—The Board may assign to the Committee the power to develop and submit to the Board, for approval, budgets on a fiscal year basis, as provided for in subsection (e). The Board shall review and approve, reject, modify, or substitute a budget proposed by the Committee, and submit budgets to the Secretary for the Secretary's approval under subsection (e).

(2) PLANS AND PROJECTS.—The Board may assign to the Committee the power to review, or on its own initiative develop, plans or projects for promotion, research, consumer information, and industry information activities, to be paid for with funds received by the Board as provided for in subsection (f). Each such plan or project shall be presented to the Board for approval.

(3) VOTING.—A recommendation to be presented to the Board relating to proposed budgets or proposed plans and projects shall require the concurring vote of at least two-thirds of the members present at a meeting of the Committee.

(i) ADMINISTRATION.—

(1) EXPENSES.—The order shall provide that the Board shall be responsible for all expenses of the Board.

(2) STAFF.—

(A) IN GENERAL.—The order shall provide that the Board may establish an administrative staff or facilities of its own or contract for the use of the staff and facilities of national, nonprofit, producer-governed organizations that represent producers of soybeans.

(B) LIMITATION ON SALARIES.—If the Board establishes an administrative staff of its own, the Board is authorized to expend for administrative staff salaries and benefits an amount not to exceed one percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (l)(2), for that fiscal year.

(C) REIMBURSEMENT OF ORGANIZATION.—If the staff of national, nonprofit, producer-governed organizations that represent producers of soybeans are used by the Board, the staff of such organizations shall not receive compensation directly from the Board, but such organizations shall be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of, and authorized by, the Board.

(3) LIMITATION ON ADMINISTRATIVE COSTS.—The order shall provide that costs incurred by the Board in administering the order (including the cost of staff but not including administrative costs incurred by the Secretary) during any fiscal year shall not exceed 5 percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under subsection (l)(2), for that fiscal year.

(j) CONTRACTS AND AGREEMENTS.—

(1) AUTHORITY.—To ensure coordination and efficient use of funds, the order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of the activities authorized by this subtitle with national, nonprofit, producer-governed organizations that represent producers of soybeans, and for the payment thereof with funds received by the Board under the order.

(2) COORDINATION.—To enhance coordination, the Board, when entering into contracts or agreements for the implementation and carrying out of activities authorized by this subtitle, shall ensure that all plans or projects implemented for consumer information, industry information, promotion, or research are each implemented by a single entity. There shall not be in force, at any one time, more than one contract or agreement for implementation of plans or projects for consumer information, for industry information, for promotion, or for research, except that, upon approval of the Secretary, the Board may contract with qualified State soybean boards to implement plans or projects within their respective States.

(3) TERMS.—Any contract or agreement entered into under this subsection shall provide that—

(A) the contracting party shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project;

(B) the plan or project shall not become effective until it has been approved by the Secretary; and

(C) the contracting party shall keep accurate records of all of its transactions, account for funds received and expended, including staff time, salaries, and expenses expended on behalf of Board activities, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(4) COMMUNICATIONS TO PRODUCERS.—The order may provide that—

(A) the Board may enter into contracts or agreements with qualified State soybean boards that apply therefor and agree to the terms thereof, for the implementation of plans or projects to coordinate and facilitate communications to producers regarding the conduct of activities under the order and for the payment of the costs of the plans or projects with funds received by the Board under the order; and

(B) to facilitate the funding of plans or projects described in subparagraph (A), if the order does not authorize the payment of refunds, the Board shall allocate for such funding each year an amount not less than the cumulative amount of all producer contributions to qualified State soybean boards during the previous year that the State boards were unable to retain, and forwarded to the Board, because producers received refunds on such State contributions, as determined by the Board based on information submitted by the qualified State soybean boards.

(5) APPORTIONMENT OF FUNDS TO QUALIFIED STATE SOYBEAN BOARDS.—

(A) IN GENERAL.—In using the funds allocated each year under paragraph (4)(B) for payment of the costs of contracts or agreements described in paragraph (4)(A), subject to subparagraph (B), the Board shall apportion such allocated funds among States so that each qualified State soybean board receives an amount equal to the amount of such allocated funds attributable to refunds in the State during the previous year, as determined by the Board based on information submitted by the qualified State soybean boards.

(B) EXCEPTION.—The Board shall not be required to apportion funds to a qualified State soybean board, as provided in subparagraph (A), if—

(i) the qualified State soybean board has not entered into a contract or agreement with the Board for the implementation of plans or projects described in paragraph (4)(A); or

(ii) the amount to be apportioned to the qualified State soybean board is less than the cost to the Board of overseeing the use of such apportionment during the year involved, and the contract or agreement shall so provide.

(k) BOOKS AND RECORDS OF THE BOARD.—The order shall require the Board to—

(1) maintain such books and records, which shall be available to the Secretary for inspection and audit, as the Secretary may prescribe;

(2) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(3) account for the receipt and disbursement of all funds entrusted to the Board.

The Board shall cause its books and records to be audited by an independent auditor at the end of each fiscal year and a report of such audit to be submitted to the Secretary. The Secretary shall make such report available to the public upon request.

(l) ASSESSMENTS.—

(1) IN GENERAL.—

(A) FIRST PURCHASERS.—

(i) COLLECTION.—The order shall provide that each first purchaser of soybeans from a producer shall collect, in the manner prescribed by the order, an assessment from the producer and remit the assessment to the Board. The Board shall use qualified State soybean boards to collect such assessments in States in which such boards operate.

(ii) RATE.—The rate of assessment prescribed by the order shall be one-half of 1 percent of the net market price of soybeans sold by the producer to the first purchaser.

(iii) ONE ASSESSMENT.—No more than one assessment shall be made on any soybeans.

(B) DIRECT PROCESSING.—The order shall provide that any person processing soybeans of that person's own production and marketing such soybeans or soybean products made from such soybeans shall remit to the Board or the qualified State soybean board, in the manner prescribed by the order, an assessment established at a rate equivalent to the rate provided for in subparagraph (A)(ii).

(2) REFUNDS.—

(A) REFUNDS PRIOR TO INITIAL REFERENDUM.—

(i) IN GENERAL.—The order shall provide that, during the period prior to the approval of the continuation of the initial order in the referendum provided for in section 1970(a), as determined by the Secretary, each producer shall have the right to demand and receive from the Board a refund of any assessment collected from such producer if—

(I) such producer is responsible for paying the assessment; and

(II) such producer does not support the programs, projects, or activities implemented under the order.

(ii) BY BOARD.—During the period referred to in clause (i), refunds shall be provided equally from the Board and, where applicable, the qualified State soybean board, as determined by the Secretary.

(B) ADMINISTRATION.—Subject to subparagraph (C)(i), any demand by a producer for a refund of an assessment under this paragraph shall be made in accordance with reg-

ulations, on a form, and within the time period (not to exceed 90 days) prescribed by the Board.

(C) SUBMISSION OF REFUND DEMANDS.—

(i) IN GENERAL.—In each State in which a qualified State soybean board collects assessments, as provided in paragraph (1)(A)(i), producers shall submit demands for refunds of assessments to the qualified State soybean board. Such board shall provide notice to producers, in a manner prescribed by the Board, of their right to such refunds, and shall process such submissions under procedures established by State law applicable to refunds of assessments on soybeans, except that if no refunds are allowed under State law, such submissions shall be processed under procedures established under this paragraph.

(ii) NO QUALIFIED STATE SOYBEAN BOARD.—In each State in which there is no qualified State soybean board, producers shall submit demands for refunds of assessments directly to the Board.

(D) TIME LIMIT FOR MAKING REFUND.—Subject to subparagraph (C)(i), each refund to a producer of an assessment under this paragraph shall be made as soon as practicable, but in no event more than 60 days, after submission of proof satisfactory to the qualified State soybean board or the Board that the producer paid the assessment for which refund is demanded.

(E) ORDER NOT FAVORED.—If the Secretary determines that producers do not favor the continuation of the order in the referendum provided for in section 1970(a), refunds shall be made under this paragraph on collected assessments until such collections are terminated, as provided in section 1970(a).

(F) REFUNDS AFTER THE INITIAL REFERENDUM.—

(i) IN GENERAL.—The order shall contain provisions relating to refunds after the approval of the order in the initial referendum under section 1970(a) as required in this subparagraph.

(ii) AVAILABILITY.—Effective for the period beginning on the date the Secretary determines the result of the initial referendum under section 1970(a) and ending on a date (not later than 18 months thereafter) established by the Secretary, the qualified State soybean board and, where no qualified State soybean board exists, the Board shall make refunds available to soybean producers at the end of the fiscal year from escrowed funds, as provided for in clause (vii). Such refunds shall be made available, under the procedures specified in subparagraphs (A) through (D) to the extent not inconsistent with this subparagraph, to producers who have requested refunds during such period.

(iii) POLL.—Not later than the end of the period provided for in clause (ii), the Secretary shall conduct a poll of soybean producers, using the procedures provided for in section 1970(b)(3), to determine if producers support the conduct of a referendum on the continuance of the payment of refunds under the order.

(iv) REFERENDUM.—If the Secretary determines, based on the poll conducted under clause (iii), that the conduct of a referendum is supported by at least 20 percent of the producers (not in excess of one-fifth of which may be producers in any one State) who, during a representative period, have been engaged in the production of soybeans, the Secretary shall conduct a referendum among all such producers for the purpose of determining whether such producers favor the continuation of the payment of refunds under the order. Such referendum shall be conducted, under the procedures provided for in section 1970, not later than 1 year after the Secretary determines, based on the poll, that the referendum is required.

(v) CONTINUED REFUNDS.—If the Secretary conducts a referendum under clause (iv), the qualified State soybean board and, where no qualified State soybean board exists, the Board shall continue to make refunds available to producers as provided for in clause (ii) during the period prior to the conduct of the referendum, which shall be payable at the end of the period from the escrowed funds, as provided in clause (vii).

(vi) CONTINUATION OR CESSATION OF REFUNDS.—If the Secretary determines, in the referendum conducted under clause (iv), that continuation of the payment of refunds is favored by a majority of the producers voting in such referendum, the qualified State soybean board and, where no qualified State soybean board exists, the Board shall continue to make refunds available to producers as provided for in clause (ii) for each 1-year period that follows until such time as soybean producers approve an amendment to the order to eliminate such refunds. Such refunds shall be payable at the end of each such 1-year period from escrowed funds, as provided in clause (vii). If the Secretary determines in the referendum that continuation of such refunds is not favored by a majority of producers voting in the referendum, the right to such refunds shall cease immediately.

(vii) ESCROW ACCOUNTS.—

(I) ESTABLISHMENT.—The qualified State soybean board and, for producers in States where no qualified State soybean board exists, the Board shall establish escrow accounts to be used to pay refunds under clause (ii) and, if necessary, clauses (v) and (vi).

(II) SEPARATE ACCOUNTS.—The qualified State soybean board and, where no qualified State soybean board exists, the Board shall establish separate escrow accounts for each State from which producer assessments are collected for the purpose of making refunds under clauses (ii), (v), and (vi), respectively.

(III) DEPOSITS.—The qualified State soybean board and, where no qualified State soybean board exists, the Board shall deposit into its escrow account for refunds under clause (ii), (v), or (vi), as appropriate, 10 percent of the total assessment collected by the qualified State soybean board and, where no qualified State soybean board exists, the Board (including the assessment provided under paragraph (2) and contributions by producers to qualified State soybean boards under paragraph (4)), during the time period involved.

(IV) REFUNDS MADE FROM ESCROW ACCOUNT.—Refunds requested by producers from a State under clause (ii) (or if refunds are available under clause (v) or (vi)) during the time period involved shall be made from the escrow account that is applicable to that clause for such State.

(V) PRORATION.—If the funds deposited in a State account established under subclause (I) for purposes described under clauses (ii), (v), and (vi) are not sufficient to honor all requests for refunds made by producers from that State during the time period involved, the qualified State soybean board and, where no qualified State soybean board exists, the Board shall prorate the amount of such refunds from the State's account among all producers from that State that requests refunds.

(VI) SURPLUS FUNDS.—Any funds not refunded to producers in a State under this clause shall be divided equally between the Board and the qualified State soybean board of such State. Such funds shall be used to carry out programs under this subtitle.

(VII) REFUND PERIOD.—In applying this clause to refunds under clause (vi), each annual refund period shall be treated separately.

(3) USE.—The assessments (net of any refunds under paragraph (2)) shall be used for—

(A) payment of the expenses incurred in implementation and administration of the order;

(B) the establishment of a reasonable reserve; and

(C) reimbursement to the Secretary of administrative costs incurred by the Secretary to implement and administer the order, other than one-half of the cost incurred for the referendum conducted under paragraph (2)(F).

(4) CREDIT FOR CONTRIBUTIONS TO QUALIFIED STATE SOYBEAN BOARDS.—A producer who can establish that such producer is contributing to a qualified State soybean board shall receive credit, in determining the assessment due to the Board from such producer, for contributions to the qualified State soybean board of up to one-quarter of 1 percent of the net market price of soybeans or the equivalent thereof. For purposes of this subtitle, there shall be only one qualified State soybean board in each State. A producer may receive a credit under this paragraph only if the contribution is to the qualified State soybean board in the State in which the soybeans are produced, except that the Board, with the approval of the Secretary, may authorize exceptions to such State-of-origin rule as are appropriate to ensure effective coordination of collection procedures among States.

(5) SINGLE PROCESS OF ASSESSMENT.—The procedures in the order for the collection of assessments shall ensure, to the extent practicable, that such soybeans are subject to a single process of assessment under the order.

(m) CREDIT FOR CERTAIN COSTS TO STATES.—The order shall provide that the Board may provide a credit to each qualified State soybean board of an amount not to exceed one-half of any fees paid to State governmental agencies or first purchasers for collection of the assessments if the payment of such fees by the qualified State soybean board is required by State law enacted prior to the date of enactment of this Act, except that the Board may not provide a credit to any qualified State soybean board of an amount that exceeds 2.5 percent of the amount of assessments collected and remitted to the Board under subsection (l).

(n) MINIMUM LEVEL OF ASSESSMENTS TO STATES.—

(1) PRE-REFERENDUM PERIOD.—The order shall contain provisions to ensure that, during the period prior to the conduct of the referendum provided for in section 1970(a), each qualified State soybean board receives annually an amount of funds equal to the average amount that the State board collected from assessments during each of the State board's fiscal years 1984 through 1988 (excluding the year in which such collections were the highest and the year in which such collections were the lowest), as determined by the Secretary and subject to paragraph (3).

(2) POST-REFERENDUM PERIOD.—The order shall provide, effective after the conduct of the referendum provided for in section 1970(a), subject to paragraph (3), that the Board annually shall provide a credit to

each qualified State soybean board of an amount by which—

(A) the amount equal to 1 cent times the average number of bushels of soybeans produced in the State during each of the preceding 5 years (excluding the year in which the production is the highest and the year in which the production is the lowest); exceeds

(B) the total amount collected by the qualified State soybean board from assessments on producers minus the amount of assessments remitted to the Board during such year under subsection (l).

(3) LIMITATION.—The total amount of credits under paragraph (1) or (2) and assessments retained by the qualified State soybean board for a year may not exceed the total amount of assessments collected in that State under subsection (l) (net of any refunds made under paragraph (2) of subsection (l)) in that year.

(o) INVESTMENT OF FUNDS.—

(1) IN GENERAL.—The order shall provide that the Board, with the approval of the Secretary, may invest assessment funds collected by the Board under the order, pending their disbursement, only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States.

(2) INCOME.—Income from any such investment may be used for any purpose for which the invested funds may be used.

(p) PROHIBITION ON USE OF FUNDS TO INFLUENCE GOVERNMENTAL ACTION.—

(1) IN GENERAL.—Except as otherwise provided in paragraph (2), the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing legislation or governmental action or policy.

(2) EXCEPTIONS.—Paragraph (1) shall not apply to—

(A) the development and recommendation of amendments to the order;

(B) the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, or industry information activities under the order; or

(C) any action designed to market soybeans or soybean products directly to a foreign government or political subdivision thereof.

(q) BOOKS AND RECORDS OF FIRST PURCHASERS AND CERTAIN PRODUCERS.—

(1) RECORDKEEPING.—

(A) IN GENERAL.—The order shall require that each first purchaser of soybeans and any person processing soybeans of that person's own production maintain and make available for inspection by the Board or the Secretary such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. The order shall exempt small producers processing soybeans of their own production from such recordkeeping and reporting requirements if they are not required to pay assessments under the order.

(B) DEFINITION OF SMALL PRODUCER.—The order shall define the term "small producer" as such term is used in subparagraph (A).

(2) USE OF INFORMATION.—

(A) IN GENERAL.—Information maintained under paragraph (1) shall be made available to the Secretary as is appropriate for the administration or enforcement of this subtitle, or any order or regulation issued under this subtitle.

(B) OTHER INFORMATION.—The Secretary shall authorize the use under this subtitle of information regarding first purchasers that is accumulated under a law or regulation other than this subtitle or regulations under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, commercial or financial information that is obtained under paragraph (1) or (2) and that is privileged or confidential shall be kept confidential by all officers and employees of the Department, members of the Board, and agents of the Board.

(B) PERMITTED USES.—Information obtained under the authority of this subtitle shall be made available to any agency or officer of the Federal Government for—

(i) the implementation of this subtitle;

(ii) any investigatory or enforcement action necessary for the implementation of this subtitle; or

(iii) any civil or criminal law enforcement activity if the activity is authorized by law.

(C) OTHER EXCEPTIONS.—Nothing in subparagraph (A) may be deemed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person.

(4) PENALTY.—Any person who willfully violates the provisions of this subsection, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if a member or an agent of the Board; or an officer or employee of the Department, shall be removed from office.

(r) INCIDENTAL TERMS AND CONDITIONS.—The order shall provide terms and conditions, not inconsistent with the provisions of this subtitle, as necessary to effectuate the provisions of the order, including provisions for the assessment of a penalty for each late payment of assessments under subsection (l).

SEC. 1970. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) REQUIREMENT.—Not earlier than 18 months or later than 36 months following issuance of an order under section 1968, the Secretary shall conduct a referendum among producers who, during a representative period as determined by the Secretary, have been engaged in the production of soybeans for the purpose of ascertaining whether the order then in effect shall be continued.

(2) ADVANCE NOTICE.—The Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. Any such notice shall be provided without advertising expenses by means of newspapers, county newsletters, the electronic media, and press releases, through the use of notices posted in State and county Extension Service offices and county Agricultural Stabilization and Conservation Service offices, and by other appropriate means specified in the order. Such notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent facts.

(3) APPROVAL OF ORDER.—Such order shall be continued only if the Secretary determines that the order has been approved by not less than a majority of the producers voting in the referendum.

(4) DISAPPROVAL OF ORDER.—If continuation of the order is not approved by a majority of those voting in the referendum, the Secretary shall terminate collection of assessments under the order within 6 months after the referendum and shall terminate the order in an orderly manner as soon as practicable.

(b) ADDITIONAL REFERENDA.—

(1) IN GENERAL.—

(A) REQUIREMENT.—After the initial referendum on an order, the Secretary shall conduct additional referenda, as described in subparagraph (C), if requested by a representative group of producers, as described in subparagraph (B).

(B) REPRESENTATIVE GROUP OF PRODUCERS.—An additional referendum on an order shall be conducted if requested by 10 percent or more of the producers who during a representative period have been engaged in the production of soybeans, of which group of requesting producers not in excess of one-fifth may be producers in any one State, as determined by the Secretary.

(C) ELIGIBLE PRODUCERS.—Each additional referendum shall be conducted among all producers who, during a representative period, as determined by the Secretary, have been engaged in the production of soybeans to determine whether such producers favor the termination or suspension of the order.

(2) DISAPPROVAL OF ORDER.—If the Secretary determines, in any referendum conducted under paragraph (1), that suspension or termination of the order is favored by a majority of the producers voting in the referendum, the Secretary shall suspend or terminate, as appropriate, collection of assessments under the order within 6 months after such determination and shall suspend or terminate the order, as appropriate, in an orderly manner as soon as practicable after such determination.

(3) OPPORTUNITY TO REQUEST ADDITIONAL REFERENDA.—

(A) IN GENERAL.—To facilitate the periodic determination as to whether producers favor the conduct of an additional referendum under this subsection, the Secretary, 5 years after the conduct of a referendum under this Act and every 5 years thereafter, shall provide soybean producers an opportunity to request an additional referendum, as provided in this paragraph.

(B) METHOD OF MAKING REQUEST.—

(i) IN-PERSON REQUESTS.—To carry out subparagraph (A), the Secretary shall establish a procedure under which producers may request a reconfirmation referendum in person at county extension offices or county Agricultural Stabilization and Conservation Service offices during a period established by the Secretary, or as provided in clause (ii).

(ii) MAIL-IN REQUESTS.—In lieu of making such requests in person, producers may make requests by mail. Mail-in requests shall be postmarked no later than the end of the period established under clause (i) for in-person requests. To facilitate such submission of requests by mail, the Secretary may make mail-in request forms available to producers.

(C) NOTIFICATIONS.—The Secretary shall publish a notice in the Federal Register, and the Board shall provide written notification to producers, not later than 60 days prior to the end of the period established under sub-

paragraph (B)(i) for in-person requests, of the producers' opportunity to request the additional referendum. Such notifications shall explain the producers' rights to, and the procedure specified in this subsection for, the conduct of an additional referendum, the purpose of the referendum, and the date and method by which producers may act to request the additional referenda under this paragraph. The Secretary shall take such other actions as the Secretary determines are necessary to ensure that producers are made aware of the opportunity to request an additional referendum on the order.

(D) ACTION BY SECRETARY.—As soon as practicable following the submission of requests for a reconsideration referendum, the Secretary shall determine whether a sufficient number of producers have requested an additional referendum, and take other steps to conduct an additional referendum, as are required under paragraph (1).

(E) TIME LIMIT.—Any additional referendum requested under the procedures provided in this paragraph shall be conducted not later than 1 year after the Secretary determines that a representative group of producers, as described in paragraph (1)(B), have requested the conduct of such referendum.

(c) PROCEDURES.—

(1) REIMBURSEMENT OF SECRETARY.—The Secretary shall be reimbursed from assessments collected by the Board for any expenses incurred by the Secretary in connection with the conduct of any activity required under this section, except for the salaries of Government employees associated with the conduct of a referendum under subsections (a) and (b).

(2) DATE.—Each referendum shall be conducted for a reasonable period of time not to exceed 3 days, established by the Secretary, under a procedure whereby producers intending to vote in the referendum shall certify that they were engaged in the production of soybeans during the representative period and, at the same time, shall be provided an opportunity to vote in the referendum.

(3) PLACE.—Referenda shall be conducted at county extension offices and provision shall be made for absentee mail ballots to be provided on request. Absentee mail ballots shall be furnished by the Secretary on request made in person, by mail, or by telephone.

SEC. 1971. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on a petition filed under paragraph (1), in accordance with regulations issued by the Secretary.

(3) RULING.—After a hearing under paragraph (2), the Secretary shall make a ruling on the petition that is the subject of the hearing, which shall be final if such ruling is in accordance with applicable law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review a ruling on the petition of such person under subsection (a), if a complaint for that purpose is filed not later than 20 days after the date of the entry of a ruling by the Secretary under such subsection (a).

(2) PROCESS.—Service of process in a proceeding under paragraph (1) shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines, under paragraph (1), that a ruling issued under subsection (a)(3) is not in accordance with applicable law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

(4) ENFORCEMENT.—The pendency of proceedings instituted under subsection (a) shall not impede, hinder, or delay the Attorney General or the Secretary from taking any action under section 1972.

SEC. 1972. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be commenced under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed such violation or by administrative action under section 1971.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who willfully violates any provision of any order or regulation issued by the Secretary under this subtitle, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulations, may be assessed—

(A) a civil penalty by the Secretary of not more than $1,000 for each such violation; and

(B) in the case of a willful failure to pay, collect, or remit an assessment as required by the order or regulation, an additional penalty equal to the amount of such assessment.

Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty under paragraph (1), the Secretary may issue an order requiring a person to cease and desist from continuing any such violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed or cease-and-desist order issued by the Secretary under this subsection unless the person against whom the penalty is assessed or the order is issued is given notice and opportunity for a hearing before the Secretary with respect to such violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order under this subsection shall be final and conclusive unless the affected person files an appeal of the Secretary's order with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person who has been determined to be in violation of this subtitle, or against whom a civil penalty has been assessed or a cease-and-desist order issued under subsection (c), may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or conducts business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file promptly in the appropriate court referred to in paragraph (1), a certified copy of the record on which the Secretary has determined that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary under this section shall be set aside only if such finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order issued under this section after such order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which such failure continues shall be considered as a separate violation of such order.

(f) FAILURE TO PAY PENALTIES.—If any person fails to pay an assessment of a civil penalty under this section after it has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In such action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 1973. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; and

(2) to determine whether any person has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, and issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1971 or 1972, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require

the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failure to obey an order of the court under this section may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under section 1971 or 1972 shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1974. ADMINISTRATIVE PROVISIONS.

(a) CONSTRUCTION.—Except as provided in subsection (b), nothing in this subtitle may be construed to—

(1) preempt or supersede any other program relating to soybean promotion, research, consumer information, or industry information organized and operated under the laws of the United States or any State; or

(2) authorize the withholding of any information from Congress.

(b) STATE LAWS.—

(1) REFERENDA ON QUALIFIED STATE SOYBEAN BOARDS.—To ensure the proper administration of this subtitle, no State may conduct a referendum relating to the continuation or termination of a qualified State soybean board or State soybean assessment—

(A) during the period beginning on the date an order is issued under section 1968 and ending 18 months after the referendum on such order is conducted under section 1970(a); or

(B) if such order is approved under the referendum conducted under section 1970(a) by a majority of producers voting in such State, such State law shall be suspended for an additional 36 months.

(2) EXCEPTION.—Paragraph (1) shall not be construed to apply to—

(A) a State referendum concerning the approval of modifications to a State soybean promotion program that does not involve termination of the qualified State soybean board or State soybean assessment; and

(B) any State referendum regarding a State soybean promotion program that is originated by soybean producers.

(3) ASSESSMENTS COLLECTED BY QUALIFIED STATE SOYBEAN BOARDS.—To ensure adequate funding of the operations of qualified State soybean boards under this subtitle, whenever an order is in effect under this subtitle, no State law or regulation that limits the rate of assessment that the qualified State soybean board in that State may collect from producers on soybeans produced in such State, or that has the effect of limiting such rate, may be applied to prohibit such State board from collecting, and expending for authorized purposes, assessments from producers of up to the full amount of the credit authorized for producer contributions to qualified State soybean boards under section 1969(k)(4).

(b) AMENDMENTS TO ORDERS.—The provisions of this subtitle applicable to orders shall be applicable to amendments to orders.

SEC. 1975. SUSPENSION OR TERMINATION OF ORDERS.

The Secretary shall, whenever the Secretary finds that the order or any provision of the order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of such order or provision. The termination or suspension of any order, or any provision thereof, shall not be considered an order within the meaning of this subtitle.

SEC. 1976. AUTHORIZATION OF APPROPRIATIONS; REGULATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such funds as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—Funds appropriated under subsection (a) shall not be available for payment of the expenses or expenditures of the Board or the Committee in administering any provision of any order issued under this subtitle.

(c) REGULATIONS.—The Secretary may issue such regulations as are necessary to carry out this subtitle, including regulations relating to the assessment of late payment charges.

Subtitle F—Honey and Wool

CHAPTER 1—HONEY

SEC. 1981. SHORT TITLE.

This chapter may be cited as the "Honey Research, Promotion, and Consumer Information Act Amendments of 1990".

SEC. 1982. DEFINITIONS.

Section 3 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4602) is amended—

(1) in paragraph (8)—

(A) by striking "or who acts" and inserting "or acts"; and

(B) by inserting before the period at the end the following: "and who is listed in the import records as the importer of record for such honey or honey products"; and

(2) by adding at the end the following new paragraph:

"(18) The term 'exporter' means any person who exports honey or honey products from the United States.".

SEC. 1983. REQUIRED TERMS IN ORDERS.

Section 7 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606) is amended—

(1) in subsection (c)—

(A) by striking out subparagraph (C) of paragraph (2) and inserting the following new paragraph:

"(C) two members who are either importers or exporters, of which at least one shall be an importer, appointed from nominations submitted by the Committee from recommendations by industry organizations representing importer and exporter interests;";

(B) in the matter following paragraph (2)(E), by striking "nominate an alternate or alternates" and inserting "submit nominations for an alternate";

(C) at the end of paragraph (2), by adding the following sentence: "However, no producer-packer who, during any three of the preceding five years, purchased for resale more honey than such producer-packer produced shall be eligible for nomination or appointment to the Honey Board as a producer described in subparagraph (A) or as an alternate to such producer."; and

(D) in paragraph (4), inserting before the period at the end the following: ", except that if, as a result of the adjustment of the boundaries of the regions established under paragraph (2)(A), a producer member or alternate is no longer from the region from which such person was appointed, such member or alternate may serve out the term for which such person was appointed"; and

(2) by adding at the end the following new subsection:

"(k) Any patent on any product, copyright on any material, or any invention, product formulation or publication developed through the use of funds collected by the Honey Board shall be the property of the Honey Board. The funds generated from any such patent, copyright, invention, product formulation, or publication shall inure to the benefit of the Honey Board.".

SEC. 1984. ASSESSMENTS.

(a) ASSESSMENT RATE AND EXEMPTIONS.—Section 7 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4606) is further amended—

(1) in subsection (e)(1) by striking the second and third sentences and inserting the following: "The assessment rate shall be $0.01 per pound, with payment to be made in the manner described in section 9."; and

(2) by striking paragraph (2) of subsection (e) and inserting the following new paragraph:

"(2)(A) Honey that is consumed at home by the producer or importer or donated by the producer or importer to a nonprofit, government, or other entity, as determined appropriate by the Secretary, rather than sold shall be exempt from assessment under the order, except that donated honey that later is sold in a commercial outlet by a donee or a donee's assignee shall be subject to assessment on such sale.

"(B)(i) A producer, producer-packer, or importer who produces or imports during any year less than 6,000 pounds of honey shall be eligible for an exemption in such year from paying an assessment on honey such person distributes directly through local retail outlets, as determined by the Secretary, during such year.

"(ii) In order to claim an exemption under this subparagraph, a person shall submit an application to the Honey Board stating the basis on which the person claims the exemption for such year.

"(iii) If, after a person claims an exemption from assessments for any year under this subparagraph, such person no longer meets the requirements of this subparagraph for an exemption, such person shall file a report with the Honey Board in the form and manner prescribed by the Board and pay an assessment on or before March 15 of the subsequent year on all honey produced or imported by such person during the year for which the person claimed the exemption.

"(3) If a producer, producer-packer, or importer does not pay any assessments under this Act due to the applicability to such person of the exemptions from assessments provided in paragraph (2), then such producer, producer-packer, or importer shall not be considered a producer or importer for purposes of voting in any referendum conducted under this Act during the period the person's exemption from all assessments is in effect.".

(b) COLLECTION OF ASSESSMENTS; REFUNDS.—Section 9 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4608) is amended—

(1) in subsection (a), by striking "and (e)" and inserting "(e), and (i)";

(2) in subsection (d) to read as follows:

"(d) In any case in which a loan, or a loan deficiency payment is made with respect to honey under the honey price support loan program established under the Agricultural Act of 1949, or successor statute, the Secretary shall provide for the assessment to be deducted from the disbursement of any loan funds or from the loan deficiency payment made to the producer and for the amount of such assessment to be forwarded to the Honey Board. The Secretary shall provide for the producer to receive a statement of the amount of the assessment deducted from the loan funds or loan deficiency payment promptly after each occasion when an assessment is deducted from any such loan funds or payment under this subsection.";

(3) in subsection (f), by inserting after "assessments" the following: ", and persons receiving an exemption from assessments under section 7(e)(2),";

(4) in subsection (h)—

(A) by striking "Any" and inserting "(1)(A) Except as otherwise provided in paragraph (2), any";

(B) by striking "to importers" and inserting "an importer";

(C) by striking "from importers" and inserting "from such importer"; and

(D) by adding at the end the following:

"(B) A producer that has obtained a honey price support loan under the Agricultural Act of 1949, or successor statute, may obtain a refund if the producer has submitted to the Honey Board the statement received under subsection (d) of the amount of assessment deducted from the loan funds and has otherwise complied with this subsection, even though the loan with respect to which the assessment was collected may still be outstanding and final settlement has not been made.

"(2) With respect to the order in effect on the date of the enactment of this paragraph, following the referendum on such order required under section 13(b)(2), a producer or importer may obtain a refund of an assessment under such order as provided in paragraph (1) only if the Secretary determines that the proposal to terminate refunds under the order is defeated in such referendum."; and

(5) by inserting after subsection (h) the following new subsection:

"(i) If a first handler or the Secretary fails to collect an assessment from a producer under this section, the producer shall be responsible for the payment of the assessment to the Honey Board.".

SEC. 1985. FIRST RECONFIRMATION REFERENDUM.

(a) IN GENERAL.—Section 13(b) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4612) is amended—

(1) by striking "Five" and inserting "(1) Except as otherwise provided in paragraph (2), five";

(2) by striking "continuation, termination," and inserting "termination"; and

(3) by adding at the end the following new paragraph:

"(2)(A) In lieu of the first referendum otherwise required to be conducted under paragraph (1) for the order in effect on the date of the enactment of this paragraph, the Secretary shall conduct a referendum to determine if honey producers and importers favor—

"(i) the continuation of the order; and

"(ii) termination of the authority for producers and importers to obtain a refund of assessments under section 9(h)(1).

The referendum shall be conducted at the time the first referendum otherwise required under paragraph (1) would have been conducted, except for the operation of this paragraph.

"(B)(i) The Secretary shall terminate such order at the end of the marketing year during which such referendum is conducted, if the Secretary determines that termination of the order is approved or favored by not less than a majority of the producers and importers voting in the referendum and that the producers and importers comprising this majority produce and import more than 50 percent of the volume of honey produced and imported by those voting in the referendum.

"(ii) If the Secretary determines that termination of the authority for producers and importers to receive refunds of assessments under section 9(h)(1) is favored or approved by a majority of the producers and importers voting in such referendum and that the producers and importers comprising this majority produce and import more than 50 percent of the volume of honey produced and imported by those voting in the referendum, then the Secretary shall amend such order as necessary to reflect the vote of producers and importers. Such amendment to the order shall become effective on the date it is issued, but in no case more than 180 days after the conduct of such referendum.".

(b) CONFORMING AMENDMENT.—Section 13(d) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4612) is amended—

(1) by striking "such order" and inserting "an order";

(2) by inserting "in which a referendum is conducted under subsection (b) or (c)" after "marketing year"; and

(3) by striking "of the order".

SEC. 1986. INVESTIGATIONS AND POWER TO SUBPOENA.

The Honey Research, Promotion, and Consumer Information Act is amended by inserting after section 11 (7 U.S.C. 4610) the following new section:

"SEC. 11A. INVESTIGATIONS AND POWER TO SUBPOENA.

"(a) IN GENERAL.—The Secretary may make such investigations as the Secretary determines necessary—

"(1) for the effective administration of this Act; or

"(2) to determine whether a person has engaged or is engaging in any act or practice that constitutes a violation of any provision of this Act, or of any order, rule, or regulation issued under this Act.

"(b) POWER TO SUBPOENA.—

"(1) INVESTIGATIONS.—For the purpose of an investigation made under subsection (a), the Secretary is authorized to administer oaths and affirmations and to issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

"(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 10 or section 11, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

"(c) AID OF COURTS.—In case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

"(d) CONTEMPT.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

"(f) HEARING SITE.—The site of any hearings held under section 10 or 11 shall be within the judicial district where such person resides or has a principal place of business.".

SEC. 1987. CONFORMING AMENDMENT TO ORDER.

Notwithstanding any provision of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4601 et seq.), the Secretary of Agriculture, after notice and opportunity for public comment, shall issue an amendment to the order in effect under such Act on the date of the enactment of this Act to conform such order to the amendments made by this subtitle, which shall become effective on the date of the publication of such amendment to the order in the Federal Register without a referendum thereon (except for the referendum specifically provided for under section 1985). The Secretary shall issue such amendment to the order in final form not later than 150 days after the date of the enactment of this Act.

CHAPTER 2—WOOL

SEC. 1989. PROMOTION PROGRAM.

Section 708 of the National Wool Act of 1954 (7 U.S.C. 1787) is amended by striking "at least two-thirds" wherever it appears and inserting "a majority" and by striking "two-thirds" wherever it appears and inserting "a majority".

Subtitle G—Cotton

SEC. 1990. SHORT TITLE.

This subtitle may be cited as the "Cotton Research and Promotion Act Amendments of 1990".

SEC. 1991. FINDINGS AND DECLARATION OF POLICY.

Section 2 of the Cotton Research and Promotion Act (7 U.S.C. 2101) is amended by—

(1) in the second sentence inserting "and also outside the United States" before the period;

(2) in the third sentence by striking "in large part";

(3) striking the fourth and the sixth sentences of the first paragraph;

(4) striking "The great inroads on the market and uses for United States" and inserting "The great inroads on the market and uses for"; and

(5) in the third paragraph—

(A) striking "harvested" and inserting "marketed"; and

(B) inserting "and on imports of cotton" after "United States" the first time it appears.

SEC. 1992. REQUIRED TERMS IN ORDER; COTTON IMPORTS.

Section 7 of the Cotton Research and Promotion Act (7 U.S.C. 2106) is amended—

(1) in subsection (a)(2) by—

(A) striking "handler" and inserting "person"; and

(B) striking "producer";

(2) in subsection (b), in the first sentence, by—

(A) inserting "(1)" after "shall be composed of"; and

(B) striking the colon and all that follows through the end of the sentence and inserting the following: ", and (2) when imports of cotton are subject to an order, an appropriate number of representatives, as determined by the Secretary, of importers of cotton on which assessments are paid under this Act. Such importer representatives shall be appointed by the Secretary after consultation with organizations representing importers, as determined by the Secretary. Each cotton-producing State shall be entitled to at least one representative on the Cotton Board.";

(3) by amending subsection (e) to read as follows:

"(e)(1) Providing that—

"(A) the producer or other person for whom the cotton is being handled shall pay to the handler of such cotton designated by the Cotton Board pursuant to regulations issued under the order;

"(B) such handler shall collect from the producer or other person for whom the cotton, including cotton owned by the handler, is being handled, and shall pay to the Cotton Board; and

"(C) each importer shall pay to the Cotton Board on imports of cotton,

an assessment prescribed by the order, on the basis of bales of cotton handled or imported. The assessment shall cover such expenses and expenditures, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cotton Board under the order, during any period specified by the Secretary.

"(2) The order shall provide for reimbursing the Secretary—

"(A) for expenses not to exceed $300,000 incurred by the Secretary in connection with any referendum conducted under section 8; and

"(B) for administrative costs incurred by the Secretary for supervisory work up to 5 employee years after an order or amendment to an order has been issued and made effective.

There shall also be included in the order a provision for reimbursing any agency of the Federal Government that assists in administering the import provisions of the order for a reasonable amount of the expenses incurred by that agency in connection therewith.

"(3) To facilitate the collection and payment of such assessments, the Cotton Board may designate different handlers or importers or classes of handlers or importers to recognize differences in marketing practices or procedures utilized in any State or area, except that no more than one such assessment shall be made on any bale of cotton, unless specifically authorized by provisions of this subsection.

"(4) The rate of assessment prescribed by the order shall be $1 per bale of cotton handled, supplemented by an additional per bale amount not to exceed 1 percent of the value of cotton as determined by the Cotton Board and the Secretary. The rate of assessment on imports of cotton shall be determined in the same manner as the rate of assessment per bale of cotton handled, and the value to be placed on cotton imports for the purpose of determining the assessment on such imports shall be established by the Secretary in a fair and equitable manner. The Secretary shall establish procedures to ensure that the upland cotton content of imported products is not subject to more than one assessment under this title.

"(5) No authority under this Act may be used as a basis to advertise or solicit votes in any referendum relating to the rate of assessment with funds collected under this Act.

"(6) The Secretary may maintain a suit against any person subject to the order for the collection of such assessment, and the several district courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy. The remedies provided in this section shall be in addition to, and not exclusive of, the remedies provided for elsewhere in this Act or now or hereafter existing at law or in equity.

"(7) The provisions of this subsection and subsection (b) shall not apply to cottonseed and the products derived from cottonseed whether domestically produced or imported.

"(8) The provisions of this subsection relating to importers and assessments on imports of cotton shall be effective only if approved in a referendum as provided in section 8(b) or 8(c).".

SEC. 1993. REQUIREMENTS FOR REFERENDA.

Section 8 of the Cotton Research and Promotion Act (7 U.S.C. 2100) is amended by—

(1) inserting "(a)" before "The Secretary"; and

(2) adding at the end the following new subsections:

"(b)(1) Notwithstanding the provisions of sections 4 and 5, not later than 150 days after the date of enactment of the Cotton Research and Promotion Act Amendments of 1990, and after notice and opportunity for public comment, the Secretary shall issue a proposed amendment to the order implementing the provisions of such Act, which shall become effective as provided in paragraph (2).

"(2) Notwithstanding the provisions of subsection (a), the Secretary shall, within a period not to exceed 8 months after the date of enactment of the Cotton Research and Promotion Act Amendments of 1990, conduct a referendum among persons who have been cotton producers during a representative period, as determined by the Secretary, and persons who are importers of cotton and who, during a 12-month period ending not later than 90 days prior to the conduct of the referendum under this section imported a quantity of cotton in excess of the de minimis quantity (if any) established by the Secretary under section 17C(2), for the purpose of ascertaining if a majority of those voting approve the proposed amendment to the order issued by the Secretary under paragraph (1). The Secretary shall announce the results of the referendum within 30 days after the date of such referendum. If the amendment is approved in the referendum, within a period not to exceed 90 days from the date of announcement of the results of such referendum, the Secretary shall publish the amendment to the order and regulations implementing the amendment provided for in this subsection.

"(c)(1) Notwithstanding the provisions of sections 4 and 5, once every five years after the date of the referendum provided for under subsection (b), the Secretary shall conduct a review to ascertain whether a referendum is needed to determine whether producers and importers favor continuation of the amendment to the order provided for in the Cotton Research and Promotion Act Amendments of 1990 if such amendment is then in effect or, if such an amendment is not in effect, whether they favor approval of such amendment. The Secretary shall make a public announcement of the results of the review within 60 days after each fifth anniversary date of the referendum provided for under subsection (b). If the Secretary determines to provide for such a referendum, the Secretary shall conduct the referendum within 12 months after a public announcement of the determination to conduct the referendum.

"(2) If the Secretary does not provide for such a referendum on the Secretary's own initiative, the Secretary shall conduct such a referendum upon the request of 10 percent or more of the number of cotton producers and importers voting in the most recent referendum, except that, in counting such requests for a referendum, not more than 20 percent of such requests may be from producers from any one State or importers of cotton. Producers and importers may sign up to request such a referendum at the county office of the Agricultural Stabilization and Conservation Service, or county extension agent, or by mailing such a request to the Secretary, as prescribed in regulations. The sign-up period shall be for a period not to exceed 90 days, shall commence 60 days after the Secretary makes a public announcement of a determination not to provide for a referendum on the Secretary's own initiative, and shall be publicized by the Secretary and the Cotton Board immediately after such public announcement. The referendum shall be held within 12 months after the end of the sign-up period, if requested by the requisite number of persons.

"(3) The amendment to the order provided for in this subsection shall not be effective if it is disapproved by a majority of cotton producers and importers of cotton voting in the referendum.".

SEC. 1994. SUSPENSION AND TERMINATION OF ORDERS.

Section 9(b) of the Cotton Research and Promotion Act (7 U.S.C. 2108(b)) is amended to read as follows:

"(b) The Secretary may conduct a referendum at any time, and shall hold a referendum on request of a number of producers and importers (if subject to the order) equivalent to at least 10 percent of those persons voting in the most recent referendum, to determine whether cotton producers and importers subject to the order favor the termination or suspension of the order, except that in counting such requests for a referendum, not more than 20 percent of such requests may be from producers from any one State or importers of cotton (if subject to the order). The Secretary shall suspend or terminate the order at the end of the marketing year, as defined in the order, whenever the Secretary determines suspension or termination of the order is approved by a majority of producers and importers (subject to the order) voting in the referendum who, during a representative period determined by the Secretary, have been engaged in the production and importation of cotton and who produced and imported more than 50 percent of the volume of cotton produced and imported by those voting in the referendum.".

SEC. 1995. AMENDMENTS TO THE ORDER.

Section 10 of the Cotton Research and Promotion Act (7 U.S.C. 2109) is amended to read as follows:

"PROVISIONS APPLICABLE TO AMENDMENTS

"SEC. 10. (a) Except as provided in subsection (b), the provisions of this Act applicable to orders shall be applicable to amendments to orders.

"(b) No amendment to an order issued under this Act shall be effective unless the Secretary determines that—

"(1) with respect to an amendment referred to in section 8(b) or (8)(c), the amendment is approved by producers and importers of cotton as provided in such section; or

"(2) with respect to any other amendment, that the amendment is approved by a majority of cotton producers and importers subject to the order voting in the referendum.

"(c) The disapproval of any amendment to an order issued under this Act shall not be deemed to invalidate such order.".

SEC. 1996. PRODUCER REFUNDS.

Section 11 of the Cotton Research and Promotion Act (7 U.S.C. 2110) is amended by—

(1) striking "Notwithstanding any other provision" and inserting "(a) Notwithstanding any other section and except as provided in subsection (b),"; and

(2) adding at the end the following new subsection:

"(b) The right of a producer to demand a refund under subsection (a) shall terminate if the proposed amendment of the order implementing the Cotton Research and Promotion Amendments Act of 1990 is approved in the referendum provided for under section 8. Such right shall terminate 30 days after the date the Secretary announces the results of such referendum if such proposed amendment is approved. Such right shall be reinstated if the amendment should be disapproved in any subsequent referendum.".

SEC. 1997. DEFINITIONS.

Section 17 of the Cotton Research and Promotion Act (7 U.S.C. 2116) is amended—

(1) in subsection (c)—

(A) by inserting "(1)" after "means"; and

(B) by striking "its seed." and inserting the following: "its seed and (2) imports of upland cotton including the upland cotton content of the products derived from upland cotton (other than industrial products as defined by the Secretary). The term 'cotton' shall not, however, include any entry of imported cotton by an importer that has a value or weight less than any de minimis figure as established in accordance with regulations issued by the Secretary. Any de minimis figure as established under this paragraph shall be such as to minimize the burden in administering the assessment provision but still provide for the maximum participation of imports of cotton in the assessment provisions of this Act.";

(2) in subsection (d), by inserting after "cottonseed" the following:

"or, for the purposes of sections 3, 6(c), and 13, any person who imports cotton, including de minimis amounts of cotton described in subsection (c),"; and

(3) by adding at the end a new subsection to read as follows:

"(h)(1) The term 'importer' means any person who enters, or withdraws from warehouse, cotton for consumption in the customs territory of the United States.

"(2) The term 'import' means any such entry.".

SEC. 1998. REPORTS.

(a) IN GENERAL.—Not later than 1 year after the date on which imports are subject to assessments under this title—

(1) the Secretary of Agriculture shall prepare a report concerning the implementation and enforcement of the cotton research and promotion program, and any problems that may have arisen in the implementation and enforcement of such program; and

(2) the Customs Service shall, if on such date it has any role in the implementation or enforcement of such assessments, prepare a report concerning such implementation and enforcement as it relates to imports.

(b) COMPTROLLER GENERAL REPORT.—Not prior to the date that occurs 3 years after the date on which imports are subject to assessments under this title, the Comptroller General shall prepare a report concerning the administration of the cotton research and promotion program as it relates to such imports. Such report shall be submitted not later than 6 months after such date, and include an analysis of—

(1) the growth in the United States market for cotton and cotton products, with particular attention provided to the period of time subsequent to the imposition of assessments on such imports;

(2) the extent to which import restrictions, such as quotas, on imports of cotton and cotton-containing products have permitted or prevented importers from benefiting from any such growth in the United States market; and

(3) the relevant United States international obligations applicable under trade agreements that relate to the assessments on imports of cotton and cotton products under this title.

(c) SUBMISSION.—The reports required under subsections (a) and (b) shall be submitted to the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives, and the Committee on Agriculture, Nutrition and Forestry and the Committee on Finance of the Senate not later than the applicable dates referred to in such subsections.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such funds as may be necessary to carry out this section.

Subtitle H—Processor-Funded Milk Promotion Program

SEC. 1999A. SHORT TITLE.

This subtitle may be cited as the "Fluid Milk Promotion Act of 1990".

SEC. 1999B. FINDINGS AND DECLARATION OF POLICY.

(a) FINDINGS.—Congress finds that—

(1) fluid milk products are basic foods and are a primary source of required nutrients such as calcium, and otherwise are a valuable part of the human diet;

(2) fluid milk products must be readily available and marketed efficiently to ensure that the people of the United States receive adequate nourishment;

(3) the dairy industry plays a significant role in the economy of the United States, in that milk is produced by thousands of milk producers and dairy products (including fluid milk products) are consumed every day by millions of people in the United States;

(4) the processing of milk into fluid milk products and the marketing of such products are important to the dairy industry because the fluid milk segment of the dairy market contributes substantially to ensuring that the prices paid to milk producers for raw milk are stable and adequate to maintain the overall strength of the dairy industry;

(5) the maintenance and expansion of markets for fluid milk products are vital to the Nation's fluid milk processors and milk producers, as well as to the general economy of the United States;

(6) the cooperative development, financing, and implementation of a coordinated program of advertising and promotion of fluid milk products is necessary to maintain and expand markets for fluid milk products;

(7) it is appropriate to finance the cooperative program described in paragraph (6) with self-help assessments paid by the fluid milk processors; and

(8) fluid milk products move in interstate and foreign commerce, and fluid milk products that do not move in such channels of commerce directly burden or affect interstate commerce in fluid milk products.

(b) POLICY.—It is declared to be the policy of Congress that it is in the public interest to authorize the establishment, through the exercise of the powers provided in this subtitle, of an orderly procedure for developing, financing (through adequate assessments on fluid milk products produced in the United States) and carrying out an effective and coordinated program of advertising designed to strengthen the position of the dairy industry in the marketplace and to maintain and expand markets and uses for fluid milk products produced in the United States. Nothing in this subtitle shall be construed to provide for the control of production or otherwise limit the right of individual milk producers to produce milk.

SEC. 1999C. DEFINITIONS.

As used in this subtitle:

(1) ADVERTISING.—The term "advertising" means any advertising or promotion program involving only fluid milk products and directed toward increasing the general demand for fluid milk products.

(2) BOARD.—The term "Board" means the National Processor Advertising and Promotion Board established under section 1999H(b).

(3) FLUID MILK PRODUCT.—The term "fluid milk product"—

(A) means any of the following products in fluid or frozen form: milk, skim milk, lowfat milk, milk drinks, buttermilk, filled milk, and milkshake and ice milk mixes containing less than 20 percent total solids, including any such products that are flavored, cultured, modified with added nonfat milk solids, concentrated (if in a consumer-type package), or reconstituted; and

(B) does not include evaporated or condensed milk (plain or sweetened), evaporated or condensed skim milk (plain or sweetened), formulas specially prepared for infant feeding or dietary use that are packaged in hermetically sealed glass or all-metal containers, any product that contains by weight less than 6.5 percent nonfat milk solids, and whey.

(4) FLUID MILK PROCESSOR.—The term "fluid milk processor" means any person who processes and markets commercially fluid milk products in consumer-type packages.

(5) DEPARTMENT.—The term "Department" means the Department of Agriculture.

(6) RESEARCH.—The term "research"—

(A) means market research limited to the support of advertising and promotion efforts, including educational activities; and

(B) does not include research directed to product characteristics such as nutrients; product development including new products; or improved technology in production, manufacturing or processing; or any other efforts not directly applicable to measuring or increasing the effectiveness of advertising activities in expanding sales of fluid milk products.

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(8) UNITED STATES.—The term "United States", except as used in sections 1999K through 1999M, means the 48 contiguous States in the continental United States and the District of Columbia.

SEC. 1999D. AUTHORITY TO ISSUE ORDERS.

(a) IN GENERAL.—To effectuate the declared policy under section 1999B(b), the Secretary shall issue and from time to time may amend, orders applicable to all fluid milk processors, authorizing—

(1) the collection of assessments on fluid milk products subject to this subtitle; and

(2) the use of the assessments to provide research and advertising in a manner prescribed by this subtitle.

(b) SCOPE.—Any order issued under this subtitle shall be national in scope.

(c) ONE ORDER.—Not more than one order shall be in effect under this subtitle at any one time.

SEC. 1999E. NOTICE AND COMMENT.

Not later than 60 days after the Secretary receives a request for the issuance of an order under this subtitle, and a specific proposal for an order from individual fluid milk processors that marketed during a representative period, as determined by the Secretary, not less than 30 percent of the volume of fluid milk products marketed by all processors, the Secretary shall publish the proposed order and give due notice and opportunity for public comment on the proposed order.

SEC. 1999F. FINDINGS AND ISSUANCE OF ORDERS.

(a) IN GENERAL.—After notice and opportunity for public comment are given, as provided in section 1999E, the Secretary shall issue an order, taking into consideration the comments received and including in the order provisions necessary to ensure that the order is in conformity with the requirements and the declared policy of this subtitle.

(b) EFFECTIVE DATE.—Such order shall be issued and, if approved by fluid milk processors as provided in section 1999N, shall become effective not later than 180 days following publication of the proposed order.

SEC. 1999G. REGULATIONS.

The Secretary may issue such regulations as may be necessary to carry out this subtitle and the powers vested in the Secretary by his subtitle.

SEC. 1999H. REQUIRED TERMS IN ORDERS.

(a) IN GENERAL.—Each order issued under this subtitle shall contain the terms and conditions prescribed in this section.

(b) NATIONAL PROCESSOR ADVERTISING AND PROMOTION BOARD.—

(1) ESTABLISHMENT.—The order shall establish a National Processor Advertising and Promotion Board to administer the order.

(2) SERVICE TO THE ENTIRE INDUSTRY.—In administering the order, the Board shall carry out programs and projects that will provide maximum benefit to the fluid milk industry and promote only fluid milk products. The Board shall, to the extent practicable, ensure that advertising coverage in each region is proportionate to the funds collected from each region.

(3) REGIONS.—The Secretary shall establish not less than 12 nor more than 15 regions in order to ensure appropriate geographic representation on the Board.

(4) BOARD MEMBERSHIP.—The Board shall consist of one member appointed by the Secretary, from among fluid milk processors, to represent each of the regions established under paragraph (3), with the membership representing, to the extent practicable, differing sizes of operations. The Secretary shall appoint five additional at-large members to the Board, of which at least three shall be fluid milk processors and at least one shall be from the general public.

(5) TERMS OF OFFICE.—The members of the Board shall serve for terms of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary. No member shall serve for more than 2 consecutive terms, except that the members that are selected to serve for the initial term of 1 or 2 years shall be eligible to be reappointed for a 3-year term.

(6) COMPENSATION.—Each member of the Board shall serve without compensation, but shall be reimbursed for necessary and reasonable expenses incurred in the performance of duties of the Board.

(c) POWERS AND DUTIES OF THE BOARD.—The order shall define the powers and duties of the Board, which shall include the power and duty—

(1) to administer the order in accordance with the terms and conditions of the order;

(2) to make rules to effectuate the terms and conditions of the order;

(3) to receive, investigate, and report to the Secretary complaints of violations of the order;

(4) to develop and recommend such rules, regulations, and amendments to the order to the Secretary for approval as may be necessary for the development and execution of programs or projects to carry out the order;

(5) to employ such persons as the Board considers necessary and determine the compensation and define the duties of the persons;

(6) to prepare and submit for the approval of the Secretary, prior to the beginning of each fiscal year, a fiscal year budget of the anticipated expenses in the administration of the order, including the probable costs of all programs and projects;

(7) to develop programs and projects, subject to subsection (d);

(8) to enter into contracts or agreements, with the approval of the Secretary, to develop and carry out programs or projects of research and advertising;

(9) to carry out advertising or research, and pay the costs of the projects with funds collected pursuant to section 1999J;

(10) to keep minutes, books, and records that reflect all of the acts and transactions of the Board, and promptly report minutes of each Board meeting to the Secretary;

(11) to furnish the Secretary with such other information as the Secretary may require; and

(12) to invest funds collected by the Board pursuant to subsection (g).

(d) PLANS AND BUDGETS.—

(1) BUDGETS.—The order shall require the Board, prior to the beginning of each fiscal year, or as may be necessary after the beginning of the fiscal year, to develop budgets of the anticipated expenses and disbursements of the Board in the implementation of the order, including projected costs of research and advertising. The budget shall be submitted to the Secretary and be effective on the approval of the Secretary.

(2) INCURRING EXPENSES.—The Board may incur such expenses for research or advertising of fluid milk products, and other expenses for the administration, maintenance, and functioning of the Board, as may be authorized by the Secretary. The expenses shall include any implementation, administrative, and referendum costs incurred by the Department.

(3) PAYING EXPENSES.—The funds to cover the expenses referred to in paragraph (2) shall be paid from assessments collected under section 1999J.

(4) LIMITATION ON SPENDING.—Effective 1 year after the date of the establishment of the Board, the Board shall not spend in excess of 5 percent of the assessments collected for the administration of the Board.

(e) PROHIBITION ON BRANDED ADVERTISING.—A program or project conducted under this subtitle shall not make any reference to private brand names or use false or unwarranted claims on behalf of fluid milk products, or false or unwarranted statements with respect to the attributes or use of any competing products, except that this subsection shall not preclude the Board from offering its programs and projects for use by commercial parties, under such terms and conditions as the Board may prescribe as approved by the Secretary.

(f) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—To ensure efficient use of funds collected under this subtitle, the order shall provide that the Board may enter into contracts or agreements for the implementation and carrying out of programs or projects for fluid milk products research and advertising and for the payment of the costs of the programs or projects with funds received by the Board under the order.

(2) REQUIREMENTS.—Any such contract or agreement shall provide that—

(A) the contracting party shall develop and submit to the Board a program or project, together with a budget or budgets that shall disclose estimated costs to be incurred for such program or project;

(B) the program or project shall become effective on the approval of the Secretary; and

(C) the contracting party shall keep accurate records of all of the transactions of the contracting party, account for funds received and expended, make periodic reports to the Board of activities conducted, and make such other reports as the Board or the Secretary may require.

(g) INVESTMENT OF FUNDS.—

(1) IN GENERAL.—The order shall provide that the Board, with the approval of the Secretary, may invest assessment funds collected by the Board under the order, pending disbursement of the funds, only in—

(A) obligations of the United States or any agency thereof;

(B) general obligations of any State or any political subdivision thereof;

(C) any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(D) obligations fully guaranteed as to principal and interest by the United States.

(2) INCOME.—Income from any such investment may be used for any purpose for which the invested funds may be used.

(h) BOOKS AND RECORDS OF BOARD.—

(1) IN GENERAL.—The order shall require the Board to—

(A) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

(B) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(C) account for the receipt and disbursement of all funds entrusted to the Board.

(2) AUDITS.—The Board shall cause the books and records of the Board to be audited by an independent auditor at the end of each fiscal year. A report of each such audit shall be submitted to the Secretary.

(i) BOOKS AND RECORDS OF PROCESSORS.—

(1) IN GENERAL.—The order shall require that each fluid milk processor subject to this subtitle maintain and make available for inspection such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order.

(2) USE OF INFORMATION.—Information obtained under paragraph (1) shall be made available to the Secretary as is appropriate for the effectuation, administration, or enforcement of this subtitle, or any order or regulation issued under this subtitle.

(3) CONFIDENTIALITY.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), commercial or financial information that is obtained under paragraph (1) or (2) and that is privileged or confidential shall be kept confidential by all officers and employees of the Department and agents of the Board, and only such information so obtained as the Secretary considers relevant may be disclosed to the public by them and then only in a suit or administrative hearing brought at the request of the Secretary, or to which the Secretary or any officer of the United States is a party, and involving the order.

(B) AVAILABILITY OF INFORMATION.—Except as otherwise provided in this subtitle, information obtained under this subtitle may be made available to another agency of the Federal Government for a civil or criminal law enforcement activity if the activity is authorized by law and if the head of the agency has made a written request to the Secretary specifying the particular information desired and the law enforcement activity for which the information is sought.

(C) OTHER EXCEPTIONS.—Nothing in subparagraph (A) may be construed to prohibit—

(i) the issuance of general statements, based on the reports, of the number of persons subject to an order or statistical data collected from the persons, which statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by the person.

(4) PENALTY.—Any person violating this subsection, on conviction, shall be subject to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both, and if such person is an agent of the Board or an officer or employee of the Department, shall be removed from office.

(5) WITHHOLDING INFORMATION.—Nothing in this subsection shall authorize the Secretary to withhold information from a duly authorized committee or subcommittee of Congress.

(6) TIME REQUIREMENT.—The records required under paragraph (1) shall be maintained for 2 years beyond the fiscal year of the applicability of the records.

(j) PROHIBITION ON USE OF FUNDS TO INFLUENCE GOVERNMENTAL ACTION.—

(1) IN GENERAL.—Except as otherwise provided in paragraph (2), the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing legislation or government action or policy.

(2) EXCEPTION.—Paragraph (1) shall not apply to the development or recommendation of amendments to the order.

(k) COORDINATION.—The order shall require the Board to take reasonable steps to coordinate the collection of assessments, and advertising and research activities of the Board with the National Dairy Promotion and Research Board established under section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)).

(l) EXEMPTIONS.—The order shall exempt fluid milk products exported from the United States from assessments under the order.

(m) REPORT.—The Secretary shall provide annually for an independent evaluation of the effectiveness of the fluid milk promotion program carried out under this subtitle during the previous fiscal year, in conjunction with the evaluation of the National Dairy Promotion and Research Board established under section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)).

(n) OTHER TERMS AND CONDITIONS.—The order also shall contain such terms and conditions, not inconsistent with this subtitle, as are necessary to effectuate this subtitle, including regulations relating to the assessment of late payment charges.

SEC. 1999I. PERMISSIVE TERMS.

(a) IN GENERAL.—Each order issued under this subtitle may contain one or more of the terms and conditions described in this section.

(b) ADVERTISING.—The order may provide for the establishment, issuance, effectuation, and administration of appropriate programs or projects for the advertising of fluid milk products and the use of funds collected under this subtitle for such programs or projects.

(c) RESEARCH AND DEVELOPMENT.—The order may provide for establishing and carrying out research projects and studies to support the advertising efforts for fluid milk products, and the use of funds collected under the order for such projects and studies.

(d) RESERVE FUNDS.—The order may provide authority to accumulate reserve funds from assessments collected pursuant to the order, to permit an effective and continuous coordinated program of research and advertising in years when the assessment income may be reduced, except that the total reserve fund may not exceed 25 percent of the amount budgeted for the operation in the current fiscal year of the order.

(e) OTHER TERMS.—The order may contain such other terms and conditions incidental to and not inconsistent with the terms and conditions specified in this subtitle as are necessary to effectuate the other provisions of the order.

SEC. 1999J. ASSESSMENTS.

(a) IN GENERAL.—The order shall provide that each fluid milk processor shall pay an assessment on each unit of fluid milk product that such person processes and markets commercially in consumer-type packages in the United States.

(b) NO EFFECT ON PRODUCER PRICES.—Such assessments shall not—

(1) reduce the prices paid under the Federal milk marketing orders issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937;

(2) otherwise be deducted from the amounts that handlers must pay to producers for fluid milk products sold to a processor; or

(3) otherwise be deducted from the price of milk paid to a producer by a handler, as determined by the Secretary.

(c) REMITTING ASSESSMENTS.—

(1) IN GENERAL.—Assessments required under subsection (a) shall be remitted by the fluid milk processor directly to the Board in accordance with the order and regulations issued by the Secretary.

(2) TIMES TO REMIT ASSESSMENT.—Each processor who is responsible for the remittance of an assessment under paragraph (1) shall remit the assessment to the Board not later than the last day of the month following the month that the milk being assessed was marketed.

(3) VERIFICATION.—Remittances shall be verified by market administrators and State regulatory officials, and local and State Agricultural Stabilization and Conservation Service offices, as provided by the Secretary.

(d) LIMITATION ON ASSESSMENTS.—Not more than one assessment may be assessed under this section for the purposes of this subtitle on a processor for any unit of fluid milk product.

(e) PRODUCER-HANDLERS.—Producer-handlers that are required to pay the assessment imposed under section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) shall also be responsible for the additional assessment imposed by this section.

(f) PROCESSOR ASSESSMENT RATE.—Except as provided in section 1999P(b), the rate of assessment prescribed by the order shall be 20 cents per hundredweight of fluid milk products marketed.

SEC. 1999K. PETITION AND REVIEW.

(a) PETITION.—

(1) IN GENERAL.—A person subject to an order issued under this subtitle may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARINGS.—The petitioner shall be given the opportunity for a hearing on the petition, in accordance with regulations issued by the Secretary.

(3) RULING.—After the hearing, the Secretary shall make a ruling on the petition, which shall be final if in accordance with law.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district courts of the United States in any district in which the person who is a petitioner under subsection (a) resides or carries on business are hereby vested with jurisdiction to review the ruling on such person's petition, if a complaint for that purpose is filed within 20 days after the date of the entry of a ruling by the Secretary under subsection (a).

(2) PROCESS.—Service of process in such proceedings shall be conducted in accordance with the Federal Rules of Civil Procedure.

(3) REMANDS.—If the court determines that such ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions either—

(A) to make such ruling as the court shall determine to be in accordance with law; or

(B) to take such further proceedings as, in the opinion of the court, the law requires.

SEC. 1999L. ENFORCEMENT.

(a) JURISDICTION.—The several district courts of the United States are vested with jurisdiction specifically to enforce, and to prevent and restrain any person from violating, any order or regulation made or issued under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this subsection shall be referred to the Attorney General for appropriate action, except that the Secretary is not required to refer to the Attorney General a violation of this subtitle, or any order or regulation issued under this subtitle, if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by providing a suitable written notice or warning to the person who committed such violation or by administrative action under subsection (c).

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—Any person who violates any provision of any order or regulation issued by the Secretary under this sub-

title, or who fails or refuses to pay, collect, or remit any assessment or fee duly required of the person under the order or regulations, may be assessed—

(A) a civil penalty by the Secretary of not less than $500 nor more than $5,000 for each such violation; or

(B) in the case of a willful failure or refusal to pay, collect, or remit any assessment or fee duly required of the person under this subtitle or a regulation issued under this subtitle, a civil penalty by the Secretary of not less than $10,000 nor more than $100,000 for each such violation.

Each violation shall be a separate offense.

(2) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty, the Secretary may issue an order requiring the person to cease and desist from continuing such violation.

(3) NOTICE AND HEARING.—No penalty shall be assessed or cease-and-desist order issued by the Secretary unless the person against whom the penalty is assessed or the order issued is given notice and opportunity for a hearing before the Secretary with respect to such violation.

(4) FINALITY.—The order of the Secretary assessing a penalty or imposing a cease-and-desist order shall be final and conclusive unless the affected person files an appeal from the Secretary's order with the appropriate district court of the United States in accordance with subsection (d).

(d) REVIEW BY DISTRICT COURT.—

(1) COMMENCEMENT OF ACTION.—Any person against whom a violation is found and a civil penalty assessed or cease-and-desist order issued under subsection (c) may obtain review of the penalty or order by—

(A) filing, within the 30-day period beginning on the date the penalty is assessed or order issued, a notice of appeal in—

(i) the district court of the United States for the district in which the person resides or carries on business; or

(ii) the United States District Court for the District of Columbia; and

(B) simultaneously sending a copy of the notice by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file promptly in such court a certified copy of the record on which the Secretary found that the person had committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary shall be set aside only if the finding is found to be unsupported by substantial evidence.

(e) FAILURE TO OBEY ORDERS.—Any person who fails to obey a cease-and-desist order after the order has become final and unappealable, or after the appropriate United States district court has entered a final judgment in favor of the Secretary, shall be subject to a civil penalty assessed by the Secretary, after opportunity for a hearing and for judicial review under the procedures specified in subsections (c) and (d), of not more than $5,000 for each offense. Each day during which the failure continues shall be considered as a separate violation of such order.

(f) FAILURE TO PAY PENALTIES.—If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate United States district court has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court in which the person resides or conducts business. In the action, the validity and appropriateness of the final order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this subtitle shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 1999M. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; or

(2) to determine whether any person has engaged or is engaging in any act that constitutes a violation of this subtitle, or any order, rule, or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of an investigation under subsection (a), the Secretary may administer oaths and affirmations, and issue a subpoena to require the production of any records that are relevant to the inquiry. The production of any such records may be required from any place in the United States.

(2) ADMINISTRATIVE HEARINGS.—For the purpose of an administrative hearing held under section 1999K or 1999L, the presiding officer is authorized to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any records that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(c) AID OF COURTS.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in order to enforce a subpoena issued by the Secretary under subsection (b). The court may issue an order requiring such person to comply with such a subpoena.

(d) CONTEMPT.—Any failure to obey such order of the court may be punished by such court as a contempt thereof.

(e) PROCESS.—Process in any such case may be served in the judicial district in which such person resides or conducts business or wherever such person may be found.

(f) HEARING SITE.—The site of any hearings held under section 1999K or 1999L shall be within the judicial district where such person resides or has a principal place of business.

SEC. 1999N. REQUIREMENT OF INITIAL REFERENDUM.

(a) IN GENERAL.—Within the 60-day period immediately preceding the effective date of an order issued under section 1999F(a), the Secretary shall conduct a referendum among fluid milk processors to ascertain whether the order shall go into effect.

(b) IMPLEMENTATION.—If, as a result of the referendum conducted under subsection (a), the Secretary determines that implementation of the order is favored—

(1) by at least 50 percent of fluid milk processors voting in the referendum; and

(2) by fluid milk processors voting in the referendum that marketed during the representative period, as determined by the Secretary, 60 percent or more of the volume of fluid milk products marketed by all processors;

the order shall become effective as provided in section 1999F(b).

(c) COSTS OF REFERENDUM.—The Secretary shall be reimbursed from any assessments collected by the Board for any expenses incurred by the Department in connection with the conduct of any referendum under this subtitle.

(d) MANNER.—

(1) IN GENERAL.—Referenda conducted pursuant to this subtitle shall be conducted in a manner determined by the Secretary.

(2) ADVANCE REGISTRATION.—A fluid milk processor who chooses to vote in any referendum conducted under this subtitle shall register with the Secretary prior to the voting period, after receiving notice from the Secretary concerning the referendum under paragraph (4).

(3) VOTING.—A fluid milk processor who votes in any referendum conducted under this subtitle shall vote in accordance with procedures established by the Secretary. The ballots and other information or reports that reveal or tend to reveal the vote of any processor shall be held strictly confidential.

(4) NOTICE.—The Secretary shall notify all processors at least 30 days prior to a referendum conducted under this subtitle. The notice shall explain the procedure established under this subsection.

SEC. 1999O. SUSPENSION OR TERMINATION OF ORDERS.

(a) TERMINATION OF ORDER.—Any order effective under this subtitle shall be terminated December 31, 1996. The Secretary shall—

(1) terminate the collection of assessments under the order upon such date; and

(2) terminate activities under the order in an orderly manner as soon as practicable after such date.

(b) SUSPENSION OR TERMINATION BY SECRETARY.—The Secretary shall, whenever the Secretary finds that the order or any provision of the order obstructs or does not tend to effectuate the declared policy of this subtitle, terminate or suspend the operation of the order or provision.

(c) OTHER REFERENDA.—

(1) IN GENERAL.—The Secretary may conduct at any time a referendum of persons who, during a representative period as determined by the Secretary, have been fluid milk processors on whether to suspend or terminate the order, and shall hold such a referendum on request of the Board or any group of such processors that among them marketed during a representative period, as determined by the Secretary, 10 percent or more of the volume of fluid milk products marketed by all processors.

(2) SUSPENSION OR TERMINATION.—If the Secretary determines that the suspension or termination is favored—

(A) by at least 50 percent of fluid milk processors voting in the referendum; and

(B) by fluid milk processors voting in the referendum that marketed during a representative period, as determined by the Secretary, 40 percent or more of the volume of fluid milk products marketed by all processors;

the Secretary shall, within 6 months after making the determination, suspend or terminate, as appropriate, collection of assessments under the order, and suspend or terminate, as appropriate, activities under the order in an orderly manner as soon as practicable.

(3) COSTS; MANNER.—Subsections (c) and (d) of section 1999N shall apply to a referendum conducted under this subsection.

SEC. 1999P. AMENDMENTS.

(a) AMENDMENTS TO ORDER.—Subject to subsection (b), the Secretary may issue such amendments to an order as may be necessary to carry out this subtitle.

(b) AMENDMENT TO ASSESSMENT RATES.—

(1) IN GENERAL.—The Secretary may conduct at any time a referendum of persons who, during a representative period as determined by the Secretary, have been fluid milk processors on adjusting the assessment rate under the order issued under this subtitle then in effect, and shall hold such a referendum on request of the Board or any group of such processors that among them marketed during a representative period, as determined by the Secretary, 10 percent or more of the volume of fluid milk products marketed by all processors.

(2) ADJUSTMENT TO ASSESSMENT RATE.—The Secretary shall adjust the assessment rate under the order whenever the Secretary determines that the adjustment is favored—

(A) by at least 50 percent of fluid milk processors voting in the referendum; and

(B) by fluid milk processors that marketed during a representative period, as determined by the Secretary, 60 percent or more of the volume of fluid milk products marketed by all processors;

In no event shall the rate of assessment prescribed by the order exceed 20 cents per hundredweight.

(3) EFFECTIVE DATE.—The adjusted assessment rate shall be effective on a date, as determined by the Secretary, after the results of the referendum are known, but not later than 30 days after the referendum.

(4) COSTS; MANNER.—Subsections (c) and (d) of section 1999N shall apply to a referendum conducted under this subsection.

SEC. 1999Q. INDEPENDENT EVALUATION OF PROGRAMS.

(a) REVIEW AND EVALUATION.—The Comptroller General of the United States shall review and evaluate the order to—

(1) determine the effectiveness of the promotion program conducted under this subtitle on fluid milk sales;

(2) determine if the assessments for the program have been passed back to milk producers by fluid milk processors; and

(3) make recommendations for future funding and assessment levels for the program.

(b) REPORT TO CONGRESS.—The Comptroller General shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate on the valuations made under this section no later than January 1, 1995.

SEC. 1999R. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated for each fiscal year such funds as are necessary to carry out this subtitle.

(b) ADMINISTRATIVE EXPENSES.—The funds so appropriated shall not be available for payment of the expenses or expenditures of the Board in administering any provision of any order issued under this subtitle.

Subtitle I—Miscelleanous Provisions

SEC. 1999S. PRODUCER RESEARCH AND PROMOTION BOARD ACCOUNTABILITY.

(a) FINDINGS.—Congress finds that—

(1) United States agricultural producers and importers contribute approximately $600,000,000 annually to support agricultural promotion and research, and consumer information relating to food and nutrition, under federally-authorized checkoff programs;

(2) these federally-authorized checkoff programs are self-help efforts that enable the industry members that contribute to these checkoff programs to take an active role in enhancing the marketing of their farm products;

(3) the federally-authorized checkoff programs, while relatively new, have substantially contributed to strengthening markets for the agricultural products covered by the programs;

(4) the authorizing legislation for these agricultural check-off programs provides for the Secretary of Agriculture to appoint boards or councils comprised of producers and importers to assist the Secretary in administering the programs under the Secretary's oversight;

(5) the boards and councils that participate in administering the federally-authorized checkoff programs, in each instance, have important responsibilities under, and make substantial contributions to the effective management of, the programs while serving as a valuable link between the industry members that are funding the promotion, research, and information activities under the programs and the Department of Agriculture;

(6) the producers and importers that pay assessments to support the programs must have confidence in, and strongly support, the checkoff programs if these programs are to continue to succeed; and

(7) the checkoff programs cannot operate efficiently and effectively, nor can producer confidence and support for these programs be maintained, unless the boards and councils faithfully and diligently perform the functions assigned to them under the authorizing legislation.

(b) SENSE OF THE CONGRESS.—It is the sense of Congress that, to ensure the continued success of the federally-authorized checkoff programs, boards or councils that participate in the administration of the checkoff programs should take care to faithfully and diligently perform the functions assigned to them under the authorizing legislation and otherwise meet their crucial program responsibilities. It further is the sense of Congress that each of these boards and councils, in carrying out the responsibilities assigned to it, is accountable to the Secretary of Agriculture, Congress, and the industry contributing funds for the checkoff program involved, and that each currently operational checkoff board or council should review its charter and activities to ensure that its responsibilities and duties have not been inappropriately delegated or otherwise relinquished to another organization.

SEC. 1999T. CONSISTENCY WITH INTERNATIONAL OBLIGATIONS OF THE UNITED STATES.

(a) IN GENERAL.—Prior to the promulgation of, or amendment to, any order or plan under a research and promotion program relating to research and promotion of any agricultural commodity or product, after the date of enactment of this title, where such order or plan would provide for an assessment on imports, the Secretary of Agriculture shall consult with the United States Trade Representative regarding the consistency of the provisions of the order or plan with the international obligations of the United States.

(b) COMPLIANCE WITH U.S. INTERNATIONAL OBLIGATIONS.—The Secretary of Agriculture shall take all steps necessary and appropriate to ensure that any order or plan or amendment to such order or plan, and the implementation and enforcement of any order or plan or amendment to such order or plan, or program as it relates to imports is nondiscriminatory and in compliance with the international obligations of the United States, as interpreted by the United States Trade Representative.

(c) CONSTRUCTION.—Nothing in this section shall be construed as providing for a cause of action under this section.

TITLE XX—GRAIN QUALITY

SEC. 2001. SHORT TITLE.

This title may be cited as the "Grain Quality Incentives Act of 1990".

SEC. 2002. COMMITTEE ON GRAIN QUALITY AND GRAIN QUALITY COORDINATOR.

(a) ESTABLISHMENT OF COMMITTEE AND COORDINATOR.—

(1) COMMITTEE.—The Secretary of Agriculture (hereafter referred to in this title as the "Secretary") shall establish, within the Department of Agriculture, a Committee on Grain Quality (hereafter referred to in this section as the "Committee").

(2) COORDINATOR.—The Committee established under paragraph (1) shall be chaired by an individual, appointed by the Secretary, who shall serve as the Grain Quality Coordinator (hereafter referred to in this title as the "Coordinator") and, in consultation with the Committee, carry out the duties described in subsection (b).

(b) DUTIES.—The Coordinator shall be responsible for—

(1) assembling and evaluating, in a systematic manner, concerns and problems with the quality of United States grain, expressed by foreign and domestic buyers and end-users;

(2) developing and implementing a coordinated effort to inform and educate foreign buyers concerning the proper specifications of grain purchase contracts to obtain the quality of grain they desire;

(3) reviewing the programs and activities of the Department of Agriculture with respect to United States grain to determine whether the activities are consistent with the provisions of this title (and other provisions of law) as such provisions relate to grain quality and grain quality competitiveness;

(4) serving as the Federal Government coordinator with respect to grain quality and grain quality competitiveness; and

(5) investigating and communicating, through the Secretary, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate concerning—

(A) actions undertaken by the Department of Agriculture—

(i) to improve the quality of United States grain; and

(ii) that are inconsistent with the goal of improving grain quality;

(B) conditions in the production and marketing sectors that discourage improvements in grain quality;

(C) interrelationships of rules and actions taken by the Federal Grain Inspection Service, other agencies of the Department of Agriculture, Food and Drug Administration, Environmental Protection Agency, and other Federal agencies, relating to grain production, handling, storage, transportation, and processing as such actions affect the wholesomeness and performance of grain;

(D) recommendations for legislative or regulatory changes that would address grain quality issues;

(E) progress made and benefits expected from the international harmonization of sanitary and phytosanitary requirements affecting grain;

(F) potential opportunities and benefits from the international harmonization of grain grades and standards;

(G) alternative forms of financial and technical assistance available and needed by producers and elevator operators to acquire and properly utilize grain cleaning, drying, and storage equipment; and

(H) progress on requirements of other sections of this title.

(c) TERMINATION.—This section shall terminate on January 1, 2001.

SEC. 2003. BENEFITS AND COSTS ASSOCIATED WITH IMPROVED GRAIN QUALITY.

The Administrator of the Federal Grain Inspection Service shall estimate the economic impact, including the benefits and costs and the distribution of such benefits and costs, of any major changes necessary to carry out the amendments made under this title to sections 4 and 13 of the United States Grain Standards Act (7 U.S.C. 76 and 87b) prior to making such changes.

SEC. 2004. CLASSIFICATION, GRADES AND STANDARDS DESIGN FRAMEWORK.

Section 2(b)(3) of the United States Grain Standards Act (7 U.S.C. 74(b)(3)) is amended—

(1) in subparagraph (C), by striking "and" at the end thereof;

(2) in subparagraph (D), by striking the period and inserting a semicolon; and

(3) by adding at the end thereof the following new subparagraphs:

"(E) reflect the economic value-based characteristics in the end uses of grain; and

"(F) accommodate scientific advances in testing and new knowledge concerning factors related to, or highly correlated with, the end use performance of grain.".

SEC. 2005. IMPROVING THE CLEANLINESS OF GRAIN.

Section 4(b) of the United States Grain Standards Act (7 U.S.C. 76(b)) is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following new paragraph:

"(2)(A)(i) If the Administrator determines that the establishment or amendment of standards regarding cleanliness conditions of wheat, corn, barley, sorghum and soybeans that meet the requirements for grade number 3 or better (as set forth in subparagraph (B)) would—

"(I) enhance the competitiveness of exports of wheat, corn, barley, sorghum and soybeans from the United States with wheat, corn, barley, sorghum and soybean exports marketed by other major exporters;

"(II) result in the maintenance or expansion of the United States export market share for wheat, corn, barley, sorghum and soybeans;

"(III) result in the maintenance or increase of United States producer income; and

"(IV) be in the interest of United States agriculture, taking into consideration technical constraints, economic benefits and costs to producers and industry, price competitiveness, and importer needs;

the Administrator shall establish or amend the standards to include economically and commercially practical levels of cleanliness for wheat, corn, barley, sorghum and soybeans.

"(ii) The Administrator shall make a finding under this subsection for grain of the type described in clause (i) as soon as practicable after the date of enactment of this paragraph.

"(B)(i) In establishing requirements for cleanliness characteristics, the Administrator shall—

"(I) consider technical constraints, economic benefits and costs to producers and industry, the price competitiveness of United States agricultural production, and levels of cleanliness met by major competing nations that export wheat, corn, barley, sorghum and soybeans;

"(II) promulgate regulations after providing for notice and an opportunity for public comment; and

"(III) phase in any requirements for cleanliness characteristics by incrementally decreasing the levels of the objectionable material permitted in shipments of grade number 3 or better wheat, corn, barley, sorghum and soybeans.

"(ii) Following the phase-in period referred to in clause (i)(III), subsequent revision of cleanliness requirements shall be conducted consistent with the schedule of the Administrator for reviewing grain standards.

"(C) If the Administrator determines to establish requirements for cleanliness characteristics under this section, the Administrator shall ensure that such requirements are fully implemented not later than 6 years after the date of enactment of this paragraph.".

SEC. 2006. GRADE DETERMINING FACTORS RELATED TO PHYSICAL SOUNDNESS AND PURITY.

Section 4 of the United States Grain Standards Act (7 U.S.C. 76) (as amended by section 2005) is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

"(c)(1) In establishing standards under subsection (a) for each grain for which official grades are established, the Administrator shall establish for each such grain official grade-determining factors and factor limits that reflect the levels of soundness and purity that are consistent with end-use performance goals of the major foreign and domestic users of each such grain. Such factors and factor limits for grades number 3 and better shall provide users of such standards the best possible information from which to determine end-use product quality. The Administrator shall establish factors and factor limits that will provide that grain meeting the requirements for grades number 3 and better will perform in accordance with general trade expectations for the predominant uses of such grain.

"(2) In establishing factors and factor limits under paragraph (1), the Administrator shall provide for notice and an opportunity for public comment prior to making changes in the grade-determining factors and factor limits that shall be applicable under this section to grain that is officially graded.".

SEC. 2007. TESTING FOR AFLATOXIN CONTAMINATION OF CORN SHIPPED IN FOREIGN COMMERCE.

Section 5 of the United States Grain Standards Act (7 U.S.C. 77) is amended by inserting at the end the following new subsections:

"(c) The Administrator is authorized and directed to require that all corn exported from the United States be tested to ascertain whether it exceeds acceptable levels of aflatoxin contamination, unless the contract for export between the buyer and seller stipulates that aflatoxin testing shall not be conducted.".

SEC. 2008. PROHIBITION OF CONTAMINATION.

Section 13 of the United States Grain Standards Act (7 U.S.C. 87b) is amended by adding at the end the following new subsection:

"(e)(1) The Administrator may prohibit the contamination of sound and pure grain as a result of the introduction of—

"(A) nongrain substances;

"(B) grain unfit for ordinary commercial purposes; or

"(C) grain that exceeds action limits established by the Food and Drug Administration or grain having residues that exceed the tolerance levels established by the Environmental Protection Agency.

"(2) No prohibition imposed under this section shall be construed to restrict the marketing of any grain so long as the grade or condition of the grain is properly identified.

"(3) Prior to taking action under this subsection, the Administrator shall promulgate regulations after providing for notice and an opportunity for public comment, that identify and define actions and conditions that are subject to prohibition.

"(4) In no case shall the Administrator prohibit the blending of an entire grade of grain.

"(5) In implementing paragraph (1)(C), the Administrator shall report any prohibitions to other appropriate public health agencies.".

SEC. 2009. STANDARDIZING COMMERCIAL INSPECTIONS.

The United States Grain Standards Act (7 U.S.C. 71) is amended by adding at the end the following new section:

"SEC. 22. STANDARDIZING COMMERCIAL INSPECTIONS.

"(a) TESTING EQUIPMENT.—To promote greater uniformity in commercial grain inspection results, the Administrator may work in conjunction with the National Institute for Standards and Technology and the National Conference on Weights and Measures to—

"(1) identify inspection instruments requiring standardization under subsection (b);

"(2) establish performance criteria for commercial grain inspection instruments;

"(3) develop a national program to approve grain inspection instruments for commercial inspection; and

"(4) develop standard reference materials or other means necessary for calibration or testing of approved instruments.

"(b) GENERAL INSPECTION PROCEDURES.—To ensure that producers are treated uniformly in delivering grain, the Administrator shall develop practical and cost-effective procedures for conducting commercial inspections of grain with respect to the application of quality factors, that result in premiums and discounts. The procedures shall be made available to country elevators and others making first-point-of-delivery inspections.

"(c) INSPECTION SERVICES AND INFORMATION.—To encourage the use of equipment and procedures developed in accordance with subsection (a) and (b), the Administrator shall provide for official inspection services by the Service, States, and official inspection agencies and provide information on the proper use of sampling and inspection equipment, application of the grain standards, and availability of official inspection services, including appeals under this Act.

"(d) STANDARDIZED AFLATOXIN EQUIPMENT AND PROCEDURES.—The Administrator shall—

"(1) establish uniform standards for testing equipment; and

"(2) establish uniform testing procedures and sampling techniques;

that may be used by processors, refiners, operators of grain elevators and terminals, and others to accurately detect the level of

aflatoxin contamination of corn in the United States.".

SEC. 2010. ENTRY QUALITY STANDARDS FOR ALL FARMER-OWNED RESERVE GRAINS.

Section 110 of the Agricultural Act of 1949 (7 U.S.C. 1445e) is amended by adding at the end the following new subsection:

"(k) In announcing the terms and conditions of the producer storage program under subsection (e)(1), the Secretary shall review standards concerning the quality of grain that shall be allowed to be stored under the program, and such standards should encourage only quality grain, as determined by the Secretary, to be pledged as collateral for such loans. The Secretary shall review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of such grain.".

SEC. 2011. PRICE SUPPORT LOAN INCENTIVES FOR QUALITY GRAIN.

Section 403(a) of the Agricultural Act of 1949 (7 U.S.C. 1423) (as amended by section 1128) is further amended by adding at the end thereof the following new sentence: "Beginning with the 1991 crops of wheat, feed grains, and soybeans for which price support is provided under this Act, the Secretary shall establish premiums and discounts related to cleanliness factors in addition to any other premiums or discounts related to quality.".

SEC. 2012. QUALITY REQUIREMENTS FOR COMMODITY CREDIT CORPORATION-OWNED GRAIN.

The Agricultural Act of 1949 is amended by inserting after section 407 (7 U.S.C. 1427) the following new section:

"SEC. 407A. QUALITY REQUIREMENTS FOR COMMODITY CREDIT CORPORATION OWNED GRAIN.

"(a) ESTABLISHMENT OF MINIMUM STANDARDS.—Notwithstanding any other provision of law, the Secretary shall establish minimum quality standards that shall apply to grain that is deposited for storage for the account of the Commodity Credit Corporation. In establishing such standards, the Secretary shall take into consideration factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance.

"(b) INSPECTION OF GRAIN ACQUISITIONS.—The Commodity Credit Corporation shall utilize Federal Grain Inspection Service approved procedures to inspect and evaluate the condition of the grain it acquires from producers. In no case shall this section require the use of an official inspection unless the producer so requests.".

SEC. 2013. SEED VARIETY INFORMATION AND SURVEY.

(a) INFORMATION.—

(1) IN GENERAL.—Grain submitted for public testing shall be evaluated for selected specific agronomic performance characteristics and intrinsic end-use performance characteristics, as determined by the Secretary, with the results of the evaluations made available to the Secretary.

(2) DISSEMINATION OF INFORMATION.—The Secretary shall disseminate varietal performance information obtained under paragraph (1) to plant breeders, producers, and end users.

(b) SURVEY.—The Secretary shall periodically conduct, compile, and publish a survey of grain varieties commercially produced in the United States.

(c) ANALYSIS OF VARIETY SURVEY DATA.—The Secretary shall analyze the variety surveys conducted under subsection (b) in conjunction with available applied research information on intrinsic quality characteristics of the varieties, to evaluate general intrinsic crop quality characteristics and trends in production related to intrinsic quality characteristics. This information shall be disseminated as required by subsection (a)(2).

SEC. 2014. AUTHORITY TO ASSIST FARMERS AND ELEVATOR OPERATORS.

The Secretary may provide technical assistance (including information on such financial assistance as may be available) to grain producers and elevator operators to assist such producers and operators in installing or improving grain cleaning, drying or storage equipment.

SEC. 2015. SENSE OF CONGRESS CONCERNING TESTS FOR PURITY.

(a) FINDING.—Congress finds that consumers, both international and domestic, are aware of, and concerned with, the purity of their food supply.

(b) SENSE OF CONGRESS.—It is the sense of Congress that in order to assure buyers of the purity of United States grain, the Federal Grain Inspection Service should, as soon as technically and economically practical, develop tests of mycotoxins and pesticide residues and make such tests available on such impurities in conjunction with official grain inspections established under the United States Grain Standards Act (7 U.S.C. 71 et seq.).

SEC. 2016. SENSE OF CONGRESS CONCERNING COOPERATIVE ENFORCEMENT OF FEDERAL GRAIN PURITY REQUIREMENTS.

(a) FINDINGS.—Congress finds that the laws and regulations related to the purity and safety of grain that are administered by the Food and Drug Administration and the Environmental Protection Agency serve to insure the integrity of the United States as a supplier of wholesome grain.

(b) SENSE OF CONGRESS.—It is the sense of Congress that Federal agencies that are responsible for enforcing the laws and regulations relating to the quality, purity, and safety of United States grain exported and marketed domestically should seek assistance from and cooperate with the Federal Grain Inspection Service in the enforcement of the laws and regulations referred to in subsection (a).

SEC. 2017. SENSE OF CONGRESS CONCERNING END-USE PERFORMANCE RESEARCH.

(a) FINDINGS.—Congress finds that—

(1) research concerning the end-use performance of grain conducted by the Agricultural Research Service and land-grant universities is critical to improving the quality and competitiveness of United States grains in domestic and world markets;

(2) the work done by the Agricultural Research Service wheat quality laboratories has proven valuable to improving the understanding of individuals concerning the relationships between the physical and chemical properties of wheat and the performance of wheat in milling and baking; and

(3) research conducted by the Agricultural Research Service and land-grant universities concerning the composition of corn and soybean varieties has proven valuable to feed and food users.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the Secretary, and in particular the Agricultural Research Service and land-grant universities, should adjust their financial priorities to place increased emphasis on grain variety evaluation and the development of objective tests for the end-use properties of grains.

SEC. 2018. SENSE OF CONGRESS CONCERNING COOPERATION IN OBJECTIVE TESTING.

(a) FINDING.—Congress finds that the close cooperative relationship that exists between the Federal Grain Inspection Service, the Agricultural Research Service, and land-grant universities has proven highly beneficial in identifying grain quality related characteristics, developing tests, and designing grain standards.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the cooperative efforts described in subsection (a), including the sharing of funds and personnel, should be expanded, and that the Federal Grain Inspection Service should continue to utilize the research capabilities of the Agricultural Research Service and the land-grant universities in these efforts.

TITLE XXI—ORGANIC CERTIFICATION

SEC. 2101. SHORT TITLE.

This title may be cited as the "Organic Foods Production Act of 1990".

SEC. 2102. PURPOSES.

It is the purpose of this title—

(1) to establish national standards governing the marketing of certain agricultural products as organically produced products;

(2) to assure consumers that organically produced products meet a consistent standard; and

(3) to facilitate interstate commerce in fresh and processed food that is organically produced.

SEC. 2103. DEFINITIONS.

As used in this title:

(1) AGRICULTURAL PRODUCT.—The term "agricultural product" means any agricultural commodity or product, whether raw or processed, including any commodity or product derived from livestock that is marketed in the United States for human or livestock consumption.

(2) BOTANICAL PESTICIDES.—The term "botanical pesticides" means natural pesticides derived from plants.

(3) CERTIFYING AGENT.—The term "certifying agent" means the chief executive officer of a State or, in the case of a State that provides for the Statewide election of an official to be responsible solely for the administration of the agricultural operations of the State, such official, and any person (including private entities) who is accredited by the Secretary as a certifying agent for the purpose of certifying a farm or handling operation as a certified organic farm or handling operation in accordance with this title.

(4) CERTIFIED ORGANIC FARM.—The term "certified organic farm" means a farm, or portion of a farm, or site where agricultural products or livestock are produced, that is certified by the certifying agent under this title as utilizing a system of organic farming as described by this title.

(5) CERTIFIED ORGANIC HANDLING OPERATION.—The term "certified organic handling operation" means any operation, or portion of any handling operation, that is certified by the certifying agent under this title as utilizing a system of organic handling as described under this title.

(6) CROP YEAR.—The term "crop year" means the normal growing season for a crop as determined by the Secretary.

(7) GOVERNING STATE OFFICIAL.—The term "governing State official" means the chief executive official of a State or, in the case of a State that provides for the Statewide election of an official to be responsible solely for the administration of the agricultural operations of the State, such official, who administers an organic certification program under this title.

(8) HANDLE.—The term "handle" means to sell, process or package agricultural products.

(9) HANDLER.—The term "handler" means any person engaged in the business of handling agricultural products, except such term shall not include final retailers of agricultural products that do not process agricultural products.

(10) HANDLING OPERATION.—The term "handling operation" means any operation or portion of an operation (except final retailers of agricultural products that do not process agricultural products) that—

(A) receives or otherwise acquires agricultural products; and

(B) processes, packages, or stores such products.

(11) LIVESTOCK.—The term "livestock" means any cattle, sheep, goats, swine, poultry, equine animals used for food or in the production of food, fish used for food, wild or domesticated game, or other nonplant life.

(12) NATIONAL LIST.—The term "National List" means a list of approved and prohibited substances as provided for in section 2118.

(13) ORGANIC PLAN.—The term "organic plan" means a plan of management of an organic farming or handling operation that has been agreed to by the producer or handler and the certifying agent and that includes written plans concerning all aspects of agricultural production or handling described in this title including crop rotation and other practices as required under this title.

(14) ORGANICALLY PRODUCED.—The term "organically produced" means an agricultural product that is produced and handled in accordance with this title.

(15) PERSON.—The term "person" means an individual, group of individuals, corporation, association, organization, cooperative, or other entity.

(16) PESTICIDE.—The term "pesticide" means any substance which alone, in chemical combination, or in any formulation with one or more substances, is defined as a pesticide in the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.).

(17) PROCESSING.—The term "processing" means cooking, baking, heating, drying, mixing, grinding, churning, separating, extracting, cutting, fermenting, eviscerating, preserving, dehydrating, freezing, or otherwise manufacturing, and includes the packaging, canning, jarring, or otherwise enclosing food in a container.

(18) PRODUCER.—The term "producer" means a person who engages in the business of growing or producing food or feed.

(19) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(20) STATE ORGANIC CERTIFICATION PROGRAM.—The term "State organic certification program" means a program that meets the requirements of section 2107, is approved by the Secretary, and that is designed to ensure that a product that is sold or labeled as "organically produced" under this title is produced and handled using organic methods.

(21) SYNTHETIC.—The term "synthetic" means a substance that is formulated or manufactured by a chemical process or by a process that chemically changes a substance extracted from naturally occurring plant, animal, or mineral sources, except that such term shall not apply to substances created by naturally occurring biological processes.

SEC. 2104. NATIONAL ORGANIC PRODUCTION PROGRAM.

(a) IN GENERAL.—The Secretary shall establish an organic certification program for producers and handlers of agricultural products that have been produced using organic methods as provided for in this title.

(b) STATE PROGRAM.—In establishing the program under subsection (a), the Secretary shall permit each State to implement a State organic certification program for producers and handlers of agricultural products that have been produced using organic methods as provided for in this title.

(c) CONSULTATION.—In developing the program under subsection (a), and the National List under section 2118, the Secretary shall consult with the National Organic Standards Board established under section 2119.

(d) CERTIFICATION.—The Secretary shall implement the program established under subsection (a) through certifying agents. Such certifying agents may certify a farm or handling operation that meets the requirements of this title and the requirements of the organic certification program of the State (if applicable) as an organically certified farm or handling operation.

SEC. 2105. NATIONAL STANDARDS FOR ORGANIC PRODUCTION.

To be sold or labeled as an organically produced agricultural product under this title, an agricultural product shall—

(1) have been produced and handled without the use of synthetic chemicals, except as otherwise provided in this title;

(2) except as otherwise provided in this title and excluding livestock, not be produced on land to which any prohibited substances, including synthetic chemicals, have been applied during the 3 years immediately preceding the harvest of the agricultural products.

(3) be produced and handled in compliance with an organic plan agreed to by the producer and handler of such product and the certifying agent.

SEC. 2106. COMPLIANCE REQUIREMENTS.

(a) DOMESTIC PRODUCTS.—

(1) IN GENERAL.—On or after October 1, 1993—

(A) a person may sell or label an agricultural product as organically produced only if such product is produced and handled in accordance with this title; and

(B) no person may affix a label to, or provide other market information concerning, an agricultural product if such label or information implies, directly or indirectly, that such product is produced and handled using organic methods, except in accordance with this title.

(2) USDA STANDARDS AND SEAL.—A label affixed, or other market information provided, in accordance with paragraph (1) may indicate that the agricultural product meets Department of Agriculture standards for organic production and may incorporate the Department of Agriculture seal.

(b) IMPORTED PRODUCTS.—Imported agricultural products may be sold or labeled as organically produced if the Secretary determines that such products have been produced and handled under an organic certification program that provides safeguards and guidelines governing the production and handling of such products that are at least equivalent to the requirements of this title.

(c) EXEMPTIONS FOR PROCESSED FOOD.—Subsection (a) shall not apply to agricultural products that—

(1) contain at least 50 percent organically produced ingredients by weight, excluding water and salt, to the extent that the Secretary, in consultation with the National Organic Standards Board and the Secretary of Health and Human Services, has determined to permit the word "organic" to be used on the principal display panel of such products only for the purpose of describing the organically produced ingredients; or

(2) contain less than 50 percent organically produced ingredients by weight, excluding water and salt, to the extent that the Secretary, in consultation with the National Organic Standards Board and the Secretary of Health and Human Services, has determined to permit the word "organic" to appear on the ingredient listing panel to describe those ingredients that are organically produced in accordance with this title.

(d) SMALL FARMER EXEMPTION.—Subsection (a)(1) shall not apply to persons who sell no more than $5,000 annually in value of agricultural products.

SEC. 2107. GENERAL REQUIREMENTS.

(a) IN GENERAL.—A program established under this title shall—

(1) provide that an agricultural product to be sold or labeled as organically produced must—

(A) be produced only on certified organic farms and handled only through certified organic handling operations in accordance with this title; and

(B) be produced and handled in accordance with such program;

(2) require that producers and handlers desiring to participate under such program establish an organic plan under section 2114;

(3) provide for procedures that allow producers and handlers to appeal an adverse administrative determination under this title;

(4) require each certified organic farm or each certified organic handling operation to certify to the Secretary, the governing State official (if applicable), and the certifying agent on an annual basis, that such farm or handler has not produced or handled any agricultural product sold or labeled as organically produced except in accordance with this title;

(5) provide for annual on-site inspection by the certifying agent of each farm and handling operation that has been certified under this title;

(6) require periodic residue testing by certifying agents of agricultural products that have been produced on certified organic farms and handled through certified organic handling operations to determine whether such products contain any pesticide or other nonorganic residue or natural toxicants and to require certifying agents, to the extent that such agents are aware of a violation of applicable laws relating to food safety, to report such violation to the appropriate health agencies;

(7) provide for appropriate and adequate enforcement procedures, as determined by the Secretary to be necessary and consistent with this title;

(8) protect against conflict-of-interest as specified under section 2116(h);

(9) provide for public access to certification documents and laboratory analyses that pertain to certification;

(10) provide for the collection of reasonable fees from producers, certifying agents and handlers who participate in such program; and

(11) require such other terms and conditions as may be determined by the Secretary to be necessary.

(b) DISCRETIONARY REQUIREMENTS.—An organic certification program established under this title may—

(1) provide for the certification of an entire farm or handling operation or specific fields of a farm or parts of a handling operation if—

(A) in the case of a farm or field, the area to be certified has distinct, defined boundaries and buffer zones separating the land being operated through the use of organic methods from land that is not being operated through the use of such methods;

(B) the operators of such farm or handling operation maintain records of all organic operations separate from records relating to other operations and make such records available at all times for inspection by the Secretary, the certifying agent, and the governing State official; and

(C) appropriate physical facilities, machinery, and management practices are established to prevent the possibility of a mixing of organic and nonorganic products or a penetration of prohibited chemicals or other substances on the certified area; and

(2) provide for reasonable exemptions from specific requirements of this title (except the provisions of section 2112) with respect to agricultural products produced on certified organic farms if such farms are subject to a Federal or State emergency pest or disease treatment program.

(c) STATE PROGRAM.—A State organic certification program approved under this title may contain additional guidelines governing the production or handling of products sold or labeled as organically produced in such State as required in section 2108.

SEC. 2108. STATE ORGANIC CERTIFICATION PROGRAM.

(a) IN GENERAL.—The governing State official may prepare and submit a plan for the establishment of a State organic certification program to the Secretary for approval. A State organic certification program must meet the requirements of this title to be approved by the Secretary.

(b) ADDITIONAL REQUIREMENTS.—

(1) AUTHORITY.—A State organic certification program established under subsection (a) may contain more restrictive requirements governing the organic certification of farms and handling operations and the production and handling of agricultural products that are to be sold or labeled as organically produced under this title than are contained in the program established by the Secretary.

(2) CONTENT.—Any additional requirements established under paragraph (1) shall—

(A) further the purposes of this title;

(B) not be inconsistent with this title;

(C) not be discriminatory towards agricultural commodities organically produced in other States in accordance with this title; and

(D) not become effective until approved by the Secretary.

(c) REVIEW AND OTHER DETERMINATIONS.—

(1) SUBSEQUENT REVIEW.—The Secretary shall review State organic certification programs not less than once during each 5-year period following the date of the approval of such programs.

(2) CHANGES IN PROGRAM.—The governing State official, prior to implementing any substantive change to programs approved under this subsection, shall submit such change to the Secretary for approval.

(3) TIME FOR DETERMINATION.—The Secretary shall make a determination concerning any plan, proposed change to a program, or a review of a program not later than 6 months after receipt of such plan, such proposed change, or the initiation of such review.

SEC. 2109. PROHIBITED CROP PRODUCTION PRACTICES AND MATERIALS.

(a) SEED, SEEDLINGS AND PLANTING PRACTICES.—For a farm to be certified under this title, producers on such farm shall not apply materials to, or engage in practices on, seeds or seedlings that are contrary to, or inconsistent with, the applicable organic certification program.

(b) SOIL AMENDMENTS.—For a farm to be certified under this title, producers on such farm shall not—

(1) use any fertilizers containing synthetic ingredients or any commercially blended fertilizers containing materials prohibited under this title or under the applicable State organic certification program; or

(2) use as a source of nitrogen: phosphorous, lime, potash, or any materials that are inconsistent with the applicable organic certification program.

(c) CROP MANAGEMENT.—For a farm to be certified under this title, producers on such farm shall not—

(1) use natural poisons such as arsenic or lead salts that have long-term effects and persist in the environment, as determined by the applicable governing State official or the Secretary;

(2) use plastic mulches, unless such mulches are removed at the end of each growing or harvest season; or

(3) use transplants that are treated with any synthetic or prohibited material.

SEC. 2110. ANIMAL PRODUCTION PRACTICES AND MATERIALS.

(a) IN GENERAL.—Any livestock that is to be slaughtered and sold or labeled as organically produced shall be raised in accordance with this title.

(b) BREEDER STOCK.—Breeder stock may be purchased from any source if such stock is not in the last third of gestation.

(c) PRACTICES.—For a farm to be certified under this title as an organic farm with respect to the livestock produced by such farm, producers on such farm—

(1) shall feed such livestock organically produced feed that meets the requirements of this title;

(2) shall not use the following feed—

(A) plastic pellets for roughage;

(B) manure refeeding; or

(C) feed formulas containing urea; and

(3) shall not use growth promoters and hormones on such livestock, whether implanted, ingested, or injected, including antibiotics and synthetic trace elements used to stimulate growth or production of such livestock.

(d) HEALTH CARE.—

(1) PROHIBITED PRACTICES.—For a farm to be certified under this title as an organic farm with respect to the livestock produced by such farm, producers on such farm shall not—

(A) use subtherapeutic doses of antibiotics;

(B) use synthetic internal paraciticides on a routine basis; or

(C) administer medication, other than vaccinations, in the absence of illness.

(2) STANDARDS.—The National Organic Standards Board shall recommend to the Secretary standards in addition to those in paragraph (1) for the care of livestock to ensure that such livestock is organically produced.

(e) ADDITIONAL GUIDELINES.—

(1) POULTRY.—With the exception of day old poultry, all poultry from which meat or eggs will be sold or labeled as organically produced shall be raised and handled in accordance with this title prior to and during the period in which such meat or eggs are sold.

(2) DAIRY LIVESTOCK.—A dairy animal from which milk or milk products will be sold or labeled as organically produced shall be raised and handled in accordance with this title for not less than the 12-month period immediately prior to the sale of such milk and milk products.

(f) LIVESTOCK IDENTIFICATION.—

(1) IN GENERAL.—For a farm to be certified under this title as an organic farm with respect to the livestock produced by such farm, producers on such farm shall keep adequate records and maintain a detailed, verifiable audit trail so that each animal (or in the case of poultry, each flock) can be traced back to such farm.

(2) RECORDS.—In order to carry out paragraph (1), each producer shall keep accurate records on each animal (or in the case of poultry, each flock) including—

(A) amounts and sources of all medications administered; and

(B) all feeds and feed supplements bought and fed.

(h) NOTICE AND PUBLIC COMMENT.—The Secretary shall hold public hearings and shall develop detailed regulations, with notice and public comment, to guide the implementation of the standards for livestock products provided under this section.

SEC. 2111. HANDLING.

(a) IN GENERAL.—For a handling operation to be certified under this title, each person on such handling operation shall not, with respect to any agricultural product covered by this title—

(1) add any synthetic ingredient during the processing or any post harvest handling of the product;

(2) add any ingredient known to contain levels of nitrates, heavy metals, or toxic residues in excess of those permitted by the applicable organic certification program;

(3) add any sulfites, nitrates, or nitrites;

(4) add any ingredients that are not organically produced in accordance with this title and the applicable organic certification program, unless such ingredients are included on the National List and represent not more than 5 percent of the weight of the total finished product (excluding salt and water);

(5) use any packaging materials, storage containers or bins that contain synthetic fungicides, preservatives, or fumigants;

(6) use any bag or container that had previously been in contact with any substance in such a manner as to compromise the organic quality of such product; or

(7) use, in such product water that does not meet all Safe Drinking Water Act requirements.

(b) MEAT.—For a farm or handling operation to be organically certified under this title, producers on such farm or persons on such handling operation shall ensure that organically produced meat does not come in contact with nonorganically produced meat.

SEC. 2112. ADDITIONAL GUIDELINES.

(a) IN GENERAL.—The Secretary, the applicable governing State official, and the certifying agent shall utilize a system of residue testing to test products sold or labeled as organically produced under this title to assist in the enforcement of this title.

(b) PRE-HARVEST TESTING.—The Secretary, the applicable governing State official, or the certifying agent may require preharvest

tissue testing of any crop grown on soil suspected of harboring contaminants.

(c) COMPLIANCE REVIEW.—

(1) INSPECTION.—If the Secretary, the applicable governing State official, or the certifying agent determines that an agricultural product sold or labeled as organically produced under this title contains any detectable pesticide or other non-organic residue or prohibited natural substance the Secretary, the applicable governing State official, or the certifying agent shall conduct an investigation to determine if the organic certification program has been violated, and may require the producer or handler of such product to prove that any prohibited substance was not applied to such product.

(2) REMOVAL OF ORGANIC LABEL.—If, as determined by the Secretary, the applicable governing State official, or the certifying agent, the investigation conducted under paragraph (1) indicates that the residue is—

(A) the result of intentional application of a prohibited substance; or

(B) present at levels that are greater than unavoidable residual environmental contamination as prescribed by the Secretary or the applicable governing State official in consultation with the appropriate environmental regulatory agencies;

such agricultural product shall not be sold or labeled as organically produced under this title.

(d) RECORDKEEPING REQUIREMENTS.—Producers who operate a certified organic farm or handling operation under this title shall maintain records for 5 years concerning the production or handling of agricultural products sold or labeled as organically produced under this title, including—

(1) a detailed history of substances applied to fields or agricultural products; and

(2) the names and addresses of persons who applied such substances, the dates, the rate, and method of application of such substances.

SEC. 2113. OTHER PRODUCTION AND HANDLING PRACTICES.

If a production or handling practice is not prohibited or otherwise restricted under this title, such practice shall be permitted unless it is determined that such practice would be inconsistent with the applicable organic certification program.

SEC. 2114. ORGANIC PLAN.

(a) IN GENERAL.—A producer or handler seeking certification under this title shall submit an organic plan to the certifying agent and the State organic certification program (if applicable), and such plan shall be reviewed by the certifying agent who shall determine if such plan meets the requirements of the programs.

(b) CROP PRODUCTION FARM PLAN.—

(1) SOIL FERTILITY.—An organic plan shall contain provisions designed to foster soil fertility, primarily through the management of the organic content of the soil through proper tillage, crop rotation, and manuring.

(2) MANURING.—

(A) INCLUSION IN ORGANIC PLAN.—An organic plan shall contain terms and conditions that regulate the application of manure to crops.

(B) APPLICATION OF MANURE.—Such organic plan may provide for the application of raw manure only to—

(i) any green manure crop;

(ii) any perennial crop;

(iii) any crop not for human consumption; and

(iv) any crop for human consumption, if such crop is harvested after a reasonable period of time determined by the certifying agent to ensure the safety of such crop, after the most recent application of raw manure, but in no event shall such period be less than 60 days after such application.

(C) CONTAMINATION BY MANURE.—Such organic plan shall prohibit raw manure from being applied to any crop in a way that significantly contributes to water contamination by nitrates or bacteria.

(c) LIVESTOCK PLAN.—An organic livestock plan shall contain provisions designed to foster the organic production of livestock consistent with the purposes of this title.

(d) MIXED CROP LIVESTOCK PRODUCTION.—An organic plan may encompass both the crop production and livestock production requirements in subsections (b) and (c) if both activities are conducted by the same producer.

(e) HANDLING PLAN.—An organic handling plan shall contain provisions designed to ensure that agricultural products that are sold or labeled as organically produced are produced and handled in a manner that is consistent with the purposes of this title.

(f) MANAGEMENT OF WILD CROPS.—An organic plan for the harvesting of wild crops shall—

(1) designate the area from which the wild crop will be gathered or harvested;

(2) include a 3 year history of the management of the area showing that no prohibited substances have been applied;

(3) include a plan for the harvesting or gathering of the wild crops assuring that such harvesting or gathering will not be destructive to the environment and will sustain the growth and production of the wild crop; and

(4) include provisions that no prohibited substances will be applied by the producer.

(g) LIMITATION ON CONTENT OF PLAN.—An organic plan shall not include any production or handling practices that are inconsistent with this title.

SEC. 2115. ACCREDITATION PROGRAM.

(a) IN GENERAL.—The Secretary shall establish and implement a program to accredit a governing State official, and any private person, that meets the requirements of this section as a certifying agent for the purpose of certifying a farm or handling operation as a certified organic farm or handling operation.

(b) REQUIREMENTS.—To be accredited as a certifying agent under this section, a governing State official or private person shall—

(1) prepare and submit, to the Secretary, an application for such accreditation;

(2) have sufficient expertise in organic farming and handling techniques as determined by the Secretary; and

(3) comply with the requirements of this section and section 2116.

(c) DURATION OF DESIGNATION.—An accreditation made under this section shall be for a period of not to exceed 5 years, as determined appropriate by the Secretary, and may be renewed.

SEC. 2116. REQUIREMENTS OF CERTIFYING AGENTS.

(a) ABILITY TO IMPLEMENT REQUIREMENTS.—To be accredited as a certifying agent under section 2115, a governing State official or a person shall be able to fully implement the applicable organic certification program established under this title.

(b) INSPECTORS.—Any certifying agent shall employ a sufficient number of inspectors to implement the applicable organic certification program established under this title, as determined by the Secretary.

(c) RECORDKEEPING.—

(1) MAINTENANCE OF RECORDS.—Any certifying agent shall maintain all records concerning its activities under this title for a period of not less than 10 years.

(2) ACCESS FOR SECRETARY.—Any certifying agent shall allow representatives of the Secretary and the governing State official access to any and all records concerning the certifying agent's activities under this title.

(3) TRANSFERENCE OF RECORDS.—If any private person that was certified under this title is dissolved or loses its accreditation, all records or copies of records concerning such person's activities under this title shall be transferred to the Secretary and made available to the applicable governing State official.

(d) AGREEMENT.—Any certifying agent shall enter into an agreement with the Secretary under which such agent shall—

(1) agree to carry out the provisions of this title; and

(2) agree to such other terms and conditions as the Secretary determines appropriate.

(e) PRIVATE CERTIFYING AGENT AGREEMENT.—Any certifying agent that is a private person shall, in addition to the agreement required in subsection (d)—

(1) agree to hold the Secretary harmless for any failure on the part of the certifying agent to carry out the provisions of this title; and

(2) furnish reasonable security, in an amount determined by the Secretary, for the purpose of protecting the rights of participants in the applicable organic certification program established under this title.

(f) COMPLIANCE WITH PROGRAM.—Any certifying agent shall fully comply with the terms and conditions of the applicable organic certification program implemented under this title.

(g) CONFIDENTIALITY.—Except as provided in section 2107(a)(9), any certifying agent shall maintain strict confidentiality with respect to its clients under the applicable organic certification program and may not disclose to third parties (with the exception of the Secretary or the applicable governing State official) any business related information concerning such client obtained while implementing this title.

(h) CONFLICT OF INTEREST.—Any certifying agent shall not—

(1) carry out any inspections of any operation in which such certifying agent, or employee of such certifying agent has, or has had, a commercial interest, including the provision of consultancy services;

(2) accept payment, gifts, or favors of any kind from the business inspected other than prescribed fees; or

(3) provide advice concerning organic practices or techniques for a fee, other than fees established under such program.

(i) ADMINISTRATOR.—A certifying agent that is a private person shall nominate the individual who controls the day-to-day operation of the agent.

(j) LOSS OF ACCREDITATION.—

(1) NONCOMPLIANCE.—If the Secretary or the governing State official (if applicable) determines that a certifying agent is not properly adhering to the provisions of this title, the Secretary or such governing State official may suspend such certifying agent's accreditation.

(2) EFFECT ON CERTIFIED OPERATIONS.—If the accreditation of a certifying agent is suspended under paragraph (1), the Secretary or the governing State official (if applicable) shall promptly determine whether farming or handling operations certified by certifying such agent may retain their organic certification.

SEC. 2117. PEER REVIEW OF CERTIFYING AGENTS.

(a) PEER REVIEW.—In determining whether to approve an application for accreditation submitted under section 2115, the Secretary shall consider a report concerning such applicant that shall be prepared by a peer review panel established under subsection (b).

(b) PEER REVIEW PANEL.—To assist the Secretary in evaluating applications under section 2115, the Secretary may establish a panel of not less than three persons who have expertise in organic farming and handling methods, to evaluate the State governing official or private person that is seeking accreditation as a certifying agent under such section. Not less than two members of such panel shall be persons who are not employees of the Department of Agriculture or of the applicable State government.

SEC. 2118. NATIONAL LIST.

(a) IN GENERAL.—The Secretary shall establish a National List of approved and prohibited substances that shall be included in the standards for organic production and handling established under this title in order for such products to be sold or labeled as organically produced under this title.

(b) CONTENT OF LIST.—The list established under subsection (a) shall contain an itemization, by specific use or application, of each synthetic substance permitted under subsection (c)(1) or each natural substance prohibited under subsection (c)(2).

(c) GUIDELINES FOR PROHIBITIONS OR EXEMPTIONS.—

(1) EXEMPTION FOR PROHIBITED SUBSTANCES.—The National List may provide for the use of substances in an organic farming or handling operation that are otherwise prohibited under this title only if—

(A) the Secretary determines, in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, that the use of such substances—

(i) would not be harmful to human health or the environment;

(ii) is necessary to the production or handling of the agricultural product because of the unavailability of wholly natural substitute products; and

(iii) is consistent with organic farming and handling;

(B) the substance—

(i) is used in production and contains an active synthetic ingredient in the following categories: copper and sulfur compounds; toxins derived from bacteria; pheromones, soaps, horticultural oils, fish emulsions, treated seed, vitamins and minerals; livestock paraciticides and medicines and production aids including netting, tree wraps and seals, insect traps, sticky barriers, row covers, and equipment cleansers;

(ii) is used in production and contains synthetic inert ingredients that are not classified by the Administrator of the Environmental Protection Agency as inerts of toxicological concern; or

(iii) is used in handling and is non-synthetic but is not organically produced; and

(C) the specific exemption is developed using the procedures described in subsection (d).

(2) PROHIBITION ON THE USE OF SPECIFIC NATURAL SUBSTANCES.—The National List may prohibit the use of specific natural substances in an organic farming or handling operation that are otherwise allowed under this title only if—

(A) the Secretary determines, in consultation with the Secretary of Health and Human Services and the Administrator of the Environmental Protection Agency, that the use of such substances—

(i) would be harmful to human health or the environment; and

(ii) is inconsistent with organic farming or handling, and the purposes of this title; and

(B) the specific prohibition is developed using the procedures specified in subsection (d).

(d) PROCEDURE FOR ESTABLISHING NATIONAL LIST.—

(1) IN GENERAL.—The National List established by the Secretary shall be based upon a proposed national list or proposed amendments to the National List developed by the National Organic Standards Board.

(2) NO ADDITIONS.—The Secretary may not include exemptions for the use of specific synthetic substances in the National List other than those exemptions contained in the Proposed National List or Proposed Amendments to the National List.

(3) PROHIBITED SUBSTANCES.—In no instance shall the National List include any substance, the presence of which in food has been prohibited by Federal regulatory action.

(4) NOTICE AND COMMENT.—Before establishing the National List or before making any amendments to the National List, the Secretary shall publish the Proposed National List or any Proposed Amendments to the National List in the Federal Register and seek public comment on such proposals. The Secretary shall include in such Notice any changes to such proposed list or amendments recommended by the Secretary.

(5) PUBLICATION OF NATIONAL LIST.—After evaluating all comments received concerning the Proposed National List or Proposed Amendments to the National List, the Secretary shall publish the final National List in the Federal Register, along with a discussion of comments received.

(e) SUNSET PROVISION.—No exemption or prohibition contained in the National List shall be valid unless the National Organic Standards Board has reviewed such exemption or prohibition as provided in this section within 5 years of such exemption or prohibition being adopted or reviewed and the Secretary has renewed such exemption or prohibition.

SEC. 2119. NATIONAL ORGANIC STANDARDS BOARD.

(a) IN GENERAL.—The Secretary shall establish a National Organic Standards Board (in accordance with the Federal Advisory Committee Act (5 U.S.C. App. 2 et seq.)) (hereafter referred to in this section as the "Board") to assist in the development of standards for substances to be used in organic production and to advise the Secretary on any other aspects of the implementation of this title.

(b) COMPOSITION OF BOARD.—The Board shall be composed of 15 members, of which—

(1) four shall be individuals who own or operate an organic farming operation;

(2) two shall be individuals who own or operate an organic handling operation;

(3) one shall be an individual who owns or operates a retail establishment with significant trade in organic products;

(4) three shall be individuals with expertise in areas of environmental protection and resource conservation;

(5) three shall be individuals who represent public interest or consumer interest groups;

(6) one shall be an individual with expertise in the fields of toxicology, ecology, or biochemistry; and

(7) one shall be an individual who is a certifying agent as identified under section 2116.

(c) APPOINTMENT.—Not later than 180 days after the date of enactment of this title, the Secretary shall appoint the members of the Board under paragraph (1) through (6) of subsection (b) (and under subsection (b)(7) at an appropriate date after the certification of individuals as certifying agents under section 2116) from nominations received from organic certifying organizations, States, and other interested persons and organizations.

(d) TERM.—A member of the Board shall serve for a term of 5 years, except that the Secretary shall appoint the original members of the Board for staggered terms. A member cannot serve consecutive terms unless such member served an original term that was less than 5 years.

(e) MEETINGS.—The Secretary shall convene a meeting of the Board not later than 60 days after the appointment of its members and shall convene subsequent meetings on a periodic basis.

(f) COMPENSATION AND EXPENSES.—A member of the Board shall serve without compensation. While away from their homes or regular places of business on the business of the Board, members of the Board may be allowed travel expenses, including per diem in lieu of subsistence as is authorized under section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(g) CHAIRPERSON.—The Board shall select a Chairperson for the Board.

(h) QUORUM.—A majority of the members of the Board shall constitute a quorum for the purpose of conducting business.

(i) DECISIVE VOTES.—Two-thirds of the votes cast at a meeting of the Board at which a quorum is present shall be decisive of any motion.

(j) OTHER TERMS AND CONDITIONS.—The Secretary shall authorize the Board to hire a staff director and shall detail staff of the Department of Agriculture or allow for the hiring of staff and may, subject to necessary appropriations, pay necessary expenses incurred by such Board in carrying out the provisions of this title, as determined appropriate by the Secretary.

(k) RESPONSIBILITIES OF THE BOARD.—

(1) IN GENERAL.—The Board shall provide recommendations to the Secretary regarding the implementation of this title.

(2) NATIONAL LIST.—The Board shall develop the proposed National List or proposed amendments to the National List for submission to the Secretary in accordance with section 2118.

(3) TECHNICAL ADVISORY PANELS.—The Board shall convene technical advisory panels to provide scientific evaluation of the materials considered for inclusion in the National List. Such panels may include experts in agronomy, entomology, health sciences and other relevant disciplines.

(4) SPECIAL REVIEW OF BOTANICAL PESTICIDES.—The Board shall, prior to the establishment of the National List, review all botanical pesticides used in agricultural production and consider whether any such botanical pesticide should be included in the list of prohibited natural substances.

(5) PRODUCT RESIDUE TESTING.—The Board shall advise the Secretary concerning the testing of organically produced agricultural products for residues caused by unavoidable residual environmental contamination.

(6) EMERGENCY SPRAY PROGRAMS.—The Board shall advise the Secretary concerning

rules for exemptions from specific requirements of this title (except the provisions of section 2112) with respect to agricultural products produced on certified organic farms if such farms are subject to a Federal or State emergency pest or disease treatment program.

(l) REQUIREMENTS.—In establishing the proposed National List or proposed amendments to the National List, the Board shall—

(1) review available information from the Environmental Protection Agency, the National Institute of Environmental Health Studies, and such other sources as appropriate, concerning the potential for adverse human and environmental effects of substances considered for inclusion in the proposed National List;

(2) work with manufacturers of substances considered for inclusion in the proposed National List to obtain a complete list of ingredients and determine whether such substances contain inert materials that are synthetically produced; and

(3) submit to the Secretary, along with the proposed National List or any proposed amendments to such list, the results of the Board's evaluation and the evaluation of the technical advisory panel of all substances considered for inclusion in the National List.

(m) EVALUATION.—In evaluating substances considered for inclusion in the proposed National List or proposed amendment to the National List, the Board shall consider—

(1) the potential of such substances for detrimental chemical interactions with other materials used in organic farming systems;

(2) the toxicity and mode of action of the substance and of its breakdown products or any contaminants, and their persistence and areas of concentration in the environment;

(3) the probability of environmental contamination during manufacture, use, misuse or disposal of such substance;

(4) the effect of the substance on human health;

(5) the effects of the substance on biological and chemical interactions in the agroecosystem, including the physiological effects of the substance on soil organisms (including the salt index and solubility of the soil), crops and livestock;

(6) the alternatives to using the substance in terms of practices or other available materials; and

(7) its compatibility with a system of sustainable agriculture.

(n) PETITIONS.—The Board shall establish procedures under which persons may petition the Board for the purpose of evaluating substances for inclusion on the National List.

(o) CONFIDENTIALITY.—Any confidential business information obtained by the Board in carrying out this section shall not be released to the public.

SEC. 2120. VIOLATIONS OF TITLE.

(a) MISUSE OF LABEL.—Any person who knowingly sells or labels a product as organic, except in accordance with this title, shall be subject to a civil penalty of not more than $10,000.

(b) FALSE STATEMENT.—Any person who makes a false statement under this title to the Secretary, a governing State official, or a certifying agent shall be subject to the provisions of section 1001 of title 18, United States Code.

(c) INELIGIBILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any person who—

(A) makes a false statement;

(B) attempts to have a label indicating that an agricultural product is organically produced affixed to such product that such person knows, or should have reason to know, to have been produced or handled in a manner that is not in accordance with this title; or

(C) otherwise violates the purposes of the applicable organic certification program as determined by the Secretary; after notice and an opportunity to be heard, shall not be eligible, for a period of 5 years from the date of such occurrence, to receive certification under this title with respect to any farm or handling operation in which such person has an interest.

(2) WAIVER.—Notwithstanding paragraph (1), the Secretary may reduce or eliminate the period of ineligibility referred to in such paragraph if the Secretary determines that such modification or waiver is in the best interests of the applicable organic certification program established under this title.

(d) REPORTING OF VIOLATIONS.—A certifying agent shall immediately report any violations of this title to the Secretary or the governing State official (if applicable).

(e) VIOLATIONS BY CERTIFYING AGENT.—A certifying agent that is a private person that violates the provisions of this title or that falsely or negligently certifies any farming or handling operation that does not meet the terms and conditions of the applicable organic certification program as an organic operation, as determined by the Secretary or the governing State official (if applicable) shall, after notice and an opportunity to be heard—

(1) lose its accreditation as a certifying agent under this title; and

(2) be ineligible to be accredited as a certifying agent under this title for a period of not less than 3 years subsequent to the date of such determination.

(f) EFFECT OF OTHER LAWS.—Nothing in this title shall alter the authority of the Secretary under the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), and the Egg Products Inspection Act (21 U.S.C. 1031 et seq.) concerning meat, poultry and egg products, nor any of the authorities of the Secretary of Health and Human Services under the Federal Food, Drug and Cosmetic Act (21 U.S.C. 301 et seq.), nor the authority of the Administrator of the Environmental Protection Agency under the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. 136 et seq.).

SEC. 2121. ADMINISTRATIVE APPEAL.

(a) EXPEDITED APPEALS PROCEDURE.—The Secretary shall establish an expedited administrative appeals procedure under which persons may appeal an action of the Secretary, the applicable governing State official, or a certifying agent under this title that—

(1) adversely affects such person; or

(2) is inconsistent with the organic certification program established under this title.

(b) APPEAL OF FINAL DECISION.—A final decision of the Secretary under subsection (a) may be appealed to the United States District Court for the District in which such person is located.

SEC. 2122. ADMINISTRATION.

(a) REGULATIONS.—Not later than 540 days after the date of enactment of this title, the Secretary shall issue proposed regulations to carry out this title.

(b) ASSISTANCE TO STATE. –

(1) TECHNICAL AND OTHER ASSISTANCE.—The Secretary shall provide technical, administrative, and Extension Service assistance to assist States in the implementation of an organic certification program under this title.

(2) FINANCIAL ASSISTANCE.—The Secretary may provide financial assistance to any State that implements an organic certification program under this title.

SEC. 2123. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out this title.

TITLE XXII—CROP INSURANCE AND DISASTER ASSISTANCE

Subtitle A—Crop Insurance

SEC. 2201. SUBMISSION OF SOCIAL SECURITY ACCOUNT NUMBERS AND EMPLOYER IDENTIFICATION NUMBERS.

(a) SUBMISSION REQUIRED.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506) is amended by adding at the end the following new subsection:

"(l) SUBMISSION OF CERTAIN INFORMATION.—

"(1) SOCIAL SECURITY ACCOUNT AND EMPLOYER IDENTIFICATION NUMBERS.—The Corporation shall require, as a condition of eligibility for participation in the multiple peril crop insurance program, submission of social security account numbers, subject to the requirements of section 205(c)(2)(C)(iii) of the Social Security Act, and employer identification numbers, subject to the requirements of section 6109(f) of the Internal Revenue Code of 1986.

"(2) NOTIFICATION BY POLICYHOLDERS.—Each policyholder shall notify each individual or other entity that acquires or holds a substantial beneficial interest in such policyholder of the requirements and limitations under this title.

"(3) IDENTIFICATION OF HOLDERS OF SUBSTANTIAL INTERESTS.—The Manager of the Corporation may require each policyholder to provide to the Manager, at such times and in such manner as prescribed by the Manager, the name of each individual that holds or acquires a substantial beneficial interest in the policyholder.

"(4) DEFINITION.—For purposes of this subsection, the term 'substantial beneficial interest' means not less than 5 percent of all beneficial interests in the policyholder.".

(b) ACCESS BY FCIC TO SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) is amended—

(1) by redesignating clauses (ii), (iii), and (iv) as clauses (iv), (v), and (vi), respectively;

(2) by redesignating subclauses (I) and (II) of clause (i) as clauses (i) and (ii), respectively; and

(3) by inserting after clause (ii) (as redesignated) the following new clause:

"(iii) In the administration of section 506 of the Federal Crop Insurance Act, the Federal Crop Insurance Corporation may require each policyholder and each reinsured company to furnish to the insurer or to the Corporation the social security account number of such policy holder, subject to the requirements of this clause. No officer or employee of the Federal Crop Insurance Corporation shall have access to any such number for any purpose other than the establishment of a system of records necessary for the effective administration of such Act. The Manager of the Corporation may require each policyholder to provide to the Manager, at such times and in such manner as prescribed by the Manager, the social security account number of each individual that holds or acquires a substantial beneficial interest in the policyholder. For purposes of this clause, the term 'substantial

beneficial interest' means not less than 5 percent of all beneficial interest in the policyholder. The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of Health and Human Services, access to social security account numbers obtained pursuant to this clause only to officers and employees of the United States or authorized persons whose duties or responsibilities require access for the administration of the Federal Crop Insurance Act. The Secretary of Agriculture shall provide such other safeguards as the Secretary of Health and Human Services determines to be necessary or appropriate to protect the confidentiality of such social security account numbers. For purposes of this clause the term 'authorized person' means an officer or employee of an insurer whom the Manager of the Corporation designates by rule, subject to appropriate safeguards including a prohibition against the release of such social security account number (other than to the Corporation) by such person.".

(c) CONFIDENTIALITY OF SOCIAL SECURITY ACCOUNT NUMBERS.—Section 205(c)(2)(C) of the Social Security Act (42 U.S.C. 405(c)(2)(C)) (as amended by subsection (b)) is further amended by adding at the end thereof the following new clause:

"(vii)(I) Social security account numbers and related records that are obtained or maintained by authorized persons pursuant to any provision of law, enacted on or after October 1, 1990, shall be confidential, and no authorized person shall disclose any such social security account number or related record.

"(II) Paragraphs (1), (2), and (3) of section 7213(a) of the Internal Revenue Code of 1986 shall apply with respect to the unauthorized willful disclosure to any person of social security account numbers and related records obtained or maintained by an authorized person pursuant to a provision of law enacted on or after October 1, 1990, in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of returns and return information described in such paragraphs. Paragraph (4) of such 7213(a) of such Code shall apply with respect to the willful offer of any item of material value in exchange for any such social security account number or related record in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.

"(III) For purposes of this clause, the term 'authorized person' means an officer or employee of the United States, an officer or employee of any State, political subdivision of a State, or agency of a State or political subdivision of a State, and any other person (or officer or employee thereof), who has or had access to social security account numbers or related records pursuant to any provision of law enacted on or after October 1, 1990. For purposes of this subclause, the term 'officer or employee' includes a former officer or employee.

"(IV) For purposes of this clause, the term 'related record' means any record, list, or compilation that indicates, directly or indirectly, the identity of any individual with respect to whom a social security account number is maintained pursuant to this clause.".

(d) ACCESS BY FCIC TO EMPLOYER IDENTIFICATION NUMBERS.—Section 6109 of the Internal Revenue Code of 1986 (relating to identifying numbers) is amended by adding at the end thereof the following new subsection:

"(f) ACCESS TO EMPLOYER IDENTIFICATION NUMBERS BY FEDERAL CROP INSURANCE CORPORATION FOR PURPOSES OF THE FEDERAL CROP INSURANCE ACT.—

"(1) IN GENERAL.—In the administration of section 506 of the Federal Crop Insurance Act, the Federal Crop Insurance Corporation may require each policyholder and each reinsured company to furnish to the insurer or to the Corporation the employer identification number of such policy holder, subject to the requirements of this paragraph. No officer or employee of the Federal Crop Insurance Corporation, or authorized person shall have access to any such number for any purpose other than the establishment of a system of records necessary to the effective administration of such Act. The Manager of the Corporation may require each policyholder to provide to the Manager or authorized person, at such times and in such manner as prescribed by the Manager, the employer identification number of each entity that holds or acquires a substantial beneficial interest in the policyholder. For purposes of this subclause, the term 'substantial beneficial interest' means not less than 5 percent of all beneficial interest in the policyholder. The Secretary of Agriculture shall restrict, to the satisfaction of the Secretary of the Treasury, access to employer identification numbers obtained pursuant to this paragraph only to officers and employees of the United States or authorized persons whose duties or responsibilities require access for the administration of the Federal Crop Insurance Act.

"(2) CONFIDENTIALITY AND NONDISCLOSURE RULES.—Employer identification numbers maintained by the Secretary of Agriculture or the Federal Crop Insurance Corporation pursuant to this subsection shall be confidential, and except as authorized by this subsection, no officer or employee of the United States or authorized person who has or had access to such employer identification numbers shall disclose any such employer identification number obtained thereby in any manner. For purposes of this paragraph, the term 'officer or employee' includes a former officer or employee. For purposes of this subsection, the term 'authorized person' means an officer or employee of an insurer whom the Manager of the Corporation designates by rule, subject to appropriate safeguards including a prohibition against the release of such social security account numbers (other than to the Corporations) by such person.

"(3) SANCTIONS.—Paragraphs (1), (2), and (3) of section 7213(a) shall apply with respect to the unauthorized willful disclosure to any person of employer identification numbers maintained by the Secretary of Agriculture or the Federal Crop Insurance Corporation pursuant to this subsection in the same manner and to the same extent as such paragraphs apply with respect to unauthorized disclosures of return and return information described in such paragraphs. Paragraph (4) of section 7213(a) shall apply with respect to the willful offer of any item of material value in exchange for any such employer identification number in the same manner and to the same extent as such paragraph applies with respect to offers (in exchange for any return or return information) described in such paragraph.".

SEC. 2202. PENALTIES FOR WILLFUL PROVISION OF FALSE OR INACCURATE INFORMATION.

(a) PENALTIES AUTHORIZED.—Section 506 of the Federal Crop Insurance Act (7 U.S.C. 1506), as amended by section 2201(a), is further amended by adding at the end the following new subsection:

"(m) PENALTIES.—

"(1) FALSE INFORMATION.—If a person willfully and intentionally provides any false or inaccurate information to the Corporation or to any insurer with respect to an insurance plan or policy under this title, the Corporation may, after notice and an opportunity for a hearing on the record—

"(A) impose a civil fine of not to exceed $10,000 on the person; and

"(B) disqualify the person from receiving any benefit under this title for a period of not to exceed 10 years.

"(2) ASSESSMENT OF PENALTY.—In assessing penalties under this subsection, the Corporation shall consider the gravity of the violation.".

(b) CONFORMING AND STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking the section heading and all that follows through "The Corporation—" and inserting the following:

"SEC. 506. GENERAL POWERS.";

(2) by inserting "SUCCESSION.—The Corporation" in subsection (a) after "(a)";

(3) by inserting "CORPORATE SEAL.—The Corporation" in subsection (b) after "(b)";

(4) by inserting "PROPERTY.—The Corporation" in subsection (c) after "(c)";

(5) by inserting "SUE AND BE SUED.—The Corporation," in subsection (d) after "(d)";

(6) by inserting "BYLAWS AND REGULATIONS.—The Corporation" in subsection (e) after "(e)";

(7) by inserting "MAILS.—The Corporation" in subsection (f) after "(f)";

(8) by inserting "ASSISTANCE.—The Corporation," in subsection (g) after "(g)";

(9) by inserting "DATA COLLECTION.—The Corporation" in subsection (h) after "(h)";

(10) by inserting "EXPENDITURES.—The Corporation" in subsection (i) after "(i)";

(11) by inserting "OTHER POWERS.—The Corporation" in subsection (j) after "(j)";

(12) by inserting "CONTRACTS.—The Corporation" in subsection (k) after "(k)";

(13) by striking the semicolon at the end of subsections (a), (b), (c), (e), (f), (g), (h) and inserting a period at the end of each of those subsections; and

(14) by striking "; and" at the end of subsections (i) and (j) and inserting a period at the end of each of those subsections.

SEC. 2203. UNIFORM CLAIMS ADJUSTMENT AND REINSURANCE AGREEMENTS.

(a) CLAIMS ADJUSTMENT.—Section 508(c) of the Federal Crop Insurance Act (7 U.S.C. 1508(c)) is amended—

(1) by striking "To adjust and pay claims for losses" in the first sentence and inserting "CLAIMS FOR LOSSES.—The Corporation may adjust and pay claims for losses as provided under subsection (a)"; and

(2) by inserting after the first sentence the following new sentence: "The rules prescribed by the Board shall establish standards to ensure that all claims for losses are adjusted to the extent practicable in a uniform and timely manner.".

(b) REINSURANCE AGREEMENTS.—Section 508(e) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)) is amended—

(1) by striking "And" and inserting "REINSURANCE.—The Corporation is"; and

(2) by adding at the end the following new sentence: "Beginning with the 1992 reinsurance year (July 1, 1991 through June 30, 1992), the Corporation shall revise its reinsurance agreements with the reinsured companies so as to require the reinsured companies to bear an increased share of any potential loss under such agreement, taking into consideration the financial conditions of

the reinsured companies and the availability of private reinsurance.".

SEC. 2204. REVIEW OF POLICIES, ENSURING ACTUARIAL SOUNDNESS, AND INFORMATION COLLECTION.

(a) IN GENERAL.—Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508) is amended—

(1) by redesignating subsections (b) through (j) as subsections (e) through (m), respectively;

(2) by inserting after subsection (a) the following new subsections:

"(b) SUBMISSION OF POLICIES AND MATERIALS TO BOARD.—

"(1) IN GENERAL.—In addition to any standard forms or policies that the Board may require be made available to producers under subsection (a) persons may prepare for submission to the Board—

"(A) other crop insurance policies and provisions of policies; and

"(B) rates of premiums for multiple peril crop insurance pertaining to wheat, soybeans, field corn and any other crops determined by the Secretary.

"(2) PREPARATION OF POLICIES.—A policy or other material submitted to the Board under this subsection may be prepared without regard to the limitations contained in this title, including the requirements concerning the levels of coverage and rates, the use of Agricultural Stabilization and Conservation Service adjusted yields, and the requirement that a price level for each commodity insured must equal the projected market price for the commodity as established by the Board. Policies that establish insurance coverage based on alternative factors of loss such as the average loss rate for the area from a condition common to the area may be approved under this section. Such policy may only be subsidized at an amount equivalent to that which is authorized in this title.

"(3) REVIEW AND APPROVAL BY THE BOARD.—A policy or other material submitted to the Board under this subsection shall be reviewed by the Board and, if the Board finds that the interests of producers are adequately protected and that any premiums charged to such producers are actuarially appropriate, shall be approved by the Board for reinsurance and for sale to producers as an additional choice at actuarially appropriate rates and under appropriate terms and conditions taking into consideration the risks covered by the policy or other material. The Corporation may enter into more than one reinsurance agreement simultaneously to facilitate the offering of such new policies. Proposals made to the Board under this paragraph shall be considered as confidential commercial or financial information for purposes of section 552(b)(4) of title V, United States Code, until approved or disapproved by the Board. The Board shall provide an applicant with notification of intent to disapprove a proposal not later than 30 days prior to taking such action. An applicant so notified may modify such application and such modification shall be considered an extension of the original application.

"(4) REQUIRED PUBLICATION.—Any policies, provisions of policies, and rates approved under this subsection shall be published and made available to all persons contracting with or reinsured by the Corporation in the same manner as the Corporation's standard policies of insurance are published and made available.

"(c) ACTUARIAL SOUNDNESS.—Not later than 180 days after the date of enactment of this subsection, the Corporation shall compile and make available, by region and by crop, the rates that would be necessary to achieve actuarial soundness.

"(d) ADOPTION OF RATES AND COVERAGES.—The Corporation shall adopt, as soon as practicable, rates and coverages that will improve the actuarial soundness of the insurance operations of the Corporation for those crops that are determined to be insured at rates that are not actuarially sound, except that no rate may be increased by an amount of more than 20 percent over the comparable rate of the preceding crop year."; and

(3) by adding at the end the following new subsection:

"(n) INFORMATION COLLECTION ON CROP INSURANCE.—

"(1) IN GENERAL.—The Corporation shall provide to the Secretary of Agriculture—

"(A) current and complete information on all aspects of Federal crop insurance for distribution to producers through local offices of the Department of Agriculture; and

"(B) a listing of agents for agent referral to producers through local offices of the Department of Agriculture.

"(2) USE OF INFORMATION.—The Secretary shall utilize the information provided under paragraph (1) to educate State executive directors of the Agricultural Stabilization and Conservation Service concerning such information to enable such directors to convey such information to local offices for distribution to local producers.".

(b) CONFORMING AND STYLISTIC AMENDMENTS.—Such section is further amended—

(1) by striking the section heading and all that follows through "authorized and empowered—" and inserting the following:

"SEC. 508. CROP INSURANCE.";

(2) in subsection (e) (as redesignated by subsection (a)(1)), by striking "(1) To" and inserting "PREMIUMS.—(1) The Corporation may";

(3) in subsection (g) (as redesignated by subsection (a)(1))—

(A) by striking "In" and inserting "SPECIAL RULE FOR COTTON.—In"; and

(B) by striking "to include" and inserting "the Corporation may include";

(4) in subsection (i) (as redesignated by subsection (a)(1)), by striking "To provide" and inserting "APPLICATION TO OTHER AREAS.—The Corporation may provide";

(5) in subsection (j) (as redesignated by subsection (a)(1)), by striking "To offer" and inserting "OPTIONAL COVERAGES.—The Corporation may offer";

(6) in subsection (k) (as redesignated by subsection (a)(1)), by striking "To include" and inserting "SPECIAL RULE FOR TIMBER AND FORESTS.—The Corporation may include";

(7) in subsection (l) (as redesignated by subsection (a)(1))—

(A) by striking "To conduct" and inserting "RESEARCH.—The Corporation may conduct"; and

(B) by striking the second and third sentences; and

(8) by striking subsection (m) (as redesignated by subsection (a)(1)) and inserting the following new subsection:

"(m) CROP INSURANCE FOR DRY EDIBLE BEANS.—The Corporation shall make available to producers of different types of dry edible beans crop insurance that meets the differentiated needs of such producers.".

SEC. 2205. ASCS YIELDS AND DOLLAR-DENOMINATED COVERAGE.

Section 508 of the Federal Crop Insurance Act (7 U.S.C. 1508(a)) is amended—

(1) in subsection (a)—

(A) by inserting "AUTHORITY TO OFFER INSURANCE.—(1)" after "(a)";

(B) by striking "to insure" in the first sentence, and inserting "the Corporation may insure";

(C) by striking "The Corporation" in the seventh sentence, and inserting in lieu thereof the following: "For any commodity for which the Agricultural Stabilization and Conservation Service has established for the farming unit involved an adjusted yield for the purposes of programs administered by such Service (or a yield for crop insurance purposes under the provisions of this title), and such yield is greater than the recorded or the appraised yield, as established by the Corporation, of a commodity on such farming unit, insurance coverage may be provided to cover against the loss in yield of the commodity on the basis of the adjusted yield for the commodity established by the Agricultural Stabilization and Conservation Service rather than the recorded or appraised yield as established by the Corporation. Such additional insurance shall be provided for an additional premium (for which no premium subsidy or administrative subsidy may be provided) set at such rate as the Board determines appropriate to reflect accurately the increased risk involved and that the Board determines actuarially sufficient to cover claims for losses on such insurance and to establish a reasonable reserve against unforeseen losses. Except as provided in the preceding two sentences, the Corporation"; and

(D) by adding at the end the following new sentences: "Beginning with the 1992 crop year, the Corporation shall establish a price level for each commodity on which insurance is offered that shall not be less than the projected market price for the commodity as determined by the Board. Insurance coverage shall be made available to the producer on the basis of any price election which equals or is less than that established by the Board and the coverage shall be quoted in terms of dollars per acre."; and

(2) by striking out subsection (k).

SEC. 2206. CONTRACTING WITH PRIVATE COMPANIES.

Section 507(c) of the Federal Crop Insurance Act (7 U.S.C. 1507(c)) is amended—

(1) by inserting after "private insurance companies" in paragraph (2) the following: "private rating bureaus, and other organizations as appropriate for actuarial, loss adjustment, and other services to avoid duplication by the Federal Government of services that are or may readily be available in the private sector,"; and

(2) by adding at the end the following new sentence: "Nothing in this subsection shall permit the Corporation to contract with other persons to carry out the responsibility of the Corporation to review and approve policies, rates, and other materials submitted under section 508(b).".

Subtitle B—Disaster Assistance

CHAPTER 1—1989 CROP CLARIFICATION

SEC. 2231. SUGARCANE DISASTER ASSISTANCE.

(a) DETERMINATION.—Section 103 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended by adding at the end the following new subsection:

"(f) SPECIAL RULE FOR SUGARCANE.—For purposes of determining the total quantity of the 1989 crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.".

(b) DEADLINE.—Section 152(a)(2) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421

note) is amended by adding at the end the following new sentence: "In the case of producers described in section 103(f), the Secretary shall permit the producers to apply for assistance no later than January 15, 1991, and shall, in the case of applications received prior to the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990, recompute (in accordance with section 103(f)) the amount of any assistance due no later than 90 days after the date of enactment of such Act.".

SEC. 2232. VALENCIA ORANGES.

(a) ELIGIBILITY.—Section 104(a)(1)(A) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended to read:

(A) ELIGIBILITY.—Effective only for the 1989 crops of soybeans and nonprogram crops, and any crop of valencia oranges affected by a freeze, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1988 or 1989, or freeze, the total quantity of the 1989 crop of the commodity, or the total quantity of any crop of valencia oranges, that the producers on a farm are able to harvest is less than—".

(b) SPECIAL RULES.—Section 104(d)(1) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended:

(1) by inserting after "(1) DEFINITION OF NONPROGRAM CROPS.—" a new subparagraph designation "(A)";

(2) by inserting after "earthquake" the following: "or grown in a county declared a Presidential disaster area, and shall include any valencia oranges, affected by a freeze, grown in a county declared a Presidential disaster area in 1989"; and

(3) by adding at the end a new subparagraph to read as follows:

"(B) For purposes of this Act, the term "1989 crop" shall include any crop of valencia oranges damaged by freeze in 1989.".

(c) EXCLUSIONS FROM HARVESTED QUANTITIES.—Section 104(a)(4) of that Act is amended by adding at the end the following new sentence: "For a crop of valencia oranges, the exclusion required by the preceding sentence shall be 100 percent.".

(d) APPLICATION OF AMENDMENTS.—Section 152(a) of the Disaster Assistance Act of 1989 is amended by adding at the end the following new paragraph:

"(3) EXTENDED APPLICATION PERIOD.—In the case of producers of valencia oranges affected by the amendments made to section 104(a) by section 2235 of the Food, Agriculture, Conservations, and Trade Act of 1990, the Secretary shall—

"(A) allow such producers to submit applications for payments under section 104 until January 15, 1991; and

"(B) in the case of applications submitted by such producers before the date of the enactment of that Act, recompute (not later than 90 days after such date) the payment to such producers under section 104 in light of those amendments.".

CHAPTER 2—OTHER ASSISTANCE

SEC. 2235. AMENDMENTS TO THE DISASTER ASSISTANCE ACT OF 1989.

(a) DOUBLE CROPPING OF NONPROGRAM CROPS GROWN IN A PRESIDENTIAL DISASTER AREA.—Section 104(a) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) is amended by adding at the end the following new paragraph:

"(5) DOUBLE CROPPING.—

"(A) TREATED SEPARATELY.—In the case of a 1989 nonprogram crop that is historically double cropped (including two crops of the same commodity) by the producers on a farm, the Secretary shall treat each cropping separately for purposes of determining under paragraph (1)—

"(i) whether the crop was affected by damaging weather or related conditions in 1989; and

"(ii) the total quantity of the crop that the producers are able to harvest.

"(B) APPLICATION OF PARAGRAPH.—This paragraph shall—

"(i) apply only in the case of a 1989 nonprogram crop that is grown in a county declared to be a Presidential disaster area for that crop; and

"(ii) not apply in the case of a replacement crop described in section 110.".

(b) HURRICANE HUGO FORESTRY ASSISTANCE ACT; COST-SHARE ASSISTANCE.—

(1) ESTABLISHMENT.—For the purposes of encouraging tree owners to reestablish stands of trees damaged by Hurricane Hugo, the Secretary of Agriculture (hereafter in this subsection referred to as the "Secretary") shall develop and implement a cost-share program to provide financial assistance to owners of private timber stands that were damaged, as determined by the Secretary, in 1989 by Hurricane Hugo. This assistance shall only be made available in those counties in South Carolina, North Carolina, Virginia, Puerto Rico, and the United States Virgin Islands declared by the President to be disaster areas as a result of Hurricane Hugo and any county contiguous to those counties.

(2) ELIGIBLE PRACTICES.—Practices eligible for cost-share assistance under this subsection are—

(A) reforestation;

(B) site preparation; and

(C) such other timber stand reestablishment practices as may be prescribed by the Secretary.

(3) PRIVATE TIMBER STANDS.—

(A) DEFINITION.—For the purpose of this subsection, the term "private timber stand" means a stand of trees damaged by Hurricane Hugo held continuously during the period described in paragraph (1) for commercial purposes by a private individual, group, association, corporation, Indian tribe or other native Indian group, or other legal entity, owning 1,000 acres or less of land planted to trees, except agencies of Federal, State, or local governments. Such term does not include a stand of trees transferred after the date on which such stand was damaged by Hurricane Hugo except for a stand of trees transferred by bequest, devise or inheritance, or acquired from a decedent by reason of death because of the form of ownership or other condition (including trees acquired through the exercise or nonexercise of a power of appointment).

(B) PERIOD FOR PURPOSES OF SUBPARAGRAPH (A).—The period referred to in subparagraph (A) is the period beginning on the date on which such trees were damaged by Hurricane Hugo and ending at the time the request is made for assistance under this subsection.

(4) INDIVIDUAL FOREST MANAGEMENT PLANS.—The Secretary may provide assistance under this subsection only after a management plan for the private timber stand has been developed by the holder of the stand in cooperation with, and approved by, the State forester or equivalent State official. Such management plan shall—

(A) include provision for the replacement of the timber stand through reforestation by tree plantings or other means; and

(B) be the basis for an agreement between the holder and the Secretary under paragraph (5).

(5) COST SHARE.—The Secretary shall enter into agreements to share the cost of implementing eligible practices set forth in the agreement with holders who agree to implement those eligible practices. The amount of the Federal cost-share (including labor) for an eligible practice shall be 75 percent of the total cost of implementing eligible practices. The Secretary may consider, in determining the total cost of implementing eligible practices, any revenues from the sale of timber from private timber stands.

(6) DEADLINE.—Requests for assistance under this subsection must be filed with the Secretary not later than December 31, 1993.

(7) PAYMENT LIMITATION.—The total amount of payments that a person shall be entitled to receive under this subsection may not exceed $50,000. The Secretary shall issue regulations defining the term "person" which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308).

(8) REGULATIONS.—The Secretary shall issue regulations to implement the provisions of this subsection as soon as practicable after the date on which appropriations are made available to carry out this subsection, without regard to the requirement for notice and public participation in rulemaking prescribed in section 553 of title 5, United States Code.

(c) AUTHORIZATION OF APPROPRIATIONS.—Any benefits or assistance provided under this section, or under the amendments made by this section to the Disaster Assistance Act of 1989, shall be provided only to the extent provided for in advance by appropriation acts. To carry out this section, and the amendments made by this section to the Disaster Assistance Act of 1989, there are hereby authorized to be appropriated for fiscal years 1991 through 1995 such sums as are necessary.

SEC. 2236. SUGARCANE.

(a) 1990 CROP.—Effective only for the 1990 crop of sugarcane, section 201(k)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(k)(2)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following paragraph:

"(B)(i) If, because of frost, freeze, or related condition in 1989 constituting a major disaster or emergency declared by the President in the State of Louisiana under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the total quantity of the 1990 crop of sugarcane that the producers are able to harvest on any farm is less than—

"(I) 60 percent of the county average yield, as determined by the Secretary, for the crop, multiplied by

"(II) the acreage planted for harvest to the crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan level for the crop for the deficiency in production greater than 60 percent for the crop.

"(ii) The Secretary shall ensure that no producer receives duplicative payments under this subparagraph.

"(iii) Any benefits or assistance provided for under this section shall be provided only to the extent provided for in advance in appropriations Acts. There are authorized to be appropriated such sums as may be necessary to carry out this subparagraph.".

CHAPTER 3—EMERGENCY CROP LOSS ASSISTANCE

Subchapter A—Annual Crops

SEC. 2241. PAYMENTS TO PROGRAM PARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, except as otherwise provided in this subsection, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 60 percent (or, in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop, the Secretary shall make a disaster payment available to such producers at a rate equal to 65 percent of the established price for the crop for any deficiency in production greater than 40 percent (or, in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act, 35 percent) for the crop.

(2) LIMITATIONS.—

(A) ACREAGE IN EXCESS OF PERMITTED ACREAGE.—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm with respect to any acreage in excess of the permitted acreage for the farm for the commodity.

(B) CROP INSURANCE.—Payments provided under paragraph (1) for a crop of a commodity may not be made available to producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(3) REDUCTION IN DEFICIENCY PAYMENTS.—The total quantity of a crop of a commodity on which deficiency payments otherwise would be payable to producers on a farm under the Agricultural Act of 1949 shall be reduced by the quantity on which a payment is made to the producers for the crop under paragraph (1).

(4) ELECTION OF PAYMENTS.—

(A) APPLICATION OF PARAGRAPH.—This paragraph shall apply, effective only for the 1990 crops of wheat, feed grains, upland cotton, and rice, to producers on a farm who—

(i) had failed wheat, feed grain, upland cotton, or rice acreage; or

(ii) were prevented from planting acreage to such commodity because of damaging weather or related condition in 1989 or 1990.

(B) ELECTION.—The Secretary of Agriculture shall (within 30 days after the date of enactment of this Act) permit producers referred to in subparagraph (A) to elect whether to receive disaster payments in accordance with this section in lieu of payments received under the Agricultural Act of 1949.

(b) ADVANCE DEFICIENCY PAYMENTS.—

(1) APPLICATION OF SUBSECTION.—This subsection shall apply only to producers on a farm who elected to participate in the production adjustment program established under the Agricultural Act of 1949 for the 1990 crop of wheat, feed grains, upland cotton, or rice.

(2) FORGIVENESS OF REFUND REQUIREMENT.—

(A) IN GENERAL.—Subject to subparagraph (B), if because of damaging weather or related condition in 1989 or 1990 the total quantity of the 1990 crop of the commodity that the producers are able to harvest on the farm is less than the result of multiplying the farm program payment yield established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage prevented from being planted (because of a natural disaster, as determined by the Secretary) for such crop (hereinafter in this section referred to as the "qualifying amount"), the producers shall not be required to refund any advance deficiency payment made to the producers for such crop under section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) with respect to that portion of the deficiency in production that does not exceed—

(i) in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act, 35 percent of the qualifying amount; and

(ii) in the case of other producers, 40 percent of the qualifying amount.

(B) CROP INSURANCE.—Producers on a farm shall not be eligible for the forgiveness provided for under subparagraph (A), unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(3) ELECTION FOR NONRECIPIENTS.—The Secretary shall allow producers on a farm who elected, prior to the date of enactment of this Act, not to receive advance deficiency payments made available for the 1990 crop under section 107C of the Agricultural Act of 1949, to elect (within 30 days after the date of the enactment of this Act) whether to receive such advance deficiency payments.

(4) DATE OF REFUND FOR PAYMENTS.—Effective only for the 1990 crops of wheat, feed grains, upland cotton, and rice, if the Secretary determines that any portion of the advance deficiency payment made to producers for the crop under section 107C of the Agricultural Act of 1949 must be refunded, such refund shall not be required prior to July 31, 1991, for that portion of the crop for which a disaster payment is made under subsection (a).

SEC. 2242. PAYMENTS TO PROGRAM NONPARTICIPANTS FOR TARGET PRICE COMMODITIES.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for producers on a farm who elected not to participate in the production adjustment program established under the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, if the Secretary of Agriculture determines that because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that such producers are able to harvest on the farm is less than the result of multiplying 40 percent (or in the case of producers who obtained crop insurance, 35 percent) of the county average yield established by the Secretary for such crop by the sum of acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(2) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to 65 percent of the basic county loan rate (or a comparable price if there is no current basic county loan rate) for the crop, as determined by the Secretary, for any deficiency in production greater than 40 percent for the crop (or in the case of producers who obtained crop insurance, 35 percent).

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1990 crop of the commodity for harvest because of damaging weather or related condition in 1989 or 1990, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1989 minus acreage actually planted to the commodity for harvest in 1990; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987, 1988, and 1989 minus acreage actually planted to the commodity for harvest in 1990.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) LIMITATIONS.—

(1) ACREAGE LIMITATION PROGRAM.—The amount of payments made available to producers on a farm for a crop of a commodity under subsection (a) shall be reduced by a factor equivalent to the acreage limitation program percentage established for such crop under the Agricultural Act of 1949.

(2) CROP INSURANCE.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

SEC. 2243. PEANUTS, SUGAR, AND TOBACCO.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—Effective only for the 1990 crops of peanuts, sugar beets, sugarcane, and tobacco, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that the producers on a farm are able to harvest is less than the result of multiplying 60 percent (or, in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the county average yield (or program yield, in the case of peanuts) established by the Secretary for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planted credit is approved by the Secretary for such crop under subsection (b), the Secretary shall make a disaster payment available to such producers.

(2) PAYMENT RATE.—The payment shall be made to the producers at a rate equal to 65 percent of the applicable payment level under paragraph (3), as determined by the Secretary, for any deficiency in production greater than—

(A) in the case of producers who obtained crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act—

(i) 35 percent for the crop; or

(ii) with respect to a crop of burley tobacco or flue-cured tobacco, 35 percent of the farm's effective marketing quota for 1990; and

(B) in the case of producers who did not obtain crop insurance for the 1990 crop of the commodity under the Federal Crop Insurance Act—

(i) 40 percent for the crop; or

(ii) with respect to a crop of burley tobacco or flue-cured tobacco, 40 percent of the farm's effective marketing quota for 1990.

(3) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall be equal to—

(A) for peanuts, the price support level for quota peanuts or the price support level for additional peanuts, as applicable;

(B) for tobacco, the national average loan rate for the type of tobacco involved, or (if there is none) the market price, as determined under section 2244(a)(2); and

(C) for sugar beets and sugarcane, a level determined by the Secretary to be fair and reasonable in relation to the level of price support established for the 1990 crops of sugar beets and sugarcane, and that, insofar as is practicable, shall reflect no less return to the producer than under the 1990 price support levels.

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1990 crop of the commodity for harvest because of damaging weather or related condition in 1989 or 1990, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1989 minus acreage actually planted to harvest in 1990; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987, 1988, and 1989 minus acreage actually planted to the commodity for harvest in 1990.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers and any change in quotas for the 1990 crops of tobacco.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(d) SPECIAL RULES FOR PEANUTS.—Notwithstanding any other provision of law—

(1) a deficiency in production of quota peanuts from a farm, as otherwise determined under this section, shall be reduced by the quantity of peanut poundage quota that was the basis of such anticipated production that has been transferred from the farm;

(2) payments made under this section shall be made taking into account whether the deficiency for which the deficiency in production is claimed was a deficiency in production of quota or additional peanuts and the payment rate shall be established accordingly; and

(3) the quantity of undermarketings of quota peanuts from a farm for the 1990 crop that may otherwise be claimed under section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such peanuts for which payment has been received under this section.

(e) SPECIAL RULES FOR TOBACCO.—Notwithstanding any other provision of law—

(1) the quantity of undermarketings of quota tobacco from a farm for the 1990 crop that may otherwise be claimed under section 317 or 319 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314c or 1314e) for purposes of future quota increases shall be reduced by the quantity of the deficiency of production of such tobacco for which payment has been received under this section; and

(2) disaster payments made to producers under this section may not be considered by the Secretary in determining the net losses of the Commodity Credit Corporation under section 106A(d) of the Agricultural Act of 1949 (7 U.S.C. 1445-1(d)).

(f) SPECIAL RULE FOR SUGARCANE.—For purposes of determining the total quantity of the 1990 crop of sugarcane that the producers on a farm are able to harvest, the Secretary shall make the determination based on the quantity of recoverable sugar.

SEC. 2244. SOYBEANS AND NONPROGRAM CROPS.

(a) DISASTER PAYMENTS.—

(1) IN GENERAL.—

(A) ELIGIBILITY.—Effective only for the 1990 crops of soybeans and nonprogram crops, to the extent that assistance was not made available under the Disaster Assistance Act of 1989 for a producer's losses, if the Secretary of Agriculture determines that, because of damaging weather or related condition in 1989 or 1990, the total quantity of the 1990 crop of the commodity that the producers on a farm are able to harvest is less than—

(i) with respect to soybeans and sunflowers, the result of multiplying 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1990 crop year of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the State, area, or county yield, adjusted for adverse weather conditions during the 1987, 1988, and 1989 crop years, as determined by the Secretary, for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b);

(ii) with respect to nonprogram crops (other than as provided in clauses (i) and (iii)), the result of multiplying 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1990 crop year of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the yield established by the Commodity Credit Corporation under subsection (d)(2) for such crop by the sum of the acreage planted for harvest and the acreage for which prevented planting credit is approved by the Secretary for such crop under subsection (b); and

(iii) with respect to crops covered in section 201(b) of the Agricultural Act of 1949 (7 U.S.C. 1446(b)), 60 percent (or in the case of producers who obtained crop insurance, if available, for the 1990 crop year of the commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 65 percent) of the historical annual yield of the producers for such crops, as determined by the Secretary,

the Secretary shall make a disaster payment available to such producers.

(B) PAYMENT RATE.—The payment shall be made to such producers at a rate equal to 65 percent of the applicable payment level under paragraph (2), as determined by the Secretary, for any deficiency in production greater than 40 percent for soybeans, sunflowers and for other nonprogram crops for the crop, except that in the case of producers who obtained crop insurance, if available, for the 1990 crop under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), 35.

(2) PAYMENT LEVEL.—For purposes of paragraph (1), the payment level for a commodity shall equal the simple average price received by producers of the commodity, as determined by the Secretary subject to paragraph (3), during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

(3) CALCULATION OF PAYMENTS FOR DIFFERENT VARIETIES.—

(A) CROP-BY-CROP BASIS.—The Secretary shall make disaster payments under this subsection on a crop-by-crop basis, with consideration given to markets and uses of the crops, under regulations issued by the Secretary.

(B) DIFFERENT VARIETIES.—For purposes of determining the payment levels on a crop-by-crop basis, the Secretary shall consider as separate crops, and develop separate payment levels insofar as is practicable for, different varieties of the same commodity, and commodities for which there is a significant difference in the economic value in the market.

(C) DOUBLE CROPPING.—

(i) TREATED SEPARATELY.—In the case of a crop that is historically double cropped (including two crops of the same commodity) by the producers on a farm, the Secretary shall treat each cropping separately for purposes of determining whether the crop was affected by damaging weather or related conditions and the total quantity of the crop that the producers are able to harvest.

(ii) APPLICATION OF PARAGRAPH.—This paragraph shall not apply in the case of a replacement crop.

(4) EXCLUSIONS FROM HARVESTED QUANTITIES.—For purposes of determining the total quantity of the 1990 nonprogram crop of the commodity that the producers on a farm are able to harvest under paragraph (1), the Secretary shall exclude—

(A) commodities that cannot be sold in normal commercial channels of trade; and

(B) dockage, including husks and shells, if such dockage is excluded in determining yields under subsection (d)(2).

(b) PREVENTED PLANTING CREDIT.—

(1) IN GENERAL.—The Secretary shall provide prevented planting credit under subsection (a) with respect to acreage that producers on a farm were prevented from planting to the 1990 crop of the commodity for harvest because of damaging weather or related condition in 1989 or 1990, as determined by the Secretary.

(2) MAXIMUM ACREAGE.—Such acreage may not exceed the greater of—

(A) a quantity equal to the acreage on the farm planted (or prevented from being

planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1989 minus acreage actually planted for harvest in 1990; or

(B) a quantity equal to the average of the acreage on the farm planted (or prevented from being planted due to a natural disaster or other condition beyond the control of the producers) to the commodity for harvest in 1987, 1988, and 1989 minus acreage actually planted to the commodity for harvest in 1990.

(3) ADJUSTMENTS.—The Secretary shall make appropriate adjustments in applying the limitations contained in paragraph (2) to take into account crop rotation practices of the producers.

(c) LIMITATION.—Payments provided under subsection (a) for a crop of a commodity may not be made available to the producers on a farm unless such producers enter into an agreement to obtain multiperil crop insurance, to the extent required under section 2247.

(d) SPECIAL RULES FOR NONPROGRAM CROPS.—

(1) DEFINITION OF NONPROGRAM CROP.—As used in this section, the term "nonprogram crop" means all crops for which crop insurance through the Federal Crop Insurance Corporation was available for crop year 1990, and other commercial crops (including ornamentals which shall include flowering shrubs, flowering trees, and field or container grown roses or turf and sweet potatoes for which such insurance was not available for crop year 1990), except that such term shall not include a crop covered under section 2241, 2242, or 2243, soybeans, or sunflowers.

(2) FARM YIELDS.—

(A) ESTABLISHMENT.—The Commodity Credit Corporation shall establish disaster program farm yields for nonprogram crops to carry out this section.

(B) PROVEN YIELDS AVAILABLE.—If the producers on a farm can provide satisfactory evidence to the Commodity Credit Corporation of actual crop yields on the farm for at least 1 of the immediately preceding 3 crop years, the yield for the farm shall be based on such proven yield.

(C) PROVEN YIELDS NOT AVAILABLE.—If such data do not exist for any of the 3 preceding crop years, the Commodity Credit Corporation shall establish a yield for the farm by using a county average yield for the commodity, or by using other data available to it.

(D) COUNTY AVERAGE YIELDS.—In establishing county average yields for nonprogram crops, the Commodity Credit Corporation shall use the best available information concerning yields. Such information may include extension service records, credible nongovernmental studies, and yields in similar counties.

(3) RESPONSIBILITY OF PRODUCERS.—It shall be the responsibility of the producers of nonprogram crops to provide satisfactory evidence of 1990 crop losses resulting from damaging weather or related condition in 1989 or 1990 in order for such producers to obtain disaster payments under this section.

SEC. 2245. CROP QUALITY REDUCTION DISASTER PAYMENTS.

(a) IN GENERAL.—To ensure that all producers of 1990 crops covered under sections 2241 through 2244 are treated equitably, the Secretary of Agriculture may make additional disaster payments to producers of such crops who suffer losses resulting from the reduced quality of such crops caused by damaging weather or related condition in 1989 or 1990, as determined by the Secretary.

(b) ELIGIBLE PRODUCERS.—If the Secretary determines to make crop quality disaster payments available to producers under subsection (a), producers on a farm of a crop described in subsection (a) shall be eligible to receive reduced quality disaster payments only if such producers incur a deficiency in production of not less than 35 percent and not more than 75 percent for such crop (as determined under section 2241, 2242, 2243, or 2244, as appropriate).

(c) MAXIMUM PAYMENT RATE.—The Secretary shall establish the reduced quality disaster payment rate, except that such rate shall not exceed 10 percent, as determined by the Secretary, of—

(1) the established price for the crop, for commodities covered under section 2241;

(2) the basic county loan rate for the crop (or a comparable price if there is no current basic county loan rate), for commodities covered under section 2242;

(3) the payment level under section 2243(a)(3), for commodities covered by section 2243; and

(4) the payment level under section 2244(a)(2), for commodities covered under section 2244.

(d) DETERMINATION OF PAYMENT.—The amount of payment to a producer under this section shall be determined by multiplying the payment rate established under subsection (c) by the portion of the actual harvested crop on the producer's farm that is reduced in quality by such natural disaster in 1989 or 1990, as determined by the Secretary.

SEC. 2246. EFFECT OF FEDERAL CROP INSURANCE PAYMENTS.

In the case of producers on a farm who obtained crop insurance for the 1990 crop of a commodity under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.), the Secretary of Agriculture shall reduce the amount of payments made available under this chapter for such crop to the extent that the amount determined by adding the net amount of crop insurance indemnity payment (gross indemnity less premium paid) received by such producers for the deficiency in the production of the crop and the disaster payment determined in accordance with this chapter for such crop exceeds the amount determined by multiplying—

(1) 100 percent of the yield used for the calculation of disaster payments made under this chapter for such crop; by

(2) the sum of the acreage of such crop planted to harvest and the acreage for which prevented planting credit is approved by the Secretary (or, in the case of disaster payments under section 2241, the eligible acreage established under sections 2241(a)(1) and 2241(a)(2)(A)); by

(3)(A) in the case of producers who participated in a production adjustment program for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the established price for the 1990 crop of the commodity;

(B) in the case of producers who did not participate in a production adjustment program for the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, or rice, the basic county loan rate (or a comparable price, as determined by the Secretary, if there is no current basic county loan rate) for the 1990 crop of the commodity;

(C) in the case of producers of sugar beets, sugarcane, peanuts, or tobacco, the payment level for the commodity established under section 2243(a)(3); and

(D) in the case of producers of soybeans or a nonprogram crop (as defined in section 2244(d)(1)), the simple average price received by producers of the commodity, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of the commodity, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period.

SEC. 2247. CROP INSURANCE COVERAGE FOR THE 1991 CROPS.

(a) REQUIREMENT.—Subject to the limitations under subsection (b), producers on a farm, to be eligible to receive a disaster payment under this chapter, an emergency loan under subtitle C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961 et seq.) for crop losses due to damaging weather or related condition in 1989 or 1990, or forgiveness of the repayment of advance deficiency payments under section 2241(b), must agree to obtain multiperil crop insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) for the 1991 crop of the commodity for which such payments, loans, or forgiveness are sought.

(b) LIMITATIONS.—Producers on a farm shall not be required to agree to obtain crop insurance under subsection (a) for a commodity—

(1) unless such producers' deficiency in production, with respect to the crop for which a disaster payment under this chapter otherwise may be made, exceeds 65 percent;

(2) where, or if, crop insurance coverage is not available to the producers for the commodity for which the payment, loan, or forgiveness is sought;

(3) if the producers' annual premium rate for such crop insurance is an amount greater than 125 percent of the average premium rate for insurance on that commodity for the 1990 crop in the county in which the producers are located;

(4) in any case in which the producers' annual premium for such crop insurance is an amount greater than 25 percent of the amount of the payment, loan, or forgiveness sought; or

(5) if the producers can establish by appeal to the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590(b)), or to the county committee established under section 332 of the Consolidated Farm and Rural Development Act (17 U.S.C. 1982), as appropriate, that the purchase of crop insurance would impose an undue financial hardship on such producers and that a waiver of the requirement to obtain crop insurance should, in the discretion of the county committee, be granted.

(c) IMPLEMENTATION.—

(1) COUNTY COMMITTEES.—The Secretary of Agriculture shall ensure (acting through the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act and located in the counties in which the assistance programs provided for under sections 2241 through 2245 are implemented and through the county committees established under section 332 of the Consolidated Farm and Rural Development Act in counties in which emergency loans, as described in subsection (a), are made available) that producers who apply for assistance, as described in subsection (a), obtain multiperil crop insurance as required under this section.

(2) OTHER SOURCES.—Each producer who is subject to the requirements of this section may comply with such requirements by providing evidence of multiperil crop insurance coverage from sources other than through

the county committee office, as approved by the Secretary.

(3) COMMISSIONS.—The Secretary shall provide by regulation for a reduction in the commissions paid to private insurance agents, brokers, or companies on crop insurance contracts entered into under this section sufficient to reflect that such insurance contracts principally involve only a servicing function to be performed by the agent, broker, or company.

(d) REPAYMENT OF BENEFITS.—Notwithstanding any other provision of law, if (prior to the end of the 1991 crop year for the commodity involved) the crop insurance coverage required of the producer under this section is canceled by the producer, the producer—

(1) shall make immediate repayment to the Secretary of any disaster payment or forgiven advance deficiency payment that the producer otherwise is required to repay; and

(2) shall become immediately liable for full repayment of all principal and interest outstanding on any emergency loan described in subsection (a) made subject to this section.

SEC. 2248. CROPS HARVESTED FOR FORAGE USES.

Not later than 45 days after funds are appropriated to carry out this chapter, the Secretary of Agriculture shall announce the terms and conditions by which producers on a farm may establish a 1990 yield with respect to crops that will be harvested for silage and other forage uses.

SEC. 2249. PAYMENT LIMITATIONS.

(a) LIMITATION.—Subject to subsections (b) and (c), the total amount of payments that a person shall be entitled to receive under one or more of the programs established under this chapter may not exceed $100,000.

(b) NO DOUBLE BENEFITS.—No person may receive disaster payments under this chapter to the extent that such person receives a livestock emergency benefit for lost feed production in 1990 under section 606 of the Agricultural Act of 1949 (7 U.S.C. 1471d).

(c) COMBINED LIMITATION.—

(1) IN GENERAL.—No person may receive any payment under this chapter or benefit under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.) for livestock emergency losses suffered in 1990 if such payment or benefit will cause the combined total amount of such payments and benefits received by such person to exceed $100,000.

(2) ELECTION.—If a producer is subject to paragraph (1), the person may elect (subject to the benefits limitations under section 609 of the Agricultural Act of 1949 (7 U.S.C. 1471g) whether to receive the $100,000 in such payments, or such livestock emergency benefits (not to exceed $50,000), or a combination of payments and benefits specified by the person.

(d) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term "person" for the purposes of this section and section 2266, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitations established under this section.

SEC. 2250. SUBSTITUTION OF CROP INSURANCE PROGRAM YIELDS.

(a) IN GENERAL.—Notwithstanding any other provision of this chapter, the Secretary of Agriculture may permit each eligible producer (as defined in subsection (d)) of a 1990 crop of a commodity who has obtained multiperil crop insurance for such crop (or, as provided in subsection (c), who obtained multiperil crop insurance for the producer's 1989 crop of such commodity) under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) to substitute, at the discretion of the producer, the crop insurance yield for such crop, as established under such Act, for the farm yield otherwise assigned to the producer under this chapter, for the purposes of determining such producer's eligibility for a disaster payment on the 1990 crop under this chapter and the amount of such payment.

(b) ADJUSTMENT OF ADVANCED DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—Notwithstanding any other provision of this chapter, if an eligible producer of wheat, feed grains, cotton, or rice elects to substitute yields for such producer's 1990 crop under subsection (a), the producer's eligibility for a waiver or repayment of an advance deficiency payment on such crop under this chapter shall be adjusted as provided in paragraph (2).

(2) AMOUNT.—The amount of production of such crop on which the producer otherwise would be eligible for waiver of repayment of advance deficiency payments under this chapter shall be reduced by an amount of production equal to the difference between—

(A) the amount of production eligible for disaster payments under this chapter using a substituted yield under this section; and

(B) the amount of production that would have been eligible for disaster payments using the farm program payment yield otherwise assigned to the producer under this chapter.

(c) MULTIPERIL CROP INSURANCE NOT AVAILABLE.—A producer may use the crop insurance yield for the producer's 1989 crop of a commodity for purposes of substituting yields under subsection (a) if the producer demonstrates to the Secretary that, through no fault of the producer, multiperil crop insurance under the Federal Crop Insurance Act was not made available to the producer for the producer's 1990 crop of the commodity.

(d) DEFINITION OF ELIGIBLE PRODUCER.—For purposes of this section, the term "eligible producer" means a producer of the 1990 crop of wheat, feed grains, upland cotton, extra long staple cotton, rice, or soybeans.

SEC. 2251. DEFINITIONS.

As used in this chapter:

(1) DAMAGING WEATHER.—The term "damaging weather" includes but is not limited to drought, hail, excessive moisture, freeze, tornado, hurricane, earthquake, or excessive wind, or any combination thereof.

(2) RELATED CONDITION.—The term "related condition" includes but is not limited to insect infestations, plant diseases, or other deterioration of a crop of a commodity, including aflatoxin, that is accelerated or exacerbated naturally as a result of damaging weather occurring prior to or during harvest.

Subchapter B—Orchards

SEC. 2255. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 2256, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of freeze, earthquake, or related condition in 1990, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 2256. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 2255 shall consist of either—

(1) reimbursement of 65 percent of the cost of replanting trees lost due to freeze, earthquake, or related condition in 1990 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

SEC. 2257. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this chapter may not exceed $25,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term "person" for the purposes of this chapter, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) and the Disaster Assistance Act of 1988 (7 U.S.C. 1421 note); and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 2258. DEFINITION.

As used in this chapter, the term "eligible orchardist" means a person who produces annual crops from trees for commercial purposes and owns 500 acres or less of such trees.

SEC. 2259. DUPLICATIVE PAYMENTS.

The Secretary of Agriculture shall establish guidelines to ensure that no person receives duplicative payments under this chapter and the forestry incentives program, agricultural conservation program, or other Federal program.

Subchapter C—Forest Crops

SEC. 2261. ELIGIBILITY.

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 2262, to eligible tree farmers that planted tree seedlings in 1989 or 1990 for commercial purposes but lost such seedlings as a result of drought, earthquake, or related condition in 1990, as determined by the Secretary.

(b) LIMITATION.—An eligible tree farmer shall qualify for assistance under subsection (a) only if such tree farmer's tree seedling mortality, as a result of the natural disaster, exceeds 35 percent (adjusted for normal mortality).

SEC. 2262. ASSISTANCE.

The assistance provided by the Secretary of Agriculture to eligible tree farmers for losses described in section 2261 shall consist of either—

(1) reimbursement of 65 percent of the cost of replanting seedlings lost due to drought, earthquake, or related conditions in 1990 in excess of 35 percent mortality (adjusted for normal mortality); or

(2) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

SEC. 2263. LIMITATION ON ASSISTANCE.

(a) LIMITATION.—The total amount of payments that a person shall be entitled to receive under this chapter may not exceed $25,000, or an equivalent value in tree seedlings.

(b) REGULATIONS.—The Secretary of Agriculture shall issue regulations—

(1) defining the term "person" for the purposes of this chapter, which shall conform, to the extent practicable, to the regulations defining the term "person" issued under section 1001 of the Food Security Act of 1985 and the Disaster Assistance Act of 1988; and

(2) prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation established under this section.

SEC. 2264. DEFINITION.

As used in this chapter, the term "eligible tree farmer" means a person who grows trees for harvest for commercial purposes and owns 1,000 acres or less of such trees.

SEC. 2265. DUPLICATIVE PAYMENTS.

The Secretary of Agriculture shall establish guidelines to ensure that no person receives duplicative payments under this chapter and the forestry incentives program, agricultural conservation program, or other Federal program.

Subchapter D—Administrative Provisions

SEC. 2266. INELIGIBILITY.

(a) GENERAL RULE.—A person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary of Agriculture, shall not be eligible to receive any disaster payment or other benefits under this subchapter.

(b) QUALIFYING GROSS REVENUES.—For purposes of this section, the term "qualifying gross revenues" means—

(1) if a majority of the person's annual income is received from farming, ranching, and forestry operations, the gross revenue from the person's farming, ranching, and forestry operations; and

(2) if less than a majority of the person's annual income is received from farming, ranching, and forestry operations, the person's gross revenue from all sources.

SEC. 2267. TIMING AND MANNER OF ASSISTANCE.

(a) TIMING OF ASSISTANCE.—

(1) ASSISTANCE MADE AVAILABLE AS SOON AS PRACTICABLE.—Subject to paragraph (2), the Secretary of Agriculture shall make disaster assistance available under this subchapter as soon as practicable after the date on which appropriations are made available to carry out this chapter.

(2) COMPLETED APPLICATION.—No payment or benefit provided under this subchapter shall be payable or due until such time as a completed application for a crop of a commodity therefore has been approved.

(b) MANNER.—The Secretary may make payments available under chapter 1 in the form of cash, commodities, or commodity certificates, as determined by the Secretary.

SEC. 2268. COMMODITY CREDIT CORPORATION.

(a) USE.—The Secretary of Agriculture shall use the funds, facilities, and authorities of the Commodity Credit Corporation in carrying out this chapter.

(b) EXISTING AUTHORITY.—The authority provided by this subchapter shall be in addition to, and not in place of, any authority granted to the Secretary or the Commodity Credit Corporation under any other provision of law.

SEC. 2269. EMERGENCY LOANS.

Section 321(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)) shall not apply to persons who otherwise would be eligible for an emergency loan under subtitle C of such Act, if such eligibility is the result of damage to an annual crop planted for harvest in 1988.

SEC. 2270. REGULATIONS.

The Secretary of Agriculture or the Commodity Credit Corporation, as appropriate, shall issue regulations to implement this chapter as soon as practicable after the date on which appropriations are made available to carry out this chapter, without regard to the requirement for notice and public participation in rule making prescribed in section 553 of title 5, United States Code, or in any directive of the Secretary.

Subchapter E—Appropriations

SEC. 2271. AUTHORIZATION OF APPROPRIATIONS.

Any benefits or assistance (including the foregiveness of unearned advanced deficiency payments of any emergency loans) made available under this chapter shall be provided only to the extent provided for in advance in appropriations Acts. To carry out this chapter there are authorized to be appropriated such sums as may be necessary in each of the fiscal years 1991 and 1992.

SEC. 2272. PRORATION OF BENEFITS.

Any funds made available for carrying out this chapter in appropriations Acts shall be prorated to all producers eligible for assistance under this chapter.

CHAPTER 4—ASSISTANCE FOR BIG HORN RIVER DRAINAGE SYSTEM

SEC. 2275. DISASTER ASSISTANCE TO PRODUCERS ON THE BIG HORN RIVER DRAINAGE SYSTEM LOCATED ON THE WIND RIVER INDIAN RESERVATION.

(a) IN GENERAL.—Effective only for providers on a farm who suffered losses due to drought induced by a lack of water as a result of Indian Tribal water rights adjudication affecting producers on that portion of the Big Horn River drainage system located on the Wind River Indian Reservation, Wyoming, for the 1990 crop of wheat, barley, oats, grass hay, and alfalfa hay, subject to subsection (b), the Secretary of Agriculture shall make disaster assistance available to such producers under similar terms and conditions as are prescribed under titles I and III of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note, 1961 note, and 1941 note) for providing disaster assistance to producers for the 1989 crop of the commodity, except that the assistance shall be limited to a total amount of $250,000.

(b) ADMINISTRATION.—Titles I and III of the Disaster Assistance Act of 1989 shall apply to assistance provided under this section, except that for purposes of providing assistance under this section—

(1) terms and conditions of programs established for a crop referred to in subsection (a) shall apply to such assistance, including crop years, production adjustment programs, yields, acreage bases, established prices, advance deficiency payments, loan rates, crop insurance indemnities, and livestock emergency benefits;

(2) producers shall not be required to obtain multiperil crop insurance, as a condition of obtaining assistance under this section;

(3) in section 101(b)(4), for purposes of this section only—

(A) "1990 crops" shall be substituted for "1989 crops"; and

(B) "July 31, 1991" shall be substituted for "July 31, 1990";

(4) in section 102(b)(2)(A), for purposes of this section only "1989 minus acreage actually planted to the commodity for harvest in 1990" shall be substituted for "1988 minus acreage actually planted to the commodity for harvest in 1989";

(5) in section 102(b)(2)(B), for purposes of this section "1987, 1988, and 1989, minus acreage actually planted to the commodity for harvest 1989" shall be substituted for "1986, 1987, and 1988 minus acreage actually planted to the commodity for harvest in 1989"; and

(6) in section 152(a)(2), for purposes of this section "180 days after the date of enactment of the Food, Agriculture, Conservation, and Trade Act of 1990" shall be substituted for "March 31, 1990".

(c) DEFERRAL ON REPAYMENTS.—The producers on a farm as specified in subsection (a) may elect, at the producer's option, to request and receive a 12-month deferral on payments of principal and interest due on (farm loans) insured or underwritten by the appropriate agency of the United States. The request for deferral shall be made in writing to the administrator of the applicable farm loan program and must be sent by certified mail to the nearest regional office. Written requests for deferral under subsection (c) shall be made within 60 days of the date of enactment of this Act.

Subtitle C—Miscellaneous Provisions

SEC. 2281. EMERGENCY GRANTS TO ASSIST LOW-INCOME MIGRANT AND SEASONAL FARMWORKERS.

(a) IN GENERAL.—The Secretary of Agriculture may make grants, not to exceed $20,000,000 annually, to public agencies or private organizations with tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986, that have experience in providing emergency services to low-income migrant and seasonal farmworkers where the Secretary determines that a local, State or national emergency or disaster has caused low-income migrant or seasonal farmworkers to lose income, to be unable to work, or to stay home or return home in anticipation of work shortages. Emergency services to be provided with assistance received under this section may include such types of assistance as the Secretary of Agriculture determines to be necessary and appropriate.

(b) DEFINITION.—For the purposes of this section, the term "low-income migrant or seasonal farmworker" means an individual—

(1) who has, during any consecutive 12 month period within the preceding 24 month period, performed farm work for wages;

(2) who has received not less than one-half of such individual's total income, or been employed at least one-half of total work time in farm work; and

(3) whose annual family income within the 12 month period referred to in paragraph (1) does not exceed the higher of the poverty level or 70 percent of the lower living standard income level.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

TITLE XXIII—RURAL DEVELOPMENT

SEC. 2301. SHORT TITLE.

This title may be cited as the "Rural Economic Development Act of 1990".

Subtitle A—Reorganization of the Department of Agriculture

SEC. 2302. RURAL DEVELOPMENT ADMINISTRATION.

(a) AMENDMENTS TO THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended—

(1) by adding after the sections added thereto by subtitle A of title XVIII of this Act the following new section:

"SEC. 364. RURAL DEVELOPMENT ADMINISTRATION.

"(a) ESTABLISHMENT.—There is established in the Department of Agriculture the Rural Development Administration, which shall be headed by an Administrator appointed by the Secretary.

"(b) ADMINISTRATION.—Except as provided in subsection (c), or as otherwise provided in this section, the Secretary shall carry out this Act through the Farmers Home Administration.

"(c) EXCEPTIONS.—The Secretary shall carry out section 303 (in the case of loans made for purposes specified in paragraphs (2) and (3) of section 303(a)), section 304(b), section 306(a), section 306B, section 310A, section 310B, section 312(a) (in the case of loans made for the purposes specified in paragraphs (5) and (6) of section 312(a)), section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note), title VI of the Rural Development Act of 1972, and such other rural development programs as the Secretary determines appropriate through the Rural Development Administration.

"(d) REFERENCES.—Any reference in any law, regulation, or order in effect immediately before the date of enactment of this section to the Farmers Home Administration or to the Administrator of the Farmers Home Administration or of the Farmers Home Administration relating to any function, power, or duty that is, on or after such date, a function, power, or duty of the Rural Development Administration or the Administrator of the Rural Development Administration, shall be deemed to be a reference to the Rural Development Administration or to the Administrator of the Rural Development Administration, as the case may be.

"(e) EFFECT ON PENDING PROCEEDINGS AND PARTIES TO SUCH PROCEEDINGS.—

"(1) NONABATEMENT OF ACTIONS.—This section does not abate any proceeding commenced—

"(A) by or against any entity any function of which is transferred by this section; or

"(B) by or against any officer of any entity referred to in subparagraph (A) in the official capacity of such individual as such an officer.

"(2) EFFECT ON PARTIES.—If an officer of the Farmers Home Administration, in the official capacity of such officer, is a party to a proceeding pending on the date of enactment of this section, and under this section the officer or any function of the officer is transferred to the Rural Development Administration, Department of Agriculture, then such action shall be continued with the Secretary or the Administrator, Rural Development Administration, or other appropriate officer of the Department substituted or added as a party.

"(3) TRANSFER OF CERTAIN RIGHTS OF FARMERS HOME ADMINISTRATION TO RURAL DEVELOPMENT ADMINISTRATION.—The rights, interests, obligations, and duties of the Farmers Home Administration arising before the date of enactment of this section from any loan made, insured, or guaranteed, or any grant or contract made, by the Farmers Home Administration in the exercise of its functions shall—

"(A) with respect to any function to be exercised on or after such date by the Farmers Home Administration under subsection (b), continue to be vested in the Farmers Home Administration; and

"(B) with respect to any function to be exercised on or after such date by the Rural Development Administration under subsection (c), be vested in the Rural Development Administration.

"(f) COMPENSATION OF ADMINISTRATOR.—The Administrator of the Rural Development Administration shall be compensated in accordance with subchapter VIII of chapter 53 of title 5, United States Code."; and

(2) in section 309(e)—

(A) by inserting "and the Rural Development Administration, in proportion to such charges collected in connection with the insurance of loans by such agency" after "Farmers Home Administration"; and

(B) by striking "expenses." and inserting "expenses for such agency.".

(b) FACILITATION OF TRANSFER OF FUNCTIONS.—(1) Notwithstanding the provisions of section 331 of the Consolidated Farm and Rural Development Act, as soon as practicable, but in no case later than 180 days after the date of enactment of this section, the Secretary shall transfer to the Rural Development Administration the powers, duties, and assets of the agencies, offices, and other entities in the Department of Agriculture, or elements thereof, related to the performance of rural development functions, including, but not limited to, the agencies, offices, and other entities in the Department of Agriculture, or elements thereof, that administer sections 303 (in the case of loans made for purposes specified in paragraphs (2) and (3) of subsection (a) of section 303), 304(b), 306(a), 306B, 310A, 310B, and section 312(a) (in the case of loans made for the purposes specified in paragraphs (5) and (6) of section 312(a)) of the Consolidated Farm and Rural Development Act, section 1323 of the Food Security Act of 1985 (7 U.S.C. 1932 note), title VI of the Rural Development Act of 1972, and such other rural development programs as the Secretary determines appropriate.

(2) INCIDENTAL TRANSFERS.—The Secretary shall make such determinations, and shall transfer such personnel from the Farmers Home Administration, as may be necessary or appropriate with regard to the functions transferred to the Rural Development Administration under this section or the amendments made by this section. The Secretary shall also make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available, or to be made available in connection with the functions transferred by this section or the amendments made by this section, as the Secretary may deem necessary to accomplish the purposes of this section.

(3) EFFECTIVE AND EFFICIENT TRANSFER OF AUTHORITY.—The Administrator of the Farmers Home Administration and the Secretary shall take whatever steps are necessary to assure the effective and efficient transfer of authority as provided for in this section.

SEC. 2303. CONFORMING AMENDMENTS.

(a) Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended—

(1) in the first sentence—

(A) by striking "For the purposes of this title and" and inserting "In accordance with section 359, for purposes of this title, and"; and

(B) by inserting before the period ", or may assign and transfer such powers, duties, and assets to the Rural Development Administration as provided by law for that office";

(2) in subsection (d), by inserting "or the Rural Development Administration" after "Farmers Home Administration"; and

(3) in subsection (h) (as so redesignated by section 1805 of this Act), by inserting "Rural Development Administration under this title or by the" before "Farmers Home Administration" each place such term appears.

(b) Section 331A of such Act (7 U.S.C. 1981a) is amended by inserting "or by the Rural Development Administration" immediately after "Farmers Home Administration".

(c) Section 335 of such Act (7 U.S.C. 1985) is amended—

(1) in subsection (a), by inserting "or the Rural Development Administration" after "Farmers Home Administration"; and

(2) in subsection (c)(1), by inserting "or the Rural Development Administration" after "Farmers Home Administration".

(d) Section 338(a) of such Act (7 U.S.C. 1988(a)) is amended by inserting "or the Rural Development Administration" after "Farmers Home Administration".

(e) Sections 657, 658, 1006, and 1014 of title 18, United States Code, are each amended by striking "'Farmers' Home Administration" and inserting "Farmers Home Administration, the Rural Development Administration".

(f)(1) Section 623(c)(2) of the Community Economic Development Act of 1981 (42 U.S.C. 9812(c)(2)) is amended by inserting ", or the Rural Development Administration" after "Farmers Home Administration".

(2) Section 628 of such Act (42 U.S.C. 9817) is amended—

(A) by amending the heading to read as follows:

"DEPARTMENT OF AGRICULTURE; RURAL DEVELOPMENT ADMINISTRATION PROGRAMS"; and

(B) by inserting ", or of the Rural Development Administration" after "of the Farmers Home Administration".

Subtitle B—Coordination of Rural Development Efforts

CHAPTER 1—GENERAL PROVISIONS

SEC. 2310. GENERAL PROVISIONS.

(a) APPLICATION FOR PARTICIPATION.—If a State desires to participate in the program established in chapter 2 of this subtitle or the program established in sections 365 and 366 of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle), the Governor of the State may submit to the Secretary of Agriculture (in this section referred to as the "Secretary") an application therefor.

(b) SELECTION OF STATES.—

(1) RURAL INVESTMENT PARTNERSHIPS.—The Secretary shall select not more than 5 States to which to make chapter 2 applicable during any particular period, to the extent of qualifying applications therefor.

(2) RURAL ECONOMIC DEVELOPMENT REVIEW PANELS.—The Secretary shall select not more than 5 States to which to make sections 365 and 366 of the Consolidated Farm and Rural Development Act applicable during any particular period, to the extent of qualifying applications therefor.

(c) DURATION OF PROJECTS.—

(1) RURAL INVESTMENT PARTNERSHIPS.—Chapter 2 shall apply to any State selected by the Secretary under subsection (b)(1) until September 30, 1996.

(2) RURAL ECONOMIC DEVELOPMENT REVIEW PANELS.—Chapter 3 shall apply to any State selected by the Secretary under subsection (b)(2) until September 30, 1996.

(d) EFFECTIVE DATE.—Chapter 2 of this subtitle and sections 365, 366, 367, and 368(b) of the Consolidated Farm and Rural Development Act (as added by chapter 3 of this subtitle) shall take effect on October 1, 1991.

CHAPTER 2—RURAL INVESTMENT PARTNERSHIPS

SEC. 2311. DEFINITIONS.

As used in this chapter:

(1) APPROVED LOCAL BUSINESS.—The term "approved local business" means a local business that is approved to receive assistance from the revolving fund of an eligible entity as provided under the provisions of this chapter.

(2) ELIGIBLE ENTITY.—The term "eligible entity" means an entity—

(A) that is—

(i) a nonprofit private corporation or a public entity that is—

(I) the governing body of each public regional organization (such as the governing body of an economic development district) that is chartered or otherwise organized under State law for the purpose of promoting economic development;

(II) the agency of each State that is primarily responsible for rural economic development programs within the State;

(III) the governing body of a county or other political subdivision of a State;

(IV) the governing body of a town or township within a State; or

(V) an incorporated public organization or a nonprofit private community development corporation, or similar nonprofit private organization, that is chartered or otherwise organized under State law for the purpose of promoting economic development; or

(ii) an Indian tribe (as defined in section 4(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), an Indian organization or entity chartered under the Act of June 18, 1934 (25 U.S.C. 1001 et seq.), commonly known as the "Indian Reorganization Act", or any tribal organization (as defined in the section 4(c) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(c))); and

(B) that—

(i) possesses the powers reasonably necessary to perform the functions and activities described in this chapter;

(ii) has a professional staff and management ability (including adequate accounting, legal, and business servicing abilities or experience); and

(iii) meets any other requirements established by the Board to carry out this chapter.

(3) INVESTMENT BOARD.—The terms "Investment Board" and "Board" mean the Rural Partnerships Investment Board established in section 2312(a).

(4) LOCAL BUSINESS.—The term "local business" means—

(A) a business concern, located in a rural area, that—

(i) is incorporated or otherwise organized under State law so that financial records and accounts are maintained regarding the business concern separate and apart from records and accounts not related to that business concern; and

(ii) is independently or cooperatively (not including borrowers under the Rural Electrification Act of 1936) owned and operated as defined by the Board; or

(B) an individual who plans to organize and operate an entity of the type described in subparagraph (A), that meets any additional requirements that are established by the Board to carry out the intent of this Act.

(5) RURAL AREA.—The term "rural area" means all territory of a State that is not within the outer boundary of any city or town having a population of 20,000 or more based on the latest decennial census of the United States, and any neighboring urbanized area as defined by the Board.

(6) RURAL FUND.—The terms "Rural Fund" and "Fund" mean the Rural Business Investment Fund established under section 2313(a).

(7) SECRETARY.—The term "Secretary" means the Secretary of Agriculture, unless otherwise specified in this chapter.

(8) STATE.—The term "State" means any State to which the Secretary has made this chapter applicable under section 2310(b)(1).

SEC. 2312. RURAL PARTNERSHIPS INVESTMENT BOARD.

(a) ESTABLISHMENT.—There is established a "Rural Partnerships Investment Board" to provide lines of credit to eligible entities to enable such entities to establish, maintain, or expand revolving funds that are used to make or guarantee loans, or to make capital investments in new or expanding local businesses in conjunction with loans or investments made by depository institutions (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)), State owned banks whose deposits are backed by the full faith and credit of the State, or community development credit unions chartered by the National Credit Union Administration under the Federal Credit Union Act (12 U.S.C. 1751 et seq.).

(b) BOARD OF DIRECTORS.—

(1) IN GENERAL.—The Board of Directors of the Investment Board shall consist of—

(A) the Administrator of the Rural Electrification Administration;

(B) the Administrator of the Rural Development Administration;

(C) the Administrator of the Extension Service of the Department of Agriculture; and

(D) two members who shall be—

(i) experienced in rural development and related matters;

(ii) appointed by the President with the advice and consent of the Senate; and

(iii) from different political parties.

(2) CHAIRPERSON.—The Chairperson of the Board shall be the Administrator of the Rural Development Administration.

(3) VACANCIES.—Vacancies on the Board shall be filled in the same manner as the vacant position was previously filled.

(4) CHIEF EXECUTIVE OFFICER.—A chief executive officer shall be selected by the Board and shall serve at the pleasure of the Board.

(5) QUORUM.—A quorum shall consist of three members of the Board. All decisions made by the Board shall require an affirmative vote of a majority of the members.

(6) COMPENSATION.—Members of the Board—

(A) specified under subparagraphs (A), (B), and (C) of paragraph (1) shall receive reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Investment Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter 1 of chapter 57 of title 5, United States Code, for officers and employees of the United States; and

(B) appointed under subparagraph (D) of paragraph (1) shall receive compensation for the time devoted to meetings and other activities at a daily rate not to exceed the daily rate of compensation prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, and reasonable allowances for necessary expenses of travel, lodging, and subsistence incurred in attending meetings and other activities of the Investment Board, as set forth in the bylaws issued by the Board of Directors, except that such level shall not exceed the maximum fixed by subchapter 1 of chapter 57 of title 5, United States Code, for officers and employees of the United States.

(7) RULES AND RECORDS.—The Board shall adopt such rules and procedures as it may consider appropriate for the transaction of the business of the Investment Board, and shall keep permanent and accurate records and minutes of its acts and proceedings.

(c) POWERS OF THE INVESTMENT BOARD.—The Investment Board shall be a body corporate that shall have the power to—

(1) operate under the direction of its Board;

(2) adopt, alter, and use a corporate seal, which shall be judicially noted;

(3) provide for one or more officers, employees, and agents, as may be necessary, define their duties, and require surety bonds or make other provisions against losses occasioned by acts of such persons;

(4) hire, promote, compensate, and discharge officers and employees of the Investment Board, without regard to title 5, United States Code, except that no such officer or employee shall receive an annual rate of basic pay in excess of the rate prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code;

(5) prescribe by its Board its bylaws, that shall be consistent with law, and that shall provide for the manner in which—

(A) its officers, employees, and agents are to be selected;

(B) its property is to be acquired, held, and transferred;

(C) its general operations are to be conducted; and

(D) the privileges granted by law are to be exercised and enjoyed;

(6) with the consent of any executive department or independent agency, use the information, services, staff, and facilities of such in carrying out this chapter;

(7) enter into contracts and make advance, progress, or other payments with respect to such contracts;

(8) sue and be sued in its corporate name, and complain and defend in courts of competent jurisdiction;

(9) acquire, hold, lease, mortgage, or dispose of, at public or private sale, real and personal property, and otherwise exercise all the usual incidents of ownership of property necessary and convenient to its operations;

(10) modify or consent to the modification of any contract or agreement to which it is a party or in which it has an interest under this chapter;

(11) make such rules and regulations as the Board determines necessary and appropriate to carry out the authority vested in the Board under this chapter;

(12) procure the temporary (not in excess of 2 years) or intermittent services of experts or consultants or organizations thereof, without regard to the civil service and classification laws and without regard to section 5 of title 41, at rates not to exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code, including travel time, and while such individual is away from the home or regular place of business of such individual, travel expenses as authorized under section 5703 of title 5, United States Code; and

(13) exercise other powers as set forth in this chapter, and such other incidental powers as are necessary to carry out its powers, duties, and functions in accordance with this chapter.

SEC. 2313. ESTABLISHMENT OF INVESTMENT FUND.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established in the Treasury of the United States a fund for the use of the Board in carrying out the provisions of this chapter, that shall be known as the "Rural Business Investment Fund".

(2) AVAILABILITY.—The Fund established under paragraph (1) shall be available to the Board to provide lines of credit for revolving funds to be operated by approved eligible entities to serve local businesses in rural areas.

(b) USE.—

(1) LINES OF CREDIT.—Amounts in the fund established by subsection (a) shall be used by the Board to provide lines of credit in amounts determined appropriate by the Board, but in no event shall any such line of credit exceed $750,000 annually (up to a total amount of $2,250,000) to an approved eligible entity. Each line of credit shall be made available over a period of time established by the Board for each such entity, but in no event shall any such period of time extend beyond the date on which the Investment Board is terminated under section 2314(n).

(2) EXCEPTION.—Notwithstanding paragraph (1), if the approved eligible entity is the agency of any State that is primarily responsible for the rural economic development programs within such State, the Board may provide a line of credit to such agency in an amount that shall not exceed $1,250,000 annually (up to a total amount of $3,750,000) in the manner described in paragraph (1).

(3) AMOUNTS DRAWN FROM LINE.—Amounts drawn from each line of credit by each approved eligible entity shall be used solely as provided under this chapter and shall be drawn only as needed to provide loans, investments, or to carry out a guarantee.

(c) APPLICATIONS OF ELIGIBLE ENTITIES FOR LINES OF CREDIT.—

(1) FEDERAL REGISTER NOTICES.—The Board shall publish notices of solicitations for applications for lines of credit in the Federal Register and such notices shall contain—

(A) the application procedures established by the Board;

(B) the application requirements of paragraph (3);

(C) the deadlines for submission of applications (which shall be not less than 150 days after the publication of the applicable notice);

(D) a copy of all available response forms;

(E) a summary of the functions of the Board regarding applications; and

(F) other information determined appropriate by the Board.

(2) SUBMISSION AND CONSIDERATION.—An eligible entity that desires to receive a line of credit under this chapter shall submit an application to the Board at such time, in such form, and containing such information and documentation, including a description of the areas to be served, as the Board shall prescribe under paragraph (1), and the Board shall consider each such application based on the requirements of this chapter.

(3) ELIGIBLE ENTITY.—

(A) MATCHING FUNDS OR LETTERS OF INTENT.—In order for an application to be considered for approval by the Board for a line of credit, each eligible entity that submits an application shall—

(i) certify in writing that the entity shall use such funds as part of a revolving fund to invest in, and make or guarantee loans to, local businesses in accordance with this chapter; and

(ii)(I) agree to provide matching funds (Federal funds shall not be used to satisfy such matching requirement) in amounts that are at least equal to the amount of the line of credit to be provided by the Board, that shall be in the form of—

(aa) cash or cash equivalents; or

(bb) letters of credit in favor of the eligible entity issued or submitted by depository institutions (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)), insurance companies, similar Federally regulated financial institutions, State owned banks, local or State government or private philanthropic foundations, as determined appropriate and acceptable by the Board; or

(II) demonstrate, through procedures determined appropriate and acceptable by the Board, that depository institutions (as so defined) or community development credit unions described in section 2312(a) of this Act, are prepared to participate with the eligible entity in a loan, guarantee, or investment program for the benefit of local businesses, and that the total financial commitment demonstrated by the letters of intent or other documents is at least equal to the value of the line of credit for which the eligible entity is applying.

(B) EXCEPTION FOR CERTAIN ELIGIBLE ENTITIES.—

(i) LOW PER CAPITA INCOME AREAS.—If the average per capita income level of the identified rural areas served by an eligible entity is less than 70 percent of the national average per capita income for the most recent year for which such information is available, such eligible entity shall only be required to match 50 percent of the funds provided by the Board in the same manner as described in subclause (I) or (II) of subparagraph (A)(ii). A list of the average per capita income and population of each county in the United States that contains rural areas, and the national average per capita income for such year, shall be published in the Federal Register and otherwise made available by the Board to the public.

(ii) INDIAN TRIBAL COUNCIL PARTICIPATION.—

(I) IN GENERAL.—Community or tribal development corporations operated by Federally recognized tribal councils that desire to administer a local revolving fund may participate in the program established under this chapter if such corporations meet the rules and procedures established under this chapter that are determined by the Board to be pertinent.

(II) ESTABLISHMENT OF SPECIAL RULES AND PROCEDURES.—

(aa) IN GENERAL.—Not later than 220 days after the date of enactment of this Act, the Board shall establish rules and procedures to enable such community or tribal development corporations serving rural areas located on Federally recognized reservations (including former reservations in Oklahoma) to participate in the program established under this chapter through the operation of revolving funds used for investing in, and making or guaranteeing loans to, new or expanding local businesses.

(bb) CONTENTS.—Rules and procedures established under item (aa) shall be established to ensure that development corporations that receive Federal lines of credit under this chapter serve needy reservation areas, including areas that have low per capita income, high unemployment, high poverty rates, depressed or lagging local economies, and other factors determined appropriate by the Board.

(III) MATCHING REQUIREMENTS.—The requirements of subsection (c)(3) and section 2314(d) concerning the provision of matching funds and the requirement of partnerships for loans, and any related matching requirements, shall not apply to the development corporations receiving assistance under this clause.

(4) REAPPLICATION FOR LINES OF CREDIT.—

(A) IN GENERAL.—An eligible entity that has received a line of credit under this section may reapply in subsequent years for additional lines of credit if the Board makes a determination that—

(i) the applicant has demonstrated that the funds previously allocated under such line of credit have been substantially obligated and that additional demand for lending, investment, or guaranteed funding exists in the service area of the applicant;

(ii) the applicant will meet the matching requirements under subsection (c)(3); and

(iii) the applicant has administered the revolving fund consistent with this chapter and has the capacity to administer additional funds in the same manner.

(B) PRIORITY.—Eligible entities qualified to receive an initial line of credit or that will serve a service area not served by another entity shall receive priority over any applicant seeking a second or subsequent line of credit.

(5) MONITORING COMPLIANCE.—The Board shall establish procedures to monitor the compliance of each eligible entity participating in the program authorized by this chapter with the requirements of this chapter.

(6) ELIGIBLE ENTITY REVOLVING FUND REQUIREMENT.—To be eligible to receive a line of credit from the Rural Fund, the applicant eligible entity shall—

(A) demonstrate its ability or potential capacity to make sound business, lending, and investment decisions and to provide business counseling and technical assistance;

(B) demonstrate its ability to operate consistent with the requirements of this chapter and to increase the availability of credit in rural areas to promote the creation or expansion of viable businesses in rural areas;

(C) identify the proposed service area and define a strategy for serving that area that should describe such characteristics as similar industrial, labor, or other markets, similar geographic or socioeconomic conditions, or other related considerations, and, to the extent that such area includes any towns or townships, make a commitment to serve such towns or townships in their entirety;

(D) provide an assurance that its service area will consist of—

(i) all rural areas in a county if the median household income of the county is less than the Statewide nonmetropolitan median household income; or

(ii) identified rural areas in a county if—

(I) the median household income of the county is not less than the Statewide nonmetropolitan median household income; and

(II) the median household income of each rural city, town, or township to be served, and of each separate contiguous rural area to be served, is less than the Statewide nonmetropolitan median household income;

(iii) identified rural areas in a State in which the average per capita income is less than 70 percent of the nationwide per capita income; or

(iv) any county where the net migration population loss is at least 5 percent or greater from April 1, 1980, to July 1, 1987, as reported by the Census Bureau of the Department of Commerce; and

(E) provide a notification that an application has been filed with the Board to each county or other local unit of government having jurisdiction over some or all of the proposed service area under procedures developed by the Board.

(7) FACTORS IN APPROVAL OF APPLICATIONS.—In determining which applications to approve, and the maximum amount of funds to be offered in each line of credit, the Board shall grant a preference to eligible entities—

(A) that have experience in serving local credit or equity needs and in making sound business and investment decisions, or that have the ability to serve such needs and make such decisions;

(B) whose boards of directors (or governing bodies if no such board exists) are composed of a cross-section of individuals (such as individuals with backgrounds in business, community development, or regional development, individuals who are State, local, or county government officials, or individuals involved in banking, financial, or other investment activities);

(C) that are likely to stimulate significant job creation or retention and new business creation or business expansion per dollar of funds provided under this section;

(D) that submit applications that demonstrate the ability and willingness to provide to local businesses continuing technical and management assistance, training, financial and business guidance, and planning;

(E) that demonstrate that the activities of the eligible entity are consistent with State, county, or local goals, whichever is applicable, regarding long-term economic growth and community development;

(F) that submit applications containing a comprehensive investment strategy, developed in consultation with the applicable State, regional council or government, and county or other general purpose unit of local government; and

(G) that propose to serve a service area—

(i) whose unemployment or poverty rates exceed the Statewide nonmetropolitan average;

(ii) with special needs arising from actual or threatened severe unemployment arising from economic dislocation; or

(iii) that includes any county in which the net migration population loss is at least 5 percent or greater from April 1, 1980, to July 1, 1987, as reported by the Census Bureau of the Department of Commerce.

(8) GEOGRAPHIC SPREAD.—

(A) IN GENERAL.—In awarding lines of credit under this section the Board shall attempt, as much as reasonably practicable and consistent with sound financial judgment, to assure that all rural regions of the United States benefit from such awards.

(B) MINIMUM AMOUNT OF FUNDS.—After considering the availability of qualified applications, and if consistent with good investment practices and the other requirements of this chapter, the Board shall approve the application of at least one eligible entity in each State selected under section 2310(b)(1). The Board shall, to the maximum extent practicable and appropriate, ensure that eligible entities that are approved by the Board in any given State receive at least $750,000 (per State) out of the funds provided under subsection (d). In addition, to the maximum extent practicable the Board shall approve the applications of at least two eligible entities in each State containing an approved eligible entity.

(C) MAXIMUM AMOUNT OF FUNDS.—The total amount of funds provided under this chapter to eligible entities in any State shall not exceed $10,000,000.

(D) SPECIAL PROGRAM.—

(i) IN GENERAL.—The Board shall issue regulations to establish a program that targets the benefits of the Federal lines of credit provided under this section to those rural areas and residents with special needs.

(ii) LIMITS.—If consistent with sound investment practices, not less than 5 percent, nor more than 15 percent, of the funds appropriated under subsection (d) shall be issued to eligible entities that will serve—

(I) local businesses located in very distressed rural areas, as defined by the Board, that may include areas with special needs arising from actual or threatened severe unemployment which results from economic dislocation; and

(II) local businesses that provide beneficial services to rural residents such as improved medical, hospital, or health care, licensed day care facilities or centers, improved services for the handicapped, the disabled, the elderly or other needy individuals, improved educational opportunities, improved public transportation services for needy individuals, or other related services as determined appropriate by the Board.

(d) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this chapter, there are authorized to be appropriated to the Rural Fund and the Board $10,000,000 for fiscal year 1992, $8,600,000 for fiscal year 1993, $6,700,000 for fiscal year 1994, and $4,700,000 for each of fiscal years 1995 and 1996. Amounts appropriated under this subsection shall remain available until expended or until the Board is terminated.

(e) RELOCATION AND REFINANCING.—The Board shall establish rules and procedures to prohibit eligible entities from using the assistance received under this chapter for loans and investments, or for issuing guarantees, that would—

(1) facilitate the relocation of a local business from one community to another;

(2) refinance the existing debt of a local business, except that such refinancing may be undertaken with such assistance if it is undertaken in conjunction with a substantial expansion effort by the local business; or

(3) significantly reduce the viability of a then existing business engaged in substantially the same business activities in the same community.

SEC. 2314. LOCAL REVOLVING FUNDS.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—Each eligible entity approved by the Board to participate in the program established under this chapter shall establish a local revolving fund account in which to deposit—

(A)(i) amounts received from the Fund under this chapter;

(ii) any local matching funds described in section 2313(c)(3)(A); and

(iii) any profits or income, repayments of loans, proceeds from the sale of equity investments, or other gains or returns on investments or loans, derived from the activities of the revolving fund established under this subsection; less

(B) reasonable operating expenses or losses incurred in administering such fund.

(2) PLACE OF ESTABLISHMENT.—Each local revolving fund established under this subsection may be established in one or more member banks of the Federal Reserve System, any Federally insured State nonmember bank (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))), or any State owned bank whose deposits are backed by the full faith and credit of the State, and the funds, except as provided in subsection (b) of this section, shall be held in cash and receive interest or be invested in direct obligations of the United States or in obligations guaranteed by the United States or an agency thereof.

(b) USE OF FUND.—Amounts in a local revolving fund may be used—

(1) to provide loans or equity capital, or loan guarantees, to approved local businesses as authorized in this chapter, under procedures established by the Board;

(2) to cover the costs of providing training, business or financial planning, or management or technical assistance to approved local businesses in amounts that do not exceed amounts or levels described in standards established by the Board;

(3) if financial investments are made in the eligible entity, in accordance with item (aa) or (bb) of section 2313(c)(3)(A)(ii)(I), to provide for a return of capital to non-Federal investors in the revolving fund, except that if such revolving fund experiences capital or other losses the share of returned capital under this paragraph shall be proportionately, or otherwise appropriately reduced to reflect such losses, under procedures established by the Board; or

(4) to cover reasonable operating or capital expenses, losses, or for other charges as prescribed in rules or standards established by the Board.

(c) DECISIONS CONCERNING FUNDING.—Eligible entities that receive a line of credit under section 2313 shall make case-by-case determinations concerning applications submitted by each local business for loans, equity capital, or loan guarantees, under general procedures and requirements established by the Board.

(d) REQUIREMENT OF PARTNERSHIPS FOR LOANS OR INVESTMENTS.—Funds in each local revolving fund shall be loaned, invested, or used to provide a guarantee, only if one or more depository institutions (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)) or community development credit unions described in section 2312(a) of this Act, under procedures established by the Board, match each investment or loan made by each such revolving fund to each such local business, on at least a dollar-for-dollar basis, or provide the funds for the loans that are guaranteed by such local revolving fund.

(e) INVESTMENT SIZE LIMITS.—

(1) IN GENERAL.—

(A) AMOUNT PER LOCAL BUSINESS.—The amount of Federal funds provided from any revolving fund for use in making loans or investments, or available regarding each guarantee, shall not exceed $250,000 in any given calendar year, to any single approved local business or to other local businesses that are financially connected or otherwise related to such local business as defined by the Board.

(B) OTHER SOURCES.—This chapter shall not be construed to limit the total amount of loans, investments, or guarantees that each local business may receive from sources other than eligible entities.

(C) PROCEDURES.—In implementing this paragraph the Board shall develop procedures to establish, impute, or determine the amount of Federal funds that shall be considered available in the revolving funds created by approved eligible entities.

(2) INELIGIBILITY.—Any local business that employs 100 or more employees shall not be eligible to receive assistance from a local revolving fund that receives assistance under this chapter.

(f) SUBORDINATED INTEREST OF LOCAL REVOLVING FUND.—If a depository institution

(as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)) or a community development credit union described in section 2312(a) of this Act has made an investment or loan in a local business in conjunction with an investment or loan made out of the revolving fund of an approved eligible entity, the amount invested or loaned by such revolving fund in such local business may be subordinated to any degree and in any manner.

(g) OTHER INVESTORS.—A depository institution (as defined in section 3(c)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(1)), community development credit union described in section 2312(a) of this Act, similar Federally regulated financial institution, State owned bank, local or State government, private philanthropic foundation, or other entity that contributes capital to an eligible entity that receives Federal assistance under this chapter may establish contractual arrangements with such eligible entity concerning the return of such investments in the local revolving fund consistent with subsection (b)(3).

(h) ADDITIONAL CAPITAL.—The Board shall promulgate regulations that provide each participating eligible entity with a sufficient amount of time to obtain additional capital, lines of credit, or letters of intent, if any investor, pursuant to the contract with the eligible entity under subsection (g), withdraws some or all of its investment.

(i) CONTINUATION OF LINE OF CREDIT.—A line of credit provided to an approved eligible entity under section 2313 for use in a local revolving fund shall be available to be drawn upon until the Investment Board is terminated or until the line of credit is canceled, revoked, or suspended by the Board or the Secretary as described in section 2315 or subsection (l) of this section.

(j) CONTINUATION OF BUSINESS PROMOTION ACTIVITIES.—The Federal assistance provided to any eligible entity under this chapter shall become the property of such entity on the termination of the Investment Board if—

(1) the Board determines that the eligible entity that administers the local revolving fund has operated the fund in a manner that is consistent with this chapter; and

(2) the eligible entity contracts with the Secretary to continue to provide lending, investment, and guarantee assistance consistent with this chapter.

(k) DEVELOPMENT OF MONITORING PROCEDURES.—On and after the date on which the Investment Board is terminated, the Secretary shall act in place of the Board and shall monitor the operations of eligible entities that receive Federal assistance under this chapter which continue to exist on such date.

(l) REFUND OF FUNDS.—Notwithstanding subsection (j), and in addition to any actions taken under section 2315, if the Secretary finds that the purpose of any eligible entity is no longer to promote business development in a manner consistent with this chapter, the Secretary shall revoke the approval of the eligible entity, obtain a refund in an amount equal to the amount of funds drawn out of the Federal line of credit issued to the eligible entity together with an appropriate amount of interest on such amount, as determined by the Secretary, and succeed to, or acquire the rights, privileges, and assets, investments of, and the payments due from such eligible entity, as described in section 2315(h).

(m) ANNUAL REPORTS TO THE BOARD.—

(1) IN GENERAL.—Each eligible entity that receives assistance under this chapter shall annually prepare and submit to the Board, at such time and in such form as the Board may require, a report describing the financial condition of the eligible entity, and the investments, cash revenues, income from investments, loans made, equity positions taken, guarantees issued, losses sustained or taken, any training, business, or technical assistance, or financial planning provided, operating expenses, loss rates, and such other matters as the Board determines appropriate concerning the eligible entity.

(2) POST TERMINATION.—After the Board terminates under subsection (n), the reports required under paragraph (1) shall be submitted to the Secretary who shall stand in the same position as the Board.

(n) TERMINATION OF BOARD.—The Investment Board established by section 2312(a) shall terminate on the last day of the 5th calendar year following the date of enactment of this chapter and on and after such date the Secretary shall act in place of such Board.

SEC. 2315. COMPLIANCE AND ENFORCEMENT.

(a) REVOCATION OR CANCELLATION OF LINE OF CREDIT AND REFUND.—

(1) GROUNDS FOR REVOCATION.—The Board shall revoke or suspend a line of credit, and shall request a full or partial refund of the Federal investment, with an appropriate amount of interest—

(A) for false statements knowingly made in any written statement required under this chapter, or under any regulation or Federal Register notice issued under this chapter;

(B) if any written statement required under this chapter, or under any regulation or Federal Register notice issued under this chapter, fails to state a material fact necessary in order to make the statement not misleading in the light of the circumstances under which the statement was made;

(C) for willful or repeated violation of, or willful or repeated failure to observe, any provision of this chapter;

(D) for willful or repeated violation of, or willful or repeated failure to observe, any rule or regulation authorized under this chapter; or

(E) for violation of, or failure to observe, any cease and desist order issued by the Board under this subsection.

(2) CANCELLATION OF LINE OF CREDIT.—Notwithstanding any action taken under paragraph (1), the Board may cancel any prospective payments to be made from any approved line of credit under this chapter if the Board determines that the eligible entity participating in the program established under this chapter made an investment, or acted in a manner, that was inconsistent with any provision of this chapter.

(3) CEASE AND DESIST ORDERS.—If an eligible entity has not complied with any provision of this chapter, or of any regulation issued pursuant thereto, or is engaging or is about to engage in conduct that constitutes or will constitute a violation of this chapter or such regulation, the Board may order such entity to cease and desist from such conduct. The Board may further order such entity to take such action or to refrain from such action as the Board determines necessary to ensure compliance with this chapter and the regulations issued thereunder.

(4) ORDER TO SHOW CAUSE, CONTENTS, AND HEARING.—

(A) ORDER.—Prior to revoking or suspending a line of credit under paragraph (1) or (2), or issuing a cease and desist order under paragraph (3), the Board shall serve on the eligible entity an order to show cause why an order revoking or suspending the line of credit or a cease and desist order should not be issued.

(B) CONTENTS.—An order to show cause under subparagraph (A) shall contain a statement of the matters of fact and law asserted by the Board and the legal authority and jurisdiction under which a hearing is to be held, and shall state that a hearing will be held before the Board at a time and place stated in the order.

(C) HEARING.—If, after a hearing under subparagraph (B) or a waiver thereof, the Board determines on the record that an order revoking or suspending the line of credit, or a cease and desist order should be issued, or an order requiring a refund of the Federal investment in addition to reasonable interest thereon should issue, the Board shall promptly issue such order, which shall include a statement of the findings of the Administration and the reasons for such findings and specify the effective date of the order, and shall cause the order to be served on the entity.

(5) SUBPOENA OF PERSONS, BOOKS, PAPERS, AND DOCUMENTS; FEES AND MILEAGE; ENFORCEMENT.—

(A) SUBPOENA.—The Board may require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to the hearing from any place in the United States.

(B) FEES AND MILEAGE.—Witnesses summoned before the Board shall be paid by the party at whose instance such witnesses were called the same fees and mileage that are paid witnesses in the courts of the United States.

(C) ENFORCEMENT.—In the case of disobedience to a subpoena under this paragraph, the Board, or any party to a proceeding before the Board, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents.

(6) PETITION TO MODIFY OR SET ASIDE ORDER; FILING, TIME AND PLACE, ADMINISTRATION TO SUBMIT RECORD; ACTION OF COURT; REVIEW.—

(A) IN GENERAL.—An order issued by the Board under this subsection shall be final and conclusive unless not later than 30 days after the service thereof the eligible entity appeals to the United States court of appeals for the circuit in which such corporation has its principal place of business by filing with the clerk of such court a petition praying that the order of the Board be set aside or modified in the manner stated in the petition.

(B) FILING.—

(i) LEAVE OF COURT.—After the expiration of the 30-day period referred to in subparagraph (A), a petition may be filed only by leave of court on a showing of reasonable grounds for failure to file the petition prior to the expiration of such period.

(ii) CERTIFICATION.—The clerk of the court shall, on filing, cause a copy of the petition to be delivered to the Board and the Board shall certify and file in the court a transcript of the record on which the order was entered. If prior to the filing of such record the Board amends or sets aside its order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, after providing notice to the Board.

(C) STAY OR SUSPENSION OF ORDER.—The filing of a petition for review under this paragraph shall not of itself stay or suspend the operation of the order of the Board, but the court of appeals in its discretion may re-

strain or suspend, in whole or in part, the operation of the order pending the final hearing and determination of the petition.

(D) ACTION BY COURT.—The court may affirm, modify, or set aside the order of the Board.

(E) ADDITIONAL EVIDENCE.—

(i) DETERMINATION.—If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the Board to reopen the hearing for the taking of such evidence, in such manner and on such terms and conditions as the court may consider appropriate.

(ii) FINDINGS.—The Board may modify its findings as to the facts, or make new findings, by reason of the additional evidence taken under this subparagraph, and it shall file its modified or new findings and the amendments, if any, of its order, with the records of such additional evidence.

(F) CONSIDERATION OF OBJECTIONS.—The court shall not consider an objection to an order of the Board unless the objection was argued before the Board or, if it were not so argued, unless there were reasonable grounds for failure to do so.

(G) REVIEW.—The judgment and decree of the court affirming, modifying, or setting aside any such order of the Board shall be subject only to review by the Supreme Court of the United States on certification or certiorari as provided in section 1254 of title 28, United States Code.

(7) ENFORCEMENT OF ORDER.—If the entity against which or against whom an order is issued under this subsection fails to obey the order, the Board may apply to the United States court of appeals for the circuit where the entity has its principal place of business, for the enforcement of the order, and shall file a transcript of the record on which the order complained of was entered. On the filing of the application, the court shall cause notice thereof to be served on the entity. The evidence to be considered, the procedure to be followed, and the jurisdiction of the court shall be the same as is provided in paragraph (6) for applications to set aside or modify orders.

(b) INVESTIGATIONS AND EXAMINATIONS.—

(1) AUTHORITY.—

(A) IN GENERAL.—The Board may conduct such investigations as the Board considers necessary to determine whether an eligible entity has engaged in any conduct that constitutes or will constitute a violation of any provision of this chapter, of any regulation issued under this chapter, or of any order issued under this section.

(B) FILING OF STATEMENTS.—The Board shall permit any individual to file a statement with the Board in writing, under oath, or otherwise as the Board shall determine, as to all the facts and circumstances concerning the matter to be investigated.

(C) SUBPOENA.—For the purpose of any investigation under this subsection, the Board may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, and documents that are relevant to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States.

(D) REFUSAL TO OBEY.—In case of contumacy by, or refusal to obey a subpoena issued to, any individual, including an entity or corporation, the Board may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such individual resides or carries on business activity, in requiring the attendance and testimony of witnesses and the production of books, papers, and documents, and such court may issue an order requiring such individual to appear before the Board, to produce records, if so ordered, or to give testimony touching the matter under investigation.

(E) CONTEMPT.—A failure to obey an order of the court under this subsection shall be punishable by such court as a contempt thereof. All process in any such case may be served in the judicial district where such individual is an inhabitant or wherever such individual may be found.

(2) EXAMINATIONS AND REPORTS.—

(A) EXAMINATIONS.—An eligible entity under this chapter shall be subject to examinations made by the Board through examiners selected or approved by the Board, and the cost of such examinations, including the compensation of the examiners, may in the discretion of the Board be assessed against the entity examined and when so assessed shall be paid by such entity.

(B) REPORTS.—Such entities shall prepare and submit reports to the Board at such times and in such form as the Board may require.

(3) EXAMINATIONS.—Each eligible entity shall be examined and audited at least once every 2 years, under procedures established by the Board, to determine whether or not such entity has been operated in a manner consistent with this chapter and in an otherwise lawful manner, except that the Board may defer the examination for not more than 1 year if, in its discretion, the Board determines that such a deferral would be appropriate based on the prior operating experience of the entity, the contents and results of the last examination of the entity, and the management expertise of the entity.

(c) INJUNCTIONS OR OTHER ORDERS.—

(1) GROUNDS AND JURISDICTION OF COURT.—If, in the judgment of the Board, an eligible entity has engaged or is about to engage in conduct that constitutes or will constitute a violation of any provision of this chapter, of any regulation under this chapter, or of any order issued under this section, the Board may apply to the proper district court of the United States or a United States court located in any jurisdiction subject to the laws of the United States, for an order enjoining such conduct or enforcing compliance with such provision, rule, regulation, or order. Such court shall have jurisdiction over such conduct and, on a showing by the Board that such entity has engaged in or is about to engage in such conduct, may issue a permanent or temporary injunction, restraining order, or other order without bond.

(2) EQUITY JURISDICTION OF CORPORATION AND ASSETS.—In any proceeding under this section, the court as a court of equity may, to such extent as it considers necessary, declare that such court has exclusive jurisdiction over the entity and the assets thereof, wherever located. Such court shall have jurisdiction in any such proceeding to appoint a trustee or receiver to hold or administer under the direction of the court the assets so possessed.

(3) TRUSTEESHIP OR RECEIVERSHIP.—The Board shall have authority to act as trustee or receiver of an entity under this section. On request by the Board, the court may appoint the Board to act in such capacity unless the court determines such appointment to be inequitable or otherwise inappropriate because of the special circumstances involved.

(d) UNLAWFUL ACTS AND OMISSIONS BY OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS.—

(1) VIOLATION OF CHAPTER.—It shall be unlawful for any eligible entity to violate any provision of this chapter or any regulation issued under this chapter, or for any individual, directly or indirectly, to authorize, order, or participate in, or cause, bring about, counsel, aid, or abet conduct that constitutes or will constitute, in whole or in part, such a violation.

(2) BREACH OF FIDUCIARY DUTY.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of an eligible entity to engage in conduct, in breach the fiduciary duty of such individual or such officer, director, employee, agent, or participant, if, as a result thereof, the entity has suffered or is in imminent danger of suffering financial loss or other damage.

(3) DISQUALIFICATION OF OFFICERS AND EMPLOYEES.—Except on the written consent of the Board, it shall be unlawful for any individual to take or continue to hold office as an officer, director, or employee of an eligible entity, or become or continue to be an agent or participate in the conduct of the affairs or management of an eligible entity if such individual has been—

(A) convicted of a felony, or of any other criminal offense involving dishonesty or breach of trust; or

(B) found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any conduct involving fraud or breach of trust.

(e) PENALTIES AND FORFEITURES.—

(1) IN GENERAL.—Except as provided in paragraph (2), an eligible entity that violates any regulation or written directive issued by the Board requiring the filing of any regular or special report under this chapter, shall forfeit and pay to the United States a civil penalty of not more than $100 for each and every day of the continuance of the corporation's failure to file such report, unless the entity demonstrates that such failure is due to reasonable cause and not due to willful neglect. The civil penalties provided for in this subsection shall accrue to the United States and may be recovered in a civil action brought by the Board.

(2) EXEMPTION.—At any time before a failure under paragraph (1), and after notice and opportunity for hearing, the Board may through rules and regulations, or on application of an interested party, by order, exempt in whole or in part, any entity from the provisions of paragraph (1), on such terms and conditions and for such period of time as the Board determines necessary and appropriate, if the Board finds that such action is not inconsistent with the public interest or the protection of the Board. The Board may for purposes of this subsection impose any alternative requirements appropriate to the situation.

(f) JURISDICTION AND SERVICE OF PROCESS.—Any suit or action brought under this section by the Board to enforce any liability or duty created by, or to enjoin any violation of, this chapter, or any rule, regulation, or order promulgated thereunder, shall be brought in the district in which the eligible entity maintains its principal office, and process in such cases may be served in any district in which the defendant maintains its principal office or transacts business, or wherever the defendant may be found.

(g) SUBSTITUTION OF SECRETARY.—On the termination of the Board, the Secretary shall stand in place of the Board and shall possess all the powers, privileges, and rights

regarding compliance and enforcement described in this section and in section 2314.

(h) REVOCATION, SUSPENSION, OR TERMINATION.—If the approval of any eligible entity to participate in this program is revoked, suspended, or terminated, or if the activities of the eligible entity otherwise end, the Board, or the Secretary, upon the termination of the Board, shall—

(1) possess all the rights and privileges of such eligible entity;

(2) succeed to the assets of such eligible entity to the extent necessary to obtain a refund of any amounts due to the Board or the Secretary;

(3) be entitled to receive any payments due to such eligible entity from any local businesses on any outstanding loans; and

(4) take over any equity investment held by such eligible entity.

CHAPTER 3—RURAL ECONOMIC DEVELOPMENT REVIEW PANELS

SEC. 2316. DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding after the section added by section 2301(a)(1) of this Act the following new sections:

"SEC. 365. SYSTEM FOR DELIVERY OF CERTAIN RURAL DEVELOPMENT PROGRAMS.

"(a) IN GENERAL.—

"(1) ASSISTANCE IN ELIGIBLE STATES.—Assistance under each designated rural development program shall be provided in eligible States to qualified projects in accordance with this section.

"(2) NO ASSISTANCE IN OTHER STATES.—The Secretary shall not provide assistance under any designated rural development program in any State that is not an eligible State.

"(b) DEFINITIONS.—As used in this section and section 366:

"(1) AREA PLAN.—The term 'area plan' means, with respect to a local or regional area in a State, the long-range rural development plan developed for the area. Each area plan shall identify the geographical boundaries of the area and include—

"(A) an overall development plan for the area with goals, including business development and infrastructure development goals, and time lines based on a realistic assessment of the area, including, but not limited to—

"(i) the number and types of businesses in the area that are growing or declining, and a list of the types of businesses that the area could potentially support;

"(ii) the outstanding need for water and waste and other public services or facilities in the area;

"(iii) the realistic possibilities for industrial recruitment in the area;

"(iv) the potential for the development of tourism in the area;

"(v) the potential for the generation of employment in the area through the creation of small businesses and the expansion of existing businesses; and

"(vi) the potential for the production of value-added agricultural products in the area;

"(B) an inventory and assessment of the human resources of the area, including, but not limited to—

"(i) a current list of organizations in the area and their special interests;

"(ii) the current level of participation of area residents in rural development activities and the level of participation required for successful implementation of the plan;

"(iii) the availability of general and specialized job training in the area and the extent to which the needs of the area for such training are not being met;

"(iv) a list of area residents with special skills which could be useful in developing and implementing the plan; and

"(v) an analysis of the human needs of the area, the resources in the area available to meet those needs, and the manner in which the plan, if implemented, would increase the resources available to meet those needs;

"(C) the current degree of intergovernmental cooperation in the area and the degree of such cooperation needed for the successful implementation of the plan;

"(D) the ability and willingness of governments and citizens in the area to become involved in developing and implementing the plan;

"(E) a description of how the governments in the area will apply budget and fiscal control processes to the plan; and

"(F) the extent to which public services and facilities need to be improved to achieve the economic development and quality of life goals of the plan, taking into consideration, at a minimum—

"(i) law enforcement;

"(ii) fire protection;

"(iii) water and solid waste management;

"(iv) education;

"(v) health care;

"(vi) transportation;

"(vii) housing;

"(viii) communications; and

"(ix) the availability of, and capability to generate, electric power.

"(2) DESIGNATED RURAL DEVELOPMENT PROGRAM.—The term 'designated rural development program' means a program carried out under section 304(b), 306(a), or subsections (a) through (f) and (h) of section 310B of this Act, or under section 1323 of the Food Security Act of 1985, for which funds are available at any time during the fiscal year under such section.

"(3) ELIGIBLE STATE.—

"(A) REQUIREMENTS.—The term 'eligible State' means, with respect to a fiscal year, a State to which this section is made applicable under section 2310(b)(2) of the Rural Economic Development Act of 1990, and with respect to which all of the following apply not later than the first day of the fiscal year:

"(i) ESTABLISHED RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.—The State has established an advisory rural economic development review panel that meets the requirements of section 366.

"(ii) APPOINTED STATE COORDINATOR.—The Governor of the State has appointed an officer or employee of the State government to—

"(I) manage, operate, and carry out the instructions of, the panel described in clause (i);

"(II) serve as a liaison between the panel and the Federal and State agencies involved in rural development, including transmitting to the Secretary any list transmitted to the State coordinator pursuant to section 366(b)(6);

"(III) ensure that all rural residents in the State are informed about the manner in which assistance under designated rural development programs is to be provided to the State pursuant to this section and section 366;

"(IV) provide information to State residents, on request, about the manner in which assistance under designated rural development programs is to be provided to the State pursuant to this section and section 366; and

"(V) coordinate the efforts of interested rural residents with the State rural economic development review panel.

"(iii) DESIGNATED AGENCY TO PROVIDE ADMINISTRATIVE SUPPORT TO PANEL.—The State has designated an agency to provide the panel and the State coordinator with support for the daily operation of the panel described in clause (i).

"(B) GOOD FAITH EXCEPTION.—Notwithstanding the requirements of subparagraph (A), the Secretary of Agriculture may determine, no later than the first day of the fiscal year, a State to be an eligible State under this paragraph for the fiscal year if the Secretary determines that the State has made a good faith effort to meet, and has substantially met, such requirements.

"(4) QUALIFIED PROJECT.—The term 'qualified project' means any project—

"(A) for which the agency described in paragraph (3)(C) of the State has identified—

"(i) the alternative Federal, State, local, or private sources of assistance; and

"(ii) the related activities in the State; and

"(B) to which the Secretary is required by subsection (c)(4) to provide assistance.

"(5) STATE COORDINATOR.—The term 'State coordinator' means the individual appointed by the Governor of the State to carry out the activities described in paragraph (3)(B).

"(6) STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.—The term 'State rural economic development review panel' or 'panel' means an advisory panel that meets the requirements of section 366.

"(c) DUTIES OF THE SECRETARY.—The Secretary shall, with respect to each eligible State—

"(1) review the list, if any, transmitted pursuant to subsection 366(b)(6) by any State coordinator;

"(2) determine whether each project described in an application in the list meets the requirements of the rural development program under which the application seeks assistance;

"(3) remove from the list any application for a project that does not meet the requirements;

"(4) provide assistance, subject to available funds, to the projects in the applications remaining in the list after the list has (if necessary) been modified pursuant to paragraph (3), giving consideration to the order in which the applications for such projects are ranked by the respective State panel, and, if assistance is provided to any project without providing assistance to all projects ranked higher in priority by the panel than such project, report to the panel, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate within ten days of determining to fund such lower ranked project on the reasons for that determination;

"(5) within thirty days after the date of the enactment of any Act providing appropriations for any designated rural development program for any fiscal year, notify each State of the amounts to be made available to such State under such program for such fiscal year, and the aggregate for such fiscal year of such amounts under all the designated rural development programs;

"(6) pay per diem or otherwise reimburse each full-time officer or employee of the United States who is a member of a State rural economic development review panel for expenses incurred each day (including travel time) during which the officer or em-

ployee is engaged in the actual performance of a duty of the panel;

"(7) from amounts appropriated for grants under any provision of section 306(a), make grants not to exceed $100,000 annually to each eligible State for the administrative costs associated with the State rural economic development review panel meeting the requirements of section 366; and

"(8) appoint a member to the State rural economic development review panel as provided under section 366(c)(1)(P).

"(d) OFFICIAL INFORMATION.—The Secretary may appoint as nonvoting members, temporarily and for specific purposes, personnel from any department or agency of the United States, with the consent of the head of such department or agency, with expertise not available among the members of any State rural economic development review panel as may be necessary to enable the panel to perform a duty described in section 366(b).

"(e) ALLOCATION OF APPROPRIATED FUNDS.—

"(1) INITIAL ALLOCATION.—The Secretary shall allocate the sums appropriated for direct loans, loan guarantees, or grants for any designated rural development program made available to any eligible State under such program for any fiscal year to the projects specified in subsection (c)(4) giving great weight to the order in which the applications for such projects are ranked on the list specified in subsection (c)(1).

"(2) EQUITABLE REALLOCATION OF UNOBLIGATED FUNDS.—Notwithstanding paragraph (1), the Secretary shall, on July 15 of each year, and from time to time thereafter during the fiscal year as the Secretary determines appropriate, pool from among the eligible States any unobligated funds appropriated for direct loans, loan guarantees, or grants for each designated rural development program and reallocate such funds among the eligible States according to need, as determined by the Secretary.

"(f) INAPPLICABILITY OF FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act shall not apply to any State rural economic development review panel.

"(g) NO LIABILITY OF MEMBERS OF STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANELS.—The members of a State rural economic development review panel shall not be liable to any person with respect to any determination made by the panel.

"(h) ELIGIBILITY FOR WATER AND WASTE FACILITY LOANS.—

"(1) RURAL ELECTRIFICATION PROGRAM BORROWERS.—Notwithstanding any other provision of law, a borrower under title III of the Rural Electrification Act of 1936 shall be eligible to receive loans and grants under section 306 on an equal basis with any other applicant for such assistance, and the terms and conditions, rules, criteria and other provisions of section 306 shall apply to such a borrower. In the case of applications from such a borrower, the Administrator of the Rural Electrification Administration shall provide technical assistance with respect to water and waste facilities and loans and grants for such facilities.

"(2) PROHIBITION ON RESTRICTING WATER AND WASTE FACILITY SERVICES TO ELECTRIC CUSTOMERS.—The Secretary shall establish rules and procedures that prohibit borrowers under title III of the Rural Electrification Act of 1936 from conditioning or limiting access to, or the use of, water and waste facility services financed under the Consolidated Farm and Rural Development Act if such conditioning or limiting is based on whether individuals or entities in the area served or proposed to be served by such facility receive, or will accept, electric service from such borrower.

"SEC. 366. STATE RURAL ECONOMIC DEVELOPMENT REVIEW PANEL.

"(a) IN GENERAL.—In order for a State to become or remain an eligible State, the State must have a State rural economic development review panel that meets all of the requirements of this section.

"(b) DUTIES.—The panel must be required to advise the Secretary on the desirability of funding applications for funding from designated rural development programs, and, in developing such advice, the panel must have the following duties:

"(1) REVIEW RURAL DEVELOPMENT PLANS OF LOCAL AREAS.—To review each area plan submitted by a local or regional area.

"(2) EVALUATE AREA PLANS AND APPLICATIONS FOR ASSISTANCE.—(A) AREA PLANS.—To evaluate, pursuant to a written policy and criteria, each area plan submitted by a local or regional area and either—

"(i) accept any area plan that is technically and economically adequate, feasible, and likely to succeed in meeting the stated goals of the plan, unless the plan is incompatible with any other area plan for that area that has been accepted by the panel; or

"(ii) return any plan that is technically or economically inadequate, infeasible, unlikely to be successful, or incompatible with any other area plan for that area that has been accepted by the panel, with an explanation of the reasons for the return with suggested alternative proposals.

In evaluating area plans under this subparagraph, the panel must give great weight to the area plans or other comments submitted by intergovernmental development councils, or similar organizations made up of local elected officials, charged with the responsibility for rural or regional development.

"(B) APPLICATIONS FOR ASSISTANCE.—To evaluate each application for assistance to determine whether the project to be carried out in any area is compatible with the area plan for the area in which the project described in the application is proposed, and either—

"(i) accept any application that the panel determines to be compatible with such area plan; or

"(ii) return to the Rural Development Administration any application that the panel determines to be incompatible with such area plan.

"(3) REVIEW AND RANK APPLICATIONS FOR ASSISTANCE UNDER DESIGNATED RURAL DEVELOPMENT PROGRAMS FROM AREAS WITH ACCEPTED AREA PLANS.—To review applications for assistance, that have been accepted pursuant to paragraph (2)(B), for projects to be carried out in any area the area plan for which has been accepted pursuant to paragraph (2)(A), taking into account the sources of assistance and related activities identified pursuant to section 365(b)(4)(A), and to rank such applications, subject to paragraphs (4) and (5), pursuant to a written policy and criteria, in an order that takes into account—

"(A) in the case of business projects described in the application—

"(i) the extent to which a project would—

"(I) stimulate rural development by creating new jobs of a permanent nature or retaining existing jobs by enabling new small businesses to be started, or existing businesses to be expanded by local or regional area residents who own and operate the businesses,

"(II) contribute to the enhancement and the diversification of the local or regional area economy,

"(III) generate or retain jobs for local or regional area residents,

"(IV) be carried out by persons with sufficient managerial capability,

"(V) be likely to become financially viable, and

"(VI) assist a local or regional area in overcoming severe economic distress;

"(ii) the distribution of assistance to projects in as many areas as possible in the State, with sensitivity to geographical distribution;

"(iii) the technical aspect of the projects;

"(iv) the market potential and marketing arrangements for the projects; and

"(v) the potential of such project to promote the growth of a rural community by improving the ability of the community to increase the number of persons residing therein and by improving the quality of life of such persons; and

"(B) in the case of infrastructure and community facility projects described in the applications the extent to which a project would—

"(i) have the potential to promote the growth of a rural community by improving the quality of life for local or regional area residents;

"(ii) affect the health and safety of local or regional area residents;

"(iii) affect business productivity and efficiency;

"(iv) enhance commercial business activity;

"(v) have the potential to promote long-term growth, including by increasing the number of persons residing in a rural community;

"(vi) address a severe loss or lack of water quality or quantity;

"(vii) bring a community into compliance with Federal or State water or waste water standards; and

"(viii) consolidate water and waste systems and utilize management efficiencies in new systems.

"(4) PRIORITY RANKING FOR PROJECTS ADDRESSING HEALTH EMERGENCIES.—To give priority in reviewing and ranking, notwithstanding the criteria established in paragraph (3), to applications for projects designed to address a health emergency declared to be such by the appropriate Federal or State government agency.

"(5) PRIORITY BASED ON NEED.—If in ranking applications pursuant to paragraphs (3) and (4), 2 or more applications are determined to have comparable strengths in their feasibility and potential for growth, to give priority to the applications for projects for which there is the greatest need.

"(6) TRANSMIT LIST OF RANKED APPLICATIONS.—To transmit to the State coordinator a list of all applications received and indicate on the list—

"(A) for all applications accepted, the rank of such applications in accordance with paragraphs (3), (4) and (5); and

"(B) for all applications returned, the fact that the application was returned pursuant to paragraph (2) and instruct the State coordinator to transmit the list to the Secretary.

"(7) AVAILABILITY OF LIST OF RANKED APPLICATIONS.—To make available to the public the list of ranked applications submitted under paragraph (6) and to provide a brief explanation and justification of why the project applications received their prioritization.

"(8) ESTABLISHMENT AND REVIEW OF WRITTEN POLICY AND CRITERIA FOR EVALUATING AND RANKING APPLICATIONS.—To establish and annually review the written policy and criteria used by the panel in evaluating and ranking applications in accordance with this subsection to ensure that the policy and criteria are consistent with current rural developmental needs, and to provide for public input during the development of the initial policy and criteria.

"(c) MEMBERSHIP.—

"(1) VOTING MEMBERS.—The panel must be composed of not more than sixteen voting members who are representatives of rural areas—

"(A) one of whom is the Governor of the State or the person designated by the Governor to serve on the panel on behalf of the Governor for that year;

"(B) one of whom is the director of the State agency responsible for economic and community development or the person designated by the director to serve on the panel on behalf of the director for that year;

"(C) one of whom is appointed by a statewide association of banking organizations;

"(D) one of whom is appointed by a statewide association of investor-owned utilities;

"(E) one of whom is appointed by a statewide association of rural telephone cooperatives;

"(F) one of whom is appointed by a statewide association of noncooperative telephone companies;

"(G) one of whom is appointed by a statewide association of rural electric cooperatives;

"(H) one of whom is appointed by a statewide association of health care organizations;

"(I) one of whom is appointed by a statewide association of existing local government-based planning and development organizations;

"(J) one of whom is appointed by the Governor of the State from either a statewide rural development organization or a statewide association of publicly-owned electric utilities, neither of which is described in any of subparagraphs (C) through (I);

"(K) one of whom is appointed by a statewide association of counties;

"(L) one of whom is appointed by a statewide association of towns and townships, or by a statewide association of municipal leagues, as determined by the Governor;

"(M) one of whom is appointed by a statewide association of rural water districts;

"(N) the State director of the Federal small business development center (or, if there is no small business development center in place with respect to the State, the director of the State office of the Small Business Administration);

"(O) the representative for that State of the Economic Development Administration of the Department of Commerce; and

"(P) one of whom is appointed by the Secretary from among the officers and employees of the Federal Government.

"(2) NONVOTING MEMBERS.—The panel must have not more than four nonvoting members who must serve in an advisory capacity and are representatives of rural areas—

"(A) one of whom is appointed by the Governor, from names submitted by the dean, or the equivalent official, of each school or college of business of the colleges and universities in the State;

"(B) one of whom is appointed by the Governor, from names submitted by the dean, or the equivalent official, of each school or college of engineering of the colleges and universities in the State;

"(C) one of whom is appointed by the Governor, from names submitted by the dean, or the equivalent official, of each school or college of agriculture of the colleges or universities in the State; and

"(D) the director of the State agency responsible for extension services for the State.

"(3) APPOINTMENT OF REPRESENTATIVES OF STATEWIDE ORGANIZATIONS BY THE GOVERNOR IN CERTAIN CASES.—

"(A) NO STATEWIDE ORGANIZATION.—If there is no statewide association or organization described in subparagraph (C), (D), (E), (F), (G), (H), (I), (K), (L), or (M) of paragraph (1) of the entities described in such subparagraph, the Governor of the State will appoint an individual to fill the position or positions, as the case may be, described in the applicable subparagraph from among nominations submitted by local groups of such entities.

"(B) MULTIPLE STATEWIDE ORGANIZATIONS.—If there is more than one of the statewide associations or organizations described in subparagraph (C), (D), (E), (F), (G), (H), (I), (K), (L), or (M) of paragraph (1) of the entities described in such subparagraph, the Governor must select which organization is to name a member. The Governor must rotate such selection among such associations or organizations such that a representative of the selected association or organization serves no more than two years before another such association or organization is selected by the Governor.

"(4) FAILURE TO APPOINT PANEL MEMBERS.—The failure of the Governor, the Secretary of Agriculture, or an association or organization described in subparagraph (C), (D), (E), (F), (G), (H), (I), (K), (L), or (M) of paragraph (1) to appoint a member to the panel as required under this subsection shall not prevent a State from being determined to be an eligible State.

"(d) NOTIFICATION.—Each statewide organization that selects an individual to represent the organization on the panel must have notified the Governor of the State of the selection.

"(e) QUALIFICATIONS OF PANEL MEMBERS APPOINTED BY THE GOVERNOR.—Each individual appointed to the panel by the Governor of the State will be specially qualified to serve on the panel by virtue of the individual's technical expertise in business and community development.

"(f) VACANCIES.—A vacancy on the panel must be filled in the manner in which the original appointment was made.

"(g) CHAIRPERSON AND VICE CHAIRPERSON.—The panel must have selected two members of the panel who are not officers or employees of the United States to serve as the chairperson and vice chairperson of the panel for a term of one year.

"(h) NO COMPENSATION FOR FEDERAL MEMBERS.—Except as provided in section 365(c)(6), each member of the panel who is an officer or employee of the Federal Government may not receive any compensation or benefits, in addition to that which such officer or employee receives for performance of such officer or employee's regular employment, by reason of service on the panel.

"(i) RULES GOVERNING PANEL MEETINGS.—

"(1) QUORUM.—A majority of the members of the panel must constitute a quorum for the purpose of conducting business of the panel.

"(2) FREQUENCY OF MEETINGS.—The panel must meet not less frequently than quarterly.

"(3) FIRST MEETING.—The State coordinator must schedule the first panel meeting.

"(4) RECORDS OF MEETINGS.—The panel must keep records of the minutes of the meetings, deliberations, and evaluations of the panel, in sufficient detail to enable the panel to provide to interested persons the reasons for its actions.".

(b) CONFORMING AMENDMENT.—Section 306(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(3)) is amended by striking "and not inconsistent" and all that follows through "undertaken for the area".

SEC. 2317. LOAN AND LOAN GUARANTEE ALLOCATION AND TRANSFER.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding after the sections added by the preceding provisions of this subtitle the following:

"SEC. 367. LIMITED TRANSFER AUTHORITY OF LOAN AMOUNTS.

"(a) TRANSFER OF FUNDS.—If the sums appropriated for direct loans for the water and waste or community facility program authorized under section 306(a) and made available to any eligible State (within the meaning of section 365(b)(3)) under such program for the fiscal year are insufficient to enable the Secretary to provide the full amount of the assistance requested for a project specified in section 365(c)(4), the Secretary may transfer, subject to subsection (b) of this section, to one program from the other such program part or all of the sums appropriated for loans made available to the State for such other program.

"(b) LIMITATION ON LOAN AMOUNTS TRANSFERRED.—

"(1) AMOUNTS TRANSFERRED WITHIN CERTAIN STATES.—With regard to each eligible State (within the meaning of section 365(b)(3)), the amount of direct loan funds transferred from a program under this section shall not exceed the amount for such program left unobligated after obligating to each project in an application ranked higher in priority on the list described in section 365(b)(6) the full amount of assistance requested for each such project.

"(2) AMOUNTS TRANSFERRED ON A NATIONAL BASIS.—With regard to all such eligible States, the amount of direct loan funds transferred in a fiscal year from a program under this section (after accounting for any offsetting transfers into such program) shall not exceed $9,000,000.

"SEC. 368. ALLOCATION AND TRANSFER OF LOAN GUARANTEE AUTHORITY.

"(a) ALLOCATION OF LOAN GUARANTEE AUTHORITY.—The Secretary shall allocate among all States the amounts appropriated for loan guarantees under the water and waste or community facility program authorized under section 306(a), and the business and industry loan program authorized under section 310B, in a manner similar to that used for the allocation of direct loan and grant funds appropriated for such programs, and that the Secretary determines to be fair, reasonable, and appropriate.

"(b) TRANSFER OF LOAN GUARANTEE AUTHORITY.—

"(1) IN GENERAL.—If the sums appropriated for loan guarantees and made available to any eligible State (within the meaning of section 365(b)(3)) under a program specified in subsection (a) for the fiscal year are insufficient to enable the Secretary to provide the full amount of the assistance requested for a project specified in section 365(c)(4), the Secretary may transfer to the program from the other such programs part or all of the sums appropriated for loan guarantees

made available to such eligible State for such other program for such fiscal year.

"(2) LIMITATION ON GUARANTEE AMOUNTS TRANSFERRED.—With regard to each such eligible State, the amount of loan guarantees transferred from a program under this section shall not exceed the amount for such program left unobligated after obligating to each project in an application ranked higher in priority on the list described in section 366(b)(6) the full amount of assistance requested for each such project.".

Subtitle C—Water and Waste Facilities

SEC. 2321. INCREASE ON LIMITATION OF AUTHORIZATION FOR WATER AND WASTE GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking ": Provided, That for fiscal years commencing after September 30, 1981, such grants may not exceed $154,900,000 in any fiscal year".

SEC. 2322. WATER AND WASTE FACILITY FINANCING.

(a) AUTHORITY.—The Secretary of Agriculture shall make loans to individuals or entities who are borrowers under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) (in this section referred to as the "borrower"), to the extent of qualifying applications therefor, to enable such borrowers to provide water and waste facility services in areas served by such borrowers.

(b) LIMITATION.—Loans made under subsection (a) shall not, unless otherwise specified by law, exceed an amount equal to 10 percent of the total amount of insured loans under the Rural Electrification Act of 1936 authorized during the fiscal year in which such loan is made for rural electrification and telephone purposes, or $40,000,000, whichever is less. Such limitations shall be in addition to the total amount of insured loans authorized for electrification and telephone purposes.

(c) PRIORITY.—In reviewing applications for loans under this section, the Secretary shall consider—

(1) whether the loan is necessary to enable the communities to be served to comply with applicable Federal or State environmental laws;

(2) whether the individuals residing in the area for which service is proposed, and any local government entities, are in favor of the borrower providing such services in the area;

(3) the income, unemployment, and other characteristics of the area to be served;

(4) the degree of deprivation faced by residents of the area to be served as a result of the lack of safe drinking water, adequate water supplies, sewage treatment and other waste disposal facilities;

(5) the impact that the availability of safe water supplies, waste disposal and similar services would be likely to have on enhancing the prospects for economic growth within the area to be served;

(6) the degree to which a loan that may be provided under this subsection is necessary to ensure that water and waste disposal services are available in the area to be served by such loan at costs that do not exceed those charged in other nearby areas;

(7) the impact of the proposed loan on the retention of the property and service territory of the borrower, or in protecting the security given on outstanding loans provided to the borrower; and

(8) whether the water and waste facility projects described in the application will duplicate any existing facilities, and whether the borrower will coordinate its water and waste facility operations with similar operations in the area, including efforts to achieve economies of scale through joint billing, collection, or other operations with nearby systems in order to reduce the costs, improve the operations, or otherwise assist such systems.

(d) COORDINATION.—

(1) OTHER PROGRAMS AND REQUIREMENTS.—

(A) OTHER PROGRAMS.—The Secretary shall ensure that the program established under this section is coordinated with the programs authorized and established under section 306 of the Consolidated Farm and Rural Development Act, and will attempt to coordinate the lending activities under this section with similar activities conducted by other entities.

(B) REQUIREMENTS.—Loans made under this section shall be subject, in the same manner as loans made under section 306 of the Consolidated Farm and Rural Development Act, to the provisions of section 306(a)(9) and 306(a)(10) of such Act (which require approvals by State water pollution control agencies), sections 306(a)(19)(A) and (B) of such Act (which include certain requirements in connection with the technical design and choice of materials for water and waste systems), and section 306(b) of such Act (which concerns the curtailment or limitation of service).

(2) ASSIGNMENT OF DUTIES.—The Secretary shall determine whether the Rural Electrification Administration possesses greater expertise, as compared with the Farmers Home Administration, in the areas of utility accounting, utility management and financial analysis, advice and assistance, and other aspects of utility operations and engineering. If the Secretary determines that the Rural Electrification Administration possesses greater expertise in such areas, the Secretary shall require the Rural Electrification Administration to provide technical assistance, and assist in the processing of applications under this section.

(3) PROHIBITION ON LIMITING ACCESS.—The Secretary shall establish rules and procedures that prohibit borrowers from conditioning or limiting access to, or the use of, any water and waste facility services that are financed under this section. Such rules and procedures shall be based on whether individuals or entities in the area for which such facility is proposed receive, or will accept, electric service from such borrower.

(e) TERMS.—

(1) IN GENERAL.—Loans made under this section shall be for the same repayment period as insured loans made by the Administrator of the Rural Electrification Administration to such borrowers under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) and interest rates on loans made under this section shall not exceed 5 percent.

(2) INTEREST RATE.—The Secretary shall determine the interest rate to be charged on loans made under this section on the basis of—

(A) ensuring that the cost to consumers for water and waste disposal services financed with loans provided under this section does not, to the extent possible, exceed rates charged in areas that are near the area served by the borrower;

(B) the income and other characteristics of the individuals to be served through the provision of such loans; and

(C) encouraging borrowers to obtain private sector capital, as provided for in subsection (f), to supplement loans made under this section.

(f) PRIVATE SECTOR CAPITAL.—

(1) MATCHING FUNDS REQUIRED.—The Secretary shall not provide assistance to a borrower under this section unless the borrower has made a commitment to the Secretary, and demonstrates to the Secretary that the borrower is able, to invest from its own funds an amount equal to the amount of assistance to be so provided.

(2) INTEREST RATE REDUCTION AUTHORIZED.—In order to facilitate the obtaining of private sector capital, the Secretary may, on a case-by-case basis, reduce the interest rate on loans provided under this section when such reduction is appropriate and will enable the borrower to obtain such private capital.

(g) APPROPRIATIONS.—The Secretary may make loans under this section to the extent provided for in appropriations Acts, except that during any fiscal year the amount of such loans, unless otherwise provided by law, shall not exceed 10 percent of the amount authorized for all insured loans under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.), or $40,000,000, whichever amount is less. Funds appropriated under this subsection shall remain available until expended.

(h) REPAYMENT.—Appropriations made for purposes of this section shall be placed in a separate account. Advances on loans made under this section shall be made from such account, and payments on such loans shall be returned to the account for use by the account in making advances on future loans.

(i) FULL USE.—

(1) IN GENERAL.—Subject to paragraph (2) and (3) and any other limitations that may be imposed by law, during each fiscal year the Secretary shall undertake all reasonable efforts to make full use of any funds held by the account established under subsection (h).

(2) CEILING ON LOANS.—During any particular fiscal year the aggregate amount of the loans the Secretary may make under this section, from amounts in the account established under subsection (h) that are not attributable to repayments, shall be the lesser of—

(A) 10 percent of the amount of loans made under title III of the Rural Electrification Act of 1936 (7 U.S.C. 930 et seq.) during the fiscal year; or

(B) $40,000,000.

(j) REPLENISHMENT OF WATER AND WASTE FACILITY FUND.—

(1) CALCULATION OF TOTAL AMOUNT OF LOANS.—At the end of each fiscal year the Secretary shall calculate—

(A) the total amount of loans made under this section during such fiscal year; and

(B) the amount of water or waste facility loans made under section 306 of the Consolidated Farm and Rural Development Act to borrowers described in subsection (a) of this section.

(2) TRANSFER OF AMOUNTS.—Notwithstanding subsections (g) and (i), if any amount appropriated under subsection (g) remains available at the end of any fiscal year—

(A) the Secretary shall transfer such available amount to the fund used to make water or waste facility loans under section 306 of the Consolidated Farm and Rural Development Act, to the extent not exceeding the amount of any loans made under such section 306 to borrowers under the Rural Electrification Act of 1936; and

(B) any such loan to such borrower made under such section 306 shall be—

(i) subject to the terms, conditions and other requirements of section 306A; and

(ii) repaid to the account established by subsection (h).

SEC. 2323. WATER AND WASTE LENDING BY BANKS FOR COOPERATIVES.

(a) AUTHORIZATION.—Section 3.7 of the Farm Credit Act of 1971 (12 U.S.C. 2128) is amended by adding at the end the following new subsection:

"(f) The banks for cooperatives may, for the purpose of the installation, expansion, or improvement of water and waste disposal facilities in rural areas, make and participate in loans and commitments and to extend other technical and financial assistance to—

"(1) cooperatives formed specifically for the purpose of establishing or operating such facilities; and

"(2) public and quasi-public agencies and bodies, and other public and private entities that, under authority of State or local law, establish or operate such facilities.

For purposes of this subsection, the term 'rural area' means all territory of a State that is not within the outer boundary of any city or town having a population of more than 20,000 based on the latest decennial census of the United States.".

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)) is amended by adding at the end the following new subparagraph:

"(D) Any cooperative or other entity described in section 3.7(f).".

SEC. 2324. RURAL WASTEWATER TREATMENT CIRCUIT RIDER PROGRAM.

(a) ESTABLISHMENT.—The Secretary shall establish a national rural wastewater circuit rider grant program that shall be modeled after the existing National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Farmers Home Administration.

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $4,000,000 for each fiscal year to carry out the program established under subsection (a).

SEC. 2325. TECHNICAL ASSISTANCE FOR CERTAIN SOLID WASTE MANAGEMENT.

Section 310B(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(b)) is amended—

(1) by inserting "(1)" before "The Secretary"; and

(2) by adding at the end the following new paragraph:

"(2) The Secretary may make grants to nonprofit organizations for the provision of regional technical assistance to local and regional governments and related agencies for the purpose of reducing or eliminating pollution of water resources and improving the planning and management of solid waste disposal facilities. Grants made under this paragraph for the provision of technical assistance shall be made for 100 percent of the cost of such assistance.".

SEC. 2326. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Subtitle A of the Consolidated Farm and Rural Development Act is amended by inserting after section 306A (7 U.S.C. 1926a) the following new section:

"SEC. 306B. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

"(a) IN GENERAL.—The Secretary shall make grants in accordance with this section to assist the residents of rural areas and small communities to secure adequate quantities of safe water—

"(1) after a significant decline in the quantity or quality of water available from the water supplies of such rural areas and small communities; or

"(2) when repairs, partial replacement, or significant maintenance efforts on established water systems would remedy an acute shortage of quality water or would remedy a significant decline in the quantity or quality of water that is available.

"(b) PRIORITY.—In carrying out subsection (a), the Secretary shall give priority to projects described in subsection (a)(1), and provide at least 70 percent of all such grants to such projects.

"(c) ELIGIBILITY.—To be eligible to obtain a grant under this section, an applicant shall—

"(1) be a public or private nonprofit entity; and

"(2) in the case of a grant made under subsection (a)(1), demonstrate to the Secretary that the decline referred to in such subsection occurred within 2 years of the date the application for such grant was made.

"(d) USES.—

"(1) IN GENERAL.—Grants made under this section may be used for waterline extensions from existing systems, laying of new waterlines, repairs, significant maintenance, digging of new wells, equipment replacement, hook and tap fees, and any other appropriate purpose associated with developing sources of, or treating, storing, or distributing water, and to assist communities in complying with the requirements of the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or the Safe Drinking Water Act (42 U.S.C. 300f et seq.).

"(2) JOINT PROPOSALS.—This section shall not preclude rural communities from submitting joint proposals for emergency water assistance, subject to the restrictions of subsection (e). Such restrictions should be considered in the aggregate, depending on the number of communities involved.

"(e) RESTRICTIONS.—Grants made under this section shall not be used to assist any rural area or community that—

"(1) includes any area in any city or town with a population in excess of 5,000 inhabitants according to the most recent decennial census of the United States; or

"(2) has a median household income in excess of the State nonmetropolitan median household income according to the most recent decennial census of the United States. Not less than 75 percent of the funds allocated under this section shall be allocated to rural communities with populations that do not exceed 3,000 inhabitants.

"(f) MAXIMUM GRANTS.—Grants made under this section may not exceed—

"(1) in the case of each grant made under subsection (a)(1), $500,000; and

"(2) in the case of each grant made under subsection (a)(2), $75,000.

"(g) FULL FUNDING.—Subject to subsection (e), each grant under this section shall be made in an amount equal to 100 percent of the costs of the projects with respect to which the grant is made.

"(h) APPLICATION.—The Secretary shall develop a nationally competitive application process to award grants under this section. Such process shall include criteria for evaluating applications, including population, median household income, and the severity of the decline in quantity or quality of water. The Secretary shall make every effort to review and act on applications within 60 days of the date that such applications are submitted.

"(i) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $25,000,000 for fiscal year 1991, and $10,000,000 for fiscal year 1992. To the extent the amount authorized to be appropriated for a fiscal year under this subsection exceeds the amount so appropriated, such excess amount shall remain authorized to be appropriated for succeeding fiscal years until fully appropriated.".

(b) IMPLEMENTATION.—

(1) REGULATIONS.—The Secretary shall publish—

(A) interim final regulations to carry out section 306B of the Consolidated Farm and Rural Development Act not later than 45 days after the date of enactment of this Act; and

(B) final regulations to carry out section 306B not later than 90 days after such date of enactment.

(2) FUNDS.—

(A) OBLIGATION.—The Secretary shall obligate 70 percent of the funds made available for the first fiscal year for which appropriations are made under section 306B(i) of the Consolidated Farm and Rural Development Act not later than 5 months after the date such funds are appropriated.

(B) RELEASE.—The Secretary may make grants under section 306B(a)(1) of Consolidated Farm and Rural Development Act before final regulations are issued under paragraph (1)(B) of this subsection.

SEC. 2327. WATER AND WASTE FACILITY LOANS AND GRANTS TO ALLEVIATE HEALTH RISKS.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding after the section added by section 2326 of this Act the following new section:

"SEC. 306C. WATER AND WASTE FACILITY LOANS AND GRANTS TO ALLEVIATE HEALTH RISKS.

"(a) LOANS AND GRANTS TO PERSONS OTHER THAN INDIVIDUALS.—

"(1) IN GENERAL.—The Secretary shall make or insure loans and make grants to rural water supply corporations, cooperatives, or similar entities, Indian tribes on Federal and State reservations and other federally recognized Indian tribes, and public agencies, to provide for the conservation, development, use, and control of water (including the extension or improvement of existing water supply systems), and the installation or improvement of drainage or waste disposal facilities and essential community facilities including necessary related equipment. Such loans and grants shall be available only to provide such water and waste facilities and services to communities whose residents face significant health risks, as determined by the Secretary, due to the fact that a significant proportion of the community's residents do not have access to, or are not served by, adequate affordable—

"(A) water supply systems; or

"(B) waste disposal facilities.

"(2) CERTAIN COUNTIES TARGETED.—Loans and grants under paragraph (1) shall be made only if the loan or grant funds will be used primarily to provide water or waste services, or both, to residents of a county—

"(A) the per capita income of the residents of which is not more than 70 percent of the national average per capita income, as determined by the Department of Commerce; and

"(B) the unemployment rate of the residents of which is not less than 125 percent of the national average unemployment rate, as determined by the Bureau of Labor Statistics.

"(b) LOANS AND GRANTS TO INDIVIDUALS.—

"(1) IN GENERAL.—The Secretary shall make or insure loans and make grants to individ-

uals who reside in a community described in subsection (a)(1) for the purpose of extending water supply and waste disposal systems or connecting such systems to the residences of such individuals. Such loans shall be at a rate of interest no greater than the Federal Financing Bank rate on loans of a similar term at the time such loans are made. The repayment of such loans shall be amortized over the expected life of the water supply or waste disposal system to which the residence of the borrower will be connected.

"(2) MANNER IN WHICH LOANS AND GRANTS ARE TO BE MADE.—Loans and grants to individuals under paragraph (1) shall be made—

"(A) directly to such individuals by the Secretary; or

"(B) to such individuals through the rural water supply corporation, cooperative, or similar entity, or public agency, providing such water supply or waste disposal services, pursuant to regulations issued by the Secretary.

"(c) PREFERENCE.—The Secretary shall give preference in the awarding of loans and grants—

"(1) under subsection (a) to rural water supply corporations, cooperatives, or similar entities, or public agencies, that propose to provide water supply or waste disposal services to the residents of those rural subdivisions commonly referred to as colonias, that are characterized by substandard housing, inadequate roads and drainage, and a lack of adequate water or waste facilities; and

"(2) under subsection (b) to individuals who reside in a rural subdivision commonly referred to as a colonia, that is characterized by substandard housing, inadequate roads and drainage, and a lack of adequate water or waste facilities.

"(d) COOPERATIVE DEFINED.—For purposes of this section, the term 'cooperative' means a cooperative formed specifically for the purpose of the installation, expansion, improvement, or operation of water supply or waste disposal facilities or systems.

"(e) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated—

"(1) for grants under this section, $30,000,000 for each fiscal year; and

"(2) for loans under this section, $30,000,000 for each fiscal year.".

SEC. 2328. WATER OR WASTE DISPOSAL LOANS TO BENEFIT RURAL BUSINESSES.

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting "rural businesses," after "farm laborers,".

SEC. 2329. LIMITATION ON CONDITIONS FOR WATER AND SEWER GRANTS AND LOANS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding at the end the following new paragraph:

"(20) In making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under this Act.".

Subtitle D—Enhancing Human Resources

CHAPTER 1—DISTANCE LEARNING AND MEDICAL LINK PROGRAMS

SEC. 2331. PURPOSE.

The purposes of this chapter are to provide incentives for local telephone exchange carriers, rural community facilities and rural residents to improve the quality of phone service, to provide access to advanced telecommunications services and computer networks, and to improve rural opportunities.

SEC. 2332. GOAL.

It is a goal of the Federal government to make affordable advanced telecommunications available to rural residents, including services such as reliable facsimile document and data transmission, multifrequency tone signaling services, 911 emergency service with automatic number identification, interactive audio and visual transmissions, voicemail services designed to record, store, and retrieve voice messages, and other advanced telecommunications services.

SEC. 2333. DEFINITIONS.

As used in this chapter:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Rural Electrification Administration.

(2) COMMUNICATION SATELLITE GROUND STATION COMPLEX.—The term "communication satellite ground station complex" includes transmitters, receivers, and communications antennas at the Earth station site together with the interconnecting terrestrial transmission facilities (cables, line, or microwave facilities) and modulating and demodulating equipment necessary for processing traffic received from the terrestrial distribution system prior to transmission via satellite and the traffic received from the satellite prior to transfer to terrestrial distribution systems.

(3) COMPREHENSIVE RURAL TELECOMMUNICATIONS PLAN.—The term "comprehensive rural telecommunications plan" means a plan submitted by an applicant for a grant under this chapter. Each such plan shall include—

(A) a detailed explanation of the proposed rural telecommunications system, how such system is to be funded, and a description of the intended uses for grants received from the Administrator under this chapter;

(B) an explanation of the manner in which such plan complies with any requirements imposed by the Administrator under this chapter or otherwise imposed under section 2334;

(C) a listing of the proposed purchases or leases of telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, interactive video equipment, computer hardware and software systems, and components that process data for transmission via telecommunications, computer network components, communication satellite ground station equipment, or any other elements of the telecommunications system designed to further the purposes of this chapter, that the applicant intends to build or fund using the grant funds;

(D) an explanation of the special financial or other needs of the affected rural communities and of the applicants for such grant assistance;

(E) an analysis of the relative costs and benefits of proposals for leasing or purchasing of facilities, equipment, components, hardware and software, or other items; and

(F) a description of the consultations with the appropriate local telephone exchange carrier or carriers and with a wide variety of additional telecommunications service providers (including other interexchange carriers, cable television operators, enhanced service providers, providers of satellite services and telecommunications equipment manufacturers and distributors), and the anticipated role of such providers in the proposed telecommunications system.

(4) COMPUTER NETWORKS.—The term "computer networks" refers to computer hardware and software, terminals, signal conversion equipment including both modulators and demodulators, or related devices, used to communicate with other computers to process and exchange data through a telecommunication network in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment and telecommunications transmission facilities.

(5) DATA TERMINAL EQUIPMENT.—The term "data terminal equipment" refers to equipment that converts user information into data signals for transmission, or reconverts the received data signals into user information, and is normally found on the terminal of a circuit and on the premises of the end user.

(6) END USER.—The term "end user" means rural community facilities or persons associated with those facilities who participate in the programs established under this chapter.

(7) FIBER-OPTIC CABLE.—The term "fiber-optic cable" means a bundle of optical transmission elements or waveguides usually consisting of a fiber core and fiber cladding that can guide a lightwave and that are incorporated into an assembly of materials that provide tensile strength and external protection.

(8) INTERACTIVE VIDEO EQUIPMENT.—The term "interactive video equipment" refers to equipment used to produce and prepare for transmission audio and visual signals from at least two distant locations such that individuals at such locations can verbally and visually communicate with each other, and such equipment includes monitors, other display devices, cameras or other recording devices, audio pickup devices, and other related equipment.

(9) SECRETARY.—The term "Secretary" means the Secretary of Agriculture.

(10) TELECOMMUNICATIONS TRANSMISSION FACILITIES.—The term "telecommunications transmission facilities" refers to those facilities that transmit, receive, or carry data between the telecommunications terminal equipment at each end of a telecommunications circuit or path. Such facilities include microwave antennae, relay stations and towers, other telecommunications antennae, fiber-optic cables and repeaters, coaxial cables, communication satellite ground station complexes, copper cable electronic equipment associated with telecommunications transmissions, and similar items as defined by the Administrator.

(11) TELECOMMUNICATIONS TERMINAL EQUIPMENT.—The term "telecommunications terminal equipment" refers to the assembly of telecommunications equipment at the end of a circuit, normally located on the premises of the end user, that interfaces with telecommunications transmission facilities, and that is used to modify, convert, encode, or otherwise prepare signals to be transmitted via such telecommunications facilities, or that is used to modify, reconvert or carry signals received from such facilities, the purpose of which is to accomplish the goal for which the circuit was established.

SEC. 2334. PROVISIONS RELEVANT TO TELECOMMUNICATIONS PROGRAMS.

(a) ADMINISTRATION.—The Administrator shall be responsible for the administration of this chapter.

(b) RULEMAKING.—Not later than 160 days after the date of enactment of this Act, the Administrator shall promulgate final regulations, under the notice and comment rulemaking requirements described in section 553 of title 5, United States Code, that establish the telecommunications programs authorized in this chapter.

(c) PRIORITY.—The Administrator shall establish procedures to target the benefits of this chapter to the rural areas and grant applicants that demonstrate the need for such assistance, taking into consideration the relative needs of all applicants, the needs of the affected rural communities, and the financial ability of the applicants to otherwise secure or create telecommunications systems.

(d) WAIVERS.—If the Administrator determines that a compelling need is present, the Administrator may modify any of the definitions in section 2333.

(e) EXPEDITING COORDINATED TELEPHONE LOANS.—The Administrator shall establish and implement procedures to ensure that expedited consideration and determination is given to applications, for loans and advances of funds submitted by local exchange carriers under this chapter—

(1) to enable such exchange carriers to provide advanced telecommunications services in rural areas; and

(2) that contain elements of any telecommunications project approved by the Administrator under this chapter that will be completed by such local telephone exchange carriers but that is not covered by any grant made under this chapter.

(f) GRANT APPROVAL PROCESS.—

(1) MODIFICATIONS.—The Administrator may request modifications or changes in any proposal described in a grant application submitted under this chapter.

(2) LEVELS OF FUNDING.—

(A) IN GENERAL.—The Administrator may offer to fund grant applications under this chapter at any levels that the Administrator considers appropriate but not exceeding any percentage levels described in this chapter.

(B) CONSIDERATIONS.—After taking into consideration the nationwide demands for grant assistance and the costs and benefits of any proposed purchases or leases of telecommunications transmission facilities, telecommunications terminal equipment, computer network components, and other equipment or facilities, the Administrator shall make grants based on—

(i) the worthiness of the application;

(ii) the financial needs of the applicant;

(iii) the need of the affected rural communities for the proposed projects; and

(iv) other factors determined appropriate by the Administrator.

(g) JOINT USE OF TELECOMMUNICATIONS TRANSMISSIONS FACILITIES.—In issuing regulations implementing this chapter, and in requesting changes in, or approving applications for grants, the Administrator shall give a priority, to the extent reasonable and appropriate, to provide funding for such facilities that can be jointly shared by projects established under this chapter.

(h) EXPEDITED LOANS FOR TELEPHONE TRANSMISSION FACILITIES.—

(1) IN GENERAL.—Grants to cover the costs of installing telecommunication transmission facilities shall not be provided to approved end users if the local telephone exchange carrier providing telephone service, as defined in section 203(a) of the Rural Electrification Act of 1936 (7 U.S.C. 924(a)), will install such facilities through the use of expedited telephone loans as described in subsection (e) under the conditions and deadlines described in this section or through other financing procedures.

(2) NOTIFICATION OF LOCAL EXCHANGE CARRIER.—Each applicant for a grant for a rural telecommunications program established under this chapter shall notify the appropriate local telephone exchange carrier regarding the application filed with the Administrator for such grant and shall attempt to work with such carrier in developing the rural telecommunications project. The Administrator shall publish notice of applications received for grants under this chapter for rural telecommunications programs and shall make such applications available for inspection by any provider described in section 2333(3)(F).

(3) DEADLINE IMPOSED ON THE ADMINISTRATOR.—Not later than 45 days after the receipt of a completed application for an expedited telephone loan, the Administrator shall respond to the application. The Administrator shall notify the applicant in writing of its decision regarding each such expedited loan application.

SEC. 2335. RURAL COMMUNITY ACCESS TO ADVANCED TELECOMMUNICATIONS.

(a) PURPOSE.—

(1) IN GENERAL.—It is the purpose of the program established under this chapter to encourage and improve the use of telecommunications, computer networks, and related advanced technologies, by persons associated with end users, including students and teachers, medical professionals, small businesses, and other residents living in rural areas associated with rural community facilities in rural areas.

(2) GRANTS.—Grants shall be made under this chapter to end users to fund up to 100 percent of each comprehensive rural telecommunications plan as approved by the Administrator.

(b) GRANTS.—

(1) GENERAL AUTHORIZATION.—The Administrator may make grants to accomplish the purposes of the program established under this chapter in amounts that shall not exceed the levels set forth in paragraph (3).

(2) DISBURSEMENT.—In order to facilitate appropriate planning for, and continuity of, the program established under this chapter, the Administrator may obligate funds appropriated during a particular year for disbursement in a subsequent year or years, and the total of funds so appropriated and obligated during a year may exceed the limitations described in paragraph (1).

(3) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this chapter, there are authorized to be appropriated $25,000,000 for fiscal year 1991, $50,000,000 for each of fiscal years 1992 and 1993, and $60,000,000 for each of the fiscal years 1994 and 1995. Amounts appropriated under this paragraph shall remain available until expended.

(4) USE OF FUNDS.—Grants under this chapter shall be made available to end users to be used for facilities, equipment, activities, and other uses as described in the approved rural telecommunications plan to achieve the purpose of this chapter, including—

(A) the development and acquisition of instructional programming;

(B) the development and acquisition, through lease or purchase, of computer hardware and software, audio and visual equipment, computer network components, telecommunications terminal equipment, telecommunications transmission facilities, data terminal equipment, or interactive video equipment, and other facilities that would further the purposes of the programs authorized by this chapter;

(C) providing technical assistance and instruction for the development or use of such programming, equipment, or facilities; or

(D) other uses that are consistent with achieving the purposes of this chapter as approved by the Administrator.

(5) LOCAL EXCHANGE CARRIERS.—Under the conditions described in section 2334(h), expedited loans may also be made, to carry out any project authorized in this chapter, to local exchange carriers providing telephone service (as defined in section 2333(a) of the Rural Electrification Act of 1936 (7 U.S.C. 924(a))), to cover the costs of telecommunications transmission facilities.

(6) INFORMATIONAL EFFORTS.—The Administrator shall establish and implement procedures to carry out informational efforts to advise potential end users located in rural areas of each State about the program authorized by this chapter.

(7) LIMITS ON GRANTS.—Grants awarded under this chapter for an end user shall not be used for the salaries or expenses of an end user.

(c) REGULATIONS.—Not later than 160 days after the date of enactment of this Act, the Administrator shall, in addition to promulgating the regulations described in section 2334(b), establish a priority system for awarding grants to end users located in rural areas that are most in need of enhanced communications to carry out the purposes of this chapter.

CHAPTER 2—RURAL BUSINESS DEVELOPMENT

SEC. 2336. PURPOSES.

The purposes of this chapter are to—

(1) provide funds to improve telecommunications service in rural areas; and

(2) provide access to advanced telecommunications services and computer networks to improve job opportunities and the business environment in rural areas.

SEC. 2337. LOANS FOR BUSINESS TELECOMMUNICATIONS PARTNERSHIPS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding after the subsections added by section 2347(a) of this Act the following:

"(i) LOANS FOR BUSINESS TELECOMMUNICATIONS PARTNERSHIPS.—

"(1) IN GENERAL.—The Secretary may make loans under this subsection at low interest rates and at market rates to 1 or more businesses, local governments, or public agencies in rural areas to fund facilities in which the recipients of such loans share telecommunications terminal equipment, computers, computer software, and computer hardware.

"(2) GENERAL REQUIREMENTS.—

"(A) APPLICATION PROCESS.—

"(i) SUBMISSION OF APPLICATION.—Any entity desiring a loan under this subsection shall submit an application therefor to the Secretary.

"(ii) CONTENTS OF APPLICATION.—Each application for a loan under this subsection shall include—

"(I) a detailed explanation of the proposed rural telecommunications system, including the general telecommunications transmission services and facilities required, and a list of the specific equipment that the applicant proposes to purchase or lease, to implement the system;

"(II) a description of the manner in which the proposed project is to be funded;

"(III) a copy of a binding commitment entered into between the applicant and each entity which is legally permitted to provide, and from which the applicant is to obtain, the telecommunications services and facilities required for the project, which stipulates that if the applicant receives the loan requested in the application the entity will provide such telecommunications services and facilities in the area served by the

entity within a reasonable time and at a charge which is in accordance with State law;

"(IV) a description of the manner in which the applicant intends to use the loan requested in the application;

"(V) a description of how the proposed project will be evaluated; and

"(VI) such other information as the Secretary may reasonably require.

"(B) CONSIDERATION OF APPLICATIONS.—

"(i) REVIEW BY SECRETARY.—The Secretary shall—

"(I) review each application submitted pursuant to subparagraph (A)(i);

"(II) determine whether or not the application meets the requirements of subparagraph (A)(ii);

"(III) approve each application which meets such requirements;

"(IV) disapprove each application which fails to meet such requirements; and

"(V) in the case of an approved application that proposes a project to be implemented in an eligible State (within the meaning of section 365(b)(3)), transmit the approved application to the review panel of the eligible State.

"(ii) REVIEW BY CERTAIN STATE REVIEW PANELS.—

"(I) IN GENERAL.—The review panel shall examine each application transmitted to the review panel pursuant to clause (i)(V) to determine the technical and economic adequacy and feasibility of the project described in the application and the likelihood that the project will succeed.

"(II) AUTHORITY TO OBTAIN INFORMATION FROM APPLICANTS.—Each entity which submits an application for a loan under this subsection shall provide the review panel of any eligible State in which the partnership intends to implement the project described in the application such information as the review panel may reasonably request to assist in reviewing the application.

"(III) AUTHORITY TO REQUEST APPLICANTS TO MODIFY PROJECTS.—The review panel may, before final consideration of an application of an entity for a loan under this subsection, request the entity to modify the project described in the application.

"(iii) RANKING OF APPLICATIONS.—

"(I) IN GENERAL.—The review panel shall rank, pursuant to a written policy and criteria, the applications that the review panel receives during any fiscal year for a loan under this subsection, in an order which takes into account—

"(aa) the results of the review conducted under clause (i);

"(bb) the extent to which the projects described in the applications would promote any area plan (as defined in section 365(b)(1)) developed for the areas in which the projects are to be implemented; and

"(cc) in the case of a project which would duplicate existing services, the reasons therefor.

"(II) GROUPING OF APPLICATIONS.—The review panel shall separate into 2 groups the applications for a loan under this subsection received by the review panel during a fiscal year. The 1st group shall consist of the applications received during the 1st 6 months of the fiscal year. The 2nd group shall consist of the applications received during the 2nd 6 months of the fiscal year.

"(III) COMPETITION AMONG APPLICATIONS.—The review panel shall consider each application in a group to be competing only with the other applications in the group.

"(IV) WRITTEN POLICY AND CRITERIA.—

"(aa) IN GENERAL.—Subject to subdivision (bb), the review panel shall develop the written policy and criteria to be used to rank applications, in the same manner as the review panel develops the written policy and criteria used for purposes of section 366(b)(3).

"(bb) PROHIBITION AGAINST DEVELOPMENT OR ACQUISITION OF TELECOMMUNICATIONS TRANSMISSION FACILITIES.—The policy and criteria developed under subdivision (aa) shall require that the project described in an application not include the development or acquisition of telecommunications transmission facilities.

"(iv) TRANSMITTAL OF RANKED APPLICATIONS.—The review panel shall transmit to the State coordinator appointed pursuant to section 365(b)(3)(A)(ii) each list of applications ranked pursuant to clause (ii) of this subsection, in the same manner in which lists of applications ranked pursuant to section 366(b) are transmitted to the State coordinator pursuant to section 366. The State coordinator shall transmit to the Secretary each such list received by the State coordinator.

"(C) PRIORITY.—The Secretary shall establish procedures to target loans under this subsection to the rural areas and applicants that demonstrate the need for such loans, taking into consideration—

"(i) the relative needs of all applicants;

"(ii) the needs of the affected rural areas;

"(iii) the financial ability of the applicants, without such loans, to use telecommunications for the business purposes for which such loans may be made; and

"(iv) the recommendations of the review panels for the eligible States (within the meaning of section 365(b)(3)) in which such areas are located.

"(D) REPORT REQUIRED IF THE SECRETARY INTENDS TO FUND PROJECTS OTHER THAN AS RECOMMENDED BY REVIEW PANEL.—If the Secretary determines to provide loans under this subsection to projects in an eligible State (within the meaning of section 365(b)(3)) other than in the manner recommended by the review panel of the State, the Secretary—

"(i) within 10 days after making such determination, shall submit to the review panel of the eligible State, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the reasons for providing loans to projects other than in the manner so recommended; and

"(ii) shall not provide such loans before the end of the 7-day period beginning on the date the review panel and such committees have received such report.

"(E) MONITORING OF USE OF LOANS.—The Secretary shall take such steps as may be necessary to ensure that loans provided under this subsection are used in accordance with the approved application therefor.

"(3) RELATIONSHIP TO STATE LAW.—This subsection shall not be construed to affect in any manner the applicability of the Communications Act of 1934, the regulations and orders prescribed thereunder, or any State or local law relating to the regulation or provision of telecommunications facilities or services.

"(4) REGULATIONS.—Not later than 120 days after the date of the enactment of this subsection, the Secretary shall prescribe final regulations governing the loan program established under this subsection other than with respect to agency management and personnel, in accordance with the notice and rulemaking requirements described in section 553 of title 5, United States Code, notwithstanding subsection (a)(2) of such section 553.

"(5) DEFINITIONS.—As used in this subsection:

"(A) REVIEW PANEL.—The term 'review panel' means, with respect to an eligible State (within the meaning of section 365(b)(3)), the rural economic development review panel of the State, as established pursuant to section 366.

"(B) RURAL AREA.—The term 'rural area' has the meaning given such term in section 306(a)(7) for purposes of loans for essential community facilities under section 306(a)(1).

"(C) TELECOMMUNICATIONS TERMINAL EQUIPMENT.—The term 'telecommunications terminal equipment' means telecommunications equipment (excluding telecommunications transmission facilities) that—

"(i) interconnects with telecommunications transmission facilities; and

"(ii) modifies, converts, encodes, or otherwise prepares signals to be transmitted through, or modifies, reconverts, or carries signals received from, the facilities.

"(D) TELECOMMUNICATIONS TRANSMISSION FACILITIES.—The term 'telecommunications transmission facilities' means facilities (other than telecommunications terminal equipment) that transmit, receive, or carry signals between the telecommunications terminal equipment at each end of a telecommunications circuit or path.

"(6) TREATMENT OF LOAN PROGRAM AS DESIGNATED RURAL DEVELOPMENT PROGRAM.—For purposes of this title, the loan program established under this subsection shall, with respect to eligible States (within the meaning of section 365(b)(3)), be treated as a designated rural development program (within the meaning of section 365(b)(2)).

"(7) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—

"(A) IN GENERAL.—For loans under this subsection, there are authorized to be appropriated to the Secretary $15,000,000 for each of fiscal years 1991, 1992, 1993, 1994, and 1995.

"(B) AVAILABILITY.—Amounts appropriated pursuant to subparagraph (A) shall remain available until expended.".

Subtitle E—Rural Business and Emergency Assistance

SEC. 2341. LOCAL TECHNICAL ASSISTANCE GRANTS.

Section 306(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)) is amended to read as follows:

"(11)(A)(i) The Secretary may make grants, not to exceed $15,000,000 annually, to public bodies, private nonprofit community development corporations or entities, or such other agencies as the Secretary may select to enable such recipients—

"(I) to identify and analyze business opportunities, including opportunities in export markets, that will use local rural economic and human resources;

"(II) to identify, train, and provide technical assistance to existing or prospective rural entrepreneurs and managers;

"(III) to establish business support centers and otherwise assist in the creation of new rural businesses, the development of methods of financing local businesses, and enhancing the capacity of local individuals and entities to engage in sound economic activities; and

"(IV) to conduct regional, community, and local economic development planning and coordination, and leadership development.

"(ii) In awarding such grants, the Secretary shall consider, among other criteria to be established by the Secretary—

"(I) the extent to which the applicant provides development services in its rural service area; and

"(II) the capability of the applicant to carry out the purposes of this section.

"(iii) The Secretary shall ensure, to the extent practicable, that assistance provided under this subsection is coordinated with and delivered in cooperation with similar services or assistance provided to rural residents by the Extension Service or other Federal agencies.

"(iv) For grants under this subparagraph, there are authorized to be appropriated to the Secretary $7,500,000 in each fiscal year.".

SEC. 2342. RURAL EMERGENCY ASSISTANCE LOANS.

Section 306(a)(11) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)) is amended by inserting after the matter added by section 2341 of this Act the following new subparagraph:

"(B)(i) The Secretary shall establish and implement a program to make loans for the benefit of any town or city that—

"(I) has a population of less than 20,000 individuals; and

"(II) is financially unable to obtain funds as quickly as needed to correct emergency conditions or situations needing urgent attention.

"(ii) The Secretary shall promulgate regulations—

"(I) targeting the program established under this subparagraph toward needy communities in rural areas;

"(II) defining the term 'emergency conditions or situations needing urgent attention'; and

"(iii) The Secretary shall approve or reject applications for loans under this subparagraph within 30 days after receipt.

"(iv) The Secretary shall not loan more than $50,000 to a single borrower under this subparagraph, and all loans under this subparagraph shall be for not more than 2 years.

"(v) The Secretary may respond to the credit needs of rural towns or cities eligible to participate in the program authorized under this subparagraph by making loans that are eligible for refinancing after the expiration of the 2-year period described in clause (iv), and payments under such loans may be set at a level that is sufficiently low during such 2-year period so that the financially troubled town or city can participate in the program established under this subparagraph. The Secretary shall assist such borrowers in obtaining financing through existing Farmers Home Administration programs so that such borrowers are able to pay the balance due on each loan at the end of such 2-year period.

"(vi) To carry out the emergency lending program authorized by the program established under this subparagraph, there are authorized to be appropriated $2,500,000 for fiscal year 1991, and $5,000,000 for fiscal year 1992 and for each subsequent fiscal year.".

SEC. 2343. REA TECHNICAL ASSISTANCE UNIT.

Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

"SEC. 17. TECHNICAL ASSISTANCE UNIT.

"(a) ESTABLISHMENT.—The Administrator shall establish a technical assistance unit to perform the duties described in subsection (b).

"(b) DUTIES.—The technical assistance unit established under subsection (a) shall—

"(1) provide advice and guidance to electric and telephone borrowers under this Act concerning the effective and prudent use by such borrowers of the investment authority under section 312 to promote rural development;

"(2) provide technical advice, troubleshooting, and guidance concerning the operation of programs or systems that receive assistance under this Act;

"(3) establish and administer various pilot projects through electric and telephone borrowers that the Administrator determines are useful or necessary, and recommend specific rural development projects for rural areas;

"(4) act as an information clearinghouse (using, to the extent practicable, the resources of the National Agricultural Library) and conduit to provide information to electric and telephone borrowers under this Act concerning useful and effective rural development efforts that such borrowers may wish to apply in their areas of operation and concerning State, regional, or local plans for long-term rural economic development;

"(5) provide information to electric and telephone borrowers under this Act concerning the eligibility of such borrowers to apply for financial assistance, loans, or grants from other Federal agencies and non-Federal sources to enable such borrowers to expand their rural development efforts; and

"(6) promote local partnerships and other coordination between borrowers under this Act and community organizations, States, counties, or other entities, to improve rural development.

"(c) FUNDING.—Not less than 2 percent of the salaries and expenses of the Rural Electrification Administration shall be made available during each fiscal year to the technical assistance unit established under this section.".

SEC. 2344. DEFERMENT OF PAYMENT ON ECONOMIC DEVELOPMENT LOANS.

Section 12 of the Rural Electrification Act of 1936 (7 U.S.C. 912) is amended—

(1) by inserting "(a)" before "The Administrator"; and

(2) by adding at the end the following new subsection:

"(b)(1) Subject to limitations established in appropriations Acts, the Administrator shall permit any borrower to defer the payment of principal and interest on any insured or direct loan made under this Act under circumstances described in this subsection, notwithstanding any limitation contained in subsection (a), except that such deferment shall not be permitted based on the determination of the Administrator of the financial hardship of the borrower.

"(2)(A) In the case of deferments made to enable the borrower to provide financing to local businesses, the deferment shall be repaid in equal installments, without the accrual of interest, over the 60-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

"(B) In the case of deferments made to enable the borrower to provide community development assistance, technical assistance to businesses, and for other community, business, or economic development projects not included under subparagraph (A), the deferment shall be repaid in equal installments, without the accrual of interest, over the 120-month period beginning on the date of the deferment, and the total amount of such payments shall be equal to the amount of the payment deferred.

"(3)(A) A borrower may defer its debt service payments only in an amount equal to an investment made by such borrower as described in paragraph (2).

"(B) The amount of the deferment shall not exceed 50 percent of the total cost of a community or economic development project for which a deferment is provided under this subsection.

"(C) The total amount of deferments under this subsection during each of the fiscal years 1990 through 1993 shall not exceed 3 percent of the total payments due during such fiscal year from all borrowers on direct and insured loans made under this Act and shall not exceed 5 percent of such total payments due in each subsequent fiscal year.

"(D) At the time of a deferment, the borrower shall make a payment to a cushion of credit account established and maintained pursuant to section 313 in an amount equal to the amount of the payment deferred. The balance of such account shall not be reduced by the borrower below the level of the unpaid balance of the payment deferred. Subject to limitations established in annual appropriations Acts, such cushion of credit amounts and any other cushion of credit and advance payments of any borrower shall be included in the interest differential calculation under section 313(b)(2)(A).

"(4) The Administrator shall undertake all reasonable efforts to permit the full amount of deferments authorized by this subsection during each fiscal year.".

SEC. 2345. RURAL ECONOMIC DEVELOPMENT.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following new title:

"TITLE V—RURAL ECONOMIC DEVELOPMENT

"SEC. 501. ADDITIONAL POWERS AND DUTIES OF REA ADMINISTRATOR.

"The Administrator shall—

"(1) provide advice and guidance to electric borrowers under this Act concerning the effective and prudent use by such borrowers of the investment authority under section 312 to promote rural development;

"(2) provide technical advice, troubleshooting, and guidance concerning the operation of programs or systems that receive assistance under this Act;

"(3) establish and administer various pilot projects through electric and telephone borrowers that the Administrator determines are useful or necessary, and recommend specific rural development projects for rural areas;

"(4) act as an information clearinghouse and conduit to provide information to electric and telephone borrowers under this Act concerning useful and effective rural development efforts that such borrowers may wish to apply in their areas of operation and concerning State, regional, or local plans for long-term rural economic development;

"(5) provide information to electric and telephone borrowers under this Act concerning the eligibility of such borrowers to apply for financial assistance, loans, or grants from other Federal agencies and non-Federal sources to enable such borrowers to expand their rural development efforts;

"(6) promote local partnerships and other coordination between borrowers under this Act and community organizations, States, counties, or other entities, to improve rural development;

"(7) review the advice and recommendations of the Rural Educational Opportunities Board as established under section 601(f); and

"(8) administer a Rural Business Incubator Fund (as established under section 502)

that shall provide technical assistance, advice, loans, or capital to business incubator programs or for the creation or operation of small business incubators in rural areas.

"SEC. 502. RURAL BUSINESS INCUBATOR FUND.

"(a) ESTABLISHMENT AND USE.—

"(1) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Rural Business Incubator Fund (in this title referred to as the 'Incubator Fund') to be administered by the Administrator.

"(2) USE.—The Incubator Fund shall be used to make grants and reduced interest loans to electric and telephone borrowers under this Act or to other nonprofit entities that meet the requirements of this section, to promote business incubator programs or for the creation or operation of business incubators in rural areas as defined in this Act, and the interest rate on such loans shall not exceed 5 percent.

"(3) BUSINESS INCUBATOR.—Any business incubator that receives assistance under this title shall be a facility in which small businesses can share premises, support staff, computers, software, hardware, telecommunications terminal equipment, machinery, janitorial services, utilities, or other overhead expenses, and where such businesses can receive technical assistance, financial advice, business planning services, or other support. Business incubator programs that provide assistance of the type described in this paragraph shall be eligible for assistance under this title even if such programs do not involve the sharing of premises.

"(b) APPLICATION FOR ASSISTANCE.—

"(1) ELIGIBILITY TO SUBMIT.—Borrowers under this Act that operate business incubators or that desire to operate such incubators or business incubator programs, and that meet the requirements established by the Administrator for obtaining grants or reduced interest loans under this section, may submit applications for such grants or loans at such time, in such form, and containing such information as the Administrator shall require. Nonprofit entities that are not borrowers under title III shall be considered eligible borrowers for the purpose of this section if such entities are located in a State in which not more than one electric borrower is headquartered in such State.

"(2) REQUIREMENTS.—Applications submitted under paragraph (1) shall, at a minimum—

"(A) contain an assurance that any incubator established or operated pursuant to this section will be operated on a not-for-profit basis; and

"(B) contain an assurance that the policy of such incubator is to encourage and assist businesses in graduating from the incubator and becoming viable business entities in the community and to inform participating businesses of this policy.

"(3) REVIEW.—In reviewing applications for assistance, the Administrator shall consider—

"(A) how effectively the incubator project will assist in the formation, growth, or improved efficiency of small businesses that will help diversify and develop the local economy; and

"(B) the amount of local support likely to exist for the incubator and the businesses to be assisted by such incubator, taking into account local contributions of business, financial, technical, technological, or managerial expertise, and contributions of equipment or materials, local financial assistance, and other factors as determined appropriate by the Administrator.

"(c) FUNDING OF LOCAL INCUBATORS.—

"(1) BY BORROWER ESTABLISHING INCUBATOR.—

"(A) IN GENERAL.—A borrower that establishes or assists a business incubator under this section shall purchase Capital Term Certificates issued by the Incubator Fund in amounts equal to 10 percent of the amount of the grant, or 5 percent of the amount of the reduced interest loan, provided by the Administrator under this section.

"(B) REDEMPTION OF CERTIFICATES.—Each calendar year for the 10-year period beginning on the date that a grant or reduced interest loan is provided under this section, the Administrator shall redeem an amount equal to 10 percent of the Capital Term Certificates purchased by the borrower under subparagraph (A), without any payment of interest.

"(2) BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall, subject to the limitations contained in annual appropriations Acts, provide funds for the capitalization of the Incubator Fund, and there are authorized to be appropriated for such capitalization not to exceed $10,000,000 annually until the total of such capitalization equals $60,000,000. Such amounts shall remain available until expended by the Incubator Fund for the purposes of this section.

"(d) REPAYMENTS TO INCUBATION FUND.—All payments made on loans under this section, and all amounts provided under subsection (c), shall be placed in the Incubator Fund established by subsection (a) and shall be available to carry out the purposes of this section.

"(e) FULL USE.—The Administrator shall undertake all reasonable efforts to make full use, during each fiscal year, of any funds contained in the Incubator Fund established under subsection (a), consistent with the requirement that the Incubator Fund redeem Capital Term Certificates as provided by subsection (c). During each fiscal year, 10 percent of the amount contained in the Incubator Fund shall be made available to nonprofit entities described in subsection (b) that are not borrowers under title III, except that if qualified applications from such entities are not received in an amount or at such times sufficient to use such 10 percent amount during any fiscal year, the Administrator shall make the remainder of such amount available to other eligible borrowers during such fiscal year.".

SEC. 2346. EXTENSION SERVICE.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by adding at the end the following new subsection:

"(g) RURAL ECONOMIC AND BUSINESS DEVELOPMENT.—

"(1) IN GENERAL.—The Secretary shall establish an Extension Service rural economic and business development program to enable States or counties to employ specialists as Cooperative Extension Service staff of the State or county to assist individuals in creating new businesses, including cooperatives, or to assist existing businesses, and to assist such businesses regarding advanced telecommunications, computer technologies, technical or management assistance, business and financial planning, and other related matters, and to assist community leaders in community economic analysis and strategic planning.

"(2) FUNCTION OF SPECIALISTS.—Specialists employed under paragraph (1) shall provide economic development information and assistance concerning business creation, business planning and advice, advanced telecommunications, business management, computer operations, and other technical assistance to community leaders and private sector entrepreneurs and cooperatives operating in the State or county that employs such specialists.

"(3) PROCEDURES AND LIMITATIONS.—The Secretary shall establish policies, procedures, and limitations that shall apply to States and counties that desire to participate in the program established under this subsection. States and counties shall determine the types of rural economic and business development specialists that are needed by such States and counties. In States with land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, such eligible institutions shall determine the types of rural economic and business development specialists needed.

"(4) PAYMENT OF SALARY.—The Secretary shall make grants to States and counties that participate in the program established under this section in an amount equal to 60 percent of the total amount of the salary paid to any specialists employed under such program, and the State or county shall provide funds for the remaining 40 percent of such salary. Land-grant colleges and universities eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, shall be exempt from the 40 percent salary matching requirement.

"(5) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $5,000,000 in fiscal year 1991, $10,000,000 in fiscal year 1992, $15,000,000 in fiscal year 1993, and $20,000,000 in fiscal year 1994 and each subsequent fiscal year. Amounts appropriated under this section shall remain available until expended.

"(6) COORDINATION.—The Secretary shall ensure that the activities of the Extension Service rural economic and business development program established under this subsection are coordinated with the Small Business Administration to ensure that there is no duplication of activities in any local area, county or region.

"(b) RURAL DEVELOPMENT EXTENSION WORK.—

"(1) NATIONAL PROGRAM.—The Secretary of Agriculture shall establish a national program, to be administered by the Extension Service, to provide rural citizens with training in, technical and management assistance regarding, and educational opportunities to enhance their knowledge of—

"(A) beginning businesses through entrepreneurship;

"(B) the procedures necessary to establish new businesses in rural areas;

"(C) self-employment opportunities in rural areas;

"(D) the uses of modern telecommunications and computer technologies;

"(E) business and financial planning; and

"(F) such other training, assistance, and educational opportunities as the Secretary determines are necessary to carry out the program established under this subsection.

"(2) LEADERSHIP ABILITIES.—The program established under this subsection shall provide assistance designed to increase the leadership abilities of residents in rural areas. Such assistance shall include—

"(A) information relevant to the development of community goals;

"(B) instruction regarding the methods by which State or Federal funding for rural development projects might be obtained;

"(C) instruction regarding the successful writing of applications for loan or grant funds from government and private sources;

"(D) an updated listing of State, Federal, and other economic development programs available to rural areas; and

"(E) such other training, information, and assistance as the Secretary determines necessary to increase the leadership abilities of residents in rural areas.

"(3) CATALOG OF PROGRAMS.—The National Rural Information Center Clearinghouse of the National Agricultural Library, in cooperation with the Extension Service in each State, should develop, maintain, and provide to each community, and make accessible to any other interested party, a catalog of available State, Federal, or private programs that provide leadership training or other information or services similar or complementary to the training or services required by this subsection. Such catalog should include, at a minimum, the following entities within the State that provide such training or services:

"(A) Any rural electric cooperative.

"(B) Any nonprofit company development corporation.

"(C) Any economic development district that serves a rural community.

"(D) Any nonprofit subsidiary of any private entity.

"(E) Any nonprofit organization whose principal purpose is to promote economic development in rural areas.

"(F) Any investor or publicly owned electric utility.

"(G) Any small business development center or small business investment company.

"(H) Any regional development organization.

"(I) Any vocational or technical school.

"(J) Any Federal, State, or local government agency or department.

"(K) Any other entity that the Secretary deems appropriate.

The extension service in each State should include in the catalog information on the specific training or services provided by each entity in the catalog.

"(4) EMPLOYEE TRAINING.—The Secretary shall provide training for appropriate State extension service employees, assigned to programs other than rural development, to ensure that such employees understand the availability of rural development programs in their respective States and the availability of Extension Service staff qualified to provide to rural citizens and to State extension staff training and materials for technical, management, and educational assistance.

"(5) COORDINATION OF ASSISTANCE.—The Secretary shall ensure, to the extent practicable, that assistance provided under this subsection is coordinated with and delivered in cooperation with similar services or assistance provided by other Federal agencies or programs for rural residents.".

SEC. 2347. RURAL TECHNOLOGY GRANTS.

(a) IN GENERAL.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (f) and inserting the following:

"(f)(1) The Secretary shall make grants under this subsection to nonprofit institutions for the purpose of enabling such institutions to establish and operate centers for rural technology or cooperative development.

"(2) Any nonprofit institution seeking a grant under paragraph (1) shall submit to the Secretary an application containing a plan for the establishment and operation by such institution of a center for rural technology or cooperative development. The Secretary may approve such application if such plan contains the following:

"(A) A provision that substantiates that such center will effectively serve rural areas in the United States.

"(B) A provision that the primary objective of such center will be to improve the economic condition of rural areas by promoting the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of—

"(i) new services and products that can be produced or provided in rural areas;

"(ii) new processes that can be utilized in the production of products in rural areas; and

"(iii) new enterprises that can add value to on-farm production through processing or marketing.

"(C) A description of the activities that such center will carry out to accomplish such objective. Such activities may include the following:

"(i) Programs for technology research, investigations, and basic feasibility studies in any field or discipline for the purpose of generating principles, facts, technical knowledge, new technology, or other information that may be useful to rural industries, cooperatives, agribusinesses, and other persons or entities in rural areas served by such centers in the development and commercialization of new products, processes, or services.

"(ii) Programs for the collection, interpretation, and dissemination of principles, facts, technical knowledge, new technology, or other information that may be useful to rural industries, cooperatives, agribusinesses, and other persons in rural areas served by the center in the development and commercialization of new products, processes, or services.

"(iii) Programs providing training and instruction for individuals residing in rural areas served by the center with respect to the development (through technological innovation, cooperative development, and adaptation of existing technology) and commercialization of new products, processes, or services.

"(iv) Programs providing loans and grants to individuals, small businesses, and cooperatives in rural areas served by the center for purposes of generating, evaluating, developing, and commercializing new products, processes, or services.

"(v) Programs providing technical assistance and advisory services to individuals, small businesses, cooperatives, and industries in rural areas served by the center for purposes of developing and commercializing new products, processes, or services.

"(vi) Programs providing research and support to individuals, small businesses, cooperatives, and industries in rural areas served by the center for purposes of developing new agricultural enterprises to add value to on-farm production through processing or marketing.

"(D) A description of the contributions that such activities are likely to make to the improvement of the economic conditions of the rural areas for which such center will provide services.

"(E) Provisions that such center, in carrying out such activities, will seek, where appropriate, the advice, participation, expertise, and assistance of representatives of business, industry, educational institutions, the Federal Government, and State and local governments.

"(F) Provisions that such center—

"(i) will consult with any college or university administering any program under title V of the Rural Development Act of 1972 in the State in which such center is located; and

"(ii) will cooperate with such college or university in the coordination of such activities and such program.

"(G) Provisions that such center will take all practicable steps to develop continuing sources of financial support for such center, particularly from sources in the private sector.

"(H) Provisions for—

"(i) monitoring and evaluating such activities by the institution operating such center; and

"(ii) accounting for money received by such institution under this section.

"(I) Provisions that such center will provide for the optimal application of such technology and cooperative development in rural areas, especially those areas adversely affected by adverse agricultural economic conditions, through the establishment of demonstration projects and subcenters for—

"(i) rural technology development where the technology can be implemented by communities, community colleges, businesses, cooperatives, and other institutions; or

"(ii) cooperative development where such development can be implemented by cooperatives to improve local economic conditions.

"(3) Grants made under paragraph (1) shall be made on a competitive basis. In making grants under paragraph (1), the Secretary shall give preference to grant applications providing for the establishment of centers for rural technology or cooperative development that—

"(A) can demonstrate the capability to transfer for practical application in rural areas the technology generated at such centers and the ability to commercialize products, processes, services, and enterprises in such rural areas;

"(B) will effectively serve in rural areas that have—

"(i) few rural industries and agribusinesses;

"(ii) high levels of unemployment or underemployment;

"(iii) high rates of outmigration of people, businesses, and industries; and

"(iv) low levels of per capita income; and

"(C) will contribute the most to the improvement of economic conditions of rural areas.

"(4) As used in this subsection:

"(A) The term 'nonprofit institution' means any organization or institution, including an accredited institution of higher education, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

"(B) The term 'United States' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the other territories and possessions of the United States.

"(g) In carrying out subsection (f), the Secretary may provide technical assistance to alleviate or prevent conditions of excessive unemployment or underemployment of persons residing in economically distressed

rural areas that the Secretary determines have a substantial need for such assistance. Such assistance shall include planning and feasibility studies, management and operational assistance, and studies evaluating the needs for development potential of projects that increase employment and improve economic growth in such areas.

"(h) The Secretary may make grants to defray not to exceed 75 percent of the administrative costs incurred by organizations and public bodies to carry out projects for which grants or loans are made under subsection (f). For purposes of determining the non-Federal share of such costs, the Secretary shall consider contributions in cash and in kind, fairly evaluated, including but not limited to premises, equipment, and services.".

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsections (f) and (h) of section 310B of the Consolidated Farm and Rural Development Act, there are authorized to be appropriated to the Secretary not to exceed $50,000,000 for each of the fiscal years 1992, 1993, and 1994.

SEC. 2348. DEMONSTRATION PROJECTS.

The Secretary shall establish a program of competitive grants to rural areas to serve as demonstration areas for rural economic development and as models of such development for other areas. In awarding such grants, the Secretary shall favorably consider a request for funds from a rural area that the Secretary determines—

(1) demonstrates the ability to supplement the grant funds provided under this section with other funds from State, local, or private sources;

(2) demonstrates the ability to use the grant funds to increase employment in the area; and

(3) can successfully serve as a demonstration area to share the results of the project to the benefit of other rural areas in the region.

SEC. 2349. RURAL DEVELOPMENT RESEARCH ASSISTANCE.

Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2662) is amended by adding after the subsection added by section 2346 of this Act the following:

"(h) RESEARCH GRANTS.—

"(1) IN GENERAL.—In addition to the programs already conducted under this section, the Secretary shall also establish and carry out a program to award competitive research grants to land-grant colleges and universities, research foundations, and centers established by land-grant universities, State agricultural experiment stations, and to all colleges and universities having demonstrable capability in rural development research, as determined by the Secretary, to carry out research to—

"(A) determine factors which impact upon rural economic development whether favorably or unfavorably;

"(B) estimate the relative impacts of these factors;

"(C) develop methodologies to investigate policy options for rural economic development;

"(D) evaluate the impact of Federal and State economic development policies and programs designed to improve economic competitiveness and diversification;

"(E) support strategic planning for economic investments;

"(F) improve human resources; and

"(G) improve the data base for rural development decisionmaking in rural areas.

"(2) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this subsection, there are authorized to be appropriated to the Secretary not to exceed $3,000,000 in each fiscal year. Amounts appropriated under this subsection shall remain available until expended.".

SEC. 2350. ASSISTANT ADMINISTRATOR FOR ECONOMIC DEVELOPMENT.

The Rural Electrification Act of 1936 is amended by inserting after section 11 (7 U.S.C. 911) the following new section:

"SEC. 11A. ASSISTANT ADMINISTRATOR FOR ECONOMIC DEVELOPMENT.

"(a) APPOINTMENT.—The Administrator shall appoint an Assistant Administrator for Economic Development (in this Act referred to as the 'Assistant Administrator') to carry out the programs of the Rural Electrification Administration concerning the involvement of rural electric and telephone systems in community and economic development.

"(b) APPOINTMENT FACTORS.—In appointing the Assistant Administrator, the Administrator shall consider the degree to which candidates possess—

"(1) knowledge of and experience in community and economic development programs and strategies;

"(2) the ability to develop and manage the specific programs and responsibilities of this office, as described in this Act;

"(3) the ability to work effectively with officials of Federal, State, and local governments, private, and other officials of development programs, as well as with borrowers of the Rural Electrification Administration and their associations; and

"(4) other factors determined by the Administrator to be important in the successful execution of the responsibilities of the office of Assistant Administrator.

"(c) RESPONSIBILITIES AND COMPENSATION.—The Assistant Administrator shall be—

"(1) responsible, unless otherwise provided by law, for the administration of the programs of the Rural Electrification Administration not directly related to the providing of electric or telephone service; and

"(2) compensated at a salary level that is not less than that of the Assistant Administrator for Electric and the Assistant Administrator for Telephone of the Rural Electrification Administration.

"(d) FUNDING.—The Assistant Administrator shall use not less than 10 percent nor more than 20 percent of the salaries and expenses provided to the Administration during any fiscal year to carry out the responsibilities described in subsection (c)(1), and such amounts shall remain available until expended.

"(e) TECHNICAL ASSISTANCE UNIT.—The Administrator shall establish a technical assistance unit to provide advice and guidance to borrowers concerning community and economic development activities permitted under this Act. From the amounts made available to the Assistant Administrator under subsection (d), not less than 1 percent of the salaries and expenses of the Rural Electrification Administration shall be made available to such technical assistance unit established under this subsection.".

Subtitle F—Rural Electrification Provisions

SEC. 2351. SHORT TITLE; AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936.

(a) SHORT TITLE.—This subtitle may be cited as the "Rural Telecommunications Improvements Act of 1990".

(b) AMENDMENT OF RURAL ELECTRIFICATION ACT OF 1936.—Except as otherwise expressly provided, wherever in this subtitle an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Rural Electrification Act of 1936.

SEC. 2352. FINDINGS; STATEMENT OF POLICY.

(a) FINDINGS.—The Congress finds that—

(1) making modern telecommunications technology and services available in rural areas in the United States promotes economic development and improves the quality of life in rural areas; and

(2) the efficient operation of the Rural Telephone Bank and the Rural Electrification Administration telephone loan programs is essential to the continued development of the telecommunications infrastructure in rural areas in the United States.

(b) STATEMENT OF POLICY.—It is the policy of the Congress that the Rural Telephone Bank and the Rural Electrification Administration make loans that facilitate the development and enhancement of the rural telecommunications infrastructure in order to make modern telecommunications technology and services available at reasonable rates to the greatest practicable number of people in rural areas in the United States.

CHAPTER 1—AMENDMENT TO TITLE I OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2353. GENERAL PROHIBITIONS.

Title I (7 U.S.C. 901 et seq.) is amended by adding after the section added by section 2343 of this Act the following new section:

"SEC. 18. GENERAL PROHIBITIONS.

"The Administrator and the Governor of the telephone bank shall not deny or reduce any loan or loan advance under this Act based on a borrower's level of general funds.".

CHAPTER 2—AMENDMENTS RELATING TO TITLE II OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2354. UPDATED DEFINITION OF TELEPHONE SERVICE.

Section 203(a) (7 U.S.C. 924(a)) is amended—

(1) by inserting "or reception" after "transmission";

(2) by inserting "data," after "voice,"; and

(3) by striking "through the use of electricity between the transmitting and receiving apparatus" and inserting "by wire, fiber, radio, light, or other visual or electromagnetic means".

SEC. 2355. LOAN FEASIBILITY.

Title II (7 U.S.C. 922 et seq.) is amended by adding at the end the following new section:

"SEC. 204. LOAN FEASIBILITY.

"The Administrator and the Governor of the telephone bank may not, as a condition of making a telephone loan to an applicant therefor, require the applicant to—

"(1) increase the rates charged to the applicant's customers or subscribers; or

"(2) increase the applicant's ratio of—

"(A) net income or margins before interest; to

"(B) the interest requirements on all of the applicant's outstanding and proposed loans.".

SEC. 2356. ENCOURAGEMENT OF INVESTMENT BY TELEPHONE BORROWERS IN RURAL DEVELOPMENT PROJECTS.

Title II (7 U.S.C. 922 et seq.) is amended by adding after the section added by section 2355 of this Act the following new section:

"SEC. 205. CERTAIN RURAL DEVELOPMENT INVESTMENTS BY QUALIFIED TELEPHONE BORROWERS NOT TREATED AS DIVIDENDS OR DISTRIBUTIONS.

"(a) IN GENERAL.—The Administrator and the Governor of the telephone bank shall not—

"(1) treat any amount invested by any qualified telephone borrower for any purpose described in section 607(c)(2) of the Rural Development Act of 1972 (including any investment in, or extension of credit, guarantee, or advance made to, an affiliated company of the borrower, that is used by such company for such a purpose) as a dividend or distribution of capital to the extent that, immediately after such investment, the aggregate of such investments does not exceed ½ of the net worth of the borrower; or

"(2) require a qualified telephone borrower to obtain the approval of the Administrator or the Governor of the telephone bank in order to make an investment described in paragraph (1).

"(b) QUALIFIED TELEPHONE BORROWER DEFINED.—As used in subsection (a), the term 'qualified telephone borrower' means a person—

"(1) to whom a telephone loan has been made or guaranteed under this Act; and

"(2) whose net worth is at least 20 percent of the total assets of such person.".

SEC. 2357. IMPROVEMENTS IN TELEPHONE PROGRAM.

Title II (7 U.S.C. 922 et seq.) is amended by adding after the sections added by sections 2355 and 2356 of this Act the following new section:

"SEC. 206. GENERAL DUTIES AND PROHIBITIONS.

"(a) DUTIES.—The Administrator and the Governor of the telephone bank shall—

"(1) notwithstanding section 553(a)(2) of title 5, United States Code, cause to be published in the Federal Register, in accordance with subsections (b) through (e) of section 553 of such title, all rules, regulations, bulletins, and other written policy standards governing the operations of the telephone loan and loan guarantee programs administered under this Act other than those relating to agency management and personnel;

"(2) in evaluating the feasibility of a telephone loan to be made to a borrower for telephone services, use—

"(A) with respect to items for which the regulatory authority with jurisdiction over the provision of such services has approved the depreciation rates used by the borrower, such approved rates; and

"(B) with respect to other items, the average of the depreciation rates used by borrowers of telephone loans made under this Act;

"(3) annually determine and publish the average described in paragraph (2)(B); and

"(4) make loans for all purposes for which telephone loans are authorized under section 201 or 408, to the extent of qualifying applications therefor.

"(b) PROHIBITIONS.—The Administrator and the Governor of the telephone bank shall not—

"(1) rescind an insured telephone loan, or a Rural Telephone Bank loan, made under this Act without the consent of the borrower, unless all of the purposes for which telephone loans have been made to the borrower under this Act have been accomplished with funds provided under this Act;

"(2) regulate the order or sequence of advances of funds under telephone loans made under this Act to any borrower who has received any combination of telephone loans from the Rural Electrification Administration, the Rural Telephone Bank, or the Federal Financing Bank; or

"(3) deny a loan or advance to, or take any other adverse action against, an applicant for, or a borrower of, a telephone loan under this Act for any reason that is not based on a rule, regulation, bulletin, or other written policy standard that has not been published pursuant to section 553 of title 5, United States Code.".

SEC. 2358. PROMPT PROCESSING OF TELEPHONE LOANS.

Title II (7 U.S.C. 922 et seq.) is amended by adding after the sections added by sections 2355, 2356, and 2357 of this Act the following new section:

"SEC. 207. PROMPT PROCESSING OF TELEPHONE LOANS.

"Within ten days after the end of the second and fourth calendar quarters of each year, the Administrator shall submit to the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and to the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, a report—

"(1) identifying each completed application for a telephone loan under section 305, a guarantee of a telephone loan under section 306, or a loan under section 408, that has not been finally acted upon within ninety days after the date the completed application is submitted; and

"(2) stating the reasons for the failure to finally act upon the completed applications within such ninety-day period.".

CHAPTER 3—AMENDMENTS RELATING TO TITLE III OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2359. CREATION OF SEPARATE ELECTRIC AND TELEPHONE ACCOUNTS WITHIN RURAL ELECTRIC AND TELEPHONE REVOLVING FUND.

Section 302 (7 U.S.C. 932) is amended by adding at the end the following new subsection:

"(c)(1) The Administrator shall maintain two separate accounts within the fund, which shall be known as the electric account and the telephone account, respectively.

"(2)(A) The Administrator shall account for the assets, liabilities, income, expenses, and equity of the fund attributable to electrification loan operations in the electric account.

"(B) The Administrator shall account for the assets, liabilities, income, expenses, and equity of the fund attributable to telephone loan operations in the telephone account.

"(3)(A) The assets accounted for in the electric account shall be available solely for electrification loan operations under this Act.

"(B) The assets accounted for in the telephone account shall be available solely for telephone loan operations under this Act (other than under title IV).".

SEC. 2360. BORROWERS TO DETERMINE AMORTIZATION PERIOD FOR INSURED TELEPHONE LOANS.

Section 309 (7 U.S.C. 940) is amended—

(1) by striking "SEC. 309. LOAN TERMS AND CONDITIONS.—Loans made from or" and inserting the following:

"SEC. 309. LOAN TERMS AND CONDITIONS.

"(a) IN GENERAL.—Loans made from or"; and

(2) by adding at the end the following new subsection:

"(b) TELEPHONE LOANS UNDER THIS TITLE.—The term of any telephone loan made under this title shall be determined by the borrower at the time the loan application is submitted.".

SEC. 2361. TIER REQUIREMENT FOR INSURED TELEPHONE LOANS.

Section 305 (7 U.S.C. 935) is amended by adding at the end the following new subsection:

"(d) The Administrator shall make a telephone loan under this title to an applicant therefor who is otherwise qualified to receive such a loan at the highest interest rate (but not less than the lowest interest rate, nor higher than the highest interest rate, specified in subsection (b)) at which the borrower would be capable of producing net income or margins before interest payments of at least 100 percent (but not more than 150 percent) of the interest requirements on all of the applicant's outstanding and proposed loans.".

SEC. 2362. CLARIFICATION OF TELEPHONE LOAN GUARANTEE AUTHORITY.

Section 306 (7 U.S.C. 936) is amended by inserting after the first sentence the following new sentence: "The Administrator shall not provide such assistance to any borrower of a telephone loan under this Act unless the borrower specifically applies for such assistance.".

CHAPTER 4—AMENDMENTS RELATING TO TITLE IV OF THE RURAL ELECTRIFICATION ACT OF 1936

SEC. 2363. MODIFICATION OF RURAL TELEPHONE BANK BOARD.

(a) IN GENERAL.—Section 405 (7 U.S.C. 945) is amended by striking all that precedes subsection (g) and inserting the following:

"SEC. 405. BOARD OF DIRECTORS.

"(a) IN GENERAL.—The management of the telephone bank, within the limitations prescribed by law, shall be vested in a board of directors (in this title referred to as the 'Telephone Bank Board').

"(b) MEMBERSHIP.—The Telephone Bank Board shall consist of thirteen individuals, as follows:

"(1) PRESIDENTIAL APPOINTEES.—The President shall appoint seven individuals to serve on the Telephone Bank Board who shall serve at the pleasure of the President—

"(A) five of whom shall be officers or employees of the Department of Agriculture and not officers or employees of the Rural Electrification Administration; and

"(B) two of whom shall be from the general public and not officers or employees of the Federal Government.

"(2) COOPERATIVE MEMBERS.—The cooperative-type entities, and organizations controlled by such entities, that hold class B or class C stock shall elect three individuals to serve on the Telephone Bank Board for a term of two years, by a plurality vote of the stockholders voting in the election.

"(3) COMMERCIAL MEMBERS.—The commercial-type entities, and the organizations controlled by such entities, that hold class B or class C stock shall elect three individuals to serve on the Telephone Bank Board for a term of two years, by a plurality vote of the stockholders voting in the election.

"(c) ELECTIONS.—

"(1) VALIDITY.—An election under paragraph (2) or (3) of subsection (b) shall not be considered valid unless a majority of the stockholders eligible to vote in the election have voted in the election.

"(2) BALLOTING.—Balloting in an election under paragraph (2) or (3) of subsection (b) shall be conducted by mail pursuant to the procedures authorized in the bylaws of the telephone bank.

"(3) NO CUMULATIVE VOTING.—Cumulative voting shall not be permitted in any election under paragraph (2) or (3) of subsection (b).

"(d) COMPENSATION.—

"(1) IN GENERAL.—Except as provided in paragraph (2), each member of the Telephone Bank Board shall receive $100 per day for each day or part thereof, not to exceed fifty days per year, spent in the performance of their official duties, and shall be reimbursed for travel and other expenses in such manner and subject to such limitations as the Telephone Bank Board may prescribe.

"(2) EXCEPTIONS.—The five members of the Telephone Bank Board appointed under subsection (b)(1)(A) shall not receive compensation by reason of their service on the Telephone Bank Board.

"(e) SUCCESSION.—A member of the Telephone Bank Board may serve after the expiration of the term of office of such member until the successor for such member has taken office.

"(f) CHAIRPERSON.—The members of the Telephone Bank Board shall elect one of such members to be the Chairperson of the Board, in accordance with the bylaws of the telephone bank. The Chairperson shall preside at all meetings of the Board and may vote on a matter before the Board unless the vote would result in a tie vote on the matter.".

(b) CONFORMING AMENDMENTS.—

(1) SECTION 405 AMENDMENTS.—Section 405 (7 U.S.C. 945) is amended—

(A) in subsection (g) by striking "(g) The" and inserting "(g) BYLAWS.—The";

(B) in subsection (h) by striking "(h) The" and inserting "(h) MEETINGS.—The"; and

(C) in subsection (i) by striking "(i) The" and inserting "(i) ANNUAL REPORT.—The".

(2) SECTION 410(a)(2) AMENDMENT.—Section 410(a)(2) (7 U.S.C. 950(a)(2)) is amended by striking "405(b)" and inserting "405(b)(1)(A)".

(c) APPLICABILITY OF SUNSHINE ACT.—Section 405 (7 U.S.C. 945) is amended by adding at the end the following:

"(j) OPEN MEETINGS.—For purposes of section 552b of title 5, United States Code, the Telephone Bank Board shall be treated as an agency within the meaning of subsection (a)(1) of such section.".

SEC. 2364. PRO RATA PURCHASE OF RURAL TELEPHONE BANK STOCK BY RURAL TELEPHONE BANK BORROWERS.

The second sentence of section 406(d) (7 U.S.C. 946(d)) is amended by inserting ", by paying an amount equal to 5 per centum of the amount of each loan advance, at the time of such advance" before the period.

SEC. 2365. CLARIFICATION OF AUTHORITY TO SET RURAL TELEPHONE BANK LOAN LEVELS.

Section 408(a) (7 U.S.C. 948(a)) is amended by striking "is authorized on behalf of the telephone bank to make loans," and inserting "shall make loans on behalf of the telephone bank, to the extent that there are qualifying applications therefor, subject only to limitations as to amounts authorized for loans and advances as may be imposed by law enacted by the Congress of the United States for loans to be made in any one year, and".

SEC. 2366. BORROWERS TO DETERMINE AMORTIZATION PERIOD FOR RURAL TELEPHONE BANK LOANS.

Section 408 (7 U.S.C. 948) is amended by adding at the end the following new subsection:

"(d)(1) Except as provided in paragraph (2), the term of any loan made under this title shall be determined by the borrower at the time the application for the loan is submitted.

"(2) The term of any loan made under this title shall not exceed the maximum term for which a loan may be made under section 4.".

SEC. 2367. TECHNICAL AMENDMENTS RELATING TO THE RURAL TELEPHONE BANK PROVISIONS OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1987.

(a) SECTION 406(h) AMENDMENTS.—Section 406(h) (7 U.S.C. 946(h)) is amended—

(1) by inserting after the second sentence "All amounts so transferred shall not be transferred, directly or indirectly, to the reserve for contingencies."; and

(2) by striking "Rural Telephone Bank Borrowers Fairness" and inserting "Omnibus Budget Reconciliation".

(b) SECTION 408(b)(3) AMENDMENTS.—Section 408(b)(3) (7 U.S.C. 948(b)(3)) is amended—

(1) in subparagraph (B), by striking "paragraph" and inserting "subparagraph";

(2) in subparagraph (D)(ii), by adding at the end the following: "For purposes of the calculation under this subparagraph, such rate shall be zero."; and

(3) in subparagraph (E), by striking "subparagraph" the second place such term appears and inserting "paragraph".

CHAPTER 5—EFFECTIVE DATE

SEC. 2368. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the date of enactment of this Act.

(b) TECHNICAL AMENDMENTS.—The amendments made by section 2367 shall take effect as if such amendments had been included in chapter 2 of subtitle D of title I of the Omnibus Budget Reconciliation Act of 1987 on the date of enactment of such chapter.

Subtitle G—Rural Revitalization Through Forestry

CHAPTER 1—FORESTRY RURAL REVITALIZATION

SEC. 2371. FORESTRY RURAL REVITALIZATION.

(a) ESTABLISHMENT OF ECONOMIC DEVELOPMENT AND GLOBAL MARKETING PROGRAM.—The Secretary of Agriculture, acting through the Extension Service and the Cooperative Extension System, and in consultation with the Forest Service, shall establish and implement educational programs and provide technical assistance to assist businesses, industries, and policymakers to create jobs, raise incomes, and increase public revenues in manners consistent with environmental concerns.

(b) ACTIVITIES.—Each program established under subsection (a) shall—

(1) transfer technologies to natural resource-based industries in the United States to make such industries more efficient, productive, and competitive;

(2) assist businesses to identify global marketing opportunities, conduct business on an international basis, and market themselves more effectively; and

(3) train local leaders in strategic community economic development.

(c) TYPES OF PROGRAMS.—The Secretary of Agriculture shall establish specific programs under subsection (a) to—

(1) deliver educational services focused on community economic analysis, economic diversification, economic impact analysis, retention and expansion of existing commodity and noncommodity industries, amenity resource and tourism development, and entrepreneurship focusing on forest lands and rural communities;

(2) use Cooperative Extension System databases and analytical tools to help communities diversify their economic bases, add value locally to raw forest product materials, and retain revenues by helping to develop local businesses and industries to supply forests products locally; and

(3) use the full resources of the Cooperative Extension Service, including land-grant universities and county offices, to promote economic development that is sustainable and environmentally sound.

CHAPTER 2—NATIONAL FOREST-DEPENDENT RURAL COMMUNITIES

SEC. 2372. SHORT TITLE.

This chapter may be cited as the "National Forest-Dependent Rural Communities Economic Diversification Act of 1990".

SEC. 2373. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the economic well-being of rural America is vital to our national growth and prosperity;

(2) the economic well-being of many rural communities depends upon the goods and services that are derived from national forests;

(3) the economies of many of these communities suffer from a lack of industrial and business diversity;

(4) this lack of diversity is particularly serious in communities whose economies are predominantly dependent on timber and recreation resources and where management decisions made on the national forests by Federal and private organizations may disrupt the supply of those resources;

(5) the Forest Service has expertise and resources that could be directed to promote modernization and economic diversification of existing industries and services based on forest resources;

(6) the Forest Service has the technical expertise to provide leadership, in cooperation with other governmental agencies and the private sector, to assist rural communities dependent upon national forest resources to upgrade existing industries and diversify by developing new economic activity in non-forest-related industries; and

(7) technical assistance, training, education, and other assistance provided by the Department of Agriculture can be targeted to provide immediate help to those rural communities in greatest need.

(b) PURPOSES.—The purposes of this chapter are—

(1) to provide assistance to rural communities that are located in or near national forests and that are economically dependent upon forest resources or are likely to be economically disadvantaged by Federal or private sector land management practices;

(2) to aid in diversifying such communities' economic bases; and

(3) to improve the economic, social, and environmental well-being of rural America.

SEC. 2374. DEFINITIONS.

As used in this chapter:

(1) The term "action team" means a rural forestry and economic diversification action team established by the Secretary pursuant to section 2375(b).

(2) The term "economically disadvantaged" means economic hardship due to the loss of jobs or income (labor or proprietor) derived from forestry, the wood products industry, or related commercial enterprises such as recreation and tourism in the national forest.

(3) The term "rural community" means—

(A) any town, township, municipality, or other similar unit of general purpose local government having a population of not more than 10,000 individuals (according to the latest decennial census) that is located

in a county where at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries such as recreation and tourism; or

(B) any county or similar unit of general purpose local government having a population of not more than 22,550 individuals (according to the latest decennial census) in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries such as recreation and tourism,

that is located within the boundary, or within 100 miles of the boundary, of a national forest.

(4) The term "Secretary" means the Secretary of Agriculture.

SEC. 2375. RURAL FORESTRY AND ECONOMIC DIVERSIFICATION ACTION TEAMS.

(a) REQUESTS FOR ASSISTANCE.—Economically disadvantaged rural communities may request assistance from the Secretary in identifying opportunities that will promote economic improvement and diversification and revitalization.

(b) ESTABLISHMENT.—Upon request, the Secretary may establish rural forestry and economic diversification action teams to prepare an action plan to provide technical assistance to economically disadvantaged communities. The action plan shall identify opportunities to promote economic diversification and enhance local economies now dependent upon national forest resources. The action team may also identify opportunities to use value-added products and services derived from national forest resources.

(c) ORGANIZATION.—The Secretary shall design and organize any action team established pursuant to subsection (b) to meet the unique needs of the requesting rural community. Each action team shall be directed by an employee of the Forest Service and may include personnel from other agencies within the Department of Agriculture, from other Federal and State departments and agencies, and from the private sector.

(d) COOPERATION.—In preparing action plans, the Secretary may cooperate with State and local governments, universities, private companies, individuals, and nonprofit organizations for procurement of services determined necessary or desirable.

(e) ELIGIBILITY.—The Secretary shall ensure that no substantially similar geographical or defined local area in a State receives a grant for technical assistance to an economically disadvantaged community under this chapter and a grant for assistance under a designated rural development program, as defined in section 365(b)(2) of the Consolidated Farm and Rural Development Act, during any continuous five-year period.

(f) APPROVAL.—After reviewing requests under this section for financial and economic feasibility and viability, the Secretary shall approve and implement in accordance with section 2376 those action plans that will achieve the purposes of this chapter.

SEC. 2376. ACTION PLAN IMPLEMENTATION.

(a) IN GENERAL.—Action plans shall be implemented, insofar as practicable, to upgrade existing industries to use forest resources more efficiently and to expand the economic base of rural communities so as to alleviate or reduce their dependence on national forest resources.

(b) ASSISTANCE.—To implement action plans, the Secretary may make grants and enter into cooperative agreements and contracts to provide necessary technical and related assistance. Such grants, cooperative agreements, and contracts may be with the affected rural community, State and local governments, universities, corporations, and other persons.

(c) LIMITATION.—The Federal contribution to the overall implementation of an action plan shall not exceed 80 percent of the total cost of the plan, including administrative and other costs. In calculating the Federal contribution, the Secretary shall take into account the fair market value of equipment, personnel, and services provided.

(d) AVAILABLE AUTHORITY.—The Secretary may use the Secretary's authority under the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101 et seq.) and other Federal, State, and local governmental authorities in implementing action plans.

(e) CONSISTENCY WITH FOREST PLANS.—The implementation of action plans shall be consistent with land and resource management plans.

SEC. 2377. TRAINING AND EDUCATION.

(a) PROGRAMS.—In furtherance of an action plan, the Secretary may use the Extension Service and other appropriate agencies of the Department of Agriculture to develop and conduct education programs that assist businesses, elected or appointed officials, and individuals in rural communities to deal with the effects of a transition from being economically disadvantaged to economic diversification. These programs may include—

(1) community economic analysis and strategic planning;

(2) methods for improving and retooling enterprises now dependent on national forest resources;

(3) methods for expanding enterprises and creating new economic opportunities by emphasizing economic opportunities in other industries or services not dependent on national forest resources; and

(4) assistance in the evaluation, counseling, and enhancement of vocational skills, training in basic and remedial literacy skills, assistance in job seeking skills, and training in starting or operating a business enterprise.

(b) EXISTING EDUCATIONAL AND TRAINING PROGRAMS.—Insofar as practicable, the Secretary shall use existing Federal, State, and private education resources in carrying out these programs.

SEC. 2378. LOANS TO ECONOMICALLY DISADVANTAGED RURAL COMMUNITIES.

(a) IN GENERAL.—The Secretary, under such terms and conditions as the Secretary shall establish, may make loans to economically disadvantaged rural communities for the purposes of securing technical assistance and services to aid in the development and implementation of action plans, including planning for—

(1) improving existing facilities in the community that may generate employment or revenue;

(2) expanding existing infrastructure, facilities, and services to capitalize on opportunities to diversify economies now dependent on national forest resources; and

(3) supporting the development of new industries or commercial ventures unrelated to national forest resources.

(b) INTEREST RATES.—The interest rates on a loan made pursuant to this section shall be as determined by the Secretary, but not in excess of the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturity of such loan, plus not to exceed 1 percent, as determined by the Secretary, and rounded to the nearest one-eighth of 1 percent.

SEC. 2379. AUTHORIZATION OF APPROPRIATIONS AND SPENDING AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Except as provided in subsection (b), there are authorized to be appropriated—

(1) an amount not to exceed 5 percent of the sum of—

(A) the sums received by the Secretary from sales of timber and other products of the forests; and

(B) user fees paid in connection with the use of forest lands; and

(2) such additional sums as may be necessary to carry out the purposes of this chapter.

(b) LIMITATION ON AUTHORIZATION.—Subsection (a) shall not in any way affect payments to the States pursuant to chapter 192 of the Act of May 23, 1908 (16 U.S.C. 500).

(c) SPENDING AUTHORITY.—Any spending authority (as defined in section 401 of the Congressional Budget Act of 1974) provided in this chapter shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

Subtitle H—Miscellaneous Provisions

SEC. 2381. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.

(a) ESTABLISHMENT.—The Secretary shall establish, within the National Agricultural Library, in coordination with the Extension Service, a National Rural Information Center Clearinghouse (in this section referred to as the "Clearinghouse") to perform the functions specified in subsection (b).

(b) FUNCTIONS.—The Clearinghouse shall provide and distribute information and data to any industry, organization, or Federal, State, or local government entity, on request, about programs and services provided by Federal, State, and local agencies and private nonprofit organizations and institutions under which individuals residing in, or organizations and State and local government entities operating in, a rural area may be eligible for any kind of assistance, including job training, education, health care, and economic development assistance, and emotional and financial counseling. To the extent possible, the National Agricultural Library shall use telecommunications technology to disseminate information to rural areas.

(c) FEDERAL AGENCIES.—On request of the Secretary, the head of a Federal agency shall provide to the Clearinghouse such information as the Secretary may request to enable the Clearinghouse to carry out subsection (b).

(d) STATE AND LOCAL AGENCIES AND NONPROFIT ORGANIZATIONS.—The Secretary shall request State and local governments and private nonprofit organizations and institutions to provide to the Clearinghouse such information as such agencies and organizations may have about any program or service of such agencies, organizations, and institutions under which individuals residing in a rural area may be eligible for any kind of assistance, including job training, educational, health care, and economic development assistance, and emotional and financial counseling.

(e) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $500,000 for each of the fiscal years 1991 through 1995.

SEC. 2382. MONITORING THE ECONOMIC PROGRESS OF RURAL AMERICA.

(a) BUREAU OF THE CENSUS.—The Director of the Bureau of the Census shall expand the data collection efforts of the Bureau to enable the Bureau to collect statistically significant data concerning the changing economic condition of rural counties and communities in the United States, including data on rural employment, poverty, income, and other information concerning the rural labor force.

(b) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated $1,000,000 for each fiscal year.

SEC. 2383. LOAN RATES APPLICABLE TO CERTAIN LOANS UNDER THE CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

Section 307(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)) is amended—

(1) in subparagraph (A), by striking "guranteed" and inserting "guaranteed"; and

(2) by adding at the end the following new subparagraph:

"(C) Notwithstanding subparagraph (A), the Secretary shall establish loan rates for health care and related facilities based solely on the income of the area to be served, and such rates shall be otherwise consistent with such subparagraph.".

SEC. 2384. ASSISTANCE FOR CERTAIN DISTRESSED COMMUNITY FACILITY PROGRAM BORROWERS.

(a) AMENDMENT.—The Consolidated Farm and Rural Development Act is amended by inserting after section 353 (7 U.S.C. 2001) the following new section:

"SEC. 353A. DEBT RESTRUCTURING AND LOAN SERVICING FOR COMMUNITY FACILITY LOANS.

"The Secretary shall establish and implement a program that is similar to the program established under section 353, except that the debt restructuring and loan servicing procedures shall apply to delinquent community facility program loans (rather than delinquent farmer program loans) made by the Farmers Home Administration to a hospital or health care facility under section 306(a).".

(b) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Secretary shall promulgate regulations, modeled after those promulgated under such section 353, that implement the program established under section 353A of the Consolidated Farm and Rural Development Act.

SEC. 2385. ANALYSIS BY OFFICE OF TECHNOLOGY ASSESSMENT.

(a) IN GENERAL.—The Office of Technology Assessment shall include, in a study of the effects of information age technology on rural America, an analysis of the feasibility of ensuring that rural citizens in their homes and schools have the ability to acquire, by computer, information in a national library.

(b) CONTENTS.—In conducting the analysis under subsection (a), the Office of Technology Assessment shall—

(1) evaluate, in consultation with the Librarian of Congress, the costs and benefits of establishing a national library whose volumes, periodicals, instructional materials, sound and video resources, and other data are accessible to individuals through their personal computers;

(2) assess the technological, regulatory, or other impediments to the establishment of the library and information retrieval system described in paragraph (1), and the length of time required to establish such a library and retrieval system;

(3) describe the potential for the library and information described in paragraph (1) to provide rural citizens the opportunity to study and explore foreign languages, geography, math, science, history, or other interests, and to exchange scholarly information and ideas with other users, and otherwise to engage in interactive study; and

(4) recommend to the Congress the measures that should be taken to establish the library and retrieval system described in paragraph (1).

SEC. 2386. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end the following new paragraph:

"(4) The Secretary may make grants to statewide private nonprofit public television systems, whose coverage area is predominately rural, for the purpose of demonstrating the effectiveness of such systems in providing information on agriculture and other issues of importance to farmers and other rural residents. Grants available under this paragraph may be used for capital equipment expenditures, start-up and program costs, and other costs necessary to the operation of such demonstrations.".

SEC. 2387. MERGER OF CERTAIN RURAL ELECTRIC COOPERATIVES.

Section 306B of the Rural Electrification Act of 1936 (7 U.S.C. 936b) is amended—

(1) by inserting "(a)" before "A direct"; and

(2) by adding at the end the following new subsection:

"(b) Notwithstanding subsection (a), a direct or insured loan may be prepaid by an electric borrower at the lesser of the outstanding principal balance due thereon or the present value thereof discounted from the face value at maturity at the rate set by the Administrator if the borrower is an electrical organization which resulted from a merger or consolidation between a borrower and an organization which, prior to October 1, 1987, prepaid its direct or insured loans pursuant to this section. Prepayments by a borrower hereunder shall be made not later than one year after the effective date of the merger, consolidation, or other transaction. The discount rate to be set by the Administrator for direct or insured loans prepayments hereunder shall be based on the current cost of funds to the Department of the Treasury for obligations of comparable maturity to those being prepaid. If a borrower prepays using tax exempt financing, the discount shall be adjusted to make the discount equivalent to fully taxable financing. The borrower shall certify in writing whether the financing will be tax exempt and shall comply with such other terms and conditions as the Administrator may establish which are reasonable and necessary to implement this provision. As used in this section, the term 'direct loan' means a loan made under section 4.".

SEC. 2388. TECHNICAL CORRECTIONS.

(a) SECTION 308 AMENDMENTS.—Section 308 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1928) is amended—

(1) in paragraph (a), by striking "prescribe,;" and inserting "prescribe;"; and

(2) by redesignating paragraphs (a) and (b), as paragraphs (1) and (2), respectively.

(b) AMENDMENT TO SECTION 310b(a).—Section 310B(a) of such Act (7 U.S.C. 1932(a)) is amended by striking "subsections (a) and (c)" and inserting "paragraphs (1) and (3)".

(c) SECTION 310B(d) AMENDMENTS.—Section 310B(d) of such Act (7 U.S.C. 1932(d)) is amended—

(1) by moving paragraphs (4), (5), and (6) two ems to the left so that the left margin of such paragraphs is aligned with the left margin of paragraph (3);

(2) in paragraph (3), by striking "paragraph (1) and (2)" and inserting "paragraphs (2) and (3)";

(3) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively; and

(4) by inserting "(1)" after "(d)".

(d) AMENDMENTS RELATING TO SECTION 331.—

(1) SECTION 331 AMENDMENTS.—Section 331 of such Act (7 U.S.C. 1981) is amended—

(A) in the second undesignated subsection—

(i) by moving paragraphs (f), (g), (h), and (i) two ems to the right so that the left margin of each of such paragraphs is aligned with the left margin of paragraph (e);

(ii) in paragraph (f), by striking "Release" and inserting "release";

(iii) in paragraph (g), by striking "Obtain" and inserting "obtain";

(iv) in paragraph (h), by striking "Not" and inserting "not";

(v) in paragraph (i)—

(I) by striking "Consent" and inserting "consent"; and

(II) by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(vi) in paragraph (d), by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively; and

(vii) by redesignating paragraphs (a) through (j) as paragraphs (1) through (10), respectively; and

(B) by redesignating the first and second undesignated subsections as subsections (a) and (b), respectively.

(2) CONFORMING AMENDMENTS.—Section 357(b) of such Act (7 U.S.C. 2005(b)) is amended by striking "331(d)" each place such term appears and inserting "331(b)(4)".

(e) AMENDMENTS TO SECTION 333.—Section 333 of such Act (7 U.S.C. 1983), as amended by section 1810 of this Act, is amended—

(1) in paragraph (a), by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) in paragraph (b)—

(A) in subparagraph (1), by redesignating clauses (A), (B), and (C) as clauses (1), (2), and (3), respectively; and

(B) by redesignating subparagraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(3) in paragraphs (c) and (e), by striking "of this title" each place such term appears"; and

(4) by redesignating paragraphs (a), (b), (c), (d), and (e) as paragraphs (1), (2), (3), (4), and (5), respectively.

(f) SECTION 333A(c) AMENDMENT.—Section 333A(c) of such Act (7 U.S.C. 1983a(c)) is amended by striking "In" and inserting "If".

(g) SECTION 335(c)(2)(D) AMENDMENT.—Section 335(c)(2)(D) of such Act (7 U.S.C. 1985(c)(2)(D)) is amended by striking "caused" and inserting "cause".

(h) SECTION 343(a) AMENDMENTS.—Section 343(a) of such Act (7 U.S.C. 1991(a)) is amended—

(1) in paragraph (1), by striking "and";

(2) in paragraph (3), by striking "and" the third place such term appears; and

(3) in paragraph (5), by striking "contract of insurance" and inserting "'contract of insurance'".

(i) SECTION 346(b) AMENDMENTS.—Section 346(b) of such Act (7 U.S.C. 1994(b)) is amended—

(1) in paragraph (1)(B), by striking "subparagraph (C)" and inserting "paragraph (3)";

(2) in paragraph (1)(C), by striking "subparagraph (A)" and inserting "paragraph (1)";

(3) by redesignating paragraphs (1) (A), (B), (C), (D)(i), and (E) as paragraphs (1), (2), (3), (4), and (5), respectively;

(4) in paragraph (2) (as so redesignated by paragraph (3) of this subsection), by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively;

(5) in each of the subparagraphs redesignated as such by paragraph (4) of this subsection, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (5) (as so redesignated by paragraph (3) of this subsection), by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively.

(j) SECTION 349(a) AMENDMENT.—Section 349(a) of such Act (7 U.S.C. 1997(a)) is amended by redesignating paragraph (5) as paragraph (4).

SEC. 2389. GRANTS FOR FINANCIALLY STRESSED FARMERS, DISLOCATED FARMERS, AND RURAL FAMILIES.

(a) EXTENSION OF GRANT PROGRAM.—Section 502(f)(2) of the Rural Development Act of 1972 (7 U.S.C. 2662(f)(2)) is amended—

(1) by striking "1990" and inserting "1995"; and

(2) by inserting after "under paragraph (1)" the following: "to eligible applicants in any State applying for such grants".

(b) CHANGES TO GRANT PROGRAM.—Section 502(f)(1) of such Act (7 U.S.C. 2662(f)(1)) is amended—

(1) in subparagraph (A), by striking "special grants" and all that follows through "counseling" and inserting the following: "competitive grants for programs that meet the criteria specified in subparagraph (B) to develop counseling, retraining, and educational";

(2) by redesignating subparagraphs (C) and (D) as subparagraphs (E) and (F), respectively;

(3) in subparagraph (B)—

(A) by striking "(B) Services to be provided", the matter preceding the clauses, and clause (i); and

(B) by redesignating clauses (ii) through (viii) as clauses (i) through (vii) of subparagraph (D);

(4) by inserting after subparagraph (A) the following new subparagraphs:

"(B) GRANT CRITERIA.—In order to be eligible to receive a grant under this subsection, an applicant must provide suitable assurances that—

"(i) not less than one-half of the grant funds to the applicant will be used for clinical outreach counseling and crisis management assistance, as required by subparagraph (C);

"(ii) a significant number of farms within the State have a ratio of debts to assets of 40 percent or more, the State's rural economy has been facing adverse economic conditions for a period of years, or such other conditions exist, as determined by the Secretary, such that the assistance provided under this subsection is necessary or appropriate;

"(iii) the planning and implementation of the provision of services under this subsection will be coordinated with the appropriate State agency for mental health, department of health, office of rural health, and any other State agency or department responsible for assisting persons in rural areas of the State; and

"(iv) the planning and implementation of the provision of services under this subsection will be coordinated with the appropriate local governments and other public and private nonprofit agencies and organizations located in rural areas and involved in addressing problems related to the mental health of rural residents.

"(C) COUNSELING AND OUTREACH REQUIRED.—Not less than 50 percent of the grant funds to a State under this subsection shall be used to provide clinical outreach counseling and crisis management assistance.

"(D) OTHER SERVICES TO BE PROVIDED.—In addition to the counseling and outreach services required under subparagraph (C), the following services may also be provided through programs funded under this section:";

(5) by adding at the end of subparagraph (D) (as added by paragraph (4) of this subsection) the following new clause:

"(viii) Assistance for local officials and groups in developing income and employment alternatives."; and

(6) in subparagraph (F) (as so redesignated by paragraph (2) of this subsection)—

(A) by striking "is encouraged to work with" and inserting "shall work with the appropriate State office of rural health, State department or agency of mental health, and other";

(B) by striking "a comprehensive plan" and inserting "an annual comprehensive plan";

(C) by striking "special"; and

(D) by adding at the end the following: "For recipients in a State to be eligible for a grant under this subsection in any fiscal year, the Cooperative Extension Service within the State must develop and sign a Memorandum of Agreement with the appropriate State department or agency of mental health and other State agencies as may be appropriate to carry out the comprehensive plan. Such agreement and plan must emphasize the development and delivery of counseling and outreach programs as provided under subparagraph (B).".

(c) CONFORMING AMENDMENTS.—

(1) Such section is further amended by striking "(f) Special" and inserting "(f) Competitive".

(2) Section 503(c) of such Act (7 U.S.C. 2663(c)) is amended—

(A) by inserting "ADDITIONAL DISTRIBUTIONS.—(1)" after "(c)";

(B) by striking "and section 502(f)" each place such term appears; and

(C) by adding at the end the following new paragraph:

"(2) The Secretary shall distribute the amounts appropriated to carry out section 502(f) to colleges and universities in accordance with the requirements of such subsection.".

(d) EFFECT OF AMENDMENTS ON CURRENT GRANT RECIPIENTS.—The eight States receiving grants under section 502(f) of the Rural Development Act of 1972 (7 U.S.C. 2662(f)) during fiscal year 1990 shall continue to be eligible to receive grants (in an amount not to exceed the amount received during that fiscal year) under that section notwithstanding that such grants be awarded competitively, so long as such States comply with the requirement under subparagraph (C) that not less than one-half of such grant amount shall be used for clinical outreach counseling and crisis management assistance.

SEC. 2390. RURAL HEALTH AND SAFETY EDUCATION.

(a) SHORT TITLE.—This section may be cited as the "Rural Health and Safety Education Act of 1990".

(b) RURAL HEALTH AND SAFETY EDUCATION PROGRAMS.—

(1) IN GENERAL.—Section 502 of the Rural Development Act of 1972 (7 U.S.C. 2661) is amended by adding after the subsection added by section 2346 of this Act the following new subsection:

"(h) RURAL HEALTH AND SAFETY EDUCATION PROGRAMS.—

"(1) PROGRAMS AUTHORIZED.—

"(A) INDIVIDUAL AND FAMILY HEALTH EDUCATION.—The Secretary may make grants for the establishment of individual and family health education programs that shall provide individuals and families with—

"(i) information concerning the value of good health;

"(ii) information to increase the individual or families motivation to take more responsibility for their own health;

"(iii) access to health promotion activities; and

"(iv) training for volunteers and health services providers concerning health promotion and health care services, in cooperation with the Department of Health and Human Services.

"(B) FARM SAFETY EDUCATION.—The Secretary may make grants for the establishment of farm safety education programs that shall provide information and training to farm workers, timber harvesters, and farm families concerning safety in the work place, including information and training concerning—

"(i) the reduction of occupational injury and death rates;

"(ii) the reduction and prevention of exposure to farm chemicals;

"(iii) the reduction of agricultural respiratory diseases and dermaititis;

"(iv) the reduction and prevention of noise induced hearing loss;

"(v) the occupational rehabilitation of farmers and timber harvesters with physical disabilities; and

"(vi) farm accident rescue procedures.

"(2) COORDINATION OF PROGRAMS.—Educational programs conducted with grants awarded under this subsection shall be coordinated with the State offices of rural health and other appropriate programs of the Department of Health and Human Services.

"(3) DISSEMINATION OF INFORMATION.—Educational programs conducted with grants awarded under this subsection shall provide leadership within the State for the dissemination of appropriate rural health and safety information resources possessed by the Rural Information Center established at the National Agricultural Library.

"(4) PROCEDURES AND LIMITATIONS.—The Secretary shall establish policies, procedures and limitations that shall apply to States that desire to receive a grant under this subsection. In States with land-grant colleges and universities that are eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee University, and universities which receive Rural Health Research Center grants, such eligible institutions shall mutually determine the type of rural health and safety education program needed in the State within which such institutions reside.

"(5) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this subsection, there are authorized to be appropriated

$5,000,000 for fiscal year 1991, $10,000,000 for fiscal year 1992, $15,000,000 for fiscal year 1993, and $20,000,000 for fiscal year 1994 and each subsequent fiscal year. Amounts appropriated under this subsection shall remain available until expended.".

(2) TECHNICAL AMENDMENT.—Section 503(c) of such Act (7 U.S.C. 2663(c)) is amended by striking "and section 502(f)" and inserting "section 502(f), and section 502(h)".

SEC. 2391. RURAL HEALTH INFRASTRUCTURE IMPROVEMENT.

(a) GRANT FOR DEMONSTRATION PROJECT.—The Secretary of Agriculture shall award a grant for the establishment of a project to demonstrate a model approach to improving rural health infrastructure. The project established with such grant shall—

(1) carry out systematic, community-based rural health needs assessments;

(2) identify and coordinate available health services resources;

(3) improve community infrastructure through health education and information and leadership development and training; and

(4) develop community generated health improvement strategies.

(b) PROJECT IMPLEMENTATION.—The project established under subsection (a) shall be implemented through the cooperation of—

(1) an academic medical center with accredited health professions schools, including schools of medicine, dentistry, public health, nursing, and allied health;

(2) the Cooperative Extension System of a land-grant university; and

(3) county-based citizens' organizations concerned with rural health services.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated such sums as may be necessary in each fiscal year. Amounts appropriated under this subsection shall remain available until expended.

SEC. 2392. CENSUS OF AGRICULTURE.

The Secretary of Commerce shall include questions relating to agricultural accidents and farm safety in the 1992 Census of Agriculture.

SEC. 2393. LIMITATION ON CONDITIONS FOR WATER AND SEWER GRANTS AND LOANS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by adding after the paragraph added by section 2329 of this Act the following new paragraph:

"(21) In making or insuring loans or making grants under this subsection, the Secretary may not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under this Act.".

SEC. 2394. ENCOURAGEMENT OF PRIVATE CONTRACTING.

(a) IN GENERAL.—For the purpose of promoting local job creation and private sector investment in rural communities, the Secretary of Agriculture is encouraged, where appropriate and feasible, to use private enterprise concerns located in rural areas, rather than government employees or government enterprises, to provide commercial activities or products to carry out the purposes of this title.

(b) PLAN REQUIRED.—The Secretary shall develop and implement a plan that will result in increasing the use of contracts awarded to private firms by the Department of Agriculture, and maximizing the use of grant, loan, or other financial assistance made for the purpose of rural development to provide the goods and services purchased to carry out the purposes of this title.

SEC. 2395. PRESERVATION OF ELIGIBILITY.

Notwithstanding any other provision of law, this title shall not be construed to adversely affect the eligibility, as it existed on the date of enactment of this Act, of cooperatives and other entities for any other credit assistance under Federal law.

SEC. 2396. REGULATIONS.

Except as otherwise provided in this title, no later than 180 days after the date of the enactment of this Act, the Secretary shall promulgate such regulations as may be necessary to carry out this title and the amendments made by this title.

TITLE XXIV—GLOBAL CLIMATE CHANGE

SEC. 2401. SHORT TITLE.

This title may be cited as the "Global Climate Change Prevention Act of 1990".

SEC. 2402. GLOBAL CLIMATE CHANGE PROGRAM.

(a) ESTABLISHMENT.—For the purpose of having within the Department of Agriculture a focal point for coordinating all issues of climate change, the Secretary of Agriculture (hereafter in this title referred to as the "Secretary") shall establish a Global Climate Change Program (hereafter in this section referred to as the "Program"). The Secretary shall designate a director of the Program who shall be responsible to the Secretary for carrying out the duties specified in subsections (b) and (c).

(b) GENERAL DUTIES.—The Director shall—

(1) coordinate policy analysis, long range planning, research, and response strategies relating to climate change issues;

(2) provide liaison with other Federal agencies, through the Office of Science and Technology Policy, regarding issues of climate change;

(3) inform the Department of scientific developments and policy issues relating to the effects of climate change on agriculture and forestry, including broader issues that affect the impact of climate change on the farms and forests of the United States;

(4) recommend to the Secretary alternative courses of action with which to respond to such scientific developments and policy issues; and

(5) ensure that recognition of the potential for climate change is fully integrated into the research, planning, and decision-making processes of the Department.

(c) SPECIFIC RESPONSIBILITIES.—The Director shall—

(1) coordinate the global climate change studies required by section 2403;

(2) provide, through such other agencies as the Secretary determines appropriate, competitive grants for research in climatology relating to the potential impact of climate change on agriculture;

(3) coordinate the participation of the Department in interagency climate-related activities;

(4) consult with the National Academy of Sciences and private, academic, State, and local groups with respect to climate research and related activities;

(5) represent the Department to the Office of Science and Technology Policy and coordinate the activities of the Department in response to requirements of this title;

(6) represent the Department on the Intergovernmental Panel on Climate Change; and

(7) review all Department budget items relating to climate change issues, including specifically the research budget to be submitted by the Secretary to the Office of Science and Technology Policy and the Office of Management and Budget.

SEC. 2403. STUDY OF GLOBAL CLIMATE CHANGE, AGRICULTURE, AND FORESTRY.

(a) CROPS.—

(1) IN GENERAL.—The Secretary shall study the effects of global climate change on agriculture and forestry. The study shall, at a minimum address—

(A) the effects of simultaneous increases in temperature and carbon dioxide on crops of economic significance;

(B) the effects of more frequent or more severe weather events on such crops;

(C) the effects of potential changes in hydrologic regimes on current crop yields;

(D) the economic effects of widespread and increased drought frequency in the south, midwest, and plains States; and

(E) changes in pest problems due to higher temperatures.

(2) FURTHER STUDIES.—If the results of the study conducted under paragraph (1) warrant, the Secretary shall conduct further studies that address the means of mitigating the effects of global climate change on crops of economic significance that shall, at a minimum—

(A) identify whether climate change tolerance can be bred into these crops, the amount of time necessary for any such breeding, and the effects on the income of farmers;

(B) evaluate existing genetic resource and breeding programs for crops for their ability to develop new varieties that can tolerate potential climate changes; and

(C) assess the potential for the development of crop varieties that are tolerant to climate changes and other environmental stresses, such as drought, pests, and salinity.

(b) FORESTS.—The Secretary shall conduct a study on the emissions of methane, nitrous oxide, and hydrocarbons from tropical and temperate forests, the manner in which such emissions may affect global climate change; the manner in which global climate change may affect such emissions; and the manner in which such emissions may be reduced through management practices. The study shall, at a minimum—

(1) obtain measurements of nitrous oxide, methane, and nonmethane hydrocarbons from tropical and temperate forests;

(2) determine the manner in which the nitrous oxide, methane, and nonmethane hydrocarbon emissions from temperate and tropical forest systems will respond due to climate change; and

(3) identify and address alternative management strategies for temperate and tropical forests that may mitigate any negative effects of global climate change.

(c) REPORTS.—The Secretary shall submit reports of the studies conducted under subsections (a) and (b) within 3 and 6 years, respectively, after the date of enactment of this Act to the Committee on Agriculture and the Committee on Science, Space, and Technology of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate. In addition, interim reports regarding such studies shall be provided by the Secretary to such Committees annually, with recommendations for actions which may be taken to mitigate the negative effects of global climate change and to adapt to global climate changes and related phenomena.

SEC. 2404. TECHNICAL ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a technical advisory committee to provide advice to the Secretary concerning the major study areas required under this title.

(b) MEMBERS.—The committee established under subsection (a) shall be composed of such representatives of universities, professional societies, government laboratories, and agricultural, environmental and other organizations as the Secretary of Agriculture, in consultation with the Office of Science and Technology Policy and the Administrator of the Environmental Protection Agency, determines appropriate based on an assessment by the Secretary of qualifications required for service on such committee. Appointments to such committee shall be made not later than 90 days after the date of the enactment of this Act. Such committee shall have a chairperson who shall be elected by the members of the committee from among such members.

SEC. 2405. OFFICE OF INTERNATIONAL FORESTRY.

(a) ESTABLISHMENT.—The Secretary, acting through the Chief of the Forest Service, shall establish an Office of International Forestry within the Forest Service within six months after the date of enactment of this Act.

(b) DEPUTY CHIEF DESIGNATION.—The Chief shall appoint a Deputy Chief for International Forestry.

(c) DUTIES.—The Deputy Chief shall—

(1) be responsible for the international forestry activities of the Forest Service;

(2) coordinate the activities of the Forest Service in implementing the provisions of this title; and

(3) serve as Forest Service liaison to the director for the program established pursuant to section 2402.

SEC. 2406. LINE ITEM.

The President's proposed budget to Congress for the first fiscal year beginning after the date of enactment of this Act and for each subsequent fiscal year shall specifically identify funds to be spent on Forest Service international cooperation and assistance.

SEC. 2407. INSTITUTES OF TROPICAL FORESTRY.

The Secretary is authorized and directed to establish an Institute of Tropical Forestry in Puerto Rico and an Institute of Pacific Islands Forestry (hereafter in this section referred to as the "Institutes"). The Institutes shall conduct research on forest management and natural resources that shall include—

(1) management and development of tropical forests;

(2) the relationship between climate change and tropical forests;

(3) threatened and endangered species;

(4) recreation and tourism;

(5) development of tropical forest resources on a sustained yield basis;

(6) techniques to monitor the health and productivity of tropical forests;

(7) tropical forest regeneration and restoration; and

(8) the effects of tropical deforestation on biodiversity, global climate, wildlife, soils, and water.

SEC. 2408. THE FOREST AND RANGELAND RENEWABLE RESOURCES PLANNING ACT OF 1974.

(a) RENEWABLE RESOURCE ASSESSMENT.—Section 3(a) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(a)) is amended—

(1) in paragraph (3), by striking "and" at the end thereof;

(2) in paragraph (4), by striking the period and inserting "; and"; and

(3) by adding at the end thereof the following new paragraphs:

"(5) an analysis of the potential effects of global climate change on the condition of renewable resources on the forests and rangelands of the United States; and

"(6) an analysis of the rural and urban forestry opportunities to mitigate the build-up of atmospheric carbon dioxide and reduce the risk of global climate change,".

(b) RENEWABLE RESOURCE PROGRAM.—Section 4 of such Act (16 U.S.C. 1602) is amended in paragraph (5)—

(1) by striking "and" at the end of subparagraph (D);

(2) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(F) account for the effects of global climate change on forest and rangeland conditions, including potential effects on the geographic ranges of species, and on forest and rangeland products.".

SEC. 2409. URBAN FORESTRY DEMONSTRATION PROJECTS.

The Secretary is authorized to undertake, through the Forest Service's Northeastern Area State and Private Forestry program, a study and pilot implementation project to demonstrate the benefits of retaining and integrating forests in urban development. The focus of such a study and implementation project should be to protect the environment and associated natural resource values, for current and future generations.

SEC. 2410. BIOMASS ENERGY DEMONSTRATION PROJECTS.

The Secretary, in consultation with the Secretary of Energy, may carry out projects that demonstrate the potential of short-rotation silvicultural methods to produce wood for electricity production and industrial energy needs. In carrying out such projects, the Secretary shall cooperate with private industries, Federal and State agencies, and other organizations.

SEC. 2411. INTERAGENCY COOPERATION TO MAXIMIZE BIOMASS GROWTH.

The Secretary may enter into an agreement with the Secretary of Defense to—

(1) conduct a study of reforestation and improved management of Department of Defense military installations and lands; and

(2) develop a program to manage such forests and lands so as to maximize their potential for biomass growth and sequestering carbon dioxide.

SEC. 2412. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1991 through 1996, to carry out this title.

TITLE XXV—OTHER RELATED PROVISIONS

SEC. 2501. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

(a) OUTREACH AND ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs. This assistance should include information on application and bidding procedures, farm management, and other essential information to participate in agricultural programs.

(2) GRANTS AND CONTRACTS.—The Secretary may make grants and enter into contracts and other agreements in the furtherance of this section with the following entities—

(A) any community based organization that—

(i) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

(ii) provides documentary evidence of its past experience of working with socially disadvantaged farmers and ranchers during the two years preceding its application for assistance under this section; and

(iii) does not engage in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986; and

(B) 1890 Land-Grant Colleges including Tuskegee Institute, Indian tribal community colleges and Alaska native cooperative colleges, Hispanic serving post-secondary educational institutions, and other post-secondary educational institutions with demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged family farmers and ranchers in their region.

(3) FUNDING.—There are authorized to be appropriated $10,000,000 for each fiscal year to carry out this section.

(b) DESIGNATION OF FEDERAL PERSONNEL.—

(1) IN GENERAL.—The Secretary shall designate from existing Federal personnel resources in the county or region a qualified person who shall, in cooperation with the State cooperative extension services, implement the policies and programs established or modified in accordance with this section.

(2) ADDITIONAL PERSONNEL.—In counties or regions in which the number of socially disadvantaged farmers and ranchers exceeds 25 percent of the total number of farmers and ranchers in the county or region, the Secretary shall designate additional personnel to implement the policies and programs established or modified in accordance with this section.

(c) REPORT TO CONGRESS.—

(1) IN GENERAL.—Not later than September 30, 1992, and every two years thereafter, the Secretary shall report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, regarding—

(A) the efforts of the Secretary to enhance participation by members of socially disadvantaged groups in agricultural programs;

(B) the specific participation goals established for each agricultural program;

(C) the results achieved for each agricultural; and

(D) the progress of the Department towards meeting each of the purposes described in paragraph (2)(C).

(2) CONTENTS.—In addition to the information specified in paragraph (1), the report required by paragraph (1) shall include—

(A) a comparison of the participation goals and the actual participation rates of members of socially disadvantaged groups in each agricultural program;

(B) an analysis and explanation of the reasons for the success or failure of the Secretary to achieve the goals, and the overall purposes of this section;

(C) a listing, on a State-by-State and county-by-county basis, of—

(i) the amount of funds loaned to members of socially disadvantaged groups; and

(ii) the amount of funds used to guarantee loans to members of socially disadvantaged groups compared to the total amount of such guarantees;

(D) a breakdown in allocation of crop base in each program crop compared to the target participation rates established pursuant to sections 355(a)(1) and 355(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(a)(1)), on a State-by-State and county-by-county basis; and

(E) a review and analysis of participation by members of socially disadvantaged groups, compared to participation by all others, in agricultural programs, on a State-by-State and county-by-county basis, including a survey representative of all farmers and ranchers, including socially disadvantaged farmers and ranchers, to identify reasons for participation and nonparticipation in agricultural programs.

(d) AFFIRMATIVE ACTION, APPEALS, AND CONTRACTING REVIEW.—

(1) PURPOSE.—It is the purpose of this subsection to direct the Secretary to analyze within the Department of Agriculture the design and implementation of affirmative action programs and policies, the appeals process for complaints of discrimination, and contracting and purchasing practices employed by the Department.

(2) SCOPE.—The study shall include—

(A) an assessment of the successes and failures of these affirmative action programs and policies;

(B) a review of the reasons for the successes and failures described in subparagraph (A);

(C) a review of procurement, contracting, and purchasing policies of the Department, the level of participation of socially disadvantaged businesses in such activities, and the impact of those policies on the participation of members of socially disadvantaged groups in such contracting with the Department;

(D) a review of the reasons for participation or lack of participation of businesses owned by members of socially disadvantaged groups in the activities described in subparagraph (C); and

(E) a review of the appeals process for all complaints or allegations regarding acts, practices, or patterns of discrimination filed with the Department by individuals or any other entities that shall include—

(i) the number of complaints or allegations regarding acts, practices, or patterns of discrimination;

(ii) the manner in which the complaints were investigated and resolved by the Department; and

(iii) the longest, shortest, and average periods of time taken to investigate and resolve the complaints or allegations regarding acts, practices, or patterns of discrimination.

(3) REPORT.—Not later than 1 year after the date of enactment of this Act, the Secretary shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing the information described in paragraph (2).

(e) DEFINITIONS.—

(1) SOCIALLY DISADVANTAGED GROUP.—As used in this section, the term "socially disadvantaged group" means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

(2) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—As used in this section, the term "socially disadvantaged farmer or rancher" means a farmer or rancher who is a member of a socially disadvantaged group.

(3) AGRICULTURE PROGRAMS.—As used in this section, the term "agriculture programs" are those established or authorized by—

(A) the Agricultural Act of 1949;

(B) the Consolidated Farm and Rural Development Act;

(C) the Agricultural Adjustment Act of 1938;

(D) the Soil Conservation Act;

(E) the Domestic Allotment Assistance Act;

(F) the Food Security Act of 1985; and

(G) other such Acts as the Secretary deems appropriate.

(f) AMENDMENT TO CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.—Section 355 of the Consolidated Farm and Rural Development Act is amended—

(1) by striking out subsection (d);

(2) by redesignating subsection (c) as subsection (d);

(3) by inserting after subsection (b) the following new subsection:

"(c) OPERATING LOANS.—

"(1) ESTABLISHMENT.—The Secretary shall establish annual target participation rates, that shall ensure that socially disadvantaged farmers or ranchers will receive loans made or insured under subtitle B. In establishing such target rates, the Secretary shall consider the number of socially disadvantaged farmers and ranchers in a State in proportion to the total number of farmers and ranchers in that State.

"(2) RESERVATION AND ALLOCATION.—The Secretary shall, to the greatest extent practicable, reserve and allocate the proportion of each State's loan funds made available under subtitle B that is equal to that State's target participation rate for use by the socially disadvantaged farmers or ranchers in that State. The Secretary shall, to the extent practicable, distribute the total so derived on a county by county basis according to the number of socially disadvantaged farmers or ranchers in the county. Any funds reserved and allocated for purposes of this paragraph, but not used shall be reallocated within such State."; and

(4) by inserting after subsection (d) (as so redesignated) the following new subsection:

"(e) DEFINITIONS.—

"(1) SOCIALLY DISADVANTAGED GROUP.—As used in this section, the term 'socially disadvantaged group' means a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

"(2) SOCIALLY DISADVANTAGED FARMER OR RANCHER.—As used in this section, the term 'socially disadvantaged farmer or rancher" means a farmer or rancher who is a member of a socially disadvantaged group.";

(g) RESERVATIONS.—

(1) CONSOLIDATED SUBOFFICE.—The Secretary shall require the Agricultural Stabilization and Conservation Service, Soil Conservation Service, and Farmers Home Administration offices, and such other offices and functions the Secretary may choose to include, in each county that has a reservation within its borders, to establish a consolidated suboffice at the tribal headquarters of said reservation and to staff said suboffice as needed, using existing staff, but no less than one day a week or under such other arrangement agreed to by the tribe and the Department of Agriculture offices. The tribe shall be required to provide the necessary office space if it wishes to participate in this program.

(2) COOPERATIVE AGREEMENTS.—For those reservations that are located in more than one county, the Secretary, the relevant county offices and the tribe shall enter into a cooperative agreement to provide the services required by paragraph (1) that avoids duplication of effort.

SEC. 2502. NARROWING THE DEFENSE EXCEPTION TO THE FARMLAND PROTECTION POLICY ACT.

Section 1547(b) of the Farmland Protection Policy Act (7 U.S.C. 4208) is amended by inserting "during a national emergency" after "purposes".

SEC. 2503. PROTECTION OF PETS.

The Animal Welfare Act (7 U.S.C. 2131 et seq.) is amended—

(1) in section 16(c), (7 U.S.C. 2146) by inserting after "Act" the first place it appears the following: "and the regulations and standards promulgated under this Act"; and

(2) by adding at the end the following new sections:

"SEC. 28. PROTECTION OF PETS.

"(a) HOLDING PERIOD.—

"(1) REQUIREMENT.—In the case of each dog or cat acquired by an entity described in paragraph (2), such entity shall hold and care for such dog or cat for a period of not less than five days to enable such dog or cat to be recovered by its original owner or adopted by other individuals before such entity sells such dog or cat to a dealer.

"(2) ENTITIES DESCRIBED.—An entity subject to paragraph (1) is—

"(A) each State, county, or city owned and operated pound or shelter;

"(B) each private entity established for the purpose of caring for animals, such as a humane society, or other organization that is under contract with a State, county, or city that operates as a pound or shelter and that releases animals on a voluntary basis; and

"(C) each research facility licensed by the Department of Agriculture.

"(b) CERTIFICATION.—

"(1) IN GENERAL.—A dealer may not sell, provide, or make available to any individual or entity a random source dog or cat unless such dealer provides the recipient with a valid certification that meets the requirements of paragraph (2) and indicates compliance with subsection (a).

"(2) REQUIREMENTS.—A valid certification shall contain—

"(A) the name, address, and Department of Agriculture license or registration number (if such number exists) of the dealer;

"(B) the name, address, Department of Agriculture license or registration number (if such number exists), and the signature of the recipient of the dog or cat;

"(C) a description of the dog or cat being provided that shall include—

"(i) the species and breed or type of such;

"(ii) the sex of such;

"(iii) the date of birth (if known) of such;

"(iv) the color and any distinctive marking of such; and

"(v) any other information that the Secretary by regulation shall determine to be appropriate;

"(D) the name and address of the person, pound, or shelter from which the dog or cat was purchased or otherwise acquired by the dealer, and an assurance that such person, pound, or shelter was notified that such dog or cat may be used for research or educational purposes;

"(E) the date of the purchase or acquisition referred to in subparagraph (D);

"(F) a statement by the pound or shelter (if the dealer acquired the dog or cat from such) that it satisfied the requirements of subsection (b); and

"(G) any other information that the Secretary of Agriculture by regulation shall determine appropriate.

"(3) RECORDS.—The original certification required under paragraph (1) shall accompany the shipment of a dog or cat to be sold, provided, or otherwise made available by the dealer, and shall be kept and maintained by the research facility for a period of at least one year for enforcement purposes. The dealer shall retain one copy of the certification provided under this paragraph for a period of at least one year for enforcement purposes.

"(4) TRANSFERS.—In instances where one research facility transfers animals to another research facility a copy of the certificate must accompany such transfer.

"(5) MODIFICATION.—Certification requirements may be modified to reflect technological advances in identification techniques, such as microchip technology, if the Secretary determines that adequate information such as described in this section, will be collected, transferred, and maintained through such technology.

"(c) ENFORCEMENT.—

"(1) IN GENERAL.—Dealers who fail to act according to the requirements of this section or who include false information in the certification required under subsection (b), shall be subject to the penalties provided for under section 19.

"(2) SUBSEQUENT VIOLATIONS.—Any dealer who violates this section more than one time shall be subject to a fine of $5,000 per dog or cat acquired or sold in violation of this section.

"(3) PERMANENT REVOCATIONS.—Any dealer who violates this section three or more times shall have such dealers license permanently revoked.

"(d) REGULATION.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

"SEC. 29. AUTHORITY TO APPLY FOR INJUNCTIONS.

"(a) REQUEST.—Whenever the Secretary has reason to believe that any dealer, carrier, exhibitor, or intermediate handler is dealing in stolen animals, or is placing the health of any animal in serious danger in violation of this Act or the regulations or standards promulgated thereunder, the Secretary shall notify the Attorney General, who may apply to the United States district court in which such dealer, carrier, exhibitor, or intermediate handler resides or conducts business for a temporary restraining order or injunction to prevent any such person from operating in violation of this Act or the regulations and standards prescribed under this Act.

"(b) ISSUANCE.—The court shall, upon a proper showing, issue a temporary restraining order or injunction under subsection (a) without bond. Such injunction or order shall remain in effect until a complaint pursuant to section 19 is issued and dismissed by the Secretary or until an order to cease and desist made thereon by the Secretary has become final and effective or is set aside on appellate review. Attorneys of the Department of Agriculture may, with the approval of the Attorney General, appear in the United States district court representing the Secretary in any action brought under this section.".

SEC. 2504. CONTROL AND ERADICATION OF PLANT PESTS.

Section 102(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 147a(b)) is amended—

(1) by striking "all countries of the Western Hemisphere" and inserting "foreign countries"; and

(2) by inserting "foreign or" before "international".

SEC. 2505. COOPERATION IN ANIMAL DISEASE CONTROL.

Section 1 of chapter 8, of the Act of February 28, 1947 (21 U.S.C. 114b) is amended—

(1) by striking "Mexico, Guatemala, El Salvador, Costa Rica, Honduras, Nicaragua, Belize, Panama, Colombia, and Canada, the Bahama Islands, the Greater Antilles, and the Lesser Antilles" and inserting "foreign countries"; and

(2) by inserting "foreign or" before "international".

SEC. 2506. PSEUDORABIES ERADICATION.

(a) FINDINGS.—Congress finds that efforts to eradicate pseudorabies in United States swine populations by the Department of Agriculture in cooperation with State agencies and the pork industry have a high priority and should be continued until pseudorabies is completely eradicated in the United States.

(b) ESTABLISHMENT OF PROGRAM.—The Secretary of Agriculture shall establish and carry out a program for the eradication of pseudorabies in United States swine populations.

(c) USE OF FUNDS FOR TESTING AND CONTROL OF PSEUDORABIES.—The Secretary shall ensure that not less than 65 percent of the funds appropriated for the program established under subsection (b) shall be used for testing and screening of animals and for other purposes directly related to the eradication or control of pseudorabies. This requirement on the use of appropriated funds for this program shall not be implemented in a manner that would adversely affect any other animal or plant disease or pest eradication or control program.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of the fiscal years 1991 through 1995 such sums as may be necessary for the purpose of carrying out the program established under subsection (b).

SEC. 2507. REGULATION GOVERNING INSPECTION OF IMPORTED POULTRY.

(a) FINDINGS.—Congress finds that—

(1) in 1985 the Poultry Products Inspection Act, an Act to maintain the integrity and wholesomeness of this Nation's food supply, was amended by the Food Security Act of 1985;

(2) the 1985 amendment provided that poultry products offered for importation into the United States shall be subject to the same inspection, sanitary, quality, species verification, and residue standards applied to products produced in the United States and that such products shall have been processed in facilities and under conditions that are the same as those under which similar products are processed in the United States; and

(3) on October 30, 1989, the Secretary of Agriculture, through the Food Safety and Inspection Service, the agency in the Department of Agriculture charged with the responsibility of administering the provisions of the Poultry Products Inspection Act, promulgated a regulation implementing the 1985 amendment to that Act providing that a foreign inspection system seeking certification for export of poultry to the United States merely impose requirements at least equal to those applicable in the United States.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) the regulation promulgated by the Secretary of Agriculture, through the Food Safety and Inspection Service, with respect to poultry products offered for importation into the United States does not reflect the intention of the Congress; and

(2) to urge the Secretary, through the Food Safety and Inspection Service of the Department of Agriculture, to repeal the October 30, 1989, regulation and promulgate a new regulation reflecting the intention of the Congress.

SEC. 2508. ADDITIONAL INSPECTION SERVICES.

The Secretary of Agriculture, in carrying out regulations prohibiting or restricting the entry of materials that may harbor pests, or diseases, is authorized to enter into agreements with operators or owners of vessels or aircraft for the purpose of providing inspection services at points of entry in the United States in addition to the regular or on-call basis currently available in connection with such vessels or aircraft. Any such agreement shall provide for the payment by the operator or owner of an amount determined by the Secretary to be necessary to defray the costs of providing additional service pursuant to such agreement.

SEC. 2509. COLLECTION OF FEES FOR INSPECTION SERVICES.

(a) QUARANTINE, INSPECTION AND TRANSPORTATION FEES.—

(1) QUARANTINE AND INSPECTION.—The Secretary of Agriculture (hereafter referred to in this section as the "Secretary") may prescribe and collect fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a port in the customs territory of the United States, or the preclearance or preinspection at a site outside the customs territory of the United States, of a commercial vessel, commercial aircraft, commercial truck, or railroad car,

(2) TREASURY.—Any person who collects a fee under this subsection shall remit such fee to the Treasury of the United States prior to the date that is 31 days after the close of the calendar quarter in which such fee is collected.

(3) AGRICULTURAL QUARANTINE INSPECTION USER FEE ACCOUNT.—

(A) ESTABLISHMENT.—There is established in the Treasury of the United States a no-year fund, to be known as the "Agricultural Quarantine Inspection User Fee Account" (hereafter referred to in this section as the "Account"), for the use of the Secretary for quarantine or inspection services under this section.

(B) AMOUNTS IN ACCOUNT.—

(i) DEPOSITS.—All of the fees collected under this subsection shall be deposited in the Account.

(ii) REIMBURSEMENT.—The Secretary of Treasury shall use the Account to provide reimbursements to any appropriations accounts that incur the costs associated with the services authorized in paragraph (1).

(iii) PROCEDURE.—The Secretary of the Treasury shall make reimbursement under clause (ii) on a quarterly basis. Amounts required to be reimbursed under clause (ii), shall be made on the basis of estimates made by the Secretary of the expenses described in clause (ii) that are incurred by the Secretary in the 3-month period immediately preceding such reimbursement.

(iv) ADJUSTMENTS.—Adjustments of reimbursements made under clause (ii) shall be made to the extent necessary to correct prior estimates that were in excess of, or less than, the amount required to be reimbursed under clause (iii).

(4) ADJUSTMENT IN FEE AMOUNTS.—The Secretary shall adjust the amount of the fees to be assessed under this subsection to reflect the cost to the Secretary in administering such subsection, in carrying out the activities at

ports in customs territory of the United States and preclearance and preinspection sites outside the customs territory of the United States in connection with the provision of agricultural quarantine inspection services, and in maintaining a reasonable balance in the Account.

(b) PLANT INSPECTION.—Subsection (f) of section 102 of the Act of September 21, 1944 (7 U.S.C. 147a(f)), is amended to read as follows:

"(f)(1) Notwithstanding paragraph (2), there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section. Unless otherwise specifically authorized or provided for in appropriations Acts, no part of such sums shall be used to pay the cost or value of property injured or destroyed.

"(2) The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of providing for the inspection of plants and plant products offered for export or transiting the United States and certifying to shippers and interested parties as to the freedom of such plants and plant products from plant pests according to the phytosanitary requirements of the foreign countries to which such plants and plant products may be exported, or to the freedom from exposure to plant pests while in transit through the United States. Any person for whom such an activity is performed shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary of Agriculture shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation. The Secretary of Agriculture shall have a lien for the fees, any late payment penalty, and any accrued interest assessed against the plant or plant product for which services have been provided. In the case of any person who fails to make payment when due, the Secretary of Agriculture shall also have a lien against any plant or plant product thereafter attempted to be exported by such person. The Secretary of Agriculture may, in case of nonpayment of the fees, late payment penalty, or accrued interest, after giving reasonable notice of default to the person liable for payment of such assessments, sell at public sale after reasonable public notice, or otherwise dispose of, any such plant or plant product upon which the Secretary of Agriculture has a lien pursuant to this section. If the sale proceeds exceed the fees due, any late payment penalty assessed, any accrued interest and the expenses of the sale, the excess shall be paid, in accordance with regulations of the Secretary of Agriculture, to the owner of the plant or plant product sold upon the owner making application therefore with proof of ownership, within six months after such sale, and otherwise the excess shall be credited to accounts that incur the costs and shall remain available until expended. The Secretary of Agriculture shall, pursuant to regulations as prescribed by the Secretary of Agriculture, suspend performance of services to persons who have failed to pay such fees, late payment penalty and accrued interest.".

(c) ANIMAL INSPECTION AND VETERINARY DIAGNOSTICS.—

(1) ANIMAL INSPECTION.—The Secretary may prescribe and collect fees to reimburse the Secretary for the cost of carrying out the provisions of the Federal Animal Quarantine Laws that relate to the importation, entry, and exportation of animals, articles, or means of conveyance.

(2) VETERINARY DIAGNOSTICS.—Section 11 of the Act of May 29, 1884 (58 Stat. 734, as amended, 21 U.S.C. 114a), is amended by inserting immediately following the first sentence: "The Secretary of Agriculture is authorized to prescribe and collect fees to recover the costs of carrying out the provisions of this section which relate to veterinary diagnostics.".

(3) FEES.—All fees collected pursuant to this subsection and any late payment penalties or accrued interest collected pursuant to this subsection shall be credited to the accounts that incur the cost and shall remain available until expended without fiscal year limitation.

(4) LIABILITY.—Any person for whom an activity related to the importation, entry, or exportation of an animal, article, or means of conveyance or relating to veterinary diagnostics, is performed pursuant to the section, shall be liable for payment of fees assessed. Upon failure to pay such fees when due, the Secretary shall assess a late payment penalty, and such overdue fees shall accrue interest, as required by section 3717 of title 31, United States Code. All fees, late payment penalties, and accrued interest collected shall be credited to such accounts that incur the costs and shall remain available until expended without fiscal year limitation.

(5) LIENS.—

(A) IN GENERAL.—The Secretary shall have a lien against the animal, article, means of conveyance, or facility for which services have been provided under this section for the fees, any late payment penalty, and any accrued interest assessed under this subsection.

(B) OTHER ANIMALS, ETC.—In the case of any person who fails to make payment when due under this subsection, the Secretary shall have a lien against any animal, article, or means of conveyance thereafter imported, moved in interstate commerce, or attempted to be exported by the person after the date of such failure until the date on which such owner or operator make full payment to the Secretary under this subsection.

(C) SALES OF ANIMALS, ETC.—

(i) AUTHORITY.—The Secretary may, if a person does not pay fees, late payment penalties, or accrued interest on such, after providing reasonable notice of default to such person, sell at public sale after reasonable public notice, or otherwise dispose of, any such animal, article, means of conveyance or facility on which the Secretary has a lien under this paragraph.

(ii) EXCESS PROCEEDS.—If the sale proceeds under clause (i) exceed the fees due, any late payment penalty assessed, any accrued interest on such, and the expenses associated with the sale, such excess shall be paid to the owner of the animal, article, means of conveyance, or facility if such owner submits an application for such excess together with proof of ownership not later than 6 months after the date of such sale. If no such application is made, such excess shall be credited to accounts that incur the costs associated with the fees collected and shall remain available until expended, without fiscal year limitation. The Secretary shall suspend performance of services to persons who have failed to pay fees, late payment penalty, or accrued interest under this section.

(d) REGULATIONS.—The Secretary may prescribe such regulations as the Secretary determines necessary to carry out the provisions of this section.

(e) RECOVERY OF AMOUNTS OWED.—An action may be brought for the recovery of fees, late payment penalties, and accrued interest which have not been paid in accordance with this section against any person obligated for payment of such assessments under this section in any United States district court or other United States court for any territory or possession in any jurisdiction in which such person is found or resides or transacts business, and such court shall have jurisdiction to hear and decide such action.

(f) DEFINITIONS.—

(1) ANIMAL QUARANTINE LAWS.—For purposes of this section, the term "animal quarantine laws" means—

(A) section 306 of the Tariff Act of 1930 (19 U.S.C. 1306);

(B) sections 6 through 10 of the Act of August 30, 1890 (26 Stat. 416, chapter 839; 21 U.S.C. 101–105);

(C) section 2 of the Act of February 2, 1903 (32 Stat. 792, chapter 349; 21 U.S.C. 111);

(D) the Act of May 29, 1884 (23 Stat. 32, chapter 60; 21 U.S.C. 112 to 114a–1, 115, 117–119, and 130) (commonly known as the "Animal Industry Act");

(E) the Act of February 28, 1947 (61 Stat. 7, chapter 8; 21 U.S.C. 114b, 114c, and 114d–1);

(F) the Act of June 16, 1948 (62 Stat. 458, chapter 477; 21 U.S.C. 114e and 114f);

(G) Public Law 87–209 (21 U.S.C. 114g and 114h);

(H) the Act of May 31, 1920 (41 Stat. 699, chapter 217; 21 U.S.C. 116);

(I) the Act of February 2, 1903 (32 Stat. 791, chapter 349; 21 U.S.C. 112 and 120–122) (commonly known as the "Cattle Contagious Diseases Act of 1903");

(J) the Act of March 3, 1905 (33 Stat. 1264, chapter 1496; 21 U.S.C. 123–127) (commonly known as the "Cattle Contagious Diseases Act of 1905");

(K) the matter under the heading "Bureau of Animal Industry" of the Act of June 30, 1914 (38 Stat. 419, chapter 131; 21 U.S.C. 128);

(L) section 101 of Public Law 92–73 (21 U.S.C. 129);

(M) the matter under the heading "Miscellaneous" of the Act of May 26, 1910 (36 Stat. 440, chapter 256; 21 U.S.C. 131);

(N) sections 1 through 6 and 11 through 13 of Public Law 87–518 (21 U.S.C. 134–134h); or

(O) any other Act administered by the Secretary relating to plant or animal diseases or pests, other than the first section of Public Law 91–239 (21 U.S.C. 135).

(2) CUSTOMS TERRITORY.—For the purposes of subsection (a), the term "customs territory of the United States" means the 50 States, the District of Columbia, and Puerto Rico.

(3) PERSON.—For the purposes of this section, the term "person" means an individual, corporation, partnership, trust, association, or any other public or private entity, or any officer, employee, or agent thereof.

(4) UNITED STATES.—For the purposes of subsection (b), the term "United States" means the several States of the United States, the District of Columbia, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, and all other territories and possessions of the United States.

(5) VESSEL.—For the purposes of subsection (a), the term "vessel" does not include any ferry.

SEC. 2510. USER FEES FOR REPORTS, PUBLICATIONS, AND SOFTWARE.

Section 1121 of the Agriculture and Food Act of 1981 (7 U.S.C. 2242a) is amended by adding at the end the following new subsection:

"(d) INVESTMENT.—Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of Agriculture in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in United States Government debt instruments. Fees and charges, including late payment penalties and interest earned from the investment of such funds shall be credited to such account.".

SEC. 2511. TOBACCO ADJUSTMENT ACT OF 1983.

Section 213(d) of the Tobacco Adjustment Act of 1983 (7 U.S.C. 511r) is amended by adding at the end the following new sentences: "Any fees collected, late payment penalties, and interest earned shall be credited to the account referred to in this section and may be invested by the Secretary of Agriculture in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in United States Government debt instruments. Fees and charges, including late payment penalties, and interest earned from the investment of such funds shall be credited to the account referred to in this section.".

SEC. 2512. COSTS OF PRODUCTION.

(a) IMPROVING THE ACCURACY OF COMMODITY PROGRAM BUDGET FORECASTS.—Congress finds that, to improve the accuracy of commodity program benefit forecasts, the Secretary of Agriculture should designate a single organization to manage its commodity program forecasting and establish a quality control program to—

(1) systematically identify the source of forecasting errors;

(2) maintain records of data used for supply and demand forecasts;

(3) document its forecasting methods; and

(4) correct weaknesses in its various forecasting components.

(b) RETURN ON ASSETS.—The Secretary of Agriculture shall annually publish a report analyzing the return on assets resulting from the production of upland cotton, rice, wheat, corn, oats, barley, grain sorghum, soybeans, peanuts, sugar from sugar beets, and raw sugar from sugar cane. In conducting this analysis, the Secretary shall consider returns from agricultural price support programs, the effects of agricultural price support programs on cost of production, the factors currently used in Department of Agriculture cost of production data, current value of land, and any other information that he considers necessary to reflect accurately return on the production of such crops.

SEC. 2513. FARM VALUE OF AGRICULTURAL PRODUCTS.

(a) IN GENERAL.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall develop a system for informing the ultimate consumer of the approximate amount of money (in terms of United States currency) paid the agricultural producer for each primary commodity, contained in retail products. For the purposes of this subsection, the term "primary commodity" means any of 135 United States agricultural commodities the Secretary determines are of dietary significance (including all of the commodities for which Federal agricultural programs exist under the Agricultural Act of 1949).

(b) ANNUAL REPORT BY SECRETARY.—The Secretary shall annually submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, by type of commodity or product, a report containing the information required to be made available to the consumer under subsection (a). In developing such report, the Secretary may seek assistance from such persons as the Secretary deems appropriate.

SEC. 2514. COMMODITY REPORTS.

(a) CROP REPORTS.—The Secretary of Agriculture (hereafter in this section referred to as the "Secretary") shall gather data from producers to be used to develop crop reports to be distributed by the Secretary during the growing season. The report shall contain statements of the conditions of those crops by State, with such explanations, comparisons, and information as may be useful for illustrating such reports.

(b) SPECIAL REPORTS.—

(1) IN GENERAL.—In addition to the reports compiled pursuant to subsection (a), the Secretary shall annually survey producers for information for reports regarding supply, acreage, production, disposition, and prices for the following commodities as determined by the Secretary:

(A) 25 fresh market vegetables;

(B) 3 processing vegetables;

(C) 6 fruits and nuts;

(D) 17 forage and turf seeds;

(E) 50 vegetable seeds; and

(F) maple syrup.

(2) ADMINISTRATIVE.—The Secretary shall annually prepare a report containing results of the surveys described in paragraph (1) in such States as determined by the Secretary. Such reports shall be submitted to and officially approved by the Secretary of Agriculture before being issued or published.

(c) TREE INVENTORIES.—The Secretary shall survey producers for information for reports regarding fruit and nut tree inventories. Such surveys and reports shall be conducted, printed, and distributed on a regular basis every 3 to 5 years as determined by the Secretary. Reports shall be submitted to and officially approved by the Secretary before being issued or published.

(d) CONFORMING AMENDMENTS.—The proviso under the heading "Bureau of Crop Estimates" in the Act of March 4, 1917 (ch. 179; 39 Stat. 1157) and the first proviso under the heading of the "Bureau of Statistics" in the Act of March 4, 1909 (ch. 301; 35 Stat. 1053) (7 U.S.C. 411a) are repealed.

(e) AUTHORIZATION.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 2515. SCARCE FEDERAL RESOURCES.

Notwithstanding any other provision of this Act, to conserve scarce Federal resources, the Secretary of Agriculture may after concurrence with the Chairman and Ranking Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Chairman and Ranking Member of the Committee on Agriculture of the House of Representatives, rank by priority the studies or reports authorized by this Act and determine which of those studies or reports shall be completed. The Secretary shall complete at least 12 such studies or reports.

SEC. 2516. RECORDKEEPING IMPROVEMENT.

(a) SHORT TITLE.—This section may be cited as the "Agricultural Program Reporting and Recordkeeping Improvement Act of 1990".

(b) GOAL.—To the extent practicable, it shall be the goal of this section to bring about, within 3 years following the date of enactment of this Act, a substantial reduction in the volume of documentation, and in the amount of time devoted and the number of visits to Department of Agriculture offices, that are necessary to complete paperwork required of the typical producer participating in programs administered by the Secretary of Agriculture.

(c) REPORTED.—Not later than 240 days after the date of enactment of this Act, the Secretary of Agriculture (hereafter referred to in this section as the "Secretary") shall prepare and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report containing specific proposals for reducing and simplifying the recordkeeping and other paperwork required of agricultural producers and cooperatives (hereinafter referred to in this section as "producers") who apply for participation in, or in complying with the requirements of—

(1) agricultural price and income support programs administered by the Secretary, including programs under the Agricultural Act of 1949 (7 U.S.C. 1421, et seq.);

(2) voluntary or mandatory soil or water conservation programs administered by the Secretary, including programs under the Food Security Act of 1985 (7 U.S.C. 1281, note, et seq.); and

(3) any other related programs administered by the Secretary, including programs under the Consolidated Farm and Rural Development Act (7 U.S.C. 1981, et. seq.) and programs of crop insurance under the Federal Crop Insurance Corporation.

(d) CONTENTS OF REPORT.—

(1) IN GENERAL.—In the report required by subsection (c), the Secretary shall set forth the results of a thorough examination of the feasibility of reducing current levels of paperwork and recordkeeping required of producers by providing such producers with access to a computerized departmental network or system (including the utilization of computer capability and equipment which has been or will be acquired by the Department of Agriculture) that could be used by producers to—

(A) communicate by voice, data, video, or a combination thereof for the purpose of submitting electronically all of, or a significant portion of, any necessary and appropriate applications, reports, or other documentation; and

(B) provide updated electronic information and data pertinent to the producer's agricultural operation and marketing activities, or information sharing by means of video conferencing.

For the purpose of preparing the report required by this subsection, the Secretary is authorized to retain the consulting service of at least one private sector business firm having experience and possessing technical expertise in the fields of wide area computer network design, function, installation, and maintenance, integrated video conferencing, and data base management systems.

(2) SCHEDULE OF FEES.—In determining the feasibility and costs of providing a computerized network or system as described in paragraph (1), the Secretary may recommend a schedule of nominal fees which could be charged to producers and others for a pro rata share of a portion of the costs associated with the producers' access to and use of such system. Such fees would partially

or entirely defray the costs (after taking into consideration any ongoing savings to the Department of Agriculture) associated with the operation and maintenance and future expansion of such portion of the network or system and its capabilities, but shall not be applied in a manner that would include any reimbursement for existing equipment and capabilities or for the costs associated with the initial establishment of the network or system. The report should also contain recommendations outlining additional categories of users who might be permitted access to the network or system for a fee, and the types of safeguards which would be reasonably necessary to limit file access as may be necessitated in accordance with provisions of the Privacy Act of 1974 (5 U.S.C. 552a) and other relevant authorities governing the disclosure of individual or proprietary information.

(e) RECOMMENDATIONS OF NATIONAL COMMISSION.—

(1) GENERALLY.—To the maximum extent practicable, in preparing the report required by subsection (c), the Secretary shall take into consideration and incorporate the recommendations of the commission created by title V, section 501 of the Farm Credit Amendments Act of 1985 as contained in the Report of the National Commission on Agricultural Finance, dated February 22, 1989, to the extent that such recommendations relate to the need to develop a universal loan application form and uniform accounting standards for farm businesses. In considering such recommendations, the Secretary shall attempt to design and adopt forms and standards that are as brief and succinct as possible, and shall consult with representatives of the Farm Credit System, the commercial banking system, and other significant providers of farm ownership and operating credit.

(2) PAPERWORK REDUCTION.—In order to increase the efficiency of agricultural programs administered by the Secretary and to reduce the burden of paperwork on participants in such programs, the Secretary shall design and adopt, to the maximum extent practicable, one brief application form to be used by applicants for participation in the agricultural programs administered by the Secretary, including, the programs described in subsection (c). The report required by subsection (c) shall include information with regard to the progress made by the Department toward compliance with this subsection, and shall also identify any statutory impediments to the use of such single brief form.

(f) INTEGRATION OF DATA BASES.—Notwithstanding any other provisions of this section, the Secretary of Agriculture shall take appropriate action to integrate the various data bases of the Department of Agriculture relating to agricultural program data, and shall facilitate the sharing of relevant data among the various agencies of the Department of Agriculture.

SEC. 2517. STUDY OF THE TRANSPORTATION OF FERTILIZER AND AGRICULTURAL CHEMICALS TO FARMERS.

(a) STUDY.—The Secretary of Agriculture shall conduct a study regarding the transportation of fertilizer, agricultural pesticides, and agricultural use hazardous materials such as fuel to the farm. Such study shall include a review and analysis of—

(1) the transportation of fertilizer, fuels (such as liquid propane gas, diesel, gasoline heating oil, methane, and others), and agricultural pesticides to farms by farmers, hired farm labor, and agribusiness, including—

(A) safety practices used, the type of the equipment used, roads traveled, and employees engaged in such transportation; and

(B) any significant distinctions between transportation by retail dealers and transportation by farmers;

(2) Federal and State requirements imposed on the transportation of fertilizer, fuels, and agricultural pesticides by farmers, hired farm labor, and agribusiness retail dealers to farms (and exemptions, exclusions or waivers authorized under such requirements), including—

(A) commercial driver's license requirements;

(B) driver qualification requirements;

(C) alcohol and drug testing requirements; and

(D) worker safety requirements;

(3) the compliance by farmers and retail dealers and their employees with such Federal and State requirements and the costs associated with compliance;

(4) the safety history associated with the transport of fertilizers, fuel, and pesticides by farmers and retail dealers and their employees; and

(5) the impact on rural communities, employment, and the cost and availability of fertilizer, fuel, and agricultural pesticides associated with complying with such Federal and State requirements.

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Secretary of Agriculture shall publish a report of such study and analyses (including comments on the adequacy of existing Federal and State requirements or exemptions) and submit the report to the appropriate committees of Congress.

(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of fulfilling the study, analyses, and reporting requirements under this section, there is authorized to be appropriated not more than $75,000.

SEC. 2518. ESTABLISHING QUALITY AS A GOAL FOR COMMODITY CREDIT CORPORATION PROGRAMS.

In carrying out its activities the Commodity Credit Corporation shall, to the extent practicable, provide for program provisions that promote quality in the production and marketing of crops and livestock in the United States.

SEC. 2519. SEVERABILITY.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act which can be given effect without regard to the invalid provision or application, and to this end the provisions of this Act are severable.

And the House agree to the same.

E DE LA GARZA,
GEORGE E. BROWN, Jr,
CHARLIE ROSE,
GLENN ENGLISH,
JERRY HUCKABY,
DAN GLICKMAN,
CHARLIE STENHOLM,
HAROLD L. VOLKMER,
CHARLES HATCHER,
LEON E. PANETTA,

Mr. Panetta for subtitle G of title XII, title XIV (except sec. 1414 and subtitles C and D), and title XVII of the House amendment, and title XVII (except sec. 1730), subtitle I of title XIX, sec. 1973, subtitle G of title XXI, and title XXIV of the Senate bill,

RICHARD STALLINGS,

Mr. Stallings in lieu of Mr. Panetta for titles II, XXVIII, and XXIX of the House amendment and title IX, title XIII (except sec. 1303), and subtitle B of title XX of the Senate bill,

JIM OLIN,

Mr. Olin in lieu of Mr. Panetta, for title IV, title XIII (except for subtitle H), subtitle D of title XIV, and sec. 1843 of the House amendment and title I, sec. 1283, title XIV (except sec. 1496), and title XVI of the Senate bill,

TIM JOHNSON,

Mr. Johnson of South Dakota in lieu of Mr. Panetta for title V (except sec. 502) and subtitle A of title VI of the House amendment and title II and subtitle C of title X of the Senate bill,

JILL L. LONG,

Ms. Long in lieu of Mr. Panetta for title X, title XI (except sec. 1109), and subtitle A of title VII of the House amendment, and for title IV, title VIII, title X (except subtitle C), sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949),

ROY DYSON,

Mr. Dyson in lieu of Mr. Panetta for sec. 502, subtitle B of title VI, subtitle B of title VII, sec. 1414, subtitle C of title XIV, and sec. 1841 of the House amendment, and title XXI (except subtitle G) and sec. 1730 of the Senate bill,

H. MARTIN LANCASTER,

Mr. Lancaster in lieu of Mr. Panetta for title VIII of the House amendment and title VII of the Senate bill,

JIM JONTZ,

Mr. Jontz in lieu of Mr. Panetta for subtitle A of title XVIII, and sec. 1508 of the House amendment, and subtitle B of title XIX and title XVIII of the Senate bill,

GARY CONDIT,

Mr. Condit in lieu of Mr. Panetta for sec. 1109, title XII (except subtitle G), and sec. 1833 of the House amendment and title XI (except subtitle E), sec. 1551, and title XXIII of the Senate bill,

CLAUDE HARRIS,

Mr. Harris in lieu of Mr. Panetta for title XV (except for sec. 1508) and title XXVII of the House amendment and title XV (except sec. 1551) of the Senate bill,

MIKE ESPY,

Mr. Espy in lieu of Mr. Panetta for title III of the House amendment, and title VI (except new sec. 101A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 601), and subtitle K of title XIX of the Senate bill,

BILL SARPALIUS,

Mr. Sarpalius in lieu of Mr. Panetta for titles I, IX, and XXX of the House amendment and title III (except new sec. 107A(e)(4)(E) of the Agricultural Act of 1949, as added by sec. 301), title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501), and subtitle E of title XI of the Senate bill,

TIMOTHY J. PENNY,

Mr. Penny in lieu of Mr. Panetta for title XVI, sec. 1844, and subtitle H of title XIII of the House amendment, and title XII (except sec. 1283), sec. 1303, and subtitle A of title XIX of the Senate bill,

ROBIN TALLON,

Mr. Tallon in lieu of Mr. Panetta for titles XIX, XXII, XXIII, XXIV, and XXVI, and sec. 1857 of the House amendment, and title XX (except subtitles A, B, and F), and title XXII of the Senate bill,

HARLEY O. STAGGERS, Jr.,

Mr. Staggers in lieu of Mr. Panetta for title XVIII (except subtitle A, secs. 1833, 1841, 1843, 1844, and 1857), title XX, and title XXI of the House amendment and sec. 1496, subtitles H and J (except sec. 1973) of title XIX, and subtitles A and F of title XX of the Senate bill,

BOB WISE,

Mr. Wise in lieu of Mr. Panetta for title XXV of the House amendment,

EDWARD R. MADIGAN,
TOM COLEMAN,
RON MARLENEE,
ARLAN STANGELAND,
LARRY J. HOPKINS,
PAT ROBERTS,
BILL EMERSON,

Mr. Emerson in lieu of Mr. Marlenee on sec. 502, title XIV, title XVII and sec. 1841 in lieu of Mr. Hopkins for subtitle B of title VII and subtitle B of title VI of the House amendment and subtitles A and B of title XVII, sec. 1730, subtitle I of title XIX, sec. 1973, subtitle G of title XXI and title XXIV of the Senate bill,

SID MORRISON,

Mr. Morrison in lieu of Mr. Hopkins on titles XV and XXVII of the House amendment and title XV (except sec. 1551) and subtitle B of title XIX of the Senate bill,

STEVE GUNDERSON,

Mr. Gunderson in lieu of Mr. Marlenee on titles IV, V (except sec. 502), title VI (except subtitle B) of the House amendment and titles I and II and subtitle C of title X of the Senate bill,

R.F. SMITH,

Mr. Smith of Oregon in lieu of Mr. Hopkins on title IX and title XI (except sec. 1109) of the House amendment and title III, title X (except subtitle C) and sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

TOM LEWIS,

Mr. Lewis in lieu of Mr. Marlenee on title II of the House amendment and title IX of the Senate bill,

LARRY COMBEST,

Mr. Combest in lieu of Mr. Marlenee on title I of the House amendment and title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501) of the Senate bill,

BILL SCHUETTE,

Mr. Schuette in lieu of Mr. Hopkins on subtitle A of title XVIII of the House amendment and title XVII of the Senate bill,

FRED GRANDY,

Mr. Grandy in lieu of Mr. Hopkins on title X and in lieu of Mr. Marlenee on titles XVI and XXIX and sec. 1857 of the House amendment and title IV, title XII and title XIII of the Senate bill,

WALLY HERGER,

Mr. Herger in lieu of Mr. Marlenee on sec. 1109 and title XII except for subtitle G of the House amendment and title XI (except subtitle E), title XIII and sec. 1551 of the Senate bill,

CLYDE C. HOLLOWAY,

Mr. Holloway in lieu of Mr. Hopkins on title III of the House amendment and title VI except sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

JAMES T. WALSH,

Mr. Walsh in lieu of Mr. Hopkins on title XVIII except subtitle A of the House amendment and subtitle H (except sec. 1962), subtitle J (except sec. 1973), and subtitle K of title XIX of the Senate bill,

BILL GRANT,

Mr. Grant in lieu of Mr. Marlenee on title VIII of the House amendment and title VII of the Senate bill,

R.F. SMITH,

Mr. Robert F. Smith is appointed in lieu of Mr. Marlenee for title XII of the Senate bill and title XVI of the House amendment,

SID MORRISON

Mr. Morrison of Washington is appointed in lieu of Mr. Marlenee for title XIII of the Senate bill and title XXIX of the House amendment,

FRED GRANDY,

Mr. Grandy is appointed in lieu of Mr. Hopkins for all provisions except title VII and sec. 1962 of the Senate bill, and title VIII and sec. 1249 of the House amendment, on which Mr. Hopkins will remain a conferee, and Mr. Lewis of Florida is appointed in lieu of Mr. Hopkins for subtitle A of title XVII of the Senate bill and title XIV of the House amendment,

From the Committee on Foreign Affairs, for consideration of titles XI (except secs. 1124, 1125, 1134, 1137, and subtitle E), XXIII (except sec. 2306), secs. 114, 1423, 1551, 1751-60, 1763, and 1765 of the Senate bill, and title XII (except secs. 1241 and 1243-46) and secs. 415, 1312(a), and 1833 of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
HOWARD WOLPE,
GEO. W. CROCKETT, Jr.,
SAM GEJDENSON,
MERVYN M. DYMALLY,
PETER H. KOSTMAYER,
WM. S. BROOMFIELD
BEN GILMAN,
JIM LEACH,
TOBY ROTH,
DOUG BEREUTER,

From the committee on Foreign Affairs, for consideration of subtitle E of title XI, secs. 1931-35 and 1937-39 of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
SAM GEJDENSON,
WM. S. BROOMFIELD,
TOBY ROTH,

From the Committee on Merchant Marine and Fisheries, for consideration of subtitle E of title XI of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
CARROLL HUBBARD,
BILL TAUZIN,
DENNIS M. HERTEL,
WILLIAM O. LIPINSKI,
BOB DAVIS,
DON YOUNG,
NORMAN F. LENT,
JACK FIELDS,

From the Committee on Merchant Marine and Fisheries, for consideration of secs. 1238, 1286, and 1422 of the Senate bill, and secs. 1314 and 1602 of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
DENNIS M. HERTEL,
BOB DAVIS,
DON YOUNG,

From the Committee on Ways and Means, for consideration of sec. 902, those portions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404.05, 503(b)(3), 504, and 601 (c) and (f) to the Agricultural Trade Act of 1978, secs. 1122, 1124-25, 1137, 1716(c), that portion of sec. 2123 adding a new sec. 7A(e) to the Cotton Research and Promotion Act, secs. 2140, 2155(g), 2178, 2188, 2203 2306, 2452, and 2454 of the Senate bill, and sec. 614, those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 402(c) and (f) to the Agricultural Trade Act of 1978, secs. 1223(i), 1241, 1243, 1245-47, 1428, 1445(g), 1468, 1475(3), 1485(d) and 1494 of the House amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
BILL ARCHER,
PHIL CRANE,
ANDREW JACOBS, Jr.
(except, that, for consideration of secs. 2203, 2452, and 2454 of the Senate bill, Mr. Jacobs is appointed in lieu of Mr. Jenkins),

From the Committee on Ways and Means, for consideraiton of secs. 1134, 1721, and 1730A of the Senate bill, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
ED JENKINS,
TOM DOWNEY,
DONALD J. PEASE,
MARTY RUSSO,
FRANK J. GUARINI,
ROBERT T. MATSUI,
BERYL ANTHONY, Jr.,
BILL ARCHER,
GUY VANDER JAGT,
PHILIP M. CRANE,
BILL FRENZEL,
RICHARD T. SCHULZE,
W.M. THOMAS,

From the Committee on Energy and Commerce, for consideration of secs. 1761 and 1762 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
JIM SCHEUER,
RON WYDEN,
TERRY L. BRUCE,
J. ROY ROWLAND,
RALPH M. HALL,
DENNIS E. ECKART,
NORMAN F. LENT,
BILL DANNEMEYER,
BOB WHITTAKER,
TOM TAUKE,
TOM BLILEY,
JACK FIELDS,

From the Committee on Energy and Commerce, for consideration of secs. 1495, 1497, and 1498J-L of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
J. ROY ROWLAND,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of sec. 1437 of the Senate bill, and sec. 1367(b) of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
DENNIS E. ECKART,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of title XVI (except secs. 1615-16, 1620 (b), (c), (d), and (f)) and sec. 1716 of the Senate bill, and secs. 1495J-95L, 1495M (a), (e) and (g) and 1495N-95V of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
TERRY L. BRUCE,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of subtitle C of title XVII of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
RON WYDEN,
NORMAN F. LENT,
TOM BLILEY,

From the Committee on Energy and Commerce, for consideration of sec. 1773 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
J. ROY ROWLAND,
NORMAN F. LENT,
BOB WHITTAKER,

From the Committee on Energy and Commerce, for consideration of sec. 1772 of the Senate bill, and sec. 1376A of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKEN,
AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of sec. 1948 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKEN,
AL SWIFT,
NORMAN F. LENT,
BOB WHITTAKER,

From the Committee on Energy and Commerce, for consideration of secs. 2033(3)(F), 2079, and 2081 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
ED MARKEY,
AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of section 1399 of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
EDOLPHUS TOWNS,
NORMAN F. LENT,
TOM BLILEY,

From the Committee on Agriculture, for consideration of those positions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404-05, 503(b)(3), 504, and 601(c) and (f) of the Agricultural Trade Act of 1978, of the Senate bill, and those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 203, and 402 (c) and (f) to the Agricultural Trade Act of 1978, of the House amendment, and modifications committed to conference:

MIKE ESPY,
CLAUDE HARRIS,
BILL SARPALIUS,
BILL EMERSON,
R.F. SMITH,

From the Committee on Education and Labor, for consideration of secs. 1496(b), 1498-1498N, 1965, 1966, 2471, 2474, 2476, and 2479 of the Senate bill, and secs. 1382, 1774, 1842(b) of the House amendment, and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM W. FORD,
JOSEPH M. GAYDOS,
BILL GOODLING,
THOMAS J. TAUKE,

From the Committee on Science, Space, and Technology, for consideration of secs. 1921-30, 1940, and 1944-46 of the Senate bill, and modifications committed to conference:

ROBERT A. ROE,
JAMES H. SCHEUER,
TOM MCMILLEN,
BOB WALKER,
CLAUDINE SCHNEIDER,

From the Committee on Banking, Finance and Urban Affairs for consideration of sec. 1350 of the Senate bill, and modifications committed to conference:

BEN ERDREICH,
PAUL E. KANJORSKI,
THOMAS R. CARPER,
DOUG BEREUTER,
TOBY ROTH,

Managers on the Part of the House.

PAT LEAHY,
DAVID PRYOR,
D.L. BOREN,
RICHARD G. LUGAR,
BOB DOLE,
THAD COCHRAN,

Managers on the part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The Managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, submit the following joint statement to the Senate and House in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.[1]

Short Title

The Senate bill provides that the Act may be cited as the "Food, Agriculture, Conservation, and Trade Act of 1990".

The House amendment provides that the Act may be cited as the "Food and Agricultural Resources Act of 1990".

The Conference substitute adopts the Senate provision.

Title I—Dairy

(1) Findings

The Senate bill provides findings including that—(1) U.S. dairy policy should foster an economic environment in which milk producers have the opportunity to receive a satisfactory return for their labor and investment; (2) the Federal dairy program should foster the use of a component based price support system to more readily reflect market demands and better communicate the economic composition of milk and products derived from milk; (3) market forces, together with appropriate adjustments in the government support price and standby milk production reduction programs should balance supply and demand for milk and dairy products; (4) Federal and State dairy policy must be consistent; (5) dairy policy should protect against widely fluctuating consumer prices and producer income; (6) wholesome dairy products should be available for domestic and international nutrition programs; and (7) the dairy program should encourage greater protein production in milk and discourage additional butterfat production through the use of incentives and disincentives. (Section 101)

The House amendment provides findings including identical findings to the Senate's findings (1), (2), and (3), and the following: (1) the Federal support price should establish a minimum price which guarantees an adequate supply of wholesome milk; (2) Federal dairy support programs should embody the notion that the market for dairy products is national in scope; (3) U.S. milk producers should be treated equally under Federal laws that compel the Secretary to purchase dairy products under the price support program; (4) an alternative milk production reduction program should be used only when price changes alone will not balance supply with demand within a reasonable time period without greatly disrupting the market for dairy products; and (5) factors such as the cost of the program, the program's effect on other agricultural segments, the economic conditions in agriculture and fiscal goals should be considered when an alternative inventory management program is considered. (Section 401)

The Conference substitute deletes both provisions.

(2) Commodity Credit Corporation (CCC) bid prices

The Senate bill contains no comparable provision.

The House amendment requires that CCC purchase prices be the same for all purchases of each product and that such prices be sufficient to enable plants of average efficiency to, on average, pay a price to producers not less than the support price. (Section 402)

The Conference substitute adopts the House provision (Sec. 101).

(3) Maximum purchase price for butter

The Senate bill sets the maximum CCC purchase price for butter at $0.983 per pound in calendar year 1991, $0.815 in calendar years 1992 and 1993, and $0.788 in calendar years 1994 and 1995. (Section 102)

The House amendment sets the maximum CCC purchase price for butter at $.9825 in fiscal year 1991; $.8150 in fiscal years 1992 and 1993; $.7875 in fiscal years 1994 and 1995. (Section 402)

The Conference substitute deletes both provisions.

(4) Alternative allocation

The Senate bill provides that the Secretary may set butter and nonfat dry milk prices at different levels to reduce CCC program costs. The Secretary is required to

[1] The reference to "SB" and "HB" are references to the Senate bill and House amendment, respectively. In general, the Statement of Managers is arranged in order by title of the conference substitute, and by the Senate bill within the title.

notify the House and Senate agriculture committees of any change. (Section 102).

The House amendment is similar to the Senate provision. (Section 402)

The Conference substitute adopts the Senate provision. (Sec. 101)

(5) Timing of purchase price adjustments

The Senate bill provides that the Secretary may make adjustments in the CCC purchase prices for nonfat dry milk and butter but not more than twice in each calendar year. (Section 102)

The House amendment contains no similar provision.

The Conference substitute adopts the Senate provision (Sec. 101).

(6) Support rate adjustment dates

The Senate bill provides that any adjustments in support rate take effect on January 1 for calendar years 1991 through 1995. (Section 102)

The House amendment provides that any adjustments in support rate take effect on October 1 for fiscal years 1992 through 1996. (Section 402)

The Conference substitute adopts the Senate provision. (Sec. 101)

(7) Support rate reductions

The Senate bill provides for a support price reduction of 25 cents to 50 cents if CCC purchases are estimated to exceed 5 billion pounds and requires that the House and Senate agriculture committees be notified in advance of any increase. In no event may the support price fall below $10.10 per hundredweight (Section 102).

The House amendment is identical to Senate provision with the exception of the adjustment dates (Sec. 402).

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 101)

(8) Increases in support rate

The Senate bill provides a minimum of $.25 increase if Commodity Credit Corporation purchases are estimated not to exceed 3.5 billion pounds and requires that the House and Senate agriculture committees be notified in advance of any increase. (Section 102)

The House amendment is identical to Senate provision with the exception of the adjustment dates. (Section 402)

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 101)

(9) No adjustment in support rate

The Senate bill provides that if Secretary does not adjust the support rate, it will be the same as for the current year. (Section 102)

The House amendment provides that if Commodity Credit Corporation purchases are estimated to be greater than 3.5 billion and less than 5 billion pounds, the Secretary shall not reduce the support rate. (Section 402)

The Conference substitute adopts the House provision with technical amendments. (Sec. 101)

(10) Definition of "milk equivalent, total milk solids"

The Senate bill provides that "milk equivalent, total milk solids basis", of milk and the products of milk, purchased by the Commodity Credit Corporation, shall be equal to the weighted average of (1) the milk equivalent of the products, as computed on a milk fat basis (up to 40 percent); and (2) the milk equivalent of the products, as computed on a milk solids, not fat basis (up to 70 percent); provides that weighting factors must total 100 percent. (Section 102)

The House amendment is similar to the Senate provision: "milk equivalent, total milk solids basis" means the weighted average of the milk equivalents as computed on a milkfat basis and on a nonfat solids basis with weighting factors of not more than 40 percent of milkfat and not more than 70 percent of nonfat solids; provides that weighting factors must total 100 percent. (Section 402)

The Conference substitute adopts the House provision with technical amendments. (Sec. 101)

(11) Treatment of import levels in calculation of Commodity Credit Corporation purchases

The Senate bill requires that imports in any year that exceed the average level of imports from 1986 through 1990 be deducted from the Secretary's estimate of the level of Commodity Credit Corporation purchases. (Section 102)

The House amendment provides that in calculating Commodity Credit Corporation purchases, the Secretary is to deduct the amount by which the level of imports of milk products in the most recent calendar year exceeds the annual average imports from 1986 through 1990, milk equivalent, total milk solids basis. (Section 402)

The Conference substitute adopts the House provision (Sec. 101).

(12) Inventory management study [SB 102, HB 402]

The Senate bill provides that by July 1, 1991, the Secretary must prepare a report and recommendations on milk marketing adjustment programs to be implemented if purchases exceed 7 billion pounds, milk equivalent, total milk solids basis.

The Secretary must use a notice and comment procedure to solicit comments from the dairy industry concerning these proposals and notify industry and the public of the Secretary's evaluation of those proposals (time deadlines of 90 days on original notice and 180 days on evaluation are established).

The Secretary must evaluate the proposals received concerning a milk marketing adjustment program using the following criteria: (1) speed and effectiveness of reducing excess milk production; (2) effectiveness in sustaining reduced milk production for at least a five year period with and without the continuation of the program; (3) regional impact on milk prices, producer revenue and milk supplies; (4) impact on national producer income and government expenditures; (5) impact on rural economy and maintaining family farms; (6) impact on the availability of wholesome dairy products for domestic and foreign nutrition and food assistance programs; (7) technological innovations; (8) effectiveness in reducing butter fat production and increasing protein content in milk; (9) impact of temporary increases and decreases of milk production; (10) impact on the U.S. cattle industry; and (11) all other issues the Secretary deems appropriate.

The report, and its annual updates, must be presented to Congress. (Section 102)

The House amendment provides that within 180 days of enactment, Secretary must submit a report that: (1) recommends an inventory management program for implementation when purchases are projected to exceed 7 billion pounds, milk equivalent, total milk solids basis; (2) evaluates two-tier pricing systems or a plan to achieve equivalent results; (3) does not evaluate any termination or diversion program or any program that relies on producer assessments; (4) seeks methods to reduce surpluses, lower costs, and provide for orderly marketing of surplus.

The report must include, but is not limited to, the following topics: (1) the difficulties and possible resolutions associated with the disposition and orderly marketing of milk priced below world market prices through export, domestic feeding programs, and other marketing channels; (2) the establishment of a Class IV price for milk and its impact on the Federal milk marketing order system and on non-Federal milk marketing order milk; (3) plans to achieve desired results other than through a two-tiered pricing system. (Section 402)

The Conference substitute requires the Secretary, in order to develop a program to limit further growth in government purchases of dairy products, to prepare a report and recommendations on various milk inventory management programs for submission to Congress by August 1, 1991. Not later than 60 days after the date of enactment of this Act, the Secretary should solicit proposals through notice in the Federal Register. The Secretary is to analyze and make recommendations on alternative milk inventory management programs, including an alternative classification under the Federal milk marketing order system (such as a Class IV), a program for the support of dairy farmer income through a system of established prices and deficiency payments, and any other milk inventory management programs which the Secretary determines—in consultation with the House and Senate agriculture committees—should be evaluated.

The Secretary's analysis shall not include consideration of any program for mandatory cattle slaughter or support price reductions. With respect to the study of a proposal for income support through a system of established prices and deficiency payments in subparagraph (3)(B), the Managers intend that the prohibition against studies reducing the support price in subparagraph (4) shall not apply if the income support program maintains producer per unit income protection at a level equal to, or greater than, that level resulting from the minimum price support level contained in the Title. In preparing the analysis, the Secretary must evaluate policy options using the following criteria: (1) the ability of the program to limit Commodity Credit Corporation purchases of milk products to 6 billion pounds, milk equivalent, total milk solids basis, per year; (2) speed and effectiveness of reducing excess milk production; (3) effectiveness in sustaining reduced milk production for at least a five year period with and without the continuation of the program; (4) regional impact on milk prices, producer revenue and milk supplies; (5) impact on national producer income and government expenditures; (6) impact on the rural economy and maintenance of family farms; (7) impact on the availability of wholesome dairy products for domestic and foreign nutrition and food assistance programs; (8) technological innovations; (9) effectiveness in reducing butter fat production and increasing protein content in milk; (10) impact of temporary increases and decreases of milk production; (11) impact on the United States livestock industry; and (12) all other issues the Secretary deems appropriate.

The Secretary must provide for a period of notice and comment by no later than June 1, 1991.

The Conference substitute requires that the Secretary report to Congress by August 1 and November 20 of each of the calendar years 1991 through 1995 on the estimated volume of dairy product purchases for the upcoming calendar year (Sec. 101).

(13) Implementation of inventory management

The Senate bill provides that if, on November 1 of each of the calendar years 1991 through 1995, the Secretary estimates that the level of Commodity Credit Corporation purchases of milk and the products of milk for the following calendar year will exceed 7 billion pounds, milk equivalent, total milk solids basis, the Secretary must implement a milk marketing adjustment program for the purpose of controlling the level of the purchases of milk and milk products by the Commodity Credit Corporation during such calendar year.

By July 1, the Secretary must notify the Congress as to what milk marketing adjustment program will be implemented if the Secretary estimates Commodity Credit Corporation purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis, in the next calendar year. The Secretary must implement such milk marketing adjustment program if purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis, unless a bill is enacted disapproving of such program.

The Secretary must estimate and notify Congress by November 1 of each year whether Commodity Credit Corporation purchases will exceed 7 billion pounds, milk equivalent, total milk solids basis.

If the Secretary implements a milk marketing adjustment program, the Secretary must not offer to enter into a contract with any producer of milk in the U.S. for the purpose of selling for slaughter of any dairy cattle in which the producer owns an interest. (Section 102)

The House amendment provides that if, for any fiscal year 1992 through 1996, Commodity Credit Corporation purchases are estimated to exceed 6 billion pounds, milk equivalent, total milk solids basis, the Secretary shall implement an inventory management program. However, such program shall not be implemented prior to January 1, 1992 or 6 months after submission of the inventory management report, whichever is later. The amendment also prohibits the consideration of any whole-herd buyout or diversion programs.

The Secretary must notify the House and Senate agriculture committees of the type of inventory management program to be implemented by August 1 of the fiscal year preceding the fiscal year in which the program is to be implemented.

By January 1 of the fiscal year for which a plan is to be in effect, the Secretary must submit to Congress a certification containing a statement of facts that the plan will achieve reductions in production to bring purchases below 7 billion pounds, milk equivalent, total milk solids basis.

The House amendment would prohibit the Secretary from entering into contracts with any producer for the purpose of selling for slaughter any dairy cattle in which such producer owns an interest. (Section 402)

As described above, the Conference substitute adopts a procedure under which the Secretary shall develop a program of milk inventory management for submission to Congress for consideration.

The Conference substitute directs the Secretary to institute program of producer assessments for calendar years 1992 through 1995. The Managers intend that the assessment program will only be employed in the event that Congress fails to enact a milk inventory management program. Under the assessment program provided for in the bill the Secretary is required to estimate projected purchases for the year on November 20 of the preceding calendar year. If Commodity Credit Corporation purchases are expected to exceed 7 billion pounds, milk equivalent, total milk solids basis, an assessment is to be imposed on all milk marketed during the year. The amount of the assessment shall be calculated to cover all costs incurred with respect to Commodity Credit Corporation purchases in excess of 7 billion pounds, milk equivalent, total milk solids basis, during that year. If actual purchases of the Commodity Credit Corporation for a year are less than 7 billion pounds, milk equivalent, total milk solids basis, the Secretary shall provide each producer a full refund of the assessment amounts paid. If actual purchases vary from estimated purchases over 7 billion pounds, the Secretary may either refund to each producer any excess assessments collected or adjust future years assessment levels. This provision is intended to increase or decrease funds collected from the producer, in order to ensure that assessments over time reflect the cost of actual purchases in excess of 7 billion pounds.

The Managers note that Congress is currently considering the enactment of assessments on milk marketings as part of deficit reduction legislation for fiscal years 1991 through 1995. As distinguished from the assessments contained in this bill, those contained in the deficit reduction legislation are expected to be refundable for individual producers who, from one year to the next, can demonstrate that their marketings of milk have not increased.

The Managers include this provision with the expectation that the Secretary of Agriculture will submit to Congress various proposals for programs of inventory management in time for Congress to take action to prevent the implementation of the authorized assessments. (Sec. 102)

(14) Make allowance [SB 103, HB 403]

The Senate bill provides that no State may use a greater allowance than that provided for in Federal programs to establish a Grade A price for milk for manufacturing butter, nonfat dry milk, and cheese. (Section 103)

The House amendment is identical to the Senate provision. (Section 403)

The Conference substitute provides that, effective 12 months after the date of enactment, no State or individual plant may collect, directly or indirectly, a manufacturing or "make" allowance for the processing of milk that is in excess of that permitted under a Federal program to establish a Grade price for manufacturing butter, nonfat dry milk, or cheese unless the net return to producers exceeds the level of price support which is provided for under the dairy price support program.

The Conference substitute provides enforcement and penalty provisions for States or plants that do not comply with the provision. If the Secretary determines that an individual's claim is supported by evidence that a handler has failed to comply with this section, the handler shall be liable for liquidated damages in an amount equal to the product of twice the make allowance and the quantity of milk involved. The Secretary may issue rules and regulations as may be necessary to enforce this section. The Secretary may undertake investigations to ensure effective administration of this section. In the course of any such investigation, the Secretary may administer oaths, employ subpoenas, require records, and invoke the aid of the District Courts of the United States.

The Managers determined that all State and Federal programs should work in concert to achieve goals established for Federal dairy policy.

The Managers intend that the Department of Agriculture's specification of a manufacturing margin for milk should apply to all areas of the United States. Therefore, the bill requires that no State may have a higher allowance than that provided for in Federal programs for manufacturing milk products. (Sec. 103).

(15) M-W pricing series reform [SB 104, HB 404]

The Senate bill requires the Secretary, within 60 days following enactment, to begin a study of alternative pricing formulas used to determine the minimum prices paid under milk marketing orders.

The data used to compare the alternative pricing formulas shall be made available to the public.

By October 1, 1991, the Secretary shall prepare and provide a report to the House and Senate agriculture committees regarding the results of the study.

If the Secretary determines, as a result of the study, that changes should be made in the mechanism used to compute minimum prices paid under Federal milk marketing orders, the Secretary shall give notice and a reasonable opportunity for public comment on any such proposed changes. (Section 104)

The House amendment requires the Secretary, within 60 days, to commence to accept alternative pricing formula recommendations; requires the publication of a proposed replacement by October 1, 1991; requires data used for comparing alternative pricing formulas to current price series for study be compiled and made available; requires implementation after notice and comment and a thirty legislative day congressional review period; and requires the Secretary to consider a price series based on prices paid by milk processors for Grade A milk used in manufacturing and manufacturing grade milk. (Section 404)

The Conference substitute adopts the House provision with an amendment to require that not later than October 1, 1991, the Secretary shall announce a hearing to consider replacing the Minnesota-Wisconsin price series. The Managers expect the Secretary to act expeditiously and to complete the process, including any amendment or marketing orders required by the final determination, by June 1, 1992, to the maximum extent practicable. (Sec. 104)

(16) Hearings on FMMOs

The House amendment requires the Secretary to conclude the national hearings on Federal milk marketing orders in time to effect, by January 1, 1992, any changes in prices to producers for Grade A milk. (Section 405)

The Senate bill contains no similar provision.

The Conference substitute adopts the House provision with an amendment. Under the provision, the Secretary of Agriculture shall, to the maximum extent practicable and consistent with applicable statutes,

effect any systemwide changes resulting from the national hearings by January 1, 1992. It is the intent of the Managers that this provision not be construed to suggest whether or not changes should be made in Grade A prices under the Federal milk marketing orders. (Sec. 105)

(17) Export sales [SB 111, HB 412]

The Senate bill amends section 1163 of the Food Security Act of 1985 (7 U.S.C. 1731e) by extending (1) the sales requirement through fiscal year 1995, and (2) the requirement to report semiannually on the volume of sales to the House and Senate agriculture committees September 30, 1995. (Section 111)

The House amendment is similar to the Senate provision but also provides that the Secretary must sell 184 million pounds of butter for export in fiscal year 1991. Through fiscal year 1995, the Secretary must report semiannually to the House and Senate agriculture committees on the volume of sales made under section 412. (Section 412)

The Conference substitute adopts the Senate provision. (Sec. 112)

(18) Trusts held for benefit of milk producers [SB 118, HB 416]

The Senate bill provides that the Secretary study the need for and impact of a Federal dairy producer trust on the dairy industry, comparable to trusts for the benefit of livestock and poultry producers under the Packers and Stockyards Act, 1921 (7 U.S.C. 191 et seq.). The Secretary must consider: (1) economic losses of dairy producers as a result of bankrupt dairy processing facilities since 1975; (2) State dairy plant security programs; (3) economic costs and benefits to producers and dairy processing facilities of the trust; (4) the need for Federal laws to protect dairy producer and processor income; (5) the need for alternative Federal legislative approaches, including security arrangements or a producer-funded guaranty trust; (6) the likely changes in existing State dairy plant security laws; and (7) the economic impact of excluding dairy cooperatives from the trust fund. The Secretary must consult with the Packers and Stockyards Administration, the Agricultural Cooperative Service, the Agricultural Marketing Service and representatives of the dairy and agricultural lending industries. The Secretary must report to the House and Senate agriculture committees by October 1, 1991 on the results of the study. (Section 118)

The House amendment amends the Packers and Stockyards Act to require milk handlers to hold milk delivered by producers and the receipts from sale of any such milk in trust for unpaid producers or handlers. The trust must be preserved by providing notice to debtor handler and the Secretary within 30 days of the payment due date or within 15 days of receipt of dishonored payment instrument. The provision also vests U.S. district courts with enforcement jurisdiction. (Section 416)

The Conference substitute deletes both provisions.

The Managers deferred the adoption of any provision related to the protection of dairy farmers in the event of a dairy plant bankruptcy pending further analysis of industry needs and potential legislative remedies.

However, the Managers also recognize that dairy producers remain vulnerable in the event of a dairy plant bankruptcy. Thirty-one states do not have statutory protection for dairy producers in the event of a plant bankruptcy. In those states with statutory protection, it is unclear that the degree of protection provided can sufficiently protect dairy producers in the event of a plant bankruptcy. While the Senate provision giving dairy producers a priority position under the Federal bankruptcy code would provide valuable, albeit limited, Federal protection for dairy producers, the Managers would prefer that the range of Federal legislative remedies be more fully analyzed before adoption of either the House or Senate provision.

(19) Multiple Component Pricing Study [SB 116]

The Senate bill requires the Secretary to study the extent to which milkfat is being produced in the U.S. in excess of commercial market needs as a result of current policy of the Federal or State milk pricing program. The Secretary shall assess the impact of multiple component pricing programs to achieve balance in the production, marketing and domestic commercial use of milkfat. Within 180 days, the Secretary shall report on this study and submit recommendations to the House and Senate agriculture committees. A national hearing shall be held to consider the adoption of multiple component pricing provisions in individual Federal milk marketing orders, with an invitation for industry and consumer proposals. (Section 116)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 117).

(20) Subsidized Inputs/Surplus Dairy Production Study [SB 117]

The Senate bill provides that the Secretary shall report on whether subsidized inputs contribute to fluid milk production in excess of demand in States and regions served by the U.S. Bureau of Reclamation. Subsidized inputs include low-cost alfalfa, other hay, pastureland and other forage irrigated with below-cost water from Federal reclamation projects. If the Secretary determines a causal link exists, the Secretary shall make recommendations to address such surplus production. The report shall be submitted to the House and Senate agriculture committees and the House Committee on Interior and Insular Affairs within one year. (Section 117)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(21) Priority Status of Dairy Producers in Dairy Processor Bankruptcies [SB 119]

The Senate bill provides that dairy producers be given priority status as unsecured creditors against a debtor who owns or operates a dairy processing facility and declares bankruptcy. (Section 119)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE II—WOOL AND MOHAIR

(1) Payment limitations

The Senate bill applies a $250,000 per year payment limitation for wool or mohair per person. The Secretary must develop regulations consistent with regulations issued by the Secretary in accordance with sections 1001, 1001A, and 1001B of the Food Security Act of 1985 to define a "person" when determining payment limitation. (Section 201(b))

The House amendment limits the total amount of payments any one person may receive under the Act to $200,000 in the 1991 marketing year, $167,000 in the 1992 marketing year, $133,000 in the 1993 marketing year, and $100,000 beginning with the 1994 marketing year. The amendment contains a similar provision to the Senate bill on the definition of "person". (Section 503)

The Conference substitute adopts the House provision with an amendment to limit the wool or mohair payments any one person may receive under the Act to $200,000 for the 1991 marketing year, $175,000 for the 1992 marketing year, $150,000 for the 1993 marketing year, and $125,000 beginning with the 1994 marketing year.

(2) Established price

The Senate bill extends the program to 1995 and provides that, notwithstanding other provisions, the established price will be $1.82 per pound for wool and $4.532 per pound for mohair for the 1991 through 1995 marketing years (April 1 through March 31). (Section 201(c))

The House amendment also extends the program but contains no provision changing the established price from the current formula.

The Conference substitute deletes the Senate provision.

TITLE III—WHEAT

(1) Price Support Loans

(a) Basic Levels or Plan (A)

The Senate bill states that the basic level shall be, under Plan (A), the loan and purchase level not be less than 75 percent, nor more than 85 percent, of the five year olympic average. The loan rate for a crop may not be reduced by more than 5 percent from the level determined for the preceding crop nor below $2.44 per bushel. (New Section 107A(a)(3)(A))

The House amendment states that for the 1991-1995 crops, the loan level shall be not less than 85 percent of the preceding five year olympic average price received by producers of corn, except that the loan level may not be reduced by more than 5 percent from the level determined for the preceding crop. (New Section 107A(a)(2)(A))

The Conference substitute adopts the House provision.

(b) Adjustment to Basic Loan Levels

The Senate bill states that the adjusted level shall be, under Plan (B), the established loan rate as in Plan (A). The level may, however, be adjusted. If the Secretary determines that the average price received by producers for wheat in the previous marketing year was not more than 110 percent of the loan and purchase level, or if the Secretary determines that action is necessary to maintain a competitive market position for wheat, the Secretary may reduce the loan rate by not more than 20 percent in any year. Any reduction in the loan and purchase level for wheat under this subparagraph shall not be considered in determining the loan and purchase level for wheat for subsequent years. If the Secretary elects to reduce the loan rate under (B), the Secretary shall, within 30 days of the election, submit a report to the House and Senate Agriculture Committees containing the following:

(1) a report outlining the budget implications of the election;

(2) a description of the anticipated effect on farm income of the election;

(3) a description of why an adjustment is necessary to prevent the build-up of stocks and to maintain price competitiveness;

(4) and a description of the anticipated effect on the orderly marketing of the crop of wheat of the election.

(New Section 107A(a)(2))

The House amendment adjusts the Basic Loan Rate by allowing the Secretary to reduce the loan and purchase level for wheat for the marketing year, if the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(1) equal to or greater than 30 percent, by an amount not to exceed 10 percent; and

(2) less than 30 percent but not less than 15 percent, by an amount not to exceed 5 percent.

The Secretary is prohibited from reducing the loan and purchase level, if the Secretary estimates that the ratio of ending stocks of wheat to total use will be less than 15 percent. (New Section 107D(a)(3)(A)) If the Secretary makes such adjustments to the loan level for wheat—

(1) the Secretary must submit to the House and Senate Agriculture Committees a report that certifies the adjustment as necessary to prevent the build-up of stocks and to retain market share, a report that contains a description of the need for the adjustment; and

(2) allowing the adjustment to become effective no earlier than 60 calendar days after the date of submission of the report to the committees. (New Section 107A(a)(3)(B))

If the Secretary determines, not later than 60 days prior to the beginning of the marketing year, that the effective loan rate established for a crop will not maintain a competitive market position for wheat, the Secretary may reduce the loan and purchase level for wheat for the marketing year by an amount not to exceed 10 percent in any year, in addition to any reductions based on stocks to use ratios under section 107A(a)(3)(A). (New Section 107A(a)(3)(C)) Any reduction in the loan and purchase level for wheat will not be considered in determining the loan and purchase level for wheat for subsequent years. (New Section 107A(a)(3)(D)) The loan rate for wheat shall not be less than $2.44 per bushel, unless such rate would exceed 80% of the five-year average market price determination. (New Section 107A(a)(3)(E))

The Conference substitute adopts the House provision.

(c) Advance Compensation

The Senate bill states that if the loan rate is reduced utilizing Plan (B), the Secretary shall make advance compensation available to producers. The advance compensation shall not be less than an amount determined by multiplying—

(1) the estimated individual farm program acreage for the crop; by

(2) the farm program payment yield for the crop; by

(3) an amount determined by multiplying 0.75 by the amount of the reduction in the loan level for the crop under Plan (B). The advance compensation is to be provided to producers between October 1 and October 31 of the year in which the crop is harvested.

The advance compensation must be repaid not later than 270 days after the beginning of the marketing year for the crop. (New Section 107A(a)(2)(B)(v))

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(2) Loan Repayment

(a) In General

The Senate bill states that the Secretary shall permit a producer to repay a wheat price support loan for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for wheat (adjusted to U.S. quality and location). (New Section 107A(a)(3))

The House amendment states that the Secretary may allow a producer to repay a loan at a level that is the lesser of—

(1) the loan level determined for such crop; or

(2) the higher of—

(A) 70 percent of the loan level;

(B) if the loan level for a crop was reduced, 70 percent of the loan level that would have been in effect but for this reduction; or

(C) the prevailing world market price for wheat. (New Section 107A(a)(4))

The Conference substitute adopts the House provision with technical amendment.

(b) Prevailing World Market Price

The Senate bill states that the Secretary must prescribe a formula to define the prevailing world market price for wheat, adjusted to U.S. quality and location; and provide a mechanism to periodically announce the prevailing world market price for wheat. (New Section 107A(a)(3)(B))

The House amendment provides a prevailing world market price similar to current law. (New Section 107A(a)(4)(B))

The Conference substitute adopts the House provision.

(c) Alternative Repayment Rates

The Senate bill provides that if the world market price for wheat is less than the loan level, the Secretary may permit a producer to repay a price support loan at a level (not in excess of the loan level determined for the crop) that the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of wheat stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing wheat; and

(4) allow wheat produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 107A(a)(3)(C))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(3) Loan Deficiency Payments

The Senate bill is similar to current law, however, the producer may obtain this payment on any quantity of wheat that the producer is eligible to place under loan (or obtain a purchase agreement) but instead forgoes obtaining such loan in return for payments. (New Section 107A(b))

The House provision is the same as current law. (New Section 107A(b))

The Conference substitute adopts the Senate provision.

(4) Deficiency Payments

(a) Payment Rate

The Senate bill states that the deficiency payment rate for wheat is the amount by which the established price for the crop exceeds the higher of:

(1) the national average market price received by producers during the first five months of the marketing year for the crop, or

(2) the loan level determined for the crop. (New Section 107A(c)(1)(B))

The House amendment, in subparagraph (C), provides that the payment rate for wheat will be the amount by which the established price for the crop of wheat exceeds the higher of—

(1) the national weighted average market price received by producers during the first six months of the marketing year for such crop, or

(2) the loan level determined for such crop, prior to any adjustment made under section 107A(a)(3) for the marketing year for that crop of wheat. (New Section 107D(c)(1)(C))

The Conference substitute adopts the Senate provision with an amendment. For the 1991 through 1993 crop years, deficiency payments are to be based on the five month average market price. Upon enactment of a Fiscal Year 1991 reconciliation bill, for the 1994 and 1995 crops, the deficiency payment will be computed based on the 12 month season average price. Provisions are made in the section 1121 of the act with respect to the timing of deficiency payments. Payments are to be made as follows: forty to fifty per cent of estimated deficiency payments at time of sign-up, seventy-five per cent of the remaining estimated deficiency payment after the end of the first five months and the remainder to be paid at the end of the marketing year. The Conference substitute also adjusts the method of calculation of deficiency payments to account for the 'triple-base' provision. (Upon enactment of the Fiscal Year 1991 reconciliation bill, the payment acres for purposes of computing deficiency payments shall be reduced by 15 percent of the crop acreage base and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the act.)

(b) Adjustment in Established Price for Acreage Reduction Programs

The Senate bill contains no provision.

The House amendment states that if the Secretary announces an acreage limitation program or a set-aside program in excess of 22.5 percent, the established price shall be increased by an amount not less than 2.55 percent of the established price for that crop for each 2.5 percent increase of the percentage reduction or set aside in excess of 22.5 percent. (New Section 107A(c)(1)(E))

The Conference substitute adopts the Senate provision.

(5) Emergency Compensation

The Senate bill states that if the Secretary adjusts the level of loans and purchases for wheat under Plan (B) below minimum loan levels, the Secretary shall provide emergency compensation similar to current law; except

(1) the Secretary must use the national weighted average market price for the first five months of the marketing year for each of the 1991-95 crops to determine the payment rate.

(2) There is no Senate provision regarding deadlines for the Secretary's estimate or availability of payments to producers. (New Section 107A(c)(1)(D))

The House amendment provides that if the Secretary adjusts the level of loans and purchases for wheat under section 107A(a)(3), that there shall be similar emergency compensation as provided under current law. (New Section 107D(c)(1)(D))

The Conference substitute adopts the House provision.

(6) 0/92 Program

(a) Use of Conserving Use Acreage

The Senate bill is similar to current law, except that listed crops include mung beans and milkweed. In a change from current law, the Secretary shall permit, subject to terms that the Secretary may prescribe, that conserving use acres may be devoted to sunflowers, rapeseed, canola, safflower, flaxseed and other minor oilseed designated by the Secretary (excluding soybeans). Producers that participate in this program shall agree to forgo eligibility to receive a loan for such oilseed produced on the farm. (New Section 107A(c)(1)(F))

The House amendment is similar to current law, except that listed crops do not include safflower, sunflower, mustard seed, or flaxseed. (New Section 107A(c)(1)(G))

The Conference substitute adopts the Senate provision, including the provision to allow for the planting of minor oilseeds on conserving use acres. Acreage planted to minor oilseeds shall be eligible for either deficiency payments, or for the loan provisions included in the act for minor oilseeds, but not both, at the producer's option. The provisions in current law providing Secretarial discretion for the planting of experimental, industrial and other crops are retained.

(7) Discretionary Disaster Payments

The Senate bill is similar to current law, except that it does not have an explicit provision that prevented planting payments be made in the form of cash or from CCC wheat stocks. (New Section 107A(c)(2))

The House amendment is similar to current law, except that it defines that a condition beyond the control of the producers may result from adjudication of Indian water settlement disputes. (New Section 107A(c)(2))

The Conference substitute adopts the Senate provision.

(8) National Program Acreage

The Senate bill contains no provision.

The House amendment is similar to current law. (New Section 107A(d))

The Conference substitute adopts the Senate provision.

(9) Acreage Reduction Program

(a) Stock Triggers

The Senate bill provides that, if the Secretary estimates that the ratio of wheat-ending stocks to total disappearance of wheat for the preceding marketing year will be—

(1) more than 40 percent, the Secretary shall provide for an Acreage Reduction Program (ARP) of not less than 12.5 per cent nor more than 20 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 12.5 per cent. The Secretary is authorized to offer a 0 per cent ARP.

For the purpose of this subparagraph, the term "total disappearance" means all wheat utilization, including total domestic, total export, and total residual disappearance. (New Section 107A(e)(1)(F))

The House amendment provides that if the Secretary estimates that the ratio of ending stocks of wheat to total use of wheat for the marketing year will be—

(1) more than 40 per cent, the Secretary shall provide for an ARP of not less than 20 per cent nor more than 30 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 20 per cent. (New Section 107A(f)(1)(B))

The Conference substitute adopts the Senate provision with an amendment setting ARP triggers based on the ratio of ending stocks to total use as:

(1) more than 40 per cent, the Secretary shall provide for an Acreage Reduction Program (ARP) of not less than 10 per cent nor more than 20 per cent; or

(2) 40 per cent or less, the Secretary may provide for an ARP of not more than 15 per cent.

The Secretary is authorized to offer a 0 per cent ARP. For the 1991 crop of wheat the ARP is established as 15 percent.

(b) Reduced Acreage

The Senate bill modifies the definition established in current law. Reduced acres is defined as the number of acres determined by multiplying the respective wheat crop acreage base by the percentage reduction required by the Secretary. The remaining acreage is referred to as "permitted acreage."

The House provision is the same as current law. (New Section 107A(f)(2))

The Conference substitute adopts the Senate provision.

(c) Use of Reduced Acreage

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 107A(e)(2))

The House amendment contains comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(d) Use of Reduced Acreage—Planting of Industrial Crops

The Senate bill provides that the producers on a farm may elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop determined and announced by the Secretary (hereinafter referred to as an approved crop) on reduced acreage. The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 107A(e)(2))

The House amendment contains no provision.

The Conference substitute adopts the Senate provision with an amendment making it discretionary, and allowing the Secretary to adjust penalty for participating in the provision. Further, it adds the Senate provision listing crops which may be planted on Reduced Acres.

(10) Set-aside Program

The Senate bill contains no provision.

The House amendment is the same as current law. (New Section 107A(f)(3))

The Conference substitute adopts the Senate provision.

(11) Targeted Option Payments, and Acre-For-Acre Program

(a) In General

The Senate bill states that if the Secretary implements an acreage limitation program for wheat of 20 per cent of less, the Secretary shall allow producers who are not participating in the 0/92 program to increase or decrease the acreage limitation percentage applicable to the crop of wheat in return for adjustments in the level of deficiency payments. (New Section 107A(e)(2)(F))

The House amendment allows for a Target Option Program to be established if—

(i) an acreage limitation program is effective for a crop of wheat; and

(ii) producers devote a portion of the permitted wheat acreage of the farm to conservation uses (not to exceed 10 per cent of the crop acreage base of the farm). (New Section 107A(f)(2)(H))

The Conference substitute adopts the Senate provision with an amendment to make the provision subject to the Secretary's discretion. Further, the Conference substitute provides that if the program is offered, the Secretary must offer producer the option of both increasing and decreasing the ARP level for the crop.

(b) Increase in ARP

The Senate bill states that for each voluntary 1 per cent increase in the ARP above the percentage announced by the Secretary, the producer shall be eligible to receive an increase in the established price by an amount determined by the Secretary, but not less than 0.5 per cent, nor more than 1 per cent. A producer may not increase the acreage limitation percentage above the required percentage by more than 10 percentage points for the 1991 crop and 15 percentage points for each of the 1992-95 crops. A producer shall not establish an individual acreage limitation of more than 25 percent total.

The House amendment allows that producers shall be eligible for an increase of up to 1 per cent in the established price of wheat for each 1 per cent of the permitted wheat acreage of the farm devoted to conservation uses.

The Conference substitute adopts the Senate provision.

(c) Decrease in ARP

The Senate bill states that for each 1 per cent decrease in the ARP (but not below 1/2 of the announced acreage limitation percentage), the established price will be decreased by an amount to be determined by the Secretary, but not less than 0.5 per cent, nor more than 1 per cent.

The House amendment contains an Acre-For-Acre Program which allows the Secretary to permit producers on a farm to plant wheat on a portion of the acreage otherwise required to be devoted to conservation uses under acreage reduction programs if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments. The Secretary shall implement

the program in such a manner that no greater outlays by the CCC result. The crop acreage base and the farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the CUA for the farm was planted to wheat as authorized in this program. (New Section 107A(g)(2))

The Conference substitute adopts the Senate provision.

(d) Participation and Effects

The Senate bill states that the Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production, and shall be offered in such a manner as to not result in additional budget outlays.

The House amendment allows that such increase in the established price shall not result in a producer receiving more in payments than the maximum amount such producers would be eligible to receive under sec. 107A(c)(1)(B). The crop acreage base and program payment yield for the farm may not be reduced because such permitted acreage of the farm was devoted to conserving uses.

The Conference substitute adopts the Senate provision.

(12) Management of Conservation Use Acreage

(a) Annual/Perennial Cover

The Senate bill states that if they are participating in the ARP, producers must plant to an annual or perennial cover 50 per cent of the reduced acreage, but not to exceed 5 per cent of the crop acreage base. The CCC shall pay 25 per cent of the cost of establishing perennial cover (on not more than 50 per cent of the reduced acreage or 5 per cent of the acreage base) if the producer establishes a perennial cover on the reduced acreage. If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from the CCC, the perennial cover shall be maintained for at least 3 years. (New Section 107A(e)(4)(B))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less than the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill is similar to current law, but adds mung beans and milkweed to the list of commodities. (New Section 107A(e)(4)(B))

The House bill is the same as current law. (New Section 107A(f)(4)(B))

The Conference substitute adopts the Senate provision adding mung beans and milkweed to list of conserving crops.

(c) Haying and Grazing

The Senate bill is similar to current law, except the determination regarding economic effects is deleted. (New Section 107A(e)(4)(C))

The House amendment is similar to the Senate provision, except special provisions are included for irrigated or irrigable acreage not planted in alfalfa under natural disaster conditions. (New Section 107A(f)(4)(C))

The Conference substitute adopts the House provision.

(d) Water Storage Uses

The Senate bill states that land converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the last 5 years. The land shall be considered to be devoted to conservation uses while it remains in water storage uses, but not to exceed 5 years after its conversion. (New Section 107A(e)(4)(E))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(13) Participation Agreements

(a) Termination and Modification

Under the Senate bill, the modification provision authority is similar to current law; however, the definition of a "shortage of commodities" is clarified to mean that there has been a significant change in the estimated stocks of wheat since the Secretary announced the final terms and conditions of the program for the crop. (New 107A(e)(7)(B))

The House amendment is the same as current law. (New Section 107A(f)(7)(B))

The Conference substitute adopts the Senate provision.

(14) Bushel Production Targets

The House amendment is the same as current law. (New Section 107A(f)(8))

The Senate bill contains no comparable provision.

The Conference substitute adopts the Senate provision.

(15) Special Oats Plantings

The House amendment provides in any crop year that the Secretary determines that projected domestic production of oats will not fulfill the projected domestic demand, the Secretary—

(i) shall provide that any reduced and set-aside acreage may be planted to oats for harvest;

(ii) may make program benefits (including, but not limited to, loans, purchases and payments) available under the annual program to producers with respect to acreage planted to oats under this paragraph; and

(iii) shall not make other program benefits available to producers with respect to acreage planted to oats under this paragraph.

If the Secretary estimates that oats planted to such acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary shall limit the amount of such acreage that producers may plant to oats for harvest to an amount that will result in projected domestic production fulfilling projected domestic demand. Such limitation may be achieved by applying a uniform percentage reduction to such acreage for each farm. (New Section 107A(f)(9))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with amendment making the program discretionary.

(16) Pilot Voluntary Production Limitation Program

The Senate bill provides that the Secretary is required to carry out, for the 1991 or 1992 crop of wheat, and the 1993 through 1995 crops if the Secretary so determines, a pilot program in at least 15 counties in at least 4 States (60 total) where producers express an interest in participating. Under this program, producers shall be considered to have met the requirements of an acreage limitation or land diversion program if producers limit their marketings of wheat to the wheat production limitation quantity for the farm for the marketing year.

The production limitation quantity for a marketing year for a farm shall equal the product obtained by multiplying—

(1) the acreage permitted to be planted to wheat under the ARP or land diversion program in effect for the crop for the farm; by

(2) the higher of—

(i) the farm program payment yield for the farm; or

(ii) the 5 year olympic average yield per harvested acre for the farm, excluding any crop year in which the commodity was not planted on the farm.

In order to participate in this pilot program, producers shall—

(1) enter into an agreement with the Secretary providing that the producers shall comply with the program;

(2) not plant program commodities for harvest in a quantity in excess of the normal crop acreage; and

(3) be considered to have complied with the terms and conditions of the wheat ARP or land diversion program for the crop, even though the acreage planted to wheat on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

Any quantity of wheat produced in excess of the production limitation quantity may be stored by the producer for a period of not to exceed 5 marketing years. The restricted uses of such excess wheat are specifically described.

In carrying out the pilot program, the Secretary—

(1) shall issue necessary regulations;

(2) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess wheat production in order to allow the producers to market, barter, or use the production in subsequent years;

(3) shall take appropriate measures to prevent the circumvention of this program, including the imposition of penalties;

(4) may require producers who participate in the program, but who fail to comply with the terms and conditions, to refund all or a part of any deficiency payments received with respect to the crop;

(5) may require the forfeiture to the CCC of any wheat produced in excess of the production limitation quantity that is not marketed, bartered, or used within 5 marketing years; and

(6) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in program payment yields.

The Comptroller General of the U.S. shall prepare a report evaluating the pilot program and make recommendations concerning whether the program should be offered

to all producers for the 1993 through 1995 crops of wheat in the United States. The report shall be submitted to the Agriculture Committees and the Secretary. (New Section 107A(g))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment starting the program with the 1992 crop in fifteen counties in each of two states. The managers believe that the program should be offered in a state that traditionally produces significant quantities of spring and winter wheat, and in a predominantly corn and soybean producing state.

(17) Defaults and Waivers

The Senate bill is the same as current law. (New Section 107A(h))

The House amendment is similar to current law, however includes a provision allowing the Secretary to consider whether the producer made a good faith effort to comply with the terms and conditions of the program. The waiver of deadlines is similar to current law. (New Section 107A(h))

The Conference substitute adopts the House provision with an amendment.

(18) Cross Compliance

The Senate bill states that compliance on a farm with respect to the terms and conditions for any other commodity, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition for eligibility in the wheat program. Compliance with terms and conditions of the wheat program on another farm operated by a producer may not be required as a condition for eligibility in the wheat program. (New Section 107A(n))

The House amendment is similar to Senate provisions, with a new provision on base increases. If a producer on a farm is participating in the wheat program, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity.

The compliance on other farms is similar to Senate provision. (New Section 107A(n))

The Conference substitute adopts the Senate provision.

(19) Public Comment on Wheat Program

The Senate bill requires the Secretary to provide a reasonable period for public comment on program provisions for the annual program determinations for the wheat program. The Secretary is required to provide information on a range of issues when seeking public comment including estimates of planted acres, projected price and government costs among other items.

The House amendment contained no comparable provision.

The Conference substitute adopts the Senate provision, waiving the requirement for the 1991 crop.

(20) Miscellaneous Provisions

The Senate bill is the same as current law. (New Section 107A(i)-(m))

The House amendment is the same as current law. (New Section 107A(i)-(m))

The Conference substitute adopts the Senate provisions.

TITLE IV—FEED GRAINS

(1) Price Supports

(a) Basic Levels or Plan (A)

The Senate bill states that under Plan (A), the basic loan and purchase level for corn is established in the same manner as the basic loan rate in current law. However, in no case shall the loan rate be less than $1.96 per bushel. (New section 105A(a)(5).)

The House amendment, provides that the loan level shall be not less than 85 percent of the preceding five year olympic average price received by producers of corn, except that the loan level may not be reduced by more than 5 percent from the level determined for the preceding crop. (New section 105A(a)(6)).

The Conference substitute adopts the House provision.

(b) Adjustments to Basic Loan Rate

The Senate bill states, under Plan (B), that the loan rate is established as in Plan (A), however the level may be adjusted in a manner similar to that provided for in current law. If the Secretary elects to reduce the loan level for corn under (B), the Secretary shall, within 30 days of the election, submit to the House and Senate Agriculture Committees—

(1) outlining the budget implications of the election;

(2) describing the anticipated effect on farm income of the election;

(3) describing why an adjustment is necessary to prevent the build-up of stocks and to maintain price competitiveness; and

(4) describing the anticipated effect on the orderly marketing of the crop of corn on the election. (New section 105A(a)(2)(b)).

The House amendment authorizes the Secretary to reduce the loan level for corn for the marketing year, if the Secretary estimates for any marketing year that the ratio of ending stocks of corn to total use for the marketing year will be—

(1) equal to or greater than 25 percent, the loan rate may be reduced by up to 10 percent; and

(2) less than 25 percent but not less than 12.5 percent, the loan rate may be reduced by up to 5 percent in any year.

The Secretary is prohibited from reducing the loan level if the Secretary estimates that the ratio of ending stocks of corn to total use for the marketing year will be less than 12.5 percent. In addition, if the Secretary makes these adjustments to the loan level,

(1) the Secretary must submit to the House and Senate Agriculture Committees a report certifying that the adjustment is necessary to prevent stock build-up and to retain market share. The report will also contain a description of the need for the adjustment; and

(2) the adjustment will become effective no earlier than 60 calendar days after submission of the report. If the Secretary determines, not later than 60 days prior to the beginning of a marketing year for a crop, that the loan rate will not maintain a competitive market position for corn, the Secretary may reduce the loan level by an additional amount not to exceed 10 percent in any year. Any reduction in the loan and purchase level for corn will not be considered in determining the loan and purchase level for corn for subsequent years. The minimum loan rate for corn shall not be less than $1.76 per bushel unless such rate exceeds 80 percent of the five-year average market price determination. (New section 105 A(a)(3)).

The Conference substitute adopts the House provision.

(c) Advance Compensation

The Senate bill states, that if the loan level is reduced from the basic loan level under Plan (B), the Secretary shall make advance compensation available to producers. The advance compensation shall not be less than an amount determined by multiplying—

(1) the estimated individual farm program acreage for the crop; by

(2) the farm program payment yield; by

(3) an amount determined by multiplying 0.75 by the amount of the reduction in the loan level under option (B).

The advance compensation is to be provided to producers between October 1 and October 31 of the year in which the crop is harvested. The advance compensation must be repaid not later than 270 days after the beginning of the marketing year for the crop.

The House amendment contains no such provision.

The Conference substitute adopts the House provision.

(2) Loan Repayment

(a) In General

The Senate bill states that the Secretary shall permit a producer to repay a feed grains price support loan for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for the crop. (New Section 105A(a)(3))

The House amendment states that the Secretary may allow a producer to repay a loan at a level that is the lesser of—

(1) the loan level determined for the crop; or

(2) the higher of 70 percent of the loan level for the crop, or 70 percent of the loan level that would have been in effect but for the reduction provided for above (if the loan level for the crop was reduced), or the prevailing world market price for feed grains, as determined by the Secretary. (New Section 105A(a)(4))

The Conference substitute adopts the House provision.

(b) Prevailing World Market Price

The Senate bill is as in current law, except the Secretary must a formula to define the prevailing world market price for feed grains (adjusted to U.S. quality and location), and provide a mechanism to periodically announce the prevailing world market price for feed grains. (New Section 105A(a)(3)(B))

The House amendment is similar to current law. (New Section 105A(a)(3)(B))

The Conference substitute adopts the House provision.

(c) Alternative Repayment Rates

The Senate bill states that if the world market price for feed grains is less than the loan level, the Secretary may permit a producer to repay a price support loan at a level which is less than the loan level for the crop. The alternative repayment rate should be set at a level (not in excess of the loan level determined for the crop) the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of feed grains stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing feed grains; and

(4) allow feed grains produced in the U.S. to be marketed freely and competitively, both domestically and internationally. (New Section 105A(a)(3)(C))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision.

(3) Barley Feed Value Determination

The Senate bill states that, prior to announcing the 1991 crop of barley, the Secretary shall conduct a study to determine the feed values of barley and corn taking into account the relative feed values of corn and barley measured on a dry-matter basis. (New Section 105A(a)(6))

The House amendment contains no such provision.

The Conference substitute adopts the House provision. The managers feel that the Secretary in setting the established price for barley should take into consideration the feed value of barley compared to corn on a dry-matter basis, as well as the current methodology that compares the feed value of barley to corn without adjusting for the moisture content of the respective grains.

(4) Loan Deficiency Payments

The Senate bill is similar to current law except that a producer may obtain such a payment on any upland cotton that the producer is eligible to place under loan but instead forgoes obtaining such loan and requests a payment. (New Section 105A(b))

The House bill is the same as current law. (New Section 105A(b))

The Conference substitute adopts the Senate provision.

(5) Deficiency Payments

(a) Payment Rate

The Senate bill is similar to current law. (New Section 105A(c)(1)(B))

The House amendment is similar to current law, except the national average price for the first 6 months of the marketing year are used. (New Section 105A(c)(1)(C))

The Conference substitute adopts the Senate provision with amendments. For the 1991 through 1993 crop years, deficiency payments are to be based on the five month average market price. (Upon enactment of a FY1991 Reconciliation Bill for the 1994 and 1995 crops deficiency payment will be computed based on the season average price.) Provisions are made in the section 1121 of the act with respect to the timing of deficiency payments. Payments are to be made as follows: forty to fifty per cent of estimated deficiency payments at time of sign-up, seventy-five per cent of the remaining estimated deficiency payment after the end of the first five months and the remainder to be paid at the end of the marketing year. The Conference also adjusts the method of calculation of deficiency payments to allow for the 'triple-base' provision. (Upon the enactment of the FY1991 Reconciliation Bill payment acres for purposes of computing deficiency payments shall be reduced by 15 percent after reducing the crop acreage base for reduced acres and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the Act.)

(b) Special Computation For Barley

The Senate bill states, that in determining the payment rate for barley, the Secretary shall include feed and malting barley prices, except that the Secretary shall exclude the portion of average malting barley prices that exceed feed barley prices by more than $0.22 per bushel. (New Section 105A(c)(1)(C)(iv))

The House amendment states that the Secretary shall use the national weighted average market price received by producers of barley sold primarily for feed purposes. For the 1991 crop, the Secretary shall use an all barley price for purposes of computing advance deficiency payments, however the Secretary shall ensure that notwithstanding the method used to compute the advance deficiency payment that the total payment made to barley producers for the 1991 crop is computed based on the price of barley normally used for feed purposes. (New Section 105A(c)(1)(J))

The Conference substitute adopts the House provision. The Act also provides for an assessment of malting barley producers who participate in the program as a method of providing a partial offset to the cost of this provision. Section 401 of the act provides for an assessment on malting barley producers.

(c) Established Price

The Senate bill states that the established price for corn shall be not less than $2.75 per bushel for each of the 1991-95 crops. The established price for oats shall not be less than $1.55 per bushel for the 1991 crop, $1.65 per bushel for the 1992 crop, $1.75 per bushel for the 1993 crop, and $1.85 per bushel for each of the 1994 and 1995 crops. The established price for each of the 1991-95 crops of grain sorghum and barley shall be not less than $2.61 per bushel for grain sorghum and not less than $2.36 per bushel for barley. (New Section 105A(c)(1)(C))

The House amendment provides that the established price for corn shall be not less than $2.75 per bushel. Sorghum shall be set at such price as the Secretary determines is fair and reasonable in relation to the established price for corn; oats shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, but shall not be less than $1.45 per bushel; and barley shall be such price as the Secretary determines is fair and reasonable in relation to the established price for corn, taking into consideration the various feed and food uses for barley, however, the ratio of the established price for barley will not be less than 85.8 percent of the established price for corn. (New Section 105A(c)(1)(E) & (F))

The Conference substitute adopts the House provision.

(d) Adjustment in Established Price for Acreage Reduction Programs

The Senate bill contains no comparable provision.

The House amendment provides that, if the Secretary announces an acreage limitation or a set-aside program in excess of 17.5 percent, then the established price shall be increased by an amount not less than 2.55 percent of the established price for each 2.5 percent increase of the percentage reduction or set aside in excess of 17.5 percent. (New Section 105A(c)(1)(E)(ii))

The Conference substitute adopts the Senate provision.

(6) Emergency Compensation

The Senate bill is similar to current law, except when computing payments, the Secretary shall utilize the national average price for the first 5 months of the marketing year. (New Section 105A(c)(1)(D))

The House amendment is similar to current law, except that in the case of barley, the national weighted average price of barley sold primarily for feed purposes shall be used. (New Section 105A(c)(1)(D))

The Conference substitute adopts the House provision.

(7) 0/92 Program

(a) Use of Conserving Use Acreage

The Senate bill is similar to current law for industrial and other crops, except that it includes mung beans and milkweed as crops that may be allowed by the Secretary. The Secretary shall permit, subject to terms the Secretary may prescribe, that conserving use acres may be devoted to sunflowers, rapeseed, canola, safflower, flaxseed and other minor oilseeds designated by the Secretary (excluding soybeans). Producers who participate in this program shall agree to forgo eligibility to receive a loan for such oilseed produced on the farm. (New Section 105A(c)(1)(F))

The House amendment is similar to current law, except that the Secretary is not allowed to permit the planting of safflower, sunflower or flax on conserving use acreage. (New Section 105A(c)(1)(H))

The Conference substitute adopts the Senate provision, making the provision allowing for the planting of minor oilseeds on conserving use acres mandatory. Acreage planted to minor oilseeds would be eligible for either deficiency payments, or for the loan provisions included in the act for minor oilseeds, but not both, at the producer's option if the Secretary offers the program. The provisions in current law providing Secretarial discretion for the planting of experimental, industrial and other crops are retained.

(8) Disaster Payments

The Senate bill is similar to current law. (New Section 105A(c)(2))

The House amendment is similar to current law, including such condition resulting from the adjudication of Indian water settlement. (New Section 105A(c)(2))

The Conference substitute adopts the Senate provision.

(9) Acreage Reduction Program

(a) In General

The Senate bill is similar to current law, except corn, sorghum, barley and oats are individually mentioned. This allows the Secretary to establish acreage limitation programs separately for each of the feed grains.

In determining the level of acreage limitation appropriate for a crop year, the Secretary shall consider the number of acres placed in the agricultural resource conservation program. (New Section 105A(e)(1))

The House amendment is similar to current law. (New Section 105A(f)(1)(A))

The Conference substitute adopts the Senate provision.

(b) Stock Triggers for Acreage Limitation Program

The Senate bill states that if the Secretary estimates that the ratio of corn ending stocks to total disappearance of corn for the preceding marketing year will be—

(1) more than 25 percent, the Secretary shall provide for an acreage reduction program (ARP) of not less than 12.5 percent nor more than 20 percent; or

(2) 25 percent or less, the Secretary may provide for an ARP of not more than 12.5 percent. The Secretary is authorized to offer a 0% ARP.

The term total disappearance means all corn utilization, including total domestic,

total export, and total residual disappearance. (New Section 105A(e)(1)(F))

The House amendment allows that, for each of the 1991 through 1995 crops of feed grains, if the Secretary estimates for a marketing year for the crop that the ratio of ending stocks of corn to total use of corn for the preceding marketing year will be—

(i) more than 25 percent, the Secretary must provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 12.5 percent nor more than 20 percent; or

(ii)(I) except as otherwise provided, 25 percent or less, the Secretary may provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not more than 12.5 percent; or

(II) not less than 21.6 percent nor more than 22.8 percent, the Secretary must provide for an acreage limitation program under which the acreage planted to feed grains for harvest on a farm would be limited to the feed grain crop acreage base for the farm for the crop reduced by not less than 11.6 percent. (New Section 105A(f)(1)(B))

The Secretary shall allow producers of malting barley not to comply with any acreage limitation as a condition of eligibility for feed grain loans, purchases, and payments if the producer—

(1) has previously produced a malting variety of barley for harvest,

(2) plants barley only of an acceptable malting variety for harvest, and

(3) meets any other conditions that the Secretary prescribes. (New Section 105A(f)(1)(C))

For the 1991 through 1995 crops of oats—

(1) The Secretary is prohibited from establishing a percentage reduction in excess of 5 percent, unless the Secretary determines that the supply of oats will be excessive without a greater percentage reduction than 5 percent; and

(2) authorizes the Secretary to establish a percentage reduction for oats of less than 5 percent. However, if the Secretary does not establish a percentage reduction requirement for oats, the Secretary must ensure that the crop acreage bases established for the farm and the farm acreage base are not increased. (New Section 105A(f)(1)(H))

The Conference substitute adopts the Senate provision with an amendment. For 1992-96 crops, if the stocks-to-use ratio is—

(1) more than 25 per cent, the Secretary shall provide for an acreage reduction program (ARP) of not less than 10 percent nor more than 20 percent; or

(2) 25 percent or less, the Secretary may provide for an ARP of not more than 12.5 percent. The Secretary is authorized to offer a 0% ARP.

There is a special case for malting barley. The Conference substitute adopts the House provision with an amendment, making the provision discretionary.

The Conference substitute adopts the House provision with regard to oats with an amendment to mandate a zero per cent ARP for oats.

(c) Reduced Acreage

The Senate bill modifies the definition established in current law. The term 'reduced acres' is defined as the number of acres determined by multiplying the respective feed grain crop acreage base by the percentage reduction required by the Secretary. The remaining acreage is referred to as 'permitted acreage'. (New Section 105A(e)(2)(D))

The House amendment is the same as current law. (New Section 105A(f)(2)(E))

The Conference substitute adopts the Senate provision.

(d) Planting Oilseeds on Reduced Acreage

The Senate bill states that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 105A(e)(2)(F))

The House amendment is similar to current law in that provisions are included for planting on conserving use acreage, but not for reduced acreage specifically.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(e) Planting Industrial Crops on Reduced Acreage

The Senate bill states that producers may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (hereinafter referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 105A(e)(2)(G))

The House amendment is similar to current law in that provisions are included for planting on conserving use acreage, but not for reduced acreage specifically.

The Conference substitute adopts the Senate provision with an amendment making it discretionary and allowing the Secretary to adjust penalty for participating in the provision. Further, it adds the Senate provision on crops which may be planted on Reduced Acres.

(f) Planting of Oats on Reduced Acreage

The House amendment provides that, in any crop year that the Secretary determines projected domestic production of oats will not fulfill projected domestic demand for oats, notwithstanding other provisions —

(1) the Secretary is required to allow any reduced acreage and set-aside acreage to be planted to oats for harvest (However, if the Secretary estimates that oats planted to this acreage will result in projected domestic production of oats exceeding the projected domestic demand of oats, the Secretary will limit, by applying a uniform percentage reduction to this acreage for each farm, the amount of this acreage to an amount that will result in projected domestic production fulfilling projected domestic demand.);

(2) authorizes the Secretary to make program benefits (including, but not limited to, loans, purchases, and payments) available under the annual program for oats under title I of the Agricultural Act of 1949 available to producers with respect to this acreage planted to oats; and

(3) prohibits the Secretary from making program benefits, other than the benefits specified above, available to producers with respect to this acreage planted to oats. (New Section 105A(f)(9)(A))

The Senate bill contains no such provision.

The Conference substitute adopts the Senate provision, but included elsewhere in the Act is a requirement that the Secretary offer a zero percent ARP.

(10) National Program Acreage

The House amendment is similar to current law. (New Section 105A(d))

The Senate bill contains no such provision.

The Conference substitute adopts the Senate provision.

(11) Management of Conserving Use Acreage

(a) Protection From Weeds and Erosion and Summer Fallow Provisions

The Senate bill is similar to current law, but with no provision for summer fallow. (New Section 105A(e)(4)(A))

The House amendment is similar to current law. (New Section 105A(f)(4)(A) & (D))

The Conference substitute adopts the House provision.

(b) Annual or Perennial Cover

The Senate bill states that a producer who participates in an ARP shall be required to plant an annual or perennial cover to at least 50 percent of the area required to be removed from production—not to exceed 5 percent of the crop acreage base. The CCC shall make available cost-share assistance for 25 percent of the approved cost of establishing the cover on not more than 50 percent of the acreage required to be diverted from production, but not more than 5 percent of the crop acreage base. A producer who elects to establish a perennial cover and receives cost-share shall agree to maintain the perennial cover for a minimum of 3 years. (New Section 105A(e)(4)(B))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less than the portion of the producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(c) Conserving Crops

The Senate bill is similar to current law except adds mung beans and milkweed. (New Section 105A(e)(4)(B)(iii))

The House amendment is similar to current law. (New Section 105A(f)(4)(B))

The Conference substitute adopts the Senate provision.

(d) Haying and Grazing

The Senate bill is similar to current law, except the determination regarding economic effects is deleted. (New Section 105A(e)(4)(c))

The House amendment is similar to the Senate provision, except special provisions are included for irrigated or irrigable acreage not planted in alfalfa under natural disaster conditions. (New Section 105A(f)(4)(C))

The Conference substitute adopts the House provision.

(e) Additional Practices

The Senate bill states that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if it was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New 105A(g)(4)(D))

The House amendment refers to the miscellaneous title.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(12) Target Option Program

The Senate bill states that if the Secretary implements an acreage limitation program for corn, the Secretary shall allow producers who do not participate in the 0/92 program to increase or decrease the acreage limitation percentage in return for adjustments in the established price. If a producer agrees to an increase in the acreage limitation percentage above the percentage announced by the Secretary, the producer shall be eligible to receive an increase in the established price for corn by an amount determined by the Secretary. The established price shall be increased by not less than 0.5 percent, nor more than 1 percent, for each 1 percentage point increase in the producer's acreage limitation percentage. The acreage limitation percentage shall not be increased over the announced acreage limitation level by more than 5 percentage points for the 1991 crop and 10 percentage points for each of the 1992-95 crops. In no case shall the individual's acreage limitation level be more than 20 percent. The producer shall be allowed to decrease the acreage limitation percentage announced by the Secretary, but not by more than half of the announced acreage limitation percentage. If a producer participates in this option, the producer will also agree to a decrease in the established price for corn. The Secretary shall decrease the established price by an amount to be determined by the Secretary. The decrease shall be no less than 0.5 percent, nor more than 1 percent, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' corn acreage base. The Secretary shall implement the targeted option program for other feed grains in a manner similar to the way the program is implemented for corn. The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production. Further, the Secretary shall offer the program in such a manner that the Secretary determines will result in no additional budget outlays. (New Section 105A(e)(3))

The House amendment states that if an acreage limitation program is in effect, producers shall be eligible for an increase of up to one percent in the established price for a crop of feed grains for each one percent of the permitted feed grain acreage devoted to conservation uses. The portion of feed grain acreage allowed to participate in the program shall not exceed 10 percent. The increase in established price shall not result in a producer receiving more in deficiency payments than the maximum amount such producer would have otherwise been eligible to receive. (New Section 105A(c)(1)(I)) Under the Acre-For-Acre Program, the Secretary is authorized to permit producers on a farm to plant feed grains on a portion of the acreage otherwise required to be devoted to conservation uses if the producers agree to a corresponding reduction, on an acre-for-acre basis, in the farm program acreage used to compute deficiency payments. If the Secretary exercises the authority provided in this provision then the Secretary must implement this provision in such a manner that no greater outlays from the Commodity Credit Corporation result from its implementation. In addition, the feed grain crop acreage base and the feed grain farm program payment yield for the farm may not be increased or reduced due to the fact that such portion of the conserving use acres for the farm was planted to feed grains. (New Section 105A(g)(2))

The Conference substitute adopts the Senate provision with an amendment to make the program discretionary. If the Secretary elects to offer the program to producers, the Secretary must offer provisions to both increased and decreased individual ARP options.

(13) Agreements With Producers

The Senate bill is similar to current law provisions. The modification of agreement is similar to current law, with a modification indicating that the Secretary may only seek to modify the agreement if there has been a significant change in the estimated stocks of the commodity since the announcement of the final program. (New Section 105A(e)(7))

The House amendment is similar to current law. (New Section 105A(f)(7))

The Conference substitute adopts the Senate provision.

(14) Inventory Reduction Program or Half-ARP

The Senate bill states that the requirements for participation are the same as current law. Payments under this program may be made in the form of negotiable marketing certificates. (New Section 105A(f))

The House amendment is similar to current law, but referred to as the One-Half ARP Program. The requirements for participation is similar to current law. The form of payments are similar to current law, except that payments are to be made in the form of such feed grains owned by the CCC subject to the availability of such feed grains. (New Section 105A(g)(1))

The Conference substitute adopts the Senate provision.

(15) Production Limitation

The Senate bill states that there is no such provision.

The House amendment is similar to current law. (New Section 105A(f)(8))

The Conference substitute adopts the Senate provision.

(16) Pilot Voluntary Production Limitation Program

The Senate bill states that the Secretary is required to carry out, for the 1991 or 1992 crop of feed grains, (and the 1993 through 1995 crops if the Secretary so determines), a pilot program in at least 15 counties in at least 4 States (60 total) where producers express an interest in participating. Under the limitations on marketing, producers shall be considered to have met the requirements of an acreage limitation or land diversion program if producers limit their marketings of feed grains to the feed grains production limitation quantity for the farm for the marketing year. The production limitation quantity for a marketing year for a farm shall equal the product obtained by multiplying—

(1) the acreage permitted to be planted to feed grains under the ARP or land diversion program in effect for the crop for the farm; by

(2) the higher of—

(i) the farm program payment yield for the farm; or

(ii) the 5 year olympic average yield per harvested acre for the farm, excluding any crop year in which the commodity was not planted on the farm.

In order to participate in this pilot program, producers shall—

(1) enter into an agreement with the Secretary providing that the producers shall comply with the program;

(2) not plant program commodities for harvest in a quantity in excess of the normal crop acreage; and

(3) be considered to have complied with the terms and conditions of the feed grains ARP or land diversion program for the crop, even though the acreage planted to feed grains on the farm exceeds the permitted acreage provided under the acreage reduction or land diversion program.

Any quantity of feed grains produced in excess of the production limitation quantity may be stored by the producer for a period of not to exceed 5 marketing years. The restricted uses of such excess feed grains are specifically described.

In carrying out the pilot program, the Secretary—

(1) shall issue necessary regulations;

(2) may require increased acreage reduction or land diversion requirements with respect to producers who have had excess feed grains production in order to allow the producers to market, barter, or use the production in subsequent years;

(3) shall take appropriate measures to prevent the circumvention of this program, including the imposition of penalties;

(4) may require producers who participate in the program, but who fail to comply with the terms and conditions, to refund all or a part of any deficiency payments received with respect to the crop;

(5) may require the forfeiture to the CCC of any feed grains produced in excess of the production limitation quantity that is not marketed, bartered, or used within 5 marketing years; and

(6) shall ensure equitable treatment for producers who participate in the pilot program if the Secretary allows increases (based on actual production levels) in program payment yields.

The Comptroller General of the U.S. shall prepare a report evaluating the pilot program and make recommendations concerning whether the program should be offered to all producers for the 1993 through 1995

crops of feed grains in the United States. The report shall be submitted to the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, and the Secretary. (New Section 105A(g))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment starting the program with the 1992 crop in fifteen counties in each of two states. The managers believe that the program should be offered in a state that traditionally produces significant quantities of spring and winter wheat, and in a predominantly corn and soybean producing state.

(17) Defaults and Waivers

The Senate bill is similar to current law. (New Section 105A(h))

The House amendment is similar to current law, however it includes a provision allowing the Secretary to consider whether the producer made a good faith effort to comply with the terms and conditions of the program. The waiver of deadlines is similar to current law. (New Section 105A(h))

The Conference substitute adopts the House provision.

(18) Public Comment on Feed Grain Program

The Senate bill states that the Secretary is required to request public comment regarding the development of the annual feed grains program. Not less than 60 days before a program is announced, the Secretary shall propose for public comment various program options. Each option proposed by the Secretary shall be accompanied by an analysis that includes the estimated planted acreage, production, domestic and export use, ending stocks, season average producer price, program participation rate, and cost to the Federal Government that would likely result from each option. (New Section 105A(o))

The House amendment contains no such provision.

The Conference substitute adopts the Senate provision with an amendment beginning the provision with the 1992 crop.

(19) Recourse Loan Program for Silage

The Senate bill states that the current recourse loan program for silage is extended for the 1991 through 1995 crops. (Section 403)

The House amendment contains no comparable provision.

The Conference agreement adopts the Senate provision.

(20) High Moisture Corn Program

The Senate bill contains no comparable provision.

The House amendment states that, effective for each of the 1991 through 1995 crops of feed grains, the Secretary shall make available recourse loans as determined by the Secretary to producers on a farm who—

(1) normally harvest all or a portion of their crop of feed grains in a high moisture state (herein defined as a feed grain having a moisture content in excess of Commodity Credit Corporation standards for loans made by the Secretary under sections 105A(a)(1) and 105A(a)(6) of the Agricultural Act of 1949);

(2) present certified scale tickets or other similar entities approved by the Secretary, pursuant to regulations, or present field or other physical measurements of the standing or stored feed grain crop in regions of the country, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(3) certify that they were the owners of the feed grain at the time of delivery to, and that the amount to be placed under loan was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to such facilities maintained by the users of such high-moisture feed grain;

(4) comply with deadlines established by the Secretary for harvesting the feed grain and submit applications for loans within deadlines established by the Secretary; and

(5) participate in an acreage limitation or set-aside program for such crop of feed grains established by the Secretary. These loans shall be made on a quantity of feed grains of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(1) the acreage of the feed grain in a high moisture state harvested on the producer's farm; by

(2) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which such high moisture feed grain was obtained. (Section 1002)

The Conference substitute adopts the House provision.

(21) Special Provisions for Barley

The Senate bill states that any provision which relates specifically to payments due to barley producers for the 1988 and 1989 crops shall be non-discretionary. (Section 404)

The House amendment states that the Secretary shall, not later than 45 days after the date of enactment, calculate, for informational purposes only (except as provided in the discretionary authority), the amount of the refund of any advance deficiency payment a producer of barley who participated in the 1988 or 1989 Federal barley price support program would be required to make pursuant to section 107C of the Agricultural Act of 1949 (7 U.S.C. 1445b-2) based on a formula that includes the human food values of barley in all components of the calculations used to determine the amount of refund of advance deficiency payment required of the producer.

The Secretary is required to publish in the Federal Register—

(1) the formula used to perform the calculations;

(2) the aggregate results that the use of this calculation would have in terms of the total reduction in the amount of refunds, the number of producers affected, and any other information the Secretary determines appropriate;

(3) a declaration of whether or not the Secretary decides to use such calculation to recalculate barley producer's refunds; and

(4) a statement of the Secretary's reasons for the decision.

In addition, the Secretary must make available to each producer of 1988 or 1989 crop barley, upon request, a statement detailing the effect of the calculation of refunds upon the producer's 1988 or 1989 refund.

The Secretary is authorized to use the calculation described to determine whether or not to reduce the total refund owed by a producer of 1988 or 1989 crop barley under section 107C of the Agricultural Act of 1949.

If the Secretary decides to use the calculation and reduce the amount of the refund, then, in the case of a producer of 1988 or 1989 crop barley who paid the refund of the advance deficiency payment for such crop calculated prior to the enactment of this bill (or any amount of refund in excess of the amount of the refund determined under this provision, the Secretary —

(1) must, before May 31, 1991, reimburse the producer the amount of refund paid by the producer in excess of the refund determined in accordance with this provision;

(2) must have the option to make this reimbursement in a lump sum or in installments;

(3) must, not later than 45 days after the date of enactment of the bill, notify producers who are eligible to receive such reimbursement of their 1988 or 1989 advance deficiency payment refund under section 1004, of the timing of the payment of the reimbursement (either in lump sum or in installments), that the amount of the reimbursement will not bear interest if paid before October 15, 1990, and that the amount of such reimbursement paid after October 15, 1990 will bear interest at a rate of at least 7 percent per annum; and

(4) may elect to pay such reimbursement in a lump sum with negotiable generic certificates redeemable for commodities owned by the Commodity Credit Corporation if the reimbursement is paid in full not later than 60 days after the date of enactment of the bill. (Section 1003)

The Conference substitute adopts the House provision.

TITLE V—COTTON

(1) Price Support Loans

(a) In General

The Senate bill provides for cotton price support loans under terms and conditions similar to current law, except that "strict low middling 1 1/16 inch (micronaire 3.5 through 4.9)" is changed to "the base quality of upland cotton, as determined by the Secretary". (New Section 103A(a))

The House amendment is similar to the Senate provision. (New Section 103B(a))

The Conference substitute adopts the Senate provision.

The Senate bill is similar to current law. (New Section 103A(a))

The House amendment is similar to current law and the Senate provision. (New Section 103B(a))

The Conference substitute adopts the Senate provision.

(2) Marketing Loan

(a) Loan Repayment

The Senate bill provides that in order to ensure that a competitive market position is maintained for upland cotton, producers may repay upland cotton price support loans for a crop at the lesser of—

(1) the loan level determined for the crop; or

(2) the prevailing world market price for upland cotton (adjusted to U.S. quality and location).

If the world market price for cotton is less than the loan level, the Secretary may permit a producer to repay a loan at such level (not in excess of the loan level determined for the crop) as the Secretary determines will—

(1) minimize potential loan forfeitures;

(2) minimize the accumulation of cotton stocks by the Federal Government;

(3) minimize the cost incurred by the Federal Government in storing cotton; and

(4) allow cotton produced in the U.S. to be marketed freely and competitively, both do-

mestically and internationally. (New Section 103A(a)(5)(A))

The House amendment is the same as current law. (New Section 103B(a)(5)(A)-(C))

The Conference substitute adopts the Senate provision, with an amendment setting the minimum repayment rate at 70% of the loan level.

(b) First Handler Marketing Certificates

The Senate bill is similar to current law except that the value of each certificate shall be based on the difference between the loan repayment rate for upland cotton and the prevailing world market price. (New Section 103A(a)(5)(B))

The House amendment is similar to current law. (New Section 103B(a)(5)(D))

The Conference substitute adopts the Senate provision.

(3) Prevailing World Market Price

The Senate bill is similar to current law. (New Section 103A(a)(5)(C))

The House amendment is the same as current law and similar to the Senate provision. (New Section 103B(a)(5)(E))

The Conference substitute adopts the Senate provision.

(a) Further Adjustments in the Adjusted World Price

The Senate bill provides that the Secretary shall adjust the prevailing world market price (AWP) for upland cotton if—

(1) the AWP is less than 115% of the current crop year loan level; and

(2) the Friday through Thursday average price quotation for the lowest-priced U.S. growth as quoted for Middling 1 3/32nds inch cotton delivered C.I.F. Northern Europe is greater than the average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling 1 3/32nds inch cotton, delivered C.I.F. Northern Europe (the "N. Europe" price).

AWP shall be further adjusted on the basis of the following data:

(1) The U.S. share of world exports.

(2) The current level of cotton export sales and cotton export shipments.

(3) Other data relevant in establishing an accurate prevailing world market price.

The above adjustment shall not exceed the difference between—

(1) the Friday through Thursday average price for the lowest-priced U.S. growth as quoted for Middling 1 3/32nds inch cotton C.I.F. Northern Europe; and

(2) the N. Europe price. (New Section 103A(a)(5)(D))

The House amendment is similar to the Senate provision. (New Section 103B(a)(5)(F))

The Conference substitute adopts the Senate provision.

(b) Negotiable Marketing Certificates to Maintain Competitiveness

The Senate bill provides that if, between August 1, 1991, and July 31, 1996, U.S. cotton is uncompetitive in world markets (i.e., exceeds N. Europe price by more than 1.25 cents per lb.) for a consecutive 4-week period, the Secretary shall issue negotiable marketing certificates to domestic users or exporters for documented sales made in the week following such consecutive 4-week period in order to make U.S. cotton competitive. (New Section 103A(a)(5)(E))

The House amendment is similar to the Senate provision. (New Section 103B(a)(5)(G))

The Conference substitute adopts the Senate provision.

(c) Special Limited Global Import Quota

The Senate bill provides that the President shall, within 60 days, establish an import quota program which shall provide that if U.S. cotton is uncompetitive in world markets for 10 consecutive weeks, a special limited global import quota shall be implemented. The quota shall be equal to 1 week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent 3 months for which data are available.

The quota shall apply to upland cotton purchased not later than 90 days after the date of the establishment of the quota and entered not later than 180 days after the date of the establishment of the quota. A special quota period may not be established if a special quota period has been established under subsection 103A(n) of the 1949 Act. (New Section 103A(a)(5)(F))

The House amendment is the same as Senate provision. (New Section 103B(a)(5)(H))

The Conference substitute adopts the Senate provision.

(4) Deficiency Payments

The Senate bill provides that the Secretary shall make deficiency payments to producers for each of the 1991-95 crops of upland cotton. The deficiency payment is determined as under current law. (New Section 103A(c)(1))

The provision concerning a ceiling on the amount of payment that may be made in cotton certificates is dropped.

The House amendment is similar to the Senate provision. (New Section 103B(C)(1))

The Conference substitute adopts the Senate provision, with an amendment adjusting the computation of deficiency payments to allow for the "triple-base" provision. (Upon enactment of the FY 1991 Reconciliation Bill, the payment acres for purposes of computing deficiency payments shall be reduced by 15 percent after reducing the crop acreage base for reduced acres and for any planting of a crop other than wheat on the crop acreage base under the flexibility provisions of section 1101 of the act.)

(5) 50/92 Provisions

(a) In General

The Senate bill is similar to current law with following exceptions:

The deficiency payment rate under this provision may not be established at less than the projected deficiency payment rate for the crop.

In addition to quarantine exception, producers may not have to comply with the 50% planting requirement if Secretary determines that producers are prevented from planting the acreage intended for upland cotton to upland cotton because of a natural disaster, or other condition beyond the control of the producer. (New Section 103A(c)(1)(D))

The House amendment is similar to the Senate provision. (New Section 103B(c)(1)(B))

The Conference substitute adopts the Senate provision with an amendment, and changes references to "permitted acreage" to "maximum payment acres."

(b) Use of Underplanted Acreage

The Senate bill is similar to current law, except listed crops includes mung beans. (New Section 103A(c)(1)(E))

The House amendment is similar to current law and the Senate provision except listed crops do not include sunflower, safflower, mustard seed and mung beans. (New Section 103B(c)(1)(F))

The Conference substitute adopts the House provision, with an amendment adding mung beans.

(6) Discretionary Disaster Payments

The Senate bill is the same as current law, except there is no specific mention of the Secretary making the payments available in cash or certificates. (New Section 103A(a)(2))

The House amendment is the same as current law, except that a condition resulting from the adjudication of Indian water settlement disputes is included in the list of covered disasters. (New Section 103B(c)(2))

The Conference substitute adopts the Senate provision.

(7) Acreage Limitation Program

(a) National Program Acreage

The Senate bill is similar to current law except there is no reference to the national program acreage. (New Section 103A(e)(1))

The House amendment is the same as the Senate provision and similar to current law. (New Section 103B(e)(1))

The Conference substitute adopts the Senate provision.

(b) Announcement of ARP

The Senate bill provides that the ARP must be announced by November 1 except that in the case of the 1991 crop, the Secretary shall announce the program as soon as practicable after the date of enactment of this section. The ARP may be revised not later than January 1 of the calendar year in which the crop is harvested if necessary. If producers in early planting areas would be disadvantaged by such revision, they may elect to participate in the ARP based on the original terms and conditions. (New Section 103A(e)(1))

The House amendment is similar to the Senate provision with the following differences:

November 1 announcement would be a preliminary announcement.

Secretary must make a final announcement by January 1.

Requirement that the announcement include, among other information determined necessary by the Secretary, an announcement of the ARP reduction percentage.

Producers in early planting areas are allowed to elect to participate in the program on the terms first or subsequently announced if the Secretary determines that such producers may be unfairly disadvantaged by such revision. (New Section 103B(e)(1)(C)(i))

The Conference substitute adopts the House provision with an amendment providing that the announcement date for the 1991 crop be made as soon as possible. The managers intend that the following Texas counties be considered early planting areas subject to the early planting exception: Cameron, Hidalgo, Starr, Willacy, Zapata, Wilson, Webb, LaSalle, Brooks, Jim Wells, Duval, Kenedy, Kleberg, Aransas, Live Oak, Refugio, Bee, Karnes, Goliad, Atascosa, Bexar, Dimmit, San Patricio, and Nueces.

(c) Carryover

The Senate bill provides that the ARP should be implemented to result in a carryover of 4 million bales of upland cotton or a ratio of carryover to total disappearance of 33%, whichever results in a higher carryover. The term "total disappearance" means all upland cotton utilization, including total

domestic, total export, and total residual disappearance.

If, at the time of the final announcement of the ARP, it is determined that the carryover of upland cotton will be in excess of the desired carryover amount, the Secretary shall carry out a land diversion program in a manner that will result in the desired carryover. (New Section 103A(e)(1)(E)-(F))

The House amendment requires the Secretary to carry out an acreage limitation program described in paragraph (2) for a crop of upland cotton in a manner that will result in a ratio of carry-over to total disappearance (domestic use plus exports) of 30 percent, based on the Secretary's most recent projection of carry-over and total disappearance at the time of announcement of the acreage limitation program. (New Section 103B(e)(1)(D))

The Conference substitute adopts the House provision on the carryover level. The conferees intend, that in addition to using the maximum ARP authority, under this section, the Secretary should also use the paid land diversion authority under this Act to the maximum extent practicable to achieve the 30% stocks-to-use ratio.

(d) Percentage Reduction

The Senate bill provides that the ARP can be established from 0 to 25% of the upland cotton crop acreage base. Except as provided in the planting flexibility provisions in title V of the 1949 Act, producers who do not comply with the ARP are ineligible for program benefits. (New Section 103A(e)(2))

The House amendment is the same as current law. (New Section 103B(e)(2)(A) and (B))

The Conference substitute adopts the Senate provision.

(8) Acreage Devoted to Conservation Uses. (S 501; H 101)

(a) Reduced Acreage

The Senate bill provides for reduced acres determined by multiplying the upland cotton crop acreage base by the percentage reduction required. (New Section 103A(e)(2)(D))

The House amendment is the same as current law. (New Section 103B(e)(2)(D))

The Conference substitute adopts the Senate provision.

(b) Permitted Acreage

The Senate bill provides that "Permitted acreage" equals cotton acreage base minus the reduced acreage. (New Section 103A(e)(2)(D))

The House amendment provides no definition.

The Conference substitute adopts the Senate provision.

(9) Use of Reduced Acreage

(a) Planting of Oilseeds

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated to all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 103A(e)(2)(F))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary.

(b) Experimental or Industrial Nonprogram Crops

The Senate bill provides that the producers on a farm may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (hereinafter referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 103A(e)(2)(G))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the provision discretionary, and allowing the Secretary to adjust the penalty for participating in the program. The amendment further adds the Senate provision on crops which may be planted on Reduced Acres.

(10) Administration of Conservation Use Acreage

(a) General

The Senate bill provides language that is the same as current law with following additional requirement:

Producers participating in the ARP must plant to an annual or perennial cover 50% of the reduced acreage, but not to exceed 5% of the crop acreage base. The CCC shall pay 25% of the cost of establishing such cover (on not more than 50% of the reduced acreage or 5% of the acreage base) if the producer establishes a perennial cover on the reduced acreage.

If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from CCC, the perennial cover shall be maintained for at least 3 years. (New Section 103A(e)(4))

The House amendment provides language that is the same as current law. (New Section 103B(e)(3)(A))

The Conference substitute adopts the Senate provision with an amendment providing for perennial cost-share limited to cover capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced below the perennial cover percentage which received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill provides language that is the same as current law except mung beans and milkweed are included. (New Section 103A(e)(4)(B)(iii))

The House amendment provides language that is the same as current law. (New Section 103B(e)(3)(B))

The Conference substitute adopts the Senate provision.

(c) Haying & Grazing

The Senate bill provides language that is the same as current law, except that limitation on haying and grazing if there would be an adverse economic effect is eliminated. (New Section 103A(e)(4)(C))

The House amendment is the same as Senate provision except as follows:

Prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa from this provision. (New Section 103B(e)(3)(C))

The Conference substitute adopts the House provision.

(d) Water Storage Uses

The Senate bill provides that land that has been converted to water storage uses shall be considered to be devoted to conservation uses if it was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New Section 103A(e)(4)(D))

The House amendment contains a similar provision in the General Commodities title.

The Conference substitute adopts the Senate provision with amendments providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(11) Targeted Option Program

The Senate bill provides that if the Secretary implements an ARP for upland cotton, producers on a farm who do not participate in the 50/92 program may choose to increase or decrease the ARP percentage applicable to the crop in return for adjustments in the level of deficiency payments.

For each 1% increase in the ARP (but not above 10 percentage points or above 25% total), the established price shall be increased as determined by the Secretary, but not less than 0.5%, nor more than 1%. In determining any increase in the ARP, Secretary shall exclude an amount that reflects the producers' average underplantings for the 2 prior years.

For each 1% decrease in the ARP (but not below 1/2 of announced ARP percentage), the Secretary shall decrease the established price as determined by the Secretary, but not less than 0.5%, nor more than 1%, for each 1 percentage point decrease in the acreage limitation percentage applied to the producers' upland cotton acreage base.

The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production and shall be offered in such a manner as to not result in additional budget outlays. (New Section 103A(e)(3))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary, but if implemented, the Secretary must provide for both increased and decreased individual ARP options.

(12) Land Diversion Program

The Senate bill provides language similar to current law, except that Land diversion program must be implemented if carryover level of upland cotton will be in excess of

desired carryover level. See item C14d above. (New Section 103A(e)(5))

The House amendment is similar to current law except as follows: Requires Secretary to offer a paid land diversion program to producers of upland cotton if, at the time of final announcement of the ARP, the projected carry-over of upland cotton for the crop year is equal to or greater than 8 million bales. Land diversion payments will be determined by multiplying—

(1) the payment rate (not less than 35 cents per pound); by

(2) the program payment yield; by

(3) the number of permitted upland cotton acres diverted on the farm.

Authorizes the Secretary to allow producers to participate in a land diversion program under paragraph (4) at a level lower than the maximum level announced by the Secretary if the Secretary determines that it will increase participation in such program. (New Section 103B(e)(4))

The Conference substitute adopts the House provision on the land diversion program.

The Managers intend that the land diversion program be implemented only after the maximum ARP has been established, but that the program should be used to the maximum extent practicable to achieve the 30% stock-to-use ratio target.

(13) Participation Agreements

The Senate bill provides language that is similar to current law except that an agreement may be modified for the purpose of alleviating a shortage of commodities only if there has been a significant change in the estimated stocks of the commodity subsequent to the final announcement of the terms and conditions of the upland cotton program. (New Section 103A(e)(7))

The House amendment is the same as current law. (New Section 103B(e)(6))

The Conference substitute adopts the Senate provision.

(14) Inventory Reduction Program

The Senate bill provides language that is similar to current law, except as follows:

Program is mandatory; and

Payments under this program may be made in the form of negotiable marketing certificates. (New Section 103A(f))

The House amendment is similar to current law except as follows: Provides that payments authorized under subsection (f)(1) may be made

(A) in the form of upland cotton owned by the Commodity Credit Corporation; or

(B) in such other form as the Secretary is authorized by law to make.

Requires that the quantity of upland cotton to be made available to a producer must be equal in value to the payments. (New Section 103B(f))

The Conference substitute adopts the House provision.

(15) Failure to Fully Comply

The Senate bill is the same as current law. (New Section 103A(g))

The House amendment is the same as current law and Senate provision except that the Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph. (New Section 103B(g))

The Conference substitute adopts the House amendment.

(16) Cross-Compliance

The Senate bill states that compliance on a farm with respect to the terms and conditions for any other commodity, or compliance with crop acreage base requirements for any other commodity, may not be required as a condition for eligibility in the cotton program. Compliance with terms and conditions of the cotton program on another farm operated by a producer may not be required as a condition for eligibility in the cotton program. (New Section 107A(n))

The House amendment is similar to Senate provisions, with a new provision on base increases. If a producer on a farm is participating in the cotton program, the crop acreage base for any other commodity for the farm may not be increased if such commodity is produced on the farm in a manner that is not in compliance with—

(i) the terms and conditions of the applicable commodity program for such commodity; or

(ii) the crop acreage base requirements of the applicable commodity program for such commodity. The compliance on other farms is similar to Senate provision. (New Section 107A(n))

The Conference substitute adopts the Senate provision.

(17) Miscellaneous Cotton Provisions

The Senate bill provides that sections 103 and 203 of the Agricultural Act of 1949 shall not be applicable to the 1991-95 crops. (Section 503)

The House amendment provides that price support provisions of section 103(a) of the Agricultural Act of 1949 are made inapplicable to the 1991 through 1995 crops. (Section 104)

The Conference substitute adopts the House provision.

(18) Skiprow Practices

The Senate bill amends section 374(a) of the Agricultural Adjustment Act of 1938 to provide that, for the 1991-95 crops, the Secretary shall take other skiprow practices into account for the purpose of classifying the acreage planted to cotton and the acreage skipped. (Section 504)

The House amendment extends the provisions of section 374(a) of the Agricultural Adjustment Act of 1938 for skiprow practices through the 1995 crop of cotton, and requires that for the 1991 through 1995 crops, the rules allow 30 inch rows to be taken into account for classifying the acreage planted to cotton and the area skipped. (Section 105)

The Conference substitute adopts the House provision.

(19) Extension of Extra-Long Staple Cotton Program

The Senate bill amends section 103(h) of the 1949 Act to extend the extra long staple cotton program through the 1995 crop, under the same terms and conditions as existed for the 1990 crop. The provisions on cross-compliance and offsetting compliance are made consistent with similar provisions in the wheat, feed grains, upland cotton, and rice programs. (Section 506)

The House amendment amends section 103(h) of the 1949 Act to prohibit the Secretary from using cross-compliance or offsetting compliance as a condition of eligibility for the program, to authorize the Secretary to apply a zero percentage reduction to each farm's acreage base, and to extend the provisions of section 103(h) through the 1995 crop year. (Section 107)

The Conference substitute adopts the House provision.

(20) Adverse Effect on Cottonseed or Cottonseed Oil

The Senate bill provides that if the Secretary determines that the price support program for oilseeds carried out under section 205 of the Agricultural Act of 1949 (as added by section 801 of this Act) causes, or is likely to cause, a reduction in prices received by producers of cottonseed or by processors of cottonseed oil, the Secretary shall take such actions as is determined necessary to offset the actual or anticipated impact of the oilseed program on prices of cottonseed or cottonseed oil. (Section 507)

The House amendment is similar to the Senate provision, except that the section requires that any such actions include only actions to stabilize or increase the price of cottonseed, and may not include actions to decrease the prices of other oilseeds. (Section 109)

The Conference substitute adopts the House provision.

(21) Evidence of Title

The Senate bill provides for purposes of perfecting a security interest under any State law, the evidence of title approved by the Secretary shall be considered to be a warehouse receipt. (New Section 103A(a)(1))

The House amendment is the same as the Senate provision. (New Section 103B(a)(1))

The Conference substitute adopts the House provision with an amendment. The amendment provides that electronic or central filing systems can be used as a method of proving ownership of cotton. This program is to be utilized on a voluntary basis and funded through a fee system that the Secretary may prescribe.

TITLE VI—RICE

(1) Marketing Loan

(a) Negotiable Marketing Certificates

The Senate bill is the same as current law, except that certificates are made redeemable for commodities owned by the CCC, instead of just rice. (New Section 101A(a)(5)(C))

The House amendment is the same as the Senate provision, except the House makes the certificates redeemable for commodities and products. (New Section 101B(a)(5)(C))

The Conference substitute adopts the Senate provision.

(b) Other Terms of Certificates

The Senate bill is similar to current law with the following differences:

CCC sales price restrictions shall not apply to the redemption of such certificates;

Secretary is required to prevent the marketing or exchange of commodities and products for such certificates from adversely affecting the income of producers; and

Under regulations issued by the Secretary, certificates may be transferred to other persons. (New Section 101A(a)(5)(C)(vi)-(viii))

The House amendment is the same as current law. (New Section 101B(a)(5)(C))

The Conference substitute adopts the Senate provision.

(2) Certificates to Maintain Competitiveness

(a) When Issued

The Senate bill is similar to current law, except the provision is made a part of the rice program contained in the 1949 Act. (New Section 101A(a)(5)(D))

The House amendment is the same as current law. (Section 302 of the 1990 Act)

The Conference substitute adopts the Senate provision.

(b) Terms of Certificates

The Senate bill is the same terms as discussed in "other terms of certificates". (New Section 101A(a)(5)(D))

The House amendment is the same as current law. (Sec. 302 of the 1990 Act)

The Conference substitute adopts the Senate provision.

(3) 50/92 Program

(a) In General

The Senate bill is similar to current law with the following exceptions:

In addition to the quarantine exception, producers may not have to comply with the 50% planting requirement if the Secretary determines that producers are prevented from planting the acreage intended for rice to rice because of a natural disaster or other condition beyond the control of the producer. (New Section 101A(c)(1)(D))

The House amendment is similar to current law with the following exceptions:

The deficiency payment rate under this provision may not be established at less than the projected deficiency payment rate for the crop.

The Secretary may waive the 50% planting requirement for any crop of rice.

Provides for payments to producers that are prevented from planting acreage to rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, if an ARP is in effect and if a portion (or all) of the permitted rice acreage of the farm is devoted to conservation uses. (New Section 101B(c)(1)(B))

The Conference substitute adopts the House provision with an amendment to delete the discretionary 0/92 provision, and changing references from permitted acreage to maximum payment acres.

(b) Use of Underplanted Acreage

The Senate bill is similar to current law, except listed crops includes mung beans. (New Section 101A(c)(1)(D))

The House amendment is similar to current law and the Senate provision, except listed crops do not include sunflower, safflower, mustard seed and mung beans. (New Section 101B(c)(1)(F))

The Conference substitute adopts the House provision, with an amendment to add mung beans.

(4) Discretionary Disaster Payments

The Senate bill is the same as current law except there is no specific mention of the Secretary making the payments available in cash or certificates. (New Section 101A(a)(2))

The House amendment is similar to current law, except that a condition resulting from the adjudication of Indian water settlement disputes is included in the list of covered disasters. (New Section 101B(c)(2))

The Conference substitute adopts the Senate provision.

(5) Acreage Limitation Programs

(a) Announcement of ARP

The Senate bill provides that the ARP must be announced by January 31 of the calendar year in which the crop is harvested, except that in the case of the 1991 crop, the announcement must be made as soon as practicable after the date of enactment. (New Section 101A(e)(1)(C))

The House amendment is the same as current law. (New Section 101B(e)(1)(C))

The Conference substitute adopts the Senate provision.

(b) Percentage Reduction

The Senate bill provides that the ARP can be established from 0 to 35% of the rice crop acreage base for each rice-producing farm. Except as provided in the planting flexibility provisions in title V of the 1949 Act and inventory reduction program, producers who do not comply with the ARP shall be ineligible for rice loans, purchases, and payments with respect to that farm. (New Section 101A(e)(2)(A))

The House amendment is the same as current law. (New Section 101B(e)(2)(A))

The Conference substitute adopts the Senate provision.

(5) Acreage Devoted to Conservation Uses

(a) Reduced Acreage

The Senate bill provides for reduced acres determined by multiplying the rice acreage base by the percentage reduction required under the ARP. (New Section 101A(e)(2)(D))

The House amendment is the same as current law. (New Section 101B(e)(2)(D))

The Conference substitute adopts the Senate provision.

(b) Permitted Acreage

The Senate bill provides that "Permitted acreage" equals acreage base minus the reduced acreage. (New Section 101A(e)(2)(D))

The House amendment provides no definition.

The Conference substitute adopts the Senate provision. The act also contains provisions in section 1101 that will allow for a reduction of "permitted acreage" through planting flexibility provisions, and changes the term "permitted acreage" to "maximum payment acres".

(7) Use of Reduced Acreage

(a) Planting of Oilseeds

The Senate bill provides that producers may plant an oilseed, or other such crop considered appropriate by the Secretary, on no more than one-half of the reduced acreage on the farm. The amount of the deficiency payments that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted to the oilseeds or other crops, by an amount equal to the deficiency payment that would be made with respect to a number of acres of the crop that the Secretary considers appropriate. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. Reductions in acreage used to compute deficiency payments under this provision must be sufficient to ensure that this provision will result in no additional cost to the CCC. (New Section 101A(e)(2)(F))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making the program discretionary.

(b) Experimental or Industrial Nonprogram Crops

The Senate bill provides that the producers on a farm may also elect to—

(1) devote reduced acreage to an experimental or industrial nonprogram crop; or

(2) harvest a conserving crop on reduced acreage, determined and announced by the Secretary (referred to as an approved crop). The amount of the deficiency payment that such producers are otherwise eligible to receive shall be reduced, for each acre (or portion thereof) that is planted for harvest to an approved crop, by an amount equal to the deficiency payment that would be made with respect to one acre (or portion thereof) of the crop. If the producers are participating in a program established for more than one program crop, the amount of the reduction shall be prorated among all of such program crops. (New Section 101A(e)(2)(F))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment making it discretionary and allowing the Secretary to adjust the penalty for participating in the provision. Further, the Senate provision on crops which may be planted on Reduced Acres is added.

(8) Targeted Option Payments

The Senate bill provides that if the Secretary implements an ARP for rice of 20% or less, the Secretary shall allow producers who are not participating in the 50/92 program to increase or decrease the acreage limitation percentage applicable to the crop of rice in return for adjustments in the level of deficiency payments.

For each 1% increase in the ARP above the percentage announced by the Secretary (but not above 5 percentage points), producers shall be eligible to receive an increase in the established price for rice (determined by the Secretary) but not less than 0.5%, nor more than 1%, for each 1 percentage point increase in the ARP.

For each 1% decrease in the ARP (but not below 1/2 of the announced acreage limitation percentage), the established price will be decreased (amount determined by the Secretary), but not less than 0.5%, nor more than 1%, for each 1 percentage point decrease in the ARP.

The Secretary shall, to the extent practicable, ensure that the TOP does not have a significant effect on program participation or total production and shall be offered in such a manner as to not result in additional budget outlays. (New Section 101A(e)(3))

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary. If implemented, the Secretary must provide for both increased and decreased individual ARP options.

(9) Administration of Conservation Use Acreage

(a) In General

The Senate bill is the same as current law with the following additional requirement:

Producers participating in ARP must plant to an annual or perennial cover 50% of the reduced acreage, but not to exceed 5% of the crop acreage base. The CCC shall pay 25% of the cost of establishing such cover (on not more than 50% of the reduced acreage or 5% of the acreage base) if the producer establishes a perennial cover on the reduced acreage.

If a producer establishes a perennial cover on the reduced acreage and receives cost-share assistance from the CCC, the perennial cover shall be maintained for at least 3 years. (New Section 101A(e)(4))

The House amendment is the same as current law. (New Section 101B(e)(3))

The Conference substitute adopts the Senate provision with an amendment providing that the perennial cost-share shall be limited to cover crops capable of improving water quality or wildlife habitat and requiring consultation with State Technical Committees. Also, if the ARP percentage is reduced to a level less that the portion of the

producer's crop acreage base planted to the perennial cover crop, and if the perennial cover crop received cost-share, the Secretary shall make deficiency payments on perennial crop acres.

(b) Conserving Crops

The Senate bill is the same as current law, except mung beans and milkweed are included. (New Section 101A(e)(4)(B)(iii))

The House amendment is the same as current law. (New Section 101B(e)(3)(B))

The Conference substitute adopts the Senate provision.

(c) Haying & Grazing

The Senate bill is the same as current law, except that there is a limitation on haying and grazing if there would be an adverse economic effect is eliminated. (New Section 101A(e)(4)(C))

The House amendment is the same as the Senate provision, except that it prohibits the Secretary from excluding irrigated or irrigable acreage not planted in alfalfa from this provision. (New Section 101B(e)(3)(C))

The Conference substitute adopts the House provision.

(10) Water Storage Uses

The Senate bill provides that land converted to water storage uses shall be considered to be devoted to conservation uses if the land was devoted to wheat, feed grains, cotton, rice, or oilseeds in at least 3 of the immediately preceding 5 years. The land shall be considered to be devoted to conservation uses for the period that the land remains in water storage uses, but not to exceed 5 years subsequent to its conversion. (New Section 101A(e)(4)(D))

The House amendment provided for water storage uses in the miscellaneous title of the amendment.

The Conference substitute adopts the Senate provision with an amendment providing that the area devoted to water storage uses may not be devoted to any commercial use, including commercial fish production, that the water stored on the land may not be ground water, and that the farm on which the land is located on must have been irrigated with ground water during at least 1 in the preceding 5 crop years.

(11) Participation Agreements

The Senate bill is similar to current law, except that an agreement may be modified for the purpose of alleviating a shortage of commodities only if there has been a significant change in the estimated stocks of the commodity since the original announcement of the terms and conditions of the rice program. (New Section 101A(e)(7))

The House amendment is the same as current law. (New Section 101B(e)(6))

The Conference substitute adopts the Senate provision.

(12) Inventory Reduction Program

The Senate bill is similar to current law, except as follows:

The program is mandatory; and

Payments under this program may be made in the form of negotiable marketing certificates. (New Section 101A(f))

The House amendment is similar to current law with the following exception:

Payments may be made—

(A) in the form of rice owned by the Commodity Credit Corporation; or

(B) in such other form as the Secretary is authorized by law to make.

Requires that the quantity of rice to be made available to a producer under this subsection must be equal in value to the payments so determined under such subsection. (New Section 101B(f)(4))

The Conference substitute adopts the House provision.

(13) Failure to Comply Fully

The Senate bill is the same as current law. (New Section 101A(g))

The House amendment is the same as current law and Senate provision, except that the Secretary may consider whether the producer made a good faith effort to comply fully with the terms and conditions of such program in determining whether equitable relief is warranted under this paragraph. (New Section 101B(g))

The Conference substitute adopts the House provision.

TITLE VII—OILSEEDS

(1) Oilseed price support/Oilseeds definition

The Senate bill provides a new section 205 to the Agricultural Act of 1949. Section 205(a) defines the term oilseeds as soybeans, sunflower seeds, canola, rapeseed, safflower, flaxseed, and such other oilseeds as the Secretary may determine. Section 205(b) provides that the Secretary shall support the price of oilseeds through nonrecourse loans for oilseeds produced on the farm in each of the 1991 through 1995 marketing years. (Section 801)

The House amendment amends Section 201 of the 1949 Act which provides that the Secretary shall support the price of soybeans, sunflowers, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, through loans and purchases in each of the 1991 though 1995 marketing years. (Section 701)

The Conference substitute adopts the Senate position on defining oilseeds as soybeans, sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, with an amendment to include mustard seed, and such other oilseeds as the Secretary may determine. The Secretary shall support the price of oilseeds through nonrecourse loans to producers on a farm for such oilseeds produced on the farm in each of the 1991 through 1995 marketing years. (Section 701)

The title marks a departure from efforts to support soybeans in past farm bill legislation, and includes for the first time a mandated program for other minor oilseeds. The Managers note that capacity in the United States to produce and process soybeans and oilseed has been on a steady decline for the past decade, as domestic prices failed to provide adequate incentives to American farmers, and as other farm programs continued to offer higher rewards for participation in basic commodities other than oilseeds. U.S. production has dwindled, numerous processing facilities have closed, and competitors in South America have aggressively expanded production with the assistance of generous processor subsidies. It is the intent of the Mangers that the marketing loan programs for oilseeds be implemented and administered in a manner to ensure the gradual return of domestic farm acreage into production of these crops and further, it is the intent of the Managers that the Secretary maintain the utmost measure of flexibility and latitude to maximize the effectiveness of the program in achieving this goal.

(2) Price support level

The Senate bill, in section 205(c), establishes the loan level of $5.50 per bushel for each of the 1991 through 1995 crops of soybeans. The loan level established for each of the 1991 through 1995 crops of sunflower seed, canola, rapeseed, safflower, and flaxseed is $0.097 per pound. The loan level for each of the 1991 through 1995 crops of oilseeds, other than oilseeds designated by the Secretary, shall be established at such level as the Secretary determines will take into account the historical price relationship between each type of oilseed and soybeans, the prevailing loan level for soybeans, and the historical meal oil content of each type of oilseeds and soybeans. (Section 801)

The House amendment, in section 201(g), provides that the level of price support for the 1991 and 1992 crops of soybeans shall not be less than $5.25 per bushel. In the case of the 1991 through 1995 crops of sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate, the level of price support shall be set for each such oilseed at such level as the Secretary determines is fair and reasonable in relation to the level of price support available for soybeans, including any adjustment made, but, except in the case of cottonseed, in no event less than the level established for soybeans on a per pound basis for the same crop year. (Section 701)

The Conference substitute adopts the House position with an amendment which establishes the loan level for each of the 1991 through 1995 crops of soybeans at not less than $5.02 per bushel. For each of the 1991 through 1995 crops, the loan level for sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, and mustard seed is established at $.089 per pound. In determining the loan level of each crop of sunflower seed, canola seed, rapeseed, safflower seed, flaxseed, and mustard seed, it is the intent of the Managers that the Secretary take into account the historical price relationship between each type of such oilseed and soybeans and the relative meal and oil content of each type of oilseed compared to soybeans. The loan level for each of the 1991 though 1995 crops of such other oilseeds the Secretary may designate is established at such level as the Secretary determines is fair and reasonable in relation to the loan level available for soybeans, except that, in the case of cottonseed, in no event less than the level established for soybeans on a per pound basis for the same crop year. (Section 701)

(3) Adjustment of loan levels

The Senate bill provides, in section 205(c), that if the Secretary estimates, not later than September 30 of the year previous to the year in which a crop of soybeans is harvested that the stocks-to-use ratio for any of the 1991 through 1995 crops of soybeans will be over 19%, the Secretary may establish the loan level for the crop at $5.25 per bushel and if the stocks-to-use ratio for any of the 1991 through 1995 crops of soybeans will be over 25%, the Secretary may establish the loan level for the crop of soybeans at $5.00 per bushel. If the Secretary adjusts the soybean price support level, the Secretary shall make a corresponding adjustment in the loan level for sunflower seeds, canola, rapeseed, safflower, flaxseed, and any other oilseed designated by the Secretary. Any reduction in the soybean loan level for one year shall not be considered in determining the loan level for subsequent years. (Section 801(2))

The House amendment provides, in section 201(g), that in the case of each of the 1993 through 1995 crops of soybeans and other oilseeds for which a price support program is in effect, if the Secretary estimates for the marketing year for such crop that

the ratio of ending stocks to total use for the marketing year will be more than 25%, the Secretary may reduce the level of price support for soybeans or such other oilseeds for that marketing year by an amount not to exceed 5% in any year. If the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be more than 20% but not more than 25%, the Secretary may not reduce the level of price support. If the Secretary estimates for the marketing year for such crop that the ratio of ending stocks to total use for the marketing year will be equal to or less than 20%, the Secretary shall increase the level of price support by 5%. In no case may the level of price support for the 1993 crop of soybeans be more than $5.40 per bushel. The House amendment provides that any change in the level of price support for soybeans and such other oilseeds shall not be considered in determining the level of price support for subsequent years.

The Conference substitute deletes both the Senate and House positions. (Section 701)

(4) Repayment of price support loans/OI-13. Implementation

The Senate bill, in section 205(d)(1), provides that the Secretary shall permit a producer of oilseeds to repay a loan made under this section for a crop at a level that is the lesser of the loan level or the prevailing world market price for the applicable oilseed, adjusted for location and quality differentials, as determined by the Secretary. (Section 801)

The Senate bill further provides, in section 205(j), that the Secretary is to ensure that the program established under this section will be administered to minimize potential loan forfeitures, minimize the accumulation of federal government oilseeds stocks, minimize the cost incurred by the federal government in storing oilseeds, and allow oilseeds produced in the United States to be marketed freely and competitively, both domestically and internationally. (Section 801)

The House amendment, in section 201(g)(4)(A), provides that the Secretary shall permit a producer to repay a loan for any crop of oilseeds at a level that is the lesser of the loan level or the prevailing world market price for the crop of oilseeds, as determined by the Secretary. (Section 701)

The House amendment contains no comparable provision on implementation.

The Conference substitute adopts the Senate position. In adopting this provision, the Managers note that the goal of this title is to provide U.S. producers sufficient incentives to regain lost production capacity and export competitiveness and that the Secretary should exercise prudence before requiring loan repayments in excess of the prevailing world price. (Section 701)

(5) Loan deficiency payments.

The Senate bill, in section 205(e), gives the Secretary authority, for each of the 1991 through 1995 crops of oilseeds, to make payments available to producers, who although eligible to obtain a nonrecourse loan, agree to forgo obtaining such loan in return for payments. Such payments are computed by multiplying the loan payment rate by the quantity of oilseeds the producer is eligible to place under loan. The loan payment rate is the amount by which the loan level determined for the crop exceeds the level at which a loan may be repaid. (Section 801)

The House amendment, in section 201(g)(5)(A)-(D), provides that the Secretary shall, for each of the 1991 through 1995 crops of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed and other oilseeds the Secretary may designate, make payments available to producers who, although eligible to obtain a nonrecourse loan, agree to forgo obtaining such loan in return for such payments. A payment is computed by multiplying the loan payment rate by the quantity of such crop that the producer is eligible to place under loan. Quantities of such crop eligible to be placed under loan may not exceed the product obtained by multiplying the individual farm acreage for such crops actually harvested by the actual yield per harvested acre established for the farm. The loan payment rate is the amount by which the loan level determined for such crop exceeds the level at which a loan may be repaid. The House amendment also provides that the Secretary may make such payments in the form of generic certificates of the Commodity Credit Corporation and must make these certificates available in such a manner so as to minimize the accumulation of oilseed stocks. (Section 701)

The Conference substitute adopts the House position. (Section 701)

(6) Marketing year

The Senate bill provides that the soybean marketing year is the 12-month period beginning September 1. In section 205(f), the marketing years for the other oilseeds designated by the Secretary to receive price support shall be prescribed by the Secretary by regulation. (Section 801)

The House amendment provides that the marketing year for soybean, sunflower and safflower be the 12-month period beginning September 1 of the calendar year in which the crop of the commodity is harvested. The marketing year for canola and rapeseed is the 12-month period beginning on May 1 of the calendar year in which the crop of the commodity is harvested. The marketing year for flaxseed, mustard seed, and any other oilseed that the Secretary may designate is such period as prescribed by the Secretary by regulation. (Section 701)

The Conference substitute adopts the Senate provision. (Section 701)

(7) Announcement of Program Provisions

The Senate bill, in section 205(g), requires the Secretary to make a preliminary announcement of the level of price support for each type of oilseeds by July 15 of the year prior to the marketing year for the crop. The Secretary shall make a final announcement of the level of price support not later than November 15 of the year prior to the marketing year for the crop of oilseeds. (Section 801)

The House amendment, in section 201(g)(7), provides that the Secretary shall make a preliminary announcement of the support price for each crop of soybeans, sunflower, and safflower not later than November 1 preceding the beginning of the marketing year for the crop; the preliminary announcement of the support price for each crop of canola and rapeseed not later than July 1 preceding the beginning of the marketing year of the crop; and the preliminary announcement of the price support level for flaxseed, mustard seed, and other designated oilseeds not later than 10 months preceding the beginning of the marketing year for the crop. The Secretary shall make the final announcement for all crops not later than 30 days after the beginning of each marketing year. The final support price may not be less than the price support level specified in the preliminary announcement. (Section 701)

The Conference substitute adopts the House position with an amendment to delete the provision requiring an announcement of the loan rate.

Because the loan rate for oilseeds are not subject to adjustments, the Managers agree that an annual announcement is not necessary. If the Secretary determines that other oilseeds besides sunflower seed, flaxseed, canola, mustard seed, rapeseed, and safflower are to be supported, the Secretary should make such decision known to producers as soon as practicable. (Section 701)

(8) Loan Availability and Maturity

The Senate bill contains no provision.

The House amendment, in section 201(g), provides that loans for each crop of soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds the Secretary may designate are available not earlier than the beginning of the marketing year for such crop and mature 9 months from the date of the loan. (Section 701)

The Conference substitute adopts the House provision with an amendment to strike the House amendment's prohibition on the availability of price support loans prior to the beginning of the marketing year. (Section 701)

(9) Prohibition of Planting on Conservation or Diverted Acreage

The Senate bill, in section 205(h)(2), provides that, except as otherwise provided in the Food, Agriculture, Conservation and Trade Act of 1990, the Secretary shall not permit the planting of soybeans for harvest on acreage required to be devoted to conserving uses or diverted from production under any other federal government program. (Section 801)

The House amendment contains no comparable provision.

The Conference substitute adopts the House position. (Section 701)

(10) Prohibition on storage payments and reserve eligibility

The Senate bill provides that the Secretary may not authorize payments to producers to cover the costs of storing soybeans. The Secretary may not consider soybeans an eligible commodity for any commodity reserve program. (Section 801)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate position. (Section 701)

Title VIII—Peanuts

Suspension of marketing quotas and acreage allotments [SB 701, HB 801]

(1) National poundage quotas and acreage allotments [SB 702, HB 802]

The Senate bill strikes section 358(k) through (v) of the 1938 Act and adds a new section 358-1 to provide for national poundage quotas and acreage allotments for the 1991 through 1995 crops of peanuts. [Sec. 702]

The House amendment provides that effective for the 1991-1995 crops of peanuts, amends section 358 of the Agricultural Adjustment Act of 1938 by amending subsections (k) through (p). [Sec. 802]

The Conference substitute adopts the Senate provision with a clarifying change. (Sec. 802)

(2) National poundage quotas [SB 702, HB 802]

The Senate bill sets the minimum national poundage quota at 1.35 million tons and authorizes the Secretary to adjust the poundage quota to provide an adequate carryover and account for undermarketings that will not increase program costs, cause the CCC to incur losses, or disrupt the integrity of the program. [Sec 358-1(a)]

The House amendment provides a similar provision but sets the minimum national poundage quota at 1.35 million tons. [Sec. 358(k)&(l)]

The Conference substitute adopts the House provision.

(3) Farm poundage quotas [SB 702, HB 802]

The Senate bill provides that:

Quota may be established on farms on which peanuts are produced in connection with experimental and research programs.

Increased quota is to be allocated proportionately, based on farm production history for the 3 preceding years, to farms producing peanuts in 2 of the last 3 years.

One third of the increased quota, and reduced and reallocated quota, allocated in Texas shall be subject to separate provisions that allocate such quota to farms, located in counties where production of additional peanuts exceeded the total quota allocated in such county, where additional peanuts have been grown in 1988 and 1989 (eligible farms). This portion of the quota shall be allocated among the eligible farms based on a factor that reflects the production of additional peanuts on the farm relative to other such farms in the county. Total increased allocation may never exceed 100% of the county's basic quota, in counties that had more than 10,000 tons of quota for the 1989 marketing year.

A tenant shall share equally with the owner of the farm in any increase in the quota resulting from the tenant's production on the farm of additional peanuts. The tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm.

Quota will also be considered produced if the quota was leased for 1 of the 3 preceding years.

Not more than 25 percent of the total amount of farm poundage quota reduced or voluntarily released shall be allocated to farms in the State with no farm poundage quota in the preceding year. Increases in quota for undermarketings in previous years only back to 1989.

Special provisions for Texas farms increase the availability of quota on farms where additional peanuts have been grown in 1988 and 1989. [Sec 358-1(b)]

The House amendment is similar to the Senate provision but does not provide that tenants shall share equally with the owner of the farm in any increase in the quota resulting from the tenant's production on the farm of additional peanuts nor that the tenant's share of any such quota shall be allocated to a farm within the county owned by the tenant or sold by the tenant to the owner of any farm within the county and permanently transferred to that farm. [Sec 358(m)]

The Conference substitute adopts the Senate provision with an amendment deleting only those Senate provisions relating to the establishment of quotas on research or experimental programs. (Sec. 802)

(4) Marketing penalties; disposition of additional peanuts [SB 704, HB 804]

The Senate bill provides that marketing penalties do not apply to the marketing of breeder or Foundation seed peanuts grown by publicly owned agricultural experiment stations, including State-operated seed organizations and the bill authorizes and the Secretary to eliminate such penalties where appropriate. [Section 359a(a)]

The House amendment provides the same as current law. (Section 359(f))

The Conference substitute adopts the Senate provision with an amendment limiting the ability of publicly owned agricultural experiment stations and State-operated seed organizations to market peanuts in excess of their respective quotas through other individuals. The Conference managers intend that regulations issued by the U.S. Department of Agriculture regarding penalties for excess marketings by experiment and State-operated seed organizations, prior to the enactment of the Food Security Act of 1985, apply in such circumstances. Without such an interpretation, individual farmers may market peanuts in excess of their quota without penalty and such marketings would clearly disrupt the operation of the Peanut Program. (Sec. 802)

(5) Disposition and supervision [SB 704, HB 804]

The Senate bill authorizes handlers to export or crush sound split kernel peanuts and sound mature kernel peanuts in a quantity equal to the combined poundage of such peanuts purchased by the handler as additional peanuts. [Section 359a(d)]

The Senate bill provides that there shall be no limit on the quantity of sound splits that may be delivered by producers nor shall discounts be imposed on the prices paid to producers for the peanuts based on the proportion of sound splits to sound mature kernels in the deliveries, except that premiums may be paid for deliveries of peanuts with fewer sound splits proportionally than sound mature kernels.

The Senate bill provides for a minimum shrinkage allowance of 4.0 percent. [Section 359(d)]

The Senate bill provides that handlers who manufacture peanut products from domestic edible peanuts may export the products and receive credit for the fulfillment of export obligations for the peanut content of the products. The handler may apply the credits to equivalent quantities of additional peanuts of the same type and crop year as acquired by the handler and used in the domestic edible market. [Section 359a(e)]

The House amendment is similar to current law except requires handlers to export or crush peanuts classified in the following quantities:

(A) Sound split additional peanuts purchased by the handler to which a mandated deduction in the price paid to the producer is applied.

(B) Sound mature kernel peanuts (made up of sound split kernel peanuts and sound whole kernel peanuts) in an amount equal to the poundage of such peanuts purchased by the handler as additional peanuts minus the total poundage of sound split kernel peanuts described in (A) above.

(C) The remaining quantity of additional peanuts purchased by the handler; and require the Secretary to reduce such obligation by a shrinkage allowance of at least 4 percent unless the handler fails to comply with restrictions on the use of peanuts specified by the Commodity Credit Corporation. [Section 359(i)]

The House amendment provides for a minimum shrinkage allowance of 4.0 percent. [Section 359(i)]

The Conference substitute adopts the House provision with an amendment relating to the obligation of handlers to export or crush peanuts in certain categories. (Sec. 802)

The Conference substitute adopts the Senate provision with an amendment regarding export credits for manufacturers who are also handlers with additional requirements. First, manufacturers who are also handlers must provide the Secretary with peanut product formula certifications which must be updated within 90 days of the time in which peanut product formulas change. Such information must be provided on a product by product basis, and must be available to the Secretary prior to the review of the request for export credit. This requirement will facilitate the U.S. Department of Agriculture's oversight of this provision, and allow peanut product manufacturers ample time to update certifications maintained by USDA. Further requirements include the maintenance, by the peanut product manufacturer who is also a handler, of such documents as the Secretary may require to ascertain the correct amount of credit any manufacturer should be given in a particular situation. It is suggested that documents required by the Secretary currently for other handlers, including Customs Export Declarations, would be useful in fulfilling the requirements of this provision. (Sec. 804)

The Managers also intend that provisions respecting penalties for other handlers should also apply with respect to manufacturers who are also handlers seeking export credit, and that requirements relating to letters of credit should also be handled in the same manner. Finally, the Secretary must conduct an annual review of export credits granted to manufacturers who are also handlers due to the possible adverse impact this provision may have on the operation of the Peanut Program. The Managers express their desire to see that full enforcement of this provision, with all of its safeguards, must occur in order to limit any adverse program consequences.

(6) Purchase of additional peanuts [SB 704, HB 804]

The Senate bill sets the additional contract deadline at December 16. [Section 359a(f)]

The House amendment sets the date at August 1. [Section 359(j)]

The Conference substitute adopts the Senate provision with an amendment changing the contract deadline to September 15, granting the Secretary the authority to extend the September 15 an additional 15 days in response to a drought or other similar emergency. Any extension of the contract deadline must be announced by September 5. (Sec. 804)

(7) Sale of Peanuts Owned or Controlled by CCC [SB 704, HB 804]

The Senate bill requires the Secretary to direct area marketing associations to make stocks of peanuts available whenever the Secretary finds that one or more such associations are withholding from sale stocks of peanuts under price support loans. [Section 359a(g)]

The House amendment provides no comparable provision. [Section 359(l)]

The Conference substitute deletes the Senate provision and adopts an amendment requiring the Secretary to include producer

marketing costs, mandated by law, in calculations required under subsection (a)(2) and (b)(1) of section 108B of the Agricultural Act of 1949. Since these costs are required in order for the producer to market peanuts, they must be considered with respect to producer expenses. Marketing cost related to the 1990 Budget Reconciliation Act would not be included in any calculation under this provision. (Sec. 804)

(8) Experimental and research programs for peanuts [SB 708, HB 808]

The Senate bill amends the 1938 Act by inserting a new section 358c to permit the States to use some of the quota allocation for research at land grant colleges and universities as well as the Agriculture Research Service. The director of the Agricultural Experiment Station for the State shall be responsible for complying with the duties of the farm operator with respect to the production of the quota peanuts. [Section 705]

The House amendment provides that section 808 amends the 1938 Act by inserting a new section 358b, effective only for the 1991 through 1995 crops, with a similar provision that requires the allocation to be made from the State's quota reserve and sets the amount of such allocation equal to the amount of quota held by such institution during 1985 up to 1 tenth of 1 percent of the State's basic quota. [Section 358(b)]

The Conference substitute adopts the House provision. (Sec. 805)

(9) Price support for quota peanuts [SB 706, HB 805]

The Senate bill establishes the national average quota support rate for peanuts as follows:

For the 1991 crop, the national average quota support rate for the 1990 crop, adjusted to reflect any increase during 1990 in the cost of peanut production (excluding any change in the cost of land). The support rate for the 1991 crop shall not exceed by more than 8 percent the support rate for the 1990 crop.

For the 1992 and 1994 crops, the support rate shall equal the support rate for the immediately preceding crop without any adjustment for changes in the cost of peanut production.

For the 1993 and 1995 crops, the support rate shall equal the support rate for the immediately preceding crop, adjusted to reflect any cost of production increase during the prior two calendar years. Such increase shall not include any change in the cost of land and the total increase in the cost of peanut production for each of the two preceding years shall not exceed an average of 4 percent. [Section 108(a)]

The House amendment provides that for the 1991 through 1995 crops of quota peanuts any increase in the cost of production may not exceed 6%. [Section 108A(a)]

The Conference substitute adopts the House provision, with an amendment limiting annual cost of production increases to 5%. (Sec. 806)

(10) Quality improvement

The Senate bill provides that:

(A) The Secretary is encouraged to evaluate peanut inspection and grading procedures used for loan stock peanuts and to encourage the adoption of objection methods and technologies shown to improve quality.

(B) The Secretary is encouraged to provide incentives for producers to reduce loose shelled kernels in farmer stock peanuts.

(C) The Secretary is required to encourage the crushing of peanuts "at greater risk of deterioration".

(D) The Secretary is authorized to make such adjustments in quality and inspection applicable to farmer stock peanuts.

The Senate bill requires any changes in grades or quality realized through modifications under this section to be implemented by the Secretary, maintaining or increasing average prices paid to producers.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate bill with an amendment adopting six specific provisions relating to quality improvement. First, with respect to loan stock peanuts the Secretary should promote the crushing of peanuts at a greater risk of deterioration before peanuts of a lesser risk of deterioration. Second, the Secretary should ensure that all Commodity Credit Corporation loan stocks of peanuts sold for domestic edible use must be shown to have been officially inspected by licensed U.S. Department of Agriculture inspectors both as farmer stock and shelled or cleaned in-shell peanuts. Third, the Secretary is directed to require that all peanuts in the U.S. market comply with all quality standards under Marketing Agreement Number 146. Fourth, the Secretary must ensure that peanuts produced for the export market meet Peanut Administrative Committee quality standards as established for the domestic market. Fifth, the Secretary must continue to operate the peanut price support program so as to endeavor to improve the quality of U.S. peanuts and ensure the coordination of activities under the Peanut Marketing Agreement Number 146. Finally, the Secretary must ensure that any changes made in the price support program as a result of these provisions requiring additional production or handling at the farm level will be reflected as an upward adjustment in the USDA loan schedule. (Sec. 809)

The Conferees intend that the U.S. Department of Agriculture work as quickly as possible to implement the provisions of this section in order to assure American consumers continue to receive high quality peanut products.

(11) Regulations [SB 709]

The Senate bill requires the Secretary to hold a hearing in Atlanta, Georgia, to discuss the implementation of this title and the amendments to this title to receive comments on regulations prior to the formal proposal of such regulations. Requires the Secretary to publish a notice of the hearing in the Federal Register within 30 days from the enactment of this Act.

Requires the Secretary to hold informal hearings on peanut program regulations at least once a year in Atlanta, Georgia before the planting of the upcoming crop to permit interested industry organizations and individuals to advise the Secretary on regulations for the implementation of this title and the amendments to this title.

Additional informal hearings may be held after the hearing held above for the same purposes on publication of notice of the additional hearings in the Federal Register.

Requires a representative of the Department of Agriculture to—

(1) attend all hearings held under this section;

(2) maintain official records of the hearings; and

(3) make the records available to all interested persons. Requires the Secretary to—

(1) provide public notice through the Federal Register of any proposed regulations referred to in this section; and

(2) allow adequate time for written public comment prior to the formulation and issuance of any final regulations. [Section 709]

The House amendment provides no comparable provision.

The Conference substitute strikes sections 709(a) through 709(e) of the Senate provision, and adopts language encouraging the Secretary to comply with the written notice and comment provisions of the Administrative Procedure Act.

TITLE IX—SUGAR

(1) Sugar price support [SB 901, HB 201]

The Senate bill amends title II of the Agricultural Act of 1949 by adding a new section 206 that directs the Secretary to support the price of the 1991 through 1995 crops of sugar beets and sugarcane. [Section 901]

The House amendment provides a comparable provision in section 201 that amends section 201(h).

The Conference substitute adopts the House provision.

(2) Nonrecourse loans [SB 901, HB 201]

The Senate bill provides the same as current law. [Section 206(b) and (c)]

The House amendment provides the same provision for sugarcane. The House amendment also provides that the price for sugar beets shall be supported through nonrecourse loans at a level that bears the same relation to the support level for sugarcane as the weighted average of producer returns for sugar beets bears to the weighted average of producer returns for sugarcane, for the most recent five year period, plus an amount that covers processor fixed marketing expenses. [Section 201(h)(2) and (3)]

The Conference substitute adopts the House provision.

(3) Technical provisions [SB 901, HB 201]

The Senate bill amends section 201 of the 1949 Act as follows:

(1) in the matter preceding subsection (a), by striking "honey, and milk" and inserting "honey, milk, sugar beets, and sugarcane"; and

(2) by striking subsection (j). [Section 901]

The House amendment contains a similar provision.

The Conference substitute adopts the Senate provision.

(4) Distortions to world sugar trade [SB 902]

The Senate bill provides that GAO report to Congress recommendations for policies the United States can adopt to improve and enhance developing countries' access to world sugar markets and reduce other distortions to world sugar trade. Senate findings with respect to the importance of the U.S. sugar market for the countries of Latin America, especially in the Caribbean, Central American and Andean regions. [Section 902]

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

(5) GAO report [HB 201]

The House amendment directs the Comptroller General of the United States to report to Congress within 12 months after the date of enactment on the progress the various agencies of the United States Government have made in addressing the concerns raised by the General Accounting Office in its official report, RCED-88-146, dated June 1988. [Section 201(b)]

The Senate bill provides no comparable provision.

The Conference substitute deletes the House provision.

(6) Information reporting [HB 202]

The House amendment requires all cane sugar refiners and sugar beet processors and all manufacturers of crystalline fructose to furnish the Secretary with monthly information with respect to such person's importation, distribution, and stock levels of sugar or crystalline fructose, respectively. [Section 202(a)]

The House amendment makes any person willfully failing or refusing to furnish such information, or furnishing willfully any false information, subject to a civil penalty of not more than $10,000 for each such violation. [Section 202(b)]

The House amendment directs the Secretary to publish monthly composite data on imports, distribution, and stock levels of sugar and crystalline fructose. [Section 202(c)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(7) Marketing allotments for sugar and crystalline fructose [HB 203]

The House amendment directs the Secretary—

(1) to estimate, for each of the fiscal years 1992 through 1996, the amount of sugar that will be consumed in the United States during such fiscal year and the amount of sugar that will be available from carrying stocks or from domestically-produced sugarcane and sugar beets;

(2) to estimate the amount of sugar that will be imported for such consumption during such year; and

(3) to make quarterly reestimates of sugar consumption, availability, and imports for a fiscal year no later than the beginning of each of the second through fourth quarters of such fiscal year. [Section 203(a)]

The House amendment directs the Secretary to establish, for any fiscal year in which the Secretary estimates that imports of sugar for consumption in the United States will be less than 1,250,000 short tons, raw value, appropriate allotments for the marketing of domestic sugar under section 204. [Section 203(b)]

The House amendment directs the Secretary to establish, for any fiscal year in which the Secretary establishes such allotments, appropriate allotments for the marketing of crystalline fructose. [Section 203(c)]

The House amendment provides that at any time allotments are in effect and allocated to processors under section 205, the total of—

(1) the amount of sugar marketed by a processor plus

(2) the amount of sugar pledged as collateral for a price support loan under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) may not exceed the amount of the allocation of the allotment made to such processor exclusive of—

(A) the marketing during a fiscal year of sugar pledged as collateral for a price support loan under section 201 after such sugar has been subsequently redeemed; or

(B) any sale of sugar by a sugar beet processor to enable another sugar beet processor to fulfill the allocation of an allotment. [Section 203(d)]

The House amendment also prohibits any manufacturer from exceeding the allotment made to it, prohibits restrictions or allotments on the marketings of any liquid fructose, makes any processor who violates section 203(d)(1) or manufacturer who violates 203(d)(2) liable to the Commodity Credit Corporation for a civil penalty, and defines, for purposes of subtitle A, the term "market". [Section 203(d)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision with an amendment allowing both beet and cane sugar to be sold between processors to fill an allocation.

The managers intend that pledging sugar as collateral for a price support loan be counted against a processor's allocation of the allotment; however, the subsequent marketing of sugar redeemed from a price support loan shall not be counted a second time against such allocation.

The Managers intend that the term "crystalline fructose" for the purposes of this Act means any solid fructose sweetener produced from corn, and that any such solid fructose be subject to the marketing restrictions provided for crystalline fructose under the Food, Agriculture, Conservation, and Trade Act of 1990. The Managers intend that the marketing allotment provisions be implemented in a manner that will not undermine the effectiveness of the marketing allotment system.

(8) Establishment of marketing allotments [HB 204]

The House amendment directs the Secretary to establish marketing allotments for sugar for any fiscal year in which such allotments are required under section 203(b) as follows:

(1) The Secretary must establish the overall allotment amount by deducting from the estimated sugar consumption for such fiscal year—

(A) 1,250,000 short tons, raw value (minimum imports), and

(B) carrying stocks of sugar, including sugar in CCC inventory; and must adjust the overall allotment amount to prevent to the maximum extent practicable the accumulation of sugar by the CCC.

(2) The overall allotment amount for the fiscal year must be allotted among sugar derived from sugar beets and sugar derived from sugarcane.

(3)(A) The Secretary must establish fair and equitable percentage factors for the overall allotments based upon past marketings, processing and refining capacity, and the ability to market the sugar covered under the allotments.

(B) The Secretary must publish these percentage factors along with a description of the reasons for establishing the factors.

(4) The marketing allotment must be equal to the product of the overall allotment amount multiplied by the percentage factor established by the Secretary under paragraph (3)(A) for such allotment.

(5) The allotment for sugar derived from sugarcane must be further allotted equitably among the four States in which sugarcane is produced, and Puerto Rico on the basis of past marketings of sugar, (average of the 2 highest years of production from each State from 1985 through 1989), processing and refining capacity, and the ability of processors to market the sugar.

(6)(A) The Secretary must adjust marketing allotments based on reestimates established under section 204 (1) through (5) or suspend such allotments to reflect changes in estimated sugar consumption, availability, or imports.

(B) Each allocation of an allotment under section 205, and each proportionate share established under section 207(b), must be increased or decreased by the same percentage that the allotment is adjusted.

(C) Whenever an allotment is required to be reduced under section 204(6), if the amount of the sugar marketed (or pledged) for that fiscal year at the time of such reduction by all processors or by any individual processor covered by the allotment exceeds the reduced allotment, the amount of the excess sugar marketed shall be deducted from the marketing allotment, if any, next established for such processors, or State.

(7) Except as otherwise provided in section 206, each marketing allotment established under this section may only be filled with sugar processed from domestically grown sugarcane and sugar beets. [Section 204]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(9) Allocation of Marketing allotments [HB 205]

The House amendment directs the Secretary to allocate each marketing allotments established for a fiscal year under section 204 among the processors covered by the allotment. [Section 205(a)]

The House amendment also directs the Secretary to make allocations for cane sugar and beet sugar after hearing and notice in such manner and quantities as to provide a fair, efficient, and equitable distribution taking into consideration processing capacity, past marketings of sugar (in the case beet sugar considering the marketings of sugar processed from sugar beets of any or all of the 1985 through 1989 crops), and the ability of each processor to market sugar, and makes each such allocation subject to adjustment under section 204(6)(B). [Section 205(a)]

The House amendment authorizes the marketing allotment, except as otherwise provided in section 206, established for cane sugar under subtitle A for a fiscal year to be filled only with sugar processed from sugarcane grown in the State covered by the allotment. [Section 205(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

The managers intend that in considering the ability of processors to market sugar, the ability to produce such sugar be taken into account.

(10) Assignment of deficits [HB 206]

The House amendment directs the Secretary, at any time allotments are in effect under subtitle A, to determine whether processors of sugarcane and sugar beets will be able to market sugar covered by the portion of the allotment applicable to them. [Section 206(a)]

The House amendment directs the Secretary, if the Secretary determines that the sugarcane processors subject to a State allotment will be unable to market the State's allotment for the fiscal year—

(1) to first reassign the estimated quantity of the deficit proportionately to the allotments for other cane sugar States, depending on the capacity of each other State to fill the portion of the deficit to be assigned to it, with such reassigned amount to each State to be allocated among processors in that State in proportion to the allocations of such processors; and

(2) if after such reassignments, the deficit cannot be completely eliminated, to reassign the remainder to imports. [Section 206(b)]

The House amendment also directs the Secretary, if the Secretary determines that a sugar beet processor subject to an allotment will be unable to market that allotment—

(1) to first reassign the estimated quantity of the deficit proportionately to the allotments for other sugar beet processors, depending on the capacity of each other processor to fill the portion of the deficit to be assigned to it; and

(2) if after such reassignments, the deficit cannot be completely eliminated, to reassign the remainder to imports. [Section 206(b)]

The House amendment also provides that the allocation of each processor receiving a reassigned amount of an allotment under section 206(b) for a fiscal year must be increased to reflect such reassignment. [Section 206(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision with an amendment directing the Secretary to first reassign a cane sugar deficit to other processors within that state.

(11) Processor assurances [HB 207]

The House amendment directs the Secretary, whenever allotments for a fiscal year are allocated to processors under section 205, to obtain from the processors such assurances as the Secretary deems adequate that the allocation will be shared among producers served by the processor in a fair and equitable manner that adequately reflects producers' production histories, and to resolve through arbitration by the Secretary on the request of either party any dispute between a processor and a producer, or group of producers, with respect to the sharing of the processor's allocation. [Section 207(a)]

The Senate bill provides no comparable provisions.

The Conference substitute adopts the House provision.

(12) Proportionate shares of certain allotments [HB 207]

The House amendment directs the Secretary, in any case in which a State allotment is established under section 204(5) and there are in excess of 250 producers in the State to which it applies, to make a determination under section 207(b)(1)(B). [Section 207(b)]

The House amendment also requires the Secretary to determine, for each State allotment described in section 207(b)(1)(A), whether the production of sugar, in the absence of proportionate shares, will be greater than the quantity needed to enable processors to fill the allotment and provide a normal carryover inventory and require the Secretary, if the Secretary determines that the amount of sugar processed from all crops by all processors covered by a State allotment for a fiscal year will be in excess of the quantity needed to enable processors to fill the allotment for such fiscal year and provide a normal carryover inventory, to establish proportionate shares for the crop of sugarcane that is harvested during the fiscal year the allotment is in effect as provided in this subsection with each such proportionate share subject to adjustment under section 204(6)(B). [Section 207(b)]

The House amendment also directs the Secretary, for purposes of determining proportionate shares for any crop of sugarcane,—

(1) to convert the State allotment for the fiscal year involved into a State acreage allotment for the crop by dividing the State allotment by the per-acre yield goal for the State, as established under subparagraph (B),

(2) The Secretary shall establish the State's per-acre yield goal for a crop at a level (not less than the average per-acre yield in the State for the preceding 5 years, as determined by the Secretary) that will ensure an adequate net return per pound to producers in such State, taking into consideration any available production research data that the Secretary deems relevant, and

(3) to establish a uniform reduction percentage for the crop by dividing the State acreage allotment, as determined for such crop under subparagraph (A), by the number of acres in the State that the Secretary estimates would otherwise be harvested for the production of such crop of sugarcane. [Section 207(b)]

The House amendment also provides that the uniform reduction percentage for such crop, as determined under section 207(b)(3)(C), must be applied to the acreage base for each farm covered by the State allotment to determine the farm's proportionate share for the crop and that for purposes of section 207(b), the acreage base for each sugarcane-producing farm must be determined by the Secretary, as follows:

(1) The acreage base for any crop shall be the number of acres that is equal to the average of the acreage planted and considered planted for harvest for sugar or seed on the farm in each of the 5 crop years preceding such crop year.

(2) Acreage that producers on a farm were unable to harvest to sugarcane for sugar or seed because of drought, flood, other natural disaster, or other condition beyond the control of the producers shall be considered as harvested to sugarcane for sugar or seed for purposes of section 207(b)(4). [Section 207(b)]

The House amendment provides that whenever proportionate shares are in effect in a State for a crop of sugarcane, no producer in the State knowingly may harvest for sugar or seed an acreage of sugarcane of such crop in excess of the farm's proportionate share for the crop or otherwise violate proportionate share regulations issued by the Secretary under section 209(a). Section 207(b) also makes any producer who violates section 207(b)(5)(A) liable to the Commodity Credit Corporation for a civil penalty in an amount equal to 3 times the U.S. market value, at the time of the commission of the violation of that quantity of sugar involved in the violation and provides that the quantity of sugar involved must be determined based on the per-acre yield goal established under section 207(b)(3). Provides that the Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other proportionate share requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of proportionate shares. [Section 207(b)]

The Senate bill provides no comparable provisions.

The Conference substitute adopts the House provision.

(13) Transfer of production history [HB 208]

The House amendment Authorizes the Secretary, for the purpose of establishing proportionate shares for producers under section 207, on application of any producer, may transfer the production history of land owned, operated, or controlled by such producers to any other parcels of land of such applicant. [Section 208(a)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(14) Revision of production history [HB 208]

The House amendment authorizes the Secretary, if for reasons beyond the control of the owner of a farm, the owner is unable to use all or a portion of the proportionate share established for the farm under section 207, to reserve for a period of not more than 3 consecutive years the production history of such farm to the extent of the proportionate share involved. Such proportionate share may be redistributed to other farm owners or operators, but no production history may accrue to such other farm owners or operators, by virtue of such redistribution of the proportionate share so redistributed. [Section 208(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(15) Revisions of allocations and proportionate shares [HB 208]

The House amendment authorizes the Secretary, after such hearing and notice as the Secretary by regulation may prescribe, to revise or amend any allocation of a marketing allotment under section 205, or any proportionate share established for a farm under section 207, on the same basis as the initial allocation or proportionate share was established. [Section 208(c)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(16) Regulations [HB 209]

The House amendment directs the Secretary to issue such regulations as may be necessary to carry out the authority vested in the Secretary in administering the marketing allotment program under subtitle A and in addition to taking such other action as may be required under 5 U.S.C. 551 through 559, prior to proposing any regulations under paragraph (1), to consult with representatives of domestic sugar processors and producers with regard to ensuring that such regulations achieve the objectives of subtitle A. The results of such consultations must be published in the Federal Register, along with the proposed regulations. [Section 209(a)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(17) Violation [HB 209]

The House amendment makes any person knowingly violating any regulation of the Secretary issued under section 209(a) subject to a civil penalty of not more than $5,000 for each violation. [Section 209(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(18) Publication [HB 209]

The House amendment requires each determination issued by the Secretary to establish, adjust or suspend allotments under subtitle A to be promptly published in the Federal Register and to be accompanied by

a statement of the reasons for such determination. [Section 209(c)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(19) Jurisdiction of courts [HB 209]

The House amendment grants to U.S. district courts jurisdiction to enforce subtitle A or any regulation issued thereunder and requires U.S. attorneys to enforce the remedies and to collect the penalties and forfeitures unless the Secretary determines that the administration and enforcement of subtitle A would be adequately served by written notice or warning to any person committing a violation. [Section 209(d)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(20) Nonexclusivity of remedies [HB 209]

The House amendment provides that the remedies and penalties provided for in subtitle A are in addition to, and not exclusive of, any remedies or penalties existing at law or in equity. [Section 209(e)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(21) Appeals [HB 210]

The House amendment provides that an appeal may be taken to the Secretary from any decision under section 205 establishing allocations of marketing allotments, or under section 207, by any person adversely affected by reason of any such decision. [Section 210(a)]

The House amendment provides that any such appeal must be filed with the Secretary, including a notice of appeal and a statement of the reasons therefor, within 20 days of the announcement of the decision unless a later date is specified by the Secretary as the effective date. The Secretary must notify each person adversely affected by reason of the decision appealed, and must permit any such person to inspect and make copies of appellant's reasons for the appeal and to intervene in the appeal. The Secretary must provide each appellant an opportunity for a hearing and appoint an administrative law judge to conduct such hearing. [Section 210(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(22) Administration [HB 211]

The House amendment authorizes the Secretary, in carrying out the provisions of sections 202 through 210 of this subtitle, to use the services of local committees of sugar beet or sugarcane producers, sugarcane processors, or sugar beet processors, State and county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, and the departments and agencies of the United States Government. [Section 211(a)]

The House amendment directs the Secretary to use the services, facilities, funds, and authorities of the Commodity Credit Corporation to carry out the provisions of sections 202 through 210 of subtitle A. [Section 211(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

Subtitle B—Miscellaneous

(23) Sugarcane disaster assistance [HB 221]

The House amendment amends section 201(k)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(k)(2)), effective only for the 1990 crop of sugarcane, by inserting a new subparagraph that provides that if, because of frost, freeze, or related condition in 1989 constituting a major disaster or emergency declared by the President in the State of Louisiana under the Disaster Relief Act of 1974 (42 U.S.C. 5121 et seq.), the total quantity of the 1990 crop of sugarcane that producers are able to harvest on any farm is less than—

(1) 60 percent of the county average yield, as determined by the Secretary of Agriculture, for such crop, multiplied by

(2) the acreage planted for harvest to such crop, the Secretary must make a reduced yield disaster payment to the producers at a rate equal to 50 percent of the loan level for the crop for the deficiency in production greater than 60 percent for the crop and must ensure that no producer receives duplicative payments under this section. [Section 221(a)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision, with an amendment clarifying that any such assistance be subject to advance appropriation.

(24) 1989 Crop clarification [HB 221]

The House amendment amends section 103 of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) by adding a new subsection that requires the Secretary, for purposes of determining the total quantity of the 1989 crop of sugarcane that the producers on a farm are able to harvest, to make the determination based on the quantity of recoverable sugar. [Section 221(b)]

The House amendment also amends section 152(a)(2) of the Disaster Assistance Act of 1989 (7 U.S.C. 1421 note) to require the Secretary to permit producers described in section 103(f) to apply for assistance no later than January 15, 1991 and, in the case of applications received prior to the date of enactment of the Food and Agricultural Resources Act of 1990, to re-compute in accordance with section 103(f) the amount of any assistance due no later than 90 days after such date of enactment. [Section 221(b)]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

(25) Reports on quota allocations to countries importing sugar [HB 222]

The House amendment amends section 902(c) of FSA.

The House amendment also requires the Secretary, within 90 days after the date of enactment of this Act and by August 1 of each year thereafter through 1995, to report to the President and the Congress the extent, if any, of sugar imports from the country named in section 902(c)(1) by the countries described in section 902(c)(1).

The House amendment also requires the President, commencing with the 1991-1992 quota year for sugar imports, to report to the Congress by January 1 the identity of the countries that are net importers of sugar derived from sugarcane or sugar beets who have a quota for the current quota year, the identity of such countries who have verified that they do not import for reexport to the United States any sugar produced in the country named in section 902(c)(1), and the action, if any, taken by the President with respect to countries reported by the Secretary as net importers of sugar derived from sugarcane or sugar beets who imported such sugar from the country named in section 902(c)(1) who reexported such sugar to the United States during the previous quota year under a sugar quota allocation. [Section 222]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision.

TITLE X—HONEY

(1) Short Title; Findings; Policy

The House amendment provides that subtitle A may be cited as the "Beekeeping Industry Stabilization Act of 1990". It provides findings of Congress that illustrate the vital function that honeybees serve for United States agriculture by pollinating millions of acres of fruits, vegetables, oilseeds, and legumes, and seed crops annually.

A policy of Congress statement emphasizes the need to extend the honey price support program and preserve a viable domestic beekeeping industry. (Sections 601 and 602)

The Senate bill provides no comparable provision.

The Conference substitute deletes the House provision.

(2) Honey price support

The Senate bill requires that the price of honey for each of the 1991 through 1994 honey crops be supported through loans, purchases, or other operations at such level as the Secretary determines appropriate. The price support program is eliminated for 1995 and subsequent crops. (Section 1041)

The House amendment requires that for each of the 1991 through 1995 crops of honey, the price of honey be supported through loans, purchases, or other operations at not less than 53.8 cents per pound. (Section 603(a))

The Conference substitute adopts the House provision with an amendment to direct the Secretary to make payments available to producers who, although eligible to obtain a loan, agree to forgo obtaining the loan in return for deficiency payments. The payments are to be computed by multiplying the loan payment rate by the quantity of honey eligible to be placed under loan by that producer. The loan payment rate is defined to be the amount by which the loan level determined for the eligible crop exceeds the level at which a loan may be repaid under the price support program.

(3) Payment limitations

The House amendment limits total payments for each individual to $200,000 in crop year 1991, $167,000 in crop year 1992, $133,000 in crop year 1993, and $100,000 beginning with crop year 1994. (Section 603(b))

The Senate bill extends current law.

The Conference substitute adopts the House provision with an amendment to limit the total payments that an individual may receive under the marketing loan program to $200,000 in crop year 1991, $175,000 in crop year 1992, $150,000 in crop year 1993, and $125,000 beginning with crop year 1994. It also limits the total amount an individual may forfeit to $200,000 in crop year 1991, $175,000 in crop year 1992, $150,000 in crop year 1993, and $125,000 beginning with crop year 1994. The Secretary is authorized to issue regulations defining the term person. Such regulations shall provide for

the attribution of payments for the honey program.

TITLE XI—GENERAL COMMODITIES

(1) Definitions

The Senate bill rewrites Sec. 502(4) of the 1949 Act to define "program crop" to mean a crop of wheat, corn, grain sorghum, oats, barley, upland cotton, extra long staple cotton, or rice. (Sec. 1001.)

The House amendment to Sec. 502(1) of the 1949 Act leaves the definition of "program crop" the same as current law. (Sec. 1131.)

The Conference substitute adopts the House definition of "program crop".

The Senate bill rewrites Sec. 502(2) of the 1949 Act to define "normal crop acreage" to mean the sum of the crop acreage bases established for program crops and historical oilseed plantings for a farm. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute adopts the House definition of "normal crop acreage".

The Senate bill rewrites Sec. 502(3) of the 1949 Act to define an "oilseed" crop to mean a crop of soybeans, sunflowers, rapeseed, canola, safflower seed, flaxseed or other oilseeds, as designated by the Secretary. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate definition of an "oilseed" crop with an amendment to include mustard seed.

(2) Farm acreage bases

The Senate bill rewrites Sec. 503(b) of the 1949 Act to require the county committee to determine the normal crop acreage for a farm for a crop year, in accordance with regulations prescribed by the Secretary. (Sec. 1001.)

The House amendment of Sec. 503(b) of the 1949 Act requires the county committee, in accordance with regulations prescribed by the Secretary, to determine the flexible acreage base for a farm for a crop year. Such flexible acreage base shall include the sum of (1) the number of acres equal to the sum of the crop acreage bases for the farm; and (2) the average of the acreage on the farm planted and considered planted to soybeans, sunflower, canola, rapeseed, safflower, flaxseed, mustard seed, and any other oilseeds the Secretary may designate, in each of the 5 crop years immediately preceding the year for which the determination is made. (Sec. 1131.)

The Conference substitute deletes both provisions.

(3) Oats plantings

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 503(d) of the 1949 Act to extend current law through the 1995 crops, with a conforming amendment to change references from "farm acreage base" to "flexible acreage base". (Sec. 1131.)

The Conference substitute adopts the Senate provision.

(4) Calculation of crop acreage bases

The Senate bill rewrites Sec. 504 (b) (1) of the 1949 Act similar to current law but also includes calculation of historical oilseed plantings. (Sec. 1001.)

The House amendment rewrites Sec 504 (b) (1) of the 1949 Act to retain current law. (Sec. 1131.)

The Conference substitute adopts the House language.

(5) Upland cotton & rice

The Senate bill accepts Sec. 504(b)(2) of the 1949 Act, thereby maintaining current law. (Sec. 1001.)

The House amendment rewrites Sec. 504(b)(1)(B) to provide that the crop acreage base for upland cotton and rice shall equal the average of the acreage planted and considered planted to such crop for harvest on the farm in each of the 3 preceding crop years. (Sec. 1131.)

The Conference substitute adopts the House provision, with an amendment allowing producers who did not participate in the upland cotton or rice programs in the 1989, 1990 and 1991 crop years to calculate their crop acreage bases for the 1991 crop (in the case of those producers who first planted in 1989) and the 1992 crop (for those producers who first planted in 1990) as the average of the acres planted and considered planted for the two previous crop years—the same calculation used for the 1986-1990 crops.

The Managers intend that the change in the method of base calculation not unfairly penalize those producers who began to build base in the 1990 crop year. For this reason, producers on a farm with no upland cotton or rice base who planted outside of the program in 1990 and certified their acreage and continue to do so in 1991 for the purpose of establishing upland cotton or rice crop acreage base will be subject to the crop acreage base provisions of the Food Security Act of 1985 for the 1992 crop.

(6) Acreage considered planted

The Senate bill rewrites Sec. 504(c) of the 1949 Act to provide that acreage considered planted includes—

(1) any reduced, set-aside, and diverted acreage, (same as current law except deletes reference to set-aside;)

(2) any acreage that producers were prevented from planting because of a disaster, (same as current law;)

(3) acreage equal to the difference between the permitted acreage for a program crop and the acreage planted to a crop, if the acreage considered to be planted is devoted to conservation uses or the production of commodities permitted by the Secretary (same as current law;)

(4) includes acreage equal to the difference between the permitted acreage for a program crop and the acreage planted to the crop, if the acreage considered to be planted is devoted to the production of commodities in accordance with the planting flexibility provisions, in lieu of the current 20% planting provision;

(5) determines what is to be included to establish a fair and equitable crop acreage base, (same as current law);

(6) the permitted acreage for the crop, if producers certify that no acreage on the farm was planted to the crop (or any fruit & vegetable crop (including potatoes and edible beans) not designated as an industrial or experimental crop by the Secretary) and forgo receiving payments under the program established under title I of the 1949 Act. (Sec. 1001.)

The House amendment rewrites Sec. 504(b)(2) of the 1949 Act to provide that acreage considered planted includes—

(1) same as current law; (See Senate (1) above)

(2) same as Senate (2);

(3) same as Senate (3);

(4) acreage designated as flexible crop acreage, other than that portion designated from acreage on the farm planted or considered planted to minor oilseeds;

(5) same as current law;

(6) no comparable provision; and

(7) any acreage on the farm for which the crop acreage base was adjusted because of a condition or occurrence beyond the control of the producer pursuant to section 504(e). (Sec. 1121.)

The Conference substitute adopts the Senate provisions on (1), (2), and (3). The substitute adopts the House provision on (4), (5), and (7), and the Senate provision on (6) with an amendment to include the same list of permissible crops as in the triple-base option.

(7) Prohibition on increase in crop acreage bases

The Senate bill rewrites Sec. 504(g) of the 1949 Act to prohibit a producer who receives a deficiency payment for any program crop from using the acreage planted or considered planted to any program crop or oilseed on the farm in the crop year to increase any crop acreage base established for the farm in a subsequent crop year. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate language, with an amendment which deletes oilseed crops from the provision.

It is not the intent of the Managers that producers use the flexiblity provisions to increase crop acreage base.

(8) Adjustment of crop acreage bases

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 504(e) of the 1949 Act to authorize the county committee to adjust any crop acreage base for any program crop for any farm if such crop acreage base would otherwise be adversely affected by a condition or occurrence beyond the producer's control. (Sec. 1131.)

The Conference substitute adopts the House provision.

(9) Planting flexibility

The Senate bill rewrites Sec. 505(a) and Sec. 505(c) of the 1949 Act to permit a producer to plant a commodity, other than the program crop for which crop acreage base is established, on the crop acreage base in an amount not to exceed 25% of the crop acreage base. (Sec. 1001.)

The House amendment rewrites Sec. 503(c)(1) of the 1949 Act to require the Secretary to permit producers on a farm to designate up to 25% of the flexible acreage base for the crop year as flexible crop acreage, which may be planted to crops specified in the Act. (Sec. 1131.)

The Conference substitute adopts the Senate provision with an amendment. The Senate provision would allow producers to plant up to 25 percent of the crop acreage base to any commodity, except fruits and vegetables (including potatoes and dry edible beans) in exchange for a reduction in maximum payment acres. This provides for an increase in planting flexibility in addition to triple-base acreage of 10 percent. In exchange for planting something other than the program crop for which the crop acreage base is established, the producer would not be allowed to receive deficiency payments on that flexed acreage.

The Conference substitute also requires that if the Secretary estimates that the national average price of soybeans the following marketing year for soybeans would be less than 105 percent of the nonrecourse loan level for soybeans if the planting of soybeans were allowed on up to 25 percent of the crop acreage base, the quantity of the

crop acreage base that may be planted to soybeans under this section may not exceed 15 percent of the crop acreage base.

Other provisions in the Act, or in the budget reconciliation act for 1991, provide for a mandatory reduction in payments on 15 percent irrespective of whether the producer plants the program crop or not. It is the intention of the Managers that the so-called "triple base" program be operated in conjunction with the 25 percent flexibility provision. In other words, a producer is allowed full planting flexibility on 25 percent of the crop acreage base. On 15 percent of that 25 percent, the producer is ineligible for program payments. On the remaining 10 percent of the 25 percent flexibility a producer has the option of planting something other than the program crop, but the producer is required to forgo payments. In other words, the bill provides 25 percent flexibility, not 40 percent flexibility.

(10) Notification of permissible crops for planting on "flex" acres

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 503(c)(2) of the 1949 Act to require the Secretary, with regard to commodities that may be planted on flexible crop acreage, to make a determination in each crop year of the commodities that will qualify for planting on flexible acres and to publish a proposed list of such commodities in advance of making a final determination granting the authority to producers to plant such commodities. (Sec. 1131.)

The Conference substitute adopts the House provision, with an amendment that the Secretary publish a list of crops that may not be planted on flexible crop acreage.

The Managers intend that, for the purposes of this Act, popcorn, as a field crop, may not be considered to be a vegetable. Further, the Managers intend that peas and lentils be considered to be dry edible beans and that they be precluded from being planted on flexible acreas.

(11) Farm program payment yields

The Senate bill rewrites Sec. 506(a) of the 1949 Act to read the same as current law. (Sec. 1001.)

The House amendment rewrites Sec. 505(a) of the 1949 Act to require the Secretary to establish of a farm program payment yield for each farm for each program crop for each crop year. (Sec. 1131.)

The Conference substitute adopts the House provision.

(12) Offset of costs of the use of actual yields to establish feed grain program payment yields

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 505(e) of the 1949 Act to require the Secretary, in order to offset any cost of using actual yields in establishing farm program payment yields for feed grains (as authorized under the amended section 505(a) of the 1949 Act, described above), to increase the uniform percentage reduction to the crop acreage base for each crop of feed grains under an acreage limitation program by an amount sufficient to offset such costs. (Sec. 1131.)

The Conference substitute adopts the Senate provision.

(13) Irrigated yields

The Senate bill rewrites Sec. 506(f) of the 1949 Act to prohibit the Secretary from establishing farm program payment yields based on yields for irrigated land, as opposed to yields for non-irrigated land, for any acreage that was not irrigated prior to the beginning of the 1991 crop year. (Sec. 1001.)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision. However, it is the intent of the Managers that the Secretary exercise his discretionary authority to prohibit the establishment of farm program payment yields based on yields on irrigated acres, as opposed to yields on non-irrigated acres, for any acres not irrigated prior to the 1991 crop year.

(14) Payment limitations: In general

The Senate bill rewrites Sec. 1001 of the FSA to extend the provisions of this section through the 1995 crop year. (Sec. 1011.)

The House amendment substantially rewrites Sec. 1001 of the FSA and extends its provisions through the 1995 crop year. (Sec. 1101.)

The Conference substitute adopts the Senate provision.

(15) Marketing loan gains, loan deficiency, inventory reduction, and Findley payments: $100,000 limit

The Senate bill contains no comparable provision.

The House amendment rewrites Sec. 1001(1) of FSA 85 by adding a new subparagraph (B) to provide, for each of the 1991 through 1995 crops, that the total amount of payments that a person shall be entitled to receive under one or more of the annual programs for wheat, feed grains, oilseeds, upland cotton, extra long staple cotton, and rice shall not exceed $100,000. For purposes of this subparagraph, the term "payments" includes—

(A) any gain realized by a producer from repaying a loan for a crop of wheat, feed grains, oilseeds, upland cotton, rice or any other commodity at a lower level than the original loan level established under the 1949 Act (marketing loan gains);

(B) any loan deficiency payment received for a crop of wheat, feed grains, oilseeds, upland cotton, or rice under 1949 Act;

(C) any inventory reduction payment received for a crop of wheat, feed grains, upland cotton, or rice under the 1949 Act; and

(D) any deficiency payment received for a crop of wheat or feed grains under the 1949 Act as the result of a reduction of the loan level for such crop (Findley payments). (Sec. 1101(a)(1)(C).)

The Conference substitute adopts the House provision with an amendment changing the limit to $75,000 which applies to only to the payments and gains under (A), (B), and (D), excluding honey.

(16) Overall limitation on payments: $250,000

The Senate bill rewrites Sec. 1001(2)(A) FSA 85 to (1) make the section applicable to the 1991 through 1995 crops, and (2) to include under the payment limitation the enumerated payments for any other commodity for which a program is established under the 1949 Act. Currently section 1001(2)(A) only applies to those non-enumerated commodities where producers reap marketing loan gains. (Sec. 1011(a)(2) and (3).)

The House amendment amends Sec. 1001(2)(A) FSA 85 the same as the Senate bill and, in addition, (1) includes within the overall payment limitation payments made pursuant to (A) the oilseeds program established under the 1949 Act, and (B) the wool and mohair program established under the National Wool Act of 1954, and (2) reduces the overall payment limitation to $200,000. (Sec. 1101(a)(2).)

The Conference substitute adopts the Senate provision, but does not include wool, mohair, or honey payments or benefits.

(17) Payments included within overall limitation

The Senate bill rewrites Sec. 1001(2)(B) of FSA 85 with an amendment to include loan deficiency payments received for a crop of oilseeds under the 1949 Act in the overall payment limitation, and to make other conforming changes. (Sec. 1101(a)(3).)

The House amendment rewrites Sec. 1001(2)(B) of FSA 85 to include among the payments under the overall payment limitation, in addition to those detailed in sections 1001(1) and 1001(2)(A), above, any marketing loan gains realized by a producer from repaying a loan for a crop of honey at a lower level than the original loan level established under the 1949 Act. (Sec. 1101(a)(3).)

The Conference substitute adopts the Senate provision.

(18) Definition of a person for payment limitation purposes

The Senate bill contains no change in current law.

The House amendment rewrites Sec. 1001(5)(B)(i) of the FSA 85 to—

(I) include in subclause (I) the requirement that the term person also include, except for purposes of deficiency and land diversion payments, any individual holding a substantial beneficial interest in any entity described in subclause (II); and

(II) provide that only for purposes of deficiency and land diversion payments will any entity described in subclause (II) be considered a separate person for payment limitation purposes. (Sec. 1101(a)(4) and (5).)

[NOTE: The effect of these amendments is to provide that all farm program payments, except deficiency and land diversion payments, would be attributable to individuals, while deficiency and land diversion payments would continue to be attributed to either individuals or to the entities described under subclause (II), as under current law.]

The Conference substitute deletes the House provision.

(19) Payments to irrevocable trusts

The Senate bill rewrites Sec. 1001(5)(B)(ii) of FSA 85 by adding a new subclause (III) to provide that to be considered a separate person under the payment limitation rules, an irrevocable trust must not (1) allow for modification or termination of the trust by the grantor, (2) allow the grantor to have any future, contingent, or remainder interest in the corpus of the trust, or (3) provide for the transfer of the corpus of the trust to the remainder beneficiary in less than 20 years after the trust is established, except where the transfer is contingent on the beneficiary achieving majority or on the death of the grantor or income beneficiary. (Sec. 1011(e).)

The House amendment rewrites Sec. 1001(5)(B) of FSA 85 by providing that regulations defining the term "person" for payment limitation purposes shall prohibit an irrevocable trust from being eligible to receive any farm program payments. (Sec. 1101(a)(6) and (7) (with respect to the new clause (vi) added by paragraph (7).)

The Conference substitute adopts the Senate provision with an amendment which inserts "at least the age of" before the word "majority".

The Managers intend that the Secretary carefully scrutinize all irrevocable trusts which receive payments under this Act to ensure that the trusts are legitimate entities and have not been created solely for the purpose of evading the payment limitations established in this section.

(20) Eligibility of married couples for program payments

The Senate bill rewrites Sec. 1001(5)(B)(iii) of FSA 85 to provide another exception to the rule that the husband and wife in a married couple be considered as one person in the case of any married couple consisting of spouses who do not hold, directly or indirectly, a substantial beneficial interest in more than one entity (including the spouses themselves) engaged in farm operations that also receives farm program payments as separate persons. If they fall within this exception, the spouses may be considered as separate persons if each spouse meets the other requirements necessary to be considered a separate person under title X of FSA 85 Act. (Sec. 1011(c).)

The House amendment rewrites Sec. 1001(5)(B) of FSA 85 to authorize the Secretary to modify regulations defining the term "person" for payment limitation purposes to provide that, with respect to any married couple, the husband and wife shall be considered to be one person, except—

(I) in the case of a married couple which owns or operates a farming operation otherwise eligible for deficiency and land diversion payments, the couple may designate one spouse as the "primary recipient" for the purpose of receiving such payments and the other spouse (secondary recipient) may be considered to be a separate person for the purpose of receiving farm program payments not to exceed the $50,000 per-person limitation, provided such other spouse makes a significant contribution of active personal management or personal labor; or

(II) in the case of a married couple consisting of spouses who were separately engaged in unrelated farming operations prior to marriage, each spouse shall be treated as a separate person with respect to the farming operation brought into the marriage by such spouse, so long as such spouse continues to provide a significant contribution of active personal management or labor in relation to the farming operation brought into the marriage; or

(III) in the case of a married couple wherein, following marriage, either of the spouses becomes the owner of an unrelated farming operation by way of gift, devise, or descent, such spouse may be treated as a separate person actively engaged in farming with respect to the acquired farming operation, so long as such spouse provides a significant contribution of active personal management or labor in relation to the farming operation so acquired. (Sec. 1101.)

The Conference substitute adopts the Senate provision with an amendment to make this section applicable at the discretion of the Secretary. The Conference substitute does not change the provision of current law which allows a married couple who were engaged in separate farming operations before marriage and continue to operate separately to be considered separate persons for the purposes of payment limitations.

(21) Corporations and stockholders as separate persons

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 1001(5)(C) of FSA 85 to make it applicable only for purposes of deficiency payments and land diversion payments described in Sec. 1001(1)(A), as amended. (Sec. 1101.)

The Conference substitute deletes the House provision.

(22) Treatment of cash rent tenants

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 2 of the Act of December 11, 1989 to make it effective beginning with the 1990 crops. (Sec. 1101(c).)

The Conference substitute adopts the House provision.

(23) Three entity rule

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 1001(A)(a)(1) to limit the section's application to deficiency payments and land diversion payments described in Sec. 1001(1)(A), as amended. (Sec. 1101.)

The Conference substitute deletes the House provision.

(24) Minimum (de minimis) beneficial interest

The Senate bill rewrites Sec. 1001A(a)(2) of the FSA '85 to reduce the minimum beneficial to 5% of all beneficial interests in the entity. (Sec. 1011.)

The House amendment rewrites Sec. 1001A(a) of the FSA '85 by striking paragraph (2). (Sec. 1131.)

The Conference substitute provides that the Secretary establish a minimum beneficial interest level between 10% and 0%. It further provides that the Secretary may reduce this level on a case by case basis.

(25) Treatment of multiyear farm program contract payments

The Senate bill rewrites FSA 85 to add a new Sec. 1001F, such that—

(1) the Senate bill—

(A) applies to the transfer of ownership of "land" as opposed to "farming operation; and

(B) applies only to conservation reserve program contract payments, instead of all multiyear farm program contract payments;

(2) prohibiting such payments from exceeding the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the gift or the death of the prior owner; and

(3) the Senate bill has no provision comparable to House (3) below, limiting the reduction in such payments to the new owners. (Sec. 1011(i).)

The House amendment rewrites FSA 85 to add a new Sec. 1001D to provide for the specified treatment of multiyear farm program contract payments by—

(1) authorizing the Secretary of Agriculture, in the event of a transfer of ownership of a farming operation by way of gift (in anticipation of death or upon disability), devise, or descent, to continue to make to the new owner all payments which may become due and payable by virtue of any multiyear program contract which was in effect at the time of the gift or the death of the prior owner;

(2) prohibiting such payments from exceeding the amount to which the previous owner was entitled to receive under the terms of the contract at the time of the gift or the death of the prior owner; and

(3) requiring that payments be made to the new owner of a farming operation without regard to any limitation on farm program payments received by such new owner in their capacity as a separate person actively engaged in farming with regard to any other farming operation, including the operation subject to the multiyear program payment contract. (Section 1101(e).)

The Conference substitute adopts the Senate provision.

(26) Information regarding payments in excess or violation of payment limitations

The Senate bill adds a new Sec. 1001D to FSA 85 that requires USDA to maintain a database of individuals receiving in excess of the statutory limitation of $50,000 in deficiency and land diversion payments under Sec. 1001(1)(A) of FSA 85, to publish a report concerning this information, and to submit a report to Congress concerning violations of the limitations and restrictions, including the names of individuals who are found to be in violation. (Sec. 1011(g).)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(27) Education program to foster effective application of payment limitations

The Senate bill adds a new Sec. 1001E to FSA 85 requiring USDA to carry out a payment provisions education program similar to current law except—

(1) the amendment deletes the requirement that particular emphasis be focused on the amendments made by Omnibus Reconciliation Act of 1987;

(2) no reference is made to the date by which such a program must be implemented; and

(3) the Senate bill further requires that the State ASC office shall make the initial determination concerning the application of payment limitations to farm operations consisting of more than 5 persons, subject to review by the Secretary. (Sec. 1011(h).)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision.

(28) Authorization

The Senate bill rewrites Sec. 107C of the 1949 Act to—

(1) make it effective for the 1991 through 1995 crops (Sec. 1012(a).); and

(2) provides for payments for underestimated market prices. If the deficiency payment payable to a producer for a crop, as finally determined by the Secretary, is less than the projected deficiency payment determined for the purposes of calculating the advance deficiency payment, the Secretary shall make a payment to the producer equal to 20% of the difference between the final deficiency payment and the projected deficiency payment. (Sec. 1012(b).)

The House amendment rewrites Sec. 107C of the 1949 Act, making this section applicable for the 1991 through 1995 crops. (Sec. 1103.)

The Conference substitute adopts the House provision.

(29) Repayment of 1988 and 1989 advance deficiency payments

The Senate bill adds a free standing provision of law to govern the repayment of advance deficiency payments for producers who received an advance deficiency pay-

ment for the 1988 or 1989 crops, who must refund at least $1,500 of those payments, who reside in a county (or a county contiguous to a county) where farming operations have been substantially affected by natural disaster as evidenced by a production drop of at least 30% during 2 of the 3 crop years 1988, 1989, & 1990, and whose total production of the commodity for 1988 and 1989 is less than 65% of the farm program payment yield times acreage planted for harvest and acreage prevented from being planted. (Sec. 1012(c).)

The House amendment provides no directly comparable provision, however, Sec. 1004 of the House amendment requires the Secretary to recalculate refunds of advance deficiency payments by producers of the 1988 or 1989 crops of feed barley based on a formula that include the human food values of barley. (Sec. 1004.)

The Conference substitute adopts the Senate provision with an amendment adding a financial needs test.

(30) Commodity Credit Corporation (CCC) sales price restrictions

The Senate bill rewrites Sec. 407 of the 1949 Act to—

(a) authorize the CCC to sell any farm commodity at any price not prohibited by this section.

(b) require CCC to take into consideration several factors in determining sales policies for basic agricultural commodities or storable nonbasic commodities. CCC should consider the establishment of policies with respect to prices, terms, and conditions as will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop.

(c)(1) prohibit CCC from selling any basic agricultural commodity at less than 115 percent of the lower of—

(A) the current national average price support loan rate for the commodity adjusted for current market differentials; or

(B) the loan repayment level.

(c)(2) permit CCC to sell extra long staple cotton for unrestricted use at such price as it determines is appropriate to maintain and expand export and domestic markets.

(c)(3) prohibit CCC from selling oilseeds at less than the lower of—

(A) 105% of the current national average price support loan rate for the oilseed, adjusted for market differentials; or

(B) 115% of the loan repayment level.

(c)(4) prohibit CCC from selling its stocks of wheat or feed grains at less than 105% of the established price whenever the producer reserve program for wheat and feed grains is in effect.

(c)(5) require CCC to sell upland cotton at same price CCC sells upland cotton for export, but not less than the minimum sales price.

(d) provide for exemptions from the sales price restrictions, as under current law.

(e) authorize CCC, to make available any commodity owned or controlled by it in accordance with title VI of the 1949 Act or for use in relieving distress, disaster, and livestock emergency areas, if such use does not displace or interfere with normal marketing of agricultural commodities and if the costs to CCC in connection with making the commodity available are limited.

(f) provide that CCC's sales price restrictions shall not apply to sales of commodities that are in the interest of the effective and efficient conduct of the operations of CCC because of the small quantities involved, etc, and to authorize CCC to sell basic commodities on a competitive bid basis.

(g) define sales for export to include—

(1) sales made on condition that identical commodities be exported; and

(2) sales made on condition that commodities of the same kind and of comparable value or quantity be exported.

The House amendment rewrites, effective only for the marketing years for the 1991 through 1995 crops, Sec. 407 of the 1949 Act to—

(1) provide that CCC may not sell any of its stocks of wheat, corn, grain sorghum, barley, oats, and rye at less than (A) 150 percent of the current national average loan rate for the commodity, adjusted for current market differentials + RCC, or (B) if the Secretary permits the repayment of loans made for a crop of the commodity at a rate that is less than the loan level for such crop, 150 percent of the average loan repayment rate (Sec. 1104(1));

(2) require that, if CCC makes purchases of commodities to offset adverse consequences of sales at less than prescribed prices, the purchase price may not exceed CCC's minimum sales price for such commodities for unrestricted use (Sec. 1104(2)); and

(3) direct CCC to sell upland cotton for unrestricted use at the same prices as it sells upland cotton for export, but at not less than 115 percent of the lower of the loan rate or the loan repayment rate in effect for the week in which it is sold, adjusted for market differentials + RCC. (Sec. 103)

The Conference substitute adopts the House provision with an amendment for cotton and rice setting the resale price at 115% of the loan repayment rate, taking into account location and reasonable carrying charges. Oilseed resale prices are the lower of 105% of the loan rate or 115% of the loan repayment level.

It is the intent of the Managers that such resale price restrictions include reasonable carrying charges, as is the case in current law. In addition, it is the intent of the Managers that in determining the sales price restriction for oilseeds the Secretary may determine the effective current national average price support by taking into account loan origination fees assessed under this Act or an other provision of law.

(31) Multiyear set-aside contracts for program crops

The Senate bill rewrites Sec. 1010 of FSA 85 to extend the authority for multiyear set-asides through the 1991-95 crops. (Sec. 1018.)

The House amendment rewrites Sec. 1010 of FSA 85 to—

(1) require the Secretary to enter into multiyear set-aside contracts, subject to appropriations;

(2) extend the authority for such contracts through the 1995 crops;

(3) require that 50 percent of the set-aside acreage under such a contract be devoted to a perennial cover crop or an annual cover crop each year that is capable of naturally improving water quality, improving habitat for wildlife, or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise, and requiring that seasonal flooding with shallow water be considered to be acceptable cover crop for the purpose of this section;

(4) prohibit haying (as well as grazing, as provided under current law) on land under such multiyear set-aside contracts, except in areas of a major disaster;

(5) remove the requirement that such a program be carried out through CCC, and instead authorize the appropriation of necessary funds for the program; and

(6) add a new requirement that, in order to be eligible to enter into a multi-year set-aside agreement and receive cost share assistance under section 1010, a producer must designate the same cropland each crop year for all agricultural set-aside and acreage limitation programs that are involved in multi-year set-aside programs, except that those croplands necessary for normal crop rotation or those lands used for changes in farm operations will be exempt from this requirement. Each producer must establish on such acreage a perennial cover crop or an annual cover crop that is capable of naturally improving soil fertility, reducing water problems, improving water quality, improving habitat for wildlife or making forage available for drought emergencies, unless water conservation considerations or other crop management considerations identified in a conservation plan for such land require otherwise. (Sec. 1106.)

The Conference substitute adopts the Senate provision with an amendment addressing conserving use acreage in each appropriate commodity Title.

(32) Food security wheat reserve

The Senate bill rewrites Sec. 302 of the Food Security Wheat Reserve Act of 1980—

(1) in subsection (i), to extend the reserve through 1995; and

(2) in a new subsection (j), to require the Secretary to take whatever steps are necessary to ensure that at least 75 million bushels are maintained in the reserve if, for each of the 1991-95 marketing years for wheat, it is determined that the season average price for wheat during the marketing year is less than 140% of the loan rate for wheat. (Sec. 1020.)

(3) No comparable provision.

The House amendment rewrites Sec. 302 of the Food Security Wheat Reserve Act of 1980—

(1) to extend the reserve through 1995 (Sec. 1215)

(2) no comparable provision; and

(3) to add a new subsection (b)(2)(B) to require the Secretary, not later than 18 months after the release of stocks from the reserve, to replenish the reserve—

(A) through purchase of wheat, to the extent of the appropriations available; or

(B) by designating an equivalent quantity of wheat from uncommitted CCC stocks, to the extent sufficient appropriations are not available, except to the extent that the Secretary reports to the Agriculture Committees that there are not sufficient uncommitted CCC stocks available. (Sec. 1109.)

The Conference substitute adopts the House provision.

(33) Special grazing and hay program

The Senate bill rewrites Sec. 109(a) of the 1949 Act to extend the special grazing and hay program through 1995. (Sec. 1022.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(34) Advance announcement of programs

The Senate bill rewrites Sec. 406(b) of the 1949 Act to extend through the 1995 crop year, current law regarding the advance announcement of the final terms of the price support, production adjustment and pay-

ment programs for wheat, feed grains, upland cotton and rice. (Sec. 1022.)

The Senate bill also rewrites Sec. 406(b) of the 1949 Act to authorize the Secretary to offer an option to producers of the 1996 crop of wheat, feed grains, upland cotton, extra long staple cotton, rice, or oilseeds and to dairy producers for the 1996 calendar year to participate in commodity price support, production adjustment, and payment programs based upon the terms and conditions as are provided in sections 101(h), 101A, 103A, 105A, 107A, 107C, 204 of the 1949 Act, as amended by the 1990 Farm Bill. Any established price or loan and purchase level made available in accordance with this section shall be established at the same level as that established for the 1995 crop or, in the case of milk, for the 1995 calendar year.

The Secretary may offer each of these programs if the Secretary has not made final announcement of the terms of the commodity price support, production adjustment, or payment programs for the 1996 crops of wheat, feed grains, cotton, rice, or oilseeds, or the 1996 calendar year for dairy on or before the later of—

(A) in the case of wheat, June 1, 1995; and

(B) in the case of feed grains, September 30, 1995;

(C) in the case of upland cotton, November 1, 1995;

(D) in the case of extra long staple cotton, December 1, 1995;

(E) in the case of rice, January 31, 1996;

(F) in the case of oilseeds, July 15, 1995; and

(G) in the case of dairy, November 1, 1995.

Producers may not participate in this program unless legislation has been enacted subsequent to the date of enactment of the 1990 Farm Bill that provides for loans and purchases for the 1996 crop of wheat, feed grains, cotton, rice, or oilseeds, or for dairy producers for the 1996 calendar year.

CCC may be used to carry out this section. (Sec. 1033.)

The House amendment rewrites Sec. 406(b) of the 1949 Act to extend through the 1995 crop current law regarding the advance announcement of the final terms of the price support, production adjustment and payment programs for wheat and feed grains, and deleted references to upland cotton and rice. (Sec. 1111.)

The House amendment further rewrites Sec. 406(b) of the 1949 Act to provide that, in the case of the 1996 crop, the Secretary shall make available to producers of a commodity who exercise the election provided in § 406 and who comply with the terms and conditions of any acreage reduction program established for the 1995 crop of the commodity—

(1) loans and purchases for the 1996 crop under legislation enacted subsequent to the date of the 1990 farm bill, except that if such subsequent legislation provides that loans and purchases shall not be made with respect to the 1996 crop of a commodity, the Secretary may make available to producers loans and purchases at the level determined for the 1995 crop, or if no subsequent legislation is enacted providing that loans and purchases shall be made for the 1996 crop of any commodity, and if loans and purchases are available to producers of such commodity under laws previously enacted, none of the provisions of this section shall apply to the 1996 crop;

(2) deficiency payments calculated on the basis of the established price for the commodity determined for the 1995 crop; and

(3) payments equal to the difference between the level of loans and purchases that the producers are eligible to receive under (1) above for such commodity for the 1995 crop and the level of loans and purchases determined for such commodity for the 1995 crop.

Payments authorized by (3) above shall be made in cash or in the form of in-kind commodities. (Sec. 1111(4).)

The Conference substitute adopts the Senate provision.

(35) Normal supply

The Senate bill provides a freestanding section which is substantially identical to Sec. 1019 of FSA 85. (Sec. 1026)

The House amendment rewrites Sec. 1019 of FSA 85 to extend current law through the 1995 crop year. (Sec. 1114.)

The Conference substitute adopts the House provision.

(36) National agricultural cost of production standards review board

The Senate bill rewrites Sec. 1006(a)(1) of the 1981 Act to require that the seven producer members of the Board, individually or as a group, are engaged in the commercial production of each of the program crops and in one or more of the other various commodities grown in the U.S. (Sec. 1027(a).)

The House amendment extends current law.

The Senate bill also rewrites Sec. 1014 of the 1981 Act to extend the cessation of the Board through September 30, 1995. (Sec. 1027(b).)

The House amendment also rewrites Sec. 1014 of the 1981 Act to extend the cessation of the Board to September 30, 1995. (Sec. 1115.)

The Conference substitute adopts the Senate provision.

(37) Adjustment of support prices

The Senate bill rewrites Sec. 403 of the 1949 Act to—

(a) authorize the Secretary to make appropriate adjustments in the support price for any commodity (excluding cotton) for differences in grade, type, quality, location and other factors. Such adjustment shall, so far as practicable, be made in such manner that the average support price for the commodity will be equal to the level of support under the 1949 Act;

(b) authorize the Secretary to make appropriate adjustments in the support price for cotton for differences in quality factors and location. In determining the premiums and discounts for quality factors for the upland cotton loan program, the Secretary shall give equal weight to loan differences for the preceding crop and market differences for such crop in the designated U.S. spot markets; and

(c) limit the adjustment in loan rates for transportation differentials for the 1990 through 1995 crops of wheat and feed grains such that no adjustment in the loan rate for a region, State, or county may increase or decrease the regional, State or county loan rate from the level established for the previous year by more than the percentage change in the national average loan rate plus or minus 2%. (Sec. 1028.)

The House amendment rewrites Sec. 403 of the 1949 Act to—

(a) same as Senate bill, except that the House amendment simply provides that "appropriate adjustments may be made", as under current law;

(b) same as Senate bill, except that the House amendment simply provides that "appropriate adjustments may be made", as under current law; and

(c) no comparable provision to the Senate. (Sec. 108.)

The Conference substitute adopts the Senate provision with an amendment on (c) to increase the limit on transportation differentials to three percent.

(38) Producer reserve program for wheat and feed grains

The Senate bill rewrites Sec. 110(a) of the 1949 Act to authorize the Secretary to carry out a farmer owned reserve program, as under the current law in Sec. 110(a), except the Senate bill—

Strikes the limitation that the reserve not provide for excessive carryover stocks, and strikes the requirement that the Secretary establish safeguards to assure that wheat and feed grains held under the program not be used to unduly depress, manipulate, or curtail the free market. (Sec. 1029.)

Rewrites Sec. 110(l) to provide, as under current law, that the authority provided by Sec. 110 is in addition to other Secretarial authorities to carry out producer loan and storage operations. (Sec. 1029.)

New Sec. 110(b) adds a requirement that the Secretary provide original or extended price support loans for wheat and feed grains whenever the price of wheat or feed grains is less than 140% of the loan rate. (Sec. 1029.)

Rewrites Sec. 110(d) to require the Secretary to provide storage payments to producers for storage of wheat or feed grains in such amounts and under such conditions as appropriate to encourage participation. Such payments shall be available at the end of each quarter. The Secretary may cease such payments whenever the price of wheat or feed grains is equal to or exceeds the then current established price for the commodities, and for any 90-day period immediately following the last day on which the price of wheat or feed grains was equal to or in excess of the established price. (Sec. 1029.)

Further rewrites Sec. 110(b) to require that such loans shall not be less than the then current level of support under the wheat and feed grain programs. The Secretary shall provide for loans with—

(A) a maturity of not less than 3 years, with extensions as warranted by market conditions;

(B) a specified rate of interest; and

(C) payments to producers for storage. (Sec. 1029.)

Sec. 1030 requires CCC and the Secretary, to the extent practicable, to ensure that the rates of the storage payments are equivalent to average rates paid for commercial storage, taking into account the current demand for storage for commodities, efficiency, location, regulatory compliance costs, bonding requirements, and impact of user fees. There cannot be any increase in current or projected combined outlays of the CCC as a result of this provision. This provision also applies in making storage payments to commercial warehouses under the CCC Charter Act. (Sec. 1030.)

Senate bill would delete the requirement that the Secretary offer increased incentives to producers when—

(A) the quantity of stored commodities falls below the stated levels; and

(B) the market price falls below 140% of the loan rate. (Sec. 1030.)

New Sec. 110(b) further provides, as does current law, that producers shall be afforded a fair and equitable opportunity to par-

ticipate in the farmer owned reserve program, taking into account regional differences at the time of harvest. (Sec. 1029.)

Rewrites Sec. 110(c) to provide that the Secretary may charge interest on the loans whenever the price of wheat or feed grains is equal or greater than the then current established price for the commodities. The interest may be charged for 90 days after the last day on which the price of wheat or feed grains was equal to or greater than the established price. The rate of interest shall not be less than that charged the CCC by the U.S. Treasury, except that the Secretary may waive or adjust the interest as appropriate to effectuate the purposes of the reserve. (Sec. 1029.)

Rewrites Sec. 110(e) to provide, similar to current law, that the Secretary may require producers to repay loans, plus accrued interest and such other charges, if emergency conditions exist that require that the commodity be made available in the market to meet urgent domestic or international needs. The Secretary must report the reasons for this determination to the President, and appropriate committees of Congress at least 14 days before taking the action. (Sec. 1029.)

Sec. 110(g) requires that the Secretary announce the terms and conditions of the reserve program as far in advance of making loans as practicable. Such announcement shall specify the quantity of wheat or feed grains to be stored under this program that the Secretary determines appropriate to promote the orderly marketing of the commodities. (Sec. 1029.)

Sec. 110(f) authorizes the establishment of maximum quantities of wheat and feed grains that may receive loans and storage payments under the reserve program as follows:

(1) The quantities may not be established at less than 300 million bushels of wheat and 600 million bushels of feed grains.

(2) The quantities may not be established at more than—

(A) 30% of the estimated total domestic and export usage of wheat during the marketing year for the crop of wheat, as determined by the Secretary; and

(B) 15% of the estimated total domestic and export usage of feed grains during the marketing year for the crop, as determined by the Secretary.

(3) Notwithstanding paragraph (2), the Secretary may establish the upper limits at higher levels, not in excess of 110% of the levels established in paragraph (2), if the higher limits are necessary to achieve the purposes of this section. (Sec. 1029.)

The Senate bill deletes Sec. 110(f). (Sec. 1029.)

Sec. 110(h) authorizes the Secretary, with the concurrence of the owner of grain stored under this program, to reconcentrate all grain in the farmer owned reserve to be stored in commercial warehouses. Such reconcentration shall be at such points as are in the public interest, taking into account such factors as transportation and normal marketing patterns. Rotation of stocks is permitted. Secretary shall maintain quality under regulations that assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by the commitment. (Sec. 1029.)

Sec. 110(i) provides that when grain is stored under this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate the commodities that the CCC owns or controls. The purchases to offset sales shall be made within 2 market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions. (Sec. 1029.)

Sec. 110(j) requires the Secretary to use the CCC to fulfill the purposes of this section, and to utilize the usual and customary channels, facilities, and arrangements of trade and commerce. (Sec. 1029.)

Sec. 110(k) provides that if a producer has substituted purchased or other commodities for the commodities originally pledged as collateral for a loan made under this section, the Secretary may allow a producer to repay the loan using a generic commodity certificate that may be exchanged for commodities owned by CCC, if the substitute commodities have been pledged as loan collateral and redeemed only within the same county. (Sec. 1029.)

The House amendment rewrites, effective beginning with the 1991 crops, section 110 of the Agricultural Act of 1949—(Sec. 1116.)

(1) to make the requirement that the Secretary formulate and administer a producer reserve program contingent upon the event that the Secretary estimate for any marketing year that the ratio of ending stocks to total use for the marketing year for—

(A) wheat will be more than 40 percent; or

(B) for corn will be more than 25 percent.

(2) to reduce the minimum term of storage loans from not less than three years to not less than 18 months, and provide for one automatic 6-month loan extension upon the request of the producer, and further extensions at the discretion of the Secretary;

(3) to provide (A) that payments to producers be made in such amounts as appropriate to encourage producers to participate in the program, taking into account, to the extent practicable, the average rates paid for commercial storage in the State, and (B) that such storage payments will be made to producers at the end of the first calendar quarter after the grain enters storage;

(4) to provide that producer storage program loans may be redeemed at the discretion of the producer;

(5) to provide that the producer storage program may be designed to induce producers to redeem and market wheat or feed grains without regard to the maturity date of any loans when the market price for the commodity has attained 150 percent of the nonrecourse loan rate;

(6) to strike, as would the Senate bill, the requirement that the Secretary offer increased incentives to producers when—

(A) the quantity of stored commodities falls below the stated levels: and

(B) the market price falls below 140% of the loan rate.

Retains Sec. 110(c) as in current law, but adds a provision, as does the Senate bill—

(6) to authorize the Secretary to waive the repayment of principal or interest on loans made under this section if market conditions warrant;

(7) to amend subsection (e)(2) to provide—

(A) that the total quantity of wheat stored under storage programs established under this section may not exceed 300 million bushels; and

(B) that the total quantity of feed grains stored under storage programs established under this section may not exceed 600 million bushels. (Sec. 1116.)

The Conference substitute adopts the Senate provision with the following amendments:

(1) Conditions for entry are triggered when (a) price or (b) stocks to use ratios are met. When both (a) and (b) occur, the Secretary shall permit entry; when either (a) or (b) is met, the Secretary may permit entry.

Condition (a) is met when the average price for the previous 90 days exceeds 120% of the loan rate.

Condition (b) is met when the projected stocks-to-use ratio for the current marketing year equals or exceeds 37.5% for wheat, and 22.5% for corn.

No direct entry is allowed: producers must first take out an original 9-month loan.

(2) Conditions of exit are—

(a) Producers may exit at their discretion.

(b) Storage stop is triggered when the 5-day price equals or exceeds 95% of the target price for wheat and corn.

(3) Interest and CCC resale—

(a) Interest accrues when the 5-day average price equals or exceeds 105% of the target price.

(b) CCC resale is triggered when the 5-day average price equals or exceeds 150% of the loan rate.

(4) Stock levels—

The maximum quantities of wheat in FOR shall be established at not less than 300 million bushels nor more than 450 million bushels. The maximum quantities of feed grains in FOR shall be established at not less than 600 million bushels nor more than 900 million bushels.

(5) Period of loan—

The duration of the loan is three years, inclusive of the 9-month regular loan, with one 6-month extension at the discretion of the Secretary.

The Managers feel that the FOR has not been operated in an efficient manner in the recent past. The changes made in this section are intended to provide for a more moderate transition of grain into and out of the reserve. The Managers note that the program has, in the past, had the effect of completely isolating the reserve from the market—some wheat from the 1978 crop remains in reserve at the time this Act is being completed. The Managers intend that the changes made in this Act will allow for a more orderly flow of grain into and out of the FOR. Accordingly, the amendments adopted in the Conference substitute become effective December 1, 1990, to govern the administration of the FOR as of that date.

The amendments adopted to Sec. 110 of the Agricultural Act of 1949, provide that the Secretary may allow entry into the FOR only if one of two conditions exist: (1) if the wheat projected stocks-to-use ratio at the end of the marketing year exceeds 37%, and if the corn projected stocks-to-use ratio at the end of the marketing year exceeds 22.5%, or (2) the market price of wheat or corn is less than 120% of the loan rate for the crop of that commodity. Such determinations are to be made by the Secretary as soon as practicable prior to the expiration of the regular 9 month price support loans. If both conditions (1) and (2) above occur, the amendments require the Secretary to permit the entry of grain into the FOR.

The current statutory restrictions on access to FOR grain severely restrict usefulness of the FOR. The amendments adopted in the Conference substitute will allow producers to gain access to FOR-held grain to encourage producers to redeem grain from the FOR as market conditions and individ-

ual marketing plans warrant. The amendments allow all producers to redeem FOR loans at any time without imposition of penalties, as exists in current law. The amendments also provide that once market prices reach 95% of the current established price for the commodity, storage payments will end, and loans extended for FOR grain will begin accruing interest once market prices reach 105% of the established target price for the commodity. FOR contracts may be extended only after the maturity of a regular Commodity Credit Corporation price support loan and such contracts may not extend for more than 36 months, including the 9 months of the original price support loan. However, at the Secretary's discretion, FOR loans may be extended for one additional period of 6 months.

(39) Redemption of expired certificates

The Senate bill contains no provision on this topic.

The House amendment amends Sec. 107E(b)(3) of the 1949 Act to provide that negotiable certificates issued by CCC must enable any subsequent holders of such certificates to redeem such certificates under the same rules that apply to original holders of such certificates. (Sec. 1117(a)(1).)

Limits the application of the amendment made by Sec. 1117(a)(1) to—

(1) the 180-day period beginning on the date of enactment; and

(2) no more than $25,000 worth of certificate redemptions per person. (Sec. 1117(b).)

Requires that in no event may a person receive a payment from CCC for a certificate that is redeemed under the amendment made by Sec. 1117(a)(1) in an amount greater than the price paid for the certificate by such person. No expired certificate may be exchanged under section 1117 if the owner purchased such certificate after January 1, 1990. (Sec. 1117(c).)

The Conference substitute adopts the House provision with an amendment limiting the redemption value to $1,000 per person.

(40) Payment of interest on certificates redeemed for cash

The Senate bill rewrites Sec. 107E of the 1949 Act to require the Secretary to pay interest on the cash redemption of a commodity certificate issued by the Secretary to a producer who holds the certificate for at least 150 days. (Sec. 1015.)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to exempt certificates used for Export Enhancement Program or Targeted Export Assistance.

(41) Producer option to receive cash in lieu of certificates

The Senate bill contains no provision on this issue.

The House amendment rewrites Sec. 1007E of the 1949 Act by adding a new subsection (c) to require the Secretary, in the case of the annual programs for wheat or feed grains, if the Secretary makes in-kind payments available to producers for any payment under any such program, to also permit producers to elect to receive such payment in cash instead of in the form of an in-kind payment. (Sec. 1117(a)(2).)

The Conference substitute adopts the Senate provision.

(42) Use of certificates to pay producers interest on loans

The Senate bill rewrites Sec. 405(b)(1) of the 1949 Act to make the paragraph effective for only the 1991 through 1995 crops. The bill also amends Sec. 1004 of FSA 85 to make permanent the addition of subsection (b) to Sec. 405 of the 1949 Act. (Sec. 1014.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(43) Procedures for disposition of stocks

The Senate bill provides no provision on this issue.

The House amendment rewrites the 1949 Act by adding a new section, Sec. 107G, governing the procedures for the disposition of stocks, to require—

(a) CCC to establish procedures for the exchange of certificates issued by CCC for commodities or funds of the CCC, including any procedures to be used by CCC to determine the value of any such commodities;

(b) the Secretary, as soon as practicable before the marketing year or season for each commodity for which there is an annual program in effect under the 1949 Act, to announce the anticipated stock disposition actions with respect to the exchange of commodity certificates for commodities owned by CCC (and reasons therefor) for that commodity for the marketing year or season;

(c) the Secretary, upon deciding to make payments to producers participating in annual programs under the 1949 Act using marketing certificates, to announce the rationale for such decision and the goals for the levels of CCC stocks; and

(d) the Secretary, upon deciding to make payments to producers participating in annual programs under the 1949 Act using marketing certificates, to allow producers to make any refund of those payments by using such certificates. (Sec. 1118.)

The Conference substitute adopts the Senate provision.

It is the intent of the Managers that the Secretary, in requesting public comment on proposed annual commodity program determinations and in making the final announcement of the provisions of such programs, include, as practicable, based on information available at the time, a statement of intended procedures for the disposition of Commodity Credit Corporation stocks during that marketing year for that crop. Such announcements should include, as practicable, policies and procedures for the issuance and redemption of CCC commodity certificates to participating producers and for third parties. The intent of the Managers is not to hinder the effective and efficient use of CCC certificates nor the disposition of CCC stocks as market conditions warrant but to ensure that such policies are well communicated to producers and to the grain marketing, processing, and exporting industry generally, so as to minimize disruptions in the grain markets and so participants in these markets can plan their marketings accordingly.

(44) Loan rate study

The Senate bill requires Secretary to conduct a study on the impact of increasing loan rates to the established price level or to the projected average cost of production level, and eliminating deficiency payments for the crop, for each of the 1992 through 1995 crops of wheat, feed grains, upland cotton, and rice. Requires Secretary to analyze the impact of such increased loan rate on exports, CCC outlays, and net farm income, and to report to the Committees on Agriculture by October 1, 1991. (Sec. 1031.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(45) Financial impact assessment

The Senate bill contains no provision on this issue.

The House amendment provides that Sec. 1119 requires the Secretary to conduct an annual assessment of the financial impact of the support levels established and announced by the Secretary under programs contained in the 1949 Act (hereafter "programs"), including an assessment of the effect of such support levels on the ability of producers to meet their financial obligations. Sec. 1119 further requires the Secretary to annually prepare a report containing the results of such assessment and submit such report to the Agriculture Committees, not later than the date of the final announcement for such programs by the Secretary for any one year. The assessment under this section, may be only for informational purposes and for Congressional oversight and may not give rise to any cause of action, be a basis for, or be used as evidence in support of, any claim or right of any person, including farmers and borrowers, in any administrative or judicial proceeding. (Sec. 1119.)

The Conference substitute adopts the House provision with an amendment that changes the term "assessment" to "study".

(46) Establishment of cover crop

The Senate bill provides no provision on this topic.

The House amendment, in Sec. 1107(a), provides that the Secretary of Agriculture should encourage producers who participate in an acreage reduction program established for a crop of wheat, feed grains, cotton or rice under the 1949 Act to plant an annual or perennial vegetative cover on reduced acreage that provides full season coverage capable of naturally improving soil fertility, reducing erosion, improving soil quality, enhancing wildlife, and making forage available for drought emergencies on all acreage required to be devoted to conservation uses, unless water conservation considerations or other crop management considerations identified in a conservation plan prepared for such land require otherwise.

Sec. 1107(b) requires that participation by a producer in any program of encouragement under subsection (a) must be at the discretion of the producer. Failure to participate in any such program may not be used to determine eligibility for any other Federal program, unless specifically authorized by law.

Sec. 1107(c) requires the Secretary, in any program of encouragement authorized under Sec. 1107, to provide for the planting of annual or vegetative cover crops consistent with normal crop rotation management practices, such as summer fallow or other conserving use management practices, traditionally practiced in the area. (Sec. 1107.)

The Conference substitute adopts the Senate provision.

However, the Managers would point out that in each of the commodity Titles, the Act requires the planting of a cover crop on one half of the ACR acres.

(47) Producer appeals process under the 1949 Act

The Senate bill adds a new section, Sec. 426, to Title V of the 1949 Act, concerning producer appeals as follows:

Sec. 426(a) provides that any participant in any of the programs under the 1949 Act or any other Act administered by the ASCS shall have the right to appeal any adverse determination made by any State or county ASC committee.

Sec. 426(b) provides that any participant who believes that a proper determination has not been made with respect to the implementation of any such program concerning such participant may appeal such determination as follows:

if such determination was rendered by a county ASC committee, the appeal is to the applicable State ASC committee;

if such determination was rendered by a State ASC committee, the appeal is to the National Appeals Division; and

if such determination was rendered by any other employee or agent of ASCS or CCC, the appeal is to the National Appeals Division (NAD).

Notice of appeal must be filed within a reasonable time after receiving notice of the adverse determination.

Sec. 426(c) establishes an ASCS National Appeals Division, which shall consist of a director, hearing officers, and such other personnel who shall hear and determine formal appeals. Hearing officers shall hear each appeal made to NAD.

The director of NAD—

shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material available that relate to programs and operations with respect to the appeal;

may request such information or assistance as may be necessary from any Federal, State, or local governmental agency or unit;

may require the attendance of witnesses, the production of all information, documents, reports, answers, records, accounts, papers, and other data and documentary evidence necessary;

may require the attendance of witnesses and production of documentary evidence by subpoena;

may administer oaths and affirmations;

may enter into contracts and other arrangements for reporting and other services and make such payments as may be necessary;

shall issue procedural rules for the conduct of appeals; and

may delegate to hearing officers these authorities.

Sec. 426(c)(4) specifies how, when, and where such hearings shall be conducted. The participant shall be advised of the issues involved and shall be given a full opportunity to present facts, evidence and information relevant to the matter. The hearing officer may confine the presentation of facts and evidence to pertinent matters and may exclude irrelevant evidence.

Hearings before the NAD shall be recorded verbatim if requested by participant. A transcript of the hearing, together with all documents and evidence submitted shall be made available to the participant, on request, if there is an appeal. The record of the hearing shall consist of copies of all documents and other evidence presented to the hearing officer and the transcript of the hearing, if prepared.

Sec. 426(c)(5) provides that the director of NAD shall make all determinations with respect to the appeals submitted to the Division for review.

NAD shall base its review of the hearing on the transcript of the hearing and the evidence presented to the hearing officer, except that the director may order that further proceedings be had in order that the record presented for review may be complete or in order to hear new or additional evidence.

Sec. 426(c)(6) will require NAD hearing officers to report to the principal officers of the division and shall not be under the direction or control of, or receive administrative support (except on a reimbursable basis) from, offices other than NAD.

Sec. 426(c)(7) provides that NAD determinations shall be final, conclusive, and binding on USDA, including CCC, and any agency thereof. However, see Sec. 426(f), below.

Sec. 426(d) provides that the decisions of USDA under this process shall be reviewable by a United States court of competent jurisdiction.

Sec. 426(e) defines, for purposes of this section, a participant to mean any person whose right to participate in, or receive payments or other benefits in accordance with, any of the programs under the 1949 Act or any other Act administered by the ASCS is adversely affected by a determination of any State or county ASC committee or by agents of the CCC under such Acts.

Sec. 426(f) provides that nothing contained in Sec. 426 shall preclude the Secretary, the Administrator of ASCS, or the Executive Vice President of CCC from determining at any time any question arising under the programs to which the provisions of this section apply or from reversing or modifying any determination made by a county or State committee or the director of NAD.

Sec. 426(g) provides that decisions of the State and County ASC Committees made in good faith in the absence of misrepresentation, false statement, fraud, or wilful misconduct, unless otherwise appealed, shall be final, unless otherwise modified under Sec. 426(f) within 90 days, and no action shall be taken to recover amounts found to have been disbursed thereon in error unless the producer had reason to believe that the decision was erroneous.

Sec. 426(h) authorizes the Secretary to issue such regulations as necessary to implement this section. (Sec. 1032(a).)

Sec. 1032(b) provides that Sec. 1032 of the bill does not apply to any appeal or proceeding with respect to any adverse determination made by any State or county ASC committee, etc., prior to the date of enactment of this Act. (Sec. 1032(b).)

Sec. 1032(c) amends Sec. 326 of the Food and Agriculture Act of 1962 to provide that, to the extent the Secretary deems it desirable in order to provide fair and equitable treatment, the Secretary may make price support or other payments available to farmers who have, in attempting to comply with the requirements of any price support or other program or other requirements in law affecting such person's eligibility under such programs, taken actions in good faith in reliance upon the action or advice of an authorized representative of the Secretary. The Secretary may provide such price support or other payments to the extent the Secretary determines such farmer has been injured by such good faith reliance and may require such farmer to take necessary actions designed to remedy any failure to comply with such programs. (Sec. 1032(c).)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision.

(48) Survey of program participants

The Senate bill contains no provision on this topic.

The House amendment provides that Sec. 1120(a) requires that the Secretary of Agriculture provide that producers, during the sign-up period for commodity programs under the 1949 Act in calendar year 1991, complete a survey regarding the preference of such producers, either to increase the efficiency of their farming operation or to assist in meeting conservation requirements for the farm, for the redistribution of any crop acreage bases on each producer's farm. Such survey must include questions designed to determine whether such producers would prefer to redistribute their current crop acreage bases—

(1) in different proportions among the program crops for which such producers currently have a crop acreage base;

(2) among program crops for which such producers currently do not have a crop acreage base; or

(3) in some combination of the options provided under paragraphs (1) and (2) without exceeding the total cropland of the farm. Such survey must be prepared and administered by the ASCS, and conducted in every county where sign-ups for Federal commodity programs are administered.

Sec. 1120(b) requires the Secretary to compile and analyze the data collected from the survey required under subsection (a) to determine—

(1) the potential increases and decreases in State, regional, and national acreage that would be planted to various program crops if producers were given the option to redistribute their current crop acreage bases as indicated by the survey conducted under subsection (a);

(2) the potential commodity program costs or savings if producers were allowed to implement the redistribution of such crop acreage bases as described in paragraph (1);

(3) the potential impact of such a redistribution of crop acreage bases on the competitiveness of United States agriculture in world markets; and

(4) such other consequences of such a redistribution of crop acreage bases that the Secretary determines to be of significance to United States agriculture.

Sec. 1120(c) requires the Secretary, not later than January 31, 1992, to submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the survey conducted under subsection (a). Such report is required to—

(1) include a compilation of the data collected pursuant to the survey conducted under subsection (a);

(2) include the results of the analysis and determinations required under subsection (b);

(3) provide a summary of such data and determinations on a program crop-by-program crop and State-by-State basis; and

(4) provide such other recommendations or information as the Secretary determines appropriate. (Sec. 1120.)

The Conference substitute adopts the House provision with an amendment to move the survey to 1992, and the report to Jan. 31, 1993.

(49) Disaster assistance due to Indian water rights adjudication

The Senate bill provides that Sec. 1034 of the Senate bill authorizes the Secretary to make disaster assistance available to providers on a farm who suffered losses due to drought induced by lack of water as a result of Indian Tribal water rights adjudication affecting producers on that portion of the Big Horn River drainage system located on the Wind River Indian Reservation, Wyoming, for the 1990 crop of wheat, barley, oats, grass hay, and alfalfa hay. The disaster assistance shall be similar to assistance provided under the Disaster Assistance Act of 1989 and shall be drawn from a pool of funds of not to exceed $250,000. The section contains other terms and conditions, including a waiver of the federal crop insurance requirement contained in the 1989 disaster act. Also authorizes a loan deferral program. (Sec. 1034.)

The House amendment provides the Secretary with authority in each of the commodity titles of the bill to include in the definition of a "condition beyond the control of producer" such a condition resulting from the adjudication of Indian water settlement disputes. See—

(1) wheat: new 107A(c)(2) as added by H901;

(2) feed grains: new 105A(c)(2) as added by H1001;

(3) cotton: new 103B(c)(2) as added by H101; and

(4) rice: new 101B(c)(2) as added by H301.

The Conference substitute adopts the Senate provision with an amendment limiting the program to one year and the funds to $250,000, and requiring that the program be implemented. (Legal language is contained in ———)

(50) End rows in set-aside

The Senate bill contains no provision on this issue.

The House amendment requires, in Sec. 1122, that producers be allowed, subject to budget neutrality, to meet acreage limitation or set-aside requirements by idling end rows if—

(1) they are planted to a perennial cover crop;

(2) it would result in substantial reductions of soil loss; and

(3) each acre thus idled counts as 0.9 acres (or less, if so determined by ASCS) toward meeting such requirements. Producers are limited in such use of idled end rows to the extent that total payments to the producer are not increased.

The Conference substitute adopts the Senate provision.

(51) Advance recourse commodity loans

The Senate bill, in Sec. 1013, rewrites Sec. 424 of the 1949 Act and Sec. 1003 of FSA 85 to authorize advance recourse commodity loans for the 1991-95 crops for which nonrecourse loans are made available. (Sec. 1013.)

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision.

(52) Increase in support levels

The Senate bill contains no provision on this issue.

The House amendment provides that Sec. 1123 of the House bill authorizes the Secretary, effective for the 1991 through 1995 crops, to provide for annual adjustments in the target prices of wheat, feed grains, cotton, and rice to reflect changes in the index of prices paid by farmers for production items, interest, taxes, and wage rates. (Sec. 1123.)

The Conference substitute adopts the House provision.

(53) Sense of the Congress: budget cuts targeted to protect family farms

The Senate bill provides no provision on this topic.

The House amendment provides that Sec. 1121 expresses the sense of the Congress that future spending reductions affecting commodity programs should be made on a targeted basis to protect support prices for the amount of commodities produced by family-sized farms. (Sec. 1121.)

The Conference substitute adopts the Senate provision.

(54) Encouraging surface water storage

a. Definitions

The Senate bill provides no provision on this issue.

The House amendment provides that Sec. 1141 defines, for the purposes of subtitle C, the term—

(1) "producer" to mean a producer of a program crop participating in the price support and acreage reduction program under the 1949 Act;

(2) "surface reservoir" to mean a reservoir, pond, or other facility constructed on a farm for the purpose of storing surface water for crop irrigation on the farm, for watering livestock, or other agricultural purposes;

(3) "program crop" to mean any crop of wheat, feed grains, upland cotton, or rice; and

(4) "wetland" to mean the same as under Sec. 1201(a)(16) of FSA 85. (Sec. 1141.)

b. Surface reservoir encouragement program

The Senate bill provides no comparable provision.

The House amendment provides that Sec. 1142 provides that a producer may construct a surface reservoir on land that is part of the flexible acreage base for a farm and that the land on which such reservoir is built must be considered to be devoted to conservation uses if the land was planted or considered planted to a program crop or oilseed crop in at least 3 of the preceding 5 years. (Sec. 1142)

c. Special programs for areas of severe groundwater depletion

The Senate bill provides no comparable provision.

The House amendment provides that Sec. 1143 requires the Secretary to implement, within 18 months after the date of enactment, a program providing further incentives for reservoir construction in counties designated by the Secretary as areas of severe groundwater depletion. (Sec. 1143.)

d. Limitations

The Senate bill provides no comparable provision.

The House amendment provides that Sec. 1144 limits the applicability of subtitle C to—

(1) surface reservoirs constructed in compliance with an established conservation plan approved by SCS;

(2) producers who the SCS certifies have not converted any wetland in constructing the reservoir (excluding wetlands previously designated as prior converted wetland or farmed wetland); and

(3) producers demonstrating that water needs on the farm to be met by the surface reservoir have been met by groundwater in at least 3 of the preceding 5 years. (Sec. 1144.)

The Conference substitute adopts the Senate provision.

(55) Options Pilot Program—In general

The Senate bill provides that subtitle D of the Senate bill (Sec. 1051-Sec. 1056) establishes an options pilot program to determine whether futures options trading would provide reasonable protection to producers from fluctuations in value of the commodities they produce. Sec. 1051 provides that the short title may be cited as the "Options Pilot Program Act of 1990". (Sec. 1051-Sec. 1056.)

The House amendment provides no comparable provision.

b. Findings

The Senate bill, in Sec. 1052(a), provides Congressional findings that—

(1) significant budgetary savings could result if alternatives could be found to USDA price support and production adjustment programs;

(2) hedging on regulated commodities futures markets may provide protection from price fluctuations;

(3) ag producers are not generally familiar with hedging procedures;

(4) price protection may be economically obtained by trading commodity options;

(5) more information is needed to evaluate the viability of futures options trading as an alternative to USDA price support and production adjustment programs. (Sec. 1052(a).)

The House amendment provides no comparable provision.

c. Policy or purposes

The Senate bill provides that Sec. 1052(b) provides that the purposes of subtitle D of the Senate bill are to—

(1) ascertain whether futures options trading would provide reasonable protection to producers from fluctuations in commodity values;

(2) ascertain whether producers will use this method of price protection; and

(3) determine the effect widespread use of such trading would have on commodity prices. (Sec. 1052(b).)

The House amendment provides no comparable provision.

d. Pilot program

The Senate bill provides that Sec. 1053-Sec. 1056 authorize the pilot program for each of the 1991-95 crops of corn and each of the 1993-95 crops of wheat and soybeans. The program shall be conducted in various counties, but not less than 3 counties in each of 3 major corn-producing States during 1991.

Sec. 1054 provides that regulations shall specify terms of program. Some specific eligibility requirements are listed, including a requirement that the producer attend a seminar concerning commodity futures.

The program shall provide a target price strike price for put options that is equivalent to the target price for the commodity involved and a loan rate strike price that is equivalent to the loan rate for the commodity involved.

The program benefits to be offered shall include cost of option premiums and payments of not more than 15 cents per bushel to cover transaction fees, interest, and other expenses.

Sec. 1055 provides that the Secretary may consult with representatives of the commodity futures trading industry designated by

futures markets participating in the program.

Sec. 1056 provides that CCC shall be used to carry out this pilot program.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision on the Options Pilot Program with an amendment making the provision subject to appropriations, and adopts the House provision on the Findings.

TITLE XII—STATE AND PRIVATE FORESTRY

(1) Short Title

The Senate bill cites the title as the Forest Stewardship Act of 1990. (Sec. 1501)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Subtitle A—Cooperative Forestry Assistance Act References

The Senate bill provides that whenever amendments in this title are expressed in terms of an amendment to a section the reference shall be considered to amend the Cooperative Forestry Assistance Act of 1978. (Sec. 1511)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 1211)

(2) Findings, Purpose, and Policy

The Senate bill amends Section 2 of the Cooperative Forestry Assistance Act (CFAA) by adding findings and purposes that address environmental threats to private forest lands, and economic and environmental benefits that may accure from more active multiple use management of those lands. Encourages the Secretary to implement Federal programs affecting non-federal forest lands through and in cooperation with appropriate state officials and the private sector. (Sec. 1512)

The House amendment amends section 2 of the CAFF by omitting current law findings on water yield and on value of trees to urban areas and adding findings similar to those in the Senate and an additional finding regarding the economic health of rural communities. (Sec. 1507(a))

The Conference substitute adopts the Senate provisions with the addition of House finding on economic health of rural communities and deleging Senate findings on federal funding. (Sec. 1212)

(3) Rural Forestry Assistance

The Senate bill replaces section 3 of the CFAA. New section 3(a) directs the Secretary to expand educational and technical assistance to meet the goals of the Act. (Sec. 1513)

The House amendment is identical to the Senate provision. (Sec. 1507(b))

The Conference substitute adopts the language contained in both provisions. (Sec. 1213)

(4) Enabling Assistance

The Senate bill is similar to current law but lists additional activities in which the Secretary may provide technical, financial and related assistance to states. Those additional activities include: (1) enhancing and preserving forest lands and the multiple values, uses, and communities that depend on the forest to ensure its health and conserving associated soil and water resources; (2) identifying, enhancing and preserving rate and endangered wildlife and fish species and their habitats; (3) implementing forest stewardship and management technologies; (4) selecting, producing, and marketing alternative forest crops, products, and services from forest lands; (5) protecting forest land from damages caused by fire, insects, and disease; (6) identifying highly aesthetic forest lands and protecting, regenerating and improving the aesthetic character of such lands; (7) managing the lands where rural and urban areas meet to balance the use of forest resources in the adjacent to urban and community areas; (8) identifying and managing recreational forest land resources; (9) protecting forest lands from conversion to other uses; and (10) managing timber resources ensuring that forest regeneration or reforestation occurs if needed to sustain long term resource productivity and to help prevent major climate changes as a result of the greenhouse effect. (Sec. 1513)

The House amendment is similar to the Senate provision except that items 6 and 9 do not appear in the House version. Additionally, the House version provides that activities consistent with the purposes of the Act include protecting forest land from damage caused by damaging weather. (Sec. 1507(b))

The Conference substitute adopts the House provision with the Senate list of activities for which a state may deliver assistance to landowners. (Sec. 1213)

(5) Direct Assistance

The Senate bill contains provisions identical to current law, with the omission of authority to provide technical assistance to private forest landowners and others, and further authorizes the Secretary to assist state foresters and officials to develop and contract for the development of field arboretums, greenhouses, and tree nurseries, to facilitate production and distribution of tree seeds and seedlings where they are needed for reforestation. (Sec. 1513)

The House amendment contains provisions identical to current law, with the omission of authority to provide technical information to private forest landowners and others. (Sec. 1507(b))

The Conference substitute adopts the Senate provision. (Sec. 1213)

(6) Land Grant Universities

The House amendment allows the Secretary to cooperate directly with land grant universities in implementing this section. (Sec. 1507(b))

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(7) Cooperation with Other Federal, State, and Local Natural Resource Agencies, Universities, and the Private Sector

The Senate bill will require the Secretary in implementing section 3 of CFAA to cooperate with other Federal, State, and local natural resources agencies, universities and the private sector. (Sec. 1513)

The House amendment is similar to the Senate provision.

The Conference substitute adopts the Senate provision (Sec. 1213)

(8) Appropriations

The Senate bill authorizes such sums as necessary to implement the section. (Sec. 1513)

The House amendment is identical. (Sec. 1507(b)

The Conference adopts the Senate provision. (Sec. 1213)

(9) Forest Incentives Program

The Senate bill combines financial and related assistance program under current law with expanded authority to meet new forest management objectives by inserting new Sections 4 and 5 into CFAA. (Sec. 1514)

The House amendment repeals the authority for the Forestry Incentive Program under Section 4 of CFAA, and establishes a new "Forest Resources Stewardship Program". (Sec. 1507(c))

The Conference adopts the Senate provision with an amendment to terminate the authorization for the FIP program on December 31, 1995. (Sec. 1214)

The Managers intend that the Stewardship Incentive Program should ultimately serve as the basis for all cost-share assistance for promoting the protection, management, and reforestation of non-industrial private forest lands. SIP funds can be used for tree planting as well as other activities intended to promote the multiple-use management of these lands. Nevertheless, the Managers recognize the popularity and success of the FIP program and have therefore provided a 5-year period of transition in order to permit landowners and the implementing agencies to become familiar with the SIP program before FIP expires. The authorization for the FIP program will expire on December 31, 1995.

During the five year period when SIP and FIP funds remain available, the Managers expect that the Forest Service, acting through the State Foresters or equivalent State officials, will make every effort to distinguish between FIP and SIP-funded projects and provide for efficient use of both cost-share programs. Landowners should not receive FIP and SIP funding for projects on the same acre. In order to track agency efforts to implement the two programs simultaneously, the Forest Service is to report to the Committees on their efforts in this regard no later than December 31, 1993.

(10) Forest Stewardship Program

The Senate bill directs the Secretary, in consultation with state foresters or equivalent state officials, to establish a program, to be known as the Forest Stewardship Program (FSP) as part of the rural forestry assistance program. The Stewardship Program is authorized at $25 million annual for FY 1991-95.

The Program is established to encourage the development, management, protection, and stewardship of non-industrial private forest lands. The goal of the Program is to enroll 25 million additional acres of private forest land into stewardship management. Management shall be in accordance with landowner objectives and to provide multiple benefits to the nation.

Additionally, the program requires the Secretary to provide assistance to state foresters for the delivery of information and technical assistance to nonindustrial private forest landowners. The Secretary may cooperate directly with other state and local natural resources agencies and land-grant universities in implementing Rural Forestry Assisance and FSP provisions in cases where state foresters cannot make fund transfers. (Sec. 1513)

The House amendment establishes a similar program called the Forest Resources Stewardship Program (FRSP) in place of the existing Forestry Incentives Program (FIP), Section 4 of CFAA. Both the goals and objectives are similar to the Senate program. However, authorization is $20 million

annually from FY 1991-95 and such sums as necessary thereafter.

FSRP provisions are similar to the Senate's provisions except that the House amendment: (1) contains a provision defining "Private Forest Land" identical to current law; (2) directs the Secretary, in consultation with each state forester or equivalent state official, to establish a State Advisory Committee; (3) specifies that technical assistance must be directed to help private owners of nonindustrial forest lands to understand and evaluate alternative actions they may take to protect, maintain, and enhance fish, wildlife, water, wetlands, recreation and timber resources and; (4) does not specifically require the Secretary to cooperate with other government agencies, nongovernmental organizations, and the private sector in implementing the Act.

Additionally the House amendment makes eligible existing non-industrial forest lands that: (1) are not currently under a forest management plan; or (2) are managed under existing Federal, state, or private assistance programs if the landowner agrees to comply with the requirements of the FSRP or if forest management activities on such forest lands are expanded or enhanced to meet the requirements of the CFAA, as amended.

Another provision describes the duties of owners who enter forest land into the Program and requires that such landowners prepare and submit to the state forester or equivalent state official a forest resources stewardship plan that: (1) is prepared by a professional resource manager; (2) identifies and describes actions to be taken by the landowner affecting the natural resources of such land; and (3) is approved by the state forester or equivalent state official in accordance with Federal and state law. Additionally, the landowner must agree that all activities conducted on the land be in accordance with the stewardship plan (Sec. 1507(c))

The Conference substitute adopts the House amendment with amendments to define non-industrial private landowners as rural lands with existing tree cover or suitable for growing trees; define eligibility as those nonindustrial private forest lands that are not currently enrolled under existing Federal, state, or private sector financial and technical assistance programs; and authorize appropriation of $25 million through 1995 and such sums as necessary thereafter. The substitute also creates an independent section for FSP within the CFAA. (Sec. 1215)

(11) Forest Stewardship Incentives

The Senate bill directs the Secretary to establish a Forest Stewardship Incentive Program (FSIP) to encourage the voluntary long-term stewardship of private nonindustrial forest lands.

Eligibility is limited to landowners who own up to 1,000 acres, or 5,000 acres at the Secretary's discretion. The Senate bill adds that nonindustrial forest lands that are not currently enrolled in a Federal, state or pviate sector program are eligible for the FSIP cost share and landowners currently enrolled in a program may be eligible if they agree to expand and enhance forest management and comply with Program requirements. FSIP cost share assistance shall not be received for landowners who receive forest incentives program cost share.

The Secretary may accept recommendations of state agencies to bring certain forest lands into the program. The Secretary in consultation with the State Forest Stewardship Advisory Committee, may develop a list of approved activities, which must include: (1) management of forests conservation purposes; (2) sustainable timber production; (3) protection and management of wetlands; (4) management of native vegetation; (5) agroforestry; (6) forest management for energy conservation purposes; (7) management for fish and wildlife; (8) management for recreation; and (9) other activities approved by the Secretary. All activities must be consistent with Federal and state environmental laws and policies.

The Senate bill requires landowners participating in the FSIP to have a forest stewardship plan prepared by a professional resource manager. The plan must be approved by the state forester or equivalent official. The landowner must follow the plan for which cost share was received for not less than 20 years. Plan modifications may be approved by the state forester or equivalent official.

The bill allows the Secretary to share the cost of developing and implementing the forest stewardship plans. The Secretary and state forester shall determine the reimbursement rate. Cost share payments may not exceed 75 percent.

Provisions of the Senate bill require the Secretary to implement a payback provision in the event a landowner terminates cost share practices within the 20 year period.

The Secretary is encouraged to use the private sector, non-governmental organizations, and consultants to implement this section.

The Secretary is to distribute funds among the states after giving appropriate consideration to the: (1) amount of a state's private land; (2) a state's potential productivity; (3) number of eligible owners in a state; (4) the need for multiple-use forestry investments.

The Secretary may use the Agricultural Act of 1970 when implementing this section. Such sums are to be appropriated as may be necessary to carry out the FSIP. (Sec. 1514)

The House amendment authorizes a similar Stewardship Incentive Program (SIP) to provide cost share assistance for tree planting and other forest management activities pursuant to approved stewardship plans.

The Program establishes eligibility criteria for cost sharing assistance under SIP to be available for owners of existing private nonindustrial forest lands that: (1) have developed an approved stewardship plan; (2) agree to implement approved activities for a period of not less than 10 years unless the state forester or equivalent state official approves a modification for the plan; and (3) own not more than 1,000 acres of private forest land, except that the Secretary may provide assistance to owners of more than 1,000 acres, but not more than 5,000 acres, if the Secretary determines that significant public benefits will accrue. The Program authorizes the Secretary, in consultation with the state forester or equivalent state official and the Advisory Board established in accordance with the new provisions of the CFAA, to recommend state priorities for cost-sharing in that state.

The Secretary is directed, in consultation with the Advisory Board, to develop a list of approved forest management activities that will be eligible for cost-sharing in that state.

The Secretary is authorized to cost-share for approved forest management activities, at a rate and according to a schedule developed in accordance with the state forester, or equivalent state official, in an amount not to exceed 75 percent of the total cost to the landowner of developing and implementing the stewardship plan.

The Secretary is directed to establish and implement a mechanism to recapture funds provided to landowners who terminate any approved practice required by the stewardship plan.

The Secretary is directed to distribute funds available for cost sharing among the states after assessing the public benefit incident to such distribution and giving consideration to: (1) the acreage of private forest land in each state; (2) the potential productivity of such land; (3) the number of owners of such land eligible for cost sharing in each state; (4) the need for reforestation in each state; (5) the opportunities to enhance non-timber forest resources on such forest lands; and (6) the anticipated demand for timber and non-timber resources in each state.

The Program authorizes the Secretary to use the authorities provided by the Agricultural Act of 1970, as added by the Agricultural and Consumer Protection Act of 1973, in implementing this section.

The SIP is authorized at $100 million annually from 1991-95, and such sums as may be necessary therefore. (Sec. 1507(d))

The Conference substitute adopts the Senate provisions with the House eligibility, duties of owners, and authorization provisions. (Sec. 1216)

(12) Forest Legacy Program

The Senate bill directs the Secretary to establish a new conservation easement program, the Forest Legacy Program (FLP), in cooperation with state and political subdivisions, for the purpose of protecting environmentally sensitive forest lands from conversion to alternative uses. It authorizes the Secretary to purchase interests in land and water for inclusion in the FLP from willing landowners.

The bill requires that an initial program in Maine, New Hampshire, New York, and Vermont be implemented immediately. Additional programs in the Northeast, Southeast, Midwest, West, and the Pacific Northwest should be implemented upon receipt of an assessment of the need for such a program.

The bill directs the Secretary, in consultation with State Forest Stewardship Advisory Committees established under the CFAA in Section 19(b), to establish eligibility criteria for inclusion of land in the FLP. Priority shall be given to lands with unique scenic character, riparian areas, or fish and wildlife habitat.

To be eligible to enter forest lands in the Program, the forest land owner is required to prepare and submit through the state forester an application at such time, in such form, and containing such information as the Secretary requires. The Secretary must make application forms available within one year of enactment.

The bill directs the Secretary to determine the eligibility of forest lands for inclusion within the FLP in consultation with the state forester and other appropriate state natural resource management agencies.

The Program requires any forest management activities on FLP lands, including timber management, to be consistent with the purposes intent of the FLP. Participating landowners must prepare a forest legacy plan that states the rationale for bringing the land into the FLP, describes planned management activities, and describes other

information determined appropriate by the Secretary.

The Secretary is directed to share the cost of purchasing an easement. These purchases should: (1) be in the public interest; (2) appropriately reimburse the landowner based on the forest land's economic, ecological and scenic value, the threat of potential loss, income expected from the land, and other criteria deemed appropriate; (3) not exceed 75 percent of the purchase cost; and (4) be made in lump-sum or periodic payments.

The Senate bill defines and authorizes acquisition of easements and prohibits limitations to their duration or scope. (See. 1514)

The House amendment authorizes a Forest Reserve Program (FRP) similar to the Senate provision, but does not authorize purchases of interests in water.

The House amendment further directs the Secretary to establish four pilot projects to meet the goals and requirements of this section for the Program not later than 1 year after the date of enactment.

The House amendment directs the Secretary to establish eligibility criteria for the inclusion of forest lands threatened by conversion to non-forest uses in the Program and to give priority to forest lands that are threatened by development, have unique scenic character or contain threatened or endangered species.

The House provision contains similar application procedures to the Senate's plan but application may be made through state forester or equivalent state official and information required must include a forest reserve plan that demonstrates satisfaction of the eligibility requirements, identifies the environmental rational for including the lands into the FRP, describes management activity planned and the manner in which values identified in the plan are to be protected, and discloses other information determined appropriate by the Secretary.

House stipulations are similar to the Senate's on determination of eligibility but consultation is with the state forester or equivalent state official.

The House measure requires landowners to manage FRP lands and conduct any timber harvesting of such lands consistent with a forest reserve plan approved by the Secretary, and not convert the forest land to other uses for the life of the interest acquired by the Secretary. Hunting, fishing, and similar recreational leases are not to be considered inconsistent with the proposes of the program.

The Secretary is directed to provide compensation to the landowner for the interest in land acquired by the Secretary at such rate and schedule as it determined to be appropriate, in consultation with the state forester or equivalent state official. It is similar to the Senate provision on the appropriate level and manner of reimbursement except it lacks the 75 percent limit on Federal share.

The House amendment does not define easement. As in the Senate bill, the House amendment prohibits limitations regarding the duration and scope of easements. The provision lacks both a specific authorization for acquisition and an authorization for appropriations. (Sec. 1505)

The Conference substitute adopts the Senate bill with amendments. The Conference substitute adds a provision to clarify the cooperative federal and state approach to program objectives.

The Conference substitute adopts the Senate provisions regarding interests in lands with modifications to clarify that the Secretary may acquire lands in fee or lesser interests therein, including waters, conservation easements, or rights of public access and use. In acquiring interests, undivided common ownership in conservation easements are prohibited.

The Conference substitute modifies the Senate's implementation provisions by allowing the Secretary to acquire perpetual rights in lands.

The Conference substitute modifies the Senate eligibility provisions by requiring the Secretary to establish eligibility provisions by requiring the Secretary to establish eligibility criteria within one year in consultation with State Forest Stewardship Advisory Committee or similar regional organization. The Secretary is also required to give priority to areas which can be effectively protected and managed.

The Conference substitute provides new language on applications. For consultative purposes, the Secretary is required to give notice of all applications to appropriate state offcials who may, in turn, make recommendations on the merits of an application.

The Conference substitute adopts determination language that prohibits the Secretary from acquiring lands and conservation easement where states have not previously consented to any acquisitions of lands within that state under section 6 of the Weeks Act. Where Weeks Act consent has never been granted, the Secretary can acquire lands and conservation easements only in areas within a state that have enrolled in the Forest Legacy Program. The Conference substitute departs from both the House and Senate provisions in the manner by which compatible management activities will be managed. Conservation easements or deed reservations acquired may allow forest management activities, however, the Secretary may only delegate or assign management and enforcement to another governmental entity.

The Conference substitute modifies compensation provisions to require that the fair market value of the real property acquired under the program be acquired in accordance with federal appraisal and acquisition standards and procedures.

Regarding cost sharing, the Conference substitute adopts a modified Senate approach of 75% Federal contribution. Cost sharing shall be calculated by the Secretary on a project wide or state program basis.

On easements, the Conference adopts the Senate version with modifications to allow the Secretary to utilize any form of easement under state or federal law.

The Managers note that Forest Legacy program will be another tool for federal resource management agencies to use for land protection and encourage the Secretary to expedite the establishment of the program. The Managers encourage the Secretary and states participating in the Forest Legacy program to follow Program guidance in House Report 101-569 and Senate Report 101-357. In addition the Managers note that this authority should not diminish in any way any water rights established under state law. Further, the Conference does not intend that condemnation be used for Forest Legacy Program purposes except to clear title to land or establish acquisition price from and otherwise willing seller.

The Secretary is prohibited from acquiring conservation easements with title held in common ownership with any other entity. However, the Managers intend that the required non-Federal contribution to the costs of acquiring such an interest can be met through various means and in accordance with terms and conditions that the Secretary prescribes. Such costs might include those associated with planning, administration, and management of the easements acquired. Or, the federal and state governments might cost share with one entity paying for land and the other paying for administrative or management expenses.

The Managers intend for acquisitions to be geared to meeting established objectives for protecting areas. Any easements or other lands acquired for projects should be predicated on permanent administration of such property rights. Additional projects shall be established where the Secretary or a state assess the need for such a project. Special attention should be given to bring Washington State into the program in that the state has developed a statewide conservation easement program.

The application procedure is entirely voluntary and serves to allow the landowner to initiate the process of entering the program. In addition to the landowner application process, the Managers encourage the Secretary to initiate negotiations to acquire lands and easements within designated program areas.

In addition to easement requirements, the Managers encourage the Secretary to use management plans prepared with a landowner to guide activities in a manner consistent with the easement or other federal interests in land. While management and enforcement may only be granted to a governmental entity, the Secretary is not precluded from using permits, cooperative agreements or other mechanisms to allow persons or organizations to perform the tasks of monitoring easement compliance and conducting resource conservation activities consistent with the rights acquired by the Secretary and approved by the landowner.

In requiring the Secretary to use established federal appraisal standards, the Managers also intend that the Secretary take into consideration the potential for any commercial activities on the land subject to the easement that would return income to the landowner and that would be allowed under the terms of the easement. The appraisal of the value of the easement to be purchased by the Secretary should recognize and reflect this potential.

(13) Forest Health Protection

The Senate bill renames the current Insect and Disease Control program as the Forest Health Protection program. Current law is amended to include the impacts from man-made causes (such as air pollution) into forest health programs. Additions to current law include provisions: (1) strengthening insect and disease control programs by authorizing a nationwide forest health monitoring program; (2) allowing technical information, advice and related assistance regarding forest health techniques to be provided to state and private landowners; (3) allowing pilot research projects to be completed before applying full scale application of a forest health practice; (4) allowing implementation of appropriate silvicultural techniques that may protect forest health; (5) establishing financial assistance partnerships between Forest Service and state forestry organizations for forest health monitoring and protection; and (6) allowing any amounts appropriated or available to the Forest Service to be used for emergency suppression of forest pests on all lands.

The Senate version authorizes such sums as may be necessary to carry out the forest health protection provisions. (Sec. 1515)

The House amendment requires the Secretary, subject to appropriations, to provide cost-share assistance to state foresters or equivalent officials of states, subdivisions of states or other entities on non-Federal lands (cooperators), who have established an acceptable integrated pest management strategy, as determined by the Secretary, that prevents, retards, controls or suppresses, incipient, potential, or emergency gypsy moth, southern pine beetle, or spruce budworm infestations in an amount no less than 50 percent nor greater than 75 percent of the cost of such activity. The Secretary must also assist such cooperators in developing an integrated pest management strategy upon request.

The House provision authorizes $10 million to be appropriated annually in order to implement the amendment. (Sec. 1502)

The Conference substitute adopts both the Senate and House provisions, except that the Senate provision for emergency pest suppression is deleted and the House provision is amended to apply to other major insect infestations. (Sec. 1218)

The Managers intend, in adopting the House provision, to encourage the development and implementation of integrated pest management programs to address infestations of gypsy moth, southern pine beetle, or spruce budworm thus promoting more efficient use of limited Federal pest control resources.

(14) Urban and Community Forestry Assistance

[NOTE: The Senate provision (Sec. 1941) was originally included in the global climate change prevention subtitle of Title XIX of the Senate bill.]

The Senate bill sets forth several findings regarding value of trees for ameliorating the urban heat island effect and aiding the reducing of the buildup of carbon dioxide emissions.

The House amendment cites several Congressional findings in addition to those contained in the Senate bill, which acknowledge (1) the declining health of forests in urban areas and communities, (2) the value of trees for improving the quality of life for urban residents, and (3) the sense of community involvement associated with efforts to encourage tree plantings and protect existing open spaces in urban areas and communities.

The Conference substitute adopted the findings of the House amendment amended to include provisions to recognize the energy conservation values of trees, and incorporated as an amendment to the CFAA.

The Senate bill requires the Secretary to establish a program of urban forestry education, technical assistance, planting, and tree maintenance. The Secretary is authorized to provide a variety of services to implement this program, including competitive matching grants. The bill authorizes such sums as may be necessary to implement this section.

The House amendment amends Section 6 of CFAA by adding new subsections (c) through (g). The new section 6(c) directs the Secretary, in cooperation with State foresters and State extension agents or equivalent State officials, to implement a program of education and technical assistance for urban forest resources. The program is to assist: (urban areas and communities conduct inventories of their forest and related resources; (2) State and local organizations in organizing and conducting urban and community forestry projects and programs; (3) in the development of State and local management plans for trees and associated resources in urban areas and communities and to provide for proper tree planting, maintenance, and protection; (4) assist in the development of State and local management plans for trees and associated resources in urban areas and communities; and (5) increase public understanding of the economic, social, environmental, and psychological values of trees and open space in urban and community environments and expand knowledge of the ecological relationships and benefits of trees and related resources in these environments.

The House amendment, in section 6(d) directs the Secretary, in cooperation with State foresters and State officials, to assist in identifying sources of plant materials and would authorize the Secretary to obtain such materials and make them available to urban areas and communities. The new section 6(e) directs the Secretary to establish an urban and community forestry challenge cost share program for eligible communities and organizations, on a competitive basis, for urban and community forestry projects, and to annually make awards under the program in accordance with criteria developed in consultation with, and after consideration of recommendations received from the National Urban and Community Forest Advisory Council established under section 6(f), and consistent with the cost-share requirements of this section which would limit the Federal share of assistance to no more than 50 percent for each project.

The Conference substitute adopted the House provisions, with minor amendments of a technical nature. In addition, the substitute stipulated that each State Forester or equivalent State official may make recommendations to the Secretary for awards under the challenge cost-share program. However, the Managers do not intend for State officials to make actual awards of the funds provided, nor are the funds to support this program to be distributed to the States by formula. The Managers intend for this program to be a national program to reward those projects which warrant cost-share support from proposals submitted from any state. The role of the State foresters or equivalent State officials in this capacity is simply to facilitate the activities of the National Urban and Community Forestry Advisory Council and the Forest Service by making initial recommendations based upon criteria established by the Secretary in consultation with the Council.

The Senate bill authorizes the Secretary to establish a National Urban and Community Forestry Advisory Council to develop and evaluate the implementation of an action plan and develop recommended criteria for the Urban Forestry Energy Conservation Program established by section 1942. The Council would consist of 15 members appointed by the Secretary, at least two of whom would be representatives of national nonprofit forestry and conservation citizen organizations; the forest products, nursery, or related industries; urban forestry professionals; academic institutions; State or local forestry agencies; Federal agencies; and the general public. The Secretary is also authorized to detail personnel of the Department to the Council.

The House amendment would also establish a Council which would be responsible for developing a national urban and community forestry action plan; evaluating its implementation; and developing criteria for and submitting recommendations with respect to the urban and community forestry challenge cost-share program under section 6(e). The Council would be imposed of: (1) 2 representatives of national nonprofit forestry and conservation citizen organizations; (2) 3 representatives, one each from State, County, and city or town governments; (3) 2 members representing academic institutions with an expertise in urban and community forestry activities (4) 1 individual representing urban forestry, landscape, or design consultants; (5) 1 member representing State forestry agencies or equivalent State agencies; (6) 1 member representing the forest products, nursery, or related industries; (7) 1 member representing a professional renewable natural resource or arboricultural society; (8) 1 member from the Extension Service; (9) 1 member from the Forest Service; and (10) 2 members who are not government employees, 1 of whom is from a community with a population of less than 50,000, and both of whom have expertise and have been active in urban and community forestry. The House bill would also provide for an amendment to the Renewable Resource Extension Act (16 U.S.C. 1672(a)) to promote increased understanding of the values of trees and related resources in urban and community environments.

The Conference adopted the provisions of the House amendment, with amendment to ensure that the energy conservation value of trees was recognized as an important public information objective.

The Conferees intend that the National Urban and Community Forestry Advisory Council should serve as an independent source of information, ideas, and initiative for expanding the role of the Forest Service in promoting urban forestry programs and community activities. In addition, the Council is to aid in evaluating the Forest Service's urban and community forestry programs, to develop an action plan and agenda for urban forestry activities, and to help guide the implementation of the challenge cost-share program.

(15) Firefighting Preparedness and Mobilization Assistance

The Senate bill provides additional authority for the Secretary to establish a fire fighting mobilization and funding program. It authorizes a financial, technical, and related assistance program for state foresters to conduct fire fighting mobilization activities. The bill authorizes $100 million per year to be appropriated, $50 million of which shall be made available to rural volunteer fire departments to conduct mobilization activities. The Federal cost share may not exceed 50 percent of any rural fire fighting activities and must be provided on a matching basis.

The Senate bill defines "mobilization" as any activity in which one fire fighting organization assists another that has requested assistance. It defines "rural volunteer fire department" as any organized, not for profit, fire protection organization that provides service primarily to a community or city with a population of 10,000 or less or to a rural area, whose manpower is 80 percent or more volunteer, and which is recognized as a fire department by the laws of the state. (Sec. 1516)

The House amendment is similar to the Senate provision except that the Secretary may also provide such assistance through state foresters or equivalent state officials to other agencies and individuals, including

rural volunteer fire departments, to conduct preparedness and mobilization activities to respond to requests for fire suppression assistance. The amendment authorizes $40 million for each fiscal year for such assistance, to be allocated as follows: (1) ½ of sums appropriated is available only forest agencies administered by state foresters or equivalent state officials, and through them to other agencies and individuals, to enhance their firefighting capability and conduct mobilization activities, of which not less than $100,000 is made available to each state, and (2) ½ of sums appropriated are available only for rural volunteer fire departments to conduct such activities; and (3) limits the Federal share of any activity of a state or rural volunteer fire department carried out with funds made available pursuant to these provisions to no more than 50 percent of the cost of the activity, on a matching basis and allows the non-Federal share to be in the form of cash, services, or in-kind contributions, fairly valued.

The House amendment definitions for "rural volunteer fire department" and "mobilization" are similar to the Senate bill. (Sec. 1501)

The Conference substitute adopts the House amendment with an authorization level of $70 million. (Sec. 1220)

(16) Rural Revitalization through Forestry

The Senate bill establishes a new rural revitalization education program within the USDA Extension Service. It allows the Secretary to establish a rural revitalization program through Extension Service and Cooperative Extension Service in consultation with Forest Service to assist rural communities with economic policies for business development consistent with environmental concerns. The plan requires—

(1) the transfer of technologies to other United States based industries;

(2) assisting businesses in identifying global markets; and

(3) training of local leaders in economic development.

The program requires the Secretary to establish specific programs that—

(1) deliver educational services;

(2) use Cooperative Extension Service databases and analytical tools to help communities diversify their economic base; and

(3) fully use the Cooperative Extension Service, land grant universities and county offices to promote economic development that is sustainable and environmentally sound. (Sec. 1517)

The House amendment contained no comparable provision.

The Conference substitute deletes the Senate provision from the State and Private Forestry title, and adopts a similar provision in the Rural Development title.

(17) Federal, State and Local Coordination and Cooperation

The Senate bill establishes a Forest Resource Coordinating Committee within the USDA. The Committee will be chaired by the Forest Service Chief and will include representatives from Agricultural Research Service, Agricultural Stabilization and Conservation Service, the Extension Service, Forest Service, and Soil Conservation Service. The Committee will coordinate private forestry programs, clarify agency responsibilities, and advise the Secretary on mediating intra-departmental differences.

The Program also provides a framework for state coordination, requiring each state forester to establish a Forest Stewardship Advisory Committee. Each state Committee will be chaired by the state forester, or his designee, and must include representatives from Federal agencies, state agencies, conservation and environmental organizations, the private sector, and landowners. Committee members will serve three year terms. Existing state committees may be used if they include landowners and the general public. The bill requires the Committees to consult with other USDA and state committees which address forestry issues and (a) make recommendations to the Secretary about implementation of this Act; (b) make recommendations concerning the development of a Forest Stewardship Planning Guide; (c) make recommendations about approved practices; and (d) make recommendations concerning those forest lands that should be included in the Forest Legacy Program. Subcommittees may be established to address different programs under this Act.

The Senate bill requires Forest Stewardship Planning Guides to be developed. These Guides will: (a) provide baseline data; (b) outline threats to forest lands; (c) describe economic and environmental opportunities; (d) address management of intermingled Federal, state, and private forest land ownerships; and (e) make recommendations for local implementation.

Existing state advisory plans may be used if they conform to the above requirements. (Sec. 1518)

The House amendment is similar to the Senate bill. However, the membership of the Advisory Committee varies slightly from that of the Senate bill. The House amendment does not include the Planning Guide requirements. (Sec. 1507(e))

The Conference substitute adopts the Senate provision and adds forestry consultants and the forest products industry while dropping the private sector and state park service representatives from the list of entities that should be a part of the Forest Stewardship Advisory Committee. (Sec. 1222)

(18) Administration and Limitations

The Senate bill outlines administrative guidelines for the Act's implementation. These guidelines require—

(a) administering the Act in accordance with regulations developed by the Secretary;

(b) keeping the regulations formulated by the Agricultural Act of 1970 in tact;

(c) requiring cost sharing regulations to be developed;

(d) allowing the Secretary to make grants, contracts and agreements;

(e) construing the Act as supplemental to other USDA laws and not as limiting or repealing current laws;

(f) providing that an existing mechanism should be used to make payments and to deliver services to the landowner. The bill states that no provision of the Act may infringe on a landowner's private property rights unless they are willingly sold under the Forest Legacy Program. (Sec. 1519)

The House amendment does not contain a comparable provision.

The Conference substitute adopts the House position with technical amendments. (Sec. 1223)

(19) Conforming Amendments

The Senate bill makes amendments that bring subtitle A into conformance with existing authorities. (Sec. 1520)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with technical amendments. (Sec. 1224)

Subtitle B—Research, Utilization, and Education

CHAPTER 1—GENERAL RESEARCH PROGRAMS

(20) McIntire-Stennis Research Program

The Senate bill reaffirms the importance of the McIntire-Stennis Cooperative Forestry Act. (Sec. 1521)

The House amendment does not contain a comparable position.

The Conference adopts the Senate provision. (Sec. 1231)

(21) Competitive Forestry, Natural Resources, and Environmental Grants Program

The Senate bill authorizes the Secretary to establish a Competitive Forestry, Natural Resources, and Environmental Grant program. The bill allows agricultural experiment stations, colleges or universities, research organizations, Federal agencies, private organizations and corporations to be eligible for grants. Eligible organizations are required to submit an application to the Secretary.

The provision allows grants to be used for research in—

(1) biology of forest organisms;

(2) ecosystem function and management;

(3) wood use;

(4) human forest interactions;

(5) international forestry product marketing;

(6) energy;

(7) water and agricultural chemical reduction;

(8) alternative crops;

(9) economic production and marketing products and services;

(10) the benefits of conservation;

(11) the affects of global climate change;

(12) genetic tree improvement; and

(13) market expansion.

The arrangement allows grants to be used for updating research facilities and equipment, and for the Secretary to develop criteria that will assist in prioritizing grants.

The bill requires the Cooperative Forestry Research Council to provide recommendations to the Secretary on grant priorities. The Secretary can make grants under this program for five years. The plan authorizes such sums as are necessary to be appropriated for the Grant program. (Sec. 1522)

The House amendment contains no comparable position.

The Conference substitute adopts the Senate provision, with an amendment revising the research topics eligible for the grants. (Sec. 1232)

CHAPTER 2—SPECIALIZED RESEARCH

(22) Research and Utilization

The Senate bill contains no comparable provision.

The House amendment authorizes for the Secretary to conduct, support, and cooperate in research for encouraging improved reforestation of forest lands from which timber has been harvested.

The Secretary is authorized to develop and implement improved methods of survey and analysis of forest inventory information, and authorizes $10,000,000 to be appropriated annually for such development and implementation.

The House amendment also authorizes the Secretary to conduct, support, and cooperate in studies and other activities the Secretary deems necessary to evaluate renewable resource management problems associated with urban-forest interface, to assess effects of changes in Federal revenue codes on private forest management and invest-

ment, and to develop improved delivery systems for information and technical assistance provided to private landowners.

The amendment adds authority for the Secretary to conduct, support, and cooperate in an expanded wood fiber recycling research program, including the acquisition of necessary equipment, and would direct the Secretary to make every effort to ensure that the program includes the cooperation and support of private industry, and that program goals include the application of such research to industry and consumer needs. $10,000,000 is authorized to be appropriated annually for a five-year period beginning on the date of enactment.

The amendment also authorizes the Secretary to continue the Modern Timber Bridge Initiative to provide Federal funds, on a cost-share basis as determined by the Secretary, for the construction of demonstration bridges, modern bridge technology transfer projects, and conferences. $5,000,000 in annual appropriations is authorized.

The amendment also directs the Secretary to submit a report to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry that responds to the recommendations contained in the report of the National Research Council entitled, "Forestry Research: A Mandate for Change". The report is to be submitted within six months after the date of enactment.

Elements of the report are to include—

(1) an assessment of the capability of current forestry research programs to address research areas specified in the report, including research on ecosystem functions and management;

(2) an evaluation of alternatives to current organizational frameworks for providing guidance to forestry research programs and establishing research priorities; and

(3) recommendations for changes in current forestry research programs, including funding needs.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House amendment. (Sec. 1241)

(23) Southern Forest Regeneration Program

The Senate bill requires the Secretary to make a grant to a State to establish a Southern Forest Regeneration Center to study forest regeneration problems in the southern regions of the United States.

The bill directs the Secretary to give preference to a State intending to establish the Center at a land-grant university, and that—

(1) operates a forestry program;

(2) operates forest regeneration research programs;

(3) employs research personnel in nursery seedling research; and

(4) has a regional communications system.

The bill requires the Southern Forest Regeneration Center to study forest regeneration and productivity problems in the southern regions of the U.S.

The Secretary is required to prepare and submit a plan to Congress on the implementation of the Center's recommendations to carry out regeneration activities.

The provision directs the Secretary to establish additional centers at the Secretary's discretion.

The Senate bill requires the Secretary to report to Congress annually on the forest regeneration research activities that are conducted pursuant to the Plan, and authorizes such sums as may be necessary to carry out the Center's duties. (Sec. 1525-1530)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to eliminate the planning and report requirements. The substitute also deletes the provision for preference in the selection of a grant recipient. (Sec. 1242)

(24) Southern Forest Productivity Grant Program

The Senate bill authorizes a southern forest productivity grant program that allows competitive grants to be given for southern forest regeneration research. (Sec. 1531)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers recognize the importance of the Southern Forest Productivity priority research program now underway within the Forest Service. This program of accelerated research focusing on protecting and increasing the productivity of southern forest lands was jointly developed by the Forest Service and the schools of forestry in the southeast. As originally planned, this priority research program included a cooperative research component through which research funds would be competitively awarded to forestry schools and colleges, industry and other research entities to compliment the research on southern forest productivity being conducted by the Forest Service. This competitive grant program has not yet been implemented although the Forest Service has the authority to do so under existing law.

To fully realize the goals and objectives of the Southern Forest Productivity research program the Managers direct the Forest Service to establish and administer a competitive grants component under this priority research project in FY 1991. The Managers expect the Forest Service to continue this competitive grants program for a minimum of three years with an annual appropriation of $2.5 million.

(25) Center for Semiarid Agroforestry Research, Development, and Demonstration.

The Senate bill directs the Secretary to establish a Center for Semiarid Agroforestry Research, Development in Lincoln, Nebraska. The Center, under the Forest Service's direction will work with State and private foresters, international foresters, Great Plains universities experiment stations and other USDA agenices.

The bill authorizes $5 million per year to be appropriated for agroforestry research. (Sec. 1541)

The House amendment is similar to the Senate bill but authorizes such sums to be appropriated as are necessary to carry out the amendment. (Sec. 1513)

The Conference substitute adopts the House provision with technical amendments and an amendment authorizing appropriations of $5,000,000 annually. (Sec. 1243)

(26) Forest Land Protection

The Senate bill directs the Secretary to conduct a study of the New York-New Jersey Highlands region of New Jersey, New York, and Pennsylvania. The Study should include an identification and assessment of forest resources of the region, historical land ownership patterns, the likely impacts of changes in land ownership and management on traditional land use patterns, and alternative conservation strategies. The Secretary shall provide for public participation. The Study is to be completed within 12 months. The bill authorizes a $250,000 appropriation. (Sec. 1545)

The House amendment contains similar provisions but no deadline for completion of the study. The House amendment also authorizes the Secretary to continue support for the study of changing land ownership and management patterns in the northern forest lands of Maine, New Hampshire, New York, and Vermont.

The amendment authorizes such sums as necessary. (Sec. 1506)

The Conference substitute adopts the House amendment with a modification to authorize appropriations of $250,000 for the New York-New Jersey Highlands study. (Sec. 1244)

(27) Presidential Commission on State and Private Forestry

The House amendment directs the President to establish a Commission of State and Private Forests (Commission) which shall assess the status of the nation's State and private forest lands, the problems affecting these lands, and the potential contribution of these lands to the nation's renewable natural resource needs associated with their improved management and protection.

The provision describes the composition of the Commission, to consist of 15 members, appointed by the President. Members are to include Federal, State, and local officials, timber industry representatives, nonindustrial private forest landowners, conservationists and community leaders. No more than 5 members are to come from any one State and not fewer than 20 are to come from a list of nominations provided by Members of Congress, including—

(1) the Chairman of the Committee on Agriculture of the House of Representatives;

(2) the Ranking Minority Member of the Committee on Agriculture of the House of Representatives;

(3) the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

(4) the Ranking Minority Member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Vacancies must be filled by appointment by the President.

The amendment further:

Directs the Commission to elect a chairperson from among the members of the Commission by majority vote.

Directs that the Commission meet at the call of the chairperson or a majority of the members.

Directs that the Commission meet at the call of the chairperson or a majority of the members.

Directs the Commission to conduct a study to include—

(1) an assessment of the current status of the nation's State and private forest lands, including ownership status and past and future trends, renewable natural resource inventories, the production of timber and non-timber resources from such lands, and landowners attitudes toward the protection and management of these lands;

(2) a review of the problems affecting the nation's State and private forest lands including resource losses to insects, disease, fire, and damage, inadequate reforestation, fragmentation of the forest land base, and constraints on management options; and

(3) recommendations for addressing the problems and capitalizing on the potential of these lands for contributing to the nation's renewable natural resource needs.

The amendment further directs the Commission to make findings and develop recommendations for consideration by the President and requires the Commission to submit a report to the President no later than December 1, 1991, which the President will then transmit to the Committee on Agriculture in the House and the Committee on Agriculture, Nutrition, and Forestry in the Senate.

The amendment describes the operations of the Commission in general and directs the heads of executive agencies, the General Accounting Office, the Office of Technology Assessment, and the Congressional Budget Office to provide the Commission with such information as it may require to carry out its duties.

The House amendment stipulates that the Commission members are to serve without compensation, but shall be allowed travel expenses while away from their homes or place of normal business in performance of duties of the Commission.

In addition, to the extent there are sufficient funds available to the Commission, the Commission may appoint and fix compensation for a Director and such additional personnel as the Commission determines necessary to carry out its duties. On the request of the Commission, staff may be provided by the heads of executive agencies and other offices, on a non-reimbursable basis, to assist the Commission in carrying out its duties and functions.

The amendment authorizes such sums as are necessary to implement this section.

It further provides for termination of the Commission 90 days following the submission of its report to the President. (Sec. 1510)

The Senate bill contains no comparable provision.

The Conference adopts the House amendment with amendments requiring the Commission to use existing inventories, review the impact of forest land conversion, and other technical changes. The delivery date for the Commission report was changed to December 1, 1992. (Sec. 1245)

(28) Blue Mountain Natural Resources Institute

The Senate bill contains no similar provision.

The House amendment directs the Secretary to establish a research, development, and application program for the forests and rangelands in Oregon and Washington located east of the Cascade Crest, to be headquartered in La Grande, Oregon.

The amendment directs the Secretary to establish and carry out the program in consultation and cooperation with Federal, State, and local agencies, universities, and the private sector. In addition, the Secretary is directed to establish an advisory committee to assist in formulating plans for implementation. (Sec. 1511)

The Conference adopts the House amendment with an amendment to direct the Secretary to establish an Institute to address the research needs of eastern Oregon and eastern Washington. (Sec. 1246)

(29) International Forest Products Trade Institute

The House amendment directs the Secretary to establish an International Forest Resources Institute (Institute) to be operated by the State University of New York College of Environmental Science and Forestry.

It directs that the Institute be comprised of the State University of New York College of Environmental Science and Forestry.

The amendment directs the Institute to—

(1) emphasize application of existing knowledge to the manufacturing and international marketing of forest products as well as conduct new research related to the competitiveness of the northeastern forest products industry;

(2) study and evaluate domestic and international forest sector, agroforestry, development, economic and trade policies;

(3) design, analyze and test technologically appropriate manufacturing, processing, and marketing systems which enhance opportunities for markets in forest products;

(4) formulate and test management strategies for United States forests and for manufacturing facilities that promote rational use, and long term maintenance, of globally important forests; and

(5) design and analyze specific policies for critically important forest in the world with respect to forest sector, agricultural, development, and economic policies.

Such sums are authorized as may be necessary to carry out the Institute's programs. (Sec. 1512)

The Senate bill contains no comparable provision.

The Conference adopts the House amendment with an amendment to authorize establishment of an Institute and other technical changes. (Sec. 1247)

CHAPTER 3—EDUCATION

(30) Extension

The Senate bill amends the Renewable Resources Extension Act by inserting a section that augments USDA Extension Service educational programs.

The bill authorizes the Secretary to expand existing forestry and natural resources education programs of the Extension Service and State Cooperative Extension Service, in cooperation with State foresters, school boards and universities. The Secretary is required to ensure that expanded programs include activities that—

(A) demonstrate the concepts of sustainable natural resources management;

(B) conduct comprehensive environmental citizen education programs for environmenally positive activities; and

(C) Improve the capacity of schools, local governments and agencies to deliver forestry and natural resource information.

It amends existing law by requiring a comprehensive natural resource and environmental education program with an emphasis on youth.

In addition, the Senate bill amends existing law to require that the Extension Service's plan address water quality protection and natural resource and environmental education for landowners, managers, public officials and the public. (Sec. 1535)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate bill with technical amendments. (Sec. 1251)

(31) Forestry Student Grant Program

The Senate bill amends the Forest and Rangeland Renewable Resources Research Act by establishing a Forestry Student Grant Program. The Program provides expanded assistance for forestry, natural resources, and environmental science education.

Provides that grants be targeted to assist graduate and undergraduate minority and female students, giving priority to students whose studies concentrate in—

(1) biology of forest organisms;

(2) ecosystem function and management;

(3) human-forest interactions;

(4) international trade, competition, and cooperation; and

(5) wood as raw material.

Authorizes such sums to be appropriated as may be necesary to implement the Student Grant Program. (Sec. 1536)

The House amendment contains no comparable provision.

The Conference adopts the Senate provision with technical modifications, and with an amendment changing the listed priority subjects as subjects eligible for student grants.

Subtitle C—America the Beautiful

(32) Findings and Purposes

The Senate bill's purposes are to: (1) award the Foundation a grant to solicit, accept, and administer public and private sector grants; (2) promote public awareness and volunteerism by awarding grants and support to non-governmental organizations; (3) preserve unique natural resources and environments; (4) award matching grants to nonprofit organizations; and (5) award grants to municipalities that have developed an urban forestry plan. (Sections 1581-1583)

The House amendment contains no comparable provisions.

The Conference substitute adopts the Senate bill with technical modifications. (Sections. 1261-1263)

(33) Foundation

The Senate bill sets out to—

(1) award a Foundation a grant to solicit, accept, and administer public and private sector grants;

(2) promote public awareness and volunteerism by awarding grants and support to non-governmental organizations;

(3) preserve unique natural resources and environments;

(4) award matching grants to nonprofit organizations; and

(5) award grants to municipalities that have developed an urban forestry plan.

The bill authorizes the President to designate a private nonprofit foundation ("Foundation") as eligible to receive funds to carry out the purposes of the Foundation.

In addition, it prohibits the construction of anything in the law to make the Foundation an agency or instrumentality of the United States Government, or to make officers, employees, or members of the board of directors of the Foundation officers or employees of the United States.

The bill authorizes the Secretary to make a grant not to exceed $25 million from amounts appropriated for FY 91 to the Foundation. Limits the use of funds to carrying out the purposes of this Act and any administrative expenses in carrying out such purposes.

The Foundation is authorized, notwithstanding any other provision of law, to hold funds in interest-bearing accounts, prior to the disbursement of the funds and to retain any interest earned on the accounts to carry out such purposes.

Outlines eligibility criteria for the Foundation to meet in order to receive the one year grant. To receive the grant, the Foundation must: only use funds to meet the purposes of this Act; not accept payments from outside sources to compensate officers or employees of the Foundation; not issue any shares of stock or declare or pay any

dividends; assure that no part of Foundation funds shall inure to the benefit of any board member, officer, or employee except as salary or reasonable compensation for services rendered; not engage in lobbying or propaganda; have its accounts audited annually; have the financial transactions under the grant be audited by any federal agency designated by the President; ensure that each recipient of assistance maintain separate accounts for such assistance and give the Foundation, or its duly authorized representative, access to such accounts; and prepare annual reports. (Sec. 1584)

The House amendment establishes a foundation similar to the Senate bill, but also directs the Secretary to ensure that the officers of the Foundation have the experience and expertise necessary to direct the activities of such Foundation.

The House amendment also specifies that the Foundation may use its funds only for making grants to "qualified organizations", defined as those that meet the requirements of section 501(c)(3) of the Internal Revenue Code and that have demonstrated a capability to provide at least one-half of the total cost of the project or program for which the Foundation funds will be used. The House amendment also provides that trees planted pursuant to a program receiving funds under the Foundation may not be commercially harvested and sold for Christmas trees. (Section 1509).

The Conference adopts the House amendment with technical modifications. (Sec. 1264)

(34) Rural Tree Planting and Forest Management Program

The Senate bill establishes a rural tree planting forest improvement, and stewardship program as special components of the Rural Forestry Assistance Program and Forest Stewardship Incentives Program under sections 3 and 4 of the CFAA (as amended by FACT). Authorizes the Secretary of Agriculture to provide financial, technical, and related assistance to State foresters to assist nonindustrial private landowners in managing their forests for multiple uses. (Sec. 1585)

The House amendment contains no comparable provision in the America the Beautiful provisions.

The Conference adopts the Senate bill with a ten year authorization, an amendment providing that the program is to be established as a special component of the stewardship and stewardship incentives programs, and other technical amendments. (Sec. 1265)

(35) Community Tree Planting

The Senate bill authorizes the Secretary to use section 12 of the CFAA (as redesignated by section 1514) and issue any regulations that may be necessary to carry out the provisions of the America the Beautiful Act.

The House amendment contains no comparable provision.

The Conference adopts the Senate bill with a ten year authorization, an amendment providing that the program is to be established as a special component of the urban and community forestry assistance program under CFAA, as amended, and other technical modifications. (Sec. 1266)

(36) General Provisions and Appropriations

The Senate bill provides general authority for the Secretary to implement the program, and authorizes such sums as may be necessary to implement the provisions on tree planting, including rural tree planting and community tree planting. (Sections 1587 & 1588)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provisions.

Subtitle D—Miscellaneous Provisions

(37) Emergency Reforestation Program

The Senate bill authorizes the Secretary to establish an emergency reforestation program for forest lands damaged by natural disasters.

Directs the Secretary to share cost of implementing forestry practices set forth in a required forest management plan. Limits cost share to 75 percent of actual costs.

Makes owners of 1,000 acres or less of private forest land eligible for cost share assistance. Owners of more than 1,000 acres but no more than 5,000 acres are eligible if significant public benefit will accrue. Assistance is available only to owners with an inability to pay. The Landowner must cooperate with State forester or equivalent State official to develop a forest management plan, which will be the basis for agreements between the owner and the Secretary. The maximum amount any individual may receive will be determined by the Secretary in consultation with the Emergency Reforestation Committee. Defines "Emergency Reforestation Committee" as a committee of at least five State foresters or equivalent State officials who represent diverse geographical interests and who are selected by a majority of the State foresters or equivalent State officials from States participating in programs under the CFAA.

Defines "Forestry Practice" as site preparations, reforestation of damaged stands timber stand improvement, including thinning, burning and other practices approved by the Secretary. The bill defines "Natural Disaster" as a condition described in the Robert T. Stafford Disaster Relief and Emergency Assistance Act. Defines "Private Forest Land" as land capable of producing commercial crops of industrial wood and owned by any private individual, group, Indian tribe, or other native group, association, corporation, or other legal entity, except Federal, State, or local government agencies.

Requires the Secretary to issue regulations as soon as practicable after enactment of this subtitle.

Allows landowners to be reimbursed for reforestation practices that were implemented prior to the enactment but the Secretary may not reimburse for reforestation prior to September 1, 1989.

Authorizes the Secretary to provide assistance under this section to eligible landowners that suffer destruction of 35 percent or more of a tree stand due to damaging weather, related conditions (defined as insect infestation, disease or other deterioration exacerbated by damaging weather) or wildfire in the form of either reimbursement of up to 65 percent of the cost of reestablishing such damaged tree stand for losses in excess of 35 percent mortality or provision of sufficient tree seedlings, as determined by the Secretary, to reestablish such tree stand.

Defines "eligible landowners" to mean a person that produces annual crops from trees for commercial purposes and owns five hundreds acres or less of such trees or owns one thousand acres or less of private forest land. Limits the amount of assistance which any person could receive under this section to no more than $25,000, or an equivalent value in tree seedlings. In addition, a person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive assistance. Defines "qualifying gross revenue" as gross revenue from farming, ranching, and forestry operations, if a majority of the person's annual income is received from such operations, or gross revenue from all sources if less than a majority of the person's annual income is received from farming, ranching, and forestry operations.

Directs the Secretary, for the purpose of implementing this section, to issue regulations that—

(1) define "person" in accordance with regulations issued under the FSA of 1985,

(2) prescribe a fair and reasonable application of the limitations established under section 1503(c), and

(3) ensure that no person receives duplicative payments under section 1503 and the Forestry Incentives Program, Agricultural Conservation Program, or other existing Federal program.

The Senate bill authorizes to be appropriated such sums as may be necessary for disaster relief. (Sec. 1561)

The House amendment authorizes the Secretary to provide assistance under this section to eligible landowners that suffer destruction of 35 percent or more of a tree stand due to damaging weather, related conditions (defined as insect infestation, disease or other deterioration exacerbated by damaging weather) or wildfire in the form of either reimbursement of up to 65 percent of the cost of reestablishing such damaged tree stand for losses in excess of 35 percent mortality or provision of sufficient tree seedlings, as determined by the Secretary, to reestablish such tree stand.

The amendment defines "eligible landowners" to mean a person that produces annual crops from trees for commercial purposes and owns five hundred acres or less of such trees or owns one thousand acres or less of private forest land. The amendment limits the amount of assistance which any person could receive under this section to no more than $25,000, or an equivalent value in tree seedlings. In addition, a person who has qualifying gross revenues in excess of $2,000,000 annually, as determined by the Secretary, shall not be eligible to receive assistance. The provision defines "qualifying gross revenue" as gross revenue from farming, ranching, and forestry operations, if a majority of the person's annual income is received from such operations, or gross revenue from all sources if less than a majority of the person's annual income is received from farming, ranching, and forestry operations.

The amendment directs the Secretary, for the purpose of implementing this section, to issue regulations that: (1) define "person" in accordance with regulations issued under section 1001 of the FSA of 1985, (2) prescribe a fair and reasonable application of the limitations established under section 1503(c) and (3) ensure that no person receives duplicative payments under section 1503 and the Forestry Incentives Program, Agricultural Conservation Program, or other existing Federal program. (Section 1503)

The Conference substitute adopts the House substitute with modifications to incorporate the Senate provisions regarding definition of forestry practices, secretarial discretion for assistance to landowners of 1000 to 5000 acres, and retroactive assistance to September 1, 1989. (Sec. 1271)

(38) Talladega National Forest Expansion

The Senate bill requires the Secretary of Agriculture to acquire lands within the Talladega National Forest to protect and manage those lands for multiple uses. The acquisitions should be made commensurate with appropriated and donated funds. The Secretary may exclude lands from acquisition if such lands are not manageable and if impacts on private property rights are determined to be unacceptable. (Sec. 1571)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate bill with technical changes and an amendment stating the sense of Congress that the Secretary should acquire the lands on a willing seller basis without undue delay. (Sec. 1272)

TITLE XIII—FRUITS, VEGETABLES, AND MARKETING

SUBTITLE A—FRUITS AND VEGETABLES

(1) Declaration

The Senate bill provides that the domestic production of fruits and vegetables is an integral part of U.S. farm policy. (Sec. 1711)

The House amendment is similar, providing that fruit and vegetable production is an "integral part" of U.S. farm policy. (Sec. 1401)

The Conference substitute adopts the House provision.

(2) Study of the Fruit and Vegetable Industry

The Senate bill requires a study to include reviews of (A) the availability of adequate labor supply; (B) the availability and adequacy of crop insurance or disaster assistance; (C) the scientific and technological advances related to the production of fruits and vegetables; (D) the availability of safe and effective chemicals for use in the production of fruits and vegetables; (E) the requirements and cost of labeling fruits and vegetables in the industry and benefits of labeling to consumers; (F) Federal educational programs that teach the importance of fruits and vegetables to a proper diet. (Sec. 1714)

The House amendment is similar to the Senate provisions, except that it requires special emphasis on the value of national uniformity of fruits and vegetables when studying the availability of safe and effective chemicals. (Sec. 1404)

The Conference substitute adopts the House provision with minor changes by striking "with special emphasis" and adding, "with an evaluation."

(a) Study

The Senate bill requires the Secretary to report the results of the study not later than 18 months after the date of enactment of this subtitle to the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate. (Sec. 1714 (b))

The House amendment is similar to Senate provisions, except that the report is to Congress rather than specific Committees. (Sec. 1404 (b))

The Conference substitute adopts the House provision.

(b) Report

The Senate bill requires the Secretary of Agriculture to conduct a study of the Federal programs that provide market enhancement assistance (similar to EEP) to producers of domestic fruit and vegetable commodities.

It also requires a report to Congress within 180 days after enactment containing; (1) the results of the study conducted under subsection (a); (2) recommendations of the Secretary concerning the manner in which producers not receiving assistance could participate in such programs; and (3) recommendations to the Secretary concerning the establishment of additional programs to assist producers of domestic fruits and vegetables in increasing their production and expanding domestic and foreign markets. (Sec. 1715)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to include in the "Study of the Fruit and Vegetable Industry" the requirement to the Secretary to report on the availability of current programs, and the potential addition of future programs that provide market enhancement assistance to the producers of fruits and vegetables.

(3) 1305. Programs on Labeling of Agricultural Products

The Senate bill provides that this section may be cited as the "Grown in the United States Labeling Act of 1990."

The House amendment contains no comparable provision.

The Senate bill requires the Secretary in cooperation with the Commissioner of Food and Drug, not later than 6 months after the date of enactment of this title, to establish a program to be known as the "Grown in the United States Food Labeling Program," under which food processors, producers, and sellers may label food products as "Grown in the United States" or as "Made of Ingredients Grown in the United States."

Likewise, it provides that a food product that contains a significant amount of imported ingredients, as determined by the Secretary, shall not be eligible for the program.

It requires the Secretary in cooperation with the Commissioner to conduct a comprehensive review of all existing Federal country of origin food labeling requirements and prepare and submit a report containing an analysis of the adequacy of such laws to Congress. (Sec. 1716)

The House amendment requires the Secretary of Agriculture to implement a nationwide 2-year pilot program during which time perishable agricultural products (fresh fruits and vegetables) are labeled or marked as to their country of origin. Within 18 months after the completion of the pilot program the Secretary shall study the results of the program and shall submit the results to Congress. It also requires that the country of origin of perishable produce is indicated on the commodity or container of the commodity and visible at point of sale to the purchaser.

It requires the labeling program to apply to imported and domestic perishable products and that it applies to products in compliance with section 304(a) of the Tariff Act of 1930. In addition, it exempts products from labeling requirements that are placed on the J-list of the Tariff Act of 1930. (Sec. 1405)

The Conference substitute adopts the House provision with an amendment authorizing the Secretary to implement a program defining the conditions under which non-perishable agricultural products may be designated "Grown in the U.S." and making the section subject to appropriations.

(4) Enforcement of Handler Assessments

The Senate bill contains no comparable provision.

The House amendment amends section 8c(14) of the Agricultural Marketing Agreement Act of 1937 to extend the current authority of the Department of Agriculture and the Federal courts to assess civil fines and penalties against any handler subject to a Federal marketing order to include the non-payment of handler assessments under such an order. (Sec. 1412)

The Conference substitute adopts the House provision.

(5) Kiwifruit and Other Fruit

The Senate bill amends section 8e(a) of the Agricultural Adjustment Act (7 U.S.C. 608e-1) to include kiwifruit, nectarines, plums, pistachios, apples and papayas (except papayas grown in the CBI). (Sec. 1721)

The House amendment contains no comparable provision.

The Conference adopted the Senate provision with an amendment to strike papayas.

(6) Marketing Orders

The Senate bill amends section 8e of the Agricultural Adjustment Act (7 U.S.C. 608e-1) to require the Secretary to notify the USTR prior to implementing marketing order regulations to imports to ensure they are consistent with trade agreements in effect. The USTR is given 30 days to respond before implementation of the restrictions proceeds. (Sec. 1730A)

The House amendment contains no comparable provision.

The Conference substitute adopted the Senate provision with an amendment to require the USTR to provide advice to the Secretary within 60 days, and to provide that the Secretary may implement the prohibition or regulation only after receiving the advice and concurrence of the USTR. This new provision only applies to prospective marketing order determinations by the Secretary, including any modifications to marketing orders currently in effect.

(7) Products Produced in Distinct Geographic Areas

The Senate bill prohibits the labeling, packaging, classification, sale, etc., of any onion as "Vidalia" unless they are produced in the area defined in the USDA marketing order for Vidalia onions, and are otherwise consistent with that order. (Sec. 2195)

The House amendment contains no comparable provision.

The Conference substitute deleted the Senate provision with an amendment to require that in the case of an agricultural commodity subject to a Federal marketing order, traditionally identified as being produced in a distinct geographic area, State, or region, which has a unique identity, based on such distinct area that has been promoted with funds collected through producer contributions, no person may use the name of the unique name or geographic designation of such commodity or product to promote the sale of a similar commodity or product outside such area, State, or region.

Section 1309(b) provides that a violation of this section shall be considered a violation of paragraphs (4) and (5) of section 2 of the Perishable Agricultural Commodities Act (7 U.S.C. 499b).

Section 1309(c) provides that a person bringing a complaint shall reimburse the Secretary for any or all costs associated with the enforcement of this section.

Section 1309(d) provides that the Secretary shall not increase any fees charged under the Perishable Agricultural Commodities Act to offset costs associated with the operation of this section.

Section 1309(f) provides for the Secretary to promulgate regulations to carry out this section.

This provision is the result of the Managers growing concern for the marketing and labeling of fruits and vegetables that may mislead consumers about the authenticity of such produce.

Individuals who market fruit and vegetables outside of marketing orders receive, at no cost to themselves, the same benefits as those producers who operate in compliance with marketing orders that require mandatory assessments. Furthermore, this misleading labeling jeopardizes the future integrity of the market for those operating within the existing regulations of the marketing orders.

SUBTITLE B—NATIONAL LABORATORY ACCREDITATION

The Senate bill requires the Secretary to establish a program to certify laboratories that conduct residue testing, or make claims concerning residue levels, on agricultural products. The Secretary is required to consult with the administrators of the FDA and EPA in establishing minimum standards for laboratories. Government operated laboratories, private laboratories that do not make claims to the public based on residue analysis, and laboratories that perform analysis for research or quality control, are exempt.

The amendment requires laboratories to apply to the Secretary for accreditation, and to successfully complete certain tests required by the Secretary, including performance evaluation tests.

Each laboratory that performs, brokers or otherwise arranges for pesticide chemical analysis of food shall report to the Secretary, and to the owner of such food, any finding of residue; (a) for which no chemical tolerance has been established by the EPA; (b) which is in excess of residue tolerances established by EPA; or (c) for which chemical residue tolerance is revoked or otherwise not permitted for use by EPA.

The Secretary shall provide standardized reporting guidelines to laboratories. Laboratories shall reimburse the Secretary to help offset the cost of the program through an accreditation fee. States or local government-owned laboratories working only in a reference capacity shall be exempt.

The amendment also calls for the laboratory evaluations conducted by the Secretary to be made available to the public on request. (Sec. 1731)

The Conference substitute adopts the Senate provision with amendments: the term agricultural products is defined as any "fresh fruit or vegetable or any commodity or product derived from livestock or fowl that is marketed in the U.S. for human consumption;" "Laboratory" is defined; and the analysis on agricultural products should be for commercial purposes.

The amendment also strikes the "Reference Laboratory" section and directs the Secretary under the "Establishment of the Program" to administer a National Laboratory Accreditation Program.

The Secretary of the HHS is responsible for developing and promulgating the standards for the National Laboratory Accreditation Program. The Conference managers expect that such standards shall include, but not be limited to: laboratory facilities and equipment; scientific and analytical methodologies; qualifications, training and supervision of personnel; provisions for handling samples; record keeping; the circumstances (if any) under which work may be subcontracted; and in-house quality assurance mechanisms. The Secretary of the HHS is also responsible for the standards for the quality assurance programs, including performance evaluations, which will be used as the basis for certification. The Managers believe that "blind" performance evaluations, where laboratories are not aware that they are being evaluated, is the only means of ensuring an adequate and reliable program. Quality assurance may also be provided by on-site inspections of both physical facilities and records.

In order to conduct such quality assurance programs, in particular the preparation and distribution of performance evaluation samples, it is necessary to have access to a number of high quality laboratories and personnel. To this end, the Managers provide that the Secretary of HHS may approve State and private entities as accrediting bodies to act on the Secretary's behalf in implementing the certification and quality assurance programs in accordance with the requirements of this provision.

Under "Requirements," laboratories are required to prepare and submit an application for accreditation to the Secretary, and comply with such terms and conditions as are determined to be necessary by the Secretaries of the USDA and HHS.

The Conference substitute strikes the "Interim Accreditation" subsection. It requires the Secretary to deny an application for accreditation or revoke any existing accreditation that fails to meet the requirements for accreditation. It also strikes the "Duration of Accreditation" and "Renewal of Accreditation" subsections. The substitute provides that the Secretary shall ensure that performance evaluation samples are provided to any laboratory that has applied for accreditation.

The Managers note that performance evaluation samples are samples that laboratories seeking accreditation must test as an evaluation of their ability to accurately analyze products. The Managers have ensured that the facilities of qualified accredited bodies will be available to the Secretary for this purpose.

In the "Review for Accreditation" subsection the Secretary must ensure that performance evaluation samples for analysis are provided to accredited laboratories to enable them to continue their certification. The waiting period for application for a laboratory that has lost or been denied accreditation is extended to six months. The agreement also makes conforming technical amendments.

The results of laboratory evaluations conducted by the Secretary shall be made available to the Secretary of the HHS, the Secretary of Agriculture, and the public, on request. Nothing shall substitute for or affect the current authorities of the Secretary of the HHS under the Food, Drug, and Cosmetic Act (FFDCA) with regard to the regulation of pesticide residues on foods, the labelling of such foods, and any health-based claims regarding such foods. However because accredited laboratories will be in a position to know about violations of the FFDCA, it is a necessary requirement that the laboratories report such information promptly to the Secretary of the HHS.

This is a voluntary program, but one which will require the resources of several agencies. The Managers expect the Secretaries to make every effort to minimize this. Accordingly, it is crucial that fees for this program are carefully set, and regularly reexamined, to offset all costs.

Subtitle C—Cosmetic Appearance

The Senate bill is titled the "Agricultural Marketing Research and Reform Act of 1990." It defines the term "cosmetic," and it requires, among other things, that the Secretary conduct research, including field projects, on the effects of grade standards and other regulations governing cosmetic appearance on pesticide use in the production of perishable commodities, and the extent of consumer preference for commodities produced by low-input methods. The Secretary shall also disseminate the results of valid research already conducted in these areas to reduce duplications of efforts. A temporary advisory panel is established to review and recommend policies to carry out these activities. The bill also authorizes $4 million annually to carry out the activities and request that the Secretary report to Congress on the findings of the research. (Sec. 1725)

The House amendment is similar to the Senate provision, except that of the statement of policy. It also does not require annual reports on pending grade standard changes to interested parties, and authorizes such sums as necessary to carry out these activities. (Sec. 1861)

The Conference substitute adopts the Senate provision with an amendment to strike the statement of policy, and requires reports on proposed changes to grade standards during 1992, 1993, and 1994.

Subtitle D—Miscellaneous

(8) Amendment to the Perishable Agriculture Commodities Act

The Senate bill amends PACA by providing that operating balances and interest earned may be invested by the Secretary of the Treasury, in public debt securities, bearing interest at rates determined by the Secretary of the Treasury. Such investments must be requested by the Secretary of Agriculture, who will also determine the maturities of the investments. Interest earned shall be used to pay for the services provided under the Act. (Sec. 1961)

The House amends PACA to provide that any reserve fund in the PACA Fund may be invested by the Secretary of Agriculture in insured or fully-collateralized interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments. The amendment also requires that any interest earned on such reserve funds be credited to the PACA Fund and be available for the same purposes as the fees deposited in the fund under that Act. (Sec. 1411)

The Conference substitute adopted the House provision.

(9) Wine and Winegrape Industry Study

The Senate bill requires the Secretary to conduct a study to determine the most effective manner in which the USDA may work with and support the U.S. wine and wine grape industry. Such study must evaluate existing programs to support the industry, consider new methods or programs to enhance processing and expand markets, and consult with local, State, and national associations of the industry. The Secretary must report to the Agriculture Committees by December 31, 1991. (Sec. 1973)

The House amendment is similar but directs the Secretary to give special emphasis

to studying States or other geographic areas that have not traditionally had a wine or winegrape industry. (Sec. 1413)

The Conference adopted the House provision.

(10) Use of U.S. Produced Fruits and Vegetables

The Senate bill, among other things, provides a Sense of Congress that food procurement offices of each agency or department of the Federal government should intensify efforts to purchase from U.S. sources of fruits and vegetables. (Sec. 1717)

The House amendment contains no comparable provision.

The Conference deletes the Senate provision.

(11) Circle of Poison

Pesticide Export Reform

Definitions

The Senate bill adds definitions for Country of Use and Exporter, and amends the definition of Misbranded to reflect language-specific label requirements, under section 2 of the Federal Insecticide Fungicide and Rodenticide Act (FIFRA).

The House amendment is the same as the Senate.

The Conference substitute deletes the Senate and House provision.

Requirements for Registration of Establishments

The Senate bill amends section 7 of FIFRA to require manufacturers of pesticides to report annually to the Administrator on the types and quantities of pesticides produced for export, and the date and quantities of exports over the most recent year. (Sec. 1756)

The House amendment is the same as the Senate.

The Conference substitute deletes both the Senate and House provision.

Protection of Trade Secrets

The Senate bill amends section 10 FIFRA to require that information collected under section 17(a)(6)(C) of the Act, with regard to the export of particularly hazardous pesticides, and information obtained under section 7(c)(1)(B)(ii) of the Act, on prior year pesticide production, shall not be considered confidential information protected under subsection (b) of FIFRA.

The House amendment is the same as the Senate except that it also provides that data, summaries and reviews for unregistered pesticides permitted to be exported by the House bill be made available to the public.

The Conference substitute deletes both the Senate and House provision.

Unlawful Acts

The Senate bill makes violations of new section 17 import/export controls unlawful acts under section 12 of FIFRA.

The House amendment is the same as the Senate.

The Conference substitute deletes both the Senate and House provision.

Requirements for the Export of Pesticides

Preparation and Packaging

The Senate bill amends section 17(a) and 17(b) of FIFRA to require that pesticides intended for export meet the legal preparation and packaging requirements of the foreign government of the country of use, as well as EPA regulations and conditions of the purchaser.

The House amendment is the same as the Senate.

The Conference substitute deletes both the Senate and House provision.

Registration or Tolerance

The Senate bill provides that in order to be exported, a pesticide must have an EPA registration under section 3 of FIFRA, a U.S. food tolerance for a raw agricultural commodity under section 408 of Federal Food Drug and Cosmetic Act (FFDCA), or a U.S. food tolerance for a processed food under section 409 of FFDCA. If the pesticide is to be exported for use in agricultural production, the EPA registration must be for food use.

In the case of a pesticide for which the Administrator has delayed a suspension or revocation of a tolerance or exemption issued under FFDCA section 408, and for which a temporary "pipeline tolerance" has been established to allow existing food inventories to be sold, the pesticide could not be exported based on that temporary tolerance.

The House amendment allows pesticide exports on the same basis as the Senate bill, except that: (1) it does not provide for the export of a pesticide that has an EPA tolerance established under section 409 of FFDCA; and (2) it provides an additional mechanism for the export of unregistered pesticides.

A pesticide not registered in the U.S. can be exported if all of the following conditions are met: (1) it has not: been denied a registration; failed to have a registration granted due to EPA concerns of adverse human health effects; or had a registration canceled or suspended; (2) the exporter has provided sufficient data on health and safety effects to make a preliminary assessment of human health effects (data may be based on either U.S. or foreign standards); (3) the exporter has provided all known residue detection methods; (4) the active ingredients in the pesticide are registered for any use in an Organization for Economic Cooperation and Development (OECD) country; (5) the Administrator has preliminarily determined the pesticide does not pose an unreasonable risk to human health; (6) there is a practical residue testing method; (7) upon request of the country of use, all information is made available to them; and (8) the country of use has agreed to the import of the pesticide. Agreement by a foreign country to import an unregistered pesticide is in effect for up to two years, unless rescinded or changed by the foreign country.

The Conference substitute deletes both the Senate and House provision.

Prior Informed Consent

The Senate bill requires the Administrator of EPA to implement procedures for notification and regulation of certain pesticides. For "particularly hazardous pesticides" with an EPA registration or tolerance, if it is the first shipment of the pesticide to a foreign country in the calendar year, the Administrator must notify the foreign government of the intended shipment. If the foreign government notifies the Administrator that it does not wish to receive the pesticide and will not otherwise produce or import the pesticide to that country, the Administrator shall publish such notice in the Federal Register, and the pesticide shall not be exported unless the foreign country notifies the Administrator differently. No reply is considered consent.

Notices to foreign governments shall include the common or trade name of the chemical in the country of use and its active ingredients; the producer; the exporter; the foreign purchaser; intended date and quantity of shipment; manner of transport; country of use; and the raw commodity on which the pesticide is likely to be used.

The House amendment is the same as the Senate, except that for the export of unregistered pesticides written approval must be received from the country of use prior to the export. Notices to foreign governments must include a statement that data on unregistered pesticides, allowed to be exported under section (2)(A)(ii), is available on request from EPA.

The Conference substitute deletes both the Senate and House provision.

Labeling

The Senate bill requires labels on exported pesticides to be written in an official language of the country of use and to contain all information required by section 3 of FIFRA for a pesticide used in the U.S (if not in conflict with requirements of country of use).

The House amendment requires labels to be written in English and the official language of the country of use, or in the major language of the international relations of the country of use; and to be in compliance with section 3 requirements under FIFRA where determined by the Administrator to be applicable to the country of use.

The Conference substitute deletes both the Senate and House provision.

Control of famine or communicable disease

The Senate bill provides that on the request and certification of the country of use, unregistered pesticides may be exported for use on a temporary basis to prevent or control the spread of a communicable disease or famine.

The House amendment is the same as the Senate bill.

The Conference substitute deletes both the Senate and House provision.

Experimental use

The Senate bill provides that, in order for a pesticide to be exported for research or experimental use, similar information as that required for a domestic experimental use permit must be provided to the Administrator and forwarded to the proposed country of use. The country of use must approve the experimental use in writing to the Administrator and the exporter. The pesticide may be exported once consent is received from either the Administrator or country of use. Following receipt of consent, the Administrator must publish in the Federal Register that the pesticide will be used for research or experimental use, including the consent of the country of use, and the identity of the producer and the exporter of the pesticide.

The House amendment is the same as the Senate except that the Administrator is not required to release information on pesticides exported for experimental use.

The Conference substitute deletes both the Senate and House provision.

Notices of Regulatory Change to Foreign Governments

The Senate bill requires the Administrator, rather than the State Department, to transmit notices of significant changes in registration status, or an interim administrative review for a pesticide, to the appropriate agency of the foreign government, and to the International Registry of Potentially Toxic Chemicals.

The House amendment is the same as the Senate bill.

The Conference substitute deletes both the Senate and House provision.

Cooperation in International Efforts

The Senate bill provides specific recommendations for the Administrator to convene an international meeting with foreign governments and international organizations to promote improved research, pest management, pesticide regulatory programs, and sustainable agriculture; convene a meeting to encourage multilateral agreements on export notices and control measures for pesticides; and report to Congress every three years on regulatory abilities of countries which import pesticides from the U.S.; report to Congress, in conjunction with FDA and USDA, on the ability of testing for pesticide residues.

The House amendment is the same as the Senate except that it also requires the General Accounting Office to conduct a study of unregistered pesticides that are used in agricultural production and/or have a food tolerance under section 408 of the Federal Food Drug and Cosmetic Act and that are exported.

The Conference substitute deletes both the Senate and House provision.

Automatic Revocation of Tolerances

The Senate bill requires the Administrator to immediately revoke a tolerance for a pesticide use if the pesticide registration for such use has been cancelled or voluntarily withdrawn due to dietary risk to humans. If a pesticide is the subject of a suspension, the tolerance must also be suspended. The bill provides for the sale of food legally treated with the pesticide prior to the final suspension or cancellation of the tolerance, and a gradual lowering of the tolerance in the case of unavoidable persistence in the environment.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

Practical Methods for Residue Detection

The Senate bill requires that, in order to grant a tolerance for a pesticide use, EPA must determine that a practical method exists for detecting and measuring the pesticide residue in food. This means that inspectors must be able to use the method on a routine basis as part of ongoing surveillance and compliance sampling of raw commodities and processed foods for pesticides.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

Information on Pesticide Use in Exporting Countries

The Senate bill requires U.S. agricultural attaches in foreign countries to provide information, to the extent practicable, in their annual reports, on the customary use of pesticides in agriculture production for the foreign country they monitor. This information shall be provided to the Secretary of Health and Human Services and Treasury.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

Effective Dates

The Senate bill provides that the provisions of this Act shall be in effect 6 months after enactment, except that for provisions to prohibit the export of unregistered pesticides that have not been denied or rejected for a registration (sec. 3) or tolerance (sec 408 or 409 of FFDCA), and that apply for a tolerance within 6 months of enactment of this Act, shall be effective 36 months after enactment. A one year extension may also be granted if a tolerance has not been granted through no fault of the applicant who has filed a completed application with the Administrator.

The House amendment is the same as the Senate, except that an application for a tolerance or registration within 6 months may allow the export of the unregistered pesticide during the approval process. For unregistered pesticides which could be exported under the House bill, provisions to require information on a practical detection method, all other available detection methods, OECD registrations, and notification and consent of the country of use shall be effective within 6 months of enactment; provisions requiring health and safety data and summaries, and EPA review and preliminary determination of any potential risk to human health shall be in effect 18 months following enactment. A one-year extension may be granted by the Administrator for unregistered pesticides if EPA review has not been completed and it is not the fault of the applicant.

The Conference substitute deletes both the Senate (Sec. 1751) and House (Sec. 1271) provision.

TITLE XIV—CONSERVATION

SHORT TITLE

Subtitle A—Highly Erodible Land Conservation

(1) Conservation Compliance and Set-Aside Acres, Ineligibility

The Senate bill alters the existing definition of an agricultural commodity to make set-aside land subject to conservation compliance. Current law defines an agricultural commodity as a crop that is planted and produced by annual tilling of the soil. The Senate changes this definition by adding any agricultural commodity "considered planted" under an acreage reduction program authorized by title I of the Agricultural Act of 1949. (Section 1231)

The House amendment achieves the same purpose through altering what constitutes a violation of conservation compliance. The House requires any highly erodible land that is set-aside or diverted to be covered by a conservation compliance plan. (Section 1601(a)(1))

The Conference substitute adopts the House amendment. (Section 1411)

(2) Benefits Subject to Denial

The House amendment adds to the list of benefits subject to denial under the conservation compliance program, including: disaster assistance payments for weather damaged trees; Agricultural Conservation Program payments; Emergency Conservation Program payments; Conservation Reserve Program payments; Wetland and Environmental Easement Program payments; and assistance under the Small Watersheds Program. (Section 1601(a))

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes the House provision making wetland reserve payments subject to denial. (Section 1411)

(3) Implementation of Compliance Plans, Post-Conservation Reserve

The Senate bill gives an owner or operator up to two years to implement their conservation plan after the conservation reserve contract period has ended, if the plan requires the construction of structures. (Section 1220)

The House amendment requires conservation plans to be fully implemented on lands leaving the conservation reserve not later than 2 years after the date on which the contract expires or such longer period of time as determined appropriate by the Secretary if such plan requires structures to be constructed. (Section 1603)

The Conference substitute adopts the Senate provision with an amendment. An owner or operator may given more than 2 years to meet their conservation compliance plan on lands leaving the conservation reserve if the plan requires structures and if it is not technically or economically feasible for such structures to be built in this period of time.

The Managers intend for owners or operators whose lands are leaving the conservation reserve who plan to return to crop production to be actively implementing their conservation plans, whether such plan requires management practices or structures. Actively implementing means implementing according to the schedule established in the plan. The amount of time that may be necessary for implementing a plan with structures may be more than that for a management oriented plan, and it is for this reason 2 years, or more if necessary, is given to implement structures.

(4) Treatment of Conservation Reserve Lands After Contracts Expire

The Senate bill establishes that highly erodible lands in the conservation reserve shall be subject to section 1211 of the Food Security Act of 1985. (Section 1220)

The House amendment establishes that highly erodible lands in the conservation reserve shall be subject to subtitle B of the Food Security Act of 1985. (Section 1603)

The Conference substitute adopts the House provision. (Section 1412)

(5) Conservation Compliance and Set-Aside Acres, Exemptions

The House amendment makes technical amendments that conform with making set-aside and diverted land subject to conservation compliance. (Section 1610)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1412)

(6) Tenant-Landlord Ineligibility

The Senate bill gives the Secretary the authority to limit, under certain circumstances, a tenant's ineligibility due to noncompliance with a conservation plan under the conservation compliance program. These circumstances are: 1) if the tenant has made a good faith effort to obtain a reasonable compliance plan; 2) the landowner refuses to allow the tenant to comply with such a plan; and 3) the county committee determines that there is no scheme or device. Under these circumstances, the Secretary may grant this variance to the ineligibility requirements. (Section 1232)

The House amendment contains essentially the same provisions as the Senate bill, except that in addition to the action of the landlord, if another tenant on the farm refuses to comply with the plan on the farm, this variance can apply. The House also requires the Secretary to make the determination of the presence of a scheme or device, and to make an annual report to Congress concerning any variances made during the year. (Section 1601)

The Conference substitute adopts the Senate provision with amendments that require the Secretary to make the determination of the presence of a scheme or device, and to make an annual report to Congress concerning any variances made during the year. (Section 1412)

The Managers note that the House included the actions of another tenant in their provision because of concerns over the fairness of penalizing one tenant for the actions of another person on the same farm over which the tenant has no control. A great deal of confusion has been present in regards to exactly how conservation compliance is applied to a farm that is divided into multiple fields and has multiple tenants.

Current law provides that the landlord and tenant on other fields on a farm where a conservation compliance violation occurs shall be ineligible for all USDA benefits. The ineligibility is applicable whether or not the field in violation could have earned USDA benefits, and is applicable to any other farm that the landlord and tenant farm. This has been unfair to many tenants, where the landowner refuses to take action to be in compliance and the tenant has no authority to take the required action.

The Department has interpreted current law, as it applies to other tenants on a farm where a violation occurs, so that such other tenants are not found ineligible for benefits on the farm where the violation occurs. Such other tenants are also not ineligible on any other farms so long as such tenants do not share in the crop produced on the field in violation. The Managers are in complete agreement with this interpretation.

For example, assume that Individual A owns a farm (Blackacre) with 3 separate fields. Individual A leases field 1, 2, and 3 to Individuals B, C, and D respectively for a share of the crop produced on each respective field. Individual B also farms another field on a different farm (which is not owned by A). Individual A refuses to take the necessary actions on field 1 to bring such field into compliance with the conservation compliance provisions of the law. B has attempted to get A to take the necessary actions. The Secretary has determined that B has made a good faith effort to comply with conservation compliance and is not participating in a scheme or device to evade the conservation compliance provisions.

Under current law, Individuals A and B are both ineligible for USDA benefits no matter where they are earned. Individuals C and D are eligible for USDA benefits both on Blackacre and on any other farm where they earn benefits. Under the Conference substitute, Individual A is ineligible for USDA benefits no matter where they are earned. Individual B is ineligible for USDA benefits on Blackacre, but is eligible for benefits on any other farm where he is a producer. Individuals C and D are eligible for USDA benefits both on Blackacre and on any other farm where they earn benefits.

The effect of the Conference substitute is to correct the inequity which occurs when the violation is a result of the landowner refusing to take action on his land. In such case, the Managers intend that the tenant shall be ineligible for USDA benefits only on that particular farm which contains the field where the violation occurs, but not on any other farm where the tenant may be earning USDA benefits. The intent is not to open a loophole in these provisions and the Managers expect the Department to strenuously enforce the requirements in the amendment for determining good faith and for dealing with actions which are determined to be a scheme or device to evade compliance with these conservation provisions.

(7) Graduated Sanctions

The Senate bill provides for a graduated sanction, under limited circumstances, to violators of conservation compliance. Violations of a conservation compliance plan that are minor and technical in nature and do not prevent future compliance with the plan, as written, are not subject to commodity program benefits denial. A producer otherwise found to be in violation once in ten years, where such violation occurred in good faith, may be eligible for a graduated sanction of $750-10,000, depending on the seriousness of the violation. Also, any person who loses crop program benefits in any one crop year shall be eligible for such payments in subsequent crop years if the plan is being actively applied before the beginning of these years, and other requirements are met. (Section 1235)

The House amendment is similar to the Senate provision except that: 1) a violation can occur once in every 5 years if the producer acted in good faith; or 2) failure to comply could be due to circumstances beyond the control of the producer; or 3) the producer can be given a temporary variance by the Secretary in order to deal with a specific problem; and 4) the loss of program benefits will range from $375 to $2500. (Section 1601)

The Conference substitute adopts the House provision with amendments changing the schedule of sanctions to $500 to $5000. Other technical amendments are also made, and incorporates the Senate provision regarding violations with minimal effects. (Section 1412)

(8) Preparation of New Plans

The Senate bill directs the Secretary to provide information on all cost-effective erosion control options available to producers as compliance plans are prepared in the future. The Secretary is also directed to provide information on planting flexibility and other base adjustment possibilities that may allow a farmer to comply with a conservation plan. (Section 1233)

The House amendment requires the Secretary to provide information on planting flexibility, base adjustment possibilities and conservation assistance options that may allow a farmer to comply with a conservation plan.

The Conference substitute adopts the Senate provision with an amendment that directs the Secretary to provide information on cost-effective erosion control options available to producers, and not on "all" such measures. (Section 1412)

The Managers note that producers may seek to modify their conservation compliance plans for several reasons over the life of this Act. Plans will need to be adjusted as a producer's crop enterprise mix or the machinery complement changes. When a producer purchases or leases new farmland for crop production purposes, a new plan for such land will be needed. A vast number of the conservation plans written to date rely on residue management as the sole means for achieving their erosion reduction objectives. The Managers intend that, as producers seek to modify their plans, the Secretary encourage producers to adopt other cost-effective erosion control practices, including contour farming and strip cropping.

One foreseeable reason producers might seek to modify their plans is the new "triple base" provision in this Act. Triple base requires that 15 percent of an acreage reduction program participant's crop acre base be ineligible for program payments. This 15 percent is in addition to whatever percent reduction is required under the set-aside program. These triple base acres may be planted to non-fruit and non-vegetable crops, with full economic use. As a result, many producers will change substantially their crop enterprises and rotations as they seek the most profitable combination for their farms. Such rotations have the potential for further helping producers economically achieve conservation compliance erosion control objectives on their farms. The Managers intend that the Secretary utilize this potential when working with producers as they seek to modify their conservation plans to reflect such new rotations.

(9) Non-Commercial Production of Agricultural Commodities

The Senate bill establishes that conservation compliance will not apply to 2 acres of cropland or less when the area is used for non-commercial production. (Section 1234)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment which states that this variance shall not be allowed if it somehow contributes or leads to the circumvention of the farm's conservation plan. (Section 1412)

(10) Erosion Reduction Goal

Current law requires that compliance plans are to be based on the practices contained in the field office technical guides. The House amendment adds to current law that compliance plans meet a 50% reduction in erosion from that level that would occur if conservation measures were not applied, unless the Secretary determines such reduction is not feasible. (Section 1601)

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision, deleting the House provision. The Managers agree that the erosion reduction standard that producers with highly erodible land must meet in implementing a conservation plan shall not exceed those standards in effect upon the day of enactment of this Act and established in accordance with the Food Security Act of 1985. The Secretary should apply feasible technical and economic standards at the local level that do not cause undue hardship when establishing the requirements for measures to be included in conservation compliance plans. Alternative conservation systems should continue to be offered to producers as a means of achieving the goals of this program.

(11) Payments and Base Acres for Resource Conserving Crops

The House amendment permits up to 25% of a producer's base to be planted to a resource conserving crop as part of a conservation compliance plan and still be eligible for base acre protection and deficiency payments. Under limited circumstances haying and grazing is permitted while still receiving program benefits, but in general no haying or grazing is allowed. (1603)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

Subtitle B—Wetland Conservation

(12) Wetland Definition

The House amendment places into statute a definition of wetlands that is consistent with the current definition, but emphasizes that for the land in question: 1) the frequency of inundation or saturation by surface or groundwater is sufficient to support hydrophytic vegetation; and 2) under normal circumstances supports such wetland vegetation. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1421)

The Managers note that there has been considerable confusion and controversy generated by attempts to apply the provisions of Subtitle C of Title XII of the Food Security Act of 1985. The provisions of this section, while restating the three characteristics that apply to a wetland, are not intended to indicate a change, in any way, in the intent of the original provision.

Wetland possess three essential characteristics: (1) hydrophytic vegetation, (2) hydric soils, and (3) wetland hydrology, which is the driving force creating all wetland. The Managers intend that the three criteria for identifying the specific characteristics of a wetland must all be met for an area to be identified as wetland for the purposes of this section. Wetland generally include swamps, marshes, bogs, prairie potholes, and other similar areas.

The Managers' intent continues to be that an agricultural area cannot be designated a wetland on the basis of a single characteristic (e.g., the predominance of hydric soils). All three criteria must be satisfied in order for an area to be designated a wetland. The Managers do not intend that designations be made solely on the basis of the existence of a single characteristic. All three characteristics must be present to arrive at a wetland designation, unless interrupted by temporary weather conditions or if hydrophytic vegetation has been removed by farming or ranching practices.

When evaluating agricultural land to determine the presence or absence of wetland, the Managers recognize that agricultural lands are disturbed areas and must be viewed in that context. Cropping practices that can result in the removal of hydrophytic vegetation, or other conditions such as temporary drought or excessive moisture, can complicate the process of identifying wetland.

The Managers also reaffirm that unconverted wetland acreage may continue to be farmed without penalty, when conditions permit, and so long as the producer does not drain, dredge, fill, or level the farmed wetland so as to cause its conversion.

The Managers recognize that a farmed wetland often will not exhibit hydrophytic vegetation, since the act of cultivation will frequently remove such vegetation. In that regard, the Managers intend the term "under normal circumstances" to mean that a prevalence of hydrophytic vegetation must be present to allow a wetland designation unless such vegetation has been removed, or if disturbed by farming, ranching, or related activities, or eliminated as the result of unusual natural events and a determination made that hydrophytic vegetation would have been present but for the disturbance.

The Managers intend that the term "prevalence of hydrophytic vegetation" refers to a condition in which, "under normal circumstances", a majority of the plant life species present require saturated or inundated soil conditions, as well as those that can tolerate saturated or inundated soil conditions but are capable of surviving in upland areas.

The Managers further intend that the term "frequency and duration" of inundation or saturation required in the definition of the term "wetland" means that permanent or periodic inundation, or soil saturation to the surface, exists during a significant portion of the growing season, conforming the hydrology of the area to the wetland definition, and that this condition occurs in years of normal precipitation. Such condition may also exist seasonally. The Managers do not intend that land subject to infrequent flooding or occasional, brief pooling, such as from abnormally heavy rains or unusually heavy snowmelt, be construed to meet the hydrological requirements of a wetland.

(13) Benefits Subject to Denial

The House amendment adds to the list of benefits subject to denial, including: disaster assistance payments for weather damaged trees; Agricultural Conservation Program payments; Emergency Conservation Program payments; Conservation Reserve Program payments; Wetland and Environmental Easement Program payments; and assistance under the Small Watersheds Program. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes the House provision making wetland reserve payments subject to denial. (Section 1420)

(14) Timing of Violation

The Senate bill establishes that a swampbuster violation is deemed to have occurred at either the point of planting an agricultural commodity on a converted wetland, or after the date of enactment of this Act, at the point of converting a wetland for the purpose of, or to have the effect of making possible, the production of a commodity. (Section 1286)

The House amendment is essentially identical to the Senate bill (House language replaces "date of enactment of this Act" with "December 23, 1985". (Section 1602)

The Conference substitute adopts the House provision with technical amendments. (Section 1421)

(15) Wetland Delineation

The House amendment directs the Secretary to delineate wetland on a map and to make a reasonable effort to make an on- site wetland determination whenever requested by an owner or operator. The Secretary is also directed to provide notice to affected owners or operators, to certify each map as sufficient evidence for the purpose of making determinations of ineligibility for program benefits under section 1221, and to provide an opportunity to appeal the delineations to the Secretary prior to the certification. The Secretary also must maintain a public listing of all completed certifications. (Section 1602)

The Secretary is directed to review and certify the accuracy of the mapping of all lands mapped prior to the date of enactment of the Food and Agricultural Resources Act of 1990 for the purpose of wetland delineations to ensure that wetland on such lands have been accurately delineated. The Secretary must provide by regulation a process for the periodic review and update of wetland delineations, as determined appropriate by the Secretary.

Persons are exempted from being adversely affected because of having taken an action based on a previous determination by the Secretary.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. The House requirement for the review of all lands mapped for wetland delineation purposes prior to enactment of this Act is deleted. All maps will be certified, as required in the House provision, and such maps may be appealed, but no appeal will be allowed on maps completed prior to the date of enactment of this Act that had not been changed, and where such maps had already been appealed and for which an on-site visit had been conducted. (Section 1602)

The Managers agree that the certification process is to provide farmers with certainty as to which of their lands are to be considered wetlands for purposes of Swampbuster. The Managers note that the current USDA wetland delineation process involves the use of substantial materials to make an initial determination in the field office, developed in consultation with other appropriate Federal and State agencies. Wetlands identified in this process are delineated on maps which are then mailed to producers for review. If the producer finds such map to be in error, and the USDA agrees that an error has been made, then the map is corrected. If the USDA does not agree that there is an error in the map, and the producer continues to believe so, then the producer may appeal such determination.

The Managers find that this process is adequate for certification of any new maps delineated after the date of enactment of this Act. For maps completed prior to the date of enactment of this Act, the Managers intend for producers to be notified that their maps are to be certified and that they have some appropriate time for appeal. In this circumstance, producers who had not already been mailed their maps should be given a map for their review. As stated in the Conference substitute, the Secretary shall not be required to provide an opportunity for an appeal on maps completed prior to the date of enactment of this Act where such maps have not been changed, and had already been appealed and for which an on-site visit had been conducted. After the appropriate length of time for allowing an appeal has expired, the Managers intend for the Department to certify such maps.

The Managers note also that the Conference substitute has adopted a provision which specifies that no person shall be adversely affected because of having taken an action based on a previous determination by the Secretary. It is the intent of the Managers that a person shall not be considered to have been adversely affected except to the extent that, consistent with customary USDA practice for granting relief of that kind, the person involved was acting in good faith reliance on the mis-determination made on behalf of the Secretary.

Such determinations would include determinations by state, county, or other offices of the Department. This would mean that if the person involved knew or should have known in the normal course of business that the Department's determination was erroneous, that person will not be considered to have been adversely affected by the previous determination.

In addition, the Managers intend that the relief granted should only be that relief necessary to correct for the actual effect of the

erroneous determinations. In some cases, however, the necessary relief will include, to the extent determined to be appropriate, relief for subsequent crop years, such as in the case where there has been a substantial good faith investment based on the erroneous determination. The Secretary may require such mitigation or such modification of the previous determination as may be appropriate consistent with the adopted provision.

(16) Exemptions

The House amendment modifies and adds to the exemptions in current law. The "natural conditions" exemption is restated so that a person is exempt from swampbuster for agricultural activities on a wetland on which a farmer or rancher uses normal cropping or ranching practices that are consistent for the area as a result of natural conditions without actions by the producer that destroys a natural wetland characteristic.

Producers are also made exempt for the conversion of an artificial lake, pond or wetland created from a non-wetland area for various purposes including various aspects of food production, livestock management and flood control. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1422)

(17) On-site Inspection Requirement

The House requires the Secretary to conduct on-site visits prior to the denial of program benefits. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1422)

(18) Prior loans

The House amendment establishes that loans made before December 23, 1985 shall not be subject to denial under swampbuster. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1422)

(19) Non-wetlands

The House amendment establishes that persons are exempted from the ineligibility provisions of swampbuster for any action upon lands that the Secretary determines do not have a predominance of hydric soils, are not inundated or saturated by surface or groundwater at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions, or do not, under normal circumstances, support a prevalence of such vegetation. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1422)

(20) Minimal Effects

There is no difference between the Senate bill and the House amendment. (Section 1286) (Section 1602)

The Conference substitute adopts the Senate provision. (Section 1422)

(21) Mitigation

The Senate bill permits a producer to drain a frequently cropped wetland and not become ineligible for program benefits if the producer mitigates this drainage through the restoration of a wetland converted prior to December 23, 1985. This restoration must occur in advance of, or be concurrent with, the drainage of the frequently cropped wetland. The restoration must be in accordance with an approved restoration plan, and not be at the expense of the Federal Government. The restored wetland is to provide equivalent wetland functions and values, and shall be on not more than a one-for-one acreage basis unless more acreage is needed. The restoration must be in the same general area as the wetland that is to be converted. (Section 1286)

The producer must also agree to protect the restored wetland for as long as the converted wetland remains in cropland, or is not returned to its original wetland classification.

The House amendment is similar to the Senate bill, except that permanent easement protection for the wetland created in the mitigation process is required. The House amendment also provides for a person to appeal any mitigation plan that requires more than a 1 acre for 1 acre wetland restoration. (Section 1602)

The Conference substitute adopts the House provision with an amendment. Wetlands restored as part of a mitigation plan shall be protected by an easement for as long as the converted wetland remains in agricultural use, or is not returned to its original wetland classification. No alteration or modification will be allowed on such restored wetlands that lowers the wetland functions and values. (Section 1422)

The Managers do not intend, in providing for appeal of a mitigation plan requiring more than one restored acre for each converted acre, to allow more than one appeal of the technical aspects of such a plan. A producer is not to be afforded the right to appeal the one-for-one requirement, and then appeal a second time the other technical requirements of the plan. The area restored must have been converted or commenced to be converted by December 23, 1985.

The Managers intend that the mitigation sites be located as close to the actual wetland loss as is practicable. However, it is recognized that a flexible approach to location of such mitigation sites will be necessary to ensure that opportunity to effectively mitigate is present in any given instance. Requiring mitigation within "the same general area of the local watershed" means the mitigation would be required to take place within the hydrologically defined watershed in which the loss is to occur. The topography and characteristics of the area should be similar and the restored wetlands approximate the values of the areas being converted for which mitigation is taking place. The Committee expects the agencies to define such areas, in each instance, to include relatively large geographic areas measured in the tens of thousands of acres and not in terms of each small tributary that may cross a field. At the same time, the Managers intend that the agencies are to keep the mitigation site as close to the converted area as practicable. Should a conversion occur along the fringe of a watershed boundary, the location of the mitigation site in the adjacent watershed also relatively near the fringe of that watershed would be consistent with this intent.

(22) Graduated Sanctions

The Senate bill continues the existing sanctions except under limited circumstances. A person who violates the wetland conservation provisions while acting in good faith, and who has not violated these provisions more than once in the last 10 years, and agrees to restore the wetland, shall be denied program benefits of a value ranging from $750 to $10,000, depending on the seriousness of the violation.

A producer who has converted a wetland and is in violation in one crop year shall not be in violation in subsequent crop years if the producer restores the converted wetland. All determinations and the development of restoration plans shall be made at the local level with concurrence with the concurrence of the Fish and Wildlife Service. Provisions are made for resolving disputes that might occur at the local level. (Section 1286)

The House amendment is identical to the Senate bill, except that it is not necessary for the violator to restore the converted wetland. The violator must restore the characteristics of the converted wetland. (Section 1602)

The Conference substitute adopts the House amendment, with an amendment. The graduated sanctions provisions are made retroactive to violations that occurred prior to the date of enactment of this Act, if such violations fully meet the requirements of this provision. (Section 1422)

The Managers note that the statutory language requires the producer to actively and fully restore the characteristics of the converted wetland to its prior wetland state. Full restoration is not intended to mean the exact replication of the original wetland, including its physical dimensions or distribution of vegetation.

The Managers note also that different periods of time are necessary for fully restoring different wetlands' functions and values. It could take several decades for restored hardwoods in a bottomland area to reach pre-conversion maturity. In such a case, the Managers do not intend that the trees must reach full pre-conversion maturity before the producer can be eligible for the graduated sanction and future program benefits. The full restoration of other wetlands can take much less time than for a bottomland area, although full restoration may not be possible immediately. Simply plugging a drain or breaking a tile can restore the necessary hydrology of some wetlands, but time is required for herbaceous hydrophytic vegetation to reappear. The Managers do not intend for full restoration to mean immediate restoration. Rather, the producer is to take such steps as are necessary for such wetland functions and values to be fully restored within a period of time that is physically and biologically appropriate.

(23) Determinations, Restoration Plans and Monitoring

There is no difference between the Senate bill and the House amendment. (Section 1286) (Section 1602)

The Conference substitute adopts the Senate provision. (Section 1422)

(24) Consultation

The House amendment directs the Secretary of Agriculture, in addition to current consultation requirements, to consult with the Secretary of Interior on determinations with respect to mitigation and the restoration of wetland values and functions on converted wetland as required under swampbuster. (Section 1602)

The Senate bill has no comparable provision.

The Conference adopts the House amendment. (Section 1422)

(25) Fairness of Compliance, Actions of Unrelated Persons

The House amendment establishes that if, without prior approval, the actions of an unrelated person or public entity causes a person's cropland to change characteristics and be classified as a wetland, this new wetland shall not be considered a wetland for swampbuster purposes. (Section 1602)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1422)

Subtitle C—Agricultural Resources Conservation Program

(26) Conservation Stewardship Program General Authority

The Senate bill establishes that the Conservation Stewardship Program (CSP) will be implemented through contracts and the acquisition of easements to assist owners and operators in the protection of highly erodible lands, other fragile lands, and wetlands. The program is intended to conserve and improve the soil and water resources of the farms or ranches of participating owners and operators. (Section 1211)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that changes the program title from the CSP to the Agricultural Resources Conservation Program (ARC). (Section 1431)

(27) Crop Year

The House amendment defines crop year for CRP purposes as that calendar year in which harvest occurs. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that puts the conservation reserve program on a calendar year basis. (Section 1431)

(28) Number of Acres

The Senate bill directs the Secretary, through the 1995 crop year, to enroll at least 40 million but not more than 50 million. When determining whether or not to exceed 40 million acres, the Secretary is to take into consideration commodity prices and various supply and demand factors, all of which are indicators of whether there will be an adequate supply of commodities for domestic, export, and reserve needs. (Section 1211)

The House amendment has no comparable provision.

The Conference substitute adopts the House provision, with an amendment. The Secretary is directed to enroll a minimum of 40 million acres, and has the authority to enroll as many as 45 million. (Section 1431)

The Managers do not intend for the ARC to retire excessive amounts of productive cropland, nor unduly diminish economic activity in rural areas. It is important that the U.S. crop production sector maintain adequate cropland capacity to meet domestic and export needs while providing sufficient protection against the variability in yields due to weather. It is also important that sufficient cropland remain in use in rural areas that are highly dependent on agriculture to maintain these areas' economies.

The Managers believe that enrolling 40 million acres into the ARC will not diminish the Nation's ability to meet domestic and export needs and economic activity in rural areas. When considering enrolling more than 40 million acres into the ARC, the Managers intend for the Secretary to consider, in addition to budgetary concerns: (1) whether such enrollments would threaten our ability to maintain adequate commodity stocks and to meet domestic and export needs; (2) the consequences of such enrollments on the economic health and vitality of rural communities.

The Managers recognize that there are limited funds available for the conservation activities authorized in the ARC, and that it may be fiscally impossible to expand the number of acres beyond 40 million, even if crop supply and demand, and local economic conditions, would permit such expansion.

(28) Implementation

The Senate bill establishes that the CSP shall consist of conservation reserve land and the WRP. Acreage that was enrolled into the conservation reserve before enactment of this title will be considered CSP land. (Section 1211)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that reflects the new name for the program, ARC. (Section 1431)

(29) Environmental Conservation Acreage Reserve Program

The Senate bill renames the conservation reserve to the environmental conservation acreage reserve.

The House amendment retains the existing name for the conservation reserve.

The Conference substitute adopts the House amendment. (Section 1432)

(30) Newly Eligible Lands

The Senate bill makes eligible for the conservation reserve, in addition to those lands already eligible, land that is not otherwise eligible for the program if such land will be used as: (1) a shelterbelt or windbreak, or permanent contoured grass strip or for some other similar purpose to avoid or mitigate soil loss or an on- or off-farm environmental threat; (2) land that is pastureland and that is environmentally sensitive, economically marginal and sustainable for tree planting if such land is devoted to trees. (Such lands will not be available for any other non-CRP cost-share assistance and the Secretary may establish a reasonable limit on the number of acres per farm of these lands that can be enrolled); and (3) lands that will ameliorate or prevent an on- or off-farm threat to water quality, including wellheads, Karst lands, section 319 watersheds, areas critical to threatened or endangered species. (Section 1213)

The House amendment makes eligible for the conservation reserve highly erodible croplands that if permitted to remain in production should substantially reduce the production capability of future generations or croplands that cannot be farmed in accordance with a conservation compliance plan. Also made eligible are marginal pasturelands converted to wetland, established as wildlife habitat, or established to trees in or near riparian areas. Marginal pasturelands planted to trees are not to exceed 10% of the acreage enrolled into the program during 1991 to 1995. (Section 1603)

The House amendment also makes eligible lands that would otherwise not be eligible that are: (1) water quality lands; (2) croplands that are newly created permanent grass sod waterways or contour grass strips maintained as part of an approved conservation plan; (3) to be planted to trees, living snow fences, permanent wildlife habitat, windbreaks, shelterbelts and filterstrips; (4) farmed wetlands; and (5) lands that pose an off-farm environmental threat or threat to productivity because of salinization. Lands on which the Secretary has prevented the production of agricultural commodities shall be considered planted for the purposes of determining eligibility for the conservation reserve.

The Conference substitute adopts the House provision with amendments. Farmed wetlands are not made explicitly eligible for the program. Marginal pasturelands to be planted to trees are also made eligible if enrolling such lands will result in water quality benefits similar to those from enrolling such lands in or near riparian areas. Shelterbelts, windbreaks and living snow fences are also eligible, but participants must agree to an easement on these plantings for their useful life, where such period of time will extend beyond the paid contract period. In addition, the Secretary is directed to not enroll lands into the conservation reserve for water quality purposes if these same purposes can be achieved under the water quality incentives program. (Section 1432)

In not making farmed wetlands explicitly eligible for the conservation reserve, the Managers are expressing their preference for seeing such lands enrolled into the wetland reserve. Farmed wetlands are implicitly eligible for the conservation reserve under the 1985 Food Security Act, and have been made administratively eligible since the eighth conservation reserve sign-up in 1989. The Managers intend that farmed wetlands will no longer be admitted into for the conservation reserve, at least until such time it is conclusively determined the wetland reserve will not substantially meet its goal.

The wetland reserve restores and protects eligible lands, including farmed wetlands, by placing a 30 year or permanent easement on these lands, or an easement of the maximum length allowed under state law. The Managers believe that such long term or permanent protection for these areas is greatly preferred over the shorter, ten year contracts of the conservation reserve.

The Managers believe that farmers will want to participate in the wetland reserve, and if it is actively implemented and promoted, the program should be fully successful. In the event that the wetland reserve proves unable to reach at least one-third of its 1 million acre goal by 1995, farmed wetlands could once again be made eligible for the conservation reserve. Such a decision should not be made by the Secretary until the wetland reserve has been in operation for a full 3 years. By allowing for the possible enrollment of farmed wetlands into the conservation reserve, the Managers do not intend for the wetland reserve to be implemented so as to reduce the likelihood of its success.

The Managers intend, in making marginal pasturelands converted to wetlands eligible for the reserve, only to make eligible those marginal pasturelands that were converted to wetlands, prior to the date of enactment of this Act, as a result of natural processes or Acts of God. The intent is not to allow persons to convert a marginal pastureland and then enroll such lands into the reserve. The intent also is not to make eligible for the program marginal pasturelands that have been converted to wetlands through the actions of an outside party, even if that party is unrelated to or acted without the knowledge or approval of the person seeking to enroll such lands. Rather, in those limited instances where abnormal rainfall or other weather-related or geologic process caused marginal pastureland to flood and

remain flooded indefinitely, such marginal pasturelands shall be eligible for the conservation reserve.

The Secretary is directed in the Conference substitute to not enroll land for water quality purposes if the land can be effectively treated under the water quality incentives program. The Managers note that this provision is included because of the recognition that it is more efficient and cost-effective to alter, where possible, cropping management activities to achieve conservation goals than it is to remove environmentally sensitive lands from production and compensate the farmer for the lost economic activity.

The Managers recognize that there are circumstances where a management program will not be effective, and the retirement of the cropland in question is the only option available for achieving water quality goals. The lands made eligible for the conservation reserve for water quality purposes under these circumstances are broadly defined. The Managers intend that the majority of the land enrolled under such circumstances will be the types of land, or located within the areas made eligible for the agricultural water quality incentives program. The Managers intend that the Secretary consult and work with the Federal and state authorities identified in the eligible lands section of the water quality incentives program when implementing the conservation reserve for water quality purposes.

(31) Acreage Goal

The Senate bill directs the Secretary to enroll as many acres into the conservation reserve that are needed to meet the CSP goal of 40 million acres by the end of 1995. (Section 1212)

The House amendment directs the Secretary to enroll up to 45 million acres by 1995. (Section 1603)

The Conference substitute adopts the House amendment with an amendment that requires the Secretary to manage the ARC so as to ensure that there will be 1 million acres available for the enrollment of non-WRP lands into the CRP in each of the years 1994 and 1995.

The Managers note that the conferees, in ensuring a total of 2 million acres will be available for enrollment into the conservation reserve in 1994 and 1995, intend to provide a buffer that can be used to enroll highly erodible lands that cannot be treated with a conservation plan under the conservation compliance program. Although non-highly erodible, non-wetlands reserve lands can be enrolled under these 2,000,000 acres, the Managers intend that highly erodible lands not able to meet conservation compliance be given priority for entry into the reserve under this buffer.

(32) Contract Period and Easements

(S 1214; H 16 08) [sec 1434]

The Senate bill gives the Secretary the authority, in addition to that already existing for 10-15 year contracts, to purchase 30-year or permanent conservation easements, at the option of the land owner or operator. The Secretary is directed to attempt to use permanent easements in implementing the conservation reserve, to the extent practicable. Owners or operators are to be paid no more than the fair market value of the land for these easements. (Section 1214)

The House amendment directs the Secretary to enter into contracts of 10 years, but authorizes the owner or operator to extend to a term not to exceed 15 years any new or existing contract on land to be devoted to hardwood trees. The Secretary is also authorized to terminate an existing CRP contract if the land is entered into the environmental easement program. (Section 1608)

The Conference substitute adopts neither provision, although similar provisions are retained in the Conference substitute in different parts of the bill. The Managers note that the House amendment includes a program for the establishment of long-term or permanent environmental easements which the Conference substitute adopts in the environmental easement program (see below). The Managers intend for those lands that might have been granted an easement under the Senate's easement modification to the conservation reserve be entered into this new program. The Managers do not intend, by not adopting here the House's tree planting incentives, to indicate lack of support for such provisions. The Conference substitute adopts in another part of the conservation reserve a Senate provision regarding 10-15 year conservation reserve contracts for hardwood trees and other plantings. The Managers believe this is an important incentive to help get more hardwood trees and other important types of plantings established under the conservation reserve, and intend that this contract option should be promoted by the Department and used by farmers to its full capacity. (Section 1432)

(33) Conservation Priority Areas

The Senate bill directs the Secretary to take into consideration watersheds such as the Chesapeake Bay where water quality is significantly adversely affected by agriculture, and where there are State programs designed to address these problems. The Secretary is directed to attempt to maximize water quality and habitat benefits in these watersheds using whatever means the Secretary determines to be appropriate and consistent with the program. (Section 1218)

The House amendment also directs the Secretary, upon application by the appropriate state agency, to designate watershed areas of the Chesapeake Bay Region, the Great Lakes Region, the Long Island Sound Region, and other environmentally sensitive areas as conservation priority areas. Such priority designation shall last 5 years, or until water quality and wildlife in the area are no longer adversely affected by agriculture. (Section 1603)

The Secretary is also directed to ensure that participation in these priority areas is at least equal to 50% of the national average of participating acres to eligible acres. The Secretary is to achieve this by: (1) providing a one-time cash bonus or an annual rental premium for eligible lands; (2) accepting filter strips of less than 66, but not less than 25 feet in width; (3) contracts of 5-15 years; (4) paying up to 50% of costs of establishing conservation practices; and (5) promoting participation in any other manner the Secretary deems appropriate.

The Conference substitute adopts the House provision regarding conservation priority areas, and directs the Secretary to attempt to maximize water quality and habitat benefits in these watersheds using whatever means the Secretary determines to be appropriate and consistent with the program. (Section 1432)

(34) Duties of Owners and Operators

The House amendment requires conservation reserve participants to implement a plan for all eligible lands, not just highly erodible land (as in current law), to a less intensive, conserving use. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1432)

The House amendment requires conservation reserve participants to establish approved vegetative cover or water cover for the enhancement of wildlife on CRP lands. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment which prohibits the use of such water cover for watering livestock, irrigating crops or the raising of fish for commercial purposes. (Section 1432)

The House amendment allows limited fall and winter grazing on conservation reserve land where such grazing is incidental to the gleaning of crop residues on the fields in which the land is located. Participants must accept an applicable reduction in rental payment. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1432)

The Senate bill establishes that a producer who has land in the conservation reserve and who also busts sod shall be denied future conservation reserve benefits, return all earlier payments, and be denied all of the other Federal farm program benefits that are subject to denial under the highly erodible land provisions of the 1985 Food Security Act. (Section 1212)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment. A conservation reserve participant who has entered the reserve after the date of enactment of this Act and subsequently purchases highly erodible grassland and converts such lands to cropland use shall be denied future conservation reserve payments and shall refund or accept adjustments to rental and cost share payments received previously. (Section 1433)

(35) Trees and Other Environmental Uses on CRP Land

The House amendment establishes that, to the extent practicable, not less than one-eighth of the land that is placed in the conservation reserve during the 1991 through 1995 crop years shall be devoted to trees, shrubs, hydrophytic vegetation, critical area seedings, or other non-crop vegetation or water that provides a permanent habitat for wildlife including migratory waterfowl. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that strikes "hydrophytic vegetation" and "critical area seedings", and that such lands "may" be devoted to these uses. Other technical changes are made. (Section 1433)

(36) Alley Cropping

The Senate bill authorizes the Secretary to permit agricultural commodities to be planted between the rows of trees on conservation reserve lands, if the trees are hardwoods, and the rental payments paid by the Federal Government are reduced by at least 50 percent. The total amount of dollars expended by the Federal Government on any contract that is modified according to this subsection shall not exceed what would have been expended if no modification had been undertaken. (Section 1220)

The House amendment has a similar provision. (Section 1603)

The Conference adopts the Senate provision. (Section 1433)

(37) Foreclosure

The Senate bill establishes that a conservation reserve participant who loses his or her reserve land as a result of foreclosure may be relieved of the requirement that 100% of rental payments be repaid, plus interest, if the Secretary determines such forgiveness is necessary to provide fair and equitable treatment. If the participant regains this land after foreclosure within the original contract period, the original contractual obligations will still apply to the participant until the end of the term of the contract. (Section 1221)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1433)

(38) Payments

The House amendment directs the Secretary not to make any cost share payments to a participant to the extent that such payment, when added to all of the other sources of cost share assistance received by the participant, exceeds 100% of the total costs of establishing the associated practices. Other technical changes are made. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

(39) Payments for Maintenance Costs

The Senate bill directs the Secretary to continue to pay 50 percent of the costs of establishing conservation cover on conservation reserve lands. The Secretary is also directed to pay 50 to 75 percent of the maintenance costs of hardwood trees, shelterbelts and windbreaks, for a 2 to 4 year period commencing from the date a tree is planted. These maintenance costs shall include those of replanting trees, if the trees were lost due to factors out of the control of the owner or operator. If more than 10 acres are to be planted to hardwood trees, the planting of these trees may be extended over a 3 year period, as long as one-third of the trees are planted in each of the first two years. (Section 1216)

The House amendment directs the Secretary to pay, for acreage planted to indigenous trees, 50-75% of the costs of establishing trees, taking into consideration the amount necessary to ensure that the acreage levels planted to trees specified in section 1231 are attained, and authorizes cost share assistance for the establishment of windbreaks, shelterbelts, wildlife corridors, and filter strips and other costs incurred by the owner or operator for maintaining new tree plantings (including the cost of replanting, cultivation, nutrient needs, and disease and insect control) during the 2 to 4 year period beginning on the date the acreage is planted to trees, as determined by the Secretary. (Section 1604)

The Conference substitute establishes 2 to 4 year 50 percent cost-share assistance for the maintenance of hardwood trees, shelterbelts, windbreaks, or wildlife corridors. (Section 1434)

The Managers do not intend for the Secretary to be required to cost share for any activities and their costs that the Secretary determines not to be appropriate and in the public interest. For example, the Secretary is not to be required to make cost share payments for activities with per acre costs that are in excess of the fair market value of the land, or are otherwise excessive.

(40) Staggered Tree Planting

The Senate bill authorizes the Secretary to permit participants who contract to convert at least 10 acres of land to the production of hardwood trees under this subtitle to extend the planting of such trees over a 3-year period if at least one-third of such trees are planted in each of the first 2 years. (Section 1216)

The House amendment contains a similar provision, but is applicable only to indigenous trees. (Section 1603)

The Conference substitute adopts the Senate provision. (Section 1434)

(41) Cost Share Limitation

The House amendment prohibits a participant from receiving cost-share assistance from any other Federal cost-share assistance with respect to the land. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

(42) Acceptability of Offers

The Senate bill adds to the considerations established in current law, directing the Secretary to give priority to offers that would provide for the greatest public benefit, and to take into consideration the potential benefits to wildlife. (Section 1218)

The House amendment authorizes the Secretary to: (1) take into consideration the extent to which enrollment of the land would improve soil resources, water quality, or provide other environmental benefits; (2) accept contract offers for the establishment of shelterbelts, windbreaks, or living snow fences or permanently vegetated stream borders, filter strips of permanent grass, forbs, shrubs, and trees that will substantially enhance water quality; and (3) establish different criteria in various States and regions to determine the extent to which water quality may be improved or erosion may be abated. (Section 1603)

The Conference substitute adopts the House provision with amendments. The conferees add wildlife habitat as one additional environmental benefit to consider when accepting contract offers. (Section 1434)

The Managers intend that the Secretary compare the lands seeking enrollment into the reserve, and enroll those lands with the highest conservation and environmental benefits relative to the costs of enrolling such land.

(43) Continuous Sign-Up

The Senate bill directs the Secretary to permit bids for entry into the conservation reserve to be accepted on a continuous basis if such lands are to be planted to hardwood trees. (Section 1216)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1434)

(44) Payments

The House amendment establishes that program payments made to a participant who is also participating in a special State conservation reserve enhancement program shall be made in cash only. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

The House amendment established that in addition to all payments received by participants, they may also receive rental, cost-share and tax benefits from a State for participating in the conservation reserve. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

(45) Sequestration

The House amendment establishes that notwithstanding any other provisions of law, CRP payments will not be subject to sequestration. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1434)

The Managers believe that Section 252 of the Gramm-Rudman Act already exempts payments under long-term contracts of the Commodity Credit Corporation (CCC) from sequestration. The Managers believe also that Section 252 exempts payments under any CCC contract from any subsequently issued sequester order, whether or not there has been an earlier sequester order. Therefore, the amendment should not be needed.

However, differing views have been expressed as to the applicability of a sequester order to payments made under the conservation reserve. Accordingly, in order to clarify this matter, the Conference substitute adopts the provisions of the House bill. It should be noted that the adoption of this amendment is not intended to suggest that other payments under other CCC multi-year contracts are sequestrable. Farmers should be assured that long-term payments agreed to be made by the CCC in return for a committed land use will not be sequestered. It is doubtful that these programs could operate at all without such certainty.

(46) Conversion to Trees and Wetlands

The Senate bill directs the Secretary to permit conservation reserve participants whose reserve lands are in grass to convert these lands to hardwood trees, shelterbelts, windbreaks, or wetlands, and in some case to extend the period of the contract so that its total length may reach 15 years, or in the case of wetlands, convert the contract to long term or permanent easements. Lands so converted to shelterbelts and windbreaks shall be covered by an easement that extends beyond the length of the conservation reserve contract for the useful life of the planting, as determined by the Secretary. The Secretary shall pay 50% of the costs of establishing these hardwoods, windbreaks or shelterbelts. (Section 1215)

The House amendment authorizes the Secretary to permit conservation reserve participants to convert highly erodible grass acres to indigenous trees. The Secretary may not incur any expense on such acres, including the expense involved in the original establishment of the vegetative cover, that is in excess of the average per acre indigenous tree planting expense in the same area. The participant is permitted to extend the term of contract to a term of no more than 15 years. The Secretary may decline to cost share where the cost would be excessive in light of the overall program goals. Participants must agree to participate in the Forest Resources Stewardship Program established under section 4 of the Cooperative Forestry Assistance Act of 1978. (Section 1604)

The Conference substitute adopts the Senate provision with an amendment. Emphasis shall be placed on planting hardwood species that are indigenous to the area which is being converted to trees. The amendment establishes that the Secretary may not incur any expense on these new plantings and wetlands, including the ex-

pense involved in the original establishment of the vegetative cover, that is in excess of the average per acre expense for the comparable practice in the same area. Cost share assistance shall also be made available for the establishment of wildlife corridors on these converted acres.

The Conference also adopts the House provision which requires recipients of these special tree planting incentives to enroll into the Forest Stewardship Program, as established in this Act. (Section 1435)

The Managers do not intend for the Secretary to be required to cost share for any activities and their costs that Secretary determines to not be appropriate and in the public interest. For example, the Secretary is not to be required to make cost share payments for activities with per acre costs that are in excess of the fair market value of the land, or are otherwise excessive.

(47) Extended Base Protection

The Senate bill gives the Secretary the authority to extend for as long as the Secretary decides is appropriate, the protection of crop acreage bases, quotas and allotments on conservation reserve lands after the contracts expire if the owner or operator agrees to continue to keep the land in the appropriate conserving uses. (Section 1220)

The House amendment is similar to the Senate provision except that the extension is not indefinite, but is for 10 years. Also, the Secretary may permit haying and grazing of acreage placed in the conservation reserve for the purpose of meeting any requirement established under the Act except during any consecutive 5 month period that is established by the State committee. Each of these 5 month periods must be established during the period beginning April 1 and ending October 31 of a year. In the case of a natural disaster, Secretary may permit unlimited haying and grazing on such acreage, and authorizes the Secretary to reduce or terminate the amount of cropland base and allotment history when a violation of all these conditions occurs. (Section 1603)

The Conference substitute adopts the House provision with an amendment that changes the length of time that the base acreage or allotment is protected from 10 years to indefinitely. (Section 1436)

(48) Study of Land Use for Expiring Contracts

The Senate bill requires the Secretary to undertake a study of the lands currently in the conservation reserve to determine what are the best options available for dealing with these lands when their contracts expire. The study is to include such subjects as the tradeoffs between providing incentives to producers to keep some of these lands out of production versus allowing them to return to production, various levels of post-conservation reserve economic use in exchange for conservation practices, and the use of easements to preserve conservation cover. The Secretary is to provide such report to Congress no later than December 31, 1993. (Section 1222)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. The Managers note that one of the more important conservation issues the Nation must address in this decade will be how to treat conservation reserve lands as their contracts expire. The expiration of conservation reserve contracts will have far-reaching effects on the effectiveness and costs of commodity supply control programs and conservation programs like conservation compliance and the Department's water quality initiative. Lands leaving the reserve will also have substantial effects on the crop and livestock sectors, and the regional and rural sectors of the economy. Numerous issues need to be examined before Congress can formulate policies for the conservation reserve lands beyond 1995.

The Managers intend that the Secretary assemble a broad, multi-disciplinary study team that can provide a practical and useful document for policy-making purposes. The disciplines participating should include natural resource managers, economists, commodity program specialists, and biologists, among others. Many of the agencies within the Department have practical experience with implementing and analyzing this program, and the Managers intend for this expertise to be drawn upon. The regional effects of the CRP can vary considerably, and as a result this team also should include, from affected regions, persons able to provide region specific detail and relevant analysis. (Section 1437)

(49) Extensions

The Senate bill authorizes the Secretary to extend conservation reserve contracts, or purchase conservation easements during crop years 1996-2000. Lands eligible for such extensions or purchases are to be determined on the basis of the results from the study required in the Senate bill. The participating owner or operator may select either the easement or the multi-year contract for this land. (Section 1222)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that establishes that conservation reserve contracts may be extended for only 10 years after the initial contracts end. Other technical changes are also made. (Section 1437)

(50) Enrollment

The House amendment directs Secretary to provide opportunities for enrollment into the reserve, and give public notice of such opportunities. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute the House provision.

(51) Bid-Back Program

The Senate bill establishes a bid-back program where the least highly erodible land in the conservation reserve could leave the program if there are other highly erodible lands waiting to be enrolled. The net result of such an exchange of lands is to be the same or greater reduction in erosion savings, at the same or less total cost to the Federal Government. (Section 1217)

The House amendment has no comparable provision.

The Conference substitute the Senate provision.

(52) Ownership Requirement

The Senate bill waives the conservation reserve's three year ownership requirement for lands that are administered, as of the 1987 Agriculture Credit Act Amendments of 1987, by a Farm Credit System institution, by the Secretary under the Consolidated Farm and Rural Development Act, or a private lender. The Secretary shall make payments only to family farmers who purchase or lease the cropland administered by these institutions, except that the Secretary shall not give preference to family farmers when there are offers to enroll land from persons who otherwise meet the conservation reserve ownership requirements. In this case, the Secretary shall give priority to these latter owners or operators. (Section 1219)

The House has no comparable provision.

The Conference substitute the Senate provision.

(53) Ownership Requirement, Transfer of Land, and Technical Changes

The House amendment prohibits the continuation of an agreement by a new owner after a conservation reserve agreement has been entered into if the original owner retains a contingent interest in the land as determined by the Secretary. The option of continuing the original contract is denied the new owner or operator. Numerous other technical changes are also made. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute the House provision.

(54) Post-CRP Erosion Standard

The Senate bill requires highly erodible land that enters the conservation reserve after the date of enactment of this Act to meet the soil loss tolerance standard for purposes of conservation compliance, except that the Secretary may specify a different standard if such standard is not feasible. (Section 1220)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(55) Economic Use on CRP Lands

The House amendment directs the Secretary to modify or waive a term or condition of any conservation reserve contract in order to permit sustained-yield harvesting of timber or related resources by the participant during the last 3 years of the contract period if the owner or operator agrees to permanently retire the cropland base and allotment history applicable to the land. The Secretary shall provide additional compensation to such an owner or operator. In this context, sustained yield shall mean the harvesting of timber or related resources in a manner that will provide for the long-term productivity of such resources and not result in the degradation of water quality or related resources in the area. Limited economic uses on conservation reserve lands at the end of the contract period. (Section 1603)

The House amendment also requires the Secretary to modify or waive a term or condition of any conservation reserve contract in order to permit sustained-yield harvesting of timber or related resources by the owner or operator of the land during the last 3 years of the contract period if the owner or operator agrees to permanently retire the cropland base and allotment history applicable to the land, and to provide additional compensation to such an owner or operator.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(56) Technical and Conforming Amendments

The Senate bill makes technical changes, whereby references to the conservation reserve shall be considered to mean the environmental conservation acreage reserve program. The program shall be called the Environmental Conservation Acreage Reserve Program. (Section 1225)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(57) CRP Payments

The House amendment directs the Secretary to base annual payments according to comparable land rental rates. (Section 1603)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

Wetlands Reserve Program

(58) Establishment

The Senate bill directs the Secretary to establish a wetlands reserve program to assist owners of eligible lands in restoring and protecting wetlands. (Section 1223)

The House amendment directs the Secretary to conduct a wetland and environmental easement program during the 1991 through 1995 crop years, through perpetual easements or easements for the maximum term permitted under applicable State law. Easements shall be purchased from willing owners of eligible land in order to ensure the continued long-term protection of environmentally-sensitive lands or the reduction in the degradation of water quality on such lands through conservation and improvement of soil and water resources. (Section 1608)

In addition, the Secretary shall also establish under this easement program, the national agricultural wetland reserve.

The Conference substitute adopts the Senate provision, establishing a wetlands reserve, and retains the environmental easement program that does not include easements for wetlands. (Section 1438)

(59) Number of Acres

The Senate bill directs the Secretary to enroll, to the extent practicable, not less than 1 million acres during the 1991 and 1995 crop years. (Section 1223)

The House amendment does not establish an overall environmental easement program. The Secretary is directed to seek to enroll 2.5 million acres during 1991-1995 fiscal years. (Section 1608)

The Conference substitute adopts the Senate provision with amendments. The acreage goal is changed from not less than one million acres to one million acres. The Secretary is also directed to enroll: in 1991 no more than 200,000 acres; in 1991 to 1992, no more than 400,000; in 1991-1993, no more than 600,000 acres; in 1991-1994, no more than 800,000 acres; and in 1991-1995, 1 million acres. The Secretary is directed to place lands into the reserve through the purchase of easements. The wetland reserve is placed on a calendar year basis. (Section 1438)

The Managers intend that if it becomes apparent in 1994 that the wetland reserve is not growing in size and will not meet substantially the 1,000,000 acre goal by 1995, that some of the remaining acres available for the wetland reserve may be used to enroll highly erodible lands into the conservation reserve. The Managers do not want the wetland reserve acres to be used for this purpose if it is possible that the 1,000,000 acre goal could be reached if enrollments were authorized to take place in 1996 and 1997.

(60) Eligible acres

The Senate bill makes eligible farmed wetlands and wetlands converted before December 23, 1985, if there is a high probability that these areas can be successfully restored to wetland status relative to the cost of such restoration. Other wetlands may be eligible if they add to the functional value of wetlands restored on the same property under this program. Eligible lands shall include appropriate buffer areas. Lands shall be determined eligible by the Secretary, in consultation with the Soil Conservation Service and the Fish and Wildlife Service. (Section 1223)

The House amendment authorizes the Secretary to acquire easements on land placed in the conservation reserve (other than land that is likely to remain out of production and does not pose an off-farm environmental threat), Water Bank Land or other cropland that:

(1) is farmed wetland;

(2) is adjacent to wetland that is functionally dependent on such cropland;

(3) is wetland converted prior to December 23, 1985, the restoration of which is important for the protection of water quality or wildlife;

(4) contains riparian corridors that link wetlands or adjacent water bodies;

(5) is an area of critical habitat for wildlife; or

(6) contains other environmentally-sensitive areas, as determined by the Secretary, that would prevent a producer from complying with other Federal, State, or local environmental goals if commodities were to be produced on such lands. (Section 1608)

The House amendment does not allow the Secretary to acquire: (1) land that contains timber stands established under the conservation reserve; or (2) pasture land established to trees under the conservation reserve. In establishing the wetland reserve, the Secretary, in consultation with the Secretary of the Interior, shall place priority on acquiring easements based on the value of the easements for the protection of wetlands and associated areas and the value of the easement for enhancing habitat for migratory birds and other wildlife. The Secretary may convert any existing conservation reserve contract into an easement under this program.

The Conference substitute adopts the Senate provision with amendments. The Secretary is required to consult with the Secretary of the Interior, at the local level, on determinations of eligibility for the reserve. The program will be conducted on a calendar year, rather than a crop year, basis. Also added to the Senate provision is the House provision that makes eligible farmed wetlands enrolled into the conservation reserve, including adjoining upland habitat areas, that are likely to return to crop production after they leave the conservation reserve and have the highest wetland functions and values. (Section 1438)

The Conference substitute also amends the Senate provision to add the House provision making riparian areas eligible for the program if such areas link wetlands that are protected by an easement, or some other device or circumstance that achieves protection similar to an easement. The House provision making certain timber-covered lands ineligible for the reserve is also adopted. Also included is the provision allowing for the conversion of an existing conservation reserve contract on farmed wetlands to an easement under this program.

The Conference substitute also adopts the House provision establishing the priority for enrolling lands for migratory bird and wildlife habitat purposes, incorporating such provision in the acceptance of offers section of the wetland reserve program.

The Managers intend for the Soil Conservation Service and the Fish and Wildlife Service to use professional judgement when selecting riparian areas for entry into the wetland reserve.

The Managers intend for the consultation between the Secretary and the Secretary of the Interior at the local level to be technical in nature, and will largely involve the Soil Conservation Service and the Fish and Wildlife Service. The Fish and Wildlife Service leads the Federal government in expertise and experience in the restoration and protection of wetlands, and the Managers believe it is important that the Department draw upon this expertise when determining whether or not to accept lands into the program.

The Managers do not intend for this consultation to unnecessarily delay the enrollment of lands into the reserve. The Soil Conservation Service's current procedures for making a minimal effect determination allows the Fish and Wildlife Service 15 days to comment. The Managers believe 20 working days is sufficient time for consultation to determine eligibility for the wetland reserve.

The Managers intend for the wetland reserve to restore and protect converted and farmed wetlands, achieving as significant an increase in wetland functions and values as are possible and practical. Of lesser importance is the protection of existing wetlands that already have relatively high wetland functions and values, and the Managers do not intend for such lands to receive priority for entry into the reserve. At the same time, there may be valuable wetlands in the conservation reserve that are threatened with conversion after their contracts expire. In such a case, these wetlands, including adjacent upland habitat, are made eligible for the wetland reserve. The Federal government will already have paid for the restoration of these wetlands under the conservation reserve, so that the Managers intend for few additional restoration expenditures to be made when entering these lands into the reserve.

The Conference substitute has retained the Senate provision making otherwise ineligible wetlands eligible if they are located on a property where wetlands are being restored and entered into the reserve. The incorporation of these existing wetlands is intended by the Managers only for the purpose of adding significantly to the functional values of the easement. For example, physically linking existing wetlands and adjacent upland habitat with the restoration of other wetlands and habitat can create an extremely valuable easement. The Managers do not intend for large sums to be expended when acquiring easements on existing wetlands, particularly when they are subject to little or no pressure from development.

(61) Easements and Wetland Easement Conservation Plan

The Senate bill establishes that in order to enter the reserve, the owner of the land must allow an easement to be placed on the lands. The easement shall provide for the restoration and protection of wetlands, according to a Wetland Easement Conservation Plan. The plan shall be developed by the Soil Conservation Service, in concurrence with the Secretary of the Interior and the approval of the participating landowner. Unless otherwise permitted by the plan, the plan shall prohibit: (1) alteration of wildlife habitat and other natural features; (2) crop production or timber harvest; (3) grazing of livestock; (4) spraying of chemicals or

mowing, except where necessary to comply with pest treatment laws; and (5) activities on adjacent lands if they will degrade the wetland. (Section 1223)

The plans shall permit: (1) such activities necessary to maintain existing public drainage systems; and (2) wildlife activities, including hunting and fishing, if permitted by participant.

The plan shall also: (1) specify how the area will be effectively restored; (2) permit the participant to control public access; and (3) contain such other terms and conditions as are agreed to by the Secretary and participant.

In general, these wetlands may be used for compatible economic uses (i.e., hunting, fishing, managed timber harvest, periodic haying) if specified in the plan and consistent with maintaining the quality of the wetland. (Section 1223)

The House amendment requires a natural resource management plan, developed by the Secretary, in consultation with the Secretary of the Interior. In such plan, the participant must agree to: (1) specify the location of any timber harvesting (the harvest and sale of Christmas trees and nuts shall be prohibited, although any customary forestry practices (pruning, thinning, or stand improvement) on lands converted to forestry are permitted); (2) limit the production of any commodity to only those that benefit wildlife; (3) not to conduct harvesting or grazing (or otherwise make commercial use of the forage) unless specifically provided for in the easement agreement, nor adopt any similar practice specified in the agreement that would tend to defeat the purpose of the subtitle; and (4) not to adopt any other practice specified in the agreement that would tend to defeat the purpose of the subtitle, as determined by the Secretary. (Section 1608)

The natural resource management plan shall also set forth: (1) the conservation measures and practices to be carried out; (2) the commercial use, if any, that is to be permitted under the easement. (Section 1608)

The Conference substitute adopts the Senate provision with amendments. The plan shall be developed by Soil Conservation Service in concurrence at the local level with the Fish and Wildlife Service. As for Swampbuster, if concurrence cannot be reached at the local level, the decision is to be made by the Soil Conservation Service State Conservationist, in consultation with the Fish and Wildlife Service. Reports are required from both State-level officials when the State Conservationist must make the determination. (Section 1438)

As for the consultation required with the Secretary of the Interior when determining the eligibility of lands for the reserve, the Managers do not intend for this concurrence to unnecessarily delay the development and adoption of these plans. Unless unusual circumstances make more time necessary, the Managers intend for the Fish and Wildlife Service to have 20 working days to concur with the plan.

The Conference substitute also amends the Senate provision by altering the prohibition of certain activities on lands adjacent to the easement, where such prohibitions are made to apply to the participating landowner's land, or the successor's land. Certain activities relating to weed control are allowed if specifically permitted in the plan. In general, haying and grazing, along with other economic uses, are to be permitted on the easements where such activities are compatible with maintaining the functions and values of the wetlands. The Senate provision is also amended by including three other House provisions: (1) the plans may include such other provisions as the Secretary determines to be appropriate; (2) the plans shall not permit the adoption of any practices which defeat the purposes of the subtitle; and (3) the easement shall be created and appropriately recorded, in accordance with applicable State law.

(62) Length Of Easement, Rate of Compensation

The Senate bill requires that the easements be in recordable form, and that they may be permanent or 30 years in length. (Section 1223)

The House amendment establishes that the easements shall be perpetual or to the maximum length allowable under State law. (Section 1608)

The Conference substitute adopts the Senate provision, with an amendment. Easements shall be for 30 years or permanent, or to the maximum extent allowed under State law. (Section 1438)

The Senate bill establishes that the compensation for the granting of the easement is to be made in cash, be based on the value of the property, and may be determined through a bid process. Compensation may not be provided in less than 5, nor more than 20 annual payments, and may be of either equal or unequal size. In the case of permanent easements, one lump sum payment may be made.

The House amendment establishes that the Secretary is to provide payment for obligations: (1) for cost sharing payment, as soon as possible after the obligation is incurred; and (2) with respect to any annual easement payment, as soon as possible after October 1. The Secretary may use such means as are appropriate to determine the amount to be paid for the easements, and in making this determination, may consider the amount necessary to encourage owners to participate in the easement program.

The Conference substitute adopts the Senate provision with an amendment that establishes the value of the payment for the easement to be the fair market value of the pre-encumbered land, less the fair market value of the land encumbered by the easement.

The Senate bill requires the owner and or the operator of the land is to comply with the terms of the easement.

The House amendment establishes duties of owners, requirements of the plans, the consequences of violating the terms of the agreement, and provides for the permanent retirement of base acres and allotment history.

The Conference substitute adopts the Senate provision, with amendments from the House provisions, adding the consequences of violating the terms of the agreement, and the permanent retirement of base acres and allotment history. All payments may be lost in the event of a violation, not just the cost share payments.

In the event of a violation, the Managers intend that the easement will remain in effect against the owner or successor, unless otherwise provided in the Conference substitute.

The Senate bill directs the Secretary to give priority to obtaining permanent conservation easements, to the extent practicable.

The House has no comparable provision.

The Conference substitute adopts the Senate provision, moving it into the acceptability of offers section.

The Senate bill establishes that the Secretary is to compensate an owner for granting an easement to the Secretary, and that the Secretary shall provide cost share assistance for the restoration costs on lands covered by the easement.

The House amendment establishes that the Secretary must: (1) share the cost of conservation measure establishment and practices for which cost sharing is appropriate; (2) pay annual easement payments for a period up to 10 years up to an aggregate maximum of the lesser of $250,000 or the value of the land without an easement; (3) provide necessary technical assistance; and (4) permit the land to be used for wildlife activities, including hunting and fishing, if such use is permitted by the owner.

The Conference substitute adopts the House provision with an amendment that deletes the $250,000 cap, and technical amendments that combine the 3 other House provisions.

The House amendment requires that payments shall be made in cash and in advance of the determination of performance. If a participating owner dies, becomes incompetent, is otherwise unable to receive such payment, or is succeeded by another person who fulfills the requirements of the program, without regard to any other provision of law the Secretary shall make payments to such person fair and reasonable in light of all of the circumstances.

The House amendment also requires the maximum amount of easement payments to a person is $50,000 per fiscal year. Person is to be defined in regulation, and shall conform, to the extent practicable, to the general payment limitation regulations. The Secretary is to prescribe such rules necessary to ensure a fair and reasonable application of this payment limitation.

The House amendment also provides that the easement payments received by a participant are in addition to, and do not affect, the total amount of payments that the owner is otherwise eligible to receive under the Food Security Act of 1985, the Food and Agricultural Resources Act of 1990, or the Agricultural Act of 1949. This payment limitation does not apply to payments received by a State, political subdivision, or agency thereof in connection with agreements entered into under a special wetland and environmental easement enhancement program carried out by that entity that has been approved by the Secretary. The Secretary may enter into agreements for payments to States, that the Secretary determines will advance the purposes of the program.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. No annual payment limitation shall be applicable when granting a permanent easement.

The Senate bill directs the Secretary to give priority to obtaining permanent conservation easements, to the extent practicable. In giving such a priority, the Secretary is to take into consideration costs and future food needs.

The House amendment directs the Secretary, in establishing the wetland reserve, to consult with the Secretary of the Interior, and place priority on acquiring easements based on the value of the easements for the protection of wetlands and associated areas and the value of the easement for enhancing habitat for migratory birds and other wildlife. The House amendment also authorizes the Secretary, in determining the acceptability of easement offers, may take

into consideration: (1) the contribution of the land to the purposes of the program; (2) the productivity of the land; and (3) the on-and off-farm environmental threats of the land if used in agricultural production.

The Conference substitute adopts the Senate provision and the House provisions.

The House amendment establishes that easement payments are exempted from sequestration.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

As discussed previously in connection with a similar provision for the conservation reserve, this provision is not believed to be needed but has been adopted because of differing views expressed in the past as to the applicability of a sequester order to payments made under long-term conservation contracts of the Commodity Credit Corporation (CCC). This provision is not intended to suggest that other payments made under other CCC multi-year contracts are sequestrable.

The Senate bill directs the Secretary to pay 50-75% of the costs of restoring wetland on 30-year easements, and 50-100% of costs for permanent easements. Such payments shall be for the costs of: (1) restoring eligible lands to wetland status; (2) protecting these restored wetlands; and (3) complying with the plan.

The House amendment requires the Secretary to pay up to 100% of the cost of conservation measure establishment and other related practices.

The Conference substitute adopts the Senate provision with an amendment. Cost share rate shall be 50 to 75 percent for any easement less than permanent, and from 50 to 100 percent for permanent easements.

(63) Ownership Requirements

The House amendment establishes that no easement is allowed on land that has changed ownership in the year preceding such acquisition unless the new ownership was acquired by will or as a result of death, or was acquired before January 1, 1990, or if the Secretary determines that the land was acquired under appropriate circumstances. (Section 1608)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1438)

(64) Modifications of Easement and Agreement

The House amendment authorizes the Secretary to modify an easement or associated agreement if the current owner agrees to such modification, and the Secretary determines that such modification is desirable and otherwise appropriate. The Secretary may terminate an easement if the participant agrees and the Secretary determines that the termination would be in the public interest. The Secretary shall provide written notice to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate at least 90 days before taking any action to terminate all easements entered into under this subtitle. (Section 1608)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1438)

(65) Delegation of Easement Authority

The Senate bill allows the Secretary to delegate easement management, monitoring and enforcement responsibilities to other appropriate Federal or State agencies. (Section 1223)

The House amendment has no comparable provision. (Section 1608)

The Conference substitute adopts the Senate provision. (Section 1438)

(66) Regulations

The Senate bill establishes that regulations for the program shall be established in 180 days. (Section 1223)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1438)

Agricultural Water Quality Incentives

(67) Policy

The House amendment states the policy of Congress is that water quality protection, including source reduction of agricultural pollutants, henceforth shall be an important goal of the programs and policies of USDA. Agriculture producers in environmentally sensitive areas should request assistance to develop and implement plans. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1439)

(68) Definitions

The House amendment defines agricultural water quality protection practice and source reduction. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1439)

(69) In General

The Senate bill establishes that, in general, the program incentives are to encourage major reductions in the potential for contamination or degradation of surface water or ground water, emphasizing practices that enhance farm profitability and productivity. (Section 1224)

The House amendment directs the Secretary to formulate and carry out a voluntary incentive program during the 1991 through 1995 crop years through agreements to assist owners and operators of a farm in developing and implementing a water quality protection plan. (Section 1607)

The Conference substitute adopts the House provision. (Section 1439)

The Managers believe that source reduction is an important component in agriculture water quality protection efforts and intend that, in administering the water quality incentive program adopted by the Conference, the concept of source reduction should be viewed as an important means to achieve the overall goal of improving water quality or other natural resources. Source reduction itself should not be viewed as a goal independent of water quality improvement or other environmental objectives but instead provides a means of pollution reduction. In the case of animal waste, efficient and effective management practices such as manure containment, composting, or processing are among the modifications of agricultural systems and practices that might be useful in minimizing the discharge of agricultural pollutants.

(70) Contracts

The Senate bill directs the Secretary to enter into contracts with participants. The contracts shall: (1) incorporate the Farm Water Quality Management Plan; (2) specifically describe the practices to be implemented or avoided to achieve the plan's objectives; (3) provide to the maximum extent possible and consistent with the goal of achieving a major reduction in the potential for contamination, for practices that enhance the profitability and productivity of participating farms; (4) establish a schedule for plan implementation; (5) specify performance standards; and (6) specify the obligations of the Secretary. (Section 1224)

The Senate bill requires that payments shall be made under the contract for a period of not less than 3 and no more than 5 years, as determined appropriate by the Secretary. The contract shall require the participant to maintain the practices for not less than 5 years for which a payment is received. (Section 1607)

The House amendment directs the Secretary to enter into agreements of up to 5 years upon the request of eligible persons. Participants must agree: (1) to implement a water quality protection plan; (2) to not conduct certain inappropriate practices; (3) to comply with additional provisions as are desirable and necessary; (4) on violation of the agreement, to refund any incentive or cost share payment received with interest and forfeit any future such payments, as determined by the Secretary; and (5) on the transfer of right in land, unless transferee agrees to assume all obligations, to refund any such cost-share and incentive payments received, as determined by the Secretary.

The Conference substitute adopts the House provision with amendments. Added to the House provision is the Senate requirement that payments be made for 3 to 5 years. (Section 1439)

(71) Wetland and Wildlife Options

The House amendment establishes that participants who voluntarily agree to develop and implement agricultural production practices, in concert with their water quality protection plan, that preserve and enhance wetland or wildlife habitat, are eligible to receive cost-share assistance for the implementation of such practices. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. The Secretary shall develop procedures for approving agricultural practices that preserve and enhance habitat, and are consistent with the objectives of the water quality protection plan. The Secretary is to encourage practices that are designed to preserve and enhance, not restore, existing wetland. (Section 1439)

The Managers note that the primary purpose of the water quality incentives program is to promote the protection of water quality. The wildlife or wetland option of the water quality program is intended to provide additional incentives for practices that can contribute to the preservation and enhancement of wetland functions and values, and the associated wildlife benefits. This option is not the primary goal of the program. The Managers intend for the practices authorized under this option to be consistent with the water quality objectives of the program.

(72) Duties of the Secretary

The House amendment establishes the duties of the Secretary, where the Secretary is to assist the participant by: (1) assessing the operation for eligibility for the program; (2) provide technical assistance in developing the plans; (3) provide annual incentive payments; (4) provide cost share assistance

for wetland and wildlife habitat purposes; and (5) ensuring that participants receive adequate information to implement the plan. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. The Secretary will not have to ensure the participant receives adequate information to implement the plan, but rather shall provide participants with such information. The Secretary also shall encourage participants to obtain cost-share assistance under other Federal, State or local programs. (Section 1439)

(73) Payments

The Senate bill establishes that the Secretary shall make annual acreage-based incentive payments to reimburse producer for the costs of the practices in the plan. (Section 1224)

The House amendment directs the Secretary to provide an annual incentive payment for implementing these practices. (Section 1607)

The Conference substitute adopts the House provision. (Section 1439)

The Senate bill establishes that annual incentive payments are to be made on a per acre basis in amounts sufficient to encourage participation in the program in sufficient numbers to achieve an improvement in ground or surface water quality. Payments shall not exceed $3500 for any crop year. These payments shall not be considered when calculating payment limitations under any other USDA program, except that payments may not be provided under this program if payments are available for the same practices under any other federal program. A lump sum payment covering the term of the contract is possible if it enables the participant to pay initial costs of implementing a practice required under the contract.

The House amendment establishes that the Secretary shall make up to 5 years of cost share payments for up to 50 percent of the cost, and incentive payments, as determined appropriate by the Secretary taking into consideration the amount necessary to encourage participation, additional costs to the producer, and the production values forgone, if any. Payments to a participant are limited to no more than $3500 per year in incentive payments, and not more than an additional $1500 per person per year in the form of cost share assistance. Payments received are in addition to, and do not affect, the total amount of payments the participant receives in other USDA programs, except payments may not be made if payments or assistance is provided for the same practice under any other Federal program.

The Conference substitute adopts the House provision with amendments. Cost share assistance for wildlife purposes is limited to $1500 per person per contract period. The Senate provision allowing for lump sum payments is added to the House provisions.

(74) Modification and Termination

The Senate bill provides that revisions of the water quality plan are possible if: (1) natural causes prevent performance under the contract; (2) the contract no longer reflects practices suitable for the farm operation; (3) the contract cannot be carried out without losses that threaten the viability of the farm operation; or (4) the participant and the Secretary agree to changes that permit the plan to meet the objectives of the program. (Section 1224)

The House amendment establishes that the Secretary may modify an agreement if the participant agrees to such modification and the Secretary determines that the modifications are desirable. The Secretary may terminate an agreement if: (1) producer agrees or violates the agreement; and (2) the Secretary determines termination is in public interest. (Section 1607)

The Conference substitute adopts the House provision, adding the Senate provisions regarding natural causes preventing performance, the threat of economic losses, and agreement between the participant and the Secretary to change the plan. (Section 1439)

(75) Refunds

The Senate bill establishes that if a participant fails to comply, all incentive payments received under the program, plus interest, must be repaid. (Section 1224)

The House amendment establishes that participants must agree: (1) on violation of the agreement, refund any incentive or cost share payment received with interest and forfeit any future such payments, as determined by the Secretary; and (2) on the transfer of right in land, unless transferee agrees to assume all obligations, to refund any such cost-share and incentive payments received, as determined by the Secretary. The Secretary shall obtain refunds of payments with interest if an agreement is terminated unless it is determined by the Secretary not to be in the public interest to seek a refund. (Section 1607)

The Conference substitute adopts the House provision with an amendment that requires a refund if the agreement is terminated, or violated. Payments shall be refunded to the extent determined by the Secretary to be in the public interest. (Section 1439)

(76) Base and Yield Protection

The House amendment establishes that participants shall be eligible for program payment yield and base protection on the farm during the agreement period. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. (Section 1439)

(77) Acreage

The Senate bill directs the Secretary to attempt to place acreage into the program in an amount sufficient to enable the Secretary to achieve an improvement in ground and surface water quality. (Section 1224)

The House amendment directs the Secretary to enroll 20 million acres, to the extent practicable, in 1991-1995 crop years. (Section 1607)

The Conference substitute adopts the House provision with an amendment changing the goal of the program from 20 million acres, to the extent practicable, to 10 million acres, to the extent possible. The program will be on a calendar year rather than a crop year basis. (Section 1439)

(78) Content of Plans

The Senate bill establishes that participants must develop and implement a Farm Water Quality Management Plan. Such plans must include specific goals and objectives to ensure a major reduction in potential for contamination or degradation of surface or ground water by pollutants associated with agricultural production. (Section 1224)

The House amendment establishes that the agricultural water quality protection plans should include as applicable, but not be limited to: (1) a description of the prevailing characteristics of the farm including information relevant to protecting water quality; (2) a description of the farms natural resources; (3) to the extent practicable, specific, quantitative water quality protection goals and objectives that will minimize contamination or degradation of surface or ground water; (4) a range of water quality protection practices that, where appropriate, complement conservation compliance; (5) the specific agricultural production practices that will be implemented; (6) to the extent practicable, water quality protection practices for safe storage, mixing and loading of pesticides and fertilizers, and storage and handling of animal waste; (7) the timing and sequence for implementing such practices; and (8) information that will enable the producer to evaluate the effectiveness of the plan in protecting water quality. (Section 1607)

The Conference substitute adopts the House provision with an amendment to add that the plans shall contain or require recommendations of application rates and disposal methods. The plan shall also contain water quality protection practices, but not a range of such practices. (Section 1439)

(79) Plan Development, Confidentiality, and Approval and Acceptance of Plans

The House amendment directs the Secretary to establish procedures: (1) to help producers develop plans, with the assistance of the Soil Conservation Service; (2) that protect the confidentiality of the information contained in these plans; (3) that provide nótice to producers that information contained in the plans will be available to the public upon request; (4) for the approval of plans; and (5) within one year for the acceptance of the plans.

This program is to supplement and support the provisions of other State and Federal laws and in no way replaces or substitutes for any other State or Federal laws. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision, with an amendment that deletes the reference to the Soil Conservation Service, and directs the Secretary to act through the Assistant Secretary for Natural Resources and the Environment. (Section 1439)

(80) Eligible Lands, Priority Lands

The Senate bill establishes that croplands shall be eligible if they are determined by the Secretary as having the potential to contribute to the degradation of water quality, including: (1) well-head buffer areas; (2) Karst areas; (3) critical cropland areas identified in section 319 plans; and (4) other areas where non-point source pollution poses threat to endangered or threatened species habitat. (Section 1224)

The House amendment establishes that lands eligible for enrollment or technical assistance include: (1) impaired 319 watersheds; (2) wellhead protection areas; (3) other areas recommended by State agencies for environmental protection; and (4) other areas recommended by EPA, in consultation with Interior. In identifying eligible lands, consideration for eligibility and program assistance should be given to defined tributary watersheds contributing significant levels of sediment to nationally significant ecosystems such as the Upper Mississippi River System. Eligibility of these watersheds shall be identified by State pursuant to Section 319. (Section 1607)

The Conference substitute adopts the House provision with amendments. Also made eligible are Karst areas, critical cropland areas within watersheds designated under section 319 of the Federal Water Pollution Control Act, areas where non-point sources pose a threat to critical habitat, other areas that if allowed to remain in production would defeat the purposes of this program, and any other areas that contribute to water quality problems, as identified by the Secretary. (Section 1439)

The House amendment also directs the Secretary to give priority to lands which if allowed to remain in production will lead to failure to meet applicable Federal or State water quality laws.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that clarifies the House provision, specifying the lands to be given priority shall provide the greatest public benefit if managed under the water quality program.

The Managers intend that the Secretary compare the lands seeking enrollment into the water quality incentives program, and enroll those lands with the highest water quality benefits relative to the costs of enrolling such land.

The Senate bill establishes that, in determining the acceptability of offers, the Secretary shall; (1) consider the possible degree of reduction in the potential for water contamination; (2) give priority to an area within a State that is designated by the State, in consultation with the EPA, as a priority area for dealing with the problem of ground and surface water contamination attributable to agricultural non-point source pollution; and (3) give priority to offers that would provide the greatest public benefit.

The House amendment establishes that the Secretary, in accepting agreements and in providing assistance should give priority to lands on which agricultural production has been determined to contribute to, or creates, the potential for failure to meet applicable water quality standards or the goals and requirements of Federal or State laws governing surface and ground water quality. In making this determination, the Secretary shall consult with State officials having responsibility for monitoring and protecting water quality.

The Conference substitute adopts the House provision.

(81) Technical Assistance, Guidance, Content, Deadline, Consultation, to Personnel, Limitation of Liability

The Senate bill establishes that the Secretary shall provide technical assistance through the Extension Service (ES) and the Soil Conservation Service (SCS), and where determined to be appropriate, private consultants, in the development and implementation of plans. (Section 1224)

The House amendment directs the Secretary to establish a procedure to enable the Soil Conservation Service to help producers develop plans under this program. (Section 1607)

The Conference substitute adopts the House provision with an amendment to delete the reference to the Soil Conservation Service. Also added is a provision that provides that the assistance offered to help producers comply with Federal or State environmental issues shall not provide a basis of claim against any official or entity. (Section 1439)

The House amendment directs the Secretary to develop local field office technical guides for helping producers prepare and implement plans necessary to assist in complying with State and Federal environmental laws, and to implement this program. The guides are to reflect local agronomic, economic and ecological conditions, and to describe: (1) procedures to identify potential sources of pollution on a farm; (2) to the extent practicable, a range of water quality protection practices, and their economic cost and benefit, and that complement conservation compliance plans; (3) storage, mixing, and loading practices; (4) any information regarding relevant State and environmental laws; (5) criteria to evaluate the effectiveness of on-farm plans; (6) provide aggregate data to aid in evaluating compliance with State and Federal environmental laws; and (7) means to evaluate the economic costs and benefits of these practices.

The technical guides must be developed for environmentally-sensitive areas no later than two years after the areas have been so designated under State or Federal environmental law and to be up-dated periodically. The Secretary must consult with the Administrator of the Environmental Protection Agency, the Secretary of the Interior, and with relevant State agencies in developing handbooks and field office technical guides to ensure they contain accurate and up-to-date information.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with amendments. Instead of technical guides, the Secretary is directed to develop guidance materials that serve the same purpose. To the extent practicable, these materials are to reflect local conditions. These materials are to be developed no later than 2 years after the date of enactment of this Act.

The Managers intend that technical materials will be prepared that reflect and are useful under local conditions. All factors that might make a particular local area unique with respect to water quality needs and agricultural non-point source pollution should be adequately accounted for in whatever materials are developed.

The Senate bill directs the Secretary to assist producers, upon their request, who are required by a State or the Federal government to comply with an environmental law that requires a reduction in the potential for contamination of ground or surface water. Such assistance shall be technical in nature, and in the form of an on-farm plan. Land affected by the plan must be within an area designated as environmentally sensitive for purposes of federal or State law. The on-farm plan must provide the producer with information concerning the economic and natural resource consequences of the implementation of the plan. (Section 1282)

The House amendment establishes that the Secretary shall provide technical assistance to agricultural producers on eligible lands to assist them in developing and implementing water quality plans. The Secretary shall designate the Soil Conservation Service as the lead agency for providing technical assistance, and shall assign such personnel from the Extension Service, the Agricultural Research Service, and other agencies as are necessary. The Secretary may request help from State agencies, or any source deemed appropriate.

The Conference substitute adopts the House provision with an amendment and technical changes. No person shall have cause for claim against an official or entity as a result of technical assistance offered under this section to help a producer comply with Federal or State environmental laws.

(82) Demonstration and Pilot Programs

The Senate bill requires the Secretary to contract with producers for demonstration or model farm programs to provide education, information and demonstrations of agricultural practices to reduce contamination or degradation of surface or ground water. Pilot projects may also be set up to provide assistance on farming operations and production conditions for the efficient use of inputs and to reduce waste. (Section 1224)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to make it discretionary. (Section 1439)

(83) Report to Congress

The House amendment requires that the Secretary provide to Congress no later than September 30, 1992, an interim report on participation in this program. A final report is to be delivered to Congress no later than September 30, 1994. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes from the House provision that the report include the economic costs and benefits of the plans, if implemented. Other technical changes are made. (Section 1439)

(84) Findings

The House amendment includes several findings: (1) protecting water quality is essential for human health; (2) agricultural non-point source pollution has been identified as contributing to the water quality problem; (3) the agricultural community wants to address the problem; (4) the technology exists today in many cases to address the problem; (5) such practices are also cost-effective; and (6) pollution prevention is being given increasing priority in State and Federal laws. (Section 1607)

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision, deleting the House findings.

(85) Continued Eligibility

The Senate bill establishes that participants, if they are to remain eligible for these program payments, must: (1) continue to abide by the terms of the contract pertaining to implementation and performance; (2) remain in compliance with the other conservation provisions of this title. (Section 1224)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(86) Information, Assistance, and National Database

The Senate bill establishes that the Secretary shall, at the request of the participant, provide information concerning the resource, economic, and environmental effects of the plans to be implemented under this program. The Secretary shall collect and maintain data on a State-by-State basis of these same effects that result from the adoption of the plans selected by the producers. (Section 1224)

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

Environmental Easement Program

(87) Easement Program

The Senate bill establishes the wetland reserve, which is to be used to restore and protect 1,000,000 acres of farmed and converted wetlands by 1995 through the use of 30-year and permanent easements. (Section 1223)

The House amendment establishes a wetland and environmental easement program which is to restore and protect 2,500,000 acres of wetlands by 1995 through perpetual easements, and the protection of other environmentally sensitive lands through such easements. (Section 1608)

The Conference substitute adopts the House provision with amendments that remove from its provisions the restoration and protection of wetlands through the use of easements. This activity is incorporated in the substitute which adopted the Senate wetland reserve with amendments. The other remaining functions of the House environmental easement program remain intact.

(88) Tree Planting Initiative

The House amendment establishes a new program that addresses the maintenance, afforestation, and reforestation of forest lands. The Secretary is directed to implement this new policy by using the conservation reserve program, the agricultural conservation program, the Cooperative Forestry Assistance Act of 1978, and the provisions of this title.

The Secretary is directed to encourage owners and operators of cropland who enter this new program to enlist the cooperative assistance of the State Forester or equivalent State official in obtaining technical and financial assistance for tree planting and maintenance activities. (Section 1604)

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment. (Section 1441)

Administration of Conservation Programs

(89) Administration

The House amendment directs the Secretary to act as expeditiously as possible in making determinations under title XII and in conducting appeals from any determination made under title XII, but requires the Secretary to provide adequate safeguards to protect the interests of the persons involved in such determination. (Section 1609)

The Secretary is also to annually review the number and status of appeals pending under title XII at the district, area, and State conservationist level, to identify those such appeals that have been pending in excess of 120 days, and to annually report to Congress the results of such review.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision, with substantial alterations so that the Secretary is directed to maintain data concerning the number and status of appeals pending in excess of 120 days, and the number of appeals resolved, under this title.

The Managers intend that the Secretary establish and maintain a system by which it is possible to know at any point in the year the number and status of appeals pending for more than 120 days, or resolved.

(90) Acreage Retirement Programs—County Limitation

The Senate bill establishes that the number of cropland acres placed into the CSP in any one county (not counting the acreage enrolled into the water quality incentives program) is not to exceed 25 percent of the cropland in the county. The Secretary may exceed this cap if it will not adversely affect the local economy of the county. Land enrolled into the CSP for the purposes of shelterbelts or windbreaks does not count towards this limitation. (Section 1211)

The Senate bill also establishes that the Secretary shall permit a particular county to exceed current law's 25% county limit for cropland entering the conservation reserve to the extent the Secretary determines that producers in the county are having severe difficulty meeting conservation or other environmental requirements. In making a determination under this section to allow a particular county to exceed the 25% limit, the Secretary shall not require the written consent of a member of Congress. In addition, the Senate bill establishes that land enrolled into the reserve for water quality improvements need not be considered when calculating the acreage for the 25% limit if the risks for water quality of not enrolling such land outweigh the adverse economic consequences on the local economy of enrolling such land. (Section 1212)

The Senate bill establishes for the wetlands reserve that for the purpose of the Conservation Stewardship Program's 25 percent county limitation, the lands enrolled under the wetlands reserve shall be added to the other lands enrolled in the stewardship program in that particular county and otherwise subject to this limitation. (Section 1223)

The House amendment retains the existing 25 percent county limit, but adds that the limitation may be exceeded if the Secretary determines that producers in the county are having difficulty complying with their conservation plans and there are no negative effects on the local economy. (Section 1607)

The House amendment also modifies the existing 25% cap, applying it only to lands acquired under easement, and adding that the limit may be exceeded if the Secretary determines that producers in the county are having difficulty complying with their conservation plans and there are no negative economic consequences.

For the easement programs, the House amendment establishes that no more than 10% of the cropland in any county shall be enrolled in the easement program. Such easements shall be acquired only to the extent that the number of acres under easement, when added to that county's conservation reserve acres, shall not exceed 25% of the county's cropland, except that this limitation may be exceeded if producers are having difficulty complying with compliance plans and it will not hurt the local economy.

The Conference substitute adopts provisions from both the Senate bill and House amendment with amendments. The Agricultural Resources Conservation (ARC) now contains the conservation reserve and the wetlands reserve. The existing 25 percent county cap for the conservation reserve is retained for the ARC. For lands coming under easement in the ARC or the environmental easement program, not more than 10 percent of the cropland in a county may be covered with easements, and these lands are also counted towards the 25 percent cap. Added to the House's exemption to this 25 percent cap is the Senate provision allowing for it to be exceeded in the event that producers are having difficulty meeting other environmental requirements. Lands placed into the ARC under the conservation reserve that are to be devoted to shelterbelts or windbreaks shall not be counted towards the 25 percent cap. Also, when determining whether or not to exceed the 25 percent cap, the Secretary is directed to not seek the written consent of a member of Congress.

In any event, with the exception of lands enrolled as windbreaks, shelterbelts, the other eligible plantings, and in those exceptional cases, the combined total of land retired under easements and contracts cannot exceed 25 percent of the cropland in a county.

The Managers do not intend that the 25 percent limit be waived for all potential conservation reserve entrants. For those counties where it is determined producers are not able to meet conservation compliance, the 25 percent limit should be waived on a case-by-case basis so that only those specific producers not able to meet compliance can enter the program. Of course, this waiver should only be given if the Secretary also determines that there are no negative economic consequences for the local economy.

(91) Regulations

The House amendment also directs the Secretary to issue not later than 180 days after the date of enactment such regulations as the Secretary determines are necessary to carry out subtitles H and I including: 1) a definition of the term "person"; 2) the determination of persons who are ineligible for program benefits under subtitles B and C, so as to ensure a fair and reasonable determination of ineligibility; and 3) those that protect the interests of landlords, tenants, and sharecroppers.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision. The Managers note that the requirement for the establishment of regulations is included in the appropriate place throughout the Act.

(92) Use of the Commodity Credit Corporation

The House amendment authorizes the Secretary to use the facilities of the Commodity Credit Corporation to carry out the new subtitles H and I if funds are appropriated for this purpose.

The Senate bill has comparable provisions in the specific sections of the bill that establish these programs.

The Conference substitute adopts the Senate provision, deleting the House provision. The Managers note that under current law, the facilities, services, authorities and funds of the Commodity Credit Corporation may be used, if appropriations have been made for such purpose, to carry out subtitle D. Subtitle D, as amended by this Act, includes the conservation reserve, wetland reserve and the water quality incentives program.

(93) Appropriations

The Senate bill authorizes such funds as are necessary to carry out the program.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision, and creates a new authorization of appropriations that makes such sums as may be necessary to carry out the conservation reserve and wetland reserve (chapter 1) and the water quality incentives program (chapter 2), of subtitle D.

(94) Monitoring and Evaluation

The Senate bill requires 2 reports, a one-time progress report towards the national

goal of controlling soil erosion, and an annual report on conservation progress under the conservation title.

The House amendment has 2 reporting requirements. The first requires the Soil Conservation Service to report on accomplishments during the previous year with regard to improving water quality; plans for addressing water quality problems in the upcoming year; and in general progress towards the goal of aiding and protecting the quality of water. The second reporting requirement directs the Secretary to prepare an annual comprehensive report on progress towards the national goal of controlling soil erosion, and another annual report that contains a summary of the results of the monitoring and evaluation that goes into the comprehensive report generation.

The Conference substitute adopts the House provision with amendments. The first reporting requirement for the Soil Conservation Service is deleted. The annual reporting requirement on progress towards the goal of soil erosion reduction and the results of monitoring and evaluation is changed to a one-time report that is to be completed by June 30, 1993. Added to this one-time report is an assessment, to be conducted by the Soil Conservation Service in consultation with the Fish and Wildlife Service, of progress toward the national objectives of wetland preservation, habitat and water quality improvement, and analysis of how to further meet these objectives.

(95) Assistance to control the spread of weeds and pests

The Senate bill directs the Secretary to work with the appropriate Federal and State agencies in the development of a weed and pest control technical guide for use by participants in the conservation reserve. If there is a pest infestation on reserve lands enrolled into the program after the date of enactment of this Act, and the participant is determined to have failed to follow the recommendations of this technical guide, as determined by the Secretary and following review by the appropriate Federal and State authorities, shall have their conservation reserve rental payments reduced.

The Secretary is also instructed to identify those lands already enrolled into the conservation reserve that are the most likely to incur a significant crop pest infestation. The Secretary is given the authority to renegotiate the contracts on these lands to require reserve participants control such pests, or allow participants to leave the program if they repay the cost share payments, or establish such other procedures that might achieve such control. The costs of crop pest control on the lands identified in the above study are made eligible for 50% cost share as a conservation practice in the conservation reserve.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with amendments. The Secretary is directed to provide technical materials and information for the control of weed and pests on conservation reserve lands. This material and information is to be consistent with the conservation and environmental objectives of the reserve. The Secretary is also given the discretion to treat weed and pest control costs as a conservation practice on conservation reserve lands.

The Managers note that there are parts of the United States where weeds and pests are a particular problem and that conservation reserve lands are contributing to this situation. Conservation reserve contracts require that participants apply appropriate weed and pest control practices on the enrolled lands. The Managers intend that the Secretary enforce rigorously this provision of the contracts, and take whatever actions are appropriate and necessary to see that participants comply with this provision. Such actions might include the denial of some or all of the annual rental payments for failure to comply with this contract requirement.

(96) State Technical Committee

The House amendment establishes State Technical Committees to assist the Secretary in the technical considerations relating to implementation of the conservation provisions under this title. Each State Technical Committee is to include professional resource managers that represent a variety of disciplines in the soil, water, wetland, and wildlife sciences.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle D—Other Conservation Measures

(97) Integrated Farm Management Program Option

The Senate bill establishes a program that provides producers a set of incentives to participate in a multi-year program where resource-conserving crop rotations are adopted.

The House amendment directs the Secretary to establish the "Integrated Farm Management Program Option" to assist producers in adopting integrated, multi-year, site-specific farm management plans by reducing farm program barriers to resource stewardship practices and systems, and authorizes participants to plant base acres of one program commodity to a crop of another program commodity and maintain base acreage, but not receive payments unless such planted commodity is part of a resource-conserving crop rotation.

The Conference substitute adopts the House provision.

(98) Definitions

The Senate bill defines resource conserving crop, grass, legumes, small grains, resource conserving crop rotation, and Secretary.

The House amendment defines the terms resource-conserving crop, resource-conserving crop rotation, farming operations and practices, and integrated farm management plan and defines for purposes of this section the terms grass, legume, small grain, and alternative crops.

The Conference substitute adopts the House provision.

The Managers do not intend for the term legume to include peas and lentils.

(99) Eligibility

The Senate bill establishes that to be eligible, a producer must submit an integrated farm management plan which must be approved by the Secretary. The producer must comply with the plan.

The House amendment is the same as the Senate provision, except the producers must keep such records as the Secretary may require.

The Conference substitute adopts the House provision with an amendment that such records must be kept that the Secretary can "reasonably" require.

(100) Plans

The Senate bill establishes that the plans shall: (1) describe the farming operations and practices to be implemented; (2) describe how the practices could be expected to reduce pollution, soil loss, water contamination and reduce the use of nonrenewable natural resources and purchased inputs—if such reductions result in positive economic and environmental benefits; and (3) contain such other terms the Secretary determines are necessary.

The House amendment requires each plan approved by the Secretary to: (1) specify the acreage to be enrolled; (2) describe the resource-conserving crop rotation; and (3) contain a schedule for the implementation of the plan. The plan shall also describe how the practices to be implemented could be reasonably expected to result in: (1) the maintenance or enhancement of the overall productivity and profitability of the farm; (2) the prevention of the degradation of farmland soils, the long-term improvement of the fertility and physical properties of such soils; and (3) the protection of water supplies from contamination by managing or minimizing agricultural pollutants.

The plans shall also: (1) comply with all applicable requirements to protect natural resources; and (2) contain such other terms as the Secretary may, by regulation, require.

The Conference substitute adopts the House provision with amendments. Eligibility criteria are added that require a participant to have and apply the plan, devote a resource conserving crop to 20 percent of the crop acreage bases enrolled into the program, participate in and comply with the requirements of the annual acreage limitation programs, and keep such records that the Secretary may require.

(101) Administration

The Senate bill establishes that the Secretary shall provide technical assistance to participants to formulate their plans. Plans may draw on technical guides and may include other appropriate practices. The Secretary shall also provide participants sufficient flexibility to adjust or modify their plans, except that such adjustments shall be approved by the Secretary.

The House amendment directs the Secretary to provide technical assistance to producers, in consultation with the local conservation districts, in developing and implementing plans, in evaluating the effectiveness of plans, and assessing the costs and benefits of the practices in the plans. The plans may draw on technical guides and include other appropriate practices. The Secretary is to provide sufficient flexibility for a producer to adjust or modify the plan to respond to appropriate changes in conditions.

The Conference substitute adopts the House provision with an amendment that directs the Secretary to also consult with any other Federal, State or local authority the Secretary deems appropriate in administering the program.

(102) Acreage

The Senate bill directs the Secretary to enroll, to the extent practicable, not less than 3 and no more than 5 million acres during each crop year from 1991–1995.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(103) Base Protection

The Senate bill establishes that participants in the ICM will not have their crop acreage bases reduced during the program

as a result of the planting of resource conserving crops on their base acres.

The House amendment is similar to the Senate provision, except that farm program payment yields are also protected.

The Conference substitute adopts the House provision, incorporating it into a new program rules section.

(104) Payments

The Senate bill establishes that deficiency payments shall be made on base acres planted to resource conserving crops, if such crops are not hayed or grazed. If such land is hayed or grazed, such payments will be received if the resource conserving crop is a small grain such as oats or triticale and the small grains residue is grazed following the 5-month period established in the 1949 Agricultural Act.

The House amendment establishes that payments will be protected on that portion of the base acreage devoted to a resource-conserving crop. The Secretary shall eliminate any program payments such producer is otherwise eligible to receive if such producer hays or grazes the enrolled acreage during the 5-month period in each State, or before the producer harvests the small grain crop in kernel form, whichever is sooner.

The House amendment also establishes producers may not receive payments on traditionally under-planted acreage, which is defined to mean the 3 year average acreage that is part of a producer's base and is permitted to be planted but is not planted, minus the portion of the crop base subject to an ARP or required to be set aside for the current crop year.

The Conference substitute adopts the House provisions with amendments. The word "eliminate" is deleted and replaced with the phrase "not make". Resource conserving crops may be planted on reduced acres and be considered a conserving use, except that barley, oats or wheat planted as part of a resource conserving crop may not be harvested in kernel form. Reduced acreage devoted to perennial cover established with Federal cost-share assistance may not be considered a resource conserving crop for the purposes of this program.

The House amendment also denies any program payment for a resource conserving crop planted on traditionally underplanted acres. Traditionally underplanted acres is defined for both 0-92 participants and other producers who have not been in 0-92. For these latter producers, traditionally under planted acres is defined as the difference between the average of the crop acreage base not planted to a program crop in the previous three years and the set-aside requirement for the current year.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that defines traditionally underplanted acres for non-0-92 participants as the average for the previous three years of the difference between those crop acreage base acres not planted and those crop acreage base acres set-aside under an annual program.

(105) Adjustments to Annual Set-Aside Acres

The Senate bill directs the Secretary to make fair and equitable adjustments to a participant's acreage reduction requirements to reflect drop in commodity program crop output as a result of participation. The entire set-aside requirement shall be waived under specified conditions. The Secretary may also waive the cross-compliance requirements, if necessary as part of the plan.

The House amendment is similar to the Senate provision.

The Conference substitute deletes both the House and Senate provision for making adjustments to the acreage reduction requirements.

(106) Base Acre Adjustment

The House amendment establishes that for the purposes of establishing a producer's crop acreage base, the Secretary shall make adjustments as are fair and equitable to reflect program participation. The total of these adjustments shall not exceed the savings in the same year that would result from the implementation of plans.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment making the requirement that the Secretary make adjustments to a producer's crop acreage base discretionary.

(107) Haying and Grazing Restriction

The Senate bill establishes that, notwithstanding any other provision of this section, the Secretary may restrict any haying and grazing under this program if it is determined that the haying and or grazing of the resource conserving crop could adversely affect the local markets.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(108) Contracts

The House amendment directs the Secretary to enter into contracts with producers to enroll acreage in the program, and requires the contracts to be for a period of not less than 3 years, or, at the producer's option, for a longer period of time up to 10 years.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that changes the contract period to 3 to 5 years, and provides the producer with the option to renew the contract at the end of the contract period, if agreed to by the Secretary.

(109) Minimizing Economic Effects

The House amendment directs the Secretary to implement the program so as to minimize any adverse economic effect on the agribusinesses and other agriculturally related economic interests within the area. The Secretary may restrict the total amount of crop acreage that may be removed from production, taking into consideration the total amount of crop acreage that has, or will be, removed from production under other price support, production adjustment, or conservation program activities.

The House amendment also directs the Secretary to permit, to the greatest extent practicable, producers to enroll enough acreage into the Integrated Farm Management option adequate to maximize conservation goals on such farm and ensure economic effectiveness of the program in each individual application. Any enrollment of land that results in an average decrease of harvested acres on the farm in excess of 25 percent over the life of such plan as compared to current operations is to be deemed as CRP acres for the purpose of applying the county limit on acres placed in the reserve.

The Secretary is directed to not enroll any acreage, to the extent practicable, under this program to the extent that the average amount of cropland removed from production in any county under the plan developed for such acreage over the life of such plan plus the total amount of cropland removed from production in such county under the CRP, and other supply control programs would exceed 25 percent of the total commercial cropland in any such county.

The Secretary is also prohibited from approving any plan that will result in the involuntary displacement of farm tenants or lessees by landowners through the removal of substantial portions of the farm from production of a commodity.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that deletes the provisions with regard to acreage enrolled into this program and the conservation reserve 25 percent county limit.

The Managers note that the overall acreage limitation of 20 million acres placed in the program will effectively minimize any local negative economic consequences that could result from the program. This is particularly true since limited, but important, economic use is allowed on the acres enrolled into this program. At the same time, negative economic effects are possible, and the Managers intend that the Secretary consider this potential when determining whether or not to enroll land into the Integrated Farm Management program. The Managers intend that this program be implemented, to the extent possible, so as to ensure there are no negative economic consequences for local communities.

The House amendment also directs the Secretary, in the case of any tenant or lessee who has rented or leased the farm (with or without a written option for annual renewal or periodic renewals) for a period of two or more of the immediately preceding years, to consider the refusal by a landlord, without reasonable cause other than simply for the purpose of enrollment in the program, to renew such rental or lease as an involuntary displacement in the absence of a written consent to such non-renewal by the tenant or lessee.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(110) Certification and Termination

The House amendment directs the Secretary to certify compliance by producers with the terms and conditions of the plans. The Secretary is authorized to terminate a contract entered into with a producer under this program if the producer agrees to such termination or the producer violates the terms and conditions of such contract.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(111) Reports

The House amendment directs the Secretary to submit to Congress not later than April 1, 1991, and each April 1 thereafter, a report describing the progress of the program.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(112) Resource conservation and development program

The Senate bill and the House amendment have the same provision. The Conference substitute adopts the Senate provision

with an amendment that reauthorizes the program through 1995. Number of areas is increased to 450.

(113) Amendment to the Noxious Weed Act

The Senate bill establishes a noxious weed management program for Federal, State and private lands. It is the purpose of the program to prevent and control undesirable plant species on Federal lands, and to conduct a national noxious weed management coordination program.

The House amendment amends the 1974 Noxious Weed Act. The Secretary of Agriculture shall use this authority to control the spread of undesirable plants as a result of transporting seeds or commodities to or from Federal lands.

The Conference substitute adopts the House provision, with amendments.

(114) Farmland Protection Policy Act

The Senate bill establishes that Federal Departments and agencies shall use the USDA developed criteria to identify the actual quantity of farmland converted by Federal programs.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(115) Great Plains conservation program

The Senate bill reauthorizes the program for 10 years, and provides a total of $1.2 billion in authorizations for the program.

The House amendment is similar to the Senate provision, but establishes only $900 million in program authorizations.

The Conference substitute adopts the Senate provision with an amendment to allow for $1 billion in program authorizations.

The Senate bill also directs the Secretary to substitute, where practicable, more intensive management measures for structural measures. The Secretary is also required to collect and maintain comprehensive data on the economic and natural resource consequences of the applications implemented under this program.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(116) Composting research and extension program

The Senate bill directs the Secretary to assemble a catalog of laws, rules, and programs adopted by State and local governments, and foreign countries, that relate to various factors affecting the quality and use of compost. The Secretary also is directed to conduct a study report to the Congress on compost use, and composting processes involving various forms of organic waste matter. A 15 member compost "task force" comprised of professionals from public and private sector is established which is authorized until 1995.

The House amendment contains several findings, including the value of composting for various purposes, and the role USDA should play in supporting and using compost research. The Secretary is directed to identify appropriate methods of composting agricultural wastes and potential uses for such compost. A compost Task Force, similar to that established in the Senate provision, is also in the House amendment, except that the task force is exempted from the Federal Advisory Committee Act. The Secretary is directed to conduct research on various aspects of compost production and use.

The House amendment, as in the Senate provision, directs the Secretary to prepare a catalog of or rules and laws, but provides greater detail as to what the catalog is to contain. The Secretary is also directed to initiate extension efforts for the dissemination of information on compost. The Secretary is directed to enter into agreements with appropriate Federal agencies to identify opportunities for applying compost on Federal lands, and is required to disseminate the results of compost research to all appropriate Federal agencies. Six months after the enactment of this Act, and every year thereafter, the Secretary is to report to Congress on the activities under this program.

The Conference substitute adopts the House provision with substantial amendments. The Secretary is directed to identify and compile information about compost, and to make such information available to the appropriate public and private authorities. The information to be compiled is on all aspects of compost production and use, as well as information on the laws, rules, and programs adopted by State and local governments, and foreign countries, that relate to various factors affecting the quality and use of compost. The Secretary is directed to consult with the appropriate authorities in conducting such work. The Secretary is also directed to conduct research on the production and use of compost, as well as initiate an extension effort to inform the agricultural community of the information on compost.

Subtitle E—Watershed Protection and Flood Prevention Act

Watershed Protection and Flood Prevention

(117) Relation of benefits to agriculture

The Senate bill amends current law, so that all watershed projects shall be required to contain at least 20% of their benefits to agriculture and upstream rural communities.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that deletes the word "upstream".

(118) Use of Wetlands for Flood Control Purposes

The Senate bill gives the Secretary the authority to provide cost share assistance for the purchase of wetlands easements for flood control and other purposes.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(119) Data

The Senate bill directs the Secretary to collect and maintain data, on a State-by-State basis, on expenditures for individual flood control measures that are being cost shared under the program, as well as the expected flood control and environmental benefits that result from such measures.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(120) Water Quality Improvement

The House amendment authorizes the Secretary to enter into agreements as part of a watershed project to enhance the water quality on such lands.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(121) Disposal of Dredge Materials

The Senate bill amends current law so that local project sponsors will be required to purchase the land rights necessary for the disposal of dredge materials.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(122) Construction Cost Share Assistance

The Senate bill amends current law, which requires the Federal government to pay 100 percent of the construction costs of these projects, so that the cost share rate shall be "up to" 100% of the costs of construction.

The House amendment has no comparable provision.

The Conference substitute adopts the House provision, deleting the Senate provision.

CHAPTER 2—FARMLAND PROTECTION

(123) Funding

The Senate bill directs the Secretary to issue stock to Treasury for the purpose of obtaining funds to run the program.

The House amendment makes the program entirely subject to appropriations.

The Conference substitute adopts the House provision, making the program subject to appropriations. A mandatory pilot project is also established in Vermont.

(124) Loan Guarantees

The Senate bill directs the Secretary to guarantee loans that match, on a 2 for 1 basis, the funds made available by each State for farmland protection activities.

The House amendment is similar to the Senate provision except that the Secretary is directed to guarantee loans that match on a 1 for 2 basis the funds devoted to this program by States.

The Conference substitute adopts the Senate provision.

(125) Maximum Loan Guarantee

The Senate bill sets a maximum of $10 million annually to any eligible State.

The House amendment is the same as the Senate provision.

The Conference substitute adopts the Senate provision.

(126) Interest Cost Subsidy

The Senate bill requires the Secretary to reimburse States for all interest costs for the first 5 years of the loan. For the second 5 years of the loan, the Secretary will reimburse at a rate that will leave the State paying the limited resource rate.

The House amendment is the same as the Senate provision except that there is no subsidy for the second 5 years of the loan.

The Conference substitute adopts the Senate provision.

(127) Definition of an Eligible State

The Senate bill requires that, in order to be eligible, a State must have a farmland protection program by August 1, 1991.

The House amendment is similar to the Senate provision.

The Conference substitute adopts the Senate provision with an amendment making the pilot State (Vermont) eligible for direct spending assistance and the other eligible states eligible for assistance subject to appropriations.

(128) Regulations

The Senate bill specifies that the regulations shall encompass the application, payment, record keeping and abuse control procedures for the program.

The House amendment requires regulations to be promulgated, but does not include specifics on their content.

The Conference substitute adopts the Senate provision.

(129) Report

The Senate bill requires the Secretary to report to Congress on the progress of the program by Sept. 30, 1992.

The House amendment does not require any report.

The Conference substitute adopts the Senate provision.

(130) Duration of the Program

The Senate bill establishes that the program expires on Sept. 30, 1996.

The House amendment establishes that the program expires on Sept. 30, 1995.

The Conference substitute adopts the Senate provision.

Subtitle F—Administration of Environmental Programs

(131) Federal Administration (S 1435-39)

The Senate bill establishes a Federal administrative structure for groundwater oversight by: listing the responsibilities of USDA (Sec. 1435); creating the Office of Groundwater Policy Coordination and listing the duties of the office (Sec. 1436); establishing the position and duties of Director of the office as the contact within USDA for groundwater (Sec. 1437); establishing an intra-agency committee on groundwater quality to assist the Director (Sec. 1438); and allowing the Director to establish technical support committees and technical integration groups as necessary.

The Senate bill states that the Federal Advisory Committee Act does not apply to any advisory committees. (Sec. 1439).

The House amendment contains no comparable provision. The Office of Environmental Quality established in Section 1612 of the amendment would provide oversight for this program. The Director is required to prepare a plan to implement the environmental quality policy statement. The Council established in section 1612, through the Director, is required to prepare an annual report to Congress.

The Conference substitute adopts the House provision with an amendment to establish an Office of Environmental Quality and an Agriculture Environmental Quality Council to be chaired by the Secretary or by the Secretary's designee. The Director of the Office will assist the Council and serve as its Executive Director.

Subtitle G—Water Quality Research, Education, and Coordination

(132) Water Policy Research, Education and Coordination (S. 1435; H. 1365)

The Senate bill establishes USDA as the principal Federal agency responsible for agricultural groundwater concerns and provides several mechanisms in order to improve the coordination and management of USDA and State activities dealing with groundwater policy, research, and education.

The purpose and structure of the House amendment is similar, but with fewer specifications.

The Conference substitute adopts the House provision.

(133) Purpose, Definitions, and Authorization (S. 1441, 1448, 1458, 1462, 1467, 1470)

The House amendment establishes a purpose for this subtitle of ensuring that the USDA develops and implements a coordinated, integrated and comprehensive intra-agency program to protect waters from contamination.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

The Senate bill provides definitions for the following terms: agrichemicals; agriculture ground water management practices; agriculture management practices; agricultural nitrogen; contaminant; director; food and agriculture councils; ground water; groundwater quality coordinator; office; pesticide; root zone; soil and water conservation committees; secretary; state; state government agency; state water quality advisory council; technical integration group; vadose zone or unsaturated zone; and zone of saturation.

The House amendment provides definitions for the following 7 terms: agricultural nitrogen; contaminant; Department; Food and agriculture Councils; soil and water conservation committees; Secretary; and State.

The Conference substitute adopts the House amendment regarding the purpose and definitions.

Section 1441 of the Senate bill authorizes $1,000,000 for each fiscal year 1991 through 1995 and any additional funds necessary for Federal coordination activities.

Section 1448 authorizes $10,000,000 for each fiscal year 1991 through 1995 for the State groundwater quality coordinators and $1,000,000 each fiscal year to enable the Secretary to undertake the reviews and studies required.

Section 1458 authorizes $56,000,000 for each fiscal year 1991 through 1995 for Extension education activities.

Section 1462 authorizes such sums as necessary for SCS activities.

Section 1467 authorizes not less than $15,000,000 of the Agricultural Research Service general funds and $15,000,000 of the Cooperative State Research Service general funds be devoted to the program in this title for fiscal year 1991 and $20,000,000 from each account in fiscal years 1992-1995.

Section 1467 further provides that $5,000,000 is authorized for fiscal year 1991 for Economic Research Service and $7,500,000 for fiscal years 1992-1995.

Section 1470 provides $1,000,000 for fiscal year 1991 and $400,000 each year thereafter for databases at NAL on groundwater quality.

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to provide such sums as necessary.

(134) State coordination (S. 1442-47; H. 1366)

Sections 1442 through 1447 of the Senate bill concerns State groundwater activities and coordination. These sections provide that: (1) The Secretary shall establish State intra-agency groundwater coordination and ad hoc advisory committees as appropriate; (2) the Secretary, acting through the Extension Service, shall establish a state groundwater quality coordinator to coordinate state and federal policy on groundwater; (3) The state coordinator, along with the state groundwater committee, is required to review the state's non-point source pollution plan required by the Federal Water Pollution Control Act and the mapping of hydrologic units within each state; and complete an assessment of state groundwater programs and needs; and (4) the Groundwater Committee shall submit an annual report to the Groundwater Director and the Chief Executive Officer of the State.

Sec. 1366 of the House amendment provides for: (1) a water quality coordination program within each State which shall use the expertise of the food and agricultural councils; (2) the membership of the state water quality coordination program; (3) designation by the Secretary of a state water quality coordination program leader from among the Federal agency representatives; (4) other activities, including Federal coordination with water quality plans developed within the state, review of State hydrologic units and assessment of State needs; (5) the establishment of State ad hoc advisory panel by the chair of the water quality coordination program; and (6) an annual report to the Environmental Quality Office by the State program.

The Conference substitute adopts the House provision with an amendment to delete the annual reports to the Environmental Quality Office.

(135) Extension and Education (S. 1451-58)

The Senate bill establishes a national chemical education program.

The Secretary, in concurrence with the Administrator of EPA, shall establish a national program for information on the safety of fertilizer use and use of pesticides that are not classified as restricted use pesticides.

The Secretary shall, among other things, develop guidelines and provide information to users and dealers, including information on safety, the environment and disposal of unused chemicals, and be the national coordinator of training for applicators and dealers.

Section 1452 provides that the program provide for the voluntary adoption of nutrient management practices and groundwater practices that protect ground water. Examples such as the use of crop rotations and the storage and handling of fertilizers are provided.

The Secretary shall strengthen programs on soil and tissue testing information.

The Extension Service shall: (1) improve programs to educate and assist farmers regarding nutrient management and pesticide application, so that programs focus more on groundwater management (Sec. 1451); (2) establish a national program to educate homeowners on use and disposal of household chemicals, pesticides and fertilizers (Sec. 1454); (3) conduct educational activities concerning water quality education and provide a training program for the State Groundwater Quality Coordinators (Sec. 1456); and (4) establish a national well water testing project that provides information on sources of testing and help in interpreting results (Sec. 1457).

The House amendment contains no provisions regarding the activities of the Soil Conservation Service (SCS) and the Extension Service which are comparable to the Senate bill.

Section 1368 of the House amendment authorizes a research and development program on nutrient management practices relying, to the maximum extent possible, on multidisciplinary research teams and conducted in cooperation and coordination with Federal, State and other public and private entities, including the National Fertilizer and Environmental Research Center.

Research shall emphasize whole-farm systems approaches to nutrient management practices and shall include, among other topics: nutrient management, availability,

and use efficiency, soil and tissue testing, enhancement of soil productivity, use and role of cover crops, legume management, nutrient use and water quality, subsoil fertility, and other critical areas identified by the Secretary.

The Conference substitute adopts the House provision.

The Managers note that additional water quality extension functions are authorized as a part of Chapter 3 of Title XII.

(136) Soil Conservation Service (S 1459-62)

Sections 1459 through 1462 of the Senate bill concern the activities of the SCS.

The Soil Conservation and Domestic Allotment Act (16 U.S.C. 590e) is amended to add groundwater protection to the purposes of the SCS.

The SCS, in consultation with the State experiment stations and their directors, shall: (1) review State conservation plans for compliance; and (2) create a database concerning groundwater practices included in plans.

The SCS shall develop groundwater management guidelines and include those guidelines in SCS field guides and within 6 months of enactment determine how to modify the National Resources inventory to account for groundwater information.

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(137) Research Topics (S. 1463-65; H. 1367(c))

Section 1463 of the Senate bill sets forth 7 findings, including a finding which states that research agendas need to be integrated and coordinated.

Section 1464 lists a series of research areas that shall be investigated.

Section 1465 requires States to prioritize the agriculture and groundwater research agenda for their State addressing the 15 research topics which are to be analyzed at the regional and Federal level and included in several reports.

Section 1367(c) of the House amendment establishes a series of purposes for water quality research projects.

The Conference substitute adopts the House provision with an amendment to incorporate nutrient management research into House section 1367.

(138) Data Compilation (S 1468, 1469; H 1369-71)

Sections 1468 and 1469 of the Senate bill establish a national repository at the National Agriculture Library (NAL) for data and information on ground water.

A repository of the reports developed under this subtitle and other information, including water quality planning documents, compilations of relevant Federal and State statutes, and listings of other data bases on water quality is established at the NAL.

An interactive data base is to be established at the NAL on State laws that address relationships between agricultural production and water quality and information on State programs as compiled by the State water quality coordination programs.

The Director of the NAL, together with the State water quality coordination programs and the Administrators of appropriate Departmental agencies shall develop standardized formats and procedures for data entry into the data base to facilitate access by interested parties in the States.

Sections 1369 through 1371 of the House bill concern data collection and deposit and establish similar provisions, with the following additions that the Secretary shall submit a report to Congress within 270 days of enactment on the measures necessary to develop an interactive, descriptive national data base on agricultural practices and water quality.

The Conference substitute adopts the Senate provision.

(139) Water Policy With Respect to Agrichemicals (S 1435; H 1365)

The Senate bill establishes USDA as the principal Federal agency responsible and accountable for development and delivery of educational programs, technical assistance, and research for uses of agrichemicals and consumers.

The House provision is similar with the additional requirement that the Secretary act in coordination with the Office of Environmental Quality established in Section 1612 of this bill. (Section 1365)

The House amendment lists several Federal agencies that shall participate in the Department's water program. This list closely corresponds to the membership of the Committee on Groundwater Quality established in Section 1438 of the Senate bill.

The Conference substitute adopts the House provision with an amendment to acknowledge the role of the EPA in the program.

(140) Development and Implementation of Water Policy (S. 1440)

The Senate bill provides mechanisms for development and implementation of groundwater policy by: requiring development of a USDA "Agency-Specific Groundwater Policy Statement," covering USDA capabilities, jurisdictional problems and areas for research, requiring development of a "National Agriculture Groundwater Plan," a comprehensive 5-year plan for managing USDA groundwater policy, research, and education; and requiring an annual "Groundwater Activities Report" to allow the public to follow the progress of the program. (Section 1440)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision.

(141) Experimental Water Quality Enhancement Program (H 1374-76)

The House amendment establishes a new experimental water quality enhancement program that requires the Secretary to implement, during the 1991-1995 crop years, a program to assist owners and operators affected by section 319 of the Federal Water Pollution Control Act or in other areas designated by the Secretary in order to minimize water contamination from agriculture production practices.

The Secretary shall: (1) enter into agreements with farmers and ranchers to reduce water quality problems in designated areas; (2) prepare water quality management plans for farms and ranches enrolled in this program; and (3) enter into agreements under this program with farmers and ranchers for between three and five years. The Secretary may include land outside of designated areas in the program if continuing existing management practices on that land would defeat the purpose of this program.

Participating owners and operators must: (1) implement a water quality management plan approved by the local conservation district for water quality improvement; (2) consider recommendations by the Secretary for application and disposal of nutrients, pesticides, and animal waste materials; (3) certify nutrient, pesticide, and animal waste usage rates for three previous years; (4) supply various production and well-test data to the county committee for each year of the agreement; (5) comply with terms or condition of the agreement or be ineligible for any assistance or payment specified in section 1211 or 1221 of this bill; (6) upon transfer of the land subject to the agreement, unless the transferee agrees to assume the obligations of the agreement, forfeit all rights to exceed permitted acres or reduced set aside; (7) not conduct any practice on the land that would defeat the purposes of this program; and (8) comply with additional provisions as determined by the Secretary.

Water quality management plans shall set forth the best management practices to be used.

The Secretary shall, as the Secretary determines appropriate: (1) provide reductions in set aside requirements; (2) increase permitted acreage of program crops, except quota or allotment crops; (3) allow program deficiency payments to be based upon the greater of established yield or actual yield; (4) not require structural practices as a requirement of participation in the program; (5) encourage the participant to obtain cost share assistance under Federal, State, or local programs; (6) provide operating loans to implement the water quality plan or conduct well testing; and (7) provide technical assistance to the owner or operator.

No water quality management plan shall be required under this program that requires above normal expenditures by the owner or operator unless the owner or operator approves or unless financial assistance is available. The range of farm and ranch operations included in the water quality management plan are provided.

If, during the term of the agreement under this program, the land is sold or transferred, the new owner or operator may continue the agreement, enter into a new agreement, or elect not to participate. The Secretary may modify a contract or terminate an agreement under this program.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(142) Agriculture Environmental Restoration (H. 1376a)

Section 1376A of the House amendment requires that the Secretary establish an environmental restoration program in USDA to further assess and identify any releases of hazardous substances, including groundwater contaminants, from facilities owned, operated, or formerly operated by USDA.

The Secretary shall: (1) identify each facility, including grain storage facilities; (2) consult with EPA administration and State officials and notify persons living in the vicinity of any possible contamination if found; (3) submit an annual report to Congress; and (4) prepare cost estimate and work schedule for response actions.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

Subtitle H—Pesticides

(143) Record Keeping Requirements (S 1283(a); H 1371A(a))

The Senate bill requires producers who are certified applicators to keep records of their use of restricted use pesticides for 2 years. (section 1283(a))

The House amendment requires that producers must maintain records of their use of all pesticides for agricultural production, including post-harvest treatment, or other commercial purposes for 2 years. The House amendment further requires that copies of records maintained by commercial applicators shall be provided to a person for whom the pesticide was applied within 30 days. (section 1371A(a))

The Conference substitute adopts the Senate provision requiring that records of the application of restricted use pesticides be maintained for two years but adopts a House provision that all certified applicators of such pesticides, both agricultural and nonagricultural, keep such records. The substitute also adopts the House provision requiring commercial applicators to provide application records to persons for whom an application was provided.

(144) Contents of Records (S 1283(a); H 1371A(a))

The Senate bill requires that the records required under this provision shall contain information comparable to that maintained by commercial applicators in the State in which the certified applicator resides. If the State has no such requirements, such applicators shall maintain records that contain the product name, amount, approximate date of application, and location of application of such pesticide used. (S 1283(a))

The House amendment requires that records shall contain the product name, amount and rate of application, method of application, target pest, crop, or if a non-agricultural treatment, the site treated, date and approximate time of application and its location. (H 1371A(a))

The Conference substitute adopts the Senate provision.

(145) Agency Access, and Government Information Requests (S1283(b); H 1371A(a)), (S 1283(c); H 1371A(a))

The Senate bill directs that records be made available to any Federal or State agencies that deal with pesticide use or any health or environmental issues related to the use of pesticides, upon request.

The Senate bill further restricts access to information maintained under this section from disclosure, except to employees of Federal or State agencies that deal with pesticide use or any health or environmental issues related to the use of such pesticides.

The House amendment requires information maintained as records, data compiled from records, or surveys and reports to be made available to Federal, State, or local agencies that deal with pesticide use or any health or environmental issues related to the use of pesticides.

In addition, the House amendment provides that Federal agency access to records be the responsibility of USDA or its designee. Non-Federal agency requests will be the responsibility of the agency designated by the State. Information maintained by any government agency shall be subject to public disclosure under the provision of the Freedom of Information Act (5 USC 552(a)) or similar State law except for the name and address of the individual keeping the records and the specific location of application in the records, except designation of the county of application.

The Conference substitute adopts the Senate provision with regard to records made available to Federal or State agencies and the provisions of the House amendment that provide for Federal agency access to pesticide use records to be the responsibility of the Secretary of Agriculture, or the Secretary's designee and for non-Federal agency requests for access to records maintained under this section to be the responsibility of the lead State agency so designated by the State. In addition, the substitute provides that each Federal agency shall conduct surveys and record the data from individual applicators to facilitate statistical analysis for environmental and agronomic purposes, but in no case may a government agency release data, including the location from which the data was derived, that could directly or indirectly reveal the identity of individual producers.

The Managers intend that access to records maintained by certified applicators in accordance with this section be managed in a manner that will minimize the burden which is placed upon individual producers. In order to do so, the Managers have adopted language that would make Federal agency access to individual applicator or producer records the responsibility of the Department of Agriculture or its designee. In this way, USDA personnel or the personnel of the agency designated by the Secretary, would be the only Federal agency that need contact individual producers. However, the records obtained in this manner would be made available through USDA or the designated lead agency, to other Federal agencies for use in statistical analysis and for other purposes. Similarly, a single State lead agency would be identified to contact producers to obtain records on behalf of other state agencies. Both the Federal and State lead agency would be expected to respond to the requests of other agencies for access to such records and data in a timely and complete manner.

(146) Health Care (S 1284(c); H 1371A(c))

The Senate bill provides that, upon the request of any medical personnel, a producer shall provide the name of the product and any associated label information for any pesticide for which records are maintained so that emergency treatment may be provided to an individual who may have been exposed to the pesticide.

The House amendment establishes that persons covered by this section shall provide records and available label information to a health professional who requests information because it is needed to provide medical treatment or first aid to a person who may have been exposed to a pesticide. Information must be provided promptly, or immediately in the case of an emergency.

The Conference substitute adopts the House provision.

(147) Employee Information (H 1371A(d))

The House amendment requires that, upon request, persons covered by this section shall provide records on a pesticide to an employee who may have been exposed.

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(148) Penalty (S 1283(d); H 1371A(e))

The Senate bill provides that the Secretary of Agriculture shall notify the Administrator of the EPA of producers not in compliance with this section. The Administrator may revoke the certification of such producers or shall make them ineligible for certification for such length of time as the Administrator deems appropriate.

The House amendment requires that persons who fail to comply with this section shall be subject to a fine in an amount up to $500 for the first offense, and not less than $1000 for each subsequent offense, except in the case of a good faith effort to comply.

The Conference substitute adopts the House provision.

(149) Surveys and Reports (S 1283(f); H 1371A(g))

The Senate bill requires the Secretary of Agriculture, in consultation with the Administrator of EPA, to develop and maintain a database comprised of pesticide usage information in order to publish periodic reports concerning agricultural and nonagricultural use. Reports shall provide aggregated data only in order to protect the identity of individual applicators.

The House amendment directs the Secretary of Agriculture and the Administrator of EPA to survey records maintained under this section in order to develop and maintain a data base and publish annual reports. A memorandum of understanding shall define the respective duties of each agency.

The Conference substitute adopts the House provision.

(150) Federal or State Law (S 1283(e); H 1371A(f))

The Senate bill provides that the provision of other State or Federal laws shall not be affected by this section.

The House amendment is the same as the Senate provision.

The Conference substitute adopts the House provision.

(151) Regulations (H1371A(h))

The House amendment requires that regulations implementing this section shall be promulgated with 180 days.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(152) Amend FIFRA (S 1283(g))

The Senate bill amends Section 11(d) of FIFRA to permit the Secretary to require private applicators of pesticides to maintain records of the purchase and use of any restricted use pesticide.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(153) Minor Use Pesticides (S 1781, 1782, 1783, 1784)

The Senate bill provides that, in registering a pesticide for a minor agricultural use, it is not necessary to submit field residue data from geographic areas where the pesticide will not be used. The Administrator of EPA is allowed to reduce or waive a fee for a re-registration of a pesticide for a minor agricultural use if the loss of the registration will significantly reduce the availability of the pesticide for the use, as long as the pesticide does not pose a risk to the environment. The bill provides for a 30-day public comment period prior to the cancellation of one or more uses of a pesticide under a notice of voluntary cancellation. If the registration is for a minor use, and the loss of the registration would affect the availability of the pesticide for use, 90 days must be allowed from publication in the Register before a decision is made on the cancellation, as long as the continued use of the pesticide does not pose an unreasonable risk to the environment. A procedure is set up to allow for the transfer of registration of pesticide which may be voluntarily cancelled if all conditions set by the Administrator are met, and the pesticide does not pose an unreasonable risk to the environment. If a

transfer is granted, the new registrant shall assume all outstanding data and other requirements pending. (Section 1781, 1782, and 1783)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

The Senate bill expands current USDA efforts to identify pests and methods, both chemical and nonchemical, in which to control pests specifically for minor use crops. The Secretary is required to report within 180 days, and annually thereafter, on these activities. The Administrator, in cooperation with the Secretary, is required to develop pest control approaches for minor agricultural uses based on integrated pest management. (Section 1784)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to require that information compiled in the pest and disease control data base established in Section 1651 of the Act be included in the contents of the report.

(154) IR-4 Program (S 1786, 1787)

The Senate bill provides findings in support of an expanded IR-4 program. (Section 1786)

The House amendment contains no comparable provision.

The Conference agreement deletes the Senate provision.

The Senate bill requires the Secretary to assist in the collection of residue and efficacy data in order to facilitate pesticide registrations and tolerances for minor agricultural uses. In this program, the Secretary shall cooperate with other agencies, private industry and interested parties; give priority to registrations, re-registrations and tolerances for food use crops; participate in research to reduce pesticide residues in minor use crops; develop residue analytical methods for minor use crops; and coordinate with EPA on biological and alternative methods of pest control.

The Secretary shall submit an annual report on data collection issues, plans, and research conducted for registrations, re-registrations or tolerances under this authority. The Secretary shall also review and report on the recoupment of costs of developing data under this program for those registrants who make a profit subsequent to a registration, re-registration or tolerance established with the data.

The authorization for appropriations is increased to $25 million for 1991, and such sums as necessary thereafter. (Section 1787)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(155) Biological Pesticide Handling (S 1773)

The Senate bill requires the National Academy of Sciences to conduct a study of biological control programs and registration procedures of the Food and Drug Administration, U.S. Department of Agriculture Animal and Plant Health Inspection Service and the EPA. Following the study, these agencies must develop and implement a common process for review and approval of biological control applications based on its findings and recommendations. (Section 1773)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(156) Agricultural Chemical Containers—Collection and Recycling (S 1772; H 1381)

The Senate bill authorizes the Administrator of EPA to promulgate standards for a national agriculture chemicals plastic container collection and recycling program. The standards will include options to landfills; that are environmentally and economically sound; be coordinated with state, county and regional entities; not be overly burdensome on small businesses and retail dealers; and not affect authorities under the Solid Waste Disposal Act and FIFRA.

The Administrator shall conduct a study to assess the feasibility of the standards. The study will include a review of the regulation, transportation, and funding of the program. $1.5 million is authorized for these activities. (Section 1772)

The House amendment authorizes the Secretary of Agriculture to direct the Extension Service to operate a program in each State to catalogue the Federal, State, and local laws and regulations which govern the disposal of unused or unwanted agricultural chemicals and agricultural chemical containers in such State. The program established under this section shall also make available to producers of agricultural commodities and the general public, educational materials developed or collected by the program. (Section 1381)

The Conference agreement deletes both provisions.

(157) Agricultural Pest Control (S 1771; H 1379, H 1380, H 1347)

The Senate bill requires the Secretary of Agriculture to establish a national program to compile a database on chemical and nonchemical pest control methods used in commercial agriculture. This information will be provided to the Administrator of EPA for benefit assessments of pesticides. The data shall be collected through state surveys in cooperation with the national program. The Secretary may provide grants and reimbursements to States for data collections. (Section 1771)

The House amendment establishes a Pesticide Impact Response Program to collect and analyze information by the Department of Agriculture and States on pesticide use in agricultural activities; and the impact of FIFRA pesticide regulations on the agricultural economy, including the impact on production and prices of agricultural commodities and retail food. A Board of Pesticide Assessments, consisting of representatives of appropriate federal agencies, is to be appointed to provide advice on the policies, priorities, projects and operations of the program.

The Director of the Program is instructed to: (1) work with the Administrator to assure that pesticide assessments developed under the program are suitable to the needs and requirements of the Administrator, and that they are of sufficient quality to be publishable works of research, and released in a timely manner with respect to proposed EPA regulations; (2) work with EPA developing benefits and use data regarding the pesticide and information on exposure; (3) establish data collection priorities to satisfy any requirements or priorities relevant to the program; and (4) consult with EPA to anticipate actions that may entail the cancellation, restriction, or reclassification of pesticides.

Within one year of enactment of this Act, the Director is required to prepare a five-year planning report on the priorities of the program (including the priorities established by the Director), which is to be updated for each five-year period thereafter.

The Secretary is authorized to collect data of statewide significance on the use of pesticides to control pests and diseases of major crops and crops of dietary significance. Such data shall be collected by surveys of farmers or from other sources offering statistically reliable data. This information shall be submitted to the Director of the Pesticide Impact Response Program; and made available to the public through the National Agricultural Library and other sources as appropriate. (Sections 1379 and 1380)

The Conference agreement deletes both provisions.

(158) Policy With Respect to Agrichemicals

The Senate bill stated that the Department of Agriculture should be the principal Federal agency for delivery of educational programs to users of agrichemicals and consumers. (Section 1435)

The House amendment stated that the Department of Agriculture would play the same role as in the Senate provision, except that no provision was made for the delivery of such information to consumers. (Section 1365)

The Conference substitute adopts the House provision with an amendment stating that this statement of responsibility does not alter or affect the responsibilities of the Environmental Protection Agency under FIFRA. (Section 1499).

(159) USDA Offices on Indian Lands

The Senate bill establishes a demonstration project for 12 reservations or areas under tribal authority is established. In such areas, ASCS, SCS and FmHA offices are to be established for carrying out USDA activities specifically for the Indian population. On other Indian lands, USDA to provide services for at least 1 day per week, or more as needed. A study of the demonstration project is required within 3 years of enactment.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment limiting the provision to requiring the Secretary to provide services at least 1 day a week on the appropriate reservations, as determined by the Secretary. The entire provision is moved into the Miscellaneous title of this Act.

(160) Report Concerning International CRP

The Senate bill directs the Secretary to conduct a study within 1 year of enactment on the feasibility of creating an international highly erodible land protection policy whereby participating countries would agree to keep virgin HEL out of production and return some HEL in crops now to a conservation reserve with adequate conservation protection.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(161) A National Ground Water and Wetlands Protection Strategy (S 1291)

The Senate bill establishes a Sense of Congress that states the upcoming reauthorization of the Clean Water Act shall prevent wetlands loss and ground water contamination, and that Congress should provide for consistent and understandable wetland regulations and in general strengthen the Nation's ground water and wetlands protection laws.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(162) Natural Resource Loan Program

The House amendment directs the Secretary to establish a natural resources loan program to encourage the alleviation of natural resource conservation problems that reduce the productive capacity of the Nation's land and water resources or that cause degradation of environmental quality.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(163) Soil and Water Activities

The House amendment establishes that an additional purpose of the Secretary is to aid in protecting and improving the quality of water. The Secretary shall, when reviewing conservation plans for compliance certification, determine the impact that such plans may have on agriculture and water quality planning and to complete this determination by January 1, 2000. The Secretary, through the Chief of the Soil Conservation Service, shall determine within six months after the date of the enactment of this Act whether the natural resources inventory can be modified to acquire useful information on water conditions and surface conditions that affect water quality and supply.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(164) Cost Sharing for Soil Enhancement

The House amendment expands the authority of the Secretary to provide financial assistance to agricultural producers for carrying out other measures that enhance soil fertility and physical characteristics of the soil.

The amendment also provides that the Secretary may enter into agreements with producers on farms to provide 50 percent cost-sharing assistance for the costs of establishing short-term stands of soil-building legumes and legume-grass mixtures on harvested or reduced acres when applying a resource-conserving crop rotation, except when planted on acres on which farm program payments are received. Various terms are defined. Producers are not ineligible for this assistance solely because they plant on land eroding at rates less than the tolerable rate, and authorizes assistance to be denied if the presence of soil nitrates resulting from the planting of the legume will result in excessive leaching of nitrates into groundwater. Herbicide purchases and applications shall be ineligible for assistance under this subsection.

The Senate bill has no comparable provision.

The Conference substitute adopts the House amendment.

(165) Outreach to Socially Disadvantaged Farmers

The Senate bill directs the Secretary to provide outreach and technical assistance to farmers meeting the socially disadvantaged criteria described in section 8(a)(5) of the Small Business Act (15 U.S.C. 637(a)(5)). Such assistance is to help such persons participate in all of the programs established under this title. This assistance may include grants and work with the 1890 colleges. The Director of the Office of Advocacy and Enterprise of the Small Business Administration is to prepare a report for Congress on the rate of minority participation in each program established under this title.

The House amendment has no comparable provision.

The Conference substitute the Senate provision. The Managers note that the minority farmers provisions in the Miscellaneous title of this Act establishes minority outreach and assistance similar to that provided in this section of the Senate bill.

TITLE XV—AGRICULTURAL TRADE

Subtitle A—Agricultural trade development and assistance act of 1954

(1) Amendments

The Senate bill amends the Agricultural Trade Development and Assistance Act of 1954 (commonly referred to as P.L. 480) by replacing it with new text. (Section numbers below referencing the Senate bill and the conference substitute refer to the sections of that Act as amended.)

The House amendment amends various provisions of the Agricultural Trade Development and Assistance Act of 1954.

The conference substitute adopts the Senate position.

(2) Short title

The Senate bill provides that the short title is "The Agricultural Development and Trade Act of 1990". [Section 1101]

The House amendment does not provide a short title for the title but provides that subtitle A of title XII, which amends various provisions of the Agricultural Trade Development and Assistance Act of 1954, may be cited as the "Mickey Leland Food for Peace Act". [Section 1201]

The conference substitute provides that the short title for Title XV of this Act is the "Agricultural Development and Trade Act of 1990" and that the short title of subtitle A is the "Mickey Leland Food for Peace Act". [Sections 1511 and 1501]

(3) Policy

The Senate bill provides that:

It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of such productivity to—

(1) combat world hunger, malnutrition and their causes;

(2) promote broad-based and sustainable economic development;

(3) expand international trade;

(4) develop and expand export markets for U.S. agricultural commodities;

(5) encourage the development of private enterprise and democratic participation; and

(6) use foreign currencies accruing under this Act to implement the policy objectives described in this section. [Section 2]

The House amendment is the same as the Senate provision except that it does not include subsection (6) concerning use of local currencies. [Section 1204]

The conference substitute adopts the House provision. [Section 2]

(4) Global food aid needs

The Senate bill states that pursuant to the principal findings of the National Academy of Sciences, doubling food aid above present levels of about 10 million tons per year would be necessary to meet projected global food needs throughout the 1990s, and that the President should increase U.S. food contributions and encourage other donor or advanced countries to do likewise. [Section 3]

The House amendment is similar to the Senate provision. [Section 1205]

The conference substitute adopts the Senate provision with an amendment specifying "1990" instead of "present" food aid levels. [Section 3]

(5) Human rights

The Senate bill prohibits assistance under this Act to countries which engage in a consistent pattern of human rights abuse, with a waiver if food assistance is provided to the most needy people in a country and is made available through non-governmental channels. [Section 102]

The House amendment makes technical changes to current law. [Section 1208(j)]

The conference substitute adopts the Senate provision. [Section 403(j)]

(6) Delegation of authorities

The Senate bill directs the President to carry out, through the Agency for International Development, a program of grant food assistance to least developed countries, and through the Secretary of Agriculture, to offer agricultural commodities for sale on credit to developing countries. [Section 101]

The House amendment directs the President to designate the Secretary of Agriculture as the official with primary responsibility for administering the concessional sales program and to designate the Administrator of the Agency for International Development as the official with primary responsibility for administering grant assistance programs under title II and title III. [Section 1209(n)]

The conference substitute requires the President: (1) to establish a concessional credit sales program under title I, which shall be implemented by the Secretary of Agriculture [section 101]; (2) to establish a donation program through governments and public and private agencies under title II, which shall be implemented by the Administrator of the Agency for International Development (AID) [section 201] and (3) to establish a program for donations to least developed countries under title III, which shall be implemented by the AID Administrator. [Section 301]

It is the intent of the Managers to provide clear lines of authority to the Secretary for the title I concessional sales program and to the Administrator for the title II and III grant programs and to reduce the amount of interagency involvement in operational decisions which occur after country-level allocations of food aid are made. By fixing responsibility—making sure that someone is in charge—the Managers intend to enhance program focus, effectiveness and responsibility.

(7) Eligible countries

The Senate bill defines a "least developed country" eligible to participate in the grant program as one which meets poverty criteria as set forth in the World Bank Civil Works Preference list, or that the Administrator determines (using the best available information) is a food deficit country characterized by high levels of malnutrition among significant numbers of its population. including, a daily per capita calorie consumption of less than 2300 calories. an under-five child mortality rate in excess of 100 per 1000 births; and an inability to meet its food security requirements through domestic production or imports due to a shortage of foreign exchange earnings. [Section 102 (a) and (c)]

The House amendment is similar to the Senate provision, except that the President is required to take into account whether the country meets the calorie, under-five mor-

tality rate and food security requirements in determining whether a country is a food deficit country. [Section 1208]

The conference substitute requires the Administrator to determine that a country meets the calorie, under-five mortality rate and food security requirements to be found in a food deficit country.

In dropping the reference to "best available information" in the Senate bill, the conference managers recognize that because calorie and child mortality data may be inaccurate, out of date, or unavailable, the Administrator may be required to use his judgement and the judgement of experts in determining that a country meets the criteria. [Section 302]

(8) Allocation priority for bilateral grant program

The Senate bill provides that in the allocation of grant assistance the Administrator is to give priority to least developed countries that demonstrate the greatest need for food, have a capacity to use food assistance effectively, and are willing to adopt policies to promote food security, including policies to reduce hunger and nutrition. [Section 103(b)(2)]

The House amendment is the same as the Senate provision, with the addition of language directing that priority also be given to countries that have a long-term plan for broad-based, equitable, and sustainable development. [Section 1208]

The conference substitute adopts the House provision. [Section 302(c)]

(9) Multi-year agreements

The Senate bill mandates, subject to a waiver, that the Administrator or the Secretary shall enter into multi-year agreements to make agricultural commodities available to eligible countries. Multi-year agreements must include a number of specified terms, including plans for encouraging private sector participation in agricultural distribution, and a statement of how commodities will be integrated into the overall development plans of a country. [Sections 103, 108, and 202]

The House amendment provides that agricultural commodities provided under this Act be made available on a multi-year basis, subject to the availability of commodities and funding, unless: (1) a country's past performance does not warrant a multi-year agreement; (2) it is anticipated that the need of a country for assistance does not extend beyond one year; or (3) other circumstances indicate there is only a need for a one-year agreement. [Section 1209(j)]

The conference substitute provides that agreements under this Act shall be on a multi-year basis, unless the past performance of a country is not satisfactory, a country's anticipated food needs do not justify a multi-year agreement, or other circumstances indicate a need for only a one year agreement. The managers intend that other circumstances may include a recipient country's desire for a one-year agreement.

In addition, the substitute provides that agreements include: an estimate of annual value or volume of commodities proposed to be available to a country or organization; and a statement that such agreement is subject to the availability of funds and commodities each fiscal year. For title I and III agreements, a statement is also required concerning how the commodities provided or the revenues generated by their sale will be integrated into a country's overall development plans; and how private sector participation in storage, marketing, transportation and distribution will be encouraged. Authority is also provided to terminate, or refuse to enter into, a multi-year agreement if the country is not fulfilling the objectives or requirements of the Act.

The conference substitute also provides that before entering into title I or title III agreements, consideration shall be given to the extent to which the recipient country is undertaking measures for economic development purposes in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development. [Section 404]

(10) Transportation

The Senate bill requires the AID Administrator to transfer, arrange for transportation, and take other steps necessary to make commodities available to recipient countries under the government-to-government grant program. It mandates that only the Administrator may serve as purchasing or shipping agent, permits the Administrator to establish reasonable fees for such services, and permits the Administrator to award contracts for establishing freight agents to handle shipping for this section. [section 103(d)(1) & (2)]. It also requires the importing country to acquire commodities made available under the concessional sales program, requires the Secretary or the Commodity Credit Corporation to serve as the purchasing or shipping agent for the importing country, permits the Secretary or the CCC to establish reasonable fees for such services, and permits the Secretary or the CCC to award contracts for freight agents to act on their behalf. [Section 107(c) and 206(b)]

The Senate bill requires that the procurement of commodities and ocean transportation for concessional sales be on the basis of publicly advertised open bids. Commissions to selling agents or agents of purchasers or grantees are prohibited; all commissions or fees paid by the supplier of an agricultural commodity or of ocean transportation to any representative of an importer or importing country must be reported to USDA and USDA must provide an annual report to Congress; failure of a supplier to file a report or the filing of a false report will result in 5 years ineligibility; freight agents hired under this Act may not represent any supplier of commodities, freight or ancillary services or any foreign government while under contract with the U.S. government. [Section 110]

The House amendment retains current law providing the Commodity Credit Corporation discretionary authority to serve as purchasing or shipping agent.

It also sets out requirements for avoidance of conflict of interest by prohibiting a person from being an agent or other representative of the U.S. government, an importer, or an importing country during a fiscal year in which he acts as agent or other representative of a person engaged in providing ocean transportation or transportation related services; requires full and open competition for purchase of commodities and ocean transportation; and provides that the President may determine an appropriate ceiling for fees and commissions. [Section 1209(f)]

The House amendment maintains current law with regard to prohibitions on payment of commissions and changes the penalty for failure to report to not more than 5 years.

The conference substitute provides that the importing country shall acquire commodities under title I and the Administrator shall make commodities available under titles II and III. It modifies current law giving the Secretary or the CCC discretionary authority to serve as shipping agent for title I transactions. It adopts the House provision with regard to open bidding procedures and prohibitions on commissions. Also, see paragraph T-39 of this report for discussion of related conflict of interest provisions. [Section 407]

(11) Timing of shipments

The Senate bill requires the Administrator or the Secretary to consider time of harvest of any competing commodities in the recipient country and any other concerns determined appropriate in making determinations concerning the timing of transportation of commodities. [Sections 103(d)(3) and 107(d)]

The House amendment requires the President to consider the time of harvest of any competing commodities in the recipient country. [Section 1209(a)]

The conference substitute combines the Senate provisions in a single section. [Section 407(d)]

(12) Deadline for agreements

The Senate bill provides that, to the maximum extent practicable, agreements shall be entered into not later than November 30 of the year in which commodities are to be shipped. [Section 103(e)]

The House amendment provides a similar requirement, applicable to sales and grants, and provides an alternative deadline of 60 days after enactment of the Rural Development, Agriculture and Related Agencies Appropriations Act, if this date is later. [Section 1206(k)]

The conference substitute adopts the House provision. [Section 407(e)]

(13) Uses of donated commodities/local currency accounts

The Senate bill provides that donated agricultural commodities may be used: (1) for direct feeding programs, development of emergency food reserves, or distributed through normal commercial channels; or (2) sold by the recipient country or by the Administrator and the proceeds of such sale deposited in a separate account, which may be owned by the recipient country or by AID, and distributed in accordance with a local currency use agreement. Local currencies are to be used for economic development purposes, and a list of suggested uses is provided. [Sections 104 and 105]

The House amendment provides that donated commodities may be used: (1) for direct feeding programs, including child survival programs, or for the development of emergency food reserves; or (2) sold by the recipient country or the President, and the proceeds used for specific economic development purposes. Local currencies are to be deposited in a separate account, which may be owned by the recipient country or the United States. The requirement for a special account may be waived if the proceeds are to be used to promote policy reforms and if the President determines that there will be adequate accounting for the currencies. A list of suggested economic development purposes is provided. [Section 1208 (d), (e), and (f)]

The conference substitute provides that, to the extent determined appropriate by the Administrator, local currency proceeds shall be deposited in a separate account and disbursed in accordance with local currency agreements. To the extent that local currencies are to be used under section 306(a) for

specific economic development purposes, the Administrator may determine that such proceeds need not be deposited into a separate account if amounts equivalent to such proceeds will be programmed for such purposes. [Section 305]

(14) Use of local currency proceeds of grant program

The Senate bill provides that local currencies generated from sales of donated commodities be used in the recipient country for economic development purposes, including a list of general categories of suggested purposes. It also provides that not less than 10 percent of local currencies in a separate account should be used to support indigenous PVOs. [Section 106]

The House amendment also provides that local currency proceeds from sales of donated commodities be used for specific economic development purposes, and includes a more detailed list of suggested purposes. It also provides that not less than 10 percent of the proceeds generated from the sales of donated commodities be used to support indigenous PVOs; directs the President to ensure that members of the Foreign Agricultural Service (FAS) are consulted regarding the uses of local currency in a country to which they are assigned; allows nongovernmental organizations to invest local currencies received and to use the interest that accrues for the purpose for which the assistance was provided to that organization without further congressional appropriation; and permits the use of local currencies in the recipient country in which they are generated to support educational institutions if those currencies are not needed for other economic development purposes. [Section 1208(f)]

The conference substitute adopts the House list of proposed economic development purposes, the Senate earmark for indigenous PVOs, the House provision on PVO investment of local currencies, and the House provision for support for educational institutions. In deleting the House provision for consultation with the Foreign Agricultural Service in the use of local currencies, the managers intend that to the extent possible such consultation should occur in order to take advantage of the knowledge of FAS representatives of agricultural development and private sector activities in such developing countries. [Section 306]

(15) Priorities for the concessional credit program

The Senate bill provides that priority under the concessional sales program is to be given to countries that demonstrate the greatest need for food; that are listed on the priority list established by the Secretary under title III of the Agricultural Trade Act of 1978; and that have the demonstrated potential to become commercial markets for competitively priced U.S. commodities. [Section 107 (a) and (b)]

The House amendment provides that priority under the concessional credit sales program is to be given to countries that demonstrate the greatest need for food and have the demonstrated potential to become commercial markets for competitively priced U.S. commodities. [Section 1206 (a) and (c)]

The conference substitute adopts the House provision. [Section 102(b)]

(16) Terms and conditions of sales

The Senate bill provides that loan repayments be made in dollars, except when the Secretary exercises his discretionary authority to permit a recipient country to make payments in local currencies, which may be used by the United States for certain specified activities. Concessional loan rates are to be determined by the Secretary, and the term of the loan is to be 10 to 20 years, and payments may be deferred for up to 7 years. [Section 108(a) through (d)]

The House amendment is similar to the Senate provision, except that a ceiling of 50 percent of the cost of borrowing to the United States at the time an agreement is entered into is placed on the allowable interest rate, the payment period may extend up to 40 years, and payments may be deferred for up to 2 years.

The House amendment also provides that agreements for concessional sales may include requirements for the programming of local currencies generated by the sale of the commodities in the recipient country. [Section 1206(e)]

The conference substitute provides for concessional loan rates and the grace period on repayment as defined in the Senate bill and establishes a repayment period of between 10 and 30 years. The conference managers expect that, in the case of sales for local currencies, repayment obligations may need to be stated in terms of dollars payable in local currencies at the exchange rate applicable at the time of each payment. The conference substitute does not contain a requirement for the programming of local currencies generated by the sale of the commodities in the recipient country. [Section 103]

(17) Delivery

The Senate bill provides that delivery of commodities for concessional sale shall be in accordance with the terms of the agreements and subject to the availability of commodities at the time delivery is to be made, as determined by the Secretary. [Section 108(f)]

The House amendment retains current law, providing that delivery must be within 10 years following the date of agreement and subject to the availability of commodities at the time of delivery. [Section 1206(d)]

The conference substitute provides that delivery of commodities for concessional sale shall be made in accordance with the terms of the agreement. [Section 103(e)]

(18) Self-help requirements

The House amendment requires that a proposed recipient country, to be eligible to enter into a concessional sales or grant food assistance agreement, must undertake self-help measures for economic development in order to improve food security and agricultural development, alleviate poverty, and promote broad-based, equitable, and sustainable development. [Section 1206(h)]

The Senate bill does not require "self-help" provisions as part of concessional sales or grant food assistance programs. It does, however, require (in section 103 (c) and 108 (e)) that the grant and loan agreements include a statement of the manner in which the food aid commodities or the revenues received for such commodities will be integrated into the development plans of the recipient country and a plan to encourage competitive private sector participation in the storage, marketing, transportation and distribution of the food aid commodities. In addition, grant agreements must also include a plan for the intended use of the proceeds generated from the sale within the country of the agricultural commodities provided under the agreement.

The conference substitute deletes the House provision. It does, however, include requirements in section 404 regarding integration of assistance into a recipient country's overall development plans and encouragement of competitive private sector participation in the handling of food aid commodities from the Senate bill.

(19) Uses of local currency repayments under concessional sales

The Senate bill authorizes the Secretary to permit repayment of concessional sales in local currencies, which shall be used for one or more of the following activities: trade development; agricultural business development loans; agricultural facilities loans; trade promotion; recipient country private sector agricultural trade development; research; and payments of U.S. obligations. Any U.S. government department or agency other than the Department of Agriculture using these currencies for an appropriated purpose must reimburse the Commodity Credit Corporation in a dollar equivalent amount. [Section 109]

The House amendment provides that in addition to the purposes specified in the Senate provision, local currency repayments may also be used for: agricultural development, acquisition of buildings for U.S. government use, acquisition of materials for libraries, scientific activities, and pest control programs. An appropriation is required for all these additional purposes except agricultural development. If the President determines that these local currencies are not needed for any of the listed activities, they may be used to support certain educational institutions. [Section 1206(c)]

The conference substitute provides that local currency repayments may be used for: trade development; agricultural development; agricultural business development loans, agricultural facilities loans; trade promotion; private sector agricultural trade development; research; and payment of U.S. obligations. The conference substitute exempts from the appropriation requirement local currencies used for any of these purposes except for payment of U.S. obligations. The conference managers intend that this exemption from the appropriation requirement will apply to use of these local currencies by the Agency for International Development for agricultural development and other activities relating to AID programs in developing countries. [Section 104]

(20) Value-added foods

The Senate bill provides that countries which are or have been recipients of value-added foods under title II should continue to receive assistance to combat hunger through the continued provision of such foods under the concessional sales program. It permits the Secretary to waive repayment for the value-added portion of the cost of commodities for countries which provide assurances and have a reasonable potential for transferring the benefits of such waiver to commercial purchases and individual recipients of such foods. [Section 111]

The House amendment retains current law, which is similar to the Senate provision except that the waiver may be made for countries which have a reasonable potential for transition to commercial purchase of such foods.

The conference substitute adopts the Senate provision. [Section 105]

(21) Use of Commodity Credit Corporation

The Senate bill requires that the Commodity Credit Corporation acquire or otherwise make available to the Administrator agricultural commodities as are determined

under section 401 to be available, to carry out bilateral grant programs and title II programs, and that the CCC may finance the sale and export of agricultural commodities, from private or CCC stocks, as are determined under section 401 to be available, to carry out concessional sales programs. It also permits the CCC to make commodities available for concessional sales on a cost and freight basis, and gives the CCC authority, with respect to bilateral grant and title II programs, to pay for the cost of acquiring commodities; the costs of packaging and enrichment; the costs of handling commodities to delivery at U.S. ports; ocean freight charges from U.S. ports to designated ports of entry abroad; and costs of transporting commodities from U.S. ports to designated points of entry abroad in the case of landlocked countries, closed ports, unavailability of carriers to specific countries, or cost or time savings which may be realized from using points of entry other than ports. [Sections 112 and 206]

The House bill retains CCC authorities in current law, and provides that the CCC subject to the approval of the Secretary, shall acquire commodities for grant programs under title II and title III. The Administrator may acquire commodities, as determined to be available under section 401, if commodities are not available through the CCC. [Section 1209(f]

The conference substitute provides that the CCC shall acquire and make available such commodities (as determined available under section 401 docket authorities) as necessary to carry out agreements under this Act. It amends the Senate provision regarding included expenses to permit such payments under all titles of this Act. [Section 406]

(22) Limitation on expenditures

The Senate bill provides that the total value of agreements for concessional sales and government to government grants not exceed $1.9 billion in any fiscal year. [Section 112(d)]

The House amendment repeals the ceiling on total fiscal year costs of concessional sales and government to government grant programs. [Section 1206(i)]

The conference substitute adopts the House position.

(23) Regulations

The Senate bill states that the Secretary or the Administrator, as appropriate, shall promulgate regulations implementing the concessional sales and government to government grant program. [Section 113]

The House amendment does not contain a comparable provision.

The conference substitute deletes the Senate provision.

(24) Purposes of title II assistance

The Senate bill provides general authority to carry out programs under title II to:

(1) address famine;

(2) combat malnutrition, especially in children and mothers;

(3) carry out activities that attempt to alleviate the causes of hunger, mortality and morbidity;

(4) promote economic and community development; and

(5) promote sound environmental practices. [Section 201]

The House amendment retains section 201 of current law, and makes that authority available notwithstanding provisions of any other law. Current law establishes a title II program to address famine; to combat malnutrition; to promote economic and community development; and for needy persons and nonprofit school lunch and preschool feeding programs outside the United States. [Section 1207(a)]

The conference substitute adopts the Senate provision, with the addition of specific reference to feeding programs. [Section 201]

(25) Provision of agricultural commodities

The Senate bill authorizes the Administrator to provide agricultural commodities to meet emergency food needs through governments and public or private agencies, including intergovernmental organizations such as the World Food Program and other multilateral organizations. Non-emergency assistance may be provided through private voluntary organizations (PVOs) and intergovernmental organizations such as the World Food Program (WFP). [Section 202]

The House amendment amends current law, which is similar to the authorities provided in the Senate bill, to provide authority to distribute food aid through "private" (rather than nonprofit) voluntary organizations, and to governments rather than "friendly" governments. [Section 1207(b)]

The conference substitute adopts the Senate provision, with an amendment providing that emergency assistance may be provided notwithstanding the provisions of any other act. [Section 202 (a) and (b)]

(26) Support for PVOs and cooperatives

The Senate bill provides that not less than 2 percent of title II funds shall be made available to U.S. PVOs or cooperatives to assist them in expanding and establishing new title II programs and meeting administrative, management, personnel and internal transportation and distribution costs. The request for such funds shall include specific explanation of (1) the program costs to be offset by such funds; (2) the reason why such funds are needed to carry out the particular program; and (3) the degree to which such funds will improve the provision of food assistance to countries (particularly those in sub-Saharan Africa) suffering from acute long-term food shortages. [Section 202(f)]

The House amendment is similar to the Senate provision. Funding is defined as not less than $10 million and not more than $13.5 million of amounts available under title II for PVOs and cooperatives. The President must approve each request for funds. [Section 1207(d)]

The conference substitute adopts the House provision. It is the intent of the Managers that such funds be requested as part of the provided multiyear operational plan or amendment thereto. [Section 202(e)]

(27) Effective use of commodities

The Senate bill provides that to ensure that agricultural commodities made available under Title II are used effectively and in the areas of greatest need organizations or cooperatives through which such commodities are distributed shall—

(1) to the extent feasible, work with indigenous institutions and employ indigenous workers;

(2) assess and take into account nutritional and other needs of beneficiary groups;

(3) help such beneficiary groups design and carry out mutually acceptable projects;

(4) recommend to the Administrator methods of making assistance available that are the most appropriate for each local setting;

(5) supervise the distribution of commodities provided and the implementation of programs carried out under this title; and

(6) periodically evaluate the effectiveness of projects undertaken under this title. [Section 202(g)]

The House amendment retains current law, which provides that priority be given to the poorest regions of countries, and directs implementing organizations, to the extent feasible, to work with indigenous institutions and employ indigenous workers; to help beneficiary groups design and carry out mutually acceptable projects; to give priority to those suffering from malnutrition; to supervise food distribution and implementation of programs; and to give consideration to nutritional and development objectives in light of an assessment of recipients' needs.

The conference substitute adopts the Senate provision. [Section 202(f)]

(28) Priority for U.S. PVOs and cooperatives

The Senate bill provides that in carrying out Title II, the Administrator shall give priority to U.S. PVOs or cooperatives. [Section 202(h)]

The House amendment provides no comparable provision.

The conference substitute deletes the Senate provision.

(29) Labeling

The Senate bill provides that, to the extent practicable, Title II commodities are to be clearly identified as being furnished by the United States. [Section 202(i)]

The House amendment retains current law, which provides that to the extent practicable, commodities are to be clearly identified, in the language of the locality in which they are distributed, as being furnished by the United States.

The conference substitute adopts the House provision. [Section 202(g)]

(30) Value-added commodities

The Senate bill requires that 75 percent of the sub-minimum be made available as processed or fortified products or bagged commodities, defining those products to include processed milk, plant protein products, and fruit, nut, and vegetable products, and gives the Administrator the authority to waive this requirement upon determination that the programs under this title will not be best served by the enforcement of these requirements. [Section 204(b)]

The House amendment is similar to the Senate provision. It retains current law with regard to the 75 percent earmark, with an amendment clarifying the waiver language. Current law also requires the President to consider the nutritional assistance to recipients and benefits to the United States from distributing value-added commodities; the nutritional needs of proposed recipients; and cost effectiveness of providing such commodities, and the purposes of title II in ensuring that at least 75 percent of title II commodities distributed be value-added commodities. [Section 1207(a)]

The conference substitute adopts the Senate provision. [Section 204(b)]

(31) Food Aid Consultative Group

The Senate bill establishes a Food Aid Consultative Group to review the effectiveness of regulations and implementation of Title II generally. The Group is to be composed of the AID Administrator, the USDA Under Secretary for International Affairs and Commodity Programs, the AID Inspector General, a representative of each participating PVO and cooperative, and one representative each from African, Asian, and Latin American non-governmental organizations determined appropriate by the Ad-

ministrator. The Administrator is required, in preparing regulations, handbooks, or guidelines implementing Title II, to provide them to the Group for review and comment. The Group is exempted from application of the Federal Advisory Committee Act. [Section 205]

The House amendment is similar to the Senate provision. It requires that authority for the Group terminate on December 31, 1995, includes as members the Administrators of the Foreign Agricultural Service and the Agricultural Stabilization and Conservation Service, and representatives from developing country NGOs, as determined appropriate by the President. The Group is not exempted from the Federal Advisory Committee Act. [Section 1207(f)]

The conference substitute adopts the Senate provision with regard to membership of the Food Aid Advisory Group and the exemption from application of the Federal Advisory Committee Act, except that it adopts the House language with regard to representation of developing country NGOs. The conference substitute also includes the House sunset provision. [Section 205]

(32) Maximum level of expenditures

The Senate bill limits title II programs to those requiring appropriation of no more than $1 billion, unless the President determines that a waiver is necessary to meet urgent humanitarian needs. [Section 207]

The House amendment retains current law, which is essentially the same as the Senate provision, with the addition of an authorization to purchase up to $7.5 million in foreign currencies accruing under title I. [Section 204]

The conference substitute adopts the Senate provision. [Section 206]

(33) Farmer-to-Farmer Program

The Senate bill authorizes the President to establish a farmer-to-farmer program to assist developing countries, middle income countries and newly emerging democracies. Authority to implement this provision is vested in the Administrator, in consultation with the Secretary. The section expands existing authority to include private agribusiness and non-profit farm organizations to the list of those whose services can be utilized under the program. It defines "emerging democracy" as a country that has recently begun the transformation of its system of government and "middle income country" as a country that has developed economically to the point where it does not receive bilateral economic assistance from the United States. It earmarks 0.1 percent of funds available each year for this Act to be used to carry out this provision in developing countries. [Section 209]

The House amendment amends current law with provisions similar to those in the Senate bill. It defines "emerging democracy" as a country that is taking steps toward political pluralism, economic reform, respect for internationally recognized human rights, and a willingness to build a friendly relationship with the United States. It also defines "middle income country" as a country which does not qualify for bilateral U.S. development assistance because its per capita income level exceeds the eligibility requirement of such assistance programs. It provides that not less than 0.2 percent of amounts available each fiscal year for this Act, in addition to any funds that may be specifically appropriated to carry out this section, be used to carry out programs under this section, with not less than 0.1 percent to be used for programs in developing countries. [Section 1209(e)]

The conference substitute is the same as the House provision, except that it includes the Senate definition of "middle income country". [Section 501]

(34) Food For Development/Food for Freedom/Food for Progress

The Senate bill deletes current Title III of P.L. 480 (Food for Development) and the Food for Progress Act of 1985. It establishes as Title III of P.L. 480 a new Food for Freedom program, which provides authority to assist developing countries, middle-income countries, and newly emerging democracies through government-to-government and PVO/cooperative agreements. Under the Food for Freedom program, the President is authorized to provide commodities to eligible countries to support (1) the democratization of the government of such countries (2) the granting of individual liberties to the people of such countries, and (3) the promotion of economic freedom within such countries. The bill provides an annual limitation on CCC expenditures of $50 million (exclusive of the cost of commodities). [Section 301]

The House amendment deletes current Title III of P.L. 480; the government-to-government grant program becomes the new Title III, which is still entitled "Food for Development." The amendment reauthorizes the Food for Progress Act of 1985, amending it to extend the authority of the Act to assist middle income countries and emerging democracies, and to provide assistance through PVOs, cooperatives, and nonprofit agricultural organizations. It adds provisions regarding commodity transportation and prohibition on military handling or distribution of the commodities identical to provisions included as amendments to P.L. 480. It maintains the current limitation on CCC expenditures of $30 million (exclusive of the cost of commodities.) [Section 1214]

The conference substitute adopts the House provision. [Section 1516]

(35) Private market enhancement

The Senate bill authorizes the use of $20 million in CCC funds or commodities to enhance the development of private sector agriculture in middle income countries and emerging democracies. Agricultural commodities may be provided in a manner that uses the commodity transaction as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing and distribution of such commodities. This section also authorizes use of the local currencies generated by the sale of commodities provided under this title for the purposes of this section. [Section 302].

The House amendment does not contain a comparable provision.

The conference substitute adopts the Senate provision, except that available funding is $10 million, and developing countries are also eligible for assistance under this section. [Section 1516(m)]

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(36) Commodity determinations (docket authority)

The Senate bill requires the Secretary, after consultation with other federal agencies, and after considering productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, to determine, prior to the beginning of the fiscal year, the agricultural commodities and quantities available for disposition under this Act.

In establishing policies for implementing this bill, the President should attempt to maintain a stable level of available agricultural commodities needed to provide food assistance to developing countries and should attempt to make such commodities available to the degree necessary to fulfill multi-year agreements entered into under this Act.

The Secretary may suspend the eligibility of a commodity for disposition under this Act if such disposition would reduce the domestic supply of such commodity below that needed to meet domestic requirements, adequate carryover, and anticipated exports for dollars as determined by the Secretary at the time of exportation of such commodity. However, notwithstanding subsections (a) and (c), the Secretary may make Public Law 480 commodities available if he determines that some part of the supply of such commodity should be used to carry out urgent humanitarian purposes of this Act. [Section 401]

The House amendment modifies current law to require the Secretary to make commodity availability determinations prior to the beginning of each fiscal year and adds discretionary authority for the Secretary during the fiscal year to modify such determination if the Secretary provides prior notice to the Congress (including a statement of the reasons for the modification). It deletes authority to determine commodity availability for an individual country. In implementing the Act, the Secretary is directed, to the extent practicable, to seek to maintain a stable level of available agricultural commodities to provide assistance to developing countries and seek to make such commodities available to the degree necessary to fulfill multi-year agreements under the Act. [Section 1209(a)]

The conference substitute requires that prior to the beginning of the fiscal year and after consultation with other federal agencies, and after considering productive capacity, domestic requirements, farm and consumer price levels, commercial exports, and adequate carryover, the Secretary is to determine the agricultural commodities and quantities available for disposition under this Act. The Secretary may modify this determination after the beginning of the fiscal year only if the Secretary provides to the Congress prior notice of that modification. Such notice must include a statement of the reasons for the modification. No commodity shall be available if its disposition would reduce the domestic supply below that needed to meet domestic requirements, adequate carryover, and anticipated dollar exports as determined by the Secretary, unless the Secretary determines that some part of the supply should be used to carry out urgent humanitarian purposes under this Act. The Secretary is directed, to the extent practicable, to seek to maintain a stable level of commodities needed to provide food assistance to developing countries and should attempt to make such commodities available to the degree necessary to fulfill multi-year agreements under this Act. [Section 401]

The conference substitute makes an important improvement in the functioning of the docket, while maintaining the Secretary's responsibility for ensuring an adequate U.S. food supply. The Managers intend that the result of these changes will limit the frequency of commodity availability determinations. This will provide an important degree of certainty in the process, avoiding delays in programming and shipping and commodity switching.

In the unusual case when commodity availability changes, a mechanism is provided whereby the Secretary may, during the fiscal year, modify the determination made prior to the beginning of the fiscal year.

The Managers intend that the modification option be exercised only if there is a significant and unexpected change in the U.S. supply situation. The Managers believe that in most years not more than one docket determination should be necessary and stress that they intend that the modification mechanism be used sparingly.

(37) Definitions

The Senate bill provides that unless otherwise provided in this Act, "agricultural commodity" includes any agricultural commodity or the products thereof produced in the U.S., including wood and processed wood products, fish, and livestock as well as value-added, fortified, or high-value agricultural products.

"Administrator" means the Administrator of the Agency for International Development.

"Cooperative" means a private sector organization whose members own and control the organization and share in its services and its profits and that provides business services and outreach in cooperative development for its membership.

"Indigenous non-governmental organization" means a foreign organization that is not primarily an agency or instrumentality of a foreign government working at the local level to solve development problems in the foreign country in which it is located. "Private voluntary organization" means a nonprofit organization (a tax-exempt organization if such is a U.S. organization) that receives some portion of its annual revenue from the private sector and receives voluntary contributions of money.

"Secretary" means the Secretary of Agriculture. [Section 4]

The House amendment retains the definition of agricultural commodity in current law, amending it, for purposes of title II, to provide that a product of agricultural commodities shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States if that ingredient is produced and is commercially available in the United States. "Administrator" refers to the AID Administrator unless otherwise specified. "Food security" means access by all people at all times to sufficient food and nutrition for a healthy and productive life. "Private voluntary organization" means a not-for profit, nongovernmental organization (in the case of a U.S. organization, an organization that is exempt from Federal income taxes under section SOl(c)(3) of the Internal Revenue Code of 1986) that receives funds from private sources, that receives voluntary contributions of money, staff time, or in-kind support from the public; and that is engaged in or is planning to engage in voluntary, charitable, or development assistance activities (other than religious activities). The House amendment defines cooperative, indigenous nongovernmental organization, and Secretary in the same manner as Senate bill. [Section 402]

The conference substitute adopts the Senate language for "agricultural commodity," with an amendment providing that effective October 1,1991, for purposes of title II, a product of an agricultural commodity shall not be considered to be produced in the United States if it contains any ingredient that is not produced in the United States, if that ingredient is produced and is commercially available in the United States at fair and reasonable prices. This provision insures that ingredients will be treated equally with other components of title II processed foods, such as the basic agricultural commodity and packing materials which are now required to be of domestic origin. It clarifies the basic intent to use available domestic components when food is purchased for overseas humanitarian donation. The provision does, however, limit the use of domestically produced ingredients to those commercially available at fair and reasonable prices. It is intended that such price determinations will be made on the basis of domestic production considerations.

The conference substitute adopts the House definition of "food security". The managers note that the concept of food security rejects the outdated concept of "food self-sufficiency" whereby countries would try to produce all needed food domestically. It focuses instead on access to food, which includes the ability of a country to earn sufficient foreign exchange to import food.

The conference substitute also provides that "developing country" means a country that has a shortage of foreign exchange earnings and has difficulty meeting all of its food needs through commercial channels, as determined by the Secretary or the Administrator, as appropriate.

The conference substitute clarifies the definition of "indigenous nongovernmental organization" to mean an organization organized under the laws of the recipient country or having its principal place of activity in such country. [Section 402]

(38) General provisions

The Senate bill maintains the provision of current law regarding adequate storage of commodities in recipient countries, known as the "Bellmon amendment", to require that no commodities be made available under this Act unless the Secretary or Administrator, as appropriate, determines that adequate storage facilities which will be available at the time of arrival of the commodity and that the distribution of the commodity in the recipient country will not be a disincentive to domestic production. It adds a provision requiring the Secretary or the Administrator to consult with the International Monetary Fund, the World Bank and recipient countries to ensure that Public Law 480 commodities and local currencies for development purposes will not have a disruptive impact on farmers or the local economy of the recipient country. It makes discretionary the provision in current law prohibiting transshipment of P.L. 480 commodities from the recipient country. It includes several provisions from current law including: the use of private trade channels; the requirement to avoid disruption of world prices for agricultural commodities or of normal patterns of commercial trade; the requirement to publicize the fact that commodities purchased under P.L. 480 are provided through the friendship of the American people; the requirement to encourage U.S. and recipient country private sector participation; and the requirement to safeguard usual U.S. marketing. [Section 402]

The House amendment retains current law with regard to the Bellmon amendment; publicizing the source of P.L. 480 commodities; concerning efforts to increase effective demand and stimulation of economic growth in recipient countries; requiring that donations not displace sales of U.S. commodities; and efforts to assure that the United States obtain a fair share of any increase in commercial purchases of agricultural commodities by recipient countries; all applicable to titles I and III. It retains current law, applicable to title I, concerning convertibility requirements for local currency repayments; use of private trade channels; and giving priority to financing the sale of food and fiber commodities in the allocation of funds. It retains the provision of current law on safeguarding usual marketing, making it applicable to the entire act. [Sections 1206(b), 1208(g), and 1209(n)]

The conference substitute includes the requirement on adequate storage from the Senate bill; the transshipment prohibition, the provision on use of private trade channels; the provision on safeguarding world prices and normal commercial trade patterns; the publicity requirement; the private sector participation provision and the usual marketing safeguards provision, all from current law. The provision in the Senate bill requiring the Secretary or the Administrator, as appropriate, to consult with representatives of the IMF, the World Bank, and other donor organizations is retained with slight modifications. All these provisions are applicable to the entire Act. [Section 403]

The managers are concerned about reports that U.S. food aid has undermined domestic agricultural production in some recipient countries. For example, in El Salvador, shipments of nonfat dried milk exceeded the amount of domestic consumption, causing domestic milk prices to decline and domestic production to plummet. The managers believe that the executive branch needs to update and formalize the process by which a determination is made to assure that food aid does not create disincentives to agricultural production in the recipient country. Specifically, the so-called "Bellmon" determination should include measurement of the impact of P.L. 480 commodities on the same and cross commodity production and should evaluate the impact on producer prices and income. The managers intend that the methodology used to make these determinations be continually updated and that periodic validations be conducted after food aid is received to evaluate the conclusions of the Bellmon determination. The managers affirm the vital importance of these studies and expect the executive branch to give serious consideration to previous and on-going determinations before entering into new P.L. 480 agreements.

(39) Ocean transportation services

The Senate bill provides that notwithstanding any provision of the Federal Property Act of 1949, the Agency for International Development may procure ocean transportation services for bilateral grant and Title II programs under full and open competitive procedures as determined by the Agency. [Section 402(j)]

The House amendment provides that a person may not be an agent, broker, consultant, or other representative of the U.S. Government, an importer, or an importing country in connection with agricultural commodities provided under this Act during a fiscal year in which such person acts in a similar capacity for a person engaged in providing ocean transportation or transportation-related services for such commodities. It also provides for full and open competition for the purchase of ocean transportation services financed under this Act and prohibits payment of fees to an agent, broker, consultant, or other representative of the importer or importing country for ocean transportation brokerage services under this Act

in excess of an amount determined appropriate by the President. [Section 1209(f)]

The conference substitute adopts both provisions, with an amendment clarifying that the requirement for full and open competition applies to purchase of commodities by the Federal Government under titles II and III of this Act. Prohibitions on conflict of interest in this section, as well as corresponding amendments to section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985, are not intended to preclude the payment by ocean carriers of compensation or brokerage fees on a shipment-by-shipment basis as provided in governing tariffs or charter parties to persons performing freight forwarding or charter brokering services for these programs under contract to the U.S. Government. Such persons award ocean transportation contracts under the direct supervision of contracting officers or their representatives. These payments shall not be deemed per se to give rise to prohibited conflicts of interest under the cited provisions. [Section 407]

(40) Debt forgiveness

The Senate bill authorizes the President to forgive Public Law 480 debt of least developed countries eligible for grant assistance under Section 103 that have in effect: (1) an IMF standby agreement; (2) a World Bank structural adjustment program; (3) an IMF structural adjustment facility or enhanced structural adjustment facility; or (4) if such an agreement, program or facility is not in effect, the country is pursuing market-oriented, and long term economic development. The President may only provide debt relief if a request therefore is included in the President's annual budget submission to the Congress or is transmitted to the appropriate Congressional committees within three months after the President's budget submission. Debt may be forgiven only in amounts as provided in advance in appropriations acts. No concessional sales agreements shall be concluded under this Act for two years after a country has received debt relief under this section. [Section 403]

The House amendment provides a similar provision which amends Title I to provide that the President may forgive P.L. 480 debt, with respect to credit sales agreements entered into before or after the enactment of the Food and Agricultural Resources Act of 1990, to countries defined as least developed under this Act or which have a per capita external debt greater than $1500, and which meet the other criteria in the Senate bill. No concessional sales agreements shall be concluded under this Act for two years after a country has received debt relief under this section without written presidential justification. [Section 1206(d)]

The conference substitute adopts the House provision, except that it deletes the reference to the $1500 per capita external debt criterion. [Section 414]

(41) Sec. 1833. Debt for agricultural development exchanges

The House amendment provides for "debt for agricultural development exchanges, authorizing the Secretary of Agriculture to award grants to U.S. non-governmental organizations, for the purchase on the secondary market of discounted commercial foreign debt of a foreign government to be canceled under the terms of an agreement with that government as part of a debt for agricultural development exchange to carry out projects of mutual benefit to the agricultural sector of the United States and the recipient country. The Secretary is also required to identify those areas which, because of their imminent threat to agriculture, are in particular need of attention to promote the control of plant and animal diseases in the Western Hemisphere. [Section 1833]

The Senate bill has no comparable provision.

The conference substitute provides for "debt for health and protection swaps", authorizing the Secretary of Agriculture to award grants to U.S. and foreign non-governmental organizations, including colleges and universities, for the purchase on the secondary market of discounted foreign commercial debt to be cancelled as part of an agreement that the recipient government provide local currencies to the grantee to carry out projects involving the research, study, prevention, or control of animal and plant pests and diseases in the country, or that government's agreement to take specific action to carry out animal and plant pest and disease control programs in that country. The Secretary is required to ensure that swaps under this section are designed to be of mutual benefit to the agricultural sector of the United States and recipient country. Projects facilitated under this provision could include research and study exchanges; collaborative linkages and training for developing country professionals; programs on the African honey bee and on screwworm fly research in Mexico and Central America; control of babesiosis, Texas fever in cattle and scrapies; and control of plant diseases such as carnal bunt on wheat and spittle bug pest on grasses. [Section 1517]

The managers direct the Secretary to consult with the AID Administrator before undertaking a debt exchange under this section in a developing country receiving assistance from AID.

(42) Sec. 105A. Debt-for-nature and Debt for development and Agricultural swaps for Latin

America and the Caribbean; Enterprise for the Americas facility

The House amendment provides for debt-for-nature swaps as well as debt for development and agricultural swaps for Latin America and the Caribbean. Both provisions give authority to the President to reduce an eligible country's P.L. 480 debt in exchange for agreement to make available resources to be used for environmental, agricultural development and poverty reduction purposes. [Section 1206(d)]

The Senate bill has no comparable provision.

The conference substitute establishes the Enterprise for the Americas Facility (the "Facility") in the Department of the Treasury. It provides that the purpose of the Enterprise for the Americas Initiative is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with inter-related actions to promote debt reduction, investment reforms, and community-based conservation and sustainable use of the environment. [Sections 601 and 602]

To be eligible, a country must: (1) be a Latin American or Caribbean country; (2) have in effect, or have received approval for, or, as appropriate in exceptional circumstances, be making significant progress toward an IMF standby arrangement, extended Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, a Fund monitored program or its equivalent; and as appropriate, structural or sectoral adjustment loans from the IBRD or IDA; (3) have put in place major investment reforms in conjunction with an InterAmerican Development Bank loan or otherwise be implementing or making significant progress toward an open investment regime; and (4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction. The President shall determine eligibility. [Section 603]

The managers are very concerned that World Bank and IMF structural adjustment programs can have significant adverse impacts on the poor and the environment. Thus, the "in exceptional circumstances, be making significant progress towards" formulation cited above provides important flexibility with respect to economic conditionality requirements. If a country has not yet met these requirements, the U.S. shall consider potential environmental and social impacts in determining whether to invoke this flexibility. These conditionality requirements are designed to give flexibility where evidence exists that a proposed World Bank or IMF adjustment program has significant adverse social or environmental impacts.

The Congress addressed these concerns last year in Title V of the International Development and Finance Act, which requires the U.S. Treasury to advocate that multilateral development banks address the social impacts of structural adjustment and develop environmental assessment procedures. The Congress expects that these issues will be addressed in future adjustment negotiations. In addition, it expects that environmental assessments will be carried out for economic adjustment programs.

The managers believe that an integral part of investment reform must be the development of host country capacities for regulation and oversight of the environmental impact of investment. Since investment reform is a basic part of this debt initiative the Managers expect the Treasury to work in concert with the United States Environmental Protection Agency and the Inter-American Development Bank to provide technical assistance to host countries to develop appropriate environmental standards and regulations. Local nongovernmental organizations should be provided assistance in developing the capacity to do research, monitoring and education relating to the environmental impacts of private investment activities.

The conference managers expect that the requirement conditioning eligibility on the establishment of a satisfactory commercial bank financing program will apply only to countries whose commercial debt obligations exceed their official debt obligations.

Authority is provided to the President to forgive P.L. 480 debt to an eligible country to the extent provided for in appropriations Acts. The conference managers expect the President to consult with the Secretary of Agriculture in all decisions to reduce P.L. 480 debt under this provision. [Section 604(a)]

The managers are concerned about the effect of debt servicing obligations on Latin countries' ability to invest in their own development. The managers recognize the difficulties in fashioning a more comprehensive approach to official and commercial debt relief. While the debt-reducing options prescribed by the "Brady Plan" are a step in the right direction for reducing some of the foreign commercial debts of the region, other options also need to be considered in

order to achieve true debt relief and to give Latin countries enough breathing space to achieve much needed economic growth. The managers hope, however, that for countries with significant official debt and high debt service ratios, the official debt reduction authorized by this section will include a reduction, to the extent possible, of a country's debt service burden to a level which will allow the country to invest in its own development.

The conference substitute provides that new obligations issued are to bear interest at a concessional rate. If the country has entered into an Environmental Framework Agreement described below, interest shall be paid in local currency into an Environmental Fund, and shall be the property of the eligible country until it is disbursed pursuant to an Environmental Framework Agreement. If a country has not entered into an Environmental Framework Agreement, interest is to be paid in dollars and deposited in the Commodity Credit Corporation or other appropriate U.S. government account. If a country suspends local currency payments, interest payments are to be made in dollars to the U.S. government account. [Sections 604(c), 605 and 606]

Countries which enter into an Environmental Framework Agreement are required to establish an Enterprise for the Americas Environmental Fund to receive local currency payments. Deposits in such a fund shall be invested until disbursed and any return on such investment may be retained by the Environmental Fund. This requirement is not intended to affect the ability of local bodies administering funds to draw on either principal or interest in the disbursement of Funds. Funds in an Environmental Fund shall be disbursed only pursuant to an Environmental Framework Agreement. [Section 608]

The President is authorized to enter into an environmental framework agreement with each eligible country establishing an Environmental Fund. The managers expect that these provisions will include a process whereby the U.S. government can prevent disbursements from the Fund if the operations of the Fund or of the local body are not in keeping with the terms of the agreement. Funds disbursed from an Environmental Fund are to be administered by a local body constituted under the laws of that country, which shall include representatives nominated by the United States, by the country, and individuals who represent a broad range of nongovernmental environmental, and local community development organizations and scientific or academic organizations or institutions of the recipient country. The framework agreements should outline a process for selecting a different local body if the original body does not fulfill its responsibilities. The local body is to receive proposals for grant assistance from eligible grant recipients and to make grants to such recipients in accordance with priorities agreed upon in the Environmental Framework Agreement, oversee the activities funded, be subject to annual, independent fiscal adults, present an annual program to the Environment for the Americas Board, and submit an annual report on the previous year's activities. The annual program is submitted only for review purposes, not for approval. The managers expect that the local body shall remain a foundation-type mechanism for allocating grants, but should not itself implement programs and activities. The managers expect that efforts will be made to prevent conflicts of interest in the allocation of grants to organizations which are represented on a local body. [Sections 609 and 610]

Eligible activities that may be funded by an Environmental Fund include those activities specified in the Global Environmental Protection Assistance Act of 1989 as follows:

(1) restoration, protection, or sustainable use of the world's oceans and atmosphere;

(2) restoration, protection, or sustainable use of diverse animal and plant species;

(3) establishment, restoration, protection, and maintenance of parks and reserves;

(4) development and implementation of sound systems of natural resource management;

(5) development and support of local conservation programs, including infrastructure and institutional support to governmental and non-governmental environmental ministries, institutions, and private groups;

(6) training programs to strengthen conservation institutions and increase scientific, technical, and managerial capabilities of individuals and organizations involved in conservation efforts;

(7) efforts to generate knowledge, increase understanding, and enhance public commitment to conservation;

(8) design and implementation of sound programs of land and ecosystem management; and

(9) promotion of regenerative approaches in farming, forestry, fishing, and watershed management.

Also eligible are agricultural related activities that benefit the environment including water quality, and activities that provide for the biological prevention and control of animal and plant pests and disease, and local community initiatives which promote conservation and sustainable use of the environment. All activities are, where appropriate, to include initiatives which link conservation of natural resources with local community development. Organizations eligible to receive grants from an Environmental Fund include nongovernmental environmental, community development, conservation, development, and indigenous peoples organizations of the country; other appropriate local or regional entities; and in exceptional circumstances, the government of the beneficiary country. [Section 612]

The conference substitute also provides for the establishment of an Environment for the Americas Board, to consist of 5 U.S. government representatives and 4 representatives from nongovernmental environmental, scientific, and academic organizations with experience and expertise in Latin America and the Caribbean. The Board is to be selected by the President and chaired by the representative of a U.S. government agency. Its responsibilities are: (1) to advise the President on negotiations for environmental framework agreements; (2) to ensure that suitable local bodies are established; and (3) to review the activities of local bodies. The managers expect that the chair of the Board will be a representative from the Department of the Treasury and that a representative from the Inter-American Foundation will be one of the U.S. government representatives. The managers expect close coordination of financial activities with the overall country development plans and activities of AID. The responsibility of the Board to insure that suitable local bodies are identified will be a crucial element for this Initiative. The nature and composition of the local bodies, the involvement of a wide range of legitimate nongovernmental organizations in it, and the administration of resources, will be a key ingredient for the success or failure of the entire process. [Section 610]

The conference substitute also allows the President to designate appropriate U.S. agencies to review program performance and provide fiscal audits. Such oversight does not constitute active management of the Environmental Funds. [Section 611]

The conference substitute directs the President to actively encourage other official creditors of eligible countries to provide debt reduction and to attempt to insure that Environmental Funds established are eligible to receive donations from private and public entities, and private creditors of the eligible countries. The President is also required to submit an annual report to the Congress on the operation of the Facility. [Section 613]

(43) Independent evaluation of programs

The Senate bill requires not later than 2 years after enactment of this Act and once every 3 years thereafter, independent evaluations by the Comptroller General of the government-to-government grant, concessional sales and Title II programs in representative countries. The Comptroller General shall submit a report to the appropriate Congressional Committees concerning the evaluations made under this section. [Section 406]

The House amendment requires not later than 2 years after enactment of this act and 2 years thereafter, independent evaluations by the Comptroller General of titles I, II, and III programs in representative countries and a report submitted to the appropriate Congressional Committees. [Section 1212]

The conference substitute adopts the House provision. [Section 410]

(44) Authorization of appropriations

The Senate bill provides that not less than 40% of amounts available for Title I may be used to carry out sales programs and not less than 40% may be available for grant programs. [Section 407]

The House amendment provides that the amount of funds made available to carry out the title I concessional sales program shall not be more than twice the amount made available to carry out the title III grant program and that the amount of funds available to carry the title III grant program shall not be more than twice the amount available to carry out the title I concessional sales program. It also amends the provision authorizing transfer between titles to require that any transfers must respect the 1/3, 2/3 ratio. [Section 1209(c) and (d)]

The conference substitute adopts the Senate provision and the House amendment to the transfer authority. [Section 412]

(45) Coordination of Public Law 480 with foreign assistance programs

The Senate bill requires that the Committees on Agriculture, Foreign Affairs, and Appropriations of the House and Senate be notified at least 15 days prior to: (1) entering into any agreement under this Act (including any local currency agreement); (2) adopting any amendment to an agreement that would increase the amount of assistance or change the purpose of that agreement; or (3) waiving any payments under section 403. [Section 408]

The House amendment requires that, to the maximum extent possible, assistance under this Act be coordinated and integrated with U.S. development assistance objec-

tives and programs and with the overall development strategy of a country. Special emphasis should be placed on activities that will increase the nutritional impact of programs of assistance under this Act and child survival programs and projects, in least developed countries. [Section 1209(d)]

The conference substitute adopts the House provision. [Section 413]

(46) Annual Reports

The House amendment amends current law to require the President to prepare an annual report, which shall include: the levels and recipients of food assistance; the countries in which activities are implemented; a general description of the projects implemented and a statement of the amount of each agricultural commodity made available pursuant to Section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985. It retains provisions of current law requiring a global assessment of food production and needs, a status report on planned programming of food assistance and cross-country evaluations. It also requires quarterly reports on anticipated agreements; requires current year reports on agreements signed by June 1 specifying the quantities provided through various organizations and the type and quantity of each commodity; requires an annual report on Title II foreign currency proceeds; and requires an annual report on October 16 of each year, World Food Day, by the Secretary and the Administrator assessing progress towards food security in each country receiving assistance under this Act. [Section 1208(g)]

The Senate bill provides no comparable provision.

The conference substitute requires submission of an annual report on levels and recipients of food assistance, including a general description of projects or activities implemented and local currency funded activities, and a statement of assistance made available under section 416(b) of the Agricultural Act of 1949 and the Food for Progress Act of 1985. This report should include the total amount of food aid from all U.S. sources to each recipient country. The conference substitute also requires a separate World Food Day report to be submitted annually on October 16. [Section 407(g) and (h)]

(47) Use of Local Currencies for Abortions

The House amendment provides that local currencies that are made available for use under this Act may not be used to pay for abortions as a method of family planning or to motivate or coerce any person to practice abortions. [Section 1209(m)]

The Senate bill provides no comparable provision.

The conference substitute adopts the House provision. [Section 403(k)]

(48) Cooperation between agencies

The House amendment requires: that the Secretary is responsible for ensuring that the Department of Agriculture, in carrying out its responsibilities under Title I, cooperate with the Agency for International Development with respect to the latter's area of expertise; that the Administrator is responsible for ensuring that the Agency for International Development, in carrying out its responsibilities under Title II and Title III, cooperate with the Department of Agriculture with respect to the latter's areas of expertise; establishes procedures for AID and the Department of Agriculture to consult on and review proposed agreements; and requires the Secretary and the Administrator to consult with the Secretary of State to ensure that agreements are not inconsistent with U.S. foreign policy. [Section 1209(n)]

The Senate bill provides no comparable provision.

The conference substitute provides that the Secretary of Agriculture and the AID Administrator shall cooperate and consult in carrying out the provisions of this Act. The managers expect that the level of cooperation can be maintained while the amount of interagency involvement in day to day discussions can be substantially reduced. This cooperation and consultation will enable the Department and the Agency to take advantage of each other's areas of expertise and to avoid contradictions with ongoing programs of each agency.

The managers believe that the reference in section 2 to using food assistance to promote the foreign policy of the United States by enhancing the food security of the developing world is sufficient to ensure that activities implemented under this Act will not be inconsistent with U.S. foreign policy. [Section 405]

(49) Food for Peace Officers

The House amendment requires that the Administrator increase the number and expertise of the personnel of the Agency for International Development at agency headquarters and abroad who are responsible for implementation of P.L. 480 activities. [Section 1210]

The Senate bill provides no comparable provision.

The conference substitute deletes the House amendment. The managers suggest that the Agency for International Development, within the constraints of available funding, should increase the expertise of personnel at the agency's headquarters and field missions, who design and carry out the programs for which it is responsible under this Act, in order to increase the number and effectiveness of the implementation of food assistance programs for which it is responsible under this Act.

(50) Assistance in Furtherance of Narcotics Control Objectives of the United States

The Senate bill authorizes the President, through the Administrator to provide assistance under this Act, notwithstanding any other provision of law, for economic development activities undertaken in an eligible country that is a major illicit drug producing country. Such assistance should reduce the dependence of the economy of such country on the production of crops from which narcotic and psychotropic drugs are derived. [Section 409]

The House amendment provides that local currencies available under this Act may not be used to finance the production for export of agricultural commodities (or products thereof) that would compete in world markets with similar U.S. products of commodities if such competition would cause substantial injury to U.S. producers. It also provides waiver authority for use of such currencies for crop substitution or other alternative development activities undertaken in furtherance of narcotics control objectives. [Section 1209(1)]

The conference substitute adopts the House limitations on uses of local currencies and provides that the President, notwithstanding those limitations, may provide assistance for economic development in major illicit drug producing countries to reduce the dependence of the economy of such country on crops from which narcotic and psychotropic drugs are derived. This provision retains restrictions on the use of local currencies for activities which would cause substantial injury to U.S. producers, while making a limited exception for activities in major illicit drug producing countries. The managers intend that this amendment will, in limited circumstances, permit the use of local currencies generated under P.L. 480 to finance local development projects which will assist participating countries to reduce their reliance on the production of illicit narcotics. [Section 414]

(51) Development of new regulations: effective date

The Senate bill requires the Administrator to promulgate proposed regulations for title II within 120 days of enactment of amendments to that title, promulgate final regulations implementing such amendments within 210 days, and to issue revised agency guidelines implementing such amendments within 210 days of enactment. [Section 1112]

The House amendment requires the President to provide for the issuance of regulations to revise existing regulations to implement the Agricultural Trade Development and Assistance Act of 1954. The regulations shall be issued in proposed form no later than 6 months after the date of enactment of this Act and form no later than one year after the date of enactment of this Act. [Section 1211]

The conference substitute provides that the Agricultural Trade Development and Assistance Act of 1954, as amended by this Act, shall take effect on January 1, 1991. (The Food for Progress Act of 1985 as amended is effective upon enactment of this Act.) The conference substitute provides that food assistance agreement entered into prior to January 1, 1991 shall remain subject, for the duration of such agreements, to applicable provisions of the law in effect prior to such date. The conference substitute requires promulgation of regulations implementing this Act within 180 days of date of enactment. [Section 409 and 1513]

(52) Amendment to section 416(b)

The Senate bill amends section 416(b) of the Agricultural Act of 1949 to provide that surplus CCC-owned commodities are to be used in carrying out P.L. 480 concessional sales, grant, donation and Food for Freedom programs. It maintains provisions of current law relating to eligible commodities, minimum amounts of commodities to be furnished under section 416(b), estimation of expected year-end levels of uncommitted stocks, publication of stocks to be made available under section 416(b), and statement that commodities provided through section 416(b) should be subjected to expedited procedures. It provides that commodities shall not be made available for disposition in amounts that will reduce amounts of commodities traditionally made available through donations to domestic feeding programs or that would prevent the Secretary from fulfilling agreements entered to under the production adjustment programs provided in Titles I and II of this Act or other Acts administered by the Secretary. It also maintains current law relating to use of foreign currency proceeds in Poland but strikes language describing eligible activities. [Section 1113]

The House amendment retains current law and adds new provisions on conflict of interest, commodity transportation, open competition, capping of broker fees, non-discriminatory distribution, and prohibition

against military involvement which are also added to P.L. 480. [Section 1213]

The conference substitute adopts the House position, with an amendment making section 416(b) commodities available under the new title III of this Act. In agreeing to retain current law, the managers intend that section 416(b) programs continue to be implemented as they are at the present time. [Section 1514]

101. Subtitle B—Agricultural Trade Act of 1978 (S 1121; H 1221)

The Senate bill amends the Agricultural Trade Act of 1978 by replacing it with new text. Section numbers below refer to the sections of that Act as amended. [Section 1121]

The House amendment amends titles I through IV of the Agricultural Trade Act of 1978 by replacing them with new text. Section numbers below refer to the sections of that Act as amended. [Section 1221]

The Conference substitute rewrites the Agricultural Trade Act of 1978 in its entirety. The following section and title references are to the provisions of the Agricultural Trade Act of 1978 as rewritten. (Section 1521)

102. Short title (S 1121; H 1221)

The Senate bill Section 1 states that the Act may be cited as the Agricultural Trade Act of 1978 (the "1978 Act"). (Section 1121)

The House provision contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1521)

TITLE I—AGRICULTURAL TRADE POLICY

Subtitle A—Purpose and Definitions—Agricultural Trade Policy of the United States

The Senate bill provides that it is the policy of the United States to—

(1) provide agricultural commodities for export at competitive prices;

(2) increase exports of value-added agricultural products;

(3) provide food assistance to needy countries;

(4) support the principle of free trade, promote fair trade, and remove foreign policy constraints in agricultural trade;

(5) counter unfair trade practices;

(6) to remove foreign policy constraints in agricultural trade; and

(7) provide for increased representation of U.S. agricultural trade interests in the formulation of national fiscal and monetary policy affecting trade. (Sec. 101)

The House amendment expresses Congressional findings that the U.S. agricultural export policy should emphasize increased exports of high value agricultural products. [Section 104]

The Conference substitute deletes both provisions.

103. Purpose (S 1121; H 1221)

The Senate bill outlines the Act's purpose of increasing the profitability of farming and market opportunities for U.S. farms and agricultural enterprises and coordinated and efficient implementation of U.S. agricultural trade programs. [Section 102]

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision with a clarifying change. (Section 101)

104. Definitions (S 1221; H 1221)

The Senate bill defines the terms agricultural commodity, developing countries, Secretary, Service, unfair trade practice, and wood and processed wood products. [Section 103]

The House amendment provides a similar provision which also defines the terms U.S. Agricultural Commodity, U.S., Agricultural Commodity, Developing Country, Secretary and Unfair Trade Practice. [Section 101]

a. Agricultural Commodity

The Senate bill provides that an Agricultural Commodity is defined as any agricultural commodity or product produced in the U.S., wood or processed wood products, fish, livestock, or value-added, fortified or high-value agricultural products.

The House amendment provides that an Agricultural Commodity is defined as any agricultural commodity, food, feed, fiber or products thereof.

The Conference substitute adopts the House provision. (Section 102)

b. U.S. Agricultural Commodity

The House amendment provides that a U.S. Agricultural Commodity is defined as—

(1) for other than agricultural products, an agricultural commodity produced in the U.S.;

(2) for an agricultural product, either a product—

(a) all components are produced in the U.S., except fish harvested in waters of a foreign country;

(b) the agricultural component not entirely produced in the U.S. is an added, de minimis component; not commercially produced in the U.S.; and no acceptable substitute produced in the U.S. (Section 101)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision clarifying that no acceptable substitute be commercially produced in the U.S. (Section 102)

c. Unfair Trade Practice

The Senate bill provides that an unfair Trade Practice is defined as any act, policy or practice of a foreign government that is unreasonable or discriminatory and burdens or restricts U.S. ag. exports, including—

(1) export subsidies;

(2) artificially low priced raw materials;

(3) financial assistance on preferential terms;

(4) variable levies or restrictive licensing practices; and

(5) discriminatory pricing policies of marketing boards and State trading agencies. (Section 103)

The House amendment provides that an unfair trade practice is defined as an act, policy or practice of a foreign government that—

(1) violates or is inconsistent with any trade agreement including the U.S. as a party;

(2) is unjustifiable, unreasonable, or discriminatory and restricts U.S. commerce;

(3) is not inconsistent with Sec. 301 of the Trade Act of 1974.

The Conference substitute adopts the House provision. (Section 102)

The Managers intend that unfair trade practice include (1) export subsidies such as the provision of direct subsidies to an individual, firm, or industry contingent on export performance; currency retention schemes; internal transport and freight charges on export shipments by governments on terms more favorable than for domestic shipments; and tax rebates on exports; (2) furnishing or ensuring the availability of raw materials to domestic processing operations at artificially low prices, including the maintenance of export taxes, duties, or charges on products that are used as inputs for the production of secondary products at levels higher than that levied on the secondary products; any other differential export tax or duty exemption; domestic consumption quotas and the assumption of costs or expenses of production, processing, or distribution by the government; (3) financial assistance on preferential terms; (4) variable levies or restrictive licensing practices; (5) discriminatory pricing policies of marketing boards and State trading agencies.

The Managers believe an act, policy or practice is unreasonable if it, while not necessarily in violation of or inconsistent with, the international legal rights of the United States, is otherwise unfair and inequitable.

105. Certification of Compliance (S 1211; H 1221)

The Senate bill provides no comparable provision, but see provisions concerning arrival of commodities under export credit guarantee program. (Sec. 202(1)).

The House amendment provides that the Secretary is required to obtain certification concerning commodities being exported or used under any export promotion program of USDA or CCC—

(1) from countries or importers that the commodity was received in that country; and

(2) from sellers or exporters that there were no corrupt bonuses, etc. involved and that transaction complied with U.S. law. [Sec. 102]

The Conference substitute provides that with respect to commodities or other assistance provided, or for which financing or credit guarantees are made available under the programs authorized in this section, the Commodity Credit Corporation shall—

(1) require the exporter to maintain records of an official or customary commercial nature or other documents as the Secretary may require, and have access to such documents or records as needed to verify the arrival of agricultural commodities exported in connection with such programs in the countries that were the intended destination of such commodities, and

(2) obtain certification from the seller or exporter of record of such commodities, that there were no corrupt payments, extra sales services, or other items than those so provided, financed, or guaranteed in connection with the transaction, and that the transaction complied with applicable United States law. (Sec. 401)

106. Departmental Administration System (H 1221)

The House amendment establishes required procedures governing the submission and review of all export program proposals, including regular audits of program transactions. Encourages the Secretary to determine whether to use suspension and debarment for non-compliance with program requirements. Requires the Secretary to contract with an outside management consultant to obtain recommendations on how to improve the implementation of this section. [Sec. 103]

The Senate bill provides no comparable provision.

The Conference substitute provides that with respect to each commercial export promotion program of the Department of Agriculture or the Commodity Credit Corporation, the Secretary shall—

(1) specify by regulation the criteria used to evaluate and approve proposals for that program;

(2) establish a centralized tracking system to permit the Foreign Agricultural Service to provide the full history and current status of any proposal;

(3) provide for regular audits of program transactions to determine compliance with program objectives and requirements; and

(4) establish criteria to evaluate loans eligible for guarantees by the Commodity Credit Corporation, so as to ensure that the Corporation does not assume undue risk in providing such guarantees.

The substitute also provides that information on the status of a proposal shall be retrievable within the central system by appropriate categories, as determined appropriate by the Secretary. (Section 103)

107. Long-term agricultural trade strategy (S 1121; H 1221)

The Senate bill requires the Secretary to develop a long-term agricultural trade strategy every three years to guide the implementation of agricultural trade programs. [Section 110(a) and (d)]

Specifies the goals of such a strategy.

Requires that the Secretary establish the above-mentioned goals, identify priority markets and establish market plans for such markets. [Section 110(b)]

Requires that the Secretary consult with other agencies and with the Agricultural Policy Advisory Committee, and provide for public comment in developing the long-term strategy and consider exchange rate fluctuations, foreign unfair trading practices, foreign food needs, and differences in transportation, shipping, and marketing factors. The strategy should: (1) encourage the commercialization of foreign markets and promotion of U.S. as a primary and dependable supplier of agricultural commodities, and (2) contain multi-year plans to implement U.S. export and food assistance programs. [Section 110(c)]

The House amendment provides a similar provision which requires the Secretary to develop, every three years, a long-term agricultural trade strategy to ensure coordinated use of the various export programs, and include trade goals, designation of growth and priority markets, and individual market plans. [Section 105]

The House provision requires the Secretary to consult with USTR to ensure that strategy is coordinated with annual national trade policy agenda.

The Conference substitute adopts the Senate provision with requirements to consult with USTR and private sector advisory groups.

108. Long-term agricultural trade goals (S 1121; H 1221)

The Senate bill requires that the Secretary develop goals with respect to the desired levels of agricultural exports and market shares over a period of not less than 3 years for all agricultural commodities; certain specified commodities; high-value, value-added, processed commodities; and expenditures on export programs. [Section 111]

The House amendment requires the Secretary to include agricultural trade goals for all agricultural commodities, expressed in both physical volume and monetary value over not less than the 3-year period for which the long term strategy is developed. [Section 105(b)]

The Conference substitute adopts the Senate provision except for the reference to processed, value-added products. (Section 103 (b))

109. Establishment of priority markets (S 1121; H 1221)

The Senate bill directs the Secretary to designate at least 15 countries or groups of countries most likely to emerge as growth markets for U.S. commodities within 5 and 10 years. At least 5 of these countries shall be developing countries. Growth markets shall be given priority for the use of U.S. ag export programs, excluding food assistance and programs to combat unfair trade practices, in accordance with individual market plans and the long-term agricultural trade goals. [Section 112]

The House amendment provides a similar provision except uses 3 and 6 fiscal year prospective periods for growth and sets no minimum for developing countries. [Section 105(c)]

The Conference substitute provides that the Secretary shall develop a list for inclusion in the long-term trade strategy of not less than 15 countries (or groups of countries) that are most likely to emerge as growth markets during the 3- and 6-fiscal year periods beginning on October 1, 1991. The Secretary is required to designate countries on the list as priority markets for Federal programs that promote the export of U.S. agricultural commodities (other than those programs designed to provide food assistance and those programs under section 201). (Section 103(d))

110. Establishment of market plans (S 1121; H 1221)

The Senate amendment directs the Secretary to develop individual market plans for each priority market, including specific plans to assist exports and market development, and the agricultural trade goals for that country over the next 3 years, depending upon the type of market (commercial, subsidized, or concessional) with an emphasis on decreasing subsidized exports and increasing commercial purchases. [Section 113]

The House amendment provides a similar provision, but does not address individual market goals. [Section 105(e)]

The Conference substitute adopts the House amendment with clarifying change. (Section 104 (d)(3))

111. Confidentiality (S 1121; H 1221)

The House amendment authorizes the Secretary to designate portions of the trade strategy as confidential. [Section 105(f)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision, with an amendment to sunset the provisions in December 1995. (Section 103 (f))

112. Review (S 1121)

The Senate bill requires the Secretary to review the U.S. agricultural trade performance based on the strategy and goals at least every 3 years and evaluate what revisions are necessary. (Section 114(a))

Directs the Secretary to conduct an interim review on the actions the Secretary has taken to increase exports of U.S. processed, value-added agricultural products. [Section 114(c)]

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision, with amendments to maintain the 3-year review. (Section 103(e))

The Managers intend that in conducting this review, the Secretary shall review U.S. agricultural trade performance in conjunction with the long-term trade strategy developed for such period; determine whether and to what extent individual market plans were successfully implemented during such period; determine whether the use of any Federal export programs has resulted in an increase in agricultural exports, including high value, processed agricultural commodities in priority markets during such period, and conduct a country-by-country analysis of expenditures made under Federal export programs and the resulting exports of U.S. agricultural commodities during such period.

113. Relief from Unfair Trade Practices (H 1221)

The House amendment authorizes the Secretary to utilize the export promotion programs to offset unfair trade practices faced by an industry which is not able to progress with dispute settlement proceedings under an international trade agreement because the party maintaining the unfair trade practice does not allow the proceeding to progress. Consultations with the industry are required. [Section 106]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 302)

114. Preservation of traditional markets (S 1121; H 1221)

The Senate bill directs the Secretary to seek to preserve traditional markets for U.S. agricultural commodities. [Section 115]

The House amendment provides a similar provision which directs the Secretary to seek to preserve traditional markets for agricultural commodities in implementing USDA programs intended to encourage exports. [Section 107]

115. Independence of Authorities (S 1121; H 1221)

The House amendment provides that authorities under the Act are in addition to other authorities. [Section 108]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 105)

116. Program Expenditures (S 1121; H 1221)

The House amendment provides that expenditures under the 1978 Act are expenditures for export promotion and not for price support. [Section 109]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

117. Direct credit sales program

a. General Provisions

The Senate bill revises and reauthorizes the direct credit sales program from section 4 of the Food for Peace Act of 1966. Section 4 of Food for Peace is deleted in a later section of the bill.

Use of program changed to include both short and long term credit assistance. Permissible uses expanded. Freight costs specifically included in part of sale that is financed. [Section 201]

The House amendment provides no provision. Retains current law provisions.

b. Short-term Credit Sales

The Senate bill provides that sec. 201(a) authorizes the CCC to provide short-term financing of commercial export sales from privately owned stocks for periods of up to 3 years.

The House amendment retains current law authority under the CCC export credit sales program and section 4 of the Food for

Peace Act with technical modifications. Wood, fish and products thereof are explicitly included in guarantee program. [Section 1222]

The Conference substitute adopts the Senate provision. (Section 201)

c. Intermediate term credit sales (H 1222)

The Senate bill authorizes CCC to provide intermediate-term financing for commercial export sales from privately owned stocks for periods between 3 and 10 years.

Sec. 201(c) provides that intermediate-term financing must be determined to develop, expand or maintain the foreign market; improve the importing countries' ability to be a long term commercial purchaser; or otherwise promote U.S. agricultural exports.

Sec. 201(d) specifies that the direct credit program shall be used to increase exports, meet foreign competition, and assist developing countries in meeting their food needs. Cost of freight to the foreign port of entry may be included within the financed sales. The use of the financing for foreign aid or debt rescheduling is prohibited. Cargo preference laws do not apply to the financed sales. Deletes reference to use of funds for friendly countries.

Sec. 201(e) requires repayment of the financing to be in dollars, including interest, and an initial payment may be required at the time of sale or shipment.

Sec. 201(f) prohibits the resale or transhipment of commodities subject to a direct sale to other countries. The CCC may obtain commitments of such action from purchasers, where feasible. (Section 201)

The House amendment requires that intermediate term direct credit export sales must directly benefit U.S. producers. [Section 1222(b)]

Adds a prohibition on the use of intermediate credit financing or guarantees for the purpose of foreign policy. [Section 1222(e)]

The Conference substitute adopts the Senate provision except for the cost of freight provision. (Section 201)

The Managers intend that cost of freight with regard to intermediate-term programs be handled in the same manner as cost of freight for the intermediate-term credit guarantee program.

118. Export credit guarantee program

a. General Provisions (H 1222)

Sec. 4 of Food for Peace and sec. 1125 of the FSA are deleted in a later section of the bill.

The House amendment retains current law authority under the CCC export credit sales program and section 4 of the Food for Peace Act with technical modifications. [Section 1222]

b. Short-term Program

The Senate bill provides that sec. 202(a) authorizes the CCC to guarantee short-term loans of up to 3 years for commercial sales of agricultural commodities from privately owned stocks.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision. (Section 202)

c. Intermediate-term Program

The Senate bill provides that section 202(b) authorizes CCC to guarantee intermediate-term loans of between 3 and 10 years for commercial sales of agricultural commodities from privately owned stocks.

Sec. 202(c) provides that intermediate guarantees must be determined to develop, expand or maintain the foreign market; improve the importing countries ability to be a commercial purchaser; or otherwise promote U.S. agricultural exports.

The House amendment requires that intermediate term credit guarantees must directly benefit U.S. producers. [Section 1222(b)]

The Conference substitute adopts the Senate provision with an amendment clarifying that the credit guarantees must directly benefit U.S. producers. (Section 202)

d. Other Provisions

The Senate bill provides that sec. 202(d) specifies that the guarantees may be used to increase exports, meet foreign competition, and assist developing countries in meeting their food needs.

Sec. 202(e) provides that the cost of freight to the foreign port of entry may be included within the guaranteed sales.

Sec. 202(f) prohibits the use of the guarantees for foreign aid or debt rescheduling. Cargo preference laws do not apply to the guaranteed sales. Deletes reference to use of assistance for foreign policy.

Sec. 202(g) prohibits the availability of guarantees to a country that cannot adequately service the debt.

Sec. 202(h) authorizes the CCC to determine the terms and conditions of the contract of guarantee, as necessary.

Sec. 202(i) prohibits the resale or transhipment of commodities subject to a contract of guarantee to other countries. The CCC shall obtain, where feasible, certification of such action from purchasers.

The House amendment adds prohibition on the use of intermediate credit guarantees for the purpose of foreign policy. [Section 1222(e)]

Amends section 4(e) of the Food for Peace Act to prohibit the availability of guarantees to a country that cannot adequately service the debt [Section 1222(d)]

Retains current law prohibiting resale or transhipment of commodities under the intermediate-term program with authority to the Secretary to obtain certification where feasible. (Section 1222(d))

The Conference substitute adopts the Senate provision with an amendment to prohibit the use of intermediate credit guarantees for foreign policy purposes. (Sec. 201(b)(c))

e. Domestic Content

The Senate bill establishes a domestic content requirement for eligible commodities for the export credit guarantees. At least 90 percent of the value of the commodity shall be derived from agricultural commodities produced in the United States. The CCC may require 100 percent U.S. content if monitoring the export of such commodities to determine the percentage domestic content is not practical. Guarantees shall not cover any portion of the exported commodity derived outside the United States. (Section 202(j))

The House amendment amends section 1125 of the Food Security Act to provide that CCC may only finance or guarantee U.S. agricultural commodities as defined in the revised 1978 Trade Act. The Commodity Credit Corporation shall not guarantee the value of any foreign agricultural component. (Section 1222(e))

The Conference substitute adopts the House provision. (Section 202)

f. Financial Institutions

The Senate bill provides that sec. 202(k) establishes eligibility criteria for financial institutions to negotiate letters of credit guaranteed under this program. Ineligible institutions include an institution that is not in sound fiscal condition, an institution that lacks experience in similar transactions, or a branch, home office or a subsidiary of the institution issuing the letter of credit.

The House amendment provides no comparable provision.

The Conference substitute provides that a financial institution shall be ineligible for credit guarantees if it (1) is not in a sound financial condition, (2) is the financial institution issuing the letter of credit or a subsidiary of such institution, or (3) is owned or controlled by an entity that owns or controls such financial institution issuing the letter of credit. (Section 202(i))

g. Arrival of Commodities

The Senate bill provides that sec. 202(l) requires the CCC to audit export transactions to ensure that the agricultural commodities arrive in the agreed country of destination.

The House amendment amends the Food for Peace Act to provide that the Secretary shall ensure that commodities exported under short or intermediate direct credit programs and intermediate export credit guarantee programs arrive at a specified destination country. Requires the Secretary to provide for enforcement of penalties for failure to properly deliver commodities exported under this section. Does not apply to short-term export credit guarantees. [Sec. 1222(d)]

The Conference substitute provides that the unauthorized diversion of commodities under the programs authorized under this title is prohibited. The Commodity Credit Corporation shall establish procedures providing for the annual audit of a sufficient number of export transactions under these programs to ensure that the agricultural commodities that were the subject of such transactions arrived in the country of destination as provided in the sales agreement.

The failure of an exporter, seller or other person to comply with these provisions shall not affect the validity of any credit guarantee or other obligation of the Commodity Credit Corporation under the programs under this title with respect to any exporter, seller, or person who had no knowledge of such failure to comply at the time the credit guarantee was assigned or at the time the Corporation entered into such obligation.

h. Fraud

The Senate bill provides that sec. 202(m) prohibits guarantees to an exporter or assignees who have knowledge of or commit fraud in the use of guarantees or the appropriation of commodities under this program.

The House amendment amends the Food for Peace Act to provide a provision similar to the Senate provision, except it does not apply to short-term guarantee program and contains no requirement of knowledge of the fraud. [Sec. 1222(d)]

The Conference substitute provides that if any exporter, assignee, or other participant has engaged in fraud with respect to the programs authorized under this Act or has otherwise violated program requirements under this Act, the Commodity Credit Corporation may

(1) hold such exporter, assignee, or participant liable for any and all losses to the Corporation resulting from such fraud or violation;

(2) require a refund of any assistance provided to such exporter, assignee, or partici-

pant plus interest, as determined by the Secretary; and

(3) collect liquidated damages from such exporter, assignee, or participant in an amount determined appropriate by the Secretary.

The provisions of this subsection shall be without prejudice to any other remedy that is available under any other provision of law.

The Conference substitute further provides that the Commodity Credit Corporation may suspend or debar for at least 1 or more years, any exporter, assignee, or participant (including a participating country) from participation in one or more of the programs authorized by this Act if the Corporation determines, after opportunity for a hearing, that such exporter, assignee, or participant has violated the terms and conditions of the program or of this Act and that the violation is of such a nature as to warrant suspension or debarment. (Section 402(b))

The Conference substitute also provides that the provisions of 18 USC 1001 pertaining to making false statements to the Federal government applies to any false statements made in connection with the programs authorized under this Act. (Section 402(d))

119. Records (H 1222)

The House amendment amends the Food for Peace Act to require exporters under the program to maintain program records for 5 years after completion of the program transaction, requires the Secretary to maintain the confidentiality of such records, and requires the Secretary to issue final regulations within 90 days after enactment. Secretary may require exporters to keep non-program transaction records. [Sec. 1222(d)]

The Senate bill has no comparable provision.

The Conference substitute provides that in the administration of the programs under this Act, the Secretary shall require, by rule, each exporter to maintain all records concerning a program transaction for a period of not to exceed 5 years after completion of the program transaction, and to permit the Secretary to have full and complete access, for such 5-year period, to such records.

Additionally, the Secretary may require by regulation an exporter or other participant to make records available to the Secretary with respect to the non-program transactions if such records would pertain directly to the review of program-related transactions undertaken by such exporter or participant, as determined by the Secretary. Confidentiality language is clarified. (Section 402(a))

120. Guarantees for Wood and Fish (H 1222)

The Senate bill directs the Secretary to make export credit guarantees available for wood and wood products under terms and conditions comparable to guarantees of other commodities. [Section 202(n)]

The House amendment amends the Food for Peace Act with a similar provision, except House provision only applies to intermediate-term guarantees, and explicitly includes fish and fish products. [Sec. 1222(a)]

The Conference substitute provides that the Secretary shall make credit guarantees available for fish and processed fish products under terms and conditions that are comparable to the terms and conditions that apply to guarantees provided with respect to other agricultural commodities under such subsections. (Section 202 (j))

It is the intent of the Managers that the terms "wood and processed wood products" continue to be included in definitions of agricultural products and included in USDA Export Credit Guarantee Programs.

121. Deferred payment sales (H 1222)

The Senate bill provides technical changes to section 201 of current law. [Section 203]

The House amendment repeals similar provision in current law.

The Conference substitute deletes the Senate provision.

122. Marketing Assistance Program (MAP)

a. General (H 1221)

The Senate bill provides that sec. 204 authorizes the Secretary to establish a Marketing Assistance Program to provide cost-share assistance to U.S. organizations for the development, maintenance and expansion of commercial export markets for U.S. agricultural commodities. Cost share assistance may be in the form of funds or commodities of the CCC.

To be eligible for cost-share assistance, a United States organization shall be an eligible trade organization, prepare and submit a marketing plan and meet any other requirements established by the Secretary.

Priority for assistance shall be made for affirmative determinations under section 301 of the Trade Act of 1974, where exports have been adversely affected, as defined by the Secretary, through retaliatory actions related to an affirmative determination under section 301, to counter or offset an unfair trade practice of a foreign country or to promote the sale of value-added, fortified, or high-value agricultural products under section 301 of the Agricultural Trade Development and Assistance Act of 1954, especially countries in Eastern Europe.

Most private organizations cannot receive assistance exceeding 50 percent of expenses. Exceptions are (1) private companies that provide a marketing plan for agricultural commodities that have received a favorable decision under section 301 of the Trade Act of 1974, and (2) private entities that have received assistance under section 1124 of the Food Security Act, where any cost-share assistance was greater than 50 percent. In the latter case, cost-share assistance would be staged down to 50 percent in equal increments over the 5-year period. [Section 204(g)]

The Secretary may use the funds, facilities and authorities of the CCC for this program. $200-$325 million is authorized for each of the fiscal years 1991 through 1995. [Section 211(c)]

Sec. 204(i) requires that FAS review the regulations governing the eligibility of organizations for MAP. Within 60 days, FAS should recommend to the Agriculture Committees ways to improve the use of funds by smaller trade organizations and any changes to these regulations.

The House amendment amends title II of the 1978 Act to direct the Commodity Credit Corporation to establish a Marketing Promotion program. [Section 202]

Priority for assistance under the program shall be for cases involving an unfair trade practice (or in other cases as determined by the Secretary).

Assistance for branded promotion shall not exceed 50 percent of the cost of implementing the marketing plan. Criteria for determining that cost must be documented.

Final rules must be issued not later than 90 days after the date of enactment of this Act.

The CCC shall make available assistance at a level not less than $325,000,000 for each of fiscal years 1991 through 1995. Within this amount, the Secretary must establish as an objective the reservation of an amount of assistance for use of the four regional nonprofit export trade associations established through the States and the Foreign Agricultural Service. [Sec. 202]

The Conference substitute adopts the House provision except for the following: (1) defines an eligible trade organization as a United States agricultural trade organization or regional State-related organization that promotes the export and sale of agricultural commodities and that does not stand to profit directly from specific sales of agricultural commodities, and (2) does not include the provision requiring the Secretary to establish as an objective the reservation of funds for the four regional nonprofit export trade associations. (Section 203)

The marketing promotion program provided for by this section is a revision of the Targeted Export Assistance program provided for by Section 1124 of the Food Security Act of 1985. Although that section only provided for export assistance to be made available in the case of finding of an unfair trade practice, the program provided for by this section is designed to help foreign market promotion activities generally, with a special emphasis given to helping the exports of agricultural commodities hampered by unfair trade practices.

The Managers note their intent that priority be given to assisting exports of agricultural commodities affected by unfair trade practices, particularly agricultural commodities with respect to which there has been a favorable decision under Section 301 of the Trade Act of 1974 (19 U.S.C. 2411); and agricultural commodities for which exports have been adversely affected, as defined by the Secretary, through retaliatory actions related to a favorable decision under Section 301 of the Trade Act of 1974 (19 U.S.C. 2411).

This section defines organizations that are eligible for assistance under the marketing promotion program. The Managers deleted from the Conference substitute language in the Senate bill specifically stating that a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products. The Managers took this action because the eligibility of such tribal or inter-tribal organizations is covered by the more general language concerning private or non-profit organizations that promote agricultural exports that remains in the Conference substitute.

The Foreign Agricultural Service (FAS), in cooperation with state governments, has formed four regional trade organizations designed to assist smaller businesses in the development of export markets for agricultural commodities. Since the Targeted Export Assistance (TEA) program was established, the four regional organizations have assisted FAS by consolidating small company TEA requests and administering the TEA awards to the applicants. They also provide needed technical assistance to smaller companies in their regions in developing market development plans for the export of agricultural products.

It is the intent of the Managers that the FAS continue to view favorably the applications from eligible companies that are channeled through the regional trade organizations. It is also the intent of the Managers that FAS provide stronger oversight of the operation of the regional organizations. This includes ensuring that the regional organizations are complying with program re-

quirements, that regional funds are equitably distributed, and that recipients are qualified organizations with the potential to contribute significantly to U.S. export market growth. The goal of the program—to expand commercial export markets with priority in the case of unfair trade practices—should not be hampered by inadequate or inappropriate administration of the program by any of the parties involved.

b. Requirements for Participation

The Senate bill provides requirements for participation:

Eligible trade organizations that prepare and submit a marketing plan within guidelines must be established by the Secretary for the Secretary's approval;

Marketing plans must be developed for countries that are, or have the potential to be, viable commercial markets for U.S. agricultural commodities;

Exports resulting from the use of MAP projects should have a significant positive effect on farmgate agricultural commodity values and on financial returns to farmers;

Priority shall be given where there is an affirmative determination or foreign retaliation to an action under section 301 of the Trade Act of 1974;

MAP assistance will be used to counter or offset an unfair trade practice by the foreign country or will be used in a country eligible for the Food for Freedom program in the Agricultural Trade Development and Assistance Act of 1954, especially Eastern European countries.

The House amendment contains a similar provision requiring submission of a marketing plan by an eligible organization.

The Secretary is directed to provide assistance under this section on a priority basis in the case of unfair trade practices. (Section 202)

The Conference substitute adopts the House provision.(Section 203)

c. Eligible Trade Organizations

The Senate bill defines eligible trade organizations to include U.S. or regional agricultural trade organizations that promote but do not profit directly from specific sales of agricultural commodities; a cooperative organization or State agency that promotes the sale of agricultural commodities; a private organization that contributes significantly to U.S. export market development; or a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products.

The House amendment provides a similar provision which defines eligible trade organizations that promote but do not profit directly from specific sales of agricultural commodities; a cooperative organization or State agency that promotes the sale of agricultural commodities; or a private organization that contributes significantly to U.S. export market development. [Section 202(d)]

The Conference substitute is similar to both the Senate bill and House amendment with clarifying changes relative to limitation of funds for branded promotion. The Conference substitute provides that an exception can be made to the 50 percent limitation for branded promotion in the case of agricultural commodities with respect to which there has been a favorable decision under section 301 of the Trade Act of 1974. Criteria for determining that cost shall be consistent and such cost shall be documented.

The Conference substitute further provides that in the case where a participant has received funds in excess of 50 percent prior to the date of enactment of this Act and with respect to which assistance would be limited under this Act, any such reduction in assistance must be phased down in equal increments over a 5-year period. (Section 203)

The Managers note that the Targeted Export Assistance program was created in 1985 to assist a number of commodity groups which had gone through the very lengthy and expensive process of pursuing a section 301 case. The Congress believed that those commodity groups that faced unfair trade barriers overseas should be assisted in pursuing their export markets, and it is the Managers' intention that such assistance be continued.

The Managers intend that a private organization include a tribal or inter-tribal organization that promotes the export and sale of one or more Native American agricultural products.

d. Approved Marketing Plan

The Senate bill elaborates the requirements for the marketing plan to be submitted by eligible organizations prior to receiving cost-share assistance. This should include the manner in which Federal and private funds will be expended and the market goals of the program. Such promotion may include branded advertising.

Assistance may be provided over a period of 1 to 3 years. Multi-year assistance has to meet certain criteria.

The Secretary may terminate assistance under certain conditions, including the elimination of the unfair trade practice that was the basis of the provision of assistance.

The Secretary shall have full access to all records of the organization relating to the use of assistance during and for 5 years after participation in the program.

The House amendment provides a similar provision for an approved marketing plan. The Secretary is required to make evaluations of expenditure of funds under this section and must justify in writing the level of assistance provided to an eligible trade organization and the level of cost-sharing required of such organization.

Assistance may be provided on a multi-year basis and the Secretary may terminate any assistance made under certain conditions.

The Secretary must require each eligible trade organization that receives assistance under this program to maintain all records concerning a program transaction for a period of 5 years after completion of the program transaction and to permit the Secretary to have full and complete access to such records. (Section 202)

The Conference substitute adopts the House provision. (Section 203)

123. Non-program Transactions (H 1222)

The House amendment authorizes the Secretary to require organizations to make available records of non-program transactions. [Section 202(f)(4)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 203)

124. Barter of Agricultural Commodities

The Senate bill provides that sec. 205 replaces barter provisions outside of the CCC Charter Act, including sections 1167 of the Food Security Act of 1985, section 416(d) of the Agricultural Act of 1949, and others.

The Secretary is authorized to provide commodities in barter for foreign products. Eligible commodities include those acquired by the CCC through price support operations or in the normal course of business.

The Secretary or CCC may provide commodities, technical advice and assistance to U.S. exporters that barter for foreign products or to develop foreign markets for U.S. exports. The Secretary or CCC is authorized to transfer foreign products that they obtain to other government agencies, provided they are fully reimbursed within the same fiscal year.

This section does not limit the CCC's authority to acquire, hold or dispose of such foreign materials. The Secretary or CCC is required to take reasonable precautions to prevent the misuse of eligible commodities in a barter or exchange program.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 204)

125. Agricultural Credit Revolving Fund

The Senate bill provides that the original revolving fund is slightly revised and transferred to new sec. 206. Only significant change is that the requirement that the Secretary annually report on the status of fund is deleted. [Sec. 206]

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

126. Equitable Treatment of High-Value Commodities

The House provision provides that in the case of any program, such as that established under section 201 (Export Enhancement Program), operated by the Secretary or the Commodity Credit Corporation during the fiscal years 1991 through 1995, for the purpose of discouraging unfair trade practices, the Secretary shall establish as an objective to expend annually at least 25 percent of the total funds available (or 25 percent of the value of any commodities employed) for activities involving the export sales of high-value agricultural commodities and value-added products of U.S. agricultural commodities. (Section 203)

The Senate has no comparable provision.

The Conference substitute adopts the House provision. (Section 303)

Combination of programs

The Senate bill provides that if a country fails to meet its financial qualifications under the direct credit sales program or export credit guarantee program, the Secretary may provide commodities under the Export Enhancement Program to that country.

The Secretary is required to annually review and adjust the quantity of commodities provided to a country.

The CCC may blend commercial export credit guarantees with direct credits to reduce the effective rate of interest on export sales of agricultural commodities. (Section 207)

The House amendment provides no comparable provision.

The Conference substitute provides that the Commodity Credit Corporation may carry out a program under which commercial export credit guarantees under section 202 are combined with direct credits under section 201 from the Commodity Credit Corporation to reduce the effective rate of interest on export sales of agricultural commodities. (Section 205)

Subtitle B—Implementation

127. Funding levels (H 1222)

The Senate bill provides that sec. 211(a) provides that the CCC may make available such funds as necessary for the direct credit program.

The House amendment retains current law with same provisions.

The Conference substitute adopts the Senate provision. (Section 211)

The Senate bill provides that short-term export credit guarantees are to be funded at a minimum of $5 billion in each fiscal year 1991-95.

The House amendment extends current law with same provisions. [Section 1222(f)]

The Conference substitute adopts the Senate provision. (Section 211)

The Senate bill provides that intermediate-term export credit guarantees are to be funded at minimum of $500 million in each of the FYs 1991-95.

The House amendment extends current law with same provisions. [Section 1222(c)]

The Conference substitute adopts the Senate provision. (Section 211)

The Senate bill provides that the Marketing Assistance Program is to be funded at between $200 million and $325 million in each of the FYs 1991-95.

The House amendment requires a minimum funding level of $325,000,000 for the Market Promotion Program. [Section 202(g) of the 1978 Act as amended]

The Conference substitute provides a funding level for the Market Promotion Program of $200 million for each of the fiscal years 1991 through 1995. (Section 211)

128. Regulations

The Senate bill directs the CCC or Secretary to promulgate regulations to carry out the provisions. (Section 212)

The House amendment provides no comparable provision.

The Conference substitute provides that the Secretary issue regulations within 180 days. (Section 404)

129. Authorization of appropriations

The Senate bill authorizes such sums as necessary for the title. (Section 213)

The House amendment provides no comparable provision.

The Conference substitute provides authorization for such sums as are necessary for the title. (Section 506)

TITLE III—RESPONSE TO UNFAIR TRADE PRACTICES

130. Purpose of authorities

The Senate bill authorizes the Secretary to carry out agricultural trade programs directed at foreign unfair trade practices. (Section 301)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 301)

131. Export enhancement program to combat unfair trade practices

The Senate bill provides that sec. 302 replaces section 1203 of the Agricultural and Food Act of 1981 and section 1127 of the FSA of 1985. The Secretary is required to carry out a program to discourage unfair trade practices by foreign countries and to encourage the development, maintenance, and expansion of export markets for U.S. agricultural commodities by making U.S. agricultural commodities price competitive. (Section 302)

The House amendment provides that section 201 of the 1978 Trade Act is amended to require the Commodity Credit Corporation to carry out a program to discourage unfair trade practices by making U.S. agricultural commodities competitive.

The Conference substitute adopts the Senate provision with a clarifying amendment. (Section 301)

The Senate bill provides Terms and Conditions:

Export incentives shall be made to the extent necessary to counter or offset the adverse effect of unfair foreign trade practices.

Incentives should make U.S. ag commodities available at the world market price in the foreign market.

Priority should be given to sales to traditional markets for U.S. commodities.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Senate bill provides that the Secretary shall avoid displacement of usual U.S. marketings and shall take reasonable precautions to prevent the resale or transshipment of the exported commodities.

The House amendment provides no provision.

The Conference substitute adopts the Senate provision. (Section 301).

The Senate bill provides that the cost of freight may be included. (Section 301)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision (Section 301)

The Senate bill provides that the Secretary shall make reasonable efforts to avoid a disproportionate preference for one class of wheat.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 301)

The Senate bill provides that the Secretary shall make available some or all of the commercial export assistance to mitigate or offset unfair trade practices against particular commodities. Such commodities include those that the United States institutes, or attempts but is prevented from instituting, a proceeding of any international dispute settlement procedures, or initiates an investigation pursuant to section 301 of the Trade Act of 1974. The Secretary shall promptly consult with the industry regarding specific actions or an integrated marketing strategy to mitigate or offset such unfair trade practice, as well as the industry preference for the practical use of available assistance under this subtitle.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision (but see Section 302)

The Senate bill provides that agricultural commodities cannot be purchased with Section 32 funds for the sole purpose of using such commodities under this program. The program is to be carried out through the CCC. (Section 301(d))

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

The House amendment provides that in proposals for livestock, the Commodity Credit Corporation shall give priority to those proposals that include the purchase of livestock and technical services. [Sec. 201(c)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 301(c))

The Senate bill provides that authority for this program is in addition to existing authorities.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

The Senate bill provides that the Secretary shall use definite and publicized criteria for reviewing initiatives made under the program, establish and maintain a procedure for evaluating and reviewing bonuses awarded under the program, and establish consistent and effective procedures for reviewing the payment of bonuses to exporters.

The House amendment provides that the Commodity Credit Corporation shall maintain an established procedure for evaluating program bonus requests, use a clear set of established procedures for measuring transportation and incidental costs to be used in the calculation of acceptable bonus levels, in the case of livestock and livestock products, develop methodology to determine the world price and cost of production and maintain controls and procedures for auditing and reviewing payment of bonuses and securing refunds where appropriate. The Secretary may withhold from the public the procedures and guidelines established pursuant to this section. (Section 201)

The Conference substitute adopts the House provision. (Section 301)

The Senate bill requires the Secretary to make available at least 10 percent of the program incentives for sales of value-added, fortified, or high-value commodities. (Section 302(i))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Senate bill provides that the Corporation shall make available such funds or commodities as are necessary to carry out the program in years 1991-95. (Section 302(j))

The House amendment provides that the Corporation shall make available not less than $500,000,000 per year to carry out the program in years 1991-95. Not more than 10 percent of the funds and commodities available may promote the export of agricultural commodities described in section 101 (6)(B)(ii). (Section 201(f))

The Conference substitute adopts the House provision, except for the provision directing 10 percent for value-added exports. (Section 301(e))

The Senate bill provides no comparable provision.

The House amendment provides that general purpose is not to adversely affect exports of countries not engaged in unfair trade practices. [Sec. 201(g)]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a fairly traded clarifying amendment that the Export Enhancement Program should not affect adversely the exports of fairly traded commodities. (Section 301 (g))

132. Regulations

The Senate bill provides that Sec. 303 provides that the Secretary or CCC shall promulgate the necessary regulations for the export enhancement program.

The House amendment provides no comparable provision.

The Conference substitute provides that the Secretary shall issue regulations implementing the provisions of this Act, includ-

ing specific regulations pertaining to program compliance requirements under sections 401 and 402.

TITLE IV—GENERAL PROVISIONS

133. Increase in Total Revenue as Result of Export Assistance

The Senate bill provides that sec. 407 provides that the Secretary advise the Secretary of the Treasury and Director of the Office of Management and Budget concerning increases in U.S. agricultural exports resulting from assistance under section 302(c)(11). The Director shall estimate the additional revenue received by the Treasury as a result of the assistance programs established under this Act. The President shall, to the maximum extent practicable, consider this increase in Treasury receipts and the U.S. balance of payments in preparing the budget for the export assistance programs under this Act.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

TITLE V—FOREIGN AGRICULTURAL SERVICE

134. Administrator of the Foreign Agricultural Service

The Senate bill provides that sec. 502 establishes the position of Administrator of the FAS in USDA. Such position is appointed by the President with the advice and consent of the Senate. The Administrator is authorized to exercise functions and perform duties related to foreign agriculture, and shall oversee the operations of FAS, the General Sales Manager and the Agricultural Attaches. The Administrator, if a member of the Foreign Service, may rejoin the Foreign Service and retains full retirement rights and benefits.

The House amendment provides no comparable provision.

The Conference substitute provides for the establishment of the position of Administrator of the Foreign Agricultural Service. The Administrator is authorized to perform duties related to foreign agriculture and other duties as may be required by law or prescribed by the Secretary of Agriculture. The Administrator must oversee the operations of the Foreign Agricultural Service, the General Sales Manager, and the Agricultural Attache Service. (Section 502)

135. Responsibilities of the Foreign Agricultural Service

The Senate bill provides that FAS shall assist the Secretary in carrying out the agricultural trade policy of the United States. FAS is responsible for the promotion of U.S. agricultural exports; facilitation of economic assistance and development through programs authorized by this Act or elsewhere in law; representation of U.S. producers, processors and exporters in trade negotiations; and collection of information on foreign production, markets and government policies affecting agricultural trade. (Section 503)

The House amendment provides no comparable provision.

The Conference substitute provides that the Service shall assist the Secretary in carrying out the agricultural trade policy of the United States by acquiring information pertaining to agricultural trade, carrying out market promotion and development activities, and implementing the programs authorized in this and other Acts. (Section 503)

136. Staff of the Foreign Agricultural Service

The Senate bill provides that sec. 505 generally restates section 4211 of the Omnibus Trade and Competitiveness Act of 1988. This section authorizes a minimum of 900 staff years to FAS for operation of the agricultural export programs. The Secretary of State shall accord the diplomatic title of Minister-Counselor for up to 12 senior Service officers assigned to any U.S. mission abroad. (Sec. 4211 is deleted in a later provision.)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 504)

137. Authorization of appropriations

The Senate bill authorizes to be appropriated for the service such sums as necessary to carry out the provisions of this title. (Section 506)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 506)

TITLE III—TRADE REPORTING

138. Export reporting and contract sanctity (H 1221)

The House amendment provides that Title III of the 1978 Act requires weekly export sales reports of all exporters of wheat, wheat flower, feed grains, oilseeds, cotton, cotton products and other commodities, as the Secretary designates.

The Secretary shall collect information from commercial exporters of all major agricultural commodities on the U.S. versus foreign content in each export shipment. Information that cannot be obtained from records maintained in the ordinary course of business shall not be required. Processed product reports may be aggregated.

Identifiable information shall be considered confidential. Fines shall be levied against USDA employees who disclose such information or exporters that knowingly fail to file a report. The President cannot prohibit or curtail the export of any agricultural commodity under an export sales contract that is entered into before the President announces an action that would otherwise prohibit or curtail the export of the commodity and the terms of which require delivery of the commodity within 270 days after the date of the suspension of trade is imposed except for a national emergency or declaration of war by the Congress. [Sec. 301]

The Senate bill provides no comparable provision.

The Conference substitute adopts the House provision but limits the report on origin of commodities to loose and shelled peanuts.

In regard to tobacco, the Conference substitute—

(1) requires reporting within 60 days of export of all tobacco shipments;

(2) requires records to be kept on all finished cigarette and cigarette ready tobacco with information aggregated on a quarterly basis, certified as accurate by the reporting person and submitted to the Secretary (records supporting the accuracy of such certification must be maintained for 5 years);

(3) requires that records maintained and reports filed shall include the crop year, grade, type, country of origin, poundage, and such other information as the Secretary deems appropriate;

(4) requires the Secretary to forward reports to the House and Senate agriculture committees in a timely fashion; and

(5) provides that any person who violates this provision shall be subject to penalties under 18 U.S.C. 1001 for each such violation. (Sec. 602)

The Conference agreement envisions there will be two reports. One, relating to general tobacco exports, on a monthly basis regarding individual reports, and another, relating to cigarettes and cigarette ready tobacco exports, on a quarterly basis regarding individual aggregate reports. Both must be submitted to the House and Senate agriculture committees in a timely fashion.

The tobacco reporting requirements simply require reports to be filed on all tobacco shipments under two different mechanisms. First, tobacco shipments which are not either cigarettes or cigarette ready, must be reported to the Secretary of Agriculture within 60 days of export on an individual basis. Report requirements for cigarettes and cigarette ready tobacco shipments allow for individual aggregate quarterly reporting of tobacco shipments by individual companies. This processed product requirement is designed to protect specific or particular brand formulations.

The Managers intend that certification of tobacco or tobacco products by type relates to the broad categories of the major and minor kinds of tobacco, for example, fluecured, burley, Maryland, dark air, fire cured, etc. Type reporting does not require the person reporting to designate types within the broad categories.

The Managers intend that crop year designation for tobacco and tobacco products reflect the crop year which the Department of Agriculture would normally assign to the particular lot of tobacco. Tobacco marketed in a given year, and considered to be of a certain crop year continues to retain that particular crop year designation. In the case of imported tobacco, the marketing year, and not the year of importation, should control.

The retention of supporting documentation for a 5-year period, provides clear guidance to the exporters of cigarettes and cigarette ready tobacco as to the requirements of the section.

The certification specified in this provision should not limit the ability of the Producer Associations to sell tobacco.

TITLE VI—REPORTS

139. Nongovernmental subsidies (H 1221)

The House amendment requires the Secretary to study the extent to which non-governmental (i.e. private) trade and production practices are provided in any foreign country, with a priority to livestock and U.S. price support commodities. [Section 401]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

140. Other reports to Congress

The Senate bill provides that sec. 602 provides that additional reports be made to the Ag Committees including an annual report on barter; a bi-monthly update on export assistance; an annual report on the operation of the Trade Assistance Office; a quarterly report on the level of export sales, the use of credit guarantees and direct loans; and an annual report concerning the food aid assistance programs.

The House amendment provides no comparable provision.

The Conference substitute provides that the Secretary must, not less than quarterly, prepare and submit to the Agriculture Committees and the House Committee on Foreign Affairs a report specifying the cumulative amount of export assistance provided by the Commodity Credit Corporation under this and other Acts. (Section 603)

141. Prohibition on use of title

The Senate bill extends the prohibition on the use of the title "Assistant Secretary of Agriculture for International Affairs and Commodity Programs". (Section 1123)

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

142. Durum wheat imports

The Senate bill requires the Secretary to report to Congress within one year on the impact on domestic durum wheat growers of durum wheat imports from Canada. (Section 1124)

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

143. Alfalfa seed imports

The Senate bill provides that sec. 1125 requires the Secretary to report to Congress within one year on the impact on domestic alfalfa seed growers of alfalfa seed imports from Canada.

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

144. Market development task force (H 1223)

The House amendment requires the Secretary to establish a Market Development Task Force to help develop the long-term agricultural trade strategy required by section 105. Membership on the task force includes representatives from Commerce, FAS, USTR, SBA, the Extension Service, the National Association of State Departments of Agriculture, the special assistance to the President for Agriculture, and the private sector. (Section 1223)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

It is the intent of the Managers that in the preparation of the long-term trade strategy the Secretary will, to the extent possible, draw upon the resources of all of the principal governmental agencies involved in the export business and organizations involved in the daily operations of export trade and export promotion. It is especially important that the U.S. Trade Representative, the Small Business Administration, and the Department of Commerce be consulted and involved in the strategy formulation. The ultimate goal should be a comprehensive, government-wide strategy for agricultural exports.

Subtitle C—General Provisions

145. Cottonseed oil and sunflower oil exports

The Senate bill revises the Cottonseed Oil and Sunflower Oil Export programs, established in section 301(b) of the Disaster Assistance Act of 1988. This provision provides that $50 million of the available funds shall be used to encourage the export of sunflowerseed oil and cottonseed oil at competitive world prices. Such funds shall be fully obligated in years such sums are available and the domestic prices of such oils exceed competitive world prices. Benefits under the program shall be only to the extent necessary to encourage the sale. To the maximum extent practicable, equivalent funds should be used for sales of sunflower seed oil and cottonseed oil. (Section 1132)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision. (Section 1521)

146. Promotion of Agricultural Exports to Emerging Democracies (H 1231)

The House amendment makes available not less than $225 million of GSM 102 export credit guarantees for agricultural exports to emerging democracies and $50 million of GSM 103 for financing infrastructure improvement projects. (Section 1231)

The Senate bill contains no comparable provision.

The Conference substitute provides $1 billion for the five-year period (fiscal years 1991-1995) for short- and intermediate-term credit guarantees for emerging democracies. (Section 1522)

The House amendment provides that the Secretary, in order to develop, maintain, or expand markets for U.S. agricultural exports, is directed to make available to emerging democracies the expertise of the U.S. to make assessments of the food and rural business systems needs. The Secretary must provide assistance of not more than $10,000,000 for each fiscal year and must implement this subsection with respect to at least 3 emerging democracies in each fiscal year.

Experts making the assessments must prepare such reports as the Secretary may designate, the Secretary must annually submit to the Agriculture Committees and the Committee on Foreign Affairs a report summarizing the assessments and recommendations prepared, and the Secretary must also make the assessments and recommendations available to the public. (Section 1231)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision limiting funding to $5 million annually. (Section 1522)

The House amendment provides that in carrying out this program, the Secretary must ensure that the credits for which repayments are guaranteed under subsection (a) do not negatively affect the political and economic situation in emerging democracies by adding to their foreign debt burdens. The Secretary is required to report to Congress on this matter. An emerging democracy is defined as any country taking steps toward political pluralism, economic reform, respect for internationally recognized human rights and a willingness to build a friendly relationship with the U.S. (Section 1231)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1522)

147. Multilateral trade negotiations (S 1134)

The Senate bill states the sense of Congress that the objectives of the Uruguay round of negotiations on agriculture under the General Agreement on Tariffs and Trade (GATT) are to reform global agricultural trade and eliminate trade-distorting policies. The objective should be an agreement that provides U.S. agriculture the opportunity to compete fairly in international markets; permits U.S. farmers a safety net against market instability; assures consumers of adequate supplies of high quality, reasonably priced food; and meets humanitarian food needs. (Section 1134)

The President shall prepare a report on the details of any agreement on agriculture and how such an agreement meets the objectives and criteria of these provisions. Such report shall be submitted to Congress within 30 days after conclusion of the agreement.

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision stating the sense of the Senate. (Section 1539)

148. Triggered marketing loans (S 1135)

The Senate bill renews the triggered marketing loan provision of section 4301 of the Omnibus Trade and Competitiveness Act of 1988 through 1991. (Section 1135)

The House provides no comparable provision.

The Conference substitute deletes the Senate provision.

149. Study of North American Free Trade Area (H 1241)

The House amendment requires the Secretary to study the effects on the U.S. agricultural economy of the creation of a North American free trade area, including the creation of a U.S.—Mexico free trade area, by May 31, 1991. (Section 1241)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision changing the due date of the report to March 31, 1991. (Section 1551)

The Managers intend that such a study look at, among other things, the trade and non-trade barriers to expanded U.S.-Mexico, and U.S.-Mexico-Canada agricultural trade and how such trade would be modified or eliminated under a bilateral or trilateral free trade arrangement.

Possible elements of bilateral and trilateral trade, such as converting non-tariff barriers into tariffs, modifying and/or harmonizing sanitary and phytosanitary regulations, especially for livestock and horticultural products, and establishing binational or trinational procedures for consultation and dispute settlement mechanisms in agriculture need to be analyzed and their impacts assessed.

The study must also consider how an FTA or NAFTA could be affected by agreements that may be reached in the current Uruguay Round of trade negotiations at the General Agreement on Tariffs and Trade (GATT).

150. Report on wood and fish export promotion (H 1242)

The House amendment requires the Secretary to report on the use and participation of wood and fish and their products in the export promotion programs within 180 days. [Section 1242]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

151. Rose and flower study (H 1243)

The House amendment provides for the study of the impact of consignment sales of foreign flowers on the domestic cut flower industry within 6 months. [Section 1243]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1552)

The Managers encourage the Secretary to consider the importance of this report to the industry and give it priority consider-

ation in the Secretary's determination of studies to undertake pursuant to section 1980 of this Act.

152. Commodity transportation and technology assessment report (H 1244)

The House amendment provides for the assessment of the impact upon producer prices, consumer costs, and exports of the current agricultural transportation situation, focusing on rail transportation within 240 days. The Secretary shall consult with rail, truck and water-bourn carriers. The Secretary is authorized to expend such sums as may be necessary from any unobligated funds appropriated to the Department of Agriculture to carry out this assessment and report. [Section 1244]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a requirement that funds to carry out this section must be appropriated. (Section 1553)

The Managers acknowledge that disruptions and delays in transportation for agricultural commodities have a costly impact on prices received by producers, prices paid by consumers, and further inhibit efforts to compete in export markets.

At the present time, farmers, cooperatives, and local elevator facilities are often forced to wait for weeks in order to obtain rail transportation for their goods. Substantial financial losses may result when commodities cannot be shipped to a buyer or export terminal at a higher market price conditioned on receipt of shipment within a specified time frame. Other factors such as rail abandonments and the more recent practice of rail carriers selling certificates of transportation (COTs)—which are a form of futures trading in equipment availability and pricing—are also having a dramatic impact on producers' ability to effectively market their commodities.

The Managers strongly urge the Secretary to thoroughly undertake this assessment and to include in this report specific suggestions which would accomplish the dual goals of enhancing and improving presently available modes of transportation, and also identifying economically viable intermodal alternatives (which may require new and innovative equipment designs). It is also anticipated that as producers, marketers, exporters, and transportation firms are provided in the future with access to a nationwide agricultural computer network system, the efficient transportation of commodities can be further enhanced through data-based matching of potential cargoes with the availability of intermodal transportation carriers which may utilize either traditional or innovative designs of equipment. This topic should also be addressed in the final report.

153. Red tart cherry study (H 1245)

The House amendment provides for the study of international trading practices in cherries and cherry products on the domestic red tart cherry industry within 240 days. A sense of Congress is included to assist the industry in domestic and world markets. [Section 1245]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

154. Report on section 22 suspension or termination (H 1246)

The House amendment provides for the study of the effects of repealing section 22 of the Agricultural Adjustment Act prior to such repeal. [Section 1246]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1554)

155. Agricultural exports to the European Community (H 1247)

The House amendment provides findings on the E.C. integration plan to set agricultural product standards and requirements. Statements of policy are included regarding the effect of such standards on U.S. exports and to maintain such exports. [Section 1247]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1555)

156. Language proficiency and evaluation of foreign agricultural service officers (H 1248)

The House amendment requires the Secretary to evaluate language proficiency of its Foreign Service Officers within 6 months. Directs FAS to give precedence in promotions to FSO's with language proficiency. [Section 1248]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1556)

157. Prohibition on the use of programs with respect to the export of certain commodities and products (H 1249)

The House amendment prohibits the use of export promotion programs for assisting cigarette, or tobacco product exports. [Section 1249]

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

158. Use of economic assistance funds for agricultural and industrial alternative to narcotics production in major coca producing countries (S 1111; H 1251)

The House amendment waives Foreign Assistance restrictions on promotion of agricultural commodities in coca producing countries. [Section 1251]

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Section 1544)

159. World livestock market price information (S 1136)

The Senate bill provides that the Secretary determine the world price of livestock and livestock products. The Secretary shall gather and analyze the appropriate price and cost of production information to aid in price discovery and exports of U.S. livestock and livestock products. The price information shall be published within 8 months and periodically thereafter. (Section 1136)

The House amendment contains a similar provision providing for publication of such information periodically. (Section 201)

The Conference substitute adopts the Senate provision. (Section 1545)

160. Sense of Senate concerning rebalancing proposal of the European Community (S 1137)

The Senate bill outlines the Congressional findings that the success of the GATT agriculture negotiations are important to world agricultural trade and U.S. exports, as have been past negotiations that have established more market-oriented trade. Countries have committed to substantial and progressive reductions in agricultural protection and support in the GATT negotiations. It is the sense of the Senate that the EC's proposed rebalancing is fundamentally at odds with the goal of liberalizing world agricultural trade and eliminating trade-distorting policies. Rebalancing could have a particularly severe impact on U.S. exports of corn gluten feed and oilseeds. The United States should forcefully reject rebalancing in the GATT negotiations. (Section 1137)

The House amendment provides no comparable provision.

The Conference substitute adopts the Senate provision making the provision a sense of Congress. (Section 1555)

Subtitle D

161. Conforming Provisions and Technical Changes (S 1141-1147; H 1221)

The Senate bill provides that sections 1141 through 1147 provide technical amendments as a result of this legislation to the Omnibus Trade and Competitiveness Act of 1988, the Food Security Act of 1985, the Agriculture and Food Act of 1981, the Food for Peace Act of 1966 and the Agricultural Act of 1949, the Agricultural Act of 1956 and the Agricultural Technical Corrections Act as follows:

Strikes following sections of 1988 Trade Bill:

Sec. 4201. Long Term Agricultural Trade Strategy Reports (7 U.S.C. 5211)(transferred)

Sec. 4202. Technical Assistance in Trade Negotiations (7 U.S.C. 5212)(transferred)

Sec. 4205. Contracting Authority to Expand Agricultural Export Markets (7 U.S.C. 5215)(transferred)

Sec. 4206. Establishment of Trade Assistance Office (7 U.S.C. 5216)(transferred)

Sec. 4211. Personnel of the Foreign Agricultural Service (7 U.S.C. 5231)(restated)

Sec. 4212. Agricultural Attache Educational Program (7 U.S.C. 5232)(transferred)

Sec. 4213. Personnel Resource Time

Sec. 4305. Export Credit Guarantee Program (7 U.S.C. 1736(t), note); and

Sec. 4311. Food Aid and Market Development (7 U.S.C. 1691 note).

Strikes following sections of FSA of 1985:

Sec. 1124. Targeted Export Assistance Program

Sec. 1125. Short-term Export Credit (transferred)

Sec. 1127. Export Enhancement Program

Sec. 1128. Poultry, Beef and Pork Meats and Meat-Food Products, Equitable Treatment

Sec. 1132. Agricultural Attache Reports (transferred)

Sec. 1151. Trade Consultations (transferred)

Sec. 1162. Assessment of Export Displacement; and

Sec. 1167. Barter (restated).

Strikes following sections of the Agriculture and Food Act of 1981:

Sec. 1203. Special Standby Export Subsidy Program

Sec. 1204. Agricultural Embargo Protection (transferred); and

Sec. 1205. Development of Plans (transferred).

Sec. 4 of the Food for Peace Act of 1966, sec. 416(d) of the Agricultural Act of 1949, sec. 201 of the Agricultural Act of 1956, and sec. 13 of P.L. 101-220 are repealed.

The House amendment makes technical and conforming amendments as follows:

The provisions of section 103 of the Agricultural Trade Act of 1978 (as amended by section 1221) shall apply to proposals pend-

ing or received on or after the date of enactment of this Act.

The Secretary shall promulgate regulations to implement section 301 of the Agricultural Trade Act of 1978 (as amended by this title) no later than 180 days after the date of enactment of this Act.

Section 812 of the Agricultural Act of 1970 (7 U.S.C. 612c-3) is repealed.

Effective October 1, 1991, sections 1124 and 1127 of the Food Security Act of 1985 (7 U.S.C. 1736s and 1736v) are repealed.

Section 1165 of the Food Security Act of 1985 is repealed.

Section 4201 of the Agricultural Competitiveness and Trade Act of 1988 is repealed.

In general, this title and the amendments made by this title shall take effect on October 1, 1990, and shall be effective only for fiscal year 1991 and thereafter.

The Conference substitute adopts the Senate provisions and repeal of Section 1165 of the Food Security Act as contained in the House amendment. (Sections 1541, 1142, 1143, 1144, 1145, 1146, 1147, and 1148)

162. Soviet Union bank loans. [S 1975]

The Senate bill prohibits any U.S.-insured financial institution from providing credit to the Soviet Union unless credit is to purchase U.S.-produced agricultural products or the interest rate is equal to or greater than the interest rate generally provided to U.S. farmers. (S. 1975)

The House amendment provides no comparable provision.

The Conference substitute deletes the Senate provision.

163. Iraq sanctions, title XXIII, H 1224, 1225]

The Senate bill provides sanctions on trade with Iraq. (S. title XXIII)

The House amendment prohibits export promotion programs for trade with countries that (1) lack respect for internationally recognized human rights, (2) acquire chemical, biological, and nuclear weapons and has not forsworn first use of such weapons, (3) lack commitment to Geneva Protocol on use of gas or bacteriological weapons, or (4) support international terrorism, unless impact of restrictions on credit would hurt U.S. farmers more than the offending country.

The Conference substitute deletes both provisions.

The Managers note that the House bill contains a provision prohibiting agricultural credit guarantees and commercial export promotion programs to countries that violate human rights, have acquired chemical, biological and nuclear weapons, do not abide by the 1925 Geneva Protocol on chemical and biological weapons and that support terrorism. As written the prohibition would currently apply only to the country of Iraq.

A second House provision provides a waiver of these sanctions if the Secretary of Agriculture finds that they would have the effect of reducing U.S. exports of agricultural commodities while those commodities remain available to Iraq from other, non-U.S. sources. Furthermore, the imposition of the restrictions would be delayed until the Secretary has studied their impact and determined whether they would have a greater negative effect on U.S. farmers than upon Iraq.

The Senate bill contains no similar provision in this title, and the Conference substitute is the same as the Senate position.

The Managers adopted the Senate position because the need for such prohibitions are fully addressed in the Sanctions Against Iraq Act of 1990 and, because a prohibition on agricultural credit guarantees and commercial export promotion programs would result in a negative agriculture budget score of $1.6 billion.

The Managers wish to emphasize that the deletion of the provisions is not to be construed as opposition to strong measures against the country of Iraq. Indeed, the Managers are in full support of both the President's Executive Order imposing comprehensive sanctions on Iraq and the Sanctions Against Iraq Act of 1990.

164. Use of Economic Assistance Funds for Agricultural and Industrial Alternatives to Narcotics Production in major coca producing countries

The House amendment provides that the President may provide economic assistance for a country which, because of its coca production, is a major illicit drug producing country (as defined in the Foreign Assistance Act of 1961) to promote the production of products which can be economically produced in such country, notwithstanding the provisions of law that would otherwise restrict the use of economic assistance funds, including sections 521, 546, and 547 (but excluding section 510) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, and comparable provisions of subsequent Acts appropriating funds for foreign operations, export financing, and related programs.

Economic assistance is defined as assistance under chapter 1 of part 1 of the Foreign Assistance Act of 1961 and assistance under chapter 4 of part II of that Act.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

Great Lakes

Both the Conference substitute adopts identical provisions of both the Senate bill and the House amendment to permit the designation of "American Great Lakes Vessels" which would be exempted from the 3-year restriction for vessels built, rebuilt, or documented outside the United States from carrying preference cargoes.

The House provision that allowed such Great Lakes Vessels to apply for, and be granted, an operating differential subsidy by the U.S. Maritime Administration was deleted.

Both the House and Senate versions limited the carriage of commercial bulk cargoes, but the conference report places no restrictions on the carriage of commercial bulk cargoes by these vessels.

A provision which was not in either bill was added to assure that the exemption from the 3-year restriction only applies while the vessel is designated as a Great Lakes Vessel.

Provisions regarding the age of vessels that were identical in both bills were modified to state that to be designated an American Great Lakes Vessel, a vessel (1) cannot be more than 6 years old and not less than 1 year old on the effective date of the designation, or (2) the vessel cannot be more than 11 years old and not less than 1 year old on the effective date of the designation, and the Secretary determines that suitable vessels are not available for providing the type of service for which the vessel will be used, and the vessel could not have been previously designated an American Great Lakes Vessel.

Both bills had identical provisions restricting such vessels from engaging in trade with Canadian Great Lakes ports, and in the conference report this restriction has been deleted.

The requirement that repairs to such vessels be conducted in U.S. shipyards, which was included in both bills, was deleted by conferees.

The House amendment included provisions requiring that the same tonnage level of bagged, processed, and fortified P.L. 480 title II commodities shipped from Great Lakes ports in 1984 be shipped from these ports in 1991. This tonnage would be phased down from 1992 through 1995. The Senate bill did not include a similar provision and this provision was deleted in conference.

The Senate bill included provisions changing the current procedures for allocating title II bagged, processed, or fortified products, which was adopted in conference with several amendments. Instead of expiring in 1985, as in the Senate bill, this provision has no termination date.

Further, in the conference report the Commodity Credit Corporation (CCC) would be required to take such steps as may be necessary and practicable without detriment to any port range to allocate, on the principle of lowest landed cost without regard to the country of documentation of the vessel, 50 percent of the bagged, processed, or fortified commodities furnished pursuant to title II of P.L. 480. In the Senate bill, the Secretary of Transportation was granted this authority. The Senate bill did not have the words "without regard to the country of documentation of the vessel."

The Senate capped the amount that could be allocated to Great Lakes ports under these new allocation procedures at a level equal to the metric tonnage or the percentage share, whichever is lower, received by the Great Lakes port range in 1984, as determined by the Secretary of Agriculture. The Conference report caps the amount the Great Lakes can receive at a level not greater than the share experienced by that port range in 1984.

The Conference report adds a further provision these new allocation procedures. Amounts of cargo allocated to ports in the Great Lakes port range under these procedures shall not be exported from a different port range except as necessary to meet U.S.-flag transportation requirements, in which case are necessary and practicable without detriment to any port range to ensure the export from the Great Lakes port range of an amount of tonnage of title II bagged, processed, or fortified commodities that is not required to be transported on U.S.-flag vessels, that is equal to the amount diverted for export from other port ranges. The conference report further provides that any determination of non-availability of United States-flag vessels resulting from the application of this new allocation procedure shall not reduce the gross tonnage of commodities required by the government-impelled preference laws to be transported on United States-flag vessels.

The Managers added a new section, which was not in either bill, requiring the Secretary of Transportation, in consultation with the Secretary of Agriculture, to conduct a study on the implementation of these new provisions and report to Congress not later than December 31, 1994, on (1) the effects of these new provisions on diversions of cargo to and from the Great Lakes port range and any resulting effects on the cost of transporting commodities, and (2) whether the authority to designate vessels as American Great Lakes Vessels has increased U.S.-flag vessel service to Great Lakes ports.

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The definition of "lowest landed cost" included in the Senate bill, but not in the House amendment, was deleted.

TITLE XVI—RESEARCH

The Managers note that throughout this title whenever the term land grant colleges and universities appears it is meant to include 1890 colleges, including Tuskegee University.

The Managers note that unless otherwise specified institutions eligible to compete for grants include: State agricultural experiment stations; all colleges and universities including land grant colleges and universities; other research institutions and organizations; Federal agencies; private organizations or corporations; and individuals.

Subtitle A—Extensions and Changes to Existing Programs

Sec. 1601. Increased authorizations for, and the extension or repeal of, existing programs

(1) General Authorization of Appropriations (S 1414; H 1301(b)(4))

The Senate bill increases and extends the authorizations for the Agriculture Research Service (ARS), the Cooperative State Research Service (CSRS), the Extension Service (ES), and other general research programs.

The Senate bill authorizes the ARS and various other research programs at $730,000,000 for each of the fiscal years 1991 through 1995. The Senate provision further stipulates that beginning in fiscal year (FY) 1994, not less than 20 percent of the ARS appropriation shall be used for research directed at increasing the demand or utilization of farm or forest products, with special emphasis on the development of new nonfood uses. The Senate bill authorizes CSRS funding at $310,000,000 for each of the fiscal years 1991 through 1995 and authorizes the following amounts for the Extension Service: $420,000,000 for FY 1991; $430,000,000 for FY 1992; $440,000,000 for FY 1993; $450,000,000 for FY 1994; and $460,000,000 for FY 1995.

The House amendment also increases and extends the authorizations for ARS, CSRS and Extension Service. The House amendment authorizes ARS and various other research programs at $850,000,000, CSRS at $310,000,000, and the Extension Service at $420,000,000 for fiscal years 1991 through 1995. The House amendment provides for a five-year pilot project to make grants to two States to implement a plan to improve coordination and efficiency in delivery of nutrition education and to evaluate the results. One-half of one percent of the Extension Service funds each fiscal year are earmarked for the purpose of implementing this project.

The Conference substitute adopts the Senate provision with an amendment which: provides $850,000,000 for each fiscal year for ARS and various other programs; deletes the earmark of 20 percent within the ARS budget for utilization research; and removes the Extension Service nutrition pilot program earmark, thereby making the pilot program free-standing and authorized at such sums as are necessary.

(2) Supplemental and Alternative Crops (S 1489; H 1301(b)(5))

The Senate bill extends the Supplemental and Alternative Crops program, which requires the Secretary to develop and implement a pilot research program to develop supplemental and alternative crops until October 1, 1991. Such sums as are necessary are authorized to be appropriated.

The House amendment extends this program until 1995.

The Conference substitute adopts the House provision.

(3) Rangeland Research (S 1420; H 1301(b))

The Senate bill extends the Advisory Board and authorization of appropriations until 1995. A study on the impact of rangeland carrying capacity during drought is also authorized.

The House amendment contains the same provision without the study.

The Conference substitute adopts the House amendment.

(4) Dairy Goat Research (H 1301(c))

The House amendment extends the Dairy Goat Research program until 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

(5) Agriculture Materials Research

The Senate bill extends the Critical Agriculture Materials Act which directs the Secretary to carry out demonstration projects to promote the development or commercialization of critical crops until 1995. Such sums as are necessary are authorized.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(6) Findings (S 1406; H 1302)

The Senate bill streamlines the findings contained in the National Agricultural Research, Extension, and Teaching Policy Act of 1977 as follows:

(1) Federal support of agricultural research and extension has contributed to the development of agriculture;

(2) The existing agriculture research system must serve as the foundation for any further strengthening of agriculture research;

(3) Agencies conducting agriculture research were established at different times and need to be fully coordinated among themselves and with non-Federal activities;

(4) Long-range planning is a key element in meeting objectives of this Act;

(5) Agriculture research agencies have been only partially successful in responding to needs and should be more efficiently transferred;

(6) The agriculture system is increasingly dependent on science and technology;

(7) Expanded agriculture research is needed to meet rising demand for agriculture products;

(8) Advances in agriculture sciences are limited by periodic imbalances between thorough development of known principles and concentration on basic research;

(9) Federal funding levels for agriculture research have not been commensurate with needs;

(10) It is the policy of the United States to support food and agriculture research, extension, and teaching;

(11) The partnership between the Federal Government and individual states has provided the United States with the most productive and efficient food and agriculture system in the world;

(12) The U.S. food and agriculture system is the basis of our national affluence;

(13) The agriculture system must be maintained and constantly adjusted;

(14) National support for the agriculture system must be reaffirmed and strengthened;

(15) Continuing or increased efforts in agriculture sciences are needed in six broad areas which are listed;

(16) The implications of economic and scientific globalization of agriculture are immediate, and of great consequence for producers and consumers. The U.S. must participate in a global network of science and education;

(17) There are some schools (primarily those with minority enrollments) that are uniquely in a position to help USDA meet its mandate in training. USDA initiatives to benefit students are a national need; and

(18) The 1989 National Research Council report Investing in Research, identified an urgent need for further investment; agriculture research opportunities must be seized.

The House amendment contains similar findings with the differences being that Senate findings 16, 17, and 18 are deleted and the following two additional findings are added:

(1) Efforts should be directed toward the development of integrated production systems which are profitable, environmentally and agronomically sound, offer diverse production and market options, and increase rural economic and social vitality; and

(2) The Secretary of Agriculture should seek, on an annual basis, the assistance of the Board on Agriculture of the National Academy of Sciences, in identifying: science and technical opportunities, training and manpower needs; opportunities to advance sustainability and profitability; applications to enhance safety and nutritional attributes of food; and factors underlying the long-run international competitiveness of agriculture.

The Conference substitute deletes both the House and Senate provisions and amends current law by deleting existing findings.

(7) Research on Biomass

The Senate bill repeals the Biomass Research program.

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing this program.

(8) Chapters 1-5 of Subtitle G—Solar Energy Programs (S 1489)

The Senate bill repeals certain solar energy program authorities.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing the program.

(9) Technology Development for Small- and Medium-Sized Farming Operations (S 1489; H 1301(4))

The Senate bill repeals the technology development for small- and medium-sized farming operations program and a statement regarding the sense of Congress concerning the importance of such farming operations.

The House amendment extends the program until 1995.

The Conference substitute adopts the Senate provision, thereby repealing this section.

(10) Special Technology Development Research Program (S 1489)

The Senate bill repeals the special technology development research program which authorizes the Secretary to make available funds or in-kind assistance to private agencies, organizations, or individuals sharing in research projects or using federal

research facilities to develop new agriculture technology.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, thereby repealing the program.

Sec. 1602. Purposes of agricultural research and extension system

(11) Priorities for Agriculture Research and Extension System (S 1408)

The Senate bill amends existing law by adding a new section on purposes. The Senate bill provides objectives for the agricultural research and extension system that the Joint Council, the Users Advisory Board, the Technology Board and others will use to assess the success of the system. The section states that the primary purpose of basic and applied agriculture research and extension is to: (1) enhance the sustainability and competitiveness of the food production and agriculture system of the U.S.; and (2) ensure, to the extent practicable, that it maximizes competitiveness and the social, environmental, human health and food security interests of the United States.

Specific purposes, subject to varying conditions and needs of states, include that agriculture research shall, among other things:

(1) increase employment opportunities in agriculture and rural communities; strengthen the family farm system; enhance the competitiveness of small and moderated-sized owner-operated farms; contribute to more equitable rural, social, and economic structure; and enhance social and economic vivacity and quality of life of rural communities;

(2) protect the environment, including reducing soil erosion, enhancing the wildlife habitat, and protecting water from pollution;

(3) enhance human health by fostering the availability and affordability of a safe, wholesome, nutritious food supply and by developing farming systems without adverse impacts on health;

(4) ensure long-term food security by reducing reliance on consumptive use on nonrenewable resources, protecting natural resources, maintaining genetic diversity, and developing farming systems capable of meeting future food and farm product needs;

(5) enhance the efficiency, profitability and competitiveness of U.S. agriculture by the development of production systems that address constraints faced by producers and at reduced production costs; or

(6) enhance the efficiency, profitability and competitiveness of U.S. agriculture by the development of more efficient processes, new uses for existing crops, or new and alternative crops as industrial raw materials.

The Senate bill states that research should emphasize:

(1) the development of farming systems that take greater advantage of natural processes and beneficial on farm biological interactions;

(2) agroecology research;

(3) genetics research that enhances management options, farm productivity, use of inputs, and diversity of products marketed by farmer;

(4) development of farming systems appropriate to an era of climatological uncertainty;

(5) increasing demand for current farm products and new crops and products that are socially, economically, and environmental advantageous;

(6) increasing the profitability and productivity of soil conserving land uses and farming systems;

(7) developing rural development strategies and extension programs to disseminate such strategies;

(8) transferring new technology to the agriculture community and especially small and moderate sized farms and minority farmers;

(9) extension programs that are adequately funded and staffed and involve a broad range of interested individuals;

(10) programs to strengthen international agriculture research, extension and education in USDA, and universities, land grants, and in cooperation with AID;

(11) plant and animal genome mapping and preservation of valuable germplasm; and

(12) research that develops technology to ascertain the lean content of animal carcasses.

The Senate bill provides that not later than 18 months after enactment, the Secretary shall promulgate regulations interpreting and applying the purposes to agriculture research and extension projects administered by the Secretary. All projects $10,000 or more funded by USDA shall identify the purposes that project seeks to further and the effects of the project on the priorities in this title and the annual Joint Council and Users Advisory Board priorities. This does not override requirements for specifying objectives of projects funded by formula funding.

The House amendment contains no comparable provision

The Conference substitute adopts the Senate provision with an amendment substituting new purpose language and deleting the regulatory requirement. Subject to the varying conditions and needs of States, Federally funded agricultural research and extension programs shall be designed to, among other things, accomplish the following:

(1) continue to satisfy human food and fiber needs;

(2) enhance the long-term viability and competitiveness of the food production and agricultural system of the United States within the global economy;

(3) expand economic opportunities in rural America and enhance the quality of life for farmers, rural citizens, and society as a whole;

(4) improve the productivity of the American agricultural system and develop new agricultural crops and new uses for agricultural commodities;

(5) develop information and systems to enhance the environment and the natural resource base upon which a sustainable agricultural economy depends; or

(6) enhance human health by: (a) fostering the availability and affordability of a safe, wholesome, and nutritious food supply that meets the needs and preferences of the consumer; and (b) assisting farmers and other rural residents in the detection and prevention of health and safety concerns.

The Managers note that it is their intent that the Secretary establish guidelines to ensure that the purposes expressed in this section are reflected in the priority setting processes for research and extension programs such that projects consistent with these purposes are emphasized and each of these purposes is advanced by the research and extension program in its entirety. However, in recognition of the importance of academic freedom, the Managers also emphasize that it is not their intent that this statement of purposes be used to prohibit any research or line of inquiry.

Sec. 1603. Definitions

(12) Definitions (S 1407; H 1303)

The Senate bill adds one definition to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 for Technology Board which means the Agricultural Science and Technology Board established in this title.

The House amendment adds one definition to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 for sustainable agriculture which means an integrated system of plant and animal production practices having a site-specific application that will, over the long-term: (1) satisfy human food and fiber needs; (2) enhance environmental quality and the natural resource base upon which the agricultural economy depends; (3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (4) sustain the economic viability of farm operations; and (5) enhance the quality of life for farmers and society as a whole.

The Conference substitute adopts the House provision with an amendment adding the definition for Technology Board as provided in the Senate bill.

Sec. 1604. Joint Council on Food and Agricultural Sciences and National Agricultural Research and Extension Users Advisory Board

(13) Joint Council on Food and Agricultural Sciences (S 1409; H 1304)

The Senate bill extends the Joint Council on Food and Agricultural Sciences (Joint Council) until 1995, alters its structure, and adds new responsibilities.

The Senate bill calls for not less than 19 members: a representative of the National Institutes of Health; a representative of the National Science Foundation; a representative of the Department of Energy; a representative of the Environmental Protection Agency; the Administrator of ARS; the Administrator of CSRS; the Administrator of ES; the Administrator of the Economic Research Service; the Chief of the Forest Service; the Director of the National Agriculture Library; the Assistant Secretary for Economics; the Assistant Secretary for Science and Education; a representative of the Experiment Station Committee on Policy; a representative of the Extension Committee on Policy; a representative of the Resident Instruction Committee on Policy; a representative of the International Committee on Policy; a representative of 1890 schools; a representative of the American Association of Schools and Colleges of Agriculture and Renewable Resources; a representative of the Council of Administrative Heads of Agriculture. One member of the Council shall be elected annually to serve as liaison to the Users Advisory Board. Co-chairpersons shall be the Assistant Secretary of Science and Education and a representative of the land grant colleges. The Secretary may appoint up to six additional members.

The Senate bill adds several responsibilities of the Joint Council to those in current law. The Council must: provide an annual review and prioritize requests for agriculture-related special research and construction grants; analyze budgets and make budget recommendations for agriculture research upon recommendation of the Users Advisory Board; determine high priority research areas with particular attention being paid to the potential of such to advance the purposes expressed in this title; and review

the effectiveness of the system concerning all Federally supported agriculture research or extension projects.

The Senate bill maintains the reporting requirements in current law with the additional requirement that the reports cover research activities in other Federal agencies that conduct agricultural research and that such reports be submitted to Congress and the directors of Federal agencies that support agriculture research.

The Senate bill provides that technical panels may be established as needed to assist the Council. The duties of such panels are to define research and technology transfer needs; delineate alternatives and recommend research and technology transfer approaches; identify centers of expertise; and make recommendations regarding the overall mix of available funding. Panels shall include experts from the public and private sector, including basic science; applied research, education, economic and social dimensions.

The House amendment includes a similar provision to extend the Joint Council until 1995 and alters its structure and responsibilities.

The House amendment requires that the Joint Council consist of not less than 21 members: six representatives from State cooperative institutions (including at least one from 1890 institutions); four representatives from public colleges and universities with demonstrable capacity in food and agriculture research, extension, and teaching; a representative from colleges and universities conducting agriculture research; three representatives from private organizations or corporations (including one representative from food technology); a representative from foundations; a representative from farmers; a representative from the Office of Science and Technology Policy; two representatives from other Federal agencies; one representative from the National Academy of Sciences.

The report requirement of the House amendment is similar to the Senate provision. The existing exemption from the Federal Advisory Committee Act is retained. No provision for technical panels is provided. No new responsibilities are added. Co-chairpersons shall be the Assistant Secretary of Science and Education and person elected from among the non-Federal membership of the Joint Council.

The Conference substitute adopts the Senate provision an with amendment. The membership of Joint Council consists of not less than 21 members: six representatives from State cooperative institutions (including at least one from 1890 institutions); four representatives from agencies within the Department of Agriculture which have significant research, extension, and teaching responsibilities; a representative from public colleges and universities with demonstrable capacity in food and agriculture research, extension, and teaching; a representative from colleges and universities conducting food and agriculture research; three representatives from private organizations or corporations (including one representative from food technology); a representative from foundations funding research in food and agricultural sciences; a representative from farmers; a representative from the Office of Science and Technology Policy; two representatives from other Federal agencies; and a representative from the National Academy of Sciences. The Joint Council shall be jointly chaired by the Assistant Secretary for Science and Education and a person elected from among the non-Federal membership of the Joint Council.

The Managers note that while the Conference substitute does not specifically designate a representative from the American Association of Schools and Colleges of Agriculture and Renewable Resources it is expected that such a representative will continue on the Joint Council as the representative from public colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching.

(14) National Agricultural Research and Extension Users Advisory Board (S 1410; H 1314)

The Senate bill extends the Users Advisory Board (UAB) until 1995 and alters its structure and responsibilities. The Secretary is required to appoint 21 members to serve staggered terms: a producer from farm cooperatives; two producers from general farm organizations; four producers representing agriculture commodities, forest and aquacultural product groups from various geographic regions; a representative of agriculture farm suppliers; a representative of food and fiber processors; an animal health representative; 1 transportation representative; a labor representative; a food marketing representative; a representative of private nonprofit organizations involved in agriculture research; a private sector representative involved with developing countries; a representative of non-research agencies of USDA; a rural develop representative; a human nutrition representative; two consumer representatives with one from nonprofit consumer advocacy organizations; and an environmental representative from a nonprofit environmental protection organization. The UAB shall elect one member to serve as liaison to the Joint Council.

The Senate bill requires that the UAB meet a sufficient number of times each year to carry out responsibilities. Three responsibilities of the UAB are added to existing law. The UAB shall: (1) provide recommendations on allocation of agriculture research funds to Federal agencies and private organizations who contribute to agriculture research as well as to the Secretary; (2) identify emerging issues and suggest solutions to technical transfer problems; and (3) evaluate the results and effectiveness of agriculture research programs in meeting priorities established in this title.

The Senate bill requires that the UAB provide an oral briefing for the Secretary and an annual report of recommendations concerning: (1) allocations of responsibility and funding; (2) the effectiveness of the system and the coordination of Federal and private research initiatives; (3) new research and extension programs that need to be conducted; (4) public/private research and extension systems. The report shall be submitted to the Secretary and the appropriate committees of Congress.

The Senate bill requires that each UAB report list the membership of the UAB, including the organizational and employment affiliation of each member. The Secretary shall submit a report to House and Senate Agriculture Committees that describes the manner in which the UAB recommendations have been incorporated.

The House amendment is the same as the Senate bill with three differences: (1) the provision requiring UAB to elect a liaison to the Joint Council is deleted; (2) no liaison to the Joint Council is required; and (3) the Secretary is directed to provide support to the UAB as required.

The Conference substitute adopts the House provision.

Sec. 1605. Agricultural Science and Technology Review Board

(15) Technology Assessment (S 1411-13; H 1309)

The Senate bill establishes a new Agriculture Science and Technology Review Board. The purpose of the Board is to provide technical assessment of agriculture science issues and to consider the impact of technologies on agriculture and the social and economic wellbeing of communities. The Secretary, acting through the Joint Council, shall establish the Board.

The Senate bill requires that 11 members be appointed by the Secretary for staggered three-year terms who have expertise in: technology assessment; environmental sciences; rural sociology; international issues; social sciences; agriculture sciences; and technology transfer. The Board shall include representatives of: ARS; CSRS; ES; private foundations and nonprofit organizations; private firms; and the Land Grant System. A majority of the Board shall be from the private sector. The Board shall select a chairperson from its membership.

The Senate bill requires that the responsibilities of the Board shall include: providing technology interpretation and translation of current and emerging agriculture and environmental science issues for use by the Joint Council and UAB; and providing technology assessment of current and emerging public and private agriculture research and technology transfer initiatives.

The Senate bill calls for an annual report that includes recommendations on how research would be best directed to advance priorities established in this title, and an assessment of activities conducted by the Secretary and agriculture research universities and the private sector. The report is submitted to appropriate Committees of Congress; the Secretary, heads of Federal agencies who support agriculture research, and on request, to private organizations who have a significant involvement in agriculture research.

The House amendment establishes a new Joint Contract for Assessment of Food and Human Nutrition Research. The Secretary and the Secretary of Health and Human Services shall jointly contract with a scientific body to conduct an assessment of: progress in food science and nutrition research; the practical importance of such research to economic and societal wellbeing; priorities for future directions for research; and the supply of scientists in relevant disciplines. The scientific body shall make recommendations for the role of all Federal agencies supporting food and nutrition research.

The Conference substitute adopts the Senate provision with an amendment that strikes rural sociology from the areas of required expertise and deletes the statement that the Board may conduct an assessment of a private sector entity only to the extent that the entity is willing to cooperate in the assessment. A new section is added which provides that the Board may conduct assessments to consider the extent to which agricultural research and extension programs foster:

(A) the development of farming systems that most effectively take advantage of natural processes and beneficial biological interactions and other sustainable agriculture techniques;

(B) genetics research that result in crop varieties and livestock that enhance management options, farm productivity, use of inputs, and a diversity of products that can be marketed by the farm operator;

(C) research to develop farming systems appropriate to climatological uncertainty;

(D) research to increase the demand for current farm products, and to develop new farm crops and enterprises, that are economically, and environmentally advantageous and enhance agricultural diversity;

(E) research to enhance economic and societal wellbeing;

(F) research that develops rural economic development strategies that build on the entrepreneurial skills, self-employment tradition, and the resource base of rural communities and extension programs to disseminate those strategies;

(G) innovative extension and education programs that transfer new technology to the rural community including small- and moderate-sized family farmers and potential beginning and minority farmers with limited resources; and

(H) extension programs that substantially involve a broad range of interested individuals, commodity groups, agri-industry groups, farm groups, rural organizations, community groups, farmworkers, and environmental organizations to broaden input into research and extension priority setting.

Sec. 1606. National Agricultural Library

(16) National Agricultural Library (S 1419; H 1335)

The Senate bill establishes the National Agricultural Library (NAL). The purpose of this section is to consolidate and expand the statutory authority of the NAL to serve as the Nation's primary agriculture information resource.

The Secretary shall appoint a Director of the NAL who shall be responsible for managing the NAL. The Director may make copies and other reproductions of library materials and provide library services for sale at prices not less than the estimated cost of the service. The funds from NAL sales shall be available for use by the NAL.

The Senate bill states that the Director may work with and receive funds from any State or other entity to carry out this section. Such sums as may be necessary are authorized to be appropriated.

The House amendment is similar to the Senate provision with several differences. The NAL is authorized to dispose of unneeded materials. The Secretary is authorized to issue rules pertaining to the NAL. No authorization for sale of materials is authorized. The House amendment provides that the Secretary must establish a nine member Board of Regents to advise on the NAL. The Board of Regents is exempted from the Federal Advisory Committee Act. Such sums as necessary are authorized for construction and equipment of the NAL, with a cap of $500,000 on planning and $5,000,000 for construction.

The Conference substitute adopts the Senate provision with an amendment deleting the findings.

Sec. 1607. Grants to enhance research capacity in schools of veterinary medicine

(17) Veterinary Medicine Facilities Grants (H 1306)

The House amendment amends the existing grant program that provides competitive grants to States for the purpose of meeting the costs of renovation and construction and other activities in order to improve schools of veterinary medicine. The Secretary is authorized to set aside a portion of funds appropriated for the award of grants to eligible colleges to achieve full participation of minority groups in the Nation's veterinary schools. The clinical training of any school improved under this program shall emphasize care and preventive medical programs for food animals and companion animals, including horses, which support industries of major economic importance.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting construction from the purposes for which grants may be used.

Sec. 1608. Grants and fellowships for food and agricultural sciences education

(18) Grants and Fellowships for Food and Agricultural Sciences Education (S 1418; H 1307)

The Senate bill amends current law to revise the grant and fellowship program by adding the following:

(1) The Secretary may set aside a portion of the funds appropriated for grants to colleges and universities that have unique capabilities to teach food and agriculture sciences and achieve the objective of full representation of minority groups.

(2) The Secretary may set aside funds for grants to students to pursue agriculture science careers in order to address the increasing national need for trained professionals and scientists in agriculture.

(3) The Secretary shall conduct programs to develop, analyze, and provide data and information essential to the evaluation of the quality of teaching programs.

(4) The Secretary may conduct continuing education special programs with colleges and universities and organizations in the private sector by providing grants and technical assistance.

(5) This assistance may be used to conduct undergraduate scholarship programs.

A new teaching awards program is established. At least one cash award annually shall be given to an individual selected by the Secretary in recognition of excellence in teaching a food and agriculture science at a college or university within each of six regions designated by the Secretary.

The Senate bill establishes an authorization level at $70,000,000 for each fiscal year 1990 through 1995, of which $10,000,000 annually shall be used for national needs fellowships.

The House amendment extends and revises the grant and fellowship program. The House amendment contains a similar provision with slight differences. The grant program is available to design and implement innovative education programs. The House amendment also provides for a teaching award, but no regions are established and the Secretary must make at least one annual award. No specific authorization is designated for national needs fellowships. The sum of $50,000,000 is authorized for each fiscal year 1990 through 1995.

The Conference substitute adopts the Senate provision with an amendment that adds as a purpose the design and implementation of innovative education programs, deletes the six regions for teaching awards, and authorizes $60,000,000 for each fiscal year 1990 through 1995.

Sec. 1609. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products

(19) Research on Alcohol and Industrial Hydrocarbons (S 1489, 1974; H 1308)

The Senate bill repeals the Research on Alcohol and Industrial Hydrocarbons program. The Senate bill establishes a new grain-based alcohol fuels research program which requires the Secretary, in consultation with the Department of Energy, to establish a program to find methods to use offgrade grain, and other agriculture crops and waste materials. The sum of $20,000,000 annually is authorized for fiscal years 1991 through 1995.

The House amendment extends and revises the authorization for grants for research on the production and marketing of alcohols and industrial hydrocarbons from agriculture commodities and forest products.

The Secretary shall award grants to colleges, universities, and Federal laboratories for the purpose of conducting research related to alcohol fuels; industrial oilseed crops; other forms of biomass fuels; other industrial hydrocarbons made from agriculture commodities and forest products; and the development of the most economical and commercially feasible means of producing, collecting, and transporting agriculture crops, wastes, residues, and byproducts for use as feedstocks for the production of alcohol and other forms of biomass energy and the development of new markets for byproducts.

The sum of $20,000,000 annually is authorized for fiscal years 1991 through 1995. Of the amounts appropriated in any fiscal year not less than 50 percent of those amounts shall be made available for grants for research relating to the development of technologies for increasing the energy efficiency and commercial feasibility of alcohol production.

The Conference substitute adopts the House provision.

Sec. 1610. Food Science and Nutrition Research Center

(20) Nutrition Research Center (S 1976; H 1305)

The Senate bill authorizes the Secretary to award a grant to a research facility that is part of a land grant college that benefits from a dedicated non-Federal nutrition endowment of at least $100,000,000 in order to establish at least one food science nutrition research center for the Southeast Region of the United States. Such sums as are necessary are authorized to be appropriated.

The House amendment expands the Federal-State partnership and coordination responsibilities of USDA to include a Cooperative Human Nutrition Center at the Pennington Biomedical Research Center of Louisiana State University.

The Conference substitute adopts the Senate provision.

Sec. 1611. Animal health and disease research study and Animal Health Science Research Advisory Board

(21) Animal Health and Disease Research Authorizations (S 1421; H 1301(b))

The Senate bill extends the authorization for the Animal Health Science Research Advisory Board and extends the authority of the Advisory Board to all animal health and disease programs under the Secretary.

The House amendment similarly extends the Animal Health Science Research Advi-

sory Board until 1995. A member who represents an organization concerned with the general protection and well-being of animals is added to the Board. The House amendment requires the Board to meet at the call of the Secretary, but at least once annually, to advise the Secretary with respect to the implementation of all animal health and disease research programs.

The House amendment authorizes the Secretary to commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the delivery system utilized to provide farmers and ranchers with animal care and veterinary medical services.

The Conference substitute adopts the House provision.

Sec. 1612. Grant programs for 1890 land-grant colleges, including Tuskegee University

(22) Institutions (S 1425; H 1301(d))

The House amendment requires the Secretary to make grants to 1890 institutions, including Tuskegee, that have a demonstrable capacity to carry out the teaching of food and agricultural sciences.

The House amendment states that grants shall be used to: (1) strengthen institutional educational capacities; (2) attract and support undergraduate and graduate students; (3) facilitate cooperative initiatives to maximize the development and use of resources; and (4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agriculture scientists.

The House amendment allows the Secretary to set aside a portion of the funds appropriated for grants and make such amounts available only for grants to eligible institutions that the Secretary determines have unique capabilities for achieving the objective of full representation of minority groups that are under-represented in the Nation's food and agricultural sciences workforce. The sum of $11,000,000 is authorized for each of the fiscal years 1991 through 1995 for this program.

The House amendment also authorizes $8,000,000 for each of the fiscal years 1991 through 1995 to be used for grants for the acquisition and improvement of facilities and equipment. Four percent of the sums appropriated shall be available to the Secretary for administration of this grants program. The remaining funds shall be available for grants to assist 1890s in the purchase of equipment and land, planning, construction, alteration, or renovation of buildings. These funds may also be used at the discretion of the institutions in the areas of research, extension, and resident instruction.

The House amendment also authorizes the Secretary to make competitive grants to five national research and training centennial centers located at 1890 colleges, or a consortia of such colleges, including Tuskegee, that: (1) have been designated by the Secretary for the fiscal years 1991 through 1995 as national research and training centennial centers; and (2) have the best demonstrable capacity to provide administrative leadership as a National Center in one of the following five areas: goat research and training; agricultural engineering development, research, and training; water quality and agricultural production research and training; sustainable agriculture research and training; and domestic and international trade and development research and training.

Such grants may be expended by the designated centennial center to: (1) pay expenses incurred in conducting research for which the center was designated; (2) print and disseminate the results of such research; (3) plan, administer, and direct such research; and (4) alter or repair buildings necessary to conduct such research.

The Secretary shall give priority to those centennial centers that assure dissemination of information and attract students and needed professionals. The sum of $2,000,000 is authorized for each of the fiscal years 1991 through 1995 for this program.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction under the authorization for centennial centers.

Sec. 1613. International agricultural science, education, and development and international trade development centers

(23) International Agricultural Science, Education, and Development (S 1423; H 1312)

The Senate bill modifies existing law to include authorization for the Secretary to: (1) enter into cooperative arrangements with Departments and Ministries of Agriculture in other nations, land grant universities, the Agency for International Development (AID), international organizations, and individuals and organizations to promote sustainable global agriculture system, including efforts to develop a global system for plant genetic resources conservation; (2) expand collaboration with AID; and (3) establish, in cooperation with the Secretary of State, an arid land research program to be coordinated through the International Arid Land Consortium.

The House amendment makes similar modifications, without specific references to plant genetic resources, global development, or expansion of collaboration with AID. The Secretary is directed to cooperate with nongovernmental organizations, both domestic and foreign, for the purpose of expanding the agricultural economic base of middle income and developing countries. A new section states that no activities may promote the production for export of agricultural commodities, as determined by the Secretary, where such competition will cause substantial injury to U.S. producers.

The House amendment also directs the Secretary to make determinations regarding the location and funding of international trade development centers based on a national plan for agricultural export promotion through international trade development centers. This section provides that grants shall be made available on a competitive basis in accordance with such plan.

The Conference substitute adopts the Senate provision with an amendment adding the House provision on planning for trade development centers.

The Managers encourage the Secretary to assist, through the International Agricultural Science, Education, and Development Act, research to be undertaken in Texas in order to strengthen the capabilities for food and agricultural research in order to promote bilateral study, exchanges and research with Mexican academic, scientific and research institutions. Half of the $52 billion U.S.-Mexico two-way trade came across South Texas points of entry in 1989. The constant movement of people and goods between the two countries has led to the introduction of new animal and plant pests and diseases. Prevention, control and eradication of animals and plant pests and diseases in North America depends on collaboration with the Mexican scientific, academic, and research community on such important issues as the Africanized honey bee, screwworm, bovine tuberculosis, foot and mouth diseases, and other threats to agricultural production.

The Managers find that the U.S. and Mexico are expected to begin free trade negotiations sometime next year. Likewise, the President's recently announced Enterprise for the Americas Initiative's main objectives are to boost growth, trade and investment in Latin America, with the ultimate goal of creating a free trade area which would encompass all of the Western Hemisphere. In order for the U.S. agricultural sector to better understand Mexico and Latin America, the Managers encourage that the Secretary, to the extent practicable and consistent with the objectives of the section, to establish an International Trade Development Center in South Texas to specialize exclusively on Mexico and the rest of Latin America in order to promote bilateral agricultural trade relations with Latin America which would, among others, identify potential export markets for U.S. agricultural products in the region.

Sec. 1614. Aquaculture assistance programs

(24) Aquaculture (S 1422; H 1314)

The Senate bill extends the aquaculture research program until 1995. The Senate also directs the Secretary to implement a fish disease program which shall include research on new diagnostic procedures, the effect of environment of fish immune systems, and systems for control of fish diseases.

The House amendment similarly extends the aquaculture research program until 1995 and expands the areas for which grants may be made to include research to further the safety and wholesomeness of certain species and products, including the development of reliable supplies of seed stock and therapeutic compounds.

The House amendment increases the number of authorized aquaculture research centers from four to five. The Secretary is authorized to make grants for the purpose of further developing and expanding aquaculture research facilities located at Illinois State University and Virginia Polytechnic Institute, and to conduct such programs as are necessary to do basic and applied research for intensive water recirculating aquaculture systems. There is authorized to be appropriated $500,000 for each of the two facilities for fiscal years 1991 through 1995.

The Secretary is provided the discretion to award grants to Illinois State University in order to determine the feasibility of indoor intensive aquaculture systems for the Midwest. These grants may be used to further development and expansion of the existing aquaculture research facility located at the University and to conduct basic and applied research for intensive water recirculating aquaculture systems. The grants are expected to be made on a matching basis.

The interagency aquaculture coordinating group is directed to compile a listing of Federal and State laws, rules, and regulations materially affecting the production, processing, marketing, and transportation of aquacultural commodities. The interagency aquaculture coordinating group is directed to make such listing available to the public not later than January 1, 1992, and shall update and revise such listing not later than

January 1, 1996, to show such laws, rules, and regulations as in effect on that date.

The House amendment states that the Secretary shall conduct a study, in consultation with the interagency aquaculture coordinating group, to assess the economic impact of animal damage to the U.S. aquaculture industry. The Secretary shall submit a report detailing the results of such study to the Committee on Agriculture and the Committee on Merchant Marine and Fisheries of the House and the Committee on Agriculture of the Senate not later than January 1, 1992.

The House amendment authorizes $7,500,000 for each of the fiscal years 1991 through 1995. The National Aquaculture Act of 1980 is amended to authorize appropriations to carry out the National Aquaculture Act of 1980 for fiscal years 1991, 1992, and 1993, as follows: (1) to the Department of Agriculture, $1,000,000 for each of fiscal years 1991, 1992, and 1993; (2) to the Department of Commerce, $1,000,000 for each of fiscal years 1991, 1992, and 1993; (3) to the Department of Interior, $1,000,000 for each of fiscal years 1991, 1992, and 1993.

The Conference substitute adopts the House amendment with an amendment adding the fish disease program from the Senate bill with reference to the interagency coordinating group and prohibiting the construction of new facilities.

Sec. 1615. National competitive research initiative

(25) National Research Initiative—Competitive Grants (S 1471; H 1315)

The Senate bill amends and expands the competitive grants program. The Senate bill awards grants in six high priority research areas: plant systems; animal systems; nutrition, food quality, and health; natural resources and the environment; engineering, products, and processes including new uses and new products; and markets, trade, and policy.

Grants, not exceeding five years shall be awarded to: (1) single investigators or co-investigators within the same discipline; (2) multidisciplinary teams proposing research on long-term applied research problems; (3) researchers for different areas of agriculture research and scientific disciplines; (4) institutions to allow for improvement of the capacity of the institution with not less than 25% and not more than 40% of funds made available in this category to be earmarked for fellowships to outstanding pre- and post-doctoral students; (5) single investigators or co-investigators who are beginning their research careers and have less than five years of post graduate research experience; and (6) faculty of small and mid-sized institutions who have not previously been successful in obtaining competitive grants.

The House amendment also amends and expands the competitive grants program with several differences. Six high priority research areas which correspond to the six areas designated in the Senate bill but which provide greater detail are listed as follows:

(1) Plant systems, including research regarding plant genome structure and function; molecular and cellular genetics and plant and microbial biotechnology; plant-pest interactions and biocontrol systems; cover cropping, crop rotation, soil building techniques, crop varietal development, crop diversification, and integrated crop and livestock systems; crop plant response to environmental stresses; improved nutrient qualities of plant products; new food, feed, fiber, and industrial uses of plant products; and development of new crops, best management practices, integrated crop management, and other cropping systems.

(2) Animal systems, including research regarding cellular, molecular, physiological, and behavioral bases of animal reproduction, growth, disease, and health; identification of genes responsible for improved production traits and resistance to disease, improved nutritional performance of animals; improved nutrient qualities and safety of animal products and development of new animal products; enhanced animal production practices and technologies; animal husbandry and wellbeing; and animal systems applicable to aquaculture.

(3) Nutrition, food quality, and health and welfare, including research regarding microbial contaminants and toxic contaminants and residues related to human health; production and processing facilities and systems to address the health and safety of food and farm workers and livestock; the production of nutritional feedstuffs; links between diet and health, including the nutritional status of the population, especially critical subpopulations; nutritional education; rural family welfare; bioavailability of nutrients; postharvest physiology and practices; and improved processing technologies.

(4) Natural resources and the environment, including research regarding fundamental structures and functions of ecosystems; biological and physical bases of integrated production systems; minimizing soil losses and degradation, maintaining surface and groundwater quality, and maximizing water availability through conservation; soil tilth development, management systems to utilize scarce soil moisture, drought tolerant plant development, evaporation reduction systems, and crop practices to foster soil water absorption and retention; forest and range management and productivity; and weather and climatic effects on agriculture.

(5) Engineering, products, and processes, including research regarding new uses and new products from crops, animals, byproducts, waste products and natural resources; robotics, computing, and expert systems; energy efficiency, conservation, and the development of alternative, renewable energy sources; new hazard and risk assessment and mitigation measures; and natural resource and environmental quality and management.

(6) Markets, trade, and agricultural policy, including research regarding optimal strategies for entering and competing in domestic and overseas markets; new decision tools for on-farm and in-market systems; choices and applications of technology; new approaches to economic development and viability in the rural United States, with emphasis on family farming operations; the development of domestic and international markets for resource-conserving and organic crops; international cooperation in agricultural research, extension, and teaching; and agricultural and nutritional improvements in developing nations.

No set-aside of funds is made for fellowships. The Secretary is required to appoint a Director for the competitive grants program.

The Conference substitute adopts the Senate provision with an amendment adding the word rural prior to economic development in order to stress priority for such research. The Managers note that there is agreement on the importance of the detailed specifications for priority research areas as designated in the House bill and urge the Secretary to examine this more detailed listing. The Managers further note the importance of new opportunities in plant science research related to root systems.

(26) Grant Selection (S 1471; H 1315)

The Senate bill states that all grant proposals shall undergo review by a peer review panel of experts who shall evaluate the scientific and technical merit of such proposals and make recommendations regarding such proposals.

An advisory review panel, consisting of lay and scientific representatives of the agriculture community, is established to provide a second level of review. The primary function of the advisory review panel is to evaluate the overall competitive grants research program as reflected in the complement of proposals submitted to ensure balance among the various areas of science, capitalize on emerging technologies and address the priorities established in this title. The advisory review panel makes final recommendations on funding to the Secretary.

A technology assessment shall be included, where appropriate, that addresses the potential benefits of the research for meeting the priorities set forth in this title. A technology assessment shall be included for proposals that have the potential to influence farm scale implementation, rural communities and other factors.

Grants may not be used for the planning, repair, rehabilitation, acquisition or construction of a building or facility. Grants may be used to pay one-half the cost of purchasing and installing fixed equipment and one-half the cost of minor alterations to an existing research space when necessary to conduct the research. Matching grants may not be a consideration in making grants under this subsection.

The House amendment calls for peer review panels to evaluate grants. The language specifies that the Secretary shall allocate grants taking into account the recommendations made by a nine-member advisory board. The advisory board shall make recommendations to the Secretary on policies, priorities, and operations of the grant program.

The Secretary is required to ensure that, where appropriate, grants are consistent with the development of systems of sustainable agriculture. Similar priority research areas and grant categories are established. The House amendment states that the Secretary shall transmit to Congress an annual report describing the policies, priorities, and operations of the grant program during the preceding fiscal year. In making grant determinations the Secretary shall emphasize sustainable agriculture where appropriate.

The Conference substitute adopts the House provision with an amendment mandating an annual report, deleting the advisory board, requiring the Secretary to seek the advice of the Technology Assessment Board established in this title on the policies, priorities, and operations of the competitive grants program.

(27) Authorization (S 1471; H 1315)

The Senate bill authorizes: $150,000,000 for FY 1991; $275,000,000 for FY 1992; $350,000,000 for FY 1993; $400,000,000 for FY 1994; $500,000,000 for FY 1995. Of the amount in any fiscal year, not less than 30% shall be available to multidisciplinary teams undertaking mission-linked research; not less than 10 percent shall be available for grants in research and education strength-

ening; and not more than four percent shall be available for USDA administrative costs.

The House amendment authorizes $500,000,000 for each of the fiscal years 1991 through 1995. The House amendment states that of the appropriations for a fiscal year, not more than two percent may be used to make equipment grants and not more than four percent may be used by the Secretary to pay administrative costs.

The Conference substitute adopts the Senate provision with an amendment that provides the following distribution of grant funds: not less than 10 percent in FY 1991, 20 percent in FY 1992, and 30 percent thereafter shall be available to multidisciplinary teams; not less than 20 percent in any given fiscal year for mission-linked research; not less than 10 percent in any given fiscal year for grants in research and education strengthening; not more than four percent for USDA administrative costs and not more than two percent for equipment grants in any given fiscal year.

Sec. 1616. Special research grants

(28) Special Grants (H 1315)

(29) Competitive, Special and Facilities Research Grants (S 1484)

The Senate bill provides that 90 percent of the funds appropriated under section 2(c) of the Act of August 4, 1965 shall be used for grants for regional research projects and four percent may be retained by the Secretary to pay administrative costs.

The House amendment amends section 2(c)(2) of the Act of August 4, 1965 by broadening the category of institutions eligible for special grants to include: State agricultural experiment stations; all colleges and universities; other research institutions and organizations; Federal agencies; private organizations or corporations; and individuals and by prohibiting construction of facilities.

The Conference substitute adopts both the Senate and House provisions.

Sec. 1617. Minimization of conflicts of interest of employees of colleges receiving funds under the Smith-Lever Act

(30) Minimization of Conflicts of Interest (H 1316)

The House amendment amends the Smith-Lever Act to require the Secretary to ensure that each college or university seeking to receive funds has in place appropriate requirements, as determined by the Secretary, to minimize actual or potential conflicts of interest among employees of such college or university whose salaries are funded in whole or in part with such funds.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment changing requirements to guidelines.

Sec. 1618. Agricultural experiment stations and transportation of virus of foot-and-mouth disease

(31) Agricultural Experiment Stations (S 1482)

The Senate bill provides for the reapportionment of unexpended funds to states.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(32) Utilization of Testing Equipment (S 1483)

The Senate bill amends the Act of 1884 that restricts research on foot and mouth disease virus to ARS and Animal Plant Health and Inspection Service laboratories at the Plum Island Animal Disease Center in New York in order for the virus to be transported to Brookhaven National Laboratory in Long Island in order to utilize testing equipment at that location.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment in the form of a substitute that provides that the Secretary, if he determines it necessary, may conduct research and study of the foot and mouth virus within the U.S., except at Brookhaven National Laboratory, after issuing a permit under rules and regulations promulgated to protect U.S. animal health.

Subtitle B—Sustainable Agriculture Research and Education

Sec. 1619. Purpose and definitions

(32) Findings and Purposes (S 1476; H 1321)

The Senate bill states that the Congress finds that: (1) the U.S. must focus efforts on development of sustainable methods of farming that are productive and profitable; (2) different methods of production can contribute to the goal of long-term sustainability; (3) many farmers and ranchers are highly dependent on nonrenewable production inputs and natural resources and seek information on sustainable agriculture; (4) farmers and ranchers have interest in participating directly in research; (5) expanded research and extension needed to (A) improve ag productivity; (B) prevent water pollution and soil erosion and degradation; (C) protect health and safety; (D) implement conservation practices; (E) reduce use of nonrenewable production inputs, to the extent feasible and practicable; (F) explore alternative livestock production systems that lead to low input livestock production; and (G) stabilize and improve farm income through crop and enterprise diversification.

Five purposes for this subtitle are listed: (1) maintain and enhance the quality and productivity of the soil; (2) conserve soil, water, energy, and natural resources, and improve fish and wildlife habitat conditions; (3) prevent contamination of surface and groundwater; (4) protect the health and safety of farmers, farmworkers and consumers; and (5) maintain or increase the number of economically viable self-employment opportunities in agriculture.

The House amendment contains no findings. The first five purposes are identical to the Senate bill with an additional sixth purpose of promoting the wellbeing of animals.

The Conference substitute adopts the House provision.

(34) Definitions (S 1476; H 1321)

The Senate bill includes definitions for the following terms: agribusiness, extension, non-profit organization; Secretary, State, State agricultural experiment stations, Extension Service Agents, Secretary, and pesticide.

Two different definitions of sustainable agriculture are provided. The first definition pertains to the research and extension program, technical guides, and state-federal matching program. For these programs the term sustainable agriculture means a variety of farming systems, ranging from organic systems that use no synthetic chemical inputs to those involving the prudent use of agriculture chemicals and that result in the—

(1) thorough incorporation of natural processes into the ag production process such as nutrient cycles, nitrogen fixation, and pest-predator relationships;

(2) reduction in the use of inputs with potential to harm significantly the environment or health;

(3) greater productive use of biological and genetic potential of plant and animal species;

(4) improvement of the match between cropping patterns and the productive potential and physical limitation of ag lands to ensure the long- term sustainability of current production levels; and

(5) profitable and efficient agriculture production, with emphasis on improved farm management and conservation.

The second definition of sustainable agriculture pertains to the ES training program. For this program the term sustainable agriculture means an agriculture production system that is economically viable and agronomically and environmentally sound over short and long term periods.

The House amendment includes definitions for the following terms: Extension; Secretary; Advisory Council; State; State agricultural experiment stations; sustainable agriculture; integrated crop management; and integrated resource management.

Sustainable agriculture is defined as it is earlier in the title as: an integrated system of plant and animal production practices having a site- specific application that will, over the long-term: (1) satisfy human food and fiber needs; (2) enhance environmental quality and the natural resource base upon which the agriculture economy depends; (3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (4) sustain the economic viability of farm operations; and (5) enhance the quality of life for farmers and society as a whole.

Integrated crop management systems means an agriculture management system that integrates all controllable agriculture production factors for long- term sustained productivity, profitability, and ecological soundness. Integrated resource management means a livestock management which utilizes an interdisciplinary systems approach which integrates all controllable agricultural production practices to provide long-term sustained productivity and profitable production of safe and wholesome food in an environmentally sound manner.

The Conference substitute adopts the House provision with an amendment adding the definitions for agribusiness and nonprofit organization from the Senate bill.

Sec. 1620. Repeal of agricultural productivity research

The Senate bill amends the Agricultural Productivity Act by substituting this subtitle for that Act. (S 1426)

The House bill repeals the Agricultural Productivity Act and substitutes this subtitle for that Act. (H 1329)

The Conference substitute adopts the House provision.

CHAPTER 1—BEST UTILIZATION OF BIOLOGICAL APPLICATIONS

Sec. 1621.Research and extension projects.

(35) Research and Extension Projects (S 1476; H 1322)

The Senate bill directs the Secretary to conduct research and extension projects that facilitate and increase scientific investigation in order to: (A) reduce, to the extent feasible and practicable, the use of toxic materials in agricultural production; (B) improve low-input farm management to enhance agricultural productivity and com-

petitiveness; and (C) promote crop, livestock, and enterprise diversification and projects that facilitate conduct of projects in order to: (A) study various agricultural production systems; (B) study farms that are managed using production practices that rely on low-input and conservation practices; (C) take advantage of the experience and expertise of farmers and ranchers through their direct participation in research projects; (D) transfer practical information to farmers; (E) promote a partnership between government, farmers, nonprofits, and universities.

On-farm research is encouraged. Language from existing law is retained in regard to sequence planting, public observation of research, agreements, and indemnification.

The House amendment is similar to the Senate bill with several differences. The purposes of the program do not include the reduction of the use of chemical pesticides, fertilizers, and toxic natural materials but do include the development of improved farm management systems which minimize health and environmental risks. Non-profit organizations are deleted from the priority list for projects. Public observation is restricted to specified times.

The Conference substitute adopts the Senate provision with an amendment adding that public observation should occur at specified times and by adding the word low-input before sustainable in order to clarify the program's emphasis on research on reducing chemical inputs.

Sec. 1622. Program administration

(36) Program Administration (S 1476; H 1323)

The Senate bill requires the program to be conducted through CSRS in close cooperation with the ES. A National Sustainable Advisory Council and a minimum of four Regional Administrative Councils are established to review and make recommendations to the Secretary regarding funding of project proposals; promote programs at the national level; coordinate research and extension activities; administer funds; facilitate cooperation between sustainable agriculture, national water quality, food safety and pest related programs; and submit a report to the Secretary.

The House amendment is similar to the Senate provision with some slight differences: close cooperation with ARS is required; an additional impact study is required; the Farmers Home Administration member from the Senate bill is deleted; a representative of the 1890 institutions is added to the National Advisory Council; the nonprofit organization representatives must have demonstrable expertise; and representatives of agribusiness and ARS are added to the Regional Administrative Councils.

The Conference substitute adopts the Senate provision with an amendment adjusting the Senate language to the House language with the exception of the additional study.

Sec. 1623. Federal-State matching grant program

(37) Federal-State Matching Grant Program (S 1476; H 1324)

The Senate bill establishes a 50-50 matching grant program to encourage States to carry out sustainable agriculture programs and activities to assist: (1) educational programs; (2) curricula revisions; (3) the establishment of sustainable agriculture undergraduate and graduate programs; (4) funding of research and extension; (5) the provision of technical assistance to farmers; and (6) farmer-to-farmer information exchanges. Farmers must be involved in the development, implementation and evaluation of all projects receiving assistance.

The House amendment establishes a similar grant program with the exception that the program does not provide for use of funds for curriculum development and undergraduate and graduate programs.

The Conference substitute adopts the House provision with an amendment adding undergraduate and graduate degree programs.

Sec. 1624. Authorization of appropriations

(38) Appropriations (S 1476, 1468; H 1326-28)

The Senate bill authorizes $40,000,000 annually for the low-input sustainable agriculture research program, technical guides, and the State-Federal matching program for fiscal years 1991 through 1995. Not less than $15,000,000 or not less than two-thirds, whichever is less, shall be used to carry out the low-input sustainable agriculture research program.

The House amendment authorizes $40,000,000 annually for the sustainable agriculture research program, the Integrated Crop Management research program, and the State-Federal matching program for fiscal years 1991 through 1995. Not less than $15,000,000 or not less than two-thirds, whichever is less, shall be used to carry out the sustainable agriculture research program and the Integrated Crop Management research program.

The Conference substitute adopts the Senate provision. The Conference substitute reorganizes the subtitle such that technical guides are now contained within Chapter 3 and no longer covered by this authorization of appropriations.

CHAPTER 2—INTEGRATED MANAGEMENT SYSTEMS

Sec. 1627. Integrated management systems research and education

(39) Integrated Management Systems Research and Education (H 1325)

The House amendment requires the Secretary to establish a research and education program to enhance research related to farming operations, practices, and systems that optimize crop and livestock production potential and are environmentally sound. The purposes of the program shall be to:

(1) encourage producers to adopt integrated crop and livestock management practices and systems that minimize or abate adverse environmental impacts, reduce soil erosion and loss of water and nutrients, enhance the efficient use of on-farm and off-farm inputs, and maintain or increase profitability and long-term productivity;

(2) develop knowledge and information on integrated crop and livestock management systems and practices, including specific information for inclusion in handbooks, technical guides, and educational materials;

(3) accumulate and analyze information on agricultural production practices researched or developed to further the development of integrated crop and livestock management systems;

(4) facilitate the adoption of whole-farm integrated crop and livestock management systems through demonstration projects on individual farms, including small and limited resource farms; and

(5) evaluate and recommend appropriate integrated crop and livestock management policies and programs.

The Secretary shall encourage agriculture producers to adopt and develop individual, site-specific integrated crop management practices (ICM). The Secretary shall, on a priority basis, develop and disseminate information on ICM for producers in specific localities or crop producing regions where the Secretary determines: (1) water quality is impaired as a result of local or regional agricultural production practices; or (2) the adoption of such practices may aid in the recovery of endangered or threatened species.

The Secretary shall, on a priority basis, develop programs to encourage livestock producers to develop and adopt individual, site-specific integrated resource management practices (IRM). These programs shall be designed to benefit producers and consumers through: (1) optimum use of available resources and improved production and financial efficiency for producers; (2) identifying and prioritizing the research and educational needs of the livestock industry relating to production and financial efficiency, competitiveness, environmental stability, and food safety; and (3) utilizing an interdisciplinary approach toward preventing potential problems.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the program purpose of developing specific information for inclusion in handbooks, technical guides, and educational materials and by adding a new section authorizing the sum of $20,000,000 to be appropriated annually through ES for each fiscal year 1991 through 1995.

CHAPTER 3—SUSTAINABLE AGRICULTURE TECHNOLOGY DEVELOPMENT AND TRANSFER PROGRAMS

Sec. 1628. Technical guides and handbooks

(40) Technical Guides/Handbooks (S 1476; H 1326)

The Senate bill requires that the Secretary, not later than 2 years after enactment of this section, after full notice and comment, develop technical guides that describe farm production systems that foster sustainable agriculture production systems, and other purposes.

The Secretary shall coordinate the work with ongoing efforts of ES and SCS to avoid duplication of effort and to develop comprehensive guides. The guides shall include detailed information on selection of crops and varieties, rotation practices, tillage systems, nutrient management systems, soil building practices, pest, weed, and disease management, soil, water, and energy conservation, livestock management, and other information as well as practical instructions to aid producers in adapting such systems.

The Secretary shall survey existing databases and information sources to aid in guide development. The Secretary may establish a grant program to assist in the development of such guides.

The House amendment is similar to the Senate provision with several slight differences. There is no requirement for public notice and comment; the Secretary is required to develop handbooks and other educational materials as well as guides; the materials must be prepared in one year; there is no provision for a grant program; and such sums as are necessary are authorized to be appropriated.

The Conference substitute adopts the House provision with an amendment that: extends the deadline for guide and handbook development to two years; adds a statement that efforts should be made to avoid duplication of effort with the Soil Conserva-

tion Service; adds pest, weed and disease management information for inclusion in the guides; and authorizes such sums as are necessary for this section.

(41) Reports (S 1476)

The Senate bill requires the Secretary to submit to the House and Senate Agriculture Committees and the National Sustainable Agriculture Advisory Council a report regarding the program under this subtitle.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, thereby deleting the report requirement.

Sec. 1629. National Training Program

(42) National Extension Service Training Program in Sustainable Agriculture (S 1476; H 1327)

The Senate bill directs the Secretary to establish a National Training Program in sustainable agriculture to provide education and training for Extension Agents primarily and for other professionals involved in the education and transfer of technical information concerning sustainable agriculture.

The Secretary shall designate not less than two national training centers at existing institutions that have a specific mandate relating to sustainable agriculture to run the program and to conduct intensive training programs for specialists. The Centers should be administered by organizations that (1) have demonstrated capability relating to sustainable agriculture; (2) have a base of programming that includes both research and education related to sustainable agriculture; and (3) have cooperative relations with other agencies such as ARS, ES, land grant universities and nonprofit organizations.

A competitive grant program to provide funding for regionally administered short courses of a less intensive nature than those at the National Training Centers is also authorized. All agricultural ES agents are to be provided with training in all aspects of sustainable agriculture no later than 1995. Beginning three years after enactment of this title, all new ES agents shall demonstrate a thorough knowledge of sustainable agriculture and ICM no later than 18 months after employment.

The House amendment establishes a training program with similar purposes and goals to the Senate provision. However, no centers or competitive grants program are established. Such training may occur at a college or university located within each State. Coordination shall take place with the Water Quality and Integrated Pest Management programs established elsewhere in this title. The Secretary may provide chemical and equipment dealers with information on sustainable agriculture.

A regional coordinator shall be designated from the ES within each State to coordinate the training program. Regional specialists may be designated within each State who shall report to the State coordinator of that State.

The ES within each State shall transfer information that shall: (1) assist in developing farmer-to-farmer information exchange networks; (2) help coordinate and publicize a regular series of farm tours and field days; (3) plan for extension programming and other endeavors related to sustainable agriculture; (4) provide technical assistance to farmers making a transition; (5) consult and work closely with the Soil Conservation Service and the Agricultural Stabilization and Conservation Service; (6) develop programs in areas highly susceptible to groundwater contamination; (7) develop information sources relating to crop diversification; (8) establish a program to increase understanding of well-water testing program; (9) provide specific information on water quality practices; (10) provide specific information on nutrient management; and (11) develop whole-farm management systems.

The Conference substitute adopts the Senate provision with an amendment. The term entities is substituted for the term organizations; regional centers are substituted for not less than two national training centers; a base of programing and cooperative relationships criteria for selection of centers is deleted; regional specialists are designated in each State; and ES is given the 11 responsibilities in the House amendment.

The Managers note that there are two different levels of training being authorized under this section. The Managers intend that the more intensive course, conducted at the training centers, shall be designed for and attended by Federal, State, and Country extension agents specializing in agriculture production or urban pest control. The competitive grants shall be awarded to entities, which may be located within the State but not necessarily so, to conduct workshops to familiarize all other extension agents with basic knowledge on sustainable agriculture.

Sec. 1630. Authorization of appropriations

(43) Appropriations (S 1476; H 1326-28)

The Senate bill authorizes $10,000,000 annually for the ES training program.

The House amendment authorizes $40,000,000 for ES training and information dissemination for fiscal years 1991 through 1995.

The Conference substitute adopts the House provision with an amendment authorizing $20,000,000 ES training.

Subtitle C—National Genetics Resources Program

Sec. 1632. Establishment, purpose, and functions of the National Genetic Resources Program

(44) Genetics Resources Program (S 1414(3); H 1331-34)

The Senate bill amends the current responsibilities of the Secretary to include the development of a new genome mapping program.

The House amendment establishes a new National Genetics Resources Program to provide for the collection, preservation, and dissemination of genetic material of importance to American food and agriculture production.

The Secretary shall administer the program through ARS. The Secretary shall: (1) provide for the collection, classification, preservation, and dissemination of genetic material of importance to the food and agriculture sectors of the U.S.; (2) conduct research on genetic materials collected and on methods for storage and preservation of those materials; (3) coordinate the activities of the program with similar domestic activities; (4) make available the genetic material which the program assembles; (5) expand the types of genetic resources included in the program to develop a comprehensive genetic resources program which includes plants, animal, aquatic, insect, microbiological, and other types of genetic resources of importance to food and agriculture; and (6) engage in other activities the Secretary determines appropriate.

The Conference substitute adopts the House provision.

Sec. 1633. Appointment and authority of Director

The House amendment requires the Secretary to appoint a director of the national genetic resources who shall: (1) advise participants on the program activities; (2) coordinate, review and facilitate the identification and evaluation of relevant information generated under the program; (3) promote the transfer of relevant information; (4) monitor the effectiveness of the transfer of relevant information; and (5) provide to the Congress a biennial report and a report describing the 10-year projected needs and an assessment of international efforts, and an evaluation of the potential effect of various national laws and treaties on genetic resources.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision. The Managers intend that the Director will report directly to the Administrator of ARS.

Sec. 1634. Advisory council

The House amendment establishes an advisory council to assist the Secretary. The advisory council shall consist of ex officio members and not more than nine members appointed by the Secretary.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1635. Definitions and authorization of appropriations

The House amendment defines certain terms and provides such funds as may be necessary are authorized for each of the fiscal years 1991 through 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle D—National Agricultural Weather Information System

Sec. 1637. Short title and purposes

(45) Agriculture Weather Information System (H 1339-43)

The House amendment establishes a National Agriculture Weather Information System. Several congressional findings are set forth. The purposes of this program are to: (1) provide a nationally coordinated agriculture weather information system; (2) facilitate the collection, organization, and dissemination of advisory weather and climate information relevant to agriculture producers through the participation of the private sector and otherwise; (3) provide for research and education on agriculture, weather, and climate aimed at improving the quality and quantity of weather and climate information available to agriculture producers; and (4) encourage and strengthen, where feasible, greater private sector participation in providing agriculture weather and climate information and activities.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the findings.

Sec. 1638. Agriculture Weather Office

The House amendment establishes a USDA Agriculture Weather Office to plan and administer the National Agricultural Weather Information System comprised of the Agriculture Weather Office and the activities of the State agriculture weather information systems.

The Secretary shall appoint a Director to manage that activities of the Agricultural Weather Office and to advise the Secretary on the scientific and programmatic coordination for climate, weather, and remote sensing.

The office may: (1) enter into cooperative projects with the National Weather Service; (2) obtain standardized weather observation data collected through State agricultural weather information systems; (3) provide competitive grants for research in atmospheric sciences and climatology; (4) provide grants to eligible States to plan and administer State agriculture weather information systems; (5) coordinate the activities of the Office with the weather and climate research activities of CSRS, the National Science Foundation Atmospheric Services Program, and the National Climate Program; (6) encourage private sector participation in the National Agricultural Weather Information System; and (7) represent USDA on agrometeorology and climate matters with the World Meteorological Organization, the Intergovernmental Program on Climate Change, and relevant science and technology agreements.

The Secretary shall give priority to grant proposals that emphasize: (1) techniques and processes that relate to weather-induced agriculture losses, and to improving the advisory information on weather extremes; (2) improvement of site-specific weather data collection and forecasting; or (3) the effect of weather on economic and environmental costs in agriculture production.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the subsection regarding Office representation in forums on agrometeorology and climate matters. The Managers note that in adopting the House provision, the Conferees acknowledge that significant benefits to both farm producers and to the environment will likely result from the improved collection and dissemination of near real-time, site-specific agricultural weather forecasting and climatological data. The Conferees emphasize the importance of integrating any private sector businesses and capabilities into the overall activities of the program.

Given the limited amount of funding available for State grants, the Conferees strongly urge the development of State plan proposals which provide for State matching funds, and which would utilize the Federal grant funding as a means to leverage additional financial support from and participation by private sector firms, agricultural cooperatives and producer organizations.

As differentiated from the CSRS competitive grants authorized primarily for research activities by the provision, State grant funds should foster and coordinate the implementation of usable data collection and dissemination systems and should cooperate in development of educational programs to assist producers in learning how to make the best use of the information generated.

The limitation on the use of funds for construction and equipment is not intended to unreasonably inhibit or restrict the use of State grants for the installation and equipping of remote weather and climatological sensing and data-relay transmission facilities and equipment. However, State plan proposals should clearly identify the extent to which grant monies may be utilized for such purposes, and the justifications for such utilization within the overall objectives of the plan.

Sec. 1639. National Advisory Board on Agricultural Weather

The House amendment establishes a permanent national advisory board on agriculture weather to advise the director of the agriculture weather and climatology office. The Secretary will appoint a nine-member board and membership requirements are delineated. The Board is exempted from the Federal Advisory Committee Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1640. State agricultural weather information systems

The House amendment requires the Secretary to make grants to not fewer than ten eligible states to plan and administer advisory programs for state agriculture weather information systems. Terms of the application and state agreements are established.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1641. Funding

The House amendment authorizes $5,000,000 each of the fiscal years 1991 through 1995. Of the amount appropriated: not less than 15 percent and not more than 25 percent shall be used for cooperative work with the National Weather Service; not less than 15 percent and not more than 25 percent of such funds shall be used by CSRS for a competitive grants program; and not less than 25 percent and not more than 35 percent shall be divided equally between the participating states selected for that fiscal year.

The remaining funds shall be allocated for use by the agriculture weather office and the ES in carrying out the program. No funds shall be used for the construction of facilities. Each state or agency receiving funds shall not use more than 30 percent of such funds for equipment purchases. Any use of the funds in facilitating the distribution of agriculture and climate information to producers shall be done with consideration for the role that the private meteorological sector can play in such information delivery.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle E—Research Regarding the Production, Preparation, Processing, Handling, and Storage of Agricultural Products

Sec. 1643. Findings, purpose, and definition

(46) Research on Production, Preparation, Processing, Handling, and Storage (H 1351-55)

The House amendment establishes a new research program on the production, preparation, processing, handling, and storage of agricultural products. The Congress finds: (1) the wholesomeness of agriculture products is important; (2) it is appropriate to periodically examine agriculture production and preparation, processing, handling and storage systems, especially with respect to harmful microbiological and chemical agents that seriously undermine product wholesomeness and fitness; and (3) additional research into the wholesomeness of agricultural products should be conducted.

It is not the purpose of this subtitle to affect the research programs of any Federal agency or depart research currently conducted or to be conducted under any other statutory authority.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the findings and purpose.

Sec. 1644. Research and grant program

The House amendment requires the Secretary to conduct a research program that will: (1) establish a statistical framework to measure the potential risk associated with microbiological and chemical agents in or affecting agriculture products that seriously undermine product wholesomeness and fitness; (2) identify any microbiological or chemical agent under the statistical framework; and (3) identify the means to avoid microbiological and chemical agents in or affecting agriculture products or to control or reduce microbiological and chemical agents.

The Secretary may make competitive grants after, consultation with the advisory committee and for periods not to exceed five years. The Secretary must require the grant recipient to provide matching funds for the research unless the Secretary determines that the research should be performed regardless of the lack of matching funds. No grant may be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1645. Advisory committee and grant process

The House amendment requires the Secretary to establish a nine-member committee to set research priorities for, and evaluate, proposed research projects on the production, preparation, processing, handling and storage of agriculture products.

The Secretary, on receipt of the committee's recommendations with respect to research priorities for grants, shall publish in the federal register: (1) the proposed research priorities; (2) a notice requesting persons and government entities to submit written comments on the priorities to the Secretary not later than 60 days after publication; and (3) final research priorities.

The Secretary shall refer applications to the committee for its review which shall establish peer review panels to review the scientific and technical merits of research proposals. The committee, after due consideration of the review panel comments, shall recommend grants to the Secretary. The committee and peer review panels shall identify both proposals for basic research and proposals for applied research. The committee and peer review panels are exempted from the Federal Advisory Committee Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment reducing the number of members appointed by the Secretary from among qualified individuals who are employees of the Federal Government from four to two; and providing that three members shall be appointed by the Chairman of the House Agriculture Committee and three members shall be appointed by the Chairman of the Senate Agriculture Committee. Peer review panels are

exempted from the Federal Advisory Committee Act.

Sec. 1646. Reports to Congress

The House amendment mandates several reports.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1647. Authorization of appropriations

The House amendment authorizes such sums as necessary for each of the fiscal years 1991 through 1995. No more than four percent of such sums may be expended for administrative costs.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Subtitle F—Plant and Animal Pest and Disease Control Program

(47) Plant and Animal Pest and Disease Control Program (H 1344-50)

Sec. 1650. Plant and animal pest and disease control program

The House amendment lists six findings regarding the importance of integrated pest management. The term "integrated pest management" (IPM) means a pest or disease population management system that uses all suitable techniques, such as biological and cultural controls as well as pesticides, in a total production system to anticipate and prevent pests and diseases from reaching economically damaging levels.

The Secretary, acting through the Assistant Secretary for Science and Education shall establish the Office of Integrated Pest Management within 180 days of enactment. The Secretary shall appoint a chief for the Office who shall investigate and report on the status of IPM and recommend new research and extension strategies on IPM.

A seven-person technical committee is established to advise the Secretary and the Chief of the Office regarding IPM research. The Secretary may accept gifts and contributions on behalf of the Office. Pilot projects on IPM strategies are established. By January, 1995 a report is required on the IPM activities being carried out, including recommendations on the modification or elimination of the Office.

The Secretary shall undertake IPM research including research with Federal or State agencies and with private individuals or organizations, including research on IPM for cut roses and other fresh cut flowers, to be conducted through the ES. Nothing in this Act shall be construed as limiting or repealing the authority of the Administrator of the EPA regarding IPM under FIFRA.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment. The findings, IPM office and director, and technical committees are deleted. Floraculture is substituted for cut roses and other fresh cut flowers under the research directives.

Sec. 1651. Pest and disease control data base and pesticide resistance monitoring

The House amendment mandates the establishment of a data base on available materials and methods of pest and disease control listed by commodity involved and pest or disease being controlled, specifying currently available materials or methods of chemical, biological, cultural or other means of control and the extent of pest or disease resistance to controls. The Secretary shall: (1) set pest and disease research and extension priorities based upon needs revealed by the data base; (2) make such information available through the NAL and shall provide the information to the Administrator of the EPA on an annual basis; and (3) establish a national pesticide resistance monitoring program in accordance with the recommendations made in 1985 Food Security Act.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1652. Research on exotic pests

The House amendment authorizes research on exotic pests. The purpose of this research program is to expand the research capacity of the USDA and State cooperative institutions in the control and eradication of exotic pests. The research conducted shall include improvement of existing methods of pest control, including sterile insect release, and development of safer pesticides, inducing pheremones and an expansion of research capacity to develop new methods of pest control including containment of pests for research purposes. Such sums as needed for the program authorized under this section.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1653. Study of the biology and behavior of chinch bugs, including factors leading to crop loss and development of improved management practices

The House amendment authorizes a study of the biology and behavior of chinch bugs including factors leading to crop loss and development of improved management practices.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1654. Authorization of appropriations

The House amendment authorizes $55,000,000 to carry out this subtitle for each of the fiscal years 1991 through 1995, with not less than $30,000,000 for the ES activities.

The Senate bill has no comparable provision.

The Conference substitution adopts the House provision changing appropriations to such sums as necessary.

SUBTITLE G—ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION

Sec. 1657. Short title, purposes, and definitions.

(48) Findings and Purposes (S 1902; H 1356)

(49) Definitions (S 1903; H 1356)

The Senate bill states several findings. The purpose of this program is to: (1) authorize research in the modification of plants and plant materials in order to develop and produce marketable products other than food, feed or traditional forest or fiber products; (2) commercialize new nonfood, nonfeed uses for agriculture crops in order to create jobs, enhance rural economic development, and diversify markets; (3) encourage cooperative development and marketing efforts in order to assist commercialization; and (4) direct research and commercialization efforts toward the production of new industrial products that can be raised by family-sized agriculture producers.

The Senate bill provides definitions for 11 terms: Assistant Secretary; Board; commercialization; corporation; host institution; new industrial product development; new industrial product; regional center; research project; Secretary; and traditional forest or fiber product.

Commercialization includes activities associated with the development of prototype products or manufacturing plants; the application of technology and techniques to the development of industrial production; and the market development of new industrial uses of new and traditional agriculture and forestry products and processes that will lead to the creation of marketable goods and services. New industrial product means an item that is primarily not a food, feed or traditional forest or fiber product, including an item that exists but is not commercially available from a plant source. Research project means a project that is directed toward the development of a new marketable industrial or commercial product, other than a food, feed or traditional forest or fiber product, through biotechnology or other modification of a plant, and includes all of the various research tasks necessary to develop a new industrial product.

The House amendment has no findings. The purpose of this program is to: (1) increase commercial use of agriculture commodities through cooperative development of new uses, applications, technologies, processes, and products; (2) mobilize private sector initiatives; (3) foster economic development in rural areas through introduction of new products; (4) establish markets for new nonfood, nonfeed uses of agriculture commodities; (5) encourage cooperative development and marketing efforts; and (6) direct commercialization efforts toward the production of new industrial products that can be raised by family farmers.

The House amendment provides definitions for nine terms: agriculture commodity; alternative agriculture product; commercialization; Institute; Secretary; Director; Board; regional center; and fund. Commercialization has the same meaning as in the Senate bill. Alternative agriculture product means a new use, application, or material that is derived from an agriculture commodity, is not in widespread commercial use, and is not expected to significantly displace a use, application, or material derived from an agriculture commodity that already is in widespread commercial use.

The Conference substitute adopts the Senate provision with an amendment broadening the scope of the purposes to include authorizing research in modification of agricultural commodities, and associated research, in order to develop and produce marketable products other than food, feed, or traditional forest or fiber products; and by adding the following purpose: fostering economic development in rural areas of the U.S. through the introduction of new nonfood, nonfeed products obtained from agricultural commodities. Definitions are provided for: agricultural commodity; alternative agricultural product; Board; Center; commercialization; Fund; host institution; new nonfood, nonfeed product development; new nonfood, nonfeed product; nonprofit organization; Secretary; and traditional forest or fiber product.

Sec. 1658. Alternative agricultural research and commercialization center

(50) Structure (S 1904, 1905; H 1357)

The Senate bill establishes a corporation and provides it with general corporate powers. An independent nonprofit corporation is established within the USDA, entitled the "Alternative Agricultural Research

and Commercialization Corporation" (AARCC). The AARCC shall serve as the hub for four to nine Regional Centers, where its main activities shall be carried out. AARCC is subject to the Government Corporate Control Act. The purpose of AARCC is to provide grant assistance, contracts and cooperative agreements, loans, interest subsidies, and to technology transfer, information collection, and information dissemination; search for new industrial materials from agricultural commodities and other activities in support of new products.

The House amendment establishes a National Institute for Alternative Agriculture Products. The Secretary shall establish an Institute to be operated as an independent entity within USDA. The functions of the Institute are the same as AARCC's purposes in the Senate bill. The Institute shall administer a Revolving Fund.

The Institute will be headed by a Director, who is to be appointed by the Board and approved by the Secretary. The Director shall: (1) review applications; (2) review the conduct of research; (3) review research findings or reports; (4) make licensing and patent agreements, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided through a grant, contract, or cooperative agreement to which the Institute is a party; and (5) maintain channels for the dissemination and exchange of agriculture products and processes research.

The Conference substitute adopts the House provision with an amendment establishing AARCC as a Center rather than a corporation, establishing the Directors pay at level IV, and making the Director subject to the general supervision of the Board.

Sec. 1659. Alternative agricultural research and commercialization board

(51) Corporate Board/Institute Board (S 1906-11; H 1358)

The Senate bill establishes a Corporate Board of Directors, details the powers and duties of the Board, and describes other matters of concern to the Board. The Board of Directors shall be composed of nine members, including the Assistant Secretary for Science and Education and the Under Secretary of Agriculture for Small Community and Rural Development. The Secretaries of Agriculture and Commerce shall appoint two and three members, respectively, and two members shall be appointed by the Director of the National Science Foundation.

These Directors, serving five year terms, shall represent the agricultural, scientific, financial, and managerial sectors. They may hold full-time jobs while serving as Directors and at least three members shall be from the private sector. The Board of Directors shall elect a Chairman. The Board of Directors shall approve applications for financial assistance for commercialization projects and recommend research projects to the Secretary for funding. The Secretary may veto any recommendation by the Board. The Secretary shall select research projects that are to receive funding based on recommendations by the Board.

The Board has the authority to delegate authority to the Regional Centers to carry out activities of the AARCC. The AARCC shall adopt bylaws, develop an organizational structure, and hire a limited number of staff members, which may include a General Counsel, Treasurer, and Executive Director, who shall be considered federal employees. The choice of officers and employees shall be nonpartisan.

The Board may establish boards of experts to provide advice, and may hold hearings when appropriate. Board members, except for the Assistant Secretary and the Under Secretary, shall receive compensation. Members of the Board of Directors and all other officers and employees are subject to the Ethics in Government Act. A Director or a member of an Advisory Council is precluded from voting on any matter in which such individual has a financial interest. The AARCC and its Directors, officers and employees are subject to criminal sanctions for releasing proprietary information. Administrative expenses are required to be kept to five percent in order to make available more money for research grants and financial assistance for commercialization projects.

The House amendment establishes a National Alternative Agriculture Products Board. The Board shall consist of ex officio nonvoting members and not more than 12 voting members appointed by the Secretary. Voting members are to be appointed as follows: three scientific members; three producers or processors of agricultural commodities; three members who are privately engaged in the commercialization of new products from agricultural commodities; and three members who are representatives of private industries. The Board will: (1) be responsible for the general supervision and policy control of the Institute and Regional Centers; (2) determine high priority research areas to receive assistance under that section; (3) review and approve any grant, contract, or cooperative agreement to be made by the Institute; (4) make the final decision, by majority vote, on whether and how to provide assistance to the applicant; (5) establish program policy, objectives, research and development, and commercialization priorities through a process of public hearings; and (6) develop and establish a budget plan and a long-term operating plan.

The term of office of a voting member shall be four years. Voting members shall select a chairperson from their rank to serve a two year term. The Board must meet at least three times each fiscal year. A quorum of the Board will consist of a majority of the appointed voting members of the Board. The Board may establish one or more temporary committees. Members of the Board are to receive compensation. No member may vote on any matter in which such member has a financial interest.

The Conference substitute adopts the House provision with an amendment establishing the Board with nine members appointed by the Secretary. Members are to be appointed as follows: a member who shall be an employee of the Department of Agriculture; four members of which at least one shall be a scientific member, a producer or processor of agricultural commodities and a member privately engaged in the commercialization of new products from agricultural commodities; two members from a group of four persons nominated by the Director of the National Science Foundation who have expertise in areas of applied research relating to the development or commercialization of new nonfood, nonfeed products; and two members from a group of four persons nominated by the Secretary of Commerce who have expertise in financial and managerial matters of private industries.

Sec. 1660. Research and development grants, contracts, and agreements

(52) Research and Development (S 1912; H 1359)

The Senate bill requires the Secretary to select research projects to develop and produce new industrial products, based on the recommendations of the Board. The projects shall be peer reviewed. Criteria for selection shall include: (1) the prospect of developing technologies that could make it possible to use or modify existing agricultural commodities to provide an economically viable quantity of new nonfood, nonfeed products; (2) the potential market size of the new nonfood, nonfeed product, the likely time period needed to bring the product into the stream of commerce for general use, and the likely availability of the agricultural commodity used to produce the product; (3) the potential for job creation in an economically distressed rural area; (4) the anticipated State or local participation; (5) the anticipated financial participation of private entities; (6) the likely impact on reducing Federal crop subsidies and other Federal agricultural assistance program costs; (7) the unavailability of adequate funding from other sources; (8) the likely positive impact on resource conservation and the environment; and (9) the likely positive effect of helping family-sized farmers and rural communities near the affected agricultural and forested areas.

The funding provided under this subtitle may go to projects proposed by consortia, but may not be used to acquire, build or repair a building or facility. Grants may be made for a minimum of three years. Some priority is given to biotechnological research projects. The Board shall establish peer review committees to review each proposed project for funding. The Board may review the progress of research projects which receive funding from the Corporation, and make recommendations to the Secretary concerning continued research.

The House amendment provides that the Institute shall select the grant recipients. All applications are peer reviewed. Criteria for selection are similar although the criteria are not focused on plant research. A set-aside of not less than two-thirds of the funds each year shall be awarded for projects where the applicant has committed substantial funding and support and has entered into an agreement with a U.S. company that also commits to provide funds for at least 20 percent of the total cost of the project. Not less than five percent of the funds each year shall be awarded only for projects submitted by the 1890s. Funds committed by the Institute for any research, development, or demonstration project can in no case exceed 50 percent.

Not less than two-thirds of the funds obligated each fiscal year for grants, contracts and cooperative agreements under this section shall be awarded only for research, development, and demonstration projects for which the applicant has committed substantial funding and support from its own resources and has entered into a cooperative agreement or other contractual arrangement with a commercial company domiciled in the United States that commits such company to: (1) provide funds for at least 20 percent of the total cost of such project; and (2) engage in the commercial production and sale.

The Conference substitute adopts the Senate provision with an amendment changing the selection criteria to: (1) in-

clude the set-aside of funds for certain projects contained in the House amendment; and (2) allow not more than 25 percent of the funds obligated each fiscal year to be awarded only for projects concerning new nonfood, nonfeed products derived from animal sources. Funds committed by the Center for any project shall in no case exceed two- thirds of the total cost of the project. In selecting projects to receive funds, the Center may give preference to those projects for which the ratio of Center funds to nonCenter funds would be lowest.

Sec. 1661.Commercialization assistance

(53) Commercialization Assistance (S 1915-17; H 1359)

The Senate bill authorizes AARCC to provide low-interest loans, loan guarantees, interest subsidies, repayable grants matched by private, state or local public funds, venture capital and umbrella bonding to eligible applicants to commercialize industrial products using ag and forestry crops. The Board may establish a discretionary fund for each Regional Center. The Regional Directors shall account for expenditures from these funds twice a year. The Corporation, through the Regional Centers, shall monitor the progress of ongoing projects and provide supportive business and technical counseling as needed, assisted by the Advisory Council.

The entities eligible for assistance shall be small businesses as defined under the Small Business Act, universities or other institutions of higher education, nonprofit organizations and cooperatives. A business entity shall repay the financial assistance it receives from AARCC according to its contract with the Corporation. The AARCC is given great flexibility in negotiating the amount and type of this repayment.

The House amendment is identical except loan periods are limited to three years and no umbrella bond is authorized, no additional criteria to use in selecting among equivalent applications is included, and it allows all businesses to be eligible for assistance.

The Conference substitute adopts the House provision with an amendment to include the additional criteria provisions contained in the Senate bill.

Sec. 1662. General rules regarding the provision of assistance. (S 1905, 1913, 1915 and 1916, H 1361)

The Senate bill authorizes the Regional Centers with the assistance of the Advisory Councils to receive and review commercialization applications, and recommend funding to the Board. The Board shall make the final funding decision. The Secretary may veto these decisions. Members of regional Advisory Councils may not vote on any matter in which they have a financial interest. Regional Centers shall monitor the progress of projects which receive AARCC funding, which may include on-site reviews, written reports, and technical and business counseling, and may require recipients to demonstrate that the use of financial assistance is in compliance with the contractual agreement. AARCC may use volunteer services. AARCC shall ensure the confidentiality of applications and is subject to GAO audit. The Board shall publish in the Federal Register a notice that it is receiving application for assistance not later than 30 days prior to the period established for receipt of such applications. Entities receiving financial assistance are required to repay AARCC, and the maximum repayment period for financial assistance is 12 years. The Board may waive this repayment for an entity in some cases.

The House amendment has similar provisions, except that commercialization applications may be submitted to the Board rather than to a Regional Center. The Board may require applications or proposals for grants, contracts or cooperative agreements to include detailed estimates of project overhead and administrative costs. In selecting such applications or proposals for awards, the Institute shall give preference to those with the lowest effective costs. The time on grants, contracts and cooperative agreements is limited to three years. The use of assistance for planning, repair, rehabilitation, acquisition or construction of a building or facility is prohibited. The Board is required to submit reports to the Secretary on its activities.

The Conference substitute adopts the House amendment with an amendment to require commercialization applications originating from regions which have a Regional Center shall be submitted to that Regional Center, to prohibit the use of grants awarded, or contracts or cooperative agreements entered into, for the acquisition or construction of a building or facility, providing that grants be renewed, and clarify that the Board shall ensure the confidentiality of commercialization applications.

Sec. 1663. Regional centers

(54) Research Centers (S 1913, 1914; H 1362)

The Senate bills establish regional centers and details their activities in the program. AARCC shall establish a minimum of four and a maximum of nine Regional Centers where AARCC's main activities will be carried out. The AARCC shall not establish any Regional Centers until not less than $5 million has been appropriated. Each Regional Center shall be located in a different state, which reflects to the extent possible the regional climatic conditions and rural economic stress and the qualifications of the applicant to serve as a host institution. Candidates which apply for a Center must demonstrate the ability to develop a partnership between private and public sector and universities to commercialize new industrial products made from agricultural commodities. The location of Regional Centers shall be competitively awarded based on proposals submitted to the Board of Directors.

Regional Centers must be located at host institutions, which include universities or other institutions of higher education, USDA labs, State Agriculture Experiment Stations, ES facilities, or other organizations which are involved in the development or commercialization of new industrial uses for agricultural commodities, or in rural economic development. States must provide for the matching of funds provided by the federal government for administrative costs, which may include in-kind support such as office space, equipment and staff support.

Each Regional Center shall be headed by a Regional Director selected by the Board, who shall carry out the activities of AARCC and work in consultation with the regional Advisory Council appointed by the Board of Directors, and a broad network of volunteers who shall assist the Regional Director with review of applications and project oversight including technical and business counseling. Each Regional Director shall have a small support staff. The Regional Centers shall: (1) develop a network of scientists, engineers, financiers, business managers, and other specialists to assist in project review; (2) provide business and technical counseling to small businesses to commercialize new industrial uses of agriculture and forestry products; (3) seek out new, nonfood, nonfeed agricultural product ideas which can contribute to rural economic growth; and (4) evaluate and recommend applicants for financial assistance for commercialization. The Regional Centers shall coordinate their activities with the Small Business Development Centers.

The House amendment establishes regional centers and details their activities in the program. This section is very similar to the Senate bill with the following differences: (1) the number of regional centers shall be not less than two nor more than five; and (2) a single advisory council is established rather than Advisory Councils for each Regional Center.

The Conference substitute adopts the House provision with an amendment to establish not less than two nor more than six Regional Centers.

Sec. 1664. Alternative Agricultural Research and Commercialization Revolving Fund

(55) Revolving Fund (S 1918; H 1361)

The Senate bill establishes a revolving fund to receive sums from the repayment of financial assistance and contributions to the Corporation. The Fund is administered by the Board and used to provide financial assistance authorized by this section as well as to pay operational costs.

The House amendment also establishes a revolving fund which is organized into two separate accounts: an account to cover research activities and an account to cover commercialization activities. All appropriated dollars as well as payments, fees, royalties, and contributions are deposited into the Fund. Not more than five percent of the funds may be used for administrative expenses of the Institute; not more than five percent for information dissemination and technology transfer; and not less than 85 percent for awards for applications for support. The Managers direct the Secretary to ensure that a portion of the funds shall be used for the development and commercialization of new industrial products from nontraditional crops.

The Conference substitute adopts the House provision with an amendment merging the two separate accounts into one account and by adding donations or other contributions to the list of contents of the Fund.

(56) Authorization (S 1919; H 1361)

The Senate bill provides authorization for the program. The Corporation is authorized to receive such sums as may be appropriated through fiscal year 2000. Of that sum, $10,000,000 shall be made available in 1990, $20,000,000 in FY 1991, $30,000,000 in FY 1992, $50,000,000 in FY 1993, and $75,000,000 in each of the following six fiscal years to implement the research and development program. The Corporation may not establish any regional center until not less than $5,000,000 is appropriated in any one fiscal year.

The House amendment provides such sums as necessary for this program for each fiscal years 1991 through 1995.

The Conference substitute adopts the Senate provision with an amendment deleting the sums as are necessary authorization and substituting the following amounts: $10,000,000 in FY 1990; $20,000,000 in FY 1991; $30,000,000 in FY 1992; $50,000,000 in

FY 1993; and $75,000,000 in fiscal years 1994 through 2000.

Subtitle H—Miscellaneous Research Provisions

Sec. 1668. Biotechnology risk assessment research

(57) Biotechnology Risk Assessment Research (S 1476; H 1377)

The Senate bill directs the Secretary to establish a biotechnology risk assessment research program. The purpose of the program is to: (1) support environmental assessment research to address general concerns; and (2) aid regulators in making timely decisions concerning introduction of the technology.

An open competition grant program is established within CSRS to include funds for: (1) methods to contain genetically engineered fish, plants, and microorganisms in the environment; (2) methods to monitor the dispersal of genetically engineered organisms; (3) investigating potential gene transfer between modified organisms and wild and agriculture system organisms.

The Secretary is directed to consult with the Animal and Plant Health Inspection Service, and any existing Office of Agriculture Biotechnology and Agriculture Biotechnology Research Advisory Committee are authorized concerning research areas. Such sums as necessary for the program.

The House amendment is similar to the Senate provision with the one difference: the Secretary shall withhold from the outlays of USDA for research on biotechnology as defined and determined by the Secretary, at least 1 percent of such amount for the purpose of making grants for this program.

The Conference substitute adopts the House provision.

Sec. 1670. Livestock product safety and inspection program

(58) Livestock Product Safety and Inspection Program (S 1497C)

The Senate bill establishes a livestock product safety and inspection program. The Assistant Secretary of Science and Education may provide special grants to assist efforts to improve the efficiency and effectiveness of safety and inspection systems for livestock. Entities receiving grants must provide non-Federal contributions of at least 50 percent; such contributions may be in kind. Such sums as necessary are authorized for this program.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1671. Plant genome mapping program

(59) Plant Genome Mapping Program (S 1414(3); H 1383(a), (b), (c), (h)

The Senate bill includes a provision adding a genome mapping program to the responsibilities of the Secretary.

The House amendment requires the Secretary to conduct a research program for the purpose of: (1) supporting basic and applied research and technology development in the area of plant genome structure and function; (2) providing U.S. leadership in biotechnology; and (3) providing crop varieties that may be cultivated profitably without negatively affecting the environment.

The Secretary may make competitive grants, for periods not to exceed five years, to various organizations and individuals for research projects in identified research areas. Grants shall be awarded in the following research areas: (1) construction of plant genome maps; (2) identification, characterization, transfer, and expression of genes of agricultural importance; (3) technology development in the areas of plant genome mapping, sequencing, gene transfer, and data management; (4) research on microorganisms associated with plants, such as plant pathogens and plant symbionts.

The Secretary shall: (1) not later than 90 days after the date of the enactment of this Act submit to the Congress a detailed plan for awarding grants under this section; (2) coordinate activities under this section with related activities sponsored by the National Science Foundation, National Institute of Health, Department of Energy, and Department of Commerce; (3) require (when the Secretary considers it to be appropriate) licensing and patent agreements, copyright fees, royalties, or other fee arrangements on the sales of products and new uses, applications, technologies, or processes developed through assistance provided under this section; and (4) submit to the Congress an annual report describing the operations of the grant program authorized by this section during the preceding fiscal year. Such sums as may be necessary to carry out this section are authorized.

The Conference substitute adopts the House provision.

Sec. 1672. Specialized research programs

(60) Lean Content (S 1408(c)(12); H 1305(b), (g))

The Senate bill includes research on lean content among several purposes for agriculture research.

The House amendment authorizes research in the development of technology which will ascertain the lean content of animal carcasses to be used for human consumption.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(61) ARS Facility. (H 1305(g))

The House amendment authorizes enhanced ethanol research at the Agriculture Research Center located at Peoria, Illinois, by allowing the Center to enter into contracts, cooperative agreements and the exchange of scientific information with regard to ethanol research with the Department of Energy to further carry on and enhance ethanol research. The Agriculture Research Center located at Peoria, Illinois shall be referred to as the National Center for Agricultural Utilization and Research.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment to changing the name to the National Center for Agriculture Utilization Research, prohibiting construction, and requiring peer review.

(62) Aflatoxin Research (H 1385)

The House amendment authorizes the Secretary to conduct a research program for the purpose of determining the presence of aflatoxin in the food and feed chains in several areas which are outlined.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(63) Grants For Mesquite and Prickly Pear Research (H 1389)

The House amendment establishes a research program for the purpose of developing enhanced production methods and commercial uses of mesquite. Several purposes of the research are delineated. The amendment also establishes a research program for the purpose of investigating enhanced genetic selection and processing techniques of prickly pears. Several purposes of the research are delineated. For both programs, the Secretary shall make competitive grants, for periods not to exceed five years, to a state agricultural experiment station, state land-grant college or university, or a consortium of such entities.

For the purposes of mesquite research, $100,000 is authorized for each of the fiscal years 1991 through 1995 and $100,000 for each of the same fiscal years for prickly pear research. Research funded under this section shall be subject to peer review at the end of the second and fourth year of such research, for the purpose of reviewing the progress and efficacy of the research and the justification and need for continued funding.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(64) Immunoassay Research (H 1391(a))

The House amendment establishes a program to make grants to land-grant colleges and universities for research relating to immunoassay used to detect residues and diagnose animal and plant diseases. The Secretary may give preference to those land-grant colleges and universities that, as of the date of the enactment of this Act, are conducting such research.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment broadening institution eligibility, prohibiting construction, and requiring peer review.

(65) Grants for Niche Market Development (H 1394)

The House amendment requires the Secretary to make research and extension grants available for the development of agriculture production and marketing systems that will service niche markets located in nearby metropolitan areas. In awarding such grants, the Secretary shall pay particular attention to areas with a high concentration of small farm operations and that experience difficulty in delivering products to the market due to geographic isolation. Such sums as may be necessary are authorized for this section.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(66) Scrapie Research (H 1396)

The House amendment directs the Secretary to establish a research program to study the disease of scrapie and methods for detection, treatment, prevention, and control of scrapie. The Secretary may make grants to and contract with Federal, State, and local agencies. Such sums as necessary are authorized for this program.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(67) Deer Tick Ecology Research (H 1397)

The House amendment authorizes an annual appropriation of $250,000 to assist research on deer ticks and other pests that transmit Lyme disease.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment prohibiting construction and requiring peer review.

(68) New Commercial Products from Natural Plant Materials (S 1490)

The Senate authorizes the Secretary to conduct research related to the development of new commercial products derived from natural plant materials for industrial, medical, and agricultural applications.

The House has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment prohibiting construction and requiring peer review.

Sec. 1673. Agricultural telecommunications program

(69) Agriculture Telecommunications Program (S 1491; H 1386)

The Senate bill establishes a program to encourage the development and utilization of an agriculture communications network to facilitate and to strengthen agriculture extension, resident education and research, and domestic and international marketing of U.S. commodities and products through a partnership between eligible institutions and the USDA. The program will employ a communications network to disseminate and to share academic instruction, cooperative extension programming, agriculture research, and marketing information.

The objectives of the program are to: (1) make optimal use of resources by sharing resources between participating institutions; (2) improve the competitive position of U.S. agriculture in international markets by disseminating information to producers, processors, and researchers; (3) train students for careers in agriculture and food industries; (4) facilitate interaction among leading agriculture scientists; (5) enhance the ability of United States agriculture to respond to environment and food safety concerns; and (6) identify new uses for farm commodities and to increase the demand for U.S. products.

Several definitions are provided including: (1) eligible institution means any Land Grant, agriculture institution of a foreign country that participates with any such Land Grant, and any other educational institution that the Secretary determines appropriate; (2) communications network refers to signal conversion equipment (including both modulators, demodulators and satellites), computer hardware and software, terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified or prepared for transmission, or received, via telecommunications terminal equipment and telecommunications transmission.

The Secretary shall establish a program, to be administered by the Assistant Secretary for Science and Education. The Secretary may approve all or part of any application submitted by an eligible institution. Applications may include requests to fund program production or program delivery, or both.

The Secretary shall establish procedures to ensure a broad dissemination of programming, giving a preference to applications that: (1) are submitted by institutions affiliated with an established agriculture telecommunications network that distributes programs to a wide geographical area; or (2) demonstrate the need for such assistance, taking into consideration the needs and the financial ability of the applicants to otherwise secure or create the telecommunications system.

The Secretary may provide funds totaling not more than 50 percent of the cost of a proposal unless the Secretary determines that an institution would otherwise be unable to carry out the proposal in which case the Secretary may provide funds totaling up to 100 percent of the cost. The Secretary may allocate not more than 10 percent of the funds appropriated under this section for the acquisition and installation of telecommunications transmission facilities. For the purpose of Agriculture Telecommunications program, $12,000,000 is authorized for each of the fiscal years 1991 through 1995.

The House amendment establishes a similar program with slight differences in definitions: (1) eligible institution means an accredited institution of higher education determined by the Secretary to be able to meet the objectives of the program; and (2) communications network refers to television or cable television origination or distribution equipment, signal conversion equipment (including both modulators and demodulators), computer hardware and software, programs or terminals, or related devices, used to process and exchange data through a telecommunications system in which signals are generated, modified, or prepared for transmission, or received, via telecommunications terminal equipment or via telecommunications transmission.

The Conference substitute adopts the House provision. The Managers intend that grants under this program will be awarded in open competition and that land grant colleges and universities are eligible to compete for such funding.

Sec. 1674. Commission on agricultural research facilities

(70) Research Facilities (S 1494)

The Senate establishes an Agriculture Research Facilities Planning and Closure Study Commission. This section provides for an extensive review of Federally funded agricultural research facilities. An agriculture research facility is defined as an existing ARS or Forest Service facility, an agriculture facility in the process of being planned or being constructed using Federal funding or a planned agriculture facility that will use Federal funding, or any other facility under the jurisdiction of the Secretary.

The Secretary shall establish the Commission which shall be composed of 14 members: two appointed by the Secretary; three appointed by the Chairman and three by the Ranking Minority Member of Senate Agriculture Committee; and three appointed by the Chairman and three by the Ranking Minority Member of the House Agriculture Committee. The Commission shall review all currently operating and planned agriculture facilities for research importance; identify those facilities that should be closed, realigned, consolidated, or modernized; and develop recommendations concerning facilities and evaluate the facilities acquisition and modernization system utilized by USDA and recommend improvements in such system. Not later than 240 days after enactment the Commission shall submit a report concerning its findings and recommendations to the Secretary and Congress. Such sums as necessary are authorized to carry out this section.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1675. National centers for agricultural product quality research

(71) National Centers for Agriculture Product Quality Research (H 1390)

The Senate bill has no comparable provision.

The House amendment establishes a program for national centers for product quality research. The purposes of the National Centers are to: (1) serve as regional or commodity specific agriculture quality research and education focal points involving one or more university and Federal participants; (2) take advantage of opportunities, and establish linkages between universities and other entities with expertise, in basic biology and engineering, the development of new technology, the application of technology to practice, and related quality assurance and regulatory activities; (3) develop and enhance explicit cooperative relationships; (4) provide a mechanism for dealing with the safety and wholesomeness of new food products and processes that use biotechnology; (5) provide factual public information about agriculture product quality and wholesomeness; (6) build on existing institutional strengths and commitments; (7) serve as a management focal point for grants that deal with agriculture product quality research, extension, and teaching; and (8) to conduct research and education on the full spectrum of production, processing, transportation, and marketing for commodity classes.

The Secretary shall make grants to establish the centers. Such grants establishing centers shall be competitively awarded. Grants may be awarded for periods of up to five years and may be renewed in competition with demonstration of adequate performance. The primary institution involved in a center shall be a land-grant college. Non-Federal sponsors of a center shall contribute an amount of funds for operation of the center equal to not less than the amount awarded by the Federal Government. A program plan shall be submitted to the Congress for review at intervals of not less than once every three years. USDA must review the centers annually. Such sums as necessary are authorized for each of the fiscal years 1991 through 1995. Funds shall be appropriated through CSRS.

The Conference substitute adopts the House provision with an amendment deleting findings and prohibiting construction.

Sec. 1676. Turkey research center

(72) Turkey Research Center (H 1395(a))

The House amendment authorizes to be appropriated $500,000 for fiscal year 1992 to be used by the ARS for planning purposes in the establishment of a facility to be known as the Agriculture Turkey Research Center to be located in Pelican Rapids, Minnesota, and operated in cooperation with the North Dakota State University.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1677. Reservation extension agents

(73) Reservation Extension Agents (S 1486; H 1398)

The Senate bill directs the Secretary to establish reservation extension agents to provide service to Indian Reservations and tribal jurisdictions. The Secretary is required to consult with the Bureau of Indian Affairs, the Intertribal Agriculture Council and the Southwest Indian Agriculture Association in developing such a program. The Secretary, in consultation with above entities, shall consider agriculture acreage, soil classifications, and the population of Reservations in making agent placement decisions. Such sums as necessary are authorized to be appropriated.

The House amendment is similar to the Senate provision with the following additional requirements: (1) In cases where a reservation or tribal jurisdiction covers two or more states, the Secretary shall make a determination of administrative responsibilities; (2) Program Advisory Committees are established; and (3) when possible, individuals representative of the tribal group or local people being served should be selected as staff.

The Conference substitute adopts the House provision with an amendment making the establishment of an advisory committee discretionary with the State Extension Director.

Sec. 1678. Special grant to study constraints on agricultural trade

(74) Study on Constraints on Agricultural Trade (H 1388)

The House amendment requires the Secretary to provide at least two special grants to land-grants to conduct a study that will evaluate the trade impacts of technical barriers, quality factors, and end-use characteristics in agriculture trade to determine whether such factors are consistent among commodities. Objectives of the study are established. The Secretary shall report, not later than 18 months after enactment, the results of the study grants to the House and Senate Agriculture Committees.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision.

Sec. 1679. Pilot project to coordinate food and nutrition education programs.

(75) General Authorization of Appropriations (S 1414; H 1301(b)(4))

The House amendment provides for a five year pilot project to make grants to not more than two States to implement a plan to better coordination and efficiency in delivery of nutrition education and to evaluate the results. One-half of one percent of the ES funds each fiscal year shall be for the purpose of implementing this project.

The Senate bill has no comparable provision.

The Conference substitute adopts the House provision with an amendment that: deletes the earmark, expands the pilot program eligibility to not less than two States, and provides such sums as necessary to carry out the program. The Managers note that this pilot program is related to the Expanded Food and Nutrition Education Program of the ES authorized under the Nutrition title of this Act.

Sec. 1680. Assistive technology program for farmers with disabilities

(76) Farmers with disabilities (S 1496; H 1842)

The Senate bill authorizes the Secretary to make demonstration grants to private nonprofit disability organizations to enable such organizations to initiate or expand community-based direct service programs that provide on-site rural rehabilitation and assistive technology for individuals with physical disabilities, and their families, who are engaged in farming or farm-related occupations.

Grants shall be awarded to State ES agencies to enable such agencies to contract with private nonprofit community-based direct service organizations. No grant shall be awarded under this subsection in an amount that is less than $150,000. Not less than $3,000,000 is authorized for each fiscal year 1991 and 1992, and not less than $5,000,000 for each of the fiscal years 1993 through 1996.

The sum of $1,000,000 is authorized for a national grant for technical assistance, training and dissemination.

Such sums as are necessary are authorized to carry out a rural health infrastructure improvement demonstration project.

The House amendment has a similar provision without the list of eligible programs for grants.

The Conference substitute adopts the Senate provision clarifying that grants are competitive and by striking physical before disabilities.

Sec. 1681. Research on honeybee diseases

(77) Research on honeybee diseases (S 1042)

The Senate bill provides a sense of the Congress that: (1) diseases that affect the whole population of bees will also affect crop pollination and honey production; (2) some diseases pose a threat to the general population and should be studies; and (3) the Secretary should give priority to those diseases affecting the whole bee population.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Sections Deleted:

(78) Responsibilities of the Secretary (S 1414)

The Senate bill adds two responsibilities to the existing law requiring the Secretary to: (1) establish a plant and animal genome mapping program; and (2) coordinate activities to preserve and document germplasm.

The House amendment provides no comparable provision.

The Conference substitute adopts the House provision thereby deleting this Section.

(79) Alternative Uses Study (S 1427)

The Senate bill encourages the Secretary to conduct a study on new uses and within six months and annually thereafter, report to the Congress on new uses development and strategies.

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, deleting the Senate provision.

(80) Tribally Controlled Community Colleges (S 1485)

The Senate bill requires the Secretary to make annual grants to accredited tribally controlled community colleges of $50,000 per institution for use in instruction at colleges that support food and agriculture sciences. Such sums as necessary are authorized.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, deleting the Senate provision.

(81) National Community Development Award (S 1487)

The Senate bill directs the Secretary to establish the National Community Development Award for land-grant complexes that demonstrate outstanding commitment to mission-based integrated research and extension programs that: (1) contribute to local communities; (2) are in areas of research approved by the Agriculture Science and Technology Review Board; and (3) best reflect the priorities set forth in this title. Not less than 5 awards per year are to be established. The Secretary may establish nominating and selection committees.

The House amendment has no comparable provision.

The Conference substitute adopts the House position, deleting the Senate provision.

(82) Sense of Congress Regarding Formula Funding for Agriculture Research and Extension (S 1488)

The Senate bill is a statement of the sense of Congress. It is the sense of Congress that any increase in the amount of funds for competitive grants should not be derived from a reduction in formula funding. Formula funding programs should be funded at a level that will maintain an effective research infrastructure to conduct agriculture research and tech transfer programs.

The House amendment has no comparable provision.

The Conference substitute adopts the House position thereby deleting the Senate provision.

(83) Federal Matching Funds for Market Expansion Research (H 1301(d)(3))

The House amendment extends the program through fiscal year 1995.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby allowing the program to expire.

(84) Zebra Mussels (S 1497A)

The Senate bill establishes an interagency research, design criteria and eradication program on zebra mussels, *Dreissena polymorpha*, as they affect agriculture irrigation systems. The Secretary and the Assistant Secretary of the Army for Civil Works, in consultation with the U.S. Fish and Wildlife Service and the Environmental Protection Agency shall develop the program. For the purpose of zebra mussels research, $2,000,000 is authorized for USDA and $2,000,000 for the Secretary of the Army for Civil Works for each of the fiscal years 1991 through 1995.

The House amendment has no comparable provision.

The Conference substitute adopts the House position thereby deleting the Senate provision.

(85) Study on Grading and Meat Exports (H 1355B)

The House amendment requires the Secretary to establish a research program to determine if allowing destination based grading would facilitate the export of U.S. meat products.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby deleting the House provision.

(86) Public Education Concerning Tobacco use (H 1399)

The House amendment directs the ES, in consultation with the Office on Smoking and Health in the Centers for Disease Control in Health and Human Services, to carry out a program of public education on the hazards of tobacco use and the advantages of quitting or not starting tobacco use. For the purpose of this program, $10,000,000 annually is authorized.

The Senate bill has no comparable provision.

The Conference substitute adopts the Senate provision thereby deleting the House amendment.

TITLE XVII—FOOD STAMP AND RELATED PROVISIONS

(1) Sec. 1701. Short title

The House amendment stipulates that this title be cited as the "Mickey Leland Memorial Domestic Hunger Relief Act." (Sec. 1700(a))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

The Managers wish to name this title of the farm bill after their colleague Congressman Mickey Leland, who died last year on a humanitarian mission to Ethiopia. Significant and substantive improvements to Federal food assistance programs had been included in the House and Senate bills as introduced, however, because of the budget crisis facing the Nation most were not able to be included in this title. Nevertheless, the programs upon which needy families depend are reauthorized and some improvements are included in the final product. The Managers wish to express their disappointment that important changes and improvements to the Federal food assistance programs could not be included. The original goals remain: to reduce hunger and malnutrition for children, promote self-sufficiency, and improve the programs upon which needy families depend. The Managers are hopeful that the important and necessary improvements can be made in the future.

(2) Sec. 1711. References to the Food Stamp Act of 1977

The Senate bill stipulates that "whenever in this title an amendment is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) except to the extent otherwise specifically provided." (Sec. 2401)

The House amendment contains a similar provision. (Sec. 1700(b))

The Conference substitute adopts the Senate provision.

Subtitle A—Food Stamp Program

(3) Sec. 1712. Recipients of aged, blind, and disabled benefits in the territories

The Senate bill provides that recipients of benefits for low-income aged, blind, and disabled persons in Guam and Virgin Islands (1) be allowed to use food stamps for meals in senior citizens centers, private establishments offering meals at reduced prices, and other approved meal-service facilities, and (2) when they live in approved group living arrangements, be treated as individual households and allowed to use food stamps for meals served in the group home. (Sec. 2475(a))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Sec. 1713. Restaurant meals at concessional prices for the homeless

The Senate bill provides that States may approve restaurants to accept food stamps in exchange for meals for the homeless. Each such restaurant must contract with the State to provide meals at concessional (reduced) prices to homeless participants. (Sec. 2411)

The House amendment is similar to Senate bill. (Sec. 1708)

The Conference substitute adopts the House provision with a technical amendment.

(4) Sec. 1714. Categorical eligibility for recipients of general assistance

The Senate bill extends categorical eligibility ("automatic" eligibility for food stamps) to recipients of State or local general assistance (GA) benefits where the GA program meets standards set by the Secretary to assure that it serves primarily people appropriate to be categorically eligible. However, persons ineligible under section 6 or 16(e)(1) of the Food Stamp Act would continue to be ineligible. (Sec. 2431)

The House amendment makes categorically eligible for food stamp participation recipients under State general assistance programs that the Secretary certifies serve a population appropriate to be categorically eligible for assistance under the Food Stamp Act. (Sec. 1725)

The Conference substitute adopts the Senate provision with a technical amendment.

(5) Sec. 1715. Exclusion of education benefits

The House amendment provides for the exclusion from income of all education loans on which payment is deferred, grants, scholarships, and the like: (1) to the extent that they are used for tuition and mandatory school fees, including the rental or purchase of any equipment, materials, and supplies required to pursue the course of study involved at an institution of post-secondary education, a school for the handicapped, a vocational education program, or a program that provides for completion of a secondary school diploma or the equivalent, (2) to the extent that they do not exceed the amount made available as an allowance determined by such school, for books, supplies, transportation, and other miscellaneous personal expenses (other than living expenses) of the student incidental to attending the school, and (3) to the extent loans include any origination fees and insurance premiums.

The House amendment also excludes the earnings of eighteen year old high school students.

The House amendment further provides that students cannot receive an exclusion from income for expenses that have been paid by educational assistance if such educational assistance has already been excluded from income. (Sec. 1717(b))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the provision that would exclude the earnings of eighteen year old high school students.

(6) Sec. 1716. Exclusion of clothing allowances.

The House amendment excludes from consideration as income any "back-to-school" clothing allowance provided by a State agency no more frequently than annually. (Sec. 1705(a))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to ensure that public assistance payments are not reduced to take advantage of this provision.

The Managers wish to clarify that the amendment adopted by the Conference is intended to ensure that States do not merely rename part of their regular AFDC grants as "clothing allowances" for one month to take advantage of this exclusion. It is not intended to deny the exclusion to recipients in those States that have reduced public assistance grants generally and have provided special annual clothing allowances.

(7) Sec. 1717. Excess medical expense deduction

The Senate bill requires States to rely on reasonable estimates of expected medical expenses for the food stamp certification period (based upon verified costs and available information). The household's medical deduction would then be based on these estimates and the State could not require further reporting or verification of a change in medical expenses if such a change has been anticipated. (Sec. 2441)

The House amendment clarifies that State agencies may not require further verification of a change in medical expenses if such change has been anticipated by the State agency for the certification period. (Sec. 1741)

The Conference substitute adopts the Senate provision.

The Managers wish to point out that legislation introduced in the Senate would prevent amounts withheld from social security recipients' monthly checks to pay Medicare premiums from counting as income to the recipients' households. Although this legislation is not within the scope of the Conference, the Managers believe this suggestion deserves attention. The Managers also urge the Secretary to establish some mechanism for ensuring that food stamp households who use their own funds to pay Medicare premiums, and who appear to be entitled to have that premium paid for by Medicaid, receive appropriate referrals and that all such households be made aware of the excess medical expense deduction and the procedure for claiming it.

(8) Sec. 1718. Monthly reporting

The Senate bill replaces the existing provisions requiring monthly reporting of retrospectively budgeted households with provisions permitting State agencies not to require monthly reporting of retrospectively budgeted households; instead, these households could be permitted to report changes in income as they occur.

The Senate bill permits State agencies to implement the existing provisions requiring monthly reporting of retrospectively budgeted households during the period beginning October 1, 1988 and ending 120 days after enactment.

The Senate bill further requires that errors resulting solely from a State agency's having implemented the existing provisions requiring monthly reporting of retrospectively budgeted households not be included

in calculating payment error rates for "quality control" purposes. (Sec. 2475(b))

The House amendment is the same as the Senate bill except: (1) it replaces existing provisions requiring monthly reporting of retrospectively budgeted households retroactively to October 1, 1988, rather than making implementation of existing provisions of law optional retroactively; (2) it adds a requirement that no retrospectively budgeted household would have its food stamp allotment for any month based on AFDC, SSI, or general assistance income received in two or more separate months; and (3) it adds a requirement that, for retrospectively budgeted households not required to report monthly, State agencies must establish procedures for the prompt adjustment of benefits to households who suffer severe hardship. (Sec. 1729(a) and (c))

The Conference substitute adopts the Senate provision.

The Managers are aware that the Department has been involved in litigation concerning the budgeting of certain kinds of payments. By not adopting the House language, the Managers do not intend to take a position on those issues that remain subject to litigation.

(9) Sec. 1719. Simplifying resource and eligibility determinations

The Senate bill requires the Secretary to promulgate rules by which State agencies must develop standards for identifying kinds of resources that, as a practical matter, the household is unlikely to be able to sell for any significant return because the household's interest is so slight or because of the high cost of selling the household's interest. Resources so identified must be excluded from income as inaccessible resources. (Sec. 2432)

The House amendment is similar to the Senate provision, but it also provides that any resources of a household member who receives supplemental security income benefits under Title XVI of the Social Security Act or who receives aid to families with dependent children benefits under Title IV of the Social Security Act may be deemed, at State option, to be exempt from the resource requirements prescribed under 5(g), if exempt for purposes of the Social Security Act. (Sec. 1723)

The Conference substitute adopts the House provision, with an amendment to include receiving Title XVI benefits in the territories.

(10) Sec. 1720. Emergency food for disaster victims

The Senate bill requires the Secretary to: (1) provide emergency allotments to eligible households to replace food destroyed in a disaster; (2) provide for replacement of the value of food actually lost up to a limit not greater than the applicable maximum monthly allotment for the household size; and (3) provide flexible reporting and other application requirements, taking into consideration the availability of the State agency's offices and personnel and any damage to or disruption of transportation and communication facilities. (Sec. 2412)

The House amendment contains a similar provision. (Sec. 1704)

The Conference substitute adopts the House provision with a technical amendment.

(11) Sec. 1721. Transitional housing

The Senate bill excludes from household incomes the third-party (or vendor) payments local or State governments make to transitional housing providers. The Senate bill defines "transitional housing" to mean a project whose purpose is facilitating the movement of homeless individuals to independent living within a reasonable period of time. (Sec. 2421)

The House amendment excludes from income for food stamp purposes a portion of housing assistance payments made to a third party on behalf of a household residing in transitional housing. The amount to be excluded is equal to 50 percent of the maximum shelter allowance provided to families not residing in such transitional housing under a State's plan for aid to families with dependent children approved under part A of title IV of the Social Security Act. [Note: Under the House amendment, that part of the third-party payments that exceeds (does not simply replace) the shelter allowance portion of a regular AFDC (or general assistance) grant would continue to be fully disregarded, in addition to the required one-half disregard.] (Sec. 1718)

The Conference substitute adopts the House provision.

The Managers understand transitional housing means a project that has as its purpose facilitating the movement of homeless individuals to independent living within 24 months (or a longer period if necessary to facilitate the transition to independent living.) Transitional housing includes housing primarily designed to serve deinstitutionalized individuals and other homeless individuals with mental disabilities, and homeless families with children.

(12) Sec. 1722. Exclusion of general assistance payments

The House amendment excludes from all income all vendor payment assistance provided under a general assistance program, except that provided for housing. (Sec. 1705(b)(1))

The House amendment also excludes from income all assistance provided to a third party on behalf of a household under a State or local general assistance program, or comparable program, if by State law no such assistance may be provided directly to the household in the form of a cash payment. (Sec. 1705(b)(2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to strike the provision excluding from income all vendor payment assistance provided under a general assistance program, except that provided for housing.

(13) Sec. 1723. Budgeting and monthly reporting on reservations

The Senate bill provides that the USDA food packages provided through the Food Distribution Program on Indian Reservations would be increased by about 10 percent. Also, the variety of foods would be increased to better address the nutritional problems faced by participants such as hypertension, diabetes and the malabsorption of certain nutrients. (Sec. 2477)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a substitute amendment deleting the required increases in the size and variety of the food packages in FDPIR, and substituting provisions: (1) clarifying the procedure used to supplement benefits when staggered issuance of food stamps is implemented; (2) requiring the staggered issuance of food stamps on reservations; and (3) prohibiting monthly reporting and retrospective budgeting for households residing on reservations.

The Managers recommend that the Department put expiration dates on foods supplied to recipients participating in the Food Distribution Program on Indian Reservations. These dates will greatly assist participating families in knowing when they should use these commodities in food preparation.

(14) Sec. 1724. Periodic eligibility information reports

The House amendment removes the requirement that the State agency-designed forms used by households when filing periodic eligibility information reports approved by the Secretary. It also provides that these reports be considered complete if they contain the information relevant to eligibility and benefit determinations that is specified by the State agency. (Sec. 1713)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(15) Sec. 1725. Selection of household head by household

The House amendment adds the requirement that a State agency allow a household to select an adult parent of children in the household as its head where all adult household members applying agree to the selection. (Sec. 1714)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the selection of the head of household by the household to the time of certification or when there is a change in the household composition.

(16) Sec. 1726. Expansion of employment and training program

The Senate bill allows States to include initiatives in their employment and training (E&T) program to help food stamp recipients become self-employed.

The Senate bill requires that the Secretary conduct a demonstration project to give a priority in an E&T program to volunteers (persons not required to participate). Giving this priority does not excuse the State from compliance with performance standards. The demonstration project could not be used to circumvent any Job Opportunities and Basic Skills Program (JOBS) requirements. (Sec. 2422)

The Senate bill excludes from financial resources in calculating a household's eligibility non-liquid resources necessary to allow a household to carry out a plan for self-sufficiency.

The House amendment is similar to the Senate provision, except that it amends the definition of "employment and training program". It specifically includes programs or activities that improve literacy and programs designed to increase the self-sufficiency of recipients through self-employment.

The House amendment allows four States to give priority in the provision of employment and training services to voluntary participants, but provides that giving such priority does not excuse the States from compliance with performance standards. It also allows the Secretary to approve additional States' requests to grant volunteers priority if the Secretary reports to Congress on the number and characteristics of voluntary participants (and other information determined appropriate).

The House amendment increases the limit for reimbursements to recipients for the

costs incurred in employment and training activities, other than dependant care costs, from $25 to $75 per month. (Sec. 1715)

The Conference substitute allows two States to conduct demonstration projects giving priority to volunteers under the E&T program. It also permits self-employment initiatives and exempts from resource calculations resources necessary for these initiatives. The Conference substitute specifically includes literacy programs as components of employment and training programs. It also delays the date by which State agencies must implement new performance standards from April 1, 1991 to October 1, 1991.

(17) Sec. 1727. Eligibility for students

The Senate bill provides that no individual who is a member of a household otherwise eligible to participate in the food stamp program under this section is eligible to participate in the food stamp program as a member of that or any other household if he or she is enrolled at least half time in an institution of higher education unless he or she:

(1) is under age eighteen or is age 50 or older;

(2) is not physically and mentally fit;

(3) is attending or assigned to in an institution of higher education through the Job Training Partnership Act, an employment and training program, a program under section 236 of the Trade Act of 1974, or another E&T program operated by a State or local government;

(4) is employed a minimum of twenty hours per week or participating in a State or federally financed work study program;

(5) is a parent with responsibility for the care of a dependent child under age six or a parent with responsibility for the care of a dependent child above the age of five and under the age of twelve for whom adequate child care is not available to enable such individual to attend class and satisfy the work requirements;

(6) is receiving aid to families with dependent children; or

(7) is so enrolled as a result of participation in the work incentive program under Title IV of the Social Security Act or a successor program. (Sec. 2424)

The House amendment is similar to the Senate provision, except that it makes eligible for food stamps:

those in JTPA, trade adjustment assistance act, and State programs who are "assigned to or placed in" school, as opposed to "attending or assigned to" school under these programs; and

single parents with responsibility for the care of a dependent child between the ages of 6 and 12 who are enrolled in school full time. (Sec. 1717(a))

The Conference substitute adopts the House provision with an amendment adding participation in a local government employment and training program to the list of requirements to be met by eligible post-secondary students in order to receive food stamps, granting the Secretary the authority to approve qualifying State and local training programs, and making technical changes.

The Managers expect that in implementing the provisions regarding eligibility of post-secondary students, the Secretary will permit eligibility in cases in which assignment or placement in an institution of higher education is made for the food stamp program by a JTPA program under contract with the State agency administering E&T programs for food stamp recipients.

(18) Sec. 1728. Staggered issuances; reservations

See Sec. 1723 for description of Conference action.

(19) Sec. 1729. Electronic benefits issuance

The House amendment provides that a State agency may, with the approval of the Secretary, implement an on-line electronic benefit transfer (EBT) system in which household benefits are issued from and stored in a central data bank and electronically accessed by household members at the point-of-sale. The House amendment directs the Secretary to issue final regulations, effective no later than April 1, 1992, that establish standards for the approval of such a system. Where participation of households is not voluntary, such EBT projects must include a "sufficient" number of retail stores and all check-out lines must have necessary equipment. (Sec. 1707)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment specifying: (1) that all registers be equipped with EBT equipment in stores in which food stamp sales are 15 percent or more of the total dollar value of food sales; (2) that in stores in which food stamp sales are less than 15 percent of the total food sales, the number of registers equipped shall be sufficient, as determined by the Secretary, to provide food stamp recipients with a level of service comparable to that provided all other customers; (3) that all reasonable start-up costs are to be amortized in determining the cost-effectiveness of a proposed EBT system; and (4) that nothing in this provision is to diminish the Secretary's authority to approve EBT demonstration projects.

The Managers expect that the Secretary will continue approval of EBT demonstration projects. Additional projects will add to the knowledge and expertise necessary to ensure successful implementation of EBT nationwide.

The Managers intend that the standards set for the number of registers that must be equipped with EBT equipment are minimum standards only.

The Managers direct the Secretary to provide in the applicable regulations that: EBT-equipped registers should be available to all customers; registers equipped with EBT equipment may not be explicitly designated for food stamp recipients; the interpretation of the term "sufficient lanes" should take into account the variation of food stamp sales volumes from store to store; and the EBT-equipped registers should be the last to close. The regulations should include, but not be limited to, these provisions.

The Managers strongly encourage States to take advantage of equipment in use for commercial applications, believing that the practice of "piggybacking" EBT on commercial applications of electronic funds transfers could significantly reduce the cost to States.

In addition, the Managers would like to highlight a problem that currently exists in the shipping of food coupons across interstate lines by armored carriers. Armored car crew members employed by companies licensed by the Interstate Commerce Commission are required to have a valid license to carry a handgun or firearm by a gun licensing body or agency located in the crewmember's place of domicile. It is, however, impossible to get a gun permit in every jurisdiction. This creates a situation in which licensed carriers are in violation of State handgun laws when they cross interstate lines to deliver United States government property.

USDA figures show that during the month of July, 1990, a total of $839,929,000 in food stamp coupons was shipped by armored carrier. In a recent incident in New York, an armored carrier from New Jersey was pulled over and the driver arrested for possessing a handgun. USDA had to incur an additional cost of $3,425 to complete the delivery.

While the Managers do not wish to address this issue in this legislation, it is important to highlight this problem as one that should be addressed in the near future.

(20) Sec. 1730. Minimum benefit

The House amendment requires that the current $10 a month minimum benefit for one- and two-person households be adjusted for food price inflation (as reflected by changes in the cost of the thrifty food plan) each October 1 and rounded to the nearest $5. (Sec. 1742)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(21) Sec. 1731. Issuance of aggregate allotments

The Senate bill allows States to give households with benefits at or below $20 per month the option of receiving up to three months' benefits at once in a single allotment—households would be allowed to receive up to $60 in coupons. Benefits would be provided in accordance with regular and expedited processing standards (except that no household would begin to receive combined allotments until it has complied with all applicable verification requirements). (Sec. 2443)

The House amendment is similar to the Senate provision, except that it requires State agencies to establish a claim for the amount of any aggregated benefits for which the household becomes ineligible. (Sec. 1743)

The Conference substitute adopts the House provision with an amendment limiting implementation of the provision to not more than two demonstration projects in two States, deleting the requirement to establish claims, and making a technical amendment.

(22) Sec. 1732. State flexibility in assisting households

The Senate bill makes optional the provision that requires States to issue combined first and second months' allotments to households applying after the fifteenth of the month. States not electing to issue combined allotments would be required to provide households eligible for "expedited service" with their first full month's allotment no later than the first business day of the month following application. (Sec. 2433)

The House amendment contains no comparable provision.

The Conference substitute permits States to aggregate first and second months' allotments to those households applying after the fifteenth of the month and who are not eligible for expedited service. States would be required to aggregate first and second months' allotments for those households applying after the fifteenth of the month and who qualify for expedited service.

(23) Sec. 1733. Periodic reauthorization of retail food stores and wholesale food concerns

The House amendment authorizes the Secretary to issue regulations providing for a biennial reauthorization of retail food stores and wholesale food concerns that accept and redeem coupons under the food stamp program. (Sec. 1762)

The Senate bill contains a similar provision. (Sec. 2453)

The Conference substitute adopts the House provision with an amendment changing "biennial" reauthorization to "periodic" reauthorization.

(24) Sec. 1734. Authorization of wholesale food concerns

The Senate bill prohibits wholesalers "colocated" with a retail food store from being authorized to accept food stamps at the same location unless they do a substantial volume of retail food business or the Secretary determines that households would suffer hardship if the business was not authorized to take food stamps. (Sec. 2451)

The House amendment contains the same bar on authorization for "combined" wholesale and retail food concerns. (Sec. 1761)

The Conference substitute adopts the Senate provision.

(25) Sec. 1735. Required submission of certain identifying information by retail food stores and wholesale food concerns

The Senate bill requires retail food stores applying for authority to accept and redeem food stamps to provide the social security numbers of their officers, owners and onsite managers. (Sec. 2452)

The Senate bill requires retailers to submit their employer identification numbers to USDA as a way of further crosschecking information about retailers. (Sec. 2454)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment deleting the requirement for on-site managers and ensuring the protection of the privacy of the social security and employer identification numbers of the officers and owners.

(26) Sec. 1736. Simplified application requirements

The Senate bill requires one household member to sign a declaration regarding the citizenship or alien status of all members of the household.

The Senate bill also provides that "explanations" of recipients' rights and responsibilities be on or near the front cover of an application, rather than requiring "instructions" to be on the front cover, as under current law. (Sec. 2434)

The House amendment is similar to Senate, but it contains no provision relating to the placement of "explanations" on the application. (Sec. 1724)

The Conference substitute adopts the Senate provision.

The Managers intend the provision requiring that "explanations" of recipients' rights and responsibilities be on or near the front cover of an application to facilitate combined applications for more than one public assistance program. The provision is not intended to diminish the responsibility of State agencies to provide prominent notice to the recipients of their rights and responsibilities.

(27) Sec. 1737. Estimates in lieu of verification for homeless households with shelter costs

The Senate bill provides that households which spend money for shelter during part of any month—and are homeless the balance of the month—can deduct an excess shelter cost "standard" or "estimate" designed to reflect those costs. This deduction would be based on standard estimates of shelter expenses developed by States under rules issued by the Secretary. State agencies must use the estimated deduction in determining allotments for homeless households unless the household verifies higher expenses. The Secretary may issue rules to preclude the use of such estimates for households with extremely low shelter costs. (Sec. 2413)

The House amendment requires State agencies to certify homeless households on the basis of expenses for shelter reported by the household, except where the household's report is questionable. The Secretary must issue rules under which State agencies may develop standard estimates of how much the homeless in the State may reasonable be expected to spend on shelter and related expenses, and may certify households based on expenses that do not exceed this estimate. (Sec. 1709)

The Conference substitute adopts the Senate provision.

(28) Sec. 1739. Nutrition education

The Senate bill authorizes the Secretary to assign responsibility for the nutrition education of people eligible for food stamps to the Cooperative Extension Service, in cooperation with the Food and Nutrition Service. (Sec. 2475(c))

The House amendment is similar to the Senate provision. (Sec. 1793(a))

The Conference substitute adopts the Senate provision with an amendment to include participants in the Food Distribution Program on Indian Reservations.

(29) Sec. 1740. Food stamp application for general assistance households

The Senate bill provides that where the agency administering the local General Assistance (GA) grant also administers the food stamp program, that households applying for GA must be given a food stamp application along with the GA application. Also, in States with State-run GA programs ("uniform" programs), the GA offices are to provide a combined food stamp-GA application. In States where local offices are separate from the State, there would be no requirements regarding food stamp matters. (Sec. 2435)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that in States in which there is a single Statewide general assistance application form, this application be combined with the food stamp application. In States in which there is more than one general assistance application, offices at which both general assistance and food stamp programs are administered must make both general assistance and food stamp applications available to all applicants. If separate offices provide the general assistance and food stamp benefits, there is no requirement to combine or provide both applications.

(30) Sec. 1742. Audit of simplified food stamp applications at Social Security Administration offices

The Senate bill requires the Comptroller General to study the effectiveness of the current programs assisting social security and Supplemental Security Income applicants and recipients in filing or receiving food stamp applications at social security offices. (Sec. 2478)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment.

(31) Sec. 1743. Permanent disqualification

The Senate bill would permanently disqualify stores that traffick in coupons or that accept coupons in exchange for drugs, firearms, or explosives unless the Secretary decides to allow the store to pay a fine of up to $20,000. This option of paying the fine is only available if the store had an effective program in place to prevent violations of the Act. (Sec. 2455)

The House amendment authorizes the Secretary to impose on an approved retail store or wholesale food concern, a civil money penalty of up to $20,000 for each violation, in lieu of permanent disqualification, for the purchase of coupons or trafficking in coupons or cards that constitutes a violation of the provisions of the Act or the regulations, if the Secretary determines that there is substantial evidence that such store or food concern had an effective policy and program in effect to prevent violations of the Act and the regulations.

The House amendment provides for permanent disqualification for such stores or food concerns upon a finding of the sale for coupons of firearms, ammunition, explosives, or controlled substances (as such term is defined in title II, section 102 of the Comprehensive Drug Abuse Prevention and Control Act of 1970). (Sec. 1763)

The Conference substitute adopts the Senate provision with an amendment specifying that, when fines for which the maximum is $20,000 for each violation are imposed, they cannot exceed a total of $40,000 within a two- year period. The Conference substitute expands the types of evidence that can be used to show that a fine is more appropriate than permanent disqualification.

The Managers are concerned with the manner in which the Secretary has implemented the retailer disqualification provisions of the Food Stamp Act. The Managers will carefully monitor how the Secretary implements these changes. Further, the Managers expect the Secretary to narrow the current definition of manager to more fairly describe persons who supervise the work of other employees and who direct the activities and work assignments of store employees. This definition should focus on the duties of employees, rather than simply on job titles, to determine those employees who are actually in supervisory positions. The definition should not include employees who do not have substantial supervisory responsibilities.

(32) Sec. 1745. Fines for unauthorized third parties that accept food stamps

The Senate bill imposes penalties on "firms or individuals" that trade in food stamps without authorization. The Secretary may impose a fine against any person not approved by the Secretary to accept and redeem food coupons who violates any provision of this Act or the regulations promulgated under this Act including violations concerning the acceptance of food coupons. The Attorney General of the United States may institute judicial action in any court of

competent jurisdiction against such person to collect such fine. (Sec. 2457)

The House amendment is similar to the Senate provision, except that fines may be levied on any "person" violating the Act or regulations. (Sec. 1765)

The Conference substitute adopts the House provision.

(33) Sec. 1746. Fraud claims repayment

The Senate bill shortens from thirty to ten days the time in which households may elect how to repay overissuances resulting from intentional program violations. (Sec. 2458)

The House amendment is the same as the Senate provision. (Sec. 1726)

The Conference substitute adopts the House provision with an amendment shortening the time in which households may elect how to repay overissuances resulting from intentional program violations.

The Managers point out that this provision would eliminate the current two-step procedure for recovering overissuances from people convicted of intentional program violations in court or in administrative disqualification hearings. In so doing, the Managers do not intend to preclude the right of these households, or any others, to repay their overissuances more rapidly. This change is not intended to diminish households' due process rights.

(34) Sec. 1747. Computer fraud penalties

The Senate bill extends the current penalties for violating the Act or regulations under the Act to acts committed with computer "access devices". The Senate bill defines "access device" as any card, plate, code, account number, or other means of access of a type that is used under the Act or regulations, alone or in conjunction with another access device, to obtain payments, allotments, benefits, money, goods, or other things of value, or to initiate a transfer of funds. (Sec. 2459)

The House amendment is similar to Senate bill. (Sec. 1766)

The Conference substitute adopts the House provision with a technical amendment.

(35) Sec. 1748. Unlawful use of coupons in laundering monetary instruments

The House amendment provides that any person who knowingly uses or possesses coupons, authorization cards, or access devices in any manner contrary to the Act or regulations, if such coupons, authorization cards, or access devices are of a value of $5,000 or more, has committed a felony punishable by a fine of not more than $250,000, or imprisonment for not more than twenty years, or both. (Sec. 1767)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(36) Sec. 1749. Coupon trafficking

The Senate bill increases the maximum fine from $10,000 to $20,000 for convictions of trafficking in food stamp coupons. (Sec. 2460)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(37) Sec. 1750. Retention of funds or allotments recovered or collected by States

See Sec. 1751 for description of Conference action.

(38) Sec. 1751. Quality control sanctions

The House amendment provides that no disallowance or similar action under section 16(c) of the Act or any predecessor statutory or regulatory provisions relating to disallowances for erroneous issuances (i.e., a "quality control" fiscal sanction or claim) may be applied to any State for any fiscal year before fiscal year 1991. [Sec. 1751.]

The Senate bill contains no comparable provision.

The Conference substitute provides that, as of enactment, no disallowance or similar action shall be applied to or collected from any State for fiscal years 1983 through 1985 under section 16(c) of the Act or any predecessor statutory or regulatory provisions relating to disallowances or similar actions for erroneous issuances, except for sanction collections under payment plans agreed to prior to enactment (other than where the settlement with the State incorporated a provision for ending collections based on a change in Federal law). The Conference substitute also provides that no disallowance or similar action shall be applied or collected with respect to claims in which an administrative or judicial review is pending on enactment, including amounts collected prior to enactment. The Conference substitute further lowers the percentage of recovered overissuances that may be retained by States with regard to intentional violations and household errors to 25 and 10 percent, respectively.

The Managers recognize that quality control claims against the States for fiscal years 1983 through 1985 are at various stages of appeal and collection. The Conference substitute: (1) bars collection of 1983-1985 claims in all cases where an administrative or judicial appeal is pending at enactment and no amount has been collected; (2) bars collection of 1983-1985 claims in cases where an administrative or judicial appeal is pending at enactment and some collection has been made, and requires repayment of any amounts already collected in such cases; (3) bars continued collection of amounts still owed on claims where the settlement agreement with the State included a "contingency" provision ending collection on a change in Federal law (although amounts already collected would not have to be repaid); and (4) allows continued collection of amounts still owed under settlements prior to enactment (with no repayment of amounts previously collected) where an administrative or judicial appeal is not pending and the settlement did not include a "contingency" provision. The Managers do not intend that claims from any of the fiscal years 1983 through 1985 that have been fully collected be repaid in cases in which there is no judicial or administrative appeal pending.

(39) Sec. 1752. Federal match for automation

See Sec. 1763 for description of Conference action.

(40) Sec. 1753. Employment and training allocations

The Senate bill extends through 1995 current provisions which provide $75 million per fiscal year for States to conduct the food stamp employment and training program. (Sec. 2461)

The House amendment:

(1) extends through fiscal year 1995 the current $75 million, per year, for State agencies to carry out employment and training programs;

(2) alters the funding allocations such that the Secretary must allocate among the States for fiscal years 1991 through 1995 that portion of funds required to be allocated under item (1) that is not based on State agency performance based upon the ratio of the number of individuals eligible to register for work in each State divided by the total number of such persons in all States; and

(3) requires the Secretary to allocate an additional $10,000,000 for each of the fiscal years 1991 through 1995 among States that would have received in any such year, under the allocation formula utilized in fiscal year 1990, an amount of funds under item (1), other than funds based on State agency performance, that exceeds the amount that such States receive under the allocation formula required by item (2), in order to maintain the level of such nonperformance funding provided to such States at the levels provided in fiscal year 1990. (Sec. 1716)

The Conference substitute adopts the House provision with an amendment phasing in the implementation of the new allocation formula, beginning in fiscal year 1992, setting as a minimum allocation under the formula the amount of $50,000 per State per year, deleting the provision requiring allocation of an additional $10 million per year, and making technical changes.

It is the understanding of the Managers that the Secretary is developing regulations to allocate all non-performance employment and training funding based on the number of work registrants, beginning in fiscal year 1992. While recognizing that this new allocation formula would be an improvement, the Managers believe that a transition period should be provided to cushion the impact on States. In fiscal year 1992, State agencies entitled to an increase under the new formula based on work registrants would receive half the increase (over amounts provided under the existing, 1991, allocation formula), and State agencies whose allocation would decrease under the new formula based on work registrants would be limited to half of any decrease. Beginning with fiscal year 1993, all States would receive allocations based on work registrants. In making these allocations, the Managers expect that the Secretary will use the most recent available reliable data on individuals registered for work.

(41) Sec. 1754. Extension of pilot projects

The House amendment provides that pilot projects involving the payment of the value of allotments in the form of cash to eligible households, all of whose members are either age sixty-five or over, or entitled to supplemental security income benefits, must be continued through October 1, 1995, if a State so requests. (Sec. 1746)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(42) Sec. 1755. Sales taxes in cash-out demonstration projects

The Senate bill provides that in any demonstration project after September 30, 1991, in which cash is provided in lieu of food stamps, the cashed-out food stamps must be increased by the State to reflect any State or local sales taxes charged on food. States are not required to make this additional payment (to compensate for taxes) regarding demonstration projects approved prior to October 1, 1990, where the demonstration already provides assistance that exceeds regular benefits by more than the estimated amount of sales tax, where sales taxes do not apply to a significant number of food items, or is a Supplemental Security Income cash-out demonstrations. The Senate bill

also makes clear that benefits issued in lieu of food stamp allotments are not to be considered income or resources under any Federal, State, or local laws and that any assistance otherwise provided may not be reduced because of the receipt of benefits issued in lieu of food stamp allotments. (Sec. 2414(b))

The House amendment provides that a new waiver, or demonstration project, may be approved after enactment only if:

(1) food stamp benefits issued in cash are increased to compensate for State or local sales taxes (or the tax is waived on purchases of food by food stamp households) and the State agency conducting such demonstration project pays the cost of such increased allotments;

(2) the Secretary determines on the basis of information provided by the State agency that such increase is unnecessary on the basis of the limited nature of the items subject to such State or local sales tax; or

(3) such project provides a household with assistance that exceeds that which the household would otherwise be eligible to receive by more than the estimated amount of any sales tax on the purchases of food that would be collected from the household. (Sec. 1706)

The Conference substitute adopts the House provision with a technical amendment.

(43) Sec. 1756. Enhanced waiver authority for demonstration projects

The Senate bill permits demonstration projects to test improved consistency/coordination between food stamp program employment and training (E&T) programs and AFDC/JOBS programs, and allows the Secretary to waive food stamp E&T requirements (and provisions affecting recipients' rights) to the extent necessary to permit a State agency to operate E&T programs for food stamp recipients under the same terms and conditions as its JOBS program. The Senate bill also requires that: (1) any work experience component be in conformity with AFDC provisions; (2) assurances will be provided that the projects will meet all AFDC/JOBS and child care requirements (except for provision of "transitional" child care); and (3) participation in an activity in which food stamp benefits are converted to cash be voluntary. The Senate bill further requires that: (1) the terms of the projects be published in the Federal Register prior to approval; (2) the appropriate House and Senate committees be notified; (3) waivers be granted only for projects approved and being evaluated by the Secretary, and in operation for no more than 4 years. (Sec. 2423)

The House amendment contains a similar provision. (Sec. 1730)

The Conference substitute adopts the House provision with an amendment giving the Secretary authority to set criteria for evaluations.

The Managers intend that the Secretary establish uniform criteria for the evaluations and exercise significant control over the evaluations to ensure the development and application of parallel methodologies in similar projects.

(44) Sec. 1757. Demonstration projects for vehicle exclusion limit

The House amendment raises the threshold at which the Secretary must begin counting the fair market value of a licensed vehicle owned by a household in determining eligibility from $4,500 to $5,500 by FY 1995, and indexes such threshold to inflation thereafter. Requires the Secretary to conduct demonstration projects, in rural and urban areas, excluding any licensed vehicle used to produce income, or transport elderly or disabled household members, and one vehicle used to commute to work, seek employment, or secure food or food stamp benefits. (Sec. 1712)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the provision to the demonstration projects only.

(45) Sec. 1758. Demonstration projects for AFDC/food stamp simplification

The House amendment requires the Secretary to conduct five demonstration projects under which households in which all members receive AFDC benefits are issued food stamp benefits generally following AFDC eligibility, benefit, and administrative rules and procedures. AFDC rules, or equivalent requirements and procedures approved by the Secretary, would be applied, except for some food stamp program rules, specific directions on how benefits are to be determined, and terms and conditions set by the Secretary to ensure program integrity. Food stamps would be furnished to households making application by providing any necessary information that has not been provided as part of their application for AFDC.

The House amendment places some requirements on the AFDC/food stamp demonstration projects. Certain food stamp rules would apply: those governing household "cooperation," fraud disqualification, work requirements, bilingual personnel and materials, application processing timeframes and verification limitations, expedited service, and treatment of homeless and migrant and seasonal farmworker households. Food stamp allotments would be calculated under normal food stamp rules, except that: (1) a household's total income (before any deductions) would be its AFDC grant plus other income used to establish the AFDC benefit, excluding any amount disregarded for dependent care and certain income (e.g., lump sum payments) that may be counted under AFDC, but not food stamp, rules; and (2) a household's net income would be calculated using all regular food stamp deductions, or, alternatively, the food stamp earned income deduction could be replaced with AFDC earned income disregards to the extent the Secretary determines they are consistent with the purposes of the demonstrations. Uninterrupted food stamp assistance would be required for eligible households gaining or losing eligibility under the project.

The House amendment also requires the Secretary to solicit demonstration proposals from, and consult with, State and local agencies and directs the Secretary to consult with the Secretary of Health and Human Services on waivers of Federal AFDC rules that would assist the demonstrations. Demonstration projects would be limited to the period between Oct. 1, 1990, and September 30, 1994, and evaluation reports from the Comptroller General and the Secretary would be due by Mar. 1, 1995. (Sec. 1722)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment and an amendment allowing the Secretary to carry out four demonstration projects, removing the time limits on the projects, deleting the evaluation report from the Comptroller General, and requiring an evaluation report from the Secretary within six months of the termination of any project.

(46) Sec. 1759. Grants to improve food stamp participation

The House amendment requires that of the sums appropriated pursuant to section 18, $5,000,000 for each of the fiscal years 1992 through 1995 be used by the Secretary to fund food stamp outreach demonstration projects and related evaluations to increase participation by eligible low income households in the food stamp program through grants competitively awarded to public or private non-profit organizations. No more than 20 percent of the funds may be used for evaluations. Outreach projects must be targeted toward members of rural, elderly, and homeless populations, low-income working families with children, and non-English speaking minorities.

The House amendment requires the Secretary to select recipients for grants, to carry out projects based upon the appropriate methods to reach target populations, such as the production of electronic media campaigns; utilization of local outreach workers and volunteers; development of solutions to transportation problems; in-service training; community presentations and education; pre-screening assistance; and recruitment of authorized representatives for applicants unable to appear for certification or at authorized food stores.

The House amendment requires that in selecting grant recipients, the Secretary shall take into consideration the ability of the applicants to produce useful data for evaluation purposes, and give preference among applicant public agencies to those applicants that propose to involve nonprofit organizations in projects to be carried out with such grants.

The House amendment requires that at least one grant, in an amount not to exceed $500,000, be provided for the development of outreach materials aimed at the general food stamp eligible population along with specific target populations.

The House amendment further requires the Secretary to evaluate a sufficient number of projects to be able to determine their effectiveness.

The House amendment requires the Secretary to examine and report on previous research regarding reasons for non-participation and effective methods to conduct outreach and reduce barriers to participation. An interim report on the results of the evaluation carried out under this requirement must be provided to the Congress no later than February 1, 1993, and a final report no later than February 1, 1995.

The House amendment requires the Secretary, within 180 days after the date of the enactment, to publish a notice to implement this amendment. The Secretary must accept proposals from organizations for projects for fiscal year 1992 for 90 days following the date such notice is published; and begin to award grants beginning no later than January 1, 1992.

The House amendment requires that of the sums appropriated, not more than $1,000,000 in fiscal year 1991 be used by the Secretary to make grants to public or private nonprofit organizations, in one or more areas of the United States, that have projects designed to improve the effectiveness of the food stamp program in delivering food assistance to homeless individuals. (Sec. 1734)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment making the provision subject to appropriations, making conforming changes, and deleting the provision requiring $1 million in grants in fiscal year 1991.

(47) Sec. 1760. Reauthorization of food stamp program

The House amendment authorizes to be appropriated such sums as are necessary for the fiscal years 1991 through 1995 to carry out the provisions of the Act. It also amends the Secretary's reporting requirements. Under current law the Secretary must report to Congress whether reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary. The House amendment requires the Secretary to report whether supplemental appropriations will be needed to support the operation of the program through the end of the fiscal year.

The House amendment also amends the provisions governing the actions the Secretary must take if insufficient funds are provided to pay full benefits throughout the year. Under current law, the Secretary is required to direct State agencies to reduce the value of such allotments upon a finding that the requirements of participating States will exceed the amount "authorized to be appropriated". This section requires the Secretary to so direct State agencies upon a finding that such requirements will exceed the "appropriation" itself. (Sec. 1781)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(48) Sec. 1761. Nutrition education improvements

The House amendment provides that, of sums appropriated to carry out the provisions of the Food Stamp Act, not more than $2,000,000 in any fiscal year may be used by the Secretary to make two-year competitive grants that will: (1) enhance interagency cooperation in nutrition education activities; and (2) develop cost effective ways to inform people eligible for food stamps about nutrition, resource management, and community nutrition education programs, such as the expanded food and nutrition education program. Awards will be made to one or more cooperative extension services, as defined in section 1404(5) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, in coordination with local or State agencies serving low income people. Each project must include an evaluation component and must develop an implementation plan for replication in other States. The Secretary must report to the appropriate committees of Congress on the results of the projects and must disseminate these results through the cooperative extension service system and to State welfare offices, local food stamp program offices, and other entities serving low income households. (Sec. 1793)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

The Managers intend the Secretary to coordinate these grants with similar Cooperative Extension Service grants.

(49) Sec. 1762. Nutrition Assistance Program in Puerto Rico

The House amendment reauthorizes the Nutrition Assistance Program for Puerto Rico through fiscal year 1995. The Secretary is required to pay to the Commonwealth of Puerto Rico $985,000,000 for fiscal year 1991, $1,029,000,000 for fiscal year 1992, $1,074,000,000 for fiscal year 1993, $1,121,000,000 for fiscal year 1994, and $1,170,000,000 for fiscal year 1995, to finance 100 percent of the expenditures for food assistance provided to needy persons and 50 percent of the administrative expenses related to the provision of such assistance.

The House amendment also requires the Comptroller General of the United States to conduct a study of—

(1) the nutritional needs of the citizens of the Commonwealth of Puerto Rico, including—

(A) the adequacy of the nutritional level of the diets of members of households receiving assistance under the nutrition assistance program and other households not currently receiving the assistance;

(B) the incidence of inadequate nutrition among children and the elderly residing in the Commonwealth;

(C) the nutritional impact of restoring the level of nutritional assistance provided to households in the Commonwealth to the level of such assistance provided to other households in the United States; and

(D) such other factors as the Comptroller General considers appropriate;

(2) the potential alternative means of providing nutritional assistance in the Commonwealth of Puerto Rico, including—

(A) the impact of restoring the Commonwealth to the food stamp program;

(B) increasing the benefits provided under the nutrition assistance program to the aggregate value of food stamp coupons that would be distributed to households in the Commonwealth if the Commonwealth were to participate in the food stamp program; and

(C) the usefulness of adjustments to standards of eligibility and other factors appropriate to the circumstances of the Commonwealth comparable to those adjustments made under the Act (7 U.S.C. 2011 et seq.) for Alaska, Hawaii, Guam and the Virgin Islands of the United States.

The House amendment also requires that the Comptroller General submit a final report on the findings of the required study no later than August 1, 1992, to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate. (Sec. 1782)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with technical amendments and an amendment providing for funding of the Nutrition Assistance Program in Puerto Rico at the Congressional Budget Office baseline at the time of enactment of this Act.

(50) Sec. 1763. Automated data processing and information retrieval systems

The House amendment amends the Act by requiring that the Secretary develop by October 1, 1992, standards for initial and continued approval of automated data processing and information retrieval systems for State agencies, taking into consideration the state of the art in automation technology. The House amendment requires States to meet the standards developed by the Secretary.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment requiring that the Secretary review and revise current regulations and set standards for approval of automation systems. The regulations will require that when States improve their systems, they incorporate all or part of systems already developed, unless a new system would be less costly. The Secretary is required to review the systems periodically and report to the appropriate committees of Congress on the extent to which States are operating effective systems. The Conference substitute lowers the automatic data processing Federal reimbursement level from 75 percent to 63 percent beginning with fiscal year 1992, except for proposals for systems approved prior to the date of enactment.

Subtitle B—Commodity Distribution Programs

(51) Sec. 1771. Commodity distribution program; commodity supplemental foods program

(a) Reauthorization of commodity supplemental food program and other food donation programs

The House amendment reauthorizes through fiscal year 1995 the Commodity Supplemental Food Program and other food donation programs under the Agriculture and Consumer Protection Act of 1973. Under this authority the Secretary is authorized to purchase and distribute agricultural commodities with funds appropriated from the general fund of the Treasury.

The House amendment also extends authority through fiscal year 1995 for pilot projects for low income elderly persons and for administrative funding for the Commodity Supplemental Food Program. (Sec. 1785(a)(1) and (2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(b) Commodity assistance for infants and children

The House amendment revises section 4(a) of the Agriculture and Consumer Protection Act of 1973, and section 416(a)(3) of the Agricultural Act of 1949 to explicitly include hospitals and facilities caring for needy infants and children in the category of institutions eligible for commodity donations. (Sec. 1777)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(c) Commodity program for elderly

The Senate bill allows the Commodity Supplemental Food Program (CSFP) to serve sites in which only elderly persons receive the food assistance. (Sec. 2473)

The House amendment is similar to Senate bill. (Sec. 1773(1) & (3))

The Conference substitute adopts the Senate provision.

(d) Administrative funding

The Senate bill alters the administrative funding formula for the Commodity Supplemental Food Program. The Senate bill changes the amount of administrative funding from an amount not to exceed 15 per

centum of the sum of the amount appropriated for the commodity supplemental food program and the value of all additional commodities donated by the Secretary to State and local agencies to an amount not to exceed 20 percent of the amount appropriated for the Commodity Supplemental Food Program and 15 percent of the value of all donated commodities. (Sec. 2462)

The House amendment is similar to the Senate bill. (Sec. 1773(2))

The Conference substitute adopts the Senate provision with an amendment providing that administrative funding for CSFP shall not exceed 20 percent of the amount appropriated for the program and deleting the provision that provides administrative funding based on a percentage of the value of all donated commodities.

(e) Referrals to other programs

The Senate bill requires CSFP State agencies to provide information regarding other programs such as food stamps, Medicaid and Medicare to CSFP participants. (Sec. 2473)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment.

The Managers intend to ensure that relevant information about other Federal programs that can help needy CSFP participants and applicants will be made available to them. Local program operators will be expected to provide written information about the food stamp, AFDC, child support enforcement and Medicaid programs to each pregnant or postpartum woman who participates in the program or applies for benefits. Relevant written information about the Medicaid, food stamp, and SSI programs is expected to be provided to elderly program participants. The Managers intend that the written information provided to program recipients will be relevant to their needs.

The Managers also intend that each agency will be required to maintain materials showing the eligibility requirements for Medicaid participation by pregnant women, infants and children up to age six. These agencies also will be expected to make referrals to the Medicaid program to elderly persons who apply for CSFP benefits.

(f) Advance warning for decline in persons served under program

The Senate bill requires an advance warning from the Secretary to State agencies operating the program if it appears that a decline in commodities to be supplied will occur because of significantly higher prices for purchased commodities. (Sec. 2473)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(52) Sec. 1772. Emergency food assistance program

(a) Reauthorization of TEFAP

The House amendment reauthorizes TEFAP through fiscal year 1995. It also extends the program termination date to September 30, 1995, and reauthorizes $50 million for administrative funding for each of the fiscal years 1991 through 1995. The House amendment requires the Secretary to spend $175,000,000 during fiscal year 1991 and $190,000,000 during fiscal year 1992 and authorizes to be appropriated $220,000,000 for each of the fiscal years 1993 through 1995 to purchase, process, and distribute additional commodities under section 214(e) of TEFAP. Any amounts provided for fiscal years 1993 through 1995 will be available only to the extent and in such amounts as are provided in advance in appropriations acts. (Sec. 1783)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with technical amendments and amends the special purchasing provision to authorize, instead of require, the House-recommended funding levels for fiscal years 1991 and 1992.

(b) Demonstration project

The Senate bill allows the Secretary to undertake a demonstration project under which surplus commodities are processed into an end product that is more readily useable for household consumption. (Sec. 2472(1))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(c) Additional requirements

The Senate bill prohibits the Secretary from requiring a State to impose additional recordkeeping or application requirements on program recipients unless the Secretary determines that existing requirements or procedures are inadequate. (Sec. 2472(2))

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(d) Federal Register estimates

The Senate bill extends through FY 1995 the current law requirement that the Secretary publish annually in the Federal Register (as soon as feasible, but before the beginning of each fiscal year) estimates of the types and amounts of commodities likely to be available in that year, and the stipulation that the types and amounts of commodities published may differ from those estimated. (Sec. 2472(4))

The House Amendment contains a similar provision. (Sec. 1771(a)(5))

The Conference substitute adopts the House provision.

(e) Commodity availability

The House amendment adds a provision requiring that, whenever commodities acquired by the CCC are made available for donation to domestic food programs in amounts that exceed Federal obligations, the Secretary make some portion of such commodities available to TEFAP agencies. It also permits the Secretary to distribute to TEFAP, CCC commodities that become available on a seasonal or irregular basis. (Sec. 1771(a)(4))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision permitting additional seasonal or irregular donations of CCC commodities to TEFAP, and amends the provision requiring donations of some portion of surplus commodities to TEFAP by specifying that when making donations of surplus CCC stocks to domestic food programs, the Secretary is to give equal consideration to TEFAP emergency feeding organizations, and take into account the types and amounts of commodities available and appropriate for donation to TEFAP.

(f) Name change

The House amendment strikes "Temporary" from the name of the Temporary Emergency Food Assistance Act and Program. (Sec. 1771 (a)(1) and (2))

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(g) Group eligibility

The House amendment adds a provision allowing State agencies, with the approval of the Secretary, to permit local TEFAP recipient agencies to be eligible for commodities on the basis of service to a substantial number of low-income persons rather than by individual income determination, if this will reduce administrative burdens and ensure that most program recipients are low-income persons. (Sec. 1771(a)(3))

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(h) Direct expenses

The Senate bill permits local recipient agencies to use Federal administrative funding to cover their costs of repackaging and reprocessing commodities. (Sec. 2472(3))

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(53) Sec. 1773. Commodity distribution reform

(a) Clarifying amendment

The House amendment amends the Commodity Distribution Reform Act and WIC Amendments of 1987 to clarify that food banks are included among the recipient agencies represented under the National Commodity Distribution Advisory Council. (Sec. 1775)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

The Managers intend that the representation on the council provided by this section will be a representative from a food bank participating in TEFAP.

(b) Advance funding for State Option Contracts

The Senate bill authorizes the Secretary to use Section 32 and CCC funds to pay for all, or a portion of the cost of food or the processing or packaging of food on behalf of a State commodity distribution agency; requires the State distribution agency to reimburse the Secretary for agreed-upon costs associated with this activity within 150 days of delivery of the commodity, and if they do not do so within 30 days, requires the Secretary to offset the amount not paid from an appropriate account; and requires the Secretary to reimburse the CCC or Section 32 account for all funds borrowed. (Sec. 2471)

The House amendment has a similar provision. (Sec. 1774)

The Conference substitute adopts the Senate provision

(c) Commodity Processing Program

The Senate bill requires the Secretary to establish a commodity processing program to promote and facilitate the reprocessing of bonus commodities into end-use products useful to local recipient agencies, and to issue regulation governing this commodity processing program. (Sec. 2471)

The House Amendment contains no comparable provision.

The Conference substitute revises the Senate provision to require a report by the Comptroller General of the United States which evaluates the extent to which: States process entitlement commodities, governmental requirements for participating in processing vary among States, and commod-

ity entitlement recipients are satisfied with access to and service provided by entitlement commodity processing. The report is required to be submitted to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry by no later than January 1, 1992, and the Comptroller is required to consult with representatives of State and Federal commodity distribution authorities, local elected school authorities, local school food service authorities and food processors regarding the scope and design of the report.

(d) Commodity Warehousing and Distribution

The Senate bill revises current requirements concerning State commodity warehousing and distribution by: (1) exempting from these requirements all commodities provided to programs other than child nutrition programs, and States that do not charge local recipient agencies for any costs associated with commodity distribution; (2) linking the requirement for use of the most cost-effective and efficient warehousing and distribution systems to local recipient agency costs rather than to the overall State costs of warehousing and distribution; and (3) requiring that State agencies consider commercial warehousing and distribution systems when determining the most cost-effective and efficient systems instead of requiring that commercial vendors be used unless a waiver is granted by the USDA based on proof that other systems are more cost effective and efficient for local recipient agencies.

The House amendment contains no comparable provision

The Conference substitute adopts the Senate provision with an amendment that maintains the current law requirements for both elderly and child nutrition program commodities, and that maintains the mandate for use of commercial vendors unless States are granted waivers based on a showing that the use of public systems provides lower costs and greater efficiency to local recipient agencies.

The Managers point out that the Conference substitute revises some of the commodity reform provisions enacted in 1987 that place requirements on States for the warehousing and distribution of USDA commodities to local recipient agencies. The changes are intended to protect against disruptions in commodity distribution to small recipient agencies such as commodity supplemental food programs, charitable institutions and TEFAP. They are also designed to promote the use of warehousing and distribution systems that provide commodities at the lowest possible cost and best efficiency to schools, child care facilities, summer food and elderly nutrition programs.

The Managers wish to make clear that the changes in this bill do not diminish in any way the responsibility of all State agencies to evaluate their commodity warehousing and distribution systems for child and elderly nutrition programs, regardless of whether these local recipient agencies are charged for these services. Moreover, in States that charge local child and elderly nutrition programs for any costs associated with commodity distribution, the determination of the most cost-effective and efficient warehousing and distribution systems requires comparison of the direct and indirect costs to local recipient agencies of both commercial and public systems. The Managers expect that these changes will lead to lower costs to local agencies using USDA commodities, and will improve the efficiency of commodity distribution to these agencies.

(e) Commodity acceptability information

The Senate bill changes current law by requiring that a report on recipient acceptance of commodities be prepared annually, rather than semiannually. (Sec. 1966)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(f) Food bank projects

The House amendment makes permanent the food bank projects established under the Commodity Distribution Reform Act and WIC Amendments of 1987 to provide and redistribute agricultural commodities and food products.

The House amendment provides that no later than July 1, 1991, the Secretary must submit a report to Congress on each project carried out under this section. Thereafter, the Secretary must submit biennial reports to Congress on such projects. (Sec. 1772)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment deleting the requirements for reports.

(54) Sec. 1774. Hunger prevention programs

(a) Reauthorization of soup kitchen and food bank commodity distribution

The House amendment extends through fiscal year 1995 the special purchasing requirement for distribution of commodities to soup kitchens and food banks under section 110 of the Hunger Prevention Act of 1988 and requires the Secretary to spend $32,000,000 to purchase and distribute such commodities in each of the fiscal years 1991 through 1995. (Sec. 1784)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment changing the mandatory spending requirement for commodity purchases in fiscal years 1992-1995 to an authorization for appropriations of up to $40 million in each of these fiscal years.

(b) Food pantry

The Senate bill defines the term "food pantry" under Section 110 of the Hunger Prevention Act of 1988 to mean "a public or nonprofit private organization whose primary purpose is to distribute food to low-income or unemployed households, including food from sources other than the USDA, to relieve situations of emergency and distress. (Sec. 2462)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment striking the words "whose primary purpose" from the definition, and adding a new provision that explicitly permits States to distribute commodities to food pantries under the soup kitchen and food bank program if food banks do not operate in the State.

(c) Gleaning clearinghouses

The House amendment replaces existing provisions of law governing gleaning activities. It defines the term "to glean" to mean to collect without charge unharvested crops from the fields of farmers, or to obtain agricultural products from farmers, processors, or retailers, in order to distribute such products to needy individuals, including unemployed and low-income individuals.

The House amendment authorizes the Secretary to establish a National Gleaning Clearinghouse. Through the Clearinghouse, the Secretary is authorized to—

(1) encourage public and nonprofit private organizations to initiate and carry out gleaning activities;

(2) collect from public and private sources information relating to the kinds, amounts, and geographical locations of agricultural products not completely harvested;

(3) gather and compile other statistics;

(4) establish and operate a toll-free telephone line;

(5) prepare, publish, and make available to the public, at cost and on a continuing basis, a handbook on gleaning that includes such information and advice as may be useful in operating efficient gleaning activities and projects, including information regarding how to—

(a) organize groups to engage in gleaning; and

(b) distribute to needy individuals, including low-income and unemployed individuals, food and other agricultural products that have been gleaned; and

(6) advertise in print, on radio, television, or through other media, as the Secretary considers to be appropriate, the services offered by the Clearinghouse (Sec. 1791)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment authorizing the Secretary to assist States or private nonprofit organizations in establishing gleaning clearinghouses.

(d) Cheese and nonfat dry milk

The Senate bill requires that the Commodity Credit Corporation make available to the Commodity Supplemental Food Program (to the extent available) not less than 9 million pounds of cheese and not less than 4 million pounds of nonfat dry milk for each of the fiscal years 1991 through 1995. (Sec. 2464)

The House amendment requires that, to the extent that inventory levels permit, the Commodity Credit Corporation provide 7 million pounds of cheese in each of the fiscal years 1991 through 1995 to the Secretary for donation to the commodity supplemental food program. (Sec. 1785)

The Conference substitute adopts the Senate provision with a technical amendment.

(55) Sec. 1775. Reprocessing agreements with private companies

(a) Reauthorization

The Senate bill extends the National Commodity Processing program through 1995. (Sec. 2465)

The House amendment is the same as the Senate provision. (Sec. 1786)

The Conference substitute adopts the House provision.

The Managers note with concern that the Department of Agriculture prohibits charitable institutions, certain nutrition programs for the elderly, and summer food service program sites from receiving bonus flour through National Commodity Processing program sales in States in which schools do not participate in the Department's bonus flour system. This policy imposes a real hardship on the affected State recipient agencies and is particularly unfair when the State commodity distribution agency for schools is different from the State agency distributing commodities to these smaller programs. Excluding these agencies from NCP reduces the range of processed food products available to them, and in many

cases makes it difficult for these sites to use bonus commodities. This is particularly true of those smaller agencies which are unable to participate in State processing because the volume of their food purchases is too low. Many of these same agencies, however, might be able to take advantage of NCP contracts if the Department's current policy were changed to permit the decision for receipt of bonus flour to be made by the State agency administering the affected program. The Managers therefore direct the Department to revise its policy so that no local commodity recipient agency will be denied eligibility for bonus commodities under NCP because of the decision of a State agency that is not responsible for commodity distribution to the local community recipient agency.

(b) Processed end products

The Senate bill would permit elderly nutrition programs to enter into agreements with national companies for the reprocessing of all the commodities they receive from the USDA, both bonus and entitlement. (Sec. 2474)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a substitute amendment requiring the Secretary to "encourage access" to processed entitlement commodities if in the Secretary's judgement it is cost effective. The Secretary may meet this obligation in a number of ways, including State processing contracts, State Option Contracts, and direct purchase of commodities. Beginning in fiscal year 1994, the Secretary may also utilize private processing contracts operated as part of the National Commodity Processing Program (NCP).

The Conference substitute also requires the Secretary to conduct a pilot project in no more than three States to provide entitlement commodities to elderly nutrition programs pursuant to private processing contracts operated as part of the NCP program. As with the current NCP program, the expense of reprocessing shall be paid by the eligible agencies.

The Managers intend that nothing in this section shall affect the Secretary's responsibilities regarding the provision of bonus commodities to elderly nutrition sites through the NCP program. It is the understanding of the Managers that it is the Secretary's intent to operate this pilot project in three States.

(56) Sec. 1776. Nutrition education.

The Senate bill authorizes to be appropriated for the Expanded Food and Nutrition Education Program: $63 million in fiscal year 1991, $68 million in fiscal year 1992, $73 million in fiscal year 1993, $78 million in fiscal year 1994 and $83 million in fiscal year 1995. (Sec. 2466)

The House amendment reauthorizes at $8 million annually, through fiscal year 1995, the special nutrition education program, which provides food, nutrition, and consumer education to low-income individuals. (Sec. 1787)

The Conference substitute adopts both provisions.

(57) Sec. 1777. Notifying shelters of the Charitable Institutions Program

The Senate bill requires the Secretary or appropriate State agencies to inform shelters for the homeless or for battered women and children about the availability of donated commodities. (Sec. 2415)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring the Secretary, at least once during fiscal year 1991, to direct appropriate State agencies to inform shelters for the homeless or for battered women and children about the availability of donated commodities.

(58) Sec. 1778. Welfare simplification and coordination advisory committee

The House amendment establishes an Advisory Committee on Welfare Simplification and Coordination. The Committee would: (1) identify differing policies in the food stamp program, Social Security Act cash and medical assistance programs, and housing assistance programs for low-income families and individuals that make it difficult to apply for and obtain benefits from more than one program and restrict administrators' ability to provide efficient, timely, and appropriate benefits; (2) examine the reasons for differing programs and policies and previous coordination efforts; (3) evaluate how and to what extent differing programs and policies hinder the receipt of benefits from more than one program and restrict administrators; (4) recommend common or simplified programs and policies; and (5) describe the effects of these common or simplified programs and policies and the reasons for recommending them.

The House amendment provides that the Committee would consist of no fewer than nine and no more than fifteen members appointed by the Secretary of Agriculture, after consultation with the Secretaries of Health and Human Services and Housing and Urban Development, the Commissioner of Social Security, State and local officials administering the programs under review, and representatives of recipients and recipient advocacy organizations. Members would (1) be persons who have experience in administering the programs under review, are familiar with the programs' rules, goals, and limitations, and have demonstrated expertise in evaluating the operations of and interaction among the programs and (2) include representatives of administrators and recipients. The Secretary would provide administrative support and reimbursement for necessary expenses and the Committee would be required to submit a final report, with recommendations, not later than April 1, 1992.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment and an amendment: (1) reducing the size of the Committee; (2) directing the Committee to consult with representatives of administrators and recipients; (3) restructuring the composition of the Committee to individuals who are familiar with the rules, goals, and limitations of the programs under review, who may include persons with expertise in evaluating program interactions, administrators, and representatives of administrators and recipients; (4) narrowing the scope of the Committee's review to significant policy differences and recommendations; (5) moving the date for the Committee's final report to July 1, 1993; and (6) allowing interim reports from the Committee (including reports on less than the full range of programs under review).

(59) Sec. 1779. School lunch studies

The Senate bill requires the USDA to conduct a study of the national school lunch program to determine: the quantity of bonus commodities lost to schools, by State, since the 1987-88 school year; the amount of indirect costs charged to school food programs by schools; the current cost of providing a school lunch; why schools stopped participating in the program during the 1980's and if low-income children in such schools continued to receive free meals; changes in responsibility and costs associated with changes, at the State agency level; changes in responsibility and costs to local school food authorities because of Federal administrative and audit requirements; and the amount charged to students for nonfree and reduced price meals. It also requires the Secretary to provide the results of this study in a report issued to the Congress by October 1, 1992. (Section 2479)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment requiring two studies: (1) one to be conducted with available funds to determine the quantity of bonus commodities lost, by States since the 1987- 88 school year; what school food service authorities charge for nonfree and reduced price meals; and trends in school participation and student participation; and (2) one requiring, if funds are appropriated for this purpose, that the Secretary study the cost of producing school lunches; the reasons why schools choose not to participate in the lunch program; State costs incurred in the administration of lunch and breakfast programs; why children eligible for free and reduced price meals don't apply or participate in the program; and such other information as the Secretary considers necessary. The Conference substitute requires the Secretary to submit interim reports on the studies being conducted; on October 1, 1991 for the study using available funds and on October 1, 1992 for the study conducted if funds are made available by appropriation, and a final report of both studies by October 1, 1993.

(60) Sec. 1781. Effective dates

The Senate bill provides that unless otherwise noted in the bill, the amendments made by the nutrition title are to be effective and implemented 120 days after enactment. (Sec. 2495)

The House amendment stipulates that except as otherwise provided, the provisions of that title will be effective on October 1, 1990. (Sec. 1794)

The Conference substitute adopts the House provision with an amendment stipulating that except as otherwise provided in the title, the title and the amendments made by the title shall be implemented and effective not later than October 1, 1991.

Additional Provisions Deleted in Conference

(61) Shelter deductions

The House amendment raises the "cap" on the maximum excess monthly shelter expense deductions to:

Fiscal year	48 States and DC	Alaska	Hawaii	Guam	Virgin Island
1991	$219	$380	$312	$265	$161
1992	234	406	333	283	172
1993	283	491	403	343	208

The House amendment removes the cap on excess shelter expense deductions after FY 93. (Sec. 1701)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(62) Benefit levels

The House amendment amends the definition of "thrifty food plan" adjusting the cost of the diet to reflect:

Fiscal year	Percent of cost of Thrifty Food Plan in the preceding June
1991	103
1992	103 and ⅓
1993	103 and ⅔
1994	104
1995	105

The House amendment also requires special adjustments to be made in calculating food stamp benefits for Hawaii and Alaska. (Sec. 1702)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

The Managers wish to point out that the House amendment contained language specifying the procedures by which the Secretary should calculate the thrifty food plans for Alaska and Hawaii. Since the House amendment was passed, the Managers have been informed that the Secretary has reexamined current law and determined that it already requires the methodology specified in the House amendment. The Managers, like the House Committee, fully concur in this analysis of current law. The House provision was meant as a clarification of current law, not a change. Therefore, the Managers have omitted it from the final legislation. The Managers appreciate the Secretary's attention to this matter.

(63) Issuance of benefits

The House amendment provides that first month renewed benefits for households applying to be recertified must be pro-rated (reduced) if the household's participation has lapsed for more than one month. (Sec. 1703)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(64) Child support disregard

The House amendment excludes from income the first $50 per month of child support payments. States would not be required to pay the Federal Government the cost of additional benefits provided to households as the result of the exclusion of child support payments from income. (Sec. 1711)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(65) Household definition

The House amendment amends the definition of "household" to include an individual who lives with others but customarily purchases food and prepares meals for home consumption separate and apart from the others, or a group of individuals who live together and customarily purchase food and prepare meals together for home consumption. However, this section requires that parents and their minor children who live together, and spouses, be treated as a household regardless of the above. (Sec. 1721)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(66) Commission on coordination of family support and food stamp policies

The House amendment establishes a Commission on the Coordination of Family Support and Food Stamp Policies, consisting of 15 members including: the Secretary of Health and Human Services; the Secretary of Agriculture; Members of the House and Senate; and State and local officials.

The House amendment provides that the purpose of the commission is to study and consider methods to better coordinate AFDC and food stamp procedures and to make recommendations for developing common policies and definitions for use under both programs that would eliminate inconsistency to participation to the maximum extent possible in a manner consistent with the protective purposes of the programs.

The House amendment requires a report to the President and the Congress within one year after the date of enactment.

The House amendment authorizes to be appropriated such sums as may be necessary to carry out its provisions. (Sec. 1727)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(67) Dependent care expenses

The House amendment raises the dependent care deduction from $160 to $200 per month for each child under age 2 and $175 per month for each other dependent for purposes of computing household income.

The House amendment increases the amount of payments or reimbursements State agencies must make to participants in employment and training programs for the actual costs of dependent care. (Sec. 1728)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(68) Flexibility for State informational activities

The House amendment provides that State agencies may inform low-income households about availability, eligibility requirements, application procedures, and benefits of the food stamp program, including those activities allowed under regulations in effect on June 1, 1981.

The House amendment amends section 16(a) of the Act to provide that the Secretary's authorization to pay to State agencies an amount equal to 50 per centum the administrative costs involved in each State agency's operation of the food stamp program, includes authorization to pay such per centum of the costs of assistance to households, including the costs of counseling activities and prescreening costs. (Sec. 1732)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(69) Vehicles necessary to carry fuel or water

The House amendment requires the Secretary to exclude from financial resources the value of a vehicle that a household depends upon to carry fuel for heating or water for home use when such transported fuel or water is the primary source of fuel or water for the household. (Sec. 1733)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(70) Asset limits for the disabled

The House amendment raises from $2000 to $3000 the value of resources that a household with a disabled member may own and still be eligible to participate in the food stamp program. (Sec. 1745)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(71) Issuance of warning letters

The House amendment authorizes the Secretary to issue a warning letter to, instead of imposing a civil money penalty on, a retail or wholesale food concern that violates the Act or regulations. (Sec. 1768)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(72) Distribution of milk

The House amendment requires the Secretary to make milk acquired by the Commodity Credit Corporation available to States for distribution to food banks and soup kitchens when such milk is made available for donation to domestic food programs during fiscal years 1991 through 1995. (Sec. 1776)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(73) Special provision regarding sequestration

The House amendment provides that, notwithstanding any other provision of law, if a final order is issued for any of the fiscal years 1991 through 1995 under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, or any subsequent enactment extending the effect of such provision, and such order is not subsequently rescinded, the amount made available to carry out the food stamp program under section 18 of the Act must be reduced by the amount equal to the amount of the percentage reduction for domestic programs required under such order multiplied by the additional cost over the preceding year, as contained in the Congressional Budget Office's final estimate of the cost of this Act prior to enactment, of the increases as provided for in certain sections of the House amendment for the fiscal year for which a final order has been issued. The House amendment provides that the reduction required by this section must be achieved by reducing the increases in certain provisions by one and one-third times the percentage reduction for domestic programs required under such order. (Sec. 1795)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(74) Assistance to homeless preschool children

The Senate bill provides additional Federal funding for a program set up under the Child Nutrition and WIC Reauthorization Act of 1989. That program allows for pilot projects in which private nonprofit groups receive federal reimbursement for meals served to homeless preschool children living in homeless shelters. Of the funds appropriated for the School Lunch Act, and in addition to other funding, not less than $500,000 in FY 1991, $750,000 in FY 1992; $2 million in FY 1993 and $3 million in FY 1994 would be available to increase funding for this program. Unused funds would be returned to the Treasury. (Sec. 2476)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(75) Indian Nutrition Gardening Program

The Senate bill establishes an Indian Nutrition Gardening Program to—

provide technical assistance and training to Indian tribes and Alaska Natives for the development and operation of gardening programs;

establish the Indian and Alaska Native Gardening Grant Program; and

provide a supplemental source of fresh produce for Indians and Alaska Natives.

The Secretary is authorized to assist Native American Indians (or Alaskan Natives) living on or near reservations (or in certain areas of Alaska) in setting up gardening programs to supplement their nutritional needs.

The Extension Service would fund the purchase of seeds, seedlings, fertilizer, greenhouses, equipment, tools and other items needed for gardening.

The Extension Service would provide training and technical assistance in setting up these large gardens.

The fresh produce generated by the program would be used to supplement the diets of needy Native Americans (those on food stamps, the Food Distribution Program on Indian Reservations, or WIC, or those with special dietary needs, or the elderly).

Funds may be used for—

purchase or lease of equipment;

purchase of seeds, fertilizers and other resources;

construction of greenhouses, fences and structures;

accounting and distribution of produce;

labor; and

management.

This gardening program is also available for Native Hawaiians in areas in Hawaii set aside for the use of Native Hawaiians under the Act of July 9, 1921.

There is authorized to be appropriated for these purposes $8 million in fiscal years 1991 and 1992 and $10 million in each of fiscal years 1993 and 1994. Some of these funds may also be used for grants to an agency of the State of Hawaii administering assistance to Native Hawaiians for the purpose of buying components of irrigation systems not normally eligible for assistance under the Soil Conservation and Domestic Allotment Act.

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers believe that an Indian subsistence gardening project could help alleviate nutritional deficiencies present on Indian reservations. The program would provide a supplemental source of produce for Indians and Alaska Natives who have special dietary needs, or are elderly, or participate in the food stamp, commodities, or WIC program. This program could address the increasing prevalence of diet-related diseases among Native Americans and help combat nutritional deficiencies among Native Americans. The Managers will continue to pursue the concept of an Indian subsistence gardening project in 1991.

The Managers direct the Secretary to promote and improve the nutritional aspect of daily diets for Native Americans living on reservations. In doing so the Secretary may seek the advice and assistance of the USDA Cooperative Extension Service, USDA Food Distribution Service, and the Bureau of Indian Affairs to develop the most feasible means to address nutritional deficiencies among Native Americans.

TITLE XVIII—CREDIT

(1) Training or Experience Requirement for Farm Ownership/Operating Loans

The Senate bill contains a minimum experience/training requirement for loan eligibility to three of the previous five years with one of those three being actual on-farm experience (Section 1302; 1306).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers recognize that there is currently a regulatory one year experience requirement for first-time producers who wish to obtain credit, both direct loans and loan guarantees, from the Farmers Home Administration. The Managers understand that in the past this requirement has been waived or modified for first-time producers if it was determined that the producer had a reasonable prospect of success.

The Managers intend that the Farmers Home Administration should consider the effect of contract farming arrangements in which the contracting company provides farm management training and assistance to the farmer and exercises close managerial oversight. The Managers intend that the Farmers Home Administration consider whether such a contractual arrangement provides a reasonable prospect of success in the applicant's proposed farming operation. If the Farmers Home Administration determines that such arrangement does provide a reasonable prospect of success, the one year minimum experience requirement may be waived.

(2) Soil and Water Loan Program

The Senate bill updates authorized uses of the soil and water conservation loan program to reflect current conservation practices, and allows loans under this program to be made at the limited resource interest rate (Section 1303).

The House amendment has a similar provision with a $50,000 cap on loan levels (Section 1605).

The Conference substitute combines the purposes of the Senate and House provisions.

(3) Interest Rate on Farm Ownership and Operating Loans Made to Limited Resource Borrowers

The Senate bill simplifies and makes consistent the administrative procedure for establishing the limited resource rate by making the rate for farm ownership loans and operating loans the same, and establishes a floor of 5% (Section 1304; 1307).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(4) Guarantee of Payment by Department of Hawaiian Home Lands

The Senate bill allows the Department of Hawaiian Home Lands to guarantee operating loans for Hawaiian natives who lease Hawaiian homelands (Section 1305).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(5) Debt Settlement and Payment of Accrued Interest

The Senate bill allows FmHA to use debt settlement in all of its loan programs. It also allows for the charging of interest on interest payments that are less than 90 days overdue (Section 1308).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that will give FmHA no new authority to use debt settlement on housing loans made under the Housing Act of 1949.

(6) Documentation for Approval of Security Transfer

The Senate bill requires FmHA to document in the borrower's file any approvals for security transfer (Section 1309).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the documentation must be completed in a timely manner and a letter acknowledging the transfer be sent to the borrower within a reasonable amount of time.

(7) Notice of Debt Settlement Programs and Extension of Application Deadlines

The Senate bill requires FmHA to include in the notice of loan servicing programs that is sent to borrowers who are 180 days delinquent a description of debt settlement programs. The bill extends the deadline for borrower application to FmHA for primary loan servicing from FmHA from 45 to 60 days (Section 1310).

The House amendment has the same provision with respect to the extension of application time for primary loan servicing but does not address debt settlement notification (Section 2907).

The Conference substitute adopts the Senate provision.

(8) Underwriting Form and Standards

The Senate bill allows FmHA to use underwriting forms and standards that conform to those used by commercial lenders. It requires that prior to using ratios and standards for determining the degree of potential loan risk, the Secretary will have to report to Congress the effect on current and future borrowers, as required under current law (Section 1311).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(9) County Committees

The Senate bill states that if FmHA appoints an eligible farmer-borrower to the county committee, that appointment will not preclude another eligible farmer-borrower from being elected to such committee. The Senate bill also allows the mailing of FmHA election ballots (Section 1312 (a) and (b)).

The Senate bill also requires the Secretary to annually train county committee members on job responsibilities and to develop a training manual (Section 1312(c)).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the mailing of FmHA election ballots shall only be done if it coincides with an Agriculture Stabilization and Conservation Service mailing and will not require additional funds.

(10) Certification of Loan Eligibility

The Senate bill allows a borrower's eligibility certification to remain in effect for two years (Section 1313).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the period of eligibility shall not exceed 2 years.

(11) Limitation on Community Facility Program and Business and Industry Loan Program Application Process

The Senate bill allows the Secretary to hold qualified Business and Industry loan program applications until funding is available instead of requiring the Secretary to grant or deny the application within 60 days (Section 1314).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that adds Community Facility loans.

(12) Appeals

The Senate bill requires the county committee or FmHA employee to act on cases overturned by the national appeals staff within a reasonable period of time (Section 1315).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(13) Disposition of Suitable Property

The Senate bill:

(a) reduces from three years to one year the total period of time that FmHA must offer "suitable" inventory land to qualified borrowers (Section 1316(a)).

(b) requires the county committee to randomly select from among qualified bidders the one to receive inventory property (Section 1316 (b) and (h)).

(c) states that leaseback/buyback provisions apply to farm and ranch real estate and the principal residence only (Section 1316(c)).

(d) gives persons that have leased property acquired by the Secretary before January 6, 1988, the right of first refusal on the purchase of the property, during a limited period following enactment. This provision does not apply to property that has been conveyed or contracted to be conveyed by the Secretary prior to enactment of this provision (Section 1316(d)).

(e) gives beginning farmers and ranchers preference when applying for the purchase of "suitable" inventory property (Section 1316(e)).

(f) allows the transfer of Indian land in inventory before January 6, 1988 to the Department of the Interior so that it is handled in a like manner to land taken into inventory after that date (Section 1316(f)).

(g) sets the purchase price of inventory property at the appraised fair market value (Section 1316(g)).

(h) requires the Secretary to establish perpetual wetland conservation easements, subject to certain limitations, to protect and restore wetlands or converted wetlands that are located on FmHA inventory property (Section 1316(i)).

In general, the language of this subsection is intended to protect a substantial number of wetlands on inventoried properties, while maintaining the properties' marketability as agricultural production units. Maintaining a property's marketability is intended to mean maintaining sufficient productive cropland and/or forage areas on the property so that it is marketable for agricultural production purposes. The wetlands that shall be subject to perpetual easements under this provision are intended to provide wetland functional values. These wetlands are divided into three categories: (1) wetlands that are not planted to an agricultural commodity or are planted less than frequently, and wetlands converted after December 23, 1985; (2) wetlands and farmed wetlands that are frequently planted; and (3) wetlands converted before December 23, 1985 (prior converted). The wetlands in these categories are intended to reflect the wetlands definitions currently in use for Swampbuster purposes. Prior converted wetlands often will be frequently planted, but the distinction is made between categories 2 and 3 because prior converted wetlands have, in general, lower wetland functional values than wetlands and farmed wetlands that have been frequently planted. Frequently planted means that over a period of several years the land is planted more often than not.

It is the intent for wetlands in the first category to be subject to full easement coverage under this provision, except for those wetlands that may be excluded on forage producing areas, as described below. Wetlands converted after December 23, 1985, if planted to an agricultural commodity, would be in violation of subtitle C of title XII of the 1985 Food Security Act. These wetlands should be restored and protected with no consideration being given to their planting history. Placing easements on wetlands in this category will not affect the marketability of the property as a production unit.

Under this first category, full easement coverage would be given to any wetlands or restored wetlands that have a history of haying and grazing, except that the amount of acreage placed under easement is not to exceed 50% of the forage producing areas on the parcel. The wetlands or restored wetlands selected for easement coverage should be those wetlands or restorable wetlands providing the wetland functional values, as recommended by the Fish and Wildlife Service.

The Senate recognizes that managed haying and grazing is consistent with protecting and maintaining wetland values and is allowed under the current program. Easements placed on wetlands that have a history of haying and grazing shall permit such uses when the haying and grazing practices are in accordance with forage management standards that provide for the protection and restoration of wetland functional values. The Managers believe the Fish and Wildlife Service and the Soil Conservation Service should jointly develop and agree to the practices designed to protect these values, in consultation with Land Grant professionals having experience in range and forage management. In addition, the Managers believe such practices should be established for a particular parcel before it is sold out of inventory, and any changes in these practices after the parcel is sold should be agreed to by the landowner.

An overall limitation has been placed on the amount of wetlands in categories 2 and 3 that can be placed under easement (subject to a waiver by the purchaser), where the easements placed on these wetlands cannot represent more than 20 percent of the cropland on the property. Within this 20 percent limitation, in no case may the easements placed on prior converted wetlands represent more than 10 percent of the cropland on the property. The Senate established these limitations to ensure that the marketability of the property will be maintained. Except under the limited circumstances defined below, with respect to the wetlands in categories 2 and 3, only technical considerations of the potential functions and values of the wetlands on the property, as reflected in the Fish and Wildlife Service's recommendations, will determine the size of the easements, up to these established limits.

In general, the croplands used as buffer areas to protect the wetlands under easement are to be included in the calculation of the total amount of cropland that is placed under easement, and are therefore subject to the 10% and 20% overall cropland limitations.

There are certain circumstances where the amount or location of these easements, in relation to the other croplands on the property, would prevent the property from being marketable as an agricultural production unit, comparable to the property as acquired. Marketing the property, comparable as acquired, means marketing a property that can continue to function as the same basic enterprise as when it was acquired. The Senate did not intend for the circumstance to arise where the amount and location of easements established on, for example, a cotton or dairy farm acquired by the FmHA would prevent the property from being marketed as a cotton or dairy farm. This situation is a particular problem in the case where a borrower eligible under the Consolidated Farm and Rural Development Act for leaseback or buyback of foreclosed property is seeking to purchase or lease this property, or in the case where a beginning farmer who is an eligible FmHA borrower seeking to purchase this property from inventory. Under these circumstances the size of the easements placed on these properties may be reduced by the Secretary, in consultation with the Fish and Wildlife Service, to the extent necessary to maintain such marketability and such comparability.

The Senate expects the Secretary to utilize this flexibility only in situations where it can be shown that to do otherwise would render the property non-marketable. This flexibility shall not be utilized to exercise administrative preference relative to providing full easement coverage up to the established percentage limits.

Under those circumstances where such flexibility clearly must be exercised, the Secretary is directed to reduce the size of the easements placed on the prior converted wetlands first. If reducing the size of these easements is not sufficient to maintain the property's marketability, then a special type of easement that expands the wetlands' use for crop production may be established to the extent necessary on the other frequently planted wetlands on the property. Easements of this type are consistent with many of those currently established in the Northern Plains under the current program. Such easements are also, in principle, consistent with the provisions of subtitle C of title XII of the Food Security Act of 1985, and as stated in the statute, the Committee intends for no practices to be allowed on these easements that would otherwise be in violation of subtitle C.

The House amendment has no comparable provisions except for:

(i) requiring that suitable inventory property be sold at appraised fair market value and that all other sales be at the fair market value as determined by bids or negotiated sale (Section 2901).

The Conference substitute adopts the Senate provisions (a), (c), (d), (e), and (f).

The Conference substitute adopts the Senate provision (b) with an amendment

that clarifies that the random selection is mandatory.

The Managers note that the random selection process should be nationally uniform and public.

The Conference substitute adopts the House provision (i).

The Conference substitute adopts the Senate provision (h) with an amendment requiring the Secretary to study the percentages used in limiting the amount of an easement.

The Managers note that the 10 and 20 percent limits established in this subsection may not be optimal with respect to the amount of cropland that should be subject to an easement. For this reason, the Managers believe FmHA should undertake a thorough review and study of the easement coverage that is necessary to achieve the purposes of this subsection, and determine how many acres of inventory property could be subject to such easements. Congress will be considering this issue in detail early in 1991. For this reason the results of FmHA's review and study should be made available to the Congress no later than January 31, 1991.

(14) Definitions

The Senate bill defines the different types of loans made by FmHA. The Secretary is allowed to define in regulation the terms "beginning farmer" and "beginning rancher" (Section 1317).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers note that the report language accompanying the Senate bill is simply meant to be used as a guide by the Secretary in defining a beginning farmer or rancher.

(15) Extension of Eligibility for Conservation Easements; Assistance to Borrowers

The Senate bill gives the Secretary additional discretionary authority to cancel a portion of a FmHA borrower's outstanding loan in exchange for a conservation easement on wetlands and upland areas, and highly erodible land, or. loans issued after the enactment of the Food Security Act of 1985, if the borrower is unable to repay the outstanding loan, as determined by the Secretary. This authority is extended to include reducing the principal of a new loan made to a borrower (Section 1318).

The House amendment has no comparable provision.

The Conference adopts the Senate provision.

The Managers note that this is discretionary authority, giving the Secretary the flexibility to select which wetlands should be protected under this provision. The Managers intend the Secretary to prioritize the application of this provision to farmer-borrowers willing to make improvements to protect valuable wetlands.

(16) Interest Rate Reduction Program, Spending Levels and Demonstration Project

The Senate bill changes the interest rate reduction program by increasing to 4 percent the interest subsidy that the Secretary can pay, and authorizes a shift of direct loan funds to guaranteed loans. The Secretary shall use this interest rate reduction program at a minimum on loans made from the funds so shifted, to the extent practicable (Section 1319(a) and (b)).

This section also extends the demonstration project for purchase of FCS inventory land by one year (Section 1319(c)).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provisions with the agreement that it be moved to Budget reconciliation legislation.

The Managers note that they agreed to the Senate bill with an amendment that extends the interest rate reduction program through 1995 and increases the amount shifted from direct to guaranteed loans by capping direct loan obligations annually. Under this amendment, if more than 70% of the loans made under the interest rate reduction program are made to borrowers who are not direct loan borrowers seeking to graduate to commercial credit, the amount of direct loan funds shifted under this bill will be reduced in the subsequent fiscal year. The reduction will be based on the proportion of borrowers in the program who are not former direct loan borrowers seeking to graduate to the total number of borrowers provided with guaranteed loans under this program. The Managers then agreed to move these provisions to the Budget Reconciliation Act of 1991 legislation to achieve budgetary savings.

(17) Debt Restructuring and Loan Servicing

The Senate bill:

(a) denies restructuring eligibility to a borrower who has enough non-essential, unsecured assets available to bring the loan current (Section 1320(a)).

(b) includes in the net recovery value calculation the value of non-essential, unsecured assets which are not exempt from judgment creditors or bankruptcy action (Section 1320(b)).

(c) requires the Secretary to write down or restructure a loan to the level necessary to leave the borrower with up to a 5 percent margin on debt service. However, it prohibits the Secretary from denying restructuring to a borrower unable to meet his/her debt obligations with a 5 percent margin (Section 1320(c)).

(d) extends the current deadline for processing the primary loan servicing application from 60 to 90 days (Section 1320(d)).

(e) applies the good faith standard and delinquency beyond the borrower's control criteria to buyout eligibility (Section 1320(e)).

(f) extends the deadline for borrowers to execute a buyout from 45 to 90 days (Section 1320(e)).

(g) replaces the recapture agreement for buyouts with a 10-year shared appreciation agreement and increases the amount on which the shared appreciation calculation is based to the difference between the net recovery buyout amount and the fair market value at time of sale or transfer (Section 1320(e)).

(h) stipulates that if the property is transferred to a spouse or child at the time of death or retirement of the former borrower, the shared appreciation agreement is also transferred and is not triggered until a further sale or transfer takes place (Section 1320(e)).

(i) prohibits the Secretary from giving priority for leaseback/buyback and homestead protection eligibility to a borrower who does not meet the good faith standard and delinquency beyond the borrower's control criteria (Section 1320(e)).

(j) applies the good faith standard for buyouts retroactively only to pending buyout offers to borrowers whom FmHA has determined, prior to date of enactment of this provision, have acted in bad faith (Section 1320(f)).

(k) requires the Secretary to report to Congress on the number of bad faith determinations and appeals (Section 1320(f)).

(l) requires the Secretary, at the request of a borrower who has a current appraisal that is substantially different from FmHA's appraisal, to negotiate the difference or mutually agree on a third appraiser with FmHA and average the difference between the two closest appraisals (Section 1320(g)).

(m) allows the partial liquidation of guaranteed loans if the Secretary approves (Section 1320(h)).

(n) does not consider a borrower to have acted in "bad faith" if such borrower sold normal income security without the approval of the Secretary prior to October 14, 1988 and used the proceeds from that sale for living and operating expenses, and if that borrower would have been entitled to a release of income proceeds under current regulations effective on October 14, 1988, but the Secretary denied such release (Section 1320(h)).

(o) limits the number of write-downs per borrower to one with two exceptions: a qualified borrower, experiencing a disaster in the current or previous year, may qualify for a further write-down; and a borrower who received a write-down prior to enactment of the 105% of debt service margin provision in this section and becomes delinquent again, may receive a subsequent write-down in an amount not to exceed a sum that, when added to the initial write-down, would equal the amount that would have been written down if the 105% debt service margin provision had been in effect (Section 1320(h)).

(p) prohibits debt forgiveness on the portion of the debt which could be repaid through the use of non-essential, unsecured assets (Section 1320(h)).

(q) limits debt forgiveness to $350,000 of principal and interest (Section 1320(h)).

The House amendment:

(r) applies the good faith standard to leaseback buyback rights (Section 2902).

(s) includes in the net recovery value calculation property listed in the security agreement even if the property is no longer on the farm (Section 2903).

(t) includes in the restructured loan value calculation all assets of the borrower, other than the value of unencumbered assets determined by the Secretary to be essential for necessary family living expenses or essential to the operation of the farm (Section 2904).

(u) applies the good faith criteria to buyout eligibility (Section 2905).

(v) extends the deadline for borrowers to execute a buyout from 45 to 90 days (Section 2905).

(w) extends the recapture agreement for buyouts to 10 years and increases the amount on which the recapture calculation is based to the difference between the net recovery value and the fair market value at the time of sale or conveyance (Section 2905).

(x) allows a lifetime debt forgiveness limit of $250,000 of principal or interest (Section 2905; 2906).

(y) limits of the number of write-downs or buyouts to one, with no exceptions and allows the buyout and write-down provisions to be used only on loans made on or before Jan. 6, 1988 (Section 2906).

(z) extends the current deadlines for borrower application for primary loan servicing from 45 to 60 days and processing of the pri-

mary loan servicing application from 60 to 90 days (Section 2907).

The Conference substitute adopts the Senate provisions (c), (d), (e), (f), (j), (l), (m), (n), and (p).

The Conference substitute adopts the Senate provision (a) regarding eligibility for restructuring, with an amendment that if the borrower's equity in non-essential assets that may be realized through liquidation of such assets or other methods would produce enough income to bring the loan current, the borrower shall not be eligible for restructuring.

The Conference adopts the Senate provision (b) regarding the inclusion of non-essential assets in the net recovery value calculation with an amendment to clarify that only the value of the borrower's equity in non-essential assets is included in the calculation and to include the cost of disposing of these assets in the calculation of estimated foreclosure expenses. The Managers intend that borrowers should be notified in the Notice of the Availability of Loan Servicing Programs that the value of these assets will be included in the net recovery value calculation. If a borrower chooses to liquidate these assets or obtain financing for the value of these assets and apply those proceeds to FmHA debt, the net recovery value will be reduced accordingly.

The Conference substitute adopts the Senate provision (i) with an amendment to deny leaseback/buyback rights to borrowers who have acted in bad faith and excludes homestead protection from this provision.

The Conference substitute adopts the House provisions (s) and (w).

The Conference substitute adopts the Senate provision (h) with regard to the transfer of property with an amendment that applies it to the recapture agreement (w) and clarifies that the spouse or child be actively engaged in the farm operation on the property.

The Conference substitute deletes the Senate provision (k).

The Managers request that FmHA maintain records that will enable it to provide this information to Congress, if requested, within a reasonable amount of time.

The Conference substitute adopts the Senate provisions (o) and (q), with an amendment that applies one-time debt forgiveness limitation to loans made after January 6, 1988 only and establishes a lifetime debt forgiveness limitation per borrower of $300,000 of principal and interest. Loans restructured or written down after January 6, 1988 shall be considered new loans for purposes of this debt forgiveness limitation, however the Managers do not intend to limit the number of times a borrower's loan may be restructured without write-down.

(18) Distribution of Funds on Indian Reservations

The Senate bill requires the Secretary to consider Indian reservations as a county when distributing funds (Section 1321).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(19) Borrower Training

The Senate bill requires the Secretary to contract with state, private or other entities to provide borrower training in financial and farm management practices (1322(a)).

To be eligible for loans, borrowers must obtain management training unless the county committee waives the requirement. If the borrower is required to obtain additional management skills through training, beyond those required for loan eligibility, the borrower may not be denied the loan solely on that basis.

The Senate provision also requires the Secretary to issue regulations establishing a curriculum for the borrower training program and requires that the borrower shall pay for any required training and may use operating loans for this purpose (1322(b)).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(20) Loan Assessments

The Senate bill requires the Secretary to complete loan assessments on all applicants to determine the soundness of the loan and on all borrowers to identify and resolve problems early. The Secretary may contract with a state, private or other entity to provide this assessment (Section 1323).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(21) Supervised Credit

The Senate bill requires the training of FmHA employees in the areas of credit analysis, and financial and farm management (Section 1324).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(22) Graduation of FmHA Borrowers to Private Commercial Credit

The Senate bill mandates borrowers to graduate to commercial credit following 10 years of a direct loan and 15 years of total direct and guaranteed loan assistance, applying only to new loans made after enactment of this provision (Section 1325).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(23) Market Placement

The Senate bill requires the Secretary to establish a market placement program to enhance a borrower's chance of receiving a guaranteed loan (Section 1326).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(24) Sense of Congress

The Senate bill states the Sense of Congress that FmHA assist beginning farmers and ranchers and the transfer of farm property within families (Section 1327).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(25) Sense of Congress

The Senate bill is a Sense of Congress that the Secretary should improve the loan application review process and the monitoring of guaranteed loan servicing (Section 1328).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(26) Prohibition On Use Of Loans For Certain Purposes

The Senate bill prohibits the use of any loan under this title to drain, dredge, fill, level or otherwise manipulate a wetland, unless the activity is necessary for the maintenance of previously converted wetlands or was already commenced prior to date of enactment of this provision (Section 1285).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to not permit FmHA to approve any loans for such purposes.

Farm Credit System

(27) Financing for Basic Processing and Marketing Operations Owned By Bona Fide Producers

The Senate bill allows the FCS to lend to marketers and processors whose on-farm production make up any portion of the through-put of their marketing and processing operations (Section 1342).

The House has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that limits the new authority to 15% of the portfolio of the district bank.

(28) Restoration of First Lien on Stock

The Senate bill fixes a technical error in the Agricultural Credit Act of 1987 which excluded Production Credit Associations from the provision giving such institutions a first lien on securities issued by the association (Section 1343).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(29) Insurance Services

The Senate bill eliminates the requirement that FCS offer two carriers for each insurance program (Section 1344).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(30) Management of Farm Credit System Insurance Corporation by Farm Credit Administration Board

The Senate bill states that the Board of the Farm Credit Administration will oversee the Farm Credit Insurance Corporation (Section 1345).

The House amendment has no comparable provision.

The Conference substitute adopts the House provision.

The Managers intend that the deletion of the Senate provision should not be interpreted as supportive of increasing the cost of regulation either directly through FCA or indirectly through the Insurance Fund.

(31) Clarification of Contents of Certified Statements

The Senate bill requires FCS institutions to specifically identify guaranteed loans (Section 1346).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(32) Termination Date for FCS Assistance Board

The Senate bill removes the 5-day gap between the expiration of the Assistance Board and the start up of the Insurance Corporation (Section 1347).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(33) Employment of Certain Persons by Farm Credit Institutions

The Senate bill applies restrictions on hiring persons convicted of certain criminal offenses to all associations (Section 1348).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(34) Termination of System Institution Status of the California Livestock Production Credit Association

The Senate bill allows the California Livestock Production Credit Association to leave the Farm Credit System without being required to pay any part of the last $1,000,000 of its capital or restricted from transferring any part of the $1,000,000 to its successor institution. (Section 1349).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

The Managers recognize the unique circumstances that justify the California Livestock Production Credit Association's need to be allowed to terminate its status as an institution of the Farm Credit System. However, this section is not intended to apply to any other institution or to establish a precedent for addressing any other institution's request to terminate Farm Credit System status.

(35) Secondary Market for Guaranteed Farmer Program Loans

The Senate bill allows Farmer Mac to pool loans guaranteed by FmHA, thereby authorizing it to implement FmHA's secondary market mandated in the Agricultural Credit Act of 1987 (Section 1350).

The Senate bill provides authority for the Federal Agricultural Mortgage Corporation (Farmer Mac) to pool FmHA guaranteed loans made in accordance with the Consolidated Farm and Rural Development Act.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Due to significant reductions in the FmHA direct lending programs which are being made for budgetary purposes, the Managers note the importance attached to the implementation of this authority. It expands vitally needed credit availability for farmers and ranchers by providing a significant measure of liquidity to rural lending institutions. Many farmer and rancher operators impacted by the reductions in FmHA direct lending will have no alternative available to meet their credit needs other than the guaranteed loan program. The increased demand will likely exceed the ability of rural lending institutions to respond adequately unless the secondary marketing mechanism authorized in this section is able to function in a timely manner, aided by a regulatory environment which is sensitive to its needs and purpose. The Managers intend that this authority be promptly implemented.

(36) Authority of Farm Credit Administration to Regulate Federal Agricultural Mortgage Corporation

The Senate bill authorizes the Farm Credit Administration to use existing authorities to oversee for safety and soundness purposes the duties vested in the Corporation and its affiliates by this title (Section 1351).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(37) Exclusion of Farm Credit Administration from Senior Executive Service

The Senate bill puts the FCA on even footing with other Federal agencies by allowing it to adjust salaries commensurate with living expense differences between areas in the U.S. (Section 1352).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(38) GAO Study of Rural Credit Cost and Availability

The Senate bill provides that the Comptroller General study certain matters related to the cost and availability of credit in rural America and report to the Agriculture Committees within 2 years (Section 1353).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(39) Bank Examination

The Senate bill provides for an examination of compensation paid to the chief executive officer and the salary scales of the employees of the banks (Section 1354).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

Miscellaneous

(40) Economic Emergency Loan Program

The Senate bill eliminates the Economic Emergency Loan Program (Section 1361).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(41) Authorization of Appropriations for Farm Ownership Outreach Program to Socially Disadvantaged Individuals

The Senate bill authorizes the administratively-established socially disadvantaged outreach program (Section 1362).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(42) State Mediation Programs

The Senate bill extends the mediation program through 1995 (Section 1363).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(43) Indian Land Acquisition Program

The Senate bill makes Indian tribes eligible for limited resource interest rates on farm ownership loans and increases the Indian Land Acquisition program's authorization to $8 million each fiscal year through 1995 (Section 1364).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(44) Effective Dates

The Senate bill makes most provisions effective on the date of enactment. Section 1808(1), regarding debt-settlement notice provisions, shall be effective 120 days after enactment. Section 1818 on debt restructuring and loan servicing shall apply only to new loan restructuring applications (defined in this section) submitted after date of enactment, except that Section 1818(f), regarding buyouts by borrowers who have acted in bad faith, may be applied to pending buyout offers under certain conditions and Section 1818(h), regarding the liquidation of assets relating to debt forgiveness, which shall not apply until final regulations have been issued. It also sets the effective date for section 1853, regarding restoration of first lien on stock, as January 7, 1988 (Section 1371).

The House amendment has no similar provision.

The Conference substitute adopts the Senate provision.

(45) Regulations

The Senate bill requires the Secretary and the Farm Credit Administration to issue regulations to implement this title.

The House amendment has no similar provision.

The Conference substitute adopts the Senate provision.

TITLE XIX—AGRICULTURAL PROMOTION

Subtitle A—Pecans

(1) Pecan Promotion and Research ACt of 1990 [S 2131-2147; H 1421-1434]

The Senate bill Establishes a pecan research and promotion program that would—

(1) be administered by a 15 member board;

(2) provide for a 2 cent per pound assessment on domestically produced and imported pecans;

(3) require issuance of the order by the Secretary within 120 days after publication of proposed order;

(4) require a delayed referendum of producers to approve the order within 2 years;

(5) allow refunds of assessments prior to the referendum; and

(6) prohibit refunds of assessments after the referendum, if the order is approved.

The House has a similar provision, except that the issuance of the final order is not required until 150 days after the publication of the proposed order.

The Conference accepts the House position.

Subtitle B—Mushrooms

(2) Mushroom Promotion, Research and Consumer Information Act of 1990 [S 2151-2163; H 1441-1453]

The Senate bill establishes a mushroom research and promotion program that would—

(1) be administered by a 4 to 9 member mushroom council;

(2) provide for a per pound assessment on domestically produced and imported mushrooms of up to—

(A) 1/4 cent in year 1;

(B) 1/3 cent in year 2;

(C) 1/2 cent in year 3;

(D) 1 cent in year 4 and thereafter;

(3) require issuance of the order by the Secretary within 180 days after publication of proposed order;

(4) require an up front referendum of producers to approve the order;

(5) prohibit refunds of assessments after the referendum, if the order is approved.

The House amendment has the same provision.

The Conference accepts the House provision.

Subtitle C—Potatoes

(3) Potato Research and Promotion Act Amendments of 1990 [S 2171-2180; H 1461-1471]

The Senate bill amends existing law to provide for an alternative potato research and promotion order that would—

(1) eliminate the refund of assessment provisions in current law;

(2) provide for the assessment of domestically produced and imported potatoes at a rate of 2 cents per pound;

(3) provide for a delayed referendum within 2 years with an escrow account for refunds of assessments, if necessary.

The House amendment is similar to Senate provision, except the House amendment does not require an alternative order.

The Conference accepts the House provision.

Subtitle D—Limes

(4) Lime Research, Promotion, and Consumer Information Act of 1990 [H 1481-1493]

The Senate Bill has no comparable provision.

The House amendment establishes a lime research and promotion program that would—

(1) be administered by a 11 member board;

(2) provide for a 1 cent per pound assessment on domestically produced and imported limes;

(3) require issuance of an order by the Secretary within 150 days after publication of proposed order;

(4) require a delayed referendum of producers to approve the order within 2 years;

(5) prohibit refunds of assessments after the referendum, if the order is approved.

The Conference accepts the House provision.

Subtitle E—Soybeans

(5) Findings and Declaration of Policy

The Senate bill, contains a declaration of policy of Congress stating the public interest to authorize the establishment of an orderly procedure for developing, financing and implementing a program of soybean promotion, research and consumer information. (Section 2106)

The House amendment, contains a declaration of policy of Congress that stating the public interest to authorize the establishment of an orderly procedure for developing, financing and implementing a program of soybean promotion, research, consumer information and industry information. (Section 712)

The Conference substitute adopts the House position. (Section 1966)

(6) Definitions

The Senate bill defines "Committee" to mean the Soybean Program Coordinating Committee established under Section 2109(e). "Net market price" is defined as the sales price received by a producer for soybeans after adjustments for any premium or discount based on grading or quality factors or for soybeans pledged as collateral for a loan issued under any Federal price support loan program, the principal amount of the loan. "Producer" is defined as any person engaged in the growing of soybeans who owns, or who shares the ownership and risk of loss of such soybeans. The terms "State" and "United States" include the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands of the United States. (Section 2107)

The House amendment does not define "Committee." The term "net market price" means the sales price or other value received by a producer for soybeans after adjustment for any premium or discount based on grading or quality factors, as determined by the Secretary or for soybeans pledged as collateral for a loan issued under any price support loan program administered by the Commodity Credit Corporation, the principal amount of the loan. The term "producer" means any person engaged in the growing of soybeans in the United States who owns, or who shares the ownership and risk of loss of, such soybeans. The terms "State" and "United States" consist of the fifty States of the United States of America, the District of Columbia, and the Commonwealth of Puerto Rico. (Section 713)

The Conference substitute adopts the Senate position on the term "Committee" and the House positions on the terms "net market price," "producer," and "State." (Section 1967)

(7) Issuance of and Amendment of Orders

The Senate bill requires the Secretary to publish a proposed soybean promotion, research, and information order for public comment within 30 days after receipt of the proposal from the industry or within USDA. The final order is to be issued and become effective no later than 120 days following publication of the proposed order. Changes to the order are subject to producer referendum except for changes in levels of unit representation on the United Soybean Board. (Section 2108)

The House amendment is the same as Senate except that the order must be issued and become effective not later than 180 days following publication of the proposed order. (Section 714)

The Conference substitute adopts the House position with an amendment to permit the Secretary to issue and to make effective certain orders and amendments to orders without first securing approval of such orders and amendments through a producer referendum. The intent of this amendment is to permit the Secretary to issue such orders and amendments on routine, administrative matters to facilitate the effective operation of the program authorized in this title. It is not the intent of the amendment nor the intent of the Managers to authorize the Secretary to issue orders or amendments to orders to overrule, modify, or in any other manner change matters specifically delineated in the Conference substitute or specifically subject to producer referendum as required by the Conference substitute. As specified in the Conference substitute, matters to remain subject to producer referenda would include: rates of assessments, producers exempt from assessments, nominating procedures, contracting procedures, procedures for carrying out referenda specified in the substitute, and other issues relating to the fundamental policies and guidelines established in the substitute. (Section 1968)

(8) Soybeans on Which Refunds Are Paid Not Included in State Production Level for Purposes of Establishing Board Representation

The Senate bill provides that at the end of each 3 year period beginning with the 3 year period starting on the effective date of the order, the Secretary, if necessary, shall adjust any State units and combined units. If the Secretary makes an adjustment in State units or combined units, the Secretary shall reapportion the seats on the Board to conform with the adjustments. If payment of refunds following the initial referendum is authorized by producers, in making such adjustments in State and combined units and seats on the Board, the Secretary shall exclude, from each State's annual soybean production, those bushels of soybeans on which such refunds are paid. (Section 2109)

The House amendment provides that at the end of each 3 year period, beginning with the three year period starting on the effective date of the order, the Secretary, if necessary, shall adjust established State units and combined units; and may make modifications, at the Board's recommendation to the Secretary, to the levels of soybean production used to determine per unit representation on the Board. If the Secretary makes such adjustments, the Secretary shall reestablish the seats on the United Soybean Board.

The Conference substitute adopts the Senate position. (Section 1969)

(9) Nomination and Appointment of Soybean Producers on Board

The Senate bill provides that the Secretary shall appoint to the initially-established United Soybean Board up to three temporary members to serve in addition to the members appointed. Each such temporary member shall be appointed for a single term not to exceed three years. The Secretary shall make temporary appointments to the initially-established Board to ensure, to the extent practicable, that each State with a State soybean board, that, prior to the date of enactment of this Act, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts is represented on the initially-established Board with a number of seats that reflects the relative contributions of such State to the national soybean promotion and research effort. (Section 2109)

The House amendment is the same as the Senate bill except that it further provides that the Secretary shall ensure, to the extent practicable, that at least 5 of the members appointed to the United Soybean Board are members in good standing, and were members for at least 3 years prior to appointment to the Board, of a national general farm organization. Each of the 5 members must be a member of a different national general farm organization. The Secretary may appoint to the initially-established United Soybean Board up to 3 temporary members to serve in addition to the members appointed. Each such temporary member shall be appointed for a single term not to exceed three years. The Secretary, in making temporary appointments to the initially-established Board, shall ensure, to the extent practicable, that each State with a State soybean board that, that prior to the date of enactment of this Act, was contributing State soybean promotion and research assessment funds to national soybean promotion and research efforts has representation on the initially-established Board that reflects the relative contributions of such State to the national soybean promotion and research effort. (Section 715)

The Conference substitute adopts the Senate position. (Section 1969)

The Managers encourage the Secretary, in appointing nominees to the United Soybean Board, that at least five of the members appointed are members in good standing, and were members for at least three years prior to appointment to the Board, of a national general farm organization. The Managers encourage the Secretary, to the extent practicable, to ensure that each of these five members be a member of a different national general farm organization.

(10) Elect Committees to Serve on the Soybean Program Coordinating Committee

The Senate bill authorizes the United Soybean Board to elect members of the

Board to serve on the Committee (Soybean Program Coordinating Committee). (Section 2109)

The House amendment provides that the United Soybean Board must elect members of the Board to serve on committees of the Board generally. (Section 715)

The Conference substitute adopts the Senate position with an amendment which does not require the order to require to establish the Committee (Soybean Program Coordinating Committee) nor does it require the Board to establish the Committee; however, the substitute permits the order and the Board to establish the Committee. (Section 1969)

(11) Budgets Submitted by the Committee

The Senate bill provides the United Soybean Board with the power and duty to approve, modify, or reject budgets submitted by the Committee (Soybean Program Coordinating Committee).

The House amendment provides the United Soybean Board with the power and duty to submit budgets to the Secretary for the Secretary's approval or disapproval.

The Conference substitute adopts the Senate position with an amendment giving the United Soybean Board the authority (discretionary) to assign to the Committee the power to develop budgets and projects and plans. (Section 1969)

(12) Contracting Authority

The Senate bill requires the United Soybean Board to contract with third parties to fulfill the purposes of this act. (Section 2109)

The House amendment provides the United Soybean Board with the power to contract for carrying out the purposes of this act with appropriate persons and with qualified State soybean boards. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(13) Meeting Notice to Secretary

The Senate bill stipulates that the United Soybean Board must provide the Secretary with prior notice of meetings of the Board at such time as to permit the Secretary to attend.

The House amendment stipulates that the United Soybean Board provide prior notice of meetings of the Board to the Secretary to allow the Secretary or his designated representative to attend such meetings.

The Conference substitute adopts the House position with an amendment to require the Board to provide such notice to the Secretary with respect to meetings of committees of the Board as well. (Section 1969)

(14) Public Availability of Annual Report

The Senate bill provides that the United Soybean Board must provide at least annually a report to soybean producers accounting for funds spent and describing programs implemented.

The House amendment provides that the United Soybean Board must provide at least annually a report to producers accounting for funds and describing programs implemented and make such report available to the public upon request.

The Conference substitute adopts the House position. (Section 1969)

(15) Duplication of Efforts

The Senate bill has no comparable provision.

The House amendment provides that among the powers and duties of the United Soybean Board, the Board must, in carrying out the order, ensure that the development of the budget and activities conducted under the order do not duplicate efforts or cause the ineffective use of resources under any other soybean promotion, research, consumer information, or industry information program on the State or national level.

The Conference substitute adopts the Senate provision. (Section 1969)

However, it is the intent of the Managers that the United Soybean Board, in carrying out the order, ensure that it not fund programs which duplicate the efforts or cause the ineffective use of resources under, any other similar program on a state or national level.

Since many soybean promotion, research, consumer and industry information projects are carried out all across the country, it is imperative that Board members report their knowledge of ongoing or prospective soybean projects in their states to the Board to avoid wasteful duplication of efforts by the Board. With this in mind, it is critical that all Board members take an active role in the writing the Board's budget and developing its plans and projects.

(16) Establishment of Soybean Coordinating Committee

The Senate bill requires that the order shall provide for the establishment of the Soybean Program Coordinating Committee to assist in the administration of the order. The Committee shall be composed of 10 members and officers of the United Soybean Board, and nine producers elected by the national, nonprofit soybean producer-governed organization that promotes soybeans as a cooperator with the Foreign Agriculture Service. (Section 2109)

The House amendment has no similar provision. (Section 715)

The Conference substitute adopts the Senate provision with an amendment making the establishment of the Committee discretionary in the order and by the United Soybean Board. If the Committee is established, the composition of such Committee is as follows: For every two Board members appointed to the Committee, no more than one producer from the national, non-profit soybean producer-governed organization that promotes soybeans as a cooperator with the Foreign Agriculture Service shall be appointed to the Board. (Section 1969)

(17) Responsibilities of Committee, Board

The Senate bill provides that the Committee is responsible for the development of plans and projects for soybean promotion, research, consumer information, and industry information, and for the development of budgets for such plans and projects. The Board shall review and approve, reject, modify, or substitute a budget proposed by the Committee, and submit budgets to the Secretary for the Secretary's approval. (Section 2109)

The House amendment provides that the Board is responsible for the coordination of promotion and research projects and submitting budgets or any substantial modification thereof to the Secretary for the Secretary's approval. In approving or disapproving the budgets or modifications thereof, the Secretary must ensure that the activities to be funded do not cause a duplication of efforts of, or ineffective use of resources under, any other soybean promotion, research, consumer information, or industry information program on the State or national level. (Section 715)

The Conference substitute adopts the Senate position with an amendment to give the United Soybean Board authority to delegate to the Committee the responsibility to develop budgets, plans, or projects. (Section 1969)

(18) Budget Approval

The Senate bill provides that the Committee shall develop and submit budgets to the Board. The Board shall review and approve, reject, modify, or substitute a budget proposed by the Committee, and submit budgets to the Secretary for the Secretary's approval. Each budget shall be approved or disapproved by the Secretary within 45 days after the Secretary receives the budget. (Section 2109)

The House amendment provides that the Board shall develop and submit budgets to the Secretary. The Secretary must approve or disapprove each budget or modification thereof within 45 days after the Secretary receives the budget or modification thereof. No expenditure of funds may be made by the Board unless the expenditure is authorized under a budget or modification thereof approved by the Secretary. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(19) Administration

The Senate bill provides that the Board shall be responsible for all expenses of the Board and Committee, and that the board and Committee shall use staff and facilities of established national, nonprofit producer governed organizations that represent soybean producers to prevent duplication and inefficient use of funds. (Section 2109)

The House amendment provides that the Board shall be responsible for all expenses of the Board. The Board may establish an administrative staff or facilities of its own or contract for the use of the staff and facilities of national, nonprofit, producer-governed organizations that represent producers of soybeans. If the Board establishes an administrative staff of its own, the Board is authorized to expend for administrative staff salaries and benefits an amount not to exceed one percent of the projected level of assessments to be collected by the Board, net of any refunds to be made prior to the initial referendum in that fiscal year. (Section 715)

The Conference substitute adopts the House position and the Managers call special attention to the provision of the substitute limiting the amount of money that can be expended for administrative staff salaries and benefits by 1%. (Section 1969)

(20) Compensation

The Senate bill provides that the staff of such organizations shall not receive compensation directly from the United Soybean Board, but such organizations shall be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of the Board and Committee. (Section 2109)

The House amendment provides that if the staff of national, nonprofit, producer-governed organizations that represent producers of soybeans are used by the United Soybean Board, the staff of such organizations will not receive compensation directly from the Board, but such organizations will be reimbursed for the reasonable expenses of their staffs, including salaries, incurred in performing staff duties on behalf of, and authorized by, the Board. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(21) Limitation on Costs

The Senate bill provides that the costs incurred by the United Soybean Board in administering the order (not including administrative costs incurred by the Secretary) during any fiscal year shall not exceed 5% of the projected level of revenues to the Board (net of any refunds for that fiscal year.) (Section 2109)

The House amendment provides that the costs incurred by the United Soybean Board in administering the order (including the cost of staff but not including administrative costs incurred by the Secretary) during any fiscal year will not exceed 5 percent of the projected level of assessments to be collected by the Board, net of any refunds to be made under section 715(j)(2), for that fiscal year. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(22) Contracts and Agreements

The Senate bill provides that the United Soybean Board shall enter into contracts or agreements to carry out activities under this subtitle with established national, nonprofit producer-governed organizations that represent soybean producers (including the organization electing representatives to the Committee), and for the payment of the cost thereof with funds received by the Board under the order. (Section 2109)

The House amendment provides permissive contracting authority to the Board stipulating only that, to ensure coordination and efficient use of funds, the Board may enter into contracts or agreements for the implementation and carrying out of the activities authorized by this Act with national, nonprofit, producer-governed organizations that represent producers of soybeans, and for the payment thereof with funds received by the Board under the order. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(23) Coordination of Projects

The Senate bill provides that all plans or projects implemented within each program area of consumer and industry information, promotion, and research are implemented by a single national, nonprofit producer-governed organization that represents soybean producers, and there shall not be in force, at any one time, more than one contract or agreement for implementation of plans and projects for each general program area. (Section 2109)

The House amendment provides that to enhance coordination, the Board shall, when entering into contracts or agreements, ensure that all plans or projects implemented for consumer information, industry information, promotion, or research are implemented by a single entity. There shall not be in force, at any one time, more than one contract or agreement for implementation of plans or projects for consumer information, for industry information, for promotion, or for research, except that, upon approval of the Secretary, the Board may contract with qualified State soybean boards to implement plans or projects within their respective States. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

The Managers intend that the Board may contract with different entities to implement plans or projects in the respective areas of consumer information, industry information, promotion, or research. To the extent the Board uses this authority, it is the intent of the Managers that the Board interpret the substitute in such a manner as to ensure that all similar programmatic functions be contracted with the same entity. For example, all consumer information activities are to be contracted to the same entity, all industry information activities are to be contract with the same entity, and so on. However, there is nothing in the substitute nor the intent of the Managers to preclude the Board from contracting with the same entity to carry out more than one area of programmatic activities.

(24) Communications to Producers Through Qualified State Soybean Boards

The Senate bill provides that the Board may enter into contracts or agreements with qualified State soybean boards for the implementation of plans or projects to coordinate and facilitate communications to producers regarding the conduct of activities under the order and for the payment of the costs of the plans or projects with funds received by the Board under the order. (Section 2109)

The House amendment has no comparable provision. (Section 715)

The Conference substitute adopts the Senate position with an amendment giving the Board permissive authority to contract for such communications. (Section 1969)

(25) Books and Records of Board

The Senate bill provides that the Board must maintain such books and records, which must be available to the Secretary for inspection and audit, as the Secretary may prescribe; prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and account for the receipt and disbursement of all funds entrusted to the Board. The Board must have its books and records audited by an independent auditor at the end of each fiscal year and must submit a report of the audit to the Secretary. (Section 2109)

The House amendment provides that the Board must maintain such books and records, which must be available to the Secretary for inspection and audit, as the Secretary may prescribe; prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and account for the receipt and disbursement of all funds entrusted to the Board. The Board must have its books and records audited by an independent auditor at the end of each fiscal year and must submit a report of the audit to the Secretary. The Secretary shall make such report available to the public upon request. (Section 715)

The Conference adopts the House position. (Section 1969)

(26) Refunds

The Senate bill provides that producers have the option to receive assessment refunds during the period prior to the initial referendum on the continuation of the order. Following the approval of the order in the initial referendum, refunds are permitted up until the time the Secretary polls producers on the continuance of refunds. If the Secretary determines, based on the poll, that the conduct of a referendum is supported by at least 10% of the producers (not in excess of one-fifth of which may be producers in any one State), who during a representative period, have been engaged in the production of soybeans, the Secretary shall conduct a referendum among all soybean producers to determine whether such producers favor the continuation of the payment of refunds under the order. (Section 2109)

The House amendment provides that refunds of assessments prior to the initial referendum are permissible upon the producers' request. (Section 715)

The Conference substitute adopts the Senate position with an amendment to require that the costs of the referenda on refunds are to be divided equally between the U.S. Department of Agriculture and the United Soybean Board. The percentage of producers necessary to request a referendum for the purpose of determining whether such producers favor the continuation of the payment of refunds under the order is increased to 20%. (Section 1969)

(27) Escrow Accounts for Refunds

The Senate bill provides that the United Soybean Board and each qualified State soybean board that collects assessments shall establish separate escrow accounts to be used to pay refunds of assessments, if such refunds are approved by a referendum of producers. (Section 2109)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment which requires that each Qualified State Soybean Board establish an escrow account to be used to pay refunds. Each Qualified State Soybean Board shall deposit into its escrow account for refunds 10% of the total assessments collected by the Qualified State Soybean Board during the time period involved. Refunds of assessments requested from a State shall be made from the escrow account that is applicable to such State. Refunds of assessments requested by producers shall not exceed 10% of the assessments collected from such State. (Section 1969)

(28) Prohibition on Use of Funds

The Senate bill provides that the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing legislation or governmental action or policy. Exceptions to this prohibition are limited to: the development and recommendation of amendments to the order or the communication to appropriate government officials of information relating to the conduct, implementation, or industry information activities under the order. (Section 2109)

The House amendment provides that the order shall prohibit any funds collected by the Board under the order from being used in any manner for the purpose of influencing any action or policy of the United States Government, any foreign, State or United States territory or possession government, or any political subdivision thereof. The prohibition shall not apply to the development and recommendation of amendments to the order; the communication to appropriate government officials of information relating to the conduct, implementation, or results of promotion, research, consumer information, and industry information under the order; or any action designed to market soybeans or soybean products directly to a foreign government or political subdivision thereof. (Section 715)

The Conference substitute adopts the Senate position with an amendment to include the House amendment's provision permitting the use of funds collected under the order to promote the marketing of soybeans directly to a foreign government. (Section 1969)

It is the Managers intent in authorizing the promotion activities as defined in this section, to permit the United Soybean Board to conduct activities which will improve the competitive position of soybeans and soybeans and soybean products both do-

mestically and in foreign countries. Included in this definition are traditional promotion activities such as paid advertising and media relations activities.

The Managers recognize the heavy reliance on exports of the domestic soybean industry. If the domestic industry is to maintain and expand its export opportunities, it must provide importing nations with technical assistance relating to the storage, use or distribution of soybeans or soybean products and other trade servicing activities similar to those being conducted by industry organizations through the cooperator program implemented in conjunction with the Foreign Agricultural Service of the Department of Agriculture.

In addition, the Managers acknowledge that the United Soybean Board must, in certain situations, conduct activities designed to communicate information to those persons that have an influence on purchases, importation, utilization or distribution of soybeans or soybean products. In many instances, those persons include officials of foreign governments. Therefore, the officials of foreign countries relating to the positive attributes of soybeans or soybean products, or their importation, utilization or distribution or to develop information regarding the effects of existing or proposed impediments to trade or utilization. The Managers recognize the potential problems associated with the United Soybean Board engaging in foreign trade activities that may be viewed as establishing or conflicting with the conduct of the official policies of the U.S. government. A balance must be struck which will allow the United Soybean Board to conduct those activities necessary to facilitate exports, while not authorizing the United Soybean board to negotiate foreign trade policies on behalf of the U.S. Government. It is not the intent of the Managers that the United Soybean board independently conduct negotiations with or represent U.S. Government or domestic soybean producer industry positions to foreign government officials advocating the removal or modification of tariffs, quotas, or other import barriers. This would not preclude the United Soybean Board from providing technical assistance to the U.S. Government during negotiations or discussion. Trade negotiations are a function of the United States Trade Representative's Office. However, the United Soybean Board must be able to promote its products to those who have an influence on consumption and provide information to consumers, importers, processors, wholesalers, retailers and, as deemed appropriate by the Secretary of Agriculture, foreign government officials relating to the effects of existing or proposed impediments to trade or utilization of soybeans or soybean products. All contacts by the United Soybean Board with foreign government officials, including date and topic of discussion, are to be immediately reported to the Secretary.

It is the intent that all plans and projects conducted by the United Soybean Board are to be approved by the Agricultural Marketing Service of the Department of Agriculture. The Managers believe that this review process will preclude any activities by the United Soybean Board that could run counter to or obviate other official ongoing or planned trade-sanctioned activities of the United States Government. The Agricultural Marketing Service, in approving any projects which involve interaction with foreign government officials, shall consult with and obtain the views and comments of the Foreign Agricultural Service and the United States Trade Representative's Office.

(29) Loan Collateral and Single Process

The Senate bill provides that the order may establish a procedure that authorizes the reimbursement of assessments paid by producers if soybeans, pledged as collateral for a loan issued under any Federal price support loan program, are redeemed. In such case, the first purchaser of redeemed soybeans shall be responsible for collecting all assessments due and remitting the assessments in the manner prescribed in the order. The procedures in the order for the collection of assessments on soybeans that are pledged as collateral for loans issued under any Federal price support program shall ensure, to the extent practicable, that such soybeans are subject to a single process of assessment under the order. (Section 2109)

The House amendment provides that the procedures in the order for the collection of assessments must ensure, to the extent practicable, that the soybeans are subject to a single process of assessment under the order. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(30) Recordkeeping Requirement

The Senate bill requires that each first purchaser of soybeans and any person processing soybeans of that person's own production maintain and make available for inspection such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order, except that the order shall exempt small producers processing soybeans of their own production who are not required to pay assessments under the order from recordkeeping and reporting requirements. The order shall define "small producer". (Section 2109)

The House amendment provides that each first purchaser of soybeans of that person's own production maintain and make available for inspection by the Board or the Secretary such books and records as may be required by the order and file reports at the time, in the manner, and having the content prescribed by the order. The order shall exempt small producers processing soybeans of their own production from such recordkeeping and reporting requirements if they are not required to pay assessments under the order. (Section 715)

The Conference substitute adopts House position with an amendment to require the order to define the term "small producer." (Section 1969)

(31) Confidentiality

The Senate bill requires all officers and employees of the Department, and agents of the Board to keep commercial or financial information acquired from first purchasers or processors confidential. This information shall be made available to any agency or officer of the Federal Government for the implementation of this subtitle; any investigatory or enforcement action necessary for the implementation of this subtitle or any civil or criminal law enforcement activity if the activity is authorized by law. Information obtained under this subtitle may not prohibit the issuance of general statements, based on the reports, of the number of persons subject to an order or statistical data collected therefrom, which statements do not identify the information furnished by any person; or the publication, by direction of the Secretary, of the name of any person violating any order, together with a statement of the particular provisions of the order violated by such person. (Section 2109)

The House amendment provides that any commercial or financial information obtained under the order shall be kept confidential by all officers and employees of the Department, the Board, and agents of the board. Information obtained under the authority of this subtitle shall be made available to any agency or officer of the Federal Government for the implementation of this subtitle; any investigatory or enforcement action necessary for the implementation of this subtitle; or any civil or criminal law enforcement activity if the activity is authorized by law. (Section 715)

The Conference substitute adopts the Senate position with an amendment to require United Soybean Board members to maintain confidentiality of commercial or financial information obtained under the order. (Section 1969)

(32) Violation of Confidentiality

The Senate bill provides that any person violating the confidentiality provisions, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if an agent of the Board or an officer or employee of the Department, must be removed from office. (Section 2109)

The House amendment provides that any person who intentionally or knowingly violates the confidentiality provisions, upon conviction, shall be subject to a fine of not more than $1,000, or to imprisonment for not more than one year, or both, and if an agent of the Board or an officer or employee of the Department, must be removed from office. (Section 715)

The Conference substitute adopts the House position. (Section 1969)

(33) Advance Notice of Any Referendum

The Senate bill provides the Secretary shall, to the extent practicable, provide broad public notice in advance of any referendum. Any such notice shall be provided without advertising expenses by means of newspapers, country newsletters, the electronic media, and press releases, through the use of notices posted in State and county Extension Service offices and county ASCS offices, and by other appropriate means specified in the order. Such notice shall include information on when the referendum will be held, registration and voting requirements, rules regarding absentee voting, and other pertinent facts. (Section 2110)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate position. (Section 1970)

(34) Petition and Review

The Senate bill requires that challenges to the order first be brought before the Secretary for hearing and a ruling, and then for review in the United States district courts. (Section 2111)

The House amendment has a similar provision. (Section 717)

The Conference substitute adopts the Senate position with an amendment to make these provisions consistent with other promotion programs. (Section 1971)

(35) Enforcement

The Senate bill authorizes the Secretary to issue cease and desist orders and assess civil penalties for violations of the order. The United States district courts are authorized to enforce such orders and penal-

ties, and the United States courts of appeals may review such orders and penalties. (Section 2112)

The House amendment has a similar provision. (Section 718)

The Conference substitute adopts the Senate position with an amendment to make these provisions consistent with other promotion programs. (Section 1972)

(36) Investigations and Power to Subpoena

The Senate bill authorizes the Secretary to make such investigations as are necessary to administer and enforce the program, and provides the Secretary the power to subpoena witnesses, administer oaths and affirmations, and otherwise obtain records and evidence. The courts of the United States are authorized to enforce the subpoenas issued by the Secretary through use of their contempt power. (Section 2113)

The House amendment has a similar provision, except the Secretary is not granted the authority to issue investigatory subpoenas. (Section 719)

The Conference substitute adopts the House position with an amendment to make this provisions consistent with other promotion programs. (Section 1973)

(37) Administrative Provisions

The Senate bill provides that the subtitle shall not supersede or preempt any State soybean promotion program, except that States may not conduct certain referenda on the continuation of their programs from the time of the issuance of the order until 36 months after the initial referendum under this Act; and State limits on assessment rates will not prohibit qualified State soybean boards from recovering the full amount authorized under the subtitle. (Section 2114)

The House amendment has a similar provision, except that the limitation on State referenda does not apply in the case of a State referendum that is originated by soybean producers. (Section 720)

The Conference substitute adopts the Senate position with an amendment to clarify that the prohibition on State referenda does not apply if the referendum is originated by producers. (Section 1974)

(38) Suspension or Termination of Orders

The Senate bill provides that the Secretary may suspend or terminate the order or any provision that obstructs or does not effectuate the policy of this subtitle. (Section 2115)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate position. (Section 1975)

Subtitle F—Honey and Wool

CHAPTER 1—HONEY

(39) Honey Research and Promotion Act Amendments [S 2185-2191; H 611-617]

The Senate bill amends existing law to—

(1) reform board and committee nominations process;

(2) limit assessment exemptions to home use, donations, etc.; and

(3) reform provisions for refund of importer assessments.

The House amendment is the same as Senate.

CHAPTER 2—WOOL

(40) Amendment to National Wool Act of 1954 [S 1730; H 502]

The Senate bill reduces from 2/3 to a majority the number of producers needed to approve a referendum on promotion and related activities.

The House amendment is the same as Senate.

The Conference accepts the Senate provision.

Subtitle G—Cotton

(41) Findings and declaration of policy [S2122; H1474]

The Senate bill amends the Cotton Research and Promotion Act (the Act) to declare findings of Congress that assessments should be collected on all cotton marketed in the United States, including imports of cotton.

The House amendment is the same as Senate, except it also—

(1) acknowledges foreign produced cotton;

(2) clarifies that cotton moves in interstate and foreign commerce; and

(3) recognizes that manmade fibers have affected the market for foreign produced cotton, as well as U.S. produced cotton.

The Conference substitute adopts the House provision.

(42) Alternative order; or amendments to required terms in current order [S2123; H1475]

The Senate bill provides that new § 7A(a) provides that the Secretary shall issue an alternative order within 60 days. Such order will be substantially the same as the existing order, except that it will require assessments on imports and end the present practice of refunding assessments to domestic producers who request them. Incumbent members of the Cotton Board shall serve their full term.

The House amendment provides that section 1475(1) will make technical and conforming amendments to section 7(a)(2) of the Act, consistent with section 1475.

The Conference substitute adopts the House provision.

(43) Cotton Board representation

The Senate bill provides that new § 7A(b) establishes a Cotton Board to administer the order, with membership selected by the Secretary to represent cotton-producing states, importers and consumers.

The House amendment provides that section 1475(2) will add a new section 7(b)(2) to the Act to require, when imports of cotton are subject to an order, that—

(A) the Cotton Board established pursuant to section 7(a) of the Act include an appropriate number of representatives, as determined by the Secretary, of importers of cotton on which assessments are paid under the Act;

(B) such importer representatives will be appointed by the Secretary after consultation with organizations representing importers; and

(C) each cotton-producing State is entitled to at least one representative on the Cotton Board.

The Conference substitute adopts the House provision.

(44) Payment of assessments

The Senate bill provides that new § 7A(c)-(d) provides that the Cotton Board prepare a plan covering proposed activities and budget for the Secretary's review and approval.

The House amendment has no comparable provision.

The Senate bill provides that new 7A(e) requires that the alternative order provide for the payment of assessments by producers through handlers to the Board, and by importers directly to the Board.

The House amendment provides that section 1475(3) will amend section 7(e)(1) to require such orders to contain terms and conditions providing that—

(A) the producer or other person for whom the cotton is being handled must pay an assessment prescribed by the order to the handler of such cotton;

(B) such handler shall collect the assessment from the producer or other person for whom the cotton, including cotton owned by the handler, is being handled, and shall pay such assessment to the Cotton Board; and

(C) each importer shall pay such assessment to the Cotton Board on imports of cotton,

as such assessment is prescribed by the order, on the basis of bales of cotton handled or imported.

The Senate bill provides that a reasonable reserve may be established.

The House amendment provides that section 7(e)(1) will also require the assessment to cover such expenses and expenditures, including provision for a reasonable reserve, as the Secretary finds are reasonable and likely to be incurred by the Cotton Board under the order, during any period specified by the Secretary.

The Conference substitute adopts the House provision.

(45) Reimbursement of Government costs

The Senate bill provides that the Board shall reimburse the Secretary for referendum and administrative costs, and other government agencies for administering the import provisions.

The House amendment provides that the new section 7(e)(2) will require the order to provide for reimbursing the Secretary—

(A) for expenses, not to exceed $300,000, incurred by the Secretary in connection with any referendum conducted under section 8 of the Act; and

(B) for administrative costs incurred by the Secretary for supervisory work up to 5 employee years after an order or amendment to an order has been issued and made effective.

The new section 7(e)(2) will also require that there be included in the order a provision for reimbursing any agency of the Federal Government that assists in administering the import provisions of the order for a reasonable amount of the expenses incurred by that agency in connection therewith.

The new section 7(e)(3) will authorize the Cotton Board, in order to facilitate the collection and payment of assessments under section 7 of the Act, to designate different handlers or importers, or classes of handlers or importers, to recognize differences in marketing practices or procedures utilized in any State or area, with the exception that no more than one such assessment may be made on any bale of cotton, unless specifically authorized by provisions of section 7(e) of the Act.

The Senate bill provides that not more than one assessment may be collected on each bale.

The Conference substitute adopts the House provision.

(46) Rate of assessment

The Senate bill provides that the amount of assessment shall be $1.00 per bale plus a supplemental amount not to exceed 1 percent of the value as determined by the Cotton Board.

Imports will be assessed an amount the Secretary determines to be fair and equitable to the amount collect on domestically produced cotton.

The House amendment provides that new section 7(e)(4) of the Act will require—

(A) the rate of assessment prescribed by the order to be $1 per bale of cotton handled, supplemented by an additional per bale amount not to exceed 1 percent of the value of cotton as determined by the Cotton Board and the Secretary;

(B) the rate of assessment on imports of cotton to be determined in the same manner as the rate of assessment per bale of cotton handled; and

(C) that the value to be placed on cotton imports for the purpose of determining the assessment on such imports be established by the Secretary in a fair and equitable manner.

The Conference substitute adopts the House provision.

(47) Reduction of assessment for cotton re-entering the U.S.

The Senate bill provides that the Secretary may reduce the assessment on imported cotton to reflect the reimportation of domestically produced cotton in the form of value-added products. (New section 7A(e)(8)(C))

The House amendment has no comparable provision.

The Senate bill provides that the Secretary may file suit against a person subject to the alternative order for collection of the assessment in any district court.

The House amendment provides that the new section 7(e)(5) of the Act will prohibit any authority under the Act from being used as a basis to use funds collected under the Act to advertise or solicit votes in any referendum relating to the rate of assessment.

The new section 7(e)(6) will authorize the Secretary to maintain a suit against any person subject to the order for the collection of such assessment, and vest the several district courts of the United States with jurisdiction to entertain such suits regardless of the amount in controversy. Section 7(e)(6) will also clarify that the remedies provided in section 7 of the Act are in addition to, and not exclusive of, the remedies provided for elsewhere in the Act or now or hereafter existing at law or in equity.

The new section 7(e)(7) will require that the provisions of section 7(b) (regarding representation on the Cotton Board) and section 7(e) (regarding assessments) not be applicable to cottonseed and the products derived from cotton and its seed.

The new section 7(e)(8) will provide that the provisions of section 7(e) of the Act relating to importers and assessments on imports of cotton will be effective only if approved in a referendum as provided in section 8(b) or 8(c) of the Act, as added by section 1476 of the bill.

The Senate bill provides that new § 7A(f) provides for the Cotton Board to maintain certain books and records for the Secretary.

The Senate bill provides that new § 7A(g) authorizes the Cotton Board to enter into contracts, with the Secretary's approval, to carry out authorized activities. Organizations representative of cotton producers may enter into contracts with the Board, provided they submit an annual program and budget that is approved by the Secretary. Contractors shall keep accurate records and shall annually report to the Board on activities using assessments.

The Senate bill prohibits use of assessments to influence governmental policy except to recommend amendments to the Secretary.

The House amendment retains current law, which contains a similar provision.

The Conference substitute adopts the House provision. The Managers intend for the Secretary of Agriculture and the Secretary of Treasury jointly, to establish procedures under which assessments on imports will be collected and remitted by the Customs Service to the Cotton Board. Any unpaid assessments due from an importer should be deducted by Customs from the importer's surety bond.

The Managers intend for the Secretary, in consultation with the Commissioner of Customs, to establish a fair and reasonable method of calculating the bale equivalent cotton content of imported products for the purpose of applying the assessment.

The Managers intend for the Secretary, in consultation with the Commissioner of Customs, to develop a means of exempting the cotton content of imported products if it can be reasonably ascertained that the cotton has been previously assessed or is cotton which would be classified as extra long staple not subject to the assessment provisions.

The Managers expect the United States Customs Service to cooperate with the Department of Agriculture in administering and enforcing the provisions of the Act, and to be reimbursed for expenses incurred in connection with administering and enforcing the import provisions of the program.

Some of the Managers remain concerned about the potential inequities of collecting assessments on imports of cotton and cotton-containing products, such as textiles and garments, when the imports of those products are subject to import quotas.

Approximately 80 percent of total imports of cotton textile and garment products are currently subject to quota restrictions. Approximately 93 percent of total cotton textile imports are potentially subject to quota restrictions under the current textile quota program. If consumer demand for cotton products increases as a result of the cotton research and promotion program, importers would only benefit to the extent that the relevant import quotas allow for growth proportionate to the growth in the market. It is not clear that this would necessarily be the case. Therefore, there is the potential for importers to contribute to the research and promotion program on an equal footing with domestic producers, but be denied equivalent benefits.

The Managers do not intend for this inequity to result, and urge the Administration to administer both the cotton research and promotion program and the import quota programs for cotton and cotton products in such a manner as to provide the greatest possible opportunity for importers to benefit from the research and promotion program on an equivalent basis as domestic producers of cotton and cotton products.

(48) Requirements for referenda [S2124; H1476]

Publication of order

The Senate bill requires the Secretary to issue the order within 120 days of publication and after notice and opportunity for public comment.

The House amendment provides that the new section 8(b)(1) of the Act will require the Secretary, notwithstanding the provisions of sections 4 and 5 of the Act (regarding notice and hearing, and the finding required prior to the issuance of an order), not later than 150 days after the date of enactment, and after notice and opportunity for public comment, to issue a proposed amendment to the order implementing the provisions of part 4.

The Conference substitute adopts the House provision.

(49) Initial Referendum

The Senate bill provides that a producer referendum on the alternative order within 8 months of enactment. The alternative order is effective if approved by a majority of producers voting, and regulations to implement the order shall be published within 90 days of publication of the results.

The House amendment provides that the new section 8(b)(2) of the Act will require the Secretary, notwithstanding the provisions of the current section 8 of the Act, to conduct, within a period not to exceed 8 months after the date of enactment of the bill, a referendum among persons who have been cotton producers and importers during a representative period for the purpose of ascertaining if a majority of those voting approve the proposed amendment to the order. The new section 8(b)(2) will also require the Secretary—

(A) to announce the results of the referendum within 30 days after the date of such referendum; and

(B) if the amendment is approved in the referendum, to publish the amendment to the order and regulations implementing the amendment within a period not to exceed 90 days from the date of announcement of the results of such referendum.

The Conference substitute adopts the House provision, with an amendment.

The Managers expect the Secretary to establish procedures under which importers of cotton and cotton products who are eligible to vote in the referendum may be identified in a fair and reasonable manner with minimal administrative burdens.

(50) Reconfirmation referendum

The Senate bill provides that a second referendum shall be held within 15 to 30 months of enactment among producers and importers. A majority of producers and a majority of importers must disapprove the order to terminate the order. Otherwise, final regulations will be issued within 90 days of publication of the results.

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(51) Periodic referenda

The Senate bill has no comparable provision.

The House amendment provides that new section 8(c)(1) will require the Secretary—

(A) notwithstanding the provisions of sections 4 and 5, once every five years after the date of the referendum provided for under section 8(b), to conduct a review to ascertain whether a referendum is needed to determine whether producers and importers favor continuation of the amendment to the order provided for in part 4 if such amendment is then in effect or, if such an amendment is not in effect, whether they favor approval of such an amendment;

(B) to make a public announcement of the results of the review described in (A) above within 60 days after each fifth anniversary date of the referendum provided for under section 8(b); and

(C) if the Secretary determines to provide for such a referendum, to conduct the referendum within 12 months after a public announcement of the determination to conduct the referendum.

The Conference substitute adopts the House provision.

(52) Escrow account

The Senate bill provides an escrow account of 10 percent of assessments will be held until the second referendum is complete, and refunds shall be made if the order is disapproved to producers and importers.

The House amendment has no comparable provision. No escrow account is necessary as the amendments to the order must be approved by referendum before refunds are disallowed.

The Conference substitute adopts the House provision.

(53) Additional referenda

The Senate bill provides additional referenda may be requested by 10 percent of the producers and importers (not more than 20 percent from any one state or importers) every 5 years to disapprove the order.

The House amendment provides that the new section 8(c)(2) will require the Secretary, if the Secretary does not provide for such a referendum on the Secretary's own initiative, to conduct such a referendum upon the request of 10 percent or more of the number of cotton producers and importers voting in the most recent referendum, except that, in counting such requests for a referendum, not more than 20 percent of such requests may be from producers from any one State. Producers and importers may sign up to request a referendum at the county ASCS office, or county extension agent, or by mailing such a request to the Secretary. Section 8(c)(2) will also require the signup period for such a referendum—

(A) to be for a period not to exceed 90 days;

(B) commence 60 days after the Secretary makes a public announcement of a determination not to provide for a referendum on the Secretary's own initiative; and

(C) be publicized by the Secretary and the Cotton Board immediately after such public announcement. Requires the referendum to be held within 12 months after the end of the signup period, if requested by the requisite number of persons.

The Senate bill has no comparable provision.

The House amendment provides that the new section 8(c)(3) will require that the amendment to the order provided for in section 8(c) not be effective if it is disapproved by a majority of cotton producers and importers of cotton voting in the referendum.

The Conference substitute adopts the House provision, with an amendment providing that if a subsequent referendum is requested, not more than 20 percent of such requests may be from producers form any one State or importers of cotton.

(54) Suspension and termination of orders [H1477]

The Senate bill has no comparable provision.

The House amendment amends section 9(b) of the Act to provide for the representation of importers in a referendum to suspend or terminate an order under the Act, by—

(1) authorizing the Secretary to conduct a referendum at any time; and

(2) requiring the Secretary to hold a referendum on request of a number of producers and importers (if importers are subject to the order) equivalent to at least 10 percent of those persons voting in the most recent referendum to determine whether cotton producers and importers subject to the order favor the termination or suspension of the order.

Will also require the Secretary to suspend or terminate the order at the end of the marketing year, as defined in the order, whenever the Secretary determines suspension or termination of the order is approved by a majority of producers and importers (if importers are subject to the order) voting in the referendum who, during a representative period determined by the Secretary—

(1) have been engaged in the production and importation of cotton; and

(2) produced and imported more than 50 percent of the volume of cotton produced and imported by those voting in the referendum.

The Conference substitute adopts the House provision.

(55) Amendments to the order [S2124 new § 8(e) of the Act); H1478]

The Senate bill provides disapproval of any alternative order or an amendment shall not operate to invalidate the order in effect on the date of the referendum.

The House amendment provides that section 1478 of the bill will amend section 10(a) of the Act to require the provisions of the Act applicable to orders to be applicable to amendments to orders.

The new section 10(b) will prohibit any amendment to an order from being effective unless the Secretary determines that—

(1) with respect to an amendment referred to in section 8(b) or (8)(c) of the Act, the amendment is approved by producers and importers of cotton as provided therein; or

(2) with respect to any other amendment, that the amendment is approved by a majority of cotton producers and importers subject to the order voting in the referendum.

The new section 10(c) will prohibit the disapproval of any amendment to an order issued under the Act from being deemed to invalidate such order.

The Conference substitute adopts the House provision.

(56) Termination of producer refunds [S2125; H1479]

The Senate bill terminates the Cotton Board's authority to process refunds if the alternative order is approved in a referendum.

The House amendment provides that section 1479 will amend section 11 of the Act by adding a new subsection (b) to require that the right of a producer to demand a refund under section 11(a) (the current section 11 of the Act) will—

(1) terminate if the proposed amendment of the order is approved in the referendum provided for under the new section 8 of the Act;

(2) terminate 30 days after the date the Secretary announces the results of such referendum, if such proposed amendment is approved; and

(3) be reinstated if such amendment should be disapproved in any subsequent referendum.

The Conference substitute adopts the House provision.

(57) Definitions [S2126; H1480]

(58) "Cotton" to include importers

The Senate bill provides that § 2126 defines "cotton" to mean all upland cotton harvested in the United States and imports of upland cotton, including the upland cotton content of the products derived thereof (other than industrial products as defined by the Secretary).

De minimis amounts of imported cotton may be exempt from assessments to minimize the administrative burden but provide for maximum participation of imports in assessments.

The House amendment provides that § 1480 will amend section 17 of the Act to amend the current definitions of "cotton" and "handler" to provide for imports of cotton, and to define "import" and "importer".

§ 1480(1) amends the definition of the term "cotton" to—

(A) include imports of upland cotton; and

(B) exclude any entry of imported cotton by an importer that has a value or weight less than any de minimis figure established by the Secretary. Any such de minimis figure must be established so as to minimize the burden in administering the assessment provision but still to provide for the maximum participation of imports of cotton in the assessment provisions of the Act.

The Conference substitute adopts the House provision with an amendment including the upland cotton content of the products derived from upland cotton in the definition of the term "cotton".

(59) "Handler" to include importers

The Senate bill provides that the definition of a "handler" is expanded to include any person who imports cotton.

The House amendment provides that § 1480(2) will amend the definition of the term "handler" to include any person who imports cotton, including de minimis amounts of cotton.

The Conference substitute adopts the House provision.

(60) "Imports" and "Importer"

The Senate bill provides that an "importer" is defined as any person who enters, or withdraws from warehouse, cotton for consumption in the customs territory of the United States.

The House amendment provides that § 1480(3) will provide that—

(A) the term "importer" will mean any person who enters, or withdraws from warehouse, cotton produced outside the United States for consumption in the customs territory of the United States; and

(B) the term "import" will mean any such entry, or withdrawal from warehouse, of any such cotton.

The Conference substitute adopts the House provision, with an amendment to delete the reference to cotton "produced outside the United States".

(61) Clarifying amendment [S2127]

The Senate bill amends § 7(e) of the Act (regarding payment of assessments) to clarify that the provisions of § 7(e) shall not apply to cottonseed and the products derived from cotton and its seed.

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, with an amendment directing the Secretary of Agriculture and the Commissioner of Customs to submit reports on the implementation of this Act one year after the date on which imports begin to be subject to assessments. An additional report from the General Accounting Office is required after three years.

Subtitle H—Processor-Funded Fluid Milk Promotion Program

(62) Subtitle B—Processor-Funded Milk Promotion Program Short Title [SB 121]

The Senate bill provides that this subtitle may be cited as the "Fluid Milk Promotion Act of 1990". (Section 121)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 1999A).

(63) Findings and Declaration of Policy [SB 122]

The Senate bill lists several findings about the importance of milk in the human diet and the role of the dairy industry in the economy of the United States. This section also includes a policy statement that it is in the public interest to strengthen the position of the dairy industry in the marketplace and to expand uses for Class I fluid milk products. (Section 122)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to include findings recognizing the importance to the dairy industry of its fluid milk segment and the benefits to be derived from implementation of a coordinated program of advertising and promotion of fluid milk. (Sec. 1999B).

(64) Definitions

The Senate bill defines certain terms used in the subtitle. (Section 123)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999C).

(65) Authority to Issue Orders

The Senate bill requires the Secretary to issue and amend orders applicable to all processors of milk. The Secretary may issue orders authorizing the collection of assessments on Class I fluid milk products and use the assessments for research and advertising as prescribed by this subtitle. Only one national order may be in effect at any time. (Section 124)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999D).

(66) Notice and Hearings

The Senate bill provides that if the Secretary receives a request for the issuance of an order under this subtitle, and specific proposal for a plan, from Class I processors representing not less than 30 percent of Class I fluid milk product sales, the Secretary may propose the issuance of an order under this subtitle. (Section 125)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide for a period of notice and comment to begin after publication of a proposed order (Sec. 1999E).

(67) Findings and Issuance of Orders

The Senate bill provides that after notice and comment are given, the Secretary shall issue the order for the program. (Section 126)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that an approved order shall take effect not later than 180 days after the proposed order is published (Sec. 1999F).

(68) Regulations

The Senate bill authorizes the Secretary to issue such regulations as may be necessary to carry out this subtitle and grants various authorities to the Secretary. (Section 127)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 1999G).

(69) Required Terms in Orders

The Senate bill provides that the order shall establish a National Processor Advertising and Promotion Board. Members of the Board shall represent marketing regions established in this section. This section states the terms of office and powers and duties of the Board. This section also requires the Board to develop a budget to implement the order and sets out conditions for handling the financing of the program as well as for maintaining the books and records of the Board. This section also prohibits the use of funds to influence legislation or government policy, or to permit the Board to contract with processor organizations for certain services and also prohibits branded advertising. (Section 128)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with amendments to provide that the Secretary shall establish 12 through 15 regions and be required to appoint 5 at-large members to the board including at least 3 fluid milk processors and at least 1 member of the general public. The Conference substitute requires that the Department of Agriculture be reimbursed for all costs associated with conducting a referendum and provides that within one year from the effective date of an order the Board shall spend not more than 5 percent of assessment receipts on administrative expenses. The Conference substitute deletes the Senate provisions which would have prohibited the Board from contracting for services with processor organizations. (Sec. 1999H)

The Conference substitute provides that privileged and confidential information obtained by the Secretary from any processor's books and records may only be revealed to the public in connection with a suit or administrative hearing.

The Conference substitute would require that the Board coordinate with the National Dairy Promotion and Research Board in the collection of assessments. It would also require that the Secretary provide for an annual independent evaluation of the effectiveness of the order.

(70) Permissive Terms

The Senate bill provides for additional terms for each order, including different payment and reporting schedules, advertising, research and development, and reserve funds. (Sec. 129)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment deleting provisions for the order to designate different payment and reporting schedules for processors (Sec. 1999I)

(71) Assessments

The Senate bill provides that the assessment is to be added to all Class I milk differentials or minimum prices. The assessment shall not be deducted from the payment made to a producer for Class I milk sold to a processor. This section also sets the conditions and procedures for the collection and assignment of the assessments to the Board. (Section 130)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment.

The Conference substitute requires collection of the assessment under an approved order on all marketings of fluid milk products in consumer-type packages. Assessments shall not reduce producer prices paid under Federal milk marketing orders and shall not reduce amounts handlers must pay to producers for products sold to a processor. The assessment shall not be added to the Class I price under the Federal milk marketing orders and shall not be deducted from the price of milk paid to a producer by a handler.

The Managers are aware that milk producers are currently subject to assessment under the Dairy Promotion Program established under the Dairy Product Stabilization Act of 1983. The Managers are determined that the fluid milk promotion program established in this substitute should in no way cause the reduction of milk producer income. The Secretary is directed to take necessary steps to ensure the protection of producer income in the event that an order is approved pursuant to the subtitle. The Conference substitute also provides that no more than one assessment under this subtitle may be charged on any unit of fluid milk product. (Sec. 1999J).

(72) Petition and Review

The Senate bill allows a person subject to an order issued under this subtitle to file a petition with the Secretary challenging the legality of the order or requesting a modification in the order. This section establishes the procedures for a hearing and ruling on the petition. (Section 131)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999K).

(73) Enforcement

The Senate bill establishes the jurisdiction of the courts, civil penalties and legal enforcement procedures for the order. (Section 132)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that any appeal of a penalty assessed or of a cease-and-desist order issued by the Secretary may be appealed to a district court of the United States (Sec. 1999L).

(74) Investigations and Power to Subpoena

The Senate bill authorizes the Secretary to make such investigations that the Secretary considers necessary to carry out the order or to determine if a person has engaged in practices that constitute a violation of this subtitle. This section also gives the Secretary the right to administer oaths, subpoena witnesses and take evidence in relation to this subtitle. (Section 133)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment (Sec. 1999M).

(75) Requirements of referendum

The Senate bill requires that the Secretary conduct a referendum among Class I

processors to determine if the processors favor the implementation of the order. This section sets out procedures for this referendum. Implementation of an order is to occur if favored by processors voting in the referendum who represent 60 percent or more of the volume of Class I fluid milk products represented in the referendum (Section 134).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to require that a referendum be conducted within the 60-day period immediately preceding the effective date of an order. Implementation of the order is to occur if the Secretary determines from the referendum that it is favored by: (1) at least 50 percent of fluid milk processors voting in the referendum; and (2) fluid milk processors representing 60 percent or more of the volume of fluid milk products marketed by all processors in the United States during a representative period. The Secretary shall be reimbursed from any assessments collected by the Board for any expenses incurred by the Department in connection with conducting the referendum (Sec. 1999N).

(76) Suspension or Termination of Orders

The Senate bill provides that the Secretary may terminate or suspend the operation of the order if the Secretary finds that it does not effectuate the declared policy of this subtitle. This section also provides for other referenda in the order. An order may be suspended or terminated if suspension or termination is favored by Class I processors voting in a referendum who represent, as determined by the Secretary, 60 percent or more of the volume of Class I fluid milk products. (Section 135)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that any order in effect under the subtitle shall be terminated on December 31, 1996. The Conference substitute provides that an order is to be terminated or suspended if such an action is favored by: (1) at least 50 percent of fluid milk processors voting in the referendum; and (2) fluid milk processors representing 40 percent or more of the volume of fluid milk products marketed by all processors in the United States during a representative period. (Sec. 1999O).

(77) Amendments

The Senate bill allows the Secretary to conduct up to one referendum each year on the assessment rate and to adjust the assessment rate. (Section 136)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that adjustment to the assessment rate shall be made if found to be favored by: (1) at least 50 percent of fluid milk processors voting in the referendum; and (2) fluid milk processors representing 60 percent or more of the volume of fluid milk products marketed by all processors in the United States during a representative period. The Conference substitute also provides that in no event may the rate of assessment exceed 20 cents per hundredweight (Sec. 1999P).

(78) Independent Evaluation of Programs

The Senate bill requires the Comptroller General of the U.S. to review and evaluate the order no later than two years after the date of enactment. (Section 137)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to require that the Comptroller General's report be submitted by January 1, 1995 (Sec. 1999Q).

(79) Authorization of Appropriations

The Senate bill authorizes such funds as may be necessary to carry out this subtitle. However, the funds so appropriated shall not be available for the payment of the expenses or expenditures of the Board in administering any provision of any order issued under this subtitle. (Section 138)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 1999R).

Subtitle I—Miscellaneous Provisions

(80) Producer Research and Promotion Board Accountability [H 1414]

The Senate bill has no comparable provision.

The House amendment has a Sense of Congress stating that the federally-authorized checkoff boards should diligently perform their statutory obligations, and should review their charters to ensure that their duties have not been inappropriately delegated.

The Conference accepts the House provision.

(81) Consistency with U.S. International Obligations [H 1494]

The Senate bill has no comparable provision.

The House amendment prohibits the provisions of any commodity research and promotion program from being applied to commodity imports unless applied in a nondiscriminatory manner consistent with U.S. international obligations.

The Conference substitute adopts the House provision with an amendment to require the Secretary of Agriculture—

(1) prior to the promulgation of, or amendment to, any order or plan under a research and promotion program relating to research and promotion of any agricultural commodity or product, after the date of enactment of this title, where such order or plan would provide for an assessment on imports, to consult with the United States Trade Representative regarding the consistency of the provisions of the order or plan with the international obligations of the United States; and

(2) to take all steps necessary and appropriate to ensure that any order or plan or amendment to such order or plan, and the implementation and enforcement of any order or plan or amendment to such order or plan, or program as it relates to imports is nondiscriminary and in compliance with the international obligations of the United States, as interpreted by the United States Trade Representative.

The Conference substitute would also prohibit anything in section 1999T from being construed as providing for a cause of action under such section.

It is the expectation of the conferees that, in the event that the U.S. Trade Representative has reason to believe that a provision of U.S. law relating to any commodity research and promotion program is in conflict with U.S. international obligations (for example, as a result of a GATT panel report), the U.S. Trade Representative shall so notify the Congress. The conferees further expect that the Secretary of Agriculture, with the concurrence of the U.S. Trade Representative would, in such a case, submit to the Congress proposed legislation to bring U.S. law into compliance with U.S. international obligations.

(82) Agricultural Product Promotion and Enhancement [H 1841]

The Senate bill has no comparable provision.

The House amendment has a Sense of Congress that commodity checkoff programs should—

(1) focus their efforts on improving marketing conditions for their products;

(2) provide consumers with information on certain public issues; and

(3) pursue new food and nonfood uses for agricultural products.

The Conference substitute deletes the House provision.

TITLE XX—GRAIN QUALITY

(1) Short Title

The Senate bill provides that the short title will be the "Grain Quality Incentives Act of 1990". (Section 1801)

The House amendment does not provide a short title.

The Conference substitute adopts the Senate provision.

(2) Committee on Grain Quality and Grain Quality Coordinator

The Senate bill requires the Secretary to establish a USDA Committee on Grain Quality that will be chaired by a Grain Quality Coordinator who will—(1) evaluate problems with U.S. grain quality; (2) inform foreign buyers how to properly identify grain in purchase contracts to obtain the quality of grain desired; (3) review USDA activities to determine if they are consistent with subtitle A of Title III of the Senate bill and other laws relating to grain quality competitiveness; (4) coordinate Federal Government activities with respect to grain quality competitiveness; and (5) investigate and communicate through the Secretary, to the Committees on Agriculture concerning—(a) USDA actions that are intended to improve U.S. grain quality or that are inconsistent with such improvement; (b) production and marketing conditions that discourage quality improvements; (c) the interrelationship of various agencies' rules and actions relating to grain production, handling, storage, transportation, and processing as they affect grain quality; (d) recommendations for legislative or regulatory changes addressing grain quality issues; (e) progress in and potential opportunities and benefits from the international harmonization of sanitary and phytosanitary requirements affecting grain; (f) alternative forms of financial and technical assistance available and needed by producers operators to acquire and properly utilize grain cleaning, drying, and storage equipment; and (g) progress on the implementation of requirements of other sections of the subtitle. (Section 1811)

The House amendment is the same, with a provision that the Committee on Grain Quality will remain in existence for at least 10 years. The House provision does not mention the Occupational Safety and Health Administration. (Section 1801)

The Conference substitute adopts the House provision, with a modification that the Committee on Grain Quality will remain in existence through January 1, 2001.

(3) Benefits and Costs Associated With Improved Grain Quality

The Senate bill requires the Secretary to estimate the economic impact of making major changes necessary to carry out the title's amendments to the United States Grain Standards Act (USGSA) (changing grades and standards and imposing cleanliness limits on grain). (Section 1812)

The House amendment is the same as the Senate bill, with technical differences. (Section 1802)

The Conference substitute adopts the Senate provision, with technical changes.

(4) Classification, Grades and Standards Design Framework

The Senate bill amends section 2(b) of the USGSA. Adds provisions requiring that official U.S. standards for grain: (1) reflect economic value-based characteristics in the intermediate and end uses of grain; and (2) accommodate scientific advances in testing and new knowledge concerning factors related to, or highly correlated with, the end use performance of grain. (Section 1821)

The House amendment is the same as the Senate, except it omits the requirement that grain standards reflect economic value based characteristics in the intermediate uses of grain. (Section 1803)

The Conference substitute adopts the House provision. The managers note that there are several "end-users" of grain. In the case of wheat, a miller is the end-user of the raw grain, the baking industry is the end-user of the flour, and the consumer is the ultimate end-user of the product. In developing grain standards for the end-user, the Administrator should consider that there are several stages in the chain of processing grains that could be considered "end-users", from the miller, or processor, through the baker, or feed manufacturer.

(5) Improving the Cleanliness of Grain

The Senate bill requires the Federal Grain Inspection Service (FGIS) administrator to establish or amend standards to include economically and commercially practical levels of cleanliness for No. 3 or better grain (subject to economic justification). The Administrator is required to make this finding within 1 year of the date of enactment. In setting requirements for cleanliness characteristics, the Administrator must consider technical constraints, economic benefits and costs, price competitiveness of U.S. production, and levels met by competitors. The Administrator must also follow required rule-making procedures and phase in the requirements. Subsequent revision of cleanliness limits must be conducted consistent with the schedule of the Administrator for reviewing grain standards. If such limits are set, they must be fully implemented within 5 years. (Section 1822)

The House amendment amends section 4(b) of the USGSA. It requires the FGIS Administrator to study costs benefits to the U.S. grain industry, from producer to end user, of marketing cleaner grain. The study must identify—(1) the need to establish new or revised current factors relating to grain cleanliness; and (2) appropriate limits for cleanliness factors taking into consideration the technical ability and practicability of the commercial market to comply with such limits, the economic benefits and costs to the grain industry, and domestic and international demand.

If the Administrator determines that establishing new or revised current factors relating to cleanliness would be in the best economic interest of United States agriculture, the Administrator must establish or amend the standards to include economically and commercially practical levels of cleanliness for the grain. The Administrator must make a determination under this clause no later than 2 years air enactment of this paragraph.

In setting requirements for cleanliness characteristics under section 4(b) of the USGSA, the limits must be fully implemented not later than 3 years after the determination is made regarding cleanliness factors. Subsequent revision of cleanliness limits must be conducted consistent with the schedule of the Administrator for reviewing grain standards. (Section 1804)

The Conference substitute adopts the Senate provision with modifications. The substitute provides that this provision shall apply to wheat, corn, soybeans, barley and sorghum. Further, the provision requires that the Administrator make a finding, but does not specify a date. The limits described in this provision, if set, must be fully implemented within 6 years of enactment. The managers note that FGIS has a Cooperative Agreement with the Economic Research Service regarding the costs and benefits of cleaning grain. The managers request that the results of that investigation be shared with the respective Committees as such studies are completed.

(6) Cargo Loading Requirements

The Senate bill amends section 7 of the USGSA, and directs that except as otherwise authorized by the Administrator, or except on the request of a purchaser, grain officially inspected and weighed for export shall be loaded aboard the final carrier according to a plan that favors neither the seller or buyer. (Section 1823)

The House amendment is the same, except that such grain must be loaded according to a plan that provides for certification of quality as accurately as practical. (Section 1807)

The Conference substitute drops both provisions. These provisions were motivated by two concerns; first, recipients of sublots from a cargo sometimes receive grain that falls below contract specifications because the cargo lacks uniformity; and second, there was a finding by the FGIS that the loading plan in current use had a statistical bias favoring the seller. The managers note that the FGIS published a final rule in the Federal Register on June 13, 1990, to revise the shiplot inspection plan (Cu-Sum Plan). Specific changes to the inspection plan included: (1) establishing new breakpoints; (2) limiting review inspections of material portions to one filed review; (3) requiring that review inspection results of material portions be averaged with prior results unless a material error is detected; (4) defining a material error as a difference of more than two standard deviations; (5) designating a material portion as the single sublot exceeding the breakpoint value; (6) including wheat protein under the shiplot inspection plan for shipments specifying a minimum or maximum amount of protein; (7) requiring a special certification statement when the protein range of a lot exceeds 1.0 percentage point; and (8) offering, upon request, an optional inspection service whereby component samples are analyzed. These changes were implemented on September 11, 1990. On the basis of this newly implemented loading plan, and its purported fairness, conferees agree to forgo inclusion of a cargo loading provision in this legislation. It is the full intent of Congress that the inspection plan for export grain be equally fair to both the buyer and seller. Congress expects the FGIS to periodically evaluate its inspection plan against statistical standards and actual cargo conditions to insure that the buyer and seller are being treated fairly.

(7) Grade Determining Factors Related to Physical Soundness and Purity

The Senate bill amends section 4 of the USGSA by adding a new subsection (c) which requires the Administrator, in establishing standards under section 4(a) of the USGSA, to establish official grade determining factors and factor limits that reflect the levels of soundness and purity that are consistent with intermediate and end-use performance goals of the major foreign and domestic users of each grain for which official grades are established.

The soundness and purity levels established for grades No. 3 and better must facilitate the general utilization of these grades for acquiring grain that meets the general expectations of performance with minimal need for additional specification.

The Administrator is required to evaluate existing grade determining factors and factor limits to determine a nature and level of adverse soundness and purity conditions of grain that unacceptably limit the performance of grades No. 3 and better grain for normal intended uses. Prior to implementing changes in such factors and limits, the Administrator must follow established rule-making procedures. (Section 1824)

The House amendment amends section 4 of the USGSA by adding a new subsection (c) which requires the Administrator, in establishing standards under section 4(a) of the USGSA, to establish for each grain, official grade determining factors and factor limits that reflect the levels of soundness and purity that are consistent with intermediate and end-use performance goals of the major foreign and domestic users of each grain for which official grades are established.

The soundness and purity levels established for grades No. 3 and better must provide users of such standards the best possible information from which to determine end-use product quality.

The Administrator is required to establish factor limits that will provide that grain meeting the requirements for grades No. 3 and better will perform in accordance with general trade expectations for the predominant uses of such grain. (Section 1805)

The Conference substitute adopts the House provision with a modification to require the Secretary implement rule-making procedures in carrying out this section.

(8) Prohibition of Contamination

The Senate bill authorizes FGIS discretion to prohibit contamination of sound and pure grain through the introduction of non-grain substances, toxic grain exceeding established tolerances, or unmerchantable grain (to the extent that its combination with grades 3 or better will preclude the resultant combination from meeting performance levels expected of the grades, if FGIS determines that the action is practical and necessary to provide that such grains are safe and meet performance levels required by 4(c)(1) of USGSA). Does not prohibit the marketings of any grain so long as the grade or condition is properly identified.

No prohibition can be imposed against blending an entire grade of grain. Prior to taking action under this subsection, the Administrator must follow established rule-making procedures, including the solicitation of public comment, in identifying and

defining actions and conditions subject to prohibition. (Section 1825)

The House amendment amends section 13 of the USGSA by adding a new subsection (e) authorizing FGIS to prohibit the contamination of sound and pure grain through the introduction of (1) nongrain substances; and (2) grain that is unfit for the ordinary commercial purposes for which such grain is intended to be used (to the extent that its combination with grades No. 3 or better will preclude the resultant combination from meeting the performance levels expected of such grades and as is required by section 4(c)(1) of the USGSA). Provisions dealing with rulemaking, prohibition of blending and entire grade and marketing properly identified grain are similar to the Senate bill. (Section 1808)

The Conference substitute adopts the House provision, with amendments. The substitute authorizes prohibition of blending the following: (A) non-grain substances, (B) grain unfit for ordinary commercial purposes, or (C) grain that exceeds Food and Drug Administration action limits or Environmental Protection Agency tolerance levels. The amendments adopt the Senate language on prohibition of blending an entire grade of grain, rule making and marketing properly identified grain. The substitute requires that any prohibitions pursuant to (e)(1)(C) be reported to other appropriate public health agencies.

(9) Sense of Congress Concerning Tests For Purity

The Senate bill encourages FGIS to develop tests for mycotoxins and pesticide residues and incorporate these tests into the grain inspection system. (Section 1826)

The House amendment is the same. (Section 1809)

The Conference substitute adopts the Senate provision.

(10) Sense of Congress Concerning Cooperative Enforcement of Federal Grain Requirements

The Senate bill encourages Food Drug Administration and the Environmental Protection Agency to seek assistance from and cooperate with FGIS in enforcing quality, purity, and safety laws and regulations that apply to grain. (Section 1827)

The House amendment is the same. (Section 1810)

The Conference substitute adopts the House provision.

(11) Aflatoxin Testing

The Senate bill amends section 5 of the USGSA by prohibiting the export of corn from the United States unless it has been officially tested for aflatoxin or unless FGIS waives testing for emergency or other circumstances that would not impair the objectives of USGSA. (Section 1828)

The House amendment amends section 5 of the USGSA by authorizing and directing FGIS to require that all corn exported from the United States be tested to ascertain whether it exceeds acceptable levels of aflatoxin contamination. The House provision also requires the Secretary to establish uniform standards for testing equipment and uniform testing procedures and sampling techniques that may be used by processor, refiners, the operators of grain elevators and terminals, and others to accurately detect the level of aflatoxin contamination of corn in the United States. (Section 1806)

The Conference substitute adopts the House provision with an amendment allowing an exemption if the buyer and seller of the grain agree to waive the test. The managers concluded that a buyer and seller may agree not to have corn tested for aflatoxin. However, if a buyer and seller desire an official USDA test and certification for aflatoxin, such test must be conducted by USDA. This does not preclude buyer and seller from utilizing private (unofficial) testing laboratories in lieu of USDA official testing.

(12) Entry Quality Standards for All Farmer-Owned Reserve Grains

The Senate bill amends section 110 of the Agricultural Act of 1949 by adding a new subsection requiring that in announcing the terms and conditions of the producer storage program under that Act, the Secretary must establish standards concerning the quality of grain that may be allowed to be stored under the program, and such standards should encourage only quality grain to be pledged as collateral for such loans. Additionally, the Secretary must establish inspection, maintenance, and stock rotation requirements as are necessary to maintain the quality of such grain. (Section 1832)

The House amendment also amends section 110 of the Agricultural Act of 1949 by adding a new subsection requiring that in announcing the terms and conditions of the producer storage program under that Act, the Secretary must review standards concerning the quality of grain that may be allowed to be stored under the program, and such standards should encourage only quality grain to be pledged as collateral for such loans. Additionally, the Secretary must review inspection, maintenance, and stock rotation requirements and take the necessary steps to maintain the quality of such grain. (Section 1811)

The Conference substitute adopts the House provision.

(13) Price Support Loan Incentives For Quality Grain

The Senate bill amends section 403 of the Agricultural Act of 1949, adding a provision requiring the Secretary to establish premiums and discounts relating to cleanliness factors, in addition to any other adjustments in the support price related to quality, for crops of wheat, feed grains, soybeans beginning with 1991 crops. (Section 1832)

The House amendment is the same as the Senate provision. (Section 1812)

The Conference substitute adopts the Senate provision.

(14) Quality Requirements for Commodity Credit Corporation-Owned Grain

The Senate bill amends the Agricultural Act of 1949 by adding a new section 407A. Section 407A requires that the Secretary establish minimum quality standards that apply to grain stored for CCC. In establishing such standards, the Secretary must consider factors related to the ability of grain to withstand storage and assurance of acceptable end-use performance. Also requires the Commodity Credit Corporation to utilize FGIS approved procedures to inspect and evaluate the condition of the grain it acquires. (Section 1833)

The House amendment is the same as the Senate provision, but adds that in no case may the new section 407A require the use of an official inspection unless the producer so requests. (Section 1813)

The Conference substitute adopts the House provision. The managers note that there have been reports of elevator operators misrepresenting the quality of grain delivered to the CCC. It is the intention of the managers that the CCC should utilize this provision, and other authorities, to preclude the misrepresentation and potential for fraud in the resale of government owned grain.

(15) Establishing Quality as a Goal for Commodity Credit Corporation Programs

The Senate bill amends the Commodity Credit Corporation Charter Act to require that CCC activities, when practical, promote quality in the production and marketing of crops and livestock in the U.S. (Section 1834)

The House amendment is the same as the Senate provision, except that it does not amend the CCC Charter Act. (Section 1814)

The Conference substitute adopts the House provision.

(16) Seed Variety Information

The Senate bill requires that grain submitted for public testing must be evaluated for selected specific agronomic performance characteristics and intrinsic end-use performance characteristics, as determined by the Secretary, with the results of the evaluations made available to the Agricultural Research Service. Also requires the Extension Service to disseminate varietal performance information to plant breeders, producers, and end users. (Section 1841)

The House amendment is the same as the Senate provision, except the results of the evaluations are to be made available to the Secretary and the Secretary is responsible for the dissemination of varietal performance information to plant breeders, producers, and end users. (Section 1815)

The Conference substitute adopts the House provision. The Managers note that the Agricultural Research Service is one of the largest repositories of information on the subject within the Department and that the Extension service has a long record of providing information, including varietal performance information to plant breeders, producers and end users.

(17) Survey of Grain Varieties

The Senate bill requires that the National Agricultural Statistics Service periodically conduct, compile and publish a survey of grain varieties produced in the U.S. (Section 1842)

The House amendment is the same as the Senate provision, except that the Secretary is required to carry out the provisions of the section. (Section 1816)

The Conference substitute adopts the House provision. The Managers note that the National Agricultural Statistics Service has a long history of conducting and carrying out surveys of this type.

(18) Analysis of Variety Survey Data

The Senate bill requires the Agricultural Research Service to analyze the variety surveys conducted in conjunction with available applied research information on intrinsic quality attributes of the varieties, to evaluate general intrinsic crop quality characteristics and trends in production related to intrinsic quality characteristics. (Section 1843)

The House amendment is the same as the Senate provision, except that the analysis and evaluations are to be performed by the Secretary and the Secretary must disseminate such information to breeders, producers and end users. (Section 1817)

The Conference substitute adopts the House provision. The Managers note that the Agricultural Research Service has expertise in the area of intrinsic quality characteristics.

(19) Sense of Congress Concerning End-use Performance Research

The Senate bill encourages the Secretary, the Agricultural Research Service, and bill land-grant universities, to adjust their financial priorities to give increased emphasis to grain variety evaluation and the development of objective tests for end-use properties. (Section 1844)

The House amendment is the same as the Senate provision. (Section 1818)

The Conference substitute adopts the Senate provision.

(20) Sense of Congress Concerning Cooperation on Objective Testing

The Senate provision encourages cooperative efforts, including the sharing of funds and personnel, between the FGIS, the Agricultural Research Service, and land-grant universities in identifying grain quality-related characteristics, developing tests, and designing grain standards; also specifically encourages FGIS to utilize the research capabilities of the ARS and the land-grant universities in such efforts. (Section 1845)

The House amendment is the same as the Senate provision. (Section 1819)

The Conference substitute adopts the Senate provision.

(21) Authority to Assist Farmers and Elevator Operators

The Senate bill authorizes the Secretary to provide technical assistance (including information on such financial assistance as may be available) to grain producers and elevator operators to assist such producers and operators in installing or improving grain cleaning, drying or storage equipment. (Section 1851)

The House amendment is the same as the Senate provision. (Section 1820)

The Conference substitute adopts the Senate provision.

(22) Standardizing Commercial Inspections

The Senate bill requires that the Secretary establish a list of approved grain testing equipment and develop inspection procedures. FGIS shall implement a voluntary inspection certification program for country elevators and others conducting first point of delivery inspection. (Section 1852)

The House amendment is the same as the Senate provision, except that FGIS must additionally provide information on proper use of equipment, application of grain standards, and availability of inspection services, including appeal inspection services. The House provision also does not contain the certification program described in the Senate bill. (Section 1821)

The Conference substitute adopts the House provision.

TITLE XXI—ORGANIC CERTIFICATION

(1) Findings and Purposes

The Senate bill lists several findings of Congress, including a statement that there is a need for a national program to standardize and promote the production of food through organic farming methods.

The Senate bill states that the purpose of this Act is to:

(1) establish national standards governing the labeling of organically produced products;

(2) provide consumers with reliable information concerning which products are organically produced;

(3) assure consumers that products labeled organically produced are not produced with or handled with substances that cause adverse health or environmental effects;

(4) encourage environmental stewardship through the increased adoption of organic, sustainable farming methods;

(5) assist emerging and important food industry sectors that produce, process, and market organically produced products;

(6) provide market incentives to encourage the use of organic, sustainable farming methods;

(7) preserve the integrity of organic food programs that have been implemented by States and encourage other States to adopt organic food programs; and

(8) facilitate interstate commerce in fresh and processed food that is organically produced. (Section 1602)

The House amendment does not contain findings. The House amendment states that the purpose of this Act is to:

(1) establish national standards governing the labeling of organically produced products;

(2) assure consumers that organically produced products meet a consistent standard; and

(3) facilitate interstate commerce in fresh and processed food that is organically produced. (Section 1495A)

The Conference substitute adopts the House provision.

(2) Definitions

The Senate bill sets forth definitions for the following terms: agricultural products, botanical pesticides, certifying agents, certified organic farms and handling operations, crop year, governing State official, growing medium, handle, handler, handling operation, individual, micronutrients, National List, organic farm plan, organically produced, organically produced label, pesticide, processing, producer, program, State organic certification program, synthetic, and transition farm. (Section 1603)

The House amendment contains identical definitions for the following terms: agricultural products; botanical pesticide; certifying agent; certified organic farm; certifying organic handling operation; crop year; governing state official; handle; individual; national list; organically produced; pesticide; processing; producer; secretary; and synthetic. The House amendment does not contain definitions for growing medium; handler; handling operation; micronutrients; organic plan; organically produced label; program; state organic certification program; and transition farm. (Section 1495B)

The Conference substitute adopts the Senate provision with an amendment deleting definitions for growing medium, organically produced label, and transition farm.

(3) Establishment of Label

The Senate bill requires the Secretary to establish a USDA label stating that an agricultural product has been "organically produced" to be affixed on products produced according to the standards in this title. A second label may be authorized that indicates the State origin of the product and the certifying body of such product.

The Senate bill provides that as of September 1, 1992, no labels will be allowed which state or imply that a product has been organically produced other than the USDA organically produced label and any authorized State label, except:

(1) Secretary may permit the word "organic" to be used on the principal display panel for food if that food, excluding water and salt, contains at least 50 percent organically-produced ingredients. The Secretary may also allow the word "organic" to be used on the ingredient panel for food if that food, excluding water and salt, contains less than 50 percent organically produced ingredients. "Organic" may be used only to describe ingredients that are organically produced and no USDA label is authorized to be used in these instances.

(2) Farmers who sell less than $5,000 of agricultural products may represent their product as organic without certification but no USDA label is authorized to be used in this instance.

(3) The Secretary may determine that imported organic food may be sold within the U.S. if such food has been produced following guidelines at least equivalent to U.S. requirements, but no USDA label is authorized to be used in these instances. (Section 1612)

The House amendment contains a similar provision however no USDA label is established. The House amendment provides that as of October 1, 1993, no state or private labels or market information will be allowed which state or imply that a product has been organically produced unless all standards in this title are met. The same three exemptions provided for in the Senate bill are included. (Section 1495D)

The Conference substitute adopts the House provision. The Managers encourage the Secretary to determine a procedure to implement the label flexibility provided for processed food in this section by October 1, 1993 in order to allow for continued trade of such products.

(4) Mandatory Program Requirements

The Senate bill requires that any organic program must require all labeled products to be produced in accordance with this title, and provide for periodic on-site inspections and residue testing. An organic program must also provide certain specified appeal, enforcement, conflict-of-interest, and freedom-of-information procedures. (Section 1613)

The House amendment contains a similar provision, with the addition of two requirements: notification of appropriate health agencies of any residue violation and collection of reasonable fees. (Section 1495E)

The Conference substitute adopts the House provision with an amendment modifying language concerning notification of health officials in the case of residue detections.

(5) Discretionary Program Requirements

The Senate bill provides that any organic program may provide for the assessment of fees for participants, additional State requirements, the possibility of certifying parts of a farm or handling operation, and an exemption for farms subject to a government emergency pest or disease treatment program. (Section 1613)

The House amendment contains a similar provision, excluding the assessment of fees and with the additional requirement that the Secretary consult with the National Organic Standards Board regarding emergency pest or disease treatments. (Section 1495E)

The Conference substitute adopts the House provision.

(6) Prohibited Crop Production Practices and Materials

The Senate bill provides that prohibited practices include use of the following: certain seed, seedlings and planting practices; irrigation water unless it has been analyzed and approved by the certifying agent; certain soil amendments; certain crop management practices; natural poisons that have long-term effects and persist in the environ-

ment; and plastic mulches, unless they are removed at the end of each season. (Section 1615)

The House amendment contains a similar provision with three differences. The prohibitions on the use of irrigation water, contaminated organic matter, and micronutrients at toxic levels are not included. (Section 1495H)

The Conference substitute adopts the House provision.

(7) Animal Production Practices and Materials

The Senate bill contains a requirement that livestock be fed organically grown feed. Prohibited practices for livestock production include use of the following: certain feed additives including plastic pellets for roughage, and feed formulas containing urea and medicated feeds; growth promoters and hormones; synthetic internal parasiticides on a routine basis; administration of medication other than vaccinations; and use of impure drinking water. Recordkeeping procedures are stipulated. Drinking water may be analyzed to determine whether it is impure and so contaminated as to cause contamination of livestock products.

The Senate bill requires that livestock be raised according to the standards set forth in this section for certain periods of time: from the second day of life for poultry; for four months prior to sale of eggs for laying hens; at least one year for dairy; and for the entire life for all other slaughter livestock.

The Senate bill further provides that the Secretary may accept certification, by certifying agents, at the point of slaughter as proof that the meat and poultry have been raised in accordance with this title. (Section 1616)

The House amendment contains a similar provision with four differences: (1) there is no explicit prohibition on the use of medicated feed; (2) no required analysis of drinking water; (3) no four month provision for laying hens; and (4) no provision to allow the Secretary to accept the certification at the point of slaughter. (Section 1495I)

The Conference substitute adopts the House provision with an amendment which requires the Secretary to hold hearings and develop regulations regarding livestock standards in addition to those specified in this title. The Managers clearly do not intend for the Secretary to engage in formal rulemaking. Rather the Managers recognize the need to further elaborate on the standards set forth in the title and expect that by holding public discussions with interested parties and with the National Organic Standards Board, the Secretary will determine the necessary standards no later than the implementation date of October 1, 1993.

The Managers believe that the establishment of an organic labeling program will benefit those producers of agricultural commodities and products that choose to produce and market products that are organically produced. The creation of a uniform standard as to the meaning of "organically produced" protects the consumer from misleading information and enables these producers to cultivate a market for their particular products.

By enacting this program, the Managers are not asserting any preference as to any particular type of agricultural product. The "organic" label is not intended to imply any special health benefits or innate qualities of a agricultural commodity or product. For example, this program establishes standards for the organic production of meat and poultry products. Such products, if organically produced, are not necessarily more safe than ordinary meat and poultry products.

The "organic" label, or the establishment of this organic program is also not intended to indicate any opinion about traditional agricultural production. The "organic" label does not guarantee more healthy food than that produced using conventional systems.

The Managers direct the Secretary of Agriculture to develop detailed regulations, with notice and public comment, to guide the implementation of the standards for livestock products provided under this Title. Such regulations should be finalized by October, 1993—the implementation date for this Title.

The Managers note that the Senate bill included a paragraph stating that the Secretary, in carrying out the provision of this title, the Federal Egg Products Inspection Act, the Meat Inspection Act, the Poultry Products Inspection Act or any other Act concerning the misbranding of meat and poultry products, may accept a certification provided by a certifying agent at the point of slaughter as proof that the meat and poultry were produced in accordance with this title. The Secretary has indicated that this paragraph is unnecessary as he already has the discretion to accept certification at the point of slaughter and intends to implement the organic program in this manner so as avoid the costly requirement of sending USDA inspectors to every organic farming operation in order to verify claims.

(8) Recordkeeping

The Senate bill requires all organic producers and handlers to keep records, including a detailed history of substances used, for at least 5 years. (Section 1618)

The House amendment includes the same provision with the additional requirement that handlers keep records of the sources, handling, and disposition of all ingredients or production aids used. (Section 1495L)

The Conference substitute adopts the Senate provision.

(9) Contents of National List

The Senate bill provides that the National List may include prohibitions on natural substances which otherwise would be allowed under this title but which the National Organic Standards Board and the Secretary determine to be harmful to human health or the environment and inconsistent with organic farming.

The Senate bill provides further that the National List may include exemptions for substances otherwise prohibited but which the National Organic Standards Board and the Secretary determine are harmless to human health and the environment, are necessary because of the unavailability of wholly natural substitute products, and are determined to be consistent with organic farming practices. Such exemptions, however, must meet one of the following three criteria: (1) the substance is used in production and contains a synthetic active ingredient in the following categories: copper and sulfur compounds; toxins derived from bacteria; pheremones; detergents; horticultural oils; treated seed; fish emulsions; vitamins and minerals; livestock parasiticides and medicines; and production aids including netting, tree wraps and seals, insect traps, sticky barriers, row covers, and equipment cleansers; (2) the substance contains synthetic inert ingredients; or (3) the substance is used in processing and is non-synthetic but not organically produced. (Section 1625)

The House amendment contains a similar provision with three differences: (1) there is no allowance for production aids on the National List; (2) there is no allowance for products with synthetic inert ingredients on the National List; and (3) the Secretary is required to consult with the Secretary of Health and Human Services and the Administrator of EPA regarding the contents of the National List. (Section 1495Q)

The Conference substitute adopts the House provision with an amendment that adds production aids to the category of synthetic active ingredients and the category of synthetic inert ingredients not of toxicological concern to the Administrator of EPA as possible exemptions on the National List. The Managers note that in the future it may be necessary to further develop a list of categories for processed food exemptions and therefore encourage the Secretary, working with the National Organic Standards Board, to recommend such a list to the Congress as soon as practicable in order to facilitate implementation of the national standards by October 1, 1993.

(10) Development of National List

The Senate bill requires the Secretary to establish a National List based upon a Proposed National List developed by the National Organic Standards Board. The Secretary may not include exemptions for synthetic substances other than those recommended by the National Organic Standards Board. The Proposed National List must be published in the Federal Register for public comment. (Section 1625)

The House amendment contains the same provision, with an additional requirement that no substance be listed which has been prohibited by Federal regulatory action. (Section 1495Q)

The Conference substitute adopts the House provision.

(11) National Organic Standards Board

The Senate bill requires the Secretary to appoint a 13-member National Organic Standards Board to assist in the development of standards and to specifically form a proposed National List. The membership of the Board as well as Board procedures are designated. The members of the Board are not compensated. The Board is required to hire a staff director and the Secretary may detail USDA staff to work with the Board. (Section 1626)

The House amendment contains the same provision, adding two more members—a certifying agent and a scientist—to bring the total to 15 on the Board. (Section 1495R)

The Conference substitute adopts the House provision.

(12) Procedures for Board's Recommendations for National List

The Senate bill directs the Board to conduct a thorough evaluation of substances that may be included on the National List. Specific steps are set out. Among other things the Board shall: use Technical Advisory Panels to assist the Board in making determinations on substances to be included on the National List; review substances on the National List every 5 years; review all botanical pesticides for possible inclusion on the National List; advise the Secretary and the EPA Administrator on whether to establish a registration program for organic production materials; and advise the Secretary concerning residue testing for organic products. (Section 1626)

The House amendment contains a similar provision, with the Board given the additional responsibility to advise the Secretary on emergency pest and disease treatments

and there is no responsibility to advise on the development of a registration program. (Section 1495R)

The Conference substitute adopts the House provision.

(13) Violations of Organic Program

The Senate bill contains the following penalties for violations: for misusing or tampering with the organically produced label—up to $50,000 and 2 years imprisonment; and for issuing false certifications—program ineligibility for 5 years. Producers and certifying agents must be provided notice and an opportunity to be heard. (Section 1627)

The House amendment contains a similar provision, but with a reduction in penalty for misusing an organic labels to a civil penalty of $10,000. The House amendment provides that nothing in this title shall alter the authority of the Secretary of Agriculture under the Poultry Products Inspection Act, the Administrator of the EPA under the Federal Insecticide, Fungicide, and Rodenticide Act or the Secretary of Health and Human Services under the Federal Food, Drug, and Cosmetic Act. (Section 1495S)

The Conference substitute adopts the House provision.

(14) National Organic Promotion Advisory Committee

The Senate bill directs the Secretary to establish an advisory committee to acquire information and advice from representatives of organic farming and handling sector concerning: the establishment of legislation creating an organic promotion, research, and consumer education program; the development of an initial referendum and structure for such program; an organic research program; and any other aspect of organic production, research education, or promotion of concern to the Secretary.

The Advisory Committee shall have 15 members (including a chairperson) appointed from nominations received from organic certifying organizations, States, and other interested parties. Membership is specifically set out. The Committee is sunsetted in three years. (Section 1641)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the National Organic Promotion Advisory Committee.

(15) Duties of Organic Advisory Committee

The Senate bill requires the Advisory Committee to provide recommendations concerning: the establishment of an orderly procedure for the development and financing of a program of research, promotion, and consumer information concerning organically produced agricultural products; the establishment of a democratic process under which organic farmers and handlers may determine whether to have a national organic promotion program after 1992; ways to maintain, develop, and expand markets for the organic industry; and research and extension programs on agricultural production systems and materials used or potentially to be used in organic production. Reports are required to be submitted to the Secretary and House and Senate agriculture committees. (Section 1641)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

Administration

Both the Senate bill and the House amendment required the Secretary to issue regulations not later than 180 days after the date of enactment of this title.

The Conference substitute amends this requirement substituting 540 days after the date of enactment of this title.

(16) Appropriations

The Senate bill authorizes such sums as may be necessary. (Section 1642)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting authorization for appropriations.

(17) National Transition Label Demonstration Program

The Senate bill requires the Secretary to establish a National Transition Label Demonstration Program to help evaluate the impact a transition label would have on consumer purchasing decisions and organic markets and to assess whether the availability of a transition label would motivate farmers to adopt more sustainable agricultural practices. (Section 1651)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the transition label demonstration program.

(18) Administration of Transition Label Program

The Senate bill Secretary shall make a grant from funds to at least 4 States that: have implemented a State organic certification program under chapter I; can designate a limited marketing area where a transition label could be used and controlled; and submits a competitive proposal. States that receive these grants must: design a demonstration project that meets the specifications of the Secretary; select a number of farming operations to participate in the Program as transition farms; authorize the sale of the products of the selected farms in retail establishments in such State; and submit a final report. (Section 1652)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(19) Establishment of Transition Label

The Senate bill requires the Secretary to establish an experimental USDA label to be affixed to agricultural products that have been produced on selected transition farms that states that the agricultural product has been produced in "transition to organic". (Section 1653)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(20) Reports on Transition Label Program

The Senate bill requires that, within 2 years after the date of enactment of this title, the chief executive officer of a State shall submit a final report detailing the results of the Program to the Secretary and the House and Senate agriculture committees. (Section 1654)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(21) Appropriations for Transition Label Program

The Senate bill authorizes such funds as may be necessary to carry out the transition label program. (Section 1655)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting this section.

(22) Organic Production Research

The Senate bill requires the Secretary to establish a research program related to the production and marketing of organic products. Grants may be provided to facilitate such research. The Secretary shall provide for research to, among other things, study the toxicity levels of toxic synthetic and natural substances used in organic production, measure levels of background contamination of toxic substances, develop economical residue testing procedures, develop efficacious protocols and materials for handling organically produced products, and improve the technology of organic livestock production. The Secretary is required to consult with the National Organic and Standards Board and the National Organic Promotion Advisory Committee established under Chapter II concerning specific research topics that are necessary. Such sums as may be necessary to carry out this program are authorized. (Section 1661)

The House amendment contains no comparable provision.

The Conference substitute adopts the House provision, thereby deleting the organic production research program.

TITLE XXII—CROP INSURANCE AND DISASTER ASSISTANCE

Subtitle A—Crop Insurance

The Managers intend that the crop insurance provisions in this Act do not represent an answer to the problems facing Federal crop insurance. A more fundamental restructuring of the existing program is needed to prevent the continued financial losses, low participation rates, and other inefficiencies that have plagued this program and required the enactment of repeated ad hoc disaster bills during the 1980s. Congress must address this problem soon, and the House and Senate Committees on Agriculture intend to revisit this issue in the 102nd Congress.

The amendments contained in this Title are intended as interim management improvements until more fundamental changes are implemented.

(1) Short Title

The Senate bill designates this title as the "Federal Crop Insurance Adjustment Act of 1990." (Sec. 2201)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(2) Findings

The Senate bill lists several findings of Congress, including that a sound system of crop insurance improves the economic stability of American agriculture; that ad hoc disaster assistance has adversely affected the existing Federal crop insurance system; that the existing system does not provide an actuarially sound or adequate coverage program; and that reform of the system should not lead to increased Federal outlays. (Sec. 2202)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(3) Improvement of Operations

The Senate bill authorizes the Federal Crop Insurance Corporation (FCIC) to obtain from policyholders and reinsured companies their respective social security number or applicable employer identification number for the purpose of establishing appropriate records systems. Program participants who willfully and intentionally provide false or inaccurate information are made subject to civil fines not to exceed $10,000 and disqualification from the program for up to 10 years. (Sec. 2203)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying the conditions of confidential treatment that will apply to social security numbers collected by FCIC under this provision. The Managers intend that the penalties will apply not only to farmers who obtain insurance under this program but also to insurers obtaining reinsurance or other benefits from FCIC, agents, and to other persons.

(4) Actuarial Soundness and Congressional Reports

The Senate bill requires the FCIC Board to review new types of policies, including dollar-denominated coverage and the use of ASCS yields, and applicable premium rates. The Board must approve these policies if it finds that they adequately protect producers and that rates are actuarially appropriate. Certain approved policies and rates must be published and made available to all companies contracting with or reinsured by the FCIC. Within 120 days of enactment, the FCIC must report to Congress on the rates and coverage necessary, on a State and crop basis, to achieve actuarial soundness. The FCIC shall adjust rates and coverage to improve actuarial soundness of the program, except that increases in rates may not exceed 20 percent of the preceding crop year's comparable rate. (Sec. 2204)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment which requires that new contracts under this section may be developed by FCIC or private companies, must be approved by FCIC and published and made available to all companies contracting with or reinsured by FCIC before being offered for sale, authorizes FCIC to enter into more than one reinsurance agreement simultaneously under different terms and conditions to facilitate the offering of new policies, authorizes such new policies based on area coverage, and eliminates the required report in favor of requiring the FCIC to compile information regarding actuarially sound rates by region and crop and to made such information available to Congress and the public within 180 days. The Managers intend that "region" refers to crop reporting district. The Managers also intend that "actuarial soundness" has the same meaning as in section 508(b)(1) of the Federal Crop Insurance Act, that is, a premium adequate "to cover claims for losses on such insurance and to establish as expeditiously as possible a reasonable reserve against unforeseen losses."

(5) Reinsurance Agreement

The Senate bill requires reinsured companies to bear an increased share of any potential loss under the reinsurance agreement between the FCIC and such companies. The FCIC shall report to Congress within 120 days on the amount of increased potential losses assumed by the reinsured companies under revisions to such reinsurance agreements. (Sec. 2205)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment eliminating the required report. The Managers intend that the Secretary of Agriculture, within 180 days of the enactment of this section, will submit a letter to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House on the steps taken to implement this section and will continue to keep both Committees so informed on a continuing basis.

(6) Uniform Claims Adjustment

The Senate bill amends section 508 of the Federal Crop Insurance Act to require that FCIC adopt rules to ensure to the extent practicable that all claims for losses are adjusted in a uniform and timely manner. (Sec. 2206)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(7) Availability of Crop Insurance Information

The Senate bill requires the Secretary to distribute information on all aspects of Federal crop insurance and a listing of agents to producers through the local ASCS offices and to educate ASCS directors concerning such information. (Sec. 2207)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(8) ASCS Yields, Dollar-Denominated Coverage, and Expanded Availability

The Senate bill authorizes coverage on the basis of the commodity yields established by the ASCS rather than the recorded or appraised yield, where the ASCS yield is higher. The Board may set additional premiums to reflect the increased risk involved.

The FCIC is required to establish an additional price level for each commodity on which insurance is offered. This price level shall not be less than the projected market price, as determined by the Board. Coverage shall be made available on the basis of any price election which equals or is less than that established by the Board. Coverage will be quoted in terms of dollars per acre.

Where there is a crop insurance policy for a commodity in any county in a State, such insurance shall be made available to producers in all counties of the State, except that the Corporation may limit or refuse insurance to any county, area, or farm on the basis of different insurance risks involved in the production of the commodity. (Sec. 2208)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying that additional coverages based on ASCS yields will be based on adjusted ASCS yields and that any additional premium charged for such coverage will be paid solely by the insured person with no administrative or premium subsidy from FCIC, and to clarify that all coverages will be dollar-denominated.

The Conference substitute deletes the Senate provision providing for statewide availability of certain crop insurance policies available in a county in such state.

(9) Contracting with Private Companies

The Senate bill provides the FCIC with additional authority for contracting with private rating bureaus and other organizations for actuarial, loss adjustment, and other services to avoid duplication by the government. (Sec. 2209)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment stating that the provision shall not relieve the FCIC board of any of its responsibilities with respect to rate-setting or other matters.

(10) Study

The Senate bill directs the FCIC to study the feasibility of providing multiple peril crop insurance policies with commodity prices based on trading futures contracts, forward contracts, costs of production, or other market prices, and to report to Congress within 1 year. (Sec. 2210)

The House amendment contains no comparable amendment.

The Conference substitute deletes the Senate provision.

(11) Sense of Congress Concerning Crop Insurance

The Senate bill states as the sense of Congress that a sound crop insurance system promotes the national welfare and efforts shall be made to obviate the termination of contracts and reinsured crop insurance contracts. The Senate bill also states as the sense of Congress that the Corporation should make multiple peril crop insurance programs available in fiscal years 1991 through 1993. The Corporation should issue or renew policies to qualified producers and honor all valid commitments to crop insurance companies under reinsurance and multiple peril crop insurance programs. The Commodity Credit Corporation should make available such funds as are necessary to the Corporation for this program, provided that the Corporation repay the funds, with interest, to the Commodity Credit Corporation as soon as practicable. (Sec. 2211, 2212)

The House amendment states as the sense of Congress that a sound system of crop insurance will promote the national welfare by improving the economic stability of American agriculture and provide reasonable protection against natural disasters; that cancellation of the current crop insurance program would create unequal treatment among farmers; that improvements aimed at increasing participation and effectiveness of the Crop Insurance Program are being devised, therefore, funding should be continued. (Sec. 1858)

The Conference substitute deletes both the Senate and the House provisions.

Subtitle B—Disaster Assistance

(1) Disaster Assistance; Appropriations

The House amendment amends the Disaster Assistance Act of 1989 by adding a new section 104(a)(5). For 1989 nonprogram crops that have historically been double cropped, the Secretary must treat each cropping separately for purposes of determining harvest yield and whether the crop was damaged by weather under paragraph 104(a)(1) of the 1989 Act. It applies only for such crops grown in a county declared to be a Presidential disaster area for that crop and does not apply in the case of a replacement crop described in section 110 of the 1989 Act.

Section 1848(b) amends section 104(a)(4) of the 1989 Act to provide a 100 percent exclusion for 1989 nonprogram crops grown in a county declared to be a Presidential disaster area for that crop.

Section 1848(c) amends section 104 of the 1989 Act. It extends disaster payments to crops of valencia oranges affected by a freeze in 1989.

Section 1848(d) amends section 152(a) of the 1989 Act by adding a new paragraph (3). It extends to December 31, 1990 the application period for producers of a nonprogram crop affected by amendments made to section 104(a) by section 1848 of the this Act. For applications submitted before enactment, the Secretary must recompute (not later than 90 days after enactment) the payment to producers under section 104 in light of those amendments.

Section 1848(e) establishes the Hurricane Hugo Forestry Assistance Act. It provides cost-share assistance to encourage tree owners to re-establish stands of trees damaged by Hurricane Hugo subject to several conditions.

Section 1848(f) provides that any benefits or assistance provided under section 1848, or under the amendments made by section 1848 to the Disaster Assistance Act of 1989, may be provided only to the extent provided for in advance by appropriations acts. To carry out section 1848 and the amendments it makes to the 1989 Act, it authorizes to be appropriated for fiscal years 1991 through 1995 such suns as are necessary.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to change the funding mechanism for producers of valencias and ensure that unmarketable quantities are not included in determining the amount of assistance. In addition, the provisions of S.2664 (a bill to provide disaster assistance to producers) are included with modifications to bring the provisions of S.2664 in accord with the Disaster Assistance Acts of 1988 and 1989 and make the provisions subject to appropriations. The Managers note that the administration provided disaster assistance to producers who suffered a crop loss from Hurricane Hugo who were in tomato-cucumber rotation, but failed to provide assistance to those growing tomatoes after tomatoes. The Managers feel that this language corrects this problem, and that assistance should be provided to producers who plant tomatoes after tomatoes and other similar crops.

(2) Assistance for Big Horn River Drainage System

The Senate bill authorizes the Secretary to make disaster assistance available to producers on a farm who suffered losses due to drought induced by lack of water as a result of Indian Tribal water rights adjudication affecting producers on that portion of the Big Horn River drainage system located on the Wind River Indian Reservation, Wyoming, for the 1990 crop of wheat, barley, oats, grass hay, and alfalfa hay. The disaster assistance shall be similar to assistance provided under the Disaster Assistance Act of 1989 and shall be drawn from a pool of funds not to exceed $250,000.

The House amendment provides the Secretary with authority in each commodity title to include in the definition of a "condition beyond the control of the producer" such a condition resulting from adjudication of Indian water settlement disputes.

The Conference substitute adopts the Senate provision with an amendment making the provision mandatory.

(3) Emergency grants to assist low-income migrant and seasonal farm workers

The House amendment authorizes the Secretary to make grants, not to exceed $20 million annually, to public agencies or private organizations with tax exempt status under section 501(c)(3) of the Internal Revenue Code of 1986 that have experience in providing emergency services to low-income migrant or seasonal farmworkers, when the Secretary determines that a local, State, or national emergency or disaster has caused low-income migrant or seasonal farmworkers to lose income, or to be unable to work, or to stay home or return home in anticipation of work shortages.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

TITLE XXIII—RURAL DEVELOPMENT

(1) Sec. 2301. Short Title

The Senate bill establishes the short title as the "Rural Partnerships Act of 1990." (Sec. 2001)

The House amendment establishes the short title as the "Rural Economic Development Act of 1990;" and requires that certain regulations be promulgated within 180 days. (Secs. 2600 and 2601)

The Conference substitute adopts the House provision.

Subtitle A—Reorganization of the Department of Agriculture

(2) Sec. 2302. Rural Development Administration

The Senate bill instructs the Secretary to review and report to Congress on how the United States Department of Agriculture (USDA) can better coordinate rural development activities of all its agencies. (Sec. 2043)

The House amendment divides up the Farmers Home Administration into two separate agencies—FmHA and the new "Rural Development Administration" (RDA); appoints a new Administrator with authority over rural development grant and loan programs (transferred from FmHA authority); and transfers personnel, liabilities and funding for those programs to the new RDA. FmHA would retain farm lending and housing programs. (Secs. 1901 and 1902)

The Conference substitute adopts the House provision.

(3) Sec. 2303. Conforming amendments

The House amendment makes certain conforming amendments to accommodate the Rural Development Administration.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

Subtitle B—Coordination of Rural Development Efforts

PART I—GENERAL PROVISIONS

(4) Sec. 2310. General Provisions

The Senate bill allows local revolving funds in any State to apply to a Federal board for funding to assist in business financing. (Secs. 2005-2007)

The House amendment permits all States to set up State Rural Economic Development Review panels to prioritize rural development activities. (Sec. 2001)

The Conference substitute adopts the House provision with an amendment to permit up to 5 States to participate during any particular period in each of the Senate partnerships program and/or the House State review panel process. This authority expires September 30, 1996.

(5) Secs. 2311-2315. Rural Investment Partnerships—Local Revolving Loan Funds

The Senate bill authorizes appropriations to establish a program for the Secretary to provide seed money to create local revolving funds. The revolving loan funds will leverage private and public funds to invest in or guarantee loans to local rural businesses.

All types of entities can apply to USDA to administer a revolving fund, including State and local governments, private and public nonprofit organizations, and Indian tribes.

A temporary Federal "Rural Partnerships Investment Board" is created to provide lines of credit (which are very similar to grants except the funds are made available as needed) to approved applicants ("eligible entities") that will place the money in local revolving funds to be used for investments in new or expanding rural businesses.

The local revolving funds—working with banks and other financial institutions—make the local investment decisions. The Federal funds are required to be leveraged with matching funds at one level—and may be leveraged at two levels.

Each loan from a local revolving fund must be matched on at least a 50-50 basis by one or more financial institutions. To be approved to operate a revolving fund at the local level the Federal contribution to the fund must be matched with either cash or commitments to participate in the investment program.

Each local revolving fund can be approved for a line of credit of up to $750,000 in the first year (and up to $2,250,000 in total over five years), except that the State agency can receive up to $1,250,000 in the first year (and up to $3,750,000 over five years).

Several revolving loan funds may operate in any given State. Each grant recipient will establish a revolving fund (with the Federal "line of credit" funds, local matching funds if any, interest collected on loans, proceeds from repayments of loans or equity investments) for investment in certain new or expanding local businesses in conjunction with lending by banks and other financial institutions.

Local businesses with 100 or more employees shall not be eligible to receive assistance. Any one business cannot receive more than $250,000 in one year.

Each local revolving fund could guarantee loans, make capital investments, or loan money to local businesses in partnership with local banks, savings and loan associations or community development credit unions.

To be approved for a grant (the line of credit) each local revolving fund must:

(1) match, under procedures set by the Board, each dollar in the Board line of credit with a dollar in either cash, or cash equivalents, or letters of credit, from banks, financial institutions, local or State governments, or other entities (including itself or foundations); or

(2) demonstrate a commitment by financial institutions to participate in the lending program.

Each local revolving fund is to serve a "service area" which the local revolving fund defines within limits in the bill. Areas served must be rural— i.e., towns or cities with populations in excess of 20,000 are not covered.

The service area is targeted to needier rural areas.

The Federal Board is terminated after five years, but the local revolving funds can continue. The federal "seed" capital is not required to be repaid to the Department. If there are losses on any given investment the lending agreement will set forth to what extent the federal share of each particular loan is lost. (Secs. 2001-2009)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to implement the program as an up to five-state pilot program.

PART 2—RURAL ECONOMIC DEVELOPMENT REVIEW PANELS

(6) Sec. 2316. Delivery of certain rural development programs

The House amendment proposes changes in the way Farmers Home Administration (FmHA) rural development programs are delivered. Each State will be required, as a prerequisite for eligibility to receive certain Federal rural development funds, to establish a 16-member State Economic Development Review Panel.

Each panel will rank order recommendations to the Secretary as to which applications should be approved and funded.

Each of the panels will assess, review and prioritize State and local needs for rural development. The panels will rank projects based on several factors and recommend which applications should be funded by USDA with funds appropriated to the State annually.

Each State panel will:

—accept or return applications for loans and grants before they are sent to the Secretary;

—approve or disapprove rural area plans;

—determine whether "area plans" are acceptable;

—prioritize and rank applications for loans and grants within the State;

—recommend to the Secretary which projects should be funded and in what order.

The Secretary may:

—change the priorities;

—totally disapprove any requests;

—partially fund any requests;

—reject or approve recommendations of the panel.

If the Secretary rejects or otherwise alters any recommendation of the Panel, the Secretary must notify Congress within 10 days of such decision why it was rejected or otherwise not followed.

Applications for assistance from the Rural Development Administration shall continue under current procedures, however, all applications must be reviewed and approved by the 16-member State review panels created in each State before final funding by the Rural Development Administration can occur.

Program participation is contingent on and will be based on development of "area plans" produced by local or regional areas. Area plans must "identify the geographical boundaries" of the service area. These may be plans already in existence, or they may be developed specifically to meet the requirements of this bill.

The House amendment also provides that each State agency managing the panel activities may receive up to $100,000 annually for administrative costs. The State review panel is exempt from the Federal Advisory Committee Act, and is immune from any liability for their actions. (Sec. 2001)

The House amendment further requires that each year the sums appropriated for direct loans for water and waste or for community facility programs (section 306(a) programs) be compared to the total funds needed for the rank ordered list of projects (if and as approved by USDA).

If the sums appropriated for loan guarantees are not sufficient to fully fund the list of projects, the Secretary can transfer up to all the funds (allocated to each State) from water and waste to community facility (or the reverse) except that the Secretary cannot transfer more than is needed to fully fund projects on the list, nor more than a total net amount of $9 million from one such program. (Sec. 2002)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to implement these provisions for up to five states as pilot projects if the State is an "eligible State" as defined in new section 365 of the Consolidated Farm and Rural Development Act and if the State is one of the five selected States.

Subtitle C—Water and waste facilities

(7) Sec. 2321. Increase on limitation of authorization for water and waste grants.

The Senate bill increases the cap on the authorization for appropriations under section 306(a)(2) of the Consolidated Farm and Rural Development Act for water and waste loans and grants through the Farmers Home Administration (FmHA) by $50 million in each of the next two fiscal years (up to $204.9 million). (Sec. 2056)

The House amendment removes the cap on the authorization; the effective authorization level would be $500 million. (Sec. 2107)

The Conference substitute adopts the House amendment.

(8) Sec. 2322. Water and Waste Facility Financing

The Senate bill establishes a new program for the Secretary to make loans (at a rate not exceeding 5%) to REA borrowers to provide water and waste facility services in areas served by borrowers. The Secretary may establish procedures to leverage Federal funds with private funds to provide an additional source of financing for communities in need of water and waste assistance which is not being met by FmHA.

The amount appropriated for this program cannot exceed 10% of total insured loans under REA Act, or $40 million, whichever is less. The Secretary must ensure that the new program for REA borrowers is coordinated with the FmHA water and waste program, and that consideration is given to whether the loan will enable the communities to comply with Federal and State safe drinking water and water pollution control laws, and other factors.

A priority is given to communities which would not otherwise be served and are in great need. Each year, unused funds appropriated for purposes of this section shall be transferred to the fund used by FmHA to make water and waste loans to FmHA participants (regarding the section 306 water and waste facility loans). There are detailed statutory provisions regarding replenishment of the account created under this section. (Sec. 2022)

The House amendment states that REA borrowers are eligible borrowers on an equal basis under FmHA water and waste program; and that the Administrator of REA shall provide technical assistance to borrowers with water and waste facilities loans and grants. (Sec. 2001(h))

The Conference substitute adopts the Senate provision with an amendment that requires that only 50 percent of the total cost of the proposed project may be loaned to REA borrowers through the program. The balance must be obtained from the borrower's own funds.

(9) Sec. 2323. Water and waste lending by banks for cooperatives

The Senate bill expands authority of banks for cooperatives to lend to entities eligible under sec 306(a)(1) of the Consolidated Farm and Rural Development Act (rural communities with populations under 20,000, including nonprofit corporations) for waste disposal or drinking water facilities or systems. (Sec. 2058)

The House amendment is similar to the Senate version, but limits the entities eligible to receive loans to cooperatives formed for this specific purpose. This section also includes a conforming amendment to the Farm Credit Act. (Sec. 2103)

The Conference substitute adopts the House provision with an amendment to allow cooperatives and municipalities to receive loans from the banks for cooperatives.

(10) Sec. 2324. Rural wastewater treatment circuit rider program

The Senate bill sets up a program to allow communities to share a technical specialist for rural wastewater systems. Authorizes $4 million through FmHA for matching grants. (Sec. 2059)

The House amendment is the same as the Senate except for technical drafting differences. (Sec. 2106)

The Conference substitute adopts the House provision.

(11) Sec. 2325. Technical assistance for certain solid waste management

The Senate bill expands authority under section 310(b) of the Consolidated Farm and Rural Development Act to allow grants for technical assistance to local governments and related agencies to improve, plan and manage solid waste disposal facilities. (Sec. 2060)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(12) Sec. 2326 and 2327. Water and waste facility loans and grants to alleviate health risks

The Senate bill sets up a new program within FmHA to provide grants to very small, distressed rural communities which have experienced a sudden and severe loss of water supply. Public and private nonprofit entities are eligible for competitive grants; authorizes $25 million in 1991, $10 million in 1992, available until fully appropriated. (Sec. 2057)

The House amendment sets up a new program to fund development, use and control of water, including drainage and disposal facilities in communities facing significant health risks because they do not have access to adequate or affordable water and waste systems. Loans may also be made to individuals to connect residences to water systems.

A preference is given to applications proposing to provide water and/or services to rural "colonias" and residents of colonias. Authorizes $30 million for grants and $30 million for loans. (Sec. 2605)

The Conference substitute adopts both the Senate and the House provisions with technical amendments.

(13) Sec. 2328. Water and waste disposal loans to benefit rural businesses

The House amendment adds "rural businesses" to the list of primary end users for water and waste facilities financed by the FmHA water and waste facility loan and grant program. (Sec. 2105)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(14) Sec. 2329. Limitations on Conditions for Water and Sewer Grants and Loans

The House amendment adds a new subparagraph to section 306(a) of the Consolidated Farm and Rural Development Act to prohibit the Secretary from conditioning loans and grants under the FmHA water and waste program on any requirements other than those specified in the Act. (Sec. 2108)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

Subtitle D—Enhancing human resources

(15) Secs. 2331-2334. Distance learning and medical link programs

The Senate bill authorizes the Administrator of the Rural Electrification Administration (REA) and the Secretary to provide grants ($25 million, 1991; $50 million, 1992-93; $60 million, 1994-95) to secure or create telecommunications systems for rural "end-users". Entities eligible to apply for grants under the program include rural schools, medical providers or partnerships of rural businesses.

The Department is required to provide expedited loans to rural telephone exchanges working with approved applicants to provide such systems. In this case, the application for the project must be approved before the local telephone exchange can apply for an expedited loan to provide the additional service.

The bill requires that the applicant notify the local exchange carrier of the pending application with the Administrator to give them an opportunity to work with the applicant to provide the transmission service.

Grants provided under this section can be used for telecommunications equipment, interactive video equipment, computer hardware and software and instructional programming which would be used in connection with a telecommunications system. Grant funds cannot be used for telecommunications transmission facilities if the local exchange carrier is participating in the project and has agreed to provide the additional service.

The Administrator and the Secretary are instructed to work with each applicant to ensure that the most appropriate systems are funded. The Administrator may consider many factors in approving grants, including: the needs of the area, the cost-benefit merits of the proposal, and the appropriateness of the proposal with regard to other alternatives. (Secs 2031-2035)

The House amendment contains: a policy statement that telecommunications technology and services improve the quality of life in rural areas, and that the Rural Telephone Bank and REA should make loans to facilitate the development and enhancement of rural telecommunications infrastructure; and new authority for the Administrator of the Rural Development Administration (organized under this Act) to provide low-interest and market rate loans to one or more rural businesses, local governments or public agencies to fund facilities to share telecommunications terminal equipment, computers and computer systems and software.

The projects must be approved through the State review panel (established under sections 2001 and 2002 of the House amendment). $75 million over five years at $15 million per year is authorized. (Secs. 2502, 2801, 2811 and 2812)

The Conference substitute adopts the Senate provision with an amendment to delete eligibility for rural businesses and to adopt the House provision for a loan program to rural business partnerships for telecommunications.

Two amendments are made to the Senate provision: (1) Applications for grants must include information indicating that a wide variety of additional telecommunications service providers have been consulted prior to approval of the application for the project; and (2) the Administrator is required to provide notice of, and make available, applications received for grants for rural telecommunications programs.

(16) Sec. 2335-2337. Rural communications access to advanced telecommunications

The House amendment allows business partnerships to apply for loans to the Secretary for the communications terminal equipment. There are authorized to be appropriated $15 million for each of fiscal years 1991 through 1995.

The Senate bill contains no comparable provisions.

The Conference substitute adopts the House provision with an amendment to not require that the State review panels analyze these applications except for the up to 5 States which have such panels.

The Managers wish to point out that rural development has been an issue of importance to both Committees during the 101st Congress. Dozens of public hearings gave Members the opportunity to hear from hundreds of witnesses. One of the major lessons learned from this process was that a vast number of diverse businesses, groups and organizations are anxious, able and willing to participate in the rural economic development effort. In this regard, the managers instruct the Secretary of Agriculture to make the broadest possible interpretation of eligibility to receive grants under the Department's rural development programs.

The Managers are concerned that the Federal resources provided in this Act not only act as a catalyst in the economic revitalization of rural areas through the activation of the broadest range of participants, but that the funds be used prudently and to their best advantage. End users should be encouraged to avail themselves of the vast array of services of already existing federally sponsored institutions providing technical assistance and research and development of proven approaches and programs. Partnerships between end users and the myriad of Federal and State sponsored technical and research organizations are to be encouraged.

In strengthening the capabilities of the rural labor force, the Secretary should make every effort to coordinate with other Federal and State programs already authorized, such as those operated under the Rural Electrification Administration, the Jobs Training Partnership Act, the Vocational Education Act, land grant and community colleges, regional education laboratories and vocational/technical schools.

The Enhancing Human Resources subtitle is designed to provide access to advanced telecommunications to improve rural opportunities, particularly for rural schools, rural health care providers and rural businesses. This subtitle establishes new grants and low-interest loan programs which will be administered by the REA and the Secretary, for rural areas to accomplish this purpose. The grants and low-interest loans are for up to 100 percent of the cost for an approved project and grants and low-interest loans are awarded to approved end users.

The program is intended to be "technology neutral" so that rural communities may determine the appropriate technology delivery system for their particular area. This is consistent with recommendations by the Office of Technology Assessment. The program also allows grantees to either lease or purchase telecommunications equipment.

The REA will establish and implement this program, as well as publicize and promote it in rural areas. In addition, the REA will assist grant and loan applications by developing qualifying technical standards that these telecommunications systems should meet to be eligible for funding.

(17) Sec. 2341. Local technical assistance grants

The Senate bill expands the existing FmHA program to authorize the Secretary to make grants to public bodies, private nonprofit community development corporations or entities, or other agencies the Secretary may select, to implement a program to identify and analyze business opportunities for rural areas; assist rural entrepreneurs and managers; establish business support centers, etc.; and aid in strategic planning and leadership development. Authorizes $7.5 million annually. (Sec. 2045)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment clarifying that recipients of grants should coordinate activities with the Extension Service.

(18) Sec. 2342. Rural emergency assistance loans

The Senate bill authorizes the Secretary to make short-term loans (not exceeding $50,000) to any town or city with a population under 20,000 to correct emergency conditions or situations needing urgent attention. The loans are issued to give the community time to obtain alternative financing and must be repaid within 2 years, or sooner. This program will be targeted to needy rural communities. Authorizes $2.5 million in 1991 and $5 million annually thereafter. (Sec. 2046)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(19) Sec. 2343. REA technical assistance unit

The Senate bill instructs REA to set up a technical assistance unit to provide advice and guidance to borrowers concerning community and economic development activities. It requires at least 1% of REA administrative funding to be used for a technical assistance unit. (Sec. 2020(e))

The House amendment requires the Administrator of REA to establish a technical assistance unit to provide advice and guidance to REA borrowers on investing in rural development activities; authorizes rural development pilot projects; and act as a clearinghouse for borrowers who wish to undertake rural development; and to promote partnerships between borrowers and other

entities to improve rural development. It requires that at least 3% of REA administrative funds must be applied to the new unit. (Sec. 2101)

The Conference substitute adopts the House provision with an amendment which sets aside at least 2% of REA administrative funds for the technical assistance unit.

(20) Sec. 2344. Deferment of payment on economic development loans

The Senate bill allows REA borrowers to defer making any loan payment if funds in an amount equal to the deferment (for 5 or 10 years) are used for rural development financing, if the amount deferred represents not more than half of the cost of the community or economic development project financed, and if the borrower makes a "cushion of credit" payment to REA equal to the amount deferred. (These cushion of credit accounts earn interest at 5% from REA.)

The full amount deferred must be paid to REA in equal installments beginning on the date of deferment, without the accrual of interest. The difference between the zero percent interest at which the borrower repays the deferred loan payment and the 5% rate constitutes the Federal incentive provided to the borrower to make the rural development investments. (Section 2021)

The House amendment is similar to the Senate provision. (Sec. 2102)

The Conference substitute adopts the House provision with technical amendments and clarification that the program is subject to appropriations.

(21) Sec. 2345. Rural economic development—Incubators

The Senate bill requires the Administrator to provide advice, and technical, financial and informational assistance to REA borrowers to encourage investment in rural development. The Administrator is also required to establish a business incubator fund to provide grants and loans to REA borrowers, and nonprofit organizations in areas sparsely served by REA borrowers, to promote, create or operate business incubators in rural areas. The bill authorizes $10 million annually for the fund, up to a capitalization of $60 million. REA borrowers must contribute some of their own capital to the fund. (Sec. 2023)

The Senate bill includes a statement of Federal policy to encourage and support the development and operation of business incubators and directs the heads of various Federal agencies to review current grant and loan rules and regulations to make sure that business incubators are eligible for funding. The results of the reviews are to be submitted to appropriate House and Senate committees. (Sec. 2025)

The House amendment contains no comparable provisions.

The Conference substitute adopts the Senate provisions.

(22) Sec. 2346. Extension service

The Senate bill encourages States to hire additional specialists through Cooperative Extension Service (State or county) to assist individuals in creating new businesses, or to assist existing businesses regarding technologies, management, planning and other related matters. As the incentive to hire new rural development agents, the federal program will pay 60% of the salary of the rural development specialists and 100% for such specialist at 1890 land-grant colleges and Tuskegee University. These activities must be coordinated with the Small Business Administration to ensure no duplication. It authorizes $50 million over five years, and permanently authorizes $20 million annually thereafter. (Sec. 2041)

The House amendment expands current law to set up a national program administered by the Extension Service to provide training, technical and management assistance to rural citizens for entrepreneurship, self-employment opportunities, leadership development, telecommunications training and other assistance. The program also authorizes State extension service programs to compile a catalog of state, federal and other programs available to provide training or other such services. The Secretary is required to establish procedures to train extension personnel to understand the availability of rural development programs in their respective states. No additional funding is authorized. (Sec. 2301)

The Conference substitute adopts the Senate provision with an amendment to combine the House and Senate programs and carryout the intent of both provisions. Changes are made to clarify the intent of the program, and to provide that the National Agricultural Library Clearinghouse shall develop the catalog of programs available to rural communities, rather than the State extension offices.

(23) Sec. 2347. Rural technology grants

The House amendment authorizes the Secretary to set up a program and make grants through FmHA to nonprofit institutions to establish and operate all-purpose centers for rural technology or cooperative development.

The centers will research and study principles, facts and technology which may be useful to rural areas, and transfer this technology through training, grants and loans to small businesses, technical assistance and other types of support. The centers should consult with land grants, business, industry, education and governments. Authorizes $50 million for next three years. (Sec. 2202)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a technical amendment.

(24) Sec. 2348. Demonstration projects

The House amendment contains a new program for the Secretary to provide competitive grants to rural areas to serve as demonstration areas for rural economic development. The grants will go to land-grant colleges, agricultural experiment stations to evaluate the impact of Federal and State aid on economic competitiveness. $3 million is authorized per year. (Secs. 2403 and 2404)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with a clarifying amendment.

(25) Sec. 2349. Rural development research assistance

The Senate bill adds authority to existing competitive research grants program to award grants to land-grant colleges and universities, State agricultural experiment stations, nonprofit organizations specializing in applied research, etc. for research to improve competitiveness and diversification, strategic planning, human resources, and the data base for rural development decision making. The Secretary shall establish a program for matching grants to promote technology transfer, innovation, and new product development. Institutions as well as nonprofit organizations that have the capacity to carry out such activities are eligible to apply. A one-to-one financial match is required. $2 million per year is authorized to be appropriated for this purpose. (Sec. 2076)

The House amendment adds a similar program except that the authorization is for $3 million annually. (Sec. 2404)

The Conference substitute adopts House provisions with an amendment incorporating some of the Senate provisions.

(26) Sec. 2350. REA Assistant Administrator

The Senate bill requires the REA Administrator to appoint an Assistant Administrator for Economic Development to carry out REA programs involving borrowers in community and economic development. Ten to 20 percent of administrative funds may be dedicated to activities of the new Assistant Administrator. (Sec. 2020)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

Subtitle F—Rural Electrification Act provisions

(27) Secs. 2351-2369. Rural telephone program provisions

The House amendment in subtitle F contains a number of provisions concerning the Rural Electrification Act primarily regarding rural telephone program borrowers. These provisions update definitions, encourage telephone company investments, set forth general duties and prohibitions, separate electric and telephone assets, describe new amortization periods and TIER requirements, clarify the telephone loan guarantee authority, modify the RTB board, provide for full capitalization of RTB Class A stock, require full use of bank loan levels, and provide other technical changes.

The Senate bill contains no comparable provisions.

The Conference substitute adopts the House provisions with amendments to exclude from being published agency management and personnel matters unrelated to policies governing the operations of the telephone loan and loan guarantee programs (section 2357). The Conference substitute also deletes sections on nonduplication (section 2521), full capitalization (section 2542), and full use of telephone loan levels (section 2546), and deletes proposed paragraph 2 of section 18 of the Rural Electrification Act (section 2511).

Subtitle G—Rural Revitalization Through Forestry

(28) Secs. 2371-2379. Assistance to communities dependent on natural resources

The Senate bill provides additional funds for a reforestation trust fund for economic diversification assistance to rural communities dependent to a significant degree on Forest Service resource management decisions for their local economic activity. Authorizes $10 million per year for this purpose. (Sec. 2074)

The House amendment provides additional funds for the Reforestation Trust Fund by increasing the amount of assistance available to forestry-dependent communities, upon request, to involve Forest Service management "action teams" in planning economic diversification for the community. Authorizes an amount equal to 5% of sums received ($40 million) by the Secretary, and such sums as may be necessary, from sales of timber and other products of the forests, and of user fees of forest lands; and such sums as may be necessary. It also provides for financial assistance to implement projects designed to diversify local economies. It further provides for training and

education for displaced forestry workers. (Secs. 2701-2708)

The Conference substitute adopts the House provisions with an amendment to combine the two programs and make them subject to appropriations.

Subtitle H—Miscellaneous Provisions

(29) Sec. 2381. National Rural Information Center Clearinghouse

The Senate bill establishes within the National Agricultural Library (NAL) a clearinghouse to provide and distribute information to industry, organizations, governments, on request, about programs and services available to rural areas, including job training, education, health care, economic development, and emotional and financial counseling. It authorizes $500,000 annually through 1995. (Sec. 2051)

The House amendment provides for rural development information sharing. (Sec. 2201)

The Conference substitute adopts the Senate provision with an amendment to clarify that the National Agricultural Library should disseminate information to rural areas using telecommunications technology.

(30) Sec. 2382. Monitoring the economic progress of rural America

The Senate bill requires Bureau of Census to expand data collection efforts for rural counties and communities, including data on employment, poverty and income, and the rural labor force. $1 million is authorized per year. (Sec. 2071)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that the data be collected in consultation with the USDA Economic Research Service.

(31) Sec. 2383. Loan rates applicable to certain loans under the Consolidated Farm and Rural Development Act

The Senate bill requires the Secretary to set loan rates for health care and related facilities based solely on the income of the area to be served. (Sec. 2073)

The House amendment is the same as the Senate except for minor technical changes. (Sec. 2603)

The Conference substitute adopts the House provision.

(32) Sec. 2384. Assistance for certain distressed community facility program borrowers

The Senate bill states that the Secretary shall establish and implement a program for debt restructuring and loan servicing procedures which shall apply to delinquent community facility loans made by FmHA to hospitals or health care facilities. (Sec. 2075)

The House amendment is the same as the Senate with minor technical differences. (Sec. 2604)

The Conference substitute adopts the House provision.

(33) Sec. 2385. Analysis by Office of Technology Assessment (OTA)

The Senate bill states that the Office of Technology Assessment is instructed to analyze the effect of new information technology on rural America, the ability of rural citizens to acquire advanced technology, and recommend ways in which the Library of Congress may connect with rural citizens by computer to share information in the national library. (Sec. 2078)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(34) Sec. 2386. Grants to broadcasting systems

The Senate bill demonstrates the effectiveness in providing information on agriculture and other issues of importance to farmers and rural residents. (Sec. 2081)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(35) Sec. 2387. Merger of certain rural electric cooperatives

The Senate bill states that a direct or insured loan may be prepaid by a borrower (from the Rural Electrification Administration) at present balance or present discounted value (whichever is less) if the borrower is an electrical organization which resulted from a merger between a REA borrower and an organization which (before October 1, 1987) prepaid its direct or insured loans under section 306B of the Rural Electrification Act.

Prepayments by a borrower shall be made not later than one year after the effective date of the merger. The provision raises $9 million in revenue over next 5 years since it encourages the early payment of low-interest loans to REA. The provisions encourage the mergers of electric cooperatives where one has previously pre-paid REA loans. The provision allows the merged coop to pre-pay its REA debt and then not be subject to operating restrictions of two different lenders. (Sec. 2084)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with a technical amendment clarifying that it only affects electric borrowers.

(36) Sec. 2388. Technical corrections in the Consolidated Farm and Rural Development Act

The House amendment makes technical corrections in the Consolidated Farm and Rural Development Act. (Sec. 2609)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(37) Sec. 2389. Grants for financially stressed farmers

The Senate bill extends the current program through 1995 and also allows for assistance to local officials and groups in developing income and employment alternatives. The program provides that not less than one-third of grants to states may be used to provide clinical outreach counseling and crisis management assistance through appropriate state officials. (Sec. 1493)

The House amendment is similar to the Senate, but requires that not less than half the grants funds be used for clinical outreach counseling and crisis management assistance. States currently participating in the program are eligible to receive grants as long as not less than half the grant funds go to clinical outreach and counseling. (Sec. 1317)

The Conference substitute adopts the House provision with an amendment to clarify that the 50 percent requirement refers to a combined total for these programs and that the crisis management assistance does not necessarily need to be in a clinical setting. The Conference amendment also clarifies that eligible providers do not necessarily have to be State agencies and that a memorandum of understanding is in effect to transfer the funds to other entities. Finally, the amendment makes a technical correction to the provision to clarify that States with existing programs are eligible for funding as long as they meet new requirements of the program and removes the prohibition of any increases in the level of funding for those programs.

(38) Sec. 2390. Rural health and safety education

The Senate bill amends section 502 of the Rural Development Act of 1972 to authorize the Secretary to make grants to States to establish programs to provide individual and family health education and information and training to farm workers, timber harvesters and farm families concerning safety in the work place. The programs shall be coordinated with State offices of rural health, and shall work in concurrence with land-grant universities and other universities to determine the type of rural health and safety education program needed in the State. (Sec. 1495)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to include requirements for coordination with other appropriate agencies within the Department of Health and Human Services, and with universities which receive Rural Health Research Center grants.

(39) Sec. 2391. Rural health infrastructure improvement

The Senate bill states that the Secretary shall award a grant for a project to demonstrate a model approach to improving rural health infrastructure. The project shall carry out health needs assessments, coordinate health resources, and improve community health infrastructure. Coordination shall be through Cooperative Extension Service. Such sums as are necessary are authorized to be appropriated. (Sec. 1497)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to clarify the goals of the project to improve the existing network and rural health infrastructure by involving the Cooperative Extension Service, community-based citizens organizations and an academic medical center to more effectively identify and develop a plan to coordinate rural health infrastructure resources and needs of underdeveloped rural counties that evidence severe social, economic and health-related problems.

The amendment includes coordination and information sharing with Area Health Education Centers, the Extension Service and other appropriate rural health agencies to facilitate transferring a model approach to other rural areas.

(40) Sec. 2392. Census of agriculture

The Senate bill states that the Secretary of Commerce shall include questions relating to agricultural accidents and farm safety in the 1992 Census of Agriculture. (Sec. 1498f)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision.

(41) Sec. 2393. Limitation on conditions for water and sewer grants and loans

The House amendment specifies that in making or insuring loans or making grants under this subsection, the Secretary may

not condition approval of such loans or grants upon any requirement, condition or certification other than those specified under the Con Act.

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(42) Sec. 2394. Encouragement of private contracting

The House amendment requires the Secretary to develop a plan to encourage the use of private enterprises in rural areas to carry out the purposes of title XXIII of the House amendment. (Sec. 2602)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(43) Sec. 2395. Preservation of eligibility

The House amendment provides that nothing in the Act shall adversely affect the eligibility of cooperatives or other entities for any other credit assistance under Federal law. (Sec. 2606)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision.

(44) Sec. 2396. Regulations

The House amendment specifies that except as otherwise provided, no later than 180 days after the date of the enactment, the Secretary shall promulgate such regulations as may be necessary.

The Senate bill contains no comparable provisions.

The Conference substitute adopts the House provision.

Additional provisions deleted in Conference

(45) Findings and Purpose

The Senate bill contains findings and a purpose that reflect that: (1) the economic well-being of America is vital to overall national growth and prosperity; (2) many rural areas suffer from a lack of industrial and business diversity; (3) rural poverty rates are significantly higher than metropolitan rates, and rural per capita income is significantly lower than metropolitan per capital income; (4) the lack of advanced telecommunications in rural areas impedes economic growth; and (5) a more robust rural economy will make the United States more competitive in the world market. (Sec. 2002)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(46) Grants for Emergency Public Safety Telephone Answering Systems

The House amendment requires the Under Secretary of Rural Development to make grants to local governments (not exceeding $30,000 to each) for the development of emergency public safety telephone answering systems. It authorizes a total of $15 million over five years ($3 million per year). (Sec. 2822)

The Senate bill has no comparable provision.

The Conference substitute deletes the House provision.

(47) Study on the Use of Telecommunications Infrastructure by Businesses in Rural Areas

The House amendment requires the Secretary to conduct a study on the availability and needs of rural telecommunications infrastructure and make recommendations to promote rural economic development through advanced telecommunications. (Sec. 2823)

The Senate amendment contains no comparable provision.

The Conference substitute deletes the House provision.

(48) Rural Development Assistance Information and Availability

The Senate bill requires the Secretary (1) to study economically distressed rural counties to evaluate the needs for rural development assistance, the nature and availability of such assistance; and (2) to report annually for 3 years. It establishes a new program, in conjunction with the National Agricultural Library, to provide information to rural and nonmetropolitan areas on rural development matters and availability of federal assistance. (Sec. 2042)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(49) Report on data processing feasibility in rural areas

The Senate bill requires a report to Congress on the feasibility of moving Department of Agriculture data processing functions to rural areas. (Sec. 2044)

The House amendment instructs the Secretary to report on the telecommunications abilities of rural areas, prepare a list indicating which have telecommunications capability and to direct federal data processing to those areas. It also directs the Secretary to study the availability of telecommunications infrastructure by small and large businesses in rural areas. (Secs. 2821 and 2823)

The Conference substitute deletes both the Senate and House provisions.

(50) Historic preservation requirements

The Senate bill requires the Secretary of the Interior to prescribe and implement regulations concerning rural development projects under this Act as they may affect the preservation of historic properties. (Sec. 2072)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision. The Managers further instruct the Secretary to prescribe and implement such regulations immediately and to report to both the House and Senate Agriculture Committees upon completion of the regulations.

(51) B&I Loans

a. Business and industry loan program applications.

The Senate bill requires that applications for business and industry loans not be disapproved solely because of the lack of funds, but that they should be placed on pending status for reconsideration when funds are next available. (Sec. 2077)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

b. Limitation on size of loans.

The House amendment reduces the maximum size of loans for the Federal business and industry program to target loans to small (fewer than 500 employees) and very small (fewer than 30 employees) rural businesses for startup and expansion costs. Reduces current law maximum loan from $25 million to $5 million. State Review Panels will make appropriate ranking recommendations regarding applications from businesses for grants and loans. (Sec. 2104)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(52) Sense of Congress concerning toll rate averaging

The Senate bill states that this section expresses the sense of the Senate that because of the importance of telecommunications to rural economic development and because uniform averaged rates for toll calls prevent price discrimination for telephone service to rural areas, toll rate averaging should be defined as the cornerstone of universal service and should be maintained. (Sec. 2079)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(53) National Endowment for Rural Development

The Senate bill expresses the sense of the Senate that a National Endowment for Rural Development should be established and directs the Executive Office of the President to review the idea. (Sec. 2080)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(54) Economic impact statements

The Senate bill requires that any regulations for rural development activities under this Act must include an economic impact assessment concerning such regulations on rural communities and businesses. (Sec. 2082)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(55) National Rural Development and Finance Corporations

The Senate bill reauthorizes the National Rural Development and Finance Corporation through fiscal year 1991, and makes technical changes in the program. Loan guarantees limited to 15 years. (Sec. 2083)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(56) State Programs not Affected

The House amendment includes a provision to clarify that nothing in the Act is intended to preclude States from creating and maintaining other rural development programs. (Sec. 2608)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(57) Research Program on Nontraditional Uses of Agricultural Products

The House amendment contains a new program for the Secretary to provide competitive research grants for new nonfood, nonfeed products or processes (using agricultural commodities) with a priority given to those which may be commercially implemented by small rural businesses. (Sec. 2401)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(58) Authority for Rural Development Research Competitive Grants

The House amendment contains a new program for the Secretary to provide com-

petitive grants to research social, economic and other factors influencing the economic vitality of rural areas. There is no authorization for this program. (Sec. 2402)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(59) State Rural Development Programs

The House amendment contains a sense of Congress that the provisions in this Act do not preclude States from conducting other rural development programs. (Sec. 2608)

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The Managers would like to encourage State and local government in any and all efforts to promote rural development. The programs authorized under this Act are intended to compliment and enhance the ability of rural areas to conduct rural development activities.

(60) Farm Safety

The Senate bill provides that this subtitle be cited as the "Farm Injury Prevention and Treatment Act of 1990" and finds that: farming is one of the most dangerous occupations in the United States; farmers face unique severe injuries; the national interest would be served by an increased public knowledge on farm safety issues and medical treatment and rehabilitation services for farm injuries.

This section also provides definitions, and establishes a 17 member Farm Safety Task Force in the Department of Agriculture to advise the Secretary of Agriculture and the Secretary of Health and Human Services. Specific membership requirements are listed. Appropriations of $250,000 are authorized to pay the administrative expenses of the Task Force for fiscal years 1991 through 1995. The Secretaries at Agriculture and Health and Human Services are authorized to appoint and determine the compensation of such staff and temporary experts and consultants as the Task Force determines to be necessary to carry out the duties of the Task Force.

The bill further calls for farm accident prevention and tractor roll-over studies, and also provides for farm machinery research grants concerning machinery safety improvements. The bill provides grants to improve the recognition, care and rehabilitation of farm injuries and grants to study injury mechanisms. In addition, grants were provided for farm safety education efforts (Sec. 1498.)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision except for enhanced data collection regarding farm injuries and accidents. The Managers believe that the bill would be duplicative of existing programs. The current program is being implemented by the Secretary of Health and Human Services in cooperation with the USDA Extension Service. The Managers support that program and has included an additional program for rehabilitation and assistive technology for farmers with disabilities in the conference substitute (in the research title). The Managers also believe that a consistent and reliable source of data through appropriate Census questions will help to guide Federal policy in further support of farm safety in the future.

TITLE XXIV—GLOBAL CLIMATE CHANGE

(1) Short Title

The Senate bill's short title is "Global Climate Change Prevention Act of 1990" (Sec. 1921).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(2) Findings

The Senate bill lists several findings of Congress (Sec. 1922).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(3) Office of Climate Change

The Senate bill provides for establishment of an Office of Climate Change within USDA to serve as a focal point for coordinating all issues of climate change. The Director of the Office shall be appointed by the Secretary and report to the Assistant Secretary designated by the Secretary to be responsible for all climate change activities.

The Office shall serve as a liaison with other agencies and shall ensure that the impacts of climate change on agriculture and forestry are fully understood and addressed (Sec. 1923).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to (1) convert the Office into the "Global Climate Change Program" which would be implemented under the direction of a Program Director and established in an office designated by the Secretary, and (2) make minor modifications to the general duties and the specific responsibilities of the Program.

(4) Study on Agriculture and Forestry Implications of Climate Change

The Senate bill directs the Secretary to conduct a study on the implications of global climate change for agriculture and forestry (Sec. 1924).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

Research on Global Climate Change, Forests, and Agriculture

(5) Short Title

The Senate bill's short title of this subchapter is the "Domestic Research on Global climate change, Forests, and Agriculture Act of 1990" (Sec. 1925).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(6) Findings

The Senate bill lists several findings of Congress. Congress finds, among other things, that the Earth's atmosphere is changing; temperature increase and other climatological phenomena are likely to result from emissions; studies show that global climate change is likely to cause changes in major crop growing areas and that such changes could lead to problems with the world food supply; understanding the potential risks of global climate change to agriculture and forestry is important to formulating programs to limit emissions; and forests and agricultural systems may offer the potential for limitation of emissions through changes in practices (Sec. 1926).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(7) Purposes

The Senate bill states that the primary purpose of this subchapter is to identify research priorities and direct research for examining the effects of global climate change on forests and agricultural productivity and to determine and demonstrate possible changes in forest management and agricultural practices that could reduce emissions (Sec. 1927).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(8) Research Studies

The Senate bill provides that the Secretary shall conduct a study on the effects of global climate change on rice production and if the results of the research warrant, conduct a study that addresses the means of mitigating the impacts of global climate change on rice. There are authorized to be appropriated for each of the fiscal years 1991 through 1994, $2,000,000 to carry out this study.

The Secretary shall conduct experimental studies on the effects of global climate change on the production of major U.S. crops. If the results of the study warrant, the Secretary shall conduct further studies that address the means of mitigating the impacts of global climate change on major U.S. crops. There are authorized to be appropriated for each of the fiscal years 1991 through 1996, $4,000,000 to carry out this study.

The Secretary shall conduct a study on methane emissions from U.S. and Asian irrigated rice production. There are authorized to be appropriated for each of the fiscal years 1991 through 1993, $1,000,000 to carry out this study.

The Secretary shall conduct a study concerning the magnitude and types of emissions from nitrogen intensive crops and the means for reducing emissions. There are authorized to be appropriated for each of the fiscal years 1991 through 1993, $1,000,000 to carry out this study.

Based on certain findings, including that animals are a major source of human food, the Secretary shall establish a Methane Emissions Program to evaluate the feasibility and costs of options for achieving reductions in methane emissions from animal management activities. The Program shall also evaluate options for the beneficial utilization of methane. Within 18 months of enactment the Secretary shall submit to Congress a report concerning the options evaluated and recommendations for studies and demonstration projects that will improve the public understanding of opportunities for reducing and using methane emissions from agriculture-related activities. Within 6 months of submission of the report, the Secretary shall initiate studies and demonstration projects. There are authorized to be appropriated to carry out these activities, $5,000,000 for fiscal year 1991, and $7,000,000 for each of the fiscal years 1992 and 1993.

The Secretary shall conduct a study on the emissions of methane, nitrous oxide, and hydrocarbons from tropical and temperate forests, the manner in which global change may affect emissions, and the manner in which such emissions may be reduced through management practices.

There are authorized to be appropriated for each of the fiscal years 1991 through 1993, $2,000,000 to carry out this study (Sec. 1928).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provisions contained in Section 1928 (a)(3) (A) and (B) (with respect to crops of economic significance) and Section (c)(2) (A) and (B) (with respect to forests) of the Senate bill.

The Managers are concerned that increases in temperature pose large potential risks to crops grown widely in the United States and, accordingly, the Conference substitute mandates studies of crops of economic significance, such as corn, sorghum, wheat, soybeans, and millet. Preliminary studies show that these grains are adversely affected by high temperatures during phases of early growth, flowering and ripening. Studies also show that the viability and vigor of the next generation of seed are adversely affected by high temperatures during the development phases of millet and soybeans. Similarly, the Conference substitute provides for a forestry study to examine whether alternative forest management strategies can mitigate negative effects of global climate change and to examine forest emissions.

In addition to the studies provided for in the Conference substitute, the Managers urge USDA to broaden its global climate change research agenda to include other important areas. For example, several studies have shown that rice is currently grown in conditions that are warmer than those for optimal productivity and that further increases in temperature will have a dramatic effect on production levels. The impacts on rice of combined increases of temperatures and changed hydrologic regimes are unknown but could potentially be worse than with high temperatures alone. Research is necessary to assess the risks to rice from global climate change and to determine how to mitigate against these risks where necessary and feasible. For example, if rice varieties are found to be harmed by high temperatures (and by high levels of carbon dioxide and different hydrologic regimes) it may be possible to breed new varieties which are tolerant to global climate change in the same manner as tolerance to drought, pests and salinity have been bred into rice plants over the last decades. The need for these programs must be determined soon however, because it takes many years to develop and fully test new plant varieties.

The Managers believe it is important that USDA conduct analysis of potential emissions from agricultural and forestry practices, with a view to, where possible, developing programs to limit emissions. Activities such as rice cultivation, nitrogen intensive crop use, improper soil management, land conversion (deforestation) and biomass burning are significant contributors to emissions of greenhouse gases. The Managers are aware that much work is being done in this area and that if USDA does not become involved this work will continue without the important agricultural knowledge base residing in USDA.

Much more needs to be known about the nature and extent of these emissions as well as the potential for certain agricultural and forestry practices to reduce emissions and to mitigate their effects. Given the increasing need for food associated with population increases, it is important that strategies for reducing emissions be developed that simultaneously contribute to higher productivity and increased farmers' incomes. While a number of opportunities have been identified for reducing emissions from forests and agricultural systems, and some of these opportunities have been identified as economically viable in their own right, much more work is necessary to further develop and demonstrate these options and effect their widespread use.

(9) Coordination

The Senate bill directs the Secretary to coordinate the planning and implementation of the activities required to be carried out under this subchapter with the Committee on Earth Sciences and the EPA and to submit to EPA a report concerning the options for reducing methane emissions from livestock and rice on a schedule compatible with the needs of the EPA to assist in the preparation of reduction plans for all methane sources (Sec. 1929).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(10) Technical Advisory Committee

The Senate bill directs the Secretary to establish a technical advisory committee (Section 1930).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with minor modifications.

CHAPTER 2 FORESTRY AND GLOBAL CLIMATE CHANGE.

International Forestry Cooperation.

(11) Short Title

The Senate bill's short title of subchapter A is the "International Forestry Cooperation Act of 1990" (Sec. 1931).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(12) Findings and Purpose

The Senate bill lists certain findings of Congress including that forests in many parts of the world are rapidly declining; deforestation in the tropics is a major contributor to global climate change; and global forestry and natural resource problems require global solutions that can only be achieved through international cooperation.

The purpose of this subchapter is to encourage cooperation with other countries as they seek to achieve sustainable economic development through sound natural resource management (Sec 1932).

The House amendment has no comparable provision.

The Conference deletes the Senate provision.

(13) Forestry and Related Natural Resource Assistance

The Senate bill states that remedial actions with respect to forestry policy and resource conservation undertaken by a relatively few key countries could have a substantial impact on emissions of greenhouse gases, and the Secretary is required to focus global climate change international activities on these key countries.

The Secretary may, among other things, provide assistance that promotes development and global environmental stability and provide skills related to public and private natural resource administration, education and training opportunities, and opportunities for scientific exchange and cooperative research with foreign entities.

The Secretary shall undertake these activities in countries that receive assistance from AID only at the request, or with the concurrence, of the Administrator of AID (Sec. 1933).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(14) Tropical Deforestation and Assistance

The Senate bill authorizes the Secretary to support and actively participate in global and regional meetings to refine the Tropical Forestry Action Plan; provide assistance to and cooperate with tropical countries in forestry activities; provide staff, nonsensitive technologies and satellite imagery, and financial assistance to the Food and Agriculture Organization tropical forestry development activities (Sec. 1934).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(15) Training for Tropical Forest Management and Conservation

The Senate bill provides that the Secretary may, among other things, develop partnerships with tropical forestry management institutions; develop cooperation with schools in the U.S. and in tropical countries; manage the Caribbean National Forest Luquillo Experimental Forest to demonstrate sustainable management techniques; and assist tropical country entities to encourage local level sustainable tropical forestry management (Sec.1935).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(16) Institute of Tropical Forestry

The Senate bill authorizes the Secretary to expand the capabilities of and construct additional facilities at the Caribbean National Forest and Institute of Tropical Forestry in Puerto Rico. Not later than 1 year after enactment, the Secretary shall submit to the appropriate committees of Congress, a tropical forestry plan for the expansion and construction of additional facilities (Sec. 1936).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to establish an Institute of Tropical Forestry in Puerto Rico and an Institute of Pacific Islands Forestry and specifies that they shall conduct research on forest management and natural resources relating primarily to tropical forests.

(17) Administrative Provisions

The Senate bill requires the Secretary to coordinate all activities outside of the U.S. as the President may require. The Secretary may provide assistance without reimbursement (Sec. 1937).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(18) Authorization of Appropriations

The Senate bill authorizes such sums as may be necessary to be appropriated to carry out this subtitle (Sec. 1938).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to

provide funding for fiscal years 1991 through 1996.

(19) Conforming Amendments

The Senate bill contains several conforming amendments. Amendments are made to the Forest and Rangeland Renewable Resources Research Act to, among other things, include a new finding on the threat of global climate change and to authorize the Secretary to expand research activities to encompass international forestry and natural resource issues. The Cooperative Forestry Assistance Act is amended by adding a new finding on the problems of global climate change on an international scale and by expanding the authority of the Secretary to provide assistance to other countries in global climate change activities (Sec. 1939).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(20) Forestry Planning and Global Climate Change

The Senate bill amends the Forest and Rangeland Renewable Resources Planning Act of 1974 by requiring a detailed analysis of the potential effects of climate change on renewable resources and a detailed analysis of forestry opportunities to mitigate and reduce the risk of climate change from global climate change. (Sec.1940).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision, deleting requirements for addressing climate change concerns in revisions to land and resource management plans.

(21) Urban Forestry Demonstration Project

The Senate bill authorizes the Secretary to undertake a study and pilot implementation project to demonstrate the benefits of retaining and integrating forests in urban development. This project should be carried out through the Forest Service's Northeastern Area, State and Private Forestry program. (Sec. 1943A)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(22) Biomass Energy Demonstration Projects

The Senate bill says that the Secretary, in consultation with the Secretary of Energy, may carry out projects that demonstrate the potential of short-rotation silvicultural methods to produce wood for electricity production and industrial energy needs (Sec. 1944).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(23) Forestry Research and Global Climate Change

The Senate bill amends the Forest and Rangeland Renewable Resources Research Act of 1978 by adding a new section to direct research activities on global climate change topics. (Sec. 1945).

The House amendment has no comparable provision.

The Conference substitute deletes the Senate provision.

(24) Interagency Cooperation

The Senate bill authorizes the Secretary to enter into agreement with the Secretary of Defense to conduct a study of reforestation and improved management of military installations and lands; and develop a program to manage such forests and lands (Sec. 1946).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision.

(25) Authorization of Appropriations

The Senate bill authorizes appropriations for each of the Fiscal Years 1991 through 1993, $2,000,000 to carry out section 1946).

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to authorize such sums as may be necessary for the implementation of this title for Fiscal Years 1991 to 1996. See 18 above.

ADDITIONAL PROVISIONS

(26) Office of International Forestry

The Conference substitute provides for the establishment of an Office of International Forestry within the Forest Service, under a Deputy Chief.

The Managers intend that the Secretary, acting through the Chief of the Forest Service, should establish a new office in the Forest Service to comply with the requirements of this provision, and assign the duties of this office to a new Deputy Chief, not simply assign these new duties to an existing office or line officer. Activities of the Office of International Forestry in other countries shall be carried out after consultation and coordination with the Secretary of State and the Administrator of the Agency for International Development.

Line Item

The Conference substitute provides that the President's proposed budget to Congress shall specifically identify funds to be spent on Forest Service international cooperation and assistance.

TITLE XXV—OTHER RELATED PROVISIONS

Outreach and assistance for socially disadvantaged farmers

(1) Short title

The Senate bill provides that this subtitle be cited as "The Minority Farmers Rights Act of 1990." (Sec. 1981)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(2) Findings, policies and purposes

The Senate bill details the concerns and intentions of Congress in enacting these provisions to assist minorities in landownership and farming (Sec. 1982).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers note that the number of socially disadvantaged farmers has declined at an increasing rate as a result of limited educational opportunities and other related factors. Racial and ethnic diversity in the ownership of agricultural land and cultural diversity in the composition of the family farm population, agricultural communities, and rural population are important and beneficial to the United States. Therefore, the Managers believe that diversified ownership of agricultural land and farm operations throughout the United States should be encouraged.

(3) Definitions

The Senate bill defines the terms necessary for implementation of these provisions (Sec. 1983).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(4) Duties of the Secretary

The Senate bill provides that the Secretary shall establish programs and policies to carry out the objectives of this subtitle, and that the Undersecretary of Small Community and Rural Development shall be responsible for implementing such policies and programs.

Such activities shall include procedures: to identify, halt and prevent discrimination of minority farmers by any employee of USDA; to increase opportunities for minorities to become agricultural producers and farm ownership; and to reverse contraction of the minority agricultural landbase.

The Secretary is instructed to increase the duties, staff and budget of the Office of Advocacy and Enterprise (Office), as funds are available, to carry out policies and programs under this subtitle. (Sec. 1984)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers note that the Secretary should establish policies and programs to address the needs of socially disadvantaged farmers. Such policies and programs should include encouraging socially disadvantaged individuals to become agricultural producers and farm and ranch landowners.

(5) Outreach, education and assistance for socially disadvantaged farmers

The Senate bill amends section 623 of the Agricultural Credit Act of 1987 to provide for outreach education and technical assistance to encourage and assist minority farmers in land ownership and farming.

The bill authorizes the Secretary and the Director of the Office to provide grants, contracts and other agreements to community based organizations and post-secondary education institutions for education, advocacy or other services to minority farmers. Half of the funds available under this program shall go to community-based organizations, and half to institutions of post-secondary education (priority shall be given to institutions historically serving minority farmers in the region in which the institutions are located.)

It also authorizes $50 million over five years to carry out these programs (Sec. 1985).

The House amendment requires the Secretary to provide outreach and technical assistance through the Office of Advocacy and Enterprise (Office) to encourage and assist socially disadvantaged farmers to participate in the programs established or authorized in the Act. Assistance includes information on application and bidding procedures and other essential information needed to participate in the programs.

It also authorizes the Secretary and the Director of the Office to make grants and enter into contracts and other agreements in the furtherance of the program's objectives subject to the following conditions: (1) Of the amounts appropriated to carry out the program, 50 percent of such amounts are to be available only for grants and contracts to community based organizations with demonstrated experience and commit-

ment in providing education, advocacy, or other services to minority farmers. Such community based organizations must provide documentary evidence of—(A) their past experience and commitment of working with minority farmers during the two years preceding their application for assistance under section 1393; or (B) their ability and commitment to establish an organization to provide such services. (2) Of the amounts appropriated to carry out section 1393, 50 percent of such amounts will be available only for grants and contracts to institutions of postsecondary education, with a priority given to—(A) institutions eligible to receive 1890 Land-Grant Colleges including Tuskegee University; (B) Indian Tribal Community Colleges and Alaska Native Cooperative Colleges; (C) Hispanic Serving Institutions of Higher Education; and (D) other educational institutions with demonstrated experience in providing education, advocacy or other services to minority family farmers in their region.

Section 1393(c) requires the Director of the Office to submit an annual report to the Committees on Agriculture detailing on a State by State and county by county basis the rate of minority participation for each program under the Act.

Section 1393(c) further requires that each report required by section 1393(c) compare on a State by State and county by county basis the actual application rates, acceptance rates, and participation rates with the target participation rates established by the Secretary pursuant to section 355(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(a)(2)). The first report required by this section 1393(c) must be submitted not later than September 30, 1992.

The term "socially disadvantaged farmers" means those farmers who have been subjected to racial or ethnic prejudice, or cultural bias because of their identity as a member of a group without regard to their individual qualities. (Section 1393(d))

Section 1393(e) authorizes to be appropriated $10,000,000 for each fiscal year to carry out section 1393.

The Conference substitute adopts the House provision with an amendment. The amendment provides that the Secretary may make grants and enter into contracts to provide outreach and technical assistance for socially disadvantaged farmers to community-based organizations and postsecondary educational institutions.

The Managers expect the Department to utilize the enumerated organizations in conducting the outreach and assistance provided under this program. The Managers intend these funds to be divided between the postsecondary educational institutions and community-based organizations with demonstrated experience in providing agricultural education and other agricultural services to socially disadvantaged farmers and ranchers. Grants should be awarded on the basis of an organization's ability to deliver such agricultural services to socially disadvantaged farmers and ranchers and the need for such services within the community. The funds distributed under this section are to be utilized to provide agricultural services, including agricultural technical assistance, directly to socially disadvantaged farmers. The Managers note that these services should consist of assistance necessary for the successful and profitable operation of a farm. (Sec. 2501)

(6) Development of national minority farmer and land registry

The Senate bill requires the Secretary to develop and maintain a voluntary "National Minority Farmer and Land Registry." This registry shall list the names of all minority farmers in the United States, at their discretion, and the legal description of the acreage owned. Registration shall be available at each ASCS county office, and shall be maintained on a State-by-State, county-by-county basis.

The registry shall be used to identify and assist existing minority landowners, and to facilitate outreach to socially disadvantaged producers to encourage minority participation in agriculture. The Secretary shall publish the compiled registry no later than two years after enactment of this subtitle, and annual supplemental updates shall be compiled. This information shall be made available to the public (Sec. 1986).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(7) Preservation of minority agricultural land base

The Senate bill requires the Secretary, in consultation with Federal and state programs, private organizations and other interested parties, to take such steps as necessary and feasible to ensure that the minority agricultural landbase is not significantly reduced from such landbase as described in the initial publication of the National Minority Farmer and Land Registry. In pursuit of this, the Secretary shall administer and implement policies and programs to promote minority participation through education, outreach, technical assistance and targeted funding.

This section also requires the Secretary to implement a program to reverse the contraction of the minority agricultural landbase, including education, technical assistance, intra-agency coordination and other measures determined to be necessary by the Secretary.

This section also requires the Secretary to establish policies and procedures to encourage and assist "land banks" controlled by minority individuals. The Director of the Office of Advocacy and Enterprise shall implement these policies, and shall encourage and facilitate the participation of other federal and state agencies and private organizations in developing and operating such land banks (Sec. 1987).

The House amendment contains no comparable provision.

The Conference substitute rewrites the Senate provision to provide targeted direct operating loans to socially disadvantaged farmers through the Farmers Home Administration. It provides for the establishment of annual target participation rates, on a statewide basis, that shall ensure that socially disadvantaged farmers or ranchers will receive loans made or insured under subtitle B of the Consolidated Farm and Rural Development Act according to the percentage of socially disadvantaged farmers and ranchers in the state. If funding targeted for socially disadvantaged farmers and ranchers remains unused after a reasonable amount of time, such funds will remain for use within that state.

The Managers believe that fair access to governmental programs designed to assist the ownership and operation of family farms by members of socially disadvantaged groups is an important governmental objective. This legislation will serve as a positive move towards that objective at a minimal burden for others. (Sec. 2501)

(8) Minority participation rates in department programs

The Senate bill requires the Secretary to make funds available under the National Agricultural Research, Extension and Teaching Policy Act of 1977 to "1890's" colleges and other research institutions with minority enrollment of more than 50 percent, or to research projects specifically aimed at increasing minority farmer participation in agriculture. Community-based organizations with at least two years demonstrated experience in reaching minority constituencies may be eligible for research agreements under this program.

This section instructs the Secretary to assign and improve staff of the Agricultural Extension Service to implement the policies and programs under this subsection. The bill requires that specifically qualified individuals be assigned proportionately to counties based on participation goals for socially disadvantaged groups under section 355(a)(1) of the Consolidated Farm and Rural Development Act. The Secretary shall also develop and implement a plan to allocate a significant portion of Extension Services resources to increase and assist minority farmers. The Secretary shall also use qualified community based organizations to assist in carrying out this subsection.

The Secretary is further required to review minority participation in crop programs on a state-by-state, county-by-county basis. The review shall include a survey to identify reasons for participation and nonparticipation in crop programs; and other information on total crop base and payment yields for minority farmers, including how they compare to non-minority individuals. The review shall go through a public comment period. The findings of the review and the comments, along with recommendations to improve minority participation in crop programs, shall be published in a report to the Senate and House Agriculture Committees no later than September 30, 1991.

Subsection (2) of this section requires that county committees authorized under the Soil Conservation and Domestic Allotment Act shall provide notice through the local media to all minority farmers: of their eligibility for all farm programs not later than October 1 of each year; and when forfeited quotas and allotments become available under the Agricultural Adjustment Act of 1938 and how to apply for such quotas. The Director of the Office of Advocacy and Enterprise shall notify all participating community-based organizations by October 1 of each year of the terms and conditions of programs under this subsection.

The Secretary shall report of Congress biannually, beginning September 30, 1992, on departmental efforts to enhance minority participation, including specific participation goals, results, comparisons of funding for minority to nonminority farmers, and other purposes as described in the subsection (Sec. 1988).

The House amendment contains no comparable provision.

The Conference substitute rewrites the Senate provision to direct the Secretary to designate from existing federal personnel resources in the county or region a qualified person who shall implement the programs and policies established under this section. The substitute also includes a biannual report to Congress on departmental efforts to enhance minority participation and mi-

nority participation rates in farm programs. (Sec. 2501)

(9) Minority youth and minority first-time farmers

The Senate bill requires the Secretary to set up a comprehensive program to attract, assist and encourage minority first-time farmers in production agriculture, and minority youth in production agriculture, related agricultural industries and rural development. This program shall include demonstration programs. The Secretary may contract with 1890's colleges and Tuskegee University community-based organizations, or others, as appropriate, to carry out these programs.

This section authorizes $60 million to be appropriated over the next five years for these purposes (Sec. 1989).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

The Managers note that the Secretary should encourage minority first-time farmers and minority youth to become involved in production agriculture, related agricultural industries and rural development.

(10) Affirmative action, appeals and contracting review

The Senate bill directs the Secretary to analyze and report on the design and implementation of affirmative action programs and policies, the appeals process for complaints of discrimination, and contracting and purchasing practices employed by the Department. This report shall be concluded one year after enactment of this Act (Sec. 1990).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision. (Sec. 2501)

(11) Analysis by the General Accounting Office

The Senate bill requires the GAO to conduct a review of the progress and efforts by the Department in achieving the goals of this Act and of other farm programs administered by the Department to assist socially disadvantaged farmers (Sec. 1991).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(12) Effective date

The Senate bill sets the effective date for this subtitle and amendments made by this subtitle as October 1, 1990 (Sec. 1992).

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(13) Confidentiality of Information

The Senate bill provides that the Secretary must ensure that data provided by a particular respondent is not discernable or identifiable. "Respondent" replaces "person" and means any individual, business establishment, group, association, State or local agency or instrumentality, or other entity. The Senate bill also provides that nothing in the section is to affect the availability of such information under State or local law. (Sec. 1971)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

(14) Budget reconciliation instructions (S1978)

The Senate bill expresses the sense of the Senate that Congress shall comply with provisions of a budget summit agreement for fiscal years 1991-95 that would reduce budget authority and outlays for agricultural programs. The provisions also state that the budget process unfairly penalizes producers of commodities supported primarily by the Treasury relative to producers supported primarily by consumers. Whatever outlay reductions required by the budget process should be shared equitably between producers of such commodities (Sec. 1978).

The House amendment expresses the sense of the Congress that future spending reductions affecting commodity programs should be made on a targeted basis to protect support prices for the amount of commodities produced by family-sized farms. (Sec. 1121)

The Conference substitute deletes both the House and Senate provisions.

(15) Pet Protection

The Senate bill amends the Animal Welfare Act to prohibit dealers from obtaining dogs and cats at auctions in order to: prevent people from stealing animals to sell at auctions; require additional recordkeeping by dealers to ensure that animals are obtained from legal sources; extend the holding period at pounds at least five days including a Saturday to ensure sufficient time and opportunity for adoption or recovery; requires notification of persons that dogs and cats obtained by dealers may be used for research or educational purposes; and establish fines of $1,000 per dog or cat acquired or sold in violation of the law for first time offenders and $5,000 per animal for second time offenders; and permanent license revocation for third time offenders. (Sec. 1481)

The House bill contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment that removes the restriction of sources of animals, deletes the requirement that pets be held for at least a Saturday and adds new language regarding injunctive relief. The Managers note that most pet adoption occurs on Saturdays when people have the time to search for pets. The Managers direct the Secretary to urge pounds, shelters, and other entities holding dogs and cats to keep animals for at least one Saturday in order to provide individuals a reasonable opportunity to recover lost pets or to adopt new pets. (Sec. 2503)

(16) Control and eradication of plant pests (H1831)

The House amendment amends the Organic Act of 1944 by authorizing the Secretary to cooperate with the governments of all foreign countries in the control and eradication of plant pests. (Sec. 1831).

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision. (Sec. 2504)

(17) Cooperation in animal disease control

The House amendment amends section 11 of the Act of May 29, 1884 (21 U.S.C. 114b) to authorize cooperation with the Governments of all foreign countries and foreign or international organizations. (Sec. 1832).

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision (Sec. 2505).

(18) Pseudorabies

The Senate bill requires the Secretary to carry out a program for the eradication of pseudorabies in swine populations. The Secretary is required to provide that not less than 65 percent of the funds appropriated for any animal or plant disease or pest eradication or control program be used for eradication or control activities. Such sums as may be necessary are authorized to be appropriated for this program. (Sec. 1497B)

The House amendment has no comparable provision.

The Conference substitute adopts the Senate provision with an amendment limiting the requirement on fund distribution for pseudorabies eradication programs so as to not adversely affect any other plant disease or pest eradication or control program. (Sec. 2506)

(19) Regulation governing inspection of imported poultry (S1979)

The Senate bill expresses the Senate determination that the regulation promulgated by the Food Safety and Inspection Service (FSIS) with respect to poultry products offered for importation into the United States (allowing certification of a foreign inspection system that imposes requirements that are merely at least equal to those applicable in the U.S.) does not reflect the intent of the Congress. The Senate urges FSIS to repeal the October 30, 1989 regulation and promulgate a new regulation reflecting the intention of the Congress that imported poultry be subject to the same inspection, sanitary, quality, species verification, and residue standards applied to U.S. products, and that imported poultry is processed in facilities and under conditions that are the same as those under which similar U.S. products are processed. (Sec. 1979)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment providing that the section is an expression of the determination of the Congress. The Managers understand and appreciate that technical requirements might differ in other countries because of custom, practicality, or compelling local needs, and the Secretary should have the flexibility to accept as being in compliance with United States requirements those technical deviations that can be justified. For example, the color of dye used for identifying condemned products or the materials used for knives and other slaughter and processing implements would be of little consequence to the ultimate food safety objective, and, if different as between the United States and a country seeking export certification, should not interfere with such certification. The fundamental inspection system, intensity, procedures, and food safety standards, however, should be the same as those prevalent in the United States for any such country to be certified for export to the United States. (Sec. 2507)

(20) Additional inspection services.

The Senate bill authorizes the Secretary to enter into agreements with operators or owners of vessels to provide inspection services at ocean ports in addition to the regular or on-call basis currently available in connection with such ships. Such inspections should carry out regulations to prohibit or restrict the entry of materials that may harbor pests or diseases. The operator or owner shall pay the Secretary the amount

necessary to defray the costs of the service. (Sec. 1952)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that the Secretary may enter into contracts with operators of aircraft for inspection services and to provide that contracts are to be for services at points of entry in the United States. (Sec. 2508)

(21) Collection of fees for inspection services. (S1951)

The Senate bill authorizes the Secretary of Agriculture to prescribe and collect fees for additional inspection services.

Section 1951(a) provides for the collection of fees to cover the cost of providing agricultural quarantine and inspection services in connection with the arrival at a U.S. port or the pre-clearance or pre-inspection site outside the United States of commercial vessels, aircraft, trucks or railroad cars. An Agricultural Quarantine Inspection User Fee Account is established for deposit of the fees and to reimburse appropriations for the services. Fees shall be remitted to the Treasury within 31 days, and Treasury will reimburse the Account quarterly. The Secretary shall adjust the amount of fees to reflect the cost of administering the services and maintaining a reasonable balance in the Account.

Section 1951(b) amends section 102(f) of the Act of September 21, 1944 to authorize such sums as may be necessary to carry out plant inspection. Authorizes the Secretary to prescribe and collect fees to recover the costs of providing for the inspection and certification of plants and plant products offered for export from or transit through the United States. All fees, late payments and accrued interest shall be credited to such accounts that incur the costs and remain available until expended. The Secretary is authorized to have a lien for the fees, late payment penalties or accrued interest on the plant or plant product then exported or against plants thereafter attempted to be exported by such person. The Secretary may sell such plant or plant product at public sale after reasonable public notice if full payment is not made. Excess proceeds from such sale shall be paid to the owner within 6 months.

Section 1951(c) provides that the Secretary may prescribe and collect fees to reimburse the Secretary for the costs of animal quarantine laws related to importing, entry and export of animals, articles, or means of conveyance. This section also amends section 11 of the Act of May 29, 1884 to authorize the Secretary to prescribe and collect fees to recover the costs of carry out the provisions related to veterinary diagnostics. The Secretary shall assess late payment penalties and collect accrued interest, and credit those amounts to the accounts that incur the costs. The Secretary is authorized to have a lien for the fees, late payment penalties or accrued interest on the animal, article, means of conveyance, or facility for which services have been provided. Such lien may extend to any such products thereafter attempted to be exported by such person. The Secretary may sell such plant or plant product at public sale after reasonable public notice if full payment is not made. Excess proceeds from such sale shall be paid to the owner within 6 months.

The district courts of the United States or other U.S. court where such person is found or resides or transacts business shall have jurisdiction to hear an action to recover the fees, penalties and interest. Definitions include "person", "vessel", "customs territory", "animal quarantine laws", and "United States". Penalties shall be assessed as provided in section 3717 of title 31 of the United States Code. Such penalties and interest shall be accrued to the accounts that incur the costs and remain available until expended. (Sec. 1951)

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 2509).

(22) Investment of certain fees for reports, publications, and software (S 1963)

The Senate bill amends section 1121 of the Agriculture and Food Act of 1981 to provide that any fees collected, late payment penalties and interest earned may be invested by the Secretary of the Treasury in public debt securities, bearing interest at rates determined by the Secretary of the Treasury. Such investments must be requested by the Secretary of Agriculture, who will also determine the maturities of the investments. Fees and charges, including penalties and interest earned from the investment of such funds shall be credited to the account that incurs such costs (Sec. 1963).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that investments may be made by the Secretary of Agriculture in insured or fully-collateralized interest bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in U.S. Government debt instruments. (Sec. 2510)

(23) Investment of certain fees—Tobacco Adjustment Act of 1983 (S 1962)

The Senate bill amends section 213(d) of the Tobacco Adjustment Act of 1983 to provide that any fees collected, late payment penalties and interest earned may be invested by the Secretary of the Treasury in public debt securities, bearing interest at rates determined by the Secretary of the Treasury. Such investments must be requested by the Secretary of Agriculture, who will also determine the maturities of the investments. Fees and charges, including penalties and interest earned from the investment of such funds shall be credited to the account referred to in the Act (Sec. 1962).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision with an amendment to provide that investments may be made by the Secretary of Agriculture in insured or fully-collateralized interest bearing accounts or, at the discretion of the Secretary of Agriculture, by the Secretary of the Treasury in U.S. Government debt instruments (Sec. 2511).

(24) Improving the accuracy of commodity program budget forecasts (H 1847)

The House amendment provides that the Congress finds that, to improve the accuracy of commodity program benefit forecasts, the Secretary should designate a single organization to manage its commodity program forecasting and establish a quality control program to—(1) systematically identify the source of forecasting errors; (2) maintain records of data used for supply and demand forecasts; (3) document its forecasting methods; and (4) correct weaknesses in its various forecasting components (Sec. 1847).

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to include a provision requiring the Secretary to publish a report each year analyzing the return on assets resulting from the production of specified commodities which are subject to government price support programs. (Sec. 2512)

(25) Accurate tracking of costs of commodity certificate program (H 1846)

The House amendment provides that Congress finds that, to ensure proper congressional scrutiny of commodities certificate costs, the USDA should develop a new set of budget terms and totals that include commodity certificates in the budget totals submitted by the Administration to the Congress (Sec. 1846).

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provisions.

The Managers are concerned with the failure of the Department of Agriculture to include the issuance of commodity certificates in the Department's totals submitted with the Administration's budget documents. The General Accounting Office has recommended that Congress require the Administration to include the issuance of certificates in budget totals reviewed by the Congress. The Managers intend that, to ensure proper Congressional scrutiny of commodities certificate costs, the Department should develop a new set of budget terms and totals that include commodity certificates in the budget totals submitted by the Administration to the Congress.

(26) Farm value of agricultural products (H1852)

The House amendment requires the Secretary to provide by rule a system for informing the ultimate consumer of an agricultural commodity or a product thereof, whether produced inside or outside of the United States, of the approximate amount of money (in terms of United States currency) paid the agricultural producer for that commodity, or each commodity contained in that product.

It requires the Secretary to annually report to the Committees on Agriculture, by type of commodity or product, a summary of the information required to be made available to the consumer under subsection (a). The Secretary may by rule require the submission of such data from such persons as is necessary to enable the Secretary to carry out section 1852(b). The Secretary must provide for the timely publication and wide distribution of such reports. (Section 1852)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment limiting the number of items for which the Secretary must develop a system for regarding the farm value of agricultural commodities in products which are for human consumption, and requiring an annual report to Congress on this information.

By limiting the number of agricultural commodities for which commodities contained in products for human consumption, under the Agricultural Act of 1949, and those other commodities which the Secretary determines are of dietary significance, the Secretary will be able to develop this

system in a reasonable period of time. Targeting the development of this system which can be used for other agricultural commodities should Congress decide such a system is useful for those commodities. The Secretary of Agriculture may also consult with such persons as deemed appropriate to develop this system.

Currently, the U.S. Department of Agriculture receives information regarding the prices farmers received for certain items contained in a survey conducted by the Bureau of Labor Statistics. This market basket approach does not necessarily cover items which are of direct interest to Congress, and with the adoption of this amendment, the U.S. Department of Agriculture will begin to collect its own statistics which should be available for review by Congress. Should Congress desire particular information on certain agricultural commodity products, the Department will be able to respond quickly to those requests with a system in place to develop statistics on the amount a farmer received for a particular food item. Further, the Conferees envision that this information will be useful in educating consumers regarding the effect of reductions on agricultural prices in the marketplace. By providing consumers with accurate information regarding farm costs in various products, consumers will gain an understanding of the role of farm costs in pricing decisions they may make at the supermarket. (Sec. 2513)

(27) Monthly crop reports

The House amendment repeals 7 U.S.C. 411a. It requires the Secretary to gather from producers a crop report to be printed and distributed on or before the twelfth day of each month during the growing season. The reports must contain statements of the conditions of crops by States, with such explanations, comparisons, and information as may be useful for illustrating such reports. Additionally, the Secretary must survey producers for information for reports regarding supply, acreage, production, disposition, and prices for the following commodities as determined by the Secretary:

(A) fresh market vegetables;
(B) processing vegetables;
(C) fruits and nuts;
(D) forage and turf seeds;
(E) vegetable seeds; and
(F) maple syrup.

The Secretary must conduct and report the results of the such surveys at least annually in such States as determined by the Secretary. The Secretary must survey producers for information for reports regarding fruit and nut tree inventories. Such surveys and reports must be conducted, printed, and distributed on a regular basis every three to five years as determined by the Secretary. All reports must be officially approved by the Secretary before being issued or published. (Sec. 1854)

The Senate bill contains no comparable provision.

The Conference substitute adopts the House provision with an amendment to provide that data collected is to be used to develop crop reports to be distributed by the Secretary during the growing season. Special reports are to be prepared for: 25 fresh market vegetables; 3 processing vegetables; 6 fruits and nuts; 17 forage and turf seeds; 50 vegetable seeds; and maple syrup. The section authorizes appropriations to cover the costs of preparation and distribution (Sec. 2514).

(28) Scarce federal resources (S1980)

The Senate bill provides that the Secretary may, after concurrence with the Chairmen and Ranking Members of the Agriculture Committees, prioritize the studies or reports authorized by this Act and determine which of those studies or reports shall be completed. The Secretary must complete at least 12 such studies or reports (Sec. 1980).

The House amendment contains no comparable provision.

The Conference substitute adopts the Senate provision (Sec. 2515).

(29) Reporting and Recordkeeping improvement

The Senate bill contains two related provisions which, in general, require the Secretary to implement a program designed to minimize the amount of paperwork and recordkeeping required of participants in commodity, conservation, and other agricultural programs administered by the Department of Agriculture. Both provisions also direct the Secretary to examine the feasibility of assisting in paperwork and recordkeeping reductions by making available to producers a computer network or system which would allow for the electronic filing and processing of all or a portion of the various program-related applications and reports required of agricultural producers. (Secs. 1972 and 1977)

The House amendment contains similar provisions, and specifically requires the Secretary to take appropriate action to integrate the various data bases within USDA relating to agricultural program data and to devise a system of the sharing of such information among the Department of Agriculture's various agencies. (Sec. 1855)

The Conference substitute adopts the House provision, with amendments providing the Secretary with discretionary authority to retain the services of outside consultants with experience and expertise in computer network design, function, installations and maintenance, and data base management systems.

The Managers are aware that the Department of Agriculture and its various agencies currently have a multi-billion dollar investment in computer equipment and software, with additional acquisitions projected in the long-term budget. Even with this significant investment, however, it is currently impossible for agencies within the Department to share common producer-related data and information among themselves in a manner which could eliminate or greatly reduce producers' paperwork burdens which requires them to manually complete and file repetitive information on numerous applications and reports required for program participation. Modernization, networking, and programming which utilizes the full capacity of the Department's computer technology can reduce its administrative overhead costs, can increase producer productivity, and can vastly improve farm management, farm productivity, and forming practices in the future.

A computerized system which can be accessed by farm producers is contemplated by the Trade and Research titles of the bill. The National Agricultural Weather Information System it establishes will be more effective if individual producers can obtain electronically, more precise and timely climatological data which will be developed under that program. Producers can lower their input costs, improve their profits, and protect the environment by more precise timing of fertilizer and farm chemical applications during periods of optimum weather conditions.

Another provision of the bill envisions the utilization of a computerized network to improve the efficiency of transporting farm goods and commodities to domestic markets and foreign buyers. By using the same network which would allow them to dramatically reduce the volume of paperwork, it is anticipated that farm producers will be able to eliminate costly transportation delays by matching carrier equipment capability and availability to their shipping needs.

The Managers emphasize the importance and urgency of developing and implementing a program within the Department which will allow America's farm producers to more fully benefit from the current state of computer technology. It is strongly suggested that in studying and reporting on the feasibility of a national agricultural computer network, the Secretary take cognizance of the other related topic areas in agricultural weather and transportation coordination, and that these areas be included in any recommendations he may subsequently make to the Congress regarding the structure of the computer network. (Sec. 2516)

(30) Study of the transportation of fertilizer and agricultural chemicals to farmers

The House amendment requires the Secretary of Agriculture, acting through the Office of Transportation of the Department of Agriculture, to study the transportation of fertilizer, agricultural crop protection chemicals, and agricultural use hazardous materials such as fuel, to the farm. The Secretary must report with his findings not later than 18 months from the date of enactment. The provision would authorize the appropriation of $75,000 for the Secretary to conduct the study. (Sec. 1387)

The Senate bill contains no similar provision.

The Conference substitute adopts the House provision with an amendment removing the provision which requires that the study be carried out through the Office of Transportation. (Sec. 2517)

(31) Severability

The Senate bill contains no similar provision.

The House amendment contains no similar provision.

The Conference substitute includes a section to declare that if any provision of this Act or the application thereof to any person or circumstance is held invalid, such a holding shall not affect other provisions or applications of this Act. (Sec. 2519)

(32) Consumer savings pass-through study (H 1851)

The House amendment requires the Secretary to establish by regulation a system to measure the extent to which any reduction in the prices of agricultural commodities or products thereof are passed through to the ultimate consumer. The Secretary must report annually to the Committees on Agriculture on the results of such measurements and must publish such results in the Federal Register. To the extent that the Secretary finds that any such price reductions are passed through in an article containing the agricultural commodity or product thereof as savings to the ultimate consumer, the Secretary must publish the names of any such article, the amount of savings that were passed through to the ultimate consumer, and the seller or manufacturer of the article. Prior to publishing such information in the Federal Register, the Secre-

tary must require a certification from the seller or manufacturer of such article that savings were intended and actually passed through to the ultimate consumer (Sec. 1851).

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The Managers agree that the Department of Agriculture must, prior to making claims that cuts in agricultural programs lead to savings for American consumers in their purchases, provide sufficient documentation and specific examples relative to particular commodities establishing that consumers do indeed benefit from reductions in prices paid to farmers. Undocumented claims that consumers automatically benefit from reduction in farm prices have led to much unwarranted friction between consumer groups and agricultural producers in previous farm legislation considered by Congress. Much of this can be attributed to misleading information which is plainly not established by the reality of the marketplace. Rather than encouraging consumers to believe that they somehow automatically benefit from reduction in agricultural prices, the U.S. Department of Agriculture should provide information to Congress establishing this benefit, and should refrain from statements which cannot be backed by clear, concrete examples with respect to the particular commodity the Department is discussing.

(33) Study of the concentration of the meat packing industry

The House amendment requires the Comptroller General, in consultation with the Secretary, to conduct a study regarding vertical and horizontal concentration in the meat packing industry for submission to the Committees on Agriculture. In conducting the study the Comptroller General must consider the impact, both short and long term, of concentration on farm income of livestock producers, on prices paid by consumers for meat and poultry products on economic development in agricultural areas, the extent and nature of packer contracting and the pricing arrangements that are typical of packer contracting, including any evidence of price premiums or discounts and the justification of such premiums or discounts, as well as other pertinent issues.

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision. The Managers are aware that the Comptroller General is currently undertaking a survey of the economic impact of the increasing concentration in the beef packing industry. The study is to focus on a number of issues. Those include the impact of concentration and of increased vertical integration in the packing and feeding industry and its effect on cattle prices and small producer income. The Managers hope to see the scope of the survey broadened to inlude pork, lamb, and poultry.

(34) Buy America provisions (H1856)

The House amendment expresses the sense of Congress that a recipient of Federal farm assistance should, in expending that assistance, purchase American-made equipment and products. Requires the Secretary to provide procedures to inform such recipients of the sense of Congress (Sec. 1856).

The Senate bill contains no comparable provision.

The Conference substitute deletes the House provision.

(35) USDA Office of Transportation

The Senate bill expresses the sense of Congress that the Department of Agriculture's Office of Transportation should continue as an independent office and take the lead in agricultural transportation issues and assist in ensuring the availability of grain rail cars. (Sec. 1948)

The House amendment contains no comparable provision.

The Conference substitute deletes the Senate provision.

E DE LA GARZA,
GEORGE E. BROWN, Jr,
CHARLIE ROSE,
GLENN ENGLISH,
JERRY HUCKABY,
DAN GLICKMAN,
CHARLIE STENHOLM,
HAROLD L. VOLKMER,
CHARLES HATCHER,
LEON E. PANETTA,

Mr. Panetta for subtitle G of title XII, title XIV (except sec. 1414 and subtitles C and D), and title XVII of the House amendment, and title XVII (except sec. 1730), subtitle I of title XIX, sec. 1973, subtitle G of title XXI, and title XXIV of the Senate bill,

RICHARD STALLINGS,

Mr. Stallings in lieu of Mr. Panetta for titles II, XXVIII, and XXIX of the House amendment and title IX, title XIII (except sec. 1303), and subtitle B of title XX of the Senate bill,

JIM OLIN,

Mr. Olin in lieu of Mr. Panetta, for title IV, title XIII (except for subtitle H), subtitle D of title XIV, and sec. 1843 of the House amendment and title I, sec. 1283, title XIV (except sec. 1496), and title XVI of the Senate bill,

TIM JOHNSON,

Mr. Johnson of South Dakota in lieu of Mr. Panetta for title V (except sec. 502) and subtitle A of title VI of the House amendment and title II and subtitle C of title X of the Senate bill,

JILL L. LONG,

Ms. Long in lieu of Mr. Panetta for title X, title XI (except sec. 1109), and subtitle A of title VII of the House amendment, and for title IV, title VIII, title X (except subtitle C), sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949),

ROY DYSON,

Mr. Dyson in lieu of Mr. Panetta for sec. 502, subtitle B of title VI, subtitle B of title VII, sec. 1414, subtitle C of title XIV, and sec. 1841 of the House amendment, and title XXI (except subtitle G) and sec. 1730 of the Senate bill,

H. MARTIN LANCASTER,

Mr. Lancaster in lieu of Mr. Panetta for title VIII of the House amendment and title VII of the Senate bill,

JIM JONTZ,

Mr. Jontz in lieu of Mr. Panetta for subtitle A of title XVII, and sec. 1508 of the House amendment, and subtitle B of title XIX and title XVIII of the Senate bill,

GARY CONDIT,

Mr. Condit in lieu of Mr. Panetta for sec. 1109, title XII (except subtitle G), and sec. 1833 of the House amendment and title XI (except subtitle E), sec. 1551, and title XXIII of the Senate bill,

CLAUDE HARRIS,

Mr. Harris in lieu of Mr. Panetta for title XV (except for sec. 1508) and title XXVII of the House amendment and title XV (except sec. 1551) of the Senate bill,

MIKE ESPY,

Mr. Espy in lieu of Mr. Panetta for title III of the House amendment, and title VI (except new sec. 101A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 601), and subtitle K of title XIX of the Senate bill,

BILL SARPALIUS,

Mr. Sarpalius in lieu of Mr. Panetta for titles I, IX, and XXX of the House amendment and title III (except new sec. 107A(e)(4)(E) of the Agricultural Act of 1949, as added by sec. 301), title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501), and subtitle E of title XI of the Senate bill,

TIMOTHY J. PENNY,

Mr. Penny in lieu of Mr. Panetta for title XVI, sec. 1844, and subtitle H of title XIII of the House amendment, and title XII (except sec. 1283), sec. 1303, and subtitle A of title XIX of the Senate bill,

ROBIN TALLON,

Mr. Tallon in lieu of Mr. Panetta for titles XIX, XXII, XXIII, XXIV, and XXVI, and sec. 1857 of the House amendment, and title XX (except subtitles A, B, and F), and title XXII of the Senate bill,

HARLEY O. STAGGERS, Jr.,

Mr. Staggers in lieu of Mr. Panetta for title XVIII (except subtitle A, secs. 1833, 1841, 1843, 1844, and 1857), title XX, and title XXI of the House amendment and sec. 1496, subtitle H and J (except sec. 1973) of title XIX, and subtitles A and F of title XX of the Senate bill,

BOB WISE,

Mr. Wise in lieu of Mr. Panetta for title XXV of the House amendment,

EDWARD R. MADIGAN,
TOM COLEMAN,
RON MARLENEE,
ARLAN STANGELAND,
LARRY J. HOPKINS,
PAT ROBERTS,
BILL EMERSON,

Mr. Emerson in lieu of Mr. Marlenee on sec. 502, title XIV, title XVII and sec. 1841 in lieu of Mr. Hopkins for subtitle B of title VII and subtitle B of title VI of the House amendment and subtitles A and B of title XVII, sec. 1730, subtitle I of title XIX, sec. 1973, subtitle G of title XXI and title XXIV of the Senate bill,

SID MORRISON,

Mr. Morrison in lieu of Mr. Hopkins on titles XV and XXVII of the House amendment and title XV (except sec. 1551) and subtitle B of title XIX of the Senate bill,

STEVE GUNDERSON,

Mr. Gunderson in lieu of Mr. Marlenee on titles IV, V (except sec. 502), title VI (except subtitle B) of the House amendment and titles I and II and subtitle C of title X of the Senate bill,

R.F. SMITH,

Mr. Smith of Oregon in lieu of Mr. Hopkins on title IX and title XI (except sec. 1109) of the House amendment and title III, title X (except subtitle C) and sec. 301 (insofar as it adds a new sec. 107A(e)(4)(E) to the Agricultural Act of 1949), sec. 501 (insofar as it adds a new sec. 103A(e)(4)(D) to the Agricultural Act of 1949), and sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

TOM LEWIS,

Mr. Lewis of Florida in lieu of Mr. Marlenee on title II of the House amendment and title IX of the Senate bill,

LARRY COMBEST,

Mr. Combest in lieu of Mr. Marlenee on title I of the House amendment and title V (except new sec. 103A(e)(4)(D) of the Agricultural Act of 1949, as added by sec. 501) of the Senate bill,

BILL SCHUETTE,

Mr. Schuette in lieu of Mr. Hopkins on subtitle A of title XVIII of the House amendment and title XVII of the Senate bill,

FRED GRANDY,

Mr. Grandy in lieu of Mr. Hopkins on title X and in lieu of Mr. Marlenee on titles XVI and XXIX and sec. 1857 of the House amendment and title IV, title XII and title XIII of the Senate bill,

WALLY HERGER,

Mr. Herger in lieu of Mr. Marlenee on sec. 1109 and title XII except for subtitle G of the House amendment and title XI (except subtitle E), title XIII and sec. 1551 of the Senate bill,

CLYDE C. HOLLOWAY,

Mr. Holloway in lieu of Mr. Hopkins on title III of the House amendment and title VI except sec. 601 (insofar as it adds a new sec. 101A(e)(4)(D) to the Agricultural Act of 1949) of the Senate bill,

JAMES T. WALSH,

Mr. Walsh in lieu of Mr. Hopkins on title XVIII except subtitle A of the House amendment and subtitle H (except sec. 1962), subtitle J (except sec. 1973), and subtitle K of title XIX of the Senate bill,

BILL GRANT,

Mr. Grant in lieu of Mr. Marlenee on title VIII of bill House amendment and title VII of the Senate bill,

R.F. SMITH,

Mr. Robert F Smith is appointed in lieu of Mr. Marlenee for title XII of the Senate bill and title XVI of the House amendment,

SID MORRISON,

Mr. Morrison of Washington is appointed in lieu of Mr. Marlenee for title XIII of the Senate bill and title XXIX of the House amendment,

FRED GRANDY,

Mr. Grandy is appointed in lieu of Mr. Hopkins for all provisions except title VII and sec. 1962 of the Senate bill, and title VIII and sec. 1249 of the House amendment, on which Mr. Hopkins will remain a conferee, and Mr. Lewis of Florida is appointed in lieu of Mr. Hopkins for subtitle A of title XVII of the Senate bill and title XIV of the House amendment,

From the Committee on Foreign Affairs, for consideration of titles XI (except secs. 1124, 1125, 1134, 1137, and subtitle E), XXIII (except sec. 2306), secs. 114, 1423, 1551, 1751-60, 1763, and 1765 of the Senate bill, and title XII (except secs. 1241 and 1243-46) and secs. 415, 1312(a), and 1833 of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
STEPHEN J. SOLARZ,
HOWARD WOLPE,
GEO. W. CROCKETT, Jr.,
SAM GEJDENSON,
MERVYN M. DYMALLY,
PETER H. KOSTMAYER,
WM. S. BROOMFIELD
BEN GILMAN,
JIM LEACH,
TOBY ROTH,
DOUGH BEREUTER,

From the committee on Foreign Affairs, for consideration of subtitle E of title XI, secs. 1931-35 and 1937-39 of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

DANTE B. FASCELL,
LEE H. HAMILTON,
GUS YATRON,
SAM GEJDENSON,
WM. S. BROOMFIELD,
TOBY ROTH,

From the Committee on Merchant Marine and Fisheries, for consideration of subtitle E of title XI of the Senate bill, and title XXX of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
CARROLL HUBBARD,
BILLY TAUZIN,
DENNIS M. HERTEL,
WILLIAM O. LIPINSKI,
BOB DAVIS,
DON YOUNG,
NORMAN F. LENT,
JACK FIELDS,

From the Committee on Merchant Marine and Fisheries, for consideration of secs. 1238, 1286, and 1422 of the Senate bill, and secs. 1314 and 1602 of the House amendment, and modifications committed to conference:

WALTER B. JONES,
GERRY E. STUDDS,
DENNIS M. HERTEL,
BOB DAVIS,
DON YOUNG,

From the Committee on Ways and Means, for consideration of sec. 902, those portions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404.05, 503(b)(3), 504, and 601 (c) and (f) to the Agricultural Trade Act of 1978, secs. 1122, 1124-25, 1137, 1716(c), that portion of sec. 2123 adding a new sec. 7A(e) to the Cotton Research and Promotion Act, secs. 2140, 2155(g), 2178, 2188, 2203 2306, 2452, and 2454 of the Senate bill, and sec. 614, those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 402 (c) and (f) to the Agricultural Trade Act of 1978, secs. 1223(i), 1241, 1243, 1245-47, 1428, 1445(g), 1468, 1475(3), 1485(d) and 1494 of the House amendment, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
ED JENKINS,
BILL ARCHER,
PHIL CRANE,
ANDREW JACOBS, Jr.
(except, that, for consideration of secs. 2203, 2452, and 2454 of the Senate bill, Mr. Jacobs is appointed in lieu of Mr. Jenkins),

From the Committee on Ways and Means, for consideration of secs. 1134, 1721, and 1730A of the Senate bill, and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
ED JENKINS,
TOM DOWNEY,
DONALD J. PEASE,
MARTY RUSSO,
FRANK J. GUARINI,
ROBERT T. MATSUI,
BERYL ANTHONY, Jr.,
BILL ARCHER,
GUY VANDER JAGT,
PHILIP M. CRANE,
BILL FRENZEL,
RICHARD T. SCHULZE,
W.M. THOMAS,

From the Committee on Energy and Commerce, for consideration of secs. 1761 and 1762 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
JIM SCHEUER,
RON WYDEN,
TERRY L. BRUCE,
J. ROY ROWLAND,
RALPH M. HALL,
DENNIS E. ECKART,
NORMAN F. LENT,
BILL DANNEMEYER,
BOB WHITTAKER,
TOM TAUKE,
TOM BLILEY,
JACK FIELDS,

From the Committee on Energy and Commerce, for consideration of secs. 1495, 1497, and 1498J-L of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
J. ROY ROWLAND,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of sec. 1437 of the Senate bill, and sec. 1367(b) of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
DENNIS E. ECKART,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of title XVI (except secs. 1615-16, 1620 (b), (c), (d), and (f)) and sec. 1716 of the Senate bill, and secs. 1495J-95L, 1495M (a), (e) and (g) and 1495N-95V of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
TERRY L. BRUCE,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of subtitle C of title XVII of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
RON WYDEN,
NORMAN F. LENT,
TOM BLILEY,

From the Committee on Energy and Commerce, for consideration of sec. 1773 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
J. ROY ROWLAND,
NORMAN F. LENT,
BOB WHITTAKER,

From the Committee on Energy and Commerce for consideration of sec. 1772 of the Senate bill, and sec. 1376A of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKEN,
AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of sec. 1948 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
THOMAS A. LUKEN,
AL SWIFT,
NORMAN F. LENT,
BOB WHITTAKER,

From the Committee on Energy and Commerce, for consideration of secs. 2033(3)(F), 2079, and 2081 of the Senate bill, and modifications committed to conference:

JOHN D. DINGELL,
ED MARKEY,

AL SWIFT,
NORMAN F. LENT,
TOM TAUKE,

From the Committee on Energy and Commerce, for consideration of section 1399 of the House amendment, and modifications committed to conference:

JOHN D. DINGELL,
EDOLPHUS TOWNS,
NORMAN F. LENT,
TOM BLILEY,

From the Committees on Agriculture, for consideration of those positions of sec. 1121 adding new secs. 101(5), 103(5), 113(c)(2), 114, 204(c)(2)(B), 404-05, 503(b)(3), 504, and 601 (c) and (f) of the Agricultural Trade Act of 1978, of the Senate bill, and those portions of sec. 1221 adding new secs. 101(4), 105(a), 106, 203, and 402 (c) and (f) to the Agricultural Trade Act of 1978, of the House amendment, and modifications committed to conference:

MIKE ESPY,
CLAUDE HARRIS,
BILL SARPALIUS,
BILL EMERSON,
R.F. SMITH,

From the Committees on Education and Labor, for consideration of secs. 1496(b), 1498-1498N, 1965, 1966, 2471, 2474, 2476, and 2479 of the Senate bill, and secs. 1382, 1774, 1842(b) of the House amendment, and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM W. FORD,
JOSEPH M. GAYDOS,
BILL GOODLING,
THOMAS J. TAUKE,

From the Committee on Science, Space, and Technology, for consideration of secs. 1921-30, 1940, and 1944-46 of the Senate bill, and modifications committed to conference:

ROBERT A. ROE,
JAMES H. SCHEUER,
TOM MCMILLIEN,
BOB WALKER,
CLAUDINE SCHNEIDER,

From the Committee on Banking, Finance and Urban Affairs for consideration of sec. 1350 of the Senate bill, and modifications committed to conference:

BEN ERDREICH,
PAUL E. KANJORSKI,
THOMAS R. CARPER,
DOUG BEREUTER,
TOBY ROTH,

Managers on the Part of the House.

PAT LEAHY,
DAVID PRYOR,
D.L. BOREN,
RICHARD G. LUGAR,
BOB DOLE,
THAD COCHRAN,

Managers on the part of the Senate.

PERMISSION TO HAVE UNTIL MIDNIGHT, TUESDAY, OCTOBER 23, 1990, TO FILE CONFERENCE REPORT ON S. 2834, INTELLIGENCE AUTHORIZATION ACT—FOR FISCAL YEAR 1991

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that the managers have until midnight, Tuesday, October 23, 1990 to file a conference report to accompany the Senate bill (S. 2834) to authorize appropriations for fiscal year 1991 for the intelligence activities of the U.S. Government, the intelligence community staff, and the Central Intelligence Agency retirement and disability system, and for other purposes.

The ranking Republican member of the Intelligence Committee, the gentleman from Illinois [Mr. HYDE] has been informed of this request and I understand that he has no objection to it.

The SPEAKER pro tempore (Mr. MAZZOLI). Is there objection to the request of the gentleman from California?

There was no objection.

□ 1600

CONFERENCE REPORT ON H.R. 5257, DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

The SPEAKER pro tempore (Mr. MAZZOLI). Pursuant to House Resolution 517, the amendments in disagreement, and motions to dispose of the amendments, are considered as having been read.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 9: Page 3, line 6, after "1994" insert "; and in addition, $11,500,000 is appropriated for activities authorized by title VII, subtitle C of the Stewart B. McKinney Homeless Assistance Act".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 9, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 12, 15, 19, 25, 35, 55, 56, 57, 61, 76, 82, 91, 100, 102, 103, 111, 112, 118-119, 133, 142, 144, 156, 169, 176, 181, 186, and 191, be considered en bloc and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The texts of the various Senate amendments referred to in the unanimous consent request are as follows:

Senate amendment No. 12: Page 4, line 24, after "seq.)" insert; "; and necessary administrative expenses to carry out the Targeted Jobs Tax Credit Program under section 51 of the Internal Revenue code of 1986".

Senate amendment No. 15: Page 5, line 10, after "1991," insert "and of which $18,882,000 of the amount which may be expended from said trust fund shall be available for obligation for the period April 1, 1991, through December 31, 1991, for automation of the States activities under title III of the Social Security Act, as amended (42 U.S.C. 502-504 and 5 U.S.C. 8501-8523),".

Senate amendment No. 19: Page 10, line 16, after "fishing", insert:

Provided further, That no funds appropriated under this paragraph shall be obligated or expended to administer or enforce any standard, rule, regulation, or order under the Occupational Safety and Health Act of 1970 with respect to any employer of ten or fewer employees who is included within a category having an occupational injury lost work day case rate, at the most precise Standard Industrial Classification Code for which such data are published, less than the national average rate as such rates are most recently published by the Secretary, acting through the Bureau of Labor Statistics in accordance with section 24 of that Act (29 U.S.C. 673), except—

(1) to provide, as authorized by such Act, consultation, technical assistance, educational and training services, and to conduct surveys and studies;

(2) to conduct an inspection or investigation in response to an employee complaint, to issue a citation for violations found during such inspection, and to assess a penalty for violations which are not corrected within a reasonable abatement period and for any willful violations found;

(3) to take any action authorized by such Act with respect to imminent dangers;

(4) to take any action authorized by such Act with respect to health hazards;

(5) to take any action authorized by such Act with respect to a report of an employment accident which is fatal to one or more employees or which results in hospitalization of five or more employees, and to take any action pursuant to such investigation authorized by such Act; and

(6) to take any action authorized by such Act with respect to complaints of discrimination against employees for exercising rights under such Act:

Provided further, That the foregoing proviso shall not apply to any person who is engaged in a farming operation which does not maintain a temporary labor camp and employ ten or fewer employees.

Senate amendment No. 25: Page 14, line 9, strike out "[XVI, and XXVI]" and insert "X, XVI, XIX, XXVI, and XXVII".

Senate amendment No. 35: Page 17, line 23, after "expended" insert *": Provided further,* That employees of the Public Health Service, both civilian and Commissioned Officer, detailed to States or municipalities as assignees under authority of section 214 of the Public Health Service Act in the instance where in excess of 50 percent of salaries and benefits of the assignee is paid directly or indirectly by the State or municipality, and employees of the National Center for Health Statistics, who are assisting other Federal organizations on data collection and analysis and whose salaries are fully reimbursed by the organizations requesting the services, shall be treated as non-Federal employees for reporting purposes only".

Senate amendment No. 55: Page 21, line 12, after "only" insert: ": *Provided,* That $15,000,000 of this amount shall be available for extramural facilities construction grants if awarded competitively: *Provided further,* That the funds for AIDS Research Loan Repayment Program remain available through September 30, 1992".

Senate amendment No. 56: Page 21, line 12, after "only" insert ": *Provided further,* That the Director may direct up to one percent of the total amount made available in this Act to all National Institutes of Health appropriations to high-priority activities the Director may so designate".

Senate amendment No. 57: Page 21, line 12, after "only" insert ": *Provided further,* That no such appropriation shall be increased or decreased by more than one percent by any such transfers and that the Congress is promptly notified of the transfer".

Senate amendment No. 61: Page 22, line 19, after "XVII," insert "XX,".

Senate amendment No. 76: Page 29, after line 17, insert:

LOW INCOME HOME ENERGY ASSISTANCE

For making payments under title XXVI of the Ominibus Budget Reconciliation Act of 1981, $1,450,000,000, of which $74,610,000 shall become available for making payments on September 30, 1991.

Senate amendment No. 82: Page 30, line 15, after "1965," insert "the Developmental Disabilities Assistance Bill of Rights Act, chapter 8-D of title VI of the Omnibus Budget Reconciliation Act of 1981, the Head Start Act, the Child Development Associate Scholarship Assistance Act of 1985,".

Senate amendment No. 91: Page 32, line 11, after "poverty" insert "conducted by the Institute for Research on Poverty".

Senate amendment No. 100: Page 38, line 9, after "D," insert "$152,537,000 shall be available for handicapped education activities under subpart 2 of part D,".

Senate amendment No. 102: Page 38, line 13, after "1405" insert ": *Provided further,* That no State shall receive less than $340,000 from the amounts made available under this appropriation for concentration grants under section 1006".

Senate amendment No. 103: Page 38, line 13, after "1405" insert ": *Provided further,* That no State shall receive less than $375,000 from the amounts made available under this appropriation for State administration grants under section 1404".

Senate amendment No. 111: Page 39, line 13, after "IV" insert ", without regard to sections 5112(a) and 5112(c)(2)(A),".

Senate amendment No. 112: Page 39, line 19, after "100-418" insert "; the Follow Through Act; and title IX of the Education for Economic Security Act":.

Senate amendment No. 118—119: Page 39, line 25, after "2" insert ": *Provided further,* That of the amounts appropriated herein, $2,000,000 shall be available for the National Writing Project, contingent upon enactment of authorizing legislation".

Page 39, line 25, after "2" insert "; *Provided further,* That of the amounts appropriated herein, $1,000,000 shall be available to remain available until expended, for payment of the expenses incurred by the School Year Extension Study Commission if such a Commission is authorized by law".

Senate amendment No. 133: Page 40, line 17, after "(c)" insert ": *Provided,* That until October 1, 1991, the funds appropriated to carry out section 711 of the Rehabilitation Act of 1973 (29 U.S.C. 796e) shall be used to support entities currently receiving grants under the section".

Senate amendment No. 142: Page 42, line 23, after "section" insert ": *Provided further,* That notwithstanding section 411(b)(6)(B) of the Higher Education Act of 1965, no Pell grant for award year 1991-1992 shall be awarded to any student who is attending an institution of higher education on a less than half-time basis".

Senate amendment No. 144: Page 42, line 23, after "section" insert ": *Provided further,* That notwithstanding sections 481(b) and 484 of the Higher Education Act of 1965 as amended, in order for a student to be eligible to receive any student financial aid authorized under title IV of the Higher Education Act of 1965 as amended, for award year 1991-1992, a student must have a high school diploma or its recognized equivalent, or, prior to enrollment in the course of study for which such assistance is sought, shall have secured a passing grade on a test of ability to complete successfully that course, and that the test shall be developed, administered, and graded by one or more organization determined by the Secretary to be independent of the institutions using the test.".

Senate amendment No. 156: Page 43, line 25, after "improvements" insert ": *Provided further,* That of the amounts provided herein, $4,000,000 shall remain available until expended for an award for carrying out part B of title VII of the Higher Education Act".

Senate amendment No. 169: Page 48, after line 23, insert:

IMPACT AID

SEC. 306. Notwithstanding any other provision of law, in carrying out the provisions of section 7 of Public Law 81-874 (20 U.S.C. 241-1) (as amended) and section 16 of Public Law 81-815 (20 U.S.C. 646) (as amended), the Secretary of Education shall reduce or waive the administrative guideline of a 25 percent non-Federal share upon a showing of—

(1) financial hardship by the State or political subdivision thereof in the provision of; or

(2) a good faith effort by the State or political subdivision thereof to provide;

the non-Federal share for purposes related to the disaster for which Federal assistance is sought.

Senate amendment No. 176: Page 50, after line 22, insert:

NATIONAL COMMISSION ON CHILDREN

For necessary expenses of the National Commission on Children established by section 9136 of the Omnibus Reconciliation Act of 1987, Public Law 100-203 as amended, $1,100,000, which shall remain available until expended.

Senate amendment No. 181: Page 53, line 20, strike out all after "be" down to and including "year" in line 22, and insert "immediately credited to the account: *Provided further,* That the amount provided herein plus the interest earned thereon shall be available for payments through September 30, 1991".

Senate amendment No. 186: Page 55, after line 14, insert:

SOLDIERS' AND AIRMEN'S HOME

OPERATION AND MAINTENANCE

For maintenance and operation of the United States Soldiers' and Airmen's Home, to be paid from the Soldiers' and Airmen's Home permanent fund, $41,583,000: *Provided,* That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army upon recommendation of the Board of Commissioners and the Surgeon General of the Army.

CAPITAL OUTLAY

For construction and renovation of the physical plant, to be paid from the Soldiers' and Airmen's Home permanent fund, $11,500,000, to remain until expended.

Senate amendment No. 191: Page 50, after line 20, insert:

IMPACT AID

SEC. 516. Section 5(e)(1)(D) of Public Law 81-874 (as amended) (20 U.S.C. 240) (hereafter in this section referred to as the "Act") shall not apply to any local educational agency that was an agency described in section 5(c)(2)(A)(ii) of the Act in fiscal year 1990 but is an agency described in section 5(c)(2)(A)(iii) in fiscal year 1991 as a result of families moving off base due to a landfill or health concern or an environmental hazard, or due to risk assessment, investigation, testing or remediation for such concern or hazard, and any such local educational agency shall be deemed to belong to the category described in section 5(c)(2)(A)(ii) for fiscal year 1991.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreements to the amendments of the Senate numbered 12, 15, 19, 25, 35, 55, 56, 57, 61, 76, 82, 91, 100, 102, 103, 111, 112, 118-119, 133, 142, 144, 156, 169, 176, 181, 186 and 191, and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 10: Page 3, strike out lines 9 to 13

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion. The text of the motion is as follows:

Mr. NATCHER moves that the house recede from its disagreement to the amendment of the Senate numbered 10 and concur therein with an amendment, as follows:

Restore the matter stricken by said amendment, amended to read as follows:

None of the funds in this Act shall be obligated to renovate or relocate the Job Corps center in Detroit, Michigan.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 14: Page 4, line 25, strike out "$2,800,400,000" and insert "$2,836,046,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the house recede from its disagreement to the amendment of the SENATE numbered 14 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$2,914,246,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 16: Page 5, line 16, after "purpose," insert "and of which $25,000,000 of the amount which may be expended from said trust fund shall be available for obligation for the period October 1, 1991 through June 30, 1992, for automation of the State activities under section 6 of the Act of June 6, 1993, as amended,".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 16 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "and of which $12,500,000 of the amount which may be expended from said trust fund shall be available for obligation for the period October 1, 1991 through June 30, 1992, for automation of the State activities under section 6 of the Act of June 6, 1933, as amended,".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the motion is as follows:

Senate amendment No. 21: Page 11, line 22, strike out "$207,274,000" and insert "$206,674,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the house recede from its disagreement to the amendment of the Senate numbered 21 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$210,274,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 24: Page 12, line 6, strike out "$132,788,000" and insert "$132,809,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the house recede from its disagreement to the amendment of the Senate numbered 24 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$135,359,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 26: Page 14, line 14, strike out "$1,627,375,000" and insert "$2,474,940,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 26 and concur therein with an amendments as follows: In lieu of the sum proposed by said amendment, insert "$2,139,382,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 27: Page 14, strike out all after line 20, over to and including "Act" in line 5 on page 15, and insert "and of which $600,000,000 is available for part A and part B of title XXVI of the Public Health Service Act, including $441,000,000 which shall be available for obligation for the period October 1, 1991, through September 30, 1992: *Provided,* That notwithstanding any provisions of part B of title XXVI of the Public Health Service Act the Health Resources and Services Administration shall not reduce any current grantee below its fiscal year 1990 funding level: *Provided further,* That notwithstanding section 2602(f) of the Public Health Service Act, up to $4,000,000 shall be made available until expended to make grants for renovation or construction of non-acute care intermediate and long-term care facilities for AIDS patients".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 27 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert: ", of which $4,129,000 shall be made available until expended to make grants under section 1610(b) of the Public Health Service Act for renovation or construction of nonacute care intermediate and long-term care facilities for AIDS patients, of which $1,000,000 shall be available until expended under section 1610(b) of the Public Health Service Act to make grants to be awarded competitively for the renovation or construction of tertiary perinatal facilities in those States whose infant mortality rate is significantly above the national average, and of which $226,000,000 shall be available for title XXVI of the Public Health Service Act: *Provided,* That the Secretary shall retain and distribute from the total provided for title XXVI of the Act such amounts as may be necessary to ensure the continuation of health care services through September 30, 1991 provided by grantees whose project periods extend through that date".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 31: Page 17, line 1, strike out "$997,701,000" and insert "$1,322,698,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 31 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$1,350,747,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 34: Page 17, line 23, after "expended" insert ": *Provided further,* That in addition to amounts provided herein, up to $20,000,000 shall be available from amounts available under section 2711 of the Public Health Service Act, to carry out the National Center for Health Statistics surveys".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 34 and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$19,000,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 36: Page 18, line 4, strike out "$1,749,392,000" and insert "$1,747,462,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 36 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$1,766,324,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 37: Page 18, line 9, strike out "$1,135,589,000" and insert "$1,137,235,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 37 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$1,158,650,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 38: Page 18, line 13, strike out "$149,592,000" and insert "$151,057,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 38 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "$153,272,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 39: Page 18, line 18, strike out "$613,686,000" and insert: "$626,986,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 39 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "$632,272,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 40: Page 18, line 23, strike out "$545,225,000" and insert: "$555,488,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 40 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "$556,864,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 43: Page 19, line 14, strike out "$488,282,000" and insert: "$480,645,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 43 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "$492,745,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 44: Page 19, line 18, strike out "$254,887,000" and insert: "$258,324,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. Natcher moves that the House recede from its disagreement to the amendment of the Senate numbered 44 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "$260,159,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 45: Page 19, line 23, strike out "$244,832,000" and insert "$242,765,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 45 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$249,092,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 50: Page 20, line 21, strike out "$37,289,000" and insert "$40,013,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 50 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: "$40,768,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 60: Page 22, line 1, after "expanded" insert, "and of which $5,000,000 shall be available for grants for the construction, renovation, operation and maintenance of research facilities".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 60 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "and of which $5,000,000 shall be available for grants on a competitive basis for the construction, renovation, operation and maintenance of research facilities".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 62: Page 22, line 20, strike out "$61,270,000" and insert "$67,192,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 62 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$69,540,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 63: Page 23, line 16, strike out "$68,579,000" and insert "$91,335,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 63 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$98,887,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 65: Page 24, line 8, strike out "$34,614,966,000" and insert "$36,881,301,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 65 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$36,966,394,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 68: Page 25, line 8, strike out "$104,966,000" and insert "$91,053,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 68 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$105,466,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No 69: Page 25, line 9, strike out "$2,026,638,000" and insert "$1,901,888,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 69 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$2,029,138,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 71: Page 27, line 10, strike out "$12,001,594,000" and insert "$13,954,618,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 71 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$14,031,394,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 77: Page 29, after line 17, insert:

ENERGY EMERGENCY CONTINGENCY FUND

For the purpose of establishing an "Energy Emergency Contingency Fund", in the United States Treasury to be available for grants to the 50 States, the District of Columbia, and Indian tribes and tribal organizations receiving direct funding in fiscal year 1991 under the Low-Income Home Energy Assistance Act of 1981, $200,000,000 which shall be available for obligation after January 15, 1991: *Provided*, That the national average retail price of home heating oil in any of the months December 1990, January 1991, or February 1991, as reported for Petroleum Marketing Monthly by the Energy Information Administration or the best available data from the Department of Energy on the last day of the month following such month, exceeds by 20 per centum or more the average of the national average retail price for home heating oil for the corresponding month as reported by the Department of Energy for 1986, 1987, 1988,

and 1989: *Provided further,* That these funds shall be allotted to the 50 States and the District of Columbia in proportion to the consumption by low-income households in such jurisdiction (determined on the basis of the best data available at the time of allotment) of home heating oil: *Provided further,* That for allotment purposes only, home heating oil includes liquified petroleum gas and kerosene: *Provided further,* That Indian tribes and tribal organizations shall receive the same per centum of the allotment of the State or States in which they are located as they receive from that State's (or those States') allotment for fiscal year 1991 under section 2604 of the Low-Income Home Energy Assistance Act: *Provided further,* That no State which has transferred funds in fiscal year 1991 to another block grant under section 2604(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(f)) shall be eligible for emergency funding under this paragraph except that an Indian tribal organization which is otherwise eligible for emergency funding under this paragraph shall not be denied such funds by reason of such a transfer by the State within which that organization is located: *Provided further,* That this paragraph shall take effect upon the subsequent enactment into law of a joint resolution certifying the existence of an energy crisis and the need for emergency energy crisis assistance.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 77 and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert:

ENERGY EMERGENCY CONTINGENCY FUND

For the purpose of establishing an "Energy Emergency Contingency Fund", in the United States Treasury to be available for grants to the fifty States, the District of Columbia, and Indian tribes and tribal organizations receiving direct funding in fiscal year 1991 under the Low-Income Home Energy Assistance Act of 1981, $200,000,000 which shall be available for obligation after January 15, 1991: *Provided,* That the national average retail price of home heating oil in any of the months December 1990, January 1991, or February 1991, as reported for Petroleum Marketing Monthly by the Energy Information Administration or the best available data from the Department of Energy on the last day of the month following such month, exceeds by 20 per centum or more the average of the national average retail price for home heating oil for the corresponding month as reported by the Department of Energy for 1986, 1987, 1988, and 1989: *Provided further,* That these funds shall be allotted to the fifty States and the District of Columbia in proportion to the consumption by low-income households in such jurisdiction (determined on the basis of the best data available at the time of allotment) of home heating oil: *Provided further,* That for allotment purposes only, home heating oil includes liquified petroleum gas and kerosene: *Provided further,* That Indian tribes and tribal organizations shall receive the same per centum of the allotment of the State or States in which they are located as they receive from that State's (or those States') allotment for fiscal year 1991 under section 2604 of the Low-Income Home Energy Assistance Act.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 78: Page 29, after line 17, insert:

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), $398,000,000, of which $210,000,000 shall be available for State cash and medical assistance.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 78 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

REFUGEE AND ENTRANT ASSISTANCE

For making payments for refugee and entrant assistance activities authorized by title IV of the Immigration and Nationality Act and section 501 of the Refugee Education Assistance Act of 1980 (Public Law 96-422), $420,770,000, of which $240,000,000 shall be available for State cash and medical assistance.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 79: Page 29, after line 17, insert:

Section 204(a)(1)(B) of the Immigration Reform and Control Act of 1986 is amended—

(1) by striking the period at the end thereof and inserting in its place the following: ", and funds appropriated for fiscal year 1991 under this section are reduced by $566,854,000."

Section 204(a)(1)(C) of the Immigration Reform and Control Act of 1986 is amended—

(1) by striking "$1,000,000,000" and inserting in its place "$2,000,000,000"; and

(2) by striking the period at the end thereof and inserting in its place the following: "and fiscal year 1991."

Section 204(b) of the Immigration Reform and Control Act of 1986 is amended by adding the following new paragraph:

"(5) For fiscal year 1992, the Secretary shall make allotments to States under paragraph (1) no later than December 15, 1991."

An amount equal to 5 percent of amounts expended by a State for educational services under section 204(a)(1)(C) of the Act (or, if greater, $50,000 times the number of all years in which such expenditures are made) may be expended by the State educational agency for its related administrative costs; amounts available to a State for fiscal years after 1988 for public education and outreach to temporary resident aliens under section 204(c)(1)(D) of the Act may also be used for public education and outreach to eligible legalized aliens; and up to one percent of amounts provided to a State under section 204 of the Act in fiscal years after 1988 (or, if greater, $100,000 times the number of such years) may be used for payments under subparagraph (D) of section 204(c)(1), and up to an equal amount may be used for payments under subparagraph (E) of such section, in years after fiscal year 1988.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 79 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

INTERIM ASSISTANCE TO STATES FOR LEGALIZATION

Section 204(a)(1)(B) of the Immigration Reform and Control Act of 1986 is amended—

(1) by striking the period at the end thereof and inserting in its place the following:", and funds appropriated for fiscal year 1991 under this section are reduced by $566,854,000.".

Section 204(a)(1)(C) of the Immigration Reform and Control Act of 1986 is amended—

(1) by striking "1,000,000,000" and inserting in its place "$2,000,000,000"; and

(2) by inserting "for each of fiscal years 1990 and 1991" after "paragraph (2)"; and

(3) by striking the period at the end thereof and inserting in its place the following: "and fiscal year 1991.".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 80: Page 29, after 17, insert:

COMMUNITY SERVICES BLOCK GRANT

For making payments under the Community Services Block Grant Act and the Stewart B. McKinney Homeless Assistance Act $448,300,000, of which $21,000,000 shall be for carrying out section 681(a)(2)(A), $4,200,000 shall be for carrying out section 681(a)(2)(D), $3,100,000 shall be for carrying out section 681(a)(2)(E), $11,100,000 shall be for carrying out section 681(a)(2)(F), $250,000 shall be for carrying out section 681(a)(3), $4,150,000 shall be for carrying out section 408 of Public Law 99-425, and $2,500,000 shall be carrying out section 681A

with respect to the community food and nutrition program.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 80 and concur therein with an amendment, as follows: In lieu of the first sum proposed in said amendment, insert "$438,300,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 81: Page 29, line 26, strike out "$81,200,000" and insert "$84,200,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 81 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$86,450,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 83:

Page 30, line 26, strike out "$1,423,217,000" and insert "$3,501,278,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 83 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$3,519,699,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 84: Page 31, after line 2, insert:

For carrying out title I of S. 5 as passed by the Senate, the Act for Better Child Care, $1,200,000,000, of which $1,159,000,000 shall be available for obligation September 15, 1991, and of which $41,000,000 shall be available for obligation October 1, 1991.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 84 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

For carrying out the Child Care and Development Block Grant Act of 1990, $750,000,000 which shall become available for obligation on September 7, 1991: *Provided*, That these funds shall only become available upon enactment into law of authorizing legislation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 87: Page 31, line 7, after "claims" insert: "*: Provided further*, That of the total amount provided, $47,352,000 shall be transferred to 'Human Development Services' account for part B of title IV of the Act".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 87 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "*: Provided*, That of the total amount provided, $27,352,000 shall be transferred to the "Human Development Services" account for part B of title IV of the Act".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 95: Page 38, line 2, strike out "$6,225,250,000" and insert "$6,376,674,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 95 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$6,378,231,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 96: Page 38, line 3, strike out "$6,195,750,000" and insert "$6,350,029,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 96 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$6,350,158,000".

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 110: Page 39, line 10, after "3(d)(2)(b)" insert "*: Provided further*, That any school district that received a payment under section 5(b)(2) of the Act for fiscal year 1986, but which the Department of Education has determined to be ineligible for section 2 assistance due to a review of the original assessed value of the real property involved at the time of acquisition of the Federal property, shall be deemed eligible for payments under section 2.".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 110 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "*: Provided further*, That any school district that received a payment under section 5(b)(2) of the Act for fiscal year 1986, but which the Department of Education has determined to be ineligible for section 2 assistance due to a review of the original assessed value of the real property involved at the time of acquisition of the Federal property, shall be deemed eligible for payments under section 2 for fiscal year 1991 only".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 113: Page 39, line 19, strike out "$1,529,045,000" and insert "$1,686,247,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 113 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$1,621,735,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 117: Page 39, line 25, after "2" insert "; $6,064,000 shall be for section 5133 and $1,213,000 shall be for section 5134 under title V of the Elementary and Secondary Education Act of 1965; $15,000,000 shall be for national program activities under section 2012 and $222,000,000 shall be for State grants under part A of title II of the Elementary and Secondary Education Act of 1965; and $7,465,000 shall be for the Follow Through Act for fiscal year 1991; $4,830,000 shall be for grants for schools and teachers under subpart 1 and $3,871,000 shall be for family-school partnership under subpart 2 of part B of title III of Public Law 100-297".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 117 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "; $12,000,000 shall be for national program activities under section 2012 and $207,000,000 shall be for State grants under part A of title II of the Elementary and Secondary Education Act of 1965, as amended; $5,415,000 shall be for grants for schools and teachers under subpart 1 and $3,700,000 shall be for family-school partnerships under subpart 2 of part B of title III of Public Law 100-297".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 122: Page 40, line 5, after "VII" insert "including not more than $3,000,000 for the support of not to exceed 300 fellowships under section 7043".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 122 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "including not more than $4,000,000 for the support of not to exceed 400 fellowships under section 7043".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 138: Page 41, strike out lines 13 to 24 and insert:

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Techology Education Act, the Adult Education Act, the Stewart B. McKinney Homeless Assistance Act, the Omnibus Trade and Competitiveness Act of 1988, and S. 1310 as passed by the Senate on February 6, 1990, $1,244,879,000 which, unless otherwise provided, shall become available for obligation on July 1, 1991, and shall remain available through September 30, 1992: *Provided*, That of the amounts made available under the Carl D. Perkins Vocational and Applied Technology Education Act, $7,500,000 shall, notwithstanding section 3(d)(2) and the funding distribution requirements of section 3(d)(1)(G), be for community education employment centers under title III, part G, subpart 1; $3,600,000 shall be for tribally controlled postsecondary vocational institutions under title III, part H, of which the Crownpoint Institute of Technology in Crownpoint, New Mexico shall receive $2,000,000 and the United Tribes Educational Technical Center in Bismarck, North Dakota shall receive $700,000; and $28,276,000 shall be for national programs under title IV, including $9,986,000 for research, of which $6,000,000 shall be for the National Center on Research in Vocational Education and $3,000,000, to remain available until expended, shall be for the national assessment of vocational education, $13,200,000 for demonstrations including $2,000,000 for literacy projects in State correctional institutions under section 420A, $5,000,000 for data collection, and $90,000, to become available on October 1, 1990 and to remain available through September 30, 1991, for regional meetings and negotiated rulemaking: *Provided further*, That of the amounts made available under the Adult Education Act, $1,000,000 shall be available only for demonstration programs under section 372(d), $3,000,000 shall be for national programs under section 383, and $5,000,000 shall be for literacy clearinghouse activities under section 384: *Provided further*, That $988,000 of the total appropriated herein shall be for technology education demonstrations under title VI, subtitle B, chapter 2 of the Omnibus Trade and Competitiveness Act of 1988, and: *Provided further*, That $2,000,000 of the total appropriated herein shall be for commercial driver literacy under S. 1310 as passed by the Senate on February 6, 1990.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 138 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert:

For carrying out, to the extent not otherwise provided, the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, the Stewart B. McKinney Homeless Assistance Act, and the Omnibus Trade and Competitiveness Act of 1988, $1,276,293,000 which shall become available for obligation on July 1, 1991, and shall remain available through September 30, 1992: *Provided*, That of the amounts made available under the Carl D. Perkins Vocational and Applied Technology Education Act $25,290,000 shall be for national programs under title IV, including $7,000,000 for research, $13,290,000 for demonstrations and $5,000,000 for data collection and $2,500,000 shall be for tribally controlled postsecondary vocational institutions under title III, part H: *Provided further*, That of the amounts made available under the Adult Education Act, $1,000,000 shall be available only for demonstration programs under section 372(d), $3,000,000 shall be for national programs under section 383, and $5,000,000 shall be for literacy clearinghouse activities under section 384: *Provided further*, That $2,000,000 of the total appropriated herein shall be for commercial driver literacy if authorized in law.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 139: Page 42, line 4, strike out "$6,777,000,000" and insert "$6,873,950,000, which shall remain available through September 30, 1992, and".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 139 and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert "$6,879,475,000, which shall remain available until September 30, 1992, and".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 147: Page 43, line 12, strike our "$763,616,000" and insert "$785,592,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate Number 147 and Concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$781,470,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 152: Page 43, line 17, after "98-480" insert: "*: Provided,* That of the amounts provided herein, $750,000 shall be available for subpart 1 of part H of title XIII of the Education Amendments of 1980".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 152 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert "*:* "*Provided,* That of the amounts provided herein, $700,000 shall be available for subpart 1 of part H of title XIII of the Education Amendment of 1980".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 155: Page 43, line 25, after "improvements" insert "*:* "*Provided further,* That of the amounts provided herein, $1,000,000 shall be available to carry out title II of the Educational Excellence Act, as passed by the Senate".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 155 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert: "*:* *Provided further,* That the amounts provided herein, $1,000,000 shall be available to carry out a national science scholars program, if authorized in law."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 162. Page 45, line 22, strike out "$133,860,000" and insert "$141,726,000".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 162 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "$133,404,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 163-164: Page 45, line 25, after "purpose" insert "and of which $5,000,000, to remain available until expended, shall be for the National Board for Professional Teaching Standards".

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 163-164 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

Provided, That of the amounts appropriated herein, $1,000,000 shall be available, to remain available until expended, for payment of the expenses incurred by the School Year Extension Study Commission if such a Commission is authorized by law and $2,000,000 shall be available, if authorized in law, if necessary, to remain available until expended, for expenses to be incurred in the operation of an independent National Council on Educational Goals, or any similar panel, council, commission, or other entity whose function shall include monitoring progress towards achieving the national education goals for 2000, or publishing a report that describes such progress, if—

(A) such entity has a majority of voting members who are neither Federally appointed or elected officials nor State elected officials but who are citizens distinguished by training or experience in analyzing educational data or widely recognized experience in, knowledge of, and commitment to education and educational excellence;

(B) such entity has members appointed by the leadership of the National Governors' Association, the President, and the leadership of both Houses of Congress; and

(C) all action of such entity is taken by a simple majority of the members attending a duly called and constituted meeting. In addition to these amounts, $5,000,000 shall be available for teaching standards activities, if authorized, which shall be awarded to the National Board for Professional Teaching Standards if such a grant is specifically authorized in law.

POINT OF ORDER

Mr. CONTE. Mr. Speaker, I raise a point of order that the proposed amendment is not germane to the Senate amendment. It is not germane because the Commission on Extended School Year was never mentioned in Senate amendment 163 nor Senate amendment 164. Therefore, its inclusion in Senate amendments 163 and 164 is beyond the scope of the Senate amendment, and is not germane.

Mr. NATCHER. Mr. Speaker, I concede the point of order.

The SPEAKER pro tempore (Mr. MAZZOLI). The gentleman from Kentucky [Mr. NATCHER] concedes the point of order. The Chair sustains the point of order.

Mr. NATCHER. Mr. Speaker, I offer a revised motion which is at the desk.

□ 1620

The SPEAKER pro tempore (Mr. MAZZOLI). The Clerk will report the motion.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 163-164 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following.

In addition to these amounts, $5,000,000 shall be available for teaching standards activities, if authorized, which shall be awarded to the National Board for Professional Teaching Standards if such a grant is specifically authorized in law

The SPEAKER pro tempore. The gentleman from Kentucky [Mr. NATCHER] will be recognized for 30 minutes, and the gentleman from Massachusetts [Mr. CONTE] will be recognized for 30 minutes.

The Chair recognizes the gentleman for Kentucky [Mr. NATCHER].

Mr. NATCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I want to explain where we will be with respect to one subject with the point of order which was just lodged and upheld.

After the education summit which was held between various Governors and the White House, it was agreed that there would be the creation of a new panel to assess education progress

in this country. That panel would be composed of three Democratic Governors, three Republican Governors, four White House appointees, Mr. Cavazos, the Secretary of Education, Mr. Roger Porter from the White House, and Mr. Darman from the Office of Management and Budget, and Mr. Sununu, the White House staff director.

There would have been zero congressional appointees and any three members of that panel could have exercised a veto on whatever conclusions were reached by that panel.

Mr. Speaker, I think that is a raw, absolutely raw process by which we politicize the entire question of education valuation in this country. In order to try to avoid that, Senator BINGAMAN in the other body offered a different approach. He suggested that there ought to be a panel composed of appointments by the Governors, the White House, and the Congress but that there ought to be a majority of citizens who have demonstrated their expertise on education and who are not politicians. I think he was right to do that, and that is what was tried to be accomplished under this motion that was offered.

Unfortunately, with the upholding of the point of order we will not be left with the situation in which the brilliant geniuses who brought us such a spectacular success in the last budget summit, Mr. Sununu and Mr. Darman, will now in effect be running, they will be running the educational assessment program under the panel, ill-advisely agreed to by a number of the national Governors, and so eagerly agreed to by the White House.

I think that is a prescription for politicizing the entire question of educational assessment. It is exactly what we do not need if we are going to have nonpolitical process in the area of education.

I greatly regret that the parliamentary rules require the upholding of the point of order, but I want people to be forewarned, do not be prepared to disbelieve virtually anything you see coming out of that education assessment panel because it is set up to be a straight political operation. I think that is unfortunate for education. There is nothing that this committee at this point can do about it, but I think people need to be aware of what this point of order has accomplished today.

It seems to me that the future evaluation of education is so important it should not be left in the hands of pols like Mr. Sununu and Mr. Darman. That is hardly the way to establish credibility for any recommendations coming out of that council.

Mr. CONTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I understand the chairman's motion, he is asking that the House insist on a compromise position with the Senate concerning item 163-164. The compromise would provide funds pending authorization for the National Board for Professionial Teaching Standards and delete any funds for the National Council on Educational Goals and the School Year Extension Study Commission from this bill.

So what does this all mean? It means we will be voting on whether the House wants to provide funding for the National Board for Professional Teaching Standards. Let us get on with it.

Mr. NATCHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, by way of clarification, I think I should advise the House that the revised motion on amendment number 163-164 includes the $5 million appropriation for teaching standards activities only. It deletes funding for the National Council on Education Goals and the Extended School Year Study Commission which have been ruled as nongermane by the chair. The revised motion is patterned after the original Senate amendment which appropriates funds for the National Board for Professional Teaching Standards. It has been modified to make these funds contingent on the enactment of authorizing legislation. This legislation is before the authorizing committee today. The motion is in keeping with the agreement of the conferees, and we believe it should be agreed to.

Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Speaker, first I want to assure the gentleman from Wisconsin [Mr. OBEY] that his concerns about the education goals panel are not without merit.

However, it is not with this action that we will kill the possible eventuality that the Congress and the public will be involved in that panel, because we are still considering that matter under an authorization bill that is still before the Senate, and we are waiting to go to conference with it. So we may be able to restore some of the effort about which the gentleman from Wisconsin just expressed his concern.

With regard to the matter left before us under the gentleman from Kentucky's renewed amendment, and that is $5 million for a national assessment board, I encourage the House to support the gentleman from Kentucky's amendment. I say to the Members that this board is not a Federal board to develop Federal assessment criteria of teachers. Rather it is a national board. It was created with no Federal authority. There is to date no Federal money involved in this board. It is a group of Americans who have volunteered to come together in an effort to try to identify the knowledge and the skills necessary for an accomplished teacher, and then they shall simply, once they have decided what that knowledge and skill is, they will share that with the various States who might voluntarily want to set standards for certification in their State. Those certification standards would then be applied to any teacher who is seeking to teach in that school.

The question is should the Federal Government be involved in some way, financially or in some other way to assist this national assessment panel to move ahead. After a great deal of consultation and compromise we are finally down to the $5 million amendment which the gentleman from Kentucky has offered.

Again, before my time expires, I want to make this point: This is not a Federal panel; it is a national panel. In other words, legislation which I spoke of that is now before the Senate and soon we hope to go to conference on, we are trying to work out with the Senate and with the White House their acceptance of an authorization. If that authorization is never adopted, then this money obviously cannot be spent. However, we are trying to keep the money in this bill so that if the authorization goes forward in the other legislation, it will trigger the expenditure of these funds.

I urge my colleagues to support the gentleman from Kentucky's amendment. This is an important matter and it affects the knowledge and skills and the validation and certification of teachers in this country.

□ 1630

Mr. CONTE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I want to congratulate the chairman of our committee and our ranking member, I think, for concurring in revising the amendment to suggest that it be subject to authorization.

I think this discussion on establishing a national standard commission for looking at education is a very, very major policy decision, and for us to lightly pursue this without thoughtful discussion of who are the distinguished citizens, does it involve the public and private sector, and is it a question that we are eroding and reviewing and evaluating our local educational system which is basically decentralized in our Constitution of the United States, so the issue is a major policy issue for this Congress and for the White House.

I agree with the gentleman from Wisconsin who suggests that there are no policy members involved from the Members of Congress. Some of us have

had an education background, elementary, secondary, administrative roles, and some of us have served in State legislatures working on pupil formulas and financial dollars going into our elementary and secondary systems, who know very well that the public sector in education is deteriorating.

We look at studies to show that our first graders in mathematics in America are not doing as well as in Taiwan and in Japan, and for a lot of different reasons. So I think we look at the summit and in respect to the Governors overhauling our educational programs and local superintendents and curriculum people and some teachers who are concerned about the future of our educational system in this Nation; they know that it is not up to standards, but for us to just quickly and shortly discuss that we should have a national standards commission, I think misses the point that there needs to be a lot of depth and a lot of thought to make sure that we have a proper balance of local citizens and professional people who are in the system as educators, but also business communities and parents and mothers and families who are involved in our educational system in this Nation to participate before we go off with a select group of people including White House members who seem to be involved in everything from clean air to summit budget processes who have their finger in every policy decision of this Nation who are not elected.

I suggest that we support the amendment as rewritten, and I congratulate our committee for some thought here in taking more time to let the authorization committees and our appropriation committees, of which we are members, to have much more depth and thought before we move to a policy decision that I think would be inappropriate.

Mr. NATCHER. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank very much the distinguished chairman of our subcommittee, the gentleman from Kentucky [Mr. NATCHER], as well as the ranking member, the gentleman from Massachusetts [Mr. CONTE].

Mr. Speaker, I want to discuss just very briefly the amendment that remains, because I am a very, very strong supporter of it.

The gentleman from Michigan has observed, as did the chairman and the ranking member, that it is in fact subject to authorization. I believe that this Professional Teaching Standards Act which now has a very broad base of support among all of the teachers, major teachers' representatives in the United States, many, many private-sector organizations and corporations that have focused on the crisis in education and, of course, one of those crises clearly in education is the competency of our teachers.

I believe this proposal speaks very strongly to that objective not of imposing but of suggesting and creating a consensus in this country as to exactly what we need in terms of professional teaching standards. Quite obviously, we in this bill appropriate a substantial number of billions of dollars for education.

As Secretary of Education Cavazos and his predecessors have pointed out, ours is but a small portion of the educational funding in America. That money, as all of us who have had children in the schools of our country know, is only ultimately as good as the individual teacher in the child's individual classroom at a given time.

We know full well that we are going to have a very large turnover in our teaching corps in the near future. We know that it is incumbent upon us to recruit and retain very competent teachers. We know that compensation in the teaching profession is a critical problem. This does not speak, obviously, to compensation per se, but it does speak to ensuring that there is a feeling in our communities that those who are teaching their children are competent and able and effective.

I believe if we have accomplished that objective, our public will support what must follow, and that is the compensation to ensure the flow of those kinds of people into the teaching profession.

Mr. PURSELL. Mr. Speaker, will the gentleman yield?

Mr. HOYER. I am happy to yield to the gentleman from Michigan, my good friend and colleague on the committee.

Mr. PURSELL. Mr. Speaker, I think the gentleman from Maryland is absolutely correct. I think it could even go further than that; when we look at our competition, say overseas, for example, in Japan, when students are going 60 days longer in a school year, so it is the quality of the teacher, it is the compensation, and it is the ability of the family and the students themselves to begin to maybe look at a longer school year.

So there are other reforms that are necessary in respect to improving the quality of education in this Nation. I suggested that I think we are all on the same course here to improve the education of the United States, and I congratulate the committee.

Mr. HOYER. Mr. Speaker, I thank the gentleman for his comments. I certainly agree with him and hope that the authorizing committees will pass this legislation so that this program can go forward as quickly as possible.

I thank the chairman for his leadership.

Mr. STOKES. Mr. Speaker, the House recently completed action on H.R. 5257, the fiscal year 1991 Labor-Health and Human Services-Education appropriations bill. This bill includes funding for many vital programs that will greatly benefit the Nation as a whole. I would like to take this opportunity to note the major features of this bill and to commend the efforts of my colleagues on the house and Senate committees in drafting such a fine measure in light of the fiscal constraints we are now facing.

I would like to recognize the leadership of the distinguished chairman of our committee, WILLIAM NATCHER. I thank him for his consistent fairness and concern for the welfare of all of this great Nation's citizens. He has worked and fought extremely hard to make this Nation truly kinder and gentler, even is this time of severe budget constraints.

I would also like to thank the ranking Republican member on the committee, Mr. SILVO CONTE, for his hard work. On the Senate side, I would like to thank the distinguished chairman TOM HARKIN and the minority leader ARLEN SPECTER. It was a pleasure working with these gentlemen.

With this year's fiscal year 1991 Labor-Health and Human Services-Education appropriations bill, Congress acted to correct some of the inadequacies in health care and education. This bill's impact will go beyond fiscal year 1991. Its initiatives will have far-reaching implications for our Nation's future. It increases funds for those who have so long been neglected in our society: women, minorities, our children, the poor, the elderly, and the disabled.

H.R. 5257 appropriates $182 billion for Labor, Health, Human Services, and Education. This is an increase of $22 billion over the fiscal year 1990 level for programs which we can all be proud to support.

I am especially pleased that approximately $20 million has been included to initiate programs newly authorized by the Disadvantaged Minority Improvement Act of 1990. I introduced the original version of the bill in the House. This measure has passed both Houses of Congress and is now awaiting the President's signature. This landmark legislation took many years to come to fruition and reflects the efforts of many groups who share my commitment to improving the health status of minorities in this country. It is our belief that this bill will help curb the 60,000 excess deaths that minorities suffer each year.

Although we were not able to fully fund these programs, the amount provided will enable the Department of Health and Human Services to initiate these new health service and training programs. The committee stood in agreement that the Department of Health and Human Services needed to increase resources in the areas of minority health and training for the future, and made a commitment to providing these resources.

Another important new initiative that was funded in this year's bill is the Ryan White comprehensive AIDS bill. The committee provided over $220 million for emergency assistance to cities, comprehensive care, and early intervention programs to help treat and prevent this terrible disease.

I also wish to note that over $29 million was appropriated to attack the devastating toll that breast and cervical cancer takes on women in

this country. This is $24 million more than the President has recommended to help the over 1 in 10 women who will suffer from these3 diseases.

We also took an important step in preventing the destructive effects of lead poisoning, which affects this country's urban children. Lead poisoning can cause intellectual impairment and even death. We were able to increase fiscal year 1991 spending by almost 200 percent.

In terms of education, the committee's action increased the funding for programs that serve disadvantaged students and the handicapped. For example, chapter 1, received $6.2 billion. This represents an increase of over $1 billion for one of our most effective education programs. In addition, we provided a $400 million increase to programs that help educate handicapped Americans. The committee also added $400 million for the Head Start Program. Nearly $2 billion will be available for this program, which provides nutrition, education, and social services to disadvantaged young children.

The bill also recognizes the important position that historically black colleges and universities hold in educating, and training many of this Nation's African-American leaders. Nearly $88 million was included to support institutional development at these universities, and $12 million to strengthen historically black graduate institutions. In addition, the committee also appropriated almost $200 million for Howard University.

Mr. Speaker, this is a difficult economic time for us all, but it is not the time to deny these vital services to those who need it most. We need to send a message to the American public that we are listening and responding to their needs.

Mr. NATCHER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MAZZOLI). The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 189: Page 59, after line 20, insert:

SEC. 514. Notwithstanding any other provision of this Act, funds appropriated for salaries and expenses of the Department of Labor are hereby reduced by $9,000,000; salaries and expenses of the Department of Education are hereby reduced by $5,000,000; and salaries and expenses of the Department of Health and Human Services are hereby reduced by $50,000,000: *Provided*, That no trust fund limitation shall be reduced with the exception of the Social Security Administration, Limitation on Administrative Expenses, which is hereby reduced by $57,000,000.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 189 and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert:

SEC. 514.(a) Notwithstanding any other provision of this Act, funds appropriated for salaries and expenses of the Department of Labor are hereby reduced by $9,000,000; salaries and expenses of the Department of Education are hereby reduced by $5,000,000; and salaries and expenses of the Department of Health and Human Services are hereby reduced by $50,000,000: *Provided*, That no trust fund limitation shall be reduced with the exception of the Social Security Administration, Limitation on Administrative Expenses, which is hereby reduced by $57,000,000.

(b) Notwithstanding any other provision of this Act, funds appropriated or otherwise made available which are not mandated by law for programs, projects or activities funded by this Act shall be reduced by 2.41 per centum.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the last amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 190: Page 59, after line 20, insert:

SEC. 515. For purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, transfers, if any, in the following accounts are a necessary (but secondary) result of significant policy changes: Training and Employment Services; State Unemployment Insurance and Employment Service Operations; Health Resources and Services; Low Income Home Energy Assistance; Interim Assistance to States for Legalization; and Human Development Services.

MOTION OFFERED BY MR. NATCHER

Mr. NATCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 190 and concur therein with an amendment, as follows:

SEC. 515. For purposes of section 202 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, transfers, if any, in the following accounts are a necessary (but secondary) result of significant policy changes: States Unemployment Insurance and Employment Service Operations; Low Income Home Energy Assistance; Interim Assistance to States for Legalization; and Human Development Services.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

CONFERENCE REPORT ON H.R. 5241, TREASURY, POSTAL SERVICE AND GENERAL GOVERNMENT, APPROPRIATIONS ACT, 1991

Mr. ROYBAL. Madam Speaker, pursuant to the rule, I call up the conference report on the bill (H.R. 5241) making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending September 30, 1991, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mrs. UNSOELD). Pursuant to House Resolution 516, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of October 20, 1990, at page H10694.)

The SPEAKER pro tempore. The gentleman from California [Mr. ROYBAL] will be recognized for 30 minutes, and the gentleman from New Mexico [Mr. SKEEN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from California [Mr. ROYBAL].

□ 1640

Mr. ROYBAL. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the conferees have reached agreement on the Treasury, Postal Service and general Government appropriations bill for fiscal year 1991. It was not an easy conference, as the fiscal restraints, with which all Members are familiar, forced the conferees to agree to some severe funding levels that I personally wish could have been higher.

On the whole, however, the conference report before the House will fund the agencies in this bill at a level which will enable them to perform their assigned functions in a reasonable manner.

H.R. 5241 provides a total of $20.7 billion in new budget authority for the agencies under this bill for fiscal year 1991, $9.2 billion for mandatory items, and $11.5 billion for discretionary items. The conference agreement is under the 302(b) allocations for both budget authority and outlays. I will insert a table in the RECORD providing details of this conference report.

Madam Speaker, H.R. 5241 is deeply involved in the war on drugs. The conference report before Members provides funding for a number of law enforcement agencies such as the Secret Service, the Customs Service, the Bureau of Alcohol, Tobacco and Firearms, the Internal Revenue Service, and others. The conference report contains funds and support for the drug czar in his efforts to provide policy guidance for the war on drugs.

Madam Speaker, this conference report also contains the long-overdue Federal employee pay reform language as well as the Federal law enforcement personnel pay language. These two pieces of language have been fully coordinated with employee organizations and all governmental agencies concerned. The conferees have also provided a 4.1-percent pay increase for Federal employees effective January 1, 1991, and provided additional funds for the Internal Revenue Service to increase the emphasis on tax law compliance in order to increase tax revenues.

In general, the conferees endeavored to fund all agencies at a level that would enable them to continue their operations at about the current level. I have some tabular material concerning the conference report that I offer for the RECORD.

Madam Speaker, I believe that this is a good conference report. It fully represents a reasonable compromise withe the Senate of the United States. I would like to recommend this report to Members of the House. I believe that it is fair. It is well done, and I wish to urge Members at this time to support the conference report.

Treasury-Postal Service-General Government Appropriations Bill, FY 1991 (H.R. 5241)

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
TITLE I - DEPARTMENT OF THE TREASURY						
Departmental Offices:						
Salaries and expenses	58,081,000	63,083,000	63,083,000	63,883,000	63,883,000	+5,802,000
International affairs	25,010,000	27,517,000	27,517,000	29,717,000	29,717,000	+4,707,000
Office of the Inspector General	13,605,000	21,296,000	21,296,000	21,296,000	21,296,000	+7,691,000
Financial crimes enforcement network				16,688,000	16,488,000	+16,488,000
Federal Law Enforcement Training Center:						
Salaries and expenses	36,000,000	36,727,000	36,727,000	41,142,000	40,265,000	+4,265,000
Facilities, acquisition and related expenses	15,000,000	18,735,000	18,735,000	29,000,000	20,775,000	+5,775,000
Financial Management Service:						
Salaries and expenses	285,669,000	218,742,000	218,742,000	218,742,000	218,742,000	-66,927,000
Bureau of Alcohol, Tobacco and Firearms	264,058,000	275,284,000	296,284,000	305,704,000	301,854,000	+37,796,000
(By transfer)				(3,856,000)	(3,856,000)	(+3,856,000)
United States Customs Service:						
Salaries and expenses	1,062,590,000	1,120,086,000	1,140,086,000	1,141,725,000	1,135,961,000	+73,371,000
(By transfer)				(18,884,000)	(18,884,000)	(+18,884,000)
Operations and maintenance, air interdiction program	230,363,000	143,047,000	107,047,000	114,347,000	110,347,000	-120,016,000
Customs forfeiture fund (limitation on availability of deposits)	14,855,000	14,855,000	14,855,000	14,855,000	14,855,000	
Customs services at small airports (to be derived from fees collected)	2,152,000	2,152,000	2,152,000	2,152,000	2,152,000	
Receipts	-587,000					+587,000
Total, United States Customs Service	1,309,373,000	1,280,140,000	1,264,140,000	1,273,079,000	1,263,315,000	-46,058,000

Treasury-Postal Service-General Government Appropriations Bill, FY 1991 (H.R. 5241), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
United States Mint:						
Salaries and expenses	50,051,000	51,429,000	51,429,000	51,429,000	51,429,000	+1,378,000
Expansions and improvements	.....	550,000	550,000	550,000	550,000	+550,000
Bureau of the Public Debt	193,906,000	175,139,000	175,139,000	175,139,000	175,139,000	-18,767,000
Payments of Government losses in shipment	.....	.....	.....	500,000	500,000	+500,000
Internal Revenue Service:						
Administration and management	72,241,000	136,072,000	136,072,000	142,279,000	142,279,000	+70,038,000
(By transfer)	.....	.....	.....	(3,059,000)	(3,059,000)	(+3,059,000)
Processing tax returns and assistance	1,919,196,000	1,444,517,000	1,444,517,000	1,521,595,000	1,521,595,000	-397,601,000
Examinations and appeals	1,886,929,000	.....	.....	.....	.....	-1,886,929,000
Investigation, collection, and taxpayer service	1,622,953,000	.....	.....	.....	.....	-1,622,953,000
Tax law enforcement	.....	3,560,484,000	3,560,484,000	3,310,119,000	3,501,119,000	+3,501,119,000
Information systems	.....	993,927,000	993,927,000	932,932,000	942,932,000	+942,932,000
Total, Internal Revenue Service	5,501,319,000	6,135,000,000	6,135,000,000	5,906,925,000	6,107,925,000	+606,606,000
United States Secret Service	366,262,000	397,640,000	397,640,000	412,740,000	406,700,000	+40,438,000
(By transfer)	.....	.....	.....	(91,000)	(91,000)	(+91,000)
Total, title I, Department of the Treasury, new budget (obligational) authority	8,118,334,000	8,701,282,000	8,706,282,000	8,548,534,000	8,718,578,000	+600,244,000
(By transfer)	.....	.....	.....	(25,890,000)	(25,890,000)	(+25,890,000)
TITLE II - POSTAL SERVICE						
Payment to the Postal Service Fund	453,425,000	484,592,000	484,592,000	470,592,000	472,592,000	+19,167,000
Payment to the Postal Service Fund for nonfunded liabilities	36,425,000	38,142,000	38,142,000	38,142,000	38,142,000	+1,717,000
Total, Postal Service	489,850,000	522,734,000	522,734,000	508,734,000	510,734,000	+20,884,000
TITLE III - EXECUTIVE OFFICE OF THE PRESIDENT						
Compensation of the President	250,000	250,000	250,000	250,000	250,000	.....
Office of Administration	18,580,000	24,910,000	24,910,000	25,410,000	25,410,000	+6,830,000
The White House Office	30,232,000	32,799,000	32,799,000	32,799,000	32,799,000	+2,567,000
Executive Residence at the White House	6,815,000	8,495,000	8,495,000	8,495,000	8,495,000	+1,680,000
Official Residence of the Vice President	574,000	626,000	626,000	626,000	626,000	+52,000
Special Assistance to the President	2,303,000	2,587,000	2,587,000	2,587,000	2,587,000	+284,000
Council of Economic Advisers	2,865,000	3,064,000	3,064,000	3,064,000	3,064,000	+199,000
Office of Policy Development	3,075,000	3,395,000	3,395,000	3,395,000	3,395,000	+320,000
National Critical Materials Council	397,000	235,000	235,000	400,000	400,000	+3,000
National Security Council	5,335,000	5,893,000	5,893,000	5,893,000	5,893,000	+558,000
Office of Management and Budget	44,317,000	49,305,000	49,305,000	48,343,000	48,343,000	+4,026,000
Office of Federal Procurement Policy	2,626,000	2,914,000	2,914,000	2,914,000	2,914,000	+288,000
Unanticipated needs	6,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-5,000,000
Investment in management improvement	500,000	.....	.....	.....	.....	-500,000

Treasury-Postal Service-General Government Appropriations Bill, FY 1991 (H.R. 5241), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Office of National Drug Control Policy:						
Salaries and expenses	36,949,000	66,500,000	66,500,000	17,500,000	99,000,000	+62,051,000
Special forfeiture fund	115,000,000	128,000,000	128,000,000	128,000,000	46,000,000	-69,000,000
Total, title III, Executive Office of the President, new budget (obligational) authority	275,818,000	329,973,000	329,973,000	280,676,000	280,176,000	+4,358,000
TITLE IV - INDEPENDENT AGENCIES						
Administrative Conference of the United States	1,865,000	2,079,000	2,079,000	2,079,000	2,079,000	+214,000
Advisory Commission on Intergovernmental Relations	1,285,000	1,300,000	1,300,000	1,300,000	1,300,000	+15,000
Advisory Committee on Federal Pay	205,000	207,000	207,000	207,000	207,000	+2,000
Committee for Purchase from the Blind and Other Severely Handicapped	1,049,000	1,160,000	1,160,000	1,160,000	1,160,000	+111,000
Federal Election Commission	15,330,000	17,150,000	17,150,000	17,150,000	17,150,000	+1,820,000
General Services Administration:						
Federal Buildings Fund:						
Appropriation	25,220,000	1,365,353,000	1,408,870,000	1,578,360,800	1,645,733,000	+1,620,513,000
Limitation on availability of revenue:						
Construction & acquisition of facilities	(138,843,000)	(1,570,595,000)	(1,469,642,000)	(1,298,133,000)	(1,460,678,000)	(+1,321,835,000)
Repairs and alterations	(558,692,320)	(572,710,000)	(579,710,000)	(780,251,800)	(790,251,800)	(+231,559,480)
Payment on purchase contracts	(126,752,000)	(136,579,000)	(136,579,000)	(136,579,000)	(136,579,000)	(+9,827,000)
Rental of space	(1,327,336,000)	(1,534,300,000)	(1,506,300,000)	(1,505,497,000)	(1,473,804,000)	(+146,468,000)
Real property operations	(948,000,000)	(1,037,200,000)	(1,037,200,000)	(1,037,200,000)	(1,037,200,000)	(+89,200,000)
Program direction & centralized services	(68,020,000)	(90,781,000)	(90,781,000)	(90,781,000)	(122,474,000)	(+54,454,000)
Design and construction services	(146,302,000)	(242,165,000)	(242,165,000)	(251,165,000)	(247,665,000)	(+101,363,000)
Unavailable for obligation			(216,832,000)			
Appropriated - not available for obligation						
Total, Federal Buildings Fund:						
New budget (obligational) authority	25,220,000	1,365,353,000	1,408,870,000	1,578,360,800	1,645,733,000	+1,620,513,000
(Limitations)	(3,313,945,320)	(5,184,330,000)	(5,279,209,000)	(5,099,606,800)	(5,268,651,800)	(+1,954,706,480)
Federal Supply Service:						
Operating expenses	47,644,000	52,243,000	53,957,000	52,243,000	53,957,000	+6,313,000
Federal Property Resources Activities:						
Operating expenses, federal property resources service	11,072,000	12,798,000	13,386,000	12,798,000	13,386,000	+2,314,000
Real property relocation	7,942,000	8,000,000	8,000,000	8,000,000	8,000,000	+58,000
General management and administration	122,540,000	90,555,000	35,100,000	91,455,000	35,100,000	-87,440,000
Grants	13,152,000					-13,152,000
Information resources management service	32,480,000	39,268,000	39,961,000	39,268,000	39,961,000	+7,481,000
Office of the Inspector General	26,136,000	30,139,000	30,997,000	30,139,000	30,997,000	+4,861,000
Allowances and Office Staff for Former Presidents	1,808,000	1,964,000	1,808,000	1,964,000	1,964,000	+156,000
Total, General Activities	215,130,000	182,724,000	129,252,000	183,624,000	129,408,000	-85,722,000
Total, General Services Administration	287,994,000	1,600,320,000	1,592,079,000	1,814,227,800	1,829,098,000	+1,541,104,000
National Archives and Records Administration	124,840,000	128,879,000	139,756,000	131,469,000	138,219,000	+13,379,000
Office of Government Ethics	3,369,000	3,725,000	3,725,000	3,725,000	3,725,000	+356,000
Office of Personnel Management:						
Salaries and expenses:						
Appropriation	110,942,000	114,461,000	114,461,000	113,461,000	114,461,000	+3,519,000
(Limitation on adminstrative expenses)	(81,907,000)	(74,379,000)	(74,379,000)	(74,379,000)	(74,379,000)	(-7,528,000)
Office of Inspector General	2,879,000	4,607,000	4,607,000	4,607,000	4,607,000	+1,728,000
(Limitation on adminstrative expenses)	(2,193,000)	(3,043,000)	(3,043,000)	(3,043,000)	(3,043,000)	(+850,000)

Treasury-Postal Service-General Government Appropriations Bill, FY 1991 (H.R. 5241), Continued

	FY 1990 Enacted	FY 1991 Estimate	House	Senate	Conference	Conference compared with enacted
Government payment for annuitants, employees health benefits	3,727,247,000	3,509,563,000	3,509,563,000	3,509,563,000	3,509,563,000	-217,684,000
Government payment for annuitants, employee life insurance benefits	2,662,000	8,700,000	8,700,000	8,700,000	8,700,000	+6,038,000
Payment to civil service retirement and disability fund	5,211,732,000	5,687,105,000	5,687,105,000	5,687,105,000	5,687,105,000	+475,373,000
Total, Office of Personnel Management	9,055,462,000	9,324,436,000	9,324,436,000	9,323,436,000	9,324,436,000	+268,974,000
Merit Systems Protection Board:						
Salaries and expenses:						
Appropriation	20,929,000	22,564,000	22,564,000	22,564,000	22,564,000	+1,635,000
(Limitation on adminstrative expenses)	(1,450,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(+50,000)
Office of special counsel	5,107,000	6,608,000	6,608,000	6,608,000	6,608,000	+1,501,000
Total, Merit Systems Protection Board	26,036,000	29,172,000	29,172,000	29,172,000	29,172,000	+3,136,000
Federal Labor Relations Authority	17,590,000	18,443,000	18,443,000	18,443,000	18,693,000	+1,103,000
Total, federal personnel activities	9,099,088,000	9,372,051,000	9,372,051,000	9,371,051,000	9,372,301,000	+273,213,000
United States Tax Court	28,120,000	31,598,000	31,598,000	31,598,000	31,598,000	+3,478,000
Total, title IV, Independent Agencies:						
New budget (obligational) authority	9,563,145,000	11,158,489,000	11,161,105,000	11,373,966,800	11,396,837,000	+1,833,692,000
(Limitations)	(3,399,495,320)	(5,263,252,000)	(5,358,131,000)	(5,178,528,800)	(5,347,573,800)	(+1,948,078,480)
Grand total:						
New budget (obligational) authority	18,447,147,000	20,712,458,000	20,720,094,000	20,709,910,800	20,906,325,000	+2,459,178,000
(By transfer to other accounts)				(14,126,000)	(14,126,000)	(+14,126,000)
(By transfer)				(40,016,000)	(40,016,000)	(+40,016,000)
(Limitations)	(3,399,495,320)	(5,263,252,000)	(5,358,131,000)	(5,178,528,800)	(5,347,573,800)	(+1,948,078,480)

Mr. SKEEN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, we bring before you today the conference report on H.R. 5241, which makes appropriations for the Department of the Treasury, the Postal Service, and agencies of the general Government. These appropriations are crucial to the smooth operation of the Federal Government and play a critical role in our Nation's war against drugs.

Funds for the Treasury Department provide the fuel on which our country runs. The Internal Revenue Service, the Customs Service, and the Bureau of Alcohol, Tobacco and Firearms are all revenue producers. Adequate funding for these agencies ensures that adequate revenues will exist to meet our budgetary needs.

Also included within the Treasury appropriations are such entities as: The Secret Service, which has the double duty of protecting our national leaders and protecting our finances from fraud and counterfeit, the Bureau of the Mint, which just recently issued a commemorative coin for the Bicentennial of the Congress, and the Federal Law Enforcement Training Center, which plays a critical role in the training of Federal law enforcement officers used in drug interdiction.

Additionally, the conference report contains appropriations for the U.S. Postal Service—revenue foregone, the Executive Office of the President, and 12 independent agencies, from the Federal Elections Commission, to the Archives, to the Committee for Purchase from the Blind.

The conference committee has acted in a responsible manner to see that each agency has the resources it needs to meet its mandate and objectives. We have worked with GSA in the effort to provide a safe and comfortable workplace for Federal employees. We have ensured that nonprofit organizations retain special postal rates, and we have increased funding for vital drug interdiction agencies.

Madam Speaker, gone are the days of easy conferences. Budgetary constraints no longer allow us to be Santa Claus, bestowing gifts on everyone—naughty or nice. Conferees now resemble the Grinch—stealing Christmas from many projects not meeting the tough criteria set by our dwindling allocations. The Federal pockets are not as deep as they once were.

Yet, Madam Speaker, the conferees have found the means to fund those programs that are crucial to the well-being of all Americans. We have continued to be farsighted in our plans to curb the flow of illegal drugs across our borders. And we have seen to the efficient running of our Government by the many small, independent agencies funded by our subcommittee.

This year, the conferees included within our report a Federal pay reform package designed to close the gap between Federal salaries and private sector salaries. This package is vital if the Federal Government is to recruit and retain qualified individuals to run our Government. Just yesterday, many in this body voted to reduce our clerk-hire accounts by $50,000. Why do we continue to ask those who work for the Federal Government to sacrifice an equitable standard of living? Our civil servants work as hard or harder than their counterparts in the private sector. And they do it for 28 percent less money. We are simply not being fair.

My good friend from Maryland, Mr. HOYER, has crafted a truly remarkable piece of legislation here. He and his legislative director, John Berry, have worked with the Office of Management and Budget, the Office of Personnel Management, the Post Office and Civil Service Committee, and the Federal employees unions to find the

best possible reform package. They succeeded and succeeded brilliantly.

We now have a bill that will address the gross disparity in high cost of living areas, while leaving the low cost areas alone. We will finally be able to recruit qualified law enforcement personnel to protect our borders and citizens. And we will be able to retain highly skilled, experienced people who have been moving into the private sector and taking all their knowledge with them.

This package is good for Federal employees and good for the Federal Government. Most of all, it is good for the American citizen who needs and demands the best from our system of government. STENY, JOHN—congratulations.

Madam Speaker, this conference report represents months of hard work—of cutting and recutting the funds in this bill. We struggled to provide enough funds to generate our revenue while still staying within our 302(b) allocations. We accomplished this, and have produced a well-balanced, equitable report.

Madam Speaker, I thank Chairman ROYBAL for his hard work, his integrity, and his evenhandedness in negotiating the House position with the Senate. I also want to commend the other members of the subcommittee for all their fine work. And Tex Gunnels, Bill Smith, and Tim Shea for their expertise and support.

I urge the Members of the House to sustain the good work done by this conference committee and pass the conference report for H.R. 5241.

Mr. ROYBAL. Madam Speaker, I yield such time as he may consume to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Madam Speaker, this is a great day for Federal law enforcement. The conference report contains substantial portions of H.R. 4224, a bill that I introduced earlier this year with my colleagues Mr. HUGHES, Mr. GEKAS, and Mr. OXLEY. The bill contained the recommendations of the National Commission on Law Enforcement, on which I was honored to serve and which studied the recruitment and retention crisis in Federal law enforcement.

Simply put, Federal law enforcement agents are being paid far less than their State and local counterparts, nationwide and especially in the large urban areas. The Commission recommended a series of improvements in the pay and benefits of Federal law enforcement officers. Most notable were its recommendation for increased starting salaries and locality pay. I am pleased to say that those proposals are reflected in this conference report.

I congratulate the chairman of the subcommittee, Mr. ROYBAL, for his leadership on this issue. I also thank the distinguished gentleman from Maryland [Mr. HOYER], one of the best friends the Federal civil servants have ever had, who worked so hard to make this pay reform legislation possible.

I wish we could also have addressed more comprehensively the question of pay reform for law enforcement support personnel. The FBI in particular, which requires all its support personnel to maintain a Top Secret security clearance, faces increasing difficulties hiring and retaining qualified support personnel. I hope that the FBI will be able to use the authorities under general pay reform to meet the needs of its support personnel.

On another point, Madam Speaker, I would like to comment on section 617, a provision in the conference report drafted in cooperation with the Judiciary Committee. Section 617 provides that no funds may be used to enforce or to require anyone to sign the Government's nondisclosure agreements—specifically standard forms 312 and 4355—or any other nondisclosure agreement, form or policy unless those agreements, forms or policies contain the provision specified int his section.

The provision specified in this section, which must be incorporated into all the Government's nondisclosure forms, agreements and policies, is intended to clarify, and provide notice to the signatories, that the Government's nondisclosure agreements, forms and policies cannot and do not conflict with or alter the rights, obligations, or liabilities created by Executive Order 12356 and the various statutes regarding disclosure of Government information.

With respect to section 617, I would like to ask the chairman of the conference committee, is it his understanding that no funds may be used to enforce any nondisclosure agreements or forms previously signed unless such forms have been modified to include the provision specified in this section and notice of the modification will be provided to those who have signed the forms?

Mr. ROYBAL. Madam Speaker, if the gentleman will yield, yes, that is our understanding of the provision.

Mr. EDWARDS. I thank the chairman. I would ask him one further question: There are statutes which in conjunction with the President's Executive order on national security information, define classified information and set out the procedures for its designation. These statutes and the Executive order are listed in section 617. Is it the managers' intention that, with regard to the interpretation and enforcement of the nondisclosure agreements, the definitions in the statutes and the President's Executive order are controlling?

Mr. ROYBAL. The gentleman is correct. That is our intention.

Mr. EDWARDS. I thank the gentleman. I note that there is litigation pending regarding predecessor provisions on nondisclosure agreements in past appropriations acts. This section is a new nondisclosure limitation provision, and it is our intention that this new provision will moot the litigation. I thank the gentleman for his cooperation on this important issue.

□ 1650

Madam Speaker, I thank the chairman. That is very helpful. That will clear this up for all these people who have signed these disclosure agreements. It will give them a lot of security, which is very important.

Once again, we all should be very grateful for the hard work done on this bill and in particular that portion of the bill I referred to for assisting our retention of Federal law enforcement officers, the FBI, the CIA, and other valuable officers.

The SPEAKER pro tempore (Mrs. UNSOELD). The time of the gentleman from California has expired.

Mr. ROYBAL. Madam Speaker, I yield 1 additional minute to the gentleman.

Mr. HOYER. Madam Speaker, will the gentleman yield?

Mr. EDWARDS of California. I yield to the gentleman from Maryland.

Mr. HOYER. Madam Speaker, I thank the gentleman for yielding to me.

I want to thank the gentleman for his gracious words on my role in the pay reform. As we all know, a bill of this scope and this impact is worked on by literally hundreds of people. The staff spends thousands of hours and the Members spend probably hundreds of hours; but I want to particularly congratulate the subcommittee chairman and one of the ranking Members of this House of Representatives, the gentleman from California [Mr. EDWARDS], who has committed himself particularly on the law enforcement part in very strong support of this, because the gentleman knows how important it is to have highly motivated, highly qualified law enforcement personnel on the job in the effort to fight crime in America and make our streets safe for all Americans, so I want to congratulate the gentleman for his leadership on this issue.

Mr. EDWARDS of California. Madam Speaker, I thank the gentleman very much.

In our inquiry, we found there were FBI agents trying to work in New York with salaries $10,000, $15,000 and $20,000 less than New York City policemen. It just will not work. These men and women do marvelous work and they protect or safety. Their counterespionage work is excellent.

I think we ought to also thank, of course, the gentleman from Michigan [Mr. FORD] and the gentleman from New York [Mr. ACKERMAN] of the Committee on Education and Labor, who also were very helpful.

I do thank the gentleman from Maryland again for his absolutely indispensible help and compliment the gentleman.

Mr. HOYER. Madam Speaker, I thank the gentleman.

Mr. SKEEN. Madam Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. GALLO].

Mr. GALLO. Madam Speaker, I want to thank the gentleman from New Mexico [Mr. SKEEN] for yielding me this time.

Madam Speaker, I rise in strong support of this conference report and would like to commend the chairman and ranking minority member for their excellent work on this bill.

I am particularly pleased that this legislation includes a long-awaited and much needed Federal employee pay reform plan.

In addition to a 4.1-percent cost-of-living adjustment, this bill includes a broader, long-term plan to close the gap between public and private sector pay scales and to provide Federal workers in high-cost-of-living areas a locality pay adjustment.

It combines the best elements of President Bush's 8 percent pay adjustment and efforts in Congress to create a permanent review process for Federal worker pay equity.

For the past 2 years, I have focused my efforts on providing locality pay adjustments for Federal employees. Under this compromise proposal, Federal workers in high-cost-of-living areas already identified by the Office of Personnel Management will be eligible for pay adjustments of up to 8 percent from now through fiscal year 1994. This adjustment is in addition to any across-the-board cost-of-living adjustments given throughout the Federal work force.

The President is given discretion to extend those areas of eligibility beyond the counties already listed. Beyond 1994, there will be created a cost-of-living review process through the Bureau of Labor statistics that will look at all parts of the country and develop a recommendation for periodic adjustments as they are needed to keep Federal pay in line with that of the private sectors.

I have been fighting for 2 years to arrive at a fair locality pay policy and I believe that this plan meets most of my criteria for fairness. I sponsored H.R. 3319 to provide cost-of-living adjustments in high-cost urban and suburdan areas including northern New Jersey.

Private industry does not make the mistake of overpaying workers who live in Terre Haute, IN, while starving those who work in high-cost-of-living areas such as New Jersey.

In New Jersey, the Federal Government has become a training ground for the private sector, where salaries are as much as 30 percent higher for comparable, skilled positions.

As a result, we are losing our most skilled employees and our middle managers, including engineers, FBI agents, and medical professionals.

It is imperative that the areas surrounding high-cost urban areas are included in this plan. I will continue my efforts with the administration and the Office of Personnel Management to ensure that areas such as northern New Jersey are treated as fairly as our neighbors in New York City.

In summary, I believe that this locality pay proposal creates a workable mechanism to look at cost of living, both high and low, and adjusting pay in a way that promotes fairness.

Again, I commend both the members of this subcommittee and the members of the authorizing committee for their hard work on this Federal employee pay reform plan and I urge support of the conference report.

Madam Speaker, I would also like to enter into a colloquy with the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Madam Speaker, if the gentleman will yield, I would be pleased to respond.

Mr. GALLO. Madam Speaker, it is my understanding that this bill provides the President with immediate authority to grant up to 8-percent locality pay adjustments. I am concerned about how the administration will define the high cost-of-living areas. While we do not mention any specific high cost areas, would the gentleman agree that it is our intent to include not only high cost urban centers, but high cost suburban areas.

A good example of that might be New York City and northern New Jersey or Washington, DC, and the Maryland and Virginia suburbs.

Mr. HOYER. Madam Speaker, will the gentleman yield?

Mr. GALLO. I yield to the gentleman from Maryland.

Mr. HOYER. Madam Speaker, I believe the gentleman is absolutely correct. Specifically in the bill we provided, "the boundaries of pay localities shall be determined based on appropriate factors when may include local labor market patterns, community patterns and practices of other employers."

So clearly, a metropolitan area is intended to include its metropolitan and suburban jurisdictions, specifically those in the normal commuting radius for employees.

Mr. GALLO. Well, Madam Speaker, let me say to the gentleman from Maryland, he has done a great service to those Federal employees, and also many of us who have been working on this legislation. There are literally dozens of individuals who recognize this need. I take my hat off to the gentleman from Maryland and I just want to thank the gentleman again, and I look forward to working and following through with the administration on this important issue.

Mr. HOYER. Madam Speaker, will the gentleman yield further?

Mr. GALLO. I yield to the gentleman from Maryland.

Mr. HOYER. Madam Speaker, I want to thank the gentleman for his gracious comments and again reiterate how many people, both Members and staff, have brought us to this day of passing this very significant piece of legislation, as well as, of course, the administration, the Office of Personnel Management and the Office of Management and Budget; but I also want to thank the gentleman from New Jersey, who I know has a very deep concern for the interests of Federal employees and the ability of the Federal Government to retain its best people and recruit our best people to perform the services that the American public expects, so I thank the gentleman for his comments and congratulate him.

Mr. ROYBAL. Madam Speaker, I yield 3½ minutes to the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Madam Speaker, I want to compliment the chairman of the Appropriations Committee for his fine cooperation now, but moreover for the cooperation he has given us in recent years.

I have been in the rather undesirable position, at least for somebody like me, of saying no, no, no to Secretaries in virtually every department in the Government who have been crying to us about the problems they have filling key positions in their departments, keeping their people. With the cooperation of both Democrats and Republicans on the Post Office and Civil Service Committee, we have been in negotiations after hearings by the gentleman from New York [Mr. ACKERMAN] and his committee with the administration now for about 2 solid years.

□ 1700

And we have a commitment of money to pay for this program that is in the appropriations bill.

I want to thank the chairman because we would not be here now if he had not been willing, with us, to say "no." We have the Energy Department come in with their plan, the Defense Department had their plan, and the various departments, including Justice, "Well, you just have to do this for us, do this for us," everybody had their own piecemeal way to do it.

For several years my committee has had to say "no" and ask our friends on

the Appropriations Committee, "Turn them down, don't give them the raises they are asking for, because we don't want to do it piecemeal. We want to have some cohesiveness and be governmentwide."

We have worked out what I believe is an impressive first start on a modern pay system which will replace, in many instances, a pay system that predates World War II. If you gauge anything that we do in the Federal Government by looking at how it was done prior to World War II and the tremendous buildup in Government work force of that time and look at the changes that have taken place, you will realize we are still doing it the way we did it 50 years ago.

We are probably not doing the right thing.

What brought this all about was STENY HOYER, who worked very closely with our committee throughout the development of this legislation and was in a position on the committee to handle this legislation.

I want to pay particular attention to the fact that Republicans like CONNIE MORELLA were very active in developing this legislation and constantly brought to us the problem that her constituency reflects to her.

This is an important first step, and it means that we have a commitment from this President and from the Congress to embark on a new and more sensible way to determine what comparable pay ought to be in various parts of the country and what reasonable pay ought to be for highly trained people or highly skilled or highly experienced people that the Government wants to keep.

It marks a real breakthrough, something that we struggled with and nibbled at for the 10 years that I have been chairman of the committee and never had success with.

Not until President Bush put in his budget message in the beginning of the year a proposal for this kind of an arrangement was it thought to be possible.

I think everybody who had a hand in it will be proud, as we go down into the future, to see that they have done more with this legislation than any one thing we could do to assure that the people get their moneys worth of what they pay the people who work for the Government.

Mr. HOYER. Madam Speaker, will the gentleman yield?

Mr. FORD of Michigan. I yield to the gentleman from Maryland.

Mr. HOYER. Madam Speaker, I want to say that this may be the last major item of the Post Office and Civil Service business that we do in this Congress before the gentleman from Michigan [Mr. FORD] becomes the chairman of another committee, the Committee on Education and Labor.

Madam Speaker, I came to this Congress in June 1981, and I had the honor and privilege of being assigned to the chairman's Committee on Post Office and Civil Service.

Madam Speaker, he is, in my opinion, the giant with respect to civil servants in this country. It is a testimony to the American system that he does so with probably one of the smallest number of Federal employees in his district of any Member in the United States.

Madam Speaker, on behalf of those of us who have large numbers of Federal employees but who know that the system will only work if we have people like BILL FORD, who is the most knowledgeable individual in the Congress of the United States on issues impacting on Federal employes, to pay attention, to commit themselves to making the system work, insuring good pay, good benefits, and good working conditions, and on behalf of every Federal employee, Chairman FORD, whom you have served so well and ably as chairman of that committee, I say, "Thank you."

Mr. FORD of Michigan. I thank the gentleman for his kind remarks.

Madam Speaker, it is with some personal pride that I rise in strong support of the Federal Employees Pay Comparability Act of 1990, incorporated as part of the conference report on H.R. 5241. This measure will go a long way toward curing the compensation ills which have left the Federal Government an also-ran in the labor market.

I am particularly pleased that, as I conclude my decade-long chairmanship of the Committee on Post Office and Civil Service, I am able to cap off my tenure with this accomplishment which I will long treasure and which will serve this Nation well.

As chairman of the Committee on Post Office and Civil Service, I have been frustrated over recent years by the growing clamor of department heads who find themselves at a competitive disadvantage because of a general schedule pay system lacking in flexibility and unresponsive to local market trends.

I have been too often in the role of bad guy, having to say "no" to requests for independent pay systems from deserving agencies of Government. I did so with a promise that the day of governmentwide pay reform was in the offing. I am pleased to say that day has finally arrived, and I am proud of the measure we have been able to produce.

Madam Speaker, the Federal Employees Pay Comparability Act of 1990 will put behind us the annual ritual of posturing, politicking, and bean-counting in the arena of Federal employee pay adjustments. In its place will be a process responsible to national trends as measured by a widely accepted standard—the employment cost index. Beyond that, beginning in 1994, Federal pay will be set in a manner which will put the Federal Government on a path toward full comparability with local labor markets, again based on data supplied by an independent source—the Bureau of Labor Statistics.

Under the act, pay will be set by statisticians rather than politicians; by personnelists rather than opportunists.

This measure is the product of years of study and months of negotiations. That this agreement could be reached in these days of budget turmoil speaks to the desperate employment needs throughout the Federal Government.

Pay reform is not a Democratic or Republican issue. It is not a conservative or liberal issue. It is an issue which should be of concern to all Americans.

This act provides immediate tools to bolster our recruitment and retention efforts. Over time, the Federal Government can, once again, be a player in the labor market. This Nation's daily demands on our Federal Government requires a vital and proud civil service. The Federal Employees Pay Comparability Act of 1990 will go far toward bolstering that vitality and pride.

I urge my colleagues to join me in support of this critical legislation.

Mr. SKEEN. Madam Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. LOWERY].

Mr. LOWERY of California. Madam Speaker, I rise to express my strong support for the conference report on H.R. 5241, the Treasury, Postal Service appropriations bill for fiscal year 1991. As a member of the Treasury Postal Subcommittee, I participated in the formulation of the House bill and in the conference to resolve differences with the Senate's version of this legislation. I believe the conference report represents an effective compromise that meets the essential goals set by the administration and Congress in this difficult budgetary environment.

Madam Speaker, great leadership has been shown by the gentleman from California, Chairman ROYBAL, the gentleman from New Mexico [Mr. SKEEN], and their counterparts in the other body who were most responsible in the conference.

I also want to express my appreciation to the gentleman from Maryland [Mr. HOYER], and the entire committee's effort to bring about pay reform.

Madam Speaker, H.R. 5241 will enable the Customs Service, the Internal Revenue Service, and the Bureau of Alcohol, Tobacco, and Firearms to carry out their vital law enforcement and revenue collection duties. These revenues are especially vital in our drive to reduce the deficit; these agencies must operate effectively or our government will lose sorely needed income.

Passage of H.R. 5241 is especially important because it contains the most significant Federal pay reform measure in 20 years. The ultimate goal of this legislation is to bring the pay of Federal employees in line with their counterparts in the private sector. It was the result of intense negotiations between Congress and the Bush ad-

ministration along with consultation with Federal employee groups.

This compromise addresses the major Federal pay issues: It increases pay; improves the method for calculating Federal pay by comparing it to the private sector; introduces locality pay; sets up a procedure for performance pay; and, increases Federal law enforcement pay. These changes are vital to insuring that the Federal Government can recruit and retain qualified employees to serve the American people. I urge the House's support for this landmark legislation.

In addition, H.R. 5241 provides funding for a number of other important Federal functions. It supports GSA's efforts to construct, modernize and maintain vital U.S. Government buildings and facilities. It funds the operations of the Executive Office of the President, the Executive residence at the White House, and a number of important independent agencies such as the Office of Personnel Management, the Federal Elections Commission, and the National Archieves. While the work of these agencies is not often publicized, their duties are important to the Government and the Nation.

In the preparation of this bill, the conferees tried to meet the administration's requests and concerns on all accounts. In particular, the committee has sought to ensure that the Internal Revenue Service and the U.S. Customs Service will be able to effectively manage their rapidly growing workloads in the next year.

The IRS and the Customs Service are the two largest revenue producing agencies in the Government. They give us an excellent return on our investment; reductions in their funds, particularly their personnel accounts, ends up costing the Government money.

Every member of this body is concerned about the flow of illegal drugs into our Nation. The Customs Service is the first line of defense against drug smuggling at our seaports and land ports of entry. Drug traffickers try ingenious new smuggling methods every day. We must provide the Customs Service with the personnel and equipment to meet this constantly changing threat.

Many of my colleagues correctly assert that the United States must increase its international trade to remain competitive in the world. Without an effective Customs Service this goal will be impossible. We are now implementing the free-trade agreement with Canada and the President has expressed his intention to negotiate a similar agreement with Mexico.

Those members with districts near the Canadian border already know that there is a growing flow of trade and travelers from Canada. The Southwest border near my district in San Diego is already groaning under the weight of interaction with Mexico.

If we do not give the Customs Service the resources to manage this explosive growth, and give GSA the authority to build new border facilities, the benefits of free trade with Canada and Mexico will become a nightmare of bottlenecks and tie-ups at our borders. Let's look to the future and give these agencies the support they need.

I want to express my thanks to Chairman ROYBAL and Mr. SKEEN, the ranking minority member, for their leadership and hard work in the conference. Senator DECONCINI and Senator DOMENICI of the Senate Treasury Subcommitee were fair negotiators and sought to produce a final product that Congress and the President can support.

This is a responsible funding measure that conforms with deficit reduction goals outlined by the budget summit and set by the revised budget resolution. The Treasury-Postal appropriations bill provides funding for essential duties of the Federal Government; duties that cannot be carried out by the States. I urge the passage of the conference report.

Mr. ROYBAL. Madam Speaker, I yield 4 minutes to the gentleman from New York, [Mr. ACKERMAN].

Mr. ACKERMAN. Madam Speaker, I rise in strong support of the conference report on H.R. 5241, the Treasury, Postal Service, and General Government Appropriations Act of 1991, and especially that section which contains the Federal Employees Pay Comparability Act of 1990.

The Federal Employees Pay Comparability Act maintains the current General Schedule structure and provides an annual adjustment of General Schedule salary rates based on the employment cost index minus one-half of 1 percent. The ECI adjustment would be effective each January, with adjustments beginning on January 1, 1992.

In addition, the Bureau of Labor Statistics will conduct annual surveys in all geographic locations to determine whether a locality based comparability payment is necessary. BLS will report its findings to the President's pay agent and a newly established Federal Salary Council.

The council will then make recommendations to the pay agent on locality based comparability payments. The pay agent includes those recommendations, as well as its own recommendations, in a report to the President.

The goal of locality based adjustments is to completely close any existing pay gap; however, the President would not be required to provide a locality adjustment in areas that have a pay disparity of 5 percent or less.

Pay localities with a pay disparity of greater than 5 percent would receive an initial locality adjustment of at least two-tenths of the local pay disparity in fiscal year 1994. The President would be able to alter the fiscal year 1994 locality adjustments only in the event of war or severe economic conditions.

However, if the total cost of these adjustments exceeds $1.8 billion, the President would have discretion to alter the adjustments if he determines that there is a national emergency or serious economic conditions affecting the general welfare.

In subsequent fiscal years, the President would be required to close the local pay gap an additional one-tenth each year until the pay disparity is closed by at least 95 percent. The President would have discretion to alter the locality adjustments in fiscal year 1995 and beyond.

Madam Speaker, the bill creates a special rule for annual pay adjustments for fiscal years 1992 through 1994. For fiscal years 1992 and 1993, Federal employees would receive an adjustment equal to the full ECI.

For fiscal year 1994, Federal employees would receive an annual adjustment equal to the ECI minus one-half of 1 percent. The President would have the discretion to alter these adjustments only in the event of war or severe economic conditions, defined as two consecutive quarters of negative GNP growth.

However, if these adjustments exceed 5 percent in any one year the President would have discretion to alter that portion of the adjustment which exceeds 5 percent if he determines that there is a national emergency or serious economic conditions affecting the general welfare.

The bill also gives the President authority to pay interim geographic adjustments of up to 8 percent for fiscal years 1991 through 1994. The President must consider interim geographic adjustments for any area which has a significant pay disparity, based on BLS pay relative data, and which has a significant recruitment and retention problem.

Madam Speaker, I want to thank Chairman ROYBAL and the ranking Republican, Mr. SKEEN, for their cooperation in allowing us to work out our differences with the Senate and the administration.

And I particularly want to thank STENY HOYER for his efforts on behalf of Federal employees. Madam Speaker, I urge my colleagues to support the conference report.

□ 1710

Mr. SKEEN. Madam Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Speaker, I am pleased to rise in strong support of the conference report on H.R. 5241, the Treasury-Postal Appropriations Act. I congratulate the conferees for their

hard work and particularly the gentleman from Maryland [Mr. HOYER] and the gentleman from Virginia [Mr. WOLF], the gentlewoman from Maryland [Mrs. MORELLA], the distinguished subcommittee chairman, the gentleman from California [Mr. EDWARDS], and the subcommittee's ranking minority member, the gentleman from New Mexico [Mr. SKEEN], for their cooperation and contributions in helping reform the Federal pay system.

This past year, the Committee on Post Office and Civil Service, on which I serve as the ranking Republican, has diligently worked on developing legislation to reform the Federal pay system. Our committee sought to address the myriad problems confronting the Federal pay system and developed specific proposals to address these serious issues. I am pleased that these proposals are encompassed in the legislation before us today and I commend the conferees for their willingness to work with the committee of authorization in ensuring a fair and equitable package.

For too long we have allowed Federal pay to lag significantly behind the private sector. While initially we could rely upon the sense of public duty of our Federal employees, we can no longer ask them to make such sacrifices. We owe the taxpayers the duty of developing and implementing a Federal pay system which is both fiscally prudent and capable of attracting the best and brightest to public service. I commend the administration for recognizing that fact and I congratulate the Director of the Office of Personnel Management, Constance Newman, for her hard work and dedication toward achieving this agreement.

Madam Speaker, the legislation before us contains several provisions designed to be implemented over a period of several years. Before the pay reform system is implemented fully in fiscal year 1994, the Office of Personnel Management will be able to utilize specific pay flexibilities to target those areas and occupations which most significantly lag behind the private sector. After fiscal year 1994, the Federal Government will implement a locality pay system which will recognize the significant differences from city to city in terms of wages, salaries, and cost of living.

Accordingly, Madam Speaker, I urge my colleagues to join in support of this conference report.

Mr. ROYBAL. Madam Speaker, I yield 6 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Madam Speaker, on the original bill we had an amendment. It called for the establishment and operation of an ongoing training program for IRS employees, under which employees will be provided with training information designed to curtail employee mistreatment of taxpayers.

The conference did not, in fact, include that language. It was not included in the language because the IRS had stated that it had, in fact, established such a program, and the conferees, under that particular guise of information from the IRS, feeling that perhaps the ends were met by the establishment of such a program, did, in fact, not insist on the Traficant amendment.

Madam Speaker, I am naturally very, very saddened to hear this. I believe that Congress should have officially on the books of law such language that in fact ensures and reinforces to the IRS that Congress is not only concerned about taxpayer abuse, but makes it be known that such program must be accomplishing these goals, and the reports to Congress are going to be necessary to insure those ends.

I am not going to at this late hour contest this bill. Congress, in its rush to finish business, probably would not even want to take up such a move.

However, Madam Speaker, let me say this before I ask to engage in a colloquy with our distinguished chairman, that I think that it is a shame that too many people in America fear their Government, and specifically the IRS.

Second of all, I cannot understand how any law should be so complicated that an American cannot figure it out and has to hire a Philadelphia attorney, who oftentimes cannot figure the law out either, and then, when they do go in sometimes to an employee; not all employees; most of the employees are very courteous and do a good job, but there are those who want to wield the big stick and scare the hell out of taxpayers.

Madam Speaker, that is where we should come in, and so I would like, if possible, to engage in a short colloquy with the gentleman from California [Mr. ROYBAL] to ask: "In looking at it under these terms, would it be possible next year, Mr. Chairman, if I should happen to return, and things being as they are, that it would be the intent of Congress to reinforce such a position and to require a report to the accomplishment of those goals?"

Mr. ROYBAL. Madam Speaker, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from California.

Mr. ROYBAL. Madam Speaker, I would like to assure the gentleman from Ohio [Mr. TRAFICANT] that next year, should this program not be in place, the way IRS has already promised that it is, we will definitely renew that language, whether the gentleman is here or not.

Madam Speaker, I think the gentleman from Ohio [Mr. TRAFICANT] should know that his language was a subject before the conference. There is no doubt about that. But the conferees on the part of the Senate did not agree to that language and did not agree to it because IRS has assured them that they already had a program and that that language then would be superfluous. Therefore, they did not agree.

What I did then was call IRS and said to them, "Put it in writing."

Madam Speaker, this is what they said. I am not going to read all of the letter, but it says:

> The IRS has undertaken several efforts to strengthen our programs where employees deal with taxpayers. In implementing the Taxpayer Bill of Rights, enacted early in 1989, the IRS established employee training, internal guidelines and changes to operating procedures. As an adjunct to the Bill, we strengthened our Problem Resolution Program to assist taxpayers who suffered a significant hardship as a result of the manner in which IRS administered the internal revenue law.

Madam Speaker, then they go on in the last paragraph where they say:

> I strongly urge your consideration of these efforts as evidence that IRS is very much committed to treating the taxpaying public with fairness and respect.

Mr. TRAFICANT. Madam Speaker, let me say this. I will accept that because there is nothing else, really to accept.

But let me say this: An administrative implementation, however well intended, does not carry the same weight as the fact of Congress legislatively ensuring that that program is ongoing and effective, and reports of the program's success and implementation should be made to the Congress.

So, Madam Speaker, what I would ask is that now that they have established it, that perhaps in the next term, if I return or if I do not return, that the chairman would undertake it.

□ 1720

If, God willing, the country be so well-served to have the gentleman from California [Mr. ROYBAL] and the gentleman from New Mexico [Mr. SKEEN] return, I would hope that you would put in place that the operation of such program continue, and that it report to the Congress on not only the curriculum established, but how it is being done and the successes of the program for oversight to the committee.

Mr. ROYBAL. Madam Speaker, if the gentleman from Ohio [Mr. TRAFICANT] will continue to yield, I can assure him that language will be in at that particular time. I must also tell the gentleman that during the next year I will personally attend some of their classes to see what it is they are actually doing.

I do have an idea of what I believe is the right thing for them to do. Just to

have classes in general would not be sufficient. I will do whatever I can to see to it it is done properly.

Mr. TRAFICANT. Madam Speaker, reclaiming my time, what I would like is just a simple report to the Congress on that program, if the chairman would consider it, next year, making such language.

Mr. ROYBAL. Madam Speaker, I have already indicated to the gentleman from Ohio [Mr. TRAFICANT] that that language in its entirety will be in the bill next year, to continue its operation, and to have them report to this committee as to progress, curriculum, and so forth.

Mr. TRAFICANT. Madam Speaker, I appreciate that very much. I appreciate the concerns of the vice chairman, the gentleman from New Mexico [Mr. SKEEN], and hope to work with the committee next year on such matters.

Mr. SKEEN. Madam Speaker, I yield 4 minutes to the distinguished gentleman from Massachusetts [Mr. CONTE].

Mr. CONTE. Madam Speaker, I rise in support of this conference report, and I urge my colleagues on both sides to support this agreement.

As presented to the House, the conference agreement provides $20.7 billion in new budget authority for the agencies and programs funded in the Treasury-Postal Service appropriations bill.

With the scorekeeping adjustment for the IRS revenue initiative, the agreement is $5 million below the House-passed level, and $246 million below the Senate-passed bill. And with this scorekeeping adjustment, the agreement is just $2 million above the President's budget. That's only nine one-thousandths of 1 percent above the administration's request.

Now, I will admit that the agreement is over last year's level by a substantial amount, some $2.3 billion. But almost all of that amount is due to Presidential requests and mandatory increases. For example, the President asked for a $607 million increase for the IRS, and the committee granted it. The President asked for a $1.6 billion increase for the Federal buildings fund, and the committee granted it.

And the President asked for a $266 million increase in mandatory payments for the civil service retirement system, and the committee granted it. The bulk—if not all—of the increases over last year can be attributed to Presidential requests, and I urge Members to support the President's budget at these funding levels.

I am also supportive of the pay package included in this conference report. Many, many people in Congress and with the administration worked long and hard to produce this reform package, comprehensive legislation that addresses general pay reform, law enforcement pay and pay for our top scientist and researchers. It's this latter provision that is of particular interest to me.

As the ranking member on the Labor-HHS Subcommittee, I have been concerned for some time about the retention and hiring of our top Government medical researchers. We have some of the best and brightest in Government service now, but the future looks bleak without some type of pay reform. For years now, the compensation for our top senior scientists at NIH has fallen further and further behind their counterparts in the private sector to the point where NIH salaries are now 50 percent lower than those on the outside.

And these huge disparities have real and serious consequences. For example, NIH hasn't been able to hire a senior researcher from the outside for almost 11 years now. The Eye Institute hasn't been able to hire someone for 15 years.

And doctors who have shown interest in coming to NIH have understandably balked once they realize the tremendous pay cut they would have to take to join Government service.

And some researchers are leaving. Doctors and scientists who have devoted years of their career at NIH are leaving and taking with them their experience, knowledge, and wisdom.

For example, one expert in breast cancer left for Georgetown and took 36 of his NIH-trained staff with him. This current situation is at a crisis level, and I am pleased to offer here today a partial answer to that crisis.

The conference agreement includes a provision that I authored and submitted at conference and which is modeled after a bill that I introduced last year that would establish a Senior Biomedical Research Service in the Public Health Service. It would allow 350 of the top scientists and researchers to get a raise up to a cap at the Executive Level I.

The justification for this increase is best put by former HHS Secretary Otis Bowen who wrote to me earlier this month. Dr. Bowen said to me:

> From my life's work in health care, I know that no single problem threatens our nation's health care future as much as the erosion of our research capabilities due to the inability of government to attract and retain health care professionals.

Dr. Bowen eloquently highlighted a serious problem, and I ask my colleagues to support this conference agreement which includes a partial solution to this crisis. The agreement provides for pay reform for medical researchers and other positions for which the Government is unable to attract top candidates. And I should reiterate that the appropriations recommended in the agreement are below the budget allocation, the House level and the Senate level.

I urge Members to vote yes on the conference report.

Mr. SPEAKER. I also want to mention an important amendment that was added by the House and modified by the Senate, which provides additional authority for the U.S. Secret Service to investigate the S&L fraud crisis. The provision was modified in conference, and those changes are described in detail in the statement of managers accompanying this conference report.

One specific provision, subsection (c), is designed to reinforce the fact that the language in this conference report represents an agreement with the House and Senate conferees and the administration, including the Federal Bureau of Investigation. On behalf of the administration, Assistant Attorney General Lee Rawls and Mr. Jim Richmond of the Attorney General's office agreed to this language, and representing the interests of the FBI and speaking for them, Mr. Rawls and Mr. Richmond agreed not to pursue this issue in any other legislative forum. For that reason, subsection (c) was included, which provides that if provisions similar to this amendment pass the Congress and are signed into law before or after this legislation, section 528 of this act will control and be the law of the land. Any provision enacted subsequent to or prior to enactment of this section should not be effective. This provision must be specifically amended in order to make changes in this agreement.

Enactment of this provision will go a long way to providing additional resources to fight savings and loan fraud.

The SPEAKER pro tempore (Mrs. UNSOELD). The Chair would announce that the gentleman from New Mexico [Mr. SKEEN] has 11 minutes remaining, and the gentleman from California [Mr. ROYBAL] has 7½ minutes remaining.

Mr. ROYBAL. Madam Speaker, I yield 4 minutes to the gentleman from the Virgin Islands [Mr. DE LUGO].

Mr. DE LUGO. I thank the gentleman for yielding. I would like to engage in a brief colloquy with the distinguished chairman of the subcommittee. Before I do, though, I would like to associate myself with the remarks that were made a little earlier by the gentleman from Maryland [Mr. HOYER] regarding the gentleman from Michigan [Mr. FORD], the chairman of the Committee on Post Office and Civil Service, on which I have had the good fortune to serve for some three terms. I can say, as any Member here who represents Government employees, Federal Government employees, that he is a magnificent chairman and has certainly protected and looked out for civil service workers.

Madam Speaker, Puerto Rico's three political parties, which represent the three status alternatives which have

long divided their people, reached an historic agreement last year to end the islands' divisive status debate. To make it effective, the Federal Government needs to authorize a referendum on the issue and commit to act on the results.

The agreement was such a breakthrough that within weeks President Bush endorsed the parties' request before a joint session of the Congress.

Earlier this month, the House unanimously passed the Puerto Rico Self-Determination Act which I sponsored along with our colleague BOB LAGOMARSINO, the ranking Republican of the Subcommittee on Insular and International Affairs which I am privileged to chair, and with the expressed support of Speaker TOM FOLEY and Minority Leader BOB MICHEL.

The bill, H.R. 4765, was developed through extensive and intensive negotiations with Puerto Rico's three parties and the White House.

It is an alternative to a Senate committee bill which would bind the Federal Government to implement all of the terms that bill would specify for the status selected in a referendum, an approach which the leadership of this House and the authorizing committee consider unrealistic.

Our negotiations were facilitated because House conferees on last year's dire urgent supplemental appropriations bill cooperated with my request to support funding for this matter.

Because of the leadership of the chairman of the Treasury, Postal Service, General Government Appropriations Subcommittee, ED ROYBAL, $500,000 was provided to enable each of the parties to express their positions to a fair extent.

Although at least one party may not use all of the funds it was provided, another has some outstanding debts. Further, since the Senate has not passed Puerto Rico self-determination legislation yet, there may need to be further work on this matter.

Will the distinguished chairman be willing to work to provide necessary funds for reasonable outstanding debts and for any essential further work, if it appears that legislation along the lines that the House has indicated it can agree to can be enacted?

Mr. ROYBAL. Madam Speaker, will the gentleman yield?

Mr. DE LUGO. I yield to the gentleman from California.

Mr. ROYBAL. Madam Speaker, I would like to assure the gentleman that I will do everything I possibly can to help. I strongly support the right of the people of Puerto Rico to exercise self-determination, and will do everything I can when the time comes.

I must also tell the gentleman from the Virgin Islands [Mr. DE LUGO] that this matter was not in our bill, it was not authorized, and no one knew that such a request was being made until the very last minute. It was not in conference because it was not in the House bill, nor in the Senate bill. Therefore, we could not consider it.

Madam Speaker, this is a subject matter that has to be, of course, authorized. I do not believe that this Committee on the Treasury is the proper committee to handle this piece of legislation.

□ 1730

I think it is the Committee on Interior that should be doing that, but should the time come when this matter is authorized, and if it does in fact get sent to my subcommittee, I will give it every consideration.

Mr. DE LUGO. I thank the gentleman very much.

Mr. SKEEN. Madam Speaker, I yield 3 minutes to the distinguished gentleman from New York [Mr. GREEN].

Mr. GREEN of New York. Madam Speaker, I rise in support of this conference report, and particularly in support of the provisions relating to locality adjustments for Federal workers.

Several years ago I received a report from the Federal Executive Board in New York City. The Federal Executive Board, as my colleagues know, consists of the heads of the Federal field offices in each of the major localities around the country. That report of the New York City Federal Executive Board pointed out the extreme difficulty that agencies in the New York City metropolitan area were having in filling their ranks with qualified people because the Federal pay was lagging behind comparability in a high cost-of-living area like New York City.

After I received that report, and after I had checked out its accuracy, I introduced legislation to provide for a cost-of-living adjustment for Federal employees in those parts of the country with high costs of living. I am, therefore, delighted that this legislation in its locality adjustment provisions is addressing that very issue and has created a format in which over a period of years that problem cannot only be addressed but be solved. And under that formula, as I understand it, over a period of years there is every likelihood that we shall see locality adjustments in high cost of living areas so that the Federal employees in those areas can be paid enough to attract topnotch employees, such as we want for our Federal Government.

This is a matter to which I have devoted considerable time, ever since that Federal Executive Board report came out, and I want to compliment the distinguished chairman of the subcommittee and the distinguished ranking minority member for addressing this most serious problem for the Federal work force and the quality of Federal performance in high cost-of-living areas.

Mr. ROYBAL. Madam Speaker, I yield 1 minute to the gentleman from Washington, [Mr. DICKS].

Mr. SKEEN. Madam Speaker, I yield 1 minute to the gentleman from Washington [Mr. DICKS].

Mr. DICKS. Madam Speaker, I rise in strong support of this conference report. I want to compliment the work of the House conferees, especially the gentleman from California [Mr. ROYBAL] and the gentleman from Maryland [Mr. HOYER] who were particularly helpful in including major Federal pay reform in the conference report.

As Cochairman of the Federal Government Service Task Force, I have worked many years with Mr. HOYER and the gentleman from California [Mr. FAZIO] to address the very serious and increasing problem of disparity between Federal and private sector pay. This legislation culminates that effort in a way that will restore competitive compensation with the private sector and end the use of Federal pay as a political football.

The provisions provide a Federal pay adjustment of 4.1 percent for the coming fiscal year, as earlier approved by the House. This compares with a 3.5-percent increase proposed by the administration. But the real impact of this legislation will come in succeeding years.

For fiscal years 1992 and 1993 civil servants would receive an adjustment equal to the employment cost index. In other words, they would end their erosion when compared to private sector compensation. Presidential authority to alter these adjustments would be severely curtailed compared to the virtual blank check he has under existing law.

The most significant element of this legislation comes with the establishment of locality pay adjustments beginning in fiscal year 1994. For the first time Federal pay levels will be able to directly reflect differences in wage levels and cost of living in different regions of the country.

Locality pay will also allow us to move to end the longstanding gap between Federal and private sector pay. Beginning in 1994, localities with a pay gap of more than 5 percent would received an initial adjustment of at least 20 percent of that gap. Another 10 percent of that gap would be closed each succeeding year until it was totally eliminated.

While there are many of us who would have preferred to address this issue more quickly, the fact that the administration has expressed a commitment to deal with this issue within the context of constrained budgets in the coming years is a real breakthrough that has eluded us for more years than many of us care to remember.

The task ahead is now to make certain that these landmark reforms are fully implemented. I intend to make this a high priority should I be returned to the Congress by the constituents of the Sixth Congressional District.

Mr. FAZIO. Madam Speaker, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from California.

Mr. FAZIO. Madam Speaker, I want to thank the gentleman for his comments and associate myself with them.

Mr. DICKS. I thank the gentleman.

Mr. SKEEN. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Madam Speaker, if one looks at the numbers on this conference report, one would presume that it is more than a couple of billion dollars over expenditures in fiscal 1990. However, the committee has had a change in scorekeeping, in how it deals with Federal building management, and at least by my computation its increase over last year is only in the $500 million range. Therefore, it is about 5 percent over last year.

That is not good enough to get my vote, but it is better than most of the appropriations that come down the pike, and we ought to say some nice things about the subcommittee.

In addition, Madam Speaker, this subcommittee has had to make money available to the IRS to achieve some savings under what we hope will be the reconciliation for particular purposes so that the IRS can bring in more money that is due to the country.

My guess is that this is about as good a conference report as we will see from the Appropriations Committee this year, and so I can give my congratulations to the distinguished chairman and the vice chairman. Unfortunately, I cannot given them my vote.

Mr. ROYBAL. Madam Speaker, I yield 1 minute to the gentleman from Maryland [Mr. MFUME.]

Mr. SKEEN. Madam Speaker, I yield 30 seconds to the gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Madam Speaker, I rise in support of the conference report on H.R. 5242, and I would urge all Members of this body to support it.

This is a great day for Federal workers, because it represents, for all intents and purposes, a major step forward in the area of Federal pay reform. As one who represents tens of thousands of Federal workers in the Greater Baltimore area who work for the Social Security Administration, the Health Care Financing Administration, and all of the other Federal agencies, I cannot begin to tell Members how important this is to them, those who have served us so well, and what it means also to their families.

Let me just take a moment to thank both the gentleman from California [Mr. ROYBAL] and the gentleman from New Mexico [Mr. SKEEN] for their management of this report, as well as to the gentleman from Michigan [Mr. FORD] and the gentleman from New York [Mr. GILMAN] for their aid, and in particular my thanks to the gentleman from my own State the gentleman from Maryland [Mr. HOYER], for his day in and day out work on this matter and for his leadership on issues affecting Federal workers, as well as the gentlewoman from Maryland [Mrs. MORELLA] also from our State who have both worked hard and have led us to this particular point. My congratulations to all of them and to the representatives throughout the AFGE and the NTU for this particular conference report.

I simply want to also thank John Sturdivant and people in the AFGE and people at the National Treasury Union and others who have worked with the Members of this body and who I have talked about and worked with on behalf of Federal employees and who have moved us to this particular point.

So again I rise in strong support of this conference report, and would urge all Members of this body to embrace it overwhelmingly.

Mr. SKEEN. Madam Speaker, I yield 2 minutes to the distinguished gentlewoman from Maryland [Mrs. MORELLA].

□ 1740

Mrs. MORELLA. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I rise in strong support of this conference report on H.R. 5241. I will give it my vote.

I want to compliment the chairman of the subcommittee, the gentleman from California [Mr. ROYBAL], certainly the ranking member, the gentleman from New Mexico [Mr. SKEEN], of the subcommittee for the work they have done on this, and as somebody who has served on the Committee on Post Office and Civil Service and who has served on the Subcommittee on Compensation and Employee Benefits, I can say that we all in the Committee on Post Office and Civil Service are delighted with the Federal pay reform provisions in this conference report. The gentleman from Michigan [Mr. FORD], the gentleman from New York [Mr. GILMAN], the gentleman from New York [Mr. ACKERMAN], I am proud to have been an original cosponsor of his pay reform bill, and I had another one in myself on locality pay to affect this particular Greater Washington area.

John Sturdivant, the American Federation of Government Employees, said that this bill, this provision was a breakthrough. Connie Newman, Office of Personnel Management, made the statement that she hoped, and that she wanted pay reform to come through this session. We all wondered about whether that would actually take place, and it has.

I have to also give great accolades to the leadership of my colleague from the State of Maryland, the gentleman from Maryland [Mr. HOYER], on the other side of the aisle, because STENY HOYER indefatigably pursued this knowing that we needed it, and we neded it to recruit, as has been stated before, and to retain the Federal employees who are at that situation where they could early retire because they were sick and tired of the Federal employee bashing that had been going on, with the idea of a possible furlough, will Congress ever get on with its act, so finally we have come out with a major step forward interms of pay reform.

Pay flexibility, locality adjustments, some comparability, some annual pay adjustment, all of these things are part of this package.

I am proud to support it, and to see that this is a major step forward, and I congratulate all of the people involved.

Mr. ROYBAL. Madam Speaker, I yield 1 minute to the gentleman from Maryland [Mr. MCMILLEN].

Mr. MCMILLEN of Maryland. Madam Speaker, I rise in support of this conference report and, likewise, would like to commend the gentleman from California [Mr. ROYBAL] and the gentleman from New York [Mr. SKEEN] for their efforts; but also a special acknowledgement to the gentleman from Maryland [Mr. HOYER], who has labored tirelessly for our Federal workers over his 9 years in Congress.

For those of us with many Federal employees in our district, we consider this measure to be particularly important. It is a morale booster.

Madam Speaker, we certainly need a morale booster for our Federal employees. Our Federal employees have been pawns in the middle of the budget deliberations that have been going on, threatened with furloughs, threatened with loss of job security. I think we are taking a very, very important step today with pay reform and locality reform so that we can attract the best and brightest to Federal Government service and keep them.

I urge all the Members of this body to embrace this important bill.

Mr. ROYBAL. Madam Speaker, I yield the remainder of my time, 30 seconds, to the gentlewoman from New York [Mrs. LOWEY].

Mr. SKEEN. Madam Speaker, I yield 1 minute to the gentlewoman from New York [Mrs. LOWEY].

The SPEAKER pro tempore. The gentlewoman from New York [Mrs. LOWEY] is recognized for 1½ minutes.

Mrs. LOWEY of New York. Madam Speaker, I rise in strong support of the conference report on H.R. 5241. I know that the pressures are great to trim these bills, and that can make it difficult to retain funds for projects which we all know are critically important and cost effective. I want to particularly commend the chairman of the full Appropriations Committee, Mr. WHITTEN, and of the Treasury-Postal Service-General Government Subcommittee, Mr. ROYBAL, and the ranking minority members of the committee and subcommittee for their leadership in developing a balanced, sensible bill. I also appreciate the hard work of members of the subcommittee, including my good friend from Maryland, Mr. HOYER.

I would like to extend my personal thanks to all involved for retaining the important funding in this bill for a new Federal courthouse in White Plains, NY. This facility is urgently needed if our criminal justice system is going to function effectively in the face of a staggering caseload. The current facility is substandard; it was never designed to serve as a courthouse. It has inadequate space, and the design of the structure creates serious security problems.

I commend my colleagues for their foresight in approving this investment in the effective functioning of the Federal judiciary in the southern district of New York.

Mr. SKEEN. Madam Speaker, I yield 30 seconds to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Madam Speaker, I rise in support of the locality-pay provisions in this bill.

I represent a district that is contiguous to Los Angeles, which is a very high cost area. A lot of people do not think our area is high cost, but many, many a Federal job goes begging. They cannot fill it at all because when people find out how much it costs to buy housing in our area, they just do not take it.

I think this will be helpful. I urge passage of the conference report.

Mr. SKEEN. Madam Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, I would like to ask the gentleman from Maryland one little question.

Many of us served on the commission that was created out of the Comprehensive Crime Act of 1988 which dealt with salaries and disparities as to law enforcement officers. What I wanted to make sure was with regard to this bill whether that report or that structure has been incorporated into this bill.

Mr. HOYER. Madam Speaker, will the gentleman yield?

Mr. GEKAS. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. Madam Speaker, the answer to the gentleman's question is the report of that commission in which the gentleman participated was very, very important, I think, in getting the ultimate result. It was not adopted in toto, but its recommendations are very much a part of the final package as worked on by OPM, OMB, and the Committee on the Judiciary in the House and the Senate.

Mr. GEKAS. I thank the gentleman. The law enforcement community are generally satisfied with it?

Mr. HOYER. Madam Speaker, if the gentleman will yield further, I think satisfied would very, very starkly understate their feelings. I think they are delighted with the provisions of this bill.

Mr. GEKAS. Madam Speaker, I thank the gentleman.

Mr. FAZIO. Madam Speaker, over the last couple of years, Congress has been working to bring the pay and benefits of the Federal work force in line with that of the private sector. We all recognize that the Federal pay system is in dire need of repair. With an average 28- to 30-percent pay differential between private and public sector pay, it's not surprising the system is in shambles.

Just a few quick examples of where the neglect of Federal pay has left us. In Boston, entry-level school busdrivers receive higher pay than journeyman Federal aircraft mechanics. Salaries for most Federal law enforcement occupations are far below comparable State and local positions—so far below that garbage collectors in New York City make more than some FBI agents. Our most competent Federal workers in too many occupations and geographical areas are leaving Government for greener salary pastures. This fact is posing serious short-term problems for Government and will have even greater long-term effects.

Last year, we began the process of bringing Federal pay in line with the private sector. As part of the Ethics Reform Act of 1989, Congress provided pay raises for top-level managers in the executive branch, members of the legislative branch, and all Federal judges. Today, Madam Speaker, we have the opportunity to make meaningful pay reform for the rest of the Nation's civil servants by adopting the conference report on the Treasury-Postal Service appropriations bill.

Under the pay reform provisions in the bill, beginning in 1992, Federal workers would receive pay raises equal to the average annual salary increases in the private sector. Instead of the President submitting an arbitrary increase in pay every year, the annual salary adjustment would be based on the Employment Cost Index [ECI]—a Bureau of Labor Standards statistic which reflects national changes in wages and salaries.

In addition, starting in fiscal year 1994, Federal workers in high-cost cities also would qualify for extra locality-based pay increases. Increases would be phased in over 9 years to bring Federal pay in line with local levels for the same work. Under the locality pay system, the President would have to increase salaries for Federal employees in areas with a pay gap of 5 percent or greater. The gap would have to be closed by at least 20 percent in the first year and an additional 10 percent each year until Federal workers are brought to within 95 percent of full comparability.

Madam Speaker, I think it is important to recognize the incredible effort that the chairman of the Post Office and Civil Service Committee, Mr. FORD, and the chairman of the Subcommittee on Compensation and Employee Benefits, Mr. ACKERMAN, put into making pay reform a reality this year. In addition, the laudable effort of the gentleman from Maryland [Mr. HOYER], must also be recognized. These three individuals have been the standard bearers for bringing about this important legislation, and their tireless efforts and active promotion of Federal employee issues is unmatched. Today, we reap the benefits of their labor.

After nearly two decades of austerity, Federal employees will finally receive the fair and just treatment they deserve. The pay reform initiative contained in H.R. 5241 is important to ensuring effective Government in the future and I urge the adoption of the conference report.

Ms. PELOSI. Madam Speaker, I rise in support of the Federal pay reform provisions of H.R. 5241, Treasury, Postal, and General Government appropriations for fiscal year 1991. Federal pay reform is an extremely important issue for the Federal employees of my district and I commend my colleague, Congressman GARY ACKERMAN, chairman of the House Post Office and Civil Service Subcommittee on Compensation and Employee Benefits, for his leadership.

Madam Speaker, the salaries of Federal employees have been the first target for Federal budget saving for over a decade. Both the past and present administrations have ignored the yearly recommendations of the President's pay agent for pay adjustments that would keep public sector pay comparable with private sector pay. As a result, the nationwide gap between public and private sector pay has grown from 2.9 percent in 1978 to over 28 percent according to the latest General Accounting Office [GAO] figures.

The situation is even worse in San Francisco where the pay gap is much wider than in other locales. The difference in pay between a public sector employee and a comparable private sector employee in San Francisco is a staggering 38 percent. Moreover, Federal employees in San Francisco face some of the Nation's highest housing, transportation, and day-to-day living costs.

The Federal pay reform provisions of H.R. 5241 would take numerous steps to close the public-private pay gap and improve the morale of a civil service hit hard by furlough threats and budget cuts. The bill would require the President to adjust the Federal pay for localities with a 5-percent or greater pay gap and provide for an annual pay adjustment for all Federal workers of the Employment Cost Index [ECI] minus 0.5 percent.

I believe, Madam Speaker, that Federal pay reform is a good deal for Federal employees and taxpayers alike. Pay reform will improve the ability of the Federal Government to recruit and reward competent employees and to provide high quality Government services. I once again applaud the work of Congressman ACKERMAN and urge my colleagues to support this important measure.

Mr. SKEEN. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). Without objection, the previous question is ordered on the conference reports.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Madam Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 343, nays 67, not voting 23, as follows:

[Roll No. 505]

YEAS—343

Ackerman	Coleman (MO)	Gallegly
Alexander	Coleman (TX)	Gallo
Anderson	Collins	Gaydos
Andrews	Condit	Gejdenson
Annunzio	Conte	Gekas
Anthony	Cooper	Gephardt
Applegate	Costello	Geren
Aspin	Coughlin	Gibbons
Atkins	Courter	Gillmor
AuCoin	Coyne	Gilman
Baker	Crockett	Glickman
Ballenger	Darden	Gonzalez
Barnard	Davis	Goodling
Bateman	de la Garza	Gordon
Bates	DeFazio	Gradison
Beilenson	Dellums	Grandy
Bennett	Derrick	Grant
Bentley	DeWine	Gray
Bereuter	Dickinson	Green
Berman	Dicks	Guarini
Bevill	Dixon	Gunderson
Bilbray	Donnelly	Hall (OH)
Bilirakis	Dorgan (ND)	Hall (TX)
Bliley	Downey	Hamilton
Boehlert	Duncan	Hansen
Boggs	Durbin	Harris
Bonior	Dwyer	Hastert
Borski	Dymally	Hatcher
Bosco	Dyson	Hawkins
Boucher	Early	Hayes (IL)
Boxer	Eckart	Hayes (LA)
Browder	Edwards (CA)	Hefner
Brown (CA)	Edwards (OK)	Hertel
Bruce	Emerson	Hoagland
Burton	Engel	Hochbrueckner
Bustamante	English	Hopkins
Byron	Erdreich	Horton
Callahan	Espy	Houghton
Campbell (CO)	Evans	Hoyer
Cardin	Fascell	Hubbard
Carper	Fazio	Huckaby
Carr	Feighan	Hughes
Chandler	Fish	Hutto
Chapman	Flake	Hyde
Clarke	Flippo	Inhofe
Clay	Foglietta	James
Clement	Ford (MI)	Jenkins
Clinger	Ford (TN)	Johnson (SD)
Coble	Frost	Johnston
Jones (GA)	Myers	Skeen
Jones (NC)	Nagle	Skelton
Jontz	Natcher	Slattery
Kanjorski	Neal (MA)	Slaughter (NY)
Kasich	Neal (NC)	Smith (FL)
Kastenmeier	Nelson	Smith (IA)
Kennedy	Nowak	Smith (NE)
Kildee	Oakar	Smith (NJ)
Kleczka	Oberstar	Smith (TX)
Kolter	Obey	Smith (VT)
Lagomarsino	Olin	Smith, Robert (OR)
Lancaster	Ortiz	Solarz
Laughlin	Owens (NY)	Solomon
Leach (IA)	Owens (UT)	Spence
Leath (TX)	Oxley	Spratt
Lehman (CA)	Panetta	Staggers
Lehman (FL)	Parris	Stallings
Lent	Pashayan	Stangeland
Levin (MI)	Patterson	Stark
Levine (CA)	Payne (NJ)	Stearns
Lewis (CA)	Payne (VA)	Stenholm
Lewis (GA)	Pease	Stokes
Lipinski	Pelosi	Studds
Lloyd	Perkins	Sundquist
Long	Pickett	Swift
Lowery (CA)	Pickle	Synar
Lowey (NY)	Poshard	Tallon
Luken, Thomas	Price	Tanner
Machtley	Pursell	Tauke
Manton	Quillen	Tauzin
Markey	Rahall	Taylor
Marlenee	Rangel	Thomas (GA)
Martin (NY)	Ravenel	Torres
Martinez	Ray	Torricelli
Matsui	Regula	Traficant
Mavroules	Rhodes	Traxler
Mazzoli	Richardson	Udall
McCandless	Rinaldo	Unsoeld
McCloskey	Ritter	Valentine
McCollum	Roe	Vander Jagt
McCrery	Rogers	Vento
McCurdy	Ros-Lehtinen	Visclosky
McDade	Rose	Volkmer
McDermott	Rostenkowski	Vucanovich
McGrath	Roth	Walgren
McHugh	Rowland (GA)	Walsh
McMillan (NC)	Roybal	Washington
McMillen (MD)	Russo	Watkins
McNulty	Sabo	Waxman
Meyers	Saiki	Weiss
Mfume	Sangmeister	Weldon
Miller (CA)	Sarpalius	Wheat
Miller (OH)	Savage	Whittaker
Miller (WA)	Sawyer	Whitten
Mineta	Saxton	Williams
Mink	Scheuer	Wilson
Moakley	Schiff	Wise
Molinari	Schneider	Wolf
Mollohan	Schroeder	Wolpe
Montgomery	Schulze	Wyden
Moody	Schumer	Wylie
Morella	Serrano	Yates
Morrison (WA)	Sharp	Young (AK)
Mrazek	Sikorski	Young (FL)
Murphy	Sisisky	
Murtha	Skaggs	

NAYS—67

Archer	Hancock	Penny
Armey	Hefley	Petri
Bartlett	Henry	Porter
Barton	Herger	Roberts
Broomfield	Hiler	Robinson
Brown (CO)	Holloway	Rohrabacher
Buechner	Hunter	Schaefer
Bunning	Jacobs	Sensenbrenner
Campbell (CA)	Johnson (CT)	Shaw
Combest	Kolbe	Shays
Cox	Kyl	Shumway
Craig	Lewis (FL)	Shuster
Crane	Lightfoot	Slaughter (VA)
Dannemeyer	Livingston	Smith, Denny (OR)
DeLay	Lukens, Donald	Smith, Robert (NH)
Dornan (CA)	Madigan	Snowe
Douglas	McEwen	Stump
Dreier	Moorhead	Thomas (CA)
Fawell	Nielson	Thomas (WY)
Fields	Packard	Upton
Frenzel	Pallone	Walker
Goss	Parker	
Hammerschmidt	Paxon	

NOT VOTING—23

Brennan	Bryant	Dingell
Brooks	Conyers	Frank
Gingrich	Lantos	Rowland (CT)
Ireland	Martin (IL)	Schuette
Kaptur	Michel	Towns
Kennelly	Morrison (CT)	Weber
Kostmayer	Ridge	Yatron
LaFalce	Roukema	

□ 1809

The Clerk announced the following pair:

On this vote:

Ms. Kaptur for, with Mrs. Roukema against.

Messrs. THOMAS of Wyoming, PARKER, and HOLLOWAY changed their vote from "yea" to "nay."

Mr. KASICH changed his vote from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION TO FILE CONFERENCE REPORT ON S. 566, CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT

Mr. GONZALEZ. Madam Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the Senate bill, (S. 566) to authorize a new Housing Opportunities Partnerships Program to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes.

The SPEAKER pro tempore (Mrs. UNSOELD). Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR MANAGERS TO HAVE UNTIL MIDNIGHT, MONDAY, OCTOBER 22, 1990, TO FILE A CONFERENCE REPORT ON H.R. 486, DEFENSE PRODUCTION ACT AMENDMENTS OF 1990

Mr. GONZALEZ. Madam Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 486) to amend the Defense Production Act of 1950 to revitalize the defense industrial base of the United States, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 5241, TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT APPROPRIATIONS ACT, 1991

The SPEAKER pro tempore. Pursuant to House Resolution 516, the amendments in disagreement and the

motions to dispose of the amendments are considered as having been read.

AMENDMENTS IN DISAGREEMENT

The SPEAKER pro tempore. The Clerk will designate the first amendment in disagreement.

Mr. ROYBAL. Madam Speaker, I ask unanimous consent that Senate amendments numbered 1, 16, 20, 35, 36, 40, 41, 42, 51, 53, 59, 90, and 103 be considered en bloc and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The texts of the various Senate amendments referred to in the unanimous consent request are as follows:

Senate amendment No. 1: Page 2, strike out lines 2 to 17, and insert:

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; not to exceed $22,000 for official reception and representation expenses; not to exceed $200,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate; not less than $2,212,000 and 40 full-time equivalent positions for the Office of Foreign Assets Control; not to exceed $1,649,000, to remain available until expended, for systems modernization requirements; not to exceed $1,000,000, to remain available until expended, for repairs and improvements to the Main Treasury Building and Annex; $63,883,000.

Senate amendment No. 16: Page 8, line 13, strike out all after "Program" down to and including "Service" in line 20, and insert: "*Provided further*, That the United States Customs Service shall hire and maintain an average of not less than 17,162 full-time equivalent positions in fiscal year 1991, of which a minimum level of 10,421 full-time equivalent positions shall be allocated to commercial operations activities, and of which a minimum level of 930 full-time equivalent positions shall be allocated to air interdiction activities of the United States Customs Service, and of which a minimum level of 222 full-time equivalent positions shall be allocated to the Nogales District of the United States Customers Service".

Senate amendment No. 20: Page 9, line 17, after "1991" insert: "*Provided further*, That the United States Customs Service shall commence procurement of long-lead items and conduct all advanced planning required in preparation for the procurement of one additional P-3 airborne early warning (AEW) aircraft in fiscal year 1992".

Senate amendment No. 35: Page 15, line 21, strike out "$160,000" and insert "$300,000".

Senate amendment No. 36: Page 16, line 22, strike out all after "appropriations." down to and including "decreased" in line 23 and insert "Notwithstanding any authority to transfer funds between appropriations contained in any other Act, no transfer may increase or decrease any appropriation in this Act".

Senate amendment No. 40: Page 19, line 9, strike out "$24,910,000" and insert "$25,410,000, of which not less than $500,000 shall remain available until expended for the White House Conference on Indian Education".

Senate amendment No. 41: Page 20, line 8, after "expended," insert "and of which $1,202,000 for the repair of the face of the Executive Residence shall remain available until expended,".

Senate amendment No. 42: Page 21, line 19, strike out "$235,000" and insert "$400,000: *Provided*, That a minimum level of 5 permanent full-time equivalent positions shall be hired and maintained by the National Critical Materials Council for fiscal year 1991".

Senate amendment No. 51: Page 34, after line 25, insert:

National Building Museum, Pension Building, $4,500,000

Senate amendment No. 53: Page 37, after line 4, insert:

Capital Improvements of United States-Mexico Border Facilities, $211,659,800 as follows:

Arizona:

Naco, New Border Station, $3,497,500

Nogales, Grand Avenue, Border Station, site and drainage, $3,200,000

Sasabe, New Border Station, $3,185,000

California:

Andrade, New Border Station, $6,400,700

Calexico, New Border Station, $41,395,000

Otay Mesa, New Border Station, $14,112,700

San Ysidro, Border Station, $8,000,000

Tecate, New Border Station, $10,367,500

New Mexico:

Santa Teresa, New Border Station, $6,000,000

Sunland Park, New Border Station, planning, $500,000

Texas:

Brownsville, New Border Station, $17,520,000

Brownsville, Gateway Bridge, Border Station, $3,500,000

Columbia/West Laredo, New Border Station, $12,991,000

Del Rio, Border Station, $13,042,000

El Paso, Bridge of the Americas, Border Station, $5,291,000

Laredo/Juarez-Lincoln Bridge, Border Station, $25,679,400

Los Indios, New Border Station, $7,934,000

Ysleta, New Border Station, $9,044,000

Southwest Border:

New Border Stations, $20,000,000

Senate amendment No. 59: Page 38, line 11, after "Administration" insert "with the exception of those of Capital Improvements of United States-Mexico Border Facilities; the Augusta, Georgia, United States Courthouse; the Boston, Massachusetts, Federal Building United States Courthouse; the Carson City, Nevada, Federal Building-Post Office parking facility; the Shreveport, Louisiana, Federal Building and United States Courthouse; the District of Columbia Pension Building, National Building Museum; the Knoxville, Tennessee, United States Courthouse-Post Office; the Charleston, West Virginia, Federal Building United States Courthouse; Building No. 6, World Trade Center, New York, New York; and the Tuscon, Arizona, United States Geological Survey, National Weather Service, and Bureau of Mines space expansion".

Senate amendment No. 90: Page 53, after line 8, insert:

OFFICE OF PERSONNEL MANAGEMENT

GENERAL PROVISION

SECTION 1. Section 8902(k)(1) of title 5, United States Code, is amended—

(1) by striking out "performed by a clinical psychologist or optometrist" and inserting in lieu thereof "performed by a clinical psychologist, optometrist, nurse midwife, or nurse practitioner/clinical specialist"; and

(2) by striking out "qualified clincial social worker or optometrist" and inserting in lieu thereof "qualified clinical social worker, optometrist, nurse midwife, or nurse practitioner/nurse clinical specialist".

Senate amendment No. 103: Page 61, line 20, strike out "1990;" and insert "1991".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the house recede from its disagreement to senate amendments Nos. 1, 16, 20, 35, 36, 40, 41, 42, 51, 53, 59, 90, and 103 and concur therein.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore (Mrs. Unsoeld). The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 3: Page 3, after line 10, insert:

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; not to exceed $3,000 for official reception and representation expenses; and awards of compensation to informers; $16,688,000.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 3, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; and not to exceed $3,000 for official reception and representations expenses; $16,488,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 6: Page 4, line 25, strike out "$36,727,000" and insert "$41,142,000: *Provided further,* That the Federal Law Enforcement Training Center shall hire up to and maintain an average of not less than 445 direct full-time equivalent positions for fiscal year 1991".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 6, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

$40,265,000: Provided further, That the Federal Law Enforcement Training Center shall hire up to and maintain an average of not less that 441 direct full-time equivalent positions for fiscal year 1991.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 14: Page 7, line 15, strike out all after "Service;" down to and including "and" in line 16, and insert "$1,141,725,000".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 14, and concur therein with an amendment, as follows:

$1,135,961,000, of which $7,000,000 shall be for the Interagency Border Inspection System, and

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 18: Page 9, line 5, after "District" insert ": *Provided further,* That not less than $600,000 shall be available to increase by 10 the number of full-time inspectors in the Charleston, South Carolina Customs District".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 18, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

: *Provided further,* That Customs shall increase by 10 the number of full-time inspectors in the Charleston, South Carolina Customs District: *Provided further,* That Customs shall increase by 75 the number of full-time inspectors in the San Diego, California Customs District: *Provided further,* That the express designations of Customs positions provided for in this Act and in the accompanying House and Senate Reports shall only apply to positions in excess of those positions funded in Public Law 101-136, and shall not adversely impact staffing increases which are otherwise provided for in fiscal year 1991.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 27: Page 13, line 1, strike out all after "States" down to and including "laws" in line 5.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 27, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following:

: *Provided,* That additional amounts above fiscal year 1990 levels for international tax enforcement shall be used for the establishment and operation of a task force comprised of senior Internal Revenue Service attorneys, accountants, and economists dedicated to enforcement activities related to United States subsidiaries of foreign-controlled corporations that are in non-compliance with the Internal Revenue Code.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 29: Page 13, line 25, after "change" insert ": *Provided,* That of the $247,878,000 provided for tax systems modernization up to $15,000,000 shall be available until expended for the establishment of a federally funded research and development center and may be utilized to conduct and evaluate market surveys, develop and evaluate requests for proposals, and assist with systems engineering, technical evaluations, and independent technical reviews in conjunction with tax systems modernization".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 29, and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

: *Provided,* That of the $247,878,000 provided for tax systems modernization up to $15,000,000 may be available until expended for the establishment of a federally-funded research and development center and may be utilized to conduct and evaluate market surveys, develop and evaluate requests for proposals, and assist with systems engineering, technical evaluations, and independent technical reviews in conjunction with tax systems modernization.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 39: Page 18, after line 17, insert:

UNITED STATES POSTAL SERVICE

GENERAL PROVISION

Section 1. (a) In General.—Section 3626 of title 39, United States Code, is amended by adding at the end the following:

"(j)(1) In the administration of this section, the rates for mail under former section 4452(b) or 4452(c) of this title shall not apply to mail which advertises, promotes, recommends, offers, describes, or announces the availability of any credit, debit, or charge card, or similar financial service, provided by or through an arrangement with any person or organization not authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title.

"(2) Paragraph (1) of this subsection shall not exclude matter from being mailed at the rates for mail under former section 4452(b) or 4452(c) of this title, by an organization authorized to mail at those rates, solely because such matter contains—

"(A) space advertising for which a valuable consideration has been paid, provided that such advertising is an integral part of a publication issued on a periodic basis by the authorized organization, and not included as an insert, enclosure, or supplement;

"(B) an incidental acknowledgement or mention of organizations or individuals who have made donations to the authorized organization; or

"(C) an incidental reference to services or benefits available as a result of membership in the authorized organization, provided that advertising, promotional, or application materials specifically concerning such services or benefits are not included.".

(b) CONFORMING AMENDMENT.—Section 2401(c) of title 39, United States Code, is amended by striking "3626(a)-(h)" and inserting "3626 (a)-(h) and (j)".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 39, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment insert the following:

UNITED STATES POSTAL SERVICE

GENERAL PROVISIONS

SECTION 1. ELIMINATION OF SUBSIDIES FOR BULK THIRD-CLASS MAIL CONTAINING CERTAIN ADVERTISING MATTER.

(a) IN GENERAL.—Section 3626 of title 39, United States Code, is amended by adding at the end the following:

"(j)(1) In the administration of this section, the rates for mail under former section 4452(b) or 4452(c) of this title shall not apply to mail which advertises, promotes, offers, or, for a fee or consideration, recommends, describes, or announces the availability of—

"(A) any credit, debit, or charge card, or similar financial instrument or account, provided by or through an arrangement with any person or organization not authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title;

"(B) any insurance policy, unless the organization which promotes the purchase of such policy is authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title, the policy is designed for and primarily promoted to the members, donors, supporters, or beneficiaries of the organization, and the coverage provided by the policy is not generally otherwise commercially available; or

"(C) any travel arrangement, unless the organization which promotes the arrangement is authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title, the travel contributes substantially (aside from the cultivation of members, donors, or supporters, or the acquisition of income or funds) to one or more of the purposes which constitute the basis for the organization's authorization to mail at such rates, and the arrangement is designed for and primarily promoted to the members, donors, supporters, or beneficiaries of the organization.

"(2) Matter shall not be excluded from being mailed at the rates for mail under former section 4452(b) or 4452(c) of this title, by an organization authorized to mail at those rates solely because—

"(A) such matter contains, but is not primarily devoted to, acknowledgments of organizations or individuals who have made donations to the authorized organization; or

"(B) such matter contains, but is not primarily devoted to, references to and a response card or other instructions for making inquiries concerning services or benefits available as a result of membership in the authorized organization, provided that advertising, promotional, or application materials specifically concerning such services or benefits are not included.

"(3) Upon request, an organization authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of this title shall furnish evidence to the Postal Service concerning the eligibility of any of its mail matter or mailings to be sent at those rates.

"(k)(1) No person or organization shall mail, or cause to be mailed by contractual agreement or otherwise, at the rates for mail under former section 4452(b) or 4452(c) of this title, any matter to which those rates do not apply.

"(2) The Postal Service may assess a postage deficiency in the amount of the unpaid postage against any person or organization which violates paragraph (1) of this subsection. This assessment shall be deemed the final decision of the Postal Service, unless the party against whom the deficiency is assessed appeals it in writing within 30 days to the postmaster of the office where the mailing was entered. Such an appeal shall be considered by an official designated by the Postal Service, other than the postmaster of the office where the mailing was entered, who shall issue a decision as soon as practicable. This decision shall be deemed final unless the party against whom the deficiency was assessed appeals it in writing within 30 days to a further reviewing official designated by the Postal Service, who shall issue the final decision on the matter.

"(3) The Postal Service shall maintain procedures for the prompt collection of postage deficiencies arising from the violation of paragraph (1) of this subsection, and may in its discretion, following the issuance of a final decision regarding a deficiency under paragraph (2) of this subsection, deduct the amount of that deficiency incurred during the previous 12 months from any postage accounts or other monies of the violator in its possession.".

(b) CONFORMING AMENDMENT.—Section 2401(c) of title 39, United States Code, is amended by striking "3626(a)-(h)" and inserting "3626(a)-(h) and (j)-(k)".

(c) EFFECTIVE DATE.—The amendment enacted by this section shall become effective 90 days after the date of enactment of this Act.

Sec. 2. Forebearance Regarding Certain Postage Deficiencies.

(a) IN GENERAL.—The United States Postal Service may forbear from the collection of any postage deficiency assessed against an organization authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of title 39, United States Code, if the assessment of that deficiency arises from a violation of the cooperative mailing regulations of the Postal Service set forth at section 625.5 of the Domestic Mail Manual, and the Postal Service has made no determination that the organization knowingly or willfully violated such regulations. If any organization authorized to mail at the rates for mail under former section 4452(b) or 4452(c) of title 39, United States Code, has paid on its own behalf all or part of a postage deficiency with the Postal Service would forbear from collecting under this section, the Postal Service may refund to that organization the amount which it has paid.

(b) EFFECTIVE DATE AND APPLICABILITY.—The provisions of this section shall become effective on the date of enactment of this Act, and shall apply to mailings which were sent on or between July 1, 1986, and the effective date of this section.

SEC. 3. Section 3626 of title 39, United States Code, as amended by the General Provisions of Title II, is further amended by adding at the end of the following:

"(k) In the administration of this section, the term 'advertising', as used in former section 4358(j)(2) of this title, does not include the publisher's own advertising in a publication published by the official highway or development agency of a State.".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 45: Page 24, strike out all after line 2 down to and including, "*Provided,*" in line 8 and insert "$17,500,000: *Provided,* That not less than $1,000,000 of such amount shall be available for the establishment of a Technology Research and Development Center within the Office of National Drug Control Policy: *Provided furhter,*".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 45, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following "$99,000,000, of which $82,000,000 shall be available for drug control activities which are consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas: *Provided,* That of the $82,000,000 made available, $50,000,000 shall be transferred to Federal agencies and departments for implementing approved strategies and shall be obligated by the end of fiscal year 1991: *Provided further,* That of the $82,000,000, not less than $32,000,000 shall be transferred to the Department of Justice and the Department of the Treasury for disbursement to State and local entities for drug control activities which are consistent with the approved strategy for each designated High Intensity Drug Trafficking Area: *Provided further,* That in the case of the Southwest Border High Intensity Drug Trafficking Area such funds shall be available only for drug control activities which are consistent with the approved strategy and approved by the Drug Advisory Board of the affected State: *Provided further,*".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 46: Page 24, strike out all after line 12, over to and including line 19 on page 25, and insert:

For activities authorized by Public Law 100-690, $128,000,000, to be derived from deposits in the Special Forfeiture Fund; of which $4,548,000 shall be transferred to Federal Bureau of Investigation, "Salaries and expenses"; of which $2,637,000 shall be transferred to Immigration and Naturalization Service, "Salaries and expenses"; of which $6,941,000 shall be transferred to Interagency Law Enforcement, "Organized Crime Drug Enforcement"; of which $18,884,000 shall be transferred to United States Customs Service, "Salaries and expenses"; of which $3,856,000 shall be transferred to Bureau of Alcohol, Tobacco and Firearms, "Salaries and expenses"; of which $3,059,000 shall be transferred to Internal

Revenue Service, "Tax law enforcement"; of which $91,000 shall be transferred to Secret Service, "Salaries and expenses"; and of which $82,000,000 shall be available for activities authorized by section 1005 of Public Law 100-690 for areas designated as High Intensity Drug Trafficking Areas and which shall be transferred to Federal agencies and departments for the purposes of assisting such designated areas and shall be obligated in fiscal year 1991 by such Federal agencies and departments: *Provided*, That of such amount not less than $32,000,000 shall be transferred to the Department of Justice and the Department of the Treasury for distribution to State and local law enforcement entities for drug control activities consistent with the strategy for each designated High Intensity Drug Trafficking Area; and of which $4,984,000 shall remain available until expended for automated data processing enhancements at the El Paso Intelligence Center; and of which $1,000,000 shall remain available until expended to implement section 7604 of Public Law 100-690, the National Commission on Measured Responses to Achieve a Drug-Free America by 1995 Authorization Act: *Provided*, That amounts transferred under this heading shall be used for salaries and expenses of drug enforcement personnel.

OFFICE OF NATIONAL DRUG CONTROL POLICY

GENERAL PROVISION

SECTION 1. Section 524(c)(9) of title 28, United States Code is amended by deleting the second sentence and inserting the following: "For each of fiscal years 1991, 1992, and 1993, the Attorney General shall transfer not to exceed $150,000,000 in unobligated amounts available in the Fund to the Special Forfeiture Fund: *Provided*, That such amounts will be transferred on a quarterly basis. *Provided further*, That, upon each transfer, not to exceed $15,000,000 or, if determined by the Attorney General to be necessary to meet forfeiture program expenses, an amount not to exceed one-tenth of the previous year's obligations shall be retained in the Fund and remain available for payment of authorized expenses: *Provided further*, That, any unobligated amounts in excess of $150,000,000 shall remain on deposit in the Fund.".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 46, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

For activities authorized by Public Law 100-690, $46,000,000 to be derived from deposits in the Special Forfeiture Fund; of which $4,548,000 shall be transferred to Federal Bureau of Investigation, "Salaries and expenses"; of which $2,637,000 shall be transferred to Immigration and Naturalization Service, "Salaries and expenses"; of which $6,941,000 shall be transferred to Interagency Law Enforcement, "Organized Crime Drug Enforcement"; of which $18,884,000 shall be transferred to United States Customs Service, "Salaries and expenses"; of which $3,856,000 shall be transferred to Bureau of Alcohol, Tobacco and Firearms, "Salaries and expenses"; of which $3,059,000 shall be transferred to Internal Revenue Service, "Tax law enforcement"; of which $91,000 shall be transferred to Secret Service, "Salaries and expenses"; of which $4,984,000 shall remain available until expended for automated data processing enhancements at the El Paso Intelligence Center; and of which $1,000,000 shall remain available until expended to implement section 7604 of Public Law 100-690, the National Commission on Measured Responses to Achieve a Drug-Free America by 1995 Authorization Act: *Provided*, That amounts transferred under this heading shall be used for salaries and expenses of drug enforcement personnel.

OFFICE OF NATIONAL DRUG CONTROL POLICY

GENERAL PROVISION

SECTION 1. Section 524(c)(9) of title 28, United States Code is amended by deleting the second sentence and inserting the following: "For each of fiscal years 1991, 1992, and 1993, the Attorney General shall transfer not to exceed $150,000,000 in unobligated amounts available in the Fund to the Special Forfeiture Fund: *Provided*, That such amounts will be transferred on a quarterly basis: *Provided further*, That, upon each transfer, not to exceed $15,000,000, or, if determined by the Attorney General to be necessary to meet forfeiture program expenses, an amount not to exceed one-tenth of the previous year's obligations shall be retained in the Fund and remain available for payment of authorized expenses: *Provided further*, That, any unobligated amounts in excess of $150,000,000 shall remain on deposit in the Fund.".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 48: Page 27, strike out all after line 21 over to and including line 8 on page 33, and insert:

For additional expenses necessary to carry out the purposes of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), $1,578,360,800 to be deposited into said Fund. The revenues and collections deposited into said Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings, including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by installment purchase and purchase contract, in the aggregate amount of $5,099,606,800, of which (1) not to exceed $1,298,133,000 shall remain available until expended for construction of additional projects at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:

Arizona:

Flagstaff, a grant to Northern Arizona University, Southwest Forestry Science Complex, $5,000,000

California:

Menlo Park, U.S. Geological Survey, Laboratory Building A, $22,000,000

Sacramento, John E. Moss Federal Building U.S. Courthouse, Extension, $5,801,000

District of Columbia:

Army Corps of Engineers, Southeast Federal Center, Headquarters, $87,234,000: *Provided*, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works

Federal Bureau of Investigation, Field Office, $98,372,000: *Provided*, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works

General Service Administration, Southeast Federal Center, Headquarters, $148,500,000: *Provided*, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works

Department of Transportation, Headquarters, site, $50,000,000: *Provided*, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works

Southeast Federal Center, $88,000,000: *Provided*, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works

Georgia:

Athens, a grant to University of Georgia Dean Rusk Center for International and Comparative Law, $1,000,000

Augusta, U.S. Courthouse, $353,000

Idaho:

Moscow, a grant to University of Idaho, Environmental Laboratory, $5,800,000

Iowa:

Ames, a grant to Iowa State University, Midwest Supercomputer Access Center, $4,300,000

Illinois:

Chicago, John C. Klucynski Federal Building, Claim, $455,000

Kansas:

Kansas City, Federal Building U.S. Courthouse, $29,475,000

Pittsburg, a grant to Pittsburg State University, School of Technology Complex, $6,000,000

Louisiana:

Shreveport, Federal Building and U.S. Courthouse, $24,669,000

Maryland:

Prince Georges County, Internal Revenue Service, $206,502,000
Prince Georges County, U.S. Courthouse, $21,883,000
Massachusetts:
Boston, Federal Building U.S. Courthouse, $184,200,000
Minnesota:
Minneapolis, Federal Building and U.S. Courthouse, $63,013,000
Montana:
Great Falls, a grant to the McLaughlin Research Institute for Biomedical Sciences, $5,000,000
Nebraska:
Lincoln, a grant to University of Nebraska, George W. Beadle Center for Genetic and Biomaterials Research, $6,000,000
Omaha, a grant to Creighton University, Criss Research Building, $2,000,000
Nevada:
Carson City, Federal Building-Post Office, parking construction, $50,000
New Jersey:
Camden, Post Office and Courthouse Annex, Escalation, $8,903,000
New Mexico:
Albuquerque, a grant to Sandia National Laboratory for research in environmentally conscious manufacturing, $4,000,000
New York:
New York, a grant to Columbia University, Center for Disease Prevention, $1,000,000
White Plains, Courthouse, $26,350,000
Oregon:
Portland, Courthouse Annex, $33,320,000
Pennsylvania:
Wilkes-Barre, Social Security Administration Data Operations Center, Escalation, $11,905,000
Tennessee:
Knoxville, U.S. Courthouse-Post Office, $3,431,000
Virginia:
Alexandria, U.S. Courthouse, $58,202,000
West Virginia:
Charleston, Federal Building U.S. Courthouse, $80,407,000
Nonprospectus construction projects, $5,000,000

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

For additional expenses necessary to carry out the purpose of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), $1,645,733,000 to be deposited into said Fund. The revenues and collections deposited into said Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving Governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, taxes, and any other obligations for public buildings acquired by installment purchase and purchase contract, in the aggregate amount of $5,268,651,800 of which (1) not to exceed $1,460,678,000 shall remain available until expended for construction of additional projects at locations and at maximum construction improvement costs (including funds for sites and expenses) as follows:

New Construction:
Arizona:
Flagstaff, a grant to Northern Arizona University, Southwest Forestry Science Complex, $4,500,000
California:
East Los Angeles, a grant to California State University, $350,000
Los Angeles, a grant to the Japanese American National Museum, $39,000
Los Angeles, a grant to Marymount Loyola University, $4,000,000
Menlo Park, U.S. Geological Survey, Laboratory Building A, $22,000,000
Sacramento, John E. Moss Federal Building U.S. Courthouse, Extension, $5,801,000
San Diego, a grant to Children's Hospital, $1,750,000
Colorado:
Denver, a grant to the National Research Center for Environmental Lung Disease, $1,000,000
District of Columbia:
A grant to the American Indian Higher Education Consortium, $1,908,000
A grant to the D.C. Children's National Medical Center, $1,750,000
Federal Bureau of Investigation, Field Office, $37,800,000: Provided, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works
Department of Transportation, Headquarters, site, $50,000,000: Provided, That such funds shall be obligated only upon the advance approval of the House and Senate Committees on Appropriations and the House Committee on Public Works and Transportation and Senate Committee on Environment and Public Works
Southeast Federal Center, $88,000,000: Provided, That such funds shall be obligated only upon the advance approval of the House Committee on Public Works and Transportation and Senate Committee on Environment and Public Works
Florida:
Miami, a grant to Mt. Sinai Medical Center, $1,750,000
Georgia:
Athens, a grant to University of Georgia, Dean Rusk Center for International and Comparative Law, $1,000,000
Augusta, U.S. Courthouse, $353,000
Idaho:
Moscow, a grant to University of Idaho, Environmental Laboratory, $5,800,000
Illinois:
Chicago, John C. Kluczynski Federal Building, Claim, $455,000
Iowa:
Ames, a grant to Iowa State University, Midwest Supercomputer Access Center, $2,200,000
Kansas:
Kansas City, Federal Building U.S. Courthouse, $29,475,000
Pittsburg, a grant to Pittsburg State University, School of Technology Complex, $5,000,000
Louisiana:
Shreveport, Federal Building and U.S. Courthouse, $24,669,000
Maryland:
Baltimore, a grant for planning and design of Christopher Columbus Center on Marine Research and Exploration, $4,000,000
College Park, a grant to the University of Maryland for superconducting materials research, $1,375,000
Prince Georges County, Internal Revenue Service, $206,502,000
Prince Georges County, U.S. Courthouse, $21,883,000
Massachusetts:
Boston, Federal Building U.S. Courthouse, $184,200,000
Waltham, a grant to establish and construct a National Center for Complex Systems ant Brandeis University, $4,000,000
Woods Hole, a grant for the continued development of the Marine Biomedical Institute for Advanced Studies, $4,750,000
Michigan:
Houghton, a grant to Michigan Technological University for construction of a center for applied metallurgical, minerals, and materials research, $1,750,000
Minnesota:
Minneapolis, Federal Building and U.S. Courthouse, $68,772,000
Montana:
Great Falls, a grant to the McLaughlin Research Institute for Biomedical Sciences, $5,000,000
Nebraska:
Lincoln, a grant to University of Nebraska, George W. Beadle Center for Genetic and Biomaterials Research, $4,500,000
Omaha, a grant to Creighton University, Criss Research Building, $2,000,000
Nevada:
Carson City, Federal Building-Post Office, parking construction, $50,000
New Jersey:
Camden, Post Office and Courthouse Annex, Escalation, $8,903,000
New Mexico:
Alamogordo, a grant to the Primate Research Institute, Site and Facilities, to be constructed on a site leased from the United States Air Force at Holloman Air Force Base, $4,000,000
Albuquerque, a grant to Sandia National Laboratory for research in environmentally conscious manufacturing, $3,000,000
New York:
New York, a grant to Columbia University, Center for Disease Prevention, $1,000,000
Rochester, a grant to Rochester Institute of Technology for a strategic materials research center, $1,750,000
White Plains, Courthouse, $26,350,000
Oregon:
Portland, Courthouse Annex, $33,320,000
Pennsylvania:
Philadelphia, a grant to the Philadelphia Urban League for the administration of a community-based drug prevention program, $778,000

Wilkes-Barre, Social Security Administration Data Operations Center, escalation, $11,905,000

Tennessee:

Knoxville, U.S. Courthouse-Post Office, $3,431,000

Texas:

College Station, a grant to Texas A&M University for the establishment of the Institute for National Drug Abatement Research at the Texas Engineering Experiment Station, $1,000,000

El Paso, a grant to the University of Texas, $1,750,000

Virginia:

Alexandria, U.S. Courthouse, $58,202,000

Northern Virginia, Naval Systems Commands, $273,000,000

West Virginia:

Charleston, Federal Building U.S. Courthouse, $30,407,000

Nonprospectus construction projects, $5,000,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 49: Page 33, line 23, strike out "$579,710,000" and insert "$780,251,800".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 49, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert the following: "$790,251,800".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 52: Page 36, strike out line 20.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 52, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment, insert the following:

Maryland:

Avondale, Federal Executive Training Center, $10,000,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 54: Page 37, line 5, strike out "$271,177,000" and insert "$272,777,000, including $1,600,000 for Building No. 6, World Trade Center, New York, New York: *Provided*, That by no later than July 30, 1991, the Administrator of General Services shall assess the level of unobligated balances, if any, in the Federal Buildings Fund and request reprogramming of such balances, not to exceed $10,000,000, to provide additional funding for United States-Mexico Border Facility projects".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 54, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$272,777,000, including $1,600,000 for Building No. 6, World Trade Center, New York, New York."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 56: Page 37, line 16, strike out "$1,506,300,000" and insert "$1,505,497,000".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 56, and concur therein with an amendment, as follows: In lieu of the sum stricken and inserted by said amendment, insert the following: "$1,473,804,000".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 57: Page 37, line 20, strike out "$242,165,000 for design and construction services" and insert "$251,165,000 for design and construction services of which $9,000,000 shall be available for payment to a public entity in fiscal year 1991 to house the Bureau of Mines, the United States Geological Survey and the National Weather Service in Tucson, Arizona, such location to be designated by the housed agencies and such agencies are to be housed rent free, exclusive of operating expenses, in such location;".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 57, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following: "$247,665,000 for design and construction services of which $5,500,000 shall be available for payment to a public entity in fiscal year 1991 to house the Bureau of Mines, the United States Geological Survey and the National Weather Service in Tucson, Arizona, such location to be designated by the housed agencies and such agencies are to be housed rent free, exclusive of operating expenses, in such location;".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 69: Page 45, strike out lines 1 to 11.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 69, and concur therein with an amendment, as follows: In lieu of the matter stricken, insert the following:

SEC. 5. Notwithstanding any other provision of law, the Secretary of the Interior shall transfer to the General Services Administration, without consideration, that parcel of land known as the Avondale site comprising approximately 17.8 acres of land located at 4900 LaSalle Road in the Avondale section of Prince Georges County, Maryland, together with any improvements, structures and fixtures located thereon: *Provided*, That the Administrator of General Services after consultation with the Office of Personnel Management shall provide for such design and alterations to the structures and fixtures located thereon, as may be required, to prepare the site for use as a training and seminar center: *Provided further*, That upon completion of such alterations the Administrator of General Services shall make the property available to the Director of the Office of Personnel Management for use as a Federal Executive Training Center (Center) and shall delegate to the Director of the Office of Personnel Management any authority necessary to operate the Center: *Provided further*, That the Administrator of General Services is author-

ized and directed to charge the Office of Personnel Management, at the time of the delegation, and for a period of not to exceed five additional years at rates equal to the net revenue generated by operation of the Center in each of such years, and that such rates may be less, but not more than, those rates provided for under Section 210(J) of the Federal Property and Administrative Services Act of 1949, as amended: *Provided further,* That the General Services Administration and the Office of Personnel Management shall negotiate annual rates in subsequent years that will, in the aggregate, including the rates and operating costs charged in the first five years and the recovery of the costs of the alterations and additions that are in excess of $10,000,000, and that there will be no further charges to the Office of Personnel Management, except for routine operational expenses and costs in anticipation of future repairs subsequent to the recovery and costs of alteration and additions in excess of $10,000,000: *Provided further,* That the $6,500,000 previously authorized for Avondale is no longer available for obligation.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 70: Page 45, strike out lines 12 to 18.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 70, and concur therein with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows:

SEC. 6. Notwithstanding any other provision of law, such property as may be necessary, but not to exceed twenty acres, at the Beltsville Agricultural Research Center located in Beltsville, Maryland, may be provided at fair market value to the General Services Administration for the purpose of constructing a Federal Courthouse and that any amount resulting from the acquisition of the property shall be placed in an escrow account to be available hereafter for use in the renovation and restoration of the Beltsville Agricultural Research Center, to be released as specified in advance in appropriations Acts.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore the Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 76: Page 47, strike out lines 16 to 21.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 76, and concur therein with an amendment, as follows: In lieu of the matter stricken by said amendment insert the following:

SEC. 12 Notwithstanding any other provision of law, the Administrator of General Services is authorized and directed to provide not less than 120,000 square feet of storage space, together with additional space as necessary for office use, to establish a National Long Term Records Center in Pittsfield. Massachusetts for the specialized storage of federal agency records by the National Archives and Records Administration: *Provided,* That notwithstanding any other provision of law, the Administrator of General Services is authorized and directed to provide not less than 3,000 square feet of public space in Pittsfield, Massachusetts, for a satellite facility of the New England Regional Archives: *Provided further,* That the Archivist of the United States shall assign adequate personnel to operate the satellite facility established by this section: *Provided further,* That the Administrator of General Services and the Archivist of the United States shall report on a quarterly basis to the House and Senate Committees on Appropriations on the progress made to implement the directives in this section and the resources necessary to complete the Long Term Records Center and the satellite facility.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 79: Page 48, after line 13, insert:

SEC. 11. Notwithstanding any other provision of law, the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(f)), is authorized to receive any revenues, collections, or other income received during fiscal year 1991 in the form of rebates, cash incentives or otherwise, related to energy savings, all of which shall remain in the Fund until expended, and remain available for Federal energy management improvement programs as may be authorized by law or as may be deemed appropriate by the Administrator of General Services. The General Services Administration is authorized to use such funds, in addition to amounts received as New Obligational Authority, in such activity or activities of the Fund as may be necessary.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 79, and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

SEC. 15. Notwithstanding any other provision of law, the Fund established pursuant to section 210(f) of the Federal Property and Administative Services Act of 1949, as amended (40 U.S.C. 490(f)), is authorized to receive any revenues, collections, or other income received during fiscal year 1991 in the form of rebates, cash incentives or otherwise, related to energy savings, all of which shall remain in the Fund until expended, and remain available for Federal energy management improvement programs as may be authorized by law or as may be deemed appropriate by the Administrator by law or as may be deemed appropriate by the Administrator of General Services. The General Service Administration is authorized to use such funds, in addition to amounts received as New Obligational Authority, in such activity or activities of the Fund as may be necessary: *Provided,* That the General Services Administration shall provide the House and Senate Committees on Appropriations with a plan to ensure a balanced and equitable approach for the relocation of Federal agencies in the Washington, D.C., metropolitan area by March 31, 1991.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

Mr. ROYBAL. Mr. Speaker, I ask unanimous consent that Senate amendments numbered 80, 81, 82, 83, 113, 114, 115, 128, 130, 131, 132, and 134 be considered en bloc and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The texts of the various Senate amendments referred to in the unanimous consent request are as follows:

Senate amendment No. 80: Page 48, after line 13, insert:

SEC. 12. Notwithstanding any other provision of law, the General Services Administration is hereby authorized to sell, at competitive bid, the Federal Building located at 500 Quarrier Street in Charleston, West Virginia, and to deposit such proceeds into the Federal Buildings Fund.

Senate amendment No. 81: Page 48, after line 13, insert:

SEC. 13. (a) Notwithstanding any other provision of law, the Administrator of General Services is authorized to sell on such terms and conditions as the Administrator deems proper, the Federal Building and United States Courthouse located at 110 South Fourth Street in Minneapolis, Minnesota. All proceeds from such sale, less direct expenses, shall be deposited into the fund established under section 210(f) of the Federal Property and Administrative Services Act, and the General Services Administration is authorized to use such funds, in addition to amounts received as New Obligational Authority in the Construction and Acquisition of Facilities activity of the Federal Buildings Fund for the construction of a new Federal Building and United States Courthouse in Minneapolis, Minnesota.

(b) In addition, the General Services Administration is hereby authorized to accept donations from the City of Minneapolis, Minnesota, and to deposit such donations into the fund established under section 210(f) of the Federal Property and Administrative Services Act, and the General Services Administration is authorized to use such funds, in addition to the amount received as New Obligational Authority in the Construction and Acquisition of Facilities activity of the Federal Buildings Fund for the construction of a new Federal Building and United States Courthouse in Minneapolis, Minnesota.

(c) There are hereby appropriated, out of the Federal Buildings Fund, such sums as may be necessary for carrying out the purposes of subsections (a) and (b).

Senate amendment No. 82: Page 48, after line 13, insert:

SEC. 14. The Administrator of General Services shall issue a request for proposals for the procurement of move management services within thirty days after enactment of this Act.

Senate amendment No. 83: Page 48, after line 13, insert:

SEC. 15. The General Service Administration is authorized to utilize and lease space in the Harlem International Trade Center located at 125th Street in the county of New York, New York, for future Federal long-term office space needs in the Metropolitan New York City area up to 200,000 square feet pursuant to the availability of Federal tenants.

The lease rate for such office space shall not exceed comparable rates for equivalent space in the surrounding area or comparable rates in the Harlem International Trade Center.

Senate amendment No. 113: Page 67, after line 3, insert:

SEC. 598. Such sums as may be necessary for fiscal year 1991 pay raises for programs funded by this Act shall be absorbed within the levels appropriated by this Act.

Senate Amendment No. 114: Page 67, after line 3, insert:

SEC. 599. (a) Section 12 of the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056 note) is amended by striking out "Expenditures for this reimbursement are authorized not to exceed $160,000 in any one fiscal year" and inserting in lieu thereof "Expenditures for this reimbursement are authorized not to exceed $300,000 in any one fiscal year".

(b) Funds appropriated for fiscal year 1991 for reimbursements for Presidential protection assistance authorized under section 12 of the Presidential Protection Assistance Act of 1976 (18 U.S.C. 3056 note) shall be made available for any such reimbursements claimed during fiscal year 1990.

Senate amendment No. 115: Page 67, after line 3, insert:

SEC. 599A. Title 41, United States Code, chapter 4, subchapter IV, is amending by inserting at the end thereof, the following new section:

"The Internal Revenue Service may use competitive procedures or procedures other than competitive procedures to procure the services of experts for use in the examination of tax returns or litigating any action under the Internal Revenue Code in the United States Tax Court, whether or not the expert is expected to testify at trial. The Internal Revenue Service need not provide any written justification for the use of procedures other than competitive procedures when procuring expert services for cases involving the Internal Revenue Code and need not furnish for publication in the Commerce Business Daily or otherwise any notice of solicitation or synopsis with respect to such procurement.".

Senate amendment No. 128: Page 83, after line 20, insert:

SEC. 626. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of Central Intelligence.

Senate amendment No. 130: Page 83, after line 20, insert:

SEC. 628. (a) A Federal agency may participate in any program established by a State or local government that encourages employees to use public transportation. Such programs may involve the sale of discounted transit passes or other incentives that reduce the cost to the employee of using public transportation.

(b) Notwithstanding the provisions of section 5536 of title 5, United States Code, or any other provision of law, an employee may participate in a program described under subsection (a).

(c)(1) For purposes of this section the term "Federal agency" shall mean an Executive agency as defined under section 105 of title 5, United States Code, and shall include any agency of the legislative or judicial branch of Government.

(2) For purposes of subsection (b), the term "employee" shall mean an employee as defined under section 2105 of title 5, United States Code, and shall include an employee of any legislative or judicial agency.

(d) No later than June 30, 1993, the General Accounting Office shall conduct a study and submit a report on the implementation of programs under subsection (a) and the employees (including information of the employing agencies and rates of pay of such employees) who have participated in such programs.

(e) The provisions of this section are repealed effective December 31, 1993.

Senate amendment No. 131: Page 83, after line 20, insert:

SEC. 629. (a) The Senate finds that—

(1) democracy and freedom of the independent Arab nations have been threatened by the invasion and illegal annexation of Kuwait by the Government of the Republic of Iraq;

(2) the safety of American citizens and those of other countries have been directly threatened by the decision of the Government of Iraq to move them and use them as "human shields" at strategic defense and industrial installations;

(3) the stability of world oil production and marketing has been threatened by the illegal Iraqi seizure of Kuwaiti ports and oil production facilities;

(4) the United Nations has condemned Iraq's invasion of Kuwait, has voted to impose an economic embargo on Iraq, and has declared null and void the annexation of Kuwait;

(5) the United Nations Security Council has approved the use of appropriate military force by individual nations to enforce United Nations sanctions;

(6) the President of the United States has taken the lead in unifying world opinion and directing international efforts against the Iraqi aggression and in defense of Saudi Arabia and the other Gulf states;

(7) a majority of Arab nations have condemned Iraq's actions and have supported Arab military and diplomatic efforts to defend the Gulf states and to ensure Iraq's withdrawal from Kuwait;

(8) the United States is deploying tens of thousands of American troops and military hardware to the Persian Gulf in defense of the strategic interests of the United States in the region at costs estimated to be in excess of $40 million a day, during a time of an increasing budget deficit;

(9) a principle position of the United States and its NATO and major non-NATO allies is one of burdensharing in the collective defense of the Western alliance;

(10) the Senate and the American people are deeply concerned about the need for a reduced budget deficit and improved economic growth; and

(11) President George Bush has announced his intention to develop an economic action plan under which nations benefitting from the economic embargo and the military actions in the Persian Gulf assist those nations which are committing their military personnel and materiel to support these United Nations actions.

(b) It is the sense of the Senate that—

(1) the President of the United States should be congratulated for taking the diplomatic initiative to encourage other nations to share the international financial burden of the defense of Saudi Arabia; and

(2) the President of the United States—

(A) in consultation with the allies of the United States in the Persian Gulf defense operation, should—

(i) take steps to ensure that United States allies are sharing an appropriate portion of the collective defense of their interests in the Gulf;

(ii) take steps to ensure that those allies who are precluded from any overt military participation in the Gulf, or who decide against participating in these defensive actions, or who only provide minimal participation are assuming an appropriate financial share of the collective defense commensurate with their national means; and

(iii) take steps to ensure that those oil producing nations which may benefit from increased individual oil production and world oil prices as a result of the embargo of Iraqi and Kuwaiti oil proportionally share the burden of the costs of the embargo, either directly with those nations providing

the defense, or by equivalent "inkind" payments, or by assuming some of the other international financial burdens of the major defense-providing nations;

(B) in concert with the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, and the Director of the Office of Management and Budget, shall consult with Congress on the steps the President is taking to meet the goals enumerated in subparagraph (A) and shall provide a report to the Congress no later than November 30, 1990, detailing the progress of such steps to date;

(C) during his consultations with other international leaders, should consider stressing, among other points, that failure by any country to actively contribute in the most appropriate manner for that country could have a detrimental impact on its bilateral relationship with the United States; and

(D) should also inform Congress by any legislative initiatives which need to be taken to meet the goals enumerated in subparagraphs (A) through (C).

Senate amendment No. 132: Page 83, after line 20, insert:

SEC 630. (a) Section 3401(a) of title 39, United States Code, is amended in clause (1)(A) by striking out "or" the first time it appears in such clause and inserting ", or temporarily deployed overseas for an operational contingency in arduous circumstances, as determined by the Secretary of Dfense" after "belligerent".

(b) This section shall apply to military personnel participating in "Operation Desert Shield".

Senate amendment No. 134: Page 83, after line 20, insert:

SEC. 632. (a) The Congress finds that—

(1) President Saddam Hussein of Iraq has attempted to evade the consequences of his illegal invasion of Kuwait by the taking of civilian hostages;

(2) Saddam Hussein has violated standards of civilized conduct by willfully seeking to endanger the lives of foreign civilians in Kuwait and Iraq;

(3) He has further violated international diplomatic practice by laying siege to Western embassies in Kuwait;

(4) Iraq's conduct both at home and on the battlefield during the recent war with Iran has demonstrated a willingness to use the most barbaric methods of warfare, including the gassing of civilian women and children;

(5) The Nuremberg principles, while denying national guilt for acts of war, do also stipulate that individual leaders may be held responsible for violations of the conventions of war and of civilized behavior;

(6) The taking of hostages, the use of gas, the terrorizing of civilians and diplomats, and other such acts in both peace and war have long been considered crimes against humanity for which prosecution is justifiable.

(b) It is the sense of the Senate that in the event of hostilities between the United States and the government of Iraq it shall be the policy of the United States to pursue Saddam Hussein, other Iraqi leaders, and other such perpetrators as may be determined responsible in order to bring them to justice as war criminals, and to seek their prosecution and punishment under the auspices of an international tribunal with relevant jurisdiction.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendments of the Senate numbered 80 81, 82, 83, 113, 114, 115, 128, 130, 131, 132, and 134 and concur therein with amendments, as follows:

Amendement numbered 80: In lieu of the section number named in said amendment, insert "16".

Amendment numbered 81: In lieu of the first section number named in said amendment, insert "17".

Amendment numbered 82: In lieu of the section number named in said amendment, insert "18".

Amendment numbered 83: In lieu of the section number named in said amendment, insert "19".

Amendment numbered 113: In lieu of the section number named in said amendment, insert the following "530".

Amendment numbered 114: In lieu of the first section number named in said amendment, insert the following "531".

Amendment numbered 115: In lieu of the section number named in said amendment, insert the following "532".

Amendment numbered 128: In lieu of the first section number named in said amendment, insert the following "628".

Amendment numbered 130: In lieu of the first section number named in said amendment, insert the following "629".

Amendment numbered 131: In lieu of the section number named in said amendment, insert the following "630".

Amendment numbered 132: In lieu of the first section number named in said amendment, insert the following "631".

Amendment numbered 134: In lieu of the section number named in said amendment, insert the following "635".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

□ 1820

The SPEAKER pro tempore (Mrs. UNSOELD). The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 84: Page 48, after line 13, insert:

SEC. 16. Notwithstanding any other provision of law, the General Services Administration is directed to maintain during the Fiscal Year ending September 30, 1991, the vehicle rental rates and per mile rates charged to schools and dormitories funded by the Bureau of Indian Affairs that were in effect on June 30, 1990, except for subsequent per mile rate adjustments related to fuel cost increases.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 84, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SEC. 20. Notwithstanding any other provision of law, the General Services Administration is directed to maintain during the fiscal year ending September 30, 1991, the vehicle rental rates and per mile rates charged to schools and dormitories funded by the Bureau of Indian Affairs that were in effect on June 30, 1990, except for subsequent per mile rate adjustments related to fuel cost increases.

SEC. 21. Notwithstanding any other provision of this Act, the amount available in the Federal Buildings Fund for program direction and centralized services shall not exceed $122,474,000.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 88: Page 49, after line 2, insert:

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

GENERAL PROVISION

SECTION 1. (a)(1) The position of Director of the Center for Legislative Archives within the National Archives and Records Administration shall be established without regard to chapter 51 title 5. Effective on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act, the basic rate of pay for such position shall be the minimum rate of pay grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

(2) There is established within the Center for Legislative Archives within the National Archives and Records Administration the position of Specialist in Congressional History. Such position shall be classified at the grade of GS-13 of the General Schedule on the date of the enactment of this Act, and may be reclassified thereafter at the grade of GS-14 of the General Schedule under the provisions of chapter 51 of title 5, United States Code.

(b) There shall be made available from funds appropriated in each fiscal year to the National Archives and Records Administration, $20,000 for the administrative expenses of the Advisory Committee on the Records of Congress established under section 2701 of title 44, United States Code.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of subsections (a) and (b) of this section.

(d)(1) Title 44, United States Code, is amended by inserting after chapter 25, the following new chapter:

"CHAPTER 27—ADVISORY COMMITTEE ON THE RECORDS OF CONGRESS

"Sec.

"2701. Advisory Committee on the Records of Congress.

"2702. Membership; chairman; meetings.

"2703. Functions of the Committee.

"2704. Powers of the Committee.

"2705. Compensation and travel expenses.

"2706. Administrative provisions.

"§ 2701. Advisory Committee on the Records of Congress

"(a) There is established the Advisory Committee on the Records of Congress (hereafter in this chapter referred to as the Committee).

"(b) The Committee shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.), except that the Committee shall be of permanent duration, nothwithstanding any provision of section 14 of the Federal Advisory Committee Act.

"§ 2702. Membership; chairman; meetings

"(a)(1) The Committee shall consist of the eleven members including—

"(A)(i) the Secretary of the Senate;

"(ii) the Clerk of the House of Representatives;

"(iii) the Archivist of the United States;

"(iv) the Historian of the Senate; and

"(v) the Historian of the House of Representatives

"(B) six members of whom one shall be appointed by each of the following:

"(i) the Speaker of the House of Representatives;

"(ii) the Minority Leader of the House of Representatives;

"(iii) the Majority Leader of the Senate;

"(iv) the Minority Leader of the Senate;

"(v) the Secretary of the Senate; and

"(vi) the Clerk of the House of Representatives.

"(2) Each member appointed under paragraph (1)(B) shall have expertise in United States history or archival management.

"(b) The Secretary of the Senate shall serve as Chairman during the two-year period beginning on January 1, 1991, and the Clerk of the House of Representatives shall serve as Chairman during the two-year period beginning on January 1, 1993. Thereafter, such members shall alternate serving as Chairman for a term of two years.

"(c)(1) Members of the Committee referred to in subsection (a)(1)(A) shall serve only while holding such offices. Members appointed to the Committee under subsection (a)(1)(B) shall serve for a term of two years, and may be reappointed without limitation. The initial appointments for such terms shall begin on January 1, 1991.

"(2) Any vacancy on the Committee shall not affect the powers of the Committee. Any vacancy in an appointed position on the Committee shall be filled in the same manner in which the original appointment was made.

"(d)(1) No later than thirty days after the date on which the first session of the 102d Congress begins, the Committee shall hold its first meeting. Thereafter, the Committee shall meet semi-annually or at the call of a majority of its members.

"(2) Seven members of the Committee shall constitute a quorum, but a lesser number may hold hearings.

"§ 2703. Functions of the Committee

"The Committee shall—

"(1) review the management and preservation of the records of Congress;

"(2) report to and advise the Congress and the Archivist of the United States on such management and preservation; and

"(3)(A) no later than December 31, 1991, conduct a study and submit a report to the Congress on—

"(i) the effect any transfer of records of the National Archives and Records Administration from facilities located in Washington, D.C., to any location outside of Washington, D.C., shall have on the management and preservation of the records of Congress; and

"(ii) the five-year plan for the management and preservation of the records of Congress; and

"(B) no later than December 31, 1995, conduct a study to update the report submitted under subparagraph (A)(ii), and submit a report to the Congress.

"§ 2704. Powers of the Committee

"(a) For purposes of carrying out the duties referred to under section 2703, the Committee or, on the authorization of the Committee, any subcommittee or member thereof, may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as is appropriate.

"(b) The Committee may secure directly from any department or agency of the United States such information as the Committee may require to carry out the duties referred to under section 2703. Upon request of the Chairman of the Committee, the head of such department or agency shall furnish such information to the Committee.

"§ 2705. Compensation and travel expenses

"A member of the Committee may not be paid compensation for service performed as a member of the Committee. However, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Committee.

"§ 2706. Administrative provisions

"(a) Upon request of the Committee, the head of any Federal agency is authorized to detail to the Committee, on a non-reimbursable basis, any of the personnel of such agency to assist the Committee in carrying out the duties referred to under section 2703 and such detail shall be without interruption or loss of civil service status or privilege.

"(b) For purposes of supporting the Committee, the Archivist may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-16 of the General Schedule under section 5332 of such title.".

(2) The table of chapters for title 44, United States Code, is amended by inserting after the item relating to chapter 25 of such title the following:

"27. Advisory Committee on the Records of Congress ..... 2701".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 88, and concur therein with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

GENERAL PROVISION

SECTION 1. (a)(1) The position of Director of the Center for Legislative Archives within the National Archives and Records Administration shall be established without regard to chapter 51 title 5. Effective on the first day of the first applicable pay period beginning on or after the date of the enactment of this Act, the basic rate of pay for such position shall be the minimum rate of pay grade GS-16 of the General Schedule under section 5332 of title 5, United States Code.

(2) There is established within the Center for Legislative Archives within the National Archives and Records Administration the position of Specialist in Congressional History.

(b) There shall be made available from funds appropriated in each fiscal year to the National Archives and Records Administration, $20,000 for the administrative expenses of the Advisory Committee on the Records of Congress established under section 2701 of title 44, United States Code.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the purposes of subsections (a) and (b) of this section.

(d)(1) Title 44, United States Code, is amended by inserting after chapter 25, the following new chapter:

CHAPTER 27—ADVISORY COMMITTEE ON THE RECORDS OF CONGRESS

"Sec.

"2701. Advisory Committee on the Records of Congress.

"2702. Membership; chairman; meetings.

"2703. Functions of the Committee.

"2704. Powers of the Committee.

"2705. Compensation and travel expenses.

"2706. Administrative provisions.

"§ 2701. Advisory Committee on the Records of Congress

"(a) There is established the Advisory Committee on the Records of Congress (hereafter in this chapter referred to as the Committee).

"(b) The Committee shall be subject to the provisions of the Federal Advisory Committee Act (5 U.S.C. App.), except that the Committee shall be of permanent duration, notwithstanding any provision of section 14 of the Federal Advisory Committee Act.

"§ 2702. Membership; chairman; meetings

"(a)(1) The Committee shall consist of the eleven members including—

"(A)(i) the Secretary of the Senate;

"(ii) the Clerk of the House of Representatives;

"(iii) the Archivist of the United States;

"(iv) the Historian of the Senate; and

"(v) the Historian of the House of Representatives; and

"(B) six members of whom one shall be appointed by each of the following:

"(i) the Speaker of the House of Representatives;

"(ii) the Minority Leader of the House of Representatives;

"(iii) the Majority Leader of the Senate;

"(iv) the Minority Leader of the Senate;

"(v) the Secretary of the Senate; and

"(vi) the Clerk of the House of Representatives.

"(2) Each member appointed under paragraph (1)(B) shall have knowledge or expertise in United States history, archival management, publishing, library science, or use of legislative records.

"(b) The Secretary of the Senate shall serve as Chairman during the two-year period beginning on January 1, 1991, and the Clerk of the House of Representatives shall serve as Chairman during the two-year

period beginning on January 1, 1993. Thereafter, such members shall alternate serving as Chairman for a term of two years.

"(c)(1) Members of the Committee referred to in subsection (a)(1)(A) shall serve only while holding such offices. Members appointed to the Committee under subsection (a)(1)(B) shall serve for a term of two years, and may be reappointed without limitation. The initial appointments for such terms shall begin on January 1, 1991.

"(2) Any vacancy on the Committee shall not affect the powers of the Committee. Any vacancy in an appointed position on the Committee shall be filled in the same manner in which the original appointment was made.

"(d)(1) No later than thirty days after the date on which the first session of the 102d Congress begins, the Committee shall hold its first meeting. Thereafter, the Committee shall meet semi-annually or at the call of a majority of its members.

"(2) Seven members of the Committee shall constitute a quorum, but a lesser number may hold hearings.

"§ 2703. Functions of the Committee

"The Committee shall—

"(1) review the management and preservation of the records of Congress;

"(2) report to and advise the Congress and the Archivist of the United States on such management and preservation; and

"(3)(A) no later than December 31, 1991, conduct a study and submit a report to the Congress on—

"(i) the effect any transfer of records of the National Archives and Records Administration from facilities located in Washington, D.C., to any location outside of Washington, D.C., shall have on the management and preservation of the records of Congress; and

"(ii) the five-year plan for the management and preservation of the records of Congress; and

"(B) no later than December 31, 1995, conduct a study to update the report submitted under subparagraph (A)(ii), and submit a report to the Congress.

"§ 2704. Powers of the Committee

"(a) For purposes of carrying out the duties referred to under section 2703, the Committee or, on the authorization of the Committee, any subcommittee or member thereof, may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as is appropriate.

"(b) The Committee may secure directly from any department or agency of the United States such information as the Committee may require to carry out the duties referred to under section 2703. Upon request of the Chairman of the Committee, the head of such department or agency shall furnish such information to the Committee.

"§ 2705. Compensation and travel expenses

"A member of the Committee may not be paid compensation for service performed as a member of the Committee. However, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Committee

"§ 2706. Administrative provisions

"(a) Upon request of the Committee, the head of any Federal agency is authorized to detail to the Committee, on a non-reimbursable basis, any of the personnel of such agency to assist the Committee in carrying out the duties referred to under section 2703 and such detail shall be without interruption or loss of civil service status or privilege.

"(b) For purposes of supporting the Committee, the Archivist may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the minimum annual rate of basic pay payable for GS-16 of the General Schedule under section 5332 of such title.".

(2) The table of chapters for title 44, United States Code, is amended by inserting after the item relating to chapter 25 of such title the following:

"27. Advisory Committee on the Records of Congress ..... 2701".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 89: Page 50, line 15, strike out "$114,461,000" and insert: $113,461,000, of which not less than $250,000 shall be made available to continue the use of job sharing arrangements in agencies as authroized in section 3402 of title 5, United States Code, and of which not less than $1,000,000 shall be made available for establishment of Federal health promotion and disease prevention programs for Federal employees.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 89, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following "$114,461,000, of which up to $250,000 shall be made available to continue the use of job sharing arrangements in agencies as authorized in section 3402 of title 5, United States Code, and of which not less than $400,000 nor more than $1,000,000 shall be made available for the establishment of Federal health promotion and disease prevention programs for Federal employees".

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 105: Page 64, strike out lines 3 to 6, and insert:

SEC. 519. None of the funds appropriated or otherwise made available to the Department of the Treasury by this or any other Act shall be obligated or expended to contract out positions in, or downgrade the position classifications of, members of the United States Mint Police Force and the Bureau of Engraving and Printing Police Force, or for studying the feasibility of contracting out such positions.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 105, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following—

SEC. 522. None of the funds appropriated or otherwise made available to the Department of the Treasury by this or any other Act shall be obligated or expended to contract out positions in, or downgrade the position classifications of, members of the United States Mint Police Force and the Bureau of Engraving and Printing Police Force, or for studying the feasibility of contracting out such positions.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 116: Page 67, after line 3, insert:

SEC. 599B. None of the funds in this Act, or otherwise made available by this Act, may be used to pay the salaries of personnel at the Office of Management and Budget who withhold, or fail to make available, funds made available by law needed to eliminate the backlog of applications for insured loans by the Rural Electrification Administration.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 116, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SEC. 533. Notwithstanding any other provision of this Act, the amount appropriated to the Federal Labor Relations Authority for salaries and expenses is $18,693,000.

SEC. 534. Notwithstanding any other provision of this Act, the appropriation for salaries and expenses for the Advisory Committee on Federal Pay shall be $100,000.

SEC. 535. REPORT ON PRODUCTIVITY OF THE FEDERAL WORKFORCE.

(a) IN GENERAL.—The Office of Personnel Management shall review and report on the productivity of the Federal workforce. The report shall include recommendations with regard to the following:

(1) How productivity within the Federal workforce can be increased, the delivery of Government services improved, and the pay-

roll costs of Government controlled through improved organization, training, advanced technology, and modern management practices.

(2) The size, structure, and composition of the Federal workforce.

(3) Criteria for use by departments and agencies to determine the level of personnel necessary to accomplish their functions and goals.

(4) Changes in Federal law, regulations, and administrative practices to promote economy, productivity, effectiveness, and managerial accountability within the Federal workforce.

(b) DEADLINE.—This report shall be submitted to Congress no later than 24 months after the date of enactment of this Act.

SEC. 536(a) Notwithstanding any other provision of law, sick leave provided by section 6307 of title 5, United States Code, may be approved for purposes related to the adoption of a child in order to test the feasibility of this concept during fiscal year 1991.

(b) Subsection (a) shall cease to be effective as of September 30, 1991.

SEC. 537 None of the funds in this Act may be used to reduce the rank or rate of pay of a career appointee in the SES upon reassignment or transfer.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 117: Page 77 strike out all after line 14 over to and including line 16, on page 78, and insert:

SEC. 617. No funds appropriated in this or any other Act for fiscal year 1991 may be used to implement or enforce the agreements in Stnadard Forms 312 and 4355 of the Government or any other nondisclosure policy, form or agreement is such policy, form or agreement does not contain the following provisions:

"This Agreement is consistent with and does not supersede the employee obligations, rights or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse of public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling.".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 117, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following:

SEC. 617. No funds appropriated in this or any other Act for fiscal year 1991 may be used to implement or enforce the agreements in Standard Forms 312 and 4355 of the Government or any other nondisclosure policy, form or agreement if such policy, form or agreement does not contain the following provisions:

"These restrictions are consistent with and do not supersede conflict with or otherwise alter the employee obligations, rights or liabilities created by Executive Order 12356; section 7211 of title 5, United States Code (governing disclosures to Congress; section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identifies Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents), and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. section 783(b)). The definitions, requirements obligations, rights, sanctions and liabilities created by said Executive Order and listed statutes are incorporated into this Agreement and are controlling."

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 122: Page 80, line 18, strike out "622" and insert "621".

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 122, and concur therein with an amendment, as follows: In lieu of the matter stricken and inserted by said amendment, insert the following "622".

And on page 80 lines 23 through and including line 2 on page 81 of the House engrossed bill, H.R. 5241, strike

"(1) announce in any solicitation for offers to procure such goods or services (including construction services) the amount of Federal funds that will be used to finance the acquisition for which such offers are being solicited; and"

And insert in lieu thereof

"(1) specify in any announcement of the awarding of the contract for the procurement of the goods and services involved (including construction services) the amount of Federal funds that will be used to finance the acquisition; and".

The following information for contracts awarded during fiscal year 1991—

(1) the number and total dollar value of contracts awarded which required bonding of the contractors;

(2) the number and total dollar value of contracts for which individual sureties were used to meet the bonding requirements;

(3) the number of defaults by contractors using individual sureties and percentage they represent of total defaults;

(4) the number of individual sureties who defaulted on their obligation and the total dollar value of such defaults; and

(5) the number of contracts awarded to Minority Business Enterprises which required bonding of contractors and the number of these which used individual sureties to meet the bonding requirements.

(b) The General Accounting Office shall compile the information collected under subsection (a) and provide a report to the Senate and House Appropriations Committees no later than April 1, 1992. Such report shall include—

(1) the percentage of contracts for which individual sureties were used to meet bonding requirements;

(2) the percentage of total defaults by contractors using individual sureties;

(3) the percentage of individual sureties which default on their obligations; and

(4) the percentage of contracts awarded to Minority Business Enterprises for which individual sureties were used to meet bonding requirements.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will designate the next amendment in disagreement.

The text of the amendment is as follows:

Senate amendment No. 127: Page 83, after line 20, insert:

SEC. 625. (a) Agencies receiving funds appropriated by any Act and which award contracts under the Federal Acquisition Regulations shall provide to the General Accounting Office during October 1991, the following information for contracts awarded during fiscal year 1991—

(1) the number and total dollar value of contracts awarded which required bonding of the contractors;

(2) the number and total dollar value of contracts for which individual sureties were used to meet the bonding requirements;

(3) the number of defaults by contractors using individual sureties and percentage they represent of total defaults;

(4) the number of individual sureties who defaulted on their obligation and the total dollar value of such defaults; and

(5) the number of contracts awarded to Minority Business Enterprises which required bonding of contractors and the number of these which used individual sureties to meet the bonding requirements.

(b) The General Accounting Office shall compile the information collected under subsection (a) and provide a report to the Senate and House Appropriations Commit-

tees no later than April 1, 1992. Such report shall include—

(1) the percentage of contracts for which individual sureties were used to meet bonding requirements;

(2) the percentage of total defaults by contractors using individual sureties;

(3) the percentage of individual sureties which default on their obligations; and

(4) the percentage of contracts awarded to Minority Business Enterprises for which individual sureties were used to meet bonding requirements.

MOTION OFFERED BY MR. ROYBAL

Mr. ROYBAL. Madam Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will designate the motion.

The text of the motion is as follows:

Mr. ROYBAL moves that the House recede from its disagreement to the amendment of the Senate numbered 127, and concur therein with an amendment, as follows: In lieu of the matter proposed by said amendment, insert the following:

SEC. 627. (a) Agencies receiving funds appropriated by any Act and which award contracts under the Federal Acquisition Regulations shall provide to the General Accounting Office during October 1991.

Mr. HUGHES. Mr. Speaker, the conference report which we are considering contains important legislation which I support, and which I am proud to have helped develop. That legislation relates to pay and benefits of Federal law enforcement personnel.

While I support the legislation, I do not support the manner in which it has been brought before us. All too often and with increasing frequency, we are asked to waive the rule against bringing up substantive legislation in an appropriations bill.

The pay and benefits increases contained in the legislation are delayed until January 1, 1992. Since these provisions do not affect fiscal year 91 appropriations, their inclusion in this appropriations bill is even more inappropriate.

While this is the wrong way to do what we are doing, it is the right thing to do.

The Anti-Drug Abuse Act of 1988 established a National Advisory Commission on Law Enforcement to study problems associated with pay and other benefits for Federal law enforcement personnel. I had the privilege of being selected as one of the four House members to serve on that Commission.

The Commission found that there is a substantial gap between the compensation of Federal law enforcement and their State and local counterparts. We found that this gap is most pronounced in the entry level positions, and that Federal law enforcement agencies are at a competitive disadvantage in recruitment.

We also found that there is an acute problem in the compensation provided to all levels of our Federal law enforcement community in our largest cities, where costs of living are substantially higher than in the Nation as a whole.

To address these problems, the Commission made a number of recommendations for improving the compensation of Federal law enforcement. These recommendations were incorporated in H.R. 4224, introduced on March 8 by Don Edwards, Chairman of the Subcommittee on Civil and Constitutional Rights and a member of the Commission. All the House members of the Commission joined in sponsoring this bill.

Most of the Commission's recommendations have been addressed in H.R. 5241 as reported by the Conference Committee.

Effective January 1, 1992, entry pay levels for Federal law enforcement officers are increased. Locality pay adjustments, ranging from 4 percent to 16 percent, are provided for 8 high cost metropolitan areas. A one time relocation bonus of up to 25 percent of base pay is authorized for personnel transferring to high cost areas.

A foreign language bonus of up to 5 percent of base pay is authorized for personnel who demonstrate proficiency in a foreign language for which there is a need in that officer's work.

I support this provision, and was the sponsor of a provision enacted as part of the Anti-Drug Abuse Act of 1988 which authorizes up to 25 percent foreign language bonus for personnel of the DEA and the FBI.

While I support this provision, I question whether 5 percent is an adequate incentive and bonus. We should monitor the implementation of this provision and adjust the bonus upward if needed.

Finally, the legislation adopts a recommendation that the mandatory retirement age for Federal law enforcement agents be raised from age 55 to age 57. Federal law enforcement agencies, the FBI in particular, are experiencing massive loss of senior personnel through retirement. It is important to reduce this loss by immediately raising the mandatory retirement age, as this bill does.

We need this legislation. While I have misgivings about the manner in which it was brought before us, I will support the adoption of the conference report so that this valuable legislation can be enacted.

Mr. MFUME. Mr. Speaker, I rise ardent support of the Treasury-Postal appropriations conference agreement. This measure is one which deals squarely and promptly with the issue of pay reform for Federal civilian employees and which will help close the increasing pay gap between Federal and private sector employees.

I dare say that too often the operation of the Federal Government is taken for granted with the notion that, regardless of the circumstances, the Government will continue to function. But upon closer examination it remains clear that it is the people, the Federal workers who daily serve the public, who are collectively responsible for the successful operation of the Government. So in effect, it is the Federal workers themselves who are too often forgotten or taken for granted; such a view is unwarrented.

Mr. Speaker, we cannot continue to take our Federal civilian workforce for granted either by allowing the salary gap between private and public sector pay scales to increase or more recently, by literally holding Federal employees hostage to the budget impasse. I remain optimistic that the budget impasse and threat of furloughs will be resolved.

I am similarly optimistic that we will resolve the lingering problem of pay disparity during this Congress with the Federal pay reform package currently under consideration. Federal employees daily perform their duties with the type of dedication and commitment needed to make effective Government possible and they deserve salaries capable of keeping pace with the rest of the economy.

There are more than 65,000 Federal employees in the Greater Baltimore metropolitan area, including the Social Security Administration Headquarters and Teleservice Center, the Health Care Financing Administration, among others. Together, Federal employees of these departmental agencies provide an array of necessary services to millions of people nationwide.

I firmly believe that these employees, as much as anyone else, deserve, in fact command, salaries comparable to those in the private sector. Dedication to serving the public merits comparable pay.

Mr. Speaker, I feel strongly that only a strong Federal pay reform policy will help provide the competitive edge necessary to continue to attract America's most capable individuals to a career in the Federal Government.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. ROYBAL].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions and on the conference report was laid on the table.

GENERAL LEAVE

Mr. ROYBAL. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include therein extraneous material, on the conference report just agreed to.

The SPEAKER pro tempore. Is there obligation to the request of the gentleman from California?

There was no objection.

CONGRESSIONAL AWARD AMENDMENTS OF 1990

Mr. OWENS of New York. Madam Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 5275) to amend the Congressional Award Act to temporarily extend the Congressional Award Board, and to otherwise revise such Act, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

Page 1, strike out all after line 7 over to and including line 14 on page 2, and insert:

(a) TERMINATION OF THE BOARD.—Section 9 of the Congressional Award Act (2 U.S.C. 808) is amended to read as follows:

"TERMINATION

"SEC. 9. The Board shall terminate October 1, 1992.".

(b) SAVINGS PROVISION.—During the period of October 1, 1990, through the date of the enactment of this section, all actions and functions of the Congressional Award Board under the Congressional Award Act (2 U.S.C. 801 et seq.) shall have the same effect as though no lapse or termination of the Board ever occurred.

Mr. OWENS of New York (during the reading). Madam Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. BARTLETT. Madam Speaker, reserving the right to object, under my reservation I do not plan to object, but I do so for the purpose of yielding to the gentleman from New York to explain his request.

Mr. OWENS of New York. Madam Speaker, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from New York.

Mr. OWENS of New York. Madam Speaker, H.R. 5275, with the Senate amendment, reauthorizes the Congressional Award Program—a program to recognize youth volunteer efforts within congressional districts. The bill makes needed changes to the structure of the congressionally appointed board to provide program stability and improve its capacity to engage in long-term planning and fund raising. Additionally, it includes an amendment which assists in the development of statewide councils.

Presently, there are 73 local councils in 29 States and 7 statewide councils. To date, this program has presented 4,000 awards to participating students, representing a minimum of 631,000 volunteer service hours.

I had the opportunity to attend the 1990 Gold Award Ceremony in March of this year, and was impressed with what I saw. All of the gold medal awardees completed, within a 24-month period, 800 service hours in a wide range of roles and organizations, serving in drug abuse and child abuse programs, working with people with disabilities, assisting with children in foster care, and coaching special olympics participants. They came to Washington—the Nation's Capital—at their own expense, paying for travel and lodging, as well as the medal and certificate they had worked so hard to earn. It is not surprising that 13 out of the 52 awardees were unable to attend. Even the most dubious organizations that require travel to distant locations, reward such efforts, in most instances, with some token gift. Congress gives no such reward for a medal that bears the seal of this great institution.

Despite repeated and serious efforts on our part, the bill, as amended by the Senate, deletes provisions added by the House which would defray the expenses associated with each local council's purchase of medals and with the expenses associated with individual gold award recipients in attending the annual Gold Award Ceremony.

Although we do not agree with the action of the other body, we feel that the reauthorization is essential to the continued growth of the program. I urge my colleagues to support the passage of this bill.

Mr. BARTLETT. Madam Speaker, further reserving the right to object, I would note that this bill accepts the House-passed bill in congressional awards and makes two changes. First, it makes the effective date retroactive so that the program would not have terminated on September 30, 1990; and, second, Madam Speaker, I would note that this bill deletes all authorization levels so that there is no Federal spending authorized in this bill at all.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. OWENS of New York. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENTS TO TITLE I OF EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Mr. CLAY. Madam Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the bill (H.R. 5872) to amend title I of the Employee Retirement Income Security Act of 1974 to require qualifying employer securities to include interest in publicly traded partnerships, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. FAWELL. Reserving the right to object, Madam Speaker, and I shall not object, I do so for purposes so allowing the gentleman from Missouri [Mr. CLAY] to give an explanation of the legislation.

Mr. CLAY. Madam Speaker, will the gentleman yield?

Mr. FAWELL. I yield to the gentleman from Missouri.

Mr. CLAY. Madam Speaker, H.R. 5872 amends section 407 of the Employee Retirement Income Security Act of 1974 [ERISA] to treat interests in certain publicly traded limited partnerships as qualified employer securities for purposes of title I of ERISA.

Section 407 of ERISA generally imposes a 10 percent limit with respect to the acquisition and holding of employer securities and employer real property by certain plans other than eligible individual account plans. Under present law, a plan is precluded from acquiring or holding an employer security that is not a qualifying employer security. Subsection (d)(5) of section 407 defines a qualifying employer security to include employer securities that are stocks or marketable obligations (as defined in section 407(e)). In the past, the Secretary of Labor has granted individual prohibited transaction exemptions under which stock was broadly defined to include certain interests in or units of a publicly traded limited partnership.

H.R. 5872 amends section 407 of ERISA to expand the statutory definition of qualifying employer security to include such interests for certain partnerships. Although this bill modifies the statutory definition for a particular class of limited partnerships, we intend to leave undisturbed the Secretary of Labor's authority to continue to consider individual prohibited transaction requests with respect to interests in other types of limited partnerships.

For the last 2 years, the Committee on Education and Labor has unanimously approved this particular change in ERISA as part of broader bills. For reasons unrelated to this provision, those bills have not been enacted. Because this change is noncontroversial, but important to the employers affected, we are taking it up today as a separate bill

□ 1830

Mr. FAWELL. Madame Speaker, further reserving the right to object, this bill is a simple technical correction of the Employee Retirement Income Security Act. It has the full support of the gentlewoman from New Jersey [Mrs. ROUKEMA], the ranking member of the Subcommittee on Labor Management, and the gentleman from Pennsylvania [Mr. GOODLING], the ranking member of the Committee on Education and Labor. I laud the gentleman from Missouri [Mr. CLAY] for having introduced this legislation.

Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

H.R. 5872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. QUALIFYING EMPLOYER SECURITY TO INCLUDE INTEREST IN PUBLICLY TRADED PARTNERSHIPS.

Paragraph (5) of section 407(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1107(d)(5)) is amended to read as follows:

"(5) The term 'qualifying employer security' means an employer security which is—

"(A) stock,

"(B) a marketable obligation (as defined in subsection (e)), or

"(C) an interest in a publicly traded partnership (as defined in section 7704(b) of the Internal Revenue Code of 1986), but only if such partnership is an existing partnership as defined in section 10211(c)(2)(A) of the Revenue Act of 1987 (Public Law 100-203).

After December 17, 1987, in the case of a plan other than an eligible individual account plan, an employer security described in subparagraph (A) or (C) shall be considered a qualifying employer security only if such employer security satisfies the requirements of subsection (f)(1).".

SEC. 2. EFFECTIVE DATE.

The amendment made by section 1 shall apply to interests in publicly traded partnerships acquired before, on, or after January 1, 1987.

The bill was ordered to be engrossed and read the third time, was read a third time, and passed, and a motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. MOAKLEY. Madam Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 a.m. on Tuesday, October 23, 1990.

The SPEAKER pro tempore (Mrs. UNSOELD). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WAIVING CERTAIN POINTS OF ORDER AGAINST MOTIONS TO DISPOSE OF AMENDMENTS REPORTED IN DISAGREEMENT FROM CONFERENCE ON H.R. 5021, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1991

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-919) on the resolution (H. Res. 519) waiving certain points of order against motions to dispose of amendments reported in disagreement from the conference on the bill (H.R. 5021) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary and related agencies for the fiscal year ending September 30, 1991, and for other purposes, which was referred to the House Calendar and ordered to be printed.

WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON S. 2830, EXTENDING AND REVISING AGRICULTURAL PRICE SUPPORT AND RELATED PROGRAMS

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 101-920) on the resolution (H. Res. 520) waiving certain points of order against the conference report on the bill (S. 2830) to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, and against its consideration, which was referred to the House Calendar and ordered to be printed.

CHEMICAL AND BIOLOGICAL WARFARE ELIMINATION ACT

Mr. FASCELL. Madam Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3033) to control the export, to countries pursuing or expanding the ability to produce or deliver chemical or biological weapons, of items that would assist such countries in acquiring such ability, to impose sanctions against companies which have aided in the proliferation of chemical or biological weapons, to provide for sanctions against countries which use or prepare to use chemical or biological weapons in violation of international law, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment and the House amendment to the Senate amendment, as follows:

Senate amendment:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Chemical and Biological Weapons Control Act of 1990".

SEC. 2. FINDINGS.

The Congress finds that—

(1) chemical weapons were employed in the recent Iran-Iraq war and by Iraq in attacks against its Kurdish minority;

(2) the use of chemcial and biological weapons in violation of international law is abhorrent and requires immediate and effective sanctions;

(3) United Nations Security Council Resolution 620, adopted on August 26, 1988, states the intention of the Security Council to consider immediately "appropriate and effective" sanctions against any country using chemical and biological weapons in violation of international law;

(4) the Declaration of the Paris Conference on the Prohibition of Chemical Weapons demonstrates the resolve of most countries to reaffirm support for the 1925 protocol banning the use of chemical and bacteriological weapons and to press for attainment of a ban on the production and possession of chemical weapons;

(5) as many as 20 countries, including Iran, Iraq, Syria, and Libya have or are seeking the capability to produce chemical weapons;

(6) as many as 10 countries are working to produce biological weapons;

(7) by the year 2000, at least 15 developing countries will have the ability to produce ballistic missiles capable of carrying chemical or biological warheads;

(8) the further spread of chemical or biological weapons capabilities would pose a threat of incalculable proportions to friends and allies of the United States and undermine the national security of the United States;

(9) the United Nations should create an effective means of monitoring and reporting regularly on commerce in equipment, materials, and technology applicable to the attainment of a chemical or biological weapons capability; and

(10) every effort should be made to conclude an early agreement banning the production and stockpiling of chemical or biological weapons.

SEC. 3. PURPOSE.

It is the purpose of this Act—

(1) to mandate United States sanctions and to encourage international sanctions against countries that use chemical or biological weapons in violation of international law or use lethal chemical or biological weapons against their own nationals;

(2) to require presidential reports on efforts that threaten United States interests or regional stability by Iran, Iraq, Syria, Libya, and others to acquire the materials and technology to develop, produce, stockpile, and deliver chemical and biological weapons;

(3) to urge cooperation with other supplier nations to devise effective controls on the transfer of materials, equipment, and technology applicable to chemical or biological weapons production;

(4) to promote agreements banning the transfer of missiles suitable for armament with chemical or biological warheads;

(5) to encourage an early agreement banning the development, production, and stockpiling of chemical weapons; and

(6) to seek effective international means of monitoring and reporting regularly on commerce in equipment, materials, and technology applicable to the attainment of a chemical or biological weapons capability.

TITLE I—SANCTIONS AGAINST THE USE OF CHEMICAL AND BIOLOGICAL WEAPONS

SEC. 101. SANCTIONS FOR THE USE OF CHEMICAL WEAPONS.

(a) DETERMINATION BY THE PRESIDENT.—(1) Whenever information becomes available to the United States Government indicating the substantial possibility that, on or after the date of enactment of this Act, a foreign country has used chemical or biological weapons, the President shall, within 60 days of the receipt of such information by the United States Government, make a determination as to whether that foreign country, on or after such date, has used chemical or biological weapons in violation of interna-

tional law or has used lethal chemical or biological weapons against its own nationals.

(2) Not later than 60 days after the chairman of the Committee on Foreign Relations of the Senate, upon consultation with the ranking minority member of such Committee, or the chairman of the Committee on Foreign Affairs of the House of Representatives, upon consultation with the ranking minority member of such Committee, requests the President to make a determination as to whether or not a foreign country, on or after the date of enactment of this Act, has used chemical or biological weapons in violation of international law or has used lethal chemical or biological weapons against its own nationals, the President shall make such determination and so report in writing to the chairmen of such Committees.

(3) In making the determination under paragraph (1) or (2), the President shall consider the following:

(A) All physical and circumstantial evidence available bearing on the possible use of such weapons.

(B) All information provided by alleged victims, witnesses, and independent observers.

(C) The extent of the availability of the weapons in question to the purported user.

(D) All official and unofficial statements bearing on the possible use of such weapons.

(E) Whether, and to what extent, the country in question is willing to honor a request from the Secretary General of the United Nations to grant timely access to a United Nations fact-finding team to investigate the possibility of chemical or biological weapons use or to grant such access to other legitimate outside parties.

(b) SANCTIONS.—In the event of a Presidential determination under subsection (a) that, on or after the date of enactment of this Act, a foreign country has used chemical or biological weapons in violation of international law or has used lethal chemical or biological weapons against its own nationals, then the President shall—

(1) terminate assistance to that country under the Foreign Assistance Act of 1961, except for urgent humanitarian assistance, or for the purpose of purchasing food or other agricultural products;

(2) terminate all foreign military sales financing under the Arms Export Control Act with respect to that country;

(3) terminate United States Government sales to that country of any defense articles or defense services;

(4) prohibit the issuance of any licenses for the export to that country of any item on the United States Munitions List;

(5) prohibit, under the authorities of section 6 of the Export Administration Act of 1979, the export to that country of any goods or technology except food or other agricultural products;

(6) oppose, in accordance with section 701 of the International Financial Institutions Act, the extension of any loan or financial or technical assistance to that country by international financial institutions;

(7) deny that country any credit or credit guarantees through the Export-Import Bank of the United States;

(8) prohibit any United States bank from making any loan or providing any credit to that country, except for loans or credits for the purpose of purchasing food or other agricultural products; and

(9) terminate, consistent with international law, the landing rights in the United States of any airline owned by the government of that country at the earliest practicable date.

SEC. 102. WAIVER.

The President may waive the applicability of some or all of the sanctions listed in section 101 with respect to a specific country for a period of not to exceed twelve months beginning on the date of the determination by the President of use by that country of chemical or biological weapons in violation of international law, or the use of lethal chemical or biological weapons against its own nationals, if he determines that such waiver is in the national interest of the United States and so certifies to the Speaker of the House of Representatives and the President of the Senate. Together with such certification, the President shall submit in writing a statement containing a detailed explanation of the national interest requiring a waiver, which may include a classified addendum if necessary.

SEC. 103. NOTIFICATION.

Not later than five days after he imposes any sanction described in section 101 against a country or waives under section 102 the applicability of any such sanction, the President shall so notify in writing the Speaker of the House of Representatives and the President of the Senate.

SEC. 104. CONTRACT SANCTITY.

(a) SANCTIONS NOT APPLIED TO EXISTING CONTRACTS.—(1) No sanction described in paragraphs (6) through (10) of section 101(b) shall apply to any activity pursuant to any contract or international agreement entered into before the date of the appropriate presidential determination under section 101(a) unless the President determines, on a case-by-case basis, that to so apply such sanction would prevent the performance of a contract or agreement that would have the effect of assisting a country in using chemical or biological weapons in violation of international law or in using lethal chemical or biological weapons against its own nationals.

(2)(A) The same restrictions of section 6(m) of the Export Administration Act of 1979 which are applicable to exports prohibited under section 6 of that section shall apply to exports prohibited under section 101(b)(5).

(B) For purposes of subparagraph (A) of this paragraph, any contract or agreement the performance of which (as determined by the President) would have the effect of assisting a country in using chemical or biological weapons in violation of international law or in using lethal chemical or biological weapons against its own nationals shall be treated as constituting a breach of the peace that poses a serious and direct threat to the strategic interest of the United States, within the meaning of subparagraph (A) of section 6 (m) of that Act.

(b) SANCTIONS APPLIED TO EXISTING CONTRACTS.—The sanctions described in paragraphs (1), (2), (3), and (4) of section 101 shall apply to contracts and agreements, without regard to the date such contracts or agreements were entered into, except that such sanctions shall not apply to any contract or agreement entered into before the date of the appropriate presidential determination under section 101(a) if the President determines that the application of such sanction would be detrimental to the national security interests of the United States.

SEC. 105. REMOVAL OF SANCTIONS.

The President may remove the sanctions imposed pursuant to section 101 of this Act if the President determines and so certifies to the Speaker of the House of Representatives and the President of the Senate that the country under sanction—

(1) has renounced any use of chemical or biological weapons in violation of international law, or any use of lethal chemical or biological weapons against its own nationals, and has provided reliable assurances to that effect; and

(2) has made satisfactory restitution to those affected in its earlier use of chemical or biological weapons in violation of international law or in its earlier use of lethal chemical or biological weapons against its own nationals.

SEC. 106. PRESIDENTIAL REPORTS.

Not later than 90 days after the date of enactment of this Act, and every 12 months thereafter, the President shall submit to the Speaker of the House of Representatives and the President of the Senate, a report—

(1) detailing efforts by countries or subnational groups that threaten United States security interests or regional stability (including efforts by Iran, Iraq, Libya, and Syria and other developing countries or subnational groups) to acquire the materials and technology to develop, produce, stockpile, and deliver chemical, biological or nuclear weapons, together with an assessment of the present and future capabilities of such countries or subnational groups to develop, produce, stockpile, and deliver chemical, biological or nuclear weapons;

(2) describing the degree to which any country or foreign person has aided or abetted the government of any country or a subnational group to engage in any activity in connection with the acquisition of any such chemical, biological or nuclear weapon; and

(3) listing all United States persons against whom administrative, civil, or criminal penalties have been applied for shipment of goods and technology controlled for chemical, biological and nuclear weapons proliferation purposes pursuant to the Export Administration Act of 1979 or the Arms Export Control Act.

To the extent practicable, reports submitted pursuant to this section should be based on unclassified information. Portions of each such report may be classified.

SEC. 107. MULTILATERAL EFFORTS.

The President is urged—

(1) to continue close cooperation with others in the Australia Group in support of its current efforts and in devising additional means to monitor and control the supply of chemicals applicable to weapons production to Iraq, Iran, Syria, and Libya—countries that currently support or have recently supported acts of international terrorism;

(2) to work closely with other countries also capable of supplying equipment, materials, and technology with particular applicability to chemical or biological weapons production to devise the most effective controls possible on the transfer of such materials, equipment, and technology;

(3) to seek agreements with countries that produce ballistic missiles suitable for carrying chemical or biological warheads that would prevent the transfer of such missiles; and

(4) to take the initiative in pressing for early conclusion of an international agreement banning the development, production, and stockpiling of chemical weapons.

SEC. 108. UNITED NATIONS INVOLVEMENT.

The President is urged to give full support to—

(1) the United Nations Security Council, in furtherance of Security Council Resolution 620, adopted August 26, 1988, in developing sanctions comparable to those enumerated in section 101 of this Act, to be imposed in the event that any country uses chemical or biological weapons in violation of international law; and

(2) the creation of an effective multilateral means of monitoring and reporting regularly on commerce in chemical equipment, materials, and technology applicable to the attainment of a chemical or biological weapons capability.

TITLE II—MEASURES TO PREVENT THE PROLIFERATION OF CHEMICAL AND BIOLOGICAL WEAPONS

SEC. 201. MULTILATERAL EFFORTS.

(a) It is the policy of the United States to seek multilaterally coordinated efforts with other countries to control the proliferation of chemical and biological weapons.

(b) It is also the policy of the United States to strengthen efforts to control chemical agents, precursors, and equipment by taking all appropriate multilateral diplomatic measures—

(1) to continue to seek a verifiable global ban on chemical weapons at the 40 nation Conference on Disarmament in Geneva;

(2) to undertake a diplomatic initiative to strengthen the Australia Group's objective to support the norms and restraints against the spread and the use of chemical warfare, advance the negotiation of a comprehensive ban on chemical warfare by taking appropriate measures, and to protect the Group's domestic industries against inadvertent association with supply of feedstock chemical equipment that could be misused to produce chemical weapons;

(3) to implement paragraph (2) by introducing steps complementary to, and not mutually exclusive of, existing multilateral efforts seeking a verifiable ban on chemical weapons, such as the establishment of—

(A) a permanent secretariat,

(B) a harmonized list of export control rules and regulations to prevent relative commercial advantage and disadvantages accruing to Australia Group members,

(C) liaison officers to the secretariat from within the diplomatic missions,

(D) a close working relationship between the Group and industry,

(E) a public unclassified warning list of controlled chemical agents, precursors, and equipment,

(F) information-exchange channels of suspected proliferants,

(G) a "denial" list of firms and individuals who violate the Group's export control provisions, and

(H) broader cooperation between the Australia Group and other countries whose political commitment to stem the proliferation of chemical weapons is similar to that of the Group; and

(4) to adopt the imposition of stricter controls on the export of chemical agents, precursors, and equipment and to adopt tougher multilateral sanctions against firms and individuals who violate these controls or against countries that use chemical weapons.

SEC. 202. PRINCIPLES GUIDING THE ADOPTION OF A MULTILATERAL EXPORT CONTROL SYSTEM.

(a) IN GENERAL.—The United States Government should propose to the Australia Group that its objectives should be guided by taking all appropriate measures—

(1) to ensure that the measures are effective in impeding the production of chemical weapons,

(2) to ensure that the measures are easy and economical to implement, and that they are practical, and

(3) to ensure that the measures do not impede the normal trade of chemicals and equipment used for legitimate purposes.

(b) DEFINITIONS.—For the purpose of section 201 and this section, the term "Australia Group" means the group of nineteen OECD nations dedicated to the control of the export of certain chemicals, including Australia, New Zealand, Austria, Belgium, Denmark, Canada, Japan, Norway, United States, United Kingdom, Federal Republic of Germany, France, Greece, Ireland, Italy, Netherlands, Portugal, Spain, Luxembourg, and Switzerland.

SEC. 203. EXPORT CONTROLS.

(a) IN GENERAL.—The President shall—

(1) use the authorities of the Arms Export Control Act to control the export of those defense articles and defense services, and

(2) use the authorities of the Export Administration Act of 1979 to control the export of those goods and technologies,

that the President determines would assist a country in acquiring the capability to develop, produce, stockpile, deliver, or use chemical or biological weapons.

(b) EXPORT ADMINISTRATION ACT.—Section 6 of the Export Administration Act of 1979 (50 U.S.C. App. 2405) is amended by adding at the end thereof the following new subsection:

"(q) CHEMICAL AND BIOLOGICAL WEAPONS.—(1) The Secretary, in consultation with the Secretary of State and the Secretary of Defense, shall establish and maintain a list of goods and technology that would directly and substantially assist a country or group in acquiring the capability to develop, produce, stockpile, or deliver chemical or biological weapons, the licensing of which would be effective in barring acquisition or enhancement of such capability;

"(2) The Secretary shall require a validated license for any export of goods or technology listed under paragraph (1) to any country except those with whose governments the United States has entered into bilateral or multilateral arrangements for the control of such goods or technology and such other countries as the President shall designate consistent with the purposes of this Act.

"(3) Notwithstanding any other provision of this Act, a determination of the Secretary to approve or deny an export license for the export of goods or technology under this subsection may be made only after consultation with the Secretary of State. If the Secretary disagrees with the Secretary of State regarding any determination under paragraph (1) or (2), the matter shall be referred to the President for resolution.".

(c) IMPROVED VERIFICATION OF EXPORT CONTROLS.—The Secretary of Commerce should, in order to supplement existing means of verification of export controls relating to chemical and biological weapons, take measures to encourage voluntary utilization of appropriate independent inspection companies to inspect and certify shipments and end-users of chemicals that could be used in the development of chemical and biological weapons.

SEC. 204. SANCTIONS AGAINST CERTAIN FOREIGN PERSONS.

The Arms Export Control Act is amended by inserting after section 38 the following new section:

"SEC. 38A. SANCTIONS AGAINST CERTAIN FOREIGN PERSONS.

"(a) DETERMINATION BY THE PRESIDENT.—

"(1) IMPOSITION OF SANCTIONS.—The President, subject to subsection (d), shall impose on a foreign person the sanctions under subsection (b) if the President determines that the foreign person, on or after the date of the enactment of this section, has knowingly and materially contributed through shipment of goods or technologies that would be, if they were United States goods or technologies, subject to the jurisdiction of the United States, or through any transaction, other than of goods and technology, not subject to sanctions pursuant to the Export Administration Act, to the efforts to use, develop, produce, stockpile, or otherwise acquire chemical or biological weapons by any country that the President has determined has at any time after January 1, 1980—

"(A) used chemical or biological weapons in violation of international law;

"(B) used lethal chemical or biological weapons against its own nationals;

"(C) made substantial preparations to do the activities described in clause (A) or (B); or

"(D) been designated pursuant to section 6(j) of the Export Administration Act of 1979 as a country which supports international terrorism.

"(2) CONSULTATIONS WITH AND ACTIONS BY GOVERNMENT OF JURISDICTION.—The President may delay imposition of sanctions against a foreign person for a period of up to 90 days in order to pursue consultations with the government with primary jurisdiction over that foreign person involved in the activities cited in paragraph (1). Following these consultations, the President shall impose sanctions against the foreign person unless he has determined and certified to the Congress that such government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in such activities.

"(3) REPORT TO CONGRESS.—The President shall report to the Congress, not later than 30 days after making a determination under paragraph (1), on the status of consultations with the appropriate government under paragraph (2), and the basis for any determination under paragraph (2) that such government has taken specific corrective actions.

"(b) SANCTIONS.—The sanctions referred to in subsection (a) shall apply to the foreign person committing the violation, as well as to any parent, affiliate, subsidiary, and successor entity of the foreign person, are as follows:

"(1) PROCUREMENT SANCTION.—The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from that foreign person.

"(c) TERMINATION OF SANCTIONS.—A sanction imposed on a foreign person under this section shall apply for a period of at least 24 months and in no case shall cease to apply to that foreign person until the expiration of the 12-month period beginning on the date the President determines and certifies to the Congress that—

"(1) reliable intelligence information indicates that the foreign person has ceased to aid or abet any foreign country in its efforts to acquire chemical or biological weapons capability as described in subsection (a)(1) of this section; and

"(2) in the President's judgment, it would be in the national interest of the United

States to procure or contract for the procurement of goods or services from such foreign person, or to import goods or services from such foreign person.

"(d) EXCEPTIONS.—The President shall not be required under this section to apply sanctions—

"(1) in the case of procurement of defense articles or defense services—

"(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy United States operational military requirements;

"(B) if the President determines that the person or other entity to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

"(C) if the President determines that such articles or services are essential to the national security under defense coproduction agreements;

"(2) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose sanctions;

"(3) to—

"(A) spare parts,

"(B) component parts, but not finished products, essential to United States products or production, or

"(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

"(4) to information and technology not directly useful for the development, production, or stockpiling of chemical or biological weapons; or

"(5) to medical or other humanitarian items.

"(e) DEFINITION.—For the purposes of this section, the term 'foreign person' means—

"(A) an individual who is not a citizen of the United States or an alien admitted for permanent residence to the United States; or

"(B) a corporation, partnership, or other entity, including any parent. or subsidiary entity thereof, which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States.".

SEC. 205. SANCTIONS AGAINST CERTAIN FOREIGN PERSONS.

The Export Administration Act of 1979 (50 U.S.C. App. 2410) is amended by inserting after section 11A the following new section:

"CHEMICAL AND BIOLOGICAL WEAPONS PROLIFERATION

"SEC. 11B. (a) DETERMINATION BY THE PRESIDENT.—

"(1) IMPOSITION OF SANCTIONS.—The President, subject to subsection (d), shall impose on a foreign person the sanctions under subsection (b) if the President determines that the foreign person, on or after the date of the enactment of this section, has knowingly and materially contributed through shipment of goods or technologies that would be, if they were United States goods or technologies, subject to the jurisdiction of the United States pursuant to this Act, to the efforts to use, develop, produce, stockpile, or otherwise acquire chemical or biological weapons by any country that the President has determined has at any time after January 1, 1980—

"(A) used chemical or biological weapons in violation of international law;

"(B) used lethal chemical or biological weapons against its own nationals;

"(C) made substantial preparations to do the activities described in clause (A) or (B); or

"(D) been designated pursuant to section 6(j) of this Act as a country which supports international terrorism.

"(2) CONSULTATIONS WITH AND ACTIONS BY GOVERNMENT OF JURISDICTION.—The President may delay imposition of sanctions against a foreign person for a period of up to 90 days in order to pursue consultations with the government with primary jurisdiction over that foreign person involved in the activities cited in paragraph (1). Following these consultations, the President shall impose sanctions against the foreign person unless he has determined and certified to the Congress that such government has taken specific and effective actions, including appropriate penalties, to terminate the involvement of the foreign person in such activities.

"(3) REPORT TO CONGRESS.—The President shall report to the Congress, not later than 30 days after making a determination under paragraph (1), on the status of consultations with the appropriate government under paragraph (2), and the basis for any determination under paragraph (2) that such government has taken specific corrective actions.

"(b) SANCTIONS.—The sanctions referred to in subsection (a) shall apply to the foreign person committing the violation, as well as to any parent, affiliate, subsidiary, and successor entity of the foreign person, and are as follows:

"(1) PROCUREMENT SANCTION.—The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from that foreign person.

"(c) TERMINATION OF SANCTIONS.—A sanction imposed on a foreign person under this section shall apply for a period of at least 24 months and in no case shall cease to apply to that foreign person until the expiration of the 12-month period beginning on the date the President determines and certifies to the Congress that—

"(1) reliable intelligence information indicates that the foreign person has ceased to aid or abet any foreign country in its efforts to acquire chemical or biological weapons capability as described in subsection (a)(1) of this section; and

"(2) in the President's judgment, it would be in the national interest of the United States to procure or contract for the procurement of goods or services from such foreign person or to import goods or services from such foreign person.

"(d) EXCEPTIONS.—The President shall not be required under this section to apply sanctions—

"(1) in the case of procurement of defense articles or defense services—

"(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy United States operational military requirements;

"(B) if the President determines that the person or other entity to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

"(C) if the President determines that such articles or services are essential to the national security under defense coproduction agreements;

"(2) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose sanctions;

"(3) to—

"(A) spare parts,

"(B) component parts, but not finished products, essential to United States products or production, or

"(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

"(4) to information and technology not directly useful for the development, production, or stockpiling of chemical or biological weapons; or

"(5) to medical or other humanitarian items.

"(e) DEFINITION.—For the purposes of this section, the term 'foreign person' means—

"(1) the term 'foreign person' means—

"(A) an individual who is not a citizen of the United States or an alien admitted for permanent residence to the United States; or

"(B) a corporation, partnership, or other entity, including any parent or subsidiary entity thereof, which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States; and

"(2) the terms 'defense article' and 'defense service' have the same meanings as are given to such terms by paragraphs (3) and (4), respectively, of section 47 of the Arms Export Control Act.".

SEC. 206. DEFINITIONS.

For the purposes of this Act—

(1) the term "foreign person" means—

(A) an individual who is not a citizen of the United States or an alien admitted for permanent residence to the United States; or

(B) a corporation, partnership, or other entity, including any parent or subsidiary entity thereof, which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States; and

(2) the terms "defense article" and "defense service" have the same meanings as are given to such terms by paragraphs (3) and (4), respectively, of section 47 of the Arms Export Control Act.

TITLE III—ADDITIONAL RESTRICTIONS ON TRADE WITH CUBA

SEC. 301. PROHIBITION ON CERTAIN TRANSACTIONS BETWEEN CERTAIN UNITED STATES FIRMS AND CUBA.

Notwithstanding any other provision of law, no license may be issued for any transaction described in section 515.559 of title 31, Code of Federal Regulations, as in effect on July 1, 1989.

SEC. 302. SOVIET MILITARY AID TO CUBA.

(a)(1) Since totalitarian rule is giving way to democratic rule around the world;

(2) Since the people of Eastern Europe have led the way, embracing Mikhail Gorbachev's policies of Glasnost and Perestroika and replacing totalitarian regimes with elected governments that respect human rights;

(3) Since Fidel Castro's totalitarian rule stands in stark contrast to the democracy sweeping through Eastern Europe, Latin America, and other parts of the world;

(4) Since after thirty years of rule Castro still stubbornly clings to power, publicly attacking the new policies and governments of Eastern Europe, and openly criticizing the policies of Mikhail Gorbachev;

(5) Since despite these attacks the Soviet Union continues to prop up the Castro government, subsidizing the Cuban economy at an annual rate of at least $5,500,000,000, $1,500,000,000 of it in military assistance;

(6) Since Soviet Deputy Prime Minister Leonid Abalkin has publicly stated that commercial ties between the two countries might be expanded and perhaps even substantially increased;

(7) Since the Soviet Union continues to modernize the Cuban armed forces, delivering six new advanced MIG-29 fighters earlier this year;

(8) Since this business as usual support continues at a time when Castro has launched a new wave of repression, arresting human rights activists, underground political leaders, dissidents, university students, and religious leaders;

(9) Since Castro has executed, arrested, and dismissed key members of his military high command, state security ministry, personal body guard, Cuban Communist Party Central Committee, and diplomatic corps during the past year, in an ongoing purge to consolidate control and discourage reform;

(10) Since Castro has arrested and deported international journalists for reporting the growing human rights and pro-democracy movement in Cuba; and

(11) Since Castro has gone so far as to deport Eastern bloc reporters who "compare Cuba to Romania—the calm before the storm," take Soviet publications such as Moscow News out of circulation, and ban Perestroika by Mikhail Gorbachev.

(b) It is the sense of the Congress that—

(1) continuing Soviet support of Cuba remains a serious problem in United States-Soviet relations;

(2) the Soviet Union, in reexamining its relationship with Cuba, should cease military aid to the Castro regime and take all other possible steps to further the policies of Glasnost and Perestroika by adopting policies supporting the political, economic rights, and human rights of the Cuban people.

TITLE IV—GENERAL PROVISIONS

SEC. 401. INCURSIONS INTO ISRAEL.

(a) During the next round of talks with the PLO, should such talks occur after the date of enactment of this Act, the representative of the United States should obtain from the representative of the PLO a full accounting of the following attempted incursions into Israel which occurred after Yasser Arafat's statement of December 14, 1988:

(1) On August 7, 1989, a rocket attack on the settlement of Maoz Haim by members of the PLO-affiliated Popular Front for the Liberation of Palestine.

(2) On February 4, 1990, an unprovoked ambush by the Popular Front for the Liberation of Palestine-General Command on an Israeli tour bus in Egypt that killed 9 and wounded 15 Israelis.

(3) On September 6, 1989, a rocket attack by the PLO-affiliated Popular Front for the Liberation of Palestine aimed at Kibbutz Tel-Katzir that fell on Kibbutz Sha'ar Hagolan.

(4) On January 26, 1990, an attack on an Israeli Army patrol by at least three terrorists of the PLO-affiliated Democratic Front for the Liberation of Palestine headed for Kibbutz Misgav-Am.

(5) On May 28, 1989, an attack by the Popular Front for the Liberation of Palestine and the Palestine Liberation Front, both PLO-affiliated organizations, in which a one-year-old Israeli was injured by a Katyusha rocket.

(6) On October 7, 1989, an attempted raid on Kibbutz Misgav-Am by a squad of terrorists armed with machine guns and anti-tank missiles from the PLO-aligned Palestine Liberation Front.

(7) On April 13, 1990, an attempted infiltration into northern Israel by boat by four terrorists of Yasser Arafat's Al-Fatah, equipped with machine guns and grenades.

(b) In the event that talks are held with the PLO after the date of enactment of this Act, the Secretary of State, shall include in the next report provided to the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate under section 804 of the Foreign Relations Authorization Act for Fiscal Years 1990 and 1991 any accounting provided by the representative of the PLO of the incidents described in subsection (a) and the relationship between those groups responsible for these attacks and the PLO: *Provided,* That such report shall also include a list of all individuals participating in discussions held between representatives of the United States and of the Palestine Liberation Organization since January 1, 1989; and, that such report should also include any additional known affiliations of such representatives of the PLO.

(c) No later than 60 days after enactment, the Commissioner of the Customs Service shall provide the President of the Senate and Speaker of the House of Representatives with a report outlining illegal activities being undertaken in the United States by the Palestine Liberation Organization or on behalf of the Palestine Liberation Organization; including such activities as illegal drug trafficking, money laundering, weapons purchases and arms shipments; estimating the amount of funds associated with such activities; and describing the extent to which members of the PLO Executive Committee, the PLO Central Council and the Palestine National Council are aware of, or are involved in such illegal activities.

House amendment to Senate amendment: Page 1, strike out line 1 on page 1 of the Senate engrossed amendment and all that follows through line 14 on page 28 and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Chemical and Biological Warfare Elimination Act".

SEC. 2. FINDINGS.

The Congress makes the following findings and declarations:

(1) It is a top priority to achieve a comprehensive global convention, with adequate provisions for verification, to prohibit the production and stockpiling of chemical weapons.

(2) All countries should cease development, production, and stockpiling of chemical weapons on a verifiable basis at the earliest possible date.

(3) The United States should cooperate in and lead multilateral efforts to stop the proliferation of chemical weapons. These efforts include the negotiations at the Geneva Conference on Disarmament for a worldwide ban on chemical weapons, controls on proliferation of chemical precursors through the Australia suppliers group, the Paris Conference of January 1989 on chemical weapons use, and the conference on chemical weapons proliferation held in Canberra, Australia, in September 1989.

(4) The United States should also impose the necessary controls on United States exports to prevent the proliferation of chemical and biological weapons and should discourage foreign companies from transferring similar items.

(5) The United States should work with other countries or groups of countries to adopt progressively stronger measures (including appropriate sanctions) against countries that use chemical or biological weapons in violation of international law or develop, produce, or stockpile biological weapons. The President is urged to pursue multilateral sanctions pursuant to United Nations Security Council Resolution 620, which declared the intention of the Security Council to give immediate consideration to imposing "appropriate and effective" sanctions against any country which uses chemical weapons in violation of international law.

TITLE I—MEASURES TO PREVENT THE PROLIFERATION OF CHEMICAL AND BIOLOGICAL WEAPONS

SEC. 101. MULTILATERAL EFFORTS.

It is the policy of the United States to seek multilaterally coordinated efforts with other countries to control the proliferation of chemical and biological weapons.

SEC. 102. EXPORT CONTROLS.

(a) IN GENERAL.—The President shall—

(1) use the authorities of the Arms Export Control Act to control the export of those defense articles and defense services, and

(2) use the authorities of the Export Administration Act of 1979 to control the export of those goods and technologies, that the President determines would assist a country in acquiring the capability to develop, produce, stockpile, deliver, or use chemical or biological weapons.

(b) EXPORT ADMINISTRATION ACT.—Section 6 of the Export Administration Act of 1979 (50 U.S.C. App. 2405) is amended by adding at the end the following:

"(q) CHEMICAL AND BIOLOGICAL WEAPONS.—A validated license shall be required under this section for the export of any goods or technology that the President determines would assist the recipient country in acquiring the capability to develop, produce, stockpile, deliver, or use chemical or biological weapons, unless the destination of such export is a country with whose government the United States has entered into bilateral or multilateral arrangements for the control of chemical or biological weapons related goods or technology.".

SEC. 103. SANCTIONS AGAINST CERTAIN FOREIGN PERSONS.

(a) IMPOSITION OF SANCTIONS.—

(1) FOREIGN PERSONS ON WHICH SANCTIONS IMPOSED.—Except as provided in subsection (b)(2), the President shall impose either or both of the sanctions described in subsection (c) on a foreign person if the President determines that, on or after the date of the enactment of this Act, that foreign person knowingly and substantially contributed to the efforts by a country described in paragraph (2) to use, develop, produce, stockpile, or otherwise acquire chemcial or biological weapons.

(2) FOREIGN COUNTRIES USING OR PREPARING TO USE CHEMICAL OR BIOLOGICAL WEAPONS IN VIOLATION OF INTERNATIONAL LAW.—Paragraph (1) applies if the President determines that, on or after the date of the enactment of this Act, the country referred to in paragraph (1) either used chemical or biological weapons in violation of international law or is making substantial preparations to do so.

(3) PERIOD OF SANCTIONS.—Except as otherwise provided in this section, sanctions shall

be imposed under this section for a period of not less than 2 years.

(b) CONSULTATIONS WITH AND ACTIONS BY GOVERNMENT OF JURISDICTION.—

(1) CONSULTATIONS.—If the President makes the determinations described in subsection (a) with respect to a foreign person, the Congress urges the President to initiate consultations immediately with the government with primary jurisdiction over that foreign person with respect to the imposition of sanctions pursuant to this section.

(2) ADEQUATE CORRECTIVE ACTION BY GOVERNMENT OF JURISDICTION.—Sanctions are not required to be imposed on a foreign person pursuant to this section if the President determines that the government with primary jurisdiction over that foreign person has taken adequate corrective action with respect to the acts by that foreign person that are described in subsection (a).

(3) REPORT TO CONGRESS.—If the President does not impose sanctions on a foreign person under this section pursuant to a determination under paragraph (2), the President shall report to the Congress the basis for that determination. This report shall be submitted not later than 90 days after the President makes the determinations described in subsection (a).

(c) SANCTIONS.—The sanctions to be imposed on a foreign person pursuant to subsection (a) are the following, except as provided in subsection (e):

(1) PROCUREMENT SANCTIONS.— The United States Government shall not procure, or enter into any contract for the procurement of, any goods or services from that foreign person.

(2) IMPORT SANCTIONS.—The importation into the United States of products produced by that foreign person shall be prohibited.

(d) TERMINATIONS OF SANCTIONS.—A sanction imposed on a foreign person under this section shall cease to apply to that foreign person if the President determines and certifies to the Congress that there is reliable evidence that the foreign person has ceased all activities described in subsection (a).

(e) EXCEPTIONS.—The President shall not apply sanctions under subsection (c)—

(1) in the case of procurement of defense articles or defense services—

(A) under existing contracts or subcontracts, including the exercise of options for production quantities to satisfy United States operational military requirements.

(B) if the President determines that the person or other entity to which the sanctions would otherwise be applied is a sole source supplier of the defense articles or services, that the defense articles or services are essential, and that alternative sources are not readily or reasonably available; or

(C) If the President determines that such articles or services are essential to the national security under defense coproduction agreements;

(2) to products or services provided under contracts entered into before the date on which the President publishes his intention to impose the sanctions;

(3) to—

(A) spare parts,

(B) component parts, but not finished products, essential to United States products or production, or

(C) routine servicing and maintenance of products, to the extent that alternative sources are not readily or reasonably available;

(4) to information and technology; or

(5) to medical or other humanitarian items.

(f) WAIVER AND REPORT.—

(1) WAIVER.—The President may waive the imposition of any sanction imposed on a foreign person under this section if the President determines that such waiver is important to the national security interests of the United States.

(2) NOTIFICATION OF AND REPORT TO CONGRESS.—In the event that the President decides to apply the waiver described in paragraph (1), the President shall so notify the Congress not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulating the rationale and circumstances which led the President to apply the waiver.

(g) OTHER REPORTS TO CONGRESS.—In addition to the report under subsection (b)(3) and (f)(2), the President shall report to the Congress on all other determinations made under this section.

(h) DEFINITION.—For purposes of this section, the term "foreign person" means—

(1) an individual who is not a citizen of the United States or an alien admitted for permanent residence to the United States; or

(2) a corporation, partnership, or other entity which is created or organized under the laws of a foreign country or which has its principal place of business outside the United States.

TITLE II—MEASURES TO DETER THE USE OF CHEMICAL OR BIOLOGICAL WEAPONS

SEC. 201. PRESIDENTIAL DETERMINATION CONCERNING CERTAIN COUNTRIES.

The President shall determine whether any foreign country has, on or after the date of the enactment of this act—

(1) used chemical or biological weapons in violation of international law;

(2) made substantial preparations to use chemical weapons in violation of international law; or

(3) developed, produced, or stockpiled biological weapons in violation of international law.

SEC. 202. SANCTIONS AGAINST USE OF CHEMICAL OR BIOLOGICAL WEAPONS IN VIOLATION OF INTERNATIONAL LAW.

(a) SANCTIONS.—If, at any time, the President determines that a country has engaged in activities described in section 201(1), the President shall forthwith impose the sanctions set forth in at least 3 of the following paragraphs:

(1) PROHIBITIONS OF ARMS SALES.—The United States Government shall not, under the Arms Export Control Act, sell to that country any item on the United States Munitions List, or issue any license for the export to that country of any item on the United States Munitions List.

(2) EXPORTS OF NATIONAL SECURITY-SENSITIVE GOODS AND TECHNOLOGY.—The authorities of section 6 of the Export Administration Act of 1979 shall be used to prohibit the export to that country of any goods or technology on that part of the control list established under section 5(c)(1) of that Act.

(3) FURTHER EXPORT RESTRICTIONS. The authorities of section 6 of the Export Administration Act of 1979 shall be used to prohibit or otherwise substantially restrict exports to that country of goods and technology (excluding agricultural commodities and products).

(4) IMPORT RESTRICTIONS.—Restrictions shall be imposed on the importation into the United States of articles (which may include petroleum or any petroleum product) that are the growth, product, or manufacture of that country.

(5) FOREIGN ASSISTANCE.—No assistance shall be provided to that country under the Foreign Assistance Act of 1961 or the Arms Export Control Act other than assistance which is intended to benefit the people of that country directly and is not channeled through governmental agencies or entities of that country.

(6) MULTILATERAL DEVELOPMENT BANK ASSISTANCE.—The United States shall oppose any loan or financial or technical assistance to that country by international financial institutions in accordance with section 701 of the International Financial Institutions Act (22 U.S.C. 262d).

(7) DENIAL OF CREDIT OR OTHER FINANCIAL ASSISTANCE.—The United States shall deny to that country any credit or financial assistance by any department, agency, or instrumentality of the United States Government.

(8) DIPLOMATIC RELATIONS.—The President shall use his constitutional authorities to downgrade or suspend diplomatic relations between the United States and that country.

(b) DETERMINATION TO BE REPORTED TO CONGRESS.—Any determination under subsection (a) shall be reported promptly to the Congress.

(c) ADDITIONAL SANCTIONS IF CERTAIN CONDITIONS NOT MET.—Unless, within 3 months after making a determination under subsection (a) with respect to a country, the President determines and certifies in writing to the Congress—

(1) that such country is no longer conducting any activity described in section 201(1),

(2) that the government of such country has provided reliable assurances that the country will not in the future conduct any activity described in section 201(1), and

(3) that—

(A) such government is willing to allow onsite inspections by United Nations observers or other internationally recognized, impartial observers, or

(B) other reliable means exist,

to ensure that the country is not using chemical or biological weapons in violation of international law,

then the President, after consultation with the Congress, shall impose on that country at least 1 sanction set forth in paragraphs (1) through (8) of subsection (a) which has not previously been imposed on that country under subsection (a).

(d) CONDITIONS FOR LIFTING SANCTIONS.—The President may terminate any sanction imposed on a country under subsection (a) or (c) if the President determines and so certifies in writing to the Congress—

(1) that the country is no longer conducting any activity described in section 201(1); and

(2) that the conditions described in paragraphs (2) and (3) of subsection (c) have been met.

(e) WAIVER AND REPORT.—

(1) PRESIDENTIAL WAIVER.—The President may waive the imposition of any sanction imposed under subsection (a) or (c) if the President determines that such waiver is important to the national security interests of the United States.

(2) REPORT.—In the event that the President decides to apply the waiver described in paragraph (1), the President shall so notify the Congress not less than 20 days before the waiver takes effect. Such notification shall include a report fully articulat-

ing the rationale and circumstances which led the President to apply the waiver.

SEC. 203. SANCTIONS AGAINST OTHER VIOLATIONS OF INTERNATIONAL LAW WITH RESPECT TO CHEMICAL OR BIOLOGICAL WEAPONS.

(a) SANCTIONS.—If, at any time, the President determines that a country has engaged in activities described in section 201 (2) or (3), the President may impose any sanction described in section 202(a).

(b) IMPOSITION OF SANCTIONS TO BE REPORTED TO CONGRESS.—The President shall report promptly to the Congress the imposition of any sanction under subsection (a).

SEC. 204. CONTRACT SANCTITY.

In imposing any sanction under this title, the President may not prohibit or curtail any transaction—

(1) in performance of any contract or agreement entered into before the date on which the President reports to the Congress the imposition of the sanction, or

(2) under a validated license or other authorization issued under the Export Administration Act of 1979 or other provision of law,

unless and until the President determines and certifies to the Congress that—

(A) a breach of the peace poses a serious and direct threat to the strategic interest of the United States,

(B) the prohibition or curtailment of such contracts, agreements, licenses, or authorizations will be instrumental in remedying the situation posing the direct threat, and

(C) the sanction will continue only so long as the direct threat persists.

SEC. 205. PRESIDENTIAL REPORTING REQUIREMENTS.

(a) REPORTS TO CONGRESS.—Not later than 90 days after the date of the enactment of this Act, and every 12 months thereafter, the President shall transmit to the Speaker of the House of Representatives and the President pro tempore of the Senate a report which shall include—

(1) a description of the actions taken to carry out titles I and II of this Act and the amendment made by section 102(b) of this Act;

(2) a description of the current efforts of foreign countries to acquire equipment, materials, or technology to develop, produce, or use chemical or biological weapons, together with an assessment of the current and likely future capabilities of such countries to develop, produce, or use such weapons;

(3) a description of the use of chemical weapons in violation of international law, of substantial preparations to do so, and of the development, production, stockpiling, or use of biological weapons by foreign countries; and

(4) a description of the extent to which foreign persons or governments have knowingly and substantially assisted third countries to acquire equipment, material, or technology intended to develop, produce, or use chemical or biological weapons.

(b) PROTECTION OF CLASSIFIED INFORMATION.—To the extent practicable, reports submitted under subsection (a) or any other provision of title I or II of this Act should be based on unclassified information. Portions of such reports may be classified.

Mr. FASCELL (during the reading). Madam Speaker, I ask unanimous consent that the Senate amendment and the House amendment to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Florida?

Mr. BROOMFIELD. Madam Speaker, reserving the right to object, I do not intend to object, but I do this to have a clarification.

Madam Chairman, is it my understanding that the gentleman from Florida [Mr. FASCELL] wishes to send this bill, HR. 3033, on chemical weapons, back to the Senate for further action?

Mr. FASCELL. Madam Speaker, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Florida.

Mr. FASCELL. Madam Speaker, the gentleman is correct. The House bill was passed back in November 1989. It went to the other body. The other body passed a different bill dealing with chemical warfare and biological weapons. We are striking that language and putting in the House-passed bill and sending it back to the Senate.

Mr. BROOMFIELD. Madam Speaker, reclaiming my time, this bill has the overwhelming support in the House of Representatives and also has gained the support of the administration. This bill contains Presidential determination and waiver provisions that would give the administration such ability to pursue a multilateral approach to controlling the proliferation and use of chemical weapons.

Would the chairman of the Committee on Foreign Affairs [Mr. FASCELL] agree with that?

Mr. FASCELL. Madam Speaker, I told the distinguished gentleman from Michigan [Mr. BROOMFIELD], the ranking member of the committee, that the administration prefers by far the language in the House bill over the bill passed by the other body, and we are in conference trying to resolve this matter now. In order to clarify the procedural issue, we wanted to send the House language over to the Senate.

Mr. BROOMFIELD. Madam Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Florida?

There was no objection.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that she will postpone further proceedings today on the remaining motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken tomorrow.

NATIONAL CHILD SEARCH ASSISTANCE ACT OF 1990

Mr. EDWARDS of California. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4407) to require Federal, State, and local law enforcement agencies to report all cases of missing persons under age 18 to the National Crime Information Center of the Department of Justice, as amended.

The Clerk read as follows:

H.R. 4407

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

The Act may be cited as the "National Child Search Assistance Act of 1990".

SEC. 2. REPORTING REQUIREMENT.

(a) IN GENERAL.—Each Federal, State, and local law enforcement agency shall report each case of a missing child under the age of 18 reported to such agency to the National Crime Information Center of the Department of Justice.

(b) GUIDELINES.—The Attorney General may establish guidelines for the collection of such reports including procedures for carrying out the purposes of this Act.

(c) ANNUAL SUMMARY.—The Attorney General shall publish an annual statistical summary of the reports received under this Act.

SEC. 3. STATE REQUIREMENTS.

Each State reporting under the provisions of this Act shall—

(1) ensure that no law enforcement agency within the State establishes or maintains any policy that requires the observance of any waiting period before accepting a missing child or unidentified person report;

(2) provide that each such report and all necessary and available information, which, with respect to each missing child report, shall include—

(A) the name, date of birth, sex, race, height, weight, and eye and hair color of the child;

(B) the date and location of the last known contact with the child; and

(C) the category under which the child is reported missing;

is entered immediately into the State law enforcement system and the National Crime Information Center computer networks and made available to the Missing Children Information Clearinghouse within the State or other agency designated within the State to receive such reports; and

(3) provide that after receiving reports as provided in paragraph (2), the law enforcement agency that entered the report into the National Crime Information Center shall—

(A) no later than 60 days after the original entry of the record into the State law enforcement system and National Crime Information Center computer networks, verify and update such record with any additional information, including, where available, medical and dental records;

(B) institute or assist with appropriate search and investigative procedures; and

(C) maintain close liaison with the National Center for Missing and Exploited Children for the exchange of information and technical assistance in the missing children cases.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California [Mr. EDWARDS] will be recognized for 20 minutes, and the gentleman from Wisconsin [Mr. SENSENBRENNER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the purpose of the bill is to require Federal, State, and local law enforcement agencies to enter missing children reports in the National Crime Information Center [NCIC] immediately after they are received, without any waiting period.

The NCIC already has a missing child file, but its use is voluntary. The bill is necessary because it seems that some agencies are observing a waiting period before entering missing child reports, on the theory that the child will show up. However, if the child is in danger, the first 24 hours after his or her disappearance are the most important, and the information about the child should be entered on the NCIC immediately, to be available to law enforcement agencies that might come in contact with the child.

Madam Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 4407, the National Child Search Assistance Act.

This bill will aid in the search for missing children by prohibiting States from observing a waiting period prior to the acceptance of a missing child report and requiring that the report be immediately entered into the National Crime Information Center [NCIC] computer.

During its hearing on H.R. 4407, the subcommittee heard testimony that State and local law enforcement agencies often observe an informal waiting period before they will accept a missing child report. The theory behind the informal waiting period is that a missing child is simply lost or late returning home and will turn up safely in a few hours.

Unfortunately, where the child has been abducted or otherwise victimized, the observance of a waiting period loses precious time. Experience has shown that the first 24 to 48 hours that a child is missing is the time of greatest potential interstate movement, thus quick entry into NCIC can significantly aid law enforcement agencies in the location and safe return of a missing child.

I would point out that during our extensive hearings on the Missing Children's Act several years ago, which was serialized into the docudrama "Adam" on television, we received testimony that the problem was with local law enforcement agencies not entering missing children reports into the NCIC, rather than any reticence on the part of the FBI or Federal Government agencies in accepting these reports and disseminating the information to other law enforcement agencies around the country.

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The enactment of this bill will eliminate this problem which has been particularly vexacious in some States of the Union because local law enforcement agencies have not taken advantage of the tools that are available to them.

The passage of H.R. 4407 would put a mandatory requirement for immediate entry of a missing child's report into the NCIC. This measure is supported by the National Center for Missing and Exploited Children and the Federal Bureau of Investigation, and I hope it receives the unanimous support of my colleagues.

Mr. EDWARDS of California. Madam Speaker, I yield such time as he may consume to the gentleman from Alabama [Mr. ERDREICH].

Madam Speaker, we are indebted to the gentleman from Alabama who is the author of this bill and referred it to the Judiciary Committee.

Mr. ERDREICH. Madam Speaker, I thank the gentlewoman for yielding time to me.

Madam Speaker, I would like to thank my distinguished colleagues, the Honorable JACK BROOKS, Chairman of the House Judiciary Committee; the Honorable HAMILTON FISH, JR., Ranking Minority Member of the Full Committee; the Honorable DON EDWARDS, chairman of the Subcommittee on Civil and Constitutional Rights; and the Honorable JAMES SENSENBRENNER, JR., ranking minority member of the subcommittee, for their valuable assistance in swiftly moving my legislation through committee, enabling it to be brought to the floor in a timely manner.

When citizens report to police that their automobiles or personal weapons have been stolen, local police are required, by law, to report immediately their theft to the National Crime Information Center, as they are required to report the theft or disappearance of other missing personal possessions.

The same is not true, however, when children are reported missing by their parents or guardians.

There are currently some 1.5 million children listed as missing in Alabama and across the Nation. But surveys show that up to 3 days often go by before law enforcement agencies in many parts of the country report descriptive information about these missing children to the missing person file at the National Crime Information Center.

Oftentimes, these children face the potential of unsafe and even life-threatening situations, and the first three days are often the most crucial hours, as far as recovery of the child, in the investigation.

In 1984, Congress established the National Center for Missing and Exploited Children to help find these children; to date, over 12,000 children have been found, and some 30,000 law enforcement officers have been trained in child location techniques.

Forty-one States, including the District of Columbia, have missing children clearinghouses. But there is no Federal law that requires these States to enter reports immediately of missing children into a centralized, computerized system that could be easily accessed so that state information could be quickly made available nationwide.

Our children certainly deserve better than this.

My bill requires each Federal, State and local law enforcement agency to report immediately every notification of a missing child under the age of 18 that it receives to the Department of Justice's National Crime Information Center.

The center would then be able to process and store data in its computers and provide information instantly anywhere in the country. My bill would assure that we have one national, centralized location from which could be drawn needed information to find missing children.

It is incumbent upon us in Congress to lead the way in finding and returning missing children to a safe and loving environment. I urge my colleagues in the House to pass this sorely needed legislation.

GENERAL LEAVE

Mr. EDWARDS of California. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore (Mrs. UNSOELD). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SENSENBRENNER. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. EDWARDS of California. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. EDWARDS] that the House suspend the rules and pass the bill, H.R. 4407, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended, was passed.

A motion to reconsider was laid on the table.

REGARDING ALBANIAN MINORITIES IN YUGOSLAVIA

Mr. ACKERMAN. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 385) expressing the sense of the Congress regarding human rights violations against the ethnic Albanian minority in southern Yugoslavia.

The Clerk read as follows:

H. CON. RES. 385

Expressing the sense of the Congress regarding human rights violations against the ethnic Albanian minority in southern Yugoslavia.

Whereas the human rights situation in certain areas of Yugoslavia, particularly in the Socialist Autonomous Province of Kosovo, has deteriorated in the last two years;

Whereas the Department of State's Country Reports on Human Rights Practices for 1989 and the Amnesty International Report for 1990 cite violations of internationally recognized human rights in Yugoslavia;

Whereas the human rights of all ethnic groups throughout Yugoslavia, including Kosovo, should be fully protected;

Whereas the Government of the Republic of Serbia used force in response to peaceful Albanian demonstrations resulting in the deaths and brutal treatment by police of some Albanian demonstrators, engaged in arbitrary arrests, detentions, summary trials, and imprisonment of ethnic Albanians, and has banned Albanian demonstrations and strikes;

Whereas the democratic movements in Kosovo have attracted mass Albanian support despite the severe restrictions on human rights and the democratic process and the continuing strong opposition of the Serbian governmental leadership;

Whereas in March 1989, Serbia curtailed the autonomous status of Kosovo against the wishes of the ethnic Albanians of Kosovo who comprise the overwhelming majority of the population of that province;

Whereas in July 1990, Serbia voted to dissolve the 188-member Provincial Assembly, took over the organs of the Kosovo Provincial Assembly, and shut down Albanian language news media;

Whereas the policies of the Serbian Government curtailed the possibility for the Albanian community to express opinions freely and defend its interests through a peaceful process, and thereby undermined the prospects for a peaceful democratic solution in Kosovo that would respect the rights of all citizens in the Province; and

Whereas these human rights abuses, the abridgment of the human rights of ethnic Albanians, and the many instances, over the last decade, of harassment and acts of violence by ethnic Albanians against Serbs and Montenegrins in that Province violate the principles of the Universal Declaration of Human Rights, the International Covenants on Human Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) condemns the use of force in Kosovo by any party;

(2) urges the ethnic Albanians in Kosovo to continue to show restraint and to continue pursuing peaceful and democratic avenues for resolution of problems in Kosovo;

(3) urges the Government of Serbia to abandon policies which exacerbate the severe ethnic crisis in southern Yugoslavia and increase tensions in that country, to refrain from violence, intimidation, and the threat or use of force, and to engage in peaceful dialogue with representatives of the Albanian Democratic Alliance Movement and other forces for peaceful dialogue;

(4) urges the Government of the Republic of Slovenia and the Government of the Republic of Croatia to meet their financial commitments to Kosovo and to remain engaged in working to resolve the grave economic conditions in Kosovo;

(5) commends the Government of the Socialist Federal Republic of Yugoslavia and Prime Minister Ante Markovic for past efforts to mediate between the Slavic minorities and ethnic Albanians in Kosovo, for explicit condemnation of violence on all sides, and for the pledge to investigate all human rights abuses, and urges the Federal Government and the Prime Minister to increase their efforts to reestablish a constructive dialogue as a step on the way to resolution of the current crisis; and

(6) requests the President to express, to the highest levels of the Government of Yugoslavia, the concerns of the Congress about the situation in Kosovo and the role of the Republic Governments involved.

The SPEAKER pro tempore. Under the rule, a second is not required on this motion.

The gentleman from New York [Mr. ACKERMAN] will be recognized for 20 minutes, and the gentleman from Florida [Mr. Goss] will be recognized for 20 minutes.

PARLIAMENTARY INQUIRY

Mr. MOODY. Madam Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MOODY. Madam Speaker, could the Chair clarify the time allocation and go over that again? On the Democratic side there are those of us who are opposed to it, and do we have any time under the rule?

The SPEAKER pro tempore. The gentleman from New York [Mr. ACKERMAN] has 20 minutes, and the gentleman from Florida [Mr. Goss] has 20 minutes. Others seeking recognition will have to get time from one of those gentlemen.

The Chair recognizes the gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of House Concurrent Resolution 385 expressing the sense of Congress regarding the human rights violations against the ethnic Albanian minority in southern Yugoslavia. This resolution was referred to two subcommittees of the Committee on Foreign Affairs and was adopted unanimously by the full committee during the past week. I would like to commend Representative BILL BROOMFIELD for his hard work and diligence in bringing this resolution before the committee.

This resolution comes as a sensitive and pivotal time in the history of Yugoslavia, when its very existence is threatened by an outbreak of the kind of ethnic tensions and violence which have traditionally plagued that country. In supporting this resolution, which justifiably criticizes the authorities in the Republic of Serbia for their violations of the human and political rights of the ethnic Albanian population of the Kósovo Province, I would like to emphasize that in so doing, neither I nor other members of the Committee on Foreign Affairs are taking sides in the complex and sensitive ethnic disputes within Yugoslavia. We believe the human rights and fundamental freedoms of all peoples in Yugoslavia should be upheld whether it is a matter of Albanians in Serbia, Serbs in Croatia, or anywhere where the rights of ethnic minorities must be respected.

It is my view that in these times of instability and tensions we must continue to adhere to the official United States policy supporting the unity and territorial integrity of Yugoslavia.

Yugoslavia today is undergoing fundamental changes. We wholeheartedly support the democratic process which is underway in the republics of Slovenia and Croatia and look forward to the multiparty elections in the other constituent republics of Yugoslavia, including Serbia, to be held before the end of the year. It is our hope that these elections—particularly in Serbia—will result in the kind of government which will put an end to human rights violations and ensure political freedoms for all ethnic groups.

I urge you to support this resolution.

Mr. GOSS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I want to briefly explain my opposition to this concurrent resolution.

I think the entire world knows that over 60 ethnic Albanians were gunned down in the streets, and hundreds of ethnic Albanians have been injured and imprisoned. I do not believe that there is a documented record of ethnic Albanian abuse of Serbians in the province, and knowing that, I am a little bit puzzled by some of the language on page 2 which speaks about the many instances over the last decade of harrassments and acts of vi-

olence by ethnic Albanian against Serbs and Montenegrins, et cetera.

That is my principal purpose in objecting. I know there are others here who wish to address this.

Madam Speaker, I yield 5 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

Mrs. BENTLEY. Madam Speaker, I rise in strong opposition to House Concurrent Resolution 385. It is my understanding that controversial measures are not to be brought up under the rules of suspension. If that is so, then this measure which has strong opposition—not only in this House—but from the U.S. Department of State, should not be handled in this fashion.

House Concurrent Resolution 385, which singles out a single republic, out of six, inside Yugoslavia for alleged human rights violations against an ethnic minority, completely disregards conditions in the country as a whole—including free multiparty elections scheduled for November in three republics and in December in the supposedly offending province, which is Serbia.

That human rights violations are going on in Kosovo—the target of this amendment—no one could or should try to deny—but to present the Albanians as persecuted minority when, in truth, they are in the majority enjoying freedom of religion—they are Moslems—and schools up through the university level where Albanian is the language. Serbians have been displaced from their homes there.

Albanians from Kosovo have served at cabinet levels in the Yugoslav Government and one has even been President of the entire nation of Yugoslavia.

To cast this militant, nationalistic group as a persecuted minority stretches the credibility of any one familiar with what is transpiring on the scene in that beleaguered country right now. The persecuted minority in Kosovo right now are the Serbians—who rightly or wrongly—are fighting to maintain Serbia as a part of the Yugoslav nation. But, the point I desire to make on this floor—to call your attention to—is that human rights violations going on in Yugoslavia at this time—are too complex and too widespread for this body to be weighing in for one republic against another without adding to the turmoil already tearing at the fabric of that fragile confederation.

Free, multiparty elections are being held in the various republics this fall. Croatia and Slovenia have completed theirs. The remainder—Montenegro, Bosnia, Macedonia, and Serbia—are to be held in November and December. By prior arrangement, these must be completed before a national election can be held later.

Now is not the time for the American Government to take sides on what is going on in one of these republics. Would we dare to pressure Mr. Gorbachev on his current handling of what is going on in any one of the Soviet republics as they struggle to handle the new freedom sweeping that nation?

I believe that is why the State Department has been against House Congressional Resolution 385. The Department, on the scene with their people, are aware of what a traumatic transition period this is for the nation of Yugoslavia.

Like the rest of the Balkan States and central Europe, WWII left a terrible legacy not only of death and destruction, but of divided political and religious strife. The conditions in modern Serbia with regard to the Albanian population were created by Tito when he encouraged Albanian migration into Kosovo to dilute the Serbian power base—a major source of the insurgency against him. Serbians were blacked out of Kosovo by the Tito government and Serbians who had left were not allowed to return. It was the old idea of divide and conquer.

And over 50 years later, I see the great body of the U.S. Congress being wheeled around to play a part in this old tragedy, a part, which might fuel the destruction of this modern nation trying so hard to deal with the old wrongs, the old injustices.

We should not be interfering in the affairs of Yugoslavian republics any more than we should be interfering with Russian republics. And, more especially, during this election time we should be wishing them only good luck and good fortune, not division and destruction. They should not be treated with threats as they try to work their way through this time of transition toward democracy.

□ 1850

Mr. ACKERMAN. Madam Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Madam Speaker, I thank my colleague for yielding me this time.

Madam Speaker, I rise in strong support of House Concurrent Resolution 385.

I would like to thank the Committee on Foreign Affairs, the gentleman from New York [Mr. ACKERMAN], the gentleman from Florida [Mr. FASCELL], for reporting this resolution for us to consider on the House floor today. I would also like to commend my colleague, the gentleman from Michigan [Mr. BROOMFIELD], who has played such an important role in bringing to the attention of the American public and to this body what is, indeed, happening in Kosovo.

While freedom has swept through Eastern Europe, and the Soviet Union, the people of Kosovo are still struggling for democracy. Kosovo, whose population is 90 percent ethnic Albanian, has had its constitutional autonomy greatly restricted over the past year. Peaceful demonstrations for free elections and the release of political prisoners have been answered with bullets, with clubs, with tear gas, scores, scores, ladies and gentlemen, of ethnic Albanians have been killed since the crackdown on Kosovo which began in March 1989.

This July the Kosovo local government and Albanian language media were suspended effectively ending autonomy for Kosovo.

Recently 10,000 ethnic Albanians gathered to greet a Senate delegation investigating some of these human rights abuses. They were chanting "Freedom, freedom, freedom." They were greeted, ladies and gentlemen, they were greeted in response by the police with billy clubs, with tear gas and other acts of brutality.

Ladies and gentlemen, this resolution calls for a peaceful dialog to end the crisis and the greater involvement of the Yugoslavian federal government to protect the rights of these people.

We get up on this floor constantly and talk about the rights of the people all over the world, whether its was in Poland or East Germany, Romania, Yugoslavia, Bulgaria, China. These people have the same rights. They want dignity. They want self-determination. They want to be treated like their fellow citizens in Europe and around the world.

This is a balanced and a fair resolution to address a grave injustice, and I urge my colleagues to support this resolution and send a very strong signal that Congress is concerned about the human rights of these very brave people.

Mr. GOSS. Madam Speaker, I yield 3 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Madam Speaker, I rise in strong opposition to House Continuing Resolution 385.

Madam Speaker, when Yugoslavia was a one-party dictatorship the United States Congress did not concern itself with the human rights violations of all the peoples of Yugoslavia—the Serbs, Croats, Slovens, Montenegrins, Albanians, Macedonians. In fact, this House approved numerous aid bills to the country with no strings attached and quite probably in this way helped the dictator Tito stay in power for many years.

Now when the country and its republics are making the delicate transition to a multiparty democratic system, resolutions and amendments are being introduced which, if we are not careful, will slow down the road to full democracy.

Right now there are ongoing elections in several Republics in Yugoslavia. These elections must be held before

the nation as a whole can vote for the leadership of the whole country.

Croatia and Slovenia have held their elections. The rest are scheduled to take place between November 11 in Macedonia, to continue on through the month in Bosnia and Montenegro finishing in Serbia on December 9.

These elections, the first since WWII, are a great challenge for the nation of Yugoslavia and are critical for its survival in this delicate period of transition from dictatorship to a democracy.

The State Department letter to Chairman ROBERT C. BYRD states that any action is more likely to have a negative rather than a positive impact both on human rights situations in Kosovo and the prospect for freedom and prosperity throughout Yugoslavia.

It must be remembered that Yugoslavia, in particular the Serbs, were allies of the United States during two world wars and paid a high price for their loyalty to our country.

Therefore, we should vote no on this resolution which does not paint a true picture and which could exacerbate the situation. In gratefulness for the Serbs support to our allies in two world wars we should give them help when they need it—and that would require very little on our part at this time. We must give the emerging democracy of Yugoslavia and all its republics our confidence and full moral support on this critical junction in their history. We must show them our friendship and our best wishes for successful democratic elections.

Madam Speaker, I oppose this resolution.

Mr. ACKERMAN. Madam Speaker, I yield 4 minutes to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. Madam Speaker, I am not of Serbian origin nor of any origin of any Yugoslav grouping, but I have spent considerable time in the country. I spent 2 years in Yugoslavia as a representative of the CARE organization and traveled every province, every republic, and virtually every town in that country, learned the language, and have friends in all of the six republics.

I believe this resolution should be rejected and rejected soundly, because it singles out a single republic for effectively condemnation, certainly for harsh commentary in what is at best a highly complex situation where there are many ethnic groups with grievances against one another. We have the Albanians, the Albanian minority, in Kosovo and other parts of Serbia; we have the Serbia minority, and, in fact, it is a minority in Kosovo itself, under a great pressure and difficulty. We have the Serbian minority in Croatia under great difficulty.

Of all of these, and I could go on and on, of the four or five other ethnic conflicts, of all of them, the only one that is addressed in this particular resolution by the gentleman from Michigan [Mr. BROOMFIELD] is the situation in Kosovo. That is the only resolution at issue which is really brought to light with this particular resolution.

Therefore, it is highly one-sided. It is highly controversial. It is highly contentious, because it does so single out one particular area.

□ 1900

It is also highly explosive in a sensitive situation. Kosovo to the Serbs is as Jerusalem is to the Jews, the cradle of their civilization. They now find themselves an embattled minority pushed deeper and deeper into a corner in that area of the country. Obviously, they have reacted. To be insensitive to that and ignore that would be very unfair for this body to do. Can Members imagine how we would react if we, say, the British Parliament passed a resolution condemning the North Dakota Legislature for its treatment of the Indians? We would say that is not their competence to do that, but it is much more emotionally explosive over there than that example would be over here.

It is also extremely bad timing of this resolution. A number of republics are about to enter upon free elections. Serbia has one scheduled for December 3. We should hold our fire until that takes place to see what the outcomes are. This is an example of micromanagement of foreign policy for domestic political reasons at its worst, and we should not do that. This may be a good time for domestic politics back home, but it would have a very bad effect. I want to share with my colleagues, in Yugoslavia, No. 1, it will diminish our ability to a nation to play the important role of honest broker in that country. It will undermine our own Embassy's ability to play a very important neutral role in that country as they try to assist the various ethnic groups from pressing on one another. It will take away our own State Department's ability to play a very important role.

In fact, our State Department strongly objects to the timing of this resolution coming up now. We should not override those sensitivities and those concerns. By appearing to take sides one way or the other, we inject Congress into a highly complex and sensitive situation.

As the gentlewoman from Nevada [Mrs. VUCANOVICH] mentioned a moment ago, the Serbs are traditional friends of the United States. They fought and bled for the United States as they were occupied by the Nazis in World War II. Many, many American flyers were saved through the heroism of the Serbs, those who were knocked down over Serbia, battling the Germans. For the United States to take this gratuitous step to insult and injure our steps without a thorough understanding of what is really going on here would do a great disservice to this body and to Yugoslavia. I urge a no vote on this resolution.

The SPEAKER pro tempore (Mrs. UNSOELD) The gentleman from Florida [Mr. GOSS] has 11½ minutes remaining, and the gentleman from New York [Mr. ACKERMAN] has 11 minutes remaining.

Mr. GOSS. Madam Speaker, I yield 5 minutes to the distinguished ranking member of the Committee on Foreign Affairs, the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Madam Speaker, first of all, I want to thank the gentleman from Florida [Chairman FASCELL] and the gentleman from Indiana [Mr. HAMILTON] for expediting the consideration of this legislation concerning human rights violations in Yugoslavia. They should be commended for their personal commitment for ending the human tragedy in the Province of Kosovo.

Madam Speaker, this condemns the use of force in Kosovo by any party, and urges the Government of Serbia to abandon its policies which worsen the ethnic crisis in southern Yugoslavia. It does commend ethnic Albanians in the Province of Kosovo for showing restraint. It calls upon President Bush to express America's concerns at the highest levels of the Government of Yugoslavia.

We are witnessing historic changes in Eastern Europe. Many countries are setting sail on the rising tide of democracy. There is growing respect for human rights around the world. I have to say, unfortunately, I do not believe in Yugoslavia.

Until last year, the ethnic Albanians who make up 90 percent of the population of the Province of Kosovo, enjoyed autonomy.

The Serbian Government has taken that autonomy away. Over 60 ethnic Albanian lives were lost in protesting that decision. In July, Belgrade took direct control of Kosovo's entire administration. All of this happened as millions of people in Eastern Europe were calling for democracy, freedom, and respect for individual liberties.

In an effort to gather facts about Kosovo, Senator DOLE recently led a delegation to that province. Serbian and federal police officers broke up the welcoming crowd of tens of thousands of ethnic Albanians. Many were hurt including a 19-year-old American citizen, who was badly beaten and jailed by police when they saw his American passport.

Equally disturbing was the recent explusion from Kosovo of an official delegation from the Helsinki Federation for Human Rights. The investigation team was looking into human rights conditions in response to Yugo-

slavia's request for membership in the European Community.

Now I want to say that I appreciate the complexity, as pointed out by the gentlewoman from Maryland [Mrs. BENTLEY], regarding the complexity of Yugoslavia's problems, and the roots of this conflict.

Congress, however, cannot be silent about a pattern of serious human rights violations in Kosovo. We should tell Yugoslav authorities that in this age of great hope there is no excuse for gunning down peaceful protesters and restorting to terrorist activities. The solution to the problems of that country will not come through the barrel of a gun, but through a negotiating process. It is time for peace in that troubled land.

Madam Speaker, I hope the Members when we vote on this tomorrow will vote favorably.

Mr. ACKERMAN. Madam Speaker, may I inquire of the gentleman from Florida [Mr. Goss] whether, if I yield 3 minutes to the gentleman from New York [Mr. GILMAN], he would be willing to yield 1 additional minute to the gentleman from New York?

Mr. GOSS. Madam Speaker, I would be honored to yield 1 minute to the gentleman from New York [Mr. GILMAN].

Mr. ACKERMAN. Madam Speaker, in that case, we yield 4 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Speaker, in March 1989, ethnic Albanians in the autonomous Province of Kosovo in the Serbian Province of Yugoslavia took to the streets to protest amendments to Serbia's Constitution which they felt would destroy Kosovo's autonomy from Serbia. Kosovo, which is surrounded on all sides by Serbia, is home to 70 percent of the country's Albanians. Throughout the early part of this year, violence between the Albanian majority and the Serbian minority has led to deaths and injuries too numerous to mention.

I have been informed that during 1989, at least 4,500 people were detained for political reasons in Yugoslavia. The vast majority of those people were Albanians. Of those, some 1,700 were political prisoners of whom about 1,000 were imprisoned for up to 90 days for taking part in nonviolent protest strikes in the Kosovo Province in February. At least 17 people were killed in March, November, and December during ethnic Albanian political demonstrations in March, November, and December. Their only crime was their protest against constitutional changes which would impugn their rights.

Those ethnic Albanians who were arrested and detained for political reasons were often denied a fair trial. In addition, allegations have surfaced that these prisoners have been beaten and ill-treated in other ways during their pretrial detention. At least one individual is known to have died during that period. Despite the nonviolent nature of their offenses, sentencing was exceedingly harsh. One prisoner is known to have been executed, and another is already sentenced to death for the crime of murder.

In February, the political and economic crisis in the Kosovo Province worsened. Protests by ethnic Albanians took the form of strikes. But let us consider why the Albanians did strike. They took this action because they wanted to protest constitutional changes which would limit the province's autonomy, thereby giving greater power to the Republic of Serbia, which includes Kosovo.

On February 27, 1990, the federal authorities took emergency measures in the Kosovo Province. Shortly after that, 50 more ethnic Albanians were arrested in connection with leading the strikes, and an additional 1,000 striking workers were sentenced to up to 60 days in prison. In March, the proposed constitutional changes were adopted and in the demonstration that followed, over 100 people are believed to have died.

Madam Speaker, we have witnessed remarkable change in Eastern Europe during the last year. The political seachange in Eastern Europe, which has been inspired by the Soviet Union's glasnost have resulted in improved human rights in other nations of Eastern Europe. Yet Yugoslavia has not experienced this. The State Department's Human Rights Report for 1989, as well as Amnesty International's report for 1990 cite a significant number of human rights practices in Yugoslavia that clearly violate internationally accepted human rights standards, and indicate that these violations are targeted against certain ethnic groups and regions, particularly, the ethnic Albanians of the Kosovo Province.

It is time for these violations to end. In short there has been indiscriminate killing of Albanian demonstrators; mass arbitrary arrest and detention of the ethnic Albanian population; summary trial and imprisonment of Albanian peasants and workers, as well as the prohibition of strikes by the ethnic Albanian population. These human rights abuses represent an abridgment of the human rights of ethnic Albanians and they are a violation of the Universal Declaration of Human Rights and the political obligations of Yugoslavia as a signatory to the Helsinki Final Act of the Conference on Security and Cooperation in Europe.

Madam Speaker, on October 19, our State Department issued a policy statement on Yugoslavia, setting forth our governments concern about increasing political and ethnic tensions in Yugoslavia, stating "we would strongly oppose any use of force that would block democratic change in Yugoslavia." I would like to commend the distinguished ranking Republican member of our Foreign Affairs Committee, the gentleman from Michigan [Mr. BROOMFIELD], for his work on this issue, as well as the distinguished gentleman from California [Mr. LANTOS] for his outstanding leadership on this issue. All of us owe a great deal of gratitude to our former colleague, Mr. DioGuardi, and the Albanian-American Civic League for their diligence in keeping us apprised of current developments in that troubled region of the world.

□ 1910

Mr. GOSS. Madam Speaker, I yield 3 minutes to the gentlewoman from Maryland [Mrs. BENTLEY]

Mrs. BENTLEY. Madam Speaker, I thank the gentleman for yielding me this additional time.

Madam Speaker, the one thing that has not been mentioned here on this floor is that along with the pressures that are going on in Yugoslavia today, there is a very strong concern that there is a move toward separatism, that the Albanians in Kosovo want to annex Kosovo to Albania. In fact, Dr. Ibrahim Rugova, leader of the Democratic Alliance of Kosovo, already has stated this publicly.

Now, let me just point out that in 1974 Tito gave full autonomy to Kosovo. In 1981, when that autonomy existed the Albanians rioted. That riot in essence was a real revolution, and that revolution was to push toward secession.

The federal army was sent in to maintain law and order. Then the federal government took control of Kosovo to contain peace there.

Actually what was happening with this revolt was that the Republic of Serbia was being denied a very important portion of its territory. Kosovo is as much a part of Serbia as Cook County is a part of Illinois.

What would happen if the citizens of Cook County would rebel and declare their independence of Illinois?

It is remindful of the efforts of the French-Canadians trying to pull Quebec out of the nation of Canada.

In 1987, Slobodan Milosovic, who has been criticized up and down, some persons being right and some wrong, opened up the issues again after he became President of Serbia. He wanted to show that Serbia really had been deprived of its province, of its territory.

And in 1989, another effort was made to prove that Serbia had been denied its rightful state.

And more recently this summer, Madam Speaker, the incident which precipitated termination of certain

freedoms was the vote by the Albanian Kosovo Parliament for a declaration of independence.

I want to emphasize, Madam Speaker, that when the free elections are held in December, the Kosovo Albanians will be able to vote in the same fashion as all of their fellow Serbian citizens, even though they have never recognized the sovereignity of their own state of Serbia.

There is article after article, Madam Speaker, about separatism and about annexation. Going beyond Kosovo and Serbia, in a February 23, 1990, report on Eastern Europe, the Radio Free Europe states:

On February 1 some 500 ethnic Albanians in the town of Tetovo in western Macedonia attempted to block the town center, but were quickly dispersed by local police. An account by Radio Belgrade described the police action as, "So swift that the demonstrators did not even know what had hit them." Reports indicate that the demonstrators were demanding that western Macedonia, which is heavily populated by ethnic Albanians, be granted independence. They chanted, "We want a greater Albania," and voiced solidarity with Kosovo's Albanians.

That is what is behind this.

Notions of separatism must not be encouraged from any outside interests, whether by nations or extraterritorial ethnic pressure groups. It is interesting to me that in a Wall Street Journal article of October 11 there is a tragic report of conditions in Albania featuring on human rights violations against ethnic Greeks and the lack of religious freedom for all residents of Albania.

Considering such horror stories of a nation still locked in the old Stalinist hard line, I begin to wonder at the reports that the ethnic Albanians, with their freedom of religion and opportunity inside Yugoslavia, really want to annex Kosovo to Albania, under the conditions reported in the Journal. It has been documented that over 400 Albanians have escaped to Yugoslavia this year.

It is hard for me to understand why so many Albanians flee from Albania just to arrive in Yugoslavia where—supposedly—Albanians have no rights. Exactly the opposite. As I stated previously, Albanians living in Yugoslavia have much more freedom than Albanians living in Albania. It would seem only fair that, considering the struggle going on in Yugoslavia to hold elections—to give all the ethnic minorities an opportunity to be heard, that true human rights concerns should be turned toward Albania and the plight of the persecuted Greek minority and the native Albanians where no elections are planned, no lessening of tyranny even considered.

Mr. ACKERMAN. Madam Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Madam Speaker, I rise in opposition to House Concurrent Resolution 352. It cannot be denied that the Serbian authorities have acted irresponsibly in the conflict between the Serbs and the Albanians in the region of Kosovo. But this conflict is but one of several ethnic feuds that threaten to tear the country apart.

Yugoslavia is on the brink of civil war. In addition to the conflict addressed in this resolution, there are numerous other flashpoints in that country. Recently, the Serbian minority in Croatia took up arms against what they feel is a repressive Croat Government. In Bosnia and Hercegovina, violence between the Muslims, Croats, and Serbs, is on the rise. The Slovenians have already formed their own army.

In such a crisis it would be highly irresponsible if the House of Representatives were to neglect its duty of objectivity by passing judgement on one of the ethnic disputes to the favor of one of the ethnic groups.

Further, the resolution neglects recent history in which today's aggressors were yesterday's victims. Such conflicts will never end if the ethnic groups engage in an endless game of placing blame, especially if great powers like the United States are drawn into the game.

Let us not forget that the First World War had its immediate origins in the ethnic conflicts in what is now Yugoslavia. Those conflicts were allowed to become the powder keg of world war precisely because the great powers took sides.

Madam Speaker, the passage of House Concurrent Resolution 352 by the House of Representatives would demonstrate an inability to learn the lessons of world history. Congress would be seen as favoring one side over another in a conflict in which no side can claim moral superiority. The passage of this resolution would be a symbolic abdication of America's duty as a protector of peace and guardian of human rights in Europe.

I strongly urge my colleagues to oppose this resolution.

Mr. GOSS. Madam Speaker, I yield 1 minute to the gentleman from Michigan [Mr. BROOMFIELD].

Mr. BROOMFIELD. Madam Speaker, the State Department on the 19th of this month issued a United States policy toward Yugoslavia that I think is significant. It states:

The U.S. Government is concerned about increasing political and ethnic tensions in Yugoslavia and their potential impact on the transition to democracy and free markets which we have encouraged throughout Central and Eastern Europe.

The U.S. firmly supports unity, democratic change, respect for human rights, and market reform in Yugoslavia.

We believe that democracy is the enduring basis for a united, prosperous, and voluntary Yugoslav union.

Free and fair elections, both at the republic and federal level, are essential to establishing democracy throughout Yugoslavia.

As in other elections in Central and Eastern Europe this year, the upcoming elections in all Yugoslav republics should be open to international observers.

We would strongly oppose any use of force that would block democratic change in Yugoslavia.

I just want to say one thing in conclusion. I am happy to see that the Department of State is being sensitive to the human rights crisis in Yugoslavia.

Mr. ACKERMAN. Madam Speaker, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. KLECZKA].

Mr. KLECZKA. Madam Speaker, I thank my friend, the gentleman from New York, for yielding me this time.

Madam Speaker, I rise in strong opposition to House Concurrent Resolution 385.

Yugoslavia is undergoing great turmoil as it experiments with democracy and free-market economics. Greater freedom and increased disparity in incomes have allowed ethnic grievances to emerge among Yugoslavia's many diverse peoples.

This explosive situation could easily lead to civil war and a break-up of Yugoslavia.

At such a volatile moment, Congress must be very careful in what it says and does.

Unfortunately, based on its findings and the actions it urges, House Concurrent Resolution 385 will be viewed by Yugoslavs as siding with the Albanians against the Serbs in the conflict occurring in the Kosovo Province.

Knowing how this resolution will be interpreted by those in Yugoslavia, what is the point of this legislation?

Rather than lowering tensions, it is likely to fan the flames of ethnic hatred. Instead of subtly taking sides as this measure does, we should be urging restraint on all parties.

The conflict in Kosovo, the birthplace and homeland of the Serbian people which now has a majority Albanian population, is complex and controversial. Congress should be wary of choosing sides in this centuries-old struggle.

Over the next 2 months, democratic elections will be held in Serbia and several other Yugoslav republics. Tensions are bound to be high as Yugoslavs adjust to democratic practices after more than a half century of dictatorship and war.

This is not a good time for the U.S. Congress to be approving legislation praising some groups while criticizing other groups.

I urge my colleagues to vote against this resolution.

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Mr. GOSS. Madam Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. MOODY].

Mr. MOODY. I thank the gentleman for yielding.

Madam Speaker, I will not necessarily take the full minute. I only want to summarize some key points that have been made.

No. 1, the timing is terrible. We are on the verge of a series of elections in Yugoslavia, at which point we should make certain we are absolutely neutral and not trying to tilt the situation one way or the other.

No. 2, the content is not balanced in this resolution. It can only be read as a criticism of one of the numerous ethnic groupings in Yugoslavia, namely the Serbs, even though I appreciate the fact that the resolution has been altered in its wording from the original resolution.

No. 3, Congress is not particularly good at writing history on the floor of the House of Representatives regarding who is at fault, who is not at fault, in this complex region of the world.

We in general should avoid, whenever we can, appearing to adopt one interpretation or another in any situation.

So I would urge that my colleagues do vote "no" on this resolution.

Mr. PORTER. Madam Speaker, I rise in support of human rights in Yugoslavia. I would like to take this time to share with my colleagues some thoughts on the abominable situation that currently exists in the Kosova region of Yugoslavia.

While we celebrate the fact that the yoke of communism has been lifted throughout central and Eastern Europe, we cannot forget that there are still places where repression has not been lifted and where people live without respect for human rights. Coincidentally, it is in these same places where ethnic tension has resulted tragically in violence and bloodshed. The Bulgarians repress the ethnic Turks, the Romanians persecute the ethnic Hungarians, and the Serbs and ethnic Albanians are currently at a tense standoff in the Kosova region.

Today respect for human rights is nonexistent in Kosova. The ethnic Albanian population, which comprises almost 90 percent of the population in the province, has been almost completely suppressed by Serbian authorities in response to calls for human rights and political autonomy. Amnesty International reports that 1,700 ethnic Albanians were detained last February for taking part in nonviolent protest strikes in Kosova. Some were reportedly beaten while in custody and the police have been accused of using excessive force against other demonstrators. Dozens were reported killed during this violence.

The heavyhanded response of the authorities to the situation in Kosova, which has led to many human rights violations and not to solutions, threatens to tear the province apart. Further unrest in Kosova can only be averted if all parties involved agree to peaceful dialogue. The continued democratization of Yugoslavia and the unity of this multiethnic federation depends upon a resolution to this crisis.

The potential exists for the Serbs and ethnic Albanians to live in harmony, but they must be aware that to make progress there must be an end to the atrocities and respect each other's rights. Hatred and bloodshed will engender only more violence. Cooperation and understanding will lead to peace and hope for the future in the Kosova region.

The first step toward this understanding is a free and fair election in December in Serbia, in which competing parties have equal access to mass media and in which all the people of Serbia are allowed to vote, free of fear.

Mr. GOSS. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. ACKERMAN. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from New York [Mr. ACKERMAN] that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 385).

The question was taken.

Mrs. BENTLEY. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed until tomorrow.

ENTERPRISE FOR THE AMERICAS INITIATIVE ACT OF 1990

Mr. CROCKETT. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5855) to provide for the implementation of the foreign assistance provisions of the Enterprise for the Americas Initiative, and for other purposes.

The Clerk read as follows:

H.R. 5855

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Enterprise for the Americas Initiative Act of 1990".

TITLE I—ENTERPRISE FOR THE AMERICAS FACILITY

SECTION. 101. ESTABLISHMENT.

There is hereby established in the Department of the Treasury the Enterprise for the Americas Facility (hereinafter in this Act referred to as the "Facility").

SEC. 102. PURPOSE OF INITIATIVE AND THE FACILITY.

The purpose of the Enterprise for the Americas Initiative is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with interrelated actions to promote debt reduction, investment reforms, and community based conservation and sustainable use of the environment. The Facility will support these objectives through administration of debt reduction operations for those countries that meet investment reforms and other policy conditions.

SEC. 103. ELIGIBILITY FOR BENEFITS UNDER THE FACILITY.

(a) REQUIREMENTS.—To be eligible for benefits under the Facility, a country must—

(1) be a Latin American or Caribbean country;

(2) have in effect, have received approval for, or, as appropriate in exceptional circumstances, be making significant progress toward—

(A) an International Monetary Fund standby arrangement, extended Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, a Fund monitored program or its equivalent; and

(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development or the International Development Association;

(3) have put in place major investment reforms in conjunction with an Inter-American Development Bank loan or otherwise be implementing, or making significant progress toward, an open investment regime; and

(4) if appropriate, have agreed with its commercial bank lenders on a satisfactory financing program, including, as appropriate, debt or debt service reduction.

(b) ELIGIBILITY DETERMINATIONS.—The President shall determine whether a country is an eligible country for purposes of subsection (a).

TITLE II—DEBT REDUCTION

SEC. 201. REDUCTION OF CERTAIN DEBT.

(a) AUTHORITY TO REDUCE DEBT.—

(1) AUTHORITY.—The President may reduce the amount owed to the United States (or any agency of the United States) that is outstanding as of January 1, 1990, as a result of concessional loans made by the United States pursuant to the Foreign Assistance Act of 1961 (or predecessor foreign economic assistance legislation) to a country eligible for benefits under the Facility.

(2) LIMITATION.—The authority of this section may be exercised only to such extent as its approved in advance in appropriation Acts.

(3) CERTAIN PROHIBITIONS INAPPLICABLE.—(A) A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(B) This section supersedes section 620(r) of the Foreign Assistance Act of 1961 and section 321 of the International Development and Food Assistance Act of 1975.

(4) DEFINITION.—Hereinafter in this Act, a country with respect to which the authority of paragraph (1) is exercised is referred to as the beneficiary country.

(b) IMPLEMENTATION OF DEBT REDUCTION.—(1) IN GENERAL.— Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations outstanding as of January 1, 1990.

(2) EXCHANGE OF OBLIGATIONS.—The Facility shall notify the Agency for International Development of the agreement with an eligible country to exchange a new obligation for outstanding obligations pursuant to this subsection; and at the direction of the Facility, the old obligations shall be canceled and

a new debt obligation for the country shall be established, and the Agency for International Development shall make an adjustment in its accounts to reflect the debt reduction.

SEC. 202. REPAYMENT OF PRINCIPAL.

(a) CURRENCY OF PAYMENT.—The principal amount of each new obligation issued pursuant to section 201(b) shall be repaid in the United States dollars.

(b) DEPOSIT OF PAYMENTS.—Principal repayments of new obligations shall be deposited in the United States Government account established for principal repayments of the obligations for which those obligations were exchanged.

SEC. 203. INTEREST ON NEW OBLIGATIONS.

(a) RATE OF INTEREST.—New obligations issued by a beneficiary country pursuant to section 201(b) shall bear interest at a concessional rate.

(b) CURRENCY OF PAYMENT; DEPOSITS.—

(1) LOCAL CURRENCY.—If the beneficiary country has entered into an Environmental Framework Agreement under section 302, interest shall be paid in the local currency of the beneficiary country and deposited in the Environmental Fund provided for in section 301(a). Such interest shall be the property of the beneficiary country, until such time as it is disbursed pursuant to section 301(d). Such local currencies shall be used for the purposes specified in the Environmental Framework Agreement.

(2) UNITED STATES DOLLARS.—If the beneficiary country has not entered into an Environmental Framework Agreement under section 302, interest shall be paid in United States dollars and deposited in the United States Government account established for interest payments of the obligations for which the new obligations were exchanged.

(c) INTEREST ALREADY PAID.—If a beneficiary country enters into an Environmental Framework Agreement subsequent to the date on which interest first became due on the newly issued obligation, any interest already paid on such new obligation shall not be redeposited into the Environmental Fund established for that beneficiary country pursuant to section 301(a).

TITLE III—ENTERPRISE FOR THE AMERICAS ENVIRONMENTAL FUNDS

SEC. 301. ESTABLISHMENT OF, DEPOSITS INTO, AND DISBURSEMENTS FROM ENVIRONMENTAL FUNDS.

(a) ESTABLISHMENT.—Each beneficiary country that enters into an Environmental Framework Agreement under section 302 shall be required to establish an Enterprise for the Americas Environmental Fund (referred to in this Act as the "Environmental Fund") to receive payments in local currency pursuant to section 203(b)(1).

(b) DEPOSITS.—Local currencies deposited in an Environmental Fund shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(c) INVESTMENT.—Deposits made in an Environmental Fund shall be invested until disbursed. Any return on such investment may be retained by the Environmental Fund, without deposit in the Treasury of the United States and without further appropriations by Congress.

(d) DISBURSEMENTS.—Funds in an Environmental Fund shall be disbursed only pursuant to an Environmental Framework Agreement under section 302.

SEC. 302. ENVIRONMENTAL FRAMEWORK AGREEMENTS.

(a) AUTHORITY.—The Secretary of State is authorized, in consultation with other appropriate Government officials, to enter into an agreement (referred to in this Act as an "Environmental Framework Agreement") with any country eligible for benefits under the Facility concerning the operation and use of the Environmental Fund for that country. In the negotiation of such agreements, the Secretary shall consult with the Environment for the Americas Board in accordance with section 303.

(b) CONTENTS OF AGREEMENTS.—An Environmental Framework Agremeent with an eligible country shall—

(1) require that country to establish an Environmental Fund;

(2) require that country to make interest payments under section 203(b)(1) into an Environmental Fund;

(3) require that country to make prompt disbursements from the Environmental Fund to the administering body described in subsection (c);

(4) when appropriate, seek to maintain the value of the local currency resources of the Environmental Fund in terms of United States dollars;

(5) specify, in accordance with subsection (d), the purpose for which the fund may be used; and

(6) contain reasonable provisions for the enforcement of the terms of the agreement.

(c) ADMINISTERING BODY.—

(1) IN GENERAL.—Funds disbursed from the Environmental Fund in each beneficiary country shall be administered by a body constituted under the laws of that country (referred to in this Act as the "administering body").

(2) COMPOSITION.—The administering body shall consist of—

(A) one or more individuals nominated by the United States Government,

(B) one or more individuals nominated by the government of the beneficiary country, and

(C) individuals who represent a broad range of environmental nongovernmental organizations of the beneficiary country, local community development nongovernmental organizations of the beneficiary country, and scientific or academic organizations or institutions of the beneficiary country.

A majority of the members of the administering body shall be individuals described in subparagraph (C).

(3) RESPONSIBILITIES.—The administering body—

(A) shall receive proposals for grant assistance from eligible grant recipients (as determined under subsection (e)) and make grants to eligible grant recipients in accordance with the priorities agreed upon in the Environmental Framework Agreement, consistent with subsection (d);

(B) shall be responsible for the management of the program and oversight of grant activities funded from resources of the Environmental Fund;

(C) shall be subject to fiscal audits by an independent auditor on an annual basis;

(D) shall present an annual program for review each year by the Environment for the Americas Board; and

(E) shall submit a report each year on the activities that it undertook during the previous year to the Chair of the Environment for the Americas Board and to the government of the beneficiary country.

(d) ELIGIBLE ACTIVITIES.—Grants from an Environmental Fund shall be used for activities that link the conservation and sustainable use of natural resources with local community development, including activities described in section 463 of chapter 7 of part I of the Foreign Assistance Act of 1961 (as enacted by the Global Environmental Protection Assistance Act of 1989).

(e) GRANT RECIPIENTS.—Grants made from an Environmental Fund shall be made to—

(1) nongovernmental environmental, conservation, development, and indigenous peoples organizations of the beneficiary country;

(2) other appropriate local or regional entities; and

(3) in exceptional circumstances, the government of the beneficiary country.

(f) REVIEW OF LARGER GRANTS.—Any grant of more than $100,000 from an Environmental Fund shall be subject to veto by the Government of the United States or the government of the beneficiary country.

SEC. 303. ENVIRONMENT FOR THE AMERICAS BOARD.

(a) ESTABLISHMENT.—There is hereby established an Environment for the Americas Board (hereinafter in this Act referred to as the "Board").

(b) MEMBERSHIP.—The Board shall be composed of 9 members appointed by the President as follows:

(1) 5 officers or employees of the United States Government.

(2) 4 individuals who are representatives of private nongovernmental environmental, scientific, or academic organizations that have experience and expertise in Latin America and the Caribbean.

The chair of the Board shall be designated by the President from among the members of the Board appointed pursuant to paragraph (1).

(c) RESPONSIBILITIES.—The Board shall—

(1) advise the Secretary of State on the negotiations of Environmental Framework Agreements;

(2) ensure, in consultation with—

(A) the government of the beneficiary country,

(B) nongovernmental organizations of the beneficiary country,

(C) nongovernmental organizations of the region (if appropriate),

(D) environmental, scientific, and academic leaders of the beneficiary country, and

(E) environmental, scientific, and academic leaders of the region (as appropriate),

that a suitable administering body is identified for each Environmental Fund; and

(3) review the programs, operations, and fiscal audits of each administering body.

SEC. 304. ENCOURAGING MULTILATERAL DEBT DONATIONS.

(a) ENCOURAGING DONATIONS FROM OFFICIAL CREDITORS.—The President should actively encourage other official creditors of a beneficiary country whose debt is reduced under this Act to provide debt reduction to such country.

(b) ENCOURAGING DONATIONS FROM PRIVATE CREDITORS.—The President shall make every effort to ensure that Environmental Funds established pursuant to section 301 are able to receive donations from private and public entities and from private creditors of the beneficiary country.

TITLE IV—REPORTS

SEC. 401. ANNUAL REPORT TO CONGRESS.

Not later than December 31 of each year, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate an annual report on the operation of the Facility for the prior fiscal year.

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. CROCKETT] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CROCKETT].

Mr. CROCKETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 5855, to provide for the implementation of the foreign assistance provisions of the Enterprise for the Americas Initiative, and for other purposes.

H.R. 5855 will enable us to assist our Latin neighbors in easing their overwhelmingly oppressive debt burdens. The Enterprise for the Americas Initiative [EAI] provides a significant opportunity to promote both environmental and sustainable development objectives in Latin America through debt relief that is linked to environmentally sustainable activities at the local community level.

The overall Enterprise for the Americas Initiative [EAI] addresses trade, debt, investment, and sustainable environmental activities. The bill now before the House, however, addresses only debt relief for bilateral foreign aid debt held by AID. It also incorporates the debt relief language of the gentleman from Pennsylvania [Mr. KOSTMAYER], which was passed by the committee a couple of months ago. Other parts will be considered by other committees. The Committee on Agriculture has already included very similar language in the farm bill to address Public Law 480 debt.

This language was very carefully worked out, among many parties. A number of environmental nongovernmental organizations, which played a very helpful and constructive role, the administration, and both the Foreign Affairs and Agriculture Committees, including Members from both sides of the aisle have agreed to this language. The bill represents a very delicate balance, among the various interests.

I would like to commend Chairman FASCELL and my colleagues on the committee who have worked very diligently on this issue—the Honorable PETER KOSTMAYER, who's debt for nature swap bill was the precursor to this legislation; the ranking minority member of the Subcommittee on Western Hemisphere Affairs, the Honorable ROBERT J. LAGOMARSINO; and the Honorable SAM GEJDENSON, chairman of International Economic Policy and Trade, and the ranking minority member TOBY ROTH; and the ranking minority member of the full committee, the Honorable WILLIAM S. BROOMFIELD, and the Honorable DOUG BEREUTER who has taken a particular interest and leadership roles in shaping the legislation.

Key features of this bill include:

Flexible eligibility criteria for countries to receive debt relief and benefits under the Facility, to be housed in Treasury, and which will administer debt relief operations.

Repayment of principal in U.S. dollars, and interest repayment in local currencies to be used for agreed environmental purposes.

A framework agreement negotiated between the United States and the debtor country sets the parameters for use of the environmental fund, and allows for in-country, local involvement of the environmental fund through a body which is to be created to administer it. The body has grantmaking authority and fiscal responsibilities.

The local body, with limited government representation, draws its majority from a wide range of NGO's, as well as from the scientific and academic communities.

A quasi-governmental/private advisory board in the United States, known as the Environment for the Americas Board, is to advise, and review programs and audits.

An appropriation of funds will be required, and therefore, the EAI has been determined to be budget neutral by the Office of Management and Budget.

Environmental activities eligible for funding shall link conservation and sustainable use of natural resources with local community development. The bill references the list of activities set forth under the Global Environmental Protection Act, which was passed last year. That list encompasses a broad range of activities—including restoration, protection or sustainable use of oceans, atmosphere, plant and animal species, parks and reserves, support for local conservation programs, training, public awareness, institutional support, and ecosystem management, and regenerative approaches to farming, forestry, fishing, and watershed management. The total amount of funding generated for environmental purposes through these local currency debt repayments, is estimated by the Nature Conservancy to be between $56 to $84 million annually for the region.

Grants are to be made to three categories of recipients. Primarily they are to be made to host country NGO's, including environmental, conservation, development, and indigenous peoples' organizations, as well as to other appropriate local or regional entities. In exceptional circumstances, the host country government may be eligible, in cases where NGO's may be small and have limited capacities. AS NGO's develop, and capacities are strengthened, it is expected that no grants will be made to governments.

Finally, the bill encourages the President to actively seek similar debt reduction commitments from other creditors—both official and private. In addition, the bill calls for an annual report to Congress.

I urge the adoption of H.R. 5855.

Madam Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I am pleased to see the House take action today on the Enterprise for the Americas Initiative Act of 1990. I would like to see—as virtually all Latin American leaders would like to see—action this year to put President Bush's bold plan into law.

On June 27, 1990, President Bush outlined a comprehensive plan for the future of our hemisphere. His plan encompasses increased investment and trade, economic reform, and environmental protection. Not since the Alliance for Progress of 30 years ago has a U.S. proposal been so full of promise and so well received in the Americas.

Last month, President Bush submitted legislative language to implement the Initiative. The bill encourages and supports economic reforms, and sets up a mechanism for debt relief and for environmental protection. Last week, language authorizing the reduction of Public Law 480 debt and the establishment of funds for environmental projects was added to the 1990 farm bill with the support of Foreign Affairs conferees.

The legislation before us now tracks closely with the farm bill language but includes authority to reduce AID concessional debt.

Time is getting short in this session. We all have very full agendas. This legislation is a priority for the President and a priority for Latin America. The Foreign Affairs Committee acted favorably last week on H.R. 5855. I hope the full House will join us in showing our hemisphere that we have not forgotten them. I hope we can heed the calls from Latin leaders by enacting this legislation into law.

Madam Speaker, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Madam Speaker, I rise in strong support of H.R. 5855, legislation to provide authority to carry out the foreign assistance related measures of President Bush's Enterprise for the Americas initiative.

His initiative to promote trade, investment and debt reduction for the

Western Hemisphere has received overwhelming support from our southern neighbors and from a majority of us in the Congress. During his meeting with the Foreign Affairs Committee on October 2, President Menem of Argentina told us he strongly supports the enterprise initiative and urged its prompt passage. Also, last week, I received a letter from Representatives of the five central American countries attending the board of governors meetings of the International Monetary Fund and the World Bank. Those Representatives strongly urge the prompt passage of the enterprise of the Americas initiative.

I include their letter in the RECORD at this point, as follows:

SEPTEMBER 25, 1990.

Hon. ROBERT J. LAGOMARSINO,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN LAGOMARSINO: For us it is indeed a privilege to write to you on behalf of the Central American countries of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua at this time, as the Boards of Governors of the International Monetary Fund and the World Bank hold their Forty-fifth Annual Meetings in Washington, D.C.

The nations of Central America have made great strides in strengthening the democratic process and have started along the difficult but necessary path of structural adjustment. Our economic policy rests on the fundamental precepts of privatizing the system of production, deregulating the economy, and ensuring that market forces and the integration of our economies into the world economy play a leading role in the allocation of economic resources.

The advance of democracy and the adoption of structural adjustment programs will help us in working to attain new levels of development. Through the nineteen-eighties, however, we in Central America have lived through a profound economic and political crisis, and the consequences of that crisis—shrinking real income per capita, rising unemployment, and deepening poverty are hampering our addition, servicing the external debt represents an enormous burden which severely limits our countries' economic capacity to fuel vigorous growth. This challenge seems all the more daunting with the prospect of rising oil prices and the impact these will have on our already-deteriorated balance of payments.

In these circumstances we are very pleased to see the emergence of the Enterprise of the Americas initiative, and welcome the three areas of action on which it focuses: liberalizing trade, strengthening foreign investment in our countries, and providing additional support to reduce the external debt service obligations of Latin America and the Caribbean.

On behalf of our five Central American countries, we request your decisive support to ensure that the Enterprise for the Americas initiative is approved, bearing in mind that the question of the debt needs to be approached from a broad and unrestricted prespective.

Approval of the initiative will do a great deal to enable our countries to move forward along the road of economic growth while maintaining stability. Your help in this important matter to our countries will be greatly appreciated.

Yours sincerely,

(Signed by the five Central American representatives attending the IMF and World Bank Board of Governors Meetings.)

The administration is anxious to move quickly to enact that historic measure so that the benefits may be realized as soon as possible. Failure to act promptly could be doubly disastrous. It could mean lost opportunity to help stimulate economic growth in the region. Failure to act quickly could also call into question our ability to maintain our attention and commitment of our own hemisphere while the Persian Gulf crisis diverts resources and energy elsewhere.

I am concerned that any effort to delay this legislation would be shortsighted and counterproductive. We must act expeditiously if there is to be any hope at all that we can enact this legislation this session of Congress and before President Bush travels to Latin America in December.

While I support the debt-for-nature concept and am a cosponsor of Congressman KOSTMAYER's bill, I also believe that appropriate conditions must be attached to the legislation so that we accomplish not only protection of the environment but also achieve some measure of economic reform which will help overcome the massive debt burden that our Western Hemisphere allies face. Without a credible structural reform and change in unsound economic policies, these governments will never be able to escape the vicious cycle of debt and underdevelopment.

If we delay or put off action until the next Congress, the Benefits of closer cooperation and strong economic development will be lost for at least a year, and perhaps longer. Our latin allies are looking to us to fulfill their hopes and expectations raised by President Bush's historic announcement. Many in this Congress have argued for years for just such a program. Now is the time to act.

I urge my colleagues to support this legislation.

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Mr. CROCKETT. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BROOMFIELD. Madam Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Speaker, the Latin America-Caribbean Enterprise Act is important, and I would like to take this opportunity to thank the distinguished chairman of our Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL], and the ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD], as well as the distinguished subcommittee chairman, the gentleman from Michigan [Mr. CROCKETT], and the ranking minority member, the gentleman from California [Mr. LAGOMARSINO] for their efforts in this measure.

Madam Speaker, this measure authorizes a long-term reduction in the debts of Latin American and Caribbean countries, and would seek to foster prosperous free market economies in these regions. However, the bill would require countries to meet certain requirements, which would be negotiated between the debtor nations, the International Monetary Fund, the World Bank as well as lending institutions.

In addition to helping to free debtor Latin American and Caribbean countries from their tremendous burdens of debt, the more prosperous economic climate to which this measure would lead would be beneficial to the United States in a number of ways: specifically, growing free market economies, coupled with an open investment climate, would be mutually beneficial to our Nation and to the nations of Latin America and the Caribbean.

In addition, a healthier economic climate in these regions would reduce their dependence on the export of illegal drugs to our Nation and help us to overcome the scourge of drug addiction that is destroying our society. Further, nations who met debt requirements would also be allowed to repay their interest in local currency, to help to fund their environmental clean-up which, as we all know is a growing concern for Latin America and the Caribbean as well as for the entire world.

Madam Speaker, I urge my colleagues to join in supporting H.R. 5855, thereby supporting development in the Caribbean and Latin America which would be beneficial to these regions as well as to the United States.

Mr. BROOMFIELD. Madam Speaker, I yield 3 minutes to the gentleman from Nebraska [Mr. BEREUTER], a member of the Committee on Foreign Affairs.

Mr. BEREUTER. Madam Speaker, I would like to begin by commending all of my colleagues on the Committee on Foreign Affairs for their fine work in advancing this initiative from the Bush administration. I certainly support the legislation before us.

As a conferee on the farm bill, I want to point out, as the gentleman from Michigan [Mr. CROCKETT] already has, that the provisions offered by the gentleman from Pennsylvania [Mr. KOSTMAYER], our colleague, debt for nature swaps, our colleague, the chairman of the Committee on Agriculture, the gentleman from Texas [Mr. DE LA GARZA], and this Member-related debt for agricultural development and debt for development which take the Public Law 480 debt, are entirely consistent with the provisions

and complementary to the provisions which we find in this bill.

I particularly want to call the Members' attention, as the gentleman from Michigan [Mr. CROCKETT] already has, to title III, section 301(d), where the link between conservation and sustainable use of natural resources with local community development is spelled out. Those kinds of community development activities, as defined by the Global Environmental Protection Assistance Act, which this Congress passed last year, I think are particularly important. They are particularly important to counter the argument sometimes advanced against debt for nature swaps or anything involving the kind of thing we are attempting to do with title III as, "northern hemisphere environmental elitism."

Madam Speaker, it is true that, if we do not help indigenous people make a reasonable living, then in fact what we are attempting to do, setting aside areas for nature preserves or national parks could be counterproductive to the earning capacity of local people.

What we have attempted to insure here, Madam Speaker, is that community development activities are consistent with nature conservancy and may go on simultaneously so that the people may continue to earn a living productively without actually putting counterproductive pressure on the areas we are trying to preserve.

So, I think this is a particular excellent provision, and that is the intent of it, and again I want to commend my colleagues for their excellent work on this legislation.

Madam Speaker, I urge all my colleagues in the House to give us their unanimous support on this legislation.

Mr. PORTER. Madam Speaker, I applaud the President's Enterprise for the Americas Initiative and I urge my colleagues to join me in supporting the Latin America and Caribbean Enterprise Act. The President's initiative represents an innovative and effective way of addressing the related problems of runaway debt and environmental degradation that plague our neighbors to the south.

Madam Speaker, I am especially encouraged by the environmental aspects of this legislation. I strongly believe that if we are to promote sustainable development in this hemisphere we must help our Latin American neighbors protect their natural resources. One way of achieving this goal, which has proven to be quite effective, is through exchanging debt for nature.

I have long been a supporter of debt-for-nature swaps and am happy to see that this innovative approach to debt reduction and environmental protection has been included in the President's Enterprise for the Americas Initiative.

The bill before us today specifically ensures that funds will be used to support local environmental projects and that private environmental groups will play an active role in administering the environmental trust funds. The participation of such groups is vital to the success of the President's initiative. Environmental groups such as World Wildlife Fund and the Nature Conservancy have already been involved with a number of successful debt-for-nature swaps.

Madam Speaker, this initiative is supported by Members from both sides of the aisles, by environmental groups, and most importantly, conceptually by our Latin American neighbors. I urge my colleagues to join me in support this bill.

Mr. CROCKETT. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from Michigan [Mr. CROCKETT] that the House suspend the rules and pass the bill, H.R. 5855.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CROCKETT. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CARIBBEAN REGIONAL DEVELOPMENT ACT OF 1990

Mr. CROCKETT. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5762) to promote Caribbean regional development.

The Clerk read as follows:

H.R. 5762

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CARIBBEAN REGIONAL DEVELOPMENT.

Part I of the Foreign Assistance Act of 1961 is amended by inserting after chapter 3 the following new chapter:

"CHAPTER 4—CARIBBEAN REGIONAL DEVELOPMENT

"SEC. 401. SHORT TITLE.

"This chapter may be cited as the 'Caribbean Regional Development Act of 1990'.

"SEC. 402. UNITED STATES POLICIES.

"(a) IN GENERAL.—It is the sense of the Congress that it should be the policy of the United States in providing development and other economic assistance to the Carribbean—

"(1) to help the poor to participate in the development of their societies through a process of equitable economic growth that enables them to increase their incomes and their access to productive resources and services, to protect and advance their rights, and to influence decisions that affect their lives;

"(2) to support development that is environmentally sustainable;

"(3) to promote Caribbean self-reliance by providing assistance to indigenous national and regional governmental and nongovernmental institutions that have the capacity or potential to carry out development programs effectively;

"(4) to support food production for national and regional consumption;

"(5) to promote the diversification of industrial and agricultural production, the development of new products, and the integration of agricultural production with the development of industry and tourism;

"(6) to help advance the process of regional economic integration; and

"(7) to preserve and reinforce traditional Caribbean culture and social values.

"(b) SUPPORTING INDIGENOUS DEMOCRATIC INSTITUTIONS.—Priority in providing assistance to the Caribbean under chapter 1 of this part (relating to development assistance) should be given to supporting indigenous democratic Caribbean institutions that represent, work with, and benefit the poor, and through which the poor participate in making the decisions that affect their lives and their development. Such assistance should be channeled, as appropriate, through United States institutions and Caribbean regional and national institutions that directly fund such democratic Caribbean institutions.

"SEC. 403. PRIORITY AREAS FOR ASSISTANCE.

"To implement the policies set forth in section 402, priority in the allocation of funds for the Caribbean under chapter 1 of this part and chapter 4 of part II (relating to development assistance and the economic support fund, respectively), and in the allocation of the local currencies accruing as a result of the use of those funds, should be given to the following.

"(1) INCREASED FOOD PRODUCTION.—Support to national ministries of agriculture, the appropriate specialized agencies of the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States, the Caribbean Development Bank, and indigenous nongovernmental organizations for efforts to achieve increased food production, as appropriate, through increased staple food production for domestic consumption, including support for—

"(A) the gathering of agricultural data;

"(B) the coordination of agricultural research;

"(C) the improvement of marketing, storage, and transportation systems;

"(D) the provision of credit to agricultural producers; and

"(E) improved coordination of regional planning for increased food production.

"(2) RURAL DEVELOPMENT.—Support for rural development efforts designed to increase rural employment opportunities, enhance the quality of rural life, and retard rural-to-urban migration, including programs that provide access to land and necessary assistance to small producers and cooperatives.

"(3) COMMUNITY-BASED AGRO-INDUSTRIES.—Support for locally owned cooperative and other small- and medium-scale industries engaged in the processing of indigenous resources, including support for the establishment of a marketing network to facilitate intraregional trade in food through programs that incorporate or serve small producers.

"(4) FINANCIAL RESOURCES FOR SMALL- AND MEDIUM-SIZED FARM AND MANUFACTURING ENTERPRISES.—Provision of financial resources to small- and medium-sized farm and manufacturing enterprises through—

"(A) the creation and capitalization of appropriate financial mechanisms; and

"(B) measures to encourage Caribbean commercial banks and credit unions to provide risk capital to such enterprises.

"(5) EXPANSION OF TOURISM.—Support for the expansion of tourism in the Caribbean through its fuller integration into the local economy, by providing assistance—

"(A) to appropriate governmental and nongovernmental regional organizations for the design and coordination of programs for—

"(i) the expansion of the use of local goods and services;

"(ii) the development and implementation of a marketing strategy for tourism in the Caribbean; and

"(iii) the promotion of investments in tourism integrated with the local economy; and

"(B) for training and utilizing local expertise in hotel and restaurant management and other necessary skills.

"(6) REGIONAL INTEGRATION.—Support for regional integration and institutions, including seeking the cooperation of other donor countries in promoting regional development in the Caribbean and including support for—

"(A) efforts to regionalize and coordinate activities and prevent the proliferation and duplication of regional bureaucracies;

"(B) the efforts of governmental and nongovernmental regional institutions to strengthen the infrastructure necessary to promote regional commercial activity and economic and social development;

"(C) regional research institutes; and

"(D) inter-island transportation and communication links, roads, and port facilities.

"(7) UPGRADING TECHNICAL AND MANAGERIAL SKILLS.—Support for efforts of the countries of the Caribbean to upgrade the technical and managerial skills of their poeple.

"(8) NATURAL RESOURCE BASE.—Promoting those small-scale, affordable, agricultural and industrial methods suited to local environmental, resource, and climatic conditions, and supporting such actions as the establishment of protected areas, the development of environmental curricula, and programs of public education and dialogue designed to sustain and enhance the renewable natural resource base of the Caribbean.

"(9) PRIVATE SECTOR DEVELOPMENT.—Support for the diversification and promotion of Caribbean exports, for investments in the Caribbean that are appropriate to the needs of each country and of the region, and for the strengthening of private sector institutions, that would continue to promote private sector-led growth through increased trade and investment and that recognizes each country's economic comparative advantage.

"(10) DEMOCRATIC DEVELOPMENT AND THE ADMINISTRATION OF JUSTICE.—Support to broaden and deepen democratic institutions and values in the Caribbean and to assist countries in areas such as the administration of justice where requested by the recipient governments.

"(11) ACCESS TO HUMAN SERVICES AND ASSISTANCE FOR HUMAN RESOURCES DEVELOPMENT.—Support for the provision of basic services to the citizens of the Caribbean using, as appropriate, governmental and nongovernmental entities, with emphasis on sustainability of service delivery in areas such as basic education, primary health care, child survival, family planning, and prevention and control of acquired immune deficiency syndrome (AIDS).

"SEC. 404. PROTECTION OF WORKER RIGHTS.

"In considering whether to provide assistance under this Act to the government of any country in the Caribbean and in considering how much assistance to allocate to such government, the President shall take into account whether such government has failed to extend, protect, and enforce internationally recognized worker rights for workers in that country (including workers within any designated zone) and, if so, whether such government is taking steps to adopt and implement laws that demonstrate significant, tangible, and measurable overall advancement in providing internationally recognized worker rights throughout the country (including in any designated zone.)

"SEC. 405. PROTECTION OF PUBLIC HEALTH.

"The Agency for International Development should not provide any assistance, directly or indirectly, for the use of any chemical or other substance in a country in the Caribbean if—

"(1) that use is not permitted under laws of that country relating to protection of public health, or

"(2) that use would not be permitted in the United States under laws of the United States relating to protection of public health.

"SEC. 406. SUPPORT FOR WOMEN'S ROLE IN DEVELOPMENT.

"In providing assistance to the Caribbean, the Agency for International Development should place emphasis on ensuring the active participation of Caribbean women in the development process.

"SEC. 407. CONSULTATION.

"In implementation of assistance policies, programs, and projects in the Caribbean, the Agency for International Development should take into account the perspectives of the rural and urban poor through consultation with Caribbean organizations that work with the poor and that have demonstrated effectiveness in or commitment to the promotion of local, grassroots activities on behalf of long-term development in the Caribbean, as described in section 402(a). The agency should reflect the results of such consultations in its annual planning documents.

"SEC. 408. DEFINITION OF CARIBBEAN.

"As used in this chapter, the term 'Caribbean' includes Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Cayman Islands, Montserrat, Netherlands Antilles, Saint Christopher-Nevis, Turks and Caicos Islands, and the British Virgin Islands."

The SPEAKER pro tempore. Under the rule, a second is not required on this motion.

The gentleman from Michigan [Mr. CROCKETT] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CROCKETT].

Mr. CROCKETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this is a noncontroversial piece of legislation. It has passed the House on two previous occasions.

Briefly, this bill, H.R. 5762, the Caribbean Regional Development Act, sets forth a policy framework for United States development assistance efforts in the Caribbean. It is the product of an extensive consultation process in the Caribbean that brought together Caribbean representatives from government and nongovernmental organizations with U.S. policy makers. Several members of the Committees on Foreign Affairs, Ways and Means, and Banking have participated in those consultations over the past 3 years.

I am pleased to say that differences with the minority and the administration over previous versions of the bill have now been worked out. The bill before us today is a compromise version. It now enjoys the cosponsorship of the distinguished ranking minority member of the Subcommittee on Western Hemisphere Affairs, Mr. LAGOMARSINO. And I would like to take this opportunity to thank my colleague from California for his cooperation.

I would also like to thank the chairman of the Foreign Affairs Committee, the gentleman from Florida, for helping us get this measure to the floor in such a prompt manner.

As a result of our compromise, the administration has no further objection to the enactment of this legislation.

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Madam Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I support H.R. 5762, the Caribbean Regional Development Act of 1990. As my colleagues know, this legislation has a long history with our committee. An earlier form was added over our objections to the supplemental authorization bill last spring.

Since the supplemental authorization stalled in conference, Congressman CROCKETT worked with the administration and Congressman LAGOMARSINO to resolve differences over the bill. The legislation before us today reflects Congressman CROCKETT's willingness to take our concerns into account. As Congressman CROCKETT retires this year after a long and distinguished career, passage of this bill can serve as our tribute to Mr. CROCKETT and his concern for the Caribbean, and all of the Americas.

H.R. 5762 expresses the sense of the Congress concerning United States policy toward Caribbean development. While I have some reservations about writing region-specific assistance guidelines into the law, H.R. 5762 uses nonbinding language to provide gener-

al direction for United States aid efforts in the Caribbean.

I support passage of this bill and I commend Congressmen LAGOMARSINO and CROCKETT for their work on the issue.

Madam Speaker, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO].

Mr. LAGOMARSINO. Madam Speaker, I rise in strong support of H.R. 5762, legislation to promote Caribbean regional development.

There is a long history to this bill, and a long history of Republican opposition to the original legislation that sought to promote regional Caribbean development in a manner many of us believed to be counterproductive.

At this point, I will not go into that long history. I am pleased however that with the gracious cooperation of Chairman CROCKETT, extensive revisions have been made in this bill that permit me to endorse it wholeheartedly.

As I told my colleagues on the House Foreign Affairs Committee during markup of this legislation, it represents an appropriate tribute to the chairman of the Subcommittee on Western Hemisphere Affairs Judge CROCKETT.

Chairman CROCKETT has devoted his years of service and leadership on the subcommittee to an unflagging effort to seek development opportunities, greater aid, and debt relief for the Caribbean region. Now, as he retires from the Congress, I am pleased to join in those honoring him for his selfless concern for the Caribbean region and for his efforts to improve the life of the people in the region and for improving ties between the people and governments of those nations with the United States.

In the years that Judge CROCKETT has served as chairman of the subcommittee, and in spite of some deep philosophical differences we have had over some issues, he has always treated me and the other members of the minority on the subcommittee with the greatest respect and fairness. His approach has always been one of conciliation and consensus, and his gracious manner and gentlemanly nature have earned him the respect and admiration of his colleagues.

I am pleased to offer my tribute to Judge CROCKETT today and to wish him good health and great happiness in his retirement.

I urge my colleagues to join me in wishing Judge CROCKETT good luck and godspeed, and urge them also to give their unanimous support to the Crockett Caribbean Regional Development Act of 1990.

Mr. BROOMFIELD. Madam Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Speaker, I rise today to express my support for H.R. 5762, a bill expressing support of the Congress for the promotion of Caribbean Regional Development, and I would like to commend my colleagues on the Foreign Affairs Committee, Mr. CROCKETT and Mr. LAGOMARSINO, for their work on this measure. The Caribbean nations are both our neighbors and trading partners. A democratic and prosperous Caribbean would be advantageous to the United States from both an economic and political viewpoint. The recommendations contained in this bill would help the Caribbean nations both economically and in the fostering of democracy and political justice.

This bill recommends that assistance be given to the Caribbean nations in certain areas which are particularly important at this time. Progress in food production and rural development are of primary importance for nations to compete in today's world economy. This bill recommends that assistance be given the Caribbean nations in these areas as well as in the area of development of rural and industrial enterprises.

Democracy and a concern for social justice and human rights are fundamental international standards, and should go hand-in-hand with economic development. By addressing these concerns as well as economic and regional integration in the Caribbean Basin, we are supporting a process of development and progress in the region which will in the long-term benefit our Nation both economically, politically, and socially. An integrated, healthy Caribbean Basin will be less dependent on the export of illegal drugs which are destroying the youth of our cities and the underlying social fabric or our country. In addition, increased trade and a growing communication with the Caribbean will benefit American business and add to our understanding of foreign cultures, so important in today's growing international community. And it is imperative that there be strong, democratic nations in the Caribbean for the security of our country; all of the Americas.

Madam Speaker, I urge my colleagues to join me in supporting H.R. 5762 and the development of the Caribbean nations.

Mr. CROCKETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I want to express my sincere thanks and appreciation to the Members on the other side of the aisle for their generous comments concerning me. I am convinced that they are not deserved, but at the same time, I am glad to hear them.

Mr. BROOMFIELD. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CROCKETT. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from Michigan [Mr. CROCKETT] that the House suspend the rules and pass the bill, H.R. 5762.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CROCKET. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks, and include therein extraneous material, on H.R. 5762, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ENTERPRISE FOR THE AMERICAS INITIATIVE ACT OF 1990

Mr. CROCKETT. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5892) to provide for the implementation of the foreign assistance provisions of the Enterprise for the Americas Initiative, and to promote Caribbean Regional Development.

The Clerk read as follows:

H.R. 5892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Enterprise for the Americas Initiative Act of 1990".

TITLE I—ENTERPRISE FOR THE AMERICAS FACILITY

SEC. 101. ESTABLISHMENT.

There is hereby established in the Department of the Treasury the Enterprise for the Americas Facility (hereinafter in this Act referred to as the "Facility").

SEC. 102. PURPOSE OF INITIATIVE AND THE FACILITY.

The purpose of the Enterprise for the Americas Initiative is to encourage and support improvement in the lives of the people of Latin America and the Caribbean through market-oriented reforms and economic growth with interrelated actions to promote debt reduction, investment reforms, and community based conservation and sustainable use of the environment. The Facility will support these objectives through administration of debt reduction operations for those countries that meet investment reforms and other policy conditions.

SEC. 103. ELIGIBILITY FOR BENEFITS UNDER THE FACILITY.

(a) REQUIREMENTS.—To be eligible for benefits under the Facility, a country must—

(1) be a Latin American or Caribbean country;

(2) have in effect, have received approval for, or, as appropriate in exceptional circumstances, be making significant progress toward—

(A) an International Monetary Fund standby arrangement, extended Fund arrangement, or an arrangement under the structural adjustment facility or enhanced structural adjustment facility, or in exceptional circumstances, a Fund monitored program or its equivalent; and

(B) as appropriate, structural or sectoral adjustment loans from the International Bank for Reconstruction and Development or the International Development Association;

(3) have put in place major investment reforms in conjunction with an Inter-American Development Bank Loan or otherwise be implementing, or making significant progress toward, an open investment regime; and

(4) if appropriate, have agreed with its commercial bank lenders to a satisfactory financing program, including, as appropriate, debt or debt service reduction.

(b) ELIGIBILITY DETERMINATIONS.—The President shall determine whether a country is an eligible country for purposes of subsection (a).

TITLE II—DEBT REDUCTION

SEC. 201. REDUCTION OF CERTAIN DEBT.

(a) AUTHORITY TO REDUCE DEBT.—

(1) AUTHORITY.—The President may reduce the amount owed to the United States (or any agency of the United States—that is outstanding as of January 1, 1990, as a result of concessional loans made by the United States pursuant to the Foreign Assistance Act of 1961 (or predecessor foreign economic assistance legislation) to a country eligible for benefits under the Facility.

(2) LIMITATION.—The authority of this section may be exercised only to such extent as is approved in advance in appropriation Acts.

(3) CERTAIN PROHIBITIONS INAPPLICABLE.—(A) A reduction of debt pursuant to this section shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(B) This section supersedes section 620(r) of the Foreign Assistance Act of 1961 and section 321 of the International Development and Food Assistance Act of 1975.

(4) DEFINITION.—Hereinafter in this Act, a country with respect to which the authority of paragraph (1) is exercised is referred to as the beneficiary country.

(b) IMPLEMENTATION OF DEBT REDUCTION.—

(1) IN GENERAL.—Any debt reduction pursuant to subsection (a) shall be accomplished at the direction of the Facility by the exchange of a new obligation for obligations outstanding as of January 1, 1990.

(2) EXCHANGE OF OBLIGATIONS.—The Facility shall notify the Agency for International Development of the agreement with an eligible country to exchange a new obligation for outstanding obligations pursuant to this subsection; and at the direction of the Facility, the old obligations shall be canceled and a new debt obligation for the country shall be established, and the Agency for International Development shall make an adjustment in its accounts to reflect the debt reduction.

SEC. 202. REPAYMENT OF PRINCIPAL.

(a) CURRENCY OF PAYMENT.—The principal amount of each new obligation issued pursuant to section 201(b) shall be repaid in United States dollars.

(b) DEPOSIT OF PAYMENTS.—Principal repayments of new obligations shall be deposited in the United States Government account established for principal repayments of the obligations for which those obligations were exchanged.

SEC. 203. INTEREST ON NEW OBLIGATIONS.

(a) RATE OF INTEREST.—New obligations issued by a beneficiary country pursuant to section 201(b) shall bear interest at a concessional rate.

(b) CURRENCY OF PAYMENT; DEPOSITS.—

(1) LOCAL CURRENCY.—If the beneficiary country has entered into an Environmental Framework Agreement under section 302, interest shall be paid in the local currency of the beneficiary country and deposited in the Environmental Fund provided for in section 301(a). Such interest shall be the property of the beneficiary country, until such time as it is disbursed pursuant to section 301(d). Such local currencies shall be used for the purposes specified in the Environmental Framework Agreement.

(2) UNITED STATES DOLLARS.—If the beneficiary country has not entered into an Environmental Framework Agreement under section 302, interest shall be paid in United States dollars and deposited in the United States Government account established for interest payments of the obligations for which the new obligations were exchanged.

(c) INTEREST ALREADY PAID.—If a beneficiary country enters into an Environmental Framework Agreement subsequent to the date on which interest first became due on the newly issued obligation, any interest already paid on such new obligation shall not be redeposited into the Environmental Fund established for that beneficiary country pursuant to section 301(a).

TITLE III—ENTERPRISE FOR THE AMERICAS ENVIRONMENTAL FUNDS

SEC. 301. ESTABLISHMENT OF, DEPOSITS INTO, AND DISBURSEMENTS FROM ENVIRONMENTAL FUNDS.

(a) ESTABLISHMENT.—Each beneficiary country that enters into an Environmental Framework Agreement under section 302 shall be required to establish an Enterprise for the Americas Environmental Fund (referred to in this Act as the "Environmental Fund") to receive payments in local currency pursuant to section 203(b)(1).

(b) DEPOSITS.—Local currencies deposited in an Environmental Fund shall not be considered assistance for purposes of any provision of law limiting assistance to a country.

(c) INVESTMENT.—Deposits made in an Environmental Fund shall be invested until disbursed. Any return on such investment may be retained by the Environmental Fund, without deposit in the Treasury of the United States and without further appropriations by Congress.

(d) DISBURSEMENTS.—Funds in an Environmental Fund shall be disbursed only pursuant to an Environmental Framework Agreement under section 302.

SEC. 302. ENVIRONMENTAL FRAMEWORK AGREEMENTS.

(a) AUTHORITY.—The Secretary of State is authorized, in consultation with other appropriate Government officials, to enter into an agreement (referred to in this Act as an "Environmental Framework Agreement") with any country eligible for benefits under the Facility concerning the operation and use of the Environmental Fund for that country. In the negotiation of such agreements, the Secretary shall consult with the Environment for the Americas Board in accordance with section 303.

(b) CONTENTS OF AGREEMENTS.—An Environmental Framework Agreement with an eligible country shall—

(1) require that country to establish an Environmental Fund;

(2) require that country to make interest payments under section 203(b)(1) into an Environmental Fund;

(3) require that country to make prompt disbursements from the Environmental Fund to the administering body described in subsection (c);

(4) when appropriate, seek to maintain the value of the local currency resources of the Environmental Fund in terms of United States dollars;

(5) specify, in accordance with subsection (d), the purposes for which the fund may be used; and

(6) contain reasonable provisions for the enforcement of the terms of the agreement.

(c) ADMINISTERING BODY.—

(1) IN GENERAL.— Funds disbursed from the Environmental Fund in each beneficiary country shall be administered by a body constituted under the laws of that country (referred to in this Act as the "administering body").

(2) COMPOSITION.—The administering body shall consist of—

(A) one or more individuals nominated by the United States Government,

(B) one or more individuals nominated by the government of the beneficiary country, and

(C) individuals who represent a broad range of environmental nongovernmental organizations of the beneficiary country, local community development nongovernmental organizations of the beneficiary country, and scientific or academic organizations or institutions of the beneficiary country.

A majority of the members of the administering body shall be individuals described in subparagraph (C).

(3) RESPONSIBILITIES.—The administering body—

(A) shall receive proposals for grant assistance from eligible grant recipients (as determined under subsection (e)) and make grants to eligible grant recipients in accordance with the priorities agreed upon in the Environmental Framework Agreement, consistent with subsection (d);

(B) shall be responsible for the management of the program and oversight of grant activities funded from resources of the Environmental Fund;

(C) shall be subject to fiscal audits by an indpendent auditor on an annual basis;

(D) shall present an annual program for review each year by the Environment for the Americas Board; and

(E) shall submit a report each year on the activities that it undertook during the previous year to the Chair of the Environment for the Americas Board and to the government of the beneficiary country.

(d) ELIGIBLE ACTIVITIES.—Grants from an Environmental Fund shall be used for activities that link the conversation and sustainable use of natural resources with local community development, including activities described in section 463 of chapter 7 of part I of the Foreign Assistance Act of 1961 (as enacted by the Global Environmental Protection Assistance Act of 1989).

(e) GRANT RECIPIENTS.—Grants made from an Environmental Fund shall be made to—

(1) nongovernmental environmental, conservation, development, and indigenous peo-

ples organizations of the beneficiary country;

(2) other appropriate local or regional entities; and

(3) in exceptional circumstances, the government of the beneficiary country.

(f) REVIEW OF LARGER GRANTS.—Any grant of more than $100,000 from an Environmental Fund shall be subject to veto by the Government of the United States or the government of the beneficiary country.

SEC. 303. ENVIRONMENT FOR THE AMERICAS BOARD.

(a) ESTABLISHMENT.—There is hereby established an Environment for the Americas Board (hereinafter in this Act referred to as the "Board").

(b) MEMBERSHIP.—The Board shall be composed of 9 members appointed by the President as follows:

(1) 5 officers or employees of the United States Government.

(2) 4 individuals who are representatives of private nongovernmental environmental, scientific, or academic organizations that have experience and expertise in Latin America and the Caribbean.

The chair of the Board shall be designated by the President from among the members of the Board appointed pursuant to paragraph (1).

(c) RESPONSIBILITIES.—The Board shall—

(1) advise the Secretary of State on the negotiations of Environmental Framework Agreements;

(2) ensure, in consultation with—

(A) the government of the beneficiary country,

(B) nongovernmental organizations of the beneficiary country,

(C) nongovernmental organizations of the region (if appropriate),

(D) environmental, scientific, and academic leaders of the beneficiary country, and

(E) environmental, scientific, and academic leaders of the region (as appropriate), that a suitable administering body is identified for each Environmental Fund; and

(3) review the programs, operations, and fiscal audits of each administering body.

SEC. 304. ENCOURAGING MULTILATERAL DEBT DONATIONS.

(a) ENCOURAGING DONATIONS FROM OFFICIAL CREDITORS.—The President should actively encourage other official creditors of a beneficiary country whose debt is reduced under this Act to provide debt reduction to such country.

(b) ENCOURAGING DONATIONS FROM PRIVATE CREDITORS.—The President shall make every effort to ensure that Environmental Funds established pursuant to section 301 are able to receive donations from private and public entities and from private creditors of the beneficiary country.

TITLE IV—REPORTS

SEC. 401. ANNUAL REPORT TO CONGRESS.

Not later than December 31 of each year, the President shall transmit to the Speaker of the House of Representatives and the President of the Senate an annual report on the operation of the Facility for the prior fiscal year.

TITLE V—CARIBBEAN REGIONAL DEVELOPMENT ACT

SEC. 501. CARIBBEAN REGIONAL DEVELOPMENT.

Part I of the Foreign Assistance Act of 1961 is amended by inserting after chapter 3 the following new chapter:

"CHAPTER 4—CARIBBEAN REGIONAL DEVELOPMENT

"SEC. 401. SHORT TITLE.

"This chapter may be cited as the 'Caribbean Regional Development Act of 1990'.

"SEC. 402. UNITED STATES POLICIES.

"(a) IN GENERAL.—It is the sense of the Congress that it should be the policy of the United States in providing development and other economic assistance to the Caribbean—

"(1) to help the poor to participate in the development of their societies through a process of equitable economic growth that enables them to increase their incomes and their access to productive resources and services, to protect and advance their rights, and to influence decisions that affect their lives;

"(2) to support development that is environmentally sustainable;

"(3) to promote Caribbean self-reliance by providing assistance to indigenous national and regional governmental and nongovernmental institutions that have the capacity or potential to carry out development programs effectively;

"(4) to support food production for national and regional consumption;

"(5) to promote the diversification of industrial and agricultural production, the development of new products, and the integration of agricultural production with the development of industry and tourism;

"(6) to help advance the process of regional economic integration; and

"(7) to preserve and reinforce traditional Caribbean culture and social values.

"(b) SUPPORTING INDIGENOUS DEMOCRATIC INSTITUTIONS.—Priority in providing assistance to the Caribbean under chapter 1 of this part (relating to development assistance) should be given to supporting indigenous democratic Caribbean institutions that represent, work with, and benefit the poor, and through which the poor participate in making the decisions that affect their lives and their development. Such assistance should be channeled, as appropriate, through United States insititutions and Caribbean regional and national institutions that directly fund such democratic Caribbean institutions.

"SEC. 403. PRIORITY AREAS FOR ASSISTANCE.

"To implement the policies set forth in section 402, priority in the allocation of funds for the Caribbean under chapter 1 of this part and chapter 4 of part II (relating to development assistance and the economic support fund respectively), and in the allocation of the local currencies accruing as a result of the use of those funds, should be given to the following:

"(1) INCREASED FOOD PRODUCTION.—Support to national ministries of agriculture, the appropriate specialized agencies of the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States, the Caribbean Development Bank, and indigenous nongovernmental organizations for efforts to achieve increased food production, as appropriate, through increased staple food production for domestic consumption, including support for—

"(A) the gathering of agricultural data;

"(B) the coordination of agricultural research;

"(C) the improvement of marketing, storage, and transportation systems;

"(D) the provision of credit to agricultural producers; and

"(E) improved coordination of regional planning for increased food production.

"(2) RURAL DEVELOPMENT.—Support for rural development efforts designed to increase rural employment opportunities, enhance the quality of rural life, and retard rural-to-urban migration, including programs that provide access to land and necessary assistance to small producers and cooperatives.

"(3) COMMUNITY-BASED AGRO-INDUSTRIES.—Support for locally owned cooperative and other small- and medium-scale industries engaged in the processing of indigenous resources, including support for the establishment of a marketing network to facilitate intra-regional trade in food through programs that incorporate or serve small producers.

"(4) FINANCIAL RESOURCES FOR SMALL- AND MEDIUM-SIZED FARM AND MANUFACTURING ENTERPRISES.—Provision of financial resources to small- and medium-sized farm and manufacturing enterprises through—

"(A) the creation and capitalization of appropriate financial mechanisms; and

"(B) measures to encourage Caribbean commercial banks and credit unions to provide risk capital to such enterprises.

"(5) EXPANSION OF TOURISM.—Support for the expansion of tourism in the Caribbean through its fuller integration into the local economy, by providing assistance—

"(A) to appropriate governmental and non-governmental regional organizations for the design and coordination of programs for—

"(i) the expansion of the use of local goods and services;

"(ii) the development and implementation of a marketing strategy for tourism in the Caribbean; and

"(iii) the promotion of investments in tourism integrated with the local economy; and

"(B) for training and utilizing local expertise in hotel and restaurant management and other necessary skills.

"(6) REGIONAL INTEGRATION.—Support for regional integration and institutions, including seeking the cooperation of other donor countries in promoting regional development in the Caribbean and including support for—

"(A) efforts to regionalize and coordinate activities and prevent the proliferation and duplication of regional bureaucracies;

"(B) the efforts of governmental and nongovernmental regional institutions to strengthen the infrastructure necessary to promote regional commercial activity and economic and social development;

"(C) regional research institutes; and

"(D) inter-island transportation and communication links, roads, and port facilities.

"(7) UPGRADING TECHNICAL AND MANAGERIAL SKILLS.—Support for efforts of the countries of the Caribbean to upgrade the technical and managerial skills of their people.

"(8) NATURAL RESOURCE BASE.—Promoting those small-scale, affordable, agricultural and industrial methods suited to local environmental, resource, and climatic conditions, and supporting such actions as the establishment of protected areas, the development of environmental curricula, and programs of public education and dialogue designed to sustain and enhance the renewable natural resource base of the Caribbean.

"(9) PRIVATE SECTOR DEVELOPMENT.—Support for the diversification and promotion of Caribbean exports, for investments in the Caribbean that are appropriate to the needs of each country and of the region, and for the strengthening of private sector institutions, that would continue to promote pri-

vate sector-led growth through increased trade and investment and that recognizes each country's economic comparative advantage.

"(10) DEMOCRATIC DEVELOPMENT AND THE ADMINISTRATION OF JUSTICE.—Support to broaden and deepen democratic institutions and values in the Caribbean and to assist countries in areas such as the administration of justice where requested by the recipient governments.

"(11) ACCESS TO HUMAN SERVICES AND ASSISTANCE FOR HUMAN RESOURCES DEVELOPMENT.—Support for the provision of basic services to the citizens of the Caribbean using, as appropriate, governmental and nongovernmental entities, with emphasis on sustainability of service delivery in areas such as basic education, primary health care, child survival, family planning, and prevention and control of acquired immune deficiency syndrome (AIDS).

"SEC. 404. PROTECTION OF WORKER RIGHTS.

"In considering whether to provide assistance under this Act to the government of any country in the Caribbean and in considering how much assistance to allocate to such government, the President shall take into account whether such government has failed to extend, protect, and enforce internationally recognized worker rights for workers in that country (including workers within any designated zone) and, if so, whether such government is taking steps to adopt and implement laws that demonstrate significant, tangible, and measurable overall advancement in providing internationally recognized worker rights throughout the country (including in any designated zone).

"SEC. 405. PROTECTION OF PUBLIC HEALTH.

"The Agency for International Development should not provide any assistance, directly or indirectly, for the use of any chemical or other substance in a country in the Caribbean if—

"(1) that use is not permitted under laws of that country relating to protection of public health, or

"(2) that use would not be permitted in the United States under laws of the United States relating to protection of public health.

"SEC. 406. SUPPORT FOR WOMEN'S ROLE IN DEVELOPMENT.

"In providing assistance to the Caribbean, the Agency for International Development should place emphasis on ensuring the active participation of Caribbean women in the development process.

"SEC. 407. CONSULTATION.

"In implementation of assistance policies, programs, and projects in the Caribbean, the Agency for International Development should take into account the perspectives of the rural and urban poor through consultation with Caribbean organizations that work with the poor and that have demonstrated effectiveness in or commitment to the promotion of local, grassroots activities on behalf of long-term development in the Caribbean, as described in section 402(a). The agency should reflect the results of such consultations in its annual planning documents.

"SEC. 408. DEFINITION OF CARIBBEAN.

"As used in this chapter, the term 'Caribbean' includes Anguilla, Antigua and Barbuda, Aruba, the Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Cayman Islands, Montserrat, Netherlands Antilles, Saint Christopher-Nevis, Turks and Caicos Islands, and the British Virgin Islands.".

The SPEAKER pro tempore. Is a second demanded?

Mr. BROOMFIELD. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. CROCKETT] will be recognized for 20 minutes, and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. CROCKETT].

Mr. CROCKETT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the bill we are about to consider, H.R. 5892, is a combination of two bills we have just passed, the Enterprise Initiative and the Caribbean Regional Development Act. We are combining these two bills into just one bill in order to give the Senate as many options as possible to pass them during these last days of the session.

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I do not think it is necessary to repeat again the description of the legislation that I have previously given.

Madam Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, we have just passed these two pieces of legislation individually. In an effort to ensure that Congressman CROCKETT's Caribbean Regional Development Act is enacted into law, I am supporting this legislation which merges the two bills.

Passage of these two acts will be a fitting tribute to Congressman CROCKETT's longstanding concern for our southern neighbors.

Madam Speaker, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Madam Speaker, before leaving this measure, I too want to join in adulation for Judge CROCKETT who has served our committee for so long in such a leadership manner, leadership that we all have a great deal of respect for, and we wish Judge CROCKETT well in his future endeavors. We are going to sorely miss him on our Foreign Affairs Committee. He has been an outstanding advocate not only for the Caribbean and Latin America, but for African affairs as well, and has helped us in our work in the Foreign Affairs Committee to recognize those important needs in those parts of the world.

Judge CROCKETT, our best wishes for your future years of happiness in your retirement.

Mr. BROOMFIELD. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from Michigan [Mr. CROCKETT] that the House suspend the rules and pass the bill, H.R. 5892.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CROCKETT. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

DISTRICT OF COLUMBIA REVENUE BOND ACT OF 1990

Mr. DELLUMS. Madam Speaker, I move to suspend the rules and take from the Speaker's table the bill (H.R. 5482) to waive the period of congressional review for certain District of Columbia acts authorizing the issuance of District of Columbia revenue bonds, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read as follows:

Senate amendment: Page 4, line 19, after "that" insert: "the proceeds of bonds issued under such Act shall be utilized solely for renovation and rehabilitation of a presently existing stadium and any related, necessary infrastructure improvements appurtenant to such stadium; and that".

The SPEAKER pro tempore. Is a second demanded?

Mr. ROHRABACHER. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. DELLUMS] will be recognized for 20 minutes, and the gentleman from California [Mr. ROHRABACHER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. DELLUMS].

Mr. DELLUMS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, the purpose of H.R. 5482 is to permit eight revenue bond acts already adopted by the Council of the District of Columbia to become law without waiting for the 30-day congressional layover period.

The goal of this legislation is to remove special congressional hurdles from the district's revenue bond enactment path. It is for a limited purpose and is aimed at insuring that the pending congressional adjournment does not place undue burdens and impediments on these revenue bond acts as a result of the 30-day congressional review period mandated by the District of Columbia Home Rule Act. The 30-day period relates to legislative days and typically converts to 90 calendar days.

In the absence of this legislation, the bond acts may not become law before Congress adjourns and the bond revenues provided for will not be available to the nonprofit institutions until sometime next year.

Let me stress that these acts incur no obligation or guarantee of the Federal Government whatsoever.

Congress is not being asked to vote on the merits of the bond issues or the construction projects that these nonprofit organizations will undertake. This bill would permit the issuance of these bonds to proceed as is the case with any other jurisdiction. We are only allowing the local laws to take effect.

Similar bills waiving the 30-day period for revenue bonds for hospitals and universities in the District of Columbia passed Congress in 1985, 1986, 1987, and 1989. Each bill passed the House and Senate overwhelmingly, and each was signed by the President.

Madam Speaker, this act waives the congressional review period for the following D.C. Council acts for the issuance of bonds by the various nonprofit institutions in the District of Columbia:

The Army Distaff Foundation, Inc. Revenue Bond Act of 1989;

The Washington Hospital Center Corp. Revenue Bond Act of 1990;

The Howard University Revenue Bond Act of 1990;

The Georgetown University Revenue Bond Act of 1990;

The Anthony Bowen Landmark Building Trust, Inc. Revenue Bond Act of 1990;

The Association of Community College Trustees Revenue Bond Act of 1990;

The Greater Washington Educational Telecommunication Association, Inc. Revenue Bond Act of 1990; and

The Anacostia River Sports Facility Revenue Bond Act of 1990.

Madam Speaker, the Senate amendment to the bill H.R. 5482 clarifies the language of item No. 8 of H.R. 5482. Item 8 of the bill is the Anacostia River Sports Facility Revenue Bond Act of 1990. The clarification language specifies that the proceeds of the bonds issued under this particular revenue bond act "shall be used solely for the renovation and rehabilitation of the RFK stadium and any related, necessary infrastructure improvements." This amendment is acceptable to all parties involved and has the support of all the members of the Committee on the District of Columbia.

Madam Speaker, let me assure my colleagues in the House that H.R. 5482 as amended in no way incurs any cost to the Federal Government. As stated earlier, the purpose of the act is to permit eight revenue bond acts already adopted by the Council of the District of Columbia to become law without waiting for the 30-day congressional layover period.

Madam Speaker, I am pleased to remind my colleagues that H.R. 5482 passed the House on September 24, 1990, by a recorded vote of 371-44. I urge my colleagues on both sides of the aisle to support the passage of H.R. 5482 with Senate amendment thereto.

Madam Speaker, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the motion of my chairman, my colleague, the gentleman from California [Mr. DELLUMS].

Mr. Speaker, as my chairman has pointed out, this bill is not controversial. Not passing this bill would merely have the effect of delaying the effective date of certain District of Columbia Revenue Bonds until next year, which is in nobody's interest.

The Senate amendment being agreed to merely clarifies that the RFK Stadium Bond Act funds may only be used for rehabilitation of the existing facilities on the site—not for activities related to construction of a new stadium. This is consistent with the intent of the House bill.

Mr. Speaker, I have no requests for time, and I reserve the balance of my time.

Mr. DELLUMS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Speaker, I rise in support of H.R. 5482, together with the Senate amendment thereto, which waives the period of congressional review for certain D.C. Council acts authorizing the issuance of D.C. revenue bonds.

This bill is time and bond specific, covering the issuance by the District of Columbia of bond issues and construction projects to be undertaken by nonprofit organizations to benefit the citizens of the District through their enhanced or enlarged services. As Members of Congress, we are not being asked to vote on the merits of these bond issues. This bill would only permit the issuance of these bonds to proceed without the burden and impediment of the 30-day congressional review period. As you all know, the 30-day period relates to legislative days and typically converts to 90 calendar days.

The need for this legislation is based solely upon the lengthy review process, with the Congress adjourning. The bond revenues then would not be available to the nonprofit institutions until well into the next year * * * a delay which would be most disastrous for the nonprofit institutions involved.

I want to emphasize that these acts represent no obligation or commitment by the Federal Government in any way.

Mr. Speaker, I shall include with my remarks the list of D.C. Council acts that this bill covers. I also concur with the clarification language returned to us by the Senate.

As you know, H.R. 5482 passed the House on September 24, 1990, with a recorded vote of 371 to 44. I now urge my colleagues on both sides of the aisle to vote for passage of H.R. 5482 with the Senate amendment thereto.

The Army Distaff Foundation Inc. Revenue Bond Act of 1989;

The Washington Hospital Center Corporation Revenue Bond Act of 1990;

The Howard University Revenue Bond Act of 1990;

The Georgetown University Revenue Bond Act of 1990;

The Anthony Bowen Landmark Building Trust, Inc. Revenue Bond Act of 1990;

The Association of Community College Trustees Revenue Bond Act of 1990;

The Greater Washington Educationed Telecommunication Association, Inc. Revenue Bond Act of 1990; and

The Anacostia River Sports Facility Revenue Bond Act of 1990.

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Mr. ROHRABACHER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. DELLUMS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MCDERMOTT). The question is on the motion offered by the gentleman from California [Mr. DELLUMS] that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 5482.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent that all Members

may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on the Senate amendment to H.R. 5482, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DE SOTO EXPEDITION TRAIL COMMISSION ACT OF 1990

Mr. VENTO. Mr. Speaker, I move that the House suspend the rules and pass the Senate bill (S. 555) to establish in the Department of the Interior the De Soto Expedition Trail Commission, and for other purposes as amended.

The Clerk read as follows:

S. 555

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "De Soto Expedition Trail Commission Act of 1990".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress finds that—

(1) the 450th anniversary of the De Soto expedition and the 500th anniversary of Columbus' landing provide appropriate times for the commemoration of this aspect of American history;

(2) the expedition of Hernando de Soto was the first major European exploration of the interior of the southeastern United States;

(3) the chronicles of the expedition provide a rare description of the native societies encountered by the expedition;

(4) knowledge gained as a result of the expedition contributed significantly to the subsequent exploration and colonization of the region;

(5) discovery of the first winter encampment in Tallahassee, Florida, is the most recent archeological evidence of the De Soto expedition in the United States;

(6) official commemoration of the De Soto expedition will encourage further archeological and historical research, and increase public awareness of the early historic period of the southeastern United States, including the Native American societies the expedition encountered.

(b) PURPOSE.—The purpose of this Act is to establish a Commission to encourage and direct research, and to coordinate the distribution of interpretive materials to the public, regarding the De Soto expedition, the native societies the expedition encountered, and the effects of that contact.

SEC. 3. ESTABLISHMENT.

(a) IN GENERAL.—To carry out the purposes of this Act, there is hereby established in the Department of the Interior the De Soto Expedition Trail Commission (hereinafter in this Act referred to as the "Commission"). The Commission shall exercise its responsibilities and authorities as provided in this Act with respect to that region of the southeastern United States comprising the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Texas (hereinafter in this Act referred to as the "involved States"). The Commission shall consist of 19 members, appointed by the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") as follows:

(1) 10 members knowledgable in the history of Spanish-Native American contact, including the history of the De Soto expedition, appointed from recommendations submitted by the Governors of the involved States, of which one shall represent each State;

(2) 4 members with expertise in the history of the De Soto expedition;

(3) 2 members with knowledge of the Native American societies encountered by the De Soto expedition;

(4) 2 members, one of which shall hold the position of Superintendent, De Soto National Memorial, the other of which shall have knowledge of the history of Spanish colonization of the southeastern United States; and

(5) 1 member appointed from recommendations submitted by the Smithsonian Institution.

(b) APPOINTMENT.—All members of the Commission shall be appointed for terms of 4 years.

(c) CHAIRPERSON.—The Commission shall elect a chairperson from among its members. The term of the chairperson shall be 2 years.

(d) TERMS.—Any member of the Commission appointed for a definite term may serve after the expiration of such term until a successor is appointed. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made. Any member appointed to fill a vacancy shall serve for the remainder of the term for which such member's predecessor was appointed.

(e) QUORUM.—A simple majority of Commission members shall constitute a quorum.

(f) MEETINGS.—The Commission shall meet at least biannually or at the call of the chairperson or a majority of its members.

(g) COMPENSATION.—Members of the Commission shall serve without compensation as such. While away from their homes or regular places of business in the performance of services for the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5 of the United States Code.

SEC. 4. FUNCTIONS OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall—

(1) assist in the coordination of activities of Federal, State, and local governments and private businesses and organizations in order to further the commemoration of the De Soto expedition;

(2) expeditiously provide the involved States the research performed under section 7 and assist those States in utilizing such research for the public's education;

(3) coordinate the preparation and distribution of interpretative materials relating to the De Soto expedition, including maps and brochures, for the public;

(4) provide advice and assistance to the Secretary with respect to the preparation of contracts and cooperative agreements under section 7; and

(5) consider and provide advice on appropriate means to link together authenticated De Soto expedition and other Spanish Colonial sites.

(b) ANNUAL REPORTS.—The Commission shall submit an annual report to the Secretary, and to the Committee on Interior and Insular Affairs of the United States House of Representatives and to Committee on Energy and Natural Resources of the United States Senate, describing the activities of the Commission and the status of public interpretive activities and research undertaken pursuant to this Act.

(c) EXPIRATION.—The Commission established pursuant to this Act shall cease to exist 4 years after the date of enactment of this Act.

SEC. 5. STAFF OF THE COMMISSION.

(a) STAFF.—(1) The Commission shall have the power to appoint and fix the compensation of such staff as may be necessary to carry out its duties.

(2) Staff appointed by the Commission—

(A) shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service; and

(B) shall, subject to the availability of appropriations, be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(b) EXPERTS AND CONSULTANTS.—Subject to such rules as may be adopted by the Commission, the Commission may procure temporary and intermittent services to the same extent as is authorized by section 3109(b) of title 5, United States Code, but at rates determined by the Commission to be reasonable.

(c) STAFF OF OTHER AGENCIES.—(1) Upon request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist the Commission in carrying out the Commission's duties.

(2) The Commission may accept the services of personnel detailed from one or more of the involved States (and any political subdivision thereof) and may reimburse the State(s) or political subdivision(s) for those services.

SEC. 6. POWERS OF THE COMMISSION.

(a) IN GENERAL.—The Commission may for the purpose of carrying out the provisions of this Act hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem advisable.

(b) BYLAWS.—The Commission may make such bylaws, rules and regulations, consistent with this Act, as it considers necessary to carry out the purposes of this Act.

(c) DELEGATION.—When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(d) TECHNICAL ADVISORY GROUPS.—The Commission may establish and appoint such technical advisory groups as may be necessary to provide technical advice.

(e) DONATIONS.—Notwithstanding any other provision of law, the Commission may seek and accept donations of funds or services from individuals, foundations, corporations, and other private entities, and from public entities, for the purpose of carrying out its duties.

(f) ADMINISTRATIVE SUPPORT SERVICES.—The Administrator of General Services shall provide to the Commission on a reimbursable basis such administrative support services as the Commissoin may request.

SEC. 7. RESEARCH.

The Secretary, in consultation with the Commission, is authorized to enter into contracts or cooperative agreements with qualified researchers for archeological and historical research and field investigations re-

garding the De Soto expedition. The research and investigation may include research and investigation regarding the location of the expedition route, recovery and preservation of archeological or historical materials, identification of encampment sites, and advancement of knowledge regarding Hernando de Soto, his expedition through the southeastern United States, the native societies inhabiting the region during the period of the expedition and the cross-cultural impact of the expedition on the European and Native Americans societies. Such research shall fully utilize archival resources and be published as promptly as possible.

SEC. 8. EXPEDITION SITE IN TALLAHASSEE.

The Secretary is authorized to enter into a cooperative agreement with the State of Florida to provide technical assistance for the preservation and interpretation of the De Soto expedition site in Tallahassee, Florida.

SEC. 9. TECHNICAL ASSISTANCE.

The Secretary may, in consultation with the Commission, provide technical assistance to States for the development of interpretive materials to enhance public appreciation of the archeological, historical, and cultural values associated with the De Soto expedition, the Native American societies it encountered, and the impacts of the European-Native American contact.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) COMMISSION.—For the purposes of carrying out the functions of the Commission, there are authorized to be appropriated such sums as may be necessary not to exceed $250,000.

(b) RESEARCH.—For the purposes of section 7, there are authorized to be appropriated such sums as may be necessary not to exceed $750,000.

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 555, the Senate bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 2 years we will celebrate the Columbus quincentennial. Columbus' voyages had dramatic impact on both the old world and the new one, on the Europeans and on the native Americans. Less than 50 years after Columbus' 1492 voyage, Hernando DeSoto led a major expedition into what is now the Southeastern United States. Although he himself did not live to see the end of the expedition, it had a major impact. The Spanish learned much more about this part of the world and based many of their subsequent decisions about colonization on the DeSoto expedition. It also had a tragic effect on the Native Americans whose population was severely affected by the diseases they contracted from the expedition.

In 1939, a major study researched the DeSoto expedition to determine its exact route. While DeSoto's route remains unknown, modern archeological research methods and additional archival research should help us learn much more about this expedition.

I have an amendment in the nature of a substitute to S. 555 that considers the effect of the expedition on both the Spanish and Native Americans, that makes some changes in the commission's functions, and directs the Secretary of the Interior to enter into cooperative agreements and contracts. As amended, S. 555 authorizes the Secretary of the Interior to enter into a cooperative agreement with the State of Florida to provide technical assistance on the DeSoto encampment site in Tallahassee. Finally, the highway route of the DeSoto expedition is deleted as that route cannot be accurately determined. I believe these changes strengthen this bill and endorse its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 555 an Act to establish the DeSoto Expedition Trail Commission. This measure provides a mechanism for Federal recognition of one of the most important expeditions in the early settlement of this country. The historic diaries detailing this 4-year, 3,500-mile expedition through portions of 10 Southeastern States provide the best account of civilization in this country prior to colonization by European man.

Mr. Speaker, the action taken with respect to this legislation exemplifies how the National Trail System Act should be implemented. The administration was directed to study this proposal and provided an opportunity to complete their report. Their report recognized the historical importance of the DeSoto expedition, but recommended that no trail be designated due to the speculative nature of the expedition route. The chairman of our subcommittee, Mr. VENTO, has listened to the views of the administration and worked very hard to implement the spirit and criteria of National Trail System Act, while developing a bill to meet the interests of the sponsors.

The bill we have today provides for important research and interpretation related to this expedition, but does not make a long-term commitment on behalf of the Federal Government for a trail or other facilities. This is the appropriate level of Federal involvement, since there is already considerable activity at the State level.

Mr. Speaker, I would like to recognize the efforts of the subcommittee chairman and his staff, Heather Huyck and my staff Steve Hodapp, for their objective and highly professional work on this bill and I commend it to my colleagues.

Mr. BENNETT. Madam Speaker, I rise in support of H.R. 5237, the Indian Artifacts and Burial Site Protection Act. I have been interested in this issue for quite some time and was one of the first to introduce legislation on the subject.

Every one of us should be ashamed of the way Native American artifacts, funerary objects and burial sites have been looted and destroyed. Just as we expect our cemeteries to be protected, so should Native Americans have the right to expect the protection of land and objects that they hold sacred. The wanton theft and desecration of bones and artifacts is wrong and must end.

While I support H.R. 5237, I do not believe that it goes far enough. This bill only protects objects and burial sites on public land and in museums and agencies that receive Federal funds. I offered a bill earlier in the session which extended Federal protection to all sacred objects and burial sites held by public and private interests. In fact, it was the desecration of a private site that demanded my attention to this issue. In a March 1989 National Geographic article titled "Who Owns Our Past?" I read of the desecration of over 650 Native American graves on the Slack farm in Kentucky. Graves were unearthed, precious objects stolen, and bones of the dead were strewn about the farm. I am still outraged by this horrific event and know that protection must be quickly accorded.

I urge Congress to pass H.R. 5237, but hope that we will soon consider the protection of Native American burial sites and sacred objects held in the private sector. Until then, the injustice will continue.

Mr. ALEXANDER. Madam Speaker. I rise today in strong support of S. 555, the DeSoto Expedition Trail Commission Act. I cosponsored the House version of this bill and I commend my colleagues Senator GRAHAM and Representative BENNETT for their hard work on this project.

Madam Speaker, Hernando DeSoto led one of the greatest expeditions of the New World. With his crew of 600 men, he left Florida in 1539 in search of two prizes that proved to be elusive—a fabled Indian treasure and an inland route to Mexico.

On his way, DeSoto reached deeper into what is today the southeastern United States than any group of Europeans before him. His explorations included parts of Florida, Georgia, South Carolina, North Carolina, Tennessee, Alabama, Louisiana, Texas, Mississippi, and Arkansas.

For all the miles DeSoto and his men covered, about half of their time was spent in my home State of Arkansas. Maps of the expedition's route show the men crossing into Arkansas just south of Memphis and winding their way through the warm, wet delta land of northeast Arkansas for 2 years.

DeSoto and the explorers, clerics, and craftsmen that accompanied him were the first Europeans to enter the territory of what we now call the State of Arkansas.

The accounts of that journey and the archeological evidence of the era are one of the first glimpses we have of the meeting of Old and New Worlds—over a century before settlers reached Jamestown.

In the chronicles of his trip, DeSoto tells of an important social, political, and religious Indian center which he calls "Casqui."

In 1541, the explorers reached this settlement, and before thousands of native American witnesses, erected the first Christian cross in Arkansas and spent some time with the indigenous Indian population. This interaction was to have significant consequences both for the colonizers of the New World and the Native Americans and their descendants.

Historians have found compelling evidence to suggest that a group of Indian mounds in Parkin, Arkansas, about 25 miles west of the Mississippi River, is the site which DeSoto dubbed "Casqui."

To preserve the area, the Government named the area a National Historic Site in 1964. With the help of the Arkansas State Parks and Tourism Department and the Archeological Conservancy, local residents are working to further investigate the mounds.

The legislation we are discussing today underscores the historical importance of DeSoto's expedition. It directs the Department of Interior to establish a DeSoto Expedition Trail Commission for the purposes of designating a route to commemorate his journey.

This bill is especially timely for the people of Parkin, as they celebrate the 450th anniversary of DeSoto's crossing the Mississippi River and arriving in Arkansas. I would urge the Department of Interior to pay special attention to this area as they complete their designation of a commemorative route.

I thank my colleagues for their efforts on the DeSoto Expedition Trail Commission, and I rise in support of S. 555.

Mr. LAGOMARSINO. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Madam Speaker, I have no further requests for time, and I yield back the balance of my time. I urge passage of the Senate bill.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 555, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

CIVIL WAR SITES STUDY ACT OF 1990

Mr. VENTO. Madam Speaker, I move to suspend the rules and disagree to the Senate amendment to the bill (H.R. 2582) to amend the Historic Sites, Buildings, and Antiquities Act, and for other purposes.

The Clerk read as follows:

Senate amendment: Page 2, lines 7 and 8, strike out "and the State of West Virginia".

Page 4, strike out lines 6 to 10, and insert: (1) Three individuals who are nationally recognized as experts and authorities on the history of the Civil War, and two individuals who are nationally recognized as experts and authorities in historic preservation, appointed by the Secretary.

Page 5, line 20, strike out "terminate after" and insert "terminate 90 days after"

Page 7, line 9, strike out "associated with the Civil War" and insert: "associated with military action during the Civil War"

Page 8, strike out all after line 16 over to and including line 7 on page 9.

Page 9, line 8, strike out "110" and insert: "109"

Page 9, strike out all after line 11 over to and including line 16, on page 17, and insert:

TITLE II—NATIONAL PARK SYSTEM ADVISORY BOARD

SEC. 201. NATIONAL PARK SYSTEM ADVISORY BOARD.

Section 3 of the Act of August 21, 1935, entitled "An Act to provide for the preservation of historic American sites, buildings, objects and antiquities of national significance, and for other purposes" (49 Stat. 667; 16 U.S.C. 463(b)) is amended in the first sentence of subsection (b) by striking "1990" and inserting in lieu of thereof "1995".

Amend the titled so as to read: "An Act to provide for a Civil War Sites Study and to reauthorize the National Park System Advisory Board, and for other purposes".

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes, and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 2582, and the Senate amendment to that bill now being considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Madam Speaker, I yield myself such time as I may consume.

Madame Speaker, the House originally passed H.R. 2582 on October 10, 1990. That bill included the Shenandoah Civil War study, the Civil War Sites Study Commission, the Park Boundary study and the reauthorization of the National Park System Advisory Board. Subsequently, the Senate considered H.R. 2582 on October 18, 1990 and has now returned the bill to the House with amendments.

The Senate has made substantial changes to the House bill. The Senate amendments include several changes to title I, including removing the revision to the National Park Service thematic framework. The thematic framework, first developed in 1928, shapes the National Park Service's approach to our history. Sixty-two years later, historians tell us it very much needs to be revised to reflect changed scholarship.

The Senate completely deleted title II, the Park Boundary study. Title II provided a systematic process under which the National Park Service will conduct comprehensive boundary studies of units of the National Park System where such information is lacking. These studies would be carried out with public participation and consultation of the affected Federal, State and local agencies. The results of those studies would be reported to Congress as we consider future boundary changes.

The Senate amendments also make changes to title III, the National Park System Advisory Board. The amendments extend the advisory board but delete the council to the advisory board and the legislative language specifying the council's responsibilities. The council long provided the advisory board with expert advice and assistance and should be retained in the bill.

By simply deleting substantial portions of H.R. 2582, as passed by the House, the Senate did not offer any alternative approaches to these issues that we believe are so important to the preservation of this Nation's heritage.

Therefore, the motion before the House is to disagree with the Senate amendments.

Madam Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Madam Speaker, I yield my self such time as I may consume.

Madam Speaker, I rise to be recognized on H.R. 2582 a bill to establish the Civil War Studies Commission, conduct a study of park boundaries and reauthorize the Secretary's National Park Service Review Board.

Madam Speaker, I do not intend to go into any detail on this measure. The strong opposition to this measure by the administration is detailed in their letter of September 18. A number of minority Members still oppose the bill. For those members who wish further information on this measure, I refer them to pages 28360

through 28370 in the CONGRESSIONAL RECORD where we debated the exact measure we are again considering on suspension just 12 days ago.

I would further note that as pointed out by the subcommittee chairman, I am a cosponsor of the park boundary study legislation. I supported the measure because each Congress passes 10 to 15 park boundary expansions and I believe that the type of objective information which would be provided by studies conducted under this bill would lead to better legislation. I cosponsored that bill only after extensive modification was made and I commend the chairman for working with minority members in that regard and for most recently agreeing to further amendments concern hunting.

Mr. MARLENE. Madam Speaker, I am intrigued why the House is again considering H.R. 2582 on the Suspension Calendar. I would like to remind Members that this same bill passed the House less than 2 weeks ago. Imagine that—on a day when we have 40 bills on the Suspension Calendar we are repassing a bill that we passed less than 2 weeks ago.

Since that time the other body has sent this bill back to use after wisely striking out title II—the section on park boundaries. I commend the other body for their sound judgment in striking title II that so many of us find so offensive.

Madam Speaker, I rise in opposition to H.R. 2582. However, let me state at the outset that my opposition is in no way a reflection of the fine work done by Mr. SLAUGHTER and Mr. OLIN on their Civil War site study bill.

Rather my opposition is oriented toward the content of title II, The section on park boundaries and the abuse of the suspension process we are using here today.

Just think of it, we have a bill before us today on the Suspension Calendar that is opposed by the 3.7-million member American Farm Bureau Federation, the U.S. Chamber of Commerce, as well as numerous other well-respected groups that are concerned about converting private property and public lands managed for multiple use into National Parks.

Let me give some of the legislative history of title II which originated as H.R. 3383.

That bill as marked-up by the full Interior Committee nearly 5 months ago on a 29–11 vote.

At that markup I offered an amendment, supported by the National Rifle Association and numerous hunting groups, to guarantee that State fish and wildlife agencies have meaningful input in any park boundary study sent to Congress.

It is the belief of many that because of the difficulties the sponsor of H.R. 3383 would have on the floor defeating such an amendment, the bill became dormant.

It took over 4 months for the committee report to even be filed.

In the meantime, the sponsor of H.R. 3383 saw a legislative vehicle in the Civil War study site bill that had a groundswell of support and was headed for passage. Since H.R. 3383, would have rough sailing on its own merits, why not make it title II of this more popular bill.

And while he was at it, why not use the title of another bill dealing with the National Park Service Advisory Council as a vehicle that no one could recognize.

In other words, Madam Speaker we have before us a legislative Christmas tree.

This Christmas tree was trimmed considerably when it was received by the other body.

In fact, title II—which I find most offensive—was stricken entirely.

Although some suggest that the boundary studies mandated by title II are innocent studies and will not result in a massive expansion of the National Park System, I strongly disagree. This conclusion by title II supporters is only true if the studies are conducted by independent and impartial sources.

Unfortunately, this is not the case as these studies will be done almost exclusively by the National Park Service—an agency that has shown itself to be both aggresive and effective as has pursued expanding its own acreage, budgets, and personnel.

Madam Speaker before we greatly expand our National Parks, we should spend money to end the deplorable conditions present in existing parks.

The General Accounting Office has documented billions of dollars of deferred maintenance and rehabilitation within the National Park System.

Passage of title II only makes this situation worse by increasing park acreage and thereby increasing the demands for visitor services. As a result, it will actually reduce the quality of the visits to our parks.

And finally let us get to the issue of hunting. For the most part, hunting is not allowed in National Parks—and I accept that.

However, in some units of the National Park Service such as monuments and preserves it may be allowed, but there is an overzealous element within the National Park Service that uses bureaucratic regulation to stop or limit hunting.

The big cypress preserve in Florida, where hunting was expressly permitted in its authorizing legislation, is now the scene of a virtual war over a general management plan where the Park Service is using severe access restrictions to stop hunting. As we speak, there is a heated battle pitting Cecil Andrus' own Idaho Fish and Game Department against the National Park Service which is trying to stop hunting on part of the city of Rocks National Monument in southern Idaho.

I am pleased to announce that Chairman VENTO and I have worked out language which will guarantee that State fish and wildlife agencies have an opportunity to make a meaningful contribution in park boundary studies affecting their State.

Although I still believe that the park expansion that will result from the studies conducted in title II will be detrimental to hunting, Chairman VENTO's amendment will make the bill's impact on hunting a little less painful.

Madam Speaker, I rise in opposition to wasting the House's precious time during the last days of this session to pass a bill that we passed less than 2 weeks ago. Let us defeat H.R. 2582.

Mr. LAGOMARSINO. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and disagree to the Senate amendment to the bill, H.R. 2582.

The question was taken; and (two-thirds having voted in favor thereof), the rules suspended and the Senate amendment was disagreed to.

A motion to reconsider was laid on the table.

INDIAN HEALTH CARE AMENDMENTS OF 1990

Mr. McDERMOTT. Madam Speaker, I move to suspend the rules and pass the Senate bill (S. 1270) to provide an Indian mental health demonstration grant program, as amended.

The Clerk read as follow:

S. 1270

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Indian Health Care Amendments of 1990".

SEC. 2. REFERENCES.

Except as may otherwise be specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Indian Health Care Improvement Act (25 U.S.C. 1601 et seq.).

TITLE I—MENTAL HEALTH SERVICES

SEC. 101. MENTAL HEALTH PREVENTION AND TREATMENT SERVICES.

(a) PURPOSES.—The purposes of this section are to—

(1) authorize and direct the Indian Health Service to develop a comprehensive mental health prevention and treatment program;

(2) provide direction and guidance relating to mental illness and dysfunctional and self-destructive behavior, including child abuse and family violence, to those Federal, tribal, State, and local agencies responsible for programs in Indian communities in areas of health care, education, social services, child and family welfare, alcohol and substance abuse, law enforcement, and judicial services;

(3) assist Indian tribes to identify services and resources available to address mental illness and dysfunctional and self-destructive behavior;

(4) provide authority and opportunities for Indian tribes to develop and implement, and coordinate with, community-based mental health programs which include identification, prevention, education, referral, and treatment services, including through multidisciplinary resource teams;

(5) ensure that Indians, as citizens of the United States and of the States in which they reside, have the same access to mental health services to which all such citizens have access; and

(6) modify or supplement existing programs and authorities in the areas identified in paragraph (2).

(b) AMENDMENT.—Title II of the Act is amended by adding at the end thereof the following new section:

"SEC. 209. MENTAL HEALTH PREVENTION AND TREATMENT SERVICES.

"(a) NATIONAL PLAN FOR INDIAN MENTAL HEALTH SERVICES.—(1) Not later than 120 days after the date of enactment of this section, the Secretary, acting through the Service, shall develop and publish in the Federal Register a final national plan for Indian Mental Health Services. The plan shall include—

"(A) an assessment of the scope of the problem of mental illness and dysfunctional and self-destructive behavior, including child abuse and family violence, among Indians, including—

"(i) the number of Indians served by the Service who are directly or indirectly affected by such illness or behavior, and

"(ii) an estimate of the financial and human cost attributable to such illness or behavior;

"(B) an assessment of the existing and additional resources necessary for the prevention and treatment of such illness and behavior; and

"(C) an estimate of the additional funding needed by the Service to meet its responsibilities under the plan.

"(2) The Secretary shall submit a copy of the nationalplan to the Congress.

"(c) MEMORANDUM OF AGREEMENT.—Not later than 180 days after the date of enactment of this section, the Secretary and the Secretary of the Interior shall develop and enter into a memorandum of agreement under which the Secretaries shall, among other things—

"(1) determine and define the scope and nature of mental illness and dysfunctional and self-destructive behavior, including child abuse and family violence, among Indians;

"(2) make an assessment of the existing Federal, tribal, State, local, and private services, resources, and programs available to provide mental health services for Indians;

"(3) make an initial determination of the unmet need for additional services, resources, and programs necessary to meet the needs identified pursuant to paragraph (1);

"(4)(A) ensure that Indians, as citizens of the United States and of the States in which they reside, have access to mental health services to which all citizens have access;

"(B) determine the right of Indians to participate in, and receive the benefit of, such services; and

"(C) take actions necessary to protect the exercise of such right;

"(5) delineate the responsibilities of the Bureau of Indian Affairs and the Service, including mental health identification, prevention, education, referral, and treatment services (including services through multidisciplinary resource teams), at the central, area, and agency and service unit levels to address the problems identified in paragraph (1);

"(6) provide a strategy for the comprehensive coordination of the mental health services provided by the Bureau of Indian Affairs and the Service to meet the needs identified pursuant to paragraph (1), including—

"(A) the coordination of alcohol and substance abuse programs of the Service, the Bureau of Indian Affairs, and the various tribes (developed under the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986) with the mental health initiatives pursuant to this Act, particularly with respect to the referral and treatment of dually-diagnosed individuals requiring mental health and substance abuse treatment; and

"(B) ensuring that Bureau of Indian Affairs and Service programs and services (including multidisciplinary resource teams) addressing child abuse and family violence are coordinated with such non-Federal programs and services;

"(7) direct appropriate officials of the Bureau of Indian Affairs and the Service, particularly at the agency and service unit levels, to cooperate fully with tribal requests made pursuant to subsection (d); and

"(8) provide for an annual review of such agreement by the two Secretaries.

"(d) COMMUNITY MENTAL HEALTH PLAN.—(1) The governing body of any Indian tribe may, at its discretion, adopt a resolution for the establishment of a community mental health plan providing for the identification and coordination of available resources and programs to identify, prevent, or treat mental illness or dysfunctional and self-destructive behavior, including child abuse and family violence, among its members.

"(2) In furtherance of a plan established pursuant to paragraph (1) and at the request of a tribe, the appropriate agency, service unit, or other officials of the Bureau of Indian Affairs and the Service shall cooperate with, and provide technical assistance to, the tribe in the development of such plan. Upon the establishment of such a plan and at the request of the tribe, such officials, as directed by the memorandum of agreement developed pursuant to subsection (c), shall cooperate with the tribe in the implementation of such plan.

"(3) Two or more Indian tribes may form a coalition for the adoption of resolutions and the establishment and development of a joint community mental health plan under this subsection.

"(4) The Secretary, acting through the Service, may make grants to Indian tribes adopting a resolution pursuant to paragraph (1) to obtain technical assistance for the development of a community mental health plan and to provide administrative support in the implementation of such plan.

"(5) There is hereby authorized to be appropriated $500,000 for fiscal year 1991 and $1,000,000 for fiscal year 1992 to carry out this subsection.

"(e) MENTAL HEALTH TRAINING AND COMMUNITY EDUCATION PROGRAMS.—(1) The Secretary and the Secretary of the Interior, in consultation with representatives of Indian tribes, shall conduct a study and compile a list, of the types of staff positions specified in paragraph (2) whose qualifications include, or should include, training in the identification, prevention, education, referral, or treatment of mental illness or dysfunctional and self-destructive behavior.

"(2) The positions referred to in paragraph (1) are—

"(A) staff positions within the Bureau of Indian Affairs, including existing positions, in the fields of—

"(i) elementary and secondary education;

"(ii) social services and family and child welfare;

"(iii) law enforcement and judicial services; and

"(iv) alcohol and substance abuse;

"(B) staff positions with the Service; and

"(C) staff positions similar to those identified in subparagraphs (A) and (B) established and maintained by Indian tribes, including positions established in contracts entered into under the Indian Self-Determination Act.

"(3)(A) The appropriate Secretary shall provide training criteria appropriate to each type of position identified in paragraph (2)(A) and ensure that appropriate training has been, or will be, provided to any individual in any such position. With respect to any such individual in a position identified pursuant to paragraph (2)(C), the respective Secretaries shall provide appropriate training to, or provide funds to an Indian tribe for the training of, such individual. In the case of positions funded under a contract entered into under the Indian Self-Determination Act, the appropriate Secretary shall ensure that such training costs are included in the contract, if necessary.

"(B) Funds authorized to be appropriated pursuant to this subsection may be used to provide training authorized by this paragraph for community education programs described in paragraph (5) if a plan adopted pursuant to subsection (d) identifies individuals or employment categories, other than those identified pursuant to paragraph (1), for which such training or community education is deemed necessary or desirable.

"(4) Position-specific training criteria described in paragraph (3) shall be culturally relevant to Indians and Indian tribes and shall ensure that appropriate information regarding traditional Indian healing and treatment practices is provided.

"(5) The Service shall develop and implement or, upon the request of an Indian tribe, assist such tribe to develop and implement, a program of community education on mental illness and dysfunctional and self-destructive behavior for individuals, as determined in a plan adopted pursuant to subsection (d). In carrying out this paragraph, the Service shall provide, upon the request of an Indian tribe, technical assistance to the Indian tribe to obtain or develop community education and training materials on the identification, prevention, referral, and treatment of mental illness and dysfunctional and self-destructive behavior.

"(6) There is hereby authorized to be appropriated—

"(A) $500,000 for fiscal year 1991 to carry out this subsection, of which $100,000 shall be allocated for community education under paragraph (5); and

"(B) $5,000,000 for fiscal year 1992 to carry out this subsection, of which $1,200,000 shall be allocated for community education under paragraph (5).

"(f) STAFFING.—(1) Within 90 days after the date of enactment of this section, the Secretary shall develop a plan under which the Service will increase the health care staff providing mental health services by at least 500 positions within five years after the date of enactment of this section, with at least 200 of such positions devoted to child, adolescent, and family services. Such additional staff shall be primarily assigned to the service unit level for services which shall include outpatient, emergency, aftercare and follow-up, and prevention and education services.

"(2) The plan developed under paragraph (1) shall be implemented under the Act of November 2, 1921 (25 U.S.C. 13) popularly known as the "Snyder Act").

"(g) STAFF RECRUITMENT AND RETENTION.—(1) The Secretary shall provide for the recruitment of the additional personnel required by subsection (f) and the retention of all Service personnel providing mental

health services. In carrying out this subsection, the Secretary shall give priority to practitioners providing mental health services to children and adolescents with mental health problems.

"(2) In carrying out paragraph (1), the Secretary shall develop a program providing for—

"(A) the payment of bonuses (which shall not be more favorable than those provided for under sections 116 and 117) for service in hardship posts;

"(B) the repayment of loans (for which the provisions of repayment contracts shall not be more favorable than the repayment contracts under section 108) for health professions education as a recruitment incentive; and

"(C) a system of postgraduate rotations as a retention incentive.

"(3) This subsection shall be carried out in coordination with the recruitment and retention programs under title I.

"(4) There are authorized to be appropriated $1,200,000 for the fiscal year 1992 to carrying out this subsection.

"(h) MENTAL HEALTH TECHNICIAN PROGRAM.—(1) Under the authority of the Snyder Act of November 2, 1921 (25 U.S.C. 13), the Secretary shall establish and maintain a Mental Health Technician program within the Service which—

"(A) provides for the training of Indians as mental health technicians; and

"(B) employs such technicians in the provision of community-based mental health care that includes identification, prevention, education, referral, and treatment services.

"(2) In carrying out paragraph (1)(A), the Secretary shall provide high standard paraprofessional training in mental health care necessary to provide quality care to the Indian communities to be served. Such training shall be based upon a curriculum developed or approved by the Secretary which combines education in the theory of mental health care with supervised practical experience in the provision of such care.

"(3) The Secretary shall supervise and evaluate the mental health technicians in the training program.

"(4) The Secretary shall ensure that the program established pursuant to this subsection involves the utilization and promotion of the traditional Indian health care and treatment practices of the Indian tribes to be served.

"(5) For purposes of providing the training required under this subsection, there are authorized to be appropriated $1,000,000 for the fiscal year 1992, which shall remain available until expended.

"(i) MENTAL HEALTH RESEARCH.—(1) The Secretary, acting through the Service and in consultation with the National Institute of Mental Health, shall enter into contracts with, or make grants to, appropriate institutions for the conduct of research on the incidence and prevalence of mental disorders among Indians on Indian reservations and in urban areas. Research priorities under this subsection shall include—

"(A) the inter-relationship and inter-dependence of mental disorders with alcoholism, suicide, homicides, accidents, and the incidence of family violence, and

"(B) the development of models of prevention techniques.

The effect of the inter-relationships and interdependencies referred to in subparagraph (A) on children, and the development of prevention techniques under subparagraph (B) applicable to children, shall be emphasized.

"(2) For purposes of carrying out this subsection, there are authorized to be appropriated $2,000,000 for the fiscal year 1992, which shall remain available until expended.

"(j) FACILITIES ASSESSMENT.—(1) Within one year after the date of enactment of this section, the Secretary, acting through the Service, shall make an assessment of the need for inpatient mental health care among Indians and the availability and cost of inpatient mental health facilities which can meet such need. In making such assessment, the Secretary shall consider the possible conversion of existing, under-utilized service hospital beds into psychiatric units to meet such need.

"(2) There are authorized to be appropriated $500,000 for the fiscal year 1992 to make the assessment required by this subsection.

"(k) ANNUAL REPORT.—The Service shall develop methods for analyzing and evaluating the overall status of mental health programs and services for Indians and shall submit to the Congress an annual report on the mental health status of Indians which shall describe the progress being made to address mental health problems of Indian communities.

"(l) MENTAL HEALTH DEMONSTRATION GRANT PROGRAM.—(1) The Secretary, acting through the Service, is authorized to make grants to Indian tribes and inter-tribal consortia to pay 75 percent of the cost of planning, developing, and implementing programs to deliver innovative community-based mental health services to Indians. The 25 percent tribal share of such cost may be provided in cash or through the provision of property or services.

"(2) The Secretary may award a grant for a project under paragraph (1) to an Indian tribe or inter-tribal consortium which meets the following criteria:

"(A) The project will address significant unmet mental health needs among Indians.

"(B) The project will serve a significant number of Indians.

"(C) The project has the potential to deliver services in an efficient and effective manner.

"(D) The tribe or consortium has the administrative and financial capability to administer the project.

"(E) The project will deliver services in a manner consistent with traditional Indian healing and treatment practices.

"(F) The project is coordinated with, and avoids duplication of, existing services.

"(3) For purposes of this subsection, the Secretary shall, in evaluating applications for grants for projects to be operated under any contract entered into with the Service under the Indian Self-Determination Act, use the same criteria that the Secretary uses in evaluating any other application for such a grant.

"(4) The Secretary may only award one grant under this subsection with respect to a service area until the Secretary has awarded grants for all service areas with respect to which the Secretary receives applications during the application period, as determined by the Secretary, which meet the criteria specified in paragraph (2).

"(5) Not later than 180 days after the close of the term of the last grant awarded pursuant to this subsection, the Secretary shall submit to the Congress a report evaluating the effectiveness of the innovative community-based projects demonstrated pursuant to this subsection. Such report shall include findings and recommendations, if any, relating to the reorganization of the programs of the Service for delivery of mental health services to Indians.

"(6) There is authorized to be appropriated $2,000,000 for fiscal year 1991 and $3,000,000 for fiscal year 1992 to carry out the purposes of this subsection. Grants made pursuant to this subsection may be expended over a period of three years and no grant may exceed $1,000,000 for the fiscal years involved.".

TITLE II—HEALTH CARE DELIVERY

SEC. 201. HEALTH CARE DELIVERY DEMONSTRATION PROJECTS.

Title III of the Act is amended by adding at the end thereof the following new section 307:

"SEC. 307. INDIAN HEALTH CARE DELIVERY DEMONSTRATION PROJECT.

"(a) HEALTH CARE DELIVERY DEMONSTRATION PROJECTS.—The Secretary, acting through the Service, is authorized to enter into contracts with, or make grants to, Indian tribes or tribal organizations for the purpose of carrying out a health care delivery demonstration project to test alternative means of delivering health care and services through health facilities to Indians.

"(b) USE OF FUNDS.—The Secretary, in approving projects pursuant to this section, may authorize funding for the construction and renovation of hospitals, health centers, health stations, and other facilities to deliver health care services and is authorized to—

"(1) waive any leasing prohibition;

"(2) permit carryover of funds appropriated for the provision of health care services;

"(3) permit the use of non-Service Federal funds and non-Federal funds;

"(4) permit the use of funds or property donated from any source for project purposes; and

"(5) provide for the reversion of donated real or personal property to the donor.

"(c) CRITERIA.—(1) Within 180 days after the date of enactment of this section, the Secretary, after consultation with Indian tribes and tribal organizations, shall develop and publish in the Federal Register criteria for the review and approval of applications submitted under this section. The Secretary may enter into a contract or award a grant under this section for projects which meet the following criteria:

"(A) There is a need for a new facility or the reorientation of an existing facility.

"(B) A significant number of Indians, including those with low health status, will be served by the project.

"(C) The project has the potential to address the health needs of Indians in an innovative manner.

"(D) The project has the potential to deliver services in an efficient and effective manner.

"(E) The project is economically viable.

"(F) The Indian tribe or tribal organization has the administrative and financial capability to administer the project.

"(G) The project is integrated with providers of related health and social services and is coordinated with, and avoids duplication of, existing services.

"(2) The Secretary may provide for the establishment of peer review panels, as necessary, to review and evaluate applications and to advise the Secretary regarding such applications using the criteria developed pursuant to paragraph (1).

"(3)(A) The Secretary shall enter into contracts or award grants under this section

for a demonstration project in each of the following service units which meets the criteria specified in paragraph (1):

"(i) Cass Lake, Minnesota.
"(ii) Clinton, Oklahoma.
"(iii) Harlem, Montana.
"(iv) Mescalero, New Mexico.
"(v) Owyhee, Nevada.
"(vi) Parker, Arizona.
"(vii) Schurz, Nevada.
"(viii) Winnebago, Nebraska.
"(ix) Ft. Yuma, California.

"(B) After entering into contracts or awarding grants in accordance with subparagraph (A), and taking into account contracts entered into and grants awarded under such subparagraph, the Secretary may only enter into one contract or award one grant under this subsection with respect to a service area until the Secretary has entered into contracts or awarded grants for all service areas with respect to which the Secretary receives applications during the application period, as determined by the Secretary, which meet the criteria developed under paragraph (1).

"(c) TECHNICAL ASSISTANCE.—The Secretary shall provide such technical and other assistance as may be necessary to enable applicants to comply with the provisions of this section.

"(d) SERVICE TO INELIGIBLE PERSONS.—The authority to provide services to persons otherwise ineligible for the health care benefits of the Service and the authority to extend hospital privileges in service facilities to non-Service health care practitioners as provided in section 713 may be included, subject to the terms of such section, in any demonstration project approved pursuant to this section.

"(e) EQUITABLE TREATMENT.—For purposes of subsection (c)(1)(A), the Secretary shall, in evaluating facilities operated under any contract entered into with the Service under the Indian Self-Determination Act, use the same criteria that the Secretary uses in evaluating facilities operated directly by the Service.

"(f) EQUITABLE INTEGRATION OF FACILITIES.—The Secretary shall ensure that the planning, design, construction, and renovation needs of Service and non-Service facilities which are the subject of a contract for health services entered into with the Service under the Indian Self-Determination Act, are fully and equitably integrated into the implementation of the health care delivery demonstration projects under this section.

"(g) REPORT TO CONGRESS.—Within 90 days after the end of the period set out in subsection (a), the Secretary shall prepare and submit to Congress a report, together with legislative recommendations, on the findings and conclusions derived from the demonstration projects.

"(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated such sums as may be necessary for fiscal years 1991 and 1992 for the purpose of carrying out this section, which are authorized to remain available until expended.".

TITLE III—URBAN HEALTH AMENDMENTS

SEC. 301. HEALTH CARE SERVICES FOR URBAN INDIANS.

(a) HEALTH PROMOTION AND DISEASE PREVENTION.—Section 503 of title V (25 U.S.C. 1653) is amended by adding at the end the following new subsection:

"(c)(1) The Secretary, acting through the Service, shall facilitate access to, or provide, health promotion and disease prevention services for urban Indians through grants made to urban Indian organizations administering contracts entered into pursuant to this section.

"(2) There is authorized to be appropriated $1,000,000 for fiscal year 1992 to carry out this subsection.".

(b) IMMUNIZATION.—Section 503 of title V, as amended by subsection (a), is further amended by adding at the end the following new subsection:

"(d)(1) The Secretary, acting through the Service, shall facilitate access to, or provide, immunization services for urban Indians through grants made to urban Indian organizations administering contracts entered into pursuant to this section.

"(2) In making any grant to carry out this subsection, the Secretary shall take into consideration—

"(A) the size of the urban Indian population to be served;

"(B) the immunization levels of the urban Indian population, particularly the immunization levels of infants, children, and the elderly;

"(C) the utilization by the urban Indians of alternative resources from State and local governments for no-cost or low-cost immunization services to the general population; and

"(D) the capability of the urban Indian organization to carry out services pursuant to this subsection.

"(3) For purposes of this subsection, the term 'immunization services' means services to provide without charge immunizations against vaccine-preventable diseases.

"(4) There are authorized to be appropriated $1,000,000 for fiscal year 1992 to carry out this subsection.".

(c) MENTAL HEALTH SERVICES.—Section 503 of title V, as amended by subsections (a) and (b), is further amended by adding at the end the following new subsection:

"(e)(1) The Secretary, acting through the Service, shall facilitate access to, or provide, mental health services for urban Indians through grants made to urban Indian organizations administering contracts entered into pursuant to this section.

"(2) A grant may not be made under this subsection to an urban Indian organization until that organization has prepared, and the Service has approved, an assessment of the mental health needs of the urban Indian population concerned, the mental health services and other related resources available to that population, the barriers to obtaining those services and resources, and the needs that are unmet by such services and resources.

"(3) Grants may be made under this subsection—

"(A) to prepare assessments required under paragraph (2);

"(B) to provide outreach, educational, and referral services to urban Indians regarding the availability of direct mental health services, to educate urban Indians about mental health issues and services, and effect coordination with existing mental health providers in order to improve services to urban Indians;

"(C) to provide outpatient mental health services to urban Indians, including the identification and assessment of illness, therapeutic treatments, case management, support groups, family treatment, and other treatment; and

"(C) to develop innovative mental health service delivery models which incorporate Indian cultural support systems and resources.

"(4) There is authorized to be appropriated $500,000 for fiscal year 1991 and $2,000,000 for fiscal year 1992 to carry out this subsection.".

(d) PREVENTION AND TREATMENT OF CHILD ABUSE.—Section 503 of title V, as amended by subsections (a), (b), and (c), is further amended by adding at the end the following new subsection:

"(f)(1) The Secretary, acting through the Service, shall facilitate access to, or provide, services for urban Indians through grants to urban Indian organizations administering contracts entered into pursuant to this section to prevent and treat child abuse (including sexual abuse) among urban Indians.

"(2) A grant may not be made under this subsection to an urban Indian organization until that organization has prepared, and the Service has approved, an assessment that documents the prevalence of child abuse in the urban Indian population concerned and specifies the services and programs (which may not duplicate existing services and programs) for which the grant is requested.

"(3) Grants may be made under this subsection—

"(A) to prepare assessments required under paragraph (2);

"(B) for the development of prevention, training, and education programs for urban Indian populations, including child education, parent education, provider training on identification and intervention, education on reporting requirements, prevention campaigns, and establishing service networks of all those involved in Indian child protection; and

"(C) to provide direct outpatient treatment services (including individual treatment, family treatment, group therapy, and support groups) to urban Indians who are child victims of abuse (including sexual abuse) or adult survivors of child sexual abuse, to the families of such child victims, and to urban Indian perpetrators of child abuse (including sexual abuse).

"(4) In making grants to carry out this subsection, the Secretary shall take into consideration—

"(A) the support for the urban Indian organization demonstrated by the child protection authorities in the area, including committees or other services funded under the Indian Child Welfare Act of 1978 (25 U.S.C. 1901 et seq.), if any;

"(B) the capability and expertise demonstrated by the urban Indian organization to address the complex problem of child sexual abuse in the community; and

"(C) the assessment required under paragraph (2).

"(5) There is authorized to be appropriated $500,000 for fiscal year 1991 and $2,000,000 for fiscal year 1992 to carry out this subsection.".

SEC. 302. FACILITIES ASSESSMENT.

(a) SURVEY.—The Secretary shall conduct a survey of all facilities used by contractors under title V of the Indian Health Care Improvement Act and shall submit a report to the Congress on such survey not later than one year after the date of enactment of this Act. The report shall, at a minimum, contain the following information for each location:

(1) The extent to which the facility meets safety and building codes and, if direct care is provided, the extent of compliance with Joint Commission for Accreditation of Health Care Organizations (JCAHO) standards.

(2) The extent to which improvements, expansion, or relocation is necessary to

meet program requirements, provide adequate services, or achieve building code compliance.

(3) Any lease restriction that would hamper accomplishment of needed improvement, expansion, or relocation.

(4) The term of the lease, if appropriate, the age of the structure, and the structure's life expectancy with and without improvement.

(5) An assessment of the deficiencies of the facility.

(b) REPORT.—The report shall contain general recommendations for addressing the deficiencies of facilities in which programs funded under title V of the Indian Health Care Improvement Act are located and shall propose specific policies for accomplishing those recommendations.

(c) MINOR RENOVATIONS.—Title V, as amended by section 301, is further amended by adding at the end the following new section:

"SEC. 509. FACILITIES RENOVATION.

"The Secretary may make funds available to contractors under this title for minor renovations to facilities, including leased facilities, to assist such contractors in meeting or maintaining the Joint Commission for Accreditation of Health Care Organizations (JCAHO) standards. There is authorized to be appropriated $1,000,000 for fiscal year 1992 to carry out this section.".

SEC. 303. REPORTS.

Section 507 of title V (25 U.S.C. 1657) is amended by adding at the end the following new subsection:

"(d)(1) The Secretary, acting through the Service, shall submit a report to the Congress not later than March 31, 1992, evaluating—

"(A) the health status of urban Indians;

"(B) the services provided to Indians through this title;

"(C) areas of unmet needs in urban areas served under this title; and

"(D) areas of unmet needs in urban areas not served under this title.

"(2) In preparing the report under paragraph (1), the Secretary shall consult with urban Indian health providers and may contract with a national organization representing urban Indian health concerns to conduct any aspect of the report.

"(3) The Secretary and the Secretary of the Interior shall—

"(A) assess the status of the welfare of urban Indian children, including the volume of child protection cases, the prevalence of child sexual abuse, and the extent of urban Indian coordination with tribal authorities with respect to child sexual abuse; and

"(B) submit a report on the assessment required under subparagraph (A), together with recommended legislation to improve Indian child protection in urban Indian populations, to the Congress no later than March 31, 1992.".

SEC. 304. URBAN HEALTH PROGRAMS BRANCH.

Title V is further amended by adding at the end the following new section:

"SEC. 511. URBAN HEALTH PROGRAMS BRANCH.

"(a) ESTABLISHMENT.—There is hereby established within the Service a Branch of Urban Health Programs which shall be responsible for carrying out the provisions of this title.

"(b) STAFF, SERVICES, AND EQUIPMENT.—The Secretary shall appoint such employees to work in the branch, including a program director, and shall provide such services and equipment, as may be necessary for it to carry out its responsibilities. The Secretary shall also analyze the need to provide at least one urban health program analyst for each area office of the Indian Health Service and shall submit his findings to the Congress as a part of the Department's fiscal year 1993 budget request.".

TITLE IV—MISCELLANEOUS

SEC. 401. ALASKA RESIDENTIAL YOUTH TREATMENT CENTER.

(a) AMENDMENT.—Section 4227(b) of the Indian Alcohol and Substance Abuse Prevention and Treatment Act of 1986 (25 U.S.C. 2474(b)) is amended by adding at the end thereof the following:

"(3) Notwithstanding any other provision of this subtitle, the Secretary may, from amounts allocated to the Alaska area from funds appropriated pursuant to this section, make funds available to the Tanana Chiefs Conference, Incorporated, for the purpose of maintaining a residential youth treatment facility in Fairbanks, Alaska.".

(b) LEASE OF FACILITIES.—The Secretary of Health and Human Services, acting under section 4209(c) and 4227(b) of the Indian Alcohol and Substance Abuse Prevention and Treatment Act, may—

(1) without regard to section 4209(c)(2) of that Act, lease from the Tanana Chiefs Conference facilities that are located in Fairbanks, Alaska, and that the Tanana Chiefs Conference has leased from another entity, and

(2) if the Secretary enters into a lease under paragraph (1) for at least 40 years, renovate the facilities to the extent needed.

(c) SELF-DETERMINATION CONTRACTS FOR STAFFING AND OPERATION.—The Secretary of Health and Human Services, acting under section 102 of the Indian Self-Determination and Education Assistance Act, may contract with the Tanana Chiefs Conference to staff and operate the facilities leased under subsection (b), without a request of an Indian tribe, and without regard to the definition and proviso in section 4(l) of that Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. RHODES. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington [Mr. MCDERMOTT] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. RHODES] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington [Mr. MCDERMOTT].

GENERAL LEAVE

Mr. MCDERMOTT. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1270, the Senate bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MCDERMOTT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this substitute is a result of many months of extensive hearings on Indian health matters conducted by the House Interior and Insular Affairs Committee. Those hearings clearly have identified that there are serious deficiencies in the current IHS services, especially in the area of mental health. These findings were substantiated by a report released by the Office of Technology Assessment on adolescent Indian mental health.

Based on this committee's findings, I think you will find in the substitute a fiscally sound comprehensive approach which begins to address these deficiencies.

The amendment in nature of a substitute amends the Indian Health Care Improvement Act in three respects. First, title I of the substitute provides for Comprehensive Mental Health Prevention and Treatment Programs which build upon existing resources as well as expanding community-based efforts. Second, title II of the bill, establishes innovative health care delivery systems which will enable Indian tribes to develop and implement financing mechanisms and to fully utilize all available resources. Finally, title III of the substitute amends title IV of the Indian Health Care Improvement Act to address the gaps in urban Indian health care to include immunization, mental health, and prevention and treatment of child abuse.

The bill was jointly referred to the Energy and Commerce Committee. The substitute now before the House includes the input of that committee. I want to express my appreciation to the leadership of that committee, Mr. DINGELL, Mr. WAXMAN, and Mr. SIKORSKI as well as their staffs. Their cooperation and assistance have enabled us to develop the language contained in the substitute and we thank them for their support of passage of this bill.

I would also like to acknowledge our distinguished chairman, Mr. UDALL, as well as other members of the Interior Committee who offered their time and commitment to this legislation.

Madam Speaker, this legislation is critical to Indian people. It has bi-partisan support in both committees as well as the Senate Select Committee on Indian Affairs, and I urge its passage.

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I include the letter of the gentleman from Michigan [Mr. DINGELL] in the RECORD, as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, October 21, 1990.

Hon. MORRIS K. UDALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: On October 13, 1990, the Committee on Interior and Insular Affairs reported S. 1270, To provide an Indian mental health demonstration grant program, amended, to the House (H. Rept. 101-847, Part 1). As you know, the bill was joint-

ly referred to the Committee on Energy and Commerce.

This Committee understands the importance of scheduling S. 1270 for Floor consideration. Therefore, the Committee will forego consideration of the bill and permit it to be scheduled, without, of course, prejudice to the Committee's jurisdiction. Please include this letter in the official record.

With every good wish, I am

Sincerely,

JOHN D. DINGELL,
Chairman.

Madam Speaker, I would also like to acknowledge our distinguished chairman, the gentleman from Arizona [Mr. UDALL] as well as other members of the Committee on Interior and Insular Affairs, including the gentleman from American Samoa [Mr. FALEOMAVAEGA], as well as the gentleman from South Dakota [Mr. JOHNSON], the gentleman from New Mexico [Mr. RICHARDSON], and others, as well as the staff who offered their time and commitment to this legislation.

Madam Speaker, this legislation is critical to Indian people. It has bipartisan support in both committees, as well as in the Senate Select Committee on Indian Affairs. I urge its passage.

Mr. RHODES. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker. I rise in support of S. 1270, a bill to improve the quality of health services to American Indians and Alaska Natives. S. 1270 is the culmination of a series of hearings in Washington, DC, and in the field regarding Indian mental health care services and health care services to urban Indians.

At the outset, I would like to thank my colleagues on the Energy and Commerce Committee for working with us to bring this bill to the floor. I believe this bill will enable the Indian Health Service to be more responsive to the needs of the Indian and Alaska Native communities in three primary areas.

First, with regard to mental health care services, this bill acknowledges the national mental health plan developed by the Indian Health Service pursuant to extensive consultation with Indian communities, and it establishes the framework for prevention and treatment programs that are community based.

Second, with regard to health care for urban Indians and Alaska Natives, this bill builds on existing urban health programs and authorizes the urban health programs to focus more specifically on health promotion and disease prevention, immunizations, mental health, and child protection activities.

Third, the bill provides the Indian Health Service with the flexibility needed to study and develop innovative alternatives to construction of full-blown, in-patient hospitals for Indian reservations. This component of the bill responds to findings and recommendations contained in a GAO report regarding the effectiveness of several small rural Indian Health Service facilities in the West.

I support passage of S. 1270 and I urge my colleagues to do the same.

Mr. RICHARDSON. Madam Speaker, I rise in support of S. 1270 which amends the Indian Health Care Improvement Act. Title I of the bill establishes new initiatives in the area of Indian mental health including providing community education, prevention and training programs, and technical assistance.

Title II establishes a new grant program for rural health care delivery demonstration projects. The new grant program recognizes that the Indian Health Service facilities construction priority list is numbers driven, precluding many smaller Indian tribes with low patient workloads from meeting the requirements imposed by IHS. Thus, they will never be placed on the construction priority list. This provision will authorize tribes to design and implement innovative approaches for the delivery of cost effective health care. This legislation answers a critical need. I am aware of three tribes in New Mexico alone, including the Isleta Pueblo, the Santo Domingo Pueblo, and the Mescalero Apaches who are interested in this program and in developing innovative health care delivery.

Title III of this bill enhances existing urban Indian health programs to include disease prevention and health promotion; immunizations for infants and children; mental health services; and prevention and treatment of child abuse.

Madam Speaker, I had the opportunity to chair several hearings on child sexual abuse and Indian mental health deficiencies and the statistics are not good. We can make a difference with this legislation and provide hope to the 1.4 million native Americans nationwide. Next month is Native American Heritage Month—what better support can we offer than to pass this legislation.

In closing, I would like to thank Chairman WAXMAN and Chairman DINGELL of the Energy and Commerce Committee for their input and work in passing this legislation. I would also like to particularly commend the staff of the Interior Committee, Frank Ducheneaux and Pablita Abeyta who have put in many long hours of work on this legislation.

Mr. McDERMOTT. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. RHODES. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from Washington [Mr. MCDERMOTT] that the House suspend the rules and pass the Senate bill, S. 1270, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

SAN CARLOS APACHE TRIBE WATER RIGHTS SETTLEMENT ACT OF 1990

Mr. McDERMOTT. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 5539) to provide for the settlement of the water rights claims of the San Carlos Apache Tribe in Arizona, and for other purposes, as amended.

The Clerk read as follows:

H.R. 5539

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "San Carlos Apache Tribe Water Rights Settlement Act of 1990".

SEC. 2. CONGRESSIONAL FINDINGS.

(a) The Congress finds and declares that—

(1) it is the policy of the United States, in fulfillment of its trust responsibility to Indian Tribes, to promote Indian self-determination and economic self-sufficiency, and to settle, wherever possible, the water rights claims of Indian Tribes without lengthy and costly litigation;

(2) meaningful Indian self-determination and economic self-sufficiency depend on development of viable Indian Reservation economies.

(3) quantificaation of rights to water and development of facilities needed to utilize Tribal water supplies effectively is essential to the development of viable Indian Reservation economies particularly in arid western states;

(4) on November 9, 1871, and by actions subsequent thereto, the United States Government established a Reservation for the San Carlos Apache Tribe in Arizona;

(5) The United States, as trustee for the San Carlos Apache Tribe, obtained water entitlements for the Tribe pursuant to the Globe Equity Decree of 1935; however, continued uncertainty as to the full extent of the Tribe's entitlement to water has severely limited the Tribe's access to water and financial resources necessary to develop its valuable agricultural lands and frustrated its efforts to reduce its dependence on federal program funding and achieve meaningful self-determination and self-sufficiency;

(6) proceedings to determine the full extent and nature of the Tribe's water rights are currently pending before the United States District Court in Arizona and in the Superior Court of the State of Arizona in and for Maricopa County, as part of the General Adjudication of the Gila River System and Source;

(7) recognizing that final resolution of pending litigation will take many years and entail great expense to all parties, continue economically and socially damaging limits to the Tribe's access to water, prolong uncertainty as to the availability of water supplies and seriously impair the long-term economic planning and development of all parties, the Tribe and its neighboring non-Indian communities have sought to settle their dispute to water and reduce the burdens of litigation.

(8) after lengthy negotiations, which included participation by representatives of the United States government, the Tribe and neighboring non-Indian communities of the Salt River and Gila River Valleys, who are all party to the General Adjudication of the Gila River Systems and Source, the par-

ties are prepared to enter into an Agreement to resolve all water rights claims between and among themselves, to quantify the Tribe's entitlement to water, and to provide for the orderly development of the Tribe's lands;

(9) pursuant to the Agreement, the neighboring non-Indian communities will relinquish claims to approximately 58,735 acre-feet of surface water to the Tribe, provide the means of storing water supplies of the Tribe behind Coolidge Dam on the Gila River in Arizona to enhance fishing, recreation and other environmental benefits, and make substantial additional contributions to carry out the Agreement's provisions; and

(10) to advance the goal of Federal Indian policy and to fulfill the trust responsibility of the United States to the Tribe, it is appropriate that the United States participate in the implementation of the Agreement and contribute funds for the rehabilitation and expansion of existing reservation irrigation facilities so as to enable the Tribe to utilize fully its water resources in developing a diverse, efficient reservation economy.

Therefore, it is the purpose of this Act (1) to approve, ratify and confirm the Agreement to be entered into by the Tribe and its neighboring non-Indian communities, (2) to authorize and direct the Secretary of the Interior to execute and perform such Agreement, and (3) to authorize the actions and appropriations necessary for the United States to fulfill its legal and trust obligations to the Tribe as provided in the Agreement and this Act.

SEC. 3. DEFINITIONS.

For purposes of this Act—

(a) "Active Conservation Capacity" means that storage space, exclusive of bank storage, available to store water which can be released through existing reservoir outlet works.

(b) "Agreement" means that agreement among the San Carlos Apache Tribe; the United States of America; the State of Arizona, the Salt River Project Agricultural Improvement and Power District; the Salt River Valley Water Users' Association; the Roosevelt Water Conservation District; the Arizona cities of Chandler, Glendale, Globe, Mesa, Safford, Scottsdale and Tempe, the Town of Gilbert; Buckeye Water Conservation and Drainage District, Buckeye Irrigation Company, and the Phelps Dodge Corporation, together with all exhibits thereto, as the same is executed by the Secretary of the Interior pursuant to sections 10(c) and 11(a)(7).

(c) "CAP" means the Central Arizona Project, a reclamation project authorized under title III of the Colorado River Basin Project Act of 1968 (43 U.S.C. 1521 et seq.).

(d) "CAWCD" means the Central Arizona Water Conservation District, organized under the laws of the State of Arizona, which is the contractor under a contract with the United States, dated December 15, 1972, for the delivery of water and repayment of costs of the Central Arizona Project.

(e) "Globe Equity Decree" means the decree dated June 29, 1935, entered in the *United States of America v. Gila Valley Irrigation District, et al*, Globe Equity 59, in the District Court of the United States in and for the District of Arizona, and all decrees and decisions supplemental thereto.

(f) "Reservation" means the reservation authorized by the Treaty with the Apache Nation dated July 1, 1852, 10 Stat. 979 (1852) established by the Executive Order of November 9, 1871, Executive Order of December 14, 1872, and the Executive Order of August 5, 1973.

(g) "RWCD" means the Roosevelt Water Conservation District, an irrigation district organized under the laws of the State of Arizona.

(h) "Secretary" means the Secretary of the United States Department of the Interior.

(i) "SRP" means the Salt River Project Agricultural Improvement and Power District, a political subdivision of the State of Arizona, and the Salt River Valley Water Users' Association, an Arizona corporation.

(j) "SCIP" means the San Carlos Irrigation Project authorized pursuant to the Act of June 7, 1924, 42 Stat. 475, expanded pursuant to the Act of March 7, 1928, 45 Stat. 200, 210, and administered by the Bureau of Indian Affairs.

(k) "Tribe" means the San Carlos Apache Tribe, a Tribe of Apache Indians organized under Section 16 of the Indian Reorganization Act of June 18, 1934, 48 Stat. 987 (25 U.S.C. 476), and duly recognized by the Secretary.

SEC. 4. WATER.

(a) The Secretary shall reallocate, for the exclusive use of the Tribe all of the water referred to in subsection ((f)(2) of Section 2 of the Act of October 19, 1984, P.L. 98-530, 98 Stat. 2698, which is not required for delivery to the Ak-Chin Indian Reservation under that Act.

(b) The Secretary is authorized and directed to reallocate to the Tribe an annual entitlement to 14,655 acre-feet of water from the Central Arizona Project having a CAP municipal and industrial priority, which the Secretary previously allocated to Phelps Dodge Corporation in the Notice of Final Water Allocations to Indian and non-Indian Water Users and Related Decisions, dated March 24, 1983, 48 Fed. Reg. 2446 et seq. (March 24, 1983). The Tribe shall pay the United States or, if directed by the Secretary, CAWCD, all operation, maintenance and replacement costs associated with such CAP water. Water service capital charges, or any other charges or payments for such CAP water other than operation, maintenance and replacement costs shall be nonreimbursable. The Secretary shall exclude, for the purposes of determining the allocation and repayment of costs of the CAP as provided in Article 9.3 of Contract No. 14-06-W-245 between the United States and CAWCD dated December 15, 1972, and any amendment or revision thereof, the costs associated with such water from CAWCD's repayment obligation and such costs shall be non-reimbursable.

(c) The Secretary is authorized and directed to reallocate to the Tribe an annual entitlement to 3,480 acre-feet of water from the Central Arizona Project having a CAP municipal and industrial priority, which the Secretary previously allocated to the City of Globe, Arizona in the Notice of Final Water Allocations to Indian and Non-Indian Water Users and Related Decisions, dated March 24, 1983, 48 Fed. Reg. 2446 et seq. (March 24, 1983). The Tribe shall pay the United States or, if directed by the Secretary, CAWCD, all operation, maintenance and replacement costs associated with such CAP water. Water service capital charges, or any other charges or payments for such CAP water other than operation, maintenance and replacement costs shall be nonreimbursable. The Secretary shall exclude, for the purposes of determining the allocation and repayment of costs of the CAP as provided in Article 9.3 of contract No. 14-06-W-245 between the United States and CAWCD dated December 15, 1972, and any amendment or revision thereof, the costs associated with such water from CAWCD's repayment obligation and such costs shall be nonreimbursable.

(d) Notwithstanding anything to the contrary in the Act of June 7, 1924, 43 Stat. 475, as expanded by the Act of March 7, 1928, 45 Stat. 200, 210, in order to permit the Tribe to maintain permanently a pool of stored water for fish, wildlife, recreation and other purposes, the Secretary is authorized and directed to designate for the benefit of the Tribe such active conservation capacity behind Coolidge Dam on the Gila River in Arizona as is not being used by the Secretary to meet the obligations of SCP for irrigation storage, provided, however, that any water stored by the Tribe shall be the first water to spill ("spill water") from Coolidge Dam. The water stored by the Tribe shall be, at the Tribe's designation, the water provided to the Tribe pursuant to subsections (a), (b) and (c) of this section, its entitlement under its Tribal CAP Delivery Contract, or any combination thereof. Evaporation losses shall be deducted daily from the Tribe's stored water balance as provided in the Agreement. The Tribe shall pay an equitable share of the operation and maintenance costs for the water stored for the benefit of the Tribe, subject to the Act of July 1, 1932, 47 Stat. 564, 25 USC § 386 et sec.

(e) The Secretary is authorized and directed to execute the Agreement which establishes, as between and among the parties to Agreement, the Tribe's permanent right, except as provided in paragraphs 13.0, 15.0 and 23.4, to the on-Reservation diversion and use of all groundwater beneath the Tribe's Reservation, subject to the management plan referred to in section 10(d), and all surface water in all tributaries within the Tribe's Reservation to the mainstreams of: The Black River, the Salt River below its confluence with Black River, the San Pedro River and the Gila River, including the right, except as provided in paragraph 15.0 and 23.4, to fully regulate and store such water on the tributaries. The Tribe's rights to the mainstream of Black River, San Pedro River and the Gila River shall be as provided in the Agreement and the Globe Equity Decree as amended. With respect to parties not subject to the waiver authorized by subsection 8(b), the claims of the Tribe and the United States, as trustee for the Tribe, are preserved.

SEC. 5. RATIFICATION AND CONFIRMATION OF CONTRACTS.

(a) Except as provided in section 10(h), the contract between the SRP and the RWCD District dated October 24, 1924, together will all amendments thereto and any extension thereto extended into pursuant to the proposed Agreement is ratified, confirmed, and declared to be valid.

(b) The Secretary is authorized and directed to revise the subcontract of the Roosevelt Water Conservation District for agricultural water service from the CAP to include an addendum substantially in the form of Exhibit "A" to the Agreement and to execute the subcontract as revised. Notwithstanding any other provision of law, the Secretary shall approve the conversions of agricultural water to municipal and industrial uses authorized by the addendum at such time or times as the conditions authorizing such conversions, as set forth in the addendum, are found to exist.

(c) The lands within RWCD and SRP shall be free from the ownership limitations of federal reclamation law and all full cost pricing provisions of federal law.

(d) Neither the Salt River Valley Water Users' Association nor the Salt River Project Agricultural Improvement and Power District shall become subject to the provisions of the Reclamation Reform Act of 1982 (43 U.S.C. 390 aa et seq.) by virtue of their participation in the settlement or their execution and performance of the proposed Agreement, including but not limited to any exchanges of, or leases of, CAP water.

(e) The lands within the Tribe's Reservation shall be free from all full cost pricing provisions of federal law.

(f) The Secretary, subject to Tribal approval, is authorized to: extend the term of that right-of-way permit granted to Phelps Dodge Corporation on March 8, 1950, and all amendments thereto, for the construction, operation and maintenance of an electrical transmission line and existing road for access to those facilities over the lands of the Tribe; extend the term of that right-of-way permit numbered 2000089 granted on July 25, 1944 to Phelps Dodge Corporation, and all amendments thereto, for the construction, use, operation and maintenance of a water plant, pipeline, canal, water flowage easement through Willow Creek and existing road for access to those facilities over the lands of the Tribe; and grant a water flowage easement through the portions of Eagle Creek flowing through the Tribe's Reservation. Nothwithstanding any other provision of law, each said right-of-way and flowage easement shall be for a term expiring on March 8, 2090 and shall be subject to the right of Phelps Dodge to renew the rights-of-way and flowage easements for an additional term of up to 100 years, subject to payment of rental at a rate based upon fair market rental value.

SEC. 6. WATER DELIVERY CONTRACT AMENDMENTS; WATER LEASE, WATER WITHDRAWAL.

(a) The Secretary is authorized and directed to amend the CAP water delivery contract between the United States and the Ak-Chin Indian Community dated December 11, 1980, and the contract between the United States and the Ak-Chin Indian Community dated October 2, 1985, as is necessary to satisfy the requirements of section 4(a) of this Act.

(b) The Secretary is authorized and directed to amend the CAP water delivery contract between the United States and the Tribe dated December 11, 1980 (hereinafter referred to as the "Tribal CAP Delivery Contract") as follows:

(1) To include the obligation by the United States to deliver to the Tribe upon the same terms and conditions set forth in the Tribal CAP Delivery Contract") as follows: 4(a), 4(b), and 4(c) of this Act; Provided, however, That the water reallocated pursuant to these sections shall retain the priority such water had prior to its reallocation, *Provided further*, That the cost to the United States to meet the Secretary's obligation to design and construct new facilities to deliver CAP water shall not exceed the cost of construction of the delivery and distribution system for the 12,700 acre-feet of CAP water originally allocated to the Tribe.

(2) To extend the term of such contract to December 31, 2099 and to provide for its subsequent renewal upon the same terms and conditions as the Tribal CAP Delivery Contract, as amended;

(3) To authorize the Tribe to lease or to enter into an option or options to lease the water to which the Tribe is entitled under the Tribal CAP Delivery Contract, as amended, within Maricopa, Pinal and Pima Counties for terms not exceeding one hundred years and to renew such leases.

(4) To authorize the Tribe to lease water to which the Tribe is entitled under the Tribal CAP Delivery Contract, as amended, to the City of Scottsdale under the terms and conditions of the Water Lease set forth in Exhibit "B" to the Agreement.

(5) To authorize the Tribe to lease water to which the Tribe is entitled under the Tribal CAP Delivery Contract, as amended, including, but not limited to, the cities of Chandler, Glendale, Goodyear, Mesa, Peoria, Phoenix, Scottsdale and Tempe and the Town of Gilbert.

(c) Notwithstanding any other provision of law, the amendments to the Tribal Cap Delivery Contract set forth in Exhibit "C" to the Agreement are hereby authorized, approved and confirmed.

(d) The United States shall not impose upon the Tribe the operation, maintenance and replacement charges described and set forth in Section 6 of the which Tribal CAP Delivery Contract or any other charge with respect to CAP water delivered or required to the be delivered to the lessee or lessees of the options to lease or leases herein authorized.

(e) Any Water Lease entered into by the Tribe as authorized by section 6 shall specifically provide that—

(1) the lessee shall pay all operation, maintenance and replacement costs of such water to the United States, or if directed by the Secretary, to CAWCD;

(2) the lessee shall not be obligated to pay water service capital charges or municipal and industrial subcontract charges or any other charges or payment for such CAP water other than the operation, maintenance and replacement costs and lease payments.

(f) For the purpose of determining allocation and repayment of costs of the CAP as provided in Article 9.3 of Contract Numbered 14-06-W-245 between the United States of America and CAWCD dated December 15, 1972, and any amendment or revision thereof, the costs associated with the delivery of CAP water to the lessee or lessees of the options to lease or leases herein authorized shall be non-reimbursable, and such costs shall be excluded from CAWCD's repayment obligation.

(g) The Secretary is authorized and directed, in consultation with the Tribe, to enter into agreements necessary to permit the Tribe to exchange, within the State of Arizona, all or part of the water available to it under its Tribal Cap Delivery Contract, as amended.

(h) As among the parties to the Agreement, the right of the City of Globe to withdraw and use water from under the Cutter sub-area under the Agreement, as limited and conditioned thereunder, is hereby ratified and confirmed.

(i) As among the parties to the Agreement, the right of the City of Safford to withdraw and use water from the Bonita Creek watershed as provided in the Agreement, as limited and conditioned thereunder, is hereby ratified and confirmed.

(j) As between the Tribe and Phelps Dodge, the right of Phelps Dodge to divert, withdraw and use water as provided in the Agreement, as limited and conditioned thereunder, is hereby ratified and confirmed.

(k) Except as authorized by this Section 6, no water made available to the Tribe pursuant to the Agreement, the Globe Equity Decree, or this Act may be sold, leased, transferred or any way used off the Tribe's Reservation.

SEC. 7. CONSTRUCTION AND REHABILITATION; TRUST FUND.

(a) The Secretary is directed—

(1) pursuant to the existing authority of the Colorado River Basin Project Act (43 U.S.C. 1501 et seq.) to design and construct new facilities for the delivery of 12,700 acre feet of CAP water originally allocated to the Tribe to Tribal Reservation lands at a cost which shall not exceed the cost for such design and construction which would have been incurred by the Secretary in the absence of the Agreement and this Act;

(2) to amend the contract between the United States, Economic Development Administration, and the Tribe relating to the construction of Elgo Dam on the San Carlos Apache Indian Reservation, Project No. 07-81-000210, to provide that all remaining repayment obligations owing to the United States the date of the enactment of this Act are discharged.

(b) There is hereby established in the Treasury of the United States a fund to be known as the San Carlos Apache Tribe Development Trust Fund (hereinafter called the "Fund") for the exclusive use and benefit of the Tribe. The Secretary shall deposit into the Fund the funds authorized to be appropriated in subsection (c) and the $3,000,000 provided by the State of Arizona pursuant to the Agreement. There may be deposited into the Fund, at the discretion of the Tribe, any monies paid to the Tribe or to the Secretary on behalf of the Tribe from leases or options to lease water authorized by Section 6 of this Act.

(c) There is hereby authorized to be appropriated $36,200,000—$12,000,000 in fiscal year 1992, $12,000,000 in fiscal year 1993, and $12,200,000 in fiscal year 1994—together with interest accruing thereon beginning one year from the date of enactment of this Act at rates determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding federal obligations of comparable maturity, to carry out the provisions of subsection (b).

(d) When the authorizations contained in section 8(b) of this Act are effective, the principal of the Fund and any interest or income accruing thereon may be used by the Tribe to put to beneficial use the Tribe's water entitlement, to defray the cost to the Tribe of CAP operation, maintenance and replacement charges as appropriate, and for other economic and community development purposes. The income from the Fund shall be distributed by the Secretary to the San Carlos Apache Tribe only upon presentation to the Secretary of a certified copy of a duly enacted Resolution of the Tribal Council requesting distribution and a written budget approved by the Tribal Council. Such income may thereafter be expended only in accordance with such budget. Income not distributed shall be added to principal. The principal from the Fund may be distributed by the Secretary to the San Carlos Apache Tribe only upon presentation to the Secretary of a certified copy of a duly enacted Resolution of the Tribal Council requesting distribution and a written budget approved by the Tribal Council and the Secretary. Such principal may thereafter be expended only in accordance with such budget; *Provided, however*, That the princi-

pal may only be utilized for long term economic development projects.

(e) The United States shall not be liable for (1) any claim or cause of action arising from the Tribe's use or expenditure of monies distributed from the Fund; and, (2) any monies paid directly to the Tribe or to the Secretary on behalf of the Tribe which are not deposited into the Fund pursuant to subsection (b) but are paid to the Tribe by the Secretary.

SEC. 8. SATISFACTION OF CLAIMS.

(a) Except as provided in Section 8(e), the benefits realized by the Tribe and its members under this Act shall constitute full and complete satisfaction of all members' claims for water rights or injuries to water rights under Federal, State and other laws (including claims for water rights in ground water, surface water, and effluent) from time immemorial to the effective date of this Act. Notwithstanding the foregoing, nothing in this Act shall be deemed to recognize or establish any right of a member of the Tribe to water on the Tribe's Reservation.

(b) The Tribe, on behalf of itself and its members and the Secretary on behalf of the United States are authorized, as part of the performance of the obligations under the Agreement, to execute a waiver and release, except as provided in the Agreement, of all claims of water rights or injuries to water rights (including water rights in ground water, surface water and effluent), from time immemorial to the effective date of this Act, and any and all future claims of water rights (including water rights in ground water, surface water and effluent), from and after the effective date of this Act, which the Tribe and its members may have, against the United States, the State of Arizona or any agency or political subdivision thereof, or any other person, corporation, or municipal corporation, arising under the laws of the United States, the State of Arizona or otherwise.

(c) Except as provided in the Agreement, the United States shall not assert any claim against the State of Arizona or any political subdivision thereof, or any person, corporation or municipal corporation, arising under the laws of the United States, the State of Arizona or otherwise in its own right or on behalf of the Tribe based upon—

(1) water rights or injuries to water rights (including water rights in ground water, surface water and effluent) of the Tribe and its members, or

(2) water rights or injuries to water rights (including water rights in ground water, surface water and effluent) held by the United States on behalf of the Tribe and its members

(d) In the event the authorizations contained in subsection (b) of this section do not become effective pursuant to section 10(a), the Tribe and the United States shall retain the right to assert past and future water rights claims as to all Reservation lands.

(e) Nothing in this Act shall affect the water right or claims related to the San Carlos Apache Allotments outside the exterior boundaries of the Reservation.

SEC. 9. ENVIRONMENTAL COMPLIANCE.

(a) Execution of the settlement agreement by the Secretary as provided for in section 10(c) shall not constitute major federal action under the National Environmental Policy Act (NEPA) (42 U.S.C. 4321 et seq.). The Secretary is directed to carry out all necessary environmental compliance during the implementation phase of this settlement.

(b) There is hereby authorized to be appropriated such sums as may be necessary to carry out all necessary environmental compliance associated with this settlement, including mitigation measures adopted by the Secretary.

(c) With respect to this settlement, the Bureau of Reclamation shall be designated as the lead agency in regard to environmental compliance, and shall coordinate and cooperate with the other affected federal agencies as required under applicable environmental laws.

(d) The Secretary shall comply with all aspects of NEPA and the Endangered Species Act (ESA) (16 U.S.C. 1531 et seq.), and other applicable environmental acts and regulations in proceeding through the implementation phase of this settlement.

SEC. 10. MISCELLANEOUS PROVISIONS.

(a) In the event any party to the Agreement should file a lawsuit in Federal District Court relating only and directly to the interpretation or enforcement of this Act or the Agreement, naming the United States or America or the Tribe as parties, authorization is hereby granted to joining the United States of America and/or the Tribe in any such litigation, and any claim by the United States of America or the Tribe to sovereign immunity from such suit is hereby waived.

(b) The United States of America shall make no claims for reimbursement of costs arising out of the implementation of this Act or the Agreement against any lands within the San Carlos Apache Indian Reservation, and no assessment shall be made with regard to such costs against such lands.

(c) To the extent the Agreement does not conflict with the provisions of this Act, such Agreement is hereby approved, ratified and confirmed. The Secretary is authorized and directed to execute and perform such Agreement. The Secretary is further authorized to execute any amendments to the Agreement and perform any action required by any amendments to the Agreement which may be mutually agreed upon by the parties.

(d) The Secretary shall establish a groundwater management plan for the San Carlos Apache Reservation which, except as is necessary to be consistent with the provisions of this Act, will have the same effect as a management plan developed under Arizona law.

(e) The Act of April 4, 1938, (52 Stat. 193, 25 U.S.C. 390) is hereby amended by changing the period at the end of the last sentence to a colon and adding thereafter: *"Provided further,* That concessions for recreation and fish and wildlife purposes on San Carlos Lake may be granted only by the governing body of the San Carlos Apache Tribe upon such conditions and subject to such limitations as may be set forth in the constitution and bylaws of said Tribe.".

(f) No part of the Fund established by section 7(b) of this Act, principal or income, or income from options to lease water or water leases authorized by Section 6 may be used to make per capita payments to members of the Tribe.

(g) Nothing in this Act shall be construed in any way to modify, amend, change or affect the Secretary's obligations to the Ak-Chin Indian Community pursuant to the Act of October 19, 1984 (Public Law 98-350; 98 Stat. 2698).

(h) Nothing in this Act shall be construed in any way to quantify or otherwise affect the water rights, claims or entitlements to water of any Arizona Tribe, band or community, other than the Tribe.

SEC. 11. EFFECTIVE DATE.

(a) The authorization contained in section 8(b) of this Act shall become effective as of the date the Secretary causes to be published in the Federal Register a statement of findings that:

(1) the Secretary has fulfilled the requirements of Sections 4 and 6;

(2) the Roosevelt Water Conservation District subcontract for agricultural water service from CAP has been revised and executed as provided in a section 5(b);

(3) the funds authorized by section 7(c) have been appropriated and deposited into the Fund;

(4) the contract referred in section 7(a)(2) has been amended;

(5) the State of Arizona has appropriated and deposited into the Fund the $3,000,000 as required by the Agreement;

(6) the Stipulations which are attached to the Agreement as Exhibits "D" and "E" have been approved; and

(7) the Agreement has been modified to the extent it is in conflict with this Act and has been executed by the Secretary.

(b) If the actions described in paragraphs 1, 2, 3, 4, 5, 6, and 7 of subsection (a) have not occurred by December 31, 1994, sections 4, sections 5(a), 5(b), 5(e) if they have not theretofore become effective pursuant to the provisions of the Act of October 20, 1988, (P.L. 100-512), 7, 7(a)(2), 7(c), 7(d), 7(e), 8(b), 8(c), 10(a), 10(b), 10(c), 10(d), 10(e), 10(f) and 10(g), and any contracts entered into pursuant to those provisions shall not thereafter be effective, any funds appropriated pursuant to section 7(c) shall revert to the Treasury, and any funds appropriated pursuant to the Agreement shall revert to the State of Arizona.

The SPEAKER pro tempore. Is a second demanded?

Mr. RHODES. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Washington [Mr. MCDERMOTT] will be recognized for 20 minutes, and the gentleman from Arizona [Mr. RHODES] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Washington [Mr. MCDERMOTT].

GENERAL LEAVE

Mr. McDERMOTT. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 5539, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

There was no opinion.

Mr. McDERMOTT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, my distinguished colleagues, the gentlemen from Arizona, Mr. RHODES and Mr. KYL, have done most of the work on this bill. I think it is most important that they

explain it to the Members.

Mr. RHODES. Madam Speaker, I yield such time as they may consume to the gentleman from Arizona [Mr. KYL].

Mr. KYL. Madam Speaker, I rise in support of H.R. 5539, the San Carlos Apache Indian Water Rights Settlement Act.

The fact that this legislation is before the House today is a sign of the very high degree of cooperation and statesmanship that marked negotiations between the Indian community and its non-Indian neighbors over the last several months. I especially want to note the efforts of the chairman of the San Carlos Tribe, the Honorable Buck Kitcheyan. He led an aggressive bargaining effort and struck an agreement that protects his people's interests, while giving his non-Indian neighbors the certainty they need about their water supplies for the future.

Madam Speaker, this is a good and fair settlement. As is usual in any negotiations, some give-and-take was required from all parties. In the end, however, everyone is better off.

The tribe gives up damage claims against the United States and other parties, and reduces the amount of its water claim. In return, it avoids costly and lengthy litigation, and gets early use of its water as well as the funding to help develop its water resources and economy. Non-Indian participants give up water and cash, but gain the certainty they need to plan for future growth and development. The United States makes a contribution, but is relieved of damage claims by the tribe. With the settlement, the United States will have fulfilled its responsibilities to the tribe.

The settlement is supported by the tribe; the Arizona cities of Scottsdale, Globe, Safford, Chandler, Mesa, Tempe, Gilbert, and Glendale; Graham and Greenlee Counties; the Salt River project; the Roosevelt Water Conservation District; the Buckeye Water Conservation and Drainage District; the Buckeye Irrigation Co.; and Phelps Dodge Corp.

Madam Speaker, this settlement legislation comes to us literally at the 11th hour, and it is important that we act on it and get it to the President in the short time before adjournment. This is the very last chance to avoid litigation of the claims; they are scheduled for court action next year unless we put the matter to rest now.

I urge my colleagues' support of this important settlement agreement.

Mr. RHODES. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 5539, legislation to settle water rights claims of the San Carlos Apache Tribe in Arizona.

Let me say first, Madam Speaker, that the progress we have been able to make in bringing this legislation to the floor is to the credit of Interior Secretary Manuel Lujan and his staff, who have made a commitment to resolve as soon as possible the remaining Indian water rights claims in the State of Arizona. We very much appreciate the focused attention the Department of the Interior has given to resolving through negotiated settlements, Indian water claims in Arizona.

H.R. 5539 is perhaps the most straightforward negotiated settlement we have achieved in Arizona over the past few years. Since the September 11, 1990 joint hearing of the Interior Committee and the Senate Select Committee on Indian Affairs, the continuing negotiations by the tribe and Federal negotiators have resolved many of the objections and concerns voiced by the parties who are a part of this settlement agreement and others who are interested.

That is not to say all issues have been finally resolved. There is a continuing disagreement on the part of the State Department of Water Resources, the Central Arizona Water Conservation District [CAWCD] and some agriculture interests as to the use of the "surplus" 1984 Ak Chin settlement water as the foundation of the Federal contribution to this settlement. That is, a legitimate debate and honest differences of opinion exist among the parties.

But, we have an opportunity here to put to rest this issue. We want to seize upon this opportunity, and proceed with what we believe is an excellent and equitable settlement. The Federal negotiators have expressed unofficial support for this agreement. The tribe and the non-Indian parties who have been involved in the intense discussions and negotiations over the past several months, deserve a great deal of credit for bringing us to this point.

Since the September joint committee hearing, we have removed several contentious issues such as RRA relief for the San Carlos Irrigation and Drainage District; we removed an interest rate policy issue opposed by the administration; we deleted language opposed by agricultural interests; we address concerns expressed by Phelps Dodge Corp., and local governments located near the reservation, and we reduced the Federal cost by $10 million. These and other changes and improvements are embodied in the legislation as amended and reported from the House Interior Committee on October 17, 1990.

This legislation and settlement will help to lay the groundwork for economic development and eventual self-sufficiency for the 10,000 members of the San Carlos Apache Indian Tribe. The reservation comprises nearly 2 million acres in east central Arizona.

The Federal Government, on behalf of the tribe, has water right claims amounting to over 250,000 acre-feet of water pending litigation in Federal and State courts in Arizona. This settlement provides the tribe with a firm negotiated supply of approximately 152,000 acre-feet, in satisfaction of the tribal claims.

Other prositive aspects of the legislation include requirements for the Secretary to develop a ground water management plan on the reservation. That plan, to be aimed at conserving ground water use on the San Carlos Apache Reservation, is to be consistent with the landmark Arizona Groundwater Management Act which applies to non-Indian lands in Arizona.

The bill and agreement require a minimum 30,000 acre-feet active conservation pool behind Coolidge Dam to benefit fish and wildlife values and recreation.

Madam Speaker, this has been a difficult, yet rewarding endeavor. The Indian and non-Indian local negotiators and Federal negotiators have worked diligently to resolve earlier difficulties. This is an agreement that is in the best long-term interests of the tribe, the non-Indians, local governments, the State and the Federal Governments. I ask my colleagues to support House passage of H.R. 5539.

Negotiated settlement water budget

	Acre-feet
Salt River project and Roosevelt Water Conservation District	7,300
On-reservation groundwater	50,000
On-reservation tributaries	25,000
Existing Gila decree and CAP allocations	18,700
Ak Chin water not required for delivery to the AK Chin community	33,300
M&I CAP priority water (globe and offered but not contracted for PD CAP water):	18,135
Total	152,435

Negotiated settlement costs, Federal Government

	Millions
New authorizations: Tribal trust fund	$36.2
Other Federal costs/revenue losses:	
Debt relief (for Elgo Dam; sewage treatment plant)	3.1
Ak Chin water (loss of CAP M&I water repayment from CAWCD).	4.8
CAP M&I capital cost forgiveness (loss of CAP M&I water repayment from CAWCD)	9.0
Subtotal	16.9
Total	53.1
State of Arizona contribution	3.0

Mr. McDERMOTT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of H.R. 5539, the San Carlos Apache Tribe Water Rights Settlement Act.

This tribe numbers 10,000 members, whose reservation includes approximately 1.9 million acres in east central Arizona.

The United States, on behalf of the tribe, is advancing claims to nearly 3 million acre-feet of water annually in a general stream adjudication of the massive Gila River system now pending in State court.

This legislation would ratify an agreement negotiated by the tribe and its neighboring non-Indian communities, which provides for the resolution of water rights claims between and among the signatories. It would settle a substantial part of the general stream adjudication.

The bill authorizes the necessary actions by the Secretary of the Interior to implement the settlement, and authorizes a 3-year, $36.2 million Federal appropriation to a tribal development trust fund.

The State of Arizona would contribute $3 million, and other local contributions—in water, cash, and other benefits to the tribe—would be worth well over $70 million.

Madam Speaker, the United States has not distinguished itself as trustee for the San Carlos Apache.

Although the reservation was established in 1871 and includes almost 1.9 million acres, across which the Gila River and several tributaries flow, the United States has secured to the tribe the rights to a mere 6,000 acre-feet in the Gila.

In 1926 the United States built Coolidge Dam on the Gila River on the tribal lands; the reservoir is entirely within the tribe's reservation. Nevertheless, the United States did not provide the tribe any rights to store any water behind the dam.

Instead, all the water in the reservoir is stored for the benefit of downstream users. Consequently, four times in recent history the lake has gone dry, destroying the fishery which provides the tribe one of its few sources of revenue.

Although the United States allocated the tribe 12,700 acre-feet of Colorado River water from the Central Arizona project in 1973, it has yet to gain use of a single acre-foot in that entitlement.

Without clear and substantial rights to water, the tribe has been unable to generate much economic activity, despite the size and natural resources of its reservation.

Reservation unemployment exceeds 50 percent of the work force, and living conditions on the reservation are generally poor.

The bill and the agreement it ratifies would provide the tribe with the rights and resources it needs to develop a diversified economy and achieve a far greater measure of self-determination.

It would enable the tribe to gain value from its Central Arizona project water, and it would enable the tribe to maintain a permanent pool of water behind Coolidge Dam for fish, wildlife and recreation purposes.

And, it would further the goal of Congress and the administration to settle water rights disputes by negotiation rather than by long and costly litigation.

Madam Speaker, this is meritorious legislation that deserves our support. I join my colleagues from Arizona and the Interior Committee in urging the House to pass it.

Mr. KOLBE. Madam Speaker, I rise to address H.R. 5539, the San Carlos Apache Tribe Water Rights Settlement Act of 1990. I stand before you today, cautious but optimistic, that H.R. 5539 or its progeny will ultimately emerge from the legislative process as a fair water rights settlement bill for all interested parties.

H.R. 5539 has the potential to resolve all water rights claims between the San Carlos Apache Tribe and neighboring non-Indian communities and other entities with water interests. If this result is achieved, it would avoid costly, time consuming, and uncertain litigation while satisying each party's essential needs.

This bill has come a long way in a very short time and those responsible should be congratulated for their outstanding efforts. These efforts have brought us to the verge of a crucial water rights settlement for the State of Arizona. Many formerly contentious issues have been resolved. The progress on this bill has been nothing short of miraculous, making clear that parties with varied interests can come together to reach agreement without resorting to litigation.

But, perhaps because it has come this far, this fast, H.R. 5539 is still short of being the bill it ought to be. Some issues have yet to be resolved. More opportunities for interested and affected parties to be heard are necessary if everyone is to believe they have a fair water rights settlement proposal. Further negotiations are necessary on H.R. 5539, but because the measure has the potential to fairly resolve important water rights questions in Arizona, I do not oppose it at this time.

It is doubtful that sufficient time in this legislative session remains for Senate consideration of the bill. In that event, it is imperative that all interested parties come to the table and be actively and aggressively involved in efforts to resolve the outstanding issues to this settlement. I pledge to do all I can this or early next legislative session to assist the parties in putting the finishing touches on this bill.

Mr. RHODES. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. McDERMOTT. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Washington [Mr. McDERMOTT] that the House suspend the rules and pass the bill, H.R. 5539, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 580, STUDENT RIGHT-TO-KNOW AND CAMPUS SECURITY ACT

Mr. WILLIAMS. Madam Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 580) to require institutions of higher education receiving Federal financial assistance to provide certain information with respect to the graduation rates of student-athletes at such institutions.

The Clerk read the title of the Senate bill.

(For conference report and statement, see proceedings of the House of October 16, 1990.)

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

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Mr. WILLIAMS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of S. 580.

Choosing which college or university to attend is a difficult decision for millions of students and their parents every year. They deserve as much information as possible, including fundamental facts about their chances of graduating and the incidence of crime on campus.

The conference report before us—S. 580—the Student Right to Know and Campus Security Act—will provide this information. Let me summarize this legislation for my colleagues.

Higher education institutions would be required to disclose the graduation rates of full-time, degree seeking students.

In addition, the bill requires that colleges and universities that award athletic scholarships disclose the graduation rates of students who receive scholarships. Higher education institutions may exclude from the calculation students who enter the Armed Forces, serve on church missions, or participate in foreign affairs programs of the U.S. Government—such as the Peace Corps. This student athlete right to know provision is based primarily on the work of our colleagues

Mr. MCMILLEN of Maryland and Mr. TOWNS of New York.

These graduation rate disclosure requirements will give students and their parents some valuable information on which to base a college selection decision.

Under title II of the bill, the Campus Awareness and Campus Security Act, colleges and universities will be required to publish crime statistics every year so that students and their families may make informed judgments about campus safety. In addition, colleges will be required to provide students and employees with information about campus security policies at least once a year.

This campus crime provision is based on the efforts of our colleague from Pennsylvania [Mr. GOODLING]. The bill also includes a provision that would permit colleges to disclose the results of campus disciplinary proceedings to victims of violent crimes. Current Federal law prohibits colleges from making this information available to victims. Under this provision, colleges would be allowed to make this information available, but are not required to do so. I want to commend my colleague, Mr. LEVINE of California, for his efforts regarding this provision.

The bill requires the Secretary of Education to anaylze the feasibility and desirability of making additional information available to students regarding graduation rates by major field of study, job placement rates and pass rates on licensure or certification examinations. The bill also instructs the Secretary to assess the feasibility of requiring colleges and universities to compile and publish the revenues and expenditures by athletic departments and intercollegiate athletic programs.

Both of these provisions are based on efforts of two of our subcommittee members, Mr. PERKINS of Kentucky and Mr. HENRY of Michigan.

Madam Speaker, S. 580 will provide meaningful, valuable information to consumers of education. It is good consumer protection legislation. I commend all of my colleagues who have been involved in putting this legislation together, and I urge all of my colleagues to support this conference report.

Mr. GOODLING. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in support of the conference agreement on S. 580, the Student Right-to-Know and Campus Security Act.

I would particularly like to address the portions of this legislation dealing with campus security. On September 26, 1989, I introduced H.R. 3344, the Crime Awareness and Campus Security Act of 1989. The intent of this legislation was and is to assist students in making decisions which affect their personal safety. A modified version of this measure is contained in S. 580.

Madam Speaker, today we are fulfilling the dreams of Connie and Howard Clery, a couple from Pennsylvania whose beautiful daughter Jeanne, was brutally murdered several years ago on a college campus. This brave couple, instead of hiding in their sorrow, have waged a national campaign to strengthen security on college campuses and prevent other parents from suffering the loss of a beloved child.

As I have stated from the outset, we cannot force colleges and universities to strengthen their security, nor can we prevent campus crimes through the enacment of this legislation. We can't however, make sure institutions of higher education provide students, prospective students and faculty the information they need to avoid becoming the victims of campus crimes.

The conference agreement retains the reporting to students of crimes in categories which, while not violent in nature, have the potential to lead to violent confrontations. For instance, we require the reporting of arrests for drug and alcohol violations. Considering the very strong link between drug and alcohol use and violent crimes, it would be negligent on our part not to require the reporting of drug and alcohol violations.

Additionally, we require colleges and universities to provide interim reports to students regarding violent crimes which take place on campus. It is unconscionable that a woman can be raped on a college campus and steps are not taken to warn female students and faculty members so they can take steps to assure they do not become the next victim.

Madam Speaker, we were also able to limit reporting requirements to those crimes which actually take place on property owned or controlled by the college or university and used for educational purposes. The Senate bill called for the reporting of all crimes against students, no matter where they took place. Considering the fact that our goal is to provide students with information on crimes on their campus, the inclusion of all information on crimes against students would have skewed the data reported to students in such a manner that they would never know if their school's security system was effective in protecting students.

I want to take this opportunity to thank Connie and Howard Clery for bringing this matter to my attention. While I knew campuses were not safe havens immune to the crime which affects the rest of our society, I certainly did not realize the extent of the problem before listening to their tragic story and reviewing the information they provided to me on.

I would also like to thank my colleagues on the Education and Labor Committee, including the gentleman from Montana [Mr. WILLIAMS] and the gentleman from Missouri [Mr. COLEMAN], for working with me to enact this legislation. My colleague from Pennsylvania, Senator SPECTER, also receives my thanks for introducing a Senate version of my bill. Senator KENNEDY receives my appreciation for his willingness to address this issue in such an expeditious manner and for conforming the Senate version of this legislation to the baiscs of my original bill. Finally, I want to thank the higher education community and the Towson State University Center for the Study of Campus Violence for their valuable contributions to the development of this legislation.

Madam Speaker, I urge my colleagues to join me in approving the conference agreement on S. 580.

Mr. WILLIAMS. Madam Speaker, I yield 3 minutes to my colleague, the gentleman from California [Mr. LEVINE], who had a hand in developing this legislation.

Mr. LEVINE of California. Madam Speaker, I rise in strong support of the conference report on S. 580, the student right-to-know bill. The gentleman from Montana [Mr. WILLIAMS], the chairman, has worked diligently to iron out the wrinkles and smooth out the differences in the House and the Senate versions of the bill. I think all of us in this body on this issue, and frankly on so many others in which the gentleman has been so helpful and played such a leadership role in building consensus over the past several weeks, I think we all owe the gentleman a great debt of thanks.

Here again, I also want to commend the ranking member, the gentleman from Pennsylvania [Mr. GOODLING] for his solid work and leadership in putting this package together.

Many Members from both sides of the aisle have given a great deal of time of effort to make this bill the best it can be for college students.

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It contains provisions to let students know graduation rates, security statistics and crime prevention measures, and outcomes of student disciplinary trail when violence is a concern.

I want to commend several people in particular for the student-right-to-know provisions which emanated from legislation which I introduced earlier this session. I introduced his measure at the request of a marvelous institution and some marvelous individuals in my own district.

The institution is the Santa Monica Rape Treatment Center in Santa Monica, CA.

And its extremely hardworking and talented and inspirational leader, Gail

Abarbanel, as well as her counsel, the extraordinarily able and gifted Aileen Adams, were the individuals in the forefront of the right-to-know concepts in terms of disciplinary trails.

They deserve a great debt of thanks from all of us. I believe without their leadership this provision would well not be before us this evening.

I also want to commend the senior Senator from Massachusetts, who worked very hard on that provision of the bill.

So I am very pleased to be here tonight to join my colleagues in support of this conference report. I urge my colleagues to pass this important bill to provide protection for college students. They must be able to make an informed choice regarding the measures they need to take in order to have safe and productive students careers, and this bill goes a long way to ensure that outcome.

GENERAL LEAVE

Mr. WILLIAMS. Madam Speaker, I ask unanimous consent that all Members have not more than 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the conference report on the Senate bill, S. 580.

The SPEAKER pro tempore (Mrs. UNSOELD). Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. COLEMAN of Missouri. Madam Speaker. I join the ranking member of the Education and Labor Committee, BILL GOODLING, in supporting the conference agreement on S. 580, the Student Right to Know and Campus Security Act.

This conference agreement resolved all major differences between House and Senate versions of the Athlete Right to Know title and contains the House version, with minor modifications, of the Crime Awareness and Campus Security Act.

This legislation requires that institutions begin disclosing graduation rates beginning July 1, 1993, with an exclusion for students who leave school to serve in the military, on church missions, or in foreign service. The bill requires the Secretary to establish standard definitions for measuring institutional outcomes and to report to Congress by October 1, 1991.

The bill also requires institutions of higher education to disclose the number of students receiving athletic-related student financial aid in football, basketball, baseball, cross country, and track, and all other sports combined, and to report the average graduation rate, by sex and race, of students receiving athletic-related financial aid for the four most recent graduating classes.

The bill also requires that the Secretary, in conjunction with institutions of higher education, analyze the feasibility of reporting the athletic revenues and expenditures by institutions of higher education. I want to commend my colleague on the Education and Labor Committee, PAUL HENRY, for sponsoring the original provision in the House bill. I supported his provision which would require institutions to disclose its expenditures and revenues derived from athletic activities by sport. Though I feel that this provision has been substantially watered down by the conference agreement, I intend to follow with interest the Secretary's report to Congress by 1991 and to act on its recommendations in the context of the reauthorization of the Higher Education Act.

I want to especially commend my long-time colleague BILL GOODLING for title II of the conference report, "Crime Awareness and Campus Security," legislation which he originally sponsored in the House. The Goodling legislation is the foundation of the conference agreement on campus crime. As ranking member of the Education and Labor Committee, he took special interest in this consumer protection legislation for students and their families and saw it through conference without substantial changes by the Senate.

This legislation is finally a tribute to Howard and Constance Cleary, whose daughter was sexually assaulted and brutally murdered in her dormitory room in 1986. Since that time, the goal of her parents, reflected in this legislation, has been the prevention of such avoidable tragedies. This legislation ensures that students and employees at institutions of higher education are aware of crimes committed on campus and are familiar with security policies and procedures. Then students and other members of the campus community can make informed decisions about their own safety.

I urge my House colleagues to support the conference report on S. 580. It is good consumer protection legislation for students and their families.

Mr. MCMILLEN of Maryland. Madam Speaker, as a coauthor of H.R. 1454, the Student-Athlete Right To Know Act, I would like to say a few words about the section related to the reporting of graduation rates, which was drafted by the gentleman from New York [Mr. TOWNS], and myself.

I would first like to commend Mr. TOWNS for this leadership on this bill. This legislation grew out of his concern for the plight of student-athletes, and his energy and drive was an integral part of moving this bill.

I also wish to thank Mr. WILLIAMS of Montana as chairman of the Postsecondary Education Subcommittee for his stewardship and support of this bill. Without his advice and assistance, we would not have ever reached this point today.

Madam Speaker, Supreme Court Justice Louis Brandeis said that "disclosure is the world's greatest disinfectant." By shedding light on a subject, individuals can decide for themselves what is true and proper for them.

This is the concept behind the portion of this bill that I am proud to be an original cosponsor of, the Student-Athlete Right To Know Act. Quite simply, this is a consumer information bill, designed to give both students and student-athletes the graduation rates of schools they may be considering for their college education.

There has been some criticism of this bill, claiming that it would be too burdensome to schools to collect this information.

Madam Speaker, if Congress can require the airline industry to report on the number of bags lost by a particular carrier, surely we can require a school to report on the number of students who they, in effect, lose before they graduate.

I realize that in today's day and age, people are no longer attending colleges and universities in the traditional manner—in and out in 4 years.

This conference report recognizes this fact, and extends the graduation rate reporting requirement to encompass those students who graduate with 150 percent of the normal period of time. Therefore, for the 4-year school, this will tell us which students graduate with a degree in 6 years.

Schools will still have the option of reporting additional information, such as those who transfer or who leave in good standing.

The value of this data may not lie in the actual numbers on a given year, but the trend that a school displays over a period of years.

If one institution has a low graduation rate for football players, and shows dramatic improvement over 10 years, this should demonstrate to a prospective student-athlete that the school is trying to reform.

I also wish to compliment my colleague who worked on the section of this bill dealing with the reporting of crime statistics on college campuses. This is a natural companion to the graduation rate disclosure requirement, and, unfortunately, in today's day and age, a necessary component of a student's criteria for selecting a school.

I wish to thank the conferees in both bodies that worked on this conference report. It is, indeed, an excellent compromise. It incorporates many of the aspects that I was hoping for, specifically, the requirement to report graduation rates in two additional sports—baseball and track and field.

I believe that student-athletes need this valuable information to make one of the most important decisions of their lives. If football and basketball players are given this information, then other players in revenue-producing sports deserve the same data.

Finally, I wish to again commend Chairman WILLIAMS and Chairman HAWKINS for their invaluable assistance on moving this bill through committee. Without their leadership and advice, we would not be here today debating this measure.

Mr. PERKINS. Mr. Speaker, I rise today to congratulate my subcommittee chairman, Congressman PAT WILLIAMS, for his leadership in shepherding through the legislative process this important bill, S. 580, the Student Right To Know Act.

The Student Right To Know Act is an acknowledgement of the importance of the questions parents and students are asking all across our Nation everyday. What school will offer the best education and training, the safest environment, and what is the likelihood the student will complete the program and graduate from the particular school of choice?

With the passage of this legislation we will begin to provide the needed information for parents and students to be equipped to answer these questions intelligently and not with information that is based on assumptions or second hand sources. As a member of the Subcommittee on Postsecondary Education I

have watched the cost of higher education soar through the roof and it does not seem to be slowing down. Our Federal programs that were designed to assist families in accessing entry to these programs are sagging further and further behind the reality of present day costs.

As the ability to pay for a postsecondary education slips away from the typical American family they come under greater pressure to make the wise fiscal decisions about this major investment. The student and the family all want to feel that they have received a worthy return for the sacrifices that must be made today. This is measured by the successful graduation and then the employment of the student in an area of their choice. I feel that the information that this legislation will require institutions to provide will help to supply the critical information families are today demanding be made available to them.

Simple things like the graduation rates at institutions may seem to be readily accessible but they are not and have not been historically. As a result of an amendment that I offered in subcommittee we will now be requiring each postsecondary institution to disclose to prospective students, possibly in the school's catalog, the graduation rates of the institution as a whole. This information can be seen as a measure of the commitment the school makes to the students that attend the institution. It is not going to mean that a school with less than a 10 percent graduation rate is an inferior school. I have faith in our American families that they are wise enough to look beyond the fancy facade of high numbers and use this information for what it is, another tool to compare and contrast schools of similar strengths.

I have also requested that the Department of Education look into the desirability and feasibility of making available to students, as well as potential students, additional outcome based information such as: Graduation rates broken down by field of study, individual schools, or academic divisions; the rate at which graduates pass applicable licensing or certification examinations required by the state for employment in a particular vocation, trade, or professional field; and the rate at which students are placed in jobs that are directly related to their postsecondary training.

I feel that all of this information would be helpful to the students as they attempt to a decision that will affect the rest of their lives as no other decision ever will.

Chairman WILLIAMS brought together a wide variety of legislative initiatives dealing with student-athletes, campus crime, and graduation rates, and formulated a bill that will properly set the stage for a broader exploration of these issues in the upcoming reauthorization of the Higher Education Act in the next Congress.

Chairman WILLIAMS, and his excellent staff, were very helpful throughout the process and fought to present to the House and the Senate the very best bill possible. There was a strong opposition to various parts of this bill from different parts of the community, as well as the administration, but my chairman stood firm in his convictions that the students and their families deserve the most timely and effective information that we can possibly provide them.

Mr. WILLIAMS. Madam Speaker, I have no further requests for time, and yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and agree to the conference report on the Senate bill S. 580.

The question was taken; and (two-thirds have voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON S. 1939, TAFT INSTITUTE REAUTHORIZATION

Mr. WILLIAMS. Madam Speaker, I move to suspend the rules and agree to the conference report on the Senate bill (S. 1939) to extend the authorization of appropriations for the Taft Institute.

The Clerk read the title of the Senate bill.

(For conference report and statement, see proceedings of the House of October 19, 1990.)

The SPEAKER pro tempore. Under the rule, a second is not required on this motion.

The gentleman from Montana [Mr. WILLIAMS] will be recognized for 20 minutes, and the gentleman from Pennsylvania [Mr. GOODLING] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of S. 1939, the conference report on the reauthorization of the Taft Institute.

This conference report will extend the Taft authorization through fiscal year 1994. Over the next 4 fiscal years the Federal contribution to the Taft Institute will decrease annually, so that by fiscal year 1995 the Taft Institute will be on its own financially.

Madam Speaker, when the House was appointing its conferees to consider the Taft reauthorization, we were instructed to oppose any extraneous matters that might be added to the legislation. I want to point out to my colleagues that we followed the will of the House, and the only provisions contained in this conference report are matters dealing exclusively with the Taft Institute.

I think many House Members are familiar with the programs sponsored by the Taft Institute; 180 of us have had the opportunity to meet with Taft participants either here in Washington or in our home States. This is a good program. Last year 30 Taft seminars in 27 States were held, enrolling 850 classroom teachers. Since it beginning, 580 Taft seminars have been held on more than 125 college campuses; 18,000 classroom teachers have gained valuable insights into how government works through these seminars. Taft is a success. It provides a meaningful experience in the workings of government. I urge my colleagues to support this conference report.

Madam Speaker, I reserve the balance of my time.

Mr. GOODLING. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I support H.R. 3315, the conference report extending the authorization of the Taft Institute. This legislation reflects the resolution between the House and Senate bills, reauthorizing the Taft Institute, a private, nonprofit organization which supports seminar for elementary and secondary school teachers on the two-party system and the workings of the political process at the local, State, and Federal levels.

This legislation extends the authorization of the Taft Institute for 4 years, but clearly prohibits an authorization of funding beyond fiscal year 1994. This limited, 4-year authorization with a cutoff reflects the Taft Institute's efforts to fund its activities by purely private sources by 1994. This 4-year phaseout authorization will allow it a transitional period of continued, but declining Federal support.

H.R. 3315 provides for an authorization of $700,000 in fiscal year 1991; $550,000 in fiscal year 1992; $325,000 in fiscal year 1993; and $150,000 in fiscal year 1994. These Federal dollars must be matched one-to-one by private contributions.

This legislation extends the Taft Institute 1 year longer than the original House bill, and levels of authorization are slightly higher.

When I agreed to become an original cosponsor of legislation authorizing the Taft Institute, I insisted on a clean bill. In the last Congress, the Taft Institute bill became the vehicle for $66 million in unrelated, special-interest education projects which were added by conference members. H.R. 3315 contains no extraneous provisions. It is simple 4-year, phaseout authorization.

H.R. 3315 is fitting tribute to a great Republican leader, Senator Robert Taft, and I urge Members of the House to support this conference report.

Madam Speaker, I look forward to the day when I too might participate in one of these seminars.

Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. WILLIAMS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I would encourage the Taft Institute to include the good

Congressman from Pennsylvania as part of their instructors and lecturers. The students who would participate would benefit greatly by attending a session with Mr. GOODLING.

So I am asking the Taft Institute to be sure he is included in their future seminars.

GENERAL LEAVE

Mr. WILLIAMS. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. COLEMAN of Missouri. Madam Speaker, I support this final authorization of the Taft Institute the private nonprofit organization which is dedicated to teaching teachers and other secondary school administrators and staff about the working of the government at the local, State, and Federal levels. Each year, the Taft Institute organizes seminars on college campuses for hundreds of secondary school teachers. I participated as a volunteer at a seminar 2 years ago at the University of Missouri, Kansas City.

This legislation extends the authorization of the Taft Institute for 4 years, and clearly prohibits an authorization of funding beyond fiscal year 1994. The Taft Institute is now vigorously pursuing private sources of funding for its seminar program, and this 4-year phaseout authorization will allow it a transitional period of continued, but declining Federal support.

This legislation provides for an authorization of $700,000 in fiscal year 1991; $550,000 in fiscal year 1992; $325,000 in fiscal year 1993; and $150,000 in fiscal year 1994. These Federal dollars must be matched one-to-one by private contributions.

This legislation extends the Taft Institute 1 year longer than the original House bill, and levels of authorization are slightly higher. This bill, unlike the Taft Institute reauthorization bill of the last Congress which had $66 million in add-on projects, contains no extraneous provisions. It is simple 4-year, phaseout authorization. In form, this legislation is fitting tribute to a great Republican leader, Senator Robert Taft.

Mr. WILLIAMS. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Montana [Mr. WILLIAMS] that the House suspend the rules and agree to the conference report on the Senate bill, S. 1939.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the conference report was agreed to.

A motion to reconsider was laid on the table.

TRANSFER OF RESPONSIBILITY FOR HIGHWAY 82 BRIDGE AT GREENVILLE, MS

Mr. ANDERSON. Madam Speaker, I move to suspend the rules and pass the Senate bill (S. 3062) to transfer the responsibility for operation and maintenance of Highway 82 Bridge at Greenville, MS, to the Sates of Mississippi and Arkansas.

The Clerk read as follows:

S. 3062

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) all the authorities conferred upon the city of Greenville, Mississippi, and Washington County, Mississippi, by the Act of June 14, 1938 (52 Stat. 681) to operate and maintain a bridge across the Mississippi River (known as the Greenville/Lake Village Bridge or the "Highway 82 Bridge") are transferred, upon the certification required by subsection (b), to the State Highway Commissions of Mississippi and Arkansas, acting jointly.

The SPEAKER pro tempore. Under the rule, a second is not required on this motion.

The gentleman from California [Mr. ANDERSON] will be recognized for 20 minutes, and the gentleman from Arkansas [Mr. HAMMERSCHMIDT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. ANDERSON].

Mr. ANDERSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of S. 3062, which passed the Senate on October 4, 1990. This bill is the companion legislation to the bill H.R. 5720, which was introduced by my good friends and colleagues, Mr. ESPY and Mr. ANTHONY, and supported by the ranking minority member of the Committee on Public Works and Transportation, Mr. HAMMERSCHMIDT.

S. 3062 authorizes two provisions which require the concurrence of the State highway commissions of Mississippi and Arkansas. First, the bill authorizes the transfer of the responsibility of the maintenance and operation of the Greenville Lake Village Bridge that crosses the Mississippi River to the Mississippi State Highway Commission and to the Arkansas State Highway Commission. Both State highway commissions support the transfer of this bridge and have been attempting to negotiate the transfer of authority for some time.

The second provision requires the Secretary of Transportation to certify to the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works that both the State of Mississippi and the State of Arkansas have entered into a suitable agreement for the continued operation and maintenance of the Highway 82 Bridge at Greenville, MS.

In 1938, the Congress passed special legislation granting the city of Greenville, MS, the responsibility for the maintenance, operation, and ownership of the Highway 82 Bridge. Since special legislation authorized the ownership and responsibility of the bridge, it is now necessary for the Congress to legislate the transfer of responsibility of the bridge.

Mr. Speaker, this bill has the support of the congressional delegations from the State of Arkansas and Mississippi. I urge the adoption of this bill and I reserve the balance of my time.

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Mr. HAMMERSCHMIDT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of S. 3062. This bill would transfer authority for the maintenance and operation of the Highway 82 Bridge at Greenville, MS, to the States of Arkansas and Mississippi.

In 1938, Congress authorized the city of Greenville and Washington County, MS, to maintain the Highway 82 Bridge across the Mississippi River. This bridge is now one of the few bridges on a major highway not maintained by a State authority. The city of Greenville would like to transfer its authority to the States of Arkansas and Mississippi.

However, in 1938 Congress reserved to itself all rights to alter or amend the authority over the bridge, making this legislation today necessary to allow a transfer.

S. 3062 would make the transfer effective upon a determination by the Secretary of Transportation that the States have entered into a formal agreement for operation and maintenance of the bridge. Arkansas and Mississippi have worked out such an agreement for sharing maintenance costs and responsibilities and are ready to move forward.

I urge my colleagues to support S. 3062 and take the action necessary to permit this transfer.

Madam Speaker, I yield back the balance of my time.

Mr. ANDERSON. Madam Speaker, I yield 2 minutes to the gentleman from California [Mr. MINETA].

Mr. MINETA. Madam Speaker, the congressional delegations from the States of Mississippi and Arkansas support the enactment of this legislation, S. 3062, to provide for the transfer of the authority to operate and to maintain the Greenville/Lake Village Bridge from the city of Greenville, MS, to the State highway commissions of the States of Arkansas and Mississippi.

Congressional approval of the transfer of the responsibility of the Greenville/Lake Village Bridge is necessary in order to change responsibility for maintenance, operation, or ownership of the bridge. The legislation also re-

quires the Secretary of Transportation to certify to the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works that a suitable agreement has been entered into by the States of Mississippi and Arkansas for the continued operation and maintenance of the Greenville/Lake Village Bridge.

Madam Speaker, I also want to thank my colleague from the State of Mississippi [Mr. ESPY] and the gentleman from Arkansas [Mr. ANTHONY], along with the ranking minority member of the Committee on Public Works and Transportation [Mr. HAMMERSCHMIDT] from the State of Arkansas, for bringing this much needed legislation to the attention of the committee.

I urge the adoption of this bill.

Mr. HAMMERSCHMIDT. Madam Speaker, will the gentleman yield?

Mr. MINETA. I yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Madam Speaker, I want to express my real appreciation to the distinguished subcommittee chairman, the gentleman from California [Mr. MINETA] for his cooperation, and I know I speak for the entire Arkansas delegation, and I am sure the Mississippi delegation as well, and we also appreciate the great cooperation and leadership of our full committee chairman, the gentleman from California [Mr. ANDERSON].

Mr. ESPY. Mr. Speaker, I rise in strong support to Senate bill 3062. I want to thank Chairman ANDERSON, Representative HAMMERSCHMIDT, ranking minority member, and the chairman of the Subcommittee on Surface Transportation, Mr. MINETA, for moving this legislation so quickly.

Mr. Speaker, the city of Greenville is the only municipality that owns a bridge of this type. The Greenville bridge stretches between the States of Mississippi and Arkansas across the great expanse of the Mississippi River. This bridge serves as a crossing point to the thousands of people traveling State Highway 82 every day.

The city of Greenville holds sole responsibility for the maintenance and upkeep of this bridge and has managed to pay off the bonds that provided for the bridge, by charging rent for the pipelines that cross with it. However, this city of 50,000 people should no longer be responsible for maintaining this interstate link. Insurance, repair, and general maintenance costs have exceeded the city's ability to pay. The Highway Departments of the States of Mississippi and Arkansas have requested the transfer of authority over this bridge from the city of Greenville to their respective departments. The two State Highway Departments would then be responsible for the maintenance of the bridge.

Mr. Speaker, I urge my colleagues to support this bill and allow the Highway 82 bridge to remain a viable avenue of passage over Ol' Man River, the mighty Mississippi River.

Again, I thank the chairman of the committee, Mr. ANDERSON, Mr. HAMMERSCHMIDT, and Mr. MINETA for their diligence and help.

Mr. ANDERSON. Madam Speaker, I have no additional requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from California [Mr. ANDERSON] that the House suspend the rules and pass the Senate bill, S. 3062.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ANDERSON. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

BEACHES ENVIRONMENTAL ASSESSMENT, CLOSURE, AND HEALTH ACT OF 1990

Mr. HUGHES. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 4333) to establish the Clean Coastal Beaches Council to develop a program for monitoring coastal zone recreation waters, as amended.

The Clerk read as follows:

H.R. 4333

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Beaches Environmental Assessment, Closure, and Health Act of 1990".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the Nation's beaches are a valuable public resource used for recreation by millions of people annually;

(2) the beaches of coastal States are hosts to many out-of-state and international visitors;

(3) tourism in the coastal zone generates billions of dollars annually;

(4) increased population has contributed to the decline in the environmental quality of coastal waters;

(5) pollution in coastal waters is not restricted by State and other political boundaries;

(6) each coastal State has its own method of testing the quality of its coastal recreation waters, providing varying degrees of protection to the public; and

(7) the adoption of standards by coastal States for monitoring the quality of coastal recreation waters; and the posting of signs at beaches notifying the public during periods when the standards are exceeded, would enhance public health and safety.

(8) PURPOSE.—The purpose of this Act is to require uniform procedures for beach testing and monitoring to protect public safety and improve the environmental quality of coastal recreation waters.

SEC. 3. WATER QUALITY CRITERIA AND STANDARDS.

(a) ISSUANCE OF CRITERIA.—Section 304(a) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)) is amended by adding at the end of the following:

(9) COASTAL RECREATION WATERS.—(A) The Administrator, after consultation with appropriate Federal and State agencies and other interested persons, shall issue within 18 months after the effective date of this paragraph (and review and revise from time to time thereafter) water quality criteria for pathogens in coastal recreation waters. Such criteria shall—

"(i) be based on the best available scientific information;

"(ii) be sufficient to protect public health and safety in case of any reasonably anticipated exposure to pollutants as a result of swimming, bathing, or other body contact activities; and

"(iii) include specific numeric criteria calculated to reflect public health risks from short-term increases in pathogens in coastal recreation waters resulting from rainfall, malfunctions of wastewater treatment works, and other causes.

"(B) For purposes of this paragraph, the term 'coastal recreation waters' means Great Lakes and marine coastal waters commonly used by the public for swimming, bathing, or other similar primary contact purposes.".

(b) STANDARDS.—

(1) ADOPTION BY STATES.—A State shall adopt water quality standards for coastal recreation waters which, at a minimum, are consistent with the criteria published by the Administrator under Section 304(a)(9) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)(9)), as amended by this Act, not later than 3 years following the date of such publication. Such water quality standards shall be developed in accordance with the requirements of section 303(c) of the Federal Water Pollution Control Act (33 U.S.C. 1313(c)). A State shall incorporate such standards into all appropriate programs which such State would incorporate water quality standards adopted under section 303(c) of the Federal Water Pollution Control Act (33 U.S.C. 1313(c)).

(2) FAILURE OF STATES TO ADOPT.—If a State has not complied with paragraph (1) by the last day of the 3-year period beginning on the date of publication of criteria under section 304(a)(9) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)(9)), as amended by this Act, the Administrator shall promulgate water quality standards for coastal recreation waters for the State under applicable provisions of section 303 of the Federal Water Pollution Control Act (33 U.S.C. 1313). The water quality standards for coastal recreation waters shall be consistent with the criteria published by the Administrator under section 304(a)(9) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)(9)), as amended by this Act. The State shall use the standards issued by the Administrator in implementing all programs for which water quality standards for coastal recreation waters are used.

SEC. 4. COASTAL BEACH WATER QUALITY MONITORING.

Title IV of the Federal Water Pollution Control Act (33 U.S.C. 1341-1345) is amend-

ed by adding at the end thereof the following new section:

SEC. 406. COASTAL BEACH WATER QUALITY MONITORING.

"(a) MONITORING.—Not later than 9 months after the date on which the Administrator publishes revised water quality criteria for coastal recreation waters under section 304(a)(9), the Administrator shall publish regulations specifying methods to be used by States to monitor coastal recreation waters, during periods of use by the public, for compliance with applicable water quality standards for those waters. Monitoring requirements established pursuant to this subsection shall, at a minimum—

"(1) specify the frequency of monitoring based on the periods of recreational use of such waters;

"(2) specify the frequency of monitoring based on the extent and degree of use during such periods;

"(3) specify the frequency of monitoring based on the proximity of coastal recreation waters to pollution sources; and

"(4) specify methods for detecting short-term increases in pathogens in coastal recreation waters.

"(b) NOTIFICATION REQUIREMENTS.—Regulations published pursuant to subsection (a) shall require States to notify local governments and the public of violations of applicable water quality standards for State coastal recreation waters. Notification pursuant to this subsection shall include, at a minimum—

"(1) prompt communication of the occurrence, nature, and extent of such a violation, to a designated official of a local government having jurisdiction over land adjoining the coastal recreation waters for which a violation is identified; and

"(2) posting of signs, for the period during which the violation continues, sufficient to give notice to the public of a violation of an applicable water quality standard for such waters and the potential risks associated with body contact recreation in such waters.

"(c) FLOATABLE MATERIALS MONITORING PROCEDURES.—The Administrator shall—

"(1) issue guidance on uniform assessment and monitoring procedures for floatable materials in coastal recreation waters; and

"(2) specify the conditions under which the presence of floatable material shall constitute a threat to public health and safety.

"(d) DELEGATION OF RESPONSIBILITY.—A State may delegate responsibility for monitoring and posting of coastal recreation waters pursuant to this section to local Government authorities.

"(e) REVIEW AND REVISION OF REGULATIONS.—The Administrator shall review and revise regulations published pursuant to this section periodically.

"(f) DEFINITIONS.—For the purpose of this section—

"(1) the term 'coastal recreation waters' means Great Lakes and marine coastal waters commonly used by the public for swimming, bathing, or other similar body contact purposes; and

"(2) the term 'floatable materials' means any matter that may float or remain suspended in the water column and includes plastic, aluminum cans, wood, bottles, and paper products.".

SEC. 5 STUDY TO IDENTIFY INDICATORS OF HUMAN-SPECIFIC PATHOGENS IN COASTAL RECREATION WATERS.

(a) STUDY.—The Administrator, in cooperation with the Under Secretary of Commerce for Oceans and Atmosphere, shall conduct an ongoing study to provide additional information to the current base of knowledge for use for developing better indicators for directly detecting in coastal recreation waters the presence of bacteria and viruses which are harmful to human health.

(b) REPORT.—Not later than 4 years after the date of the enactment of this Act, and periodically thereafter, the Adminsitrator shall submit to the Congress a report describing the findings of the study under this section, including—

(1) recommendations concerning the need for additional numerical limits or conditions and other actions needed to improve the quality of coastal recreation waters;

(2) a description of the amounts and types of floatable materials in coastal waters and on coastal beaches and of recent trends in the amounts and types of such floatable materials; and

(3) an evaluation of State efforts to implement this Act, including the amendments made by this Act.

SEC. 6. PARTICIPATION OF STATE COASTAL ZONE MANAGEMENT PROGRAMS.

(a) TECHNICAL ASSISTANCE.—Each coastal zone management agency of a State with an approved coastal zone management program under section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) shall provide technical assistance to local governments within the State for ensuring that coastal recreation waters and beaches are as free as possible from floatable materials.

(b) CLEAN-UP OF COASTAL RECREATION WATERS AND BEACHES.—Section 306A of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455a) is amended—

(1) by adding at the end of subsection (b) the following:

"(4) Reduction of floatable materials in the State's coastal recreation waters by—

"(A) managing adjacent land uses so that floatable materials are not introduced into those waters;

"(B) encouraging public participation in reducing the amount of floatable materials that enter coastal recreation waters; and

"(C) sponsoring clean-up events at public beaches.";

(2) in subsection (c)(2)—

(A) by striking "and" at the end of subparagraph (D);

(B) by striking the period at the end of subparagraph (E) and inserting "; and"; and

(C) by inserting after subparagraph (E) the following:

"(F) the acquisition of beach and coastal recreation water clean-up equipment."; and

(3) by adding at the end the following:

"(g) DEFINITIONS.—For the purposes of this section—

"(1) the term 'coastal recreation waters' means Great Lakes and marine coastal waters commonly used by the public for swimming, bathing, or other similar body contact purposes; and

"(2) the term 'floatable materials' means any matter that may float or remain suspended in the water column and includes plastic, aluminum cans, wood, bottles, and paper products.".

SEC. 7. GRANTS TO STATES.

(a) GRANTS.—The Administrator may make grants to States for use in fulfilling requirements established pursuant to sections 3 and 4.

(b) COST SHARING.—The total amount of grants to a State under this section for a fiscal year shall not exceed 50 percent of the cost to the State of implementing requirements established pursuant to sections 3 and 4.

SEC. 8. DEFINITIONS.

In this Act—

(1) the term "Administrator" means the Administrator of the Environmental Protection Agency;

(2) the term "coastal recreation waters" means Great Lakes and marine coastal waters commonly used by the public for swimming, bathing, or other similar body contact purposes; and

(3) the term "floatable materials" means any matter that may float or remain suspended in the water column and includes plastic, aluminum cans, wood, bottles, and paper products.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Administrator—

(1) for use in making grants to States under section 7 not more than $3,000,000 for each of the fiscal years 1991 and 1992; and

(2) for carrying out the other provisions of this Act not more than $1,000,000 for each of the fiscal years 1991 and 1992.

The SPEAKER pro tempore. Is a second demanded?

Mr. GOSS. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New Jersey [Mr. HUGHES] will be recognized for 20 minutes, and the gentleman from Florida [Mr. GOSS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. HUGHES].

Mr. HUGHES. Madam Speaker, I ask unanimous consent to yield 10 minutes of my time, for purposes of controlling time, to the gentleman from California [Mr. ANDERSON].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. HUGHES. Madam Speaker, I yield myself 2 minutes.

Madam Speaker, I rise in support of the BEACH bill, H.R. 4333. This bill will improve the quality of our coastal recreation waters by establishing a uniform program for the testing and monitoring of our Nation's beaches.

This bill is the product of a compromise between the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

The committees approved this legislation because it represents a workable compromise to ensure that beaches everywhere will be safe for swimming.

Incidents of heavy rainfall or malfunctions in sewage treatment plants can result in high concentrations of bacteria and viruses in coastal waters. This can happen anywhere along the coast. However, not all States provide the same protection.

The Environmental Protection Agency currently provides guidance to States which stops short of recommendations to test waters for detecting

common short-term problems such as is caused by heavy rains or problems at treatment plants.

This bill would require EPA to develop criteria to be used by States in adopting standards to detect periodic influxes of bacteria and viruses in recreation waters.

This legislation would also require EPA to develop regulations specifying methods to test recreation waters based on how frequently a beach is used, the proximity to pollution sources, and any short-term increases of bacteria.

EPA would also be required to design regulations for States to follow in posting signs at beaches when the water quality does not comply with State coastal recreation water standards.

In addition, the BEACH bill would provide State coastal zone management agencies an important opportunity to participate in beach cleaning programs and in measures to reduce marine debris in coastal waters.

The administration has recognized the importance of combatting beach and marine debris pollution and included similar measures in its version of the coastal zone management reauthorization bill. In 1988, NOAA and EPA supported efforts of the Center for Marine Conservation to initiate a nationwide beach cleanup program. This program resulted in the collection of almost 1,000 tons of trash and important information on the types and sources of marine debris.

For coastal States, clean beaches and ocean waters are their stock-in-trade and serve as a major source of recreation and are the very foundation of their tourism industry.

I believe this bill is a great improvement to the policies that currently exist in beach testing and monitoring. It provides a public health stamp of approval for States to proudly show people who live and vacation along the shore that their waters are safe for bathing and other related activities.

I believe this is good environmental legislation and I urge your support.

Madam Speaker, I reserve the balance of my time.

Mr. GOSS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I yield 10 minutes, for purposes of controlling time, to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the distinguished ranking member of the Committee on Public Works and Transportation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 2050

Mr. HAMMERSCHMIDT. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in support of the substitute text offered by the gentleman from North Carolina [Mr. JONES].

H.R. 4333, the Beaches Environmental Assessment, Closure and Health Act of 1990, provides for uniformity in regulating beach testing and monitoring in order to protect public safety. Another goal of H.R. 4333 is to improve the environmental quality of the coastal waters.

Since its introduction and markup in the Merchant Marine and Fisheries Committee, H.R. 4333 has undergone considerable revisions. The administration, the New Jersey delegation, the Senate Environment and Public Works Committee, and the Committee on Public Works and Transportation provided input which is evident from the bill that is before us today.

Madam Speaker, let me commend the New Jersey delegation, especially Mr. HUGHES, for their work on this bill. As presented today, it is a balanced (yet sensitive) approach to a serious problem. I urge my colleagues to support the bill as modified.

Mr. ANDERSON. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I yield myself such time as I may consume. I rise in support of the bill H.R. 4333, the Beaches Environmental, Assessment, Closure, and Health Act of 1990.

The intent of this bill is to improve State and Federal programs for public health protection of beach goers. The bill seeks to increase consistency among State water quality standards for beaches, and to improve beach water quality monitoring and testing programs.

Currently, there is little consistency from State to State on water quality standards for beach waters or on frequency and technique of monitoring. As a result, waters may be considered safe in one State, but closed to the public in another and both contain the same concentration of bacteria.

H.R. 4333 focuses on this problem, aiming to provide greater uniformity in standards and monitoring. The bill would require EPA to develop water quality criteria for coastal recreation waters and require States to develop water quality standards for these waters which, at a minimum, are consistent with the EPA criteria. In addition, the legislation requires the EPA to publish regulations for monitoring which address both the issues of monitoring techniques and frequency. States must incorporate these monitoring requirements into their programs and notify the public when standards are violated. Finally, the bill requires a long-term Federal study to develop better indicators for directly detecting harmful bacteria and viruses.

The BEACH bill also would address the problem of debris and floatable materials that wash up at beaches. Not only is this material unsightly, but it can pose a serious health hazard to the public. The legislation would amend the Coastal Zone Management Act, to allow States with approved coastal programs to use grant moneys available under the act for beach cleanup efforts. The legislation would require EPA to issue guidance on assessment and monitoring procedures for floatable materials.

Finally, the legislation would authorize matching grants to assist States in implementing their programs.

Madam Speaker, this legislation will greatly improve public health protection efforts. I strongly urge its passage.

I reserve the balance of my time.

Mr. GOSS. Madam Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Madam Speaker, I rise in strong support of H.R. 4333—the BEACH Act of 1990. This legislation was introduced by my good friend and colleague from New Jersey [Mr. HUGHES]. As an original cosponsor of this bill, I am pleased to continue to support his efforts and those of the Merchant Marine and Fisheries Committee, in working to ensure the protection of public health and to improve the quality of our coastal waters.

The condition and safety of our coastal recreational waters came into question along Eastern Shore after the medical waste wash-ups and dolphin die-off events during the summers of 1987 and 1988. More recently, malfunctioning sewage treatment plants and combined sewer overflow, continue to contribute to beach closings because of high fecal coliform counts in nearby waters.

Coastal zone management is a national concern. And coastal water quality, which is interrelated, is also a national concern.

We need to protect the public health and gain the confidence of the public for knowing that when beaches are open, it is because they are deemed clean and safe and not because they have not been tested.

New Jersey has some of the most stringent recreational water testing standards in this country. However, there is no coordination among States with regard to monitoring and water testing programs. Because coastal water is not confined to political boundaries, one State's pollution problem is carried to the next State, and so on. That is why the States need to work together. That is why we need a uniform standard.

In addition, uniform testing would provide valuable and meaningful data

especially useful for coastal zone management. In New Jersey, once contamination is confirmed, effort is directed toward determining the source so that corrective action can be taken. In some cases this leads to a solution of the problem, for example, fixing a malfunctioning sewage treatment plant. In other cases it leads to a better understanding of the problem, for example, identifying high fecal coliform counts occurring after heavy rainfall events in waters of close proximity to combined sewer overflows.

This collected data would also provide a needed baseline for comparing coastal water quality around the Nation and through time. We need this data to be able to determine how our coastal waters change—whether they improve or become further degraded.

Another important provision in this bill is the authorization of $3 million for EPA [Environmental Protection Agency] to make matching grants to States for use in carrying out the requirements established under the act.

We need to protect the public health and we need good data and coordination among the States to do so. I urge my colleagues to vote yes to the passage of this very important and very needed legislation.

Mr. ANDERSON. Madam Speaker, I yield 2 minutes to the gentleman from New York [Mr. NOWAK].

Mr. NOWAK. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I rise in strong support of H.R. 4333, the beach bill.

This bill will provide needed improvements in our beach protection efforts on both marine and Great Lakes coasts. This legislation is designed to strengthen and increase consistency among State public health protection programs at coastal recreation waters. To accomplish this goal, the legislation requires EPA to establish water quality criteria and monitoring guidelines. EPA is to address both the issues of methodology and frequency in the monitoring regulations. States must use the criteria and monitoring guidelines in developing minimum water quality standards and monitoring programs to protect public health at beaches.

Not only will these requirements increase the consistency among State programs but they will improve the quality of monitoring and provide higher minimum level protection. In the long term, the legislation aims to further improve State protection programs by requiring a Federal study to develop better indicators for directly detecting harmful bacteria and viruses.

In order to address the problem of floatable materials on beaches, the bill amends the Coastal Zone Management Act to allow States to use grant money available under the act for beach cleanup programs and requires EPA to issue guidance on assessment and monitoring procedures for floatable materials.

Finally, the legislation authorizes matching grants to States to provide needed revenues for implementing this program.

Each summer millions of people visit the shoreline. Many States rely heavily on these tourists to support the local economy. Legislation of this nature would ensure that adequate programs are in place to protect public health and that States are not unfairly penalized for providing higher standards than other States for beach closure.

I urge my colleagues to join me in supporting its passage.

Mr. GOSS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, we have heard a lot of good things about this bill, and there are a lot of good things about it. But I am rising in opposition to the bill because there are still some problems with it.

Madam Speaker, this is a very well-intentioned piece of legislation. Unfortunately, I am afraid it is going to impose costly and unnecessary measures on any coastal State where people swim off the beaches.

Madam Speaker, I am very much aware that the other body is deliberating right now, and we may be on the threshold of a breakthrough with some of the concerns I am going to allude to. I certainly am aware that great progress has been made with this bill as it has gone through the legislative process, and I very much commend the gentleman from New Jersey [Mr. HUGHES] and the gentleman from New Jersey [Mr. SAXTON] for the fine work they have done on what is truly a real problem.

□ 2100

My objection to the beaches bill basically boils down to two areas, and the primary concern is the area of cost. Cost, of course, is something that we have had a little bit of discussion on around here lately, and that is my No. 1 problem.

Under the legislation, as I interpret it, the Federal Government would require States to test on at least a weekly basis all State waters during periods of frequent use by beachgoers, and in exchange for that requirement the Congress would authorize approximately $3 million back to the States for this purpose. This amount obviously is inadequate. And I would point out that this is an authorization, not an appropriation, and some days it seems that the two never get close together.

My own State of Florida has a year-round tourist season, as everybody knows, and a detailed tidal shoreline of nearly 8,500 miles, more than all of the rest of the Eastern seaboard put together, as I understand it. Florida estimates the amendment's testing requirements alone would cost the State of Florida at least $2.3 million for 52 weeks of testing that we would be required to do on our beaches. Other States like California, Texas, and Hawaii would face a similar situation.

If the Federal Government's $3 million was not enough, and it certainly would not be enough, these States are going to have to foot the cost themselves, and I do not know where they are going to get the money, and neither do they. That is one of the reasons they have been in contact with me asking for opposition to this.

I have another concern with the legislation, and that is with its necessity. Florida, for instance, already has a testing program for those areas where the need exists. It is not weekly testing, and it does not cover every single mile of beach in the State, and it is not necessary that we do so. The vast majority of Florida's coastal waters are clean, and they have been in fact during the past 2 years. I am not aware that any Florida beaches have been closed because of excessive bacteria level count or anything like it, and I know they have been tested.

For states with year-round tourist economies like Florida and Hawaii and some others, the beaches bill really is for us truly going to be a budget buster. It is fixing something that is not broken in our States and mandating costs that are not covered and asking us to pick up the bill.

States with year-round tourist economies and long coastlines like Florida and California do have tight budgets, and they certainly have a strong commitment to environmental protection. In fact, sometimes many have complained that we are too strenous in our environmental protection.

Ironically, those States that have worried so much about this environmental protection because it is the quality of life that is also our commerce would be the big losers under the bill.

I congratulate the authors of the bill on the well-intentioned effort. I cannot accept the unnecessary cost on every coastal State in the Nation.

What I would suggest is that this bill really seeks to solve a regional dispute through a national approach, and frankly we would all have to pay a price, when I think there is a better way to do this and a simpler way to do it. I guess I would say that what is good for the States with a short coastline and 3-month tourist season is not necessarily good for States with a year-round tourist season, extremely long coastlines and no problem with polluted recreational waters. And we do not want to have a problem of cost and a problem of supervision because

there is another problem someplace else, if it is not necessary, and I do think it is necessary.

It is for that reason that I remain opposed to this. I will say the other body does have some discussions going on which I believe may be acceptable, if it is going to be worked out, and I have had recent conversation but I have no conclusion yet. So it is at this point that I find myself congratulating the authors for dealing with the problem in their region, but suggesting that it is not yet of significant national import to justify this legislation as it is presented to us tonight.

Madam Speaker, I have no other requests for time, and I yield back the balance of my time.

Mr. ANDERSON. Madam Speaker, I have no additional requests for time, and I yield back the balance of my time.

Mr. HAMMERSCHMIDT. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. HUGHES. Madam Speaker, I yield myself such time as I might consume.

Madam Speaker, I understand the concerns of my colleague from Florida. PORTER GOSS has been a big help to us in attempting to draft this legislation in a fashion that would address many of Florida's concerns. I understand the arguments that Florida makes because they do have a long tourist season, and of course that is the more reason why we should have uniform standards.

If you have a longer season, you have a bigger tourist industry, and instead of consuming just 3 months of the year, as does our tourist season, they have a 12-month tourist season. I wish we had a 12-month tourist season. I would hope I would be arguing for the same kind of uniformity if that were the case.

I also understand Florida's concerns because my communities are now where Florida was 3 years ago. When my subcommittee went to my home city of Ocean City, NJ, I was criticized because I was focusing in on a public health concern. Tourism is a very fragile industry, and when we have a shark scare or warnings of a hurricane, or if there is a beach closure, it can destroy a tourist economy. If we have warnings of hurricanes in mid-August, our tourist economy falls off by 25 percent. I have seen shark scares where sharks were seen off the beaches in August at the seashore destroying 1 whole month of the tourist economy. So it is a very fragile economy.

There were those when I first started on this crusade a few years ago with my friend and colleague, JIM SAXTON, who did not want us to talk about beach closures. And I had to explain to many before we, in fact, can develop legislation to deal with the problem, we have to make a case, and that means bringing witnesses in to testify about the magnitude of the problem. We found that people were leaving the seashore in New Jersey in droves to go to other beaches in the Northeast in particular, but sometimes in the South where the beaches were not as closely monitored, and where, in fact, the waters were not necessarily as clean, but because there was no uniform standard we saw a mass exodus. So it is not a regional problem, it is a national problem. It should not make any difference where you swim. We should establish what is swimmable waters, scientifically, develop protocols that make sense for everybody, and frankly establish that as a policy for the country, taking into account regional concerns.

The gentleman from Florida is correct. We are attempting to try to deal with Florida's special problems, and I want to thank my friend and colleague for his efforts. He has served his constituency in the State of Florida well, because much of what we see here today is because of his assistance.

I also want to thank my friend and colleague, JIM SAXTON, who has been bipartisan throughout this and who helped develop the votes in committee, and who helped work the Members and shape the legislation, helped write it, and I thank him and the entire New Jersey delegation, particularly BOB ROE who also is the ranking member of the Public Works and Transportation Committee, and FRANK PALLONE, one of the newest Members of Congress from New Jersey for his assistance. I want to thank the Public Works and Transportation Committee, particularly GLENN ANDERSON, and my good friend, JOHN PAUL HAMMERSCHMIDT, for helping shape the bill, because it evolved out of the Public Works Committee with some additional changes that address some of the concerns that committee has with it. They have special expertise with the Clean Water Act, and they were very helpful in attempting to navigate some of the land mines that they saw. I also thank ARLAN STANGELAND for his assistance, and HENRY NOWAK, chairman of the committee, for his guidance and his help. He had a lot of concerns with the bill, and he helped shape it and move it out of committee.

I think we have a good product to move to the Senate at this point, and to a conference with the Senate to work out our differences.

I also want to thank the staff. I have a couple of staffers in particular, that worked overtime on this legislation. We never sing the praises of the staff, but Marcy Bortman of my staff, and Michele Monte, who is a SEA grant fellow for a year in my office, worked very hard on this, and Tom Kitsos of the full committee staff, and the Subcommittee on Oceanography and their staff. And particularly I saved for last, one of the unsung heroes in this, and that is the gentleman from Michigan, DENNIS HERTEL, and I want to thank him for his help in drafting this, and helping craft the compromises that took place. Without DENNIS HERTEL's assistance we would not be here tonight.

So I think it is a good bill, Madam Speaker, and I hope my colleagues support it. I am very happy that my colleague from Florida is going to assist us in moving it to the Senate so that we can, in fact, continue to address Florida's concerns.

Madam Speaker, I yield back the balance of my time.

Mr. DAVIS. Madam Speaker, it is a sad commentary that we are considering today, Federal legislation to aid States in protecting bathers from illness from contact with polluted beaches. The answer here should be to stop pollution from occurring in the first place.

In any case, H.R. 4333 attempts to make decisions regarding the risk that recreational waters pose to swimmers more uniform. This end is commendable. However, I am still concerned that the monitoring, testing, and posting requirements for coastal recreational waters, which exceed the new State standards will be expensive and burdensome, especially for States with long coastlines like Florida, Alaska, California, and Michigan. Posting after the fact may not provide much added public protection, unless the pollution which caused the violation is still in the area after the test results come back from the lab. In addition, the funds provided in the bill—$3 million—for all coastal States to comply with this requirement are wholly inadequate. Michigan alone estimates that it would cost $2 million to implement this act.

Mr. JONES of North Carolina. Madam Speaker, I rise in support of H.R. 4333, the Beaches Environmental Assessment, Closure, and Health Act of 1990. My colleague BILL HUGHES introduced H.R. 4333 to protect the public health and improve the environmental quality of our coastal recreation waters and beaches.

The summers of 1987 and 1988 saw medical waste and floatable debris washing ashore on our Atlantic coast beaches. Again this past summer, medical waste from Navy ships washed up on North Carolina shores. Many beaches have been closed as a result of this debris and high bacterial counts in the water. The public deserves the protection from exposure to health hazards when making use of coastal and Great Lakes waters. H.R. 4333 recognizes the public's right-to-know about the environmental quality of our waters and the risks associated with swimming, or undertaking other body contact activities, in these waters. The bill would also amend the Clean Water Act and the Coastal Zone Management Act to improve the environmental quality of coastal recreation waters by tightening water quality standards, and reducing the amount of floatable materials entering the oceans and Great Lakes.

H.R. 4333 requires the EPA to develop water quality criteria for coastal waters which are commonly used for swimming and other

body contact activities. The criteria are to be designed, using the best available scientific information, to protect the public health and reflect the risks from short-term increases in pathogens in coastal waters. The States must adopt new water quality standards based on EPA's criteria. The States also must implement monitoring programs for violations of the standards and would be required to give the public notice of waters which are in violation of the standards. EPA is also directed to issue guidance on monitoring and assessment of floatable materials in coastal recreation waters.

The Coastal Zone Management Act is amended to direct State coastal zone management programs to provide technical assistance for management and reduction of floatable materials in coastal recreation waters. CZMA section 306A grant moneys are also to be made available to acquire beach cleanup equipment and to carry out beach cleanup programs. Finally, H.R. 4333 authorizes EPA to award grants to States to carry out their responsibilities under this legislation.

I would like to thank my colleagues from the Public Works Committee for their cooperation in achieving a substitute bill that is firm in requiring uniform standards and monitoring for beach waters, is enforceable, but is fair to the EPA and the States in assigning new responsibilities and setting deadlines for implementation.

Madam Speaker, I support this bill and urge the support of the House for its passage.

Mr. HERTEL. Madam Speaker, I rise today to ask my colleagues' support for H.R. 4333, the Beaches Environmental Assessment, Closure, and Health Act of 1990.

The BEACH Act amends the Federal Water Pollution Control Act to require the Environmental Protection Agency to issue new water quality criteria for pathogens in coastal recreation waters. Furthermore, the BEACH Act requires coastal States to revise State water quality standards for pathogens pursuant to the new Federal criteria. The effect of these provisions is to provide more stringent water quality standards for coastal recreation waters in order to reduce human health risks for bathing waters.

The bill before you today, will greatly improve our understanding of the quality of the Nation's bathing beaches by establishing improved monitoring procedures to detect the presence of pathogens in recreation waters. In addition, the EPA is authorized to develop a study on human pathogens to determine the best way of detecting disease-causing organisms in coastal recreation waters.

Finally, each coastal State will develop, as part of its approved coastal zone management program, a plan to reduce marine debris to improve the aesthetic quality of recreational beaches in the coastal zone. Authorizations of $4 million for fiscal years 1991 and 1992 is provided under the BEACH Act.

I urge my colleagues to support H.R. 4333.

Mr. GALLO. Madam Speaker, I am very pleased that the House is considering today H.R. 4333, a bill creating a comprehensive Federal clean beaches program. As an original cosponsor of this legislation, I am happy to offer my support and I urge its adoption.

Until today, our legislative focus has been to stop ocean dumping of materials that foul our beaches and interrupt the safe use of our shorelines for recreation. However, with this legislation, we are taking the next step in our protection efforts. By creating a full-time team of observers to identify future problems and set standards for clean beaches and safe recreation areas our focus has moved toward a preventative approach.

In New Jersey alone, we have more than 200 miles of shoreline and our beaches are popular with vacationers from all over the Eastern United States. It is essential that we provide the protection our coastal areas deserve.

This legislation creates a Clean Coastal Beaches Council as an umbrella organization to coordinate existing Federal programs. This organization will bring together the expertise and knowledge of representatives from the National Oceanic Atmospheric Administration [NOAA], the Environmental Protection Agency [EPA] and the National Institute of Sciences.

In addition, the Council will also draw on the expertise within the States and the private sector. Each State will be asked to identify recreational waters and outline their current efforts to monitor their own beaches and shorelines. It will coordinate research and data collection and report to Congress on progress being made to protect our clean oceans.

With passage of H.R. 4333, we are taking a step toward prevention and a step toward providing clean beaches for our residents and visitors to enjoy.

Mr. STANGELAND. Mr. Speaker, I rise to address provisions in H.R. 4333, the Beaches Environmental Assessment, Closure, and Health Act of 1990. While I support its goals and some of its provisions, I continue to have serious concerns about the bill and its potential impact on the Nation's water quality programs.

First, let me acknowledge the efforts of the bill's chief sponsor, the gentleman from New Jersey [Mr. HUGHES], and the two committees involved: the Public Works and Transportation Committee and the Merchant Marine and Fisheries Committee. Two members of the New Jersey delegation and the Public Works and Transportation Committee [Mr. ROE and Mr. PALLONE] are also to be commended for their hard work on this issue.

Next, let me outline some of my general concerns about H.R. 4333. I strongly agree coastal water quality problems exist—such as with pathogens and floatable materials. However, I question the general approach and timing embodied in H.R. 4333 and am concerned that we are on the floor today moving a bill that should more appropriately move in the context of the Clean Water Act reauthorization legislation next Congress.

Like many others, I am concerned about the impact H.R. 4333 might have on EPA's other priorities under its national water quality programs. I also question whether, at this juncture, EPA should be asked to focus its limited resources on beach water quality criteria and standards and monitoring regulations. We need to impose realistic requirements. States have had enough new Federal mandates without adequate funding.

Finally, Mr. Speaker, I would like to focus on a few specific provisions. With regard to coastal water quality criteria and standards, we have included in the floor substitute provisions modeled on existing provisions in sections 303 and 304 of the Clean Water Act.

We intend that EPA and the States have sufficient flexibility to address these requirements without neglecting other issues of equal or greater importance. Earlier versions of the bill could have diverted agency resources and personnel to the detriment of other important national needs. The bill before us today does a better job addressing this concern.

Section 4 requires EPA to issue regulations to States for coastal water quality monitoring and for notifying the public about water quality standards violations. EPA should incorporate into these regulations as much flexibility and deference to the States as possible while still striving to meet the purposes of this legislation.

For example, monitoring regulations should allow for each State to develop a program that is responsive to and designed for its own particular needs. Some States simply may not have coastal water quality problems as severe as those in other States. It makes sense to design a program's scope and content based on actual need.

In closing, Mr. Speaker, H.R. 4333 addresses a serious problem and I commend the bill's chief sponsor and other members of the New Jersey delegation for their hard work on moving the bill. However, I hope that we can make additional improvements to it if and when it moves further along in the legislative process.

□ 2110

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from New Jersey [Mr. HUGHES] that the House suspend the rules and pass the bill, H.R. 4333, as amended.

The question was taken.

Mr. GOSS. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed until tomorrow, October 23, 1990.

TRUTH IN SAVINGS ACT

Mr. LEHMAN of California. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 736) to require the clear and uniform disclosure by depository institutions of interest rates payable and fees assessable with respect to deposit accounts, as amended.

The Clerk read as follows:

H.R. 736

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Truth in Savings Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress hereby finds that economic stability would be enhanced, competition between depository institutions would be improved, and the ability of the consumer to make informed decisions regarding deposit accounts would be strengthened if there was uniformity in the disclosure of terms and conditions on which interest is paid and fees are assessed in connection with such accounts.

(b) PURPOSE.—It is the purpose of this Act to require the clear and uniform disclosure of—

(1) the rates of interest which are payable on deposit accounts by depository institutions; and

(2) the fees that are assessable against deposit accounts,

so that consumers can make a meaningful comparison between the competing claims of depository institutions with regard to deposit accounts.

SEC. 3. DISCLOSURE OF INTEREST RATES AND TERMS OF ACCOUNTS.

(a) IN GENERAL.—Except as provided in subsection (b), each advertisement, announcement, or solicitation initiated by any depository institution relating to any demand or interest-bearing account which includes any reference to a specific rate of interest payable on amounts deposited in such account, or to a specific yield or rate of earnings on amounts so deposited, shall state the following information, to the extent applicable, in a clear and conspicuous manner:

(1) The annual percentage yield (which shall be noted in greater prominence than any other stated rate).

(2) The period during which such annual percentage yield is in effect.

(3) All minimum account balance and time requirements which must be met in order to earn the advertised yield (and, in the case of accounts for which more than 1 yield is stated, each annual percentage yield and the account minimum balance requirement associated with each such yield shall be in close proximity and have equal prominence).

(4) The minimum amount of the initial deposit which is required to open the account in order to obtain the yield advertised, if such minimum amount is greater than the minimum balance necessary to earn the advertised yield.

(5) The annual rates of simple interest.

(6) A statement that regular fees or other conditions could reduce the yield.

(7) A statement that an interest penalty is required for early withdrawal.

(8) In the case of a certificate of deposit or other account for which the stated date of maturity is less than 1 year, a statement of the effective percentage yield on the date of maturity.

(b) BROADCAST AND ELECTRONIC MEDIA AND OUTDOOR ADVERTISING EXCEPTION.—The Board may, by regulation, exempt advertisements, announcements, or solicitations made by any broadcast or electronic medium or outdoor advertising display not on the premises of the depository institution from any disclosure requirements described in paragraph (4), (5), or (6) of subsection (a) if the Board finds that any such disclosure would be unnecessarily burdensome.

(c) MISLEADING DESCRIPTIONS OF FREE OR NO-COST ACCOUNTS PROHIBITED.—No advertisement, announcement, or solicitation made by any depository institution may refer to or describe an account as a free or no-cost account if—

(1) in order to avoid fees or service charges for any period—

(A) a minimum balance must be maintained in the account during such period; or

(B) the number of transactions during such period may not exceed a maximum number; or

(2) any regular service or transaction fee is imposed.

(d) MISLEADING OR INACCURATE ADVERTISEMENTS, ETC., PROHIBITED.—No depository institution shall make any advertisement, announcement, or solicitation relating to a deposit account that is inaccurate or misleading or that misrepresents such institution's deposit contracts.

SEC. 4. ACCOUNT SCHEDULE.

(a) IN GENERAL.—Each depository institution shall maintain a schedule of fees, charges, interest rates, and terms and conditions applicable to each class of accounts offered by the depository institution, in accordance with the requirements of this section and regulations which the Board shall prescribe. The Board shall specify, in regulations, which fees, charges, penalties, terms, conditions, and account restrictions must be included in a schedule required under this subsection. A depository institution need not include in such schedule any information not specified in such regulation.

(b) INFORMATION ON FEES AND CHARGES.—The schedule required under subsection (a) with respect to any account shall contain the following information:

(1) A description of all fees, periodic service charges, and penalties which may be charged or assessed against the account (or against the account holder in connection with such account), the amount of any such fees, charge, or penalty (or the method by which such amount will be calculated), and the conditions under which any such amount will be assessed.

(2) All minimum balance requirements that affect fees, charges, and penalties, including a clear description of how each such minimum balance is calculated.

(3) Any minimum amount required with respect to the initial deposit in order to open the account.

(c) INFORMATION ON INTEREST RATES.—The schedule required under subsection (a) with respect to any account shall include the following information:

(1) Any annual percentage yield.

(2) The period during which any such annual percentage yield will be in effect.

(3) Any annual rate of simple interest.

(4) The frequency with which interest will be compounded and credited.

(5) A clear description of the method used to determine the balance on which interest is paid.

(6) In the case of a certificate of deposit or other account for which the stated date of maturity is less than 1 year, a statement of the effective percentage yield on the date of maturity.

(7) The information described in paragraphs (1) through (4) with respect to any period after the end of the period referred to in paragraph (2) (or the method for computing any information described in any such paragraph), if applicable.

(8) Any minimum balance which must be maintained to earn the rates and obtain the yields disclosed pursuant to this subsection and a clear description of how any such minimum balance is calculated.

(9) A clear description of any minimum time requirement which must be met in order to obtain the yields disclosed pursuant to this subsection and any information described in paragraph (1), (2), (3), or (4) that will apply if any time requirement is not met.

(10) A statement, if applicable, that any interest which has accrued but has not been credited to an account at the time of a withdrawal from the account will not be paid by the depository institution or credited to the account by reason of such withdrawal.

(11) Any provision or requirement relating to nonpayment of interest, including any charge or penalty for early withdrawal, and the conditions under which any such charge or penalty may be assessed.

(d) OTHER INFORMATION.—The schedule required under subsection (a) shall include such other disclosures as the Board may determine to be necessary to allow consumers to understand and compare accounts, including frequency of interest rate adjustments, account restrictions, and renewal policies for time accounts.

(e) STYLE AND FORMAT.—Schedules required under subsection (a) shall be written in clear and plain language and be presented in a format designed to allow consumers to readily understand the terms of the accounts offered.

SEC. 5. DISCLOSURE REQUIREMENTS FOR CERTAIN ACCOUNTS.

The Board shall require, in regulations which the Board shall prescribe, such modification in the disclosure requirements under this Act relating to annual percentage yield as may be necessary to carry out the purposes of this Act in the case of—

(1) accounts with respect to which determination of annual percentage yield is based on an annual rate of interest that is guaranteed for a period of less than 1 year;

(2) variable rate accounts;

(3) accounts which, pursuant to law, do not guarantee payment of a stated rate; and

(4) multiple rate accounts.

SEC. 6. DISTRIBUTION OF SCHEDULES.

(a) IN GENERAL.—A schedule required under section 4 for an appropriate account shall be—

(1) included in any regularly scheduled mailing to holders of that account which occurs not more than 90 days after the effective date of the initial regulations prescribed by the Board under this Act, unless the depository institution has provided, before such effective date, a disclosure which meets the requirements of section 4;

(2) made available to any person upon request; and

(3) provided to any potential customer before an account is opened or a service is rendered.

(b) DISTRIBUTION IN CASE OF CERTAIN INITIAL DEPOSITS.—If—

(1) a depositor is not physically present at an office of a depository institution at the time an initial deposit is accepted with respect to an account established by or for such person; and

(2) the schedule required under section 4(a) has not been furnished previously to such depositor,

the depository institution shall mail the schedule to the depository at the address shown on the records of the depository institution for such account not later than 10 days after the date of the initial deposit.

(c) DISTRIBUTION OF NOTICE OF CERTAIN CHANGES.—If—

(1) any change is made in any term or condition which is required to be disclosed in the schedule required under section 4(a) with respect to any account; and

(2) the change may reduce the yield or adversely affect any holder of the account, all account holders who may be affected by such change shall be notified and provided with a description of the change by mail at least 30 days before the change takes effect.

(d) DISTRIBUTION IN CASE OF ACCOUNTS ESTABLISHED BY MORE THAN 1 INDIVIDUAL OR BY A GROUP.—If an account is established by more than 1 individual or for a person other than an individual, any distribution described in this section with respect to such account meets the requirements of this section if the distribution is made to 1 of the individuals who established the account or 1 individual representative of the person on whose behalf such account was established.

SEC. 7. PAYMENT OF INTEREST.

(a) CALCULATED ON FULL AMOUNT OF PRINCIPAL.—The amount of interest accruing on an interest-bearing account at any depository institution shall be calculated by such institution on the full amount of principal in the account for the stated calculation period at the rate or rates of interest disclosed pursuant to this Act.

(b) NO PARTICULAR METHOD OF COMPOUNDING INTEREST REQUIRED.—Subsection (a) shall not be construed as prohibiting or requiring the use of any particular method of compounding or crediting of interest.

SEC. 8. REGULATIONS.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Board, after consultation with each agency referred to in section 9(a) and public notice and opportunity for comment, shall prescribe regulations to carry out the purpose and provisions of this Act. The regulations so prescribed may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of accounts as, in the judgment of the Board, are necessary or proper to carry out the purposes of this Act, to prevent circumvention or evasion of the requirements of this Act, or to facilitate compliance with the requirements of this Act.

(b) MODEL FORMS AND CLAUSES.—

(1) IN GENERAL.—The Board shall publish model forms and clauses for common disclosures to facilitate compliance with this Act. In devising such forms, the Board shall consider the use by depository institutions or data processing or similar automated machines.

(2) USE OF FORMS AND CLAUSES DEEMED IN COMPLIANCE.—Nothing in this Act may be construed to require a depository institution to use any such model form or clause prescribed by the Board under this subsection. A depository institution shall be deemed to be in compliance with the disclosure provisions of this Act if the depository institution—

(A) uses any appropriate model form or clause as published by the Board; or

(B) uses any such model form or clause and changes it by—

(i) deleting any information which is not required by this Act; or

(ii) rearranging the format,

if in making such deletion or rearranging the format, the depository institution does not affect the substance, clarity, or meaningful sequence of the disclosure.

(3) PUBLIC NOTICE AND OPPORTUNITY FOR COMMENT.—Model disclosure forms and clauses shall be adopted by the Board after duly given notice in the Federal Register and an opportunity for public comment in accordance with section 553 of title 5, United States Code.

SEC. 9. ADMINISTRATIVE ENFORCEMENT.

(a) IN GENERAL.—Compliance with the requirements imposed under this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act—

(A) by the appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act) in the case of insured depository institutions (as defined in section 3(c)(2) of such Act);

(B) by the Federal Deposit Insurance Corporation in the case of depository institutions described in clause (i), (ii), or (iii) of section 19(b)(1)(A) of the Federal Reserve Act which are not insured depository institutions (as defined in section 3(c)(2) of the Federal Deposit Insurance Act); and

(C) by the Director of the Office of Thrift Supervision in the case of depository institutions described in clause (v) or (vi) of section 19(b)(1)(A) of the Federal Reserve Act which are not insured depository institutions (as defined in section 3(c)(2) of the Federal Deposit Insurance Act); and

(2) the Federal Credit Union Act, by the National Credit Union Administration Board in the case of depository institutions described in clause (iv) of section 19(b)(1)(A) of the Federal Reserve Act.

(b) ADDITIONAL ENFORCEMENT POWERS.—

(1) VIOLATION OF THIS ACT TREATED AS VIOLATION OF OTHER ACTS.—For purposes of the exercise by any agency referred to in subsection (a) of such agency's powers under any Act referred to in such subsection, a violation of a requirement imposed under this Act shall be deemed to be a violation of a requirement imposed under that Act.

(2) ENFORCEMENT AUTHORITY UNDER OTHER ACTS.—In addition to the powers of any agency referred to in subsection (a) under any provision of law specifically referred to in such subsection, each such agency may exercise, for purposes of enforcing compliance with any requirement imposed under this Act, any other authority conferred on such agency by law.

(c) REGULATIONS BY AGENCIES OTHER THAN THE BOARD.—The authority of the Board to issue regulations under this Act does not impair the authority of any other agency referred to in subsection (a) to make rules regarding its own procedures in enforcing compliance with the requirements imposed under this Act.

SEC. 10. CIVIL LIABILITY.

(a) CIVIL LIABILITY.—Except as otherwise provided in this section, any depository institution which fails to comply with any requirement imposed under this Act or any regulation prescribed under this Act with respect to any person who holds an account at such depository institution at the time of such failure, or at any time during the 1-year period beginning on the date of such failure, shall be liable to such person in an amount equal to the sum of—

(1) any actual damage sustained by such person as a result of the failure;

(2)(A) in the case of an individual action, such additional amount as the court may allow, except that the liability under this paragraph shall not be less than $100 nor greater than $1,000; or

(B) in the case of a class action, such amount as the court may allow, except that—

(i) as to each member of the class, no minimum recovery shall be applicable; and

(ii) the total recovery under this subparagraph in any class action or series of class actions arising out of the same failure to comply by the same depository institution shall not be more than the lesser of $500,000 or 1 percent of the net worth of the depository institution involved; and

(3) in the case of any successful action to enforce any liability under paragraph (1) or (2), the costs of the action, together with reasonable attorneys' fees.

(b) CLASS ACTION AWARDS.—In determining the amount of any award in any class action, the court shall consider, among other relevant factors—

(1) the amount of any actual damages awarded;

(2) the frequency and persistence of failures of compliance;

(3) the resources of the depository institution;

(4) the number of persons adversely affected; and

(5) the extent to which the failure of compliance was intentional.

(c) BONA FIDE ERRORS.—

(1) GENERAL RULE.—A depository institution may not be held liable in any action brought under this section for a violation of this Act if the depository institution demonstrates by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error, notwithstanding the maintenance of procedures reasonably adapted to avoid any such error.

(2) EXAMPLES.—Examples of a bona fide error include clerical, calculation, computer malfunction and programming, and printing errors, except that an error of legal judgment with respect to a depository institution's obligation under this Act is not a bona fide error.

(d) JURISDICTION.—Any action under this section may be brought in any United States district court, or in any other court of competent jurisdiction, within 1 year after the date of the occurrence of the violation involved.

(e) RELIANCE ON BOARD RULINGS.—No provision of this section imposing any liability shall apply to any act done or omitted in good faith in conformity with any rule, regulation, or interpretation thereof by the Board, notwithstanding the fact that after such act or omission has occurred, such rule, regulation, or interpretation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.

(f) NOTIFICATION OF AND ADJUSTMENT FOR ERRORS.—A depository institution shall not be liable under this section or section 9 for any failure to comply with any requirement imposed under this Act with respect to any account if—

(1) before—

(A) the end of the 60-day period beginning on the date on which the depository institution discovered the failure to comply;

(B) any action is instituted against the depository institution by the account holder under this section with respect to such failure to comply; and

(C) any written notice of such failure to comply is received by the depository institution from the account holder,

the depository institution notifies the account holder of the failure of such institution to comply with such requirement; and

(2) the depository institution makes such adjustments as may be necessary with respect to such account to ensure that—

(A) the account holder will not be liable for any amount in excess of the amount ac-

tually disclosed with respect to any fee or charge;

(B) the account holder will not be liable for any fee or charge imposed under any condition not actually disclosed; and

(C) interest on amounts in such account will accrue at the annual percentage yield, and under the conditions, actually disclosed (and credit will be provided for interest already accrued at a different annual percentage yield and under different conditions than the yield or conditions disclosed).

(g) MULTIPLE INTERESTS IN 1 ACCOUNT.—If more than 1 person holds an interest in any account—

(1) the minimum and maximum amounts of liability under subsection (a)(2)(A) for any failure to comply with the requirements of this Act shall apply with respect to such account; and

(2) the court shall determine the manner in which the amount of any such liability with respect to such account shall be distributed among such persons.

(h) CONTINUING FAILURE TO DISCLOSE.—

(1) CERTAIN CONTINUING FAILURES TREATED AS 1 VIOLATION.—Except as provided in paragraph (2), the continuing failure of any depository institution to disclose any particular term required to be disclosed under this Act with respect to a particular account shall be treated as a single violation for purposes of determination the amount of any liability of such institution under subsection (a) for such failure to disclose.

(2) SUBSEQUENT FAILURE TO DISCLOSE.—The continuing failure of any depository institution to disclose any particular term required to be disclosed under this Act with respect to a particular account after judgment has been rendered in favor of the account holder in connection with a prior failure to disclose such term with respect to such account shall be treated as a subsequent violation for purposes of determining liability under subsection (a).

(3) COORDINATION WITH SECTION 9.—This subsection shall not limit or otherwise affect the enforcement power under section 9 of any agency referred to in subsection (a) of such section.

SEC. 11. CREDIT UNIONS.

(a) IN GENERAL.—No regulation prescribed by the Board under this Act shall apply directly with respect to any depository institution described in clause (iv) of section 19(b)(1)(A) of the Federal Reserve Act.

(b) REGULATIONS PRESCRIBED BY THE NCUA.—Within 90 days of the effective date of any regulation prescribed by the Board under this Act, the National Credit Union Administration Board shall prescribe a regulation substantially similar to the regulation prescribed by the Board taking into account the unique nature of credit unions and the limitations under which credit unions may pay dividends on member accounts.

SEC. 12. EFFECT ON STATE LAW.

This Act does not annul, alter, or affect the laws of any State relating to the disclosure of information in connection with terms of deposit accounts, except to the extent that those laws are inconsistent with the provisions of this Act, and then only to the extent of the inconsistency.

SEC. 13. DEFINITIONS.

For the purposes of this Act—

(1) DEPOSITORY INSTITUTION.—The term "depository institution" has the meaning given such term in clauses (i) through (vi) of section 19(b)(1)(A) of the Federal Reserve Act.

(2) BOARD—The term "Board" means the Board of Governors of the Federal Reserve System.

(3) ACCOUNT.—The term "account" means any account offered to 1 or more individuals or an unincorporated nonbusiness association of individuals by a depository institution into which a customer deposits funds, including demand accounts, time accounts, negotiable order of withdrawal accounts, and share draft accounts.

(4) INTEREST.—The term "interest" includes dividends paid with respect to share draft accounts which are accounts within the meaning of paragraph (3).

(5) MULTIPLE RATE ACCOUNT.—The term "multiple rate account" means any account that has 2 or more annual rates of simple interest which take effect in succeeding periods and which are known at the time of disclosure.

(6) ANNUAL PERCENTAGE YIELD.—The term "annual percentage yield" shall be equal to the total amount of interest that would be received on a $100 deposit under the terms described in paragraphs (3) and (4) of section 4(c) over a year, expressed as a percentage calculated by a method which shall be prescribed by the Board in regulations.

The SPEAKER pro tempore. Is a second demanded?

Mr. HILER. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. LEHMAN] will be recognized for 20 minutes, and the gentleman from Indiana [Mr. HILER] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LEHMAN].

Mr. LEHMAN of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, as both the lead sponsor of H.R. 736, the Truth in Savings Act and the chairman of the Subcommittee on Consumer Affairs and Coinage from which H.R. 736 was unanimously reported, I rise in support of H.R. 736 and urge its adoption. I acknowledge and thank the chairman of the House Banking, Finance and Urban Affairs Committee, HENRY GONZALEZ, the ranking minority member, CHALMERS WYLIE, and the ranking minority member of the Subcommittee on Consumer Affairs and Coinage, JOHN HILER, for their steadfast support. They have been most cooperative in assisting me in my efforts to perfect and ultimately get House approval of this modest, yet important, consumer banking legislation.

H.R. 736 is a straightforward bill with a simple purpose. That purpose is to require clear and uniform disclosure of the interest rates and fees associated with deposit accounts so that consumers can make informed choices between accounts. With deregulation, savings options have multiplied and consumers have been faced with deciding among accounts with considerable variations. H.R. 736 was designed simply to guarantee that consumers would get the most important items of information about accounts and that that information would be given to them in a uniform format for ease of comparison.

Let me briefly review the basic provisions in the bill. First, H.R. 736 would require that advertisements for deposit accounts by financial institutions that include mention of specific rates or yields do so in a clear and uniform manner and include certain other significant information as well, such as the minimum account balance and time requirements associated with earning the advertised yield.

Second, the legislation requires that before an account is opened potential customers be provided with disclosure of the conditions and fees associated with the account. The particular disclosure items are enumerated in the bill and consist of the basic information needed to make an informed decision—information on fees and charges, and information on interest rates and related balance and time requirements. The Federal Reserve Board would be required to issue model forms and clauses that institutions could use as a safe harbor if they chose to do so to facilitate compliance.

Madam Speaker, I first introduced truth in savings legislation in the 98th Congress in an effort to end the misleading and confusing advertising practices in use by some financial institutions. These institutions often advertised misleading teaser rates or confusing multiple and variable rates, and provided very little, if any, disclosure of the pertinent terms and conditions which consumers needed to know in comparison shopping for their savings accounts.

Since that time, truth in savings has been approved unanimously by the House both in the 99th and 100th Congresses, and the Senate approved a similar bill in the 100th Congress as well. Over 100 Members have cosponsored the bill in this Congress. Unfortunately, the practices that prompted me to introduce this legislation 6 years ago continue today. In addition, we are now faced with a scenario of changing account terms and fees which make the need for this legislation all the greater. Consumer Action's annual survey in my home State of California found this year that minimum balance requirements to avoid service fees had risen dramatically since a year before, as had the fees themselves. The annual survey by the Consumer Federation of America released this summer also highlighted escalating fees and noted a wide array of services and pricing options.

Extensive hearings have been held on this legislation since I first introduced my bill in the 98th Congress,

and I think the bill before us positively reflects extensive congressional scrutiny. For example, one of the improvements we made in the bill was as a result of discussions during hearings in the 100th Congress where the problem of investable balances was highlighted. That practice, whereby a depository institution actually subtracts a percentage of the consumer's funds on deposit for what was termed a "reserve requirement" before calculating the balance on which interest was paid, did not sit well with the Members and the bill was amended to prohibit the practice outright. Under H.R. 736, the interest rate disclosed by the financial institution must be calculated on the full amount of principal in the consumer's account.

The bill before the House today reflects a single substantive amendment by the Subcommittee on Consumer Affairs and Coinage and several technical corrections. The substantive amendment would require that for civil liability purposes, a consumer may sue for damages as a result of an institution's failure to meet the bill's requirements only if the consumer has an account relationship with the financial institution.

In closing, let me just briefly make several points of technical clarification. First, the advertising disclosure requirements are triggered only if a specific interest rate or yield is mentioned in the advertising. The bill provides a partial exemption of these disclosures for outdoor billboard and electronic media advertising if the Federal Reserve Board determines that such disclosures would be unnecessarily burdensome for the institution.

Second, with regard to the account schedules which must be provided to the consumer before an account is opened, the legislation does not mandate that a financial institution be required to maintain a comprehensive, master disclosure schedule. It is the intent of the act to allow institutions to offer either a master schedule or separate disclosure schedules for each type or class of account offered.

With regard to the section 7 provisions addressing the investable balance issue I discussed earlier, I want to clarify that the act would neither prohibit nor require the use of any particular method of compounding or crediting of interest. Furthermore, the act would not mandate any specific method of computing the balance on which interest is paid.

On another point, section 7 of the bill is not intended to adversely affect the manner in which credit unions calculate dividends paid on shares. In fact, the legislation provides that credit unions, because of their inherent differences from other financial institutions, would comply with the intent of this act through substantially similar regulations promulgated by its own regulatory agency, the National Credit Union Administration and thus would not be subject to the regulations issued by the Federal Reserve Board for depository institutions generally.

Finally, there has been some concern that the act would not apply to savings instruments offered by nondepository institutions. There are several reasons for this omission. First, this issue posed a germaneness problem for the House Banking Committee, which does not have jurisdiction over all of these other financial services purveyors. Second, these instruments, especially those offered by securities firms, come under stringent advertising and disclosure requirements which are heavily regulated and enforced by the Securities and Exchange Commission. The truth in savings legislation under consideration by the Senate does contain provisions related to these instruments.

As I have stated repeatedly, truth in savings is a disclosure concept whose time has come and is now long overdue. I urge my colleagues to suspend the rules and pass H.R. 736.

Madam Speaker, I reserve the balance of my time.

Mr. HILER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise today in support of H.R. 736, the Truth in Savings Act of 1990. I am a cosponsor of this legislation and I want to commend the bill's author and the chairman of the Banking Committee's Consumer Affairs and Coinage Subcommittee, Congressman LEHMAN, for the fine work he has done in crafting this bill. The truth in savings bill requires the clear and uniform disclosure by depository institutions of interest rates payable and fees assessable with respect to deposit accounts. Chairman LEHMAN has been working on this proposal for years and I believe he has settled on a compromise approach that both consumer and industry groups appear to be able to accept.

I would like to briefly describe the major provisions of H.R. 736. Section 3 of the bill provides for the disclosure of interest rates and terms of accounts. The provision sets out uniform disclosures to be made in advertisements, announcements, or solicitations by depository institutions. The provision prohibits institutions from advertising free or no-cost accounts in situations where such a description may be misleading.

Section 4 sets out the account schedule under the act. This sets out what disclosures must be made to maintained in a schedule kept by each depository institution as prescribed by the Federal Reserve Board in regulations.

Section 6 specifies how the schedule of disclosures shall be distributed through mailings and other means.

Section 7 of the bill specifies in general how interest on deposit accounts shall be calculated. In a compromise, this provision does not mandate a particular calculation method be used by depository institutions. This is one major difference between the House and the Senate truth in savings bills and one that I believe makes the House bill superior to the Senate product. I could not likely support a proposal that restricted the method of interest calculations by depository institutions such as in the Senate bill.

Section 8 of the bill authorizes the Federal Reserve Board to promulgate implementing regulations and to create model disclosure forms.

Section 9 authorizes the financial institution regulatory agencies to administratively enforce the provisions of the act.

Section 10 sets out the civil liability provisions of the bill. The civil liability provisions were a key area of debate during subcommittee consideration of H.R. 736. In an amendment that I offered with Congressman ERDREICH the subcommittee restricted the standing to sue under these provisions to account holders. This modification I believed greatly improved the bill and made the legislation infinitely more workable. This amendment was strongly supported by the Federal Reserve Board at the time and arose from compelling testimony offered to the subcommittee by Federal Reserve Board Governor Seger.

The one area that I believe that our bill is lacking is similar regulations for deposit-like accounts held at nondepository institutions. In today's marketplace many types of institutions offer close substitutes for traditional deposit accounts. I believe consumers purchasing these substitute deposit products should receive the same type of disclosures as bank account holders. This represents probably the only area that the Senate bill may be better than the House version at this point.

In closing, let me say that I support the adoption of H.R. 736, the Truth in Savings Act. I urge my colleagues to suspend the rules and promptly pass this timely legislation.

Madam Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. WYLIE], the ranking member of the full Committee on Banking, Finance and Urban Affairs.

Mr. WYLIE. Madam Speaker, I support H.R. 736, the Truth in Savings Act of 1990. I want to commend Consumer Affairs and Coinage Subcommittee Chairman LEHMAN, ranking member JOHN HILER for the work they have put in on this proposal. I too believe they have come up with a good compromise proposal that should be

acceptable to both industry and consumer groups. I would also add that this House has passed different versions of this legislation in past sessions of Congress.

The purpose of truth in savings is to provide uniform disclosures so as to permit consumers to conduct meaningful comparison shopping in making their financial decisions among deposit accounts. Dislcosure should provide greater competition between depository institutions and enhance economic stability.

Regarding the bill before us, I would like to comment on three specific items. First, section 7 dealing with the payment of interest. This represents a compromise provision which I worked on at the subcommittee level to ensure that specific types of interest calculation methods were not mandated for depository institutions. It is my understanding that the Senate bill has not taken this approach and has instead mandated that all depository institutions calculate interest based on one of two methods. Like Congressman HILER, I strongly oppose the Senate approach and could not have supported such a provision in the House bill.

Second, I am pleased that an amendment was offered in subcommittee to limit the civil liability provisions to account holders. The bill as introduced created uncertainty as to an institution's ultimate exposure to liability. I believe the subcommittee reported bill greatly improves upon this provision and makes it far more workable.

Finally, like Mr. HILER, I would have preferred that the House bill also apply similar disclosure requirements to certain financial products such as money market mutual funds that have become substitutes for bank deposits. Only by eventually applying truth in savings to these instruments can we ensure that all consumers are adequately protected.

Again I want to compliment subcommittee Chairman LEHMAN for the work he has done on this bill and his accommodation of all points of view. I recommend passage of this legislation.

Mr. HILER. Madam Speaker, I yield to the gentlewoman from Hawaii [Mrs. SAIKI].

(By unanimous consent, Mrs. SAIKI was allowed to speak out of order.)

□ 2120

PRESIDENT BUSH'S DIRECTIVE REGARDING KAHOOLAWE

Mrs. SAIKI. Madam Speaker, I take this opportunity to share some great news for the people of Hawaii.

At noon today, President Bush directed Secretary of Defense Dick Cheney to immediately stop the bombing of Kahoolawe and to establish a joint Department of Defense-State of Hawaii commission to examine the future status of Kahoolawe.

By Executive order in 1953, President Eisenhower claimed use of this island in the middle of the Hawaiian chain as a bombing target for the training of our military forces in the Pacific.

The island, however, has a long history of cultural relevance for our native Hawaiians. As the population in Hawaii grew on the islands adjacent to Kahoolawe, concern for the safety of these people escalated.

Many native Hawaiian organizations, in particular the Protect Kahoolawe Ohana, as well as local elected officials, especially Maui County Mayor Hannibal Tavares, have worked tirelessly for years to end the bombing and have the islands restored.

Today, President Bush took the first step in this direction. The President is to be commended for his sensitivity and respect for the people of Hawaii.

Mr. LEHMAN of California. Madam Speaker, I yield myself 1 minute. I, too, congratulate Secretary Cheney and the administration for stopping the bombing of Hawaii today, and I am pleased to have allocated that time to our colleague.

I want to thank the gentleman from Ohio [Mr. WYLIE], especially for the outstanding work he has done in standing by this legislation over the past 4 years, that we have tried to work it out. I think now we are to the point where we are very near, hopefully, final completion, but the gentleman's work is very much appreciated by me, as well as the gentleman from Indiana [Mr. HILER], ranking member of the committee who has worked with Members for 2 years.

In response to what the gentleman from Ohio [Mr. WYLIE] said, the Senate version does contain provisions extending the provisions of this act to money market accounts. We did not do that in the Committee on Banking, Finance and Urban Affairs. We do not have jurisdiction over money market accounts.

I, too, support those provisions in the Senate bill and would be happy to support them in an extended conference that we have on any legislation beyond this point, and I am right now trying to work that out with the chairman of the Committee on Energy and Commerce, the gentleman from Michigan [Mr. DINGELL], with this side.

I urge passage of the bill.

Mr. HILER. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LEHMAN of California. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. UNSOELD). The question is on the motion offered by the gentleman from California [Mr. LEHMAN] that the House suspend the rules and pass the bill, H.R. 736, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

SENSE OF CONGRESS ON RESOLVING CRISIS CREATED BY IRAQ'S INVASION OF KUWAIT

Mr. LEVINE of California. Madam Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 382) expressing the sense of the Congress that the crisis created by Iraq's invasion and occupation of Kuwait must be addressed and resolved on its own terms separately from other conflicts in the region, as amended.

The Clerk read as follows:

The amendment is as follows:

Page 2, line 7, strike out "thwart" and insert in lieu thereof "resist".

H. CON. RES. 382

Whereas there is no parallel between Iraq's unprovoked aggression against Kuwait and Israel's act of self-defense in the war against it by all the surrounding Arab nations in 1967;

Whereas Israel acted in response to an outside invasion to protect its "right to live in peace within secure and recognized boundaries free from threats and acts of force" (United Nations Security Council Resolution 242), and Iraq defied all norms of international law and deprived an entire nation of these fundamental rights; and

Whereas the President and the Secretary of State have repeatedly stated that the policy of the United States is to keep the resolution of the Iraqi-Kuwaiti crisis from any other conflict in the region: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) the crisis created by Iraq's invasion and occupation of Kuwait must be addressed and resolved on its own terms separately from other conflicts in the region; and

(2) the President should continue to resist any effort to link the Iraqi-Kuwait crisis with the Arab-Israeli conflict.

The SPEAKER pro tempore. Is a second demanded?

Mr. GILMAN. Madam Speaker, I demand a second.

The SPEAKER pro tempore. Without objection a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California [Mr. LEVINE] will be recognized for 20 minutes, and the gentleman from New York [Mr. GILMAN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I would like to commend my friend, the distinguished

gentleman from New York [Mr. GILMAN], for introducing this resolution. I would like to commend and thank the chairman of the full committee, the gentleman from Florida [Mr. FASCELL], as well as the chairman of the subcommittee, the gentleman from Indiana [Mr. HAMILTON], as well as the ranking member of the full committee, the gentleman from Michigan [Mr. BROOMFIELD] and the ranking member of the subcommittee, the gentleman from New York [Mr. GILMAN] for their leadership in expediting this resolution's movement so swifly to the floor.

This is a resolution that deserves our immediate attention, and in light of the fact that we are in the waning days of the session, and hopefully will have been adjourned within a matter of days, while the gulf crisis presumably will continue to unfold, I think it is important and timely for the House to act and to speak on this important resolution that my friend from New York introduced several days ago.

Madam Speaker, let me state at the outset that I have been and continue to be a strong supporter of this administration's response to the Iraqi invasion of Kuwait. I do believe that while the administration was late in recognizing the danger that Saddam Hussein and Iraq posed to his neighbors in the region, once Saddam Hussein and his Iraqi troops crossed the Kuwait border, the response of the administration has been swift and solid and appropriate. The President has demonstrated superb ability in forging an international consensus to curb Saddam Hussein's naked and brutal aggression against Kuwait, and with that the Congress on both sides of the aisle does and should stand behind him.

Saddam Hussein has violated all standards of decency and of international law. This ruthless dictator has used chemical weapons against his enemies as well as against his own population, his own people. His use of innocent civilians as human shields in this crisis in order to defend various strategic locations is both barbaric, cowardly and inexcusable.

Consequently, Saddam Hussein's strategy to attempt to drag Israel into this conflict must categorically and clearly be rejected. Any linkage between Iraq's invasion of Kuwait and Israel's presence in the West Bank and Gaza is not only offensive but plays directly into Saddam Hussein's hands. Any linkage would simply reward Saddam Hussein's unprovoked aggression. The administration apparently recognizes the danger of any linkage at all. Both the President and the Secretary of State have flatly and repeatedly stated that the United States rejects any linkage between a resolution of the Iraqi invasion of Kuwait and the resolution to the Arab-Israeli conflict.

I commend his policy. This resolution commends his policy, and we urge the administration to continue on this clear and clear-sighted path. The policy recognizes the blatant abuse of history by those who might attempt to equate Iraq's aggressive invasion of Kuwait with Israel's presence on the West Bank and Gaza. There is absolutely no parallel at all and it may be important to remind people of this fact, between Iraq's unprovoked aggression and Israel's act of self-defense in the war against Israel by all of its surrounding Arab neighbors in 1967. It cannot be stressed enough in light of a number of historical revisionists and outright lies that have been used to try to rewrite history in terms of the Middle East, that Israel acted only in response to outside aggression, to an outside invasion that Israel pleaded with its neighbors not to undertake, to protect the right to live in peace within secure and recognized boundaries, free from threats and acts of force. To quote the U.N. Security Council Resolution 242:

> While completely contrary to this act of self-defense in Israel in 1967, Iraq in 1990 deprived an entire nation of the same fundamental rights.

Moreover, the distinction between a U.N. resolution addressing the Arab-Israel conflict, Security Council Resolutions 242 and 338, and the recent series of U.N. resolutions condemning Iraq could not be more clear. Resolution 242 and 338 are contingent upon the Arab States' willingness to recognize the State of Israel. Only one state, Egypt, has accepted this condition. Consequently, when Egypt did accept this condition, Israel signed a peace treaty with Egypt giving up the entire Sinai and fulfilling the land for peace formula.

□ 2130

To the contrary, in distinction, in complete contradistinction of Israel's actions toward peace, Saddam Hussein has failed to recognize any of the U.N. Security Council resolutions.

It perhaps is unnecessary to restate these extremely clear and extremely obvious distinctions, but in light of the outrageous efforts by Saddam Hussein and some of his propagandists in the PLO and elsewhere to try to confuse and distort and rewrite history, it is appropriate to lay out for the record again the historical facts that underly the distinctions between these two very different Middle Eastern events.

House Concurrent Resolution 382 addresses the distinctions between the Kuwaiti crisis and the Arab-Israeli conflict and supports the administration's no linkage policy.

Although, Madam Speaker, the administration has verbally recognized the importance of separating these two clearly distinct conflicts, I am deeply worried that several recent events at least seem to contradict this stated policy.

For example, by pursuing a policy seemingly designed to distance itself from Israel so as to please its partners in the anti-Iraq coalition, the administration appears to have come ever so close to sustaining the very linkage it decries. In his United States speech, for example, the President indicated that an Iraq-Kuwait settlement might lead to a resolution of the Arab-Israeli conflict. While the Secretary of State and the President have emphasized they did not intend linkage by this statement, linkage clearly could have been implied and every Arab observer, including Saddam Hussein, saw linkage in this statement.

We should not allow those appearances to be repeated.

By sponsoring an unbalanced U.N. resolution condemning Israel for the Jerusalem violence before all the facts were known, akin to a judge rendering a verdict in a trial and then subsequently calling for the facts, by doing this in order to keep our gulf alliance intact, that unfortunately, Madam Speaker, is linkage.

Finally, Secretary Baker's deeply offensive October 15 communication to Foreign Minister David Levy of Israel, warning Israel that failure to comply with the U.N. resolution might lead many, however unjustly, to compare Israel to Saddam Hussein, even though it was not intended, that again constitutes linkage.

I hope and I trust that these events will prove to be isolated exceptions and not the rule.

I also hope and I trust that we can take this administration at its word that it will continue its stated policy, its repeatedly stated policy of no linkage.

Nonetheless, in light of these recent events, it is perhaps more crucial than ever to codify this policy through this resolution and express the sentiment of the Congress to this administration, to the American people and to the international community that the policy of no linkage should continue.

The continuation of a no linkage policy will ensure that our energies will remain focused on the real issue at hand confronting us and the international community today, isolating Iraq and putting an end to its regional ambitions and the threat to stability it poses in the Middle East.

Toward that end, Madam Speaker, I urge my colleagues to support this important resolution.

Mr. GILMAN. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of House Concurrent Resolution 382, expressing the sense of Congress

that the crisis in Kuwait must be addressed and resolved on its own terms, separate and apart from all other conflicts in the Middle East.

On August 2, 1990, Saddam Hussein's Iraqi forces invaded and occupied Kuwait in flagrant violation of international law. Since that time, the Kuwaiti people have been brutalized and pillaged beyond compensation. Torture and summary executions have become commonplace. When our Foreign Affairs Committee met recently with the Emir of Kuwait, here in the Capitol, we were appalled by his emotional description of the brutal atrocities of Iraqi soldiers—the rapes of Kuwaiti women, the removal of premature babies from their hospital incubators so that the incubators could be shipped back to Baghdad—disconnecting elderly patients from their life support systems and the removal from their hospitals to make their beds available to Iraqis thereby ending the lives of the pediatric patients.

Each generation has had at least one individual epitomizing humankind's most abhorrent qualities. In this generation, we are faced with such an individual in Iraq's ruthless dictator, Saddam Hussein.

To give his cause legitimacy, Saddam Hussein has attempted on a number of occasions to link the resolution of the Kuwait issue to the Arab-Israeli conflict.

Madam Speaker, there can be no parallel between Iraq's naked aggression against Kuwait and Israel's 1967 response to an attempt to engulf its entire territorial integrity by invading Arab armies. Saddam Hussein wants the world to think otherwise.

This resolution is our way—our congressional way—of telling the world that we don't place much faith in Hussein's inflammatory rhetoric, or his attempt to wrap his aggression in the cloak of a holy war.

Accordingly, I urge my colleagues to fully support this measure which opposes linkage, stating: "The crisis created by Iraq must be resolved on its own terms."

I commend the leadership of our Foreign Affairs Committee, our distinguished chairman, Mr. FASCELL, our ranking minority leader, Mr. BROOMFIELD, the gentleman from New York [Mr. SCHUMER], and the gentleman from California [Mr. LEVINE] for their outstanding, expeditious work in bringing this measure to the floor at this time.

Mr. LEVINE of California. Madam Speaker, I yield 4 minutes to the distinguished gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Madam Speaker, I thank the gentleman for yielding me this time.

Madam Speaker, this resolution arises because of a real need. Saddam Hussein is losing the Persian Gulf war. The blockade that our country forged muiltilaterally, along with countries from one end of the globe to the other, is having its success. It is slow, it is inexorable, but the aggressive, offensive methods of Saddam Hussein in invading Kuwait and threatening Saudi Arabia have at least been temporarily halted. His aggression now is within Kuwait, the territory he has captured, and because of the success of the world community, because for the first time united together in fighting this type of aggression, Saddam Hussein is beginning to bend onto his knees. He tries by thinking this way, nodding that way, to say that maybe he should not have done it.

But what is Saddam Hussein's greatest way out of his dilemma? It is to make an attempt, my colleagues, to turn the world's opinion away from what he has done in the Persian Gulf and redirect the Arab States, some Western European states and others toward their habit, shall we say, of kicking Israel around.

So early on the morning of an important Jewish holiday, Succos, the PLO Palestinian activists, in my opinion working along with Saddam Hussein, brutally stoned worshipers who were innocently praying at an old Jewish site.

The reaction of the Israelis was tragic, but understandable, given the fact that the mosque at which this occurred had never been guarded by Israeli policemen in large numbers, simply because Israeli policy had been to allow the Muslim leaders power over their own religious sites, something incidentally that was never allowed to the Jewish religious leaders when Jordan and the Arabs had control of the old city of Jerusalem.

□ 2240

In any case, what Saddam Hussein attempted to do was divert world attention away from his troubles in the Persian Gulf and instead focus on the Israeli-Arab conflict, trying to wean away the so-called moderate Arab States of Saudi Arabia, the Emirate states, Egypt, Syria—although I do not see how we can call Syria a moderate state—away from the policies that we had originated in this country.

Unfortunately, unfortunately, Madam Speaker, the United States, whether wittingly or unwittingly, went along with Saddam Hussein's game plan by authoring a resolution in the United Nations condemning Israel, by highlighting attention on the unfortunate events that happened there and encouraging Saddam Hussein, No. 1, to believe that we too might go along with this plan to divert attention from one end of the Middle East to the other and, No. 2, encouraging him to foment further acts of diversionary violence.

So I say, Madam Speaker, that the United States support of the United Nations' resolution condemning Israel is being perceived within Iraq and without as an equating of the recent events in Jerusalem with Saddam Hussein's brutal invasion of Kuwait.

Even the suggestion of such a linkage is dangerous for Israel and for the United States. It undermines United States credibility and allows Iraq to diminish the barbarity of its actions.

Congress must express to the President its firm belief there is no comparison between Israel and the atrocities of Saddam Hussein. Without such an expression, Iraq's dictator will think that the United States has winked at him and that he can again and again divert attention from the havoc he is wreaking in the Persian Gulf.

If we abandon Israel, we abandon the most important reason for the United States to be in the Persian Gulf to begin with: regional security and defense of our own interests.

Israel is a steadfast and consistent ally who assists in both goals, I might add, the only ally we have had. Time and time again, administration after administration has sought to base its Middle East policy upon the fulcrum of the so-called moderate Arab States, only to be disappointed time and time again. For an obvious reason; Madam Speaker, those countries are not democracies. They do not have a broad basis of support. They are tied by their hands and their feet, and they cannot act consistently and as a stout ally for a long period of time.

Thus, it puzzles me and troubles me that the United States took the kind of action it took at the United Nations 10 days ago, action it had not taken for nearly a decade.

If our Government continues down that path, it will skew the balance in the Middle East, give Israel's enemies ample ammunition to continue their terror and inexorably strengthen Iraq's war against international norms. The resolution we are bringing before the House today would set American policy back on track, would take us away from unfortunately the President's first mistake in the Persian Gulf and the Middle East—in the Persian Gulf. Strike "the Middle East." He has made other mistakes there, unfortunately.

It would tell the President that Congress is not so willing to jettson Israel and that he and the State Department must not make foreign policy on the basis of a linkage which does not exist and should not exixt.

Mr. LEVINE of California. Madam Speaker, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY of New York. Madam Speaker, I rise in strong support of House Concurrent Resolution 382.

This resolution states very clearly that there shall be no linkage between resolving the tragic consequences of the Iraqi invasion of Kuwait and other conflicts in the Middle East. There should be no doubt in anyone's mind: The invasion of Kuwait is the work of a madman. Any attempt to link resolution of that act of terror with other issues is a distraction and will be counterproductive to peace in the region.

It is particularly unfortunate that this resolution has been necessitated by comments, intentional or otherwise, from the administration which seem to condone the notion that linking Iraqi withdrawal from Kuwait to a resolution of the tensions between Palestinians and Israel was even a possibility. Remarks like those which came out of the administration showed an incredible lack of understanding about the situation in which Israel finds itself. Israel, like Kuwait, is working to preserve its security and its integrity as a nation. To even contemplate restoring the Government of Kuwait at the expense of jeopardizing the security of Israel is unthinkable.

I am pleased to have cosponsored this resolution which makes absolutely clear that these two situations are not, and will never, be linked. Such linkage makes no sense, and its consideration would jeopardize the integrity of our foreign policy decisiomaking process. I encourage all of my colleagues to give this resolution their strong support.

Mr. SCHUMER. Madam Speaker, will the gentlewoman yield to me?

Mrs. LOWEY of New York. I yield to the gentleman from New York.

Mr. SCHUMER. I thank the gentlewoman for yielding.

Madam Speaker, I thank the gentlewoman for her outstanding statement. And I also want to thank the many people who helped with this resolution. First, the gentleman from California [Mr. LEVINE] who is a coauthor and helped write the resolution; the chairman on the Committee on Foreign Affairs, the gentleman from Florida [Mr. FASCELL]; and the ranking member, the gentleman from Michigan [Mr. BROOMFIELD]; as well as the chairman of the subcommittee; and the gentleman from New York [Mr. GILMAN], the ranking member, who has always been a leader on these issues.

I thank all of them for their help.

Mr. LEVINE of California. Madam Speaker, I yield such time as she may consume to the distinguished gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. I thank the gentleman for yielding.

Madam Speaker, I rise in strong support of the resolution. I commerd its makers, Mr. SCHUMER, Mr. LEVINE, Mr. FASCELL, Mr. BROOMFIELD, and Mr. GILMAN, for their leadership on this issue, and I hope our colleagues will give it an overwhelming vote when we take this vote tomorrow.

Mr. BROOMFIELD. Madam Speaker, I support this resolution which separates the Iraqi invasion of Kuwait from other conflicts in the region.

On August 2, Iraq invaded and occupied Kuwait in clear violation of international law. Since that time, the Kuwaiti people have been intimidated and brutalized. Some have been tortured and murdered. The country has been pillaged by Iraqi troops and civilians. Saddam Hussein has declared Kuwait to be a province of Iraq. The civilized world has denounced this rape of a peace-loving nation.

The Iraqi dictator has tried to link a resolution of the Kuwait problem to a solution of the Arab-Israeli dispute. Israel's long and painful search for security is a struggle of a people looking for a homeland. It is not an act of aggression against an independent state. Saddam Hussein, however, linked these two conflicts as an afterthought following his invasion of Kuwait. We should resist falling into this trap.

America has led the way in trying to negotiate resolutions of international disputes. Our Nation's leadership in trying to craft a solution to the Arab-Israeli conflict is recognized worldwide. I firmly believe that finding a solution to the Iraqi-Kuwait crisis can pave the way for a just settlement of the Arab-Israeli dispute. We all want peace in that troubled region of the world.

I urge my colleagues to support this timely resolution.

Mr. WEISS. Mr. Speaker, I rise in support of House Concurrent Resolution 382, offered by my distinguished colleagues Representatives SCHUMER and LEVIN. This resolution reaffirms the United States commitment to resolve the conflict between Iraq and Kuwait separately from any other conflict in the region.

Saddam Hussein has proposed to discuss Kuwait's status if Israel first withdraws unconditionally from the territories. This proposal has prompted some in the media to suggest that such a linkage should be considered. As State Department Spokeswoman Margaret Tutwiler stated on August 13, however, this linkage is absurd, ridiculous, and ludicrous. And, I might add it is dangerous.

On August 2, 1990, Saddam Hussein, violating all standards of international law and civilized behavior, attacked and invaded the sovereign nation of Kuwait.

In 1967, the State of Israel was attacked on all sides by Arab armies. In defending its very existence, Israel repelled the invading troops and captured territories including the West Bank, Gaza, and East Jerusalem.

To link these two antithetical events is to disregard history. If any analogies are to be drawn, they should be drawn between Kuwait and Israel, the two innocent victims.

In addition to being inappropriate, such a linkage goes against official U.S. policy of not rewarding terrorists for their atrocities. Linking Saddam's occupation of Kuwait to Israel's withdrawal from the territories will reward Saddam—it will make him a liberator to the rest of the Arab world. American troops and troops from around the world are not risking their lives to make Saddam Hussein a hero.

While I have ardently urged the President to pursue diplomatic and nonmilitary means to resolve this crisis, and to resist those who want our forces to undertake offensive military action, there is only one moral solution to the gulf crisis: complete withdrawal of Iraqi troops from Kuwait. This is the only response Saddam should be hearing from the world. I urge my colleagues to support House Concurrent Resolution 382 and avoid playing into Saddam Hussein's hands by forsaking other regional allies.

Mr. ENGEL. Mr. Speaker, I rise in strong support of House Concurrent Resolution 382, which clearly expresses congressional disapproval of Saddam Hussein's brazen attempts to link his naked aggression in Kuwait to Israel's attempts to coexist with its Arab neighbors. Reports indicate that the United Nations sanctions against Iraq are beginning to seriously affect the Iraqi economy. To Saddam Hussein's surprise, the international effort to isolate him and to cut off his economic life lines are starting to take effect. He's being backed into a corner and his cunning mind has now turned to efforts to end his pariah status in the international community.

Hussein is attempting to equate his invasion of Kuwait, a nation that supported him financially and diplomatically, during 8 long years of war with Iran with Israel's administration of the occupied territories, which are under Israeli control as the result of four defensive wars against a coalition of hostile Arab States. Unfortunately, the majority of Palestinians have embraced this fallacious linkage, fully supporting Hussein's power hungry designs and responding to the rape of Kuwait by provoking further violence in the occupied territories.

The resolution we are considering today, sponsored by my good friends and colleagues, MEL LEVINE, CHUCK SCHUMER, and PORTER GOSS, takes an important step toward affirming American support for separate solutions for these distinctly separate problems. Furthermore, it urges the President to continue to resist efforts to link the Iraqi-Kuwaiti crisis with the Arab-Israeli conflict.

It is vitally important that Israel's security not be overshadowed by the need to maintain an anti-Iraq coalition. We cannot forget that we have multiple objectives in our Middle East policy and that one of the highest priorities will always be the security of our ally Israel. Even in this time of crisis, we cannot forget that since independence, over 40 years ago, Israel has striven to be democratic in a region that has been very hostile to principles of freedom and individual liberty. We cannot risk Israel's security by linking an Iraqi withdrawal from Kuwait to a resolution of Israeli-Arab differences.

Saddam Hussein has demonstrated over and over again that he is a cynical tyrant who has no qualms about the murder of citizens of his own country, much less any other nation's. Many of us in this Chamber would have sanctioned him long ago. As our President has indicated repeatedly, Hussein must not be rewarded in any way for his aggression. Linking an Iraqi-Kuwait settlement to an Arab-Israeli settlement would do just that. This is an important resolution and I strongly encourage all of my colleagues to fully support it. Thank you

Mr. Speaker. I yield back the balance of my time.

Mr. LEVINE of California. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. LEVINE] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 382, as amended.

The question was taken.

Mr. LEVINE of California. Madam Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore (Mrs. UNSOELD). Pursuant to the provisions of clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed until tomorrow.

GENERAL LEAVE

Mr. LEVINE of California. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNUAL REPORT ON THE STATE OF SMALL BUSINESS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Small Business:

(For message, see proceedings of the Senate of Monday, October 22, 1990.)

THE JAPANESE DO NOT UNDERSTAND RECONCILIATION

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. DYMALLY. Mr. Speaker, last week in the spirit of compromise and reconciliation, the Committee on Foreign Affairs amended a piece of legislation sponsored by the Congressional Black Caucus which called for the resignation of the Japanese Minister of Justice because of his racist remarks.

Unfortunately, Mr. Speaker, that spirit of reconciliation was again misconstrued by the Japanese officials in the Diet and their original plans to send a delegation here to discuss the issue were changed over the weekend because they saw the compromise as part of a weak effort on the part of the Congress and a signal to them that all was well and good, there was no need to worry, that the Congress really did not care.

So, Mr. Speaker, I am asking the Members to join with the Congressional Black Caucus today to amend the bill back to its original form and call for the resignation of the Minister of Justice.

Let me read just one part of a story that came out in the Washington Post today:

At his regular press briefing Friday, White House spokesman Marlin Fitzwater said Bush had expressed concern about Kajiyama in the meeting. Talking to reporters here this weekend, Kaifu emphatically denied that. Fitzwater "must be making a mistake," the prime minister said. "There was no such conversation."

Whom do we believe? In other words, the Japanese do not understand the spirit of reconciliation and the willingness of this Congressional Black Caucus and this Congress to try to work out differences. Instead, they regard our spirit of compromise as weakness.

I am asking, Mr. Speaker, for the Members of this House to join us today and amend that piece of legislation to call for the resignation of the Minister of Justice.

Mr. Speaker, I include the article of the Washington Post of October 22, as follows:

TOKYO DROPS PLANS TO SEND PANEL TO UNITED STATES

(By T.R. Reid)

TOKYO, OCTOBER 21.—Apparently convinced that the heat is off in the United States over a recent slur on American blacks by this country's justice minister, Japan's dominant Liberal Democratic Party has called off plans to send a delegation to America to apologize.

Party leaders decided not to make the trip after the House Foreign Relations Committee passed a watered-down version of a resolution condemning Seiroku Kajiyama, Japan's equivalent of the U.S. attorney general, who recently compared U.S. blacks to prostitutes. The committee rejected a proposed resolution demanding that Kajiyama resign and replaced it with language saying he should be reprimanded.

Meanwhile, the Kajiyama case prompted a curious argument of the who-said-what-to-whom variety between the White House and Japan's prime minister, Toshiki Kaifu.

President Bush and Kaifu met in New York last month. After the meeting, officials from the two governments briefed reporters on what the two leaders said. The briefers did not mention the Kajiyama matter, which had not yet become a major issue in either country.

At his regular briefing Friday, White House spokesman Marlin Fitzwater said Bush had expressed concern about Kajiyama in the meeting. Talking to reporters here this weekend, Kaifu emphatically denied that. Fitzwater "must be making a mistake," the prime minister said. "There was no such conversation."

Both Kaifu and Kajiyama have written to U.S. officials and black groups apologizing for Kajiyama's comment.

Whether or not the Kajiyama affair is fading from public concern in the United States, it promises to be a continuing embarrassment to Kaifu and his cabinet.

The justice minister's future has become a hot political issue. Opposition parties are demanding Kajiyama's dismissal, and the Liberal Democratic Party has been on the defensive.

To the consternation of the ruling party, Japan's best-known business newspaper, the Nihon Keizai Shimbun, forcefully declared this weekend that Kajiyama must be fired, saying his racial comment can only feed the belief in other countries that "Japan doesn't understand the notion of fairness."

HOLDING GOVERNMENT SPENDING TO RATE OF INFLATION

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. DANNEMEYER. Mr. Speaker and colleagues, the Democratic Party in the Congress has redefined rich people in America. They now say if you have a job and you work for a living in this country, you are rich, because under their tax plan, anyone earning $20,000 or more per year under their tax plan would experience an increase in their income tax under the Democrat tax plan.

There is great equity in terms of who pays what taxes in this country. For example, the top 10 percent earning people in the country pay 55.5 percent of the total income taxes collected. In 1981 they paid 48 percent.

The bottom 50 percent share of people who pay taxes in this country pay 6.1 percent of total taxes. In 1981 that group paid 7.5 percent. Their share has gone down.

If you earn $44,800 with a family of 4 in this country, the Democrat tax plan wants to raise your taxes by $639. The Republican plan which the Democrats would not even let us vote on would have restrained spending over the next 5 years at the rate of no more 4.5 percent growth and in so doing would have substantially balanced the budget by the end of that 5 years just by restraining the increases in spending with no taxes in that plan at all.

HOLDING GOVERNMENT SPENDING TO INFLATION OUTLAYS: COMPARING ACTUAL TO CPI-INDEXED [1]

[Dollar amounts in billions]

Fiscal year	Actual revenues	Actual outlays	Deficit surplus	Revenue increase (percent)	Outlay increase (percent)	CPI increase (percent)	Outlays held to CPI	Deficit surplus	Including defense [2]
1980	$517	$591	−$74	11.7	17.5	12.5	$591	−$74	−$74
1981	599	678	−79	15.9	13.9	8.9	644	−45	−69
1982	618	746	−128	3.1	10.8	3.8	668	−50	−77
1983	601	808	−208	−2.8	9.3	3.8	693	−92	−117
1984	666	852	−185	10.8	5.4	3.9	720	−54	−71
1985	734	946	−212	10.2	11.0	3.8	748	−14	−40
1986	769	990	−221	4.8	4.7	1.1	756	+13	−7
1987	854	1,004	−150	11.1	1.5	4.4	789	+65	+56
1988	909	1,064	−155	6.4	6.0	4.4	824	+85	+76
1989	991	1,143	−152	9.0	7.4	4.6	862	+129	+115
1990 [3]	1,044	1,264	−220	5.3	10.6	4.8	903	+141	+145

[1] 1980 as base.
[2] Includes defense buildup (in addition to CPI), illustrating that defense spending did not fuel excessive growth in outlays.
[3] Estimated.

SPECIAL EDUCATION PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Madam Speaker, I rise to call the attention of my colleagues to an article which appeared in the Thursday, September 20, Chicago Tribune's "Voice of the People" section, regarding Mrs. Erika Musser, and her daughter, Heidi, who live in the 11th Congressional District of Illinois, which I am privileged to represent.

Mrs. Musser is singlehandedly attempting to bring to the attention of the administration and the Congress the need to provide funds so that special programs may be established for training teachers specifically for visually impaired students.

Paying for her own expenses, she recently came to Washington and met with Dr. Robert Davila, Assistant Secretary for Special Education and Rehabilitation Services, Department of Education, and with the officials of appropriate congressional committees which have jurisdiction over special education.

The following column from the Chicago Tribune presents Mrs. Musser's first hand experiences in educating her blind daughter, Heidi, who is now a very successful sophomore at Northeastern Illinois University studying classical piano and voice. Mrs. Musser's are experiences from which all of us can learn and profit, for she has pointed the way to making productive citizens of all of our people including the visually impaired.

I congratulate Mrs. Musser for her efforts in trying to focus attention on this area of education, which certainly needs assistance and development, and I commend her article to my colleagues. The article follows:

[From the Chicago Tribune, Sept. 20, 1990]

BLIND STUDENTS DENIED EQUAL ACCESS

CHICAGO.—Only about 12 percent of the blind population of this nation is literate. To have so many citizens uneducated is a very expensive venture for the federal government.

Where is the problem? There is an extreme shortage of qualified teachers for visually impaired students in public schools throughout the country. America can no longer afford giving blind students second-rate status and not placing Braille literacy for the blind on an equal level with literacy of the printed word for the sighted.

With Braille and with developing other skills of blindness, blind people can take their place as contributing members of society.

When my totally blind daughter F. Heidi Musser was 4 years old, a Chicago public school psychologist diagnosed her as retarded due to lack of properly designed test formulas and the absence of common sense. Of course a child who is born into a world of complete darkness—no light, no form, no color—will learn at a slower rate until she has a control of the language that can be used to explain and describe the world around her.

Despite humiliation throughout her childhood by the Chicago school sysem's insensitive and overburdened experts in the field of testing, Heidi presently enjoys sophomore status at Northeastern Illinois University, specializing in classical piano and voice. Heidi's ear is phenomenal.

I was nearly at the end of my wits when Heidi asked the state's Bureau of Blind Services of the Department of Rehabilitation Services in Springfield for a teacher for Braille music. It was recommended that she take a correspondence course. If a sighted university student is entitled to learn to read music notation on a one-to-one basis with his or her professor, why not a blind student?

In depriving blind students of their right to learn to read and type Braille as means for an education, we deny them equal access to life. It is inexcusable that blind students graduate from college without being able to read or write a paper. If sighted students were offered knowledge only through audiotapes, their education horizon would certainly be limited, too.

Because I did not permit Heidi to vegetate in an institution as suggested by the experts, I have saved the government at least a half-million dollars over the past 20 years. Painstakingly, I educated her mainly at home during her elementary years, learning Braille myself and then teaching her.

In a few weeks, I will be in Washington to present Heidi's story to Congress. Could her story become a landmark case to restore sight to the blinded in the Congress and the U.S. Department of Education?

STOP FOREIGN COMPANIES FROM SELLING NUCLEAR WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Madam Speaker, we cannot emphasize too often the dangers of nuclear proliferatoin. This is a threat we have long recognized and from time to time have worked to minimize. But our efforts have been inadequate. Proliferation is in fact occurring.

In the 1950's we created the International Atomic Energy Agency to safeguard peaceful nuclear facilities. In the 1960's we negotiated and signed the Treaty on the Non-Proliferation of Nuclear Weapons [NPT] which required safeguards on all nuclear transactions between treaty members. In the 1970's, after India—a non-party to the NPT—detonated a nuclear device and other countries threatened to move in that direction, we tightened our nuclear export controls and encouraged our allies to do the same.

It is now the 1990's. Since the ratification of the NPT in 1970, four more countries—India, Pakistan, Israel, and South Africa—have acquired the capability to make nuclear weapons. In addition, several other countries sit poised on the nuclear threshold: Brazil, Argentina, North Korea, and, presently most worrisome of all, Iraq.

The prospect of Saddam Hussein with nuclear weapons and missiles which could eventually reach the United States ought to be enough to get us to act more decisively on proliferation.

Before its invasion of Kuwait, Iraq stood 3 to 5 years away from a nuclear weapons capability. Regardless of the outcome of the Persian Gulf crisis, we must act to ensure this time bomb is diffused.

Iraq, like the other threshold countries, has relied heavily on foreign suppliers for the development of its nuclear weapons program. There is a long, long list of western companies which have supplied critical technology, such as heavy water or components for uranium enrichment centrifuge facilities, to these countries seeking nuclear weapons.

The United States has a less than perfect record at preventing these questionable nuclear transactions. But it has been the West Europeans, especially the Germans, who have really failed on their watch. Their export controls are too few and too rarely enforced.

The international community absolutely must take steps to tighten its licensing of transactions that are of proliferation risk. While this would put a slight burden on exporters, we must weigh this minimal cost against the significant human, economic, political, and

military consequences of not taking actions and allowing an ever-increasing spread of nuclear weapons. To further strengthen enforcement, there should be an international agreement on sanctions against companies which violate these export controls.

One vehicle for this approach might be a refigured Cocom, the agreement the Western allies have used to prevent the transfer of sophisticated technology to the Soviet Union and its allies. With the Warsaw Pact now more or less history, Cocom could be enlarged to include the new governments of Eastern Europe—and perhaps eventually the Soviet Union—as well as any other countries which can demonstrate control over their exports and a commitment to nonproliferation. For trade between parties to such an agreement, few export controls would be necessary, a license free zone. But trade with nonmembers involving items of proliferation risk would be strictly licensed. This arrangement would accurately reflect and address our evolving national security concerns.

But until such a multilateral agreement is worked out, there are steps the United States must take. I am today introducing the Non-Proliferation Act of 1990. This legislation would put unilateral import sanctions on foreign firms determined by the President to have engaged in nuclear trade which would not have been permitted in the United States. If a German company sells Iraq a component needed to make a uranium enrichment plant, that company would never again be allowed to have its goods enter the United States. Since many of the companies involved are multinational, this would be a hardline sanction indeed.

I will be reintroducing the bill at the start of the 102d Congress. I am introducing it now so that people may study it over the next several months and, I hope, offer suggestions and ideas for its improvement.

This bill would not violate the General Agreement on Tariffs and Trade, which has a very clear national security waiver for instances such as these. Firms named as violators may appeal the case to the U.S. Court of International Trade and the President may waive the sanction in certain very specific instances for national security reasons.

The legislation also includes a privatization clause. Any United States person who has significant documented evidence of wrongdoing by a foreign firm may petition the President to conduct an inquiry into whether sanctions are merited for that case. It is not that I have less than the utmost confidence in the administration's ability to root out all the proliferation profiteers, it's just that I would like to take advantage of some of the very talented individuals who are working on this issue in the private sector.

Madam. Speaker, as I said, I would prefer a multinational agreement on sanctions, but until one is worked out, we must do something to slow proliferation. Our allies might not appreciate this legislation, but after more than 40 years of the United States bearing the brunt of their defense burden, they can live with this approach. After all, it is not only the United States which has to fear a world in which Iraq, Iran, Libya, and Syria are nuclear armed and ready.

There are precedents for import sanctions. After Toshiba sold sensitive technology to the Soviet Union, Congress passed the Multilateral Export Control Enhancement Amendments Act in 1988. This legislation bars imports from foreign firms which engage in trade that violates the Cocom agreement and significantly enhances the military capabilities of the Soviet Union and Eastern Europe. Congress has just passed legislation barring imports from foreign firms which contribute to the chemical and biological weapons capabilities of certain countries.

I think it is fair to say that the threat of nuclear proliferation is at least equal that of the spread of chemical and biological weapons or of the dangers posed to us by the Soviet Union and its allies. If we use import sanctions in those cases, surely it makes sense to do so here as well.

Madam Speaker, the situation is bad enough today, but it is still possible to prevent the worst damage from occurring. For the sake of all future generations, let's act today and halt for once and all the spread of nuclear weapons.

CONFERENCE REPORT (H. REPT. 101-922)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 566) to authorize a new Housing Opportunities Partnerships program to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Cranston-Gonzalez National Affordable Housing Act".

(b) TABLE OF CONTENTS.—

Section 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS AND POLICIES

Sec. 101. The national housing goal.
Sec. 102. Objective of national housing policy.
Sec. 103. Purposes of the Cranston-Gonzalez National Affordable Housing Act.
Sec. 104. Definitions.
Sec. 105. State and local housing strategies.
Sec. 106. Certification.
Sec. 107. Citizen participation.
Sec. 108. Compliance.
Sec. 109. Energy efficiency standards.
Sec. 110. Capacity study.
Sec. 111. Protection of State and local authority.

TITLE II—INVESTMENT IN AFFORDABLE HOUSING

Sec. 201. Short title.
Sec. 202. Findings.
Sec. 203. Purposes.
Sec. 204. Coordinated Federal support for housing strategies.
Sec. 205. Authorization.
Sec. 206. Notice.

Subtitle A—HOME Investment Partnerships

Sec. 211. Authority.
Sec. 212. Eligible uses of investment.
Sec. 213. Development of model programs.
Sec. 214. Income targeting.
Sec. 215. Qualification as affordable housing.
Sec. 216. Participation by States and local governments.
Sec. 217. Allocation of resources.
Sec. 218. HOME investment trust funds.
Sec. 219. Repayment of investment.
Sec. 220. Matching requirements.
Sec. 221. Private-public partnership.
Sec. 222. Distribution of assistance.
Sec. 223. Penalties for misuse of funds.
Sec. 224. Limitation on jurisdictions under court order.
Sec. 225. Tenant and participant protections.
Sec. 226. Monitoring of compliance.

Subtitle B—Community Housing Partnership

Sec. 231. Set-Aside for community housing development organizations.
Sec. 232. Project-specific assistance to community housing development organizations.
Sec. 233. Housing education and organizational support.
Sec. 234. Other requirements.

Subtitle C—Other Support for State and Local Housing Strategies

Sec. 241. Authority.
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Sec. 243. Conditions of contracts.
Sec. 244. Research in housing affordability.
Sec. 245. REACH: Asset recycling information dissemination.

Subtitle D—Specified Model Programs

Sec. 251. General authority.
Sec. 252. Rental housing production.
Sec. 253. Rental rehabilitation.
Sec. 254. Rehabilitation loans.
Sec. 255. Sweat equity model program.
Sec. 256. Home repair services grants for older and disabled homeowners.
Sec. 257. Low-income housing conservation and efficiency grant programs.
Sec. 258. Second mortgage assistance for first-time homebuyers.
Sec. 259. Rehabilitation of State and local government in rem properties.

Subtitle E—Mortgage Credit Enhancement

Sec. 271. Report on credit enhancement.

Subtitle F—General Provisions

Sec. 281. Equal opportunity.
Sec. 282. Nondiscrimination.
Sec. 283. Annual audits and accountability.
Sec. 284. Uniform recordkeeping and reports to the Congress.
Sec. 285. Citizen participation.
Sec. 286. Labor.
Sec. 287. Interstate agreements.
Sec. 288. Environmental review.
Sec. 289. Termination of existing housing programs.

TITLE III—HOMEOWNERSHIP

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Sec. 301. Short title.
Sec. 302. National Homeownership Trust.
Sec. 303. Assistance for first-time homebuyers.
Sec. 304. National Homeownership Trust Fund.
Sec. 305. Definitions.
Sec. 306. Regulations.

Sec. 307. Report.
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Sec. 309. Transition.
Sec. 310. Termination.
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Sec. 322. Appraisal services.
Sec. 323. Increase in mortgage limit.
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Sec. 325. Mortgage insurance premiums.
Sec. 326. Limitation on secondary residences.
Sec. 327. Mortgage counseling for delinquent mortgagors.
Sec. 328. Delegation of processing.
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Sec. 413. Related amendments to section 8.
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Sec. 415. Limitation on section 20 resident management financial assistance.
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Sec. 518. Indian public housing early childhood development demonstration program.
Sec. 519. Public housing rent waiver for police officers.
Sec. 520. Public housing youth sports programs.
Sec. 521. Public housing one-stop perinatal services demonstration.
Sec. 522. Public housing mixed income new communities strategy demonstration.
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TITLE I—GENERAL PROVISIONS AND POLICIES

SEC. 101. THE NATIONAL HOUSING GOAL.

The Congress affirms the national goal that every American family be able to afford a decent home in a suitable environment.

SEC. 102. OBJECTIVE OF NATIONAL HOUSING POLICY.

The objective of national housing policy shall be to reaffirm the long-established national commitment to decent, safe, and sanitary housing for every American by strengthening a nationwide partnership of public and private institutions able—

(1) to ensure that every resident of the United States has access to decent shelter or assistance in avoiding homelessness;

(2) to increase the Nation's supply of decent housing that is affordable to low-income and moderate-income families and accessible to job opportunities;

(3) to improve housing opportunities for all residents of the United States, particularly members of disadvantaged minorities, on a nondiscriminatory basis;

(4) to help make neighborhoods safe and livable;

(5) to expand opportunities for homeownership;

(6) to provide every American community with a reliable, readily available supply of mortgage finance at the lowest possible interest rates; and

(7) to encourage tenant empowerment and reduce generational poverty in federally assisted and public housing by improving the means by which self-sufficiency may be achieved.

SEC. 103. PURPOSES OF THE CRANSTON-GONZALEZ NATIONAL AFFORDABLE HOUSING ACT.

The purposes of this Act are—

(1) to help families not owning a home to save for a down payment for the purchase of a home;

(2) to retain wherever feasible as housing affordable to low-income families those dwelling units produced for such purpose with Federal assistance;

(3) to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of housing affordable to low-income and moderate-income families;

(4) to expand and improve Federal rental assistance for very low-income families; and

(5) to increase the supply of supportive housing, which combines structural features and services needed to enable persons with

special needs to live with dignity and independence.

SEC. 104. DEFINITIONS.

As used in this title and in title II:

(1) The term "unit of general local government" means a city, town, township, county, parish, village, or other general purpose political subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the Federated States of Micronesia and Palau, the Marshall Islands, or a general purpose political subdivision thereof; a consortium of such political subdivisions recognized by the Secretary in accordance with section 216(2) of this Act; and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this Act.

(2) The term "State" means any State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

(3) The term "jurisdiction" means a State or unit of general local government.

(4) The term "participating jurisdiction" means any State or unit of general local government that has been so designated in accordance with section 216 of this Act.

(5) The term "nonprofit organization" means any private, nonprofit organization (including a State or locally chartered, nonprofit organization) that—

(A) is organized under State or local laws,

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual,

(C) complies with standards of financial accountability acceptable to the Secretary, and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income and moderate-income persons.

(6) The term "community housing development organization" means a nonprofit organization as defined in paragraph (5), that—

(A) has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons;

(B) maintains, through significant representation on the organization's governing board and otherwise, accountability to low-income community residents and, to the extent practicable, low-income beneficiaries with regard to decisions on the design, siting, development, and management of affordable housing;

(C) has a demonstrated capacity for carrying out activities assisted under this Act; and

(D) has a history of serving the local community or communities within which housing to be assisted under this Act is to be located.

(7) The term "government-sponsored mortgage finance corporations" means the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, and the Federal Agricultural Mortgage Corporation.

(8) The term "housing" includes manufactured housing and manufactured housing lots.

(9) The term "very low-income families" means low-income families whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(10) The term "low-income families" means families whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

(11) The term "families" has the same meaning given that term by section 3 of the United States Housing Act of 1937.

(12) The term "security" has the same meaning as in section 2 of the Securities Act of 1933.

(13) The term "displaced homemaker" means an individual who—

(A) is an adult;

(B) has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and

(C) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(14) The term "first-time homebuyer" means an individual and his or her spouse who have not owned a home during the 3-year period prior to purchase of a home with assistance under title II, except that—

(A) any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse; and

(B) any individual who is a single parent may not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse.

(15) The term "single parent" means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has 1 or more minor children for whom the individual has custody or joint custody; or

(ii) is pregnant.

(16) The term "Secretary" means the Secretary of Housing and Urban Development, unless otherwise specified in this Act.

(17) The term "substantial rehabilitation" means the rehabilitation of residential property at an average cost in excess of $25,000 per dwelling unit.

(18) The term "public housing agency" has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(19) The term "metropolitan city" has the meaning given the term in section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)).

(20) The term "urban county" has the meaning given the term in section 102(a)(6) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)).

(21) The term "certification" means a written assertion, based on supporting evidence, which shall be kept available for inspection by the Secretary, the Inspector General and the public, which assertion shall be deemed to be accurate for purposes of this Act, unless the Secretary determines otherwise after inspecting the evidence and providing due notice and opportunity for comment.

(23) The term "to demonstrate to the Secretary" means to submit to the Secretary a written assertion together with supporting evidence that, in the determination of the Secretary, supports the accuracy of the assertion.

SEC. 105. STATE AND LOCAL HOUSING STRATEGIES.

(a) IN GENERAL.—The Secretary shall provide assistance directly to a jurisdiction only if—

(1) the jurisdiction submits to the Secretary a comprehensive housing affordability strategy (hereafter in this section referred to as the "housing strategy");

(2) the jurisdiction submits annual updates of the housing strategy; and

(3) the housing strategy, and any annual update of such strategy, is approved by the Secretary.

The Secretary shall establish such dates and manner for the submission and approval of housing strategies under this section that the Secretary determines will facilitate orderly program management by jurisdictions and provide for timely investment or other use of funds made available under title II of this Act and other programs requiring submission of a housing strategy. If the Secretary finds there is good cause, the Secretary may provide reasonable extensions of any deadlines for submission of a jurisdiction's housing strategy.

(b) CONTENTS.—A housing strategy submitted under this section shall be in a form that the Secretary determines to be appropriate for the assistance the jurisdiction may be provided and shall—

(1) describe the jurisdiction's estimated housing needs projected for the ensuing 5-year period, and the jurisdiction's need for assistance for very low-income, low-income, and moderate-income families, specifying such needs for different types of tenure and for different categories of residents, such as very low-income, low-income, and moderate-income families, the elderly, single persons, large families, residents of nonmetropolitan areas, families who are participating in an organized program to achieve economic independence and self-sufficiency, persons with acquired immunodeficiency syndrome, and other categories of persons residing in or expected to reside in the jurisdiction that the Secretary determines to be appropriate;

(2) describe the nature and extent of homelessness within the jurisdiction, providing an estimate of the special needs of various categories of persons who are homeless or threatened with homelessness, and a description of the jurisdiction's strategy for (A) helping low-income families avoid becoming homeless; (B) addressing the emergency shelter and transitional housing needs of homeless persons (including a brief inventory of facilities and services that meet such needs within that jurisdiction); and (C) helping homeless persons make the transition to permanent housing and independent living;

(3) describe the significant characteristics of the jurisdiction's housing market, indicating how those characteristics will influence the use of funds made available for rental assistance, production of new units, rehabilitation of old units, or acquisition of existing units;

(4) explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction

are affected by public policies, particularly by policies of the jurisdiction, including tax policies affecting land and other property, land use controls, zoning ordinances, building codes, fees and charges, growth limits, and policies that affect the return on residential investment, and describe the jurisdiction's strategy to remove or ameliorate negative effects, if any, of such policies;

(5) explain the institutional structure, including private industry, nonprofit organizations, and public institutions, through which the jurisdiction will carry out its housing strategy, assessing the strengths and gaps in that delivery system and describing what the jurisdiction will do to overcome those gaps;

(6) indicate resources from private and non-Federal public sources that are reasonably expected to be made available to carry out the purposes of this Act, explaining how funds made available will leverage those additional resources and identifying, where the jurisdiction deems it appropriate, publicly owned land or property located within the jurisdiction that may be utilized to carry out the purposes of this Act;

(7) set forth the jurisdiction's plan for investment or other use of housing funds made available under title II of this Act, the United States Housing Act of 1937, the Housing and Community Development Act of 1974, and the Stewart B. McKinney Homeless Assistance Act, during the ensuing year or such longer period as the Secretary determines to be appropriate, indicating the general priorities for allocating investment geographically within the jurisdiction and among different activities and housing needs;

(8) describe the means of cooperation and coordination among the State and any units of general local government in the development, submission, and implementation of their housing strategies;

(9) in the case of a unit of local government, describe the number of public housing units in the jurisdiction, the physical condition of such units, the restoration and revitalization needs of public housing projects within the jurisdiction, the public housing agency's strategy for improving the management and operation of such public housing, and the public housing agency's strategy for improving the living environment of low- and very-low-income families residing in public housing;

(10) in the case of a State, describe the strategy to coordinate the Low-Income Tax Credit with development of housing, including public housing, that is affordable to very low-income and low-income families;

(11) describe the jurisdiction's activities to encourage public housing residents to become more involved in management and participate in homeownership;

(12) describe the standards and procedures according to which the jurisdiction will monitor activities authorized under this Act and ensure long-term compliance with the provisions of this Act;

(13) include a certification that the jurisdiction will affirmatively further fair housing;

(14) include a certification that the jurisdiction is in compliance with a residential antidisplacement and relocation assistance plan under section 104(d) of the Housing and Community Development Act of 1974 (to the extent that such a plan applies to the jurisdiction); and

(15) include the number of families to whom the jurisdiction will provide affordable housing as defined in section 215 using funds made available.

The Secretary may provide for the submission of abbreviated housing strategies by jurisdictions that are not otherwise expected to be participating jurisdictions under title II of this Act. Such an abbreviated housing strategy shall be appropriate to the types and amounts of assistance the jurisdiction is to receive as determined by the Secretary.

(c) APPROVAL.—

(1) IN GENERAL.—The Secretary shall review the housing strategy upon receipt. Not later than 60 days after receipt by the Secretary, the housing strategy shall be approved unless the Secretary determines before that date that (A) the housing strategy is inconsistent with the purposes of this Act, or (B) the information described in subsection (b) has not been provided in a substantially complete manner. For the purpose of the preceding sentence, the adoption or continuation of a public policy identified pursuant to subsection (b)(4) shall not be a basis for the Secretary's disapproval of a housing strategy. During the 18-month period following enactment of this Act, the Secretary may extend the review period to not longer than 90 days.

(2) ACTIONS IN CASE OF DISAPPROVAL.—If the Secretary disapproves the housing strategy, the Secretary shall immediately notify the jurisdiction of such disapproval. Not later than 15 days after the Secretary's disapproval, the Secretary shall inform the jurisdiction in writing of (A) the reasons for disapproval, and (B) actions that the jurisdiction could take to meet the criteria for approval. If the Secretary fails to inform the jurisdiction of the reasons for disapproval within such 15-day period, the housing strategy shall be deemed to have been approved.

(3) AMENDMENTS AND RESUBMISSION.—The Secretary shall, for a period of not less than 45 days following the date of first disapproval, permit amendments to, or the resubmission of, any housing strategy that is disapproved. The Secretary shall approve or disapprove a housing strategy not less than 30 days after receipt of such amendments or resubmission.

(d) COORDINATION OF STATE AND LOCAL HOUSING STRATEGIES.—The Secretary may establish such requirements as the Secretary deems appropriate to encourage coordination between and among the housing strategies of a State and any participating jurisdictions within the State, except that a unit of general local government shall not be required to have elements of its housing strategy approved by the State.

(e) CONSULTATION WITH SOCIAL SERVICE AGENCIES.—When preparing a housing strategy for submission under this section, a jurisdiction shall make reasonable efforts to confer with appropriate social service agencies regarding the housing needs of children, elderly persons, persons with disabilities, homeless persons, and other persons served by such agencies.

(f) BARRIER REMOVAL.—Not later than 4 months after completion of the final report of the Secretary's Advisory Commission on Regulatory Barriers to Affordable Housing, the Secretary shall submit to the Congress a written report outlining the Secretary's recommendations for legislative and administrative actions to facilitate the removal or modification of excessive, duplicative, or unnecessary regulations or other requirements of Federal, State, or local governments that (1) inflate the costs of or otherwise inhibit the construction, rehabilitation, or management of housing, particularly housing that otherwise could be affordable to low-income and moderate-income families, or (2) contribute to economic or racial discrimination.

SEC. 106. CERTIFICATION.

The Secretary shall, by regulation or otherwise, as deemed by the Secretary to be appropriate, require any application for housing assistance under title II of this Act, assistance under the Housing and Community Development Act of 1974, or assistance under the Stewart B. McKinney Homeless Assistance Act, to contain or be accompanied by a certification by an appropriate State or local public official that the proposed housing activities are consistent with the housing strategy of the jurisdiction to be served.

SEC. 107. CITIZEN PARTICIPATION.

(a) IN GENERAL.—Before submitting a housing strategy under this section, a jurisdiction shall—

(1) make available to its citizens, public agencies, and other interested parties information concerning the amount of assistance the jurisdiction expects to receive and the range of investment or other uses of such assistance that the jurisdiction may undertake;

(2) publish a proposed housing strategy in a manner that, in the determination of the Secretary, affords affected citizens, public agencies, and other interested parties a reasonable opportunity to examine its content and to submit comments on the proposed housing strategy;

(3) hold one or more public hearings to obtain the views of citizens, public agencies, and other interested parties on the housing needs of the jurisdiction; and

(4) provide citizens, public agencies, and other interested parties with reasonable access to records regarding any uses of any assistance the jurisdiction may have received during the preceding 5 years.

(b) NOTICE AND COMMENT.—Before submitting any performance report or substantial amendment to a housing strategy under this section, a participating jurisdiction shall provide citizens with reasonable notice of, and opportunity to comment on, such performance report or substantial amendment prior to its submission.

(c) CONSIDERATION OF COMMENTS.—A participating jurisdiction shall consider any comments or views of citizens in preparing a final housing strategy, amendment to a housing strategy or performance report for submission. A summary of such comments or views shall be attached when a housing strategy, amendment to a housing strategy or performance report is submitted. The submitted housing strategy, amendment, or report shall be made available to the public.

(d) REGULATIONS.—The Secretary shall by regulation establish procedures appropriate and practicable for providing a fair hearing and timely resolution of citizen complaints related to housing strategies or performance reports.

SEC. 108. COMPLIANCE.

(a) PERFORMANCE REPORTS.—

(1) IN GENERAL.—Each participating jurisdiction shall annually review and report, in a form acceptable to the Secretary, on the progress it has made in carrying out its housing strategy, which report shall include an evaluation of the jurisdiction's progress in meeting its goal established in section 105(b)(15) of this Act, and information on the number and types of households served, including the number of very low-income, low-income, and moderate-income persons served and the racial and ethnic status of

persons served that will be assisted with funds made available.

(2) SUBMISSION.—The Secretary shall (A) establish dates for submission of reports under this subsection, and (B) review such reports and make such recommendations as the Secretary deems appropriate to carry out the purposes of this Act.

(3) FAILURE TO REPORT.—If a jurisdiction fails to submit a report satisfactory to the Secretary in a timely manner, assistance to the jurisdiction under title II of this Act or the other programs referred to in section 106 may be—

(A) suspended until a report satisfactory to the Secretary is submitted; or

(B) withdrawn and reallocated if the Secretary finds, after notice and opportunity for a hearing, that the jurisdiction will not submit a satisfactory report.

(b) PERFORMANCE REVIEW BY SECRETARY.—

(1) IN GENERAL.—The Secretary shall ensure that activities of each jurisdiction required to submit a housing strategy under section 105 are reviewed not less frequently than annually. Such review shall include, insofar as practicable, on-site visits by employees of the Department of Housing and Urban Development and shall include an assessment of the jurisdiction's—

(A) management of funds made available under programs administered by the Secretary;

(B) compliance with its housing strategy;

(C) accuracy in the preparation of performance reports under subsection (a); and

(D) efforts to ensure that housing assisted under programs administered by the Secretary are in compliance with contractual agreements and the requirements of law.

(2) REPORT BY THE SECRETARY.—The Secretary shall report on the performance review in writing. The Secretary shall give the jurisdiction not less than 30 days to review and comment on the report. After taking into consideration the comments of the jurisdiction, the Secretary may revise the report and shall make the jurisdiction's comments and the report, with any revisions, readily available to the public within 30 days after receipt of the jurisdiction's comments.

(c) REVIEW BY COURTS.—The adequacy of information submitted under section 105(b)(4) shall not be reviewable by any Federal, State, or other court. Review of a housing strategy by any Federal, State, or other court shall be limited to determining whether the process of development and the content of the strategy are in substantial compliance with the requirements of this Act. During the pendency of any action challenging the adequacy of a housing strategy or the action of the Secretary in approving a strategy, the court shall not have the authority to enjoin activities taken by the jurisdiction to implement an approved housing strategy. Any housing assisted during the pendency of such action shall not be subject to any order of the court resulting from such action.

SEC. 109. ENERGY EFFICIENCY STANDARDS.

The Secretary of Housing and Urban Development shall, not later than one year after the date of enactment of this Act, promulgate energy efficiency standards for new construction of public and assisted housing and single-family and multifamily residential housing (other than manufactured homes) subject to mortgages under the National Housing Act. Such standards shall meet or exceed the provisions of the most recent edition of the Model Energy Code of the Council of American Building Officials and shall be cost-effective with respect to construction and operating costs. In developing such standards the Secretary shall consult with an advisory task force composed of homebuilders, national, State, and local housing agencies (including public housing agencies), energy agencies and building code organizations and agencies, energy efficiency organizations, utility organizations, low-income housing organizations, and other parties designated by the Secretary.

SEC. 110. CAPACITY STUDY.

(a) IN GENERAL.—The Secretary shall ensure that the Department of Housing and Urban Development has adequate capacity and resources, including staff and training programs, to carry out its mission and responsibilities, and to implement the provisions of this Act, including the ability of the Department to carry out the multifamily mortgage insurance program.

(b) REPORT.—Not later than 60 days after the date of enactment of this Act, and annually thereafter, the Secretary shall prepare and submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a study detailing the Department's plan to maintain such capacity, together with any recommendations for legislative and administrative action as the Secretary determines to be appropriate.

SEC. 111. PROTECTION OF STATE AND LOCAL AUTHORITY.

Notwithstanding any other provision of this title or title II, the Secretary shall not establish any criteria for allocating or denying funds made available under programs administered by the Secretary based on the adoption, continuation, or discontinuation by a jurisdiction of any public policy, regulation, or law that is (1) adopted, continued, or discontinued in accordance with the jurisdiction's duly established authority, and (2) not in violation of any Federal law.

TITLE II—INVESTMENT IN AFFORDABLE HOUSING

SEC. 201. SHORT TITLE.

This title may be cited as the "HOME Investment Partnerships Act".

SEC. 202. FINDINGS.

The Congress finds that—

(1) the Nation has not made adequate progress toward the goal of national housing policy, as set out in the Housing Act of 1949 and reaffirmed in the Housing and Urban Development Act of 1968, which would provide decent, safe, sanitary, and affordable living environments for all Americans;

(2) the supply of affordable rental housing is diminishing;

(3) the Tax Reform Act of 1986 removed major tax incentives for the production of affordable rental housing;

(4) the living environments of an increasing number of Americans have deteriorated over the past several years as a result of reductions in Federal assistance to low-income and moderate-income families;

(5) many Americans face the possibility of homelessness unless Federal, State, and local governments work together with the private sector to develop and rehabilitate the housing stock of the Nation to provide decent, safe, sanitary, and affordable housing for very low-income and low-income families;

(6) reliable Federal leadership is needed to achieve an adequate supply of affordable housing for all Americans;

(7) to achieve the goal of national housing policy, there is a need to strengthen nationwide a cost-effective community-based housing partnership designed to—

(A) expand the supply of rental housing that is affordable to very low-income and low-income families,

(B) improve homeownership opportunities for low-income families,

(C) carry out comprehensive housing strategies tailored to local housing market conditions, and

(D) protect the Federal, State, and local investment in low-income housing to ensure affordability of the housing for the remaining useful life of the property;

(8) direct assistance to expand the supply of affordable rental housing should be provided in a way that is more cost-effective and targeted than tax incentives;

(9) much of the Nation's housing system works very well and provides a strong base on which national housing policy should build;

(10) an increasing number of States and local governments have been successful in producing cost-effective low-income and moderate-income housing by working in partnership with the private sector, including nonprofit community development corporations, community action agencies, neighborhood housing services corporations, trade unions, groups sponsored by religious organizations, limited equity cooperatives, and other tenant organizations;

(11) during the 1980's, nonprofit community housing development organizations, despite severe obstacles caused by inadequate funding, have played an increasingly important role in the production and rehabilitation of affordable housing in communities across the Nation;

(12) additional financial resources and technical skills must be made available in local communities if the Nation is to mobilize the capacity of the private sector, including nonprofit community housing development organizations, to provide a more adequate supply of decent, safe, and sanitary housing that is affordable to very low-income, low-income, and moderate-income families and meets the need for large family units and other additional units that are available to very low-income families receiving rental assistance payments from Federal, State, and local governments; and

(13) the long-term success of efforts to provide more affordable housing depends upon tenants and homeowners being fiscally responsible and able managers.

SEC. 203. PURPOSES.

The purposes of this title are—

(1) to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income Americans;

(2) to mobilize and strengthen the abilities of States and units of general local government throughout the United States to design and implement strategies for achieving an adequate supply of decent, safe, sanitary, and affordable housing;

(3) to provide participating jurisdictions, on a coordinated basis, with the various forms of Federal housing assistance, including capital investment, mortgage insurance, rental assistance, and other Federal assistance, needed—

(A) to expand the supply of decent, safe, sanitary, and affordable housing;

(B) to make new construction, rehabilitation, substantial rehabilitation, and acquisition of such housing feasible; and

(C) to promote the development of partnerships among the Federal Government, States

and units of general local government, private industry, and nonprofit organizations able to utilize effectively all available resources to provide more of such housing;

(4) to make housing more affordable for very low-income and low-income families through the use of tenant-based rental assistance;

(5) to develop and refine, on an ongoing basis, a selection of model programs incorporating the most effective methods for providing decent, safe, sanitary, and affordable housing, and accelerate the application of such methods where appropriate throughout the United States to achieve the prudent and efficient use of funds made available under this title;

(6) to expand the capacity of nonprofit community housing development organizations to develop and manage decent, safe, sanitary, and affordable housing;

(7) to ensure that Federal investment produces housing stock that is available and affordable to low-income families for the property's remaining useful life, is appropriate to the neighborhood surroundings, and, wherever appropriate, is mixed income housing;

(8) to increase the investment of private capital and the use of private sector resources in the provision of decent, safe, sanitary, and affordable housing;

(9) to allocate Federal funds for investment in affordable housing among participating jurisdictions by formula allocation;

(10) to leverage those funds insofar as practicable with State and local matching contributions and private investment;

(11) to establish for each participating jurisdiction a HOME Investment Trust Fund with a line of credit for investment in affordable housing, with repayments back to its HOME Investment Trust Fund being made available for reinvestment by the jurisdiction;

(12) to provide credit enhancement for affordable housing by utilizing the capacities of existing agencies and mortgage finance institutions when most efficient and supplementing their activities when appropriate; and

(13) to assist very low-income and low-income families to obtain the skills and knowledge necessary to become responsible homeowners and tenants.

SEC. 204. COORDINATED FEDERAL SUPPORT FOR HOUSING STRATEGIES.

The Secretary shall make assistance under this title available to participating jurisdictions, through the Office of the Assistant Secretary for Housing-FHA Commissioner of the Department of Housing and Urban Development, to the maximum extent practicable, in coordination with mortgage insurance, rental assistance, and other housing assistance appropriate to the efficient and timely completion of activities under this title.

SEC. 205. AUTHORIZATION.

There are authorized to be appropriated to carry out this title $1,000,000,000 for fiscal year 1991, and $2,086,000,000 for fiscal year 1992, of which—

(1) not more than $14,000,000 for fiscal year 1991, and $14,000,000 for fiscal year 1992, shall be for community housing partnership activities authorized under section 233; and

(2) not more than $11,000,000 for fiscal year 1991, and $11,000,000 for fiscal year 1992, shall be for activities in support of State and local housing strategies authorized under subtitle C.

SEC. 206. NOTICE.

The Secretary shall issue regulations to implement the provisions of this title after notice and an opportunity for comment pursuant to section 553 of title 5, United States Code. Such regulations shall become effective not later than 180 days after the date of enactment of this Act.

Subtitle A—HOME Investment Partnerships

SEC. 211. AUTHORITY.

The Secretary is authorized to make funds available to participating jurisdictions for investment to increase the number of families served with decent, safe, sanitary, and affordable housing and expand the long-term supply of affordable housing in accordance with provisions of this subtitle.

SEC. 212. ELIGIBLE USES OF INVESTMENT.

(a) HOUSING USES.—

(1) IN GENERAL.—Funds made available under this subtitle may be used by participating jurisdictions to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing, including real property acquisition, site improvement, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations, and to provide tenant-based rental assistance.

(2) PREFERENCE TO REHABILITATION.—A participating jurisdiction shall give preference to rehabilitation of substandard housing unless the jurisdiction determines that—

(A) such rehabilitation is not the most cost effective way to meet the jurisdiction's need to expand the supply of affordable housing; and

(B) the jurisdiction's housing needs cannot be met through rehabilitation of the available stock.

The Secretary shall not restrict a participating jurisdiction's choice of rehabilitation, substantial rehabilitation, new construction, reconstruction, acquisition, or other eligible housing use unless such restriction is explicitly authorized under paragraph (3) of this subsection or under section 223(2).

(3) CONDITIONS FOR NEW CONSTRUCTION.—

(A) IN GENERAL.—Funds made available under this subtitle may be used (at the discretion of a participating jurisdiction) for new construction of housing only if the housing is to serve a local market area that, in the determination of the Secretary has—

(i) an inadequate supply of housing at rentals below the fair market rent established for the area under section 8 of the United States Housing Act of 1937, and

(ii) a severe shortage of substandard residential structures in the jurisdiction that are suitable for rehabilitation as affordable rental housing.

(B) ESTABLISHMENT OF CRITERIA.—The Secretary shall publish—

(i) objective criteria for determining whether a jurisdiction's housing supply is sufficiently inadequate to permit new construction pursuant to subparagraph (A), and

(ii) a list of jurisdictions that in the determination of the Secretary meet those criteria.

The Secretary shall give reasonable opportunity for jurisdictions not designated on the published list to demonstrate, on the basis of additional information, that they meet the criteria. Such criteria shall permit new construction by not fewer than 30 percent of the jurisdictions receiving an allocation under section 216(1). Such criteria shall include objective data on housing market conditions such as low vacancy rates, low turnover of units with rents below fair market rents, and a high proportion of substandard housing.

(C) NEIGHBORHOOD REVITALIZATION.—Notwithstanding subparagraph (A), a participating jurisdiction may use funds made available under this subtitle for construction of affordable housing if the participating jurisdiction certifies that—

(i) the program of construction is needed to facilitate a neighborhood revitalization program that emphasizes rehabilitation of substandard housing for rental or homeownership opportunities by low-income and moderate-income families in an area designated by the jurisdiction;

(ii) the housing is located in a low- or moderate-income neighborhood, as defined in section 10(j)(13) of the Federal Home Loan Bank Act;

(iii) the number of units to be constructed with assistance under this subtitle does not exceed 20 percent of the total number of units in the neighborhood revitalization program that are assisted with funds under this subtitle; and

(iv) the housing is to be produced by a community housing development organization, as defined in section 104(6), or a public agency.

(D) APPLICABILITY.—Clause (iii) of subparagraph (C) shall not apply if the jurisdiction certifies that—

(i) the housing is to be located in a severely distressed area with large tracts of vacant land and abandoned buildings,

(ii) the housing is to be located in an area with an inadequate supply of existing housing that can economically be rehabilitated to meet identified housing needs, or

(iii) the new construction is required to accomplish the neighborhood revitalization program.

(E) SPECIAL NEEDS HOUSING.—Notwithstanding subparagraph (A), a participating jurisdiction may use funds made available under this subtitle for construction of—

(i) affordable housing for large families;

(ii) affordable housing for persons with disabilities;

(iii) single room occupancy housing; and

(iv) other categories of affordable housing for persons with special needs that the Secretary may designate;

if the participating jurisdiction certifies on the basis of objective data in its annual housing strategy that a high priority need for such housing exists in the jurisdiction, and that there is not a supply of vacant, habitable, public housing units in excess of normal vacancies resulting from turnovers that could meet the specified need.

(4) TENANT-BASED RENTAL ASSISTANCE.—

(A) IN GENERAL.—A participating jurisdiction may use funds provided under this subtitle for tenant-based rental assistance only if—

(i) the jurisdiction certifies that the use of funds under this subtitle for tenant-based rental assistance is an essential element of the jurisdiction's annual housing strategy for expanding the supply, affordability, and availability of decent, safe, sanitary, and affordable housing, and specifies the local market conditions that lead to the choice of this option; and

(ii) the tenant-based rental assistance is provided to persons from the waiting lists eligible for section 8 assistance in accordance with the applicable preferences.

(B) FAIR SHARE NOT AFFECTED.—A jurisdiction's section 8 fair share allocation shall be unaffected by the use of assistance under this title.

(C) 24-MONTH CONTRACTS.—Rental assistance contracts made available with assistance under this title shall be for not more than 24 months, except that assistance to a family may be renewed.

(D) USE OF SECTION 8 ASSISTANCE.—In any case where assistance under section 8 of the United States Housing Act of 1937 becomes available to a participating jurisdiction, recipients of rental assistance under this title shall qualify for tenant selection preferences to the same extent as when they received the rental assistance under this title. A rental assistance program under this title shall meet minimum criteria prescribed by the Secretary, such as housing quality standards and standards regarding the reasonableness of the rent.

(b) INVESTMENTS.—Participating jurisdictions shall have discretion to invest funds made available under this subtitle as equity investments, interest-bearing loans or advances, noninterest-bearing loans or advances, interest subsidies or other forms of assistance that the Secretary has determined to be consistent with the purposes of this title. Each participating jurisdiction shall have the right to establish the terms of assistance.

(c) PROHIBITED USES.—Funds made available under this subtitle may not be used to—

(1) defray any administrative cost of a participating jurisdiction,

(2) provide tenant-based rental assistance for the special purposes of the existing section 8 program, including replacing public housing that is demolished or disposed of, preserving federally assisted housing, assisting in the disposition of housing owned or held by the Secretary, preventing displacement from rental rehabilitation projects, or extending or renewing tenant-based assistance under section 8 of the United States Housing Act of 1937,

(3) provide non-Federal matching contributions required under any other Federal program,

(4) provide assistance authorized under section 9 of the United States Housing Act of 1937,

(5) carry out activities authorized under section 14 of the Housing Act of 1937, or

(6) provide assistance to eligible low-income housing under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

(d) COST LIMITS.—

(1) IN GENERAL.—The Secretary shall establish limits on the amount of funds under this subtitle that may be invested on a per unit basis. The limits shall be established on a market-by-market basis, with adjustments made for number of bedrooms, and shall reflect the actual cost of new construction, reconstruction, or rehabilitation of housing that meets applicable State and local housing and building codes and the cost of land, including necessary site improvements. Adjustments shall be made annually to reflect inflation. Separate limits may be set for different eligible activities.

(2) CRITERIA.—In calculating per unit limits, the Secretary shall take into account that assistance under this title is intended to—

(A) provide nonluxury housing with suitable amenities;

(B) operate effectively in all jurisdictions;

(C) facilitate mixed-income housing; and

(D) reflect the costs associated with meeting the special needs of tenants or homeowners that the housing is designed to serve.

(3) CONSULTATION.—In calculating cost limits, the Secretary shall consult with organizations that have expertise in the development of affordable housing, including national nonprofit organizations and national organizations representing private development firms and State and local governments.

(e) CERTIFICATION OF COMPLIANCE.—The requirements of section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 shall be satisfied by a certification by a participating jurisdiction to the Secretary that the combination of Federal assistance provided to any housing project shall not be any more than is necessary to provide affordable housing.

SEC. 213. DEVELOPMENT OF MODEL PROGRAMS.

(a) IN GENERAL.—The Secretary shall—

(1) in cooperation with participating jurisdictions, government-sponsored mortgage finance corporations, nonprofit organizations, the private sector, and other appropriate parties, develop, test, evaluate, refine, and, as necessary, replace a selection of model programs designed to carry out the purposes of this title;

(2) make available to participating jurisdictions alternative model programs, which shall include suggested guidelines, procedures, forms, legal documents and such other elements as the Secretary determines to be appropriate;

(3) assure, insofar as is feasible, the availability of an appropriate variety of model programs designed for local market conditions, housing problems, project characteristics, and managerial capacities as they differ among participating jurisdictions;

(4) negotiate and enter into agreements with agencies of the Federal Government, participating jurisdictions, private financial institutions, government-sponsored mortgage finance corporations, nonprofit organizations, and other entities to provide such services, products, or financing as may be required for the implementation of a model program;

(5) provide detailed information on model programs as requested by participating jurisdictions, private financial institutions, developers, nonprofit organizations, and other interested parties; and

(6) encourage the use of such model programs to achieve efficiency, economies of scale, and effectiveness in the investment of funds made available under this subtitle through third-party training, printed materials, and such other means of support as the Secretary determines will achieve the purpose of this title.

(b) ADOPTION OF PROGRAMS.—Except as provided in section 223(2), each participating jurisdiction shall have the discretion to adopt one or more model programs, adapt one or more model programs to its own requirements, design additional forms of assistance by itself or in cooperation with other participating jurisdictions, and suggest additional model programs for adoption by the Secretary as the participating jurisdiction may deem appropriate, and the Secretary may assist a participating jurisdiction in adopting, adapting, or designing one or more model programs.

(c) SUBTITLE D PROGRAMS.—The selection of model programs to be made available for adoption or adaptation shall include programs meeting the criteria set forth in subtitle D.

SEC. 214. INCOME TARGETING.

Each participating jurisdiction shall invest funds made available under this subtitle within each fiscal year so that—

(1) with respect to rental assistance and rental units—

(A) not less than 90 percent of such funds are invested with respect to dwelling units that are occupied by families whose incomes do not exceed 60 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, (except that the Secretary may establish income ceilings higher or lower than 60 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction cost or fair market rent, or unusually high or low family income) at the time of occupancy or at the time funds are invested, whichever is later, and

(B) the remainder of such funds are invested with respect to dwelling units that are occupied by households that qualify as low-income families (other than families described in subparagraph (A)) at the time of occupancy or at the time funds are invested, whichever is later;

(2) with respect to homeownership assistance, 100 percent of such funds are invested with respect to dwelling units that are occupied by households that qualify as low-income families at the time of occupancy or at the time funds are invested, whichever is later; and

(3) all such funds are invested with respect to housing that qualifies as affordable housing under section 215.

SEC. 215. QUALIFICATION AS AFFORDABLE HOUSING.

(a) RENTAL HOUSING.—

(1) QUALIFICATION.—Housing that is for rental shall qualify as affordable housing under this title only if the housing—

(A) bears rents not greater than the lesser of (i) the existing fair market rent for comparable units in the area as established by the Secretary under section 8 of the United States Housing Act of 1937, or (ii) a rent that does not exceed 30 percent of the adjusted income of a family whose income equals 65 percent of the median income for the area, as determined by the Secretary, with adjustment for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 65 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes;

(B) has not less than 20 percent of the units (i) occupied by very low-income families who pay as a contribution toward rent (excluding any Federal or State rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by the Secretary, or (ii) occupied by very low-income families and bearing rents not greater than the gross rent for rent-restricted residential units as determined under section 42(g)(2) of the Internal Revenue Code of 1986;

(C) is occupied only by households that qualify as low-income families;

(D) is not refused for leasing to a holder of a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as a holder of such voucher or certificate of eligibility;

(E) will remain affordable, according to binding commitments satisfactory to the Secretary, for the remaining useful life of the property, as determined by the Secretary, without regard to the term of the mortgage or to transfer of ownership, or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this Act; and

(F) if newly constructed, meets the energy efficiency standards promulgated by the Secretary in accordance with section 109 of this Act.

(2) ADJUSTMENT OF QUALIFYING RENT.—The Secretary may adjust the qualifying rent established for a project under subparagraph (A) of paragraph (1), only if the Secretary finds that such adjustment is necessary to support the continued financial viability of the project and only by such amount as the Secretary determines is necessary to maintain continued financial viability of the project.

(3) INCREASES IN TENANT INCOME.—Housing shall qualify as affordable housing despite a temporary noncompliance with subparagraph (B) or (C) of paragraph (1) if such noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to the Secretary are being taken to ensure that all vacancies are filled in accordance with paragraph (1) until such noncompliance is corrected. Tenants who no longer qualify as low-income families shall pay as rent not less than 30 percent of the family's adjusted monthly income, as recertified annually.

(4) MIXED-INCOME PROJECT.—Housing that accounts for less than 100 percent of the dwelling units in a project shall qualify as affordable housing if such housing meets the criteria of this section.

(5) MIXED-USE PROJECT.—Housing in a project that is designed in part for uses other than residential use shall qualify as affordable housing if such housing meets the criteria of this section.

(b) HOMEOWNERSHIP.—Housing that is for homeownership shall qualify as affordable housing under this title only if the housing—

(1) has an initial purchase price that does not exceed 95 percent of the median purchase price for the area, as determined by the Secretary with such adjustments for differences in structure, including whether the housing is single-family or multifamily, and for new and old housing as the Secretary determines to be appropriate;

(2) is the principal residence of an owner whose family qualifies as a low-income family at the time of purchase;

(3) is made available for initial purchase only to first-time homebuyers;

(4) is made available for subsequent purchase only—

(A) to persons who meet the qualifications specified under paragraph (2), and

(B) at a price consistent with guidelines that are established by the participating jurisdiction and determined by the Secretary to be appropriate—

(i) to provide the owner with a fair return on investment, including any improvements, and

(ii) to ensure that the housing will remain affordable to a reasonable range of low income homebuyers; and

(5) if newly constructed, meets the energy efficiency standards promulgated by the Secretary in accordance with section 109 of this Act.

SEC. 216. PARTICIPATION BY STATES AND LOCAL GOVERNMENTS.

The Secretary shall designate a State or unit of general local government to be a participating jurisdiction when it complies with procedures that the Secretary shall establish by regulation, which procedures shall only provide for the following:

(1) ALLOCATION.—Not later than 20 days after funds to carry out this subtitle become available (or, during the first year after enactment of this Act, not later than 20 days after (A) funds to carry out this subtitle are provided in an appropriations Act, or (B) regulations to implement this subtitle are promulgated, whichever is later), the Secretary shall allocate funds in accordance with section 217 and promptly notify each jurisdiction receiving a formula allocation of its allocation amount. If a jurisdiction is not already a participating jurisdiction, the Secretary shall inform the jurisdiction in writing how the jurisdiction may become a participating jurisdiction.

(2) CONSORTIA.—A consortium of geographically contiguous units of general local government shall be deemed to be a unit of general local government for purposes of this title if the Secretary determines that the consortium—

(A) has sufficient authority and administrative capability to carry out the purposes of this title on behalf of its member jurisdictions, and

(B) will, according to a written certification by the State (or States, if the consortium includes jurisdictions in more than one State), direct its activities to alleviation of housing problems within the State or States.

(3) ELIGIBILITY.—(A) A jurisdiction receiving a formula allocation under section 217 shall be eligible to become a participating jurisdiction if its formula allocation is $750,000 or greater, or if the Secretary finds that—

(i) the jurisdiction has a local housing authority and has demonstrated a capacity to carry out provisions of this subtitle, and

(ii) the State has authorized the Secretary to transfer to the jurisdiction a portion of the State's allocation that is equal to or greater than the difference between the jurisdiction's formula allocation and $750,000, or the State or jurisdiction has made available from the State's or jurisdiction's own sources an equal amount for use by the jurisdiction in conformance with the provisions of this subtitle.

(B) If a jurisdiction has met the requirements of subparagraph (A), the jurisdiction's formula allocation for a fiscal year shall subsequently be deemed to equal the sum of the jurisdiction's allocation under section 217(a)(1) and the amount made available to the jurisdiction under subparagraph (A)(ii).

(4) NOTIFICATION.—If an eligible jurisdiction notifies the Secretary in writing, not later than 30 days after receiving notification under paragraph (1), of its intention to become a participating jurisdiction, the Secretary shall reserve an amount equal to the jurisdiction's allocation (plus any reallocations for which the jurisdiction is eligible under section 217(d)(1)) pending the jurisdiction's designation as a participating jurisdiction. The Secretary shall reallocate, in accordance with paragraph (6) of this section, any funds reserved under the previous sentence if the Secretary determines that the jurisdiction will not meet the requirements for designation as a participating jurisdiction within a reasonable period of time.

(5) SUBMISSION OF STRATEGY.—Not later than 90 days after providing notification under paragraph (4), an eligible jurisdiction shall submit to the Secretary a comprehensive housing affordability strategy in accordance with section 105.

(6) REALLOCATION.—If the Secretary determines that a jurisdiction has failed to meet the requirements of the previous 3 paragraphs or if the Secretary, after providing for amendments and resubmissions in accordance with section 105(c)(3), disapproves the jurisdiction's comprehensive housing affordability strategy, the Secretary shall reallocate any funds reserved for the jurisdiction as follows:

(A) STATE.—If a State has failed to meet the requirements, the Secretary shall—

(i) make any funds reserved for the State available by direct reallocation among applications submitted by units of general local government within the State or consortia that include units of general local government within the State, insofar as approvable applications meeting the selection criteria under section 217(c) are received within 12 months after the funds become available for the direct reallocation, and

(ii) reallocate the remainder by formula in accordance with section 217(b).

(B) LOCAL.—If a unit of general local government has failed to meet the requirements and is located in a State that is a participating jurisdiction, the Secretary shall reallocate to the State any funds reserved for the locality, with preference going to the provision of affordable housing within the locality.

(C) DIRECT REALLOCATION.—If a unit of general local government has failed to meet the requirements and is located in a State that is not a participating jurisdiction, the Secretary shall—

(i) make any funds reserved for the locality available for use within the State by direct reallocation among units of general local government and community housing development organizations, insofar as approvable applications meeting the selection criteria under section 217(c) are received within 12 months after the funds become available for the direct reallocation with priority going to applications for affordable housing within the locality, and

(ii) reallocate the remainder in accordance with section 217(b).

(D) CERTAIN JURISDICTIONS DEEMED TO BE PARTICIPATING JURISDICTIONS.—If a State or unit of general local government is meeting the requirements of paragraphs (3), (4), and (5), it shall be deemed to be a participating jurisdiction for purposes of reallocation under this paragraph.

(7) DESIGNATION.—The Secretary shall designate an eligible jurisdiction to be a participating jurisdiction as soon as its comprehensive housing affordability strategy is approved in accordance with section 105.

(8) CONTINUOUS DESIGNATION.—Once a State or unit of general local government is designated a participating jurisdiction, it shall remain a participating jurisdiction for subsequent fiscal years, except as provided in paragraph (9). The provisions of paragraphs (3) through (6) shall not apply to participating jurisdictions.

(9) REVOCATION.—The Secretary may revoke a jurisdiction's designation as a participating jurisdiction if—

(A) the Secretary finds, after reasonable notice and opportunity for hearing, that the jurisdiction is unwilling or unable to carry out the provisions of this title, or

(B) the jurisdiction's allocation falls below $750,000 for 3 consecutive years, below $625,000 for 2 consecutive years, or the juris-

diction does not receive a formula allocation of $500,000 or more in any 1 year.

If a jurisdiction's designation as a participating jurisdiction is revoked, any remaining line of credit in the jurisdiction's HOME Investment Trust Fund established under section 218 shall be reallocated in accordance with paragraph (6) of this section.

SEC. 217. ALLOCATION OF RESOURCES.

(a) IN GENERAL.—

(1) STATES AND UNITS OF GENERAL LOCAL GOVERNMENT.—After reserving amounts for Indian tribes as required by paragraph (2) of this subsection, the Secretary shall allocate funds approved in an appropriations Act to carry out this title by formula as provided in subsection (b). Of the funds made available under the preceding sentence, the Secretary shall initially allocate 60 percent among units of general local government and 40 percent among States.

(2) INDIAN ALLOCATION.—For each fiscal year, of the amount approved in an appropriations Act to carry out this title, the Secretary shall reserve for grants to Indian tribes 1 percent of the amount appropriated under such section. The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and public comment.

(b) FORMULA ALLOCATION.—

(1) IN GENERAL.—

(A) RENTAL HOUSING PRODUCTION FORMULA.—(i) Of the funds made available under subsection (a)(1), the Secretary shall designate 10 percent in fiscal year 1991, and 15 percent in fiscal year 1992, for use only to produce affordable rental housing through new construction or substantial rehabilitation. Such funds shall be initially allocated by formula among jurisdictions that, according to the determination of the Secretary under section 212(a)(3)(B), have a housing supply sufficiently inadequate to permit new construction. The allocation among States shall reflect each State's share of the need in areas that meet the criteria established by the Secretary under section 212(a)(3)(B). Such formula shall reflect each eligible jurisdiction's share of the total need among all eligible jurisdictions for rental housing production as identified by objective measures of inadequate housing supply, including low vacancy rates, low turnover of units with rents below fair market rents, a high proportion of substandard housing, and other measures that the Secretary determines are appropriate under section 212(a)(3)(B). In no case may a jurisdiction's total allocation under this subparagraph and subparagraph (B) exceed the amount the jurisdiction would have received if its allocation were made under subparagraph (B) alone.

(ii) Any amounts made available under clause (i) that are not committed for new construction or substantial rehabilitation within a period ending 12 months after they are deposited in a jurisdiction's HOME Investment Trust Fund shall remain available only for such purposes during a subsequent 12-month period, after which they shall be available for other eligible uses in accordance with section 212 for an additional period of not to exceed 12 months.

(B) BASIC FORMULA.—The Secretary shall establish in regulation an allocation formula that reflects each jurisdiction's share of total need among eligible jurisdiction for an increased supply of affordable housing for very low-income and low-income families of different size, as identified by objective measures of inadequate housing supply, substandard housing, the number of low-income families in housing likely to be in need of rehabilitation, the costs of producing housing, poverty, and the relative fiscal incapacity of the jurisdiction to carry out housing activities eligible under section 212 without Federal assistance. Allocation among units of general local government shall take into account the housing needs of metropolitan cities, urban counties, and approved consortia of units of general local government.

(C) SOURCE OF DATA.—The data to be used for formula allocation of funds within a fiscal year shall be data obtained from a standard source that are available to the Secretary 90 days prior to the beginning of that fiscal year.

(D) USE OF BASIC FORMULA.—Except as provided in subparagraph (A), the basic formula established under subparagraph (B) shall be used for all formula allocations and reallocations provided for in this subtitle.

(E) WEIGHTS.—When allocation is made among States, the Secretary shall apply the formulas in subparagraph (B) giving 20 percent weight to measures of need for the whole State and 80 percent weight to measures of need among units of general local government that are not receiving an allocation under section 216(1).

(F) ADJUSTMENTS.—In developing the basic formula in subparagraph (B), the Secretary shall (i) avoid the allocation of an excessively large share of amounts made available under this subtitle to any one State or unit of general local government, and (ii) take into account the need for a geographic distribution of amounts made available under this subtitle that appropriately reflects the housing need in each region of the Nation. If a jurisdiction receives an allocation under subparagraph (A), the Secretary shall make such adjustments in the jurisdiction's allocation under the formula in subparagraph (B) as may be necessary to ensure that the combined effect of the formulas in subparagraphs (A) and (B) does not reduce the allocation of any jurisdiction below the allocation it would receive if allocations were made according to the formula under subparagraph (B) alone.

(G) CONSULTATION.—The Secretary shall develop the formulas in subparagraphs (A) and (B) in ongoing consultation with (i) the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs of the Senate, (ii) the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, and (iii) organizations representing States and units of general local government. Not less than 60 days prior to publishing a formula for comment, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives a copy of the formula the Secretary intends to propose.

(2) MINIMUM STATE ALLOCATION.—

(A) IN GENERAL.—If the formula, when applied to funds approved under this section in appropriations Acts for a fiscal year, would allocate less than $3,000,000 to any State, the allocation for such State shall be $3,000,000, and the increase shall be deducted pro rata from the allocations of other States.

(B) INCREASED MINIMUM ALLOCATION.—If no unit of general local government within a State receives an allocation under paragraph (3), the State's allocation shall be increased by $500,000. Priority for use of such increased allocation shall go to the provision of affordable housing within the boundaries of metropolitan cities, urban counties, and approved consortia within the State, based on the need for such funds. The increased allocation to a State under the preceding sentence shall be derived by a pro rata deduction from the allocations to units of general local government in all States, except that such pro rata deduction shall not reduce the allocation of any unit of general local government below $500,000.

(3) MINIMUM LOCAL ALLOCATION.—The Secretary shall allocate funds available for formula allocation to units of general local government that, as of the end of the previous fiscal year, qualified as metropolitan cities, urban counties, and consortia approved by the Secretary in accordance with section 216(2) so that, when all such funds are initially allocated by formula, only those jurisdictions that are allocated an amount of $500,000 or greater shall receive an allocation. Prior to announcing initial allocations, the Secretary shall successively recalculate the allocations to jurisdictions under this subsection so that the maximum number of such jurisdictions can receive initial allocations.

(c) CRITERIA FOR DIRECT REALLOCATION.—The Secretary shall establish objective criteria for making direct reallocations to any participating jurisdiction and other eligible entities. A jurisdiction shall be eligible for a direct reallocation under this subsection only if the jurisdiction, in a form acceptable to the Secretary, submits an application that demonstrates to the satisfaction of the Secretary that the jurisdiction is engaged, or has made good faith efforts to engage, in cooperative efforts between the State and appropriate participating jurisdictions within the State to develop, coordinate, and implement housing strategies under this title. The Secretary shall by regulation establish objective selection criteria for such direct reallocations, which criteria shall take into account—

(1) the applicant's demonstrated commitment to expand the supply of affordable rental housing, including units developed by public housing agencies, as indicated by the additional number of units of affordable housing made available through production or rehabilitation within the previous 2 years, making adjustment for regional variations in construction and rehabilitation costs and giving special consideration to the number of additional units made available under this title through production or rehabilitation, including units developed by public housing agencies, in relation to the amounts made available under this program;

(2) the applicant's actions that—

(A) direct funds made available under this subtitle to benefit very low-income families, with a range of incomes, in amounts that exceed the income targeting requirements of section 214, with extra consideration given for activities that expand the supply of affordable housing for very low-income families whose incomes do not exceed 30 percent of the median family income for the area, as determined by the Secretary;

(B) apply the tenant selection preference categories applicable under section 8 of the United States Housing Act of 1937 to the selection of tenants for housing assisted under this subtitle;

(C) provide matching resources in excess of funds required under section 220; and

(D) stimulate a high degree of investment and participation in development by the private sector, including nonprofit organizations; and

(3) the degree to which the applicant is pursuing policies that—

(A) make existing housing more affordable;

(B) remove or ameliorate any negative effects that public policies identified by the applicant pursuant to section 105(b)(4) may have on the cost of housing or the incentives to develop, maintain, or improve affordable housing in the jurisdiction;

(C) preserve the affordability of privately-owned housing that is vulnerable to conversion, demolition, disinvestment, or abandonment;

(D) increase the supply of housing that is affordable to very low-income and low-income persons, particularly in areas that are accessible to expanding job opportunities; and

(E) remedy the effects of discrimination and improve housing opportunities for disadvantaged minorities.

(d) REALLOCATIONS.—

(1) IN GENERAL.—The Secretary shall make any reallocations periodically throughout each fiscal year so as to ensure that all funds to be reallocated are made available to eligible jurisdictions as soon as possible, consistent with orderly program administration. Jurisdictions eligible for such reallocations shall include participating jurisdictions and jurisdictions meeting the requirements of paragraphs (3), (4), and (5) of section 216.

(2) COMMITMENTS.—The Secretary shall establish procedures according to which participating jurisdictions may make commitments to invest funds made available under this section. Such procedures shall provide for appropriate stages of commitment of funds to a project from initial reservation through binding commitment. Notwithstanding any other provision of this title, funds that the Secretary determines are needed to fulfill binding commitments shall not be available for reallocation.

(3) LIMITATION.—Unless otherwise specified in this subtitle, any reallocation of funds from a State shall be made only among all participating States, and any reallocation of funds from units of general local government shall be made only among all participating units of general local government.

SEC. 218. HOME INVESTMENT TRUST FUNDS.

(a) ESTABLISHMENT.—The Secretary shall establish for each participating jurisdiction a HOME Investment Trust Fund, which shall be an account (or accounts as provided in section 219(c)) for use solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this subtitle.

(b) LINE OF CREDIT.—The Secretary shall establish a line of credit in the HOME Investment Trust Fund of each participating jurisdiction, which line of credit shall include—

(1) funds allocated or reallocated to the participating jurisdiction under section 217, and

(2) any payment or repayment made pursuant to section 219.

(c) REDUCTIONS.—A participating jurisdiction's line of credit shall be reduced by—

(1) funds drawn from the HOME Investment Trust Fund by the participating jurisdiction,

(2) funds expiring under subsection (g), and

(3) any penalties assessed by the Secretary under section 224.

(d) CERTIFICATION.—A participating jurisdiction may draw funds from its HOME Investment Trust Fund, but not to exceed the remaining line of credit, only after providing certification that the funds shall be used pursuant to the participating jurisdiction's approved housing strategy and in compliance with all requirements of this title. When such certification is received, the Secretary shall immediately disburse such funds in accordance with the form of the assistance determined by the participating jurisdiction.

(e) INVESTMENT WITHIN 15 DAYS.—The participating jurisdiction shall, not later than 15 days after funds are drawn from the jurisdiction's HOME Investment Trust Fund, invest such funds, together with any interest earned thereon, in the affordable housing for which the funds were withdrawn.

(f) NO INTEREST OR FEES.—The Secretary shall not charge any interest or levy any other fee with regard to funds in a HOME Investment Trust Fund.

(g) EXPIRATION OF RIGHT TO DRAW FUNDS.—Except as provided in section 217(b)(1)(A)(ii), if any funds becoming available to a participating jurisdiction under this title are not placed under binding commitment to affordable housing within 24 months after the last day of the month in which such funds are deposited in the jurisdiction's HOME Investment Trust Fund, the jurisdiction's right to draw such funds from the HOME Investment Trust Fund shall expire. The Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the expiring amount and shall reallocate the funds by formula in accordance with section 217(d).

(h) ADMINISTRATIVE PROVISION.—The Secretary shall keep each participating jurisdiction informed of the status of its HOME Investment Trust Fund, including the status of amounts under various stages of commitment.

SEC. 219. REPAYMENT OF INVESTMENT.

(a) IN GENERAL.—Any repayment of funds drawn from a jurisdiction's HOME Investment Trust Fund, and any payment of interest or other return on the investment of such funds, shall be deposited in such jurisdiction's HOME Investment Trust Fund, except that, if the jurisdiction is not a participating jurisdiction when such payment or repayment is made, the amount of such payment or repayment shall be reallocated in accordance with section 217(d).

(b) ASSURANCE OF REPAYMENT.—Each participating jurisdiction shall enter into an agreement with the Secretary ensuring that funds invested in affordable housing under this subtitle are repayable when the housing no longer qualifies as affordable housing. Any repayment under the previous sentence shall be for deposit in the HOME Investment Trust Fund of the jurisdiction making the investment; except that if such jurisdiction is not a participating jurisdiction when such repayment is made, the amount of such repayment shall be reallocated in accordance with section 217(d).

(c) AVAILABILITY.—The Secretary shall take such actions as are necessary to ensure that any repayments deposited in a HOME Investment Trust Fund in accordance with this section shall be immediately available to the participating jurisdiction for investment subject to the provisions of this subtitle that apply to funds that are allocated under section 217. Actions authorized under the preceding sentence may include authorizing the establishment for a participating jurisdiction of a HOME Investment Trust Fund account outside of the Federal Government that, under arrangements satisfactory to the Secretary, shall be used solely to invest in affordable housing within the participating jurisdiction's boundaries in accordance with the provisions of this title. Such accounts shall be established in such a manner that repayments are not receipts or collections of the Federal Government.

SEC. 220. MATCHING REQUIREMENTS.

(a) CONTRIBUTION.—Each participating jurisdiction shall make contributions to affordable housing assisted under this title that total, throughout a fiscal year, not less than—

(1) 25 percent of the total funds drawn from the jurisdiction's HOME Investment Trust Fund in that fiscal year with respect to rental assistance and housing rehabilitation;

(2) 33 percent of the total funds drawn from the jurisdiction's HOME Investment Trust Fund in that fiscal year with respect to substantial rehabilitation; and

(3) 50 percent of the total funds drawn from the jurisdiction's HOME Investment Trust Fund in that fiscal year with respect to new construction.

Such contributions shall be in addition to any amounts made available under section 216(3)(A)(ii).

(b) RECOGNITION.—

(1) IN GENERAL.—A contribution shall be recognized for purposes of subsection (a) only if it—

(A) is made with respect to housing that qualifies as affordable housing under section 215; or

(B) is made with respect to any portion of a project not less than 50 percent of the units of which qualify as affordable housing under section 215.

(2) ADMINISTRATIVE EXPENSES.—Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of funds provided for investment under this title.

(c) FORM.—Such contributions may be in the form of—

(1) cash contributions from non-Federal resources, which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(2) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, which may include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(3) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that achieves affordability of housing assisted under this title;

(4) the value of land or other real property as appraised according to procedures acceptable to the Secretary; and

(5) the value of investment in on-site and off-site infrastructure directly required for affordable housing assisted under this title.

(d) REDUCTION OF REQUIREMENT.—If a jurisdiction demonstrates to the satisfaction of the Secretary that a reduction of the matching requirement specified in subsection (a) is necessary to permit the jurisdiction to carry out the purposes of this title, the Secretary may reduce the matching requirement during a period not to exceed 3 years after the jurisdiction is first designated as a par-

ticipating jurisdiction. Such reduction shall be not more than 75 percent in the first year, not more than 50 percent in the second year, and not more than 25 percent in the third year.

SEC. 221. PRIVATE-PUBLIC PARTNERSHIP.

Each participating jurisdiction shall make all reasonable efforts, consistent with the purposes of this title, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in the implementation of the jurisdiction's housing strategy, including participation in the financing, development, rehabilitation and management of affordable housing. Nothing in the previous sentence shall preclude public housing authorities from fully participating in the implementation of a jurisdiction's housing strategy.

SEC. 222. DISTRIBUTION OF ASSISTANCE.

(a) LOCAL.—Each participating jurisdiction shall, insofar as is feasible, distribute assistance under this subtitle geographically within its boundaries and among different categories of housing need, according to the priorities of housing need identified in the jurisdiction's approved housing strategy.

(b) STATE.—Participating States shall be responsible for distributing assistance throughout the State according to the State's assessment of the geographical distribution of the housing need within the State, as identified in the State's approved housing strategy. Participating States shall distribute assistance to rural areas in amounts that take into account the nonmetropolitan share of the State's total population and objective measures of rural housing need, such as poverty and substandard housing, as set forth in the State's housing strategy approved under section 105 of this Act. To the extent the need is within the boundaries of a participating unit of general local government, the State and the unit of general local government shall coordinate activities to address that need.

SEC. 223. PENALTIES FOR MISUSE OF FUNDS.

If the Secretary finds after reasonable notice and opportunity for hearing that a participating jurisdiction has failed to comply substantially with any provision of this subtitle and until the Secretary is satisfied that there is no longer any such failure to comply, the Secretary shall reduce the line of credit in the participating jurisdiction's HOME Investment Trust Fund by the amount of any expenditures that were not in accordance with the requirements of this title, and the Secretary may—

(1) prevent withdrawals from the participating jurisdiction's HOME Investment Trust Fund for activities affected by such failure to comply;

(2) restrict the participating jurisdiction's activities under this title to activities that conform to one or more model programs made available under section 213; or

(3) remove the participating jurisdiction from participation in allocations or reallocations of funds made available under this subtitle.

SEC. 224. LIMITATION ON JURISDICTIONS UNDER COURT ORDER.

(a) IN GENERAL.—Notwithstanding any other provision of this Act, the Secretary shall ensure that funds provided under this subtitle are not employed to carry out housing remedies or to pay fines, penalties, or costs associated with an action in which—

(1) a participating jurisdiction has been adjudicated, by a Federal, State, or local court, to be in violation of title VI of the Civil Rights Act of 1964, the Fair Housing Act, or any other Federal, State, or local law promoting fair housing or prohibiting discrimination, or

(2) a settlement has been entered into in any case where claims of such violations have been asserted against a participating jurisdiction, except to the extent permitted by subsection (b).

(b) REMEDIAL USE OF FUNDS PERMITTED.—In the case of settlement described in subsection (a)(2), a jurisdiction may use funds provided under this Act to carry out housing remedies with eligible activities.

SEC. 225. TENANT AND PARTICIPANT PROTECTIONS.

(a) LEASE.—The lease between a tenant and an owner of affordable housing assisted under this title for rental shall be for not less than one year, unless by mutual agreement between the tenant and the owner, and shall contain such terms and conditions as the Secretary shall determine to be appropriate.

(b) TERMINATION OF TENANCY.—An owner shall not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted under this title except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

(c) MAINTENANCE AND REPLACEMENT.—The owner of rental housing assisted under this title shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

(d) TENANT SELECTION.—The owner of rental housing assisted under this title shall adopt written tenant selection policies and criteria that—

(1) are consistent with the purpose of providing housing for very low-income and low-income families,

(2) are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease,

(3) give reasonable consideration to the housing needs of families that would have a preference under section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)), and

(4) provide for (A) the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable, and (B) for the prompt notification in writing of any rejected applicant of the grounds for any rejection.

SEC. 226. MONITORING OF COMPLIANCE.

(a) ENFORCEABLE AGREEMENTS.—Each participating jurisdiction, through binding contractual agreements with owners and otherwise, shall ensure long-term compliance with the provisions of this title. Such measures shall provide for (1) enforcement of the provisions of this title by the jurisdiction or by the intended beneficiaries, and (2) remedies for the breach of such provisions.

(b) PERIODIC MONITORING.—Each participating jurisdiction, not less frequently than annually, shall review the activities of owners of affordable housing assisted under this title for rental to assess compliance with the requirements of this title. Such review shall include on-site inspection to determine compliance with housing codes and other applicable regulations. The results of each review shall be included in the jurisdiction's performance report submitted to the Secretary under section 108(a) and made available to the public.

(c) SPECIAL PROCEDURES FOR CERTAIN PROJECTS.—In the case of small-scale or scattered site housing, the Secretary may provide for such streamlined procedures for achieving the purposes of this section as the Secretary determines to be appropriate.

Subtitle B—Community Housing Partnership

SEC. 231. SET-ASIDE FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS.

(a) IN GENERAL.—For a period of 18 months after funds under subtitle A are made available to a jurisdiction, the jurisdiction shall reserve not less than 15 percent of such funds for investment only in housing to be developed, sponsored, or owned by community housing development organizations. Each participating jurisdiction shall make reasonable efforts to identify community housing development organizations that are capable or can reasonably be expected to become capable of carrying out elements of the jurisdiction's housing strategy and to encourage such community housing development organizations to do so. A participating jurisdiction is authorized to enter into contracts with community housing development organizations to carry out this section.

(b) RECAPTURE AND REUSE.—If any funds reserved under subsection (a) remain uninvested for a period of 18 months, then the Secretary shall deduct such funds from the line of credit in the participating jurisdiction's HOME Investment Trust Fund and make such funds available by direct reallocation (1) to other participating jurisdictions for affordable housing developed, sponsored or owned by community housing development organizations, or (2) to nonprofit intermediary organizations to carry out activities that develop the capacity of community housing development organizations consistent with section 233, with preference to community housing development organizations serving the jurisdiction from which the funds were recaptured.

(c) DIRECT REALLOCATION CRITERIA.—Insofar as practicable, direct reallocations under this section shall be made according to the selection criteria established under section 217(c).

SEC. 232. PROJECT-SPECIFIC ASSISTANCE TO COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS.

(a) IN GENERAL.—Amounts reserved under section 231 may be used for activities eligible under section 212 and, in amounts not to exceed 10 percent of the amounts so reserved, for other activities specified under this section.

(b) PROJECT-SPECIFIC TECHNICAL ASSISTANCE AND SITE CONTROL LOANS.—

(1) IN GENERAL.—Amounts reserved under the previous section may be used to provide technical assistance and site control loans to community housing development organizations in the early stages of site development for an eligible project. Such loans shall not exceed amounts that the jurisdiction determines to be customary and reasonable project preparation costs allowable under paragraph (2).

(2) ALLOWABLE EXPENSES.—A loan under this subsection may be provided to cover project expenses necessary to determine project feasibility (including costs of an initial feasibility study), consulting fees, costs of preliminary financial applications, legal fees, architectural fees, engineering fees, engagement of a development team, site control and title clearance.

(3) REPAYMENT.—A community housing development organization that receives a loan under this subsection shall repay the loan to the participating jurisdiction's HOME Investment Trust Fund from construction

loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in part or in whole, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower.

(c) PROJECT-SPECIFIC SEED MONEY LOANS.—

(1) IN GENERAL.—Amounts reserved under the previous section may be used to provide loans to community housing development organizations to cover preconstruction project costs that the jurisdiction determines to be customary and reasonable, including, but not limited to the costs of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies and legal fees.

(2) ELIGIBLE SPONSORS.—A loan under this subsection may be provided only to a community housing development organization that has, with respect to the project concerned, site control, a preliminary financial commitment, and a capable development team.

(3) REPAYMENT.—A community housing development organization that receives a loan under this subsection shall repay the loan to the jurisdiction's HOME Investment Trust Fund from construction loan proceeds or other project income. The participating jurisdiction may waive repayment of the loan, in whole or in part, if there are impediments to project development that the participating jurisdiction determines are reasonably beyond the control of the borrower.

SEC. 233. HOUSING EDUCATION AND ORGANIZATIONAL SUPPORT.

(a) IN GENERAL.—The Secretary is authorized to provide education and organizational support assistance, in conjunction with other assistance made available under this subtitle—

(1) to facilitate the education of low-income homeowners and tenants; and

(2) to promote the ability of community housing development organizations to maintain, rehabilitate and construct housing for low-income and moderate-income families in conformance with the requirements of this title.

(b) ELIGIBLE ACTIVITIES.—Assistance under this section may be used only for the following eligible activities:

(1) ORGANIZATIONAL SUPPORT.—Organizational support assistance may be made available to community housing development organizations to cover operational expenses and to cover expenses for training and technical, legal, engineering and other assistance to the board of directors, staff, and members of the community housing development organization.

(2) HOUSING EDUCATION.—Housing education assistance may be made available to community housing development organizations to cover expenses for providing or administering programs for educating, counseling, or organizing homeowners and tenants who are eligible to receive assistance under other provisions of this title.

(3) PROGRAM-WIDE SUPPORT OF NONPROFIT DEVELOPMENT AND MANAGEMENT.—Technical assistance, training, and continuing support may be made available to eligible community housing development organizations for managing and conserving properties developed under this title.

(4) BENEVOLENT LOAN FUNDS.—Technical assistance may be made available to increase the investment of private capital in housing for very low-income families, particularly by encouraging the establishment of benevolent loan funds through which private financial institutions will accept deposits at below-market interest rates and make those funds available at favorable rates to developers of low-income housing and to low-income homebuyers.

(5) COMMUNITY DEVELOPMENT BANKS AND CREDIT UNIONS.—Technical assistance may be made available to establish privately owned, local community development banks and credit unions to finance affordable housing.

(c) DELIVERY OF ASSISTANCE.—The Secretary shall provide this assistance only through contract—

(1) with a nonprofit intermediary organization that, in the determination of the Secretary—

(A) customarily provides, in more than one community, services related to the provision of decent housing that is affordable to low-income and moderate-income persons or the revitalization of deteriorating neighborhoods;

(B) has demonstrated experience in providing a range of assistance (such as financing, technical assistance, construction and property management assistance, capacity building and training) to community housing development organizations or similar organizations that engage in community revitalization;

(C) has demonstrated the ability to provide technical assistance and training for community-based developers of affordable housing; and

(D) has described the uses to which such assistance will be put and the intended beneficiaries of the assistance; or

(2) with another organization, if a participating jurisdiction demonstrates that the organization is qualified to carry out eligible activities and that the jurisdiction would not be served in a timely manner by intermediaries specified under paragraph (1).

Contracts under paragraph (2) shall be for activities specified in an application from the participating jurisdiction, which application shall include a certification that the activities are necessary to the effective implementation of the participating jurisdiction's housing strategy.

(d) LIMITATIONS.—Contracts under this section with any one contractor for a fiscal year may not—

(1) exceed 20 percent of the amount appropriated for this section for such fiscal year; or

(2) provide more than 20 percent of the operating budget (which shall not include funds that are passed through to community housing development organizations) of the contracting organization for any one year.

(e) SINGLE-STATE CONTRACTORS.—Not less than 40 percent of the funds made available for this section in an appropriations Act in any fiscal year shall be made available for eligible contractors that have worked primarily in one State.

SEC. 234. OTHER REQUIREMENTS.

(a) TENANT PARTICIPATION PLAN.—A community housing development organization that receives assistance under this subtitle shall provide a plan for and follow a program of tenant participation in management decisions and shall adhere to a fair lease and grievance procedure approved by the participating jurisdiction.

(b) LIMITATION ON ASSISTANCE.—A community housing development organization may not receive assistance under this title for any fiscal year in an amount that, together with other Federal assistance, provides more than 50 percent of the organization's total operating budget in the fiscal year.

(c) ADJUSTMENTS OF OTHER ASSISTANCE.—The Secretary shall take account of assistance provided to a project under this subtitle when adjusting other assistance to be provided to the project as required by section 102(d) of the Department of Housing and Urban Development Reform Act of 1989.

Subtitle C—Other Support for State and Local Housing Strategies

SEC. 241. AUTHORITY.

The Secretary shall, insofar as is feasible through contract with eligible organizations, develop the capacity of participating jurisdictions, State and local housing finance agencies, nonprofit organizations and for-profit corporations, working in partnership, to identify and meet needs for an increased supply of decent, affordable housing.

SEC. 242. PRIORITIES FOR CAPACITY DEVELOPMENT.

To carry out section 241, the Secretary shall provide assistance under this subtitle to—

(1) facilitate the exchange of information that would help participating jurisdictions carry out the purposes of this title, including information on program design, housing finance, land use controls, and building construction techniques;

(2) improve the ability of States and units of general local government to design and implement comprehensive housing affordability strategies, particularly those States and units of general local government that are relatively inexperienced in the development of affordable housing;

(3) encourage private lenders and for-profit developers of low-income housing to participate in public-private partnerships to achieve the purposes of this title;

(4) improve the ability of States and units of general local government, community housing development organizations, private lenders, and for-profit developers of low-income housing to incorporate energy efficiency into the planning, design, financing, construction, and operation of affordable housing; and

(5) facilitate the establishment and efficient operation of employer-assisted housing programs through research, technical assistance and demonstration projects.

SEC. 243. CONDITIONS OF CONTRACTS.

(a) ELIGIBLE ORGANIZATIONS.—The Secretary shall carry out this subtitle insofar as is practicable through contract with—

(1) a participating jurisdiction or agency thereof;

(2) a public purpose organization established pursuant to State or local legislation and responsible to the chief elected official of a participating jurisdiction;

(3) an agency or authority established by two or more participating jurisdictions to carry out activities consistent with the purposes of this title;

(4) a national or regional nonprofit organization that has a membership comprised predominantly of entities or officials of entities that qualify under paragraph (1), (2), or (3); or

(5) a professional and technical services company or firm that has demonstrated capacity to provide services under this subtitle.

(b) CONTRACT TERMS.—Contracts under this subtitle shall be for not more than 3 years and shall provide not more than 20 percent of the operating budget of the contracting organization in any one year. Within any fiscal year, contracts with any one organization may not be entered into

for a total of more than 20 percent of the funds appropriated under this subtitle in that fiscal year.

SEC. 244. RESEARCH IN HOUSING AFFORDABILITY.

The Secretary is authorized to support, through contracts with eligible organizations and otherwise, such research and to publish such reports as will assist in the achievement of the purposes of this title. Activities authorized by the previous sentence may include an ongoing analysis of the impact of public policies at the Federal, State, and local levels, both individually and in the aggregate, on the incentives to expand and maintain the supply of energy-efficient affordable housing in the United States, particularly in areas with severe problems of housing affordability. For purposes of this section, agencies of the United States, government-sponsored mortgage finance corporations, and qualified research organizations shall be included as eligible organizations in addition to eligible organizations specified under section 243.

SEC. 245. REACH: ASSET RECYCLING INFORMATION DISSEMINATION.

(a) IN GENERAL.—The Secretary shall make available upon request by any participating jurisdiction a list of eligible properties that are located within the jurisdiction and that are owned or controlled by the Department of Housing and Urban Development to facilitate the purchase, development, or rehabilitation of such properties with assistance made available under this title.

(b) ELIGIBLE PROPERTIES.—An eligible property under this section shall—

(1) be an unoccupied single-family or multifamily dwelling, such that acquisition and rehabilitation of the dwelling would not result in the displacement of any residents of the dwelling; and

(2) have an appraised value that does not exceed (A) in the case of a 1- to 4-family dwelling, 95 percent of the median purchase price for the area for such dwellings, as determined by the Secretary, or (B) in the case of a dwelling with more than 4 units, the applicable maximum dollar amount limitation under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 1715l(d)(3)(ii)) for elevator-type structures.

Subtitle D—Specified Model Programs

SEC. 251. GENERAL AUTHORITY.

Among the alternative model programs that the Secretary shall make available for use by participating jurisdictions under the provisions of section 213 shall be model programs specified in this subtitle. The Secretary shall keep these specified model programs under review and submit to Congress such recommendations for change as the Secretary determines to be appropriate.

SEC. 252. RENTAL HOUSING PRODUCTION.

(a) REPAYABLE ADVANCES.—

(1) IN GENERAL.—The Secretary shall make available a model program under which repayable advances may be made to public and private project sponsors in constructing, acquiring, or substantially rehabilitating projects to be used as affordable rental housing, including limited equity cooperatives and mutual housing.

(2) MAXIMUM AMOUNT OF ADVANCE.—An advance under this model program shall not exceed 50 percent of the total costs associated with the construction, acquisition, or substantial rehabilitation of the project, as determined by the participating jurisdiction.

(3) TERMS OF REPAYMENT.—

(A) INTEREST PAYMENTS.—

(i) IN GENERAL.—Under the model program, advances shall be repaid with interest calculated at a rate of not more than 3 percent per year, as determined by the participating jurisdiction to be appropriate. Interest shall begin to accrue 1 year after the completion of the construction, acquisition, or substantial rehabilitation of the project and shall be payable in annual installments.

(ii) EXCEPTION.—Interest and any accrued interest shall be payable only from the surplus cash flow of the project, after a minimum return on equity determined by the participating jurisdiction to be appropriate. As used in the previous sentence, the term "surplus cash flow" means the cash flow of the project after the payment of all amounts due under the first mortgage, operating expenses, and required replacement reserves, as determined by the participating jurisdiction.

(B) ADDITIONAL INTEREST PAYMENTS.—Under the model program, for any year in which the sum of the surplus cash flow of a project and the return on equity exceeds all interest payments due under subparagraph (A), 50 percent of the excess surplus cash flow shall be paid to the participating jurisdiction's HOME Investment Trust Fund as additional interest.

(C) PRINCIPAL AND UNPAID INTEREST.—The principal amount of an advance under the model program, and any interest remaining unpaid pursuant to subparagraph (A)(ii) shall be repayable when the housing no longer qualifies as affordable housing in accordance with section 219(b).

(b) SELECTION GUIDELINES.—

(1) IN GENERAL.—The Secretary shall establish guidelines for the selection of projects by participating jurisdictions for assistance under the model program. Such guidelines shall be designed to select projects in areas and for markets demonstrating the greatest need for the production of affordable rental housing.

(2) SPECIFIC REQUIREMENTS.—The selection guidelines may include—

(A) the extent of the shortage of rental housing in the area that is available to low-income families;

(B) the extent large families with children will be served by the project;

(C) the extent to which the project provides congregate facilities and has available supportive services that will permit elderly or handicapped residents who become frail and are in need of assistance in living to continue to reside in the project;

(D) the extent of very low-income and low-income occupancy in excess of the income targeting requirements in section 214;

(E) the extent of the project sponsor's commitment of equity to the project (except that this criterion shall not apply to or affect the selection of applications submitted by public housing agencies and nonprofit entities);

(F) the extent of the project sponsor's commitment of equity to the project in comparison to the value of all public assistance for the project, including assistance under this title, other Federal assistance and financing, and State and local government contributions (except that this criterion shall not apply to or affect the selection of applications submitted by public housing agencies and nonprofit entities);

(G) the extent of non-Federal public or private assistance to the project;

(H) the extent to which the project provides supportive services for persons with disabilities; and

(I) any other factor determined by the Secretary to be appropriate.

(c) GUIDELINES.—The Secretary shall publish guidelines for the model program under this section not later than 180 days after enactment of this Act.

SEC. 253. RENTAL REHABILITATION.

(a) IN GENERAL.—The Secretary shall make available a model program to support the rehabilitation of privately owned rental housing located in neighborhoods where the median income does not exceed 80 percent of the area median as determined by the Secretary and where rents can reasonably be expected not to change materially over an extended period of time.

(b) AMOUNT OF SUBSIDY.—The amount of the rehabilitation subsidy shall be moderate and shall generally not exceed 50 percent of the total costs associated with the rehabilitation of the housing.

(c) ADDITIONAL RESTRICTIONS.—The guidelines of the model program shall generally comport with the additional protections and restrictions specified under section 17(c) of the United States Housing Act of 1937.

SEC. 254. REHABILITATION LOANS.

(a) IN GENERAL.—The Secretary shall make available a model program to provide direct loans to finance the rehabilitation of low and moderate income single family and multifamily residential properties.

(b) CONDITION OF LOANS.—The Secretary shall establish terms and conditions to ensure that such loans are acceptable risks, taking into consideration the need for rehabilitation, the security for the loan and the ability of the borrower to repay the loan. The Secretary may establish the interest rate for loans under the model program, which shall include special interest rates for loans to borrowers with incomes below 80 percent of the area median income.

(c) ADDITIONAL RESTRICTIONS.—Guidelines for the model program may require that the property—

(1) be located in an area that contains a substantial number of dwellings in need of rehabilitation;

(2) the property is residential and owner-occupied; and

(3) the property is in need of rehabilitation or concentrated code enforcement within a reasonable time, and the rehabilitation of such property is consistent with a local plan for rehabilitation or code enforcement.

Additional guidelines for the model program shall generally comport with the additional protections and restrictions specified under section 312 of the Housing Act of 1964.

SEC. 255. SWEAT EQUITY MODEL PROGRAM.

(a) IN GENERAL.—The Secretary shall make available a model program to provide grants to public and private nonprofit organizations and community housing development organizations to provide technical and supervisory assistance to low-income and very low-income families, including the homeless, in acquiring, rehabilitating, and constructing housing by the self-help housing method.

(b) REHABILITATION OF PROPERTIES.—The program shall target for rehabilitation properties which have been acquired by the Federal, State, or local governments.

(c) HOMEOWNERSHIP OPPORTUNITIES THROUGH SWEAT EQUITY.—

(1) The program shall utilize the skilled or unskilled labor of eligible families in exchange for acquisition of the property.

(2) Training shall be provided to eligible families in building and home maintenance skills.

(d) RENTAL OPPORTUNITIES THROUGH SWEAT EQUITY.—(1) The program shall include rental opportunities for eligible families

which will help expand the stock of affordable housing which is most appropriate for the target group.

(2) The use of the tenant's skilled or unskilled labor shall be encouraged in lieu of or as a supplement to rent payments by the tenant.

(e) DEFINITION.—The term "self-help housing" means the same as in section 523 of the Housing Act of 1949.

(f) ADDITIONAL RESTRICTIONS.—The guidelines for the model program shall generally comport with the additional protections and restrictions specified under section 523 of the Housing Act of 1949.

SEC. 256. HOME REPAIR SERVICES GRANTS FOR OLDER AND DISABLED HOMEOWNERS.

(a) IN GENERAL.—The Secretary shall make available a model program to provide home repair services for older homeowners and disabled homeowners, including such services as the examination of homes, repair services, and follow-up to ensure the continued effectiveness of the repairs provided.

(b) ELIGIBLE RECIPIENTS.—Home repair services shall be provided to homeowners who—

(1) own and reside in the dwellings for which services are provided;

(2) are older or disabled; and

(3) are members of low-income families.

(c) PERMITTED RESTRICTIONS.—Guidelines for the model program shall require that—

(1) assisted dwelling units be the primary residence of the homeowner for whom services are provided;

(2) preferences be provided for (A) very low-income families, and (B) individuals with intense need characterized by noneconomic factors such as physical and mental disabilities, language barriers, and cultural, social, or geographical isolation caused by racial or ethnic status that restricts the ability of an individual to perform normal daily tasks or that threatens the capacity of the individual to live independently;

(3) any fees charged be based on the income of the individual receiving the home repair services.

SEC. 257. LOW-INCOME HOUSING CONSERVATION AND EFFICIENCY GRANT PROGRAMS.

(a) IN GENERAL.—The Secretary shall make available a model program to provide safe, energy-efficient affordable housing for low-income persons.

(b) ACTIVITIES.—The model program shall provide for—

(1) identification of housing that is—

(A) owned and occupied by low-income families who have received, are currently receiving, or are scheduled to receive assistance under the weatherization assistance for low-income persons program under part A of title IV of the Energy Conservation and Production Act (or a comparable Federal or State program);

(B) in danger of becoming uninhabitable within a 5-year period because of structural weaknesses or problems; and

(C) not sufficiently sound to permit energy conservation improvements without other repair or rehabilitation measures to protect such energy investments;

(2) repairs that will significantly prolong the habitability of units identified under paragraph (1), including roofing, electrical, plumbing, furnace, and foundation repairs or replacement that will prolong the use of the unit as a safe and energy-efficient residence for low-income persons; and

(3) reasonable steps to ensure that any units so repaired will remain occupied by persons or families eligible for assistance under this title.

SEC. 258. SECOND MORTGAGE ASSISTANCE FOR FIRST-TIME HOMEBUYERS.

(a) IN GENERAL.—The Secretary shall make available a model program under which units of general local government provide loans (secured by second mortgages) with deferred payment of interest and principal to first-time homebuyers.

(b) HOMEOWNERSHIP COUNSELING.—The program under this section shall provide for homeownership counseling to first-time homebuyers assisted, which shall include—

(1) counseling before and after purchase of the property;

(2) assisting first-time homebuyers in identifying the most suitable and affordable properties;

(3) providing homebuyers with financial management assistance;

(4) assisting homebuyers in understanding mortgage transactions and home sales contracts; and

(5) assisting homebuyers with eliminating any credit problems that may prevent the homebuyers from purchasing the property.

(c) ELIGIBILITY REQUIREMENTS.—Deferred payment loans secured by second mortgages may be provided under the model program under this section if—

(1) the homebuyer assisted is a first-time homebuyer;

(2) the property secured by the second mortgage is a single-family residence and is the principal residence of the homebuyer; and

(3) the principal obligation of the deferred payment loan secured by a second mortgage does not exceed 30 percent of the acquisition price of the residence to the homebuyer.

(d) PAYMENT TERMS.

(1) PERIOD OF DEFERRAL.—The payment of any principal and interest on a loan under this section shall be deferred for not less than the 5-year period beginning on the date of the acquisition of the residence by the homebuyer.

(2) INTEREST RATE.—The interest rate on the unpaid balance of a loan under this section shall be at least 4 percent.

(3) REPAYMENT PERIOD.—A deferred payment loan secured by a second mortgage shall be repayable over the 15-year period beginning at the end of the deferral period.

(e) SECURITY.—A deferred payment loan assisted with amount provided under a grant under this section shall be secured by a lien on the property involved, which lien shall be subordinate to the first mortgage on the property.

SEC. 259. REHABILITATION OF STATE AND LOCAL GOVERNMENT IN REM PROPERTIES.

(a) IN GENERAL.—The Secretary shall make available a model program under which States and units of general local government may convert in rem properties to provide affordable permanent housing for the homeless by leasing such properties to nonprofit organizations and permitting such organizations to rehabilitate the properties.

(b) TARGET.—The program shall target vacant properties for rehabilitation by nonprofit organizations.

Subtitle E—Mortgage Credit Enhancement

SEC. 271. REPORT ON CREDIT ENHANCEMENT.

(a) IN GENERAL.—The Comptroller General of the United States shall carry out a study of ways in which financing for affordable housing may be made available to assist in the most efficient implementation of comprehensive housing affordability strategies of participating jurisdictions. In conducting the study, the Comptroller General shall draw upon the expertise of such representatives of State and local government, State and local housing finance agencies, agencies of the United States, government-sponsored mortgage finance corporations, for-profit and nonprofit housing developers, private financial institutions, and sources of long-term mortgage investment, as the Comptroller General determines to be appropriate.

(b) REPORT.—Not later than one year after the enactment of this Act, the Comptroller General shall submit to the Congress and the Secretary a report containing any recommendations for legislative or administrative actions needed to improve the availability of mortgage finance for affordable housing. The report shall include, but need not be limited to, an assessment of—

(1) the need for the Department of Housing and Urban Development or other agencies of the United States to provide partial credit enhancement to make financing for affordable housing available efficiently and at the lowest possible cost; and

(2) alternative ways in which—

(A) the Department could provide any needed credit enhancement on a one-stop basis for participating jurisdictions, in coordination with other forms of assistance under this subtitle;

(B) the Department or other agencies of the Federal Government could assist government-sponsored mortgage finance corporations in the financing of mortgages on affordable housing through the development of mortgage-backed securities that are more standardized and readily traded in the capital markets;

(C) the capacities of existing agencies of the United States could be used to provide mortgage finance more efficiently for affordable housing through government-sponsored mortgage finance corporations; and

(D) the interests of the Federal Government could be protected and any risks of loss could be minimized through requirements for fees, mortgage insurance, risk-sharing, secure collateral, and guarantees by other parties, and through standards relating to minimum capital and prior experience with underwriting, origination and servicing.

Subtitle F—General Provisions

SEC. 281. EQUAL OPPORTUNITY.

(a) SOLICITATION OF CONTRACTS.—Each participating jurisdiction shall prescribe procedures acceptable to the Secretary to establish and oversee a minority outreach program within each such jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction.

(b) REPORT TO CONGRESS.—Before the end of the 180-day period beginning on the date the first allocation of funds is made under section 217, the Secretary shall submit to the Congress a report containing a description of the actions taken by each participating jurisdiction pursuant to subsection (a) and such recommendations for administrative and legislative action as the Secretary may determine to be appropriate to carry out the purposes of such subsection.

SEC. 282. NONDISCRIMINATION.

No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

SEC. 283. ANNUAL AUDITS AND ACCOUNTABILITY.

(a) INDEPENDENT AUDITS.—The Secretary, except as provided in paragraph (b)(1), shall contract annually with an independent accounting firm to provide for a full financial audit of the records of the HOME Investment Partnerships program for each fiscal year. Funds available for departmental administration may be used to provide for such audits. Each audit shall be performed as soon as practicable after the close of the fiscal year and in accordance with generally accepted Government auditing standards approved by the Comptroller General of the United States (hereinafter referred to as the "Comptroller General"), and shall be consistent with the requirements of sections 9105 and 9106 of title 31, United States Code. The Secretary shall promptly submit the report of the independent accounting firm to the Congress, consistent with the requirements of section 9106 of title 31, United States Code, and such report shall be published. The requirement for an audit under this section shall be in lieu of the requirement for an audit by the Comptroller General under section 9105(a) of title 31, United States Code.

(b) AUDITS BY THE COMPTROLLER GENERAL.—

(1) AUDITS OF THE HOME INVESTMENT PARTNERSHIPS PROGRAM.—The Comptroller General, when the Comptroller General deems it to be appropriate or when requested by the Committee on Banking, Housing, and Urban Affairs of the Senate or the Committee on Banking, Finance and Urban Affairs of the House of Representatives, shall conduct a full financial audit of the records of the HOME Investment Partnerships program for any fiscal year. The initiation of an audit for a fiscal year under the previous sentence shall obviate the requirement for an audit by an independent accounting firm under paragraph (a) for that fiscal year. The report of the Comptroller General shall be submitted promptly to the Secretary and the Congress and shall be published.

(2) AUDITS OF RECIPIENTS.—The financial transactions of participating jurisdictions and of other recipients of funds provided under this title may, insofar as they relate to funds provided under this title, be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

SEC. 284. UNIFORM RECORDKEEPING AND REPORTS TO THE CONGRESS.

(a) UNIFORM REQUIREMENTS.—The Secretary shall develop and establish uniform recordkeeping, performance reporting, and auditing requirements for use by participating jurisdictions.

(b) REPORT TO THE CONGRESS.—Not later than 120 days after the end of each fiscal year, the Secretary shall make an annual report to the Congress that summarizes and assesses the results of reports provided under this section. Such report shall include a description of actions taken by each participating jurisdiction pursuant to section 281(a) and such recommendations for administrative and legislative action as may be appropriate to carry out the purposes of such section.

SEC. 285. CITIZEN PARTICIPATION.

The Secretary shall ensure that each participating jurisdiction, and each jurisdiction seeking to become a participating jurisdiction, complies with the requirements of section 107 of this Act.

SEC. 286. LABOR.

(a) IN GENERAL.—Any contract for the construction of affordable housing with 12 or more units assisted with funds made available under this subtitle shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a—276a-5), shall be paid to all laborers and mechanics employed in the development of affordable housing involved, and participating jurisdictions shall require certification as to compliance with the provisions of this section prior to making any payment under such contract.

(b) WAIVER.—Subsection (a) shall not apply if the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and such persons are not otherwise employed at any time in the construction work.

SEC. 287. INTERSTATE AGREEMENTS.

The consent of the Congress is hereby given to any two or more States to enter into agreements or compacts, not in conflict with any law of the United States, for cooperative efforts and mutual assistance in support of activities authorized under this title as they pertain to interstate areas and to localities within such States, and to establish such agencies, joint or otherwise, as they may deem desirable for making such agreements and compacts effective.

SEC. 288. ENVIRONMENTAL REVIEW.

(a) IN GENERAL.—In order to assure that the policies of the National Environmental Policy Act of 1969 and other provisions of law which further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to participating jurisdictions under this title who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

(b) PROCEDURE.—The Secretary shall approve the release of funds subject to the procedures authorized by this section only if, at least 15 days prior to such approval and prior to any commitment of funds to such projects the participating jurisdiction has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of subsection (c). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(c) CERTIFICATION.—A certification under the procedures authorized by this section shall—

(1) be in a form acceptable to the Secretary,

(2) be executed by the chief executive officer or other officer of the recipient of assistance under this title qualified under regulations of the Secretary,

(3) specify that the recipient of assistance under this title has fully carried out its responsibilities as described under subsection (a), and

(4) specify that the certifying officer (A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or other such provision of law apply pursuant to subsection (a), and (B) is authorized and consents on behalf of the participating jurisdiction and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

(d) ASSISTANCE TO A STATE.—In the case of assistance to States, the State shall perform those actions of the Secretary described in subsection (b) and the performance of such actions shall be deemed to satisfy the Secretary's responsibilities referred to in the second sentence of such subsection.

SEC. 289. TERMINATION OF EXISTING HOUSING PROGRAMS.

(a) IN GENERAL.—Except with respect to projects and programs for which binding commitments have been entered into prior to October 1, 1991, no new grants or loans shall be made after October 1, 1991, under—

(1) section 17 of the United States Housing Act of 1937;

(2) section 312 of the Housing Act of 1964;

(3) title VI of the Housing and Community Development Act of 1987;

(4) section 8(e)(2) of the United States Housing Act of 1937, except for funds allocated under such section for single room occupancy dwellings as authorized by title IV of the Stewart B. McKinney Homeless Assistance Act; and

(5) section 810 of the Housing and Community Development Act of 1974.

(b) REPEALS.—

(1) IN GENERAL.—Except as provided in paragraph (2), effective on October 1, 1991, the provisions of law referred to in subsection (a) are repealed.

(2) NO EFFECT ON SRO PROGRAM.—The provision of law referred to in subsection (a)(4) shall remain in effect with respect to single room occupancy dwellings as authorized by title IV of the Stewart B. McKinney Homeless Assistance Act.

(c) DISPOSITION OF REPAYMENTS.—Any amounts received on or after October 1, 1991, as repayments or recaptures in connection with the programs referred to in subsection (a) and any other amounts for such programs that remain or become unob-

ligated on or after such date, shall be paid into the general fund of the Treasury.

TITLE III—HOMEOWNERSHIP

Subtitle A—National Homeownership Trust Demonstration

SEC. 301. SHORT TITLE.

This subtitle may be cited as the "National Homeownership Trust Act".

SEC. 302. NATIONAL HOMEOWNERSHIP TRUST.

(a) ESTABLISHMENT.—There is established the National Homeownership Trust, which shall be in the Department of Housing and Urban Development and shall provide assistance to first-time homebuyers in accordance with this subtitle.

(b) BOARD OF DIRECTORS.—The Trust shall be governed by a Board of Directors, which shall be composed of—

(1) the Secretary of Housing and Urban Development, who shall be the chairperson of the Board;

(2) the Secretary of the Treasury;

(3) the chairperson of the Board of Directors of the Federal Deposit Insurance Corporation;

(4) the chairperson of the Federal Housing Finance Board;

(5) the chairperson of the Board of Directors of the Federal National Mortgage Association;

(6) the chairperson of the Board of Directors of the Federal Home Loan Mortgage Corporation; and

(7) 1 individual representing consumer interests, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate.

(c) POWERS OF TRUST.—The Trust shall have the same powers as the powers given the Government National Mortgage Association in section 309(a) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(a)).

(d) TRAVEL AND PER DIEM.—Members of the Board of Directors shall receive no additional compensation by reason of service on the Board, but shall be allowed travel expenses, including per diem in lieu of subsistence, as provided for employees of the Federal Government or in the same manner as persons employed intermittently in the Government service are allowed under section 5703 of title 5, United States Code, as appropriate.

(e) DIRECTOR AND STAFF.—

(1) DIRECTOR.—The Board of Directors may appoint an executive director of the Trust and fix the compensation of the executive director, which shall be paid from amounts in the National Homeownership Trust Fund.

(2) STAFF.—Subject to such rules as the Board of Directors may prescribe, the Trust may appoint and hire such staff and provide for offices as may be necessary to carry out its duties. The Trust may fix the compensation of the staff, which shall be paid from amounts in the National Homeownership Trust Fund.

SEC. 303. ASSISTANCE FOR FIRST-TIME HOMEBUYERS.

(a) IN GENERAL.—The Trust shall provide assistance payments for first-time homebuyers (including homebuyers buying shares in limited equity cooperatives) in the following manners:

(1) INTEREST RATE BUYDOWNS.—Assistance payments so that the rate of interest payable on the mortgages by the homebuyers does not exceed 6 percent.

(2) DOWNPAYMENT ASSISTANCE.—Assistance payments to provide amounts for downpayments (including closing costs and other costs payable at the time of closing) on mortgages for such homebuyers.

(b) ELIGIBILITY REQUIREMENTS.—Assistance payments under this subtitle may be made only to homebuyers and for mortgages meeting the following requirements:

(1) FIRST-TIME HOMEBUYER.—The homebuyer is an individual who—

(A) (and whose spouse) has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property with respect to which assistance payments are made under this subtitle;

(B) is a displaced homemaker who, except for owning a home with his or her spouse or residing in a home owned by the spouse, meets the requirements of subparagraph (A); or

(C) is a single parent who, except for owning a home with his or her spouse or residing in a home owned by the spouse while married, meets the requirements of subparagraph (A).

(2) MAXIMUM INCOME OF HOMEBUYER.—The aggregate annual income of the homebuyer and the members of the family of the homebuyer residing with the homebuyer, for the 12-month period preceding the date of the application of the homebuyer for assistance under this subtitle, does not exceed—

(A) 95 percent of the median income for a family of 4 persons (adjusted by family size) in the applicable metropolitan statistical area (or such other area that the Board of Directors determines for areas outside of metropolitan statistical areas); or

(B) 115 percent of such median income (adjusted by family size) in the case of an area that is subject to a high cost area mortgage limit under title II of the National Housing Act.

The Board of Directors shall provide for certification of such income for purposes of initial eligibility for assistance payments under this subtitle and shall provide for recertification of homebuyers (and families of homebuyers) so assisted not less than every 2 years thereafter.

(3) CERTIFICATION.—The homebuyer (and spouse, where applicable) shall certify that the homebuyer has made a good faith effort to obtain a market rate mortgage and has been denied because the annual income of the homebuyer and the members of the family of the homebuyer residing with the homebuyer is insufficient.

(4) PRINCIPAL RESIDENCE.—The property securing the mortgage is a single-family residence or unit in a cooperative and is the principal residence of the homebuyer.

(5) MAXIMUM MORTGAGE AMOUNT.—The principal obligation of the mortgage does not exceed the principal amount that could be insured with respect to the property under the National Housing Act.

(6) MAXIMUM INTEREST RATE.—The interest payable on the mortgage is established at a fixed rate that does not exceed a maximum rate of interest established by the Trust taking into consideration prevailing interest rates on similar mortgages.

(7) RESPONSIBLE MORTGAGEE.—The mortgage has been made to, and is held by, a mortgagee that is federally insured or that is otherwise approved by the Trust as responsible and able to service the mortgage properly.

(8) MINIMUM DOWNPAYMENT.—For a first-time homebuyer to receive downpayment assistance under subsection (a)(2), the homebuyer shall have paid not less than 1 percent of the cost of acquisition of the property (excluding any mortgage insurance premium paid at the time the mortgage is insured), as such cost is estimated by the Board of Directors.

(c) TERMS OF ASSISTANCE.—

(1) SECURITY.—Assistance payments under this subtitle shall be secured by a lien on the property involved. The lien shall be subordinate to all mortgages existing on the property on the date on which the first assistance payment is made.

(2) REPAYMENT UPON SALE.—Assistance payments under this subtitle shall be repayable from the net proceeds of the sale, without interest, upon the sale of the property for which the assistance payments are made. If the sale results in no net proceeds or the net proceeds are insufficient to repay the amount of the assistance payments in full, the Board of Directors shall release the lien to the extent that the debt secured by the lien remains unpaid.

(3) REPAYMENT UPON INCREASED INCOME.—If the aggregate annual income of the homebuyer (and family of the homebuyer) assisted under this subtitle exceeds the applicable maximum income allowable under subsection (b)(2) for any 2-year period after such assistance is provided, the Board of Directors may provide for the repayment, on a monthly basis, of all or a portion of such assistance payments, based on the amount of assistance provided and the income of the homebuyer (and family of the homebuyer).

(4) REPAYMENT IF PROPERTY CEASES TO BE PRINCIPAL RESIDENCE.—If the property for which assistance payments are made ceases to be the principal residence of the first-time homebuyer (or the family of the homebuyer), the Board of Directors may provide for the repayment of all or a portion of the assistance payments.

(5) AVAILABLE ASSISTANCE.—The Trust may make assistance payments under paragraphs (1) and (2) of subsection (a) with respect to a single mortgage of an eligible homebuyer.

(d) ALLOCATION FORMULA.—Amounts available in any fiscal year for assistance under this subtitle shall be allocated for homebuyers in each State on the basis of the need of eligible first-time homebuyers in each State for such assistance in comparison with the need of eligible first-time homebuyers for such assistance among all States.

SEC. 304. NATIONAL HOMEOWNERSHIP TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund, to be known as the National Homeownership Trust Fund.

(b) ASSETS.—The Fund shall consist of—

(1) any amount approved in appropriation Acts under section 308 for purposes of carrying out this subtitle;

(2) any amount received by the Trust as repayment for payments made under this subtitle; and

(3) any amount received by the Trust under subsection (d).

(c) USE OF AMOUNTS.—The Fund shall, to the extent approved in appropriations Acts, be available to the Trust for purposes of carrying out this subtitle.

(d) INVESTMENT OF EXCESS AMOUNTS.—Any amounts in the Fund determined by the Trust to be in excess of the amounts currently required to carry out the provisions of this subtitle shall be invested by the Trust in obligations of, or obligations guaranteed as to both principal and interest by, the United States or any agency of the United States.

(e) DEMONSTRATION PROGRAMS.—Using not more than $20,000,000 of any amounts appropriated for the Fund under section 308 in fiscal year 1991, the Secretary shall carry out demonstration programs for combining

housing activities and economic development activities, as follows:

(1) In Milwaukee, Wisconsin, in an amount not to exceed $4,200,000, for development, rehabilitation, and revitalization of 2 vacant structures in a blighted minority neighborhood.

(2) In Washington, District of Columbia, in an amount not to exceed $10,000,000, for nonprofit neighborhood-based groups to acquire and rehabilitate vacant public and private housing for resale or rent to low- and moderate-income families and to the extent of and subject to engage in neighborhood-based economic development activities.

(3) In Philadelphia, Pennsylvania, in an amount not to exceed $1,000,000, for technical assistance and organizational support for a community development corporation that is a city-wide public/private partnership engaged in the provision of technical assistance to neighborhood community development corporations.

(4) In other areas, as the Secretary may determine.

SEC. 305. DEFINITIONS.

For purposes of this subtitle:

(1) BOARD OF DIRECTORS.—The term "Board of Directors" or "Board" means the Board of Directors of the National Homeownership Trust under section 302(b).

(2) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) is an adult;

(B) has not worked full-time full-year in the labor force for a number of years, but has during such years, worked primarily without remuneration to care for the home and family; and

(C) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(3) FUND.—The term "Fund" means the National Homeownership Trust Fund established in section 304.

(4) SINGLE PARENT.—The term "single parent" means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has 1 or more minor children for whom the individual has custody or joint custody; or

(ii) is pregnant.

(5) STATE.—The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(6) TRUST.—The term "Trust" means the National Homeownership Trust established in section 302.

SEC. 306. REGULATIONS.

The Board of Directors shall issue any regulations necessary to carry out this subtitle.

SEC. 307. REPORT.

The Board of Directors shall submit to the Congress, not later than the expiration of the 90-day period beginning on the date of the termination of the Trust under section 310, a report containing a description of the activities of the Trust and an analysis of the effectiveness of the Trust in assisting first-time homebuyers.

SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subtitle $250,000,000 for fiscal year 1991 and $521,500,000 for fiscal year 1992. Any amount appropriated under this section shall be deposited in the Fund and remain available until expended, subject to the provisions of section 309.

SEC. 309. TRANSITION.

(a) AUTHORITY OF SECRETARY.—Upon the termination of the Trust as provided in section 310, the Secretary of Housing and Urban Development shall exercise any authority of the Board of Directors and the Trust in accordance with the provisions of this subtitle as may be necessary to provide for the conclusion of the outstanding affairs of the Trust.

(b) APPLICABILITY OF TRUST PROVISIONS.—Any assistance under this subtitle shall, after termination of the Trust, be subject to the provisions of this subtitle that would have applied to such assistance if the termination had not occurred.

(c) CERTIFICATION OF FUND TO TREASURY.—Upon a determination by the Secretary of Housing and Urban Development that the National Homeownership Trust Fund is no longer necessary, the Secretary shall certify any amounts remaining in the Fund to the Secretary of the Treasury and the Secretary of the Treasury shall deposit into the general fund of the Treasury as miscellaneous receipts any amounts remaining in the Fund.

SEC. 310. TERMINATION.

The Trust shall terminate on September 30, 1993.

Subtitle B—FHA and Secondary Mortgage Market

SEC. 321. LIMITATION ON FHA INSURANCE AUTHORITY.

Section 531(b) of the National Housing Act (12 U.S.C. 1735f-9(b)) is amended to read as follows:

"(b) Notwithstanding any other provision of law and subject only to the absence of qualified requests for insurance, to the authority provided in this Act, and to the limitation in subsection (a), the Secretary shall enter into commitments to insure mortgages under this Act with an aggregate principal amount of $76,791,000,000 during fiscal year 1991 and $79,818,000,000 during fiscal year 1992.".

SEC. 322. APPRAISAL SERVICES.

Section 202(e) of the National Housing Act (12 U.S.C. 1708(e)) is amended by adding at the end the following new paragraphs:

"(3) DIRECT ENDORSEMENT PROGRAM.—

"(A) Any mortgagee that is authorized by the Secretary to process mortgages as a direct endorsement mortgagee (pursuant to the single-family home mortgage direct endorsement program established by the Secretary) may contract with an appraiser chosen at the discretion of the mortgagee for the performance of appraisals in connection with such mortgages. Such appraisers may include appraisal companies organized as corporations, partnerships, or sole proprietorships.

"(B) Any appraisal conducted pursuant to subparagraph (A) shall be conducted by an individual who complies with the qualifications or standards for appraisers established by the Secretary pursuant to section 202(e) of the National Housing Act.

"(C) In conducting an appraisal, such individual may utilize the assistance of others, who shall be under the direct supervision of the individual responsible for the appraisal. The individual responsible for the appraisal shall personally approve and sign any appraisal report.

"(4) FEE PANEL APPRAISERS.—

"(A) Any individual who is an employee of an appraisal company (including any company organized as a corporation, partnership, or sole proprietorship) and who meets the qualifications or standards for appraisers and inclusion on appraiser fee panels established by the Secretary, shall be eligible for assignment to conduct appraisals for mortgages under this title in the same manner and on the same basis as other approved appraisers.

"(B) With respect to any employee of an appraisal company described in subparagraph (A) who is offered an appraisal assignment in connection with a mortgage under this title, the person utilizing the appraiser may contract directly with the appraisal company employing the appraiser for the furnishing of the appraisal services.".

SEC. 323. INCREASE IN MORTGAGE LIMIT.

Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by striking "150 percent (185 percent until October 31, 1990) of the dollar amount specified" and inserting the following: "185 percent of the dollar amount specified".

SEC. 324. MORTGAGOR EQUITY.

Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by adding at the end the following new undesignated paragraph:

"Notwithstanding any other provision of this paragraph, a mortgage may not involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in excess of 98.75 percent of the appraised value of the property (97.75 percent, in the case of a mortgage with an appraised value in excess of $50,000), plus the amount of the mortgage insurance premium paid at the time the mortgage is insured. For purposes of the preceding sentence, the term 'appraised value' means the amount set forth in the written statement required under section 226, or a similar amount determined by the Secretary if section 226 does not apply.".

SEC. 325. MORTGAGE INSURANCE PREMIUMS.

(a) PREMIUMS.—Section 203(c) of the National Housing Act (12 U.S.C. 1709(c)) is amended—

(1) by inserting "(1)" after "(c)";

(2) by striking the last sentence; and

(3) by adding at the end the following new paragraph:

"(2) Notwithstanding any other provision of this section, each mortgage secured by a 1- to 4-family dwelling and executed on or after October 1, 1994, that is an obligation of the Mutual Mortgage Insurance Fund, shall be subject to the following requirements:

"(A) The Secretary shall establish and collect, at the time of insurance, a single premium payment in an amount equal to 2.25 percent of the amount of the original insured principal obligation of the mortgage. Upon payment in full of the principal obligation of a mortgage prior to the maturity date of the mortgage, the Secretary shall refund all of the unearned premium charges paid on the mortgage pursuant to this subparagraph.

"(B) In addition to the premium under subparagraph (A), the Secretary shall establish and collect annual premium payments in an amount equal to 0.50 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments) for the following periods:

"(i) For any mortgage involving an original principal obligation (excluding any premium collected under subparagraph (A))

that is less than 90 percent of the appraised value of the property (as of the date the mortgage is accepted for insurance), for the first 11 years of the mortgage term.

"(ii) For any mortgage involving an original principal obligation (excluding any premium collected under subparagraph (A)) that is greater than or equal to 90 percent of such value, for the first 30 years of the mortgage term; except that notwithstanding the matter preceding clause (i), for any mortgage involving an original principal obligation (excluding any premium collected under subparagraph (A)) that is greater than 95 percent of such value, the annual premium collected during the 30-year period under this clause shall be in an amount equal to 0.55 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments).".

(b) TRANSITION PROVISIONS.—Notwithstanding section 203(c) of the National Housing Act (as amended by subsection (a)), mortgage insurance premiums on mortgages executed during fiscal years 1991 through 1994 and that are obligations of the Mutual Mortgage Insurance Fund shall be subject to the following requirements:

(1) 1991 AND 1992.—For mortgages executed during fiscal years 1991 and 1992 (but after the date of the effectiveness of regulations issued under subsection (c)), the Secretary shall establish and collect the following premiums:

(A) UP-FRONT.—At the time of insurance, a single premium payment in an amount equal to 3.80 percent of the amount of the original insured principal obligation of the mortgage.

(B) ANNUAL.—In addition to the premium under subparagraph (A), annual premium payments in an amount equal to 0.50 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments), for any mortgage involving an original principal obligation (excluding any premium collected under subparagraph (A)) that is—

(i) less than 90 percent of the appraised value of the property (as of the date the mortgage is accepted for insurance), for the first 5 years of the mortgage term;

(ii) greater than or equal to 90 percent of such value but equal to or less than 95 percent of such value, for the first 8 years of the mortgage term; and

(iii) greater than 95 percent of such value, for the first 10 years of the mortgage term.

(2) 1993 AND 1994.—For mortgages executed during fiscal years 1993 and 1994, the Secretary shall establish and collect the following premiums:

(A) UP-FRONT.—At the time of insurance, a single premium payment in an amount equal to 3.00 percent of the amount of the original insured principal obligation of the mortgage.

(B) ANNUAL.—In addition to the premium under subparagraph (A), annual premium payments in an amount equal to 0.50 percent of the remaining insured principal balance (excluding the portion of the remaining balance attributable to the premium collected under subparagraph (A) and without taking into account delinquent payments or prepayments), for any mortgage involving an original principal obligation (excluding any premium collected under subparagraph (A)) that is—

(i) less than 90 percent of the appraised value of the property (as of the date the mortgage is accepted for insurance), for the first 7 years of the mortgage term;

(ii) greater than or equal to 90 percent of such value but equal to or less than 95 percent of such value, for the first 12 years of the mortgage term; and

(iii) greater than 95 percent of such value, for the first 30 years of the mortgage term.

(3) REFUNDS.—With respect to any mortgage subject to premiums under this subsection, the Secretary shall refund all of the unearned premium charges paid on a mortgage pursuant to paragraph (1)(A) or (2)(A) upon payment in full of the principal obligation of the mortgage prior to the maturity date.

(c) REGULATIONS.—The Secretary shall issue regulations to carry out this section and the amendments made by this section not later than the expiration of the 90-day period beginning on the date of the enactment of this Act.

SEC. 326. LIMITATION ON SECONDARY RESIDENCES.

(a) LIMITATION ON SECONDARY RESIDENCES.—Section 203(g)(1) of the National Housing Act (12 U.S.C. 1709(g)(1)) is amended by inserting after the period at the end the following new sentence: "In making this determination with respect to the occupancy of secondary residences, the Secretary may not insure mortgages with respect to such residences unless the Secretary determines that it is necessary to avoid undue hardship to the mortgagor. In no event may a secondary residence under this subsection include a vacation home, as determined by the Secretary.".

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply only with respect to—

(1) mortgages insured—

(A) pursuant to a conditional commitment issued after the expiration of the 60-day period beginning on the date of the enactment of this Act; or

(B) in accordance with the direct endorsement program, if the approved underwriter of the mortgages signs the appraisal report for the property after the expiration of the 60-day period beginning on the date of the enactment of this Act; and

(2) the approval of substitute mortgagors, if the original mortgagor was subject to such amendments.

(c) TRANSITION PROVISIONS.—Any mortgage insurance provided under title II of the National Housing Act before the expiration of the 60-day period beginning on the date of the enactment of this Act, shall continue to be governed (to the extent applicable) by the provisions of section 203(g)(1) of the National Housing Act, as such provisions existed before the date of the enactment of this Act.

SEC. 327. MORTGAGE COUNSELING FOR DELINQUENT MORTGAGORS.

Section 203(r) of the National Housing Act (12 U.S.C. 1709(r)) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) providing counseling, either directly or through third parties, to delinquent mortgagors whose mortgages are insured under this section 203 (12 U.S.C. 1709), using the Fund to pay for such counseling.".

SEC. 328. DELEGATION OF PROCESSING.

(a) AUTHORITY.—Not later than the expiration of the 60-day period beginning on the date of enactment of this Act, the Secretary of Housing and Urban Development shall implement a system of mortgage insurance for mortgages insured under section 207, 221, 223, 232, or 241 of the National Housing Act that delegates processing functions to selected approved mortgagees. Under such system, the Secretary shall retain the authority to approve rents, expenses, property appraisals, and mortgage amounts and to execute a firm commitment.

(b) FULL INSURANCE PROGRAM.—Notwithstanding subsection (a), the Secretary shall maintain a viable system for full insurance programs under such Act under which all processing functions are performed by officers and employees of the Department of Housing and Urban Development.

SEC. 329. DISCLOSURE REGARDING INTEREST DUE UPON MORTGAGE PREPAYMENT.

Section 203 of the National Housing Act (12 U.S.C. 1709), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(s)(1) Each mortgagee (or servicer) with respect to a mortgage under this section shall provide each mortgagor of such mortgagee (or servicer) written notice, not less than annually, containing a statement of the amount outstanding for prepayment of the principal amount of the mortgage and describing any requirements the mortgagor must fulfill to prevent the accrual of any interest on such principal amount after the date of any prepayment. This paragraph shall apply to any insured mortgage outstanding on or after the expiration of the 90-day period beginning on the date of effectiveness of final regulations implementing this paragraph.

"(2) Each mortgagee (or servicer) with respect to a mortgage under this section shall, at or before closing with respect to any such mortgage, provide the mortgagor with written notice (in such form as the Secretary shall prescribe, by regulation, before the expiration of the 90-day period beginning upon the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act) describing any requirements the mortgagor must fulfill upon prepayment of the principal amount of the mortgage to prevent the accrual of any interest on the principal amount after the date of such prepayment. This paragraph shall apply to any mortgage executed after the expiration of the period under paragraph (1).".

SEC. 330. ACCOUNTABILITY OF MORTGAGE LENDERS.

(a) LIMITATION ON TIERED PRICING PRACTICES.—Section 203 of the National Housing Act (12 U.S.C. 1709), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(t)(1) No mortgagee may make or hold mortgages insured under this section if the customary lending practices of the mortgagee, as determined by the Secretary pursuant to section 539, provide for a variation in mortgage charge rates that exceeds 2 percent for insured mortgages made by the mortgagee on dwellings located within an area. The Secretary shall ensure that any permissible variations in the mortgage charge rates of any mortgagee are based only on actual variations in fees or costs to the mortgagee to make the loan.

"(2) For purposes of this subsection—

"(A) the term 'area' shall have the meaning given the term under subsection (b)(2);

"(B) the term 'mortgage charges' includes the interest rate, discount points, loan origination fee, and any other amount charged

to a mortgagor with respect to an insured mortgage; and

"(C) the term 'mortgage charge rate' means the amount of mortgage charges for an insured mortgage expressed as a percentage of the initial principal amount of the mortgage.".

(b) SANCTIONS OF MORTGAGEES.—Title V of the National Housing Act (12 U.S.C. 1701 et seq.) is amended by adding at the end the following new section:

"EXAMINATIONS AND SANCTIONS FOR CERTAIN VIOLATIONS

"SEC. 539. (a) EXAMINATIONS AND SANCTIONS.—

"(1) In connection with any examination of a mortgagee approved by the Secretary pursuant to this Act, the Secretary shall assess the performance of the mortgagee in meeting the requirements of sections 203(t), 223(a)(7)(B), and 535. Where the Secretary determines that a mortgagee is not in compliance with these requirements, the Secretary shall refer the matter to the Mortgagee Review Board for investigation and appropriate action.

"(2) Not later than 180 days after the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall by notice establish a procedure under which (A) any person may file a request that the Secretary determine whether a mortgagee is in compliance with sections 203(t), 223(a)(7)(B), and 535, (B) the Secretary shall inform the person of the disposition of the request, and (C) the Secretary shall publish in the Federal Register the disposition of any case referred by the Secretary to the Mortgagee Review Board. Such procedures shall be established by regulation under section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period beginning on the date of the notice.

"(3) The Secretary shall submit to Congress, not less than annually, a report regarding any actions taken to carry out this section. The report shall include a list of all requests filed pursuant to paragraph (2) and any action taken pursuant to such requests."

"(b) MONITORING AND REVIEW.—The Secretary shall continually monitor and undertake a thorough review of the implementation of this section to assess the impact of the section on the lending practices of mortgagees and the availability of mortgages insured under this Act. The Secretary shall monitor the availability of credit, the number and type of lenders participating in the program, whether there is any change in the composition or practices of such lenders and any other factors the Secretary considers appropriate. The Secretary shall submit to the Congress findings detailing the results of such monitoring and review not later than 18 months after the enactment of the Cranston-Gonzalez National Affordable Housing Act.".

SEC. 331. MUTUAL MORTGAGE INSURANCE FUND DISTRIBUTIONS.

Section 205 of the National Housing Act (12 U.S.C. 1711) is amended by adding at the end the following new subsection:

"(e) In determining whether there is a surplus for distribution to mortgagors under this section, the Secretary shall take into account the actuarial status of the entire Fund.".

SEC. 332. ACTUARIAL SOUNDNESS OF MUTUAL MORTGAGE INSURANCE FUND.

Section 205 of the National Housing Act (12 U.S.C. 1711), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsections:

"(f)(1) The Secretary shall ensure that the Mutual Mortgage Insurance Fund attains a capital ratio of not less than 1.25 percent within 24 months after the date of the enactment of this subsection and maintains such ratio thereafter, subject to paragraph (2).

"(2) The Secretary shall endeavor to ensure that the Mutual Mortgage Insurance Fund attains a capital ratio of not less than 2.0 percent within 10 years after the date of the enactment of this subsection, and shall ensure that the Fund maintains at least such capital ratio at all times thereafter.

"(3) Upon the expiration of the 24-month period beginning on the date of the enactment of this subsection, the Secretary shall submit to the Congress a report describing the actions the Secretary will take to ensure that the Mutual Mortgage Insurance Fund attains the capital ratio required under paragraph (2).

"(4) For purposes of this subsection:

"(A) The term 'capital' means the economic net worth of the Mutual Mortgage Insurance Fund, as determined by the Secretary under the annual audit required under section 538.

"(B) The term 'capital ratio' means the ratio of capital to unamortized insurance-in-force.

"(C) The term 'economic net worth' means the current cash available to the Fund, plus the net present value of all future cash inflows and outflows expected to result from the outstanding mortgages in the Fund.

"(D) The term 'unamortized insurance-in-force' means the remaining obligation on outstanding mortgages which are obligations of the Mutual Mortgage Insurance Fund, as estimated by the Secretary.

"(g) The Secretary shall provide for an independent actuarial study of the Mutual Mortgage Insurance Fund to be conducted annually and shall report annually to the Congress regarding the financial status of the Fund.

"(h)(1) If, pursuant to the independent annual actuarial study of the Mutual Mortgage Insurance Fund required under subsection (g), the Secretary determines that the Mutual Mortgage Insurance Fund is not meeting the operational goals under paragraph (2), the Secretary may not issue distributions, and may, by regulation, propose and implement any adjustments to the insurance premiums under section 203(c) or section 325(b) of the Cranston-Gonzalez National Affordable Housing Act. Upon determining that a premium change is appropriate under the preceding sentence, the Secretary shall immediately notify Congress of the proposed change and the reasons for the change. Any such premium change shall not take effect before the expiration of the 90-day period beginning upon such notification.

"(2) The operational goals referred to in paragraph (1) shall be—

"(A) maintaining an adequate capital ratio;

"(B) meeting the needs of homebuyers with low downpayments and first-time homebuyers by providing access to mortgage credit;

"(C) minimizing the risk to the Fund and to homeowners from homeowner default; and

"(D) avoiding adverse selection.".

SEC. 333. INSURANCE OF MORTGAGES ON PROPERTY IN VIRGIN ISLANDS.

Section 214 of the National Housing Act (12 U.S.C. 1715d) is amended—

(1) in the first sentence, by striking "Alaska, Guam, or Hawaii," and inserting "Alaska, Guam, Hawaii, or the Virgin Islands,";

(2) by striking "Alaska or in Guam or Hawaii" each place it appears and inserting "Alaska, Guam, Hawaii, or the Virgin Islands";

(3) by inserting ", the Virgin Islands," after "Government of Guam" each place it appears; and

(4) by striking the section heading and inserting the following:

"INSURANCE OF MORTGAGES ON PROPERTY IN ALASKA, GUAM, HAWAII, AND THE VIRGIN ISLANDS".

SEC. 334. HOME EQUITY CONVERSION MORTGAGE INSURANCE DEMONSTRATION.

(a) LIMITATION ON INSURANCE AUTHORITY AND MAXIMUM AMOUNT INSURED.—

(1) NUMBER OF MORTGAGES INSURED.—Section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended by striking the second sentence and inserting the following: "The total number of mortgages insured under this section may not exceed 25,000.".

(2) TERMINATION DATE.—The first sentence of section 255(g) of the National Housing Act (12 U.S.C. 1715z-20(g)) is amended by striking "September 30, 1991" and inserting "September 30, 1995".

(b) TYPES OF LOANS.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z-20(d)) is amended—

(1) in paragraph (7), by striking "and" at the end;

(2) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(9) provide for future payments to the mortgagor based on accumulated equity (minus any applicable fees and charges), according to the method that the mortgagor shall select from among the methods under this paragraph, by payment of the amount—

"(A) based upon a line of credit;

"(B) on a monthly basis over a term specified by the mortgagor;

"(C) on a monthly basis over a term specified by the mortgagor and based upon a line of credit;

"(D) on a monthly basis over the tenure of the mortgagor;

"(E) on a monthly basis over the tenure of the mortgagor and based upon a line of credit; or

"(F) on any other basis that the Secretary considers appropriate; and

"(10) provide that the mortgagor may convert the method of payment under paragraph (9) to any other method during the term of the mortgage, except that in the case of a fixed rate mortgage, the Secretary may, by regulation, limit such convertibility.".

(c) LIMITATION ON LIABILITY OF MORTGAGOR.—Section 255(d)(7) of the National Housing Act (12 U.S.C. 1715z-20(d)(7)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

"(A) the net sales proceeds from the dwelling that are subject to the mortgage (based upon the amount of the accumulated equity selected by the mortgagor to be subject to the mortgage, as agreed upon by the mortgagor and mortgagee); or".

(d) DISCLOSURES BY MORTGAGEE REGARDING LIABILITY OF MORTGAGOR.—Section 255(e) of the National Housing Act (12 U.S.C. 1715z-20(e)) is amended—

(1) in paragraph (2)—

(A) by inserting after "statement" the following: "informing the homeowner that the

liability of the homeowner under the mortgage is limited and"; and

(B) by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) prior to loan closing, a statement of the projected total cost of the mortgage to the homeowner based on the projected total future loan balance (such cost expressed as a single average annual interest rate for at least 2 different appreciation rates for the term of the mortgage) for not less than 2 projected loan terms, as the Secretary shall determine, which shall include—

"(A) the cost for a short-term mortgage; and

"(B) the cost for a loan term equaling the actuarial life expectancy of the mortgagor.".

SEC. 335. INFORMATION REGARDING EARLY DEFAULTS ON FHA-INSURED LOANS.

(a) IN GENERAL.—The National Housing Act (12 U.S.C. 1701 et seq.) is amended by inserting after section 539 (as added by this Act) the following new section:

"INFORMATION REGARDING EARLY DEFAULTS AND FORECLOSURES ON INSURED MORTGAGES

"SEC. 540. (a) IN GENERAL.—The Secretary of Housing and Urban Development shall collect and maintain information regarding early defaults on mortgages as provided under this section. The Secretary shall make such information available for public inspection upon request. Information shall be collected quarterly with respect to each applicable collection period (as such term is defined in subsection (c)) and shall be available for inspection not more than 30 days after the conclusion of the calendar quarter relating to each such period. Information shall first be made available under this section for the applicable collection period relating to the first calendar quarter ending more than 180 days after the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act.

"(b) CONTENTS.—

"(1) MORTGAGE LENDER ANALYSIS.—Information collected under this section shall include, for each lender originating mortgages during the applicable collection period that are insured pursuant to section 203 and secured by property in a designated census tract, the following information with respect to such mortgages:

"(A) The name of the lender and the number of each designated census tract in which the lender originated 1 or more such mortgages during the applicable collection period.

"(B) The total number of such mortgages originated by such lender during the applicable collection period in each designated census tract and the number of mortgages originated each year in each designated census tract.

"(C) The total number of defaults and foreclosures on such mortgages during the applicable collection period in each designated census tract and the number of defaults and foreclosures in each designated census tract in each year of the period.

"(D) For each designated census tract, the percentage of such lender's total insured mortgages originated during each year of the applicable collection period (with respect to properties within such census tract) on which defaults or foreclosures have occurred during the applicable collection period.

"(E) The total of all such originations, defaults, and foreclosures on insured mortgages originated by such lender during the applicable collection period for all designated census tracts and the percentage of the total number of such lender's insured mortgage originations on which defaults or foreclosures have occurred during the applicable collection period.

"(2) OTHER INFORMATION.—Information collected under this section shall also include the following:

"(A) For each lender referred to under paragraph (1), the total number of insured mortgages originated by the lender secured by properties not located in a designated census tract, the total number of defaults and foreclosures on such mortgages, and the percentage of such mortgages originated on which defaults or foreclosures occurred during the applicable collection period.

"(B) For each designated census tract, the total number of mortgages originated during the applicable collection period that are insured pursuant to section 203, the number of defaults and foreclosures occurring on such mortgages during such period, and the percentage of the total insured mortgage originations during the period on which defaults or foreclosures occurred.

"(c) ANNUAL REPORTS.—The Secretary shall submit to the Congress annually a report containing the information collected and maintained under subsection (b) for the relevant year.

"(d) DEFINITIONS.—For purposes of this section:

"(1) APPLICABLE COLLECTION PERIOD.—The term 'applicable collection period' means the 5-year period ending on the last day of the calendar quarter for which information under this section is collected.

"(2) DESIGNATED CENSUS TRACT.—The term 'designated census tract' means a census tract located within a metropolitan statistical area, as defined pursuant to regulations issued by the Secretary of Commerce.".

(b) AVAILABILITY OF INFORMATION DURING TRANSITION.—During the period beginning on the date of the enactment of this Act and ending on the date of the initial availability of information under section 540 of the National Housing Act (as added by subsection (a)), the Secretary of Housing and Urban Development shall make publicly available all reports regarding Default/Claim Rates per Regional Office for Fiscal Year 1990 Endorsements that are produced by the Department of Housing and Urban Development during such period.

SEC. 336. AUCTION OF MULTIFAMILY MORTGAGES.

Section 221(g)(4) of the National Housing Act (12 U.S.C. 1715l(g)(4)) is amended by adding after subparagraph (B) the following new subparagraph:

"(C)(i) In lieu of accepting assignment of the original credit instrument and the mortgage securing the credit instrument under subparagraph (A) in exchange for receipt of debentures, the Secretary shall arrange for the sale of the beneficial interests in the mortgage loan through an auction and sale of the (I) mortgage loans, or (II) participation certificates, or other mortgage-backed obligations in a form acceptable to the Secretary (in this subparagraph referred to as 'participation certificates'). The Secretary shall arrange the auction and sale at a price, to be paid to the mortgagee, of par plus accrued interest to the date of sale. The sale price shall also include the right to a subsidy payment described in clause (iii).

"(ii)(I) The Secretary shall conduct a public auction to determine the lowest interest rate necessary to accomplish a sale of the beneficial interests in the original credit instrument and mortgage securing the credit instrument.

"(II) A mortgagee who elects to assign a mortgage shall provide the Secretary and persons bidding at the auction a description of the characteristics of the original credit instrument and mortgage securing the original credit instrument, which shall include the principal mortgage balance, original stated interest rate, service fees, real estate and tenant characteristics, the level and duration of applicable Federal subsidies, and any other information determined by the Secretary to be appropriate. The Secretary shall also provide information regarding the status of the property with respect to the provisions of the Emergency Low Income Housing Preservation Act of 1987 or any subsequent Act with respect to eligibility to prepay the mortgage, a statement of whether the owner has filed a notice of intent to prepay or a plan of action under the Emergency Low Income Housing Preservation Act of 1987 or any subsequent Act, and the details with respect to incentives provided under the Emergency Low Income Housing Preservation Act of 1987 or any subsequent Act in lieu of exercising prepayment rights.

"(III) The Secretary shall, upon receipt of the information in subclause (II), promptly advertise for an auction and publish such mortgage descriptions in advance of the auction. The Secretary may conduct the auction at any time during the 6-month period beginning upon receipt of the information in subclause (II) but under no circumstances may the Secretary conduct an auction before 2 months after receiving the mortgagee's written notice of intent to assign its mortgage to the Secretary.

"(IV) In any auction under this subparagraph, the Secretary shall accept the lowest interest rate bid for purchase that the Secretary determines to be acceptable. The Secretary shall cause the accepted bid to be published in the Federal Register. Settlement for the sale of the credit instrument and the mortgage securing the credit instrument shall occur not later than 30 business days after the date winning bidders are selected in the auction, unless the Secretary determines that extraordinary circumstances require an extension (not to exceed 60 days) of the period.

"(V) If no bids are received, the bids that are received are not acceptable to the Secretary, or settlement does not occur within the period under subclause (IV), the mortgagee shall retain all rights (including the right to interest, at a rate to be determined by the Secretary, for the period covering any actions taken under this subparagraph) under this section to assign the mortgage loan to the Secretary.

"(iii) As part of the auction process, the Secretary shall agree to provide a monthly interest subsidy payment from the General Insurance Fund to the purchaser under the auction of the original credit instrument or the mortgage securing the credit instrument (and any subsequent holders or assigns who are approved mortgagees). The subsidy payment shall be paid on the first day of each month in an amount equal to the difference between the stated interest due on the mortgage loan and the lowest interest rate necessary to accomplish a sale of the mortgage loan or participation certificates (less the servicing fee, if appropriate) for the then unpaid principal balance plus accrued interest at a rate determined by the Secretary. Each interest subsidy payment shall be treated by the holder of the mortgage as interest paid on the mortgage. The interest subsidy payment shall be provided until the earlier of—

"(I) the maturity date of the loan;

"(II) prepayment of the mortgage loan in accordance with the Emergency Low Income Housing Preservation Act of 1987 or any subsequent Act, where applicable; or

"(III) default and full payment of insurance benefits on the mortgage loan by the Federal Housing Administration.

"(iv) The Secretary shall require that the mortgage loans or participation certificates presented for assignment are auctioned as whole loans with servicing rights released and also are auctioned with servicing rights retained by the current servicer.

"(v) To the extent practicable, the Secretary shall encourage State housing finance agencies, nonprofit organizations, and organizations representing the tenants of the property securing the mortgage, or a qualified mortgagee participating in a plan of action under the Emergency Low Income Housing Preservation Act of 1987 or subsequent Act to participate in the auction.

"(vi) The Secretary shall implement the requirements imposed by this subparagraph within 30 days from the date of enactment of this subparagraph and not be subject to the requirement of prior issuance of regulations in the Federal Register. The Secretary shall issue regulations implementing this section within 6 months of the enactment of this subparagraph.

"(vii) Nothing in this subparagraph shall diminish or impair the low income use restrictions applicable to the project under the original regulatory agreement or the revised agreement entered into pursuant to the Emergency Low Income Housing Preservation Act of 1987 or subsequent Act, if any, or other agreements for the provision of Federal assistance to the housing or its tenants.

"(viii) This subparagraph shall not apply after September 30, 1995. Not later than January 31 of each year (beginning in 1992), the Secretary shall submit to the Congress a report including statements of the number of mortgages auctioned and sold and their value, the amount of subsidies committed to the program under this subparagraph, the ability of the Secretary to coordinate the program with the incentives provided under the Emergency Low Income Housing Preservation Act of 1987 or subsequent Act, and the costs and benefits derived from the program for the Federal Government.".

SEC. 337. DISAPPROVAL OF REGULATIONS REGARDING PROPERTY DISPOSITION.

Section 291.1(c)(2) and section 291.100(b)(1) and (2) of the rule of the Department of Housing and Urban Development entitled "Disposition of HUD-Acquired Single Family Property" and published in the Federal Register of January 11, 1990 (55 Fed. Reg. 1161 et seq.) is hereby disapproved. The Secretary of Housing and Urban Development may not publish a final rule containing or based on such provision and may not otherwise implement such provision of such rule.

SEC. 338. REPORT REGARDING FORECLOSED PROPERTIES.

(a) IN GENERAL.—Before the expiration of the 60-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a report containing a description of the strategy and action plan developed to assist in the disposition of foreclosed properties in the stock of the Department of Housing and Urban Development, paying particular attention to any properties that have been in the Department inventory for more than 12 months. The Secretary shall solicit recommendations from State and local governments, nonprofit organizations, housing finance authorities, and community housing development organizations in preparing the report.

(b) CONTENTS.—

(1) The report shall include information on the efforts of local governments, nonprofit organizations, housing finance authorities, and community housing development organizations to work with eligible families to purchase these homes and suggestions for mechanisms to facilitate the efforts. The report shall also include recommendations for (A) evaluating the rehabilitation costs of the properties necessary to achieve the minimum standards, (B) developing innovative approaches for involving non-Federal entities in the sale and rehabilitation of the properties and (C) providing the means to make the older stock habitable and available.

(2) The report shall also include proposals directed toward very-low income, low-income and moderate-income first-time homebuyers and the assistance that may be provided to such homebuyers to foster purchase.

SEC. 339. LIMITATION ON GNMA GUARANTEES OF MORTGAGE-BACKED SECURITIES.

Section 306(g)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1721(g)(2)) is amended to read as follows:

"(2) Notwithstanding any other provision of law and subject only to the absence of qualified requests for guarantees, to the authority provided in this subsection, and to the extent of or in such amounts as any funding limitation approved in appropriation Acts, the Association shall enter into commitments to issue guarantees under this subsection in an aggregate amount of $84,982,000,000 during fiscal year 1991 and $88,296,000,000 during fiscal year 1992.".

SEC. 340. INCREASE IN LOAN LIMITS FOR PROPERTY IMPROVEMENT LOAN INSURANCE.

(a) STUDY.—The Secretary of Housing and Urban Development shall conduct a study regarding the need for increasing the loan limits under section 2(b) of the National Housing Act for insurable property improvement loans and the effects of such an increase. The Secretary shall submit a report to the Congress not later than 6 months after the date of the enactment of this Act regarding the findings and conclusions of the study.

(b) MAXIMUM LOAN AMOUNTS.—

(1) IN GENERAL.—Section 2(b)(1) of the National Housing Act (12 U.S.C. 1703(b)(1)) is amended—

(A) by striking subparagraph (A) and inserting the following new subparagraph:

"(A)(i) $25,000 if made for the purpose of financing alterations, repairs and improvements upon or in connection with existing single-family structures; and

"(ii) $17,500 if made for the purpose of financing alterations, repairs and improvements upon or in connection with existing manufactured homes;"; and

(B) in subparagraph (B), by striking "$43,750 or an average amount of $8,750 per family unit ($50,000 and $10,000, respectively, where financing the installation of a solar energy system is involved)" and inserting "$60,000 or an average amount of $12,000 per family unit".

(2) APPLICABILITY.—The amendements made by this subsection shall apply to loans executed on or after June 1, 1991.

(c) LOAN TERM.—Section 2(b)(3) of the National Housing Act (12 U.S.C. 1703(b)(3)) is amended—

(1) by striking subparagraph (A) and inserting the following new subparagraph:

"(A)(i) twenty years and thirty-two days if made for the purpose of financing alterations, repairs, and improvements upon or in connection with an existing single-family structure; and

"(ii) fifteen years and thirty-two days if made for the purpose of financing alterations, repairs, and improvements upon or in connection with an existing manufactured home;"; and

(2) in subparagraph (B), by striking "fifteen years" and inserting "twenty years".

Subtitle C—Effective Date

SEC. 351. EFFECTIVE DATE.

If the Omnibus Budget Reconciliation Act of 1990 is enacted before the enactment of this Act, the provisions of sections 323, 324, 325, 331, 332, 334(a), and 336 (of this Act) and the amendments made by such sections shall not take effect. This section shall apply notwithstanding any provision relating to effective date or applicability contained in such sections.

TITLE IV—HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the "Homeownership and Opportunity Through HOPE Act".

Subtitle A—HOPE for Public and Indian Housing Homeownership

SEC. 411. HOPE FOR PUBLIC AND INDIAN HOUSING HOMEOWNERSHIP.

The United States Housing Act of 1937 is amended by adding at the end the following new title:

"TITLE III—HOPE FOR PUBLIC AND INDIAN HOUSING HOMEOWNERSHIP

"SEC. 301. PROGRAM AUTHORITY.

"(a) IN GENERAL.—The Secretary is authorized to make—

"(1) planning grants to help applicants to develop homeownership programs in accordance with this title; and

"(2) implementation grants to carry out homeownership programs in accordance with this title.

"(b) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this title, the Secretary may reserve authority to provide assistance under section 8 of this Act to the extent necessary to provide replacement housing and rental assistance for a nonpurchasing tenant who resides in the project on the date the Secretary approves the application for an implementation grant, for use by the tenant in another project.

"(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this title $68,000,000 for fiscal year 1991 and $380,000,000 for fiscal year 1992. Any amount appropriated pursuant to this subsection shall remain available until expended.

"SEC. 302. PLANNING GRANTS.

"(a) GRANTS.—The Secretary is authorized to make planning grants to applicants for the purpose of developing homeownership programs under this title. The amount of a planning grant under this section may not exceed $200,000, except that the Secretary may for good cause approve a grant in a higher amount.

"(b) ELIGIBLE ACTIVITIES.—Planning grants may be used for activities to develop homeownership programs (which may include programs for cooperative ownership), including—

"(1) development of resident management corporations and resident councils;

"(2) training and technical assistance for applicants related to development of a specific homeownership program;

"(3) studies of the feasibility of a homeownership program;

"(4) preliminary architectural and engineering work;

"(5) tenant and homebuyer counseling and training;

"(6) planning for economic development, job training, and self-sufficiency activities that promote economic self-sufficiency of homebuyers and homeowners under the homeownership program;

"(7) development of security plans; and

"(8) preparation of an application for an implementation grant under this title.

"(c) APPLICATION.—

"(1) FORM AND PROCEDURES.—An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

"(A) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested;

"(B) a description of the applicant and a statement of its qualifications;

"(C) identification and description of the public housing project or projects involved, and a description of the composition of the tenants, including family size and income;

"(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located (or, during the first 12 months after enactment of the Cranston-Gonzalez National Affordable Housing Act, that the application is consistent with such other existing State or local housing plan or strategy that the Secretary shall determine to be appropriate); and

"(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

"(d) SELECTION CRITERIA.—The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this section, which shall include—

"(1) the qualifications or potential capabilities of the applicant;

"(2) the extent of tenant interest in the development of a homeownership program for the project;

"(3) the potential of the applicant for developing a successful and affordable homeownership program and the suitability of the project for homeownership;

"(4) national geographic diversity among projects for which applicants are selected to receive assistance; and

"(5) such other factors that the Secretary shall require that (in the determination of the Secretary) are appropriate for purposes of carrying out the program established by this title in an effective and efficient manner.

"SEC. 303. IMPLEMENTATION GRANTS.

"(a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out homeownership programs approved under this title.

"(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used for activities to carry out homeownership programs (including programs for cooperative ownership) that meet the requirements under this subtitle, including the following activities:

"(1) Architectural and engineering work.

"(2) Implementation of the homeownership program, including acquisition of the public housing project (not including scattered site single family housing of a public housing agency) from a public housing agency for the purpose of transferring ownership to eligible families in accordance with a homeownership program that meets the requirements under this title.

"(3) Rehabilitation of any public housing project covered by the homeownership program, in accordance with standards established by the Secretary.

"(4) Administrative costs of the applicant, which may not exceed 15 percent of the amount of assistance provided under this section.

"(5) Development of resident management corporations and resident management councils, but only if the applicant has not received assistance under section 302 for such activities.

"(6) Counseling and training of homebuyers and homeowners under the homeownership program.

"(7) Relocation of tenants who elect to move.

"(8) Any necessary temporary relocation of tenants during rehabilitation.

"(9) Funding of operating expenses and replacement reserves of the project covered by the homeownership program, except that the amount of assistance for operating expenses shall not exceed the amount the project would have received if it had continued to receive such assistance under section 9, with adjustments comparable to those that would have been made under section 9.

"(10) Implementation of a replacement housing plan.

"(11) Legal fees.

"(12) Defraying costs for the ongoing training needs of the recipient that are related to developing and carrying out the homeownership program.

"(13) Economic development activities that promote economic self-sufficiency of homebuyers, residents, and homeowners under the homeownership program.

"(c) MATCHING FUNDING.—

"(1) IN GENERAL.—Each recipient shall assure that contributions equal to not less than 25 percent of the grant amount made available under this section, excluding any amounts provided for post-sale operating expenses, shall be provided from non-Federal sources to carry out the homeownership program.

"(2) FORM.—Such contributions may be in the form of—

"(A) cash contributions from non-Federal resources, which may not include Federal tax expenditures or funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

"(B) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

"(C) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that facilitates the implementation of a homeownership program assisted under this subtitle;

"(D) the value of land or other real property as appraised according to procedures acceptable to the Secretary;

"(E) the value of investment in on-site and off-site infrastructure required for a homeownership program assisted under this subtitle; or

"(F) such other in-kind contributions as the Secretary may approve.

Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of the total amount of grants made available under this section.

"(d) APPLICATION.—

"(1) FORM AND PROCEDURE.—An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

"(A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;

"(B) if applicable, an application for assistance under section 8 of this Act, which shall specify the proposed uses of such assistance and the period during which the assistance will be needed;

"(C) a description of the qualifications and experience of the applicant in providing housing for low-income families;

"(D) a description of the proposed homeownership program, consistent with section 304 and the other requirements of this title, which shall specify the activities proposed to be carried out and their estimated costs, identifying reasonable schedules for carrying it out, and demonstrating that the program will comply with the affordability requirements under section 304(b);

"(E) identification and description of the public housing project or projects involved, and a description of the composition of the tenants, including family size and income;

"(F) a description of and commitment for the resources that are expected to be made available to provide the matching funding required under subsection (c) and of other resources that are expected to be made available in support of the homeownership program;

"(G) identification and description of the financing proposed for any (i) rehabilitation and (ii) acquisition (I) of the property, where applicable, by a resident council or other entity for transfer to eligible families, and (II) by eligible families of ownership interests in, or shares representing, units in the project;

"(H) if the applicant is not a public housing agency, the proposed sales price, if any, the basis for such price determination, and terms to the applicant;

"(I) the estimated sales prices, if any, and terms to eligible families;

"(J) any proposed restrictions on the resale of units under a homeownership program;

"(K) identification and description of the entity that will operate and manage the property;

"(L) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the pro-

posed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located (or, during the first 12 months after enactment of the Cranston-Gonzalez National Affordable Housing Act, that the application is consistent with such other existing State or local housing plan or strategy that the Secretary shall determine to be appropriate); and

"(M) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

"(e) SELECTION CRITERIA.—The Secretary shall establish selection criteria for a national competition for assistance under this section, which shall include—

"(1) the ability of the applicant to develop and carry out the proposed homeownership program, taking into account the quality of any related ongoing program of the applicant, and the extent of tenant interest in the development of a homeownership program and community support;

"(2) the feasibility of the homeownership program;

"(3) the extent to which current tenants and other eligible families will be able to afford the purchase;

"(4) the quality and viability of the proposed homeownership program, including the viability of the economic self-sufficiency plan;

"(5) the extent to which funds for activities that do not qualify as eligible activities will be provided in support of the homeownership program;

"(6) whether the approved comprehensive housing affordability strategy for the jurisdiction within which the public housing project is located includes the proposed homeownership program as one of the general priorities identified pursuant to section 105(b)(7) of the Cranston-Gonzalez National Affordable Housing Act;

"(7) national geographic diversity among housing for which applicants are selected to receive assistance; and

"(8) the extent to which a sufficient supply of affordable rental housing of the type assisted under this title exists in the locality, so that the implementation of the homeownership program will not appreciably reduce the number of such rental units available to residents currently residing in such units or eligible for residency in such units.

"(f) LOCATION WITHIN PARTICIPATING JURISDICTIONS.—The Secretary may approve applications for grants under this title only for public housing projects located within the boundaries of jurisdictions—

"(1) which are participating jurisdictions under title III of the Cranston-Gonzalez National Affordable Housing Act; or

"(2) on behalf of which the agency responsible for affordable housing has submitted a housing strategy or plan.

"(g) APPROVAL.—The Secretary shall notify each applicant, not later than 6 months after the date of the submission of the application, whether the application is approved or not approved. The Secretary may approve the application for an implementation grant with a statement that the application for the section 8 assistance for replacement housing and for residents of the project not purchasing units is conditionally approved, subject to the availability of appropriations in subsequent fiscal years.

"SEC. 304. HOMEOWNERSHIP PROGRAM REQUIREMENTS.

"(a) IN GENERAL.—A homeownership program under this title shall provide for acquisition by eligible families of ownership interests in, or shares representing, at least one-half of the units in a public housing project under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership), for occupancy by the eligible families.

"(b) AFFORDABILITY.—A homeownership program under this title shall provide for the establishment of sales prices (including principal, insurance, taxes, and interest and closing costs) for initial acquisition of the property from the public housing agency if the applicant is not a public housing agency, and for sales to eligible families, such that an eligible family shall not be required to expend more than 30 percent of the adjusted income of the family per month to complete a sale under the homeownership program.

"(c) PLAN.—A homeownership program under this title shall provide, and include a plan, for—

"(1) identifying and selecting eligible families to participate in the homeownership program;

"(2) providing relocation assistance to families who elect to move;

"(3) ensuring continued affordability by tenants, homebuyers, and homeowners in the project;

"(4) providing ongoing training and counseling for homebuyers and homeowners; and

"(5) replacing units in eligible projects covered by a homeownership program.

"(d) ACQUISITION AND REHABILITATION LIMITATIONS.—Acquisition or rehabilitation of public housing projects under a homeownership program under this title may not consist of acquisition or rehabilitation of less than the whole public housing project (not including scattered site single family housing of a public housing agency) in a project consisting of more than 1 building. The provisions of this subsection may be waived upon a finding by the Secretary that the sale of less than all the buildings in a project is feasible and will not result in a hardship to any tenants of the project who are not included in the homeownership program.

"(e) FINANCING.—

"(1) IN GENERAL.—The application shall identify and describe the proposed financing for (A) any rehabilitation, and (B) acquisition (i) of the project, where applicable, by an entity other than the public housing agency for transfer to eligible families, and (ii) by eligible families of ownership interests in, or shares representing, units in the project. Financing may include use of the implementation grant, sale for cash, or other sources of financing (subject to applicable requirements), including conventional mortgage loans and mortgage loans insured under title II of the National Housing Act.

"(2) PROHIBITION AGAINST PLEDGES.—Property transferred under this title shall not be pledged as collateral for debt or otherwise encumbered except when the Secretary determines that—

"(A) such encumbrance will not threaten the long-term availability of the property for occupancy by low-income families;

"(B) neither the Federal Government nor the public housing agency will be exposed to undue risks related to action that may have to be taken pursuant to paragraph (3);

"(C) any debt obligation can be serviced from project income, including operating assistance; and

"(D) the proceeds of such encumbrance will be used only to meet housing standards in accordance with subsection (f) or to make such additional capital improvements as the Secretary determines to be consistent with the purposes of this title.

"(3) OPPORTUNITY TO CURE.—Any lender that provides financing in connection with a homeownership program under this subtitle shall give the public housing agency, resident management corporation, individual owner, or other appropriate entity a reasonable opportunity to cure a financial default before foreclosing on the property, or taking other action as a result of the default.

"(f) HOUSING QUALITY STANDARDS.—The application shall include a plan ensuring that the unit—

"(1) will be free from any defects that pose a danger to health or safety before transfer of an ownership interest in, or shares representing, a unit to an eligible family; and

"(2) will, not later than 2 years after the transfer to an eligible family, meet minimum housing standards established by the Secretary for the purposes of this title.

"(g) REPLACEMENT PLAN.—Public housing projects shall not be transferred under this title unless the Secretary has entered into a binding agreement with the local public housing agency to make available to such agency Federal funding assistance to provide an additional decent, safe, sanitary, and affordable dwelling unit as a replacement for each unit in a public housing project to be transferred. Such replacement housing may consist of—

"(1) the development of new public housing units by the public housing agency in accordance with section 5;

"(2) the rehabilitation of vacant public housing units by the public housing agency in accordance with section 14(n)(1);

"(3) the use of 5-year, tenant-based rental assistance under section 8(b)(2) and section 8(o)(9);

"(4) the use of a State or local program that is comparable to any of the Federal programs referred to in subparagraphs (A) through (C) as to housing standards, eligibility, and contribution to rent, and provides a term of assistance of not less than 5 years;

"(5) where the applicant is a resident management corporation, resident council, or cooperative association, the acquisition of nonpublicly owned housing units, which the applicant shall operate as rental housing comparable to public housing as to term of assistance, housing standards, eligibility, and contribution to rent; or

"(6) any combination of such methods.

"(h) PROTECTION OF NON-PURCHASING FAMILIES.—

"(1) IN GENERAL.—No tenant residing in a dwelling unit in a public housing project on the date the Secretary approves an application for an implementation grant may be evicted by reason of a homeownership program approved under this title.

"(2) REPLACEMENT ASSISTANCE.—If the tenant decides not to purchase a unit, or is not qualified to do so, the recipient shall, during the term of any operating assistance under the implementation grant, permit each otherwise qualified tenant to continue to reside in the project at rents that do not exceed levels consistent with section 3(a) of this Act or, if an otherwise qualified tenant chooses to move (at any time during the term of such operating assistance contract),

the public housing agency shall, to the extent approved in appropriations Acts, offer such tenant (A) a unit in another public housing project, or (B) section 8 assistance for use in other housing.

"(3) RELOCATION ASSISTANCE.—The recipient shall also inform each such tenant that if the tenant chooses to move, the recipient will pay relocation assistance in accordance with the approved homeownership program.

"(4) OTHER RIGHTS.—Tenants renting a unit in a project transferred under this title shall have all rights provided to tenants of public housing under this Act.

"SEC. 305. OTHER PROGRAM REQUIREMENTS.

"(a) SALE BY PUBLIC HOUSING AGENCY TO APPLICANT OR OTHER ENTITY REQUIRED.—Where the Secretary approves an application providing for the transfer of the eligible project from the public housing agency to another applicant, the public housing agency shall transfer the project to such other applicant, in accordance with the approved homeownership program.

"(b) PREFERENCES.—In selecting eligible families for homeownership, the recipient shall give a first preference to otherwise qualified current tenants and a second preference to otherwise qualified eligible families who have completed participation in an economic self-sufficiency program specified by the Secretary.

"(c) COST LIMITATIONS.—The Secretary may establish cost limitations on eligible activities under this title, subject to the provisions of this title.

"(d) ANNUAL CONTRIBUTIONS.—Notwithstanding the purchase of a public housing project under this section, or the purchase of a unit in a public housing project by an eligible family, the Secretary shall continue to pay annual contributions with respect to the project. Such contributions may not exceed the maximum contributions authorized in section 5(a).

"(e) OPERATING SUBSIDIES.—Operating subsidies under section 9 of this Act shall not be available with respect to a public housing project after the date of its sale by the public housing agency.

"(f) USE OF PROCEEDS FROM SALES TO ELIGIBLE FAMILIES.—The entity that transfers ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, shall use the proceeds, if any, from the initial sale for costs of the homeownership program, including operating expenses, improvements to the project, business opportunities for low-income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary.

"(g) RESTRICTIONS ON RESALE BY HOMEOWNERS.—

"(1) IN GENERAL.—

"(A) TRANSFER PERMITTED.—A homeowner under a homeownership program may transfer the homeowner's ownership interest in, or shares representing, the unit, except that a homeownership program may establish restrictions on the resale of units under the program.

"(B) RIGHT TO PURCHASE.—Where a resident management corporation, resident council, or cooperative has jurisdiction over the unit, the corporation, council, or cooperative shall have the right to purchase the ownership interest in, or shares representing, the unit from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. If such an entity does not have jurisdiction over the unit or elects not to purchase and if the prospective buyer is not a low-income family, the public housing agency or the implementation grant recipient shall have the right to purchase the ownership interest in, or shares representing, the unit for the same amount.

"(C) PROMISSORY NOTE REQUIRED.—The homeowner shall execute a promissory note equal to the difference between the market value and the purchase price, payable to the public housing agency or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note.

"(2) 6 YEARS OR LESS.—In the case of a transfer within 6 years of the acquisition under the program, the homeownership program shall provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. The plan shall provide for limiting the family's consideration for its interest in the property to the total of—

"(A) the contribution to equity paid by the family;

"(B) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

"(C) the appreciated value determined by an inflation allowance at a rate which may be based on a cost-of-living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity.

Such an entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed.

"(3) 6-20 YEARS.—In the case of a transfer during the period beginning 6 years after the acquisition and ending 20 years after the acquisition, the homeownership program shall provide for the recapture by the Secretary or the program of an amount equal to the amount of the remaining balance on the note described in paragraph (1)(C).

"(4) USE OF RECAPTURED FUNDS.—Fifty percent of any portion of the net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to this subsection shall be paid to the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, for use for improvements to the project, business opportunities for low-income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary. The remaining 50 percent shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

"(h) THIRD PARTY RIGHTS.—The requirements under this title regarding quality standards, resale, or transfer of the ownership interest of a homeowner shall be judicially enforceable against the grant recipient with respect to actions involving rehabilitation, and against purchasers of property under this subsection or their successors in interest with respect to other actions by affected low-income families, resident management corporations, resident councils, public housing agencies, and any agency, corporation, or authority of the United States Government. The parties specified in the preceding sentence shall be entitled to reasonable attorney fees upon prevailing in any such judicial action.

"(i) DOLLAR LIMITATION ON ECONOMIC DEVELOPMENT ACTIVITIES.—Not more than an aggregate of $250,000 from amounts made available under sections 302 and 303 may be used for economic development activities under sections 302(b)(6) and 303(b)(9) for any project.

"(j) TIMELY HOMEOWNERSHIP.—Recipients shall transfer ownership of the property to tenants within a specified period of time that the Secretary determines to be reasonable. During the interim period when the property continues to be operated and managed as rental housing, the recipient shall utilize written tenant selection policies and criteria that are consistent with the public housing program and that are approved by the Secretary as consistent with the purpose of improving housing opportunities for low-income families. The recipient shall promptly notify in writing any rejected applicant of the grounds for any rejection.

"(k) CAPABILITY OF RESIDENT MANAGEMENT CORPORATIONS AND RESIDENT COUNCILS.—To be eligible to receive a grant under section 303, a resident management corporation or resident council shall demonstrate to the Secretary its ability to manage public housing by having done so effectively and efficiently for a period of not less than 3 years or by arranging for management by a qualified management entity.

"(l) RECORDS AND AUDIT OF RECIPIENTS OF ASSISTANCE.—

"(1) IN GENERAL.—Each recipient shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of assistance received under this title (and any proceeds from financing obtained in accordance with subsection (b) or sales under subsections (f) and (g)(4)), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit.

"(2) ACCESS BY THE SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title.

"(3) ACCESS BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall also have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title.

"SEC. 306. DEFINITIONS.

"For purposes of this title:

"(1) The term 'applicant' means the following entities that may represent the tenants of the project:

"(A) A public housing agency (including an Indian housing authority).

"(B) A resident management corporation, established in accordance with requirements of the Secretary under section 20.

"(C) A resident council.

"(D) A cooperative association.

"(E) A public or private nonprofit organization.

"(F) A public body, including an agency or instrumentality thereof.

"(2) The term 'eligible family' means—

"(A) a family or individual who is a tenant in the public or Indian housing project on the date the Secretary approves an implementation grant;

"(B) a low-income family; or

"(C) a family or individual who is assisted under a housing program administered by the Secretary or the Secretary of Agriculture (not including any non-low income families assisted under any mortgage insurance program administered by either Secretary).

"(3) The term 'homeownership program' means a program for homeownership meeting the requirements under this title.

"(4) The term 'recipient' means an applicant approved to receive a grant under this title or such other entity specified in the approved application that will assume the obligations of the recipient under this title.

"(5) The term 'resident council' means any incorporated nonprofit organization or association that—

"(A) is representative of the tenants of the housing;

"(B) adopts written procedures providing for the election of officers on a regular basis; and

"(C) has a democratically elected governing board, elected by the tenants of the housing.

"SEC. 307. RELATIONSHIP TO OTHER HOMEOWNERSHIP OPPORTUNITIES.

"The program authorized under this title shall be in addition to any other public housing homeownership and management opportunities, including opportunities under section 5(h) and title II of this Act.

"SEC. 308. LIMITATION ON SELECTION CRITERIA.

"In establishing criteria for selecting applicants to receive assistance under this title, the Secretary may not establish any selection criterion or criteria that grant or deny such assistance to an applicant (or have the effect of granting or denying assistance) based on the implementation, continuation, or discontinuation of any public policy, regulation, or law of any jurisdiction in which the applicant or project is located.

"SEC. 309. ANNUAL REPORT

The Secretary shall annually submit to the Congress a report setting forth—

"(1) the number, type, and cost of public housing units sold pursuant to this title;

"(2) the income, race, gender, children, and other characteristics of families participating (or not participating) in homeownership programs funded under this title;

"(3) the amount and type of financial assistance provided under and in conjunction with this title;

"(4) the amount of financial assistance provided under this title that was needed to ensure continued affordability and meet future maintenance and repair costs; and

"(5) the recommendations of the Secretary for statutory and regulatory improvements to the program.".

SEC. 412. AMENDMENT TO SECTION 18 REGARDING DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) OPPORTUNITY TO PURCHASE.—Section 18(b)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437p(b)(1)) is amended by striking "disposition" and inserting the following: "disposition, and the tenant councils, resident management corporation, and tenant cooperative, if any, have been given appropriate opportunities to purchase the project or portion of the project covered by the application,".

(b) APPLICABILITY.—Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended by adding at the end the following new subsection:

"(e) The provisions of this section shall not apply to the disposition of a public housing project in accordance with an approved homeownership program under title III of this Act.".

SEC. 413. RELATED AMENDMENTS TO SECTION 8.

(a) ELIGIBILITY.—The first sentence of section 8(o)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)) is amended by—

(1) striking "or"; and

(2) inserting the following before the period: ", or

"(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act".

(b) REPLACEMENT HOUSING.—

(1) CERTIFICATES.—Section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)) is amended by adding at the end the following new paragraph:

"(2) The Secretary is authorized to enter into annual contributions contracts with public housing agencies for the purpose of replacing public housing transferred in accordance with title III of this Act. Each contract entered into under this subsection shall be for a term of not more than 60 months.".

(2) VOUCHERS.—Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended by adding at the end the following new paragraph:

"(9) The Secretary is authorized to enter into contracts with public housing agencies to provide rental vouchers for the purpose of replacing public housing transferred in accordance with title III of this Act. Each contract entered into under this paragraph shall be for a term of not more than 60 months.".

SEC. 414. RELATED CIAP AMENDMENT.

Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is amended by adding at the end the following subsection:

"(n) LIMITATION.—The Secretary shall not make assistance under this section available with respect to a property transferred under title III.".

SEC. 415. LIMITATION ON SECTION 20 RESIDENT MANAGEMENT FINANCIAL ASSISTANCE.

Section 20(f) of the United States Housing Act of 1937 (42 U.S.C. 1437r(f)) is amended by adding at the end the following new paragraph:

"(4) LIMITATION REGARDING ASSISTANCE UNDER HOPE GRANT PROGRAM.—The Secretary may not provide financial assistance under this subsection to any resident management corporation or resident council with respect to which assistance for the development or formation of such entity is provided under title III.".

SEC. 416. EXTENSION OF SECTION 21 HOMEOWNERSHIP PROGRAM AND PROVISION OF TECHNICAL AND OTHER ASSISTANCE.

Section 21(a) of the United States Housing Act of 1937 (42 U.S.C. 1437s(a)) is amended—

(1) by striking subparagraph (B) of paragraph (2) and inserting the following new subparagraph:

"(B) The Secretary may provide financial assistance to public housing agencies, resident management corporations, or resident councils that obtain, by contract or otherwise, training, technical assistance, and educational assistance as the Secretary determines to be necessary to promote homeownership opportunities under this section.";

(2) in paragraph (2)(C), by striking "September 30, 1990." and inserting the following: "the effective date of the regulations implementing title III of this Act. The Secretary may not provide financial assistance under subparagraph (B), after such effective date, unless the Secretary determines that such assistance is necessary for the development of a homeownership program that was initiated, as determined by the Secretary, before the date of the enactment of such Act."; and

(3) in paragraph (3)(C), by striking "September 30, 1990." and inserting the following: "the effective date of the regulations implementing title III of this Act. The authority for a resident management corporation to purchase 1 or more multifamily buildings in a public housing project from a public housing agency shall terminate after such effective date, unless the Secretary determines that such purchase is necessary for the development of a homeownership program that was initiated, as determined by the Secretary, before the date of the enactment of such title.".

SEC. 417. AMENDMENT TO SECTION 5(h).

(a) IN GENERAL.— Section 5(h) of the United States Housing Act of 1937 (42 U.S.C. 1437c(h)) is amended by adding at the end the following: "Any such sale shall be subject to the restrictions contained in section 304(f).".

(a) EFFECTIVE DATE.—The amendment made by subsection (a) shall not apply to applications submitted under section 5(h) of the United States Housing Act of 1937 prior to October 1, 1990.

SEC. 418. IMPLEMENTATION.

Not later than the expiration of the 180-day period beginning on the date that funds authorized under title III of the United States Housing Act of 1937 first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this subtitle. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period beginning on the date of the notice.

SEC. 419. APPLICABILITY TO INDIAN PUBLIC HOUSING.

In accordance with section 201(b)(2) of the United States Housing Act of 1937, the amendments made by this subtitle shall also apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority, except that nothing in this title affects the program under section 202 of such Act.

Subtitle B—HOPE for Homeownership of Multifamily Units

SEC. 421. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary is authorized to make—

(1) planning grants to enable applicants to develop homeownership programs; and

(2) implementation grants to enable applicants to carry out homeownership programs.

(b) AUTHORITY TO RESERVE HOUSING ASSISTANCE.—In connection with a grant under this subtitle, the Secretary may reserve authority to provide assistance under section 8 of the United States Housing Act of 1937 to the extent necessary to provide rental assist-

ance for a nonpurchasing tenant who resides in the project on the date the Secretary approves the application for an implementation grant, for use by the tenant in another project.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for grants under this subtitle $51,000,000 for fiscal year 1991 and $280,000,000 for fiscal year 1992. Any amounts appropriated pursuant to this subsection shall remain available until expended.

SEC. 422. PLANNING GRANTS.

(a) GRANTS.—The Secretary is authorized to make planning grants to applicants for the purpose of developing homeownership programs under this subtitle. The amount of a planning grant under this section may not exceed $200,000, except that the Secretary may for good cause approve a grant in a higher amount.

(b) ELIGIBLE ACTIVITIES.—Planning grants may be used for activities to develop homeownership programs (which may include programs for cooperative ownership), including—

(1) development of resident management corporations and resident councils;

(2) training and technical assistance of applicants related to the development of a specific homeownership program;

(3) studies of the feasibility of a homeownership program;

(4) preliminary architectural and engineering work;

(5) tenant and homebuyer counseling and training;

(6) planning for economic development, job training, and self-sufficiency activities that promote economic self-sufficiency for homebuyers and homeowners under the homeownership program;

(7) development of security plans; and

(8) preparation of an application for an implementation grant under this subtitle.

(c) APPLICATION.—

(1) FORM AND PROCEDURES.—An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

(A) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested;

(B) a description of the applicant and a statement of its qualifications;

(C) identification and description of the eligible property involved, and a description of the composition of the tenants, including family size and income;

(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located (or, during the first 12 months after enactment of this Act, that the application is consistent with such other existing State or local housing plan or strategy that the Secretary shall determine to be appropriate); and

(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

(d) SELECTION CRITERIA.—The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this section, which shall include—

(1) the qualifications or potential capabilities of the applicant;

(2) the extent of tenant interest in the development of a homeownership program for the property;

(3) the potential of the applicant for developing a successful and affordable homeownership program and the suitability of the property for homeownership;

(4) national geographic diversity among housing for which applicants are selected to receive assistance; and

(5) such other factors that the Secretary shall require that (in the determination of the Secretary) are appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

SEC. 423. IMPLEMENTATION GRANTS.

(a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out homeownership programs approved under this subtitle.

(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used for activities to carry out homeownership programs (including programs for cooperative ownership), including the following activities:

(1) Architectural and engineering work.

(2) Acquisition of the eligible property for the purpose of transferring ownership to eligible families in accordance with a homeownership program that meets the requirements under this subtitle.

(3) Rehabilitation of any property covered by the homeownership program, in accordance with standards established by the Secretary.

(4) Administrative costs of the applicant, which may not exceed 15 percent of the amount of the assistance provided under this section.

(5) Development of resident management corporations and resident management councils, but only if the applicant has not received assistance under section 322 for such activities.

(6) Counseling and training of homebuyers and homeowners under the homeownership program.

(7) Relocation of tenants who elect to move.

(8) Any necessary temporary relocation of tenants during rehabilitation.

(9) Planning for establishment of for- or not-for-profit small businesses by or on behalf of residents, job training, and other activities that promote economic self-sufficiency of homebuyers and homeowners of the property covered by the homeownership program and economic development of the neighborhood.

(10) Funding of operating expenses and replacement reserves of the property covered by the homeownership program.

(11) Legal fees.

(12) Defraying costs for the ongoing training needs of the recipient that are related to developing and carrying out the homeownership program.

(13) Economic development activities that promote economic self-sufficiency of homebuyers, residents, and homeowners under the homeownership program.

(c) MATCHING FUNDING.—

(1) IN GENERAL.—Each recipient shall assure that contributions equal to not less than 33 percent of the grant amounts made available under this section, excluding any amounts provided for post-sale operating expense, shall be provided from non-Federal sources to carry out the homeownership program.

(2) FORM.—Such contributions may be in the form of—

(A) cash contributions from non-Federal resources, which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(B) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(C) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that facilitates the implementation of a homeownership program assisted under this subtitle;

(D) the value of land or other real property as appraised according to procedures acceptable to the Secretary;

(E) the value of investment in on-site and off-site infrastructure required for a homeownership program assisted under this subtitle; or

(F) such other in-kind contributions as the Secretary may approve.

Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of the total amount of grants made available under this section.

(d) APPLICATION.—

(1) FORM AND PROCEDURE.—An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

(A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;

(B) if applicable, an application for assistance under section 8 of the United States Housing Act of 1937, specifying the proposed uses of such assistance and the period during which the assistance will be needed;

(C) a description of the qualifications and experience of the applicant in providing low-income housing;

(D) a description of the proposed homeownership program, consistent with section 324 and the other requirements of this subtitle, specifying the activities proposed to be carried out and their estimated costs, identifying reasonable schedules for carrying it out, and demonstrating the program will comply with the affordability requirements under section 324(b);

(E) identification and description of the property involved, and a description of the composition of the tenants, including family size and income;

(F) a description of and commitment for the resources that are expected to be made available to provide the matching funding required under subsection (c) and of other resources that are expected to be made available in support of the homeownership program;

(G) identification and description of the financing proposed for any (i) rehabilitation and (ii) acquisition (I) of the property, by an entity for transfer to eligible families, and (II) by eligible families of ownership in-

terests in, or shares representing, units in the project;

(H) the proposed sales price, the basis for such price determination, and terms to an entity, if any, that will purchase the property for resale to eligible families;

(I) the proposed sales prices, if any, and terms to eligible families;

(J) any proposed restrictions on the resale of units under a homeownership program;

(K) identification and description of the entity that will operate and manage the property;

(L) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located (or, during the first 12 months after enactment of this Act, that the application is consistent with such other existing State or local housing plan or strategy that the Secretary shall determine to be appropriate); and

(M) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

(d) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the qualifications or potential capabilities of the applicant;

(2) the feasibility of the homeownership program;

(3) the extent of tenant interest in the development of a homeownership program for the property;

(4) the potential for developing an affordable homeownership program and the suitability of the property for homeownership;

(5) national geographic diversity among housing for which applicants are selected to receive assistance;

(6) the extent to which a sufficient supply of affordable rental housing of the type assisted under this title exists in the locality, so that the implementation of the homeownership program will not appreciably reduce the number of such rental units available to residents currently residing in such units or eligible for residency in such units; and

(7) such other factors as the Secretary determines to be appropriate for purposes of carrying out the program established by the subtitle in an effective and efficient manner.

(e) APPROVAL.—The Secretary shall notify each applicant, not later than 6 months after the date of the submission of the application, whether the application is approved or not approved. The Secretary may approve the application for an implementation grant with a statement that the application for the section 8 assistance for residents of the project not purchasing units is conditionally approved, subject to the availability of appropriations in subsequent fiscal years.

SEC. 424. HOMEOWNERSHIP PROGRAM REQUIREMENTS.

(a) IN GENERAL.—A homeownership program under this subtitle shall provide for acquisition by eligible families of ownership interest in, or shares representing, the units in an eligible property under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership), for occupancy by the eligible families.

(b) AFFORDABILITY.—A homeownership program under this subtitle shall provide for the establishment of sales prices (including principal, insurance, taxes, and interest and closing costs) for initial acquisition of the property, and for sales to eligible families, such that the eligible family shall not be required to expend more than 30 percent of the adjusted income of the family per month to complete a sale under the homeownership program.

(c) PLAN.—A homeownership program under this subtitle shall provide, and include a plan, for—

(1) identifying and selecting eligible families to participate in the homeownership program;

(2) providing relocation assistance to families who elect to move;

(3) ensuring continued affordability by tenants, homebuyers, and homeowners in the property; and

(4) providing ongoing training and counseling for homebuyers and homeowners.

(d) ACQUISITION AND REHABILITATION LIMITATION.—Acquisition or rehabilitation of a property under a homeownership program under this subtitle may not consist of acquisition or rehabilitation of less than all of the units in the property. The provisions of this subsection may be waived upon a finding by the Secretary that the sale of less than all the buildings in a project is feasible and will not result in a hardship to any tenants of the project who are not included in the homeownership program.

(e) FINANCING.—

(1) IN GENERAL.—The application shall identify and describe the proposed financing for (A) any rehabilitation, and (B) acquisition (i) of the project, where applicable, by an entity for transfer to eligible families, and (ii) by eligible families of ownership interests in, or shares representing, units in the project. Financing may include use of the implementation grant, sale for cash, or other sources of financing (subject to applicable requirements), including conventional mortgage loans and mortgage loans insured under title II of the National Housing Act.

(2) PROHIBITION AGAINST PLEDGES.—Property transferred under this subtitle shall not be pledged as collateral for debt or otherwise encumbered except when the Secretary determines that—

(A) such encumbrance will not threaten the long-term availability of the property for occupancy by low-income families;

(B) neither the Federal Government nor the public housing agency will be exposed to undue risks related to action that may have to be taken pursuant to paragraph (3);

(C) any debt obligation can be serviced from project income, including operating assistance; and

(D) the proceeds of such encumbrance will be used only to meet housing standards in accordance with subsection (f) or to make such additional capital improvements as the Secretary determines to be consistent with the purposes of this subtitle.

(3) OPPORTUNITY TO CURE.—Any lender that provides financing in connection with a homeownership program under this subtitle shall give the public housing agency, resident management corporation, individual owner, or other appropriate entity a reasonable opportunity to cure a financial default before foreclosing on the property, or taking other action as a result of the default.

(f) HOUSING QUALITY STANDARDS.—The application shall include a plan ensuring that the unit—

(1) will be free from any defects that pose a danger to health or safety before transfer of an ownership interest in, or shares representing, a unit to an eligible family; and

(2) will, not later than 2 years after the transfer to an eligible family, meet minimum housing standards established by the Secretary for the purpose of this title.

(g) PROTECTION OF NONPURCHASING FAMILIES.—

(1) IN GENERAL.—No tenant residing in a dwelling unit in a property on the date the Secretary approves an application for an implementation grant may be evicted by reason of a homeownership program approved under this subtitle.

(2) RENTAL ASSISTANCE.—If a tenant decides not to purchase a unit, or is not qualified to do so, the Secretary shall, subject to the availability of appropriations, ensure that rental assistance under section 8 is available for use by each otherwise qualified tenant in that or another property.

(3) RELOCATION ASSISTANCE.—The recipient shall also inform each such tenant that if the tenant chooses to move, the recipient will pay relocation assistance in accordance with the approved homeownership program.

SEC. 425. OTHER PROGRAM REQUIREMENTS.

(a) PREFERENCES.—In selecting eligible families for homeownership, the recipient shall give a first preference to otherwise qualified current tenants and a second preference to otherwise qualified eligible families who have completed participation in an economic self-sufficiency program specified by the Secretary.

(b) COST LIMITATIONS.—The Secretary may establish cost limitations on eligible activities under this subtitle, subject to the provisions of this subtitle.

(c) USE OF PROCEEDS FROM SALES TO ELIGIBLE FAMILIES.—The entity that transfers ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, shall use the proceeds, if any, from the initial sale for costs of the homeownership program, including operating expenses, improvements to the project, business opportunities for low-income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary.

(d) RESTRICTIONS ON RESALE BY HOMEOWNERS.—

(1) IN GENERAL.—

(A) TRANSFER PERMITTED.—A homeowner under a homeownership program may transfer the homeowner's ownership interest in, or shares representing, the unit, except that a homeownership program may establish restrictions on the resale of units under the program.

(B) RIGHT TO PURCHASE.—Where a resident management corporation, resident council, or cooperative has jurisdiction over the unit, the corporation, council, or cooperative shall have the right to purchase the ownership interest in, or shares representing, the unit from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. If such an entity does not have jurisdiction over the unit or elects not to purchase and if the prospective buyer is not a low-income family, the public housing agency or the implementation grant recipient shall have the right to purchase the ownership interest in,

or shares representing, the unit for the same amount.

(C) PROMISSORY NOTE REQUIRED.—The homeowner shall execute a promissory note equal to the difference between the market value and the purchase price, payable to the public housing agency or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note.

(2) 6 YEARS OR LESS.—In the case of a transfer within 6 years of the acquisition under the program, the homeownership program shall provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. The plan shall provide for limiting the family's consideration for its interest in the property to the total of—

(A) the contribution to equity paid by the family;

(B) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

(C) the appreciated value determined by an inflation allowance at a rate which may be based on a cost-of-living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity.

Such an entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed.

(3) 6–20 YEARS.—In the case of a transfer during the period beginning 6 years after the acquisition and ending 20 years after the acquisition, the homeownership program shall provide for the recapture by the Secretary or the program of an amount equal to the amount of the remaining balance on the note described in paragraph (1)(C).

(4) USE OF RECAPTURED FUNDS.—Fifty percent of any portion of the net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to this subsection shall be paid to the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, for use for improvements to the project, business opportunities for low-income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary. The remaining 50 percent shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

(e) THIRD PARTY RIGHTS.—The requirements under this subtitle regarding quality standards, resale, or transfer of the ownership interest of a homeowner shall be judicially enforceable against the grant recipient with respect to actions involving rehabilitation, and against purchasers of property under this subsection or their successors in interest with respect to other actions by affected low-income families, resident management corporations, resident councils, public housing agencies, and any agency, corporation, or authority of the United States Government. The parties specified in the preceding sentence shall be entitled to reasonable attorney fees upon prevailing in any such judicial action.

(f) DOLLAR LIMITATION ON ECONOMIC DEVELOPMENT ACTIVITIES.—Not more than an aggregate of $250,000 from amounts made available under sections 422 and 423 may be used for economic development activities under sections 422(b)(6) and 423(b)(9) for any project.

(g) TIMELY HOMEOWNERSHIP.—Recipients shall transfer ownership of the property to tenants within a specified period of time that the Secretary determines to be reasonable. During the interim period when the property continues to be operated and managed as rental housing, the recipient shall utilize written tenant selection policies and criteria that are approved by the Secretary as consistent with the purpose of improving housing opportunities for low-income families. The recipient shall promptly notify in writing any rejected applicant of the grounds for any rejection.

(h) RECORDS AND AUDIT OF RECIPIENTS OF ASSISTANCE.—

(1) IN GENERAL.—Each recipient shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of assistance received under this subtitle (and any proceeds from financing obtained or sales under subsections (c) and (d)), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit.

(2) ACCESS BY THE SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this subtitle.

(3) ACCESS BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall also have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this subtitle.

(i) CERTAIN ENTITIES NOT ELIGIBLE.—Any entity that assumes, as determined by the Secretary, a mortgage covering eligible property in connection with the acquisition of the property from an owner under this section must comply with any low-income affordability restrictions for the remaining term of the mortgage. This requirement shall only apply to an entity, such as a cooperative association, that, as determined by the Secretary, intends to own the housing on a permanent basis.

SEC. 426. DEFINITIONS.

For purposes of this subtitle:

(1) The term "applicant" means the following entities that may represent the tenants of the housing:

(A) A resident management corporation established in accordance with the requirements of the Secretary under section 20 of the United States Housing Act of 1937.

(B) A resident council.

(C) A cooperative association.

(D) A public or private nonprofit organization.

(E) A public body (including an agency or instrumentality thereof).

(F) A public housing agency (including an Indian housing authority).

(2) The term "eligible family" means a family or individual—

(A) who is a tenant of the eligible property on the date the Secretary approves an implementation grant; or

(B) whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

(3) The term "eligible property" means a multifamily rental property, containing 5 or more units, that is—

(A) owned or held by the Secretary;

(B) financed by a loan or mortgage held by the Secretary or insured by the Secretary;

(C) determined by the Secretary to have serious physical or financial problems under the terms of an insurance or loan program administered by the Secretary; or

(D) owned or held by the Secretary of Agriculture, the Resolution Trust Corporation, or a State or local government.

(4) The term "homeownership program" means a program for homeownership under this subtitle.

(5) The term "Indian housing authority" has the meaning given such term in section 3(b)(11) of the United States Housing Act of 1937.

(6) The term "low-income family" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(7) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(8) The term "recipient" means an applicant approved to receive a grant under this title or such other entity specified in the approved application that will assume the obligations of the recipient under this subtitle.

(9) The term "resident council" means any incorporated nonprofit organization or association that—

(A) is representative of the tenants of the housing;

(B) adopts written procedures providing for the election of officers on a regular basis; and

(C) has a democratically elected governing board, elected by the tenants of the housing.

(10) The term "Secretary" means the Secretary of Housing and Urban Development.

SEC. 427. EXEMPTION.

Eligible property covered by a homeownership program approved under this subtitle shall not be subject to—

(1) the Low-Income Housing Preservation and Resident Homeownership Act of 1990, or

(2) the requirements of section 203 of the Housing and Community Development Amendments of 1978 applicable to the sale of projects either at foreclosure or after acquisition by the Secretary.

SEC. 428. LIMITATION ON SELECTION CRITERIA.

In establishing criteria for selecting applicants to receive assistance under this subtitle, the Secretary may not establish any selection criterion or criteria that grant or deny such assistance to an applicant (or have the effect of granting or denying assistance) based on the implementation, continuation, or discontinuation of any public policy, regulation, or law of any jurisdiction in which the applicant or project is located.

SEC. 429. AMENDMENT TO NATIONAL HOUSING ACT.

Section 203(b)(9) of the National Housing Act (12 U.S.C. 1709(b)(9)) is amended by inserting after "Housing Act of 1961," the following: "or with respect to a mortgage covering a housing unit in connection with a homeownership program under the Home-

ownership and Opportunity Through HOPE Act,".

SEC. 430. IMPLEMENTATION.

Not later than the expiration of the 180-day period beginning on the date that funds authorized under this subtitle first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this subtitle. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period beginning on the date of the notice.

SEC. 431. ANNUAL REPORT.

The Secretary shall annually submit to the Congress a report setting forth—

(1) the number, type and cost of eligible properties transferred pursuant to this subtitle;

(2) the income, race, gender, children and other characteristics of families participating (or not participating) in homeownership programs funded under this subtitle;

(3) the amount and type of financial assistance provided under and in conjunction with this subtitle;

(4) the amount of financial assistance provided under this subtitle that was needed to ensure continued affordability and meet future maintenance and repair costs; and

(5) the recommendations of the Secretary for statutory and regulatory improvements to the program.

Subtitle C—HOPE for Homeownership of Single Family Homes

SEC. 441. PROGRAM AUTHORITY.

(a) IN GENERAL.—The Secretary is authorized to make—

(1) planning grants to help applicants develop homeownership programs in accordance with this subtitle; and

(2) implementation grants to enable applicants to carry out homeownership programs in accordance with this subtitle.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this subtitle $36,000,000 for fiscal year 1991, and $195,000,000 for fiscal year 1992. Any amounts appropriated pursuant to this subsection shall remain available until expended.

SEC. 442. PLANNING GRANTS.

(a) GRANTS.—The Secretary is authorized to make planning grants to applicants for the purpose of developing homeownership programs under this subtitle. The amount of a planning grant under this section may not exceed $200,000, except that the Secretary may for good cause approve a grant in a higher amount.

(b) ELIGIBLE ACTIVITIES.—Planning grants may be used for activities to develop homeownership programs (which may include programs for cooperative ownership), including—

(1) identifying eligible properties;

(2) training and technical assistance of applicants related to the development of a specific homeownership program;

(3) studies of the feasibility of specific homeownership programs;

(4) preliminary architectural and engineering work;

(5) homebuyer counseling and training;

(6) planning for economic development, job training, and self-sufficiency activities that promote economic self-sufficiency for homebuyers and homeowners under the homeownership program;

(7) development of security plans; and

(8) preparation of an application for an implementation grant under this subtitle.

(c) APPLICATION.—

(1) FORM AND PROCEDURES.—An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

(A) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested;

(B) a description of the applicant and a statement of its qualifications;

(C) identification and description of the eligible properties likely to be involved, and a description of the composition of the potential homebuyers and residents of the areas in which such eligible properties are located, including family size and income;

(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located (or, during the first 12 months after enactment of this Act, that the application is consistent with such other existing State or local housing plan or strategy that the Secretary shall determine to be appropriate); and

(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

(d) SELECTION CRITERIA.—The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this section, which shall include—

(1) the qualifications or potential capabilities of the applicant;

(2) the extent of interest in the development of a homeownership program;

(3) the potential of the applicant for developing a successful and affordable homeownership program and the availability and suitability of eligible properties in the applicable geographic area with respect to the application;

(4) national geographic diversity among housing for which applicants are selected to receive assistance; and

(5) such other factors that the Secretary shall require that (in the determination of the Secretary) are appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

SEC. 443. IMPLEMENTATION GRANTS.

(a) GRANTS.—The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out homeownership programs approved under this subtitle.

(b) ELIGIBLE ACTIVITIES.—Implementation grants may be used for activities to carry out homeownership programs (which may include programs for cooperative ownership), including the following activities:

(1) Architectural and engineering work.

(2) Acquisition of the property for the purpose of transferring ownership to eligible families in accordance with a homeownership program meeting the requirements of this subtitle.

(3) Rehabilitation of the property covered by the homeownership program, in accordance with standards established by the Secretary.

(4) Administrative costs of the applicant, which may not exceed 15 percent of the amount of assistance provided under this section.

(5) Counseling and training of homebuyers and homeowners under the homeownership program.

(6) Relocation of eligible families who elect to move.

(7) Any necessary temporary relocation of homebuyers during rehabilitation.

(8) Legal fees.

(9) Defraying costs for the ongoing training needs of the recipient that are related to developing and carrying out the homeownership program.

(10) Economic development activities that promote economic self-sufficiency of homebuyers and homeowners under the homeownership program.

(c) MATCHING FUNDING.—

(1) IN GENERAL.—Each recipient shall assure that contributions equal to not less than 33 percent of the grant amounts under this section are provided from non-Federal sources to carry out the homeownership program.

(2) FORM.—Such contributions may be in the form of—

(A) cash contributions from non-Federal resources which may not include funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(B) payment of administrative expenses, as defined by the Secretary, from non-Federal resources, including funds from a grant made under section 106(b) or section 106(d) of the Housing and Community Development Act of 1974;

(C) the value of taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred in a manner that facilitates the implementation of a homeownership program assisted under this subtitle;

(D) the value of investment in on-site and off-site infrastructure required for a homeownership program assisted under this subtitle; or

(E) such other in-kind contributions as the Secretary may approve.

Contributions for administrative expenses shall be recognized only up to an amount equal to 7 percent of the total amount of grants made available under this section.

(d) APPLICATION.—

(1) FORM AND PROCEDURE.—An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

(2) MINIMUM REQUIREMENTS.—The Secretary shall require that an application contain at a minimum—

(A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;

(B) a description of the qualifications and experience of the applicant in providing low-income housing;

(C) a description of the proposed homeownership program, consistent with section 444 and the other requirements of this subtitle specifying the activities proposed to be carried out and their estimated costs, identifying reasonable schedules for carrying it out, and demonstrating that the program will comply with the affordability requirements under section 444(b);

(D) an identification and description of the properties to be acquired under the homeownership program and a description of the composition of potential eligible families, including family size and income;

(E) a description of and commitment for the resources that are expected to be made available to provide the matching funding required under subsection (c) and of other resources that are expected to be made available in support of the homeownership program;

(F) identification and description of the financing proposed for any (i) rehabilitation and (ii) acquisition (I) of the project, where applicable, by an entity for transfer to eligible families, and (II) by eligible families of ownership interests in, or shares representing, units in the project;

(G) the proposed sales prices for the properties, the basis for such price determinations, and terms to an entity, if any, that will purchase that property for resale to eligible families;

(H) the proposed sales prices, if any, and terms to eligible families;

(I) identification and description of the entity that will operate and manage the property;

(J) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located (or, during the first 12 months after enactment of this Act, that the application is consistent with such other existing State or local housing plan or strategy that the Secretary shall determine to be appropriate); and

(K) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

(e) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this subtitle, which shall include—

(1) the ability of the applicant to develop and carry out the proposed homeownership program, taking into account the qualifications and experience of the applicant and the quality of any related ongoing program of the applicant;

(2) the feasibility of the homeownership program;

(3) the quality and viability of the proposed homeownership program;

(4) the extent to which suitable eligible property is available for use under the program in the area to be served, and the extent to which the types of property expected to be covered by the proposed homeownership program are federally owned;

(5) whether the approved comprehensive housing affordability strategy for the jurisdiction within which the eligible property is located includes the proposed homeownership program as one of the general priorities identified pursuant to section 105(b)(7) of the Cranston-Gonzalez National Affordable Housing Act;

(6) national geographic diversity among housing for which applicants are selected to receive assistance; and

(7) the extent to which a sufficient supply of affordable rental housing of the type assisted under this subtitle exists in the locality, so that the implementation of the homeownership program will not appreciably reduce the number of such rental units available to residents currently residing in such units or eligible for residency in such units.

(f) APPROVAL.—The Secretary shall notify each applicant, not later than 6 months after the date of the submission of the application, whether the application is approved or not approved.

SEC. 444. HOMEOWNERSHIP PROGRAM REQUIREMENTS.

(a) IN GENERAL.—A homeownership program under this subtitle shall provide for acquisition by eligible families of ownership interests in, or shares representing, units in an eligible property under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership), for occupancy by the eligible families.

(b) AFFORDABILITY.—A homeownership program under this subtitle shall provide for the establishment of sales prices (including principal, insurance, taxes, and interest and closing costs) for initial acquisition of the property, and for sales to eligible families, such that the eligible family shall not be required to expend more than 30 percent of the adjusted income of the family per month to complete a sale under the homeownership program.

(c) ELIGIBLE PROPERTY.—A property may not participate in a homeownership program under this subtitle unless all tenants or occupants of the property (at the time of the application for the implementation grant covering the property is filed with the Secretary) participate in the homeownership program.

(d) PLAN.—A homeownership program under this subtitle shall provide, and include a plan, for—

(1) identifying and selecting eligible families to participate in the homeownership program;

(2) providing relocation assistance to families who elect to move; and

(3) ensuring continued affordability of the property to homebuyers and homeowners.

(e) HOUSING QUALITY STANDARDS.—The application shall include a plan ensuring that the unit—

(1) will be free from any defects that pose a danger to health or safety before transfer of an ownership interest in, or shares representing, a unit to an eligible family; and

(2) will, not later than 2 years after the transfer to an eligible family, meet minimum housing standards established by the Secretary for the purpose of this title.

SEC. 445. OTHER PROGRAM REQUIREMENTS.

(a) COST LIMITATIONS.—The Secretary may establish cost limitations on eligible activities under this subtitle, subject to the provisions of this subtitle.

(b) USE OF PROCEEDS FROM SALES TO ELIGIBLE FAMILIES.—Any entity that transfers ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, may use the proceeds, if any, from the initial sale for costs of the homeownership program, including operating expenses, improvements to the project, business opportunities for low-income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary.

(c) RESTRICTIONS ON RESALE BY HOMEOWNERS.—

(1) IN GENERAL.—

(A) TRANSFER PERMITTED.—A homeowner under a homeownership program may transfer the homeowner's ownership interest in, or shares representing, the unit, except that a homeownership program may establish restrictions on the resale of units under the program.

(B) RIGHT TO PURCHASE.—Where a resident management corporation, resident council, or cooperative has jurisdiction over the unit, the corporation, council, or cooperative shall have the right to purchase the ownership interest in, or shares representing, the unit from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. If such an entity does not have jurisdiction over the unit or elects not to purchase and if the prospective buyer is not a low-income family, the public housing agency or the implementation grant recipient shall have the right to purchase the ownership interest in, or shares representing, the unit for the same amount.

(C) PROMISSORY NOTE REQUIRED.—The homeowner shall execute a promissory note equal to the difference between the market value and the purchase price, payable to the public housing agency or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note.

(2) 6 YEARS OR LESS.—In the case of a transfer within 6 years of the acquisition under the program, the homeownership program shall provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. The plan shall provide for limiting the family's consideration for its interest in the property to the total of—

(A) the contribution to equity paid by the family;

(B) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

(C) the appreciated value determined by an inflation allowance at a rate which may be based on a cost-of-living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity.

Such an entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed.

(3) 6-20 YEARS.—In the case of a transfer during the period beginning 6 years after the acquisition and ending 20 years after the acquisition, the homeownership program shall provide for the recapture by the Secretary or the program of an amount equal to the amount of the remaining balance on the note described in paragraph (1)(C).

(4) USE OF RECAPTURED FUNDS.—Fifty percent of any portion of the net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to this subsection shall be paid to the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, for use for improvements to the project, business opportunities for low-income families, supportive services related

to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary. The remaining 50 percent shall be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity shall keep and make available to the Secretary all records necessary to calculate accurately payments due the Secretary under this subsection.

(d) THIRD PARTY RIGHTS.—The requirements under this subtitle regarding quality standards, resale, or transfer of the ownership interest of a homeowner shall be judicially enforceable against the grant recipient with respect to actions involving rehabilitation, and against purchasers of property under this subsection or their successors in interest with respect to other actions by affected low-income families, resident management corporations, resident councils, public housing agencies, and any agency, corporation, or authority of the United States Government. The parties specified in the preceding sentence shall be entitled to reasonable attorney fees upon prevailing in any such judicial action.

(e) PROTECTION OF NONPURCHASING FAMILIES.—No tenant residing in a dwelling unit in a property on the date the Secretary approves an application for an implementation grant may be evicted by reason of a homeownership program approved under this subtitle.

(h) RECORDS AND AUDIT OF RECIPIENTS OF ASSISTANCE.—

(1) IN GENERAL.—Each recipient shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of assistance received under this subtitle (and any proceeds from financing obtained or sales under subsections (b) and (c)), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit.

(2) ACCESS BY THE SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this subtitle.

(3) ACCESS BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall also have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this subtitle.

SEC. 446. DEFINITIONS.

For purposes of this subtitle:

(1) The term "applicant" means a private nonprofit organization, cooperative association, or a public agency (including an agency or instrumentality thereof) in cooperation with a private nonprofit organization.

(2) The term "displaced homemaker" has the same meaning as in section 104.

(3) The term "eligible family" means a family or individual who—

(A) has an income that does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families; and

(B) is a first-time homebuyer.

(4) The term "eligible property" means a single family property, containing no more than four units, that is owned or held by the Secretary, the Secretary of Veterans Affairs, the Secretary of Agriculture, the Resolution Trust Corporation, a State or local government (including any in rem property), or a public housing agency or an Indian housing authority (including scattered site single family properties, and properties held by institutions within the jurisdiction of the Resolution Trust Corporation).

(5) The term "first-time homebuyer" has the same meaning as in section 104.

(6) The term "homeownership program" means a program for homeownership under this subtitle.

(7) The term "Indian housing authority" has the meaning given such term in section 3(b)(11) of the United States Housing Act of 1937.

(8) The term "low-income family" has the meaning given such term in section 3(b)(2) of the United States Housing Act of 1937.

(9) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

(10) The term "recipient" means an applicant approved to receive a grant under this subtitle or such other entity specified in the approved application that will assume the obligations of the recipient under this subtitle.

(11) The term "Secretary" means the Secretary of Housing and Urban Development.

(12) The term "single parent" means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has 1 or more minor children for whom the individual has custody or joint custody; or

(ii) is pregnant.

SEC. 447. LIMITATION ON SELECTION CRITERIA.

In establishing criteria for selecting applicants to receive assistance under this subtitle, the Secretary may not establish any selection criterion or criteria that grant or deny such assistance to an applicant (or have the effect of granting or denying assistance) based on the implementation, continuation, or discontinuation of any public policy, regulation, or law of any jurisdiction in which the applicant or project is located.

SEC. 448. IMPLEMENTATION.

Not later than the expiration of the 180-day period beginning on the date funds authorized under this subtitle first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this subtitle. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period beginning on the date of the notice.

TITLE V—HOUSING ASSISTANCE

Subtitle A—Public and Indian Housing

SEC. 501. PREFERENCE RULES.

Section 6(c)(4)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)) is amended to read as follows:

"(A) except for projects or portions of projects specifically designated for elderly families with respect to which the Secretary has determined that application of this subparagraph would result in excessive delays in meeting the housing need of such families, the establishment of tenant selection criteria which—

"(i) for not less than 70 percent of the units that are made available for occupancy in a given fiscal year, give preference to families that occupy substandard housing (including families that are homeless or living in a shelter for homeless families), are paying more than 50 percent of family income for rent, or are involuntarily displaced at the time they are seeking assistance under this Act;

"(ii) for any remaining units to be made available for occupancy, give preference in accordance with a system of preferences established by the public housing agency in writing and after public hearing to respond to local housing needs and priorities, which may include (I) assisting very low-income families who either reside in transitional housing assisted under title IV of the Stewart B. McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities; (II) assisting families in accordance with subsection (u)(2); (III) assisting families identified by local public agencies involved in providing for the welfare of children as having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care, or in preventing the discharge of a child from foster care and reunification with his or her family; (IV) assisting youth, upon discharge from foster care, in cases in which return to the family or extended family or adoption is not available; and (V) achieving other objectives of national housing policy as affirmed by Congress;

"(iii) prohibit any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity from having a preference under any provision of this subparagraph for 3 years unless the evicted tenant successfully completes a rehabilitation program approved by the agency, except that the agency may waive the application of this clause under standards established by the Secretary (which shall include waiver for any member of a family of an individual prohibited from tenancy under this clause who the agency determines clearly did not participate in and had no knowledge of such criminal activity or when circumstances leading to eviction no longer exist); and

"(iv) are designed to ensure that, to the maximum extent feasible, the projects of an agency will include families with a broad range of incomes and will avoid concentrations of low-income and deprived families with serious social problems.".

SEC. 502. REFORM OF PUBLIC HOUSING MANAGEMENT.

(a) PERFORMANCE INDICATORS FOR PUBLIC HOUSING AGENCIES.—Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) is amended to read as follows:

"(j)(1) The Secretary shall develop and publish in the Federal Register indicators to assess the management performance of public housing agencies. The indicators shall be established by rule under section 553 of title 5, United States Code. Such indicators shall enable the Secretary to evaluate the performance of public housing agencies in all major areas of management operations. The Secretary shall, in particular, use the following indicators:

"(A) The number and percentage of vacancies within an agency's inventory, including the progress that an agency has made within the previous 3 years to reduce such vacancies.

"(B) The amount and percentage of funds obligated to the public housing agency

under section 14 of this Act which remain unexpended after 3 years.

"(C) The percentage of rents uncollected.

"(D) The energy consumption (with appropriate adjustments to reflect different regions and unit sizes).

"(E) The average period of time that an agency requires to repair and turn-around vacant units.

"(F) The proportion of maintenance work orders outstanding, including any progress that an agency has made during the preceding 3 years to reduce the period of time required to complete maintenance work orders.

"(G) The percentage of units that an agency fails to inspect to ascertain maintenance or modernization needs within such period of time as the Secretary deems appropriate (with appropriate adjustments, if any, for large and small agencies).

"(H) Any other factors as the Secretary deems appropriate.

"(2)(A)(i) The Secretary shall, under the rulemaking procedures under section 553 of title 5, United States Code, establish procedures for designating troubled public housing agencies, which procedures shall include identification of serious and substantial failure to perform as measured by the performance indicators specified under paragraph (1) and such other factors as the Secretary may deem to be appropriate. The Secretary shall also designate, by rule under section 553 of title 5, United States Code, agencies that are troubled with respect to the program under section 14.

"(ii) The Secretary may also, in consultation with national organizations representing public housing agencies and public officials (as the Secretary determines appropriate), identify and commend public housing agencies that meet the performance standards established under paragraph (1) in an exemplary manner.

"(iii) The Secretary shall establish procedures for public housing agencies to appeal designation as a troubled agency (including designation as a troubled agency for purposes of the program under section 14), to petition for removal of such designation, and to appeal any refusal to remove such designation.

"(B) The Secretary shall seek to enter into an agreement with each troubled public housing agency setting forth—

"(i) targets for improving performance as measured by the performance indicators specified under paragraph (1) and other requirements within a specified period of time;

"(ii) strategies for meeting such targets, including a description of the technical assistance that the Secretary will make available to the agency; and

"(iii) incentives or sanctions for effective implementation of such strategies, which may include any constraints on the use of funds that the Secretary determines are appropriate.

The Secretary and the public housing agency shall, to the maximum extent practicable, seek the assistance of local public and private entities in carrying out the agreement.

"(3)(A) Notwithstanding any other provision of law or of any contract for contributions, upon the occurrence of events or conditions that constitute a substantial default by a public housing agency with respect to the covenants or conditions to which the public housing agency is subject or an agreement entered into under paragraph (2), the Secretary may—

"(i) solicit competitive proposals from other public housing agencies and private housing management agents in the eventuality that these agents may be needed for managing all, or part, of the housing administered by a public housing agency;

"(ii) petition for the appointment of a receiver (which may be another public housing agency or a private management corporation) of the public housing agency to any district court of the United States or to any court of the State in which the real property of the public housing agency is situated, that is authorized to appoint a receiver for the purposes and having the powers prescribed in this subsection; and

"(iii) require the agency to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents for managing all, or part of, such housing.

"(B) In any proceeding under subparagraph (A)(ii), upon a determination that a substantial default has occurred, and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

"(C) The appointment of a receiver pursuant to this subsection may be terminated, upon the petition of any party, when the court determines that all defaults have been cured and the housing operated by the public housing agency will thereafter be operated in accordance with the covenants and conditions to which the public housing agency is subject.

"(4) The Secretary shall submit to the Congress annually, as a part of the report of the Secretary under section 8 of the Department of Housing and Urban Development Act, a report that—

"(A) identifies the public housing agencies that have been designated as troubled under paragraph (2);

"(B) describes the grounds on which such public housing agencies were designated as troubled and continue to be so designated;

"(C) describes the agreements that have been entered into with such agencies under such paragraph;

"(D) describes the status of progress under such agreements;

"(E) describes any action that has been taken in accordance with paragraph (3); and

"(F) describes the status of any public housing agency designated as troubled with respect to the program under section 14 and specifies the amount of assistance the agency received under section 14 and any credits accumulated by the agency under section 14(k)(5)(D).".

(b) REPORT ON TRAINING AND CERTIFICATION STANDARDS.—The Secretary shall submit to the Congress, not later than 12 months after the date of the enactment of this Act, a report regarding the feasibility and effectiveness of establishing uniform standards for training and certification of executive directors and other officers and members of local, regional, and State public housing agencies.

(c) PROJECT-BASED ACCOUNTING SYSTEMS.—

(1) IN GENERAL.—Section 6(c)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)) is amended—

(A) in subparagraph (C) by striking "and" at the end;

(B) in subparagraph (D), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(E) except in the case of agencies not receiving operating assistance under section 9, the establishment and maintenance of a system of accounting for rental collections and costs (including administrative, utility, maintenance, repair and other operating costs) for each project or operating cost center (as determined by the Secretary), which collections and costs shall be made available to the general public and submitted to the appropriate local public official (as determined by the Secretary); except that the Secretary may permit agencies owning or operating less than 250 units to comply with the requirements of this subparagraph by accounting on an agency-wide basis.".

(2) IMPLEMENTATION.—The Secretary of Housing and Urban Development shall, under the rulemaking procedures under section 553 of title 5, United States Code, establish guidelines and timetables appropriate to implement the amendment made by paragraph (1)(C), taking into account the requirements of public housing agencies of different sizes and characteristics, to achieve compliance with requirements established by such amendment not later than January 1, 1993.

(c) REPORT.—

(1) IN GENERAL.—Within 180 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a report on the operation and efficiency of the Buffalo Municipal Housing Authority using, among other criteria, the performance indicators under section 6(j)(1) of the United States Housing Act of 1937 (as amended by this section), and giving special attention to such Authority's desegregation program and to the vacancy rate.

(2) SPECIFIC RECOMMENDATIONS.—For purposes of the report required by paragraph (1), the Secretary may specifically determine whether to—

(A) petition for the appointment of a receiver for the Buffalo Municipal Housing Authority under the provisions of section 6(j)(3) of the United States Housing Act of 1937 (as amended by this section); or

(B) reduce operating subsidies for such Authority under the provisions of section 9 of the United States Housing Act of 1937.

SEC. 503. EVICTION AND TERMINATION PROCEDURES.

(a) GRIEVANCE PROCEDURE.—Section 6(k) of the United States Housing Act of 1937 (42 U.S.C. 1437d(k) is amended by striking the matter after the period at the end of paragraph (6) and inserting the following:

"For any grievance concerning an eviction or termination of tenancy that involves any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other tenants or employees of the public housing agency or any drug-related criminal activity on or near such premises, the agency may (A) establish an expedited grievance procedure as the Secretary shall provide by rule under section 553 of title 5, United States Code, or (B) exclude from its grievance procedure any such grievance, in any jurisdiction which requires that prior to eviction, a tenant be given a hearing in court which the Secretary determines provides the basic elements of due process (which the Secretary shall establish by rule under section 553 of title 5, United States Code). Such elements of due process shall

not include a requirement that the tenant be provided an opportunity to examine relevant documents within the possession of the public housing agency. The agency shall provide to the tenant a reasonable opportunity, prior to hearing or trial, to examine any relevant documents, records, or regulations directly related to the eviction or termination.".

(b) LEASES.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) by striking "and" at the end of paragraph (4);

(2) by inserting after paragraph (5), the following new paragraph:

"(6) specify that with respect to any notice of eviction or termination, notwithstanding any State law, a public housing tenant shall be informed of the opportunity, prior to any hearing or trial, to examine any relevant documents, records, or regulations directly related to the eviction or termination.".

(c) REGULATIONS.—The Secretary of Housing and Urban Development shall issue, and publish in the Federal Register for comment, proposed rules implementing the amendments made by this section not later than the expiration of the 60-day period beginning on the date of the enactment of this Act and shall issue final rules implementing the amendments not later than the expiration of the 180-day period beginning on the date of the enactment of this Act.

(d) APPLICABILITY.—Any exclusion of grievances by a public housing agency pursuant to a determination or waiver by the Secretary (under section 6(k) of the United States Housing Act of 1937, as such section existed before the date of the enactment of this Act) that a jurisdiction requires a hearing in court providing the basic elements of due process shall be effective after the date of the enactment of this Act only to the extent that the exclusion complies with the amendments made by this section, except that any such waiver provided before the date of the enactment of this Act shall remain in effect until the earlier of the effective date of the final rules implementing the amendments made by this section or 180 days after the date of the enactment.

SEC. 504. LEASE REQUIREMENTS REGARDING TERMINATION OF TENANCY IN PUBLIC HOUSING.

Section 6(l)(5) of the Housing Act of 1937 (42 U.S.C. 1437d(l)(5)) is amended to read as follows:

"(5) provide that any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants or any drug-related criminal activity on or near such premises, engaged in by a public housing tenant, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy; and".

SEC. 505. NOTICE TO POST OFFICE REGARDING EVICTION FOR CRIMINAL ACTIVITY.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by adding at the end the following subsection:

"(n) When a public housing agency evicts an individual or family from a dwelling unit for engaging in criminal activity, including drug-related criminal activity, the public housing agency shall notify the local post office serving that dwelling unit that such individual or family is no longer residing in the dwelling unit.".

SEC. 506. PUBLIC HOUSING ASSISTANCE FOR FOSTER CARE CHILDREN.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(o) Subject to the preference rules specified in subsection (c)(4)(A), in providing housing in low-income housing projects, each public housing agency may coordinate with any local public agencies involved in providing for the welfare of children to make available dwelling units to—

"(1) families identified by the agencies as having a lack of adequate housing that is a primary factor—

"(A) in the imminent placement of a child in foster care; or

"(B) in preventing the discharge of a child from foster care and reunification with his or her family; and

"(2) youth, upon discharge from foster care, in cases in which return to the family or extended family or adoption is not available.".

SEC. 507. PUBLIC HOUSING OPERATING SUBSIDIES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 9(c) of the United States Housing Act of 1937 (42 U.S.C. 1437g(c)) is amended to read as follows:

"(c) There are authorized to be appropriated for purposes of providing annual contributions under this section $2,000,000,000 for fiscal year 1991 and $2,086,000,000 in fiscal year 1992.".

(b) SERVICES AND COORDINATORS AS ELIGIBLE COST.—Section 9(a) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)) is amended—

(1) in paragraph (1)—

(A) by inserting "(A)" after the paragraph designation;

(B) in the second sentence, by redesignating clauses (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(C) by adding at the end the following new subparagraph:

"(B) Annual contributions under this section to any public housing agency for any project with a sufficient number of residents who are frail elderly or persons with disabilities may be used, with respect to such project, for (i) the cost of a management staff member to coordinate the provision of any services within the project provided through any agency of the Federal Government or any other public or private department, agency, or organization to residents of the project who are frail elderly or persons with disabilities to enable such residents to live independently and prevent placement in nursing homes or institutions; and (ii) expenses for the provision of services for such residents of the project to enable such residents to live independently and prevent placement in nursing homes or institutions, which may include meal services, housekeeping and chore assistance, personal care, laundry assistance, transportation services, and health-related services, except that not more than 15 percent of the cost of the provision of such services may be provided under this section. For purposes of this subparagraph, the term 'frail elderly' shall have the meaning given the term under section 202(d) of the Housing Act of 1959, except that such term does not include any person receiving assistance provided under the Congregate Housing Services Act of 1978, and the term 'persons with disabilities' shall have the meaning given the term under section 811 of the Cranston-Gonzalez National Affordable Housing Act)"; and

(2) in paragraph (3), by inserting before the first comma the following: "(except for payments under paragraph (1)(B))".

SEC. 508. COOLING DEGREE DAY ADJUSTMENT UNDER PERFORMANCE FUNDING SYSTEM.

In determining the Performance Funding System utility subsidy for public housing agencies pursuant to section 9 of the United States Housing Act of 1937, the Secretary of Housing and Urban Development shall include a cooling degree day adjustment factor. The method by which a cooling degree day adjustment factor is included shall be identical to the method by which the heating degree day adjustment factor is included.

SEC. 509. FORMULA ALLOCATION OF MODERNIZATION FUNDING.

(a) FORMULA ALLOCATION TO AGENCIES WITH 500 OR MORE UNITS.—

(1) IN GENERAL.—Section 14(k) of the United States Housing Act of 1937 (42 U.S.C. 1437l(k)) is amended to read as follows:

"(k)(1) From amounts approved in appropriation Acts for grants under this section for fiscal year 1992 and each fiscal year thereafter, and to the extent provided by such Acts, the Secretary shall reserve not more than $75,000,000 (including unused amounts reserved during previous fiscal years), which shall be available for modernization needs resulting from natural and other disasters and from emergencies. Amounts provided for emergencies shall be repaid by public housing agencies from future allocations of assistance under paragraph (2), where available.

"(2)(A) After determining the amounts to be reserved under paragraphs (1) and (5)(D)(iv), the Secretary shall allocate the amount remaining pursuant to a formula contained in a regulation prescribed by the Secretary, which shall be designed to measure the relative needs of public housing agencies. The formula shall take into account amounts previously made available by the Secretary for modernization under this section and for major reconstruction of obsolete projects, to the extent determined appropriate by the Secretary.

"(B) The Secretary shall allocate half of the amount allocated under this paragraph based on the relative backlog needs of public housing agencies, determined—

"(i) for individual public housing agencies with 500 or more units and for the aggregate of agencies with fewer than 500 units, where the data are statistically reliable, on the basis of the most recently available, statistically reliable data regarding the (I) backlog of needed repairs and replacements of existing physical systems in public housing projects, (II) items that must be added to projects to meet the modernization standards of the Secretary (referred to in subsection (e)(1)(A)(ii)(I)) and State and local codes, and (III) items that are necessary or highly desirable for the long-term viability of a project; or

"(ii) for individual public housing agencies with 500 or more units, where such data are not statistically reliable, on the basis of estimates of the categories of backlog specified in clause (i) using the most recently available data on the backlog, and objectively measurable data on public housing agency, community, and project characteristics regarding—

"(I) the average number of bedrooms in the units in a project;

"(II) the proportion of units in a project available for occupancy by very large families;

"(III) the extent to which units for families are in high-rise elevator projects;

"(IV) the age of the projects;

"(V) in the case of a large agency, as determined by the Secretary, the number of units with 2 or more bedrooms;

"(VI) the cost of rehabilitating property in the area;

"(VII) for family projects, the extent of population decline in the unit of general local government determined on the basis of the 1970 and 1980 censuses; and

"(VIII) any other factors the Secretary determines are appropriate.

The Secretary may not establish or amend any criteria regarding the backlog needs of public housing agencies under this subparagraph, except by rule as provided under section 553 of title 5, United States Code.

"(C) The Secretary shall allocate the other half of the amount allocated under this paragraph based on the relative accrued needs of public housing agencies for the categories of need specified in subparagraphs (B)(i)(I) and (II), determined—

"(i) for individual public housing agencies with 500 or more units and for the aggregate of agencies with fewer than 500 units, where the data are statistically reliable, on the basis of the needs that are estimated to have accrued since the date of the last objective measurement of backlog needs under subparagraph (B); or

"(ii) for individual public housing agencies with 500 or more units, where the estimates under clause (i) are not statistically reliable, on the basis of estimates of accrued need using the most recently available data on the backlog, and objectively measurable data on public housing agency, community, and project characteristics regarding—

"(I) the average number of bedrooms of the units in a project;

"(II) the proportion of units in a project available for occupancy by very large families;

"(III) the age of the projects;

"(IV) the extent to which the buildings in projects of an agency average fewer than 5 units;

"(V) the cost of rehabilitating property in the area;

"(VI) the total number of units of each agency that owns or operates 500 or more units; and

"(VII) any other factors the Secretary determines are appropriate.

The Secretary may not establish or amend any criteria regarding the accrual needs of public housing agencies under this subparagraph, except by rule as provided under section 553 of title 5, United States Code.

"(D)(i) In determining how many units an agency owns or operates and the relative modernization needs of agencies, the Secretary shall count each existing unit under the annual contributions contract, except that an existing unit under the turnkey III and the mutual help programs may be counted as less than one unit, to take into account the responsibility of families for the costs of certain maintenance and repair. For purposes of this section, an agency that qualifies to receive a formula grant under paragraph (4) may elect to continue to qualify to receive a formula grant if it owns or operates at least 400 public housing units.

"(ii) Where an existing unit under a contract is demolished or disposed of, the Secretary shall not adjust the amount the agency receives under the formula unless more than one percent of the units are affected on a cumulative basis. Where more than one percent of the units are demolished or disposed of, the Secretary shall reduce the formula amount for the agency over a 3-year period to reflect removal of the units from the contract.

"(iii) The Secretary shall determine whether the data under subparagraphs (B) and (C) are statistically reliable.

"(3) The amount determined under the formula for agencies with fewer than 500 units shall be allocated in accordance with subsection (d).

"(4) The amount determined under the formula for each agency that owns or operates 500 or more units shall be allocated to each qualifying agency in accordance with subsection (e).

"(5)(A) With respect to any agency that is designated as a troubled agency with respect to the program under this section upon the initial designation of such troubled agencies under section 6(j)(2)(A)(i), the Secretary shall limit the total amount of funding under this section for the agency for fiscal year 1992 and any fiscal year thereafter, if the agency remains designated as a troubled agency, to the sum of—

"(i) the average of the amount that the troubled agency received for modernization activities under this section and for major reconstruction of obsolete projects for each of fiscal years 1989, 1990, and 1991, which average shall be adjusted to take into account changes in the cost of rehabilitating property; plus

"(ii) 25 percent of the difference between the amount determined under clause (i) and the amount that would be allocated to the agency in such fiscal year if the agency were not designated as a troubled agency.

"(B) In any fiscal year the Secretary may, pursuant to the request of a troubled agency, increase the amount allocated to the agency under subparagraph (A) to an amount not exceeding the amount that would be allocated to the agency in such fiscal year if the agency were not a troubled agency. An increase under this subparagraph shall be based on the agency's progress toward meeting the performance indicators under section 6(j)(1). The Secretary shall render a decision in writing on each such request not later than 75 days after receipt of the request and any necessary supporting documentation.

"(C) For any fiscal year, any amounts that would have been allocated to an agency under the formula under paragraph (2) that are not allocated to the agency because the agency receives the amount provided under subparagraph (A) of this paragraph, shall be allocated in such year pursuant to the formula to other agencies with 500 or more units.

"(D) The Secretary shall carry out a credit system under this subparagraph to provide agencies that receive allocations under subparagraph (A) with additional assistance under this section after the agency is determined not to be a troubled agency, to compensate for amounts not received because of the troubled agency designation. The credit system shall be subject to the following requirements:

"(i) Any agency that receives assistance pursuant to subparagraph (A) for any fiscal year shall receive credits for the difference between the amount that the agency would have been allocated in such year if it were not designated a troubled agency and the amount allocated for the agency for such year under subparagraph (A).

"(ii) An agency may not receive credits under this subparagraph for more than 3 consecutive fiscal years.

"(iii) After a 3-year period during which an agency has accrued credits, the credits accrued by the agency shall be—

"(I) decreased by 10 percent of the total credits accumulated if the designation as a troubled agency is not removed before the conclusion of the first fiscal year after such 3-year period of accrual of credits;

"(II) decreased by an additional 20 percent of the original total accumulated credits if the designation as a troubled agency is not removed before the conclusion of the second fiscal year after such 3-year accrual period;

"(III) decreased by an additional 30 percent of the original total accumulated credits if the designation as a troubled agency is not removed before the conclusion of the third fiscal year after such 3-year accrual period; and

"(IV) eliminated if the designation as a troubled agency is not removed before the conclusion of the fourth fiscal year after such 3-year accrual period.

"(iv) After a determination by the Secretary that an agency is not a troubled agency, the Secretary shall provide the agency with amounts made available under this clause in accordance with the amount of credits accumulated by the agency (subject to the reductions under clause (iii)). Such amounts shall be provided in addition to the amounts allocated to the agency pursuant to the formula under paragraph (2). In each fiscal year, the Secretary shall reserve from amounts available for allocation under paragraph (2)(A) the amount necessary to provide assistance pursuant to such credits, except that the reserved amount may not exceed 5 percent of the total amount available for allocation under such paragraph.

"(v) In making payments for accrued credits in accordance with clause (iv), the Secretary may take into account the ability of the agency to expeditiously expend amounts received for credits.

"(E) The Secretary shall, by regulation, establish special rules for limiting the amount of assistance provided under this section to agencies that become troubled after the date of the initial designation of troubled agencies under section 6(j)(2)(A)(i). The rules may provide for a credit system based on the system established under this paragraph.

"(6) Any amounts (A) allocated under paragraph (4) that become available for reallocation because an agency does not qualify to receive all or a part of its formula allocation due to failure to comply with the requirements of this section (other than because of designation as a troubled agency), and (B) recaptured by the Secretary for good cause, shall (subject to approval in appropriations Acts) be reallocated by the Secretary in the next fiscal year to other housing agencies that own or operate 500 or more units, based on their relative needs. The relative needs of agencies shall be measured by the formula established pursuant to paragraph (2)(A).

"(7) A public housing agency may appeal the amount of its allocation determined under the formula on the basis of unique circumstances or on the basis that the objectively measurable data regarding the agency, community, and project characteristics used for determining the formula amount were not correct.

"(8) Amounts allocated to a public housing agency under paragraph (3) or (4) may be used for any eligible activity in accordance with this section, notwithstanding that the allocation amount is determined by allocating half based on relative backlog needs and half based on relative accrued needs of agencies.".

(2) CONFORMING AMENDMENTS.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is amended—

(A) in subsection (e)(3)(A), by striking the second sentence; and

(B) in subsection (h)—

(i) in the matter preceding paragraph (1), by inserting after "subsection (b)" the following: "to a public housing agency that owns or operates fewer than 500 public housing dwelling units"; and

(ii) in paragraph (2), by striking "or (e)".

(b) REMOVAL OF CERTAIN REQUIREMENTS FOR AGENCIES WITH FEWER THAN 500 UNITS.—Section 14(d)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437l(d)(4)) is amended—

(1) by inserting "and" at the end of subparagraph (A);

(2) by striking the semicolon at the end of subparagraph (B) and inserting a period; and

(3) by striking subparagraphs (C), (D), and (E).

(c) LIMITATION OF SPECIAL PURPOSE MODERNIZATION TO AGENCIES WITH FEWER THAN 500 UNITS.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is amended—

(1) in subsection (f)(2)(B), by striking "and to meet special purpose needs described in section 14(i)(1)(D)"; and

(2) in the first sentence of subsection (i)(1), by striking "In addition" and all that follows through the third comma and inserting the following: "In addition to assistance made available under subsection (b) to a public housing agency that owns or operates fewer than 500 public housing dwelling units, the Secretary may, without regard to the requirements of subsection (c), (d), (f), (g), or (h),".

(d) SPECIAL PURPOSE MANAGEMENT MODERNIZATION FOR AGENCIES WITH FEWER THAN 500 UNITS.—Section 14(i)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437l(i)(1)) is amended—

(1) in subparagraph (C), by striking "or" at the end;

(2) in subparagraph (D)(ii), by striking the period at the end and inserting "; or"; and

(3) by adding at the end the following new subparagraph:

"(E) management improvement needs which (i) would not otherwise be eligible for assistance under this section, and (ii) pertain to any low-income housing project other than a project assisted under section 8.".

(e) ESTABLISHMENT OF 250-UNIT THRESHOLD BEGINNING IN FISCAL YEAR 1993.—

(1) IN GENERAL.—Effective October 1, 1992, section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l), as amended by this section, is further amended by striking "500" and inserting "250" in each of the following places:

(A) The first sentence of subsection (d).

(B) In subsection (e), the first sentence of each of paragraphs (1), (3)(A), (4)(A) and (4)(C).

(C) Subsections (f)(1) and (f)(2).

(D) Subsection (h).

(E) The first sentence of subsection (i)(1).

(F) In subsection (k), in paragraphs (2)(B)(i), (2)(B)(ii), (2)(C)(i), (2)(C)(ii), (3), (4), (5)(B), and (6).

(G) Subsection (l)(2).

(2) EXCEPTION.—Effective October 1, 1992, section 14(k)(2)(D)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437l(k)(2)(D)(i)), as amended by this section, is further amended by striking "400" and inserting "200".

(f) TRANSITION.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(o) Any amount that the Secretary has obligated to a public housing agency under this section other than pursuant to the program established under subsection (e), shall be used for the purposes for which such amount was provided, or for purposes consistent with an action plan submitted by the agency under subsection (e) and approved by the Secretary, as the agency determines to be appropriate.".

(g) SECTION HEADING.—The section heading of section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is amended to read as follows:

"PUBLIC AND INDIAN HOUSING MODERNIZATION".

(h) REGULATIONS.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development shall implement the amendments made by this section by rule under section 553 of title 5, United States Code. The Secretary shall consult with the Congress, public housing agencies, and professional organizations representing public housing agencies before publishing a proposed rule pursuant to such section. The proposed rule shall be published not later than the expiration of the 120-day period beginning on the date of the enactment of this Act.

(2) ALLOCATION FORMULA.—The Secretary of Housing and Urban Development shall establish the allocation formula under section 14(k)(2)(A) of the United States Housing Act of 1937, as amended by subsection (a) of this section, by rule under section 553 of title 5, United States Code. In publishing a proposed rule regarding the formula pursuant to such section 553, the Secretary shall describe—

(A) the analytic basis for the formula;

(B) the weight assigned to the various criteria contained in the formula pursuant to such section 14(k)(2);

(C) deductions from the formula share for amounts received for modernization activities under section 14 and major reconstruction of obsolete projects; and

(D) any other information the Secretary determines is appropriate.

(3) ALTERNATIVE FORMULAS.—When publishing the proposed rule required under paragraph (2), the Secretary of Housing and Urban Development may, at the discretion of the Secretary, publish alternative formulas, identifying the weights assigned to the various criteria under the formulas, and explaining the differences in operation and objectives of the alternative formulas.

(i) REPORTS TO CONGRESS.—

(1) INDEPENDENT EVALUATION—The Secretary of Housing and Urban Development shall enter into a contract providing for the independent evaluation of the modernization program authorized under section 14 of the United States Housing Act of 1937, as amended by this section, and shall submit to the Congress a report on the results of the evaluation within 3 years after the initial allocation of assistance by formula under such section 14.

(2) MODIFICATIONS.—The Secretary shall submit a report to Congress, within 2 years after the date of enactment of this Act, recommending any changes to such section 14 that the Secretary determines are appropriate to take into account the relative needs of public housing agencies for assistance to carry out lead-based paint testing and abatement activities. The Secretary shall not adopt any changes to the formula for this purpose except by law.

SEC. 510. REDUCTION OF VACANCIES IN PUBLIC HOUSING UNITS.

(a) IN GENERAL.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(p)(1) The Secretary shall require any public housing agency that has a vacancy rate among dwelling units owned or operated by the agency that exceeds twice the average vacancy rate among all agencies or that is designated as a troubled agency under section 6(j), to participate in the vacancy reduction program under this subsection.

"(2) Each public housing agency participating in the program under this subsection shall develop and submit to the Secretary a vacancy reduction plan regarding vacancies in units owned or operated by the agency. The plan shall include statements (A) identifying vacant dwelling units administered by the agency and explaining the reasons for the vacancies, (B) describing the actions to be taken by the agency during the following 5 years to eliminate the vacancies, (C) identifying any impediments that will prevent elimination of the vacancies within the 5-year period, (D) identifying any vacant units subject to modernization, reconstruction, demolition, and disposition activities that have been funded or approved, (E) identifying any vacant dwelling units that are eligible for comprehensive modernization, major reconstruction, demolition, or disposition but have not been funded or approved for such activities and are not likely to be funded or approved for at least 3 years and estimating the amount of assistance necessary to complete the modernization, major reconstruction, demolition, or disposition of such units, (F) identifying any vacant units not identified under subparagraphs (E) and (F) and describing any appropriate activities relating to elimination of the vacancies in such units and estimating the amount of assistance necessary to carry out the activities, and (G) setting forth an agenda for implementation of management improvements (including, as appropriate, improvements recommended by the assessment team pursuant to paragraph (3)(C)) during the first fiscal year beginning after submission of the plan and including an estimate of the amount of assistance necessary to implement the improvements.

"(3)(A) In cooperation with each agency participating in the program under this subsection, the Secretary shall provide for onsite assessment of the vacancy situation of the agency by a team of knowledgeable observers. The assessment team shall include representatives of the Department of Housing and Urban Development and an equal number of independent experts knowledgeable with respect to vacancy problems and management issues relating to public housing, who shall be selected by the Secretary. The assessment team shall assess the vacancy situation of the agency to determine the causes of the vacancies, including any management deficiencies or modernization activities.

"(B) The assessment team shall also examine indicators of the management performance of the agency relating to vacancy, which shall include consideration of the performance of the agency as measured by the indicators under subparagraphs (A) and (E) of section 6(j)(1).

"(C) The assessment team shall submit to the agency and the Secretary written recommendations for management improvements to eliminate or alleviate management deficiencies, and may assist the agency in preparing the vacancy reduction plan under paragraph (2), including determining appropriate actions to eliminate vacancies.

"(4) The Secretary shall, to the extent approved in appropriations Acts, provide assistance under this subsection to public housing agencies submitting vacancy reduction plans for reasonable costs of—

"(A) implementing management improvements;

"(B) rehabilitating vacant dwelling units identified in the statement under paragraph (2); and

"(C) carrying out vacancy reduction activities described in the statement under paragraph (2).

"(5) Of any amounts available for allocation under this section to large public housing agencies pursuant to subsection (k)(2), not more than $105,000,000 shall be available in fiscal year 1991 and not more than $220,000,000 shall be available in fiscal year 1992 for carrying out this subsection.".

SEC. 511. INCOME ELIGIBILITY FOR PUBLIC HOUSING.

Section 16(b) of the United States Housing Act of 1937 (42 U.S.C. 1437n(b)) is amended—

(1) by striking "(b) Not" and inserting "(b)(1) Not";

(2) by striking "5 per centum" and inserting "15 percent"; and

(3) by adding at the end the following new paragraph:

"(2) Not more than 25 percent of the dwelling units in any project of any agency shall be available for occupancy by low-income families other than very low-income families. The limitation shall not apply in the case of any project in which, before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, such low-income families occupy more than 25 percent of the dwelling units.".

SEC. 512. SCATTERED-SITE PUBLIC HOUSING DISPOSITION PROCEEDS.

(a) IN GENERAL.—Section 18(a)(2)(B)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437p(a)(2)(B)(i)) is amended by inserting before the first comma the following: ", which, in the case of scattered-site housing of a public housing agency, shall be in an amount that bears the same ratio to the total of such costs and obligations as the number of units disposed of bears to the total number of units of the project at the time of disposition".

(b) APPLICABILITY.—The amendment made by this section shall apply to any scattered-site public housing project or portion of such project disposed of after the date of the enactment of this Act.

SEC. 513. REPLACEMENT HOUSING.

(a) DEMONSTRATION PROGRAM.—

(1) AUTHORITY.—The Secretary of Housing and Urban Development (in this subsection referred to as the "Secretary") shall carry out a program to demonstrate the effectiveness of replacing public housing dwelling units eligible for demolition or disposition with 5-year certificate assistance provided under section 8 of the United States Housing Act of 1937.

(2) SCOPE.—The Secretary shall carry out the demonstration only with respect to public housing dwelling units owned or operated by the public housing authority for the City of Saint Louis, in the State of Missouri, that before the termination of the demonstration program under this subsection are approved for demolition or disposition.

(3) REQUIREMENTS.—

(A) SECTION 8 ASSISTANCE.—Notwithstanding the provisions of section 18(b)(3)(A) of the United States Housing Act of 1937, under the demonstration program the Secretary may approve the demolition or disposition of public housing dwelling units and provide assistance for replacement of each such dwelling unit through the use of assistance under section 8 of such Act in the form of a 5-year certificate under such section 8(b).

(B) TENANT-BASED ASSISTANCE.—Notwithstanding the provisions of section 18(b)(3)(B) of the United States Housing Act of 1937, the 5-year section 8 assistance provided under this section may be tenant-based if such public housing authority shows, to the satisfaction of the Secretary, that an adequate supply of private rental housing affordable to low-income families is available in the market area for the 5-year period (at rents at or below the fair market rental for the area).

(C) APPLICABILITY OF OTHER SECTION 18 PROVISIONS.—Except as provided under subparagraphs (A) and (B), the provisions of section 18 of the United States Housing Act of 1937 shall apply to any public housing dwelling units demolished or disposed under the demonstration under this subsection.

(4) TERMINATION.—The demonstration program under this subsection shall terminate at the end of September 30, 1992.

(b) BUDGET REQUEST.—Section 18(c)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437p(c)(2)) is amended by inserting after the period at the end the following: "As part of each annual budget request for the Department of Housing and Urban Development, the Secretary shall submit to the Congress a report—

"(A) outlining the commitments the Secretary entered into during the preceding year to fund plans approved under subsection (b)(3); and

"(B) specifying, by fiscal year, the budget authority required to carry out the commitments specified in subparagraph (A).".

(c) REPEALER.—Section 18(c)(3) of the United States Housing Act of 1937 (42 U.S.C 1437p(c)(3)) is repealed.

SEC. 514. PUBLIC HOUSING RESIDENT MANAGEMENT.

Section 20(f)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437r(f)(3)) is amended to read as follows:

"(3) FUNDING.—Of amounts made available for financial assistance under section 14, the Secretary may use to carry out this subsection not more than $5,000,000 for each of fiscal years 1991 and 1992.".

SEC. 515. PUBLIC HOUSING FAMILY INVESTMENT CENTERS.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"FAMILY INVESTMENT CENTERS

"SEC. 22. (a) PURPOSE.—The purpose of this section is to provide families living in public housing with better access to educational and employment opportunities to achieve self-sufficiency and independence by—

"(1) developing facilities in or near public housing for training and support services;

"(2) mobilizing public and private resources to expand and improve the delivery of such services;

"(3) providing funding for such essential training and support services that cannot otherwise be funded; and

"(4) improving the capacity of management to assess the training and service needs of families with children, coordinate the provision of training and services that meet such needs, and ensure the longterm provision of such training and services.

"(b) GRANT AUTHORITY.—

"(1) IN GENERAL.—The Secretary may make grants to public housing agencies to adapt public housing to help families living in the public housing gain better access to educational and job opportunities to achieve self-sufficiency and independence. Assistance under this section may be made available only to public housing agencies that demonstrate to the satisfaction of the Secretary that supportive services (as such term is defined under subsection (j) will be made available. Facilities assisted under this section shall be in or near the premises of public housing.

"(2) SUPPLEMENTAL GRANT SET-ASIDE.—The Secretary may reserve not more than 5 percent of the amounts available in each fiscal year under this section to supplement grants awarded to public housing agencies under this section when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

"(c) USE OF AMOUNTS.—Amounts received from a grant under this section may only be used for—

"(1) the renovation, conversion, or combination of vacant dwelling units in a public housing project to create common areas to accommodate the provision of supportive services;

"(2) the renovation of existing common areas in a public housing project to accommodate the provision of supportive services;

"(3) the renovation of facilities located near the premises of 1 or more public housing projects to accommodate the provision of supportive services;

"(4) the provision of not more than 15 percent of the cost of any supportive services (which may be provided directly to eligible residents by the public housing agency or by contract or lease through other appropriate agencies or providers) only if the public housing agency demonstrates to the satisfaction of the Secretary that—

"(A) the supportive services are appropriate to improve the access of eligible residents to employment and educational opportunities; and

"(B) the public housing agency has made diligent efforts to use or obtain other available resources to fund or provide such services; and

"(5) the employment of service coordinators subject to such minimum qualifications and standards that the Secretary may establish to ensure sound management, who may be responsible for—

"(A) assessing the training and service needs of eligible residents;

"(B) working with service providers to coordinate the provision of services and tailor such services to the needs and characteristics of eligible residents;

"(C) mobilizing public and private resources to ensure that the supportive services identified pursuant to subsection (e)(1) can be funded over the time period identified under such subsection;

"(B) monitoring and evaluating the impact and effectiveness of any supportive service program receiving capital or operating assistance under this section; and

"(V) performing such other duties and functions that the Secretary determines are appropriate to provide families living in

public housing with better access to educational and employment opportunities.

"(d) ALLOCATION OF GRANT AMOUNTS.—Assistance under this section shall be allocated by the Secretary among approvable applications submitted by public housing agencies.

"(e) APPLICATIONS.—Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Each application for assistance shall contain—

"(1) a description of the supportive services that are to be provided over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities under subsection (c) that involve substantial rehabilitation);

"(2) a firm commitment of assistance from 1 or more sources ensuring that the supportive services will be provided for not less than 1 year following the completion of activities assisted under subsection (c);

"(3) a description of public or private sources of assistance that can reasonably be expected to fund or provide supportive services for the entire period specified under paragraph (1), including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including profit and nonprofit organizations);

"(4) certification from the appropriate State or local agency (as determined by the Secretary) that—

"(A) the provision of supportive services described in paragraph (1) is well designed to provide resident families better access to educational and employment opportunities; and

"(B) there is a reasonable likelihood that such services will be funded or provided for the entire period specified in paragraph (1);

"(5) a description of assistance for which the public housing agency is applying under this section; and

"(6) any other information or certifications that the Secretary determines are necessary or appropriate to achieve the purposes of this section.

"(f) SELECTION.—The Secretary shall establish selection criteria for grants under this section, which shall take into account—

"(1) the ability of the public housing agency or a designated service provider to provide the supportive services identified under subsection (e)(1);

"(2) the need for such services in the public housing project;

"(3) the extent to which the envisioned renovation, conversion, and combination activities are appropriate to facilitate the provision of such services;

"(4) the extent to which the public housing agency has demonstrated that such services will be provided for the period identified under subsection (e)(1);

"(5) the extent to which the public housing agency has a good record of maintaining and operating public housing; and

"(6) any other factors that the Secretary determines to be appropriate to ensure that amounts made available under this section are used effectively.

"(g) REPORTS.—

"(1) TO SECRETARY.—Each public housing agency receiving a grant under this section shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, an annual progress report describing and evaluating the use of grant amounts received under this section.

"(2) TO CONGRESS.—The Secretary shall submit to the Congress annually, as a part of the report of the Secretary under section 8 of the Department of Housing and Urban Development Act, an evaluation of the effectiveness of activities carried out with grants under this section in such fiscal year. Such report shall summarize the progress reports submitted pursuant to paragraph (1).

"(h) EMPLOYMENT OF PUBLIC HOUSING RESIDENTS.—Each public housing agency shall, to the maximum extent practicable, employ public housing residents to provide the services assisted under this section or from other sources. Such persons shall be paid at a rate not less than the highest of—

"(1) the minimum wage that would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the resident and if the resident were not exempt under section 13 of such Act;

"(2) the State or local minimum wage for the most nearly comparable covered employment; or

"(3) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

"(i) TREATMENT OF INCOME.—No service provided to a public housing resident under this section may be treated as income for the purpose of any other program or provision of State or Federal law.

"(j) DEFINITION OF SUPPORTIVE SERVICES.—For purpose of this section, the term 'supportive services' means new or significantly expanded services that the Secretary determines are essential to providing families living with children in public housing with better access to educational and employment opportunities. Such services may include—

"(1) child care;

"(2) employment training and counseling;

"(3) literacy training;

"(4) computer skills training;

"(5) assistance in the attainment of certificates of high school equivalency; and

"(6) other appropriate services.

"(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $25,000,000 in fiscal year 1991, and $26,100,000 in fiscal year 1992.".

(b) CONFORMING AMENDMENT.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new undesignated paragraph:

"The earnings of and benefits to any public housing resident resulting from participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 22 of this Act, or any comparable Federal, State, or local law shall not be considered as income for the purposes of determining a limitation on the amount of rent paid by the resident during—

"(1) the period that the resident participates in such program; and

"(2) the period that—

"(A) begins with the commencement of employment of the resident in the first job acquired by the person after completion of such program that is not funded by assistance under this Act; and

"(B) ends on the earlier of—

"(i) the date the resident ceases to continue employment without good cause as the Secretary shall determine; or

"(ii) the expiration of the 18-month period beginning on the date referred to in subparagraph (A).".

SEC. 516. ELIGIBILITY OF INDIAN MUTUAL HELP HOUSING FOR COMPREHENSIVE IMPROVEMENT ASSISTANCE.

Section 202(b) of the United States Housing Act of 1937 (42 U.S.C. 1437bb(b)) is amended—

(1) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary", and

(2) by adding at the end the following new paragraph:

"(2) ELIGIBILITY FOR CIAP.—Notwithstanding the provisions of section 14(c), the Secretary may provide assistance provided for comprehensive modernization under section 14 for the housing projects under this section for the purposes under section 14. Any assistance shall be provided under this paragraph only in the form of a single grant for each housing project (or unit within a project) selected for such assistance.".

SEC. 517. PUBLIC HOUSING EARLY CHILDHOOD DEVELOPMENT GRANTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 222(g) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z-6 note) is amended to read as follows:

"(g) AUTHORIZATION OF APPROPRIATIONS.—To the extent provided in appropriations Acts, of the amounts made available for public housing grants under section 5(c) of the United States Housing Act of 1937, there shall be set aside to carry out this section $15,000,000 for fiscal year 1991 and $15,700,000 for fiscal year 1992. Any amount appropriated pursuant to such section 5(c) and authorized for use under this subsection shall remain available until expended.".

(b) REDESIGNATION AS EARLY CHILDHOOD DEVELOPMENT PROGRAM.—

(1) IN GENERAL.—Section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701-6 note) is amended—

(A) in subsection (a), by striking "child care services" each place it appears and inserting "early childhood development services";

(B) in subsection (b)—

(i) in the matter preceding paragraph (1), by striking "child care services" and inserting "early childhood development services";

(ii) in paragraph (1), by striking " a child care services program" and inserting "an early childhood development program";

(iii) in paragraph (2), by striking "child care services" and inserting "early childhood development services"; and

(iv) in paragraphs (3), (4), (5), and (6), by striking "child care services program" each place it appears and inserting "early childhood development program";

(C) in subsection (c)—

(i) in paragraphs (1) and (2), by striking "child care services" each place it appears and inserting "early childhood development services"; and

(ii) in paragraph (3), by striking "child care services programs" and inserting "early childhood development programs";

(D) in subsection (d)—

(i) in paragraph (2), by striking "child care services" and inserting "early childhood development services";

(ii) in paragraph (3), in the matter preceding subparagraph (A), by striking "child care services program" and inserting "early childhood development program";

(iii) in paragraph (3)(A), by striking "child care services" and inserting "early childhood development services"; and

(iv) in paragraph (4), by striking "child care services" each place it appears and inserting "early childhood development services"; and

(E) in subsection (e), by striking "child care services" and inserting "early childhood development services".

(2) CONFORMING AMENDMENT.—The section heading for section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701-6 note) is amended to read as follows:

"PUBLIC HOUSING EARLY CHILDHOOD DEVELOPMENT PROGRAM".

SEC. 518. INDIAN PUBLIC HOUSING EARLY CHILDHOOD DEVELOPMENT DEMONSTRATION PROGRAM.

(a) SET-ASIDE OF INDIAN PUBLIC HOUSING AMOUNTS.—Of any amounts approved in appropriations Acts under section 5(c)(7) of the United States Housing Act of 1937 for public housing grants for Indian housing, the Secretary of Housing and Urban Development shall use $5,000,000 in fiscal year 1991 and $5,200,000 in fiscal year 1992 (to the extent such amounts are approved under such appropriations Acts) for carrying out a demonstration program under this section. Under the demonstration, the Secretary shall make grants to nonprofit organizations to assist such organizations in providing early childhood development services in or near low-income housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority for low-income families who reside in such Indian public housing.

(b) OPERATION OF DEMONSTRATION.—Except as provided in this section, the Secretary of Housing and Urban Development shall carry out the demonstration program under this section in low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority in the same manner as the demonstration program under section 222 of the Housing and Urban-Rural Recovery Act of 1983 is carried out. For purposes of this section, any reference to "public housing" or a "low income housing project" in section 222 of such Act is deemed to refer to low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

(c) LIMITATIONS.—

(1) TRIBAL DIVERSITY.—The Secretary of Housing and Urban Development shall provide that the demonstration program under this section is carried out in not more than 1 Indian public housing project for any single Indian tribe.

(2) GEOGRAPHIC DIVERSITY.—The Secretary of Housing and Urban Development shall carry out the demonstration program under this section through various Indian housing authorities and provide for geographic distribution among such housing authorities.

(d) REPORT.—

(1) IN GENERAL.—Not later than the expiration of the 3-year period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall prepare and submit to the Congress a detailed report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program established in this section. Such report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of assisting early childhood development services in or near low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

(2) CONFORMING PROVISION.—Notwithstanding subsection (b) of this section, section 222(e) of the Housing and Urban-Rural Recovery Act of 1983 (regarding submission of a report) shall not apply to this section and the demonstration program carried out under this section.

SEC. 519. PUBLIC HOUSING RENT WAIVER FOR POLICE OFFICERS.

(a) AUTHORITY.—Notwithstanding any other provision of law, the Secretary of Housing and Urban Development may permit public housing agencies to allow police officers and other security personnel (who are not otherwise eligible for residence in public housing) to reside in public housing dwelling units in accordance with this section.

(b) PLAN.—To be eligible to utilize dwelling units as provided under this section, a public housing agency shall submit to the Secretary a plan identifying the projects in which the police officers or security personnel will reside and describing the anticipated benefits from such residence.

(c) APPROVAL.—The Secretary may approve a plan and authorize the use of dwelling units under this section only if the Secretary determines that such use will—

(1) increase security for other public housing residents;

(2) result in a limited loss of income to the public housing agency; and

(3) not result in a significant reduction of units available for residence by families eligible for such residence under the provisions of the United States Housing Act of 1937.

The Secretary shall notify each public housing agency submitting a plan under subsection (b) of approval or disapproval of the plan not later than 30 days after the Secretary receives the plan.

(d) TERMS.—Upon approving a plan under subsection (b), the Secretary shall waive the applicability of any occupancy requirements with respect to the officers or other personnel, and may permit the public housing agency submitting the plan to establish such special rent requirements and other terms and conditions of occupancy that the Secretary considers appropriate.

SEC. 520. PUBLIC HOUSING YOUTH SPORTS PROGRAMS.

(a) YOUTH SPORTS PROGRAM GRANTS.—From amounts provided for public and assisted housing drug elimination grants under section 5130(a) of the Anti-Drug Abuse Act of 1988, the Secretary of Housing and Urban Development may make grants to qualified entities under subsection (b) to carry out youth sports programs in projects of public housing agencies with substantial drug problems.

(b) ENTITIES QUALIFIED TO RECEIVE GRANTS.—Grants under this section may be made only to—

(1) States;

(2) units of general local government;

(3) local park and recreation districts and agencies;

(4) public housing agencies;

(5) nonprofit organizations providing youth sports services programs;

(6) Indian tribes; and

(7) Indian housing authorities.

(c) USE OF GRANTS.—

(1) PUBLIC HOUSING SITES WITH SUBSTANTIAL DRUG PROBLEMS.—Grants under this section shall be used for youth sports programs only with respect to public housing sites that the Secretary determines have a substantial problem regarding the use or sale of illegal drugs.

(2) YOUTH SPORTS PROGRAM ELIGIBILITY.—To be eligible to receive assistance from a grant under this section, a youth sports program shall be designed and organized as follows:

(A) The sports program shall serve primarily youths from the public housing project in which the program assisted by the grant is operated.

(B) The sports program shall provide positive sports activities or positive cultural, recreational, or other activities, designed to appeal to youths as alternatives to the drug environment in the public housing project.

(C) The sports program shall be operated as, in conjunction with, or in furtherance of, an organized program or plan designed to eliminate drugs and drug-related problems in the public housing project or projects within the public housing agency.

(d) ELIGIBLE ACTIVITIES.—Any qualified entity that receives a grant under this section may use amounts from the grant to assist in carrying out a youth sports program in any of the following manners:

(1) Acquisition, construction, or rehabilitation of community centers, parks, or playgrounds.

(2) Redesigning or modifying public spaces in public housing projects to provide increased utilization of the areas by youth sports programs.

(3) Provision of public services, including salaries and expenses for staff of youth sports programs, cultural activities, educational programs relating to drug abuse, and sports and recreation equipment.

(e) GRANT AMOUNT LIMITATIONS.—

(1) MATCHING AMOUNT.—The Secretary may not make a grant to any qualified entity that applies for a grant under subsection (f) unless the applicant entity certifies to the Secretary, as the Secretary shall require, that the applicant will supplement the amount provided by the grant with an amount of funds from non-Federal sources equal to or greater than 50 percent of the amount provided by the grant.

(2) NON-FEDERAL FUNDS.—For purposes of this subsection, the term "funds from non-Federal sources" includes funds from States, units of general local governments, or agencies of such governments, Indian tribes, private contributions, any salary paid to staff to carry out the youth sports program of the recipient, the value of the time and services contributed by volunteers to carry out the program of the recipient at a rate determined by the Secretary, the value of any donated material, equipment, or building, and the value of any lease on a building.

(3) PROHIBITION OF SUBSTITUTION OF FUNDS.—Neither amounts received from grants under this section nor any State or local government funds used to supplement such amounts may be used to replace other public funds previously used, or designated for use, for the purposes under this Act.

(4) MAXIMUM ANNUAL GRANT AMOUNT.—For any single fiscal year, the Secretary may not award grants under this section for carrying out a youth sports program with respect to any single public housing project in an amount exceeding $125,000.

(f) APPLICATIONS.—To be eligible to receive a grant under this section, a qualified entity under subsection (b) shall submit to the Secretary an application as the Secretary may require, which shall include the following:

(1) A description of the organization of the youth sports program.

(2) A description of the nature of services provided by the youth sports program.

(3) An estimate of the number of youth involved.

(4) A description of the extent of involvement of local sports organizations or sports figures.

(5) A description of the facilities used.

(6) A description of plans to continue the youth sports program in the future.

(7) A statement regarding the extent to which the youth sports program meets the criteria for selection under subsection (g).

(8) A description of the planned schedule and activities of the youth sports program and the financial and other resources committed to each activity and service of the program.

(9) A budget describing the share of the costs of the youth sports program provided by the grant under this section and other sources of funds, including funds required under subsection (e)(1).

(10) Any other information that the Secretary may require.

(g) SELECTION CRITERIA.—The Secretary shall select qualified entities that have applied under subsection (f) to receive grants under this section pursuant to a competition based on the following criteria:

(1) The extent to which the youth sports program to be assisted with the grant addresses the particular needs of the area to be served by the program and employs methods, approaches, or ideas in the design or implementation of the program particularly suited to fulfilling such needs (whether such methods are conventional or unique and innovative).

(2) The technical merit of the application of the qualified entity.

(3) The qualifications, capabilities, and experience of the personnel and staff of the sports program who are critical to achieving the objectives of the program as described in the application.

(4) The capabilities, related experience, facilities, techniques of the applicant for carrying out the youth sports program and achieving the objectives of the program as described in the application and the potential of the applicant for continuing the youth sports program.

(5) The severity of the drug problem at the local public housing site for the youth sports program and the extent of any planned or actual efforts to rid the site of the problem.

(6) The extent to which local sports organizations or sports figures are involved.

(7) The extent of the support of the public housing agency for the program, coordination of proposed activities with local resident management groups or associations (where such groups exist) and coordination of proposed activities with ongoing programs of the applicant that further the purposes of this section.

(8) The extent of non-Federal contributions that exceed the amount of such funds required under subsection (e)(1).

(9) In the case of a qualified entity under paragraph (3) or (4) of subsection (b), the extent to which the applicant has demonstrated local government support for the program.

(h) REPORT.—Each qualified entity that receives a grant under this section shall submit to the Secretary, not later than the expiration of the 90-day period beginning on the date on which the grant amounts provided under this section are fully expended, a report describing the activities carried out with the grant.

(i) DEFINITIONS.—For purposes of this section:

(1) INDIAN TRIBE.—The term "Indian tribe" has the meaning given such term in section 102(a)(17) of the Housing and Community Development Act of 1974.

(2) PUBLIC HOUSING AGENCY.—The term "public housing agency" has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(3) PUBLIC HOUSING PROJECT.—The terms "project" and "public housing" have the meanings given the terms in section 3(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(4) QUALIFIED ENTITY.—The term "qualified entity" means an entity eligible under subsection (b) to apply for and receive a grant under this section.

(5) STATE.—The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(6) UNIT OF GENERAL LOCAL GOVERNMENT.—The term "unit of general local government" means any city, town, township, county, parish, village, or other general purpose political subdivision of a State.

(7) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(j) REGULATIONS.—The Secretary shall issue any regulations necessary to carry out this section.

(k) AUTHORIZATION OF APPROPRIATIONS.—Section 5129 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11908), as amended by the preceding provisions of this Act, is further amended by inserting after the first sentence the following new sentence: "From any amounts appropriated under this section in each fiscal year, 5 percent of such amounts shall be available for public housing youth sports program grants under section 520 of the Cranston-Gonzalez National Affordable Housing Act for such fiscal year.".

SEC. 521. PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.

(a) ESTABLISHMENT OF DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development, in consultation with the Secretary of Health and Human Services, shall carry out a program to demonstrate the effectiveness of providing grants to public housing agencies to assist such agencies in providing facilities for making one-stop perinatal services programs (as defined in subsection (e)(1)) available for pregnant women who reside in public housing. Under the demonstration program, the Secretary shall make grants to not more than 10 public housing agencies.

(2) CONSULTATION REQUIREMENTS.—In carrying out the demonstration program under this section, the Secretary shall consult with the heads of other appropriate Federal agencies.

(b) ALLOCATION OF ASSISTANCE.—

(1) PREFERENCES.—In selecting public housing agencies for grants under this section, the Secretary shall give preference to the following public housing agencies:

(A) AREAS WITH HIGH INFANT MORTALITY RATES.—Public housing agencies serving areas with high infant mortality rates.

(B) SECURE FACILITIES.—Public housing agencies that demonstrate, to the satisfaction of the Secretary, that security will be provided so that women are safe when participating in the one-stop perinatal services program carried out at the facilities provided or assisted under this section.

(2) LIMITATION ON GRANT AMOUNT.—The aggregate amount provided under this section for any public housing project may not exceed $15,000.

(c) DEMONSTRATION PROGRAM REQUIREMENTS.—

(1) APPLICATIONS.—Applications for grants under this section shall be made by public housing agencies in accordance with procedures established by the Secretary and shall include a description of the one-stop perinatal services program to be provided in the facilities provided or assisted under this section.

(2) USE OF GRANTS.—Any public housing agency receiving a grant under this section may use the grant only for the costs of providing facilities and minor renovations of facilities necessary to make one-stop perinatal services programs available to pregnant women who reside in public housing.

(3) REPORTS TO SECRETARY.—Each public housing agency receiving a grant under this section for any fiscal year shall submit to the Secretary, not later than 3 months after the end of such fiscal year, a report describing the facilities provided by the public housing agency under this section and the one-stop perinatal services program carried out in such facilities. The report shall include data on the size of the facilities, the costs and extent of any renovations, the previous use of the facilities, the number of women assisted by the program, the trimester of the pregnancy of the women at the time of initial assistance, infant birthweight, infant mortality rate, and other relevant information.

(4) APPLICABLE STANDARDS.—No provision of this section may be construed to authorize the Secretary to establish any health, safety, or other standards with respect to the services provided by the one-stop perinatal services program or facilities provided or assisted with grants received under this section. Such services and facilities shall comply with all applicable State and local laws, regulations, and ordinances, and all requirements established by the Secretary of Health and Human Services for such services and facilities.

(d) REPORT TO CONGRESS.—Not later than 1 year after the date that amounts to carry out this section are first made available under appropriations Acts, the Secretary shall prepare and submit to the Congress a comprehensive report setting forth the findings and conclusions of the Secretary as a result of carrying out the demonstration program under this section. The report shall include any recommendations of the Secretary with respect to the establishment of a permanent program of providing facilities in public housing for making perinatal services available to pregnant women who reside in the public housing.

(e) DEFINITIONS.—For purposes of this section:

(1) ONE-STOP PERINATAL SERVICES PROGRAM.—The term "one-stop perinatal services program" means a program to provide a wide range of services for pregnant and new mothers in a coordinated manner at a drop-in center, which may include any of the following:

(A) INFORMATION AND EDUCATION.—Information and education for pregnant women regarding perinatal care services, and related services and resources, necessary to decrease infant mortality and disability.

(B) HEALTH CARE SERVICES.—Basic health care services that can be provided without a physician present.

(C) REFERRAL.—Basic health screening of pregnant women and referrals for health care services.

(D) FOLLOWUP.—Followup assessment of women and infants (including measurement of weight) and referrals for health care services and related services and resources.

(E) SOCIAL WORKER.—Information and assistance regarding Federal and State social services provided by a social worker.

(F) OTHER.—Any other services to assist pregnant or new mothers.

(2) PUBLIC HOUSING.—The terms "public housing" and "public housing agency" have the meanings given such terms in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(3) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(f) REGULATIONS.—The Secretary shall issue any regulations necessary to carry out this section.

(g) AUTHORIZATION OF APPROPRIATIONS.—Of any amounts approved in appropriations Acts under section 22(k) of the United States Housing Act of 1937 for fiscal year 1991, the Secretary shall use $150,000 (to the extent such amounts are approved in appropriations Acts) for carrying out the demonstration program under this section.

SEC. 522. PUBLIC HOUSING MIXED INCOME NEW COMMUNITIES STRATEGY DEMONSTRATION.

(a) ESTABLISHMENT OF DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development shall carry out a program to demonstrate the effectiveness of promoting the revitalization of troubled urban communities through the provision of public housing in socioeconomically mixed settings combined with the innovative use of public housing operating subsidies to stimulate the development of new affordable housing in such communities.

(2) COMPREHENSIVE SERVICES.—Housing units provided under the demonstration program under this section shall be made available in connection with a comprehensive program of services and incentives under subsections (h) and (i), in order to prepare participating families for successful transition to the private rental housing market and homeownership within a reasonable period of time.

(b) COORDINATING COMMITTEE.—

(1) ESTABLISHMENT.—For a public housing agency to be eligible for designation or selection under subsection (d) for participation in the demonstration program, the chief executive officer of each unit of general local government in which the public housing agency is located shall appoint a coordinating committee under this paragraph. The coordinating committee shall participate in developing a plan for implementing the demonstration program, review, monitor, and make recommendations for improvements in activities under the demonstration program, and ensure the coordination and delivery of services under subsection (h).

(2) MEMBERSHIP.—Each coordinating committee shall be composed of 12 members, who shall include, but may not be limited to, the following individuals:

(A) A representative of the chief executive officer of the applicable unit of general local government.

(B) A representative of the applicable public housing agency.

(C) A representative of the regional administrator of the Department of Housing and Urban Development.

(D) A representative of a local resident management corporation.

(E) Not less than 1 individual affiliated with a local agency that administers programs in 1 of the following areas: health, human services, substance abuse, education, economic and business development, law enforcement, and housing.

(F) A representative from among local businesses engaged in housing and real estate.

(G) A representative from among business engaged in real estate financing.

(3) SOCIAL SERVICE COMMITTEES.—Each coordinating committee established under this subsection shall establish a subcommittee on social services, which shall, before any action is taken under subsection (e)(1) (with respect to the demonstration program as carried out by the applicable public housing agency), identify the specific services that are required to successfully carry out the demonstration program.

(c) INTERAGENCY COOPERATION.—The Secretary shall coordinate with the appropriate heads of other Federal agencies as necessary to coordinate the implementation of the demonstration program and endeavor to ensure the delivery of supportive services required under subsection (h).

(d) SCOPE OF DEMONSTRATION PROGRAM.—

(1) PARTICIPATING PUBLIC HOUSING AGENCIES.—The Secretary shall carry out the demonstration program with respect to public housing for families administered by the Housing Authority of the City of Chicago, in the State of Illinois. The Secretary may also carry out the demonstration program with respect to public housing administered by not more than 3 other public housing agencies.

(2) PARTICIPATING PUBLIC HOUSING UNITS.—Over the term of the demonstration, the demonstration may be applied to not more than 15 percent of the total number of public housing units for families administered by each participating public housing agency.

(3) NONDISPLACEMENT.—No person who is a tenant of public housing during the term of the demonstration program may be involuntarily relocated or displaced under the demonstration program.

(e) HOUSING DEVELOPMENT.—

(1) USE OF PUBLIC HOUSING OPERATING SUBSIDIES.—For the purpose of providing reasonable and necessary operating costs in connection with the development of additional affordable housing, under the demonstration program the Secretary shall amend the annual contributions contract between the Secretary and each participating public housing agency as the Secretary determines appropriate to permit the public housing agency to utilize operating subsidy amounts allocated to the agency under section 9 of the United States Housing Act of 1937 with respect to newly constructed or rehabilitated housing units that are privately developed and owned. Such units shall be reserved for use under the demonstration program for occupancy by very low-income families as provided under this subsection and subsection (g).

(2) LEASE TERMS.—Operating subsidy amounts shall be provided for the operation of housing under paragraph (1) pursuant to a lease contract between the owner of the housing and the public housing agency, which shall specify—

(A) the number of units to be leased exclusively to the public housing agency for the term of the demonstration program, subject only to the availability of amounts under paragraph (1) or other funds for such purposes; and

(B) the requirements under subsection (f)(6).

(3) TRANSFER OF AMOUNTS.—Operating subsidy amounts may be provided for a unit of housing under paragraph (1) only after the execution of a lease under subsection (f)(5) for 1 corresponding public housing unit.

(4) RENTAL TERMS.—Units leased by a participating public housing agency under this subsection shall be available only to very low-income families that reside, or have been offered a unit, in public housing administered by the public housing agency and that enter into a voluntary contract under subsection (g)(1). The rental charge for each unit shall be the amount equal to 30 percent of the adjusted income of the resident family (as determined under section 3(b) of the United States Housing Act of 1937), except that the rental charge may not exceed a ceiling rent determined by the public housing agency in the manner that monthly rent is determined under section 3(a)(2)(A) of such Act.

(5) INCOME MIX.—Not more than 25 percent of the units in each privately developed housing project under the demonstration program may be leased by a public housing agency pursuant to a lease contract under paragraph (2). The number of units under each such lease may not be less than the number of public housing units that, notwithstanding the demonstration program, would have been assisted with the operating subsidy amounts made available under such contract, to ensure that there shall be no loss of public housing units.

(6) COORDINATION WITH OTHER ENTITIES FOR DEVELOPMENT OF HOUSING.—A participating public housing agency may seek the cooperation and receive assistance from State, county, and local governments and the private sector to develop housing for use under this subsection. Such assistance may include, but is not limited to—

(A) donations of land and write-downs and discounts on land by local governments;

(B) abatement of real estate taxes for specified periods by local, county, or State governments;

(C) assignment of community development block grant funds and loan guarantees made available under title I of the Housing and Community Development Act of 1974;

(D) low interest rate financing through Federal Home Loan Bank programs, State or Federal programs, and private lenders;

(E) low-income housing tax credits from State and local governments; and

(F) mortgage revenue bonds from State or local governments.

(7) DETERMINATION OF LOCATION AND NUMBER OF UNITS.—

(A) IN GENERAL.—A participating public housing agency and the applicable unit of general local government shall jointly determine the location of any newly constructed or rehabilitated housing to be utilized under the demonstration program carried out by the public housing agency and the number of units to be developed annually, with approval of the legislative body of the local government.

(B) LIMITATION ON NUMBER OF UNITS.—The total number of newly constructed or rehabilitated units that may be used under this subsection in the demonstration program may not exceed—

(i) for any participating public housing agency with not more than 5,000 public housing units, 15 percent of the number of units administered by the agency;

(ii) for any participating agency with more than 5,000 but not more than 25,000 units, 10 percent of the number of units administered by the agency; and

(iii) for any participating agency with more than 25,000 units, 4 percent of the number of units administered by the agency.

(f) EXISTING PUBLIC HOUSING.—

(1) IN GENERAL.—To facilitate the establishment of socioeconomically mixed communities within existing public housing developments, under the demonstration program the Secretary shall authorize participating public housing agencies to lease units in existing public housing projects, as provided in this subsection, to low-income families who are not very low-income families, notwithstanding the provisions of section 16(b) of the United States Housing Act of 1937.

(2) LIMITATIONS ON PUBLIC HOUSING RESIDENTS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), not more than 25 percent of the units in each public housing project in which units are utilized under the demonstration program may be occupied by low-income families who are not very low-income families. Not less than 75 percent of the units in each such public housing project shall be occupied by very low-income families.

(B) EXCEPTION.—Upon determining that a public housing agency has a special need, the Secretary may provide for not more than 50 percent of the units in a public housing project utilized under the demonstration program to be occupied by low-income families who are not very low-income families, and the remainder of the units to be occupied by very low-income families. Such special need may include the need to ensure the successful revitalization of troubled public housing through establishing a socioeconomically mixed resident population.

(3) NUMBER OF UNITS.—The number of such units made available under this subsection by a public housing agency may not exceed the number of units provided under subsection (e) to participating families.

(4) RENTAL TERMS.—The rent charged any family occupying a unit made available under this subsection may not, at any time during the demonstration period, exceed the ceiling rent level determined by the public housing agency in the manner that monthly rent is determined under section 3(a)(2)(A) of the United States Housing Act of 1937.

(5) LEASE.—A participating public housing agency shall enter into a lease with each family occupying a public housing unit made available under this subsection. The term of each lease shall be 1 year. Each lease shall be renewable upon expiration for a period not to exceed 7 years. A public housing agency may extend the period as provided under subsection (j)(1).

(6) VACANCY.—If, at any time, a participating public housing agency is unable to rent a unit made available under this subsection and the unit has been vacant for a period of 6 months, the agency may—

(A) cancel a lease for 1 unit of housing provided under subsection (e) and recapture any operating subsidy amounts associated with the unit for use with respect to the vacant public housing unit, upon which such public housing unit shall be removed from participation in the demonstration program and made generally available for occupancy as provided under the United States Housing Act of 1937; and

(B) provide the family residing in the housing unit provided under subsection (e) (from which operating subsidy amounts have been recaptured) with assistance under section 8(b) of such Act, subject to the availability of such assistance pursuant to appropriations Acts and notwithstanding any preferences for such assistance under section 8(d)(1)(A)(i) of such Act, and permit the family to remain in the unit.

(g) CONTRACTS WITH PARTICIPATING FAMILIES.—

(1) IN GENERAL.—Under the demonstration program, a participating public housing agency shall enter into a contract with each family that will reside in a unit of privately developed housing leased to the agency under subsection (e). Such family shall voluntarily enter into the contract and shall meet the criteria established under paragraph (2). The contract shall be made part of the lease executed between the family and the public housing agency for such unit, shall set forth the provisions of the demonstration program, and shall specify the resources to be made available to the participating family and the responsibilities of the participating family under the program. The lease shall be for a term of 1 year and shall be renewable upon expiration for a period not to exceed 7 years, except as provided under subsection (j)(1).

(2) ESTABLISHMENT OF CRITERIA.—Each public housing agency shall establish criteria for participation of families in the demonstration program. The criteria shall be based on factors that may reasonably be expected to predict the family's ability to successfully complete the requirements of the demonstration program. The criteria shall include—

(A) the status and history of employment of family members;

(B) enrollment of the children in the family in an educational program;

(C) maintenance by the family of the family's previous dwelling;

(D) ability of adult family members to complete training for long-term employment;

(E) the existence and seriousness of any criminal records of family members; and

(F) the status and history of substance abuse of family members.

(3) CONTINUED RESIDENCE.—Continued residency of families in housing provided under subsection (e) shall be contingent upon compliance with standards established by the participating public housing agency, which shall include—

(A) all members of the family remaining drug-free;

(B) no member of the family engaging in any criminal activity;

(C) each child in the family remaining in an educational program until receipt of a high school diploma or the equivalent thereof; and

(D) family members participating in the support services and counseling under subsection (h).

(h) PROVISION OF SUPPORTIVE SERVICES.—For the entire term of residency of a participating family in housing provided under subsection (e), the public housing agency shall ensure the availability of supportive services and counseling to the family in accordance with the terms and conditions of the contract of participation under subsection (g)(1). The public housing agency shall provide for such services and counseling through its own resources and through coordination with Federal, State, and local agencies, community-based organizations, and private individuals and entities. Services shall include the following:

(1) Remedial education.

(2) Education for completion of high school.

(3) Job training and preparation.

(4) Child care.

(5) Substance abuse treatment and counseling.

(6) Training in homemaking skills and parenting.

(7) Family counseling.

(8) Financial counseling services emphasizing planning for homeownership, provided by local financial institutions under the Community Reinvestment Act of 1977, provided under section 106 of the Housing and Urban Development Act of 1968, or otherwise provided.

(i) ECONOMIC ADVANCEMENT OF PARTICIPATING FAMILIES.—

(1) EMPLOYMENT.—Under the demonstration program, for the entire term of residency of each participating family in housing provided under subsection (e)—

(A) the head of the family shall be required to be employed on a full-time basis, except that if the head of the family becomes unemployed, the public housing agency shall review the individual case to determine if mitigating factors, such as involuntary loss of employment, warrant continuing the family's participation in the demonstration program; and

(B) the public housing agency shall ensure the provision of counseling to assist family members in gaining, advancing in, and retaining employment.

(2) RENT INCREASES.—During the 1-year period beginning upon the residency of a participating family in housing provided under subsection (e), the amount of rent charged the participating family may not be increased on the basis of any increase in the earned income of the family, until such earned income exceeds 80 percent of the median family income for the area.

(3) ESCROW SAVINGS ACCOUNTS.—

(A) PURPOSE AND ESTABLISHMENT.—To ensure that participating families acquire the financial resources necessary to complete a successful transition from assisted rental housing to homeownership or other private housing, under the demonstration program each participating public housing agency shall establish for each participating family an interest-bearing escrow savings account held by the agency in the family's name.

(B) PERIODIC DEPOSITS.—For the entire term of a participating family's residency in housing provided under subsection (e) the public housing agency shall deposit in the account established for the family under subparagraph (A) a percentage of the monthly rent charged the family, which percentage shall be established in the contract of participation under subsection (g)(1). Any rent increases charged because of increases in the earned income of the family shall also be deposited into the escrow account.

(C) ACCESS TO AMOUNTS.—A participating family may withdraw amounts in the family's escrow account only upon successful completion of participation in the demonstration program, for purchase of a home, for contribution toward college tuition, or other good cause determined by the participating public housing agency. A participating family that has committed violations referred to under subsection (j)(2)(B) shall forfeit access to such amounts.

(4) TREATMENT OF INCREASED INCOME.—Any increase in the earned income of a participating family during residency in housing provided under subsection (e) may not be considered as income or a resource for the purpose of the family for benefits, or amount of benefits payable to the family, under any other Federal law, unless the income of the family equals or exceeds 80 percent of the median income of the area (as determined by the Secretary with adjustments for smaller and larger families).

(j) CONCLUSION OF PARTICIPATION.—

(1) 7-YEAR TERM.—Each family residing in housing provided under subsection (e) or (f) shall terminate residency in housing not later than the expiration of the 7-year period beginning on the commencement of such residency. Notwithstanding the preceding sentence, a public housing agency shall extend the period for any family that requests extension of the period—

(A) because the family is not prepared to enter a program for homeownership or to secure any other form of private housing; or

(B) for other good cause.

(2) INCOMPLETION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), if a participating family is unable to successfully fulfill the requirements under the demonstration program, the public housing agency shall offer the family a comparable public housing unit in a project administered by the agency (notwithstanding any preference for residency in public housing under section 6(c)(4)(A)(i) of the United States Housing Act of 1937), or assistance under section 8 of such Act (subject to availability of amounts provided under appropriations Acts and notwithstanding any preference for such assistance under section 8(d)(1)(A)(i) of such Act).

(B) EXCEPTION.—Subparagraph (A) shall not apply to any participating family that has committed serious or repeated violations of the terms and conditions of the lease, violations of applicable Federal, State, or local law or that has been exempted from such requirement by the public housing agency for other good cause.

(k) REPORTS TO CONGRESS.—

(1) INTERIM REPORT.—Upon the expiration of each 2-year period during the term of the demonstration, the first such period beginning on the date of the enactment of this Act, the Secretary shall submit to the Congress a report evaluating the effectiveness of the demonstration program under this section.

(2) FINAL REPORT.—Not later than the expiration of the 60-day period beginning on the date of the termination of the demonstration program under subsection (n), the Secretary shall submit to the Congress a final report evaluating the effectiveness of the demonstration program under this section. The report shall also include findings and recommendations for any legislative action appropriate to establish a permanent program based on the demonstration program.

(l) DEFINITIONS.—For purposes of this section:

(1) The term "coordinating committee" means a local coordinating committee established under subsection (b)(1).

(2) The term "demonstration program" means the program established by the Secretary under this section.

(3) The term "low-income family" means a family whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of findings by the Secretary that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

(4) The term "operating subsidy amounts" means assistance for public housing provided through the performance funding system under section 9 of the United States Housing Act of 1937.

(5) The term "participating family" means a family that is residing in a housing unit provided under subsection (e).

(6) The term "participating public housing agency" means a public housing agency with respect to which the Secretary carries out the demonstration program under this section.

(7) The terms "public housing agency", "public housing", and "project" have the meanings given such terms under section 3(b) of the United States Housing Act of 1937.

(8) The term "Secretary" means the Secretary of Housing and Urban Development.

(9) The term "unit of general local government" means any city, town, township, county, parish, village, or other general purpose political subdivision of a State.

(m) REGULATIONS.—The Secretary shall issue any regulations necessary to carry out this section not later than the expiration of the 90-day period beginning on the date of the enactment of this Act.

(n) TERMINATION OF DEMONSTRATION PROGRAM.—The demonstration program under this section shall terminate upon the expiration of the 10-year period beginning on the date of the enactment of this Act.

SEC. 523. ENERGY EFFICIENCY DEMONSTRATION.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall carry out a demonstration program to encourage the use of private energy service companies in accordance with section 118(a) of the Housing and Community Development Act of 1987. The Secretary shall provide technical assistance to 5 public housing agencies to demonstrate the opportunities for energy cost reduction in 5 public housing projects through energy services contracts. Not later than 90 days after the date of the enactment of this Act, the Secretary shall establish such selection criteria for this demonstration as the Secretary deems appropriate after consultation with representatives of public housing agencies and energy efficiency organizations.

(b) REPORT.—As soon as practicable after the expiration of the 1-year period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a report setting forth the findings and recommendations of the Secretary as a result of the demonstration under this section. The Secretary shall disseminate such report, to the extent practicable, to other public housing agencies.

SEC. 524. STUDY OF PUBLIC HOUSING FUNDING SYSTEM.

The Secretary of Housing and Urban Development shall conduct a study assessing one or more revised methods of providing sufficient Federal funds to public housing agencies for the operation, maintenance and modernization of public housing. In analyzing such alternatives, the Secretary shall compare and contrast existing methods of funding in public housing with those used by the Department of Housing and Urban Development in housing assisted under section 8 of the United States Housing Act of 1937. In preparing the study mandated by this section, the Secretary shall, in particular, review the results of the study entitled "Alternative Operating Subsidies Systems for the Public Housing Program", released by the Department's Office of Policy, Development and Research in May 1982, and shall update such study as may be necessary. The Secretary shall submit a report to the Congress not later than 12 months after the date of the enactment of this Act detailing the findings of the study conducted under this section.

SEC. 525. STUDY OF PROSPECTIVE PAYMENT SYSTEM FOR PUBLIC HOUSING.

The Secretary of Housing and Urban Development shall carry out a study assessing one or more revised methods of providing Federal housing assistance through local public housing agencies (in this section referred to as "PHA's"). In analyzing such alternatives, the Secretary shall examine methods of prospective payment, including the conversion of PHA operating assistance, modernization, and other Federal housing assistance to a schedule of steady and predictable capitated Federal payments to PHA's on behalf of low income public housing tenants. The Secretary shall assess, within the capitated funding alternative, means of (1) providing for tenant participation in the release of such capitated payments to PHA's; (2) providing financial incentives for PHA overall performance and efficiency; (3) designating certain PHA's as distressed and eligible for special Federal assistance; (4) differential treatment of PHA's based on differences in local population demographics, rental housing markets, and other pertinent factors, and (5) calculating annual inflation-based increases in capitated Federal payments. The report shall be submitted to the Congress not later than 12 months after the date of the enactment of this Act.

SEC. 526. GAO STUDY OF ALTERNATIVES IN PUBLIC HOUSING DEVELOPMENT.

The Comptroller General of the United States shall conduct a study assessing alternative methods of developing public housing dwelling units, other than under the existing public housing development program under the United States Housing Act of 1937. Under the study the Comptroller General shall—

(1) analyze and evaluate different methods of financing and structuring a program to develop public housing and of coordinating such program with local housing strategies; and

(2) evaluate the effectiveness of developing public housing units by coordinating the low-income housing tax credit program with the development of public housing.

The Comptroller General shall submit a report to the Congress regarding the findings and conclusions of the study not later than 12 months after the date of the enactment of this Act.

SEC. 527. APPLICABILITY.

In accordance with section 201(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437aa(b)(2)), the provisions of this subtitle that modify the public housing program under title I of the United States Housing Act of 1937 shall also apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority, except that sections 502 and 510 shall not apply.

Subtitle B—Low-Income Rental Assistance

SEC. 541. DESIGNATION OF CERTIFICATE AND VOUCHER PROGRAMS.

(a) CERTIFICATE PROGRAM.—Section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b)) is amended by striking "(b)(1)" and inserting "(b) RENTAL CERTIFICATES AND OTHER EXISTING HOUSING PROGRAMS.—".

(b) VOUCHER PROGRAM.—Section 8(o) of the United States Housing Act of 1937 (42 U.S.C 1437f(o)) is amended by inserting "RENTAL VOUCHERS.—" after "(o)".

SEC. 542. DRUG-RELATED RENT ADJUSTMENTS.

Section 8(c)(2)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(B)) is amended by adding at the end the following: "Where the Secretary determines that a project assisted under this section is located in a community where drug-related criminal activity is generally prevalent and the project's operating, maintenance, and capital repair expenses have been substantially increased primarily as a result of the prevalence of such drug-related activity, the Secretary may (at the discretion of the Secretary and subject to the availability of appropriations for contract amendments for this purpose), on a project by project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the project rents, to cover the costs of maintenance, security, capital repairs, and reserves required for the owner to carry out a strategy acceptable to the Secretary for addressing the problem of drug-related criminal activity. Any rent comparability standard required under this paragraph may be waived by the Secretary to so implement the preceding sentence.".

SEC. 543. TENANT RENT CONTRIBUTIONS UNDER TENANT-BASED CERTIFICATE PROGRAM.

(a) EXCEPTION TO GENERAL RULE.—Section 8(c)(3) of the United States Housing Act of 1937 is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end the following new subparagraph:

"(B)(i) A family receiving tenant-based rental assistance under subsection (b)(1) may pay a higher percentage of income than that specified under section 3(a) of this Act if—

"(I) the family notifies the local public housing agency of its interest in a unit renting for an amount which exceeds the permissible maximum monthly rent established for the market area under paragraph (1), and

"(II) such agency determines that the rent for the unit and the rental payments of the family are reasonable, after taking into account other family expenses (including child care, unreimbursed medical expenses, and other appropriate family expenses.

"(ii) A public housing agency shall not approve such excess rentals for more than 10 percent of its annual allocation of incremental rental assistance under subsection (b)(1). A public housing agency that approves such excess rentals for more than 5 percent of its annual allocation shall submit a report to the Secretary not later than 30 days following the end of the fiscal year. The report shall be submitted in such form and in accordance with such procedures as the Secretary shall establish and shall describe the public housing agency's reasons for making the exceptions, including any available evidence that the exceptions were made necessary by problems with the fair market rent established for the area. The Secretary shall ensure that each report submitted in accordance with this clause is readily available for public inspection for a period of not less than 3 years, beginning not less than 30 days following the date on which the report is submitted to the Secretary.

"(iii) The Secretary shall, not later than 3 months following the end of each fiscal year, submit a report to Congress that identifies the public housing agencies that have submitted reports for such fiscal year under clause (ii), summarizes and assesses such reports, and includes recommendations for such legislative or administrative actions that the Secretary deems appropriate to correct problems identified in such reports.".

(b) HOUSING STRATEGY.—The second sentence of section 8(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(1)) is amended by—

(1) inserting "(A)" after "fair market rental" the second place it appears; and

(2) by striking "a local housing assistance plan" and all that follows through the end of the sentence and inserting the following: "a housing strategy as defined in section 105 of the Cranston-Gonzalez National Affordable Housing Act, or (B) by such higher amount as may be requested by a tenant and approved by the public housing agency in accordance with paragraph (3)(B).".

SEC. 544. OPT-OUTS.

Section 8(c)(9) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(9)) is amended—

(1) by inserting at the end of the first sentence the following new sentence: "The owner's notice shall include a statement that the owner and the Secretary may agree to a renewal of the contract, thus avoiding the termination."; and

(2) by inserting before the final sentence the following new sentence: "Within 30 days of the Secretary's finding, the owner shall provide written notice to each tenant of the Secretary's decision.".

SEC. 545. PREFERENCE RULES.

(a) CERTIFICATE PROGRAM.—Section 8(d)(1)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

"(A) the selection of tenants for such units shall be the function of the owner, subject to the provisions of the annual contributions contract between the Secretary and the agency, except that the tenant selection criteria used by the owner shall—

"(i) for not less than (I) 70 percent of the families who initially receive assistance in any 1-year period in the case of assistance attached to a structure and (II) 90 percent of such families in the case of assistance not attached to a structure, give preference to families that occupy substandard housing (including families that are homeless or living in a shelter for homeless families), are paying more than 50 percent of family income for rent, or are involuntarily displaced at the time they are seeking assistance under this section; except that any family otherwise eligible for assistance under this section may not be denied preference for assistance not attached to a structure (or delayed or otherwise adversely affected in the provision of such assistance) solely because the family resides in public housing;

"(ii) for any remaining assistance in any 1-year period, give preference to families who qualify under a system of local preferences established by the public housing agency in writing and after public hearing to respond to local housing needs and priorities, which may include (I) assisting very low-income families who either reside in transitional housing assisted under title IV of the Stewart B. McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities; (II) assisting families in accordance with subsection (u)(2); (III) assisting families identified by local public agencies involved in providing for the welfare of children as having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care, or in preventing the discharge of a child from foster care and reunification with his or her family; (IV) assisting youth, upon discharge from foster care, in cases in which return to the family or extended family or adoption is not available; and (V) achieving other objectives of national housing policy as affirmed by Congress; and

"(iii) prohibit any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity from having a preference under any provision of this subparagraph for 3 years unless the evicted tenant successfully completes a rehabilitation program approved by the agency, except that the agency may waive the application of this clause under standards established by the Secretary (which shall include waiver for any member of a family of an individual prohibited from tenancy under this clause who the agency determines clearly did not participate in and had no knowledge of such criminal activity or when circumstances leading to eviction no longer exist);"; and

(2) VOUCHER PROGRAM.—Section 8(o)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)), as amended by the preceding provisions of this Act, is further amended—

(A) by inserting "(A)" after "(3)";

(B) by striking "(A)" and inserting "(i)";

(C) by striking "(B)" and inserting "(ii)";

(D) by striking "(C)" and inserting "(iii)";

(E) by striking "(D)" and inserting "(iv)";

(F) by paragraphing and inserting "(B)" after the first sentence;

(G) by inserting "(including families that are homeless or living in a shelter for homeless families)" after "substandard housing"; and

(H) by adding at the end the following new sentences: "The public housing agency shall in implementing the preceding sentence establish a system of preferences in writing and after public hearing to respond to local housing needs and priorities which may include (i) assisting very low-income families who either reside in transitional housing assisted under title IV of the Stewart B. McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities, (ii) assisting families in accordance with subsection (u)(2); (iii) assisting families identified by local public agencies involved in providing for the welfare of children as having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care, or in preventing the discharge of a child from foster care and reunification with his or her family; (iv) assisting youth, upon discharge from foster care, in cases in which return to the family or extended family or adoption is not available; and (v) achieving other objectives of national housing policy as affirmed by Congress. Any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity (as defined in subsection (f)(5)) shall not be eligible for a preference under any provision of this subparagraph for 3 years unless the evicted tenant successfully completes a rehabilitation program approved by the Secretary (which shall include waiver for any member of a family of an individual prohibited from tenancy under this clause who the agency determines clearly did not participate in and had no knowledge of such criminal activity or when circumstances leading to eviction no longer exist).".

(c) SECTION 8 NEW CONSTRUCTION.—With respect to housing constructed or substan-

tially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937, as such section existed before October 1, 1983, and projects financed under section 202 of the Housing Act of 1959, notwithstanding any tenant selection criteria under a contract between the Secretary of Housing and Urban Development and an owner of such housing pursuant to the first sentence of such section—

(1) for not less than 70 percent of units that become available in the housing, the tenant selection criteria for such housing shall give preference to families which occupy substandard housing (including families that are homeless or living in a shelter for homeless families), are paying more than 50 percent of family income for rent, or are involuntarily displaced at the time they are seeking assistance under such section; and

(2) the system of local preferences established under section 8(d)(1)(A)(ii) by the public housing agency for the jurisdiction within which the housing is located the tenant shall apply to any remaining units that become available in the housing, to the extent that such preferences are applicable with respect to any tenant eligibility limitations for the housing.

SEC. 546. TENANT PROTECTIONS.

Section 8(d)(1)(B) of the United States Housing Act (42 U.S.C. 1437f(d)(1)(B)) is amended—

(1) by striking "and" at the end of clause (i); and

(2) by adding at the end the following new clauses:

"(iii) provide that any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants or any drug-related criminal activity on or near such premises, engaged in by a public housing tenant, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy; and

"(iv) any termination of tenancy shall be preceded by the owner's provision of written notice to the tenant specifying the grounds for such action.".

SEC. 547. REVISIONS TO PROJECT-BASED CERTIFICATE PROGRAM.

(a) TENANT SELECTION.—Section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)) is amended by adding at the end the following new subparagraph:

"(D) Where a contract for assistance payments is attached to a structure, the owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (i) consistent with the purpose of improving housing opportunities for very low-income families; and (ii) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. An owner shall promptly notify in writing any rejected applicant of the grounds for any rejection.".

(b) PROJECT-BASING OF CERTIFICATES.—Section 8(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subparagraph:

"(E) The Secretary shall annually survey public housing agencies to determine which public housing agencies have, in providing assistance in such year, reached the 15 percent limitations contained in subparagraphs (A) and (B), and shall report to the Congress on the results of such survey.".

(c) TERM OF ASSISTANCE.—Section 8(d)(2)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)(C)) is amended to read as follows:

"(C) In the case of a contract for assistance payments that is attached to a structure under this paragraph, a public housing agency shall enter into a contract with an owner, contingent upon the future availability of appropriations for the purpose of renewing expiring contracts for assistance payments as provided in appropriations Acts, to extend the term of the underlying contract for assistance payments for such period or periods as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying contract for assistance payments accepted by the owner and the owner's successors in interest.".

SEC. 548. SECTION 8 ASSISTANCE FOR PHA-OWNED UNITS.

(a) DEFINITION OF OWNER.—Section 8(f)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)(1)) is amended by striking "newly constructed or substantially rehabilitated dwelling units as described in this section" and inserting "dwelling units".

(b) PROGRAM REQUIREMENTS.—Section 8(a) of the United States Housing Act of 1937 (42 U.S.C. 1437f(a)) is amended by adding at the end the following: "A public housing agency may contract to make assistance payments to itself (or any agency or instrumentality thereof) as the owner of dwelling units if such agency is subject to the same program requirements as are applied to other owners. In such cases, the Secretary may establish initial rents within applicable limits.".

SEC. 549. DEFINITIONS OF PARTICIPATING JURISDICTION AND DRUG-RELATED CRIMINAL ACTIVITY.

Section 8(f) of the United States Housing Act of 1937 (42 U.S.C. 1437f(f)) is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(4) the term 'participating jurisdiction' means a State or unit of general local government designated by the Secretary to be a participating jurisdiction under title II of the Cranston-Gonzalez National Affordable Housing Act; and

"(5) the term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).".

SEC. 550. REVISIONS TO VOUCHER PROGRAM.

(a) REASONABLENESS OF RENTS.—Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

"(10)(A) The rent for units assisted under this subsection shall be reasonable in comparison with rents charged for comparable units in the private unassisted market or assisted under section (b). A public housing agency shall, at the request of a family assisted under this subsection, assist such family in negotiating a reasonable rent with an owner. A public housing agency shall review all rents for units under consideration by families assisted under this subsection (and all rent increases for units under lease by families assisted under this subsection) to determine whether the rent (or rent increase) requested by an owner is reasonable. If a public housing agency determines that the rent (or rent increase) for a unit is not reasonable, the agency may disapprove a lease for such unit.".

(b) DOCUMENTATION OF EXCESSIVE RENT BURDENS.—

(1) DATA.—The Secretary of Housing and Urban Development shall collect and maintain, in an automated system, data describing the characteristics of families assisted under the certificate and voucher programs established under section 8 of the the United States Housing Act of 1937, which data shall include the share of family income paid toward rent.

(2) REPORT.—Not less than annually, the Secretary shall submit a report to the Congress setting forth, for each of the certificate program and the voucher program, the percentage of families participating in the program who are paying for rent more than the amount determined under section 3(a)(1) of such Act. The report shall set forth data in appopriate categories, such as various areas of the country, types and sizes of public housing agencies, types of families, and types or markets. The data shall identify the jurisdictions in which more than 10 percent of the families assisted under section 8 of such Act pay for rent more than the amount determined under section 3(a)(1) of such Act and the report shall include an examination of whether the fair market rent for such areas is appropriate. The report shall also include any recommendations of the Secretary for legislative and administrative actions appropriate as a result of analysis of the data.

(3) AVAILABILITY OF DATA.—The Secretary shall make available to each public housing agency administering assistance under the certificate or voucher program any data maintained under this subsection that relates to the public housing agency.

(c) ELIGIBILITY FOR USE WITH MOBILE HOMES.—Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended by adding at the end the following new paragraph:

"(11)(A) The Secretary may enter into contracts to make assistance payments under this paragraph to assist low-income families by making rental assistance payments on behalf of any such family which utilizes a manufactured home as its principal place of residence. Such payments may be made with respect to the rental of the real property on which there is located a manufactured home which is owned by any such family. In carrying out this paragraph the Secretary shall enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into contracts to make such assistance payments to the owners of such real property.

"(B)(i) A contract entered into pursuant to this subparagraph shall establish the rent (including maintenance and management charges) for the space on which a manufactured home is located and with respect to which assistance payments are to be made. The public housing agency shall establish a payment standard based on the fair market rental established by the Secretary periodically (but not less than annually) with respect to the market area for the rental of real property suitable for occupancy by families assisted under this subparagraph.

"(ii) The amount of any monthly assistance payment with respect to any family which rents real property which is assisted under this subparagraph and on which is located a manufactured home which is owned

by such family shall be the amount by which 30 percent of the family's monthly adjusted income is exceeded by the sum of—

"(I) the monthly payment made by such family to amortize the cost of purchasing the manufactured home;

"(II) the monthly utility payments made by such family, subject to reasonable limitations prescribed by the Secretary; and

"(III) the payment standard with respect to the real property which is rented by such family for the purpose of locating its manufactured home;

except that in no case may such assistance exceed the amount by which the rent for the property exceeds 10 percent of the family's monthly income.

"(C) The provisions of paragraph (6)(A) shall apply to the adjustments of maximum monthly rents under this paragraph.

"(D) The Secretary may carry out this paragraph without regard to whether the manufactured home park is existing, substantially rehabilitated, or newly constructed.

"(E) In the case of any substantially rehabilitated or newly constructed manufactured home park containing spaces with respect to which assistance is made under this paragraph, the principal amount of the mortgage attributable to the rental spaces within the park may not exceed an amount established by the Secretary which is equal to or less than the limitation for manufactured home parks described in section 207(c)(3) of the National Housing Act, and the Secretary may increase such limitation in high cost areas in the manner described in such section.

"(F) The Secretary may prescribe other terms and conditions which are necessary for the purpose of carrying out the provisions of this paragraph and which are consistent with the purposes of this paragraph.".

SEC. 551. PORTABILITY OF CERTIFICATES AND VOUCHERS.

Section 8(r)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)(1) is amended by striking "the same, or a contiguous," and inserting "the same State, or the same or a contiguous".

SEC. 552. RENEWAL OF EXPIRING CONTRACTS.

(a) IN GENERAL.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

"(w) RENEWAL OF EXPIRING CONTRACTS.—Not later than 30 days after the beginning of each fiscal year, the Secretary shall publish in the Federal Register a plan for reducing, to the extent feasible, year-to-year fluctuations in the levels of budget authority that will be required over the succeeding 5-year period to renew expiring rental assistance contracts entered into under this section since the enactment of the Housing and Community Development Act of 1974. To the extent necessary to carry out such plan and to the extent approved in appropriations Acts, the Secretary is authorized to enter into annual contributions contracts with terms of less than 60 months.".

(b) SHORT-TERM CONTRACTS.—Section 8(d)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)(A)) is amended by inserting after the first sentence the following: "The Secretary shall permit public housing agencies to enter into contracts for assistance payments of less than 12 months duration in order to avoid disruption in assistance to eligible families if the annual contributions contract is within 1 year of its expiration date.".

SEC. 553. ASSISTANCE TO PROMOTE FAMILY UNIFICATION.

Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

"(x) FAMILY UNIFICATION.—

"(1) INCREASE IN BUDGET AUTHORITY.—The budget authority available under section 5(c) for assistance under section 8(b) is authorized to be increased by $35,000,000 on or after October 1, 1990, by $35,000,000 on or after October 1, 1991.

"(2) USE OF FUNDS.—The amounts made available under this subsection shall be used only in connection with housing certificate assistance under section 8 on behalf of any family (A) who is otherwise eligible for such assistance, and (B) who the public child welfare agency for the jurisdiction has certified is a family for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care or the delayed discharge of a child or children to the family from out-of-home care.

"(3) ALLOCATION.—The amounts made available under this subsection shall be allocated by the Secretary through a national competition among applicants based on demonstrated need for the assistance under this subsection. To be considered for assistance, an applicant shall submit to the Secretary a written proposal containing a report from the public child welfare agency serving the jurisdiction of the applicant that describes how a lack of adequate housing in the jurisdiction is resulting in the initial or prolonged separation of children from their families, and how the applicant will coordinate with the public child welfare agency to identify eligible families and provide the families with assistance under this subsection.

"(4) DEFINITIONS.—For purposes of this subsection:

"(A) APPLICANT.—The term 'applicant' means a public housing agency or any other agency responsible for administering assistance under section 8.

"(B) PUBLIC CHILD WELFARE AGENCY.—The term 'public child welfare agency' means the public agency responsible under applicable State law for determining that a child is at imminent risk of placement in out-of-home care or that a child in out-of-home care under the supervision of the public agency may be returned to his or her family.".

SEC. 554. FAMILY SELF-SUFFICIENCY.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 23. FAMILY SELF-SUFFICIENCY PROGRAM.

"(a) PURPOSE.—The purpose of the Family Self-Sufficiency program established under this section is to promote the development of local strategies to coordinate use of public housing and assistance under the certificate and voucher programs under section 8 with public and private resources, to enable eligible families to achieve economic independence and self-sufficiency.

"(b) ESTABLISHMENT OF PROGRAM.—

"(1) REQUIRED PROGRAMS.—Except as provided in paragraph (2), the Secretary shall carry out a program under which each public housing agency that administers assistance under subsection (b) or (o) of section 8 or makes available new public housing dwelling units—

"(A) may, during fiscal years 1991 and 1992, carry out a local Family Self-Sufficiency program under this section; and

"(B) effective on October 1, 1992, the Secretary shall require each such agency to carry out a local Family Self-Sufficiency program under this section.

Each local program shall, subject to availability of supportive services, include an action plan under subsection (g) and shall provide comprehensive supportive services for families electing to participate in the program. In carrying out the self-sufficiency program under this section, the Secretary shall consult with the heads of other appropriate Federal agencies and provide for cooperative actions and funding agreements with such agencies. Each public housing agency administering an approved local program may employ a service coordinator to administer the local program.

"(2) EXCEPTION.—The Secretary shall not require a public housing agency to carry out a local program under subsection (a) if the public housing agency provides certification (as such term is defined under title I of the Cranston-Gonzalez National Affordable Housing Act) to the Secretary, that the establishment and operation of the program is not feasible because of local circumstances, which may include—

"(A) lack of supportive services funding;

"(B) lack of funding for reasonable administrative costs;

"(C) lack of cooperation by other units of State or local government; or

"(D) any other circumstances that the Secretary may consider appropriate.

"(3) SCOPE.—Each public housing agency required to carry out a local program under this section shall make the following housing assistance available under the program in each fiscal year:

"(A) Certificate and voucher assistance under section 8 (b) and (o), in an amount equivalent to the increase for such year in the number of families so assisted by the agency (as compared to the preceding year).

"(B) Public housing dwelling units, in the number equal to the increase for such year in units made available by the agency (as compared to the preceding year).

Each such public housing agency shall continue to operate a local program for the number of families determined under this paragraph subject only to the availability under appropriations Acts of sufficient amounts for assistance.

"(c) CONTRACT OF PARTICIPATION.—

"(1) IN GENERAL.—Each public housing agency carrying out a local program under this section shall enter into a contract with each leaseholder receiving assistance under the certificate and voucher programs of the public housing agency under section 8 or residing in public housing administered by the agency, that elects to participate in the self-sufficiency program under this section. The contract shall set forth the provisions of the local program and shall specify the resources and supportive services to be made available to the participating family pursuant to paragraph (2) and the responsibilities of the participating family. The contract shall provide that the public housing agency may terminate or withhold assistance under section 8 and services under paragraph (2) of this section if the family fails to comply with the requirements under the contract.

"(2) SUPPORTIVE SERVICES.—A local program under this section shall provide appropriate supportive services under this paragraph to each participating family entering into a contract of participation under paragraph (1) to each participating family. The supportive services shall be provided during the period the family is receiving assistance

under section 8 or residing in public housing, and may include—

"(A) child care;

"(B) transportation necessary to receive services;

"(C) remedial education;

"(D) education for completion of high school;

"(E) job training and preparation;

"(F) substance abuse treatment and counseling;

"(G) training in homemaking and parenting skills;

"(H) training in money management;

"(I) training in household management; and

"(J) any other services and resources appropriate to assist eligible families to achieve economic independence and self-sufficiency.

"(3) TERM AND EXTENSION.—Each family participating in a local program shall be required to fulfill its obligations under the contract of participation not later than 5 years after entering into the contract. The public housing agency shall extend the term of the contract for any family that requests an extension, upon a finding of the agency of good cause.

"(4) EMPLOYMENT AND COUNSELING.—The contract of participation shall require the head of the participating family to seek suitable employment during the term of the contract. The public housing agency may, during such period, provide counseling for the family with respect to affordable rental and homeownership opportunities in the private housing market and money management counseling.

"(d) MAXIMUM RENTS AND ESCROW SAVINGS ACCOUNTS.—

"(1) MAXIMUM RENTS.—During the term of the contract of participation, the amount of rent paid by any participating family whose monthly adjusted income does not exceed 50 percent of the area median income for occupancy in the public housing unit or dwelling unit assisted under section 8 may not be increased on the basis of any increase in the earned income of the family, unless the increase results in an income exceeding 50 percent of the area median income. The Secretary shall provide for increased rents for participating families whose incomes are between 50 and 80 percent of the area median income, so that any family whose income increases to 80 percent or more of the area median income pays 30 percent of the family's monthly adjusted income for rent. Upon completion of the contract of participation, if the participating family continues to qualify for and reside in a dwelling unit in public housing or housing assisted under section 8, the rent charged the participating family shall be increased (if applicable) to 30 percent of the monthly adjusted income of the family.

"(2) ESCROW SAVINGS ACCOUNTS.—For each participating family whose monthly adjusted income is less than 50 percent of the area median income, the difference between 30 percent of the adjusted income of the participating family and the amount of rent paid by a participating family shall be placed in an interest-bearing escrow account established by the public housing agency on behalf of the participating family. For families with incomes between 50 and 80 percent of the area median income, the Secretary shall provide for escrow of the difference between 30 percent of the family income and the amount paid by the family for rent as determined by the Secretary under paragraph (1). The Secretary shall not escrow any amounts for any family whose adjusted income exceeds 80 percent of the area median income. Amounts in the escrow account may be withdrawn by the participating family only after the family is no longer a recipient of any Federal, State, or other public assistance for housing.

"(e) EFFECT OF INCREASES IN FAMILY INCOME.—Any increase in the earned income of a family during the participation of the family in a local program established under this section may not be considered as income or a resource for purposes of eligibility of the family for other benefits, or amount of benefits payable to the family, under any program administered by the Secretary, unless the income of the family equals or exceeds 80 percent of the median income of the area (as determined by the Secretary with adjustments for smaller and larger families).

"(f) PROGRAM COORDINATING COMMITTEE.—

"(1) FUNCTIONS.—Each public housing agency shall, in consultation with the chief executive officer of the unit of general local government, develop an action plan under subsection (g), carry out activities under the local program, and secure commitments of public and private resources through a program coordinating committee established by the public housing agency under this subsection.

"(2) MEMBERSHIP.—The program coordinating committee may consist of representatives of the public housing agency, the unit of general local government, the local agencies (if any) responsible for carrying out programs under the Job Training Partnership Act and the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act, and other organizations, such as other State and local welfare and employment agencies, public and private education or training institutions, nonprofit service providers, and private businesses. The public housing agency may, in consultation with the chief executive officer of the unit of general local government, utilize an existing entity as the program coordinating committee if it meets the requirements of this subsection.

"(g) ACTION PLAN.—

"(1) REQUIRED SUBMISSION.—The Secretary shall require each public housing agency participating in the self-sufficiency program under this section to submit to the Secretary, for approval by the Secretary, an action plan under this subsection in such form and in accordance with such procedures as the Secretary shall require.

"(2) DEVELOPMENT OF PLAN.—In developing the plan, the public housing agency shall consult with the chief executive officer of the applicable unit of general local government, the program coordinating committee established under subsection (f), representatives of residents of the public housing, any local agencies responsible for programs under the Job Training Partnership Act and the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act, other appropriate organizations (such as other State and local welfare and employment or training institutions, child care providers, nonprofit service providers, and private businesses), and any other public and private service providers affected by the operation of the local program.

"(3) CONTENTS OF PLAN.—The Secretary shall require that the action plan contain at a minimum—

"(A) a description of the size, characteristics, and needs of the population of the families expected to participate in the local self-sufficiency program;

"(B) a description of the number of eligible participating families who can reasonably be expected to receive supportive services under the program, based on available and anticipated Federal, State, local, and private resources;

"(C) a description of the services and activities under subsection (c)(2) to be provided to families receiving assistance under this section through the section 8 and public housing programs, which shall be provided by both public and private resources;

"(D) a description of how the local program will deliver services and activities according to the needs of the families participating in the program;

"(E) a description of both the public and private resources that are expected to be made available to provide the activities and services under the local program;

"(F) a timetable for implementation of the local program; and

"(G) assurances satisfactory to the Secretary that development of the services and activities under the local program has been coordinated with the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act and program under the Job Training Partnership Act and any other relevant employment, child care, transportation, training, and education programs in the applicable area, and that implementation will continue to be coordinated, in order to avoid duplication of services and activities.

"(h) ALLOWABLE PUBLIC HOUSING AGENCY ADMINISTRATIVE FEES AND COSTS.—

"(1) SECTION 8 FEES.—The Secretary shall establish a fee under section 8(q) for the costs incurred in administering the provision of certificate and voucher assistance under section 8 through the self-sufficiency program under this section. The fee shall be the fee in effect under such section on June 1, 1990, except that for purposes of the fee under this paragraph the applicable dollar amount for preliminary expenses under section 8(q)(2)(A)(i) shall, subject to approval in appropriations Acts, be $300. Upon the submission by the Comptroller General of the United States of the report required under section 554(b) of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall revise the fee under this paragraph, taking into consideration the report of the Comptroller General.

"(2) PERFORMANCE FUNDING SYSTEM.—Notwithstanding any provision of section 9, the Secretary shall provide for inclusion under the performance funding system under section 9 of reasonable and eligible administrative costs (including the costs of employing a full-time service coordinator) incurred by public housing agencies carrying out local programs under this section. The Secretary shall include an estimate of the administrative costs likely to be incurred by participating public housing agencies in the annual budget request for the Department of Housing and Urban Development for public housing operating assistance under section 9 and shall include a request for such amounts in the budget request. Of any amounts appropriated under section 9(c) for each of fiscal years 1991 and 1992, $25,000,000 is authorized to be used for costs under this paragraph.

"(i) PUBLIC HOUSING AGENCY INCENTIVE AWARD ALLOCATION.—

"(1) IN GENERAL.—The Secretary shall carry out a competition for budget authority for certificate and voucher assistance under

section 8 and public housing development assistance under section 5(a)(2) reserved under paragraph (4) and shall allocate such budget authority to public housing agencies pursuant to the competition.

"(2) CRITERIA.—The competition shall be based on successful and outstanding implementation by public housing agencies of a local self-sufficiency program under this section. The Secretary shall establish performance criteria for public housing agencies carrying out such local programs and the Secretary shall cause such criteria to be published in the Federal Register.

"(3) USE.—Each public housing agency that receives an allocation of budget authority under this subsection shall use such authority to provide assistance under the local self-sufficiency program established by the public housing agency under this section.

"(4) RESERVATION OF BUDGET AUTHORITY.—Notwithstanding section 213(d) of the Housing and Community Development Act of 1974, the Secretary shall reserve for allocation under this subsection not less than 10 percent of the portion of budget authority appropriated in each of fiscal years 1991 and 1992 for section 8 that is available for purposes of providing assistance under the existing housing certificate and housing voucher programs for families not currently receiving assistance, and not less than 10 percent of the public housing development assistance available in such fiscal years for the purpose under section 5(a)(2) (excluding amounts for major reconstruction of obsolete projects).

"(j) ON-SITE FACILITIES.—Each public housing agency carrying out a local program may, subject to the approval of the Secretary, make available and utilize common areas or unoccupied public housing units in public housing projects administered by the agency for the provision of supportive services under the local program. The use of the facilities of a public housing agency under this subsection shall not affect the amount of assistance provided to the agency under section 9.

"(k) FLEXIBILITY.—In establishing and carrying out the self-sufficiency program under this section, the Secretary shall allow public housing agencies, units of general local government, and other organizations discretion and flexibility, to the extent practicable, in developing and carrying out local programs.

"(l) REPORTS.—

"(1) TO SECRETARY.—Each public housing agency that carries out a local self-sufficiency program approved by the Secretary under this section shall submit to the Secretary, not less than annually a report regarding the program. The report shall include—

"(A) a description of the activities carried out under the program;

"(B) a description of the effectiveness of the program in assisting families to achieve economic independence and self-sufficiency;

"(C) a description of the effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self-sufficiency; and

"(D) any recommendations of the public housing agency or the appropriate local program coordinating committee for legislative or administrative action that would improve the self-sufficiency program carried out by the Secretary and ensure the effectiveness of the program.

"(2) HUD ANNUAL REPORT.—The Secretary shall submit to the Congress annually, as a part of the report of the Secretary under section 8 of the Department of Housing and Urban Development Act, a report summarizing the information submitted by public housing agencies under paragraph (1). The report under this paragraph shall also include any recommendations of the Secretary for improving the effectiveness of the self-sufficiency program under this section.

"(m) GAO REPORT.—

"(1) IN GENERAL.—The Comptroller General of the United States shall submit to the Congress reports under this subsection evaluating and describing the Family Self-Sufficiency program carried out by the Secretary under this section.

"(2) TIMING.—The Comptroller General shall submit the following reports under this subsection:

"(A) An interim report, not later than the expiration of the 2-year period beginning on the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act.

"(B) A final report, not later than the expiration of the 5-year period beginning on the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act.

"(n) DEFINITIONS.—As used in this section:

"(1) The term 'contract of participation' means a contract under subsection (c) entered into by a public housing agency carrying out a local program under this section and a participating family.

"(2) The term 'earned income' means income from wages, tips, salaries, and other employee compensation, and any earnings from self-employment. The term does not include any pension or annuity, transfer payments, or any cash or in-kind benefits.

"(3) The term 'local program' means a program for providing supportive services to participating families carried out by a public housing agency within the jurisdiction of the public housing agency.

"(4) The term 'participating family' means a family that resides in public housing or housing assisted under section 8 and elects to participate in a local self-sufficiency program under this section.

"(o) EFFECTIVE DATE AND REGULATIONS.—

"(1) REGULATIONS.—Not later than the expiration of the 180-day period beginning on the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall by notice establish any requirements necessary to carry out this section. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue final regulations based on the notice not later than the expiration of the 8-month period beginning on the date of the notice. Such regulations shall become effective upon the expiration of the 1-year period beginning on the date of the publication of the final regulations.

"(2) APPLICABILITY TO INDIAN PUBLIC HOUSING.—In accordance with section 201(b)(2), the provisions of this section shall also apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.".

(b) GAO STUDY ON LINKING FEDERAL HOUSING ASSISTANCE TO ECONOMIC SELF-SUFFICIENCY PROGRAMS.—

(1) IN GENERAL.—The Comptroller General of the United States shall submit to the Congress, not later than 18 months after the date of the enactment of this Act, a report—

(A) evaluating the policy and administrative implications of requiring State and local governments to require participation in an economic self-sufficiency program as a condition of the receipt of rental assistance under section 8 of the United States Housing Act of 1937 and public housing assistance;

(B) determining the additional costs to public housing agencies under such programs and recommending a change in the amount of the administrative fee under section 8(q) of the United States Housing Act of 1937 to cover the additional costs of carrying out the Family Self-Sufficiency Program under section 23 of the United States Housing Act of 1937; and

(C) examining how housing and social service policies affect beneficiaries, particularly persons receiving public assistance, when such beneficiaries gain employment and experience a rise in income.

(2) OTHER CONTENTS.—The report under this subsection shall include—

(A) an evaluation of Federal programs to link housing and supportive services for the promotion of economic self-sufficiency, including programs that are being or have been administered by the Secretary of Housing and Urban Development (such as Project Self-Sufficiency, Operation Bootstrap, and the Public Housing Comprehensive Transition Demonstration);

(B) an analysis of the extent to which public housing agencies can reasonably and effectively obtain supportive services in connection with the Family Self-Sufficiency Program and other programs that link supportive services to Federal housing assistance;

(C) an assessment of the policy and administrative implications of allocating section 8 rental assistance and public housing assistance only to localities that have a plan for providing incremental rental assistance only in conjunction with economic self-sufficiency programs; and

(D) an analysis of the extent to which existing laws regarding housing and other programs create disincentives to upward income mobility and recommendations for legislative changes to remove such disincentives.

(3) CONSULTATION.—In preparing the report under this subsection, the Comptroller General shall consult with the Secretary of Housing and Urban Development, the Secretary of Health and Human Services, the Secretary of Labor, other appropriate Federal officials, appropriate State and local officials, other knowledgeable individuals, and national and other organizations representing eligible beneficiaries, State and local welfare and employment agencies, public housing agencies, business, public and private education or training institutions, and other service providers.

(4) DEFINITION OF ECONOMIC SELF-SUFFICIENCY PROGRAM.—For purposes of this subsection, the term "economic self-sufficiency program" means a public or private program designed to enable economically disadvantaged individuals achieve economic independence and includes programs authorized under the Job Training Partnership Act and the Family Support Act of 1988.

SEC. 555. INCOME ELIGIBILITY FOR TENANCY IN NEW CONSTRUCTION UNITS.

Any dwelling units in any housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of the United States Housing Act of 1937, as such section existed before October 1, 1983, and with a contract for assistance under such section, shall be reserved for occupancy by low-income families and very low-income families.

SEC. 556. DISTRIBUTION OF SECTION 8 CERTIFICATES.

Section 213(d)(1)(A) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(d)(1)(A)) is amended—

(1) by inserting "(i)" after "(d)(1)(A)"; and

(2) by adding at the end the following new clause:

"(ii) Assistance under section 8(b)(1) of the United States Housing Act of 1937 shall be allocated in a manner that enables participating jurisdictions to carry out, to the maximum extent practicable, comprehensive housing affordability strategies approved in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act. Such jurisdictions shall submit recommendations for allocating assistance under such section 8(b)(1) to the Secretary in accordance with procedures that the Secretary determines to be appropriate to permit allocations of such assistance to be made on the basis of timely and complete information. This clause may not be construed to prevent, alter, or otherwise affect the application of the formula established pursuant to clause (i) for purposes of allocating such assistance. For purposes of this clause, the term 'participating jurisdiction' means a State or unit of general local government designated by the Secretary to be a participating jurisdiction under title II of the Cranston-Gonzalez National Affordable Housing Act.".

SEC. 557. SETTLEMENT AGREEMENT REGARDING CERTAIN SECTION 8 ASSISTANCE.

Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall, from any amounts provided under section 5(c) of the United States Housing Act of 1937 for use in fiscal year 1991 under section 8 of such Act, provide such assistance to the City of Norfolk, in the State of Virginia, in an amount necessary to provide 186 certificates under subsection (b) of such section 8. The assistance provided under this section shall be in satisfaction of the settlement agreement dated October 6, 1981, in the case of Robin Hood Tenants Association v. Vincent J. Thomas, Jr. (civil action no. 80-501-N), in the Norfolk Division of the United States District Court for the Eastern Division of Virginia.

SEC. 558. GAO STUDY REGARDING FAIR MARKET RENT CALCULATION.

The Comptroller General of the United States shall conduct a study to examine fair market rentals under section 8(c)(1) of the United States Housing Act of 1937 and determine the feasibility and effects of establishing fair market for areas that are geographically smaller than market areas under such section which are wholly contained within such market areas. The study shall examine the following:

(1) Whether establishment of such smaller fair market areas will more accurately reflect rent variations within market areas and improve housing opportunities for disadvantaged minorities and families with special needs, provide very low-income families with better access to employment and education opportunities, or otherwise further the objectives of national housing policy as affirmed by the Congress, which shall be determined for not less than 3 communities, including Wilmington, Delaware, and Columbus, Ohio.

(2) The inflationary effects of fair market rentals under existing law within not less than 3 communities, including Oklahoma City, Oklahoma, and Boston, Massachusetts.

(3) The extent of geographical dispersion of families in particular communities receiving tenant-based assistance under such section 8, describing the differing characteristics of areas in which such assistance is used (including the character of neighborhoods, proximity to services, employment, and transportation, and quality of housing stock), which shall be determined for not less than 3 communities including Washington, District of Columbia, and Seattle, Washington.

The Comptroller General shall submit a report to the Congress not later than 18 months after the date of the enactment of this Act regarding the findings and conclusions under the study.

SEC. 559. STUDY OF SECTION 8 UTILIZATION RATES.

(a) STUDY.—The Secretary of Housing and Urban Development shall conduct a study of the reasons for success or failure, within appropriate cities and localities, in utilizing assistance made available by the Secretary for such areas under the certificate and voucher programs under section 8 of the United States Housing Act of 1937. The study shall examine such rates and provide information regarding such rates based on the household size, age of household members, race of household members, income of households, welfare status of households, number of children in a household.

(b) REPORT.—The Secretary of Housing and Urban Development shall submit to the Congress, not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, a report regarding the study under this section. The report shall contain a conclusion of the Secretary, for each city or locality studied, whether the success or failure in utilizing assistance under such section 8 relates to the existence of a local problem or a programmatic failure with respect to the certificate or voucher program.

SEC. 560. REPORT ON RESIDUAL RECEIPTS ACCOUNTS IN SECTION 8 AND SECTION 202 HOUSING.

The Secretary of Housing and Urban Development shall conduct a study of a statistically significant sample of housing assisted under section 8 of the United States Housing Act of 1937 and section 202 of the Housing Act of 1959 to determine the amounts that are contained in existing residual receipts accounts. The Secretary shall identify the existing rules and regulations governing the permissible uses of such accounts. Not later than 6 months after the date of enactment of this Act, the Secretary shall submit to the Congress a detailed report setting forth the findings of the Secretary as a result of the study.

SEC. 561. FEASIBILITY STUDY REGARDING INDIAN TRIBE ELIGIBILITY FOR VOUCHER PROGRAM.

(a) STUDY.—The Secretary of Housing and Urban Development shall carry out a study to determine the feasibility and effectiveness of entering into contracts with Indian housing authorities to provide voucher assistance under section 8(o) of the United States Housing Act of 1937.

(b) CONSULTATION.—In carrying out the study under this section, the Secretary shall consult with Indian housing authorities.

(c) REPORT.—The Secretary shall submit to the Congress, not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, a report regarding the findings and conclusions of the Secretary as a result of the study under this section.

Subtitle C—General Provisions and Other Assistance Programs

SEC. 571. LOW-INCOME HOUSING AUTHORIZATION.

(a) AGGREGATE BUDGET AUTHORITY.—Section 5(c)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(6)) is amended by adding at the end the following new sentence: "The aggregate amount of budget authority that may be obligated for assistance referred to in paragraph is increased (to the extent approved in appropriation Acts) by $16,194,000,000 on October 1, 1990, and by $14,709,400,000 on October 1, 1991.".

(b) UTILIZATION OF HOUSING BUDGET AUTHORITY.—Subparagraphs (A) and (B) of section 5(c)(7) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(7)) are amended to read as follows:

"(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1991, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for public housing grants under subsection (a)(2), not more than $742,100,000, of which amount not more than $228,000,000 shall be available for Indian housing;

"(ii) for assistance under subsections (b)(1) and (o) of section 8, not more than $1,880,000,000, of which the Secretary shall use such amounts as may be necessary to provide not more than 1,000 certificates for purposes of replacement assistance under section 304(g) of the United States Housing Act of 1937; except that not more than 50 percent of the amounts appropriated under this clause may be used for vouchers under section 8(o).

"(iii) for assistance under section 8 in connection with projects developed under section 202 of the Housing Act of 1959, not more than $1,200,000,000;

"(iv) for comprehensive improvement assistance grants under section 14(k), not more than $2,150,000,000, of which not more than $3,000,000 shall be available for resident homeownership financial assistance under section 21(a)(2)(B);

"(v) for assistance under section 8 for property disposition, not more than $420,000,000;

"(vi) for assistance under section 8 for loan management, not more than $160,000,000;

"(vii) for extensions of contracts expiring under section 8, not more than $7,735,000,000 which shall be for 5-year contracts for certificates under section 8(b)(1) and vouchers under section 8(o), and for assistance under section 8 for loan management;

"(viii) for amendments to contracts under section 8, not more than $1,620,500,000;

"(ix) for public housing lease adjustments and amendments, not more than $207,300,000; and

"(x) for public housing replacement activities, not more than $79,100,000.

"(B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1992, the Secretary shall, to the extent approved in appropriations Acts, reserve authority to enter into obligations aggregating—

"(i) for public housing grants under subsection (a)(2), not more than $812,300,000, of which amount not more than $237,800,000 shall be available for Indian housing;

"(ii) for assistance under subsections (b)(1) and (o) of section 8, not more than $1,960,800,000, of which the Secretary shall use such amounts as may be necessary to provide not more than 1,000 certificates for purposes of replacement assistance under section 304(g) of the United States Housing Act of 1937; except that not more than 50 percent of the amounts appropriated under this clause may be used for vouchers under section 8(o).

"(iii) for comprehensive improvement assistance grants under section 14(k), not more than $2,242,500,000;

"(iv) for assistance under section 8 for property disposition, not more than $438,100,000;

"(v) for assistance under section 8 for loan management, not more than $166,900,000;

"(vi) for extensions of contracts expiring under section 8, not more than $7,100,000,000 which shall be for 5-year contracts for certificates under section 8(b)(1) and vouchers under section 8(o), and for assistance under section 8 for loan management;

"(vii) for amendments to contracts under section 8, not more than $1,690,200,000;

"(viii) for public housing lease adjustments and amendments, not more than $216,100,000; and

"(ix) for public housing replacement activities, not more than $82,500,000.".

SEC. 572. LOW-INCOME TERM.

The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) by striking "lower income families" each place it appears and inserting "low-income families";

(2) by striking "lower income housing" each place it appears and inserting "low-income housing".

SEC. 573. DEFINITIONS UNDER UNITED STATES HOUSING ACT OF 1937.

(a) FAMILY.—Section 3(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437a(B)(3)) is amended—

(1) in the first sentence, by striking "(D)" and all that follows and inserting the following: "(D) and any other single persons. In no event may any single person under clause (D) be provided a housing unit assisted under this Act of 2 bedrooms or more.";

(2) by striking the second sentence; and

(3) by striking the third from last sentence.

(b) INCOME.—Section 3(b)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(4)) is amended by inserting before the period at the end the following: ", except that any amounts not actually received by the family may not be considered as income under this paragraph".

(c) ADJUSTED INCOME.—

(1) ALLOWANCE FOR DEPENDENTS.—Section 3(b)(5)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)(A)) is amended by striking "$480" and inserting "$550".

(2) ALLOWANCE FOR MEDICAL EXPENSES.—Section 3(b)(5)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)(C)) is amended—

(A) in clause (i), by striking "elderly"; and

(B) by striking "and" at the end.

(3) ALLOWANCES FOR WORKING FAMILIES AND CHILD SUPPORT AND ALIMONY PAYMENTS.—Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended—

(A) by striking the period at the end of subparagraph (D) and inserting a semicolon; and

(B) by adding at the end the following new subparagraphs:

"(E) 10 percent of the earned income of the family; and

"(F) any payment made by a member of the family for the support and maintenance of any child, spouse, or former spouse who does not reside in the household, except that the amount excluded under this subparagraph shall not exceed the lesser of (i) the amount that such family member has a legal obligation to pay; or (ii) $550 for each individual for whom such payment is made.".

(d) DETERMINATION OF INCOME LIMITS.—Section 3(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended by inserting after the period at the end the following: "In determining median incomes (of persons, families, or households) for an area or establishing any ceilings or limits based on income under this Act, the Secretary shall determine or establish area median incomes and income ceilings and limits for Westchester County, in the State of New York, as if such county were an area not contained within the metropolitan statistical area in which it is located. In determining such area median incomes or establishing such income ceilings or limits for the portion of such metropolitan statistical area that does not include Westchester County, the Secretary shall determine or establish area median incomes and income ceilings and limits as if such portion included Westchester County.".

(e) BUDGET COMPLIANCE.—The amendments made by subsections (b) an (c) shall apply only to the extent approved in appropriations Acts.

(f) EFFECTIVE DATE.—The Secretary shall issue regulations implementing subsections (a) and (d) the amendments made by this section not later than the expiration of the 90-day period beginning on the date of the enactment of this Act. The regulations may not take effect until after September 30, 1991.

SEC. 574. EFFECT OF FOSTER CARE CHILDREN IN DETERMINING FAMILY COMPOSITION AND SIZE.

Section 3(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)), as amended by the preceding provisions of this Act, is further amended by inserting after the period at the end the following new sentence: "The temporary absence of a child from the home due to placement in foster care shall not be considered in considering family composition and family size.".

SEC. 575. EXEMPTION FROM HOUSING DEVELOPMENT GRANT CONSTRUCTION COMMENCEMENT REQUIREMENTS.

(a) IN GENERAL.—Notwithstanding section 17(d)(4)(G) of the United States Housing Act of 1937 and subject to approval in appropriations Acts, the county of Santa Cruz, in the State of California, may not be required to return, and the Secretary of Housing and Urban Development may not recapture, any housing development grant amounts referred to in subsection (b) if during the 6-month period beginning on the date of the enactment of this Act the county (or any subgrantee) commences construction or substantial rehabilitation activities for which such amounts were made available.

(b) DESCRIPTION OF GRANT AMOUNTS.—The grant amounts referred to in subsection (a) are the amounts awarded to the county of Santa Cruz, in the State of California, on October 1, 1987, under section 17(d) of the United States Housing Act of 1937, for the purpose of providing 37 housing units for low- and very low-income families at the Murphy's Crossing housing development (project no. CA030HG701).

SEC. 576. CONSULTATION REGARDING FOSTER CARE CHILDREN IN DEVELOPMENT OF HOUSING ASSISTANCE PLAN.

Section 213(a)(5) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(a)(5)) is amended by inserting after the period at the end the following: "In developing a housing assistance plan under this paragraph a unit of general local government shall consult with local public agencies involved in providing for the welfare of children to determine the housing needs of (A) families identified by the agencies as having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care or in preventing the discharge of a child from foster care and reunification with his or her family; and (B) children who, upon discharge of the child from foster care, cannot return to their family or extended family and for which adoption is not available. The unit of general local government shall include in the housing assistance plan needs and goals with respect to such families and children.".

SEC. 577. HOUSING COUNSELING.

(a) COUNSELING SERVICES.—The first sentence of section 106(a)(3) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(a)(3)) is amended by striking "except that" and all that follows and inserting the following: "except that for such purposes there are authorized to be appropriated $3,600,000 for fiscal year 1991 and $3,700,000 for fiscal year 1992.".

(b) EMERGENCY HOMEOWNERSHIP COUNSELING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 106(c)(8) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(8)) is amended to read as follows: "There is authorized to be appropriated to carry out this section $6,700,000 for fiscal year 1991 and $7,000,000 for fiscal year 1992, of which amounts $2,000,000 shall be available in each such fiscal year to carry out paragraph (5)(D).".

(2) EXTENSION OF PROGRAM.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking "September 30, 1990" and inserting "September 30, 1992".

(3) NOTIFICATION OF AVAILABILITY OF HOMEOWNERSHIP COUNSELING.—Section 106(c)(5) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(5)) is amended to read as follows:

"(5) NOTIFICATION OF AVAILABILITY OF HOMEOWNERSHIP COUNSELING.—

"(A) IN GENERAL.—Except as provided in subparagraph (C), if any eligible homeowner fails to pay any amount by the date the amount is due under a home loan, the creditor of the loan shall notify the homeowner of the availability of any homeownership counseling offered by the creditor and, as a supplement to counseling provided by the creditor, shall notify the homeowner of 1 of the following:

"(i) The availability of homeownership counseling provided by nonprofit organizations approved by the Secretary and experienced in the provision of homeownership counseling.

"(ii) The toll-free telephone number described in subparagraph (D)(i).

"(B) DEADLINE FOR NOTIFICATION.—The notification required in subparagraph (A) shall be made—

"(i) in a manner approved by the Secretary; and

"(ii) before the expiration of the 45-day period beginning on the date on which the

failure referred to in such subparagraph occurs.

"(C) EXCEPTIONS.—Notification under subparagraph (A) shall not be required with respect to any loan—

"(i) insured or guaranteed under chapter 37 of title 38, United States Code; or

"(ii) for which the eligible homeowner pays the amount overdue before the expiration of the 45-day period under subparagraph (B)(ii).

"(D) ADMINISTRATION AND COMPLIANCE.—The Secretary shall, to the extent of amounts approved in appropriation Acts, enter into an agreement with an appropriate private entity under which the entity will—

"(i) operate a toll-free telephone number through which any eligible homeowner can obtain a list of nonprofit organizations that—

"(I) are approved by the Secretary and experienced in the provision of homeownership counseling; and

"(II) serve the area in which the residential property of the homeowner is located;

"(ii) monitor the compliance of creditors with the requirements of subparagraphs (A) and (B); and

"(iii) report to the Secretary not less than annually regarding the extent of compliance of creditors with the requirements of subparagraphs (A) and (B).

"(E) REPORT.—The Secretary shall submit a report to the Congress not less than annually regarding the extent of compliance of creditors with the requirements of subparagraphs (A) and (B) and the effectiveness of the entity monitoring such compliance. The Secretary shall also include in the report any recommendations for legislative action to increase the authority of the Secretary to penalize creditors who do not comply with such requirements.".

(c) PREPURCHASE AND FORECLOSURE-PREVENTION COUNSELING DEMONSTRATION.—Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended by adding at the end the following new subsection:

"(d) PREPURCHASE AND FORECLOSURE-PREVENTION COUNSELING DEMONSTRATION.—

"(1) PURPOSES.—The purpose of this subsection is—

"(A) to reduce defaults and foreclosures on mortgage loans insured under the Federal Housing Administration single family mortgage insurance program;

"(B) to encourage responsible and prudent use of such federally insured home mortgages;

"(C) to assist homeowners with such federally insured mortgages to retain the homes they have purchased pursuant to such mortgages; and

"(D) to encourage the availability and expansion of housing opportunities in connection with such federally insured home mortgages.

"(2) AUTHORITY.—The Secretary of Housing and Urban Development shall carry out a program to demonstrate the effectiveness of providing coordinated prepurchase counseling and foreclosure-prevention counseling to first-time homebuyers and homeowners in avoiding defaults and foreclosures on mortgages insured under the Federal Housing Administration single family home mortgage insurance program.

"(3) GRANTS.—Under the demonstration program under this subsection, the Secretary shall make grants to qualified nonprofit organizations under paragraph (4) to enable the organizations to provide prepurchase counseling services to eligible homebuyers and foreclosure-prevention counseling services to eligible homeowners, in counseling target areas.

"(4) QUALIFIED NONPROFIT ORGANIZATIONS.—The Secretary shall select nonprofit organizations to receive assistance under the demonstration program under this subsection based on the experience and ability of the organizations in providing homeownership counseling and their ability to provide community-based prepurchase and foreclosure-prevention counseling under paragraphs (5) and (6) in a counseling target area. To be eligible for selection under this paragraph, a nonprofit organization shall submit an application containing a proposal for providing counseling services in the form and manner required by the Secretary.

"(5) PREPURCHASE COUNSELING.—

"(A) MANDATORY PARTICIPATION.—Under the demonstration program, the Secretary shall require any eligible homebuyer who intends to purchase a home located in a counseling target area and who has applied for (as determined by the Secretary) a qualified mortgage (as such term is defined in paragraph (10)(K)) on such home that involves a downpayment of less than 10 percent of the principal obligation of the mortgage, to receive counseling prior to signing of a contract to purchase the home. The counseling shall include counseling with respect to—

"(i) financial management and the responsibilities involved in homeownership;

"(ii) fair housing laws and requirements;

"(iii) the maximum mortgage amount that the homebuyer can afford; and

"(iv) options, programs, and actions available to the homebuyer in the event of actual or potential delinquency or default.

"(B) ELIGIBILITY FOR COUNSELING.—A homebuyer shall be eligible for prepurchase counseling under this paragraph if—

"(i) the homebuyer has applied for a qualified mortgage;

"(ii) the homebuyer is a first-time homebuyer; and

"(iii) the home to be purchased under the qualified mortgage is located in a counseling target area.

"(6) FORECLOSURE-PREVENTION COUNSELING.—

"(A) AVAILABILITY.—Under the demonstration program, the Secretary shall make counseling available for eligible homeowners who are 60 or more days delinquent with respect to a payment under a qualified mortgage on a home located within a counseling target area. The counseling shall include counseling with respect to options, programs, and actions available to the homeowner for resolving the delinquency or default.

"(B) NOTIFICATION OF DELINQUENCY.—Under the demonstration program, the Secretary shall require the creditor of any eligible homeowner who is delinquent (as described in subparagraph (A)) to send written notice by registered or certified mail within 5 days (excluding Saturdays, Sundays, and legal public holidays) after the occurrence of such delinquency—

"(i) notifying the homeowner of the delinquency and the name, address, and phone number of the counseling organization for the counseling target area; and

"(ii) notifying any counseling organization for the counseling target area of the delinquency and the name, address, and phone number of the delinquent homeowner.

"(C) COORDINATION WITH EMERGENCY HOMEOWNERSHIP COUNSELING PROGRAM.—The Secretary may coordinate the provision of assistance under subsection (c) with the demonstration program under this subsection.

"(D) ELIGIBILITY FOR COUNSELING.—A homeowner shall be eligible for foreclosure-prevention counseling under this paragraph if—

"(i) the home owned by the homeowner is subject to a qualified mortgage; and

"(ii) such home is located in a counseling target area.

"(7) SCOPE OF DEMONSTRATION PROGRAM.—

"(A) DESIGNATION OF COUNSELING TARGET AREAS.—The Secretary shall designate 3 counseling target areas (as provided in subparagraph (B)), which shall be located in not less than 2 separate metropolitan areas. The Secretary shall provide for counseling under the demonstration program under this subsection with respect to only such counseling target areas.

"(B) COUNSELING TARGET AREAS.—Each counseling target area shall consist of a group of contiguous census tracts—

"(i) the population of which is greater than 50,000;

"(ii) which together constitute an identifiable neighborhood, area, borough, district, or region within a metropolitan area (except that this clause may not be construed to exclude a group of census tracts containing areas not wholly contained within a single town, city, or other political subdivision of a State);

"(iii) in which the average age of existing housing is greater than 20 years; and

"(iv) for which (I) the percentage of qualified mortgages on homes within the area that are foreclosed exceeds 5 percent for the calendar year preceding the year in which the area is selected as a counseling target area, or (II) the number of qualified mortgages originated on homes in such area in the calendar year preceding the calendar year in which the area is selected as a counseling target area exceeds 20 percent of the total number of mortgages originated on residences in the area during such year.

"(C) MORTGAGE CHARACTERISTICS.—In designating counseling target areas under subparagraph (A), the Secretary shall designate at least 1 such area that meets the requirements of subparagraph (B)(iv)(I) and at least 1 such area that meets the requirements of subparagraph (B)(iv)(II).

"(D) EXPANSION OF TARGET AREAS.—The Secretary may expand any counseling target area during the term of the demonstration program, if the Secretary determines that counseling can be adequately provided within such expanded area and the purposes of this subsection will be furthered by such expansion. Any such expansion shall include only groups of census tracts that are contiguous to the counseling target area expanded and such census tract groups shall not be subject to the provisions of subparagraph (B).

"(E) DESIGNATION OF CONTROL AREAS.—For purposes of determining the effectiveness of counseling under the demonstration program, the Secretary shall designate 3 control areas, each of which shall correspond to 1 of the counseling target areas designated under subparagraph (A). Each control area shall be located in the metropolitan area in which the corresponding counseling target area is located, shall meet the requirements of subparagraph (B), and shall be similar to such area with respect to size, age of housing stock, median income, and racial makeup of the population. Each control area shall also comply with the requirements of subclause (I) or (II) of subparagraph (B)(iv), according to the subclause with which the corresponding counseling target area complies.

"(8) EVALUATION.—Each organization providing counseling under the demonstration program under this subsection shall maintain records with respect to each eligible homebuyer and eligible homeowner counseled and shall provide information with respect to such counseling as the Secretary or the Comptroller General (for purposes of the study and report under paragraph (9)) may require.

"(9) GAO STUDY AND REPORT.—

"(A) STUDY.—During the 12-month period ending on the termination date under paragraph (13), the Comptroller General of the United States shall conduct a study to assess the effectiveness of the demonstration program and counseling under the program. The study shall include—

"(i) a comparison of the default and foreclosure rates for each counseling target area and other areas, including each corresponding control area;

"(ii) a survey of eligible homebuyers and eligible homeowners counseled under the program; and

"(iii) identification of factors preventing participation in the program for single family home mortgage insurance under the National Housing Act and contributing to default and foreclosure under such program.

"(B) REPORT.—The Comptroller General shall submit to the Committees on Banking, Finance and Urban Affairs and Veterans' Affairs of the House of Representatives, the Committees on Banking, Housing, and Urban Affairs and Veterans' Affairs of the Senate, the Secretary of Housing and Urban Development, and the Secretary of Veterans Affairs, not later than the termination date under paragraph (13), a report regarding the study under subparagraph (A). The report shall include—

"(i) information describing the results of the activities under clauses (i) through (iii) of such subparagraph;

"(ii) an assessment of the effectiveness of the counseling under the program in preventing default and foreclosure, based on comparison between counseling target areas and control areas; and

"(iii) a recommendation of whether a permanent counseling program involving prepurchase counseling or foreclosure-prevention counseling would be effective in reducing defaults and foreclosures on qualified mortgages.

"(10) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'control area' means an area designated by the Secretary under paragraph (7)(E).

"(B) The term 'counseling target area' means an area designated by the Secretary under paragraph (7)(A).

"(C) The term 'creditor' means a person or entity that is servicing a loan secured by a qualified mortgage on behalf of itself or another person or entity.

"(D) The term 'displaced homemaker' means an individual who—

"(i) is an adult;

"(ii) has not worked full-time, full-year in the labor force for a number of years, but has during such years, worked primarily without remuneration to care for the home and family; and

"(iii) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

"(E) The term 'downpayment' means the amount of purchase price of home required to be paid at or before the time of purchase.

"(F) The term 'eligible homebuyer' means a homebuyer that meets the requirements under paragraph (5)(B).

"(G) The term 'eligible homeowner' means a homeowner that meets the requirements under paragraph (6)(D).

"(H) The term 'first-time homebuyer' means an individual who—

"(i) (and whose spouse) has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the home pursuant to which counseling is provided under this subsection;

"(ii) is a displaced homemaker who, except for owning a residence with his or her spouse or residing in a residence owned by the spouse, meets the requirements of clause (i); or

"(iii) is a single parent who, except for owning a residence with his or her spouse or residing in a residence owned by the spouse while married, meets the requirements of clause (i).

"(I) The term 'home' includes any dwelling or dwelling unit eligible for a qualified mortgage, and includes a unit in a condominium project, a membership interest and occupancy agreement in a cooperative housing project, and a manufactured home and the lot on which the home is situated.

"(J) The term 'metropolitan area' means a standard metropolitan statistical area as designated by the Director of the Office of Management and Budget.

"(K) The term 'qualified mortgage' means a mortgage on a 1- to 4-family home that is insured under title II of the National Housing Act.

"(L) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(M) The term 'single parent' means an individual who—

"(i) is unmarried or legally separated from a spouse; and

"(ii)(I) has 1 or more minor children for whom the individual has custody or joint custody; or

"(II) is pregnant.

"(11) REGULATIONS.—The Secretary may issue any regulations necessary to carry out this subsection.

"(12) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $350,000 for fiscal year 1991 and $365,000 for fiscal year 1992.

"(13) TERMINATION.—The demonstration program under this subsection shall terminate at the end of fiscal year 1994.".

SEC. 578. FLEXIBLE SUBSIDY PROGRAM.

(a) EXTENSION.—Section 236(f)(3) of the National Housing Act is amended by striking "September 30, 1991" and inserting "September 30, 1992".

(b) AUTHORIZATION.—Section 201(j) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z-1a(j)) is amended by adding at the end the following paragraph:

"(5) There are authorized to be appropriated for assistance under the flexible subsidy fund not to exceed $50,000,000 for fiscal year 1991 and $52,200,000 for fiscal year 1992.".

(c) LIMITATION.—Section 201(j)(1) of the Housing and Community Development Amendments of 1978 is amended by inserting before the period at the end the following: "and shall not (except as provided in Public Law 100-4-4 (102 Stat. 1018), as in effect on October 1, 1988) be available for any other purpose".

SEC. 579. STREAMLINED PROPERTY DISPOSITION REQUIREMENTS FOR UNSUBSIDIZED MULTIFAMILY HOUSING PROJECTS.

(a) GOALS.—Section 203(a)(1)(B) of the Housing and Community Development Amendments of 1978 is amended by striking "or vacant".

(b) ACTIONS.—Section 203(d) of the Housing and Community Development Amendments of 1978 is amended—

(1) in paragraph (1)(B), by striking "or are vacant (which units shall be made available for such families as soon as possible)";

(2) by redesignating paragraph (2) as paragraph (3); and

(3) by inserting after paragraph (1) the following new paragraph:

"(2) In the case of multifamily housing projects (other than subsidized or formerly subsidized projects) that are acquired by a purchaser other than the Secretary at foreclosure or after sale by the Secretary, enter into annual contribution contracts with public housing agencies to provide vouchers or certificates under section 8 of the United States Housing Act of 1937 to all low-income families who are eligible for such assistance on the date that the project is acquired by the purchaser. The Secretary shall take action under this paragraph only after making a determination that the requirements under subsection (e) have been complied with and there is available in the area an adequate supply of habitable affordable housing for low-income families.".

SEC. 580. MULTIFAMILY HOUSING DISPOSITION PARTNERSHIP.

Section 184(c)(1) of the Housing and Community Development Act of 1987 (12 U.S.C. 1701z-11 note) is amended by striking "upon the expiration of the 3-year period beginning on the date of the enactment of this Act" and inserting "at the end of September 30, 1991".

SEC. 581. PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION.

(a) IN GENERAL.—The Public Housing Drug Elimination Act of 1988 (chapter 2 of subtitle C of title V of Public Law 100-690) is amended to read as follows:

"CHAPTER 2—PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION

"SEC. 5121. SHORT TITLE.

"This chapter may be cited as the "Public and Assisted Housing Drug Elimination Act of 1990".

"SEC. 5122. CONGRESSIONAL FINDINGS.

"The Congress finds that—

"(1) the Federal Government has a duty to provide public and other federally assisted low-income housing that is decent, safe, and free from illegal drugs;

"(2) public and other federally assisted low-income housing in many areas suffers from rampant drug-related crime;

"(3) drug dealers are increasingly imposing a reign of terror on public and other federally assisted low-income housing tenants;

"(4) the increase in drug-related crime not only leads to murders, muggings, and other forms of violence against tenants, but also to a deterioration of the physical environment that requires substantial government expenditures; and

"(5) local law enforcement authorities often lack the resources to deal with the drug problem in public and other federally assisted low-income housing, particularly in light of the recent reductions in Federal aid to cities.

"SEC. 5123. AUTHORITY TO MAKE GRANTS.

"The Secretary of Housing and Urban Development, in accordance with the provisions of this chapter, may make grants to public housing agencies (including Indian Housing Authorities) and private, for-profit and nonprofit owners of federally assisted low-income housing for use in eliminating drug-related crime.

"SEC. 5124. ELIGIBLE ACTIVITIES.

"Grants under this chapter may be used in public housing or other federally assisted low-income housing projects for—

"(1) the employment of security personnel;

"(2) reimbursement of local law enforcement agencies for additional security and protective services;

"(3) physical improvements which are specifically designed to enhance security;

"(4) the employment of one or more individuals—

"(A) to investigate drug-related crime on or about the real property comprising any public or other federally assisted low-income housing project; and

"(B) to provide evidence relating to such crime in any administrative or judicial proceeding;

"(5) the provision of training, communications equipment, and other related equipment for use by voluntary tenant patrols acting in cooperation with local law enforcement officials;

"(6) programs designed to reduce use of drugs in and around public or other federally assisted low-income housing projects, including drug-abuse prevention, intervention, referral, and treatment programs; and

"(7) providing funding to nonprofit public housing resident management corporations and resident councils to develop security and drug abuse prevention programs involving site residents.

"SEC. 5125. APPLICATIONS.

"(a) IN GENERAL.—To receive a grant under this chapter, a public housing agency or an owner of federally assisted low-income housing shall submit an application to the Secretary, at such time, in such manner, and accompanied by such additional information as the Secretary may reasonably require. Such application shall include a plan for addressing the problem of drug-related crime on the premises of the housing administered or owned by the applicant for which the application is being submitted.

"(b) CRITERIA.—Except as provided by subsections (c) and (d) the Secretary shall approve applications under this chapter based exclusively on—

"(1) the extent of the drug-related crime problem in the public or federally assisted low-income housing project or projects proposed for assistance;

"(2) the quality of the plan to address the crime problem in the public or federally assisted low-income housing project or projects proposed for assistance, including the extent to which the plan includes initiatives that can be sustained over a period of several years;

"(3) the capability of the applicant to carry out the plan; and

"(4) the extent to which tenants, the local government and the local community support and participate in the design and implementation of the activities proposed to be funded under the application.

"(c) FEDERALLY ASSISTED LOW-INCOME HOUSING.—In addition to the selection criteria specified in subsection (b), the Secretary may establish other criteria for the evaluation of applications submitted by owners of federally assisted low-income housing, except that such additional criteria shall be designed only to reflect—

"(1) relevant differences between the financial resources and other characteristics of public housing authorities and owners of federally assisted low-income housing, or

"(2) relevant differences between the problem of drug-related crime in public housing and the problem of drug-related crime in federally assisted low-income housing.

"(d) HIGH INTENSITY DRUG TRAFFICKING AREAS.—In evaluating the extent of the drug-related crime problem pursuant to subsection (b), the Secretary may consider whether housing projects proposed for assistance are located in a high intensity drug trafficking area designated pursuant to section 1005 of the Anti-Drug Abuse Act of 1988.

"SEC. 5126. DEFINITIONS.

"For the purposes of this chapter:

"(1) CONTROLLED SUBSTANCE.—The term 'controlled substance' has the meaning given such term in section 102 of the Controlled Substance Act (21 U.S.C. 802).

"(2) DRUG-RELATED CRIME.—The term 'drug-related crime' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use a controlled substance.

"(3) SECRETARY.—The term 'Secretary' means the Secretary of Housing and Urban Development.

"(4) FEDERALLY ASSISTED LOW-INCOME HOUSING.—The term 'federally assisted low-income housing' means housing assisted under—

"(A) section 221(d)(3), section 221(d)(4), or 236 of the National Housing Act;

"(B) section 101 of the Housing and Urban Development Act of 1965; or

"(C) section 8 of the United States Housing Act of 1937.

"SEC. 5127. IMPLEMENTATION.

"The Secretary shall issue regulations to implement this chapter within 180 days after the date of enactment of the Cranston-Gonzalez National Affordable Housing Act.

"SEC. 5128. REPORTS.

"The Secretary shall require grantees to provide periodic reports that include the obligation and expenditure of grant funds, the progress made by the grantee in implementing the plan described in section 5125(a), and any change in the incidence of drug-related crime in projects assisted under this chapter.

"SEC. 5129. MONITORING.

"The Secretary shall audit and monitor the programs funded under this chapter to ensure that assistance provided under this chapter is administered in accordance with the provisions of this chapter.

"SEC. 5130. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There is authorized to be appropriated to carry out this chapter $160,000,000 for fiscal year 1991 and $166,900,000 for fiscal year 1992. Any amount appropriated under this section shall remain available until expended.

"(b) SET-ASIDE FOR ASSISTED HOUSING.—Of any amount made available in any fiscal year to carry out this chapter, not more than 6.25 percent of such amount shall be available for grants for federally assisted, low-income housing.".

(b) CONFORMING AMENDMENTS.—The table of contents for title V of Public Law 100-690 is amended by striking the items relating to chapter 2 and inserting the following new items:

"CHAPTER 2—PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION

"Sec. 5121. Short title.
"Sec. 5122. Congressional findings.
"Sec. 5123. Authority to make grants.
"Sec. 5124. Eligible activities.
"Sec. 5125. Applications.
"Sec. 5126. Definitions.
"Sec. 5127. Implementation.
"Sec. 5128. Reports.
"Sec. 5129. Monitoring.
"Sec. 5130. Authorization of appropriations.".

SEC. 582. STUDY OF PRIVATE NONPROFIT INITIATIVES.

(a) STUDY.—The Secretary of Housing and Urban Development shall conduct a study to examine how private nonprofit initiatives to provide low-income housing development in local communities across the country have succeeded. The Secretary shall place particular emphasis on how Federal housing policy and tax structures can best promote local private nonprofit organizations involvement in low-income housing development. The Secretary shall convene individuals, of his choosing, who have demonstrated an expertise in such private nonprofit initiatives from across the country and draw on their expertise in implementing such programs. The study shall include the results of, and suggestions by, such individuals.

(b) REPORT.—The Secretary shall submit a report to the Congress regarding the findings of this study not later than 1 year after the date of the enactment of this Act.

SEC. 583. EXTENSION OF CAPITAL ASSESSMENT STUDY.

Section 204(c)(1) of the Department of Housing and Urban Development Reform Act of 1989 (12 U.S.C. 1715z-1a note) is amended by striking "Not later than one year after the date of enactment of this Act" and inserting "Not later than March 1, 1992".

TITLE VI—PRESERVATION OF AFFORDABLE RENTAL HOUSING

Subtitle A—Prepayment of Mortgages Insured Under National Housing Act

SEC. 601. PREPAYMENT OF MORTGAGES.

(a) IN GENERAL.—Subtitles A and B of the Emergency Low Income Housing Preservation Act of 1987 (12 U.S.C. 1715l note) are amended to read as follows:

"Subtitle A—Short Title

"SEC. 201. SHORT TITLE.

"This title may be cited as the 'Low-Income Housing Preservation and Resident Homeownership Act of 1990'.

"Subtitle B—Prepayment of Mortgages Insured Under National Housing Act

"SEC. 211. GENERAL PREPAYMENT LIMITATION.

"(a) PREPAYMENT AND TERMINATION.—An owner of eligible low-income housing may prepay, and a mortgagee may accept prepayment of, a mortgage on such housing only in accordance with a plan of action approved by the Secretary under this subtitle or in accordance with section 224. An insurance contract with respect to eligible low-income housing may be terminated pursuant to section 229 of the National Housing Act only in accordance with a plan of action approved by the Secretary under this subtitle or in accordance with section 224.

"(b) FORECLOSURE.—A mortgagee may foreclose the mortgage on, or acquire by deed in lieu of foreclosure, any eligible low-income housing project only if the mortgagee also conveys title to the project to the Secretary in connection with a claim for insurance benefits.

"(c) EFFECT OF UNAUTHORIZED PREPAYMENT.—Any prepayment of a mortgage on eligible low-income housing or termination of the mortgage insurance on such housing not in compliance with the provisions of this subtitle shall be null and void and any low-income affordability restrictions on the housing shall continue to apply to the housing.

"SEC. 212. NOTICE OF INTENT.

"(a) FILING WITH THE SECRETARY.—An owner of eligible low-income housing that intends to terminate the low-income affordability restrictions through prepayment or voluntary termination in accordance with section 218, extend the low-income affordability restrictions of the housing in accordance with section 219, or transfer the housing to a qualified purchaser in accordance with section 220, shall file with the Secretary a notice indicating such intent in the form and manner as the Secretary shall prescribe.

"(b) FILING WITH THE STATE OR LOCAL GOVERNMENT, TENANTS, AND MORTGAGEE.—The owner, upon filing a notice of intent under this section, shall simultaneously file the notice of intent with the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located and with the mortgagee, and shall inform the tenants of the housing of the filing.

"(c) INELIGIBILITY FOR FILING.—An owner shall not be eligible to file a notice of intent under this section if the mortgage covering the housing—

"(1) falls into default on or after the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act; or

"(2)(A) fell into default before, but is current as of, such date; and

"(B) the owner does not agree to recompense the appropriate Insurance Fund, in the amount the Secretary determines appropriate, for any losses sustained by the Fund as a result of any work-out or other arrangement agreed to by the Secretary and the owner with respect to the defaulted mortgage.

The Secretary shall carry out this subsection in a manner consistent with the provisions of section 203 of the Housing and Community Development Amendments of 1978.

"SEC. 213. APPRAISAL AND PRESERVATION VALUE OF ELIGIBLE LOW-INCOME HOUSING.

"(a) APPRAISAL.—Upon receiving notice of intent regarding an eligible low-income housing project indicating an intent to extend the low-income affordability restrictions under section 219 or transfer the housing under section 220, the Secretary shall provide for determination of the preservation value of the housing, as follows:

"(1) APPRAISERS.—The preservation value shall be determined by 2 independent appraisers, one of whom shall be selected by the Secretary and one of whom shall be selected by the owner. The appraisals shall be conducted not later than 4 months after filing the notice of intent under section 212, and the owner shall submit to the Secretary the appraisal made by the owner's selected appraiser not later than 90 days after receipt of the notice under paragraph (2). If the 2 appraisers fail to agree on the preservation value, and the Secretary and the owner also fail to agree on the preservation value, the Secretary and the owner shall jointly select and jointly compensate a third appraiser, whose appraisal shall be binding on the parties.

"(2) NOTICE.—Not later than 30 days after the filing of a notice of intent to seek incentives under section 219 or transfer the property under section 220, the Secretary shall provide written notice to the owner filing the notice of intent of—

"(A) the need for the owner to acquire an appraisal of the property under paragraph (1);

"(B) the rules and guidelines for such appraisals;

"(C) the filing deadline for submission of the appraisal under paragraph (1);

"(D) the need for an appraiser retained by the Secretary to inspect the housing and project financial records; and

"(E) any delegation to the appropriate State agency by the Secretary of responsibilities regarding the appraisal.

"(3) TIMELINESS.—The Secretary may approve a plan of action to receive incentives under section 219 or 220 only based upon an appraisal conducted in accordance with this subsection that is not more than 30 months old.

"(b) PRESERVATION VALUE.—For purposes of this subtitle, the preservation value of eligible low-income housing appraised under this section shall be—

"(1) for purposes of extending the low-income affordability restrictions and receiving incentives under section 219, the fair market value of the property based on the highest and best use of the property as residential rental housing; and

"(2) for purposes of transferring the property under section 220 or 221, the fair market value of the housing based on the highest and best use of the property.

"(c) GUIDELINES.—The Secretary shall provide written guidelines for appraisals of preservation value, which shall assume repayment of the existing federally assisted mortgage, termination of the existing low-income affordability restrictions, and costs of compliance with any State or local laws of general applicability. The guidelines may permit reliance upon assessments of rehabilitation needs and other conversion costs determined by an appropriate State agency, as determined by the Secretary. The guidelines shall instruct the appraiser to use the greater of actual project operating expenses at the time of the appraisal (based on the average of the actual project operating expenses during the preceding 3 years) or projected operating expenses after conversion in determining preservation value. The guidelines established by the Secretary shall not be inconsistent with customary appraisal standards. The guidelines shall also meet the following requirements:

"(1) RESIDENTIAL RENTAL VALUE.—In the case of preservation value determined under subsection (b)(1), the guidelines shall assume conversion of the housing to market-rate rental housing and shall establish methods for (A) determining rehabilitation expenditures that would be necessary to bring the housing up to quality standards required to attract and sustain a market rate tenancy upon conversion, and (B) assessing other costs that the owner could reasonably be expected to incur if the owner converted the property to market-rate multifamily rental housing.

"(2) HIGHEST AND BEST USE VALUE.—In the case of preservation value determined under subsection (b)(2), the guidelines shall assume conversion of the housing to highest and best use for the property and shall establish methods for (A) determining any rehabilitation expenditures that would be necessary to convert the housing to such use, and (B) assessing other costs that the owner could reasonably be expected to incur if the owner converted the property to its highest and best use.

"SEC. 214. ANNUAL AUTHORIZED RETURN AND PRESERVATION RENTS.

"(a) ANNUAL AUTHORIZED RETURN.—Pursuant to an appraisal under section 213, the Secretary shall determine the annual authorized return on the appraised housing, which shall be equal to 8 percent of the preservation equity (as such term is defined in section 229(8)).

"(b) PRESERVATION RENTS.—The Secretary shall also determine the aggregate preservation rents under this subsection for each project appraised under section 213. The aggregate preservation rents shall be used solely for the purposes of comparison with Federal cost limits under section 215. Actual rents received by an owner (or a qualified purchaser) shall be determined pursuant to section 219, 220, or 221. The aggregate preservation rents shall be established as follows:

"(1) EXTENSION OF AFFORDABILITY LIMITS.—The aggregate preservation rent for purposes of receiving incentives pursuant to extension of the low-income affordability restrictions under section 219 shall be the gross potential income for the project, determined by the Secretary, that would be required to support the following costs:

"(A) The annual authorized return determined under subsection (a).

"(B) Debt service on any rehabilitation loan for the housing.

"(C) Debt service on the federally-assisted mortgage for the housing.

"(D) Project operating expenses.

"(E) Adequate reserves.

"(2) SALE.—The aggregate preservation rent for purposes of receiving incentives pursuant to sale under section 220 or 221 shall be the gross income for the project determined by the Secretary, that would be required to support the following costs:

"(A) Debt service on the loan for acquisition of the housing.

"(B) Debt service on any rehabilitation loan for the housing.

"(C) Debt service on the federally-assisted mortgage for the housing.

"(D) Project operating expenses.

"(E) Adequate reserves.

"SEC. 215. FEDERAL COST LIMITS AND LIMITATIONS ON PLANS OF ACTION.

"(a) DETERMINATION OF RELATIONSHIP TO FEDERAL COST LIMITS.—

"(1) INITIAL DETERMINATION.—For each eligible low-income housing project appraised under section 213(a), the Secretary shall determine whether the aggregate preservation rents for the project determined under paragraph (1) or (2) of section 214(b) exceed the amount determined by multiplying 120 percent of the fair market rental (established under section 8(c) of the United States Housing Act of 1937) for the market area in which the housing is located by the number of dwelling units in the project (according to appropriate unit sizes).

"(2) RELEVANT LOCAL MARKETS.—If the aggregate preservation rents for a project exceeds the amount determined under paragraph (1), the Secretary shall determine whether such aggregate rents exceed the amount determined by multiplying 120 percent of the prevailing rents in the relevant local market area in which the housing is located by the number of units in the project (according to the appropriate unit sizes). A relevant local market area shall be an area geographically smaller than a market area established by the Secretary under section 8(c)(1) of the United States Act of 1937 that is identifiable as a distinct rental market area. The Secretary may rely on the appraisal to determine the relevant local market areas and prevailing rents in such local areas and any other information the Secretary determines is appropriate.

"(3) EFFECT.—For purposes of this subtitle, the aggregate preservation rents shall be

considered to exceed the Federal cost limits under this subsection only if the aggregate preservation rents exceed the amount determined under paragraph (1) and the amount determined under paragraph (2).

"(b) LIMITATIONS ON ACTION PURSUANT TO FEDERAL COST LIMITS.—

"(1) HOUSING WITHIN FEDERAL COST LIMITS.—If the aggregate preservation rents for an eligible low-income housing project do not exceed the Federal cost limit, the owner may not prepay the mortgage on the housing or terminate the insurance contract with respect to the housing, except as permitted under section 224. The owner may—

"(A) file a plan of action under section 217 to receive incentives under section 219; or

"(B) file a second notice of intent under section 216(d) indicating an intention to transfer the housing under section 220 and take actions pursuant to such section.

"(2) HOUSING EXCEEDING FEDERAL COST LIMITS.—If the aggregate preservation rents for an eligible low-income housing project exceed the Federal cost limit, the owner may—

"(A) file a plan of action under section 217 to receive incentives under section 219 if the owner agrees to accept incentives under such sections in an amount that shall not exceed the Federal cost limit;

"(B) file a second notice of intent under section 216(d) indicating an intention to transfer the housing under section 220 and take actions pursuant to such section if the owner agrees to transfer the housing at a price that shall not exceed the Federal cost limit; or

"(C) file a second notice of intent under section 216(d) indicating an intention to prepay the mortgage or voluntarily terminate the insurance, subject to the mandatory sale provisions under section 221.

"SEC. 216. INFORMATION FROM SECRETARY.

"(a) INFORMATION TO OWNERS TERMINATING AFFORDABILITY RESTRICTIONS.—The Secretary shall provide each owner who submits a notice of intent to terminate the low-income affordability restrictions on the housing under section 218 with information under this section not later than 6 months after receipt of the notice of intent. The information shall include a description of the criteria for such termination specified under section 218 and the documentation required to satisfy such criteria.

"(b) INFORMATION TO OWNERS EXTENDING LOW-INCOME AFFORDABILITY RESTRICTIONS.—The Secretary shall provide each owner who submits notice of intent to extend the low-income affordability restrictions on the housing under section 219 or transfer the housing under section 220 to a qualified purchaser with information under this subsection not later than 9 months after receipt of the notice of intent. The information shall include any information necessary for the owner to prepare a plan of action under section 217, including the following:

"(1) PRESERVATION VALUES.—A statement of the preservation value of the housing determined under paragraphs (1) and (2) of section 213(b).

"(2) PRESERVATION RENT.—A statement of the preservation rent for the housing as calculated under section 214(b).

"(3) FEDERAL COST LIMITS.—A statement of the applicable Federal cost limits for the market area (or relevant local market area, if applicable) in which the housing is located, which shall explain the limitations under sections 219 and 220 of the amount of assistance that the Secretary may provide based on such cost limits.

"(4) FEDERAL COST LIMIT ANALYSIS.—A statement of whether the aggregate preservation rents exceeds the Federal cost limits and a direction to the owner to file a plan of action under section 217 or submit a second notice of intent under section 216(d), whichever is applicable.

"(c) AVAILABILITY TO TENANTS.—The Secretary shall make any information provided to the owner under subsection (a) and (b) available to the tenants of the housing, together with other information relating to the rights and opportunities of the tenants.

"(d) SECOND NOTICE OF INTENT.—

"(1) FILING.—Each owner of eligible low-income housing that elects to transfer housing under section 220 shall submit to the Secretary, in such form and manner as the Secretary prescribes, notice of intent to sell the housing under section 220. To be eligible to prepay the mortgage or voluntarily terminate the insurance contract on the mortgage, an owner of housing for which the preservation rents exceed the Federal cost limits under section 215(b) shall submit to the Secretary notice of such intent. The provisions of sections 221 and 223 shall apply to any owner submitting a notice under the preceding sentence.

"(2) TIMING.—A second notice of intent under this subsection shall be submitted not later than 30 days after receipt of information from the Secretary under this section. If an owner fails to submit such notice within such period, the notice of intent submitted by the owner under section 212 shall be void and ineffective for purposes of this subtitle.

"SEC. 217. PLAN OF ACTION.

"(a) SUBMISSION TO SECRETARY.—

"(1) TIMING.—Not later than 6 months after receipt of the information from the Secretary under section 216 an owner seeking to terminate the low-income affordability restrictions through prepayment of the mortgage or voluntary termination under section 218, or to extend the low-income affordability restriction on the housing under section 219, shall submit a plan of action to the Secretary in such form and manner as the Secretary shall prescribe. Any owner or purchaser seeking a transfer of the housing under section 220 or 221 shall submit a plan of action under this section to the Secretary upon acceptance of a bona fide offer under section 220 (b) or (c) or upon making of any bona fide offer under section 221.

"(2) COPIES TO TENANTS.—Each owner submitting a plan of action under this section to the Secretary shall also submit a copy to the tenants of the housing. The owner shall simultaneously submit the plan of action to the office of the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located. An appropriate agency of such State or local government shall review the plan and advise the tenants of the housing of any programs that are available to assist the tenants in carrying out the purposes of this title.

"(3) FAILURE TO SUBMIT.—If the owner does not submit a plan of action to the Secretary within the 6-month period referred to in paragraph (1) (or the applicable longer period), the notice of intent shall be ineffective for purposes of this subtitle and the owner may not submit another notice of intent under section 212 until 6 months after the expiration of such period.

"(b) CONTENTS.—

"(1) TERMINATION OF AFFORDABILITY RESTRICTIONS.—If the plan of action proposes to terminate the low-income affordability restrictions through prepayment or voluntary termination in accordance with section 218, the plan shall include—

"(A) a description of any proposed changes in the status or terms of the mortgage or regulatory agreement;

"(B) a description of any proposed changes in the low-income affordability restrictions;

"(C) a description of any change in ownership that is related to prepayment or voluntary termination;

"(D) an assessment of the effect of the proposed changes on existing tenants;

"(E) an analysis of the effect of the proposed changes on the supply of housing affordable to low- and very low-income families or persons in the community within which the housing is located and in the area that the housing could reasonably be expected to serve; and

"(F) any other information that the Secretary determines is necessary to achieve the purposes of this title.

"(2) EXTENSION OF AFFORDABILITY RESTRICTIONS.—If the plan of action proposes to extend the low-income affordability restrictions of the housing in accordance with section 219 or transfer the housing to a qualified purchaser in accordance with section 220, the plan shall include—

"(A) a description of any proposed changes in the status or terms of the mortgage or regulatory agreement;

"(B) a description of the Federal incentives requested (including cash flow projections), and analyses of how the owner will address any physical or financial deficiencies and maintain the low-income affordability restrictions of the housing;

"(C) a description of any assistance from State or local government agencies, including low-income housing tax credits, that have been offered to the owner or purchaser or for which the owner or purchaser has applied or intends to apply;

"(D) a description of any transfer of the property, including the identity of the transferee and a copy of any documents of sale; and

"(E) any other information that the Secretary determines is necessary to achieve the purposes of this title.

"(c) REVISIONS.—An owner may from time to time revise and amend the plan of action as may be necessary to obtain approval of the plan under this subtitle. The owner shall submit any revision to the Secretary and to the tenants of the housing.

"SEC. 218. PREPAYMENT AND VOLUNTARY TERMINATION.

"(a) APPROVAL.—The Secretary may approve a plan of action that provides for termination of the low-income affordability restrictions through prepayment of the mortgage or voluntary termination of the mortgage insurance contract only upon a written finding that—

"(1) implementation of the plan of action will not—

"(A) materially increase economic hardship for current tenants, and will not in any event result in (i) a monthly rental payment by any current tenant that exceeds 30 percent of the monthly adjusted income of the tenant or an increase in the monthly rental payment in any year that exceeds 10 percent (whichever is lower), or (ii) in the case of a current tenant who already pays more than such percentage, an increase in the monthly rental payment in any year that exceeds the increase in the Consumer Price Index or 10 percent (whichever is lower); or

"(B) involuntarily displace current tenants (except for good cause) where comparable and affordable housing is not readily available determined without regard to the availability of Federal housing assistance that would address any such hardship or involuntary displacement; and

"(2) the supply of vacant, comparable housing is sufficient to ensure that such prepayment will not materially affect—

"(A) the availability of decent, safe, and sanitary housing affordable to low-income and very low-income families or persons in the area that the housing could reasonably be expected to serve;

"(B) the ability of low-income and very low-income families or persons to find affordable, decent, safe, and sanitary housing near employment opportunities; or

"(C) the housing opportunities of minorities in the community within which the housing is located.

"(b) DISAPPROVAL.—If the Secretary determines a plan of action to prepay a mortgage or terminate an insurance contract fails to meet the requirements of subsection (a), the Secretary shall disapprove the plan, the notice of intent filed under section 212 by such owner shall not be effective for purposes of this subtitle, and the owner may, in order to receive incentives under this subtitle, file a new notice of intent under such section.

"SEC. 219. INCENTIVES TO EXTEND LOW-INCOME USE.

"(a) AGREEMENTS BY SECRETARY.—After approving a plan of action from an owner of eligible low-income housing that includes the owner's plan to extend the low-income affordability restrictions of the housing, the Secretary shall, subject to the availability of appropriations for such purpose, enter into such agreements as are necessary to enable the owner to receive the annual authorized return for the housing determined under section 214(a), pay debt service on the federally-assisted mortgage covering the housing, pay debt service on any loan for rehabilitation of the housing, and meet project operating expenses and establish adequate reserves. The Secretary shall take into account the Federal cost limits under section 215(a) for the housing when providing incentives under subsections (b) (2) and (3) of this section.

"(b) PERMISSIBLE INCENTIVES.—Such agreements may include one or more of the following incentives:

"(1) Increased access to residual receipts accounts.

"(2) Subject to the availability of amounts provided in appropriations Acts—

"(A) an increase in the rents permitted under an existing contract under section 8 of the United States Housing Act of 1937, or

"(B) additional assistance under section 8 or an extension of any project-based assistance attached to the housing; and

"(3) An increase in the rents on units occupied by current tenants as permitted under section 222.

"(4) Financing of capital improvements under section 201 of the Housing and Community Development Amendments of 1978.

"(5) Financing of capital improvements through provision of insurance for a second mortgage under section 241 of the National Housing Act.

"(6) In the case of housing defined in section 229(1)(A)(iii), redirection of the Interest Reduction Payment subsidies to a second mortgage.

"(7) Access by the owner to a portion of the preservation equity in the housing through provision of insurance for a second mortgage loan insured under section 241(f) of the National Housing Act or a non-insured mortgage loan approved by the Secretary and the mortgagee.

(8) Other incentives authorized in law.

With respect to any housing with a mortgage insured or otherwise assisted pursuant to section 236 of the National Housing Act, the provisions of subsections (f) and (g) of section 236 of such Act notwithstanding, the fair market rental charge for each unit in such housing may be increased in accordance with this subsection, but the owner shall pay to the Secretary all rental charges collected in excess of the basic rental charges, in an amount not greater than the fair market rental charges as such charges would have been established under section 236(f) of such Act absent the requirements of this paragraph.

"SEC. 220. INCENTIVES FOR TRANSFER TO QUALIFIED PURCHASERS.

"(a) IN GENERAL.—With respect to any eligible low-income housing for which an owner has submitted a second notice of intent under section 216(d) to transfer the housing to a qualified purchaser, the owner shall offer the housing for transfer to qualified purchasers as provided in this section. The Secretary shall issue regulations describing the means by which potential qualified purchasers shall be notified of the availability of the housing for sale. The Secretary shall take into account the Federal cost limits under section 215(a) for the housing when providing incentives under section 219(b)(2) and (b)(3) (pursuant to subsection (d)(3) of this section).

"(b) RIGHT OF FIRST OFFER TO PRIORITY PURCHASERS.—

"(1) NEGOTIATION PERIOD.—For the 12-month period beginning on the receipt by the Secretary of a second notice of intent under section 216(d) with respect to such housing, the owner may offer to sell and negotiate a sale of the housing only with priority purchasers. The negotiated sale price may not exceed the preservation value of the housing determined under section 213(b)(2). The owner or the purchaser shall submit a plan of action under section 217 for any sale under this subsection, which shall include any request for assistance under this section, upon the acceptance of any bona fide offer meeting the requirements of this paragraph.

"(2) EXPRESSION OF INTEREST.—During such period, priority purchasers may submit written notice to the Secretary stating their interest in acquiring the housing. Such notice shall be made in the form and include such information as the Secretary may prescribe.

"(3) INFORMATION.—Within 30 days of receipt of an expression of interest by a priority purchaser, the Secretary shall provide such purchaser with information on the assistance available from the Federal Government to facilitate a transfer and the owner shall provide appropriate information on the housing, as determined by the Secretary.

"(c) RIGHT OF REFUSAL FOR OTHER QUALIFIED PURCHASERS.—If no bona fide offer to purchase any eligible low-income housing subject to this section that meets the requirements of subsection (b) is made and accepted during the period under such subsection, during the 3-month period beginning upon the expiration of the 12-month period under subsection (b)(1), the owner of the housing may offer to sell and may sell the housing only to qualified purchasers. The negotiated sale price may not exceed the preservation value of the housing determined under section 213(b)(2). The owner or purchaser shall submit a plan of action under section 217 for any sale under this subsection, which shall include any request for assistance under this section, upon the acceptance of any bona fide offer meeting the requirements of this paragraph.

"(d) ASSISTANCE.—

"(1) APPROVAL.—If the qualified purchaser is a resident council, the Secretary may not approve a plan of action for assistance under this section unless the council's proposed resident homeownership program meets the requirements under section 226. For all other qualified purchasers, the Secretary may not approve the plan unless the Secretary finds that the criteria for approval under section 222 have been satisfied.

"(2) AMOUNT.—Subject to the availability of amounts approved in appropriation Acts, the Secretary shall, for approvable plans of action, provide assistance sufficient to enable qualified purchasers to

"(A) acquire the eligible low-income housing from the current owner for a purchase price not greater than the preservation equity of the housing;

"(B) pay the debt service on the federally-assisted mortgage covering the housing;

"(C) pay the debt service on any loan for the rehabilitation of the housing;

"(D) meet project operating expenses and establish adequate reserves for the housing;

"(E) receive an adequate return (as determined by the Secretary) on any actual cash investment made to acquire the project;

"(F) in the case of a priority purchaser, receive an adequate reimbursement for transaction expenses relating to acquisition of the housing, subject to approval by the Secretary; and

"(G) in the case of an approved resident homeownership program, cover the costs of training for the resident council, homeownership counseling and training, the fees for the nonprofit entity or public agency working with the resident council and costs related to relocation of tenants who elect to move.

"(3) INCENTIVES.—

"(A) IN GENERAL.—For all qualified purchasers of housing under this subsection, the Secretary may provide assistance for an approved plan of action in the form of 1 or more of the incentives authorized under section 219(b), except that any residual receipts for the housing transferred to the selling owner shall be deducted from the sale price of the housing under subsection (b) or (c) and the incentive under such section 219(b)(7) may include an acquisition loan under section 241(f) of the National Housing Act.

"(B) PRIORITY PURCHASERS.—Where the qualified purchaser is a priority purchaser, the Secretary may provide assistance for an approved plan of action (in the form of a grant) for each unit in the housing in an amount, as determined by the Secretary, that does not exceed the present value of the total of the projected published fair market rentals for existing housing (established by the Secretary under section 8(c) of the United States Housing Act of 1937) for the next 10 years (or such longer period if additional assistance is necessary to cover the costs referred to in paragraph (2)).

"SEC. 221. MANDATORY SALE FOR HOUSING EXCEEDING FEDERAL COST LIMITS.

"(a) IN GENERAL.—With respect to any eligible low-income housing for which the aggregate preservation rents determined under section 214(b) exceed the Federal cost limit,

the owner shall offer the housing for sale to qualified purchasers as provided in this section.

"(b) RIGHT OF FIRST REFUSAL TO PRIORITY PURCHASERS.—

"(1) DURATION AND REQUIRED SALE.—For the 12-month period beginning upon the receipt by the Secretary of the second notice of intent under section 216(d) with respect to such housing, the owner of the housing may offer to sell and may sell the housing only to priority purchasers. If, during such period, a priority purchaser makes a bona fide offer to purchase the housing for a sale price not less than the preservation value of the housing determined under section 213(b)(2), the Secretary shall require the owner to sell the housing pursuant to such offer.

"(2) EXPRESSION OF INTEREST.—During the period under paragraph (1), priority purchasers shall have the opportunity to submit written notice to the owner and the Secretary stating their interest in acquiring the housing. Such written notice shall be in such form and include such information as the Secretary may prescribe.

"(3) INFORMATION FROM SECRETARY.—Not later than 30 days after receipt of any notice under paragraph (2), the Secretary shall provide such purchaser with information on the assistance available from the Federal Government to facilitate a transfer and the owner shall provide such purchaser with appropriate information on the housing, as determined by the Secretary.

"(c) RIGHT OF REFUSAL FOR OTHER QUALIFIED PURCHASERS.—If no bona fide offer to purchase any eligible low-income housing subject to this section that meets the requirements of subsection (b) is made during the period under such subsection, during the 3-month period beginning upon the expiration of the 12-month period under subsection (b)(1), the owner of the housing may offer to sell and may sell the housing only to qualified purchasers. If, during such period, a qualified purchaser makes a bona fide offer to purchase the housing for a sale price not less than the preservation value of the housing determined under section 213(b)(2), the Secretary shall require the owner to sell the housing pursuant to such offer.

"(d) ASSISTANCE.—

"(1) FEDERAL COST LIMIT.—Subject to the availability of amounts approved in appropriations Acts, the Secretary shall, for approvable plans of action, provide to qualified purchasers assistance under section 8 of the United States Housing Act of 1937 sufficient to produce a gross income potential equal to the amount determined by multiplying 120 percent of the prevailing rents in the relevant local market area in which the housing is located by the number of units in the project (according to appropriate unit sizes), and any other incentives authorized under section 219(b) that would have been provided to a qualified purchaser under section 220.

"(2) ADDITIONAL ASSISTANCE.—From amounts made available under section 234(b), the Secretary may make grants to assist in the completion of sales and transfers under this section to any qualified purchasers. Any grant under this paragraph shall be in an amount not exceeding the difference between the preservation value for the housing (determined under section 213(b)(2)) and the level of assistance under paragraph (1) of this subsection.

"(3) SECURING STATE AND LOCAL FUNDING.—The Secretary shall assist any qualified purchaser of such housing in securing funding and other assistance (including tax and assessment reductions) from State and local governments to facilitate a sale under this section.

"SEC. 222. CRITERIA FOR APPROVAL OF PLAN OF ACTION INVOLVING INCENTIVES.

"(a) IN GENERAL.—The Secretary may approve a plan of action for extension of the low-income affordability restrictions on any eligible low-income housing or transfer the housing to a qualified purchaser (other than a resident council) only upon finding that—

"(1) due diligence has been given to ensuring that the package of incentives is, for the Federal Government, the least costly alternative that is consistent with the full achievement of the purposes of this title;

"(2) binding commitments have been made to ensure that—

"(A) the housing will be retained as housing affordable for very low-income families or persons, low income families or persons, and moderate-income families or persons for the remaining useful life of such housing (as determined under subsection (c));

"(B) throughout such period, adequate expenditures will be made for maintenance and operation of the housing and that the project meets housing standards established by the Secretary under subsection (e), as determined by inspections conducted under such subsection by the Secretary;

"(C) current tenants will not be involuntarily displaced (except for good cause);

"(D) any increase in rent contributions for current tenants will be to a level that does not exceed 30 percent of the adjusted income of the tenant or the published existing fair market rent for comparable housing established under section 8(c) of the United States Housing Act of 1937, whichever is lower, except that the rent contributions of any tenants occupying the housing at the time of any increase may not be reduced by reason of this subparagraph (except with respect to tenants receiving section 8 assistance in accordance with subparagraph (E)(ii) of this paragraph);

"(E)(i) any resulting increase in rents for current tenants (except for increases made necessary by increased operating costs)—

"(I) shall be phased in equally over a period of not less than 3 years, if such increase is 30 percent or more; and

"(II) shall be limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent; and

"(ii) assistance under section 8 of the United States Housing Act of 1937 shall be provided, to the extent available under appropriation Acts, if necessary to mitigate any adverse effect on current income-eligible very low- and low-income tenants; and

"(F)(i) rents for units becoming available to new tenants shall be at levels approved by the Secretary that will ensure, to the extent practicable, that the units will be available and affordable to the same proportions of very low-income families or persons, low-income families or persons, and moderate-income families or persons (including families or persons whose incomes are 95 percent or more of area median income) as resided in the housing as of January 1, 1987 (based on the area median income limits established by the Secretary in February 1987), or the date the plan of action is approved, whichever date results in the highest proportion of very low-income families, except that this limitation shall not prohibit a higher proportion of very low-income families from occupying the housing; and

"(ii) in approving rents under this paragraph, the Secretary shall take into account any additional incentives provided under this subtitle;

"(G) future rent adjustments shall be—

"(i) made by applying an annual factor (to be determined by the Secretary) to the portion of rent attributable to operating expenses for the housing and by making changes in the annual authorized return under section 214; and

"(ii) subject to a procedure, established by the Secretary, for owners to apply for rent increases not adequately compensated by annual adjustment under clause (i), under which the Secretary may increase rents in excess of the amount determined under clause (i) only if the Secretary determines such increases are necessary to reflect extraordinary necessary expenses of owning and maintaining the housing; and

"(H) any savings from reductions in operating expenses due to management efficiencies shall be deposited in project reserves for replacement and the owner shall have periodic access to such reserves, to the extent the Secretary determines that the level of reserves is adequate and that the housing is maintained in accordance with the standards established under section 222(d); and

"(3) no incentives under section 219 (other than to purchasers under section 220) may be provided until the Secretary determines the project meets housing standards under subsection (d), except that incentives under such section and other incentives designed to correct deficiencies in the project may be provided.

"(b) IMPLEMENTATION.—Any agreement to maintain the low-income affordability restrictions for the remaining useful life of the housing may be made through execution of a new regulatory agreement, modifications to the existing regulatory agreement or mortgage, or, in the case of the prepayment of a mortgage or voluntary termination of mortgage insurance, a recorded instrument.

"(c) DETERMINATION OF REMAINING USEFUL LIFE.—

"(1) DEFINITION.—For purposes of this title, the term 'remaining useful life' means, with respect to eligible low-income housing, the period during which the physical characteristics of the housing remain in a condition suitable for occupancy, assuming normal maintenance and repairs are made and major systems and capital components are replaced as becomes necessary.

"(2) STANDARDS.—The Secretary shall, by rule under section 553 of title 5, United States Code, establish standards for determining when the useful life of an eligible low-income housing project has expired. The determination shall be made on the record after opportunity for and hearing.

"(3) OWNER PETITION.—The Secretary shall establish a procedure under which owners of eligible low-income housing may petition the Secretary for a determination that the useful life of such housing has expired. The procedure shall not permit such a petition before the expiration of the 50-year period beginning upon the approval of a plan of action under this subtitle with respect to such housing. In making a determination pursuant to a petition under this paragraph, the Secretary shall presume that the useful life of the housing has not expired, and the owner shall have the burden of proof in establishing such expiration. The Secretary may not determine that the useful life of any housing has expired if such determination results primarily from failure to make regular and reasonable repairs and replacement, as became necessary.

"(4) TENANT AND COMMUNITY COMMENT AND APPEAL.—In making a determination regarding the useful life of any housing pursuant

to a petition submitted under paragraph (3), the Secretary shall provide for comment by tenants of the housing and interested persons and organizations with respect to the petition. The Secretary shall also provide the tenants and interested persons and organizations with an opportunity to appeal a determination under this subsection.

"(d) HOUSING STANDARDS.—

"(1) ESTABLISHMENT AND INSPECTION.—The Secretary shall, by regulation, establish standards regarding the physical condition in which any eligible low income housing project receiving incentives under this subtitle shall be maintained. The Secretary shall inspect each such project not less than annually to ensure that the project is in compliance with such standards.

"(2) SANCTIONS.—

"(A) IN GENERAL.—The Secretary shall take any action appropriate to require the owner of any housing not in compliance with such standards to bring such housing into compliance with the standards, including—

"(i) directing the mortgagee, with respect to an equity take-out loan under section 241(f) of the National Housing Act, to withhold the disbursement to the owner of any escrowed loan proceeds and requiring that such proceeds be used for repair of the housing; and

"(ii) reduce the amount of the annual authorized return, as determined by the Secretary, for the period ending upon a determination by the Secretary that the project is in compliance with the standards and requiring that such amounts be used for repair.

"(B) CONTINUED COMPLIANCE.—To ensure continued compliance with the standards for a project subject to any action under subparagraph (A), the Secretary may also limit access of the owner to such amounts and use of such amounts for not more than the 2-year period beginning upon the determination that project is in compliance with the standards.

"(C) REMOVAL OF ASSISTANCE.—If, upon inspection, the Secretary determines that any eligible low income housing project has failed to comply with the standards established under this subsection for 2 consecutive years, the Secretary may take 1 or more of the following actions:

"(i) Subject to availability of amounts provided in appropriations Acts, provide assistance under sections 8(b) and 8(o) of the United States Housing Act of 1937 (other than project-based assistance attached to the housing) for any tenant eligible for such assistance who desires to terminate occupancy in the housing. For each unit in the housing vacated pursuant to the provision of assistance under this clause, the Secretary may, notwithstanding any other law or contract for assistance, cancel the provision of project-based assistance attached to the housing for 1 dwelling unit, if the housing is receiving such assistance.

"(ii) In the case of housing for which an equity take-out loan has been made under section 241(f) of the National Housing Act, declare such loan to be default and accelerate the maturity date of the loan.

"(iii) Declare any rehabilitation loan insured or provided by the Secretary (with respect to the housing) to be in default and accelerate the maturity date of the loan.

"(iv) Suspend payments under or terminate any contract for project-based rental assistance under section 8 of the United States Housing Act of 1937.

"(v) Take any other action authorized by law or the project regulatory agreement to ensure that the housing will be brought into compliance with the standards established under this subsection.

"(e) WINDFALL PROFITS.—The Secretary shall submit a report to the Congress not later than 90 days after the enactment of the Cranston-Gonzalez National Affordable Housing Act, evaluating the availability, quality, and reliability of data to measure the accessibility of decent, affordable housing in all areas where properties are eligible to submit a notice of intent to prepay under section 212. To prevent payment of windfall profits, the Secretary may make available incentive payments under section 219 or 220 only to owners in those rental markets where there is an inadequate supply of decent, affordable housing, if the Secretary determines that adequate data can be obtained to permit objective and fair implementation or where necessary to accomplish the other public policy objectives under this subtitle. The Secretary shall implement this subsection in a manner consistent with the process established by this subtitle.

"SEC. 223. ASSISTANCE FOR DISPLACED TENANTS.

"(a) SECTION 8 ASSISTANCE.—Each low-income family that is displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low income housing shall, subject to the availability or amounts provided under appropriations Acts, receive assistance under the certificate and voucher programs under sections 8(b) and 8(o) of the United States Housing Act of 1937. To the extent sufficient amounts are made available under appropriations Acts, in each fiscal year the Secretary shall reserve from amounts made available under section 234(a) of this Act or, if necessary, under section 5(c) of the United States Housing Act of 1937, such amounts as the Secretary determines are necessary to provide assistance payments for low-income families displaced during the fiscal year.

"(b) RELOCATION ASSISTANCE.—The Secretary shall coordinate with public housing agencies to ensure that any very low- or low-income family displaced from eligible low-income housing as the result of the prepayment of the mortgage (or termination of the mortgage insurance contract) on such housing is able to acquire a suitable, affordable dwelling unit in the area of the housing from which the family is displaced. The Secretary shall require the owner of such housing to pay 50 percent of the moving expenses of each family relocated, except that such percentage shall be increased to the extent that State or local law of general applicability requires a higher payment by the owner.

"(c) CONTINUED OCCUPANCY.—

"(1) IN GENERAL.—Each owner that prepays the mortgage (or terminates the mortgage insurance contract) on eligible low-income housing shall, as provided in paragraph (3), allow the tenants occupying units in such housing on the date of the submission of notice of intent under section 212 to remain in the housing for a period of 3 years, at rent levels (except for increases necessary for increased operating costs) existing at the time of prepayment.

"(2) PROVISION OF ASSISTANCE BY OWNER.—In any case in which the Secretary requires an owner to allow tenants to occupy units under paragraph (1), an owner may fulfill the requirements of such paragraph by providing such assistance necessary for the tenant to rent a decent, safe, and sanitary unit in another project for the same period and at a rental cost to the tenant not in excess of the rental amount the tenant would have been required to pay in the housing of the owner, except that the tenant must freely agree to waive the right to occupy the unit in the owner's housing.

"(3) APPLICABILITY TO LOW-VACANCY AREAS AND SPECIAL NEEDS TENANTS.—The provisions of this subsection shall apply only to—

"(A) eligible low income housing located in a low-vacancy area (as such term is defined by the Secretary); and

"(B) tenants in any eligible low-income housing in any area who have special needs restricting their ability to relocate (including elderly tenants and tenants with disabilities), as determined under regulations established by the Secretary.

"(d) REQUIRED ACCEPTANCE OF SECTION 8 ASSISTANCE.—An owner who prepays the mortgage (or terminates the mortgage insurance contract) on eligible low-income housing and maintains the housing for residential rental occupancy may not refuse to rent, refuse to negotiate for the rental of, or otherwise make unavailable or deny the rent of a dwelling unit in such property to any person, or discriminate against any person in the terms, conditions, or privileges of rental of a dwelling (or in the provision of services or facilities in connection therewith), because the person receives assistance under section 8 of United States Housing Act of 1937.

"(e) REGIONAL POOLS.—In providing assistance under this section, the Secretary shall allocate the assistance on a regional basis through the regional offices of the Department of Housing and Urban Development. The Secretary shall allocate assistance under this section in a manner so that the total number of assisted units in each such region available for occupancy by, and affordable to, lower income families and persons does not decrease because of the prepayment or payment of a mortgage on eligible low income housing or the termination of an insurance contract on such housing.

"SEC. 224. PERMISSIBLE PREPAYMENT OR VOLUNTARY TERMINATION AND MODIFICATION OF COMMITMENTS.

"(a) IN GENERAL.—Notwithstanding any limitations on prepayment or voluntary termination under this subtitle, an owner may terminate the low-income affordability restrictions through prepayment or voluntary termination, subject to compliance with the provisions of section 223, under one of the following circumstances:

"(1)(A) The Secretary approves a plan of action under section 219(a), but does not provide the assistance approved in such plan during the 15-month period beginning on the date of approval.

"(B) After the date that the housing would have been eligible for prepayment pursuant to the terms of the mortgage (notwithstanding this subtitle), the Secretary approves a plan of action under section 220 or 221, but does not provide the assistance approved in such plan before the earlier of (i) the expiration of the 2-month period beginning on the commencement of the 1st fiscal year beginning after such approval, or (ii) the expiration of the 6-month period beginning on the date of approval.

"(C) The Secretary approves a plan of action under section 220 or 221 for any eligible low-income housing not covered by subparagraph (B), but does not provide the assistance approved in such plan before the earlier of (i) the expiration of the 2-month period beginning on the commencement of the 1st fiscal year beginning after such approval, or (ii) the expiration of the 9-month period beginning on the date of approval.

"(2) An owner who intended to transfer the housing to a qualified purchaser under section 220 or 221, and fully complied with the provisions of such section, did not receive any bona fide offers from any qualified purchasers within the applicable time periods.

In the event that the purchaser under the plan of action is unable to consummate the purchase for reasons other than the failure of the Secretary to provide incentives, an owner may terminate the low-income affordability restrictions through prepayment or voluntary termination subject to the provisions of sections 220 and 221.

"(b) SECTION 8 RENTAL ASSISTANCE.—When providing rental assistance under section 8, the Secretary may enter into a contract with an owner, contingent upon the future availability of appropriations for the purpose of renewing expiring contracts for rental assistance as provided in appropriations Acts, to extend the term of such rental assistance for such additional period or periods necessary to carry out an approved plan of action. The contract and the approved plan of action shall provide that, if the Secretary is unable to extend the term of such rental assistance or is unable to develop a revised package of incentives providing benefits to the owner comparable to those received under the original approved plan of action, the Secretary, upon the request of the owner, shall take the following actions (subject to the limitations under the following paragraphs):

"(1) MODIFICATION OF COMMITMENTS.—Modify the binding commitments made pursuant to section 222(a)(2) that are dependent on such rental assistance.

"(2) TERMINATION OF PLAN OF ACTION.—Permit the owner to prepay the mortgage and terminate the plan of action and any implementing use agreements or restrictions, but only if the owner agrees in writing to comply with provisions of section 223.

At least 30 days before making a request under this subsection, an owner shall notify the Secretary of the owner's intention to submit the request. The Secretary shall have a period of 90 days following receipt of such notice to take action to extend the rental assistance contract and to continue the binding commitments under section 222(a)(2).

"SEC. 225. TIMETABLE FOR APPROVAL OF PLAN OF ACTION.

"(a) NOTIFICATION OF DEFICIENCIES.—Not later than 60 days after receipt of a plan of action, the Secretary shall notify the owner in writing of any deficiencies that prevent the plan of action from being approved. If deficiencies are found, such notice shall describe alternative ways in which the plan may be revised to meet the criteria for approval.

"(b) NOTIFICATION OF APPROVAL.—

"(1) IN GENERAL.—Not later than 180 days after receipt of a plan of action, or such longer period as the owner requests, the Secretary shall notify the owner in writing whether the plan of action, including any revisions, is approved. If approval is withheld, the notice shall describe—

"(A) the reasons for withholding approval; and

"(B) the actions that could be taken to meet the criteria for approval.

"(2) OPPORTUNITY TO REVISE.—The Secretary shall subsequently give the owner a reasonable opportunity to revise the plan of action and seek approval.

"(c) DELAYED APPROVAL.—If the Secretary does not approve a plan of action within the period under subsection (b), the Secretary shall provide incentives and assistance under this subtitle in the amount that the owner would have received if the Secretary had complied with such time limitations. The preceding sentence shall not apply if the plan of action was not approved because of deficiencies. An owner may bring an action in the appropriate Federal district court to enforce this subsection.

"SEC. 226. RESIDENT HOMEOWNERSHIP PROGRAM.

"(a) FORMATION OF RESIDENT COUNCIL.—Tenants seeking to purchase eligible low-income housing in accordance with section 220 shall organize a resident council for the purpose of developing a resident homeownership program in accordance with standards established by the Secretary. The resident council shall work with a public or private nonprofit organization or a public body (including an agency or instrumentality thereof). Such organization or public body shall have experience to enable it to help the tenants consider their options and to develop the capacity necessary to own and manage the housing, where appropriate, and shall be approved by the Secretary.

"(b) OTHER PROGRAM REQUIREMENTS AND LIMITATIONS.—

"(1) SALES TO RESIDENTS.—As a condition of approval of a plan of action involving homeownership program under this subtitle, the resident council shall prepare a workable plan acceptable to the Secretary for giving all residents an opportunity to become owners, which plan shall identify—

"(A) the price at which the resident council intends to transfer ownership interests in, or shares representing, units in the housing;

"(B) the factors that will influence the establishment of such price;

"(C) how such price compares to the estimated appraised value of the ownership interests or shares;

"(D) the underwriting standard the resident council plans to use (or reasonably expects a public or private lender to use) for potential tenant purchasers;

"(E) the financing arrangements the tenants are expected to pursue or be provided; and

"(F) a workable schedule of sale (subject to the limitations of paragraph (8)) based on estimated tenant incomes.

"(2) APPROVAL OF METHOD OF CONVERSION.—The Secretary shall approve the method for converting the housing to homeownership, which may involve acquisition of ownership interests in, or shares representing, the units in a project under any arrangement determined by the Secretary to be appropriate, such as cooperative ownership (including limited equity cooperative ownership) and fee simple ownership (including condominium ownership).

"(3) REQUIRED CONDITIONS.—The Secretary shall require that the form of homeownership impose appropriate conditions, including conditions to assure that—

"(A) the number of initial owners that are very low-income, lower income, or moderate-income persons at initial occupancy meet standards required or approved by the Secretary;

"(B) occupancy charges payable by the owners meet requirements established by the Secretary;

"(C) the aggregate incomes of initial and subsequent owners and other sources of funds for the project are sufficient to permit occupancy charges to cover the full operating costs of the housing and any debt service; and

"(D) each initial owner occupies the unit it acquires.

"(4) USE OF PROCEEDS FROM SALES TO ELIGIBLE FAMILIES.—The entity that transfers ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, may use 50 percent of the proceeds, if any, from the initial sale for costs of the homeownership program, including improvements to the project, operating and replacement reserves for the project, additional homeownership opportunities in the project, and other project-related activities approved by the Secretary. The remaining 50 percent of such proceeds shall be returned to the Secretary for use under section 220, subject to availability under appropriations Acts. Such entity shall keep, and make available to the Secretary, all records necessary to calculate accurately payments due the Secretary under this paragraph.

"(5) RESTRICTIONS ON RESALE BY HOMEOWNERS.—

"(A) IN GENERAL.—

"(i) TRANSFER PERMITTED.—A homeowner under a homeownership program may transfer the homeowner's ownership interest in, or shares representing, the unit, except that a homeownership program may establish restrictions on the resale of units under the program.

"(ii) RIGHT TO PURCHASE.—Where a resident management corporation, resident council, or cooperative has jurisdiction over the unit, the corporation, council, or cooperative shall have the right to purchase the ownership interest in, or shares representing, the unit from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer.

"(iii) PROMISSORY NOTE REQUIRED.—The homeowner shall execute a promissory note equal to the difference, if any, between the market value and the purchase price, payable to the Secretary, together with a mortgage securing the obligation of the note.

"(B) 6 YEARS OR LESS.—In the case of a transfer within 6 years of the acquisition under the program, the homeownership program shall provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. The plan shall provide for limiting the family's consideration for its interest in the property to the total of—

"(i) the contribution to equity paid by the family;

"(ii) the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and

"(iii) the appreciated value determined by an inflation allowance at a rate which may be based on a cost-of-living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity.

Such an entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed.

"(C) 6-20 YEARS.—In the case of a transfer during the period beginning 6 years after the acquisition and ending 20 years after the acquisition, the homeownership program shall provide for the recapture by the Secretary or

the program of an amount equal to the amount of the declining balance on the note described in subparagraph (A)(iii).

"(D) USE OF RECAPTURED FUNDS.—Any net sales proceeds that may not be retained by the homeowner under the plan approved pursuant to this paragraph shall be paid to the HOME Investment Trust Fund for the unit of general local government in which the housing is located. If the housing is located in a unit of general local government that is not a participating jurisdiction (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act), any such net sales proceeds shall be paid to the HOME Investment Trust Fund for the State in which the housing is located. With respect to any proceeds transferred to a HOME Investment Trust Fund under this subparagraph, the Secretary shall take such actions as are necessary to ensure that the proceeds shall be immediately available for eligible activities to expand the supply of affordable housing under section 212 of the Cranston-Gonzalez National Affordable Housing Act. The Secretary shall require the maintenance of any records necessary to calculate accurately payments due under this paragraph.

"(6) PROTECTION OF NONPURCHASING FAMILIES.—

"(A) EVICTION.—No tenant residing in a dwelling unit in a property on the date the Secretary approves a plan of action may be evicted by reason of a homeownership program approved under this subtitle.

"(B) RENTAL ASSISTANCE.—If a tenant decides not to purchase a unit, or is not qualified to do so, the Secretary shall ensure that rental assistance under section 8 is available for use by each otherwise qualified tenant (that meets the eligibility requirements under such section) in that or another property. The requirement for giving preference to certain categories of eligible families under sections 8(d)(1)(A) and 8(o)(3) of the United States Housing Act of 1937 shall not apply to the provision of assistance to such families.

"(C) RELOCATION ASSISTANCE.—The resident council shall also inform each such tenant that if the tenant chooses to move, the owner will pay relocation assistance in accordance with the approved homeownership program.

"(7) QUALIFIED MANAGEMENT.—As a condition of approval of a homeownership program under this subtitle, the resident council shall have demonstrated its abilities to manage eligible properties by having done so effectively and efficiently for a period of not less than 3 years or by entering into a contract with a qualified management entity that meets such standards as the Secretary may prescribe to ensure that the property will be maintained in a decent, safe, and sanitary condition.

"(8) TIMELY HOMEOWNERSHIP.—Resident councils shall transfer ownership of the property to tenants within a specified period of time that the Secretary determines to be reasonable. During the interim period when the property continues to be operated and managed as rental housing, the resident council shall utilize written tenant selection policies and criteria that are approved by the Secretary as consistent with the purpose of providing housing for very low-income families. The resident council shall promptly notify in writing any rejected applicant of the grounds for any rejection.

"(9) RECORDS AND AUDIT OF RESIDENT COUNCILS.—

"(A) MAINTENANCE.—Each resident council shall keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such resident council of the proceeds of assistance received under this subtitle (including any proceeds from sales under paragraphs (4) and (5)(D)), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit.

"(B) ACCESS.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records of the resident council that are pertinent to assistance received under this subtitle.

"(C) AUDIT.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall also have access for the purpose of audit and examination to any books, documents, papers, and records of the resident council that are pertinent to assistance received under this subtitle.

"(10) ASSUMPTION CONDITIONS.—Any entity that assumes, as determined by the Secretary, a mortgage covering low-income housing in connection with the acquisition of the housing from an owner under this section must comply with any low-income affordability restrictions for the remaining useful life of the housing as determined under section 222(d). This requirement shall only apply to an entity, such as a cooperative association, that, as determined by the Secretary, intends to own the housing on a permanent basis.

"SEC. 227. DELEGATED RESPONSIBILITY TO STATE AGENCIES.

"(a) IN GENERAL.—In addition to any responsibilities delegated under section 213(c), the Secretary shall delegate some or all responsibility for implementing this subtitle to a State housing agency if such agency submits a preservation plan acceptable to the Secretary.

"(b) APPROVAL.—State preservation plans shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. The Secretary may approve plans that contain—

"(1) an inventory of low-income housing located within the State that is or will be eligible low-income housing under this subtitle within 5 years;

"(2) a description of the agency's experience in the area of multifamily financing and restructuring;

"(3) a description of the administrative resources that the agency will commit to the processing of plans of action in accordance with this subtitle;

"(4) a description of the administrative resources that the agency will commit to the monitoring of approved plans of action in accordance with this subtitle;

"(5) an independent analysis of the performance of the multifamily housing inventory financed or otherwise monitored by the agency;

"(6) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State within which the eligible low-income housing is located; and

"(7) such other certifications or information that the Secretary determines to be necessary or appropriate to achieve the purposes of this subtitle.

"(c) IMPLEMENTATION AGREEMENTS.—The Secretary may enter into any agreements necessary to implement an approved State preservation plan, which may include incentives that are authorized under other provisions of this subtitle.

"SEC. 228. CONSULTATIONS WITH OTHER INTERESTED PARTIES.

"The Secretary shall confer with any appropriate State or local government agency to confirm any State or local assistance that is available to achieve the purposes of this title and shall give consideration to the views of any such agency when making determinations under this subtitle. The Secretary shall also confer with appropriate interested parties that the Secretary believes could assist in the development of a plan of action that best achieves the purposes of this subtitle.

"SEC. 229. DEFINITIONS.

"For purposes of this subtitle:

"(1) The term 'eligible low-income housing' means any housing financed by a loan or mortgage—

"(A) that is—

"(i) insured or held by the Secretary under section 221(d)(3) of the National Housing Act and assisted under section 101 of the Housing and Urban Development Act of 1965 or section 8 of the United States Housing Act of 1937;

"(ii) insured or held by the Secretary and bears interest at a rate determined under the proviso of section 221(d)(5) of the National Housing Act;

"(iii) insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; or

"(iv) held by the Secretary and formerly insured under a program referred to in clause (i), (ii), or (iii); and

"(B) that, under regulation or contract in effect before February 5, 1988, is or will within 24 months become eligible for prepayment without prior approval of the Secretary.

"(2) The term 'Federal cost limit' means, for any eligible low-income housing, the amount determined under section 215(a).

"(3) The term 'low-income affordability restrictions' means limits imposed by regulation or regulatory agreement on tenant rents, rent contributions, or income eligibility in eligible low-income housing.

"(4) The terms 'low-income families or persons' and 'very low-income families or persons' mean families or persons whose incomes do not exceed the respective levels established for low-income families and very low-income families, respectively, under section 3(b)(2) of the United States Housing Act of 1937.

"(5) The term 'moderate-income families or persons' means families or persons whose incomes are between 80 percent and 95 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families.

"(6) The term 'nonprofit organization' means any private, nonprofit organization that—

"(A) is organized or chartered under State or local laws;

"(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

"(C) complies with standards of financial accountability acceptable to the Secretary; and

"(D) has among its principal purposes significant activities related to the provision

of decent housing that is affordable to very low-, low-, and moderate-income families.

"(7) The term 'owner' means the current or subsequent owner or owners of eligible low-income housing.

"(8) The term 'preservation equity' means, for any eligible low-income housing—

"(A) for purposes of determining the authorized return under section 214(a) and providing incentives to extend the low-income affordability restrictions on the housing under section 219—

"(i) the preservation value of the housing determined under section 213(b)(1); less

"(ii) any debt secured by the property; and

"(B) for purposes of determining incentives under section 220 and 221 and determining the amount of an acquisition loan under the provisions of section 241(f)(3) of the National Housing Act—

"(i) the preservation value of the housing determined under section 213(b)(2); less

"(ii) the outstanding balance of the federally-assisted mortgage or mortgages for the housing.

"(9) The term 'preservation value' means, for any eligible low-income housing, the applicable value determined under paragraph (1) or (2) of section 213(b).

"(10) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(11) The term 'resident council' means any incorporated nonprofit organization or association that—

"(A) is representative of the resident of the housing;

"(B) adopts written procedures providing for the election of officers on a regular basis; and

"(C) has a democratically elected governing board, elected by the residents of the housing.

"SEC. 230. NOTICE TO TENANTS.

"Where a provision of this subtitle requires that information or material be given to tenants of the housing, the requirement may be met by (1) posting a copy of the information or material in readily accessible locations within each affected building, or posting notices in each such location describing the information or material and specifying a location, as convenient to the tenants as is reasonably practical, where a copy may be examined, and (2) supplying a copy of the information or material to a representative of the tenants.

"SEC. 231. DEFINITIONS OF QUALIFIED AND PRIORITY PURCHASER AND RELATED PARTY RULE.

"(a) PRIORITY PURCHASER.—The term 'priority purchaser' means (A) a resident council organized to acquire the housing in accordance with a resident homeownership program that meets the requirements of section 231; and (B) any nonprofit organization or State or local agency that agrees to maintain low-income affordability restrictions for the remaining useful life of the housing (as determined under section 222(d)).

"(b) QUALIFIED PURCHASER.—The term 'qualified purchaser' means any entity that agrees to maintain low-income affordability restrictions for the remaining useful life of the housing (as determined under section 222(d)), and includes for-profit entities and priority purchasers.

"(c) RELATED PARTIES.—Except as provided in subsection (d), the terms 'qualified purchaser' and 'priority purchaser' do not include any entity that, either directly or indirectly, is wholly or partially owned or controlled by the owner of the housing being transferred under this subtitle, is under whole or partial common control with such owner, or has any financial interest in such owner or in which such owner has any financial interest. The Secretary shall issue any regulations appropriate to implement the preceding sentence.

"(d) MANAGEMENT EXCEPTION.—A qualified purchaser shall not be precluded from retaining as a property management entity a company that is owned or controlled by the selling owner or a principal thereof if retention of the management company is neither a condition of sale nor part of consideration paid for sale and the property management contract is negotiated by the qualified purchaser on an arm's length basis.

"SEC. 232. PREEMPTION OF STATE AND LOCAL LAWS.

"(a) IN GENERAL.—No State or political subdivision of a State may establish, continue in effect, or enforce any law or regulation that—

"(1) restricts or inhibits the prepayment of any mortgage described in section 227(1) (or the voluntary termination of any insurance contract pursuant to section 229 of the National Housing Act) on eligible low income housing;

"(2) restricts or inhibits an owner of such housing from receiving the authorized annual return provided under section 214;

"(3) is inconsistent with any provision of this subtitle, including any law, regulation, or other restriction that limits or impairs the ability of any owner of eligible low income housing to receive incentives authorized under this subtitle (including authorization to increase rental rates, transfer the housing, obtain secondary financing, or use the proceeds of any of such incentives); or

"(4) in its applicability to low-income housing is limited only to eligible low-income housing for which the owner has prepaid the mortgage or terminated the insurance contract.

Any law, regulation, or restriction described under paragraph (1), (2), (3), or (4) shall be ineffective and any eligible low income housing exempt from the law, regulation, or restriction, only to the extent that it violates the provisions of this subsection.

"(b) EFFECT.—This section shall not prevent the establishment, continuing in effect, or enforcement of any law or regulation of any State or political subdivision of a State not inconsistent with the provisions of this subtitle and relating to building standards, zoning limitations, health, safety, or habitability standards for housing, rent control, or conversion of rental housing to condominium or cooperative ownership, to the extent such law or regulation is of general applicability to both housing receiving Federal assistance and nonassisted housing. This section shall not preempt, annul, or alter any contractual restrictions or obligations existing before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act that prevent or limit an owner of eligible low income housing from prepaying the mortgage on the housing (or terminating the insurance contract on the housing).

"SEC. 233. SEVERABILITY.

"If any provision of this subtitle, or the application of such provision with respect to any person or circumstance, is held invalid, the remainder of this Act, and the application of such provision to any other person or circumstance, shall not be affected by such holding.

"SEC. 234. AUTHORIZATION OF APPROPRIATIONS.

"(a) GENERAL.—There are authorized to be appropriated for assistance and incentives authorized under this subtitle $425,000,000 for fiscal year 1991 and $858,000,000 for fiscal year 1992.

"(b) GRANTS.—Of the amounts made available under subsection (a), not more than $100,000,000 for each of fiscal years 1991 and 1992 shall be available for grants under section 221(d)(2), subject to approval in appropriations Acts.

"SEC. 235. APPLICABILITY.

"Subject to section 605 of the Cranston-Gonzalez National Affordable Housing Act, the requirements of this subtitle shall apply to any project that is eligible low-income housing on or after November 1, 1987.".

(b) TABLE OF CONTENTS.—The table of contents of such Act is amended by striking the items relating to subtitles A and B of title II and inserting the following:

"Subtitle A—Short Title

"Sec. 201. Short title.

"Subtitle B—Prepayment of Mortgages Insured Under National Housing Act

"Sec. 211. General prepayment limitation.
"Sec. 212. Notice of intent.
"Sec. 213. Appraisal and preservation value of eligible low-income housing.
"Sec. 214. Annual authorized return and preservation rents.
"Sec. 215. Federal cost limits and limitations on plans of action.
"Sec. 216. Information from Secretary.
"Sec. 217. Plan of action.
"Sec. 218. Prepayment and voluntary termination.
"Sec. 219. Incentives to extend low-income use.
"Sec. 220. Incentives for transfer to qualified purchasers.
"Sec. 221. Mandatory sale for housing exceeding Federal cost limits.
"Sec. 222. Criteria for approval of plan of action involving incentives.
"Sec. 223. Assistance for displaced tenants.
"Sec. 224. Permissible prepayment or voluntary termination and modification of commitments.
"Sec. 225. Timetable for approval of plan of action.
"Sec. 226. Resident homeownership program.
"Sec. 227. Delegated responsibility to State agencies.
"Sec. 228. Consultations with other interested parties.
"Sec. 229. Definitions.
"Sec. 230. Notice to tenants.
"Sec. 231. Definitions of qualified and priority purchasers and related party rule.
"Sec. 232. Preemption of state and local laws.
"Sec. 233. Severability.
"Sec. 234. Authorization of appropriations.
"Sec. 235. Applicability.".

SEC. 602. RELATED NATIONAL HOUSING ACT AMENDMENTS.

(a) INSURANCE FOR SECOND MORTGAGE FINANCING.—Section 241(f) of the National Housing Act is amended to read as follows:

"(f)(1) Notwithstanding any other provision of this section, the Secretary may, upon such terms and conditions as the Secretary may prescribe, make a commitment to insure and insure equity loans and acquisition loans made by financial institutions approved by the Secretary and State housing finance agencies that enter into risk-sharing agreements with the Secretary.

"(2)(A) For purposes of this section, the term 'equity loan' means a loan or advance of credit to the owner of eligible low income

housing (as defined in section 229 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990) who agrees to extend the low-income affordability restrictions on the housing pursuant to an approved plan of action under such Act.

"(B) To be eligible for insurance under this paragraph, an equity loan shall—

"(i) be limited to an amount equal to the lesser of (I) 70 percent of the preservation equity in the project, as determined by the Secretary under such Act, or (II) the amount the Secretary determines can be supported by the project on the basis of an 8 percent return on the preservation equity (assuming normal debt service coverages); and

"(ii) provide for the lender to deposit (on behalf of the borrowing owner) 10 percent of the loan amount in an escrow account, controlled by the Secretary or a State housing finance agency approved by the Secretary, which shall be made available to the owner upon the expiration of the 5-year period beginning on the date the loan is made, subject to compliance with section 222(d) of such Act; and

"(3)(A) For purposes of this section, the term 'acquisition loan' means a loan or advance of credit to a qualified purchaser of eligible low income housing (as defined in section 231 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990) acquiring the housing under section 220 or 221 of such Act who agrees to extend the low-income affordability restrictions pursuant to an approved plan of action under such Act.

"(B) To be eligible for insurance under this paragraph, an acquisition loan shall be limited to 95 percent of the preservation equity of the housing determined under section 229(8) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990, except that the loan may include, if the qualified purchaser is a priority purchaser as defined under section 231 of such Act, any expenses associated with the acquisition, loan closing, and implementation of the plan of action, subject to approval by the Secretary.

"(4) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), and (n) of section 207 shall be applicable to loans insured under this subsection, except that—

"(A) all references to the term 'mortgage' shall be construed to refer to the term 'loan' as used in this subsection;

"(B) loans involving projects covered by a mortgage insured under section 236 shall be insured under and shall be the obligations of the Special Risk Insurance Fund; and

"(C) with respect to any sale under foreclosure of a mortgage on the project that is senior to the equity loan insured under this subsection and when the equity loan is secured by a mortgage, the Secretary may—

"(i) issue regulations providing that, in order to receive insurance benefits, the insured mortgagee shall either assign the equity or acquisition loan to the Secretary or bid the amount necessary to acquire the project and convey title to the project to the Secretary, in which case the insurance benefits paid by the Secretary shall include the amount bid by the mortgagee to satisfy the senior mortgage at the foreclosure sale; and

"(ii) if the equity or acquisition loan has been assigned to the Secretary, bid, in addition to amounts authorized under section 207(k), any sum not in excess of the total unpaid indebtedness secured by such senior mortgage and the equity or acquisition loan, plus taxes, insurance, foreclosure costs, fees, and other expenses.

"(5) Loans insured under this subsection shall—

"(A) have a maturity and provisions for amortization satisfactory to the Secretary, bear interest at such rate as may be agreed upon by the mortgagor and mortgagee, and be secured in such manner as the Secretary may require; and

"(B) contain such other terms, conditions, and restrictions as the Secretary may prescribe, including phased advances of equity loan proceeds to reflect project rent levels.

"(6) The Secretary may provide for combination of loans insured under subsection (d) with equity and acquisition loans insured under this subsection.

"(7) When underwriting an equity or acquisiton loan under this subsection, the Secretary may assume that the rental assistance provided in accordance with an approved plan of action under section 222 of the Cranston-Gonzalez National Affordable Housing Act will be extended for the full term of the contract entered into under such Act. The Secretary may accelerate repayment of a loan under this subsection if rental assistance is not extended under section 222(b) of such Act or the Secretary is unable to develop a revised package of incentives to the owner comparable to those received under the original approved plan of action.

"(8) If the Secretary is unable to extend the term of rental assistance for the full term of the contract entered into under section 222(b) of the Cranston-Gonzalez National Affordable Housing Act, the Secretary may take such actions as the Secretary determines to be appropriate to avoid default, avoid disruption of the sound ownership and management of the housing, and otherwise minimize the cost to the Federal Government.

"(9) A mortgagee approved by the Secretary may not withhold consent to an equity or acquisition loan on a property on which that mortgagee holds a mortgage.

(b) APPROVAL PRIOR TO FORECLOSURE.—Section 250(b) of such Act (12 U.S.C. 1715z-15(b)) is amended to read as follows:

"(b) A mortgagee may foreclose the mortgage on, or acquire by deed in lieu of foreclosure, any eligible low-income housing project (as such term is defined in section 229 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990) only if the mortgagee also conveys title to the project to the Secretary in connection with a claim for insurance benefits.".

(c) REPEALER.—Section 250(c) of such Act is hereby repealed, and section 250(d) is redesignated as section 250(c).

SEC. 603. RELATED UNITED STATES HOUSING ACT OF 1937 AMENDMENTS.

Section 8(v)(2) of the United States Housing Act of 1937 is amended by striking out "Emergency Low Income Housing Preservation Act of 1987" and inserting "Low-Income Housing Preservation and Resident Homeownership Act of 1990".

SEC. 604. TRANSITION PROVISIONS.

(a) HOUSING ELIGIBLE FOR ELECTION.—Any owner of housing that becomes eligible low-income housing before January 1, 1991 and who, before such date, filed a notice of intent under section 222 of the Emergency Low Income Housing Preservation Act of 1987 (as such section existed before the date of the enactment of this Act) or under section 212 of such Act (as amended by section 601(a)) may elect to be subject to (1) the provisions of such Act as in effect before the date of the enactment of this Act, or (2) the provisions of the Low-Income Housing Preservation and Resident Homeownership Act of 1990, after the date of the enactment of this Act. The Secretary shall establish procedures for owners to make the election under the preceding sentence.

(b) RIGHT OF CONVERSION TO NEW SYSTEM.—Any owner who has filed a plan of action on or before October 11, 1990, shall have the right to convert to the system of incentives and restrictions under this subtitle, with such adjustments as the Secretary determines to be appropriate to compensate for the value of any incentives the owner received under the Emergency Low Income Housing Preservation Act of 1987. Owners filing plans after such date shall not have any right under this subsection.

(c) EFFECTIVENESS OF REPEALED PROVISIONS.—Notwithstanding the amendment made by section 601(a), the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect immediately before the date of the enactment of this Act) shall apply with respect to any housing for which the election under subsection (a)(1) is made.

(d) REGULATIONS.—Not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall, subject to the provisions of section 553 of title 5, United States Code, publish proposed rules to implement this subtitle and the amendments made by this subtitle. Not later than 45 days after the expiration of the period under the preceding sentence the Secretary shall issue interim or final rules to implement such provisions.

SEC. 605. EFFECTIVE DATE.

This subtitle shall take effect on the date of the enactment of this Act.

Subtitle B—Other Preservation Provisions

SEC. 611. SECTION 236 RENTAL ASSISTANCE.

(a) DEFINITION OF INCOME.—Section 236(m) of the National Housing Act (12 U.S.C. 1715z-1) is amended by inserting before the period at the end of the first sentence the following: ", except that any amounts not actually received by the family may not be considered as income under this subsection".

(b) RENT CHARGES.—

(1) PROJECTS ASSISTED UNDER SECTION 236.—Section 236(f) of the National Housing Act (12 U.S.C. 1715z-1(f)) is amended by adding at the end the following new paragraph:

"(5)(A) In order to induce advances by owners for capital improvements (excluding any owner contributions that may be required by the Secretary as a condition for assistance under section 201 of the Housing and Community Development Amendments of 1978) to benefit projects assisted under this section, in establishing basic rental charges and fair market rental charges under paragraph (1) the Secretary may include an amount that would permit a return of such advances with interest to the owner out of project income, on such terms and conditions as the Secretary may determine. Any resulting increase in rent contributions shall be—

"(i) to a level not exceeding the lower of 30 percent of the adjusted income of the tenant or the published existing fair market rent for comparable housing established under section 8(c) of the United States Housing Act of 1937;

"(ii) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more; and

"(iii) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent.

"(B) Assistance under section 8 of the United States Housing Act of 1937 shall be provided, to the extent available under appropriations Acts, if necessary to mitigate any adverse effects on income-eligible tenants.".

(2) INSURED PROJECTS.—Section 221(f) of the National Housing Act (12 U.S.C. 1715l(f)) is amended by adding at the end the following new undesignated paragraph:

"In order to induce advances by owners for capital improvements (excluding any owner contributions that may be required by the Secretary as a condition for assistance under section 201 of the Housing and Community Development Amendments of 1978) to benefit projects covered by a mortgage under the provisions of subsection (d)(3) that bears a below market interest rate prescribed in the proviso to subsection (d)(5), in establishing the rental charge for the project the Secretary may include an amount that would permit a return of such advances with interest to the owner out of project income, on such terms and conditions as the Secretary may determine. Any resulting increase in rent contributions shall be—

"(A) to a level not exceeding the lower of 30 percent of the adjusted income of the tenant or the published existing fair market rent for comparable housing established under section 8(c) of the United States Housing Act of 1937;

"(B) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more; and

"(C) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent.

Assistance under section 8 of the United States Housing Act of 1937 shall be provided, to the extent available under appropriations Acts, if necessary to mitigate any adverse effects on income-eligible tenants.".

SEC. 612. MANAGEMENT AND PRESERVATION OF FEDERALLY ASSISTED HOUSING.

(a) SECTION 236.—Section 236(f) of the National Housing Act, as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

"(6)(A) Notwithstanding paragraph (1), tenants whose incomes exceed 80 percent of area median income shall pay as rent the lower of the following amounts: (A) 30 percent of the family's adjusted monthly income; or (B) the relevant fair market rental established under section 8(b) of the United States Housing Act of 1937 for the jurisdiction in which the housing is located.

"(B) An owner shall phase in any increase in rents for current tenants resulting from subparagraph (A). Rental charges collected in excess of the basic rental charges shall continue to be credited to the reserve fund described in subsection (g)(1).".

(b) SECTION 221.—Section 221 of the National Housing Act is amended by inserting the following new subsection after subsection (k):

"(l)(1) Notwithstanding any other provision of law, tenants residing in eligible multifamily housing whose incomes exceed 80 percent of area median income shall pay as rent not more than the lower of the following amounts: (A) 30 percent of the family's adjusted monthly income; or (B) the relevant fair market rental established under section 8(b) of the United States Housing Act of 1937 for the jurisdiction in which the housing is located. An owner shall phase in any increase in rents for current tenants resulting from this subsection.

"(2) For purposes of this subsection, the term 'eligible multifamily housing' means any housing financed by a loan or mortgage that is (A) insured or held by the Secretary under subsection (d)(3) and assisted under section 101 of the Housing and Urban Development Act of 1965 or section 8 of the United States Housing Act of 1937; or (B) insured or held by the Secretary and bears interest at a rate determined under the proviso of subsection (d)(5).".

SEC. 613. ASSISTANCE TO PREVENT PREPAYMENT UNDER STATE MORTGAGE PROGRAMS.

(a) SECTION 8 ASSISTANCE.—

(1) AUTHORITY.—Section 8(d)(2)(A)) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)(A)) is amended by inserting after the period at the end the following: "Notwithstanding any other provision of this section, a public housing agency and an applicable State agency may, on a priority basis, attach to structures not more than an additional 15 percent of the assistance provided by the public housing agency or the applicable State agency only with respect to projects assisted under a State program that permits the owner of the projects to prepay a State assisted or subsidized mortgage on the structure, except that attachment of assistance under this sentence shall be for the purpose of (i) providing incentives to owners to preserve such projects for occupancy by lower and moderate income families (for the period that assistance under this sentence is available), and (ii) to assist lower income tenants to afford any increases in rent that may be required to induce the owner to maintain occupancy in the project by lower and moderate income tenants. Any assistance provided to lower income tenants under the preceding sentence shall not be considered for purposes of the limitation under paragraph (1)(A) regarding the percentage of families that may receive assistance under this section who do not qualify for preferences under such paragraph.".

(2) CONTRACT TERM.—Section 8(d)(2)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)(C)) is amended by inserting after the period at the end the following: "To the extent assistance is used as provided in the penultimate sentence of subparagraph (A), the contract for assistance may, at the option of the public housing agency, have an initial term not exceeding 15 years.".

(b) STATE PRESERVATION PROJECT ASSISTANCE.—

(1) IN GENERAL.—Upon application by a State or local housing authority (including public housing agencies), the Secretary of Housing and Urban Development may make available, from sources of assistance appropriated to preserve the low and moderate income status of projects with expiring Federal use restrictions, assistance to such State or local housing authorities for use in preventing the loss of housing affordable for low and moderate income families that is assisted under a State program under the terms of which the owner may prepay a State assisted or subsidized mortgage on such housing. The application of the State or local housing authority shall demonstrate to the Secretary that the total amount of incentives provided to the owner to induce the owner to preserve the low and moderate income status of the project shall not exceed the level of incentives which may be provided to a similarly situated project with expiring Federal use restrictions under subtitle B of title II of the Housing and Community Development Act of 1987.

(2) SECTION 8.—Any assistance under section 8 of the United States Housing Act of 1937 made available pursuant to this subsection may be used (i) to supplement any assistance available on existing section 8 contracts, or (ii) to provide additional assistance to structures to ensure that all units occupied by tenants who are lower income families (as such term is defined in section 3(b) of the United States Housing Act of 1937) pay rents not exceeding 30 percent of their adjusted incomes. Any project receiving assistance hereunder shall be subject to standards, inspections and sanctions established by the Secretary under section 224(e) of the Housing and Community Development Act of 1987. Any such section 8 assistance shall be provided for a term and at the fair market rent levels or such higher levels used as applicable for eligible low income housing that receives incentives under subtitle B of title II of the Housing and Community Development Act of 1987.

(3) RESTRICTION.—Assistance may be provided under this subsection only to State and local housing authorities that require any housing receiving such assistance to remain affordable for lower and moderate income tenants for the period during which assistance under this subsection is received.

TITLE VII—RURAL HOUSING

SEC. 701. PROGRAM AUTHORIZATIONS.

(a) INSURANCE AND GUARANTEE AUTHORITY.—Section 513(a)(1) of the Housing Act of 1949 (42 U.S.C. 1483(a)(1)) is amended to read as follows:

"(a)(1) The Secretary may, to the extent approved in appropriation Acts, insure and guarantee loans under this title during fiscal years 1991 and 1992, in aggregate amounts not to exceed $2,125,800,000 and $2,217,150,000, respectively, as follows:

"(A) For insured or guaranteed loans under section 502 on behalf of low income borrowers receiving assistance under section 521(a)(1), $1,391,300,000 for fiscal year 1991 and $1,451,100,000 for fiscal year 1992.

"(B) For guaranteed loans under section 502(h) on behalf of low and moderate income borrowers, such sums as may be appropriated for fiscal years 1991 and 1992.

"(C) For loans under section 504, $11,900,000 for fiscal year 1991 and $12,400,000 for fiscal year 1992.

"(D) For insured loans under section 514, $12,000,000 for fiscal year 1991 and $12,500,000 for fiscal year 1992.

"(E) For insured loans under section 515, $709,000,000 for fiscal year 1991 and $739,500,000 for fiscal year 1992.

"(F) For loans under section 523(b)(1)(B), $800,000 for fiscal year 1991 and $800,000 for fiscal year 1992.

"(G) For site loans under section 524, $800,000 for fiscal year 1991 and $850,000 for fiscal year 1992.".

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 513(b) of the Housing Act of 1949 (42 U.S.C. 1483(b)) is amended to read as follows:

"(b) There are authorized to be appropriated for fiscal years 1991 and 1992, and to remain available until expended, the following amounts:

"(1) For grants under section 502(f)(1), $1,000,000 for fiscal year 1991 and $1,100,000 for fiscal year 1992.

"(2) For grants under section 504, $20,200,000 for fiscal year 1991 and $21,100,000 for fiscal year 1992.

"(3) For purposes of section 509(c), $550,000 for fiscal year 1991 and $600,000 for fiscal year 1992.

"(4) For project preparation grants under section 509(f)(6), $5,000,000 in fiscal year 1991 and $5,300,000 in fiscal year 1992.

"(5) In fiscal years 1991 and 1992, such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to—

"(A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503; and

"(B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary.

"(6) For financial assistance under section 516—

"(A) for low-rent housing and related facilities for domestic farm labor under subsections (a) through (j) of such section, $20,900,000 for fiscal year 1991 and $21,700,000 for fiscal year 1992; and

"(B) for housing for rural homeless and migrant farmworkers under subsection (k) of such section, $10,000,000 for fiscal year 1991 and $10,500,000 for fiscal year 1992.

"(7) For grants under section 523(f), $13,400,000 for fiscal year 1991 and $13,900,000 for fiscal year 1992.

"(8) For grants under section 533, $29,600,000 for fiscal year 1991 and $30,800,000 for fiscal year 1992.".

(c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Section 513(c)(1) of the Housing Act of 1949 (42 U.S.C. 1483(c)(1)) is amended to read as follows:

"(c)(1) The Secretary, to the extent approved in appropriation Acts for fiscal years 1991 and 1992, may enter into rental assistance payment contracts under section 521(a)(2)(A) aggregating $397,000,000 for fiscal year 1991 and $414,100,000 for fiscal year 1992.".

(d) SUPPLEMENTAL RENTAL ASSISTANCE CONTRACTS.—Section 513(d) of the Housing Act of 1949 (42 U.S.C. 1483(d)) is amended to read as follows:

"(d) The Secretary, to the extent approved in appropriation Acts for fiscal years 1991 and 1992, may enter into 5-year supplemental rental assistance contracts under section 502(c)(5)(D) aggregating $5,200,000 for fiscal year 1991 and $5,500,000 for fiscal year 1992.".

(e) RENTAL HOUSING LOAN AUTHORITY.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking "September 30, 1990" and inserting "September 30, 1991".

(f) MUTUAL AND SELF-HELP HOUSING GRANT AND LOAN AUTHORITY.—Section 523(f) of the Housing Act of 1949 (42 U.S.C. 1490c(f)) is amended by striking "September 30, 1990" and inserting "September 30, 1991".

SEC. 702. EFFECT OF FOSTER CARE CHILDREN IN DETERMINATION OF FAMILY COMPOSITION AND SIZE.

Section 501(b)(4) of the Housing Act of 1949 (42 U.S.C. 1471(b)(4)) is amended by inserting after the period at the end the following new sentence: "The temporary absence of a child from the home due to placement in foster care should not be considered in considering family composition and family size.".

SEC. 703. ESCROW ACCOUNTS.

Section 501(e) of the Housing Act of 1949 (42 U.S.C. 1471(e)) is amended by inserting after the third sentence the following: "The Secretary shall pay the same rate of interest on escrowed funds as is required to be paid on escrowed funds held by other lenders in any State where State law requires payment of interest on escrowed funds, subject to appropriations to the extent that additional budget authority is necessary to carry out this sentence.".

SEC. 704. REMOTE RURAL AREAS.

(a) IN GENERAL.—Section 502 of the Housing Act of 1949 (42 U.S.C. 1472) is amended by adding at the end the following new subsection:

"(f) REMOTE RURAL AREAS.—

"(1) LOAN SUPPLEMENTS.—The Secretary may supplement any loan under this section to finance housing located in a remote rural area with a grant in an amount not greater than the amount by which the reasonable land acquisition and construction costs of the security property exceeds the appraised value of such property.

"(2) PROHIBITION.—The Secretary may not refuse to make, insure, or guarantee a loan that otherwise meets the requirements under this section solely on the basis that the housing involved is located in an area that is excessively rural in character or excessively remote.".

(b) REGULATIONS.—Not later than the expiration of the 120-day period beginning on the date of enactment of this Act, the Secretary of Agriculture shall issue any regulations necessary to carry out the amendment made by subsection (a).

SEC. 705. SECTION 502 DEFERRED MORTGAGE DEMONSTRATION.

(a) IN GENERAL.—Section 502 of the Housing Act of 1949 (42 U.S.C. 1472), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(g) DEFERRED MORTGAGE DEMONSTRATION.—

"(1) AUTHORITY.—With respect to families or persons otherwise eligible for assistance under subsection (d) but having incomes below the amount determined to qualify for a loan under this section, the Secretary may defer mortgage payments beyond the amount affordable at 1 percent interest, taking into consideration income, taxes and insurance. Deferred mortgage payments shall be converted to payment status when the ability of the borrower to repay improves. Deferred amounts shall not exceed 25 percent of the amount of the payment due at 1 percent interest and shall be subject to recapture.

"(2) INTEREST.—Interest on principal deferred shall be set at 1 percent and any interest payments deferred under this subsection shall not be treated as principal in calculating indebtedness.

"(3) FUNDING.—Subject to approval in appropriations Acts, not more than 10 percent of the amount approved for each of fiscal years 1991 and 1992 for loans under this section may be used to carry out this subsection.".

(b) REGULATIONS.—Not later than the expiration of the 120-day period beginning on the date of enactment of this Act, the Secretary of Agriculture shall issue any regulations necessary to carry out the amendment made by subsection (a).

SEC. 706. RURAL HOUSING LOAN GUARANTEES.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—The Congress finds that—

(A) the Federal Government should encourage support for homeownership through nonsubsidized mortgage loans guaranteed by the Secretary of Agriculture for the purchase of modest homes located in rural areas and small communities of the country that are not adequately served by private conventional, federally insured, or guaranteed mortgage credit providers; and

(B) many rural areas contain disproportionate amounts of substandard housing in need of repair, but lack the necessary funding and support to modernize such housing through preservation.

(2) PURPOSE.—The purpose of this section is to expand homeownership opportunities to low- and moderate-income residents of rural areas of the country through the establishment of guaranteed rural housing loans to be made available in rural locations where there is an insufficient availability of mortgage financing from other sources.

(b) GUARANTEED LOANS FOR HOUSING ACQUISITION.—Section 502 of the Housing Act of 1949 (42 U.S.C. 1472), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(h) GUARANTEED LOANS.—

"(1) AUTHORITY.—The Secretary shall, to the extent provided in appropriation Acts, provide guaranteed loans in accordance with this section, section 517(d), and the last sentence of section 521(a)(1)(A), except as modified by the provisions of this subsection. Loans shall be guaranteed under this subsection in an amount equal to 90 percent of the loan.

"(2) ELIGIBLE BORROWERS.—Loans guaranteed pursuant to this subsection shall be made only to borrowers who are low or moderate income families or persons, whose incomes do not exceed the median income of the area, as determined by the Secretary.

"(3) ELIGIBLE HOUSING.—Loans may be guaranteed pursuant to this subsection only if the loan is used to acquire or construct a single-family residence that is—

"(A) to be used as the principal residence of the borrower;

"(B) eligible for assistance under this section, section 203(b) of the National Housing Act, or chapter 37 of title 38, United States Code; and

"(C) located in a rural area that is more than 25 miles from an urban area or densely populated area.

"(4) PRIORITY AND COUNSELING FOR FIRST-TIME HOMEBUYERS.—

"(A) In providing guaranteed loans under this subsection, the Secretary shall give priority to first-time homebuyers (as defined in paragraph (12)(A)).

"(B) The Secretary may require that, as a condition of receiving a guaranteed loan pursuant to this subsection, a borrower who is a first-time homebuyer successfully complete a program of homeownership counseling under section 106(a)(1)(iii) of the Housing and Urban Development Act of 1968 and obtain certification from the provider of the program that the borrower is adequately prepared for the obligations of homeownership.

"(5) ELIGIBLE LENDERS.—Guaranteed loans pursuant to this subsection may be made only by lenders approved by and meeting qualifications established by the Secretary.

"(6) LOAN TERMS.—Loans guaranteed pursuant to this subsection shall—

"(A) be made for a term not to exceed 30 years;

"(B) involve a rate of interest that is fixed over the term of the loan and does not exceed the rate for loans guaranteed under chapter 37 of title 38, United States Code, or comparable loans in the area that are not guaranteed; and

"(C) involve a principal obligation (including initial service charges, appraisal, inspection, and other fees as the Secretary may approve)—

"(i) for a first-time homebuyer, in any amount not in excess of 100 percent of the appraised value of the property as of the

date the loan is accepted or the acquisition cost of the property, whichever is less, subject to the maximum dollar limitation of section 203(b)(2) of the National Housing Act; and

"(ii) for any borrower other than a first-time homebuyer, in an amount not in excess of the percentage of the property or the acquisition cost of the property that the Secretary shall determine, subject to the maximum dollar limitation of section 203(b)(2) of the National Housing Act, such percentage or cost in any event not to exceed 100 percent of the appraised value of the property as of the date the loan is accepted or the acquisition cost of the property, whichever is less.

"(7) GUARANTEE FEE.—With respect to a guaranteed loan under this subsection, the Secretary may collect from the lender at the time of issuance of the guarantee a fee equal to not more than 1 percent of the principal obligation of the loan.

"(8) REFINANCING.—Any guaranteed loan under this subsection may be refinanced and extended in accordance with terms and conditions that the Secretary shall prescribe, but in no event for an additional amount or term which exceeds the limitations under this subsection.

"(9) NONASSUMPTION.—Notwithstanding the transfer of property for which a guaranteed loan under this subsection was made, the borrower of a guaranteed loan under this subsection may not be relieved of liability with respect to the loan.

"(10) GEOGRAPHICAL TARGETING.—In providing guaranteed loans under this subsection, the Secretary shall establish standards to target and give priority to areas that have a demonstrated need for additional sources of mortgage financing for low and moderate income families.

"(11) ALLOCATION.—The Secretary shall provide that, in each fiscal year, guaranteed loans under this subsection shall be allocated among the States on the basis of the need of eligible borrowers in each State for such loans in comparison with the need of eligible borrowers for such loans among all States.

"(12) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'displaced homemaker' means an individual who—

"(i) is an adult;

"(ii) has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and

"(iii) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

"(B) The term 'first-time homebuyer' means any individual who (and whose spouse) has had no present ownership in a principal residence during the 3-year period ending on the date of purchase of the property acquired with a guaranteed loan under this subsection except that—

"(i) any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer under this subparagraph on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse; and

"(ii) any individual who is a single parent may not be excluded from consideration as a first-time homebuyer under this subparagraph on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse.

"(C) The term 'single parent' means an individual who—

"(i) is unmarried or legally separated from a spouse; and

"(ii)(I) has 1 or more minor children for whom the individual has custody or joint custody; or

"(II) is pregnant.

"(D) The term 'State' means the States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territories of the Pacific, and any other possession of the United States.".

(c) CONFORMING AMENDMENTS.—Section 106(a)(2) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(a)(2)) is amended—

(1) by inserting "(A)" after "Secretary"; and

(2) by striking "Act and" and inserting the following: "Act; (B) shall, in consultation with the Secretary of Agriculture, provide such services for borrowers who are first-time homebuyers with guaranteed loans under section 502(h) of the Housing Act of 1949; and (C)".

(d) REGULATIONS AND IMPLEMENTATION.—

(1) PROPOSED REGULATIONS AND COMMENT PERIOD.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Agriculture shall publish in the Federal Register proposed regulations to implement the amendments made by this section. The Secretary shall receive comments regarding the regulations during the 30-day period beginning on the date of the publication of the proposed regulations.

(2) IMPLEMENTATION.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations to implement the amendments made by this section. The Secretary shall provide for the regulations to take effect not later than 30 days after the date on which the regulations are issued.

(3) APPLICABILITY.—The amendments made by this section shall not apply to guaranteed loans under title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) made before the date on which the final regulations issued by the Secretary under paragraph (2) take effect.

(4) CONSULTATION.—In developing and promulgating the regulations under paragraphs (1) and (2), the Secretary of Agriculture shall consult with the chairperson of the Federal Agricultural Mortgage Corporation and shall solicit the views of borrowers, lenders, realtors, and homebuilders experienced and knowledgeable regarding housing in rural areas to provide that the regulations promulgated ensure that guaranteed loans pursuant to the amendments made by this section—

(A) are made in a manner that is cost-effective; and

(B) are made in a manner that reduces, to the extent practicable, the burden of administration and paperwork for borrowers and lenders.

SEC. 707. FORECLOSURE PROCEDURES.

(a) IN GENERAL.—Section 505 of the Housing Act of 1949 (42 U.S.C. 1475) is amended—

(1) by inserting "(a) MORATORIUM.—" after the section designation; and

(2) by adding at the end the following new subsection:

"(b) FORECLOSURE PROCEDURE.—In foreclosing on any mortgage held by the Secretary under this title, the Secretary shall follow the foreclosure procedures of the State in which the property involved is located to the extent such procedures are more favorable to the borrower than the foreclosure procedures that would otherwise be followed by the Secretary. This subsection shall be subject to the availability of amounts approved in appropriations Acts, to the extent additional budget authority is necessary to carry out this subsection.".

(b) CONFORMING AMENDMENT.—The section heading for section 505 of the Housing Act of 1949 (42 U.S.C. 1475) is amended to read as follows:

"LOAN PAYMENT MORATORIUM AND FORECLOSURE PROCEDURES".

SEC. 708. DISPOSITION OF INTERESTS ON INDIAN TRUST LAND.

Section 509 of the Housing Act of 1949 (42 U.S.C. 1479) is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection:

"(d) In the event of default involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe or tribes. If the Secretary subsequently proceeds to liquidate the account, the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.".

SEC. 709. HOUSING IN UNDERSERVED AREAS.

(a) PURPOSE.—The purpose of this section is to improve the quality of affordable housing in communities that have extremely high concentrations of poverty and substandard housing and that have been underserved by rural housing programs, including extremely distressed areas in the Lower Mississippi Delta and other regions of the Nation, by directing Farmers Home Administration assistance toward designated underserved areas.

(b) ASSISTANCE FOR UNDERSERVED AREAS.—Section 509 of the Housing Act of 1949 (42 U.S.C. 1479), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(f) HOUSING IN UNDERSERVED AREAS.—

"(1) DESIGNATION OF UNDERSERVED AREA.—The Secretary shall designate as targeted underserved areas 100 counties and communities in each of fiscal years 1991 and 1992 that have severe, unmet housing needs as determined by the Secretary. A county or community shall be eligible for designation if, during the 5-year period preceding the year in which the designation is made, it has received an average annual amount of assistance under this title that is substantially lower than the average annual amount of such assistance received during that 5-year period by other counties and communities in the State that are eligible for such assistance calculated on a per capita basis, and has—

"(A) 20 percent or more of its population at or below the poverty level; and

"(B) 10 percent or more of its population residing in substandard housing.

As used in this paragraph, the term 'poverty level' has the meaning given the term in section 102(a)(9) of the Housing and Community Development Act of 1974.

"(2) PREFERENCES.—In selecting projects to receive assistance with amounts set aside under paragraph (4), the Secretary shall give

preference to any project located in a county or community that has, at the time of designation and as determined by the Secretary—

"(A) 28 percent or more of its population at or below poverty level; and

"(B) 13 percent or more of its population residing in substandard housing.

"(3) OUTREACH PROGRAM AND REVIEW.—

"(A) OUTREACH.—The Secretary shall publicize the availability to targeted underserved areas of grants and loans under this title and promote, to the maximum extent feasible, efforts to apply for those grants and loans for housing in targeted underserved areas.

"(B) REVIEW.—Upon the receipt of data from the 1990 decennial census, the Secretary shall conduct a review of any designations made under paragraph (1) and preferences given under paragraph (2) and the eligibility of communities and counties for such designation and preference, examining the effects of such data on such eligibility. The Secretary shall submit to the Congress, not later than 9 months after the availability of the data, a report regarding the review, which shall include any recommendations of the Secretary for modifications in the standards for designation and preference.

"(4) SET-ASIDE FOR TARGETED UNDERSERVED AREAS AND COLONIAS.—

"(A) IN GENERAL.—The Secretary shall set aside and reserve for assistance in targeted underserved areas an amount equal to 3.5 percent in fiscal year 1991 and 5.0 percent in fiscal year 1992 of the aggregate amount of lending authority under sections 502, 504, 514, 515, and 524. During each such fiscal year, the Secretary shall set aside an amount of section 521 rental assistance that is appropriate to provide assistance with respect to the lending authority under sections 514 and 515 that is set aside for such fiscal year. The Secretary shall establish a procedure to reallocate any assistance set aside in any fiscal year for targeted underserved areas that has not been expended during a reasonable period in such year for use in (i) colonias that have applied for and are eligible for assistance under subparagraph (B) or paragraph (7) and did not receive assistance, and (ii) counties and communities eligible for designation as targeted underserved areas but which were not so designated. The procedure shall also provide that any assistance reallocated under the preceding sentence that has not been expended by a reasonable date established by the Secretary (which shall be after the expiration of the period referred to in the preceding sentence) shall be made available and allocated under the laws and regulations relating to such assistance, notwithstanding this subsection.

"(B) PRIORITY FOR COLONIAS.—

"(i) Notwithstanding the designation of counties and communities as targeted underserved areas under paragraph (1) and the provisions of section 520, colonias shall be eligible for assistance with amounts reserved under subparagraph (A), as provided in this subparagraph.

"(ii) In providing assistance from amounts reserved under this paragraph in each fiscal year, the Secretary shall give priority to any application for assistance to be used in a colonia located in a State described under clause (iii). After the Secretary has provided assistance under the priority for colonias located in a State in an amount equal to 5 percent of the total amount of assistance allocated under this title to such State in the fiscal year, the priority shall not apply to any applications for colonias in such State.

"(iii) This paragraph shall apply to any State for any fiscal year following 2 fiscal years in which the State obligated the total amount of assistance allocated to it under this title during each of such 2 fiscal years.

"(5) LIST OF UNDERSERVED AREAS.—The Secretary shall publish annually the current list of targeted underserved areas in the Federal Register.

"(6) PROJECT PREPARATION ASSISTANCE.—

"(A) IN GENERAL.—The Secretary may make grants to eligible applicants under subparagraph (D) to promote the development of affordable housing in targeted underserved areas and colonias.

"(B) USE.—A grant under this paragraph shall not exceed an amount that the Secretary determines to equal the customary and reasonable costs incurred in preparing an application for a loan under section 502, 504, 514, 515, or 524, or a grant under section 533 (including preapplication planning, site analysis, market ananlysis, and other necessary technical assistance). The Secretary shall adjust the loan or grant amount under such sections to take account of project preparation costs that have been paid from grant proceeds under this paragraph and that normally would be reimbursed with proceeds of the loan or grant.

"(C) APPROVAL.—The Secretary shall approve a properly submitted application or issue a written statement indicating the reasons for disapproval not later than 60 days after the receipt of the application.

"(D) ELIGIBILITY.—For purposes of this paragraph, an eligible applicant may be a nonprofit organization or corporation, a community housing development organization, State, unit of general local government, or agency of a State or unit of general local government.

"(E) AVAILABILITY OF FUNDING.—Any amounts appropriated to carry out this paragraph shall remain available until expended.

"(7) PRIORITY FOR COLONIAS.—

"(A) IN GENERAL.—In providing assistance under this title in any fiscal year described under subparagraph (B), each State in which colonias are located shall give priority to any application for assistance to be used in a colonia. The priority under this subparagraph shall not apply in such State after 5 percent of the assistance available in such fiscal year has been allocated for colonias qualifying for the priority.

"(B) COVERED YEARS.—This paragraph shall apply to any fiscal year following 2 fiscal years in which the State did not obligate the total amount of assistance allocated it under this title during each of such 2 fiscal years.

"(8) DEFINITION OF COLONIA.—For purposes of this subsection, the term 'colonia' means any identifiable community that—

"(A) is in the State of Arizona, California, New Mexico, or Texas;

"(B) is in the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1,000,000;

"(C) is designated by the State or county in which it is located as a colonia;

"(D) is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and

"(E) was in existence and generally recognized as a colonia before the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act.".

(c) REGULATIONS.—Not later than the expiration of the 120-day period beginning on the date of enactment of the Cranston-Gonzalez National Affordable Housing Act, the Secretary of Agriculture shall issue any regulations necessary to carry out the amendment made by this section.

SEC. 710. RURAL HOUSING INVENTORY.

(a) TRANSFER FOR USE UNDER SECTION 514.—Section 510(e)(3) of the Housing Act of 1949 (42 U.S.C. 1480(e)(3)) is amended by inserting after "fifty years" the following: ", or for use as rental units under section 514 with mortgages containing repayment terms with up to 33 years,".

(b) TRANSFER TO FOR-PROFIT ENTITIES.—Section 510(e) of the Housing Act of 1949 is further amended by striking "or public bodies" and inserting ", public bodies, or for-profit entities, which have good records of providing low income housing under section 515".

SEC. 711. RIGHTS OF APPEAL.

Section 510(g) of the Housing Act of 1949 (42 U.S.C. 1480(g)) is amended by inserting before the semicolon the following: ", except that rules issued under this subsection may not exclude from their coverage decisions made by the Secretary that are not based on objective standards contained in published regulations".

SEC. 712. SECTION 515 LOANS.

(a) EQUITY TAKEOUT LOANS.—Section 515(t) of the Housing Act of 1949 (42 U.S.C. 1485(t)) is amended—

(1) in paragraph (3), by striking "original loan on the project" in the last sentence and inserting "original appraised value of the project";

(2) in paragraph (4)—

(A) in the first sentence, by inserting "initial" before "loan"; and

(B) in the second sentence, by inserting "initial payments, any accrued payments, and" after "except that such" in the second sentence; and

(3) by striking paragraph (8) and inserting the following new paragraph:

"(8) EFFECTIVE DATE.—The requirements of this subsection shall apply to any loan obligated under this section on or after December 15, 1989. This subsection shall not require retroactive reserve account payments with respect to any loan that was obligated on or after December 15, 1989, and on or before June 16, 1990, but reserve account payments shall be required for such loans beginning on the date of the enactment of this paragraph.".

(b) REUSE OF LOAN AUTHORITY.—Section 515(u) of the Housing Act of 1949 (42 U.S.C. 1485(u)) is amended by inserting at the end the following new sentence: "Any loan authority under this section appropriated or made available within limits established in appropriations Acts shall remain available until expended.".

(c) ASSUMPTION OF LOANS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by adding at the end the following new subsection:

"(v) ASSUMPTION OF LOANS.—The Secretary may provide for the assumption or transfer of a loan or loan obligation under this section to any person or entity qualified to receive a loan or loan obligation under this section in any case of default or foreclosure with respect to the original borrower. The Secretary shall provide in each assumption or transfer under this subsection for the assumption of the obligations, rights, and interests under the terms of the loan or loan obligation or such other terms as the Secretary determines appropriate.".

SEC. 713. SET-ASIDE OF RURAL RENTAL HOUSING FUNDS.

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(w) SET-ASIDE OF RURAL RENTAL HOUSING FUNDS.—

"(1) AUTHORITY.—Except as provided in paragraph (2), the Secretary shall set aside from amounts made available for each State for loans under this section, not less than 7 percent of the amounts available in fiscal year 1991 and not less than 9 percent of the amounts available in fiscal year 1992. Amounts set aside shall be available only for nonprofit entities in the State, which may not be wholly or partially owned or controlled by a for-profit entity or under whole or partial control with a for-profit entity.

"(2) MINIMUM STATE SET-ASIDE.—If the amount set aside under paragraph (1) for any State is less than $750,000 in any fiscal year, the Secretary shall pool such amount together with set-aside amounts from other States whose set-aside is less than $750,000, and shall make such amounts available for such eligible entities under paragraph (1) in any such State. The Secretary shall establish a procedure to provide that any amounts pooled under this paragraph from the allocation for any State in any fiscal year that are not obligated during a reasonable period in such year shall be made available for any such eligible entities under paragraph (1) in such State.

"(3) UNUSED AMOUNTS.—Any amounts set aside or pooled under this subsection from the allocation for any State in any fiscal year that are not obligated by a reasonable date established by the Secretary (which shall be after the expiration of the period under paragraph (2)) shall be made available to any entity eligible under this section in such State.".

SEC. 714. HOUSING FOR RURAL HOMELESS AND MIGRANT FARMWORKERS.

(a) IN GENERAL.—Section 516 of the Housing Act of 1949 (42 U.S.C. 1486 et seq.) is amended by adding at the end the following new subsection:

"(k) HOUSING FOR RURAL HOMELESS AND MIGRANT FARMWORKERS.—

"(1) IN GENERAL.—The Secretary may provide financial assistance for providing affordable rental housing and related facilities for migrant farmworkers and homeless individuals (and the families of such individuals) to applicants as provided in this subsection.

"(2) TYPES OF ASSISTANCE.—

"(A) IN GENERAL.—The Secretary may provide the following assistance for housing under this subsection:

"(i) An advance, in an amount not to exceed $400,000, of the cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure or construction of a new structure for use in the provision of housing under this subsection. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this subparagraph if the structure was not used for the purposes under this subsection prior to the receipt of assistance.

"(ii) A grant, in an amount not to exceed $400,000, for moderate rehabilitation of an existing structure for use in the provision of housing under this subsection.

"(iii) Annual payments for operating costs of such housing (without regard to whether the housing is an existing structure), not to exceed 75 percent of the annual operating costs of such housing.

"(B) AVAILABLE ASSISTANCE.—A recipient may receive assistance under both clauses (i) and (ii) of subparagraph (A). The Secretary may increase the limit contained in such clauses to $800,000 in areas which the Secretary finds have high acquisition and rehabilitation costs.

"(C) REPAYMENT OF ADVANCE.—Any advance provided under subparagraph (A)(i) shall be repaid on such terms as may be prescribed by the Secretary when the project ceases to be used as housing in accordance with the provisions of this subsection. Recipients shall be required to repay 100 percent of the advance if the housing is used for purposes under this subsection for fewer than 10 years following initial occupancy. If the housing is used for such purposes for more than 10 years, the percentage of the amount that shall be required to be repaid shall be reduced by 10 percentage points for each year in excess of 10 that the property is so used.

"(D) PREVENTION OF UNDUE BENEFITS.—Upon any sale or other disposition of housing acquired or rehabilitated with assistance under this subsection prior to the close of 20 years after the housing is placed in service, other than a sale or other disposition resulting in the use of the project for the direct benefit of low income persons or where all of the proceeds are used to provide housing for migrant farmworkers and homeless individuals (and the families of such individuals), the recipient shall comply with such terms and conditions as the Secretary may prescribe to prevent the recipient from unduly benefiting from the sale or other disposition of the project.

"(3) PROGRAM REQUIREMENTS.—

"(A) APPLICATIONS.—

"(i) Applications for assistance under this subsection shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

"(ii) The Secretary shall require that applications contain at a minimum (I) a description of the proposed housing, (II) a description of the size and characteristics of the population that would occupy the housing, (III) a description of any public and private resources that are expected to be made available in connection with the housing, (IV) a description of the housing needs for migrant farmworkers and homeless individuals (and the families of such individuals) in the area to be served by the housing, and (V) assurances satisfactory to the Secretary that the housing assisted will be operated for not less than 10 years for the purpose specified in the application.

"(iii) The Secretary shall require that an application furnish reasonable assurances that the housing will be available for occupancy by homeless individuals (and the families of such individuals) only on an emergency and temporary basis during the offseason and shall be otherwise available for occupancy by migrant farmworkers (and their families).

"(iv) The Secretary shall require that an application furnish reasonable assurances that the applicant will own or have control of a site for the proposed housing not later than 6 months after notification of an award for grant assistance. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.

"(B) SELECTION CRITERIA.—The Secretary shall establish selection criteria for a national competition for assistance under this subsection, which shall include—

"(i) the ability of the applicant to develop and operate the housing;

"(ii) the feasibility of the proposal in providing the housing;

"(iii) the need for such housing in the area to be served;

"(iv) the cost effectiveness of the proposed housing;

"(v) the extent to which the project would meet the needs of migrant farmworkers and homeless individuals (and the families of such individuals) in the State;

"(vi) the extent to which the applicant has control of the site of the proposed housing; and

"(vii) such other factors as the Secretary determines to be appropriate for purposes of this subsection.

"(C) REQUIRED AGREEMENTS.—The Secretary may not approve assistance for any housing under this subsection unless the applicant agrees—

"(i) to operate the proposed project as housing for migrant farmworkers and homeless individuals (and the families of such individuals) in compliance with the provisions of this subsection and the application approved by the Secretary;

"(ii) to monitor and report to the Secretary on the progress of the housing; and

"(iii) to comply with such other terms and conditions as the Secretary may establish for purposes of this subsection.

"(D) OCCUPANT RENT.—Each migrant farmworker and homeless individual residing in a facility assisted under this subsection shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"(4) GUIDELINES.—

"(A) REGULATIONS.—Not later than 120 days after the date of enactment of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of this subsection.

"(B) LIMITATION ON USE OF FUNDS.—No assistance received under this subsection (or any State or local government funds used to supplement such assistance) may be used to replace other public funds previously used, or designated for use, to assist homeless individuals (and the families of such individuals) or migrant farmworkers.

"(5) LIMITATION ON ADMINISTRATIVE EXPENSES.—No recipient may use more than 5 percent of an advance or grant received under this subsection for administrative purposes.

"(6) REPORTS TO CONGRESS.—The Secretary shall submit annually to the Congress a report summarizing the activities carried out under this subsection and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities. The report shall be submitted not later than 3 months after the end of each fiscal year.

"(7) DEFINITIONS.—For purposes of this subsection:

"(A) The term 'applicant' means a State, political subdivision thereof, Indian tribe, any private nonprofit organization incorporated within the State that has applied for a grant under this subsection.

"(B) The term 'homeless individual' has the same meaning given the term under section 103 of the Stewart B. McKinney Homeless Assistance Act.

"(C) The term 'migrant farmworker'—

"(i) means any person (and the family of such person) who (I) receives a substantial portion of his or her income from primary production of agricultural or aquacultural commodities, the handling of such commodities in the unprocessed stage, or the processing of such commodities, without respect to the source of employment, and (II) establishes residence in a location on a seasonal or temporary basis, in an attempt to receive an income as described in subclause (I); and

"(ii) includes any person (and the family of such person) who is retired or disabled, but who met the requirements of clause (i) at the time of retirement or becoming disabled.

"(D) The term 'operating costs' means expenses incurred by a recipient providing housing under this subsection with respect to the administration, maintenance, repair, and security of such housing and utilities, fuel, furnishings, and equipment for such housing.".

(b) STUDY OF HOMELESSNESS IN RURAL AREAS.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct a study to determine the extent and characteristics of homelessness in rural areas.

(2) REPORT.—The Secretary of Agriculture shall submit to the Congress, not later than the expiration of the 9-month period beginning on the date of the enactment of this Act, a report describing the findings of the Secretary under the study. The report shall contain any recommendations of the Secretary for administrative or legislative action to reduce or alleviate homelessness in rural areas.

SEC. 715. RURAL AREA CLASSIFICATION.

(a) IN GENERAL.—Section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended—

(1) in the first sentence—

(A) by striking "case" and inserting "cases";

(B) by inserting after "California" the following: ", and Guadalupe, in the State of Arizona"; and

(2) by striking the last sentence and inserting the following new sentence: "For purposes of this title, any area classified as 'rural' or a 'rural area' prior to October 1, 1990, and determined not to be 'rural' or a 'rural area' as a result of data received from or after the 1990 decennial census shall continue to be so classified until the receipt of data from the decennial census in the year 2000, if such area has a population in excess of 20,000 but not in excess of 25,000, is rural in character, and has a serious lack of mortgage credit for lower and moderate-income families.".

(b) APPLICABILITY.—The amendment made by this section shall apply with respect to classification of rural areas for fiscal year 1991 and any fiscal year thereafter.

SEC. 716. ASSISTANCE TO REDUCE RENT OVERBURDEN.

Section 521(a)(2)(C) of the Housing Act of 1949 (42 U.S.C. 1491(a)(2)(C)) is amended by adding at the end the following: "Notwithstanding the preceding sentence, excess funds received from tenants in projects financed under section 515 during a fiscal year shall be available during the next succeeding fiscal year, together with funds provided under subparagraph (D), to the extent approved in appropriations Acts, to make assistance payments to reduce rent overburden on behalf of tenants of any such project whose rents exceed the levels referred to in subparagraph (A). In providing assistance to relieve rent overburden, the Secretary shall provide assistance with respect to very low-income and low income families to reduce housing rentals to the levels specified in subparagraph (A).".

SEC. 717. HOUSING PRESERVATION GRANTS.

(a) USE OF DEOBLIGATED FUNDS.—Section 533(c)(1) of the Housing Act of 1949 (42 U.S.C. 1490m(c)(1)) is amended by adding at the end the following: "Funds obligated, but subsequently unspent and deobligated, may remain available, to the extent provided in appropriations Acts, for use as housing preservation grants in ensuing fiscal years.".

(b) REALLOCATION.—Section 533(g) of the Housing Act of 1949 (42 U.S.C. 1490m(g)) is amended by striking the last sentence and inserting the following: "Any amounts which become available as a result of actions under this subsection shall be reallocated as housing preservation grants to such grantee or grantees as the Secretary may determine.".

SEC. 718. RECIPROCITY IN APPROVAL OF HOUSING SUBDIVISIONS AMONG FEDERAL AGENCIES.

(a) EXTENSION OF AUTHORITY.—Section 535 of the Housing Act of 1949 (42 U.S.C. 1490o) is amended in subsection (b), by striking "6-month period" and inserting "18-month period".

(b) RETROACTIVITY.—Any administrative approval of any housing subdivision made after the expiration of the 6-month period beginning on the date of the enactment of the Department of Housing and Urban Development Reform Act of 1989 and before the date of the enactment of this Act is hereby approved and shall be considered to have been lawfully made, but only if otherwise made in accordance with the provisions of section 535(b) of the Housing Act of 1949.

SEC. 719. RURAL HOUSING TECHNICAL AMENDMENTS.

(a) RURAL HOUSING ASSISTANCE DEFINITION.—Section 536(h) of the Housing Act of 1949 (42 U.S.C. 1490p(h)) is amended by striking the period at the end and inserting ", for the original construction or development of the project.".

(b) PROHIBITION ON PREPAYMENT OF NEW RURAL HOUSING LOANS.—Section 502(c)(1)(B) of the Housing Act of 1949 (42 U.S.C. 1472(c)(1)(B)) is amended by inserting "initial" after "any".

TITLE VIII—HOUSING FOR PERSONS WITH SPECIAL NEEDS

Subtitle A—Supportive Housing for the Elderly

SEC. 801. SUPPORTIVE HOUSING FOR THE ELDERLY.

(a) IN GENERAL.—Section 202 of the Housing Act of 1959 (12 U.S.C. 1701q) is amended to read as follows:

"SEC. 202. SUPPORTIVE HOUSING FOR THE ELDERLY.

"(a) PURPOSE.—The purpose of this section is to enable elderly persons to live with dignity and independence by expanding the supply of supportive housing that—

"(1) is designed to accommodate the special needs of elderly persons; and

"(2) provides a range of services that are tailored to the needs of elderly persons occupying such housing.

"(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private nonprofit organizations and consumer cooperatives to expand the supply of supportive housing for the elderly. Such assistance shall be provided as (1) capital advances in accordance with subsection (c) (1), and (2) contracts for project rental assistance in accordance with subsection (c)(2). Such assistance may be used to finance the construction, reconstruction, or moderate or substantial rehabilitation of a structure or a portion of a structure, or the acquisition of a structure from the Resolution Trust Corporation, to be used as supportive housing for the elderly in accordance with this section. Assistance may also cover the cost of real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for the elderly.

"(c) FORMS OF ASSISTANCE.—

"(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be required so long as the housing remains available for very low-income elderly persons in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

"(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very low-income elderly persons that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units so occupied and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs.

"(3) TENANT RENT CONTRIBUTION.—A very low-income person shall pay as rent for a dwelling unit assisted under this section the highest of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income, or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated.

"(d) TERM OF COMMITMENT.—

"(1) USE LIMITATIONS.—All units in housing assisted under this section shall be made available for occupancy by very low-income elderly persons for not less than 40 years.

"(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (c)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts during the year prior to the date of expiration.

"(e) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(1) a description of the proposed housing;
"(2) a description of the assistance the applicant seeks under this section;
"(3) a description of the resources that are expected to be made available in compliance with subsection (h);
"(4) a description of (A) the category or categories of elderly persons the housing is intended to serve; (B) the supportive services, if any, to be provided to the persons occupying such housing; (C) the manner in which such services will be provided to such persons, including, in the case of frail elderly persons, evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and (D) the public or private sources of assistance that can reasonably be expected to fund or provide such services;
"(5) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of services identified in paragraph (4) is well designed to serve the special needs of the category or categories of elderly persons the housing is intended to serve;
"(6) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed project is consistent with the approved housing strategy; and
"(7) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.
The Secretary shall not reject an application on technical grounds without giving notice of that rejection and the basis therefor to the applicant and affording the applicant an opportunity to respond.
"(f) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—
"(1) the ability of the applicant to develop and operate the proposed housing;
"(2) the need for supportive housing for the elderly in the area to be served;
"(3) the extent to which the proposed size and unit mix of the housing will enable the applicant to manage and operate the housing efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion;
"(4) the extent to which the proposed design of the housing will meet the special physical needs of elderly persons;
"(5) the extent to which the applicant has demonstrated that the supportive services identified in subsection (e)(4) will be provided on a consistent, long-term basis;
"(6) the extent to which the proposed design of the housing will accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons the housing is intended to serve; and
"(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.
"(g) PROVISIONS OF SERVICES.—
"(1) IN GENERAL.—In carrying out the provisions of this section, the Secretary shall ensure that housing assisted under this section provides a range of services tailored to the needs of the category or categories of elderly persons (including frail elderly persons) occupying such housing. Such services may include (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance; (D) transportation services; (E) health-related services; and (F) such other services as the Secretary deems essential for maintaining independent living. The Secretary may permit the provision of services to elderly persons and persons with disabilities who are not residents if the participation of such persons will not adversely affect the cost-effectiveness or operation of the program or add significantly to the need for assistance under this Act.
"(2) LOCAL COORDINATION OF SERVICES.—The Secretary shall ensure that owners have the managerial capacity to—
"(A) assess on an ongoing basis the service needs of residents;
"(B) coordinate the provision of supportive services and tailor such services to the individual needs of residents; and
"(C) seek on a continuous basis new sources of assistance to ensure the long-term provision of supportive services.
Any cost associated with this subsection shall be an eligible cost under subsection (c)(2). Any cost associated with the employment of a service coordinator in housing principally serving frail elderly persons shall also be an eligible cost except where the project is receiving congregate housing services assistance under section 802 of the Cranston-Gonzalez National Affordable Housing Act.
"(h) DEVELOPMENT COST LIMITATIONS.—
"(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for the elderly by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect—
"(A) the cost of construction, reconstruction, or rehabilitation of supportive housing for the elderly that meets applicable State and local housing and building codes;
"(B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary;
"(C) the cost of special design features necessary to make the housing accessible to elderly persons;
"(D) the cost of special design features necessary to make individual dwelling units meet the physical needs of elderly project residents;
"(E) the cost of congregate space necessary to accommodate the provision of supportive services to elderly project residents;
"(F) if the housing is newly constructed, the cost of meeting the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the Cranston-Gonzalez National Affordable Housing Act; and
"(G) the cost of land, including necessary site improvement.
In establishing development cost limitations for a given market area under this subsection, the Secretary shall use data that reflect currently prevailing costs of construction, reconstruction, or rehabilitation, and land acquisition in the area. For purposes of this paragraph, the term 'congregate space' shall include space for cafeterias or dining halls, community rooms or buildings, workshops, adult day health facilities, or other outpatient health facilities, or other essential service facilities.
"(2) RTC PROPERTIES.—In the case of existing housing and related facilities to be acquired from the Resolution Trust Corporation under section 21A(c) of the Federal Home Loan Bank Act, the cost limitations shall include—
"(A) the cost of acquiring such housing,
"(B) the cost of rehabilitation, alteration, conversion, or improvement, including the moderate rehabilitation thereof, and
"(C) the cost of the land on which the housing and related facilities are located.
"(3) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of construction, reconstruction, or rehabilitation costs.
"(4) INCENTIVES FOR SAVINGS.—
"(A) SPECIAL HOUSING ACCOUNT.—The Secretary shall use the development cost limitations established under paragraph (1) or (2) to calculate the amount of financing to be made available to individual owners. Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special housing account. Such percentage shall be increased to 75 percent for owners which add energy efficiency features which—
"(i) exceed the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the Cranston-Gonzalez National Affordable Housing Act;
"(ii) substantially reduce the life-cycle cost of the housing;
"(iii) reduce gross rent requirements; and
"(iv) enhance tenant comfort and convenience.
"(B) USES.—The special housing account established under subparagraph (A) may be used (i) to supplement services provided to residents of the housing or funds set aside for replacement reserves, or (ii) for such other purposes as determined by the Secretary.
"(5) DESIGN FLEXIBILITY.—The Secretary shall, to the extent practicable, give owners the flexibility to design housing appropriate to their location and proposed resident population within broadly defined parameters.
"(6) USE OF FUNDS FROM OTHER SOURCES.—A owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for the elderly if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.
"(i) TENANT SELECTION.—
"(1) IN GENERAL.—An owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (A) consistent with the purpose of improving housing opportunities for very low-income persons with disabilities; and (B) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. Owners shall promptly notify in writing any rejected applicant of the grounds for any rejection.
"(2) INFORMATION REGARDING HOUSING UNDER THIS SECTION.—The Secretary shall provide to an appropriate agency in each area (which may be the applicable Area Agency on the Aging) information regarding the availability of housing assisted under this section.
"(j) MISCELLANEOUS PROVISIONS.—
"(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.
"(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under

this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity.

"(3) OWNER DEPOSIT.—

"(A) IN GENERAL.—The Secretary shall require an owner to deposit an amount not to exceed $25,000 in a special escrow account to assure the owner's commitment to the housing.

"(B) REDUCTION OF REQUIREMENT.—The Secretary may reduce or waive the owner deposit specified under paragraph (1) for individual applicants if the Secretary finds that such waiver or reduction is necessary to achieve the purposes of this section and the applicant demonstrates to the satisfaction of the Secretary that it has the capacity to manage and maintain the housing in accordance with this section.

"(4) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may appeal the proposed cancellation of loan authority. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

"(5) LABOR.—

"(A) IN GENERAL.—Any contract for the construction of affordable housing with 12 or more units assisted with funds made available under this subtitle shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), shall be paid to all laborers and mechanics employed in the development of affordable housing involved, and participating jurisdictions shall require certification as to compliance with the provisions of this section prior to making any payment under such contract.

"(B) WAIVER.—Subparagraph (A) shall not apply if the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and such persons are not otherwise employed at any time in the construction work.

"(k) DEFINITIONS.—

"(1) The term 'elderly person' means a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

"(2) The term 'frail elderly' means an elderly person who is unable to perform at least 3 activities of daily living adopted by the Secretary for purposes of this program. Owners may establish additional eligibility requirements (acceptable to the Secretary) based on the standards in local supportive services programs.

"(3) The term 'owner' means a private nonprofit organization that receives assistance under this section to develop and operate supportive housing for the elderly.

"(4) The term 'private nonprofit organization' means any incorporated private institution or foundation—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of the community in which such housing is located, and (ii) which is responsible for the operation of the housing assisted under this section; and

"(C) which is approved by the Secretary as to financial responsibility.

"(5) The term 'State' includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

"(6) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(7) The term 'supportive housing for the elderly' means housing that is designed (A) to meet the special physical needs of elderly persons and (B) to accommodate the provision of supportive services that are expected to be needed, either initially or over the useful life of the housing, by the category or categories of elderly persons that the housing is intended to serve.

"(8) The term 'very low-income' has the same meaning as given the term 'very low-income families' under section 3(b)(2) of the United States Housing Act of 1937.

"(l) AUTHORIZATIONS.—

"(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (c)(1) $659,000,000 for fiscal year 1992. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of the Cranston-Gonzalez National Affordable Housing Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

"(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project rental assistance in accordance with subsection (c)(2) the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $363,000,000 for fiscal year 1992.

"(3) NONMETROPOLITAN ALLOCATION.—Not less than 20 percent of the funds made available under this subtitle shall be allocated by the Secretary on a national basis for nonmetropolitan areas.".

(b) CONFORMING AMENDMENT.—Section 213(a) of the Housing and Community Development Act of 1974 is amended by striking "section 202 of the Housing Act of 1959".

(c) EFFECTIVE DATE AND APPLICABILITY.—The amendments made by this section shall take effect on October 1, 1991, with respect to projects approved on or after such date. The Secretary shall issue regulations for such purpose after notice and an opportunity for public comment in accordance with section 553 of title 5, United States Code. Regulations shall be issued for comment not later than 180 days after the date of enactment of this Act.

(d) EXPEDITED FINANCING AND CONSTRUCTION.—

(1) IN GENERAL.—The Secretary may, subject to the availability of appropriations for contract amendments for the purposes of this subsection—

(A) provide such adjustments and waivers to the cost limitations specified under 24 CFR 885.410(a)(1); and

(B) make such adjustments to the relevant fair market rent limitations established under section 8(c)(1) of the United States Housing Act of 1937 in providing assistance under such Act,

as are necessary to ensure the expedited financing and construction of qualified supportive housing for the elderly provided that the Secretary finds that any applicable cost containment rules and regulations have been satisfied.

(2) DEFINITION.—For purposes of this subsection, the term "supportive housing for the elderly" means housing—

(A) located in a high-cost jurisdiction; and

(B) for which a loan reservation was made under section 202 of the Housing Act of 1959, 3 years before the date of enactment of this Act but for which no loan has been executed and recorded.

(e) AUTHORIZATION FOR EXISTING PROGRAM.—Section 202(a)(4)(C) of the Housing Act of 1959 (12 U.S.C. 1701q(a)(4)(C)) is amended—

(1) by striking all that follows "Acts" the first time it appears and inserting a period; and

(2) by adding at the end the following: "For fiscal year 1991, not more than $714,200,000 may be approved in appropriation Acts for such loans.".

SEC. 802. REVISED CONGREGATE HOUSING SERVICES PROGRAM.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—The Congress finds that—

(A) the effective provision of congregate services may require the redesign of units and buildings to meet the special physical needs of the frail elderly persons and the creation of congregate space to accommodate services that enhance independent living;

(B) congregate housing, coordinated with the delivery of supportive services, offers an innovative, proven, and cost-effective means of enabling frail older persons and persons with disabilities to maintain their dignity and independence;

(C) independent living with assistance is a preferable housing alternative to institutionalization for many frail older persons and persons with disabilities;

(D) 365,000 persons in federally assisted housing experience some form of frailty, and the number is expected to increase as the general population ages;

(E) an estimated 20 to 30 percent of older adults living in federally assisted housing experience some form of frailty;

(F) a large and growing number of frail elderly residents face premature or unnecessary institutionalization because of the absence of or deficiencies in the availability, adequacy, coordination, or delivery of supportive services;

(G) the support service needs of frail residents of assisted housing are beyond the resources and experience that housing managers have for meeting such needs;

(H) supportive services would promote the invaluable option of independent living for nonelderly persons with disabilities in federally assisted housing;

(I) approximately 25 percent of congregate housing services program sites provide congregate services to young individuals with disabilities;

(J) to the extent that institutionalized older adults do not need the full costly support provided by such care, public moneys could be more effectively spent providing the necessary services in a noninstitutional setting; and

(K) the Congregate Housing Services Program, established by Congress in 1978, and similar programs providing in-home services have been effective in preventing unnecessary institutionalization and encouraging deinstitutionalization.

(2) PURPOSES.—The purposes of this section are—

(A) to provide assistance to retrofit individual dwelling units and renovate public and common areas in eligible housing to meet the special physical needs of eligible residents;

(B) to create and rehabilitate congregate space in or adjacent to such housing to ac-

commodate supportive services that enhance independent living;

(C) to improve the capacity of management to assess the service needs of eligible residents, coordinate the provision of supportive services that meet the needs of eligible residents and ensure the long-term provision of such services;

(D) to provide services in federally assisted housing to prevent premature and inappropriate institutionalization in a manner that respects the dignity of the elderly and persons with disabilities;

(E) to provide readily available and efficient supportive services that provide a choice in supported living arrangements by utilizing the services of an on-site coordinator, with emphasis on maintaining a continuum of care for the vulnerable elderly;

(F) to improve the quality of life of older Americans living in federally assisted housing;

(G) to preserve the viability of existing affordable housing projects for lower-income older residents who are aging in place by assisting managers of such housing with the difficulties and challenges created by serving older residents;

(H) to develop partnerships between the Federal Government and State governments in providing services to the frail elderly and persons with disabilities; and

(I) to utilize Federal and State funds in a more cost-effective and humane way in serving the needs of older adults.

(b) CONTRACTS FOR CONGREGATE SERVICES PROGRAMS.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development and the Secretary of Agriculture (through Administrator of the Farmers Home Administration) shall enter into contracts with States, Indian tribes, units of general local government and local nonprofit housing sponsors, utilizing any amounts appropriated under subsection (n)—

(A) to provide congregate services programs for eligible project residents to promote and encourage maximum independence within a home environment for such residents capable of self-care with appropriate supportive services; or

(B) to adapt housing to better accommodate the physical requirements and service needs of eligible residents.

(2) TERM OF CONTRACTS.—Each contract between the Secretary concerned and a State, Indian tribe, or unit of general local government, or local nonprofit housing sponsor, shall be for a term of 5 years and shall be renewable at the expiration of the term, except as otherwise provided in this section.

(c) RESERVATION OF AMOUNTS.—For each State, Indian tribe, unit of general local government, and nonprofit housing sponsor, receiving a contract under this subsection, the Secretary concerned shall reserve a sum equal to the total approved contract amount from the amount authorized and appropriated for the fiscal year in which the notification date of funding approval occurs.

(d) ELIGIBLE ACTIVITIES.—

(1) IN GENERAL.—A congregate services program under this section shall provide meal and other services for eligible project residents (and other residents and nonresidents, as provided in subsection (e)), as provided in this section, that are coordinated on site.

(2) MEAL SERVICES.—Congregate services programs assisted under this section shall include meal service adequate to meet at least one-third of the daily nutritional needs of eligible project residents, as follows:

(A) FOOD STAMPS AND AGRICULTURAL COMMODITIES.—In providing meal services under this paragraph, each congregate services program—

(i) shall—

(I) apply for approval as a retail food store under section 9 of the Food Stamp Act of 1977 (42 U.S.C. 2018); and

(II) if approved under such section, accept coupons (as defined in section 3(e) of such Act) as payment from individuals to whom such meal services are provided; and

(ii) shall request, and use to provide such meal services, agricultural commodities made available without charge by the Secretary of Agriculture.

(B) PREFERENCE FOR NUTRITION PROVIDERS.—In contracting for or otherwise providing for meal services under this paragraph, each congregate services program shall give preference to any provider of meal services who—

(i) receives assistance under title III of the Older Americans Act of 1965; or

(ii) has experience, according to standards as the Secretary shall require, in providing meal services in a housing project under the Congregate Housing Services Act of 1978 or any other program for congregate services.

(3) RETROFIT AND RENOVATION.—Assistance under this section may be provided with respect to eligible housing for the elderly for—

(A) retrofitting of individual dwelling units to meet the special physical needs of current or future residents who are or are expected to be eligible residents, which retrofitting may include—

(i) widening of doors to allow passage by persons with disabilities in wheelchairs into and within units in the project;

(ii) placement of light switches, electrical outlets, thermostats and other environmental controls in accessible locations;

(iii) installation of grab bars in bathrooms or the placement of reinforcements in bathroom walls to allow later installation of grab bars;

(iv) redesign of usable kitchens and bathrooms to permit a person in a wheelchair to maneuver about the space; and

(v) such other features of adaptive design that the Secretary finds are appropriate to meet the special needs of such residents;

(B) such renovation as is necessary to ensure that public and common areas are readily accessible to and usable by eligible residents;

(C) renovation, conversion, or combination of vacant dwelling units to create congregate space to accommodate the provision of supportive services to eligible residents;

(D) renovation of existing congregate space to accommodate the provision of supportive services to eligible residents; and

(E) construction or renovation of facilities to create conveniently located congregate space to accommodate the provision of supportive services to eligible residents.

For purposes of this paragraph, the term "congregate space" shall include space for cafeterias or dining halls, community rooms or buildings, workshops, adult day health facilities, or other outpatient health facilities, or other essential service facilities.

(4) SERVICE COORDINATOR.—Assistance under this section may be provided with respect to the employment of one or more individuals (hereinafter referred to as "service coordinator") who may be responsible for—

(A) working with the professional assessment committee established under subsection (f) on an ongoing basis to assess the service needs of eligible residents;

(B) working with service providers and the professional assessment committee to tailor the provision of services to the needs and characteristics of eligible residents;

(C) mobilizing public and private resources to ensure that the qualifying supportive services identified pursuant to subsection (d) can be funded over the time period identified under such subsection;

(D) monitoring and evaluating the impact and effectiveness of any supportive service program receiving capital or operating assistance under this section; and

(E) performing such other duties and functions that the Secretary deems appropriate to enable frail elderly persons residing in federally assisted housing to live with dignity and independence.

The Secretary shall establish such minimum qualifications and standards for the position of service coordinator that the Secretary deems necessary to ensure sound management. The Secretary may fund the employment of service coordinators by using amounts appropriated under this section and by permitting owners to use existing sources of funds, including excess project reserves.

(5) OTHER SERVICES.—Congregate services programs assisted under this section may include services for transportation, personal care, dressing, bathing, toileting, housekeeping, chore assistance, nonmedical counseling, assessment of the safety of housing units, group and socialization activities, assistance with medications (in accordance with any applicable State law), case management, personal emergency response, and other services to prevent premature and unnecessary institutionalization of eligible project residents.

(6) DETERMINATION OF NEEDS.—In determining the services to be provided to eligible project residents under a congregate services program assisted under this section, the program shall provide for consideration of the needs and wants of eligible project residents.

(7) FEES.—

(A) ELIGIBLE PROJECT RESIDENTS.—The owner of each eligible housing project shall establish fees for meals and other services provided under a congregate services program to eligible project residents, which shall be sufficient to provide 10 percent of the costs of the services provided. The Secretary concerned shall provide for the waiver of fees under this paragraph for individuals whose incomes are insufficient to provide for any payment. The fees for meals shall be in the following amounts:

(i) FULL MEAL SERVICES.—The fees for residents receiving more than 1 meal per day, 7 days per week, shall be reasonable and shall equal between 10 and 20 percent of the adjusted income of the project resident (as such income is determined under section 3(b) of the United States Housing Act of 1937), or the cost of providing the services, whichever is less.

(ii) LESS THAN FULL MEAL SERVICES.—The fees for residents receiving meal services less frequently than as described in the preceding sentence shall be in an amount equal to 10 percent of such adjusted income of the project resident or the cost of providing the services, whichever is less.

(B) OTHER RESIDENTS AND NONRESIDENTS.—Fees shall be established under this paragraph for residents of eligible housing projects (other than eligible project residents) and for nonresidents that receive services from a congregate services program pursuant to subsection (e). Such fees shall be in an amount equal to the cost of providing the services.

(8) DIRECT AND INDIRECT PROVISION OF SERVICES.—Any State, Indian tribe, unit of general local government, or nonprofit housing

sponsor that receives assistance under this section may provide congregate services directly to eligible project residents or may, by contract or lease, provide such services through other appropriate agencies or providers.

(e) ELIGIBILITY FOR SERVICES.—

(1) ELIGIBLE PROJECT RESIDENTS.—Any eligible resident who is a resident of an eligible housing project (or who with deinstitutionalization and appropriate supportive services under this section could become a resident of eligible federally assisted housing) shall be eligible for services under a congregate services program assisted under this section.

(2) ECONOMIC NEED.—In providing services under a congregate services program, the program shall give consideration to serving eligible project residents with the greatest economic need.

(3) IDENTIFICATION.—

(A) IN GENERAL.—A professional assessment committee under subparagraph (B) shall identify eligible project residents under paragraph (1) and shall designate services appropriate to the functional abilities and needs of each eligible project resident. The committee shall utilize procedures that ensure that the process of determining eligibility of individuals for congregate services shall accord such individuals fair treatment and due process and a right of appeal of the determination of eligibility, and shall also ensure the confidentiality of personal and medical records.

(B) PROFESSIONAL ASSESSMENT COMMITTEE.—A professional assessment committee under this section shall consist of not less than 3 individuals, who shall be appointed to the committee by the officials of the eligible housing project responsible for the congregate services program, and shall include qualified medical and other health and social services professionals competent to appraise the functional abilities of the frail elderly and persons with disabilities in relation to the performance of tasks of daily living.

(4) ELIGIBILITY OF OTHER RESIDENTS.—The elderly and persons with disabilities who reside in an eligible housing project other than eligible project residents under paragraph (1) may receive services from a congregate services program under this section if the housing managers, congregate service coordinators, and the professional assessment committee jointly determine that the participation of such individuals will not negatively affect the provision of services to eligible project residents. Residents eligible for services under this paragraph shall pay fees as provided under subsection (d).

(5) ELIGIBILITY OF NONRESIDENTS.—The Secretary may permit the provision of services to elderly persons and persons with disabilities who are not residents if the participation of such persons will not adversely affect the cost-effectiveness or operation of the program or add significantly to the need for assistance under this section.

(f) ELIGIBLE CONTRACT RECIPIENTS AND DISTRIBUTION OF ASSISTANCE.—The Secretary concerned may provide assistance under this section and enter into contracts under subsection (b) with—

(1) owners of eligible housing;

(2) States that submit applications in behalf of owners of eligible housing; and

(3) Indian tribes and units of general local government that submit applications on behalf of owners of eligible housing.

(g) APPLICATIONS.—The funds made available under this section shall be allocated by the Secretary among approvable applications submitted by or on behalf of owners. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Applications for assistance shall contain—

(1) a description of the type of assistance the applicant is applying for;

(2) in the case of an application involving rehabilitation or retrofit, a description of the activities to be carried out, the number of elderly persons to be served, the costs of such activities, and evidence of a commitment for the services to be associated with the project;

(3) a description of qualifying supportive services that can reasonably be expected to be made available to eligible residents over a 5-year period;

(4) a firm commitment from one or more sources of assistance ensuring that some or all of the qualifying supportive services identified under paragraph (3) will be provided for not less than 1 year following the completion of activities assisted under subsection (d);

(5) a description of public or private sources of assistance that are likely to fund or provide qualifying supportive services, including evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including for-profit and nonprofit organizations);

(6) a certification from the appropriate State or local agency (as determined by the Secretary) that—

(A) the provision of the qualifying supportive services identified under paragraph (3) will enable eligible residents to live independently and avoid unnecessary institutionalization,

(B) there is a reasonable likelihood that such services will be funded or provided for the entire period specified under paragraph (3), and

(C) the agency and the applicant will, during the term of the contract, actively seek assistance for such services from other sources;

(7) a description of any fees that would be established pursuant to subsection (d); and

(8) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

The Secretary shall act on each application within 60 days of its submission.

(h) SELECTION AND EVALUATION OF APPLICATIONS AND PROGRAMS.—

(1) IN GENERAL.—Each Secretary concerned shall establish criteria for selecting States, Indian tribes, units of general local government, and local nonprofit housing sponsors to receive assistance under this section, and shall select such entities to receive assistance. The criteria for selection shall include consideration of—

(A) the extent to which the activities described in subsection (d)(3) will foster independent living and the provision of such services;

(B) the types and priorities of the basic services proposed to be provided, the appropriateness of the targeting of services, the methods of providing for deinstitutionalized older individuals and individuals with disabilities, and the relationship of the proposal to the needs and characteristics of the eligible residents of the projects where the services are to be provided;

(C) the schedule for establishment of services following approval of the application;

(D) the degree to which local social services are adequate for the purpose of assisting eligible project residents to maintain independent living and avoid unnecessary institutionalization;

(E) the professional qualifications of the members of the professional assessment committee;

(F) the reasonableness and application of fees schedules established for congregate services;

(G) the adequacy and accuracy of the proposed budgets; and

(H) the extent to which the owner will provide funds from other services in excess of that required by this section.

(2) EVALUATION OF PROVISION OF CONGREGATE SERVICES PROGRAMS.—The Secretary of Housing and Urban Development and the Secretary of Agriculture shall, by regulation under subsection (n), establish procedures for States, Indian tribes, and units of general local government receiving assistance under this section—

(A) to review and evaluate the performance of the congregate services programs of eligible housing projects receiving assistance under this section in such State; and

(B) to submit annually, to the Secretary concerned, a report evaluating the impact and effectiveness of congregate services programs in the entity assisted under this section.

(i) CONGREGATE SERVICES PROGRAM FUNDING.—

(1) COST DISTRIBUTION.—

(A) CONTRIBUTION REQUIREMENT.—In providing contracts under subsection (b), each Secretary concerned shall provide for the cost of providing the congregate services program assisted under this section to be distributed as follows:

(i) Each State, Indian tribe, unit of general government, or nonprofit housing sponsor that receives amounts under a contract under subsection (b) shall supplement any such amount with amounts sufficient to provide 50 percent of the cost of providing the congregate services program. Any monetary or in-kind contributions received by a congregate services program under the Congregate Housing Services Act of 1978 may be considered for purposes of fulfilling the requirement under this clause. The Secretary concerned shall encourage owners to use excess residual receipts to the extent available to supplement funds for retrofit and supportive services under this section.

(ii) The Secretary concerned shall provide 40 percent of the cost, with amounts under contracts under subsection (b).

(iii) Fees under subsection (d)(7) shall provide 10 percent of the cost.

(B) EXCEPTIONS.—

(i) For any congregate services program that was receiving assistance under a contract under the Congregate Housing Services Act of 1978 on the date of the enactment of this Act, the unit of general local government or nonprofit housing sponsor, in coordination with a local government with respect to such program shall not be subject to the requirement to provide supplemental contributions under subparagraph (A)(i) (for such program) for the 3-year period beginning on the expiration of the contract for such assistance. The Secretary concerned shall require each such program to maintain, for such 3-year period, the same dollar amount of annual contributions in support of the services eligible for assistance under this section as were contributed to such program during the year preceding the date of the enactment of this Act.

(ii) To the extent that the limitations under subsection (d)(7) regarding the percentage of income eligible residents may pay for services will result in collected fees for any congregate services program of less than 10 percent of the cost of providing the program, 50 percent of such remaining costs shall be provided by the recipient of amounts under the contract and 50 percent of such remaining costs shall be provided by the Secretary concerned under such contract.

(C) ELIGIBLE SUPPLEMENTAL CONTRIBUTIONS.—If provided by the State, Indian tribe, unit of general local government, or local nonprofit housing sponsor, any salary paid to staff from governmental sources to carry out the program of the recipient and salary paid to residents employed by the program (other than from amounts under a contract under subsection (b)), and any other in-kind contributions from governmental sources shall be considered as supplemental contributions for purposes of meeting the supplemental contribution requirement under subparagraph (A)(i), except that the amount of in-kind contributions considered for purposes of fulfilling such contribution requirement may not exceed 10 percent of the total amount to be provided by the State, Indian tribe, local government, or local nonprofit housing sponsor.

(D) PROHIBITION OF SUBSTITUTION OF FUNDS.—The Secretary concerned shall require each State, Indian tribe, unit of general local government, and local nonprofit housing sponsor, that receives assistance under this section to maintain the same dollar amount of annual contribution that such State, Indian tribe, local government, or sponsor was making, if any, in support of services eligible for assistance under this section before the date of the submission of the application for such assistance.

(E) LIMITATION.—For purposes of complying with the requirement under subparagraph (A)(i), the appropriate Secretary concerned may not consider any amounts contributed or provided by any local government to any State receiving assistance under this section that exceed 10 percent of the amount required of the State under subparagraph (A)(i).

(2) CONSULTATION.—The Secretary shall consult with the Secretary of Health and Human Services regarding the availability of assistance from other Federal programs to support services under this section and shall make information available to applicants for assistance under this section.

(j) MISCELLANEOUS PROVISIONS.—

(1) USE OF RESIDENTS IN PROVIDING SERVICES.—Each housing project that receives assistance under this section shall, to the maximum extent practicable, utilize the elderly and persons with disabilities who are residents of the housing project, but who are not eligible project residents, to participate in providing the services provided under congregate services programs under this section. Such individuals shall be paid wages that shall not be lower than the higher of—

(A) the minimum wage that would be applicable to the employee under the Fair Labor Standards Act of 1938, if section 6(a)(1) of such Act applied to the resident and if the resident were not exempt under section 13 of such Act;

(B) the State of local minimum wage for the most nearly comparable covered employment; or

(C) the prevailing rates of pay for persons employed in similar public occupations by the same employer.

(2) EFFECT OF SERVICES.—Except for wages paid under paragraph (1) of this subsection, services provided to a resident of an eligible housing project under a congregate services program under this section may not be considered as income for the purpose of determining eligibility for or the amount of assistance or aid furnished under any Federal, federally assisted, or State program based on need.

(3) ELIGIBILITY AND PRIORITY FOR 1978 ACT RECIPIENTS.—Notwithstanding any other provision of this section, any public housing agency, housing assisted under section 202 of the Housing Act of 1959, or nonprofit corporation that was receiving assistance under a contract under the Congregate Housing Services Act of 1978 on the date of the enactment of this section shall (subject to approval and allocation of sufficient amounts under the Congregate Housing Services Act of 1978 and appropriations Acts under such Act) receive assistance under the Congregate Housing Services Act of 1978 for the remainder of the term of the contract for assistance for such agency or corporation under such Act, and shall receive priority for assistance under this section after the expiration of such period.

(4) ADMINISTRATIVE COST LIMITATION.—A recipient of assistance under this section may not use more than 10 percent of the sum of such assistance and the contribution amounts required under subsection (i)(1)(A)(i) for administrative costs and shall ensure that any entity to which the recipient distributes amounts from such sum may not expend more than a reasonable amount from such distributed amounts for administrative costs. Administrative costs may not include any capital expenses.

(k) DEFINITIONS.—For purposes of this section:

(1) The term "activity of daily living" means an activity regularly necessary for personal care and includes bathing, dressing, eating, getting in and out of bed and chairs, walking, going outdoors, and using the toilet.

(2) The term "case management" means assessment of the needs of a resident, ensuring access to and coordination of services for the resident, monitoring delivery of services to the resident, and periodic reassessment to ensure that services provided are appropriate to the needs and wants of the resident.

(3) The term "congregate housing" means low-rent housing that is connected to a central dining facility where wholesome and economical meals can be served to the residents.

(4) The term "congregate services" means services described in subsection (d) of this section.

(5) The term "congregate services program" means a program assisted under this section undertaken by an eligible housing project to provide congregate services to eligible residents.

(6) The term "eligible housing project" means—

(A) public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937) and lower income housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian housing authority under title II of the United States Housing Act of 1937;

(B) housing assisted under section 8 of the United States Housing Act of 1937 with a contract that is attached to the structure under subsection (d)(2) of such section or with a contract entered into in connection with the new construction or moderate rehabilitation of the structure under section 8(b)(2) of the United States Housing Act, as such section existed before October 1, 1983;

(C) housing assisted under section 202 of the Housing Act of 1959;

(D) housing assisted under section 221(d) or 236 of the National Housing Act, with respect to which the owner has made a binding commitment to the Secretary of Housing and Urban Development not to prepay the mortgage or terminate the insurance contract under section 229 of such Act (unless the binding commitments have been made to extend the low income use restrictions relating to such housing for the remaining useful life of the housing);

(E) housing assisted under section 514 or 515 of the Housing Act of 1949, with respect to which the owner has made a binding commitment to the Secretary of Agriculture not to prepay or refinance the mortgage (unless the binding commitments have been made to extend the low income use restrictions relating to such housing for not less than the 20-year period under section 502(c)(4) of the Housing Act of 1949); and

(F) housing assisted under section 516 of the Housing Act of 1949.

(7) The term "eligible resident" means a person residing in eligible housing for the elderly who qualifies under the definition of frail elderly, person with disabilities (regardless of whether the person is elderly), or temporarily disabled.

(8) The term "frail elderly" means an elderly person who is unable to perform at least 3 activities of daily living adopted by the Secretary for purposes of this program. Owners may establish additional eligibility requirements (acceptable to the Secretary) based on the standards in local supportive services programs.

(9) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(10) The term "instrumental activity of daily living" means a regularly necessary home management activity and includes preparing meals, shopping for personal items, managing money, using the telephone, and performing light or heavy housework.

(11) The term "local nonprofit housing sponsor" includes public housing agencies (as such term is defined in section 3(b)(6) of the United States Housing Act of 1937.

(12) The term "nonprofit", as applied to an organization, means no part of the net earnings of the organization inures, or may lawfully inure, to the benefit of any private shareholder or individual.

(13) The term "elderly person" means a person who is at least 62 years of age.

(14) The term "person with disabilities" has the meaning given the term by section 811 of this Act.

(15) The term "professional assessment committee" means a committee established under subsection (e)(3)(B).

(16) The term "qualifying supportive services" means new or significantly expanded services that the Secretary deems essential to enable eligible residents to live independently and avoid unnecessary institutionalization. Such services may include but not

be limited to (A) meal service adequate to meet nutritional need; (B) housekeeping aid; (C) personal assistance (which may include, but is not limited to, aid given to eligible residents in grooming, dressing, and other activities which maintain personal appearance and hygiene); (D) transportation services; (E) health-related services; and (F) personal emergency response systems; the owner may provide the qualifying services directly to eligible residents or may, by contract or lease, provide such services through other appropriate agencies or providers.

(17) The term "Secretary concerned" means—

(A) the Secretary of Housing and Urban Development, with respect to eligible federally assisted housing administered by such Secretary; and

(B) the Secretary of Agriculture, with respect to eligible federally assisted housing administered by the Administrator of the Farmers Home Administration.

(18) The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(19) The term "temporarily disabled" means having an impairment that—

(A) is expected to be of no more than 6 months duration; and

(B) impedes the ability of the individual to live independently unless the individual receives congregate services.

(20) The term "unit of general local government"—

(A) means any city, town, township, county, parish, village, or other general purpose political subdivision of a State; and

(B) includes a unit of general government acting as an applicant for assistance under this section in cooperation with a nonprofit housing sponsor and a nonprofit housing sponsor acting as an applicant for assistance under this section in cooperation with a unit of general local government, as provided under subsection (g)(1)(B).

(l) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Each Secretary concerned shall submit to the Congress, for each fiscal year for which assistance is provided for congregate services programs under this section, an annual report—

(A) describing the activities being carried out with assistance under this section and the population being served by such activities;

(B) evaluating the effectiveness of the program of providing assistance for congregate services under this section, and a comparison of the effectiveness of the program under this section with the HOPE for Elderly Independence Program under section 803 of this Act; and

(C) containing any other information that the Secretary concerned considers helpful to the Congress in evaluating the effectiveness of this section.

(2) SUBMISSION OF DATA TO SECRETARY CONCERNED.—The Secretary of Housing and Urban Development and the Secretary of Agriculture shall provide, by regulation under subsection (m), for the submission of data by recipients of assistance under this section to be used in the report required by paragraph (1).

(m) REGULATIONS.—The Secretary of Housing and Urban Development and the Secretary of Agriculture shall, not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, jointly issue any regulations necessary to carry out this section.

(n) AUTHORIZATION OF APPROPRIATIONS.—

(1) AUTHORIZATION AND USE.—There are authorized to be appropriated to carry out this section $25,000,000 for fiscal year 1991, and $26,100,000 for fiscal year 1991, of which not more than—

(A) the amount of such sums appropriated that, with respect to the total amount appropriated, represents the ratio of the total number of units of eligible federally assisted housing for elderly individuals assisted by programs administered by the Secretary of Housing and Urban Development to the total number of units assisted by programs administered by such Secretary and the Secretary of Agriculture, shall be used for assistance for congregate services programs in eligible federally assisted housing administered by the Secretary of Housing and Urban Development; and

(B) the amount of such sums appropriated that, with respect to the total amount appropriated, represents the ratio of the total number of units of eligible federally assisted housing for elderly individuals assisted by programs administered by the Secretary of Agriculture to the total number of units assisted by programs administered by such Secretary and the Secretary of Housing and Urban Development, shall be used for assistance for congregate services programs in eligible federally assisted housing administered by the Secretary of Agriculture (through the Administrator of the Farmers Home Administration).

(2) AVAILABILITY.—Any amounts appropriated under this subsection shall remain available until expended.

(o) RESERVE FUND.—The Secretary may reserve not more than 5 percent of the amounts made available in each fiscal year to supplement grants awarded to owners under this section when, in the determination of the Secretary, such supplemental adjustments are required to maintain adequate levels of services to eligible residents.

(p) CONFORMING AMENDMENT.—Section 9(a)(3)(B) of the United States Housing Act of 1937 is amended—

(1) by striking "and" at the end of clause (iii);

(2) by striking the period at the end of clause (iv) and inserting "; and"; and

(3) by adding at the end the following new clause:

"(v) if a public housing agency renovates, converts, or combines one or more dwelling units in a public housing project to create congregate space to accommodate the provision of supportive services in accordance with section 22 of this Act and section 802 of the Cranston-Gonzalez National Affordable Housing Act, the payments received under this section shall not be reduced because of the resulting reduction in the number of dwelling units.".

SEC. 803. HOPE FOR ELDERLY INDEPENDENCE.

(a) PURPOSE.—The purpose of this section is to establish a demonstration program to test the effectiveness of combining housing certificates and vouchers with supportive services to assist frail elderly persons to continue to live independently. The demonstration program under this section shall terminate upon the expiration of the 5-year period beginning on the date of the enactment of this Act.

(b) HOUSING ASSISTANCE.—In connection with this demonstration, the Secretary of Housing and Urban Development may enter into contracts with public housing agencies to provide not more than 1,500 incremental vouchers and certificates under sections 8(b) and 8(o) of the United States Housing Act of 1937. A public housing agency may not require that a frail elderly person live in a particular structure or unit, but the agency may restrict the program under this section to a geographic area, where necessary to ensure that the provision of supportive services is feasible. At the end of the demonstration period, the public housing agency shall give each frail elderly person the option to continue to receive assistance under the housing certificate or voucher program of the agency. In the demonstration, the Secretary may also provide for supportive services in connection with existing contracts for housing assistance under sections 8(b) and 8(o).

(c) SUPPORTIVE SERVICES REQUIREMENTS AND MATCHING FUNDING.—

(1) FEDERAL, PHA AND, INDIVIDUAL CONTRIBUTIONS.—The amount estimated by the public housing agency and approved by the Secretary as necessary to provide the supportive services for the demonstration period shall be funded as follows:

(A) The Secretary shall provide 40 percent, using amounts appropriated under this section.

(B) The public housing agency shall ensure the provision of at least 50 percent from sources other than under this section.

(C) Notwithstanding any other provision of law, each frail elderly person shall pay 10 percent of the costs of the supportive services that the person receives, except that a frail elderly person may not be required to pay an amount that exceeds 20 percent of the adjusted income (as the term is defined in section 3(b)(5) of the United States Housing Act of 1937) of such person and the Secretary shall provide for the waiver of the requirement to pay costs under this subparagraph for persons whose income is determined to be insufficient to provide for any payment.

(D) To the extent that the limitation under subparagraph (C) regarding the percentage of income frail elderly persons may pay for services will result in collected amounts for any public housing agency of less than 10 percent of the cost of providing the services, 50 percent of such remaining costs shall be provided by the public housing agency and 50 percent of such remaining costs shall be provided by the Secretary from amounts appropriated under this section.

(2) PROVISION OF SERVICES FOR ENTIRE DEMONSTRATION.—Each public housing agency shall ensure that supportive services appropriate to the needs of the frail elderly persons to be served under this demonstration are provided throughout the demonstration period. Expenditures for supportive services need not be made in equal amounts for each year, but may vary depending on the needs of the frail elderly persons assisted under this section. A public housing agency may use up to 20 percent of the Federal assistance provided for supportive services in each year of this demonstration and any amounts from any prior year in which the public housing agency did not use 20 percent of the available Federal assistance.

(3) CALCULATION OF MATCH.—In determining compliance with paragraph (1)(B), an agency may include the value of such items as the Secretary determines to be appropriate, which may include the salary paid to staff to provide supportive services, if such items have a readily discernible market value.

(d) APPLICATIONS.—An application under this section shall be submitted by a public housing agency in such form and in accordance with such procedures as the Secretary shall establish. The Secretary shall require that an application contain at a minimum—

(1) an application for housing assistance under section 8 of the United States Housing Act of 1937, if necessary, and a description of any such assistance already made available that will be used in the demonstration;

(2) a description of the size and characteristics of the population of frail elderly persons and of their housing and supportive services needs;

(3) a description of the proposed method of determining whether a person qualifies as a frail elderly person (specifying any additional eligibility requirements proposed by the agency), and of selecting frail elderly persons to participate;

(4) a statement that the public housing agency will create a professional assessment committee or will work with another entity which will assist the public housing agency in identifying and providing only services that each frail elderly person needs to remain living independently;

(5) a description of the mechanisms for developing housing and supportive services plans for each person and for monitoring the person's progress in meeting that plan;

(6) the identity of the proposed service providers and a statement of qualifications;

(7) a description of the supportive services the public housing agency proposes to make available for the frail elderly persons to be served, the estimated costs of such services, a description of the resources that are expected to be made available to cover the portion of the costs required by subsection (c)(1);

(8) assurances satisfactory to the Secretary that the supportive services will be provided for the demonstration period;

(9) the plan for coordinating the provision of housing assistance and supportive services;

(10) a description of how the public housing agency will ensure that the service providers are providing supportive services, at a reasonable cost, adequate to meet the needs of the persons to be served;

(11) a plan for continuing supportive services to frail elderly persons that continue to receive housing assistance under section 8 of the United States Housing Act of 1937 after the end of the demonstration period; and

(12) a statement that the application has been developed in consultation with the area agency on aging under title III of the Older Americans Act of 1965 and that the public housing agency will periodically consult with the area agency during the demonstration.

(e) SELECTION.—

(1) CRITERIA.—The Secretary shall establish selection criteria for a national competition for assistance under this section, which shall include—

(A) the ability of the public housing agency to develop and operate the proposed housing assistance and supportive services program;

(B) the need for a program providing both housing assistance and supportive services for frail elderly persons in the area to be served;

(C) the quality of the proposed program for providing supportive services;

(D) the extent to which the proposed funding for the supportive services is or will be available;

(E) the extent to which the program would meet the needs of the frail elderly persons proposed to be served by the program; and

(F) such other factors as the Secretary specifies to be appropriate for purposes of carrying out the demonstration program established by this section in an effective and efficient manner.

(2) CONSULTATION WITH HHS.—In reviewing the applications, the Secretary shall consult with the Secretary of Health and Human Services with respect to the supportive services aspects.

(3) FUNDING LIMITATIONS.—No more than 10 percent of the assistance made available under this section may be used for programs located within any one unit of general local government.

(f) REQUIRED AGREEMENTS.—The Secretary may not approve any assistance for any program under this section unless the public housing agency agrees—

(1) to operate the proposed program in accordance with the program requirements established by the Secretary;

(2) to conduct an ongoing assessment of the housing assistance and supportive services required by each frail elderly person participating in the program;

(3) to ensure the adequate provision of supportive services, at a reasonable cost, to each frail elderly person participating in the program; and

(4) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program in an effective and efficient manner.

(g) DEFINITIONS.—For purposes of this section:

(1) The term "demonstration period" means the period beginning on the date of the enactment of this Act and ending upon the termination date under subsection (a).

(2) The term "elderly person" means a person who is at least 62 years of age.

(3) The term "frail elderly person" means an elderly person who is unable to perform at least 3 activities of daily living adopted by the Secretary for purposes of this program. Owners may establish additional eligibility requirements (acceptable to the Secretary) based on the standards in local supportive services programs.

(4) The term "professional assessment committee" means a group of at least 3 persons appointed by a public housing agency which shall include at least 1 qualified medical professional and other persons professionally competent to appraise the functional abilities of the frail elderly in relation to the performance of activities of daily living.

(5) The term "public housing agency" has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937. The term includes an Indian Housing Authority, as defined in section 3(b)(11) of such Act.

(6) The term "Secretary" means the Secretary of Housing and Urban Development.

(7) The term "supportive services"—

(A) means assistance, that the Secretary determines—

(i) addresses the special needs of frail elderly persons; and

(ii) provides appropriate supportive services or assists such persons in obtaining appropriate services, including personal care, case management services, transportation, meal services, counseling, supervision, and other services essential for achieving and maintaining independent living; and

(B) does not include medical services, as determined by the Secretary.

(h) MULTIFAMILY PROJECT DEMONSTRATION.—

(1) IN GENERAL.—In addition to the demonstration program authorized by the preceding provisions of this section, the Secretary shall conduct a demonstration in one Federal region, subject to the terms and conditions of this subsection, to determine the feasibility of using housing assistance under section 8 of the United States Housing Act of 1937 to assist elderly persons who may become frail to live independently in housing specifically designed for occupancy by such persons in sufficient proportion to achieve economies of scale in the provision of services and facilities.

(2) SECTION 8 ALLOCATION.—From amounts provided pursuant to subsection (j) and subject to availability in appropriation Acts, the Secretary shall enter into a contract with a public housing agency to provide housing assistance under section 8(b) of the United States Housing Act of 1937 to assist elderly persons in at least 75 percent of the units in a single housing project with more than 100 units.

(3) SECTION 8 TERMS.—The assistance payment contract under such section 8 shall be attached to the structure and shall be in an initial term of 5 years. The contract shall (at the option of the public housing agency and subject to availability of amounts approved in appropriations Acts) be renewable for 3 additional 5-year terms. Rents for units in the project assisted pursuant to this subsection shall be subject to the rent limitations in effect for the area under section 8 for projects for the elderly receiving loans under section 202 of the Housing Act of 1959.

(4) SUPPORTIVE SERVICES.—The Secretary shall allocate, for the project assisted pursuant to this subsection, a reasonable portion of the amounts appropriated pursuant to the authorization for funds for supportive services in subsection (k), based on the estimated number of project residents who will be frail elderly individuals during the 5-year period beginning on the date of initial occupancy of the project. Grants for supportive services may be used to assist any occupant in the demonstration project who is a frail elderly individual. Grants for supportive services under this subsection shall be subject to the other terms and conditions specified in this section.

(5) APPLICATIONS.—An application for assistance under this subsection may be submitted by any unit of general local government with a population under 50,000 and shall contain such information as the Secretary deems appropriate.

(6) SELECTION.—The Secretary shall select one application for funding under this subsection based on the following criteria:

(A) The number of elderly persons residing in the applicant's jurisdiction.

(B) The extent of existing housing constructed prior to 1940 in the applicant's jurisdiction.

(C) The number of elderly persons living in adjacent projects to whom the services and facilities provided by the project would be available.

(D) The level of State and local contributions toward the cost of developing the project and of providing supportive services.

(E) The project's contribution to neighborhood improvement.

(i) REPORT.—The Secretary shall submit to Congress an annual report evaluating the effectiveness of the demonstrations under this section. The report shall include a statement of the number of persons served, the types of services provided, the cost of providing such services, and any other information the Sec-

retary considers appropriate in evaluating the demonstration.

(j) AVAILABLE SECTION 8 ASSISTANCE.—The Secretary may provide assistance under sections 8(b) and 8(o) of the United States Housing Act of 1937 in connection with the demonstrations under this section, in an amount not to exceed $34,000,000 for fiscal year 1991, and $35,500,000 for fiscal year 1992, subject to the approval of sufficient amounts in appropriations Acts under section 5 of such Act.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the Secretary to carry out the responsibilities for supportive services under the demonstrations under this section, $10,000,000 to become available in fiscal year 1991, and $10,400,000 to become available in fiscal year 1992, and remain available until expended.

(l) IMPLEMENTATION.—Not later than the expiration of the 180-day period beginning on the date that funds authorized for the demonstrations under this section first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the demonstration programs authorized under this section.

SEC. 804. USE OF RESOLUTION TRUST CORPORATION ELIGIBLE PROPERTIES FOR SECTION 202 HOUSING.

(a) AUTHORITY TO PURCHASE RESOLUTION TRUST CORPORATION PROPERTY FOR SECTION 202 PROGRAM.—Section 202(d)(3) of the Housing Act of 1959 (12 U.S.C 1701q(d)(3)) is amended by adding at the end the following new sentence: "The term also means the cost of acquiring existing housing and related facilities from the Resolution Trust Corporation under section 21A(c) of the Federal Home Loan Bank Act, the cost of rehabilitation, alteration, conversion, or improvement, including the moderate rehabilitation thereof, and the cost of the land on which the housing and related facilities are located.".

(b) RESERVATION OF AUTHORITY BEFORE PURCHASE.—Section 202(a) of the Housing Act of 1959 (12 U.S.C. 1701q(a)) is amended by adding at the end the following new paragraph:

"(9) The Secretary may reserve loan authority under this section and budget authority under section 8 of the United States Housing Act of 1937 for a project before acquisition of the project (or before an offer or option to purchase is made on the project) from the Resolution Trust Corporation under section 21A(c) of the Federal Home Loan Bank Act, if the Secretary determines there is a reasonable likelihood that the project will be acquired from the Resolution Trust Corporation under section 21A(c).".

(c) 20-YEAR SECTION 8 CONTRACTS.—Section 202(g) of the Housing Act of 1959 (42 U.S.C. 1701q(g)) is amended by inserting after the period at the end the following new sentence: "In the case of existing housing and related facilities acquired from the Resolution Trust Corporation under section 21A(c) of the Federal Home Loan Bank Act, the term of the contract pursuant to such section 8 shall be 240 months.".

(d) MODIFICATION OF RTC DISPOSITION PROCEDURES FOR PROPERTIES RECEIVING HUD OR FMHA ASSISTANCE.—

(1) IN GENERAL.—Section 21A(c)(6) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(c)(6)) is amended by adding at the end the following new subparagraph:

"(D) EXCEPTION TO DISPOSITION RULES.—Notwithstanding the requirements under subparagraphs (A), (B), (C), (D), (F), and (G) of paragraph (3), the Corporation may provide for the disposition of eligible multifamily housing properties as necessary to facilitate purchase of such properties for use in connection with the section 202 of the Housing Act of 1959.".

(2) CONFORMING AMENDMENT.—Section 21A(c)(3) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(c)(3)) is amended by inserting after "RULES GOVERNING DISPOSITION OF ELIGIBLE MULTIFAMILY HOUSING PROPERTIES.—" the following: "Except as provided under paragraph (6)(D), the Corporation shall dispose of eligible multifamily housing property as follows:".

(e) EXEMPTION FROM PROJECT SIZE REQUIREMENT REGARDING SUPPORT SERVICES FOR FRAIL ELDERLY.—Section 213(d)(1)(A) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(d)(1)(A)) is amended by inserting after the period at the end the following new sentence: "The preceding sentence shall not apply to projects acquired from the Resolution Trust Corporation under section 21A(c) of the Federal Home Loan Bank Act.".

SEC. 805. CENTRALIZED APPLICATIONS FOR SECTION 202 HOUSING.

Section 202 of the Housing Act of 1959 (42 U.S.C. 1701q) is amended by adding at the end the following new subsection:

"(p) The Secretary shall provide to an appropriate agency in each area (which may be the applicable Area Agency on the Aging) information regarding the availability of housing assisted under this section.".

SEC. 806. ELDER COTTAGE HOUSING UNITS.

(a) ELIGIBILITY FOR INSURANCE.—Section 2 of the National Housing Act (12 U.S.C. 1703) is amended by adding at the end the following new subsection:

"(i) For purposes of this section, the term 'manufactured home' includes any elder cottage housing opportunity unit that is small, freestanding, barrier-free, energy efficient, removable, and designed to be installed adjacent to an existing 1- to 4-family dwelling.".

(b) DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—The Secretary of Housing and Urban Development shall carry out a program to determine the feasibility of including as an eligible development cost under section 202 of the Housing Act of 1959 the cost of purchasing and installing elder cottage housing opportunity units that are small, freestanding, barrier-free, energy efficient, removable, and designed to be installed adjacent to existing 1- to 4-family dwellings. In the conduct of the demonstration, the Secretary shall determine whether the durability of such units is appropriate for inclusion in the section 202 program.

(2) REPORT.—The Secretary shall transmit a report to the Congress not later than January 1, 1992 on the results of the demonstration under subsection (a).

SEC. 807. NOTICE OF REJECTION.

Section 202(k) of the Housing Act of 1959 (12 U.S.C. 1701q(k)) is amended by adding at the end the following:

"(3) In considering applications for assistance under section 202, the Secretary shall not reject an application on technical grounds without giving notice of that rejection and the basis therefor to the applicant and affording the applicant an opportunity to respond.".

SEC. 808. SERVICE COORDINATORS AS ELIGIBLE PROJECT COST IN SECTION 202 PROJECTS.

Section 202(g) of the Housing Act of 1959 (12 U.S.C. 1701q(g)) is amended—

(1) by inserting "(1)" after "(g)"; and

(2) by adding at the end the following:

"(2) In determining the amount of assistance to be provided for a project pursuant to such section 8, subject to the availability of appropriations for contract amendments for the purpose of this paragraph the Secretary may also consider (and annually adjust for) the costs of—

"(A) the expenses of a management staff member of the project to coordinate the provision of any services within the project provided through any agency of the Federal Government or any other public or private department, agency, or organization to elderly, especially those who are frail, or handicapped residents of the project to enable such residents to live independently and prevent placement in nursing homes or institutions, including services under subsection (f) and subparagraph (B) of this subsection; and

"(B) expenses for the provision of services for elderly, especially those who are frail, and handicapped residents of the project that enable residents to live independently and prevent placement in nursing homes or institutions, which may include meal services, housekeeping and chore assistance, personal care, laundry assistance, transportation services, and health-related services,

except that not more than 15 percent of the cost of the provision of such services may be considered under this subsection for purposes of determining the amount of assistance provided. This paragraph shall not apply in the case of a project assisted under the congregate housing services program or a project where the tenants are not principally frail elderly.".

Subtitle B—Supportive Housing for Persons With Disabilities

SEC. 811. SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES.

(a) PURPOSE.—The purpose of this section is to enable persons with disabilities to live with dignity and independence within their communities by expanding the supply of supportive housing that—

(1) is designed to accommodate the special needs of such persons; and

(2) provides supportive services that address the individual health, mental health, and other needs of such persons.

(b) GENERAL AUTHORITY.—The Secretary is authorized to provide assistance to private, nonprofit organizations to expand the supply of supportive housing for persons with disabilities. Such assistance shall be provided as—

(1) capital advances in accordance with subsection (d)(1), and

(2) contracts for project rental assistance in accordance with subsection (d)(2).

Such assistance may be used to finance the acquisition, acquisition and moderate rehabilitation, construction, reconstruction, or moderate or substantial rehabilitation of housing, including the acquisition from the Resolution Trust Corporation, to be used as supportive housing for persons with disabilities and may include real property acquisition, site improvement, conversion, demolition, relocation, and other expenses that the Secretary determines are necessary to expand the supply of supportive housing for persons with disabilities.

(c) GENERAL REQUIREMENTS.—The Secretary shall take such actions as may be necessary to ensure that—

(1) assistance made available under this section will be used to meet the special needs of persons with disabilities by providing a

variety of housing options, ranging from group homes and independent living facilities to dwelling units in multifamily housing developments, condominium housing, and cooperative housing; and

(2) supportive housing for persons with disabilities assisted under this section shall—

(A) provide persons with disabilities occupying such housing with supportive services that address their individual needs;

(B) provide such persons with opportunities for optimal independent living and participation in normal daily activities, and

(C) facilitate access by such persons to the community at large and to suitable employment opportunities within such community.

(d) FORMS OF ASSISTANCE.—

(1) CAPITAL ADVANCES.—A capital advance provided under this section shall bear no interest and its repayment shall not be required so long as the housing remains available for very-low-income persons with disabilities in accordance with this section. Such advance shall be in an amount calculated in accordance with the development cost limitation established in subsection (h).

(2) PROJECT RENTAL ASSISTANCE.—Contracts for project rental assistance shall obligate the Secretary to make monthly payments to cover any part of the costs attributed to units occupied (or, as approved by the Secretary, held for occupancy) by very low-income persons with disabilities that is not met from project income. The annual contract amount for any project shall not exceed the sum of the initial annual project rentals for all units and any initial utility allowances for such units, as approved by the Secretary. Any contract amounts not used by a project in any year shall remain available to the project until the expiration of the contract. The Secretary may adjust the annual contract amount if the sum of the project income and the amount of assistance payments available under this paragraph are inadequate to provide for reasonable project costs. In the case of an intermediate care facility which is the residence of persons assisted under title XIX of the Social Security Act, project income under this paragraph shall include the same amount as if such person were being assisted under title XVI of the Social Security Act.

(3) RENT CONTRIBUTION.—A very low-income person shall pay as rent for a dwelling unit assisted under this section the higher of the following amounts, rounded to the nearest dollar: (A) 30 percent of the person's adjusted monthly income, (B) 10 percent of the person's monthly income, or (C) if the person is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the person's actual housing costs, is specifically designated by such agency to meet the person's housing costs, the portion of such payments which is so designated; except that the gross income of a person occupying an intermediate care facility assisted under title XIX of the Social Security Act shall be the same amount as if the person were being assisted under title XVI of the Social Security Act.

(e) TERM OF COMMITMENT.—

(1) USE LIMITATIONS.—All units in housing assisted under this section shall be made available for occupancy by very low-income persons with disabilities for not less than 40 years.

(2) CONTRACT TERMS.—The initial term of a contract entered into under subsection (d)(2) shall be 240 months. The Secretary shall, to the extent approved in appropriation Acts, extend any expiring contract for a term of not less than 60 months. In order to facilitate the orderly extension of expiring contracts, the Secretary is authorized to make commitments to extend expiring contracts during the year prior to the date of expiration.

(f) APPLICATIONS.—Funds made available under this section shall be allocated by the Secretary among approvable applications submitted by private nonprofit organizations. Applications for assistance under this section shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

(1) a description of the proposed housing;

(2) a description of the assistance the applicant seeks under this section;

(3) a supportive service plan that contains—

(A) a description of the needs of persons with disabilities that the housing is expected to serve;

(B) assurances that persons with disabilities occupying such housing will receive supportive services based on their individual needs;

(C) evidence of the applicant's (or a designated service provider's) experience in providing such supportive services;

(D) a description of the manner in which such services will be provided to such persons, including evidence of such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of such services; and

(E) identification of the extent of State and local funds available to assist in the provision of such services;

(4) a certification from the appropriate State or local agency (as determined by the Secretary) that the provision of the services identified in paragraph (3) are well designed to serve the special needs of persons with disabilities;

(5) reasonable assurances that the applicant will own or have control of an acceptable site for the proposed housing not later than 6 months after notification of an award for assistance;

(6) a certification from the public official responsible for submitting a housing strategy for the jurisdiction to be served in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed housing is consistent with the approved housing strategy; and

(7) such other information or certifications that the Secretary determines to be necessary or appropriate to achieve the purposes of this section.

(g) SELECTION CRITERIA.—The Secretary shall establish selection criteria for assistance under this section, which shall include—

(1) the ability of the applicant to develop and operate the proposed housing;

(2) the need for housing for persons with disabilities in the area to be served;

(3) the extent to which the proposed design of the housing will meet the special needs of persons with disabilities;

(4) the extent to which the applicant has demonstrated that the necessary supportive services will be provided on a consistent, long-term basis;

(5) the extent to which the proposed design of the housing will accommodate the provision of such services;

(6) the extent to which the applicant has control of the site of the proposed housing; and

(7) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

(h) DEVELOPMENT COST LIMITATIONS.—

(1) IN GENERAL.—The Secretary shall periodically establish development cost limitations by market area for various types and sizes of supportive housing for persons with disabilities by publishing a notice of the cost limitations in the Federal Register. The cost limitations shall reflect—

(A) the cost of acquisition, construction, reconstruction, or rehabilitation of supportive housing for persons with disabilities that (i) meets applicable State and local housing and building codes; and (ii) conforms with the design characteristics of the neighborhood in which it is to be located;

(B) the cost of movables necessary to the basic operation of the housing, as determined by the Secretary;

(C) the cost of special design features necessary to make the housing accessible to persons with disabilities;

(D) the cost of special design features necessary to make individual dwelling units meet the special needs of persons with disabilities;

(E) the cost of congregate space necessary to accommodate the provision of supportive services to persons with disabilities;

(F) if the housing is newly constructed, the cost of meeting the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the Cranston-Gonzalez National Affordable Housing Act; and

(G) the cost of land, including necessary site improvement.

In establishing development cost limitations for a given market area, the Secretary shall use data that reflect currently prevailing costs of acquisition, construction, reconstruction, or rehabilitation, and land acquisition in the area.

(2) RTC PROPERTIES.—In the case of existing housing and related facilities from the Resolution Trust Corporation under section 21A(c) of the Federal Home Loan Bank Act, the cost limitations shall include—

(A) the cost of acquiring such housing,

(B) the cost of rehabilitation, alteration, conversion, or improvement, including the moderate rehabilitation thereof, and

(C) the cost of the land on which the housing and related facilities are located.

(3) ANNUAL ADJUSTMENTS.—The Secretary shall adjust the cost limitation not less than once annually to reflect changes in the general level of acquisition, construction, reconstruction, or rehabilitation costs.

(4) INCENTIVES FOR SAVINGS.—

(A) SPECIAL PROJECT ACCOUNT.—The Secretary shall use the development cost limitations established under paragraph (1) to calculate the amount of financing to be made available to individual owners. Owners which incur actual development costs that are less than the amount of financing shall be entitled to retain 50 percent of the savings in a special project account. Such percentage shall be increased to 75 percent for owners which add energy efficiency features which (i) exceed the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the Cranston-Gonzalez National Affordable Housing Act; (ii) substantially reduce the life-cycle cost of the housing; (iii) reduce gross rent requirements; and (iv) enhance tenant comfort and convenience.

(B) USES.—The special project account established under subparagraph (A) may be used (i) to supplement services provided to

residents of the housing or funds set-aside for replacement reserves, or (ii) for such other purposes as determined by the Secretary.

(5) FUNDS FROM OTHER SOURCES.—An owner shall be permitted voluntarily to provide funds from non-Federal sources for amenities and other features of appropriate design and construction suitable for supportive housing for persons with disabilities if the cost of such amenities is (A) not financed with the advance, and (B) is not taken into account in determining the amount of Federal assistance or of the rent contribution of tenants.

(i) TENANT SELECTION.—(1) An owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (A) consistent with the purpose of improving housing opportunities for very low-income persons with disabilities; and (B) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. Owners shall promptly notify in writing any rejected applicant of the grounds for any rejection.

(2) Notwithstanding any other provision of law, an owner may, with the approval of the Secretary, limit occupancy within housing developed under this section to persons with disabilities who have similar disabilities and require a similar set of supportive services in a supportive housing environment.

(j) MISCELLANEOUS PROVISIONS.—

(1) TECHNICAL ASSISTANCE.—The Secretary shall make available appropriate technical assistance to assure that applicants having limited resources, particularly minority applicants, are able to participate more fully in the program carried out under this section.

(2) CIVIL RIGHTS COMPLIANCE.—Each owner shall certify, to the satisfaction of the Secretary, that assistance made available under this section will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act and other Federal, State, and local laws prohibiting discrimination and promoting equal opportunity; and

(3) SITE CONTROL.—An applicant may obtain ownership or control of a suitable site different from the site specified in the initial application. If an applicant fails to obtain ownership or control of the site within 1 year after notification of an award for assistance, the assistance shall be recaptured and reallocated.

(4) OWNER DEPOSIT.—The Secretary may require an owner to deposit an amount not to exceed $10,000 in a special escrow account to assure the owner's commitment to the housing.

(5) NOTICE OF APPEAL.—The Secretary shall notify an owner not less than 30 days prior to canceling any reservation of assistance provided under this section. During the 30-day period following the receipt of a notice under the preceding sentence, an owner may appeal the proposed cancellation. Such appeal, including review by the Secretary, shall be completed not later than 45 days after the appeal is filed.

(6) LABOR STANDARDS.—The Secretary shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors and subcontractors in the construction of housing assisted under this section and designed for dwelling use by 12 or more persons with disabilities shall be paid wages at rates not less than those prevailing in the locality involved for the corresponding classes of laborers and mechanics employed on construction of a similar character, as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (the Davis-Bacon Act); but the Secretary may waive the application of this paragraph in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such housing, voluntarily donate their services without full compensation for the purposes of lowering the costs of construction and the Secretary determines that any amounts saved thereby are fully credited to the corporation, cooperative, or public body or agency undertaking the construction.

(k) DEFINITIONS.—As used in this section—

(1) The term "group home" means a single family residential structure designed or adapted for occupancy by not more than 8 persons with disabilities. The Secretary may waive the project size limitation contained in the previous sentence if the applicant demonstrates that local market conditions dictate the development of a larger project. Not more than 1 home may be located on any one site and no such home may be located on a site contiguous to another site containing such a home.

(2) The term "person with disabilities" means a household composed of one or more persons at least one of whom is an adult who has a disability. A person shall be considered to have a disability if such person is determined, pursuant to regulations issued by the Secretary to have a physical, mental, or emotional impairment which (A) is expected to be of long-continued and indefinite duration, (B) substantially impedes his or her ability to live independently, and (C) is of such a nature that such ability could be improved by more suitable housing conditions. A person shall also be considered to have a disability if such person has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001-7). The Secretary shall prescribe such regulations as may be necessary to prevent abuses in determining, under the definitions contained in this paragraph, the eligibility of families and persons for admission to and occupancy of housing assisted under this section. Notwithstanding the preceding provisions of this paragraph, the term "person with disabilities" includes two or more persons with disabilities living together, one or more such persons living with another person who is determined (under regulations prescribed by the Secretary) to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this paragraph who were living, in a unit assisted under this section, with the deceased member of the household at the time of his or her death.

(3) The term "supportive housing for persons with disabilities" means housing that—

(A) is designed to meet the special needs of persons with disabilities, and

(B) provides supportive services that address the individual health, mental health or other special needs of such persons.

(4) The term "independent living facility" means a project designed for occupancy by not more than 20 persons with disabilities in separate dwelling units where each dwelling unit includes a kitchen and a bath.

(5) The term "owner" means a private nonprofit organization that receives assistance under this section to develop and operate a project for supportive housing for persons with disabilities.

(6) The term "private nonprofit organization" means any incorporated private institution or foundation—

(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

(B) which has a governing board (i) the membership of which is selected in a manner to assure that there is significant representation of the views of persons with disabilities, and (ii) which is responsible for the operation of the housing assisted under this section; and

(C) which is approved by the Secretary as to financial responsibility.

(7) The term "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the possessions of the United States.

(8) The term "Secretary" means the Secretary of Housing and Urban Development.

(9) The term "very low-income" has the same meaning as given the term "very low-income families" under section 3(b)(2) of the United States Housing Act of 1937.

(l) AUTHORIZATIONS.—

(1) CAPITAL ADVANCES.—There are authorized to be appropriated for the purpose of funding capital advances in accordance with subsection (d)(1), $271,000,000 for fiscal year 1992. Amounts so appropriated, the repayments from such advances, and the proceeds from notes or obligations issued under this section prior to the enactment of this Act shall constitute a revolving fund to be used by the Secretary in carrying out this section.

(2) PROJECT RENTAL ASSISTANCE.—For the purpose of funding contracts for project rental assistance in accordance with subsection (d)(2), the Secretary may, to the extent approved in an appropriations Act, reserve authority to enter into obligations aggregating $246,000,000 for fiscal year 1992.

(m) EFFECTIVE DATE AND APPLICABILITY.—

(1) IN GENERAL.—The amendments made by this section shall take effect on October 1, 1991, with respect to projects approved on or after such date. The Secretary shall issue regulations for such purpose after notice and public comment.

(2) EARLIER APPLICABILITY.—The Secretary shall, upon the request of an owner, apply the provisions of this section to any housing for which a loan reservation was made under section 202 of the Housing Act of 1959 before the date of enactment of this Act but for which no loan has been executed and recorded. In the absence of such a request, any housing identified under the preceding sentence shall continue to be subject to the provisions of section 202 of the Housing Act of 1959 as they were in effect when such assistance was made or reserved.

(3) COORDINATION.—When responding to an owner's request under paragraph (1), the Secretary shall, notwithstanding any other provision of law, apply such portion of amounts obligated at the time of loan reservation, including amounts reserved with respect to such housing under section 8 of the United States Housing Act of 1937, as are required for the owner's housing under the provisions of this section and shall make any remaining portion available for other housing under this section.

Subtitle C—Supportive Housing for the Homeless

PART 1—REVISED MCKINNEY ACT

SEC. 821. AMENDMENT TO MCKINNEY ACT.

(a) IN GENERAL.—Title IV of the Stewart B. McKinney Homeless Assistance Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"SEC. 401. PURPOSE.

"The purpose of this title is to expand the Federal commitment to alleviate homelessness in this Nation by providing States, Indian tribes, and localities with the resources to—

"(1) help very low-income families avoid becoming homeless;

"(2) meet the emergency shelter needs of homeless persons and families;

"(3) provide transitional housing to facilitate the movement of homeless persons and families to independent living;

"(4) provide specialized permanent housing for homeless persons who require a supportive living environment; and

"(5) provide supportive services to help homeless persons and families lead independent and dignified lives.

"SEC. 402. DEFINITIONS.

"For purposes of this title—

"(1) The term 'assistance' means grants to assist the acquisition, lease, renovation, substantial rehabilitation, operation, or conversion of facilities to assist the homeless, grants for moderate rehabilitation, grants for other purposes, and other assistance made eligible under section 405 and subtitle B.

"(2) The term 'emergency activities' means supportive services that are provided in an emergency shelter developed in accordance with section 412.

"(3) The term 'families' has the same meaning given the term under section 3(b)(2) of the United States Housing Act of 1937.

"(4) The term 'grantee' means—

"(A) a State or unit of general local government receiving grants from the Secretary under section 403(a);

"(B) a group of geographically contiguous local governments that have formed a consortium that, in the determination of the Secretary—

"(i) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the provisions of section 403(a), and

"(ii) is comprised only of jurisdictions that have received a formula allocation for the fiscal year, and

"(C) for purposes of section 406 and subsections (a), (b), (c), and (f) of section 407, an Indian tribe, Indian housing authority, or a private nonprofit organization receiving a direct grant under section 405.

"(5) The term 'person with disabilities' has the same meaning given the term in section 811 of the Cranston-Gonzalez National Affordable Housing Act.

"(6) The term 'homeless person with disabilities' means a person with disabilities who is a homeless person within the meaning of section 103, is at risk of becoming a homeless person, or has been a resident of transitional housing carried out pursuant to this Act or the provisions made effective by section 101(g) of Public Law 99-500 or Public Law 99-591.

"(7) The term 'locality' means the geographical area within the jurisdiction of a local government.

"(8) The term 'operating costs' means expenses incurred by a project sponsor operating any housing assisted under this title with respect to—

"(A) the administration, maintenance, repair, and security of such housing; and

"(B) utilities, fuels, furnishings, and equipment for such housing.

"(9) The term 'operating costs' includes expenses incurred by a project sponsor operating transitional housing under this title with respect to—

"(A) the conducting of the assessment required by section 413(c)(1)(B); and

"(B) the provision of supportive services to the residents of such housing.

"(10) The term 'outpatient health services' means outpatient health care, outpatient mental health services, outpatient substance abuse services, and case management services.

"(11) The term 'private nonprofit organization' means an organization—

"(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

"(B) that has a voluntary board;

"(C) that has an accounting system or has designated a fiscal agent in accordance with requirements established by the Secretary; and

"(D) that practices nondiscrimination in the provision of assistance.

"(12) The term 'project' means a structure or a portion of a structure that is acquired or rehabilitated with assistance provided under this title or with respect to which the Secretary provides technical assistance or annual payments for operating costs.

"(13) The term 'project sponsor' means any governmental or private nonprofit organization that—

"(A) receives assistance from the Secretary or from a grantee under section 403(a),

"(B) is approved by the grantee as to financial responsibility, and

"(C) is directly responsible for the administration of assistance provided under this title.

Each project sponsor shall act as the fiscal agent of the Secretary with respect to assistance provided to such project sponsor under this title.

"(14) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(15) The term 'State' means a State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this Act.

"(16)(A) The term 'supportive services' means assistance designed by a project sponsor that—

"(i) addresses the special needs of homeless persons, such as deinstitutionalized persons, families with children, persons with mental disabilities, other persons with disabilities, the elderly, and veterans intended to be served by a project; and

"(ii) assists in accomplishing the purposes of the different types of housing for the homeless made eligible under this subtitle.

"(B) The term includes—

"(i) food services, child care, substance abuse treatment, assistance in obtaining permanent housing, outpatient health services, employment counseling, nutritional counseling, security arrangements for the protection of residents of facilities to assist the homeless, and such other services essential for maintaining or moving towards independent living as the Secretary determines to be appropriate; and

"(ii) assistance to homeless persons in obtaining other Federal, State, and local assistance available for such individuals, including public assistance benefits, mental health benefits, employment counseling, and medical assistance.

"(C) Such term does not include the provision of major medical equipment.

"(D) All or part of the supportive services may be provided directly by the project sponsor or by arrangements with other public or private service providers.

"(17) The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose subdivision of a State; Guam, the Northern Mariana Islands, the Virgin Islands, American Samoa, the Federated States of Micronesia and Palau, the Marshall Islands, or a general purpose political subdivision thereof; a consortium; and any other territory or possession of the United States.

"(18) The term 'consortium' means a group of geographically contiguous local governments that the Secretary determines—

"(A) has sufficient authority and administrative capability to act on behalf of its member jurisdictions in carrying out the provisions of section 403(a); and

"(B) is comprised only of jurisdictions that have received a formula allocation for the fiscal year.

"(19) The term 'very low-income families' has the same meaning given the term under section 104 of the Cranston-Gonzalez National Affordable Housing Act.

"(20) The terms 'Indian tribe' and 'Indian housing authority' have the same meanings as in section 3 of the United States Housing Act of 1937.

"SEC. 403. GENERAL AUTHORITY.

"(a) GRANTS FOR HOMELESS HOUSING ASSISTANCE.—

"(1) IN GENERAL.—

"(A) GRANTS AUTHORIZED.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 408, make grants to States and units of general local government and to eligible applicants under section 405 in order to (i) carry out activities designed to meet the emergency, transitional, and permanent housing needs of the homeless, (ii) help very low-income families and persons avoid becoming homeless, and (iii) help homeless families and persons make the transition to permanent housing.

"(B) STRATEGY REQUIRED.—A jurisdiction shall be eligible to receive a grant only if it has obtained an approved housing strategy (or an approved abbreviated housing strategy) in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act.

"(C) USE OF PROJECT SPONSORS.—A grantee shall carry out activities authorized under this subsection through contracts with project sponsors, except that a grantee that is a State shall obtain the approval of the unit of general local government for the locality in which a project is to be located prior to entering into such contracts.

"(2) ALLOCATION OF RESOURCES.—The amounts approved in appropriations Acts under section 408 shall be allocated in accordance with a formula established under section 404.

"(b) ELIGIBLE ACTIVITIES.—Grants under this title shall be available only for approved activities. Approved activities shall include—

"(1) the provision of assistance to help very low-income families avoid becoming homeless in accordance with section 411;

"(2) the development of emergency shelters for the homeless in accordance with section 412;

"(3) the development of transitional housing to facilitate the transition of homeless persons to independent living in accordance with section 413;

"(4) the development of permanent housing for homeless persons with disabilities in accordance with section 414;

"(5) the provision of assistance to help very low-income families who are residing in emergency shelter or transitional housing make the transition to permanent housing in accordance with section 415; and

"(6) such other activities that the Secretary develops in cooperation with grantees in accordance with section 416.

The Secretary shall establish standards and guidelines for approved activities. The Secretary shall permit grantees to refine and adapt such standards and guidelines for individual projects, where such refinements and adaptations are made necessary by local circumstances.

"(c) LIMITATIONS.—

"(1) PREVENTION.—A grantee may use not more than 30 percent of grants allocated under subsection (a) for homelessness prevention activities a defined in section 411.

"(2) EMERGENCY ACTIVITIES.—A grantee may use not more than 30 percent of the grants allocated in accordance with subsection (a) for emergency activities as defined in section 412. The Secretary may approve a higher limitation if the grantee demonstrates that other approved activities under this subparagraph are already being carried out in the jurisdiction with other resources.

"(d) SRO RENOVATION.—The Secretary shall, to the extent of amounts approved in appropriations Acts for the programs authorized under section 421, provide rental assistance to public housing agencies or other contracting agencies for the renovation of single room occupancy dwellings in accordance with subtitle C.

"SEC. 404. ALLOCATION FORMULA.

"Subject to section 823(b) of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall issue regulations establishing an allocation formula, if any, that reflects each jurisdiction's share of the Nation's need for housing assistance for the homeless.

"SEC. 405. DISCRETIONARY ALLOCATION.

"(a) IN GENERAL.—In addition to grants otherwise authorized by this title, the Secretary is authorized to make grants to eligible applicants to meet urgent needs of homeless persons that are not being met by available public and private sources in areas with an unusually high incidence of homelessness. For purposes of this section, the term 'eligible applicant' means a grantee, Indian tribe, Indian housing authority or private nonprofit organization, except that a grantee shall not be permitted to submit an application if the Secretary finds that the grantee is in noncompliance with sections 406 and 407.

"(b) ELIGIBLE ACTIVITIES.—Assistance provided under this section may be used for approved activities under subtitle B and for—

"(1) the purchase, lease, rehabilitation, renovation, operation, or conversion of facilities to assist the homeless;

"(2) the transitional provision of supportive services designed to meet special needs of homeless persons, including families with children, deinstitutionalized persons, persons with mental disabilities, other persons with disabilities, the elderly, and veterans; and

"(3) the provision of supplemental assistance to projects assisted under sections 412 and 413 if such assistance is required to meet the special needs of homeless persons residing in such projects.

"(c) APPLICATIONS.—Assistance under this section shall be allocated among approvable applications submitted by eligible applicants. Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

"(1) a description of the proposed activities;

"(2) a description of the size and characteristics of the homeless population that would be served by the proposed activities;

"(3) a description of the public and private resources that are expected to be made available in connection with the proposed activities;

"(4) assurances satisfactory to the Secretary that any property purchased, leased, rehabilitated, renovated, or converted with assistance under this section (except for property to be used as emergency shelter in accordance with section 412) shall be operated for not less than 10 years for the purpose specified in the application;

"(5) evidence in a form acceptable to the Secretary that the proposed activities will meet urgent needs of homeless persons that are not being met by available public and private sources;

"(6) if submitted by a private nonprofit organization, a certification from the public official responsible for submitting a housing strategy in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act that the application is consistent with the approved housing strategy; and

"(7) such other information or certifications that the Secretary determines to be necessary to achieve the purposes of this section.

"(d) SELECTION CRITERIA.—

"(1) IN GENERAL.—The Secretary shall establish selection criteria for assistance under this subsection, which shall principally take into account—

"(A) the extent to which the proposed activities meet urgent needs of homeless persons that are not being met by available public and private sources;

"(B) the extent to which the area in which the proposed activities are to be carried out is an area with an unusually high incidence of homelessness; and

"(C) the extent to which such area is not being served by current programs to assist homeless persons.

"(2) ADDITIONAL CRITERIA.—Selection criteria established by the Secretary shall also take into account—

"(A) the extent to which the proposed activities would make available as housing for homeless persons property owned by the Federal Government, a State, a unit of general local government, or other public entity, including in rem property, public buildings, and public land;

"(B) the extent to which the proposed activities would be carried out in a jurisdiction that has demonstrated exemplary coordination among State and local agencies administering housing, child welfare, and public assistance activities;

"(C) the extent to which the applicant has demonstrated the capacity to carry out the proposed activities; and

"(D) such other factors as the Secretary determines to be appropriate to ensure that funds made available under this section are used effectively.

"(e) SPECIAL RULES FOR SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS.—

"(1) IN GENERAL.—The Secretary may not provide assistance under subsection (b)(3) unless the Secretary determines that—

"(A) the applicant has made reasonable efforts to utilize all available local resources and resources available under the other provisions of this title; and

"(B) other resources are not sufficient or are not available to carry out the purpose for which the assistance is being sought.

No assistance provided under subsection (b)(3) may be used to supplant any non-Federal resources provided with respect to any project.

"(2) HEALTH SERVICES.—Not more than $10,000 of any grant or advance under subsection (b)(3) may be used for outpatient health services (excluding the cost of any rehabilitation or conversion of a structure to accommodate the provision of such services).

"(3) GUIDELINES.—The Secretary of Housing and Urban Development and the Secretary of Health and Human Services shall jointly establish guidelines for determining under this section the appropriateness of proposed outpatient health services. Such guidelines shall include such provisions as are necessary to enable the Secretary of Housing and Urban Development to meet the time limits under this section for the final selection of applications for assistance.

"SEC. 406. RESPONSIBILITIES OF GRANTEES AND PROJECT SPONSORS.

"(a) MATCHING REQUIREMENTS.—

"(1) IN GENERAL.—Each grantee shall be required to supplement the grants provided under this title for acquisition, rehabilitation, or construction activities, except for assistance described in section 421, with an equal amount of funds from non-Federal sources. Each grantee shall certify to the Secretary its compliance with this subsection, describing the sources and amounts of such supplemental funds. Supplemental funds may include the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of a project sponsor, and the value of the time and services contributed by volunteers to carry out the program of a project sponsor at a rate determined by the Secretary.

"(2) STATE MATCHING REQUIREMENT.—Each grantee under this title that is a State shall be required to supplement the assistance provided under this title with an amount of funds from sources other than this title equal to the difference between the amount received under this title and $100,000. If the amount received by the State is $100,000 or less, the State may not be required to supplement the assistance provided under this title.

"(3) BENEFIT OF MATCH.—A State grantee shall obtain any matching amounts required under paragraph (2) in a manner so that local governments, Indian tribes, agencies, and local nonprofit organizations receiving assistance from the grant that are least capable of providing the recipient State with such matching amounts receive the benefit of the $100,000 subtrahend under paragraph (2).

"(b) HOUSING QUALITY.—Each grantee shall assure that housing assisted under this subtitle shall be decent, safe, and sanitary and, when appropriate, meet all applicable State and local housing codes, building codes, and licensing requirements in the jurisdiction in which the housing is located.

"(c) CONSISTENCY WITH HOUSING STRATEGY.—Each grantee shall certify, to the satisfaction of the Secretary, that activities undertaken by project sponsors with assistance

from the grantee are consistent with the housing strategy submitted by the grantee in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act.

"(d) ASSISTANCE TO HOMELESS PERSONS.—Each grantee shall certify that each project sponsor shall administer, in good faith, a policy designed to ensure that any shelter or housing assisted under this subtitle is free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

"(e) LIMITATION ON USE OF FUNDS.—Each grantee shall certify, to the satisfaction of the Secretary, that neither assistance received under this subtitle nor any State or local government funds used to supplement such assistance will be used to replace other public funds previously used, or designated for use, to assist the homeless.

"(f) CIVIL RIGHTS COMPLIANCE.—Each grantee shall certify, to the satisfaction of the Secretary, that the grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (Public Law 88-352), and the Fair Housing Act and the grantee will affirmatively further fair housing.

"(g) REPORTS.—

"(1) IN GENERAL.—Each grantee shall submit to the Secretary, in such form and at such time as the Secretary shall prescribe, a performance and evaluation report on the use of amounts made available under this subtitle, together with the grantee's assessment of the relationship of such usage to the grantee's approved housing strategy. The report shall include information on the number of homeless persons served and the reasons for their homelessness. The report shall also specify the amounts made available under this subtitle for each approved activity under subtitle B. The report shall be made available to the public so that citizens, public agencies, and other interested parties have an opportunity to comment on the report prior to its submission. The report shall include a summary of any comments received from interested parties.

"(2) CONSULTATION.—The Secretary shall consult with national associations of States, local governments, and other housing interests to develop uniform recordkeeping, performance reporting, and auditing requirements. After considering the results of such consultations, the Secretary shall establish uniform recordkeeping, performance reporting, and auditing requirements for assistance made available under this subtitle.

"(h) SITE CONTROL.—

"(1) IN GENERAL.—Each grantee or project sponsor shall furnish reasonable assurances that it will own or have control of a site for the proposed project not later than 6 months after notification of an award for grant assistance. A suitable site different from the site specified in the application satisfies the requirement of this subsection. If ownership or control of a site is not obtained within 1 year after notification of an award for grant assistance, the grant shall be recaptured and reallocated.

"(2) WAIVER.—The Secretary may waive the requirement under paragraph (1) for any proposed project for which the Secretary determines such requirement is inapplicable because, under the application, the families and individuals served own or control, or will eventually own or control, the site.

"(i) PREVENTION OF UNDUE BENEFITS.—The Secretary may prescribe such terms and conditions as he deems necessary to prevent project sponsors from unduly benefiting from the sale or other disposition of projects constructed, rehabilitated, or acquired with assistance under this subtitle other than a sale or other disposition resulting in the use of the project for the direct benefit of very low-income families.

"(j) CONFIDENTIALITY.—Each grantee shall develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under this title and to ensure that the address or location of any family violence shelter project assisted under this title will, except with written authorization of the person or persons responsible for the operation of such shelter, not be made public.

"(k) ADDITIONAL REQUIREMENTS.—The Secretary may establish such other program requirements as the Secretary determines are necessary for grantees to administer activities authorized under this subtitle in an efficient manner.

"SEC. 407. ADMINISTRATIVE PROVISIONS.

"(a) LIMITATION ON ADMINISTRATIVE EXPENSES.—A grantee may not use more than 5 percent of the assistance received under this subtitle for administrative purposes.

"(b) INCOME ELIGIBILITY.—A homeless person shall be eligible for assistance under any program provided by this subtitle, or by the amendments made by this subtitle, only if the person has income not exceeding 50 percent of the median income for the area, as adjusted in accordance with section 3(b)(2) of the United States Housing Act of 1937.

"(c) FLOOD ELEVATION REQUIREMENTS.—Flood protection standards applicable to housing acquired, rehabilitated, or assisted under any provision of this subtitle shall be no more restrictive than the standards applicable to any other program administered by the Secretary.

"(d) APPLICABILITY OF SECTION 104(g) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.—The provisions of, and regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 shall apply to assistance and projects under this subtitle.

"(e) GAO AUDITS.—Insofar as they relate to funds provided under this section, the financial transactions of grantees and project sponsors may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to, or in use by, such grantees and project sponsors pertaining to the financial transactions and necessary to facilitate the audit.

"SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title such sums as may be necessary. Any amount appropriated under this section shall remain available until expended.

"SEC. 409. REPORTS TO CONGRESS.

"The Secretary shall submit annually to the Congress a report summarizing the activities carried out under this title and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities. The report shall summarize and assess the results of performance reports provided in accordance with section 406(g). The report shall be submitted not later than 6 months after the end of each fiscal year.

"Subtitle B—Approved Activities

"SEC. 411. HOMELESSNESS PREVENTION.

"(a) DEFINITION.—Assistance to help very low-income families avoid becoming homeless may include activities other than those that the Secretary has found to be inconsistent with the purposes of this Act.

"(b) LIMITATION ON FINANCIAL ASSISTANCE.—A grantee may provide financial assistance to very low-income families who have received eviction notices or notices of termination of utility services if—

"(1) the inability of the family to make the required payments is due to a sudden reduction in income;

"(2) the assistance is necessary to avoid the eviction or termination of services;

"(3) there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and

"(4) the assistance will not supplant funding for preexisting homelessness prevention activities from other sources.

"SEC. 412. EMERGENCY SHELTER.

"(a) DEFINITION.—A project shall be considered 'emergency shelter' if it is designed to provide overnight sleeping accommodations for homeless persons. An emergency shelter may include appropriate eating and cooking accommodations.

"(b) MINIMUM STANDARDS OF HABITABILITY.—The Secretary shall prescribe such minimum standards of habitability as the Secretary determines to be appropriate to ensure that emergency shelters assisted under this section are environments that provide appropriate privacy, safety, and sanitary and other health-related conditions for homeless persons and families. Grantees are authorized to establish standards of habitability in addition to those prescribed by the Secretary.

"(c) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of emergency shelter:

"(1) a grant for the renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters;

"(2) a grant for the provision of supportive services if such services do not supplant any services provided by the local government during any part of the immediately preceding 12-month period; and

"(3) annual payments for maintenance, operation, insurance, utilities, and furnishings.

"(d) PROGRAM REQUIREMENTS.—A grantee may approve assistance for a project under this subsection only if the project sponsor has agreed that it will—

"(1) in the case of assistance involving major rehabilitation or conversion of a building, maintain the building as a shelter for homeless persons and families for not less than a 10-year period;

"(2) in the case of assistance involving rehabilitation (other than major rehabilitation or conversion of a building), maintain the building as a shelter for homeless persons and families for not less than a 3-year period;

"(3) in the case of assistance involving only activities described in paragraphs (2) and (3) of subsection (c), provide services or shelter to homeless persons and families at the original site or structure or other sites or structures serving the same general population for the period during which such assistance is provided;

"(4) comply with the standards of habitability prescribed by the Secretary and (if applicable) the State or unit of general local government; and

"(5) assist homeless persons in obtaining—

"(A) appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living; and

"(B) other Federal, State, local, and private assistance available for homeless persons.

"SEC. 413. TRANSITIONAL HOUSING FOR THE HOMELESS.

"(a) DEFINITION.—A project shall be considered 'transitional housing' if it is designed to facilitate the movement of homeless persons to independent living within 24 months (or such longer period as the Secretary determines is necessary to facilitate the transition of homeless persons to independent living). Transitional housing includes housing primarily designed to serve deinstitutionalized homeless persons and other homeless persons with mental disabilities, and homeless families with children.

"(b) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of transitional housing:

"(1) A grant for the cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as transitional housing. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for an advance under this paragraph if the structure was not used as transitional housing prior to the receipt of assistance.

"(2) A grant for moderate rehabilitation of an existing structure for use as transitional housing.

"(3) A grant, in an amount not to exceed $400,000, for the new construction of a structure for use in the provision of supportive housing.

"(4) Annual payments for operating costs of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act) not to exceed 75 percent of the annual operating costs of such housing.

"(5) Technical assistance in—

"(A) establishing transitional housing in an existing structure;

"(B) operating transitional housing in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(C) providing supportive services to the residents of transitional housing (including transitional housing that is newly constructed with assistance provided from sources other than this Act).

"(6) A grant for establishing and operating an employment assistance program for the residents of transitional housing, which shall include—

"(A) employment of residents in the operation and maintenance of the housing; and

"(B) the payment of the transportation costs of residents to places of employment.

"(7) A grant to establish and operate a child care services program for homeless families as follows:

"(A) A program under this paragraph shall include—

"(i) establishing, licensing, and operating an on-site child care facility for the residents of transitional housing; or

"(ii) making contributions for the child care costs of residents of transitional housing to existing community child care programs and facilities; and

"(iii) counseling designed to inform the residents of transitional housing of public and private child care services for which they are eligible.

"(B) A grant under this paragraph for any child care services program shall not exceed the amount equal to 75 percent of the cost of operating the program for a period of up to 5 years.

"(C) Child care services provided with respect to a child care services program assisted under this paragraph shall meet any applicable State and local laws and regulations.

A project sponsor may receive assistance under both paragraphs (1) and (2).

"(c) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for a project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as transitional housing for not less than 10 years, except that in the case of any leased property receiving assistance under this subtitle other than for lease of the property, assurances under this paragraph shall be made annually that the project will be operated to assist homeless individuals for such year;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project;

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) OCCUPANT RENT.—Each homeless person residing in a facility assisted under this section shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"(3) ALTERNATIVE USE.—A project may continue to be treated as transitional housing for purposes of this subsection if the grantee determines that such project is no longer needed for use as transitional housing and approves the use of such project for the direct benefit of very low-income families.

"SEC. 414. PERMANENT HOUSING FOR HOMELESS PERSONS WITH DISABILITIES.

"(a) DEFINITION.—A project shall be considered 'permanent housing for homeless persons with disabilities' if it provides community-based long-term housing and supportive services for not more than 8 homeless persons with disabilities (or 16 such persons, but only if not more than 20 percent of the units in a project are designated for such persons). The Secretary may waive the limitation contained in the preceding sentence if the grantee demonstrates that local market conditions dictate the development of a larger project.

"(b) PROJECT DESIGN AND SITING.—Each project assisted under this subtitle shall be either a home designed solely for housing persons with disabilities or dwelling units in a multifamily housing project, condominium project, or cooperative project. Not more than 1 home may be located on any 1 site and no such home may be located on a site contiguous to another site containing such a home.

"(c) TYPES OF ASSISTANCE.—A grantee may provide the following assistance to a project sponsor of permanent housing for homeless persons with disabilities:

"(1) A grant for the cost of acquisition, substantial rehabilitation, or acquisition and rehabilitation of an existing structure for use as permanent housing for homeless persons with disabilities. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for a grant under this paragraph if the structure was not used as permanent housing for homeless persons with disabilities prior to the receipt of assistance.

"(2) A grant for moderate rehabilitation of an existing structure for use as permanent housing for homeless persons with disabilities.

"(3) A grant, in an amount not to exceed $400,000, for the new construction of a structure for use in the provision of supportive housing.

"(4) Annual payments for operating costs for permanent housing for homeless persons with disabilities (including permanent housing for homeless persons with disabilities that is newly constructed with assistance provided from sources other than this Act), not to exceed 75 percent of the annual operating costs of such housing, and any recipient may reapply for such assistance or for the renewal of such assistance for use during the 10-year period under subsection (d) (unless such assistance is no longer necessary, in the determination of the Secretary).

"(5) Technical assistance in—

"(A) establishing permanent housing for homeless persons with disabilities in an existing structure;

"(B) operating permanent housing for homeless persons with disabilities in existing structures and in structures that are newly constructed with assistance provided from sources other than this Act; and

"(C) providing supportive services to the residents of permanent housing for homeless persons with disabilities (including permanent housing for homeless persons with disabilities that is newly constructed with assistance provided from sources other than this Act).

"(d) PROGRAM REQUIREMENTS.—

"(1) REQUIRED AGREEMENTS.—A grantee may approve assistance for any project under this section only if the project sponsor has agreed—

"(A) to operate the proposed project as permanent housing for homeless persons with disabilities for not less than 10 years, except that in the case of projects not receiving a grant under paragraph (1), (2), or (3) of subsection (c), assurances under this subparagraph shall be made annually that the project will be operated for the purpose specified in the application for such year;

"(B) to conduct an ongoing assessment of the supportive services required by the residents of the project;

"(C) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents of the project; and

"(D) to comply with such other terms and conditions as the Secretary or grantee may establish for purposes of carrying out this program in an effective and efficient manner.

"(2) STATE PARTICIPATION.—Each grantee providing assistance to a project under this section shall transmit to the Secretary a letter of participation from the State assuring that the State will facilitate the provision of necessary supportive services to the residents of the project;

"(3) OCCUPANT RENT.—Each homeless person residing in a project assisted under

this section shall pay as rent an amount determined in accordance with the provisions of section 3(a) of the United States Housing Act of 1937.

"(4) ALTERNATIVE USE.—A project may continue to be treated as permanent housing for homeless persons with disabilities for purposes of this subsection if the grantee determines that such project is no longer needed for use as such housing and approves the use of such project for the direct benefit of very low-income families.

"(5) TENANT SELECTION.—

"(A) IN GENERAL.—A project sponsor owner shall adopt written tenant selection procedures that are satisfactory to the Secretary as (i) consistent with the purpose of improving housing opportunities for very low-income persons with disabilities; and (ii) reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. Project sponsors shall promptly notify in writing any rejected applicant of the grounds for any rejection.

"(B) AUTHORITY TO LIMIT OCCUPANCY.—Notwithstanding any other provision of law, a project sponsor may, with the approval of the grantee, limit occupancy within housing developed under this section to persons with disabilities who have similar disabilities and require a similar set of supportive services in a supportive housing environment.

"(6) RENEWED FUNDING FOR SHORT-TERM LEASE PROJECTS.—The Secretary may not provide assistance under paragraph (4) or (5) of subsection (c) to any project not receiving assistance under paragraph (1), (2), or (3) of such subsection unless assurances have been made under paragraph (1)(A) of this subsection that the project will be operated for the purpose specified in the application for the year for which such assistance is provided.

"SEC. 415. TRANSITION TO PERMANENT HOUSING.

"(a) USE OF GRANTS.—

(1) IN GENERAL.—A grant under this section may be used by a grantee to provide grants or loans to help eligible families make the transition to permanent housing. A grantee may use assistance under this section to provide for the payment by very low-income families of security deposits and the cost of rent for a reasonable period of time.

"(2) TECHNICAL ASSISTANCE.—The Secretary may provide informational and technical assistance to units of general local government and housing agencies in organizing and developing assistance programs under this section. For purposes of this section, the term 'eligible family' means a very low-income family who has resided in emergency shelter or transitional housing and who meets other conditions of eligibility as the Secretary determines to be appropriate.

"(3) FINANCIAL COUNSELING.—The grantee shall provide counseling regarding household finances and budgeting to any family that receives a grant or loan under this section.

"(b) LIMITATION ON FINANCIAL ASSISTANCE.—A grantee may provide assistance to eligible families in the form of a security deposit and the cost of rent for a reasonable period of time if—

"(1) the grantee determines that the rental charge for the subject unit is reasonable in comparison with rents charged for comparable units in the private, unassisted market;

"(2) there is a regular income and a reasonable prospect that the family will be able to sustain the rental payments for a reasonable period of time and to repay any loan provided; and

"(3) the eligible family has made reasonable efforts to receive assistance under the program of aid to families with dependent children under part A of title IV of the Social Security Act or a similar local, State, or Federal public assistance program.

"(c) PARTICIPATING LANDLORD.—If an eligible family vacates the rental unit, a landlord participating in this program shall return to the grantee any portion of the security deposit (including reasonable interest) against which such landlord does not have a claim. Any returned funds may be used by a grantee in accordance with section 403(a).

"SEC. 416. DEVELOPMENT OF ADDITIONAL APPROVED ACTIVITIES.

"The Secretary, in cooperation with grantees and other appropriate parties, shall develop additional approved activities to carry out the purposes of this title.

"Subtitle C—Section 8 Single Room Occupancy

"SEC. 421. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY PROVISIONS.

"(a) USE OF FUNDS.—The amounts made available under this subtitle shall be used only in connection with the moderate rehabilitation of housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by homeless persons, except that such amounts may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating such units.

"(b) ALLOCATION.—The amounts made available under this subtitle shall be allocated by the Secretary on the basis of a national competition among approvable applications to the applicant public housing agencies or other contracting agencies that best demonstrate a need for the assistance under this section and the ability to undertake and carry out a program to be assisted under this subtitle. To be considered for assistance under this section, an applicant shall submit to the Secretary a proposal containing—

"(1) a description of the size and characteristics of the population within the applicant's jurisdiction that would occupy single room occupancy dwellings;

"(2) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

"(3) an inventory of suitable housing stock to be rehabilitated with such assistance; and

"(4) a description of the interest that has been expressed by builders, developers, and others (including profit and nonprofit organizations) in participating in the program. No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this subtitle.

"(c) FIRE AND SAFETY IMPROVEMENTS.—Each annual contribution contract entered into with the authority provided under this subtitle shall require the installation of a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this subsection, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

"(d) COST LIMITATION.—

"(1) PER UNIT CEILING.—The total cost of rehabilitation that may be compensated for in an annual contribution contract entered into with the authority provided under this subtitle shall not exceed $15,000 per unit, plus the expenditures required by subsection (d).

"(2) AUTHORITY TO INCREASE.—The Secretary shall increase the limitation contained in paragraph (1) by an amount the Secretary determines is reasonable and necessary to accommodate special local conditions, including—

"(A) high construction costs; or

"(B) stringent fire or building codes.

"(3) ANNUAL ADJUSTMENT.—The Secretary shall increase the limitation in paragraph (1) on October 1 of each year by an amount necessary to take into account increases in construction costs during the previous 12-month period.

"(e) CONTRACT REQUIREMENTS.—Each contract for annual contributions entered into with a public housing agency or other contracting agency to obligate the authority made available under this subtitle shall—

"(1) commit the Secretary to make such authority available to the public housing agency or other contracting agency for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period;

"(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of appropriations; and

"(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this subtitle shall be given to homeless persons.

"SEC. 422. APPLICABILITY TO INDIANS.

"Pursuant to section 201(b) of the United States Housing Act of 1937, this subtitle shall apply to Indian tribes and Indian housing authorities.

"Subtitle D—Shelter Plus Care Program

"PART I—SHELTER PLUS CARE: GENERAL REQUIREMENTS

"SEC. 431. PURPOSE.

"The purpose of the program authorized under this subtitle is to provide rental housing assistance, in connection with supportive services funded from sources other than this subtitle, to homeless persons with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and the families of such persons.

"SEC. 432. RENTAL HOUSING ASSISTANCE.

"(a) IN GENERAL.—The Secretary is authorized, in accordance with the provisions of this subtitle, to provide rental housing assistance under parts II, III, and IV.

"(b) Funding Limitations.—To the maximum extent practicable, the Secretary shall reserve not less than 50 percent of all funds provided under this subtitle for homeless individuals who are seriously mentally ill or have chronic problems with alcohol, drugs, or both.

"SEC. 433. SUPPORTIVE SERVICES REQUIREMENTS.

"(a) MATCHING FUNDING.—

"(1) IN GENERAL.—Each recipient shall be required to supplement the assistance provided under this subtitle with an equal amount of funds for supportive services from sources other than this subtitle. Each recipient shall certify to the Secretary its compliance with this paragraph, and shall include with the certification a description of the sources and amounts of such supplemental funds.

"(2) DETERMINATION OF MATCHING AMOUNTS.—In calculating the amount of supplemental funds provided under this subtitle, a recipient may include the value of any lease on a building, any salary paid to

staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers to carry out the program of the recipient at a rate determined by the Secretary.

"(b) RECAPTURE.—If the supportive services and funding for the supportive services required by this section are not provided, the Secretary may recapture any unexpended housing assistance.

"SEC. 434. APPLICATIONS.

"(a) IN GENERAL.—An application for rental housing assistance under this subtitle shall be submitted by an applicant in such forms and in accordance with such procedures as the Secretary shall establish.

"(b) MINIMUM CONTENTS.—The Secretary shall require that an application identify the need for the assistance in the community to be served and shall contain at a minimum—

"(1) a request for housing assistance under part II, III, or IV, or a combination, specifying the number of units requested and the amount of necessary budget authority;

"(2) a description of the size and characteristics of the population of eligible persons;

"(3) an identification of the need for the program in the community to be served;

"(4) the identity of the proposed service provider or providers (which may be, or include, the applicant) and a statement of the qualifications of the provider or providers;

"(5) a description of the supportive services that the applicant proposes to assure will be available for eligible persons;

"(6) a description of the resources that are expected to be made available to provide the supportive services required by section 433;

"(7) a description of the mechanisms for developing a housing and supportive services plan for each person and for monitoring each person's progress in meeting that plan;

"(8) reasonable assurances satisfactory to the Secretary that the supportive services will be provided for the full term of the housing assistance under part II, III, or IV, or a combination; and a certification from the applicant that it will fund the supportive services itself if the planned resources do not become available for any reason;

"(9) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the unit of general local government within which housing assistance under this subtitle will be provided;

"(10) a plan for—

"(A) in the case of rental housing assistance under part II, providing housing assistance;

"(B) identifying and selecting eligible persons to participate, including a proposed definition of the term 'chronic problems with alcohol, other drugs, or both';

"(C) coordinating the provision of housing assistance and supportive services;

"(D) ensuring that the service providers are providing supportive services adequate to meet the needs of the persons served;

"(E) obtaining participation of eligible persons who have previously not been assisted under programs designed to assist the homeless or have been considered not capable of participation in these programs; this plan shall specifically address how homeless persons, as defined in section 103(a)(2)(C), (and the families of such persons) will be brought into the program;

"(11) in the case of housing assistance under part III, identification of the specific structures that the recipient is proposing for rehabilitation and assistance; and

"(12) in the case of housing assistance under part IV, identification of the nonprofit entity that will be the owner or lessor of the property, and identification of the specific structures in which the nonprofit entity proposes to house eligible persons.

"SEC. 435. SELECTION CRITERIA.

"(a) IN GENERAL.—The Secretary shall establish selection criteria for a national competition for assistance under this subtitle, which shall include—

"(1) the ability of the applicant to develop and operate the proposed assisted housing and supportive services program, taking into account the quality of any ongoing program of the applicant;

"(2) geographic diversity among the projects to be assisted;

"(3) the need for a program providing housing assistance and supportive services for eligible persons in the area to be served;

"(4) the quality of the proposed program for providing supportive services and housing assistance;

"(5) the extent to which the proposed funding for the supportive services is or will be available;

"(6) the extent to which the project would meet the needs of the homeless persons proposed to be served by the program;

"(7) the extent to which the program integrates program recipients into the community served by the program; and

"(8) the cost-effectiveness of the proposed program; and

"(9) such other factors as the Secretary specifies in regulations to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

"(b) FUNDING LIMITATION.—No more than 10 percent of the assistance made available under this subtitle for any fiscal year may be used for programs located within any one unit of general local government.

"SEC. 436. REQUIRED AGREEMENTS.

"The Secretary may not approve assistance under this subtitle unless the applicant agrees—

"(1) to operate the proposed program in accordance with the provisions of this subtitle;

"(2) to conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program;

"(3) to assure the adequate provision of supportive services to the participants in the program; and

"(4) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program in an effective and efficient manner.

"SEC. 437. TERMINATION OF ASSISTANCE.

"(a) AUTHORITY.—If an eligible individual who receives assistance under this subtitle violates program requirements, the recipient may terminate assistance in accordance with the process established pursuant to subsection (b).

"(b) PROCEDURE.—In terminating assistance under this section, the recipient shall provide a formal process that recognizes the rights of individuals receiving such assistance to due process of law.

"SEC. 438. DEFINITIONS.

"For purposes of this subtitle:

"(1) The term 'acquired immunodeficiency syndrome and related diseases' has the same meaning given that term in section 853 of the Cranston-Gonzalez National Affordable Housing Act.

"(2) The term 'applicant' means—

"(A) in the case of rental housing assistance under parts II and IV, a State, unit of general local government, or Indian tribe; and

"(B) in the case of single room occupancy housing under the section 8 moderate rehabilitation program under part III (i) a State, unit of general local government, or Indian tribe (that shall be responsible for assuring the provision of supportive services and the overall administration of the program), and (ii) a public housing agency (that shall be primarily responsible for administering the housing assistance under part III).

"(3) The term 'eligible person' means a homeless person with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and the family of such a person.

"(4) The term 'Indian tribe' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974.

"(5) The term 'person with disabilities' has the same meaning given the term in section 811 of the Cranston-Gonzalez National Affordable Housing Act.

"(6) The term 'public housing agency' has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

"(7) The term 'recipient' means an applicant approved for participation in the program authorized under this subtitle.

"(8) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(9) The term 'seriously mentally ill' means having a severe and persistent mental or emotional impairment that seriously limits a person's ability to live independently.

"(10) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"(11) The term 'supportive services' means assistance that the Secretary determines (A) addresses the special needs of eligible persons; and (B) provides appropriate services or assists such persons in obtaining appropriate services, including health care, mental health services, substance and alcohol abuse services, child care services, case management services, counseling, supervision, education, job training, and other services essential for achieving and maintaining independent living. In- patient acute hospital care shall not qualify as a supportive service.

"(13) The term 'unit of general local government' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974.

"SEC. 439. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—For purposes of the housing program under part II of this subtitle, there are authorized to be appropriated such sums as may be necessary.

"(b) PART III.—For purposes of the housing program under part III of this subtitle, the budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such

Act is authorized to be increased by such sums as may be necessary.

"(c) PART IV.—For purposes of the housing program under part IV of this subtitle, there are authorized to be appropriated such sums as may be necessary.

"(d) AVAILABILITY.—Sums appropriated under this section shall remain available until expended.

"PART II—SHELTER PLUS CARE: HOMELESS RENTAL HOUSING ASSISTANCE

"SEC. 441. PURPOSE.

"The Secretary is authorized to use amounts made available under section 439(a) to provide rental housing assistance in accordance with the requirements of this part.

"SEC. 442. HOUSING ASSISTANCE.

"Where necessary to assure that the provision of supportive services to persons is feasible, a recipient may require that a person participating in the program live (1) in a particular structure or unit for up to the first year of participation, and (2) within a particular geographic area for the full period of participation or the period remaining after the period referred to in paragraph (1).

"SEC. 443. AMOUNT OF ASSISTANCE.

"The contract with a recipient for assistance under this part shall be for a term of 5 years. Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rent limitation under section 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. At the option of the recipient and subject to the availability of such amounts, the recipient may receive in any year (1) up to 25 percent of such amounts or (2) such higher percentage as the Secretary may approve upon a demonstration satisfactory to the Secretary that the recipient has entered into firm financial commitments to ensure that the housing assistance described in the application will be provided for the full term of the contract. Any amounts not needed for a year may be used to increase the amount available in subsequent years. Each recipient shall ensure that the assistance provided by the Secretary, and any amounts provided from other sources, are managed so that the housing assistance described in the application is provided for the full term of the assistance.

"SEC. 444. HOUSING STANDARDS AND RENT REASONABLENESS.

"(a) STANDARDS REQUIRED.—The Secretary shall require that—

"(1) before any assistance may be provided to or on behalf of the person, each unit shall be inspected by the applicant directly or by another entity, including the local public housing agency (or if no such agency exists in the applicable area, an entity selected by the Secretary), to determine that the unit meets the housing quality standards under section 8 of the United States Housing Act of 1937 and that the occupancy charge for the dwelling unit is reasonable; and

"(2) the recipient shall make at least annual inspections of each unit during the contract term.

"(b) PROHIBITION.—No assistance may be provided for a dwelling unit (1) for which the occupancy charge is not reasonable, or (2) which fails to meet the housing standards, unless the owner promptly corrects the deficiency and the recipient verifies the correction.

"SEC. 445. TENANT RENT.

"Each tenant shall pay as rent an amount determined in accordance with the provisions of section 3(a)(1) of the United States Housing Act of 1937.

"SEC. 446. ADMINISTRATIVE FEES.

"From amounts made available under appropriations Acts, the Secretary shall make amounts available to pay the entity administering the housing assistance an administrative fee in an amount determined appropriate by the Secretary for the costs of administering the housing assistance.

"PART III—SHELTER PLUS CARE: SECTION 8 MODERATE REHABILITATION ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

"SEC. 451. PURPOSE.

"The Secretary is authorized to use amounts made available under section 439(b) of this subtitle only in connection with the moderate rehabilitation of single room occupancy housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by homeless persons. However, amounts made available under section 439(b) may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating the efficiency units.

"SEC. 452. FIRE AND SAFETY IMPROVEMENTS.

"Each contract for housing assistance payments entered into using the authority provided under section 439(b) shall require the installation of a sprinkler system that protects all major spaces, hard-wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this section, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

"SEC. 453. CONTRACT REQUIREMENTS.

"Each contract for annual contributions entered into by the Secretary with a public housing agency to obligate the authority made available under section 439(b) shall—

"(1) commit the Secretary to make the authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing the authority shall be available for the remainder of such 10-year period;

"(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of authority; and

"(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this part III shall be given to homeless persons.

"SEC. 454. OCCUPANCY.

"(a) OCCUPANCY AGREEMENT.—The occupancy agreement between the tenant and the owner shall be for at least one month.

"(b) VACANCY PAYMENTS.—If an eligible person vacates a dwelling unit before the expiration of the occupancy agreement, no assistance payment may be made with respect to the unit after the month during which the unit was vacated, unless it is occupied by another eligible person.

"PART IV—SHELTER PLUS CARE: SECTION 202 RENTAL ASSISTANCE

"SEC. 461. PURPOSE.

"The Secretary is authorized to use amounts made available under section 439(c) of this subtitle only in connection with the provision of rental housing assistance under section 202 of the Housing Act of 1959 in fiscal year 1991 or section 811 of the Cranston-Gonzalez National Affordable Housing Act in fiscal year 1992 for very low-income eligible persons. The contract between the Secretary and the recipient shall require the recipient to enter into contracts with owners or lessors of housing meeting the requirements of section 202 or section 611 for the purpose of providing such rental housing assistance.

"SEC. 462. AMOUNT OF ASSISTANCE.

"The contract with a recipient of assistance under this part shall be for a term of 5 years. Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rent limitation under section 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. Each recipient shall ensure that the assistance provided by the Secretary, and any amounts provided from other sources, are managed so that the housing assistance described in the application is provided for the full term of the assistance.

"SEC. 463. HOUSING STANDARDS AND RENT REASONABLENESS.

"(a) IN GENERAL.—The Secretary shall require that (1) the recipient inspect each unit before any assistance may be provided to or on behalf of the person to determine that the occupancy charge for the housing being or to be provided is reasonable and that each unit meets housing standards established by the Secretary for the purpose of this part, and (2) the recipient make at least annual inspections of each unit during the contract term.

(b) PROHIBITION.—No assistance may be provided for a dwelling unit (1) for which the occupancy charge is not reasonable, or (2) which fails to meet the housing standards, unless the owner or lessor, as the case may be, promptly corrects the deficiency and the recipient verifies the correction.

"SEC. 464. ADMINISTRATIVE FEES.

"From amounts made available under appropriations Acts, the Secretary shall make amounts available to pay the nonprofit entity that is the owner or lessor of the housing assisted under this part an administrative fee in an amount determined appropriate by the Secretary for the costs of administering the housing assistance.

"Subtitle E—Miscellaneous

"SEC. 471. ENVIRONMENTAL REVIEW.

"The provisions of, and the regulations and procedures applicable under, section 104(g) of the Housing and Community Development Act of 1974 shall apply to assistance and projects under this title.".

(b) IMPLEMENTATION.—Not later than 180 days after the date funds authorized under section 438 of the Stewart B. McKinney Homeless Assistance Act, as amended by this section, first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of subtitle D of that Act. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period following the date of the notice. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period following the date of the notice. In developing program guidelines and regulations to implement such subtitle, the Secretary of Housing and Urban Development may consult with the Secretary of Health and Human Services with respect to supportive services aspects of this subtitle.

(c) TRANSITION PROVISIONS.—Amounts appropriated for use under subtitle D of title

IV of the Stewart B. McKinney Homeless Assistance Act, as it existed immediately before the effective date of the amendment made by this section, that are or become available for use under subtitle D of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended by this section.

SEC. 822. DEFINITION OF "HOMELESS PERSON".

Section 103(a) of the Stewart B. McKinney Homeless Assistance Act is amended by adding after "homeless individual" the following: "or homeless person".

SEC. 823. TRANSITIONAL RULE.

(a) IN GENERAL.—The amendment made by section 821 shall take effect—

(1) on October 1, 1992, or

(2) on the date specified by a statute adopting a proposed allocation formula described in subsections (b) and (c),

whichever is later.

(b) FEASIBILITY STUDY.—The Secretary shall carry out a study to determine the feasibility of allocating homeless assistance by a formula that distributes housing assistance for the homeless in accordance with the relative incidence of homelessness in jurisdictions across the United States. If the Secretary determines that the use of such a formula is feasible, the Secretary shall develop one or more such formulas. In determining alternative allocation formulas, the Secretary shall consider—

(1) objective measures of the incidence of homelessness;

(2) the relation between the supply of affordable housing for very low-income families and the number of such families in the jurisdiction;

(3) poverty;

(4) housing overcrowding; and

(5) any other relevant factors, including the reliability of data pertaining to homelessness.

(c) REPORT.—Not later than 18 months after the date of enactment of this Act, the Secretary shall transmit to the Congress a report on the feasibility study under this subsection. Such report shall contain any formula or formulas developed under subsection (b) together with detailed analysis of the formulas. In preparing such report, the Secretary shall consult with organizations representing homeless persons, nonprofit organizations, public housing agencies, and State and local housing and service agencies.

(d) CONFORMING AMENDMENT.—Upon the adoption of a formula described in this section, that part of the table of contents of the Stewart B. McKinney Homeless Assistance Act that relates to title IV of such Act is amended to read as follows:

"TITLE IV—HOUSING ASSISTANCE

"Subtitle A—General Provisions

"Sec. 401. Purpose.
"Sec. 402. Definitions.
"Sec. 403. General authority.
"Sec. 404. Allocation formula.
"Sec. 405. Discretionary allocation.
"Sec. 406. Responsibilities of grantees and project sponsors.
"Sec. 407. Administrative provisions.
"Sec. 408. Authorization of appropriations.
"Sec. 409. Reports to Congress.

"Subtitle B—Approved Activities.

"Sec. 411. Homelessness prevention.
"Sec. 412. Emergency shelter.
"Sec. 413. Transitional housing for the homeless.
"Sec. 414. Permanent housing for homeless persons with disabilities.
"Sec. 415. Transition to permanent housing.
"Sec. 416. Development of additional approved activities.

"Subtitle C—Section 8 Single Room Occupancy

"Sec. 421. Section 8 single room occupancy provisions.
"Sec. 422. Applicability to Indian tribes.

"Subtitle D—Shelter Plus Care Program

"PART I—SHELTER PLUS CARE: GENERAL REQUIREMENTS

"Sec. 431. Purpose.
"Sec. 432. Rental housing assistance.
"Sec. 433. Supportive services requirements; matching funding.
"Sec. 434. Applications.
"Sec. 435. Selection criteria.
"Sec. 436. Required agreements.
"Sec. 437. Termination of assistance.
"Sec. 438. Definitions.
"Sec. 439. Authorization of appropriations.

"PART II—SHELTER PLUS CARE: HOMELESS RENTAL HOUSING ASSISTANCE

"Sec. 441. Purpose.
"Sec. 442. Housing assistance.
"Sec. 443. Amount of assistance.
"Sec. 444. Housing standards and rent reasonableness.
"Sec. 445. Tenant rent.
"Sec. 446. Administrative fees.

"PART III—SHELTER PLUS CARE: MODERATE REHABILITATION ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

"Sec. 451. Purpose.
"Sec. 452. Fire and safety improvements.
"Sec. 453. Contract requirements.
"Sec. 454. Occupancy.

"PART IV—SECTION 202 Rental Assistance

"Sec. 461. Purpose.
"Sec. 462. Amount of assistance.
"Sec. 463. Housing standards and rent reasonableness.
"Sec. 464. Administrative fees.

"Subtitle E—Miscellaneous

"Sec. 471. Environmental review.".

SEC. 825. STRATEGY TO ELIMINATE UNFIT TRANSIENT FACILITIES.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, not more than 9 months after the date of enactment of the Cranston-Gonzalez National Affordable Housing Act, identify the States and units of general local government which use unfit transient facilities as housing for homeless families with children and develop and publish in the Federal Register a strategy to eliminate such use by July 1, 1992. In developing the strategy required under this section, the Secretary shall consult with the Secretary of the Department of Health and Human Services, the Administrator of the Federal Emergency Management Agency, other appropriate Federal officials, appropriate States and units of general local government, major organizations representing homeless persons and other experts.

(b) CONTENTS OF STRATEGY.—The strategy developed under this section shall specify—

(1) actions to be taken to ensure that families with children currently residing in unfit transient facilities will make a timely transition to permanent housing;

(2) actions to be taken to provide sufficient emergency, transitional, and permanent housing to preclude the future use of unfit transient facilities as housing for homeless families with children; and

(3) changes in Federal, State, and local statutes and regulations that are needed to eliminate the use of unfit transient facilities as housing for homeless families with children.

(c) IMPLEMENTATION OF STRATEGY.—To ensure that the strategy developed under this section is carried out within the statutory deadline, the Secretary of Housing and Urban Development shall be authorized to use and apply the following additional resources and powers:

(1) such preferences in the allocation of resources under the Stewart B. McKinney Homeless Assistance Act as the Secretary determines to be appropriate;

(2) such limitations upon a jurisdiction's discretion to allocate resources among approved activities under the Stewart B. McKinney Homeless Assistance Act as the Secretary determines to be appropriate;

(3) such expedited decisionmaking or waivers or revisions of regulatory requirements under other provisions of Federal law as the Secretary determines to be appropriate; and

(4) such additional constraints on the use of funds under other provisions of Federal law as the Secretary determines to be appropriate.

(d) DEFINITIONS.—For purposes of this section the term 'unfit transient facility' means a facility that provides transient accommodations to homeless persons and families in an environment that does not meet the minimum standards of habitability established by the Secretary.

PART 2—AMENDMENTS TO CURRENT PROGRAM

SEC. 831. COMPREHENSIVE HOMELESS ASSISTANCE PLAN.

(a) INCLUSION OF CHILD CARE STRATEGY AND FOOD DONATION STRATEGY.—Section 401(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361(b)) is amended—

(1) by striking "and" at the end of paragraph (5);

(2) by striking the period at the end of paragraph (6) and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

"(7) a strategy provided by metropolitan cities, urban counties, Indian tribes, or otherwise on a local basis, for providing child care services within the area, which strategy shall be submitted (by the entity submitting the comprehensive plan) to any service providers under programs for which such entity receives assistance under this title;

"(8) a strategy provided by metropolitan cities, urban counties, Indian tribes, or otherwise on a local basis, for providing a plan to encourage a program which waives certain local or State liability regulations or laws for those who wish to donate food to a nonprofit charitable organization or food bank for use in community shelters or other domiciles for the homeless, shall be submitted (by the entity submitting the comprehensive plan) to any service providers under programs for which such entities receive assistance under this title; and".

(b) INCLUSION OF INDIAN TRIBES.—Section 401 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361) is amended—

(1) in subsection (a), by adding at the end the following new sentence: "Assistance authorized by this title may be provided to any Indian tribe that is eligible to receive a grant under the emergency shelter grants program in any fiscal year, but only if the tribe submits biennially to the Secretary of Housing and Urban Development a compre-

hensive homeless assistance plan under this section.";

(2) in subsection (b)(5), by inserting "Indian tribe," after "State,";

(3) in subsection (c)(1), by inserting "Indian tribe," after "State," each place it appears;

(4) in subsection (d), by inserting "Indian tribe," after "State," each place it appears; and

(5) in subsection (g)—

(A) by inserting "(or tribal agency or contact)" after "State contact person";

(B) by inserting "(or tribe)" before the comma; and

(C) by inserting "(or tribal agency or contact person)" after "or contact person".

(c) MODIFICATION OF DEVELOPMENT AND TIMING, CONTENT, AND REVIEW STANDARDS.—

(1) PUBLIC PARTICIPATION PROCESS FOR DEVELOPMENT OF PLANS AND ANNUAL REPORTS.—Section 401 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361) is amended by adding at the end the following new subsection:

"(h) CONSULTATION.—

"(1) REQUIREMENT.—Each State, Indian tribe, metropolitan city, and urban county described in subsection (a) shall consult with, and consider the comments of, citizens, public and private homeless shelter and service providers, and local governments concerning the contents of the comprehensive plan and the annual progress report required under subsection (d), prior to their submission to the Secretary.

"(2) MODIFICATION.—Each State, Indian tribe, metropolitan city, and urban county described in subsection (a) may, if it considers it appropriate, modify the comprehensive plan and annual report to reflect the comments of citizens, public and private homeless shelter and service providers, and local governments.

"(3) AVAILABILITY.—Each State, Indian tribe, metropolitan city, and urban county shall make the comprehensive plan and annual report available to the public.

"(4) CERTIFICATION.—Each State, Indian tribe, metropolitan city, and urban county described in subsection (a) shall certify to the Secretary that citizens, public and private homeless shelter and service providers, and local governments were consulted concerning the contents of the comprehensive plan and the annual report, and that their views were considered prior to the submission of these documents to the Secretary, and that the comprehensive plan and annual report were available to the public.".

(2) MODIFICATION OF TIMING, CONTENT, AND REVIEW STANDARDS.—Section 401 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361) is amended—

(A) in subsection (a)(1), by striking "annually" and inserting "biennially";

(B) in subsection (b)(2), by striking "and services" and inserting ", services, and programs";

(C) in subsection (b)(3)—

(i) by striking "and services" and inserting ", services, and programs";

(ii) by striking "and" before "(B)"; and

(iii) by inserting before the semicolon at the end the following: ", (C) responding to the emergency and long-term housing and service needs of the homeless population, (D) providing housing and supportive services for various homeless populations to facilitate their transition to more independent living, (E) providing housing and supportive services to the portions of the homeless population that are not capable of achieving total independence, and (F) preventing and reducing homelessness through (i) interventions focused upon individuals and families who are in danger of becoming homeless, and (ii) addressing systemic factors contributing to homelessness".

SEC. 832. EMERGENCY SHELTER GRANTS PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 417 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11377) is amended to read as follows: "There are authorized to be appropriated to carry out this subtitle $125,000,000 for fiscal year 1991 and $138,000,000 for fiscal year 1992.".

(b) USE OF GRANTS FOR ADMINISTRATIVE COSTS.—

(1) IN GENERAL.—Subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371 et seq.) is amended by adding at the end the following new section:

"SEC. 418. ADMINISTRATIVE COSTS.

"A recipient may use up to 5 percent of any annual grant received under this subtitle for administrative purposes. A recipient State shall share the amount available for administrative purposes pursuant to the preceding sentence with local governments funded by the State.".

(2) CONFORMING AMENDMENT.—The table of contents for subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act is amended by inserting after the item relating to section 417 the following new item:

"Sec. 418. Administrative costs.".

(c) INCREASE IN AMOUNT AVAILABLE FOR SERVICES.—Section 414(a)(2)(B) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11374(a)(2)(B)) is amended by striking "20 percent" and inserting "30 percent".

(d) TREATMENT OF HOMELESSNESS PREVENTION ACTIVITIES.—Section 414(a)(4) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11374(a)(4)) is amended by striking the last sentence and inserting the following new sentence: "Not more than 30 percent of the aggregate amount of all assistance to a State, local government, or Indian tribe under this subtitle may be used for activities under this paragraph.".

(e) REDUCTION OF REQUIRED MATCHING AMOUNTS AND CONFIDENTIALITY.—

(1) REDUCTION.—Section 415(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11375(a)) is amended—

(A) in paragraph (1), by striking "Each" the first place it appears and inserting "Except as provided in paragraph (2), each";

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph:

"(2) Each recipient under this subtitle that is a State shall be required to supplement the assistance provided under this subtitle with an amount of funds from sources other than this subtitle equal to the difference between the amount received under this subtitle and $100,000. If the amount received by the State is $100,000 or less, the State may not be required to supplement the assistance provided under this subtitle.".

(2) USE OF BENEFIT AND CONFIDENTIALITY.—Section 415(c) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11375(c)) is amended—

(A) by striking "and" at the end of paragraph (2);

(B) by striking the period at the end of paragraph (3) and inserting "; and"; and

(C) by adding at the end the following new paragraphs:

"(4) in the case of a recipient that is a State, obtain any matching amounts required under subsection (a) in a manner so that local governments, Indian tribes, agencies, and local nonprofit organizations receiving assistance from the grant that are least capable of providing the recipient State with such matching amounts receive the benefit of the $100,000 subtrahend under subsection (a)(2); and

"(5) develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under this subtitle and that the address or location of any family violence shelter project assisted under this subtitle will, except with written authorization of the person or persons responsible for the operation of such shelter, not be made public.".

(3) COMPREHENSIVE HOMELESS ASSISTANCE PLAN.—Section 401(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361(b)), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraph:

"(9) with respect to a comprehensive plan submitted by a State applying for a grant under the emergency shelter grants program under subtitle B, a strategy for obtaining any matching amounts required under section 415(a) in a manner so that local governments, Indian tribes, agencies, and local nonprofit organizations receiving assistance from the grant that are least capable of providing the recipient State with such matching amounts receive the benefit of the $100,000 subtrahend under paragraph (2) of such section.".

(f) INDIAN TRIBE ELIGIBILITY FOR GRANTS.—

(1) DEFINITION OF INDIAN TRIBES.—Section 411 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11371) is amended by adding at the end the following new paragraph:

"(10) The term 'Indian tribe' has the meaning given such term in section 102(a)(17) of the Housing and Community Development Act of 1974.".

(2) GRANT ASSISTANCE.—Section 412 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11372) is amended by striking "States and local governments" and inserting "States and local governments, and for Indian tribes,".

(3) ALLOCATION AND DISTRIBUTION OF ASSISTANCE.—Section 413(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11373(a)) is amended—

(A) by inserting ", and to Indian tribes," after "States)"; and

(B) by inserting ", or for Indian tribes" after "urban county" each place it appears.

(4) DISTRIBUTION TO NONPROFIT ORGANIZATIONS.—The first sentence of section 413(c) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11373(c)) is amended by inserting "or Indian tribe" after "local government".

(5) REALLOCATION OF FUNDS.—Section 413(d)(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11373(d)(3)) is amended—

(A) by inserting "or Indian tribe" after "State" each place it appears; and

(B) by inserting ", or other Indian tribes, as applicable," after "counties".

(6) ESSENTIAL SERVICES CAP.—Section 414(a)(2) of the Stewart B. McKinney Home-

less Assistance Act (42 U.S.C. 11374(a)(2)) is amended—

(A) in subparagraph (A), by inserting "or Indian tribe" after "local government"; and

(B) in subparagraph (B), by striking "or local government" and inserting ", local government, or Indian tribe".

(7) INITIAL ALLOCATION OF ASSISTANCE.—Section 416(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11376(b)) is amended by inserting "Indian tribe," after "State,".

(g) MINIMUM STANDARDS OF HABITABILITY.—Section 416 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11376) is amended by adding at the end the following:

"(c) MINIMUM STANDARDS OF HABITABILITY.—The Secretary shall prescribe such minimum standards of habitability as the Secretary determines to be appropriate to ensure that emergency shelters assisted under this section are environments that provide appropriate privacy, safety, and sanitary and other health-related conditions for homeless persons and families. Grantees are authorized to establish standards of habitability in addition to those prescribed by the Secretary.".

(h) CONSISTENCY WITH HOUSING STRATEGY.—Section 415(c) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11375(c)) is amended—

(1) by striking "and" at the end of clause (2);

(2) by striking the period at the end of clause (3) and inserting "; and"; and

(3) by adding at the end the following:

"(4) activities undertaken by the recipient with assistance under this subtitle are consistent with any housing strategy submitted by the grantee in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act.".

SEC. 833. SUPPORTIVE HOUSING DEMONSTRATION PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 428(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11388(a)) is amended to read as follows:

"(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle $125,000,000 for fiscal year 1991 and $150,000,000 for fiscal year 1992.".

(b) MAXIMUM NUMBER OF HANDICAPPED RESIDENTS IN PERMANENT HOUSING FOR HANDICAPPED.—Section 422(12)(B) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382(12)(B)) is amended by inserting after "handicapped homeless persons" the second place it appears the following: "(or 16 such persons, but only if not more than 20 percent of the units in a project are designated for such persons)".

(c) CONVERSION OF ADVANCES TO GRANTS.—

(1) IN GENERAL.—Section 423(a)(1) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)(1)) is amended—

(A) by striking "An advance" and inserting "A grant"; and

(B) by striking "an advance" and inserting "a grant".

(2) CONVERSION OF ADVANCE.—Section 423(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(b)) is amended—

(A) by striking "(b) REPAYMENT OF ADVANCE.—" and inserting the following:

"(b) REPAYMENT OR CONVERSION OF ADVANCE.—

"(1) REPAYMENT.—"; and

(B) by adding at the end the following new paragraph:

"(2) CONVERSION.—At such times as the Secretary may determine, and in accordance with such terms and conditions, and accounting and other procedures, as the Secretary may prescribe, the Secretary may convert an advance made under subsection (a)(1) to a grant.".

(d) OPERATING COST PAYMENTS.—Section 423(a)(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)(3)) is amended to read as follows:

"(3) Annual payments for operating costs of transitional housing (without regard to whether the housing is an existing structure), not to exceed 75 percent of the annual operating costs of such housing, and any recipient may reapply for such assistance or for the renewal of such assistance for use during the 10-year period under section 424(a)(2)(D) (unless such assistance is no longer necessary, in the determination of the Secretary), and for operating costs for permanent housing for handicapped homeless persons, not to exceed 75 percent of the annual operating costs of such housing in any year during the 10-year period under section 424(a)(2)(D), and any recipient may reapply for such assistance or for renewal of such assistance for use during such period (unless such assistance is no longer necessary, in the determination of the Secretary).".

(e) ELIGIBILITY OF NEW CONSTRUCTION.—Section 423(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)), as amended by the preceding provisions of this section, is further amended—

(1) by redesignating paragraphs (3) through (5) as paragraphs (4) through (6), respectively;

(2) by inserting after paragraph (2) the following new paragraph:

"(3) A grant, in an amount not to exceed $400,000, for the new construction of a structure for use in the provision of supportive housing."; and

(3) in the last sentence, by striking "paragraphs (1) and (2)" and inserting "paragraphs (1), (2), and (3)".

(f) SITE CONTROL REQUIREMENT.—Section 424(a)(3) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(a)(3)) is amended—

(1) by striking "(3) The Secretary" and inserting the following"(3)(A) Except as provided in subparagraph (B), the Secretary"; and

(2) by adding at the end the following new subparagraph:

"(B) The Secretary may waive the requirement under subparagraph (A) for any proposed project for which the Secretary determines such requirement is inapplicable because, under the application, the families and individuals served own or control, or will eventually own or control, the site.".

(g) CHILD CARE SERVICES.—Section 423(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11383(a)), as amended by the preceding provisions of this section, is further amended by inserting after paragraph (5) the following:

"(6) A grant to establish and operate a child care services program for homeless families as follows:

"(A) A program under this paragraph shall include—

"(i) establishing, licensing, and operating an on-site child care facility for the residents of transitional housing; or

"(ii) making contributions for the child care costs of residents of transitional housing to existing community child care programs and facilities; and

"(iii) counseling designed to inform the residents of transitional housing of public and private child care services for which they are eligible.

"(B) A grant under this paragraph for any child care services program shall not exceed the amount equal to 75 percent of the cost of operating the program for a period of up to 5 years.

"(C) Child care services provided with respect to a child care services program assisted under this paragraph shall meet any applicable State and local laws and regulations.".

(h) ELIMINATION OF SITE CONTROL AND EMPLOYMENT ASSISTANCE PROGRAMS AS SELECTION CRITERIA.—Section 424(b) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(b)) is amended—

(1) in paragraph (6), by inserting "and" after the semicolon at the end;

(2) by striking paragraphs (7) and (8); and

(3) by redesignating paragraph (9) as paragraph (7).

(i) CONFIDENTIALITY REQUIREMENT FOR DOMESTIC VIOLENCE SHELTERS.—Section 424(c) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(c)) is amended—

(1) in paragraph (4), by striking "and" at the end;

(2) in paragraph (5), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(6) to develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under this subtitle and that the address or location of any family violence shelter project assisted under this subtitle will, except with written authorization of the person or persons responsible for the operation of such shelter, not be made public.".

(j) SHORT-TERM LEASES.—

(1) 10-YEAR REQUIREMENT.—Section 424(a)(2)(D) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384(a)(2)(D)) is amended by inserting before the semicolon at the end the following: ", except that in the case of projects not receiving an advance or grant under paragraph (1), (2), or (3) of section 423(a), assurances under this subparagraph shall be made annually that the project will be operated for the purpose specified in the application for such year".

(2) RENEWED FUNDING FOR SHORT-TERM LEASE PROJECTS.—Section 424 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384) is amended by adding at the end the following new subsection:

"(f) RENEWED FUNDING FOR SHORT-TERM LEASE PROJECTS.—The Secretary may not provide assistance under paragraph (4), (5), or (6) of section 423(a) to any project not receiving assistance under paragraph (1), (2), or (3) of such section unless assurances have been made under subsection (a)(2)(D) of this section that the project will be operated for the purpose specified in the application for the year for which such assistance is provided.".

(k) INDIAN TRIBE ELIGIBILITY.—

(1) DEFINITIONS.—Section 422 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11382) is amended—

(A) in paragraph (1), by inserting "Indian tribe," after "State,"; and

(B) by redesignating paragraphs (4) through (14) as paragraphs (5) through (15), respectively; and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) The term 'Indian tribe' has the meaning given such term in section 102(a)(17) of the Housing and Community Development Act of 1974.".

(2) PROGRAM REQUIREMENTS.—Section 424 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11384) is amended by inserting "or Indian tribe" after "State" each place it appears.

(3) MATCHING FUNDS.—Section 425 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11385) is amended—

(A) in subsection (a), by inserting "or Indian tribe" after "State"; and

(B) in subsection (b), by striking "State or local" and inserting "State, tribal, or local".

SEC. 834. SUPPLEMENTAL ASSISTANCE FOR FACILITIES TO ASSIST THE HOMELESS.

(a) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 434 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11394) is amended to read as follows: "There are authorized to be appropriated to carry out this subtitle $30,000,000 for each of fiscal years 1991 and 1992.".

(b) SHORT-TERM LEASES —

(1) 10-YEAR REQUIREMENT.—Section 432(d)(2) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11392(d)(2)) is amended—

(A) by striking "leased,"; and

(B) by inserting before the semicolon at the end the following: ", except that in the case of any leased property receiving assistance under this subtitle other than for lease of the property, assurances under this paragraph shall be made annually that the project will be operated to assist homeless individuals for such year".

(2) RENEWED FUNDING FOR SHORT-TERM LEASE PROJECTS.—Section 432 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11392) is amended by adding at the end the following new subsection:

"(h) RENEWED FUNDING FOR SHORT-TERM LEASE PROJECTS.—The Secretary may not provide assistance under this subtitle for any leased property for any year unless assurances under subsection (d)(2) of this section have been made that the project will be operated to assist homeless individuals for the year for which such assistance is provided.".

(c) CONFIDENTIALITY REQUIREMENT FOR DOMESTIC VIOLENCE SHELTERS.—Section 432(d) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11392(d)) is amended—

(1) in paragraph (3), by striking "and" at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) has furnished assurances satisfactory to the Secretary that the applicant will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under this subtitle and that the address or location of any family violence shelter project assisted under this subtitle will, except with written authorization of the person or persons responsible for the operation of such shelter, not be made public; and".

(d) SITE CONTROL REQUIREMENT.—Section 432(e) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11392(e)) is amended—

(1) by striking "(e) SITE CONTROL.—The Secretary" and inserting the following:

"(e) SITE CONTROL.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary"; and

(2) by adding at the end the following new paragraph:

"(2) EXCEPTION.—The Secretary may waive the requirement under paragraph (1) for any proposed project for which the Secretary determines such requirement is inapplicable because, under the application, the families and individuals served own or control, or will eventually own or control, the site.".

SEC. 835. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS.

(a) INCREASE IN BUDGET AUTHORITY.—Section 441(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401(a)) is amended to read as follows:

"(a) INCREASE IN BUDGET AUTHORITY.—The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $79,000,000 on or after October 1, 1990, and by $82,400,000 on or after October 1, 1991.".

(b) APPLICABILITY TO INDIAN HOUSING AUTHORITIES.—Section 441 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11401) is amended by adding at the end the following new subsection:

"(g) APPLICABILITY TO INDIAN HOUSING AUTHORITIES.—Amounts made available for assistance under this section shall be available through contracts between the Secretary and Indian housing authorities, and the provisions of this section regarding public housing authorities shall include and apply to Indian housing authorities.".

SEC. 836. HOUSING AFFORDABILITY STRATEGY REQUIREMENT.

(a) IN GENERAL.—Section 401 of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11361) is amended to read as follows:

"SEC. 401. HOUSING AFFORDABILITY STRATEGY.

"Assistance may be made under this title only if the grantee certifies that it is following—

"(1) a current housing affordability strategy which has been approved by the Secretary in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act, or

"(2) a comprehensive homeless assistance plan which was approved by the Secretary during the 180-day period beginning on the date of enactment of the Cranston-Gonzalez National Affordable Housing Act, or during such longer period as may be prescribed by the Secretary in any case for good cause.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 1991.

SEC. 837. SHELTER PLUS CARE.

(a) IN GENERAL.—Title IV of the Stewart B. McKinney Homeless Assistance Act is amended by adding at the end the following:

"Subtitle F—Shelter Plus Care Program

"PART I—SHELTER PLUS CARE: GENERAL REQUIREMENTS

"SEC. 451. PURPOSE.

"The purpose of the program authorized under this subtitle is to provide rental housing assistance, in connection with supportive services funded from sources other than this subtitle, to homeless persons with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and the families of such persons.

"SEC. 452. RENTAL HOUSING ASSISTANCE.

"(a) IN GENERAL.—The Secretary is authorized, in accordance with the provisions of this subtitle, to provide rental housing assistance under parts II, III, and IV.

"(b) Funding Limitations.—To the maximum extent practicable, the Secretary shall reserve not less than 50 percent of all funds provided under this subtitle for homeless individuals who are seriously mentally ill or have chronic problems with alcohol, drugs, or both.

"SEC. 453. SUPPORTIVE SERVICES REQUIREMENTS.

"(a) MATCHING FUNDING.—

"(1) IN GENERAL.—Each recipient shall be required to supplement the assistance provided under this subtitle with an equal amount of funds for supportive services from sources other than this subtitle. Each recipient shall certify to the Secretary its compliance with this paragraph, and shall include with the certification a description of the sources and amounts of such supplemental funds.

"(2) DETERMINATION OF MATCHING AMOUNTS.—In calculating the amount of supplemental funds provided under this subtitle, a recipient may include the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers to carry out the program of the recipient at a rate determined by the Secretary.

"(b) RECAPTURE.—If the supportive services and funding for the supportive services required by this section are not provided, the Secretary may recapture any unexpended housing assistance.

"SEC. 454. APPLICATIONS.

"(a) IN GENERAL.—An application for rental housing assistance under this subtitle shall be submitted by an applicant in such forms and in accordance with such procedures as the Secretary shall establish.

"(b) MINIMUM CONTENTS.—The Secretary shall require that an application identify the need for the assistance in the community to be served and shall contain at a minimum—

"(1) a request for housing assistance under part II, III, or IV, or a combination, specifying the number of units requested and the amount of necessary budget authority;

"(2) a description of the size and characteristics of the population of eligible persons;

"(3) an identification of the need for the program in the community to be served;

"(4) the identity of the proposed service provider or providers (which may be, or include, the applicant) and a statement of the qualifications of the provider or providers;

"(5) a description of the supportive services that the applicant proposes to assure will be available for eligible persons;

"(6) a description of the resources that are expected to be made available to provide the supportive services required by section 453;

"(7) a description of the mechanisms for developing a housing and supportive services plan for each person and for monitoring each person's progress in meeting that plan;

"(8) reasonable assurances satisfactory to the Secretary that the supportive services will be provided for the full term of the housing assistance under part II, III, or IV, or a combination; and a certification from the applicant that it will fund the supportive services itself if the planned resources do not become available for any reason;

"(9) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the ap-

proved housing strategy of the unit of general local government within which housing assistance under this subtitle will be provided;

"(10) a plan for—

"(A) in the case of rental housing assistance under part II, providing housing assistance;

"(B) identifying and selecting eligible persons to participate, including a proposed definition of the term 'chronic problems with alcohol, other drugs, or both';

"(C) coordinating the provision of housing assistance and supportive services;

"(D) ensuring that the service providers are providing supportive services adequate to meet the needs of the persons served;

"(E) obtaining participation of eligible persons who have previously not been assisted under programs designed to assist the homeless or have been considered not capable of participation in these programs; this plan shall specifically address how homeless persons, as defined in section 103(a)(2)(C), (and the families of such persons) will be brought into the program;

"(11) in the case of housing assistance under part III, identification of the specific structures that the recipient is proposing for rehabilitation and assistance; and

"(12) in the case of housing assistance under part IV, identification of the nonprofit entity that will be the owner or lessor of the property, and identification of the specific structures in which the nonprofit entity proposes to house eligible persons.

"SEC. 455. SELECTION CRITERIA.

"(a) IN GENERAL.—The Secretary shall establish selection criteria for a national competition for assistance under this subtitle, which shall include—

"(1) the ability of the applicant to develop and operate the proposed assisted housing and supportive services program, taking into account the quality of any ongoing program of the applicant;

"(2) geographic diversity among the projects to be assisted;

"(3) the need for a program providing housing assistance and supportive services for eligible persons in the area to be served;

"(4) the quality of the proposed program for providing supportive services and housing assistance;

"(5) the extent to which the proposed funding for the supportive services is or will be available;

"(6) the extent to which the project would meet the needs of the homeless persons proposed to be served by the program;

"(7) the extent to which the program integrates program recipients into the community served by the program; and

"(8) the cost-effectiveness of the proposed program; and

"(9) such other factors as the Secretary specifies in regulations to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

"(b) FUNDING LIMITATION.—No more than 10 percent of the assistance made available under this subtitle for any fiscal year may be used for programs located within any one unit of general local government.

"SEC. 456. REQUIRED AGREEMENTS.

"The Secretary may not approve assistance under this subtitle unless the applicant agrees—

"(1) to operate the proposed program in accordance with the provisions of this subtitle;

"(2) to conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program;

"(3) to assure the adequate provision of supportive services to the participants in the program; and

"(4) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program in an effective and efficient manner.

"SEC. 457. TERMINATION OF ASSISTANCE.

"(a) AUTHORITY.—If an eligible individual who receives assistance under this subtitle violates program requirements, the recipient may terminate assistance in accordance with the process established pursuant to subsection (b).

"(b) PROCEDURE.—In terminating assistance under this section, the recipient shall provide a formal process that recognizes the rights of individuals receiving such assistance to due process of law.

"SEC. 458. DEFINITIONS.

"For purposes of this subtitle:

"(1) The term 'acquired immunodeficiency syndrome and related diseases' has the meaning given such term in section 853 of the Cranston-Gonzalez National Affordable Housing Act.

"(2) The term 'applicant' means—

"(A) in the case of rental housing assistance under parts II and IV, a State, unit of general local government, or Indian tribe; and

"(B) in the case of single room occupancy housing under the section 8 moderate rehabilitation program under part III (i) a State, unit of general local government, or Indian tribe (that shall be responsible for assuring the provision of supportive services and the overall administration of the program), and (ii) a public housing agency (that shall be primarily responsible for administering the housing assistance under part III).

"(3) The term 'eligible person' means a homeless person with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and the family of such a person.

"(4) The term 'Indian tribe' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974.

"(5) The term 'nonprofit organization' has the meaning given such term by section 104 of the Cranston-Gonzalez National Affordable Housing Act.

"(6) The term 'person with disabilities' has the same meaning given the term in section 811 of the Cranston-Gonzalez National Affordable Housing Act.

"(7) The term 'public housing agency' has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

"(8) The term 'recipient' means an applicant approved for participation in the program authorized under this subtitle.

"(9) The term 'Secretary' means the Secretary of Housing and Urban Development.

"(10) The term 'seriously mentally ill' means having a severe and persistent mental or emotional impairment that seriously limits a person's ability to live independently.

"(11) The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

"(12) The term 'supportive services' means assistance that the Secretary determines (A) addresses the special needs of eligible persons; and (B) provides appropriate services or assists such persons in obtaining appropriate services, including health care, mental health services, substance and alcohol abuse services, child care services, case management services, counseling, supervision, education, job training, and other services essential for achieving and maintaining independent living. In-patient acute hospital care shall not qualify as a supportive service.

"(13) The term 'unit of general local government' has the meaning given such term in section 102 of the Housing and Community Development Act of 1974.

"SEC. 459. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—For purposes of the housing program under part II of this subtitle, there are authorized to be appropriated $80,400,000 for fiscal year 1991, and $167,200,000 for fiscal year 1992.

"(b) PART III.—For purposes of the housing program under part III of this subtitle, the budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by $24,800,000 on or after October 1, 1990, and $54,200,000 on or after October 1, 1991.

"(c) PART IV.—For purposes of the housing program under part IV of this subtitle, there are authorized to be appropriated $18,000,000 for fiscal year 1991, and $37,200,000 or fiscal year 1992.

"(d) AVAILABILITY.—Sums appropriated under this section shall remain available until expended.

"PART II—SHELTER PLUS CARE: HOMELESS RENTAL HOUSING ASSISTANCE

"SEC. 461. PURPOSE.

"The Secretary is authorized to use amounts made available under section 459(a) to provide rental housing assistance in accordance with the requirements of this part.

"SEC. 462. HOUSING ASSISTANCE.

"Where necessary to assure that the provision of supportive services to persons is feasible, a recipient may require that a person participating in the program live (1) in a particular structure or unit for up to the first year of participation, and (2) within a particular geographic area for the full period of participation or the period remaining after the period referred to in paragraph (1).

"SEC. 463. AMOUNT OF ASSISTANCE.

"The contract with a recipient for assistance under this part shall be for a term of 5 years. Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rent limitation under section 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. At the option of the recipient and subject to the availability of such amounts, the recipient may receive in any year (1) up to 25 percent of such amounts or (2) such higher percentage as the Secretary may approve upon a demonstration satisfactory to the Secretary that the recipient has entered into firm financial commitments to ensure that the housing assistance described in the application will be provided for the full term of the contract. Any amounts not needed for a year may be used to increase the amount available in subsequent years. Each recipient shall ensure that the assist-

ance provided by the Secretary, and any amounts provided from other sources, are managed so that the housing assistance described in the application is provided for the full term of the assistance.

"SEC. 464. HOUSING STANDARDS AND RENT REASONABLENESS.

"(a) STANDARDS REQUIRED.—The Secretary shall require that—

"(1) before any assistance may be provided to or on behalf of the person, each unit shall be inspected by the applicant directly or by another entity, including the local public housing agency (or if no such agency exists in the applicable area, an entity selected by the Secretary), to determine that the unit meets the housing quality standards under section 8 of the United States Housing Act of 1937 and that the occupancy charge for the dwelling unit is reasonable; and

"(2) the recipient shall make at least annual inspections of each unit during the contract term.

"(b) PROHIBITION.—No assistance may be provided for a dwelling unit (1) for which the occupancy charge is not reasonable, or (2) which fails to meet the housing standards, unless the owner promptly corrects the deficiency and the recipient verifies the correction.

"SEC. 465. TENANT RENT.

"Each tenant shall pay as rent an amount determined in accordance with the provisions of section 3(a)(1) of the United States Housing Act of 1937.

"SEC. 466. ADMINISTRATIVE FEES.

"From amounts made available under appropriations Acts, the Secretary shall make amounts available to pay the entity administering the housing assistance an administrative fee in an amount determined appropriate by the Secretary for the costs of administering the housing assistance.

"PART III—SHELTER PLUS CARE: SECTION 8 MODERATE REHABILITATION ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

"SEC. 471. PURPOSE.

"The Secretary is authorized to use amounts made available under section 459(b) of this subtitle only in connection with the moderate rehabilitation of single room occupancy housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by homeless persons. However, amounts made available under section 459(b) may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating the efficiency units.

"SEC. 472. FIRE AND SAFETY IMPROVEMENTS.

"Each contract for housing assistance payments entered into using the authority provided under section 459(b) shall require the installation of a sprinkler system that protects all major spaces, hard-wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this section, the term 'major spaces' means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

"SEC. 473. CONTRACT REQUIREMENTS.

"Each contract for annual contributions entered into by the Secretary with a public housing agency to obligate the authority made available under section 459(b) shall—

"(1) commit the Secretary to make the authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing the authority shall be available for the remainder of such 10-year period;

"(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of authority; and

"(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this part III shall be given to homeless persons.

"SEC. 474. OCCUPANCY.

"(a) OCCUPANCY AGREEMENT.—The occupancy agreement between the tenant and the owner shall be for at least one month.

"(b) VACANCY PAYMENTS.—If an eligible person vacates a dwelling unit before the expiration of the occupancy agreement, no assistance payment may be made with respect to the unit after the month during which the unit was vacated, unless it is occupied by another eligible person.

"PART IV—SHELTER PLUS CARE: SECTION 202 RENTAL ASSISTANCE

"SEC. 481. PURPOSE.

"The Secretary is authorized to use amounts made available under section 459(c) of this subtitle only in connection with the provision of rental housing assistance under section 202 of the Housing Act of 1959, section 811 of the Cranston-Gonzalez National Affordable Housing Act for very low-income eligible persons. The contract between the Secretary and the recipient shall require the recipient to enter into contracts with owners or lessors of housing meeting the requirements of section 202 or section 611, as appropriate for the purpose of providing such rental housing assistance.

"SEC. 482. AMOUNT OF ASSISTANCE.

"The contract with a recipient of assistance under this part shall be for a term of 5 years. Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rent limitation under section 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. Each recipient shall ensure that the assistance provided by the Secretary, and any amounts provided from other sources, are managed so that the housing assistance described in the application is provided for the full term of the assistance.

"SEC. 483. HOUSING STANDARDS AND RENT REASONABLENESS.

"(a) IN GENERAL.—The Secretary shall require that (1) the recipient inspect each unit before any assistance may be provided to or on behalf of the person to determine that the occupancy charge for the housing being or to be provided is reasonable and that each unit meets housing standards established by the Secretary for the purpose of this part, and (2) the recipient make at least annual inspections of each unit during the contract term.

"(b) PROHIBITION.—No assistance may be provided for a dwelling unit (1) for which the occupancy charge is not reasonable, or (2) which fails to meet the housing standards, unless the owner or lessor, as the case may be, promptly corrects the deficiency and the recipient verifies the correction.

"SEC. 484. ADMINISTRATIVE FEES.

"From amounts made available under appropriations Acts, the Secretary shall make amounts available to pay the nonprofit entity that is the owner or lessor of the housing assisted under this part an administrative fee in an amount determined appropriate by the Secretary for the costs of administering the housing assistance.".

(b) IMPLEMENTATION.—Not later than 180 days after the date funds authorized under section 459 of the Stewart B. McKinney Homeless Assistance Act, as amended by this section, first become available for obligation, the Secretary shall by notice establish such requirements as may be necessary to carry out the provisions of subtitle F of that Act. Such requirements shall be subject to section 553 of title 5, United States Code. The Secretary shall issue regulations based on the initial notice before the expiration of the eight-month period following the date of the notice. The Secretary shall issue regulations based on the initial notice before the expiration of the 8-month period following the date of the notice. In developing program guidelines and regulations to implement such subtitle, the Secretary of Housing and Urban Development may consult with the Secretary of Health and Human Services with respect to supportive services aspects of this subtitle.

(c) TRANSITION PROVISIONS.—Amounts appropriated for use under subtitle D of title IV of the Stewart B. McKinney Homeless Assistance Act, as it existed immediately before the date of enactment made by this section, that are or become available for obligation shall be available for use under subtitle F of title IV of the McKinney Act, as amended by this section.

(d) CONFORMING AMENDMENT.—That part of the table of contents of the Stewart B. McKinney Homeless Assistance Act that relates to title IV of such Act is amended to read as follows:

"Subtitle D—Shelter Plus Care Program

"PART I—SHELTER PLUS CARE: GENERAL REQUIREMENTS

"Sec. 451. Purpose.
"Sec. 452. Rental housing assistance.
"Sec. 453. Supportive services requirements; matching funding.
"Sec. 454. Applications.
"Sec. 455. Selection criteria.
"Sec. 456. Required agreements.
"Sec. 457. Termination of assistance.
"Sec. 458. Definitions.
"Sec. 459. Authorization of appropriations.

"PART II—SHELTER PLUS CARE: HOMELESS RENTAL HOUSING ASSISTANCE

"Sec. 461. Purpose.
"Sec. 462. Housing assistance.
"Sec. 463. Amount of assistance.
"Sec. 464. Housing standards and rent reasonableness.
"Sec. 465. Tenant rent.
"Sec. 466. Administrative fees.

"PART III—SHELTER PLUS CARE: MODERATE REHABILITATION ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS

"Sec. 471. Purpose.
"Sec. 472. Fire and safety improvements.
"Sec. 473. Contract requirements.
"Sec. 474. Occupancy.

"PART IV—SECTION 202 RENTAL ASSISTANCE

"Sec. 481. Purpose.
"Sec. 482. Amount of assistance.
"Sec. 483. Housing standards and rent reasonableness.
"Sec. 484. Administrative fees.".

PART 3—EFFECTIVE DATE

SEC. 841. EFFECTIVE DATE.

If the Stewart B. McKinney Homeless Assistance Amendments Act of 1990 is enacted before the enactment of this Act, the provisions of this subtitle and the amendments made by this subtitle shall not take effect.

Subtitle D—Housing Opportunities for Persons With AIDS

SEC. 851. SHORT TITLE.

This subtitle may be cited as the "AIDS Housing Opportunity Act".

SEC. 852. PURPOSE.

The purpose of this title is to provide States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome.

SEC. 853. DEFINITIONS.

For purposes of this subtitle:

(1) The term "acquired immunodeficiency syndrome and related diseases" means the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome.

(2) The term "applicant" means a State, a unit of general local government, or a nonprofit sponsor receiving assistance from a grantee.

(3) The term "low-income individual" means any individual or family whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary of Housing and Urban Development, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median income for the area if the Secretary finds that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

(4) The term "grantee" means a State or unit of general local government receiving grants from the Secretary under this subtitle.

(5) The term "metropolitan area" means a metropolitan statistical area as established by the Office of Management and Budget. Such term includes the District of Columbia.

(6) The term "locality" means the geographical area within the jurisdiction of a local government.

(7) The term "recipient" means a grantee or other applicant receiving funds under this title.

(8) The term "Secretary" means the Secretary of Housing and Urban Development.

(9) The term "State" means a State of the United States, the District of Columbia, and the Commonwealth of Puerto Rico, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this subtitle.

(10) The term "unit of general local government" has the same meaning as in 104 of this Act.

SEC. 854. GENERAL AUTHORITY.

(a) GRANTS AUTHORIZED.—The Secretary shall, to the extent of amounts approved in appropriations Acts under section 863, make grants to States and units of general local government.

(b) ELIGIBILITY.—A jurisdiction shall be eligible to receive a grant only if it has obtained an approved housing strategy (or an approved abbreviated housing strategy) in accordance with section 105 of this Act. A grantee shall carry out activities authorized under this subtitle through contracts with project sponsors, except that a grantee that is a State shall obtain the approval of the unit of general local government for the locality in which a project is to be located prior to entering into such contracts.

(c) ALLOCATION OF RESOURCES.—

(1) IN GENERAL.—90 percent of the amounts approved in appropriations Acts under section 863 shall be allocated among eligible grantees on the basis of the incidence of acquired immunodeficiency syndrome. Of the amounts made available under the previous sentence, the Secretary shall allocate—

(A) 75 percent among units of general local government located in metropolitan statistical areas with populations in excess of 500,000 and more than 1,500 cases of acquired immunodeficiency syndrome and States with more than 1,500 cases of acquired immunodeficiency syndrome outside of metropolitan statistical areas described in subparagraph (A), and

(B) 25 percent among units of general local government in metropolitan statistical areas with populations in excess of 500,000 and more than 1,500 cases of acquired immunodeficiency syndrome, that have a higher than average per capita incidence of acquired immunodeficiency syndrome.

(2) MINIMUM GRANT.—Subject only to the availability of amounts pursuant to appropriations Acts under section 863, for each fiscal year each eligible grantee under paragraph (1) shall receive funding according to its proportionate share of the total, except that each entity shall receive a minimum allocation of $200,000 from subparagraphs (A) and (B) of paragraph (1) combined, and any increase this entails from the formula amount will be deducted from all other allocations exceeding $200,000 on a pro rata basis. If allocation under subparagraph (A) of paragraph (1) would allocate less than $200,000 for any State, the allocation for such State shall be $200,000 and the amount of the increase under this sentence shall be deducted on a pro rata basis from the allocations of the other States, except that a reduction under this subparagraph may not reduce the amount allocated to any eligible entity to less than $200,000.

(3) NONELIGIBLE GRANTEES.—

(A) IN GENERAL.—10 percent of the amounts appropriated under section 863 shall be distributed to grantees and recipients by the Secretary—

(i) to meet housing needs in States and localities that do not qualify under paragraph (1), or that do qualify under paragraph (1) but do not have an approved housing strategy under section 105 of this Act, and

(ii) to fund special projects of national significance.

(B) SELECTION.—In selecting projects under this paragraph, the Secretary shall consider (i) relative numbers of acquired immunodeficiency syndrome cases and per capita acquired immunodeficiency syndrome incidence; (ii) housing needs of persons with acquired immunodeficiency syndrome in the community; (iii) extent of local planning and coordination of housing programs for persons with acquired immunodeficiency syndrome; and (iv) the likelihood of the continuation of State and local efforts.

(C) NATIONAL SIGNIFICANCE PROJECTS.—For the purpose of subparagraph (A)(ii), in selecting projects of national significance the Secretary shall consider (i) the need to assess the effectiveness of a particular model for providing supportive housing for persons with acquired immunodeficiency syndrome; (ii) the innovative nature of the proposed activity; and (iii) the potential replicability of the proposed activity in other similar localities or nationally.

(d) APPLICATIONS.—Funds made available under this section shall be allocated among approvable applications submitted by eligible applicants. Applications for assistance under this section shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. Such applications shall contain—

(1) a description of the proposed activities;

(2) a description of the size and characteristics of the population that would be served by the proposed activities;

(3) a description of the public and private resources that are expected to be made available in connection with the proposed activities;

(4) assurances satisfactory to the Secretary that any property purchased, leased, rehabilitated, renovated, or converted with assistance under this section shall be operated for not less than 10 years for the purpose specified in the application, except as otherwise specified in this subtitle;

(5) evidence in a form acceptable to the Secretary that the proposed activities will meet urgent needs that are not being met by available public and private sources; and

(6) such other information or certifications that the Secretary determines to be necessary to achieve the purposes of this section.

(e) ADDITIONAL REQUIREMENT FOR METROPOLITAN AREAS.—In addition to the requirements of subsection (b), to be eligible for a grant to a metropolitan area under this section, the major city, urban county, and any city with a population of 50,000 or more in that metropolitan area shall establish or designate a governmental agency or organization for receipt and use of amounts received from a grant under this section and shall submit to the Secretary, together with the application under subsection (d) a proposal for the operation of such agency or organization.

SEC. 855. ELIGIBLE ACTIVITIES.

Grants allocated under this subtitle shall be available only for approved activities to carry out strategies designed to prevent homelessness among such persons with acquired immunodeficiency syndrome. Approved activities shall include activities that—

(1) enable public and nonprofit organizations or agencies to provide housing information to such persons and coordinate efforts to expand housing assistance resources for such persons under section 857;

(2) facilitate the development and operation of shelter and services for such persons under section 858;

(3) provide short-term rental assistance to such persons under section 859;

(4) facilitate (through project-based rental assistance or other means) the moderate rehabilitation of single room occupancy dwellings (SROs) that would be made available only to such persons under section 860;

(5) facilitate the development of community residences for eligible persons with acquired immunodeficiency syndrome under section 861;

(6) carry out other activities that the Secretary develops in cooperation with eligible States and localities.

The Secretary shall establish standards and guidelines for approved activities. The Secretary shall permit grantees to refine and adapt such standards and guidelines for individual projects, where such refinements and adaptations are made necessary by local circumstances.

SEC. 856. RESPONSIBILITIES OF GRANTEES.

(a) PROHIBITION OF SUBSTITUTION OF FUNDS.—Amounts received from grants

under this subtitle may not be used to replace other amounts made available or designated by State or local governments for use for the purposes under this subtitle.

(b) CAPABILITY.—The recipient shall have, in the determination of the grantee or the Secretary, the capacity and capability to effectively administer a grant under this subtitle.

(c) COOPERATION.—The recipient shall agree to cooperate and coordinate in providing assistance under this subtitle with the agencies of the relevant State and local governments responsible for services in the area served by the applicant for individuals with acquired immunodeficiency syndrome or related diseases and other public and private organizations and agencies providing services for such individuals.

(d) NO FEE.—The recipient shall agree that no fee will be charged of any low-income individual for any services provided with amounts from a grant under this subtitle and that if fees are charged of any other individuals, the fees will be based on the income and resources of the individual.

(e) CONFIDENTIALITY.—The recipient shall agree to ensure the confidentiality of the name of any individual assisted with amounts from a grant under this subtitle and any other information regarding individuals receiving such assistance.

(f) FINANCIAL RECORDS.—The recipient shall agree to maintain and provide the grantee or the Secretary with financial records sufficient, in the determination of the Secretary, to ensure proper accounting and disbursing of amounts received from a grant under this subtitle.

SEC. 857. GRANTS FOR AIDS HOUSING INFORMATION AND COORDINATION SERVICES.

Grants under this section may only be used for the following activities:

(1) HOUSING INFORMATION SERVICES.—To provide (or contract to provide) counseling, information, and referral services to assist individuals with acquired immunodeficiency syndrome or related diseases to locate, acquire, finance, and maintain housing and meet their housing needs.

(2) RESOURCE IDENTIFICATION.—To identify, coordinate, and develop housing assistance resources (including conducting preliminary research and making expenditures necessary to determine the feasibility of specific housing-related initiatives) for individuals with acquired immunodeficiency syndrome or related diseases.

SEC. 858. AIDS SHORT-TERM SUPPORTED HOUSING AND SERVICES.

(a) USE OF GRANTS.—Any amounts received from grants under this section may only be used to carry out a program to provide (or contract to provide) assistance to individuals with acquired immunodeficiency syndrome or related diseases who are homeless or in need of housing assistance to prevent homelessness, which may include the following activities:

(1) SHORT-TERM SUPPORTED HOUSING.—Purchasing, leasing, renovating, repairing, and converting facilities to provide short-term shelter and services.

(2) SHORT-TERM HOUSING PAYMENTS ASSISTANCE.—Providing rent assistance payments for short-term supported housing and rent, mortgage, and utilities payments to prevent homelessness of the tenant or mortgagor of a dwelling.

(3) SUPPORTIVE SERVICES.—Providing supportive services, to individuals assisted under paragraphs (1) and (2), including health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, and nutritional services.

(4) MAINTENANCE AND ADMINISTRATION.—Providing for maintenance, administration, security, operation, insurance, utilities, furnishings, equipment, supplies, and other incidental costs relating to any short-term supported housing provided under the demonstration program under this section.

(5) TECHNICAL ASSISTANCE.—Providing technical assistance to such individuals to provide assistance in gaining access to benefits and services for homeless individuals provided by the Federal Government and State and local governments.

(b) PROGRAM REQUIREMENTS.—

(1) MINIMUM USE PERIOD FOR STRUCTURES.—

(A) IN GENERAL.—Any building or structure assisted with amounts from a grant under this section shall be maintained as a facility to provide short-term supported housing or assistance for individuals with acquired immunodeficiency syndrome or related diseases—

(i) in the case of assistance involving substantial rehabilitation or acquisition of the building, for a period of not less than 10 years; and

(ii) in the case of assistance under paragraph (1), (3), or (4) of subsection (a), for a period of not less than 3 years.

(B) WAIVER.—The Secretary may waive the requirement under subparagraph (A) with respect to any building or structure if the organization or agency that received the grant under which the building was assisted demonstrates, to the satisfaction of the Secretary, that—

(i) the structure is no longer needed to provide short-term supported housing or assistance or the continued operation of the structure for such purposes is no longer feasible; and

(ii) the structure will be used to benefit individuals or families whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median income for the area if the Secretary finds that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

(2) RESIDENCY AND LOCATION LIMITATIONS ON SHORT-TERM SUPPORTED HOUSING.—

(A) RESIDENCY.—A short-term supported housing facility assisted with amounts from a grant under this section may not provide shelter or housing at any single time for more than 50 families or individuals.

(B) LOCATION.—A facility for short-term supported housing assisted with amounts from a grant under this section may not be located in or contiguous to any other facility for emergency or short-term housing that is not limited to use by individuals with acquired immunodeficiency syndrome or related diseases.

(C) WAIVER.—The Secretary may, as the Secretary determines appropriate, waive the limitations under subparagraphs (A) and (B) for any program or short-term supported housing facility.

(3) TERM OF ASSISTANCE.—

(A) SUPPORTED HOUSING ASSISTANCE.—A program assisted under this section may not provide residence in a short-term housing facility assisted under this section to any individual for a sum of more than 60 days during any 6-month period.

(B) HOUSING PAYMENTS ASSISTANCE.—A program assisted under this section may not provide assistance for rent, mortgage, or utilities payments to any individual for rent, mortgage, or utilities costs accruing over a period of more than 21 weeks of any 52-week period.

(4) PLACEMENT.—A program assisted under this section shall provide for any individual who has remained in short-term supported housing assisted under the demonstration program, to the maximum extent practicable, the opportunity for placement in permanent housing or an environment appropriate to the health and social needs of the individual.

(5) PRESUMPTION FOR INDEPENDENT LIVING.—In providing assistance under this section in any case in which the residence of an individual is appropriate to the needs of the individual, a program assisted under this section shall, when reasonable, provide for assistance in a manner appropriate to maintain the individual in such residence.

(6) CASE MANAGEMENT SERVICES.—A program assisted under this section shall provide each individual assisted under the program with an opportunity, if eligible, to receive case management services available from the appropriate social service agencies.

SEC. 859. SHORT-TERM RENTAL ASSISTANCE.

(a) USE OF FUNDS.—

(1) IN GENERAL.—Grants under this section may be used only for assistance to provide short-term rental assistance for low-income individuals with acquired immunodeficiency syndrome or related diseases. Such assistance may be project based or tenant based and shall be provided to the extent practicable in the manner provided for under section 8 of the United States Housing Act of 1937. Grantees shall ensure that the housing provided is decent, safe, and sanitary.

(2) SHARED HOUSING ARRANGEMENTS.—Grants under this section may be used to assist individuals who elect to reside in shared housing arrangements in the manner provided under section 8(p) of the United States Housing Act of 1937 (42 U.S.C. 1437f(p)), except that, notwithstanding such section, assistance under this section may be made available to nonelderly individuals. The Secretary shall issue any standards for shared housing under this paragraph that vary from standards issued under section 8(p) of the United States Housing Act of 1937 only to the extent necessary to provide for circumstances of shared housing arrangements under this paragraph that differ from circumstances of shared housing arrangements for elderly families under section 8(p) of the United States Housing Act of 1937.

(b) LIMITATIONS.—A recipient under this section shall comply with the following requirements:

(1) SERVICES.—The recipient shall provide for qualified service providers in the area to provide appropriate services to the individuals assisted under this section.

(2) INTENSIVE ASSISTANCE.—For any individual who requires more care than can be provided in housing assisted under this section, the recipient shall provide for the locating of a care provider who can appropriately care for the individual and referral of the individual to the care provider.

SEC. 860. SINGLE ROOM OCCUPANCY DWELLINGS.

(a) USE OF GRANTS.—Grants under this section may be used to provide project-based rental assistance or grants to facilitate the development of single room occupancy dwellings. To the extent practicable, a program under this section shall be carried out

in the manner provided for under section 8(n) of the United States Housing Act of 1937.

(b) LIMITATION.—Recipients under this section shall require the provision to individuals assisted under this section of the following assistance:

(1) SERVICES.—Appropriate services provided by qualified service providers in the area.

(2) INTENSIVE ASSISTANCE.—For any individual who requires more care than can be provided in housing assisted under this section, locating a care provider who can appropriately care for the individual and referral of the individual to the care provider.

SEC. 861. GRANTS FOR COMMUNITY RESIDENCES AND SERVICES.

(a) GRANT AUTHORITY.—The Secretary of Housing and Urban Development may make grants to States and metropolitan areas to develop and operate community residences and provide services for persons with acquired immunodeficiency syndrome or related diseases.

(b) COMMUNITY RESIDENCES AND SERVICES.—

(1) COMMUNITY RESIDENCES.—

(A) IN GENERAL.—A community residence under this section shall be a multiunit residence designed for individuals with acquired immunodeficiency syndrome or related diseases for the following purposes:

(i) To provide a lower cost residential alternative to institutional care and to prevent or delay the need for institutional care.

(ii) To provide a permanent or transitional residential setting with appropriate services that enhances the quality of life for individuals who are unable to live independently.

(iii) To prevent homelessness among individuals with acquired immunodeficiency syndrome or related diseases by increasing available suitable housing resources.

(iv) To integrate individuals with acquired immunodeficiency syndrome or related diseases into local communities and provide services to maintain the abilities of such individuals to participate as fully as possible in community life.

(B) RENT.—Except to the extent that the costs of providing residence are reimbursed or provided by any other assistance from Federal or non-Federal public sources, each resident in a community residence shall pay as rent for a dwelling unit an amount equal to the following:

(i) For low-income individuals, the amount of rent paid under section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)) by a low-income family (as the term is defined in section 3(b)(2) of such Act (42 U.S.C. 1437a(b)(2))) for a dwelling unit assisted under such Act.

(ii) For any resident that is not a low-income resident, an amount based on a formula, which shall be determined by the Secretary, under which rent is determined by the income and resources of the resident.

(C) FEES.—Fees may be charged for any services provided under subsection (c)(2) to residents of a community residence, except that any fees charged shall be based on the income and resources of the resident and the provision of services to any resident of a community residence may not be withheld because of an inability of the resident to pay such fee.

(D) SECTION 8 ASSISTANCE.—Assistance made available under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) may be used in conjunction with a community residence under this subsection for tenant-based certificates or vouchers.

(2) SERVICES.—Services provided with a grant under this section shall consist of services appropriate in assisting individuals with acquired immunodeficiency syndrome and related diseases to enhance their quality of life, enable such individuals to more fully participate in community life, and delay or prevent the placement of such individuals in hospitals or other institutions.

(c) USE OF GRANTS.—Any amounts received from a grant under this section may be used only as follows:

(1) COMMUNITY RESIDENCES.—For providing assistance in connection with community residences under subsection (b)(1) for the following activities:

(A) PHYSICAL IMPROVEMENTS.—Construction, acquisition, rehabilitation, conversion, retrofitting, and other physical improvements necessary to make a structure suitable for use as a community residence.

(B) OPERATING COSTS.—Operating costs for a community residence.

(C) TECHNICAL ASSISTANCE.—Technical assistance in establishing and operating a community residence, which may include planning and other predevelopment or preconstruction expenses.

(D) IN-HOUSE SERVICES.—Services appropriate for individuals residing in a community residence, which may include staff training and recruitment.

(2) SERVICES.—For providing services under subsection (b)(2) to any individuals assisted under this subtitle.

(3) ADMINISTRATIVE EXPENSES.—For administrative expenses related to the planning and execution of activities under this section, except that a jurisdiction that receives a grant under this section may expend not more than 10 percent of the amount received under the grant for such administrative expenses. Administrative expenses under this paragraph may include expenses relating to community outreach and educational activities regarding acquired immunodeficiency syndrome and related diseases, for staff carrying out activities assisted with a grant under this section and for individuals who reside in proximity of individuals assisted under this subtitle.

(d) LIMITATIONS ON USE OF GRANTS.—

(1) COMMUNITY RESIDENCES.—Any jurisdiction that receives a grant under this section may not use any amounts received under the grant for the purposes under subsection (c)(1), except for planning and other expenses preliminary to construction or other physical improvement under subsection (c)(1)(A), unless the jurisdiction certifies to the Secretary, as the Secretary shall require, the following:

(A) SERVICE AGREEMENT.—That the jurisdiction has entered into a written agreement with service providers qualified to deliver any services included in the proposal under subsection (c) to provide such services to individuals assisted by the community residence.

(B) FUNDING AND CAPABILITY.—That the jurisdiction will have sufficient funding for such services and the service providers are qualified to assist individuals with acquired immunodeficiency syndrome and related diseases.

(C) ZONING AND BUILDING CODES.—That any construction or physical improvements carried out with amounts received from the grant will comply with any applicable State and local housing codes and licensing requirements in the jurisdiction in which the building or structure is located.

(D) INTENSIVE ASSISTANCE.—That, for any individual who resides in a community residence assisted under the grant and who requires more intensive care than can be provided by the community residence, the jurisdiction will locate for and refer the individual to a service provider who can appropriately care for the individual.

(2) SERVICES.—Any jurisdiction that receives a grant under this section may use any amounts received under the grant for the purposes under subsection (c)(2) only for the provision of services by service providers qualified to provide such services to individuals with acquired immunodeficiency syndrome and related diseases.

SEC. 862. REPORT.

Any organization or agency that receives a grant under this subtitle shall submit to the Secretary, for any fiscal year in which the organization or agency receives a grant under this subtitle, a report describing the use of the amounts received, which shall include the number of individuals assisted, the types of assistance provided, and any other information that the Secretary determines to be appropriate.

SEC. 863. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this subtitle $75,000,000 for fiscal year 1991, and $156,500,000 for fiscal year 1992.

TITLE IX—COMMUNITY DEVELOPMENT AND MISCELLANEOUS PROGRAMS

Subtitle A—Community and Neighborhood Development and Preservation

SEC. 901. COMMUNITY DEVELOPMENT AUTHORIZATIONS.

(a) COMMUNITY DEVELOPMENT BLOCK GRANTS.—Section 103 of the Housing and Community Development Act of 1974 (42 U.S.C. 5303) is amended by striking the second sentence and inserting the following: "For purposes of assistance under section 106, there are authorized to be appropriated $3,137,000,000 for fiscal year 1991 and $3,272,000,000 for fiscal year 1992. Of any amounts appropriated under this section, the Secretary shall, to the extent approved in appropriation Acts, make available—

"(1) not less than $3,000,000 in each of fiscal years 1991 and 1992 in the form of grants to institutions of higher education, either directly or through areawide planning organizations or States, for the purpose of providing assistance to economically disadvantaged and minority students who participate in community development work study programs and are enrolled in full-time graduate or undergraduate programs in community and economic development, community planning, or community management,

"(2) not less than $6,500,000 for fiscal year 1991 and $6,500,000 for fiscal year 1992 in the form of grants to historically black colleges,

"(3) not less than $7,000,000 for fiscal year 1991 and $7,000,000 for fiscal year 1992 for grants in Guam, the Virgin Islands, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and

"(4) not less than $500,000 in fiscal year 1991 for grants to demonstrate the feasibility of developing an integrated database system and computer mapping tool for the compliance, programming, and evaluation of community development block grants.".

(b) LIMITATION ON LOAN GUARANTEES.—The last sentence of section 108(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(a)) is amended to read as follows: "Notwithstanding any other provision of law and subject only to the absence

of qualified applicants or proposed activities and to the authority provided in this section, to the extent approved or provided in appropriation Acts, the Secretary shall enter into commitments to guarantee notes and obligations under this section with an aggregate principal amount of $300,000,000 during fiscal year 1991 and $300,000,000 during fiscal year 1992.".

(b) PAYMENTS WITH RESPECT TO INDIAN HOUSING.—Section 107(a) of the Housing and Urban Development Act of 1974 (42 U.S.C. 5307(a)) is amended—

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(2) by inserting after paragraph (2) the following:

"(3) to units of general local government that are located in North Dakota for public services with respect to Indian housing;".

SEC. 902. TARGETING COMMUNITY DEVELOPMENT BLOCK GRANT ASSISTANCE.

(a) PRIMARY OBJECTIVE.—The second sentence of section 101(c) of the Housing and Community Development Act of 1974 (42 U.S.C. 5301(c)) is amended by striking "60 percent" and inserting "70 percent".

(b) CERTIFICATION REGARDING ACTIVITIES.—Section 104(b)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(b)(3)) is amended by striking "60 percent" and inserting "70 percent".

SEC. 903. COMMUNITY DEVELOPMENT CITY AND COUNTY CLASSIFICATIONS.

(a) METROPOLITAN CITIES.—Section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) is amended—

(1) by striking the second sentence and inserting the following: "Any city that was classified as a metropolitan city for at least 2 years pursuant to the first sentence of this paragraph shall remain classified as a metropolitan city.";

(2) in the fourth sentence, by striking "for fiscal year 1988 or 1989"; and

(3) in the last sentence, by striking—

(A) "the first or second sentence of"; and

(B) "under such first or second sentence".

(b) URBAN COUNTIES.—Section 102(a)(6)(B) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)(B)) is amended to read as follows:

"(B) Any county that was classified as an urban county for at least 2 years pursuant to subparagraph (A), (C), or (D) shall remain classified as an urban county, unless it fails to qualify as an urban county pursuant to subparagraph (A) by reason of the election of any unit of general local government included in such county to have its population excluded under clause (ii)(I)(a) of subparagraph (A) or not to renew a cooperation agreement under clause (ii)(I)(b) of such subparagraph.".

(c) RELINQUISHMENT OF ENTITLEMENT STATUS.—

(1) RELINQUISHMENT BY METROPOLITAN CITY.—Section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)), as amended by subsection (a), is further amended by inserting after the period at the end the following: "Any unit of general local government that was classified as a metropolitan city in any fiscal year, may, upon submission of written notification to the Secretary, relinquish such classification for all purposes under this title if it elects to have its population included with the population of a county for purposes of qualifying for assistance (for such following fiscal year) under section 106 as an urban county under paragraph (6)(D). Any metropolitan city that elects to relinquish its classification under the preceding sentence and whose port authority shipped at least 35,000,000 tons of cargo in 1988, of which iron ore made up at least half, shall not receive, in any fiscal year, a total amount of assistance under section 106 from the urban county recipient that is less than the city would have received if it had not relinquished the classification under the preceding sentence".

(2) INCLUSION WITH URBAN COUNTY.—Section 102(a)(6)(D) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(6)(D)) is amended—

(A) in clause (ii), by striking "or" at the end;

(B) in clause (iii), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following new clause:

"(iv) has entered into a local cooperation agreement with a metropolitan city that received assistance under section 106 because of such classification, and has elected under paragraph (4) to have its population included with the population of the county for purposes of qualifying as an urban county; except that to qualify as an urban county under this clause (I) the county must have a combined population of not less than 195,000, (II) more than 15 percent of the residents of the county shall be 60 years of age or older (according to the most recent decennial census data), (III) not less than 20 percent of the total personal income in the county shall be from pensions, social security, disability, and other transfer programs, and (IV) not less than 40 percent of the land within the county shall be publicly owned and not subject to property tax levies.".

(3) APPLICABILITY.—The amendments made by this subsection shall apply with respect to assistance under title I of the Housing and Community Development Act of 1974 for fiscal year 1991 and any fiscal year thereafter.

SEC. 904. ALLOCATION FORMULA IN CASES OF ANNEXATION.

(a) IN GENERAL.—Section 102(a)(12) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(12)) is amended by inserting after the period at the end the following new sentence: "Where the boundaries for a metropolitan city or urban county used for the 1980 census have changed as a result of annexation, the current population used to compute extent of growth lag shall be adjusted by multiplying the current population by the ratio of the population based on the 1980 census within the boundaries used for the 1980 census to the population based on the 1980 census within the current boundaries.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to the first allocation of assistance under section 106 that is made after the date of the enactment of this Act and to each allocation thereafter.

SEC. 905. HOUSING AFFORDABILITY STRATEGY REQUIREMENT.

Section 104(c) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(c)) is amended to read as follows:

"(c) A grant may be made under section 106(b) only if the unit of general local government certifies that it is following—

"(1) a current housing affordability strategy which has been approved by the Secretary in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act, or

"(2) a housing assistance plan which was approved by the Secretary during the 180-day period beginning on the date of enactment of the Cranston-Gonzalez National Affordable Housing Act, or during such longer period as may be prescribed by the Secretary in any case for good cause.".

SEC. 906. PROTECTION OF INDIVIDUALS ENGAGING IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS.

Section 104 of the Housing and Community Development Act of 1974 (42 U.S.C. 5304) is amended by adding at the end the following new subsection:

"(l) PROTECTION OF INDIVIDUALS ENGAGING IN NON-VIOLENT CIVIL RIGHTS DEMONSTRATIONS.—No funds authorized to be appropriated under section 103 of this Act may be obligated or expended to any unit of general local government that—

"(1) fails to adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; or

"(2) fails to adopt and enforce a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstration within its jurisdiction.".

SEC. 907. CDBG ELIGIBLE ACTIVITIES.

(a) ECONOMIC DEVELOPMENT PROJECTS THROUGH FOR-PROFIT ENTITIES.—Section 105(a)(17) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(17)) is amended to read as follows:

"(17) provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that—

"(A) creates or retains jobs for low- and moderate-income persons;

"(B) prevents or eliminates slums and blight;

"(C) meets urgent needs;

"(D) creates or retains businesses owned by community residents;

"(E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or

"(F) provides technical assistance to promote any of the activities under subparagraphs (A) through (E);".

(b) DIRECT HOMEOWNERSHIP ASSISTANCE.—

(1) IN GENERAL.—Section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(A) in paragraph (18), by striking "and" at the end;

(B) in paragraph (19), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(20) provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph (8)) by using such assistance to—

"(A) subsidize interest rates and mortgage principal amounts for low- and moderate-income homebuyers;

"(B) finance the acquisition by low- and moderate-income homebuyers of housing that is occupied by the homebuyers;

"(C) acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage

financing and grantees under this title may not directly provide such guarantees);

"(D) provide up to 50 percent of any downpayment required from low- or moderate-income homebuyer; or

"(E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by a low- or moderate-income homebuyers.".

(2) TERMINATION.—Effective on October 1, 1992 (or October 1, 1993, if the Secretary determines that such later date is necessary to continue to provide homeownership assistance until homeownership assistance is available under title II of the Cranston-Gonzalez National Affordable Housing Act), section 105(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)) is amended—

(A) in paragraph (18), by inserting "and" at the end;

(B) in paragraph (19), by striking "; and" at the end and inserting a period; and

(C) by striking paragraph (20).

SEC. 908. PUBLIC SERVICES.

(a) STATEWIDE CEILING.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by inserting after "unit of general local government" the third time it appears "(or in the case of nonentitled communities not more than 15 per centum statewide)".

(b) PROGRAM INCOME.—Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by inserting after "under this title" the second place it appears "including program income".

SEC. 909. AUTHORITY TO PROVIDE LUMP-SUM PAYMENTS TO REVOLVING LOAN FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, units of general local government receiving assistance under title I of the Housing and Community Development Act of 1974 may receive funds in one payment for use in establishing or supplementing revolving loan funds in the manner provided under section 104(h) of such Act (42 U.S.C. 5304(h)).

(b) APPLICABILITY.—This section shall apply to funds approved in appropriations Acts for use under title I of the Housing and Community Development Act of 1974 for fiscal year 1992 and any fiscal year thereafter.

SEC. 910. COMMUNITY DEVELOPMENT LOAN GUARANTEES.

(a) STATEMENT OF PURPOSE AND OBJECTIVES.—

(1) PURPOSES.—The purposes of the amendments made by this section are—

(A) to reaffirm the commitment of the Federal Government to assist local governments in their efforts in stimulating economic and community development activities needed to combat severe economic distress and to help in promoting economic development activities needed to aid in economic recovery; and

(B) to promote revitalization and development projects undertaken by local governments that principally benefit persons of low and moderate income, the elimination of slums and blight, and to meet urgent community needs, with special priority for projects located in areas designated as enterprise zones by the Federal Government or by any State.

(2) OBJECTIVES.—In order to further the purpose described in paragraph (1), activities undertaken pursuant to the amendments made by this section shall be directed toward meeting the objectives set forth in sections 101(c) and 104(b)(3) of the Housing and Community Development Act of 1974 (42 U.S.C. 5301(c) and 5304(b)(3)) and the additional objectives of—

(A) encouraging local governments to establish public-private partnerships;

(B) preserving housing affordable for persons of low and moderate income; and

(C) creating permanent employment opportunities, primarily for persons of low and moderate income.

(b) GUARANTEE OF LOANS ISSUED BY NONENTITLEMENT COMMUNITIES AND TERRITORIES.—

(1) ELIGIBILITY.—

(A) IN GENERAL.—Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308) is amended by striking "unit of general local government" or "units of general local government" each place such terms appear and inserting "eligible public entity" or "eligible public entities", respectively.

(B) CONFORMING AMENDMENT.—Section 108(h) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(h)) is amended by striking "unit or agency" and inserting "entity or agency".

(2) GUARANTEE OF HOUSING CONSTRUCTION AND OTHER LOANS.—Section 108(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(a)) is amended in the first sentence—

(A) by striking "; or" and inserting a semicolon; and

(B) by inserting before the period at the end the following: "; or (4) construction of housing by nonprofit organizations for homeownership under section 17(d) of the United States Housing Act of 1937 or title VI of the Housing and Community Development Act of 1987".

(3) STATE ASSISTANCE IN APPLICATIONS.—Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308) is amended by adding at the end the following new subsection:

"(n) Any State that has elected under section 104(d)(2)(A) to distribute funds to units of general local government in nonentitlement areas may assist such units in the submission of applications for guarantees under this section.".

(4) STATE GRANTS AS SECURITY.—

(A) IN GENERAL.—Section 108(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(d)) is amended—

(i) by inserting "(1)" after "(d)";

(ii) by redesignating paragraphs (1), (2), and (3), as subparagraphs (A), (B), and (C), respectively; and

(iii) by adding at the end the following new paragraph:

"(2) To assist in assuring the repayment of notes or other obligations and charges incurred under this section, a State shall pledge any grant for which the State may become eligible under this title as security for notes or other obligations and charges issued under this section by any unit of general local government in a nonentitlement area in the State.".

(B) REPAYMENTS.—Section 108(e) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(e)) is amended by striking "subsection (d)(2)" and inserting "paragraphs (1)(B) and (2) of subsection (d)".

(5) DEFINITION.—Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308) (as previously amended by this section) is further amended by adding at the end the following new subsection:

"(o) For purposes of this section, the term 'eligible public entity' means any unit of general local government, including units of general local government in nonentitlement areas.".

(c) LOAN REPAYMENT PERIOD.—Section 108(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(a)), as amended by the preceding provisions of this Act, is further amended by inserting after the third sentence the following: "The Secretary may not deny a guarantee under this section on the basis of the proposed repayment period for the note or other obligation, unless the period is more than 20 years or the Secretary determines that the period causes the guarantee to constitute an unacceptable financial risk.".

(d) OUTSTANDING LOAN GUARANTEE AMOUNT PER ISSUER.—Section 108(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(b)) is amended—

(1) by inserting after "this section" the following: "(excluding any amount defeased under the contract entered into under subsection (d)(1)(A))";

(2) by striking "three" and inserting "5"; and

(3) by inserting "or 107" after "section 106".

(e) ALLOCATION OF LOAN GUARANTEES AND MONITORING OF AMOUNT GUARANTEED FOR EACH COMMUNITY.—

(1) ALLOCATION OF GUARANTEES.—Section 108(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new sentence: "Of the amount approved in any appropriation Act for guarantees under this section in any fiscal year, the Secretary shall allocate 70 percent for guarantees for metropolitan cities, urban counties, and Indian tribes and 30 percent for guarantees for units of general local government in nonentitlement areas. The Secretary may waive the percentage requirements of the preceding sentence in any fiscal year only to the extent that there is an absence of qualified applicants or proposed activities from metropolitan cities, urban counties, and Indian tribes or units of general local government in nonentitlement areas.".

(2) MONITORING OF GUARANTEES PER COMMUNITY.—Section 108(k) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(k)) is amended—

(A) by inserting "(1)" after "(k)"; and

(B) by adding at the end the following new paragraph:

"(2) The Secretary shall monitor the use of guarantees under this section by eligible public entities. If the Secretary finds that 50 percent of the aggregate guarantee authority has been committed, the Secretary may—

"(A) impose limitations on the amount of guarantees any one entity may receive in any fiscal year of $35,000,000 for units of general local government receiving grants under section 106(b) and $7,000,000 for units of general local government receiving grants under section 106(d); or

"(B) request the enactment of legislation increasing the aggregate limitation on guarantees under this section.".

(f) DEBT PAYMENT ASSISTANCE.—Section 108(h) of the Housing and Community Development Act of 1974 (42 U.S.C. 5308(h)) is amended by adding at the end the following: "The Secretary may also, to the extent approved in appropriation Acts, assist the issuer of a note or other obligation guaranteed under this section in the payment of all or a portion of the principal and interest amount due under the note or other obligation, if the Secretary determines that the issuer is unable to pay the amount because

of circumstances of extreme hardship beyond the control of the issuer.".

(g) TRAINING AND INFORMATION.—Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. 5308) (as previously amended by this Act) is further amended by adding at the end the following new subsection:

"(p)(1) The Secretary, in cooperation with eligible public entities, shall carry out training and information activities with respect to the guarantee program under this section. Such activities shall commence not later than 1 year after the date of the enactment of the Housing and Community Development Act of 1990.

"(2) The Secretary may use amounts set aside under section 107 to carry out this subsection.".

(h) ANNUAL REPORT.—Section 113(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5313(a)) is amended—

(1) in paragraph (2), by striking "and";

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(4) a description of the activities carried out under section 108.".

(i) REGULATIONS.—To carry out the amendments made by this section, the Secretary of Housing and Urban Development shall—

(1) issue proposed regulations not later than 90 days after the date of the enactment of this Act; and

(2) issue final regulations not later than 180 days after the date of the enactment of this Act.

SEC. 911. HAWAIIAN HOME LANDS.

Section 109 of the Housing and Community Development Act of 1974 (42 U.S.C. 5309) is amended by adding at the end the following new subsection:

"(d) The provisions of this section and section 104(b)(2) which relate to discrimination on the basis of race shall not apply to the provision of assistance by grantees under this title to the Hawaiian Home Lands.".

SEC. 912. PROHIBITION OF DISCRIMINATION ON BASIS OF RELIGION UNDER CDBG PROGRAM.

(a) IN GENERAL.—Section 109(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5309(a)) is amended by inserting "religion," after "national origin,".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to conduct relating to discrimination occurring after the date of the enactment of this Act.

SEC. 913. TECHNICAL CORRECTIONS REGARDING CDBG FOR INDIAN TRIBES.

(a) INAPPLICABILITY OF LOW AND MODERATE INCOME REQUIREMENTS.—Section 101(c) of the Housing and Community Development Act of 1974 (42 U.S.C. 5301(c)) is amended by inserting "to States and units of general local government" after "Federal assistance provided" the first place it appears.

(b) ALLOCATION AND DISTRIBUTION OF FUNDS.—

(1) SET-ASIDE FOR INDIAN TRIBES.—

(A) REPEAL.—Section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(b)) is amended by striking paragraph (7).

(B) REPLACEMENT.—Section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306) is amended by striking "SEC. 106. (a)" and all that follows through the end of subsection (a) and inserting the following:

"SEC. 106. (a)(1) For each fiscal year, of the amount approved in an appropriation Act under section 103 for grants in any year (excluding the amounts provided for use in accordance with section 107), the Secretary shall reserve for grants to Indian tribes 1 percent of the amount appropriated under such section. The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and public comment. Notwithstanding any other provision of this Act, such grants to Indian tribes shall not be subject to the requirements of section 104, except subsections (f), (g), and (k) of such section.

"(2) After reserving such amounts for Indian tribes, the Secretary shall allocate amounts provided for use under section 107.

"(3) Of the amount remaining after allocations pursuant to paragraphs (1) and (2), 70 percent shall be allocated by the Secretary to metropolitan cities and urban counties. Except as otherwise specifically authorized, each metropolitan city and urban county shall be entitled to an annual grant from such allocation in an amount not exceeding its basic amount computed pursuant to paragraph (1) or (2) of subsection (b).".

(2) ALLOCATION TO METROPOLITAN CITIES AND URBAN COUNTIES.—Paragraphs (1) and (2) of section 106(b) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(b)) are amended by striking "After taking into account the set-aside for Indian tribes under paragraph (7), the" each place it appears and inserting "The" in each place.

(3) ALLOCATION TO NONENTITLEMENT AREAS.—Section 106(d)(1) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(d)(1)) is amended by striking "section 107 and section 119" and inserting in lieu thereof "section 106(a)(1) and (2)".

(c) PROGRAM REQUIREMENTS FOR GRANTS TO INDIAN TRIBES.—Section 107(e)(2) of the Housing and Community Development Act of 1974 (42 U.S.C. 5307(e)(2)) is amended by inserting ", section 106(a)(1)," after "this section".

(d) ADMINISTRATION OF GRANTS TO INDIAN TRIBES.—Section 702(c) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 5306 note) is repealed.

(e) APPLICABILTY OF HUD REFORM ACT.—Section 702(e) of the Department of Housing and Development Reform Act of 1989 (42 U.S.C. 5306 note) is amended by striking "1991" and inserting "1990".

(f) APPLICABILTY.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to amounts approved in any appropriation Act under section 103 of the Housing and Community Development Act of 1974 for fiscal year 1990 and each fiscal year thereafter.

(2) GRANTS IN FISCAL YEAR 1990.—The Secretary of Housing and Urban Development may make grants to Indian tribes pursuant to the amendments made by this section with any amounts approved in any appropriation Act under section 103 for fiscal year 1990 for grants to Indian tribes, and the first sentence of section 106(a)(1) of the Housing and Community Development Act of 1974 (as amended by this Act) shall not apply to such grants.

SEC. 914. URBAN HOMESTEADING.

(a) ACQUISITION OF PROPERTIES FROM THE RESOLUTION TRUST CORPORATION.—Section 810 of the Housing and Community Development Act of 1974 (12 U.S.C. 1706e) is amended—

(1) by redesignating subsections (l), (m), and (n) as subsections (m), (n), and (o), respectively; and

(2) by inserting after subsection (k) the following new subsection:

"(l)(1) The Secretary may acquire from the Resolution Trust Corporation eligible single family properties (as such term is defined in section 21A(c)(9)(F) of the Federal Home Loan Bank Act), in bulk (as agreed to by the Secretary and the Resolution Trust Corporation), for transfer to units of general local government or a State, or qualified community organizations or public agencies designated by a unit of general local government or a State, for use in connection with urban homesteading programs approved by the Secretary under this section and other disposition as provided under this subsection. Such properties shall be suitable for use in connection with approved urban homesteading programs, as determined by the Secretary.

"(2) The acquisition price paid by the Secretary to the Resolution Trust Corporation for properties under paragraph (1) shall be in an amount to be agreed upon by the Secretary and the Resolution Trust Corporation for each property and shall include discounts for bulk purchase and for the estimated costs and other expenses of the Secretary related to holding a property until its transfer for use in connection with an urban homesteading program or other disposition under this subsection. Notwithstanding the preceding sentence, the price paid by the Secretary for acquisition of a property under this subsection may not exceed 50 percent of the fair market value of the property, as valued individually.

"(3) If a unit of general local government, State, community organization, or public agency cannot make timely use under an urban homesteading program of a property acquired by the Secretary under this subsection, or if the property is found to be unsuitable for such use after acquisition, the Secretary may deal with, complete, rent, secure, repair, renovate, modernize, insure, or sell for cash or credit (at a price determined by the Secretary), in the discretion of the Secretary, any property purchased under this subsection. The Secretary may use the proceeds from any sales to offset any costs or other expenses related to holding properties acquired under this subsection.

"(4) After determining suitability of property under paragraph (1), the Secretary may acquire property from the Resolution Trust Corporation for more than the maximum amount that the Secretary, by regulation, has established for reimbursement for properties transferred for urban homesteading uses under this section. The local government, State, organization, or agency administering the urban homesteading program under which an individual or family receives such a property shall pay to the Secretary (in a manner as the Secretary shall provide) the amount by which the acquisition price paid by the Secretary to the Resolution Trust Corporation is greater than such maximum amount. The local government, State, or organization or agency may recover some or all of the amount paid to the Secretary by the administering agency, as the Secretary shall provide. Any property acquired pursuant to this subsection may be transferred, under an urban homesteading program under this section, only to individuals and families who are lower income families (as such term is defined in subsection (h)(3)).

"(5) For purposes of this subsection, a bulk acquisition of properties shall involve not less than 100 properties.

"(6) In using properties acquired under this subsection, each urban homesteading program shall provide for preference in conveying such properties under the program to residents of public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937) who meet all eligibility criteria under this section.".

(b) NEIGHBORHOOD IMPROVEMENT STRATEGY.—Section 810(b)(6) of the Housing and Community Development Act of 1974 (12 U.S.C. 1706e(b)(6)) is amended by striking the period at the end and inserting the following: ", except that this paragraph shall not apply with respect to any group of 10 or less properties obtained for use under an urban homesteading program if the properties (A) are located in any single census tract, and (B) were acquired by the Secretary from the Resolution Trust Corporation pursuant to subsection (l).".

(c) RTC DISPOSITION PROCEDURES.—Section 21A(c)(6) of the Federal Home Loan Bank Act (12 U.S.C. 1441a(c)(6)), as amended by section 804 of this Act, is further amended by adding at the end the following new subparagraph:

"(E) URBAN HOMESTEADING ACQUISITION.—

"(i) In providing for bulk acquisition of eligible single family properties by the Secretary under section 810(l) of the Housing and Community Development Act of 1974 and by participating jurisdictions for inclusion in affordable housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act, the Corporation shall agree to an amount to be paid for acquisition of such properties. The acquisition price shall include discounts for bulk purchase and for holding of the property such that the acquisition price for each property shall not exceed 50 percent of the fair market value of the property, as valued individually.

"(ii) To the extent necessary to facilitate sale of properties to the Secretary and participating jurisdictions, the requirements of paragraphs (2), (5), and (6)(A) of this subsection shall not apply to such transactions and property involved in such transactions.

"(iii) To facilitate acquisitions by the Secretary and participating jurisdictions, the Corporation shall provide the Secretary and participating jurisdictions with an inventory of eligible single family properties, not less than 4 times each year.".

SEC. 915. NEIGHBORHOOD DEVELOPMENT DEMONSTRATION.

Section 123(g) of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 5318 note) is amended to read as follows:

"(g) To the extent provided in appropriations Acts, of the amounts made available for assistance under section 103 of the Housing and Community Development Act of 1974, $2,000,000 for fiscal year 1991 and $2,000,000 for fiscal year 1992 shall be available to carry out this section.".

SEC. 916. CDBG ASSISTANCE FOR UNITED STATES-MEXICO BORDER REGION.

(a) SET-ASIDE FOR COLONIAS.—The States of Arizona, California, New Mexico, and Texas shall each make available, for activities designed to meet the needs of the residents of colonias in the State relating to water, sewage, and housing, the following percentage of the amount allocated for the State under section 106(d) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306(d)):

(1) FIRST FISCAL YEAR.—For the first fiscal year to which this section applies, 10 percent.

(2) SUCCEEDING FISCAL YEARS.—For each of the succeeding fiscal years to which this section applies, a percentage (not to exceed 10 percent) that is determined by the Secretary of Housing and Urban Development to be appropriate after consultation with representatives of the interests of the residents of colonias.

(b) ELIGIBLE ACTIVITIES.—Assistance distributed pursuant to this section may be used only to carry out the following activities:

(1) PLANNING.—Payment of the cost of planning community development (including water and sewage facilities) and housing activities, including the cost of—

(A) the provision of information and technical assistance to residents of the area in which the activities are to be concentrated and to appropriate nonprofit organizations and public agencies acting on behalf of the residents; and

(B) preliminary surveys and analyses of market needs, preliminary site engineering and architectural services, site options, applications, mortgage commitments, legal services, and obtaining construction loans.

(2) ASSESSMENTS FOR PUBLIC IMPROVEMENTS.—The payment of assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.

(c) DISTRIBUTION OF ASSISTANCE.—Assistance shall be made available pursuant to this section in accordance with a distribution plan that gives priority to colonias having the greatest need for such assistance.

(d) APPLICABLE LAW.—Except to the extent inconsistent with this section, assistance provided pursuant to this section shall be subject to the provisions of title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

(e) DEFINITIONS.—For purposes of this section:

(1) COLONIA.—The term "colonia" means any identifiable community that—

(A) is in the State of Arizona, California, New Mexico, or Texas;

(B) is in the United States-Mexico border region;

(C) is designated by the State or county in which it is located as a colonia;

(D) is determined to be a colonia on the basis of objective criteria, including lack of potable water supply, lack of adequate sewage systems, and lack of decent, safe, and sanitary housing; and

(E) was in existence and generally recognized as a colonia before the date of the enactment of this Act.

(2) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means an organization described in section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.

(3) PERSONS OF LOW AND MODERATE INCOME.—The term "persons of low and moderate income" has the meaning given the term in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

(4) UNITED STATES-MEXICO BORDER REGION.—The term "United States-Mexico border region" means the area of the United States within 150 miles of the border between the United States and Mexico, except that the term does not include any standard metropolitan statistical area that has a population exceeding 1,000,000.

(f) APPLICABILITY.—This Act shall apply only with respect to fiscal years 1991, 1992, and 1993.

SEC. 917. NEIGHBORHOOD REINVESTMENT CORPORATION.

(a) FINDINGS.—The Congress finds that—

(1) protecting the existing stock of unsubsidized privately held lower income housing through the rehabilitation and revitalization of declining neighborhoods is essential to a national housing policy that seeks to increase the availability of affordable housing for low- and moderate-income families;

(2) the Neighborhood Reinvestment Corporation, the anchor of the national neighborhood housing services network, was chartered by Congress more than 10 years ago to revitalize neighborhoods for the benefit of current residents by mobilizing public, private, and community resources at the neighborhood level;

(3) the national neighborhood housing services network has proven its worth as a successful cost-effective program relying largely on local initiative for the specific design of local programs;

(4) the national neighborhood housing services network has had more than 10 years of experience in revitalizing declining neighborhoods, creating housing for low- and moderate-income families, and equipping residents with skills and resources required to maintain safe and healthy communities; and

(5) expanding upon the existing capabilities, resources, and potential of the national neighborhood housing services network is a cost-effective response to the affordable housing and neighborhood revitalization needs confronting the Nation, and is a strong preventive measure in addressing the national tragedy of homelessness.

(b) PURPOSE.—It is the purpose of this section to authorize appropriations for the Neighborhood Reinvestment Corporation for fiscal years 1991 and 1992 to permit the corporation—

(1) to carefully expand the capacities of the national neighborhood housing services network;

(2) to begin to meet the urgent need for neighborhood housing services and mutual housing associations in neighborhoods across the Nation as the effort to preserve affordable housing for low- and moderate-income American families increases;

(3) to increase and provide ongoing technical and capacity development assistance to neighborhood housing services and related public-private partnership-based nonprofit institutions involved in the revitalization of neighborhoods for the benefit of current residents, rehabilitation, preservation of existing housing stock, and production of additional housing opportunities for low- and moderate-income families;

(4) to expand the loan purchase capacity of the national neighborhood housing services secondary market, operated by Neighborhood Housing Services of America, for loans made by neighborhood housing services to residents who are unable to meet conventional lending standards, and other loans for community development purposes;

(5) to provide increased capacity development and matching grants to preserve existing privately held unsubsidized rental housing affordable to low- and moderate-income households and to create flexible strategies effective in the diverse economic and geographic environments of the Nation;

(6) to make grants to provide incentives to extend low-income housing use in connection with properties subject to prepayment pursuant to the Low-Income Housing Preservation and Resident Ownership Act of 1990;

(7) to increase the resources available to neighborhood housing services network programs for the purchase of multifamily and single-family properties owned by the Secretary of Housing and Urban Development for rehabilitation (if necessary) and sale to low- and moderate-income families;

(8) to expand the national mutual housing association demonstration by providing technical assistance and matching grants to assist low- and moderate-income families to participate in such associations;

(9) to increase resources available to neighborhood housing services network programs for foreclosure intervention and prevention; and

(10) to create additional neighborhood housing services partnership organizations to serve rural communities, Native Americans, Native Hawaiians, and other communities in need.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 608(a) of the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8107(a)) is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the corporation to carry out this title $35,000,000 for fiscal year 1991 and $36,500,000 for fiscal year 1992. Not more than 15 percent of any amount appropriated under this paragraph for any fiscal year may be used for administrative expenses.

"(2) Of the amount appropriated pursuant to this subsection for each of the fiscal years 1991 and 1992, amounts appropriated in excess of the amount necessary to continue existing services of the Neighborhood Reinvestment Corporation in revitalizing declining neighborhoods shall be available—

"(A) to expand the national neighborhood housing services network and to assist network capacity development, including expansion of rental housing resources;

"(B) to expand the loan purchase capacity of the national neighborhood housing services secondary market operated by Neighborhood Housing Services of America;

"(C) to make grants to provide incentives to extend low-income housing use in connection with properties subject to prepayment pursuant to the Low-Income Housing Preservation and Resident Ownership Act of 1990;

"(D) to increase the resources available to the national neighborhood housing services network programs for the purchase of multifamily and single-family properties owned by the Secretary of Housing and Urban Development for rehabilitation (if necessary) and sale to low- and moderate-income families; and

"(E) to provide matching capital grants, operating subsidies, and technical services to mutual housing associations for the development, acquisition, and rehabilitation of multifamily and single-family properties (including properties owned by the Secretary of Housing and Urban Development) to ensure affordability by low- and moderate-income families.".

SEC. 918. USE OF URBAN RENEWAL LAND DISPOSITION PROCEEDS AND CERTAIN OTHER COMMUNITY DEVELOPMENT AND PUBLIC FACILITY FUNDS.

(a) LUZERNE COUNTY, PENNSYLVANIA.—Notwithstanding any other provision of law or other requirement, the city of Nanticoke, the Borough of Plymouth, and the Borough of Forty Fort, all in the county of Luzerne and in the State of Pennsylvania, are authorized to retain any categorical settlement grant funds or urban renewal grant funds that remain after the financial closeout of the Lower Broadway Disaster Urban Renewal Project (No. B-79-UR-42-0001) in the city of Nanticoke, the Plymouth Disaster Urban Renewal Project (No. PA-R-617 and No. B-79-UR-42-0007) in the borough of Plymouth, and the Forty Fort Disaster Urban Renewal Project (No. PA-R-613 and No. B-79-UR-42-0003) in the borough of Forty Fort, respectively, and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The city of Nanticoke, the borough of Plymouth, and the borough of Forty Fort shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this subsection, all past and future earnings from such funds, including any interest.

(b) VALLEJO, CALIFORNIA.—Notwithstanding any other provision of law or other requirement, the city of Vallejo, California, is authorized to retain any land disposition proceeds or urban renewal grant funds that remain after the financial closeout of the Marina Vista Urban Renewal Project, and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The city of Vallejo shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this subsection, all past and future earnings from such funds, including any interest.

(c) NEW HAVEN, CONNECTICUT.—Notwithstanding any other provision of law or other requirement, the city of New Haven, Connecticut, is authorized to retain any land disposition proceeds or urban renewal grant funds that remain after the financial closeout of the Church Street Urban Renewal Project (No. Conn. R-2), and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The city of New Haven shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this subsection, all past and future earnings from such funds, including any interest.

(d) LEBANON, PENNSYLVANIA.—Notwithstanding any other provision of law or other requirement, the city of Lebanon, Pennsylvania, is authorized to retain any land disposition proceeds or urban renewal grant funds that remain after the financial closeout of the Southside Urban Renewal Project (No. R-635(C)), and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The city of Lebanon shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this subsection, all past and future earnings from such funds, including any interest.

(e) EAST STROUDSBURG, PENNSYLVANIA.—Notwithstanding any other provision of law or other requirement, the Borough of East Stroudsburg, Pennsylvania, is authorized to retain any land disposition proceeds from the financial closeout of the Courtland Plaza Urban Renewal Project (No. PA-R-352) not paid to the Department of Housing and Urban Development, and to use such proceeds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The Borough of East Stroudsburg shall retain such proceeds in a lump sum and shall be entitled to retain and use, in accordance with this subsection, all past and future earnings from such proceeds, including any interest.

(f) FAIRMOUNT HEIGHTS, MARYLAND.—Notwithstanding any other provision of law or other requirement, the Secretary of Housing and Urban Development shall cancel the indebtedness of the Town of Fairmount Heights, Maryland, relating to the public facilities loan (project number MD-18-PFL003) issued July 1, 1969, under title II of the Housing Amendments of 1965. The Town of Fairmount Heights is relieved of all liability to the Federal Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection with such loan.

(g) NEWBURYPORT, LAWRENCE, AND MALDEN, MASSACHUSETTS.—Notwithstanding any other provision of law or other requirement, the cities of Newburyport, Lawrence, and Malden, all in Massachusetts, are authorized to retain any categorical settlement grant funds or urban renewal grant funds that remain after the financial closeout of the Central Business Urban Renewal Project (No. MASS-R-80) in the city of Newburyport, the Theatre Row Redevelopment Project (No. MASS-R-61) in the city of Lawrence, and the Civic Center Urban Renewal Project (No. MASS-R-118) in the city of Malden, respectively, and to use such funds in accordance with the requirements of the community development block grant program specified in title I of the Housing and Community Development Act of 1974. The cities of Newburyport, Lawrence, and Malden shall retain such funds in a lump sum and shall be entitled to retain and use, in accordance with this subsection, all past and future earnings from such funds, including any interest.

(h) BUDGET COMPLIANCE.—This section shall be effective only to the extent provided in appropriations Acts.

SEC. 919. STUDY REGARDING AVAILABILITY OF HOUSING PROXIMATE TO PLACES OF EMPLOYMENT.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall conduct a study regarding the availability of housing within reasonable proximity of places of employment. The study shall—

(1) identify causes of, and factors relating to, the geographic divergence of available housing for low- and moderate-income families from places of employment for working members of such families; and

(2) propose methods for preventing such divergence and for providing housing within reasonable proximity of places of employment, without promoting establishment of cottage industries or housing developments for employees owned or controlled by the employer.

(b) STUDY REQUIREMENTS.—In carrying out the study under this section the Secretary of Housing and Urban Development shall—

(1) use, to the extent available and practicable, existing regional plans and strategies developed or implemented by public, private, and nonprofit environmental organizations and regulatory entities;

(2) select and analyze one particular region of the Nation or one State in which employment opportunities are available, relative to the remainder of the Nation, but for

which lack of available housing is an acute problem; and

(3) give priority to analysis of regions and metropolitan areas not complying with Federal laws and regulations relating to clean air standards.

(c) REPORT.—Not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate a report containing the results and conclusions of the study conducted under this section. The report shall also contain proposed strategies for adoption by local, regional, and State governmental agencies, in consultation with nonprofit organizations, to increase the availability of housing for low- and moderate-income families within reasonable proximity of places of employment for working members of such families and prevent the geographical divergence of such housing and places of employment.

SEC. 920. ALLOCATION OF FUNDS UNDER TITLE I OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.

The Secretary of Housing and Urban Development shall, not later than July 1, 1991, report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives with respect to the adequacy, effectiveness, and equity of the formula used for allocations of funds under title I of the Housing and Community Development Act of 1974, with specific analysis and recommendations concerning the structure of the formulas, the eligibility criteria, the formula factors, and the weights that are assigned to the formula factors. The study should specifically examine the appropriateness of using the age of housing as a factor and also consider quality of housing as an additional factor and the desirability of including at an equal or greater weight the age of housing and the quality of housing. Based on the Secretary's analysis, the Secretary shall submit a new formula for the allocation of funds if the Secretary determines that the study indicates that a new formula is required to meet the purposes of title I of the Housing and Community Development Act of 1974. The Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives shall hold hearings on the Secretary's recommendations not later than 60 days after receipt of the report. The study shall be completed using the data derived from the 1990 census.

SEC. 921. STUDY ON TURNING DRUG ZONES INTO OPPORTUNITY ZONES.

Within 90 days from the date of enactment of this Act, the Secretary of Housing and Urban Development shall conduct a study and report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking, Finance and Urban Affairs of the House of Representatives, on ways in which areas ravaged by drug trade, drug related crime and drug abuse may be made more attractive as investment locations for companies, including the provision of special incentives to encourage companies to invest in these areas, in order to provide economic opportunity within communities to the residents of these communities.

SEC. 922. COMMUNITY DEVELOPMENT PLANS.

Section 104 of the Housing and Community Development Act of 1974 (42 U.S.C. 5304) is amended by adding at the end the following new subsection:

"(1) COMMUNITY DEVELOPMENT PLANS.—

"(1) IN GENERAL.—Prior to the receipt in any fiscal year of a grant from the Secretary under subsection (b), (d)(1), or (d)(2)(B) of section 106, each recipient shall have prepared and submitted in accordance with this subsection and in such standardized form as the Secretary shall, by regulation, prescribe a description of its nonhousing community development needs and strategies for meeting those needs.

"(2) LOCAL GOVERNMENTS.—In the case of a recipient that is a unit of general local government—

"(A) prior to the submission required by paragraph (1), the recipient shall consult with adjacent units of general local government and hold one or more public hearings to obtain the views of citizens on community development needs; and

"(B) the description required under paragraph (1) shall be submitted to the Secretary, the State, and any other unit of general local government within which the recipient is located, in such standardized form as the Secretary shall, by regulation, prescribe.

"(3) STATES.—In the case of a recipient that is a State, the description required in paragraph (1)—

"(A) shall include only the needs and strategies to meet those needs within the State that affect more than one unit of general local government;

"(B) shall include the needs and strategies to meet those needs of units of local government within the State which are eligible for a distribution under subsection (d)(2)(A) of section 106; and

"(C) shall be submitted to the Secretary in such standard form as the Secretary, by regulation, shall prescribe.

"(4) EFFECT OF SUBMISSION.—A submission under this subsection shall not be binding with respect to the use or distribution of amounts received under section 106.".

Subtitle B—Disaster Relief

SEC. 931. SECTION 8 CERTIFICATES AND VOUCHERS.

The budget authority available under section 5(c) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)) for assistance under the certificate and voucher programs under sections 8 (b) and (o) of such Act is authorized to be increased in any fiscal year in which a major disaster is declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in such amounts as may be necessary to provide assistance under such programs for individuals and families whose housing has been damaged or destroyed as a result of such disaster, except that in implementing this section, the Secretary shall evaluate the natural hazards to which any permanent replacement housing is exposed and shall take appropriate action to mitigate such hazards.

SEC. 932. MODERATE REHABILITATION.

The budget authority available under section 5(c) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)) for assistance under the moderate rehabilitation program under section 8(e)(2) of such Act is authorized to be increased in any fiscal year in which a major disaster is declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act in such amount as may be necessary to provide assistance under such program for individuals and families whose housing has been damaged or destroyed as a result of such disaster, except that in implementing this section, the Secretary shall evaluate the natural hazards to which any permanent replacement housing is exposed and shall take appropriate action to mitigate such hazards.

SEC. 933. COMMUNITY DEVELOPMENT.

Section 106(c) of the Housing and Community Development Act of 1974 (42 U.S.C. 5306) is amended—

(1) in paragraph (1), by striking "paragraph (2)," and inserting "paragraphs (2) and (4),"; and

(2) by adding at the end the following new paragraph:

"(4)(A) Notwithstanding paragraph (1), in the event of a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary shall make available, to metropolitan cities and urban counties located or partially located in the areas affected by the disaster, any amounts that become available as a result of actions under section 104(e) or 111.

"(B) In using any amounts that become available as a result of actions under section 104(e) or 111, the Secretary shall give priority to providing emergency assistance under this paragraph.

"(C) The Secretary may provide assistance to any metropolitan city or urban county under this paragraph only to the extent necessary to meet emergency community development needs, as the Secretary shall determine (subject to subparagraph (D)), of the city or county resulting from the disaster that are not met with amounts otherwise provided under this title, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and other sources of assistance.

"(D) Amounts provided to metropolitan cities and urban counties under this paragraph may be used only for eligible activities under section 105, and in implementing this section, the Secretary shall evaluate the natural hazards to which any permanent replacement housing is exposed and shall take appropriate action to mitigate such hazards.

"(E) The Secretary shall provide for applications (or amended applications and statements under section 104) for assistance under this paragraph.

"(F) A metropolitan city or urban county eligible for assistance under this paragraph may receive such assistance only in each of the fiscal years ending during the 3-year period beginning on the date of the declaration of the disaster by the President.

"(G) This paragraph may not be construed to require the Secretary to reserve any amounts that become available as a result of actions under section 104(e) or 111 for assistance under this paragraph if, when such amounts are to be reallocated under paragraph (1), no metropolitan city or urban county qualifies for assistance under this paragraph.".

SEC. 934. RURAL HOUSING.

Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by adding at the end the following new section:

"DISASTER ASSISTANCE

"SEC. 541. (a) AUTHORITY.—

"(1) IN GENERAL.—Notwithstanding any other provision of this title, in the event of a natural disaster, so declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Secretary shall allocate, for assistance under this section to the States affected for use in

the counties designated as disaster areas and the counties contiguous to such counties, amounts available under this title. Allocations under this section may be made for each of the fiscal years ending during the 3-year period beginning on the declaration of the disaster by the President.

"(2) AMOUNT.—Subject to the availability of amounts pursuant to appropriations Acts, assistance under paragraph (1) shall be made in an amount equal to the product of—

"(A) the sum of the official State estimate of the number of dwelling units in the counties described in paragraph (1) within the eligible service area of the Farmers Home Administration (or otherwise if the Secretary provides for a waiver under subsection (d)) that are destroyed or seriously damaged; and

"(B) 20 percent of the average cost of all dwelling units assisted by the Secretary in the State during the previous 3 years.

"(b) USE.—The assistance made available under this section may be used for the housing purposes authorized under this title, and the Secretary shall issue such regulations as may be necessary to carry out this section to assure the prompt and expeditious use of such funds for the restoration of decent, safe, and sanitary housing within the areas described in subsection (a)(1). In implementing this section, the Secretary shall evaluate the natural hazards to which any permanent replacement housing is exposed and shall take appropriate action to mitigate such hazards.

"(c) ELIGIBILITY.—Notwithstanding any other provision of this title, assistance allocated under this section shall be available to units of general local government and their agencies and to local nonprofit organizations, agencies, and corporations for the construction or rehabilitation of housing for agricultural employees and their families.

"(d) WAIVER OF RURAL AREA REQUIREMENTS.—The Secretary may waive the application of the provisions of section 520 with respect to assistance under this section, as the Secretary considers appropriate.

"(e) RURAL HOUSING INSURANCE FUND.—The Secretary is authorized to advance from the Rural Housing Insurance Fund such sums as may be necessary to meet the requirements of subsection (a)(1), subject to limits previously approved in appropriations Acts.".

Subtitle C—Regulatory Programs

SEC. 941. MORTGAGE SERVICING TRANSFER DISCLOSURE.

The Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2601 et seq.) is amended by inserting after section 5 the following new section:

"SERVICING OF MORTGAGE LOANS AND ADMINISTRATION OF ESCROW ACCOUNTS

"SEC. 6. (a) DISCLOSURE TO APPLICANT RELATING TO ASSIGNMENT, SALE, OR TRANSFER OF LOAN SERVICING.—

"(1) IN GENERAL.—Each person who makes a federally related mortgage loan shall disclose to each person who applies for any such loan, at the time of application for the loan—

"(A) whether the servicing of any such loan may be assigned, sold, or transferred to any other person at any time while such loan is outstanding;

"(B) for each of the most recent 3 calendar years completed (at the time of such application), the percentage (rounded to the nearest quartile) of loans made by such person for which the servicing has been assigned, sold, or transferred as of the end of the most recent calendar year completed, except that—

"(i) for any loan application during the 12-month period beginning on the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, the information disclosed under this subparagraph may be for only the most recent calendar year completed, and for any loan application during the 12-month period beginning 1 year after the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, the information disclosed under this subparagraph may be for the most recent 2 calendar years completed; and

"(ii) this subparagraph may not be construed to require the inclusion, in the percentage disclosed, of any loans the servicing of which has been assigned, sold, or transferred by the person making the loan to a transferee servicer that is an affiliate or subsidiary of such person; and

"(C) if the person who makes the loan does not engage in the servicing of any federally related mortgage loans, that there is a present intent on the part of such person (at the time of such application) to assign, sell, or transfer the servicing of such loan to another person.

"(2) MODEL DISCLOSURE STATEMENTS.—Not later than 90 days after the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall develop a model disclosure statement for notification to applicants under paragraph (1) with respect to servicing procedures, transfer practices and requirements, and complaint resolution. The model statement shall provide for the person originating the loan to disclose their capacity to service loans and the best available estimate of the percentage of all loans made by such person for which the servicing will be assigned, sold, or transferred during the 12-month period beginning upon the origination. The estimate shall be expressed as one of the following range of possibilities—between 0 and 25 percent, between 26 and 50 percent, between 51 and 75 percent, or between 76 and 100 percent. This paragraph may not be construed to require the inclusion, in the estimate disclosed, of any loans the servicing of which will be assigned, sold, or transferred by the person originating the loan to a transferee servicer that is an affiliate or subsidiary of such person.

"(3) SIGNATURE OF APPLICANT.—Any disclosure of the information required under paragraph (1) shall not be effective for purposes of this section unless the disclosure is accompanied by a written statement, in such form as the Secretary shall develop before the expiration of the 90-day period beginning on the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, that the applicant has read and understood the disclosure and that is evidenced by the signature of the applicant at the place where such statement appears in the application.

"(b) NOTICE BY TRANSFEROR OF LOAN SERVICING AT TIME OF TRANSFER.—

"(1) NOTICE REQUIREMENT.—Each servicer of any federally related mortgage loan shall notify the borrower in writing of any assignment, sale, or transfer of the servicing of the loan to any other person.

"(2) TIME OF NOTICE.—

"(A) IN GENERAL.—Except as provided under subparagraphs (B) and (C), the notice required under paragraph (1) shall be made to the borrower not less than 15 days before the effective date of transfer of the servicing of the mortgage loan (with respect to which such notice is made).

"(B) EXCEPTION FOR CERTAIN PROCEEDINGS.—The notice required under paragraph (1) shall be made to the borrower not more than 30 days after the effective date of assignment, sale, or transfer of the servicing of the mortgage loan (with respect to which such notice is made) in any case in which the assignment, sale, or transfer of the servicing of the mortgage loan is preceded by—

"(i) termination of the contract for servicing the loan for cause;

"(ii) commencement of proceedings for bankruptcy of the servicer; or

"(iii) commencement of proceedings by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation for conservatorship or receivership of the servicer (or an entity by which the servicer is owned or controlled).

"(C) EXCEPTION FOR NOTICE PROVIDED AT CLOSING.—The provisions of subparagraphs (A) and (B) shall not apply to any assignment, sale, or transfer of the servicing of any mortgage loan if the person who makes the loan provides to the borrower, at settlement (with respect to the property for which the mortgage loan is made), written notice under paragraph (3) of such transfer.

"(3) CONTENTS OF NOTICE.—The notice required under paragraph (1) shall include the following information:

"(A) The effective date of transfer of the servicing described in such paragraph.

"(B) The name, address, and toll-free or collect call telephone number of the transferee servicer.

"(C) A toll-free or collect call telephone number for (i) an individual employed by the transferor servicer, or (ii) the department of the transferor servicer, that can be contacted by the borrower to answer inquiries relating to the transfer of servicing.

"(D) The name and toll-free or collect call telephone number for (i) an individual employed by the transferee servicer, or (ii) the department of the transferee servicer, that can be contacted by the borrower to answer inquiries relating to the transfer of servicing.

"(E) The date on which the transferor servicer who is servicing the mortgage loan before the assignment, sale, or transfer will cease to accept payments relating to the loan and the date on which the transferee servicer will begin to accept such payments.

"(F) Any information concerning the effect the transfer may have, if any, on the terms of or the continued availability of mortgage life or disability insurance or any other type of optional insurance and what action, if any, the borrower must take to maintain coverage.

"(G) A statement that the assignment, sale, or transfer of the servicing of the mortgage loan does not affect any term or condition of the security instruments other than terms directly related to the servicing of such loan.

"(c) NOTICE BY TRANSFEREE OF LOAN SERVICING AT TIME OF TRANSFER.—

"(1) NOTICE REQUIREMENT.—Each transferee servicer to whom the servicing of any federally related mortgage loan is assigned, sold, or transferred shall notify the borrower of any such assignment, sale, or transfer.

"(2) TIME OF NOTICE.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the notice required under paragraph (1) shall be made to the borrower not more than 15 days after the effective date of transfer of the servicing of the mortgage loan (with respect to which such notice is made).

"(B) EXCEPTION FOR CERTAIN PROCEEDINGS.—The notice required under paragraph (1) shall be made to the borrower not more than 30 days after the effective date of assignment, sale, or transfer of the servicing of the mortgage loan (with respect to which such notice is made) in any case in which the assignment, sale, or transfer of the servicing of the mortgage loan is preceded by—

"(i) termination of the contract for servicing the loan for cause;

"(ii) commencement of proceedings for bankruptcy of the servicer; or

"(iii) commencement of proceedings by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation for conservatorship or receivership of the servicer (or an entity by which the servicer is owned or controlled).

"(C) EXCEPTION FOR NOTICE PROVIDED AT CLOSING.—The provisions of subparagraphs (A) and (B) shall not apply to any assignment, sale, or transfer of the servicing of any mortgage loan if the person who makes the loan provides to the borrower, at settlement (with respect to the property for which the mortgage loan is made), written notice under paragraph (3) of such transfer.

"(3) CONTENTS OF NOTICE.—Any notice required under paragraph (1) shall include the information described in subsection (b)(3).

"(d) TREATMENT OF LOAN PAYMENTS DURING TRANSFER PERIOD.—During the 60-day period beginning on the effective date of transfer of the servicing of any federally related mortgage loan, a late fee may not be imposed on the borrower with respect to any payment on such loan and no such payment may be treated as late for any other purposes, if the payment is received by the transferor servicer (rather than the transferee servicer who should properly receive payment) before the due date applicable to such payment.

"(e) DUTY OF LOAN SERVICER TO RESPOND TO BORROWER INQUIRIES.—

"(1) NOTICE OF RECEIPT OF INQUIRY.—

"(A) IN GENERAL.—If any servicer of a federally related mortgage loan receives a qualified written request from the borrower (or an agent of the borrower) for information relating to the servicing of such loan, the servicer shall provide a written response acknowledging receipt of the correspondence within 20 days (excluding legal public holidays, Saturdays, and Sundays) unless the action requested is taken within such period.

"(B) QUALIFIED WRITTEN REQUEST.—For purposes of this subsection, a qualified written request shall be a written correspondence, other than notice on a payment coupon or other payment medium supplied by the servicer, that—

"(i) includes, or otherwise enables the servicer to identify, the name and account of the borrower; and

"(ii) includes a statement of the reasons for the belief of the borrower, to the extent applicable, that the account is in error or provides sufficient detail to the servicer regarding other information sought by the borrower.

"(2) ACTION WITH RESPECT TO INQUIRY.—Not later than 60 days (excluding legal public holidays, Saturdays, and Sundays) after the receipt from any borrower of any qualified written request under paragraph (1) and, if applicable, before taking any action with respect to the inquiry of the borrower, the servicer shall—

"(A) make appropriate corrections in the account of the borrower, including the crediting of any late charges or penalties, and transmit to the borrower a written notification of such correction (which shall include the name and telephone number of a representative of the servicer who can provide assistance to the borrower);

"(B) after conducting an investigation, provide the borrower with a written explanation or clarification that includes—

"(i) to the extent applicable, a statement of the reasons for which the servicer believes the account of the borrower is correct as determined by the servicer; and

"(ii) the name and telephone number of an individual employed by, or the office or department of, the servicer who can provide assistance to the borrower; or

"(C) after conducting an investigation, provide the borrower with a written explanation or clarification that includes—

"(i) information requested by the borrower or an explanation of why the information requested is unavailable or cannot be obtained by the servicer; and

"(ii) the name and telephone number of an individual employed by, or the office or department of, the servicer who can provide assistance to the borrower.

"(3) PROTECTION OF CREDIT RATING.—During the 60-day period beginning on the date of the servicer's receipt from any borrower of a qualified written request relating to a dispute regarding the borrower's payments, a servicer may not provide information regarding any overdue payment, owed by such borrower and relating to such period or qualified written request, to any consumer reporting agency (as such term is defined under section 603 of the Fair Credit Reporting Act).

"(f) DAMAGES AND COSTS.—Whoever fails to comply with any provision of this section shall be liable to the borrower for each such failure in the following amounts:

"(1) INDIVIDUALS.—In the case of any action by an individual, an amount equal to the sum of—

"(A) any actual damages to the borrower as a result of the failure; and

"(B) any additional damages, as the court may allow, in the case of a pattern or practice of noncompliance with the requirements of this section, in an amount not to exceed $1,000.

"(2) CLASS ACTIONS.—In the case of a class action, an amount equal to the sum of—

"(A) any actual damages to each of the borrowers in the class as a result of the failure; and

"(B) any additional damages, as the court may allow, in the case of a pattern or practice of noncompliance with the requirements of this section, in an amount not greater than $1,000 for each member of the class, except that the total amount of damages under this subparagraph in any class action may not exceed the lesser of—

"(i) $500,000; or

"(ii) 1 percent of the net worth of the servicer.

"(3) COSTS.—In addition to the amounts under paragraph (1) or (2), in the case of any successful action under this section, the costs of the action, together with any attorneys fees incurred in connection with such action as the court may determine to be reasonable under the circumstances.

"(4) NONLIABILITY.—A transferor or transferee servicer shall not be liable under this subsection for any failure to comply with any requirement under this section if, within 60 days after discovering an error (whether pursuant to a final written examination report or the servicer's own procedures) and before the commencement of an action under this subsection and the receipt of written notice of the error from the borrower, the servicer notifies the person concerned of the error and makes whatever adjustments are necessary in the appropriate account to ensure that the person will not be required to pay an amount in excess of any amount that the person otherwise would have paid.

"(g) ADMINISTRATION OF ESCROW ACCOUNTS.—If the terms of any federally related mortgage loan require the borrower to make payments to the servicer of the loan for deposit into an escrow account for the purpose of assuring payment of taxes, insurance premiums, and other charges with respect to the property, the servicer shall make payments from the escrow account for such taxes, insurance premiums, and other charges in a timely manner as such payments become due.

"(h) PREEMPTION OF CONFLICTING STATE LAWS.—Notwithstanding any provision of any law or regulation of any State, a person who makes a federally related mortgage loan or a servicer shall be considered to have complied with the provisions of any such State law or regulation requiring notice to a borrower at the time of application for a loan or transfer of the servicing of a loan if such person or servicer complies with the requirements under this section regarding timing, content, and procedures for notification of the borrower.

"(i) DEFINITIONS.—For purposes of this section:

"(1) EFFECTIVE DATE OF TRANSFER.—The term 'effective date of transfer' means the date on which the mortgage payment of a borrower is first due to the transferee servicer of a mortgage loan pursuant to the assignment, sale, or transfer of the servicing of the mortgage loan.

"(2) SERVICER.—The term 'servicer' means the person responsible for servicing of a loan (including the person who makes or holds a loan if such person also services the loan). The term does not include—

"(A) the Federal Deposit Insurance Corporation or the Resolution Trust Corporation, in connection with assets acquired, assigned, sold, or transferred pursuant to section 13(c) of the Federal Deposit Insurance Act or as receiver or conservator of an insured depository institution; and

"(B) the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Resolution Trust Corporation, or the Federal Deposit Insurance Corporation, in any case in which the assignment, sale, or transfer of the servicing of the mortgage loan is preceded by—

"(i) termination of the contract for servicing the loan for cause;//

"(ii) commencement of proceedings for bankruptcy of the servicer; or

"(iii) commencement of proceedings by the Federal Deposit Insurance Corporation or the Resolution Trust Corporation for conservatorship or receivership of the servicer (or an entity by which the servicer is owned or controlled).

"(3) SERVICING.—The term 'servicing' means receiving any scheduled periodic payments from a borrower pursuant to the terms of any loan, including amounts for escrow accounts described in section 10, and making the payments of principal and interest and such other payments with respect to the amounts received from the borrower as may be required pursuant to the terms of the loan.".

SEC. 942. MORTGAGE ESCROW ACCOUNTS.

(a) IN GENERAL.—Section 10 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2609) is amended—

(1) by inserting "(a) IN GENERAL.—" after the section designation; and

(2) by adding at the end the following new subsections:

"(b) NOTIFICATION OF SHORTAGE IN ESCROW ACCOUNT.—If the terms of any federally related mortgage loan require the borrower to make payments to the servicer (as the term is defined in section 6(i)) of the loan for deposit into an escrow account for the purpose of assuring payment of taxes, insurance premiums, and other charges with respect to the property, the servicer shall notify the borrower not less than annually of any shortage of funds in the escrow account.

"(c) ESCROW ACCOUNT STATEMENTS.—

"(1) INITIAL STATEMENT.—

"(A) IN GENERAL.—Any servicer that has established an escrow account in connection with a federally related mortgage loan shall submit to the borrower for which the escrow account has been established a statement clearly itemizing the estimated taxes, insurance premiums, and other charges that are reasonably anticipated to be paid from the escrow account during the first 12 months after the establishment of the account and the anticipated dates of such payments.

"(B) TIME OF SUBMISSION.—The statement required under subparagraph (A) shall be submitted to the borrower at closing with respect to the property for which the mortgage loan is made or not later than the expiration of the 45-day period beginning on the date of the establishment of the escrow account.

"(C) INITIAL STATEMENT AT CLOSING.—Any servicer may submit the statement required under subparagraph (A) to the borrower at closing and may incorporate such statement in the uniform settlement statement required under section 4. Not later than the expiration of the 90-day period beginning on the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, the Secretary shall issue regulations prescribing any changes necessary to the uniform settlement statement under section 4 that specify how the statement required under subparagraph (A) of this section shall be incorporated in the uniform settlement statement.

"(2) ANNUAL STATEMENT.—

"(A) IN GENERAL.—Any servicer that has established or continued an escrow account in connection with a federally related mortgage loan shall submit to the borrower for which the escrow account has been established or continued a statement clearly itemizing, for each period described in subparagraph (B) (during which the servicer services the escrow account), the amount of the borrower's current monthly payment, the portion of the monthly payment being placed in the escrow account, the total amount paid into the escrow account during the period, the total amount paid out of the escrow account during the period for taxes, insurance premiums, and other charges (as separately identified), and the balance in the escrow account at the conclusion of the period.

"(B) TIME OF SUBMISSION.—The statement required under subparagraph (A) shall be submitted to the borrower not less than once for each 12-month period, the first such period beginning on the first January 1st that occurs after the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act, and shall be submitted not more than 30 days after the conclusion of each such 1-year period.

"(d) PENALTIES.—

"(1) IN GENERAL.—In the case of each failure to submit a statement to a borrower as required under subsection (c), the Secretary shall assess to the lender or escrow servicer failing to submit the statement a civil penalty of $50 for each such failure, but the total amount imposed on such lender or escrow servicer for all such failures during any 12-month period referred to in subsection (b) may not exceed $100,000.

"(2) INTENTIONAL VIOLATIONS.—If any failure to which paragraph (1) applies is due to intentional disregard of the requirement to submit the statement, then, with respect to such failure—

"(A) the penalty imposed under paragraph (1) shall be $100; and

"(B) in the case of any penalty determined under subparagraph (A), the $100,000 limitation under paragraph (1) shall not apply.".

(b) PROHIBITION OF FEES FOR ESCROW ACCOUNT STATEMENTS.—Section 12 of the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. 2610) is amended—

(1) by inserting after the first comma the following: "or by a servicer (as the term is defined under section 6(i)),";

(2) by striking "lender" the second place it appears and inserting "lender or servicer";

(3) by striking "6" and inserting "10(c)"; and

(4) by striking the section heading and inserting the following new section heading:

"PROHIBITION OF FEES FOR PREPARATION OF TRUTH-IN-LENDING, UNIFORM SETTLEMENT, AND ESCROW ACCOUNT STATEMENTS".

SEC. 943. NATIONAL COMMISSION ON MANUFACTURED HOUSING.

(a) PURPOSE.—The purpose of this section is to establish a national commission to develop recommendations for modernizing the National Manufactured Housing Construction and Safety Standards Act of 1974.

(b) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the National Commission on Manufactured Housing (in this section referred to as the "Commission").

(c) COMPOSITION OF COMMISSION.—

(1) IN GENERAL.—The Commission shall consist of the Secretary and 16 members appointed, not later than 60 days after funds are provided as described in subsection (f) or made available from non-Federal sources, as follows:

(A) 8 members shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs of the Senate (4 members by each); and

(B) 8 members shall be appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Development of the Committee on Banking, Finance and Urban Affairs of the House of Representatives (4 members by each).

(2) APPOINTMENT CRITERIA.—The 8 members of the Commission appointed under each of subparagraphs (A) and (B) of paragraph (1) shall include—

(A) 2 individuals who are elected public officials at the State or local level;

(B) 2 individuals with knowledge and experience concerning the manufactured housing industry;

(C) 2 individuals chosen from organizations with more than a 2-year history of representing consumer or community interests on housing issues;

(D) 1 individual with knowledge and experience concerning the development and implementation of building codes; and

(E) 1 individual who occupies a manufactured home and is affiliated with an association representing manufactured home owners.

(3) CHAIRPERSON.—The Commission shall elect a chairperson from among members of the Commission.

(4) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(5) VOTING.—Each member of the Commission shall be entitled to 1 vote, and all votes shall be given equal weight.

(6) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(7) PROHIBITION ON ADDITIONAL PAY.—Members of the Commission shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Commission.

(d) FUNCTIONS OF THE COMMISSION.—

(1) IN GENERAL.—The Commission shall study and investigate the National Manufactured Housing Construction and Safety Standards Act of 1974 and current construction and safety regulatory standards applicable to manufactured housing. In conducting the study, the Commission shall—

(A) consult with the Secretary of Housing and Urban Development and other agencies and housing authorities at the Federal, State, and local level, consumer groups, manufactured housing industry representatives, and other interested parties to assess the effectiveness of the National Manufactured Housing Construction and Safety Standards Act of 1974;

(B) consider deletion of the reference to the permanent chassis in the existing definition of a manufactured home and the effect of such a change on the affordability and durability of manufactured homes;

(C) examine the implications for State regulatory jurisdiction over modular housing, in the event of changes in definitions and standards relating to manufactured housing;

(D) consider the need for additional and revised standards applicable to manufactured housing, including, but not limited to standards in the areas of construction, installation, thermal insulation, energy efficiency, and fire safety;

(E) review the current system of inspections of manufactured housing and enforcement of applicable standards and recommend improvements to the system;

(F) consider the need for independent financing of inspection agencies to insure the autonomy of regulators;

(G) evaluate the impact of the manufactured housing program under the title I of the National Housing Act on the actuarial soundness of Federal mortgage insurance and secondary market programs, and the impact that proposed changes to current law would have on financing of these homes; and

(H) develop an action plan containing specific recommendations for legislative and regulatory revisions to present law (taking into consideration the amendments contained in section 766 of the bill, H.R. 1180, 101st Congress, 2d Session, as passed by the House of Representatives) in order to modernize the National Manufactured Housing Construction and Safety Standards Act of 1974 and a system for reviewing and

updating applicable standards on an annual basis.

(2) FINAL REPORT.—Not later than 9 months after the Commission is established pursuant to subsection (b), the Commission shall submit to the Secretary of Housing and Urban Development and to the Congress a final report which shall contain the information, evaluations, and recommendations specified in paragraph (1).

(e) POWERS OF COMMISSION.—

(1) HEARINGS.—The Commission may, for the purpose of carrying out this section, hold such hearings and sit and act at such times and places as the Commission may find advisable.

(2) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization, and personnel.

(3) ASSISTANCE FROM FEDERAL AGENCIES.—

(A) INFORMATION.—The Commission may secure directly from any department or agency of the United States such data and information as the Commission may require for the purpose of carrying out this section. Upon request of the Commission, any such department or agency shall furnish such data or information. The Commission may acquire data or information directly from such departments or agencies to the same extent the Secretary of Housing and Urban Development may acquire such data or information.

(B) ADMINISTRATIVE SUPPORT.—The General Services Administration shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

(C) PERSONNEL DETAILS.—Upon the request of the chairperson of the Commission, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary, detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this section.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(5) CONTRACTING.—The Commission may, to such extent and in such amounts as are provided in appropriations Acts, enter into contracts necessary to carry out its duties under this section.

(6) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.).

(f) AUTHORIZATION OF APPROPRIATIONS.—Of any amounts made available under section 501 of the Housing and Urban Development Act of 1970, not more than $500,000 shall be available to carry out this section in fiscal year 1991.

(g) SUNSET.—The Commission shall terminate upon the expiration of the 9 months following the appointment of all the members under subsection (c).

SEC. 944. ENERGY ASSESSMENT REPORT.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall submit a report to the Congress, not later than one year after the date of the enactment of this Act, assessing any activity undertaken by the Secretary to increase energy efficiency in housing. The report shall include an analysis of the August 15, 1990 DOE-HUD program to expand energy efficiency and increase affordability of federally-assisted housing.

(b) ESTABLISHMENT OF ENERGY EFFICIENCY STANDARD.—In the report submitted under this section, the Secretary of Housing and Urban Development (in consultation with the Secretary of Energy) shall establish, and include a description of, a standard measure by which changes over time in residential energy efficiency may be compared.

SEC. 945. 5-YEAR ENERGY EFFICIENCY PLAN.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall establish a plan for activities to be undertaken and policies to be adopted by the Secretary within the 5-year period beginning upon the submission of the plan to the Congress under subsection (d) to provide for, encourage, and improve energy efficiency in newly constructed, rehabilitated, and existing housing. In developing the plan, the Secretary shall consider, as appropriate, any energy assessments under section 944.

(b) INITIAL PLAN.—The Secretary of Housing and Urban Development shall establish the first plan under this section not later than the expiration of the 1-year period beginning on the date of the enactment of this Act.

(c) UPDATES.—The Secretary of Housing and Urban Development shall revise and update the plan under this section not less than once for each 2-year period, the first such 2-year period beginning on the date of the submission of the initial plan under subsection (b) to the Congress (as provided in subsection (d)). Each such update shall revise the plan for the 5-year period beginning upon the submission of the updated plan to the Congress.

(d) SUBMISSION TO CONGRESS.—The Secretary of Housing and Urban Development shall submit the initial plan established under subsection (b) and any updated plans under subsection (c) to the Congress not later than the date by which such plans are to be established or updated under such paragraphs.

SEC. 946. UNIFORM MORTGAGE FINANCING PLAN FOR ENERGY EFFICIENCY.

(a) UNIFORM PLAN.—The Secretary of Housing and Urban Development, in consultation with the Secretary of Energy, shall promulgate a uniform plan to make housing more affordable through mortgage financing incentives for energy efficiency. The plan shall be promulgated not later than 2 years after the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act.

(b) TASK FORCE.—To develop the plan, the Secretary shall form a task force to make recommendation on financing energy efficiency in private mortgages, through the policies of Federal agencies and federally chartered financial institutions, mortgage bankers, homebuilders, real estate brokers, private mortgage insurers, energy suppliers, and nonprofit housing and energy organizations. The task force shall include individuals representing the Federal Housing Administration mortgage programs of the Department of Housing and Urban Development, the Farmers Home Administration mortgage loan and insurance programs of Department of Agriculture, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association.

SEC. 947. REPORT ON SEISMIC SAFETY PROPERTY STANDARDS.

(a) AUTHORITY.—The Secretary of Housing and Urban Development (in this section referred to as the "Secretary") shall assess the risk of earthquake-related damage to properties assisted under programs administered by the Secretary and shall develop seismic safety standards for such properties. This section may not be construed to prohibit the Secretary from deferring to local building codes that meet the requirements of the seismic safety standards developed under this section.

(b) STANDARDS.—The standards shall be designed to reduce the risk of loss of life to building occupants to the maximum extent feasible and to reduce the risk of shake-related property damage to the maximum extent practicable.

(c) CONSULTATION.—In carrying out this section, the Secretary shall consult with the Director of the Federal Emergency Management Agency and may utilize the resources under the National Earthquake Hazards Reduction Program (established under the Earthquake Hazards Reduction Act of 1977) and any other resources as may be required to carry out the activities under this section.

(d) REPORTS.—

(1) SUBMISSION AND CONTENTS.—The Secretary shall submit a report to the Congress, not less than biennially, containing a statement of the findings of the risk assessment study conducted under this section, including risk assessment of properties located in seismic risk zones and a compilation of the standards developed pursuant to this section. The report shall also include a statement of the activities undertaken by the Secretary to carry out this section and the amount and sources of any funds expended by the Secretary for such purposes. The report shall also include a statement of the activities undertaken by the Secretary to carry out the requirements of Executive Order No. 12699 (January 5, 1990) and the amount and sources of any funds expended by the Secretary for such purposes.

(2) INITIAL SUBMISSION.—The first report required under this subsection shall be submitted not later than the expiration of the 18-month period beginning on the date of the enactment of this Act.

Subtitle D—Miscellaneous Programs

SEC. 951. HUD RESEARCH AND DEVELOPMENT.

(a) IN GENERAL.—The second sentence of section 501 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1) is amended to read as follows: "There are authorized to be appropriated to carry out this title $21,200,000 for fiscal year 1991 and $22,100,000 for fiscal year 1992. From any amounts appropriated under this section for fiscal year 1991, the Secretary shall use not more than $500,000 to carry out a demonstration project to test affordable housing technologies, and shall include in the annual report under section 8 of the Department of Housing and Urban Development Act (for the appropriate year) a statement of the activities under the demonstration program and findings resulting from the program. The statement shall set forth the amount and use of funds expended by the Secretary under the program for the year relating the report and the Secretary shall include such a statement in each such annual report for each year that amounts appropriated under this section are used under the demonstration.".

(b) REPORT REGARDING RESEARCH ACTIVITIES.—Not later than the expiration of the 1-year period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall submit to the Congress a report listing and describing the various research activities, studies, testing, and demonstration programs relating to the mission and programs of the Department of Housing and Urban Development

that are being conducted, have concluded, or will conclude during such period, pursuant to section 501 of the Housing and Urban Development Act of 1970, title V of such Act, or any other authority. The report shall include a statement identifying the individual or entity that is conducting each such activity, study, test, and demonstration program.".

SEC. 952. NATIONAL INSTITUTE OF BUILDING SCIENCES.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 809(h) of the Housing and Community Development Act of 1974 (12 U.S.C. 1701j–2) is amended by striking the second sentence and inserting the following new sentence: "In addition to the amounts authorized to be appropriated under the first sentence of this section, there are authorized to be appropriated to the Institute to carry out the provisions of this section not to exceed $512,000 for fiscal year 1991 and $534,000 for fiscal year 1992.".

(b) ADVANCED BUILDING TECHNOLOGY PROGRAM.—Section 809 of the National Housing Act (12 U.S.C. 1701j–2) is amended—

(1) by redesignating subsections (h) and (i) as subsections (i) and (j), respectively; and

(2) by inserting after subsection (g) the following new subsection:

"(h) ADVANCED BUILDING TECHNOLOGY PROGRAM.—

"(1) ESTABLISHMENT OF ADVANCED BUILDING TECHNOLOGY COUNCIL.—There is established within the Institute, the Advanced Building Technology Council (hereafter referred to as the 'Council').

"(2) PURPOSES.—The Council shall carry out an Advanced Building Technology Program for the purposes of—

"(A) identifying, selecting, and evaluating existing and new building technologies, including energy cost savings technologies, that conform to recognized performance criteria and meet applicable test standards for maintenance of life, safety, health, and public welfare when used in occupied buildings;

"(B) to the extent necessary, developing criteria for the use of such technology;

"(C) conducting economic analyses of proposed new technologies when produced and installed in buildings at volumes associated with comparable conventional technologies;

"(D) in cooperation with the appropriate Federal agencies, advising building designers, installers, subcontractors, contractors and supervisory officials on the appropriate design and use of new building technology incorporated in federally owned or operated buildings;

"(E) in cooperation with the appropriate Federal agencies, monitoring and evaluating the performance of new building technologies for at least 1 year after installation and building occupancy; and

"(F) disseminating resulting data to affected parties through automated information management systems.

"(3) COUNCIL MEMBERSHIP.—The Council shall be comprised of not less than 6 and not more than 11 members selected by the Secretary of Housing and Urban Development from among representatives of the various segments of the nationwide building community that have extensive experience in building industries, including, but not limited to—

"(A) product manufacturers;

"(B) experts in the fields of health, fire hazards, and safety; and

"(C) independent representatives of the public interest such as architects, professional engineers, and representatives of consumer organizations,

except that serving members of the National Institute of Building Sciences Advisory Council shall not be eligible to serve simultaneously on the Council.

"(4) FEDERAL PARTICIPATION.—

"(A) IN GENERAL.—Any agency of the Federal Government involved in any building or construction may participate in the Advanced Building Technology Program with the Council to develop and implement programs to incorporate one or more of the recommended new technologies in a new or existing building within the agency.

"(B) REQUIRED ASSURANCES.—Upon agreement between a participating Federal agency and the Council, with respect to the selection of the appropriate technology and the schedule of necessary work, the Council shall—

"(i) provide the Federal agency with a 5-year guarantee from the technology manufacturer that—

"(I) all necessary corrections to the technology will be made in the design, installation, and maintenance of the technology;

"(II) all malfunctions will be repaired without delay; and

"(III) the technology manufacturer will be responsible for removal of the technology in the event of its failure to perform as required,

"(ii) provide the Federal agency and its officials responsible for constructing or renovating buildings utilizing the new technology, as well as the designers, installers, subcontractors, and contractors responsible for the design, construction, or renovation of the buildings utilizing such technology with the technical information necessary to ensure its most appropriate use,

"(iii) in cooperation with the Federal agency, monitor and evaluate the performance of the new technology, and

"(iv) prepare reports to be made available to public agencies at all levels of government, the industry, and the public on the performance of the new technology.

"(5) REPORT TO THE INSTITUTE.—The Council shall submit to the Institute annually a description of its activities under the Advanced Building Technology Program for inclusion in the Institute's annual report to the Congress under subsection (j).".

SEC. 953. FAIR HOUSING INITIATIVES PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—The first sentence of section 561(d) of the Housing and Community Development Act of 1987 (42 U.S.C. 3616 note) is amended to read as follows: "There are authorized to be appropriated to carry out the provisions of this section, including any program evaluations, $6,000,000 for fiscal year 1991 and $6,300,000 for fiscal year 1992, of which not more than $3,000,000 in each year shall be for the private enforcement initiative demonstration.".

(b) EXTENSION OF PROGRAM.—Section 561(e) of the Housing and Community Development Act of 1987 (42 U.S.C. 3616 note) is amended by striking "September 30, 1989" and inserting "September 30, 1992".

SEC. 954. COLLECTION AND MAINTENANCE OF DATA REGARDING PROGRAMS UNDER HUD.

(a) PROGRAM EVALUATION AND MONITORING.—Section 7(r) of the Department of Housing and Urban Development Act (42 U.S.C. 3535(r)) is amended—

(1) in paragraph (1), by striking the periods at the end of the first and last sentences and inserting in each place the following: "and collecting and maintaining data for such purposes.";

(2) in paragraph (2)—

(A) in subparagraph (I), by striking "and" at the end;

(B) in subparagraph (J), by striking the period at the end and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(K) titles II, III, and IV and section 811 of the Cranston-Gonzalez National Affordable Housing Act.";

(3) in paragraph (3)—

(A) by inserting after the comma the following: "and collecting and maintaining data pursuant to the authority under this subsection,"; and

(B) by striking the period at the end and inserting the following: "and collecting and maintaining data for such purposes."; and

(4) in paragraph (4)—

(A) in subparagraph (A), by inserting after "subsection" the following: "and collecting and maintaining data for such purposes"; and

(B) in subparagraph (B), by inserting after "paragraph (2)" the following: "and to collect and maintain data for such purposes".

(b) ANNUAL REPORT ON CHARACTERISTICS OF FAMILIES IN ASSISTED HOUSING.—Section 166 of the Housing and Community Development Act of 1987 (42 U.S.C. 3536 note) is amended by adding at the end the following new subsection:

"(c) COLLECTION AND MAINTENANCE OF DATA.—The Secretary shall collect and maintain data necessary to carry out the purposes of this section and shall coordinate such efforts, to the greatest extent possible, with activities and responsibilities under section 8 of the Department of Housing and Urban Development Act.".

SEC. 955. EXEMPTION FROM DAVIS-BACON ACT REQUIREMENTS OF VOLUNTEERS UNDER HOUSING PROGRAMS.

(a) COMMUNITY DEVELOPMENT BLOCK GRANT.—Section 110 of the Housing and Community Development Act of 1974 (42 U.S.C. 5310) is amended—

(1) by inserting "(a)" after "SEC. 110."; and

(2) by adding at the end the following new subsection:

"(b) Subsection (a) shall not apply to any individual that—

"(1) performs services for which the individual volunteered;

"(2)(A) does not receive compensation for such services; or

"(B) is paid expenses, reasonable benefits, or a nominal fee for such services; and

"(3) is not otherwise employed at any time in the construction work.".

(b) PUBLIC HOUSING AND SECTION 8 ASSISTANCE.—Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended—

(1) by inserting "(a)" after "SEC. 12."; and

(2) by adding at the end the following new subsection:

"(b) Subsection (a) and the provisions relating to wages (pursuant to subsection (a)) in any contract for loans, annual contributions, sale, or lease pursuant to this Act, shall not apply to any individual that—

"(1) performs services for which the individual volunteered;

"(2)(A) does not receive compensation for such services; or

"(B) is paid expenses, reasonable benefits, or a nominal fee for such services; and

"(3) is not otherwise employed at any time in the construction work.".

(c) ELDERLY AND HANDICAPPED HOUSING.—Section 202(c)(3) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(3)) is amended—

(1) by inserting "(A)" after the paragraph designation;

(2) by striking "; but the Secretary" and all that follows and inserting a period; and

(3) by adding at the end the following new subparagraph:

"(B) Subparagraph (A) shall not apply to any individual that—

"(i) performs services for which the individual volunteered;

"(ii)(I) does not receive compensation for such services; or

"(II) is paid expenses, reasonable benefits, or a nominal fee for such services; and

"(iii) is not otherwise employed at any time in the construction work.".

(d) APPLICABILITY.—The amendments made by this section shall apply to any volunteer services provided before, on, or after the date of the enactment of this Act, except that such amendments may not be construed to require the repayment of any wages paid before the date of the enactment of this Act for services provided before such date.

SEC. 956. ELIGIBILITY UNDER FIRST-TIME HOMEBUYER PROGRAMS.

(a) ELIGIBILITY OF DISPLACED HOMEMAKERS AND SINGLE PARENTS FOR FEDERAL ASSISTANCE FOR FIRST-TIME HOMEBUYERS.—

(1) DISPLACED HOMEMAKERS.—No individual who is a displaced homemaker may be denied eligibility under any Federal program to assist first-time homebuyers on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse.

(2) SINGLE PARENTS.—No individual who is a single parent may be denied eligibility under any Federal program to assist first-time homebuyers on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse.

(b) DEFINITIONS.—For purposes of this section:

(1) DISPLACED HOMEMAKER.—The term "displaced homemaker" means an individual who—

(A) is an adult;

(B) has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and

(C) is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

(2) FIRST-TIME HOMEBUYER.—The term "first-time homebuyer" means an individual who has never, or has not during a specified period of time, had any present ownership interest in a principal residence.

(3) SINGLE PARENT.—The term "single parent" means an individual who—

(A) is unmarried or legally separated from a spouse; and

(B)(i) has 1 or more minor children for whom the individual has custody or joint custody; or

(ii) is pregnant.

(c) APPLICABILITY.—This section shall apply to any Federal program to assist first-time homebuyers, unless the program is exempted from this section by a statute that amends this subsection or explicitly refers to this subsection.

SEC. 957. MAXIMUM ANNUAL LIMITATION ON RENT INCREASES RESULTING FROM EMPLOYMENT.

(a) IN GENERAL.—Notwithstanding any other law and subject to approval in appropriations Acts, the rent charged for any dwelling unit assisted under any housing assistance program administered by the Secretary of Housing and Urban Development, to a family whose monthly adjusted income increases as a result of the employment of a member of the family who was previously unemployed, may not be increased as a result of the increased monthly adjusted income due to such employment by more than 10 percent in each 12-month period during the 36-month period beginning upon such employment.

(b) DEFINITION OF HOUSING ASSISTANCE.—For purposes of this section, the term "housing assistance program" means any program of assistance for housing—

(1) for which assistance is provided by the Secretary of Housing and Urban Development in the form of a grant, contract, loan, loan guarantee, cooperative agreement, interest subsidy, insurance, or direct appropriation; and

(2) under which rent payments, with respect to all or some of the units in the housing assisted, are limited, restricted, or determined under law or regulation based on the income of the occupying families.

SEC. 958. PREFERENCES FOR NATIVE HAWAIIANS ON HAWAIIAN HOMELANDS UNDER HUD PROGRAMS.

(a) AUTHORITY.—The Secretary of Housing and Urban Development shall provide a preference to native Hawaiians for housing assistance programs described in subsection (b) for housing located on Hawaiian home lands.

(b) ASSISTANCE PROGRAMS.—For purposes of subsection (a), the Federal housing assistance programs described in this subsection are—

(1) the public housing and project-based section 8 assistance programs under the United States Housing Act of 1937;

(2) the program under section 202 of the Housing Act of 1959; and

(3) the programs under the National Housing Act.

(c) MORTGAGE INSURANCE.—

(1) IN GENERAL.—Notwithstanding any other provision or limitation of this Act, including those relating to marketability of title, the Secretary of Housing and Urban Development may provide mortgage insurance covering any Hawaiian home lands property upon which there is located a multi-family residence, for which the Department of Hawaiian Home Lands of the State of Hawaii—

(A) is the mortgagor or co-mortgagor;

(B) guarantees in writing to reimburse the Secretary for any mortgage insurance claim paid in connection with such property; or

(C) offers other security that is acceptable to the Secretary,

subject to appropriate conditions prescribed by the Secretary.

(2) SALE ON DEFAULT.—In the event of a default on a mortgage insured pursuant to paragraph (1), the Department of Hawaiian Home Lands of the State of Hawaii may sell the insured property or housing unit to an eligible native Hawaiian.

(d) DEFINITIONS.—For purposes of this section:

(1) The term "native Hawaiian" means—

(A) any descendant of not less than one-half; or

(B) in the case of an individual who succeeds a spouse or parent in an interest in a lease of Hawaiian home lands, such lower percentage as may be established under section 209 of the Hawaiian Homes Commission Act, 1920, (42 Stat. 111) or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (P.L. 86-3; 73 Stat. 5), of the blood of the races inhabiting the Hawaiian Islands before January 1, 1778.

(2) The term "Hawaiian home lands" means all lands given the status of Hawaiian home lands under section 204 of the Hawaiian Home Commission Act, 1920, (42 Stat. 108) or under the corresponding provision of the Constitution of the State of Hawaii adopted under section 4 of the Act entitled "An Act to provide for the admission of the State of Hawaii into the Union", approved March 18, 1959 (P.L. 86-3; 73 Stat. 5).

SEC. 959. WAIVER OF MATCHING FUNDS REQUIREMENTS IN INDIAN HOUSING PROGRAMS.

(a) AUTHORIZATION OF WAIVER.—For any housing program that provides assistance through any Indian housing authority, the Secretary of Housing and Urban Development may provide assistance under such program in any fiscal year notwithstanding any other provision of law that requires the Indian housing authority to provide amounts to match or supplement the amounts provided under such program, if the Indian housing authority has not received amounts for such fiscal year under title I of the Housing and Community Development Act of 1974.

(b) EXTENT OF WAIVER.—The authority under subsection (a) to provide assistance notwithstanding requirements regarding matching or supplemental amounts shall be effective only to the extent provided by the Secretary, which shall not extend beyond the fiscal year in which the waiver is made or beyond the receipt of any amounts by an Indian housing authority under title I of the Housing and Community Development Act of 1974.

(c) DEFINITION OF HOUSING PROGRAM.—For purposes of this section, the term "housing program" means a program under the administration of the Secretary of Housing and Urban Development or the Secretary of Agriculture (through the Administrator of the Farmers Home Administration) that provides assistance in the form of contracts, grants, loans, cooperative agreements, or any other form of assistance (including the insurance or guarantee of a loan, mortgage, or pool of mortgages) for housing.

SEC. 960. STUDY OF PENSION FUND FINANCING OF HOUSING.

The Secretary of Housing and Urban Development shall conduct a study of ways in which State and local pension funds can be used to finance construction of low and moderate income housing. Not later than 90 days after the date of the enactment of this Act, the Secretary shall submit to the Congress a report on the results of such study.

SEC. 961. ENERGY EFFICIENCY DEMONSTRATION.

(a) AUTHORITY.—The Secretary of Housing and Urban Development shall establish a program to demonstrate various methods of improving the energy efficiency of existing housing. For the purpose of this section, the Secretary may, after funds are made available for the purposes of section 304(e), use $2,000,000 of the amounts set aside under section 304(e).

(b) EXISTING HOUSING.—The demonstration under this section shall determine appropriate design, improvement, and rehabilitation methods and practices for increasing residential energy efficiency in housing already constructed.

(c) REPORT.—As soon as practicable after September 30, 1991, the Secretary of Housing and Urban Development shall submit to the Congress a report setting forth the findings and recommendations of the Secretary as a

result of the demonstration under this section.

TITLE X—COINAGE DESIGNS

SEC. 1001. DENOMINATIONS, SPECIFICATIONS, AND DESIGN OF COINS.

Subsection (d)(1) of section 5112 of title 31, United States Code, is amended by striking the fourth sentence.

SEC. 1002. DESIGN CHANGES REQUIRED FOR CERTAIN COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(3) The design on the reverse side of the half dollar, quarter dollar, dime coin, 5-cent coin and one-cent coin shall be selected for redesigning. One or more coins may be selected for redesign at the same time, but the first redesigned coin shall have a design commemorating the two hundredth anniversary of the United States Constitution for a period of 2 years after issuance. After that 2-year period, the bicentennial coin shall have its design changed in accordance with the provisions of this subsection. Such selection, and the minting and issuance of the first selected coin shall be made not later than 1 year after the date of the enactment of this paragraph. All such redesigned coins shall conform with the inscription requirements set forth in paragraph (1) of this subsection.".

SEC. 1003. DESIGN ON OBVERSE SIDE OF COINS.

Subsection (d) of section 5112 of title 31, United States Code, is amended by adding at the end the following new paragraph:

"(4) Subject to paragraph (2), the design on the obverse side of the half dollar, quarter dollar, dime coin, 5-cent coin, and one-cent coin shall contain the likenesses of those currently displayed and shall be considered for redesign. All such coin obverse redesigns shall conform with the inscription requirements set forth in paragraph (1) of this subsection.".

SEC. 1004. SELECTION OF DESIGNS.

The design changes for each coin authorized by the amendments made by this title shall take place at the discretion of the Secretary and shall be done at the rate of one or more coins per year, to be phased in over 6 years after the date of the enactment of this Act. In selecting new designs, the Secretary shall consider, among other factors, thematic representations of the following constitutitonal concepts: freedom of speech and assembly; freedom of the press; right to due process of law; right to a trial by jury; right to equal protection under the law; right to vote; themes from the Bill of Rights; and separation of powers, including the independence of the judiciary. The designs shall be selected by the Secretary upon consultation with the Commission of Fine Arts.

SEC. 1005. REDUCTION OF THE NATIONAL DEBT.

Subsection (a)(1) of section 5132 of title 31, United States Code, is amended by inserting after the third sentence the following: "Any profits received from the sale of uncirculated and proof sets of coins shall be deposited by the Secretary in the general fund of the Treasury and shall be used for the sole purpose of reducing the national debt.".

SEC. 1006. AMENDMENTS TO EXPEDITED FUNDS AVAILABILITY ACT.

Section 603(e) of the Expedited Funds Availability Act (12 U.S.C. 4002(e)) is amended—

(1) in paragraph (1)(A), by striking "6" and inserting "4";

(2) in paragraph (1)(C), by striking "before September 1, 1990" and inserting "prior to the expiration of the 2-year period beginning on the date of enactment of the Cranston-Gonzalez National Affordable Housing Act"; and

(3) in paragraph (2)(D), by striking "before September 1, 1990" and inserting "prior to the expiration of the 2-year period beginning on the date of enactment of the Cranston-Gonzalez National Affordable Housing Act".

And the House agree to the same.

That the Senate recede from its disagreement to the amendment of the House to the title of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment to the title of the bill insert the following: "An Act to authorize a new HOME Investment Partnerships program, a National Homeownership Trust program, and HOPE programs, to amend and extend certain laws relating to housing, community and neighborhood preservation, and related programs, and for other purposes.".

And the House agree to the same.

From the Committee on Banking, Finance and Urban Affairs:

HENRY GONZALEZ,
MARY ROSE OAKAR,
BRUCE F. VENTO,
CHARLES E. SCHUMER,
BARNEY FRANK,
ESTEBAN E. TORRES,
JOE KENNEDY,
JIM MCDERMOTT,
CHALMERS P. WYLIE,
MARGE ROUKEMA,
JOHN HILER,
TOM RIDGE,
STEVE BARTLETT,

From the Committee on Ways and Means, for consideration of sec. 110 of the Senate bill and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
ED JENKINS,
TOM DOWNEY,
BILL ARCHER,
GUY VANDER JAGT,
PHIL CRANE,
BILL FRENZEL,
RICHARD T. SCHULZE,

From the Committee on Education and Labor, for consideration of secs. 1006 and 1008 and subtitles D through G of title XIII of the Senate bill and sec. 768 of the House amendment and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
AUSTIN J. MURPHY,
DALE E. KILDEE,
PAT WILLIAMS,
M.G. MARTINEZ,
MAJOR R. OWENS,
TOM SAWYER,
BILL GOODLING,
TOM PETRI,
TOM TAUKE,
PETER SMITH,

From the Committee on Energy and Commerce, for consideration of title XIV of the Senate bill and modifications committed to conference:

JOHN D. DINGELL,
ED MARKEY,
AL SWIFT,
CARDISS COLLINS,
MIKE SYNAR,
BILLY TAUZIN,
RALPH M. HALL,
DENNIS E. ECKART,
NORMAN F. LENT,
MATT RINALDO,
CARLOS J. MOORHEAD,
DON RITTER,
TOM BLILEY,

Managers on the Part of the House.

From the Committee on Banking, Housing, and Urban Affairs:

DONALD RIEGLE,
ALAN CRANSTON,
PAUL SARBANES,
CHRISTOPHER DODD,
ALAN J. DIXON,
ALFONSE D'AMATO,
JOHN HEINZ,
CHRISTOPHER S. BOND,
CONNIE MACK,

Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 566) to authorize a new Housing Opportunities Partnerships program to support State and local strategies for achieving more affordable housing; to increase homeownership; and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The differences between the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—GENERAL PROVISIONS AND POLICIES

National Housing Goal. The Senate bill contained a provision not included in the House amendment that would affirm the national goal that every American family be able to afford a decent home in suitable environment. The conference report contains the Senate provision.

Objective of National Housing Policy. The Senate bill contained a provision not included in the House amendment that would establish the objectives of a national housing policy. The conference report retains the Senate provision with an amendment that the national housing policy shall be to reaffirm the long established national commitment to decent, safe and sanitary housing for every American by strengthening a nationwide partnership of public and private institutions capable of carrying out this policy.

Purposes of Act. The Senate bill contained a provision not included in the House amendment that would establish the purposes of the Act. The conference report contains the Senate provision.

Definitions, in General. The Senate bill contained a provision not included in the

House amendment to define the terms "unit of general local government", "state", "jurisdiction", "participating jurisdiction", "nonprofit organization", "community housing development organization", "government-sponsored mortgage finance corporations", "families", "moderate-income families", and "security". The conference report contains the Senate provision with an amendment to add four new definitions: "metropolitan city" has the meaning given the term in Section 102(a)(4) of the Housing and Community Development Act of 1974, "urban county" has the same meaning given the term in Section 102(a)(6) of the Housing and Community Development Act of 1974, "certification" means a written assertion, based on supporting evidence that shall be kept available for inspection by the Secretary, the Inspector General and the public, which assertion shall be deemed to be accurate for the purposes of this Act, unless the Secretary determines otherwise after inspecting the evidence and providing due notice and opportunity for comment, and "to demonstrate to the Secretary" means to submit to the Secretary a written assertion together with supporting evidence that, in the determination of the Secretary, supports the accuracy of the assertion.

The House amendment contained a provision not included in the Senate bill that would define the terms "grant administrator", "nonprofit sponsor", "nonprofit partnership", "area and State median income", "surplus cash flow", and, "low- and moderate-income families", "income". The conference report did not retain these definitions.

The House amendment contained a provision not included in the Senate bill that defined "public housing agency" to have the same meaning as in Section 3(b) of the U.S. Housing Act of 1937. The conference report contains the House provision.

The Senate bill contained a provision similar to a provision in the House amendment that defined "Secretary" to mean the Secretary of HUD, unless otherwise specified. The conference agreement includes the Senate provision.

The Senate bill contained a provision that defined "substantial rehabilitation" as rehabilitation of residential property in excess of $25,000. The House amendment contained a similar provision that defined the same term as rehabilitation projects that exceed 30% of the fair market value of the building in cost. The conference report contains the Senate provision.

Definition of Nonprofit Organization. The Senate bill contained a definition of "nonprofit organization" not included in the House Amendment. The conference report contains the Senate provision with an amendment clarifying that such term includes a State or locally chartered, nonprofit organization. This clarification is needed to avoid unintended exclusion of certain nonprofit organizations in Washington State and, perhaps, elsewhere. The conferees are aware that, since January 1, 1987, some profit-motivated developers may have been motivated to create captive nonprofit organizations primarily to benefit from the nonprofit set-aside under the Low-Income Housing Tax Credit. The conferees intend that any preferred treatment given nonprofit organizations under this Act shall be available only to bona fide nonprofit organizations established to advance public purposes consistent with the objectives of this Act. Although the conferees believe that eligible nonprofit organizations should not be prohibited from affiliation with for-profit subsidiaries or entering into joint ventures or other contractual relationships with for-profit organizations, the conferees expect the Secretary in regulation to ensure that favored nonprofit treatment is not given to organizations that are either controlled by for-profit organizations or otherwise affiliated with for-profit organizations in a manner that is not essentially intended to further the nonprofit organization's public purpose. The conferees urge the Secretary to notify Congress immediately if the Secretary determines that additional legislative action is needed to achieve this objective.

Definition of community housing development organization. The Senate bill contained a definition of "community housing development organization" that was not included in the House amendment. The conference report includes the Senate provision. The conferees retained the requirement that a community housing development organization have a history of serving the local community, and intend that newly-formed nonprofit organizations whose origin is in the local community shall be considered to have met this requirement. For example, the requirement could be met by a new organization formed by local churches, service organizations or neighborhood organizations that themselves have a history of serving the local community.

Definitions related to very low-income and low-income families. The Senate bill contained a provision that would define "very low-income families" as those families whose incomes do not exceed 50% or less of area median family income, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish higher or lower income ceilings for an area. The House amendment contained a similar provision, except that higher or lower adjustments would not be made on the basis of fair market rents. The conference report contains the Senate provision.

The Senate and House contained similar definitions of "low-income families" except that the Senate bill defined the term as those families whose incomes do not exceed 80% of median income for the area, whereas the House amendment measured the percentage at 60%. The conference report includes the Senate provision.

The Senate contained a provisions that defined "families" to include single persons in the case of (A) a person who is aged 62 or older, a person with disabilities, (B) a displaced person, (C) the remaining member of a tenant family, and (D) other single persons in circumstances described in regulations by the Secretary. The House amendment contains a provision that amends the definition of "family" in Sec 3(b)(3) of the U.S. Housing Act of 1937 to include "any other single persons", except that in no event may any single person be provided an assisted housing unit of 2 bedrooms or more. The conference report includes the Senate provision with an amendment to conform to the changes made regarding single persons under the 1937 Act programs.

Definitions related to first-time homebuyers. The Senate bill and the HOPE amendments contained similar provisions that defined "displaced homemaker" as an individual who may have had an ownership interest in a principle home and whose marriage has resulted in a legal separation, divorce, or death. The conference report contains the provision in the House amendment defining "displaced homemaker" with an amendment to delete a requirement that the definition would only apply to persons with dependents receiving AFDC.

The Senate bill and House amendment contain a provision that defined "first-time homebuyer." The Conference report contains the House provision with an amendment that the homebuyer is an "individual or his or her spouse" who has not owned a home for three years.

The House amendment contained a provision that was not included in the Senate bill that defined "single parent." The conference report contains the House provision.

Comprehensive Housing Affordability Strategies. The Senate bill contains a provision not included in the House amendment that would require the Secretary to provide assistance only to jurisdictions that submit an annual comprehensive housing affordability strategy. The Senate provision directs the Secretary to establish deadlines and procedures for submitting and approving housing strategies in order to facilitate orderly program management by jurisdictions and provide for timely investment of funds in affordable housing. The conference agreement contains the Senate provision with an amendment requiring consideration of (1) families who are participating in an organized program to achieve economic independence and self-sufficiency, as provided in the House amendment, and (2) consideration of housing needs of low income families "expected to reside" in the jurisdiction. This provision includes a requirement for certifying that an antidisplacement plan is in effect.

The conferees are concerned that the Department has too often in the past administered statutory requirements for housing assistance plans and other plans in a way that made such plans burdensome exercises that did not further efficient management or effective achievement of key goals. The conferees therefore emphasize that it is their intent that, when establishing regulations for the comprehensive housing affordability strategies, the Secretary shall ensure, to the maximum extent feasible, that the strategies will serve not only as effective monitoring tools for the Department, but also as concise, useful, action-oriented management tools for States and local governments.

The conference report would require each jurisdiction that directly receives assistance from the Department of Housing and Urban Development to prepare a single, action-oriented strategy that looks ahead for 5-years and serves as a working guide for each jurisdiction's use of federal and other housing resources. The strategy would replace other plans now required by law, such as the Housing Assistance Plan (HAP) required under CDBG and the Comprehensive Homeless Assistance Act (CHAP) required under the McKinney Homeless Assistance Act. The state and local strategies are designed to incorporate the useful elements of the HAPs and CHAPs. McKinney Act funding would be available only to jurisdictions that have an approved housing strategy. Reference to CHAP would be eliminated. Section 104(c) of the Housing and Community Development Act of 1974 would be amended to strike the requirement for HAPs and make CDBG funding available only to jurisdictions that have an approved housing strategy. An approved strategy would be a prerequisite only for HUD assistance that goes directly to a state or unit of general local government; it does not affect funding that is allocated to public housing authorities.

Certification. The Senate bill contains a provision that was not included in the House amendment that would allow the

Secretary to require that any application for assistance must contain a certification that the proposed activities are consistent with the housing strategy of the jurisdiction. The conference report contains the Senate provision.

Citizen Participation. The Senate bill contained a provision that was not included in the House amendment to insure that citizens and interested parties within the jurisdiction have a reasonable opportunity to comment on the housing strategy. The conference report contains the Senate provision.

Compliance. The Senate bill contained a provision that was not included in the House amendment that would require participating jurisdictions to submit reports describing the progress the jurisdiction has made in carrying out its housing strategy; require the Secretary to insure compliance with this Act; and establish that information included in the housing strategies regarding local public policies that have an impact on housing affordability are not reviewable by any court. The conference report contains the Senate provision.

Energy Efficiency Standards. The Senate bill contained a provision that was included in the House amendment regarding the establishment of energy efficiency standards. The conference agreement amends this provision to clarify that HUD should promulgate energy efficiency standards for new construction of public and assisted housing and single-family and multifamily insured residential housing and that such standards must be cost efficient. The standards would be developed through a task force that includes representatives of homebuilders, housing agencies, energy agencies and building code organizations, energy efficiency organizations, utility organizations and low-income housing organizations. The promulgated standards would need to meet or exceed the provisions of the most recent Model Energy Code of the Council of American Building Officials.

Tax and Housing Coordinating Council. The Senate bill included a provision not in the House amendment to create a Tax and Housing Coordinating Council to advise the President about the consistency of Federal housing and tax policies. This provision was not included in the conference agreement.

Capacity Study. The Senate bill contained a provision not included in the House amendment that would require the Secretary to ensure that the Department has adequate staff and resource capacity to carry out its responsibilities and the mission of the Department. In order to respond effectively to congressional concerns on this subject, the conference committee urges the Department to include in its study an analysis of staff levels and skills by program area including program monitoring, as well as training programs and travel. In addition, the committee would request that the report also analyze the capacity of the information and financial management systems at the Department by program area and include a long-range plan with timeframes and budgetary requirements for meeting staffing and resource capacity needs. The conference report contains the Senate provision.

Protection of State and Local Authority. The Senate bill contained a provision that was not included in the House amendment that prohibits the Secretary from establishing criteria that interfere with the authority of States and units of local government to exercise their duly established policy making authority. The conference report contains the Senate provision with a clarifying amendment. The conferees intend that federal housing assistance be used to give State and local governments more effective tools for achieving housing affordability within their jurisdictions. It is not the conferees' intent to give HUD new authority to intervene in State and local decisionmaking. For that reason the conference agreement reaffirms and makes clearer the provisions in title I of the Senate bill relating to this issue.

Budget compliance. The House amendment contained a provision which would establish Congressional Findings as follows—(1) the House of Representatives approved a FY 1991 concurrent budget resolution; (2) the House Report provides $3.3 billion above the CBO Baseline in FY 1991 for new housing programs; (3) CBO programmatic baseline for aggregate budget authority in FY 1991 is $23,869,015,000; (4) the appropriate aggregate budget authority for housing programs under this Act is $27,169,015,000. The conference report does not contain the House provision.

The Senate bill contained a provision that would require that each authorization of appropriations contained in this Act (other than the Indian Housing, Subtitle D of Title VII) shall be reduced by an amount that bears the same ratio to (1) $54,530,000 for a FY 1991 authorization, (2) $56,711,000 for a FY 1991 authorization, and (3) $58,980,000 for a FY 1993 authorization, as the amount authorized by such provisions bears to the total amount authorized by this Act. The Conference report does not contain the Senate provision.

Pro rata reduction. The House amendment contained a provision that would reduce each program in the Act on a pro rata basis by the amount necessary to provide an aggregate budget authority level of $27,169,015,000 and would define the terms "budget authority" and "concurrent resolution on the budget" as having the same meanings in Section 3 of the 1974 Budget Act. The Senate bill contained a provision that would require a reduction of all authorizations of appropriations by the same ratio that $54,530,000 bears to the FY 1991 authorization for FY 91, by the ratio that $56,711,000 bears to the FY 1992 authorization for FY92, and by the ratio that $58,980,000 bears to the FY 1993 authorization for FY 93. The conference report does not contain the House or the Senate provision.

The Senate bill contained a provision not included in the House amendment which would guarantee each state a minimum share (0.5%) of the aggregate amount of funds available in each fiscal year for the following programs: Section 202 housing for elderly persons and persons with disabilities, public housing modernization (CIAP), public housing operating subsidies, and Indian housing development. The conference report contains the Senate provision amended to make the minimum state share provisions permissive and to apply only to fair share programs.

Deficit reduction recommendations. The Senate bill contained a provision not included in the House amendment that would delineate the following Congressional findings—(1) elimination of government waste should be the major component of deficit reduction; (2) revenues for FY 1990 will grow by $82 billion as a result of economic growth; (3) Comptroller General has stated that there is $100-200 billion in annual Government waste, fraud and mismanagement; (4) there is more than $125 billion in outstanding delinquent debt owed to the Government by individuals; (5) OMB has identified more than 100 "high risk" programs that are vulnerable to fraud, waste, and abuse; (6) federal government has more than $5.7 trillion in outstanding credit and insurance, representing a massive potential risk to taxpayers; (7) reducing waste would free the inefficient use of resources by the government and release them into the private sector. The Senate bill also contained a provision that would establish a Sense of the Senate that the President and the budget summit members should consider the most feasible of the deficit reduction recommendations contained in the June 1990 Report of Citizens against Government Waste, as well as those in the public record of the Congressional Budget Office, General Accounting Office, Office of Management and Budget, and other agencies before considering new or increased taxes. The conference report does not contain the Senate provision.

TITLE II—INVESTMENT IN AFFORDABLE HOUSING

HOME Investment Partnerships. The Senate bill contained a provision not included in the House amendment to establish a new Housing Opportunity Partnerships (HOP) program to expand the supply of affordable housing and make housing more affordable for low-income families. The conference report contains the Senate provision under a HOME Investment Partnerships program reflecting amendments noted below. The provision would allocate funds, partly by formula and partly by incentive allocation, among eligible State and local governments to strengthen public-private partnerships able to provide more affordable housing. HOME funds would have to be matched by State and local resources and used to leverage private investment. Participating jurisdictions would be able to use HOME funds to carry out multiyear housing strategies with a variety of eligible uses, including rehabilitation of substandard housing, new construction, substantial rehabilitation, acquisition and tenant-based rental assistance. Jurisdictions would be able to provide assistance in a number of eligible forms, including loans, advances, equity investments, interest subsidies and other forms of investment that the Secretary approves. The HOME program would have been administered through the Office of the Assistant Secretary for Housing/FHA Commissioner in a way that enables participating jurisdictions to receive the various forms of assistance they need to carry out activities under the HOP program (including capital investment, Section 8 rental assistance, mortgage insurance and other forms of federal housing assistance) to the maximum extent practicable on a "one-stop" basis. HUD would be responsible for developing and making available a selection of model programs designed to provide guidelines to enable participating jurisdictions to use HOME funds most effectively under a variety of local market conditions.

Short Title. The Senate bill authorized a short title not contained in the House amendment. The conference report changes the short title from "the Housing Opportunities Partnerships Act" to the "HOME Investment Partnerships Act."

Findings. The House amendment contained provisions not included in the Senate bill that found that: the nation has not

made adequate progress toward the goal of national housing policy; the supply of affordable housing is diminishing; the Tax Reform Act of 1986 removed tax incentives for the production of affordable rental housing; the living conditions for an increasing number of Americans has deteriorated as a result of reduction in Federal assistance; many Americans face the possibility of homelessness unless the private and public sectors work together to develop and rehabilitate the nation's housing stock; there is a need to strengthen nationwide a cost-effective community-based housing partnership; direct assistance to expand the supply of affordable rental housing should be provided in a way that is more cost-effective and targeted than tax incentives; the nation's housing system provides a strong base on which national housing policy should build; an increasing number of states and local governments have been successful in producing cost-effective housing by working in partnership with the private sector; nonprofit organizations have played an increasingly important role in the production and rehabilitation of affordable housing; local communities need additional resources to mobilize the private sector; and the efforts to provide more affordable housing require tenants and homeowners to be fiscally responsible and able managers. The conference report includes a section of findings based on the House provisions.

Purposes. The conference report contains a provision that was contained in the Senate bill and amended to reflect provisions in the House bill that among purposes of this section are: to increase the supply of affordable rental housing; to mobilize and strengthen the abilities of States and local governments to design and implement strategies for achieving an adequate supply of affordable housing; to provide participating jurisdictions, on a coordinated basis, with the various forms of Federal housing assistance needed to expand the supply of affordable housing; to make housing more affordable through tenant-based rental assistance; to expand the capacity of nonprofit organizations to develop and manage affordable housing; to ensure that housing produced with Federal assistance is affordable to low-income persons for the property's remaining useful life, is appropriate to the neighborhood surroundings, and is mixed-income housing wherever appropriate. The conference report includes the Senate provision with the amendment described above.

HOME Advisory Board. The Senate bill contained a provision not included in the House amendment to establish an advisory Board. The Conference report does not include the Senate provision.

Authorization. The Senate bill contained a provision not included in the House amendment to authorize three years of funding for a new formula-based Housing Opportunity Partnerships program. The House amendment included provisions not in the Senate bill to provide 1-year authorizations for two new programs: the Community Housing Partnership and the Rental Housing Production program. The Conference report establishes one formula-based HOME Investment Partnerships authorization that achieves the purposes of the Community Housing Partnership, and rental production programs and authorizes appropriations of $1,000,000,000 in fiscal year 1991 and $2,086,000,000 in fiscal year 1992.

Eligible Uses of Investment. The Senate bill contained a provision not in the House amendment that the conference report refined to make it clear that the Secretary may not restrict a jurisdiction's choice among eligible housing activities except as specifically provided for in the statute. The conferees intend that the HOME Investment Partnerships be directed primarily to encourage States and local governments—in collaboration with private organizations—to take action and adopt policies to expand the supply of affordable housing. Tenant-based rental assistance would be a permitted use where a jurisdiction can certify that it is an essential element of the jurisdiction's strategy for expanding the supply, affordability and availability of decent housing, and specifies the local market conditions that lead to the choice of this option. Advances on interest-bearing loans would be added as an eligible use of investment.

The conferees expect that rehabilitation of substandard housing will be the predominant use of HOME funds. However, the conferees believe that new construction will be an appropriate use of the funds under certain circumstances. The conference report requires the Secretary to establish criteria that would designate not less than 30 percent of the jurisdictions receiving a HOME formula allocation would be determined to have a housing supply sufficiently inadequate to permit new construction without further approval by the Secretary. The Secretary shall publish the criteria and a list of the jurisdictions that the Secretary determines to have met those criteria. The Secretary shall provide a fair opportunity for other jurisdictions to present evidence, including evidence not considered by the Secretary when preparing the list, showing that the jurisdiction meets the criteria. New construction would be permitted elsewhere only if a jurisdiction certifies that the proposed new construction meets criteria specified in the Senate bill and contained in the conference report. The conference report expands the neighborhood revitalization exception contained in the Senate bill, which permits new construction equal to more than 20 percent of the units assisted if the housing is to be located in an area with an inadequate supply of existing housing that can economically be rehabilitated to meet identified housing needs or the new construction is required to accomplish the neighborhood revitalization program. The conference report contains the Senate provision as amended.

Rent affordability. The conferees reaffirm the policy that federal housing assistance should be directed, wherever feasible, to holding the contribution toward rent for low-income beneficiaries to within 30 percent of the family's adjusted income. The conference agreement would make all housing assisted with HOME funds available to holders of vouchers or rental certificates, who would be making a rent contribution that does not exceed 30 percent of the family's adjusted income. The conferees recognize that responsibility for providing subsidies to achieve that affordability objective cannot be placed on a project sponsor. The conferees intend that other forms of housing assistance, particularly mortgage insurance and rental assistance, will have to be provided in conjunction with HOME investment so that housing can be affordable to very low-income families. The conferees therefore expect that, to carry out the purposes of title II, the Secretary will implement procedures to make rental assistance—both tenant-based and project-based rental assistance under Section 8—available to achieve the important affordability objectives related to housing assisted with HOME funds. To the extent practicable and consistent with the availability of appropriations and other priority uses for available rental assistance, procedures for distributing rental assistance to the State and local level should support efforts of participating jurisdictions to carry out their comprehensive housing affordability strategies most effectively.

Participation by States and Local Governments. The Senate bill contained a provision not included in the House amendment to permit certain smaller local jurisdictions, if they had received an insufficient formula allocation, to become participating jurisdictions by forming consortia with adjacent jurisdictions in similar circumstances. The provision was amended to make it easier for smaller jurisdictions to participate by permitting them, before the formula allocation is made, to form a consortium that could qualify for an allocation large enough to permit the consortium to become a participating jurisdiction. Such a consortium of geographically contiguous units of local government would be deemed a general local government for purposes of this subtitle if the Secretary determines that the consortium has sufficient authority, capacity, and written commitment by the State to direct its activities towards alleviating its housing problems.

The conference agreement would permit a local jurisdiction including consortia to participate if its allocation is not less than $750,000—compared to a threshold of $2,000,000 in the Senate bill—or if it supplements its allocation to make up any shortfall below $750,000. A jurisdiction could become eligible if the Secretary found that the jurisdiction is a central city, rather than the city with the largest population in a metropolitan area, as in the Senate bill. The conference report contains the Senate provision as amended.

Allocation of Resources. The Senate bill contained a provision not included in the House amendment that was amended by initially distributing all of the HOME funds by formula, compared to 80 percent by formula, 20 percent by incentive allocation, as in the Senate bill. The conference report contains the Senate provision as amended.

Rental Production. The House amendment contained a provision not included in the Senate bill that established a rental housing production program to make repayable advances from a new revolving loan established in the Treasury to cover up to 50 percent of the cost of construction for eligible rental housing. The conference report does not contain the House provision, but includes an amendment to the Senate bill to include Rental Housing Production advances as a specified model program under the HOME Investment Partnerships Act.

The Rental Production Program contained in the House amendment would have authorized HUD to make repayable advances to eligible project sponsors to assist the sponsors in constructing, acquiring, or substantial rehabilitating affordable rental housing, including limited equity cooperatives and mutual housing. An advance could not have exceeded 50% of the total costs of the projects. Interest payments on such advances would have started one year after completion of the project. The interest rate could not have been more than 3%. Interest would have been payable only from cash flow in excess of that required to provide a minimum return on equity as determined by the Secretary. Unpaid interest would have

accrued to the principal owed. If the cash flow were greater than the interest due, HUD would have received 50% of the excess.

The House amendment contained a provision that would have required the principal and any accrued interest payable at 25 years after the completion of the construction, acquisition or rehabilitation. If, at the end of the 25-year period, the developer agreed to maintain the property according to the low-income restrictions of this program, the repayment would have been deferred, no further interest would have accrued, and the developer would have been forgiven the balance due at a rate of 6.7% per year.

The House amendment contained a provision that would have designated nonprofits, for-profits and public housing agencies as eligible sponsors. The project sponsor would have had to commence construction, acquisition or rehabilitation not later than 24 months after notice of project selection, unless the Secretary for good cause extended the date.

The House amendment contained a provision that would have required low income occupancy requirements such that during the initial 25 years of the advance, at least 20% of the units would have been required to be occupied by very low income families (those whose income does not exceed 50% of area median income) or at least 40% by low income families (those whose income does not exceed 60% of area median income). The allowable rent for very low income families could not have exceeded 30% of adjusted income of families whose income equals 40% of median income. Allowable rent for the low income families would have been 30% of adjusted income of families whose income equaled 50% of median income. The cap for lower income families (80% of median income) would have been 30% of adjusted income for families whose income equals 60% of median income. If a family that occupies a unit reserved for very low-income or low-income families ceases to qualify as such, that family could have continued to occupy the unit so long as the family is a low or lower income family. Advances would have been limited to amounts needed to meet occupancy and rent requirements.

The House amendment contained a provision that would have allocated assistance, other than assistance under this title, to all units in the project in determining the amount of the advance under this title.

The House amendment contained a provision that would have required the Secretary to establish selection criteria for applicants designed to select projects in areas demonstrating the greatest need for affordable housing. Such criteria would have included: (1) the extent of the shortage of rental housing for lower income families in an area; (2) the extent to which large families with children will be served by the specific project; the extent to which the project provides congregate facilities and has available supportive services; (3) the extent of very low and low income occupancy in excess of program requirements; (4) the extent of the project sponsor's commitment of equity to the project; (5) the extent of the project sponsor's commitment of equity to the project in comparison to the value of all public assistance for the project; (6) the extent to which the market rents do not exceed Section 8 certificate limitations (rents equal to 30% of income); (7) the extent of non-federal public assistance to the project; and (8) any other factors determined by the Secretary to be appropriate.

The House amendment contained a provision that would have further delineated selection criteria by prohibiting the Secretary from selecting projects based on the ownership of the project sponsor.

The Secretary would have been able to establish selection criteria to limit the areas in which projects eligible for advances may be located. Such criteria would have had to be objective and timely and include the level and duration of housing vacancies, the vacancy and turnover in units with rents below the fair market rents, and the extent of housing overcrowding. Projects serving special needs, such as housing for large families with children, supportive housing for persons with disabilities and congregate housing for the elderly and handicapped would be eligible for advances without regard to the above limitation.

Rental housing production. The House amendment contained a provision establishing the Rental Housing Production Fund as a revolving fund in Treasury. The Fund would consist of appropriated funds, funds received from repayments of advances under this title and amounts received from the investment of excess funds. No project sponsor could discriminate against a tenant because of such tenant's receipt of housing assistance. The Secretary would be required to issue necessary regulations. This provision would authorize $300 million for fiscal year 1991 and would provide a conforming amendment that would allow CDBG funds to be used for activities under this title.

The conference report amends the Senate bill to provide that, of the funds appropriated for the HOME Investment Partnerships, 10 percent in fiscal year 1991 and 15 percent in fiscal year 1992 would be designated for use only to produce affordable rental housing through new construction or substantial rehabilitation. The conference agreement would distribute those funds by special formula among jurisdictions that, according to the Secretary, have a housing supply that is sufficiently inadequate to permit new construction at the jurisdiction's discretion, without further approval by the Secretary. The funds would be reserved for new construction or substantial rehabilitation for a maximum period of 24 months, after which uncommitted amounts could be used for other eligible purposes during an additional 12 month period.

The conferees note that the set-aside under section 217(b)(1)(A) does not place a cap on funds that may be used for new construction. Other funds may be used for this purpose so long as such use is in compliance with provisions of the title. The set-aside amounts would be initially allocated by formula among jurisdictions that the Secretary determines has an inadequate supply of housing. The allocation formula would reflect each jurisdiction's share of the total need for rental housing production. The Secretary would establish a basic allocation formula by objective measures of tightness in the housing market, inadequate housing, the number of low-income families in housing likely to need rehabilitation, the costs of producing housing, poverty, and capacity of the jurisdiction to carry out housing activities without federal assistance.

The conference agreement amends the basic formula for HOME funding allocations to provide greater recognition of the need for affordable housing in jurisdictions that are experiencing a variety of housing problems. The changes in the allocation formula reflect the intent of the conferees that assistance under this subtitle shall be available to each jurisdiction with a demonstrated need and commitment to expanding the supply of affordable housing.

The conference agreement adds two new formula factors to those contained in the Senate bill: the number of low-income families in housing likely to be in need of rehabilitation, and the fiscal incapacity of a jurisdiction to carry out activities under this subtitle without federal assistance. In determining the fiscal incapacity of each jurisdiction, the Secretary shall assess the relative tax burden of each jurisdiction and its inability or declining ability to increase local taxes to develop affordable housing.

In addition, the conference agreement instructs the Secretary to consider the need for appropriate geographic distribution of assistance under this subtitle.

The conferees intend that the allocation of funds under the new construction set-aside shall not reduce the funds received by any jurisdiction below the level the jurisdiction would have received if the basic HOME formula were used alone. The conference agreement therefore provides that, if a jurisdiction receives an allocation under the rental housing production formula, the Secretary shall reduce the jurisdiction's allocation under the basic formula by the amount allocated under the rental housing production formula. The conference agreement also provides that a jurisdiction's rental housing production formula shall not exceed the amount it would receive if the basic formula were used alone. This provision is intended to ensure that the Rental Housing Production formula provides fenced in resources for new construction in jurisdictions that most need it, but does so without redistributing funds geographically from regions that have other forms of housing needs.

The conferees intend that the Secretary shall promptly begin the development of formulas for distributing HOME funds so that the appropriate committees of Congress can be notified of the Secretary's recommended formulas within 120 days after enactment of the Act. The conferees direct the Secretary to develop details of the formulas in periodic and open consultation with the housing subcommittees of the House and Senate as well as with representatives of State and local government. The conference report contains the Senate provision as amended.

State Allocation. The Senate bill contained a provision not included in the House amendment that was amended to require the Secretary, when applying the distribution formula to States, to give 20 percent weight to measures of the State's share of the national housing need and 80 percent weight to measures of the share of need reflected among nonparticipating jurisdictions within the State. This provision is needed to provide a fair geographic distribution of HOME funds across the nation. The conference report contains the Senate provision.

Minimum Local Allocation. The Senate bill contained a provision not included in the House amendment that was amended by reducing the minimum formula allocation to units of local government to $500,000, compared to $1,500,000 in the Senate bill. Minimum funding would be $750,000, compared to $2,000,000 in the Senate bill. The conferees believe that these changes will allow participation by a larger number of communities to participate, while ensuring that each participating jurisdiction will have sufficient funds to carry out an effective housing strategy. The conference

report contains the Senate provision as amended.

Maximum Allocations. The Senate bill contained a provision not included in the House amendment that placed specific caps on the portion of HOME funding that could go to any one State or locality. The conference agreement does not contain this provision but the conferees expect the Secretary to develop a formula that avoids having an inappropriately large share of the funds being allocated to only a few jurisdictions.

Incentive Allocation. The Senate bill contained a provision not included in the House amendment that reserved 20 percent of the HOME funds for distribution by incentive allocation rather than by formula. The conference report does not contain the Senate provision. However, the conference agreement retains the criteria for incentive allocations for use when reallocating certain funds in accordance with various provisions of the title.

Review of Allocation Percentage. The Senate bill contained a provision not included in the House amendment that would have required an annual review of the allocation formulas. The conference report does not contain this provision because the conferees believe it is appropriate to provide more effective collaboration in the development of allocation formulas and then to retain those formulas over time to give States and local governments enough predictability to permit sound planning and management of housing strategies.

Tenant Selection. The Senate bill contained a provision not included in the House amendment that requires rental projects assisted with HOME funds to establish orderly tenant selection procedures. The conference report contains the Senate provision with amendment to add that tenant selection policies and criteria shall give reasonable consideration to the housing needs of families that have preference under public housing procedures.

HOME Investment Trust Funds. The Senate bill contained a provision not included in the House amendment that was amended by changing the name from "housing investment trust funds" to "HOME Investment Trust Funds." The conference report contains the Senate provision as amended.

Monitoring of Compliance. The Senate bill contained a provision not included in the House amendment that is amended by adding a technical refinement allowing the Secretary to provide streamlined procedures in the case of small-scale or scattered site housing. The conference report contains the Senate provision as amended.

Community Housing Partnership. The Senate bill contained a provision not included in the House amendment that would have required each jurisdiction receiving a formula allocation of housing assistance to set aside 10 percent of its allocation for nonprofit housing development. The House amendment contained a provision not included in the Senate bill that would have created a separate program, the Community Housing Partnership program, which would authorize the Secretary to allocate funds by formula to States, urban counties, cities, and nonprofit organizations. The funds could have been used for housing education and organizational support grants for capacity building, technical assistance and community housing. Community Housing Partnership grants could have been provided for maintaining, acquiring, constructing, and rehabilitating affordable housing. The conference report does not contain the House provision.

The conference agreement amends the Senate bill to include a new subtitle, Community Housing Partnership, that provides a set-aside of 15 percent of HOME Investment Partnership funds for investment in housing to be developed, sponsored or owned by nonprofit community housing development organizations. Amounts reserved could be used for activities that are eligible generally under the HOME program—including maintaining, acquiring, constructing, and rehabilitating affordable housing—as well as for project-specific technical assistance and site control loans and project-specific seed money loans.

The conference report permits not more than 10 percent of the amounts set aside for the Community Housing Partnership to be used for project specific technical assistance and seed money loans. Repayment of the loans would be made into the participating jurisdiction's HOME Investment Trust Fund.

The conference report contains a provision authorizing the Secretary to provide housing education and organizational support grants to facilitate the education of low and moderate income homeowners and tenants and to promote the ability of community housing development organizations to maintain, rehabilitate and construct housing for low and moderate income families. Eligible activities include organizational support to cover operational expenses and technical assistance, housing education and program-wide support for nonprofit community housing development organizations.

The conference report provides that assistance to community housing development organizations shall be provided through contract with private, nonprofit intermediary organizations that have demonstrated the capacity to provide a range of technical assistance to nonprofit organizations in more than one community. The conferees believe that the Community Housing Partnership provides an opportunity for nonprofit community housing development organizations to provide more affordable housing most efficiently.

The House amendment contained a provision not in the Senate bill requiring that recipients of Community Housing Partnership funds submit and comply with a plan for community and resident participation in development and management decisions. The conference report contains the House provision with an amendment that requires a community housing development organization to provide and follow a program of tenant participation in management decisions.

The House amendment contained a provision that limited the federal assistance received by any nonprofit sponsor to not more than 50 percent of the total operating costs of the nonprofit sponsor in the fiscal year. The conference report contains the House provision.

Other Support for State and Local Strategies. The House amendment contained a provision not included in the Senate bill that establishes the "REACH" asset recycling information dissemination program. The House provision would have authorized the Secretary to make grants to States on behalf of the State housing finance agencies (HFA) to capitalize revolving loan funds to finance housing for low and moderate income renters and first time homebuyers.

The House provision would have defined eligible properties to include unoccupied single or multifamily units which are owned or controlled by one of the following federal agencies: (A) the Department of Housing and Urban Development, (B) the Department of Veterans Affairs, (C) the Federal Deposit Insurance Corporation; (D) the Office of Thrift Supervision; (E) the Farmers Home Administration; and (F) the Resolution Trust Corporation.

The House provision would have established appraisal guidelines, requirements on listing of eligible properties, reporting requirements, and definitions for this section and would have authorized appropriation of such sums as are necessary for fiscal year 1991 to be available until expended.

The Conference Committee recognizes the importance of developing the capacity of housing partnerships—public agencies, for-and-non-profit corporations, lenders, developers and others—to identify and meet the needs for increased supply of decent, affordable housing. Irrespective of whether contracted providers are public agencies, associations or corporations, or offer their services for profit or as non-profits, the Conference Committee is concerned that HUD exercise enormous care to select providers based upon their quality, professional skills, expertise, demonstrated experience and cost-effective delivery of services.

In addition, HUD should develop procedures to review on a regular basis the service provided by all technical assistance service providers to ensure the quality of work and cost effectiveness.

The conference report includes REACH among the other support for State and local housing strategies provided through the HOME Investment Partnerships. The Secretary is required to provide jurisdictions upon request with a list of eligible properties owned by the federal government that are available for purchase, development, or rehabilitation.

Specified Model Programs

The House amendment contained three provisions not included in the Senate bill that would produce affordable rental housing, provide Home Repair Services Grants for Older and Disabled Homeowners, and establish a Low-income Housing Conservation and Efficiency Grant Program. The conference agreement includes these initiatives among the model programs that the Secretary shall make available as guidelines for participating jurisdictions using HOME funds.

Low income housing conservation and efficiency grant program. The House amendment contained a provision not included in the Senate bill authorizing the Secretary to make grants to States for distribution to local governments and community action agencies to carry out a low-income housing conservation and efficiency program to provide safe, energy-efficient affordable housing for low-income persons. The conference report includes a model program under the HOME Investment Partnerships to achieve the purposes of the House provision.

The model program would provide guidelines for a participating jurisdiction to identify housing that is (1) owned and occupied by persons or families who have received, are currently receiving, or are scheduled to receive assistance under the ECPA weatherization programs (or a comparable Federal or State program); (2) in danger of becoming uninhabitable within a 5-year period because of structural weaknesses or problems; and (3) not sufficiently sound to permit energy conservation improvements without

other repair or rehabilitation measures to protect such energy investments. The guidelines would provide for repairs to prolong the habitability of the identified units, including roofing, electrical, plumbing, furnace, and foundation repairs or replacement that will prolong the use of the unit as a safe and energy-efficient residence for low income persons. The guidelines would indicate reasonable steps to ensure that any units so repaired will remain occupied by persons or families eligible for assistance under HOME.

Rehabilitation of In-Rem Properties. The House amendment contained a provision not included in the Senate bill authorizing an additional $30 million for fiscal year 1991 for Community Development Block Grant funds to be used specifically for converting and rehabilitating properties that states and local governments have acquired as a result of tax foreclosure proceedings (in rem properties). The conference report includes a model program under the HOME Investment Partnerships to achieve the purposes of the House provision.

The model program would provide guidelines for a participating jurisdiction to convert in rem properties to provide affordable permanent housing for the homeless by leasing the properties to nonprofit organizations and permitting the organizations to rehabilitate the properties. The model program would target vacant properties for rehabilitation by nonprofit organizations.

Home Repair Service Grants. The House amendment contained a provision not included in the Senate bill to establish a Home Repair Service Grant program for older and disabled individuals and to authorize the Secretary to make grants for repair services for older and disabled homeowners to eligible organizations to the extent of appropriated funds. The conference report includes a model program under the HOME Investment Partnerships that would achieve the purposes of the House provision.

The model program would provide guidelines for a participating jurisdiction to repair the primary residences of older and disabled homeowners who qualify as low-income families.

Second Mortgage Assistance for First-time Homebuyers. The House amendment contained a provision not included in the Senate bill that would have authorized the Secretary to provide second mortgages to first-time homebuyers. The conference report includes a model program under the HOME Investment Partnerships that would achieve the purposes of the House provision.

The model program would provide guidelines to participating jurisdictions could provide loans secured by second mortgages with deferred payment of interest and principal to first-time homebuyers. The guidelines would provide for homeownership counselling to help homebuyers identify the most suitable properties, understand mortgage transactions, eliminate credit problems and follow sound financial management. The guidelines would require that the assistance be provided only to eligible first-time homebuyers with respect to their principal residence and would limit assistance to 30% of the acquisition price of the home. Repayment could be deferred for not more than 5 years. Second mortgage terms would have to include an interest rate of at least 4% and require repayment within 15 years.

Protection of State and Local Authority. The conferees adopted a provision that reaffirms an amendment in the Senate bill that was not included in the House amendment that prohibits the Secretary from establishing criteria that interfere with the public policies of states and units of local government. The conferees intend that the federal housing assistance be used to give State and local governments more effective tools for achieving housing affordability within their jurisdictions. It is not the conferees' intent to give HUD new authority to intervene in State and local decision-making. For that reason the conference agreement reaffirms and makes clearer the provisions in title I of the Senate bill relating to this issue. The conference report contains the Senate provision.

Anti-displacement. The House amendment contained a provision not in the Senate bill that would require all recipients of Community Housing Partnership funds to certify that they are in compliance with a residential anti-displacement and relocation assistance plan required of recipients of Community Development Block Grants. The conference agreement includes this among the requirements of participating jurisdictions under the HOME program. The conferees emphasize that scarce federal dollars should be used to expand the availability of affordable housing, not to reduce the supply. The conference report contains the House amendment as amended.

Equal Opportunity. The Senate bill contained a provision not included in the House amendment that would direct participating jurisdictions to prescribe procedures acceptable to the Secretary to establish and oversee a minority outreach program within each such jurisdiction. The purpose of such an outreach program is to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in all contracts entered into in order for the participating jurisdiction to provide affordable housing authorized under this Act or any federal housing law.

In addition, the Act requires that the Secretary submit to Congress a report on the actions taken by each participating jurisdiction to undertake a minority outreach program and any recommendations for administrative and legislative actions necessary to carry out the purposes of this subsection.

The Committee urges the Secretary, in addition to overseeing the minority outreach efforts of participating jurisdictions, to reaffirm the Department's commitment to include minorities and women in its contracting activities as prescribed under existing federal law.

The conferees recognized that minorities and women have historically been disadvantaged and denied access to federal, state and local contracting opportunities in the construction, real estate, financial and legal service industries. The conferees also recognized that this historical practice, in conjunction with other impediments to economic and social opportunity, has contributed to the disproportionate representation of minorities and women in poverty. The conferees urge the Secretary to work towards eradicating any historical discriminatory contracting practices in the construction, real estate, financial and legal services industries and to affirmatively foster participation by minorities and women in such industries. The conferees recognize that only through meaningful economic opportunity and participation can genuine empowerment occur. The conference report contains the Senate provision.

Nehemiah program. The House amendment contained a provision not included in the Senate bill that would authorize $100,000,000 in fiscal year 1991 for Nehemiah housing opportunity grants. The Senate bill contained a provision that would extend the Nehemiah program until September 30, 1991, but authorized no funds and prohibited any new grants or loans from being made under the Nehemiah program after October 1, 1990. The conference report contains the Senate provision to terminate the Nehemiah program, permitting no new projects to be approved, except those that receive firm commitment by October 1, 1991. Any recaptured funds would be rescinded. The conferees believe that homeownership assistance provided under the Nehemiah program is an eligible activity under the HOME program.

Credit Enhancement. The Senate bill contained a provision not included in the House amendment that would have created a special commission to explore ways in which federal credit enhancement could be provided more effectively in conjunction with other forms of federal housing assistance. The conference report contains the Senate provision with an amendment to have the study carried out by GAO.

Repeal of Existing Housing Programs

The Senate bill contained a provision that was not included in the House amendment that would terminate grants for new construction and substantial rehabilitation in fiscal year 1991 under the rental rehabilitation; Section 312 loans; Nehemiah Housing Opportunity Grants program; moderate rehabilitation; except where funds are allocated under this authority for single-room occupancy dwellings as authorized by title IV of the Stewart B. McKinney Homeless Assistance Act; Urban Homesteading; Congregate Housing Services; Housing Counseling (Sec. 106); lower income public housing projects; and HODAG. The conference report contains the Senate provision amended to repeal the following existing housing programs as of fiscal year 1992: grants for new construction and substantial rehabilitation under the rental rehabilitation; Section 312 loans; Nehemiah Housing Opportunity Grants program; moderate rehabilitation, except where funds are allocated under this authority for single-room occupancy dwellings as authorized by title IV of the Stewart B. McKinney Homeless Assistance Act; and Urban Homesteading.

The conference report contains a provision requiring that any amounts received on or after October 1, 1991, as repayments or recaptures in connection with the programs referred to in subsection (a) and any other amounts for such programs that are unobligated on or after such date shall be paid into the general fund of the Treasury.

TITLE II—HOMEOWNERSHIP

Subtitle A—National Homeownership Trust Act

The House amendment contained a provision not included in the Senate bill that established the National Trust in the Department of Housing and Urban Development to provide interest rate buydowns and downpayment assistance to first-time homebuyers. The conference report contains the House provision with an amendment to change the name to "National Homeownership Trust Act", to limit participation in the Trust to homebuyers who are 95 percent of median area income for a family of four persons (adjusted for family size), except in FHA high cost areas where the limit will be

115 percent of median area income for a family of four persons (adjusted for family size), and to include three demonstration programs. The amendment also requires participating homebuyers to have paid not less than 1 percent of the cost of acquisition of the property (excluding any mortgage insurance premium paid at the time the mortgage is insured).

The Trust was created to address the decline in first-time homeownership due to high costs of housing, high costs involved in financing the purchase of a home, and the tighter underwriting standards in the mortgage marketplace. The Committee believes that the Trust provides vitally needed homeownership opportunities to low and moderate income families who could not otherwise afford to purchase a home through interest rate buydowns to a rate not to exceed 6 percent and through downpayment assistance.

The Trust would provide two forms of assistance to first-time homebuyers (including homebuyers buying shares in limited equity cooperatives): (1) payments to ensure that a rate of interest payable on the mortgages by the homebuyers does not exceed 6 percent; and (2) payments to provide some or all of the downpayment (including closing costs and other costs payable at the time of closing) required by first-time homebuyers.

The House provision provided that the aggregate income of the homebuyer and family members residing with the homebuyer could not exceed 115 percent of the area median income for a family of four (adjusted for family size) during the 12 months prior to the date of application for assistance. The conference report amends this provision so that the aggregate income of the homebuyer and family members residing with the homebuyer cannot exceed 95 percent of the area median income for a family of four (adjusted for family size), except in areas that are subject to a high cost area mortgage limit under Title II of the National Housing Act (FHA). In such areas, the homebuyer's income cannot exceed 115 percent of the area median for a family of four (adjusted for family size). The Secretary would be required to provide for the recertification of income every two years. The homebuyer would be required to certify that the homebuyer has made a good faith effort to obtain a market rate mortgage and has been denied such mortgage because the income of the homebuyers is insufficient. The assisted property would have to be a single-family residence or unit in a cooperative and the principal residence of the homebuyer. The principal obligation of the mortgage could not exceed the maximum amount which can be insured under the National Housing Act. The interest rate on the mortgage would be a fixed rate and cannot exceed the maximum rate established by the Trust. The mortgagee would be federally-insured or otherwise approved by the Trust. The mortgage would be insured under the National Housing Act or covered by private mortgage insurance. If covered by private mortgage insurance, the principal amount could not exceed 90 percent of the appraised value of the property. To receive downpayment assistance under this subtitle, the homebuyer would be required to pay at least one percent of the cost of acquisition. Since the absence of equity has been shown to contribute to homeowner default, the Committee requires that the homebuyer contribute at least one percent of the cost of acquisition to insure sufficient equity in the home to avert default. This equity contribution could be applied toward the downpayment requirement under FHA insured loans. Assistance payments must be secured by a subordinate lien on the assisted property. Assistance must be repaid without interest upon the sale of the property if there are proceeds from such sale.

If the homebuyer's income exceeds 115 percent of median income for two years or if the assisted property ceases to be the principal residence of the homebuyer, the Trust could require that the homebuyer begin to repay any assistance payments before any sale. The Trust could provide both interest rate assistance and down payment assistance at the same time to a single homebuyer. The Secretary would be required to allocate the assistance in a manner to assure equitable distribution among the States based on the number of eligible first-time homebuyers. The Committee intends that, in determining the need of eligible first-time homebuyers for assistance, the Secretary will take into account the fiscal capacity of first-time homebuyers in an area to afford a typical starter home within the area.

National Housing Trust Fund

The National Housing Trust Fund would be established in the Treasury. The Fund would consist of any appropriations and any repayments to the Fund, and any amount that the Trust earns on its investments in U.S. government securities. The Trust would be permitted to invest any amount beyond what is necessary to carry out the provisions of the Title in the obligations of the United States.

The House amendment contained three combined housing and economic development demonstrations in the Community Housing Partnership which were not contained in the Senate bill which the conference report now contains within the National Homeownership Trust Act. The first demonstration program is in Milwaukee, Wisconsin, for development, rehabilitation, and revitalization of 2 vacant structures in a blighted minority neighborhood, for which $4,200,000 is authorized out of the Trust. The second demonstration program is in Washington, District of Columbia, for nonprofit neighborhood-based groups to acquire and rehabilitate vacant public and private housing for resale or rent to low and moderate-income families and to engage in neighborhood-based economic development activities, for which $10,000,000 is authorized out of the Trust. The third demonstration is in Philadelphia, Pennsylvania, for technical assistance and organizational support for a community development corporation that is a city-wide public/private partnership engaged in the provision of technical assistance to neighborhood community development corporations, for which $1,000,000 is authorized out of the Trust.

The House amendment authorized $500 million for fiscal year 1991 and such sums for FY 1992 and FY 1993 to remain available until expended. The conference report authorizes $250,000,000 for FY 1991 and $521,500,000 for FY 1992.

The Secretary would be authorized to conclude the affairs of the Trust after termination. If the Secretary determines that the Trust is no longer necessary, the Secretary could transfer any remaining Trust funds to the Treasury. The Trust would terminate on September 30, 1993.

Downpayment Savings

Study. The Senate bill contained a provision that was not included in the House amendment that would require the Secretary to study the actuarial soundness of implementing a program to guarantee downpayments for first-time homebuyers based on a system of downpayment savings accounts and payment schedules that require monthly or other periodic payments over a specified period of time in an amount equal to a specified percentage of the value of housing at the time of purchase. The conference report does not contain the Senate provision.

HOME Demonstration. The House amendment contained a provision that was not included in the Senate bill that would provide matching contributions for downpayments. It would provide funds for "matching contributions certificate" to eligible buyers who have established a HOME savings certificate account. Matching contribution certificates would be issued annually for each year of buyer's eligibility. Such certificates can only be redeemed in connection with the purchase of a principal residence by an eligible buyer under this part. The conference report does not contain the House provision.

Subtitle B—FHA and Secondary Mortgage Market

FHA mortgage insurance authority. The House amendment contained a provision that would limit aggregate FHA mortgage insurance authority to $76,791,000,000 for FY 1991. The conference report contains the House provision with an amendment that would limit such authority for FY 1992 to $79,818,000,000.

Appraisal services. The House amendment contained a provision not included in the Senate bill that allows mortgagees approved for the FHA direct endorsement program to contract with an appraiser, including partnerships or sole proprietorships organized as corporations, to conduct an appraisal so long as such appraisals are consistent with standards and qualifications established by the Secretary. Individuals that meet the requirements for inclusion on fee panels established by the Secretary shall be eligible for such assignments notwithstanding their employment by an appraisal company and the contract for such persons services may be made with the employer. The conference report contains the House provision. This provision conforms with the appraisal reform provisions of FIRREA and with the policies and practices of the Federal financial institutions regulatory agencies, Fannie Mae and Freddie Mac. The conferees recognize that while this provision requires HUD to recognize valuation services provided by appraisal companies when those companies employ qualified appraisers, it continues the Secretary's full authority and responsibility for assuring the integrity of HUD related appraisal services. The conferees believe that this provision will improve the quality and reliability of appraisal services in connection with HUD mortgage assistance and other housing programs; will promote uniformity among government agencies on the issue of eligibility to perform appraisals in federally related transactions; and will allow mortgage lenders who participate in HUD residential mortgage insurance programs to be more efficient in the appraisal component of the underwriting process. The conferees believe the Secretary should approve and certify appraisers consistent with the Secretary's prescribed standards for all HUD approved fee appraisers or such other standards as the Secretary may prescribe.

FHA loan limits. The House amendment contained a provision that would amend Section 203(b)(2) to raise FHA maximum loan limits to 185% of area median ($124,875) on a permanent basis. The Senate bill contained a similar provision except it would only authorize the raised limit for two more years, until September 30, 1992. The conference report contains the House provision.

Mortgagor equity. The House amendment contained a provision that would limit the FHA insured principal obligation (including such initial service charges, appraisal, inspection, mortgage insurance premiums, and other fees as the Secretary approves) to no more than the appraised value of the property. This change would apply to mortgages entered into on or after October 1, 1992. The Senate bill contained a provision that would limit FHA insured mortgages to principal obligations of no more than 98 percent of the properties appraised at less than $50,000 and 97 percent in the case of properties with an appraised value above $50,000, plus the amount of the mortgage insurance premium. "Appraised value" would mean the amount required to be set forth in a written statement as the appraised value of the property under Section 226 of the National Housing Act, or a similar amount determined by the Secretary, if Section 226 does not apply. The conference report contains the Senate provision with an amendment to change the limit of an FHA insured mortgage to a principal obligation from no more than 98 percent to no more than 98.75 percent of the appraised value of the property and from 97 percent to 97.75 percent in the case of a mortgage with an appraised value in excess of $50,000.

Mortgage insurance premium on 1-4 family dwellings

Up-front. The House amendment contained a provision that would require the Secretary to collect, at the time of insurance, a premium payment of 1.35 percent of the amount of the original insured principal obligation of the mortgage, which may be financed. The Senate bill did not contain a similar provision but would retain current law which requires at the time of insurance a premium payment of 3.8 percent of the amount of the original insured principal obligation of the mortgage, which may be financed. The conference report contains the House provision with an amendment to change the 1.35 percent insurance premium payment to 2.25 percent.

Periodic. The House amendment contained a provision that would provide for periodic premium payments of 0.6 percent of the remaining insured principal balance, and would not refund any part of the periodic premium upon prepayment. The Senate bill contained a provision that would permit the Secretary to require an additional premium charge on a periodic basis as determined by the Secretary to be consistent with sound actuarial practice and taking into account high loan-to-value ratios. The additional premium charge may not exceed an amount equal to 0.5 percent of the outstanding principal obligation of the mortgage without taking into account delinquent payments or prepayments. Such additional premium charge was required (A) for up to 15 years if the initial loan-to-value ratio of the mortgage is greater than 95 percent, (B) for up to 10 years if the initial loan-to-value ratio is equal to or less than 95 percent but equal to or greater than 93 percent, and (C) for up to 4 years if the initial loan-to-value ratio is less than 93 percent but greater than or equal to 90 percent. The conference report contains the Senate provision with an amendment that requires a premium charge of 0.5 percent (A) for the first 11 years if the initial loan-to-value ratio of the mortgage is less than 90 percent of the appraised value, (B) for the first 30 years if the initial loan-to-value ratio of the mortgage is greater than or equal to 90 percent of the appraised value, and (C) for mortgages with an initial loan-to-value ratio greater than 95 percent of the appraised value, a premium charge of 0.55 percent for the first 30 years.

Effective date. The House amendment contained a provision which would require that the modified premium structure amendment apply to mortgages insured on or after October 1, 1995. The Senate bill contained no similar provision. The conference report contains the House provision with an amendment to change the effective date to October 1, 1994.

Transition. The House amendment contained a provision not included in the Senate bill which provides for transition rules under which upfront and periodic premium changes are phased in: 1991-92, 3.75% up-front, .24% periodic; 1993-95, 2.15% up-front, .48% periodic; 1996, 1.35% up-front, .60% periodic. The conference report contains the House provision amended to provide for transition rules as follows: (A) for mortgages executed during FYs 1991 and 1992 (but after the effective date of regulations), an up-front premium of 3.8 percent and an annual premium of 0.5 percent for mortgages (i) less than 90 percent of the appraised value for the first 5 years, (ii) greater than or equal to 90 percent of the appraised value but equal to or less than 95 percent of such value, for the first 8 years, and (iii) greater than 95 percent of such value, for the first 10 years; (B) for mortgages executed during FYs 1993 and 1994, an up-front premium of 3.0 percent and an annual premium of 0.5 percent for mortgages (i) less than 90 percent of the appraised value for the first 7 years, (ii) greater than or equal to 90 percent of the appraised value but equal to or less than 95 percent of such value, for the first 12 years, and (iii) greater than 95 percent of such value, for the first 30 years.

Refunds. The House amendment contained a provision which would prohibit refunding the 1.35 percent up front premium. For mortgages insured during fiscal years 1991-1995, the Secretary could refund up to 50 percent of the amount over 1.35 percent. The Senate bill contained no similar provision. The conference report does not contain the House provision. Instead, the conference report requires the Secretary to refund all of the unearned premiums.

Limitation on secondary residences

The House amendment contained a provision which generally would prohibit the Secretary from insuring mortgages on secondary residences and included an exception that determines such a residence would be necessary to avoid undue hardship. For example, seasonal employment in differing locales may necessitate the mortgagor living in the second home for at least part of the year. The Senate bill contained no similar provision. The conference report adopted the House provision. In no instance will FHA be allowed to insure mortgages on vacation homes. This change would only apply to (1) mortgages insured pursuant to a conditional commitment issued after 60 days following the date of enactment or in accordance with the direct endorsement program, if the approved underwriter of the mortgagee signs the appraisal report for the property on or after the date of the enactment; and (2) the approval of substitute mortgagors, if the original mortgagor was subject to such amendments. Any mortgage executed prior to the enactment of these amendments would continue to be governed under provisions as existed before the enactment of this provision. The Secretary can continue to insure mortgages under existing law until 60 days after the enactment of this statute.

Mortgage Counseling. The House amendment contained a provision not included in the Senate bill that permits FHA MMI Funds to be used to provide mortgage counseling to delinquent mortgagors with FHA insured mortgages. The conference report contains the House provision. The conferees recognize the importance and the value of providing mortgage counseling services to delinquent homeowners, especially those homeowners who find themselves faced with a temporary loss of income. The conferees believe that, in order to be a candidate for counseling services, the cost of which would be covered by the MMIF, the default must have been caused by circumstances beyond the mortgagor's control and/or, there must be a reasonable prospect that the mortgagor will be able to resume full mortgage payments after a temporary period of reduced or suspended payments. Given the financial condition of FHA's MMIF, the conferees intend that the Secretary establish criteria for the use of MMIF funds and for the selection of applicants for counseling services. The conferees direct the Secretary to take appropriate steps to reduce losses due to foreclosure by securing the services of experienced HUD approved nonprofit counseling agencies. Agencies selected should be those with a successful track record in delinquent mortgage counseling and those who operate in several states and locations either directly or through sub-contracting relationships. This coordination of counseling services will help insure quality controls as well as positioning these services to be more fully used by the mortgage industry which increasingly is more regional and national in scope.

Delegated processing. The Senate bill contained a provision that required the Secretary to implement a delegated multifamily insured mortgage processing system for mortgages insured pursuant to Sections 221, 223, 232, and 241 of the National Housing Act under which the Secretary retains authority to approve rents, expenses, property appraisals, and mortgage amounts and to execute a firm commitment. The House amendment contained a similar provision but also included Section 207 of the National Housing Act. The conference report contains the Senate provision with an amendment to include Section 207.

Disclosure regarding interest due upon mortgage prepayment. The House amendment contained a provision not included in the Senate bill that requires each mortgagee to provide written notice to mortgagors, both annually and at the time of the mortgage, of possible interest liability upon prepayment. This applies to insured FHA mortgages outstanding 90 days after the effective date of regulations. The conference report contains the House provision.

Neighborhood accountability. The House amendment contained a provision not included in the Senate bill that would prohibit any FHA mortgagee from varying mortgage interest rates, the level of discount

points, loan origination fees or any other amount charged on the basis of the loan amount in the area.

The House provision would require the Secretary to assess the performance of the mortgagee in meeting the lending needs of the community, the consistency of the lending practices with safe and sound lending practices, and the mortgagee's record of FHA insured defaults. Such information would be considered by the Secretary in determining whether the mortgagee can continue to participate in the FHA insurance program. Should a mortgagee fail to meet the lending needs of the community, the Secretary would require the mortgagee to take steps to remedy the omission. Such steps would include filing a plan to remedy such deficiencies. Such plan would be developed through a public notice and comment process. If a mortgagee fails to comply with its plan, the Secretary could withdraw approval of the mortgagee for participation in the FHA program. The Secretary would report to Congress annually on actions taken to carry out these provisions.

The conference report contains the House provision with an amendment to permit an exception not to exceed 2 percent variation in the amounts changed for fees and discount points based upon the loan amount and makes conforming changes consistent with the HUD Reform Act of 1989. This section is intended to apply to Sec. 203 of the National Housing Act by loan type. For example, mortgages insured under the 203(k) program may be priced differently from mortgages insured under the 203(b) program. The Committee recognizes that different types of mortgages involve differing levels of risk, processing expenses or other factors that differentiate them and necessitate pricing variations. Mortgagees are subject to uniform pricing requirements of loans of varying amount but insured under the same subsection.

Actuarial soundness. The House amendment contained a provision that would require the Secretary to ensure that the MMI Fund attain a capital ratio of 1.25% within 24 months of enactment and 2% within 10 years. The Senate bill contained a similar provision except it would provide 18 months to attain 1.25%, and stated that the Secretary should endeavor to ensure that the fund attain a 2% capital ratio within 10 years. The conference report contains the House provision regarding the 1.25% capital ratio and the Senate provision regarding the 2% capital ratio.

Reports. The House amendment contained a provision that would require the Secretary to submit an annual report to Congress describing the actions the Secretary will take to ensure that the MMI Fund attains the required capital ratio. The Secretary would be required to annually conduct an independent actuarial study of the MMI Fund and report annually to Congress on the status of the Fund. The Senate bill contained a provision that would require the Secretary to report to Congress annually on the status of the Fund should the Fund fail to achieve the 1.25% capital ratio. Three years after enactment the Secretary would be required to begin reporting annually on the status of the Fund and on efforts to achieve the 2% goal. The conference report contains the House provision.

Operational goals. The House amendment contained a provision that would define the operational goals of the MMI Fund. The Senate bill contained a similar provision that would define the principles of operation.

The first goal of the House provision would be to maintain an adequate capital ratio. The Senate provision was similar except it specifies a capital ratio of 1.25% to be achieved in 18 months and 2% thereafter. The conference report contains the House provision.

The second goal of the House provision would be to meet the needs of homebuyers with low downpayments and first-time homebuyers by providing access to mortgage credit. The Senate provision is the same except it does not include meeting needs of homebuyers with low down payments. The conference report contains the House provision.

The third goal of the House provision would be to minimize the risk to the Fund and to homeowners from homeowner default. The Senate bill contained a similar provision. The conference report contains the House provision.

The Senate bill contains an additional principle of operation that was not included in the House amendment to avoid the problems of adverse selection by establishing premiums related to the probability of homeowner default. The conference report contains the Senate provision amended to state the operational goal as avoiding adverse selection. The conference report establishes periodic annual premiums that vary depending on the probability of homeowner default. The conferees believe that a risk-based premium is necessary to meet the four operational goals of the MMI Fund.

The House amendment contained a provision that would give the Secretary the authority, upon a determination of an independent actuarial study, to propose and implement any adjustments to the insurance premiums or any other program requirements to achieve actuarial soundness. The Senate bill contained a similar provision. The conference report contains the House provision with an amendment to delete the reference to other program requirements.

Distributive Shares. The House amendment contained a provision that stated if, pursuant to the independent annual actuarial study, the Secretary determines the MMI Fund is not meeting its operational goals, the Secretary cannot issue distributions, and may by regulation, propose and implement any adjustments to the insurance premiums established by the Secretary to achieve such goals. The Senate bill contained a similar provision. The conference report contains the House provision.

The House amendment contained a provision not included in the Senate bill to authorize the Secretary to require payment on all mortgages that are obligations of the MMI Fund of an additional premium charge as determined by the Secretary to be consistent with sound actuarial practice. The conference report does not contain the House provision.

Mortgage Insurance in Virgin Islands. The House amendment contained a provision not included in the Senate bill that adds the Virgin Islands as a super high cost area for FHA insurance purposes. Current law permits the Secretary to authorize FHA mortgages beyond the $124,785 ceiling for Alaska, Hawaii, and Guam. The conference report contains the House provision.

221(g)(4) assignments. The House amendment contained a provision not included in the Senate bill that would provide that in connection with mortgages insured under Section 221 of the National Housing Act, the Secretary shall provide, to mortgagees who agree not to exercise their option to assign their mortgages to HUD, an incentive payment from the General Insurance Fund to the mortgagee in an amount equal to the present value at the time of assignment of the difference between the mortgage interest rate and the rate on similar mortgages in lieu of the issuance of debentures on the assignment of such mortgages as required by current law. The conference report contains the House provision amended to provide that the Secretary shall arrange for the sale of beneficial interests in the mortgage loan through an auction and sale of the mortgage loans or participation certificates or other mortgage-backed obligations in a form acceptable to the Secretary and that a mortgagee who elects to assign a mortgage must provide the Secretary and persons bidding at the auction a description of the characteristics of the original credit instrument and mortgage securing the original credit instrument (including principal mortgage balance, original stated interest rate, service fees, real estate and tenant characteristics, the level and duration of Federal subsidies and any other information determined by the Secretary to be appropriate. The Secretary is required in any auction to accept the lowest interest rate bid for purchase that the Secretary determines to be acceptable. The Secretary shall provide a monthly interest subsidy payment from the General Insurance Fund to the purchaser of the original credit instrument and the mortgage securing such credit instrument (and its assigns who are approved mortgagees) in an amount equal to the difference between the stated interest due on the mortgage loan and the lowest rate necessary to accomplish a sale of the participation certificates for the then unpaid principal balance plus accrued interest at a rate to be determined by the Secretary. The conferees recognize that, during the auction period, the mortgagee will not be accruing interest at the rate or rates applicable under the current assignment process. The conferees intend that the mortgagee would not be deprived of any economic benefits that the mortgagee would have received had the mortgage been assigned to HUD under the current assignment process. These economic benefits include interest to accrue at a rate or rates consistent with the rate of interest a mortgagee would have received under the current assignment process and the Secretary's past interpretation of section 221(g)(4).

If no bids are received, the bids received are not acceptable to the Secretary, or settlement does not occur within 30-90 days, the mortgagee would retain all rights to assign the mortgage loan to the Secretary, including the right to interest for the period covering the auction process at a rate to be determined by the Secretary. The conferees intend that, if the auction is not consummated and the mortgage is assigned to HUD, the mortgagee would not be deprived of any economic benefits that the mortgagee would have received had the mortgage been assigned to HUD under the current assignment process. These economic benefits include interest to accrue at a rate or rates consistent with the rate of interest a mortgagee would have received under the current assignment process and the Secretary's past interpretation of this statute.

Report on FHA defaults. The House amendment contained a provision not included in the Senate bill that would require the Secretary to publish quarterly reports of early defaults and foreclosures on FHA-insured housing. Each report would contain for each lender originating single-family in-

sured mortgages in a designated census tract (1) the name of lenders and the number of each census tract in which the lender originated one or more loans; (2) the total number of such mortgages originated by each such lender in each census tract; (3) the total number of defaults and foreclosures during the specified reporting period by census tract; (4) for each census tract, the percentage of each lender's total insured mortgages on which defaults or foreclosures have occurred during the applicable reporting period; (5) the total of all such originations, defaults, and foreclosures on insured mortgages originated by each such lender during the reporting period for all census tracts and the percentage of the total number of such lender's insured mortgages on which defaults or foreclosures have occurred. It would also require data (1) for each lender, the total number of insured mortgages originated by the lender secured by properties not located in a designated census tract, the total number of defaults and foreclosures on such mortgages and the percentage of such mortgages originated on which defaults or foreclosures occurred; and (2) for each census tract, the total number of mortgages originated during the applicable reporting period, the number of defaults and foreclosures and the percentage of the total insured originations on which defaults or foreclosures occurred. Until the first report under this section is published, the Secretary would have to make publicly available all reports regarding "Default/Claim Rates per Regional Office for FY 90 Endorsements" produced by HUD.

The conference report contains the House provision with an amendment to require that information be kept by HUD in a data bank made available to the public and that HUD issue an annual report, instead of a quarterly report, containing the data from the data bank. To minimize bureaucracy, costs, and paperwork, the Committee has reduced HUD's reporting requirement from quarterly to annually. The Committee still intends that the information in the data bank will be updated on a quarterly basis and be publicly accessible upon demand.

Home Equity Conversion Mortgages. The House amendment contained a provision to extend the reverse mortgage program until September 30, 1994, and requires disclosure of the extent of the liability of the homeowner under the mortgage and the projected total future loan balances for at least 2 projected loan terms which shall include the costs for a short-term mortgage and the costs for a long-term mortgage equaling the life expectancy of the borrower and the cost of the mortgage. The Senate bill contained a similar provision except it only extended the program until 1993 and contained similar disclosure requirements. The conference report contains the House provision with an amendment to extend the program through fiscal year 1995.

Disapproval of property disposition regulations. The House amendment contained a provision not included in the Senate bill to permit homeless assistance providers to obtain HUD-held property for use under the $1 lease program without a 30-day waiting period by disapproving Section 291.1(c)(2) of the interim rule of HUD entitled "Disposition of HUD-Acquired Single Family Property" (55 Fed. Reg. 1161 et seq.). It prohibited the Secretary from publishing a final rule containing or based on such provision. The conference report contains the House provision. The conferees intend that HUD is prohibited from publishing a final rule containing or based upon such restrictions which will inhibit the transfer of eligible FHA property for homeless assistance.

Report on Foreclosed Properties. The Senate bill contained a provision not included in the House amendment that would require HUD to submit a report to Congress containing strategies and action plans to assist in the disposition of HUD foreclosed properties giving special emphasis to properties within the HUD inventory for over one year. The conference report contains the Senate provision.

GNMA guarantees. The House amendment contained a provision not included in the Senate bill that would limit aggregate GNMA mortgage-backed security (MBS) guarantee authority to $84,982,040,000 for FY 1991 and to $88,296,339,000 for FY 1992. The conference report contains the House provision with an amendment to limit GNMA MBS authority to $84,982,000,000 for FY 1991 and $88,296,000,000 for FY 1992.

Loan limits for property insurance loans. The House amendment contained a provision not included in the Senate bill that would increase the loan limits for property improvement insurance to $30,000 for single family structures, and $75,000, or a maximum average of $15,000 per unit, for the improvement or conversions of an existing structure to rental use. Would increase loan term units for single family improvement loans and conversion loans to 20 years and 32 days and maintains the loan term for manufactured home improvement and conversion loans at 15 years 32 days. Also would expand the loan term for improvement and conversion loans for an apartment house or dwelling used by two or more families to 20 years 32 days. The conference report contains the House provision with an amendment (1) that the loan limits will not be increased before the release by HUD of a report on need to raise the limit to be complete by June 1, 1991; (2) to increase loan limits to $25,000 for single family homes and to $60,000 for multifamily or a maximum of $12,000 per unit; (3) to have changes go into effect on June 1, 1990, and (4) to make no high cost area adjustments except that the Secretary is given the discretion to raise limits for high cost areas.

Sec. 235 homeownership. The House amendment contained a provision not included in the Senate bill that would extend Section 235 homeownership assistance payments authority, insurance authority, and housing stimulus authority until September 30, 1991, and removes Section 235 program sunset. The conference report does not contain the House provision.

Sense of Senate provisions. The Senate bill contained two Sense of the Senate resolutions not included in the House bill. One was that the Secretary had sufficient authority to redefine the term "area" under Section 203 of the National Housing Act in designating areas where FHA mortgage insurance is not accessible for a significant number of homebuyers because of diverse economies. The second was that Individual Retirement Accounts should be able to be withdrawn without penalty for the purpose of a first-time home purchase, and that appropriate changes in law should be considered as part of tax legislation during this session of Congress. The conference report does not contain either Senate resolution.

TITLE IV—HOMEOWNERSHIP AND OPPORTUNITY THROUGH HOPE

Short title. The House amendment contained a provision not included in the Senate bill that would provide the title "Homeownership and Opportunity for People Everywhere Act of 1990". The conference agreement contains the title "Homeownership Opportunity Through HOPE Act".

Authorizations. The House amendment would authorize $136 million for FY 1991 for HOPE for Public and Indian Housing (HOPE I). The Senate bill contained a provision that would authorize $96 million in FY 1991, $260 million in FY 1992 and $400 million for FY 1993 for HOPE I. The conference report authorizes $68 million in FY 1991 and $380 million in FY 1992 for HOPE I. The House amendment authorized $102 million for FY 1991 for HOPE for Multifamily Units (HOPE II). The Senate bill would authorize $72 million for FY 1991, $195 million for FY 1992 and $300 million for FY 1993 for HOPE II. The conference report authorizes $51 million in FY 1991 and $280 million in FY 1992. The House amendment would authorize $72 million for HOPE for Single Family Homes (HOPE III). The Senate bill would authorize $72 million for FY 1991, $195 million for FY 1992 and $300 million for FY 1993 for HOPE III. The conference report authorizes $36 million in FY 1991 and $195 million in FY 1992 for HOPE III.

Eligible properties. The House amendment contained a provision not included in the Senate bill that would exclude scattered site public housing from HOPE I. The conference report contains the House provision.

The House amendment contained a provision that would define the term "eligible property" in HOPE II as meaning a multifamily rental property, containing 5 or more units, that is (a) owned or held by the Secretary; (b) financed by a loan or mortgage held by the Secretary or insured by the Secretary; (c) determined by the Secretary to have serious physical or financial problems under the terms of an insurance or loan program administered by the Secretary; or (d) owned or held by the Secretary of Agriculture, the Resolution Trust Corporation, or a State or local government. The Senate bill contained a similar provision except that it expressly includes loans held by the Secretary under section 312 of the 1964 Housing Act or the NHA. For purposes of technical assistance grants under section 412, the term "eligible property" would also mean single family property containing no more than four units owned by the Secretary and eligible low-income housing as defined in the Low-Income Housing Preservation and Resident Homeownership of 1990. For purposes of planning grants under Section 413(b)(8), the term "eligible property" would also mean a property insured under the National Housing Act and assisted under Section 8 of the 1937 U.S. Housing Act. The conference report contains the House provision.

The House amendment contained a provision that would define the term "eligible property" in HOPE III as a single family property containing no more than four units that is owned or held by the Secretary, the Secretary of Veterans Affairs, the Secretary of Agriculture, the Resolution Trust Corporation, a State or local government (including any in rem property) or a public housing agency or an Indian housing authority (including scattered site family properties and properties held by institutions within the Resolution Trust Corporation jurisdiction). The Senate bill contained a similar provision except that the term eligible property would include a multi-family

property containing 5 or more units that is owned by any public entity specified in subparagraph (a), other than by the Secretary or a public housing agency, or manufactured housing owned by the Secretary. The conference report contains the House provision.

Grant authority. The House amendment contained a provision that would authorize the Secretary to make planning and implementation grants to develop and carry out HOPE homeownership programs. The Senate bill contained a provision that would be similar except: in HOPE I, program authority would be for specific public housing projects and homeownership programs; HOPE II would provide for technical assistance grants; and HOPE III would not provide for planning grants. The conference report contains the House provision.

Grant limitations. The House amendment contained a provision that would provide that no more than 15 percent of the appropriated amounts for any fiscal year could be used for planning grants; and no more than 5 percent of the amount reserved for planning grants could be used for grants to any single grant recipient. The Senate bill would limit amounts appropriated for planning grants for HOPE I to no more than $2,000,000 in any fiscal year. Assistance for planning grants with respect to any public housing project would be limited to $100,000. In HOPE II planning and technical grants each would be limited to $1 million of appropriated amounts. Assistance for planning grants for any single property would be limited to $100,000.

The conference report contains the Senate provision with an amendment to limit planning grants to $200,000 with waiver authority given to the Secretary to exceed this limit.

Authority to reserve housing assistance. The House amendment would provide that, in HOPE I, the Secretary could reserve authority to provide assistance under Section 8 of this Act (other than assistance under section 8(o)) to the extent necessary to provide rental assistance for a nonpurchasing tenant who resides in the project on the date the Secretary approves the application for an implementation grant, for use by the tenant in that or another project. The Secretary could also reserve authority to provide such assistance in connection with replacement of units under HOPE I. The House amendment contained a similar provision for HOPE II except the provision for replacement housing would not be included. For HOPE I, the Senate bill would be similar to the House provision except Section 8(o) vouchers would be authorized as a means of rental assistance and such Section 8 assistance would not be available for use by the tenant in the project in which he currently resides. The Secretary would not be given authority to reserve such rental assistance in connection with replacement of units. For HOPE II, the Senate bill would also contain a provision similar to the House amendment, except that voucher assistance and Section 8 assistance could be provided for assistance in purchasing a unit. The House amendment would provide no section 8 assistance for HOPE III. The Senate bill would allow the Secretary to reserve Section 8 assistance (both certificates and vouchers) for use as rental assistance for non-purchasing tenants in the project subject to the HOPE program or any other unit. The conference report contains the Senate provisions for HOPE I and II. The conference report contains the House provision for HOPE III.

Planning Grants

Eligible activities. The House amendment would provide that planning grants for HOPE I, II and III could be used for activities to develop homeownership programs (which could include programs for cooperative ownership). The Senate bill included a similar provision for HOPE I and II except that programs for cooperative ownership would not be expressly included. The Senate bill would not provide planning grants for HOPE III. The conference report contains the House provision with amendments to allow: economic development activities that promote economic self-sufficiency of homebuyers and homeownership program; legal fees; defraying costs for the ongoing training needs of the recipient that are directly related to developing and carrying out the homeownership program. Operating subsidies would be limited to the amount previously funded.

Application. The House amendment would require that an application contain a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested. The Senate bill was similar except that there would be no requirement that the request for a planning grant specify the personnel necessary to complete the activities and there would be a requirement that an application contain, at a minimum, a certification by the public official responsible for submitting the comprehensive housing strategy under section 105 of the NAHA Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located. The conference report contains the House provision with an amendment to include the Senate requirement that an application contain a certification that the proposed activities are consistent with the approved housing strategy of the state or local government within which the project is located.

Selection criteria. The House amendment would require that, for HOPE I, II and III, the Secretary establish by regulation selection criteria for a national competition for assistance under this section, which would include the potential of the applicant for developing a successful and affordable homeownership program, the suitability of the project for homeownership, and national geographic diversity among projects for which applicants are selected to receive assistance. The House amendment would also require that the Secretary consider the availability and suitability of properties in the relevant geographical area for HOPE II projects. For HOPE I and II, the Senate bill would include a similar except provision except that it does not expressly require that the Secretary establish the selection criteria by regulation and the selection criteria need not include national geographic diversity. The Senate provision would require that the selection criteria include the potential capabilities of the applicant and the potential for developing an affordable homeownership program. The Senate bill would not provide planning grants for HOPE III. The conference report contains the House provision with an amendment to include provisions which require that the selection criteria include the potential capabilities of the applicant and the potential for developing an affordable homeownership program.

Technical assistance grants. The Senate bill contained a provision not included in the House amendment that would authorize the Secretary to make technical assistance grants to applicants for the purpose of developing the capacity of applicants to develop and carry out homeownership programs under HOPE II and under the Low-Income Housing Preservation Act of 1990, and to develop and carry out other homeownership opportunities involving acquisition of single family property, containing no more than four units, owned by the Secretary. The conference report does not contain that provision.

Implementation grants

General authority. The House amendment would authorize the Secretary to make implementation grants to applicants for HOPE I, II or III for the purpose of carrying out homeownership programs that meet the requirements of this title. The Senate bill was similar except that the homeownership programs must be approved under the title. The conference report contains the Senate provision.

Eligible activities. The House amendment would provide that implementation grants could be used for activities to carry out homeownership programs (including programs for cooperative ownership) that meet the requirements under this subtitle. The Senate bill is similar except that it would not expressly include certain programs contained in the House amendment. The conference report contains the House provision with amendments to allow: economic development activities that promote economic self-sufficiency of homebuyers and homeownership program; legal fees; defraying costs for the ongoing training needs of the recipient that are directly related to developing and carrying out the homeownership program. Operating subsidies would be limited to the amount previously funded.

Matching requirements. The House amendment would require that each HOPE I, II or III grant recipient ensure that at least one-third of the total cost of eligible activities be provided from non-Federal sources. The Senate bill would require a 25 percent match of HUD grant by non-Federal sources. The House amendment would include block grants made available by the Federal Government to States or local governments on a formula basis as non-federal sources. The Senate bill would not include Federal tax expenditures or funds from a grant made under Section 106(b) or Section 106(d) of the 1974 Housing and Community Development Act except for administrative expenses as non-federal sources. The House amendment would allow a recipient to include the value of such items as the Secretary determines to be appropriate, if such items have a readily discernible market value, in determining compliance with this subsection. The Senate bill would include as eligible matching funds the value of taxes, fees, or other charges that are waived, foregone, or deferred to facilitate the implementation of a homeownership program; the value of land or other real property (except in HOPE III); the value of investment in on-site and off-site infrastructure required for a homeownership program; or such other in-kind contributions as the Secretary may approve with no requirement for readily discernable market value. Contributions for administrative expenses could be recognized only up to an amount equal to 7 percent of the total amount of grants made available. The conference report contains the Senate

provisions with amendments to establish a 4 to 1 match for HOPE I and a 3 to 1 match for HOPE II and III. Post-sale subsidies would not have to be matched.

Application. The House amendment contains provisions which specify what applications for HOPE I, II and III must contain. The Senate bill contains similar provisions. The conference report contains the House provision with amendments to require the certification by the public official responsible for submitting the comprehensive housing affordability strategy; and require identification of property management.

Selection criteria. The House amendment contained provisions which would specify that selection criteria include the feasibility of the homeownership program; the extent to which the project receives support from entities other than those assisted under this title (HOPE III does not include this criteria); national geographic diversity among housing for which applicants are selected to receive assistance; and the extent to which a sufficient supply of affordable rental housing of the type assisted under this title exists in the locality, so that the implementation of the homeownership program would not appreciably reduce the number of such rental units available to residents currently residing in such units or eligible for residency in such units. The Senate bill contained a similar provision but would not include the requirement for showing feasibility, geographic diversity, or the status of the supply of housing in the area. The Senate bill would require that the criteria include: the quality and viability of the proposed homeownership program, including under HOPE I the viability of the economic self-sufficiency plan; and whether the approved comprehensive housing affordability strategy for the jurisdiction within which the public housing project is located includes the proposed homeownership program as one of the general priorities identified pursuant to section 105(b)(7) of the NAHA. HOPE II would include the extent and urgency of the need to approve an application in order to provide homeownership of units in the property. HOPE III would also include the extent to which suitable eligible property is available for use under the program in the area to be served and the extent to which the types of property expected to be covered by the homeownership program are federally owned. The conference report contains the Senate provision with an amendment incorporating the feasibility of the homeownership program; national geographic diversity and the status of the supply of housing in the area.

Approval. The House amendment contained a provision that would require the Secretary to notify each applicant of the application's approval or disapproval, not later than 6 months after the date of the submission of the application. The House amendment would provide, where applicable, that the Secretary could approve the application for an implementation grant with approval of the application for section 8 assistance for non-purchasing residents of the project conditional upon the availability of appropriations in subsequent fiscal years. The Senate bill would require the Secretary to notify the applicant whether the application is approved or not approved and provide that the Secretary could approve the application for an implementation grant with a statement that the application for the section 9 or Section 8 assistance is conditionally approved, subject to the availability of appropriations in subsequent fiscal years. No approval would be required for HOPE III. The conference report contains the House provision.

Limitation on HOPE I implementation grants. The Senate bill contained a provision not included in the House amendment that would provide that the Secretary could approve applications for grants under HOPE I or II only for public housing projects located within the boundaries of jurisdictions that are participating jurisdictions under title III of the NAHA. The conference report contains the Senate provision with an amendment allowing non-HOP eligible jurisdictions to have a housing plan submitted by the agency responsible for affordable housing.

Homeownership Program Requirements

Affordability. The House amendment contained a provision not included in the Senate bill that would require a homeownership program under HOPE I or II to provide for the establishment of sales prices (including principal, insurance, taxes, and interest and closing costs) for initial acquisition of the property such that an eligible family would not be required to expend more than 30 percent of their adjusted monthly income to complete a sale under the homeownership program. The House amendment would require a homeownership program under HOPE III to provide for the eligible family to make payments toward the costs of homeownership (including principal, insurance, taxes, and interest and closing costs) in an amount not to exceed 30 percent of the adjusted income of the family. The conference report contains the House provision.

Required participation. The House amendment contained a provision not included in the Senate bill that would require that all tenants in a HOPE III property participate in the homeownership program before the property could be included in the program. The conference report contains the House provision.

Required plans. The House amendment contained a provision not included in the Senate bill that would require a homeownership program under this title to provide a plan for: identifying and selecting eligible families to participate in the homeownership program; providing relocation assistance to families who elect to move; ensuring continued affordability by tenants, homebuyers, and homeowners in the project; providing ongoing training and counseling for homebuyers and homeowners in HOPE I and II; and replacing units in eligible projects covered by a homeownership program for HOPE I. The conference report contains the House provision.

Acquisition and rehabilitation limitations. The House amendment contained a provision not included in the Senate bill that would provide that acquisition or rehabilitation of projects under a homeownership program in HOPE I or II could not consist of acquisition or rehabilitation of less than the whole project in a project consisting of more than 1 building. It would also provide that the provisions of this subsection could be waived upon a finding by the Secretary that the sale of less than all of the buildings in a project would be feasible and would not result in a hardship to any tenants of the project who are not included in the homeownership program. The conference report contains the House provision.

Financing. The Senate bill contained a provision that would require identification and description of the financing proposed for any rehabilitation and acquisition of the property for transfer to eligible families, or by eligible families with ownership interests in, or shares representing, units in the property. Financing could include conventional mortgage or FHA. The House amendment contained a similar provision with the requirement that the financing plan be contained in application which applies to all HOPE programs. The Senate bill also contained a provision not included in the House amendment that would prohibit property transferred under this title to be pledged as collateral for debt or otherwise encumbered except when the Secretary determines that such encumbrances would not: threaten the long-term availability of the property for occupancy by low-income families or expose the Federal Government or the public housing agency to undue risks related to action that could be taken pursuant to default. The Secretary would also have to determine that any debt obligation could be serviced from project income, including operating assistance that would be provided in accordance with operating subsidies; and the proceeds of such encumbrances would be used only to meet housing standards in accordance with subsection (c) or to make such additional capital improvements as the Secretary determines to be consistent with the purposes of this title. The House amendment contained a provision that would require that any lender that provides financing in connection with a homeownership program under this title would give the public housing agency, resident management corporation, purchasers of individual units, or other appropriate entity a reasonable opportunity to cure a financial default before foreclosing on the property, or taking other action as a result of the default. The Senate bill contained a similar provision, except that it would not extend default protection to purchasers of individual units. The conference report contains the Senate provision with an amendment to include in application and to conform to changes in source of operating subsidies.

Housing quality standards. The House amendment contained a provision that would require that the application include a plan ensuring that the unit would be free from any defects that pose a danger to health or safety before transfer of an ownership interest in, or shares representing, a unit to an eligible family; and would meet housing quality standards established by the Secretary for the purpose of this title not later than 2 years after transfer of an ownership in, or shares representing, a unit to an eligible family. The Senate bill contained a provision that would require that projects transferred under this title meet housing standards established by the Secretary. It would provide that the Secretary, in response to a written plan contained in an application, could give an applicant a period of not to exceed 3 years (from the date the property is transferred to the applicant to meet such housing standards. Neither a public housing agency under HOPE I or the Secretary or an existing owner under HOPE II could convey fee simple title to a project until the property meets the housing standards established under paragraph (1). Under HOPE III, the Senate bill would require the eligible family to make or cause to be made repairs and improvements required to correct all defects that pose a substantial danger to health and safety within one year, make such repairs and improvements to the property as may be necessary to meet housing standards established by the Secretary within three years and permit reasonable

periodic inspections at reasonable times by the unit of general local government or the recipient. The conference report contains the House provision for HOPE I, II and III with an amendment to include a prohibition on conveying fee simple title until the property meets the minimum prescribed housing standards.

Replacement plan. The House amendment contained a provision that would require each homeownership program under HOPE I to provide for the replacement of each unit covered by the program for which the ownership interest is not retained by the public housing agency. It would require that such replacement would be in the form of a 5-year contract for tenant-based assistance under section 8(b). The Senate bill contained a provision that would prohibit public housing projects from being transferred under this title unless the Secretary has entered into a binding agreement with the local public housing agency to make available to such agency any Federal funding assistance to provide an additional decent, safe, sanitary, and affordable dwelling unit as a replacement for each unit in a public housing project to be transferred. Such replacement housing could consist of the development of new public housing units by the public housing agency in accordance with section 5; the rehabilitation of vacant public housing units by the public housing agency in accordance with section 14(n)(1); the use of 5-year, tenant-based rental assistance under section 8(b)(2) and section 8(o)(9); the use of a State or local program that is comparable to any of the Federal programs referred to above as to housing standards, eligibility, and contribution to rent, and provides a term of assistance of not less than 5 years; where the applicant is a resident management corporation, resident council, or cooperative association, the acquisition of nonpublicly owned housing units, which the applicant shall operate as rental housing comparable to public housing as to term of assistance, housing standards, eligibility, and contribution to rent; or any combination of such methods. The Senate bill would also require that tenant-based rental assistance under section 8 (or a comparable State or local program) would be counted as replacement housing only if the Secretary finds that replacement with assistance specified above is not feasible, and the supply of private rental housing actually available to those who would receive tenant-based assistance is sufficient for the total number of certificates and vouchers available in the community and that such supply is likely to remain available for the full 5-year term of such assistance. It would provide that, notwithstanding the preceding sentence, vouchers could be used to provide replacement housing in any community where the vacancy rate for standard rental units exceeds the national average vacancy rate for such units. The conference report contains the Senate provision with an amendment to delete the requirements related to the use of tenant-based rental assistance.

Protection of existing tenants. The House amendment contained a provision that would require the recipient to inform each such tenant that if the tenant decides not to purchase a unit, or is not qualified to do so, for HOPE I the public housing agency will offer each tenant (a) a unit in another public housing project, or (b) assistance under Section 8 (other than assistance under subsection (o) of such section), for use in that or another project, and for HOPE II Section 8 assistance (other than under 8(o)) for use in the program project or another project. In both programs, tenants that elect to move would receive relocation assistance. If a tenant in a HOPE I project decides not to purchase a unit, or is not qualified to do so, the Senate bill would require the recipient to permit each otherwise qualified tenant to continue to reside in the project at rents that do not exceed levels consistent with 1937 Housing Act during the term of the operating assistance contract. If an otherwise qualified tenant chooses to move (at any time during the term of such operating assistance contract), the public housing agency would offer such tenant a unit in another public housing project, or section 8 assistance for use in other housing.

The Senate bill would also require that tenants renting a unit in a project transferred under this subtitle would have all rights provided to tenants of public housing under this Act. The Senate bill contained a provision, applicable to HOPE II, which was similar to the House provision except that vouchers would not be expressly forbidden. The conference report contains the Senate provision.

Other program requirements

Required transfer. The House amendment contained a provision that would require that, where the Secretary approves an application providing for the transfer of the eligible project from the public housing agency to another applicant (or other entity, including a for-profit entity or a nonprofit entity in cooperation with an applicant) under HOPE I, the public housing agency would transfer the project to such other entity, in accordance with the approved homeownership program. The Senate bill contained a similar provision except that it would not state that purchasing entities could include a for-profit entity or a nonprofit entity in cooperation with an applicant. The conference report contains the Senate provision.

Preferences. The House amendment contained a provision that would require a recipient of an implementation grant under HOPE I or II to give preference to current tenants in selecting eligible families for homeownership. The Senate bill contained a similar provision except that the recipient would give a second preference to otherwise qualified eligible families who have completed participation in the project independence program authorized under section 14(j) of the NAHA, or in another economic self-sufficiency program specified by the Secretary. The Senate bill contained a provision in HOPE III not included in the House amendment that would require that the preference for certain categories of eligible families under sections 8(d)(1)(a) and 8(o)(3) must not apply to the provision of assistance to a family residing in a dwelling unit in an eligible property on the date the Secretary approves an application for an implementation grant. The conference report contains the Senate provision with an amendment deleting reference to Project Independence.

Operating subsidies. The House amendment contained a provision in HOPE I which would provide that operating subsidies under section 9 of the 1937 Housing Act would not be available with respect to a public housing project after the date of its sale by the public housing agency. The Senate bill contained a provision which would provide that, to the extent that the total income of a public housing project transferred under this title is not sufficient to cover the costs of operation, the public housing agency could enter into a 5-year operating assistance contract, from amounts made available for use under section 9, to provide assistance for the operating costs of an approved homeownership program. The total amount of the contract would not exceed 5 times the current annual operating subsidy determined under section 9 of this Act with respect to the project for the year before sale of the project under this title, plus an annual inflation adjustment determined by the Secretary. The assistance would be paid on an annual basis, and the assistance could not exceed an amount for each year that is equal to the annual operating subsidy determined under section 9 of this Act with respect to the project for the year before sale of the project under this title, plus an annual inflation adjustment determined by the Secretary. The conference report contains the House provision.

Use of proceeds. The House amendment contained a provision that would require the entity that transfers ownership interest in units to eligible families, or another entity specified in the approved application, use the proceeds, if any, from the initial sale for costs of the homeownership program, including operating expenses, improvements to the project, business opportunities for lower income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary. The Senate bill contained a provision that was similar except that the transferring entity could use only 50 percent of the proceeds, if any, from the initial sale for costs of the homeownership program. The remaining 50 percent would be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity would keep and make available to the Secretary all records necessary to accurately calculate payments due the Secretary under this subsection. This restriction would apply only to multifamily units in HOPE III. The conference report contains the House provision.

Restrictions on resale. The House amendment contained a provision that would permit a homeowner under a homeownership program to transfer the homeowner's ownership interest in, or shares representing, the unit. Where a grant recipient (in the case of HOPE II), resident management corporation, resident council, or cooperative has jurisdiction over the unit, the grant recipient (HOPE II) corporation, council, or cooperative would have the right to purchase the ownership interest in, or shares representing, the unit from the homeowner for the amount specified in a firm contract between the homeowner and a prospective buyer. Where such an entity does not have jurisdiction over the unit or elects not to purchase and if the prospective buyer is not a lower income family, the public housing agency or the implementation grant recipient would have the right to purchase the ownership interest in, or shares representing, the unit for the same amount.

The Senate bill was similar except that the homeowner could transfer the homeowner's interest in or shares representing the units only to low-income families; and only at a price consistent with guidelines established by the Secretary that are designed to provide the owner with a fair return, including any improvements, and to ensure that the housing would remain affordable to a reasonable range of low-income home-

buyers. Where a resident management corporation or resident council elects to purchase, it would make the unit available for purchase by eligible families in accordance with the preferences that would apply upon the initial sale of the unit.

The House amendment included a provision not included in the Senate bill that would provide that the homeownership program could establish additional restrictions on the resale of a unit under the program.

The House bill would require that, with respect to a homeowner assisted under a homeownership program under this title, if such homeowner sells a unit or shares representing a unit within 5 years after acquisition by the homeowner, the Secretary would provide for the recapture of: an amount equal to the net proceeds received by the homeowner from any sale or transfer of the unit by such homeowner less the sum of the following amounts: any equity interest of the homeowner in the unit (including any costs paid at closing); the value of any improvements made by the homeowner during ownership of the unit; and an amount equal to the price paid for the unit upon sale to the homeowner multiplied by any percent increase in the appropriate consumer price index, as published monthly by the Bureau of Labor Statistics, over the period the property is owned by the homeowner. The Senate bill would require that if the sale to the first eligible family is for less than market value, the homeownership program must provide for appropriate restrictions to assure that an eligible family may not receive any undue profit. It would require that the plan provide for authorizing the family to retain a portion of the net proceeds of the sale on a sliding scale over a 10-year period; limiting the family's consideration for its interest in the property to the total of the contribution to equity paid by the family; the value, as determined by such means as the Secretary shall determine through regulation, of any improvements installed at the expense of the family during the family's tenure as owner; and (iii) the appreciated value determined by an inflation allowance at a rate which may be based on a cost-of-living index, an income index, or market index as determined by the Secretary through regulation and agreed to by the purchaser and the entity that transfers ownership interests in, or shares representing, units to eligible families (or another entity specified in the approved application), at the time of initial sale, and applied against the contribution to equity; such entity may, at the time of initial sale, enter into an agreement with the family to set a maximum amount which this appreciation may not exceed; execution by the initial purchaser of a promissory note equal to the difference between the market value and the purchase price, payable to the public housing agency or other entity designated in the homeownership plan, together with a mortgage securing the obligation of the note; or any other appropriate arrangement that the Secretary determines is adequate to prevent undue profit for at least 10 years.

The Senate bill contained a provision not included in the House amendment that would provide that upon sale, the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, would ensure that subsequent owners are bound by the same limitations on resale and further restrictions on equity appreciation.

The House bill would require that any portion of the net sales proceeds in HOPE I, II and III, not be retained by the homeowner pursuant to recapture of the proceeds, would be returned to the Secretary for use under this title, subject to approval under appropriations Acts. The Senate bill would provide that 50 percent of any portion of the net sales proceeds that may not be retained by the homeowner would be paid to the entity that transferred ownership interests in, or shares representing, units to eligible families, or another entity specified in the approved application, for use for improvements to the project, business opportunities for lower income families, supportive services related to the homeownership program, additional homeownership opportunities, and other activities approved by the Secretary. The remaining 50 percent would be returned to the Secretary for use under this subtitle, subject to limitations contained in appropriations Acts. Such entity would keep and make available to the Secretary all records necessary to accurately calculate payments due the Secretary under this subsection. For HOPE III, the Senate bill would provide that in the case of multifamily projects, 50 percent of any portion of the net sales proceeds that may not be retained by homeowner under the approved plan must be paid to the recipient, for use by the recipient for eligible activities under HOPE III. The remaining 50 percent of such proceeds would be returned to the Secretary for use under HOPE III, subject to limitations contained in appropriations Acts. Such entity would keep and make available to the Secretary all records necessary to calculate accurately payments due to the Secretary under this subsection.

The House amendment contained a provision in HOPE I and II not included in the Senate bill that would provide that the requirements under this subsection regarding rehabilitation, resale, or transfer of the ownership interest of a homeowner shall be judicially enforceable against the grant recipient with respect to actions involving rehabilitation, and against purchasers of properties under this subsection or their successors in interest with respect to other actions by affected lower income families, resident management corporations, resident councils (public housing agencies in the case of HOPE I), and any agency, corporation, or authority of the United States Government. The parties specified in the preceding sentence would be entitled to reasonable attorney fees upon prevailing in any such judicial action.

The conference report contains the House provision with an amendment to restrict profit for 6 years and recapture subsidies for up to 15 years.

Limit on economic developmental activities. The House amendment contained a provision applicable to HOPE I and II that would provide that not more than an aggregate of $250,000 from amounts made available could be used for economic development activities. The Senate bill contained a similar provision in HOPE I except that the dollar limitation on economic development activities would include amounts made available under section 14 of this Act in addition to those made available for economic development activities under this title. The Senate bill also contained a provision in HOPE II that was similar except the aggregate limitation is $225,000 and amounts under Section 14 of this Act would not be included.

Timely homeownership. The Senate bill contained a provision not included in the House amendment that would require that grant recipients transfer ownership of the property to tenants within a specified period of time that the Secretary determines to be reasonable. It would require that during the interim period when the property continues to be operated and managed as rental housing, the recipient would utilize written tenant selection policies and criteria that are approved by the Secretary as consistent with the purpose of improving housing opportunities for very low-income families. It would require the recipient to promptly notify in writing any rejected applicant of the grounds for any rejection. The Senate bill would require that tenants renting a unit in a project transferred under HOPE I would have all rights provided to tenants of public housing under this Act. The conference report contains the Senate provision with an amendment to delete the word "very".

Records and audit. The Senate bill contained a provision not included in the House amendment that would require each recipient under HOPE I or II to keep such records as may be reasonably necessary to fully disclose the amount and the disposition by such recipient of the proceeds of assistance received under this title (and any proceeds from financing or sales), the total cost of the homeownership program in connection with which such assistance is given or used, and the amount and nature of that portion of the program supplied by other sources, and such other sources as will facilitate an effective audit. It would provide the Secretary and the Comptroller General with access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to assistance received under this title. The conference report contains the Senate provision.

Continuation of mortgage terms. The House amendment contained a provision that would require that any recipient of a grant that assumes a mortgage covering eligible property would, in addition to any requirements of the homeownership program, comply with the low-income affordability restrictions under the mortgage for a period not shorter than the remaining term of the mortgage. The Senate bill contained a similar provision except that the continuation of affordability restrictions would only apply to an entity that (as determined by the Secretary) intends to own the housing on a permanent basis. The conference report contains the Senate provision.

Foreclosure of HUD assisted property. The Senate bill contained a provision not included in the House amendment that would provide that in connection with a foreclosure sale, the Secretary could require, as a term or condition of sale under HOPE II, that an eligible property be used by the purchaser, and its successors and assigns only in accord with an approved homeownership program. The conference report does not contain that provision.

Definitions

Eligible Family. The House amendment contained a provision that would define "eligible family" in HOPE I as a family or individual who is a tenant in the public or Indian housing project on the date the Secretary approves an implementation grant; a lower income family; or a family or individual who is assisted under a housing program administered by the Secretary or the Secretary of Agriculture (not including any non-lower income families assisted under any

mortgage insurance program administered by either Secretary). The Senate bill contained a similar provision except that the definition of the term "eligible family" would not exclude any non-lower income families assisted under any mortgage insurance program administered by either the Secretary of Agriculture or the HUD Secretary. The House bill would define the term "eligible family" under HOPE III as a family or individual who has an income that does not exceed 80 percent of the median income for the area and is a first-time homebuyer. The Senate bill contained a similar provision except that the term "eligible family" would include families or individuals who do not currently own a home. The conference report contains the House provision with a conforming amendment which changes "lower income" to low income.

Recipient. The House amendment contained a provision that would define the term "recipient" as meaning an applicant approved to receive a grant under this title. The Senate bill contained a provision that would be similar except that the term "recipient" could also mean such other entity specified in the approved application that would assume the obligations of the recipient under this title. The conference report contains the Senate provision.

Relationships to other programs. The House amendment contained a provision that would require that the program authorized under this title would be in addition to any other public housing homeownership and management opportunities, including opportunities under section 5(h) and title II of this Act. The Senate bill contained a provision that would provide that the provisions of this title would not apply to housing developed or transferred for homeownership purposes prior to the enactment of the National Affordable Housing Act under the turnkey III, the mutual help, or any other homeownership program established under section 5(h), section 6(c)(4)(d), or section 21 of this Act. The conference report contains the Senate provision with an amendment to allow for 5(h) to continue with HOPE replacement housing requirements.

Annual report. The Senate bill contained a provision not included in the House amendment that would require the Secretary to annually submit to the Congress a report setting forth the number, type, and cost of public housing units pursuant to this title; the income, race, gender, children, and other characteristics of families participating (or not participating) in homeownership programs funded under this title; the amount and type of financial assistance provided under and in conjunction with this title; the amount of financial assistance provided under this title that was needed to ensure affordability and meet future maintenance and repair costs; and the recommendations of the Secretary for statutory and regulatory improvements to the program. Any authority of the Secretary under this title to provide financial assistance, or to enter into contracts to provide financial assistance, would be effective only to such extent or in such amounts as are or have been provided in advance in an appropriation Act. The conference report contains the Senate provision.

Limitation on selection criteria. The House amendment contained a provision not included in the Senate bill that would provide that, in establishing criteria for selecting applicants to receive assistance, the Secretary could not establish any selection criterion or criteria that grant or deny such assistance to an applicant (or have the effect of granting or denying assistance) based on the implementation, continuation, or discontinuation of any public policy, regulation, or law of any jurisdiction in which the applicant or project is located. The conference report contains the House provision.

Amendments relating to demolition and disposition of public housing. The House amendment contained a provision that would amend Section 18(b)(1) of the 1937 United States Housing Act by striking "disposition" and inserting the following: "disposition, and the tenant councils, resident management corporation, and tenant cooperative, if any, have been given appropriate opportunities to purchase the project or portion of the project covered by the application". The Senate bill contained a similar provision except tenant cooperatives would not be included. The conference report contains the House provision.

The Senate bill contained an additional provision not included in the House amendment that would provide that the provisions of Section 18 would not apply to the disposition of a public housing project in accordance with an approved homeownership program under HOPE I. The conference report contains the Senate provision.

Amendment to Section 8. The Senate bill contained a provision not included in the House amendment that would make conforming amendments to allow for Section 8 certificates and voucher assistance for families that qualify because of their participation in a HOPE project voucher in connection with a homeownership program approved under title IV of the National Affordable Housing Act. The conference report contains the Senate provision.

Section 8 assistance. The Senate bill contained a provision not included in the House amendment that would provide that to the extent that the total income of an eligible property transferred under HOPE II is not sufficient to cover the costs of operation, the Secretary could extend existing contracts for loan management assistance for up to 5 years and, if such extensions are not sufficient, provide additional rental assistance under section 8(b)(3) subject to the availability of appropriations to provide assistance for the operating costs of an approved homeownership program. The Senate bill would provide that the requirement for giving preference to certain categories of eligible families under sections 8(d)(1)(a) and 8(o)(3) would not apply to the provision of assistance to a family residing in a dwelling unit in an eligible project on the date the Secretary approves an application for an implementation grant. The conference report contains the Senate provision.

Related CIAP amendments. The Senate bill contained a provision not included in the House amendment that would require the Secretary to make assistance available in the form of grants for the purpose of rehabilitating vacant public housing units as replacement housing for public housing. The conference report does not contain that provision but contains an amendment to allow for 5(h) scattered site and to prevent CIAP from being used post-sale.

Transition for Section 21A demonstration. The House amendment contained a provision that would amend Section 21 Public Homeownership and Management Opportunities provisions of the 1937 United States Housing Act. The Secretary would be allowed to provide financial assistance to public housing agencies, resident management corporations, or resident councils that obtain, training, technical assistance, and educational assistance as necessary to promote homeownership opportunities under Section 21. The Secretary could use not more than $3,000,000 in any fiscal year of amounts appropriated for CIAP to carry out this subparagraph. Section 21 would not be in effect after the effective date of the regulations implementing subtitle A of title III of the U.S. Housing Act of 1937 but would provide transition to allow for continuation of resident management development and project transfers if such were initiated before the effective date. The Senate bill contains a provision that would terminate Section 5(h) and Section 21 of the 1937 United States Housing Act on the effective date of enactment of this Act. This termination would not affect housing transferred for homeownership purposes prior to enactment of this Act under Section 5(h) or Section 21 of this Act. The conference report contains the House provision with an amendment to limit the authorization of $3 million for fiscal year 1991 only.

Operating subsidies. The Senate bill contained a provision not included in the House amendment that would provide that if a public housing agency transfers a public housing project in accordance with an approved homeownership program, the payments received under Section 9 with respect to that project would continue for a 5-year period, subject to the availability of appropriations for such purpose, in amounts not less than the amounts that would have been received without such transfer. The conference report does not contain the Senate provision.

Conforming amendment for HOPE II. The House amendment contained a provision that would provide that eligible property assisted by a homeownership implementation grant under HOPE II would not be subject to the requirements of section 203 of the 1978 Housing and Community Development Amendments applicable to the sale of projects either at foreclosure or after acquisition by the Secretary. The Senate bill was similar except that it would also exempt eligible property covered by a homeownership program from the Low-Income Housing Preservation and Resident Homeownership Act of 1990. The conference report contains the Senate provision.

Applicability. The House amendment contained a provision that would require that in accord with section 201(b)(2) of the 1937 United States Housing Act, the amendments made by this subtitle would also apply to public housing developed or operated pursuant to a contract between the HUD Secretary and an Indian Housing Authority. The Senate bill contained a similar provision except that nothing in this HOPE title would affect the Indian mutual housing program. The conference report contains the House provision.

TITLE V—HOUSING ASSISTANCE

Subtitle A—Public and Indian Housing

Preferences. The House amendment contained a provision that would increase from 10 to 30 the percentage of non preference families that a public housing agency may admit for occupancy as units become available. The Senate bill contained a similar provision except, for the non preference families, it would require the public housing agency to make units available in accordance with a system of preferences estab-

lished by the public housing agency in writing and after public hearing to respond to local housing needs and priorities which may include: assisting very low-income families who either reside in transitional housing assisted under title IV of the McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to educational and employment opportunities; assisting families who would have to pay more than 30 percent of their adjusted income for rent; avoiding breakup of families and preserving and strengthening families and achieving other objectives identified in cooperation with child welfare agencies and other appropriate human service agencies; or achieving other objectives of national housing policy as affirmed by Congress. The Senate provision also excluded from the preferences for five years any person that had previously been evicted for drug related criminal activity. The conference report also contains the Senate requirements for local preferences with an amendment to include as a permissible local preference the need to provide adequate housing for family unification purposes. These preferences were drawn from section 520 of the House amendment. The conference report contains the Senate provision on the exclusion for drug-related activities amended to change the exclusion from 5 years to 3 years and to provide the agency with discretion to waive such exclusion when family members that clearly were not involved in the drug related criminal activity and had no knowledge of such activity or when the circumstances leading to the eviction no longer exist. The conferees intend that the exclusions be applied so as to protect uninvolved, innocent family members from the illegal actions of a another member of the family. Further, the it is intended that the waiver for changed circumstances be used to protect innocent family members in cases of death, divorce or incarceration.

The House amendment contained a provision not included in the Senate bill that clarified that homeless shelters and transitional housing are considered substandard housing for purposes of assigning priorities for Section 8 and public housing assistance. The conference report contains the House provision.

Public Housing Agency Reform

Performance indicators for public housing agencies. The House amendment contained a provision that amended the 1937 Housing Act to require the Secretary to develop and publish standards to be used to assess the management performance of public housing agencies. Such standards would enable the Secretary to evaluate the performance of public housing agencies in at least the following major areas of management operations: (1) operating expenses relative to revenues; (2) operating reserves relative to maximum allowable reserves; and (3) compliance of units with housing quality standards or an equivalent standard, and (4) the existence of a system for making necessary repairs or replacements. The Senate bill contained a similar provision except that indicators would be used to evaluate the performance of public housing agencies in all major areas of management operations. Specifically, the Senate provision listed indicators that would be required to be used by the Secretary: (1) the number and percentage of vacancies; (2) the amount and percentage of funds obligated to the PHA under Section 14 of the 1937 Housing Act which remain unexpended after 3 years; (3) the proportion of maintenance work orders outstanding; and (4) the percentage of units that an agency fails to inspect or ascertain maintenance or modernization needs within such period of time as the Secretary deems appropriate (with appropriate adjustments for large and small agencies). The conference report contains the Senate provision amended (1) to clarify that performance indicators and the procedures for designating troubled PHAs will be subject to notice and comment rulemaking and (2) that at least one indicator includes progress that a PHA has made within the past three years to reduce the period of time required to complete maintenance work orders. The Conferees believe that it is important for HUD to use objective measurements to evaluate PHA performance.

Designation of high performing agency. The House amendment contained a provision not included in the Senate bill that would require the Secretary to designate a public housing agency that meets the specified performance standards to be a high performing agency. The conference report does not contain the House provision but includes an amendment to authorize HUD to develop criteria, working with industry groups, to commend high performing PHAs. The Conferees support the attempt to provide meaningful reforms for the Nation's Public Housing Authorities as addressed in the bill. However, the Committee also recognizes that while "troubled" agencies must be subject to vigorous reform, not all agencies are troubled and many should be recognized for their accomplishments and high performance. The House amendment contained a requirement that the Secretary publish annually in the Federal Register lists of public housing agencies that have met the specified performance standards established in the legislation and have been designated "high performing" agencies. The Senate had no similar provision. The Conferees believes that HUD should develop some criteria by which it can recognize "high performing" agencies may be recognized for their efforts.

Sanction for failure of troubled PHA to meet targets. The House amendment contained a provision that would require the Secretary to enter into agreements with troubled PHAs to meet performance targets and setting forth incentives or sanctions for effective implementation of those targets, which may include such restrictions on the use of funds made available under this Act as the Secretary determines to be appropriate. The Senate bill contained a similar provision except it would expand restrictions on funds to include those made available under the Housing and Community Development Act of 1974. The conference report contains the Senate provision amended to delete the reference to the 1974 Act and to require HUD to include a description of the technical assistance that it will give to the PHA. The conferees emphasize their belief that cities need to be more involved in, and held accountable for, the performance of PHAs in their jurisdictions. The intention remains that the Secretary has the authority to use his discretion to enforce cities to monitor the performance of PHAs.

Sanction for substantial default by troubled PHAs in performance. The Senate bill contained a provision not included in the House amendment that would permit the Secretary, upon the occurrence of events or conditions that constituted a substantial default by a PHA with respect to the covenants or conditions to which the PHA is subject or the agreement entered into between the Secretary and the agency, (1) to solicit competitive bids from housing management agents in the eventuality that these agents may be needed for managing all, or part, of the housing administered by a public housing agency; and (2) to petition for the appointment of a receiver (which may be a private management corporation) of the public housing agency to any district court of the United States or to any court of the State in which the real property of the public housing agency is situated, that is authorized to appoint a receiver for the purposed and powers prescribed in this subsection. In any proceeding for the appointment of a receiver, upon a determination that a substantial default has occurred, and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of the public housing agency in a manner consistent with the National Affordable Housing Act and in accordance with such further terms and conditions as the court may provide. The court would have the power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary. The appointment of a receiver pursuant to this subsection could be terminated, upon the petition of any party, when the court determines that all defaults have been cured and the housing operated by the PHA will thereafter be operated in accordance with the covenants and conditions to which the PHA is subject. The conference report contains the Senate provision. The conferees intend for HUD to use this authority to move aggressively to improve living conditions for tenants in severely troubled public housing.

Listing of high performing and troubled PHAs. The House amendment contained a provision not included in the Senate bill that would require the Secretary to provide annually each appropriate housing authority of each State and the chief executive officer of each locality which has a PHA within its jurisdiction with a listing of the high performance and troubled public housing agencies in the State. The conference report does not contain the House provision.

Reports. The Senate bill contains a provision not included in the House amendment that would require the Secretary to annually submit to the Congress a report identifying the public housing agencies that have been designated as troubled describing the agreements that have been entered into with such agencies under such paragraph, describing the status of progress under such agreements, and describing any action that has been taken in accordance with paragraph (3). The conference report contains the Senate provision with an amendment to require the report to describe the grounds on which any PHA was designated and continues to be designated as troubled and also requires a description of the status of PHAs that were designated as troubled for the purposes of the modernization program.

Requirement for PHA Training. The House amendment contained a provision not included in the Senate bill that would require each State, as a condition for PHAs within the State to receive assistance under this Act, to establish (not later than 2 years after the date of the enactment) and enforce standards for a course of study and certification of executive directors and other officers and members of local, regional, and State PHAs. The State would provide for completion of the course and certification before appointment to any position

within a PHA within the State, and shall require any individuals holding such positions within any PHA on the date of the establishment of such course and provisions for certification to complete the course and acquire certification, within 1 year after such establishment. The conference report does not contain the House provision but is amended to require the Secretary, within one year of enactment of this Act, to report to Congress on the practicality and feasibility of establishing standards for the certification and training of executive directors and other officers and members of PHAs. If such a course of training is determined to be practical, the Secretary will develop, in coordination with industry groups, an appropriate training program.

Project-based accounting systems. The House amendment contains a provision that would require that contributions contracts provide for the establishment and maintenance of a system of accounting for rental collections and costs (including administrative, utility, maintenance, repair, and other operating costs) on a project basis, which shall (1) require each public housing agency to publish an annual financial statement of all its operations, including the financial status of each individual housing project, and (2) the review of such reports by the applicable Board of Commissioners or other governing body with respect to such PHA and by the applicable State housing authority. The Senate bill contains a similar provision except does not contain requirements to publish annual financial statements or review of such reports by others. The conference report contains the Senate provision with an amendment to exempt PHAs not receiving operating subsidies from these requirements and to authorize the Secretary to allow PHAs which operate fewer than 250 units to apply the accounting requirement on an agency wide basis. The conferees want to encourage local Commissions to review the results. The Conferees are aware that in some instances of troubled agencies, there was a breakdown in communication between the agency itself and the Board of Commissioners which is required to oversee the operations of the agency and that in at least one instance commissioners to were unable to obtain copies of HUD's annual audit of the agency. The Committee recognizes that an integral part of agency oversight is the analysis of the operations of the agency by HUD through its annual audit. Therefore, the Committee directs the Secretary to ensure that a copy of an agencies' annual audit be made available to the Chairman of the Board of Commissioners of each agency.

Regulation. The House amendment contained a provision that would require the Secretary to adopt by regulation guidelines to implement the public housing agency reforms enumerated above. The Senate bill contained a similar provision but would not require adoption by regulation. The conference report contains the Senate provision amended to require notice and comment on rulemaking.

Reduction of operating subsidies. The Senate bill contained a provision not included in the House amendment that would permit the Secretary to reduce operating subsidies for public housing units that have been continuously vacant for 1 year or longer where such vacancies have been caused by factors within the control of the public housing agency. The conference report does not contain the Senate provision. The conferees intend that the elimination of this provision would not be construed to limit the Secretary's rulemaking authority in this area.

Report on Buffalo Municipal Housing Authority. The Senate bill contained a provision not included in the House amendment that within 180 days after the date of enactment, would require the Secretary to transmit to Congress a report on the operating and efficiency of the Buffalo Municipal Housing Authority ("the Authority"), using, among other criteria, the performance indicators set forth in the National Affordable Housing Act, and giving special attention to the Authority's desegregation program and to the vacancy rate. For purposes of the report the Secretary may specifically determine whether to: (A) petition for the appointment of a receiver for the Authority; or (B) reduce operating subsidies for the Authority. The conference report contains the Senate provision.

Criminal Activity in Public Housing

Eviction and termination. The House amendment contained a provision not included in the Senate bill that would expand circumstances where administrative grievance procedure will apply to cases of inaction. The conference report does not contain the House provision. There is no need for clarification that Section 6(k) guarantees tenants the right to have grievance hearings with respect to a public housing agency's failure to act because the Secretary is no longer taking the position that public housing tenants have no right to have grievance hearings about their public housing agency's failure to act.

The House amendment contained a provision that would limit a public housing agency's ability to bypass the current administrative lease and grievance procedure to those activities that threaten the health or safety of tenants or employees. In such cases the agency could use an expedited grievance procedure or bypass the administrative procedures if state court procedures would provide specified elements of due process. The House provision also required public housing authorities to provide relevant documents prior to any hearing or trial. Proposed rules implementing the section would be required to be published within 60 days of enactment and the existing due process waivers would not be valid after enactment. The Senate bill contained a similar provision but would allow bypass when a criminal activity affects health, safety, and welfare of tenants.

The Senate bill also contained a provision not included in the House amendment that would allow public housing agencies to bypass grievance procedure without regard to due process offered in court where eviction or termination is for "criminal activity, including drug related criminal activity, that adversely affects the health, safety, and welfare of public housing tenants" so long as the public housing agency notifies the tenant of the reasons for eviction or termination.

The conference report contains the House provision with an amendment (1) to allow public housing agencies to bypass the current administrative procedure in cases of eviction or termination involving criminal activity that threatens the health, safety and right to peaceful enjoyment of other tenants or employees of the public housing agency or in the case of drug related criminal activity on or near the premises and (2) to require the Secretary to establish the expedited grievance procedure through notice and comment rulemaking. This language is intended to reach criminal activity that seriously endangers other tenants or PHA employees, while preserving the greivance process for all other categories of evictions.

The amendment deleted the specified elements of due process set forth in the House amendment. Such elements will continue to be established by regulation and the deletion of the specified elements should not be construed as a determination by the conferees that such elements should not continue to be part of the regulatory definition of due process. The conference report does, however, prohibit the regulatory definition of due process from including a requirement for discovery. Instead, the conference report requires that the public housing agency must provide tenants a reasonable opportunity prior to the hearing or trial to examine any relevant documents, records, or regulations directly related to the eviction or termination. The elements of due process that would be required include all the protections sepcified in the statute for the greivance procedure which is being replaced, except for the right to examine documents prior to trial to prepare a defense, which will be directly granted by the federal statute.

The conferees also intend that the documents covered by this disclosure rule be ones the public housing agency would normally maintain in the tenant's file. The requirement that the public housing agency produce documents is not intended by the Committee to be construed as a broad discovery provision. However, public housing agencies should not be allowed to avoid their duty to disclose documents by maintaining or placing them in other files, transferring them to the custody of others or destroying them.

Final regulations implementing these regulations must be promulgated not later than 180 days after enactment. A conforming amendment was also added to provide that any such waiver granted before the enactment date shall remain in effect until the earlier of the effective date of the final rules implementing the amendments made by this section or 180 days after the enactment date. It is the conferees intent that when an individual state waiver is sought, the Secretary should notify affected tenants in advance and provide them with an opportunity to comment.

The committee also intends that the rights created by this amendment be enforceable under 42 U.S.C. Section 1983, the implied private right of action and third party beneficiary doctrines and the Administrative Procedure Act.

The Restriction on reentry. The Senate bill contained a provision not included in the House amendment that amends the definition of family in the 1937 Housing Act to provide that any individual or family evicted from housing assisted under the Act by reason of drug-related criminal activity is not eligible for a preference under any provision of this paragraph for 5 years unless the evicted tenant successfully completes a rehabilitation program approved by the Secretary. The conference report does not contain the Senate provision.

Lease requirements. The Senate bill contained a provision not included in the House amendment that amends the prohibited activities under the lease to prohibit criminal activity that adversely affects the health, safety, and right to quiet enjoyment of the premises by other tenants and including drug-related criminal activity, that threatens the health or safety of, or right to quiet enjoyment of the premises by other tenants.

The conference report contains the Senate provisions amended to read that each public housing agency shall utilize leases which provide that any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants or any drug-related criminal activity on or near such premises, engaged in by a public housing tenant, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy.

Notice to post office. The Senate bill contained a provision not contained in the House amendment that would require public housing agencies to notify the local post office about an evicted tenant, if the tenant is evicted for engaging in criminal activity including drug-related criminal activity. The conference report contains the Senate provision.

Public housing and Section 8 assistance regarding foster care children. The House amendment contained a provision not included in the Senate bill that would require agencies administering public housing or Section 8 assistance to coordinate with local child welfare agencies in providing units to: families whose children have been placed or could be placed in foster care or have children in foster care which have not been discharged due to housing conditions; and youth who have been discharged from foster care who cannot return to their family or extended family and for which adoption is not available. The conference report contains the House provision with an amendment changing "shall" to "may" regarding coordination requirements, and subjecting provision to preference rules.

The House amendment also contained a provision that would amend the Federal preference rules for housing placement in both the public housing and Section 8 programs to include families separated due to substandard housing or lack of housing and youth discharged from foster care who cannot return to their families and cannot be adopted. This provision was not included in the conference report as a separate Federal preference but instead as a permissible local preferences.

Public Housing Operating Subsidy

Authorization. The House amendment contained a provision that authorized for public housing operating subsidies, $2,145,780,000 for fiscal year 1991 and authorized in each fiscal year, such sums as may be necessary, to provide each public housing agency with all their eligible funds under the performance funding system without adjustments for estimated or unrealized savings. The Senate bill contained a provision that authorized for public housing operating subsidies, $1,865,000,000 for FY 1991, $1,940,100,000 for FY 1992, and $2,017,200,000 for FY 1993. The conference report contains an authorization of $2,000,000,000 for FY 1991 and $2,086,000,000 for FY 1992.

Services and coordinators as eligible cost. The House amendment contained a provision not included in the Senate bill that authorized annual contributions to PHAs to include projects with a sufficient number of frail elderly or handicapped residents, (1) the cost of a services coordinator within the project which is provided by a federal agency, public or private department or organization to enable frail elderly or handicapped residents to live independently and prevent placement in nursing homes or institutions; (2) not more than 15% of the expenses for providing services to project residents which may include meal services, housekeeping and chore assistance, personal care, laundry assistance, transportation services and health-related services. Exempts this provision from the performance funding system established in Section 9(a)(3) of the United States Housing Act of 1937 and defines frail elderly as the meaning given under Sec. 202(d) of the 1959 Housing Act. The conference report contains the House provision with an amendment which restricts services under this section to those not covered under Congregate Housing Serving program. The conferees intend that the cost of a services coordinator is an eligible cost to be paid out of public housing operating subsidies but is not required and is not a separate authorization.

Litigation by PHAs. The House amendment contained a provision not included in the Senate bill that allowed PHAs to include as an allowable operating cost the unreimbursed cost of any civil action commenced by a public housing agency against the Federal Government to ensure proper implementation of any Federal Law relating to public housing. The House provision also would disapprove the HUD rule entitled "Litigation Reporting and Related Requirements for Certain Recipients of HUD Assistance" and published in the Federal Register of October 27, 1988 (53 Fed. Reg. 43610 et seq.). The Secretary of HUD may not publish a final rule based on such rule and may not otherwise implement the provisions of such rule. The conference report does not contain the House provision.

Performance funding system. The Senate bill contains a provision that is not inlcuded in the House amendment that would require HUD, in determining the PFS utility subsidy, to include a cooling degree day adjustment factor and requires that the method to include this factor shall be identical to the method included for the heating degree adjustment factor. The conference report contains the Senate provision.

Formula Allocation for Modernization Funding for Public and Indian Housing

Emergency or natural disaster set-aside. The House amendment contained a provision not included in the Senate bill that would amend Section 14(k) of the United States Housing Act of 1937 to provide from amounts approved in appropriation Acts each fiscal year that the Secretary shall reserve not more than $75 million (including unused amounts reserved during previous fiscal years), for modernization needs resulting from natural and other disasters and from emergencies. Amounts provided for emergencies shall be repaid by agencies from future allocations of assistance where available. The conference report contains the House provision with an amendment to make these amendments effective in Fiscal Year 1992.

Allocation formula. The House amendment contained a provision not included in the Senate bill that would require the Secretary to allocate the remaining funds, pursuant to a formula contained in a regulation to be prescribed by the Secretary. Such formula is to measure the relative needs of public housing agencies. The conference report contains the House provision.

Backlog needs. The House amendment contained a provision not included in the Senate bill that would require the Secretary to allocate half of the amount allocated under the formula based on the relative backlog needs of public housing agencies with 500 or more units and for the aggregate of agencies with fewer than 500 units determined either from the most recently available, statistically reliable data regarding the (1) backlog of needed repairs and replacements of existing physical systems in public housing projects, (2) items that must be added to projects to meet the modernization standards of the Secretary, and (3) items that are necessary or highly desirable for the long-term viability of a project; or if the data are not statistically reliable on the basis of estimates of the backlog as defined above and objectively measurable data on public housing agency, community, and project characteristics, including the average number of bedrooms in the units in a project; the proportion of units in a project for very large families; the extent to which units for families are in high-rise elevator projects; the age of the projects; in the case of a large agency, as determined by the Secretary, the number of units with 2 or more bedrooms; the cost of rehabilitating property in the area; for family projects, the extent of population decline in the locality determined on the basis of the 1970 and 1980 censuses; and other factors the Secretary determines are appropriate. The conference report contains the House provision with an amendment to require HUD to subject new or amended criteria to notice and comment rulemaking.

Past modernization funding. The House amendment contained a provision not included in the Senate bill that would require that the formula also take into account amounts previously made available by the Secretary for modernization and for major reconstruction of obsolete projects, to the extent determined appropriate by the Secretary. The conference report contains the House provision.

Accrual needs. The House amendment contained a provision not included in the Senate bill that would require the Secretary to allocate the other half of the amount allocated under the formula based on the relative accrued needs of public housing agencies with 500 or more units and the aggregate of agencies with fewer than 500 units for the categories of modernization need determined either where the data are statistically reliable, on the basis of the needs that are estimated to have accrued since the date of the last objective measurement of backlog needs or where the estimates are not statistically reliable on the basis of estimates of accrued need using the most recently available data on the backlog, and objectively measurable data on public housing agency, community, and project characteristics, including the average number of bedrooms of the units in a project; the proportion of units in a project for very large families; the age of the projects; the extent to which the buildings in projects of an agency average fewer than 5 units; the cost of rehabilitating property in the area; the total number of units of each agency; and other factors the Secretary determines are appropriate. The conference report contains the House provision with an amendment to subject new or amended criteria to notice and comment rulemaking.

Determination of the number of units. The House amendment contained a provision not included in the Senate bill that would require the Secretary, in determining how many units an agency owns or operates and the relative modernization needs of agencies, to count each existing unit under the annual contributions contract, with the exception of an existing unit under the turnkey III and the mutual help programs which may be counted as less than one unit.

Once an agency qualifies to receive a formula grant it may elect to continue to qualify to receive a formula grant if it owns or operates at least 400 public housing units. The conference report contains the House provision.

Impact of demolition disposition on the formula. The House amendment contained a provision not included in the Senate bill that would require the Secretary, where an existing unit under a contract is demolished or disposed of, to not adjust the amount the agency receives under the formula unless more than one percent of the units is affected on a cumulative basis. Whereas more than one percent of the units is demolished or disposed of, the Secretary would be required to reduce the formula amount accordingly for the agency over a 3-year period. The conference report contains the House provision.

Data reliability. The House amendment contained a provision not included in the Senate bill that would provide the Secretary the discretion to determine whether the data used to determine the allocation are statistically reliable. The conference report contains the House provision.

Application of formula. The House amendment contained a provision that would stipulate that formula allocation for agencies with fewer than 500 units would be allocated as special purpose modernization. The Senate bill contained a provision that would stipulate that formula allocation for PHAs with 500 or more units would be allocated in accordance with the provisions of the section and current law as amended. The conference report contains the House provision.

Troubled PHA allocation. The House amendment contained a provision not included in the Senate bill that, in the case of an agency that the Secretary designated as a troubled agency on or before June 1, 1990, and that is still designated as a troubled agency on the date amounts are allocated under the formula for FY 1991, the Secretary would limit the total amount of funding to the average amount the agency received during fiscal years 1988, 1989, and 1990, for modernization activities and for major reconstruction of obsolete projects, adjusted to take into account changes in the cost of rehabilitating property, plus 25% of the differences between the average amount and the amount that would be allocated to the agency if it were not designated a troubled agency. The conference report contains the House provision with an amendment to (1) change the application of this subsection to Fiscal Year 1992; (2) alter the manner in which agencies are designated as troubled by striking the reference to the June 1, 1990 list and, instead, covering agencies that the Secretary designates as troubled for purpose of the modernization program pursuant to regulations published through notice-and-comment rulemaking; (3) alter the funding that a troubled PHA would receive by substituting "1989, 1990 and 1991" for "1988, 1989, and 1990"; and (4) require the Secretary to establish a special rule for PHAs which are not found to be troubled in the initial designation, but become troubled in subsequent years. The conferees intend that the Secretary will have the discretion to determine the percentage amount of funding that is available for such subsequently troubled PHAs.

Added allocation for troubled PHA by request. The House amendment contained a provision not included in the Senate bill that would permit the Secretary to increase a troubled agency's allocation up to an additional 25% of the difference between what the troubled agency actually receives and what it would have received if it was not troubled. Such additional increase shall be based on the agency's progress toward meeting performance standards. In the case of such a request, the Secretary shall render a decision within 75 days of receipt of the request. The conference report contains the House provision with an amendment to allow an increase to the full amount the agency is entitled.

Reallocation of troubled PHAs' formula allocation. The House amendment contained a provision not included in the Senate bill that would state that amounts not available to troubled PHAs would be reallocated to other public housing agencies that own or operate 500 or more units, based on their relative needs. For Indian housing authorities, the amounts would be reallocated to other Indian housing authorities. The relative needs of agencies would be determined using the formula. The conference report contains the House provision with an amendment that requires the Secretary to establish a credit system that will allow a troubled PHA to accumulate withheld funds for three years and to receive repayment of withheld funds if such PHA graduates from troubled status. Repayment of the withheld funds would be reduced over a four year period after the accumulation period by the following percentages: First year, 10 percent reduction; second year, an additional 20 percent reduction; third year, an additional 30 percent reduction; and the fourth year, an additional 40 percent reduction. The conference report also provides that once an agency has graduated from troubled status, the agency can reclaim its outstanding credited amounts on an annual basis in amounts to be determined by the Secretary. The aggregate of such credit payments for all agencies cannot in any one year exceed 5 percent of the amount allocated for formula allocation.

Timing for reallocation. The House amendment contained a provision not included in the Senate bill that stated that any amounts subject to reallocation either from a troubled PHA or recaptured for cause would be reallocated by the Secretary in the next fiscal year to other housing agencies that own or operate 500 or more units, based on their relative needs. The relative needs of agencies would be measured by the formula. The conference report contains the House provision.

Grounds for appeal. The House amendment contained a provision not included in the Senate bill that would permit a public housing agency to appeal the amount of its allocation determined under the formula on the basis of unique circumstances or on the basis that the objectively measurable data regarding the agency, community, and project characteristics used in the formula were not correct. The conference report contains the House provision.

Eligible activities. The House amendment contained a provision not included in the Senate bill that would permit amounts allocated to a public housing agency by formula to be used for any eligible modernization activity, notwithstanding the formula factors. The conference report contains the House provision.

Modernization for PHAs with fewer than 500 units. The House amendment contained a provision not included in the Senate bill that would amend Section 14(d)(4) by deleting the requirement for replacement needs and planning estimate, operating budget, and financial resources estimate for public housing agencies with fewer than 500 units. The conference report contains the House provision.

Special purpose modernization. The House amendment contained a provision not included in the Senate bill that would limit special purpose modernization or emergency needs funding especially related to fire safety standards to public housing agencies with fewer than 500 units. The conference report contains the House provision.

Special purpose management improvement funds. The House amendment contained a provision not included in the Senate bill that would provide for special purpose management modernization improvements which are not otherwise eligible for PHAs with fewer than 500 units (including Section 8 projects). The conference report contains the House provision.

250 units threshold. The House amendment contained a provision not included in the Senate bill that would establish a 250-unit threshold for modernization funds beginning in FY 1992, except that once a housing authority qualifies for assistance, it may continue to receive a formula grant if it owns or operates at least 200 units. The conference report contains the House provision.

Inapplicability to Indian housing. The House amendment contained a provision not included in the Senate bill that stated that, notwithstanding the provisions of this subtitle, the formula allocation would not apply to Indian housing authorities until October 1, 1991. The conference report does not contain the provision. The conferees believe that this provision is not necessary as the entire provision will be implemented starting in Fiscal Year 1992.

Transition rule. The House amendment contained a provision not included in the Senate bill that stated that any amount that the Secretary has obligated to a public housing agency in Section 14 of this Act, other than under a comprehensive plan, would be required to be used for the purposes for which such amount was provided, or for purposes consistent with an action plan submitted by the agency and approved by the Secretary, as the agency determines to be appropriate. The conference report contains the House provision.

Regulations. The House amendment contained a provision not included in the Senate bill that would require the Secretary to publish a proposed rule to implement the formula allocation amendments and shall consult with the Congress, public housing agencies, and professional organizations representing public housing agencies before publishing such rule. The proposed rule shall be published not later than the expiration of the 60-day period beginning on the date of the enactment of this Act. The conference report contains the House provision with an amendment to require the Secretary to publish the proposed allocation formula in a proposed rule pursuant to notice and comment rulemaking. The proposed rule would need to outline: (1) the analytic basis for the formula; (2) the weights assigned to the statutory criteria; (3) deductions from the formula share for prior years' CIAP or MROP funds; and (4) any other pertinent information. The Secretary could, at his discretion, publish alternative formulas, identifying the different weights which were used in calculating such alternative formulas, and explaining what policy objectives might be achieved.

Reports. The House amendment contained a provision not included in the Senate bill that would require an independent evaluation to be presented to Congress within 3 years after the initial allocation of assistance by formula. The conference report contains the House provision with conforming amendments to be made to the PHA reform provisions to require that HUD annual reports outline the status of PHAs designated as troubled for purposes of the modernization program amount and specify the amount of credited funds that have been accumulated by such troubled PHAs.

Hope for Vacant Public Housing Units

The House amendment contained a provision not included in the Senate bill that would authorize the Secretary to make available financial assistance in the form of grants to public housing agencies for the purpose of improving the physical condition of existing vacant units in low-rent public housing projects for use as residences.

Under the House provision, grants would have been made available for units in low-rent housing projects that are owned by public housing agencies; are operated as rental housing projects and assisted under maintenance and operating contributions contracts; are not assisted under Section 8; are vacant at the time grants under this section are received; and meet such other requirements as the Secretary may prescribe. Both large (more than 500 units) and small public housing authorities would have been required to explain the extent of, and reasons for, vacancies and develop a plan of action to eliminate unnecessary vacancies.

The conference report contains the House provision amended as follows:

The conference report establishes within section 14 of the 1937 Housing Act a program designed to eliminate all excess vacancies within 5 years. The initiative would apply to agencies with twice the average vacancy rate or ones designated as troubled.

Such agencies would be required to develop and submit a vacancy reduction plan for units owned or operated by the agency. The plan would identify vacant public housing units within the agency's inventory, explain the reasons for such vacancies and outline the agency's agenda for addressing such vacancies within the next 5 years. An agency would identify the extent to which such vacancies are currently being addressed through existing programs (comprehensive modernization, major reconstruction) or demolition/disposition actions within the 5-year period and any vacancies not currently funded under such programs and not likely to be so funded or approved within 3 years. Finally, the agency would identify any other vacancies.

A team of HUD and PHA experts would be available to visit each designated PHA to independently assess the reasons for the agency's high vacancy rate. The team would consider any management deficiencies which might be contributing to the vacancy problem and would recommend a series of management improvements to cure such deficiencies. Such recommendations would be included in an agency's vacancy reduction plan.

HUD Resources. The conference report authorizes $105,000,000 in fiscal year 1991 and $220,000,000 in fiscal year 1992 for the costs of rehabilitating vacant public housing units, implementing management improvements, and undertaking any other activities identified in the plan.

Income eligibility for public housing. The House amendment contained a provision not included in the Senate bill that would amend the tenant income restrictions of Section 16(b) of the United States Housing Act of 1937 to allow PHAs to increase from 5% to 25% the number of units that can be leased by lower income families other than very low income families, but only if the public housing agency certifies to the Secretary that not more than 25% of dwelling units occupied at the time of certification are leased by such lower income families. The conference report contains the House provision with an amendment that amends section 16(b) to raise from 5 percent to 15 percent the number low income (other than very low income) that can be placed in dwelling units that become available under contributions contracts or assistance payments after 1981 and by adding a provision that limits the number of low income other than very low income persons in any project to 25 percent. This last restriction does not apply to any project that exceeds this limit prior to the enactment of this act.

Disposition of scattered-site public housing. The House amendment contained a provision not included in the Senate bill that would amend the Section 18 disposition and demolition provisions of the United States Housing Act of 1937 to provide that in the case of scattered-site housing of a public housing agency, debt repayment would be required to be in an amount that bears the same ratio to the total of obligations as the number of units disposed of bears to the total number of units of the project at the time of disposition. This provision would be applicable to any scattered-site housing disposed of after the date of enactment. The conference report contains the House provision.

Replacement Housing

Report. The Senate bill contained a provision not included in the House amendment that would require the Secretary to transmit to Congress a report that outlines the commitments the Secretary made during the preceding year to fund plans for replacement housing and specifies the budget authority necessary to carry out the commitments. The conference report contains the Senate provision.

1 for 2 replacement. The Senate bill contained a provision not included in the House amendment that would amend Section 18(b) to require the public housing agency to develop a plan to provide one decent, safe, sanitary, and affordable dwelling unit for every two public housing units to be demolished or disposed of where the project or portion of the project to be demolished or disposed of has had a vacancy rate exceeding 35% for the preceding five years; the project is located within a jurisdiction with a vacancy rate in excess of 10% as documented in the most recent housing affordability strategy; and the project is located in jurisdiction which is severely economically distressed. The provision would require the PHA to hold a public hearing, which has been announced, at a time and location which is convenient for those residents which may be affected by the demolition/disposition and with accommodation for persons with disabilities.

The conference report does not contain the Senate provision but contains an amendment to provide the following: notwithstanding the provisions of Section 18(b)(3)(A) of the United States Housing Act of 1937, the Secretary may allow, on a pilot project basis, the use of 5-year Section 8 Existing Certificates as replacement for public housing units proposed for demolition or disposition in the City of St. Louis, Missouri. All demolition and disposition applications must meet the other requirements of existing law, including the one-for-one replacement provision. The authority under this provision expires on September 30, 1992.

Public housing resident management. The House amendment contained a provision that would authorize $5,000,000 for FY 1991 for public housing resident management programs under the CIAP. The Senate bill contained a provision that would authorize $2,500,000 for each of FY 1991, FY 1992, and FY 1993 for public housing resident management under CIAP. The conference report contains the House provision with an amendment to authorize $5,000,000 for FY 1992 as well.

Public housing family investment centers

Purpose. The House amendment contained a provision establishing the purpose of this subsection as to provide families living in public housing with better access to educational and employment opportunities to achieve self-sufficiency and independence by (A) developing facilities in or near public housing for training and support services offered under local self-sufficiency programs under this section; (B) mobilizing public and private resources to expand and improve the delivery of such services; and (C) providing funding for such essential training and support services that cannot otherwise be funded. The Senate bill contained a similar provision except qualifies funding as transitional funding and adds a fourth purpose which provides better access to educational and employment opportunities by improving public housing management's capacity to assess service needs and coordinate services. The conference report contains the House provision with an amendment incorporating the fourth purpose in the Senate bill. The conference report establishes the name of the program as Family Investment Centers and that it is a stand alone amendment to the 1937 Housing Act, not part of the Family self-sufficiency program or in the CIAP provisions.

Grant authority. The House amendment contained a provision authorizing the Secretary to make grants to public housing agencies carrying out self-sufficiency programs to adapt public housing to help families participating in the program to gain access to educational and job opportunities. The Senate bill contained a provision that would amend Section 14 of the 1937 Act (CIAP) to provide grants. The Secretary could reserve not more than 5 percent of the amounts available in each fiscal year to supplement grants awarded to public housing agencies if increases are required to maintain adequate levels of services to eligible residents. The conference report contains the House provision with an amendment removing linkage to the self-sufficiency program and adding a requirement that grants will only be available to PHAs that can demonstrate that sufficient supportive services will be available and adds Senate provisions on 5% set-aside. By removing the linkage to self-sufficiency, the conferees do not intend that this program could not be used in conjunction with the self-sufficiency program.

Grant Uses. The House amendment contained a provision that permits grant amounts to be used to renovate or convert vacant public housing units to create common areas, renovate existing common areas, and renovate facilities near public housing projects in order to accommodate the provision of supportive services. Not

more than 15% of the grant amounts can be used to provide such services. The Senate bill contained a similar provision except that the funding of services would be transitional if the PHA demonstrates to the Secretary that (I) the qualifying services are appropriate; (II) the public housing agency has tried to find other funding resources; and (III) long-term funding for the qualifying services will be available from other services, and the funding can cover the costs of employing service coordinators. The conference report contains the House provision with an amendment to remove linkage to self-sufficiency program, to add qualification that supportive services funding is available only when the supportive services are appropriate to improve the access of eligible residents to employment and educational opportunities, and the public housing agency has made diligent efforts to obtain the services elsewhere and to add as permissible use the employment of a service coordinator as provided in the Senate bill minus references to families with children under 10 years of age.

Allocation. The House amendment contained a provision requiring grant amounts to be allocated among the public housing agencies carrying out self-sufficiency programs that have submitted applications and have been selected by the Secretary. The Senate bill contained a similar provision except that it would include any PHA, not just those in Self-Sufficiency or Operation Bootstrap programs. The conference report contains the Senate provision.

Applications. The House amendment contained a provision requiring that applications for assistance contain: (A) a description of the supportive services under the local self-sufficiency program that are to be provided over a 5-year period (or such longer period that the Secretary determines to be appropriate if assistance is provided for activities that involve substantial rehabilitation); (B) a firm commitment of assistance from 1 or more sources ensuring that the supportive services will be provided for not less than 1 year following the completion of assisted activities; (C) a description of the public and private resources that are expected to be made available to provide the activities and services under the local program, which shall include evidence of any intention to provide assistance expressed by State and local governments, private foundations, and other organizations (including profit and nonprofit organizations); (D) certification from the appropriate State or local agency (as determined by the Secretary) that (i) the local self-sufficiency program is well designed to provide resident families better access to educational and employment opportunities; and (ii) there is a reasonable likelihood that services under the program will be funded or provided for the entire period specified under subparagraph (A); (E) a description of assistance for which the public housing agency is applying under this subsection; (F) a copy of the action plan for the local self-sufficiency program of the public housing agency; and (G) any other information or certifications that the Secretary determines are necessary or appropriate to achieve the purposes of this subsection. The Senate bill contained a similar provision except there are no references to self-sufficiency. The conference report contains the House provision with an amendment deleting references to the self-sufficiency program.

Selection. The House amendment contained a provision requiring the Secretary to establish selection criteria for grants under this subsection, which shall take into account: (A) the ability of the public housing agency or a designated service provider to carry out the local self-sufficiency program; (B) the need for such program in the public housing project; (C) the extent to which the envisioned renovation, conversion, and combination activities are appropriate to facilitate the provision of services under the program; (D) the extent to which the public housing agency has demonstrated that services under the program will be provided for the required period; (E) the extent to which the public housing agency has a good record of maintaining and operating public housing; and (F) any other factors that the Secretary determines to be appropriate to ensure that amounts made available under this subsection are used effectively. The Senate bill contained a similar provision except did not include any references to self-sufficiency. The conference report contains the House provision with an amendment to delete any references to self-sufficiency.

Grant requirements. The House amendment contained a provision not included in the Senate bill that would require the Secretary to ensure that each public housing agency that receives a grant under this subsection has the capacity, in the determination of the Secretary, to (i) carry out the local self-sufficiency program under this section; and (ii) seek, on a continuous basis, new sources of assistance to ensure long-term funding for supportive services. The provision would permit public housing agencies to use amounts received from grants under this subsection to carry out the requirements of this subsection, and the Secretary could permit public housing agencies to use existing sources of funds for such purposes. The conference report does not contain the House provision. The conference report contains an authorization of $25,000,000 in fiscal year 1991 and $26,100,000 in fiscal year 1992.

HUD reports. The House amendment contained a provision requiring the Secretary to submit to the Congress annually, as a part of the report of the Secretary under Section 8 of the Department of Housing and Urban Development Act, an evaluation of the effectiveness of activities carried out with grants under this subsection in such fiscal year. Such report would summarize the progress reports submitted pursuant to subparagraph (A). The Senate bill contained a similar provision except the Secretary would be required to submit an annual report within 120 days after the end of each fiscal year. The conference report contains the House provision.

Eligibility of Indian housing for CIAP. The House amendment contained a provision that would allow Indian housing projects to receive assistance under CIAP. Any assistance provided would have to be in the form of a single grant for each project. The Senate bill contained a similar provision but contained no requirement for single grants. The conference report contains the Senate provision with an amendment to include a requirement for a single grant for each project.

Public housing early childhood development grants. The House amendment contained a provision not included in the Senate bill that would establish public housing early childhood development grants.

The House provision would authorize $4,922,500, in FY 1990 funded out of the CDBG funding level and $15 million in FY 1991 out of public housing development funds for the Public Housing Early Childhood Development Grants program. The House provision would amend the current "Public Housing Child Care Program" authorized under Section 222 of the 1983 HURRA Act and rename it as the "Public Housing Early Childhood Development Grants Program". The House provision would require that program grants be in amounts sufficient to cover a significant percentage of the renovation costs or operating expenses of early childhood development centers. The House provision would require that program grants be made for a 3-year period and distributed to recipients over a period determined by HUD.

The conference report contains the House provision with an amendment to include the name change of the program but would not include other House provisions and authorizes $15,000,000 in FY 1991 out of public housing development funds and $15,645,000 in FY 1992.

Indian public housing early childhood development demonstration program

The House amendment contained a provision not included in the Senate bill to establish an Indian public housing early childhood development demonstration program.

From amounts appropriated under Section 5(c)(7)(B) of the United States Housing Act of 1937 for Indian public housing grants in FY 1991, the Secretary would be required to use $5,000,000 for carrying out an early childhood development demonstration program in Indian public housing. The Secretary would make grants to nonprofit organizations for providing early childhood development services in or near housing owned or operated by Indian PHAs. The House provision would require the Secretary to carry out the demonstration program in the same manner as the Public Housing Early Childhood Demonstration Program. The House provision would require tribal and geographic diversity in the implementation of the demonstration. Within 3 years of the enactment of this Act, the Secretary would be required to prepare and submit to the Congress a detailed evaluation report of the demonstration program.

The report would have to include any recommendations of the Secretary with respect to the establishment of a permanent early childhood development program for Indian housing authorities. The conference report contains the House provision.

Public housing rent waiver for police officers. The House amendment contained a provision not included in the Senate bill that would authorize the Secretary to permit PHAs to allow police officers and other security personnel to live in public housing units. The Secretary could waive income eligibility limitations and rent requirements and could authorize the PHAs to set rent requirements and other terms and conditions of occupancy for units for such officers and security personnel, if the Secretary determined that there would be increased security for public housing tenants, limited loss of income to the public housing authority, and no significant reduction of units for eligible families. The conference report contains the House provision with an amendment to require PHAs to develop, and HUD to approve, a plan before police officers who are above the eligible income limits are allowed to live in the units.

Public housing youth sports programs. The House amendment contained a provi-

sion not included in the Senate bill that would require HUD to use 5% of the funds from the public housing drug elimination grants program in each fiscal year to establish and carry out youth sports programs in public housing projects with substantial drug problems.

The House amendment would authorize program grants to states, local governments, local park and recreation districts and agencies, public housing agencies, nonprofit organizations providing youth sports services programs, and Indian tribes.

The House amendment would require grants to be made only to youth sports programs which are located on public housing sites that HUD has determined have a substantial problem regarding the use or sale of illegal drugs. The House amendment would also require youth sports programs to be designed and organized so that the program (1) primarily serves youths from the assisted project, (2) provides positive sports activities, cultural, recreational or other activities, (3) operates in conjunction with an organized program or plan designed to eliminate drugs in the project. The House amendment would authorize grant funds to be used to: (1) acquire, construct, or rehabilitate community centers, parks or playgrounds; (2) redesign or modify public spaces in public housing projects; and (3) provide public services including program staff.

The conference report contains the House provisions on the public housing youth sports program.

Public housing one-stop perinatal services demonstration

The House amendment contained a provision not included in the Senate bill that authorizes such sums as may be necessary for FY 1991 for a HUD demonstration program to demonstrate the effectiveness of providing grants to public housing agencies which make one-stop perinatal services programs available for pregnant women in public housing. HUD would be required to consult with HHS and other appropriate federal agencies. The conference report contains the House provision with an amendment to require the Secretary to conduct demonstrations in no more than 10 public housing projects.

Public housing mixed income new communities strategy demonstration. The House amendment contained a provision not included in the Senate bill that would require the Secretary to establish a demonstration program to demonstrate the effectiveness of promoting the revitalization of troubled urban communities through the provision of public housing in socio-economically mixed settings combined with the innovative use of public housing operating subsidies to stimulate the development of new affordable housing in such communities. Housing units provided under the demonstration program would be required to be accompanied by a comprehensive program of services and incentives. The conference report contains the House provision.

The House provision would require HUD to carry out the demonstration program in housing administered by the Housing Authority of the City of Chicago, in the State of Illinois. HUD would be allowed to carry out the demonstration program in no more than 3 other public housing agencies. No more than 15% of the total number of public housing units administered by each participating public housing agency could be used in the demonstration. Tenants would be protected from involuntarily relocation or displacement under the demonstration program.

The House provision would allow PHAs to utilize Section 9 operating subsidies in privately owned newly constructed or rehabilitated housing for the purpose of providing reasonable and necessary operating costs in connection with the development of additional affordable housing. Such units would have to be reserved for use for occupancy by very low-income families. Operating subsidy amounts could be provided for a unit of housing only after the execution of a lease between the owner of the housing and a qualifying tenant for 1 corresponding public housing unit.

Rental terms. Residence in units acquired by the PHA under the demonstration would be limited to very low-income families that reside, or have been offered a unit, in public housing and that enter into a contract participation in the demonstration. Rent for each unit would be an amount equal to 30% of the adjusted income of the resident family except that the rental charge may not exceed a ceiling rent determined by the public housing agency in the manner that monthly rent is determined under Section 3(a)(2)(A) of such Act.

Income mix. The number of the units in each privately developed housing project that could be leased by a public housing agency would be limited to not more than 25% of the total. The amount of operating subsidy used in the privately owned projects would have to provide the same number of units as that amount of subsidy would have provided in public housing.

Assistance from other entities. The House provision would permit PHAs to seek the cooperation and receive assistance from State, county, and local governments and the private sector to develop housing for use under this demonstration, including (A) donations of land and write-downs and discounts on land by local governments; (B) abatement of real estate taxes for specified periods by local, county, or State governments; (C) assignment of community development block grant funds and loan guarantees made available under Title I of the Housing and Community Development Act of 1974; (D) low interest rate financing through Federal Home Loan Bank programs, State or Federal programs, and private lenders; (E) low income housing tax credits from State and local governments; and (F) mortgage revenue bonds from State or local governments.

Determination of location and number of units. The House provision would require that PHAs work with the local government to determine the location of any newly constructed or rehabilitated housing to be utilized under the demonstration program and the number of units to be developed annually. It would limit the total number of newly constructed or rehabilitated units for PHAs with not more than 5,000 public housing units, to 15% of the number of units administered by the agency; for PHAs with more than 5,000 but not more than 25,000 units, to 10% of the number of units; and for PHAs with more than 25,000 units, to 4% of the number of units.

Existing public housing. To facilitate the establishment of socio-economically mixed communities within existing public housing developments, the House provision would require the Secretary to authorize PHAs to lease units in existing public housing projects, to lower income families who are not very low-income families, notwithstanding the income eligibility provisions of the 1937 Housing Act.

Except as provided below, not more than 25% of the units in each public housing project in the demonstration program could be occupied by lower income families who are not very low-income families, except that if a public housing agency has a special need, the Secretary could increase the percent of lower income families to not more than 50% in a public housing project in the demonstration program. The remainder of the units would be occupied by very low-income families. Such special need could include the need to ensure the successful revitalization of troubled public housing through establishing a socio-economically mixed resident population.

The rent charged any family occupying an existing public housing unit in this demonstration could not exceed the ceiling rent level normally determined by the public housing agency. A participating public housing agency would enter into a lease with each family occupying a public housing unit in the demonstration for a term of 1 year, renewable upon expiration for a period not to exceed 7 years. A public housing agency could extend the period.

A participating public housing agency would be required to enter into a contract with each family in the demonstration living in the privately developed housing leased to the agency. Each family in the demonstration would have to meet the criteria established below. The contract would be made part of the lease, would set forth the provisions of the demonstration program, and would specify the resources to be made available to the participating family and the responsibilities of the participating family.

Requires each PHA to establish relevant criteria for participation of families in the demonstration program, including the status and history of employment of family members; enrollment of the children in the family in an educational program; family's maintenance history; ability of adult family members to complete training for long-term employment; the existence and seriousness of any criminal records of family members; and the status and history of substance abuse of family members.

Continued residency of families in housing would require compliance with standards established by the participating public housing agency, including all members of the family remaining drug-free; no member of the family engaging in any criminal activity; each child in the family remaining in an educational program until receipt of a high school diploma or the equivalent; and family members participating in the support services and counseling.

The public housing agency would be required to ensure the availability of supportive services and counseling to the family in accordance with the terms and conditions of the contract of participation. The public housing agency would provide for such services and counseling through its own resources and through coordination with Federal, State, and local agencies, community-based organizations, and private individuals and entities, including remedial education; education for completion of high school; job training and preparation; child care; substance abuse treatment and counseling; training in homemaking skills and parenting; family counseling; and financial counseling services emphasizing planning for homeownership.

Economic advancement of participating families

Employment. The head of the family would be required to be employed on a full-time basis, and requires the public housing agency to ensure the provision of employment counseling.

Rent increases. For the first year of participation rent could not be increased if earned income increases until such earned income exceeds 80% of the median family income for the area.

Escrow savings accounts. Each participating public housing agency would be required to establish for each participating family an interest-bearing escrow savings account held by the agency in the family's name. Requires the PHA to deposit in the account a percentage of the monthly rent charged the family, which percentage would be established in the contract of participation and any rent increases charged because of increases in the earned income of the family.

A participating family could withdraw amounts in the family's escrow account only upon successfully completing the demonstration program, for purchase of a home, for contribution toward college tuition, or other good cause determined by the PHA. A participating family that has committed violations referred to below would forfeit access to the escrow account.

Treatment of increased income. Any increase in the earned income of a participating family could not be considered as income or a resource for the purpose of the family for benefits, or amount of benefits payable to the family, under any other Federal law, unless the income of the family equals or exceeds 80% of the median income of the area.

Conclusion of participation, 7-year term. A participating family would be required to terminate residency not later than 7 years after initial occupancy. The PHA would be required to extend the period for any family that requests extension of the period because the family is not prepared to own a home elsewhere or to secure any other form of private housing; or for other good cause.

If a participating family is unable to successfully fulfill the requirements of the demonstration the PHA would be required to offer the family a comparable public housing unit in a PHA owned project without regard to Federal preferences or Section 8 assistance subject to appropriations and notwithstanding any Federal preferences, unless the family has committed serious or repeated violations of the terms and conditions of the lease, violations of applicable Federal, State, or local law or has been exempted from participation for other good cause.

Public housing advisory board. The Senate bill contained a provision that was not included in the House amendment that would authorize the creation of a Public Housing Advisory Board to provide advice to the Assistant Secretary for Public and Indian Housing with respect to the formulation of general policies and significant regulations governing public housing. The conference report does not contain the Senate provision.

Energy efficiency demonstration

Establishment. The Senate bill contained a provision that was not included in the House amendment that would require the Secretary to establish a demonstration program to encourage the use of private energy service companies in 5 public housing agencies in 5 public housing projects in order to demonstrate the opportunities for energy cost reduction. The Senate bill would require the Secretary, not later than 90 days after enactment of this Act, to establish selection criteria for this demonstration after consultation with representatives of public housing agencies and energy organizations. The conference report contains the Senate provision.

Report. The Senate bill contained a provision that was not included in the House amendment that would, as soon as practicable following one year after the date of enactment of this Act, require the Secretary to submit to the Congress a report setting forth the findings and recommendations of the Secretary as a result of the demonstration and would require the Secretary to disseminate such report, to the extent practicable, to other public housing agencies. The conference report contains the Senate provision.

Funding. The Senate bill contained a provision that was not included in the House amendment that would provide that of the total amount appropriated for HUD research and development, $500,000 will be set aside for Fiscal Year 1991. The conference report does not contain the Senate provision.

Study of public housing funding system

The Senate bill contained a provision that was not included in the House amendment that would require the Secretary to carry out a study assessing one or more revised methods of providing sufficient Federal funds to public housing agencies for the operation, maintenance and modernization of public housing. The Secretary would be required to compare and contrast existing methods of funding in public housing with those used by the Department in housing assisted under Section 8 of the United States Housing Act of 1937. In preparing the study, the Secretary would, in particular, review the results of the study entitled "Alternative Operating Subsidies Systems for the Public Housing Program" released by the Department's Office of Policy, Development and Research in May, 1982 and update such study as may be necessary. The Secretary would be required to report to the authorizing committees of Congress within 12 months after the enactment of this Act detailing the findings of the study. The conference report contains the Senate provision.

Study of prospective payment system for public housing. The House amendment contained a provision that was not included in the Senate bill that would require the Secretary to assess one or more revised methods of providing Federal housing assistance through local PHAs. In analyzing such alternatives, the Secretary would examine methods of prospective payment, including the conversion of PHA operating assistance, modernization, and other Federal housing assistance to a schedule of steady and predictable capitated Federal payments to PHA's on behalf of low income public housing tenants. The Secretary would assess, within the capitated funding alternative, means of (a) providing for tenant participation in the release of such capitated payments to PHA's; (b) providing financial incentives for PHA overall performance and efficiency; (c) designating certain PHA's as distressed and eligible for special Federal assistance; (d) differential treatment of PHA's based on differences in local population demographics, rental housing markets, and other pertinent factors, and (e) calculating annual inflation-based increases in capitated Federal payments. Such report would be made to the authorizing committees of Congress within 12 months after the date of enactment of this Act. The conference report does not contain the House provision.

Rental rehabilitation grants. The House amendment contained a provision that was not included in the Senate bill that would allow for the coordination between State funds and federal assistance under Section 17 of the 1937 Act in areas with rent control. The conference report does not contain the House provision.

The Senate bill contained a provision that was not included in the House amendment that would prohibit any new grants or loans from being made under the Sec. 17 Rental Rehabilitation program, after October 1, 1990, except as authorized for a transitional Rental Rehabilitation program in the HOME program in the Senate bill. The House provision would authorize $133,000,000 in FY 1991 for the Rental Rehabilitation Grant program. The conference report contains the Senate provision and has included this in the HOME program in the conference report.

GAO study of alternatives in public housing. The conference report contains a provision that requires the Comptroller General to conduct a study assessing alternative methods of developing public housing dwelling units, other than under the existing public housing development program. The study will include an analysis and evalution of different methods of financing and structuring a program to develop public housing and of coordinating such a program with local housing strategies and an evaluation of the effectiveness of developing public housing units by coordinating the low-income housing tax credit program with the development of public housing.

Applicability to Indian housing. The House amendment contained a provision that was not included in the Senate bill that would apply the provisions contained in Subtitle A-1937 Housing Act programs to Indian public housing authorities (IHAs) except it does not apply to Section 504 Public Housing Agency Reform and Section 508 Income Eligibility for Public Housing to Indian public housing authorities. The conference report contains the House provision.

Subtitle B—Low-Income Rental Assistance

Designation of Certificate and Voucher programs. The Senate bill contained a provision not included in the House amendment that would amend 8(b) to entitle the subsection providing for Section 8 certificates "Rental Certificates" and amend 8(o) that provides for Section 8 vouchers to entitle it "Rental Vouchers". The conference report contains the Senate provision with an amendment to entitle section 8(b) "Rental Certificates and Other Existing Housing Programs".

Drug-related rent adjustment. The Senate bill contained a provision not included in the House amendment that would permit adjustments in contract rents under Section 8 where the Secretary determines that an assisted project is located in a community where drug-related criminal activity is generally prevalent and the project's operating, maintenance, and capital repair expenses have been substantially increased primarily as a result of the prevalence of such drug-related activity. Such adjustments could not exceed the existing fair market rents established for the areas. The conference report contains the Senate provision with an amendment to limit rent adjustments to 120 percent of project rents.

Tenant rent contributions under Section 8 certificate program. The Senate bill contained a provision not included in the House amendment that would allow tenants receiving tenant based assistance under Section 8 of the 1937 Housing Act to pay more than 30% of income for rent if the family notifies the local PHA of its interest in a unit renting for an amount which exceeds the permissible maximum monthly rent established for the market area, and such agency determines that the rent for the unit and the rental payments of the family are reasonable, after taking into account other family expenses. No more than 10% of a PHA's annual allocation of incremental rental assistance could be used to approve such excess rentals. The Secretary would submit a report to Congress that identifies the PHAs that have made such excess rentals and includes recommendations for such legislative or administrative actions that the Secretary deems appropriate to correct problems identified in such reports. The conference report contains the Senate provisions but includes an amendment to delineate types of expenses to be considered by PHA in determining what is reasonable rent. The conferees intend that this section only apply to circumstances where the rents for particular units are above the Section 8 exception rents.

Preferences

The House amendment contained provisions not included in the Senate bill that would amend Section 8 to raise the percentage of non-preference families that can receive project based assistance to 30%, but would retain the 10% limit on tenant based assistance and that would increase from 10 to 30 the percentage of non preference families that can be placed in units in Section 8 new construction or substantial rehabilitation projects built prior to October 1, 1983 and in Section 202 projects. The conference report contains the House provision with an amendment to require that non-preference tenants be selected according to a system of local preferences that parallel the preferences for public housing tenants.

Tenant protections

The Senate bill contained a provision not included in the House amendment that would add to the lease requirements for project-based assistance that the lease between the tenant and the owner provide that the tenant, any member of the tenant's household, or a guest or other person under the tenant's control shall not engage in criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, or any drug related criminal activity on or near the premises, and that such criminal activity shall be a cause for termination of tenancy; and (2) any termination of tenancy shall be preceded by the owner's provision of written notice to the tenant specifying the grounds for such action. The conference report contains the Senate provision.

Revisions to project-based certificate program

The Senate bill contained a provision not included in the House amendment that would amend the project based assistance provisions of Section 8 of the 1937 Housing Act to require owners to adopt written tenant selection procedures that are satisfactory to the Secretary as consistent with the purpose of improving housing opportunities for very low-income families; and reasonably related to program eligibility and an applicant's ability to perform the obligations of the lease. An owner shall promptly notify in writing any rejected applicant of the grounds for any rejection. The conference report contains the Senate provision.

The Senate bill contained a provision not included in the House amendment that would require the Secretary on an annual basis to study the extent to which the 15% limit on project-based assistance are exceeded and to report to Congress on the results of that study. The conference report contains the Senate provision.

The Senate bill contained a provision not included in the House amendment that would amend Section 8(d)(2)(C) to require PHAs, when executing a contract for project-based rental assistance, to enter into a commitment, contingent only upon future appropriations, to extend the term of the underlying rental assistance contract for such period or periods as HUD determines is appropriate to achieve long-term affordability. Owners would be bound to accept such extensions. The conference report contains the Senate provision.

Section 8 assistance for PHA owned units

The House amendment contained a provision not included in the Senate bill that would permit public housing authorities to receive Section 8 assistance payments for projects they own. The conference report contains the House provision with an amendment requiring that such assistance meet the same program requirements as for other owners and allows the Secretary to establish initial rents within applicable limits.

Definitions of participating jurisdiction and drug-related criminal activity

The Senate bill contained a provision not included in the House amendment that would add the following definitions to Section 8 of the 1937 Housing Act: "Participating jurisdiction" means a State or unit of general local government designated by the Secretary to be a participating jurisdiction under Title II of the NAHA; and "drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in Section 102 of the Controlled Substances Act. The conference report contains the Senate provision.

Revisions to voucher program

The Senate bill contained a provision not included in the House amendment that would require that rents in units assisted under Section 8(o) of the 1937 Housing Act (voucher assistance) be reasonable in comparison with rents charged for comparable units in the private unassisted market or assisted under the Section 8 certificate program. PHAs must assist families who request it in negotiating a reasonable rent with an owner, and must review all rents for units under consideration by families receiving voucher assistance to determine whether the rent requested by an owner is reasonable. The PHA may disapprove a lease for such unit which is deemed inappropriate. The Senate bill would require PHAs to obtain in writing, at least annually, in a written form satisfactory to the Secretary, information on the percentage of income paid for rent of all families receiving voucher assistance. If, during any fiscal year, more than 10% of the families assisted under this subsection by a PHA pay more than 30% of adjusted income for rent, the local PHA would submit a report to the Secretary not later than 30 days following the end of the fiscal year which would establish and contain the public housing agency's assessment of the reasons for such excessive rent burdens, including any available evidence that the excessive rent burdens were caused by problems with the fair market rent established for the area. The Secretary would be required to make each such report readily available for public inspection for a period of not less than 3 years, beginning not less than 30 days following the date on which the report is submitted to the Secretary. The Secretary would be required to submit a report to Congress not later than 3 months following the end of a fiscal year that (I) identifies the PHAs that have submitted reports for such fiscal year as required supra, (II) summarizes and assesses such reports, and (III) includes recommendations for such legislative or administrative actions that the Secretary deems appropriate to correct problems identified in such reports. The conference report contains the Senate provision with an amendment to tighten PHA reporting requirements to require that report be based on objective evidence and to limit HUD report to annually for first two years after enactment and then biannually thereafter.

Eligibility of vouchers for use with mobile homes. The House amendment contained a provision not included in the Senate bill that would authorize the Secretary to provide voucher assistance to lower income families who utilize a manufactured home as their principal place of residence. Assistance could be used for the rental of the real property on which there is located a manufactured home owned by such family, or for rental by such family of a manufactured home and the real property on which it is located. The conference report contains the House provision.

Portability of certificates and vouchers

Under existing law, a holder of a certificate or voucher can utilize that certificate or voucher in any contiguous metropolitan statistical areas (MSA). The limitation to contiguous areas prevented the movement between MSAs and non-MSAs. The conference report addresses this problem by including a provision that allows for the movement between such areas so long as those areas are in the same state.

Renewal of expiring contracts

The Senate bill contained a provision not included in the House amendment that would require HUD, within 30 days after the beginning of each fiscal year, to publish in the Federal Register a plan for reducing, to the extent feasible, year-to-year fluctuations in the budget authority levels that will be required over the succeeding 5-year period to renew section 8 expiring rental assistance contracts entered into since enactment of the 1974 Housing Act. The conference report contains the Senate provision.

Authorizations. The House amendment contained a provision that would extend expiring Section 8 contracts by authorizing ($7,735,000,000) specific budget authority for 5-year section 8 certificates, loan management assistance and vouchers. The Senate bill would not authorize a specific amount of budget authority but would authorize HUD to enter into annual contributions contracts with less than 60 month terms to the extent approved in appropriations acts and included within a HUD plan on expiring contracts. The conference report contains the House provision with the understanding that this is a baseline activity.

Assistance to promote family unification

The House amendment contained a provision not included in the Senate bill that would require HUD to provide Section 8 certificate assistance to eligible families identified by local child welfare agencies as having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care or in preventing the discharge of a child from foster care and reunification with his or her family. This provision would require HUD to make Section 8 assistance available to qualifying families and authorizes to be appropriated for each fiscal year such sums as may be necessary to each individual entitled to the Section 8 assistance. It would require that these provisions take effect on October 1, 1990. The conference report contains the House provision with an amendment to make this a stand alone program authorized at $35,000,000 for each fiscal year 1991 and 1992. The conference report clarifies that families whose children are in or at risk of placement in foster care shall qualify under the existing federal preferences for Section 8 and public housing assistance as if they were families living in "substandard" housing. In addition, the bill clarifies that youths who are discharged from foster care and have no family or extended family to return to are eligible under the preference afforded to persons who are "involuntarily displaced." The conference report also establishes a new authorization of Section 8 funds to provide housing certificates to families—who are otherwise eligible for Section 8—whose children are at imminent risk of placement in foster care or are prevented from returning from foster care primarily due to lack of adequate housing. The conferees intend that funding for this initiative will be separate and above funding for the existing Section 8 programs.

1 Family self-sufficiency

The House amendment contained a provision authorizing the HOPE for Family Self-Sufficiency Program. The purpose of this program is to coordinate the use of public housing and assistance under Section 8 certificate and voucher programs with public and private resources to enable families to achieve economic independence and self sufficiency. The Senate bill contained a similar provision, the Operation Bootstrap Program which was limited to coordination of Section 8 housing assistance with other resources and did not include public housing. The conference report contains the House amendment with an amendment that retains provisions associated with Section 8 assistance as outlined below and eliminates references to public housing except that PHAs will be required to provide coordination services for public housing residents and any public housing residents that participate will receive program benefits.

Establishment of program. The House amendment contained a provision requiring each public housing agency that administers Section 8 certificate or voucher assistance or provides public housing to carry out a local HOPE for Family Self-Sufficiency program. The program, subject to availability of supportive services, would include an action plan providing comprehensive supportive services for the families who choose to participate. The Secretary must consult with other federal agencies and provide for cooperative actions and funding agreements with such agencies. Each public housing agency administering a local program may employ a service coordinator. The Senate bill contained a similar provision except that the program would be optional to public housing agencies until October 1, 1992, when the program becomes mandatory. A public housing authority participating in the program is required to take steps to ensure that the number of families participating in the program is equal to the aggregate number of certificates and vouchers that may be funded from such additional assistance beginning with FY 1991. The agency must operate the program for that number of families as long as it has sufficient funding under its certificate programs to do so.

The conference report contains the House provision with an amendment that makes the program discretionary for PHAs in FY 1991-1992 and mandatory beginning in FY 1993, requires that for Section 8 assistance the number of program participants be no more than the total number of incremental vouchers and certificates for FY 1991 and FY 1992, and requires that the program continue so long as there is sufficient funding to do so. Participation is mandatory for new vouchers and certificate holders, as well as for PHAs receiving new allocations. The conferees wish to emphasize that public housing agencies may opt out of participation in this program if they are able to demonstrate to the Secretary that local services cannot be made available to additional recipients of Section 8 rental assistance. If local resources are already stretched to their limit, oversubscribed, or simply absent, PHAs should not be penalized for failing to muster local support services over which they have no direct control. The conferees do not intend that HUD withhold Section 8 rental assistance or other HUD funds to those PHAs which opt out of the HOPE for Family Self-Sufficiency program. Such a policy would penalize those communities and residents least able to afford support services by denying them other Federal HUD funds, such as HUD rental assistance. Indeed, it may well be that the PHAs which opt out and their communities are those most in need of additional rental assistance as well as other HUD programs.

Contract of participation. The House amendment contained a provision requiring each participating public housing agency to enter into a contract with each receiving participating family Section 8 or public housing assistance who elects to participate in the program. The contract must specify the resources and supportive services to be made available and the responsibilities of the participating families. The Senate bill was similar but did not require a contract and was limited to participation for only Section 8 tenants. The conference report contains the House provision with an amendment to require a contract of participation only with Section 8 recipients and provides a technical amendment on participating families. In order to receive services, public housing families would be required to sign such a contract. The PHA can withdraw vouchers or certificates and services from non-cooperating families.

Effect of increases in family income. The House amendment contained a provision requiring that any increase in the earned income of a participating family not be considered as income or a resource with respect to any other benefits or program administered by the Secretary unless the income of the family equals or exceeds 80% of the area median income. For each participating family, the difference between 30 percent of income and the amount of rent paid would be place in an interest bearing escrow account established by the PHA on behalf of the participating family and could be withdrawn after the family is no longer a recipient of public assistance for housing. The Senate bill contains a similar provision except the limitation applies to all Federal benefit or federally assisted programs based on need. The conference report contains the Senate provision with an amendment to phase out escrow accounts as a family's income increases between 50 and 80 percent of median.

Program coordinating committee. The House amendment contained a provision for membership of the program coordinating committee to consist of representatives from the public housing agency, the local government, the local agencies who administer the Job Training Partnership Act and the Job Opportunities and Basic Skills Training Program, and other organizations. The Senate bill contains a similar provision except that delineated membership would be mandatory not permissive. The conference report contains the House provision.

Allowable public housing agency administrative fees and costs. The House amendment contained a provision requiring the Secretary to establish a fee for administering the provision of certificates and vouchers under this program. The PHA could also receive up to $25 per certificate or voucher for start-up costs. The Senate bill contained a similar provision except it would continue the Section 8 administrative fee in effect June 1, 1990 (8.5%), until the GAO completes its report on self-sufficiency programs. The Secretary would be required to adopt the fee recommended by the GAO. The conference report contains the Senate provision with an amendment retaining start up bonus for certificates or vouchers of $25.00 (subject to appropriations) and makes the GAO finding a recommendation that would not require adoption. Instead the Secretary would be required to adopt a fee once GAO has reported on its study.

The House amendment contained a provision not included in the Senate bill requiring the Secretary to provide for the inclusion under the performance funding system of reasonable and eligible administrative costs (including the costs of employing a full-time service coordinator) incurred by public housing agencies carrying out local programs under this section. An estimate of the administrative costs likely to be incurred by participating public housing agencies would be included in the annual budget request for public housing operating assistance. Authorizes from amounts appropriated for operating subsidies, $25,000,000 for these administrative costs. The conference report contains the House provision.

The House amendment contained a provision requiring the Secretary to reserve for allocation under this subsection not less than 10% of the Section 8 budget authority available in FY 1991 and each fiscal year thereafter for certificate and voucher assistance under Section 8. It would provide for a similar reservation for programs in public housing development assistance. The Senate bill contained a similar provision except the reservation of certificate and voucher budget authority is limited to FY 1991 and 1992. The Senate bill did not contain a provision for public housing development assistance. The conference report contains the Senate provision.

On-site facilities. The House amendment contained a provision not included in the Senate bill allowing each public housing agency to use common areas or vacant units

for the provision of supportive services under its self-sufficiency program. The conference report does not contain the House provision.

GAO report. The House amendment contained a provision requiring the GAO to submit to Congress an interim report and a final report evaluating the HOPE for Self-Sufficiency Program. This report must be submitted not later than the expiration of 2 years and 5 years respectively, beginning on the effective date of the final regulations issued under this section. The final regulations implementing this section must be filed within 14 months of enactment and such regulations must become effective 1 year after publication of the final regulations. The Senate bill contained a similar provision except that the required reports would be submitted at the expiration of 2 years and 5 years respectively, beginning on the date of enactment. The conference report contains the Senate provision.

Applicability to Indian public housing. The House amendment contained a provision not included in the Senate bill requiring the provisions of this section to also apply to public housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority. The conference report contains the House provision.

Employment of PHA residents. The Senate bill contained a provision not included in the House amendment requiring each public housing agency to employ public housing residents to provide services. It would require wage rates to be the higher of the minimum wage under the Fair Labor Standards Act of 1938; the State or local minimum wage for the most nearly comparable covered employment; or the prevailing wage rates for similar public occupations by the same employer. The conference report contains the Senate provision.

Treatment of income. The Senate bill contained a provision not included in the House amendment prohibiting treating the services as income for the purpose of any other program of State or Federal law. The conference report contains the Senate provision.

Definitions for this subsection. The Senate bill contained a provision not included in the House amendment defining "eligible resident" to mean a person residing in public housing who is a single parent head of household with 1 or more children under the age of 10; and is economically disadvantaged within the meaning of sections 4(8)(A) and (B) of the Job Training Partnership Act. The conference report does not contain the Senate provision.

The Senate bill contained a provision not included in the House amendment defining "qualifying supportive services" to mean new or significantly expanded services that the Secretary deems essential to provide families in public housing with better access to educational and employment opportunities including, but not limited to child care; employment training and counseling; literacy training; computer skills training; and assistance in the attainment of certificates of high school equivalency. Such services could be provided directly by the PHA or by contract or lease with service providers. The conference report contains the Senate provision with an amendment adopting the definition of "supportive services".

Benefits excluded from income. The Senate bill contained a provision not included in the House amendment amending section 3(a) of the Housing Act of 1937, to exclude the earnings of and benefits to any public housing resident resulting from participation in any self-sufficiency program from income for the purposes of determining rent paid by the resident during the resident's participation in such program; and the period, not to exceed 18 months, from the first job acquired by the person after completion of such program to the date the resident loses employment without good cause or 18 months, whichever occurs first. The conference report contains the Senate provision with a technical drafting amendment relating to Section 14(j) to allow PHA tenants to receive benefits.

The House amendment contained a provision authorizing $25,000,000 in FY 1991, and such sums as may be appropriated in fiscal years 1992 and 1993. The Senate bill contained a provision that would authorize $50,000,000 for FY 1991, $52,000,000 for FY 1992 and $54,080,000 for FY 1993 for project independence. The conference report contains the House provision with an amendment to authorize $26,075,000 for FY 1992.

GAO studies on economic self-sufficiency. The Senate bill contained a provision not included in the House amendment requiring the Comptroller General to submit to the Congress, not later than 18 months following the date of enactment of the National Affordable Housing Act, a report evaluating the policy and administrative implications of requiring State and local governments to tie the provision of rental assistance under Section 8 of the United States Housing Act of 1937 to participation in economic self-sufficiency programs. In addition, in preparing such report, the Comptroller General shall consider the additional costs to public housing agencies under such programs and shall recommend a change in the amount of the administrative fee under Section 8(q) of the United States Housing Act of 1937 to cover the additional costs of carrying out the Operation Bootstrap Program.

The Senate bill also contained a provision not included in the House amendment requiring the Comptroller General to conduct a study, and to report to the Congress, not later than 12 months after enactment, to examine how housing policies and social service policies affect beneficiaries, particularly those receiving public assistance, when such beneficiaries gain employment and experience a rise in income and to analyze the extent to which existing housing and other laws create disincentives to upward income mobility and to recommend any changes to existing law which would remove such disincentives.

The conference report contains both Senate provisions with an amendment combining these two studies into one.

Income eligibility for tenancy in new construction units.

The House amendment contained a provision not included in the Senate bill that would require construction and substantial rehabilitation projects assisted under Section 8 as it existed prior to October 1, 1983, to house lower-income families to the extent assistance was reserved for such families by Section 8 at the time the contract was made. The conference report contains the House provision.

Distribution of section 8 certificates.

The Senate bill contained a provision not included in the House amendment that would amend the requirement for formula allocation adopted in the HUD Reform Act to allow assistance under Section 8(b)(1) of the United States Housing Act of 1937 to be allocated in a manner that enables participating jurisdictions to carry out, to the maximum extent practicable, comprehensive housing affordability strategies approved in accordance with Section 105 of the NAHA. The conference report contains the Senate provision with an amendment to clarify that provision does not affect fair share allocation.

Settlement agreement regarding certain section 8 assistance.

The House amendment contained a provision not included in the Senate bill that would require HUD to provide 186 Section 8 certificates to the City of Norfolk, Virginia, in satisfaction of a settlement agreement. The conference report contains the House provision.

GAO study regarding fair market rent calculation.

The House amendment contained a provision that would authorize HUD, upon request of a PHA, to approve separate fair market rents for areas that are geographically smaller than a market area and are wholly contained within such market area if the PHA demonstrates that the alternative fair market rents proposed accurately reflect rent variations between such areas and the established market area. The Senate bill contained a similar provision but did not define "submarket area". The conference report contains the Senate provision with an amendment to require GAO to do case studies to examine and report on the geographic dispersion of certificates and vouchers in marked areas and to study how FMR levels may inflate rents.

Study of Section 8 utilization rate

The House amendment contained a provision not included in the Senate bill that would require HUD to study the utilization of Section 8 assistance by cities and to report to Congress within 1 year of enactment on the results of the study. The Senate bill contained a provision not included in the House amendment that would require the Secretary to conduct a study of a sample of Section 8 assisted housing and Section 202 housing to determine the amounts that are contained in existing residual receipts accounts. The conference report contains both the House and the Senate provisions.

Feasibility study regarding Indian tribe eligibility for voucher program

The House amendment contained a provision not included in the Senate bill that would require HUD to study the feasibility and effectiveness of entering into contracts with Indian housing authorities to provide voucher assistance. The conference report contains the House provision.

Adjustment of subsidy under voucher program

The Senate bill contained a provision not included in the House amendment that would amend the provision of Section 8(o) that establishes the amount of Federal assistance under the voucher program to allow payments to families that remain in a unit after receiving voucher assistance. The Senate bill would allow such families to receive the amount by which the rent for the dwelling unit exceeds 30% of the family's monthly adjusted income not to exceed the amount of the standard payment. The conference report does not contain that provision.

Conferees comment on qualifications-based selection procedures

Because of HUD's conflicting guidance, architectural and engineering ("A/E") firms competing for contracts financed through the public housing and community development block grant ("CDBG") programs are not being selected according to the procedure, the Qualifications-Based Selection or "QBS" procedure, that assures the selection of the best qualified firm. Under QBS, A/E firms compete based on their professional qualifications and quality of services. A contracting officer selects the most qualified firm based on the capacity, technical qualifications, timely performance, accomplishments, reputation and references and then negotiates a fair and reasonable price for the service. If a fair price cannot be agreed to with the most highly qualified firm, negotiations as to price begin with the second best qualified firm.

QBS is the preferred system for selecting A/E services because the precise scope and range of the design services which are the basis for any contract price cannot be accurately determined until specific negotiations begin. Innovative approaches and alternative designs or methods arise when a client and a design professional develop the precise scope of a project together. Too often when a scope of work is developed as part of a price bidding system prior to the selection of an A/E firm, it is so vague that inaccurate assumptions are made by the A/E firm responding to the solicitation. Even when a public housing agency or CDBG grantee has in-house professional design staff sufficiently skilled to develop a detailed scope of work upon which an A/E's price bid can be based, the complexity of the contract cannot be anticipated and the bids often do not accurately reflect the cost. QBS requires A/E firms to compete based on skills, experience and ability to perform the required services—not on the illusory economy that a low bid may seem to provide. Low bids requiring substantial change orders or resulting in high construction or high life-cycle operating or maintenance costs are not cost-effective.

While HUD's regulations permit the use of QBS in selecting A/E services, they also cite two procedures that are less appropriate for the selection of such services: qualifications-plus-price or small purchase procedures for contracts under $25,000. In an attempt to clarify its procedures, HUD has issued conflicting notices, handbooks and letters that have confused public housing authorities and CDBG grantees. Some grantees tell A/E firms that HUD prohibits the use of QBS; some believe they must base their selection solely on the lowest bid; others believe they must use small purchase procedures that stress price, not quality; while others explain that notwithstanding state or local requirements requiring the use of QBS, HUD requires competition based on qualifications-plus-price.

Title VI—Preservation of Affordable Rental Housing

Subtitle A—Prepayment of Mortgages Insured under the National Housing Act

Background. During the next 12 years, over 360,000 units of federally assisted housing may be withdrawn from the affordable housing supply by their owners. Contracts entered into by the federal government and private developers under low interest loan programs of the 1960's (section 236 and section 221(d)(3)) permitted certain owners to prepay the federally assisted mortgage after the twentieth year of the forty year mortgage term. A mortgage prepayment and termination of the mortgage insurance contract has the effect of ending federal restrictions over the use of the property for the benefit of low and moderate income households.

Faced with an immediate threat of losing this resource, and the real prospect that thousands of low income households would be involuntarily displaced through prepayment, Congress enacted an emergency measure in 1987. This temporary measure was designed to give Congress time to fashion a permanent program for the preservation of this housing. During this time, much has been learned about the strengths and weaknesses of the administrative process and the financial, tax and regulatory underpinnings of the prepayment decision. More importantly, a consensus has finally emerged on how best to strike the balance among the interests of owners, the tenants and the communities most affected by the consequences of prepayment. The fundamental principle of the 1987 Act was that the housing should be preserved for its intended beneficiaries and that owners should be guaranteed a fair and reasonable return on their investment through new incentives. While the principle of the 1987 Act is retained, this legislation transforms the goal of a fair and reasonable return into a set of concrete economic alternatives for the owner that can be pursued through a more objective and streamlined process.

Senate bill. The Senate bill placed prime emphasis on the need to retain this affordable housing stock for its remaining useful life. Owners of eligible housing had three options. They could: (1) seek to terminate the low-income affordability restrictions of the housing (through prepayment); (2) extend the low-income use of the housing; or (3) transfer the housing to a qualified purchaser. Unlike current law, the proposal explicitly established a clear preservation value of eligible low-income housing. The value was an amount equal to the fair market value of the housing as multifamily rental housing—less costs that would have been incurred for rehabilitation and conversion to market rate housing. The preservation value also included a discount to reflect the residual value of federal assistance that was provided to the project over the years.

For owners who sought to extend the low-income use of the housing, HUD was directed to provide incentives that gave the owner an 8 percent return on its equity in the housing (the preservation value minus the existing debt). HUD was also directed to provide additional subsidies to bring the housing up to standard.

Owners who sought to transfer the housing were directed to give priority purchasers (residents, nonprofits and public agencies) a first opportunity to acquire the housing. Once a designated period passed, the owner could sell the housing to any qualified purchaser (i.e. any entity that agreed to extend the low-income use of the housing for the remaining useful life of the property). HUD was directed to give qualified purchasers sufficient subsidies to (a) acquire the housing at the preservation value; (b) rehabilitate the housing up to standard; and (c) establish sufficient operating and replacement reserves.

For owners who sought to prepay and terminate the low-income affordability restrictions, HUD was to make sure that such action would neither (1) create economic hardship for current tenants or displace them where comparable affordable housing is not readily available; nor (2) harm availability of low-income housing, lessen ability of low-income families to find housing near jobs, or reduce housing opportunities for minorities.

House Amendment. The House amendment contained a bipartisan provision that recognized owners' contractual interests at the same time it provided broad tenant protections. Owners would file notice to receive incentives, sell the housing, or pay off the mortgage subject to a one-year right of first refusal by qualified purchasers. The House amendment set up a streamlined process for the delivery of incentives, but also set new standards of property maintenance to protect tenants' rights. Owners receiving incentives were required to preserve the property for up to 30 years beyond the eligibility date, for a total of 50 years of use agreements.

The House amendment established a mechanism for recognizing the property owners' contractual interest while not paying overly generous benefits to owners. Under the appraisals, owners would be notified of two values. First, owners deciding to stay in the program would receive an appraisal evaluating their property at highest and best rent residential usage. Owners choosing to sell or forced to sell their property would be paid at highest and best usage, without restrictions. Incentives paid by the government were capped at 110% of the fair market rent, and were available to current owners as well as prospective purchasers.

The House amendment set forth generous tenant protections in the case of an owner paying the mortgage, including three-year rent extensions in low-vacancy areas, and guaranteed access to Section 8 assistance.

In seeking an equitable and expeditious workout of this complicated policy issue, and providing generous incentives and protections for owners and tenants alike, the House amendment preempted any state and local laws not of general applicability.

Conference Report/Summary. The conference report contains the Senate provision with a series of amendments to: (1) authorize sales based on "highest and best use" valuation; (2) permit federal mortgage insurance for equity-take out loans as well as acquisition loans; (3) eliminate any "public discount" on value; (4) place controls on the federal expenditure for preserving individual housing projects; (5) allow owners to prepay under limited circumstances; (6) provide stronger safeguards in the event of prepayment; (7) preempt certain State and local laws; and (8) make a variety of other changes to Senate provisions.

The significant elements of the conference report are as follows:

1. Fair Market Return. Owners would receive fair market return on their property. If, within cost limits noted below, HUD is able to offer the owner that fair market return, the owner would be required either to maintain certain affordability restrictions on the housing for its remaining useful life or to transfer the housing to a qualified purchaser (e.g. nonprofit) that will.

If an owner decides to sell, the housing would be appraised at "highest and best use" value, less costs the owner would have incurred under conversion. HUD would enable a qualified purchaser to pay that value.

If an owner decides to retain the housing's affordability restrictions, the housing would be appraised at its highest residential rental

value, less costs the owner would have incurred under conversion. HUD would give the owner an 8 percent return on the equity derived from that value.

2. Federal Cost Limits. HUD would make an initial assessment of the aggregate project income ("preservation rent") that will be needed to support preservation costs. HUD would then compare the preservation rent with cost limits pegged at a percentage of the Section 8 fair market rents or, in rare cases, the comparable local market rents.

If the preservation rent test shows that incentives above the federal limits are needed, owners would have to give qualified purchasers (tenants, nonprofits, and others) an opportunity to supplement the HUD subsidy and purchase the property at the appraised "highest and best use" value. A special set-aside of capital grant funds would be established to assist priority purchasers cover the gap.

3. Permissible Prepayment. Owners would be permitted to prepay in three circumstances: (1) if a prepayment would not harm long-established policy objectives; (2) if HUD is unable to fund preservation incentives within 15 months (or shorter in the case of owners who attempt to sell their properties); or (3) where there is no willing qualified purchaser in the case of a voluntary or mandatory sale.

4. Tenant Protections. In the event of a prepayment, strong tenant protections and relocation requirements would be included.

5. Preemption. The solution would recognize that a fair Federal preservation policy must apply uniformly to all affected properties regardless of location. For that reason, the solution would preempt State and local laws that target only prepayment projects for special treatment. Laws applicable to both assisted and nonassisted housing would be in full force.

Conference Report/Detailed Explanation

Notice—An owner of eligible low-income housing would be required to file a notice indicating its intent to pursue one of three options: seek to terminate the low-income affordability restrictions through prepayment or voluntary termination, seek incentives to extend such restrictions or seek to transfer the housing to a qualified purchaser. The owner could file this notice up to 24 months before the date of eligibility to prepay. The conference report would require the owner simultaneously to file the notice with the appropriate State and local government and the mortgagee and to notify the tenants of the housing.

Termination of affordability restrictions. Within 6 months of receipt of a notice seeking to terminate the low-income affordability restrictions, the HUD Secretary would be required to provide the owner with such information as the owner needs to prepare a plan of action. HUD would, in particular, provide information relating to the criteria governing such termination and the documentation required to satisfy such criteria. HUD would also provide relevant market area and demographic information and other information to assist the owner in preparing the plan of action.

The criteria for approval of plans of action that seek termination of the low-income affordability restrictions essentially mirror the criteria contained in the 1987 Housing Act (as amended by the McKinney Homeless Assistance Amendments of 1988). The HUD Secretary could approve such a plan of action upon finding that the plan satisfies long-established national objectives. Specifically, the Secretary must find that implementation of the plan of action would neither (1) create hardship for current tenants or displace them where comparable and affordable housing is not readily available nor (2) materially affect the general supply of low-income housing in the market area, lessen the ability of low-income people to find housing near job opportunities or reduce housing opportunities for minorities.

If the Secretary determined that the public purpose criteria had not been satisfied, the owner's plan of action would be disapproved. In this event, the owner would have the option to seek incentives to extend the affordability restrictions or transfer the housing to a qualified purchaser. A new notice of intent would then be filed and the general process governing such notices would then apply.

Incentives to Remain in Program or Transfer to Qualified Purchasers. Receipt of a notice of intent from an owner who wishes to accept preservation incentives and continue ownership or to transfer the housing to a purchaser that will extend affordability restrictions, triggers a different process than the one described above.

Within 9 months HUD would perform three essential tasks: (1) establish (through an appraisal process) the preservation value of the property; (2) estimate the cost of preserving the housing; and (3) determine whether these costs could be supported by a rent stream within the federal cost limits. After completing these tasks, HUD would provide owners with the information obtained and inform them about the determinations that have been made. Owners will then have the opportunity to make an informed decision as to how to proceed under the federal preservation process.

Step One: Valuation. After a notice of intent is filed, the first step in the incentive process is to value the property. The conference report would establish a standard method for calculating two "preservation values" for each property. The first preservation value would equal the appraised fair market value of the housing as multifamily rental housing less certain adjustments. The second preservation value would equal the appraised "highest and best use" value of the property less certain adjustments.

The conference report adopts the 3 appraiser approach currently used under the Farmers Home prepayment provisions. The preservation values of the property would be set by two independent appraisers, one chosen by the Secretary and one chosen by the owner. If the two appraisals conflict and the Secretary and the owner cannot agree on a value, then a third appraisal would be used to resolve the conflict between the owner and the Secretary's appraisals, so that a final value determination could be reached.

The valuation process is designed primarily to determine what economic result an owner might have achieved by prepaying the existing HUD-assisted mortgage, ending the affordability restrictions on the housing and converting the housing to alternative use (i.e. market rate rental housing, condominiums or nonresidential uses). Appraisers will need to estimate the particular costs that would have been incurred as a result of such actions including the costs of (1) bringing the subject property up to standards that are necessary to attract and sustain a market rate tenancy; and (2) converting the housing or property to alternative use. The Committee Report accompanying the Senate bill included a detailed discussion—which HUD should examine closely—of the types of costs owners would have incurred in the event of prepayment and conversion. The conferees note, in particular, that appraisers will need to examine the effects that State and local laws applying to assisted and nonassisted housing (e.g. condo conversion, zoning, rent control) would have had on an owner's conversion plans. In addition, any separate use agreements entered into by the owner with an entity or agency must be considered. The conferees have determined that some state housing finance agencies could play a useful role in assisting appraisers in assessing rehabilitation needs and costs as well as determining conversion costs that would have been borne by a prepaying owner.

The Secretary would be directed to establish specific guidelines for the appraisals conducted under the preservation program, in accordance with a series of instructions set forth in the conference report. These instructions emphasize the unique nature of these "preservation" appraisals. Appraisers will need to make a number of special inquiries in order to determine the economic result that an owner would have received in the event of prepayment and conversion. It is expected that some of these inquiries will supplement what appraisers generally consider within the context of routine real estate transactions. The conferees believe that HUD is well positioned, given the history and experience under the 1987 Act, to provide clear and consistent guidelines on this vital aspect of the preservation process. HUD should consult closely with knowledgeable parties, particularly state housing finance agencies and others that have participated in the existing system.

The conference report specifically directs that appraisers use the greater of actual project operating expenses at the time of the appraisal (based on the average expenses during the previous three years) or projected operating expenses upon conversion. The purpose of the statutory language on average expenses is to enable an appraiser to adjust for extraordinary and nonrecurring costs that make the current year operating expenses abnormally high or abnormally low. To the extent that current project expenses reflect costs that are unlikely to decrease in the future, the appraiser should use current project expenses in making the comparison with post-conversion expenses.

Step 2: Assessing Preservation Rents Against Federal Cost Limits. After determining the preservation values of a housing project, HUD would make an initial assessment of the aggregate project income ("preservation rent") that will be needed to support preservation costs. HUD would then compare this project income to federal cost limits—capped at a percentage of Section 8 FMRs or prevailing rents in the relevant local market area. This determination will separate the higher cost properties from the bulk of the inventory and set the stage for the remainder of the preservation process.

Preservation Rent. The conference report directs HUD to make an attempt early in the process to assess the costs of preservation in terms of necessary project income—the aggregate "preservation rent".

Where an owner stays in, the aggregate preservation rent would be the amount required to cover the following costs: the authorized return, debt service on any rehabilitation loan, debt service on the federally-assisted mortgage (net of the interest reduction payment in a Section 236 project),

project operating expenses and adequate reserves. The annual authorized return would be set at 8 percent.

Where an owner sells, the aggregate preservation rent would be the amount required to cover the following costs: debt service on the loan for acquisition of the housing, debt service on any rehabilitation loan, debt service on the federally assisted mortgage (net of the interest reduction payment in a Section 236 project), project operating expenses and adequate reserves.

The conferees caution the Secretary in the application of the preservation rent concept. The Secretary may not have all necessary cost information at the early stages of the process. In particular, no decisions may have been reached about which costs (including rehabilitation or payment of preservation equity in a sale) should be supported through the rent stream and which should be defrayed through other incentives. Yet the time periods required to implement the mandatory sale provisions (described below) make it necessary to provide an initial estimate of costs and project income very early in the process.

Federal Cost Limits. The Secretary would compare the aggregate preservation rents for a given property against special cost limits established for the preservation program. The aggregate preservation rent would first be compared against 120% of the jurisdiction's Section 8 Existing Fair Market Rents multiplied by the total number of units in the project. If the aggregate preservation rent is equal to or less than the income stream created by 120% of the jurisdiction's fair market rents, the cost of preserving the project would be considered within the federal cost limits and the owner would proceed as described below in step three.

If the aggregate preservation rent exceeds 120% of the jurisdiction's fair market rents, the Secretary would administer a second cost limit test. Specifically, the conference report would direct HUD to look at the rent levels in the immediate area in which the housing is located (the "Local Market Rent"). If the aggregate preservation rent is equal to or less than 120% of the Local Market Rents (multiplied by the number of units), the cost of preserving the project would be considered within the federal cost limits and the owner would proceed as described below in step three. If the aggregate reservation rent exceeds 120% of the Local Market Rents (multiplied by the number of units) the cost of preserving the project would be considered outside the federal cost limits and the owner would proceed as described below in step four.

The second cost limit test was developed because of a serious concern that, in some cases, there might be no correlation between the fair market value of eligible housing upon conversion and the Section 8 Fair Market Rents. Section 8 FMRs have several deficiencies for purposes of establishing a federal cost limit for the federal preservation program: they are based on the 45th percentile rent; they exclude newly constructed housing; and they generally cover large geographic areas.

Step Three: Preservation Rents within Federal Cost Limits. Owners of housing that can be preserved for low income use within the federal cost limits would have two choices: seek incentives to stay in and maintain the affordability of the housing or transfer the housing to a qualified purchaser who will do so.

Stay In. Owners who elect to stay in would file a plan of action within 6 months of receiving information from the Secretary as described above. HUD would be directed to provide such owners with incentives that, inter alia: (1) enable the owners to receive an authorized return on their preservation equity; (2) pay debt service on the existing HUD mortgage (net of interest reduction subsidies); (3) pay debt service on any loan for rehabilitation approved by HUD; (4) meet project operating expenses; and (5) establish adequate reserves. Section 8 rental assistance could be set higher than 120% of Existing FMRs to cover these costs. Owners would also have access to a portion of their preservation equity through the Section 241(f) program as described below.

Voluntary Sale. Owners who elect to sell would be required to file a second notice of intent stating that fact. A "right of first offer" process would then ensue. The owner would be required to give "priority purchasers" 12 months (from the date the second notice of intent is filed) to make a bona fide offer for the property and to negotiate a purchase agreement with the owner.

If no bona fide offer is made within this period, owners would have to give "qualified purchasers" an additional three months to make a bona fide offer for the property and to negotiate a purchase agreement with the owner. It is expected that after an agreement is reached with a purchaser, the parties will file a plan of action requesting the necessary incentives. Filing may not occur until quite late in the process—a key distinction with the situation where the owner seeks to maintain the affordability of the housing.

The conferees recognize that a qualified purchaser might not be able to consummate a purchase for reasons other than the absence of sufficient appropriations. If the time periods referenced above have not expired, an owner would need to continue marketing the housing in accordance with those time periods. This provision is included in section 224.

The conferees have provided for this special "right of first offer" period in order to establish a genuine advantage for priority purchasers. In doing so the conferees balanced the legitimate interests of the Department, owners and tenants in not creating unnecessary or unjustified delays through unlimited negotiations against a clear and legitimate policy interest in facilitating and encouraging transfers to priority purchasers.

The conference report would define priority purchasers as including three kinds of entities: (1) a resident council that is organized to develop and implement an approvable resident ownership program, (2) a qualified nonprofit organization that is dedicated to the promotion of affordable housing and agrees to maintain the low-income affordability restrictions for the housing's remaining useful life, and (3) State and local housing agencies which agree to maintain the low-income affordability restrictions for the housing's remaining useful life. The Committee intends that qualified nonprofit organizations essentially conform with the requirements established for community housing development organizations under the HOME program.

A qualified purchaser would be defined as including priority purchasers and any other entity (including for-profit entities) that agrees to retain the housing's affordability restrictions for the remaining useful life of the housing.

For approvable plans of action, HUD would provide qualified purchasers with subsidies sufficient to, inter alia, (1) acquire the property at a price no greater than the preservation value; (2) pay debt service on any loan approved by HUD for the rehabilitation of the housing; (3) pay debt service on the existing HUD loan (net of interest reduction subsidies); and (4) establish sufficient operating and replacement reserves. Resident councils would also receive additional subsidies for training purposes and homeownership counseling. Priority purchasers could receive additional assistance to cover transaction costs and related expenses.

Acquisition subsidies could take various forms. For priority purchasers, the Secretary could provide a grant that does not exceed the present value of the projected published Section 8 existing housing fair market rents for the next 10 years (or such longer period if needed to cover the eligible costs referenced above). The Administration proposal authorized this form of subsidy only for acquisitions made by resident councils. The conferees believed that the focus on resident ownership was too narrow and expanded the pool of eligible recipients to include nonprofit organizations and public agencies. The conferees also provided the Secretary with more flexibility in setting the amount of assistance. The conferees intend that the Secretary work closely with priority purchasers to determine which mix of subsidies best suits their preferences and organizational capacity.

For all qualified purchasers, the Secretary could provide the same incentives that are available to owners who seek to retain ownership and extend the affordability restrictions. Acquisition financing would be permitted under the Section 241(f) program, described below.

Step Four: Preservation Rents Exceed Federal Cost Limits. Owners of housing that cannot be preserved for low income use within the federal cost limits would have two choices: (1) voluntarily decide to seek incentives within the federal cost limits under the process described under step three; or (2) seek to prepay the mortgage, subject to offering the housing for sale in accordance with mandatory sale provisions.

Under the mandatory sale process owners would be required to file a second notice of intent, triggering the start of a "right of first offer". The owner would be required to give "priority purchasers" a 12 month period (from the date the second notice of intent is filed) to make a bona fide offer to purchase the housing at the housing's preservation value (the "highest and best use value"). If no offer is received from a priority purchaser, the owner would then offer the project for sale to other qualified purchasers at the preservation value. Owners would be required to accept any bona fide offers at such value.

To facilitate these transfers, HUD would provide a stream of rental subsidies set at 120% of the Local Market Rents and any other incentives authorized in a sale situation. HUD would then assist the purchaser in closing the gap between the level of incentives described above and the preservation value of the housing. HUD would, for example, assist potential purchasers in their efforts to secure funding from state or local governments, or concessions (local real estate taxes, water and sewer assessments). Most importantly, HUD would have access to a special capital grant pot to provide the necessary gap financing. This funding source would need to be separately approved in appropriations Acts.

Step Five: Safeguards in Event of Prepayment

Unlike the existing law, the conference report recognizes that some prepayments may need to occur. A willing buyer, for example, may not emerge during the voluntary or mandatory sale periods. Alternatively, HUD may approve a plan of action only to find that it does not have sufficient funds for the approved incentives. An owner may prepay where the owner's plan to extend the affordability restrictions is approved but HUD does not provide any assistance to fund the approved incentives for the 15 months following the date of approval.

Special rules will apply to owners who wish to sell the housing. Where a sale plan is approved after the original prepayment date for the housing, an owner would be permitted to prepay if HUD fails to fund the approved incentives within the 2 month period following the beginning of the next fiscal year (but in no event later than 6 months following the date the plan of action is approved).

Where a sale plan is approved before the original prepayment date for the housing, an owner would be permitted to prepay if HUD fails to fund the approved incentives within the 2 month period following the beginning of the next fiscal year (but in no event later than 9 months following the date the plan of action is approved).

In the event of prepayment, HUD would have several tools to protect the existing tenants and assist the affected community in replacing the lost stock. The tenant protections build upon provisions contained in the House bill as well as in State laws such as the Maryland Assisted Housing Preservation Act. Six major protections would be provided:

1. Section 8 certificates or vouchers would be provided to tenants with incomes below 80% of area median incomes. HUD would work with local public housing agencies to ensure that displaced tenants are able to find affordable, comparable housing in the vicinity.

2. Special rules would apply to owners of housing located in a low-vacancy area. Such owners must allow existing tenants to remain in the housing at the rent levels existing at the time of prepayment for three years.

3. Three-year lease extensions would also be provided to tenants with special needs in all areas (including elderly, persons with disabilities and other populations designated by the Secretary as special needs populations).

4. Owners would be required to pay 50% of moving expenses as provided in House bill (unless state or local law of general applicability provides a higher level of benefits and assistance).

5. Owners who prepay and retain rental character of housing would be obligated to accept tenants with rental certificates or vouchers. HUD would be authorized to set FMR levels at the "exception rent".

6. HUD would be directed to set-aside from appropriations for the preservation solution (or from annual Section 8 appropriations) the funding that is necessary to provide assistance for tenants displaced from prepaid projects.

Miscellaneous Provisions

1. Insurance for Second Mortgage Financing. The Senate bill did not authorize the Secretary to insure equity take-out loans under the Section 241(f) program on behalf of current owners, as provided by existing law. The Senate's action reflected a concern that the combination of permanent affordability restrictions and substantial insured equity loans would remove owner incentives for long-term maintenance, posing unwarranted risk to the mortgage insurance funds. In contrast, the House bill authorized insurance for up to 80 percent of the owner's equity in the project.

The conference report contains a limited Section 241(f) program for current owners who elect to maintain the affordability of their projects. The report would restrict the amount of equity take-out loans to the lesser of: (1) 70% of the owner's preservation equity in the project; or (2) the amount that is supportable by an 8% return on preservation equity. For example, if the preservation value is $60,000 and the outstanding debt relating to the property is $10,000 per unit, the preservation equity would be $50,000 per unit and the amount available to service the equity loan is $4,000 per unit ($3,600 per unit with 90% debt service coverage). The maximum equity loan that could be serviced from this return at 10.5% for 40 years is approximately $33,700 per unit or $67 of preservation equity.

Under the conference report, owners who choose to convert their annual authorized return into debt through an insured equity take-out loan will not be given a greater economic benefit than owners who take their return annually out of cash flow. The conference report seeks to achieve economic parity between these two groups of owners, by providing that debt service payments on equity take-out loans will be made from the annual authorized return. To encourage responsible ownership, the conferees have provided for a holdback of 10 percent of the loan proceeds to be made available to the owner after five years, subject to compliance with the maintenance and low income affordability standards.

The conferees intend to encourage the use of the section 241(f) program to transition the housing to resident, nonprofit and public ownership. In fact, the conferees have revised the existing program to allow for 95% financing for qualified purchasers. Subject to approval by the Secretary, insured acquisition loans for priority purchasers may also include transaction costs, financing costs, and costs associated with implementing the Plan of Action (such as operating losses attributable to the rent phase-in, if any).

With respect to mandatory sales, the amount of the insured acquisition loan will be restricted by federal cost limits, providing a gross potential income for the project equal to 120% of the prevailing rents for the relevant local market area. The conferees intend that grant funds authorized under section 221(d)(2) be allocated to priority purchasers to cover non-mortgageable acquisition and related costs where the federal cost limits are exceeded.

2. Remaining Useful Life. The conference report requires that owners accepting incentives as well as purchasers of the housing maintain the affordability restrictions for the remaining useful life of the housing. This commitment to permanent affordability constitutes one of the major decisions of the conference and a departure from both the 1987 Act and the House bill.

The conferees specifically considered and rejected the Resolution Trust Corporation's interpretation of the term "remaining useful life" that was contained in the FIRREA legislation. Rather, the conferees decided to define the term and establish procedures to govern its enforcement.

The term "remaining useful life" would be defined as meaning the physical life of a building assuming normal maintenance and repairs and such replacement of major systems and capital components as necessary. HUD would be authorized to apply the definition to individual buildings and to determine, specifically, when a building's useful life has ended. The Secretary would establish standards—by notice-and-comment rulemaking—to govern such determinations.

Owners would have the right to petition HUD to declare that their housing's useful life has ended. Such petition could not be filed until 50 years after the date on which the owner's plan of action is approved. The burden would be on the owner to prove that the useful life of their housing has ended for reasons other than owner failure to regularly repair and replace systems; evidentiary rules would be established by the Secretary.

Tenants and local communities would have the right to comment on owner's petition and to administratively appeal an adverse HUD determination.

3. Consultation with Other Parties. Section 228 requires the Secretary to consult with interested parties in the development of a plan of action. The conferees also believe that it would be beneficial for the Secretary to enter into discussions with a variety of national and regional nonprofit organizations and associations representing state housing agencies and local housing officials. Some of these organizations have considerable expertise in the preservation area, as well as a communication network with local organizations that are concerned with this issue. These discussions should concentrate on the implementation of the voluntary and mandatory sale program, including homeownership opportunities. The conferees are aware with the acquisition program will be determinative of the preservation future of many projects and that in the absence of strong technical assistance support, projects will be lost and local preservation efforts will founder. The training and capacity building process must begin immediately to avert this result.

4. Related Party Rule. The conferees expect the Secretary to develop sensible rules to implement the related party provisions. The Secretary's regulations must distinguish between transactions where an impermissible identity of interest or relationship is present and those transactions which are not tainted. If, for example, an individual is involved in the ownership of an assisted project and also participates, in his or her personal capacity and without compensation, on the board of directors of a nonprofit organization that seeks to acquire a project from the owner, this participation alone should not trigger the application of the related party rule. In other words, participation on the board of directors of any acquiring entity by a person who has a relationship with the seller is not, in and of itself, evidence of "partial control".

5. Windfall Profits Test. The conferees expect that the "windfall profits" test in the Act will only be utilized by the Secretary in exceptional cases. The test was added in response to Administration concerns that the preservation solution should not be used to provide incentives to owners who would not have prepaid, given local market conditions. The conferees share that concern. Yet the conferees strongly believe that the use of appraisals will limit the provision of incentives to owners of housing

which have a market alternative other than low income housing.

The conferees expect the Administration to define how the "windfall profits" test will be implemented in notice and comment rulemaking. The conferees expect that the test would be applied in a manner consistent with the process established in this Act. In particular, HUD should apply the test early in the process so that all parties can achieve a definitive outcome within the time frames set forth in the Act.

Subtitle B—Other Preservation Provisions

Section 236 rents. The House amendment contained a provision not included in the Senate bill that would amend the definition of income for Section 236 to exclude amounts not actually received by a family. The conference report contains the House provision.

Advances for Capital Improvements. The House amendment contained a provision not included in the Senate bill that would allow HUD to repay owners for advances for capital and operating loss expenditures made by them for the benefit of projects assisted under sections 226 and 221 of the National Housing Act. The repayment would be made in the form of incremental rent increases. The conference report contains the House provision with an amendment to restrict the provision's coverage to advances for capital improvements and to phase in rent increases in accordance with the Low Income Housing Preservation and Resident Homeownership Act. The conferees intend that the authority granted to the Secretary in this section be used only under special circumstances in which no other existing means to finance needed capital improvements can be used. The conferees note that the Secretary has at his disposal existing below market interest rate loan programs to finance necessary rehabilitation in subject properties. As a consequence, the conferees wish to specify that the discretion granted by this section shall be used by the Secretary only when owners have requested assistance but not received it through the Flexible Subsidy program or other programs that could provide such capital (such as Section 241(d) loan insurance) and where the owner can certify to the Secretary's satisfaction that the interest rate to be paid on the advance and the term of the advance itself will be less costly to HUD and require smaller rent increases than other alternatives available to the owner, such as third party loans. In agreeing to permit interest to be paid on such advances through increased rents the Secretary shall ensure that the interest rate and terms of the advance are reasonable and fair and are not more costly than the rates and terms commonly available for such loans through bona fide third party arrangements. Moreover, the conferees expect the Secretary to make such adjustments as necessary to existing Section 8 contracts in the properties to assure that tenant payments are not increased as a result of this section and that where Section 8 contracts are not in place, Section 8 assistance will be made available to income eligible residents to the extent that such rent increases as provided for in this section would cause such residents' rents to rise above 30 percent of their adjusted gross income. In properties where there is no section 8 assistance and income eligible residents are already paying in excess of 30 percent of their adjusted gross income for rent, then the conferees expect the Secretary to withhold approval of further rent increases subject to this section.

The conferees intend that this provision permit rent increases only for necessary capital improvements, not to cover the costs of correcting deferred maintenance by the owners. Any such increases should be limited to those approved by HUD after tenants receive notice and comment rights under existing law, which should also be directed to the necessity of the improvement. Once the advance has been recovered the rent should decrease by the amount of the increase that was due to the advance.

The conferees also note that many of the projects to which this section applies may also be eligible for additional incentives under the provisions of the Low Income Housing Preservation and Resident Homeownership Act contained in this Act. The conferees do not expect the Secretary to approve higher rents for payment of interest on advances for any projects that are eligible to receive incentives under these provisions. Rather, the conferees expect necessary rehabilitation and capital improvement needs to be considered and resolved through the negotiation of new incentives or through the sale of the property to new, bona fide third party owners who will preserve the housing's low income character for its remaining useful life.

Management and Preservation of Federally Assisted Housing. The Senate bill contained a provision not contained in the House amendment to require tenants living in Section 236 and 221(d)(3) housing whose incomes exceed 80 percent of area median income to pay as rent the lower of the following amounts: (1) 30 percent of the tenant's adjusted monthly income; or (2) the relevant fair market rent established under Section 8 for the area in which the housing is located. The conference report contains the Senate provision. The conferees intend that any rent increases be phased in accordance with the rules established under section 222(a) of the Low Income Housing Preservation and Resident Homeownership Act of 1990. The change in rent rules would apply to all Section 236 and 221(d)(3) housing, including housing which has received flexible subsidy assistance under Section 201 of the Housing and Community Development Amendments of 1978.

Assistance to Prevent Payment under State Mortgage Programs. The House amendment contained a provision not contained in the Senate bill to assist States in preserving State-subsidized affordable housing that is subject to loss through mortgage prepayments. The conference report contains the House provision.

TITLE VII—RURAL HOUSING

Purpose Clause. The Senate bill contained a provision not included in the House amendment that established purposes of the title to reaffirm the national commitment to expand affordable housing in rural areas; to promote full use of the Section 502 program by very low income people through a partially deferred mortgage program; and to improve the quality of affordable housing in underserved rural areas with high concentrations of poverty and substandard housing. The conference report does not contain the Senate provision, except to the extent that the purpose of serving underserved areas has been amended and inserted under the section titled Underserved Areas.

Authorizations

Loan insurance and loan guarantee. The House amendment contained a provision that provided the Secretary of Agriculture with aggregate loan insurance and guarantee authority of $2,091,200,000 for FY 1991. The Senate bill contained a provision that provided aggregate amounts including: aggregate loan insurance and guarantee authority of $2,160,000,000 for FY 1991; $2,246,400,000 for FY 1992; and $2,336,256,000 for FY 1993. The conference report contains an authorization for aggregate loan insurance and guarantee authority of $2,125,800,000 for FY 1991 and $2,217,150,000 for FY 1992.

Section 502. The House amendment contained a provision that authorized Section 502 loans at $1,325,000,000 for FY 1991. The Senate bill contained a provision that authorized Section 502 loans at $1,457,465,000 for FY 1991; $1,515,764,000 for FY 1992; and $1,576,394,000 for FY 1993. The conference report contains an authorization for Section 502 loans at $1,391,300,000 for FY 1991 and $1,451,100,000 for FY 1992.

The House amendment contained a provision not included in the Senate bill that authorized a new loan guarantee program for low and moderate income borrowers. The conference report contains an authorization for 502(h) at such sums as are appropriated. The committee's intent for providing a separate authorization for 502(h) is to insure that funds appropriated under this new program for low and moderate income borrowers do not count under the authorization ceiling for insured and direct loans for low income borrowers, as authorized under 502.

Section 504. The House amendment contained a provision that authorized Section 504 improvement loans at $12,000,000 in FY 1991. The Senate bill contained a provision that authorized Section 504 improvement loan at $11,715,000 for FY 1991; $12,184,000 for FY 1992; and $12,671,000 for FY 1993. The conference report contains an authorization for Section 504 loans at $11,900,000 for FY 1991 and $12,400,000 for FY 1992.

Section 514. The House amendment contained a provision that authorized Section 514 farm labor housing loans at $12,000,000 for FY 1991. The Senate bill contained a provision that authorized Section 514 farm labor housing loans at $11,870,000 for FY 1991, $12,344,000 for FY 1992 and $12,839,000 for FY 1993. The conference report contains an authorization for Section 514 loans at $12,000,000 for FY 1991 and $12,500,000 for FY 1992.

Section 515. The House amendment contained a provision that authorized Section 515 rental housing loans at $740,200,000 for FY 1991. The Senate bill contained a provision that authorized Section 515 rental housing loans at $677,840,000 for FY 1991, $704,954,000 for FY 1992 and $733,152,000 for FY 1993. The conference report contains an authorization for Section 515 loans at $709,000,000 for FY 1991 and $739,500,000 for FY 1992.

Section 523 mutual housing. The House amendment contained a provision that authorized Section 523(b)(1)(B) mutual housing and self-help loans at $1,000,000 for FY 1991. The Senate bill contained a provision that authorized Section 523(b)(1) mutual housing and self-help loans at $520,000 for FY 1991, $540,000 for FY 1992 and $562,000 for FY 1993. The conference report contains an authorization for Section 523 loans at $800,000 for FY 1991 and $800,000 for FY 1992.

Section 524. The House amendment contained a provision that authorized Section 524 site loans at $1,000,000 for FY 1991. The Senate bill contained a provision that authorized Section 524 site loans at $590,000 for FY 1991, $614,000 for FY 1992 and

$638,000 for FY 1993. The conference report contains an authorization for Section 524 loans at $800,000 for FY 1991 and $850,000 for FY 1992.

Authorizations for appropriations

Section 502(f)(1). The House amendment contained a provision not included in the Senate bill to finance the difference between the appraised value and the costs of land and building for single family new houses in remote rural areas. The conference report contains a new grant authority at $1,000,000 for FY 1991 and $1,100,000 for FY 1992.

Section 504. The House amendment contained a provision that authorized Section 504 grants at $18,000,000 for FY 1991. The Senate bill contained a provision that authorized Section 504 at $19 million for FY 1991; $19,760,000 for FY 1992 and $20,550,000 for FY 1993. The conference report contains an authorization for Section 504 grants of $20,200,000 for FY 1991 and $21,100,000 for FY 1992.

Section 509(c). The House amendment contained a provision that provided grants for correcting defective housing under Section 509(c) in the amount of $1,000,000 for FY 1991. The Senate bill contained a provision that provided such grants under Section 509(c) in the amount of $520,000 for FY 1991, $540,000 for FY 1992, and $562,000 for FY 1993. The conference report contains an authorization for Section 509(c) of $550,000 for FY 1991 and $600,000 for FY 1992.

Section 511. The Senate bill contained a provision not included in the House amendment that allocated such sums as are necessary to meet notes and other obligations equal to the aggregate of contributions and credits on principal due on Section 503 loans and any interest due on similar notes or other obligations. The conference report contains the Senate provision.

Section 516. The House amendment contained a provision that authorized Section 516(a-j) farm labor rental assistance at $21,296,000 for FY 1991. The Senate bill contained a provision that authorized Section 516(a-j) at $20,340,000 for FY 1991, $21,154,000 for FY 1992 and $22 million for FY 1993. The conference report contains an authorization for Section 516 at $20,900,000 for FY 1991 and $21,700,000 for FY 1992.

The House amendment contained a provision not included in the Senate bill that provided grants for the construction, rehabilitation, and acquisition of housing for migrant farmworkers and rural homeless. The conference report contains an authorization for this new provision under 516(k) at $10,000,000 for FY 1991 and $10,500,000 for FY 1992.

Section 523(f). The House amendment contained a provision that authorized Section 523(f) mutual and self-help housing grants at $8,979,000 for FY 1991. The Senate bill contained a provision that authorized Section 523(f) at $14,340,000 for FY 1991, $14,914,000 for FY 1992 and $15,510,000 for FY 1993. The conference report contains an authorization for Section 523(f) at $13,400,000 for FY 1991 and $13,900,000 for FY 1992.

Section 533. The House amendment contained a provision that authorized Section 533 housing preservation grants at $29,906,000 for FY 1991. The Senate bill contained a provision that authorized Section 533 at $25,800,000 in FY 1991, $26,832,000 for FY 1992; and $27,906,000 for FY 1993. The conference report contains an authorization for Section 533 at $29,600,000 for FY 1991 and $30,800,000 for FY 1992.

Rental assistance payment contracts. The House amendment contained a provision that authorized Section 521 rental assistance payment contracts to total $400,000,000 for FY 1991. The Senate bill contained a provision that authorized rental assistance up to $395,000,000 for FY 1991; $410,800,000 for FY 1992; and $427,232,000 for FY 1993. The conference report contains an authorization for Section 521 at $397,000,000 for FY 1991 and $414,100,000 for FY 1992.

Supplemental rental assistance contracts. The House amendment contained a provision not included in the Senate bill that authorized supplemental rental assistance contracts to total $5,200,000 for FY 1991. The conference report contains the House provision with an amendment to provide an additional authorization for FY 1992 of $5,500,000.

Extension of authority. The Senate bill contained a provision not included in the House amendment that extended rural rental rehabilitation demonstration under Section 17 of the 1937 Act until September 30, 1992. The conference report does not contain the Senate provision. The conferees intend that rental rehabilitation activities in rural areas be undertaken through the housing preservation grant program which FmHA has yet to implement for rental properties.

The House amendment contained a provision that extended Section 515(b)(4) rental housing loan authority and Section 523 mutual and self-help loan authority until September 30, 1991. The Senate bill contained a provision that extended Section 515 loan authority and Section 523 mutual and self-help loan authority until September 30, 1993. The conference report contains the House provision.

Effect of Foster Care Children in Determination of Family Composition and Size. The House amendment contained a provision not included in the Senate bill that establishes that a child's temporary absence from a home due to placement in foster care would not effect the family composition and size. The conference report contains the House provision.

Escrow accounts. The Senate bill contained a provision not included in the House amendment that required the Secretary to pay interest rates on escrow accounts comparable to conventional lenders where the state prescribes interest to be paid. The conference report contains the Senate provision.

Remote rural areas. The House amendment contained a provision not included in the Senate bill that required the Secretary to consider the actual cost of land and buildings as sufficient security for a Section 502 home loan in a remote rural area or for a borrower who lives or works in a remote rural area. The conference report contains the House provision with an amendment which provides for a grant program, subject to appropriations, to make up the difference between the appraised value and the costs of land and building for single family new houses in remote rural areas.

The House amendment contained a provision not included in the Senate bill that prohibited the Secretary from refusing to make or insure any FmHA Section 502 loans on the basis that the housing involved is located in an area that is excessively rural in character or excessively remote. The amendment made by this section would apply with respect to classification of rural areas for Fiscal Year 1991 and after. The conference report contains the House provision. The conferees are aware that there is a legitimate concern that security in remote rural areas may not be sufficient for the federal mortgage. In such situations and where the appraised value of a home is less than the cost of land and construction, the conferees intend that the Secretary provide grants for the difference between the appraised value and cost. The Secretary is directed to promulgate interim rules within 120 days of enactment.

Deferred mortgage program. The House amendment contained a provision that permitted the Secretary to defer Section 502 loan payments on a demonstration basis for families who do not have sufficient income to repay Section 502 loans but are otherwise qualified under Section 502. The Secretary could defer mortgage payments beyond the affordable amount at 1% interest, but no deferred payment could exceed 50% of the amount of the payment due at 1% interest. Deferred mortgages would return to normal payment status when the borrower's ability to repay improves and deferred amounts are subject to recapture. Subject to appropriations, no more than 10% of the amount approved for Section 502 loans would be authorized to be used for deferred mortgages in FY 1991.

The Senate bill contained a similar provision that provided for a deferral of not more than 20% of principal if (1) the borrowers reside in a state where 10% or more of set asides have not been obligated since 11/30/83; (2) the deferral is necessary to enable borrower to make payments and the borrower can be expected to amortize fully deferred principal over the remaining life of the loan. Any increases in mortgage payments would be applied first to repayment of deferred principal with interest and then to an increase in interest on the loan. Interest on deferred principal would remain at 1% until the deferral has been repaid in full.

The conference report contains the House provision with an amendment which provides authority in fiscal years 1991 and 1992 for FmHA to defer up to 25 percent of Section 502 mortgage payments at 1 percent interest for very low income families or persons otherwise deemed unable to afford the regular payment. In addition, the committee adopted technical amendments recommended by FmHA. In implementing this program the Secretary shall promulgate interim rules no later than 120 days after enactment, and shall provide the authorizing committees with a preliminary report on the demonstration results no later than 90 days prior to the end of fiscal year 1992 and a final report no later than 120 days after the end of that fiscal year.

Section 502 loan guarantee program. The House amendment contained a provision not included in the Senate bill with respect to the Section 502 loan guarantee program.

The House provision established findings and purposes, and amended the existing Section 502 FmHA program by authorizing for up to 100% of the loan amount, loan guarantees for moderate-income borrowers whose incomes do not exceed area median incomes.

The conference report contains the House provisions amended to provide a separate authorization. This new subsection directs the Secretary to establish a program for the guarantee of single-family housing loans and provides in part that "loans shall be guaranteed in an amount equal to 90 percent of the loan." The conferees intend by

this language to give the agency flexibility in the use of different methods of structuring its guarantees, so long as the agreement would result in the Secretary bearing 90 percent of the loss of the total amount of the total of the loan so guaranteed. For example, the Secretary might construct a system in which 100 percent of the first portion of the loss would be borne by the Secretary and a lesser percentage of the remaining loss would be repaid to the lender. We encourage the Secretary to consult with interested groups in the private sector to determine how best to construct the guarantee program so as to create mortgage-backed securities which will be attractive to investors and thus maximize the capital available flowing through to finance homes for moderate and low income borrowers.

Foreclosure procedures. The House amendment contained a provision not included in the Senate bill that required the Secretary of Agriculture to follow the mortgage foreclosure procedures of the state where a property is located to the extent that the state's procedures are more favorable to the borrower than the procedures that the Secretary would otherwise follow when foreclosing a mortgage. The conference report contains the House provision.

Housing in underserved areas. The House amendment contained a provision that required the Secretary of Agriculture to designate 50 counties and communities in FY 1991 and 100 counties and communities in FY 1992 as targeted underserved areas that have severe unmet housing needs. The Senate bill contained a similar provision except that the Secretary would be authorized to designate 100 underserved counties in FY 1991 and 1992. The conference report contains the Senate provision with an amendment to include purposes for the program which highlight the lower Mississippi Delta region and incorporate provisions related to colonias which are deemed to be underserved areas in this section of the conference report.

Definition of underserved areas. The House provision defined underserved areas as those which over the last 10 years have received a substantially lower than average FmHA assistance than other counties and communities in the state and have 20% or more of their population at or below poverty level and 10% or more in substandard housing. The Senate bill defined eligible counties as those where between 1986-1988, the number of FmHA assisted units for families below 80% of median is less than the % assisted in the state and those where there is a high combined number of rural households below 50% of median as compared to the county and number of substandard housing compared to the county. The conference report contains the House provision with an amendment to consider the previous 5 years funding rather than 10 years in order to reflect more accurately the level of assistance now being provided in each area.

Preference. The House provision established preferences for counties within the lower Mississippi delta. The conference report contains the House provision with an amendment to replace the preference as stated with language that gives preference to projects in designated underserved counties that have a poverty rate of 28% or greater and a substandard housing rate of 13% or greater. The conferees intend that FmHA will redesignate these counties as of the 1990 Census. To ensure the greatest possible benefit to all eligible counties, the conferees expect that FmHA will designate these underserved areas on a rotating funding basis so that all eligible counties have an opportunity to utilize this program before any designated county is funded for a second time.

Funding set aside for targeted underserved areas. The House provision required the Secretary to set aside and reserve 3.5% of the aggregate amount of rural housing lending authority in FY 1991 and 5% in FY 1992 for such designated areas. The Senate bill would establish set-asides for targeted areas as: $25 million for Section 515, $40 million for Section 502 and $1 million each for Section 504 loans and grants in FYs 1991, 1992, 1993. The conference report contains the House provision with an amendment to eliminate the set-aside for the Lower Mississippi Delta and to include colonias as an eligible area.

Colonias. The House amendment included a provision that was not included in the Senate bill that would give priority within a state's allocation for applications serving colonias in the four border states. Colonias would receive priority for all FMHA Title V funds, without limitation to a state's allocation. The conferees consolidated a version of this provision into the Underserved Areas program. California, New Mexico, Arizona, and Texas would each be required to give priority on 5% of their state's allocation for approvable applications serving colonias if the state has not used its entire allocation during the previous two fiscal years. Those border states that have used their entire state allocation of FmHA funding during the two previous fiscal years would be eligible to participate in the Underserved Areas program for purposes of assisting colonias. This funding would be in addition to any designated counties in the state. In fact, approvable applications serving colonias would receive a priority up to the amount equal to 5% of the state's allocation from which the application was submitted.

Reallocation. The House provision provided that the preference for the Lower Mississippi Delta terminate on August 1 of the fiscal year and the unused funds be available to all underserved areas. Any assistance reallocated on August 1 that is unused on September 1 of a fiscal year shall be reallocated under the laws and regulations of the applicable FmHA programs, notwithstanding this provision. The Senate bill made the unused amounts subject to pooling procedures established by the Secretary. The conference report contains the House provision with an amendment to delete references to the Lower Mississippi Delta region, include reallocations for the colonias, and give the Secretary the authority to design a reallocation procedure rather than specifying dates in legislative language. The committee's intent is to insure that eligible applicants will have a reasonable opportunity to take full advantage of the reallocated funds while giving all applicants ample time to participate prior to reallocation.

Preproject planning assistance. The House provision authorized the Secretary to provide advances to nonprofit organizations and public entities for 80% of the customary costs of preparing and submitting housing applications. The Senate bill provided project preparation grants rather than repayable advances.

The House provision required that repayments be made from loan proceeds but could be deferred or waived or could be forgiven. The Senate bill required the Secretary to adjust loan amount to reflect the grant.

The House amendment contained a provision not included in the Senate bill that required the Secretary to establish guidelines for the application which would be required to include a budget and documentation that funds required for the project but not to be provided by the Secretary would be available.

The House amendment contained a provision requiring the Secretary to approve, or provide a written decision, regarding loans within 60 days of receipt of the applications.

The House provision required that preferences be given to applications made with advances or to residents of underserved areas. It would establish applicant eligibility for public and private nonprofit organizations.

The conference report contains the Senate provision with an amendment to add the requirement that the Secretary establish guidelines for the application, including applicant eligibility, and to provide decisions within 60 days of application.

Rural Housing Inventory. The House amendment contained a provision not included in the Senate bill that provided authority to transfer Section 502 inventory property as rental projects under Section 514. The conference report contains the House provision.

Appeal rights. The Senate bill contained a provision not included in the House amendment that prohibited the Secretary from excluding from the requirements for written notice and appeal decisions that are not based on objective standards contained in published regulations. The conference report contains the Senate provision.

Section 515 Loans

Equity take out loan cap. The House amendment contained a provision not included in the Senate bill that required that equity takeout loans be limited by the appraised value of the property, not the original mortgage amount for post 12/15/89 loans. The conference report contains the House provision.

Applicability of equity takeout loan account assessment to low income tenants. The House amendment contained a provision that exempted from the annual assessment for reserve account purposes, units which are occupied by low income tenants or those paying in excess of 30% of their income. The Senate bill contained a provision that required new moderate and assisted low income tenants to pay basic rent plus yearly $2.00 assessments. New unassisted but eligible low income tenants would pay only the basic rent plus $2.00. The conference report contains the House provision.

Effective date of HUD Reform for equity take out loans. The House amendment contained a provision not included in the Senate bill that changed the effective date of HUD Reform equity takeout provisions from 180 days after enactment to 12/15/89. The conference report contains the House provision. This provision contains technical amendments to the Department of Housing and Urban Development Reform Act of 1989 related to the prohibition of prepayment of new FmHA Section 515 rural rental housing loans and the authority provided the Secretary to guarantee supplemental equity takeout loans after the 20th anniversary of a project.

It was the intent of the 1989 Act and is the intent of this Act that the Secretary is expected to approve and guarantee the equity takeout loans once the conditions and determinations required by the 1989 Act are satisfied. The requirements are simi-

lar to and consistent with the prepayment provisions of the Housing and Community Development Act of 1987 which, in the Committee's view, have worked very well.

The FmHA borrower should expect the timely processing and approval of guaranteed equity takeout loans after the specified requirements of the legislation have been met.

Reuse of Section 515 loan authority. The Senate bill contained a provision not included in the House amendment that provided that amounts appropriated for Section 515 shall remain available until expended. The conference report contains the Senate provision.

Section 515 loan assumption. The House amendment contained a provision not included in the Senate provision that permitted assumption or transfer of Section 515 loan obligations. The conference report contains the House provision.

The House amendment contained a provision that allowed transfer of Section 515 loan obligation authority without regard to fiscal year limitations. The Senate bill contained a similar provision making funds eligible until expended. The conference report contains the Senate provision amended to blend with the House provision regarding the assumption or transfer of Section 515 loan obligations.

Nonprofit set-aside. The Senate bill contained a provision not included in the House amendment that authorized the Secretary to set aside 7% in FY 1991, 8% in FY 1992, and 10% in FY 1993 of funds for Section 515 projects for nonprofits sponsors. Any unused funds would be subject to pooling. The conference report contains the Senate provision with an amendment which reserves 7% in FY 1991 and 9% in FY 1992 of Section 515 funds for nonprofit sponsors. Nonprofit sponsors are those organizations which are exempt from federal taxes under section 501(c)(3) and section 501(c)(4) of the Internal Revenue Code and whose principle purposes include the planning, development, and management of low income housing. Such sponsors include private, nonprofit organizations as well as consumer cooperatives and Indian tribes. The committee amended the Senate provision by establishing that only organizations that are wholly owned and operated by a nonprofit group may participate. It is the committee's intent to avoid any opportunity for other eligible organizations under 515 to abuse the set aside by creating nonprofit sponsors of their own with which to co-venture.

The conference report also establishes a method for the administration of the set aside. The greater of the percentage to be set aside or $750,000 will be available in each state. For those states in which the percentage to be set aside is less than $750,000, that amount will be pooled at the national office. Nonprofits from states affected will compete for these funds. All set aside funds unobligated first must be made available to all eligible applicants within a state and then returned to the national pool. The committee's intent is to insure that eligible applicants will have a reasonable opportunity to take full advantage of the reallocated funds while giving all applicants ample time to participate prior to reallocation.

The conferees recognize that many nonprofit organizations have the capability to plan, develop, and manage rural rental housing projects. However, the conferees understand that because of the extensive backlog of eligible applications, there is routinely a two to three year waiting period before receiving assistance. During this period a sponsor must pay for technical and legal fees, as well as servicing cost related to the building site for the project. Few nonprofit organizations have the financial capability to absorb these costs for such an extended period of time. As the demand for rural rental housing loans has increased in recent years, nonprofit participation has declined.

The set aside will establish a minimum level of participation for nonprofits. It will make it possible for those with minimal resources, but with the ability to plan and carry out an eligible project, to receive assistance.

The conferees note that the 1987 Housing Act provided FmHA with authority to provide packaging fees for nonprofit organizations preparing rural rental housing applications and expect FmHA to work to coordinate such packaging assistance with the set aside.

Housing for rural homeless and migrant farmworker program. The House amendment contained a provision not included in the Senate bill that targeted assistance to rural homeless and migrant farmworkers by providing financial assistance for affordable rental housing and related facilities for migrant farmworkers and homeless individuals (and the families of such individuals). The House provision authorizes $10,000,000 for Fiscal Year 1991 for this program.

The conference report contains the House provision with an amendment that only permits housing the homeless who are not migrants on an emergency and temporary basis, in the off-season and requires FmHA to complete a study regarding the extent of the problem of homelessness in rural areas with recommendations for future legislation and programs. This amends Section 516 of the Housing Act of 1949 with a separate appropriation.

This provision is in response to two different, but complementary, concerns. First, under current law, the Secretary may provide a grant of up to 90% of the costs of developing housing for farm workers. The remainder of the funds is to be provided through private credit. The conferees have learned that, in reality, the split between grant and loan amount for most projects has been 60% grant and 40% loan. This has worked satisfactorily for farmworkers who occupy the housing for 10-12 months because such projects bring in adequate rental income to make the units viable. However, this program has not been effective in creating affordable housing opportunities for seasonal workers who may only occupy the units for 2-4 months each year. Such housing is not available under existing programs because the debt burden on such properties require nearly year-round occupancy. Second, the conferees recognize the increasing problem of homeless individuals and families in rural areas, a problem which is not satisfactorily addressed by McKinney Act assistance. In responding to this urgent need, the conference committee expects that the housing built for seasonal workers under this provision will be made available as shelter on a temporary emergency basis.

Rural area classification. The House amendment contained a provision not included in the Senate bill that redefined rural and rural areas to mean any open country or any place, town, village or city which is not (except in the case of Pajaro, California and Guadalupe, Arizona) part of or associated with an urban area and which has: (1) a population not in excess of 10,000 if it is rural in character; or (2) a population in excess of 10,000 but not in excess of 25,000, but must also be rural in character, not contained within a standard metropolitan statistical area; and has a serious lack of mortgage credit for lower and moderate income households as determined by FmHA and HUD. The conference report contains the House provision with an amendment to grandfather all presently eligible communities under 20,000 which as a result of the 1990 census do not exceed 25,000 in population, are rural in character, and have a serious lack of mortgage credit.

Use of rental overages. The Senate bill contained a provision not included in the House amendment that permitted rent overages to be used as supplemental rental assistance for very low and low income families not receiving rental assistance. Subject to appropriations, the conference report contains the Senate provision. However, the conferees do not intend that the incremental appropriations for rental assistance should be reduced to reflect these rental overages made available to owners.

Housing preservation grants. The Senate bill contained a provision not included in the House amendment that permitted the Secretary to retain and reobligate grants obligated but not expended in any fiscal year. The conference report contains the Senate provision.

Reciprocity in approval of housing subdivisions among federal agencies. The House amendment contained a provision not included in the Senate bill that extended for 6 months the required HUD acceptance of VA certificate of reasonable value as approval of an entire subdivision. The conference report contains the House provision with a technical amendment relating to a gap in applicability.

Technical amendments. The House amendment contained two technical amendments not included in the Senate bill. The first defined "assistance" in accountability provisions. It limited "assistance" to grants, loans, etc., for original development costs, not subsequent loans. It excluded equity takeout loans from accountability provisions of HUD reform act. The second technical amendment that the House amendment contained established a prepayment prohibition. It amended prepayment prohibition before 50 years to apply only to new Section 515 loans not subsequent loans. The conference report contains the House provisions.

TITLE VIII—HOUSING FOR PERSONS WITH SPECIAL NEEDS

Section 202 housing for elderly and handicapped, in general. The Senate bill included a major restructure of the Section 202 program for elderly and disabled persons. The Section 202 production program for the elderly would be substantially revised to ensure that housing developed under the program would be designed to accommodate the special physical and other needs of elderly persons. The Section 202(h) program for persons with disabilities would be fully separated from the elderly program to allow the program to better address the needs of such persons. The House amendment made changes to the existing section 202 program but did not include the financing restructure. The conference report contains the Senate's major revisions to the 202 program with an amendment to implement the changes in FY92. Minor revisions included in the House amendment and the Senate

bill would be implemented upon enactment in FY91.

Subtitle A—Supportive Housing for the Elderly

Purposes. The Senate bill contained a provision not included in the House amendment that would provide that the purpose of the program is to enable elderly persons to live with dignity and independence by expanding the supply of affordable housing designed to accommodate the special needs of elderly persons and providing supportive services that are tailored to the needs of elderly persons occupying such persons. The conference report contains the Senate provision.

General authority. The Senate bill contained a provision not included in the House amendment that would provide assistance in the form of capital advances and project rental assistance to private nonprofits and consumer co-ops to be used for construction, reconstruction, moderate or substantial rehabilitation, including the cost of real property acquisition, site improvement, conversion, demolition, relocation and other expenses that the Secretary determines are necessary. The conference report contains the Senate provision amended to add the House provision allowing the acquisition of RTC properties.

Capital Advances. The Senate bill contained a provision not included in the House amendment that would define capital advances as no interest loans to be repaid only if the housing is no longer available for very low income elderly persons. Advances would be calculated within development cost limitations. The conference report contains the Senate provision.

Project rental assistance. The Senate bill contained a provision not included in the House amendment that would require project rental assistance to include those operating costs not covered by rental income. The annual contract amount for any project would not exceed the initial annual project rents plus any initial utility allowances cafor such units, as approved by the Secretary. Any contract amounts not used by a project would remain available until the expiration of the contract and adjustments could be made to provide for reasonable project costs. The conference report contains the Senate provision.

Tenant Rents. The Senate bill contained a provision not included in the House amendment that would establish tenant rents as the highest of the following amounts: 30% of a person's adjusted monthly income, 10% of a person's monthly income, or the shelter rent payment as determined by welfare assistance if the person receives such assistance. The conference report contains the Senate provision.

Use Restriction. The Senate bill contained a provision not included in the House amendment that would require all units to be available for occupancy by very-low income persons for at least 40 years. The conference report contains the Senate provision.

Rental assistance contract term. The Senate bill contained a provision not included in the House amendment that would establish the initial term of contracts for project rental assistance at 20 years. The bill would require the Secretary, to the extent approved in appropriations acts, to extend any expiring contract for at least a five-year term. To facilitate the extension of expiring contracts, the bill would authorize the Secretary to make commitments to extend such contracts during the year prior to their expiration date. The conference report contains the Senate provision.

Application process. The Senate bill contained a provision not included in the House amendment that would require applications to include: a description of the proposed housing; of the assistance requested; of matching resources; of the intended population to be served, the supportive services to be offered, the manner in which the services would be offered including residential supervision for frail elderly, and the sources and funding for the supportive services; State or local certification regarding services; certification of compliance with the affordable housing strategy required under Section 105 of this Act; and other information or certifications that the Secretary deems necessary. The conference report contains the Senate provision.

Selection criteria. The Senate bill contained a provision not included in the House amendment that would require selection criteria established by the Secretary to include the capability of the applicant to develop and operate the proposed housing; the need for supportive housing in the area to be served; the management efficiency of the unit mix and the cost effectiveness of the delivery of supportive services; the compatibility of the design with the special physical needs of the elderly; assurances of the availability of the supportive services on a consistent and long term basis; the extent to which the proposed design of the housing would accommodate the provision of supportive services for the intended residents over the useful life of the property and other factors to be determined by the Secretary. The conference report contains the Senate provision.

Supportive services. The Senate bill contained a provision not included in the House amendment that would require the Secretary to ensure that the housing assisted under this program provides supportive services which are tailored to the needs of the category or categories of elderly persons occupying such housing, including meals, housekeeping, transportation, personal care, health services and other services. The conference report contains the Senate provision.

Services for nonresidents. The Senate bill contained a provision not included in the House amendment that would allow services to be made available to nonresidents if it would not adversely affect the cost effectiveness or the operation of the project. The conference report contains the Senate provision.

Applicability of project retrofit. The Senate bill contained a provision not included in the House amendment that would require the Secretary to apply the requirements of Project Retrofit to Section 202 projects for frail elderly. The conference report contains the Senate provision amended to reflect changes including the change of name from Project Retrofit to the revised congregate housing services program.

Local coordination of services. The Senate bill contained a provision not included in the House amendment that would require the Secretary to ensure that owners can assess, coordinate, and finance a supportive services program for the long term. Costs of supportive services and service coordinators for the frail elderly would be borne by the project and project rental assistance and subject to the requirements of Project Retrofit. The conference report contains the Senate provision.

Development cost limitations. The Senate bill contained a provision not included in the House amendment that would require the Secretary to periodically publish development cost limitations by market area which reflect the cost of construction up to codes; the cost of movables; the cost of special design features including accessibility and meeting the physical needs of elderly persons; congregate space; cost of meeting energy efficiency standards if the housing is newly constructed; and the cost of land. The conference report contains the Senate provision amended to add language on RTC properties.

Annual adjustments. The Senate bill contained a provision not included in the House amendment that would provide for annual adjustments in development costs. The conference report contains the Senate provision.

Incentives for savings. The Senate bill contained a provision not included in the House amendment that would provide an incentive for development costs which are less than the development cost limitations. An owner could retain 50% of the savings in a special housing account. An owner could receive 75% of the savings for the account if energy efficiency features are added in the project that: exceed energy efficiency standards promulgated by the Secretary; substantially reduce life cycle costs of the housing; reduce gross rent requirements; enhance tenant comfort and convenience. The special account could be used to supplement supportive services funding or replacement reserves or for other purposes determined by the Secretary. The conference report contains the Senate provision.

Design flexibility. The Senate bill contained a provision not included in the House amendment that would require the Secretary to give owners the flexibility to design housing appropriate to their location and the population to be served. The conference report contains the Senate provision.

Use of funds from other sources. The Senate bill contained a provision not included in the House amendment that would allow owners to use nonfederal funding for amenities which could not be financed with the advance and is not taken into account in determining the amount of federal assistance or the rent contribution of tenants. The conference report contains the Senate provision.

Tenant selection procedures. The Senate bill contained a provision not included in the House amendment that would require the owner to adopt written tenant selection procedures satisfactory to the Secretary and to promptly notify rejected applicants in writing of the grounds for any rejection. The conference report contains the Senate provision with an amendment to make this information available to the appropriate local agency serving the elderly.

Technical assistance. The Senate bill contained a provision not included in the House amendment that would require the Secretary to make available technical assistance. The conference report contains the Senate provision.

Civil rights compliance. The Senate bill contained a provision not included in the House amendment that would require compliance with Federal, state and local civil rights laws. The conference report contains the Senate provision.

Matching requirement. The Senate bill contained a provision not included in the House amendment that would require applicants to contribute at least 5% either in cash, value of land or real or personal property, or present value of supportive services

committed by private resources. The conference report contains the Senate provision amended to retain existing law except to raise the minimum capital investment to $25,000. The conferees understand that the existing regulations on owner deposit would otherwise be retained. As a reserve it could be held in escrow for no more than 3 years.

Reduction or waiver. The Senate bill contained a provision not included in the House amendment that would reduce or waive the matching requirement if the sponsor is not affiliated with a national nonprofit. The Secretary could reduce or waive the matching requirement for individual applicants if necessary to achieve the purposes of this section provided the applicant demonstrates that it has the capacity to manage and maintain the housing. The conference report contains the Senate provision with an amendment to strike the automatic waiver for an unaffiliated nonprofit.

Appeals. The Senate bill contained a provision not included in the House amendment that would require the Secretary to notify an owner not less than 30 days prior to cancellation of any reservation of assistance. The bill would provide for appeal of cancelled loan authority by an owner within 30 days, requiring response in 45 days. The conference report contains the Senate provision with an amendment to add that in considering applications for assistance under section 202, the Secretary could not reject an application on technical grounds without giving notice of that rejection and the basis therefore to the applicant and affording the applicant an opportunity to respond. The preparation and submission of applications for the section 202 program require the investment of substantial time and money by the applicant. Moreover, they often involve the negotiation of commitments from churches, foundations, and local government. An application that is rejected on technical grounds because of a mistake of fact or interpretation by HUD is a loss to the program, to the applicant and to the elderly residents that the project would have served. Accordingly, the Secretary is directed to afford the applicant notice and an opportunity to respond when an application is rejected on technical grounds before applications are submitted to HUD headquarters for final review. This is not intended to require advance notice of proposed or final project rankings or to require the Secretary to consider matters that occur after submission of the application.

Davis-Bacon. The Senate bill contained a provision not included in the House amendment that would require Davis-Bacon wage rates for projects for 12 or more persons except if the labor is volunteer labor. The conference report contains the Senate provision.

Definitions. The Senate bill contained a provision not included in the House amendment that would establish the definitions for "elderly person", "frail elderly", and "private nonprofit organization". The conference report contains these Senate definitions. (other definitions)

Conforming amendment. The Senate bill contained a provision not included in the House amendment that would delete the 202 program from the fair share allocation requirements. The conference report contains the Senate provision.

General authorizations. The Senate bill authorized capital advances of $628,000,000 for FY 1991, $659,000,000 for FY 1992 and $685,360,000 for FY 1993. The Senate bill provided for a revolving fund for the appropriated amounts, any proceeds for notes and obligations, and for any repayments. The Senate bill reserved authority, to the extent approved in appropriations acts, in the aggregate of $346 million in FY 1991, $353 million in FY 1992, and $377,520,000 for FY 1993 for project rental assistance. Twenty percent of the funds would be allocated to nonmetropolitan areas. The conference report would authorize $659,000,000 for elderly capital advances in FY 1992. Elderly rental assistance would be authorized at $363,000,000 for FY 1992.

Effective date and applicability. The Senate bill contained a provision not included in the House amendment that would permit owners of projects approved under the old section 202 program for which no loan has been executed to elect to be subject to the provisions of the new Section 202 program. If funds from the original reservation remain they would be available for use under this section. The conference report contains the Senate provision amended to require HUD to implement the 202 revisions through notice and comment rulemaking and to delay implementation until FY 1992.

Expedited financing and construction. The Senate bill contained a provision not included in the House amendment that would give HUD the authority to expedite the processing of approved Sec. 202 projects with two adjustments to the approvable maximum loan amount and to the fair market rents. Both adjustments would be subject to cost controls and would apply to projects approved 3 years prior to the enactment of this act which have not been closed and which are in high cost areas. The conference report contains the Senate provision.

Authorization for existing program. The House amendment contained a provision that would extend Section 202 (housing for the elderly or handicapped) borrowing authority through FY 1991 and would authorize $714,237,000 in FY 1991 for Section 202 elderly and disabled loans. The House amendment would also authorize $714,237,000 for 202 elderly and disabled rental assistance in FY 1991. The conference report contains the House provisions amended to authorize $714,200,000 for 202 loan authority in FY 1991.

Congregate housing services program/ Project Retrofit

In general. The House amendment contained a provision that would reauthorize the existing congregate housing services program and authorize a new, revised congregate services program. The Senate bill created Project Retrofit to replace the congregate housing services program. The conference report incorporates many of the revisions contained in the Senate bill and the House amendment into the revised congregate housing services program.

Authorization. The House amendment contained a provision not included in the Senate bill that would establish a revised congregate housing services program to be administered by HUD and FmHA for residents of federally assisted housing occupied by older or disabled persons with impairment in two or more activities of daily living (ADL) and/or instrumental activities of daily living (IADL). The conference report contains the House provision amended to require the Secretaries of HUD and FmHA to enter into contracts to provide congregate service programs for eligible residents and/or adapt the housing to better accommodate the physical requirements and service needs of eligible residents.

Findings. The House amendment contained a provision not included in the Senate bill that would establish congressional findings for the revised congregate housing program. The conference report contains the House provision amended to identify the need to redesign units and buildings to meet the special physical needs of the frail elderly persons; identify the need to create congregate space to accommodate services that enhance independent living; change "individuals" to "persons"; and change the term "disabled individual" to "persons with disabilities".

Purposes. The House amendment contained a provision not included in the Senate bill that would establish the purposes of the program. The conference report contains the House provision with an amendment to incorporate Senate purposes dealing with retrofitting, creation of congregate space and improvement of management capacity.

Contracts. The House amendment contained a provision not included in the Senate bill that would authorize the Departments to enter into three year contracts with states, units of general local government and housing sponsors including nonprofits and public housing agencies in nonparticipating states, and Indian tribes for the establishment of a congregate housing services program and the delivery of supportive services at housing sites. The conference report contains the House provision amended to delete states as the principal grantee. The conference report would establish a 5 year contract for services.

Reservation of funds. The House amendment contained a provision not included in the Senate bill that would provide for reservation funds for this program over the term of contract in the fiscal year in which the contract is approved. The conference report contains the House provision.

Services program. The House amendment contained a provision not included in the Senate bill that would require the services program to be coordinated on site and to provide meal service which meets at least one third of the nutritional needs of eligible residents and other appropriate services to promote and encourage maximum independence among the elderly or disabled persons, including personal care, transportation, chore services, housekeeping, grooming, case management, nonmedical counseling, and medication assistance. Services should reflect the wants and needs of elderly residents. The conference report contains the House provision with amendments to retitle the subsection as "Eligible Activities"; permit, rather than require HUD to fund congregate housing services programs; include personal emergency response systems as permissible service under a congregate services program; incorporate Section 602(c)(1) of the Senate bill (retrofit and renovation); and incorporate Section 602(c)(2) of the Senate bill (service coordinators).

Eligibility. The House amendment contained a provision not included in the Senate bill that would make services available for a fee which is based on adjusted income of eligible residents. The fees would cover 10% of the cost of the services but could be waived if the elderly person's income is insufficient. The conference report contains the House provision with amendments to clarify that any non-residents receiving services would pay fees equal to the cost of providing the service and incorporate Senate language on eligible residents.

Ineligible residents. The House amendment contained a provision not included in the Senate bill that would permit ineligible residents to receive services if the professional assessment committee, management and service coordinators determine that providing services to ineligible residents would not impede the program. The conference report contains the House provision with an amendment to incorporate Senate language governing provision of services to persons who are not residents of the project.

Eligible housing projects. The House amendment contained a provision not included in the Senate bill that would include public housing, HUD assisted multifamily housing, FmHA rural rental housing and farm labor housing projects as eligible housing projects. The conference report contains the House provision with an amendment to revise the Section 221(d)(3) and 236 definition to conform with the prepayment report language.

Eligible contract recipients. The House amendment contained a provision not included in the Senate bill that would establish the eligible recipients under this program as states and, in non-participating states which have not applied for assistance or have made their intentions known to the Secretaries not to apply, Indian tribes and units of local government, and nonprofit housing sponsors, including public housing agencies. States receiving assistance would establish an advisory committee of not fewer than 13 specified members to assist the state in allocating assistance under this section. The conference report contains the House provision with an amendment to eliminate states as the primary contract recipient. States would be permitted to apply on behalf of owners of eligible low income housing.

Applications. The House amendment contained a provision not included in the Senate bill that would require applications by States to contain a services plan, a certification of matching funds, an allocation plan, the designation of a state administering agency, identify the members of the state advisory committee, and a plan to ensure that subgrantees limit their administrative costs. The non-state application would include a similar services plan, an allocation process to eligible projects, an administering agency designation, Area Agency on Aging concurrence, and a plan to ensure that subgrantees limit their administrative costs. The Secretaries would be required to establish application deadlines and provide notice of award or rejection within 60 days. The conference report contains the House provision with amendments to require applicants who apply for HUD service funds to certify that, during the term of the contract, they would actively seek funds for such services from other sources; and include provision for Secretary awarding contracts within 60 days.

Selection criteria. The House amendment contained a provision not included in the Senate bill that would require the Secretary to select applicants based on selection criteria established by the Secretary, including the types of services provided, the targeting plans for services, the relationship of the proposed service packages to the needs of the elderly and disabled to be served, the adequacy of the service delivery, the qualifications of the assessment committees, the reasonableness and application of a fee schedule, and the accuracy and adequacy of the budget. The conference report contains the House provision with an amendment to include criteria related to rehabilitation and renovation and the extent to which services funding from other sources exceeds required match.

Evaluation and reporting. The House amendment contained a provision not included in the Senate bill that would require the Secretaries to establish, by regulation, procedures to review and evaluate the congregate housing services programs including annual reports submitted by contract awardees evaluating the impact and effectiveness of such programs. The conference report contains the House provision.

Distribution of costs/costs sharing. The House amendment contained a provision not included in the Senate bill that would require states and localities, nonprofit sponsors, public housing agencies and Indian tribes, where the state does not participate, to contribute 50% of the funds to carry out the program. The Federal share of program costs would be 40% and the elderly participants will contribute 10% of the cost of services. However, the individual's share could be waived where income is insufficient to meet the 10% share. In-kind match would be limited to 10% of the total match and a state could not require a locality to provide more than 10% of the match. For existing CHSP programs, for a period of three years, the cost sharing formula would not apply. CHSP grantees would maintain the share previously contributed prior to enactment of this Act. For all other programs, if the elderly residents could not contribute the full 10% share, the shortfall would be split evenly between the contract recipient and the federal government. The conference report contains the House provision with an amendment to encourage recipients to seek sources of non-HUD funding for services. The conference report would also direct HUD to work with the Department of Health and Human Services to identify such existing sources, and, if appropriate, recommend new sources. A match would be required for rehabilitation if residual receipts are available.

Prohibition of substitution of funds. The House amendment contained a provision not included in the Senate bill that would require the contract recipient to maintain their contributions to providing services to the amounts contributed prior to application under this Act. The conference report contains the House provision.

Distribution in participation. The House amendment contained a provision not included in the Senate bill that would permit the Secretary to renew assistance for any contract recipient that terminates a contract under this subsection before the expiration of the full term of the contract, to the extent that subsequent commitments have not been made for amounts reserved under the contract; and the Secretary concerned could, at any time after termination of the existing contract and before renewal of assistance under the contract reallocate the remaining funds to eligible recipients which apply. The conference report does not contain the House provision.

New participation. The House amendment contained a provision not included in the Senate bill that would prohibit the Secretary, upon termination of any contract with any unit of general local government or local nonprofit housing sponsor, from renewing such contract (or entering into any new contract for assistance) if the State in which the local government or housing sponsor is located, is receiving assistance under a contract with such Secretary. The applicable state agency would give priority in distributing amounts to any unit of general local government or nonprofit housing sponsor for which a contract is not renewed (or that could not enter into a new contract). The conference report does not contain the House provision. The conferees recognize that the House provision is no longer necessary of states are no longer the principal grantee.

Use of residents in providing services. The House amendment contained a provision not included in the Senate bill that would require each housing project that receives assistance under this section, to the maximum extent practicable, to employ older and disabled adults who are residents of the housing project to provide the services under congregate services programs. Such individuals would be paid wages that would not be lower than the higher of the minimum wage under the Fair Labor Standards Act of 1938, the State or local minimum wage, or the prevailing wage rates for persons employed in similar public occupations. Except for wages paid to provide services, the imputed value of supportive services under a congregate services program could not be considered as income for the purpose of determining eligibility for or the amount of assistance or aid furnished under any Federal, federally assisted or State program based on need. The conference report contains the House provision.

Eligibility and priority for 1978 Act recipients. The House amendment contained a provision not included in the Senate bill that would, notwithstanding any other provision of this section, allow any public housing agency, housing assisted under Section 202 of the Housing Act of 1959, or nonprofit corporation that was receiving assistance under a contract under the Congregate Housing Services Act of 1978 on the date of the enactment of this section to continue to receive assistance under existing contracts until they expire and to be given priority for funding after the contract expiration. The conference report contains the House provision with an amendment which deletes distinctions related to states.

Administrative cost limitation. The House amendment contained a provision not included in the Senate bill that would limit administrative costs to not more than 10 percent of the sum of such assistance and the 50% matching costs. Administrative costs could not include any capital expenses. The conference report contains the House provision.

Definitions. The House amendment contained provisions not included in the Senate bill that would establish definitions for "activity of daily living", "case management", "congregate housing", "disabled", "instrumental activity of daily living", "local nonprofit housing sponsor", "nonprofit", "older", "temporarily disabled", and "unit of general local government". The conference report contains the House provisions with an amendment to add qualifying supportive services definition, conforms services section (f) to this definition and deletes "state advisory committees". (Check additional definitions)

Reports to Congress. The House amendment contained a provision not included in the Senate bill that would require each Secretary concerned to submit to the Congress, not less than annually, a report containing the number and percent of eligible residents served under such programs and the types of services provided to such residents; the number of deinstitutionalized individuals

served under the programs; a statement of any new resources for providing services that have been developed on the State or local level; the cost to States and projects of providing services; a description of how effective the services are at meeting the needs of project residents, local governments and housing sponsors, and State governments; a statement of any changes in membership with respect to each State advisory committee; a statement of the total amount of fees for congregate services collected from residents in eligible projects assisted under this section; a description of the reasons for termination of services provided to eligible project residents; a statement of the number of persons who previously received congregate services who have since been institutionalized; a description of how congregate services programs were provided in eligible housing projects located in the poorest and most isolated areas; an evaluation of the effectiveness of the program of providing assistance for congregate services under this section, and a comparison of the effectiveness of the program under this section with the HOPE for Elderly Independence Program; any other information that the Secretary concerned considers helpful to the Congress in evaluating the effectiveness of this section. The conference report contains the House provision.

Submission of data to the Secretary. The House amendment contained a provision not included in the Senate bill that would require the Secretaries to require by regulation that the contract beneficiaries provide appropriate and adequate data to compile in the reports to Congress. The conference report contains the House provision with an amendment to require date to be submitted from recipients of assistance under this section.

Regulations. The House amendment contained a provision not included in the Senate bill that would require the Secretaries to jointly issue any regulations necessary to carry out this section within 90 days of enactment. The conference report contains the House provision.

Authorization of appropriations. The House amendment authorized $6,002,000 for the existing congregate services housing program in FY91. It would prohibit new grants or loans after October 1, 1990. The House amendment also authorized $11,244,000 to carry out the revised congregate housing services program in FY 1991, to be allocated proportionately between the two Secretaries according to their respective numbers of assisted units and their respective eligible elderly residents. The sums would remain available until expended. The Senate bill authorized $50,000,000 in FY91 and $52,000,000 in FY92 for Project Retrofit. The conference report authorizes $25,000,000 for the revised congregate housing services program in FY91 and $26,100,000 in FY92.

Supplemental assistance. The Senate bill contained a provision not included in the House amendment that would authorize the Secretary to reserve not more than 5% of the funds under this section in each fiscal year to supplement grants to maintain adequate service levels in out years. The conference report contains the Senate provision.

HOPE for Elderly Independence

Purpose. The House amendment contained a provision that would establish a demonstration program to test the effectiveness of combining housing certificates and vouchers with supportive services to assist frail elderly individuals to continue to live independently. This demonstration program would terminate 5 years from the date of the enactment of this Act. The Senate bill contained a provision that would be similar except it would not include certificates. The conference report contains the House provision with an amendment changing "individuals" to "persons".

Authority. The House amendment contained a provision that would permit the Secretary to enter into contracts with public housing agencies to provide Section 8 housing assistance, both certificates and vouchers. As part of the demonstration, the Secretary could also provide for supportive services in connection with existing contracts for vouchers and certificates. The Senate bill contained a similar provision except that only vouchers could be used. It would require the Secretary to set aside not more than 1,500 incremental rental vouchers for the purpose of carrying out this demonstration but would not include individuals currently receiving Section 8 contracts in the demonstration. The conference report contains the House provision with an amendment limiting housing assistance provided to a total of 1500 certificates and vouchers.

Funding. The House amendment contained a provision that would provide funding for supportive services as follows: the Secretary would provide 40%, the public housing agency would ensure the provision of at least 50% from sources other than under this section, and each frail elderly individual would pay 10% of the costs of the supportive services that he or she receives, except that no frail elderly individual could be required to pay an amount that exceeds 20% of his or her adjusted income. To the extent that the 20% limitation would result in a frail elderly person paying less than 10% of the cost of providing the services, the remaining costs would be divided equally between the public housing agency and the Secretary. The Secretary would provide for the waiver of the requirement to pay costs under this subparagraph for individuals whose income is determined to be insufficient to provide for any payment. The Senate bill contained a provision that was similar except that it did not limit the amount of frail elderly individual pays in relation to the frail elderly individual's adjusted income. No waiver of the requirement to pay costs for individuals whose income is determined to be insufficient to provide for any payment. The conference report contains the House provision.

Provision of services. The House amendment contained a provision that would require each public housing agency to ensure that supportive services appropriate to the needs of the frail elderly individuals to be served under this demonstration are provided throughout the demonstration period. The Senate bill contained a provision that was similar except that it would limit the eligibility for supportive services to persons who are receiving housing assistance under this section. The conference report contains the House provision.

In-kind match. The House amendment contained a provision that would allow a public housing agency to include the value of such items as the Secretary may determine to be appropriate in determining compliance with this section, if such items have a readily discernible market value. The Senate bill contained a provision that was similar except that it did not require the market value to be readily discernible. The conference report contains the House provision.

Definitions

Demonstration period. The House amendment contained a provision not included in the Senate bill that would define "Demonstration period" to mean the period beginning on the date of the enactment of this Act and ending upon the termination date under subsection (a). The conference report contains the House provision.

Supportive services. The House amendment contained a provision that would define "Supportive services" to mean assistance that the Secretary determines addresses the special needs of frail elderly individuals and provides appropriate supportive services or assists such individuals in obtaining appropriate supportive services, including personal care, case management services, transportation, meal services, counseling, supervision, and other services essential for achieving and maintaining independent living. Such services do not include medical services. The Senate bill would be similar except the definition of appropriate supportive services substitutes the words "personal assistance with activities of daily living" for "personal care" and does not include transportation or meal services. The conference report contains the House provision.

Multi-unit demonstration. The House amendment contained a provision not included in the Senate bill that would require the Secretary to conduct a demonstration project to determine the feasibility of using Section 8 housing assistance to enable frail elderly persons to live independently in multi-unit housing designed specifically for occupancy by frail elderly individuals. The Secretary would contract with a public housing agency to provide Section 8 housing assistance to assist elderly persons in at least 75% of the units in a single housing project with more than 100 units. The assistance payment contract under Section 8 would be attached to the structure for an initial term of 5 years. At the option of the public housing agency and subject to the availability of amounts approved in appropriations Acts, the contract could be renewed for 3 additional 5-year terms. Rents would be subject to the limitations in effect for the area under Section 8 for projects for the elderly receiving loans under Section 202 programs. A reasonable portion of the funds would to be set aside for supportive services.

The House amendment also contained a provision not included in the Senate bill that would require applications for assistance under this demonstration project to be submitted by general local governments with a population under 50,000. The Secretary would select one application for funding based on the following criteria: (1) the proportion of persons who are elderly; (2) the extent of housing constructed prior to 1940; (3) the number of elderly persons living in adjacent projects who could utilize the services and facilities; (4) the level of State and local contributions; and (5) the project's contribution to neighborhood improvement. The conference report contains the House provision with an amendment to move the demonstration as part of HOPE for Elderly Independence and limit the demonstration to one HUD Region.

Reports. The House amendment contained a provision that would require the Secretary to submit to Congress, at least annually, a report evaluating the effectiveness of the demonstration, which would include a statement of the number of persons

served, the types of services provided, the cost of providing such services, and any other information the Secretary considers appropriate to the demonstration. The Senate bill contained a similar provision except that it would require 2 reports to be submitted to Congress evaluating the effectiveness of the demonstration program under this section: (1) an interim report not later than 2 years after the date of enactment of this Act, and (2) a final report not later than 2 years after the termination of the demonstration period. The conference report contains the House provision.

Authorization. The House amendment would authorize $34 million for FY 1991 for Section 8(b) and 8(o) housing assistance in connection with the demonstrations under this section and $10 million for supportive services. The Senate bill would authorize 1,500 vouchers and $10 million for FY 1991. The conference report contains the House provision for FY 1991 and would authorize $35.5 million for rental assistance and $10.4 million for services for FY 1992.

Use of RTC Properties for Section 202 program. The House amendment contained a provision not included in the Senate bill that would authorize the purchase of properties and related facilities from the Resolution Trust Corporation for use as Section 202 housing for the elderly. The conference report contains the House provision amended with respect to the existing program in FY 1991 and to the revised supportive housing for the elderly and supportive housing for persons with disabilities.

Centralized Applications. The House amendment contained a provision not included in the Senate bill that would designate a central location for each given area where the elderly can apply for admission to all 202 developments in such area. The conference report amends the House provision to clarify that HUD area offices would be required to provide a listing of available 202 projects in the given area to local agencies serving the elderly. This provision would be incorporated into the existing program in FY 1991 and into the revised programs in FY 1992.

ECHO Units. The House amendment contained a provision not included in the Senate bill that would expand the definition of housing in the Section 202 program to include elder cottage housing opportunity units. The conference report contains the House provision with an amendment making this a demonstration program and requiring HUD to make a special finding that the housing will be made available for very low-income persons for the longest time feasible. The House amendment also contained a provision not included in the Senate bill to include ECHO units as "manufactured housing" for purposes of FHA insurance. The conference report contains the House provision.

Service coordinators. The House amendment contained a provision not included in the Senate bill that would provide for service coordinators and up to 15% of the cost of supportive services including meals, housekeeping, personal care, transportation, health related services, and laundry for elderly to be covered by Section 8 rents in 202 developments to avoid premature institutionalization. The conference report contains the House provision with an amendment to specify that the option is available only to those existing projects which do not participate in the congregate housing services program. For projects developed under the new 202 financing mechanism, the conference report limits the availability of service coordinators to projects principally serving frail elderly persons. This provision would be incorporated into the existing program in FY 1991 and into the revised programs in FY 1992.

Housing and services for the frail elderly. The House amendment contained a provision that would set aside $10 million of the funds provided for Section 202 development loans in FY1991 for loans to rehabilitate Sec. 202-financed facilities in order to meet the needs of the frail elderly. Sec. 8 funds could be used for the employment of service coordinators to assist frail elderly persons in such facilities. The Senate bill provided services for frail elderly persons through the Project Retrofit program. The conference report does not contain the House provision. The activities envisioned by the House provision would be included in the revised Congregate Housing Services Program.

Frail elderly definition. The House amendment contained a provision that would define "frail elderly person" to mean a person at least 62 years of age who is determined, according to HUD regulations, to have an impairment that substantially impedes independent living. The conference report does not contain the House provision.

Frail Elderly Report. The House amendment contained a provision not included in the Senate bill that would require the Secretary of HUD to review and modify periodically programs to ensure that they meet the needs of the frail elderly and to submit an annual report to Congress. The conference report does not contain the House provision.

Study and report regarding Section 202 housing. The House amendment contained a provision not included in the Senate bill that would require the Secretary to conduct a study of the Section 202 program. The conference report does not contain the House provision.

Subtitle B—Supportive Housing for Persons with Disabilities

Purposes. The Senate bill contained a provision not included in the House amendment that would establish the purpose of the program to enable persons with disabilities to live independently in housing that is designed to accommodate their special needs of persons and which provides supportive services. The conference report contains the Senate provision.

General authority. The Senate bill contained a provision not included in the House amendment that would provide assistance in the form of capital advances and project rental assistance to private nonprofits to finance acquisition, construction, reconstruction, moderate or substantial rehabilitation. It could also include site improvements, conversion, demolition, relocation and other relevant expenditures. The conference report contains the Senate provision with an amendment to include acquisition of property from the RTC.

General requirements. The Senate bill contained a provision not included in the House amendment that would require the Secretary to ensure that assistance would be provided through a range of housing options, including group homes, independent living facilities, multifamily housing, condos and co-ops and the housing would include appropriate supportive services for the residents, provide opportunities for optimal independent living and facilitate the disabled residents participation in the community at large. The conference report contains the Senate provision.

Capital advances. The Senate bill contained a provision not included in the House amendment that would define capital advances as no interest loans to be repaid only if the housing is no longer available for very low income elderly. Advances would be limited by development cost limitations. The conference report contains the Senate provision.

Project rental assistance. The Senate bill contained a provision not included in the House amendment that would define project rental assistance to include those operating costs not covered by rental income. The annual contract rent would not exceed the initial yearly rent roll plus utility costs, as approved by the Secretary. Adjustments could be made to reflect reasonable increases. For intermediate care facilities, project income would reflect assistance under Title XVI of the Social Security Act. The conference report contains the Senate provision.

Tenant rents. The Senate bill contained a provision not included in the House amendment that would define tenant rents as the higher of 30% of a person's adjusted monthly income, 10% of a person's monthly income, the shelter rent payment as determined by welfare assistance if the person receives such assistance, or in the case of intermediate care facility residents, the amount determined under Title XVI of the Social Security Act. The conference report contains the Senate provision.

Use restriction. The Senate bill contained a provision not included in the House amendment that would require all units to be available for occupancy by very-low income persons for at least 40 years. Repayment of the capital advance would not be required so long as the housing remained available for very-low-income persons with disabilities. The conference report contains the Senate provision.

Rental assistance contract. The Senate bill contained a provision not included in the House amendment that would establish the initial term of contracts for project rental assistance at 20 years. The bill would require the Secretary, to the extent approved in appropriations acts, to extend any expiring contract for at least a five-year term. To facilitate the extension of expiring contracts, the bill would authorize the Secretary to make commitments to extend such contracts during the year prior to their expiration date. The conference report contains the Senate provision.

Application process. The Senate bill contained a provision not included in the House amendment that would require applications to include a description of the proposed housing; of the assistance requested; a supportive services plan which includes the intended population's needs, the supportive services to be offered, the experience of the applicant or designees in providing services, the manner in which the services would be offered including residential supervision as deemed necessary, and the sources and funding for the supportive services; State or local certification regarding services; assurances of site control no later than 6 months after award of assistance, certification of compliance with the affordable housing strategy required under Section 105 of this Act; and other information required by the Secretary. The conference report contains the Senate provision.

Selection criteria. The Senate bill contained a provision not included in the House amendment that would require the Secretary to establish selection criteria to in-

clude: the capability of the sponsor; the need for such supportive housing; the extent to which the design would meet the needs of the intended residents; the likelihood that there would be long term financial support for services; the compatibility of the design with the special supportive services needs of the disabled residents; site control and other criteria to be determined by the Secretary. The conference report contains the Senate provision.

Development cost limitations. The Senate bill contained a provision not included in the House amendment that would require the Secretary to periodically publish development costs by geographic area which reflect the cost of construction up to codes; the cost of movables; the cost of special design features including accessibility; congregate space; cost of meeting energy efficiency standards; cost of improved land. The Secretary would use current data. The conference report contains the Senate provision with an amendment to incorporate House provision regarding RTC properties.

Annual adjustments. The Senate bill contained a provision not included in the House amendment that would provide for annual adjustments in development costs. The conference report contains the Senate provision.

Incentives. The Senate bill contained a provision not included in the House amendment that would provide an incentive for development costs which are less than the development cost limitations. An owner could retain 50% of the savings in a special housing account. An owner could receive 75% of the savings for the account if energy efficiency features are added in the project that: exceed federally promulgated standards; substantially reduce life cycle costs of the housing; reduce gross rent requirements; enhance tenant comfort and convenience. The special account could be used to supplement supportive services funding or replacement reserves or for other purposes defined by the Secretary. The conference report contains the Senate provision.

Nonfederal funding. The Senate bill contained a provision not included in the House amendment that would allow the owner to contribute nonfederal funding for amenities which could not be financed by the advance or project rental assistance. The conference report contains the Senate provision.

Tenant selection. The Senate bill contained a provision not included in the House amendment that would require the owner to adopt written tenant selection procedures acceptable to the Secretary and to notify rejected applicants in writing promptly. An owner would be permitted to limit occupancy to persons with similar disabilities, requiring similar services, with the approval of the Secretary. The conference report contains the Senate provision with an amendment to make this information available to the appropriate local agency serving persons with disabilities.

Technical assistance. The Senate bill contained a provision not included in the House amendment that would require the Secretary to make available technical assistance. The conference report contains the Senate provision.

Civil rights compliance. The Senate bill contained a provision not included in the House amendment that would require compliance with civil rights laws. The conference report contains the Senate provision.

Change in sites. The Senate bill contained a provision not included in the House amendment that would permit an owner to change sites after award notice, provided site control is attained within one year of award. After 1 year, the assistance would be recaptured. The conference report contains the Senate provision.

Escrow. The Senate bill contained a provision not included in the House amendment that would permit the Secretary to require a $10,000 escrow deposit from owners to insure the owner's commitment to the housing. The conference report contains the Senate provision.

Appeal. The Senate bill contained a provision not included in the House amendment that would provide for an appeal of cancelled loan authority within 30 days of notice receipt. The appeal would be completed within 45 days. The conference report contains the Senate provision.

Davis-Bacon. The Senate bill contained a provision not included in the House amendment that would require Davis-Bacon wage rates for projects for 12 or more residents except if the labor is volunteer labor. The conference report contains the Senate provision.

Definitions. The Senate bill contained a provision not included in the House amendment that would establish definitions for "group home", "independent living facility", and "private nonprofit organization". The conference report contains these Senate definitions.

Persons with AIDS as Disabled. The House amendment contained a provision that would include persons disabled by AIDS within the definition of handicapped. The Senate bill contained a provision that would include persons with AIDS within the definition of "person with disabilities". The conference report contains the Senate definition of "persons with disabilities" with an amendment to delete the inclusion of persons with aids. The conferees understand that persons with AIDS who would otherwise qualify as elderly or disabled would be eligible for assistance under the 202 program.

Authorizations. The Senate bill authorized capital advances of $258,000,000 for fiscal year 1991, $271,000,000 for fiscal year 1992 and $281,840,000 for fiscal year 1993. The Senate bill provided for a revolving fund for the appropriated amounts, any proceeds for notes and obligations, and for any repayments. The Senate bill reserved authority, to the extent approved in appropriations acts, in the aggregate of $234,000,000 in fiscal year 1991, $246,000,000 in fiscal year 1992, and $255,840,000 for fiscal year 1993 for project rental assistance. The conference report would authorize $271,000,000 for capital advances and $246,000,000 for rental assistance in fiscal year 1992.

Effective date and applicability. The Senate bill contained a provision not included in the House amendment that would permit sponsors of projects under the old Sec. 202 program for which no loan has been executed to elect to be subject to the provisions of the new Sec. 202 program. It further provides that any unobligated funds from previous reservations would be available for use under this section. The conference report contains the Senate provision with an amendment to require HUD to implement the 202 revisions through notice and comment rulemaking and to delay implementation until fiscal year 1992.

Subtitle C—Supportive Housing for the Homeless

McKinney Act Amendments

The Senate bill contained a provision that was not included in the House amendment that would strike certain homeless housing provisions authorized in Title IV of the Stewart B. McKinney Homeless Assistance Act (Public Law 100-77) and replace them with a formula block grant program for the homeless. The House addressed McKinney homeless housing programs by authorizing various programmatic changes in a separate bill, H.R. 3789, the Stewart B. McKinney Homeless Assistance Amendments Act of 1990.

The conference report contains the McKinney provisions as set forth in H.R. 3789, the McKinney reauthorization bill, with the following amendment: (1) the McKinney homeless programmatic changes provided in the House bill are included in the conference report both within the restructure provisions and included in the portion of the conference report which provides amendments to the current McKinney homeless program; (2) the conference report reflects the Senate provisions which restructure selected McKinney homeless housing programs by combining the eligible activities of these existing McKinney housing programs into one program and by making activities under these current programs eligible as approved activities under the restructured program; (3) the programs which are included as approved activities are the Emergency Shelter Grants program and the Supportive Housing Demonstration program, which includes the Transitional Housing Demonstration program and the Permanent Housing for Homeless Handicapped Persons; (4) the conference report also includes the Senate provisions which create a discretionary program which is patterned after the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) program in existing law; (5) the conference report does not contain provisions contained in the Senate bill which authorize the Secretary of Housing and Urban Development to establish an allocation formula nor does the conference report contain any of the specific provisions of the Senate bill which provide the specific elements of a formula block grant program, such as a percentage allocation of resources or any of the elements of the allocation formula contained in the Senate bill; (6) the conference report does not include within the restructure provisions, the Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO) Dwellings program, instead it is left as a separate program within existing law; (7) the conference report authorizes the restructuring of the selected McKinney programs only after (a) HUD has examined the feasibility of establishing an allocation formula based on selected criteria specified in the conference report and any other factors as determined by HUD, (b) HUD has presented a series of alternative formulas to Congress, and (c) legislation has been enacted which adopts an allocation formula; (8) the conference report, however, stipulates that any restructuring of the homeless programs will not take effect before October 1, 1992, or on the date specified by a statute adopting a proposed allocation formula, whichever is later; (9) the conference report requires HUD to report its findings within eighteen months of the enactment date and to require HUD to consult with organizations representing homeless persons,

nonprofit organizations, public housing agencies and state and local housing and service agencies; (10) the conference report contains a provision that was not included in either bill which provides that these McKinney homeless provisions will not take effect if H.R. 3789, the Stewart B. McKinney Homeless Assistance Amendments Act of 1990, is enacted before the enactment of this Act. H.R. 3789 contains the same statutory provisions, however similar language in each conference report has been included in order to avoid any statutory or implementation problems which will result with duplicative statutory language; (11) the conference report contains the Senate bill provisions on the strategy to eliminate unfit transient facilities, however, the conference report does not include any references to welfare hotels as originally provided in the Senate bill; (12) the conference report contains the Senate bill provisions on the Shelter Plus Care programs which are authorized within the restructure of the McKinney programs as well as authorized in existing law for Fiscal Years 1991 and 1992; (13) the Shelter Plus Care program provisions include various House bill provisions, such as authorizing program assistance to families of program eligible individuals, program matching requirements, the need to identify community needs within the program selection requirements, the termination of assistance, the consultation provisions with the Secretary of Health and Human Services (HHS) and the definition of nonprofits; and (14) the conference report provides the following authorizations for Fiscal Years 1991 and 1992 as follows: for the Emergency Shelter Grants program, $125 million and $138 million, respectively; for the Supportive Housing Demonstration Program, $125 million and $150 million, respectively; for the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) program, $30 million for each fiscal year; for the Section 8 Moderate Rehabilitation for Single Room Occupancy (SRO) Dwelling Program, $79 million and $82.4 million, respectively; for the Shelter Plus Care Rental Housing Assistance Programs, $80.4 million and $167.2 million, respectively; for the Shelter Plus Care Single Room Occupancy (SRO) Dwelling Program, $24.8 million and $54.2 million, respectively; and (15) for the Shelter Plus Care Section 202 Program, $18 million and $37.2 million, respectively; the conference report authorizes such sums as may be necessary for the restructure of the McKinney programs which is intended only as a reference within the statutory text in order to authorize the general provisions of the program.

The Committee is disturbed by HUD's long delay in complying with the July 27, 1989 Oder in Lee v. Kemp. We long for HUD to promptly publish a proposed regulation designed to make a significant percentage of single family inventory units available to house homeless and other low-income people. The inventory represents an invaluable resource for providing good housing in well-served neighborhoods for people in need; the inventory should be used for that purpose, not for sales to speculators.

Subtitle D—Housing Opportunities for Persons With AIDS

The House amendment contained a provision not included in the Senate bill which created the AIDS Housing Opportunity Act. The conference report contains the House provision with the following amendment: (1) the conference report consolidates the programs into one formula grant program to provide States and localities with the resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS); (2) the conference report retains each program as an eligible activity under the formula grant program; (3) the conference report does not contain the reservation of assistance for individuals with AIDS as provided in the House bill, however, the conferees believe that the Department of Housing and Urban Development (HUD) should permit public housing authorities to reserve Section 8 and public housing assistance for persons with AIDS and this deletion is not intended to preclude persons with AIDS from receiving such vitally-needed housing assistance; (4) the conference report distributes program assistance in the following manner: 90% of the funds will be distributed to entities meeting the following (a) 75% of formula to localities that are within a metropolitan statistical area (MSA) greater than 500,000 and have greater than 1,500 cumulative AIDS cases (not including those in eligible localities), (b) 25% of formula to localities that exceed the annual per capita rate of AIDS incidence for metropolitan areas. [Each such entity shall receive funding according to their proportionate share of the total except that each entity shall receive a minimum allocation of $200,000 (from (a) and (b) combined) and any increase this entails from the formula amount will be deducted from all other allocations exceeding $200,000 on a pro rata basis]; (5) the conference report distributes 10% of the amounts authorized for the program through HUD discretion to meet housing needs in non-eligible states and localities and to fund special projects of national significance; (6) the conference report requires HUD in selecting nonparticipation jurisdictions projects to consider—(a) relative numbers of AIDS cases and per capita AIDS incidence; (b) housing needs of persons with AIDS in the community; (c) extent of local planning and coordination of housing programs for persons with AIDS; and (d) the likelihood of the continuation of state and local efforts; (7) the conference report requires HUD in selecting projects of national significance to consider—(a) the need to assess the effectiveness of a particular model for providing supportive housing for persons with AIDS, (b) the innovative nature of the proposed activity, and (c) the proposed activity in other similar localities or nationally; and (8) the conference report authorizes $75 million in Fiscal Year 1991 and $156.5 million in Fiscal Year 1992 for the AIDS Housing Opportunity program.

The conferees wish to clarify that the size of a grant under each formula shall be based on the ratio of the cumulative number of AIDS cases in a jurisdiction to the total cumulative cases of all participating jurisdictions. The conferees also intend that rental assistance under Section 859 shall also be considered permanent housing.

White House Conference on Homelessness

The Senate bill contained a provision not included in the House amendment that would establish a White House Conference on Homelessness. The conference report does not contain the Senate provision.

TITLE IX—COMMUNITY DEVELOPMENT AND MISCELLANEOUS PROGRAMS

Subtitle A—Community Development and Neighborhood Development and Preservation

Authorizations. The House amendment would authorize $3,241,700,000 for CDBG in Fiscal Year 1991. The Senate bill would authorize $3,031,700,000 for Fiscal Year 1991 and $3,154,000,000 for Fiscal Year 1992. The conference report would authorize $3,137,000,000 for Fiscal Year 1991 and $3,272,000,000 for Fiscal Year 1992 and contains the House set-asides under the CDBG program for Fiscal Years 1991 and 1992, but authorizes $6.5 million in Fiscal Years 1991 and 1992 for historically black colleges.

The Senate bill contained a provision that would authorize grants from amounts appropriated for units of general local government in North Dakota for public services provided with respect to Indian housing. The conference report contains the Senate provision.

CDBG Targeting. The House amendment contained a provision not included in the Senate bill that would change CDBG low and moderate income targeting requirements from 60 percent to 75 percent. The conference report contains the House provision with an amendment to change 75 percent to 70 percent. The conferees understand that the targeting requirement is achieved by the aggregate over a three-year period.

CDBG Classifications and Allocations

City/County classifications. The House amendment contained provisions that would permit metropolitan cities and urban counties to retain their CDBG classifications if they have been so classified for at least 2 years. The Senate bill contained a similar provision for metropolitan cities and urban counties to retain their classifications. The conference report contains the House provision.

Allocation in cases of annexation. The House amendment contained a provision that would provide for a growth lag adjustment in cases of annexation. It would be effective for all CDBG allocations after enactment. The Senate bill contained a provision which was similar but would be subject to appropriations and would only be effective for three years after annexation. The conference report contains the House provision.

Housing assistance plan. The House amendment contained a provision not included in the Senate bill that would amend housing assistance plans to require that such plans recognize the housing needs of families who are participating in self-sufficiency programs. The conference report does not contain the House provision.

Community development plans. The House amendment contained a provision not included in the Senate bill that would establish the findings and purposes of the community development plans. The House amendment would also require grant recipients to submit a priority list of anticipated community development needs. These provisions would be applicable to any amounts received under Section 106 of the Housing and Community Development Act of 1974 after the expiration of the 6-month period beginning on the date of the enactment. The conference report contains the House provision with an amendment to simplify the requirements so that communities would be required to assess community development needs and identify the strategies

that they would undertake to satisfy those needs and to delete the computerized list. Limitation on CDBG entitlement funding must have a strategy.

Civil rights demonstration policies. The Senate bill contained a provision not included in the House amendment that would require HUD to withhold funds from CDBG grantees which have not adopted and will not enforce a policy prohibiting use of excessive force by law enforcement agencies against non-violent civil rights demonstrators or fails to adopt and enforce state and local laws against barring entrance to a facility which is the subject of a demonstration. The conference report contains the Senate provision.

Public services funding limit for nonentitlement communities. The Senate bill contained a provision not included in the House amendment that would apply a 15% cap on public services funding to nonentitlement communities on a statewide basis. The conference report contains the Senate provision.

CDBG Eligible Activities. The House amendment contained a provision that would amend the provision for assistance to nonprofits for economic development activities by requiring that such projects minimize, to the extent practicable, displacement of existing businesses and jobs and by defining such projects as those that: create or retain jobs for low and moderate income persons; create or retain businesses owned by community residents; assist businesses that provide goods or services needed by and affordable to low and moderate income residents; or provide technical assistance to promote such activities. The Senate bill contained a similar provision that added technical assistance to nonprofits to increase capacity to carry out neighborhood revitalization or community economic development as an eligible activity. The conference report contains the both the Senate and the House provisions.

The House amendment also contained a provision, not contained in the Senate bill, to add as an eligible activity the provision of direct assistance to facilitate and expand homeownership of persons of low and moderate income including interest rate subsidies, financing, for the acquisition of owner occupied housing, purchase of guarantees for mortgage financing obtained by low and moderate income homebuyers, and the payment of 50% of any required downpayments and reasonable closing costs. Homeownership assistance would not be considered public services for purposes of the 15% cap on the use of CDBG funds for public services. The conference report allowed direct homeownership assistance under the CDBG program for two years. The Secretary would be authorized to allow homeownership assistance under CDBG for a third year if deemed appropriate. The conferees intend that as soon as finds are available for homeownership activities under HOME, homeownership assistance would no longer be an eligible activity under the CDBG program.

Lump sum payments. The House amendment contained a provision not included in the Senate bill that would reinstate authority of local governments to receive lump sum payments under Section 104(h) of the 1974 Housing and Community Development Act. The conference report contains the House provision.

Community development loan guarantees

Purpose/Objectives. The House amendment contained a provision not included in the Senate bill that would establish the purposes and objectives of the loan guarantees. The conference report contains the House provision with an amendment to delete references to housing construction.

Guarantee of loans issued by nonentitlement communities and territories. The House amendment contained a provision not included in the Senate bill that would expand Section 108 CDBG loan guarantee authority to include nonentitlement communities; allow states to assist nonentitlement communities in the submission of applications for guarantees; and allow states to pledge CDBG funds for the repayment of notes issued by non-entitlement communities. The conference report contains the House provisions.

Guarantee of housing construction. The House amendment contained a provision not included in the Senate bill to expand section 108 authority to include guarantees for construction of low and moderate income housing. The conference report does not contain that provision. The conference report allows Sec. 108 loan guarantees for non-profit homeownership new construction as long as the non-profit is the a recipient of a HODAG grant or a Nehemiah grant.

Loan repayment period. The House amendment contained a provision not included in the Senate bill that would extend loan repayment period for Section 108 loans up to 20 years. The conference report contains the House provision.

Amount of outstanding loan guarantees. The House amendment contained a provision not included in the Senate bill that would allow communities and states to borrow up to five times their CDBG allotment. The conference report contains the House provision.

Allocation of loan guarantees and limitation on amount guaranteed for each community. The House amendment contained a provision not included in the Senate bill that would provide for allocations of loan guarantees among eligible entities; 70% to metropolitan cities, urban counties, and Indian tribes and 30% for nonentitlement areas. The Secretary could waive if absence of qualified applicants or proposed activities. Establishes a limitation per community for such guarantees at $25,000,000 for each metropolitan city, urban county or Indian tribe and at $5,000,000 of non-entitlement communities, in any single year. Permits the Secretary to assist the issuer of a note or other obligation guaranteed under Section 108 in the payment of all or a portion of the principal and interest amount due under the note or other obligation, if the Secretary determines that the issuer is unable to pay the amount because of circumstances of extreme hardship beyond the control of the issuer. The conference report contains the House provision with an amendment that upon using 50% of the Section 108 loan authority, the Secretary must report to Congress and has the discretion to ask Congress to raise the ceiling and to impose a cap of $35 million for entitlement communities and $7 million for nonentitlement communities.

Training and information. The House amendment contained a provision not included in the Senate bill that would authorize the Secretary in cooperation with eligible public entities to carry out training and information activities with respect to the guarantee program. The conference report contains the House provision.

Reports/Regulations. The House amendment contained a provision not included in the Senate bill that would require the Secretary to submit annual reports to Congress and to issue final regulations within 180 days of enactment. The conference report contains the House provision.

Hawaiian homelands. The House amendment contained a provision that would exempt the provision of assistance to Hawaiian homelands from the nondiscrimination provisions of Section 109 of the Housing and Community Development Act of 1974 and the requirements of Section 104(b) of such act, including the moderate and low income requirements. The Senate bill contained a similar provision which only exempts such assistance from the prohibition on racial discrimination. The conference report contains the Senate provision.

Prohibition of discrimination on the basis of religion in CDBG programs. The House amendment contained a provision not included in the Senate bill that would expand the anti-discrimination provision in the CDBG program to include discrimination on the basis of religion or religious affiliation. The conference report contains the House provision.

Indian CDBG. The House amendment contained a provision not included in the Senate bill that would make technical corrections regarding CDBG for Indian Tribes and would authorize the Secretary to reserve not more than 1% of the amounts allocated for CDBG in any year to Indian Tribe Funds to be made available on a competitive basis. The conference report contains the House provision with an amendment requiring a 1% set-aside of funds.

Colonias. The House amendment contained a provision not included in the Senate bill that would require the states of Arizona, California, New Mexico, and Texas to set aside 10% of their CDBG funds in the first fiscal year, and a percentage not to exceed 10% for each of the succeeding fiscal years, for activities designed to meet the needs of the residents of colonias relating to water, sewage, and housing. The conference report contains the House provision.

Urban homesteading. The House amendment contained a provision not included in the Senate bill that would authorize the Secretary to acquire from the Resolution Trust Corporation eligible single family properties (as such term is defined in Section 21A(c)(9)(F) of the Federal Home Loan Bank Act), in bulk for use in connection with urban homesteading programs. The Senate bill contained a provision to terminate authority to issue grants under the Urban homesteading program on October 1, 1990. The conference report contains the House provision, but terminates the Urban Homesteading program on Oct. 1, 1991.

Section 312 rehabilitation program. The House amendment contained a provision not included in the Senate bill that would prohibit the use of Section 312 rehabilitation loan funds for purposes other than those under Section 312. Extends program to September 30, 1991 and permits use of Section 312 loan commitments to the extent provided in Appropriation acts for Fiscal Year 1990 and 1991. Prohibits non-residential use of Section 312 funds and limits multifamily use to 50% of appropriations. The Senate bill contained a provision which would terminate the program as of October 1, 1991. The conference report contains the Senate provision.

Neighborhood reinvestment corporation. The House amendment contained a provision not included in the Senate bill that would authorize congressional findings regarding the role, function and purposes of

the Neighborhood Reinvestment Corporation and would establish authorization of $50 million for Fiscal Year 1991 and specify eligible uses of funds. The House amendment also contained a provision not included in the Senate bill that would require Neighborhood Reinvestment Corporation to conduct a study of development activities for expanding affordable housing opportunities within lands held for Indian tribes. The House amendment also contained a provision that would require the Neighborhood Reinvestment Corporation to study and report to Congress on the effect of and demand for training, supervision, and counseling through the Neighborhood Housing Services program and the effect of "sweat equity" on mortgages for lower income families. The Senate bill would establish a sweat equity model program under HOP which provides grants to public and private nonprofits and community groups to provide technical assistance and supervision to low income and very low income families, including assistance in acquiring, rehabilitating and constructing housing by the self-help method. The Senate bill reauthorized the neighborhood reinvestment program but made no changes in purposes, or tasks. The conference report contains the House provisions with an amendment to delete the Indian housing study.

The House amendment authorized $50 million for the Neighborhood Reinvestment Corporation in Fiscal Year 1991. The Senate bill authorized $28 million for each of fiscal years 1991, 1992, and 1993. The conference report would authorize $35 million in Fiscal Year 91 and $36.5 million in Fiscal Year 92.

Neighborhood development demonstration. The House amendment contained a provision that would authorize $2,000,000 for Fiscal Year 1991 from amounts authorized for the CDBG program for grants under the Neighborhood Development Demonstration program. The Senate bill would authorize Neighborhood Development Demonstration program at $2,000,000 for Fiscal Years 1991, 1992 and 1993. The conference report contains the House provision.

Use of urban renewal land disposition proceeds and public facility funds. The House amendment contained a provision not included in the Senate bill that would permit the cities of Nanticoke, the Borough of Plymouth and the Borough of Forty Fort all in Luzerne County, Pennsylvania; Vallejo, California; New Haven, Connecticut; Lebanon, Pennsylvania; East Stroudsburg, Pennsylvania; Newburyport, Massachusetts and Malden, Massachusetts to retain certain urban renewal funds and use such funds under the Community Development Block Grant program. The provision would require the forgiveness of an indebtedness of Fairmont Heights, Maryland. The conference report contains the House provision with an amendment to include several additional communities.

Study of availability of housing proximate to places of employment. The House amendment contained a provision not included in the Senate bill that would require HUD to conduct a study regarding the availability of housing close to places of employment and require HUD to report to Congress on the results of the study within 1 year of enactment. The conference report contains the House provision.

Community development corporation grants in enterprise zones. The House amendment contained a provision not included in the Senate bill that would authorize the Secretary to make grants to community development corporations sponsored by a bank or a thrift, by a non bank economic development corporation or by residents of a distressed city or county to assist in reducing the interest rate on loans for economic development activities. The conference report does not contain the House provision.

CDBG sanctions. The Senate bill contained a provision not included in the House amendment that would authorize the Secretary to adjust, reduce, withhold or withdraw CDBG funds if, after a hearing, the Secretary determines that the community is continuing to fail to satisfy published standards. The conference report does not contain the Senate provision. The Conferees do not intend to prejudice ongoing litigation.

CDBG allocation formula review. The Senate bill contained a provision not included in the House amendment that would require HUD Secretary to review the allocation formula for CDBG as to the adequacy, effectiveness and equity of the factors and weights used in the formula. The conference report contains the Senate provision.

Study on turning drug zones into opportunity zones. The Senate bill contained a provision not included in the House amendment that would require HUD, within 90 days from the enactment date, to conduct a study and report to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Banking, Finance, and Urban Affairs, on ways in which areas ravaged by drug trade, drug related crime and drug abuse may be made more attractive as investment locations for companies, including the provision of special incentives to encourage companies to invest in these areas, in order to provide economic opportunity within communities to the residents of these communities. The conference report contains the Senate provision with an amendment to strike the sentence soliciting recommendations on "how areas that would qualify for benefits as an enterprise zone might receive additional benefits if they met criteria demonstrating that the community suffered from acute drug and related crime".

Study on enterprise zones. The Senate bill contained a provision not included in the House amendment that would require HUD to conduct a study on the feasibility of establishing a national volunteer corps made up of representatives from the business and labor communities who would provide management expertise or technical assistance to businesses or non profits located in designated enterprise zones. The conference report does not contain the Senate provision.

Subtitle B—Disaster relief

The House amendment contained a provision not included in the Senate bill that provided disaster relief as follows:

Section 8 certificates, vouchers, and moderate rehabilitation assistance.

Budget authority would be authorized for Section 8 Certificates, Vouchers, and Moderate Rehabilitation Assistance for individuals and families whose housing has been damaged or destroyed as a result of a major disaster which has been declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Secretary would be required, in implementing this section, to evaluate the natural hazards to which any permanent replacement housing is exposed and take appropriate action to mitigate these hazards.

CDBG and UDAG assistance. The Secretary would be authorized to make available recaptured CDBG assistance, that becomes available under Section 104(e) or 111 of the 1974 Housing Act, and recaptured UDAG amounts from previous grants, to metropolitan cities and urban counties located or partially located in areas affected by a major disaster declared by the President under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. The Secretary would be required, in using recaptured CDBG and UDAG funds, to give priority to providing emergency assistance to metropolitan cities and counties in disaster affected areas. The Secretary would be authorized to provide assistance only to the extent necessary to meet emergency community or urban development needs as determined by HUD that are not met with the Robert T. Stafford Disaster Assistance or any other assistance. Such funds could only be used for CDBG or UDAG eligible activities and requires HUD to evaluate the natural hazards to which any permanent replacement housing is exposed and take appropriate action to mitigate such hazards. The Secretary would be required to provide applications for such recaptured CDBG and UDAG assistance and authorizes eligible cities and counties to receive such assistance in the 3-year period following the date that the disaster is declared. These provisions could not be construed to require HUD to reserve recaptured CDBG or UDAG assistance if when such amounts are to be reallocated, no metropolitan city or urban county qualifies for assistance.

Rural housing. The Agriculture Secretary would be required to allocate rural housing assistance to the affected states for distribution to the counties designated as disaster areas, and to the contiguous counties. Provides allocations of assistance to be made in the 3-year period beginning on the declaration of the disaster. Assistance would be made to States based on the product of: (1) the sum of the official State estimate of the number of destroyed or seriously damaged dwelling units in disaster counties and contiguous counties within the eligible FmHA service area; and (2) 20% of the average cost of all assisted FmHA dwelling units assisted in the State in the last 3 years. This FmHA assistance would be required to be used for housing purposes and would require regulations to be issued to assure prompt and expeditious use of funds for the restoration of decent, safe, and sanitary housing within the affected disaster areas. The Agriculture Secretary would be required to evaluate the natural hazards to which any permanent replacement housing is exposed and take appropriate action to mitigate such hazards. Assistance would be required to be available to local governments and their agencies, local nonprofit organizations, agencies and corporations for the construction or rehabilitation of housing for agricultural employees and their families. The Agriculture Secretary would be authorized to waive the rural housing definition under Section 520 of the 1949 Housing Act as the Secretary considers appropriate with respect to this assistance and be authorized to advance such sums as may be necessary from the Rural Housing Insurance Fund for disaster assistance.

The conference report contains the House provision with an amendment to remove the provision making UDAG recaptures available for the purposes of this subtitle. The Committee has become aware that the cities and counties impacted by the October 17, 1990, Loma Prieta Earthquake face a serious threat of permanent loss of very low income

housing units if immediate financial assistance is not made available for the rehabilitation and replacement of very low income housing units rendered uninhabitable by the earthquake. The Committee strongly urges the Secretary to be allocated $25 million from the monies authorized to be retained by the Secretary under Section 104 of the HUD Reform Act as soon as possible after the beginning of fiscal year 1991 to the impacted counties in block grant form for the purpose of assisting the replacement and rehabilitation of very low income housing units damaged by the Loma Prieta earthquake.

Subtitle C—Regulatory Programs

Mortgage servicing transfer disclosure. The House amendment contained a provision that was not included in the Senate bill with respect to certain aspects of mortgage servicing transfer disclosure. The conference report contains the House provision amended to require the Secretary to develop a model disclosure statement that discloses that the person originating the loan has the capacity to service loans and the best available estimate of the percentage of all loans made by such person for which the servicing will be assigned, sold, or transferred. The conferees want to insure that mortgage borrowers are properly informed about and protected during the practice of the transfer, sale, and assignment of mortgage servicing and to achieve this objective by requiring proper disclosure at the time of mortgage application of past practices of the lender regarding the transfer, sale, or assignment of servicing on loans that the lender has originated for the past 3 years.

The provision concentrating on future practices by lenders regarding the sale or retention of mortgage servicing is intended to provide future borrower with a non-binding best-guess estimate of the likelihood of the future sale of mortgage servicing. The Conferees recognize that the sale of servicing is an important asset management tool for mortgage lenders, and the liquidity of servicing as an asset should not be limited by this provision. The disclosure form developed by HUD should make the non-binding nature of this information clear to borrowers so that they do not unduly rely upon future prognostications.

Disclosure by loan originator. The House amendment contained a provision that would require each person who makes a federally related mortgage loan to disclose to each person who applies for any such loan, at the time of application for the loan (1) whether the servicing of any such loan may be assigned, sold, or transferred; (2) for each of the 3 previous years the percentage of loans made by such person for which the servicing has been assigned, sold, or transferred, except that for any loan application during the 12-month period beginning on the date of enactment, the information disclosed may be for only the most recent calendar year completed, and for any loan application during the 12-month period beginning 1 year after the date of enactment, the information disclosed may be for the most recent 2 calendar years completed; (3) that the person originating the loan has the capacity to service loans and the best available estimate of the percentage (which need only be expressed as a range of possibilities) of all loans made by such person for which the servicing will be assigned, sold, or transferred during the 12-month period beginning upon the origination; and (4) if the person who makes the loan does not engage in the servicing of any federally related mortgage loans, that there is a present intent on the part of such person (at the time of such application), to assign, sell, or transfer the servicing of such loan.

The House amendment contained a provision that would also require the Secretary to develop a model disclosure statement that notifies the applicant that the best available estimate is a prediction, subject to change, and applies to all of the loan originations made by the lender and not the particular loan of the individual applicant. The conference report contains the House provision amended to require the Secretary to develop a statement disclosing that the person originating the loan has the capacity to service loans and the best available estimate of the percentage (which need only be expressed as a range of possibilities) of all loans made by such person for which the servicing will be assigned, sold, or transferred during the 12-month period beginning upon the origination. The conferees intend that the Secretary will assume the responsibility for disclosure of the best available estimate of servicing that the lender will transfer, sell, or assign in the year the borrower is making his application.

Signature of applicant. The House amendment contained a provision that would provide that no disclosure would be effective unless the disclosure is accompanied by a written statement signed by the applicant that provides that the applicant has read and understood the disclosure. The conference report contains the House provision.

Notice by transferor. The House amendment contained a provision that would provide that each servicer of a federally related mortgage loan would be required to notify the borrower in writing not less than 15 days before the effective date of such action unless the notice is provided at closing of any assignment, sale, or transfer of the servicing of the loan. The conference report contains the House provision amended to contain an effective date 60 days after the enactment of this Act.

The House amendment contained a provision that would require that notice be given not more than 30 days after the effective date of assignment, sale, or transfer of the servicing when (a) the termination of the contract for servicing is for cause; (b) there is a commencement of proceedings for bankruptcy of the servicer; or (c) there is a commencement of proceedings by the Federal Deposit Insurance Corporation (FDIC) or the Resolution Trust Corporation (RTC) for conservatorship or receivership of the servicer (or an entity by which the servicer is owned or controlled). The conference report contains the House provision and the conferees intend for the required notice by the transferor in the case of a "termination of a servicing contract for cause" to relate to an actual or anticipated failure to remit funds owing to the terminating party, to civil or criminal fraud which has caused or may cause financial loss to the terminating party or the borrower, to insolvency and bankruptcy and the appointment of a receiver for the servicer or any entity controlling the servicer, to any governmental action directed at the servicer or its personnel which would so adversely affect the servicer's ability to carry out its obligation under the servicing contract so as to cause financial loss to the terminating party or the borrower is servicing is not terminated immediately and to breaches of representations, warranties, or other contractual commitments which would cause financial loss to the terminating party or the borrower if servicing is not terminated immediately, while the statute exempts several government agencies and government sponsored enterprises from the requirement to notify the borrower prior to the sale, transfer, or assignment of servicing, this exemption is limited to those circumstances where the fiduciary responsibility of the agency or enterprise or the protection of the borrower requires its use should such circumstances arise, notification should be made as quickly as possible, and in any case not more than 30 days after the effective date of transfer, assignment, or sale.

Notice by transferee. The House amendment contained a provision that would require that each servicer to whom the servicing of any federally related mortgage loan is assigned, sold, or transferred would be required to notify the borrower in writing of any such assignment, sale, or transfer and that the notice would be required to be given to the borrower not more than 15 days after the effective date of transfer. The conference report contains the House provision amended to contain an effective date 60 days after enactment of this act.

Treatment of loan payments during transfer period. The House amendment contained a provision that would prohibit late fees from being imposed on the borrower during the 60-day period beginning on the effective date of transfer and no such payment could be treated as late for any other purposes, if the payment is received by the transferor servicer before the due date applicable to such payment. The conference report contains the House provision.

Duty of loan servicer to respond to borrower inquiries. The House amendment contained a provision that would require servicers that receive a qualified written request from the borrower for information relating to the servicing of such loan, to acknowledge in writing the receipt of the request within 20 days (excluding holidays and weekends) unless the action requested is taken within such period. The conference report contains the House provision.

Damages and costs. The House amendment contained a provision that would provide that failure to comply with the provisions of this section results in the following liability: (1) in the case of an individual action an amount equal to the sum of (a) any actual damages to the borrower as a result of the failure, and (b) any additional damages as the court could allow in the case of a pattern or practice of noncompliance with the requirements of this section, in an amount not to exceed $1,000; (2) in the case of a class action an amount equal to the sum of (a) any actual damages to each of the borrowers in the class as a result of the failure; and (b) any additional damages, as the court may allow, in the case of a pattern or practice of noncompliance with the requirements of this section in an amount not greater than $1,000 for each member of the class, except that the total amount of damages under this subparagraph in any class could not exceed the lesser of $500,000; or 1 percent of the net worth of the servicer; (3) the costs of the action and attorney fees. The conference report contains the House provision. In determining the amount of award in any class action, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of failure of compliance by the creditor, the resources of the creditor, the number of persons adversely affected, and the extent to which the creditor's failure of compliance was intentional.

Administration of Escrow Accounts. The House amendment contained a provision that would require services to pay taxes, insurance premiums, and other charges for which escrow payments are required in a timely manner. The conference report contains the House provision. The conferees intend for servicers to continue their current practice of making escrow payments even when borrowers' escrow accounts are less than the amount required to cover payments due.

Opportunity to cure. The House amendment contained a provision that would provide that a transferor or transferee servicer shall not be liable for failure to comply with any requirement under this section, if the servicer notifies the person concerned of the error within 60 days after discovering an error and before the commencement of an action and before the written notice of the error from the borrower and makes whatever adjustments are necessary in the appropriate account to ensure that the person will not be required to pay an amount in excess of any amount that the person otherwise would have paid. The conference report contains the House provision.

Preemption of state law. The House amendment contained a provision that would preempt conflicting state laws or requirements governing notice to a borrower at the time of application for a loan or transfer of the servicing of a loan.

The conference report contains the House provision.

Definitions. The House amendment contained a provision that would define "effective date of transfer" as the date on which the mortgage payment of a borrower is first due to the transferee servicer of a mortgage loan pursuant to the assignment, sale, or transfer of the servicing of the mortgage loan; define the term "servicer" as a person responsible for servicing of a loan (including the person who makes or holds a loan if that person also services the loan) but the term does not include the Federal Deposit Insurance Corporation or the Resolution Trust Corporation with respect to assets transferred pursuant to section 13(c) of the Federal Deposit Insurance Act or the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Resolution Trust Corporation, or the Federal Deposit Insurance Corporation in any case in which the assignment, sale, or transfer of the servicing of the mortgage loan is preceded by termination of the contract for servicing the loan for cause or commencement of proceedings for bankruptcy of the servicer.

Mortgage escrow accounts

Notice. The House amendment contained a provision that would require the servicer of any federally related mortgage loan to notify the borrower not less than annually of any shortage of funds in the escrow account. The Senate bill contains no similar provision. The conference report contains the House provision.

Statement. The House amendment contained a provision that would require any servicer that has established an escrow account in connection with a federally related mortgage loan to submit to the borrower a statement clearly itemizing the estimated taxes, insurance premiums, and other charges that are reasonably anticipated to be paid from the escrow account during the first 12 months after the establishment of the account and the anticipated dates of such payments and would provide that the required statement under subparagraph (a) shall be submitted to the borrower at closing with respect to the property for which the mortgage loan is made or not later than the expiration of the 45-day period beginning on the date of the establishment of the escrow account.

The House amendment contained a provision that would also provide that such statement could be incorporated in the uniform settlement statement required by the Real Estate Settlement Procedures Act and would require the Secretary to issue not later than the end of the 90-day period beginning on enactment, regulations prescribing any changes necessary to the uniform settlement statement.

The House amendment contained a provision that would also require any servicer of a federally related mortgage loan to submit annually to the borrower a statement which clearly itemizes the amount of the borrower's current monthly payment, the portion of the monthly payment being placed in the escrow account, the total amount paid into the escrow account during the period, the total amount paid out of the escrow account during the period for taxes, insurance premiums, and other charges (separately identified) and the balance in the escrow account at the conclusion of the period. The Senate bill contains no similar provision. The conference report contains the House provision. The initial statement may be submitted at any time after establishment of the account during the first 12 month period. After the initial statement, the servicer would have until 20 days after the conclusion of each 1-year period to submit an annual statement.

Penalties. The House amendment contained a provision that would provide that where a lender or escrow servicer fails to submit the required annual statement to a borrower, such a person is liable for civil penalty of $50 for each such failure, up to a maximum for all failures during any 12-month period of $100,000 and provide that if any failure is due to intentional disregard of the requirement to submit the statement, then the penalty for each failure shall be $100; and there is no aggregate limitation on liability. The Senate bill contains no similar provision. The conference report contains the House provision.

Manufactured housing construction and safety standards

The House amendment contained the following provisions which would revise the manufactured housing construction and safety standards. The Senate bill contained no similar provisions. The conference report does not contain the House provisions but contains an amendment to charter a commission to develop recommendations for modernizing the Manufactured Housing Construction and Safety Standards Act.

Statement of purpose. The House amendment contained a provision that would recognize the important role served by manufactured housing in meeting housing needs in the U.S. and would state that manufactured homes provide a vital source of affordable housing accessible to all Americans. The House amendment would declare that the purpose of this title is to ensure the availability of safe, quality, and affordable manufactured homes and would remove from the statement of purpose references to reduction of the number of personal injuries and deaths and the amount of insurance costs and property damage resulting from manufactured home accidents and references to improvement of quality and durability of manufactured homes.

Definitions. The House amendment contained a provision that would delete the definition of defect and add the term serious defect and the language would define serious defect as a defect in the performance, construction, compliance, or material of a manufactured home that constitutes a safety hazard.

The House amendment contained a provision that would delete from the definition of a manufactured home the requirement that such a home must be built on a permanent chassis.

The House amendment contained a provision that would redefine manufactured home safety as protection from the unreasonable risk of death or injury.

The House amendment contained a provision that would delete the term imminent safety hazard from the Act and adds safety hazard which would mean an unreasonable risk of death or severe personal injury that proximately is caused by (a) an error in design or assembly of the manufactured home by the manufacturer; or (b) the failure to comply with a Federal manufactured home construction and safety standard.

The House amendment contained a provision that would delete the requirement that the Secretary consult with the Consumer Product Safety Commission in establishing Federal manufactured home construction and safety standards and add the requirement that such standards be reasonable, practicable and stated in objective terms. The House amendment would qualify the requirement that such standards shall meet the highest standards of protection for the provision of safe, quality, and affordable manufactured homes.

The House amendment contained a provision that would expand the Secretary's current authority to amend or revoke any regulation relating to a Federal manufactured home construction or safety standard to include the authority to amend or revoke any regulation relating to a standard.

The House amendment contained a provision that would add the requirement that the Secretary consider (1) especially activities by the Consumer Product Safety Commission; and (2) the probable effect of a standard on the initial acquisition cost and post sale maintenance costs, and the need to provide safe, durable, and affordable housing in establishing standards.

The House amendment contained a provision that would require the Secretary to review such standards annually, including changes recommended by affected parties.

The House amendment contained a provision that would require the Secretary to establish by order a system to periodically issue interpretations of Federal manufactured home construction and safety standards that provides all parties directly affected with timely notice and opportunity for comment. The House amendment would require that in establishing such a system the Secretary would (1) provide a system that is practical and workable; (2) provide 2 separate systems for interpretations, which shall include one system for interpretations that have an industry-wide impact and one system for interpretations without an industry-wide impact that affect a single manufacturer; (3) provide an opportunity for comment on any interpretation of the standards that has an industry-wide impact, including the amendment or revocation of any interpretation; (4) provide for the expeditious adoption of industry-wide interpreta-

tions, with a reasonable period of time for industry to adjust, redesign, retool, or test when there is no significant controversy; (5) provide for rulemaking regarding any industry-wide interpretations for which the comments submitted clearly reveal a significant controversy; (6) provide for a compilation and indexing of all interpretations; and (7) review and publish the compilation and index annually.

Revisions to National Manufactured Home Advisory Council. The House amendment contained a provision that would reduce the number of members on the National Manufactured Home Advisory Council from 24 to 12 and require that the Secretary shall convene the Advisory Council periodically or when a majority of the Council requests a meeting.

Noncompliance with Standards. The House amendment contained a provision that would provide that where the Secretary finds that a manufactured home sold to a retailer does not conform to applicable construction and safety standards as a result of a manufacturing or design error, or that it contains a serious defect before sale of the home to the purchaser, then the manufacturer would immediately furnish the retailer with a replacement manufactured home or repurchase the manufactured home from the retailer at the price paid by the retailer. The House amendment would provide that, in the alternative, the manufacturer would be required at its own expense to furnish the retailer the part or parts or equipment necessary to correct such serious defect of failure to comply with an applicable manufactured home construction and safety standard.

Inspection procedures. The House amendment contained a provision that would require the Secretary to establish criteria for approval and certification of primary inspection agencies who could be private parties or State agencies and would require the primary inspection agencies to perform inspections of facilities of manufacturers and manufactured homes and to review the plans of manufacturers for conformity with these construction and safety standards. The House amendment would also require the Secretary to publish a list of all primary inspection agencies approved and certified under criteria established in this subsection.

The House amendment contained a provision that would require each manufacturer to select from the list of approved primary inspection agencies, a primary inspection agency with whom it will contract to review plans and conduct the inspections authorized under this title, except that in cases in which a State agency has been approved as the exclusive independent agency for the inspection of homes, the manufacturer must contract with such agency.

Notification and correction of serious defects. The House amendment contained a provision that would delete the requirement that every manufacturer of manufactured homes must furnish notification of any defect in any manufactured home produced by such manufacturer which he determines, in good faith, relates to a construction or safety standard or contains a defect which constitutes an imminent safety hazard to the purchaser of such manufactured home, within a reasonable time after such manufacturer has discovered such defect.

The House amendment contained a provision that would require each manufacturer of manufactured homes who determines in good faith that any manufactured home produced by the manufacturer contains a serious defect to furnish notification of the serious defect to the purchaser of the manufactured home within a reasonable time after the manufacturer has discovered the serious defect.

The conferees recognize the need to modernize the federal manufactured housing program, but wish to do so in a thorough, comprehensive manner with full consultation with a broad range of experts. The Commission would be comprised of representatives from the manufactured housing industry, consumer groups, manufactured homeowners associations, building codes experts and state or local officials. The Commission would also consult with state and local building codes regulators, modular housing industry representatives, labor unions, manufactured housing dealers, private and public third party inspection agencies and other interested parties. The Commission would consider the deletion of the permanent chassis in the definition of a manufactured home; examine the implications for state regulatory jurisdiction over modular housing; consider the need for additional standards applicable to manufactured housing including but not limited to construction, installation, transportation, thermal insulation, energy efficiency and fire safety; review the current system of inspections of manufactured housing and recommend improvements to the system; consider the need for independent financing of inspection agencies; and evaluate the impact of the manufactured housing insurance program on the actuarial soundness of FHA and GNMA and the impact that proposed changes to current law would have on HUD financing of these homes. The Commission would develop an action plan containing specific recommendations for regulatory and legislative revisions to modernize the National Manufactured Housing Construction and Safety Standards Act of 1974 which would form the basis for legislation next year.

Energy Assessment Report. The House amendment contained a provision that would require the Secretary to submit a report to Congress on at least an annual basis assessing the status of the energy efficiency of and energy use by housing in the U.S. The conference report contains the House provision amended to require the Secretary to submit a report to Congress not later than one year after the date of this Act's enactment which assesses any activity undertaken by the Secretary to increase energy efficiency in housing and would provide that this report is not intended to duplicate any activities or reports by the Department of Energy. The conferees intend that this report should include activity on the August 15, 1990, Department of Energy program to expand energy efficiency and increase affordability of the nation's federally-aided housing. The Secretary of HUD in consultation with the Secretary of the Department of Energy shall establish and include a description of a standard measure by which changes over time in residential energy efficiency may be compared in the first annual report submitted under this subsection.

5-year Energy Efficiency Plan. The House amendment contained a provision that was not included in the Senate bill that would require the Secretary to establish a plan for activities to be undertaken and policies to be adopted by the Secretary within the 5-year period beginning upon the plan's submission to Congress to provide for, encourage, and improve energy efficiency in newly constructed, rehabilitated, and existing housing. The conference report contains the House provision.

Uniform Mortgage Financing Plan For Energy Efficiency. The House amendment contained a provision to require the following entities—of HUD, the FHA mortgage insurance programs, of the Agriculture Department, the Farmers Home Administration mortgage loan and mortgage insurance programs, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage National Mortgage Association, the Department of Veterans Affairs—to submit to Congress a report containing a recommendation for uniform policy relating to their mortgage programs. The HUD Secretary in consultation with the Energy Secretary would be required to monitor the development of the uniform policy recommendation and consult with the appropriate Federal entities. The Senate bill would require the Secretary to consult with the Secretary of Energy to promulgate a uniform plan for mortgage financing incentives for energy efficiency. The conference report contains the Senate provision amended to require the participation of all the entities in the House provision except for the Veterans Affairs Department.

Report on seismic safety property standards. The House amendment contained a provision that was not included in the Senate bill that would require the Secretary to assess the risk of earthquake-related damage to properties assisted and to develop seismic safety standards for such properties. The conference report contains the House provision amended to clarify that the Secretary would not be prohibited from deferring to local building codes that meet the requirements of the seismic safety standards developed under this section. The conference report does not require that the standars take into consideration building types and risk exposure, including factors relating to new construction and existing structures, building materials, design criteria and construction practices used in the development of new and existing structures.

Subtitle D—Miscellaneous Programs

HUD research and development. The House amendment contained a provision that would require the Secretary to include, in each annual report under Section 8 of the Department of Housing and Urban Development Act, a statement of HUD's research and development activities and findings, including a statement of the amounts and use of funds expended by the Secretary for such purposes. The House amendment would authorize $21,243,000 for FY 1991. The Senate bill contained a provision that would authorize $21,200,000 for FY 1991, $22,100,000 for FY 1992, and $23,000,000 for FY 1993. The conference report contains a provision authorizing $21,200,000 for FY 1991 and $22,100,000 for FY 1992. The conference report also requires that the Secretary submit to Congress a report listing and describing the various research activities, studies, testing, and demonstration programs relating to the mission and programs of the Department that are being conducted.

National Institute of Building Sciences. The House amendment contained a provision that was not included in the Senate bill which would authorize to be appropriated $512,000 for each of the fiscal years 1991 and 1992 for the National Institute of Building Sciences. The conference report contains the House provision amended to pro-

vide an authorization of $534,000 for FY 1992.

Advanced building technology program. Federal Government Cooperative Program with the Advanced Building Consortium. The Senate bill contained a provision not included in the House amendment that would establish the "Advanced Building Consortium" as a non-governmental entity to conduct research and take actions to facilitate and promote the use of new, cost-saving building technologies through various activities. The conference report contains the Senate provision with an amendment to establish a cooperative program between the federal government and a Council, within the National Institute of Building Sciences, representing leaders of the building industry to provide expertise on the introduction, use and evaluation of cost-saving building technologies in buildings owned and operated by the federal government. The conferees hope that the use of new technologies in federal buildings by state and local public agencies would facilitate their adoption by the private sector. These technologies would first be approved by the Council and would be guaranteed by the manufacturer.

The Council would analyze and evaluate building technologies applicable to whole buildings, building systems, components, and materials, design and construction processes, civil construction technologies and other relevant areas identified by the Council, on the basis of cost, resource conservation, environmental impact, function, security, regulatory needs of health, safety and welfare, user comfort, and aesthetics. To the extent possible, cost-saving technologies which can be applied to the housing industry shall be given highest priority.

In order to make housing in America more affordable, the building industry must begin to reexamine both the materials and techniques used in building construction. The unique characteristics of the building industry which is highly diversified and consists primarily of small businesses, make it difficult, however, for designers, architects, contractors, and other building specialists to assume the risks associated with developing and implementing new innovative building technologies. Although the federal government currently supports research and development of technologies that could be applied to buildings, no mechanism exists to facilitate the acceptance of the new technologies and their absorption into the private market. Federal construction and renovation projects can benefit by implementing the cost-saving technologies and can facilitate the introduction of the technology to the private housing construction market.

It is of critical importance to the effectiveness of this program that those federal agencies which construct, renovate, and operate buildings are able and willing to participate in using these new technologies. In most cases, the new technology recommended by the Council for use in the federal buildings would be produced by only a single manufacturer. It is the conferees' understanding that, in light of the priority this legislation creates for agency utilization of the new technologies, the existing sole source and related procurement regulations will apply in these instances so that the agencies will have no difficulty using the recommended new technologies in their projects. The conferees, therefore, found no need to include section 1105(c) of the Senate bill in the final legislation. If any regulatory difficulties hinder a federal agency's participation in the program, these difficulties and recommendations for overcoming them should be outlined in the Council's first annual report to Congress.

Although the Council is being established within the National Institute of Building Sciences, it is to operate as a separate program, with support and assistance from the Institute as needed. It is not the intent of the conferees for NIBS to review or alter the Advanced Building Technology Council's program. The Council will be appointed separately by the Secretary of HUD and no members of the NIBS Advisory Council may serve simultaneously on the Advanced Building Technology Council. The Institute, which shares a common goal of improving the construction of American buildings, shall assist the Council in its efforts to collect and disseminate information on building research, technology development, testing and evaluation of building techniques and technologies.

Fair housing initiatives program. The House amendment contained a provision that would authorize for grants under the fair housing initiatives program $6,000,000 for FY 1991, of which not more than $3,000,000 in each year would be for the private enforcement initiative demonstration. The House amendment would have also extended the program until September 30, 1991. The Senate bill contained a provision that would authorize $6,000,000 for FY 1991, $6,258,000 for FY 1992 and $6,527,000 for FY 1993. The conference report contains an authorization including any program evaluations of $6,000,000 for FY 1991 and $6,300,000 for FY 1992 of which not more than $3,000,000 in each year shall be for the private enforcement initiative demonstration. The program is extended until September 30, 1992.

Collection and maintenance of data regarding programs under HUD. The House amendment contained a provision that was not included in the Senate bill that would allow program evaluation and monitoring funds to be used for collecting and maintaining data on HUD programs and it would require that new homeownership and assisted housing programs authorized by this Act be subject to the program evaluation and monitoring provisions of the Department of HUD Act. The conference report contains the House provision.

Davis-Bacon exemption. The House amendment contained a provision that would exempt from Davis-Bacon Act requirements, volunteer laborers or mechanics working on projects financed by CDBG under the United States Housing Act of 1937 and on Section 202 projects. The Senate bill contained a provision that would allow but not require exemption from Davis-Bacon Act requirements for section 202 volunteers. The Senate bill did not specify when these would take effect nor whether the repayment of any wages would be required. The conference report contains the House provision amended to provide for a Davis-Bacon exemption under the community development block grant program when the individual receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and such persons are not otherwise employed at any time in the construction work. An exemption would be provided under public housing and section 8 assistance, when an individual receives no compensation or is paid expenses, reasonable benefits or a nominal fee to perform the services for which the individual volunteered.

The House amendment contained a provision that was not included in the Senate bill that would provide that the amendments made by this section apply to any volunteer services provided before, on, or after the enactment date of this Act, except that such amendments may not be construed to require the repayment of any wages paid before this Act's enactment date for services provided before such date. The conference report contains the House provision.

GAO study of Davis-Bacon applicability. The Senate bill contained a provision that was not included in the House amendment that would require the Comptroller General to carry out a study of the Davis-Bacon Act as it applies to Federal housing contracts. The Senate bill would have the Comptroller General consider (1) the original aims of the Davis-Bacon Act; (2) possible changes in the Davis-Bacon Act; (3) an analysis of the relevant construction industry labor market including geographic variations, skills, training, production, and quality of work product; (4) any productivity or quality differences between private and government sponsored construction; (5) the effects of the Davis-Bacon Act on Federal housing construction costs, construction quality, the local and national economy, and the ability to create low-income housing; and (6) the effects of business practices designed to avoid coverage of the Davis-Bacon Act. The conference report does not contain the Senate provision.

Eligibility under first-time homebuyer programs. The House amendment contained a provision that was not included in the Senate bill which would provide that no individual who is a displaced homemaker, or a single parent could be denied eligibility under any Federal program to assist first-time homebuyers on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse and the House amendment would define the term "displaced homemaker" as meaning an individual who (a) is an adult; (b) has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; (c)(i) has been dependent on public assistance or on the income of a spouse but is no longer supported by such income; or (ii) is a parent whose youngest dependent child will become ineligible to receive assistance under the AFDC program within 2 years after submission by the individual of an application under a Federal program to assist first-time homebuyers; and (d) is unemployed or underemployed and is experiencing difficulty in obtaining or up-grading employment. The House amendment contained a provision which would define the term "first-time homebuyer" as meaning an individual who has never, or has not during a specified time period, had any present ownership interest in a principal residence. The conference report contains the House provision amended to modify the definition of a first-time homebuyer.

Maximum annual limitation on rent increases. The House amendment contained a provision that was not included in the Senate bill that would prevent the Secretary from increasing the rent for any HUD assisted unit because of an increase in adjusted monthly income as a result of employment of a member of the family who was previously unemployed by more than 10% in each 12 month period during the 36-month period beginning upon such employ-

ment. The conference report does not contain the House provision.

Preferences for native Hawaiians on Hawaiian Homelands under HUD programs. The House amendment contained a provision that was not included in the Senate bill that would permit the Secretary to authorize preferences for native Hawaiians who seek occupancy in housing that is located on Hawaiian homelands and that is assisted under any housing assistance or mortgage insurance program administered by the Secretary. The conference report contains the House provision.

Waiver of matching funds requirement in Indian housing programs. The House amendment contained a provision that would authorize the Secretary to provide assistance under any housing program that provides assistance through an Indian housing authority without regard to any matching fund requirements, where an Indian housing authority has not received amounts for a fiscal year under title I of the 1974 Housing and Community Development Act and would provide that any assistance received from the Federal government by an Indian housing authority could be used by the Indian authority to fulfill any matching amount requirements under housing programs. The Senate bill contained a similar provision but would not provide that any available assistance received from the Federal Government by an Indian housing authority may be used by that housing authority to provide required matching funds under any housing program. The conference report contains the Senate provision.

Study of pension fund financing of housing. The Senate bill contained a provision that was not included in the House amendment that would require the Secretary to conduct a study of ways in which State and local pension funds can be used to finance construction of low and moderate income housing. The conference report contains the Senate provision.

Energy Efficiency Demonstration. The House amendment contained a provision that was not included in the Senate bill that would require the HUD Secretary to carry out a program to demonstrate various methods of improving the energy efficiency of existing housing and would authorize $2,000,000 in FY 1991 for such a demonstration. The conference report contains the House provision amended to allow the Secretary to use $2,000,000 of the amounts set aside under section 304(e) after funds have been made available for the purposes of section 304(e).

Joint venture for affordable housing. The House amendment contained a provision that was not included in the Senate bill that would require the Secretary to carry out a program to- (1) promote the development of information on affordable housing through reform of regulations, use of innovative construction and land planning techniques, and elimination of governmentally-imposed administrative restrictions inhibiting such development; and (2) study model growth communities, develop a database on building and regulatory innovations that reduce development costs, serve as a clearinghouse to share resource materials and ideas among joint venture partners, publicize through conferences, workshops, demonstrations, publications, and similar activities, methods of reducing construction costs through more effective and efficient planning, site development, and building procedures, examine the use of factory-built housing (including manufactured housing) as a means of achieving affordable housing, and coordinate the activities of the Secretary that encourage and promote the objectives of this subsection. The conference report does not contain the House provision.

Buy American. The House amendment contained a provision that was not included in the Senate bill that would provide that where the HUD Secretary or the Agriculture Secretary (as appropriate) determine (with the concurrence of the U.S. Trade Representative) that the public interest so desires, then the Secretary is authorized to award to a domestic firm a contract pursuant to any grant under this Act that would be awarded to a foreign firm if (1) the final product of the domestic firm will be completely assembled in the U.S.; (2) when completely assembled, not less than 51 percent of the final product of the domestic firm will be domestically produced; and (3) the difference between the bids submitted by the foreign and domestic firms is not more than 6 percent. In determining the public interest, the Secretary shall take into account U.S. international obligations and trade relations. The conference report does not contain the House provision.

Restrictions on contract awards. The House amendment contained a provision that was not included in the Senate bill that would prevent any person or enterprise operating under foreign law from entering into a contract or subcontract under this Act if that government unfairly maintains in government procurement a significant and persistent discrimination practice against U.S. products or services and this practice results in identifiable harm to U.S. businesses (as defined in section 305(g)(1)(a) of the 1979 Trade Agreement). The conference report does not contain the House provision.

Prohibition against fraudulent use of made in America labels. The House amendment contained a provision that was not included in the Senate bill that would require the HUD Secretary to declare any person ineligible to receive any Federal contract under this Act who intentionally affixes a label bearing a "Made in America" inscription to any product sold in or shipped to the U.S. that is not made in America. The conference report does not contain the House provision.

Health Care Refinancing Provisions of the Housing and Community Development Act of 1987. Section 223(f) of the National Housing Act has long recognized the strong public policy service by permitting much needed hospital facilities to reduce the costs of the national healthcare obligation through the refinancing of high interest rate debt obligations whether or not such obligations had previously been insured by the Department of Housing and Urban Development. In furtherance of such vital public health healthcare policy, on December 21, 1987, Congress amended (1) Subsections 223(f) and 223(f)(4)(d) of that section to permit nursing home, intermediate care and board and care facilities to qualify for such refinancing programs, and (2) Section 223(f)(4)(d) to eliminate certain technical provisions which had made such healthcare refinancing programs unworkable. Congress further provided that "the Secretary of Housing and Urban Development shall issue such regulations as may be necessary to carry out the amendment . . . by not later than the expiration of the 90-day period following the enactment of this Act." This amendment was signed by the President on February 5, 1988. Despite this clear statement of Congressional policy, the Committee is concerned that such implementing regulations have not yet been promulgated by the Department of Housing and Urban Development. It remains its policy that programs which reduce the costs of vital national healthcare services through interest rate reductions on insured or uninsured debt be recognized, and that the amendments enacted by the Housing and Community Development Act of 1987 be promptly implemented to accomplish these worthwhile objectives through issuance of appropriate regulations no later than the expiration of the 60-day period following the date of the enactment of this bill.

Study on Enterprise Zones Development Corps. The Senate bill contained a provision not included in the House amendment that would require HUD to conduct a study on the feasibility of establishing a national volunteer corps made to share management and development expertise with entrepreneurial businesses in enterprise zones. The conference report does not contain the Senate provision.

Supportive Services. The Senate bill contained a title not included in the House amendment that would provide supportive services to special needs populations in low income housing and distressed neighborhoods. This title included provisions from the Gateway bill, the Projects to Aid Transition from Homelessness bill, the Homeless Youth Demonstration Program and the Homelessness Prevention and Community Revitalization Act. The conference report does not contain the Senate title.

Depositor Protection and Anti-Fraud Act. The Senate bill contained provisions not included in the House amendment that would regulate certain marketing activities engaged in on the premises of Federally insured depository institutions. The conference report does not contain the Senate provisions.

General Provisions

Old-Age, Survivors and Disability Insurance. The Senate bill contained a provision not included in the House amendment that would make consideration of any bill dealing with the public debt, or amendment or conference report, subject to a Senate point of order if Congress has not acted make Social Security an off-budget item. The conference report does not contain the Senate provision.

Video Equipment Use in Detecting Persons Driving Under the Influence of Alcohol or Controlled Substance. The Senate bill contained a provision not included in the House amendment that would amend title 23, U.S. Code section 408(f) to provide for the acquisition of video equipment to be used in detecting persons driving under the influence of alcohol or a controlled substance and in effectively prosecuting those persons. The conference report does not contain the Senate provision.

TITLE X—COINAGE DESIGNS

The Senate bill contained provisions not included in the House amendment that would require the redesign of the reverse side of the half dollar, quarter, dime, nickel and penny. The redesigns would be phased in over 6 years. One or more coins could be selected for redesign at the same time, but the first redesigned coin would have to commemorate the 200th anniversary of the U.S. Constitution. Subsequent coins would be redesigned to represent themes from the Bill of Rights and the separation of powers. The likenesses of president's who are currently

represented on the obverse side of the coins would remain, but the likenesses could be redesigned. Current inscriptions on coins would not be affected. The designs would be selected by the Secretary of the Treasury after consultation with the U.S. Commission on Fine Arts. The conference report contains these provisions.

Expedited Funds Availability Amendment. The Senate bill contained a provision not included in the House amendment that would extend provisions of the Expedited Funds Availability Act through FY1994. The conference report contains the Senate provision with an amendment to make it a two year extension.

From the Committee on Banking, Finance and Urban Affairs:

HENRY GONZALEZ,
MARY ROSE OAKAR,
BRUCE F. VENTO,
CHARLES E. SCHUMER,
BARNEY FRANK,
ESTEBAN E. TORRES,
JOE KENNEDY,
JIM MCDERMOTT,
CHALMERS P. WYLIE,
MARGE ROUKEMA,
JOHN HILER,
TOM RIDGE,
STEVE BARTLETT,

From the Committee on Ways and Means, for consideration of sec. 110 of the Senate bill and modifications committed to conference:

DAN ROSTENKOWSKI,
SAM GIBBONS,
J.J. PICKLE,
PETE STARK,
ANDREW JACOBS, Jr.,
HAROLD FORD,
ED JENKINS,
TOM DOWNEY,
BILL ARCHER,
GUY VANDER JAGT,
PHIL CRANE,
BILL FRENZEL,
RICHARD T. SCHULZE,

From the Committee on Education and Labor, for consideration of secs. 1006 and 1008 and subtitles D through G of title XIII of the Senate bill and sec. 768 of the House amendment and modifications committed to conference:

AUGUSTUS F. HAWKINS,
WILLIAM D. FORD,
AUSTIN J. MURPHY,
DALE E. KILDEE,
PAT WILLIAMS,
M.G. MARTINEZ,
MAJOR R. OWENS,
TOM SAWYER,
BILL GOODLING,
TOM PETRI,
TOM TAUKE,
PETER SMITH,

From the Committee on Energy and Commerce, for consideration of title XIV of the Senate bill and modifications committed to conference:

JOHN D. DINGELL,
ED MARKEY,
AL SWIFT,
CARDISS COLLINS,
MIKE SYNAR,
BILLY TAUZIN,
RALPH M. HALL,
DENNIS E. ECKART,
NORMAN F. LENT,
MATT RINALDO,
CARLOS J. MOORHEAD,
DON RITTER,
TOM BLILEY,

Managers on the Part of the House.

From the Committee on Banking, Housing, and Urban Affairs:

DONALD RIEGLE,
ALAN CRANSTON,
PAUL SARBANES,
CHRISTOPHER DODD,
ALAN J. DIXON,
ALFONSE D'AMATO,
JOHN HEINZ,
CHRISTOPHER S. BOND,
CONNIE MACK,

Managers on the Part of the Senate.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GILMAN) to revise and extend their remarks and include extraneous material:)

Mrs. SAIKI, for 5 minutes, today.

Mr. BURTON of Indiana, for 60 minutes each day, on October 26 and 27.

Mr. LIVINGSTON, for 60 minutes each day, on October 24 and 25.

Mr. CONTE, for 60 minutes, on October 23.

Mr. BEREUTER, for 60 minutes each day, on October 24 and 25.

Mr. PORTER, for 60 minutes, on October 25.

Mr. RITTER, for 60 minutes, on October 22.

(The following Members (at the request of Mr. SCHUMER) to revise and extend their remarks and include extraneous material:)

Mr. ANNUNZIO, for 5 minutes, today.

Mr. STARK, for 5 minutes, today.

Mr. MFUME, for 60 minutes each day, on today and October 23.

Mr. HUCKABY, for 60 minutes each day, on October 24 and 25.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GILMAN) and to include extraneous material:)

Mr. RITTER.

Mr. ROWLAND of Connecticut

Mr. BEREUTER in two instances.

Mr. MOORHEAD.

Mr. PURSELL.

Mr. FIELDS.

Mr. RHODES.

Mr. HEFLEY.

Mr. MCEWEN.

Mr. GILMAN.

(The following Members (at the request of Mr. SCHUMER) and to include extraneous material:)

Mr. WISE.

Mr. LAFALCE.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. DORGAN of North Dakota.

Mr. KOLTER in two instances.

Mr. MRAZEK in two instances.

Mr. DOWNEY.

Mr. ROE in two instances.

Mr. CLAY.

Mr. JOHNSON of South Dakota.

Mr. PANETTA.

Mr. GUARINI.

Mr. WEISS.

Mr. OWENS of New York.

Mr. ROYBAL.

Mrs. LOWEY of New York.

Mr. MORRISON of Connecticut in four instances.

Mr. TORRES.

Mr. HERTEL.

Mr. THOMAS of Georgia.

Mrs. LLOYD.

Mr. VENTO.

SENATE BILL AND JOINT RESOLUTIONS REFERRED

A bill and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3225. An act to amend the State Department Basic Authorities Act of 1956 to provide for publication of a thorough, accurate, and reliable documentary record of major United States foreign policy activities through the "Foreign Relations of the United States" historical series of the Department of State; to the Committee on Foreign Affairs.

S.J. Res. 329. Joint resolution to designate the week of November 3, 1990, through November 10, 1990, as "National Week of Commemorate the Victims of The Famine in the Ukraine, 1932-1933", and to commemorate the Ukrainian famine of 1932-1933 and the policies of Russification to suppress Ukrainian identity; to the Committee on Post Office and Civil Service.

S.J. Res. 380. Joint resolution to designate February 14, 1991, as "Flag Wavers Day"; to the Committee on Post Office and Civil Service.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4111. An act to amend the Mining and Mineral Resources Research Institute Act of 1984, and for other purposes;

H.R. 4238. An act to amend the Public Health Service Act to extend various programs with respect to vaccine-preventable diseases;

H.R. 5144. An act to provide for the study of certain historical and cultural resources located in the city of Vancouver, Washington, and for other purposes;

H.R. 5367. An act to provide for the renegotiation of certain leases of the Seneca Nation, and for other purposes;

H.R. 5759. An act to amend the Age Discrimination in Employment Act of 1967 to

clarify the application of such Act to employee group health plans;

H.J. Res. 519. Joint resolution designating August 28, 1990, as "National Sarcoidosis Awareness Day";

H.J. Res. 520. Joint resolution granting the consent of Congress to amendments to the Washington Metropolitan Area Transit Regulation Compact; and

H.J. Res. 566. Joint resolution acknowledging the sacrifices that military families have made on behalf of the Nation and designating November 19, 1990, as "National Military Families Recognition Day."

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, bills and a joint resolution of the House of the following titles:

On October 19, 1990:

H.R. 4174. An act to establish comprehensive personnel system for employees of the Administrative Office of the United States Courts, and for other purposes;

H.R. 2961. An act for the relief of Sonanong Poonipat (Latch);

H.R. 4757. An act to provide for the extension of certain authority for the Marshal of the Supreme Court and the Supreme Court Police;

H.R. 5579. An act to amend section 28(w) of the Mineral Leasing Act, and for other purposes; and

H.J. Res. 677. An act making further continuing appropriations for the fiscal year 1991, and for other purposes.

ADJOURNMENT

Mr. SCHUMER. Madam Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 54 minutes p.m.) and under its previous order, the House adjourned until Tuesday, October 23, 1990, at 11 a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Mr. FORD of Michigan: Committee on Post Office and Civil Service. H.R. 5322. A bill amending certain provisions of title 5, United States Code, relating to the Senior Executive Service; with an amendment (Rept. 101-915). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee of conference. Conference report on S. 2830 (Rept. 101-916). Ordered to be printed.

Mr. FASCELL: Committee on Foreign Affairs. H.R. 5855. A bill to provide for the implementation of the foreign assistance provisions of the Enterprise for the Americas Initiative, and for other purposes (Rept. 101-917). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 5539. A bill to provide for the settlement of the water rights claims of the San Carlos Apache Tribe in Arizona, and for other purposes; with an amendment (Rept. 101-918). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONIOR: Committee on Rules. House Resolution 519. Resolution waiving certain points of order against motions to dispose of amendments reported in disagreement from the conference on H.R. 5021, a bill making appropriations for the Departments of Commerce, Justice, and State, the Judiciary and related agencies for the fiscal year ending September 30, 1991, and for other purposes (Rept. 101-919). Referred to the House Calendar.

Mr. DERRICK: Committee on Rules. House Resolution 520. Resolution waiving certain points of order against the conference report on S. 2830, a bill to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to ensure consumers an abundance of food and fiber at reasonable prices, and for other purposes, and against its consideration (Rept. 101-920). Referred to the House Calendar.

Mr. ASPIN: Committee on Armed Services. Report on allocation of budget totals under the concurrent resolution on the budget for fiscal year 1991 (Rept. 101-921). Referred to the Committee of the Whole House on the State of the Union.

Mr. GONZALEZ: Committee of conference. Conference report on S. 566 (Rept. 101-922). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself, Mr. GONZALEZ, Mr. WYLIE, Mr. CARPER, Mr. TORRES, Mr. HUBBARD, Mr. VENTO, Mr. KANJORSKI, and Mr. MCCOLLUM):

H.R. 5889. A bill to require the Federal depository institution regulatory agencies to take additional enforcement actions against depository institutions engaging in money laundering and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and the Judiciary.

By Mr. BRUCE:

H.R. 5890. A bill to amend title XIX of the Social Security Act to promote access to Medicaid services through outreach at hospitals and improvement in payment adjustments for disproportionate share hospitals, and for other purposes; to the Committee on Energy and Commerce.

By Mr. GONZALEZ:

H.R. 5891. A bill to provide additional funding for the Resolution Trust Corporation, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CROCKETT:

H.R. 5892. A bill to provide the implementation of the foreign assistance provisions of the Enterprise for the Americas Initiative, and to promote Caribbean regional development; to the Committee on Foreign Affairs.

By Mr. BARNARD:

H.R. 5893. A bill to provide that the Appraisal Subcommittee of the Federal Financial Institutions Examinations Council has the same status as the Council; jointly, to the Committees on Government Operations and Banking, Finance and Urban Affairs.

By Mr. FRANK:

H.R. 5894. A bill to provide the Small Business Act to establish a credit evaluation program to assist small business concerns located in States in which there is a shortage of credit in obtaining loans from financial institutions; to the Committee on Small Business.

By Mr. PALLONE:

H.R. 5895. A bill to authorize the Administrator of the Environmental Protection Agency to appoint a conservator to take over possession and control of the property and business of an ocean dumping company in certain instances in which the owner of such company intends to cease ocean dumping operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. RAHALL:

H.R. 5896. A bill to provide eligibility to members of the Selected Reserve who served in the Persian Gulf area in connection with Operation Desert Shield for benefits under the Veterans Home Loan Program; to the Committee on Veterans' Affairs.

By Mr. RANGEL:

H.R. 5897. A bill to establish a national commission to develop recommendations for the establishment of model programs of treatment for drug abuse, and for other purposes; to the Committee on Energy and Commerce.

By Mr. RITTER:

H.R. 5898. A bill to amend the Internal Revenue Code of 1986 to provide incentives for the purchase of long-term insurance, and for other purposes; jointly to the Committee on Ways and Means and Energy and Commerce.

By Mrs. SCHROEDER (for herself and Mrs. LLOYD:)

H.R. 5899. A bill to establish the authority for the regulation of mammography services and radiological equipment, and for other purposes; to the Committee on Energy and Commerce.

Ms. SNOWE (for herself and Mr. BRENNAN):

H.R. 5900. A bill to amend section 11122 of title 49, United States Code, relating to freight cars; to the Committee on Energy and Commerce.

By Mr. SOLOMON (for himself and Ms. MOLINARI):

H.R. 5901. A bill to terminate most-favored-nation treatment for the products of Iraq; to the Committee on Ways and Means.

By Mr. STARK:

H.R. 5902: A bill to impose economic sanctions against any foreign person that transfers nuclear items in violation of certain requirements of the Atomic Energy Act of 1954 and the Nuclear Nonproliferation Act of 1978, or that violates section 5 or 6 of the Export Administration Act of 1979, or section 38 of the Arms Export Control Act, with respect to items controlled under the Missile Technology Control Regime, and for other purposes; to the Committee on Ways and Means.

By Mr. VENTO (for himself, Mr. ANNUNZIO, Mr. KLECZKA, Mr. LEACH of Iowa, and Mr. LEHMAN of California):

H.R. 5903. A bill to impose a moratorium on conversions of savings associations to State savings banks; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WHITTEN:

H.J. Res. 678. Joint resolution making further continuing appropriations for the fiscal year 1991, and for other purposes; to the Committee on Appropriations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 1317: Mr. CLARKE.

H.R. 2269: Mr. BAKER.

H.R. 2870: Mr. KENNEDY.

H.R. 3129: Mr. BRUCE, Mr. CRAIG, Mr. KASTENMEIER, Mr. DONALD E. LUKENS, Mr. NEAL of North Carolina, Mr. OBERSTAR, Mrs. PATTERSON, Mr. SHUSTER, Mr. SKEEN, Mr. STAGGERS, and Mr. VANDER JAGT.

H.R. 3818: Mr. ENGEL, Mr. DELLUMS, and Mr. MINETA.

H.R. 3932: Mr. KENNEDY, Mr. BORSKI, and Mr. COLEMAN of Texas.

H.R. 4168: Mr. ENGEL, Mr. DELLUMS, and Mr. MINETA.

H.R. 4269: Mr. PAYNE of New Jersey, Mr. PORTER, and Mr. ENGEL.

H.R. 4475: Mr. CHANDLER.

H.R. 4506: Mr. MACHTLEY.

H.R. 4755: Mr. BAKER.

H.R. 5123: Mr. WILLIAMS and Mr. SUNDQUIST.

H.R. 5259: Mr. ENGEL.

H.R. 5262: Mr. STUDDS.

H.R. 5288: Mr. GILMAN.

H.R. 5348: Mr. GOSS, Mr. CHAPMAN, Ms. ROS-LEHTINEN, Mr. ENGEL, and Mr. LEWIS of Florida.

H.R. 5351: Mr. BAKER, Mr. DAVIS, Mr. HOUGHTON, and Mr. MOLLOHAN.

H.R. 5371: Mr. OXLEY, Mr. BUNNING, Mr. GEKAS, Mr. ROHRABACHER, Mr. KOLBE, Mr. GILMAN, Mr. SOLOMON, Mr. DORNAN of California, Mr. DONALD E. LUKENS, Mr. MICHEL, Mr. PETRI, Mr. VANDER JAGT, Mr. LENT, Mr. HUNTER, and Mr. SUNDQUIST.

H.R. 5377: Mr. BROWN of California, Mr. DREIER of California, and Mr. MRAZEK.

H.R. 5382: Mr. RICHARDSON and Mr. RAHALL.

H.R. 5392: Mr. ENGEL and Mr. SERRANO.

H.R. 5393: Mr. ENGEL and Mr. SERRANO.

H.R. 5411: Mr. TOWNS.

H.R. 5416: Mr. BALLENGER.

H.R. 5429: Mr. JOHNSON of South Dakota.

H.R. 5463: Mr. RAHALL.

H.R. 5464: Mr. ENGEL.

H.R. 5616: Mr. LANCASTER and Mr. SPENCE.

H.R. 5724: Mr. VALENTINE.

H.R. 5726: Mr. PAYNE of Virginia.

H.R. 5827: Mr. RINALDO.

H.R. 5846: Mr. TOWNS, Mrs. MARTIN of Illinois, Mr. FRANK, Mr. MACHTLEY, Mr. AUCOIN, Mr. MCDADE, Mr. GINGRICH, Mr. KOLTER, Mr. DENNY SMITH, Mr. CARDIN, Mr. STOKES, Mrs. COLLINS, Mr. FEIGHAN, Ms. KAPTUR, Mr. DEFAZIO, Mr. APPLEGATE, Mr. DURBIN, Mr. BRUCE, Mr. DORNAN of California, Mr. ROE, and Mr. DANNEMEYER.

H.R. 5860: Mr. PAYNE of New Jersey, Mr. ACKERMAN, and Mrs. COLLINS.

H.J. Res. 562: Mr. LANCASTER.

H.J. Res. 640: Mr. GALLO, Mr. HORTON, Mr. NEAL of Massachusetts, Mr. SAXTON, Mr. TOWNS, Mr. VANDER JAGT, Mr. WOLF, Mr. MOORHEAD, Mrs. MARTIN of Illinois, Mr. KASICH, Mrs. BENTLEY, Mr. SHAYS, Mr. DELAY, Mr. BEILENSON, Mr. BROWDER, Mr. STOKES, Mr. DYMALLY, Mr. FAUNTROY, Mrs. COLLINS, Mr. JONTZ, Mr. BRUCE, Mr. GEREN, Mrs. BYRON, and Mr. STENHOLM.

H.J. Res. 643: Mr. WALSH, Mr. LOWEY of New York, Mr. BLILEY, Mr. ACKERMAN, Mr. BOUCHER, Mr. SMITH of Florida, Mr. RHODES, Mr. LANCASTER, and Mr. JONTZ.

H.J. Res. 644: Mr. SAWYER, Mr. DELLUMS, Mr. STUMP, Mr. STARK, Mr. RICHARDSON, Mr. MACHTLEY, Mr. MATSUI, and Mr. KANJORSKI.

H.J. Res. 661: Mr. SAWYER, Mr. BUSTAMANTE, Mrs. BYRON, Mr. CARDIN, Mr. FUSTER, Mr. DE LUGO, Mr. FEIGHAN, Mr. SAXTON, Mr. COLEMAN of Texas, Mr. CONYERS, Mrs. KENNELLY, Mr. MAVROULES, Mr. RAVENEL, Mr. PAXON, Mr. WELDON, Mr. KANJORSKI, Mr. KLECZKA, Mr. CLEMENT, Mr. OWENS of Utah, Mr. NAGLE, Mr. KOSTMAYER, Mr. VENTO, Mrs. MORELLA, Mr. VANDER JAGT, Mr. APPLEGATE, Mr. VALENTINE, Mr. IRELAND, Mr. WALSH, and Mr. HAYES of Louisiana.

H.J. Res. 662: Mr. GREEN, Mr. MOAKLEY, Mr. FOGLIETTA, Mr. MANTON, Mr. MATSUI, Mr. GILMAN, Mr. WASHINGTON, and Mrs. COLLINS.

H.J. Res. 663: Mr. HILER, Mr. BEVILL, Mr. HORTON, Mr. BROWDER, Mr. BURTON of Indiana, Mr. RAHALL, Mr. BATES, Mrs. JOHNSON of Connecticut, Mr. MCNULTY, Mr. SISISKY, Mr. BUSTAMANTE, Mrs. PATTERSON, Mr. INHOFE, Mr. SYNAR, Mr. CARPER, Mr. HENRY, Mr. KASICH, Mr. MCDERMOTT, Mr. HUGHES, Mr. ERDREICH, Mr. RAVENEL, Mr. LIPINSKI, Mr. FROST, Mr. STALLINGS, Ms. KAPTUR, Mr. FUSTER, Mrs. COLLINS, Mr. LANTOS, Mr. CRAIG, Mrs. BOXER, Mr. HARRIS, Mr. GEREN of Texas, Mr. DICKS, Mr. LEVINE of California, Mr. DYMALLY, Mr. VISCLOSKY, Mr. SHARP, Mr. FISH, Mr. JONTZ, Mr. HAMILTON, Mrs. LOWEY of New York, Mr. MACHTLEY, Ms. OAKAR, Mr. MCCLOSKEY, Mr. TALLON, Mr. SMITH of Vermont, Mr. HOCHBRUECKNER, Mr. SPRATT, Mr. PETRI, Mr. DERRICK, Mr. DENNY SMITH, Mr. BROWN of California, Mr. OWENS of Utah, Mr. AUCOIN, Mr. SUNDQUIST, Mr. DEWINE, Mr. KASTENMEIER, Mr. MRAZEK, Mr. KLECZKA, Mr. NIELSON of Utah, Mr. LEACH of Iowa, Mr. HANSEN, Mr. LENT, Mr. MOODY, Mr. SPENCE, Mr. RUSSO, and Mr. MCCANDLESS.

H.J. Res. 674: Mr. OWENS of New York, Mrs. UNSOELD, Mr. ERDREICH, Mr. KOSTMAYER, Mr. HOAGLAND, Mr. CLAY, Mr. LEVIN of Michigan, Mr. EDWARDS of California, Mr. HOCHBRUECKNER, Mr. SERRANO, Mr. KENNEDY, Mr. WYDEN, Mr. LEWIS of Georgia, Ms. SLAUGHTER of New York, Mr. BILBRAY, Mr. MILLER of Washington, Mr. WILLIAMS, Mr. MANTON, Mr. BROWN of California, Mr. STOKES, and Mr. SKAGGS.

H. Con. Res. 91: Mrs. KENNELLY.

H. Con. Res. 151: Mr. OWENS of Utah.

H. Con. Res. 288: Mr. ENGEL.

H. Con. Res. 372: Mrs. COLLINS, Mr. SMITH of Florida, Mr. DURBIN, Mr. PANETTA, Mr. UDALL, and Mr. JACOBS.

H. Con. Res. 373: Mr. HAYES of Louisiana and Ms. KAPTUR.

H. Con. Res. 374: Mr. LIGHTFOOT, Mr. SMITH of Texas, and Mr. KOSTMAYER.

H. Con. Res. 382: Mr. FRANK, Mr. YATES, Mr. WEISS, Mr. BERMAN, Mr. ENGEL, Mr. GILMAN, Mr. FISH, Mr. FASCELL, Mr. YATRON, Mr. SOLARZ, Mr. WOLPE, Mr. DYMALLY, Mr. KOSTMAYER, Mr. UDALL, Mr. CLARKE, Mr. OWENS of Utah, Mr. FALEOMAVAEGA, Mr. BROOMFIELD, Mr. LAGOMARSINO, Mr. BURTON of Indiana, Mrs. MEYERS of Kansas, Mr. MILLER of Washington, Mr. DONALD E. LUKENS, Mr. HOUGHTON, Mr. GOSS, Ms. ROS-LEHTINEN, Mr. SAXTON, Mr. HILER, Mr. MCHUGH, Mr. GEJDENSON, Mr. FROST, Mr. PENNY, Mr. BEILENSON, Mrs. MORELLA, Mr. EVANS, Mr. LEHMAN of Florida, and Mrs. BOXER.

H. Res. 476: Mr. LAFALCE, Mr. FOGLIETTA, and Mrs. LOWEY of New York.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3484: Mr. MOODY.

EXTENSIONS OF REMARKS

TOWARD A GREATER UNDERSTANDING OF OUR NORTH AMERICAN NEIGHBOR: CANADA'S MEECH LAKE ACCORD

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. LaFALCE. Mr. Speaker, against the landscape of unprecedented global change with which we are confronted today, it is not difficult for U.S. policy-makers to oversimplify and overlook important changes occurring closer to home. Today, I would like to call attention to the "Meech Lake Accord", a little understood step in the constitutional development of Canada. The following address was delivered by Canada's Ambassador to the United States, D.H. Burney, to the Mid-Atlantic Club at the Carnegie Endowment for International Peace on October 3, 1990. The address gives Ambassador Burney's perspective on how the Meech Lake Accord originated and its significance in Canada's evolution.

Ambassador Burney's remarks provide us with the traditions, roots and circumstances unique to Canada, which make up much of the context necessary to view the Meech Lake Accord and this past year's events. I urge our colleagues to take note of it, that we may understand more fully the current challenges facing our North American neighbor.

CANADIAN CONSTITUTIONAL DEVELOPMENTS

(Address by D.H. Burney, Ambassador of Canada to the United States)

The topic you have invited me to address is a formidable one—both for the speaker and for the audience.

As a diplomat, I am, of course, mindful of the risk of interfering in the domestic affairs of my own country.

I am also aware of Harold MacMillan's observation that, in public utterances, a diplomat faces a cruel dilemma: Nothing he can say can do very much good, but almost anything he may say may do a great deal of harm. Anything he says that is not obvious may be dangerous; whatever is not risky may be trite.

So MacMillan said, a diplomat is forever poised between the cliche and the indiscretion.

With all of that in mind, I ask for your indulgence as well as your understanding whenever I venture too far either way.

As the topic suggests, I want to review with you today some recent constitutional developments in Canada, focussing on the fate of the "Meech Lake Accord". I would like to set into context that much maligned but little understood phrase—"Meech Lake", a lake named, incidentally after an American—Asa Meech, who came to Canada to escape the Civil War. So you see, it's really all your fault.

I want to explan how this accord originated, its significance in Canada's evolution, and the implications of its failure.

Let me start by offering a short course of the Canadian Constitution. You will be spared the excruciating details of the Quebec Act of 1774, the Act of Union of 1840 or the travails of the Fathers of Confederation which led up to the British North America Act of 1867. It was my privilege to learn these in high school. They need not be inflicted upon you.

Suffice it to say that Canada was born out of a sense of fragility and insecurity. Four North American colonies, under the British Crown were driven together in the 1860s, in the sea of the Pax Britannica, by fears of American Manifest destiny, and by the realization that Britain was further away and less eternal. The formative Canadian experiences were not the stuff of revolution and romantic legend. Our operative word was "pragmatism". The task was to negotiate, generally in smoked-filled rooms with ample supplies of Canadian beverages, a new political and economic framework for several different and disparate British North American colonies, each with its own history, culture and aspirations, but each seeking greater strength and prosperity through union.

The result of negotiations between 1864 and 1867 was a union of most of the British territories north of the American border, a union which was not, however, until 1931, a fully sovereign state.

It is significant that the expression of Canadian union, the British North America Act, speaks not of "life, liberty and the pursuit of happiness" but rather of "peace, order and good government" as the main objective. Sounds Canadian, eh!

The words "fragility", "insecurity" and "pragmatism" were the golden threads of Canadian history and literature for a half-century following confederation. One prominent Canadian historian, Professor Peter Waite, has summed up the mid-Nineteenth-Century Canadian paradox of building a nation in defiance of geography and in the face of the power and allure of our southern neighbour. Canada's people, he said, "have lived between a habitable, tractable south where, one might say, anything is possible, and an uninhabitable, intractable north where nothing is possible."

Modern technology has helped lower barriers to northern development, and Canadians are more self-confident economically and culturally. But Prof. Waite's words still hint at the essence of the Canadian challenge.

The most striking and—I would say—most enduring aspect of Canada's constitutional settlement of 1867 was the linguistic compact between French and English. To this day, nothing defines Canada more distinctively than its fundamental character as a blend of French and English, enriched from the outset by our aboriginal people, and subsequently by additions from virtually every other culture in the world. Our courts, our Federal structure, our constitution and, more recently our charter of rights, have been crafted and adapted to give maximum expression to the duality of our founding language groups and the diversity of our cultural heritage.

I will refrain from giving you my full ten-point description of how our history and development set Canadians apart from Americans. But keep in mind our pragmatic origins, our gradual evolution to independence—without the benefit of abrupt revolution or unity forged through Civil War—and our bilingual, multicultural roots. These contrasting roots, in turn, have led to differences in what Seymour Lipset has called Canada's "basic organizing principles". "Today [the United States and Canada] are both wealthy and democratic societies", he has written, "but they still march to a different drummer, as did the rebels and loyalists, the Whigs and the Tories, two centuries ago."

Professor Lipset's observation merits careful study, because understanding recent events in Canada requires some appreciation of its past, its political organization and—for want of a better phrase—its "political culture". Assessing its evolution on the basis of a short-term "snap-shot", or through the prism of American developments, is likely to produce errors of analysis or yield simplistic, even flawed judgments, about Canada's evolution and future.

Federalism was at the heart of Canadian constitutional settlement of 1867. But the constitution was imprecise and incomplete, another vestige of our pragmatism. The division of powers was intended, on the one hand, to create a strong Federal Government, a lesson derived in no small part by the ravages of the American Civil War and perceptions then of a relatively weak Federal power in Washington. It was designed, on the other hand, to leave to provincial authorities those matters central to the economic and especially cultural and linguistic aspirations of local or regional jurisdictions, notably but not exclusively in the predominantly and distinctively French province of Quebec.

In short, the Canadian Constitution was a balancing act—a compromise, in which its very imprecision gave it the flexibility to grow and evolve as the country matured. As Sir John A. MacDonald, our first prime minister, recognized at the outset of confederation, it would take time for the "gristle" of nationhood to "harden into bone".

It has even been said that Canadians carry concepts of balance to an extreme or that we believe compromise is a nonnegotiable demand.

In any event, challenges to the compromise which created Canada were almost immediate. Within a decade of confederation, Federal-provincial relations became a persistent theme of Canadian political debate. As a consequence Canadian students have been obliged to memorize the details and precedents of appeals to the privy council and the recommendations of royal commissions in search of the essence of Canada's past and our elusive identity.

I am reminded of the old but instructive story about the nationals of four different countries, each of whom is asked to invent a book title about an elephant. "Facile", replied the French national, it would be "the love life of the elephant". To the Englishman, "the elephant's role in the evolution of the British empire" sounded appropriate. The American was quick off the mark; he

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

chose "how to make a bigger and better elephant". But, for the Canadian, the choice was more revealing: his title: "the elephant: a Federal or provincial responsibility?"

At the risk of over-simplifying more than a century of federal-provincial relations in Canada, involving countless conferences, negotiations and court decisions, it is worth emphasizing that the dominant pattern is a series of cycles of confrontation and conciliation.

In the late 1930s, in the midst of the economic devastation of the Great Depression, the government appointed a royal commission to study Federal-provincial relations and place those relations on a new and sounder footing. The storm-clouds over confederation in that decade were ominous. Some commentators wondered aloud whether the country would still be united by the time the commissioners studied the problems and reported their recommendations.

Apocalyptic visions of Canada's demise were as wrong then as they are now. Virtually all federal states—The United States included—have tensions which are the product of geography, economics, language or culture. Without doubt there are permanent tensions in Canada. These are often exacerbated by the geography and linguistic duality of our large and sparsely settled country. But we work at alleviating and managing these tensions, channelling energies into constructive directions. Our Federal system, the product of our evolution, is designed to reconcile the national interest with the sometimes irreconcilable demands of regional interests. Institutions have been created to promote harmony, resolve conflict and mediate disputes.

The prime minister and the provincial premiers work at forging consensus on the issues in which all jurisdictions have a vital interest. And it is a measure of our pragmatism and commitment to solutions that these institutions and the values they reflect have continued to function normally and effectively. Also striking is the marked absence of violence or serious civil disorder, even in the midst of the most serious constitutional conflicts of the past few years.

All of this, in broad brush terms, brings us to the Meech Lake Accord. Where did it come from? What were its terms? And why did it fail?

Meech Lake had its origins in the constitutional settlement of 1982, which "patriated" the Canadian Constitution. In the 1980 to 1982 period amendments to Canada's Constitution negotiated by the then government and the provinces created a Canadian charter of rights and freedoms and arrived at a formula to enable us to amend our own constitution for the first time—rather than have the British parliament do it for us.

As significant as these achievements were, the constitutional settlement in 1982 was fundamentally flawed, because Quebec did not agree to this basic and essential reform. Although Quebec was subsequently bound in law by the Constitution Act, 1982, it remained, in a real political sense, outside of the Canadian Constitution. This was an anomaly that undermined the essential duality of the country.

It was to remedy this deficiency—to bring Quebec fully into the constitutional family—that the government began to negotiate with the provinces shortly after assuming office in 1984. In 1987, at a lakeside retreat north of Ottawa on the shores of Lake Meech, the Federal and provincial governments, including Quebec, reached unanimous agreement on a package of constitutional reforms.

They included:

Recognition of Quebec's distinct identity within Canada;

Modest Senate reform, specifically provincial involvement in appointments to the Senate;

An agreement on immigration policies and procedures;

Procedures relating to the involvement of provinces in the selection of appointments to the Supreme Court of Canada;

An agreement on the complex area of Federal-provincial, "shared-cost" programs;

Some revision of the amending formula for the constitution; and

A commitment to hold first ministers' conferences on an annual basis.

Most importantly, the prime minister and our ten premiers also agreed on a specific agenda for further constitutional reform, acknowledging the incomplete or evolutionary nature of the Meech Lake Accord.

The prime minister underscored this point last June when he noted that "it is clear to us that constitutional evolution is not a series of discreet steps but a fluid process". Meech Lake was intended to begin, rather than conclude, a process which might have seen a fairly fundamental revision of Canada's major political and legal institutions, including the Senate and the Supreme Court. It was one of the movements, certainly a crucial movement, in Canada's "unfinished constitutional symphony".

In the end, last June, the Meech Lake proposals failed. They foundered, in a technical sense, on the unanimity rule, when two provinces representing less than 6 percent of our population failed to pass the required authorization within the 3-year limit provided for its adoption.

In a political sense, the accord failed for other reasons. Some provincial governments had changed since the unanimous agreement of 1987. The accord had become a lightning rod for anti-government sentiment, much of which had little to do with the constitutional provisions of Meech Lake. The generosity of spirit and sense of compromise which was manifest in 1987 had given way to old tensions—regional, linguistic, and even racial. The Meech Lake Accord was a convenient target for renewed discord. The "behind closed-doors" nature of the process inspired criticism of yet another kind.

There was also the "what about me?" syndrome—a residual feeling that other topics, such as aboriginal rights or women's rights, had been insufficiently addressed in the Meech Lake deliberations. Ultimately, all of these elements doomed the accord.

What is perhaps most significant is that polls consistently suggested that the vast majority of Canadians did not understand the Accord. Ultimately, the magic of political compromise failed to persuade the audience at large.

To put it crudely, what had been intended as a process to "get Quebec in" to the constitutional family was portrayed as one which "give in to Quebec". You will appreciate the extent to which sentiments of that kind can be fuelled emotionally and politically.

There is little question that the immediate repercussions of the failure of the accord left scars. In Quebec, where the government had invested heavily in constitutional language designed to safeguard its unique cultural heritage, there was and is a profound sense of rejection. For the Prime Minister, who had championed the accord as a central plank of his re-election platform, it represented a major setback. In other regions and for other political leaders, there was a relapse and a sense of sourness reigniting tensions and pressures that are as old as our young country.

The demise of the Meech Lake Accord triggered a number of commentaries on Canada's future—with the usual mixture of informed analysis and rabid hysteria. The international media, to the extent that one can draw a definitive conclusion, scratched their collective heads, wondering what had become of the dull but peaceable kindgom that they had grown accustomed to ignoring. Those commentaries continue, some informed by serious scholarship and wise judgment, others by wishful thinking or outright panic.

We are too close now to the events of Meech Lake to assess their longer-term effects. In any event, I am a diplomat, not a seer. But part of my job is rational analysis, whether of events here in the United States or of the future of Europe and the Soviet Union. And there are, I think, at least two compelling factors which have to be assessed as we move towards a definitive assessment of Meech Lake in Canada's constitutional equation.

Recent commentators have failed to gauge the degree to which there is a "Canadian ethos" that binds the country together. I have already emphasized the strength of regionalism and local values in everyday Canadian life. But Canadians know their country, and they know each other. We seldom trumpet our successes, and we are all too prone to advertise our shortcomings. It is perhaps an irony of Canadian life that we seem at times to appreciate or respect our own country less than non-Canadians do. Nevertheless, the common experiences, shared values and established heritage of over a century of confederation constitute strong bonds. These values are the glue that holds the country together and inspire our youth, and which, ultimately, will determine the shape of the country over the next decade and more.

Secondly, the tradition of pragmatism cuts deep in Canada. Even in the darkest crisis or confronting the most serious obstacles, Canadians have seen the virtue of working together. Our economic fundamentals remain strong, and we have an undiminished potential for steady expansion into the 21st century. Building walls, as all of us know, will only stifle our capacity to respond aggressively, competitively, and confidently to changes now sweeping the globe. And, in recent months, there has been clear evidence of pragmatic federal-provincial cooperation which points in positive and constructive directions.

Obviously we are in for a period of deep introspection about the kind of Canada we want in the 21st century. But this examination, which has already begun in some regions, will go beyond constitutional arrangements and embrace symbols as well as fundamental tenets of what Professor Lipset described as our "basic organizing principles." What some here might call "the vision thing."

The search for a perfect solution, for the ideal, is the essence of democracy. We will settle for less, as all democracies do. But we will succeed patiently and pragmatically, reflecting the qualities of tolerance and compromise which distinguish our history in the northern half of this continent.

Canadians will have to decide whether the long-term vision and value of our country is more compelling than the short term allure

of regionalism or fragmentation. It is not a new debate nor a new challenge. It is of course difficult to blend the demands of competing internal pressures and to defend compromises which are the essence of federalism. It is relatively easy to retreat behind the attraction of slogans.

But the track record of Canada as it is, and as it has evolved, is an example of unparalleled success and achievement. It is more powerful and compelling than scenarios fraught with uncertainty and risk.

As one of our leading bankers said recently, "The more radical the option, the higher the price." I am confident that the vast majority of Canadians know that. They want their country to go on working. They recognize the value of a strong, united Canada, just as our neighbours do. They are not going to quit on their country; nor is the country going to succumb to those who want it to quit on itself.

It may be difficult to get the right perspective at a time when other, more powerful countries are experiencing much more radical and potentially explosive internal change and when there is also the threat elsewhere of a major international conflagration. The challenge for Canada pales against a landscape of unprecedented global change.

Nonetheless, I urge you to pay attention to what is happening on your northern border. After all, it is my principal task to urge just that. Above all, I ask you to maintain a healthy perspective about our situation, keeping in mind some of the roots and realities I have tried to share with you today.

REVELATIONS CONCERNING BRAZIL'S NUCLEAR WEAPONS PROGRAM

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. BEREUTER. Mr. Speaker, recently the world received the very disturbing information that Brazil for 15 years has been engaged in a secret nuclear weapons program. This revelation, which was announced by the new civilian President, Mr. Fernando Collor, should give this body pause for thought. Despite the progress toward deep reduction in United States and Soviet arsenals, nuclear proliferation remains a modern reality.

There is no reason that Brazil should have been pursuing the development of nuclear weapons. It is, after all, a signatory of the Treaty of Tlateloco, which bans nuclear weapons from all of Latin America. Brazil is a country with no external threat to its sovereignty. Yet for 15 years it has been developing its own nuclear weapons capability.

President Collor is to be commended for acknowledging and terminating this highly destabilizing program. But more needs to be done. As a recent editorial in the New York Times noted, President Collor can "do more by denying funds for the military's nuclear programs and by allowing international inspection of Brazil's reactors." For its part, the United States should use its diplomatic leverage to urge Brazil's ratification of the nuclear nonproliferation pact. The United States should also carefully review the sale of supercomputers and other products that could enhance Brazil's nuclear weapons development.

Mr. Speaker, this member would introduce into the record an editorial that appeared in the New York Times on October 18, 1990. I would commend this insightful editorial to my colleagues.

[From the New York Times, Oct. 18, 1990]

BRAZIL COMES CLEAN ABOUT ITS BOMB

Brazil's new civilian President, Fernando Collor, has moved courageously in recent weeks toward a noble goal: keeping Latin America free of nuclear weapons. He has publicly confirmed what many long suspected—that his country's military has been working secretly for 15 years to build an atomic bomb. He's prepared to ban exports of nuclear and missile technology. And he's called for a ban on nuclear tests, even for peaceful purposes, across Latin America.

These are helpful steps but he can do more by denying funds for the military's nuclear programs and by allowing international inspection of Brazil's reactors. The U.S. can help Mr. Collor nudge his fractious military along by suspending sales of supercomputers the military badly wants.

Brazil is not the only Latin country whose military has tried to build a bomb. Argentina is also suspect. The best way to reverse this ruinous course would be for both countries to sign the global treaty banning the spread of nuclear weapons. Brazil says that signing would infringe on its national sovereignty—even though 138 signatories don't see it that way. Indeed, some have found the treaty a useful way for elected officials to restore their sovereignty over a recalcitrant military.

Brazil would prefer to strengthen the verification provisions of the Treaty of Tlatelolco, which bars nuclear weapons from Latin America. And It's been talking to Argentina about mutual inspection of nuclear installations. Either arrangement will take time to negotiate. Meanwhile, to insure that the bomb-making stops, Brazil could open its reactors to International Atomic Energy Agency inspectors without signing the global treaty.

Neither Brazil nor Argentina faces the sort of security threats that have motivated states to acquire nuclear weapons. And their own regional rivalry has never led to hostilities. These conditions give Latin America a real chance to remain free of nuclear weapons. It's up to Mr. Collor and the rest of the region's leaders to grab that chance.

TEMPLE BETH DAVID ANNIVERSARY

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. MRAZEK. Mr. Speaker, I rise today to note the thirtieth anniversary of Temple Beth David of Commack, NY.

For three decades, Temple Beth David has been a vibrant spiritual center of the Jewish community on Long Island. In addition, thousands of people have enjoyed social, cultural, and educational programs at Temple Beth David.

Over the past 30 years, the congregants of Temple Beth David have been active in many worthwhile community and civic efforts earning them respect from many different segments of the community.

On October 12, 1990, Temple Beth David celebrated this great milestone with a service of Thanksgiving conducted by Rabbi Leonard B. Troupp and Cantor Audrey Halpern. Among those in attendance were Temple President Arleen Adelman, Rabbi Bernard Zlotowitz of the New York Federation of Reform Synagogues, former presidents and officers of the temple, elected officials, and religious leaders of many faiths.

Mr. Speaker, I was honored to have participated in this joyous celebration and, on behalf of my colleagues want to wish everyone associated with Temple Beth David the very best of success and good health for the future.

THE 90TH BIRTHDAY TRIBUTE TO SARA THALMANN

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. KOLTER. Mr. Speaker, I rise today before the U.S. House of Representatives to honor and pay very special tribute to Sara Thalmann of my 4th Congressional District of Pennsylvania on the extraordinary occasion of her 90th birthday.

Sara Thalmann was born to Catherine and John Schuster on November 2, 1900, in Transylvania. The desire to be in America brought her to Ellis Island in 1922, where she married John Thalmann—also a Transylvanian—at St. Paul's Lutheran Church in Ellwood city. The wedding was conducted by Rev. Ludwig Beisecker.

After several residences, Sara Thalmann settled in Ellwood City. Six children were born to her: John, who died at birth; William of Hermitage, who died in 1989; Martha Swaney of Rustic Park; Betty Thalmann at home; Robert of Ellwood City and Elsie Cerioni of Beaver Falls.

She also has eight grandchildren: Bill and John Thalmann, Sherry Hoza, Bryon and Bruce Thalmann, Edward Swaney, Marcy Mora and Mark Ceriani; and four great-grandchildren: June Thalmann, Emily, Jeffrey, and Daniel Hoza.

Sara has two living brothers: Andrew and John, still residing in Europe; and a brother George killed in World War I. Sara's only sister Kate died in Ellwood city.

Mrs. Thalmann's husband John died in 1960.

Sara is of the Lutheran faith and is a member of the Alliance of Transylvania Saxon Ladies Auxiliary.

Though Sara has never received any fancy awards or medals, her great accomplishments are her 90 years, her family and—most of all—the inspiration she provides to all who meet her and her family.

Mr. Speaker. I rise before the U.S. Congress to honor Sara Thalmann because her love, understanding, and good humor have made her an outstanding citizen of western Pennsylvania and the United States. Sara exemplifies the great family values and strength for which this Nation is known.

TRIBUTE TO UPPER SAUCON VOLUNTEER FIRE COMPANY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. RITTER. Mr. Speaker, I rise today to pay tribute to the volunteers of the Upper Saucon Township Volunteer Fire Co. and Ambulance Corps, in Center Valley PA, upon its building dedication.

As a resident of Upper Saucon Township, I and my family have been the beneficiaries of the dedication to service that the fire company and corps embody.

In the fall of 1974, the Upper Saucon Volunteer Fire Co. began to investigate the need for an ambulance service in this rapidly growing township. These enterprising individuals, Elmer Wagner, president of the fire company, and Gerard Cozzolino, chairman of the investigation committee, sought the advice of neighboring corps at Coopersburg, SeWyCo and Lower Milford as well as that of the Upper Saucon Police Department, thus beginning the labor of love that was to become known as the Upper Saucon Township Volunteer Fire Co. Ambulance Corps [USTVFCAC].

The first training school was started in September 1975 and was taught by American Red Cross Instructor Allen Brandis, a resident of the township. As the classes progressed so did negotiations for the purchase of the first vehicle. This ambulance was a 1972 Cadillac costing $7,500. The equipment needed to provide emergency care, extrication and transport of the injured, was purchased at an additional cost of $7,500.

At that time, training for the original 40 volunteers consisted of ARC Advanced First Aid and Emergency Care, Cardiopulmonary Resuscitation, and ambulance use courses. These members also served internships with the corps of Whitehall, Coopersburg, Dewey (Hellertown), and Northwestern. In January 1976, the first officers were elected. Allen Brandis was named captain, Francis "Nunnie" Munjone, first lieutenant, Larry Bleam, treasurer, Karen Brandis, secretary, and Gerard "Cozz" Cozzolino, historian. Cozz also served as chairman of the first subscription drive which began in January 1976 at a fee of $2 per family to offset the cost of purchasing the ambulance and equipment.

A graduation ceremony and dinner were held on March 27, 1975, for the newly formed ambulance corps. Dedication and vehicle housing took place on March 18, at the fire company building on Lanark Road. This was the official home of the ambulance corps until July 7, 1990. Carol LaHurd, chairperson of the Ambulance Dedication Committee, described this event as a "dedication program to solemnize the event and to emphasize the community orientation to the corps and its activities." The ambulance was housed by senior members of visiting sister corps, and on March 29, 1976, USTVFCAC was officially in service and, on that very day they received their first call. Nunni Munjone, Jack Moyer, Doug Guignet, and Archie DiGiacinto, Jr., were on board as the capable crew.

The corps continued to grow, and by 1978 they had thirteen EMT's as well as certified instructors in AFA, CPR, and vital signs. In October of that year an order was placed for a second vehicle, one of the newer modular-type units. This vehicle was received in July 1979. Totally equipped, this vehicle was valued at $42,000. The success of the corps at that time was attributed to the number of volunteers, fundraising activities, and the individual and service organization donations from the community.

In August 1979, USTVFCAC was awarded the Pennsylvania Department of Health Certificate of Excellence for meeting or exceeding the State standards, a certification which they continue to hold today.

During 1979, training sessions were held with members of Cetronia corps, and in 1980, service began. In 1983, they became incorporated as Upper Saucon Ambulance Corps [USAC].

USAC, as well as Coopersburg, Lower Milford, Salisbury, and SeWyCo, and the Emergency Medical Services Council, began investigation into the need of establishing a locally based paramedic unit. These corps were pleased to see their efforts prove fruitful when medic 5, station 76, was placed into service on August 1, 1984.

In 1985, an order was placed for a 1985 Ford F-350 type III modular unit to replace the original Cadillac. This unit built by Sentinal, remains in service today.

1987 was to bring about the beginning of many changes for the ambulance corps. With the construction of Interstate 78 and with associated growth changes in the valley, new training programs were instituted to help the corps better serve the community.

There is another special group which was formed in 1976. Mrs. Alma Radle, Mr. and Mrs. Calvin Hougendobler, and Mr. and Mrs. Bill Pospischil served the corps as day shift babysitters while mom or dad was on a call. As a result of the need for assistance in the functional duties of the corps, the Upper Saucon Ambulance Corps Associate members were formed. This group of dedicated individuals are very important as they assist the corps with fundraising activities and projects, make phone calls, help with clerical duties and computer work, maintain the ambulances, and continue to provide babysitting service.

By 1988, Upper Saucon ambulance would make plans to leave the sheltering arms of Upper Saucon Township Volunteer Fire Co. and build a separate station. Continued assistance, guidance and support of the fire company and ladies auxiliary certainly helped make these hopes and dreams come true. The location and plans were decided upon for the new headquarters on Campmeeting Road.

Increasing vehicular problems being encountered with the 1978 Yankee coach and new requirements for act 45 made it necessary to place an order in may 1990 for a new type III modular ambulance.

The progress the upper ambulance corp has made during the past 14 years has been possible through community support and donations from businesses, groups and individuals along with various fundraisers, building fund drives, and through the subscription program. Their goal to provide dedicated service to their neighbors and friends remains unchanged. Thus, the dedication of this facility and ambulance serves as a visible "Star of Life" in our community.

Mr. Speaker, please join me in saluting my neighbors and friends, the members of Upper Saucon Ambulance Corps. Each and every one of the members, as well as the community, can be rightfully proud of these accomplishments. I want to thank all the volunteers for their compassion, pioneering spirit, and dedication through the years—they have turned their dream into reality.

SALUTE TO JOE PESCI BY THE BELLEVILLE ITALIAN-AMERICAN CLUB

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. ROE. Mr. Speaker, it is with distinct pleasure that I rise today to pay tribute to a man of extraordinary talent whose exceptional acting abilities and unique style has established him as one of the elites in his profession. On October 27, the Belleville Italian-American Club will honor Joe Pesci at their annual dinner and dance, being held at the Wayne Manor in Wayne, NJ. This is the 24th year that the Italian-American Club has been active, performing important work in the community and maintaining a strong sense of cultural pride and heritage.

Clearly, Mr. Pesci is one of America's strongest and most sought after character actors and a fitting honoree for the Italian-American community in my Eighth Congressional District. Born in Newark, he attended school and grew up in Belleville where he often entertained audiences singing and playing guitar. His father started him on the road to acting early doing stage shows and plays in and around the New York-New Jersey area. At the age of 10 he was a regular on a channel 4 television show called "Star Time Kids," which featured another Belleville native, singer Connie Francis.

Over the past decade, Mr. Pesci has been a standout on the American movie scene, appearing in such films as "Raging Bull," "Easy Money," "Once Upon A Time In America," "Lethal Weapon II," and this year's widely acclaimed "Good Fellas." His performance in "Raging Bull" which many critics believe to be the best movie made in the last decade garnered him an Academy Award Nomination for Best Supporting Actor and won him awards from the New York Film Critics, the National Board of Review, and the American Film Society. His performance in "Lethal Weapon II" was also widely acclaimed and many believe his most recent role as Tommy DeVito in "Good Fellas" is his best work so far. Continuing his busy schedule, Mr. Pesci has several projects slated for the coming year, and I am sure all his fans look forward to seeing him again on the screen.

Mr. Speaker, it is obvious from his many accomplishments that Joe Pesci has come a long way since his days singing and playing guitar at Belleville High School. His success,

however, has not led him away from his home in New Jersey; his mother and sister still live in Bloomfield and he has maintained a residence in the Garden State. Mr. Pesci is a man of singular talent and ability. I join the Belleville Italian-American Club in extending our best wishes to Joe, his wife Marty, and daughter Tiffany. We are proud of his outstanding career and professionalism. He is truly one of Belleville's favorite sons and a credit to the city and the entire State of New Jersey.

Mr. Speaker, I am pleased that I could take this opportunity to share this occasion with you and my colleagues in the House. I am sure that you join me in saluting Mr. Joe Pesci, an exceptional actor and this year's honoree of the Belleville Italian-American Club.

A RESIDENCY RULE FOR NEW YORK CITY POLICE

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. OWENS of New York. Mr. Speaker, in the last several months, New York City has been in the grip of a crime wave, one that has seen many innocent people, a number of them children, shot and killed by stray bullets during shootouts between rival drug dealers fighting over turf. The most recent and highly publicized crime was that of the death of a tourist from Utah, who had come to New York with his family to watch the U.S. Open tennis matches, and was killed in a New York City subway station as he battled a group of teenaged muggers who were robbing and attacking his parents. Unfortunately, it took the death of an out-of-towner to prompt many New Yorkers to call for an increase in police manpower, even though poor and minority neighborhoods such as Brownsville and East New York in my congressional district have for years been plagued by drug-related crimes and violence. These areas lack adequate police presence, and many of those police who are stationed in these areas care little about the people they serve.

A large part of the problem is that too many New York City police do not live in New York City, but in the suburbs. They are "Long Island loungers" who only care about their paychecks and pensions. New York City residents, particularly minority and poor residents whose lives are fraught with danger nearly every waking hour deserve better.

New York City should try harder to win New York State legislature approval for a residency rule; actively recruit police officers from New York City neighborhoods; and institute police exams that test knowledge of the neighborhoods the police will be serving. Police who are residents of the areas they work in and patrol will have a far greater stake in ensuring their safety.

There is also a need for more active police precinct councils, and the participation of the National Guard to supplement the work of the precincts' policemen. For instance, the Guard could accompany police officers into housing developments where gunshots have been fired. Their backup activities would make it possible for the police to conduct more extensive searches for guns in buildings where gunfire has been heard. National Guard support would free local police to increase their number of auto checkpoints, enabling them to stop the flow of outsiders who drive through areas such as East New York and Brownsville, among other communities, in search of drugs to purchase. New York Governor Marion Cuomo should declare a state of emergency or a gun emergency for New York City so that the National Guard may be utilized in this fashion.

Mr. Speaker, as New York Daily News columnist Earl Caldwell suggested in a recent article, there must be more involvement of churches, block associations, parents groups, and young people in the fight against crime. Former New York City Mayor Ed Koch once proposed a volunteer auxiliary police force drawn from the city's various communities, and said he would recuit 50,000 people for this effort. The ex-mayor never followed through on this proposal. Many of our current crime problems may be laid squarely on Koch's doorstep, as he turned a blind eye to the escalation of drug-related crimes and a police force which lacked both the numbers and the concern to deal with them.

A city residency rule, a volunteer auxiliary policy force, limited involvement by the National Guard, and community involvement in supporting police efforts, are some of the ways New York State and city officials may begin to turn this problem around.

Mr. Speaker, I would like to submit the Earl Caldwell article for reproduction in the CONGRESSIONAL RECORD in support of these suggestions and proposals.

[From the New York Daily News, Sept. 10, 1990]

MORE COPS YES, BUT NOT COMMUTERS

(By Earl Caldwell)

Suddenly in the city, the hustle is to hire 5,000 cops in a hurry. The city needs more cops, all right. Nobody questions that. It may even be that it will take 15,000 new cops to fill the need that exists. But simply hiring more cops is not the answer to New York's out-of-control crime problem.

For now, though, that seems to be the only idea around. And perhaps more than anything else, what that reflects is how lacking the current administration is when it comes to creativity.

In the city, the cops are now a part of the problem. Simply to hire more police and to leave it at that is only another way of saying, Same old same old. That means throwing good money after bad. It's the cops who make themselves a part of the problem. Too many cops refuse to live in the city. They like the New York money, but that's where it ends. So they find places on Long Island and in other areas outside the city—and when they come to work they bring an attitude with them.

New York has a growing number of cops who see wrong and don't want to get in the way of it. They don't want to know. They just want to get paid and get out alive. That's understandable. But it isn't acceptable.

There are other ways to get cops who care about New York. If they did nothing else, the Guardian Angels taught us that the city is full of bright, ambitious, caring, energetic young people—even in the worst neighborhoods—who want to help. The city ought to hire 15,000 cops. But they ought to be city kids, and most of them ought to come from the neighborhoods that are being chewed up. And when they make the grade and get on the force, they ought to be working in those areas, where they know the people and know the territory.

To hire 5,000 or 15,000 cops means spending a lot of the taxpayer's money. To get what you pay for means changing the makeup of the force and the definition of police work. Much can be done. Sometimes it takes the worst to happen to bring out the best. But jumping without thinking is the wrong way to go.

Forget hiring off any existing lists. For the new cops, why not involve the churches and the block associations and the parents' associations? Why not appeal to every organization of merit? Ask them to put forward the names of bright young people worthy of the trust we give police officers. And let these community groups, working together with the city, help give these kids whatever they need to pass the tests and make the grade.

The city owns countless abandoned buildings in poor neighborhoods. Why not take some of them, put spotlights out front, turn them into study halls and let those who would be cops go there at night to study? Why not encourage all kids to use these centers as places for learning? It won't take a lot of money. What it will take are officials with the leeway and the encouragement to be creative.

New York's police force needs balance as much as it needs increased numbers. It needs a mix that reflects the changing makeup of the city. It needs more New Yorkers and fewer out-of-towners. Cops who live in the city spend the money they earn in the city. Taxpayers deserve to have those cops around. And that would also make for a more equitable distribution of guns.

To take the current crisis and use it to build a sense of purpose would have a tremendous positive impact—something that New York sorely needs. But it takes creativity to get people talking and thinking of ways they can get involved, ways they can make a difference. And right now, you can't see that spark of creativity in the government of New York—which is the reason it has not yet come close to being the best it can be.

UNIVERSITY OF NEBRASKA LENDS A HELPING HAND IN CZECHOSLOVAKIA

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. BEREUTER. Mr. Speaker, we all have watched with awe at the remarkable changes that have occurred in Eastern Europe in the past year. The people of Central Europe, freed from the oppression of cruel and close-minded dictators have embraced democracy with passionate intensity. In every aspect of life, the Central European peoples are exploring their newly acquired freedoms.

The changes in Czechoslovakia are among the most dramatic. Earlier this year this body saw a taste of that change when it welcomed

Vaclav Havel—poet, playwright, political prisoner, and newly elected President of the Czech and Slovak Federated Republic—to address a joint session of Congress. President Havel made it clear that Czechoslovakia is a nation with a deep tradition of democracy, a tradition that has blossomed with vigor.

Everywhere in Czechoslovakia, the old controls are being cast aside. After decades of hearing only the recycled lies of a totalitarian regime, Czechs and Slovaks are hungry for truth and enlightenment. The days of censorship are over, and the time for free and open debate has begun.

The people of Czechoslovakia have come to understand that knowledge is power. The old dictatorship controlled information as a means of to stifle dissent. Under the new government, the people have made it clear that freedom of speech and freedom of the press are fundamental rights that will never again be surrendered.

To assist the people of Czechoslovakia in their search for truth and knowledge, the University of Nebraska has embarked on a bold new program. The University of Nebraska is providing state-of-the-art desktop publishing capabilities to Charles University in Prague. NU Press already had provided Apple computers, laser printers, software, and technical assistance that will revolutionize publishing at Charles University. If the program goes as expected, additional hardware, software, and even printing presses will be provided. Exchange programs, copublishing between the two universities, and translation services are also expected to be forthcoming.

Mr. Speaker, just think of what this means. Suddenly Charles University has the capability to publish the works of scholars who have been repressed and censored for over four decades. Under this program, Charles University will be better able to resume its position as a one of the world's leading centers of learning. This distinguished university, founded in the 14th century and the second oldest college in Europe, was once home to some of civilization's greatest minds—individuals such as the reformation leader Jan Hus. Under the Communists, however, the university was permitted to languish. Now it is beginning to thrive once again. And through the ambitious efforts of this University of Nebraska, the world will soon know again, about the quality of scholarly work that takes place in Prague.

Mr. Speaker, this member has had the good fortune to visit Czechoslovakia in recent months, and has seen firsthand the rejection of communist propaganda and the thirst for knowledge. As a graduate and former member of the faculty of the University of Nebraska, this member is proud of the links that have been established between these two great universities. By establishing this relationship, Charles University is improving its capacity and the University of Nebraska is assisting, in a very direct way, the democratization process in Czechoslovakia. It is a relationship that benefits all. Well done.

TRIBUTE TO DR. GEORGE WILLIAMS

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. MRAZEK. Mr. Speaker, I rise today to pay tribute to Dr. George Williams of the Port Washington (New York) Union Free School District, for his 37 years of dedicated service as a teaching professional and department chariman.

George Williams received bachelors and masters degrees with high honors from Queens College, and a Ph.D in education from New York University. Dr. Williams was a Fullbright scholar in 1959, a visiting professor at New York University, and an adjunct professor at Adelphi and Hofstra Universities.

During his long service to the Port Washington schools, Dr. Williams played a leadership role in expanding the role of teachers by serving as a building representative for the Port of Washington Teachers Association. As chairman of the Professional Growth and Curriculum Committee, Dr. Williams was instrumental in the formalizing of a shared-decisionmaking process in the Port Washington School District.

In addition to his professional contributions, Dr. Williams has been active in numerous civic and community causes. He served as commissioner of the town of North Hempstead Landmarks Preservation Committee, as preservation commissioner for the Village of Port Washington North, as a member and trustee of the Cow Neck Peninsula Historical Society, and is a life member of the Society of Preservation of Long Island Antiquities. Dr. Williams has also authored several professional articles regarding education and history.

Mr. Speaker, Dr. George Williams has served as an innovative and productive educator for the Port Washington schools. At a time when many decry the decline in educational standards throughout the United States, I believe that Dr. Williams' commitment to excellence deserves special recognition.

On November 5, 1990, the faculty, parents, and students of the Port Washington Union Free School will honor Dr. Williams with a testimonial dinner at the Chateaubriand Restaurant in Carle Place. I am pleased to join in this richly deserved tribute and wish Dr. Williams well in all of his future endeavors.

THE STAR GANG OF RANGERS

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. OWENS of New York. Mr. Speaker, the largest number of S&L defaults has taken place in the State of Texas. Yet 36 States and the District of Columbia are paying more than they take in from the bailout, while 14 States, including Texas, are receiving more than they pay.

Although Texas pays about 6.6 percent of national taxes, its insolvent thrifts account for 70 percent of the total bailout cost. But nobody is talking about taxing the people in Texas inordinately for them to bail themselves out of a mess that they created disproportionately to other States. Nobody is talking about the fact that Texas had its own regulatory agencies that regulated banks which were guaranteed by the Federal Government. You had Federal quarantee deposits, guaranteed by the Federal Government, and on the other hand, the Federal Government was not a regulatory body. The State officials were regulating while we were doing the guaranteeing for all the citizens across the country. So fairness applied to the S&L bailout is something all of us ought to take a very close look at and see if we can get more fairness, especially for the Northeast and Midwest, and the older parts of the country. Not only will the people in these areas have to pay more taxes for gasoline and home heating oil, but they will also have to pay more for the tremendous cost of the S&L bailout than Texas, the State responsible for the majority of defaulted S&L's.

Adding insult to injury, Texas also benefits from the mess it created because the bailout process is bringing back all the billions that were stolen back into the State. The best job creation program in Texas right now is the Resolution Trust Corporation. They are hiring the same people who were behind the defaults in the first place.

Mr. Speaker, the fact that Texas does not have to pay any significant price for its role in the S&L scandal has led me to describe the situation as follows:

THE STAR GANG OF RANGERS

In Texas
Rangers don't ride alone no more
We all gang up
Together we gut the federal store.
That Robin Hood—
He was a chump
We Rangers rob the taxpayers
And give it to the rich
If a Congressman complains—
We call him a son-of-a-bitch.
In Texas
We don't pay no taxes
We live off the FDIC, FLIC, RTC
And other bloated buffaloes like that
We can't help it
If the lean Eastern States
Were too dumb to see
What was making the sunbelt fat.
Federal government guarantees
Are not filthy welfare
Just proof you paid your dues—
Proof that you been there.
Not everybody can be a Ranger
And ride with us
We're selective with our licenses
But we don't make no real big fuss
We independent hard-working folks
Don't believe in government
Being on nobody's backs
But don't deliver our guaranteed money
In no crude crocker sacks
Send us our insurance for deposits
Through the electronic bank
We are united
Not a single Ranger will ever break rank.

MENTAL HEALTH CLINIC OF PASSAIC HONORS JOHN CARMAN

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. ROE. Mr. Speaker, it is with distinct pleasure that I rise today to pay tribute to a facility in my Eighth Congressional District, the Mental Health Clinic of Passaic, and their honoree Mr. John Carman. He will be honored for his outstanding work at a special dinner being held at the Hackensack Meadowlands Pegasus Restaurant on October 30.

The Mental Health Clinic of Passaic is a free outpatient mental health facility which provides mental health services primarily to the residents of the city of Passaic and through its specialized programs for children reaches out to others in the region. The clinic extends services to those persons who are psychiatrically deinstitutionalized or those who are at risk of hospitalization as well as persons suffering from emotion distress. The clinic works to enable individuals to live as independently as possible and carry on with healthy productive lives.

This facility does extensive work with abused and emotionally disturbed children and helps families learn to live together. Clearly, the Mental Health Clinic of Passaic provides aid to those who are distraught and suffering from the pain and torment of emotional and mental problems. Few professions provide more important or more beneficial service than helping people to cope with the difficult world we live in today. That is why this year's honoree deserves our special attention and strongest praise.

The Mental Health Clinic of Passaic this year honors John M. Carman, assistant to the Passaic County administrator for social services and Passaic Country director of mental health, for his invaluable contributions to the clinic and its services.

John, as Passaic Country's Mental Health Administrator from 1983–89, and in his current position has been an advocate, a listener, a friend and a resource for the clinic and its board of directors. He provided vital consultation through fiscal and programmatic crises. He advocated and supported the clinic's specialized services for children, most notably its children's partial care programs, case management and children's outreach.

On the country level, John has enabled the county's mental health community to enter the forefront in delivering comprehensive mental health services to both children and adults. Together with the county's mental health board and professional advisory committee he was instrumental in designing a proactive county mental health plan and was responsible for spearheading and winning for Passaic County one of the State's chidlren challenge grants. This has resulted in the implementation of a variety of innovative and much needed services for seriously emotionally disturbed children in the county. In addition to his outstanding contributions to Passaic County, John deservedly enjoys an excellent reputation on the State level as a mental health professional. He has always been in the forefront of progressive programmatic thinking and innovation.

Both as a professional and as a person, his keen mind, combined with his calm and reasonable approach to problem solving and his compassionate caring have enabled him to bring persons with divergent views—professionals, volunteers, parents, clients, together to work harmoniously for the good of all.

A graduate of Rutgers University, New Brunswick, John received his M.A. degree in 1966 from the State University of New York in Buffalo where he had been a teaching fellow.

John began his career in the public sector in 1966 as a legislative analyst, area coordinator and public information coordinator with the New Jersey Division of Vocation Rehabilitation. He then entered the mental health field where he has served as a regional assistant for the Bureau of Special Community Mental Health Serivces with the New Jersey Division of Mental Health and Hospitals. John also has served as mental health administrator in Monmouth County and administrator of Children's Psychiatric Center in Eatontown before coming to Passaic County.

John is widely recognized on the State level due to his past and current involvements with the New Jersey Association of County Mental Health Administrators, State Children's Mental Health Advisory Council, New Jersey Rehabilitation Association and New Jersey Coalition for Mental Health to name a few. In 1989 he received a letter of achievement award from Governor Kean and recognition from the New Jersey Association of Counties.

Mr. Speaker, I am very proud to have this opportunity to honor such an outstanding professional and I am sure that you and the whole House join me in wishing John Carman and his wife and daughter the very best. We salute his great success in helping so many of his fellow human beings and are grateful for facilities such as the Mental Health Clinic of Passaic.

Thank you.

CONGRATULATIONS TO INDIANA UNIVERSITY OF PENNSYLVANIA ON THE OCCASION OF ITS 25TH ANNIVERSARY CELEBRATION

HON. JOE KOLTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. KOLTER. Mr. Speaker, when students, faculty and staff returned to Indiana University of Pennsylvania for the fall semester they kicked off a gala year-long celebration commemorating IUP's 25th year as a university.

On December 16, 1965, Pennsylvania Act 430 was signed into law, redesignating Indiana State College as Indiana University of Pennsylvania, and the new university became the first of the 14 State-owned colleges to be so designated.

To celebrate the occasion, a planning committee of 27 members of the student body, staff, faculty, and administration has been planning and holding activities for "Celebrating 25 Years as IUP." The committee chairman is Gary L. Buterbaugh.

Six separate subcommittees working on the project and their chairpersons are: Activities—Ruth Reisenman; academics—Charlie Cashdollar; athletics—Dale Shafer; media—Connie Howard; arts—Jim Olson and Yvonne Redd; and special activities—Dr. Peter Smits.

The committee has thus far this fall observed a number of celebrations, special events, and tributes. On December 16, 1990, a special birthday party and dinner—the highlight of the anniversary celebration—is to be held with invitations extended to retired faculty, retired administrators, alumni chapters, the president's council, class presidents over the past 25 years, student government past presidents, all-American athletes, students who have attained perfect 4.0 grade averages, current and past members of the University Council of Trustees, and current faculty, administrators, staff, and student leaders.

Similar birthday celebrations have been held at alumni chapters across the Nation and around the world. Academic and athletic accomplishments have been highlighted, and plans are progressing for an IUP sports hall of fame.

Dr. Ron Juliette and Dr. Dale London of the IUP faculty are working on a pictorial history of the university.

Mr. Speaker, IUP has made great progress in the past 25 years. IUP is the outstanding university it is today because of the determined efforts of those who helped the institution gain university status, and those who worked in the ensuing years to assure that IUP become more than a university in name only.

Highly important also, is the strong and insightful leadership of University President Dr. John D. Welty, whose very hard work and long hours have advanced both IUP and the 25th anniversary celebration during the challenging 1980's.

IUP is in a very different period from that beginning 25 years ago, Mr. Speaker. The year 1965 was characterized by rapid expansion in higher education with heavy emphasis on growth and building. In contrast today, fiscal resources are tight at the State level, and State governments across the country are struggling to identify new sources of revenues just to provide minimal support for education. It is critical that we stretch ourselves to encourage more support than ever before for public higher education in Pennsylvania.

IUP, which provides a liberal education in both general and specialized studies, began in the 1870's serving 225 students in a single building on 12 acres. Experiencing continuous growth, IUP has become Pennsylvania's fifth largest university, now enrolling 13,000 students from 36 States and over 55 countries. On 204 acres are now located 72 major buildings and seven athletic fields.

In the 1920's, the State Normal School, as IUP was then known, came under State authority and was renamed the State Teachers College at Indiana, PA, and again later, in 1959, named Indiana State College.

Mr. Speaker, I rise today before the U.S. House of Representatives to honor IUP because the institution has been nationally ac-

claimed as among the academic best. Barron's publications have twice listed IUP among the most academically competitive colleges and universities in the Nation. In 1982, the consumer magazine Changing Times identified IUP as one of only 50 U.S. colleges and universities with high academic standards but tuition and fees below the national average. In 1985, the education editor of the New York Times included IUP as one of 221 "Best Buy" colleges and universities in the Nation in the Best Buys in College Education. In addition, the IUP internship program is the largest in Pennsylvania.

Mr. Speaker, IUP has worked hard to discover, preserve and impart truth in all its forms, concerning itself mainly with the intellectual, moral, cultural, physical, social and aesthetic development and maturation of its students. IUP has allowed students to liberate themselves from narrow interests and prejudices, to broaden their intellectual horizons, to learn to think logically, critically and creatively and to communicate their judgments clearly and forcefully, and that is why I rise to honor IUP before the U.S. Congress today, as IUP celebrates its 25th year as a university.

LOW NOON AT THE WASHINGTON CORRAL

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. OWENS of New York. Mr. Speaker, the double standard of justice in this country when it comes to vigorously prosecuting white male criminals is painfully obvious when one looks at the way the Justice Department is treating the white collar professionals responsible for the S&L debacle.

One of the major S&L robber barons, Charles Keating, was treated with kid gloves by the FBI and Attorney General Richard Thornburgh. Keating was finally thrown in jail by local authorities in Los Angeles for his crimes, but the Federal law enforcement authorities have done little more than file a civil suit against him.

Attorney General Thornburgh, meanwhile, claims that he is changing his position on white collar criminals, that he will now get tough and throw the book at them. Yet his new no nonsense approach apparently does not extend to the S&L thieves, who are still being treated as if they committed no crime worse than running a stoplight.

Mr. Speaker, if the Attorney General refuses to do his duty, perhaps the American people should call for help:

LOW NOON AT THE WASHINGTON CORRAL

Where's the Sheriff?
Where's Matt Dillon?
Taxpayers are regularly being lynched
But S&L killers seldom get pinched.
Where's the Federal marshall?
Thornburgh trembles with Whitehouse fear
They pushed him into war
But snatched away his spear.

So where's the Sheriff?
These are thugs without guns
Educated bums
A special posse we need
To hunt down this rare breed.
Haughty hustlers
Elite lice
They dress real nice
Expense accounts
Fees always big amounts
Opera at night
They look upright
Private sector kings
Regularly they do dirty things.

Where's the Sheriff?
Don't tell your kids that crime don't pay
You can take millions
Doing it the S&L way.
But wimp Attorney General Thornburgh
Won't meet these thugs at high noon
All the swindlers are laughing
At this partisan buffoon.

Where's the Sheriff?
Where's Matt Dillon?
Superman? Batman?
Where's Dick Tracy?

ESPY GIVES TRIBUTE TO DANA BROOKE PIERCE

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. ESPY. Mr. Speaker, I rise today to give tribute to a very special citizen of the United States who lives in Grenada, Mississippi. Her name is Dana Brooke Pierce. Dana, 18, was the first place winner from Mississippi in the Voice of America writing contest sponsored by the Veterans of Foreign Wars of the United States and its Ladies Auxiliary.

Dana, a native of Seoul, Korea, described in her winning essay how the courageousness of three citizens close to her make her proud to be an American. As she began her essay, Dana wrote, "The story of America may be read in the faces of her people."

I would like to enter into the RECORD, Dana's winning essay. I believe that Dana's essay can truly be an inspiration to us all:

WHY I AM PROUD OF AMERICA

(By Dana Brooke Pierce, Mississippi winner, 1989/90 VFW Voice of Democracy Scholarship Program)

The story of America may be read in the faces of her people. This story is one that I am proud of, for it is a story of courage, determination and sacrifice. There are three such faces that hold a personal significance to me. Let me tell you about them, and you will see why they make me so proud of America.

The first face is that of a young boy, born in the tiny Polish village of Potasnia. His name was Leiba Scheuel, and on a bitterly cold day in March of 1914, he left all he had known to come to America. He was a sixteen year old Jewish boy, and many dark and threatening things were happening in his homeland. His Mother drove him by horse-drawn sleigh to the town of Leonpol, where they said good-bye. The next thirty days would change his life forever. Two days into his journey he was arrested by Russian troops who occupied Poland at that time. He managed to escape, and took refuge in a synagogue. A rabbi paid a Russian border official to look the other way when Leiba crossed the border.

Once in Germany, Leiba journeyed to Hamburg and caught a cattleboat to Philadelphia, Pennsylvania. After two sick, miserable weeks at sea, he was happy to see land again. While in Philadelphia, he saw something he never forgot: the Liberty Bell. He had come so very far, and the big bell symbolized his hope for the future.

Young Leiba did have a bright future. He took an American name, and was a successful businessman for fifty years in our little town. However, he had his share of sorrow. That wintry day in Poland was the last time he saw his Mother, or any of his family from the Old Country. Not one survived the horrors of revolution, concentration camps and holocaust that the next three decades brought. I am honored to know this man. He has shown me America through new eyes, and I am proud of what I see.

Another face that tells a unique story belongs to a man that I will call Willie. He and his wife have six children, and they live a simple, salt-of-the-earth life. Over the years, through hard work and determination, they have provided their children with a college education. Now it's Willie's turn. At age sixty-four, Willie is learning to read and write.

Twice a week, Willie and I have a standing appointment. Syllable by syllable, we unravel the mysteries of reading and writing. His dream is to one day read the Bible in church. There is absolutely no doubt that he will do so. I am very proud that America offers opportunity to anyone willing to take it. Willie has taught me that.

The last face tells a bittersweet story. It is a face that I know only from a faded photograph on my Grandmother's dresser. The young man looks so handsome in his Air Corps uniform. Something about him reminds me of my Dad.

World War Two came, and his little hometown was very proud as he left for Europe to fly the B-26 Marauder. They prayed that he would return safely and raise a family in a peaceful world. June sixth, 1944, was a special day as he lifted his plane in formation high over England. Near his heart he carried a wonderful letter from home: he had a newborn son. Life held such promise for the young pilot, but it wsn't meant to be. My Uncle died fighting that day—the day we call D-Day, when the skies rained fire over the English Channel. He, and thousands like him, gave up their lives, but not their spirit. When I think of so many yellowed photographs on dressing tables all across this country, I am proud of what they gave anew to all Americans—freedom.

So that is the story of three special faces in my life. Leiba, Willie, my Uncle Thomas, and others like them are why I am so proud of America. They represent the American spirit, and all that is good and brave and noble about us. Best of all, there are faces like these throughout this great land. Together, these faces form the beautiful portrait that is America, a nation to be proud of.

TAX SAVINGS AND THE S&L BAILOUT

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. GUARINI. Mr. Speaker, today I am introducing legislation which will actually save the

taxpayer some money. Perhaps billions of dollars.

This legislation will reduce the overall costs to the Government of financing the S&L bailout by clarifying a portion of our tax laws so as to preclude individuals running failed thrifts from claiming a deduction for losses for which the Government is compensating them in full. It will end a practice that RTC Chairman William Seidman has referred to as "obviously double-dipping."

As our recent agony over the budget suggests, now more than ever we need to search out every fair and legitimate way to reduce costs to the Government, and hence to the taxpayer. One of the principal reasons we are in this budget mess is the ever-increasing costs of the S&L bailout.

Last year, Congress provided $50 billion to clean up the S&L mess. As we debated the Financial Institution Reform, Recovery, and Enforcement Act [FIRREA], many of us predicted that $50 billion would not be enough, that the Bush administration was understating the magnitude of the problem. We were right.

The RTC has now run out of money, and the administration, at the last minute, has requested another $40 billion in clean up funds for fiscal year 1991. Unfortunately, this will not be the end of it. Total costs will eventually reach at least $150 billion, by most current estimates. If interest is included, the long-term costs could be anywhere from $500 billion to $1 trillion. We just do not know for sure, but it always ends up being more than we think.

These amounts do not include the costs of bailouts or assistance agreements entered into prior to 1989. By the end of 1988 the Federal Savings and Loan Insurance Corporation [FSLIC], the RTC's predecessor organization, had concluded 96 deals involving 199 failing thrifts with assets over $110 billion. FSLIC offered investors as much as $36 billion in guarantees and other incentives to acquire the failing thrifts. Estimates now are that the total cost of these 1988 deals will be about $66 billion.

There has been much public outrage about these deals. A banking committee study claims that for every dollar investors put into these thrifts, the Government paid $78, consisting of asset protection, direct assistance and tax benefits. For example, one of the richest men in America, Ronald Perlman put up just $31.5 million to acquire five thrifts with over $12 billion in assets. Many of these acquirers have since reaped enormous profits from these investments.

When Congress enacted FIRREA, it directed the RTC to review these notorious FSLIC deals. On September 18 of this year, the RTC submitted its report to the oversight board and to the Congress. The report contained several valuable suggestions for saving up to $4 billion. The legislation I am introducing today seeks to implement one of the report's principal recommendations.

My legislation clarifies the tax treatment of the built-in losses of the institutions acquired in the 1988 deals. This proposal does not violate any of the contracts entered into between FSLIC and the acquirers. By ending double-dipping, we will save the Government hundreds of millions, if not billions, of dollars.

The 1988 agreements provided that the Government will guarantee the assets—covered assets—of the acquired thrifts. The RTC report estimates that direct capital loss payments by the Government under these 1988 assistance agreements will exceed $11.5 billion. That is, the difference between the assets book value and fair market value is expected to be at least $11.5 billion, and the Government is obligated to make up this difference.

This Capital Loss Protection Program was bargained for, and my legislation would not disturb it. However, it appears that the tax laws are being interpreted, incorrectly I believe, to provide an additional windfall to the acquirers of these thrifts.

Assume an asset with a tax basis of $100 is disposed of for $70, and the holder receives Federal financial assistance of $30. Even though the acquirer is made whole through the assistance, it can still claim a $30 loss against other income. With consolidated returns, these losses can be used to offset upstream income of the parent corporation. For example, losses from the thrift owned by Ford Motor Co. could be used to offset auto-related income.

If, instead of disposing of the asset, the acquirer sells it back to the Government for $100, the entire amount might be considered tax-exempt assistance, which would be entirely disregarded in determining the existence and extent of the loss. Thus, we might end up with an allowable tax loss equal to the entire book value or basis of the asset, that is $100 percent of the purchase price, or $100 in our example. This would be double-dipping in the extreme.

The uncertainty regarding the treatment of these losses could undermine all efforts to achieve cost savings for these 1988 deals. The FDIC, which has inherited the 1988 deals from FSLIC, is making high rate, tax-free yield maintenance payments to the acquirers based on the inflated book value of the assets.

Many experts have recommended that the Government either buy back these assets or require that they be written down to fair market value so as to eliminate or reduce these costs. Such a move would save over $500 million. If, however, the acquirers can take losses up to the full book value of the assets, which is potentially over $30 billion, the Government would be effectively precluded from taking advantage of this opportunity.

The parties negotiating these assistance agreements may have assumed the existence of the double dip deduction. Indeed, I have been informed that the acquirers are claiming losses, notwithstanding the reimbursement they are receiving from Federal financial assistance. Although some of the acquirers have tax-sharing agreements whereby some of these and other tax benefits may flow back to the Government, there simply was no basis in law for assuming that such losses were allowable. As section 165 of the code clearly states, losses are allowable only to the extent that they are "not compensated for by insurance or otherwise."

To our knowledge, few, if any, of the acquirers obtained private letter rulings or closing agreements from the IRS assuring them that they could receive Federal financial assistance and claim a loss. Under these circumstances, a decision to ignore the clear language of section 165 was not warranted.

My legislation would make it absolutely clear that Federal financial assistance must be taken into account as compensation for any losses for Internal Revenue Code purposes. It would not affect any taxpayer who has an express ruling or closing agreement from the IRS that such losses are allowable. And it would not have any retroactive effect. The rules of the game are not being changed because losses compensated for by Federal financial assistance never were allowable in the first place. This legislation merely makes this point explicit.

The current tax treatment of built-in losses may explain some of the enormous profits reported by some of the acquirers of these failing thrifts. If Congress enacts this legislation, the Government will save billions of dollars that are now needlessly being given away for no legitimate purpose. The FDIC will also be able to pursue the most cost efficient strategy for managing these pre-1989 deals.

Secretary Brady has indicated that he has directed the Treasury's Office of Tax Policy to study the issue. I would hope that they do, and do so promptly. Treasury has the advantage of the excellent study done by the RTC on this tax matter, and can build upon it to resolve its position quickly and issue a ruling that such losses are not allowable under current law. But unless and until Treasury acts, Congress needs to address this issue and start taking steps to reduce the enormous costs of the S&L bailout.

SUPPORT OF THE CIVIL RIGHTS ACT

HON. DONALD M. PAYNE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. PAYNE of New Jersey. Mr. Speaker, I strongly support the Civil Rights Act of 1990. I am pleased that the act has been passed by the House of Representatives and the Senate. This act is an important step into the future of our country. The general assembly of the State of New Jersey is also in agreement with the passing of the Civil Rights Act of 1990. This is shown in the general assembly's passing of Resolution No. 198 where 62 were in favor and 0 against. The assembly urges the President to sign this important piece of legislation so that every American will have an opportunity to share in our Nation's wealth. I am pleased to share with my colleagues the resolution the assembly printed below:

RESOLUTION

Whereas, The Civil Rights Act of 1990 has passed both the United States Senate and the House of Representatives; and

Whereas, The Civil Rights Act of 1990 represents a definite continuation of the tradition of liberty firmly, established by our great forefathers such as Thomas Jefferson and Abraham Lincoln and continued by the martyrdom of such great men of the twentieth century as John Fitzgerald and Robert Francis Kennedy and the Reverend Doctor Martin Luther King, Jr.; and

Whereas, The Civil Rights Act of 1990 seeks to redress inequities posed by the interpretation of the Supreme Court of the United States in its recent rulings on civil rights protection, rulings which dramatically cut back on the scope and effectiveness offered by landmark legislation of the United States Congress enacted in the past quarter-century; and

Whereas, The Civil Rights Act of 1990 corrects employment practices recently found in the United States that effectively deny equal employment opportunity through discrimination based on race, color, religion, sex or national origin; and

Whereas, By clarifying that it is the purpose of the United States Congress that discrimination, regardless of reason, will not be tolerated in the hiring practices of employers, both public and private, the Civil Rights Act of 1990 will ensure that every American will have an equal chance to enjoy the fruits of life, liberty and the pursuit of happiness; now, therefore, be it *Resolved by the General Assembly of the State of New Jersey:*

1. This House memorializes the Honorable George Bush, President of the United States, to sign the Civil Rights Act of 1990 now that it has passed both the United States Senate and the House of Representatives, and by so doing, to reaffirm that every resident of the United States of America is entitled to the equal opportunities that have come to represent the "American Dream."

INTRODUCTION OF THE MEDICAID PROVIDER PAYMENT IMPROVEMENT ACT OF 1990

HON. TERRY L. BRUCE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. BRUCE. Mr. Speaker, I rise today to introduce H.R. 5890 the Medicaid Provider Payment Improvement Act of 1990, as part of an effort to address the growing health care crisis in this country. Today, millions of American people are uninsured and more than 12 million children have no access to health care. While most Americans over age 65 are covered by Medicare, children's health care programs, however, are consistently cut, fewer employers are providing health insurance.

I am introducing H.R. 5890 to improve access to health care and to enable disproportionate-share hospitals to provide better care. The bill would eliminate difficult enrollment procedures, expand coverage and speed up payment to disproportionate-share hospitals, while allowing the States to develop flexible Medicaid programs to serve their specific populations.

As health care costs escalate, gaining access to health care becomes more difficult. Emergency rooms are overcrowded because people cannot receive treatment through primary services. Many people who qualify for Medicaid are not covered by the program because they do not have access to Medicaid forms, or live too far from public aid offices. Children who are over the age of six also cannot qualify for Medicaid, and infants are suffering as well. The American Hospital Association has reported that the percentage of the impoverished covered by Medicaid decreased steadily during the 1980's to where only 40 percent of those in poverty are covered today. The AHA also reported that 3 million poor children between 6 and 18 have no access to health care.

The Institute on Medicine also reported that every $1 spent on prenatal care saves $3 during the first year of life. A recent Time magazine article pointed out that the cost of prenatal care for a healthy pregnant woman is $600. The cost per day of medical care for an extremely premature baby is $2500.

Health care providers are suffering, particularly those that depend heavily on public money to treat low-income patients. Compared to other Americans, the poor, those with family incomes below $10,000 a year, have more physician contacts per year. In 1987, the poor averaged 6.8 physician visits, whole those earning $35,000 or more averaged 5.4. The poor are the ones who cannot afford to pay, and put the financial burden on the providers. The next time these providers might not choose to see the low income because they can no longer swallow the cost.

Hospitals are providing a large and increasing amount of uncompensated care. In 1980, uncompensated care cost hospitals $4.1 billion. In 1988, the cost was $10.7 billion. Hospitals also provide much undercompensated care to poor patients covered under public programs. In 1988, State Medicaid programs paid hospitals $9.8 billion less than charges.

Specific problems back up the general trend. For example, a hospital in Detroit, MI, recently sold its facility, in part because of poor reimbursement for Medicaid and indigent patients. The hospital reported an emergency room volume of 60,000 patients. Nearly half of the emergency room care was uncompensated.

A medical center in North Carolina performs 3000 deliveries a year with 1600 of those paid for by Medicaid. In general, Medicaid reimburses the hospital for 67 percent of their costs. North Carolina has a high infant mortality rate and the hospital is concerned that the poor reimbursement rate for obstetrical services will prevent the hospital from continuing to serve this population.

We must act now to address this growing problem. A small investment now will mean a brighter future for the children of this country.

H.R. 5890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Medicaid Access Improvement Amendments of 1990".

SEC. 2. APPLICATIONS USING OUTREACH LOCATIONS.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396(a)) is amended—

(1) by striking "and" at the end of paragraph (52),

(2) by striking the period at the end of paragraph (53) and inserting "; and", and

(3) by inserting after paragraph (53) the following new paragraph:

"(54) provide for receipt and initial processing of applications of individuals for medical assistance under paragraph (10)(A)(i)(IV), (10)(A)(i)(VI), (10)(A)(ii)(VII), or (10)(A)(ii)(IX).

"(A) at locations which include locations (such as hospitals or clinics providing covered services to such individuals, without discrimination based on whether the hospital or clinic is public or private) which are other than those used for the receipt and processing of applications for aid under part A of title IV, and

"(B) using applications which are other than those used for application for aid under such part.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply to payments under title XIX of the Social Security Act for calendar quarters beginning on or after July 1, 1991, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

SEC. 3. MANDATORY CONTINUATION OF COVERAGE FOR CHILDREN OTHERWISE QUALIFIED FOR BENEFITS UNTIL REDETERMINATION.

(a) IN GENERAL.—Section 1902(e) of the Social Security Act (42 U.S.C. 1396a(e)) is amended by adding at the end the following new paragraph:

"(ii) with respect to an individual who has not attained the age of 18, who is receiving medical assistance under this title, and who is determined to be no longer eligible for such assistance, the State may not discontinue such assistance until the State has determined that the individual is not eligible for assistance under this title on any basis.".

(b) CONFORMING AMENDMENT TO QUALIFY CONTROL.—Section 1903(u)(1)(D) of such Act (42 U.S.C. 1396b(u)(1)(D)) is amended by adding at the end the following new clause:

"(vi) In determining the amount of erroneous excess payments for quarters beginning on or after July 1, 1991, there shall not be included any erroneous payments which are attributable to individuals described in section 1902(e)(11) who are determined to be no longer eligible for assistance but whose assistance has not been discontinued because a determination on other bases for such assistance has not been made.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective with respect to eligibility determinations for medical assistance under title XIX of the Social Security Act on or after July 1, 1991, without regard to whether or not final regulations to carry out such amendment have been promulgated by such date.

SEC. 4. REPORT AND TRANSITION ON ERRORS IN ELIGIBILITY DETERMINATIONS.

(a) REPORT.—The Secretary of Health and Human Services shall report to Congress, by not later than July 1, 1991, on error rates by States in determining eligibility of individuals described in subparagraph (A) or (B) of section 1902(l)(1) of the Social Security Act for medical assistance under plans approved under title XIX of such Act. Such report may include data for medical assistance provided before July 1, 1989.

(b) ERROR RATE TRANSITION.—There shall not be taken into account, for purposes of section 1903(u) of the Social Security Act, payments and expenditures for medical assistance which—

(1) are attributable to medical assistance for individuals described in subparagraph (A) or (B) of section 1902(l)(1) of such Act, and

(2) are made on or after July 1, 1989, and before the first calendar quarter that begins more than 12 months after the date of submission of the report under subsection (a).

SEC. 5. STATE FLEXIBILITY IN MEDICAID DISPROPORTIONATE SHARE PAYMENT ADJUSTMENTS.

(a) IN GENERAL.—Section 1923(c) of the Social Security Act (42 U.S.C. 1395r-4(c)) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) provide for a minimum specified additional payment amount (or increased percentage payment) determined under an alternate formula, if such amount or increase is not less than the amount provided under paragraph (1);"; and

(2) by adding at the end the following: "Nothing in this subsection shall prohibit a State from establishing its own methodology for determining payment adjustments under this subsection, including the development of different formulas or methodologies for adjustments for different categories of hospitals.".

(b) EFFECTIVE DATE.—(1) Except as provided in paragraph (2), the amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) In the case of a State that, as of the date of the enactment of this Act, met the requirements of subsection (a) of section 1923 of the Social Security Act by providing for a payment adjustment described in subsection (c)(2) of such section, the amendment made by subsection (a)(1) shall take effect on July 1, 1991.

SEC. 6. ADJUSTMENT IN MEDICAID PAYMENTS FOR INPATIENT HOSPITAL SERVICES.

(a) COVERAGE OF MEDICALLY NECESSARY SERVICES.—Section 1902(a) (10) of the Social Security Act (42 U.S.C. 1396a(a)(10)) is amended, in the subdivision (X) following subparagraph (E), by striking "under one year of age"; and inserting "regardless of age".

(b) ASSURING ADEQUATE VOLUME OF SERVICES.—Section 1902(a)(10) of such Act (42 U.S.C. 139a(a)(10)) is amended, in the matter following subparagraph (E)—

(1) at the end of subdivision (IX), by striking "and"; and

(2) by inserting before the semicolon at the end the following: ", and (XI) if the plan provides for any aggregate or institutional volume limitations or caps for inpatient hospital services, the plan must establish exceptions to such limits for medically necessary inpatient hospital services furnished in a hospital defined under the State plan, pursuant to section 1923(a)(1)(A), as a disproportionate share hospital, if the limits would have the effect of limiting medically necessary days or would result in significant reductions in established payment rates for days exceeding such limits.".

(c) ASSURING ADEQUATE PAYMENT FOR INPATIENT HOSPITAL SERVICES.—Section 1923(a)(2) of such Act (42 U.S.C. 1396r-4) is amended—

(1) in subparagraph (C), by striking "July 1, 1989" both places it appears and inserting "July 1, 1991";

(2) in subparagraph (C), by striking "April 1, 1989" and inserting "April 1, 1991"; and

(3) in subparagraph (C), by striking "individuals under one year of age" and inserting "all individuals regardless of age.".

(d) PROHIBITING WAIVER OF PROVISIONS.—Section 1915(b) of such Act (42 U.S.C. 1396n(b)) is amended by adding at the end the following: "No waiver may be made under paragraph (4) to waive the requirements of subdivisions (X) or (XI) of section 1902(a)(10).".

SEC. 7. OUTPATIENT HOSPITAL SERVICES.

(a) ASSURING ADEQUATE OUTPATIENT SERVICES AND PAYMENT FOR OUTPATIENT SERVICES IN DISPROPORTIONATE SHARE HOSPITALS.—

(1) Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)), as amended by section 2(a) of this Act, is amended—

(A) by striking out "and" at the end of paragraph (53);

(B) by striking out the period at the end of paragraph (54) and inserting "; and"; and

(C) by inserting after paragraph (54) the following new paragraph:

"(55) provide—

"(A) if the plan provides for any fixed limits on visits for outpatient hospital services, provide for an exception for covered medically necessary services provided to individuals in a hospital defined under the State plan, pursuant to section 1923(a), as a disproportionate share hospital which is eligible for a payment adjustment for inpatient hospital services under section 1923(c), and

"(B) for an adjustment of a minimum specified payment for hospital outpatient services furnished by hospitals which qualify as disproportionate share hospitals under section 1923(b) of the Act for purposes of payments for inpatient hospital services.".

(b) PROHIBITING WAIVER OF PROVISIONS.—The last sentence of section 1915(b) of such Act (42 U.S.C. 1396n(b)), as added by section 6(d) of this Act, is amended by inserting before the period at the end the following: "or the requirements of section 1902(a)(55)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar quarters beginning on or after January 1, 1992, without regard to whether or not regulations to carry out such amendments are promulgated by such date.

THE PUBLICLY OWNED TREATMENT WORKS BIOMONITORING USE ACT

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. HEFLEY. Mr. Speaker, on Friday I introduced legislation to restore what I believe was the original intent of the Clean Water Act with respect to publicly owned treatment works and biological monitoring.

The 1987 amendments to the Clean Water Act provided that where numerical criteria are not available for controlling toxicity in the Nation's waters, States are to adopt criteria based on biological monitoring (also known as biomonitoring or whole effluent testing) or assessment methods consistent with information published by the Environmental Protection Agency. The act did not mandate the EPA to establish enforceable biomonitoring limits in discharge permits which authorize civil fines and penalties for a single biomonitoring tests failure.

Nonetheless, this summer the EPA issued regulations which indicated in the preamble that a single biomonitoring test failure can subject publicly owned treatment works to administrative and civil penalties of up to $25,000 per day per violation. Under one interpretation, this means a single test failure could result in a fine of almost $2.3 million where the EPA and the State require biomonitoring on a monthly or quarterly basis. That result is based on the assumption that the permittee was in violation each day of the 30- to 90-day testing period contained in his permit.

There are a number of reasons why this approach to POTW toxicity control is flawed. POTW's are not designed to control toxics and have limited control over what is discharged to them. The interaction of complex influent to treatment plants, which may result in toxicity, cannot be anticipated in advance of a test failure, and even then its control may be problematic. Further, household products and plumbing can cause toxicity, yet a POTW's authority over such sources is limited at best. Experience has shown that municipal pretreatment programs are the most effective way of controlling toxicity, but they are no guarantee that toxicity will not appear in POTW effluent.

But most importantly, EPA scientists who developed the technical protocols for conducting biomonitoring tests have said that such tests were never designed for compliance and enforcement use. The agency's technical personnel have acknowledged the potential variability in such test results, as well as the fact that one test does not tell the POTW anything about the nature or source of the toxicity. Repeated tests are a prerequisite to toxicity identification and reduction.

The EPA's approach operates as a disincentive for POTW's to conduct these repeated tests. Sewage treatment plant owners and operators should be encouraged to test as often as they can within the EPA or State-prescribed frequency. But under the EPA's approach, each test in an accelerated program would subject POTW's to possible fine and penalty liability. This creates an understandable reluctance on the part of the POTW's to engage in an investigatory process. In other words, we are penalizing municipalities for doing what we hoped they would do in the first place.

As an agency, the EPA has stated a desire its retain prosecutorial discretion by making such test failures the potential subject of civil prosecution. But such a policy can lead to abuse and uneven nationwide enforcement in order to meet acknowledged agency enforcement goals and staff performance objectives. POTW's cannot be asked to place reliance on the future goals faith of regulating entities.

My bill H.R. 5878, would accomplish two things. First, it would clarify congressional intent by expressly removing any authority under the Clean Water Act to use a single, biomonitoring test failure by a POTW as the basis for determining a violation of the Act and seeking fines and penalties. Naturally, the States would remain free to adopt more stringest standards of their own.

Second, H.R. 5878 would recognize that the Environmental Protection Agency or State agencies acting under Federal law could include enforceable compliance schedules or other restrictions in discharge permits if toxicity appears in sewage treatment plant effluent. Failure to follow such compliance schedules, which would could include testing, detection,

and identification of the source of the toxicity, would subject the POTW to enforcement action and penalties as provided by law.

Last, this bill would help resolve a long-standing dispute between the State of Colorado and the EPA. The EPA has challenged Colorado's biomonitoring regulation despite the fact that Colorado's regulation leads to quicker resolution of toxicity problems and more certain enforcement. Lest this sound parochial, I should point out that this issue has implications for a number of States across the country. So it's not just a Colorado problem.

Mr. Speaker, in my view, the approach taken in this bill is fair and technically sound. Further, it would encourage sewage treatment utilities throughout the country to cast their nets widely and frequently to control toxicity through the use of biomonitoring. I commend this bill to my colleagues review and urge that the appropriate committee undertake its consideration as soon as possible.

H.R. 5878

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Publicly Owned Treatment Works Biomonitoring Use Act".

SEC. 2. USE OF BIOMONITORING FOR PUBLICLY OWNED TREATMENT WORKS.

(a) STATE REVIEW OF WATER QUALITY STANDARDS.—Section 303(c)(2)(B) of the Federal Water Pollution Control Act (33 U.S.C. 1333(c)(2)(B)) is amended to read as follows:

"(B) STATE ADOPTION OF CRITERIA FOR TOXIC POLLUTANTS.—Whenever a State reviews water quality standards pursuant to paragraph (1) of this subsection, or revises or adopts new standards pursuant to this paragraph, such State shall adopt criteria for all toxic pollutants listed pursuant to section 307(a)(1) of this title for which criteria have been published under section 304(a) of this title, the discharge or presence of which in affected waters could reasonably be expected to interfere with those designated uses adopted by the State, as necessary to support such designated uses. Such criteria shall be specific numerical criteria for such toxic pollutants. Where such numerical criteria are not available, whenever a State reviews water quality standards pursuant to paragraph (1), or revises or adopts new standards pursuant to this paragraph, such State shall adopt criteria based on biological monitoring or assessment methods consistent with information published pursuant to section 304(a)(8) of this title. Nothing in this section shall be construed to limit or delay the use of effluent limitations or other permit conditions based on or involving biological monitoring or assessment methods or previously adopted numerical criteria; except that with respect to publicly owned treatment works, nothing in this Act shall be construed to authorize the use of effluent limitations which result in the finding of a violation upon failure of a single whole effluent toxicity test where the Administrator or the State utilizes permit conditions or limitations based on or involving biological monitoring. Effluent limitations and other permit conditions used by the Administrator or a State may include enforceable schedules of compliance and other restrictions upon the discharge should toxicity appear in the effluent.".

(b) DISCHARGE PERMITS.—Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342) is amended by adding at the end the following new subsection:

"(q) USE OF BIOLOGICAL TESTING.—To the extent that the Administrator determines that in the control of toxicity it is necessary to include biological monitoring, testing, or assessment methods as a term or condition of a permit issued to a publicly owned treatment works pursuant to this section, the failure of a single whole effluent toxicity test shall not result in a finding of violation. Where it is determined that there is a discharge of toxicity in toxic amounts by a publicly owned treatment works, it shall be a violation of this Act only if the publicly owned treatment works fails to comply with a schedule of compliance or other permit term or condition established for purposes of identifying, detecting, and controlling such toxic discharges.".

(c) MORE STRINGENT STATE LIMITATIONS.—Section 301(b)(1)(C) of the Federal Water Pollution Control Act (33 U.S.C. 1311(b)(1)(C)) is amended by inserting "or permit condition" after "limitation".

(d) INFORMATION ON WATER QUALITY CRITERIA.—Section 304(a)(8) of the Federal Water Pollution Control Act (33 U.S.C. 1314(a)(8)) is amended by inserting ", consistent with section 303(c)(2)(B) of this Act," after "publish".

(e) EFFLUENT LIMITATION DEFINED.—Section 502(11) of the Federal Water Pollution Control Act (33 U.S.C. 1362(11)) is amended to read as follows:

"(11) The terms 'effluent limitation' and 'effluent limit' mean any restriction established by a State or the Administrator on quantities, rates, and concentrations of chemical, physical, biological, and other constituents which are discharged from point sources into navigable waters, the waters of the contiguous zone, or the ocean, including schedules of compliance as established through permit conditions, enforcement orders, or consent decrees.".

REPUBLICAN PAGES AND THE RECYCLING PROGRAM

HON. CARL D. PURSELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. PURSELL. Mr. Speaker, recently a group of the House Republican pages came and talked to me about the need to have a recycling program for the House Chamber. I have sent the enclosed letter to Architect of the Capitol George M. White asking him to incorporate the House Chamber in the Capitol Complex Pilot Recycling Program.

I would like to commend this fine group of young men and women for their willingness to get involved in this worthwhile recycling program:

HOUSE OF REPRESENTATIVES,
Washington, DC, October 19, 1990.

Mr. GEORGE M. WHITE,
Architect of the Capitol, Washington, DC.

DEAR MR. WHITE: Recently I met with a group of House Pages who are interested in participating in a recycling program involving the House Chamber.

I know that you have established a pilot recycling program for the Capitol complex and would like to know how these interested young men and women could become involved. Enclosed is a list of the House Pages who have expressed an interest.

I would be pleased to work with you on this matter.

Sincerely,

CARL D. PURSELL,
Member of Congress.

HOUSE REPUBLICAN PAGES WHO WOULD LIKE TO PARTICIPATE IN A RECYCLING PROGRAM FOR THE HOUSE CHAMBER

Scott Beal, Roger Beckett, Allison Davis, Randall A. Fine, James Geraci, Karen Keller, Samuel Lisman, Vicki McAvoy.

Hilary Munger, Greg Newmark, Gilmer Murdock, III, James Sager, Andrew L. Grice, Jr., Ajna Pisani, Jaco J. Stokes, Damon Tandy, Raynorldo Whitty.

HOUSTON VA MEDICAL CENTER CITED FOR OUTSTANDING MEDICAL CARE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. FIELDS. Mr. Speaker, at this time of hightened concern about the quality of medical care America's veterans are receiving in Veterans Affairs medical centers, I am proud to say that the VA Medical Center-Houston recently was recognized for the superior care it provides to Houston area veterans.

In September, the Joint Commission on Accreditation of Healthcare Organizations recognized the VA Medical Center-Houston "for the outstanding organization performance reflected by [its] recent accreditation survey and award."

In its letter of John Sheehan, director of the VA Medical Center-Houston and chairman of the governing body, the Joint Committee stated, "Our review of your survey report indicates that VA Medical Center-Houston has received an overall acreditation grid score of 90 or above (out of a possible 100) which places your organization among the most effective accredited organizations. The key performance areas that are evaluated by the Joint Commission place primary emphasis on an organization's effectiveness in reviewing patient care and establishing sound internal processes to support the provision of quality care."

The Joint Commission's letter to Mr. Sheehan went on to say, "You and your organization may take great pride in this achievement. Your organization's compliance with Joint Commission standards demonstrates your high level of commitment to the pursuit of excellence in patient care."

As anyone in the Houston area knows, the existing VA medical center is an old facility with many design flaws which have long hindered staff and patients alike. Given those limitations, it is all the more remarkable that the VA Medical Center-Houston earned such high marks for the treatment it provides to its patients. That fact truly is testament to the hard work of the medical center's administrative and medical staffs, who have worked around these flaws for many years.

Mr. Speaker, the 500,000 veterans living in the 27 counties served by the VA Medical Center-Houston are fortunate to have a highly dedicated, professional, qualified and compas-

sionate staff of men and women working on their behalf. The veterans served by the VA Medical Center-Houston have always received top quality medical care—and that care will only improve when, on October 29, the new VA Medical Center-Houston is formally dedicated.

This new facility will have 1,037 beds and 10 operating rooms and will feature the most advanced health care delivery systems that present-day technology can provide. Patients being treated at the medical center will benefit from advanced medical equipment, including a magnetic resonance imaging [MRI] machine—similar to, but a more advanced technology than regular X-ray and CT scanners—and two linear accelerators, used in radiation therapy.

While veterans who have visited the existing system are familiar with its wards, the new medical center will treat patients in private and semi-private rooms. The new VA Medical Center-Houston features upgraded delivery of food, laundry and supplies through an automated transport system. And as a result of improved preparation facilities and this improved delivery system, food served to patients will be temperature controlled throughout the new facility.

Mr. Speaker, I know that you join with me in congratulating the administrative and medical staffs of the VA Medical Center-Houston on their 3-year reaccreditation and the superior marks they received in their most recent accreditation survey. These remarkable men and women deserve the thanks not only of the veterans they treat, but of all Americans. They are among the most dedicated, committed and hard-working individuals in our Nation's health care system, and they inspire all of us to do the best we can in our chosen professions.

DEALINGS IN CONGRESS

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Ms. OAKAR. Mr. Speaker, the following is an article that indicates what the conferees are doing by manipulating the Medicare cuts. They are saving their pet projects, and they are ignoring items such as mammography that would save money and save lives. The following is the article relating to the deliberation of the conferees:

[From the New York Times, Oct. 22, 1990]

BEHIND THE DEALING ON DEFICIT REDUCTION, DEALS THAT COULD SWELL THE DEFICIT

(By Susan F. Rasky)

WASHINGTON.—Buried in the House and Senate deficit reduction plans that would raise the taxes of nearly all Americans are special breaks to alleviate much of the burden for companies and industries fortunate enough to be represented by the handful of lawmakers negotiating the final compromises.

Thanks largely to the efforts of the Senate Majority Leader, George Mitchell of Maine, the UNUM Life Insurance Company of Portland, the largest private employer in the city, may pay a fraction of the new tax being imposed on the rest of the industry, and other insurers must take up the slack. Cost to other insurers? About $1 billion over the next five years.

Taxes on wine would rise by 18 cents a bottle under the Senate bill and by 22 cents a bottle under the House version, but thanks to the efforts of Senator Bob Packwood, the senior Republican on the Senate Finance Committee, wineries that produce less than 200,000 gallons a year will not be affected. All of as "rifle shots," and they are hardly a new phenomenon on Capitol Hill. Indeed by past standards, there are relatively few of them in the House and Senate deficit measures.

But his year, when so much of the budget negotiating was handled by a small group of senior lawmakers, rank-and-file legislators and even senior members of the tax committees who have been left out of the horse-trading are furious.

"There are things all over the fine print that we keep finding out about at the eleventh hour," complained Senator Daniel Patrick Moynihan, a New York Democrat and a member of the Finance Committee negotiating team. Some House members think Mr. Moynihan has little to grouse about since the Finance Committee bill includes a provision he sponsored to aid very wealthy taxpayers who donate paintings or manuscripts to public museums and libraries.

Mr. Moynihan argues that the tax break has broad public purpose and notes that it was adopted, with strong support, after discussion by the full Finance Committee. "We have always made accommodations to members behind closed doors, but it used to be that at least everybody was in the room," he said.

The insurance tax, and the break for UNUM is a good example. Both the House and Senate bills would raise $8 billion in new taxes from the insurance industry by changing the way that companies now deduct their expenses for obtaining new policies.

Under a complicated formula, a company like UNUM, which specializes in health and accident insurance policies that cannot be cancelled, was to have been treated like companies that sell certain types of high-priced life insurance. But as a result of Mr. Mitchell's efforts, UNUM was placed in a category with companies that sell group life insurance where the writeoff formula was more generous.

MAKE UP THE DIFFERENCE

Since the committee still wanted to raise a total of $8 billion from the insurance industry as a whole, other insurance companies were required to make up the difference by bearing a larger share of the tax burden.

Some lawmakers, like Senator John D. Rockefeller, a West Virginia Democrat who is also part of the Finance Committee negotiating team, but not in the inner negotiating circle, or Representative Augustus Hawkins, a California Democrat who heads the House Education and Labor Committee, may still have a chance to make their pet initiatives on Medicaid and child-care part of the final budget compromise.

That is because the provisions they favor are at least part of either the House or Senate tax bills. In addition to raising revenue, the tax committees have jurisdiction over most of the Medicare and Medicaid programs as well as tax provisions that will help pay for child care.

Mr. Rockefeller has put other negotiators on notice that he will demand inclusion of new health care services in the Medicaid program for elderly people who are too poor and too disabled to seek medical care outside their homes or communities. This would cost the Government $200 million over five years.

Mr. Hawkins, with strong backing from Democratic liberals in the House, is likely to win some expansion of the child care program to cover before- and after-school care for children whose parents work during the day. It would cost about $1 billion over five years.

MAMMOGRAPHY SCREENING

But other lawmakers, like Representative Mary Rose Oakar, a Democrat of Ohio, are fighting for provisions that were widely supported by both parties and both chambers, but never made it in to either package. Ms. Oakar's cause is expansion of Medicare coverage to include routine mammography screening for breast cancer, and she had been promised by House Democratic leaders that a $2 billion "cushion" in the Ways and Means tax package would take care of it. "I'm livid," she said, as she circulated a petition among House members demanding that the negotiators make room for the Medicare change. "I've collected a 100 signatures in just the past 15 minutes, and I'm going to hand deliver it to each of the conferees."

Mammography test are covered by Medicare if a doctor detects a lump in a patient's breast and orders the procedure, but routine screening, now widely recommended as method of early cancer detection, is not. "It's symptomatic of the way we do things around here," Ms. Oakar said, arguing that the estimated $1 billion the new coverage would cost over five years would save money in the long run.

"The cost to the Medicare program for treating a woman whose breast cancer is detected early is $10,000 or less. The cost to the program for treating a woman with later stage breast cancer is between $65,000 and $125,000. But the budget figures never take that into account, and every time we think we have this coverage in the program, it gets taken out because somebody says its too expensive."

FINE PRINT: DEALS IN THE BUDGET PLANS

Some members of Congress who are negotiating on the deficit reduction package have been able to win special breaks for companies and industries in the states they represent. Others outside the negotiations are hoping to have their own proposals included in the final plan.

Sponsor	Proposal
Included in the budget plans	
Senator George Mitchell, Democrat of Maine, Senate Majority Leader.	Reduce burden of new insurance industry tax for a company in Maine.
Senator Bob Packwood, Republican of Oregon, Senior Republican on Finance Committee.	Exempt certain wineries from increase in wine excise tax.
Rep. Sam Gibbons, Democrat of Florida..	Soften tobacco excise tax increase on Large cigars.
Still being promoted	
Senator John D. Rockefeller, Democrat of West Virginia, Finance Committee conferee (not inner circle).	Expand Medicaid benefits for frail elderly.
Rep. Augustus Hawkins, Democrat of California.	Expand child care provisions to include program for "latch-key children."
Rep. Brian Donnelly, Democrat of Massachusetts, Member of House Ways and Means Committee.	Ease provision in current tax law that hurts New Bedford fishing industry. Provision would be paid for by tightening current deduction for moving expenses. Would raise $1.1 billion in new revenue, which makes it a good candidate for inclusion in final package.
Rep. Mary Rose Okar, Democrat of Ohio.	Expand Medicare coverage to include mammography screening. Provision is widely supported, but it would cost the treasury $1 billion.

IN SUPPORT OF THE NATIONAL EARTHQUAKE HAZARDS REDUCTION PROGRAM REAUTHORIZATION ACT

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. NOWAK. Mr. Speaker, this past Saturday, October 20, the House passed the National Earthquake Hazards Reduction Program Reauthorization Act of 1990. I would like to take this opportunity to express my strong support for this important legislation.

This bill includes several provisions within the National Science Foundation section which I feel are essential to expanding America's research into the causes of earthquakes and, more importantly, how our buildings and vital lifelines can be better constructed or retrofitted to better withstand them.

This compromise bill makes it clear that this country is serious about devoting the resources necessary to better inform and protect our citizens and property from the ravages of earthquakes.

To begin with, the authorization levels are substantially higher than current funding levels. For fiscal year 1990 $14.8 million was appropriated for NSF to conduct engineering research. This bill authorizes $24 million for fiscal year 1991, $29 million for fiscal year 1992, and $34.5 million for fiscal year 1993.

In addition, language is included in the bill directing the National Science Foundation to "support university research consortia and centers for research in geosciences and in earthquake engineering."

As many of my colleagues know, the National Center for Earthquake Engineering Research, located on the campus of the State University of New York [SUNY] at Buffalo, has been playing an essential role in expanding our knowledge of how to better construct infrastructure, buildings, and vital lifelines so they are more earthquake resistant.

Of equal importance, the center has been instrumental in raising the consciousness level of elected officials, municipal administrators and construction interests on the east coast to the earthquake dangers to which the eastern half of the United States is susceptible.

I would like to submit into the RECORD an article which recently appeared in Nature magazine further discussing this issue.

This legislation will go a long way to ensure that centers such as this will continue to receive the funds needed to maintain this important work.

SEISMIC WARNINGS HIT HOME

(By Christopher Anderson)

BUFFALO, NY.—Think of earthquakes in the United States, and you think of California. At least Californians do, and they still react angrily to the mention of a $50 million earthquake research centre on the East Coast campus of the State University of New York at Buffalo (SUNY). Nearly five years after the National Science Foundation (NSF) snubbed California by making New York the National Center for Earthquake Engineering Research (NCEER), West Coast researchers hint darkly that the NSF's decision was due more to the fact that former NSF director Erich Bloch is a SUNY-Buffalo alumnus than to any great need for an East Coast earthquake laboratory.

But over the last few years, NCEER has turned out to be adept at doing one thing that might well have been beyond the abilities of any California laboratory: convincing the East Coast political establishment to take earthquakes seriously.

Due in large part to efforts by NCEER researchers, Connecticut and New Jersey now require new buildings to be earthquake resistant, as does the city of Memphis, Tennessee, and its surrounding county. The state of New York is considering new measures. And now New York City, after long consultation with NCEER, is preparing a new building code that would require buildings to be able to withstand an earthquake of up to magnitude 5.5 on the Richter scale. "Once New York City goes, the rest of the East Coast will follow", predicts civil engineer Carl Constantino, a NCEER collaborator at the City University of New York.

The chance of an earthquake like last year's San Francisco tremor (magnitude 7.1 on the Richter scale) hitting the East Coast is slim, by most estimates, but not as slim as it was once thought.

Recent research by the US Geological Survey suggests that there is a 40–60 percent chance of an earthquake of at least magnitude 6.0 in the eastern United States before 2020 (see *Science*, 249; 21 September 1990). The most violent earthquake in US history took place in the New Madrid area of Missouri in 1811, and Charleston, South Carolina, was virtually levelled in 1886.

In the New York City area alone there is a better than even chance of a magnitude 5.0–5.5 earthquake in the next 10–15 years, according to NCEER researchers. Although an earthquake of that magnitude is unlikely to damage skyscrapers and other large modern buildings, smaller and older brick or stone structures could collapse without warning. One study suggested that a magnitude 6.0 earthquake in the New York City area could cause direct damage of $11,000–$25,000 million, neglecting fire and human costs.

A NCEER team that visited Soviet Armenia shortly after the catastrophic earthquake there in 1988 found that simple techniques such as reinforcing roof-wall connections and inserting steel rods into the walls could have prevented much of the destruction. In the United States, the researchers began to publicize parallels between eastern US cities and those in Armenia, and found a receptive audience. As NCEER executive committee member Klaus Jacob put it, "a few pointed primetime evening news TV essays finally broke the ice". New York's building commissioner promptly called for an expert committee to draft seismic provisions.

Since then NCEER researchers have campaigned tirelessly, using every opportunity to drive the point home. They assembled a team to visit San Francisco after the 1989 earthquake and sponsored the travel of four members of New York City's code-writing committee to accompany them. The committee recommended a seismic code almost immediately on their return.

NCEER officials are currently considering a small demonstration project in New York City for the centre's advanced technology, such as sliding foundation bearings and active controls that use movable weights or hydraulic braces to counter the forces generated by an earthquake or strong winds. And next year, in the first such US project, NCEER researchers will equip an existing skyscraper in the American southwest (details of which have not yet been released) with wind-resisting active controls. If successful, the demonstration will no doubt go far in convincing the construction industry to consider similar measures in other hurricane- and earthquake-prone areas.

HONORING THE EL RANCHO HIGH SCHOOL HALL OF FAME

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. TORRES. Mr. Speaker, I rise today to recognize three new members of the El Rancho High School Hall of Fame. On Saturday, October 27, 1990, the eighth annual Hall of Fame Recognition Banquet will be held to honor outstanding former students of the El Rancho Unified School District. These 1990 candidates have gained local, State, or national recognition for the achievements in their respective professions. Their accomplishments serve as shining examples for present students to emulate.

Mr. Speaker, I want to commend the alumni that will be inducted into the Hall of Fame, they are Rachel G. Guerrero, class of 1970, Steven P. Nieto, class of 1969, and William R. Barnett, class of 1959.

EL RANCHO UNIFIED SCHOOL DISTRICT 1990 HALL OF FAME RECIPIENTS

RACHEL GUERRERO, CLASS OF 1970

Rachel Guerrero has been a leader in advocating for the mental health and educational welfare of adolescent children and the ethnic community for the past 16 years.

Ms. Guerrero holds a Master's Degree in Social Work and a Bachelor's degree in Sociology with Minors in Spanish and Psychology. She is a former instructor of the University of San Francisco, School of Education, San Francisco, California. Additionally, she has been a guest lecturer at California State University, Sacramento and Sacramento City College. Presentations include: Child Abuse; Dynamics of Sexual Abuse and Treatment; Minority Issues and Racism; Mental Health Treatment of Minority Clients, and Minorities in Professional Careers.

Ms. Guerrero is presently a Mental Health Program Specialist, Division of Community Programs, Special Populations Branch, State Department of Mental health, Sacramento, California. She provides consultation and technical assistance to county children and adolescent mental health programs. She serves on the interdepartmental program development and planning committees regarding mental health services. Guerrero monitors programs. provides statewide training, analyzes and drafts proposed legislation and provides expertise on ethnic populations issues.

STEVEN P. NIETO, CLASS OF 1969

Steven P. Nieto a practicing Attorney at Law has his own private practice and specializes in Personal Injury and Criminal Defense. Mr. Nieto has provided his legal expertise, free of cost, to the Senior Citizens Center in the city of Whittier. He additionally has contributed many hours of Pro Bono work in the community of Whittier

and Huntington Beach. He is a Member of the California State Bar Association; Member of the Southeast Lawyers Bar Association; Member of the Los Angeles Trial Lawyers Association; Member and Past President of the Whittier Bar Association; and holds his membership with the Lions Club of Whittier.

Mr. Nieto has a Juris Doctorate Degree from Western State School of Law and received a Bachelor's Degree in Business Administration from California State University, Fullerton, and obtained his Associate of Arts Degree from Rio Hondo Community College, Whittier.

As a former student of El Rancho High School, Mr. Nieto was a starting wide receiver for the 1968 football team, which went on to win a C.I.F. Championship in that year. As a wide receiver he received "All League Honors" in 1968. Two years later, at Rio Hondo Community College, he bacame a starting member of the Rio Hondo football team. That team also went on to win the Southeastern Conference Championship in 1970. He received Southern California Conference Honors for his talents as a wide receiver.

Mr. Nieto is married to the former Maryanne Mooradian. Together they have three children, Paul Steven, Jonathan Thomas, and Natalie Anne.

WILLIAM R. (BILL) BARNETT, CLASS OF 1959

William R. (Bill) Barnett, as a student at El Rancho High School, Mr. Barnett was a team leader, encouraging his peers and setting standards for others to follow. In his senior year at El Rancho High School he won the C.I.F. in the backstroke, he set swim records, and was one of a few athletes at El Rancho High School to win a gold medal in C.I.F. competition.

Barnett excelled after graduating in 1959 from El Rancho High School. He enrolled at California State University, Long Beach where he would become a fierce competitor in state, national, and international swim competitions.

Mr. Barnett later transferred and received his Bachelor of Arts in Physical Education from the University of California, Irvine, he additionally holds a Master of Arts Degree in Physical Education from the University of California, Berkeley. He is presently employed as an instructor at Newport High School and is the Head Coach, Water Polo. He has won ten C.I.F. 4A water polo championships; has been C.I.F. Runner-up seven times; has been named C.I.F. "Coach of the Year in 1968, 1970, 1975, 1977, and 1978; has been named "Coach of the Year" by the California Association of Coaches; and has developed over 100 high school All-American swimmers.

Barnett is currently the Head Coach of the United States National & Olympic Water Polo Team; Head Coach of the Pan American Water Polo team for the Pan American Games; Head Coach of the National B Water Polo team in 1982-83; Head Coach National Jr. Water Polo team in 1976-82. He is a member of the United States Water Polo Coaches Association.

Mr. Barnett is married to Marcia Barnett; she is a high school chemistry teacher. They have two children.

NEW ROCHELLE BRANCH OF NAACP PRESENTS AWARDS AT ANNUAL BANQUET

HON. NITA M. LOWEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mrs. LOWEY of New York. Mr. Speaker, I rise today to join the New Rochelle Branch of the NAACP in honoring the 10 outstanding recipients of its 1990 awards. These awards will be presented at the New Rochelle NAACP's 24th annual Freedom Fund Awards Banquet on Sunday, November 4.

Mrs. Barbara Wilson, a 17-year veteran of the New Rochelle NAACP, will be designated 1990 Member of the Year. Since 1974 Mrs. Wilson has devoted her time and talents to the NAACP Souvenir Journal. As a result of her efforts, the Journal is now the branch's largest financial contributor, providing essential funding for the organization's many activities.

Mrs. Yvonne Tucker Young, another longtime supporter of the New Rochelle NAACP, has been singled out for special recognition. Mrs. Young has been an active community volunteer ever since high school. She has played important roles in the Community Action Program, the Women, Infant, and Children Program, and the fundraising committee of the Remington Boys and Girls Club.

The youth honorees are 11 members of the Remington Boys and Girls Club Flyers Track Team. Ebony Cole, Erika, Cole, Yolanda Coleman, Sharon Footes, George Green, Erika Hanami, Kim Lando, Rich Minott, Stacey Minott, Endira Reid, and Kandi Ricks completed a mammoth 11-leg relay run from the steps of New Rochelle's City Hall to the steps of the U.S. Capitol. Members of the relay team range in age from 9 to 13.

Ms. Emma P. Elmore and the late Dr. Frederick D. Patterson will share the Education Award. Ms. Elmore, a math teacher at Columbus Elementary School in New Rochelle, is active in a wide variety of community and church programs. She is the vice president of the Church School Superintendents' Council of Westchester and a founding member of the New Rochelle Friends of the United Negro College Fund. Dr. Patterson, a resident of New Rochelle until his death in 1988, founded the United Negro College Fund in 1944. Dr. Patterson was also president emeritus of the Tuskegee Institute in Alabama.

Mr. Walter Brown and Mr. Joseph F. Fosina will be honored for their devotion to community service. Mr. Brown, a student counselor specializing in alcohol and drug education programs at New Rochelle High School, is the volunteer coach of the Remington Flyers Track Team and the organizer of the recent 11-leg relay run to the Capitol. Mr. Brown participates in numerous community programs, including student assistance services, which places highly trained social workers in public schools. Mr. Fosina, a salesman for the Raleigh Athletic Corp., is a member in many community organizations. He is the chairman of the New Rochelle Civil Service Commission, the William Flowers Scholarship Committee, and the New Rochelle Sports Hall of Fame.

Albert Holmes, Sr., proprietor of Al's Barber Shop, is the deserving recipient of the Business Award. Mr. Holmes opened his first shop with his brother in Tarrytown, NY in the 1950's. In the 1960's, Mr. Holmes moved to New Rochelle and established the business which survives today, now run by his son, Albert Holmes, Jr.

The Westchester County Press, a weekly newspaper serving Westchester's African-American community, will be honored with the Media Award. The paper has flourished under the leadership of Paul and Orial Redd, enabling it to vigorously continue its long tradition of publishing educational, social, political, and economic news from an African-American perspective.

Finally, WVOX/WRTN Radio will receive the Corporate Award in recognition of its innovative programming and responsiveness to the community. WVOX, the AM station, broadcasts shows with a local emphasis, including weekly town reports and special heritage programs. WRTN, and the FM side takes its listeners back to the days of ballroom dancing and afternoon socials by featuring artists such as Ethel Merman, Cy Coleman, Frank Sinatra, Artie Shaw, and Billie Holiday.

Mr. Speaker, the recipients of these awards have demonstrated a strong commitment to the NAACP and an outstanding involvement in community and civic projects. Their fine spirit and remarkable achievements mark them as exemplary members of their community, and I am delighted to have this opportunity to join the New Rochelle Branch of the NAACP in honoring them today.

A TRIBUTE TO THE ALZHEIMER'S ASSOCIATION AND 10 YEARS OF CARING AND SHARING FAMILIES

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. ROYBAL. Mr. Speaker, today I have the distinct honor of paying tribute to the national Alzheimer's Association on its 10th anniversary. In this association of families, we have something very unique, a 10-year lesson in how families who share a common burden can join together to share that burden. The Alzheimer's Association is a shining symbol of the American spirit of caring and sharing families.

Since the Alzheimer's Association first took root in 1980, it has emerged as a strong force in educating the American public on the great tragedy of Alzheimer's disease and related dementias. Under the able leadership of its founder, Jerome H. Stone, and its current president, Richard Gehring, the Alzheimer's Association now reaches nationwide with over 200 chapters made up of the families who care enough to help others.

Why is their work so critical? Alzheimer's creates a double catastrophe. The first is the great personal loss of the victim with Alzheimer's disease and the terrible burden carried

by their families. Until we can prevent, control, or cure the disease, this catastrophe remains unabated. The second catastrophe is financial. Alzheimer's disease robs the families of their savings and their incomes as they struggle to care for their family member with Alzheimer's. While Medicaid plays a role in assuring some care is provided, the price is partial impoverishment and loss of dignity. If we are able to stop this double catastrophe from happening, the Alzheimer's Association will deserve great praise for its diligence and its perseverance.

Already, much has been accomplished through their efforts. From the first million dollars of appropriations funding for Alzheimer's research which I pushed, the Federal commitment to research has grown substantially. Today, the Federal commitment to research on Alzheimer's disease and related dementias is about $150 million. But it is not only the amount of dollars, but the breadth of the Federal involvement in Alzheimer's research. Currently, there are over 10 different Federal agencies involved in Alzheimer's research, from basic research to services research. This could not have happened without their help.

However, we are nowhere near the end. The urgent and great need for research remains just as it was a decade ago. In fact, the need has grown because we are now much closer to answering the critical questions which can lead us to a means of preventing or curing Alzheimer's disease and the related dementias. Sadly, Alzheimer's research remains grossly underfunded by the Federal Government. This year we will spend less than $1 on research for every $600 in Alzheimer's-related societal costs.

How much Federal research funding is needed? Clearly, we need to quadruple today's Federal research. Even then, Alzheimer's will receive far less research funding than the other major diseases—cancer, AIDS, heart disease. In 1990, Alzheimer's research receives only about $148 million while annual societal costs may exceed $88 billion. At the same time, we will spend 4 to 11 times that amount on research—$704 million to $1.69 billion—on each of the other major diseases—cancer, heart disease, AIDS—with annual societal costs ranging from $66 billion to $94 billion.

This has to change and the Alzheimer's Association has been critical of our efforts to bring about this change. With their invaluable help, a bipartisan, House-Senate "CARE" coaiition has been formed and introduced the latest version of the Comprehensive Alzheimer's Assistance, Research and Education Act—H.R. 4770 and S. 2602. The Alzheimer's "CARE" coalition represents a consolidation of forces of all the major congressional supporters of Alzheimer's related legislation and the Alzheimer's Association.

Enacting the Alzheimer's "CARE" legislative package, introduced by the bipartisan, House-Senate "CARE" coalition and pushed by the Alzheimer's Association, would quadruple the Federal research commitment for Alzheimer's and related disorders to over $560 million by 1993, nearing parity with the other major diseases and making a long, long overdue correction in Federal priorities.

However, expanded research funding is not enough. The Alzheimer's Association and the congressional coalition, as part of the "CARE" bill, are pressing for a new Federal, State, and private sector intitiative—a federally sponsored State Alzheimer's Program providing badly needed assistance to Alzheimer's victims and their families in every State in the Nation. With a proposed Federal infusion of $125 million and a dollar-for-dollar State match, $250 million in assistance could reach the millions of Alzheimer's victims and their families.

But even that falls short. We cannot forget the daily long-term care burden carried by millions of families. Nursing home costs can cost a person $37,000 a year and they do cost the Nation's elderly consumers over $20 billion a year. Caring families ask only for some assistance in taking on that long-term care burden and for protection from the financial devastation.

A number of approaches can reduce the financial devastation. They range from full health and long-term care reform, as in my US Health bill—H.R. 2980—to long-term care reform, as in bills I introduced with Senator KENNEDY—H.R. 4093—and my former colleague, CLAUDE PEPPER—H.R. 2263. Just a few weeks ago in its final report, the Pepper Commission laid out another health and long-term care plan which deserves serious consideration and strong support. This Nation cannot rest until it can assure Americans of all ages that they need no longer face financial devastation from a long-term, disabling illness like Alzheimer's.

Today, there are 4 million victims of Alzheimer's disease and related disorders, according to current estimates from a National Institute on Aging sponsored study. This number is likely to triple by the middle of the next century and is a frightening figure for policymakers and the American public to contemplate. Alzheimer's disease is an issue whose time is long overdue but has finally come. Congress and the administration need to face up to their responsibility to help reduce the terrible financial and emotional devastation caused by Alzheimer's disease and related disorders. If we care enough, we can do no less.

Mr. Speaker, let me again pay tribute to the national Alzheimer's Association and the families who are its source of strength and commitment. As they celebrate their 10th anniversary, let me assure them and my colleagues that I will remain an ever-steadfast advocate of a strong and fair Federal commitment to research on Alzheimer's disease and related dementias and to a long-term care policy which preserves the dignity and the financial independence of the victims and their families.

LONG-TERM CARE INCENTIVES ACT OF 1990

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. RITTER. Mr. Speaker, both public and private planning for long-term care financing has been neglected far too long. The present system of funding long-term care is not only unfair, it is in danger of collapsing. It seems almost criminal that a new cottage industry is developing to advise Americans on ways to artifically impoverish themselves to qualify for a place provided by Medicaid in a nursing home. Continued limits on State and Federal funding are making public assistance beds in nursing homes harder to find.

According to the Congressional Research Service, approximately 1.3 million elderly Americans were residents of nursing homes in 1988 with another 2.6 million requiring home care services. In 1986 about half of the $38 billion spent for nursing home care came from private sources with the rest paid by public programs. Some 97 percent of private spending for nursing home care was paid out of pocket. With nursing home care costing about $25,000 annually, out-of-pocket nursing home care is a real financial threat to the average American family. Today's need for better long-term care financing is urgent. If tomorrows needs are not planned for, the situation will be catastrophic. As our population ages and our medical technology becomes ever more sophisticated at prolonging life, the need for long-term care will grow dramatically. An estimated 4.4 million will be nursing home residents and a staggering 14.4 million elderly will require home care by the year 2040.

Social insurance advocates assert that a comprehensive Government program is the only solution to the long-term care financing problem. A comprehensive Government plan is not the only solution, it is not the best solution. In fact it is not even a plausible solution.

The centralized bureaucratic decisionmaking of Government cannot match, cannot even approach decisionmaking at the level where services are produced and consumed. One has only to look at the Medicare Program to see a totally irrational fee schedule, physicians hassled by red tape, an out-of-control cost increase spiral, and the specter of treatment decisions being dictated by Government procedure manuals rather than individual physicians. The Government's acute care program for the elderly provides an eloquent statement about the path we do not want to take our long-term care program down.

Even if a comprehensive Government program were desirable, it is not feasible. The Government will have, at best, very limited financial resources for the foreseeable future to apply to long-term care. The advocates of comprehensive social insurance are letting their concept of perfection be the enemy of badly needed improvements.

The Government may not be able to provide a comprehensive solution; nevertheless, the Government clearly has a vital role to play. Therefore, I have developed the Long Term Incentive Act of 1990 to define and provide authority for the Government's role. I am introducing that legislation, the LTCIA, today.

The LTCIA relies on a combined strategy of public and private financing. The bill retains the present Medicaid system to help truly needy U.S. citizens; it also allows elderly citizens in need of more than 2 years of nursing home care to become eligible for Government assistance without the charade of artificial impoverishment. The bill allows families caring

for parents or grandparents at home or in nursing homes to deduct long-term care costs as medical expenses. My proposal also provides a wide range of incentives to promote insurance and savings to finance long-term care.

The LTCIA provides protection against excessive long-term care costs for most Americans. The wealthiest Americans, those with over $500,000 in assets, would not be eligible for the extraordinary cost provision of the LTCIA. Other elderly Americans requiring extended long-term care would become eligible for Government assistance after 24 months in a nursing home—or the equivalent in home care expenses—without having to first exhaust financial assets. Most nursing home stays are comparatively short, more than half are for less than 3 months, and three-fourths are less than 1 year. The 16 percent of nursing home stays that exceed 2 years represent a genuine threat to the savings of our elderly population and their families. Federal coverage is needed not only to protect average Americans from excessive cost, but to help Americans plan for long-term care. By limiting long-term care liability, consumers will know what coverage they need; and they will be able to evaluate the protection insurance companies offer.

The LTCIA eliminates the current bias that favors institutional care over home and community based alternatives. My bill requires Medicaid to provide home and community care alternatives. The LTCIA would also allow long-term care expenses for home and community care to be used to establish eligibility under the extraordinary cost provision. Long-term care insurance would have to provide home and community care benefits, not just nursing home care, to qualify for the tax incentives of this bill. Home and community long-term care services would be deductible as a medical expense just the same as nursing home care.

Long-term care insurance has not been a significant factor in the long-term care situation thus far, partly because current Federal tax treatment of long-term care policies acts as a disincentive. Nevertheless, by December of 1989 over 1.5. million long-term care policies had been purchased, an increase of 36 percent over 1988.

Long-term care insurance is an innovation with enormous potential for protecting average Americans. The LTCIA is designed to promote this trend and encourage private long-term care insurance for those who can afford it, reserving Medicaid dollars for the most needy. Employer paid long-term care benefits would be exempt from income tax, similar to other health insurance. Moderate income families would be eligible for a tax credit, and higher income families could take a tax deduction for purchasing long-term insurance. Incentives would be available for low-income families as well. For people who do not have enough income to fully benefit from the tax credit, the credit would be made refundable: The difference would be paid to them in cash. Low income families will no longer be solely dependent upon Medicaid, but rather, will have financial aid to buy into a program that addresses their needs as they see them.

Incentives are also provided to reward saving for long-term care. Funds used for long-term care could be withdrawn from 410(k) or IRA savings and be excluded from gross income; and therefore, would not be taxed like other dollars withdrawn from these accounts.

A combined strategy of public and private financing working together is a viable strategy to both assure access to care and to hold down the cost spiral that plagues other health care programs. LTCIA means accessible and affordable long-term care now and in the future.

The growing population of aging Americans demands innovative solutions and LTCIA is an attempt to fill that demand. I hope that Members and the public will review this proposal understanding that we must come to grips with the issue of long-term care financing. The LTCIA, refined by public debate, offers Congress a solid piece of legislation to deal with the long-term care issue in the next session.

UNITED STATES-JAPAN AIR CARGO AGREEMENT—CONGRATULATIONS SECRETARY SKINNER

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. McEWEN. Mr. Speaker, while the United States remains the largest and most open market in the world, there is consensus agreement that the Japanese economy is much less open to foreign economic activity. Therefore, the United State trade negotiators have consistently pursued the goal of increasing the access of American firms to the Japanese market rather than protecting the American market.

Mr. Speaker, I support the goal of addressing the United States-Japan trade imbalance by removing the impediments in the Japanese economy that deny American firms the opportunity to compete on an equal basis in Japan. However, I am growing increasingly skeptical that the current negotiating strategy of the United States can even be successful in overcoming these barriers.

Regardless of how American negotiators tinker with Japan's economic system, the Japanese have proven adept at thwarting the American goal of free competition. I would like to draw attention to one recent example of this situation.

In the past year, the United States and Japan agreed to allow air cargo carriers—one American, two Japanese—of each country to operate between Chicago and Tokyo. The American firm awarded the route was United Parcel Service [UPS]. This month, after negotiations between the FAA and the Department of Transportation, the Japanese cargo carriers were scheduled to make their first flights. However, UPS will not be taking off for some time because the Japanese Ministry of Transport has restricted the American carrier to particularly unreasonable departure slots, thus iliminating the ability of UPS to compete effectively.

Mr. Speaker, I congratulate the Honorable Samuel Skinner, Secretary of Transportation, for placing a temporary hold on the initiation of the Japanese air-cargo flights into Chicago. No such flights will begin until UPS' difficulties can be worked out to their satisfaction. We must show the Japanese that we are resolute in our insistence that they implement our trade agreements in a manner that is fair, supportive of free and equal access to the Japanese market, and harmonious with the intent rather than the letter of our trade agreements.

Recently I came across an article in the Journal of Commerce dated October 1, 1990, entitled, "Time-out With Tokyo," which deals with this example. I commend it to each Member of Congress as a further illustration of this chronic problem with United States-Japan trade negotiations. I respectfully request that the article be included in its entirety.

TIME OUT WITH TOKYO

Doing business in Japan is never easy for an American company. Just ask United Parcel Service.

The world's largest package express company is scheduled to begin flying between the United States and Japan this month. But the route won't be worth much if the Japanese Ministry of Transport proceeds with plans to bar UPS from operating late-night flights from Tokyo, as its competitors do. Unless the ministry relents, U.S. transportation officials need to be tough with Japan.

The problem UPS faces is a classic example of how the Japanese government interferes with trade. The United States won the right for a new U.S. cargo carrier to serve Japan in bilateral negotiations last year. The U.S. Department of Transportation, responsible for selecting the U.S. carrier, awarded the route to UPS. Under the same agreement, Japan won the right for two of its carriers to offer air cargo service to Chicago.

Neither country's carriers could inaugurate service, however, until the other government granted operating authority. For the Japanese carriers, this promised to be no problem: Pending a nod from the U.S. Department of Transportation, Japan Airlines Inc. and Nippon Cargo Airlines Co. are poised to start flying to Chicago this week. But, Japan's Military of Transport declared that capacity limits at Tokyo's Narita Airport were such that UPS could not schedule evening departures three days a week. Japanese officials told UPS its planes could not take off until late the next morning, and could not depart any time on Saturday.

An all-night layover for UPS would render its express service—which, after all, is predicated on speed—of little value to many shippers. Air express companies gather freight during the day, truck it to airports in the evening and leave late at night. Nighttime departures from Tokyo allow eastbound flights to reach the United States and Europe early the next day. That is why 84 of the 94 eastbound freighter departures each week from Narita—including flights by Japan Airlines and Nippon Cargo Airlines—leave between 8 and 11 p.m. The rest leave early in the morning. None leave during the late morning hours assigned to UPS.

United Parcel's reception in Japan contrasts sharply with the treatment of the Japanese carriers in the United States. Chicago's O'Hare International Airport, like

Narita, limits the number of takeoffs and landings because of heavy congestion. But under Federal Aviation Administration rules, a new international flight, regardless of whether the carrier is American or foreign, will displace a domestic flight if no additional takeoff or landing slots are available during a particular period. In fact, the FAA forced carriers to reschedule domestic flights at O'Hare to give Japan Airlines and Nippon Cargo Airlines the landing and departure times they wanted.

If Japan interferes with the rights of U.S. carriers, the U.S. government has the power to respond in kind. Two weeks ago, the Department of Transportation showed its muscle in a similar case, when it proposed to withdraw the right of China Airlines Ltd. to handle cargo in Los Angeles in retaliation for Taiwan's refusal to grant cargo handling rights to United Airlines in Taipei. The department also plans to cancel China Airlines trucking rights in the United States.

Negotiations concerning United Parcel's flights are under way. To help them along, the Department of Transportation should hold up the Japanese carriers' permission to begin service to Chicago. Retaliation is a bad way to do business, but a bilateral agreement means nothing if one of the parties doesn't live up to its end of the deal.

FORGOTTEN SENTINELS

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. MOODY. Mr. Speaker, during the crisis in the gulf, a great deal of our attention has been focused on the service men and women deployed to the gulf. But very little attention has been focused on those truly on the front lines of this crisis: United States Embassy personnel who remain in Baghdad and Kuwait.

These dedicated Foreign Service officers are very visible targets. Yet everyday they do what they can to help Americans through the ordeal in Iraq and Kuwait.

The New York Times made a very similar point in its editorial of September 25, 1990. The editorial appears below.

[From the New York Times, Sept. 25, 1990]

FORGOTTEN SENTINELS

President Bush has inadvertently slighted the U.S. Foreign Service. In his Sept. 11 speech to Congress, Mr. Bush spoke generously and at length about "our brave servicemen and women" in the Persian Gulf. But he failed even to mention the brave men and women serving as diplomats in Baghdad and Kuwait, the hazardous cockpits of the conflict. It does not belittle the sacrifices of uniformed Americans to note the Foreign Service officers are in more immediate peril.

More of these civilian officers have been killed in the line of duty than all the generals and admirals who have died in combat since World War II. The names of these diplomats are honored on plaques in the State Department lobby. In 1955 there were 75 names. Since then, 90 more career diplomats have been killed, most victims of terrorism.

Americans treat the Foreign Service shabbily. Congress routinely slashes State Department budgets, since diplomacy has no domestic constituency. Salaries are kept low and training programs starved of funds by legislators. Presidents treat ambassadorial posts as choice booty for chums and contributors.

Perversely, career diplomats go unrecognized and unrewarded even as their skills are required for new problems, from narcotics and pollution to vanishing rain forests. Neglect of the Foreign Service is ignominious in normal times, but incomprehensible in crisis. American diplomats in Kuwait are captives in a combat zone; embassy defenders rely on a swimming pool for drinking water. Their courage calls for a salute; at the first opportunity Mr. Bush should make full amends.

HONORING GREGORY BASSUK—YOUNG AMERICAN MEDAL FOR SERVICE

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. GILMAN. Mr. Speaker, I invite my colleagues to join me today in honoring one of my young constituents, Gregory D. Bassuk, of Chestnut Ridge, NY.

Attorney General Dick Thornburgh announced yesterday that Mr. Bassuk is one of two recipients of the 1989 Young American Medals for Service, an award to be presented by President Bush which recognizes selflessness and courage on the part of our youth in striving to make this a better world.

Gregory Bassuk has distinguished himself by serving both the young and the elderly of his community. Of particular note is his service to his peers, the youth of his county. A member of a number of youth organizations in my district, including project TEAR [teen empowerment action response], Mr. Bassuk distinguished himself by providing leadership to his fellow youth. Showing a concern that young people actively participate in their communities and the decisions that affect them, Mr. Bassuk was elected to the New York State Youth Council, a Statewide organization working to encourage our State's young people to take part in the decisions that affect them. He was later elected eastern regional coordinator for the youth council's steering committee, in charge of coordinating youth programs in 23 New York counties.

In addition to his service with various youth organizations, Mr. Bassuk wrote the material for and hosted a radio program called "Teen Talk," which dealt with issues that included teen drug and alcohol abuse, teen runaways, and the effects of various social cliques on today's youth.

Mr. Bassuk is conspicuous for his service to the elderly of his community. Serving as an aide, Mr. Bassuk ran errands for senior citizens and escorted them to the doctor. In addition, he took time to socialize and to share his life and experiences with the elderly, who are in many cases no longer able to live as active a life as they once did. With today's busy lifestyles, the elderly are all too often not accorded the time or respect they deserve. Mr. Bassuk's dedication to serving the elderly is both exemplary and inspirational, to the young people he already serves so well, as well as to people of all ages.

Mr. Speaker, I invite my colleagues to join in congratulating Gregory Bassuk on being awarded the "Young American Medal for Service." We commend him for his outstanding service to the people of his community, both young and old.

INTRODUCTION OF THE BREAST CANCER SCREENING SAFETY ACT OF 1990

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mrs. LLOYD. Mr. Speaker, today is a very important day for women across America. Today advocates for women consumers of health care take another step in the struggle to provide quality care. We are again united in a cause and committed to passing legislation, the Breast Cancer Screening Safety Act of 1990, to protect women from neglectful health care practices.

The interaction of women and the health care system has a long and distressing history. First, critical research necessary to prevent and cure diseases that primarily affect women has been drastically underfunded. Second, the old boy research network fails to adequately fund female researchers and fails to include women in clinical trials. Next, reimbursement is not provided for many diagnostic procedures that could prevent or detect diseases affecting women. And to top off all these discriminatory policy blunders, quality standards that have been established for a very effective diagnostic procedure, mammography screening, are almost completely ignored in hospitals, radiology centers, clinics, and physicians' offices across the Nation. What else could we do to keep quality health care away from women?

It is shameful that so many women die each year as a result of breast cancer, when so many lives could be saved with more research, education, and quality diagnostic screening and treatment. It is a sin that thousands of other women are scared by surgery that could have been prevented. It is the ultimate insult to women that decent care is not provided even when the technology is available.

The fact is, mammography is extremely successful in early cancer detection under optimal conditions. But the General Accounting Office has verified that these conditions do not exist. Mammography providers have chosen not to comply with the quality assurance standards established by the American College of Radiology. This lack of compliance has led to great variations in image quality and radiation dose which threatens the accuracy of these diagnostic procedures. This is particularly dangerous to older women who are at highest risk for developing breast cancer, and are least likely to seek early detection services.

Mr. Speaker, the health of millions of women has been put in jeopardy and the tragic consequences of misdiagnoses will never be fully known. We must demand that quality be improved and accuracy assured in

order to prevent misdiagnosis. I believe that an incorrect mammography can be worse than no mammography at all. Therefore, it is time for the Federal Government to regulate the quality of mammography upon which women rely so heavily.

Mr. Speaker, the standards that the "Breast Cancer Screening Safety Act" mandates reflect common sense and the good work of the American College of Radiology. This legislation will put pressure on health care facilities to ensure that mammography is performed safely, with qualified personnel and equipment, and accurate diagnoses. Women have the right to quality medical care, and quality mammography is a matter of life and death. This bill will deny health care facilities their accreditation for mammography procedures if they fail to meet important standards, and that is only fair.

Mr. Speaker, those of us introducing the Breast Cancer Screening Safety Act of 1990 will not accept poor quality health care for women. I commend Senator BROCK ADAMS and his excellent staff for their work on this bill. I also congratulate Representative PAT SCHROEDER and Senator MIKULSKI for their work on this legislation and for their other efforts in behalf of women.

In closing, those who deny women their right to quality health care have not heard the last from us. We will continue to fight for fair research funding and practices, and the quality health care that every American woman deserves. Finally, I challenge my colleagues, both men and women, to consider the health of their loved ones who are women—your mothers, wives, sisters, and daughters are all at risk—please support immediate action to make breast cancer screening safer and accurate.

TRIBUTE TO FATHER PETER STEPHEN LENTINE

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. HERTEL. Mr. Speaker, I rise today to pay tribute to Father Peter Stephen Lentine on the celebration of the 40th anniversary of his priesthood. Father Lentine was born in Detroit, MI on April 1, 1919, to the late Emmanuel and Josephine Lentine.

After graduation from St. Catherine's School, Father Lentine attended Sacred Heart Seminary located in the Archdiocese of Detroit. He studied theology for 2 years at St. Mary's Seminary in Baltimore, and completed his studies at Mount St. Mary's Seminary in Emmitsburg, MD.

Father Lentine was ordained a priest on May 20, 1950. On the following day at 10 a.m., Father Lentine celebrated his first Mass at St. Catherine's Church.

After his service at St. Catherine's, Father Lentine was appointed the associate pastor at St. Elizabeth's Parish in Wyandotte, MI. Father Lentine subsequently served as associate pastor at the Assumption Grotto, St. Matthew's and St. Rita's, all located in Detroit.

In 1966 Father Lentine was appointed pastor of St. Philomena's Parish, where he continues to serve in this capacity.

Father Lentine's priesthood has been marked by a sincere devotion to his parishioners and a steadfast fidelity to the church. Father Lentine willingly took on additional responsibilities beyond his duties as a pastor. He served on the Archdiocese Priests' Senate, as well as the vicar of the Detroit-Grosse Pointe Vicariate.

His excellent service has brought him well deserved recognition. He has received the Father Farrel Award and the Bishop Donnelly Award, both given to active priests who excel in ministry and faithful priestly service.

Father Lentine declined retirement in 1989 at the age of 70. He remains active as the pastor, and sole priest at St. Philomena's. Father Lentine maintains a full schedule, of both sacramental and pastoral duties, and continues to give generously of himself to all in need.

SAVINGS ASSOCIATION CONVERSION MORATORIUM ACT

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. VENTO. Mr. Speaker, today I and other members of the House Banking Committee are introducing the Savings Association Conversion Moratorium Act. This legislation is a necessary policy designed to stop a new effort by some S&L's to regain powers that these S&L's lost in the Financial Institutions Reform Recovery and Enforcement Act [FIRREA].

Mr. Speaker, when the Congress passed and the President signed the S&L bailout legislation into law, many Members and the American people thought we had put a halt to the high-risk investment activities that had plunged the S&L's into trouble in the first place.

Unfortunately, in the 14 months since the enactment of FIRREA, creativity by some thrifts and State legislatures has worked overtime to undermine the new law. Using a loophole in the law, some savings and loans are now seeking to circumvent the restrictions on risky activities such as direct investment in real estate, junk bonds, and loans to one borrower.

To circumvent these responsible national policy restrictions, Federal and State chartered savings associations want to convert to State chartered savings banks. Under some State laws, these converted S&L's would be able to invest in high-risk assets that exceed FIRREA's limits, avoid the 70-percent qualified thrift lender test, and avoid regulation by the Office of Thrift Supervision.

While States are granting these riskier powers to savings banks, it is important to remember that these banks and their activities would still be covered by Federal deposit insurance and the American taxpayer. This is a replay of the problems that exacerbated the S&L crisis. As we all know, some States have not been reticent in granting new powers to S&L's with the Federal Government left to foot the bill if the investments go bad. According to the Office of Thrift Supervision, State chartered S&L's accounted for more than 70 percent of the total losses to the FSLIC deposit insurance fund in 1988 and 1989.

We surely cannot allow this loophole and its inevitable problems and losses to the taxpayer to continue or to grow. Legitimate concerns have been raised regarding the size of the fees that the Office of Thrift Supervision assesses as regulator; the potential conflicting roles of FDIC as regulator and insurer; and the future direction of savings and loans. However, fee charges and these concerns should not be used as an excuse to maintain such a problem in the law.

We have a potentially explosive problem that should be addressed in the waning days of this Congress before the abuse and circumvention of the law is rampant. Thus, I am proposing today to establish a moratorium on further conversions from Federal and State savings associations to State-chartered savings banks through the end of next year. This moratorium will permit Congress and the administration to review the law and address the issues that have been raised in the proper context of deposit insurance reform. Most importantly, the moratorium establishes needed protections to insure that no one will take advantage of this loophole and resume the very activities that Congress sought to limit.

While time is short, it is my hope that Congress will close this glaring loophole with minimal disruption and permit more thorough consideration in the next fiscal year.

I know that many Members may have concerns about the sudden nature of this problem and the proposed solution and the fact that we are acting late in the session. Unless we act now, the conversion of a significant number of S&L's to State savings banks may well be an accomplished fact. In that case Congress will once again have dealt itself out of a key policy decision. Congress will, however, be left to pick up the pieces, authorizing and appropriating funds to try to keep the Humpty Dumpty deposit insurance system whole.

A moratorium now certainly will not cause great disruption, but rather careful deliberation. A moratorium will serve notice anew to the States and the savings and loan industry that we will not repeat the business-as-usual practices of the S&L industry—a regulatory whipsawing of national versus State S&L's of the 1980's. Congress should have learned its lessons, and we should act to save the insurance funds and the American taxpayer.

KEEP SMALL BUSINESS HEALTHY

HON. LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. THOMAS of Georgia. Mr. Speaker, I rise today to advise my colleagues that small business needs to be taken seriously in our consideration of legislation in the final days before we adjourn.

According to the National Federation of Independent Business [NFIB], the output of small business in the GNP is greater than West Germany and only just behind Japan in millions of dollars.

In Georgia, the five fastest growing small business dominated industries are arrangement of transportation, security and commodity services, health practitioners, personnel supply services, and outpatient care facilities.

We must work hard in the closing days to make sure that we do not put mountains in front of small business owners that they can't climb. If we do, we build in a disincentive to business startups and growth.

I am committed to keeping small business healthy, and I want to put my colleagues on notice that we have a small business concern that must be addressed before Congress adjourns.

GEORGE TAKAHASHI—A GREAT MAYOR AND A GREAT CITIZEN

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. PANETTA. Mr. Speaker, I rise today to pay tribute to Mayor George Takahashi, of Marina, CA, on his November 1990 retirement. His service to the city of Marina and its surrounding communities is truly unprecedented.

Mayor Takahashi was first elected to the Marina City Council on April 15, 1980, and was appointed to serve the remaining term of the vacant mayor's seat in September 1981. Mr. Takahashi was elected for another 2-year term as mayor in April 1982, and was successful in his re-election to three, 2-year terms since that time.

Mayor Takahashi has more than surpassed meeting the regular mayoral responsibilities unique to the Marina area. He has been instrumental in the significant growth and improvement of the Marina community. Throughout the mayor's term on the Marina City Council, he served as the city's representative on numerous committees and commissions, such as the Monterey-Salinas Transit Board, the Mayors' Select Committee, the Association of Monterey Bay Area Governments, and the American Legion Post 694, among many others. He was also influential in securing the first Monterey County Mayors meeting in Marina.

As a member of the Fort Ord task force, the mayor made a special effort to travel to Washington, D.C. in 1981 and 1990 to be the voice of Marina regarding the proposal to relocate Fort Ord. His experience in the military, stemming from his nearly 24 years in the U.S. Army, from 1945 to 1969, created a unique opportunity for him to broaden the understanding of both community and military needs in the area.

A prime example of his utmost pride and respect for the city of Marina was his establishment of The Avenue of Flags. It is a symbol of his caring leadership that will be fondly remembered for helping transform Marina into the developing community it is today.

Mr. Speaker, I ask my colleagues to join me now in commending Marina, CA, Mayor George Takahashi on his retirement. It is with great respect and pride that I salute the outstanding achievements and character of George Takahashi—a great mayor and a great citizen.

PROTECTING THE CONSUMER AS WINTER APPROACHES

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. DOWNEY. Mr. Speaker, I rise today to express my concern about the increase in the price of gasoline and the potential for further consumer difficulties as the cold winter months approach.

I have been receiving many messages of concern from my constituents about this sudden price increase. This concern is certainly understandable. In my district, there have been increases ranging up to 35 cents a gallon for gasoline since Saddam Hussein and his tanks rolled into Kuwait. This, however, is not the only message I hear from my constituents. They are looking ahead. They are concerned about what the price of home heating oil will be when winter settles in over the Northeast.

My constituents have a long memory. So do I. Last year, when the Northeast suffered through a bitter winter, the price of home heating oil on Long Island shot up 50 to 100 percent during the cold snap. At that time, I joined with some of my colleagues from the region and wrote to Admiral Watkins, the Secretary of Energy, to ask the DOE to predict the likely demand for home heating oil in the future, and to protect against the conditions that would bring on a similar price increase in the future. Well, the future is now. I respectfully request that the Department keep this in mind as the winter months quickly approach.

Home heating oil is not a luxury, it is a necessity. I will not stand by and allow the consumer to be taken advantage of. Last year, I wrote to Attorney General Thornburgh, and asked him to commence a thorough investigation into potential price gouging. I hope that this will not be necessary again this winter. However, I think that it is important that we all look at this problem now—before the temperature drops below freezing.

CIVIL ACHIEVEMENT AWARD PROGRAM

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. CLAY. Mr. Speaker, I rise today in recognition of the Civic Achievement Award Program in honor of the Office of the Speaker of the House of Representatives [CAAP], which is conducted by the Close Up Foundation in cooperation with the National Association of Elementary School Principals.

With true bipartisan support, Congress enacted the program in 1987 to provide funds for the establishment of a pilot program to promote civic awareness among fifth through eighth graders.

CAAP consist of three distinct elements: a learning project, which provides a powerful incentive for students to increase their civic knowledge of the history, government, geography, and economics of this country; a research project, which requires students to develop their library, research, and critical thinkings skills; and through the civic project, students put into action their new found skills and knowledge for the benefit of their communities.

Last year, as one of my first actions as chairman of the Subcommittee on Libraries and Memorials, I was pleased to introduce legislation to reauthorize the Civic Achievement Award Program.

At that time, we strongly urged the Close-Up Foundation to seek additional private resources for the operation of this program Acting on that recommendation, the Close-Up Foundation sought and obtained a financial commitment from the Burger King Corporation to continue and expand the operation of the program.

As a result of that commitment, the Civic Achievement Award Program was able to serve 420,000 students this year, 360,000 more than would have been reached had the program been wholly reliant on Federal funding. Further, as a result of the funding being provided by Burger King, the program will be able to serve 1.6 million students in the coming school year, far more than would have been otherwise possible were the program to remain reliant upon Federal funds.

I couldn't be more pleased with this development and I want to commend the Close-Up Foundation and the National Association of Elementary School Principals for developing and promoting a very worthwhile program. I also wish to commend Burger King for their role in sustaining the program. Burger King recognized a quality program and should serve as the role model for other private sector entities. Finally, I believe the Congress and the Library are deserving of credit for providing the resources necessary for the program's initial development.

Mr. Speaker, I urge my colleagues to join me in commending Close-Up for the creation of yet another inspiring and successful program.

ACID RAIN, ENERGY CONSERVATION, AND RENEWABLE ENERGY

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. MOORHEAD. Mr. Speaker, I would like to address my comments to the acid disposition portion of the Clean Air Act Amendments of 1990, specifically to that subsection which is titled "Energy Conservation and Renewable Energy."

This section was cosponsored by Mr. MARKEY and I and then incorporated into a comprehensive amendment offered by Mr. SHARP in April. The Energy and Commerce

Committee adopted these provisions by a 42-to-1 vote in May and they are included in the legislation adopted by our conferees.

I think we can all be proud that many months before the most recent disruption in foreign energy supplies, the Congress had recognized the need for greater energy conservation. Subsection (j) facilitates conservation by providing a mechanism for utilities to earn allowances through conservation of electricity as well as by fuel switching, scrubbing, and other methods.

By improving their own efficiency in delivering electricity to customers or by encouraging their customers to use energy more wisely, utilities can reduce their emissions of acid rain precursors, improved efficiency, of course, also mitigates emissions that contribute to global warming and reduces the Nation's dependence on foreign energy.

I want to focus for a moment on the large opportunities for utilities to save energy within their own power delivery systems. About 8 percent of the electricity produced in the United States is lost in the transmission and distribution steps. That is 1 month supply of electric power that is produced but never delivered.

Saving this energy requires technological infrastructure investments in programs such as reconductoring, reactive power control, primary voltage upgrades, more efficient distribution transformers and feeder circuit reconfiguration in which our American utility industry is skilled.

Legislatively, subsection (j) provides an incentive to invest in these technologies by allowing utilities to earn allowances by avoiding emissions through such cost-effective conservation.

I am happy to report that in my home State, the California Public Utility Commission has also recognized the need to encourage power delivery conservation by utilities. In a recent ruling on conservation, it noted a strong concern with underinvestment in these technologies. The commission is now exploring with the power companies within its jurisdiction how best to achieve such power delivery opportunities within the least-cost-planning process.

TRIBUTE TO SATENIG OURIAN

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. WEISS. Mr. Speaker, I rise today to salute Mrs. Satenig Ourian, a remarkable New Yorker who recently celebrated her 100th birthday.

Mrs. Ourian's long life represents a model of commitment to bettering the lives of her fellow Armenians. Her dedication to countless causes, from relief work after the terrible Armenian genocide to the care of orphaned children, typifies her true humanitarian spirit.

Born and raised in Constantinople, Mrs. Ourian spent much of her early life helping young Armenian girls obtain an education through her work with the International Institute of the YMCA.

She brought that strong sense of commitment and dedication with her to the United States. In Detroit, Mrs. Ourian hastened the building of the St. John Armenian Church. She began her service in New York over 30 years ago by helping Archbishop Kareekin Hovesepian organize the Armenian Diocesan Auxiliary and continues that service today as the oldest member of the Holy Cross Church Ladies Guild. She also served as president of the Women's Central Committee of the Armenian General Benevolence Union, later becoming an honorary President of the AGBU itself.

For her endless generosity, Mrs. Ourian has been recognized by many important figures in the Armenian Church, including the late Archbishop Diran Nersoyan and Archbishop Torkom Manogian, the new patriarch of the Jerusalem Cathedral and former archbishop of the Armenian Diocese of America.

In her 100 years, Mrs. Ourian has lived through much tragedy. Two world wars, a cold war, and the Armenian genocide are imprinted indelibly in her memories. However, she also has witnessed the blossoming of peace and unthinkable technological innovation.

By her actions, Mrs. Ourian continues to inspire and serve as a model of how life may be lived in the pursuit of a better world for us all. I ask my colleagues to join me in saluting her varied accomplishments and honoring her devotion to improving our world.

A TRIBUTE TO WEST VIRGINIA STATE COLLEGE

HON. ROBERT E. WISE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. WISE. Mr. Speaker, I rise today to honor West Virginia State College, which on October 13, 1990, began the celebration of its centennial year. The college has been an integral part of the high education system of both the State and the Nation.

West Virginia State College was established March 17, 1891, by the West Virginia legislature following passage of the Second Morrill Act in 1890 by the U.S. Congress. The act required States that established land grant colleges under the First Morrill Act to make provisions for the education of black citizens in agriculture and mechanical arts. The State legislature provided $10,000 for the purchase of land and for the construction of a building, and the Federal Government allotted $3,000 for faculty salaries.

Originally called the West Virginia Colored Institute, the name was changed in 1915 to West Virginia Collegiate Institute, and in 1929 to West Virginia State college.

The college originally opened its doors to 20 students. Today, the school has an enrollment of close to 5,000 students. The college has graduated students from Liberia, India, Iraq, Iran, Japan, The Philippines, Turkey, Greece, Jordan, Egypt, Bermuda, Ecuador, Taiwan, Ghana, Kenya, Canada, Hungary, Nigeria, China, Turk Islands, Thailand, Lebanon, Syria, Haiti, Jamaica, South Africa, Gambia, Ethiopia, Israel, France, Sri Lanka, England, Puerto Rico, Spain, and Chad.

Looking forward to the future, the college has adopted "Entering Our Second Century of Excellence," as a centennial motto.

A SALUTE TO THOMAS J. CLIFFORD

HON. BYRON DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. DORGAN of North Dakota. Mr. Speaker, several years ago, as a student in the college of business at the University of North Dakota, I was fortunate to have a dean who was not only an intellectual inspiration to his students, but a mentor, counselor and friend. Today that dean, Dr. Thomas J. Clifford, is the university's president and this weekend at homecoming, he is being honored for two decades of dedicated service as president of the university.

The university has flourished under Tom Clifford's leadership. Enrollment has increased, the campus has grown, and in the face of severe budget constraints, the university continues to provide quality education to its students.

The University of North Dakota dates from 1883—6 years before Dakota territory was divided into North and South Dakota. Depressions, drought, wars and financial crises have more than once threatened its future, but the university has been able to withstand these challenges to become an internationally known center of teaching, research, and service. Its school of medicine has produced more native American physicians and health care professionals than any other American medical school; its programs in aerospace and energy and environmental research are internationally respected. I could cite many other examples.

Tom Clifford has been employed at UND since he went to work back in the 1940's for then President John West, the only other UND graduate to serve as president of the university. Tom Clifford walked into President West's office one day to tell him he was leaving UND to work as a corporation lawyer. President West talked to that young Tom Clifford for a long time and told him that if he won a tax case there would only be a moment of personal exultation. But if you help a student, President West told Tom Clifford, that's something that grows and grows and is beyond yourself. President West was talking about that important quality that has guided Tom Clifford's life: service to others.

This week, I join my fellow 70,000 alumni of the University of North Dakota and more than 600,000 fellow North Dakotans and thousands of people beyond our State's borders who admire Tom Clifford and who salute him for his many, many years of service to North Dakota.

THE AMERICAN FLAG RUN

HON. JOHN G. ROWLAND

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. ROWLAND of Connecticut. Mr. Speaker, I would like to express my support for the American Flag Run and all those involved in making it a lasting tribute to America's veterans. I have long worked on issues important to veterans, and I am proud to have served in the House Committee on Veteran's Affairs since the beginning of my tenure in Congress. For these reasons, I feel privileged to speak in praise of this important memorial run in honor of America's veterans.

First, I would like to thank the race directors for all of their work in making this event possible. I also would like to thank in advance all of those volunteer runners who will traverse the 1,000 mile distance of the run between the Tomb of the Unknown Soldier and the Fort Mitchell, AL, National Cemetery.

The flag first will be flown over the U.S. Capitol and then be carried between the Arlington and Fort Mitchell National Cemeteries in daily runs of 65 miles, starting on October 27. It will pass through State capitals along the route and then will arrive in Alabama on Veteran's Day for a celebration there. My admiration for the volunteer runners and for Fort Benning's U.S. Rangers, who will run the final leg of the trip, matches my belief in the significance of the tribute.

At a time when the security of America and the world is threatened by a ruthless Middle Eastern dictator, we, the people of this great Nation, should feel more than ever the debt we owe to the veterans of America's Armed Forces of the past and present. They have protected this Nation and worked for security and peace throughout the world. We should remember the sacrifices of those who have given their lives in the past and of those who are now enduring great hardship in the Middle East, courageously upholding the best American values.

We must look to this flag, to be flown over our Capitol and carried 1,000 miles from the Arlington to Fort Mitchell, for the true meaning of our national heritage. Under our glorious flag, we are a nation which should stand firmly behind our veterans and the members of our Armed Forces. We must give them our support and praise for their difficult and often life-threatening work—for it is through them that we, as a nation, are able to survive free.

MULTINATIONAL EFFORT IN MIDDLE EAST NEEDED

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. TOWNS. Mr. Speaker, I believe our country has a constructive and necessary role to play in assisting the maintenance of world peace, and I believe a multinational effort to block Iraq from gaining control of Saudi Arabia and ultimately 40 percent of the world's oil supply is proper.

However, I also believe that the American military and financial role in this circumstance should be tempered by the following considerations:

First, world peace-keeping should be a truly multinational effort. Both the costs and the burden of providing military personnel and equipment should be borne by the world community. All too often, our allies have cheered from the sideline while American taxpayers wrote out the checks and American young people jeopardized their lives in far corners of the world. While I credit President Bush for his attempts to secure meaningful financial and military support from other nations, the current effort in the Middle East remains far too much an American enterprise. There should be immediate plans for a transition to a United Nations or regional peace-keeping force.

Second, the main thrust of effort in the Middle East should be on a tight multinational economic quarantine of Iraq, rather than on military confrontation. The last thing our Nation needs at this point in time is a long, drawn-out war in an Asian desert. This quarantine should include an arms embargo to most Third-World nations.

Third, our country should have been aggressively pursuing a comprehensive strategy for energy independence over this past decade. A combination of conservation efforts and emphasis on development of renewable energy resources, such as solar power and ethanol fuels is critically needed both for the sake of our strategic defense and for our environment. David Stockman's analysis in the early 1980's that all we need is a free market and plenty of military might rather than a national energy policy was wrong then, and we are currently paying the price for that short-sighted, anti-government view.

Mr. Speaker, our Nation faces a critical budget deficit problem, and has fallen behind in making essential investments in education, health care, child care, and infrastructure improvements. A $15 billion-per-year expenditure in the deserts of Saudi Arabia and the almost exclusively American loss of life in that region should not, and must not, constitute our Nation's long-term strategy for that war-torn region of the world.

THREAT OF THE LOSS OF KODIAK NATIONAL WILDLIFE REFUGE

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, October 22, 1990

Mr. WILSON. Mr. Speaker, I would like to draw attention to an environmental issue that has not received many headlines, but which goes to the core of what public policy can mean to preserving American wilderness.

I am speaking of the threat of the loss of a remarkable national treasure, the Kodiak National Wildlife Refuge in Alaska. During the 1930's, environmental groups and sportsmen first became aware of the uniqueness of the Kodiak bear population, and how the world's largest bears faced decline due to the loss of habitat from commercial development.

Environmentalists and sportsmen joined forces in an effort to persuade President Franklin D. Roosevelt to create a refuge for this marvel of nature by protecting the land where giants roamed. In 1941, president Roosevelt, an ardent sportsman, signed Executive Order 8857, creating the nearly 2 million acre Kodiak National Wildlife Refuge "* * * for the purpose of protecting the natural feeding and breeding range of the Kodiak bear * * *"

During the 1950's it became evident that the development restrictions within FDR's Executive order were not drawn tightly enough. Continued ranching along the lush, but narrow shorelines led to increased bear/cattle conflicts which led to the destruction of bears by ranchers. In 1958, President Eisenhower's Department of Interior adopted Public Land Order 1636 abolishing all cattle grazing and other incompatible uses within the refuge.

In 1971, Congress passed the Alaska Native Claims Settlement Act [ANCSA] to settle aboriginal claims of Alaskas' Native population to their traditional lands. ANCSA created native corporations as private businesses to select and manage lands adjacent to their villages. Because a number of villages were located within the boundaries of the Kodiak National Wildlife Refuge, the corporations had no choice but to select lands which were part of the bear refuge.

Under ANCSA, Congress mandated these villages to become economically self-sufficient through use and development of their lands.

As a result of this policy inconsistency in dealing with private inholdings within the Kodiak refuge, the Kodiak bear population once again faces the prospect of rapid decline.

The Kodiak Native Corp. leaders and shareholders see the commercial development of their refuge inholdings as a last resort, but also as an inevitable outcome if actions are not taken to have the United States reacquire ownership of these lands.

The Department of Interior has evidenced their desire to obtain title to thse inholdings by proposing to the Kodiak Native Corp. and exchange of other Federal lands of equal value for these vital Kodiak inholdings. Although that proposal was not workable due to the nature of other Federal lands involved, the concept of Federal reacquisition of these crucial Kodiak inholdings through a land exchange remains wholly viable and alive.

I am hopeful that the congressional sportsmans caucus can play a role in discovering alternative means of reacquiring the world's best brown bear habitat, and placing these lands under the control of the U.S Fish and Wildlife Service in exchange for fair value granted to the Kodiak Native Corp.

It will be all the more significant for Congress to accomplish this result next year, on the 50th anniversary of President Franklin Roosevelt's Executive order creating the Kodiak bear refuge.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of

all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, October 23, 1990, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

OCTOBER 24

2:00 p.m.
Foreign Relations
To hold hearings on the nomination of Robert E. Lamb, of Georgia, to be Ambassador to the Republic of Cyprus.
SD-419

OCTOBER 25

9:30 a.m.
Governmental Affairs
To hold hearings to examine price and supply of heating fuels and gasoline.
SD-342

FEBRUARY 26

9:30 a.m.
Veterans Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of the Disabled American Veterans.
345 Cannon Building

FEBRUARY 28

9:30 a.m.
Veterans Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the Paralyzed Veterans of America, Blinded Veterans Association, Vietnam Veterans of America, Military Order of the Purple Heart, and Non-Commissioned Officers Association.
345 Cannon Building

MARCH 5

9:30 a.m.
Veterans Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of the Veterans of Foreign Wars.
345 Cannon Building

APRIL 17

9:00 a.m.
Veterans Affairs
To hold joint hearings with the House Committee on Veterans' Affairs to review legislative recommendations of AMVETS, Ex-Prisoners of War, Jewish War Veterans, and World War I Veterans.
345 Cannon Building